



# TATA MOTORS

## Q1 FY10 Results Review

27<sup>th</sup> July, 2009



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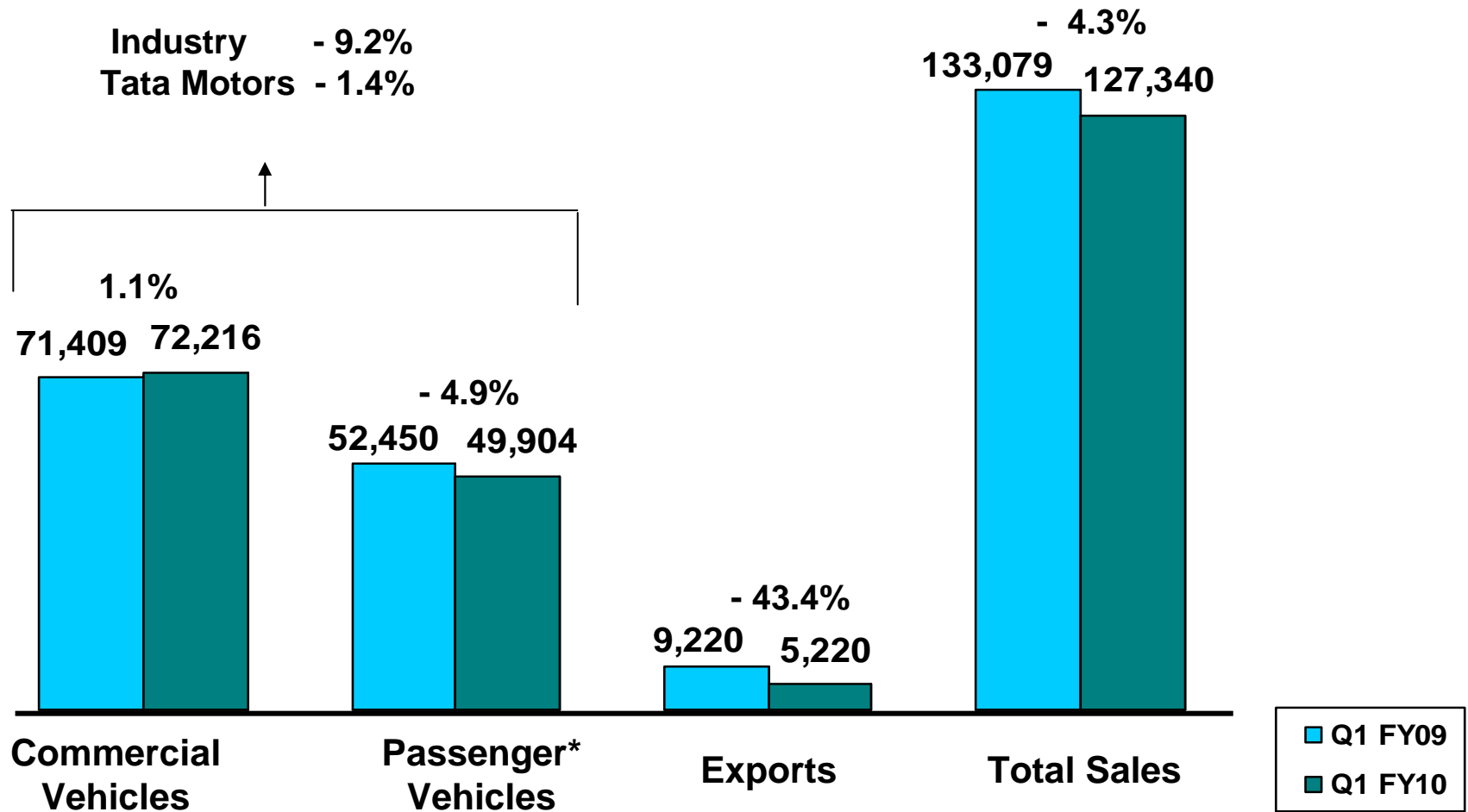
**Business  
Highlights**

