



TATA MOTORS

Consolidated Business Results for FY09

Analyst Meet

26th June, 2009

**Consolidated
Financials**

**Subsidiary
Highlights**

**Update on
Joint Ventures**

- **Consolidated P&L Highlights**
- **Consolidated Balance Sheet**

Analyst Meet

26th June, 2009



Consolidated P&L : Highlights

Generated Consolidated Cash profit at Rs.1065 Crs despite impact of severe economic slowdown

Rs Crs	FY08	FY09	% change
Gross Revenue	40341	74151	83.8%
Net Revenue	35660	70939	98.9%
EBITDA	4249	2197	-48.3%
EBITDA Margin	11.9%	3.1%	(880) bps
Other Income	267	799	199.3%
Net Interest	743	1931	159.9%
Cash Profit	3773	1065	(71.6) %
Dep. & Amortisation	782	2507	220.6%
Prod. Dev. Exp.	66	348	427.3%
Notional Forex gain / (loss)	161	(339)	(310.5)%
PBT	3086	(2129)	(168.9)%
Net Profit *	2168	(2505)	(198.2)%

* Net profit is after share of minority interest and profit/(loss) in respect of investment in associate companies

The financial results for the year ended March 31, 2009 include the results of the operation of Jaguar Land Rover businesses for the period June 02, 2008 to March 31, 2009, Serviplem S.A. from April 2, 2008 to December 31, 2008, Comoplesa Lebrero S.A. from April 9, 2008 to December 31, 2008 and Miljobil Grenland AS for the period October 06, 2008 to March 31, 2009. The financial results for the year ended March 31, 2009 are not comparable to this extent with the previous year.



Consolidated vs. Standalone: FY09 P&L Highlights

Rs Crs	Consolidated	Standalone
Gross Revenue	74151	28599
Net Revenue	70939	25661
EBITDA	2197	1752
Cash Profit	1065	2004
PBT	(2129)	1014
Net Profit	(2505)*	1001

* Net profit is after share of minority interest and profit/(loss) in respect of investment in associate companies



Consolidated Balance Sheet : Debt as on March 31st

(Rs. Crs)

