TATA MOTORS

AGM Presentation 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

Q1 FY17 represents the period from 1st April 2016 to 30th June 2016

Q1 FY18 represents the period from 1st April 2017 to 30th June 2017

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

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

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.

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Summary Financial Highlights-FY 17

Tata Motors Group- Consolidated
(Rs Crores)

	FY17	FY16
Net Revenue*	**269,850**	273,111
EBITDA	**36,912**	41,776
EBITDA %	**13.7**	15.3
PBT	**9,315**	14,126
PAT	**7,557**	11,678

- Consolidated Operating Performance impacted by
  - Continued volatility in the Standalone business leading to lower volumes of the Commercial vehicles
  - Higher marketing expenses in Standalone as well as Jaguar Land Rover business
- PAT for FY 17 is lower by Rs 1,074 crores due to translation impact from GBP to INR
- Net Auto Debt Equity -31st March17 was 0.15

Tata Motors Group-Standalone (incl Joint Operations)
(Rs Crores)

	FY17	FY16
Net Revenue*	**44,477**	42,894
EBITDA	**1,701**	3,365
EBITDA %	**3.8**	7.8
PBT	**(2,421)**	(67)
PAT	**(2,480)**	(62)

- Operating Performance impacted by
  - Continued volatility during the year- GST uncertainty, Demonetisation, SC Judgement on BSIII to BS IV, which

a) Led to fall in M&HCV truck by 7.7%(Y-o- Y) and slower growth in LCV segment,

b) Partialy offset by growth in passenger vehicle segment of 23.5%

- Net Debt to Equity -31st March 17 was 0.81

Tata Motors Group-Jaguar Land Rover (IFRS) (GBP Million)

	FY17	FY16
Net Revenue*	**24,339**	22,286
EBITDA	**2,955**	3,147
EBITDA %	**12.1**	14.1
PBT	**1,610**	1,557
PAT	**1,272**	1,312

- Higher wholesales volumes offset by higher marketing & other expenses
- 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
- Net Cash - 31st March 17 was £ 1.9 b

*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

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Summary Financial Highlights- Q1 FY 18

Tata Motors Group- Consolidated
(Rs Crores)

	Q1 FY18	Q1 FY17
Net Revenue*	**58,651**	65,115
EBITDA	**5777**	9,899
EBITDA %	**9.9**	15.2
PBT	**3,737**	2,551
PAT	**3,200**	2,260

- Consolidated performance in Q1 impacted by the significantly weaker volumes of M&HCV in the standalone business and muted wholesales volumes in JLR with overall higher marketing costs and higher material and operating costs
- PBT in Q1 FY 18 includes one time credit of Rs 3,609 crores in relation to changes made to JLR's defined benefit pension plans.
- Net Auto Debt Equity -30th June 17 was 0.33

Tata Motors Group-Standalone (incl Joint Operations)
(Rs Crores)

	Q1FY18	Q1FY17
Net Revenue*	**9,207**	10,393
EBITDA	**3**	670
EBITDA %	**0.03**	6.4
PBT	**(467)**	38
PAT	**(467)**	26

- Performance in Q1 impacted by the significantly weaker volumes of M&HCV (down 34.8% Y-o-Y).
- M&HCV (Truck) witnessed de-growth in Q1 FY 17-18 due to
  - Pre-buying (in Q4 FY2017 ahead of the BS-IV roll-out),
  - Deferment by fleet operators before GST roll-out and
  - Supply disruptions because of limited availability of components for BS-IV vehicles,
- Net Debt Equity-30th June 17 was 1.0

Tata Motors Group-Jaguar Land Rover (IFRS) (GBP Million)

	Q1FY18	Q1FY17
Net Revenue*	**5,599**	5,355
EBITDA	**442**	672
EBITDA %	**7.9**	12.6
PBT	**595**	399
PAT	**472**	304

- Lower wholesale volumes along with
  - continued higher Variable Marketing Expenses, particularly US (higher by £93 vs Q1 FY 17) and
  - higher Material and Operating costs (higher by £96 vs Q1 FY 17)
- Share of China JV profit for Q1 FY 18 was £77 million (includes £31 million local market incentive)
- **PBT** Includes one time credit of £437m in relation to changes made to the pension plans in Q1 FY 18
- Net Cash-30th June 17 was £613m