**Financial  
Highlights**

**Way  
Forward**

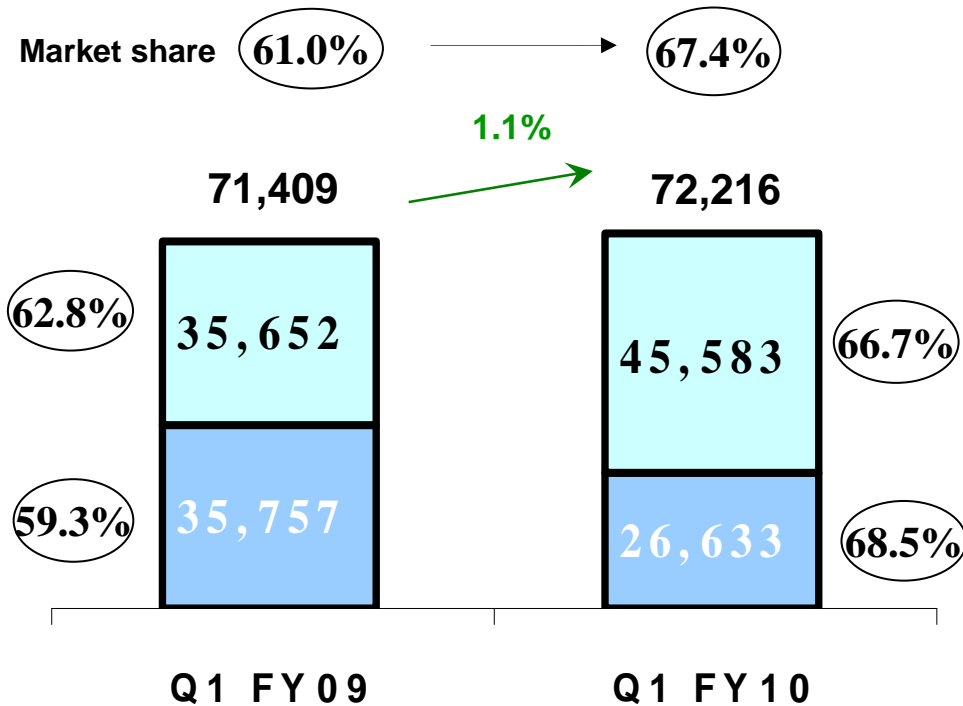
- **Commercial Vehicles**
- **Passenger Vehicles**
- **Exports**
- **Vehicle Financing**

## Domestic volumes show initial sign of stability



Note\*: Includes sale of FIAT vehicles

## Continuing Market-share gains across all CV segments



○ Market-share

Note: LCV includes sales of Magic and Winger

Source: SIAM and Company analysis

MHCV ■ LCV ■

▶ Domestic industry registered a volume decline of 8.4%, while Tata Motors grew by 1.1%

- MHCV declined by 35.5%, while Tata Motors volumes declined by 25.6%
- LCV clocked a robust 20.5% growth, Tata Motors's volumes increased by 28.0%

▶ North and East regions show some signs of stability while West and South continue to remain weak

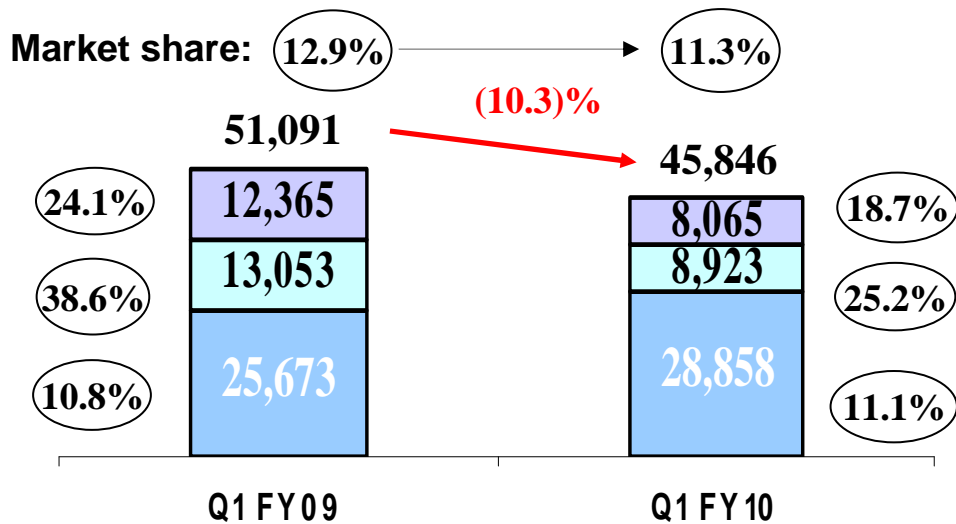
▶ Ace Truck , Ace Magic and Winger continue to post robust growth

