

Q2 FY 16 BUSINESS REVIEW



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I]

SNAPSHOT OF FINANCIALS

| Particulars | NET REVENUE * | | | PAT | | |
|---|---------------|----------|--------------|---------|-----------|--------------|
| | Q2 FY16 | Q2 FY15 | Y-o-Y change | Q2 FY16 | Q2 FY15 | Y-o-Y change |
| TML Consolidated (Rs Crores) # | 61,318.2 | 60,640.7 | 1.1% | (429.7) | 3,290.9 | NA |
| TML Standalone (Rs Crores) | 10,501.1 | 8,752.1 | 20.0% | (287.5) | (1,845.6) | NA |
| Jaguar LandRover PLC (IFRS) (GBP Million) | 4,831.0 | 4,808.0 | 0.5% | (92.0) | 450.0 | NA |

| Particulars | NET REVENUE * | | | PAT | | |
|---|---------------|------------|--------------|---------|-----------|--------------|
| | H1 16 | H1 15 | Y-o-Y change | H1 16 | H1 15 | Y-o-Y change |
| TML Consolidated (Rs Crores) # | 1,22,620.3 | 1,25,169.3 | (2.0%) | 2,339.0 | 8,689.1 | (73.2%) |
| TML Standalone (Rs Crores) | 19,799.4 | 16,455.5 | 20.3% | (29.9) | (1,452.0) | NA |
| Jaguar LandRover PLC (IFRS) (GBP Million) | 9,833.0 | 10,161.0 | (3.2%) | 400.0 | 1,143.0 | (65.0%) |

| <u>USD Million@</u> | | | | | | |
|----------------------|---------------|---------|--------------|---------|---------|--------------|
| Particulars | NET REVENUE * | | | PAT | | |
| | H1 16 | H1 15 | Y-o-Y change | H1 16 | H1 15 | Y-o-Y change |
| TML Consolidated# | 9,348.7 | 9,245.4 | 1.1% | (66.5) | 501.7 | NA |
| TML Standalone | 1,601.0 | 1,334.4 | 20.0% | (43.8) | (281.4) | NA |
| Jaguar LandRover PLC | 7,308.5 | 7,273.7 | 0.5% | (139.2) | 680.8 | NA |

| <u>USD Million@</u> | | | | | | |
|----------------------|---------------|----------|--------------|-------|---------|--------------|
| Particulars | NET REVENUE * | | | PAT | | |
| | H1 16 | H1 15 | Y-o-Y change | H1 16 | H1 15 | Y-o-Y change |
| TML Consolidated# | 18,695.0 | 19,083.6 | (2.0%) | 355.7 | 1,324.8 | (73.2%) |
| TML Standalone | 3,018.7 | 2,508.8 | 20.3% | (4.6) | (221.4) | NA |
| Jaguar LandRover PLC | 14,875.7 | 15,371.6 | (3.2%) | 605.1 | 1,729.1 | (65.0%) |

*Net Revenue excludes other income;

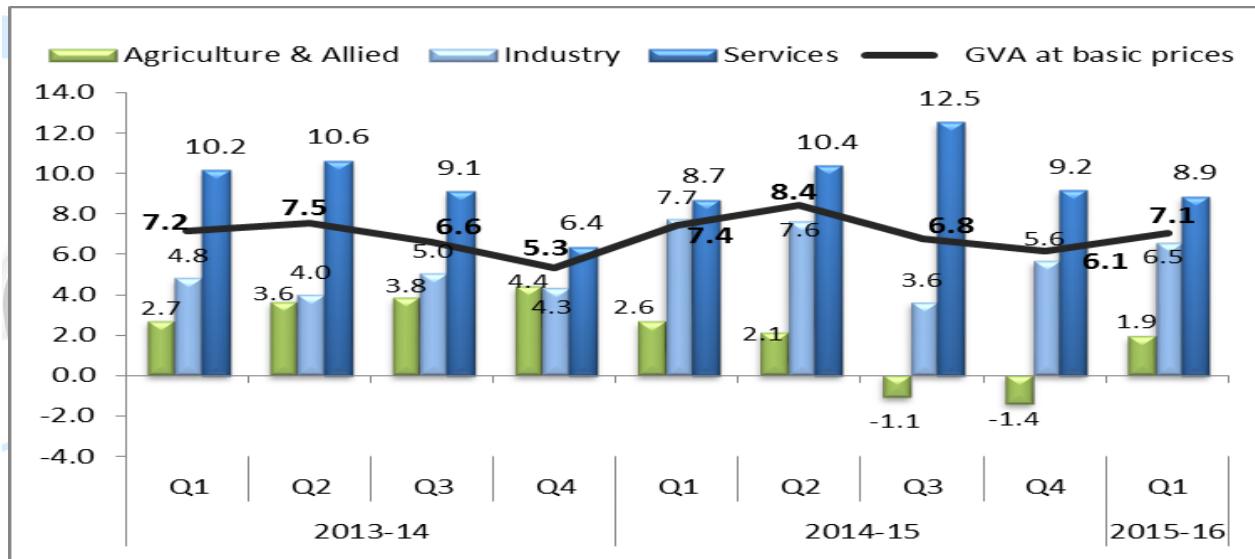
PAT is after Minority Interest and share of Profit/(loss) in respect of associate companies;

@ At conversion rate of 1 USD = 65.59 INR; 1 GBP = 1.5128 USD

1. GDP Growth

India's GDP grew by 7.1% in 2015-16 Q1 compared to 7.4% in 2014-15 Q1. Sectorally, the growth of Industry came down due to lower growth in Mining and Manufacturing sector; Services sector growth slightly picked up led by improvement in 'Trade, hotels, transport, communication and services related to broadcasting' (12.8% in 2015-16 Q1; 12.1% in 2014-15 Q1).

Gross Value Added at Basic Prices (at 2011-12 prices): Sector wise growth rate y/y, %

