

TATA MOTORS



Q1 FY 16 Press Presentation

August 7th 2015



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 FY16 represents the period from 1st April 2015 to 30th June 2015

Q1 FY15 represents the period from 1st April 2014 to 30th June 2014

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

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Financial Highlights-Q1 FY 2015-16

Tata Motors Group- Consolidated (Rs in Crores)

Q1 FY16 Q1 FY15

Net Revenue 61,020 64,683

EBITDA 9,815 11,744

EBITDA % 16.1 18.2

PAT 2,769 5,398

- Relatively softer quarter due to lower sales and weaker market mix at JLR, partially offset by strong revenue growth in India business.
- Net Auto Debt/Equity as of 30th June 2015 stood at 0.15

Tata Motors Group-India Business (Rs in Crores)

Q1 FY16 Q1 FY15

Net Revenue 9,297 7,705

EBITDA 440 (215)

EBITDA % 4.7 (2.8)

PAT 258 394

- Stronger growth in M&HCV and Passenger Vehicles. LCVs continues to remain weak.
- Improved operating performance in the quarter, reflected by revenue growth of 20.7% and positive EBITDA margin of 4.7%
- Net Debt/Equity as of 30th June 2015 stood at 0.63

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

Q1 FY16 Q1 FY15

Net Revenue 5,002 5,353

EBITDA 821 1,087

EBITDA % 16.4 20.3

PAT 492 693

- Solid quarter but lower than very strong quarter a year ago on weaker China sales.
- Net Debt/Equity as of 30th June 2015 stood at (0.11), implying a Net Cash balance.

Net Revenue excludes other income

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

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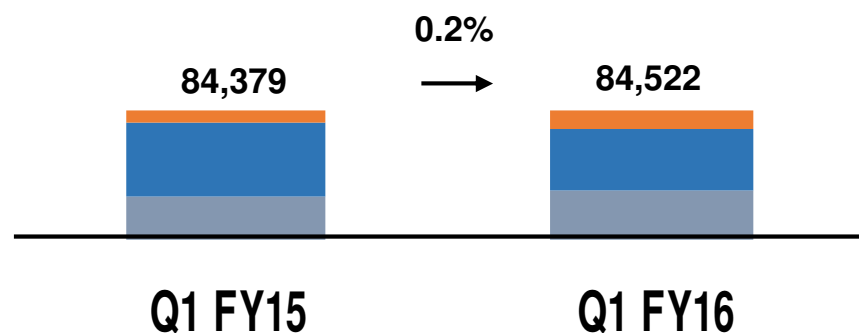
**Tata Motors Group –
India Business**

Tata Motors Group-India Business :-Commercial Vehicles

Total CV Volumes in Q1 FY16, flat YoY.
Strong MHCV growth offset by weak LCV demand in India
Exports of the Commercial vehicles grew 38 % (Y-o-Y) in Q1 FY 16

■ MHCV ■ LCV ■ Exports

CV	Q1FY16
MHCV(Dom.)	32,921
LCV(Dom.)	38,706
Exports	12,895
Total	84,522



- **M&HCV Industry** growth is supported by **Fleet Replacement demand**, mainly in the **high tonnage segments**
- **M &HCV segment of the company**, grew by **20.7 % Y-o-Y** in Q1 FY 16, with a market share of **52.6 %**
- **LCV Industry (mainly the SCV segment)**, continued to remain weak. Financing environment and lack of last mile loads are major factors.
- Variable marketing expenses remain high in the Industry.
- International Business generates growth of 38% and **contributes strongly to CV performance in Q1 FY 16** with with :-
 - Start of assembly and distribution in Vietnam
 - Launch of PRIMA in Bangladesh & Srilanka
 - Opening up of flagship showroom and service facility in Riyadh
 - Start of assembly in Tunisia