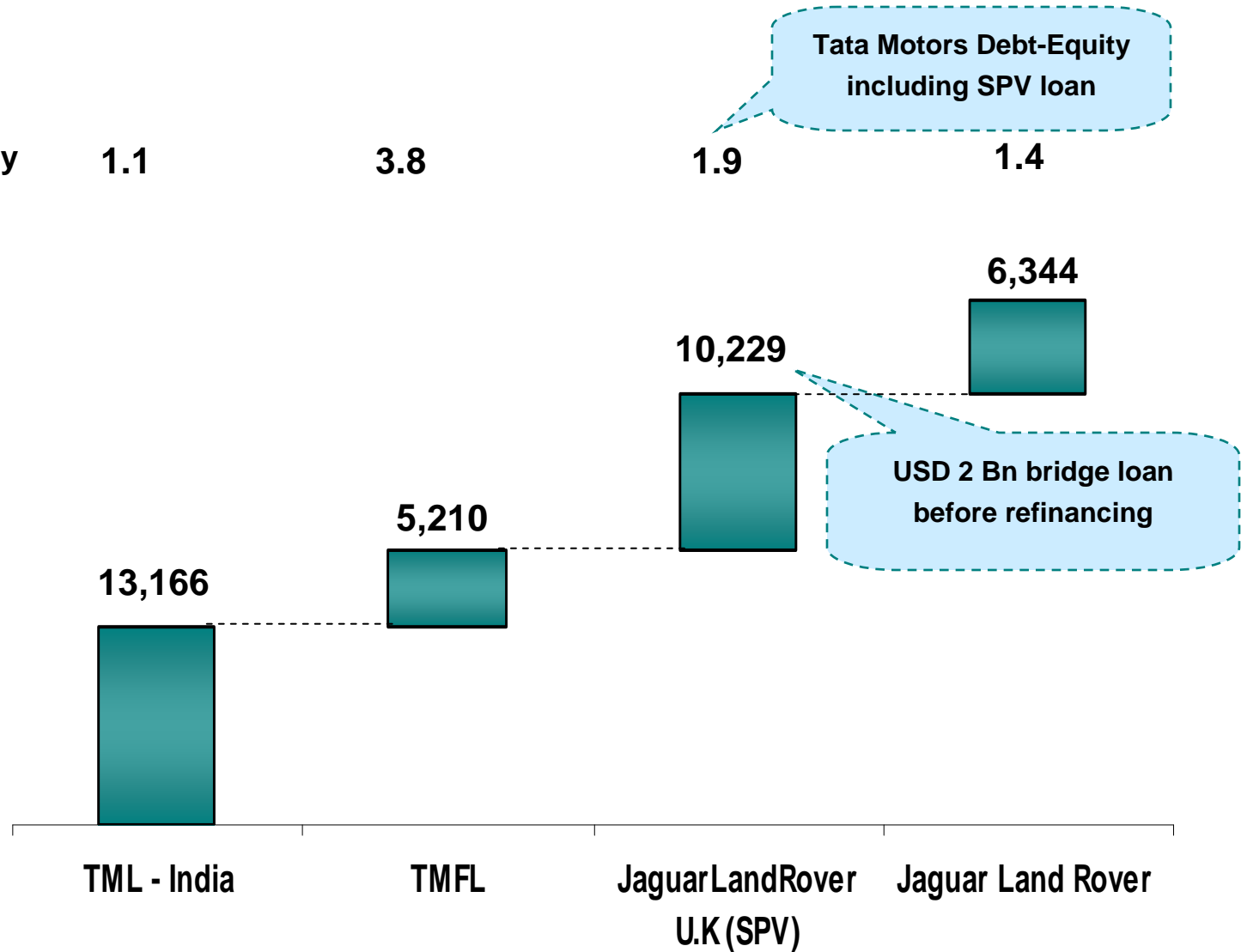
Gross Debt – Equity

1.1

3.8

1.9

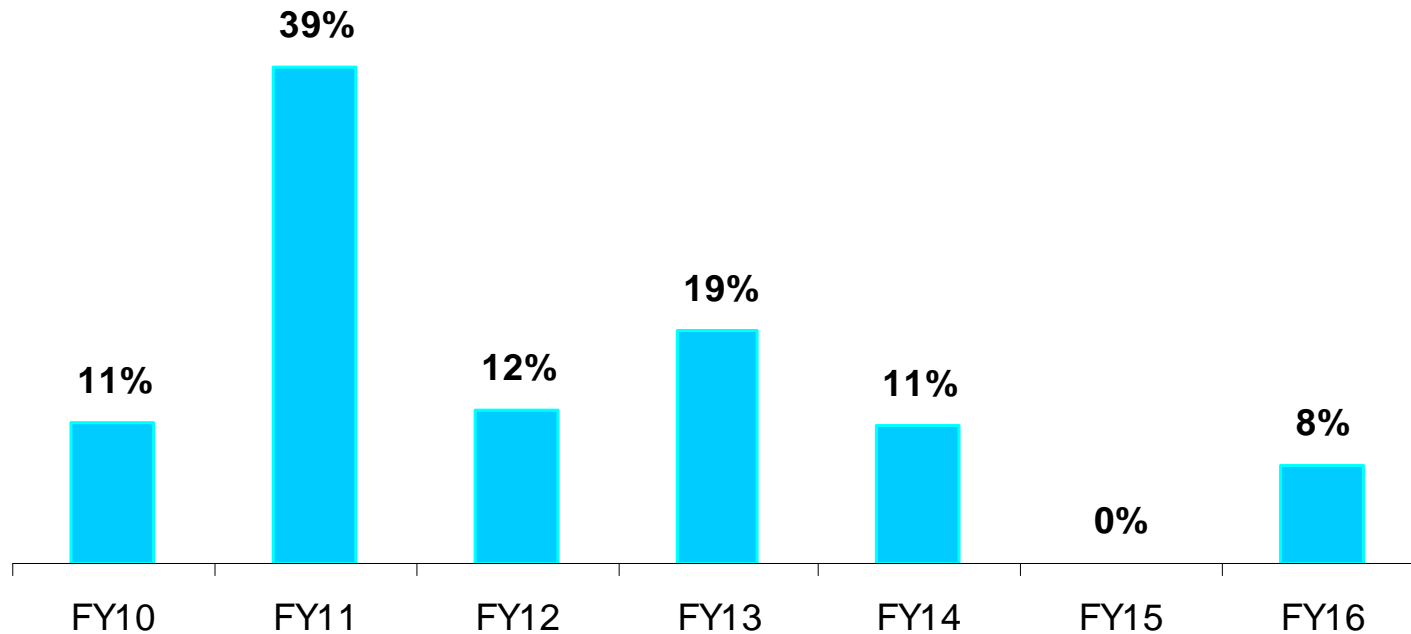
1.4



Post Refinancing Long Term Debt Repayment Profile

As of May 31 st	Rs. Crs
Tata Motors Standalone*	11593
Jaguar Land Rover UK	4709
Total Long term	16302

(Proforma)



* includes repayment of outstanding FCCBs and CARs

(% of long term debt repayment)

**Consolidated
Financials**

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**Update on
Joint Ventures**

- Jaguar Land Rover
- Telcon
- Tata Motor Finance
- Tata Daewoo
- Tata Technologies
- HVAL / HVTL

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Jaguar LandRover

Executive summary



- ▶ Market conditions continue to have an adverse impact on volumes. Wholesale volume over the past ten months is down 32% versus the comparable period for the prior year
- ▶ In response Jaguar Land Rover have focused on aligning production with demand, reducing costs and working capital requirements where possible
- ▶ For the ten month period ending March 31 2009 Jaguar and Land Rover reported a loss before tax of £(281)mn
- ▶ Despite the economic climate Jaguar Land Rover has successfully launched product upgrades over the past ten months including:
 - New XF and XKR including new powertrains in January 2009
 - All new XFR from January 2009
 - A new Freelander with stop-start technology in Sept 2008
 - Upgrades to the Range Rover, Range Rover Sport and Discovery in April 2009
- ▶ Jaguar Land Rover remain committed to reductions in CO2 and continue to invest in development of future products
 - Plan to launch an all new XJ in July 2009
 - LRX Concept – new small Range Rover

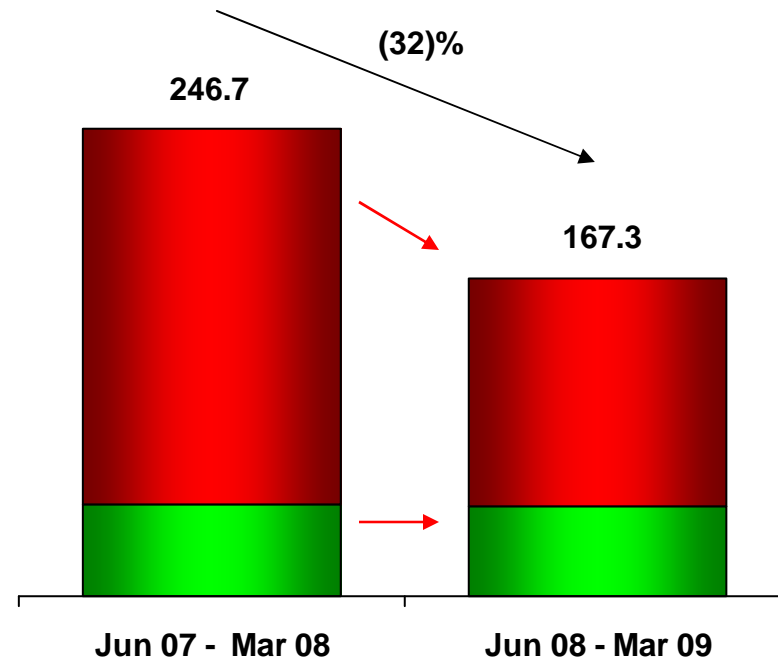
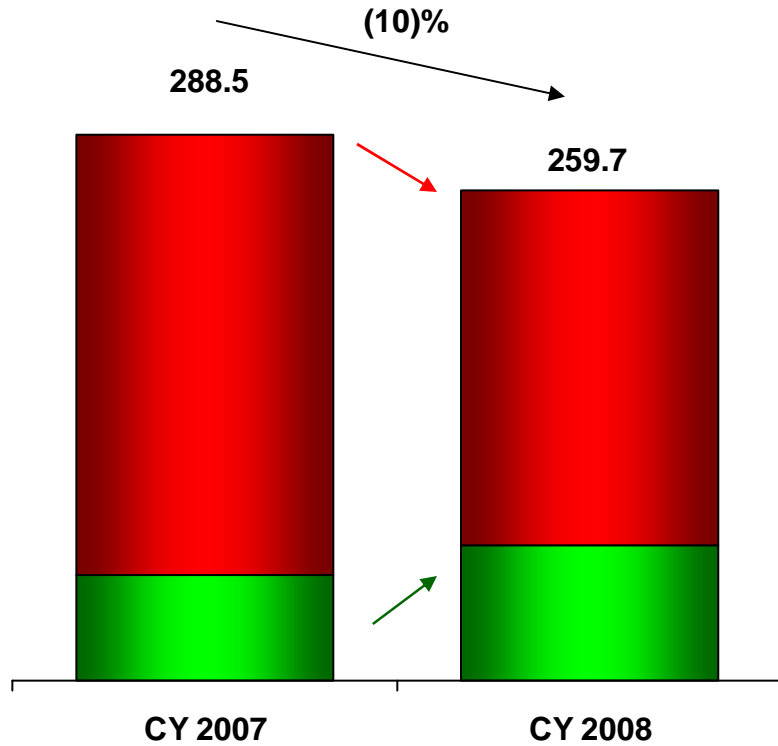
Jaguar Land Rover volume history

