



Jaguar Land Rover Results

For the quarter ended 30 June 2015

7 August 2015

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.

Q1 FY16 represents the 3 month period from 1 April 2015 to 30 June 2015

Q1 FY15 represents the 3 month period from 1 April 2014 to 30 June 2014

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.

Retail sales volume data includes sales from unconsolidated Chinese joint venture, wholesale volume data excludes sales from Chery JLR, consistent with revenue basis.

Participants



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CFO, Jaguar Land Rover

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Group CFO, Tata Motors

Bennett Birgbauer

Treasurer, Jaguar Land Rover

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Solid FY16 profits

Lower than very strong quarter a year ago on weaker China sales



- Retail volumes **114,905**, **down slightly (0.6)%**, with Land Rover **up 0.8%** and Jaguar **down (7.4)%**
- Revenue **£5,002m**, **down £351m**
- EBITDA **£821m** and PBT **£638m**, **down £266m** and **£286m** respectively
- Solid **EBITDA margin** of **16.4%**
- **Free cash flow £(818)m** driven by inventory build for XE and XF launch and from lower China sales
- Cash and financial deposits **£3.3bn** and undrawn committed bank lines **£1.5bn (recently increased to £1.8bn)**
- **£150m dividend** paid to Tata Motors in June 2015

Key financial metrics



Key metrics - IFRS

(£ millions, unless stated)	Quarter ended 30 June		
	2015	2014	Change
Retail volumes ('000 units)*	114.9	115.6	(0.7)
Wholesale volumes ('000 units)*	110.6	115.2	(4.6)
Revenues	5,002	5,353	(351)
EBITDA **	821	1,087	(266)
EBITDA %	16.4%	20.3%	(3.9 ppt)
Profit before tax	638	924	(286)
Profit after tax	492	693	(201)
Free cash flow	(818)	5	(823)
Cash, Cash Equivalents and Financial Deposits	3,258	3,301	(43)

*Retail volume includes and wholesale volume excludes sales from unconsolidated Chinese joint venture

