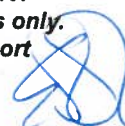


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**Financial report 2015/16**

**Jaguar Land Rover Nederland B.V.**

**Vianen**



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## Annual report of the directors

### *Mission Statement*

Jaguar Land Rover's vision is "to create experiences customers love, for live" with two global iconic brands: Jaguar and Land Rover. Jaguar is as dynamic as our name and logo suggest. We have always believed that a car is the closest thing you can create to something that is alive. Land Rover continues to build the world's most capable all-purpose vehicles. A blend of refinement, performance and unmatched all-terrain capability make our vehicles so distinctive and unique.

### *Jaguar Land Rover Netherlands*

Being a national sales company the main objective of Jaguar Land Rover Netherlands is to optimise the sales of original Jaguar and Land Rover products in the Netherlands through an official Jaguar and Land Rover dealer network.

Since the 1<sup>st</sup> of April 2010 Jaguar Land Rover Netherlands and Jaguar Land Rover Belux have been integrated into one Sales Company in order to grow sales and save costs by maximising the economies of scale. Although there is one organisation scheme for the Benelux-organisation, both countries still have separate legal entities

### *Results and development during the year*

Despite the challenging market conditions of the Dutch car market wholesale units for Jaguar Land Rover increased with more than 50% in 2015/16 compared with 2014/15. Main reason was the successful launch of the new "Jaguar XE"- the new premium sports sedan with aluminium chassis and new Ingenium engines with CO2 emissions below 100g/km and the strong sales of the Discovery Sport which was launched in the previous year 2014/15.

Net revenue increased with 34% to 189.931k compared with previous year 2014/15 142.040k. Result before taxation increased with 481k to 1.901k. The balance sheet total increased slightly from 49.820k to 56.310k.

### *Future developments*

2016/17 will be again an important year for Jaguar Land Rover. The new "Jaguar F-PACE"- the first Jaguar premium SUV - will be launched in June, together with the new Evoque Convertible. In Q4 2016/17 the all new "Discovery" will be launched.

Within the company's business outlook, local management has no formal plans to invest significant amounts in research and development.

### *Investments and funding*

Tata Motors Ltd. is fully responsible for Jaguar and Land Rover. Being fully owned by the parent company, there are no specific risks for Jaguar Land Rover Netherlands except for



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the sales volume. Locally there are no risks re currency swaps or other financial instruments. All payments are handled in the local currency.

Jaguar Land Rover Netherlands is completely funded by its parent company. In 2015/16 there were no changes in funding, nor are there any expected in 2016/17.

Since 2009 FGA Capital Netherlands provides wholesale finance to the Jaguar Land Rover dealers. The majority of the Jaguar Land Rover dealers also were funded through FGA Capital.

#### *Personnel*

No significant changes in personnel are planned in 2016/17. Expected staffing is planned to suite necessary business operations

#### *Environmental issues*

Investments are made on an on-going basis in order to improve Jaguars' and Land Rovers' reputation on corporate citizenship. Together with a number of suppliers and supported by the British government, Jaguar and Land Rover are not only working on low emission vehicles, but also on several other projects that will reduce the company's CO2-emission like hybrid products.

#### *Risks*

In accordance with the changed Dutch regulations the legal entity includes a description of the main risks and uncertainties with the legal entity is faced. In management's point of view. For all potential risks from a manufacturer's / Brand viewpoint we refer to the 'Risks and Mitigations' section in the annual report of Jaguar Land Rover Ltd ([www.jaguarlandrover.com/gl/en](http://www.jaguarlandrover.com/gl/en)).

For the specific legal entity risks and uncertainties management made a selection and representation of the main risks and uncertainties confronting the legal entity.

The group is willing to take risks in a responsible and calculated manner and hence a careful and risk based assessment proces is applied for strategic and tactical decisions. The risk assessments are included in the central risk management and internal controlling system of the Jaguar Land Rover Group. The identified risks are being quantified and reported and monitored according to the frequency as well as the consequences they have. To reduce each risk, the Jaguar Land Rover Group management defines and implements the corresponding measures.

