



Jaguar Land Rover results for the quarter ended 31 December 2014

5 February 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.

- Q3 FY15 represents the 3 month period from 1 October 2014 to 31 December 2014
- Q3 FY14 represents the 3 month period from 1 October 2013 to 31 December 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



Kenneth Gregor

- CFO Jaguar Land Rover

Bennett Birgbauer

- Treasurer Jaguar Land Rover

C. Ramakrishnan

- CFO Tata Motors

Agenda



Key topics

Page

Financial performance

5

Other developments

15

Closing Q&A

19

Q3 FY15 financial highlights

Solid sales, revenue and profits



Retail volumes 111,525 for the quarter, **down (0.6)%** from prior year, with Land Rover flat and Jaguar down (3.5)%

Wholesale volumes 122,187 for the quarter, **up 5%**, driving revenue of **£5.9b**, up **£0.6b**

EBITDA £1,096m, up **£79m** from Q3 FY14 with **EBITDA margin** of **18.6%**

PBT of £685m, down **£(157)m** on the prior year

Free cash flow of **£(46)m** after total investment of **£890m**, before financing costs

Cash and financial deposits £4.0b and undrawn long-term committed bank lines of **£1.5b**

Key financial metrics



Key metrics - IFRS

(£ millions, unless stated)	Quarter ended 31 December			9 months ended 31 December		
	2014	2013	Change	2014	2013	Change
Retail volumes ('000 units)	111.5	112.2	(0.7)	337.9	309.6	28.3
Wholesale volumes ('000 units)	122.2	116.4	5.8	341.3	309.0	32.4
Revenues	5,879	5,328	551	16,040	14,037	2,003
EBITDA *	1,096	1,017	79	3,116	2,473	643
EBITDA %	18.6%	19.1%	(0.5%)	19.4%	17.6%	1.8%
Profit before tax	685	842	(157)	2,218	1,925	293
Profit after tax	593	619	(26)	1,736	1,430	306
Free cash flow	(46)	234	(280)	456	323	133
Cash	4,027	3,243	784	4,027	3,243	784

*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

Solid performance for the quarter



Land Rover retail **volume of 93.2k units, flat** vs prior year - robust sales of Range Rover and Discovery

Jaguar retail **volume of 18.3k, down 0.7k units (3.5)%** - lower XF and XJ sales partially offset by F-Type

EBITDA of £1,096m, up £79m from Q3 FY14 with a strong **EBITDA margin of 18.6%**, reflecting:

- **increased revenue** reflecting higher wholesale volumes
- **solid product mix** supported by the on-going success of Range Rover and Jaguar F-Type
- **solid market mix**, with growing sales in the UK and China
- **favourable foreign exchange** offset by **less favourable realised hedges**

