JAGUAR LAND ROVER INVESTOR DAY
22 JUNE 2018
Continuing the investor communication

Corporate strategy – Product plans and ACES

Brands, marketing and sales

Coffee break

Engineering Strategy

Purchasing

Manufacturing

Financial Strategy

Transformation and Vision

Tata perspective on Jaguar Land Rover

Q&A

Ride and drive

P.B. Balaji
CFO Tata Motors Group

Hanno Kirner
Executive Director, Corporate and Strategy

Felix Brautigam
Chief Commercial Officer

Nick Rogers
Executive Director, Product Engineering

Ian Harnett
Executive Director, HR and Global Purchasing

Grant McPherson
Executive Director, Manufacturing

Ken Gregor
CFO, Jaguar Land Rover

Prof. Dr. Ralf Speth
CEO, Jaguar Land Rover

N. Chandrasekaran
Chairman, Tata Sons and Tata Group
CONTINUING THE INVESTOR COMMUNICATION

P.B. BALAJI
CFO, TATA MOTORS GROUP
Snapshot of Tata Motors Group

- **Market Capitalization**: $15B
- **Revenue**: $45B
- **Underlying EBIT**: $2B
- **Underlying EBITDA**: $5B
- **Employees**: 80K
- **Volumes**: 1.2M
6 cylinders in the Tata Motors engine
**FY’18 revenue up 6%, PBT £1.5b**

Favourable volume, costs and FX offset by higher D&A

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>PBT</th>
<th>Margins*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Full Year</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY17</td>
<td>24,339</td>
<td>1,610</td>
<td>EBITDA 12.1%</td>
</tr>
<tr>
<td>FY18</td>
<td>25,786</td>
<td>1,536</td>
<td>EBITDA 10.8%</td>
</tr>
<tr>
<td><strong>Q4</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4 FY17</td>
<td>7,268</td>
<td>676</td>
<td>EBITDA 14.4%</td>
</tr>
<tr>
<td>Q4 FY18</td>
<td>7,555</td>
<td>364</td>
<td>EBITDA 12.2%</td>
</tr>
</tbody>
</table>

- Wholesales up 3.4k led by Velar and new Discovery
- Reported EBIT at 5.5% - Primarily impact of higher D&A. EBIT excluding £97m one-off Q4 engineering charges 6.7%
- PBT impacted by higher D&A and one-off engineering charges (“Fit for future”)

- Wholesales up 10.6k
- Reported EBIT (excl. Q1 exceptional pension credit) at 3.8% - Primarily impact of higher D&A, incentives, fixed marketing costs. EBIT excluding one-off Q4 engineering charges 4.2%
- Reported PBT includes £436m exceptional pension credit in Q1 FY18

* FY17 margins restated to exclude gains on certain FX derivatives

IFRS, £m
We aim to “Win Distinctively” by leveraging our uniqueness

- Two of the most-loved, well differentiated premium brands
- Good balance of scale and agility
- World-class engineering, innovation and design pedigree
- Passionate and cutting edge talent
- Supportive and empowering ownership
Business model fine-tuned to address our challenges

- The challenges we face
- Fine-tuning the business model
- Plans to step up growths
- Plans to improve profitability & cash
- Implications on our financials
The Challenges Ahead

Embracing These Challenges

- Our Strategy
- Our Product Portfolio
- Our approach to the ACES
We are driving for sustainable, profitable growth despite significant headwinds experienced in FY18

**Highlights**

- Successfully launched new Range Rover Velar, Jaguar E-PACE and 18MY Range Rover and Range Rover Sport with our first PHEVs, as well as the Jaguar I-PACE or first BEV
- Retail volumes grew 1.7% and revenue grew 6%
- New Slovakia plant on track for start of production end 2018
- Waymo partnership announced to boost I-PACE sales and autonomous driving strategy

**Challenges**

- Sales and revenue did not grow as much as we planned with diesel uncertainty impacting the UK and European markets, exacerbated in the UK by Brexit and cyclical weakness
- Continuing high incentives in the US and other markets
- Margins and profitability were well below our internal targets and as a result cashflow was negative after investment spending
Our challenges

• Restoring stronger sales growth
• Improving margins and profitability and managing investment spending to return to positive cashflow
• Responding to the ACES transformation and the changes in the regulatory environment
• Potential unfavourable Brexit outcome or US tariffs

Our response

• Exciting new products -- 4 new nameplates from FY18 to FY23, including the stunning I-PACE with the all new Defender in development
• More realistic planning volumes – recognizing present market realities
• Being a leader in electrification and other technologies
• Drive cost efficiency and operating leverage across the business
• Tough but prudent choices made on investment plans to meet affordability criteria whilst remaining at the forefront of technologies
A  The Challenges Ahead

B  Embracing These Challenges

- Our Strategy
- Our Product Portfolio
- Our approach to the ACES
Our Blueprint for Lasting Success is the guide by which we set out our strategy.
Our strategy is focussed around offering customers experiences they love for life

Customer First principles

Products customers love

Leading customer relationship management

Developing dealer network - ARCH

Services customers need and want
A The Challenges Ahead

B Embracing These Challenges

- Our Strategy
- Our Product Portfolio
- Our approach to the ACES technologies
Jaguar has started the migration to being a leader in electrification and the introduction of the recent PACE range has been a success.
Land Rover has a strong line up of SUVs ranging from the capable to the luxury, and Defender will join the family again soon.

<table>
<thead>
<tr>
<th>RANGE ROVER</th>
<th>DISCOVERY</th>
<th>DEFENDER</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Range Rover</td>
<td>Discovery</td>
<td>Currently under development</td>
</tr>
<tr>
<td>RR Sport</td>
<td>Discovery Sport</td>
<td></td>
</tr>
<tr>
<td>Velar</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Evoque</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
In addition, we have a world class line up of special vehicles created in Special Vehicle Operations – a £1bn business in its own right and growing.
We will continue our growth journey by adding new nameplates and expanding our powertrain offering.
A The Challenges Ahead

B Embracing These Challenges

- Our Strategy
- Our Product Portfolio
- Our approach to the ACES
We know that the ACES are shaping the future of the automotive industry and we must embrace them.
Automated technologies exist in our cars today; however, for the industry to progress further into Level 4 and 5 technologies, we will need the support of legislative bodies.