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

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Standalone Business

Tata Motors Group-Standalone Business



CV	FY16	FY17
M&HCV	157,120	148,774
LCV	169,635	175,401
Exports	54,052	60,184
Total	**380,807**	**384,359**

CV	Q1 FY17	Q1 FY18
M&HCV	35,504	23,142
LCV	43,189	43,255
Exports	13,154	9,219
Total	**91,847**	**75,616**



PV	FY16	FY17
Cars	106,827	137,175
UVs & Vans	20,291	19,845
Exports	4,006	4,037
Total	**131,124**	**161,057**

PV	Q1 FY17	Q1 FY18
Cars	30,874	31,257
UVs & Vans	3,456	4,674
Exports	664	313
Total	**34,994**	**36,244**

We have identified our challenges in Commercial and Passenger vehicles business

Commercial Vehicles (CV)

1. Delay in addressing specific payload requirements
2. Product Gaps in white spaces
3. Aggressive discounting in the industry
4. SCV TIV dropped to 1/3rd in 5 years, a stronghold

Passenger Vehicles (PV)

1. Product Portfolio
2. Time to market
3. Quality of Products & Services
4. Channel Performance - Reach
5. Brand Perception

High ImpACT projects launched to focus on key levers

Intense Topline focus

- **New Product** Introductions
- **Market Share** Growth
- Sales Conversion

Agile Cost Management

- **Margin Improvement** through Cost reduction
- **Lean and agile** management structure
- Inventory & Distribution logistics

- **5% Market share improvement in CV & PV**
- **~1500+ Crs. potential identified for bottom line improvement , with recurring benefits for future years, through 'top line' measures**
- **Accelerated cost reduction actions across all categories, to further improve bottom line**
- **Significant improvement in Brand perception**

Structural Improvements

- Complexity Reduction & Modular platform approach
- **Manufacturing Strategy**
- **Strategic Supplier** base

Customer Centricity

- **Demand & Supply** Planning
- **Quality** Management
- **Customer experience** / Building Brand Equity

Tata Motors Group-Standalone Business

A comprehensive strategy developed in Commercial Vehicles

Product interventions

Over 1500 cr. investment planned across segments in CV this year & annually going forward

International Business Strategy

Roadmap prepared for 20% top line contribution from exports

Dealer / Key Account Engagement, After sales

Frontline sales efforts accelerated in specific micro markets to gain market share

CV Strategy

Defence Strategy

Establishing as a Full range defence solutions provider

Technology/Powertrain Roadmap

Customer-centric, judicial mix of SCR & EGR technology offerings

Operational Excellence

Structural improvements underway on improving capacity utilization & productivity

Tata Motors Group-Standalone Business

Upcoming product launches in CV catering to higher payload and better TCO requirements

M&HCV Trucks

LPS 4923

LPK 2518 HD

Signa on MAV 37

LPTK 2518

LPTK 3118

New BS4 engine program for 3718 Tippers

SIGNA Tippers

6 product launches in MHCV in FY18, ramp up of 4 launches in 37/49 T from last year

ILCV Trucks

1518 Ultra+

Ultra narrow

LPT 709 CNG

407 BS4 range, Ultra 13.5 ton

4 products in ILCV in FY18, ramp-up of 5 launches from the last year

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Upcoming product launches in CV catering to last mile connectivity and passenger solutions

SCV & Pickups

Ace XL, Mega XL, Zip XL

Xenon Yodha range – SC,DC,4*4

Winger Cargo BS4

New products like XL family in SCV & Yodha 4*4 in Pick-ups

SCV Passenger & Buses

ULTRA BS4 range on 3.0 L

Magna

Magic Express

New BS4 engine program for Buses

Wide range of people transport solutions

Leadership position in MHCV Buses

We have been the pioneers in bringing technology – proven and reliable

Taking the lead in 'xEV' / alternative fuel solutions

TATA Starbus HYBRID

India's First LNG Bus

TATA Ultra Electric

Fuel Cell Bus

TML scale allows us to offer multiple technologies suited to all customer applications, tonnage points & usage patterns