▶ MHCV truck y-o-y decline narrowed to ~40% in Q1FY10 compared with -65% and -59% in Q3 and Q4FY09

▶ While MHCV bus industry declined by 16.2%, Tata Motors grew by 10.6% on the back of good orders from STUs resulting in market-share increase from 42.7% to 56.4%

▶ On 28<sup>th</sup> May 2009, World Truck was unveiled to match the best in the world in performance at a lower life-cycle cost

## Vista drives market-share in segment; competition intensifies in other categories



▶ Passenger vehicle industry registered growth of 3%, mainly driven by new products and continuing discounts

▶ Indica Vista increased market share in small car segment from 10.8% in Q1FY09 to 11.1% despite six new entrants in a 21 player segment. Exit market-share of 11.8% in June'09

- Average price realizations of the new range 20% higher than the older range
- FIAT Grande Punto launched in June strengthening segment position

▶ Competitive intensity and anticipation of new Indigo sedan led to decline in market share in the entry midsize segment from 38.6% to 25.2%, still a respectable No. 2 position

- However market share has been increasing sequentially from April to June, with an exit market-share of 30%

▶ FIAT Linea launched in Jan'08, strengthening presence in mid-size segment

▶ UVs face considerable competition from segment leader, renewed effort on to grow in the second half. SUV market share holding on

▶ Names of 1 lakh Nano allottees and 55000+ retainees were declared; deliveries commenced in July'09

▶ On 28th June 2009, Jaguar Land Rover launched in India through flagship showroom at Mumbai