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
<th>System</th>
<th>Driver Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Assisted Driving</td>
<td>delivers longitudinal or lateral support – driver permanently in control</td>
<td>becoming a passenger</td>
</tr>
<tr>
<td>2</td>
<td>Partial Automation</td>
<td>delivers longitudinal and lateral support – driver permanently in control</td>
<td>will need to respond to request to intervene when required</td>
</tr>
<tr>
<td>3</td>
<td>Increased Automation</td>
<td>performs all aspects of driving – driver will need to respond to request to intervene</td>
<td>will not be required to intervene</td>
</tr>
<tr>
<td>4</td>
<td>High Automation</td>
<td>performs all aspects of driving in a defined use case – driver will not be required to intervene</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Autonomous</td>
<td>Complete auto driving enabled - driver becomes a passenger</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Adaptive Cruise Control</th>
<th>Traffic Jam Assist</th>
<th>Traffic Jam Pilot</th>
<th>Highway Chauffeur</th>
<th>Self Driving Car</th>
</tr>
</thead>
<tbody>
<tr>
<td>Driver</td>
<td>Increasing degrees of automation</td>
<td></td>
<td></td>
<td>Vehicle</td>
</tr>
</tbody>
</table>
We have Level 1 features available on our products, with the first Level 2 features launching with the I-Pace.

**ADAS Level 1**
Currently in production
- Automated Cruise Control
- Blind Spot Monitoring
- Lane Keeping Warnings
- Traffic Sign Recognition
- AEB (automatic emergency braking)
- Parking Assistance

**ADAS Level 2**
Jaguar I Pace 2018
- Features include:
  - Traffic Jam Assist
  - Integrated Cruise Assist
  - Cyclist AEB

**ADAS Level 3**
- Features include:
  - Predictive Speed Optimisation
  - Junction AEB
  - Remote Control Drive
  - Remote Control Parking
  - Etc.

**ADAS Level 4**
- Level 4 Highway Driving
- Level 4 Parking Assistance
- Level 4 Urban Driving
We’re developing these features through both internal development and external partnerships.

UK Autodrive: A government backed competition to support the introduction of self-driving vehicles in the UK.

Partnership with Waymo to deliver up to 20,000 self-driving I-Paces.

$1m investment in a self-driving taxi company operating in Florida.
We have already begun the journey to a connected car, and are enhancing our suite of features for customers.

**In-vehicle connectivity**
- Maximise use of existing devices when in the vehicle and access information
- ‘Touch’ Infotainment
  - Multimedia and navigation system
- Wi-Fi Hotspot
  - Connects up to 8 devices
- Smartphone pack
  - Enables use of third party apps

**Off-board connectivity**
- View status information and give instructions to and from vehicle
- Remote smartphone app
  - Interact with vehicle remotely
- SOS Emergency Call
- Stolen Vehicle Tracker
- Roadside Assistance
  - Direct contact to provider

**Future connectivity**
- Next generation in vehicle infotainment system
  - Always on
  - Always connected
  - Always listening
  - Always up to date

**Remote smartphone app**
Interact with vehicle remotely

**SOS Emergency Call**

**Stolen Vehicle Tracker**

**Roadside Assistance**
Direct contact to provider
We’ve just launched our first all electric vehicle, the Jaguar I-Pace.

**VERDICT:** Performance, agility and range all combine in the I-Pace to create the most compelling EV on the market.

**EVO RATING:** ★★★★★

**Jaguar I-Pace EV400 S 2018 review**

From £63,495 ★★★★★

*Make no mistake: you’re looking at the best of them.*

**Verdict**

Jaguar has succeeded in not only creating the best electric car on sale but perhaps one of the most exciting cars you can buy.
But we understand that there are real world barriers to buying electric vehicles, and we can’t accurately predict the adoption rate...

43%

Of UK consumers say that charging an EV battery would have to be as quick and easy as filling up the tank with gasoline.
*Cap Gemini, Beyond the Car, May 2017*

66%

Of property in London lacks a garage or off street parking which would allow home charging stations
*Mckinsey, 2016*

40%

Of London’s public charge points are out of service at any one time.
*Financial Times*

57% for rapid adoption, 36% for government target scenario
17% for slow adoption globally by 2030

26% globally in 2030
*Global Electric Vehicle Battery Handbook: Disruptive with strong growth July 2016*

24% globally in 2030
*Bloomberg Electric Vehicle Outlook July 2017*
And that the law of averages can be extremely dangerous
Because the roll out across the globe will be very different
To offer this flexibility we’re investing in a new platform: Modular Longitudinal Architecture (MLA)
Our roll out to MLA will be fully complete by 2025 at which point every product can cater for an ICE, BEV or PHEV derivative.
The need for this flexibility is also highlighted through our forecasted powertrain volume mix.

### JLR UK sales

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Diesel</th>
<th>Petrol</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17 Q4</td>
<td>~95%</td>
<td>~5%</td>
</tr>
<tr>
<td>FY18 Q4</td>
<td>~87%</td>
<td>~13%</td>
</tr>
</tbody>
</table>

### JLR EU sales

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Diesel</th>
<th>Petrol</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17 Q4</td>
<td>~91%</td>
<td>~9%</td>
</tr>
<tr>
<td>FY18 Q4</td>
<td>~87%</td>
<td>~13%</td>
</tr>
</tbody>
</table>

### JLR global sales

<table>
<thead>
<tr>
<th>Period</th>
<th>Diesel</th>
<th>Petrol</th>
</tr>
</thead>
<tbody>
<tr>
<td>Near-term</td>
<td>~35%</td>
<td>~65%</td>
</tr>
<tr>
<td>Medium-term</td>
<td>~30%</td>
<td>~70%</td>
</tr>
</tbody>
</table>

Petrol (incl. MHEV)

Diesel (incl. MHEV)

BEV and PHEV's
Our strategy delivers a fully emissions compliant portfolio***

- **BEVs, PHEVs and MHEVS, with all new models electrified by 2020**
- **Eu6d-T (RDE1), Smaller engines (e.g. 4 cyl F-Type) and other Ingenium engine options**
- **MLA and Higher Aluminium content e.g. Velar and new products to come**
- **Ongoing weight, aerodynamic and parasitic loss optimisation**

### Key Figures

- **178 CO2 g/km**
- **280 CO2 g/mile**
- **8.1 CO2 L/100km**

### FY18
- **Electrification**
- **Powertrain Rightsizing & Efficiency**
- **Product Light-Weighting**
- **Other**

### FY21
- **135**
- **232**
- **6.6**

*JLR IS Compliant in USA, three year averaging means 2017 & 18 debits recovered by 2020

**2021 China Targets 1st Draft Proposal CAFC Stage V tbc

*** Based on today’s volume and mix assumptions (powertrain and regional), as well as today’s understanding of future regulations
The need for flexibility extends beyond products, we know we have to also adapt our business models and services

Our vision for mobility is to become a leading premium mobility player, dedicated to delivering experiences customers love for life

<table>
<thead>
<tr>
<th>Leading</th>
<th>Premium</th>
<th>Mobility</th>
<th>Experiences Customers Love</th>
<th>For Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>JLR at the forefront in ACE fleets, premium mobility products &amp; prestige services in select cities</td>
<td>Not ordinary, but extraordinary which commands premium and builds on the brands</td>
<td>Extends from the movement of people to enjoying the destination itself – compliment core</td>
<td>Distinctive, desirable, relevant, useful and accessible. A single, seamless experience</td>
<td>Generational brand building to drive customer lifetime value</td>
</tr>
</tbody>
</table>
Through InMotion, we’re already deepening our understanding of both the challenges and opportunities that mobility brings.