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

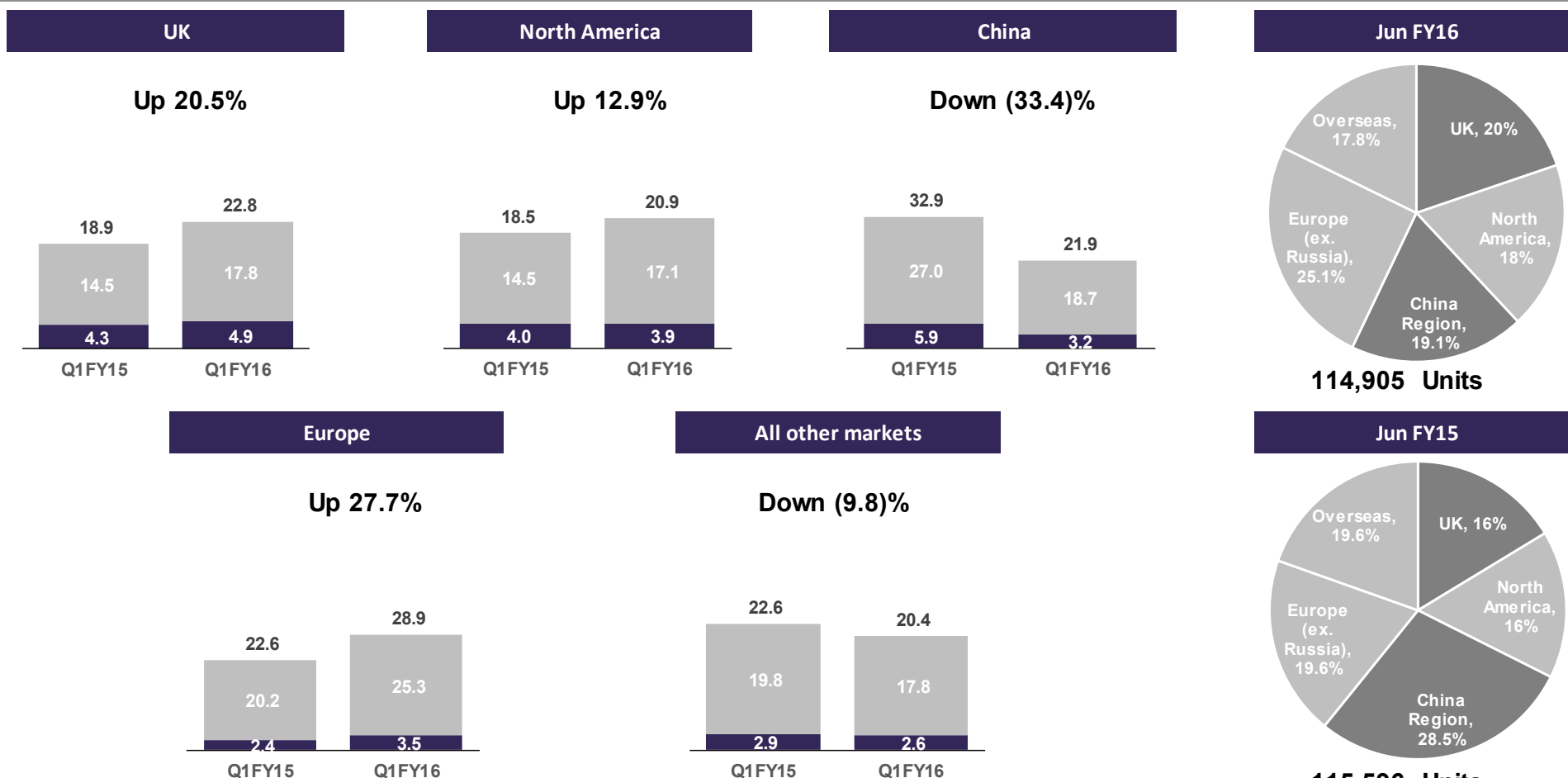
Q1 FY16 financial performance detail



-
- Land Rover retail **volumes of 96.8k units, up 0.8%** - Range Rover, Range Rover Sport and Discovery up, as well as Discovery Sport up on the discontinued Freelander.
-
- Jaguar retail **volumes of 18.1k, down (7.4)%** - XF and XJ down ahead of all new XF and refreshed XJ, on sale in Q2 FY16. Also discontinued XK. Partially offset by retail sales of the XE since May.
-
- **EBITDA of £821m (16.4% margin), down £266m** from very strong Q1 FY15 primarily reflecting:
 - Lower wholesale volumes and less favourable market mix due to lower China sales
 - Less favourable model mix
 - Offset partially by receipt of £62m local market incentive
-
- **PBT of £638m, down £286m** reflecting:
 - **Lower EBITDA**
 - **Higher** depreciation and amortisation
 - **Favourable** revaluation of foreign currency debt and mark to market of **unrealised hedges not eligible** for hedge accounting under **IAS 39**
-
- **PAT of £492m, down £201m** reflecting an **effective tax rate** of **22.9%**