Wholesale volumes – Total world



Units '000s

Note:
 Jaguar (4)%
 Land Rover (39)%



	Jaguar	Land Rover
Jaguar	55.9	72.2
Land Rover	232.6	187.5

	Jaguar	Land Rover
Jun 07 - Mar 08	48.8	197.9
Jun 08 - Mar 09	47.0	120.3

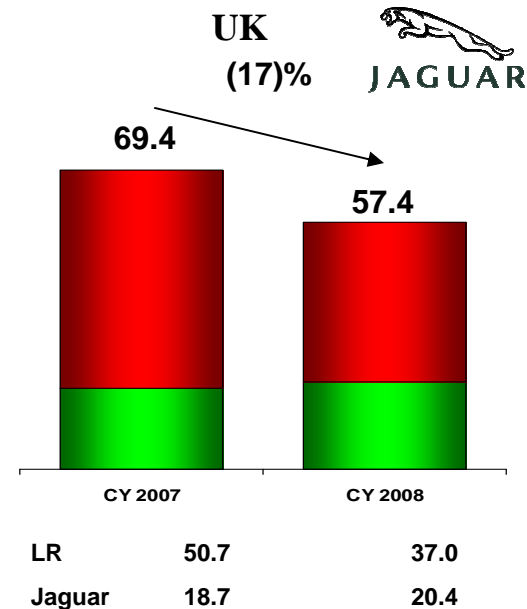
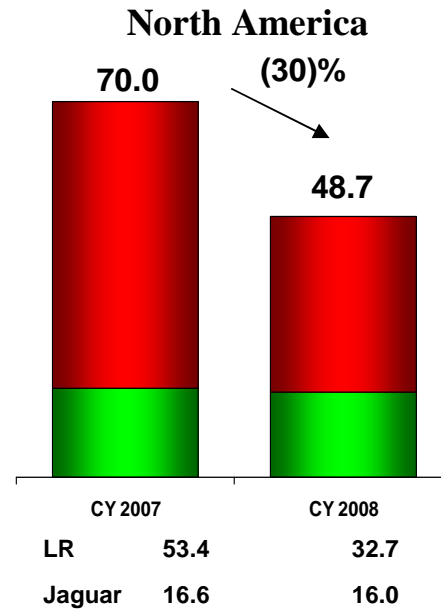
Retail volumes

CY 2007

vs.

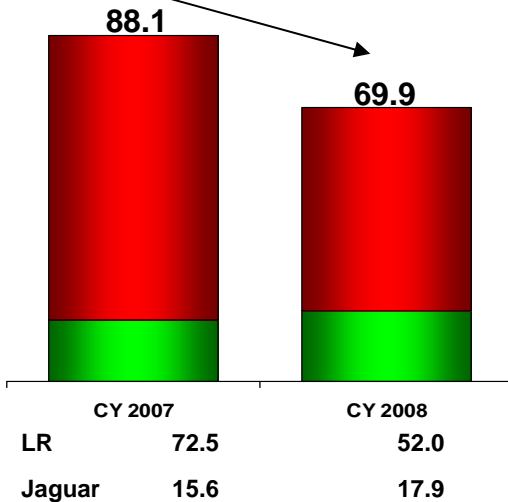
CY 2008

Units '000s



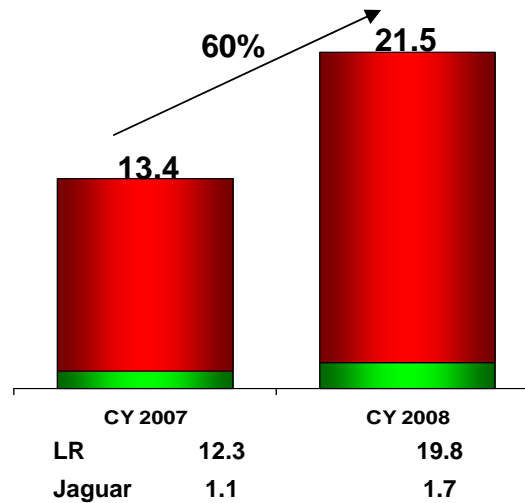
Europe (excl Russia)

(21%)



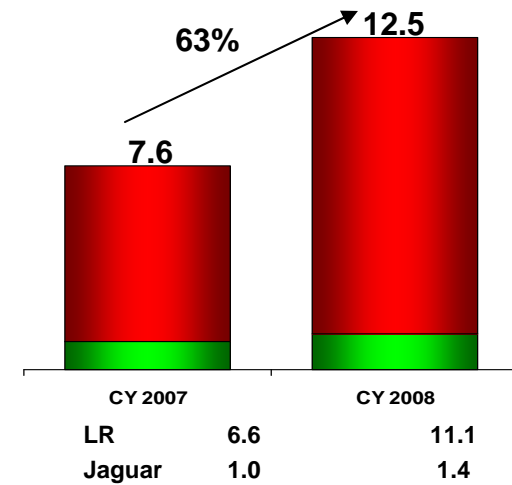
Russia

60%



China

63%



Retail volumes

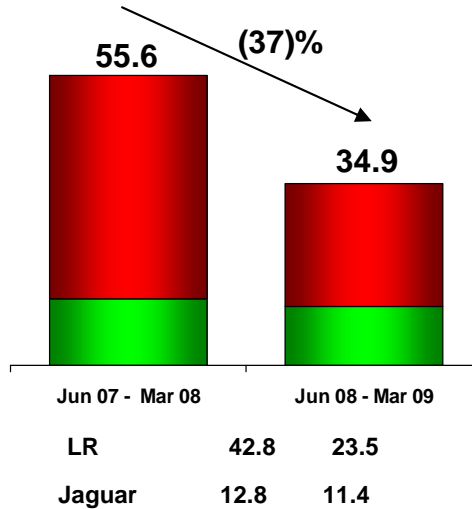
Jun'07 – Mar'08 2007

vs.

