

JAGUAR LAND ROVER ITALIA S.p.A.

LOCAL STATUTORY ACCOUNTS AS AT 31.03.2016

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JAGUAR LAND ROVER ITALIA S.p.A.
Registered Office in Rome - Viale Alessandro Marchetti, 105
Share capital € 25,000,000.00 fully paid-up
Economic and Administrative Index [R.E.A.] no. 944215 - Sole Shareholder.
Tax code, VAT number and registration with the Rome Register of Companies: no. 06070621005

FINANCIAL STATEMENTS AT 31/03/2016

BALANCE SHEET

ASSETS:	31/03/2016		31/12/2015	
	EUROS	EUROS	EUROS	EUROS
(B) FIXED ASSETS				
I - Intangible fixed assets:				
(5) Goodwill	6.763.816		7.057.895	
(7) Other	632.765		666.213	
Total.		7.396.581		7.724.108
II - Tangible fixed assets:				
(2) Plant and machinery	4.885		5.055	
(3) Industrial and commercial equipment	137.828		158.101	
(4) Other assets	421.826		413.698	
(5) Fixed assets under development and advances;				
Total.		564.539		576.854
III - Financial fixed assets:				
(1) Equity investments in:				
d) Other companies	130		130	
Total.		130		130
Total fixed assets (B)		7.961.250		8.301.092
(C) CURRENT ASSETS:				
I - Inventories:				
(4) Goods	46.480.497		66.788.116	
Total.		46.480.497		66.788.116
II - Receivables:				
(1) Trade receivables due within subsequent FY	43.178.399		713.820	
(4) Receivables from parent companies	88.879.644		83.882.377	
(4) - <i>bis</i>) Tax assets	113.413		113.413	
- <i>ter</i>) Prepaid taxes due within subsequent FY	4.480.537		3.421.181	
(5) Receivables from others -due within subsequent FY	109.149		94.871	
Total.		136.761.142		88.225.662
IV - Cash and cash equivalents:				
(1) Bank and postal accounts	18.110.614		23.334.733	
Total.		18.110.614		23.334.733
Total current assets (C)		201.352.253		178.348.511
(D) ACCRUALS AND DEFERRALS		34.551		132.162
TOTAL ASSETS		209.348.054		186.781.765

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BALANCE SHEET

LIABILITIES:	31/3/2016		31/12/2015	
	EUROS	EUROS	EUROS	EUROS
(A) SHAREHOLDERS' EQUITY:				
I - Share capital		25.000.000		25.000.000
IV - Legal reserve		1.212.159		937.607
VII - Other reserves - Merger surplus		2.102.935		2.102.935
VIII - Profit (Loss) carried forward		27.067.674		21.851.195
IX - Profit (loss) for the year		1.831.056		5.491.034
Total		57.213.824		55.382.771
(B) PROVISIONS FOR LIABILITIES AND CHARGES:				
(3) Other	14.958.540		10.782.474	
Total.		14.958.540		10.782.474
(C) PROVISION FOR EMPLOYEE SEVERANCE PAY.				
		2.557.639		2.489.443
(D) PAYABLES:				
(6) Advances	80.000		80.000	
(7) Trade payables	19.470.342		18.197.643	
(11) Payables to parent companies	89.165.458		88.899.475	
(12) Tax liabilities	24.183.796		9.358.965	
(13) Payables to social security authorities	310.862		386.839	
(14) Other payables	1.407.593		1.204.155	
Total.		134.618.051		118.127.077
(E) ACCRUALS AND DEFERRALS				
	-		-	
TOTAL LIABILITIES		209.348.054		186.781.765

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FINANCIAL STATEMENTS AT 31/03/2016

INCOME STATEMENT

	31/03/2016	31/12/2015
	EUROS	EUROS
(A) VALUE OF PRODUCTION:		
(1) Revenue from sales and services	281.878.137	899.631.068
(5) Other revenue and income	6.943.756	9.015.980
Total value of production (A)	288.821.893	908.647.048
(B) COST OF PRODUCTION:		
(6) Raw and ancillary materials, consumables and goods	245.112.742	834.668.001
(7) Services	15.091.517	50.106.307
(8) Lease and rental costs	172.504	495.265
(9) Personnel costs:		
(a) Wages and salaries	2.192.111	6.219.143
(b) Social security charges	466.145	1.877.679
(c) Employee severance indemnity	115.497	466.589
(e) Other costs	36.648	114.689
Total personnel costs.	2.810.401	8.678.100
(10) Depreciation, amortisation and write-downs:		
(a) Amortisation of intangible fixed assets	327.367	1.315.375
(b) Depreciation of tangible fixed assets	23.807	86.146
(d) Write-downs of current receivables and cash and cash equivalents	0	606.725
Total depreciation, amortisation and write-downs	351.174	2.008.246
(11) Changes in inventories of raw and ancillary materials, consumables and goods	20.307.619	(2.724.991)
(13) Other allowances	548.550	0
(14) Sundry operating expenses	745.782	2.914.400
Total cost of production (B)	285.140.289	896.145.328
Difference between value of production and cost of production (A-B)	3.681.604	12.220.870
(C) FINANCIAL INCOME AND CHARGES:		
Other financial income:		
(d) Income other than the above	2.649	20.804
(17) Interest and other financial expenses	(824.404)	(3.521.750)
(17-bis) Exchange-rate profit and loss	140	3.463
Total (16-17)	(821.615)	(3.497.483)
PRE-TAX RESULT (A-B+/-C+/-D);	2.859.989	9.004.237
(22) Current, deferred, and prepaid taxes on income for the year:		
(a) Current taxes	(2.088.290)	(2.817.146)
(b) Prepaid taxes	1.059.357	(696.057)
Total income taxes	(1.028.933)	(3.513.203)
(23) Profit (loss) for the year	1.831.056	5.491.034

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Financial Statements at 31/03/2016

Notes

Financial Year

On 7 March 2016, by deed of the notary Pierandrea Fabiani, File no. 92801, volume no. 17773, a change was made to the corporate by-laws, the current version of which establishes the closing date of the financial year as 31 March of each year. For this reason, it was necessary to draft these financial statements for a time period of just three months. Therefore, please note that the balances of the balance sheet and income statement are not comparable with those of the previous FY, lasting 12 months.

Structure and Content of Financial Statements

These Financial Statements, comprising the Balance Sheet, Income Statement, and these Notes, comply with the specific provisions of the Italian Civil Code and the other EC directives of reference. These Financial Statements have been drafted in compliance with articles 2423 et seq. of the Italian Civil, as amended by Legislative Decree no. 139 of 18 August 2015, enforcing Directive 2013/34/EE related to separate and consolidated financial statements.

