



Jaguar Land Rover results under IFRS for the quarter ended 31 December 2013

10 February 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.

- Q3 FY14 represents the 3 month period from 1 October 2013 to 31 December 2013
- Q3 FY13 represents the 3 month period from 1 October 2012 to 31 December 2012

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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- CFO Tata Motors

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Key topics

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Q3 FY14 financial highlights

Record revenue and profits

A vertical decorative graphic on the left side of the page, consisting of a series of seven downward-pointing chevrons stacked vertically, each with a white outline.

Retail volumes 113,000 for the quarter, up 27% from prior year.

Revenue **£5.3bn**, up £1.5bn on the same quarter in the prior year

EBITDA £955m, up £422m with **EBITDA margin of 17.9%**, up 3.9ppt from Q3 FY13

PBT of £842m, up £438m on the prior year

Free cash flow of £234m after investment of £788m, before financing costs

Cash and financial deposits £3.2bn and undrawn long-term committed bank lines £1.3bn


Key financial metrics – Q3



Key metrics - IFRS

(£ millions, unless stated)	Quarter ended 31 December			9 months ended 31 December		
	2013	2012	Change	2013	2012	Change
Retail volumes ('000 units)	113	89	24	310	260	50
Wholesale volumes ('000 units)	116	95	21	309	256	53
Revenues (IFRS)	5,328	3,804	1,524	14,037	10,731	3,306
EBITDA	955	533	422	2,453	1,546	907
EBITDA %	17.9%	14.0%	3.9 ppt	17.5%	14.4%	3.1 ppt
Profit before tax	842	404	438	1,925	1,167	758
Profit after tax	619	296	323	1,430	837	593
Free cash flow	234	(131)	365	323	90	233
Cash	3,243	2,141	1,102	3,243	2,141	1,102

Very strong overall performance



Land Rover retail **volume up 16k units (22%)** – primarily reflects new Range Rover, new Range Rover Sport and Evoque sales growth

Jaguar retail **volume up 7k units (59%)** – reflecting launch of new F-TYPE, XF Sportbrake and new all-wheel drive and smaller engine options for XF and XJ

EBITDA of £955m (margin of 17.9%), up £422m (up 3.9ppt) from Q3 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

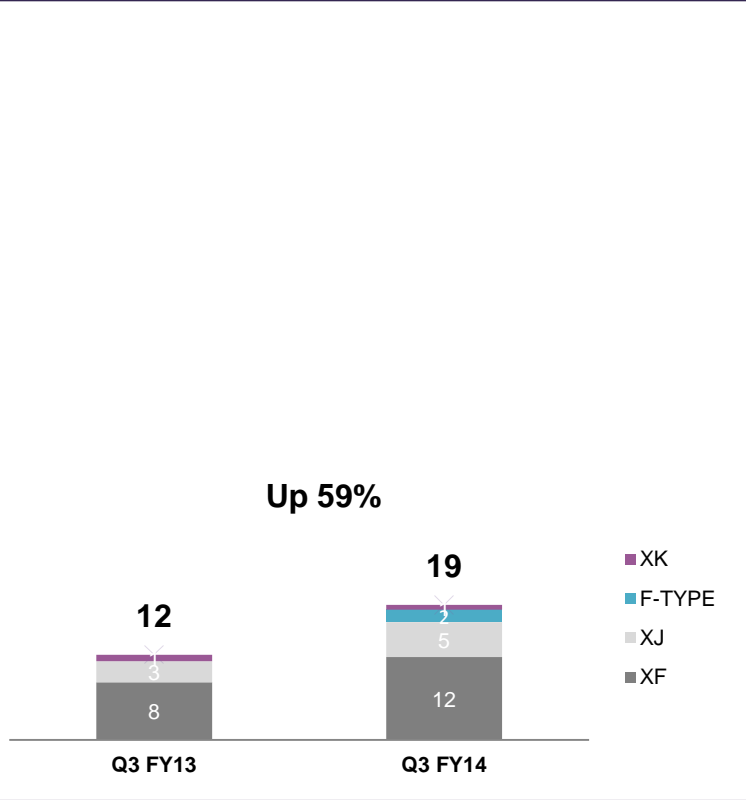
PBT of £842m, up £438m due to higher EBITDA, more favourable fx revaluation, partially offset by higher depreciation and amortisation as well as lower finance income

