



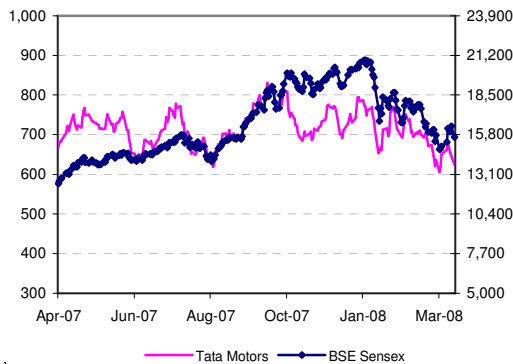
India Equities Automobile

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Exhibit 1: Stock price performance



Source: Capitaline, Parsoli Research

Tata Motors is a leader in the all commercial vehicle segments and second largest in the Passenger vehicle market

Analyst Meet Update

Highlights

- Tata Motors Limited (Tata Motors) posted moderate growth for FY2008. On a stand alone basis, net revenue for FY2008 increased 4.6% yoy to 27,470cr on the back of marginal increase of 0.9% yoy in total sales to 5,85,649 vehicles.
- Though Tata Motors maintained its leadership position in the Commercial Vehicle segment in FY2008, it lost its market share to 62.7% from 64% of market share in FY2007 due to decline in market share of MHCVT and LCVT sub-segments.
- Tata Motors has registered an increase of 6.0% yoy in PAT to Rs 2,028.9cr in FY2008. Margins were under pressure due to constraints in availability of vehicle financing from outside sources following interest rates hikes coupled with higher raw material prices during the year.
- The company has launched Magic and Winger in Bus segment, Palio Stile facelift (petrol) and Sumo Grande during FY2008.
- Tata Motors has signed a definitive merger agreement to acquire JLR for US\$2.3bn. the company plans to take debt as a bridge financing and then bridge financing will be refinanced with rights issue in three parts.
- Going forward, we expect the company to achieve robust growth on the back of its new launch Tata Nano- the least expensive car in the Passenger segment. We expect the company to perform well in the Commercial segment considering good performance of Buses with new launches of Magic, Winger and ACE. In addition, we expect that the acquisition of two iconic brands Jaguar and Land Rover will add value in the company's premium category.

Company Background

Tata Motors is the leader in commercial vehicles segment and second largest in the passenger vehicle market. The company is the world's fifth largest manufacturer of Medium and Heavy Commercial Vehicles (M&HCV) and second largest manufacturer of medium and heavy buses. Established in 1945, Tata Motors presently has its manufacturing facilities across India. The company has its own network of nation-wide dealers for its vehicles and spare parts at over 2,000 touch points. The company also has strong auto finance operation, supported by TML Financial Services Limited, to aid customers to purchase company's vehicles. The company has launched several new products in the Korean market through its acquired company, Daewoo Commercial Vehicles Company (currently, Tata Daewoo Commercial Vehicle Company). Tata Motors distributes and markets Fiat branded cars in India. Tata Motors has made India's first fully indigenous passenger car with the launch of Tata Indica in 1998.



Analyst Meet Update

Tata Motors has variety of products in different category and every year it launches few products

Tata Motors market share during FY2008 declined to 62.7% in the Commercial Vehicle segment on the back of decline in market share of MHCVT and LCVT sub-segments

Exhibit 1: Tata Motors product-family	
Segments	Products available
Passenger	Indica family- Indica V2, Indica V2 Turbo, Indica V2 Xeta & Dicor Indigo family- Indigo XL, Indigo, Indigo Marina & Indigo CS Fiat cars
Utility	Sumo, Safari Dicor
Trucks	M&HCVs-different rigid trucks, tractor trailers, tippers & Tata Novus ICVs- different turbo trucks LCVs- different turbo trucks & TL 4X4 SCVs- Tata Ace
Buses	Star Buses & other buses
Defence	different heavy defence carriers