EGR Technology	SCR Technology
Pioneered in 2010	Pioneered in 2014
Available on engines up to 180 Ps	Available on engines higher than 180 Ps
Relevant for light duty applications	Relevant for medium & heavy duty/long-haul applications
Lower cost & Lower cost of ownership	Better fuel consumption (2 to 3%) and longer oil drain intervals.
Self reliant i.e. does not require additional reagent/ reductant	Global technology
	Future Ready for BS6

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Passenger vehicles Business- good beginning, with continued momentum

Road to Recovery/Growth

- 3 Successful launches in 3 different segments
- Product plan ready till FY2022, to include full benefits of modular platform and structural cost reduction
- With upcoming product 'Nexon' in Compact SUV segment, addressable market grows from 60% to 75%
- Aggressive plans to take No. 3 position

2nd ranking in JDP CSI score, with highest ever score achieved

Nexon coming up in FY18

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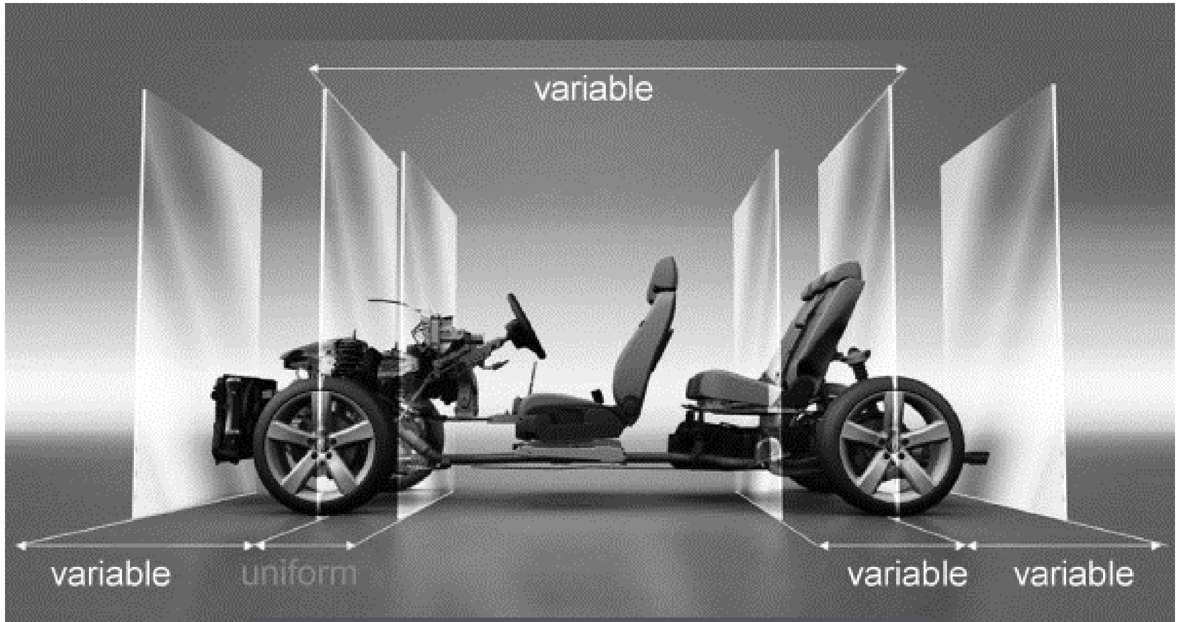
A platform based strategy developed in Passenger Vehicles to build sustainable future

KEY ADVANTAGES

- No of platforms reduced from 6 to 2, e.g. AMP
- Nameplate/ Top hats to Platform ratio achieved > 4
- Investment commitment of INR 2500 cr. for future programs
- Lesser complexity & economies of scale
- Better profitability from attractive segment solutions
- Time to market for future products will be faster



Advanced Modular Platform (AMP)

TML's immediate objective : market share growth and profitability improvement

BUSINESS TURNAROUND

Rigorous Cost Reduction across all categories and functions

- Manufacturing Strategy to focus on efficiency and quality
- Raising the bar for the ImpACT projects