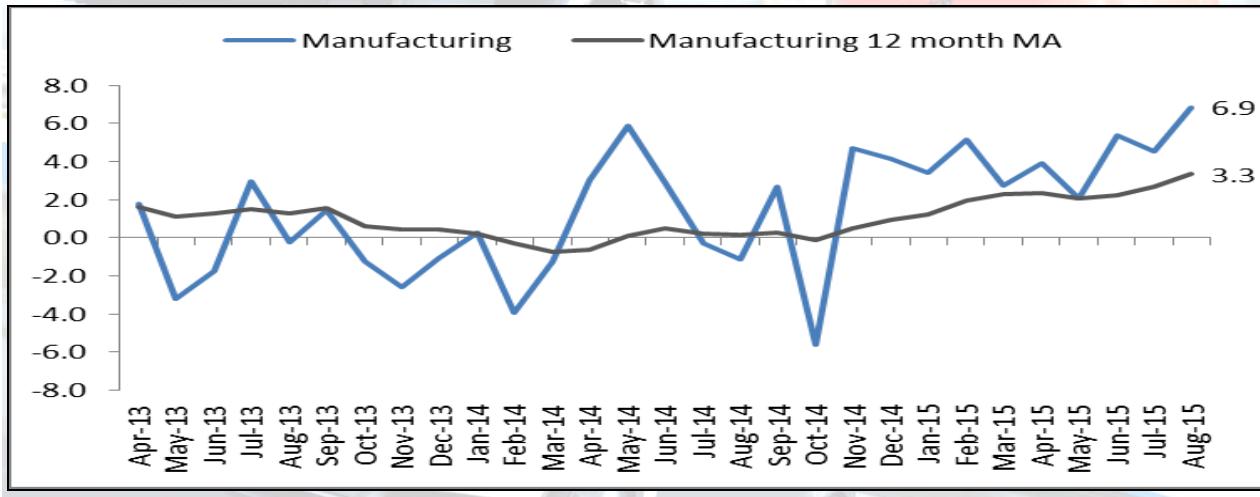
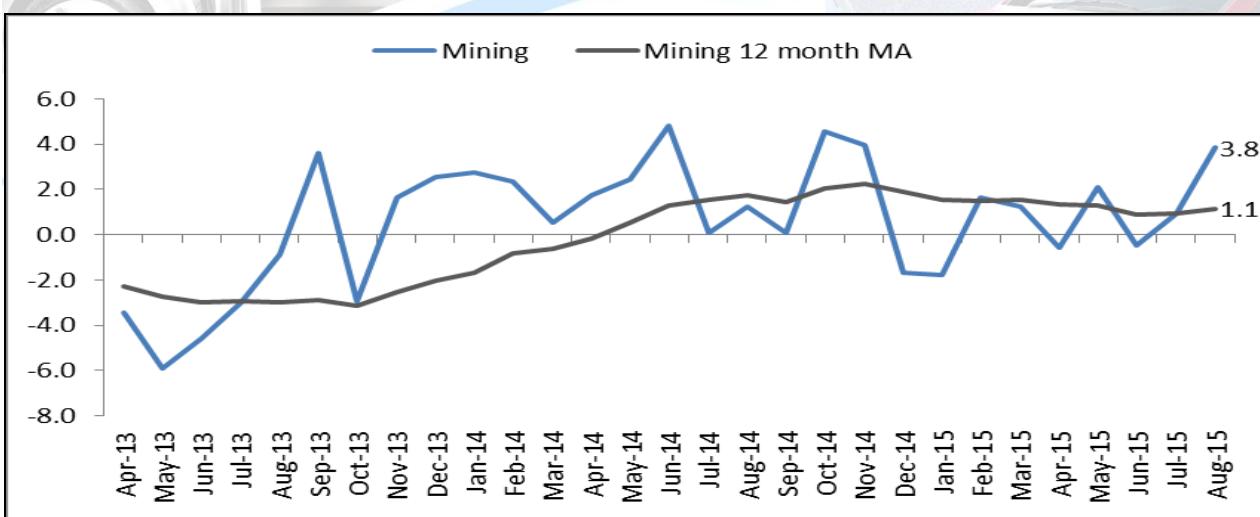
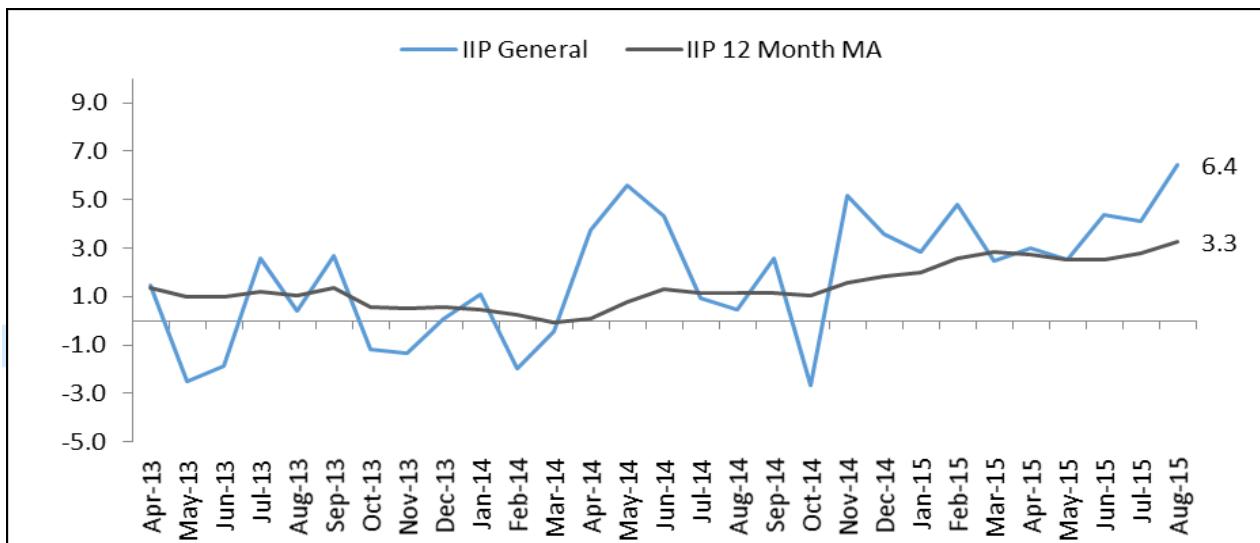


2. Industrial Growth

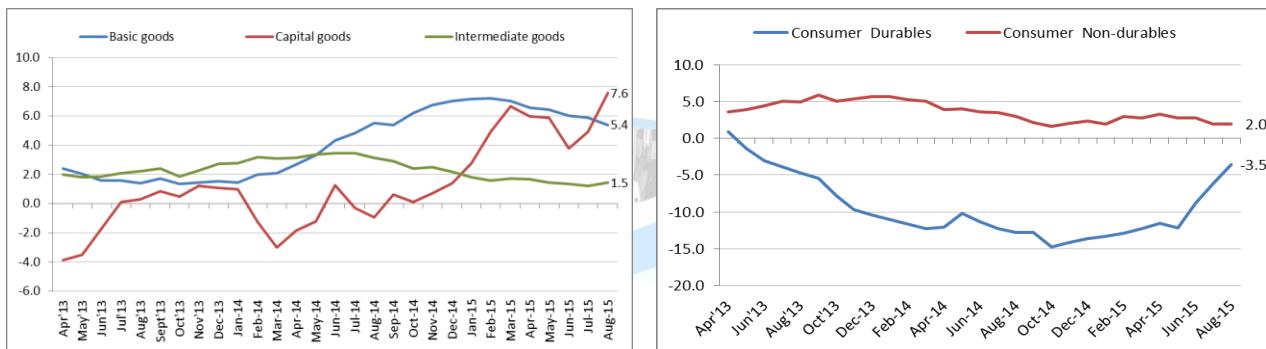
IIP and its categories

| | Categories | Apr-Aug FY 16 | Apr-Aug FY 15 |
|-----------|-------------------------|---------------|---------------|
| IIP | General | 4.1 | 3.0 |
| Sectoral | Mining | 1.1 | 2.1 |
| | Manufacturing | 4.5 | 2.1 |
| | Electricity | 3.2 | 11.7 |
| Use-based | Basic | 4.5 | 8.4 |
| | Capital | 7.4 | 4.8 |
| | Intermediate | 1.8 | 2.4 |
| | Consumer | 3.0 | -4.3 |
| | - Consumer Durables | 7.7 | -12.8 |
| | - Consumer Non-Durables | 0.1 | 1.9 |

Source: MoSPI



IIP growth has been highly volatile in the past few quarters. In such a scenario it is useful to look at moving average of IIP growth. The 12-monthly moving average shows signs of revival since the beginning of April 2014. Mining sector also shows an uptrend since April 2014 due to clearance of mining projects. There has been an uptick in manufacturing sector only since November 2014. The manufacturing sector growth however could not keep pace due to the lack of investment on account of lower capacity utilization and weak demand.



Within use-based classification, the long term trend has picked up in all the sectors, however, in the last few months it has been plateauing off.

3. Infrastructure Index

Performance of Core industries

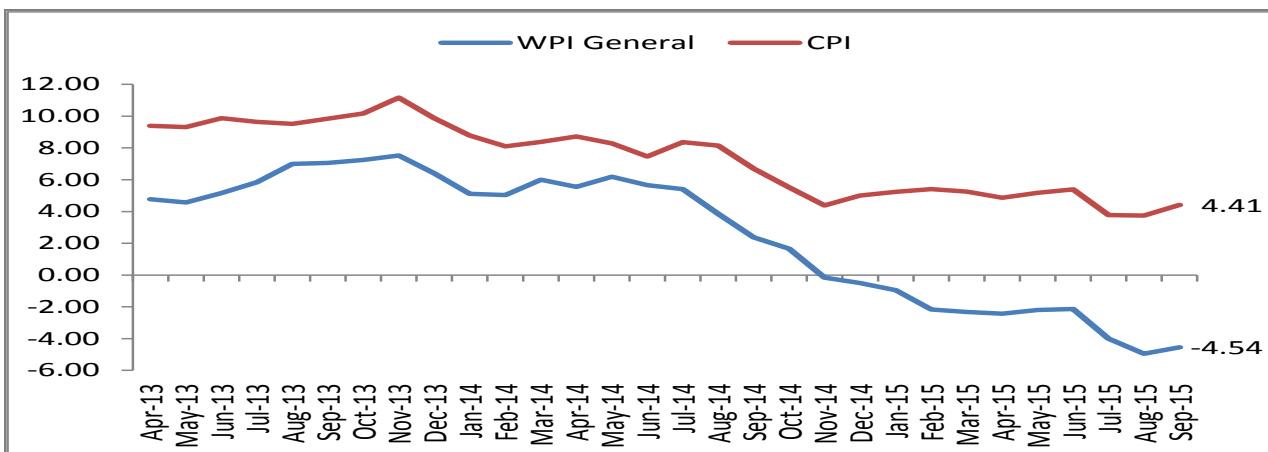
| Sector | Weight (%) | Apr-Aug 2015-16 | Apr-Aug 2014-15 |
|----------------------|------------|-----------------|-----------------|
| Overall Index | 37.903 | 2.2 | 5.6 |
| Coal | 4.379 | 4.6 | 7.7 |
| Crude Oil | 5.216 | 0.5 | -1.3 |
| Natural Gas | 1.708 | -2.7 | -5.8 |
| Refinery Products | 5.939 | 4.3 | -2.7 |
| Fertilizers | 1.254 | 5.9 | 2.8 |
| Steel | 6.684 | -0.03 | 6.6 |
| Cement | 2.406 | 1.8 | 11.0 |
| Electricity | 10.316 | 2.8 | 11.7 |