Currently the Dutch management consider the principal risks and uncertainties facing the company to be as follows:

- Strategy: risks and uncertainties to realize the legal entity's strategy fully depends on the release of new models that fit to the Dutch market and innovations in low



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emission vehicles, but also on several other projects that will reduce the company's CO2-emission like hybrid products. Local management is not able to reduce this risk, this is managed by the group and/or shareholder, but risks could have a material impact on revenues;

- Operational: risks and uncertainties that affect the effectiveness and efficiency of the legal entity's operations in the short term are related to the reliance on the IT system. This risk is mitigated by using the central ERP system management by the group and or shareholder. Another operational risk that could impact the brand reputation is the quality of products. This risk is fully reduced by Jaguar Land Rover Group by a continued investing program in the quality of the vehicles;
- Legislation and regulations: risks and uncertainties ensuing from legislation and regulations is applicable because local regulations will change regularly. Mitigating measures included recruitment and retention of well qualified and experienced staff and engaging external specialist advice when necessary.

*Board of Directors*

The composition of the board of directors does not reflect a situation as intended in article 276 Book 2 of the Dutch civil code. The present composition is a result of the qualifications of the present members. A balance situation as described in the aforementioned articles can only be realized should vacancies occur where quality prevails over gender.

Beesd (The Netherlands), 1 June 2016

M.A.M. Bienemann  
Managing Director



## Annual accounts

### Balance sheet as at March 31 2016

(before proposed appropriation of result)

		<u>March 31 2016</u>		<u>March 31 2015</u>	
	Ref.	EUR000	EUR000	EUR000	EUR000
<b>Assets</b>					
<b>Fixed assets</b>					
Tangible fixed assets	3	23		22	
Financial fixed assets	4	<u>14</u>		<u>14</u>	
			37		36
<b>Current assets</b>					
Stocks	5	18.723		12.246	
Receivables	6	34.092		36.620	
Cash at banks and in hand	7	<u>2.986</u>		<u>918</u>	
			<u>55.801</u>		<u>49.784</u>
			<u>55.838</u>		<u>49.820</u>



		<u>March 31 2016</u>		<u>March 31 2015</u>	
	Ref.	EUR000	EUR000	EUR000	EUR000
<i>Shareholders' equity and liabilities</i>					
<b>Shareholders' equity</b>	<b>8</b>				
Share capital		45		45	
Other reserves		2.049		2.049	
Unallocated result		<u>2.530</u>		<u>1.095</u>	
			4.624		3.189
<b>Current liabilities</b>	<b>9</b>		51.214		46.631
			<u>55.838</u>		<u>49.820</u>



## Profit and loss account 2015/16

		<u>2015/2016</u>		<u>2014/2015</u>	
	Ref.	EUR000	EUR000	EUR000	EUR000
<b>Net turnover</b>	12		194.382		142.040
Cost of goods sold		175.287		129.316	
Personnel expenses	13	2.751		2.201	
Depreciation of tangible fixed assets	14	12		11	
Operating expenses	15	14.411		9.105	
<b>Total expenses</b>			<u>192.461</u>		<u>140.633</u>
<b>Operating result</b>			1.921		1.407
Financial income and expenses	17		20-		13
<b>Result on ordinary activities before taxation</b>	18		1.901		1.420
Taxation on result on ordinary activities			-466		325-
<b>Net result after taxation</b>			<u>1.435</u>		<u>1.095</u>



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## **Cash flow statement 2015/16**

According to RJ 360.104, the cash flow statement has been omitted as Jaguar Land Rover Nederland B.V. is a subsidiary of Jaguar Land Rover Plc. which includes a cash flow statement in its consolidated financial statements. These consolidated financial statements will be made available on the website [www.jaguarlandrover.com](http://www.jaguarlandrover.com).



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## Notes to the balance sheet and profit and loss account

### 1 General

#### 1.1 Activities

Jaguar Land Rover Nederland B.V., having its legal seat in Vianen and the office is located at Stationsweg 8, 4153 RD in Beesd, is primarily engaged in marketing, buying and selling Jaguar and Land Rover vehicles and related parts and accessories. These products are entirely obtained within the Jaguar Land Rover Group and are mainly distributed to the dealer network in the Netherlands.