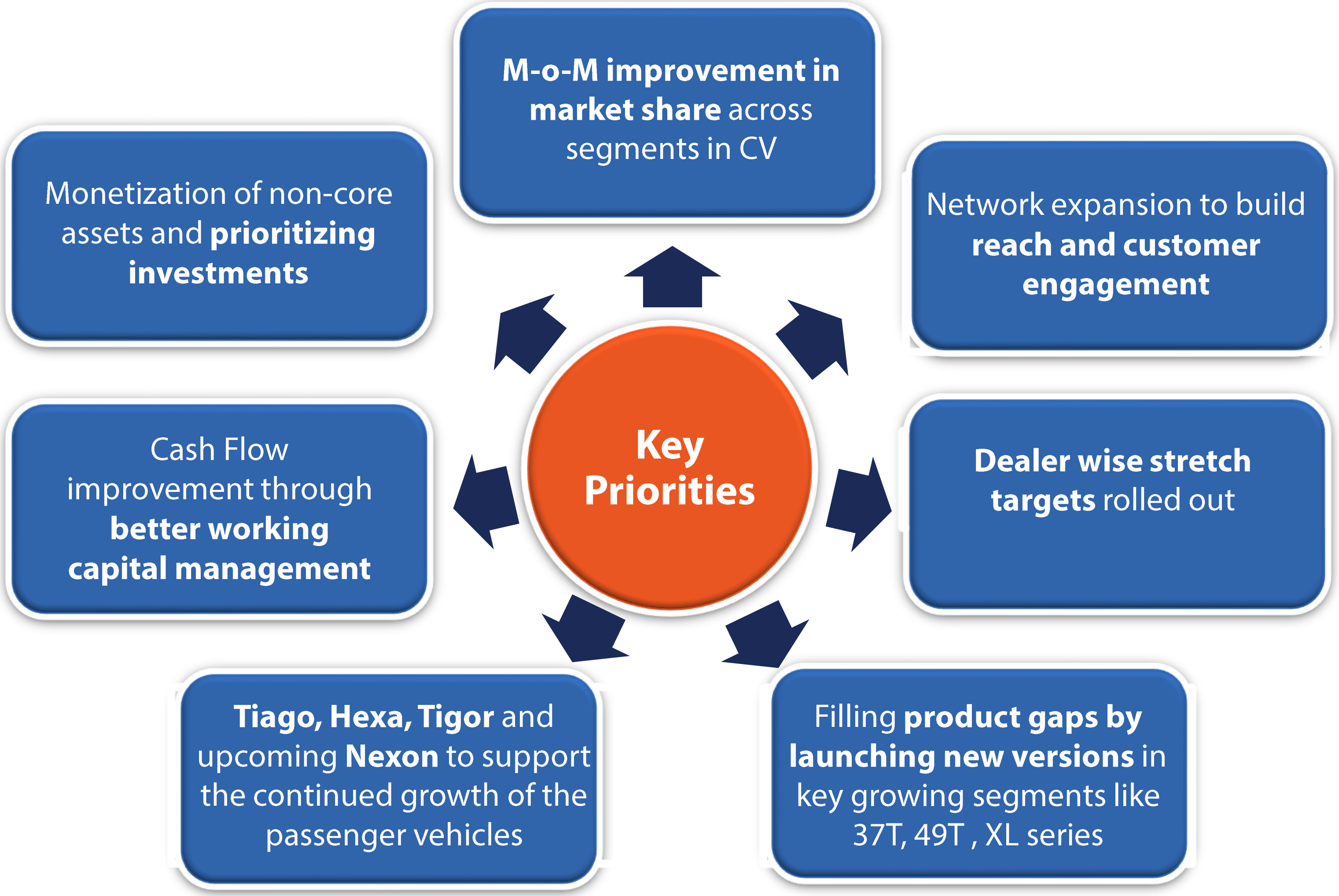
Fill Product Gaps

- Zero tolerance on product launch delays
- Regain market share and driving volumes
- Bring products faster to market.

