

TATA MOTORS LTD/FI
Form 6-K
November 17, 2014
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the Month of November 2014

Commission File Number: 001-32294

TATA MOTORS LIMITED

(Translation of registrant's name into English)

BOMBAY HOUSE

24, HOMI MODY STREET,

MUMBAI 400 001, MAHARASHTRA, INDIA

Telephone # 91 22 6665 8282 Fax # 91 22 6665 7799

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes No

Indicate by check mark whether by furnishing the information contained in this Form, the Registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g 3-2(b): Not Applicable

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Item 1: Form 6-K dated November 17, 2014 along with the Press Release.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorised.

Tata Motors Limited

By: /s/ Hoshang K Sethna

Name: Hoshang K Sethna

Title: Company Secretary

Dated: November 17, 2014

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This report uses:

Group, Company, Jaguar Land Rover and JLR to refer to Jaguar Land Rover Automotive plc and its subsidiaries.

EBITDA measured as earnings before tax and adding back depreciation, amortisation, finance income, finance expense, foreign exchange gains/(losses) on financing and unrealised derivatives, unrealised commodity gains/(losses) and share of gains/(losses) from joint ventures.

PBT profit before tax.

Net cash measured as cash and cash equivalents and short term deposits less total borrowings (including secured and unsecured borrowings and factoring facilities, but excluding finance leases).

Free cash flow measured as the net change in cash and cash equivalents, less net cash in financing activities, less movement in short term deposits.

Product and other investment measured as cash outflows relating to tangible assets (net of proceeds from disposals of tangible assets), intangible assets, expensed R&D and investment in joint ventures.

FY15 Year ending 31 March 2015

FY14 Year ended 31 March 2014

H1 6 months ended 30 September

Q2 3 months ended 30 September

Q1 3 months ended 30 June

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Management's discussion and analysis of financial condition and results of operations

Q2 FY15 was another solid quarter for Jaguar Land Rover:

Retail volumes of 110,781 units, up 8% from Q2 FY14 with Land Rover up 10% and Jaguar down 2%

Revenue £4.8 billion, up £0.2 billion

EBITDA £933 million, up £124 million with EBITDA margin of 19.4%, up 1.9 ppt

PBT £609 million, down £59 million

Free cash flow of £497 million after total investment of £763 million, before financing costs

Cash and financial deposits £3.8 billion and undrawn long-term committed bank lines £1.3 billion
The increase in sales reflects the continued success of Range Rover, Range Rover Sport and the Jaguar F-Type.

Strong sales growth has been evident across the majority of markets, most notably in the UK and China (our largest market) and other parts of Asia.

The quarter was supported by more favourable macroeconomic conditions, in general, evidenced by the robust growth in the US and UK with continued growth in China. Economic conditions have been flatter in Europe and more challenging in other markets such as Russia and Brazil.

Although the US Dollar and Chinese Renminbi have recently strengthened against the Pound, the same exchange rates were generally less favourable during Q2 FY15 compared to the same period last year. The Russian Rouble and other emerging market currencies were also weaker given economic and geo-political events. Prices for base and precious metals have generally softened over the quarter.

In the six months to 30 September, revenue has grown 17% and PBT has grown by 42% over the equivalent period a year ago.

The continued success of both brands, most notably Range Rover, Range Rover Sport and F-Type models coupled with a favourable market mix, increased the EBITDA margin for the quarter to 19.4%, up 1.9 ppt compared to the same quarter in the prior year. The EBITDA margin for the 6 months to 30 September was 19.9%, up 3.2 ppt compared to the same period last year.

The Company continues to invest significantly in R&D and capital expenditure (e.g. new assembly hall at Solihull, new engine manufacturing plant at Wolverhampton and investment in new China manufacturing JV), spending £763 million in Q2 FY15, up £106 million compared to Q2 FY14. Investment in R&D and capital expenditure for the 6 months ended 30 September 2014 totalled £1.4 billion compared to £1.2 billion over the same period last year. The

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Company has indicated that total investment will be in the region of £3.5 - £3.7 billion in FY15.

Free cash flow improved during Q1 FY15 to £497 million versus £430 million in Q2 FY14 as cash from operations more than funded investment in the period. Free cash flow for the 6 months to 30 September was £502 million, compared to £89 million for the same period a year ago.

Table of Contents**General trends in performance (including results of operations)*****Overall strong volume growth***

Total retail volumes were 110,781 units for the quarter, an increase of 8% compared to Q2 FY14. Retail volumes were 91,134 units for Land Rover up 10% and 19,647 units for Jaguar down 2% compared to the equivalent quarter in the prior year.

The increase in Land Rover retail volumes was driven by higher sales of Range Rover and Range Rover Sport.

The decrease in Jaguar retail volumes reflects lower Jaguar XF and XJ sales volumes in the period, partially offset by continuing strong sales of F-Type.

Wholesale volumes for Q2 FY15 were 103,975 units, an increase of 2% on the equivalent quarter in the prior year. At a brand level, wholesale volumes were 86,194 units for Land Rover and 17,781 units for Jaguar.

Revenue and profits

The Company generated revenue of £4,808 million in Q2 FY15, an increase of 4% over the £4,612 million in Q2 FY14.

The EBITDA margin has improved by 1.9 ppt to 19.4%, compared to Q2 FY14. This is primarily driven by favourable product mix as Range Rover, Range Rover Sport and Jaguar F-Type continue to perform well, and a favourable market mix lead by growth in China and Asia Pacific regions.

