



TATA MOTORS GROUP : RESULTS

Q1 FY'19 | 31 July 2018

Safe harbor statement

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

- Q1 FY19 represents the 3 month period from 1 April 2018 to 30 June 2018
- Q1 FY18 represents the 3 month period from 1 April 2017 to 30 June 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, as well as exceptional items.
- **Reported EBIT** is defined to include the revaluation of current assets and liabilities and realised FX and commodity hedges as well as profits from equity accounted investees but excludes the revaluation of foreign currency debt, MTM on FX and commodity hedges, other income and exceptional items.

Top developments this quarter

New Products



I-PACE now on sale



18MY Range Rover and Range Rover Sport including PHEVs



Tata Ace Gold



NEXON Hyprdrive S-SG

Other Developments



New Slovakia plant on track for start of production end 2018



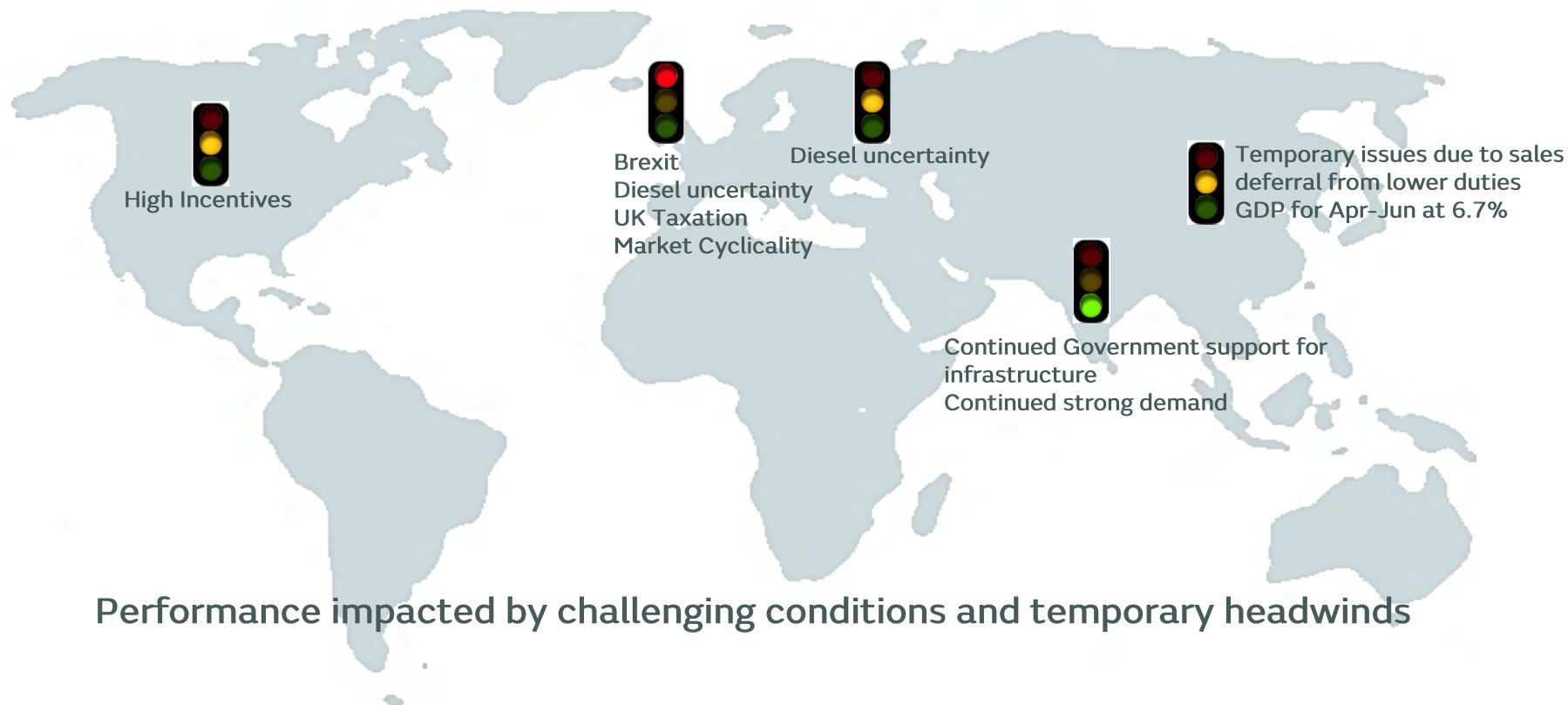
Software engineering in Ireland



Nex-Gen ULTRA range of trucks

India continues to shine; temporary headwinds in China

Challenging market conditions elsewhere



Turnaround 2.0 starts strong in domestic business.

JLR impacted by market situation incl. China duty impact & planned destocking

Rs Cr.	Q1FY'18	Q1 FY'19	Delta	Growth
Volumes (K)^	250,336	310,109	59,773	23.9%
Revenue	58,651	67,081	8,430	14.4%
EBIT	269	(547)	(816)	-
EBIT%	0.5	(0.8)	(130)Bps	-
PAT(post JV & assoc)	3,200	(1,863)	(5,063)	-

*PAT for Q1FY18 includes pension credit of Rs 3,609 Crs

^ Global wholesales including CJLR

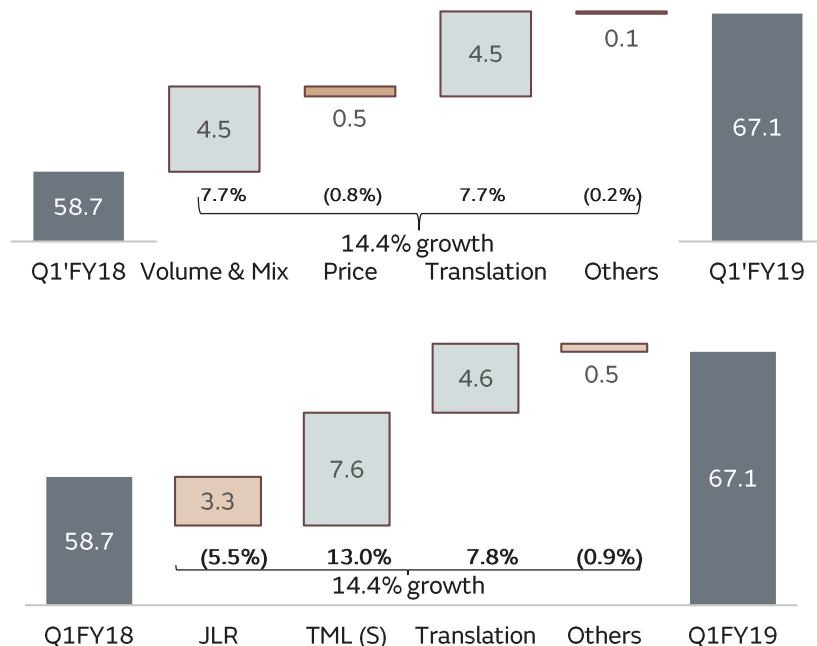
- Revenue growth at 14.4%. Strong domestic growth offsets decline in JLR
- Reported EBIT at (0.8)%; Strong improvement in domestic profitability partially offsets decline in JLR.
 - TML (S): + 1220 bps, JLR: -490 bps
- Profit after Tax at Rs. (1,863) Cr due to weak performance of JLR.
- FCF (Auto) of Rs.(18.1) K Cr

Q1 FY'19 Consolidated Revenue up 14 %

Strong domestic growths & FX offset JLR wholesales decline; JLR retails strong

Net revenue at Rs. 67.1K Cr up 14.4%

Rs '000 Cr



Key highlights

JLR revenue down 7.0%

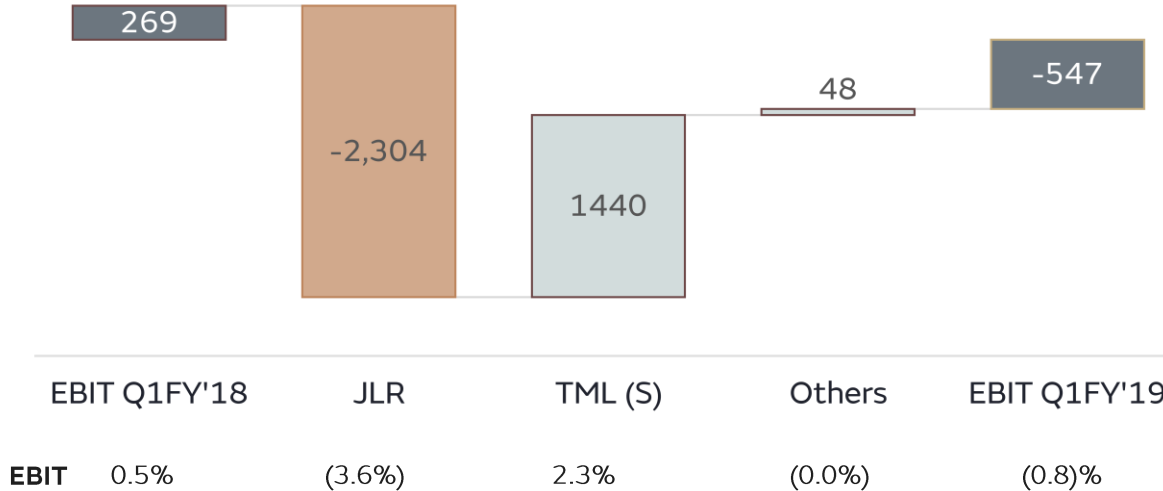
- Retails @ 145.5K (+5.9%)
 - Strong growth in UK (14.3%), ROW (20.3%) and NA (8.8%)
 - China (+2.5%), Europe (-7.3%)
- Wholesale excl CJLR @ 108.8K (-7.7%)
 - Sales deferral in China post import duty cuts & planned dealer inventory reduction
 - China (-25.4%), Europe (-16.3%)
 - UK (-14.8%), ROW (29.3%) and NA (-6.4%)

TML (S) up 82.7%

- Broad based volume growth +59% (CV: +63%, PV: +49%)

Q1 FY'19 Consolidated
EBIT down 130 bps

JLR losses partially offset by strong improvement in domestic business



- JLR EBIT down 490 bps
 - China impact, negative operating leverage from lower wholesales
- TML (S) Underlying EBIT up 1,220 bps
 - Better mix, higher realisations, savings from ImpACT projects and Operating leverage

Tata Motors to revamp business model for Thailand

- TML entered Thailand in 2007
 - Portfolio focused on pick-ups
 - Local manufacturing set up in place

- **Challenges faced**
 - Lack of product competitiveness
 - Weak channel delivery

Leading to

- Sub-scale operations
- Unviable business model
- FY18 losses incurred: Rs 170Cr

Business model reassessed to ensure sustainability over the long term

Decisions

- To cease manufacturing operations
- Meet needs of Thailand market with
 - Revamped product portfolio
 - CBU distribution model.