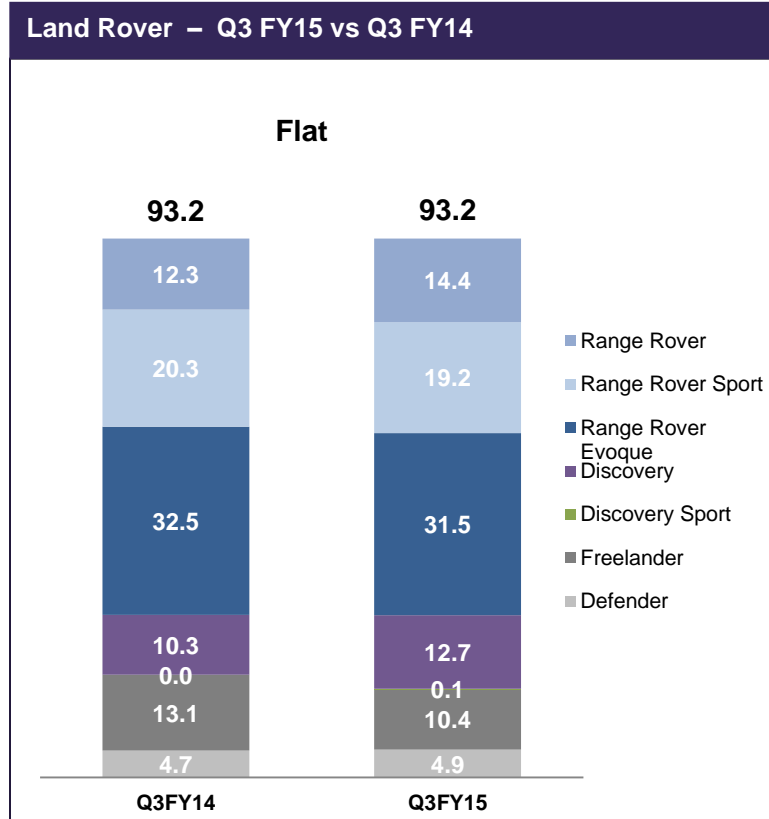
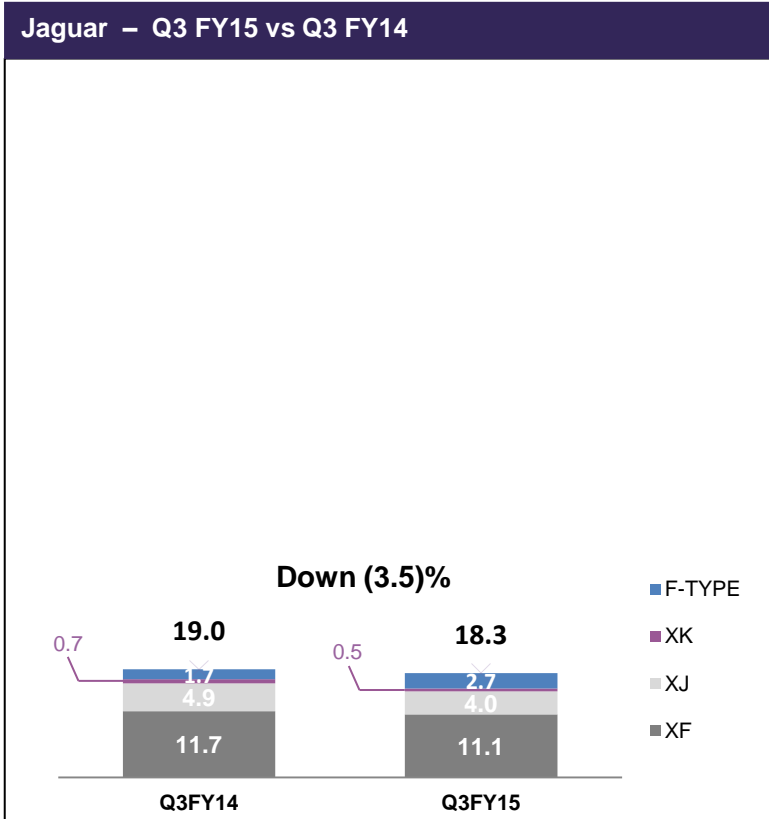
PBT of £685m, down £157m with the higher EBITDA offset by:

- **Unfavourable** revaluation of foreign currency debt and unrealised hedges (positive in Q3 FY14)
- **Higher** depreciation and amortisation

PAT of £593m – including a one time adjustment for the **reduction** in the **China withholding tax rate** to **5%** as set out in the new UK-China tax treaty.