PBT for the quarter was £609 million, down £59 million from £668 million in Q2 FY14. The decrease in PBT is more than explained by: (i) unfavourable revaluation of foreign currency debt and unrealised hedges in Q2 FY15 (£85 million), compared to positive revaluation in Q2 FY14 (£87 million) and (ii) higher depreciation and amortisation (£28 million increase).

Profit after tax for the quarter was £450 million with a 26% effective tax rate, compared to £507 million with a 24% effective tax rate for Q2 FY14, due to the booking of a one off tax credit.

EBITDA reconciliation

| Three months ended 30 September (£ millions) | 2014 | 2013 |
|--|--------------|--------------|
| EBITDA margin | 19.4% | 17.5% |
| EBITDA | 933 | 809 |
| Adjustments: | | |
| Depreciation and amortisation | (244) | (216) |
| Foreign exchange gains/(losses) - financing | (53) | 47 |
| Foreign exchange gains/(losses) - unrealised derivatives | (24) | 26 |
| Unrealised commodity gains/(losses) | (8) | 14 |
| Finance income | 12 | 9 |
| Finance expense (net) | (1) | (13) |
| Share of loss from joint ventures | (4) | (8) |

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| | | |
|--------------------------|------------|------------|
| Other | (2) | |
| Profit before tax | 609 | 668 |
| Income tax expense | (159) | (161) |
| Profit after tax | 450 | 507 |

Table of Contents**Performance in key geographical markets on retail basis**

| Three months ended 30 September (Units) | 2014 | 2013 | Change (%) |
|--|----------------|----------------|-------------------|
| China | 29,786 | 24,351 | 22.3% |
| Europe (excluding UK) | 17,227 | 16,426 | 4.9% |
| UK | 22,151 | 20,201 | 9.7% |
| North America | 17,616 | 18,617 | (5.4)% |
| Asia Pacific (excluding China) | 6,702 | 5,495 | 22.0% |
| All other markets | 17,299 | 17,554 | (1.5)% |
| Total JLR | 110,781 | 102,644 | 7.9% |

Global economic performance was mixed over the quarter. Robust employment and GDP growth coupled with buoyant consumer spending is driving improved economic conditions in the US and UK whilst China maintains growth above 7%. Growth and economic performance is more variable in the Eurozone and some emerging markets.

Economic conditions remain positive in the United Kingdom as unemployment continues to fall and healthy retail spending continues. The Scottish vote against independence caused some volatility in the Pound Sterling, and lower inflation has pushed back the expectation of interest rate rises to mid-2015 leaving the Pound Sterling weaker over the quarter. New passenger car sales in the UK were up 6.3% over the quarter compared to the same period last year and JLR continue to outperform the market with retail volumes up 9.7%.

Growth in the United States is continuing as GDP rises and unemployment falls (now below 6% for the first time since 2008). Sustained consumer confidence and an improvement in employment helped new passenger car sales grow by 6.8% over the quarter compared to the same period last year. JLR sales in the US fell by 7.5% compared to Q2 last year due partly to production scheduling.

Growth in Europe remains sluggish as Italy's economy returned to recession and the slowdown in Germany and France impacts the fragile economic recovery. The ECB have dropped interest rates further and consumer confidence is softening. Despite the weaker economic environment, there was a modest rise in new passenger car sales of 1.7% and 4.1% in France and Germany respectively and sales growth in Spain was particularly strong at 16.2%. Against this backdrop, JLR managed to maintain robust sales growth in Europe up 4.9% over the quarter compared to the same period last year.

Despite fears of a slowing Chinese economy, growth remains above 7% supported by fiscal stimulus from the government to maintain their GDP growth target of 7.5%. New vehicle sales remain buoyant with growth of 8.1% compared to the same period last year and JLR sales outpaced the market once more with retail sales growth of 22.4%.

Challenging economic and political conditions continue in some of the other emerging markets. In Brazil, falling production, retail spending, consumer confidence and the uncertainty surrounding the run up to the recent presidential elections contributed to a 14.3% drop in new vehicle sales compared to the same period last year resulting in a fall in JLR retail sales of 11.2% over the same period. Tightening economic conditions in Russia and the present conflict with the Ukraine continues to impact the Russian economy. Despite a drop in new vehicle sales of 22.9% in Russia JLR sales were only modestly impacted, down by 2.7% over the quarter.

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Business risks and mitigating factors

As discussed on pages 83-89, and elsewhere, of the Annual Report 2013-14 of the Company, Jaguar Land Rover is exposed to various business risks including but not limited to the uncertainty of global economic conditions, fluctuations of currency exchange rates and raw material prices.

Employees

At the end of Q2 FY15, Jaguar Land Rover employed 31,826 people worldwide including agency personnel (Q2 FY14: 27,948). Approximately 1,300 of the people employed are in overseas markets.

Cash flow

Free cash flow was £497 million in the quarter up £67 million from £430m in Q2 FY14. The increase reflects higher cash generated by operating activities (up £194m), offset partially by higher net cash used in investing activities excluding changes in bank deposits longer than 3 months.

Cash generated by operating activities was £1,189 million in the quarter compared to £995 million during Q2 FY14, primarily reflecting higher EBITDA and favourable working capital changes.

Investment in tangible assets (property, plant and equipment), expenditure on intangible assets (product development programs) and investment in joint ventures totalled £701 million in the quarter, compared to £595 million in Q2 FY14. The Company's capital expenditure on tangible assets primarily relates to the introduction of new products, capacity expansion of its production facilities and continuing quality and reliability improvement projects.