(Source: GOI- MINISTRY OF COMMERCE & INDUSTRY)

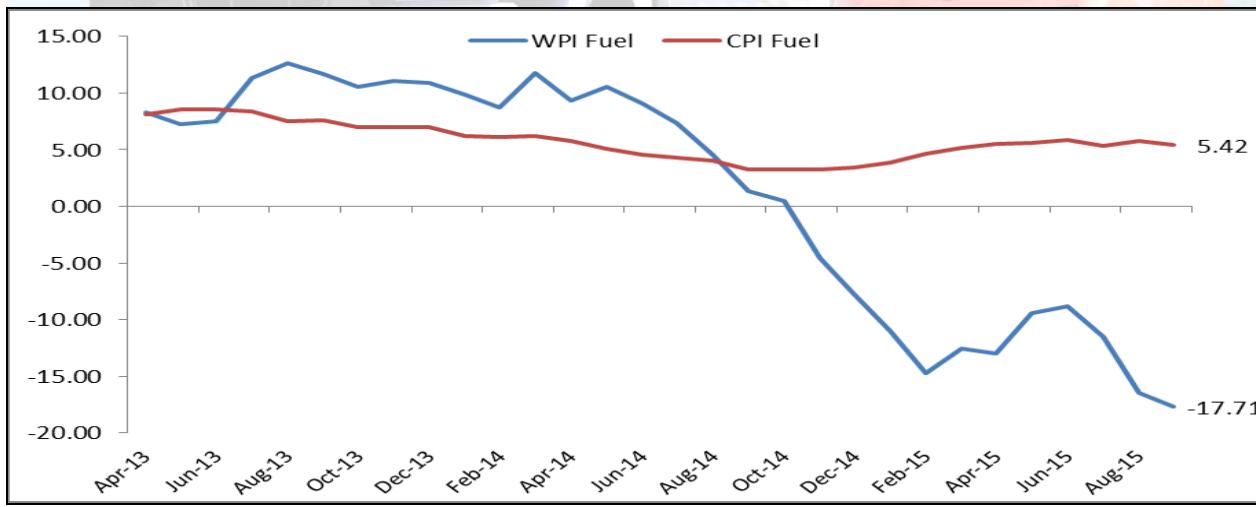
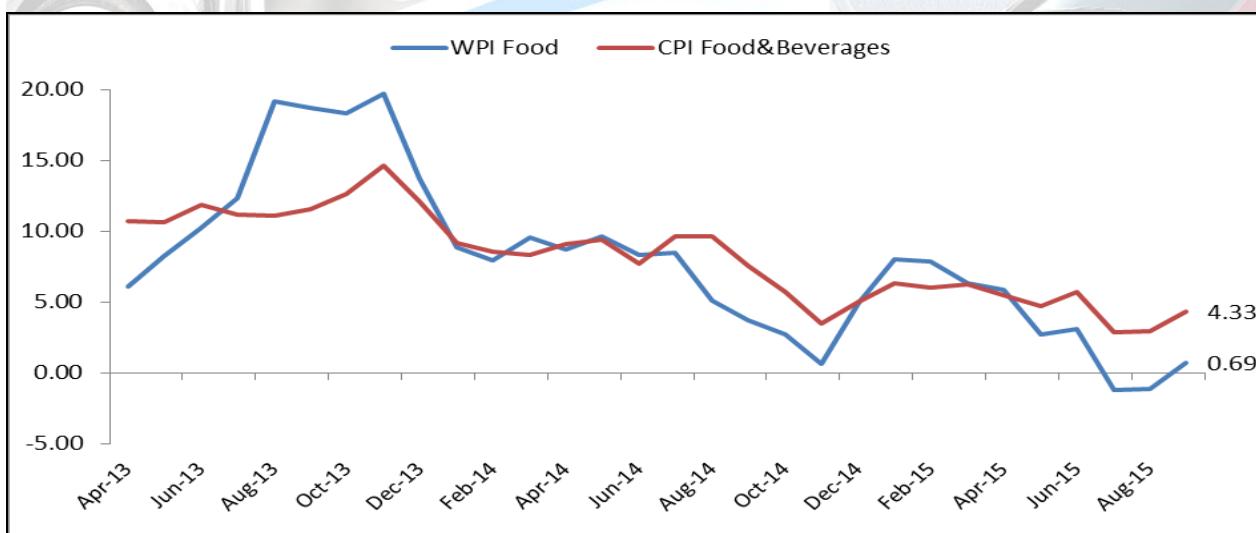
Lower growth in infrastructure industries index reaffirms the weak investment scenario.



Year on Year growth rate of WPI and CPI



Source: Office of Economic Adviser



Inflation continue to remain moderate, though it has started picking up in the last 2 months as the base effect begins to wane off. Subdued oil prices would continue to keep inflation moderate.

Movement in Key Policy Rates (%)

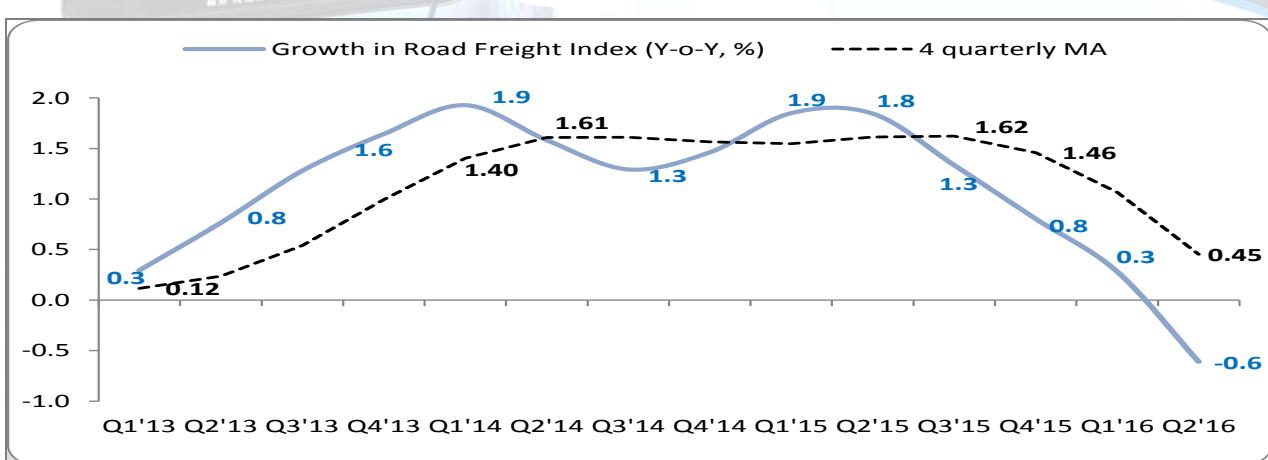
| | Reverse Repo Rate | Repo Rate | Cash Reserve Ratio |
|-------------|-------------------|--------------|--------------------|
| 29-01-2013 | 6.75 (-0.25) | 7.75 (-0.25) | 4.00 (-0.25) |
| 19-03-2013 | 6.50 (-0.25) | 7.50 (-0.25) | 4.00 |
| 03-05-2013 | 6.25 (-0.25) | 7.25 (-0.25) | 4.00 |
| 17-06-2013 | 6.25 | 7.25 | 4.00 |
| 20-09-2013 | 6.50 (+0.25) | 7.50 (+0.25) | 4.00 |
| 30-10-2013 | 6.75 (+0.25) | 7.75 (+0.25) | 4.00 |
| 18-12-2013 | 6.75 | 7.75 | 4.00 |
| 28-Jan-2014 | 7.00 (+0.25) | 8.00 (+0.25) | 4.00 |
| 01-04-2014 | 7.00 (0.00) | 8.00 (0.00) | 4.00 |
| 03-06-2014 | 7.00 (0.00) | 8.00 (0.00) | 4.00 |
| 05-08-2014 | 7.00 (0.00) | 8.00 (0.00) | 4.00 |
| 30-09-2014 | 7.00 (0.00) | 8.00 (0.00) | 4.00 |
| 02-12-2014 | 7.00 (0.00) | 8.00 (0.00) | 4.00 |
| 15-01-2015 | 6.75 (-0.25) | 7.75 (-0.25) | 4.00 |
| 04-03-2015 | 6.50 (-0.25) | 7.50 (-0.25) | 4.00 |
| 07-04-2015 | 6.50 (0.00) | 7.50 (0.00) | 4.00 |
| 02-06-2015 | 6.25 (-0.25) | 7.25 (-0.25) | 4.00 |
| 29-09-2015 | 5.75 (-0.50) | 6.75 (-0.50) | 4.00 |

Note: 1. Reverse Repo indicates absorption of liquidity and repo indicates injection of liquidity.