PAT of £619m reflects an effective tax rate of 26% , in line with Q3 FY13

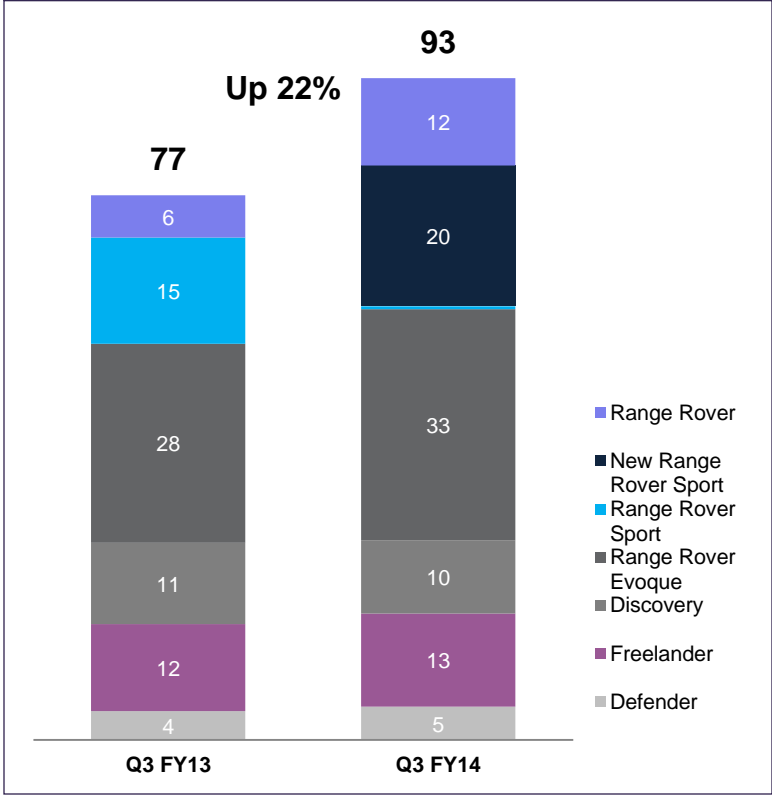
Quarterly retail volumes by carline



Jaguar – Q3 FY14 vs Q3 FY13



Land Rover – Q3 FY14 vs Q3 FY13

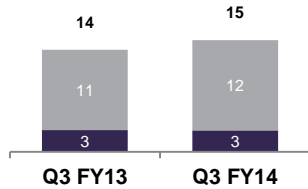


Quarterly retail volumes by geography



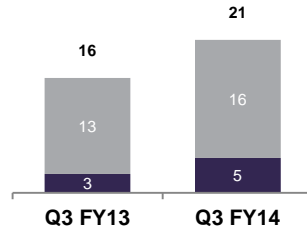
UK

Up 10%



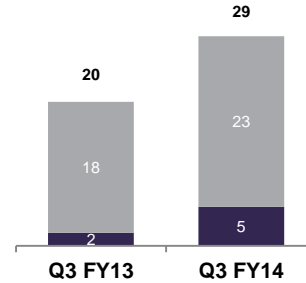
North America

Up 33%

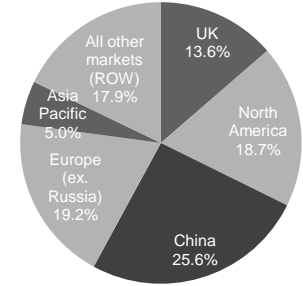


China

Up 46%



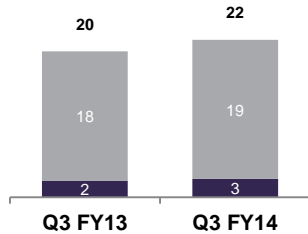
Q3 FY14



112,172 units

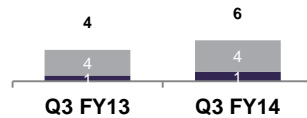
Europe

Up 8%



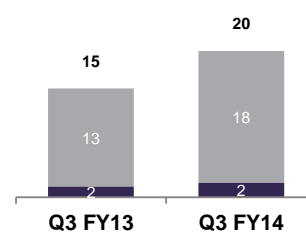
Asia Pacific

Up 30%

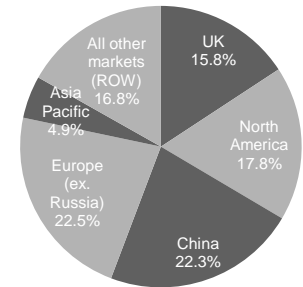


All other markets

Up 34%



Q3 FY13



88,658 units

Income statement



Consolidated income statement - IFRS

(£ millions, unless stated)	Quarter ended 31 December			9 months ended 31 December		
	2013	2012	Change	2013	2012	Change
Revenues	5,328	3,804	1,524	14,037	10,731	3,306
Material cost of sales	(3,296)	(2,409)	(887)	(8,613)	(6,834)	(1,779)
Employee costs	(440)	(353)	(87)	(1,191)	(968)	(223)
Other expenses	(908)	(738)	(170)	(2,552)	(2,045)	(507)
Product development costs capitalised	271	229	42	772	662	110
EBITDA	955	533	422	2,453	1,546	907
Depreciation and amortisation	(221)	(169)	(52)	(639)	(409)	(230)
Foreign exch. gain/(loss) (net) ⁽¹⁾	92	11	81	135	10	125
Net finance income / (expense) ⁽²⁾	16	29	(13)	(24)	20	(44)
Profit before tax	842	404	438	1,925	1,167	758
Income tax expense	(223)	(108)	(115)	(495)	(330)	(165)
Profit after tax	619	296	323	1,430	837	593

1. Includes mark to market of hedging instruments and revaluation of loans and other balance sheet items

2. Includes £(3)m start-up costs in China JV and £23m unrealised gain on bond call options for the quarter

Strong cash flow to support investment



Consolidated cash flow - IFRS

(£ millions, unless stated)	Quarter ended 31 December			9 months ended 31 December		
	2013	2012	Change	2013	2012	Change
Cash from operating activities	1,010	487	523	2,461	1,484	977