Figs excluding Fiat sales  
Source: SIAM and Company analysis

○ Market-share

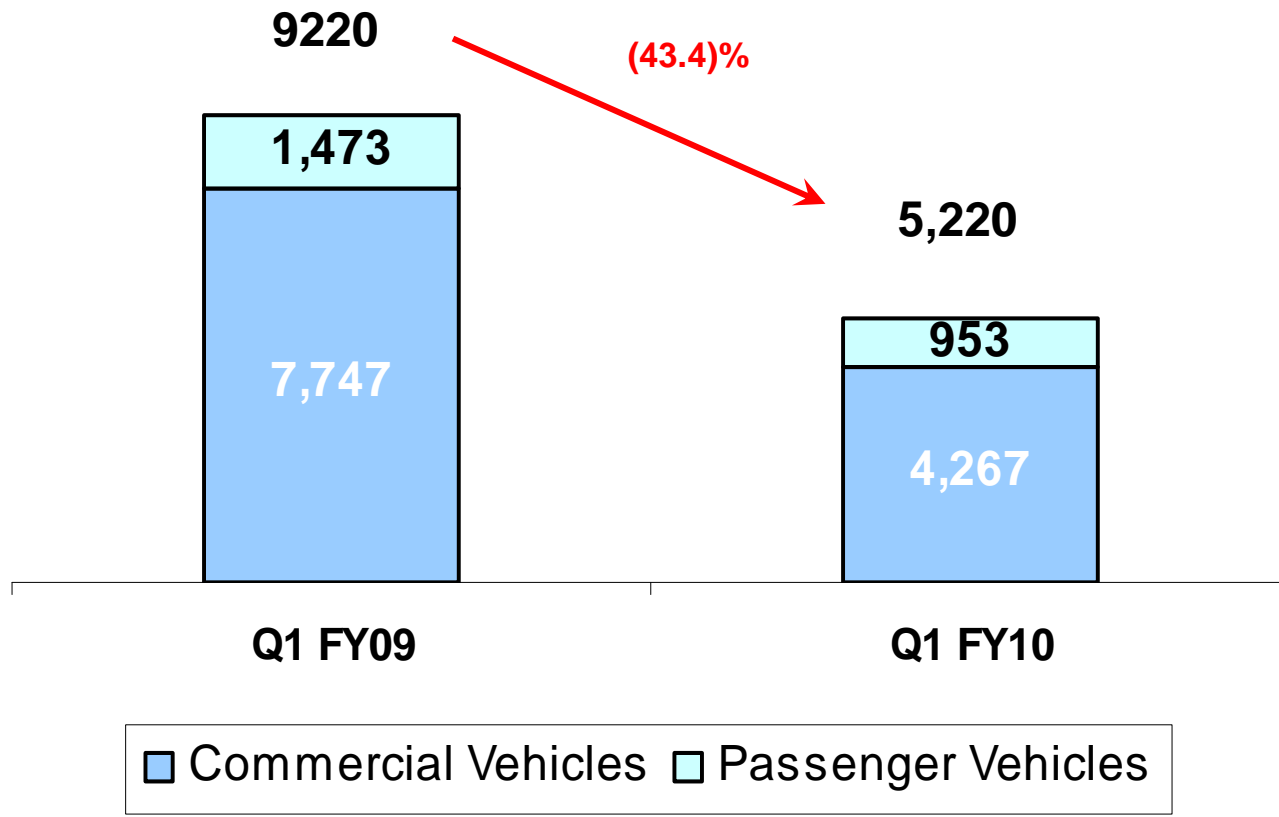
Small car    Entry Mid-size    UV

### Tata + Fiat

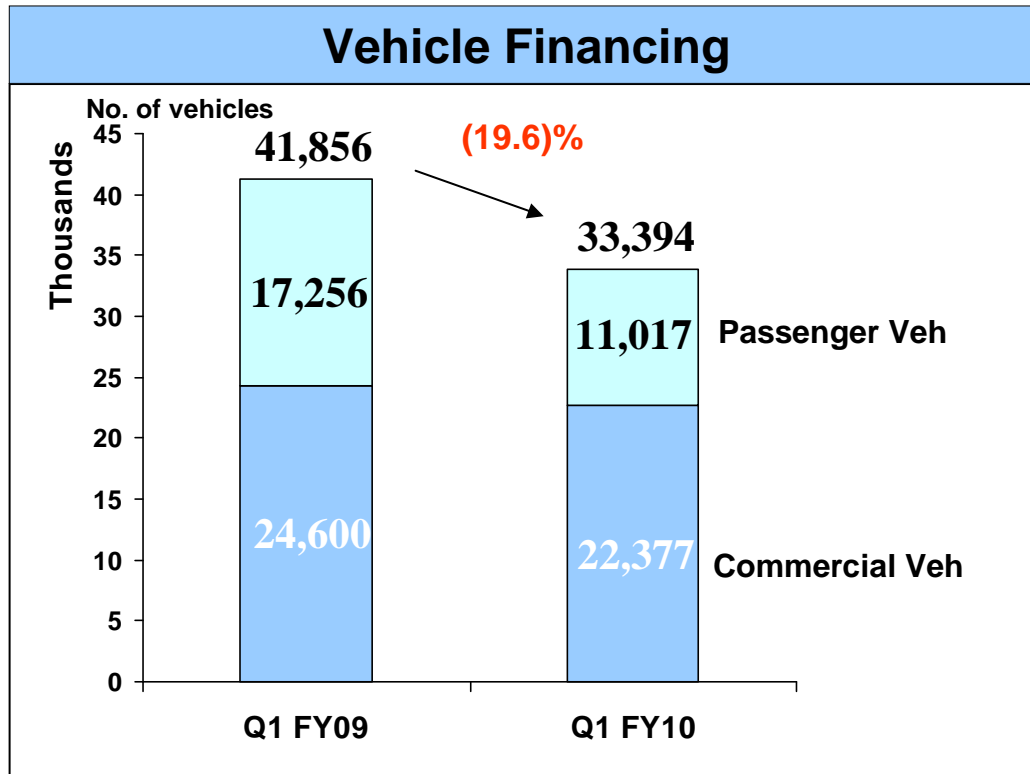
	Apr–Jun' 08	Apr–Jun'09
Total PV Market Share	13.3	12.3
Small Cars	11.3	11.8
Midsize	22.1	20.8
Utility Vehicles	24.1	18.7

Source: SIAM and Company analysis

## Key export markets impacted by economic conditions and contraction in liquidity



## Captive Vehicle Financing continues to be critical support to core business ; TMF market share declines due to strong contribution of other players



Source: Company analysis

- ▶ Disbursals in Q1 FY10 was Rs. 1382 cr down 38% from Rs 2228 cr in Q1 FY09
- ▶ Market Share of Tata Motors vehicles stood at 28.3% in Q1 FY10, compared to 34.1% in Q1 FY09
- ▶ Net interest margin stood at 6.6% in Q1FY10
- ▶ Book Size stood at Rs.7669 cr
  - On Tata Motors books – Rs.1830 cr
  - On TMFL books – Rs.5839 cr

