



Jaguar Land Rover results for the year ended 31 March 2014

29 May 2014



Disclaimer



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

- Q4 FY14 represents the 3 month period from 1 January 2014 to 31 March 2014
- Q4 FY13 represents the 3 month period from 1 January 2013 to 31 March 2013
- FY14 represents the 12 month period from 1 April 2013 to 31 March 2014
- FY13 represents the 12 month period from 1 April 2012 to 31 March 2013

Consolidated results of Jaguar Land Rover Automotive plc and its subsidiaries contained in the presentation are unaudited and presented under IFRS as approved in the EU.

Participants



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FY14 financial highlights

Record sales, revenue and profits



Retail volumes 434,311 for the full year, up 16% from prior year, with Jaguar up 37% and Land Rover up 12%

Revenue **£19.4bn**, up £3.6bn on the prior year

EBITDA £3,393m, up £1,054m with **EBITDA margin of 17.5%**, up 2.7ppt from FY13

PBT of £2,501m, up £827m on the prior year

Free cash flow of £1,150m after total investment of £2,680m, before financing costs

Cash and financial deposits £3.5bn and undrawn long-term committed bank lines £1.3bn

Declared £150m dividend which will be paid in June 2014

Key financial metrics



Key metrics - IFRS						
(£ millions, unless stated)	Quarter ended 31 March			12 months ended 31 March		
	2014	2013	Change	2014	2013	Change
Retail volumes ('000 units)	125	115	10	434	375	59
Wholesale volumes ('000 units)	121	116	5	430	372	58
Revenues (IFRS)	5,349	5,053	296	19,386	15,784	3,602
EBITDA *	920	820	100	3,393	2,339	1,054
EBITDA %	17.2%	16.2%	1.0 ppt	17.5%	14.8%	2.7 ppt
Profit before tax	576	507	69	2,501	1,674	827
Profit after tax	449	377	72	1,879	1,214	665
Free cash flow	827	505	322	1,150	595	555
Cash	3,459	2,847	612	3,459	2,847	612

* EBITDA now defined to include revaluation of current assets and liabilities and realised FX and commodity hedges and excludes revaluation of long term foreign currency debt and unrealised FX and commodity hedges

Strong overall performance



Land Rover retail **volume up 38k units (12%)** – primarily reflects new Range Rover, new Range Rover Sport and Evoque sales growth

Jaguar retail **volume up 21k units (37%)** – reflecting launch of new F-TYPE, XF Sportbrake and new all-wheel drive and smaller engine options for XF and XJ

EBITDA of £3,393m (margin of 17.5%), up £1,054m (up 2.7ppt) from FY13, reflecting:

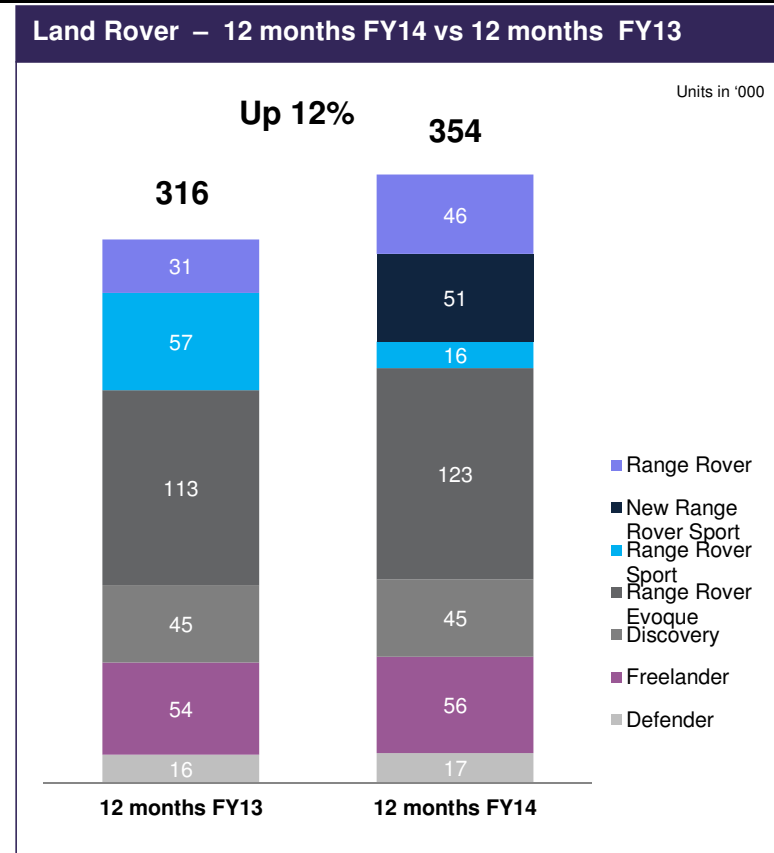
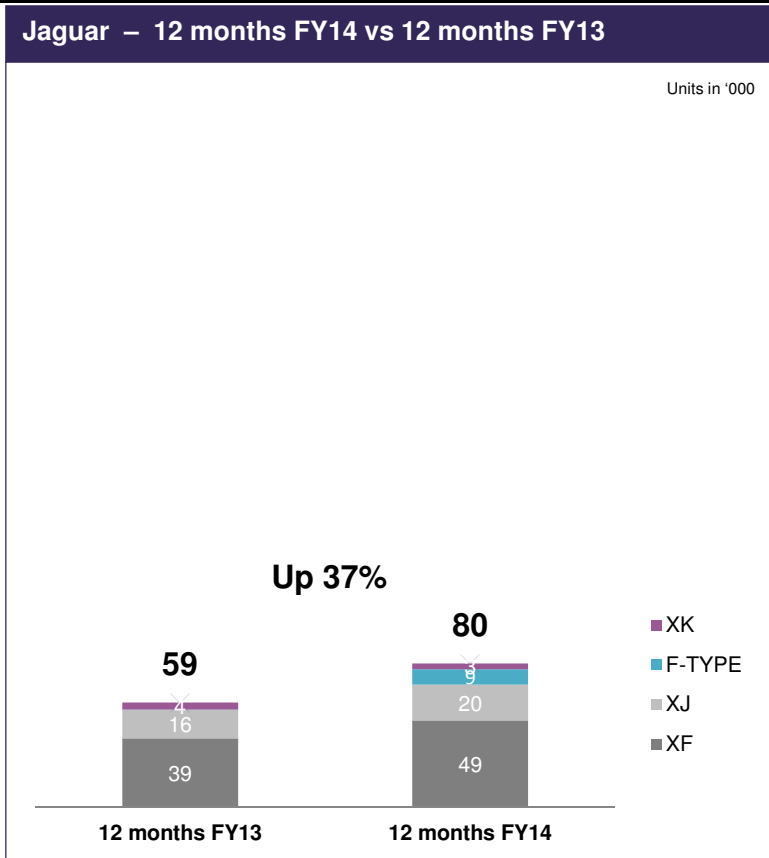
- wholesale volume increase
- **richer product mix** supported by launch of new Range Rover Sport, new Range Rover and Jaguar F-TYPE
- **richer geographic mix**, with increased volumes in emerging markets
- partially offset by the impact of a **less favourable operational foreign exchange** environment, net of realised hedges, in Q4

PBT of £2,501m, up £827m reflecting higher EBITDA and favourable revaluation of debt and unrealised hedges, partially offset by higher depreciation and amortisation as well as higher finance expense primarily related to the tender and early redemption of c. £750m of debt in the quarter