2. Figures in parentheses indicate change in policy rates in per cent.

*Since March 2010

RBI has reduced the repo rates four times so far in 2015. Since G-sec rate forms the base for lending rates, it would reflect in lower borrowing rates gradually.

6. Freight Rates


Average road freight rate index for Q2 (Jul-Sep) FY16 dropped by 0.6% y/y. Growth in freight rate index shows a decelerating trend since Q3 '15 after remaining flattish for the last 4-5 quarters due to weak economic activity. The scope for fleet operators to increase the freight rates was limited given the decline in diesel prices and sluggish business activity.

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7. National Highway Development Project (NHDP) Status of NHDP (As on 31st July 2015)

The NHDP projects are divided into seven phases. However the ones being implemented are in four phases, i.e. I, II, III and V. There is no progress on the other phases.

| Status of NHDP & other NHAI Projects (31st July 2015) | Total length (kms) | Completed | Under Implementation | Balance to be awarded | |
|---|--------------------|--------------|----------------------|-----------------------|------|
| GQ | 5846 | 100.00 | 0.00 | 0.00 | NHDP |
| NS – EW Ph I & II | 7142 | 89.53 | 6.57 | 3.91 | |
| NHDP Phase III | 12109 | 54.46 | 24.94 | 20.60 | |
| NHDP Phase IV | 13203 | 10.90 | 32.98 | 56.12 | |
| NHDP Phase V | 6500 | 34.09 | 22.54 | 43.37 | |
| NHDP Phase VI | 1000 | 0.00 | 0.00 | 100.00 | |
| NHDP Phase VII | 700 | 3.14 | 2.71 | 94.14 | |
| Port Connectivity | 380 | 99.74 | 0.26 | 0.00 | |
| NHDP Total | 46880 | 48.83 | 19.90 | 31.27 | |
| Others (Ph I, II & Misc.) | 1768 | 84.22 | 15.78 | 0.00 | |
| SARDP-NE | 388 | 27.06 | 1.29 | 71.65 | |
| Total by NHAI | 49036 | 49.93 | 19.60 | 30.47 | |

Source - National Highway Authority of India

Outlook by Tata DES (Tata Department of Economics and Statistics), 2015-16

- GDP growth at 7.4%
- Interest rates to come down only gradually
- CPI Inflation: 5.8-6.0% by year-end
- Money supply growth: 12%
- INR/USD for Oct-Dec 2015 is predicted to average at 65.80/USD.

III] A] TATA MOTORS GROUP CONSOLIDATED FINANCIALS IN RS. CRORES

| <u>Rs. Crores</u> | Q2 FY16 | Q2 FY15 | Y-o-Y change | H1 FY16 | H1 FY15 | Y-o-Y change |
|---|-----------|----------|-----------------|------------|------------|-----------------|
| Global Sales(Units)* | 2,51,892 | 2,33,687 | 7.8% | 4,78,004 | 4,61,996 | 3.5% |
| Net Revenue# | 61,318.2 | 60,640.7 | 1.1% | 1,22,620.3 | 1,25,169.3 | (2.0%) |
| EBITDA# | 7,725.0 | 10,312.0 | -25.1% | 17,540.0 | 22,056.3 | (20.5%) |
| EBITDA Margin | 12.6% | 17.0% | (440 bps) | 14.3% | 17.6% | (330 bps) |
| Other Income | 245.2 | 218.4 | 12.3% | 552.5 | 431.6 | 28.0% |
| Profit before exceptional items and tax | 1,538.3 | 5,644.3 | (72.7%) | 6,013.7 | 13,078.8 | (54.0%) |
| Exceptional Items | (2,652.9) | 26.4 | NM | (2,769.6) | 120.4 | NM |
| Profit before Tax | (1,114.6) | 5,670.7 | NM | 3,244.7 | 13,199.2 | (75.4%) |
| Net Profit (PAT) ^ | (429.7) | 3,290.9 | NM | 2,339.0 | 8,689.1 | (73.1%) |
| Basic EPS - Ordinary Shares | (1.27) | 10.10 | | 6.94 | 26.70 | |
| Basic EPS - 'A' Ordinary shares | (1.27) | 10.20 | | 7.04 | 26.80 | |
| Gross Debt | 72,065.3 | 66,479.9 | | 72,065.3 | 66,479.9 | |
| Net Automotive Debt | 16,526.0 | 6,764.6 | | 16,526.0 | 6,764.6 | |
| Net Automotive Debt / Equity | 0.20 | 0.10 | | 0.20 | 0.10 | |
| Inventory Days | 54 | 45 | | 54 | 43 | |
| Receivable Days | 18 | 15 | | 18 | 15 | |

[^] PAT is after Minority Interest and share of Profit/(Loss) in respect of associate companies

EPS reported in the tables above is not annualized;

Inventory and Receivable Days are based on the Average Sales for the respective periods

| <u>USD Million@</u> | Q2 FY16 | Q2 FY15 | Y-o-Y change | H1 FY16 | H1 FY15 | Y-o-Y change |
|---|----------|----------|-----------------|----------|----------|-----------------|
| Global Sales(Units)* | 2,51,892 | 2,33,687 | 7.8% | 4,78,004 | 4,61,996 | 3.5% |
| Net Revenue# | 9,348.7 | 9,245.4 | 1.1% | 18,695.0 | 19,083.6 | (2.0)% |
| EBITDA# | 1,177.8 | 1,572.2 | (25.1%) | 2,674.2 | 3,362.8 | (20.5%) |
| EBITDA Margin | 12.6% | 17.0% | (440 bps) | 14.3% | 17.6% | (330 bps) |
| Other Income | 37.4 | 33.3 | 12.3% | 84.2 | 65.8 | 28.0% |
| Profit before exceptional items and tax | 234.6 | 860.5 | (72.7%) | 917.0 | 1,994.0 | (54.0%) |
| Exceptional Items | (404.5) | 4.0 | NM | (422.3) | 18.4 | NM |
| Profit before Tax | (169.8) | 864.6 | NM | 494.7 | 2,012.4 | (75.4%) |
| Net Profit (PAT) ^ | (66.5) | 501.7 | NM | 356.6 | 1,324.8 | (73.1%) |
| Basic EPS - Ordinary Shares | (0.02) | 0.15 | | 0.11 | 0.41 | |
| Basic EPS - 'A' Ordinary shares | (0.02) | 0.16 | | 0.11 | 0.41 | |
| Gross Debt | 10,987.2 | 10,135.7 | | 10,987.2 | 10,135.7 | |
| Net Automotive Debt | 2,519.6 | 1,031.3 | | 2,519.6 | 1,031.3 | |
| Net Automotive Debt / Equity | 0.20 | 0.10 | | 0.20 | 0.10 | |
| Inventory Days | 54 | 45 | | 54 | 43 | |
| Receivable Days | 18 | 15 | | 18 | 15 | |

Excludes Other Income;

^ PAT is after Minority Interest and share of Profit/(Loss) in respect of associate companies

EPS reported in the tables above is not annualized;

@ At conversion rate of USD 1 = 65.59 INR for reference only

Inventory and Receivable Days are based on the Average Sales for the respective periods

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C] TML CORPORATE CREDIT RATING



| Credit Rating Agency | Long Term Rating as on 30 th Sep 2015 |
|----------------------|--|
| Moody's | Ba2 / Stable |
| S&P | BB / Stable |
| CRISIL | AA / Stable |
| ICRA | AA / Stable |
| CARE | AA+ |