Working capital changes	(50)	(104)	54	(124)	66	(190)
Tax paid	(11)	(69)	58	(277)	(226)	(51)
Cash flow from operations	949	314	635	2,060	1,324	736
Investment in fixed and intangible assets	(733)	(496)	(237)	(1,836)	(1,317)	(519)
Other (including finance income)	18	51	(33)	99	83	16
Free cash flow (before financing)	234	(131)	365	323	90	233
Investment in financial deposits	(392)	75	(467)	(287)	(300)	13
Changes in debt	361	148	213	358	(85)	443
Dividend paid	-	-	-	(150)	(150)	-
Finance expenses and fees	(51)	(52)	1	(135)	(144)	9
Net change in cash & cash equivalents	152	40	112	109	(589)	698

Strong financing structure



Key financial indicators - IFRS

(£ millions, unless stated)	30 December 2013	30 December 2012	Change
Cash and cash equivalents	2,181	1,841	340
Financial deposits	1,062	300	762
Cash and financial deposits	3,243	2,141	1,102
Long term undrawn credit facilities	1,290	795	495
Other undrawn committed facilities	110	196	(86)
Total liquidity	4,643	3,132	1,511
Total equity	5,404	3,677	1,727
Total debt	(2,448)	(1,886)	(562)
Net cash	795	255	540
Total debt / annualised EBITDA	1.0 x	0.9 x	(0.1) x
Total debt/equity	0.5 x	0.5 x	0.1 x

Refinancing of long-term debt

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In December 2013, Jaguar Land Rover issued a new **\$700m bond at 4.125%** due in 2018

In January 2014, the company issued a new **£400m bond at 5.000%** due in 2022

Alongside the January bond issue, Jaguar Land Rover made a **tender offer for all** of the £500m 8.125% bonds due 2018 and all the \$410m 7.75% bonds due in 2018. The GBP tender offer has now closed with **£304m** of the bonds being tendered and the early tender date for the USD tender is 11 February, with the tender expiring on 26 February

Subject to market conditions, it is the intention of the company to **repay** the remainder of the tendered bonds on or before May 2014

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New products, new sites



- **Launched** new F-TYPE coupé, the most dynamically capable, performance-focused, production Jaguar ever



