

TATA MOTORS

Press & Investor Presentation

23rd May 2017



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

Q4 FY17 represents the period from 1st January 2017 to 31st March 2017

Q4 FY16 represents the period from 1st January 2016 to 31st March 2016

FY17 represents the period from 1st April 2016 to 31st March 2017

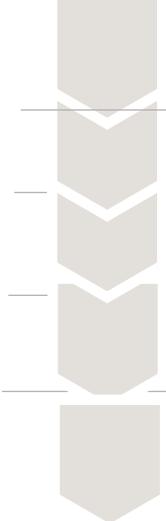
FY16 represents the period from 1st April 2015 to 31st March 2016

Financials (other than JLR) contained in the presentation are as per Indian GAAP.

JLR Financials contained in the presentation are as per IFRS as approved in the EU

*The Company has adopted **Ind AS** for its Standalone and Consolidated financials with effect from April 1, 2016, with comparatives being restated. Accordingly, the impact of transition has been provided in the Opening Reserves as at April 1, 2015 and all the periods presented have been restated accordingly.*

During Q4 FY17, the Company reviewed the presentation of foreign exchange in the income statement due to continued increase in hedging activity and volatility in FX rates. Accordingly, it was considered more appropriate to present realised foreign exchange relating to the hedging of revenue & cost exposures as an adjustment to revenue and material cost of sales for Q4 FY 17 and FY 17. The prior period comparatives have also been represented on this basis. There is no impact upon the reported operating profit, profit before tax and profit after tax or reported equity in either of the financial years or quarters due to this change in presentation of foreign exchange impact.



Summary Financial Highlights- For the Year
Financial Highlights- Quarterly
Tata Motors Group-Jaguar Land Rover
Tata Motors Group-India Business
Tata Motors Group-Way Forward

Summary Financial Highlights-For the year

Tata Motors Group- Consolidated (Rs Crores)			Tata Motors Group-Standalone (incl Joint Operations) (Rs Crores)			Tata Motors Group-Jaguar Land Rover (IFRS) (GBP Million)		
	FY17	FY16		FY17	FY16		FY17	FY16
Net Revenue*	269,850	273,111	Net Revenue*	44,477	42,894	Net Revenue*	24,339	22,286
EBITDA	36,912	41,776	EBITDA	1,701	3,365	EBITDA	2,955	3,147
EBITDA %	13.7	15.3	EBITDA %	3.8	7.8	EBITDA %	12.1	14.1
PBT	9,315	14,126	PBT	(2,421)	(67)	PBT	1,610	1,557
PAT	7,557	11,678	PAT	(2,480)	(62)	PAT	1,272	1,312
<ul style="list-style-type: none"> ➤ Consolidated Operating Performance impacted by <ul style="list-style-type: none"> ○ Continued volatility in the Standalone business leading to lower volumes of the Commercial vehicles ○ Higher marketing expenses in Standalone as well as Jaguar LandRover business 			<ul style="list-style-type: none"> ➤ Operating Performance impacted by <ul style="list-style-type: none"> ○ Continued volatility during the year- GST uncertainty, Demonetisation, SC Judgement on BSIII to BS IV, which <ul style="list-style-type: none"> a) Lead to fall in M&HCV truck by 7.7%(Y-o- Y) and slower growth in LCV segment, b) Partially offset by growth in passenger vehicle segment of 23.5% 			<ul style="list-style-type: none"> ➤ Operating performance impacted by higher marketing & other expenses partially offset by higher wholesales volumes. ➤ FY 17-Positive free cash flow of £295m after total investment spending of £3.4b ➤ Cash and deposits of £5.5b and an undrawn revolving credit facility of £1.9b as on 31st March 2017 ➤ Share of China JV profit for FY 17 - £151 m 		

*During Q4 FY17, the Company reviewed the presentation of foreign exchange in the income statement due to continued increase in hedging activity and volatility in FX rates. Accordingly, it was considered appropriate to present realised foreign exchange relating to the hedging of revenue & cost exposures as an adjustment to revenue and cost for Q4 FY 17 and FY 17. Foreign exchange gain/(loss) unrelated to hedging are presented separately as a line item in the results. The prior period figures have also been reclassified on this basis. There is no impact upon the reported operating profit, profit before tax and profit after tax in either of the financial years or quarters due to change in presentation of foreign exchange impact.