A] FINANCIALS IN RUPEES CRORES

| <u>Rs. Crores</u> | Q2 FY16 | Q2 FY15 | Y-o-Y change | H1 FY 16 | H1 FY 15 | Y-o-Y change |
|---|----------|-----------|--------------|----------|-----------|--------------|
| Total Volumes: CV+PC+Exports (Units) | 1,26,690 | 1,27,220 | (0.4%) | 2,44,129 | 2,37,832 | 2.6% |
| CV (Units) | 77,883 | 80,724 | (3.5%) | 1,49,510 | 1,55,763 | (4.0%) |
| PC (Units) | 34,103 | 32,407 | 5.2% | 66,401 | 57,753 | 15.0% |
| Exports (Units) | 14,704 | 14,089 | 4.4% | 28,218 | 24,316 | 16.0% |
| Net Revenue# | 10,501.0 | 8,752.1 | 20.0% | 19,799.4 | 16,455.5 | 20.3% |
| EBITDA# | 709.3 | (142.3) | NM | 1,150 | (357) | NM |
| EBITDA Margin | 6.8% | (1.6%) | 840 bps | 5.8% | (2.2%) | 800 bps |
| Other Income | 217.9 | 142.7 | 52.7% | 1,198.1 | 1,739.9 | (31.1%) |
| Profit before exceptional items and tax | (157.1) | (1,080.2) | NM | 129.9 | (661.8) | NM |
| Exceptional Item | (127.7) | (27.2) | NM | (146.0) | (52.0) | NM |
| Profit before Tax | (284.8) | (1,107.4) | NM | (16.0) | (713.7) | NM |
| Net Profit (PAT) | (287.5) | (1,845.6) | NM | (29.9) | (1,452.0) | NM |
| Basic EPS - Ordinary Shares | (0.87) | (5.69) | | (0.09) | (4.48) | |
| Basic EPS- 'A' Ordinary shares | (0.87) | (5.69) | | (0.09) | (4.48) | |
| Gross Debt | 17,920.4 | 18,420.6 | | 17,920.4 | 18,420.6 | |
| Net Debt | 14,072.5 | 17,235.3 | | 14,072.5 | 17,235.3 | |
| Net Debt / Equity | 0.64 | 0.95 | | 0.64 | 0.95 | |
| Inventory Days | 47 | 50 | | 49 | 53 | |
| Receivable Days | 12 | 14 | | 13 | 15 | |

#Excludes Other Income;

EPS reported in the table above is not annualized;

Inventory and Receivable Days are based on the Average Sales for the respective periods

| <u>USD Million@</u> | Q2 FY16 | Q2 FY15 | Y-o-Y change | H1 FY 16 | H1 FY 15 | Y-o-Y change |
|---|----------|----------|--------------|----------|----------|--------------|
| Total Volumes: CV+PC+Exports (Units) | 1,26,690 | 1,27,220 | -0.4% | 2,44,129 | 2,37,832 | 2.6% |
| CV (Units) | 77,883 | 80,724 | -3.5% | 1,49,510 | 1,55,763 | (4.0%) |
| PC (Units) | 34,103 | 32,407 | 5.2% | 66,401 | 57,753 | 15.0% |
| Exports (Units) | 14,704 | 14,089 | 4.4% | 28,218 | 24,316 | 16.0% |
| Net Revenue# | 1,601.0 | 1,334.4 | 20.0% | 3,018.7 | 2,508.8 | 20.3% |
| EBITDA# | 108.1 | (21.7) | NM | 175.3 | (54.4) | NM |
| EBITDA Margin | 6.8% | (1.6%) | 840 bps | 5.8% | (2.2%) | 800 bps |
| Other Income | 33.2 | 21.8 | 52.7% | 182.7 | 265.3 | (31.1%) |
| Profit before exceptional items and tax | (24.0) | (164.7) | NM | 19.8 | (100.9) | NM |
| Exceptional Item | (19.5) | (4.1) | NM | (22.3) | (7.9) | NM |
| Profit before Tax | (43.4) | (168.8) | NM | (2.4) | (108.8) | NM |
| Net Profit (PAT) | (43.8) | (281.4) | NM | (4.6) | (221.4) | NM |
| Basic EPS - Ordinary Shares | (0.01) | (0.09) | | (0.00) | (0.07) | |
| Basic EPS-'A' Ordinary shares | (0.01) | (0.09) | | (0.00) | (0.07) | |
| Gross Debt | 2,732.2 | 2,808.4 | | 2,732.2 | 2,808.4 | |
| Net Debt | 2,145.5 | 2,627.7 | | 2,145.5 | 2,627.7 | |
| Net Debt / Equity | 0.64 | 0.95 | | 0.64 | 0.95 | |
| Inventory Days | 47 | 50 | | 49 | 53 | |
| Receivable Days | 12 | 14 | | 13 | 15 | |

#Excludes Other Income; EPS reported in the tables above is not annualized;

@ At conversion rate of USD 1 = 65.59 INR for reference only

Inventory and Receivable Days are based on the Average Sales for the respective periods

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B] COMMERCIAL VEHICLES BUSINESS

VOLUMES

| Period/ Segments | Q2 FY16 Volumes | Q2 FY15 Volumes | Y-o-Y change | H1 FY 16 Volumes | H1 FY 15 Volumes | Y-o-Y change |
|------------------|-----------------|-----------------|--------------|------------------|------------------|--------------|
| M/HCV | 39,782 | 29,403 | 35.3% | 72,703 | 56,678 | 28.3% |
| LCV | 38,101 | 51,321 | -25.8% | 76,807 | 99,085 | -22.5% |
| Total CV | 77,883 | 80,724 | -3.5% | 1,49,510 | 1,55,763 | -4.0% |

Note: For the analysis- LCV Includes Ace, Magic and Winger

C] PASSENGER VEHICLES BUSINESS

VOLUMES

| Period/ Segments | Q2 FY16 Volumes | Q2 FY15 Volumes | Y-o-Y change | H1 FY 16 Volumes | H1 FY 15 Volumes | Y-o-Y change |
|------------------|-----------------|-----------------|--------------|------------------|------------------|--------------|
| Micro | 6,770 | 3,336 | 102.9% | 11,321 | 6,367 | 77.8% |
| Compact | 21,825 | 21,036 | 3.8% | 43,679 | 36,091 | 21.0% |
| Midsize | 0 | 337 | -100.0% | 185 | 800 | -76.9% |
| Premium/ Luxury | 215 | 380 | -43.4% | 448 | 692 | -35.3% |
| Utility Vehicles | 5,166 | 7,095 | -27.2% | 10,479 | 13,346 | -21.5% |
| Vans | 127 | 223 | -43.0% | 289 | 457 | -36.8% |
| Total PC | 34,103 | 32,407 | 5.2% | 66,401 | 57,753 | 15.0% |

Source: SIAM Industry Data and Company analysis

Note: Volume does not include Fiat Sales, For the analysis -

'Micro' comprises of Nano; 'Compact' comprises of Indica, Vista, Bolt, Indigo CS, ZEST

'Midsize' comprises of Indigo XL and Manza;

'Premium/Luxury' includes Jaguar vehicles sold in India; 'Utility Vehicles' comprises of Safari, Sumo, Xenon, Aria and Land Rover Vehicles sold in India; 'Vans' comprises of Tata Venture

D] EXPORTS

VOLUMES

| Period/ Segments | Q2 FY16 Volumes | Q2 FY15 Volumes | Y-o-Y change | H1 FY 16 Volumes | H1 FY 15 Volumes | Y-o-Y change |
|---------------------|-----------------|-----------------|--------------|------------------|------------------|--------------|
| Commercial Vehicles | 13,249 | 12,962 | 2.2% | 26,144 | 22,302 | 17.2% |
| Passenger Vehicles | 1,455 | 1,127 | 29.1% | 2,074 | 2,014 | 3.0% |
| Total Exports | 14,704 | 14,089 | 4.4% | 28,218 | 24,316 | 16.0% |

COMMERCIAL VEHICLES

- i. Strong MHCV growth along with other cost reduction and margin improvement initiatives led to the margin improvement of 840 bps Y-o-Y in the EBITDA margin of the Company.
- ii. Total CV volumes down by 2.7% y-o-y. Strong MHCV growth offset by weak LCV demand in India.
- iii. M&HCV Industry witnessing strong demand conditions fuelled by replacement demand and moderate pre-buying ahead of regulation changes happening from October.
- iv. Company's MHCV sales registered strong growth
 - MHCV Trucks - 36.9%
 - MHICV Buses - 22.5%
 - Market share in M&HCV IN Q2 FY 16 stood at 51.5%
- v. Lacklustre demand in the SCV segment continues to impact the LCV demand, adversely affected by weak financing environment and lack of last mile loads. In the SCV segment, the company's market share remains above 75%.
- vi. Variable marketing expenses remain high in the Industry.
- vii. Company launched the ACE Mega, an all-new Smart & Small Pick-up Truck. Company also launched the Ultra 1012 ICV truck which has received very strong response.
- viii. TML reached the sales mark of 3 Lac Tata Magic, its most popular public transport vehicle
- ix. International Business generates growth of 2.2 % (y-o-y) in Q2 FY 16. Growth momentum was affected in September by the adverse political situation & unrest in Nepal. Key events for the quarter were:-
 - Launch of ULTRA range of Trucks in Bangladesh, Ace
 - Express in Sri Lanka and Myanmar Armed Forces placing an order for 450 Pickups for the 3rd consecutive year.