Benefits

- Stronger focus on the market
- Efficiencies in distribution
- Commercially viable proposition

Q1 FY'19 : 6 cylinders in the Tata Motors engine



JLR

1



CV

3



TMFL

5

TATA Motorfinance
driven by trust

CJLR

2



PV

4



Net debt & Subs

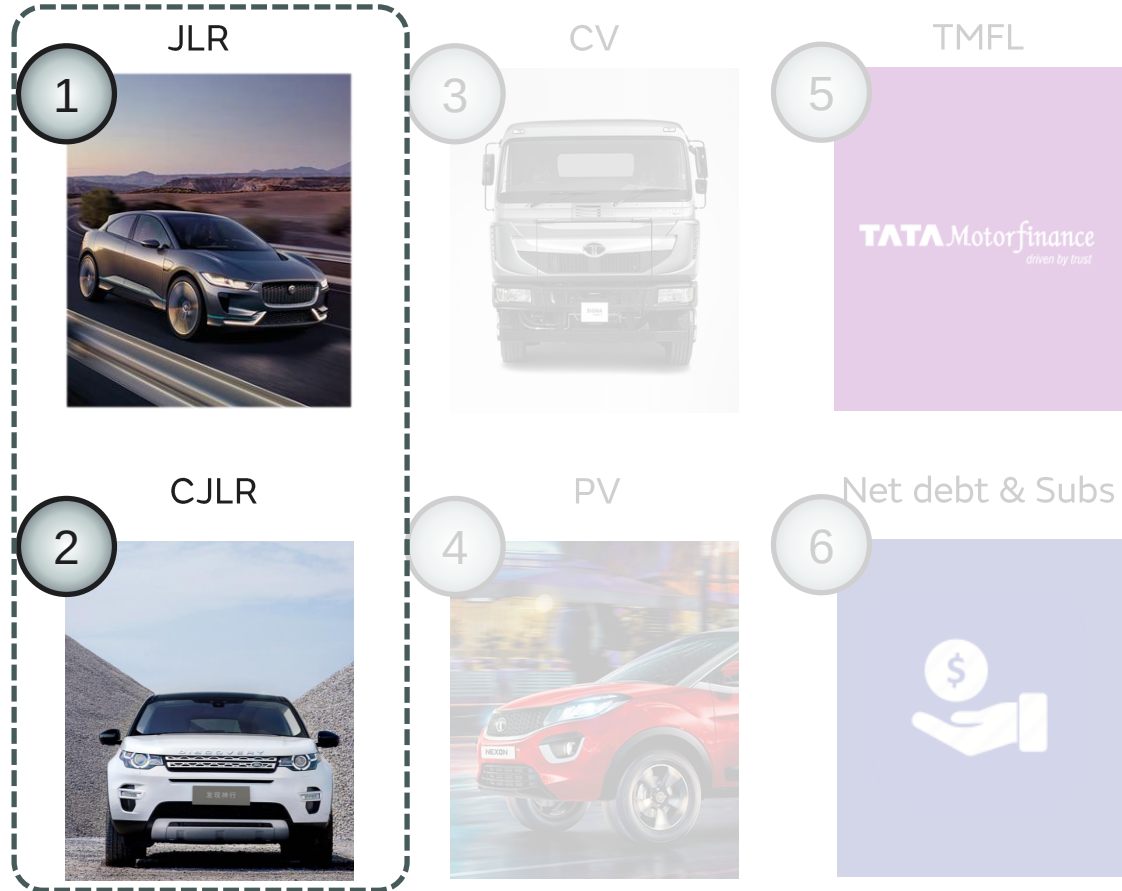
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1. Jaguar Land Rover



Ralf Speth & Kenneth Gregor

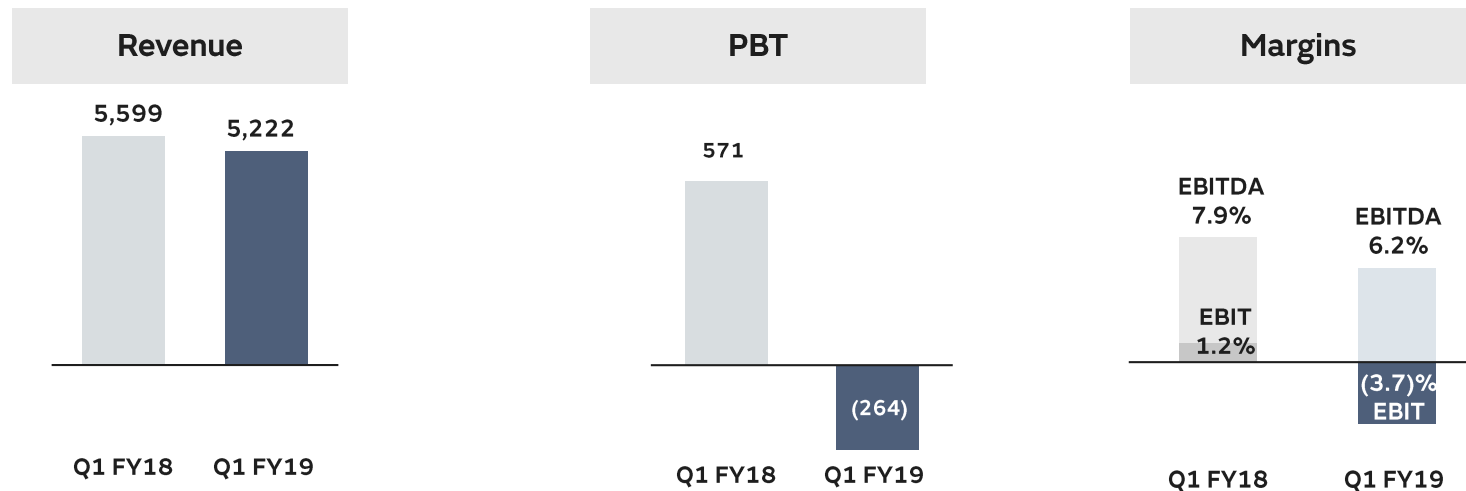




Transforming Today for Tomorrow
Ralf Speth & Kenneth Gregor

Q1 FY'19 revenue £5.2b, loss before tax £264m

China duty change, de-stocking, FX revaluation drove loss



- China duty change (-£110m): higher VME and lower sales
- De-stocking (-£110m on 11.3k units) and WLTP (-£30m on 2.7k units) wholesales less than retails
- FX revaluation (-£116m, -£189m YoY): balance sheet revaluation on weaker pound
- D&A (up £99m): investment on new models and new capitalisation policy

Q1 FY'19 retails 145.5k, up 8.0k (5.9%)

Wholesales 131.6K, down 6.9K (5.0%); de-stocking, WLTP change



Units in '000



30.9



North America

YoY +2.5



26.4



UK

+3.3



31.1



Europe

(2.4)



34.4



China

+0.8



22.8



Overseas*

+3.8

Wholesales

Units 27.5

YoY (1.9)

22.0

(3.8)

26.2

(5.1)

33.0

(1.3)

22.8

+5.2

Retail volumes include sales from Chery Jaguar Land Rover – Q1 FY19 21,181 units, Q1 FY18 20,309 units

Wholesale volumes include sales from Chery Jaguar Land Rover – Q1 FY19 22,772 units, Q1 FY18 20,560 units. For statutory reporting under IFRS, the Group recognises revenue on wholesales (excluding sales from CJLR) which totals 108,788 Q1 FY19 and 117,916 Q1 FY18. The Group recognises its share of profits from CJLR within EBIT.

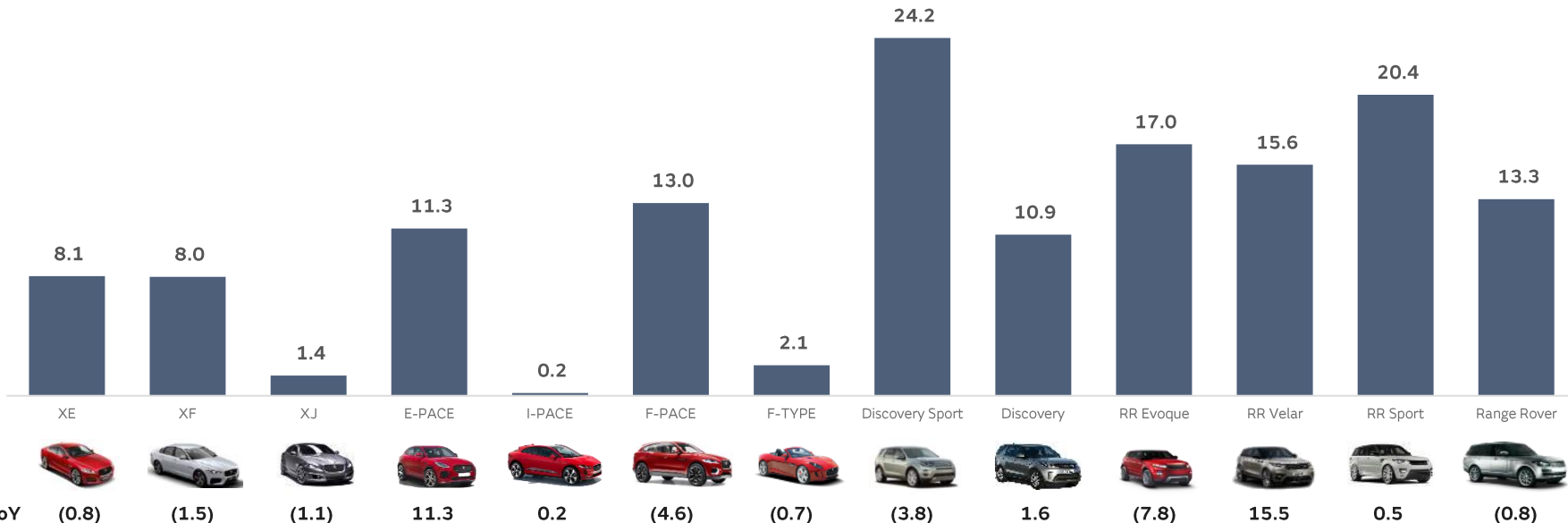
*Overseas markets includes Australia, Brazil, Colombia, India, Japan, South Korea, Mexico, MENA, Russia, Singapore, South Africa, Taiwan and certain importers

Q1 FY'19 retails 145.5k, up 8.0K(5.9%)

New Velar and E-Pace models driving retail growth



Units in '000



Wholesales

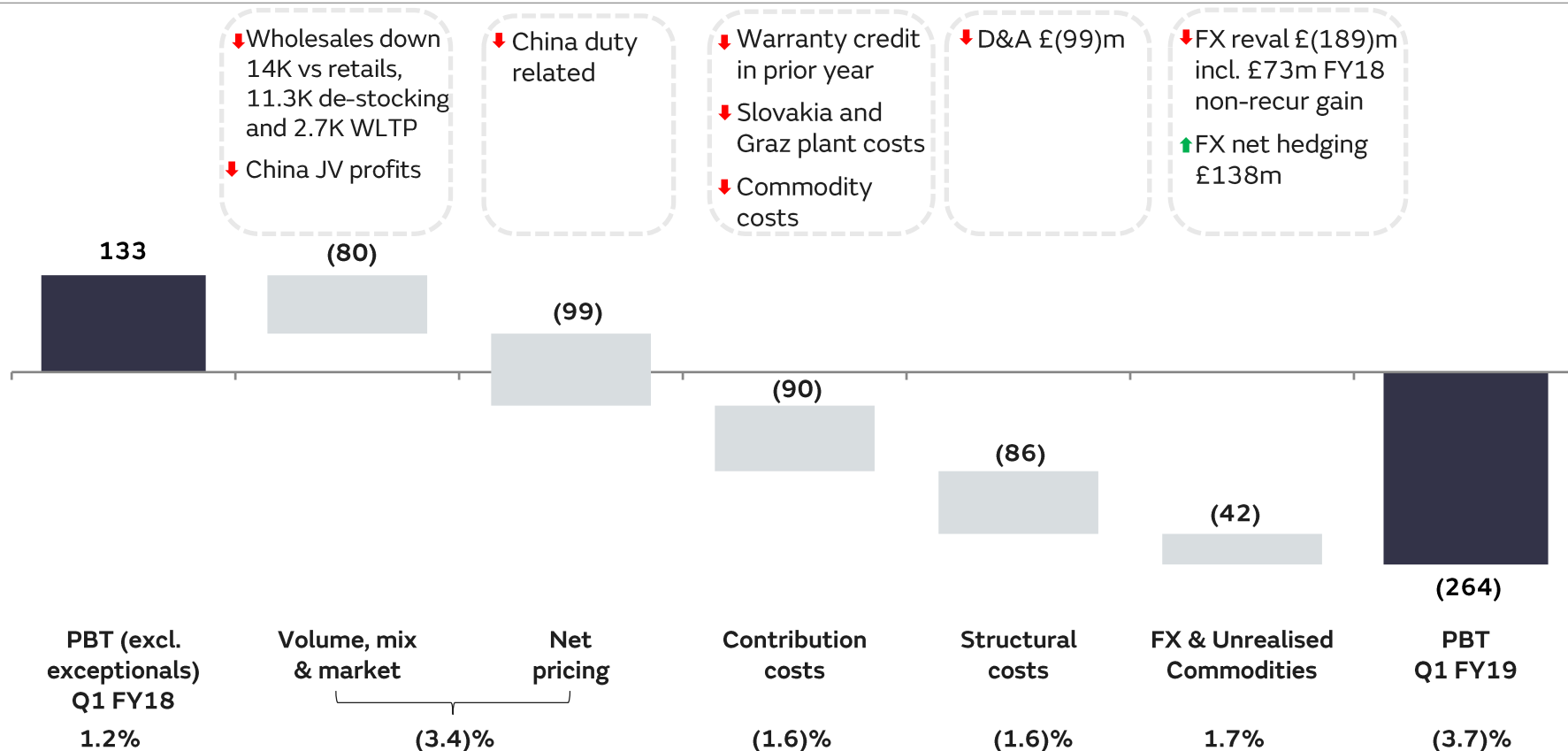
Units	8.3	7.7	1.0	10.3	0.1	11.5	1.6	22.2	10.2	14.1	12.8	19.3	12.4
YoY	1.9	(0.9)	(2.0)	10.3	0.1	(6.3)	(0.3)	(6.5)	(1.5)	(12.0)	11.0	0.4	(1.1)