Supply Chain Strategy

- Commodity wise strategic supplier base/ Supplier base Consolidation
- Eradicate all supply constraints to meet the prevalent demand

Put in renewed focus & energy to drive identified priorities



TATA Motors Group

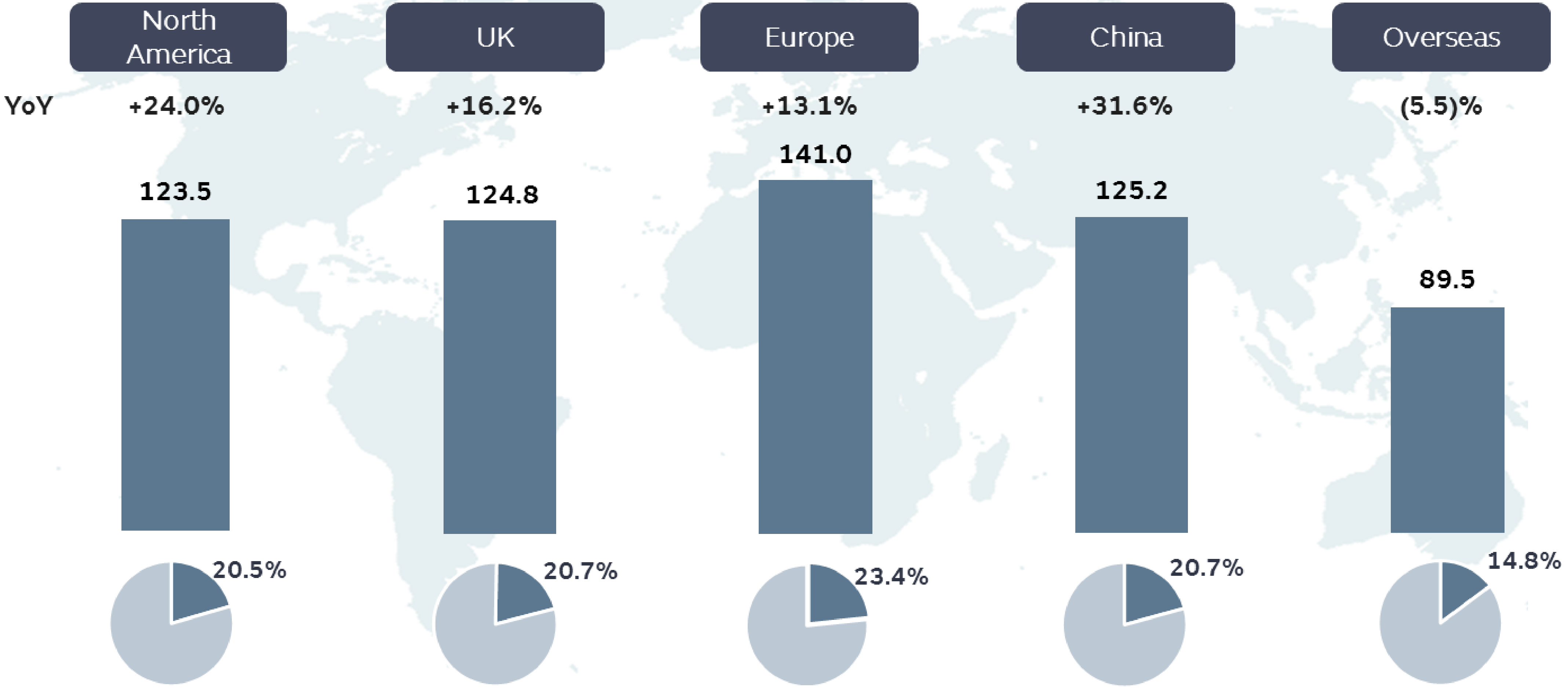
Jaguar Land Rover