The Balance Sheet and the Income Statement applied are those indicated in articles 2424 and 2425 of the Italian Civil Code.

The amount of the prior year was reported next to the amount of each balance sheet and income statement item. Whenever necessary, prior year items were adjusted and made comparable: such adjustment, or vice-versa any non-adjustment, was mentioned in the comments on the individual items.

The balance sheet or income statement items for which there is no amount were not shown. The elimination of these items does not, however, change the established numbering in the Balance Sheet and Income Statement referred to above. The comments on the items in the Balance Sheet and the Income Statement are shown in Euros.

Main Valuation Criteria

The valuation criteria used to draft the financial statements at 31 March 2016 are in line with the provisions of article 2426 (currently in force), also taking into account – where necessary – the accounting standards issued by the *Organismo Italiano di Contabilità* (OIC, the Italian accounting authority) and, in the absence of said standards, the I.A.S.- I.F.R.S. (International Financial Reporting Standards).

More in general, the valuation of the financial statements items has been inspired by the general prudence and accrual principles, on a going concern basis.

The business carried out by the company is based upon a distribution agreement with Jaguar Land Rover Limited.

Considering that this distribution agreement limits business risk for Jaguar Land Rover Italia S.p.A., the transfer prices of the goods are determined in such a way that the distribution company is paid a margin proportional to the income from sales (Transactional Net Margin Method – TNMM).

The margin recognized for the year is determined on the basis of specific comparability analyses for similar functions between independent parties conducted within the group. It should be noted that, as already specified in the financial statements for the previous year, the methodology for the calculation of transfer prices was applied by the manufacturer, Jaguar Land Rover Limited, to all group companies without distinction, as of the year 2012.

In the FY at 31 March 2016 there were no exceptional circumstances that would require applying the exemptions envisaged in paragraph 5 of Art. 2423 of the Italian Civil Code.

The main valuation criteria applied when drawing up the Financial Statements were the following:

Fixed Assets

Intangible Fixed Assets

They are entered at purchase cost and recorded in the Balance Sheet, net of accumulated amortisation of previous FYs, amortisation of the year and write-downs made due to impairment of the intangibles. They are amortised on a straight-line basis, based upon their estimated useful life.

Specifically, goodwill, acquired for consideration during FY2000, is recorded among assets for an amount equal to the cost incurred to purchase it, net of amortisation and write-downs. Goodwill is amortised on a straight-line basis in accordance with its useful life (the residual term of the distribution agreement signed with Jaguar Land Rover Limited), expiring on 31 December 2021.

As already reported in previous years, in the financial statements at 31/12/2002, the Company had written down the goodwill to adjust the value of the asset to its recoverable value, as determined by a report drafted by an industry expert.

The “other intangible fixed assets”, which in the Financial Statements refer exclusively to leasehold improvements, are amortised according to the residual life of the lease agreement of the property they refer to.

Tangible Fixed Assets

These were entered at purchase cost and adjusted by the corresponding accumulated depreciation. No borrowing costs were capitalized either during the year under review or in previous years. The depreciation for the year, charged to the Income Statement, has been calculated in the light of the use, purpose and economic and technical lifespan of the assets, on the basis of their remaining useful life. In our opinion, said criteria were accurately reflected by the following rates, reduced by half in the year when the asset entered into operation:

Breakdown	%
Electronic office machinery	20%
Non-automatic general plant	10%
Miscellaneous and minor equipment	25%
Furniture and office furnishings	12%
Industrial and commercial equipment	10%

Capital equipment of a modest amount, i.e. up to €516, was fully depreciated in the year.

Financial Fixed Assets

Equity investments “in other companies” are carried according to the subscription or acquisition cost criterion.

Receivables

Receivables are recorded according to the amortised cost criterion, taking into account the time factor and their estimated realizable value. The face value of receivables is adjusted – when necessary – to their estimated realisable value by specific write-down.

Cash and Cash Equivalents

Cash and cash equivalents are recorded according to their nominal value.

Payables

Receivables are recorded according to the amortised cost criterion, taking the time factor into account.

Accruals and Deferrals

The item "Accruals and Deferrals" recorded under assets includes income pertaining to the year but due in subsequent FYs and the costs incurred within year-end but pertaining to subsequent FYs. The item "Accruals and Deferrals" recorded under liabilities includes costs pertaining to the year but due in subsequent FYs and income collected within year-end but pertaining to subsequent FYs. The item “Accrued income” can also include upfront costs, which are broken down in the pertinent section of these Notes.

Inventories

inventories are recorded at the lower of purchase cost and realisable value depending on market trends, at the close of the FY by specific write-downs. The cost methodology adopted to assess final inventories is the following: specific cost method for vehicles and weighted average cost method for spare parts.

Please note that the value of inventories recorded in the Financial Statements does not differ significantly from the respective current costs at year end.

Provisions for Liabilities and Charges

These are created to cover losses or liabilities which are certain or probable, but for which there was uncertainty as to the amount or the timing at year's end.

These provisions are set aside on a prudential and accrual basis and represent the better estimate possible on the basis of available information.

Employee Severance Indemnity

This is the actual amount of employee severance indemnity– calculated pursuant to article 2120 of the Italian Civil Code – accrued in accordance with the law and the applicable labour contracts in force, considering all types of recurring remuneration and with reference to all the employees of the Company.

Income Taxes

Current income taxes are calculated according to a prudent interpretation of tax laws in force.

Deferred and prepaid income taxes are calculated on the basis of a reasonable certainty that future taxable income can be offset with the temporary differences between the value attributed to an asset or liability according to statutory criteria and the tax base attributed to those assets and liabilities. The effect of this accounting treatment on profit for the year is explained in the comment on the specific income statement item.

Financial Risk Management Policies

The company aims to manage and contain the financial risks to which it is exposed through the Directors' prudent assessment and on the basis of specific risk management processes put in place within its business procedures, as well as through specific centralized group functions.

The Company's exposure to financial risks is as follows:

- Liquidity risk: It is essentially linked to the company's liquidity needs in the performance of its sales activities. To cope with this financial risk, the company prepares financial plans that estimate the future trend in cash flows. In this regard, we mention the Deposit Agreement in place with Jaguar Land Rover Group companies.

- Risk deriving from changes in cash flows: this is essentially linked to the Deposit Agreement, which provides for the accrual of interest at variable rates in line with the market.