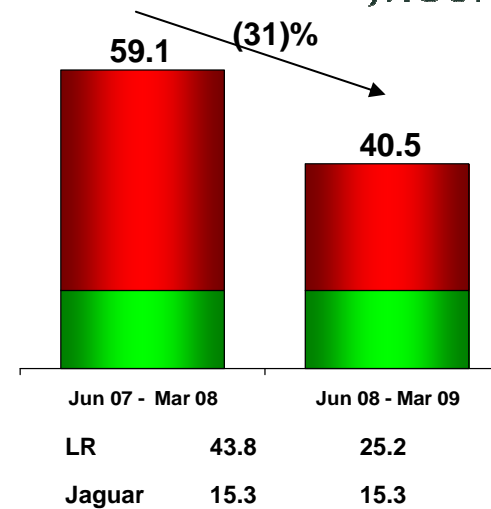
Jun'08 – Mar'08 2009

Units '000s

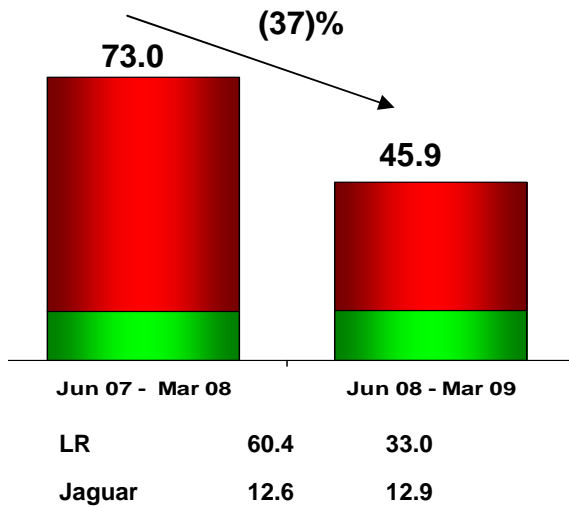
North America



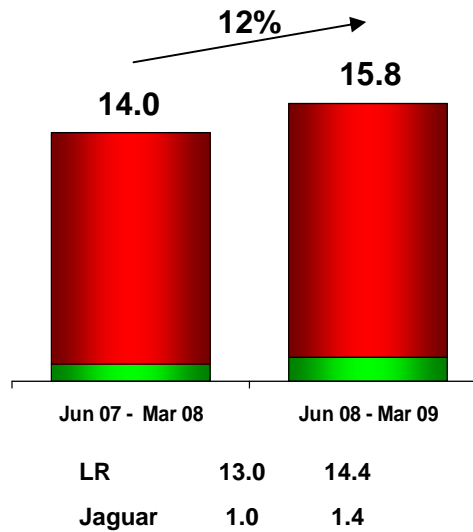
UK



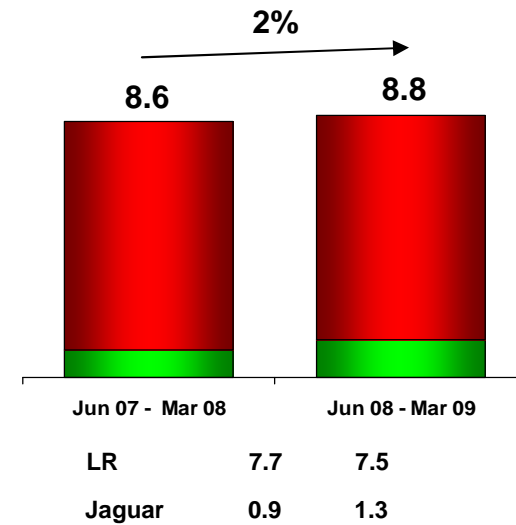
Europe (excl Russia)



Russia



China



Awards

- ▶ Jaguar No 1 automotive brand – *BusinessWeek* ‘Customer Service Champs’
- ▶ Jaguar No 1 in leading U.S. J D Power Vehicle Dependability and Sales Satisfaction surveys
- ▶ 45 major consumer and product awards since June 2008
- ▶ *Auto Express* ‘Car of The Year’ 2008 - Jaguar XF
- ▶ *WhatDiesel* ‘Car of the Year’ – Jaguar XF
- ▶ *What Car?* 2008 ‘Best Luxury’ and ‘Best Sports Coupe’ awards - XKR and XJ
- ▶ XF ‘Best Executive Car’ – *Fleet World* Honours 2009
- ▶ XJ Britain’s greenest luxury car for third consecutive year – Environmental Transport Association 2009
- ▶ ‘Best Premium SUV’ – *Auto Express* New Car Honours 2008
- ▶ *WhatDiesel* Best 4x4 2009 Freelander
- ▶ Germany’s *Offroad* magazine environmental award for Freelander TD4_e
- ▶ Defender ‘Best Classic Off-roader’ – *Offroad* magazine



Business transformed since 2003



▶ **Brand and product** – major improvement:

- Jaguar “Beautiful Fast Cars” strategy - XK, XF (and new XJ 2009)
- Land Rover portfolio – all new Discovery, Range Rover Sport, Freelander, plus product upgrades
- Improved powertrains
- Environmental innovation – commitment to 25% reduction in CO₂ emissions between 2008 and 2012
- Quality/customer satisfaction – improvements/new processes embedded

▶ **Manufacturing utilization** – significant realignment – 40% improvement in vehicles/employee

▶ **Global distribution** – re-distribution of revenues to a more balanced global presence:

- New markets grown – Russia, China, Brazil - now around 20% of volume
- Mature markets refocused – closed facilities/national sales companies/restructured dealers

▶ **Overall business structure and cost efficiency**

- Permanent workforce rationalisation – reduced by 32%
- Significant engineering efficiencies – product development centres aligned around single virtual Product Development.
- Selling General & Admin – JLR back-offices integrated across all functions
- Material cost reduced, supply base actions (incl. Emerging market’s sourcing at 23%, target 35%)
- Warranty and logistics cost reduction/cash improvement programs