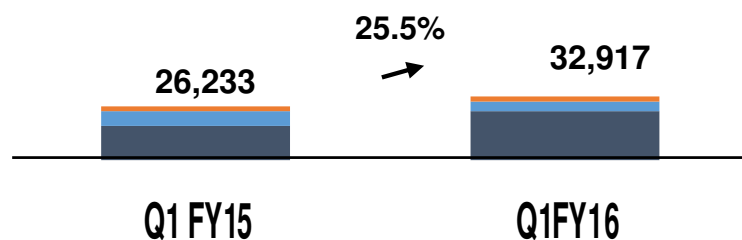


Tata Motors Group-India Business :-Passenger Vehicles

Our domestic market share in PV
for Q1 FY 16
stood at 5.0 %

■ Cars ■ Utility vehicles & Vans ■ Exports

PV	Q1 FY16
Cars(dom.)	26,823
UVs & Vans(dom.)	5,475
Exports	619
Total	32,917



- **Passenger vehicle industry** witnessed a growth of **6.8 %** (y-o-y) in Q1 FY 16.
- In domestic market, passenger vehicles segment of the Company **grew 27.4 % (y-o-y) in Q1 FY 16.**
- Domestic market share in the passenger vehicles increased by **80 bps (y-o-y) to 5.0 % in Q1 FY 16**, with market share in car segment **increased by 140 bps (y-o-y) to 5.6 % in Q1 FY 16**
- Launched the new **GenX Nano range**



Note :PV no's doesn't includes the sale of Fiat vehicles

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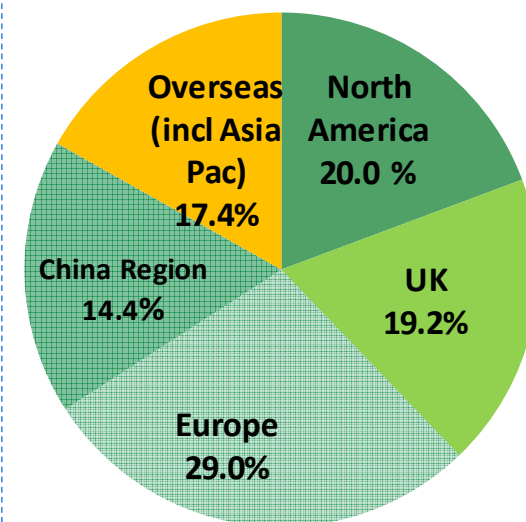
Tata Motors Group-Jaguar Land Rover



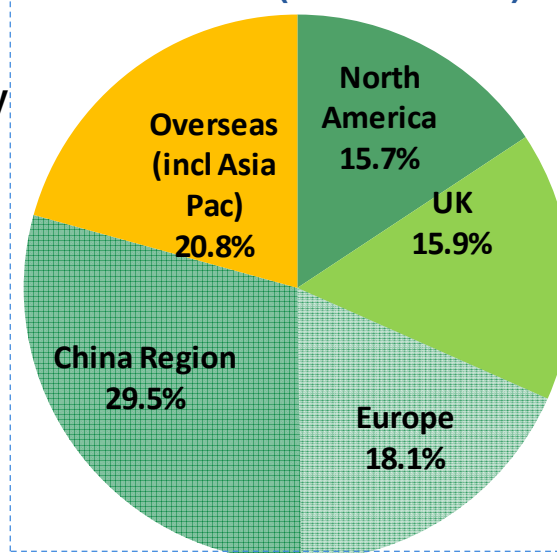
Tata Motors Group-Jaguar Land Rover

- Wholesales and Retail volumes for Q1 FY 16 stood at **110,648 units** and **114,905 units**, respectively
- Land Rover retail **volumes** of **96.8k units, up 0.8%** - Range Rover, Range Rover Sport and Discovery up, as well as Discovery Sport up on the discontinued Freelander.
- Jaguar retail **volume** of **18.1k, down (7.4)%** - XF and XJ down ahead of all new XF and refreshed XJ, on sale in Q2 FY16. Also discontinued XK. Partially offset by retail sales of the XE since May
- EBITDA of £ 821 mn with EBITDA margin of 16.4%**, reflecting:
 - Lower wholesale volumes and less favourable market mix due to lower China sales
 - Less favourable model mix
 - Offset partially by receipt of £62m local market incentive
- Total Capex and Product development spend for **the quarter was £ 776 mn**. Post this spend free cash flow was £(818)mn, driven by inventory build for XE and XF launch and from lower China sales
- Cash and financial deposits stood at **£3.3bn** and undrawn committed bank lines at **£1.5bn (recently increased to £1.8bn)**
- PBT of £ 638 mn, down £ 286 mn** reflecting
 - Lower EBITDA**
 - Higher** depreciation and amortisation
 - Favourable** revaluation of foreign currency debt and mark to market of **unrealised hedges** not for hedge accounting under IAS 39

Q1 FY16 (Wholesales)