Retail volumes include sales from Chery Jaguar Land Rover – Q1 FY19 21,181 units, Q1 FY18 20,309 units

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Q1 FY'19 loss before tax £264m

China duty change, de-stocking and FX revaluation drove loss



↓ Wholesales down 14K vs retails, 11.3K de-stocking and 2.7K WLTP
↓ China JV profits

↓ China duty related

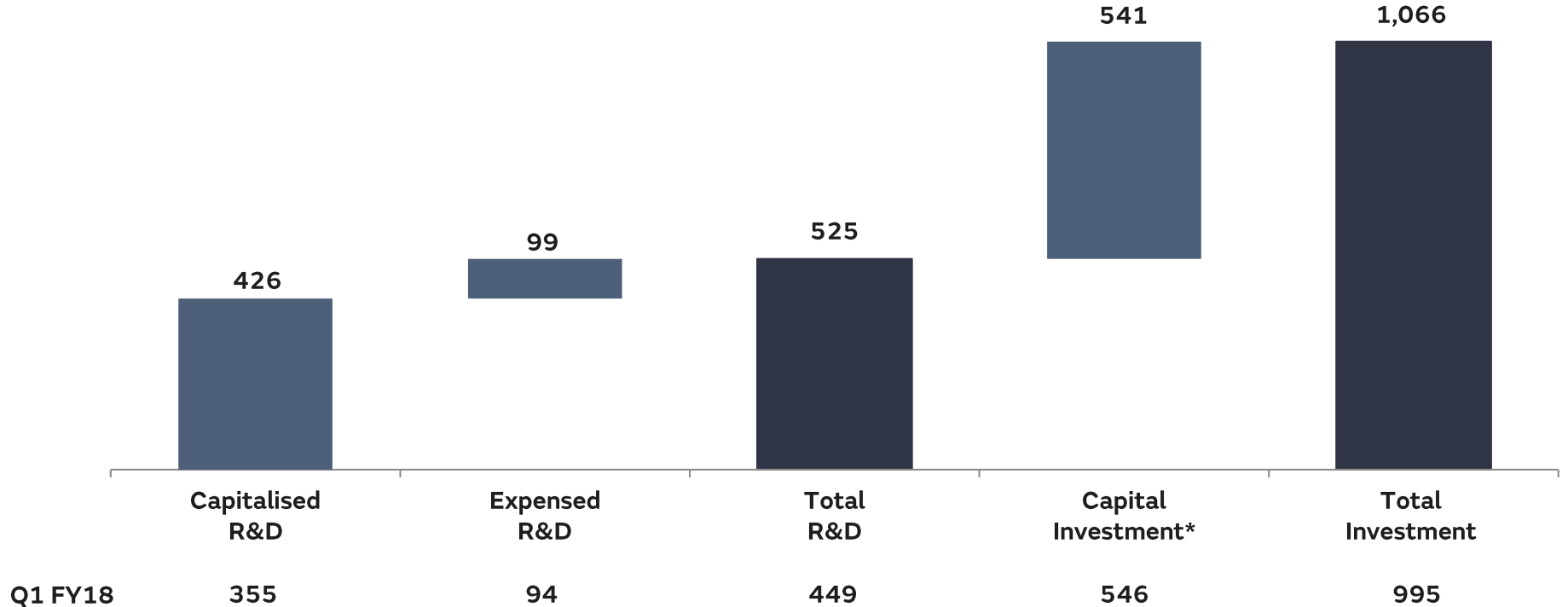
↓ Warranty credit in prior year
↓ Slovakia and Graz plant costs
↓ Commodity costs

↓ D&A £(99)m

↓ FX reval £(189)m incl. £73m FY18 non-recur gain
↑ FX net hedging £138m

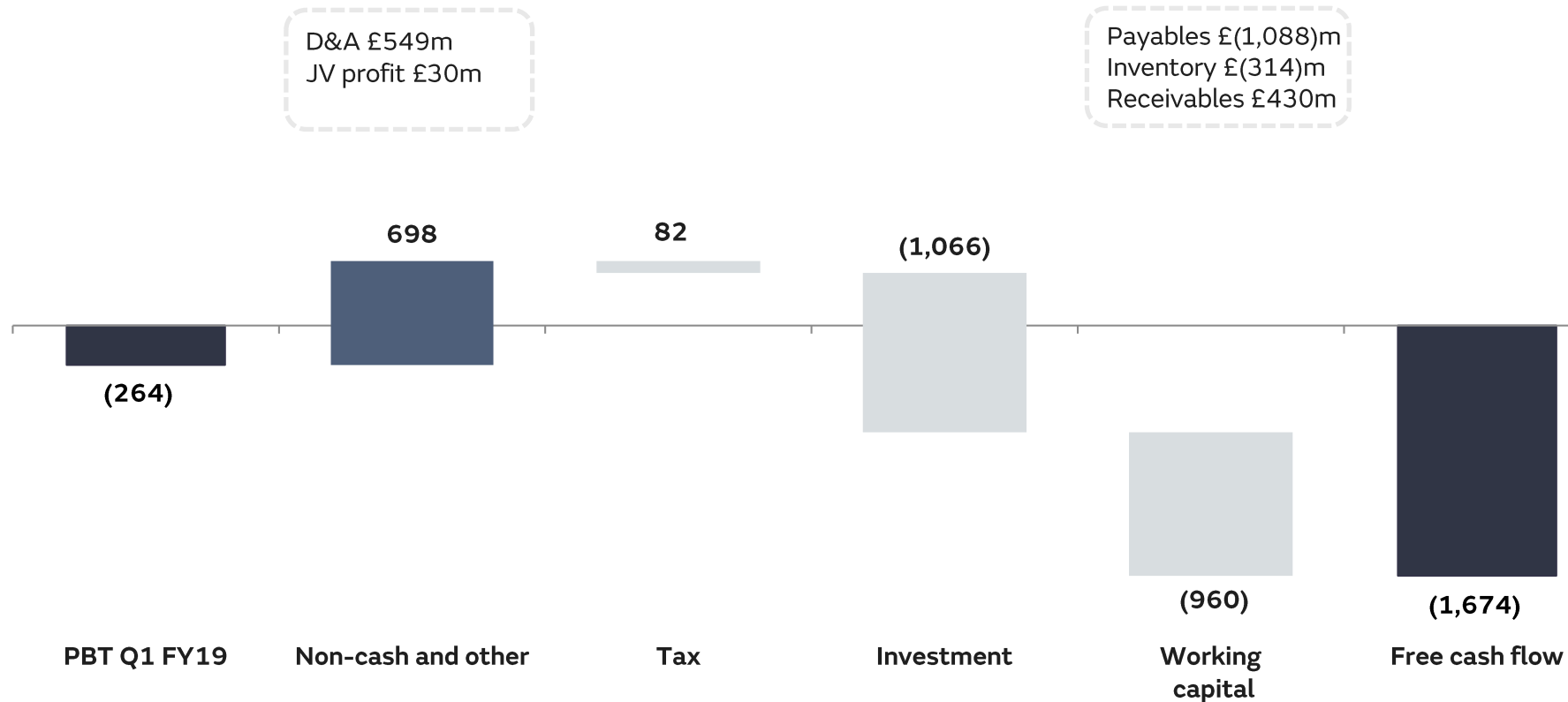
Q1'FY19 Investment spending £1.1b

Full year spending expected at c.£4.5b



Q1'FY19 Cash outflow £1.7b after investment

Positive cashflow and working capital expected in 2nd Half



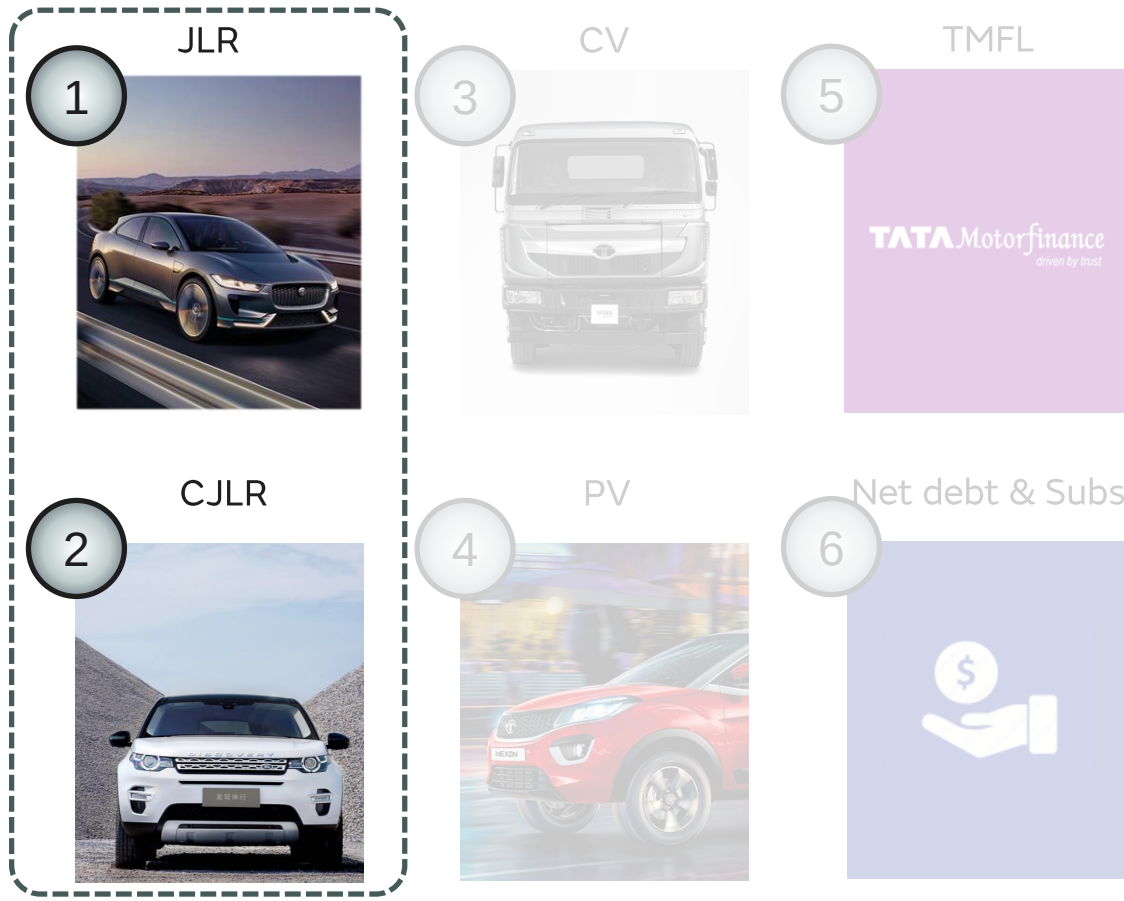
* Free cash flow defined as net cash generated from operating activities less net cash used in investing activities (excluding movements in short-term deposits) and after finance expenses and fees and payments of lease obligations. Free cash flow also includes foreign exchange gains/losses on short-term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