Quarterly retail volumes by geography

Total retail sales of 114.9k down (0.6)% overall*

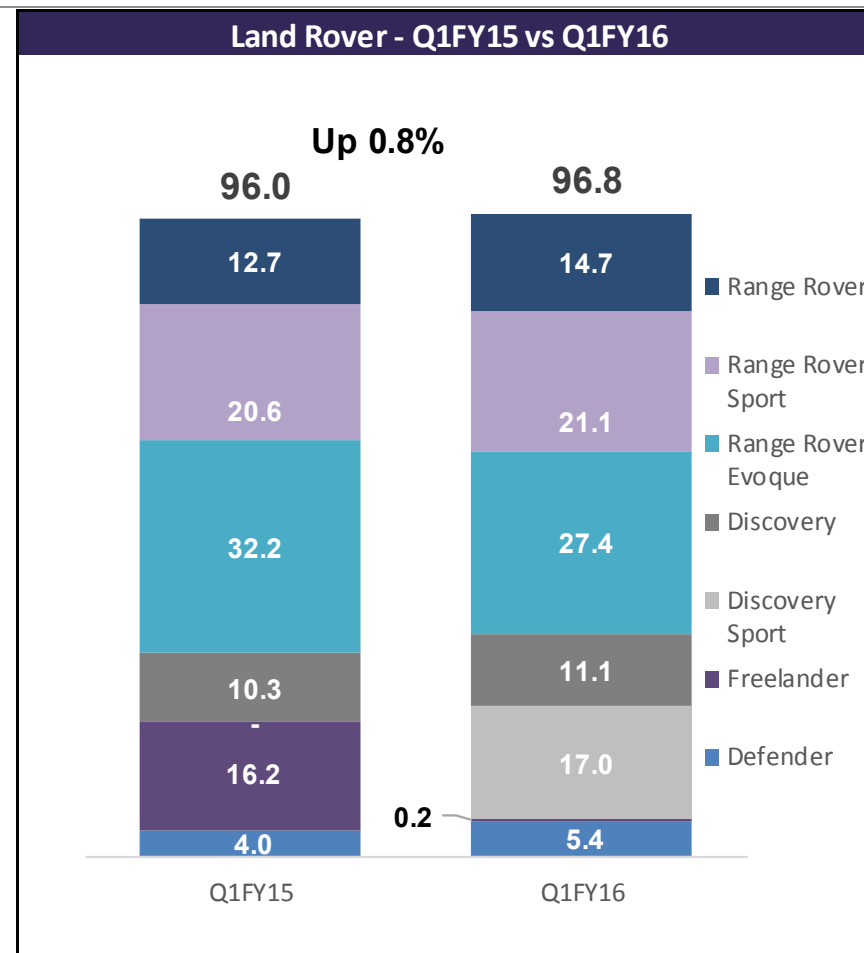
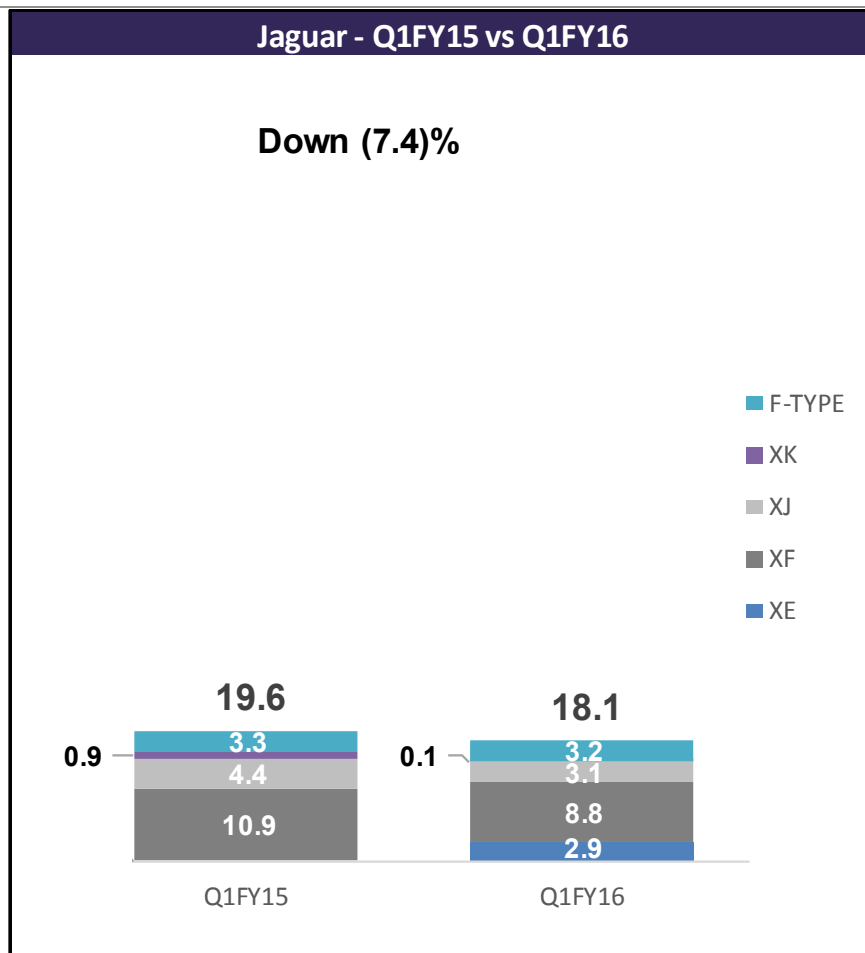