PASSENGER VEHICLES

- x. TML has been ranked 3rd in the Syndicate JDP CSI 2015, Topline Analysis. TML is the fastest in the industry to jump to the 3rd position. The elevation from 7th position in 2011 to 3rd position in 2015 is the testimony to Company's focused efforts in this direction.
- xi. Passenger vehicle industry witnessed a growth of 6.9 % (yoy) in Q2 FY 16.
- xii. In domestic market, passenger vehicles segment of the Company grew 5.2 % (y-o-y) in Q2 FY 16 with a growth of 14.8% (y-o-y) in the car segment.
- xiii. Domestic market share in the passenger vehicles stood at 5.1 % in Q2 FY 16, with market share in car segment increased by 20 bps (y-o-y) to 5.8 % in Q2 FY 16
- xiv. International Business saw a growth of 29.1 % (y-o-y) in Q2FY 16.

1. In **July 2015**, Tata Motors awarded contract for 1239 nos. of its indigenously developed 6 X 6 high-mobility multi-axle vehicles, from the Indian Army, the single largest order awarded to an Indian private OEM (Original Equipment Manufacturers) in land systems under the DPP by the Indian army.
2. In **July 2015**, Tata Motors today formally celebrated the tenth anniversary of Tata Ace that had created a new Small Commercial Vehicle (SCV) category when first launched in 2005 and is now the most successful SCV brand.
3. In **July 2015**, Tata Motors has announced the commercial launch of its much-awaited sporty hatchback, the all-new Bolt in Nepal, the latest car from the company.
4. In **August 2015**, Tata Motors today announced the launch of a new smart pick-up Tata ACE Mega. The ACE Mega, with superior performance, enhanced looks, strong cabin with rated payload of 1Tonne, offers the best-in-class fuel efficiency and lowest cost of ownership.
5. In **September 2015**, Tata Motors launched the anniversary special edition of Tata Zest, which marks the completion of an exciting and successful journey for the brand. This anniversary edition comes with 10 new attractive features and is available in the XMS model, in both petrol and diesel variants.
6. In **September 2015**, Tata Motors launched its next-generation range of ULTRA light and intermediate commercial vehicles in Bangladesh, with partners Nitol Motors Limited.
7. In **September 2015**, Tata Motors, announced completion of over 100 crore / 1 billion kilometers with Delhi Transport Corporation (DTC) in 7 years - one of the largest CNG-powered bus service operators in the world. With 2682 buses, including low and semi-floor A/C and Non A/C variants.
8. In **September 2015**, Tata Motors delivered 23 state-of-the-art buses, from its subsidiary - Automobile Corporation of Goa Ltd. (ACGL), to Kadamba Transport Corporation Ltd. of Goa, part of an order for 43 buses placed by Kadamba Transport Corporation, and is part of a larger 3400 nos. order secured by Tata Motors under Jawaharlal Nehru National Urban Renewal Mission (JnNURM) phase - II.
9. In **September 2015**, Tata Motors and Tata Technologies signed a five-year agreement to announce a redefined engagement model, ENGAGENEXT iSourcing, to leverage mutual strengths and capabilities for their strategic priorities, while offering significant career benefits to employees of both the organizations.
10. In **September 2015**, Tata Motors ushered in the celebrations of festive season by delivering 1,100 cars in the states of Maharashtra, Gujarat, Chhattisgarh and Madhya Pradesh on the auspicious occasion of Ganesh Chaturthi.

Improved Economic Outlook and business environment is expected to accelerate the sales in FY 17.

COMMERCIAL VEHICLES

- M&HCV growth is expected to remain strong in FY 16. We expect SCV segment will reflect growth momentum towards the end of FY 16.
- JNNURM Phase 2 orders will aid bus volume growth
- Wide and compelling product range- with several new launches in FY 16 across Prima and Ultra Range, refreshes/variants in SCV and pick ups- Ace Mega/Super Ace Mint, provides strong foundation for growth.
- Export growth will continue to be high focus.
- Company has a good pipeline of Defense orders- received and expected.

PASSENGR VEHICLES

- New products and mid cycle enhancements to drive growth :-
Full Year of Tata ZEST, Tata BOLT and new GenX Nano.
- Further exciting model launches this year and new generation models from next year expects to drive future growth in volumes and market share.
- Product plan till 2020 defined - with 2 new vehicle launches planned every year.
- Will continue to avail opportunities for extending the export markets.

A] FINANCIALS
(i) IFRS AS APPROVED IN THE EU

| <u>GBP Million</u> | IFRS | | | | | |
|---------------------------------|----------|----------|--------------|----------|----------|--------------|
| | Q2 FY16 | Q2 FY15 | Y-o-Y change | H2 FY 16 | H2 FY 15 | Y-o-Y change |
| JLR Wholesales # | 1,11,160 | 1,03,975 | 6.9% | 2,25,612 | 2,19,131 | 2.9% |
| Jaguar Wholesales | 21,687 | 17,781 | 22.0% | 42,889 | 37,365 | 14.8% |
| Land Rover Wholesales | 89,473 | 86,194 | 3.8% | 1,82,723 | 1,81,766 | 0.5% |
| Net Revenue | 4,831 | 4,808 | 0.5% | 9,833 | 10,161 | (3.2%) |
| EBITDA# | 589 | 933 | (36.9%) | 1,410 | 2,020 | (30.2%) |
| EBITDA Margin | 12.2% | 19.4% | (720 bps) | 14.3% | 19.9% | (560 bps) |
| Profit before exceptional items | 88 | 609 | (85.5%) | 726 | 1,533 | (52.6%) |
| Profit before Tax | (157) | 609 | NM | 481 | 1,533 | (68.6%) |
| Net Profit (PAT) | (92) | 450 | NM | 400 | 1,143 | (65.0%) |
| Gross Debt | 2,491 | 2,048 | | 2,491 | 2,048 | |
| Net Debt | (469) | (1,706) | | (469) | (1,706) | |
| Net Debt / Equity | (0.06) | (0.27) | | (0.06) | (0.27) | |
| Inventory Days | 53 | 44 | | 52 | 41 | |
| Receivable Days | 19 | 14 | | 18 | 13 | |

Wholesale number excludes the sale of China Joint Venture

(ii) JLR FINANCIALS UNDER IGAAP

| <u>GBP Million</u> | IGAAP | | | | | |
|---------------------------------|----------|----------|--------------|----------|----------|--------------|
| | Q2 FY16 | Q2 FY15 | Y-o-Y change | H1 FY 16 | H1 FY 15 | Y-o-Y change |
| JLR Wholesales # | 1,11,160 | 1,03,975 | 6.9% | 2,25,612 | 2,19,131 | 2.9% |
| Jaguar Wholesales | 21,687 | 17,781 | 22.0% | 42,889 | 37,365 | 14.8% |
| Land Rover Wholesales | 89,473 | 86,194 | 3.8% | 1,82,723 | 1,81,766 | 0.5% |
| Net Revenue | 4,910 | 4,842 | 1.4% | 10,030 | 10,218 | (1.8%) |
| EBITDA | 624 | 970 | (35.6%) | 1,525 | 2,119 | (28.0%) |
| EBITDA Margin | 12.7% | 20.0% | (730 bps) | 15.2% | 20.7% | (550 bps) |
| Profit before exceptional items | 167.9 | 676.6 | (75.18%) | 679.5 | 1,546.70 | (56.07%) |
| Profit before Tax | (82) | 679 | NM | 416 | 1,565 | (73.4%) |
| Net Profit (PAT) | (11) | 521 | NM | 339 | 1,195 | (71.6%) |
| Gross Debt | 2,648 | 2,112 | | 2,648 | 2,112 | |
| Net Debt | (440) | (1,752) | | (440) | (1,752) | |
| Net Debt / Equity | (0.06) | (0.27) | | (0.06) | (0.27) | |
| Inventory Days | 54 | 43 | | 53 | 41 | |
| Receivable Days | 18 | 14 | | 17 | 13 | |

Wholesale number excludes the sale of China Joint Venture.

Inventory and Receivable Days are based on the Average Sales for the respective periods

| PARTICULARS | Q2 FY 16 |
|--|--------------|
| Rs. In millions | |
| IFRS PBT (After exceptional item) | (157) |
| GAAP differences on warranty | 22 |
| AS11 Options & Bonds and Reversal of hedging effect of options (GAAP difference) | 50 |
| Others | 3 |
| IGAAP PBT | (82) |

C] VOLUMES
JAGUAR LANDROVER WHOLESALE VOLUMES

| Wholesale | Q2 FY16 | Q2 FY15 | Y-o-Y change | H1 FY 16 | H1 FY 15 | Y-o-Y change |
|---------------------|-----------------|-----------------|--------------|-----------------|-----------------|--------------|
| Jaguar | 21,687 | 17,781 | 22.0% | 42,889 | 37,365 | 14.8% |
| LandRover | 89,473 | 86,194 | 3.8% | 1,82,723 | 1,81,766 | 0.5% |
| Total Jaguar | 1,11,160 | 1,03,975 | 6.9% | 2,25,612 | 2,19,131 | 2.9% |

Wholesales volume exclude China Joint Venture volumes. CJLR volumes for Q2 FY 16 stood at 5,585.

