TATA MOTORS

TATA MOTORS GROUP : RESULTS

Q3 FY'19 | 7 February 2019

Safe harbor statement

TATA MOTORS

Statements in this presentation describing the objectives, projections, estimates and expectations of Tata Motors Limited (the “Company”, “Group” or ‘TML”) Jaguar Land Rover Automotive plc (“JLR ”) and its other direct and indirect subsidiaries 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

Certain analysis undertaken and represented in this document may constitute an estimate from the Company and may differ from the actual underlying results

Narrations

- Q3 FY19 represents the 3 months period from 1 October 2018 to 31 December 2018
- Q3 FY18 represents the 3 months period from 1 October 2017 to 31 December 2017
- 9M FY19 represents the 9 months period from 1 April 2018 to 31 December 2018
- 9M FY18 represents the 6 months period from 1 April 2017 to 31 December 2017

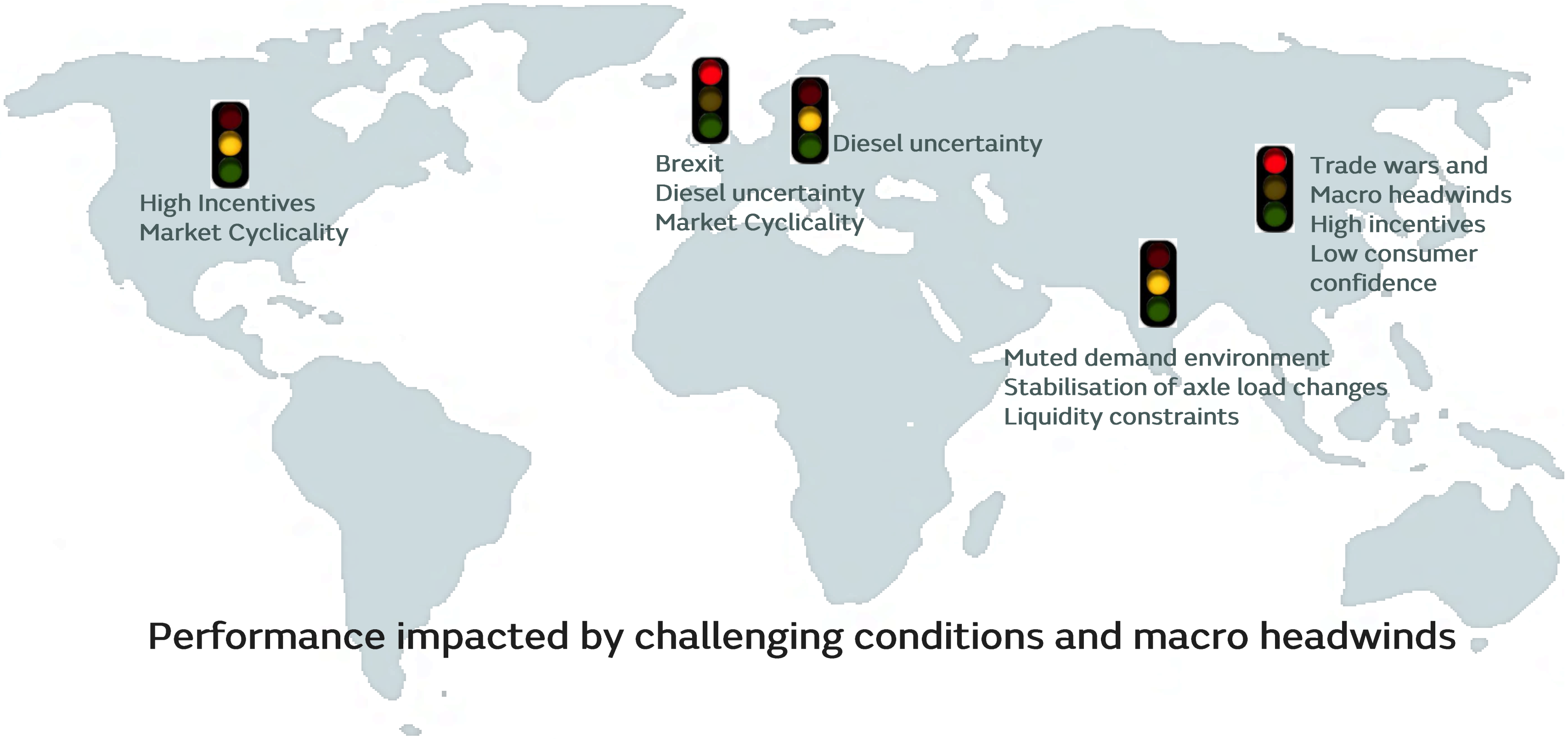
Accounting Standards

- Financials (other than JLR) contained in the presentation are as per IndAS
- Results of Jaguar Land Rover Automotive plc are presented under IFRS as approved in the EU.
- Tata Motors Finance –Performance snapshot is as per IndAS and IGAAP

Other Details

- JLR volumes: Retail volume and wholesales volume data includes sales from the Chinese joint venture (“CJLR”)
- Reported EBITDA is defined to include the product development expenses charged to P&L, revaluation of current assets and liabilities and realised FX and commodity hedges but excludes the revaluation of foreign currency debt, MTM on FX and commodity hedges, other income (except government grant) as well as exceptional items.
- Reported EBIT is defined as reported EBITDA plus profits from equity accounted investees less depreciation & amortisation.
- Retail sales of TML represents the estimated retails during the quarter.

Challenging market conditions across the globe



Performance impacted by challenging conditions and macro headwinds

Products and other developments

TATA MOTORS

- Tata Harrier launched #BornofPedigree, first from the Omega architecture
- Tata Nexon becomes India's first car to achieve GNCAP '5 stars' for safety
- TML rated as the second most attractive overall brand and most attractive Automotive brand in Economics Times survey in Dec'18

- All new Evoque with hybrid options on sale
- New Defender announced
- Work force reduction scheme announced with a target of 4500
- New battery assembly centre announced

Q3 FY’19 Consolidated

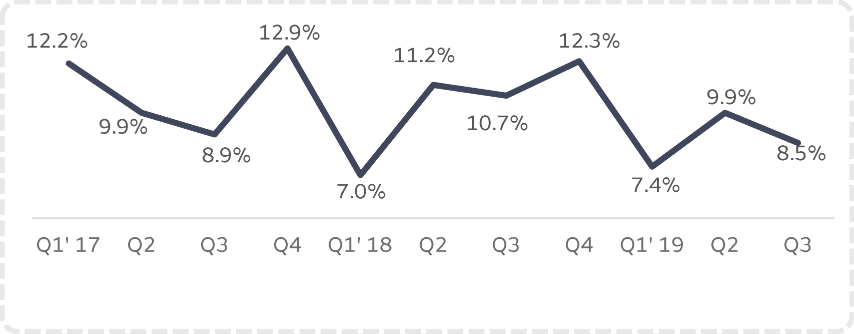
Revenue ₹77.0K Cr; EBIT flat;

TML (S) delivers robust profitable growth; Weak China sales impact JLR

TATA MOTORS

₹Cr.	Q3 FY’18	Q3 FY’19	Growth
Volumes (K)^	332,911	**314,760**	(5.5%)
Revenue	73,366	**77,001**	5.0%
EBIT	2,639	**(55)**	-
EBIT%	*3.6*	***(0.1)***	-
PAT	1,215	**(26,961)**	-

EBITDA Trends



- Revenue growth at 5.0%.
  - TML (S): +1.5%, JLR: -2.3%
- EBITDA at 8.5% and EBIT at -0.1%
  - EBIT YoY : TML (S): +70 bps, JLR: -520 bps
- Profit After Tax at ₹(26,961)Cr impacted by exceptional items of ₹(28,014)Cr (primarily Impairment of capitalized investments in JLR of £3.1 b)
- FCF (Auto) outflow of ₹ 5,228 Cr mainly due to lower creditors;
- Project Charge starts well. Delivers £0.5b of cash in 3 months

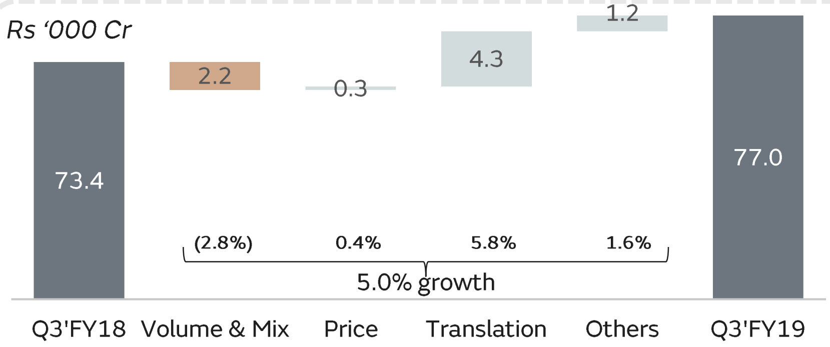
PAT includes share of profit of JV and Associates

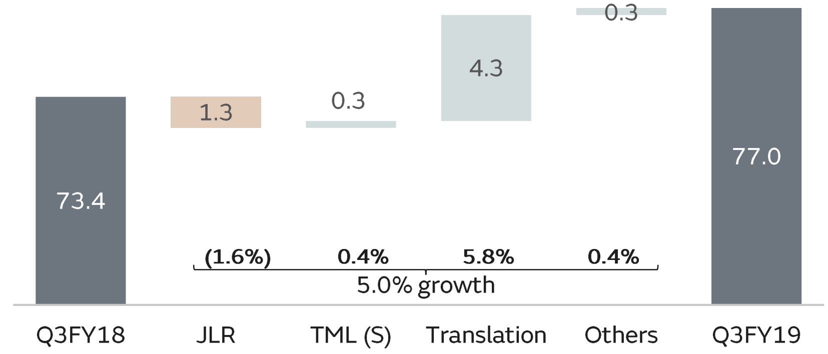
Q3 FY'19 Consolidated

Revenue up 5.0% on favourable FX

Retails higher than Wholesales

Net revenue at ₹ 77.0K Cr up 5.0%





Key highlights

TML (S) revenue up 1.5% *(+0.4% on total growth)*

- Retails (Domestic): +5.6% (CV: +3.4%, PV: +9.7%)
- Wholesales: -0.5% (CV: -1.8%, PV: +2.9%)

JLR revenue down -2.3% *(-1.6% on total growth)*

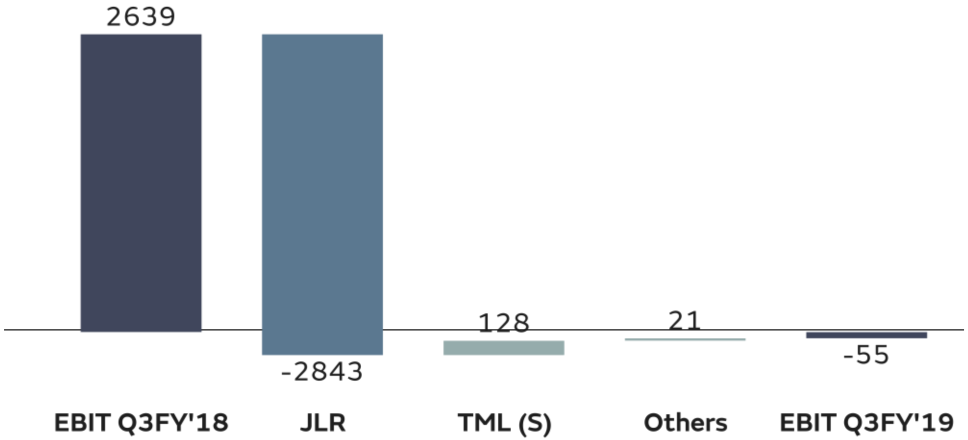
- Retails @ 144.6K (-6.4%)
- Wholesales incl CJLR @ 141.6K (-11.0%)

Favourable FX impact *(+5.8% on total growth)*

EBIT down 370bps

TATA MOTORS

Drop in JLR profitability partially offset by continued improvement in TML(S)



EBIT	3.6%	(3.8%)	0.1%	0.0%	(0.1%)

JLR EBIT down 520bps

- China impact,
- Production shutdown during the quarter,
- Negative operating leverage from lower wholesales,