Quarterly retail volumes by carline

Total retail sales of 111.5k down (0.6)% overall



Units in '000

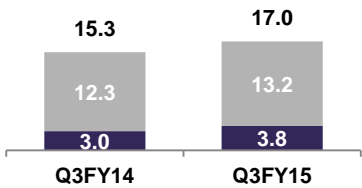
Quarterly retail volumes by geography

Total retail sales of 111.5k down (0.6)% overall



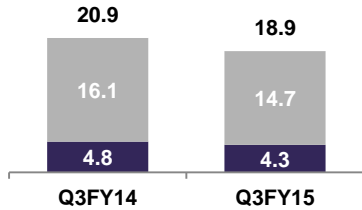
UK

Up 11%



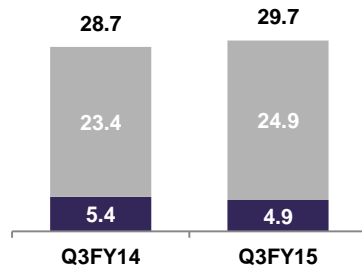
North America

Down (10)%

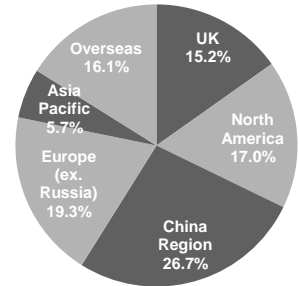


China

Up 4%



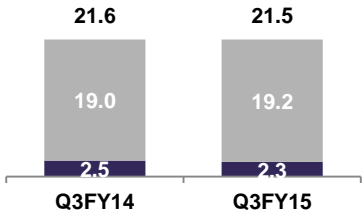
Q3 FY15



111.5k units

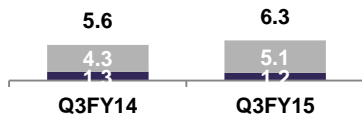
Europe

Flat



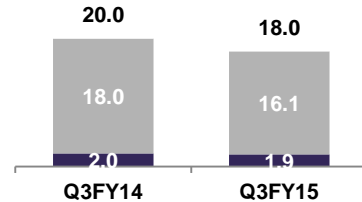
Asia Pacific

Up 12%

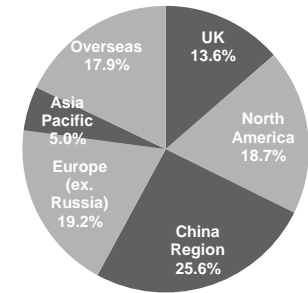


All other markets

Down (10)%



Q3 FY14



112.2k units

Land Rover Jaguar Units in '000

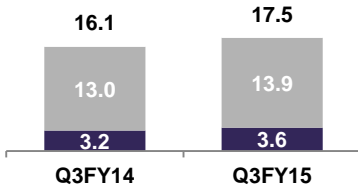
Quarterly wholesale volumes by geography

Wholesales of 122.2k up 5.0% overall



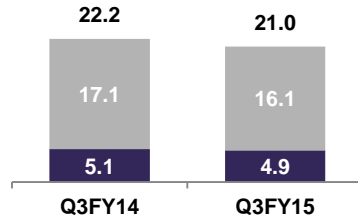
UK

Up 9%



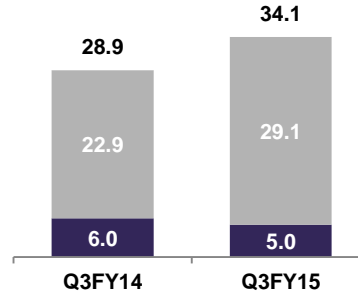
North America

Down (5)%

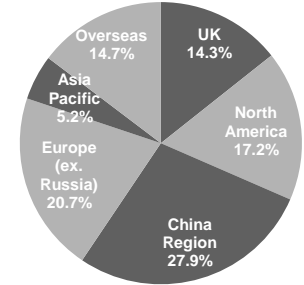


China

Up 18%



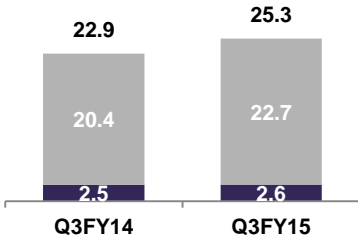
Q3 FY15



122.2k units

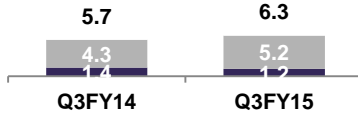
Europe

Up 10%



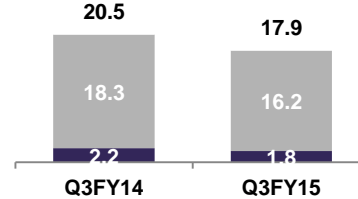
Asia Pacific

Up 11%

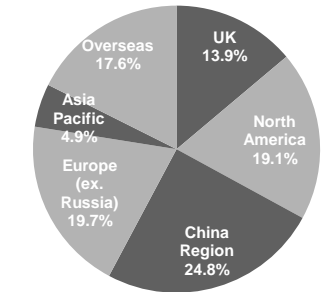


All other markets

Down (12)%



Q3 FY14



116.4k units

Land Rover Jaguar Units in '000

Income statement



Consolidated income statement - IFRS

(£ millions, unless stated)	Quarter ended 31 December			9 months ended 31 December		
	2014	2013	Change	2014	2013	Change
Revenues	5,879	5,328	551	16,040	14,037	2,003
Material cost of sales	(3,565)	(3,296)	(269)	(9,768)	(8,613)	(1,155)
Employee costs	(535)	(440)	(95)	(1,427)	(1,191)	(236)
Other (expense) /Income ⁽¹⁾	(986)	(846)	(140)	(2,579)	(2,532)	(47)
Product development costs capitalised	303	271	32	850	772	78
EBITDA	1,096	1,017	79	3,116	2,473	643
Depreciation and amortisation	(265)	(221)	(44)	(743)	(639)	(104)
Debt/unrealised hedges MTM ⁽²⁾	(138)	30	(168)	(153)	115	(268)
Net finance (expense) / income and other ⁽³⁾	(8)	16	(24)	(2)	(24)	22
Profit before tax	685	842	(157)	2,218	1,925	293
Income tax expense	(92)	(223)	131	(482)	(495)	13
Profit after tax	593	619	(26)	1,736	1,430	306

