



# Jaguar Land Rover Results

for the period ended 30 Sept 2011



JAGUAR

14 November 2011



# Disclaimer



Statements in this presentation describing the objectives, projections, estimates and expectations of Jaguar Land Rover 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.

- Q2 FY12 represents the period from 1 July 2011 to 30 September 2011
  - Q2 FY11 represents the period from 1 July 2010 to 30 September 2010
  - H1 FY12 represents the period from 1 April 2011 to 30 September 2011
  - H1 FY11 represents the period from 1 April 2010 to 30 September 2010
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- Consolidated results of Jaguar Land Rover PLC and its subsidiaries contained in the presentation are under IFRS as approved in the EU

# Participants

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## Unni Menon

- Group Finance Director Jaguar Land Rover PLC

## Kenneth Gregor

- CFO Jaguar Land Rover

## Bennett Birgbauer

- Treasurer Jaguar Land Rover

## C. Ramakrishnan

- CFO Tata Motors

## Vijay Somaiya

- Head of Treasury & Investor Relations Tata Motors

# Agenda



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## Key topics

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# Financial performance



**Retail volumes 65,682 units**, up 9,262 units or 16%

**Wholesale volumes 68,000 units**, up 12,866 units or 23%

**EBITDA £420m**, compared to £361m

**Profit before tax £216m**, compared to £260m

Profit before tax includes **£94m unfavourable revaluation** of fx option and commodity hedges - excluding these items PBT would have been £310m

**Free cash flow (before financing) £119m**, compared to £229m reflecting higher capital spending offset partially by higher cash flow from operations

**Cash and money market investments £1.3bn** and **undrawn committed bank lines £236m**

<sup>1</sup> comparisons are with Q2 of FY11 under IFRS

# Key financial metrics



## Key metrics - IFRS

(£ millions, unless stated)	Quarter Ended 30 Sept			Half Year Ended 30 Sept		
	2011	2010	Change	2011	2010	Change
Retail volumes ('000 units)	66	56	16%	129	116	12%
Wholesale volumes ('000 units)	68	55	23%	130	114	14%
Revenues	2,915	2,232	683	5,618	4,485	1,133
<b>EBITDA</b>	<b>420</b>	<b>361</b>	<b>59</b>	<b>782</b>	<b>675</b>	<b>108</b>
EBITDA %	14.4%	16.2%	(1.8)ppt	13.9%	15.0%	(1.1)ppt
<b>Profit before tax</b>	<b>216</b>	<b>260</b>	<b>(44)</b>	<b>467</b>	<b>519</b>	<b>(52)</b>
<b>Free cash flow (1)</b>	<b>119</b>	<b>229</b>	<b>(109)</b>	<b>234</b>	<b>333</b>	<b>(99)</b>
<b>Cash</b>	<b>1,340</b>	<b>730</b>	<b>610</b>	<b>1,340</b>	<b>730</b>	<b>610</b>
<i>Memo :</i>						
<i>Fx option and commodity hedge reval. impact included in Profit before tax</i>	<i>(94)</i>	<i>-</i>	<i>(94)</i>	<i>(93)</i>	<i>-</i>	<i>(93)</i>

1 cash from operating activities after investing activities

# Significant improvement in underlying profitability versus prior year



**Wholesale volumes** up 12,866 units supported by launch of all-new Range Rover Evoque

Strong higher margin **product mix**, eg Range Rover, Range Rover Sport, Discovery and XJ

Continued **strong growth in China and developing markets**

Less favourable **foreign exchange transaction rates (avg. £/\$ rate 1.61 in Q2 FY12 vs 1.55 in Q2 FY11)** offset partially by matured hedge contracts

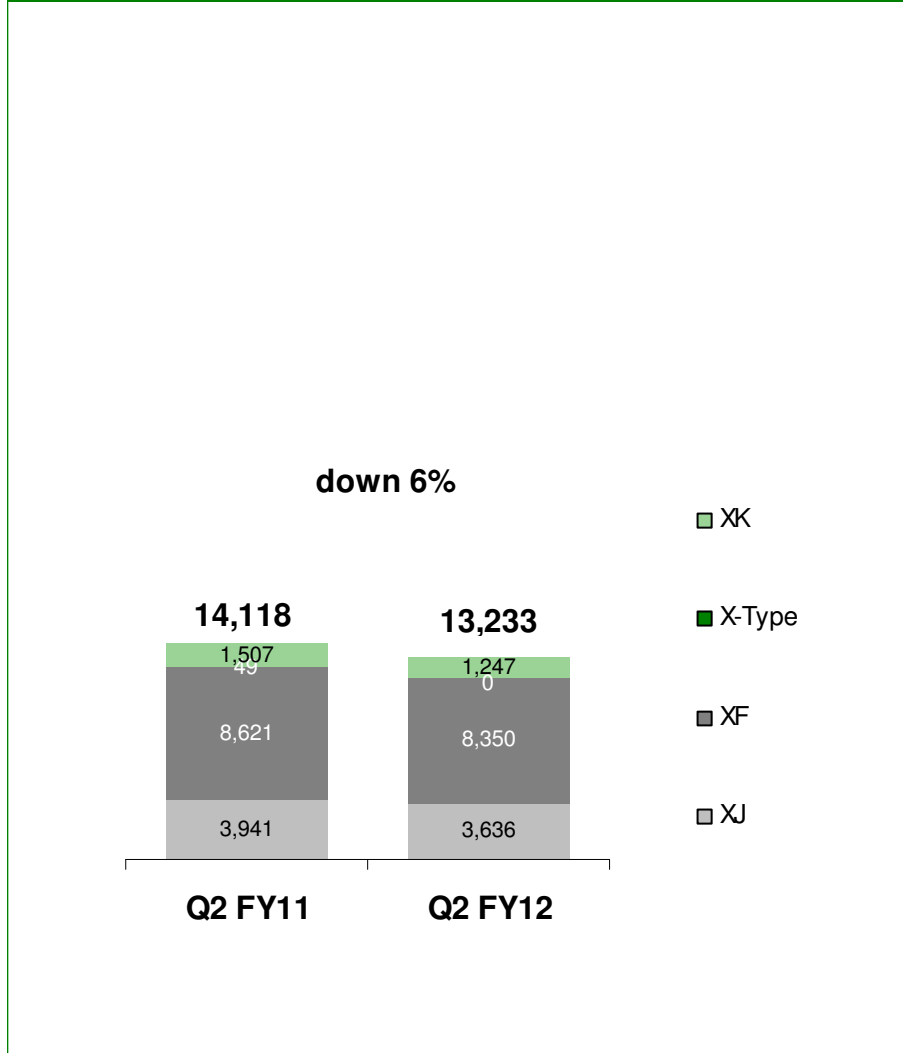
**Profit before tax** includes £94m unfavourable revaluation of fx option and commodity hedge contracts outstanding at end Q2 FY12