IFRS, £m

2. Chery – Jaguar Land Rover JV



—奇瑞·捷豹路虎—



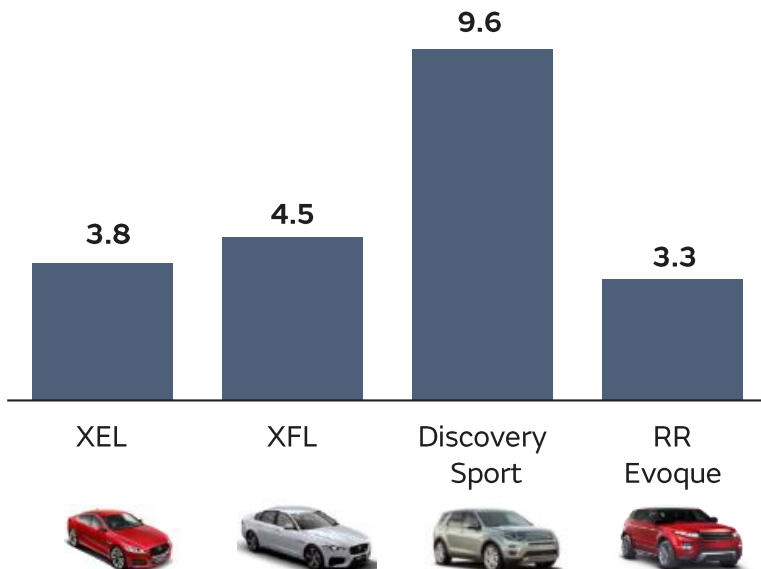
Q1 FY'19 China JV retails 21.2k up 0.9k (4.3%)

Unfavourable mix, VME/FME (incl. timing), D&A, local tax credit



Units in '000

Retails

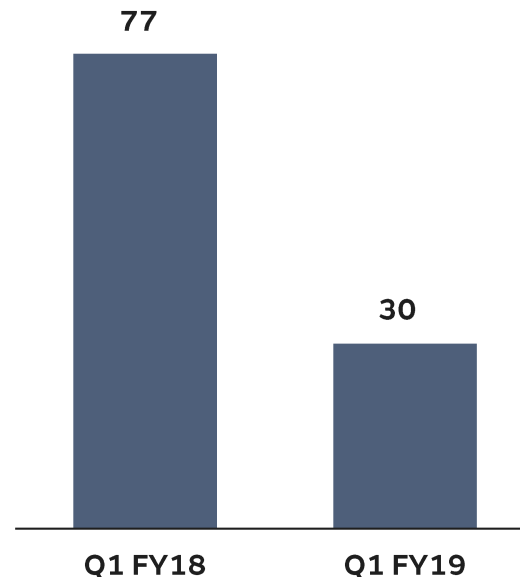


YoY 3.8 (0.5) (1.0) (1.4)

Wholesales 22.8 k (up 10.8%)

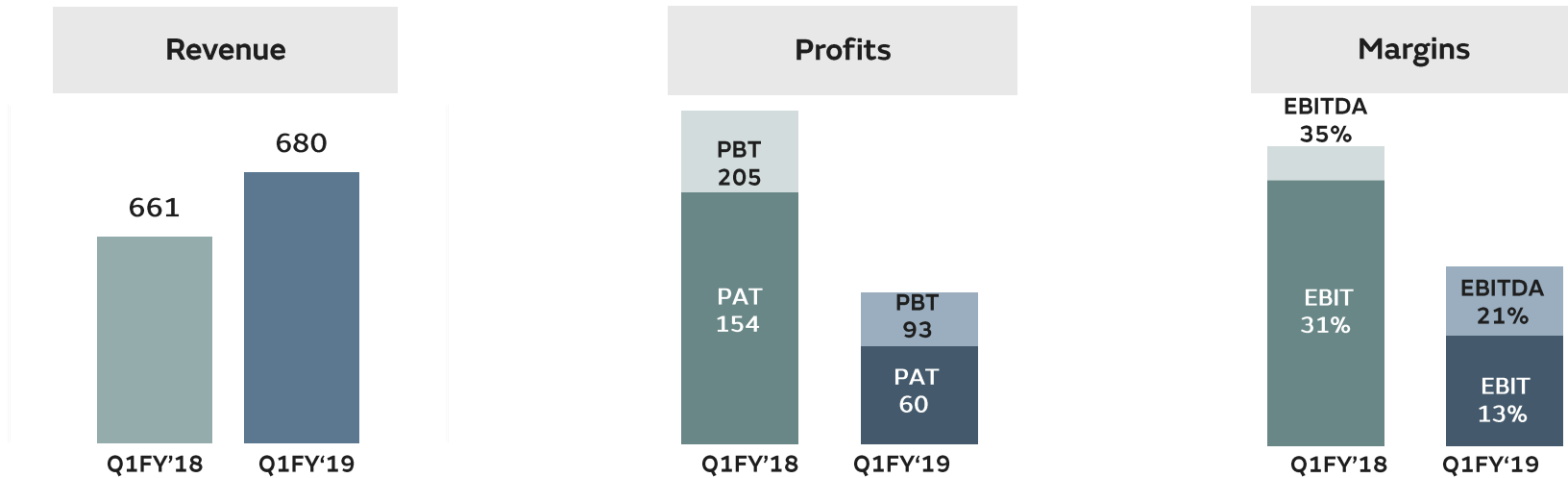
Units	4.2	4.4	10.4	3.7
YoY	4.2	(0.6)	(0.1)	(1.2)

JLR share of profit



Q1FY'19:China JV key metrics (100%)

Unfavourable mix, VME/FME (incl. timing), D&A, local tax credit



- Unfavourable mix and D&A with launch of XEL
- Higher VME and FME (including timing)
- Change from cash to accrual on local market incentive