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

Healthy cash flow to support investment



Consolidated cash flow - IFRS

(£ millions, unless stated)	Quarter ended 31 December			9 months ended 31 December		
	2014	2013	Change	2014	2013	Change
EBITDA	1,096	1,017	79	3,116	2,473	643
Working capital changes	(223)	(50)	(173)	(252)	(124)	(128)
Tax paid	(70)	(11)	(59)	(242)	(277)	35
Other	(40)	(7)	(33)	(50)	(12)	(38)
Cash flow from operations	763	949	(186)	2,572	2,060	512
Investment in fixed and intangible assets	(825)	(733)	(92)	(2,156)	(1,836)	(320)
Other (including finance income)	16	18	(2)	40	99	(60)
Free cash flow (before financing)	(46)	234	(280)	456	323	133
Investment in financial deposits	364	(392)	756	91	(287)	378
Changes in debt	333	361	(28)	324	358	(34)
Dividends paid	-	-	-	(150)	(150)	-
Finance expenses and fees	(30)	(51)	21	(97)	(135)	38
Net change in cash & cash equivalents	621	152	469	624	109	515

Solid financing structure



Key financial indicators - IFRS

(£ millions, unless stated)	December 2014	December 2013	Change
Cash and cash equivalents	2,884	2,181	703
Financial deposits	1,143	1,062	81
Cash and financial deposits	4,027	3,243	784
Long term undrawn credit facilities	1,485	1,290	195
Other undrawn committed facilities	32	110	(78)
Total liquidity	5,544	4,643	901
Total equity	6,797	5,404	1,393
Total debt	(2,423)	(2,448)	25
Net cash	1,604	795	809
Total debt/EBITDA ⁽¹⁾	0.6x	0.7x	0.1x
Total debt/equity	0.4x	0.5x	0.1x

1) EBITDA stated on a rolling 12 month basis

Agenda



Key topics

Page

Financial performance

5

Other developments

15

Closing Q&A

19

2015/16 is an important year for Jaguar Land Rover




- **2015/16** is an important year for JLR with major developments including:
 - Launch of the **Discovery Sport, Jaguar XE, F-Pace** and other exciting new products and derivatives
 - Launch of the **new Ingenium Engine plant**
 - Launch of the **new Chery Jaguar Land Rover (CJLR)** plant in China starting with production of the **Evoque** for the **Chinese market** to be followed by at least **2 further JLR** products over the next **18 months**
- These developments are expected to support the continued growth and profitability of JLR with strong EBITDA margins in the range experienced since JLR embarked on its growth strategy in 2011 although EBITDA margins in **2015/16** may be somewhat lower than the levels experienced in 2014/15 reflecting:
 - Start up of the China JV -- JLR will account for its 50% share of JV profits on the manufacture of the Range Rover Evoque and at least 2 other JLR products for the Chinese Market in PBT below EBITDA
 - Model mix and launch costs associated with new products
 - More mixed economic conditions across markets
- However, JLR is confident of significant volume growth in 2015/16 supported in particular by the launch of the **Land Rover Discovery Sport, the China JV, the Jaguar XE** and other new products to be announced

Investment spending update

Continuing investment to grow the business



- 
- JLR remains committed to its strategy to invest substantially in future products, technologies and capacities to deliver profitable volume growth
 - For **2014/15**, spending is now expected to come in at **£3.0b-£3.2b**, somewhat lower than expected primarily reflecting timing of spending commitments
 - For **2015/16**, total investment spending is likely to be in the region of **£3.6b-3.8b**. We expect that depreciation and amortization will continue to increase as a result of the continuing growth in investment
 - JLR intends to continue to drive strong operating cash flow to fund investment
 - For **2014/15**, free cash flow after investment is likely to be positive, reflecting strong profitability and lower spending
 - For **2015/16**, given **the higher investment, free cash flow could be negative**, however, we expect that our **strong balance sheet**, including total **cash and short-term investments of £4 billion** and **undrawn long-term credit lines of £1.485 billion** at 31 December 2015, as well as proven access to capital markets and bank funding would support our investment plans as required



Solid performance in Q3 FY15

For the remainder of **2014/15 fiscal year**,

- continue to build on the sales momentum of the two brands
 - continue to ramp up production and sales of the new Discovery Sport and prepare for the first deliveries of the new Jaguar XE in the first half of 2015
 - successfully launch the new Ingenium family of 2.0 Litre engines, starting in the Jaguar XE
 - successfully launch the China JV manufacturing plant
 - invest in more new products and technologies to meet consumer and regulatory requirements whilst expanding the manufacturing capacity in the UK and overseas
 - monitor economic and sales trends closely to balance sales and production
 - generate robust operating cash flows to support investment
-