Severe Meltdown in H2 2008 ; Stabilising in 2009

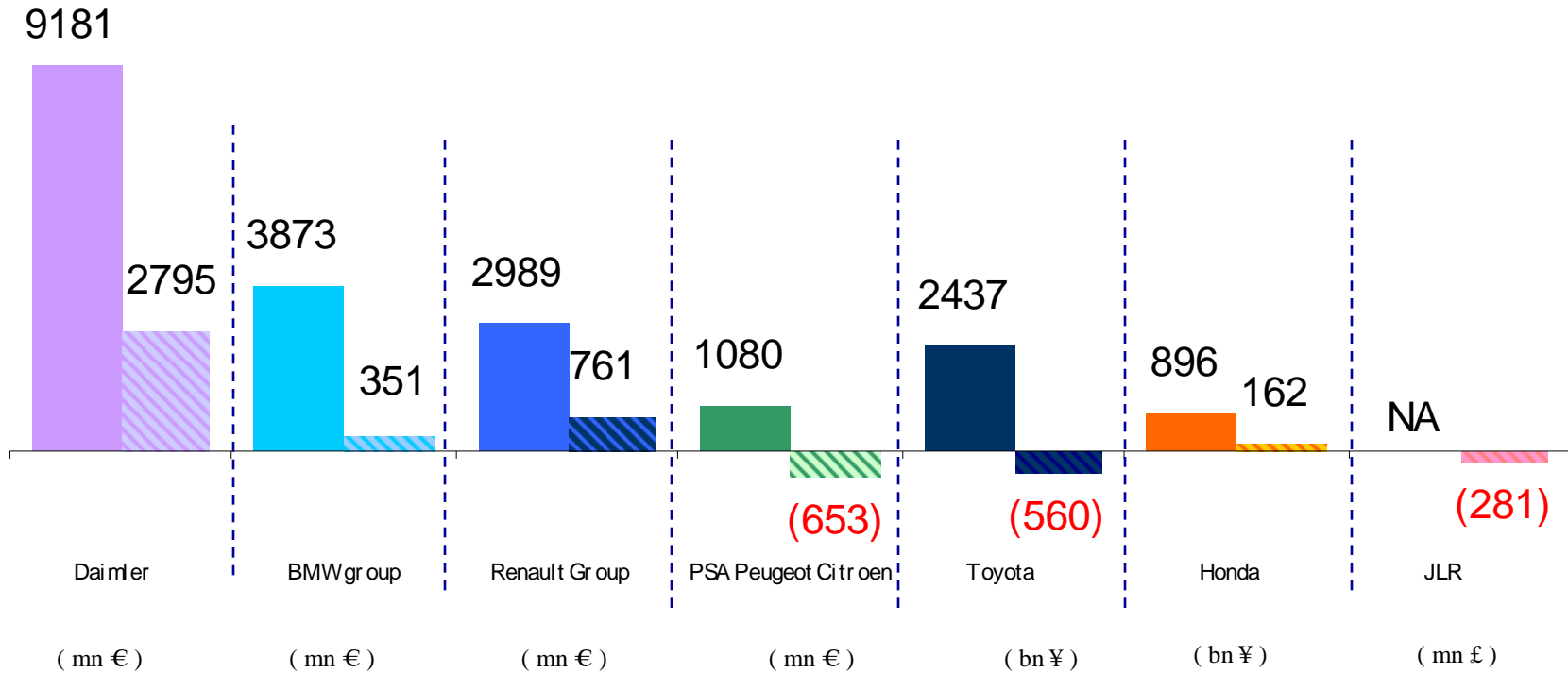


	1 st Half 2008	2 nd Half 2008	1 st Half 2009
• Industry volumes – down 25% -35%			
• Competitive incentives – up 50%			
• Residual values – down 15-25 pts			
• Raw material			
• Currency (£, \$) – 25%			
• Currency (Euro, Rouble, Yen) – 20%			
• Consumer credit availability			

Global OEMs witness significant profit reduction



Profit Before Tax



2007/FY08 2008/FY09



Income statement for the period Jun'08 – Mar'09



	Jaguar and Land Rover	
	(£ mils)	
INCOME		
Sale of products and other income from operations	£	4,949
Dividend and other income		24
Total income	£	4,974
EXPENDITURE		
Purchase of products for sale and raw materials and components	£	3,164
Payments and provision for employees		569
Manufacturing costs and other expenses		1,282
Total expenditure	£	5,015
LOSS BEFORE DEPRECIATION, INTEREST, AMORTISATION, AND TAX	£	(41)
Product development costs		39
Depreciation of fixed assets		159
Amortisation of IP and product development		11
Interest and discounting charges		31
LOSS BEFORE TAX	£	(281)
Income tax charge		25
LOSS FOR THE FINANCIAL PERIOD	£	(306)

Note: Jaguar and Land Rover operating companies excluding UK holding company (JaguarLandRover Ltd.)

Balance Sheet Highlights

- ▶ Final purchase consideration of JLR was £1,279m (\$2,524m) including net cash on balance sheet
- ▶ As part of the acquisition:
 - £487m of intellectual property rights were contributed / bought into the operating company
 - Halewood facility/assets brought into Jaguar Land Rover for £241m
- ▶ Goodwill arising on acquisition was £402m under IGAAP, without intangible assets like brand value etc. Under IFRS, with fair market value of such assets, as independently valued, goodwill is insignificant.
- ▶ As on Mar 31st 2009
 - Fixed assets : £ 2137 mn
 - Net working capital : £ (1057) mn
 - Total Loans : £ 545 mn
 - Net worth : £584 mn
 - Net cash used in operations : £242 mn

Successful transition from Ford



- ▶ National sales companies
 - JLR is currently in the process of establishing operations in markets where they have previously operated as part of Ford legal entities
 - This transition is progressing to plan with 15 markets successfully being transitioned since acquisition. All markets except Singapore have now transitioned. Major markets transitioned include USA, Canada, South Africa, France, Brazil, China and Russia.
 - All markets are due to be transitioned by November 30th, 2009

- ▶ Ford credit
 - Ford Credit provided dealer / customer financing support for the first 12 months following acquisition
 - Jaguar Land Rover has now transitioned to financing arrangements with FGA Capital (JV between Fiat Auto and Credit Agricole) in the UK and Europe and Chase Auto Finance in the US and local providers in certain other key markets