PAT of £1,879m reflects an effective tax rate of 25%

12 month retail volumes by carline

Total retail sales of 434k up 16% overall

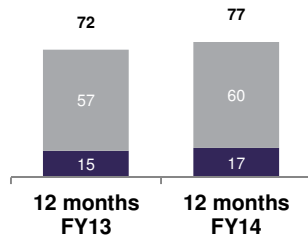


12 month retail volumes by geography



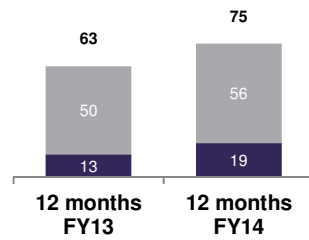
UK

Up 6%



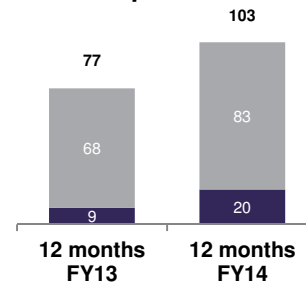
North America

Up 20%

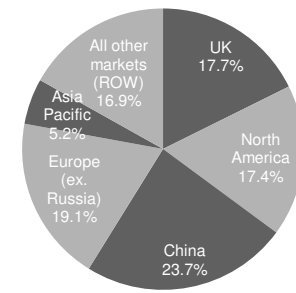


China

Up 34%



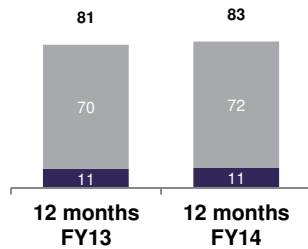
12 months FY14



434,311 units

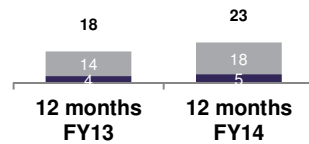
Europe

Up 2%



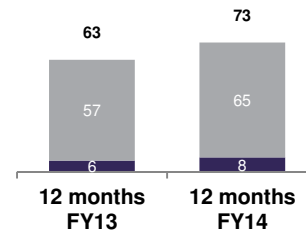
Asia Pacific

Up 28%

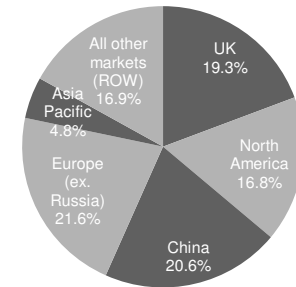


All other markets

Up 15%



12 months FY13



374,636 units

Land Rover Jaguar Units in '000

Income statement



Consolidated income statement - IFRS

(£ millions, unless stated)	Quarter ended 31 March			12 months ended 31 March		
	2014	2013	Change	2014	2013	Change
Revenues	5,349	5,053	296	19,386	15,784	3,602
Material cost of sales	(3,291)	(3,070)	(221)	(11,904)	(9,904)	(2,000)
Employee costs	(463)	(366)	(97)	(1,654)	(1,334)	(320)
Other (expense)/Income ⁽¹⁾	(933)	(995)	62	(3,465)	(3,067)	(398)
Product development costs capitalised	258	198	60	1,030	860	170
EBITDA⁽¹⁾	920	820	100	3,393	2,339	1,054
Depreciation and amortisation	(236)	(213)	(23)	(875)	(622)	(253)
Debt/unrealised hedges MTM ⁽²⁾	22	(84)	106	137	(47)	184
Net finance (expense) / income ⁽³⁾	(130)	(16)	(114)	(154)	4	(158)
Profit before tax	576	507	69	2,501	1,674	827
Income tax expense	(127)	(130)	3	(622)	(460)	(162)
Profit after tax	449	377	72	1,879	1,214	665

1. Now includes mark to market of current assets and liabilities and realised gains on matured FX and commodity hedges
2. Includes mark to market of unrealised FX options and commodity hedges and revaluation of long term foreign currency debt
3. Includes £62m cost for tender and early redemption of c. £750m of debt, £47m reversal of gain on related bond call options (embedded derivative), as well as £7m start-up costs in China JV

Strong cash flow to support investment



Consolidated cash flow - IFRS

(£ millions, unless stated)	Quarter ended 31 March			12 months ended 31 March		
	2014	2013	Change	2014	2013	Change
EBITDA	920	820	100	3,393	2,339	1,054
Working capital changes	517	314	203	393	382	11
Tax paid	(125)	(21)	(104)	(402)	(248)	(154)
Other	50	(9)	59	38	(44)	82
Cash flow from operations	1,362	1,104	258	3,422	2,429	993
Investment in fixed and intangible assets	(608)	(599)	(9)	(2,444)	(1,917)	(527)
Other (including finance income)	73	-	73	172	83	89
Free cash flow (before financing)	827	505	322	1,150	595	555
Investment in financial deposits	(177)	(475)	298	(464)	(775)	311
Changes in debt	(437)	236	(673)	(79)	151	(230)
Dividend paid	-	-	-	(150)	(150)	-
Finance expenses and fees	(134)	(35)	(99)	(269)	(179)	(90)
Net change in cash & cash equivalents	79	231	(152)	188	(358)	546

Strong financing structure



Key financial indicators - IFRS

(£ millions, unless stated)	31 March 2014	31 March 2013	Change	Financing Activity
Cash and cash equivalents	2,260	2,072	188	<ul style="list-style-type: none"> Issued \$700m 5 year bond in Dec 13 and £400m 8 year bond in Jan 14 to pre-finance the anticipated redemption of £750m of debt callable in May 14
Financial deposits	1,199	775	424	
Cash and financial deposits	3,459	2,847	612	
Long term undrawn credit facilities	1,290	795	495	<ul style="list-style-type: none"> As of 31 March, completed successful tender for £419m of £750m equivalent May 2018 notes callable in May 2014
Other undrawn committed facilities	47	70	(23)	
Total liquidity	4,796	3,712	1,084	<ul style="list-style-type: none"> Paid the balance of the £750m to the Facility agent to discharge this debt in March 2014
Total equity	5,864	3,539	2,325	
Total debt	(2,010)	(2,167)	157	
Net cash	1,449	680	769	<ul style="list-style-type: none"> Facility agent subsequently redeemed the callable debt in May 2014
Total debt / annualised EBITDA	0.6 x	0.9 x	0.3 x	
Total debt/equity	0.3 x	0.6 x	0.3 x	

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Exciting new products ...