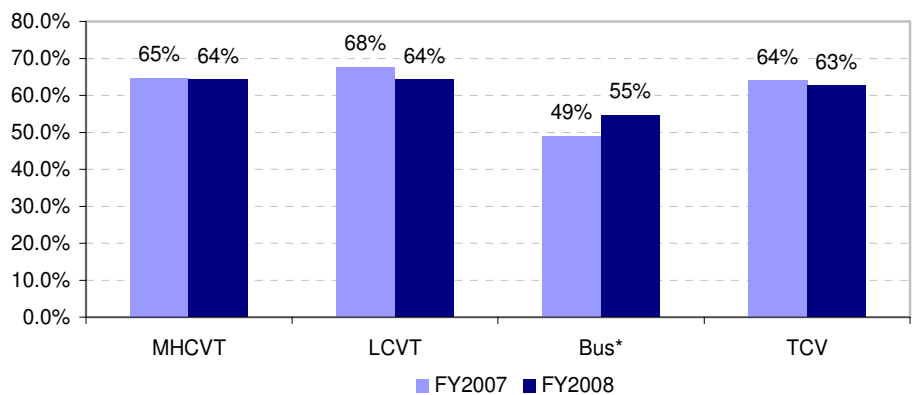
Source: Company data

Segmental Growth Drivers

Commercial Vehicle segment

In FY2008, the company's market share of the total commercial vehicles (TCV) decreased to 62.7% from 64% of market share in FY2007. The decline was due to decline in market share of MHCVT (Multi Axle & Heavy duty Trucks) and LCVT sub-segments partially offset by increased market share of the Bus. The market share of the Bus increased to 54.6% during FY2008 from 48.9% of market share in FY2007 due to the launch of new Magic and Wingler. In addition to this, the market share during the year was impacted by non-availability of few parts and constraints in availability of finance from NBFCs (Non-Banking Financial Corporation). New products introduced have helped the company to achieve 62.7% of market share in the Commercial Vehicle segment in FY2008. Three new products Magic, Wingler (both launched in FY2008) and ACE (launched in FY2006) contributed 20% of total industry sales in FY2008. We expect the company to regain its market share in FY2009 on the back of these new launches and also on the back of the company's plan to double its customer touch-point in next four years for commercial vehicles.

Exhibit 3: Commercial vehicle sales performance



Source: Company data *including Magic & Wingler



Analyst Meet Update

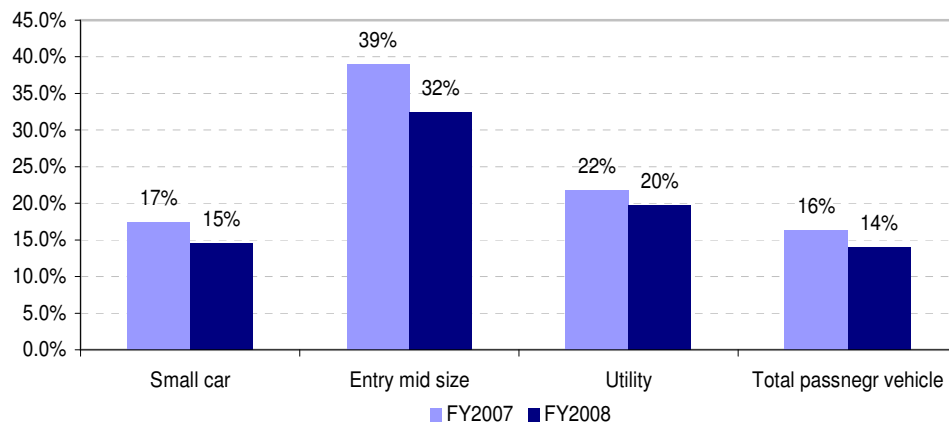
Tata Motors market share for the Passenger Vehicle segment decreased to 14.0% in FY2008

Passenger Vehicle segment

In FY2008, market share of Passenger segment decreased to 14.0% from 16.4% in FY2007 due to decline in market share in all sub-segments on the back of increased competition and a matured product portfolio.