- ▶ IT and related infrastructure
 - JLR continues to work with Ford to separate its IT infrastructure and support systems

Funding arrangements

- ▶ In the period to March 2009, cash flow from financing activities was £821 million, which comprised £686 million of financing provided to Jaguar Land Rover by the parent company, Additional borrowings of £135 million were also taken from other sources.
- ▶ Since March 2009 Jaguar Land Rover have secured, or have credit approval, for further financing facilities, which together with those already in place, enable the present forecast requirements to be met.
- ▶ The European Investment Bank have also approved £340 million of funding. Discussions with the UK Government are continuing with regard to the terms and availability of a UK Government guarantee

Pensions revaluation

- ▶ The initial results of the revaluation as at April 2009 are expected to be available in September 2009 post which a revised contribution pattern would be discussed with the pension Trustees.
- ▶ The legislation requires the valuation process, including agreement on a revised contribution pattern, to be completed by early July 2010
- ▶ As per audited financial statements as of March 31, 2009, the UK Jaguar and LandRover pension schemes have a projected benefit obligation of about £3 bn and Fair Value of Plan Assets of about £3.1bn.

JLR response/cash conservation



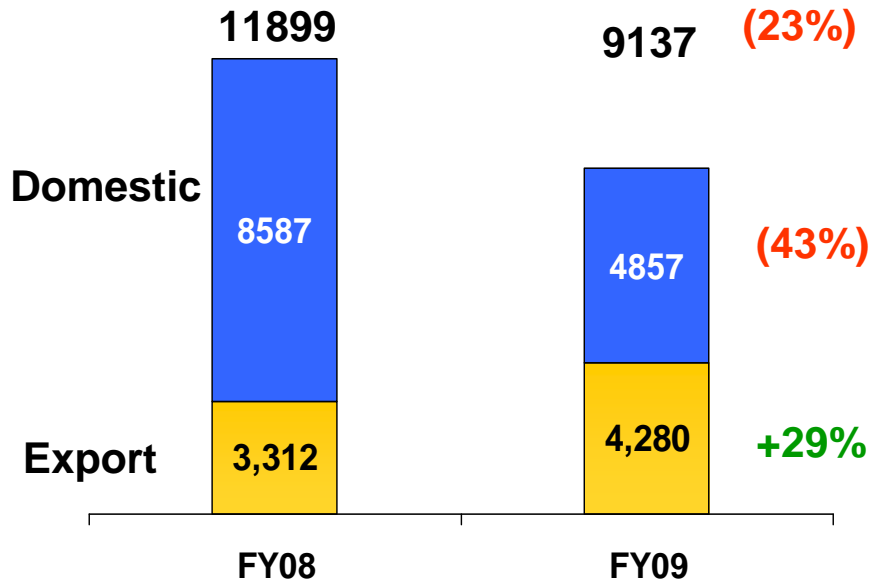
- ▶ Alignment of production with demand:
 - Single shifts and down time at all three UK assembly plants

- ▶ Actions to reduce working capital (June 2008 – March 2009):
 - Supplier payment terms extended from 45 to 60 days in line with industry standard.
 - Receivables reduced by £133 million from 38 to 27 days
 - Inventory reduced by £217m between June 2008 and March 2009 from 70 to 50 days

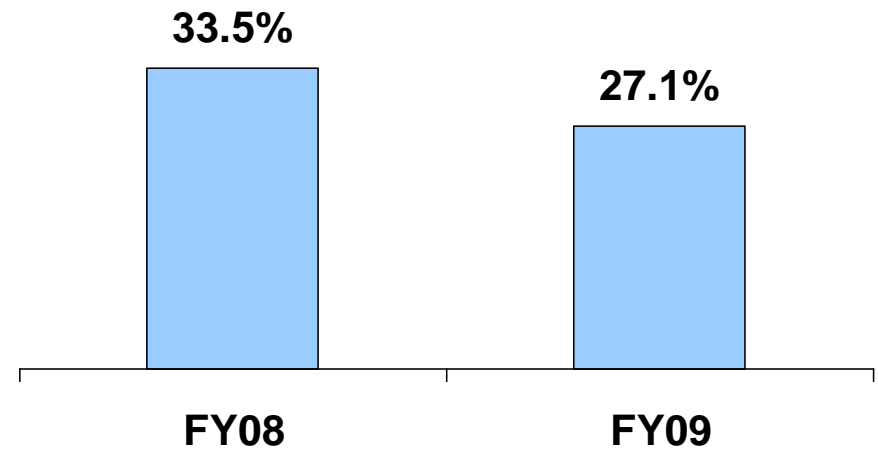
- ▶ Cost reduction implemented across all areas of the business:
 - Labour actions – targeting 2,000 agency and permanent reductions between May 2008 – December 2009.
 - Agreement with Unions to implement pay freeze and longer working hours, which together with the labour actions above is equivalent to approximately 20% reduction in labour costs.
 - Engineering and capital spending efficiencies
 - Fixed marketing and selling costs reduced in line with sales volume
 - Reduction in all other non-personnel related overhead costs

Tata Daewoo Commercial Vehicles witnessed 23% decline in volumes

Total Volume Sales



MHCV Market Share



- ▶ Market illiquidity and high interest rates impede domestic market performance
- ▶ Despite challenging environment exports grow by 29%
- ▶ Capacity Utilisation at TDCV declined to 46.7% in FY09 from 59.1% in FY08
- ▶ Market share impacted by vendor constraints