JAGUAR LANDROVER RETAIL VOLUMES

| Retail | Q2 FY16 | Q2 FY15 | Y-o-Y change | H1 FY 16 | H1 FY 15 | Y-o-Y change |
|---------------------|-----------------|-----------------|---------------|-----------------|-----------------|---------------|
| Jaguar | 22,646 | 19,647 | 15.3% | 40,754 | 39,203 | 3.9% |
| LandRover | 87,554 | 91,134 | (3.9%) | 1,84,351 | 1,87,174 | (1.5%) |
| Total Jaguar | 1,10,200 | 1,10,781 | (0.5%) | 2,25,105 | 2,26,377 | (0.5%) |

Please click on the link <http://www.tatamotors.com/investors/jlr-volumes.php> for looking at volume of Jaguar Landrover on Carline basis as well as Regionwise basis. Please note that in the above tables Retail Volume data includes sales from Unconsolidated Chinese Joint Venture which was 5,084.

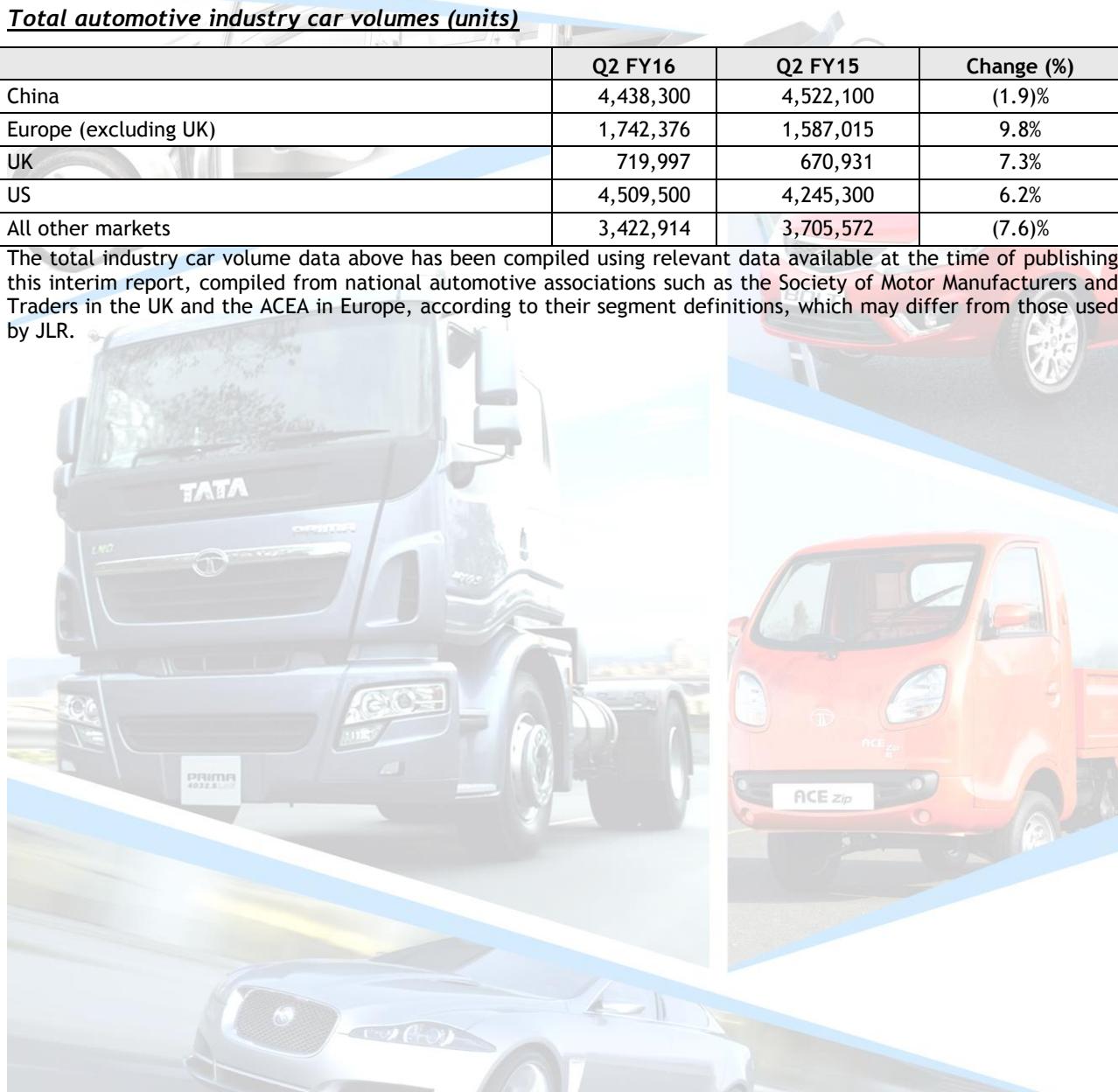
Macroeconomic conditions remained mixed during the quarter. The economies in the UK and US continue to exhibit solid growth with low inflation whilst the European economy is picking up. The economic environment in China continues to be softer as GDP slipped below the government's growth target and market conditions in developing economies, notably Russia and Brazil, remain weak.

The US Dollar strengthened against the Pound despite the holding off on increasing interest rates, and the Chinese RMB strengthened against the pound to a lesser extent following policy action which saw the RMB depreciate against the US Dollar. The Euro also strengthened against the Pound over the quarter reflecting the gradual economic recovery in the Eurozone and Emerging market currencies, such as the Russian Rouble and Brazilian Real weakened, whilst commodity prices also softened during Q2 FY16 primarily reflecting weaker industrial demand from China.

Total automotive industry car volumes (units)

| | Q2 FY16 | Q2 FY15 | Change (%) |
|-----------------------|-----------|-----------|------------|
| China | 4,438,300 | 4,522,100 | (1.9)% |
| Europe (excluding UK) | 1,742,376 | 1,587,015 | 9.8% |
| UK | 719,997 | 670,931 | 7.3% |
| US | 4,509,500 | 4,245,300 | 6.2% |
| All other markets | 3,422,914 | 3,705,572 | (7.6)% |

The total industry car volume data above has been compiled using relevant data available at the time of publishing this interim report, compiled from national automotive associations such as the Society of Motor Manufacturers and Traders in the UK and the ACEA in Europe, according to their segment definitions, which may differ from those used by JLR.



- Wholesale and Retail volumes for Q2 FY 16 stood at 111,160 units and 110,200 units, respectively. Exited Q2 FY 16 with a strong wholesales (up 51% Y-o-Y) and retails(up 3% Y-o-Y) in September 2015.
- Revenue of £4,831m, up slightly £23m - higher wholesale volumes with strong sales in UK, US and Europe (particularly Discovery Sport and XE), offset by softer sales in China.
- EBITDA of £ 589 mn (margin of 12.2%), down £344m from Q2 FY15 primarily reflecting:
 - Less favourable sales mix offset partially by higher wholesale volume
 - Higher manufacturing and launch cost
 - Unfavourable FX revaluation, primarily Euro payables (£80mn).
- Total Capex and Product development spend for the quarter was £ 775 mn. After this spending and higher working capital, free cash flow (before financing) was £(225)mn.
- Cash and financial deposits stood at £2.96bn and a 5 year undrawn committed bank lines at £1.87bn.
- PBT for Q2 FY16 before exceptional items was £88 million, reflecting
 - Lower EBITDA
 - Higher depreciation and amortisation(£121mn) and finance expense (£31mn)
 - Unfavourable revaluation of foreign currency debt and mark to market of unrealised FX and commodity hedges not eligible for hedge accounting under IAS 39 (£29mn)
- An exceptional charge of £245 million has been recognised for about 5,800 vehicles involved in the August Tianjin Port explosion. Insurance and other potential recoveries may take some months to conclude, so will only be recognized in future periods when paid or confirmed and have not been recognized in this period.

Note :- Retail Volume data includes sales from unconsolidated Chinese joint venture

TATA MOTORS

F] TATA MOTORS GROUP- JAGUAR LANDROVER -DIESEL TECHNOLOGY

- Jaguar Land Rover does not use any emissions defeat devices or software.
- Diesel technology is a key enabler to fulfil CO2 and other emission targets worldwide.
- All our EU6 diesels, including our new Ingenium engines, use emissions after-treatment based on Selective Catalytic Reduction (SCR) to support meeting emissions targets worldwide.
- Jaguar Land Rover welcomes and supports a move to Worldwide Harmonized Light Vehicles Test Procedure (WLTP), including the planned introduction of real driving emissions (RDE) in 2017.