- Credit risk: the exposure to counterparty's credit risk is largely confined to receivables from customers such as the public administration and leading car rental companies, which account for a modest percentage of the total. The sales of vehicles and spare parts to dealers, on the other hand, are only minimally exposed to the risk of insolvency, because the pertinent receivables are assigned without recourse to leading factoring companies such as FCA Bank S.p.A. (previous name FGA Capital S.p.A.), Mediocredito Italiano S.p.A. (previously Mediofactoring S.p.A.) and Società Generale. The specific credit management function estimates their degree of recoverability and calculates the related provision for doubtful accounts to be recognized in the accounts, which at 31 March 2016 amounted to approximately € 1.7 million.

Conversion Criteria for Values Denominated in Foreign Currency

Assets and liabilities in a currency other than the Euro are recognized at the spot exchange rate in force at the FY closing date; the resulting foreign exchange gains and losses are recognized in profit or loss and any net profit is set aside in a special non-distributable reserve until realised.

Non-monetary foreign currency assets and liabilities are posted at the exchange rate in force at the moment of purchase.

Guarantees, Commitments, Third-Party Assets and Risks

The risks relating to personal guarantees or securities granted on behalf of third parties are listed in these Notes and are equal to the amount of the actual guarantee. If the amount of the third party's debt for which the guarantee was granted is lower than the actual guarantee, details are provided in these Notes too.

Any commitments are recorded at nominal value, based on amounts stated in the pertinent documentation.

BREAKDOWN OF MAIN FINANCIAL STATEMENT ITEMS

The amounts of these notes, unless specifically stated, are expressed in Euro.

Assets

The changes in and the breakdown of the items include among assets are provided here below.

B) Fixed Assets

I. Intangible Fixed Assets

They amounted to € 7,396,581 and € 7,724,108 at 31 March 2016 and at 31 December 2015 respectively, with a net decrease of € 327,527.

The changes in and the breakdown of intangible fixed the assets are provided here below, with reference to each single item:

Goodwill	Historical cost	Amortisation and write-downs	Net value
Balance at 31/12/2015	36.713.533	29.655.638	7.057.895
Purchases for the year			0
Amortisation for the year		294.079	(294.079)
Write-downs			0
Balance at 31/03/2016	36.713.533	29.949.717	6.763.816

The B. I. 5. item “Goodwill”, recorded for € 6,763,816, corresponds to the amount paid for goodwill, net of amortisation and write-downs. The accumulated amortisation for the year has been adjusted to the 3-month period.

Other	Historical cost	Amortisation	Net value
Balance at 31/12/2015	4.504.237	(3.838.024)	666.213
Purchases for the year			0
Amortisation for the year		(33.288)	(33.288)
Sales and disposals	(3.705.005)	3.704.845	(160)
Reclassifications			0
Balance at 31/03/2016	799.232	(166.467)	632.765

The B. I. 7. item “Other intangible fixed assets” (€ 632,765) refers to the residual cost incurred to renovate the offices currently rented.

The intangible assets described above were neither written-down nor written-up in the current or in prior years, except for Goodwill, which was written-down in previous years by €2,141,924.

II. Tangible Fixed Assets

They amounted to € 564,539 and € 576,854 at 31 March 2016 and at 31 December 2015 respectively, with a net increase of € 12,315.

The changes in and the breakdown of tangible fixed the assets are provided here below, with reference to each single item:

General plant	Historical cost	Depreciation	Net value
Balance at 31/12/2015	136.580	(131.525)	5.055
Purchases for the year			0
Depreciation for the year			0
Sales and disposals	(170)		(170)
Reclassifications			0
Balance at 31/03/2016	136.410	(131.525)	4.885

Industrial and commercial equipment	Historical cost	Depreciation	Net value
Balance at 31/12/2015	967.513	(809.413)	158.101
Purchases for the year	1.855		1.855
Depreciation for the year		(5.778)	(5.778)
Sales and disposals	(29.000)	12.650	(16.350)
Reclassifications			0
Balance at 31/03/2016	940.368	(802.541)	137.828

Other assets (furnishings, office and electric-accounting machinery)	Historical cost	Depreciation	Net value
Balance at 31/12/2015	1.285.512	(871.814)	413.698
Purchases for the year	29.363		29.363
Depreciation for the year		(17.860)	(17.860)
Sales and disposals	(293.423)	290.048	(3.375)
Reclassifications			0
Balance at 31/03/2016	1.021.452	(599.626)	421.826

Purchases for the year mainly relate to computers.

Assets with a unit cost below € 516

The company fully depreciated any capital goods with unit cost of less than €516, in the financial year in which they were purchased and came into operation. These assets are nevertheless included in the above summary tables, by category.

The tangible fixed assets mentioned above were not written up or down both in the current FY and in the previous ones.

III. Financial Fixed Assets

Equity Investments

Breakdown	Value at 31/12/2015	Increases for the year	Decreases for the year	Write-downs for the year	Value at 31/03/2016
Other	130	0	0	0	130

The B. III. 1 d. item “Equity investments in other companies (€ 130) refers to the cost incurred to purchase the interest in CO.NA.I (Consorzio Nazionale Imballaggi).

C) Current Assets

I. Inventories

At 31 March 2016 inventories totalled € 46,480,497 versus € 66,788,116 at 31 December 2015, with a net decrease of € 20,307,619. The breakdown of and changes in the inventories indicated under C. I. 4. item “Goods”, are summarised as follows:

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Financial Statements at 31 March 2016 – Notes

Breakdown	Value at	Value at	Change
	31/12/2015	31/03/2016	31.03.2016 / 31.12.2015
a) Cars	48.821.446	29.530.846	-19.290.600
b) Other cars	11.379.382	10.034.510	-1.344.872
c) Spare parts	8.500.041	8.594.504	94.463
Write-downs	1.912.753	1.679.363	-233.390
Total inventories	66.788.116	46.480.497	-20.307.619

Item a) "Cars" of the table refers to the stock of new cars, while item b) "Other cars", is the stock of cars that, although they are being held for sale, are used by the Company for a limited period. Item c) refers to inventories of spare parts and accessories.

The provision for inventory write-down of € 1,679,363 at 31/03/2016, recognized in the financial statements as a direct adjustment to inventories, recorded the following changes during the year:

Breakdown	Value at 31/12/2015	Decreases	Increases	Value at 31/03/2016
a) Other cars	1.389.519	-161.769	0	1.227.750
b) Spare parts	523.234	-71.621	0	451.613
Total inventories	1.912.753	-233.390	0	1.679.363

II. Receivables

Trade Receivables

The C. II. 1 item represents trade receivables and trade receivables from the other group companies recorded in the financial statements at 31 March 2016. The above-mentioned receivables at 31/03/2016 amounted to € 43,178,399, with a net increase of 42,464,579, mainly due to the sale of vehicles to car hire companies in the first three months of 2016, amounting to about € 30 million.