TML (S) EBIT up 70 bps

- Savings from ImpACT projects and positive operating leverage

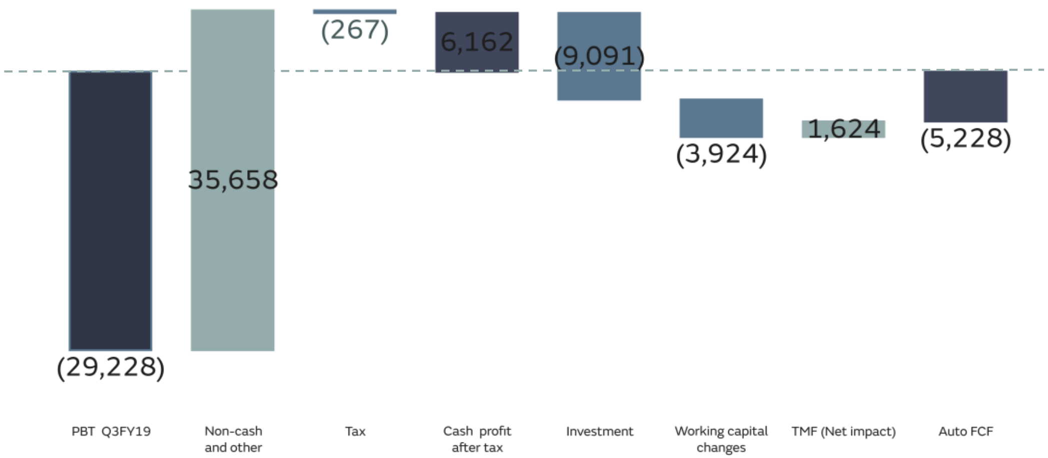
TML (S) – Tata Motors Standalone (Incl. Joint Operations); JLR – Jaguar Land Rover

For analytical purposes only *Rs Cr. IndAS*

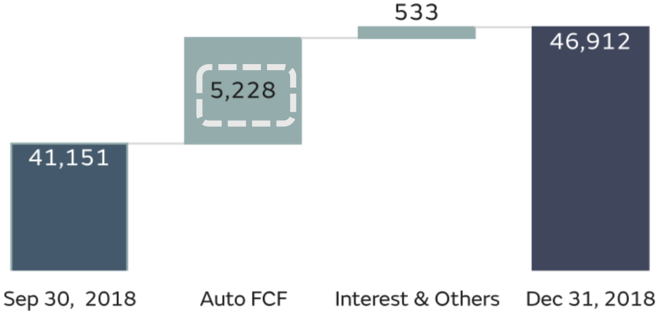
Free Cash Flows (Auto) of ₹(5,228 Cr);

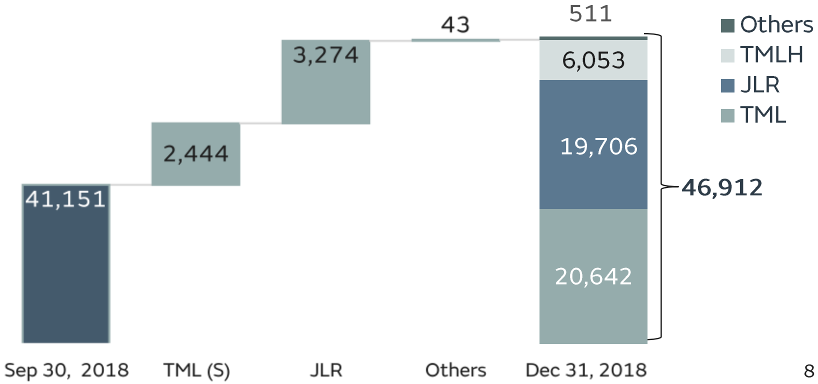
Rs Cr. IndAS

Auto FCF



Net Auto Debt Movement





Exceptional non cash charge of £3.1b in JLR

To reduce carrying value of capitalised investments

IFRS, £m

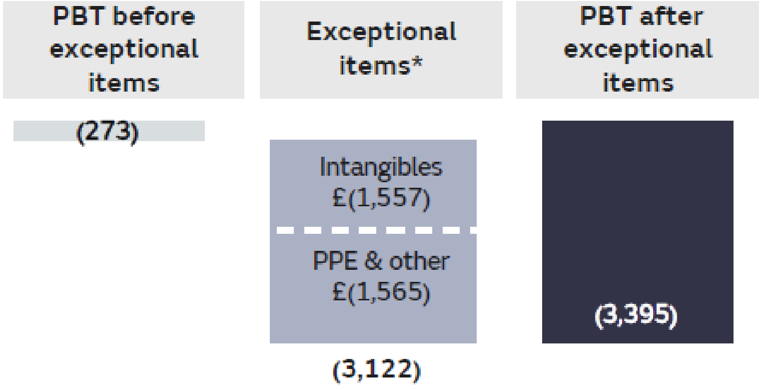
"Fit for Future" charge
JLR : £3.1b of capitalised investments impaired

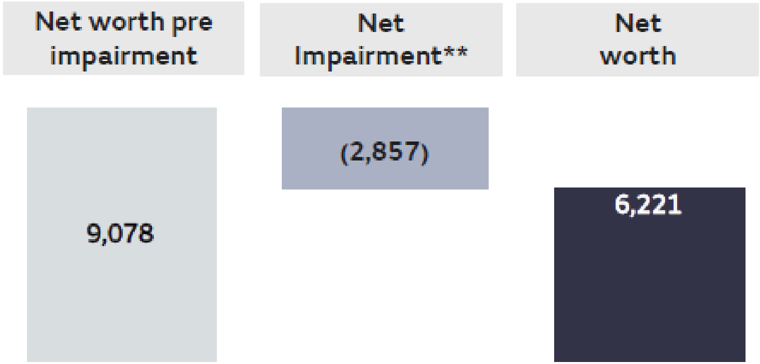
Background

- The automotive industry is facing significant market, technological, and regulatory headwinds. At the same time, investment in new models, electrification and other technologies remains high
- Given the muted demand scenario and the associated impact on the financials, JLR has concluded that the carrying value of capitalized investments should be written down, resulting in a £3.1b pre-tax exceptional charge
- JLR continues to take decisive actions including in Charge and Accelerate programs to make the business Fit for Future by reducing costs and improving cash flows to deliver sustainable profitable growth

Impact of impairment

- Loss for the quarter of £3.4b
- Net worth about £6b (Debt to Equity of 0.75:1)
- Cash flow unchanged
- Will reduce growth in depreciation & amortization by c.£300m per annum





* £3.1b related to impairment and £17m related to pension charge

** Reflects impairment of £3.1b partially offset by a reduction in deferred tax liabilities

Revenue growth 7.1%, EBIT 0.3%

TATA MOTORS

Rs Cr.	9M FY18	9M FY19	Growth
Volumes (K) ^	893,116	**947,783**	6.1%
Revenue	201,496	**215,814**	7.1%
EBIT	6,271	**655**	-
EBIT%	*3.1*	***0.3***	-
PAT	6,916	**(29,833)**	-

^ Global wholesales including CJLR

- Volume Growth at 6.1% and Revenue growth at 7.1%
- EBIT at 0.3%, down 280bps due to lower volumes at JLR resulting from volatile market conditions
- Profit After Tax at ₹(29,833)Cr impacted by exceptional items of ₹(28,544)Cr (primarily Impairment of capital assets in JLR taken in Q3)
- FCF (Auto) outflow of ₹ (28,273) K Cr

PAT includes share of profit of JV and Associates

TATA MOTORS

The 6 cylinders of Tata Motors

1. JLR

2. JLR China

3. CV

4. PV

5. TM Finance

6. Net debt & others

1&2: Jaguar Land Rover

Dr. Ralf Speth and Kenneth Gregor

1. JLR

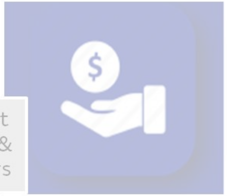
2. JLR China

3. CV

4. PV

5. TM Finance

6. Net debt & others

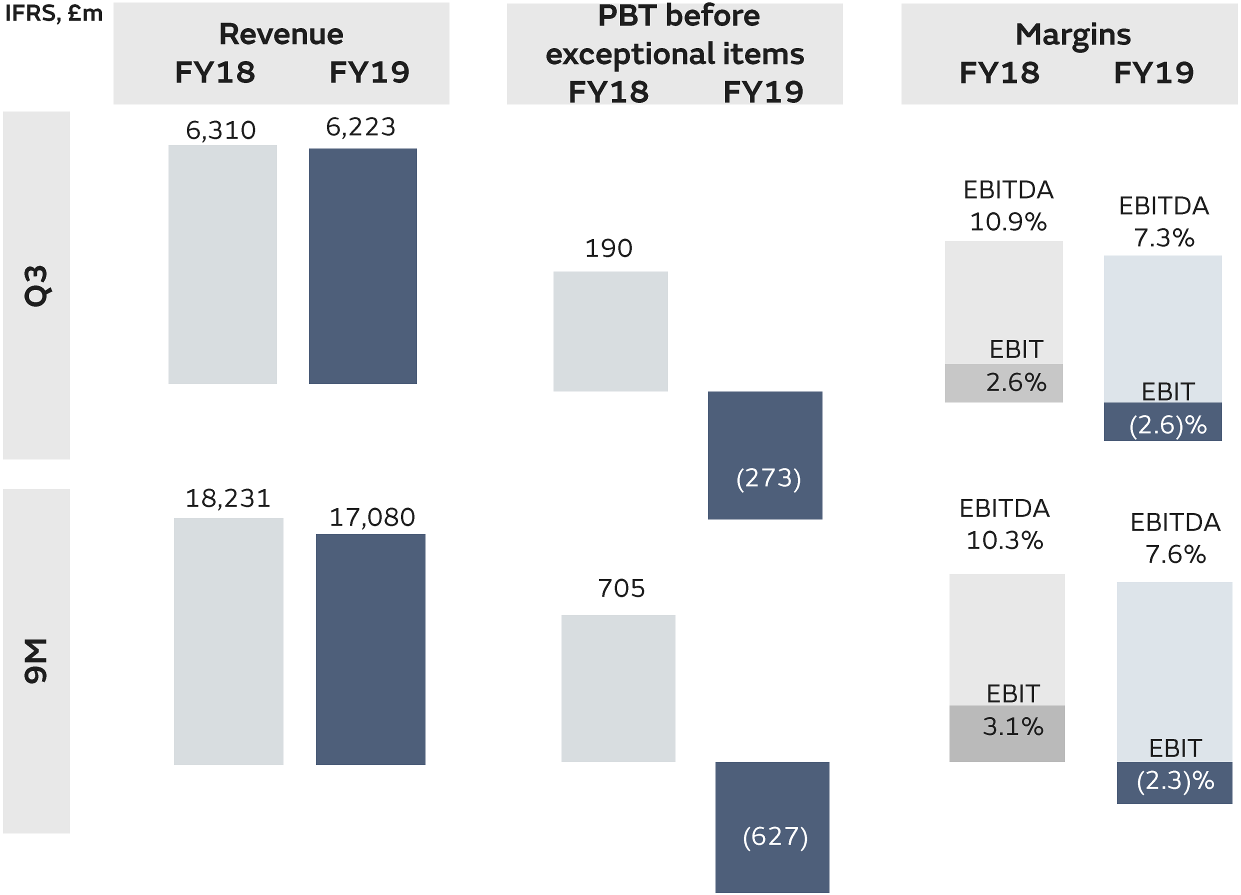


Jaguar Land Rover

Dr Ralf Speth and Ken Gregor

Loss before exceptional items £(273)m

Primarily weak China sales and de-stocking incl. one-off costs



YoY Commentary

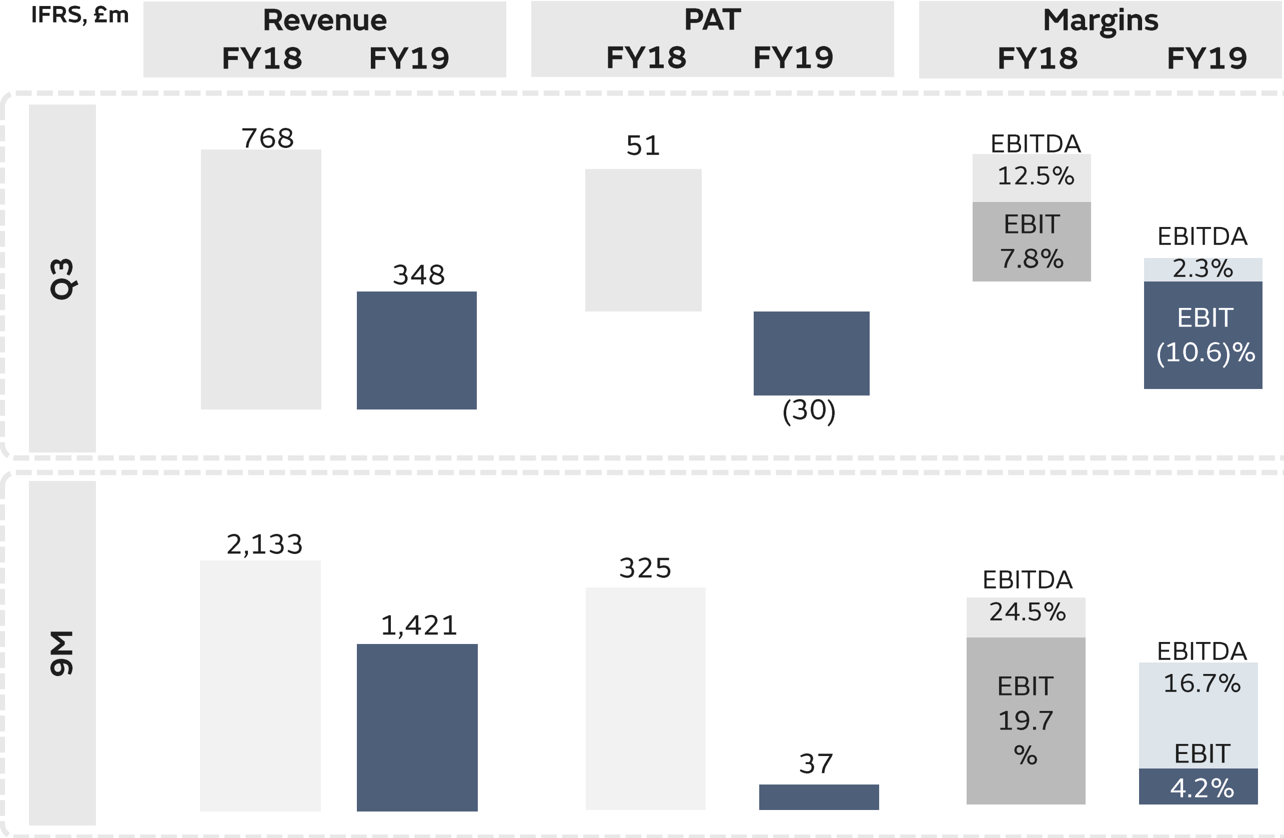
- Wholesales 11% lower (£160m), higher incentives (£21)m – mainly China
- Higher D&A (£52m)
- One-off factors: Tax rebate non-recur (£45m), de-stocking costs (£82m)
- Favourable material and manufacturing costs (+£35m)