#### 1.2 Group structure

Jaguar Land Rover Nederland B.V. belongs to the Jaguar Land Rover Group. The ultimate parent company of this group is Tata Group in India. The annual accounts of Jaguar Land Rover Nederland B.V. are included in the consolidated annual accounts of Tata Motors Ltd. in India. Copies of the consolidated annual accounts of 2015/16 Tata Motors Ltd. are available at cost price from the offices of Jaguar Land Rover Nederland B.V.

#### 1.3 Accounting policies

The annual accounts are prepared according to the stipulations in chapter 9 Book 2, of the Dutch Civil Code.

#### 1.4 Financial instruments

Financial instruments be both primary financial instruments, such as receivables and payables. The notes to the specific items of the balance sheet disclose the fair value of the related instrument if this deviates from the carrying amount. If the financial instrument is not recorded in the balance sheet the information on the fair value is disclosed in the notes to the 'Contingent rights and obligations'.

For the principles of primary financial instruments, reference is made to the treatment per balance sheet item.

#### 1.5 Translation of foreign currency

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing as at balance sheet date. Transactions in foreign currency during the financial year are recognised in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as at balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.



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## Principles of valuation of assets and liabilities

### 1.6 General

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or fair value. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred. The balance sheet and profit and loss account include references to the notes.

### 1.7 Assets

#### *Tangible fixed assets*

Machinery and equipment are valued at acquisition cost plus additional direct expenses, less straight-line depreciation over the estimated economic life. Any impairment as at the balance sheet date is taken into account. For determining whether an impairment charge in respect of a tangible fixed asset applies, reference is made to impairment of fixed assets.

Other fixed assets are valued at acquisition or production cost including directly attributable expenses, less straight-line depreciation over the estimated useful economic life, or market value if lower.

#### *Financial fixed assets*

The bonds and certificates stated under the financial fixed assets (listed and non-listed) that are not part of a trade portfolio either and that are held until maturity are valued at amortised cost or lower market value. When the market value is lower than the amortised cost price an impairment is accounted for. Reversal of an impairment is capped at the amortised cost price that would have been determined had it not concerned an impairment.

#### *Impairment of fixed assets*

On the balance sheet date, the Company tests whether there are any indications of an asset which could be subject to impairment are executed. If there are such indications, the recoverable amount of the asset concerned is estimated. If this is not possible, the recoverable amount of the cash-generating unit to which the asset belongs, is identified. An asset is subject to impairment if its book value is higher than its recoverable value; the recoverable value is the higher of the realisable value and the value to the business.

If it is established that a previously recognised impairment no longer applies or has declined, then the increased carrying amount of the assets in question is not set higher than the carrying amount that would have been determined had no asset impairment been recognised.

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## 1.8 Current assets

### *Stocks*

The finished products are valued at acquisitions cost using the FIFO method ('first in, first out') or net lower realisable value. This lower net realizable value is determined by individual assessment of inventories.

### *Receivables*

Upon initial recognition the receivables are included at fair value and then valued at amortised cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for the risk of doubtful accounts are deducted. These provisions are determined by individual assessment of the receivables.

### *Cash at banks and in hand*

Cash at banks and in hand consists of cash in hand, cash at banks and deposits with a maturity of less than twelve months. Current account liabilities at banks are recognised under bank overdrafts forming part of current liabilities. The cash is measured at face value. If cash equivalents are not freely disposable, then this has been taken into account upon measurement.

## 1.9 Shareholders' equity

Expenses directly related to the purchase, sale and/or issue of new shares are charged directly to shareholders' equity, taking into account relevant corporate income tax effects. Other direct movements within shareholders' equity are also recognised taking into account relevant corporate income tax effects.

## 1.10 Current liabilities

### *Short-term liabilities*

Upon initial recognition, the loans and liabilities recorded are stated at fair value and then valued at amortised cost.