- Global debut for the long wheelbase Autobiography Black Range Rover at Los Angeles International auto show



- Agreement with state authorities to **open a new £240m manufacturing facility** (capacity of 24,000 vehicles) **in Rio de Janeiro, Brazil by 2016**



- Free cash flow after investment in the region of £2.75 bn has continued to be stronger than expected and is expected to be **positive** in FY14
- We plan to continue to increase capital investment to develop new products in new and existing segments, invest in new powertrains and technologies to meet customer and regulatory requirements and increase our manufacturing capacity
- In the near and medium term, we plan to continue to spend above our long term capital spending target of **10-12% of revenues** in order to realise the present opportunities we see for growth
- In FY15, we expect our capital spending could increase to in the region of **£3.5-3.7bn**
- We are targeting funding most of our capital spending out of **operating cash flow**, however given the expected capital spending, free cash flow could be negative in FY15
- Our **strong balance sheet and liquidity** as well as proven access to funding from capital markets and banks, would also support our investment plans as required



Very strong performance in the first 9 months

In the **2013/14 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**
 - successfully launching the new **F-TYPE coupe** and other new products
 - 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 £2.75bn in FY14
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Q & A





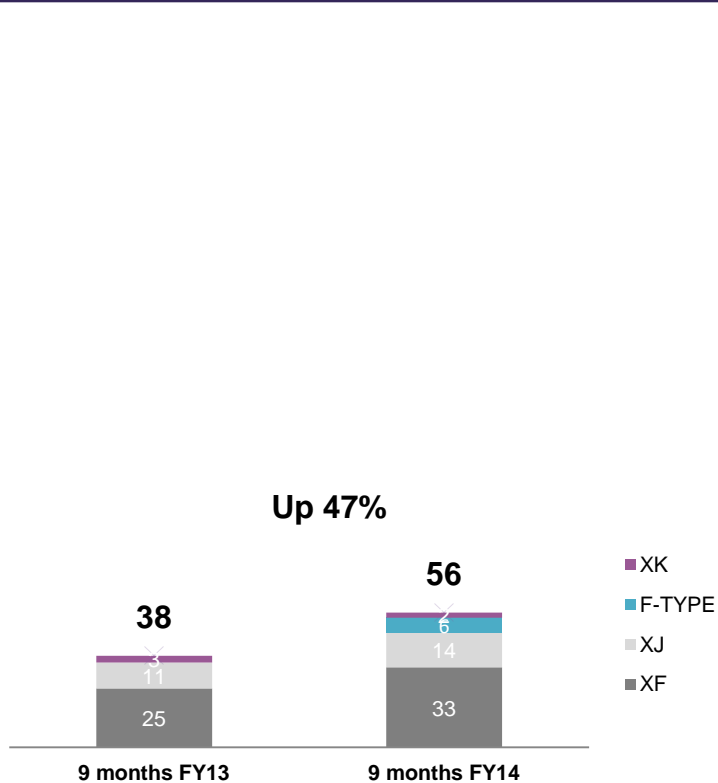
Additional slides



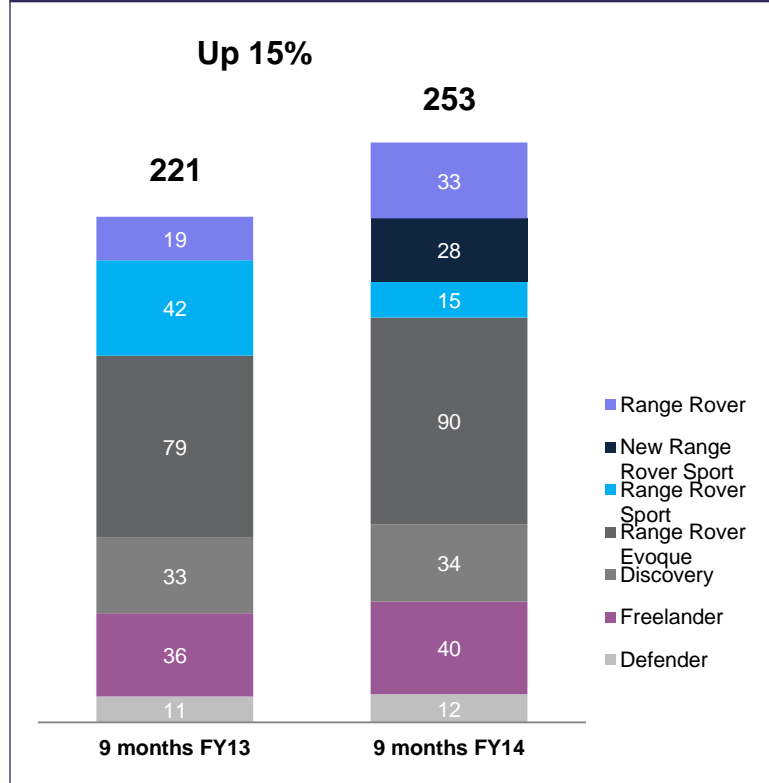
9 month retail volumes by carline