Tata Motors Group-Jaguar Land Rover

RECORD FY17 RETAIL SALES 604,009 UP 16%

ALL REGIONS UP EXCEPT OVERSEAS.OUTPERFORMED INDUSTRY IN MOST OF

Units in '000

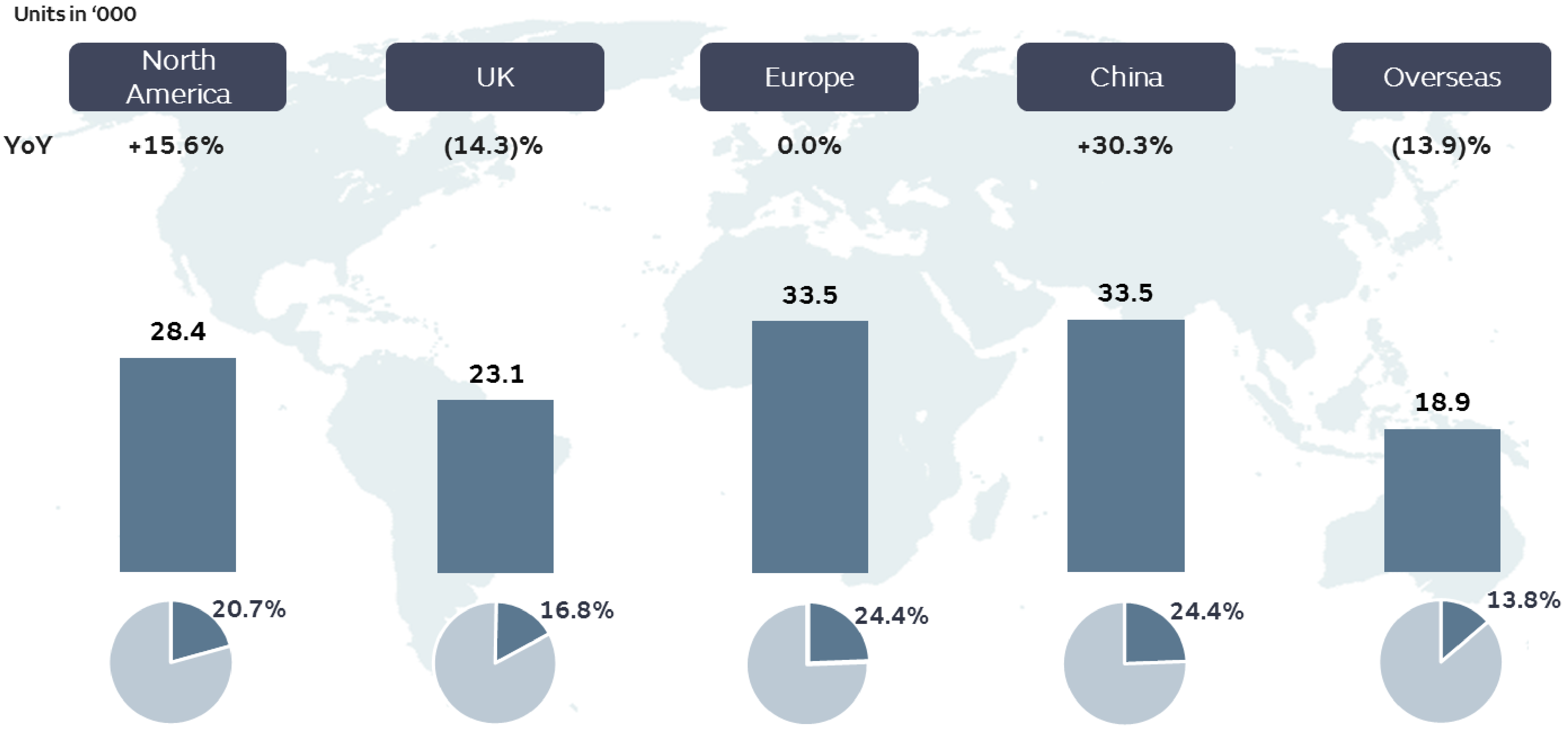


Volumes include sales from Chery Jaguar Land Rover – FY17 65,023 units, FY16 31,765 units