Discovery Vision Concept Car

- Concept car for new Discovery family of vehicles unveiled at New York International Auto Show
- Discovery Sport announced as first member of the Discovery family to be launched in late 2014



Jaguar XE

- Announced new smaller Jaguar sedan to be named "XE" at the Geneva Auto show in Mar 2014
- Will be launched in early 2015

Other developments



China

- New JV plant on track
- Localisation sourcing completed for first product



Engine plane (AJ200)

- Construction progressing well, Job #1 in vehicle scheduled for January 2015



Brazil

- Investing c. £240m in new plant in Brazil
- Plant capacity of 24,000 vehicles
- Start of production targeted for early 2016



Very strong performance in FY14

In the **2014/15 fiscal year**, continued focus is on:

- continuing to build sales momentum with the new **Range Rover**, new **Range Rover Sport**, **Jaguar XF Sportbrake** and **Jaguar F-TYPE**
- prepare for launch of new Discovery Sport, Jaguar XE, Ingenium family of 2l engines in new engine plant and new China JV manufacturing plant
- continuing to invest in more new products and new technologies to meet consumer and regulatory requirements and build manufacturing capacity in the UK and internationally
- continuing to monitor economic and sales trends closely to balance sales and production
- continuing to generate strong operating cash flows to support investment in the region of £3.5-3.7bn in FY15

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Q & A



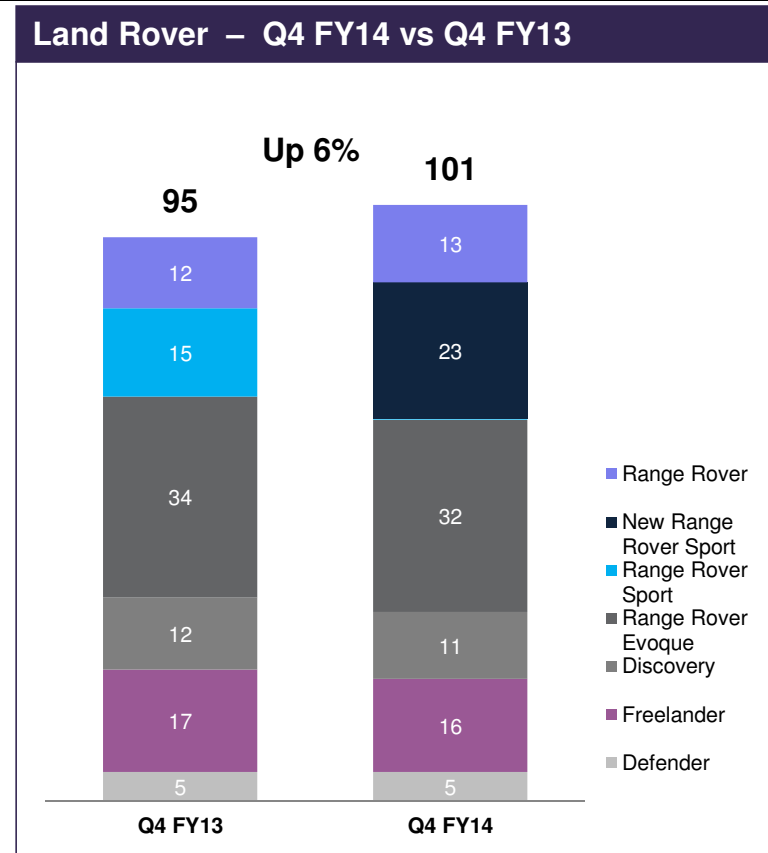
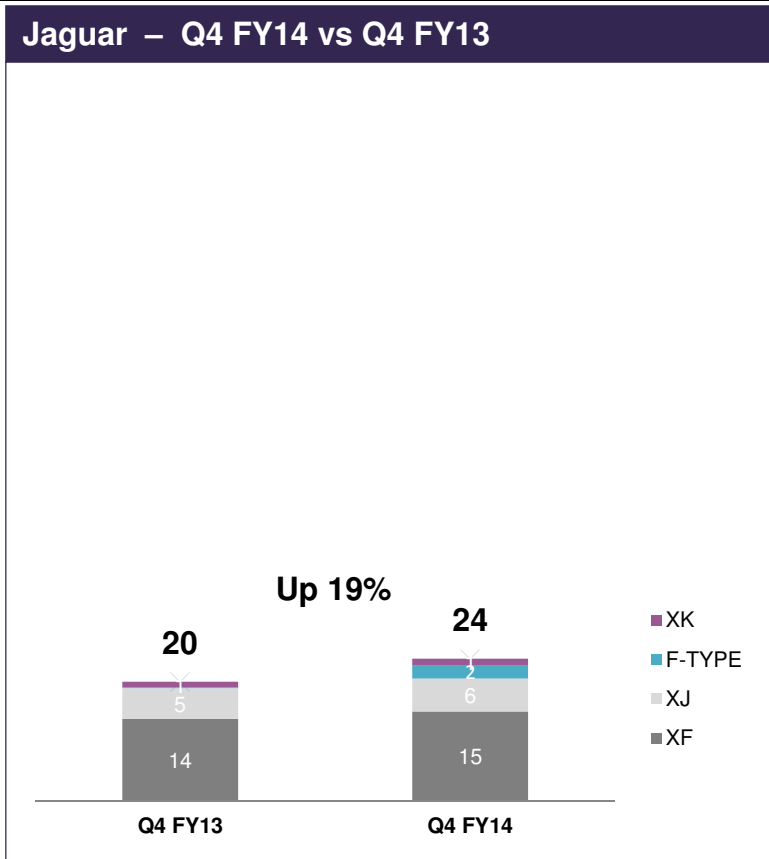