Q1 FY15 (Wholesales)



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



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Market Focus - China

Market Challenges

As previously indicated, economic conditions in China has become more mixed and we have expected a certain “normalization” of the automotive market, which gathered pace in the last Quarter with the industry down (3.4)% year on year in June. JLR sales were down more than the industry as a whole due to a number of factors including:

- Slower sales ramp up of new local Evoque combined with the start up of new integrated Marketing Sales and Service organisation
- Run out of the Freelander and launch of the new Discovery Sport, with import volumes carefully planned to ensure a smooth transition to production in the China JV planned towards the end of 2015
- Run out of XF and the XJ in advance of the all new XF and 16MY XJ coming soon while XE sales only start in September

Response

JLR has been discussing these issues with our retailer and JV partners and the following actions are being taken:

- Production and sales targets have been adjusted to reflect the slowing market and JLR model transition issues to ensure supply and demand are kept in balance
- 5-6% average price re-alignment on JV Evoque and realigned pricing for the launch of the new Jaguar XE
- Changes in the Integrated Marketing, Sales and Service organisation, including new experienced senior management
- Shorter payment terms for marketing payments to dealers

Outlook

JLR Believes China will continue to be a growing market for premium vehicles and JLR – it is the largest car market in the world with a growing GDP and increasingly affluent consumers who will aspire to owning premium vehicles

JLR expects to increase it's share in the market with new JLR model launches including XE, the all new XF, 16MY XJ, the New F-Pace, and more products to come.



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Other Market focus-Strong performance over the quarter

JLR sales excluding China were up 12.5% compared to Q1 FY15, with strong growth in Europe, UK and North America, reflecting strong Range Rover and Range Rover Sport sales and ramp up of the Discovery Sport and Jaguar XE.

Europe

- **JLR sales were up 27.7%, outperforming industry growth of 7.5%.** Notably the key markets of France, Germany, Italy and Spain all reported strong growth, up 46.8%, 25.7%, 29.2% and 45.7% respectively. As well as strong performance of the **Range Rover (+17.2%) and Range Rover Sport (+7.4%)** this quarter saw the introduction of the Discovery Sport and Jaguar XE, contributing 5,078 and 1,385 units respectively.

UK

- **JLR delivered 20.5% growth, beating market growth of 12.9%, with Range Rover up 35.9% the Range Rover Sport up 27.3%, and the Discovery Sport and Jaguar XE posting 4,381 and 1,415 retail sales respectively.**

North America

- For North America, **JLR sales were up 12.9% with US up 12.7% against the market (+3.4%).** As well as strong sales of the **Range Rover (+39.9%) the quarter also saw very strong sales of the Discovery (+143.4%).** The Discovery Sport sold 996 units in the quarter. The Jaguar XE is expect to do well when it is introduced in the market with petrol engines in 2016.

Other Markets

- All Other Markets were down 9.8%, primarily reflecting weaker Russia sales (down 50.8%) given well documented issues but, on a positive note **MENA sales picked up 17% and South Korea posted strong performance in a challenging environment (up 54.2%).**



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Tata Motors Group – Way Forward



Tata Motors Group – India Business - Way Forward

COMMERCIAL VEHICLES

DesignNext PerformanceNext FuelNext

Improved economic outlook and business environment is expected to accelerate the sales in FY 16

Expected Capex & Product development , on an average is Rs 3,500-Rs 4,000 crs annually for next 2-3 years

In addition to recent Rights Issue, the 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.

PASSENGER VEHICLES

DesignNext DriveNext ConnectNext

- M&HCV growth is expected to be more comprehensive and sustainable 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
- 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



HORIZONEXT
DesignNext DriveNext ConnectNext

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Tata Motors Group – Jaguar LandRover- Way Forward

- Building on the successful launches of the new Discovery Sport and Jaguar XE
- Launching the all new Jaguar XF and Range Rover Evoque in Q2 FY16, the 16 Model Year Jaguar XJ in Autumn this year and the Jaguar F-PACE and Evoque Convertible in Q4 FY16
- These new products are expected to drive significant volume growth in 2015/16 although, as previously indicated, EBITDA margins 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



Ingenium Engines



Jaguar XE



Discovery Sport



Tata Motors Group-Jaguar Land Rover-Exciting Products



Evoque 2016 MY



All-new XF



XJ 2016 MY



The new Jaguar F-PACE



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

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