Reported net cash used in investing activities of £740 million in the quarter (Q2 FY14: £425 million) includes a £48 million increase in bank deposits with a maturity of over 3 months (Q2 FY14: decrease of £140 million) which are classified as investments.

Cash used in financing activities was £54 million in the quarter, primarily reflecting £41 million of interest and fees paid relating to outstanding debt. In Q2 FY14, cash received from financing activities was £54 million, reflecting higher utilisation of short-term financing facilities.

Liquidity and capital resources

As at 30 September 2014, the Company had £2,263 million of cash and cash equivalents and a further £1,490 million of bank deposits with maturities greater than 3 months. The total amount of cash and cash equivalents includes an amount of £572 million in subsidiaries of Jaguar Land Rover outside the United Kingdom.

The cash in some of these jurisdictions is subject to restriction on remitting cash to the UK through inter-company cash pooling loans or interim dividends although annual dividends are generally permitted.

In addition, the Company had a £1,325 million undrawn committed credit facility with £994 million maturing in July 2018 and the balance maturing in July 2016. The Company also had £51 million of undrawn shorter-term committed credit facilities.

Subsequent events

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On 31 October 2014, the Company issued USD 500 million (approximately £300 million) 4.250% Senior Notes due 2019. The Company intends to use the net proceeds from the issue and sale of the Senior Notes for general corporate purposes, including support for the on-going growth and capital spending plan.

Table of Contents**Borrowings**

The following table shows details of the Company's financing arrangements as at 30 September 2014.

| (£ millions) | Facility amount | Outstanding | Undrawn | First call date |
|--|--------------------|--------------|--------------|--------------------|
| Committed | | | | |
| £500m 8.25% Senior Notes due 2020* | 500 | 500 | | Mar-2016 |
| £400m 5% Senior Notes due 2022** | 400 | 400 | | n/a |
| \$410m 8.125% Senior Notes due 2021* | 252 | 252 | | May-2016 |
| \$500m 5.625% Senior Notes due 2023* | 308 | 308 | | Feb-2018 |
| \$700m 4.125% Senior Notes due 2018** | 430 | 430 | | n/a |
| Revolving 3 and 5 year credit facilities | 1,325 | | 1,325 | |
| Receivable factoring facilities | 215 | 164 | 51 | |
| Subtotal | 3,430 | 2,054 | 1,376 | |
| Prepaid costs | | (22) | | |
| Total | 3,430 | 2,032 | 1,376 | |

* The Notes are guaranteed on a senior unsecured basis by the guarantors Jaguar Land Rover Limited, Jaguar Land Rover Holdings Limited, Land Rover Exports Limited, JLR Nominee Company Limited and Jaguar Land Rover North America LLC.

** The Notes are guaranteed on a senior unsecured basis by the guarantors Jaguar Land Rover Limited and Jaguar Land Rover Holdings Limited.

Acquisitions and disposals

There were no material acquisitions or disposals in the period.

Off-balance sheet financial arrangements

The Company has no off-balance sheet financial arrangements other than commitments disclosed in the condensed consolidated financial statements.

Board of Directors

The following table provides information with respect to members of the Board of Directors of Jaguar Land Rover:

| Name | Position | Year appointed as Director, Chief Executive Officer |
|------|----------|--|
|------|----------|--|

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| | | |
|-----------------------------|---|------|
| Cyrus P Mistry | Chairman and Director | 2012 |
| Andrew M. Robb | Director | 2009 |
| Dr. Ralf D. Speth | Chief Executive Officer and Director | 2010 |
| Nasser Mukhtar Munjee | Director | 2012 |
| Chandrasekaran Ramakrishnan | Director | 2012 |

Table of Contents**Condensed Consolidated Income Statement***For the three and six months ended 30 September 2014 (unaudited)*

| (£ millions) | Note | Three months ended | | Six months ended | |
|-------------------------------------|------|--------------------|-------------------|-------------------|-------------------|
| | | 30 September 2014 | 30 September 2013 | 30 September 2014 | 30 September 2013 |
| | | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| Revenue | | 4,808 | 4,612 | 10,161 | 8,709 |
| Material and other cost of sales | | (2,904) | (2,827) | (6,203) | (5,317) |
| Employee cost | | (463) | (390) | (892) | (751) |
| Other expenses | | (939) | (937) | (1,866) | (1,744) |
| Net impact of commodity derivatives | | (7) | 10 | 8 | (9) |
| Development costs capitalised | 2 | 274 | 259 | 547 | 501 |
| Other income | | 32 | 96 | 56 | 109 |
| Depreciation and amortisation | | (244) | (216) | (478) | (418) |
| Foreign exchange gain | | 45 | 73 | 192 | 43 |
| Finance income | 3 | 12 | 9 | 23 | 18 |
| Finance expense (net) | 3 | (1) | (13) | (5) | (46) |
| Share of loss from joint ventures | | (4) | (8) | (10) | (12) |
| Profit before tax | | 609 | 668 | 1,533 | 1,083 |
| Income tax expense | | (159) | (161) | (390) | (272) |
| Profit for the period | | 450 | 507 | 1,143 | 811 |

Condensed Consolidated Statement of Comprehensive Income*For the three and six months ended 30 September 2014 (unaudited)*

| (£ millions) | Three months ended | | Six months ended | |
|--|--------------------|-------------------|-------------------|-------------------|
| | 30 September 2014 | 30 September 2013 | 30 September 2014 | 30 September 2013 |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| Profit for the period | 450 | 507 | 1,143 | 811 |
| Items that will not be reclassified subsequently to profit or loss: | | | | |
| Remeasurement of defined benefit obligation | (80) | (160) | (194) | (278) |
| Income tax related to items that will not be reclassified | 16 | (3) | 39 | 24 |
| | (64) | (163) | (155) | (254) |