Land Rover Jaguar Units in '000's.

*Retail sales volumes include sales from unconsolidated Chinese joint venture.

Quarterly retail volumes by carline

Total retail sales of 114.9k down (0.6)% overall*



Units in '000's.

*Retail sales volumes include sales from unconsolidated Chinese joint venture.

Market focus

China



Market Challenges

As previously indicated, economic conditions in China has become more mixed and we have expected a certain “normalization” of the automotive market, which gathered pace in the last quarter with the industry down (3.4)% year on year in June. JLR sales were down more than the industry as a whole due to a number of factors including:

- Slower sales ramp up of new Evoque produced in the China JV combined with start-up of the new integrated Marketing Sales and Service organisation.
- Run out of the Freelander and launch of the new Discovery Sport, with the latter’s import volume carefully managed to ensure a smooth transition to it being produced in China toward the end of 2015.
- Run out of XF and the XJ in advance of the all new XF and 16MY XJ coming soon, while XE sales only start in September.

Response

JLR has been discussing these issues with our dealer and JV partners and the following actions are being taken:

- Production and sales targets have been re-aligned to reflect the slowing market and JLR model transition issues to ensure supply and demand are kept in balance.
- 5-6% average price re-alignment on JV Evoque and realigned pricing for the launch of the new Jaguar XE.
- Changes in the Integrated Marketing, Sales and Service organisation, including new experienced senior management.
- Shorter payment terms for marketing payments to dealers.

Outlook

JLR Believes China will continue to be a growing market for premium vehicles and JLR – it is the largest car market in the world with a growing GDP and increasingly affluent consumers who will aspire to own premium vehicles.

JLR expects to increase it’s share in the market with new JLR model launches including the XE, all new XF, 16MY XJ, the New F-PACE, and more products to come.

Other Market focus

Strong performance over the quarter



JLR retail sales excluding China were up 12.5% compared to Q1 FY15, with strong growth in Europe, UK and North America, reflecting strong Range Rover and Range Rover Sport sales and ramp up of the Discovery Sport and Jaguar XE.

Europe

- JLR sales were up 27.7%, outperforming industry growth of 7.5%. Notably the key markets of France, Germany, Italy and Spain all reported strong growth, up 46.8%, 25.7%, 29.2% and 45.7% respectively. As well as strong performance of the Range Rover (+17.2%) and Range Rover Sport (+7.4%) this quarter saw the introduction of the Discovery Sport and Jaguar XE, contributing 5,078 and 1,405 units respectively.

UK

- JLR delivered 20.5% growth, beating market growth of 12.9%, with Range Rover up 35.9% the Range Rover Sport up 27.3%, and the Discovery Sport and Jaguar XE posting 4,381 and 1,415 retail sales respectively.

North America

- For North America, JLR sales were up 12.9% with US up 12.7% against the market (+3.4%). As well as strong sales of the Range Rover (+39.9%) the quarter also saw very strong sales of the Discovery (+143.4%), and the Discovery Sport sold 996 units. The Jaguar XE is expected to do well when it is introduced in the market with petrol engines in 2016.

Other Markets

- All Other Markets were down 9.8%, primarily reflecting weaker Russia sales (down 50.8%) given well documented issues but, on a positive note MENA sales picked up 17% and South Korea posted strong performance in a challenging environment (up 45.2%).