Agenda



Key topics

Page

Financial performance

5

Other developments

15

Closing Q&A

19



Q&A





Additional slides

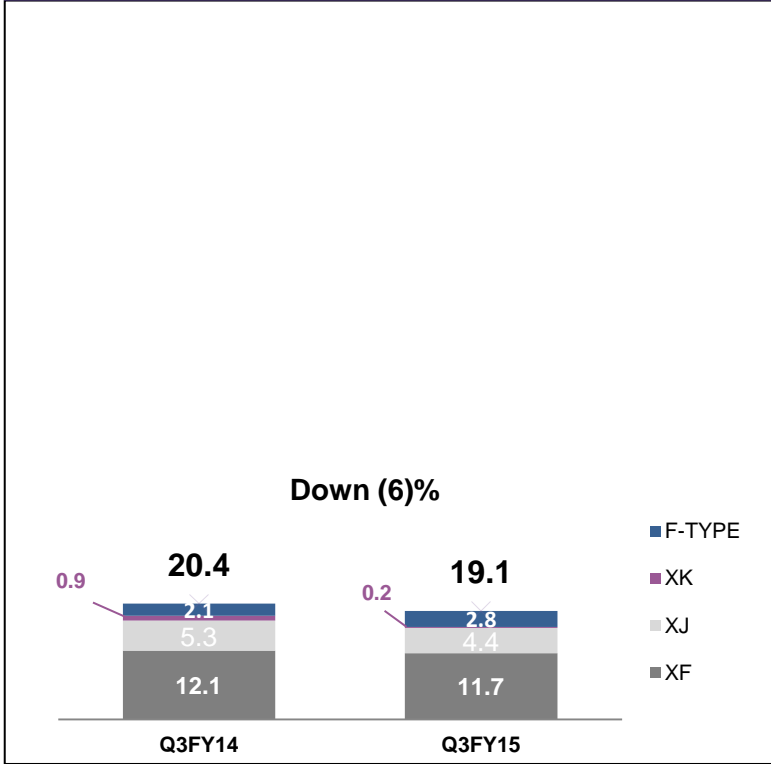


Quarterly wholesale volumes by carline

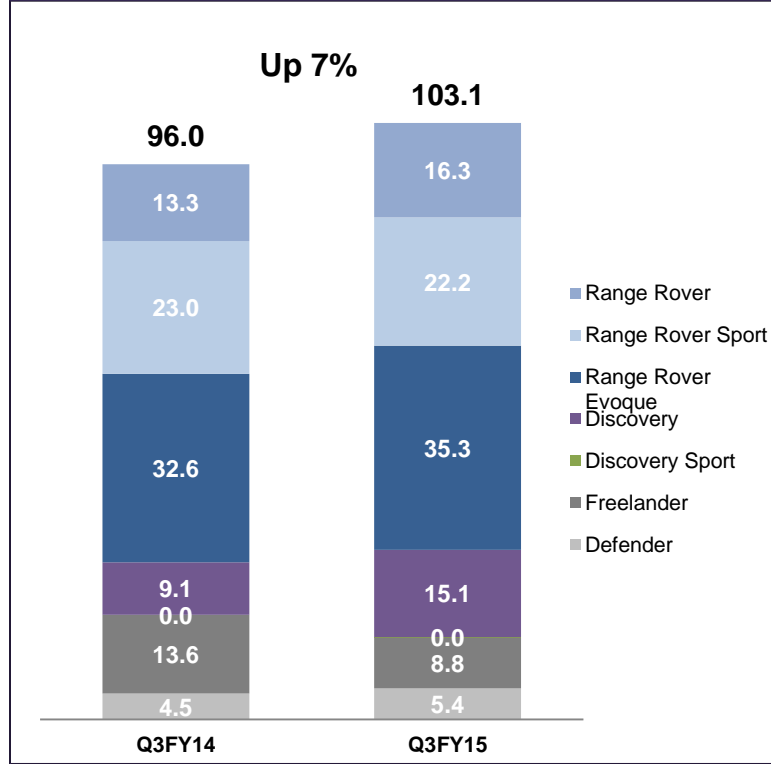