Jaguar – 9 months FY14 vs 9 months FY13



Land Rover – 9 months FY14 vs 9 months FY13

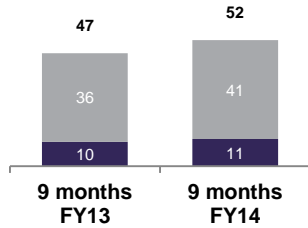


9 month retail volumes by geography



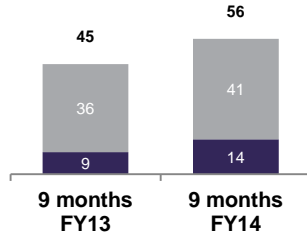
UK

Up 11%



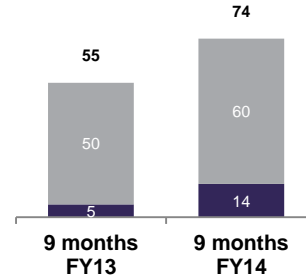
North America

Up 23%

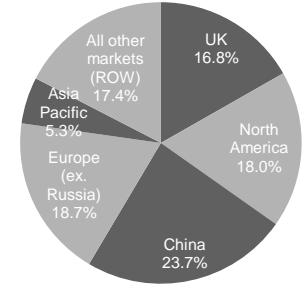


China

Up 33%



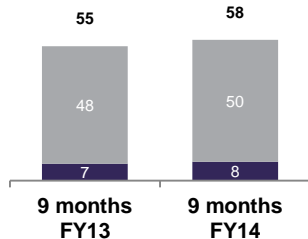
9 month FY14



309,535 units

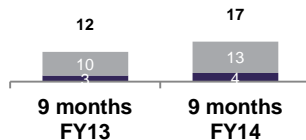
Europe

Up 5%



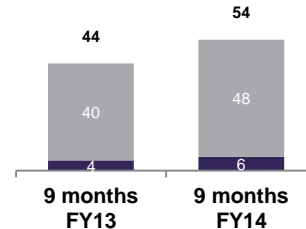
Asia Pacific

Up 34%

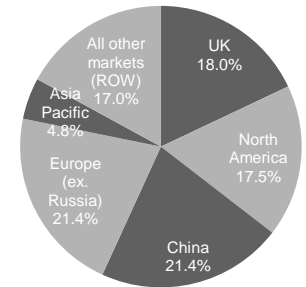


All other markets

Up 22%



9 month FY13

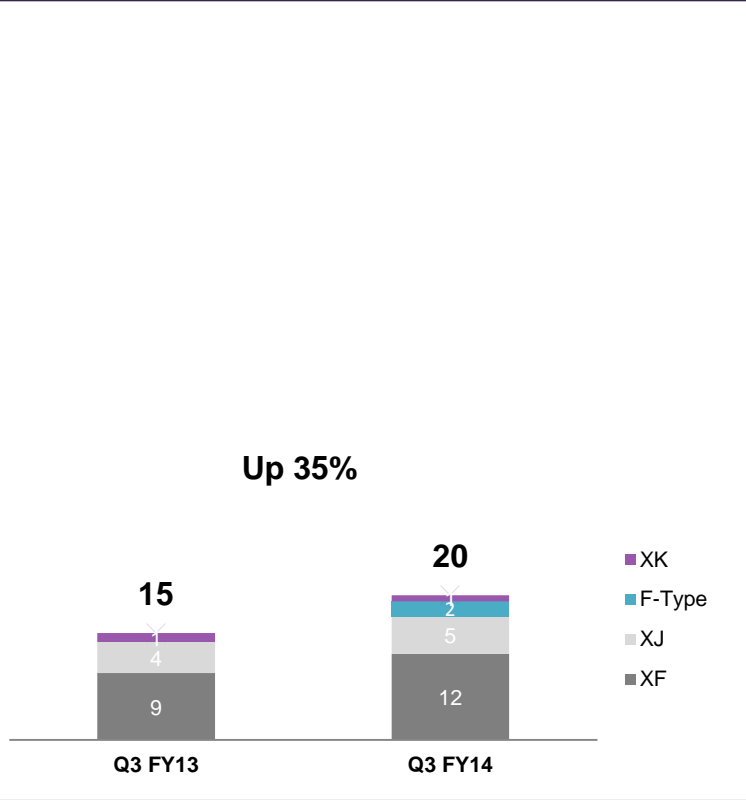


259,165 units

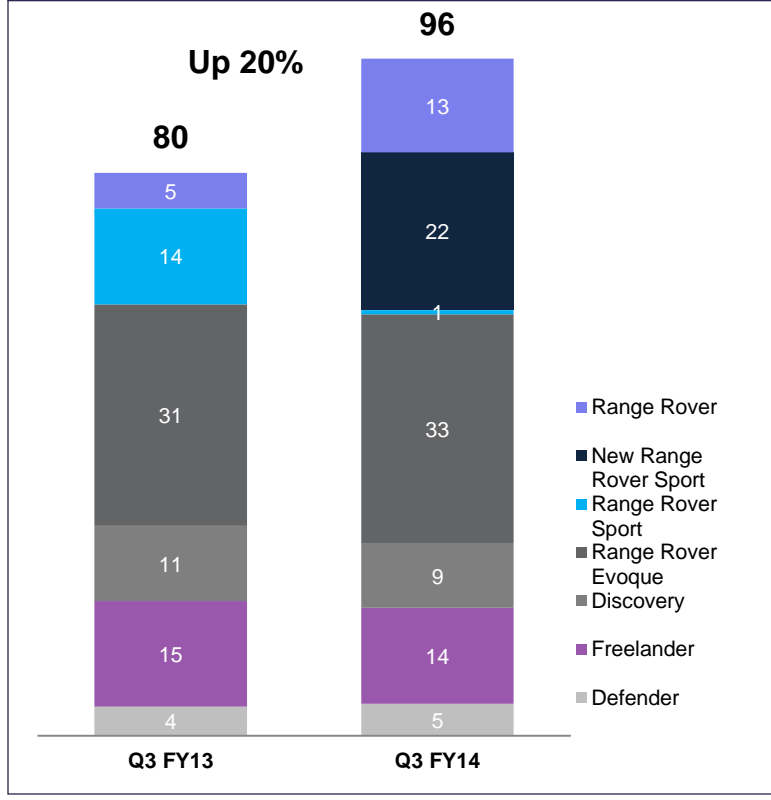
Quarterly wholesale volumes by carline



Jaguar – Q3 FY14 vs Q3 FY13



Land Rover – Q3 FY14 vs Q3 FY13

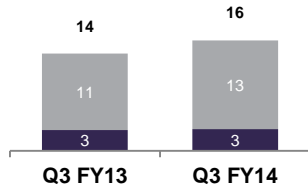


