



# TATA MOTORS

**Q1 FY12 Results Review – Press Meet**

**11<sup>th</sup> Aug, 2011**

- Statements in this presentation describing the objectives, projections, estimates and expectations of the Company i.e. Tata Motors Ltd and its direct and indirect subsidiaries and its associates 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
- Q1FY 12 represents the period from 1st April 2011 to 30th June 2011
- Q1FY 11 represents the period from 1st April 2010 to 30th June 2010
- Financials contained in the presentation are in Indian GAAP

**Financial  
Highlights**

Standalone  
Business

JLR

Other  
Subsidiaries

Way  
Forward

- **Consolidated financials**
- **Standalone financials**

## Tata Motors Consolidated P&L (Unaudited)

Rs Crores	Q1 FY12	Q1 FY11	% change
Net Revenue	33,572.5	27,055.6	24.1%
EBITDA	4,461.7	3,953.3	12.9%
EBITDA margin	13.3%	14.6%	(130 bps)
Other Income	76.1	34.6	119.9%
PBT	2,345.8	2,275.4	3.1%
PAT #	1,999.6	1,988.7	0.5%
Cash Profit # *	3,186.6	3,093.3	3.0%

**Cost pressures mainly arising from commodity & interest costs impacted margins.**

**Net Automotive Debt / Equity stood at 0.69 as on June 30, 2011**

**vs 0.68 as on March 31, 2011**

# After Minority Interest and share of Profit/(loss) in respect of associate companies

\* Cash Profit = EBITDA + Other Income – Product Development Expenses – Net Interest - Tax Paid

*EBITDA excludes 'Other Income'*

## Tata Motors Standalone P&L – (Audited)

Rs Crores	Q1 FY12	Q1 FY11	% change
Net Revenue	11,897.9	10,416.3	14.2%
EBITDA	998.7	1,174.7	-15.0%
EBITDA margin	8.4%	11.3%	(290 bps)
Other Income	115.5	69.3	66.7%
PBT	466.3	537.7	-13.3%
PAT	401.3	395.7	1.4%
Cash Profit *	754.9	839.9	-10.1%

**Margin pressures arising mainly from higher input prices continue**

**Net Debt / Equity stood at 0.67 as on June 30, 2011**

**similar to March31, 2011**

\* Cash Profit = EBITDA + Other Income - Product Development Expenses – Net Interest - Tax Paid