For the presentation purpose, revenue has been taken as net of excise duty. EBITDA % is calculated on Revenue net of excise duty

Consolidated PAT is after share of profit/(loss) in respect of associate companies. Joint Operations included in Standalone financials are Tata Cummins Private Ltd and FIAPL

Financial Highlights-Quarterly

Tata Motors Group- Consolidated financials

Rs Crores	Q4 FY 17	Q3 FY 17	Q2FY17	Q1 FY 17
Net Revenue*	77,272	63,886	63,577	65,115
EBITDA	11,788	7,054	8,172	9,899
EBITDA %	15.3	11.0	12.9	15.2
EBIT	6,776	2,558	3,429	5,079
EBIT %	8.8	4.0	5.4	7.8
PBT (before exceptional item)	5,246	(117)	1,010	2,061
PBT	5,166	599	999	2,551
PAT	4,336	112	848	2,260

- Q4 FY 17-Strongest quarter to end the year-EBITDA, EBIT, PBT & PAT significantly up as compared to Q1, Q2 & Q3 FY 17.
- Consolidated Operating performance is mainly driven by solid operating performance by Jaguar Land Rover in Q4 FY 17
- Consolidated Net Auto Debt Equity as on 31st March 2017 was 0.15

*Please read the note on change in presentation of foreign exchange given in the Slide 4-Summary Financial Highlights-For the year

Net Revenue and EBITDA excludes other income. EBIT =EBITDA - depreciation & amortization - product development expense+Other Income+ Share of Profit/loss of the Joint venture
Consolidated PAT is after minority interest and share of profit/(loss) in respect of associate companies.

Financial Highlights-Quarterly

Tata Motors Group- Standalone financials (Including Joint Operations)

Rs Crores	Q4 FY 17	Q3 FY 17	Q2FY17	Q1 FY 17
Net Revenue*	13,621	10,152	10,311	10,393
EBITDA	556	139	336	670
EBITDA %	4.1	1.4	3.3	6.4
EBIT	(331)	(573)	(307)	466
EBIT %	(2.4)	(5.6)	(3.0)	4.5
PBT (before exceptional item)	(530)	(1,031)	(559)	38
PBT	(818)	(1,032)	(609)	38
PAT	(829)	(1,046)	(631)	26

- Both M&HCV and LCV witnessed pressure in Q4 on account of weak replacement demand, subdued freight demand from industrial segment, which took further hit post demonetization, and lower than expected pre-buying ahead of the implementation of BS IV.
- Net Debt Equity as on 31st March 2017 was 0.81

*Please read the note on change in presentation of foreign exchange given in the Slide 4-Summary Financial Highlights-For the year

Net Revenue and EBITDA excludes other income. EBIT =EBITDA - depreciation & amortization - product development expense+Other Income+ Share of Profit/loss of the Joint venture
Consolidated PAT is after minority interest and share of profit/(loss) in respect of associate companies.

Tata Motors Group- Jaguar Land Rover-As per IFRS

£ mn	Q4 FY 17	Q3 FY 17	Q2 FY 17	Q1 FY 17
Net Revenue*	7,268	6,048	5,668	5,355
EBITDA	1,057	611	615	672
EBITDA %	14.5	10.1	10.9	12.5
EBIT	654	237	238	329
EBIT %	9.0	3.9	4.2	6.1
PBT (before exceptional item)	660	170	281	348
PBT	676	255	280	399
PAT	557	167	244	304

- Q4 FY 17-Strongest quarter to end the year-EBITDA, EBIT, PBT & PAT significantly up as compared to Q1, Q2 & Q3 FY 17
- New Discovery sales started in Q4 FY 17
- Net Cash as on 31st March 2017 was £ 1,906 mn

*Please read the note on change in presentation of foreign exchange given in the Slide 4-Summary Financial Highlights-For the year

Net Revenue and EBITDA excludes other income

EBIT =EBITDA - depreciation & amortization + Share of Profit/loss of the Joint venture

Consolidated PAT is after minority interest and share of profit/(loss) in respect of associate companies.