Items that may be reclassified subsequently to profit or loss:

| | | | | |
|--|--------------|------------|--------------|--------------|
| Gain on effective cash flow hedges | (475) | 657 | (412) | 817 |
| Cash flow hedges reclassified to foreign exchange gain in profit or loss | (69) | (1) | (158) | (47) |
| Currency translation differences | 11 | | | |
| Income tax related to items that may be reclassified | 109 | (135) | 114 | (161) |
| | (424) | 521 | (456) | 609 |
| Other comprehensive expense net of tax | (488) | 358 | (611) | 355 |
| Total comprehensive income attributable to shareholders | (38) | 865 | 532 | 1,166 |

Table of Contents**Condensed Consolidated Balance Sheet**

| As at (£ millions) | Note | 30 September 2014 (unaudited) | 31 March 2014 (audited) |
|--------------------------------------|------|----------------------------------|----------------------------|
| Non-current assets | | | |
| Equity accounted investees | | 207 | 145 |
| Other financial assets | | 270 | 473 |
| Property, plant and equipment | | 3,725 | 3,184 |
| Intangible assets | | 4,589 | 4,240 |
| Other assets | | 59 | 33 |
| Deferred income taxes | | 373 | 284 |
| Total non-current assets | | 9,223 | 8,359 |
| Current assets | | | |
| Cash and cash equivalents | | 2,263 | 2,260 |
| Short term deposits | | 1,490 | 1,199 |
| Trade receivables | | 748 | 831 |
| Other financial assets | 5 | 268 | 392 |
| Inventories | 6 | 2,276 | 2,174 |
| Other current assets | 7 | 237 | 355 |
| Current tax assets | | 16 | 19 |
| Total current assets | | 7,298 | 7,230 |
| Total assets | | 16,521 | 15,589 |
| Current liabilities | | | |
| Accounts payable | | 4,609 | 4,787 |
| Short term borrowings | 13 | 165 | 167 |
| Other financial liabilities | 10 | 407 | 277 |
| Provisions | 11 | 418 | 395 |
| Other current liabilities | 12 | 426 | 395 |
| Current tax liabilities | | 109 | 113 |
| Total current liabilities | | 6,134 | 6,134 |
| Non-current liabilities | | | |
| Long term debt | 13 | 1,867 | 1,843 |
| Other financial liabilities | 10 | 164 | 69 |
| Provisions | 11 | 591 | 582 |
| Retirement benefit obligation | 16 | 935 | 674 |
| Other non-current liabilities | | 91 | 77 |
| Deferred tax liabilities | | 493 | 346 |
| Total non-current liabilities | | 4,141 | 3,591 |

| | | | |
|--|----|---------------|---------------|
| Total liabilities | | 10,275 | 9,725 |
| Equity attributable to shareholders | | | |
| Ordinary shares | | 1,501 | 1,501 |
| Capital redemption reserve | | 167 | 167 |
| Reserves | 14 | 4,578 | 4,196 |
| Equity attributable to shareholders | | 6,246 | 5,864 |
| Total liabilities and equity | | 16,521 | 15,589 |

These condensed consolidated interim financial statements were approved by the board of directors.

Company registered number: 6477691

Table of Contents**Condensed Consolidated Statement of Changes in Equity**

| (£ millions) | Ordinary shares | Capital redemption reserve | Other reserves | Total Equity |
|---|-----------------|-------------------------------|-------------------|--------------|
| Balance at 31 March 2014 (audited) | 1,501 | 167 | 4,196 | 5,864 |
| Profit for the period | | | 1,143 | 1,143 |
| Other comprehensive expense for the period | | | (611) | (611) |
| Total comprehensive income | | | 532 | 532 |
| Dividend paid | | | (150) | (150) |
| Balance at 30 September 2014 (unaudited) | 1,501 | 167 | 4,578 | 6,246 |

| (£ millions) | Ordinary shares | Capital redemption reserve | Other reserves | Total Equity |
|---|--------------------|----------------------------------|-------------------|-----------------|
| Balance at 31 March 2013 (audited) | 1,501 | 167 | 1,871 | 3,539 |
| Profit for the period | | | 811 | 811 |
| Other comprehensive expense for the period | | | 355 | 355 |
| Total comprehensive income | | | 1,166 | 1,166 |
| Dividend paid | | | (150) | (150) |
| Balance at 30 September 2013 (unaudited) | 1,501 | 167 | 2,887 | 4,555 |

Table of Contents**Condensed Consolidated Cash Flow Statement***For the three and six months ended 30 September 2014 (unaudited)*