**InMotion**

Jaguar Land Rover’s Corporate Venturing Unit

**STRATEGIC BUSINESS UNIT**

- Develops proprietary mobility services
- Pursues cross-divisional collaboration with JLR
- Engages in strategic partnerships, e.g.

**VENTURE CAPITAL ARM**

- Focused on early stage – Seed to Series B
- Multipronged approach to proprietary deal flow
- Invests globally in best-of-breed technology companies, e.g.

- **Vehicle rental in London, developed and deployed by JLR**
- **Unlimited mileage vehicle subscription of a Jaguar or Land Rover**
- **On-demand school buses in the US**
- **$1m investment through InMotion**
The Waymo partnership is both driving autonomous capability and understanding of shared mobility business models

Owned by Alphabet, Waymo - universally acclaimed world leaders in autonomous driving technology are partnering with Jaguar Land Rover.

Up to 20,000 I-PACEs over 2020 and 2021 to be used by Waymo in their autonomous vehicle mobility service, planned for rollout in the US.

JLR and Waymo will collaborate to develop and maintain self-driving Jaguar I-PACE vehicles.

Waymo Jaguar I-PACEs, equipped with Waymo’s self-driving technology, will start testing later this year.

On-road testing and real-world data to allow Waymo and JLR engineers to refine technology and deliver optimum safety and reliability.

The Verge
WAYMO AND JAGUAR WILL BUILD UP TO 20,000 SELF-DRIVING ELECTRIC SUVS
Jaguar I-Pace will be the second official vehicle in Waymo’s robot taxi fleet.
By Andrew J. Hawkins | @andyjhawk | Mar 27, 2019, 10:20am EDT
THE COMMERCIAL TEAM

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OUR PERFORMANCE…
…has been Excellent

Source: FY14-FY18 JLR Retail Actuals, FY19 0+12SPC Forecast
RECENT TRENDS in Industry Volumes

- Diesel uncertainty and UK taxation
- Brexit uncertainty
- Market cyclicality

- Diesel uncertainty
- Germany down 3.4% in March

Revised production plans in FY19

(12.4)%

3.5%

2.1%

4.2%

37.4%

- Competition
- Price Erosion

Units 000s

820
718
2,723
2,820
4,010
4,093
3,484
3,630
4,438
6,100

UK
Europe
US
Overseas
China

The total industry car volume data above has been compiled using relevant data available at the time of publishing this Interim Report, compiled from national automotive associations such as the Society of Motor Manufacturers and Traders in the UK and the ACEA in Europe, according to their segment definitions, which may differ from those used by JLR. South Korea industry volumes have been excluded from Overseas.
GLOBAL JLR SEGMENT VOLUMES
Growing JLR Segments

CAGR 2.6%

SUV CAGR 3.3%

CAR CAGR 1.9%

Source: IHS Automotive May 2018, JLR Segmentation 2018
JLR TARGETED SEGMENTS BY REGION

Broad Growth Across Regions

Source: IHS Automotive May 2018, JLR Segmentation 2018

<table>
<thead>
<tr>
<th>Year</th>
<th>Units (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY18</td>
<td>2.1</td>
</tr>
<tr>
<td>FY19</td>
<td>2.7</td>
</tr>
<tr>
<td>FY20</td>
<td>2.0</td>
</tr>
<tr>
<td>FY21</td>
<td>2.1</td>
</tr>
<tr>
<td>FY22</td>
<td>1.3</td>
</tr>
<tr>
<td>FY23</td>
<td>1.4</td>
</tr>
<tr>
<td>FY24</td>
<td>0.9</td>
</tr>
<tr>
<td>FY25</td>
<td>1.1</td>
</tr>
<tr>
<td>FY26</td>
<td>0.4</td>
</tr>
<tr>
<td>FY27</td>
<td>0.4</td>
</tr>
<tr>
<td>FY28</td>
<td>6.6</td>
</tr>
<tr>
<td>FY29</td>
<td>7.7</td>
</tr>
</tbody>
</table>

CAGR 2.6%

- UK CAGR 0.8%
- Overseas CAGR 4%
- Europe CAGR 1.6%
- North America CAGR 1.2%
- China Region CAGR 4.2%
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JAGUAR LAND ROVER BRAND STRATEGY
Our Brand Structure
JAGUAR LAND ROVER BRAND STRATEGY
Distinction and Synergies

Distinction
Design
Product Attributes
Positioning
Communications

Commonality
Research & Development
Platform
Manufacturing
Logistics
Retailers
The Velar is the most stylish Range Rover in the line-up... It's still bristling with tech but the Velar is a design-led car.

AutoExpress

When you get out into the countryside..., the F-Pace comes into its own! ...handles as well as its saloons ...feeling responsive and direct

CarKeys
Jaguar Vision: To Be The World’s Performance Brand Of Choice

The Art of Performance

Our Brand Expression

Our Brand Purpose

Our Brand Promise

Our Product Truths (Brand Foundation)

Designed and Engineered in Britain, We Are Renowned For

1. Responsive Performance
2. Confident Agility
3. Instinctive Steering
4. Intuitive Technology
5. Dramatic, Dynamic, Pure Design
6. Rewarding Theatre
7. Sensory Craftsmanship
8. Exciting Sound

Excite The Senses

Performance and Seduction
Customer Emotional End Benefits of Ownership

**ENGAGED**
leaves me feeling excited, stimulated and connected

**COURTEOUS**
leaves me feeling sophisticated, civilised and well-mannered

**INDIVIDUAL**
leaves me feeling empowered, recognised and unique

**CHIC**
leaves me feeling well-dressed, elegant and contemporary
Our Campaign Platform

**KEY CONSUMER INSIGHT**

“I want an exciting life; one I remember and am remembered for. Not one where I am bound just by what is expected of me”

**CREATIVE TERRITORY**

SHOW YOUR EDGE

We’ll help people to break free from societal conventions, so they can express their individual ‘edge’ and live a life less ordinary

THE ART OF PERFORMANCE
LR Vision: To be the World’s Premium SUV Brand of Choice

Our Brand Expression

Our Brand Purpose

Our Brand Promise

Our Product Families

Above & Beyond

To help people make more of their world

We make vehicles that have capability with composure

Range Rover

Discovery

Defender

Refinement

Versatility

Durability

Elegant
Luxurious
Sophisticated
All-Road Performance

Intelligent
Versatile
Enabling
Breadth of Capability

Functional
Durable
Practical
Off-Road Expertise
Customer Emotional End Benefits of Ownership

