

TATA MOTORS LTD/FI
Form 6-K
November 15, 2011

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Issuer

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

For the Month of November 2011

Commission File Number: 001-32294

TATA MOTORS LIMITED

(Translation of registrant's name into English)

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Edgar Filing: TATA MOTORS LTD/FI - Form 6-K

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 14, 2011 along with the Interim Report.

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 14, 2011

Jaguar Land Rover PLC

Interim Report

for the three months and six months ended 30 September 2011

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This report uses:	
Group, company, Jaguar Land Rover, JLR to refer to Jaguar Land Rover PLC and its subsidiaries.	
FY12 Year ended 31 March 2012	
FY11 Year ended 31 March 2011	
Q1 3 months ended 30 June	
Q2 3 months ended 30 September	
H1 6 months ended 30 September	

JLR KEY METRICS

Note 1 Underlying EBIT is before providing for £94m of mark to market losses on un-hedged commodity and foreign exchange derivatives

2 Net Income is after providing for £94m of mark to market losses on un-hedged commodity and foreign exchange derivatives

* EBITDA measured as earnings before tax add back depreciation, amortisation, finance income, finance expense and foreign exchange gains/losses.

** Investment Represents the net cost of investment in property, plant and equipment, intangible assets and associates.

*** Free Cash Flow Measured as net cash generated from operations plus net cash used in investing activities.

KEY MILESTONES FOR QUARTER 2 2011/12

Jaguar Land Rover announces investment in a new advanced engine facility in the UK.

JLR confirms a £355 million investment in a new facility to manufacture all-new, advanced technology, low-emission engines in the UK. The new advanced engine facility will be built at i54, a business park near Wolverhampton.

DC100 and DC100 Sport introduced at Frankfurt International Motor Show

Two new Defender concepts from Land Rover – the DC100 and DC100 Sport – investigate the potential design direction of the iconic Defender, capturing the flexibility, adaptability and configurability that have always been key attributes of Land Rover.

C-X16 introduced at Frankfurt International Motor Show

The C-X16 takes the traditional front-engined, rear-wheel-drive formula that Jaguar defined over the decades and reinvents it for the 21st century in a performance-oriented hybrid drivetrain. Jaguar's two-seat concept is a new breed of Jaguar sports car that aims to set a new class benchmark for design, vehicle dynamics and technology.

Range Rover Evoque production commenced 4th July 2011, went on sale to UK customers in September

A record intake of 336 graduate recruits started work at JLR in September 2011.

AWARDS AND RECOGNITION FOR QUARTER 2 2011/12

XF awarded Car of the Decade by Auto Express magazine

Range Rover Evoque awarded Car of the Year by Auto Express magazine New Car Awards.

Discovery awarded Best Large SUV by Auto Express magazine.

MSN Poll of 40,000 people in UK Land Rover wins Who makes the best 4x4?

Jaguar Land Rover was honoured by Business in the Community with a gold rating in the Corporate Responsibility Index 2011 and a Big Tick Award for its Environmental Innovation Programme.

Land Rover DC100 Sport awarded Autoweek Best Concept award at Frankfurt Motor show

Jaguar C-X16 production concept wins Autoweek Best in Show award at Frankfurt Motor show

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Geopolitical environment

During the quarter to 30th September 2011 economic conditions and financial markets within the UK and euro zone have remained volatile. Economic indicators reflect continuing uncertainty and inflation remains above target within these regions. During this period, interest rates have remained constant. The potential to use interest rates to stimulate growth is limited due to current rates being close to historical lows. The Bank of England announced a further £75 billion of quantitative easing in October.

Greece remains a major concern within the euro zone; however, more recently concerns around Spain and Italy have heightened leading to a downgrade to the Italian credit rating.

In the US, whilst there has been growth, unemployment levels have increased to near 9%. The recently announced financial package known as Operation Twist has provided some support but the overall impact is yet to be determined. Whilst the debt ceiling has been increased in the US concerns over the level of frugal growth remain, with annualised growth being reported at 1.5%.

Growth within the matured western markets remains slow and future growth predictions have softened over the last few weeks with the risk of a double dip recession or a sustained period of benign growth increasing.