The breakdown of the changes pertaining to said item is provided here below.

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Breakdown	Value at 31/12/2015	Value at 31/03/2016	Change
Trade receivables for sales of cars, spare parts and miscellaneous equip.	2.493.579	44.509.994	42.016.415
Receivables from other Group Companies	127.372	333.737	206.365
Write-down	(1.907.131)	(1.665.332)	241.799
Balance	713.820	43.178.399	42.464.579

Trade receivables are fully collectible within the subsequent FY.

The value of receivables has been adjusted to their estimated realizable value, through a specific write-down, which showed the following changes during the year:

Breakdown	Value at 31/12/2015	Decreases for the year	Increases for the year	Value at 31/03/2016
Bad debts allowance	1.907.131	241.799	0	1.665.332
Total write-downs	1.907.131	241.799	0	1.665.332

Tax Assets

The C. II. 4 Bis item shows receivables from the Italian Inland Revenue, amounting to € 113,413 at 31 March 2016. As shown below, there have been no changes to this item.

Breakdown	Value at 31/12/2015	Value at 31/03/2016	Change
Receivables from Inland Revenue for income taxes	113.413	113.413	0
Balance	113.413	113.413	0

The amount at 31/03/2016 entirely refers to the IRES receivable following the refund application submitted for the years 2007 to 2011 (pursuant to art.2 paragraph 1 quater of Law Decree no. 201/2011) for failure to deduct IRAP on employee and similar costs.

Prepaid Taxes

The C. II. 4 Ter item represents the amount of prepaid taxes, net of deferred taxes, amounting to € 4,480,537.

The item is broken down as follows:

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Breakdown	Value at 31/12/2015	Value at 31/03/2016	Change
IRES	2.798.225	3.690.035	891.810
IRAP	622.956	790.502	167.546
Balance	3.421.181	4.480.537	1.059.357

The statement below describes the temporary differences that resulted, for both the IRES and IRAP taxes, in the recognition of the corresponding deferred tax assets and liabilities compared to the previous year. As for the amounts credited or debited to the income statement, please refer to the comments on Income Statement item no. 22. The IRAP rate considered in the calculation of the future tax effect is 4.82%, the same as the ordinary rate currently in force. IRES was calculated at 24%.

Breakdown	31/03/2016				31/12/2015			
	Provisional diff. + deductibles (-) taxable bases	Deferred taxes + assets IRES	(-) liabilities IRAP	Total	Provisional diff. + deductibles (-) taxable bases	Deferred taxes + assets IRES	(-) liabilities IRAP	Total
tax rate								
Deferred - receivable								
Write-downs of IRES fixed assets	2.141.924	514.062		514.062	2.141.924	514.062		514.062
Write-downs of IRAP fixed assets	2.141.924		103.241	103.241	2.141.924		103.241	103.241
IRES-Provisions for liabilities and charges	14.958.540	3.590.050		3.590.050	10.782.474	2.587.794		2.587.794
IRAP-Provisions for liabilities and charges	14.258.540		687.262	687.262	10.782.474		519.715	519.715
IRES-Write-down of inventories	1.679.363	403.047		403.047	1.912.753	459.061		459.061
Bad debts allowance	1.665.332	399.680		399.680	1.907.131	457.711		457.711
Other IRES costs - deferred deductibility	15.000	3.600		3.600	0	0		0
Total assets		4.910.438	790.502	5.700.940		4.018.628	622.956	4.641.584
Deferred - payable								
Increase in fiscal amortisation - IRES goodwill	(5.085.012)	(1.220.403)		(1.220.403)	(5.085.012)	(1.220.403)		(1.220.403)
Total - liabilities		(1.220.403)	0	(1.220.403)		(1.220.403)	0	(1.220.403)
Total		3.690.035	790.502	4.480.537		2.798.225	622.956	3.421.181

Influence on the income statement	Jan-Mar 2016	2015
Prepaid taxes - beginning of year (B)	4.641.584	5.515.616
Prepaid taxes - year-end (A)	5.700.940	4.641.584
Influence on the income statement (A-B)	1.059.357	-874.033
Deferred taxes - beginning of year (B)	-1.220.403	-1.398.378
Deferred taxes - year-end (A)	-1.220.403	-1.220.403
Influence on the income statement (A-B)	0	177.975
Total influence on the income statement	1.059.357	-696.057

The recognition of deferred tax assets of € 5,700,940 was made based on the assumption that the medium-term forecasts on the company's business, also supported by the distribution agreement (TNMM) in place, which guarantees constant profitability to the Company, provide reasonable assurance of achieving taxable income in future years that is not less than the temporary differences that will be reversed.

Receivables from Others

The C. II. 5. item went from € 94,871 at 31/12/2015 to € 109,149 at 31 March 2016, up € 14,278 on the previous FY, broken down as follows:

Breakdown	Value at 31/12/2015	Value at 31/03/2016	Change
Receivables from personnel	51.415	50.546	(869)
Receivables from suppliers	0	0	0
Receivables from Others	43.456	58.603	15.147
Balance	94.871	109.149	14.278

Receivables from Parent Companies

The item includes the receivable from Jaguar Land Rover Limited concerning the loan called "Deposit Agreement", which bears interest at rates in line with the market, the balance of which at 31/03/2016 was € 88,879,644, compared to € 83,882,377 in the previous year.

The increase is mainly due to the higher transfer of cash flows to Jaguar Land Rover Limited; this is due to the increased sales volume during the year compared to the previous year.

IV. Cash and Cash Equivalents

The balance of C. IV. item reflects cash and cash equivalents and existence of cash and other valuables on hand on the closing date of the financial year, broken down as follows:

Breakdown	Value at 31/12/2015	Value at 31/03/2016	Change 2016-2015
Bank and postal accounts	23.334.733	18.110.614	(5.224.119)
Cash and other valuables on hand	0	0	0
Total	23.334.733	18.110.614	(5.224.119)

D) Accruals and Deferrals

These consist of shares of income and expenses whose economic pertinence is respectively anticipated or procrastinated with respect to the relevant cash movements; regardless of the date of payment or collection of the pertinent income and charges, they span two or more FYs and are distributable on a pro-rata basis. This item also includes upfront costs. At 31/03/2016 there were no accrued liabilities and deferred income related to a period exceeding 5 years. The item is broken down as follows:

Breakdown	Value at 31/12/2015	Value at 31/03/2016	Change 2016-2015
Deferral for corporate car insurance	132.162	34.551	(97.611)
Total	132.162	34.551	(97.611)

Liabilities

The changes in and the breakdown of the items included among liabilities are provided here below.