*EBITDA excludes 'Other Income'*

Financial  
Highlights

**Standalone  
Business**

JLR

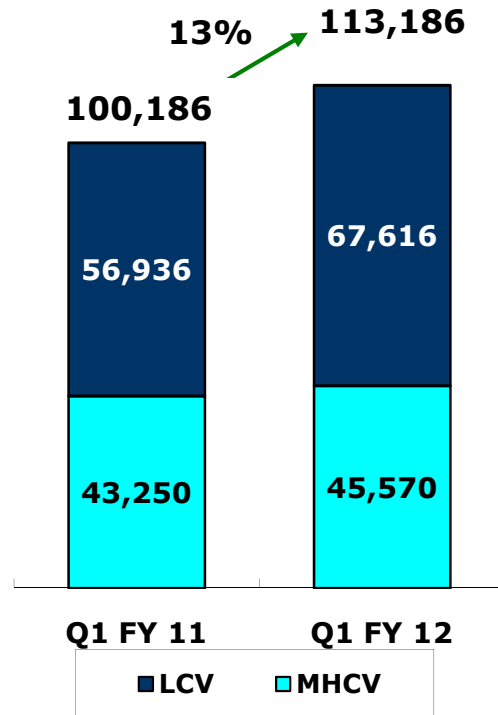
Other  
Subsidiaries

Way  
Forward

- **Commercial Vehicles**
- **Passenger Vehicles**
- **Exports**

## Commercial Vehicles gain market share

Tata Motors grew ~ 13% Y-o-Y



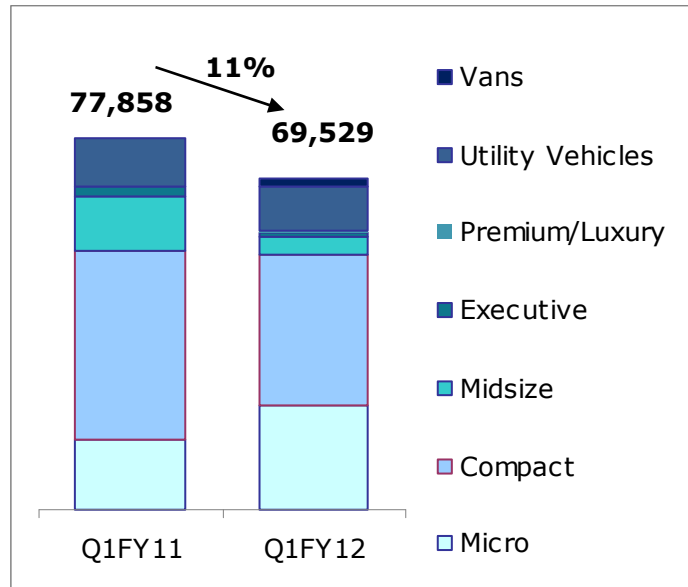
**Note:** LCV includes sales of Magic and Winger

Source: SIAM and Company analysis

**Market share in Q1 FY 12  
stood at 60.1%**

- Rising interest rates, high inflation and slower industrial output coupled with high base effect, moderate the growth of industry MHCV sales to ~ 3.6%. The LCV segment was less impacted and grew 17.3%. The Bus segment declined following completion of JNNURM & no major new orders by State Transport Undertakings.
- Growth in MHCV segment was led by a growth in tippers & tractor trailers
- Tata Motors CV sales grew at ~ 13% Y-o-Y in Q1FY12.
  - MHCV grew at ~ 5.4%; LCV segment grew at ~ 18.8%
- New products launched in Q1FY12 include Ace Zip, Magic IRIS
- Strong demand and improved production of Ace/Magic, and ramp up of Ace Zip and Magic IRIS expected to provide impetus to growth in the SCV segment and overall CV numbers
- Price increases of ~ 2.5% in Q1FY12 to counter higher input costs, mainly commodity costs.

## Competitive pressures in Passenger vehicles



Source : SIAM & Company data

Data includes JLR & Fiat sales

➤ Passenger vehicles industry grew at an average of ~8% Y-o-Y in Q1 FY12 led by high growth in selective segments, while the cost sensitive and high volume "Compact" segment de-grew mainly due to increases in interest rates & fuel costs. Intense competitive pressures continued across segments.

➤ Tata Motors overall volumes declined with weaker sales in the overall Compact & "Mid Size" segments. However within the "Compact" segment, the Indigo eCS, launched last year, grew ~ 7.5% Y-o-Y.

➤ The sales of the Tata Nano grew 49% to ~ 22,000 units. The company continued focused marketing initiatives specific to Nano.

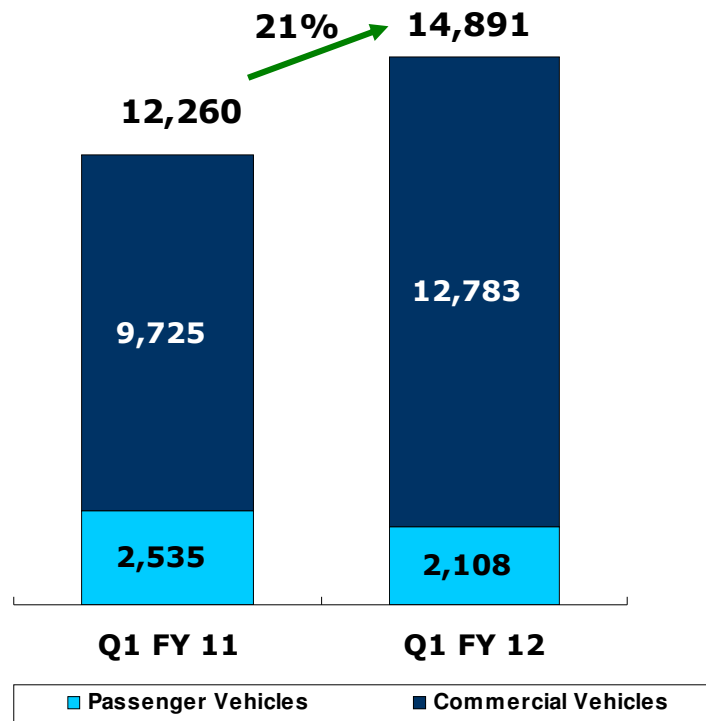
➤ Price increases of ~ 2% on Tata Passenger cars