The company continues to benefit from increased growth in Chinese and Russian markets, where GDP and vehicle volume growth in the SUV and luxury model segments is significantly higher than the mature markets. GDP in China for the equivalent quarter was recorded in excess of 9%,

Economic uncertainty in mature western markets has led to a fall in oil prices whilst energy prices continue to increase. Raw material commodity rates have been volatile during the quarter. However, there has been a reduction in the latter part of the period compared to the previous quarter.

Exchange rates continued to fluctuate, throughout the period. Compared to the prior quarter the British pound has strengthened against the euro at 1.152, but weakened against the US dollar to 1.557 at the end of September, reversing last quarter's trend. The US dollar appears to be reverting to its historical position of being a safe haven, though volatility is such that this role has yet to be established with certainty.

The company continues to monitor relevant economic and volume indicators in order to manage production and vehicle distribution as well as hedging against currency risks (and material prices to the extent possible).

General trends in performance (including results of operations)

Results and prospects

Quarter financial result

The company has continued to perform strongly in the second quarter of FY12 (Q2 FY12) compared to the equivalent quarter in FY11 (Q2 FY11), with improved revenue as a result of increased volumes in China, Europe and the UK.

EBITDA at £420 million has improved, demonstrating that profit improvement and cost efficiencies remain a continuing focus of the company's management team.

During the quarter there has been a significantly higher level of investment in keeping with the company's growth strategy, fully funded from operating cash flow and, overall free cash flow remained positive in the quarter and half year.

Revenue and earnings

The company generated revenue of £2,915 million in Q2 FY12, an increase of 31% over the £2,232 million for the Q2 FY11. This was an increase over Q1 FY12 of £212 million (8% improvement). For the half year revenue has increased by 25% to £5,618 million compared to H1 FY11.

EBITDA growth

EBITDA for the company increased by £59 million for the quarter to £420 million (£361 million for Q2 FY11). EBITDA for the half year has increased by 13.2% to £782 million compared to H1 FY11.

The EBITDA margin has reduced from 16.6% in Q2 FY12 to 14.4% in the current quarter, predominantly due to less favourable operational exchange rates. Q2 FY12 shows an increase of 1% over Q1 FY12.

Net Income

Net Income (PAT) for the quarter was £172 million (Q2 FY11: £239 million). The reduction was mainly due to mark-to-market losses on un-hedged commodity and foreign exchange derivatives (non-cash) of £94 million and higher income tax expense, which reduced the PAT from £266 million down to £172 million.

Strong volume growth

Total retail volumes were 65,682 units for the quarter, an increase of 17% compared to Q2 FY11. Retail volumes for Q2 FY12 were 13,233 units for Jaguar and 52,449 for Land Rover. Land Rover's growth, compared to the equivalent quarter in the prior year was 24% whilst Jaguar's volume reduced by 6%.

Retail volumes in the UK were 14,996 units, a 1% increase on the equivalent quarter in the prior year, whilst the North American retail volumes were 12,106. China saw further significant increases with retail volumes ending the reporting period at 10,869 up on the equivalent quarter in the prior year by 87%. There was continued positive growth in Europe of 5% resulting in a retail volume of 12,458 whilst Russia achieved volume sales of 3,369.

Wholesale volumes for Q2 FY12 were 68,000 units, an increase of 23% on the equivalent quarter in the prior year. At a brand level, wholesale volumes were 54,694 units for Land Rover and 13,306 units for Jaguar.

Performance in key geographical markets on retail basis

United States

The US premium car segment volumes increased by 8.3% in Q2 FY12, compared to Q2 FY11, with Land Rover up by 14.1% and Jaguar down 25%.

US premium SUV segment volumes were up 2.7% compared to Q2 FY11 with Land Rover up 14.1%.

US total retail volumes for the quarter were 11,263 units.

Jaguar retail volumes for the quarter fell by 25% compared to Q2 FY11, and resulted in a decline in market share by 2.4% to 5.4%.

Land Rover retail volumes for the quarter increased by 14.1% compared to Q2 FY11, leading to market share growing from 5.3% to 5.9%.

UK

UK premium car segment volumes increased by 5.8% in the quarter, compared to Q2 FY11, with Land Rover increasing 4.4% and Jaguar volumes down by 5.7%.

The UK premium SUV segment volumes increased by 16.4% in the second quarter compared Q2 FY11, with Land Rover up 4.4% for the quarter.

Jaguar and Land Rover combined retailed 14,996 units in the quarter.