However, we believe the company will regain its market share in FY2009 considering its plan to start delivery of Tata Nano during the year. Besides, we believe new launches like Palio Stile facelift (petrol) and 1.3 multi jet diesel engine will do well going forward. We also look forward to the company's newly launched Sumo Grande. We expect the new launches to boost its sales in the forthcoming years. The company also has a plan to increase its customer touch-points three times in the next four years.

Exhibit 3: Passenger vehicle sales performance



Source: Company data

Remarkable year in the company's history

In FY2008, the company announced its plan of launching Tata Nano - the world's least expensive car, design & manufacturing of which was under planning since last many years. Another breaking event was its definitive agreement with Ford Motor Company for acquiring brands like the Jaguar and Land Rover.

Jaguar & Land Rover acquisition

With the acquisition two premium brands Jaguar & Land Rover (JLR), Tata Motors builds its comprehensive portfolio with global footprint. While Jaguar will widen the company's car portfolio, Land Rover is a perfect fit for Premium 4X4 category.

The company has entered in to a definitive merger agreement with Ford Motors Company to acquire JLR for US\$2.3bn and expects to complete its regulatory approvals by June, 2008. The company plans to take US\$3.0bn debt as bridge financing for 15 months through SPV (Special Purpose Vehicle). The company plans to refinance its bridge financing through issue of equity or equity linked instruments and board has approved to raise about Rs 92bn-96bn through this route.

Tata Motors expects to complete its regulatory approvals by June, 2008 for JLR acquisition



Analyst Meet Update

The company is planning a rights issue for about Rs72bn with three different securities

The company plans 3 simultaneous but unlinked Rights Issues of about Rs 72bn of the following securities:

- Equity shares up to Rs.22bn
- 'A' Equity shares carrying differential voting rights up to Rs 20bn
- 5 year 0.5% Convertible Preference Shares (CCPs) up to Rs30bn, optionally convertible into 'A' Equity Shares after 3 years but before 5 years from the date of allotment.

In addition to these, as announced earlier, about US\$500-600mn to be raised through issue of securities in the foreign markets. Terms to be decided in due course

Financial performance

Tata Motors posted an increase (net of excise) in consolidated gross revenue of 10.2% yoy to Rs 35,651.2 for FY2008. The growth in net revenue was constrained by delays in launch of two new products during the year. The consolidated profit after tax (PAT) for the year decreased 0.1% yoy to Rs 2,167.7cr. On a stand alone basis, Tata Motors has posted an increase in revenue (net of excise) of 4.6% yoy to 27,470.0cr on the back of marginal increase of 0.9% yoy in total sales to 5,85,649 units. While Passenger Vehicle segment, the company has registered a 4.5% yoy decline to 2,18,055 units in domestic market sales, the Commercial Vehicles segment sales during the year 4.8% yoy to 3,12,935 units and total export stood at 54,272 units in FY2008. The company has registered an increase of 6.0% yoy in PAT to Rs 2,028.9cr in FY2008. The company's margins were under pressure during the year due to constraints in availability of vehicle financing from outside sources following hike in interest rates and raw material (specially steel) prices at higher levels during the year.

Consolidated Financial statement			Rs cr
Particulars	FY2007	FY2008	% change
Gross revenue	36921.5	40340.8	9.3%
Net revenue (net of excise)	32360.1	35651.5	10.2%
EBITDA	4114.7	4410.9	7.2%
EBITDA margin	12.7%	12.4%	(34 bps)
Net profit	2170.0	2168.0	(0.1%)
Basic EPS	56.43	56.24	(0.3%)

Sources: company data

Outlook

We expect the company to perform well in coming years considering robust growth in Passenger Vehicle segment on the back of its plan to launch of least-expensive car, Tata Nano coupled with the acquisition of two iconic brands Jaguar and Land Rover. We believe the Tata Nano should be a grand success in the country taking into account an accelerated growth in the targeted middle income consumer category. In the Commercial Vehicle segment, we expect that the company to regain its market share in FY2009 on the back of strong growth in the Bus segment with enhanced performance of brands like ACE, Magic and Wingle.

We expect the company to perform well by selling more vehicles on the back of its new launch-Nano.



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