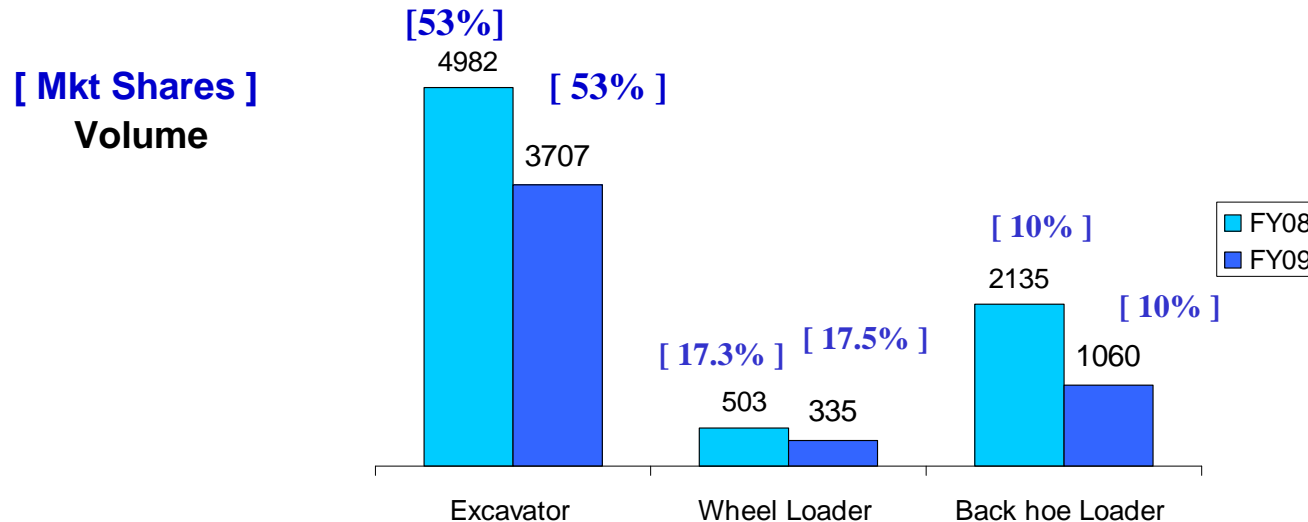
Tata Daewoo Commercial Vehicles : Financial Highlights and Outlook

(Crs)	FY08	FY09	%change
Net Revenues	3070	2541	(17%)
EBITDA	281	222	(21%)
<i>% of Revenues</i>	9.2%	8.7%	(50) bps
Net Profit	159	111	(30%)
<i>% of Revenues</i>	5.2%	4.4%	(80) bps

Outlook

- ▶ Company targets to improve performance through aggressive sales initiative both in domestic and exports markets and improved credit availability through arrangements with various financing institutions
- ▶ Stimulus packages as announced in Korea and Exports markets to improve the order books and consequently revenue of the company.
- ▶ Several product development initiatives to improve market share ; World Truck to be launched in FY10

Construction Equipment Business – Telcon



- ▶ 10 years of leadership in Indian Construction equipment market
- ▶ Volumes decline by 33%, impacted by Mini/ Midi segments due to credit squeeze in Q3, but Q4 showed some revival
- ▶ Key Milestones:
 - Won the coveted JRD-QV award
 - 3000th EX110 Hydraulic Excavator | 7000th TATA315V Backhoe Loader
- ▶ 3 Indigeneous Models launched
 - Tata-Hitachi ZAXIS 70 Hydraulic Excavator | Tata-Hitachi ZAXIS 370 Hydraulic Excavator | TM06 Transit Mixer (6 cum) (technology from Spanish acquisition)
- ▶ New Products launched
 - Hitachi Sumitomo SCX 2800 Crane | TWL 3034 Wheel Loader (10T with Hydrostatic Drive) | TATA 315E Backhoe Loader (76 HP)

Telcon : Financial Highlights and Outlook

(Crs)	FY08	FY09^	%change
Net Revenues*	2411	2146	(11) %
EBITDA*	496	135	(73)%
<i>% of Revenues</i>	20.6%	6.3%	(1430) bps
Net Profit	324	45	(86)%
<i>% of Revenues</i>	13.4%	2.1%	(1130) bps

*excluding Other Income

The financial results for the year ended March 31, 2009 include the results of the operation of Serviplem S.A. and Comoplesa Lebrero S.A. The financial results for the year ended March 31, 2009 are not comparable to this extent with the previous year.

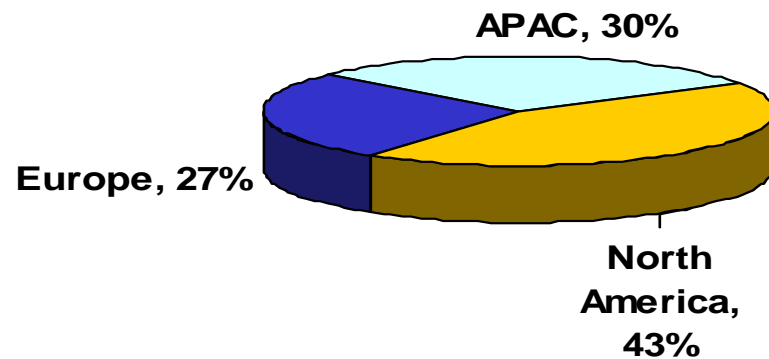
- ▶ Better sales mix & growth in large excavator segment restricts topline decline to 20% ; Spares & Service grew by 20%
- ▶ Profitability impacted due to raw material cost inflation & higher selling expenses
- ▶ Fixed Costs held at previous year levels largely on account of cost reduction initiatives
- ▶ Kharagpur project sustained in spite of slow down. Plan for commercial production in Oct09

Outlook

- ▶ Expect demand revival supported by increased Infrastructure spends
- ▶ Impact of Union Budget to be reviewed

Engineering Design Services : TATA Technologies

Revenue Distribution*



* Dollar revenue

Customer Analysis

Revenue %	FY08	FY09
Top 1 customer	15.5%	19.57%
Top 5 customers	36.5%	36.9%
Top 10 customers	47.5%	48.7%

► Key Wins

- Won a multi-year multi-million dollar contract to provide Engineering Design, PLM and IT support services from a major Global Auto OEM
- Consolidated position as a top-3 solutions and software provider of leading Engineering and PLM products in all major economic geographies
- Expanded presence in aerospace design and aero structures market with the help of strategic group alliances and enhanced capability.
- Won several projects in the PLM consulting arena.

Tata Technologies : Financial Highlights and Outlook

(Crs)	FY08	FY09	%change
Net Revenues*	1084	1202	11%
EBITDA*	60	81	35%
<i>% of Revenues</i>	5.6%	6.8%	120 bps
Net Profit	30	66	120%
<i>% of Revenues</i>	2.8%	5.5%	270 bps

