JAGUAR LAND ROVER REPORTS FIRST QUARTER RESULTS FOR 2019/2020 FINANCIAL YEAR

- **Retail sales of 128,615 units**
- **Revenues of £5.07 billion**
- **Pre-tax loss of £395 million, consistent with the outlook provided for the quarter**
- **Expect increased sales from new models and cost savings from Project Charge to improve results with a profit for the full year**

Whitley, UK, 25 July 2018: Jaguar Land Rover Automotive plc today reported financial results for the three-month period ending 30 June 2019.

With industry volumes down in most regions, Jaguar Land Rover reported a year-on-year 11.6% decline in its global retail sales to 128,615 vehicles for the quarter. Encouragingly, the company had record sales in the UK, up 2.6% year-on-year for the period, while China sales rose in June compared with the prior month.

Sales of the award-winning all-electric Jaguar I-PACE and the new Range Rover Evoque were up year-on-year, which partially offset the impact of weaker market conditions on other models. The company also launched the refreshed Discovery Sport and Jaguar XE in the quarter.

Jaguar Land Rover reported a pre-tax loss of £395 million, compared to £264 million loss in the same period a year ago, on quarterly revenues that declined 2.8% year-on-year to £5.07 billion. The results are consistent with the outlook for the quarter and primarily reflect lower revenues resulting from the weaker market conditions. Additional plant shutdown time and delays in WLTP certification resulting from Brexit contingency planning also contributed to the lower sales and profits.

Prof. Dr. Ralf Speth, Jaguar Land Rover Chief Executive, said: ***"Jaguar Land Rover is in a period of major transformation. We are simplifying our business, delivering on our product strategy and adapting to the tough market environment. We will build on our strong foundations and increased operating efficiency to return to profit this fiscal year. In this period, we expect to see the impact of growing demand for new models such as the Range Rover Evoque, Discovery Sport and Jaguar XE, whilst implementing our 'Charge' transformation programme."***

Project Charge provided £100 million of cost savings and £300 million reduction to previously planned investment in the quarter, and is on track to achieve £2.5 billion of cash and profit improvements with a total of £1.7 billion now achieved to date.

In July, the company announced a significant step forward in its ambitious electrification strategy, with plans to build three new electrified models at the Castle Bromwich facility in the UK. The first of these will be the next generation all-electric Jaguar XJ, the revolutionary successor to the flagship Jaguar saloon.

While free cash flow was negative £719 million after £795 million of investment spending in the quarter, this represented a £954 million improvement year-on-year. This improvement reflects £756 million of favourable working capital (including £305 million from utilization of a new receivable financing facility) and £271 million from lower investment spending. The UK government has also announced that UK Export Finance (UKEF) will provide a £500 million guarantee for a planned £625 million loan facility from commercial banks. The loan facility is expected to be completed in the coming months and amortize over five years.

Jaguar Land Rover reiterates that its financial results will improve over the balance of the year and continues to target a 3%-4% EBIT margin for the full year, with continued investment resulting in negative but improving cash flows.

Prof. Dr. Speth concluded: **"*Despite challenging conditions in the first quarter, Jaguar Land Rover is creating a more robust and resilient business, in which we will continue to deliver a strong pipeline of products that our customers will love. Breakthrough products such as the exciting all new Land Rover Defender will pave the way for sustainable profitable growth.*"**

ENDS