Accounting policy generally requires these contracts to be revalued through the income statement at each quarter end (30 Sept £/\$ rate 1.56). The unfavourable revaluation is largely a timing effect which would be expected to reverse and/or be more than offset by gains on the underlying exposure at maturity

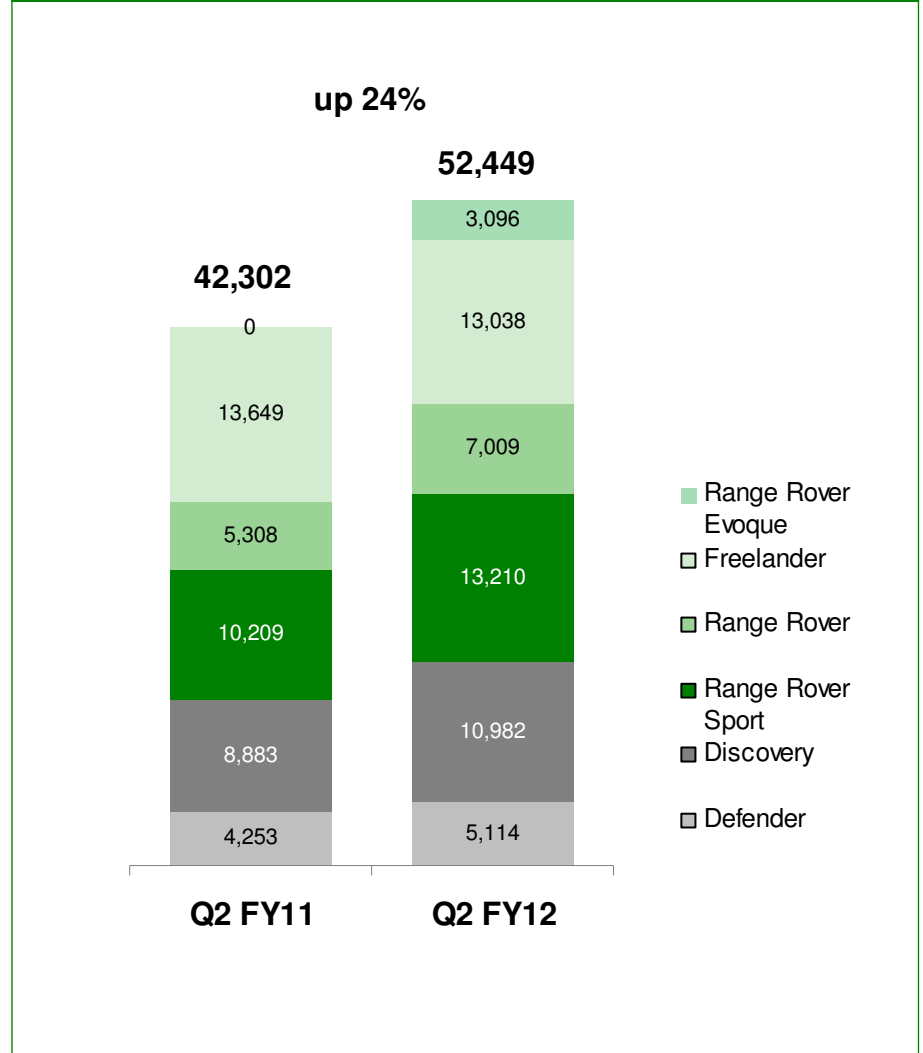
# Retail volumes by carline - quarter



## Jaguar – Q2 FY12 vs Q2 FY11



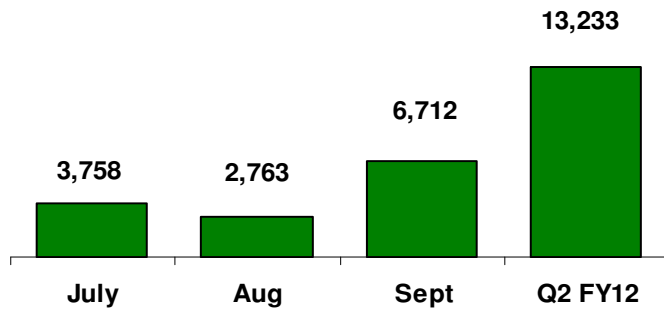
## Land Rover – Q2 FY12 vs Q2 FY11



# Retail volumes by brand – Q2 by month

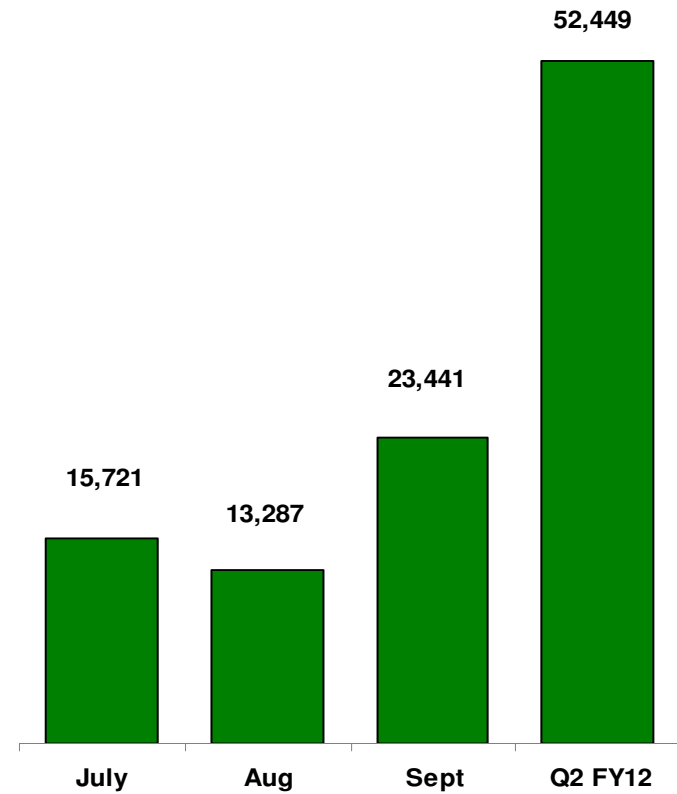


## Jaguar – Q2 FY12 vs Q2 FY11



Prior year	4,914	3,328	5,876	14,118
Change	(24)%	(17)%	14%	(6)%

## Land Rover – Q2 FY12 vs Q2 FY11

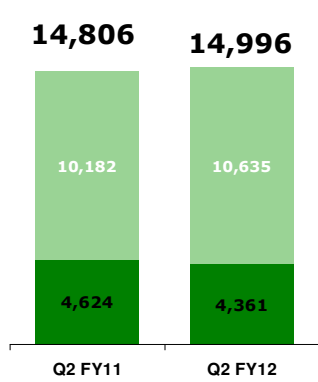


Prior year	13,421	10,774	18,107	42,302
Change	17%	23%	29%	24%

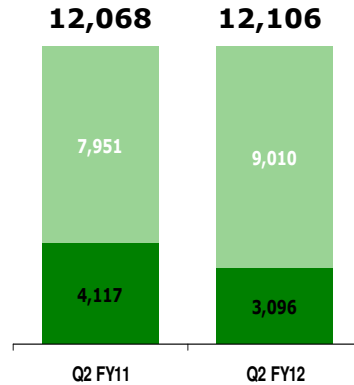
# Retail volumes by geography - quarter



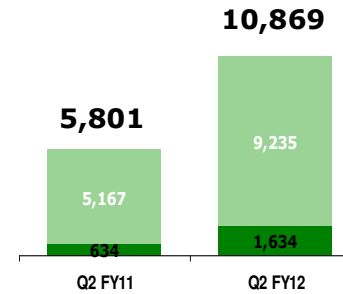
**UK**  
up 1%



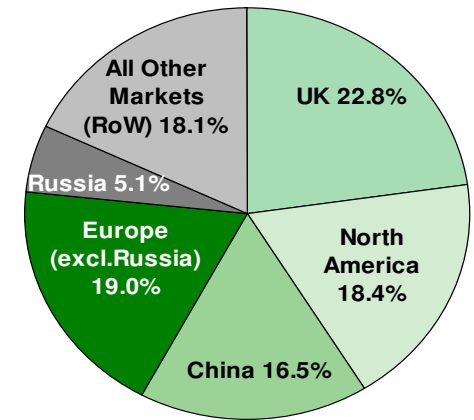
**North America**  
no change



**China**  
up 87%

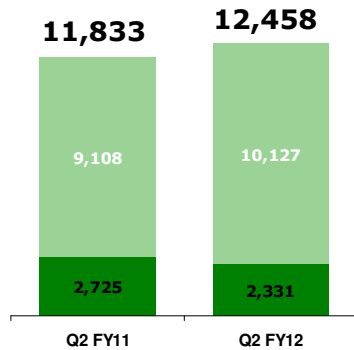


**Q2 FY12**

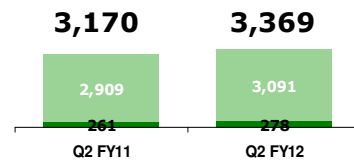


**Total: 65,682 units**

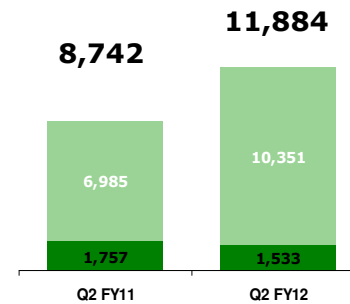
**Europe (excl Russia)**  
up 5%



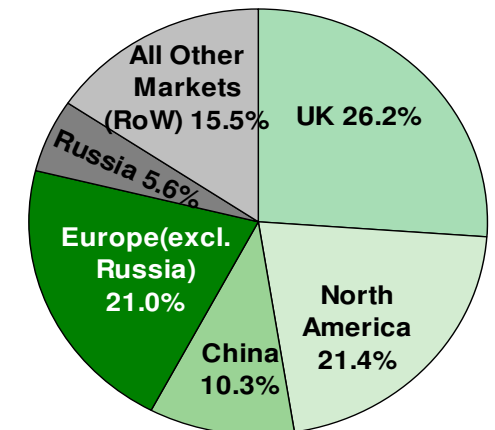
**Russia**  
up 6%



**All Other Markets (RoW)**  
up 36%



**Q2 FY11**



**Total: 56,420 units**

Land Rover Jaguar

# Income statement



## Consolidated income statement - IFRS

(£ millions, unless stated)	Quarter Ended 30 Sept			Half Year Ended 30 Sept		
	2011	2010	Change	2011	2010	Change
<b>Revenues</b>	<b>2,915</b>	<b>2,232</b>	<b>683</b>	<b>5,618</b>	<b>4,485</b>	<b>1,133</b>
Material cost of sales	(1,902)	(1,383)	(519)	(3,676)	(2,786)	(890)
Employee costs	(235)	(189)	(46)	(445)	(379)	(66)
Other expenses (net)	(548)	(421)	(127)	(1,081)	(889)	(192)
Product dev. costs capitalised	190	122	68	366	244	122
<b>EBITDA</b>	<b>420</b>	<b>361</b>	<b>59</b>	<b>782</b>	<b>675</b>	<b>107</b>
Depreciation and amortisation	(113)	(94)	(19)	(206)	(185)	(21)
Foreign exch. gain/(loss) (net)	(60)	(11)	(49)	(57)	32	(89)
Net finance expense	(31)	4	(35)	(52)	(3)	(49)
<b>Profit before tax</b>	<b>216</b>	<b>260</b>	<b>(44)</b>	<b>467</b>	<b>519</b>	<b>(52)</b>