Additional slides



Q4 retail volumes by carline

Total retails for the quarter at 125k , 8% up on prior period

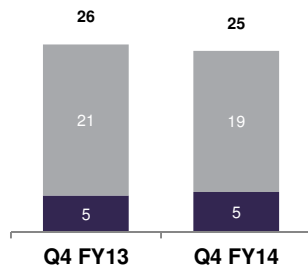


Q4 retail volumes by geography



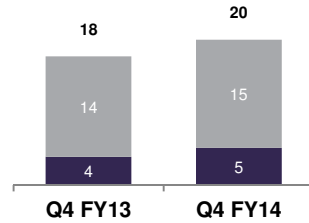
UK

Down (3)%



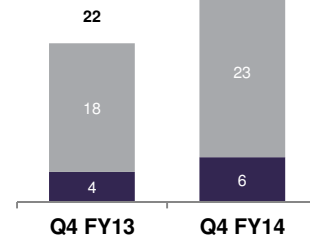
North America

Up 13%

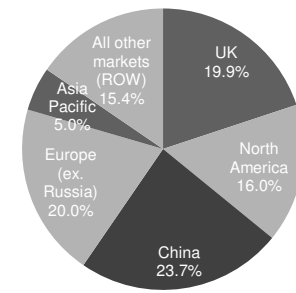


China

Up 36%



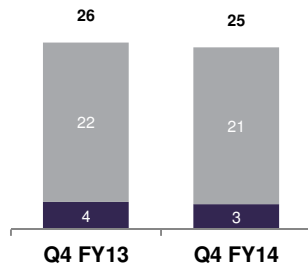
Q4 FY14



124,776 units

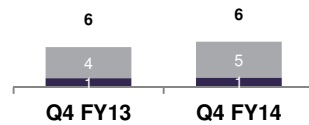
Europe

Down (3)%



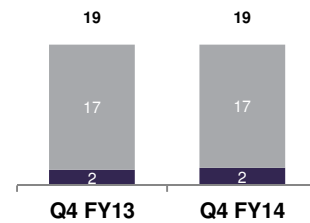
Asia Pacific

Up 13%

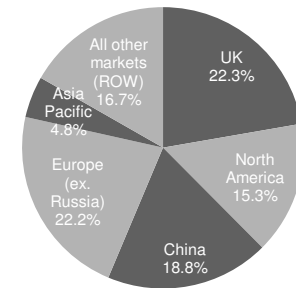


All other markets

Flat



Q4 FY13



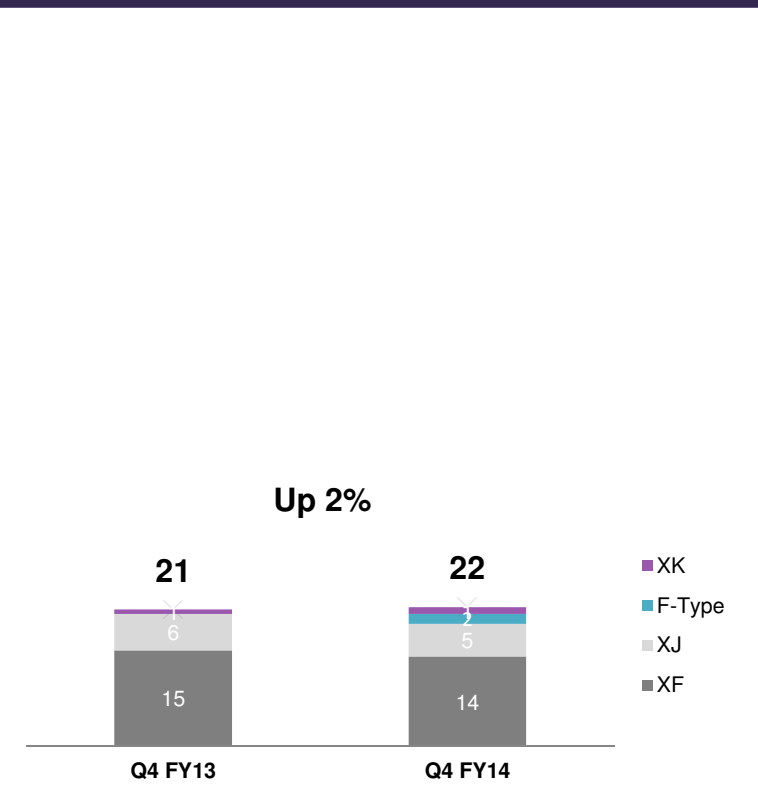
115,471 units

Land Rover ■ Jaguar ■

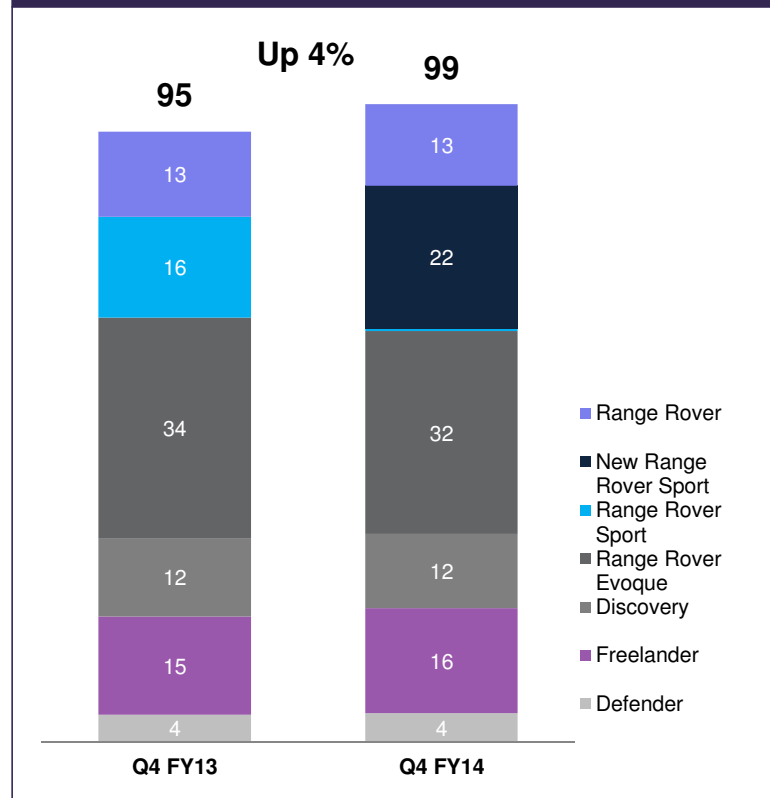
Q4 wholesale volumes by carline



Jaguar – Q4 FY14 vs Q4 FY13