Jaguar retail volumes for the quarter decreased by 5.7% and its market share declined by 1.8% to 16.8%. The XF 2012 Model Year, including the new 2.2 diesel engine, was launched at the end of the quarter.

Land Rover retail volumes for the quarter were up by 4.4% compared to Q2 FY11, with market share down by 1.9% to 12.8%, reflecting constrained supply.

Europe (excluding Russia and UK)

Total retail volumes in the quarter for the Europe region were 12,458, an increase of 5.3% compared to Q2 FY11.

In the quarter, the German premium car segment volumes increased by 28.6% compared to Q2 FY11, and the German premium SUV segment volumes increased by 10.2%.

Jaguar retail volumes for the Europe region for the quarter decreased by 14.5%, whilst in Germany, market share declined by 0.3% to 1.6%.

Land Rover retail volumes for the Europe region for the quarter increased by 11.2%, whilst in Germany its market share declined by 0.4% to 1.7%.

Trading within certain European markets remained challenging throughout the quarter with Turkey and other smaller markets experiencing reduced levels of consumer demand.

Russia

Russia's premium car segment volumes increased by 40.8% in the second quarter, compared to Q2 FY11, with Jaguar up 6.6%.

The Russian premium SUV segment volumes were up 25.8% compared to Q2 FY11, with Land Rover up 6.3%.

Total Russian retail volumes for the quarter were 3,369 units.

Jaguar retail volumes for the quarter increased by 6.6% compared to Q2 FY11, whilst market share decreased by 1.2% to 3.6%.

Land Rover retail volumes for the quarter increased by 6.3% compared to Q2 FY11, but its market share fell 0.5% to 2.9%.

China

China's premium car segment volumes increased by 18.1% for the quarter, compared to Q2 FY11, with Jaguar volumes up 158%. This improvement is largely driven by strong demand for the XJ 3.0 petrol model, introduced to the market in March 2011. The premium SUV segment increased in the second quarter by 56%, when compared to Q2 FY11.

Total retail volumes were 10,869 units in the quarter.

Jaguar retails in the quarter were up 158% compared to Q2 FY11, and its market share increased by 0.9% to 1.6%.

Land Rover retails in the quarter were up 79% compared to Q2 FY11, whilst its market share increased by 1.5% to 11.9%.

China remains on track to become the 2nd and 3rd largest market for Land Rover and Jaguar respectively during the current fiscal year.

Business risks and mitigating factors

As discussed in the Annual Report 2010-11 of the company, Jaguar Land Rover is exposed to various business risks including the uncertainty of global economic conditions, fluctuations of currency exchange rates and raw material prices.

Employees

At the end of Q2 FY12, Jaguar Land Rover employed 20,923 people worldwide including agency (Q1 FY12: 20,015). Approximately 1,000 of the people employed are in overseas markets.

Liquidity and capital resources

As at 30 September 2011, the company had cash and cash equivalents of £1,340 million and undrawn committed facilities of £236 million. The total amount of cash and cash equivalents includes £507 million in subsidiaries of Jaguar Land Rover outside the United Kingdom. A portion of this amount is subject to various restrictions or impediments on the ability of the company's subsidiaries in certain countries to transfer cash across the group.

Borrowings

The following table shows details of the company's financing arrangements as at 30 September 2011.

<u>Facility</u>	<u>Facility amount</u>	<u>Maturity</u>	<u>Outstanding as at 30 September 2011</u>	<u>Undrawn as at 30 September 2011</u>
	<u>£ in millions</u>		<u>£ in millions</u>	<u>£ in millions</u>
<i>Committed</i>				
£500m Senior Notes 8.125% 2018	500.0	2018	500.0	0.0
\$410m Senior Notes 7.75% 2018	263.3	2018	263.3	0.0
\$410m Senior Notes 8.125% 2021	263.3	2021	263.3	0.0
Bank & other loans	287.3	2012-18	201.3	186.0
Receivables factoring facilities	220.5	2011-12	171.0	49.6
Preference shares	157.0		157.0	0.0
Subtotal	1,791.4		1,555.8	235.6
<i>Uncommitted</i>				
Receivables factoring facilities	468.4	2011	0.0	468.4
Other facilities	17.1		17.1	0.0
Subtotal	485.5		17.1	468.4
Capitalized costs			(30.3)	
Total	2,277.0		1,542.9	734.3

Cash flow data

Net cash provided by operating activities was £475.1 million in the quarter (H1 FY12: £986.3 million) compared to £495.6 million during Q2 FY11 (H1 FY11: £691.9 million).