**FREEDOM**
I feel free, independent, able to achieve anything and go anywhere.

**THE REAL THING**
Land Rover is the true SUV category leader. The original premium SUV.

**INDIVIDUALITY**
Similar to a Land Rover car I prefer to go my own way, forge my own path through life.

**UNSTOPPABLE**
There are no limitations, I can overcome any obstacles in my way to achieve my goals.
LAND ROVER
YEARS
18MY Range Rover and Range Rover Sport Launched

Distinctive Designs

Luxury Interiors

PHEV

Touch Pro Duo
LAND ROVER BRAND
Success of the Dragon Challenge…

10M
YouTube documentary views across market channels worldwide

2.8 M
Total YouTube views (30s)

10.5M
Global Land Rover channel YouTube documentary views

4.5M
Total Facebook views (3s)
THE COMMERCIAL DEPARTMENT

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- Market Environment
- Brands
- Communications
- Network
- Team
GLOBAL COMMUNICATIONS
Paid and Organic need to work in Harmony…

When this works in harmony communications get to the right **people**, at right **time**, on right **channels**, with right **content**

**Amplifying our messaging**
COMMUNICATIONS
Paid and Organic need to work in Harmony…

A SYMBIOTIC RELATIONSHIP

THE SWEET SPOT:
Right people, at right time, on right channels, with right content

Social by design content

Paid media
(scale and targeted engagement)
COMMUNICATIONS
Paid and Organic need to work in Harmony…

Global Lead content Channel for building brand favourability and vehicle preference

Targeted Broadcast Content (media channel) and Fan engagement

Build brand love through engaging follower base and targeting

Primary news Channel

Connect with our customers
# COMMUNICATIONS

## Content Marketing – FY17/18 Performance

<table>
<thead>
<tr>
<th></th>
<th>JAGUAR</th>
<th>LAND ROVER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Website visits</td>
<td>25M (58.5M)</td>
<td>52.7M (48.9M)</td>
</tr>
<tr>
<td>Readings</td>
<td>20.2M (5.6M)</td>
<td>5.6M (5.6M)</td>
</tr>
<tr>
<td>Total YouTube views (30s)</td>
<td>58.5M (48.9M)</td>
<td>52.7M (5.6M)</td>
</tr>
<tr>
<td>Total Readings</td>
<td>20.2M (5.6M)</td>
<td>5.6M (5.6M)</td>
</tr>
</tbody>
</table>

Note: The table above summarizes the performance metrics for two brands, JAGUAR and LAND ROVER, for the fiscal year 2017/18. The metrics include website visits, total YouTube views, and total readings.
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GLOBAL NETWORK
We currently operate in **129** countries with **1,571** Retailers

By 2023 this is forecast to increase to c. **1,800** Retailers

Source: JLR Market Representation Plans as at 23 May 2018
GLOBAL NETWORK
23 National Sales Companies cover 92% of our worldwide volume

In addition to our 5 REGIONAL OFFICES

Source: 2+10 Forecast 1B/19
OUR GLOBAL RETAIL NETWORK
This is where we started....
WE ARE NOW ROLLING OUT…
A common identity across our Network (ARCH)
OUR RETAILERS ARE INVESTING
…in this Customer Experience Game Changer

< £9bn

£3bn

538 Arch Sites

17/18

22/23
GLOBAL NETWORK

Common CI equates to visible results for our retailers

<table>
<thead>
<tr>
<th>Category</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Used Vehicle Sales</td>
<td>7%</td>
</tr>
<tr>
<td>New Car Sales</td>
<td>7%</td>
</tr>
<tr>
<td>Conquest Ratios</td>
<td>22%</td>
</tr>
<tr>
<td>Enquiry Levels</td>
<td>3%</td>
</tr>
</tbody>
</table>

**UK Arch Retailer Results 17/18 YOY**

- All UK ARCH retailers (Land Rover) that have been in place 12 months or more compared to the national average performance
- Source: JLR UK Composite and JLR Customer Relationship Management data 2018
OUR RETAILERS ARE AN IMPORTANT PART OF OUR NETWORK

…But let's not forget our Experience Centres…
In 2017/18 we delivered over 1 Million Guest Experiences
THE COMMERCIAL DEPARTMENT
Agenda

Market Environment

Brands

Communications

Network

Team
A TRANSFORMED STRUCTURE
What has changed?

Separate PR Director

2 Board of Management Directors

PR

Sales, Service and Regions

Marketing

ONE GLOBAL COMMERCIAL TEAM
A TRANSFORMED STRUCTURE

The New Global Team

Felix Bräutigam
Chief Commercial Officer

Fiona Pargeter
Customer Experience Director

Finbar McFall
Product Marketing Director

Jeremy Hicks
Market Performance Director

Customer Service Director

Joe Eberhardt
NA Regional Director

Dmitry Kolchanov
Overseas Regional Director

Bob Grace
European Regional Director

Frank Wittemann
China Regional Director

Richard Shore
Planning Director

Rawdon Glover
UK Regional Director
## A TRANSFORMED STRUCTURE

### Key Deliverables

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>• Customer Insights</td>
<td>• Jaguar Product</td>
<td>• Network</td>
<td>• Warranty</td>
<td>• Planning and Fulfilment</td>
</tr>
<tr>
<td>• PR</td>
<td>Marketing</td>
<td>Development and</td>
<td>• Parts Supply Chain</td>
<td>• Strategy, Governance</td>
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<tr>
<td>• Partnerships and Sponsorship</td>
<td>• Land Rover Product Marketing</td>
<td>Standards</td>
<td>• Customer Service</td>
<td>• Launch Planning</td>
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<tr>
<td>• Jaguar Comms.</td>
<td>• Product Planning</td>
<td>• Market performance/Steering</td>
<td>Revenue and Loyalty</td>
<td>• Customer Journey</td>
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<tr>
<td>• Land Rover Comms.</td>
<td>• New Business Models</td>
<td>• Fleet &amp; Business</td>
<td>• Technical Services</td>
<td>• Funnel Systems</td>
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<tr>
<td>• Experiential</td>
<td>• Branded Goods</td>
<td>• Approved Pre-Owned</td>
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<td>• MIS</td>
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<tr>
<td>• Brand Operations</td>
<td>• Accessories</td>
<td>• Network Training</td>
<td></td>
<td>• SV-CRM</td>
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<td></td>
<td>• Cross Car Line</td>
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### Regional Operations

- Adaptation of Global Strategy to local culture
- Exploitation of all Market Opportunities
- Customer satisfaction and excitement
- Revenue management
Delivering sustainable profitable growth

Iconic Brands, Passionate Customers

Professional Network investing and seeing returns

Communications: Right Person, Right Time, Right Channel

One Global Team rising to the challenge
ENGINEERING STRATEGY

IT'S A CHANGING WORLD – DISRUPT OR BE DISRUPTED

NICK ROGERS
EXECUTIVE DIRECTOR, PRODUCT ENGINEERING
This year we celebrated the 70th anniversary of two icons – born in 1948

First vehicle to explore the world
Unrivalled off road capability

First aluminium body
Top speed of 120mph

Creating and engineering pioneering products is in our DNA
We are engineering and delivering ACES today with our cutting edge electrified vehicles.
With our new premium BEV, the Jaguar I-PACE, we are dramatically transforming our vehicle technologies.