Income tax expense	(44)	(21)	(23)	(75)	(35)	(40)
<b>Profit after tax</b>	<b>172</b>	<b>239</b>	<b>(67)</b>	<b>392</b>	<b>484</b>	<b>(91)</b>
<i>Memo:</i>						
<i>Fx option and commodity hedge reval. impact included in Profit before tax</i>	<i>(94)</i>	<i>-</i>	<i>(94)</i>	<i>(93)</i>	<i>-</i>	<i>(93)</i>

# Healthy cash generation



## Consolidated cash flow statement - IFRS

(£ millions, unless stated)	Quarter Ended 30 Sept			Half Year Ended 30 Sept		
	2011	2010	Change	2011	2010	Change
<b>Cash from operating activities</b>	<b>471</b>	<b>330</b>	<b>141</b>	<b>851</b>	<b>699</b>	<b>152</b>
WC changes & inc. tax paid	4	79	(75)	136	(7)	143
<b>Cash flow from operations</b>	<b>475</b>	<b>409</b>	<b>66</b>	<b>986</b>	<b>692</b>	<b>294</b>
Investment in tang. and intang. assets	(347)	(191)	(156)	(721)	(358)	(363)
Other (including finance income)	(9)	11	(20)	(32)	(1)	(31)
<b>Free cash flow (before financing)</b>	<b>119</b>	<b>229</b>	<b>(110)</b>	<b>234</b>	<b>333</b>	<b>(99)</b>
Changes in debt	(155)	(188)	33	124	(250)	374
Finance expenses and fees	(7)	(15)	8	(46)	(33)	(13)
<b>Net change in cash &amp; cash equiv.</b>	<b>(43)</b>	<b>26</b>	<b>(69)</b>	<b>312</b>	<b>50</b>	<b>262</b>
Cash & cash equiv. - beg. of period	1,383	704	679	1,028	680	348
<b>Cash &amp; cash equiv. - end of period</b>	<b>1,340</b>	<b>730</b>	<b>610</b>	<b>1,340</b>	<b>730</b>	<b>610</b>

# Sound financial health



## Key financial indicators - IFRS

(£ millions, unless stated)	30 Sept 2011	30 June 2011	Change
Cash	1,340	1,383	(43)
Undrawn committed lines <sup>1</sup>	236	265	(29)
Undrawn uncommitted lines	468	464	4
<b>Total liquidity</b>	<b>2,044</b>	<b>2,112</b>	<b>(68)</b>
Total equity	1,749	1,678	71
Net debt (excl. finance leases)	202	295	(93)
Net debt / equity	11.5%	17.6%	(6.1)ppt

<sup>1</sup> includes £50m for a facility maturing in December 2011, expected to be renewed for another year

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# Launching exciting new products

## Frankfurt Motor Show entrants



### C-X16



*"Great Jaguars have always been beautiful, innovative and have looked firmly to the future. The finished C-X16 concept has the potential to do these things while retaining the ability to surprise, to excite and to invigorate."*