Quarterly wholesale volumes by geography



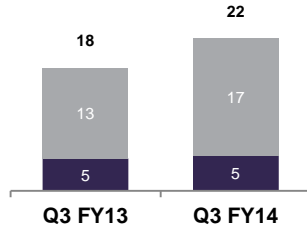
UK

Up 13%



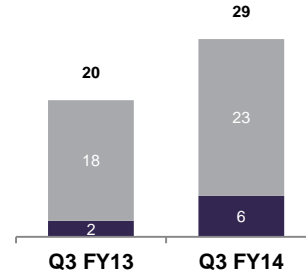
North America

Up 24%

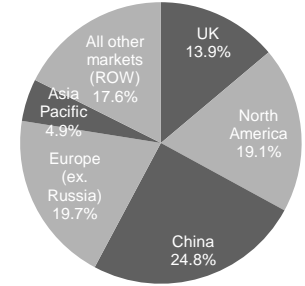


China

Up 45%



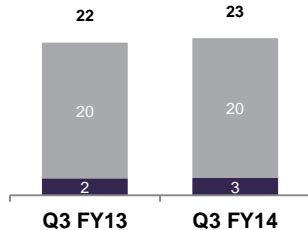
Q3 FY14



116,357 units

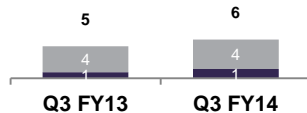
Europe

Up 3%



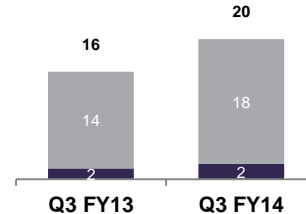
Asia Pacific

Up 22%

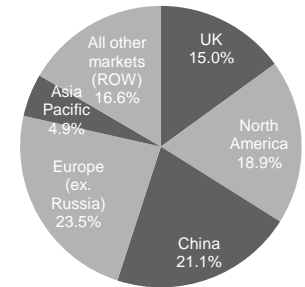


All other markets

Up 30%



Q3 FY13

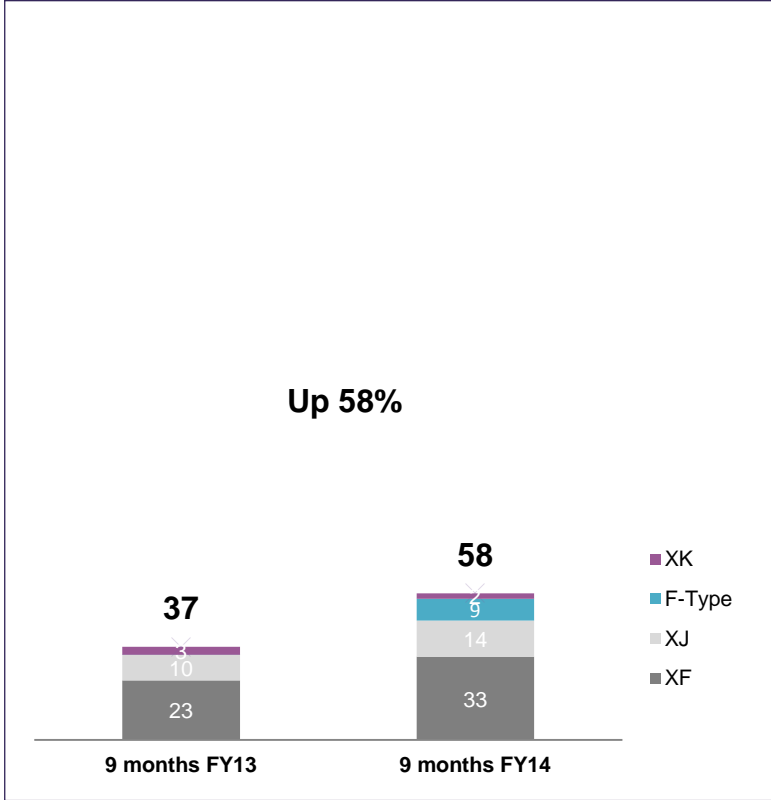


94,828 units

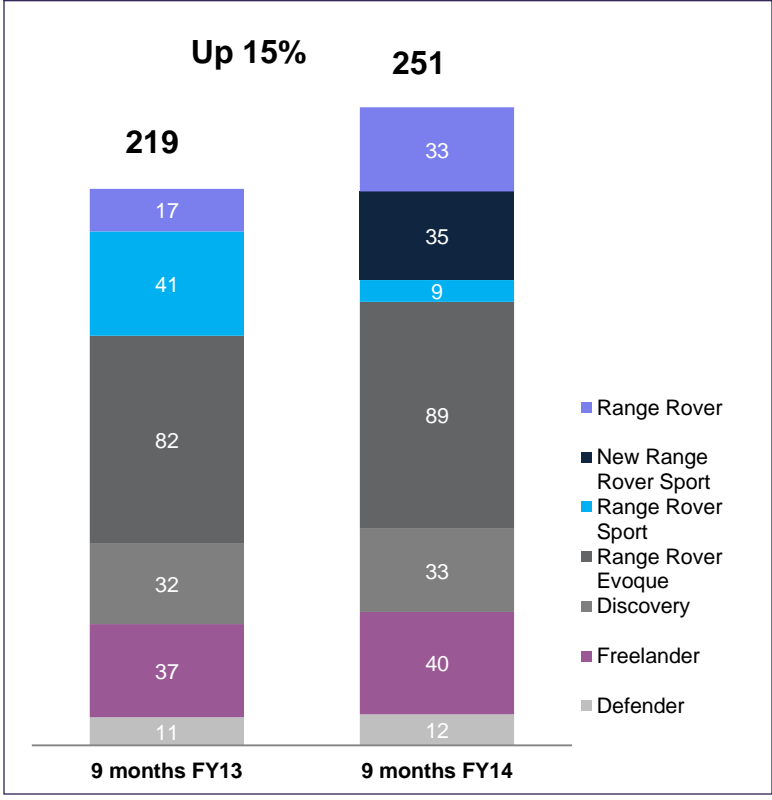
9 month wholesale volumes by carline



Jaguar – 9 months FY14 vs 9 months FY13



Land Rover – 9 months FY14 vs 9 months FY13

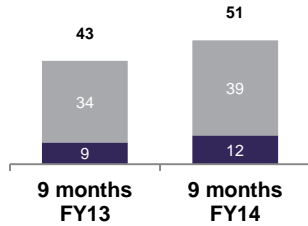


9 month wholesale volumes by geography



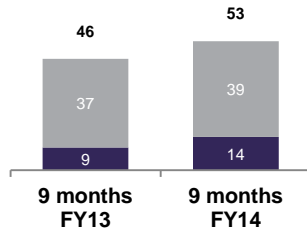
UK

Up 20%