- Wholesales 10.4% lower (£564m) and higher VME (£150m) – mainly China
- Higher D&A (£225m), revaluation (£362m) including non-recur

Q3 FY19 – China JV

Revenue £348m, loss after tax £30m

Lower sales and production downtime to reduce inventory



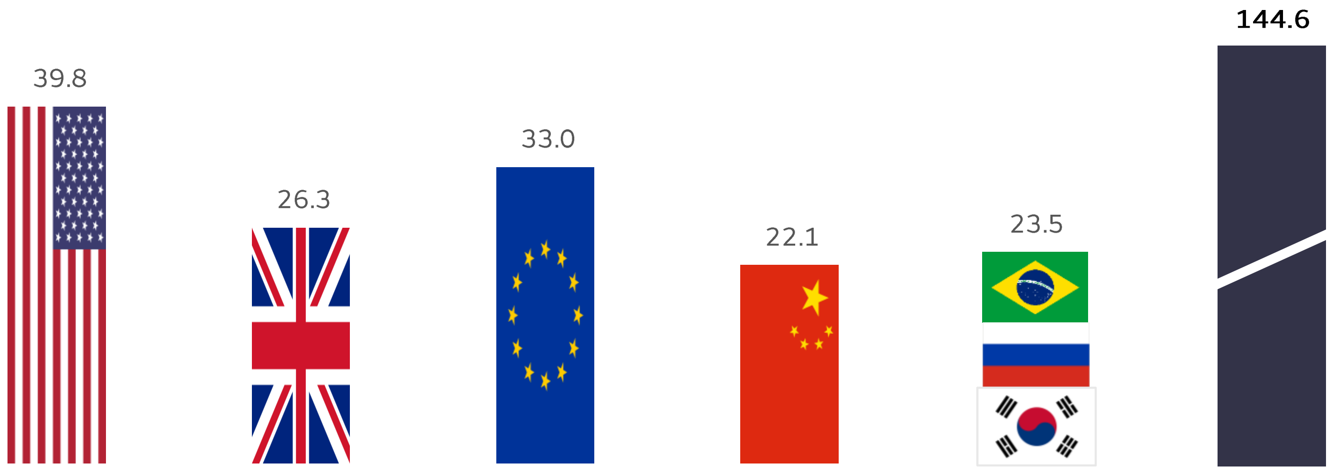
YoY Comments

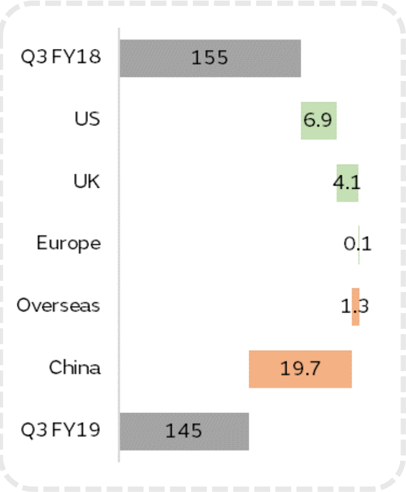
- Wholesales 54.5% lower (£130m) including production down time to reduce inventory
- Unfavourable D&A (£9m)
- Offset partially by lower VME and fixed marketing (£31m) and lower tax (£30m)

Retails 144.6k, down 6.4% due to China

North America, UK and Europe grew ahead of industry

Units in '000





	North America	UK	Europe	China	Overseas*	Total
JLR YoY	21.1%	18.4%	0.3%	(47.1%)	(5.2)%	(6.4)%
Industry	+0.6%	(3.8)%	(8.0)%	(15.0)%	+4.3%	

Wholesales

Units	39.4	25.3	35.0	20.7	21.2	141.5
YoY	15.9%	16.1%	7.0%	(52.7%)	(21.2%)	(11.0%)

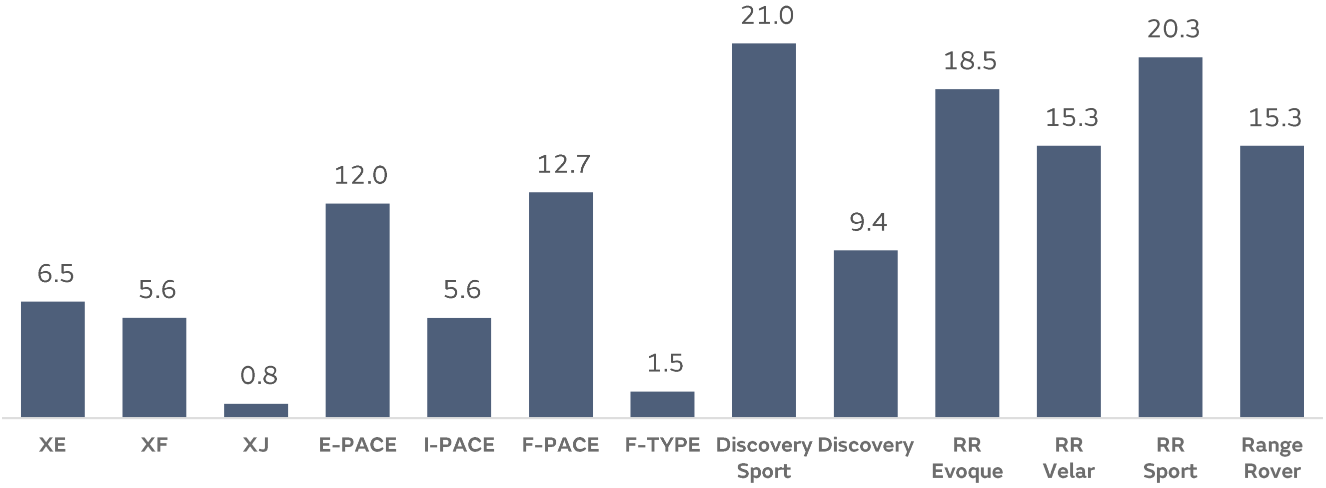
Volumes include sales from Chery Jaguar Land Rover. For statutory reporting under IFRS, the Group recognises revenue on wholesales (excluding sales from CJLR). The Group recognises it's share of profits from CJLR within EBIT.

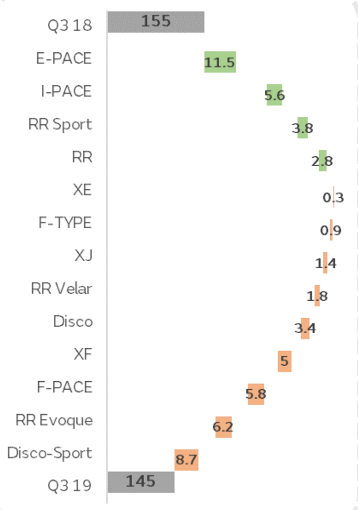
Overseas markets includes Australia, Brazil, Colombia, India, Japan, South Korea, Mexico, MENA, Russia, Singapore, South Africa, Taiwan and certain importers

The total industry car volume data above has been compiled using relevant data available at the time of publishing, compiled from national automotive associations such as the Society of Motor Manufacturers and Traders in the UK and the ACEA in Europe

E-PACE, I-PACE, Range Rover and RR Sport up

Other models largely reflect China and Evoque run-out





Wholesales

	XE	XF	XJ	E-PACE	I-PACE	F-PACE	F-TYPE	Discovery Sport	Discovery	RR Evoque	RR Velar	RR Sport	Range Rover
Units	4.9	2.6	1.2	10.1	5.4	11.7	1.7	15.4	8.0	18.2	13.8	22.3	14.8
YoY	(1.3)	(2.7)	(1.0)	8.3	5.4	(5.0)	(0.7)	(2.5)	(5.8)	(1.3)	(6.5)	6.2	3.3

Retail volumes include sales from Chery Jaguar Land Rover – Q3 FY19 12,669 units, Q3 FY18 23,388 units

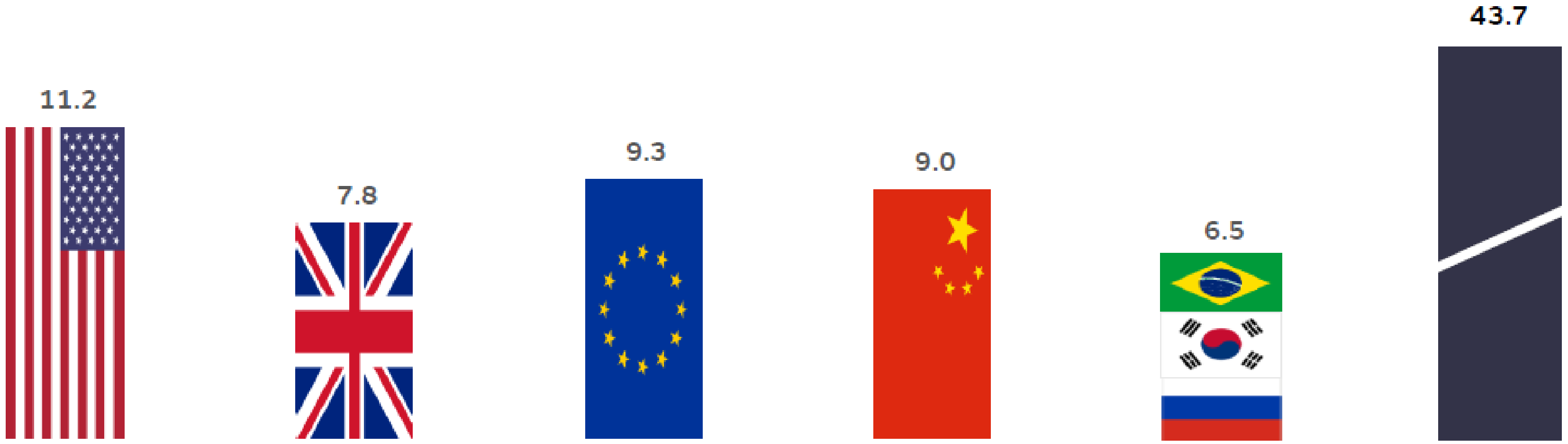
Wholesale volumes include sales from Chery Jaguar Land Rover – Q3 FY19 11,536 units, Q3 FY18 25,328 units. For statutory reporting under IFRS, the Group recognises revenue on wholesales (excluding sales from CJLR) which totals 130,016 Q3 FY19 and 133,739 Q3 FY18. The Group recognises it's share of profits from CJLR within EBIT.

January 2019

Retails 43.7k, down 10.9% due to China

China down ,North America up and outperforming industry

Units in '000



	North America	UK	Europe	China	Overseas*	Total
JLR YoY	13.2%	(0.9)%	(5.7)%	(39.8)%	(1.0)%	(10.9)%

Volumes include sales from Chery Jaguar Land Rover. For statutory reporting under IFRS, the Group recognises revenue on wholesales (excluding sales from CJLR). The Group recognises it's share of profits from CJLR within EBIT.