**– Ian Callum, Director of Design, Jaguar Cars**

### DC100



*"Replacing the iconic Defender is one of the biggest challenges in the automotive design world; it is a car that inspires people worldwide. This isn't a production-ready concept but the beginning of a four-year journey to design a relevant Defender for the 21st century."*

**– Gerry McGovern, Director of Design, Land Rover**

# Other developments



All-new Range Rover Evoque launched from September onwards. Media response has been overwhelmingly positive and the car continues to attract new customers to the brand

Announcement of a £355m investment in a new, state-of-the-art advanced facility at Wolverhampton, UK to manufacture all-new, advanced technology, low emissions engines

Record intake of 336 graduate recruits started work at JLR in September 2011

JLR honoured with gold rating in the Corporate Responsibility Index 2011

JLR received Big Tick Award for its Environmental Innovation Programme

# Summary



## Strong underlying financial performance in Q2 FY12

Going forward in **FY12 focus** is on:

- continuing the market roll out of the all-new Range Rover Evoque
- building on momentum of XF 12 MY and 2.2l diesel launch
- launching other refreshed Jaguar and Land Rover products
- continuing to monitor economic and sales trends closely to balance sales and production
- continuing with planned investments in future new products and technologies to enable profitable growth and meet customer and regulatory CO<sub>2</sub> requirements

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# Q&A





## Additional Slides



# Strong balance sheet



## Consolidated balance sheet - IFRS

(£ millions, unless stated)	30 Sept 2011	31 March 2011	Change
<b>Cash &amp; cash equivalents</b>	<b>1,340</b>	<b>1,028</b>	<b>312</b>
Other assets	6,624	5,648	976
<b>Total assets</b>	<b>7,964</b>	<b>6,676</b>	<b>1,288</b>
<b>Total debt (excl. finance leases)</b>	<b>1,542</b>	<b>1,382</b>	<b>160</b>
Other liabilities	4,673	3,819	854
Total liabilities	6,215	5,201	1,014
<b>Total equity</b>	<b>1,749</b>	<b>1,475</b>	<b>274</b>
Total liabilities and equity	7,964	6,676	1,288