Wholesales of 122.2k up 5% overall



Jaguar – Q3 FY15 vs Q3 FY14



Land Rover – Q3 FY15 vs Q3 FY14



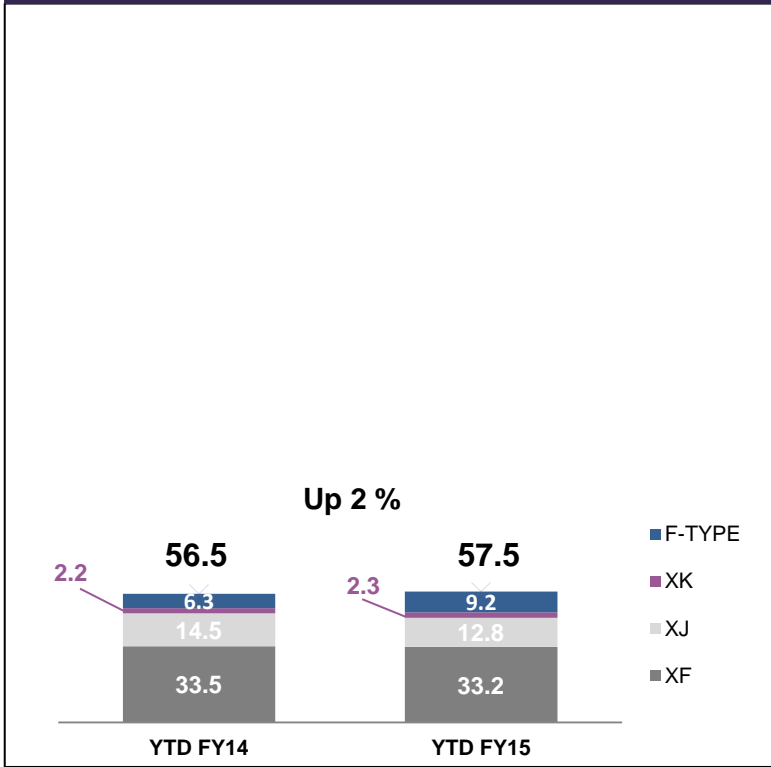
Units in '000

9 month retail volumes by carline

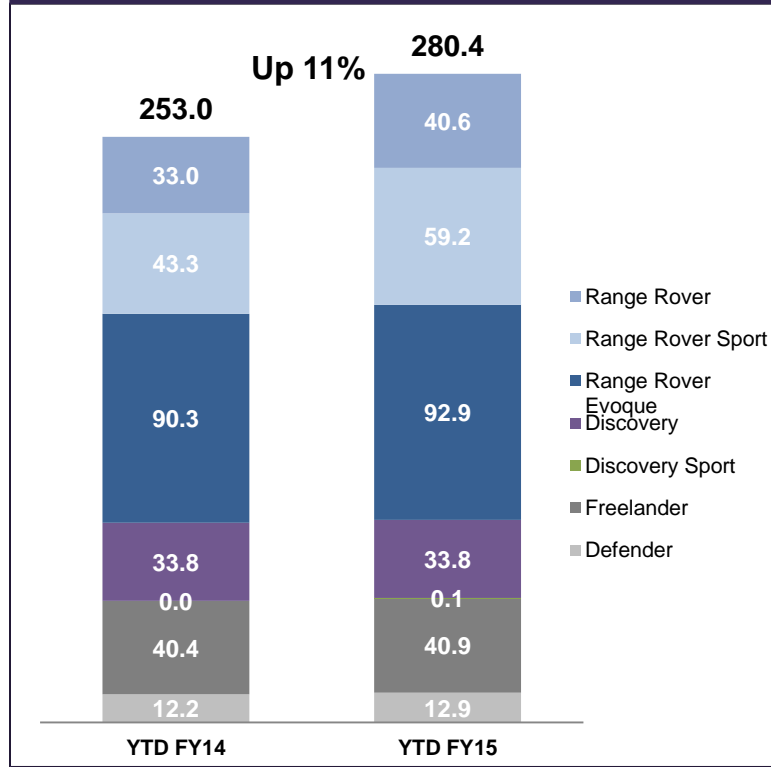
Total retail sales of 337.9k up 9% overall