Land Rover – Q4 FY14 vs Q4 FY13

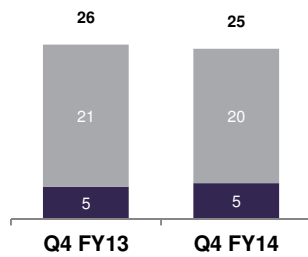


Q4 wholesale volumes by geography



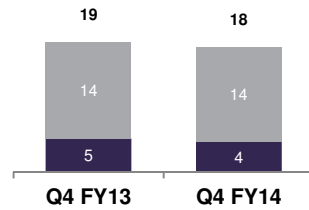
UK

Down (2)%



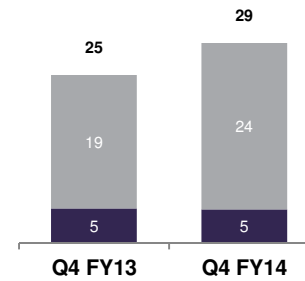
North America

Down (4)%

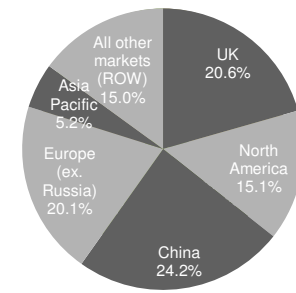


China

Up 19%



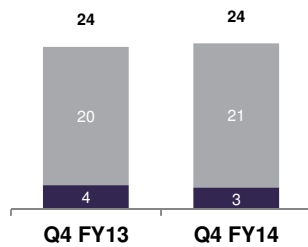
Q4 FY14



120,953 units

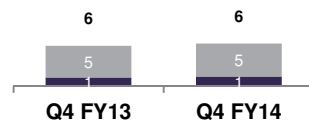
Europe

Up 2%



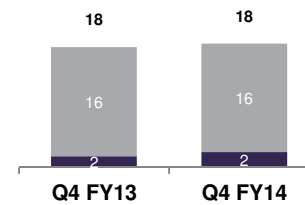
Asia Pacific

Up 5%

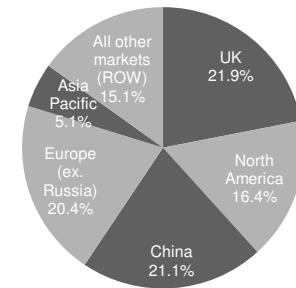


All other markets

Up 3%



Q4 FY13



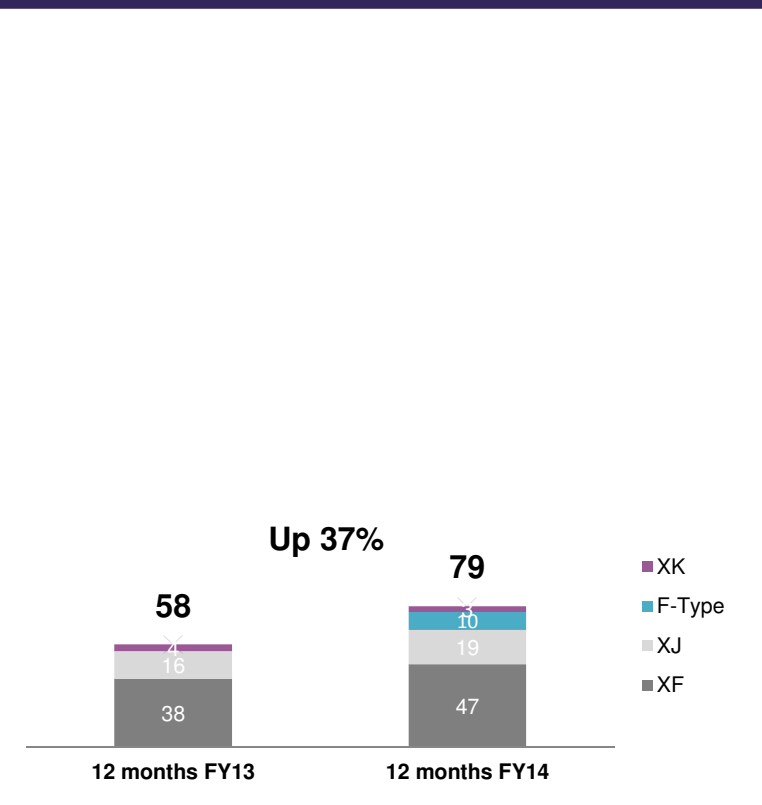
116,340 units

Land Rover ■ Jaguar ■

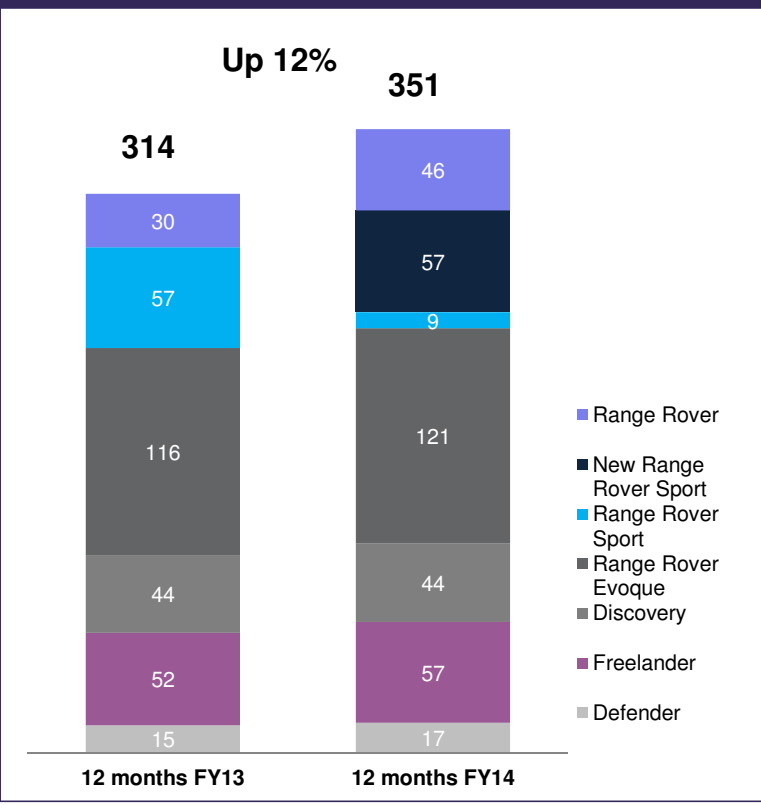
12 month wholesale volumes by carline



Jaguar – 12 months FY14 vs 12 months FY13



Land Rover – 12 months FY14 vs 12 months FY13