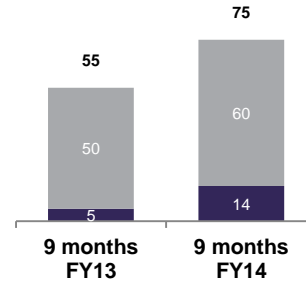
North America

Up 16%

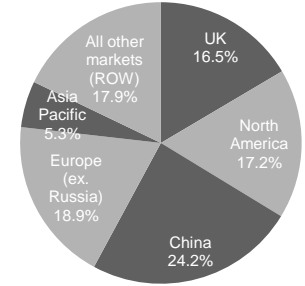


China

Up 36%



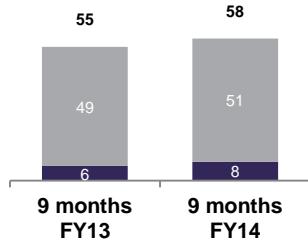
9 month FY14



308,908 units

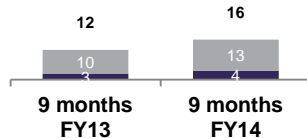
Europe

Up 6%



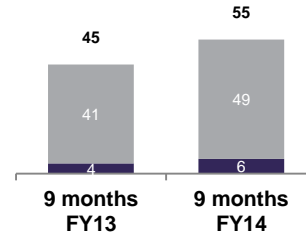
Asia Pacific

Up 33%

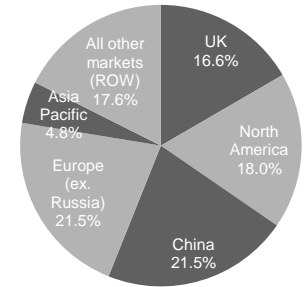


All other markets

Up 23%



9 month FY13



255,722 units

Product and other investment



Key financial indicators - IFRS

(£ millions, unless stated)	Quarter ended 31 December			9 months ended 31 December		
	2013	2012	Change	2013	2012	Change
R&D expense						
Capitalised	271	229	42	772	662	433
Expensed	55	46	9	167	144	98
Total R&D expense	326	275	51	939	806	531
Investment in tangible and other intangible assets	462	267	195	1,064	655	388
Total product and other investment	788	542	246	2,003	1,461	919