Overseas markets includes Australia, Brazil, Colombia, India, Japan, South Korea, Mexico, MENA, Russia, Singapore, South Africa, Taiwan and certain importers

£273m loss – weak China sales, de-stocking

Lower margin reflects China sales (290bps), one-offs (260bps)

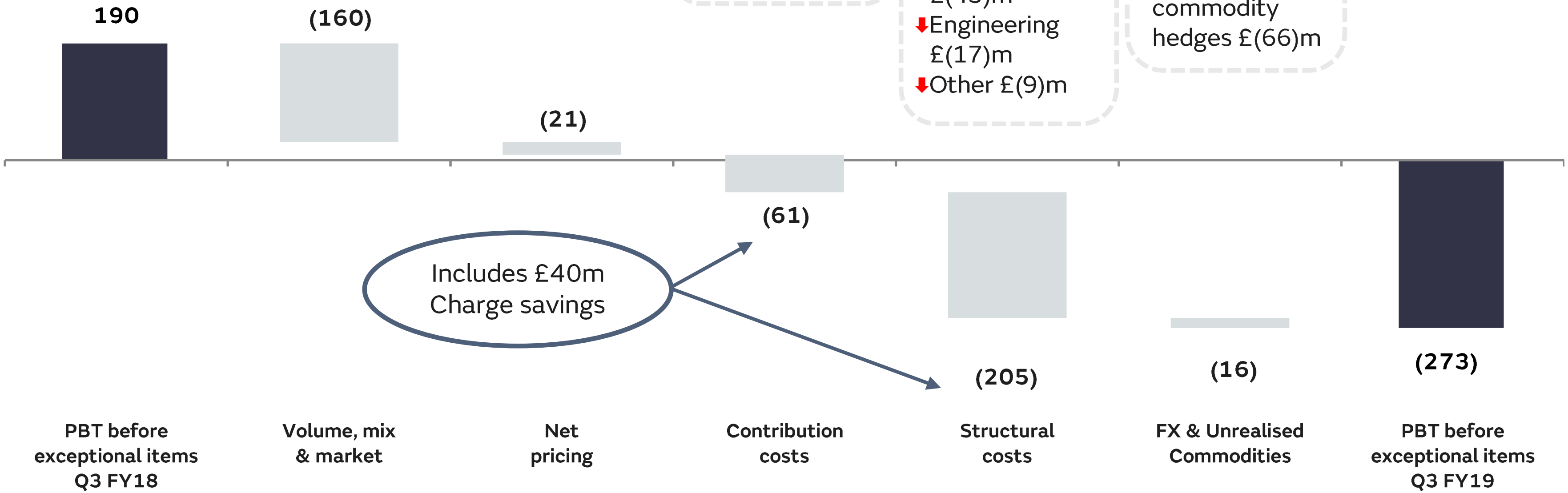
IFRS, £m

- ⬇ Wholesales incl. China JV down 17.5k

- ⬇ Warranty £(89)m
- ⬆ Material and manufacturing costs £28m

- ⬇ De-stocking £(82)m
- ⬇ D&A £(52)m
- ⬇ Tax rebate non-recur £(45)m
- ⬇ Engineering £(17)m
- ⬇ Other £(9)m

- ⬆ Realised FX net of hedges £131m
- ⬇ FX reval £(81)
- ⬇ Unrealised commodity hedges £(66)m



EBIT	2.6%	(2.9)%	(1.0)%	(3.2)%	1.9%	(2.6)%

Q3 FY19

£273m loss – £(183)m QoQ

Higher wholesales offset by one-time items and revaluation

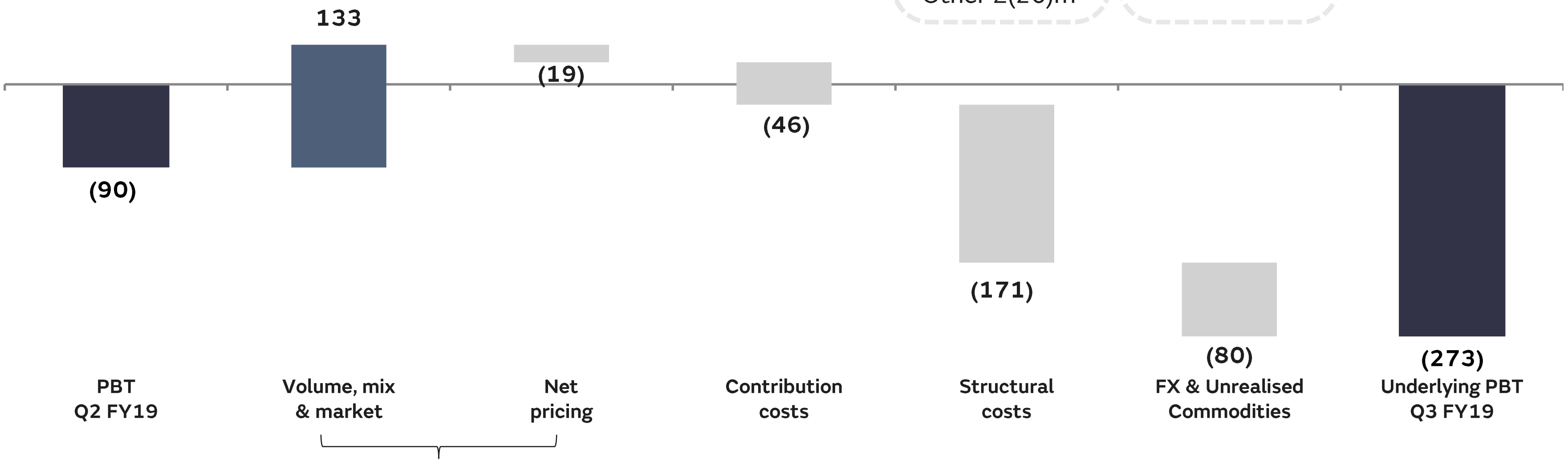
IFRS, £m

- ⬆ Wholesales incl. China JV up 10.9k

- ⬇ Warranty £(22)m
- ⬇ Material & Manufacturing costs £(24)m

- ⬇ De-stocking £(71)m
- ⬇ D&A £(46)m
- ⬇ Primarily higher marketing costs £(28)m
- ⬇ Interest & Other £(26)m

- ⬆ Realised FX net of hedges £(4)m
- ⬇ FX reval £(58)
- ⬇ Unrealised commodity hedges £(17)m



EBIT	(0.7)%	1.8%	(0.7)%	(2.6)%	(0.4)%	(2.6)%

Cash flow £(361)m after £1b investment

Expect positive Q4 cash flow (positive PBT and working capital)

D&A £599m

Payables £(311)m – To reverse in Q4
Inventory £242m – To further improve in Q4
Receivables £55m
Other incl. Warranty accrual £144m

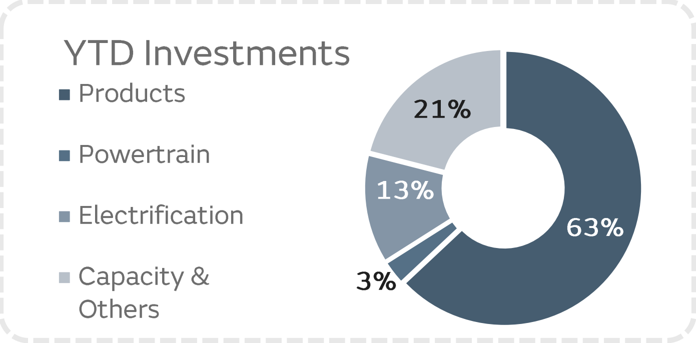
Q3 FY18	190	575	(35)	(1,070)	(321)	(661)

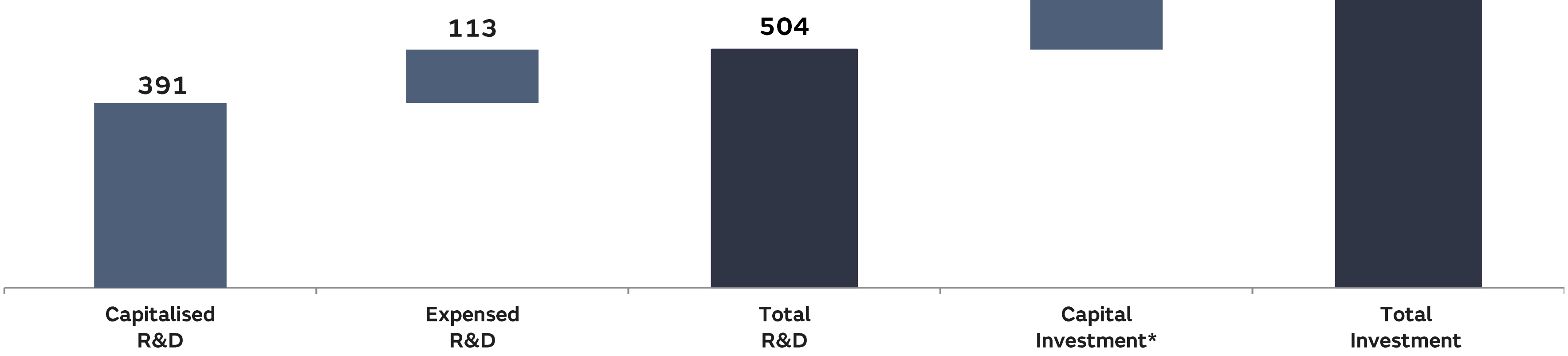
* Free cash flow defined as net cash generated from operating activities less net cash used in investing activities (excluding movements in short-term deposits) and after finance expenses and fees and payments of lease obligations. Free cash flow also includes foreign exchange gains/losses on short-term deposits and cash and cash equivalents

Investment spending £1b

On track to achieve lower target of £4b for the full year

IFRS, £m





	Capitalised R&D	Expensed R&D	Total R&D	Capital Investment*	Total Investment
Q3 FY18	402	93	495	575	1,070

* Primarily plant, property and equipment of £406m

Update on JLR Turnaround and Transformation plan

Turnaround and transformation plan launched

Response to more challenging market conditions

Demand likely to remain muted due to geopolitical, economic, financial and regulatory factors

Turnaround plan required to succeed in this more challenging environment

1. Rejuvenate sales
   - Leverage strong product portfolio
   - Resume profitable growth in China

2. Improve cash flows and profitability -- Project Charge
   - Enhanced focus on improving cashflows -- investment, working capital and profits
   - Comprehensive profit improvement and cost savings plan
   - Reassessment of investment spending to ensure adequate returns

3. Fix structural issues -- Project Accelerate

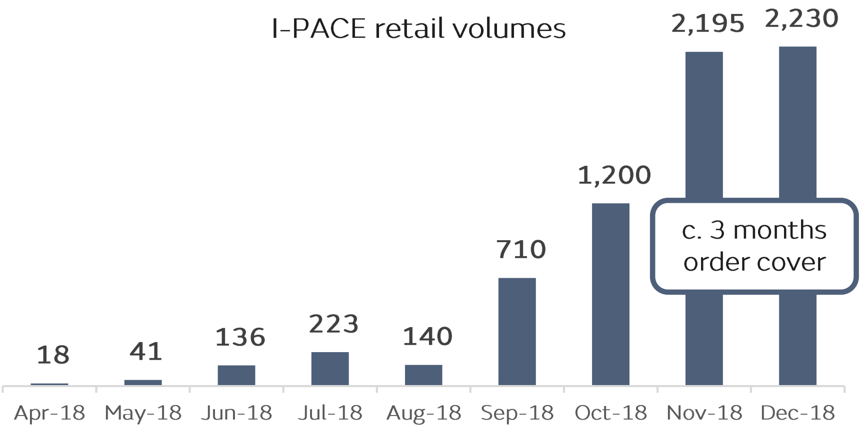
Focus for today

Launching all new Range Rover Evoque

Including mild and plug-in hybrid options

Jaguar I-PACE now launched globally

Growing sales and strong order book



German Car of the Year

EV of the year

Continuing to strengthen product portfolio

All new Evoque launching, Defender to be announced in 2019

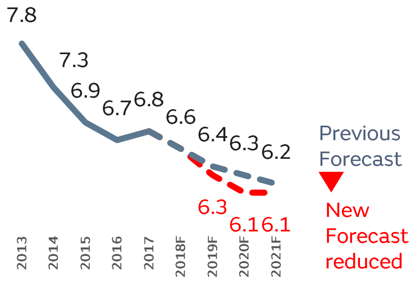
Calendar Year	XE	XF	XJ	E-PACE	I-PACE	F-PACE	F-TYPE	Discovery Sport	Discovery	Evoque	Velar	Range Rover Sport	Range Rover	Defender	2 Other
2011										New					
2012													New		
2013							New					New			
2014								New							
2015	New	New	Refresh							Refresh					
2016						New									
2017				New			Refresh		New		New	Refresh	Refresh		
2018					New										
2019										New				New	
2020-24	New models, replacement models and mid-cycle refreshes to be announced														

JLR China – Challenges and Approach

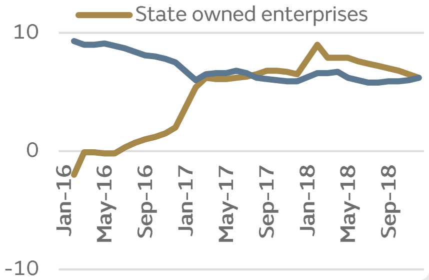
Qing Pan – CEO JLR China

China: Macroeconomic environment is challenging

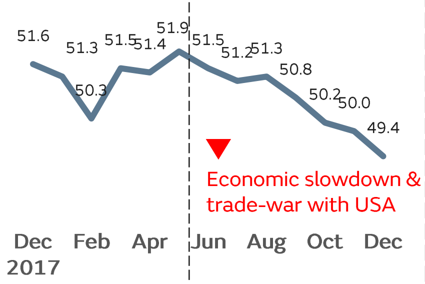
GDP growth rate [YoY%]



Industrial value added
[Cumulative growth rate YoY%]



PMI [Manufacturing purchasing manager index]