Present lower margins targeted to improve



Business challenges

Geopolitical and economic environment, including Brexit

Market and competitive forces -higher incentives

Electrification, diesel uncertainty and emissions compliance

Driver assistance, connectivity and mobility trends

High capital investment, new capitalisation policy



Growing premium segments

Exciting new products

Improve operating leverage

Drive cost efficiencies

Modular architecture strategy

Profit improvement drivers

FY18 EBIT

3.8%

Target 4 – 7% EBIT in the medium term

Long term EBIT Target

7-9%

Growing Jaguar Land Rover model range



LUXURY



SPORTS



JAGUAR F-PACE WINNER
WORLD CAR AWARDS
2017 WORLD CAR
OF THE YEAR

LIFESTYLE



JAGUAR F-PACE WINNER
WORLD CAR AWARDS
2017 WORLD CAR
DESIGN OF THE YEAR

LUXURY – RANGE ROVER



LEISURE - DISCOVERY



RANGE ROVER VELAR WINNER
WORLD CAR AWARDS
2018 WORLD CAR
DESIGN OF THE YEAR

DUAL PURPOSE - DEFENDER

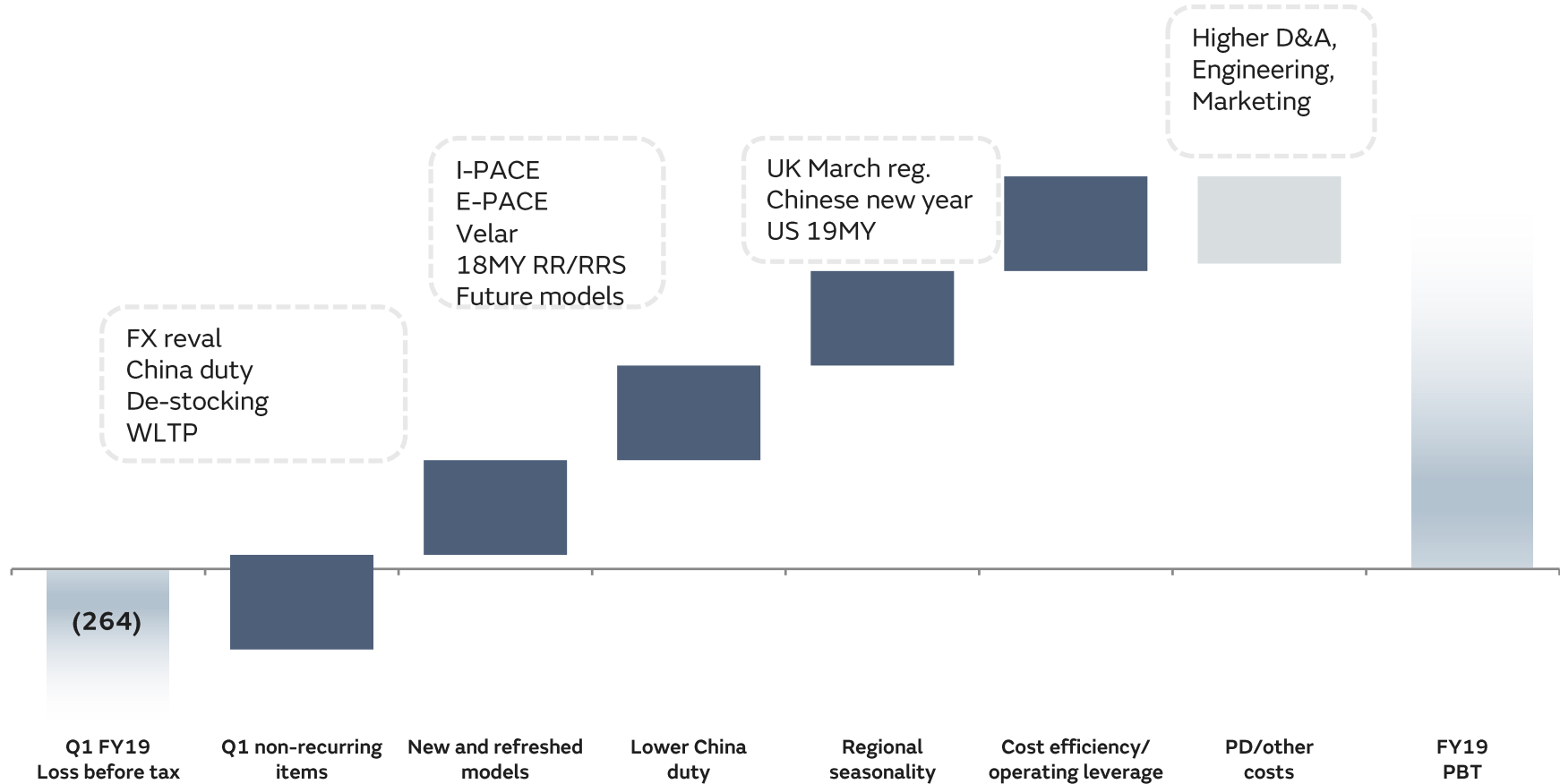


LAND ROVER DEFENDER
Replacement in development

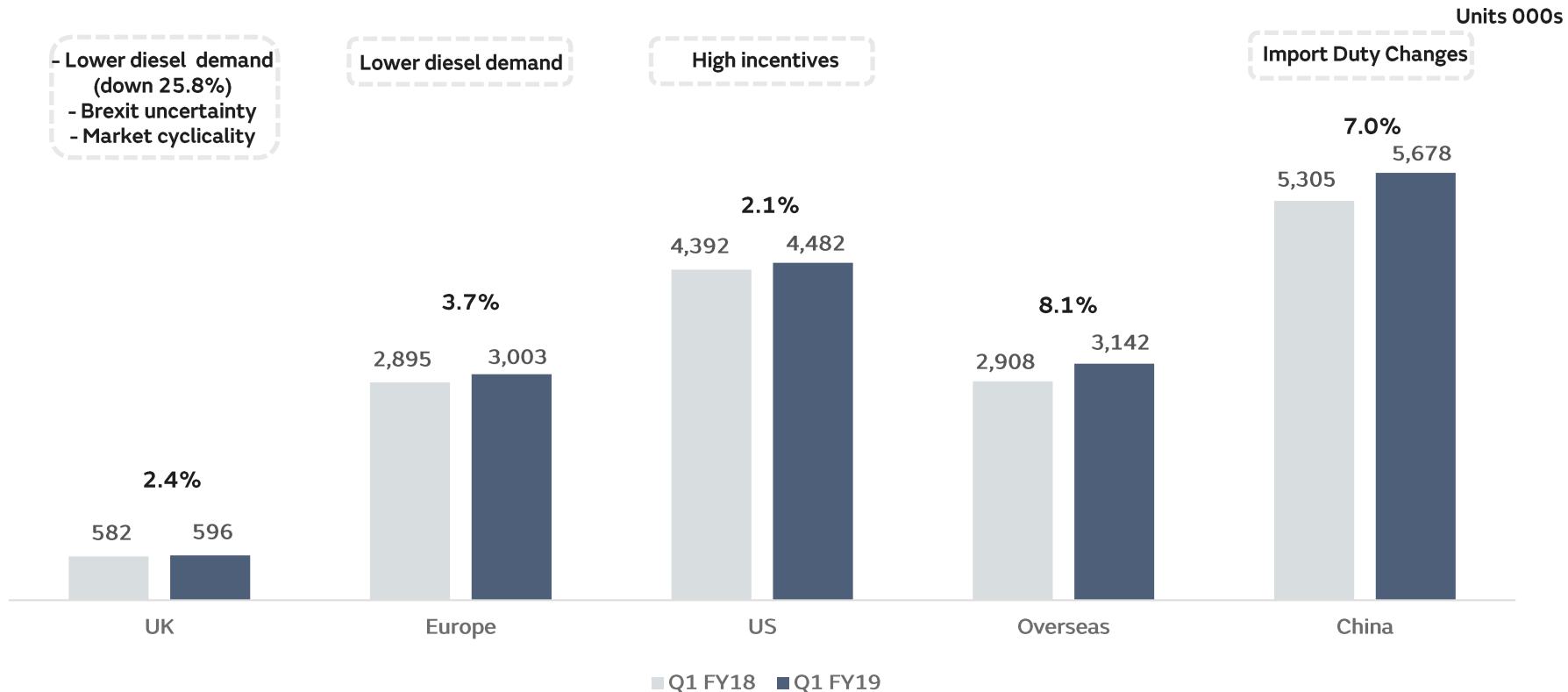


Improved profitability expected over FY19

China duty and FX non-recur, favourable volume and mix



Recent trends in industry volumes



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. South Korea industry volumes have been excluded from Overseas

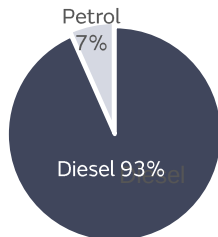
Changing powertrain mix

JLR expects EV to account for 20% of sales medium term

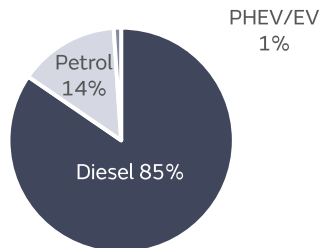


JLR UK sales

CYTD 2017

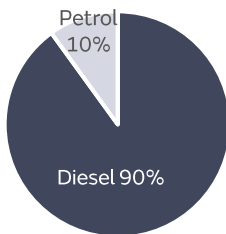


CYTD 2018

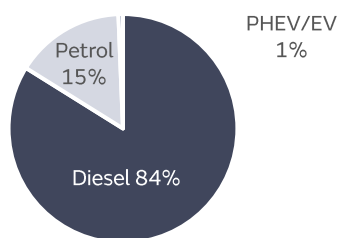


JLR EU sales

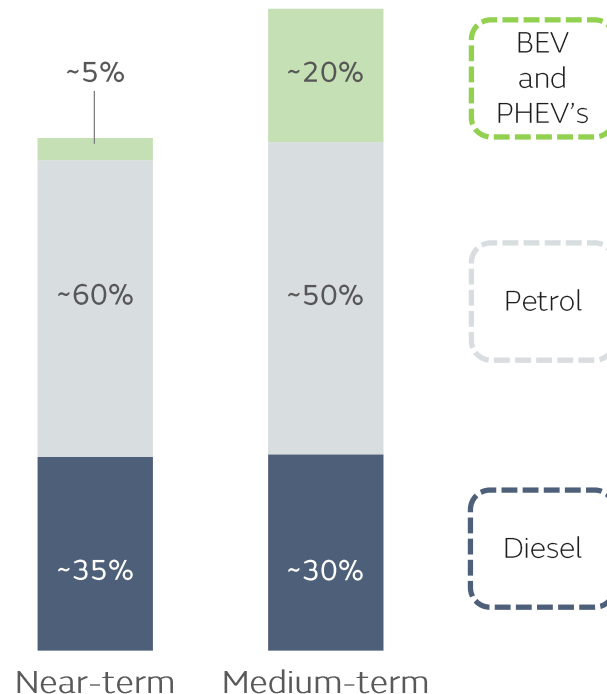
CYTD 2017



CYTD 2018



JLR global sales



Ambitious electrification plans

To meet customer interest, diesel and emissions challenges



Range Rover and
Range Rover Sport
Diesel Hybrids

Range Rover and
Range Rover Sport
PHEVs

MHEV, PHEV or BEV on all new
and replacement models, starting
with I-PACE BEV in 2018

MHEV, PHEV or
BEV available on
all JLR models



2014

2017

2018

2019

From 2020

EV
Nameplates

2

2

3

6

14

Jaguar I-PACE recently launched

Great reception and strong demand



Order Book

c. 5.5 months order cover



WAYMO

20k units over
2020 -21



Range Rover and Range Rover Sport 18MY

Now on sale with PHEV models available



Q1 FY19 (Retails)
13,300 units (PHEVs 316 units)
Order book
2 months (PHEV c. 4 months)



Q1 FY19 (Retails)
20,354 units (PHEVs 1315 units)
Order book
2 months (PHEV c. 3 months)

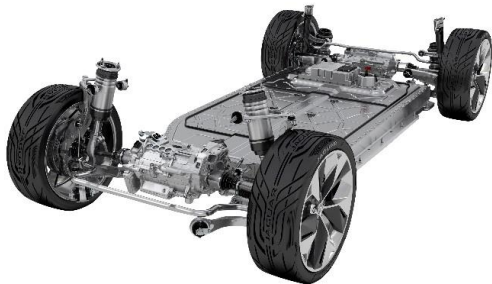


Focus on cost efficiencies

Initiatives across the value chain being progressed



Engineering



Modular longitudinal architecture (MLA) -increased flexibility, commonality, standardisation & scale

Products designed and engineered **without unnecessary complexity**.

Global presence to tap into relevant skillsets cost effectively

Increased in-house engineering to reduce development cycle times and to develop our intellectual property

Collaborations and Partnerships to spread investment

Sourcing & Negotiation



Global sourcing and supply base to drive cost savings, improving flexibility and logistics (e.g. China, Hungary, Slovakia)

Consolidation and Architecture approach to drive economies of scale

Total value management and 'should design @ should cost' to drive cost focus

Focus on cost efficiencies (Contd)

Initiatives across the value chain being progressed



Manufacturing & Logistics



Harbour benchmarking productivity

Investments in new state of the art facilities designed for efficiency and quality

Global manufacturing (e.g. SK, CN)

Further in-sourcing (e.g. engine manufacture from Ford)

Improved logistics and supply designs

Marketing & Sales



Dual branded distribution to facilitate sales, distributions and service synergies for JLR and retailer network

Majority shareholder in own ad agency (Spark 44) facilitates FME efficiencies

Extended S&OP to balance supply and demand thereby reducing inventory and VME costs

Corporate & Admin



Manage SG&A cost inflation below revenue growth

Pension costs reduced: Agreement in April 2017 to changes in legacy defined benefit pension plans delivering £437m credit in FY18 and ongoing savings

Investment in infrastructure and IT to achieve efficiencies, e.g. improved analytics to support decision making

‘Accelerate’ transformation initiatives

To become “Fit for Future”



Product & Sales	Material Cost	On-time programmes	Product Quality	Resourcing & People
Customer Value based product and feature offerings	“Should design”	Optimised resource planning	Mindset & process discipline	Role and process clarity
Customer-targeted promotion effectiveness	“Should Cost”	Drive consistency, commonality & modularity	Integrate and collaborate with vendors	Accountabilities and systems
Network coverage and enhancement	Purchase lifecycle planning	Step up risk & change management	Retailer service capability and capacity	Enterprise resource planning

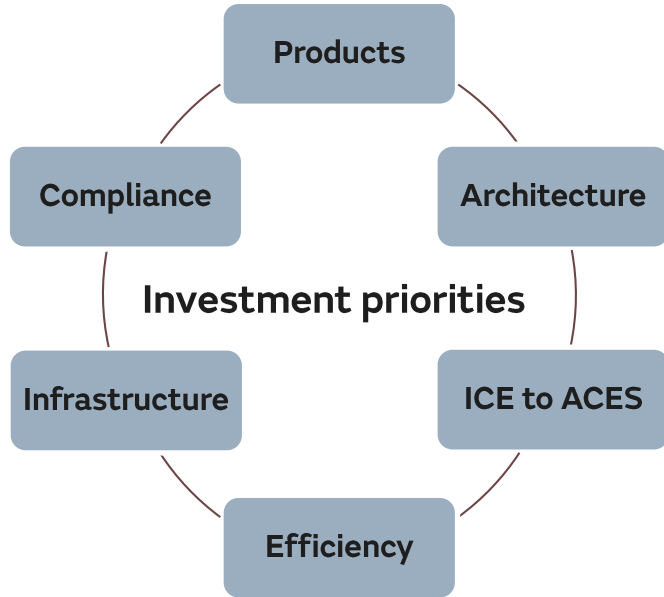
Experiences customers love for life



Top Management Commitment

Capital allocation principles

Continuing to assess spending plans



Financial management

- Return on investment
- Affordability of overall spend versus operating cashflows
- Investment % Revenue
- Capex to D&A ratio