Income Statement



Consolidated income statement - IFRS

(£ millions, unless stated)	Quarter ended 30 June		Change
	2015	2014	
Revenues	5,002	5,353	(351)
Material and other cost of sales	(2,906)	(3,299)	393
Employee costs	(552)	(429)	(123)
Other (expense) / Income ⁽¹⁾	(1,038)	(811)	(227)
Product development costs capitalised	315	273	42
EBITDA	821	1,087	(266)
Depreciation and amortisation	(318)	(234)	(84)
Debt/unrealised hedges MTM ⁽²⁾	149	70	79
Net finance (expense) / income and other ⁽³⁾	(14)	1	(15)
Profit before tax	638	924	(286)
Income tax expense	(146)	(231)	85
Profit after tax	492	693	(201)

1) Includes mark to market of current assets and liabilities and realised gains/losses on matured FX and commodity hedges

2) Includes mark to market of unrealised FX options (time value) and commodity hedges and revaluation of foreign currency debt

3) Includes start-up costs for the China JV

Cash flow

Higher inventories for XE and XF launch and slower sales in China



Consolidated cash flow - IFRS

(£ millions, unless stated)	Quarter ended 30 June		Change
	2015	2014	
EBITDA	821	1,087	(266)
Working capital changes	(886)	(377)	(509)
Tax paid	(57)	(101)	44
Other	1	11	(10)
Cash flow from operations	(121)	620	(741)
Investment in fixed and intangible assets	(712)	(629)	(83)
Other (including finance income)	15	14	1
Free cash flow	(818)	5	(823)
Changes in debt	5	4	1
Finance expenses and fees	(25)	(26)	1
Dividends paid	(150)	(150)	-
Net change in cash & financial deposits	(988)	(167)	(821)

Solid financing structure



Key financial indicators - IFRS

(£ millions, unless stated)	June 2015	June 2014	Change
Cash and cash equivalents	2,021	1,868	153
Financial deposits	1,237	1,433	(196)
Cash and financial deposits	3,258	3,301	(43)
Long term undrawn credit facilities	1,485	1,325	160
Total liquidity	4,743	4,626	117
Total equity	7,231	6,284	947
Total debt	(2,458)	(2,006)	(452)
Net cash	800	1,295	(495)
Total debt/EBITDA ¹	0.6x	0.5x	(0.1)x
Total debt/equity	0.3x	0.3x	0.0x

On 29th July 2015, JLR completed a refinancing of 1.5bn committed unsecured lines increased to 1.8bn all for 5 years maturing in 2020 with new documentation reflecting recent bond issues

¹ EBITDA stated on a rolling 12 month basis

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Exciting upcoming products



Evoque 2016MY – goes on sale Q2 2015



XJ 2016MY – goes on sale Autumn 2015



Jaguar XF – goes on sale Q2 2015

The new Jaguar F-PACE

Performance crossover on sale in 2016



Looking Ahead



Solid profitability in Q1 FY16, despite weaker China market

Jaguar Land Rover remains focused on:

- Building on the successful launches of the new Discovery Sport and the new Jaguar XE.
- Launching the all new Jaguar XF and Range Rover Evoque in Q2 FY16, the 16 Model Year Jaguar XJ in Autumn this year and the Jaguar F-PACE and Evoque Convertible by Q4 FY16.
- These new products are expected to drive significant volume growth in 2015/16 although, as previously indicated, EBITDA margins are expected to be lower than the high levels in 2014/15 reflecting model mix and launch costs associated with new products, launch and reporting effects of the China JV and more mixed economic conditions particularly in China.
- JLR plans to continue to execute its successful growth strategy, investing in more new products, powertrains, technologies and manufacturing capacity in the UK and overseas, which is expected to continue to deliver profitable growth.
- Generating strong operating cash flow to support our continuing investment in the Business estimated at £3.5bn or more in FY16.