Shanghai Composite [Stock market index]

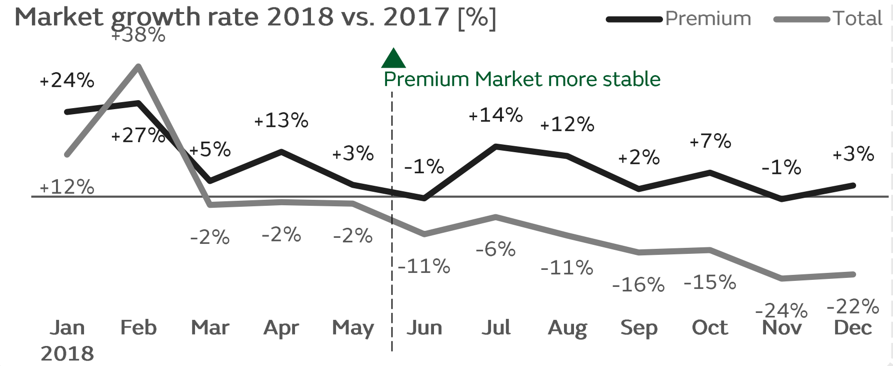
- Economic outlook pessimistic despite significant expansion of state owned enterprise's value added
- GDP from private enterprises, the key consumers of premium car market drops
- Both PMI and the Shanghai Composite have dropped significantly since the second half of 2018

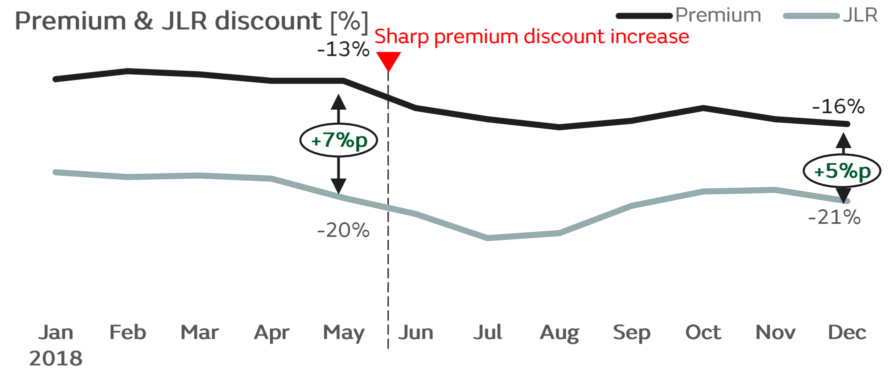
Source: GDP = Reuters forecast 2018-01-18, Industrial value added, PMI = National Bureau of Statistics; Shanghai Composite from 1.1.2018-21.01.2019 closing rates

Rejuvenating sales – China market update

Industry volumes weakening

Sales incentives rising





- CY18 is the first time since 1990 that the total passenger car market declined (-8%)
- The premium market hit it's lowest growth since 2004 with +8%
- Premium market growth achieved by tapping into the lower segments via heavy discounts
- Started to focus on dealer profitability over volumes to get back to sustainable growth
- JLR discounts have been higher than competition, however we are narrowing the difference as competitors have been increasing discounting in response to weaker market conditions over the course of the year.

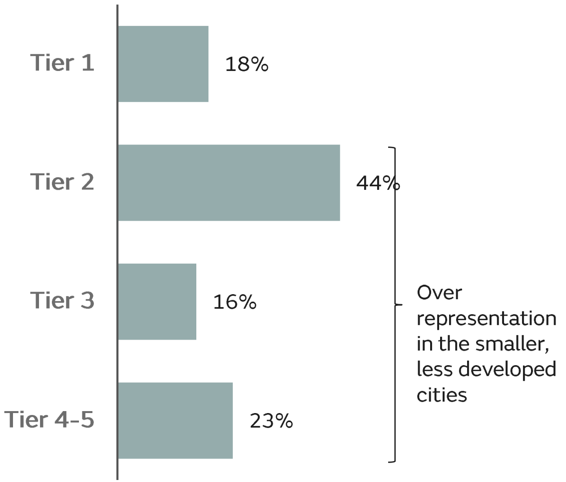
Source: Volume = insurance data by CATARC; Discounts = CAM

Rejuvenating sales – China market update

JLR dealer network less mature

Not sufficiently profitable

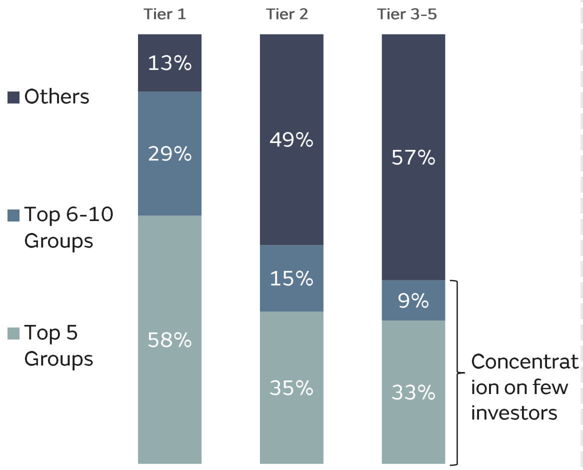
JLR retailers per city tier [%]



Impact

- Market decline and economic slowdown had a bigger impact on Tier 2-5 cities

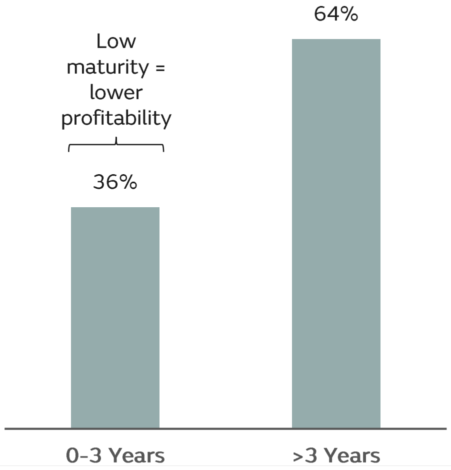
JLR retail investor structure [%]



Impact

- JLR impacted by dependence on a few top investors

JLR retailers by years in operation [%]



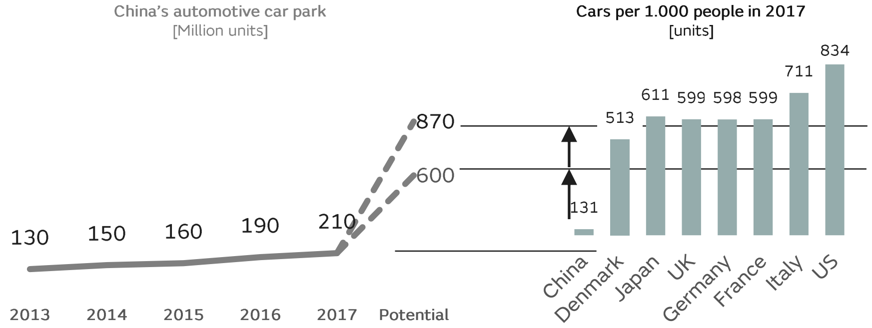
Impact

- Limited experience with the brands and JLR business processes

Source: Deloitte 2018 1-11 Audit data *higher product/engine/trim mix & lower discounts

Long term premium opportunity substantial (4m+)

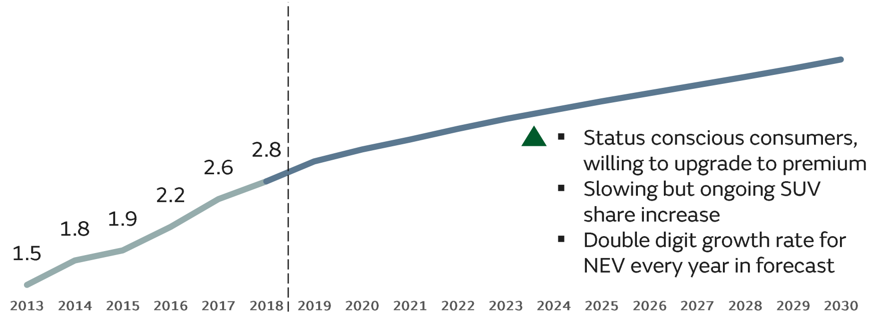
Overall demand for cars in China



PV Market Forecast [million units per JLR brand category]

JLR brand category	2017 Sales [k units]	2017 # of brands		2025 Sales FC [k units]	[CAGR]
Super premium	4	6		7	+5.8%
Core premium	**2,610**	**17**		**3,929**	**+5.3%**
Near premium	2,943	5		3,270	+1.3%
Core non-premium	9,638	29		11,696	+2.5%
Low Cost	12,745	50		14,738	+1.8%
Total	**27,940**	**>100**	**Thereof >60 local OEM's**	**33,639**	**+2.1%**

Premium Market Forecast [million units]



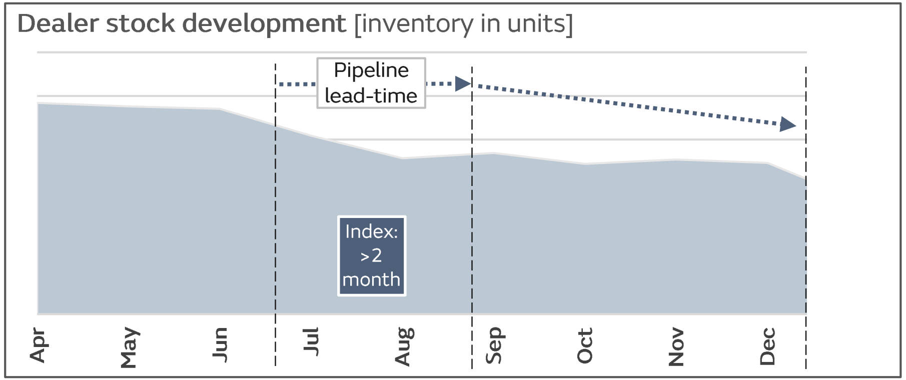
- Status conscious consumers, willing to upgrade to premium
- Slowing but ongoing SUV share increase
- Double digit growth rate for NEV every year in forecast

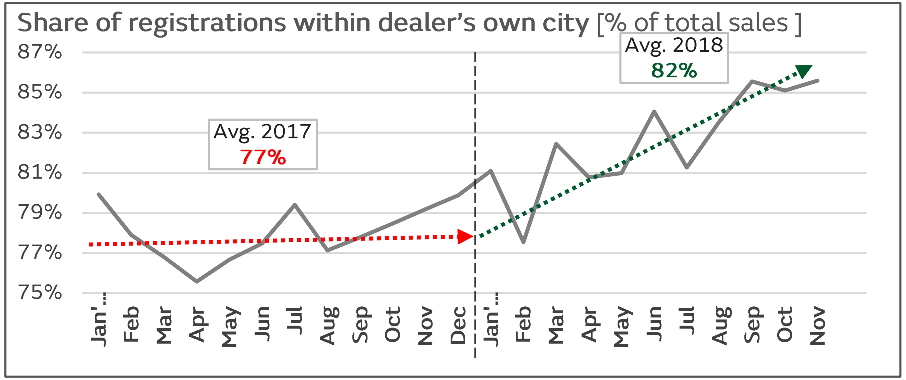
- We remain optimistic about the China
- Market development likely to triple carpark to 600-800m cars, ie an annual demand of 35-50m cars.
- For JLR, by 2025, this means an annual market size of
  - 4m "Core Premium" vehicles;
  - 3m+ upgradation opportunity from "Near Premium"

Source: Premium Forecast = IHS Market Insights per Nov. 2018; Carparc data = China State Information Center per Nov. 2018 (SIC)

Immediate focus: create sustainable dealer model

Shift to 'Pull' system





- Supplies have been cut to reduce our own and dealer stock, the 2019 target is 1.5 months
- Commercial policies streamlined
  - Simplified retail incentives instead of wholesale
  - Additionally support to compensate for retailers losses
  - Qualitative improvements e.g. incentives for local registrations to grow a stable after-sales revenue income
- Extensive dealer on site training launched to improve customer experience and drive operational excellence
- Alignment with dealers secured
- Expect sales to stabilize in the next few months and grow thereafter

Source: Volume = insurance data by CATARC; Discounts = CAM

Significant actions underway to realise potential

- Continue to build our brands while adapting our portfolio strategy to local needs
- Changed go-to-market approach to improve the effectiveness and efficiency of our sales organization
- Utilize the investments we made in our China JV production capacity and drive local sourcing strategies to enhance competitiveness of our cost base
- Launched a local turnaround program in China to drive the implementation of change at a rapid pace

Encouraging Q3 sales in other major markets

JLR ahead of industry in North America, UK and Europe

Q3 retails, units 000's

39.8k

21.1% YoY

Vs

0.6% industry

26.3k

18.4% YoY

Vs

(3.8)% industry

33.0k

0.3% YoY

Vs

(8.0)% industry

Project Charge : off to an encouraging start

On-track to achieve £2.5b target, Profit actions focus of next phase

Steering Committee
JLR Board of Management and JLRA Plc board representation

Charge Leadership team
Chief Transformation Officer

Charge Management Office
Operational workstreams

- Cash balance
- Investment
- Working capital
- PBT
- Retails
- Organisation

Time Elapsed : 17%

	TARGET (FY19/20)	REALISED (By 31 Dec'18)	% REALISED (By 31 Dec'18)
INVESTMENT Reduction in FY19 & FY20 to <£4bn	£1.0bn	£300m	30%
INVENTORY & WORKING CAPITAL REDUCTIONS	£0.5bn	£200m	40%
PROFIT & COST ACTIONS	£1.0bn	£40m	4%
	£2.5bn	£540m	20%

IDEAS. ACTIONS. CASH.