Net cash used in investing activities increased to £355.7 million in the quarter (H1 FY12: £752.5 million), compared with £179.2 million in Q2 FY11 (H1 FY11: £358.6 million). Purchase of property, plant and equipment and expenditure on intangible assets (product development projects) was £346.9 million in the quarter (H1 FY12: £720.6 million) and £191.1 million in Q2 FY11 (H1 FY11: £358.0 million). The company's capital expenditure relates mostly to capacity expansion of its production facilities, quality and reliability improvement projects, and the introduction of new products, including costs associated with the development of the Range Rover Evoque.

Cash used in financing activities was £161.8 million in quarter (H1 FY12: generated £78.4 million) compared to net cash used in financing activities of £289.4 million in Q2 FY11 (H1 FY11: £used £283.6 million). Cash from financing activities in the quarter reflects repayment of £149.9 million of short-term debt. Cash used in financing activities in the three months ended 30 September 2010 reflected the repayment of short term debt of £187.0 million and finance expenses of £15.0 million.

Cash generated in H1 FY12 included £1,000 million relating to the bond issuance and net repayment of £893.8 million of other funding. Cash used in H1 FY11 included net debt repayments of £248.4 million.

Acquisitions and disposals

There were no material acquisitions in the period.

Off-balance sheet financial arrangements

The company has no off-balance sheet financial arrangements other than commitments disclosed in Note 20 of the condensed interim 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
Ratan N. Tata	Chairman and Director	2008
Ravi Kant	Director	2008
Andrew M. Robb	Director	2009
Dr. Ralf D. Speth	Chief Executive Officer and Director	2010

Carl-Peter Forster resigned from the Board of Directors with immediate effect on the 9th of September. However, at the request of the Board, Mr. Forster will continue to serve the Board of Tata Motors Limited as a non-executive member. Dr. Ralf Speth, CEO of Jaguar Land Rover, will represent JLR operations on the Board of Tata Motors Limited.

Condensed Consolidated Income Statement*for the three months ended 30 September 2011 (Unaudited)*

	<i>Note</i>	Three months ended 30 September 2011			Three months ended 30 September 2010		
		Trading result £m	Non operating result £m	Total	Trading result £m	Non operating result £m	Total
Revenue		2,914.9		2,914.9	2,232.0		2,232.0
Material and other cost of sales		(1,902.2)		(1,902.2)	(1,382.8)		(1,382.8)
Employee cost		(235.4)		(235.4)	(188.9)		(188.9)
Other expenses		(555.0)		(555.0)	(436.4)		(436.4)
MTM on un-hedged commodity derivatives			(11.9)	(11.9)			
Development costs capitalised	2	190.3		190.3	122.0		122.0
Other income		19.3		19.3	15.1		15.1
Depreciation and amortisation		(113.4)		(113.4)	(94.2)		(94.2)
Foreign exchange (loss) / gain	3	22.4		22.4	(10.8)		(10.8)
MTM on un-hedged foreign exchange derivatives	3		(81.9)	(81.9)			
Finance income	4	3.7		3.7	2.4		2.4
Finance expense (net of capitalised interest)	4	(35.0)		(35.0)	1.3		1.3
Net income before tax		309.6	(93.8)	215.8	259.7		259.7
Income tax expense		(43.5)		(43.5)	(21.1)		(21.1)
Net income attributable to shareholders		266.1	(93.8)	172.3	238.6		238.6

Condensed Consolidated Income Statement*for the six months ended 30 September 2011 (Unaudited)*

	<i>Note</i>	Six months ended 30 September 2011			Six months ended 30 September 2010		
		Trading result £m	Non operating result £m	Total	Trading result £m	Non operating result £m	Total
Revenue		5,618.4		5,618.4	4,485.2		4,485.2
Material and other cost of sales		(3,676.3)		(3,676.3)	(2,786.3)		(2,786.3)
Employee cost		(445.1)		(445.1)	(378.8)		(378.8)
Other expenses		(1,097.0)		(1,097.0)	(913.7)		(913.7)
MTM on un-hedged commodity derivatives			(11.9)	(11.9)			
Development costs capitalised	2	366.2		366.2	244.3		244.3
Other income		27.8		27.8	24.0		24.0
Depreciation and amortisation		(206.4)		(206.4)	(185.2)		(185.2)
Foreign exchange (loss) / gain	3	24.6		24.6	32.4		32.4
MTM on un-hedged foreign exchange derivatives	3		(80.9)	(80.9)			
Finance income	4	7.4		7.4	4.4		4.4
Finance expense (net of capitalised interest)	4	(59.4)		(59.4)	(7.7)		(7.7)
Net income before tax		560.2	(92.8)	467.4	518.6		518.6
Income tax expense		(75.3)		(75.3)	(34.3)		(34.3)
Net income attributable to shareholders		484.9	(92.8)	392.1	484.3		484.3