*excluding Other Income

Refers to Consolidated results

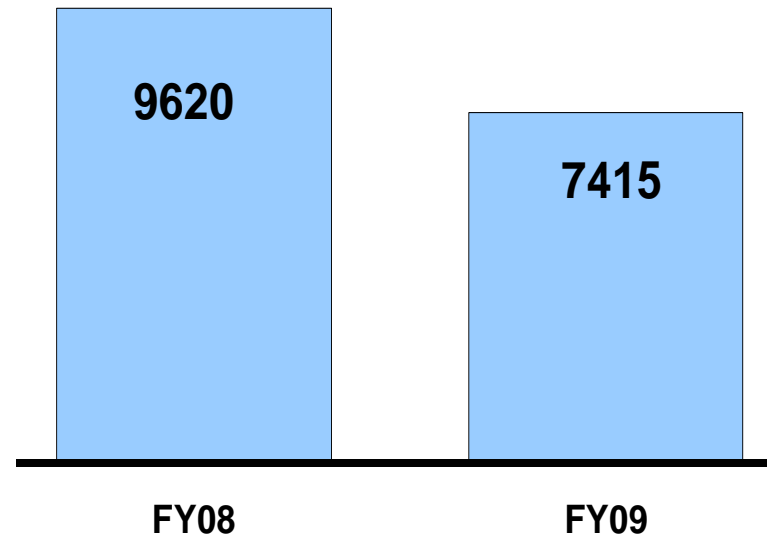
- ▶ Doubled PAT with sustained focus high-margin business and streamlining of cost base
 - Growth in share of offshore business
 - High utilization of manpower (86%)
 - Tight cost management

Outlook

- ▶ Challenging year ahead in terms of top-line growth due to the current economic decline affecting customers in the auto and aero industry worldwide
- ▶ The company targets to achieve bottom-line growth by focusing on its own operational efficiencies
- ▶ New business structure and process developed to strengthen relationships with strategic clients and increased focus on growing the offshore component in the revenue mix

Vehicle Financing : Tata Motor Finance

TMF Disbursement (Rs. Cr)



- ▶ Combined disbursements (TMF) for FY09 were Rs. 7,415 Cr a decline of 23% from Rs 9,620 Cr in FY08
- ▶ Disbursement decline in line with reduction in sales of Tata Motors
- ▶ The book size at the end of March'09 for TMFL and TML (Vehicle Financing) stood at Rs 5,400 Cr and Rs.1,709 Cr respectively.
- ▶ NIM of vehicle financing business (TMF) was ~ 4.6%

Vehicle Financing : Financial Highlights and Outlook

(Crs)	FY08	FY09	%change
Net Revenues*	719	815	13%
Operating Income*	(85)	(349)	(311) %
<i>% of Revenues</i>	(11.8)%	(42.8)%	(3100)bps
Net Profit	45	(121)	(369) %
<i>% of Revenues</i>	6.3%	(14.8)%	(2110) bps

*excluding other Income and after deducting gross interest

▶ Outlook

- ▶ Financial performance impacted by higher provisions for NPAs (NPA norms continue to be more conservative than required norms)
- ▶ To focus on improved collection efficiency
- ▶ Incremental captive vehicle financing for Tata Motors to be financed
 - Through increased securitization
 - Borrowing on the books of TMFL with higher ability to leverage



Auto Components : HVAL and HVTL

HVAL

(Crs)	FY08	FY09	%change
Net Revenues*	200	155	(23%)
EBITDA*	112	75	(33) %
<i>% of Revenues</i>	56.0%	48.4%	(760) bps
Net Profit	63	28	(56) %
<i>% of Revenues</i>	31.5%	18.1%	(1340) bps

HVTL

(Crs)	FY08	FY09	%change
Net Revenues*	192	143	(26) %
EBITDA*	98	60	(39) %
<i>% of Revenues</i>	51.0%	42.0%	(900) bps
Net Profit	47	19	(60) %
<i>% of Revenues</i>	24.5%	13.3%	(1120) bps

*excluding Other Income

- ▶ FY09 performance impacted by lower volume on the back of MHCV sales decline in India
- ▶ Significant reduction in variable costs achieved to combat slowdown

Outlook

- ▶ Short term demand to improve on back of CV sale revival, Bus demand and Defense business
- ▶ Long term plans:
 - Build strong in-house design and validation capabilities
 - Expand customer base in India and abroad



**Subsidiary
Highlights**

**Update on
Joint Ventures**

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- **Tata Motors- Fiat**
- **Tata Motors – Marcopolo**
- **Tata Motors Thailand**

Analyst Meet

26th June, 2009

Joint Venture Updates

Tata Motors - Fiat JV

- ▶ Production facilities fully operational for Cars (including Paint shop) and Powertrains.
- ▶ Installed capacity - Powertrains 350,000, Cars 200,000
 - Over 13,000 Cars manufactured during the year
 - Over 25,100 Powertrains manufactured during the year (both petrol & diesel engines)
- ▶ Market Launches
 - ▶ Fiat 500 - July 08, Linea – Jan 09, Grande Punto - June 09
 - ▶ Linea has been very well accepted in the market, already achieved 14% market share in its segment
- ▶ Awards
 - ▶ Linea adjudged “BEST CAR OF THE YEAR” and BEST MID-SIZED CAR OF THE YEAR” by AUTOCAR. Also won the “BEST MID-SIZE CAR” award hosted by Overdrive
 - ▶ FIAT 500 won “IMPORT CAR OF THE YEAR AWARD”
- ▶ All India Dealer Network under establishment. Target to have over 100 plus dealers
- ▶ Over 450 sales manpower added in the network for Linea and Grande Punto

Joint Venture Updates

Tata Motors – Marcopolo JV

- ▶ Successfully completed the first order of 650 low floor buses for DTC from the Lucknow plant
- ▶ Secured a repeat order of 1625 buses
- ▶ Dharwad Plant which will be the largest In the World, with a capacity of 30,000 buses per annum, commenced its operations in Nov' 08
- ▶ TMML a major partner in servicing the large JNNURM bus orders received by Tata Motors

Tata Motors Thailand

- ▶ Launched three pickup products in less than a year in Thailand
- ▶ Current focus on building manufacturing and distribution infrastructure : Established distribution network of 33 dealerships and additional 45 service network across the nation
- ▶ Exploring opportunities to introduce several products from Tata Motors portfolio relevant to the Thai market
- ▶ Evaluating opening markets in ASEAN to take advantage of AFTA
- ▶ Tata Motors is one of the six OEMs that has been approved by the Board of Investment, Thailand to build the Eco Car in Thailand

Reaffirming Business and Financing strategy

- ▶ Economic revival and liquidity condition key to short term growth
- ▶ Reduction of operating costs
- ▶ Cash flow focused short term business plans
- ▶ Pursue Long term plans
 - Prioritize R&D, focus on new products
 - Full availability of Nano capacity
 - Strict control of capital expenditure
- ▶ Deleverage Auto business
 - Divestments
 - Capital raising at appropriate time
 - Seek to improve Debt- Maturity profile