Jaguar – 9 months FY15 vs 9 months FY14



Land Rover – 9 months FY15 vs 9 months FY14



Units in '000

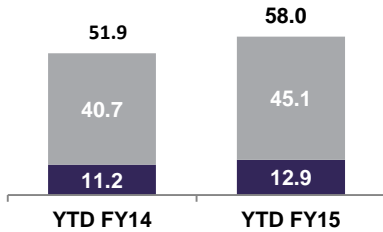
9 month retail volumes by geography

Total retail sales of 337.9k up 9% overall



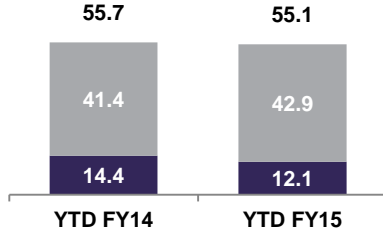
UK

Up 12%



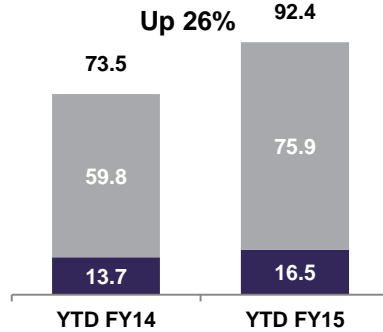
North America

Down (1)%

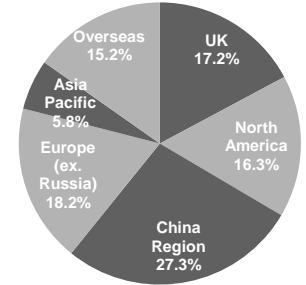


China

Up 26%



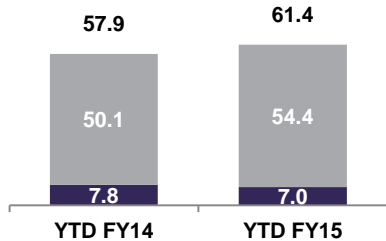
9 month FY15



337.9k units

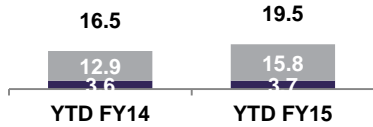
Europe

Up 6%



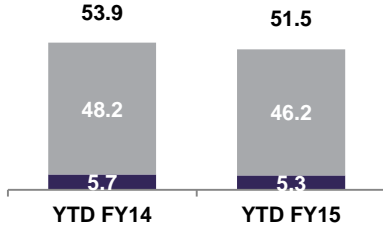
Asia Pacific

Up 18%

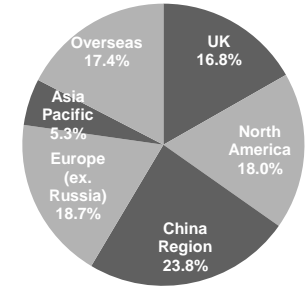


All other markets



Down (4)%



9 month FY14



309.5k units

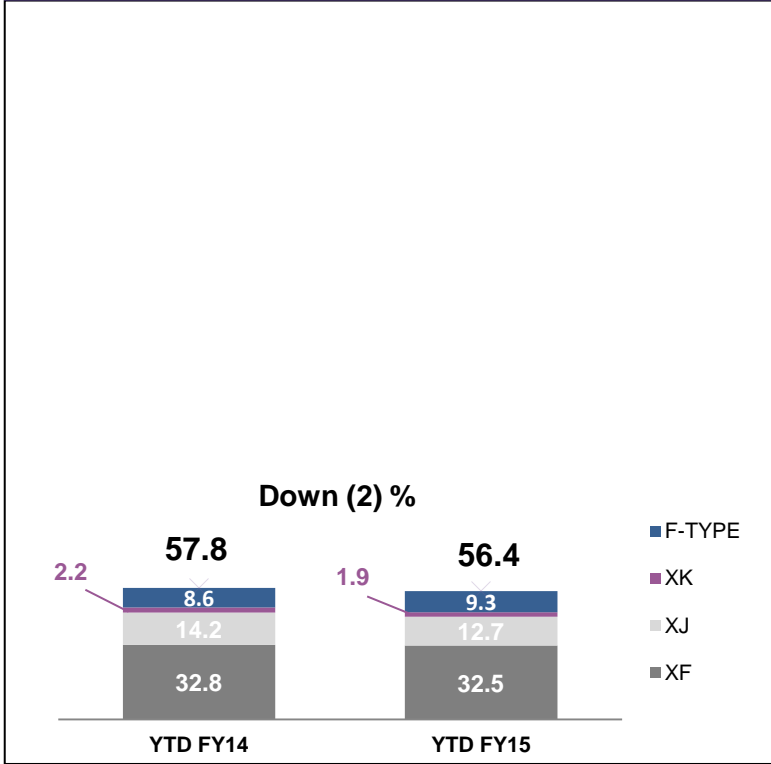
Land Rover  Jaguar  Units in '000

9 month wholesale volumes by carline

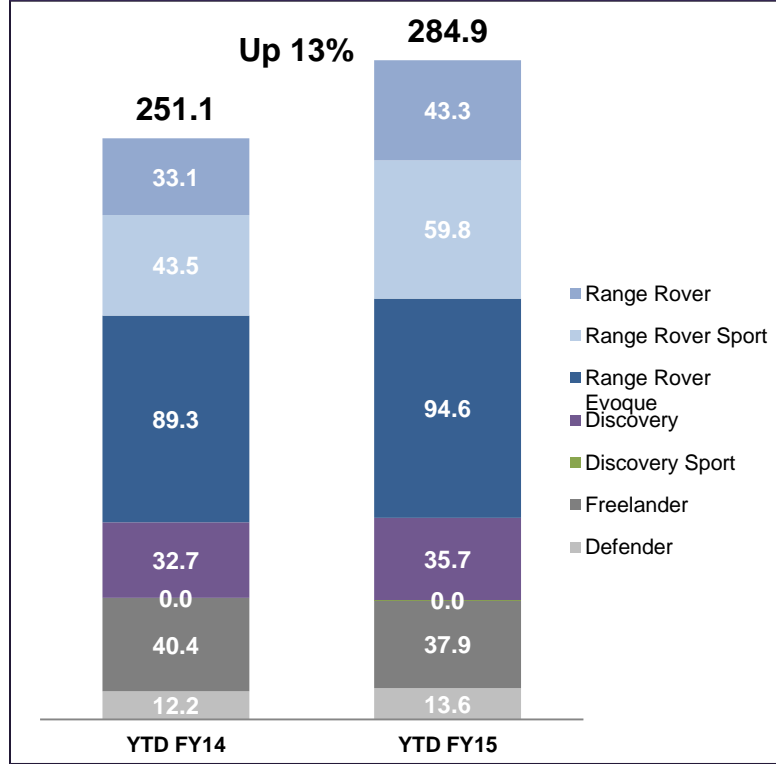
Total wholesales of 341.3k up 10% overall



Jaguar – 9 months FY15 vs 9 months FY14



Land Rover – 9 months FY15 vs 9 months FY14



Units in '000

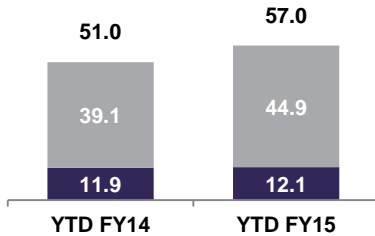