Condensed Consolidated Statement of Comprehensive Income*for the three and six months ended 30 September 2011*

	Three months ended 30 September 2011 (Unaudited) £m	Three months ended 30 September 2010 (Unaudited) £m	Six months ended 30 September 2011 (Unaudited) £m	Six months ended 30 September 2010 (Unaudited) £m
Net income attributable to shareholders	172.3	238.6	392.1	484.3
Other comprehensive income:				
Currency translation gains		73.0		80.5
Actuarial gains and losses	(49.0)	(14.6)	(49.0)	(38.4)
Cash flow hedges booked into equity	(35.1)	15.9	(37.8)	15.9
Cash flow hedges moved from equity and recognised in the income statement	(23.4)		(31.4)	
Total other comprehensive loss for the period	(107.5)	74.3	(118.2)	58.0
Total comprehensive income for the period attributable to shareholders	64.8	312.9	273.9	542.3

Condensed Consolidated Balance Sheet*at 30 September 2011*

	<i>Note</i>	30 September 2011 £m (Unaudited)	31 March 2011 £m (Audited)
Non-current assets			
Investments	<i>11</i>	1.2	0.3
Other financial assets		106.6	68.5
Property, plant and equipment		1,463.3	1,230.8
Pension asset	<i>19</i>	1.0	0.9
Intangible assets		2,448.8	2,144.6
Deferred income taxes		134.5	112.2
Total non current assets		4,155.4	3,557.3
Current assets			
Cash and cash equivalents		1,340.5	1,028.3
Trade receivables		578.3	567.2
Other financial assets	<i>6</i>	75.1	61.5
Inventories	<i>7</i>	1,362.5	1,155.6
Other current assets	<i>8</i>	447.4	293.2
Current income tax assets		5.3	12.5
Total current assets		3,809.1	3,118.3
Total assets		7,964.5	6,675.6
Current liabilities			
Accounts payable		2,723.4	2,384.8
Short term borrowings and current portion of long term debt	<i>15</i>	255.4	863.4
Other financial liabilities	<i>12</i>	272.1	132.9
Provisions	<i>13</i>	236.6	246.3
Other current liabilities	<i>14</i>	556.7	360.2
Current income tax liabilities		112.5	79.8
Total current liabilities		4,156.7	4,067.4
Non-current liabilities			
Long term debt	<i>15</i>	1,286.7	518.1
Other financial liabilities	<i>12</i>	107.6	20.4
Deferred income taxes		0.8	1.6
Provisions	<i>13</i>	663.4	592.7
Total non current liabilities		2,058.5	1,132.8
Total liabilities		6,215.2	5,200.2

Condensed Consolidated Balance Sheet *(continued)**at 30 September 2011*

	<i>Note</i>	30 September 2011 £m (Unaudited)	31 March 2011 £m (Audited)
Equity attributable to equity holders of the company			
Ordinary shares		1,500.6	1,500.6
Capital redemption reserve	<i>17</i>	166.7	166.7
Reserves/(accumulated deficit)	<i>16</i>	82.0	(191.9)
Equity attributable to equity holders of the company		1,749.3	1,475.4
Total liabilities and equity		7,964.5	6,675.6

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

Company registered number: 6477691

Condensed Consolidated Statement of Changes in Equity*for the six months ended 30 September 2011*

	Ordinary Shares £m	Capital redemption reserve £m	Reserves / accumulated deficit £m	Total Equity £m
Balance at 31 March 2010 (Audited)	644.6		(1,107.4)	(462.8)
Net income for the six months			484.3	484.3
Other comprehensive income for the six months			58.0	58.0
Total comprehensive income for the period			542.3	542.3
Cancellation of preference shares			(47.8)	(47.8)
Balance at 30 September 2010 (Unaudited)	644.6		(517.3)	127.3