Segments/Q uarter	Micro	Compact	Midsize	Executive	Premium/Luxury	Utility Vehicles	Vans	Total
Q1FY12	21,979	31,593	3,735	1,115	126	9,433	1,548	69,529
Q1FY11	14,780	39,528	11,352	2,442	23	9,733	0	77,858

Market Share for Passenger vehicles in Q1 FY 12 stood at 11.9%



## Y-o-Y growth in exports markets



➤ Tata export volumes increased Y-o-Y 21% in Q1 FY 12

➤ Exports to Bangladesh, Sri Lanka & Bhutan continued showed strong growth.

➤ NANO exports to Sri Lanka and Nepal commenced. Expect to extend the export potential of the NANO

Financial Highlights

Standalone Business

**JLR**

Other Subsidiaries

Way Forward

▪ **Jaguar Land Rover PLC**



## Jaguar Land Rover PLC – P&L

GBP Million	Q1 FY 12	Q1 FY 11	% change
Net Revenue	2,712.0	2,262.1	19.9%
EBITDA	408.3	349.3	16.9%
EBITDA margin	15.1%	15.4%	(30 bps)
PBT	248.5	239.2	3.9%
PAT	218.9	226.0	-3.1%
Cash Profit *	318.0	307.0	3.6%

- **Cost pressures, Exchange rates impact Y-o-Y EBITDA margins**
- **During Q1 FY 12, considerable effort and cost was incurred on mitigating actions to ensure continuity of Japanese supply, which successfully avoided any production loss**
- **Q1 FY 12 also included higher interest costs on the bonds issued in May 2011 and higher NSC tax due to China operations**

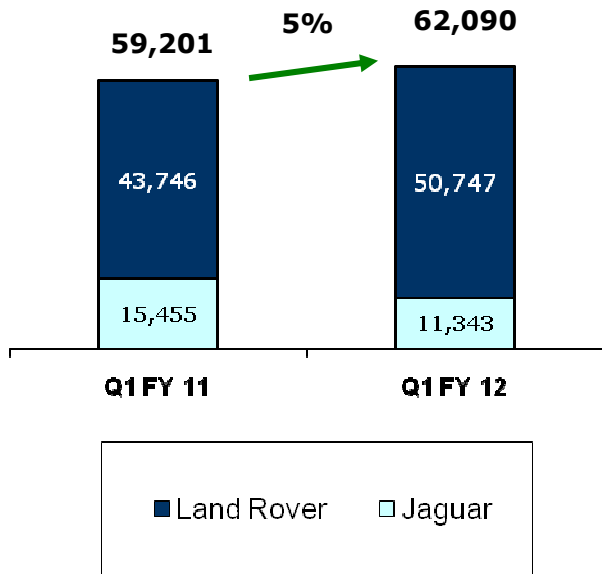
Cash Profit = EBITDA + Other Income - Product Development Expenses – Net Interest - Tax Paid