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India Business

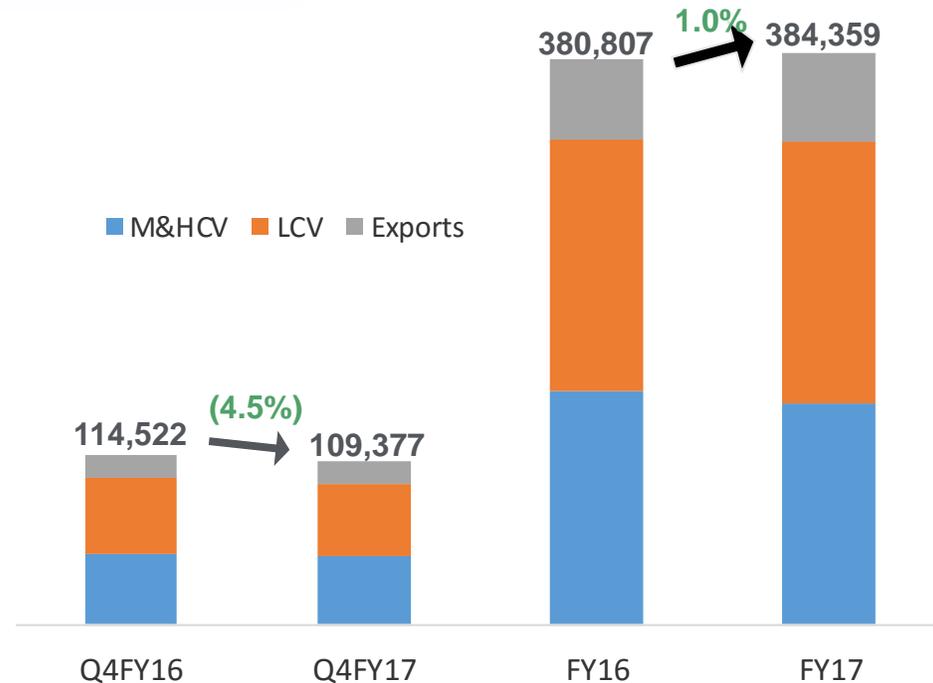


Tata Motors Group-Standalone Business :-Commercial Vehicles

Total **CV volumes** (including exports), **up 1.0 % YOY in FY17**

Exports witnessed **growth of 11.3 % YOY in FY17.**

Crossed the **60K** mark in FY17 for the first time.



CV	Q4FY17	FY17
M&HCV	46,447	148,774
LCV	48,021	175,401
Exports	14,909	60,184
Total	109,377	384,359

Tata Motors Group-Standalone Business :-Commercial Vehicles (Contd.....)

FY 17- Domestic CV industry ↑ 3.2% Y-o-Y,
mainly led by
LCV (Truck) ↑ 8.0% Y-o-Y
M&HCV (Buses) ↑ 5.8% Y-o-Y
M&HCV (Truck) ↓ 1.0% Y-o-Y

M&HCV (Truck) witnessed de-growth due
Weak replacement-led demand,
Subdued freight demand from industrial segments, which took a further hit post demonetization and
Lower than expected pre-buying (ahead of the implementation of BS-IV emission norms)

FY 17- Company- Domestic CV ↓ 0.8% Y-o-Y,
mainly led by
LCV (Truck) ↑ 7.1% Y-o-Y
M&HCV (Buses) ↑ 16.5% Y-o-Y
M&HCV (Truck) ↓ 7.7% Y-o-Y

Key Highlights of Q4 FY 16-17

Launched New **Tata Xenon Yodha** range of pick-ups by the CVBU Brand Ambassador – Akshay Kumar.



Launched **Hybrid and Electric buses**-Initial Order of 25 Hybrid buses from MMRDA to be fulfilled in Q1 FY 18



Successfully organized Season 4 of “**T1 PRIMA TRUCK RACING CHAMPIONSHIP 2017**” which included the addition of European ETRC drivers to the current BTRA drivers and the **unveiling of a 1000 bhp racing truck.**



Launched **Prima Range** in Kingdom of Saudi Arabia and **Ultra range** in Tanzania



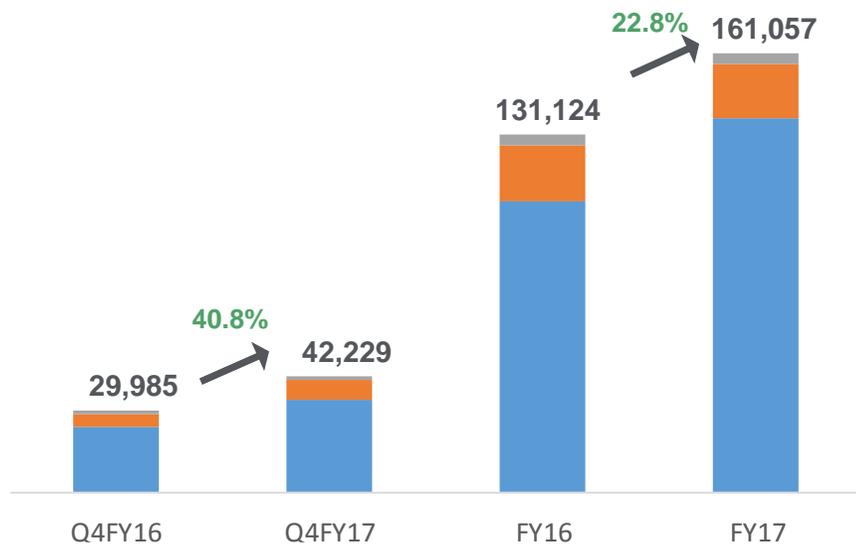
Tata Motors Group-Standalone Business :-Passenger Vehicles



Total PV volumes (including exports), up 22.8 % YOY in FY17

PV	Q4FY17	FY17
Cars	33,990	137,175
Uvs & Vans	7,495	19,845
Exports	744	4,037
Total	42,229	161,057

■ Cars ■ UVs&Vans ■ Exports



Tata Motors Group-Standalone Business :-Passenger Vehicles (contd.....)