CHARGE

Significant actions across 14 work streams

To deliver target savings of £2.5b with more to implement

Investment	Inventory & Volumes	Overheads	People & Organisation	Commercial FME	Commercial Pricing/VME	Product Tiger Teams
China	Production Purchasing	Non-core Assets	Working Capital	Manufacturing & Logistics	Product & Programmes	Tax & Treasury

To realise in the days ahead

Investment	Volumes	Inventory	People & organisation	Product cost "Tiger teams"	Commercial
Non-product and non-core investment reduction and cancelation e.g. real-estate	Production schedules further adjusted including at Engine Manufacturing Centre in Wolverhampton and Changshu	Continue to target global destocking of inventory and actively reduce company Own Use Vehicle stock	4,500 workforce reduction scheme announced following release of 1,500 employees in 2018. **£200m one time separation charge**	Agile, cross functional teams to rapidly implement product profit improvement. Actions in place for 2020 Model Year	Improve model year transition to reduce pressure on VME More targeted and efficient fixed marketing spend
£700m	£300m		£960m, of which >£400m through workforce reduction		

Brexit mitigation actions

Preparing for a ‘No Deal’ outcome

‘No Deal’ Brexit

Short-term considerations

Delays at ports could disrupt the importation of components into the UK for manufacturing, as well as the export of finished vehicles

<u>JLR response</u>

1) Factory downtime
- Pull forward of five scheduled Easter Holiday dates beginning 15 April
- Additional five days of plant downtime added (8 - 12 April)

2) Production buffer stock
- JLR plans to have sufficient production buffer stock to minimise potential disruption arising during the first week of April

3) Governance around operational continuity
- A comprehensive cross-functional Brexit Governance programme in place, minimising impact a ‘No Deal' Brexit where possible. Examples:

Purchasing	Marketing & Sales	IT	Customs
Managing supplier engagement and ‘No Deal’ readiness	Assessment of potential pricing action in response to ‘No Deal’	Systems updates to support changes to pricing and customs management	Ensuring customs compliance across EU and EU Trade Agreement markets

Longer-term considerations

Imposition of tariffs on UK-EU and UK-EU 3rd country trade would adversely impact JLR profitability

<u>JLR response</u>

1) JLR would attempt to pass on pricing for tariffs but it is uncertain to what extent this will be possible
2) The Pound likely to weaken against all foreign revenue currencies and offset the cost of tariffs on EU and EU treaty revenues
3) JLR would need to reassess its manufacturing and sourcing strategy

JLR’s external engagement on ‘No Deal’

JLR continues to actively engage with government and trade bodies globally on the implications of a ‘No Deal’ Brexit

Looking ahead
Our plans

Key metrics	FY19	FY20-22	Beyond
Retail sales growth	Negative	> Premium Segment	> Premium Segment
EBIT margin	Marginally negative	3-6%	7-9%
PBT	Negative	Positive	Positive
Investment spending	Up to £4b	Up to £4b	11-13% of revenue
Free cash flow	Negative	Negative in FY20; Positive thereafter	Positive
Gross debt/Ebitda	≤ £2.5x	≤ £2.5x	≤ £2.0x

3 & 4: Tata Motors (Standalone)

TATA MOTORS

1. JLR

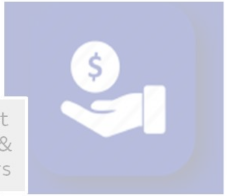
2. JLR China

3. CV

4. PV

5. TM Finance

6. Net debt & others



TATA MOTORS
Connecting Aspirations

Guenter Butschek, PB Balaji

TATA MOTORS
Connecting Aspirations

Turnaround 2.0

Q3 FY'19

Revenue ₹16.2K Cr (+1.5%), EBIT ₹701Cr (4.3% of Revenue)

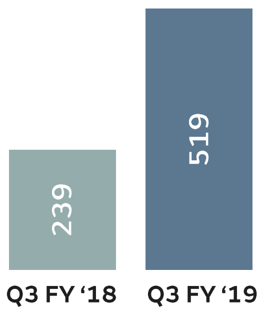
"Turnaround 2.0" delivers in challenging conditions

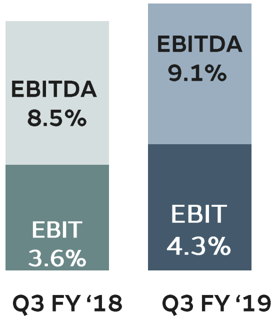
TATA MOTORS
Connecting Aspirations

Revenue	PBT	Margins

Q3

Growth : 1.5%

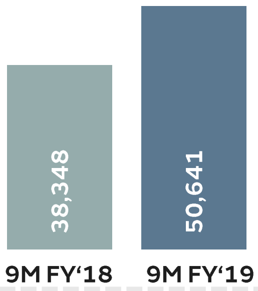


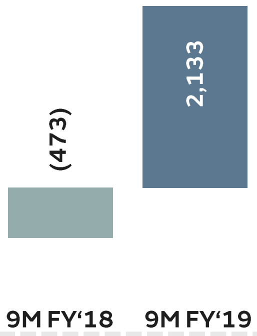


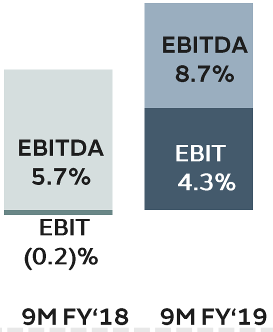
- Growth impacted by liquidity stress and impact of axle load norm changes
- EBITDA 9.1%, up 60 bps; EBIT 4.3%, up 70 bps
- PBT ₹519Cr (+117%); PAT ₹618Cr
- FCF of ₹(1,537) Cr impacted by lower creditors due to RM inventory corrections

9M

Growth : 32.1%







- Strong revenue growth of 32.1%
- EBITDA at 8.7% up 300bps,
- EBIT at 4.3% , up 450bps

Rs Cr. IndAS

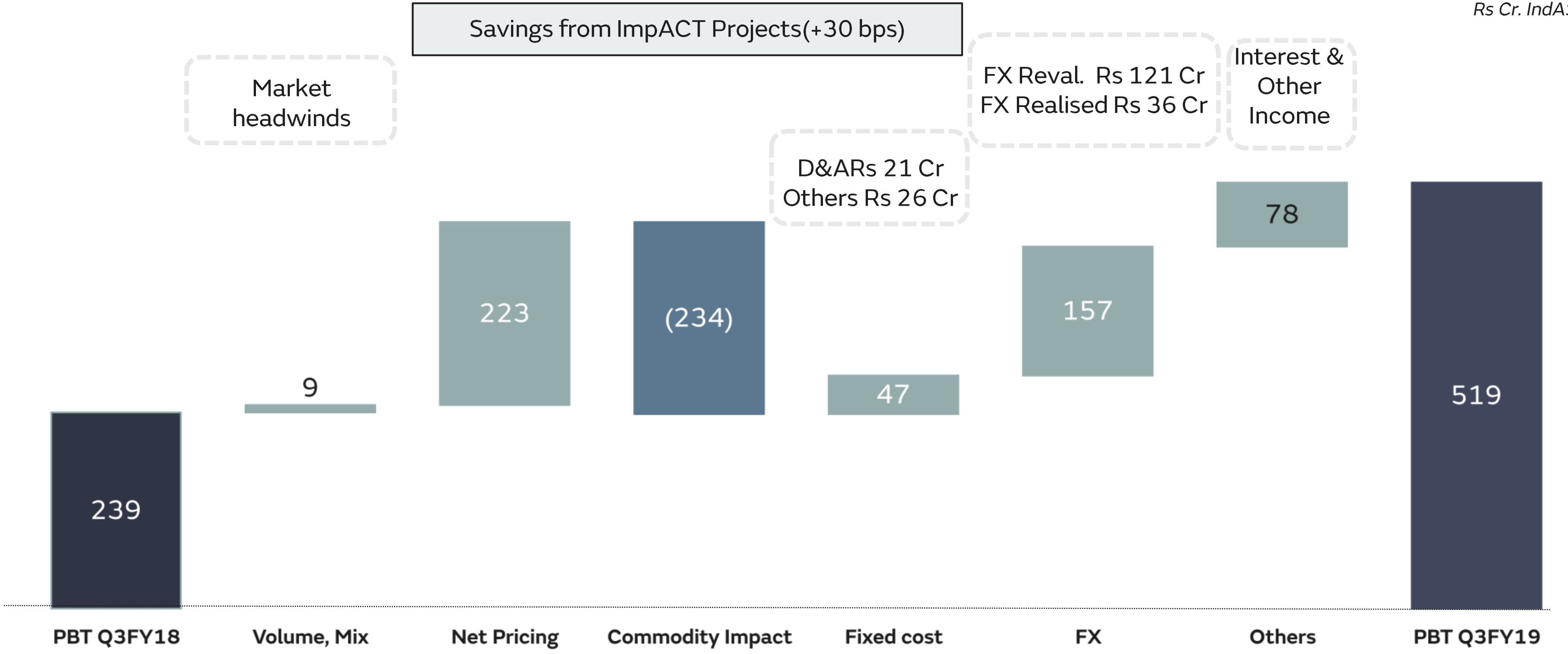
Q3 FY'19

PBT higher by Rs.280Cr, EBIT up 70 bps

Operating leverage continues to deliver

TATA MOTORS
Connecting Aspirations

Rs Cr. IndAS



EBIT %	3.6%	(0.3)%	1.4%	(1.5)%	0.4%	0.2%	0.5%	4.3%

$\underbrace{(0.3)\% \quad 1.4\% \quad (1.5)\%}_{-40bps}$

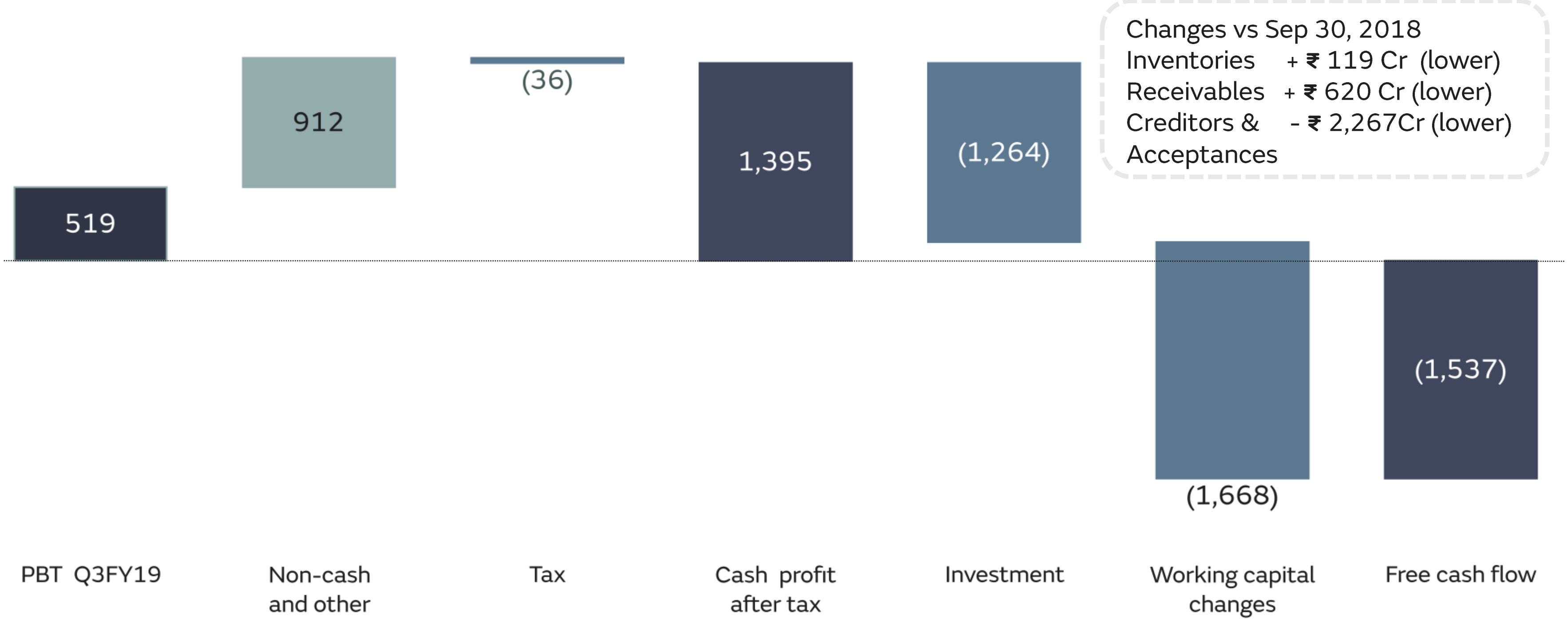
For analytical purposes only

Free Cash Flows of ₹(1,537) Cr;

Impacted by temporary unwinding of creditors (RM inventory corrections)

TATA MOTORS
Connecting Aspirations

Rs Cr. IndAS



Aim to deliver positive FCF for Fiscal 2019 through focused Working Capital actions

* Free cash flow is measured as cash flow from operating activities, less payments for property, plant and equipment and intangible assets.