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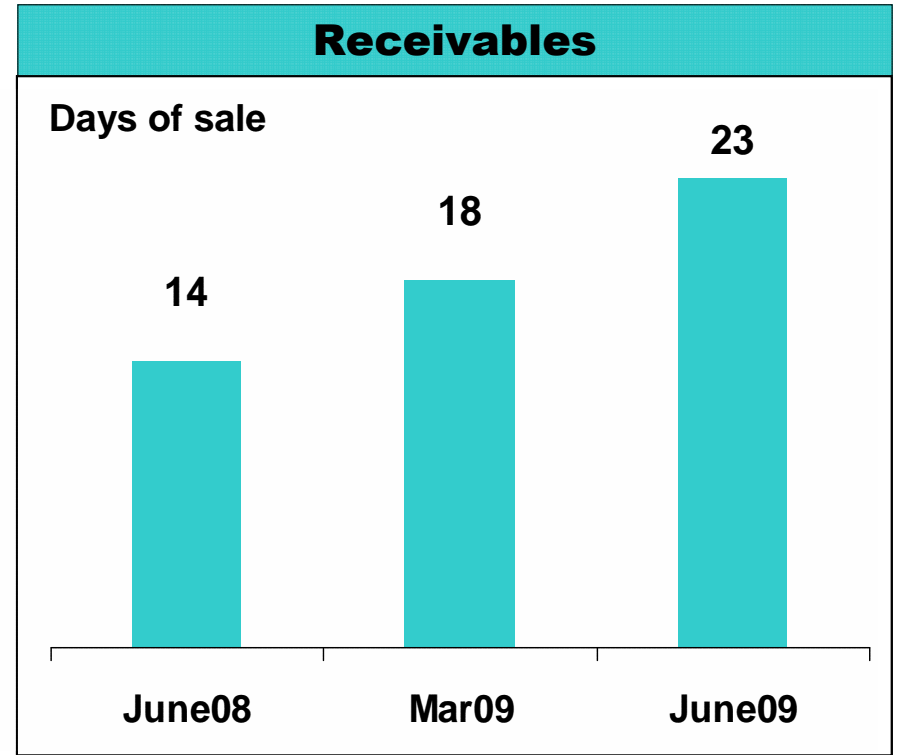
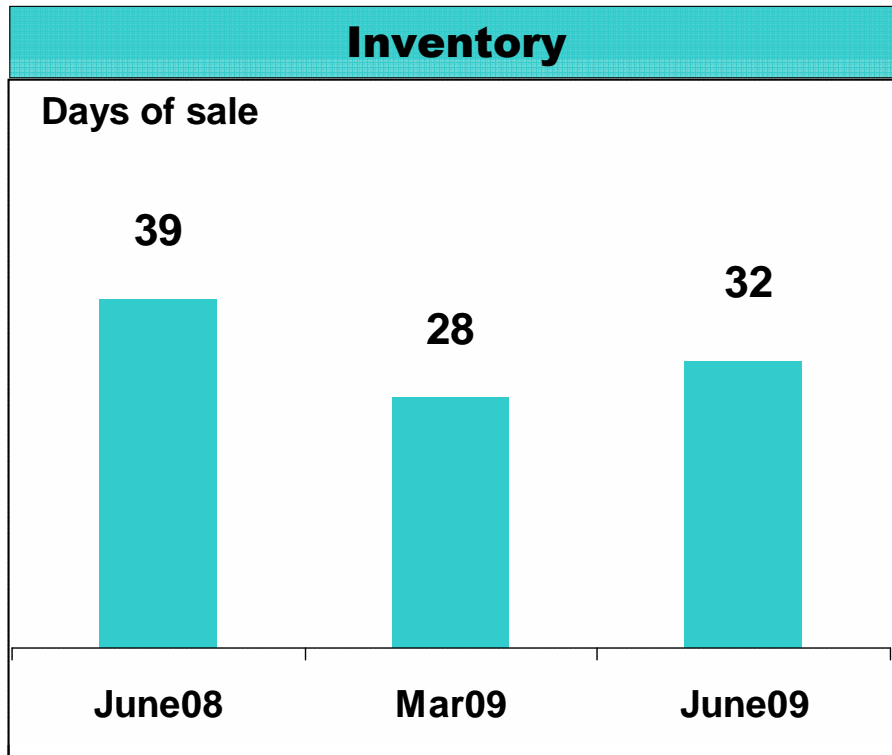
**Way  
Forward**