FY 17- Domestic PV industry ↑ 9.6% Y-o-Y,
mainly led by

Car segment ↑ 4.0% Y-o-Y

UVs and Vans ↑ 24.8% Y-o-Y

FY 17- Company- Domestic PV ↑ 23.5% Y-o-Y,
mainly led by

Car segment ↑ 28.4% Y-o-Y

UVs and Vans ↓ 2.2% Y-o-Y

Tiago continues to receive strong responses and accolades with around 18 awards in its first year,

Key Highlights of Q4 FY 16-17

Launched much awaited lifestyle vehicle-**Tata Hexa**



Forays into future mobility solutions with sub-brand- "**TAMO**"



Collaborated with **Microsoft** to redefine the connected experience for automobile users



Launched new "Styleback"-**Tata Tigor**



Signs MOU with **Volkswagen** Group and **Skoda** for exploring Joint Development projects



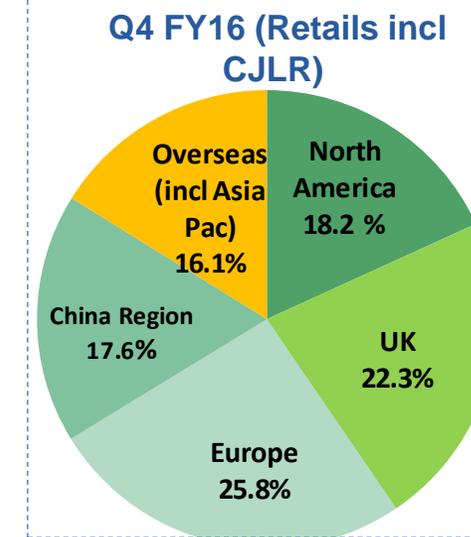
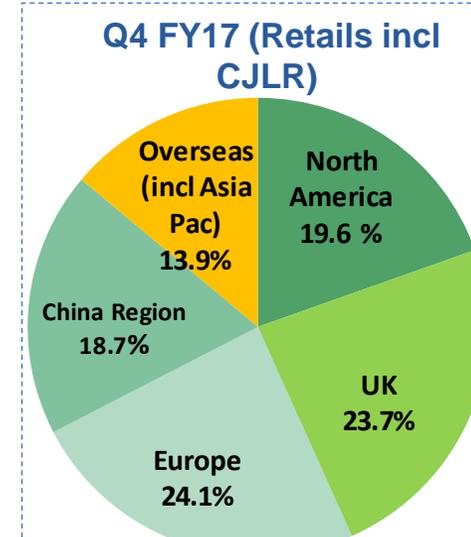
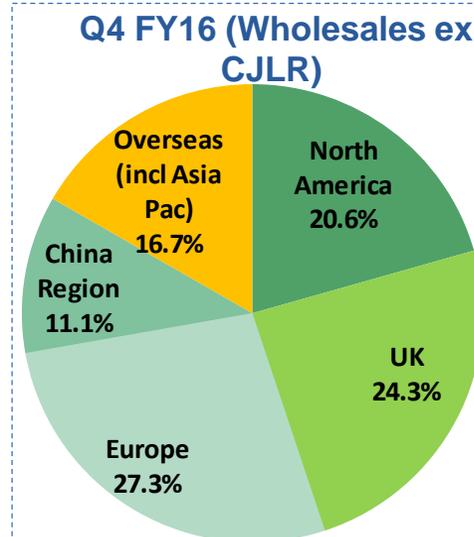
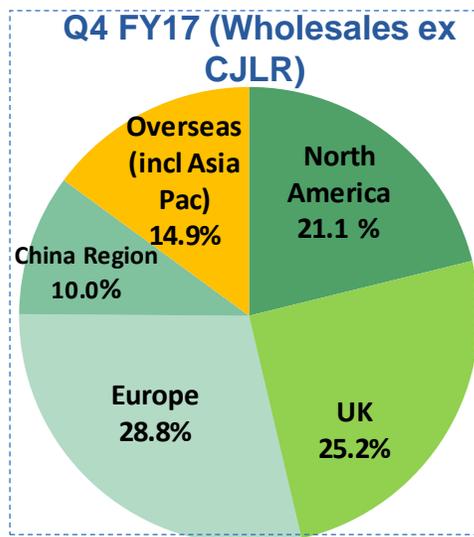
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Jaguar Land Rover



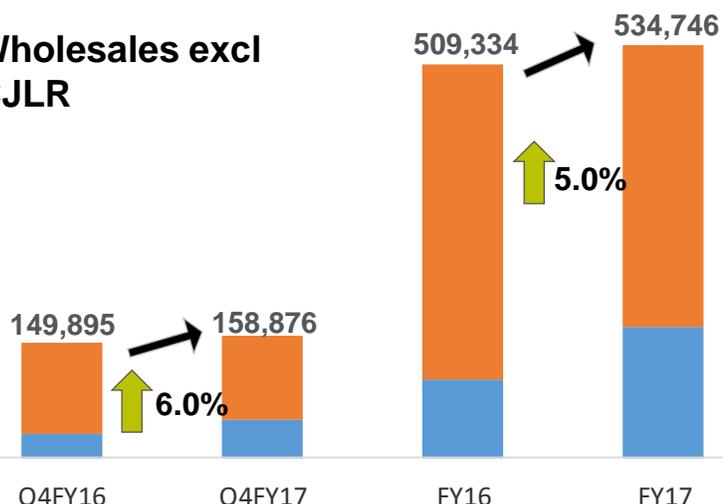
Tata Motors Group-Jaguar Land Rover- Key highlights