"We were able to climb a steep and pebbly mountain road but also cross a ford without endangering ourselves thanks to the AWD system that perfectly manages the distribution of torque to all four wheels." — Le Figaro (FR)

But that’s simplifying things too much, as I-Pace is built upon a bespoke aluminium chassis architecture, styled like nothing else in the current Jaguar range and packs technologies that have been conceived and produced solely for this model.

Throw in the cutting edge nickel, manganese and cobalt battery construction, the compact and 95 per cent efficient Jaguar-designed dual motors and you’re faced with a package that delivers 400hp and 696Nm of torque, a 0-60mph sprint time of just 4.5 seconds and a battery range of up to 298 miles. A bold move from Jaguar. Another headache for Musk.

"As we experienced on the track, the high-torque density of the motors delivers sports car type performance. With the instantaneous torque delivery inherent to an EV, you had to brace when you floored the accelerator as the zero emission Jaguar took off like a scaled cat, sprinting from 0-100km/h in just 4.8 seconds. It is smooth and linear, yet to feel that surge, that swoosh, is strangely exciting." — Wheels24 (ZA)

With 294kW of power and 696Nm of torque (combined) on tap, the car sprints to 100km/h in just 4.8 seconds — faster than a Tesla Model X 100D, slower than the Ludicrous Mode-enabled P100D. Both those cars are significantly more expensive — $60,000 and $130,000 respectively — than the I-Pace.

When the time comes to slow down, Jaguar has given the car a ‘high-regenerative’ mode. When you step off the accelerator, the car can generate up to 0.4g of deceleration as the motor essentially becomes a generator, recapturing energy and feeding it back into the battery.

The Jaguar Land Rover BEVolution is already a reality.
Our people are our biggest asset – our Engineering team has a diverse demographic giving us both experience and new skills.
We are sourcing skills in places that are most effective at being technology disruptors

Our global Engineering footprint allows us to leverage all regions for technology and efficiency
Our engineers are collaborating with global partners to leverage pioneering new technologies. We are investing wisely through intelligent partnerships.
We are embedding the engineering skills required to pioneer new technologies

We are enabling electrical and software growth by using techniques to drive efficiency in traditional engineering.

- Delivering our ACES technologies
- Driving efficiency through simulation and virtual models
- Driving commonality and reducing our physical prototype

Engineering capacity:

- Traditional Mechanical Engineering Skills
- Mechatronics
- Electrical & Software

Products launched:
- 4 (2008)
- 10 (2017)

Patents granted:
- 560
- >1800

We are enabling electrical and software growth by using techniques to drive efficiency in traditional engineering.
We are leveraging our engineering skills, allowing us to do more in-house for less.

- **Design & development costs**: -69%
- **Vendor tooling costs**: -25%
- **Cockpit lifetime costs**: -33%
- **Material costs**: -58%
- **Climate Systems**:
  - Engineering cost: -45%
  - Lifetime cost: -30%
- **Suspension Systems**: -20%

We do this across all our commodities...

Dramatic efficiency reduction in engineering mechanical systems.
We are reskilling our Engineering from the top down in addition to the bottom up.

- Engineering and Development of Electrical Hardware
- Efficient Geometric Control
- Networks and Electrical Distribution Systems
- Software Engineering and Delivery
- Thermal and Aerodynamic Engineering
- Leveraging Digital Engineering
- Systems Engineering
- Engineering Structures Efficiently

Licence to Lead Engineering is mandatory for all engineering leaders to enable robust delivery of our products.
By reskilling our engineers, we have designed and engineered our I-PACE batteries in-house.

A permanent magnet synchronous machine, coupled with patented hairpin technology, requires 80% less in-rush current for the equivalent initial torque.

The cutting edge technology engineered by our innovative team has been captured in numerous patents.

I-PACE has 432 Lithium ion Nickel Manganese Cobalt cells in 36 modules.

It is the first electric car to have a unique cooling circuit dedicated to the battery pack.
I-PACE is the only electric vehicle that can decelerate 0.4g without applying friction brakes.

Our control system ensures the synchronous machines and battery system work in harmony, harvesting 3 times more regeneration.

Over 95% of braking events can be completed using regenerative braking, seamlessly blending into friction brakes in dynamic situations.

I-PACE is also the only car that can complete EPA, NEDC and WLTP drive cycles without using friction brakes.
We have engineered I-PACE for convenient, rapid charging

70kWh of energy can be taken on board in less than 40 minutes, giving up to 380km of range

The 432 Lithium ion Nickel Manganese Cobalt cells can receive an incredible amount of energy due to its innovative cooling system.
Each I-PACE can identify you as an individual and learn how to help you every day

I-PACE can learn your preferred...
• Temperature settings
• Media settings, including Apple CarPlay and Android Auto
• Seat settings

And...
• Analyse your driving attributes and use of energy
• Predict who you’ll phone next
• Share journey information
• Optimise precondition settings
• Allow you to remotely set charging times to maximise off-peak energy use

...It even tells you when you’ve forgotten your phone!

We are passionate about delivering maximum efficiency for our customers
We continue to lead with our patented aluminium lightweight technology, delivering our most efficient body on I-PACE.

Steel hot stampings riveted to the B-post, reducing its weight by 5% compared to conventional aluminium.

94% of the I-PACE body structure is made from aluminium, with a high level of recycled material.

Through efficient engineering and toolsets, we have engineered our most rigid body structure for I-PACE.
The learning and new skills we have gained with I-PACE will be embedded into all our new products.

We are passionate about ensuring our reborn icon is fit for the future.
And this year we are transforming our smaller SUVs with our brand new Premium Transverse Architecture

- **CO₂ reduction**
  - Through Electrification: 13%
  - Through Plug-In Hybrid: 70%
  - <45g/km exceeding China NEV requirement

- **Pioneering New Technologies**
  - Including see-through bonnet, smart rear view mirror

- **Drag Reduction & Wind Noise**
  - Through better aerodynamic: 10%

- **Greater Luggage Space**
  - Through under-floor battery: 10%

- **Better Throttle Response**
  - Through new engine mount design & transmission shift: 40%

- **Better Ride Comfort**
  - Through New Body Structure: 10%

A full architecture transformation delivers new technology at great scale economies
All of this learning paves the way for our modular longitudinal architecture. Our scalable architecture is agnostic to propulsion systems and utilises efficiently modular commodities.
In addition to our electrified vehicles, we are continuing to engineer clean diesels.