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Q&A

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CFO, Jaguar Land Rover



Thank You

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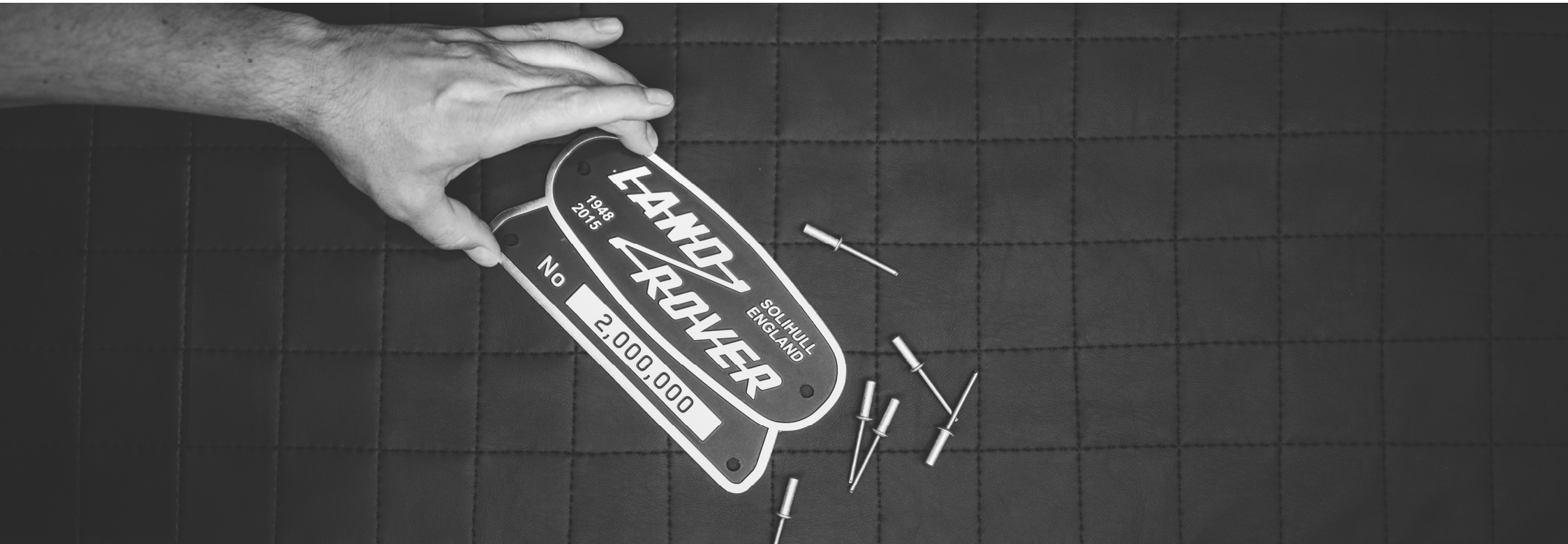
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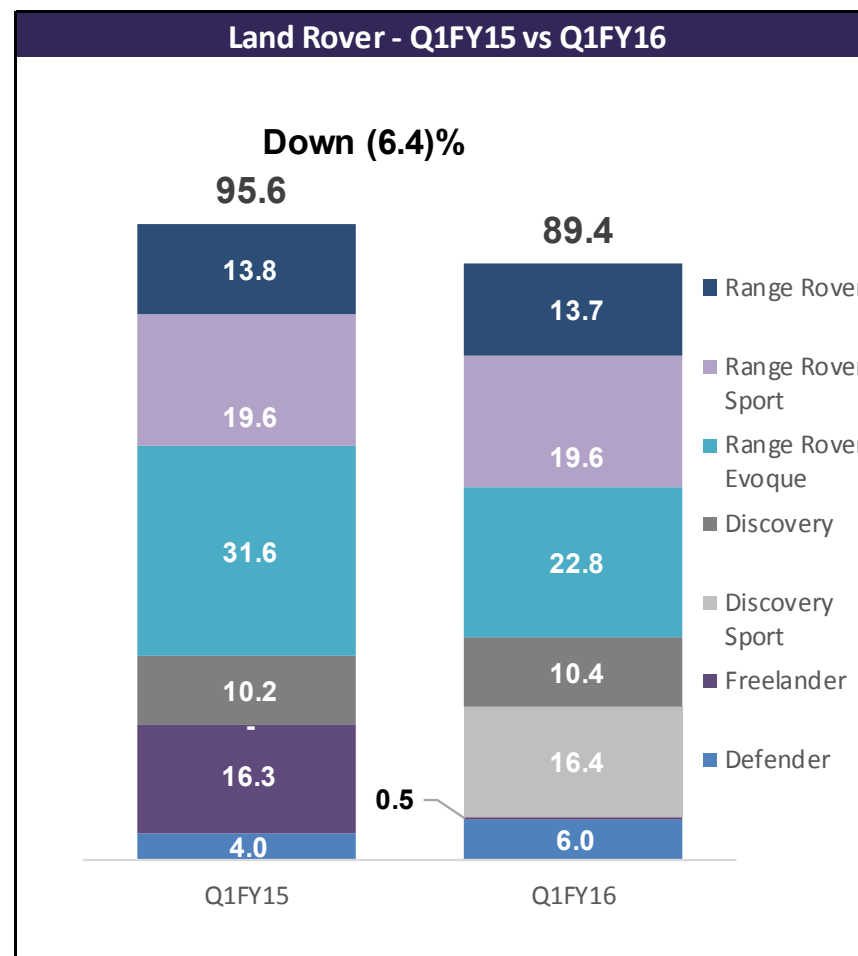
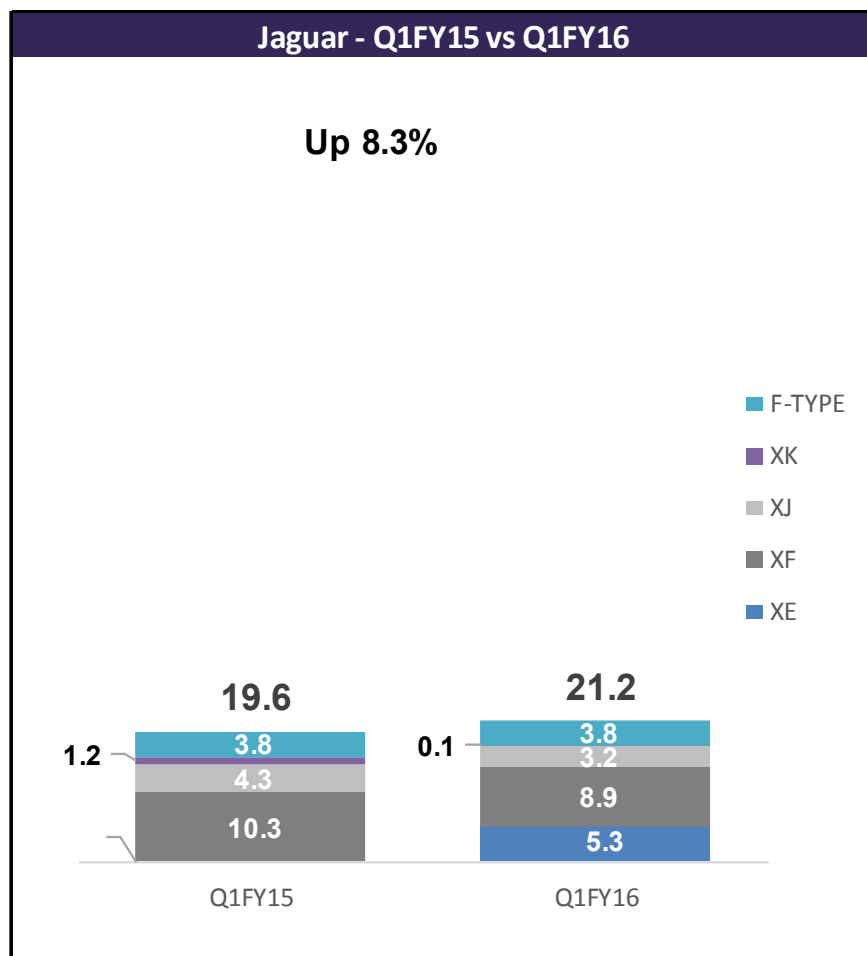
Jaguarlandrover.com