■ Jaguar ■ LandRover

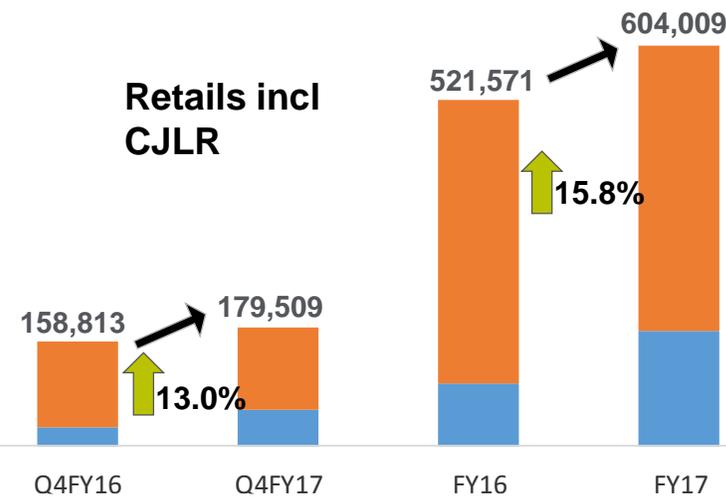
■ Jaguar ■ LandRover

Wholesales excl CJLR



CJLR wholesales was 16,124 units in Q4 FY 17 and 66,060 units in FY 17 as against 12,532 and 34,751 units in Q4 FY 16 and FY 16

Retails incl CJLR



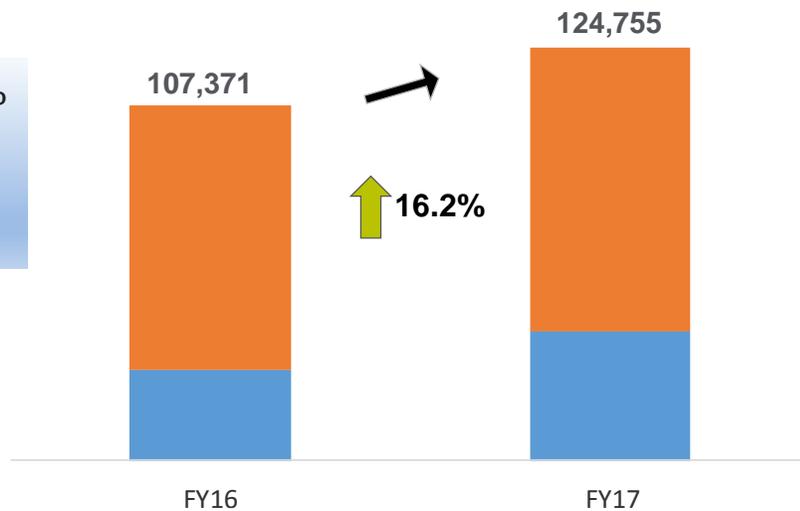
CJLR Retails was 18,097 units in Q4 FY 17 and 65,023 units in FY 17 as against 12,367 and 31,765 units in Q4 FY 16 and FY 16