Tailpipe Nitrogen Oxides (NOx) performance – mg/km

Collection of Sea-level and 700m tests
- Urban
- Total
- Cold test 0 → 5°C
- Hot test 25 → 35°C

Laboratory test limit = CF = 1

Proven across Europe and around the world

<table>
<thead>
<tr>
<th>Factor</th>
<th>Limit</th>
<th>Tarragona</th>
<th>Guadalajara</th>
<th>Innsbruck</th>
<th>Stuttgart</th>
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</thead>
<tbody>
<tr>
<td>Urban Average Speed</td>
<td>15-60kph</td>
<td>18-25</td>
<td>20-30kph</td>
<td>22kph</td>
<td>15kph</td>
</tr>
<tr>
<td>Motorway Max Speed</td>
<td>145 - 160kph</td>
<td>120kph</td>
<td>120kph</td>
<td>130kph</td>
<td>160kph</td>
</tr>
<tr>
<td>Urban gradient</td>
<td>1200m/100km</td>
<td>1031m/100km</td>
<td>833m/100km</td>
<td>457m/100km</td>
<td>802m/100km</td>
</tr>
<tr>
<td>Total gradient</td>
<td>1200m/100km</td>
<td>1214m/100km</td>
<td>1523m/100km</td>
<td>486m/100km</td>
<td>1200m/100km</td>
</tr>
<tr>
<td>Altitude difference</td>
<td>100m</td>
<td>185m</td>
<td>3m</td>
<td>25m</td>
<td>100m</td>
</tr>
</tbody>
</table>

Our results today already achieve the 2020 emissions standard.
We are aligned to new Real Driving Emissions (RDE) standards – our technology enables us to meet them.

### Testing Requirements

- **3000 tests** required to certify our 19MY vehicles

### JLR Exhaust System Technology

- **NO\textsubscript{x}** and particulate sensors continually monitor emissions.
- **Lean NO\textsubscript{x} Trap** – oxidises Hydrocarbons and Carbon Monoxide, and also captures Nitrogen Oxides, releasing when optimum operating temperature is reached.
- **Selecting Catalytic Reduction Brick** – reacts NO\textsubscript{x} and Urea to reduce to Nitrogen and Water.
- **NO\textsubscript{x} Sensor** measures Nitrogen Oxides out of NO\textsubscript{x} trap to determine correct Urea injection quantity.
- **Diesel Particulate Filter** – removes large particles.

**98% NO\textsubscript{x} conversion efficiency**

RDE is the most stringent emissions standard to date – JLR have been fitting SCR technology in cars for 3 years.
Our Ingenium gasoline engine family is also already equipped for future legislative challenges.

- China ✓
- Eu6d ✓
- Sulev 30 ✓

Gasoline Particulate Filter to improve real driving emissions

Best in class transient performance with electric SuperCharger

Fully Variable Lift and Timing Electro-Hydraulic Valve Train

Efficient combustion engines and new technology deliver customer focused attributes, fit for the next decade.
Our modular engine architecture enables efficient engineering, shared technologies and complexity reduction.

By reusing parts and processes, we are able to focus our efforts on innovative new technologies.
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We have set up our flexible manufacturing facility to enable the most efficient delivery of propulsion systems.
Our modular engine architecture enables efficient engineering, shared technologies and complexity reduction.

We have set up our flexible manufacturing facility to enable the most efficient delivery of propulsion systems.
We are committed to efficiently engineering software for our pioneering products

Traditionally
ECU hardware and software have been tightly coupled

Software produced by individual ECU suppliers

- Duplication of software in the ECUs drives up to 200 million lines of code in each car
- Inefficient duplication and redundancies drive expensive supplier costs

Now
Hardware becomes compute module so we reduce the number of ECUs required

- We are driving reuse of industry standard software, enabling greater levels of software integration
- More efficient use of hardware optimises investment

We have an obsession for fully streamlining our integrated electrical architecture to realise system efficiency
We are embracing Gen Y trends to pioneer continuous configuration and enhancement for our vehicles.

Next generation SOTA enables predicted services and enhancements through continuous updates.

1. Vehicle identifies available software update
2. Customer made aware through JLR app
3. Vehicle downloads software over the air
4. SOTA upgrade complete

Vehicle health is monitored continuously

JLR Engineers predict need for service

Customer contacted before performance is affected

Service team actions
We are learning and taking the next leap with our infotainment systems for our customers. We are applying human science design rules to user interfaces and streamlining system messaging.
It’s a changing world…

...And we are disruptors
Global Purchasing
Our Vision

ONE GLOBAL PURCHASING TEAM
LEADING SUPPLIER PERFORMANCE EXCELLENCE TO DELIVER A COMPETITIVE EDGE TO JLR
## Introduction to Purchasing

### Spend under management

- **£18.9bn**

### 2,310 team members

<table>
<thead>
<tr>
<th>Department</th>
<th>Team Members</th>
<th>Spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Purchasing</td>
<td>708.5</td>
<td>£12.6 bn</td>
</tr>
<tr>
<td>Non Production Purchasing</td>
<td>153</td>
<td>£5.4bn</td>
</tr>
<tr>
<td>AM &amp; SO Production Purchasing</td>
<td>147.5</td>
<td>£908m</td>
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<tr>
<td>Cost Engineering</td>
<td>225</td>
<td></td>
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<tr>
<td>Supplier Technical Assurance &amp; Contract</td>
<td>646</td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td></td>
<td></td>
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<tr>
<td>Global Programme &amp; Operations</td>
<td>239</td>
<td></td>
</tr>
<tr>
<td>Purchasing Transformation and Operations</td>
<td>140</td>
<td></td>
</tr>
<tr>
<td>Apprentices &amp; Directors Office</td>
<td>51</td>
<td></td>
</tr>
</tbody>
</table>
Overview of the Global Organisation

- Global Purchasing also represented in each National Sales Company
- Hungary will become Eastern European Hub for Global Purchasing and STA
Production Purchasing
Continued evolution

- Structured Supplier engagement & governance with those who matter most
- Global cross-functional supplier scorecard and improvement planning
- Win together mentality
- S24 holistic cost reduction – material, ED+T, tooling, warranty etc. – Leverage MLA
- Supplier management practices to recognise move from ‘Black box’ to separate H/W + S/W sources