	Ordinary shares £m	Capital redemption reserve £m	Reserves / accumulated deficit £m	Total Equity £m
Balance at 31 March 2011 (Audited)	1,500.6	166.7	(191.9)	1,475.4
Net income for the six months			392.1	392.1
Other comprehensive loss for the six months			(118.2)	(118.2)
Total comprehensive income for the period			273.9	273.9
Balance at 30 September 2011 (Unaudited)	1,500.6	166.7	82.0	1,749.3

Condensed Consolidated Cash Flow Statement*for the six months ended 30 September 2011*

	Six months ended 30 September 2011 (Unaudited) £m	Six months ended 30 September 2010 (Unaudited) £m
Cash flows from operating activities		
Net income attributable to shareholders	392.1	484.3
Depreciation and amortisation	206.4	185.2
Loss on sale of assets	3.1	
Foreign exchange loss / (gain) on loans	28.8	(5.9)
Income tax expense	75.3	34.3
Finance expense	59.4	7.7
Finance income	(7.4)	(4.4)
Exchange loss on derivatives	93.2	(2.2)
Share of joint venture profit	(0.2)	
Cash flows from operating activities	850.7	699.0
Movement in trade receivables	(11.1)	101.8
Movement in other financial assets	3.0	14.4
Movement in other current assets	(154.2)	(22.5)
Movement in inventories	(206.9)	(66.9)
Movement in other non-current assets		(0.9)
Movement in accounts payable	339.7	109.7
Movement in other current liabilities	196.5	(54.6)
Movement in other financial liabilities	13.4	(8.8)
Movement in non-current liabilities	(6.0)	(55.4)
Movement in provisions	15.8	5.1
Cash generated from operations	1,040.9	720.9
Income tax paid	(54.6)	(29.0)
Net cash from operating activities	986.3	691.9
Cash flows used in investing activities		
Investment in associate	(0.8)	
Change in restricted deposit	(38.4)	(4.4)
Finance income received	7.3	3.7
Purchases of property, plant and equipment (net)	(361.5)	(189.1)
Acquisition of intangible assets	(359.1)	(168.9)
Net cash used in investing activities	(752.5)	(358.6)

Condensed Consolidated Cash Flow Statement *(continued)**for the six months ended 30 September 2011*

	Six months ended 30 September 2011 (Unaudited) £m	Six months ended 30 September 2010 (Unaudited) £m
Cash flows (used in) / from financing activities		
Finance expense and fees paid	(45.7)	(33.2)
Proceeds from issuance of short-term debt	20.0	81.8
Repayment of short-term debt	(629.4)	(330.2)
Payment of lease liabilities	(2.1)	(2.0)
Proceeds from issuance of long-term debt	1,000.0	
Repayment of long-term debt	(264.4)	
Net cash from financing activities	78.4	(283.6)
Net change in cash and cash equivalents	312.2	49.7
Cash and cash equivalents at beginning of six months	1,028.3	679.9
Cash and cash equivalents at end of six months	1,340.5	729.6

Notes (forming part of the condensed interim financial statements)

1 Accounting policies

Basis of preparation

The information for the six months ended 30 September 2011 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 PLC have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* as IFRS as adopted by the European Union (EU). There were no difference between these accounts and the accounts for the group prepared under IFRS as adopted by the International Accounting Standards Board.

The condensed consolidated interim financial statements have been prepared on historical cost basis except for certain financial instruments held at fair value.

The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 March 2011, which were prepared in accordance with IFRS as adopted by the EU. There were no difference between those accounts and the accounts 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 responsibility section of the group's annual report for the year ended 31 March 2011.

The accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 March 2011, as described in those financial statements.