A) Shareholders' Equity

The summary of the changes taking place in shareholders' equity accounts of 2013, 2014 and 2015 financial years is provided here below:

Breakdown	Value at 31/12/2014	Increases (Decreases)	Decreases Allocations	Value at 31/12/2015	Increases (Decreases)	Decreases Allocations	Value at 31/03/2016
Share capital	25.000.000			25.000.000			25.000.000
Legal reserve	714.139		223.468	937.607	274.552		1.212.159
Merger surplus	2.102.935			2.102.935			2.102.935
Profits carried forward	17.605.300		4.245.896	21.851.195	5.216.479		27.067.674
Profit (loss) for the year	4.469.364	(4.469.364)	5.491.034	5.491.034	1.831.056	(5.491.034)	1.831.056
Total shareholders' equity	49.891.738	(4.469.364)	9.960.398	55.382.771	7.322.087	(5.491.034)	57.213.824

At 31/03/2016 the fully paid-up share capital amounted to € 25,000,000, divided in 25,000,000 shares with a par value of € 1 each, subscribed by the Sole Shareholder..

Jaguar Land Rover Italia S.p.A.
Financial Statements at 31 March 2016 – Notes

The Legal Reserve increased by € 274,552, by allocating the share of 2015 profits pursuant to article 2430 of the Italian Civil Code, as resolved upon by the Shareholders' Meeting.

Profits carried forward, further to the resolution of the meeting, went from € 21,851,195 to € 27,067,674 after allocating 2015 profits to profits carried forward for € 5,216,479.

The item "Other reserves – Merger surplus" derives from the merger occurred in 2011 and did not record any changes during FY2015.

The document concerning the information required in section 7 bis, paragraph 1, Article 2427 of the Italian Civil Code and recommended by the *Organismo Italiano di Contabilità* is provided here below.

Nature/breakdown	Amount	Potential use	Share available	Summary of uses in the three previous financial years	
				for coverage of losses	for other reasons
Share capital	25.000.000				
Share capital reserves:					
Treasury share reserve					
Reserve for shares or quotas of parent company					
Merger surplus reserve	2.102.935	A,B	2.102.935		
Bond conversion reserve					
Profit reserves:					
Legal reserve	1.212.159	B	1.212.159		
Treasury share reserve					
Reserve for exchange-rate net profits					
Reserve for equity investments carried at equity					
Reserve for exemptions as per para. 4, art. 2423					
Profits carried forward	27.067.674	A,B,C	27.067.674		
Total			30.382.768		
Share ineligible for distribution			3.315.094		
Residual share eligible for distribution			27.067.674		

Key:

A: for share capital increase

B: for coverage of losses

C: for payment to shareholders

B) Provisions for Liabilities and Charges

Other Provisions

Jaguar Land Rover Italia S.p.A.
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The B. 3. item "Other" Provisions for Liabilities and Charges refers to allowances which, at 31 March 2016, amounted to € 14,958,540, with a net increase of € 4,176,066 compared to 2015.

The provisions recorded hereunder concern allowances to cover losses, payables, liabilities and charges of a determined nature and those which are certain or probable – connected with corporate management – the amount and/or timing of which are as yet to be determined at year-end. More specifically, they are broken down as follows:

Breakdown	Value at 31/12/2015	Increases for the year	Decreases/Allocati ons	Value at 31/03/2016
Maintenance and guarantees provision	916.455	171.000	168.131	919.324
Provisions for liabilities and sundry charges	9.866.019	12.884.319	8.711.123	14.039.216
Total B.3	10.782.474	13.055.319	8.879.254	14.958.540

The "Provision for maintenance and warranties," which at 31/03/2016 amounted to € 919,324, was set up to ensure adequate coverage of estimated maintenance costs on the cars sold in previous years to the Public Administration.

Accumulated amortisation for the FY amounted to € 171,000, while uses totalled € 168,131.

The balance of the "Provisions for miscellaneous liabilities and charges", amounting to € 14,039,216 consists of provisions for legal risks of € 500,000, provisions for commercial expenses of € 11,632,323, provisions for charges related to the potential return, by dealers and authorized repairers, of spare parts to be regenerated (worn-core) for € 658,340, for expenses pertaining to bonuses to be paid to employees for € 700,000 and for expenses pertaining to marketing costs to be paid to the dealers for € 548,550..

Commercial charges are recognized as a direct deduction from sales revenues, as they refer to discounts and rebates to be granted to dealers on cars sold to them by the company during the year.

C) Employee Severance Indemnity

The provision recorded under item C of liabilities represents the actual amount due by the Company at 31/03/2016 to all employees on the payroll at that date.

Breakdown	Value at 31/12/2015	Increases for the year	Decreases for the year	Value at 31/03/2016
Severance indemnity	2.489.443	115.497	47.301	2.557.639
Total	2.489.443	115.497	47.301	2.557.639

With reference to the provisions of Law 296/2006 and the related implementing decrees, please note that, as of July 2007, 64 employees chose to keep their accrued severance indemnity with the company, while 23 employees opted for their allocation to pension funds.

The balance at 31/03/2016 appears sufficient to cover the related contractual and legal obligations.

Workforce Data

The company's average workforce, broken down by employee categories, is shown here below:

Headcount	Workforce at 31/12/2015	Workforce at 31/03/2016
Senior Managers	17	17
White-collar personnel	57	70
Total	74	87

The increase of 13 employees is related to the implementation of the recruitment policy adopted by the company and in line with the plans for development.

D) Payables

Payables are stated at nominal value and are due as follows:

Breakdown	Balance at 31.12.2015	Balance at 31/03/2016				Change 2016
		31.03.2016	within 12 months	over 12 months	over 5 years	
D (6) Advances	80.000	80.000	80.000			0
D (7) Trade payables	18.197.643	19.470.342	19.470.342			1.272.699
D (11) Payables to parent companies	88.899.475	89.165.458	89.165.458			265.983
D (12) Tax liabilities	9.358.965	24.183.796	24.183.796			14.824.831
D (13) Payables to social security institutions	386.839	310.862	310.862			(75.977)
D (14) Other payables	1.204.155	1.407.593	1.407.593			203.438
Balance	118.127.077	134.618.051	134.618.051	0	0	16.490.974

Jaguar Land Rover Italia S.p.A.
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The D. 7. item "Trade payables" is wholly due within the subsequent FY and refers to trade payables for goods and services purchased.

The D.11 item "Payables to parent companies", amounting to € 89,165,458 at 31/03/2016, mainly represents payables to Jaguar Land Rover Limited for cars and spare parts purchased but not yet paid at 31/03/2016.