Tata Motors Group-Jaguar Land Rover-Other Key highlights

RECORD FY17 RETAIL SALES 604,009 up 16%
 ALL REGIONS UP EXCEPT OVERSEAS
 LED BY F-PACE, XE AND DISCOVERY SPORT

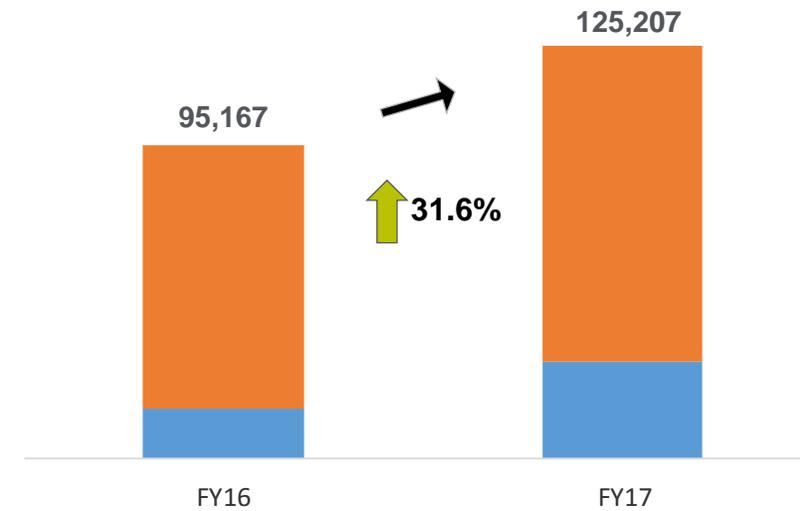
UK

Jaguar LandRover



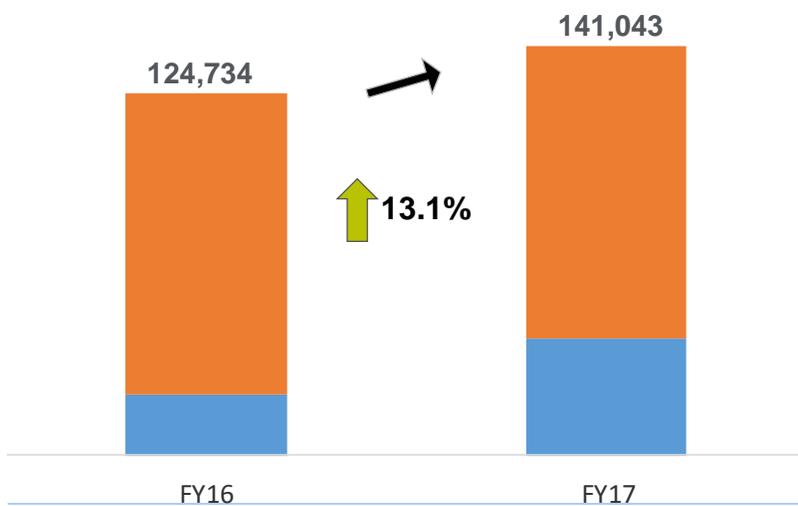
China

Jaguar LandRover



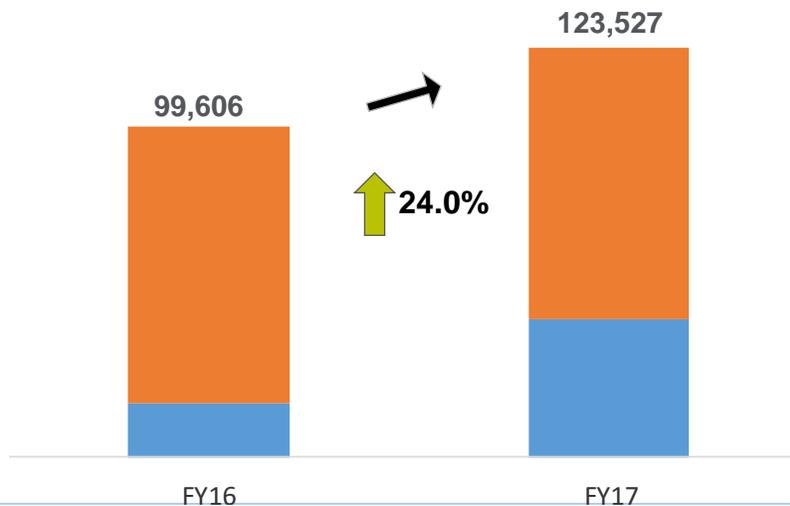
Europe

Jaguar LandRover



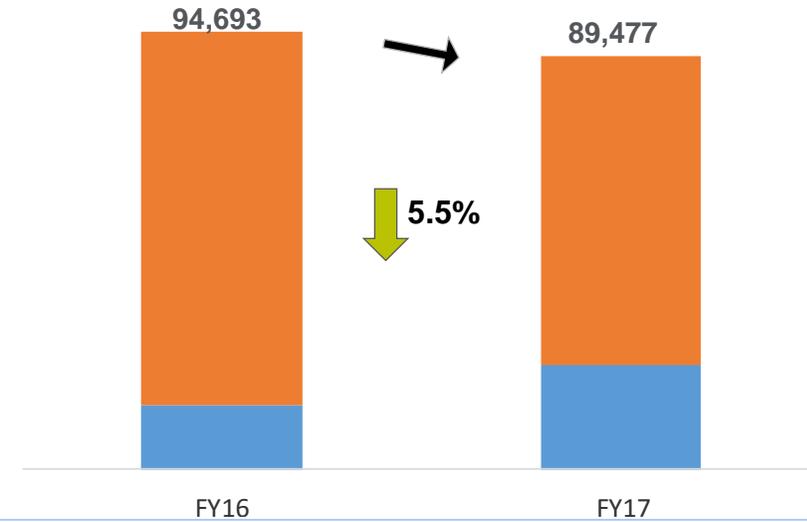
North America

Jaguar LandRover



Overseas

Jaguar LandRover



ELECTRIFICATION TO MEET CUSTOMER DEMAND AND REGULATIONS

Current



FROM 2018



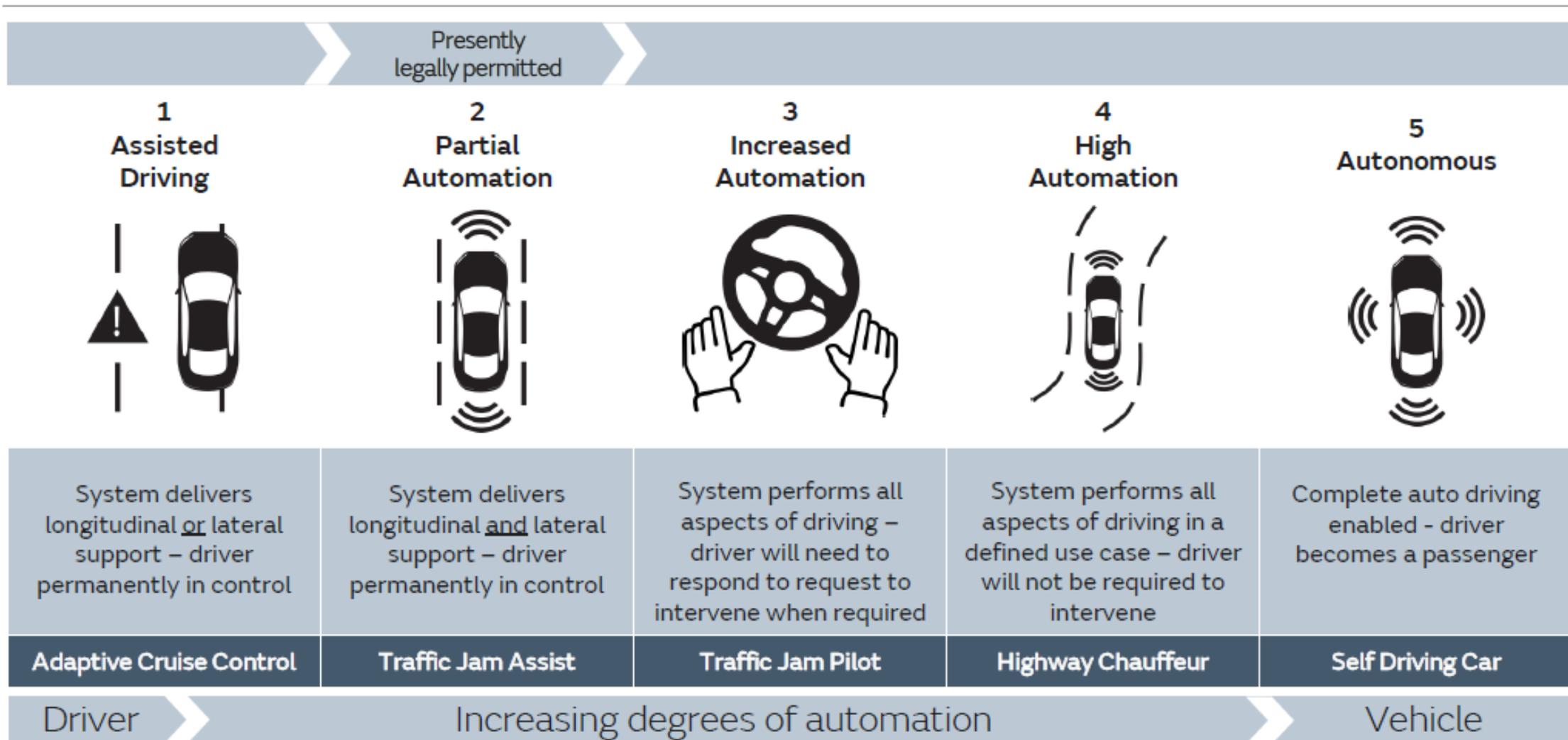
More to follow.....

Hybrids

Plug-in Hybrids

Battery Electric

DRIVER ASSISTANCE AND AUTOMATION TECHNOLOGIES



FUTURE TECHNOLOGICAL AND BUSINESS INITIATIVES



Connected Cars

- JLR have already deployed intelligent navigation and information systems, smartphone integration (including remote control of climate settings and security) and in-car Wi-Fi connectivity into various Vehicles
- JLR has recently announced a USD 15m investment in connected car technology firm, CloudCar



InMotion

InMotion Ventures

- Established to develop innovative solutions aimed at overcoming future travel and transport challenges.

Investments to date include:

- GoKid – USD 1m seed investment ride sharing service for schools 
- Splt – ride sharing/car pooling platform for commuters

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Way Forward



- ❑ Company will continue to explore capital optimization through better operating efficiencies in working capital etc. and monetization of non-core assets and some of its investments .
- ❑ High ImpACT projects launched to drive topline growth and bring profitability.

COMMERCIAL VEHICLES



Infrastructure & rural spending, favourable GST impact and forecasted normal monsoon is expected to support the CV growth in FY 17-18.

Volumes of LCV and Buses, are expected to grow by 10% in FY 17-18.

M&HCV growth in FY 17-18 will be impacted by slow start in H1, post BS4 introduction and post GST.

Wide and compelling product range with several new launches in FY18 provides strong foundation for growth :-



M&HCV

Ramp-up of products launched in FY 17 in key product gaps (eg 37T, 49T etc).

BSIV :- Offered EGR technology for engine power requirement upto 180 HP and future leading SCR technology from 130HP to 400HP. Customers can opt for their choice of technology based on the applications, tonnage and their usage pattern.

Expansion of new Signa Range across tonnages and applications.