### *Operational lease*

Lease contracts for which a large part of the risks and rewards incidental to ownership of the assets does not lie with the Company, are recognised as operational leases. Obligations under operational leases are recognised on a straight-line basis in the profit and loss account over the term of the contract, taking into account reimbursements received from the lessor.



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## **2 Principles for determination of result**

### **2.1 General**

The result represents the difference between the value of the consideration rendered and the costs and other charges for the year. The results on transactions are recognised in the year they are realised.

### **2.2 Net turnover and other operating income**

Net turnover is determined as income from the supply of goods, less discounts and such like, exclusive of value added taxes, taxes on passenger cars (BPM) and after elimination of intragroup sales.

Income from the supply of goods is recognised as soon as all substantial rights and risks relating to the title to the goods are transferred to the customer.

### **2.3 Costs of goods sold**

Costs are recognised on the historical cost convention and are allocated to the reporting year to which they relate.

Cost of sales represents external expenses and other operating expenses that are attributable to the cost of sales.

### **2.4 Operating expenses**

General and administrative expenses include the expense of the Managing Director and the administration department.

### **2.5 Personnel remuneration**

Salaries, wages and social security costs are charged to the profit and loss account when due, and in accordance with employment contracts and obligations.

The Company has one pension scheme. This scheme provides defined pension benefits to staff upon reaching retirement age, depending on age, salary and years of service.

The pension plans are financed through contributions to pension providers, i.e., insurance companies. The pension obligations of the plans are valued according to the 'valuation to pension fund approach'. This approach accounts for the contribution payable to the pension provider as an expense in the profit and loss account. Based on the administration agreement it is assessed whether and, if so, which obligations exist in addition to the payment of the annual contribution due to the pension provider as at balance sheet date. These additional obligations, including any obligations from recovery plans of the pension provider, lead to expenses for the entity and are included in a provision on the balance sheet.

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## **2.6 Depreciation**

Intangible fixed assets including goodwill are amortized and tangible fixed assets are depreciated over their expected useful life as from the inception of their use. Land and investment property are not depreciated. Future depreciation is adjusted if there is a change in estimated useful life.

## **2.7 Financial income and expense**

### ***Interest income and expense***

Interest income and expense are time apportioned, taking into account the effective interest rate for the relating assets and liabilities. The treatment of interest expenses for loans received takes account of any transaction costs.

## **2.8 Taxation**

Profits tax is calculated on the profit/loss before taxation in the profit and loss account, taking into account any losses carried forward from previous financial years (insofar as these are not included in deferred tax assets), tax-exempt items and non-deductible expenses, and using current tax rates. Also taken into account are changes in deferred tax assets and deferred tax liabilities owing to changes in the applicable tax rates.



### 3 Tangible fixed assets

	Machinery and equipment	Other fixed assets	Total
	EUR000	EUR000	EUR000
<b>April 1 2015</b>			
Acquisition or production costs	105	38	143
Accumulated impairments and depreciation	-83	-38	-121
Book value	22	0	22
<b>Movements 2015/16</b>			
Additions	9	4	13
Desinvestments			
Depreciation	-12	0	-12
Depreciation Desinvestments			
	-3	4	1
<b>31 March 2016</b>			
Acquisition or production costs	114	42	156
Accumulated impairments and depreciation	-95	-38	-133
Book value	19	4	23
Depreciation rates	25,00%	25,00%	

#### 4 Financial fixed assets

	Total financial fixed assets
	<u>EUR000</u>
April 1 2015	
Book value	14
Movements 2015/16	<u>0</u>
March 31 2016	
Book value	<u>14</u>

The financial fixed assets exist of a certificate of EUR 13,613 in a golf club.

#### 5 Stocks

	<u>Mar 31 2016</u>	<u>Mar 31 2015</u>
	<u>EUR000</u>	<u>EUR000</u>
Finished products and goods for resale	<u>18.723</u>	<u>12.246</u>
Total	<u>18.723</u>	<u>12.246</u>

The buyback liabilities have a average duration of 9 months and exist of EUR 2,048,963 which is included in the stock value FY 2014/15: EUR 1.776.102. No provisions were made for FY 2015/16 and FY 2014/15.