Tata Motors Group-Jaguar Land Rover

Q1 FY18 RETAILS 137,463 UP 3.5% YOY

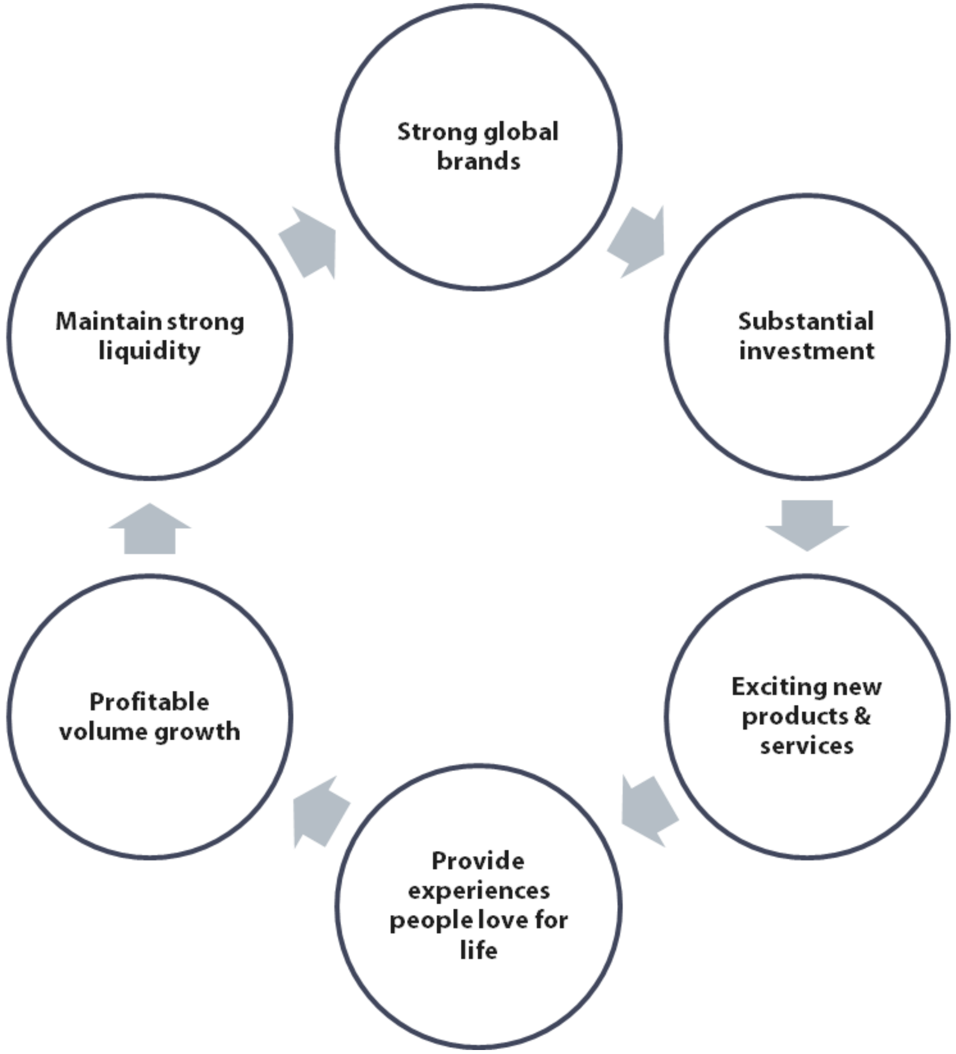
STRONG CHINA AND US SALES, UK DOWN AFTER TAX CHANGE



Volumes include sales from Chery Jaguar Land Rover – Q1 FY18 20,309 units, Q1 FY17 Actuals 14,039

BLUEPRINT FOR LASTING SUCCESS

What We Do To Excel



EXTERNAL ENVIRONMENT & JLR PROFITABILITY TARGET

Geopolitical and economic environment, including Brexit

Electrification and emissions compliance

Driver assistance, connectivity and mobility trends

Market and competitive forces

Investment required for growth

FY17 EBIT margin:

6.0%

EBIT margin planning target (medium term):

8 - 10%

Growing premium segments & balanced market mix

Investment in hybrid and BEV technology

Investment in new technologies and services

Exciting new products

Cost efficiency management

EXCITING NEW PRODUCTS TO DRIVE FUTURE GROWTH


Discovery (US & China May 2017)


Range Rover Velar (July 2017)


XF Sportbrake (This Summer)


E-PACE (This Winter)


I-PACE (2018)

First premium SUV BEV


Watch this space!

STRATEGIC PRIORITIES- ACES

AUTONOMOUS

- JLR vehicles currently include level 2 features
- Investing in driver assistance technology to support increasing degrees of automation

CONNECTED

- Investment in technology & infrastructure to support higher levels of connectivity
- Cloudcar-$15m equity investment