Notes (continued)

2 Research and development

	Three months ended 30 September 2011 (Unaudited) £m	Three months ended 30 September 2010 (Unaudited) £m	Six months ended 30 September 2011 (Unaudited) £m	Six months ended 30 September 2010 (Unaudited) £m
Total R&D costs	224.3	144.0	426.6	277.7
R&D expensed	(34.0)	(22.0)	(60.4)	(33.4)
Development costs capitalised	190.3	122.0	366.2	244.3
Interest capitalised	16.0	12.6	31.7	22.8
Total development additions to intangible assets	206.3	134.6	397.9	267.1

3 Foreign exchange

	Three months ended 30 September 2011 (Unaudited) £m	Three months ended 30 September 2010 (Unaudited) £m	Six months ended 30 September 2011 (Unaudited) £m	Six months ended 30 September 2010 (Unaudited) £m
Trading foreign exchange gain / (loss)	38.0	(20.0)	53.4	36.1
Foreign exchange loss on foreign currency denominated borrowings	(15.6)	9.2	(28.8)	(3.7)
Foreign exchange before MTM	22.4	(10.8)	24.6	32.4
Mark to market on foreign exchange derivative instruments not designated as a hedge relationship	(81.9)		(80.9)	
Total foreign exchange (loss) / gain	(59.5)	(10.8)	(56.3)	32.4

Mark to market on foreign exchange derivative instruments represents economic hedges. These instruments, however do not meet the treatment for hedge accounting under IFRS.

Notes (continued)

4 Finance income and expense Recognised in net income

	Three months ended 30 September 2011	Three months ended 30 September 2010	Six months ended 30 September 2011	Six months ended 30 September 2010
	(Unaudited) £m	(Unaudited) £m	(Unaudited) £m	(Unaudited) £m
Finance income	3.7	2.4	7.4	4.4
Total finance income	3.7	2.4	7.4	4.4

	Three months ended 30 September 2011	Three months ended 30 September 2010	Six months ended 30 September 2011	Six months ended 30 September 2010
	(Unaudited) £m	(Unaudited) £m	(Unaudited) £m	(Unaudited) £m
Total finance expense on financial liabilities measured at amortised cost	32.5	20.9	88.2	44.4
Impact of discount on provisions	18.5	(9.6)	2.9	(13.9)
Finance expense transferred to capitalised product development	(16.0)	(12.6)	(31.7)	(22.8)
Total finance expense / (income)	35.0	(1.3)	59.4	7.7

The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 6.4% (six months to 30 September 2010: 6.3%)

5 Allowances for trade and other receivables

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

	30 September 2011	31 March 2011
	(Unaudited) £m	(Audited) £m
At beginning of period	10.1	16.3
Allowance made in the period	1.2	1.5
Allowance released in the period	(2.8)	(7.7)
At end of period	8.5	10.1

Notes (continued)

6 Other financial assets - current

	30 September 2011	31 March 2011
	(Unaudited)	(Audited)
	£m	£m
Advances and other receivables recoverable in cash	8.4	8.1
Derivative financial instruments	66.0	49.7
Other	0.7	3.7
	75.1	61.5

7 Inventories

	30 September 2011	31 March 2011
	(Unaudited)	(Audited)
	£m	£m
Raw materials and consumables	61.0	38.5
Work-in-progress	135.1	87.1
Finished goods	1,166.4	1,030.0
	1,362.5	1,155.6

8 Other current assets

	30 September 2011	31 March 2011
	(Unaudited)	(Audited)
	£m	£m
Prepaid expenses	34.5	35.0
VAT	412.9	258.2
	447.4	293.2

9 Taxation**Recognised in the income statement**

The income tax for the 3 and 6 month periods are charged at the best estimate of the effective annual rate expected to apply for the full year at each subsidiary undertaking.

10 Capital expenditure

Capital expenditure in the period was £361.5 million (6 month period to 30 September 2010: £189.1 million) on fixed assets and £359.1 million (6 month period to 30 September 2010: £168.9 million) on intangible assets, mainly capitalised engineering. There were no impairments, material disposals or changes in use of assets.

Notes (continued)

11 Investments

In June 2011, the company invested £750,000 to acquire a 50% stake in a joint venture advertising agency. The agency will act on an exclusive world-wide basis to provide advertising and branding support to the Jaguar brand. The arrangement has been set up to enable us to provide a consistent global brand message and drive growth across all markets.