9 month wholesale volumes by geography

Total wholesales of 341.3k up 10% overall



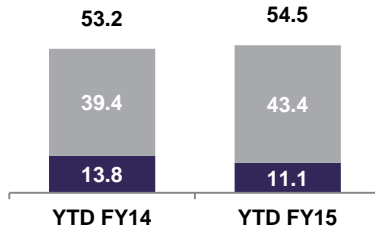
UK

Up 12%



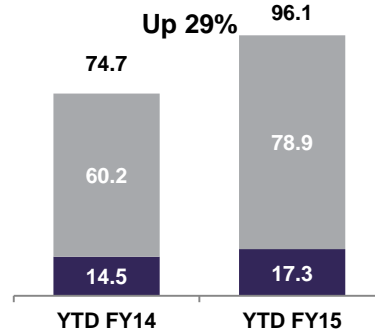
North America

Up 3%

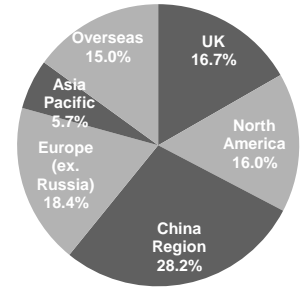


China

Up 29%



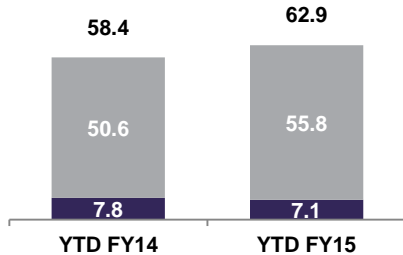
9 month FY15



341.3k units

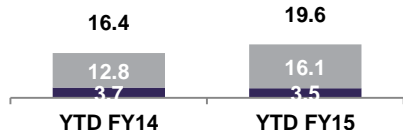
Europe

Up 8%



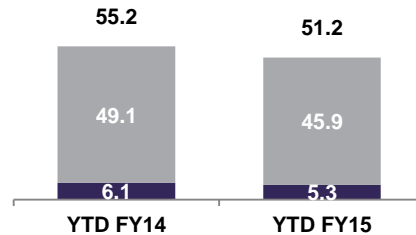
Asia Pacific

Up 19%

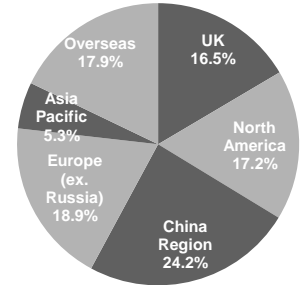


All other markets

Down (7)%



9 month FY14



308.9k units

Land Rover Jaguar Units in '000

Product and other investment



Key financial indicators - IFRS

(£ millions, unless stated)	Quarter ended 31 December			9 months ended 31 December		
	2014	2013	Change	2014	2013	Change
R&D expense						
Capitalised	303	271	32	850	772	78
Expensed	65	55	10	180	167	13
Total R&D expense	368	326	42	1,030	939	91
Investment in tangible and other intangible assets	522	462	60	1,306	1,064	242
Total product and other investment	890	788	102	2,336	2,003	333
Of which capitalised	825	733	92	2,156	1,836	320