| (£ millions) | Three months ended | | Six months ended | |
|--|--------------------|-------------------|-------------------|-------------------|
| | 30 September 2014 | 30 September 2013 | 30 September 2014 | 30 September 2013 |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| Cash flows from operating activities | | | | |
| Profit for the period | 450 | 507 | 1,143 | 811 |
| Adjustments for: | | | | |
| Depreciation and amortisation | 244 | 216 | 478 | 418 |
| Loss on sale of assets | | | 1 | |
| Foreign exchange loss/(gain) on loans | 53 | (47) | 26 | (52) |
| Income tax expense | 159 | 161 | 390 | 272 |
| (Gain)/loss on embedded derivative | | (9) | | 3 |
| Finance expense (net) | 1 | 22 | 5 | 43 |
| Finance income | (12) | (9) | (23) | (18) |
| Foreign exchange loss/(gain) on derivatives | 24 | (26) | | (38) |
| Foreign exchange gain on short term deposits | (11) | | (20) | |
| Share of loss from joint ventures | 4 | 8 | 10 | 12 |
| Cash flows from operating activities before changes in assets and liabilities | 912 | 823 | 2,010 | 1,451 |
| Trade receivables | 61 | (54) | 84 | 110 |
| Other financial assets | | 228 | (12) | 283 |
| Other current assets | 153 | 161 | 119 | 312 |
| Inventories | (148) | 29 | (102) | (290) |
| Other non-current assets | (9) | (4) | (9) | (4) |
| Accounts payable | 160 | 18 | (254) | (132) |
| Other current liabilities | 98 | 48 | 31 | (153) |
| Other financial liabilities | 7 | (246) | (4) | (285) |
| Other non-current liabilities and retirement benefit obligations | 34 | 10 | 80 | 41 |
| Provisions | (8) | 51 | 38 | 44 |
| Cash generated from operations | 1,260 | 1,064 | 1,981 | 1,377 |
| Income tax paid | (71) | (69) | (172) | (266) |
| Net cash generated from operating activities | 1,189 | 995 | 1,809 | 1,111 |
| Cash flows used in investing activities | | | | |
| Investment in joint ventures | | | (72) | |
| Movements in other restricted deposits | (1) | 20 | 1 | 61 |

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| | | | | |
|---|--------------|--------------|----------------|--------------|
| Investment in short term deposits | (48) | 140 | (273) | 105 |
| Purchases of property, plant and equipment | (367) | (321) | (655) | (570) |
| Proceeds from sale of property, plant and equipment | 1 | | 1 | |
| Cash paid for intangible assets | (335) | (274) | (604) | (533) |
| Finance income received | 10 | 10 | 22 | 20 |
| Net cash used in investing activities | (740) | (425) | (1,580) | (917) |
| Cash flows from financing activities | | | | |
| Finance expenses and fees paid | (41) | (38) | (67) | (84) |
| Proceeds from issuance of short term debt | | 100 | | 101 |
| Repayment of short term debt | (11) | (6) | (6) | (101) |
| Payments of lease obligations | (2) | (2) | (3) | (3) |
| Dividends paid | | | (150) | (150) |
| Net cash used in financing activities | (54) | 54 | (226) | (237) |
| Net change in cash and cash equivalents | 395 | 624 | 3 | (43) |
| Cash and cash equivalents at beginning of period | 1,868 | 1,405 | 2,260 | 2,072 |
| Cash and cash equivalents at end of period | 2,263 | 2,029 | 2,263 | 2,029 |

Table of Contents**Notes (forming part of the condensed consolidated financial statements)****1 Accounting policies Basis of preparation**

The information for the three months ended 30 September 2014 is unaudited and does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The condensed consolidated interim financial statements of Jaguar Land Rover Automotive plc have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting under IFRS as adopted by the European Union (EU).

The condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments held at fair value. These financial instrument valuations are classified as level 2 fair value measurements, as defined by IFRS 13, being those derived from inputs other than quoted prices which are observable. There have been no changes in the valuation techniques used or transfers between fair value levels from those set out in the annual consolidated financial statements for the year ended 31 March 2014.

The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 March 2014, which were prepared in accordance with IFRS as adopted by the EU. There were no difference between those financial statements and the financial statements for the group prepared under IFRS as adopted by the International Accounting Standards Board.

The condensed consolidated interim financial statements have been prepared on the going concern basis as set out within the directors' statement of responsibilities section of the group's annual report for the year ended 31 March 2014.

The accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 March 2014, as described in those financial statements.

2 Research and development

| (£ millions) | Three months ended | | Six months ended | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | 30 September 2014 (unaudited) | 30 September 2013 (unaudited) | 30 September 2014 (unaudited) | 30 September 2013 (unaudited) |
| Total R&D costs | 336 | 321 | 662 | 613 |
| R&D expensed | (62) | (62) | (115) | (112) |
| Development costs capitalised | 274 | 259 | 547 | 501 |
| Interest capitalised | 29 | 22 | 59 | 47 |
| R&D tax credit | (13) | (23) | (26) | (23) |
| Total internally developed intangible additions | 290 | 258 | 580 | 525 |

3 Finance income and expense
Recognised in net income

| (£ millions) | Three months ended | | Six months ended | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | 30 September 2014 (unaudited) | 30 September 2013 (unaudited) | 30 September 2014 (unaudited) | 30 September 2013 (unaudited) |
| Finance income | 12 | 9 | 23 | 18 |
| Total finance income | 12 | 9 | 23 | 18 |
| Total interest expense on financial liabilities measured at amortised cost | (33) | (53) | (71) | (99) |
| Unwind of discount on provisions | 2 | 4 | 6 | 4 |
| Interest capitalised | 30 | 27 | 60 | 52 |
| Finance expense | (1) | (22) | (5) | (43) |
| Embedded derivative value movement | | 9 | | (3) |
| Total finance expense (net) | (1) | (13) | (5) | (46) |

The capitalisation rate used to calculate borrowing costs eligible for capitalisation was 6.0% (six months to 30 September 2013: 7.5%).