Efficiency drivers

- Architectures - MLA
- Commonality
- Flexibility
- Execution

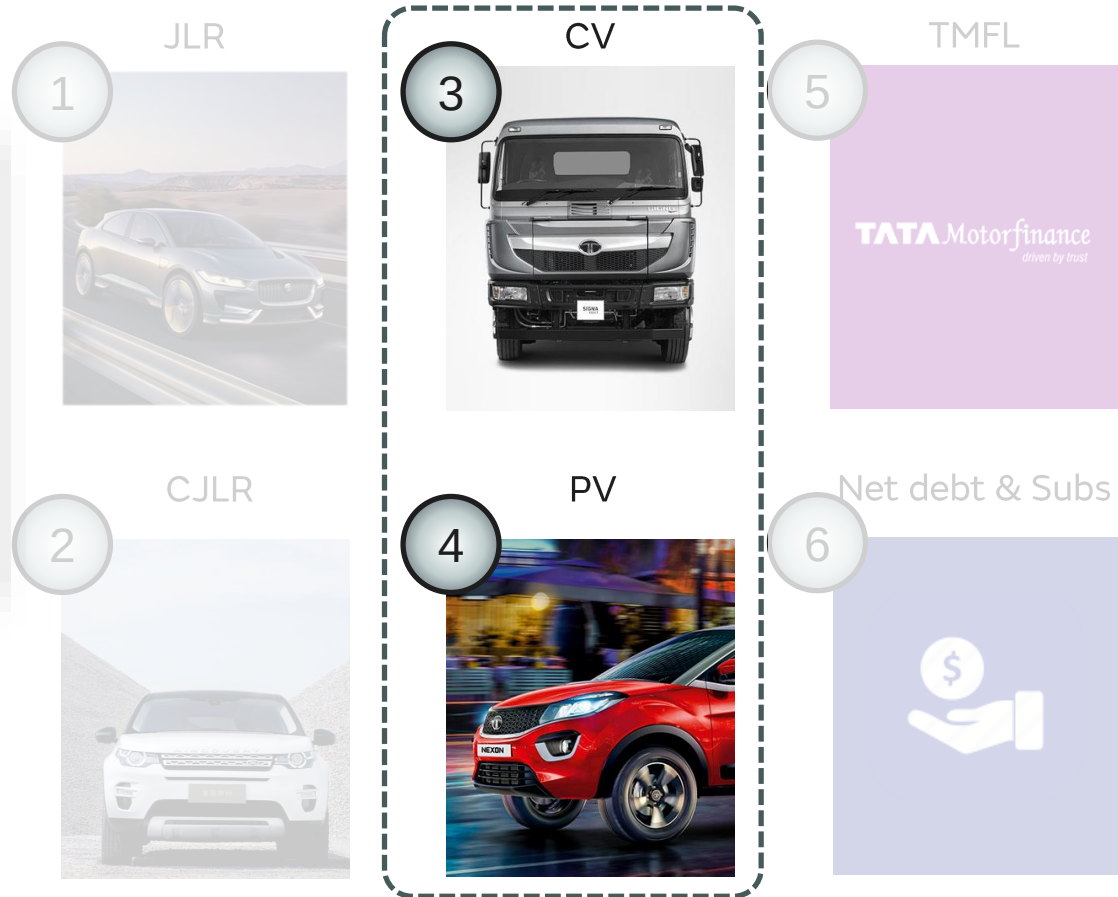
Investment of c. £4.5b p.a. between FY19-21 and subsequently targeted at c. 12-13% of turnover

3&4. Tata Motors (S)



TATA MOTORS
Connecting Aspirations

Guenter Butschek, PB Balaji





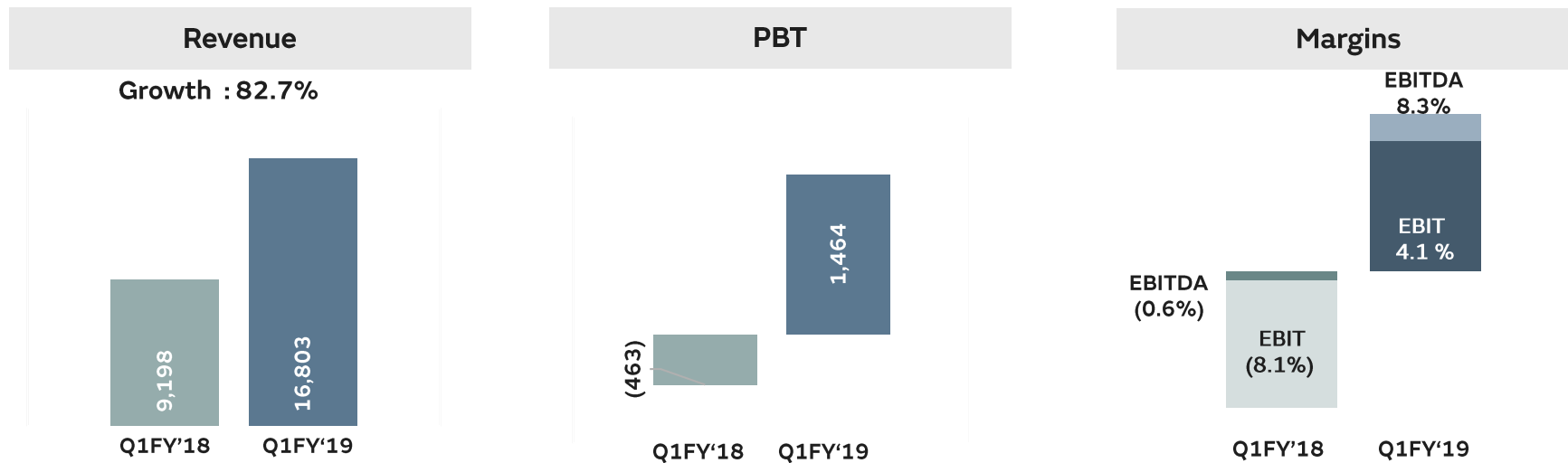
TURNAROUND 2.0

PB Balaji & Guenter Butschek.

Revenue up 83%, EBIT up 1220 bps

“Turnaround 2.0 starts on a strong note”

Rs Cr. IndAS



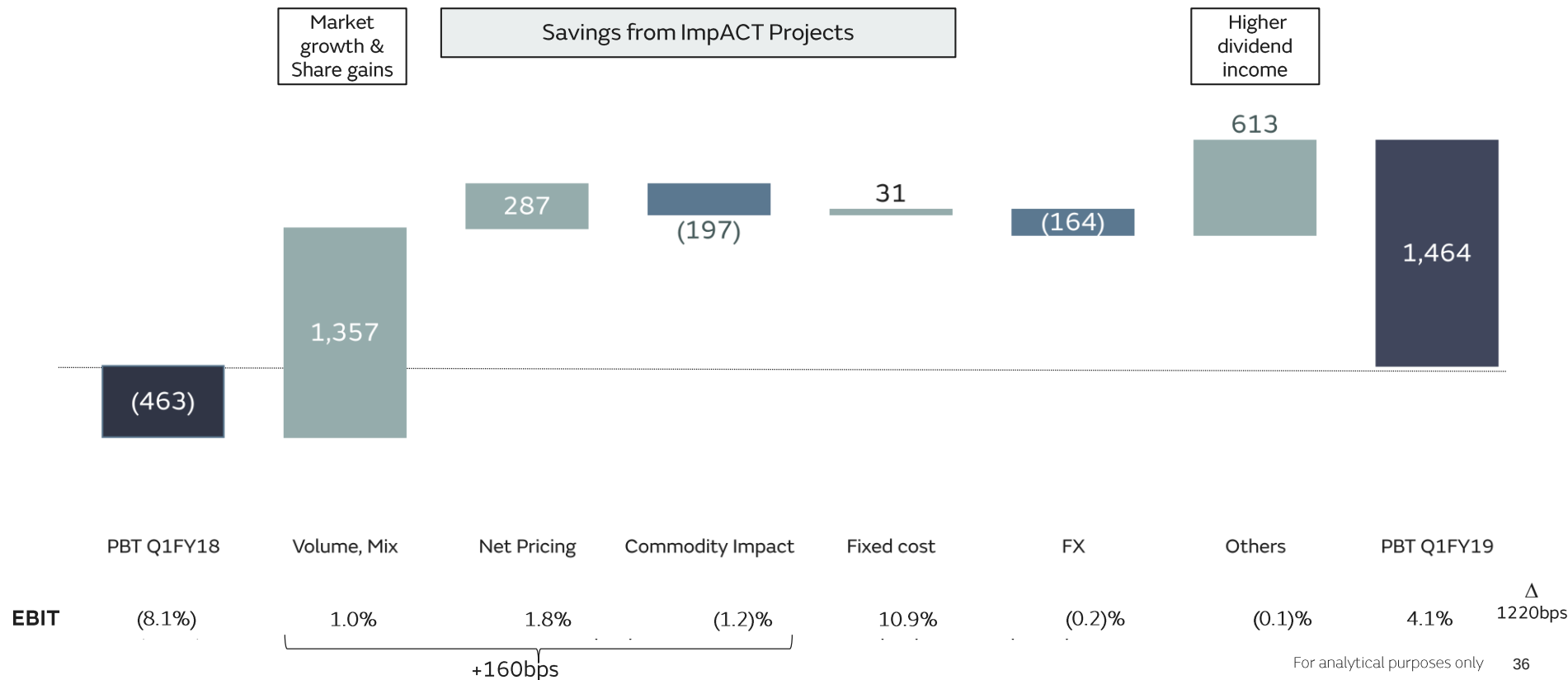
- Strong revenue growth of 83%
- EBITDA at 8.3%, up 890bps, while EBIT at 4.1% , up 1220 bps
- PBT includes dividend income of Rs 1,310 Cr