# Income statement fx line detail



## Foreign exchange

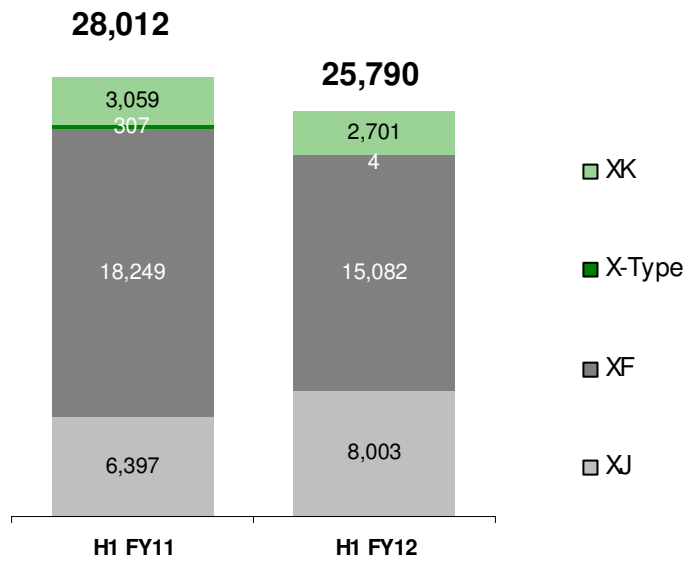
(£ millions, unless stated)	Quarter Ended 30 Sept			Half Year Ended 30 Sept		
	2011	2010	Change	2011	2010	Change
Mark-to-mkt on Fx options	(82)	2	(84)	(81)	2	(83)
Fx hedges maturing	10	-	10	32	-	32
Forex gain / (loss) on for. curr. borrowings	(16)	9	(25)	(28)	9	(36)
Revaln of other operating assets/liabilities	19	(19)	38	6	16	(11)
Other	9	(3)	12	15	5	10
<b>Total gain / (loss)</b>	<b>(60)</b>	<b>(11)</b>	<b>(48)</b>	<b>(56)</b>	<b>32</b>	<b>(88)</b>
<i>Memo:</i>						
<i>Mark-to-mkt on commodity contracts</i>	<i>(12)</i>	<i>-</i>	<i>(12)</i>	<i>(12)</i>	<i>-</i>	<i>(12)</i>