Table of Contents**Notes (continued)****4 Allowances for trade and other receivables**

Changes in the allowances for trade and other receivables are as follows:

| As at (£ millions) | 30 September 2014 (unaudited) | 31 March 2014 (audited) |
|---------------------------------------|--|------------------------------------|
| At beginning of period | 8 | 10 |
| Change in allowance during the period | 3 | (1) |
| Written off | | (1) |
| At end of period | 11 | 8 |

5 Other financial assets - current

| As at (£ millions) | 30 September 2014 (unaudited) | 31 March 2014 (audited) |
|---|--|------------------------------------|
| Advances and other receivables recoverable in cash | 22 | 22 |
| Derivative financial instruments | 231 | 361 |
| Other | 15 | 9 |
| Total current other financial assets | 268 | 392 |

6 Inventories

| As at (£ millions) | 30 September 2014 (unaudited) | 31 March 2014 (audited) |
|-------------------------------|--|------------------------------------|
| Raw materials and consumables | 87 | 75 |
| Work in progress | 250 | 211 |
| Finished goods | 1,939 | 1,888 |
| Total inventories | 2,276 | 2,174 |

7 Other current assets

| As at (£ millions) | 30 September 2014 (unaudited) | 31 March 2014 (audited) |
|-----------------------------------|--|------------------------------------|
| Recoverable VAT | 95 | 237 |
| Prepaid expenses | 94 | 70 |
| Other | 48 | 48 |
| Total current other assets | 237 | 355 |

8 Taxation

Recognised in the income statement

The income tax for the 3 month and 6 month periods ended 30 September 2014 and 30 September 2013 is charged at the estimated effective tax rate expected to apply for the applicable financial year ends.

9 Capital expenditure

Capital expenditure in the period was £755 million (3 month period to 30 September 2013: £558 million) on fixed assets and £641 million (3 month period to 30 September 2013: £588 million) was capitalised as intangible engineering assets (excluding the R&D tax credit). There were no impairments, material disposals or changes in use of assets.

Table of Contents**Notes (continued)****10 Other financial liabilities**

| As at (£ millions) | 30 September 2014 (unaudited) | 31 March 2014 (audited) |
|--|----------------------------------|----------------------------|
| Current | | |
| Finance lease obligations | 5 | 5 |
| Interest accrued | 22 | 24 |
| Derivative financial instruments | 196 | 65 |
| Liability for vehicles sold under a repurchase arrangement | 184 | 183 |
| | 407 | 277 |
| Non-current | | |
| Finance lease obligations | 11 | 13 |
| Derivative financial instruments | 152 | 55 |
| Other payables | 1 | 1 |
| | 164 | 69 |

11 Provisions

| As at (£ millions) | 30 September 2014 (unaudited) | 31 March 2014 (audited) |
|---------------------------------------|----------------------------------|----------------------------|
| Current | | |
| Product warranty | 362 | 343 |
| Legal and product liability | 53 | 49 |
| Provisions for residual risk | 2 | 2 |
| Other employee benefits obligations | 1 | 1 |
| Total current provisions | 418 | 395 |
| Non-current | | |
| Other employee benefits obligations | 7 | 10 |
| Product warranty | 553 | 538 |
| Provision for residual risk | 10 | 13 |
| Provision for environmental liability | 21 | 21 |
| Total non-current provisions | 591 | 582 |

| (£ millions) | Six months ended 30 September 2014 (unaudited) | Year ended 31 March 2014 (audited) |
|------------------------------------|---|--|
| Product warranty | | |
| Opening balance | 881 | 743 |
| Provision made during the period | 226 | 541 |
| Provision used during the period | (178) | (397) |
| Impact of discounting | (6) | (6) |
| Foreign currency translation | (8) | |
| Closing balance | 915 | 881 |
| Legal and product liability | | |
| Opening balance | 49 | 16 |
| Provision made during the period | 7 | 41 |
| Provision used during the period | (3) | (5) |
| Foreign currency translation | | (3) |
| Closing balance | 53 | 49 |

Table of Contents**Notes (continued)****11 Provisions (continued)**

| (£ millions) | Six months ended 30 September 2014 (unaudited) | Year ended 31 March 2014 (audited) |
|--------------------------------------|--|--|
| Residual risk | | |
| Opening balance | 15 | 15 |
| Provision made during the period | | 2 |
| Provision used during the period | | |
| Unused amount released in the period | (3) | |
| Foreign currency translation | | (2) |
| Closing balance | 12 | 15 |
| Environmental liability | | |
| Opening balance | 21 | 22 |
| Provision made during the period | | |
| Provision used during the period | | (1) |
| Closing balance | 21 | 21 |

Product warranty provision

The group offers warranty cover in respect of manufacturing defects, which become apparent within a year and up to five years after purchase, dependent on the market in which the purchase occurred.

Legal and product liability provision

A legal and product liability provision is maintained in respect of known litigation which impacts the group. In the main the provision relates to motor accident claims, consumer complaints, dealer terminations, employment cases and personal injury claims.

Residual risk provision

In certain markets, the group is responsible for the residual risk arising on vehicles sold by dealers on leasing arrangements. The provision is based on the latest available market expectations of future residual value trends. The timing of the outflows will be at the end of the lease arrangements being typically up to three years.

Environmental risk provision

This provision relates to various environmental remediation costs such as asbestos removal and land clean up. The timing of when these costs will be incurred is not known with certainty.