Q1 FY'19

PBT higher by Rs.1,927 Cr, EBIT Margin up 1220bps

Volume Growth, Mix, Realisations, Savings, Operating leverage

Rs Cr. IndAS

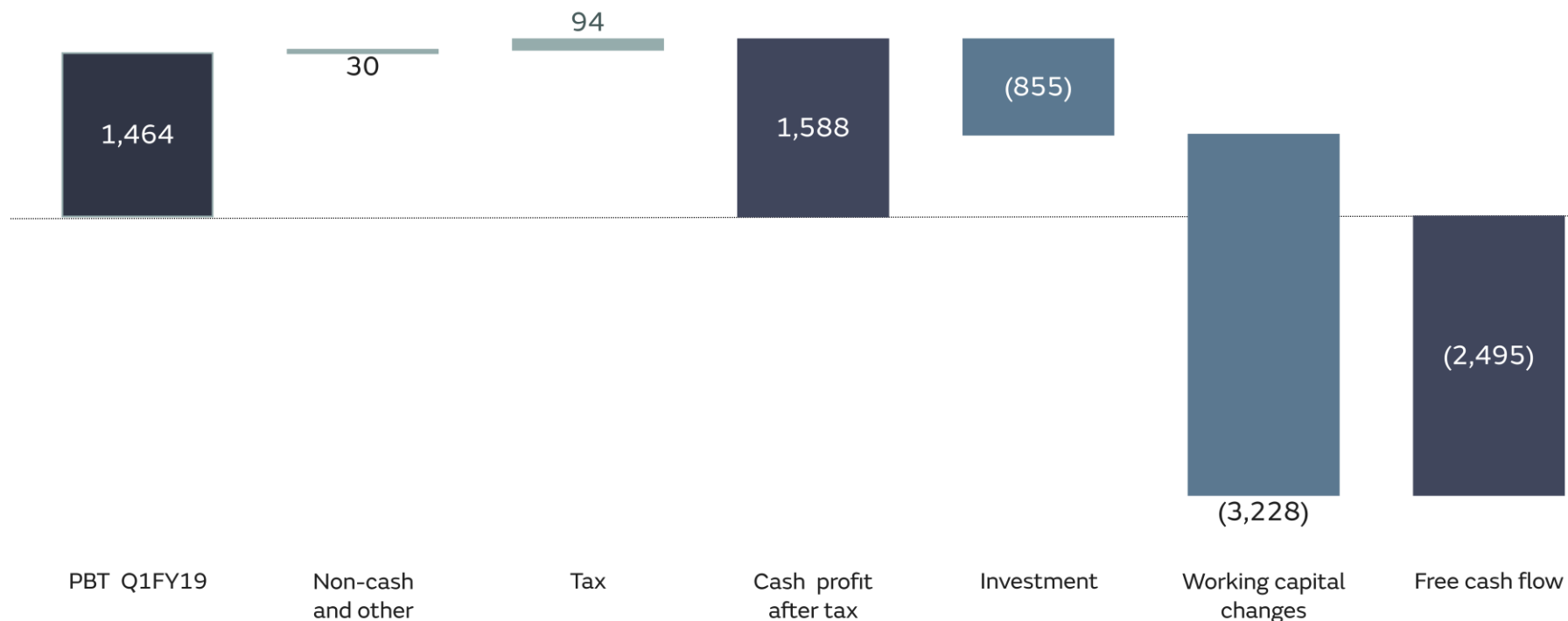


Q1 FY'19

Free Cash Flows Rs(2.5) K Cr

Temporary impact of stocks & debtors to be corrected

Rs Cr. IndAS



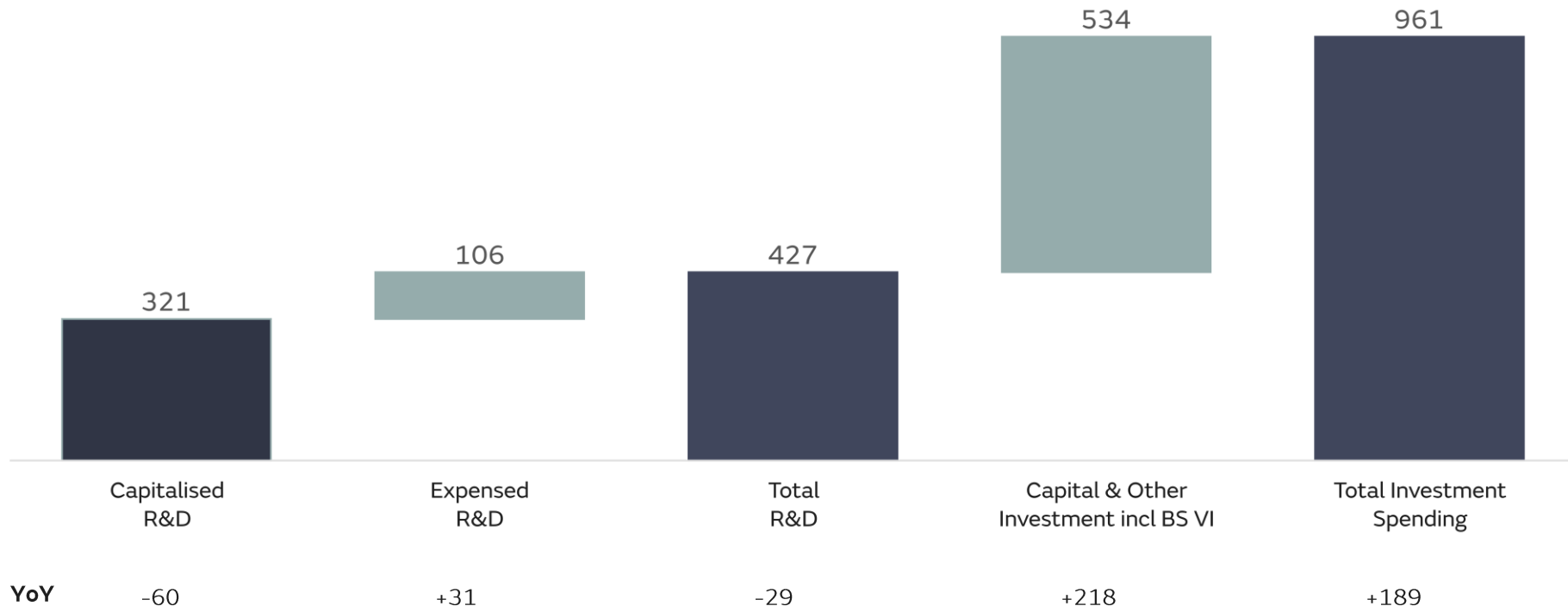
* Free cash flow is measured as cash flow from operating activities, less payments for property, plant and equipment and intangible assets.

Q1 FY'19

Investment Spending 5.7% of Revenue

New products, Platforms & Technology for growth

Rs Cr. IndAS



Operating Segments of TML Group changed

Why are we doing this now ?

- Organization Effectiveness (OE) created a P&L responsible business unit organisation. Completed in FY 18.
- Distinct strategies outlined for CV & PV
 - CV : “Win Decisively”
 - PV: “Win Sustainably”
- In line with our commitment to increased transparency.

When an entity changes the structure of its internal organisation, it can cause the composition of its reportable segment to change. (IFRS 8 / Ind AS 108 and ASC 280)

The new segments

Domestic Segments	Consolidated Segments	Includes
Commercial Vehicles	Tata branded Commercial Vehicles (CV)	Tata Motors CV, Tata Marcopolo, Tata Motors Thailand, Tata Motors Indonesia, Tata Motors South Africa, Tata Daewoo, Tata Cummins JO results
Passenger Vehicles	Tata branded Passenger Vehicles (PV)	Domestic PV business Concorde Motors, TML Distribution, TMETC and Trilix, Fiat JO results
	Jaguar Land Rover	JLR
	Tata Motors Finance	TMF Holdings consolidated
	Others	TTL, TAL

- Accounting & Reporting logic
 - Domestic corporate expenses not identifiable to business units kept as un-allocable.
 - Property, Plant & Equipment (PPE), Intangible assets, Inventory and Trade Receivables allocated to segments. Rest kept as corporate.

CV - Volume growth 63%; on a low base

Aim to “Win Decisively” by driving all round execution

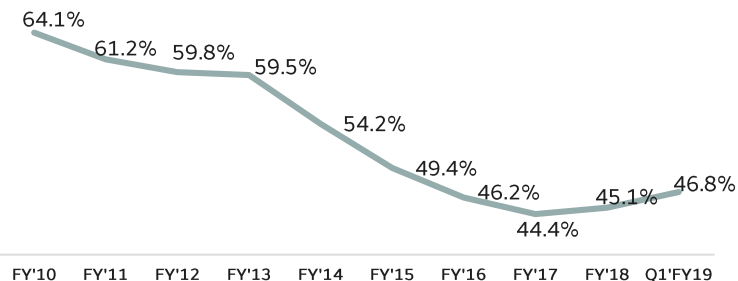
Vol Gr. :63.3 %



Q1 FY '18 Q1 FY '19

- Production ramped up to meet demand;
- Focus on enhancing customer experience continues
- Will continue to:
 - Launch range of products offering cost effective advanced features
 - Drive S&OP and expand our network base
 - Drive aggressive cost reductions and cost efficiencies.

Market share growth continues



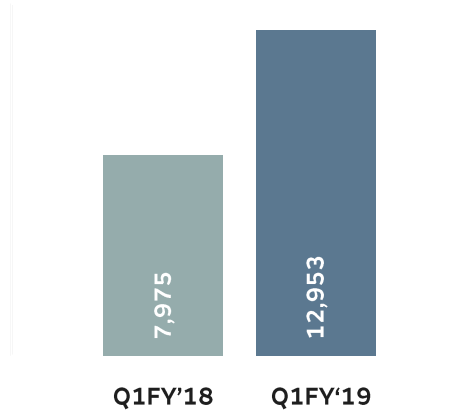
Q1 FY'19

CV Revenue up 62 % , EBIT at 8.8%, up 740bps

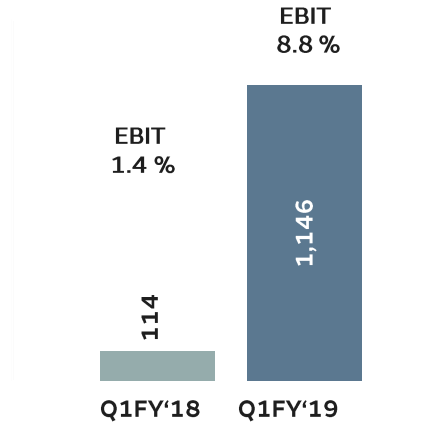
Strong profitability improvement

Revenue

Growth : 62.4%

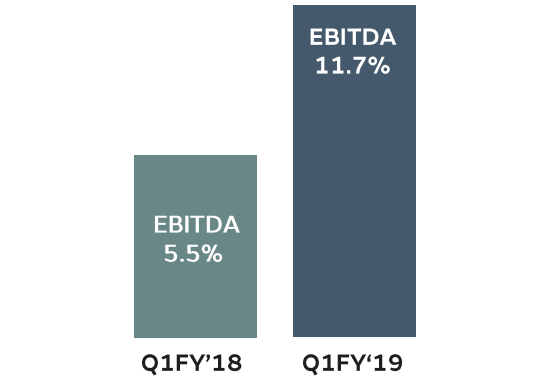


EBIT and EBIT margin

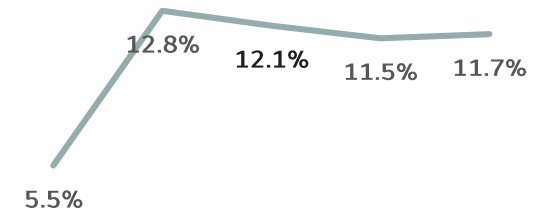


EBITDA Margins

Up : 620 bps



- Realisations continue to improve
- Better Mix, ImpACT project savings and Operating leverage



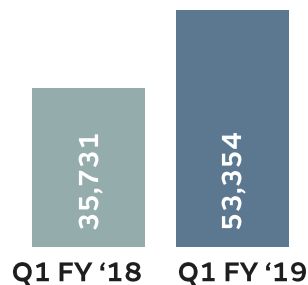
Q1 FY18 Q2 FY18 Q3 FY18 Q4 FY18 Q1 FY19

Domestic corporate expenses not identifiable to business units kept as un-allocable.

PV - Volume growth 49%

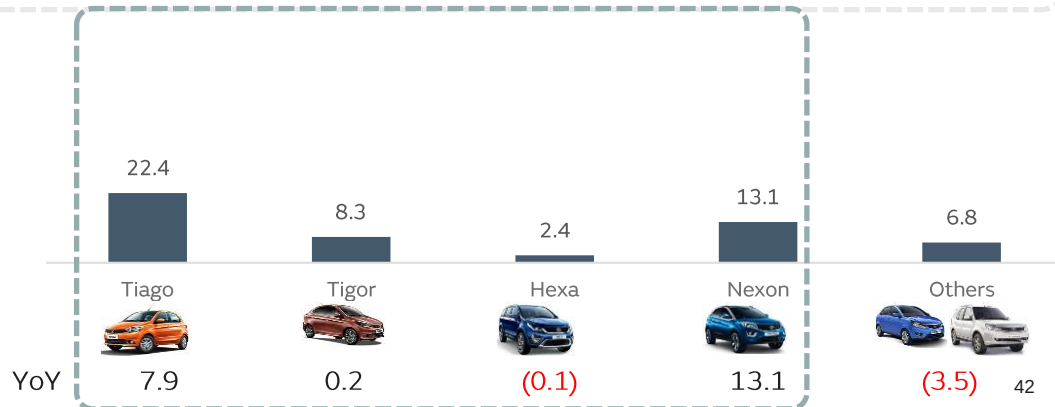
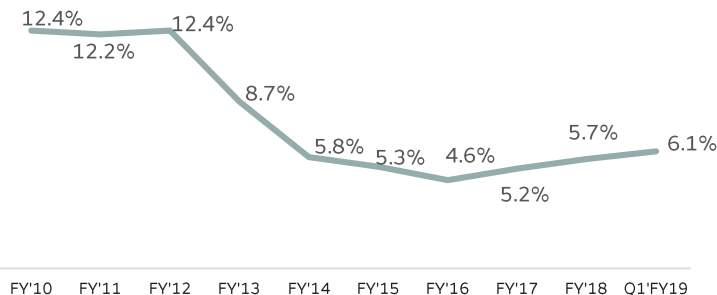
Aim to “Win Sustainably” by getting basics right

Vol Gr. : 49.3%



- New products continue to drive growth : Tiago, Tigor & Nexon
- “Impact” design, best in class features & user experience driving change in brand perception
- Focus areas
 - Product development & User experience
 - Network expansion & customer service
 - Rigorous cost reductions to deliver an early breakeven

Market shares improvement continues



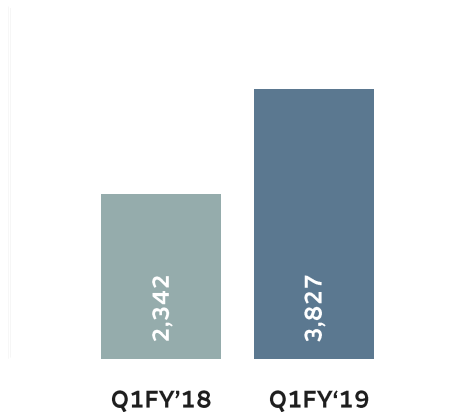
Q1 FY'19

PV Revenue up 63 % , Near EBITDA breakeven

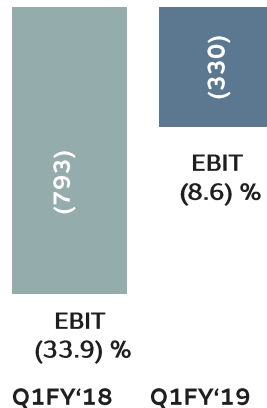
Key Focus Area for Turnaround 2.0

Revenue

Growth : 63.4%

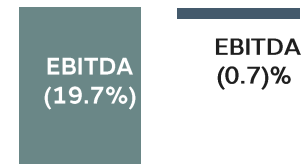


EBIT and EBIT margin

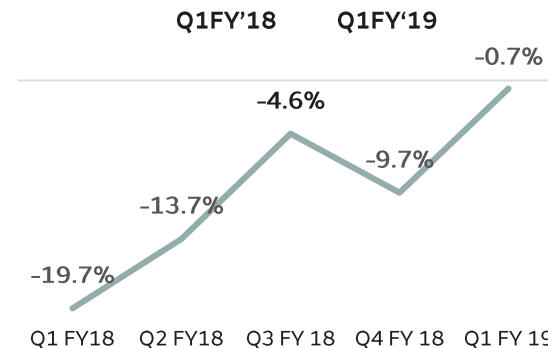


EBITDA Margins

Up : 1900 bps



- Better mix, higher realisations, savings from ImpACT projects and Operating leverage
- Strong sequential Improvement



Domestic corporate expenses not identifiable to business units kept as un-allocable.