12 Other financial liabilities

	30 September 2011	31 March 2011
	(Unaudited) £m	(Audited) £m
Current		
Liabilities for vehicles sold under a repurchase arrangement	135.3	121.4
Finance lease obligations	4.9	5.2
Interest accrued	37.8	1.1
Derivative financial instruments	94.1	5.2
	272.1	132.9
Non Current		
Finance lease obligations	16.9	18.7
Long term derivatives	89.5	
Other payables	1.2	1.7
	107.6	20.4

13 Provisions

	30 September 2011	31 March 2011
	(Unaudited) £m	(Audited) £m
Current		
Product warranty	217.9	226.3
Product liability	16.7	19.1
Provision for residual risk	2.0	0.9
Total current	236.6	246.3
Non current		
Defined benefit obligations	332.1	290.5
Other retirement obligations	1.9	1.0
Product warranty	298.0	276.8
Provision for residual risk	10.9	6.1
Provision for environmental liability	20.5	18.3
Total non current	663.4	592.7

Notes (continued)**13 Provisions** (continued)*Product warranty*

	30 September 2011	31 March 2011
	(Unaudited) £m	(Audited) £m
Opening balance	503.1	476.4
Provision made during the period	160.0	332.4
Provision used during the period	(150.1)	(305.8)
Impact of discounting	2.9	0.1
Closing balance	515.9	503.1

Product liability

	30 September 2011	31 March 2011
	(Unaudited) £m	(Audited) £m
Opening balance	19.1	30.6
Provision made during the period	8.2	6.8
Provisions used in the period	(10.6)	(18.3)
Closing balance	16.7	19.1

Residual risk

	30 September 2011	31 March 2011
	(Unaudited) £m	(Audited) £m
Opening balance	7.0	15.8
Provision made during the period	7.2	22.5
Provision used during the period	(1.3)	(31.3)
Closing balance	12.9	7.0

Environmental liability

30 September 2011	31 March 2011
(Unaudited)	(Audited)

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	£m	£m
Opening balance	18.3	18.8
Provision made during the period	2.5	
Provision used during the period	(0.3)	(0.5)
Closing balance	20.5	18.3

Notes (continued)**13 Provisions** (continued)*Product warranty provision*

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

Product liability provision

A product liability provision is maintained in respect of known litigation which the group is party to.

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.

14 Other current liabilities

	30 September 2011	31 March 2011
	(Unaudited)	(Audited)
	£m	£m
Liability for advances received	183.4	162.8
VAT payable	354.1	178.6
Others	19.1	18.8
	556.7	360.2

Notes (continued)

15 Interest bearing loans and borrowings

	30 September 2011	31 March 2011
	(Unaudited)	(Audited)
	£m	£m
Euro MTF listed bond	1,006.9	
Loan from banks	378.9	789.5
Redeemable preference shares classified as debt	157.1	157.1
Intercompany loans payable to TMLH		434.9
Finance lease liabilities	21.8	23.9
	1,563.9	1,405.4
Less:		
Current portion of bank loans	(255.4)	(428.5)
Current portion of other loans		(434.9)
Total short term borrowings and current portion of long term debt	(255.4)	(863.4)
Current portion of finance lease liabilities	(4.9)	(5.2)
Long term debt	1,303.6	536.8
Presented as long-term debt	1,286.7	518.1
Presented as long-term finance lease in non-current other financial liabilities	16.9	18.7

On 19 May 2011, the company issued £1,000 million of listed bonds. The bonds are listed on the Euro MTF market, which is a listed market regulated by the Luxembourg Stock Exchange.

The bonds are fixed rate with £500 million denominated in GBP and £500 million denominated in USD. £750 million is due for repayment in 2018 and the remaining is due in 2021.

The bond funds raised are used to repay both long and short term debt and provide additional cash facilities for the group.

16 Other reserves

The movement of reserves and accumulated deficit is as follows:

	Translation reserve	Hedging reserve	Pension Reserve	Profit and loss reserve	Total Reserves / accumulated deficit
	£m	£m	£m	£m	£m
Balance at 1 April 2011	(383.3)	21.8	(535.2)	704.8	(191.9)
Net income for the period				392.1	392.1
Loss on cash flow hedge		(69.3)			(69.3)
Deferred tax		2.8	(2.8)		
Movements in employee benefit plan			(49.0)		(49.0)

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Balance at 30 September 2011	(383.3)	(44.7)	(587.0)	1,096.9	82.0
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Notes (continued)

16 Other reserves (continued)

	Translation reserve £m	Hedge reserve £m	Pension Reserve £m	Accumulated deficit: profit and loss reserve £m	Total Reserves / accumulated deficit £m
Balance at 1 April 2010	(506.7)		(221.8)	(378.9)	(1,107.4)
Net income for the period				1,035.9	1,035.9
Foreign currency translation	123.4				123.4
Gain on cash flow hedge		29.5			29.5
Cancellation of preference shares					