At 31 March 2016 the D. 12. item "Tax liabilities" amounted to € 24,183,796. The item is broken down as follows:

Breakdown	Balance at 31/03/2016
VAT payable (March 2016)	21.611.040
IRES and IRAP payable	2.420.117
Withholding taxes of employees and self-employed professionals (March 2016)	152.638
Total	24.183.796

The D. 13. items shows "Payables to social security authorities" at 31/03/2016.

The D. 14. item "Other payables" amounts to € 1,407,593, with a net increase of € 203,438. The main items that make up the category are broken down here below:

Breakdown	Value at 31/12/2015	Value at 31/03/2016	Change
Payables to employees for holidays accrued and other remuneration to pay	827.314	1.021.424	194.110
Payables to dealers	358.333	363.302	4.969
Other payables	18.508	22.866	4.359
Total	1.204.155	1.407.593	203.438

Memorandum Accounts

Memorandum Accounts at 31 December 2015 are broken down as follows:

Breakdown	Value at 31/12/2015	Value at 31/03/2016	Change
Guarantees granted by third parties on our behalf	7.012.359	6.899.461	(112.898)
Total	7.012.359	6.899.461	(112.898)

The Guarantees given to third parties on our behalf relate to guarantees issued by banks to third parties, on our behalf.

Comments on and Breakdown of some Items in the Income Statement

Given the detailed presentation of revenue and expenses in the Income Statement and the previous comments on Balance Sheet items, the comments set out below are limited to the main items; for a detailed analysis of operating costs and revenue, see the Directors' Report.

A) Value of Production

Revenue from sales and services refers to the sale of vehicles, spare parts, other assets, and to services rendered according to the following specifications:

Revenue by Business Segment

Revenue from sales and services is broken down as follows:

Breakdown	Value at 31/12/2015	Value at 31/03/2016	Change
Sale of cars	840.892.026	266.421.077	-574.470.950
Sale of spare parts and accessories	58.739.042	15.457.060	-43.281.981
Total	899.631.068	281.878.137	-617.752.931

Revenue from the sale of goods and the provision of services is stated net of discounts, allowances and rebates.

Revenue went from € 899,631,068 to € 281,878,137, with a net decrease of € 617,752,931.

The variation compared to the previous financial year is basically due to the shorter duration (3 months) of the FY that closed at 31.03.2016.

B) Cost of Production

Costs for Raw and Ancillary Materials, Consumables and Goods and Costs for Services

Costs for raw and ancillary materials and consumables went from € 834,668,001 at 31/12/2015 to € 245,112,742 at 31/03/2016, down € 589,555,259.

Costs for services amounted to € 15,091,517, down € 35,014,790, mainly as a result of the shorter duration (3 months) of the FY that closed at 31.03.2016.

Personnel Costs

The item relates to all personnel costs, including merit increases, labour contract increases, cost-of-living increase, holiday leave accrued but not taken as well as to legal and collective agreement provisions, totalling € 2,810,401.

C) Financial Income and Expenses

Other Financial Income

The item refers to the interest income accrued on the “Deposit agreement” with Jaguar Land Rover Limited for € 2,032 and for € 617 to the interest accrued on the Company’s bank current accounts.

Interest and Other Financial Charges

“Interest and other financial charges” amounted to € 824,404, a decrease of € 2,697,346 compared to 2015; they entirely refer to interest accrued vis-à-vis factoring companies in relation to trade receivables sold by the Company.

Income Taxes for the Year

Income taxes for the year totalled € 1,028,933. The changes in current and deferred taxes during the year are broken down as follows:

Breakdown	Value at 31/12/2015	Value at 31/03/2016
Current taxes		
IRES	2.154.121	1.678.664
IRAP	663.025	409.625
Prepaid taxes		
IRES	688.296	(891.810)
IRAP	7.761	(167.546)
Deferred taxes		
IRES		
IRAP		
Total income taxes	3.513.203	1.028.933

Income taxes for the year, accounting for 36% of the pre-tax result (39% in 2015), decreased by € 3,659,977.30.

Deferred and prepaid taxes are calculated on all temporary differences arising between the assets and liabilities entered in the Financial Statements and their corresponding values recognised for tax purposes, according to the tax rate in force at the time these temporary differences refer to. For a full analysis, please refer to the detailed table of item C 4-ter.

In order to describe in detail the effects of deferred taxes, the reconciliation between the actual tax charge in the financial statements and the theoretical tax charge is provided below:

Determination of Taxable Base for IRES Purposes

Breakdown	Value	Taxes
Pre-tax result	2.859.989	
Theoretical tax liabilities (27.5% rate)		786.497
Provisional differences deductible in subsequent FYs	4.191.065	
Provisional differences from prior FYs	(475.189)	
Permanent differences which will not carry over to subsequent FYs	(471.630)	
Taxable base	6.104.235	
Income tax for the year - IRES		1.678.664

Determination of Taxable Base for IRAP Purposes

Breakdown	Value	Taxes
Difference between value of production and cost of production (A-B)	3.681.604	
Costs unrelated to IRAP	3.358.951	
Total	7.040.555	
Theoretical tax liabilities (4.82% rate)		339.355
Provisional differences taxable in subsequent FYs	3.476.065	
Provisional differences from prior FYs	0	
Permanent differences which will not carry over to subsequent FYs	(2.018.172)	
Taxable base	8.498.448	
Income tax for the year - IRAP*		409.625

*: Tax applied on taxable base attributable to Regione Lazio

F) Dealings with Related Parties

Please note that the transactions carried out by Jaguar Land Rover Italia S.p.A. with related parties, including intra-group transactions, are part of ordinary operations and are carried out at arm's length; there were no related

party transactions carried out at other than arm's length conditions, of significant amount, that may be considered atypical, unusual, or falling outside normal business operations.

Other Information

No remuneration is paid to the Board of Directors.

Pursuant to the first paragraph of, point 16-bis of art. 2427 of the Italian Civil Code, it is specified that the remuneration owed to the Board of Statutory Auditors totalled € 70,000, the remuneration owed to the auditor for the annual accounting audit was € 35,000 and the remuneration owed for tax consulting services was € 12,000.

No significant events took place subsequent to year-end that need to be mentioned in these notes.

The company that drafts the group's consolidated financial statements is Tata Motors Limited, a company governed by Indian law and headquartered in Mumbai (India). The consolidated financial statements are available at the premises of the aforementioned subsidiary Tata Motors Limited.