G] TATA MOTORS GROUP- JAGUAR LANDROVER -PRODUCT PIPELINE



Discovery Sport
Launched Feb 15



XE
Launched May 15 (US -2016)



Evoque 16MY
Launched Aug 15



All new lightweight XF
Launched Sep 15



XJ 16MY
Launching in Q3 2016



F-Pace
Launching in 2016

H] TATA MOTORS GROUP- JAGUAR LANDROVER-OCTOBER 2015 RETAILS- SALES UP 24% WITH MOST MARKETS UP INCLUDING CHINA UP 9%

- Total Retail Sale of 41,553 units, up 24% Y-o-Y, with Jaguar retailing 7,467 units, up 39% Y-o-Y and Land Rover retailing 34,086 units, up 21% Y-o-Y.
- October performance has been driven by positive market response to the Jaguar XE and Land Rover Discovery Sport, as well as a solid increase in sales of the Range Rover Sport, Land Rover Discovery and Range Rover.
- Regional retail sales growth was strong, with USA and UK having their best ever October and Europe significantly up on last year. China was also up, reflecting strong demand for the Range Rover Sport, Range Rover, Discovery as well as start of sales of the Jaguar XE.
- Regional Performances:

UK : Up 40%

EUROPE: Up 24%

NORTH AMERICA : Up 74%

OVERSEAS : Down (5%)

CHINA : Up 9%

TATA MOTORS

WAY FORWARD

- Building on the successful launches of the new Discovery Sport, the new Jaguar XE, all new Jaguar XF and 16 Model Year Evoque.
- Launching the 16 Model Year Jaguar XJ in Q3 FY 16, Evoque Convertible by Q4 FY16 and the Jaguar F-PACE in 2016.
- These new products are expected to deliver a solid second half and drive profitable volume growth in 2015-16. Although, as previously indicated, EBITDA margins for fiscal 2015-16 are expected to be lower than the high levels in 2014-15 reflecting model mix and launch costs associated with the new products, launch and reporting effects of the China JV and more mixed economic conditions particularly in China.
- JLR plans to continue to execute its successful growth strategy, investing in more new products, powertrains, technologies and manufacturing capacity in the UK and overseas which is expected to continue to deliver profitable growth.
- Generating strong operating cash flow to support our continuing investment in the Business estimated at £3.5bn or more in FY16

JLR CORPORATE CREDIT RATING

| Credit Rating Agency | Long Term Rating as on 30 th Sep 2015 |
|----------------------|--|
| TATA Moody's | Ba2 / Positive |
| S&P | BB / Stable |

A] TATA MOTORS FINANCE

| Particulars | <i>Rs. Crores</i> | | | | | |
|---------------|-------------------|---------|--------------|---------|---------|--------------|
| | Q2 FY16 | Q2 FY15 | Y-o-Y change | H1 FY16 | H1 FY15 | Y-o-Y change |
| Net Revenue * | 666 | 753.8 | (11.6%) | 1,360 | 1,457.7 | -6.7% |
| PAT | (64.0) | (33.0) | N.A. | 26.8 | (132.3) | N.A. |

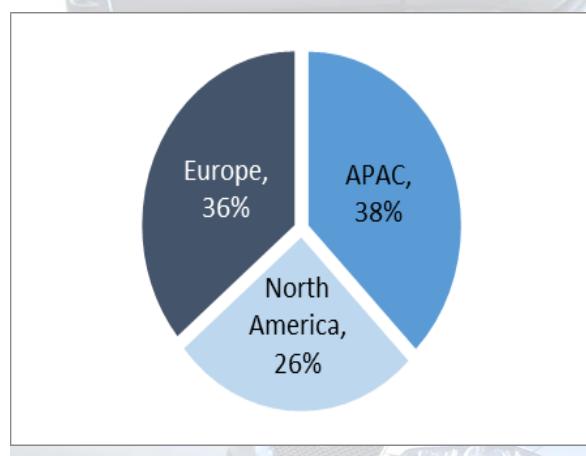
HIGHLIGHTS

- Finance disbursed during Q2 FY16 stood at Rs. 2,193.62 Cr.
- The book size as on Sep 30, 2015 for TMFL stood at Rs 21,143.20 Cr.
- In FY16 market share stood at 22.5%.
- NIM of vehicle financing business for Q2 FY16 was 5.17%

B] TATA TECHNOLOGIES

| Particulars | <i>Rs. Crores</i> | | | | | |
|---------------|-------------------|---------|--------------|---------|---------|--------------|
| | Q2 FY16 | Q2 FY15 | Y-o-Y change | H1 FY16 | H1 FY15 | Y-o-Y change |
| Net Revenue * | 655.1 | 635.6 | 3.1% | 1,280.2 | 1,229.4 | 4.1% |
| EBITDA * | 119.8 | 101.7 | 17.8% | 221.1 | 199.5 | 10.8% |
| % of Revenue | 18.3% | 15.9% | 240 bps | 17.3% | 16.2% | 110 bps |
| PAT | 90.0 | 79.4 | 13.3% | 170.8 | 154.8 | 10.3% |

* Excludes 'Other Income'

Revenue Break - For FY16

HIGHLIGHTS

- Revenue continued upward trend with YOY growth of 3.1%

| Particulars | <u>KRW Billion</u> | | | | | |
|---------------|--------------------|---------|--------------|---------|---------|--------------|
| | Q2 FY16 | Q2 FY15 | Y-o-Y change | H1 FY16 | H1 FY15 | Y-o-Y change |
| Sales (Units) | 2,419 | 2,738 | (11.7%) | 4,638 | 5,398 | (14.1%) |
| Net Revenue * | 222.8 | 231.7 | (3.8%) | 416.0 | 453.6 | (8.2%) |
| EBITDA * | 21.65 | 11.4 | 89.9% | 41.3 | 25.1 | 91.6% |
| % of Revenue | 9.7% | 4.9% | 480 bps | 9.9% | 5.5% | 440 bps |
| PAT | 13.5 | 4.5 | 201.0% | 25.4 | 8.5 | 198.8% |

* Excludes 'Other Income'

HIGHLIGHTS

- Revenue impacted due to lower sales in the international markets.
- Lower material cost, strong domestic sale and other cost control initiative led to growth in operating profits.

D] TML DRIVELINES LTD

| Particulars | <u>Rs. Crores</u> | | | | | |
|---------------|-------------------|---------|--------------|---------|---------|--------------|
| | Q2 FY16 | Q2 FY15 | Y-o-Y change | H1 FY16 | H1 FY15 | Y-o-Y change |
| Net Revenue * | 140.0 | 129.7 | 7.9% | 274.8 | 247.4 | 11.1% |
| EBITDA * | 33.8 | 36.6 | -7.5% | 71.8 | 71.3 | 0.7% |
| % of Revenue | 24.2% | 28.2% | (400 bps) | 26.1% | 28.8% | (270 bps) |
| PAT | 14.8 | 10.4 | 42.3% | 31.2 | 14.2 | 119.7% |

* Excludes 'Other Income'

HIGHLIGHTS

- Revival in MHCV market due to replacement demand helped revenue to grow Y-o-Y.

Shareholding Pattern as on Sep 30th, 2015

| Ordinary Shares | % |
|---|-------------|
| Tata Companies | 33.01 |
| Indian Financial Institutions / MFs / Banks | 17.05 |
| ADR/GDR Holders / Foreign holders-DR status | 19.45 |
| Foreign Institutional Investors | 21.88 |
| Others | 8.61 |
| Total | 100% |

| 'A' Ordinary Shares | % |
|---|-------------|
| Tata Companies | 0.51 |
| Indian Financial Institutions / MFs / Banks | 34.13 |
| Foreign Institutional Investors | 49.87 |
| Others | 15.49 |
| Total | 100% |

Market Capitalisation as on 30th Sep 2015 stood at Rs.971.87 bn (\$ 14.82 bn)

Disclaimers & statements

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.

Q2 FY16 represents the period from 1st July 2015 to 30 Sep 2015.

Q2 FY15 represents the period from 1st July 2014 to 30 Sep 2014.

YTD FY16 represents the period from 1st April 2015 to 30 Sep 2015.

YTD FY15 represents the period from 1st April 2014 to 30 Sep 2014.

JLR Financials contained in the review are as per IFRS as approved in the EU as well as in IGAAP, Unaudited. All other subsidiaries' financials are in IGAAP except TDCV.