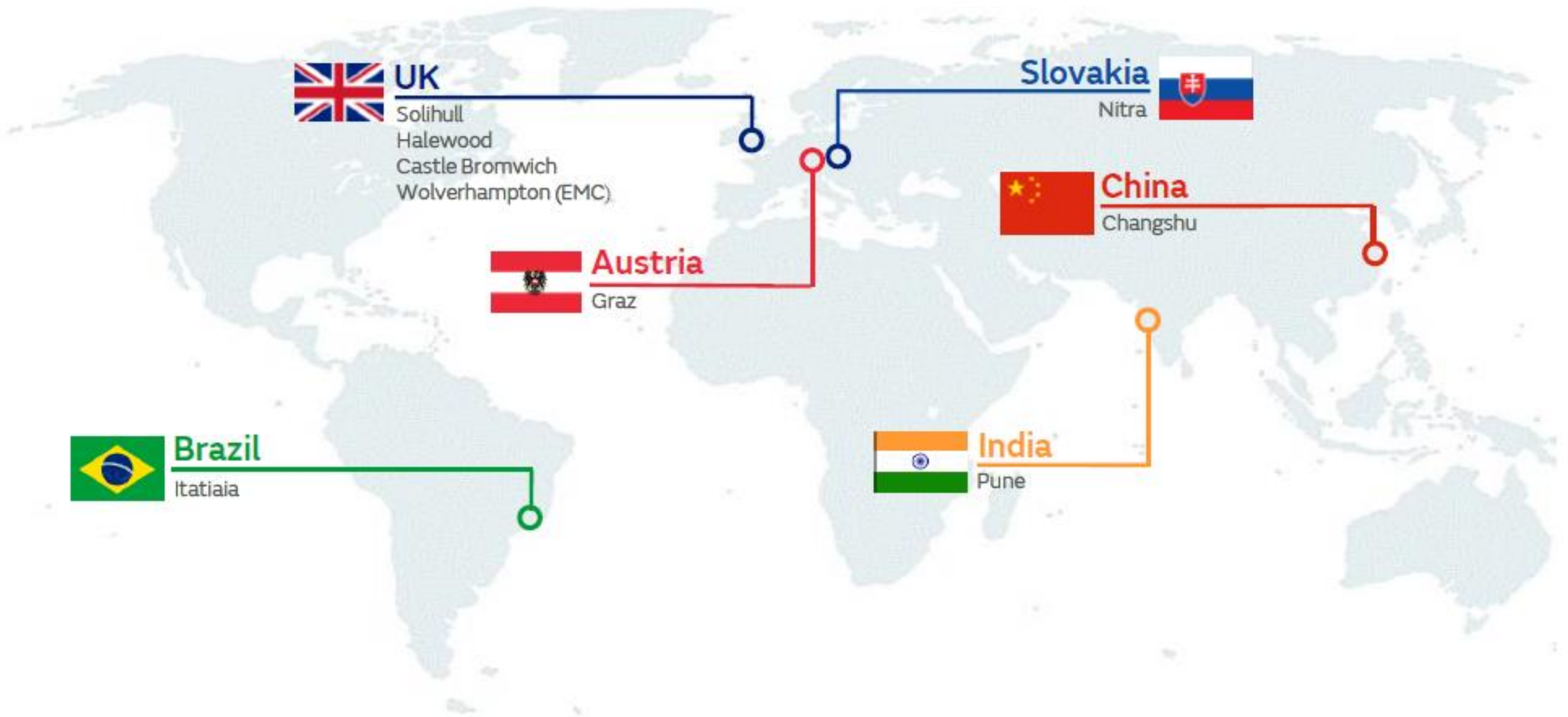
ELECTRIC

- I-PACE , Battery Electric Vehicle on sale 2018
- Plug-in hybrids starting in 2018

SHARED

- InMotionVentures invests in the future of transport and mobility
- Lyft investment -$25m with opportunities to collaborate

GLOBAL MANUFACTURING FOOTPRINT



Tata Motors Group – Jaguar Land Rover- Way Forward

CONTINUING TO INVEST TO DRIVE PROFITABLE GROWTH

- Economic growth in most major economies continuing but with increased competitiveness and higher incentive levels.

- JLR's strategy -
  - To achieve sustainable profitable growth,
  - Invest in new products, technology and manufacturing capacity.

- The launch of the versatile new Discovery (US and China in May), the stunning Range Rover Velar, the Jaguar EPACE, XF Sportbrake and other exciting new models in FY18 are expected to strengthen our portfolio and attract new customers, driving sustainable profitable growth over the course of the financial year and beyond.

- JLR expects margin pressures seen in FY17 to continue in FY18 along with seasonality in volume and profit by quarter. JLR's planning target remains to achieve an 8-10% EBIT margin in the medium term.

Thank You