Segment balance sheet

Rs Cr. IndAS

Details	30-Jun-18			31-Mar-18		
Assets	CV	PV	Total	CV	PV	Total
Segment Assets	21,739	15,868	37,608	20,367	15,360	35,727
Investments			17,284			16,764
Others			6,460			6,721
Total Assets			61,352			59,212

Property, Plant & Equipment (PPE), Intangible assets, Inventory and Trade Receivable allocated to segments. Rest kept as corporate/unallocable.

All Liabilities have been kept as unallocable.

EV: Lead the disruption in India

Aim to “Win Proactively”

We are committed to electrification

- New EV business vertical created, organisation structure finalized & key leads being appointed.
- Key differentiator will be a ‘One Tata’ approach with other Tata Group companies to provide complete ecosystem solutions.
- JLR & TML teams to work closely and share learnings on electrification



Achievements so far

- EESL Phase 2 LOA received; work in progress for the production & delivery of cars
- Tata Tigor EV introduced in the commercial fleet segment - first batch of cars delivered to Cognizant Technology Solutions, Hyderabad



Turnaround 2.0 well underway



1. Win Decisively in CV
2. Win Sustainably in PV
3. Win Proactively in EV
4. Embed turnaround into our way of life / culture

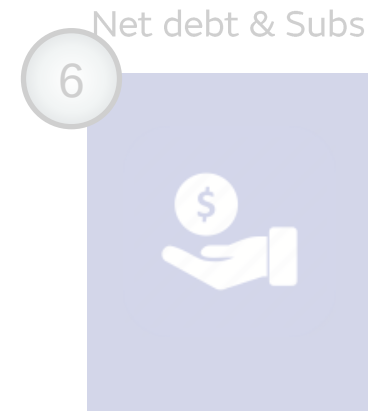
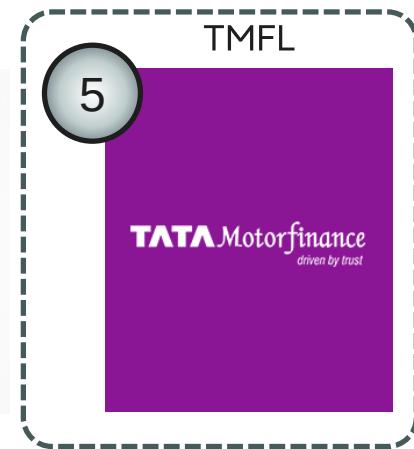
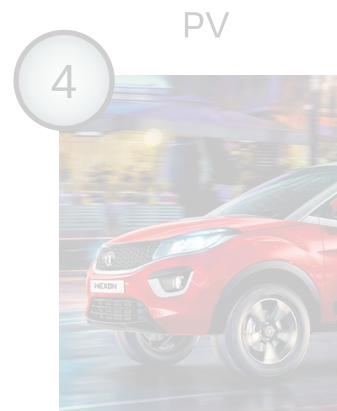
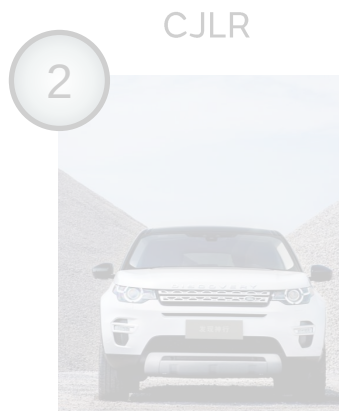
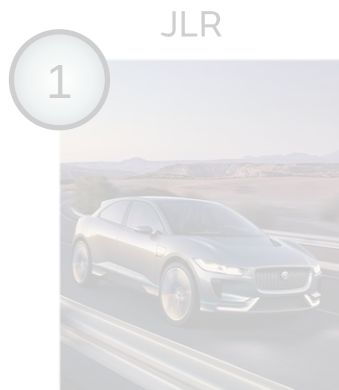
Deliver Competitive, Consistent, Cash Accretive growth

- Win customers, gain markets
- Build a profitable, fit for future product portfolio
- Drive operational efficiency & capital productivity

5. Tata Motors Finance



PB Balaji



Tata Motors Finance

Strong performance continues.

Rs Cr Ind AS

IndAS	Q1 FY19	Q1 FY18	vs '18
AUM (On + Off)	29751	22083	35%
Market Share	24.3	22.9	132bps
PBT	58	(105)	-
GNPA %	3.7%	17.2%	(1350) bps
ROE % (Pre-tax)	22.3%	-	-

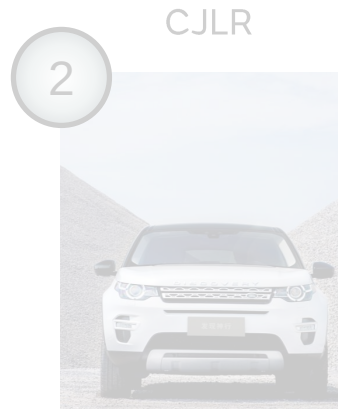
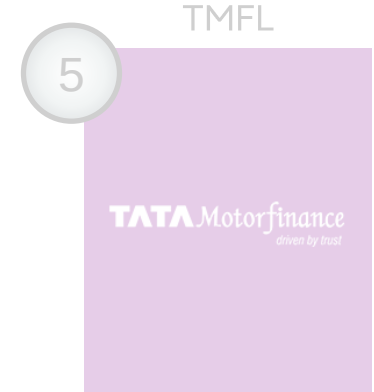
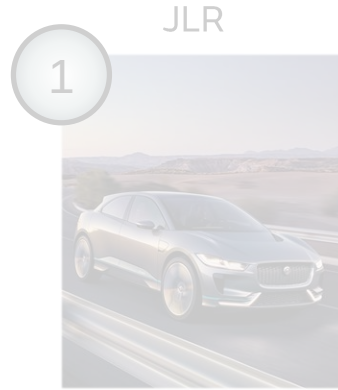
- IndAS adopted from FY19 as per regulations
- Disbursals grow 119% to Rs 4,633 Cr
 - New Vehicle disbursal up 111%
 - Used vehicle financing up by 216%
- GNPA reduced by 1350 bps to 3.7% (*measured on 90day basis*).
- **Comply with all regulatory ratios in IndAS**

Further details of IGAAP, IndAS reconciliation in the Databank

6. Net Debt & Others

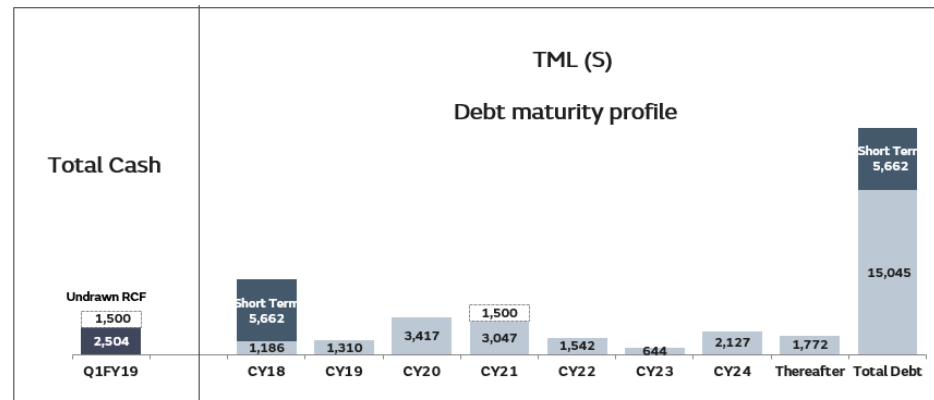
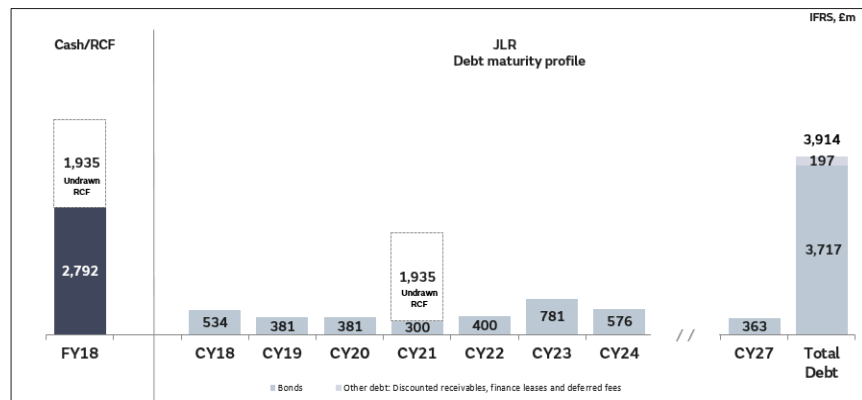


PB Balaji



Ratings downgraded one-notch with stable outlook

Liquidity adequate; Maturities well spread out



Credit Rating Agency

Earlier Rating

Revised Rating

Reasons

Moody's

Ba1 / Stable

Ba2 / Stable

- Weaker operational performance of JLR
- Challenging global market conditions
- Brexit and Diesel uncertainty

S&P

BB+ / Stable

BB / Stable



Tata Motors Group - Outlook

PB Balaji

Context

Positives

Concerns

Global Markets to remain challenging

Lower import duty in China going forward

Brexit, diesel (Europe + UK) & diesel taxes (UK)

Higher incentives in US, risk of tariff

WLTP changeover impacts

Optimistic on India demand despite near term concerns

Higher infra spending, higher GDP growth.

Inflation and interest rate risks

New axle load norm could have a temporary near term impact

- Expect input cost inflation to continue

- Investment needs likely to remain high

Response & Outlook

Jaguar Land Rover

- Plan to invest circa £4.5B in new products, technology and capacity to drive long term sustainable profitable growth.
- Intensive efforts underway to step up growth, drive cost efficiencies and manage investment spending to improve cash flow .
- Expect higher sales growth with improved profitability in FY19. Performance to improve as the year progresses.
- Planning between 4-7% EBIT between FY19-21 & 7-9% over the long term.

Tata Motors (Standalone)

- Continue to drive all round performance improvement through Turnaround 2.0 while investing for future growth.
- Respond with speed to new axle load norms
- Planning for 3-5% EBIT between FY19-21 & 5-7% over the long term.
- Complete actions from the “Fit for Future” portfolio decisions to release cash.

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

Investor Relations Note

Thank You

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