Aim to get back to position of more than 60% market share over the next 2 years in >16T segment



SCV & Pick up

Ramp up of Xenon Yodha,

Refreshes/variants along with extra deck length to further complement and strengthen the ACE and Super ACE family



LCV & ILCV

Expansion of the new Ultra Range across tonnages and applications.

Launch of the superior Next Gen 3 litres and 5 litres common rail engines across the ranges

Launch of the AMT version in the Buses segment.



Export & Defence business will remain key focus area in FY 17-18

Launch of AMT version of Xenon Pick ups

Signed a contract for supply of 3192 units of the Tata Safari Storme 4x4 to the Indian Armed Forces,

PASSENGER VEHICLES



Continued focus on the sale and ramp of volumes of TIAGO, Tata HEXA and newly launched Styleback TIGOR.

Launch of Tata NEXON in the compact SUV segment to support the volume growth.

Dealer network expansion and Customer centricity will continue to be a key focus area

Further engagements with VW group for joint opportunities



Tata Motors Group – Jaguar Land Rover- Way Forward

EXCITING NEW PRODUCTS - TO DRIVE GROWTH IN FY18

Discovery (Feb 2017)



Range Rover Velar (Summer 2017)



XF Sportbrake(Summer 2017)



I-PACE concept (2018)



Watch this space!

CONTINUING TO INVEST TO DRIVE PROFITABLE GROWTH

- JLR's strategy is to achieve **sustainable profitable growth** by investing proportionally more in **new products, technology and manufacturing capacity**. Consistent with this, FY18 investment spending is expected to be over £4 b, including investment in the new Slovakia plant.
- Despite increased geo-political uncertainty (e.g Brexit in the UK), major markets including China, the US, Europe and the UK continue to see **solid economic growth** with only selected markets such as the Middle East, Russia and Brazil showing more fundamental weakness
- JLR's **planning target is to achieve an 8-10% EBIT margin** in the medium term, supported by the continued launch of new products and technologies to drive growth with greater operating leverage. However, JLR expects margin pressures seen in FY17 and historical seasonality of volume and profit by Quarter to continue in FY18.
- The ramp-up of exciting new products including Land Rover Discovery, the Range Rover Velar and other new models are expected to drive solid growth in FY18 and beyond

Press Presentation is available on our website
<http://www.tatamotors.com/investors>

Thank You



FOREIGN EXCHANGE IMPACT-Hedging Losses more than offset by Operational gains

- JLR has significant operational FX exposures, particularly USD and RMB revenue and net EUR cost with each of these currencies accounting for over 20% of sales but in the case of the Euro, this is more than offset by over 50% of JLR components being sourced from the eurozone
- As these are structural exposures which cannot be quickly changed, JLR hedges in descending percentages over 5 years, historically up to 85% 1 year out decreasing to 10% 5 years out in order to mitigate currency volatility/risk whether unfavourable or favourable
- In FY17 with Brexit, the pound moved to historically low levels, resulting in significant hedging losses, however, these have been offset by favourable operating exchange on the underlying exposures as shown below:

(£ millions)	FY16	FY17	YoY
Operational exchange ¹	n/a	n/a	982
Realised FX hedges and other	(266)	(1,246)	(980)
Operating exchange net of realised hedges	n/a	n/a	2
Other FX and commodity revaluation	(184)	(177)	8

1) The operating exchange variance is calculated by flexing the year over year exchange rates on the FX exposures but as there is no revenue or cost contract rate the absolute amount of hedging losses and gains cannot be calculated as it can for hedge contracts.

- Favourable operating exchange with growing volumes is generally expected to continue to offset hedging losses in FY18 and at 31 March exchange rates (e.g \$1.246), hedging losses would be expected to start to reduce in Q4 FY18

FOREIGN EXCHANGE –IMPACT ON PROFITABILITY

(£ millions)	Period ended 31 March 2017					
	Quarter	vs prior year		Full year	vs prior year	
Operational exchange	n/a	323		n/a	982	
Realized FX hedges and other	(400)	(326)		(1,246)	(980)	
Revaluation of current assets and liabilities	18	108		(171)	(67)	
Total FX impacting EBITDA & EBIT	n/a	105		n/a	(65)	
Revaluation of debt and unrealised FX hedges	(59)	7		(112)	(144)	
Total FX impact on PBT	n/a	113		n/a	(209)	
Realised commodities (incl. in EBITDA & EBIT)	(4)	16		(42)	12	
Unrealised commodities (excl. from EBITDA & EBIT)	76	52		148	207	
Total FX & Commodities impact on PBT	n/a	181		n/a	10	
End of Period Exchange Rates		Q-o-Q	Q-o-Q		Q-o-Q	Q-o-Q
GBP:USD	1.246	1.4%	3.3%	1.246	1.4%	3.3%
GBP:EUR	1.166	0.2%	6.8%	1.166	0.2%	6.8%
GBP:CNY	8.574	0.1%	4.7%	8.574	0.1%	4.7%