Additional slides

Quarterly wholesale volumes by carline

Wholesales of 110.6k down (3.9)% overall



Units in '000's.

*Wholesale volumes exclude sales from unconsolidated Chinese joint venture.

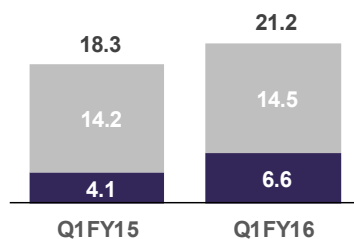
Quarterly wholesale volumes by geography

Wholesales of 110.6k down (3.9)% overall



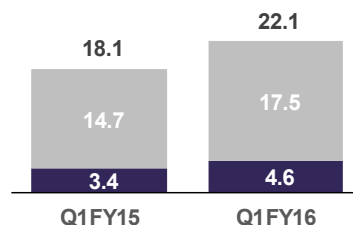
UK

Up 15.5%



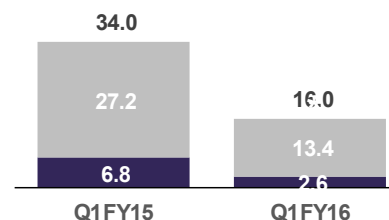
North America

Up 22.2%

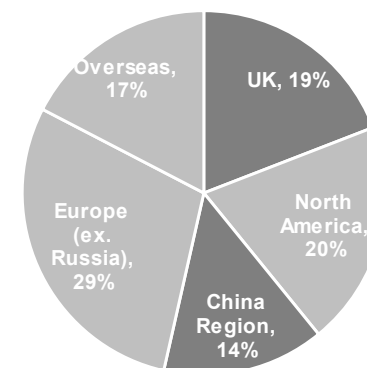


China

Down (53.0)%



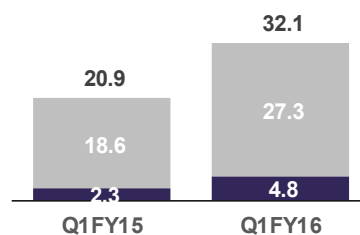
Jun FY16



110,648 Units

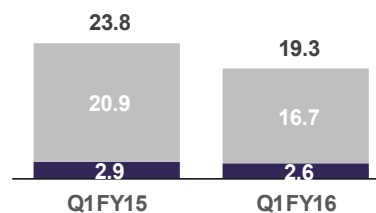
Europe

Up 53.8%

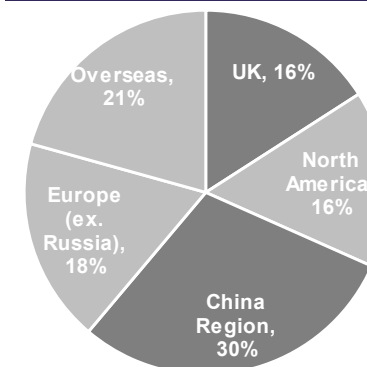


All other markets

Down (19.1)%



Jun FY15



115,156 Units

Land Rover Jaguar Units in '000's.

*Wholesale volumes exclude sales from unconsolidated Chinese joint venture.

Product and other investments



Key financial indicators - IFRS

(£ millions, unless stated)	Quarter ended 30 June		Change
	2015	2014	
R&D expense			
Capitalised	315	273	42
Expensed	64	53	11
Total R&D expense	379	326	53
Investment in tangible and other intangible assets	397	356	41
Total product and other investment	776	682	94
Of which capitalised	712	629	83