As explained in the financial statements of the previous year, the Company reached a settlement with the tax authorities for the payment, with reduced sanctions, of the smaller IRES AND IRAP tax irregularities contained in the notice of assessment for 2009; conversely, with regard to the irregularities raised regarding transfer pricing, in May 2014, the Company applied to the relevant Italian authorities, for the opening of a "Mutual Agreement procedure", pursuant to Art. 6 of the Arbitration Convention (Convention No 90/436/EEC of 23 July 1990 on the elimination of double taxation in the event of adjustments to the profits of associated enterprises, implemented by Law no. 99 of 22 March 1993) and pursuant to the Mutual Agreement Procedure Clause in application of Art. 26 of the Treaty on Double Taxation between Italy and Great Britain. In October 2014, the Ministry of Economy and Finance informed the Company about the commencement of the Mutual Agreement Procedure.

For all intents and purposes, it should be noted that in the Notice of Assessment for the year 2009, the tax authorities acknowledged that the transfer pricing documentation produced by the Company for the tax year 2009 was suitable to provide the data and information necessary for a complete and thorough analysis of the transfer prices charged, so much so, that the Revenue Agency - Regional Department of Lazio - in December

2014, ordered the suspension of the tax assessment enforcement. In relation to the above, the Company does not expect any liability, as the reasons for the alleged irregularity are considered as totally unfounded.

Cash Flow Statement

As required by article 2423 of the Italian Civil code (and recommended by the OIC 10), the Company drafted the cash flow statement, which is broken down here below:

Cash flow from operations determined with the direct method

	Jan-Mar 2016	2015
A. Cash flow from operations		
Receivables from customers	327.380.672	1.167.487.880
(Payments to suppliers for goods and services)	(36.418.344)	(125.900.126)
(Payments to staff)	(717.157)	(3.022.255)
(Payments for VAT)	(49.590.806)	(191.870.257)
(Other payments)	(106.481)	(301.236)
(Income taxes paid)	(28.922)	(277.620)
Interest collected/(paid)	(743.081)	(3.170.548)
Dividends collected		
Cash flow from operations (A)	239.775.881	842.945.837
B. Cash flows from investing activities		
<i>Other investment activities</i>		
Loans (granted) to parent company - so-called "Revolving loan"	(245.000.000)	(875.000.000)
Loans repaid by parent company - so-called "Revolving loan"	0	42.000.000
Cash flow from investing activities (B)	(245.000.000)	(833.000.000)
C. Cash flows from financing activities		
Cash flow from financing activities (C)	0	0
Increase (decrease) in cash and cash equivalents (A ± B ± C)	(5.224.119)	9.945.837
Cash and cash equivalents at 1 January	23.334.733	13.388.896
Cash and cash equivalents at 31 December/31 March	18.110.614	23.334.733

Dear Sole Shareholder, the financial statements of the Company submitted herewith for your approval show a profit of € 1,831, 056; we propose the distribution detailed below:

- € 91.553, equal to 5% of the profit for the year, to increase the legal reserve pursuant to article 2430 of the Italian Civil Code;
- € 1,739,503 as profits carried forward.

Rome, 02 May 2016

For the Board of Directors

The Managing Director

Jaguar Land Rover Italia S.p.A. – Sole Shareholder

**Registered Office in Rome, Viale Alessandro Marchetti, 105 – Share Capital € 25,000,000.00 fully paid-up
Economic and Administrative Index [R.e.a.] no. 944215**

Tax code, VAT number and registration with the Rome Register of Companies: no. 06070621005

DIRECTORS' REPORT FOR FY2016

Dear Shareholders,

On 7 March 2016, by deed of the notary Pierandrea Fabiani, File no. 92801, volume no. 17773, a change was made to the corporate by-laws, the current version of which establishes the closing date of the financial year as 31 March of each year. For this reason, it was necessary to draft these financial statements for a time period of just three months, and the comparison of the figures with those of the previous FY is therefore not significant.

The 2015 financial statements of Jaguar Land Rover Italia S.p.A. at 31 March 2016 closed with a profit of € 1,831,056, after amortisation, depreciation and write-downs for around € 0.4 million and current and deferred taxes of around € 1 million.

In the period January-March 2016, the automobile market totalled 168,696 new registrations, 8960 of them in the SUV segment.

In this market situation, the Land Rover brand totalled 1833 vehicles registered, representing a 20.5% share of the SUV market and consolidating the position of the Land rover brand in Italia at the premium end of the segment.

Specifically, the Range Rover Evoque model confirmed its solid market position, with 822 vehicles registered and a market share of 11.2%, just like the Discovery Sport model, with 669 vehicles registered and a market share of 6.9%.

The Jaguar brand totalled 422 vehicle registrations and a market share of 5.2%.

Specifically, the Jaguar XE proved successful with drivers, totalling 143 vehicles registered, with a market share of 13.7%, while the Jaguar XF totalled 79 vehicles registered, with a market share of 10%.

In the period January-March, Jaguar Land Rover Italia invoiced 7164 vehicles, of which 6171 Land Rover brand and 993 Jaguar brand.

With regard to how the main items in the income statement are made up, please find below a number of figures recorded by the company in 2016.

Net revenue from sales and services in January-March FY2016, totalling € 282 million, is set forth in detail below:

- vehicle sales amounted to € 266 million, of which € 230 million for Land Rover and € 36 million for Jaguar;
- sales of spare parts and accessories for Land Rover amounted to € 13.7 million, while those for Jaguar totalled € 1.8 million.

The cost of goods sold is in line with the volumes of revenue.

With regard to amortisation, depreciation and write-downs, see the notes, in which they are commented on at length.

With reference to the financial structure, the company uses factoring as a financial instrument for the disposal of receivables deriving from the sales of vehicles and spare parts and accessories made through the network of showrooms. Factoring is carried out, with the formula without recourse, mainly with the holding company FCA Bank SpA and to a smaller extent with other third-party holding companies. Therefore, the company is subject to financial and credit risk only for the portion of receivables generated by direct sales to the Public Administration and leading vehicle hire companies. For an analytical description of financial risk management policies, see the notes.

With reference to transactions of a commercial nature, there are no particular risks related to exchange rates, as these transactions are made almost exclusively in Euros.

Net financial operations were negative for € 0.8 million.

As a result of its exclusively commercial nature, the company had neither the occasion nor the need to conduct any particular research and development activities, which are in any case carried out within the framework of the Group it belongs to.

With regard to the relations entertained with the direct parent company Jaguar Land Rover Limited and the other Group companies, please remember that since June 2008 the company has been part of Tata Group; during 2016 the company entertained both financial and business relations with several companies in the Group.

Specifically, in the January-March FY2016, costs relating to the purchase of vehicles from Jaguar Land Rover Limited amounted to around € 230 million.