*EBITDA excludes 'Other Income'*

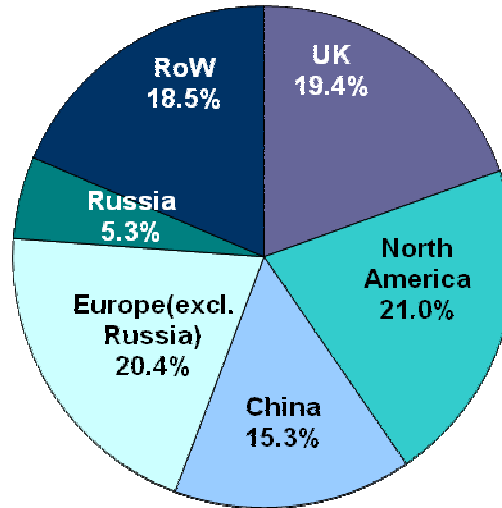
## Jaguar Land Rover PLC : Highlights

- Jaguar Land Rover reported a profit after tax of £ 219 mn IN Q1 FY 12
- Other highlights include:
  - Significant volume & mix growth over the corresponding quarter in the previous year
  - Retail volumes grow in line with Wholesales
  - Commencement of assembly of Freelander in Pune plant
  - Product highlights: Jaguar XFR , Jaguar XKR-S2, XF 12 MY (with 2.2L Diesel engine)
  - In May 2011, JLR Plc successfully raised GBP 500m and USD 410m 7 years & USD 410m 10 year bonds
  - Exchange rates unfavourable (on trade flows & borrowings), offset partially by hedging
  - Net Debt as on June 30, 2011 at GBP 171 mn vs GBP 233 mn as on March 31, 2011

# Jaguar Land Rover Wholesale volumes & market mix

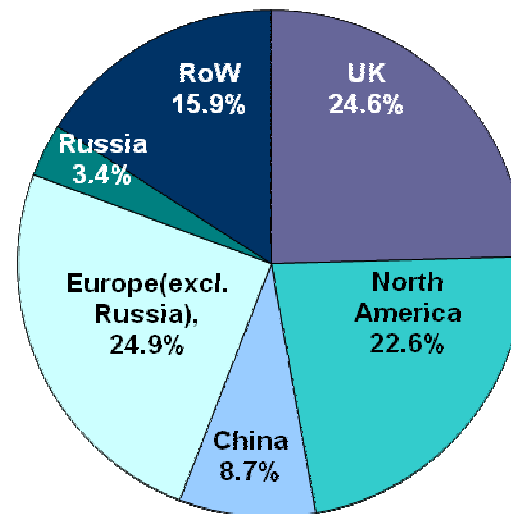


Healthy volume growth for both wholesale and retail sales



Wholesales Q1 FY 12

Sales from emerging markets improve significantly Y-o-Y in Q1 FY12 and continue to grow over previous quarter (Q4 FY11)



Wholesales Q1 FY 11



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Way  
Forward

- **Tata Motors Finance**
- **Tata Technologies**
- **Tata Daewoo**
- **HVAL/HVTL**

## Tata Motors Finance

Rs. Crores	Q1 FY12	Q1 FY11	% change
Disbursal (Nos)	43,361	32,179	34.7%
Net Revenue *	409.0	320.0	27.8%
Operating Income #	61.0	24.7	147.0%
Operating Margin	14.9%	7.7%	720 bps
PAT	48.5	23.5	106.3%
% of Revenues	11.9%	7.3%	460 bps

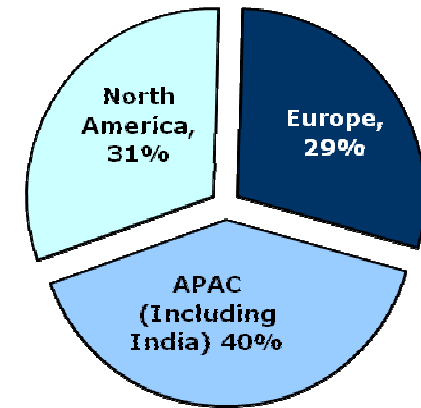
\* Excludes Other Income ; # Before Other income and After Net Interest

- Total vehicle financing disbursals for Q1FY12 were Rs. 2,062 Crs, an increase of 26% from Rs 1,631 Crs in Q1FY11.
- Market share of Tata Motors CV & PV new vehicle sales stood at 24.3%
- The book size at the end of March 11 for TMFL and TML (Vehicle Financing) stood at Rs 11,002 Cr and Rs. 187 Cr respectively.
- NIM of vehicle financing business (TMF ) for Q1 FY 12 stood at 8.6%.