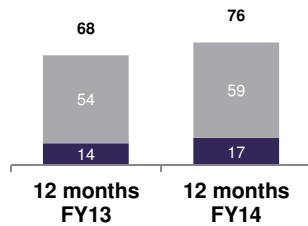


12 month wholesale volumes by geography



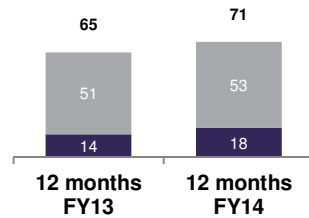
UK

Up 12%



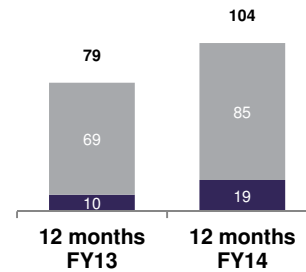
North America

Up 10%

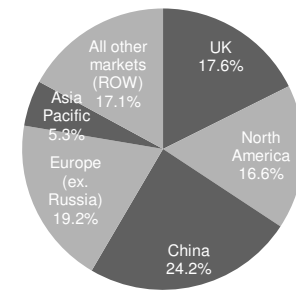


China

Up 31%



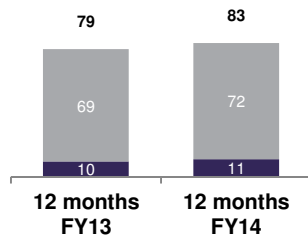
12 months FY14



429,861 units

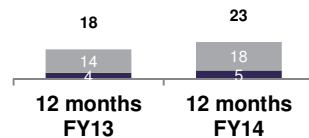
Europe

Up 5%



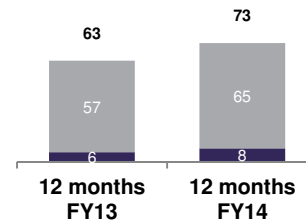
Asia Pacific

Up 24%

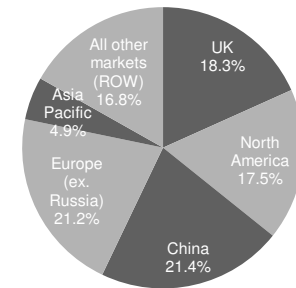


All other markets

Up 17%



12 months FY13



372,062 units

Land Rover ■ Jaguar ■

Product and other investment



Key financial indicators - IFRS

(£ millions, unless stated)	Quarter ended 31 March			12 months ended 31 March		
	2014	2013	Change	2014	2013	Change
R&D expense						
Capitalised	258	198	60	1,030	860	170
Expensed	69	54	15	236	198	38
Total R&D expense	327	252	75	1,266	1,058	208
Investment in tangible and other intangible assets	350	335	15	1,414	990	424
Total product and other investment	677	587	90	2,680	2,048	632

EBITDA definition change impact



FY 2014

(£ millions, unless stated)	Q1	Q2	Q3	Q4	FY 14
Revenues (IFRS)	4,097	4,612	5,328	5,349	19,386
EBITDA (old basis)	675	823	955	840	3,293
EBITDA %	16.5%	17.8%	17.9%	15.7%	17.0%
EBITDA (restated)	647	809	1,017	920	3,393
EBITDA % (restated)	15.8%	17.5%	19.1%	17.2%	17.5%

FY 2013

(£ millions, unless stated)	Q1	Q2	Q3	Q4	FY13
Revenues (IFRS)	3,638	3,288	3,804	5,053	15,784
EBITDA (old basis)	527	486	533	856	2,402
EBITDA %	14.5%	14.8%	14.0%	16.9%	15.2%
EBITDA (restated)	529	458	531	820	2,339
EBITDA % (restated)	14.5%	13.9%	14.0%	16.2%	14.8%