



December 31, 2008

Ratan N Tata  
Chairman

Dear Colleague,

I wish you and your family all the best for the New Year.

2008 has been both exhilarating and challenging. In the first half of the year, most of our companies have enjoyed continued growth with robust market demand carried over from the previous year. There have been increases in input costs and some pressure on margins, but this has not deterred us from the business strategies we had embarked upon.

In the second half of 2008 the global financial crisis, the non-availability of credit at reasonable interest rates and the consequential drop in demand in most sectors have severely impacted our various companies, and it is likely that this economic downturn will continue through most of 2009. It is therefore essential that we recognize that this economic crisis may well be the worst we have ever faced in our living history.

The most challenging task will be to sustain a meaningful level of operation through the next nine to twelve months. It will call for hard decisions on the part of the management teams in many of our companies. We will need to operate most cost-effectively and conserve our cash. It will call for the deferment of all avoidable expenditure and growth plans. Most importantly, it will call for your understanding, co-operation and support during this difficult period.

I have often publicly stated that the greatest strength that our Group has today is the spirit of its people – that is, each one of you! The environment over the next twelve months will require us to display, more than ever before, the strength of this spirit that has enabled us to succeed in previous years. We will need to innovate, galvanize ourselves to synergize our strengths, and operate most cost-effectively, in line with current level of market demand. Our critics will say that Tatas can never succeed, and that our recent growth and our major acquisitions will devastate us. I firmly believe that our growth strategies and our strategic acquisitions will contribute to the Group's leadership position in the years to come. We will however need to face the immediate challenges of the current environment and sustain our operations so as to enable us to "hit the ground running" when the economic situation improves.

**TATA SONS LIMITED**

Bombay House 24 Homi Mody Street Mumbai 400 001  
Tel 91 22 6665 8000 Fax 91 22 6665 8001 e-mail [coffice@tata.com](mailto:coffice@tata.com)



A period of crisis tests the true mettle of an organization. It brings out the spirit and marshals the strength to successfully tackle unbelievable challenges. Let me take the recent example of the terrible terrorist attack on the Taj Mahal Hotel. All the employees rose to the occasion and gave their utmost to protect the guests and the property which they treated as their own. Their presence of mind saved some hundreds of lives. There were acts of courage and heroism amongst them. Some suffered serious injuries and some regrettably paid for their valour with their lives. The inherent spirit that came to the surface at this time of crisis is a living example of the strength within us of which I speak. I believe that this spirit exists throughout our Group.

At this time of crisis there may be moments when we may feel a sense of despondency or hopelessness. We cannot afford to let this happen. We need to stand together through this extraordinarily and unprecedentedly difficult period and have the confidence that we can win. We will always need to set ourselves the goal of **LEADING – NEVER FOLLOWING** – and if there is a feeling that we cannot succeed, then we must, in the words of Mr. Barack Obama, resoundingly say to ourselves – **“YES WE CAN”**.

With best wishes to you and your family,



Ratan N. Tata