# Retail volumes by carline – half year



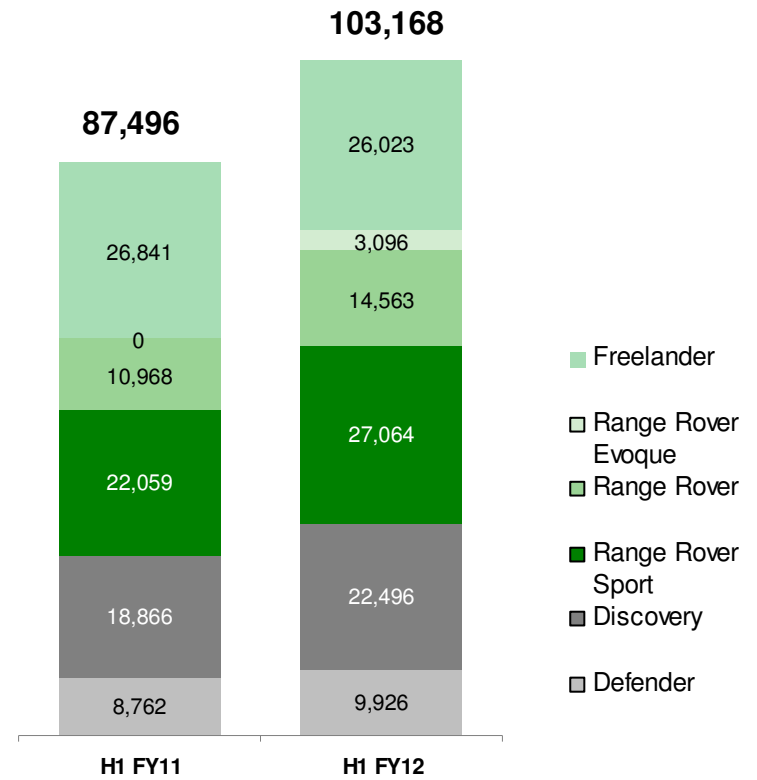
## Jaguar – H1 FY12 vs H1 FY11

down 8%



## Land Rover – H1 FY12 vs H1 FY11

up 18%

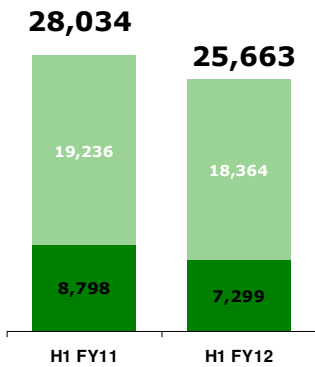


# Retail volumes by geography – half year



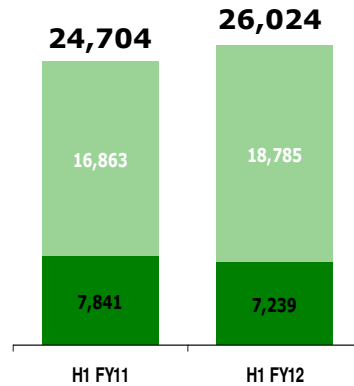
## UK

down 8%



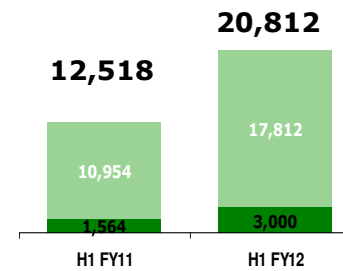
## North America

up 5%

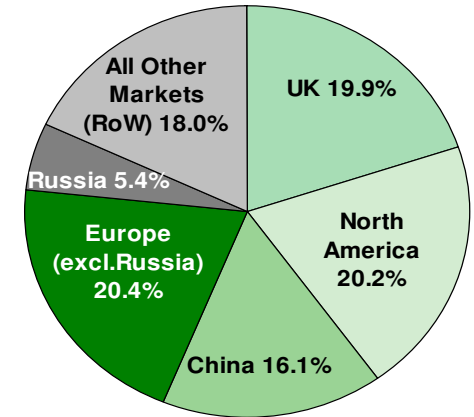


## China

up 66%



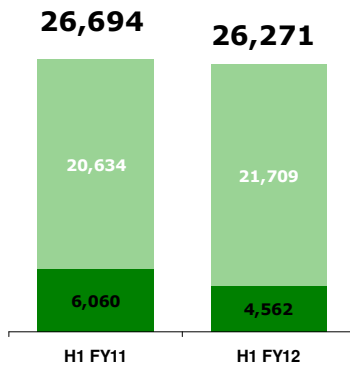
## H1 FY12



Total: 128,958 units

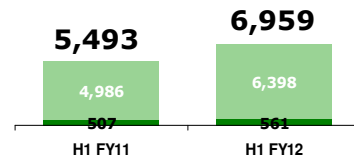
## Europe (excl Russia)