Purchases of spare parts from Jaguar Land Rover Limited and other companies in the Group (Land Rover Espana SA, Jaguar Land Rover France SA and Jaguar Land Rover Deutschland GmbH) amounted to about € 15 million.

With regard to financial relations, the 'Deposit Agreement' with Jaguar Land Rover Limited, illustrated in the notes, generated financial income totalling about € 2,000 in the January-March FY2016.

Concerning transactions of a commercial nature conducted during the year, vehicles and spare parts - both for Jaguar and Land Rover - were purchased mainly from the parent company Jaguar Land Rover Limited, thus limiting the company's exposure to price risk.

The business carried out by the company is based upon a distribution agreement with Jaguar Land Rover Limited.

Considering that this distribution agreement limits business risk for Jaguar Land Rover Italia S.p.A., the transfer prices of the goods are determined in such a way that the distribution company is paid a margin proportional to the income from sales (Transactional Net Margin Method – TNMM). The margin recognized for the year is determined on the basis of specific comparability analyses for similar functions between independent parties conducted within the group.

With regard to the main economic and financial results and indications for FY 2016, pursuant to para. 2 of art. 2428 of the Italian Civil Code, please find enclosed (annexes 1,2 and 3) the information requested by law.

2016 began with further encouraging signs from vehicle registrations, confirming the trends already evident in 2015. Jaguar and Land Rover recorded a significant number of vehicle registrations in the January-April 2016 period.

The remaining part of 2016 will be of crucial importance for Jaguar Land Rover, because it will see the launch of numerous new models, both Jaguar and Land Rover, aimed at making the company more competitive and strengthening its presence on the market.

Particular innovation is in store for Jaguar, with the launch of F-Pace, the first Jaguar Cross Over, in May 2016, the main objective of which is to relaunch the Jaguar brand with the positioning of an innovative, premium product.

As already indicated in the previous financial statements, in 2013, the Major Taxpayers' Office of the Lazio Region Division of the Italian Revenue Office delivered a notice of assessment referring to the year 2009 in which it raised an objection concerning IRES (corporate income tax) and IRAP (regional income tax).

With reference to the dispute regarding transfer prices, in May 2014, the company presented the competent Italian authorities with a request for the opening of a Mutual Agreement Procedure, pursuant to art. 6 of the Arbitration Convention (convention no. 90/436/EEC of 23 July 1990, regarding the elimination of double taxation in connection with the adjustment of profits of associated enterprises, incorporated by Law no. 99 of 22 March 1993) and pursuant to the Mutual Agreement Procedure Clause in application of art. 26 of the Double Taxation Treaty between Italy and Great Britain. In October 2014, the Ministry of Economy and Finance informed the Company about the commencement of the Mutual Agreement Procedure.

In December 2014, the Italian Revenue Office notified the company of the provision for the suspension of tax collection pursuant to art. 3. para. 2 of Law no. 99 of 22 March 1993.

For all intents and purposes, it is worth pointing out that in the notice of assessment for the year 2009, the financial administration acknowledged that the documentation on transfer pricing produced by the company with reference to the tax period 2009 provided the appropriate information and elements required for a full, in-depth analysis of the transfer prices applied, and indeed in December 2014, the Lazio Region Division of the Italian Revenue Office suspended the enforceability of the notice of assessment. In relation to the above, the Company does not expect any liability, as the reasons for the alleged irregularity are considered as totally unfounded.

Please note that personal data are processed in compliance with the Italian Data Protection Act (Legislative Decree no. 196/2003).

For the Board of Directors
The Managing Director

**REPORT OF THE INDEPENDENT AUDITOR PURSUANT
TO ARTICLE 14 OF LEGISLATIVE DECREE NO. 39 OF 27
JANUARY 2010**

To the Shareholder of Jaguar Land Rover Italia S.p.A.

Report on the Financial Statements

Pursuant to art. 11 of Legislative Decree no. 39/2010, I have conducted the audit of the financial statements closed on 31 March 2016, made up of the balance sheet, the income statement, the cash flow statement and the notes drawn up by the Directors in accordance with the measures set forth in articles 2423 *et seq.* of the Italian Civil Code, with the integration, where necessary, of the accounting standards drafted by the Italian Accounting Body (OIC).

Directors' liability for the financial statements

The Directors are responsible for drafting financial statements for the year that provide a truthful and accurate representation, in compliance with the Italian regulations governing drafting criteria.

Independent Auditor's liability

It is my responsibility to express an opinion on the financial statements for the year, based on the audit. I have conducted the audit in compliance with the international standards on auditing (ISA Italia) drawn up pursuant to art. 11, para. 3 of Legislative Decree no. 39/2010. These standards require observance of ethical principles, as well as the planning and carrying out of the audit, in order to be reasonably confident that the financial statements for the year do not contain any significant errors.

The audit requires the carrying out of procedures aimed at acquiring evidence to support the figures and the information contained in the financial statements. The procedures chosen for this purpose are dependent on the professional opinion of the auditor, and include an evaluation of the risk of significant errors in the financial statements due to fraud or unintentional behaviour or events. In conducting these evaluations of risk, the auditor takes account of the internal checks regarding the drafting of the company's financial statements in such a way that they provide a truthful and accurate representation, for the purpose of determining procedures appropriate for the circumstances and not for expressing an opinion on the efficacy of the internal controls carried out by the company. The audit also comprises an evaluation of the appropriateness of the accounting standards adopted, whether the accounting estimates made by the Directors are reasonable, as well as an evaluation of how the financial statements for the year are presented on the whole.

I believe I have acquired sufficient and appropriate evidence on which to base my opinion.

Opinion

In my opinion, the financial statements provide a truthful and accurate representation of the assets and liabilities and financial situation of Jaguar Land Rover Italia S.p.A. at 31 March 2016 and of profits and loss for the FY closed on said date, in compliance with the Italian regulations governing drafting criteria.

Report on other legal and regulatory requirements

Opinion on the consistency between the Directors' Report and the financial statements

I have carried out the procedures indicated in the standard on auditing (SA Italia) no. 720B, for the purpose of expressing, as required by law, an opinion on the consistency of the report on operations, for which the Directors of Jaguar Land Rover Italia S.p.A.

Gabriele Perrotti
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are responsible, with the financial statements of Jaguar Land Rover Italia S.p.A. at 31 March 2016.

In my opinion the Directors' Report tallies with the financial statements of Jaguar Land Rover Italia S.p.A. at 31 March 2016.

Rome, 17 May 2016

Gabriele Perrotti
Chartered Accountant – Auditor