12 Other current liabilities

| As at (£ millions) | 30 September 2014 (unaudited) | 31 March 2014 (audited) |
|--|--|------------------------------------|
| Liabilities for advances received | 313 | 253 |
| Deferred revenue | 23 | 19 |
| VAT | 59 | 85 |
| Others | 31 | 38 |
| Total current other liabilities | 426 | 395 |

Table of Contents**Notes (continued)****13 Interest bearing loans and borrowings**

| As at (£ millions) | 30 September 2014 (unaudited) | 31 March 2014 (audited) |
|--|----------------------------------|----------------------------|
| EURO MTF listed debt | 1,867 | 1,843 |
| Loans from banks | 165 | 167 |
| Finance lease liabilities | 16 | 18 |
| Total borrowings | 2,048 | 2,028 |
| Less: | | |
| Current bank loan | (165) | (167) |
| Total short term borrowings | (165) | (167) |
| Current portion of finance lease obligations | (5) | (5) |
| Long term debt | 1,878 | 1,856 |
| Held as long term debt | 1,867 | 1,843 |
| Held as long term finance lease obligations | 11 | 13 |

14 Other reserves

The movement of reserves and accumulated deficit is as follows:

| (£ millions) | Translation reserve | Hedging reserve | Profit & loss reserve | Total reserves |
|--|------------------------|--------------------|--------------------------|----------------|
| Balance at 1 April 2014 | (383) | 539 | 4,040 | 4,196 |
| Profit for the period | | | 1,143 | 1,143 |
| Remeasurement of defined benefit obligation | | | (194) | (194) |
| Gain on effective cash flow hedges | | (412) | | (412) |
| Currency translation differences | | | | |
| Income tax related to items recognised in other comprehensive income | | 81 | 39 | 120 |
| Cash flow hedges reclassified to foreign exchange in profit or loss | | (158) | | (158) |
| Income tax related to items reclassified to profit or loss | | 33 | | 33 |
| Dividend paid | | | (150) | (150) |

| | | | | |
|-------------------------------------|--------------|-----------|--------------|--------------|
| Balance at 30 September 2014 | (383) | 83 | 4,878 | 4,578 |
|-------------------------------------|--------------|-----------|--------------|--------------|

| (£ millions) | Translation reserve | Hedging reserve | Profit & loss reserve | Total reserves |
|--|--------------------------------|----------------------------|--------------------------------------|-----------------------|
| Balance at 1 April 2013 | (383) | (196) | 2,450 | 1,871 |
| Profit for the year | | | 1,879 | 1,879 |
| Remeasurement of defined benefit obligation | | | (135) | (135) |
| Gain on effective cash flow hedges | | 1,041 | | 1,041 |
| Income tax related to items recognised in other comprehensive income | | (220) | (4) | (224) |
| Cash flow hedges reclassified to foreign exchange in profit or loss | | (112) | | (112) |
| Income tax related to items reclassified to profit or loss | | 26 | | 26 |
| Dividend paid | | | (150) | (150) |
| Balance at 31 March 2014 | (383) | 539 | 4,040 | 4,196 |

Table of Contents**Notes (continued)****15 Dividends**

During the three months ended 30 September 2014, no ordinary share dividend was proposed and paid (three months to 30 September 2013: £nil).

During the six months ended 30 September 2014, an ordinary share dividend of £150 million was proposed and paid (six months to 30 September 2013: £150 million).

16 Employee benefits

Jaguar Land Rover Limited and Jaguar Land Rover Holdings Limited (previously Land Rover), have pension arrangements providing employees with defined benefits related to pay and service as set out in the rules of each fund. The following table sets out the disclosure pertaining to employee benefits of Jaguar Land Rover Limited, Jaguar Land Rover Holdings Limited, UK and overseas subsidiaries which operate defined benefit pension plans.

| (£ millions) | Six months ended 30 September 2014 (unaudited) | Year ended 31 March 2014 (audited) |
|---|--|--|
| Change in defined benefit obligation | | |
| Defined benefit obligation, beginning of the period | 6,053 | 6,021 |
| Service cost | 84 | 176 |
| Interest cost | 137 | 262 |
| Actuarial losses / (gains) arising from: | | |
| - Changes in demographic assumptions | 90 | (39) |
| - Changes in financial assumptions | 467 | (243) |
| - Experience adjustments | | 8 |
| Prior service costs | 1 | 6 |
| Foreign currency translation | | (2) |
| Member contributions | 1 | 1 |
| Benefits paid | (66) | (137) |
| Defined benefit obligation, at end of period | 6,767 | 6,053 |
| Change in plan assets | | |
| Fair value of plan assets at beginning of the period | 5,382 | 5,365 |
| Interest income | 123 | 237 |
| Remeasurement gain / (loss) on the return of plan assets, excluding amounts included in interest income | 363 | (407) |

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| | | |
|--|--------------|--------------|
| Administrative expenses | (4) | (8) |
| Foreign currency translation | | (2) |
| Employer s contributions | 36 | 333 |
| Members contributions | 1 | 1 |
| Benefits paid | (66) | (137) |
| Fair value of plan assets at end of period | 5,835 | 5,382 |
| Amount recognised in the balance sheet consist of | | |
| Present value of defined benefit obligations | (6,767) | (6,053) |
| Fair value of plan assets | 5,835 | 5,382 |
| Restriction on asset and onerous obligation | (3) | (3) |
| Net liability | (935) | (674) |
| Non-current assets | | |
| Non-current liabilities | (935) | (674) |

Table of Contents**Notes (continued)****16 Employee benefits (Continued)**

The range of assumptions used in accounting for the pension plans in both periods is set out below:

| (£ millions) | Six months ended 30 September 2014 (unaudited) | Year ended 31 March 2014 (audited) |
|---|--|--|
| Discount rate | 4.1 | 4.6 |
| Expected rate of increase in compensation level of covered employees | 3.8 | 3.9 |
| Inflation increase | 3.3 | 3.4 |

For the valuation at 30 September 2014 and 31 March 2014, the mortality assumptions used are the SAPS base table, in particular S1NxA tables and the Light table for members of the Jaguar Executive Pension Plan. A scaling factor of 115% has been used for the Jaguar Pension Plan, 110% for the Land Rover Pension Scheme, and 105% for males and 90% for females for Jaguar Executive Pension Plan. There is an allowance for future improvements in line with the CMI (2013) projections and an allowance for long term improvements of 1.25% per annum.