## 6 Receivables

	March 31 2016		March 31 2015	
	Total	Term > 1 year	Total	Term > 1 year
	EUR000	EUR000	EUR000	EUR000
Trade debtors	16.583	0	8.434	0
Amounts due from group companies	16.622	0	27.870	0
Prepaid pension costs	51	0	-	0
Other receivables	836	0	316	0
	34.092	0	36.620	0

The average interest received from Land Rover Group in the cash pool arrangement amounted to in 2015/16 0,010000% FY 2014/15 0,04643%.

Provisions on doubtful debtors 2015/16 exist of EUR 433,344, 2014/15 EUR 331,163.

### *Netting receivables and liabilities from group companies*

Netting receivables and liabilities from group companies Jaguar Land Rover Nederland B.V. is part of the cash pool agreement of Jaguar Land Rover Ltd. and netting is applied for amounts included in this cash pool as well as the receivables and liabilities with group companies.

## 7 Cash at banks and in hand

All cash at banks and in hand is available on demand.

## 8 Shareholders' equity

### *Share capital*

The authorised share capital of the Company as at 31 March 2016 amounts to EUR 227,000 and consists of 500 ordinary shares of EUR 454 each.

Issued and paid in share capital amounts to EUR 45,400 and consists of 100 ordinary shares with a nominal value of EUR 454 each.

### *Other Reserves*

	<u>March 31 2016</u>	<u>March 31 2015</u>
	EUR000	EUR000
Balance sheet according to 2014/15 financial statements	2.049	1.610
Dividend payment	-	-
Profit distribution prior financial year	-	439
Balance as at 31 March	<u>2.049</u>	<u>2.049</u>

### *Unallocated result*

Balance sheet as at 1 April	1.095	-
Result FY 2014/15 after taxation	-	1.095
Result FY 2015/16 after taxation	1.435	-
Balance as at 31 March	<u>2.530</u>	<u>1.095</u>



## 9 Current liabilities

	<u>March 31 2016</u>	<u>March 31 2015</u>
	EUR000	EUR000
Trade creditors	613	2.412
Tax payable	14.006	12.393
Group Companies	23.586	20.971
Corporate income tax payable	578	514
Other liabilities	<u>12.431</u>	<u>10.341</u>
	<u>51.214</u>	<u>46.631</u>

There are no liabilities with a term > 1 year.

## 10 Financial Instruments

For the notes to financial instruments reference is made to the specific item by item note. Below the related risks are disclosed.

### *Currency risks*

There are no currency risks. All invoices for purchasing and selling vehicles and parts are in euro.

### *Interest risks*

There are no interest risks. All transactions, including funding, are managed through a cash pool agreement with the parent company.

### *Credit risks*

Credit risks are decreased by the fact that the majority of the vehicles is paid on behalf of the dealer by FGAC at the moment of invoicing. The risk on parts is reduced by the fact that the outstandings are collected through direct debit once a week.



## 11 Commitments not included in the balance sheet

### *Financial obligations*

- The Company issued a guarantee to the Dutch tax authorities of EUR 150,000 associated with BPM.
- The commitment for renting the building amounts to EUR 160,457 on a yearly basis. The contract expires in 2023. The commitment with due in 1 year amounts to € 160,457, the commitment due within 5 years but no earlier than 1 year amounts to EUR 641,827, the commitment that is due no earlier than 5 years amounts up to EUR 361,028. The figures as stated do not include the yearly indexation.

## 12 Net turnover

Net turnover can be split into the following major categories:

	<u>2015/16</u>	<u>2014/15</u>
	EUR000	EUR000
Cars	170.057	125.598
Parts	19.874	16.442
Other	<u>4.451</u>	<u>-</u>
	<u>194.382</u>	<u>142.040</u>

The BPM is not included in the revenue.

In FY 2015/16 is a total amount of EUR 39.963.387 (FY 2014/15: EUR 46.349.388) Luxury taks ('BPM') recorded relating to cars which have been registered for the first time in The Netherlands.