- Connected Supply Chain – real time supply chain visibility and collaboration
- AutoSource – automated tail spend sourcing and augmented sourcing / guided buying
- Analytic insights on sourcing, supplier and supply chain performance
- Robotic Process Automation (RPA) – liberating high value innovation
- Blockchain supporting end to end traceability and smart contracting
- Network Risk mapping – understanding and managing the risks across our network

- Integrated Business Plan & cross functional target commitment process to be introduced
- Should design @ should cost into MLA product & supply chain solutions
- Software - accelerate core capability, cybersecurity & validation
- Develop business models that incentivise feature development
- Collaboration & Co-opetition
- Data and IP monetisation and services

- Investment /Industrial strategy (UK post Brexit) & supply chain reform programme to improve efficiency (complexity, consolidation, flexibility, vertical integration & re-use)
- Business case evaluation to consider Brexit risk & social responsibility e.g. conflict minerals, pollution /CO2 footprint, energy, water etc.
- CoC solution providers’ as co-MD’s maintain robust commodity business plans/strategies (inc. core competence development) & delivery responsibilities
MANUFACTURING
TRANSFORMING OUR COST BASE
GRANT MCPHERSON
EXECUTIVE DIRECTOR, MANUFACTURING
Growing our Output through our Capital and Human Assets

DEVELOPING A GLOBAL MANUFACTURING CAPABILITY

- Global Manufacturing resources have grown to over 23,000 in March 2018
- This includes approx. 4,000 engineers and technicians
DEVELOPING A GLOBAL MANUFACTURING CAPABILITY
Core Technologies and a Global Plant Network

**Press**
8 new press & blanking lines in CB, HW, China & Slovakia incl. servo mechanical technology

**Bodyshop**
6 state of the art aluminium body Shops (CB, Sol, Slovakia & China) & full upgrade to steel body shops

**Paintshop**
2 new paint shops (China & Slovakia) and automation upgrades for existing sealer and paint application systems in UK

**Assembly**
4 new vehicle assembly facilities (Sol, China & Slovakia) and upgrades for MHEV & PHEV capabilities

**Engine**
New Ingenium manufacturing facilities in UK, China and India
DEVELOPING A GLOBAL MANUFACTURING CAPABILITY

Global Plant Network (Outside of UK)

- **Austria (Graz) Full Manufacture**
  - E-Pace and i-Pace

- **China (Changshu) Full Manufacture**
  - Evoque, Disco Sport, XE LWB, XF LWB & E-Pace

- **Slovakia (Nitra) Full Manufacture**
  - Discovery and future models.

- **Brazil (Local Assy)**
  - Evoque & Discovery Sport

- **Pune (Local Assy)**
  - Evoque, Disco Sport, XE, XF, F-Pace & XJ

Future Plans
DEVELOPING A GLOBAL MANUFACTURING CAPABILITY
Supporting Key Markets and Accessing a Lower Cost Base

<table>
<thead>
<tr>
<th>Key</th>
<th>Full Plant</th>
<th>Contract Manufacture</th>
<th>Local Assy Operations*</th>
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<tbody>
<tr>
<td>SOLIHULL</td>
<td>335K</td>
<td></td>
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<tr>
<td>WOLVERHAMPTON ENGINE MANUF</td>
<td></td>
<td></td>
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<tr>
<td>CENTRE 500K</td>
<td></td>
<td></td>
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<tr>
<td>HALEWOOD</td>
<td>130K</td>
<td></td>
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<tr>
<td>CASTLE BROMWICH</td>
<td>53K</td>
<td></td>
<td></td>
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<tr>
<td>AUSTRIA</td>
<td>73K</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SLOVAKIA</td>
<td>150K</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BRAZIL</td>
<td>8K</td>
<td></td>
<td></td>
</tr>
<tr>
<td>INDIA</td>
<td>5K</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHINA</td>
<td>147K</td>
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</table>

CAPACITY BASED UPON 2018/19 SHIFT PATTERNS

* KD Operations do not add to base capacity
DEVELOPING A GLOBAL MANUFACTURING CAPABILITY
Transforming our Cost Base – Examples of productivity 2015-2018

Halewood paint shop – Over 20 robots installed for interior paint reducing headcount (29 heads), reducing basecoat material usage and improving quality

Dashboard Pad (1) and Fuel Filler Neck (2) trolleys in station reducing steps and avoiding sequencing costs

Solihull FA2 – 290 heads saved per shift since 2015 by increasing Value Added Utilisation of associates through Kaizen

Implementation of Automated Guided Vehicles across multiple locations (average save 1 head/shift per AGV)

Re-tender and contracts negotiation, routes optimization, improved packaging solutions and utilisation of connected car technology delivering over £40m of freight positive performance in FY18
DEVELOPING A GLOBAL MANUFACTURING CAPABILITY
Transforming our Cost Base

Manufacturing Cost Structure 18/19

Cost Transformation - Workstreams

Our target is to close any productivity gap to our near-facing competition*,
(*Harbour hours per car industry benchmarks).

- Leverage new product architecture commonality and scale efficiencies through Design for Assembly & Design for Logistics
- Grow facility utilisation and energy efficiency with technology application and best practice maintenance systems
- Lean Toolset application for manpower productivity, throughput and space
- Access lower cost base as we develop our operational footprint eg Slovakia
- Enhance logistics infrastructure and systems for inbound supplychains
- Re-engineer line-side material supply eg AGV delivery >80% for new plants
- Outbound logistics using autonomous vehicle capabilities

Total: c£2.8bn

Labour productivity benchmarking
(185 Global Plants, 19 OEMs, Hours Per Unit)

Harbour Report 17 © - Oliver Wyman

JLR Plants rank in 3rd place for short term productivity improvement -3.7% in 1 year
JLR Plants rank in 5th place for medium term productivity improvement -14.8% in 4 yrs
Halewood Plant ranked as most improvement plant in 2017 Report -12% in last year
First Phase with 150k units per annum capacity, Body in White, Paint Shop and Trim & Final Assembly, protection to grow to 300k units per annum

‘Model Plant’ technology installation completion in April 2018 for BiW, Paint Shop and Trim & Final

Discovery launch activity began November 2017, target Job #1 September 2018 and prepared for further new model in 2019

Over 1,000 local employees now recruited and onboarded, accessing lower cost base in Manufacture and Supplychain
JAGUAR LAND ROVER INVESTOR DAY

FINANCIAL STRATEGY

KEN GREGOR
CHIEF FINANCIAL OFFICER
Overall, long term profitable growth delivered
Recent headwinds and lower profitability

Jaguar Land Rover has delivered solid performance over the long term, through exciting products, strong profits and investing in our future

Over the period FY11 to FY18 JLR has:
• Increased revenues by 15% CAGR to £26 billion
• Generated PBT of over £14 billion
• Invested over £20 billion in new products, technology, capacity and infrastructure
• Delivered over £3 billion cash flow (after funding the investment)