- **Stand Alone P&L**
- **Balance Sheet Highlights**

## Operating margins expand 430 bps to 11.4% and PAT grows by 58%

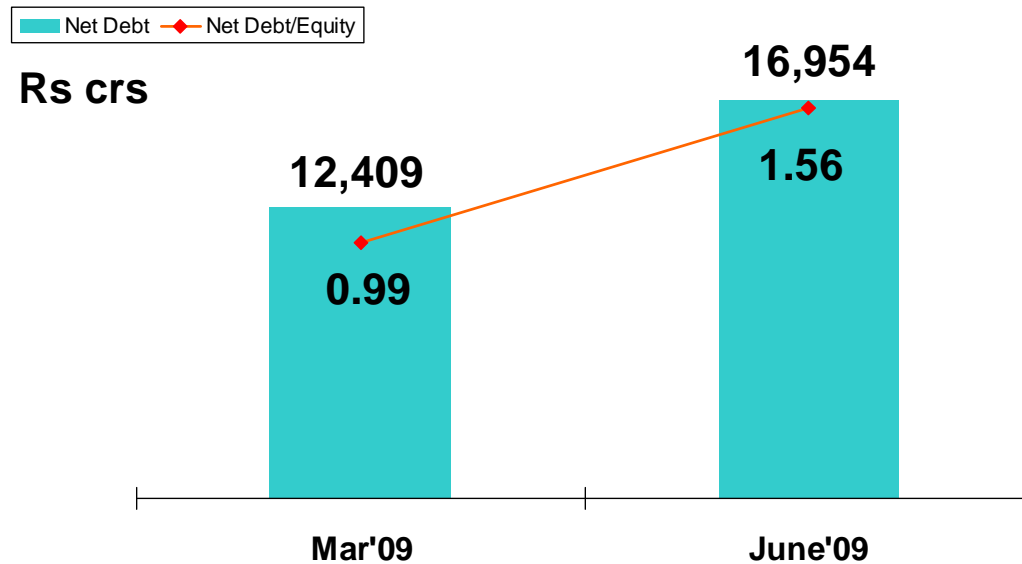
Rs Crores	Q1 FY09	Q1 FY10	% change
Net Revenue	6928	6405	-7.6%
<b>PAT</b>	<b>326</b>	<b>514</b>	<b>57.5%</b>
PBT	345	548	58.8%
Less :			
Other Income	316	319	0.9%
Add :			
Depreciation, PDE and net interest	301	494	64.0%
Notional Exchange loss (net)	162	6	-96.6%
<b>EBITDA</b>	<b>492</b>	<b>728</b>	<b>47.9%</b>
EBITDA margin	7.1%	11.4%	430 bps
Cash Profit	696	794	14.1%

## Working Capital



(Receivables excludes Vehicle Financing)

## Deleveraging remains in focus



- ▶ Increase in Net debt due to
  - Issue of Rs 4200 Cr secured NCD in May'09 as part of refinancing of acquisition bridge loan
  - Increased fixed deposit collections
- ▶ Prepaid USD150 mn, part of the refinanced USD 1 Bn acquisition loan, mainly through proceeds of sale of shares of Tata Steel
- ▶ The Company is committed to reduce leverage through divestments, internal accruals and capital raising at appropriate time.
- ▶ During the period Apr-June'09 the Company generated operating cash of over Rs 2000 Cr

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- **Short term business levers**

## Strong levers to drive domestic business growth

- ▶ **Union budget 2009-2010 increased Infrastructure spend to ~ Rs 566 bn :**
  - **JNNURM** – allocation increased by ~87%.
  - **Pradhan Mantri Gram Sadak Yojna** – allocation increased by ~45%
  - **NHDP** - allocation increased by ~23%
  - **National highways and railways** – spending increased by ~23% and ~46%
  
- ▶ **Benefit from decline in Raw material cost to continue in future quarters**
  
- ▶ **New product launches in FY10 to aid volumes and relative performance**
  - Incremental volumes from Indica Vista, Nano, FIAT Linea, Grande Punto and Jaguar and Landrover
  - New Indigo and Crossover launches in second half of FY 2010
  - World Truck Retail launch
  - ACE variants



**Thank You**