down 2%



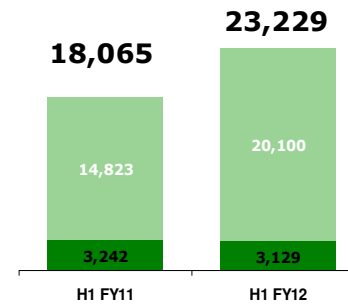
## Russia

up 27%

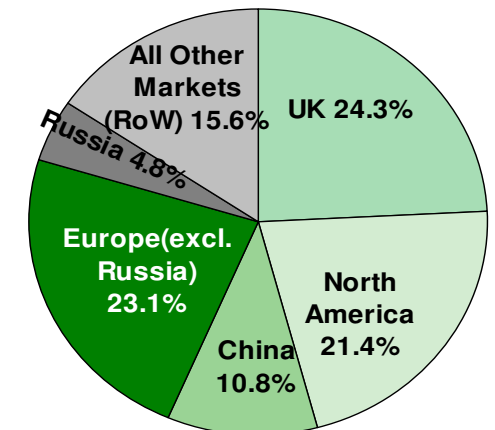


## All Other Markets (RoW)

up 29%



## H1 FY11



Total: 115,508 units

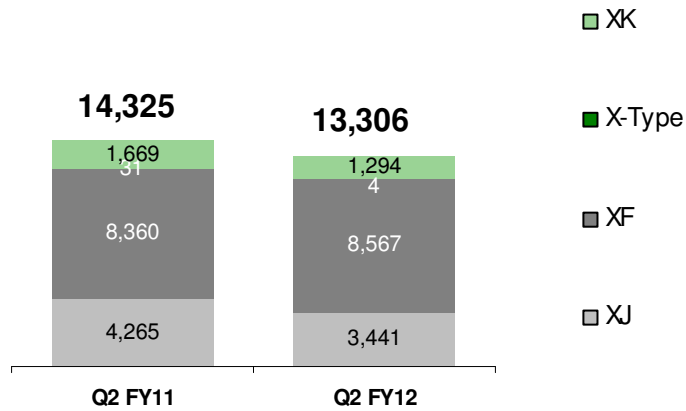
Land Rover Jaguar

# Wholesale volumes by carline - quarter



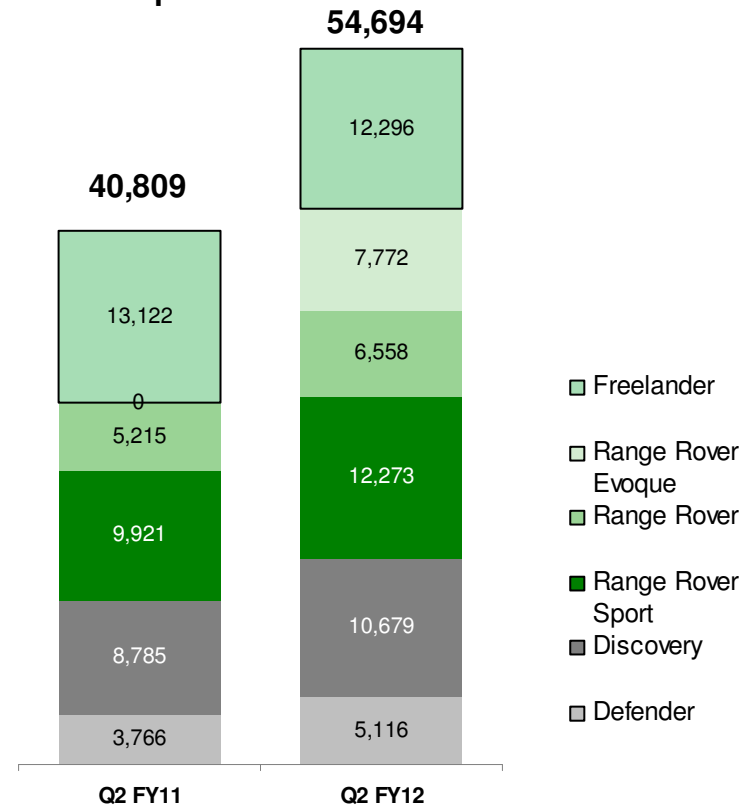
## Jaguar – Q2 FY12 vs Q2 FY11

down 7%



## Land Rover – Q2 FY12 vs Q2 FY11

up 34%

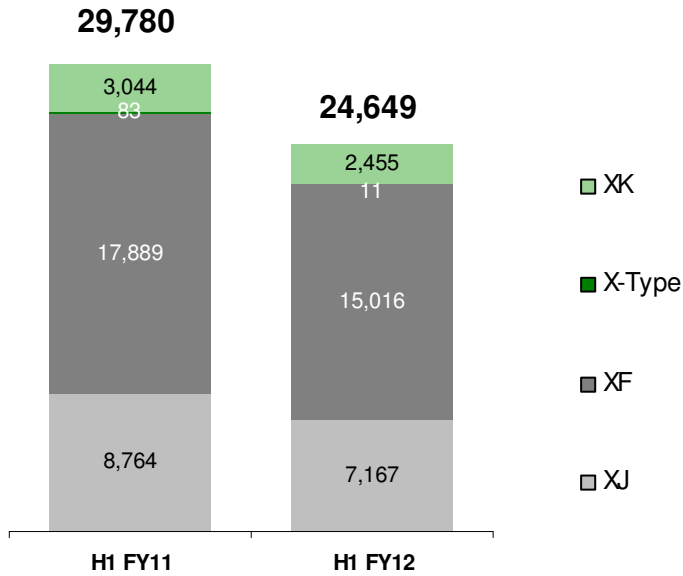


# Wholesale volumes by carline – half year



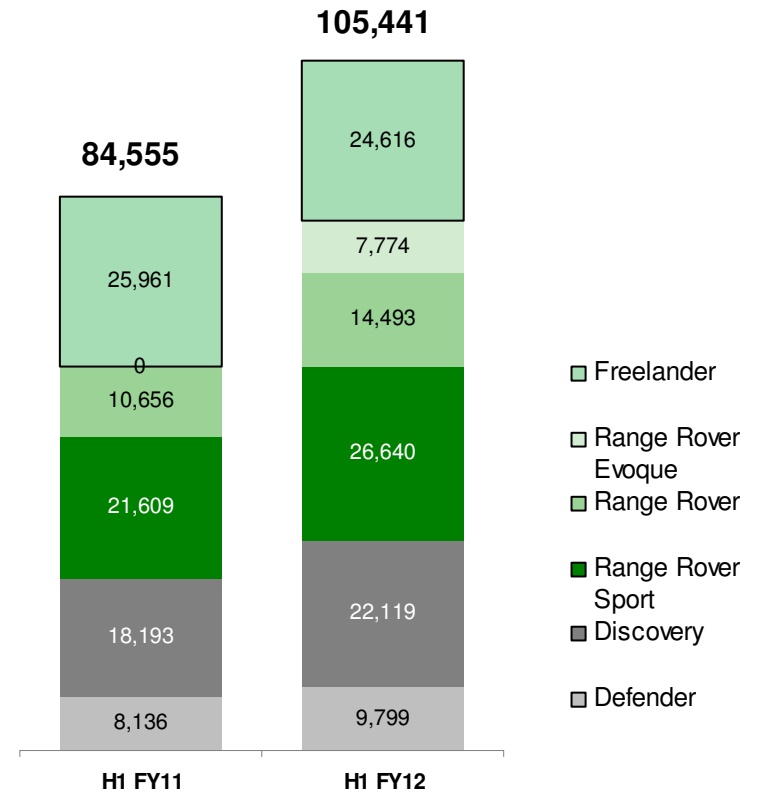
## Jaguar – H1 FY12 vs H1 FY11

down 17%



## Land Rover – H1 FY12 vs H1 FY11

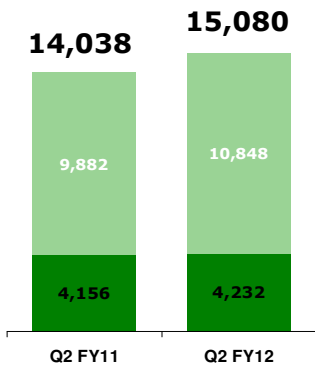
up 25%



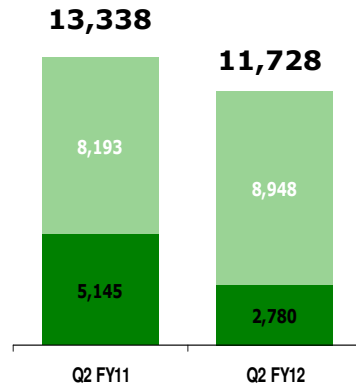
# Wholesales volumes by geography - quarter