And, we have exciting products and plans in the pipeline to generate sustainable, profitable growth

However, in the past 3 years, we have had slower volume growth and experienced lower profitability, reflecting:
• Market and economic headwinds including diesel uncertainty, Brexit and market cyclicality
• Higher incentive spending in competitive markets
• Negative operating leverage from lower volume growth and higher D&A expenses
JLR is taking action to address these challenges

We are taking actions to address these challenges
• Volume growth plans moderated to reflect revised market conditions
• Driving cost efficiencies and operating leverage across the business
• Tough choices made on investment plans to meet affordability criteria whilst remaining competitive and innovative

We are targeting sustainable profitable growth with positive cash flow over the medium to long term
• Sales growth supported by new products and technology
• Continuing to invest in world class capabilities and infrastructure
• Improving contribution margins and operating leverage
• Moderating investment to c. 12-13% of revenue whilst ensuring competitiveness

Medium term targets
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<tbody>
<tr>
<td>Volume growth</td>
<td>&gt;&gt; Premium Segments</td>
</tr>
<tr>
<td>EBIT %</td>
<td>4-7%</td>
</tr>
<tr>
<td>Investment</td>
<td>c. £4.5b p.a. in FY19-21</td>
</tr>
</tbody>
</table>

Long term targets
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume growth</td>
<td>&gt;&gt; Premium Segments</td>
</tr>
<tr>
<td>EBIT %</td>
<td>7-9%</td>
</tr>
<tr>
<td>Investment</td>
<td>c. 12-13% of Revenue</td>
</tr>
</tbody>
</table>
DELIVERING ON THESE PLANS
Present lower margins targeted to improve
New long term EBIT target for ACES, PD capitalisation change

Profit improvement drivers

- Growing premium segments
- Exciting new products
- Improve operating leverage
- Drive cost efficiencies
- Modular architecture strategy

Business challenges

- Geopolitical and economic environment, including Brexit
- Market and competitive forces - higher incentives
- Electrification, diesel uncertainty and emissions compliance
- Driver assistance, connectivity and mobility trends
- High capital investment, new capitalisation policy

FY18 EBIT

3.8%

Long term EBIT Target

7-9%

Target 4 – 7% EBIT in the medium term
Continued volume growth expected
New models, new segments and premium segment growth

- Full year of Velar, E-PACE, XE LWB, 18MY RR & RRS
- New model I-PACE
- Product cycle timing
- Premium and SUV segment growth
- New models in new segments and EV demand

FY18
FY19
Long term
12 nameplates in FY18, growing to 16 by FY24
Velar / E-PACE launched. IPACE, Defender and 2 more to come...
Focus on cost
Examples of initiatives undertaken

**Engineering**

- **Modular longitudinal architecture (MLA)** - increased flexibility, commonality, standardisation & scale
- Products designed and engineered **without unnecessary complexity.**
- **Global presence** to tap into relevant skillsets cost effectively
- **Increased in-house engineering** to reduce development cycle times and to develop our intellectual property
- **Collaborations and Partnerships** to spread investment

**Sourcing & Negotiation**

- **Global sourcing** and supply base to drive cost savings, improving flexibility and logistics (e.g. China, Hungary, Slovakia)
- **Consolidation and Architecture approach** to drive economies of scale
- **Total value management and ‘should design @ should cost’** to drive cost focus
## Focus on costs
Examples of initiatives undertaken

<table>
<thead>
<tr>
<th>Manufacturing &amp; Logistics</th>
<th>Marketing &amp; Sales</th>
<th>Corporate &amp; Admin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harbour benchmarking productivity</td>
<td>Dual branded distribution to facilitate sales, distributions and service synergies for JLR and retailer network</td>
<td>Manage SG&amp;A cost inflation below revenue growth</td>
</tr>
<tr>
<td>Investments in new state of the art facilities designed for efficiency and quality</td>
<td>Majority shareholder in own ad agency (Spark 44) facilitates FME efficiencies</td>
<td>Pension costs reduced: Agreement in April 2017 to changes in legacy defined benefit pension plans delivering £437m credit in FY18 and ongoing savings</td>
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<td>Global manufacturing (e.g. SK, CN)</td>
<td>Extended S&amp;OP to balance supply and demand thereby reducing inventory and VME costs</td>
<td>Investment in infrastructure and IT to achieve efficiencies, e.g. improved analytics to support decision making</td>
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<td>Further in-sourcing (e.g. engine manufacture from Ford)</td>
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<td>Improved logistics and supply designs</td>
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Capital allocation principles

Financial management
- Return on investment
- Affordability of overall spend versus operating cashflows
- Investment % Revenue
- Capex to D&A ratio

Efficiency drivers
- Architectures - MLA
- Commonality
- Flexibility
- Execution

Investment to be c. £4.5b p.a. between FY19-21 and subsequently targeted at c. 12-13% of turnover
Investment in new models, technology, capacity
Significant investment in electrification and MLA

Long term R&D and capex

- Capital investment, 55%
- R&D capitalised, 35%
- R&D expensed, 10%

Long term Investment by activity

- Electrification, 13%
- Capacity & Other, 27%
- Other powertrain, 9%
- Products, 51%

Product development capitalisation policy change resulting in capitalisation of c. 70% from c. 85%, effective 1 April 2018
£4.7b cash, £1.9b undrawn RCF
Debt maturities spread evenly over 10 years

£ millions

Cash/RCF

Undrawn RCF
1,935

4,657

Debt maturity profile

FY18

CY18   CY19   CY20   CY21   CY22   CY23   CY24  CY27   Total Debt

498   356   356   300   400   756   569   346   3,731

150   3,581

Bonds
Other debt: Discounted receivables, finance leases and deferred fees
Our pension funds are well funded

FY17:
- Assets: 9,969
- 85% funded
- £437m Q1 FY18 credit
- Higher discount rate reflecting increased corporate yields
- Updated actuarial table
- Experience updated, lower funding requirement

FY18:
- Assets: 8,320
- 95% funded
- 1,461
- 438
JLR has delivered strong performance over the long term through exciting products, solid profits and investment in our future.

However, in the past 3 years, we have had slower volume growth and lower profitability.

We are taking action to address the challenges:

- Sales growth supported by new products and technology but assuming lower growth rates to reflect recent experience.
- Improving contribution margins & operating leverage through driving cost efficiencies and operating leverage across the business.
- Continuing to invest in world class capabilities and infrastructure, prioritised to meet affordability criteria whilst remaining competitive and innovative.
- Cash flows targeted to improve as we deliver on these plans; but will remain negative in the near term.

We are committed to achieving sustainable profitable growth with positive cash flow in the medium to long term.

<table>
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