### 13 Personnel expenses

	<u>2015/16</u>	<u>2014/15</u>
	EUR000	EUR000
Wages and salaries	1.819	1.485
Pension costs	406	1-
Other salary costs	215	450
Other social security costs	<u>311</u>	<u>267</u>
	<u>2.751</u>	<u>2.201</u>

In 2014/2015 a discount was received from the pension insurance company over the years 2009-2013.

### 14 Depreciation of tangible fixed assets

	<u>2015/16</u>	<u>2014/15</u>
	EUR000	EUR000
Tangible fixed assets (note 4)	<u>12</u>	<u>11</u>
	<u>12</u>	<u>11</u>

## 15 Operating expenses

The operating expenses captions can be broken down as follows:

	<u>2015/16</u>	<u>2014/15</u>
	EUR000	EUR000
Other sales expenses	10.808	6.534
Local variable costs	159	267
Rent / heating / light utilities	215	220
Cost of company vehicles	809	376
Consultancy costs	975	830
Legal costs	221	43
Other administration costs	433	100
Cost of computers	147	155
Other	644	580
	<u>14.411</u>	<u>9.105</u>

The auditors fee amounts to EUR 32,000 (2014/15: EUR 32,000) and is related to the audit of the financial statements. No other services were provided by the auditor.

## 16 Employees

During 2015/16 an average of 20,75 FTE (2014/15: 18 FTE), of which 1 working abroad.

## 17 Related parties

All group companies mentioned in note 6 and 10 are considered to be related parties. Jaguar Land Rover Netherlands has to pay to these group companies cost of sales, operating expenses and receives interest.

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	<u>2015/16</u>	<u>2014/15</u>
	EUR000	EUR000
Interest costs/income on receivables/liabilities to group companies	<u>-20</u>	<u>13</u>
	<u>-20</u>	<u>13</u>

<i>Cost of Sales</i>	<u>31 Mar 2016</u>	<u>31 Mar 2015</u>
	EUR000	EUR000
Jaguar Land Rover Ltd	157.797	113.491
Land Rover France	<u>17.490</u>	<u>15.825</u>
	<u>175.287</u>	<u>129.316</u>



## 18 Taxation on result on ordinary activities

The taxation on result on ordinary activities amounting to EUR 466,000 can be specified as follows:

	<u>2015/16</u>	<u>2014/15</u>
	EUR000	EUR000
Result from ordinary activities before taxation	<u>1.901</u>	<u>1.420</u>
	1.901	1.420
Taxation previous years	0	20
Taxation on result on ordinary activities	<u>466-</u>	<u>345-</u>
Taxation according to the profit and loss account	466-	325-
Effective tax rate	24,5%	24,3%
Applicable tax rate	25,5%	25,5%

The applicable tax rate for the Netherlands is 20% for the first EUR 200,000 profit, and 25% for the profit above EUR 200,000. This also applies to 2014/15.

Besides the regular tax calculation on result from ordinary activities, an amount has been accrued as result of an assessment of the outcome of an on-going discussion regarding transfer pricing with the Dutch tax authorities.

## 19 Remuneration Directors

The Company applies Article 2:383, Paragraph 1 of the Dutch Civil Code. In accordance with this, charges regarding remuneration, including pensions, of the director are not disclosed.

Beesd (The Netherlands), 1 June 2016

M.A.M. Bienemann  
Managing Director



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## **Other information**

### **Independent Auditors' report**

Reference is made to the auditor's report as included hereinafter.

### **Profit appropriation according to the Articles of Association**

According to article 15 of the Articles of Association the profit for the year is at the free disposal of the General Meeting of Shareholders.

### **Proposed appropriation of result**

Following the proposed profit appropriation of the Board of Directors, and pursuant to article 15 of the Articles of Association, an amount of EUR 1,435,000 of the 2015/16 result and EUR 1.095.000 of the 2014/15 result is proposed to add to the retained earnings.

The financial statements do not yet reflect this proposal.