17 Commitments and contingencies

In the normal course of business, the group faces claims and assertions by various parties. The group assesses such claims and assertions and monitors the legal environment on an on-going basis, with the assistance of external legal counsel wherever necessary. The group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the group provides a disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. Management believe that none of the contingencies described below, either individually or in aggregate, would have a material adverse effect on the group's financial condition, results of operations, or cash flows.

Litigation

The group is involved in legal proceedings, both as plaintiff and as defendant and there are claims of £28 million (31 March 2014: £27 million) against the group which management have not recognised as they are not considered probable. The majority of these claims pertain to motor accident claims and consumer complaints. Some of the cases also relate to replacement of parts of vehicles and/or compensation for deficiency in the services by the group or its dealers.

Other claims

From time to time, in the normal course of business, the group may face tax claims in various jurisdictions. The group has assessed there are no contingent liabilities arising from such claims as at 30 September 2014 and 31 March 2014 as the likelihood that these will give rise to any material settlement is considered remote.

Commitments

The group has entered into various contracts with vendors and contractors for the acquisition of plant and machinery, equipment and various civil contracts of capital nature aggregating £1,290 million (31 March 2014: £940 million) and £Nil (31 March 2014: £Nil) relating to the acquisition of intangible assets.

The group has entered into various contracts with vendors and contractors which include obligations aggregating £693 million (31 March 2014: £717 million) to purchase minimum or fixed quantities of material.

Inventory of £Nil (31 March 2014: £Nil) and trade receivables with a carrying amount of £164 million (31 March 2014: £167 million) and property, plant and equipment with a carrying amount of £Nil (31 March 2014: £Nil) and restricted cash with a carrying amount of £Nil (31 March 2014: £Nil) are pledged as collateral/security against the borrowings and commitments.

There are guarantees provided in the ordinary course of business of £Nil (31 March 2014: £1 million).

Table of Contents**Notes (continued)****18 Capital Management**

The group's objectives when managing capital are to ensure the going concern operation of its entities and to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and to meet shareholder expectations.

The group's policy is to borrow primarily through capital market issues to meet anticipated funding requirements and maintain sufficient liquidity. The group also maintains certain undrawn committed credit facilities to provide additional liquidity. These borrowings, together with cash generated from operations, are loaned internally or contributed as equity to certain subsidiaries as required. Surplus cash in subsidiaries is pooled (where practicable) and invested to satisfy security, liquidity and yield requirements.

The capital structure is governed according to group policies approved by the Board and is monitored by various metrics such as debt to EBITDA and EBITDA to interest ratios, as per the debt covenants and rating agency guidance. Funding requirements are reviewed periodically with any debt issuances and capital distributions approved by the Board.

The following table summarises the capital of the group:

| As at (£ millions) | 30 September 2014 | 31 March 2014 |
|--|--------------------------|----------------------|
| | (unaudited) | (unaudited) |
| Short term debt | 170 | 172 |
| Long term debt | 1,878 | 1,856 |
| Total debt* | 2,048 | 2,028 |
| Equity | 6,246 | 5,864 |
| Total capital (debt and equity) | 8,294 | 7,892 |

* Total debt includes finance lease obligations of £16 million (31 March 2014: £18 million).

19 Related party transactions

The group's related parties principally consist of Tata Sons Ltd., subsidiaries, associates and joint ventures of Tata Sons Ltd which includes Tata Motors Ltd. (the ultimate parent company), subsidiaries, associates and joint ventures of Tata Motors Ltd. The group routinely enters into transactions with these related parties in the ordinary course of business including transactions for sale and purchase of products with its associates and joint ventures. Transactions and balances with the group's own subsidiaries are eliminated on consolidation.

The following table summarises related party transactions and balances not eliminated in the consolidated condensed interim financial statements.

| Six months ended 30 September (£ millions) | 2014 (unaudited) | | 2013 (unaudited) | |
|--|---|-----------------------------------|---|-----------------------------------|
| | With fellow subsidiaries, associates and joint ventures | With immediate or ultimate parent | With fellow subsidiaries, associates and joint ventures | With immediate or ultimate parent |
| Sale of products | 7 | 35 | | 24 |
| Services received | 75 | 6 | 54 | 1 |
| Services rendered | 8 | | 3 | |
| Trade and other receivables | 31 | 19 | 17 | 2 |
| Accounts payable | 40 | 3 | 20 | |
| Dividend paid | | 150 | | 150 |
| Compensation of key management personnel | | | | |

| Six months ended 30 September (£ millions) | 2014 (unaudited) | 2013 (unaudited) |
|--|---------------------|---------------------|
| Key management personnel remuneration | 13 | 7 |

20 Subsequent Events

On 31 October 2014, the Company issued USD 500 million (approximately £300 million) 4.25% Senior Notes due 2019. The Company intends to use net proceeds from the issue and sale of the Senior Notes for general corporate purposes, including support for the on-going growth and capital spending plan.

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