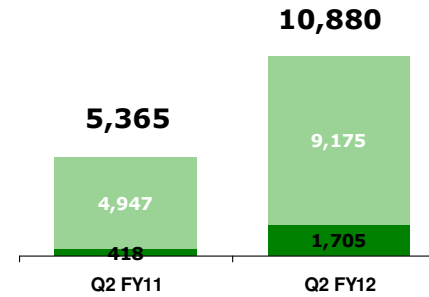
**UK**  
up 7%



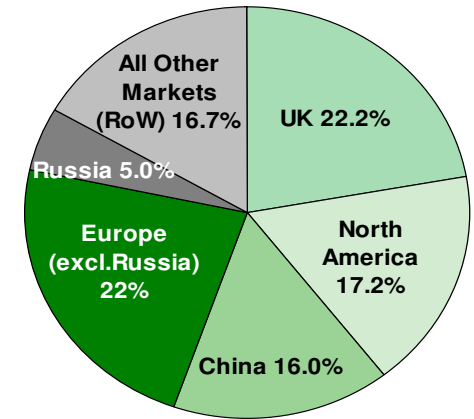
**North America**  
down 12%



**China**  
up 103%

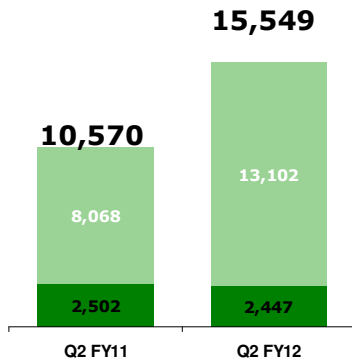


**Q2 FY12**

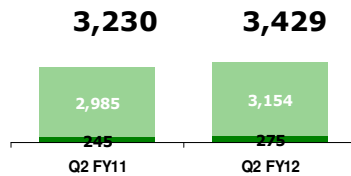


**Total: 68,000 units**

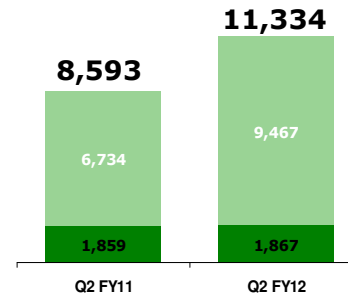
**Europe (excl Russia)**  
up 47%



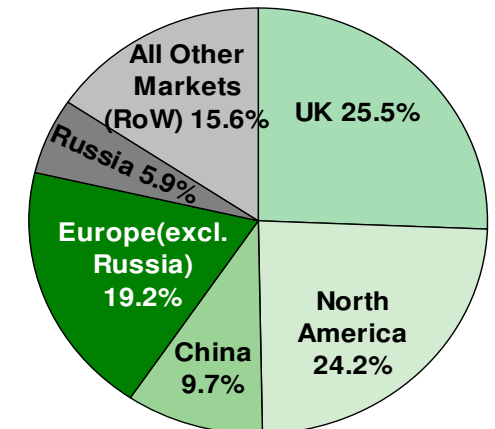
**Russia**  
up 6%



**All Other Markets (RoW)**  
up 32%



**Q2 FY11**



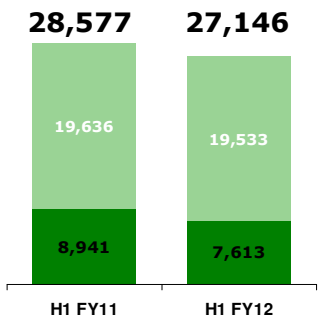
**Total: 55,134 units**

Land Rover Jaguar

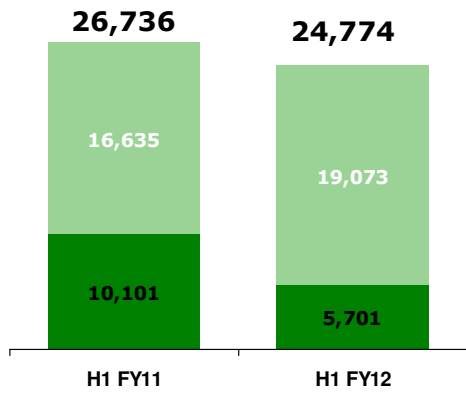
# Wholesale volumes by geography – half year



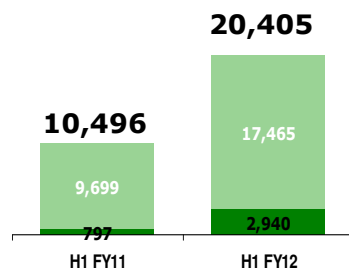
**UK**  
down 5%



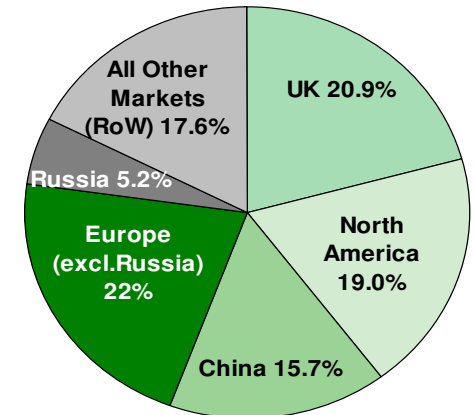
**North America**  
down 7%



**China**  
up 94%

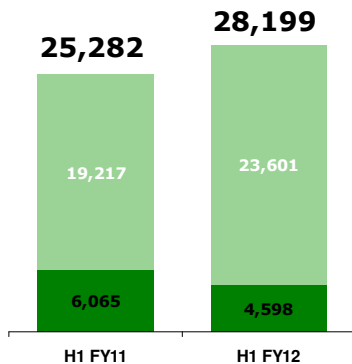


**H1 FY12**

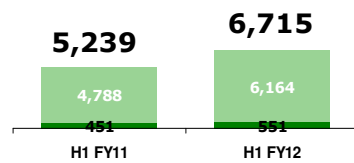


**Total: 130,090 units**

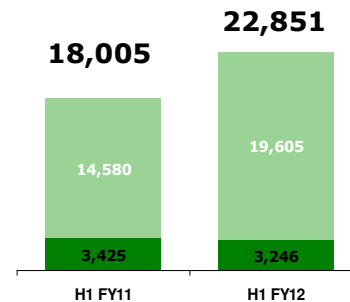
**Europe (excl Russia)**  
up 12%



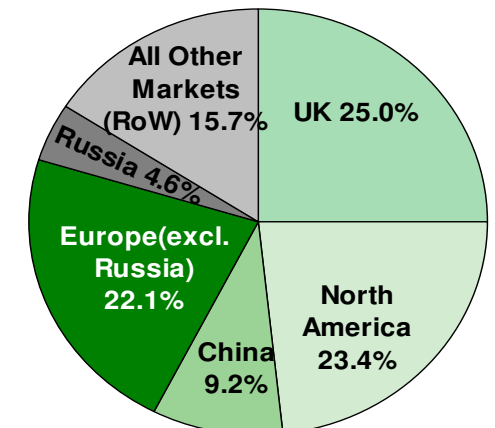
**Russia**  
up 28%



**All Other Markets (RoW)**  
up 27%



**H1 FY11**



**Total: 114,335 units**

Land Rover Jaguar

# Product and other investment



## Details- IFRS

(£ millions, unless stated)	Quarter Ended 30 Sept			Half Year Ended 30 Sept		
	2011	2010	Change	2011	2010	Change
R&D expense						
Capitalised	190	122	68	366	244	122
Expensed	34	22	12	60	33	27
<b>Total R&amp;D expense</b>	<b>224</b>	<b>144</b>	<b>80</b>	<b>427</b>	<b>278</b>	<b>149</b>
Investment in tangible and other intangible assets	157	69	88	354	113	241
<b>Total product and other investment</b>	<b>381</b>	<b>213</b>	<b>168</b>	<b>781</b>	<b>391</b>	<b>390</b>