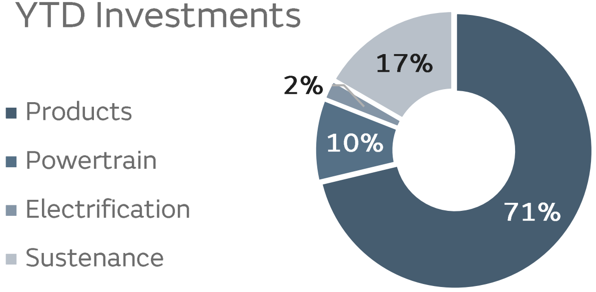
Investment Spending 8.5% of Revenue

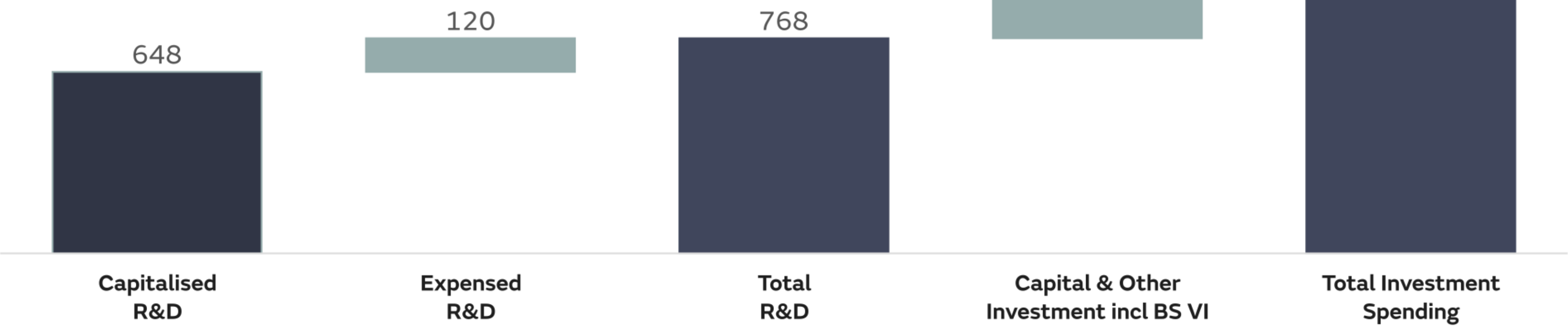
New products, Platforms and Technology for growth

TATA MOTORS
Connecting Aspirations

Rs Cr. IndAS

YTD Investments



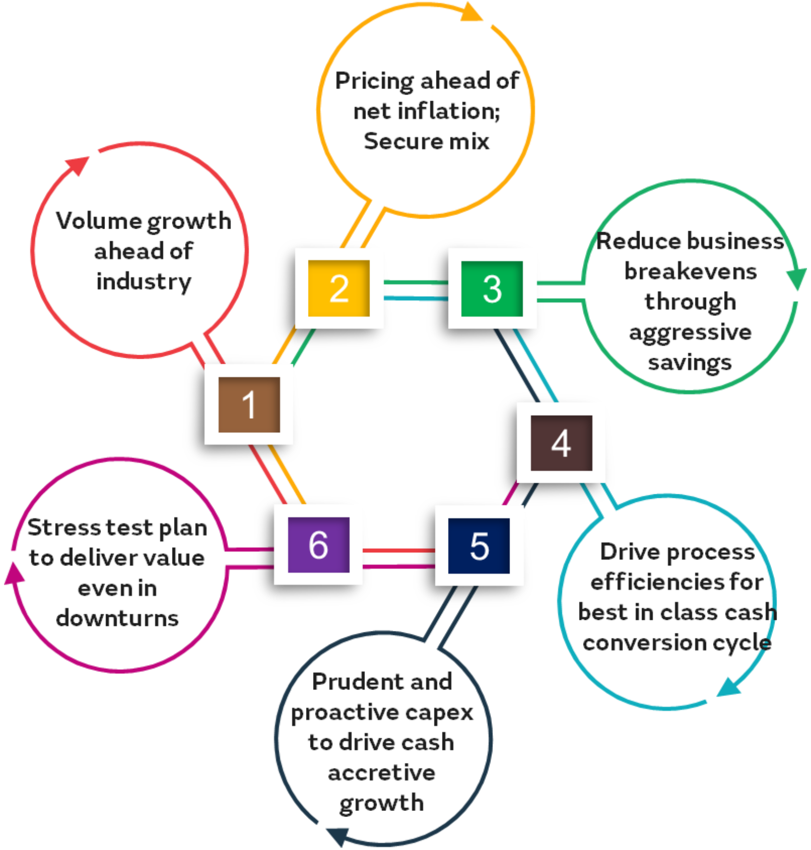


YoY	+131	-16	+115	+231	+346

Turnaround 2.0 – Our approach

TATA MOTORS
Connecting Aspirations

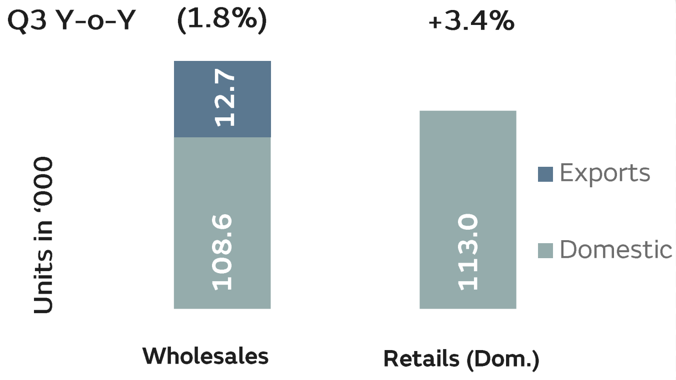
1. Win Decisively in CV
2. Win Sustainably in PV
3. Win Proactively in EV
4. **Embed turnaround** into culture



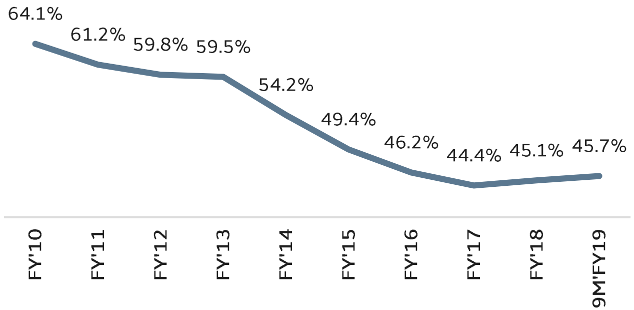
CV – Wholesales (1.8%); Retails +3.4%; Market share +60 bps

Aim to "Win Decisively" by driving all round execution

TATA MOTORS
Connecting Aspirations



Continued improvement in market shares



- Growth impacted by liquidity stress and higher capacity in market due to axle load changes
- We continue to focus on
  - Stepped up market activations, intense customer and stakeholders engagement and new product launches
  - Improving realisations through regular price increases and optimisation of VMEs.
  - Aggressive cost reduction
  - Reduce inventory and debtors through robust S&OP process
- Proactive investments in future viz. technologies, products and facilities to continue

CV: Revenue up 3.4%, EBIT at 8.3%

EBITDA stable despite challenging market conditions

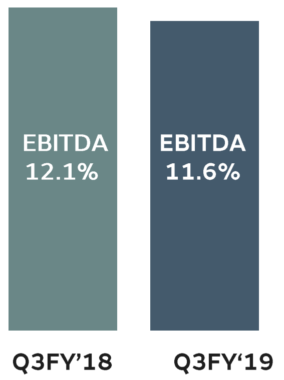
TATA MOTORS
Connecting Aspirations

Revenue

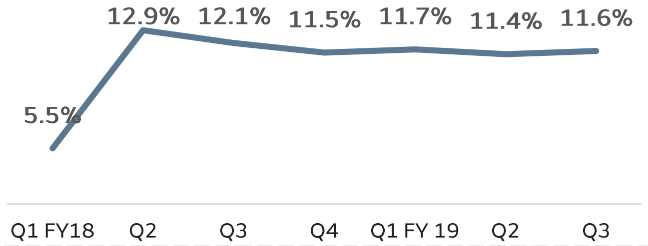
Growth : 3.4%

EBIT and EBIT margin

EBITDA Margins



- EBITDA margins held - higher competitive intensity, commodity inflation and adverse mix offset by ImpACT projects savings delivery & operating leverage

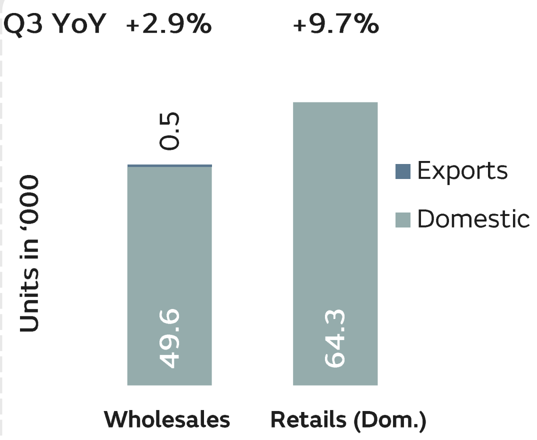


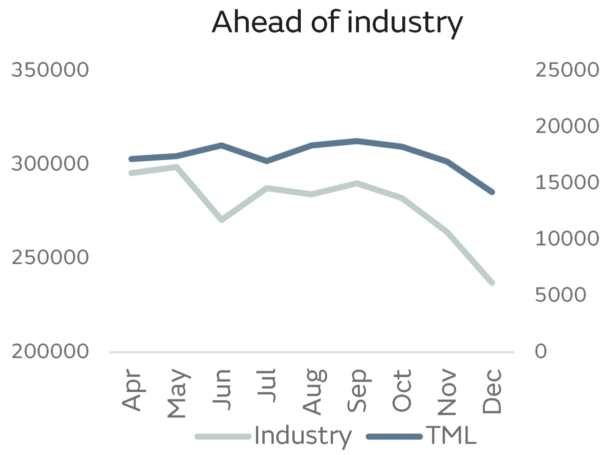
Q3 FY'19

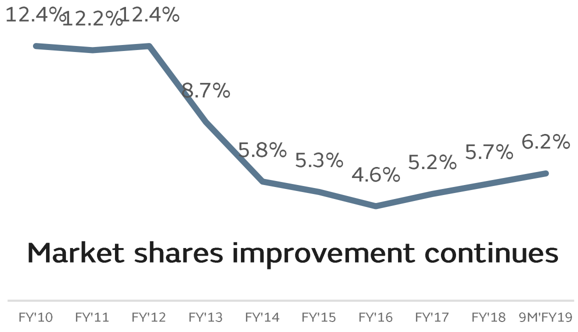
PV – Wholesales +2.9%; Retails +9.7%, Market Share +50bps

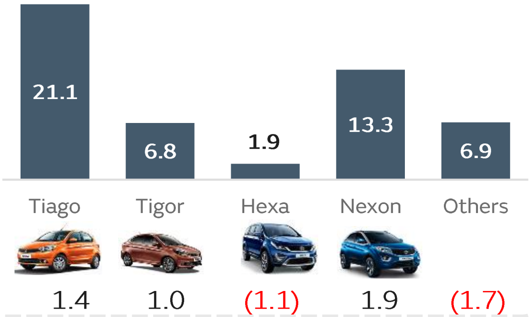
Aim to "Win Sustainably" by getting basics right

TATA MOTORS
Connecting Aspirations









- Despite muted festive seasons, new launches continue to drive growth
- Harrier Launched; Nexon - 1st Indian car ever to achieve 5 star GNCAP
- "Impact" design, best in class features and user experience improving brand perception
- **Focus areas**
  - Product development and user experience
  - Cost reductions
  - Working capital across the value chain
  - Dealer performance management

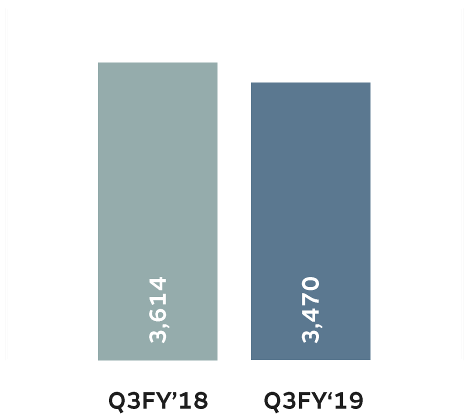
PV - Revenue down 4.0% , EBITDA breakeven sustained