## Tata Technologies (Consolidated)

Rs. Crores	Q1 FY12	Q1 FY11	% change
Net Revenue *	335.1	297.7	12.6%
EBITDA *	53.2	41.9	27.0%
% of Revenues	15.9%	14.1%	180 bps
PAT	39.6	26.7	48.3%
% of Revenues	11.8%	9.0%	280 bps

Revenue break-up Q1 FY12



*Note: \*Excludes Other Income*

- Tata Technologies has a diversified customer base and key marquee clients in automotive & aerospace businesses
- Improved offshore revenue mix, operational efficiency and cost reduction measures continue to improve EBITDA margins
- Primary issue of shares of ~ USD 30 mio issued to Private equity in May 2011.
- Backed with a strong order book, Tata technologies has started operations in two new centres, one in Pune SEZ (790 seater) and Bangalore (70 seater)



## Tata Daewoo

Rs. Crores	Q1 FY12	Q1 FY11	% change
Sales (Units)	2788	2764	0.9%
Net Revenue *	877.8	874.4	0.4%
EBITDA *	51.2	73.9	-30.7%
% of Revenues	5.8%	8.5%	(270) bps
PAT	15.7	36.7	-56.3%
% of Revenues	1.8%	4.2%	(240) bps

*Note: \*excludes Other Income*

- While the industry for Medium commercial vehicles grew by ~ 10% in Q1 FY 12, over corresponding period prior year, the Heavy commercial vehicles industry de-grew by ~ 6% on the same basis.
- TDCV improved its market share in both segments aided by the stability and expansion of TDSC (Tata Daewoo Sales Company) which was set up last year and the positive impact of low base effect in the prior year.
- Q1 FY 12 domestic Market share stood at 28.8 % and been able to improve our market share sequentially on a quarter on quarter basis
- Exports were lower over corresponding period last year due to single large order in Q1 FY11 but market mix is better diversified now.
- EBITDA and PAT margins have declined due to product mix in domestic markets, lower exports and exchange impact on realizations

## HV Axles & HV Transmissions

Rs. Crores	Q1 FY12	Q1 FY11	% Change
Net Revenue *	86.4	72.2	19.7%
EBITDA *	51.6	44.1	17.0%
% of Revenues	59.7%	61.1%	(140) bps
PAT	26.8	22.4	19.6%
% of Revenues	31.0%	31.0%	

**HV  
Axles Ltd**

Rs. Crores	Q1 FY12	Q1 FY11	% Change
Net Revenue *	89.0	62.3	42.9%
EBITDA *	55.5	35.0	58.6%
% of Revenues	62.4%	56.2%	620 bps
PAT	30.4	17.0	78.8%
% of Revenues	34.2%	27.3%	690 bps

**HV  
Transmissions  
Ltd**

*Note: \*Excludes Other Income*

- Revenue increase on the back of growth in domestic CV market
- Cost pressures continued to increase, EBITDA margins were supported by improved volumes and cost controls
- Wef 1 April 2011, HV Axles & HV Transmissions to be amalgamated subject to regulatory approvals and proposed to be renamed as TML Drivelines Limited.

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Highlights

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Subsidiaries

**Way  
Forward**

- **Tata Motors**
- **Jaguar Land Rover**



## Way Forward – Tata Motors

- Slowing CV growth rates are largely prompted by rising costs, interest rates and expectation of lower industrial growth. Freight rates across major routes remained flat in Q1 FY 12
- Increase in infrastructure spending could propel demand for MHCV trucks. Services and agriculture sector along with rural connectivity, proliferation of hub & spoke model and demand of passenger applications is expected to drive growth in LCV/SCV segment
- Competitive intensity in CVs expected to increase, but Company well placed with a wide and compelling product portfolio and customer support
- Proposed changes in priority sector lending by banks likely to increase interest costs for First Time Users of CVs. Credit availability continues to be adequate.
- Proposed ramp up of ACE family production via additional capacity in Dharwad on schedule
- Competitive intensity and increasing costs in the passenger vehicle segment poses risk to demand along with higher inflation, interest costs, fuel price increases.
- Future products in pipeline for FY 12 – Variants from MHCV & Prima range, World LCV range, Nano variants, Vista refresh, Manza Limited edition, New Safari on schedule. Aria 2WD launched in Aug 2011
- Further expand sales and service network in India and enhanced customer care. Extend export potential

## Way Forward - Jaguar Land Rover

- Continue to work on profitable volume growth, managing costs and improving efficiencies to sustain the growth momentum
- Continuous sustainable technology and product investment plans
- Range Rover Evoque for launch in September 2011
- New Jaguar and Land Rover 12MY products
- Emphasis on growth markets : China, Russia, India and Brazil
- External geopolitical and economic factors including exchange rate, could impact volumes and profitability
- Further steps to improve the capital structure through extension of debt profile under way.



# Thank You