Turnaround 2.0 delivers in challenging market conditions

TATA MOTORS
Connecting Aspirations

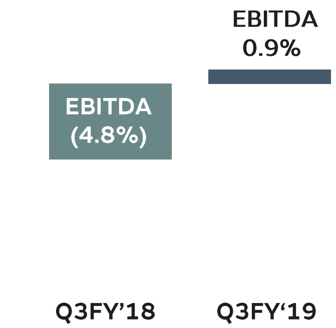
Revenue

Growth : (4.0%)

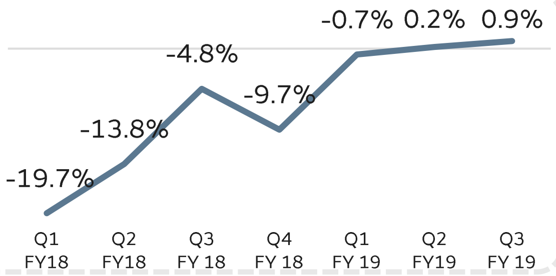


EBIT and EBIT margin

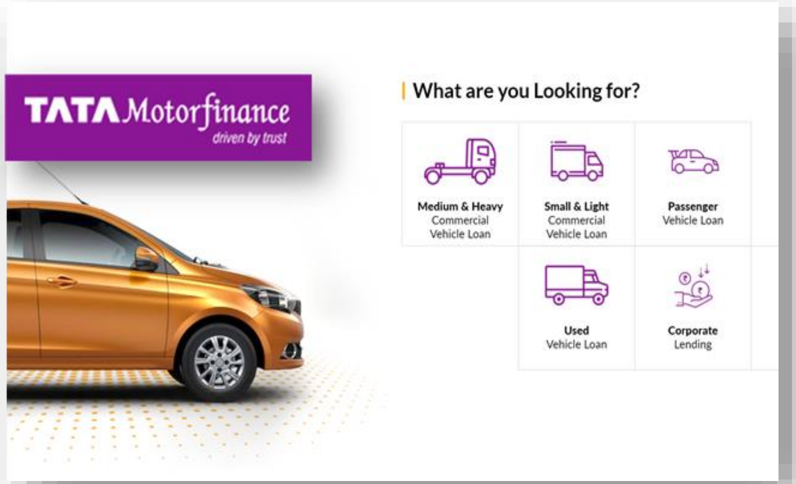
EBITDA Margins

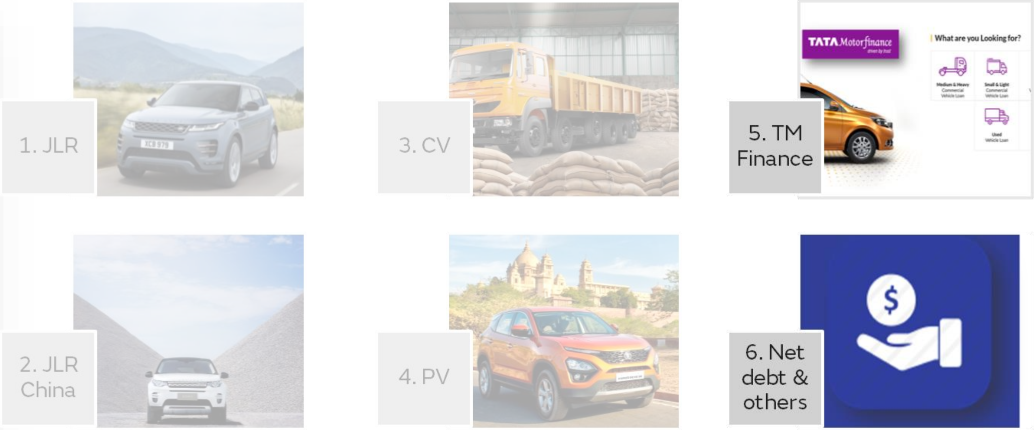


- EBITDA breakeven sustained – lower growth, competitive intensity, commodity inflation offset by favourable ImpACT projects savings delivery and Operating leverage



5. Tata Motors Finance





PB Balaji

Tata Motors Finance: Strong AUM growth; GNPA at 3.3%

TATA MOTORS

Quarter performance temporarily impacted by liquidity stress

₹Cr Ind AS

IndAS	Q3 FY19	Q3 FY18	vs '18
Market Share	29.0	27.6	*140 bps*
PBT	(17)	95	-

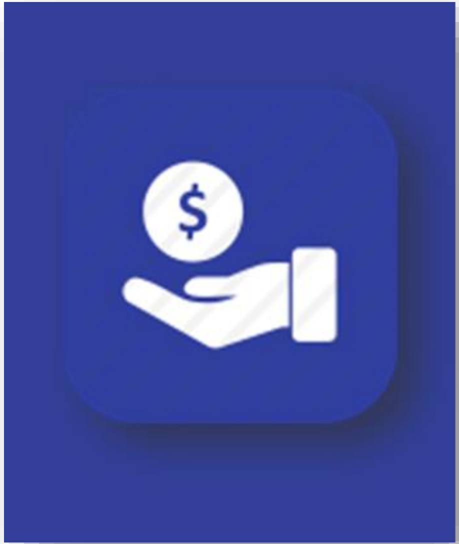
IndAS	9M FY19	9M FY18	vs '18
Market Share	25.9	24.8	*110 bps*
PBT	96	(130)	-
ROE	7.5		
AUM	34,886	24,743	41%
GNPA %	3.3%	5.6%	232 bps
NNPA %	**1.9%**	**3.9%**	**200 bps**

Further details of IGAAP, IndAS reconciliation in the Databank

- Disbursals for Q3 grew 18% to ₹5,636 Cr; 9M up 53% to ₹15,638Cr
  - New Vehicle disbursal up 14% in Q3
  - Used vehicle financing up by 57% in Q3
- Temporary impact on PBT due to liquidity stress in the quarter causing
  - Collection delays in 0-90days bucket
  - Higher cost of borrowings

  Both have improved since December and expect a strong close to the year
- GNPA reduced to 3.3% from 3.5% in Q2'19; NNPA at 1.9% down 200bps.

6. Net Debt and Others



PB Balaji

1. JLR

3. CV

5. TM Finance

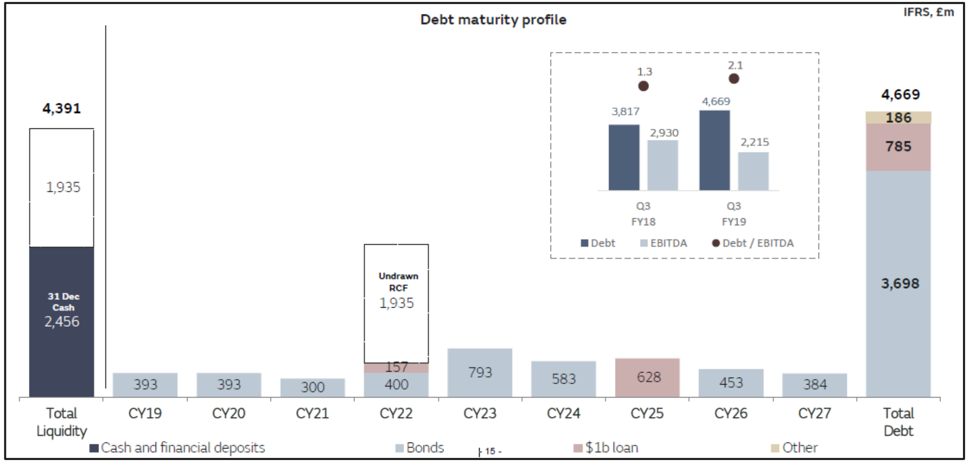
2. JLR China

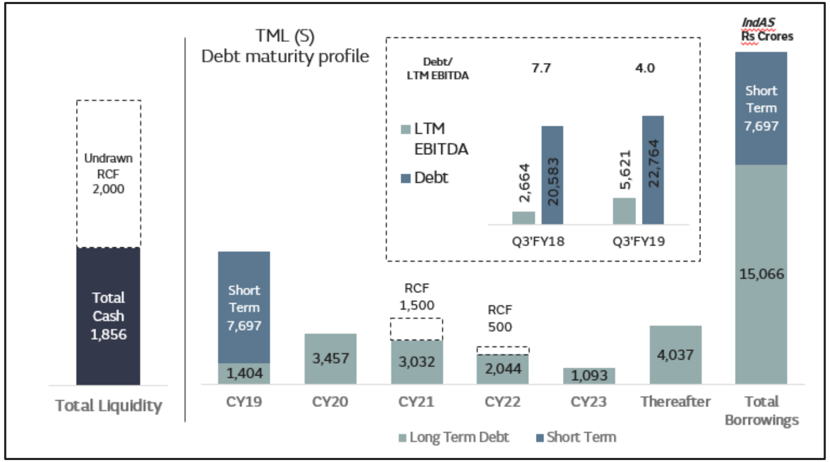
4. PV

6. Net debt & others

Debt Profile

Maturities well spread out

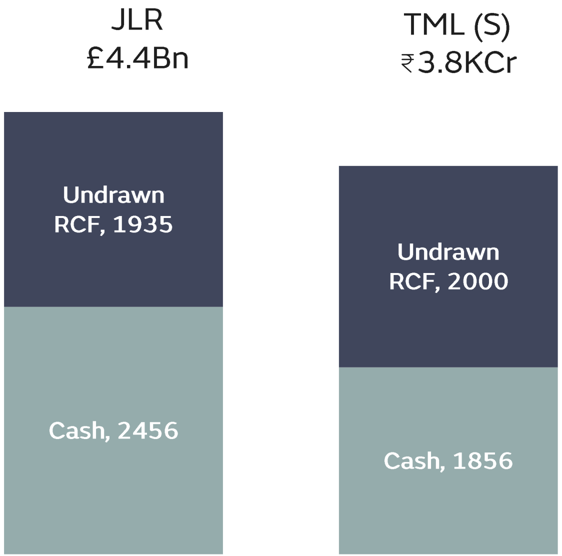




- As at 31st Dec 2018- JLR- Gross debt to LTM EBITDA at 2.1
  TML(S)-Gross debt to LTM EBITDA at 4.0
- Liquidity adequate and debt maturities are well spread out.

Liquidity adequate

JLR : £ 4.4Bn; TML (S) : ₹3.8 KCr



Project 'Charge' and Turnaround 2.0 have a strong focus on cash

- TML (S) expected to be FCF positive for FY'19
- JLR expected to be FCF positive in H2FY'19

'Fit for Future' actions to release cash

TATA MOTORS

Tata Motors Group - Outlook

PB Balaji

Looking ahead - Market Outlook

TATA MOTORS

Challenges
- High Incentives
- Tariff risks

Positives
- Strong SUV demand

Challenges
- Brexit
- Diesel uncertainty
- Strengthening GBP

Positives :
- Easing commodities

Challenges
- Diesel uncertainty
- Slowing economy

Challenges
- Continued Macro headwinds
- Lower consumer confidence

Positives :
- Tier 1 & 2 demand good
- Premiumisation is a mega trend

Challenges :
Near term retail growth to only gradually improve as liquidity returns and capacity overhang abates

Positives :
Medium term retail growth to remain strong with robust infra spending & GDP growth.

Looking ahead – Our plans

TATA MOTORS

Jaguar Land Rover

Plans	FY20-22	Beyond
Volume Growth	> Premium Segment	> Premium Segment
EBIT %	3-6%	7-9%
FCF	-ve in FY20; +ve thereafter	Positive

- Disappointed with FY19 performance due to unexpected slowdown in China.
- FY19: Retail growth -ve, EBIT marginally -ve.
- Looking ahead, we will
  - Continue to invest up to £4b p.a in exciting products and technologies
  - Drive long term sustainable growth in China with revised “Go-to-market” strategy whilst continuing to strengthen our brands
  - Deliver Project Charge targets of £2.5b by Mar 2020 with a focus on costs / profitability in the next phase

Tata Motors (Standalone)

Plans	FY20-22	Beyond
Volume Growth	> Market	> Market
EBIT %	4-6%	5-7%
FCF	Positive	Positive

- Confident of Turnaround 2.0 delivery despite challenging market conditions
- Looking ahead, we will
  - Continue to drive all round performance improvement while investing for future growth
  - Focus on improved cash delivery through working capital improvement and non-core business disposals

We are committed to Competitive, Consistent, Cash Accretive Growth over the medium to long term

Investor Relations Note

Annual Analysts Meet

- TML India : 27^{th} May 19 (in India)
- JLR : 5^{th} June 19 (in UK)

Investor Relations Note

TATA MOTORS

Thank You

Gunter Butschek

CEO and MD, Tata Motors

P. B. Balaji

CFO, Tata Motors Group

Vijay Somaiya

Treasurer, Tata Motors

Tata Motors Investor Relations

ir_tml@tatamotors.com

Ralf D. Speth

CEO, Jaguar Land Rover

Kenneth Gregor

CFO, Jaguar Land Rover

Bennett Birgbauer

Treasurer, Jaguar Land Rover

Jaguar Land Rover Investor Relations

investor@jaguarlandrover.com