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**„courtesy translation“
REPORT**

on the Audit of the Annual Financial Statements
as of 31 March 2017

**Jaguar Land Rover Austria GmbH
Salzburg**

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General Terms of Contract for the Austrian Public Accounting Professions

To the Management of
Jaguar Land Rover Austria GmbH
Salzburg

We have concluded our audit of the annual financial statements as of 31 March 2017 of

Jaguar Land Rover Austria GmbH, Salzburg,

(referred to as the "JLR GmbH" or "company")

and provide the results of our audit in the following report:

1. Audit Contract and Performance of the engagement

Based on a resolution of the shareholders of Jaguar Land Rover Austria GmbH, Salzburg, dated 26 July 2016, we have been elected as auditor for the financial statements of the financial year 2016/17. The company, represented by the managing director, concluded an audit contract with us to audit the annual financial statements as of 31 March 2017, including the accounting system, pursuant to §§ 269 ff of the Austrian Commercial Code.

The company is classified as a large-size corporation pursuant to § 221 Austrian Commercial Code.

This audit represents a statutory audit.

The objective of the audit was to examine compliance with legal requirements. The management report is to be audited as to whether it is consistent with the financial statements and whether the other disclosures in the management report do not give rise to a misstatement of the Company's financial position.

In performing the audit, we adhered to the legal provisions and the relevant professional standards on performing an audit applicable in Austria. These principles require the use of International Standards on Auditing. We draw attention to the fact that the audit provides reasonable assurance as to whether the financial statements are free from material misstatement. Absolute assurance cannot be achieved, since the possibility of errors is inherent in each accounting and internal control system and since the audit is based on samples, there is an unavoidable risk that material misstatements in the financial statements are not detected. Areas which are generally covered in special engagements were not included in our scope of work.

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We carried out our audit during the period from April to May 2017 (with interruptions), primarily at the registered headquarters of the company in Salzburg. The audit was formally concluded by the date of this report.

Responsible for the proper performance of the engagement is Mag. Friedrich Wiesmüllner, Austrian Certified Public Accountant.

The basis for the performance of this audit is the audit contract that was concluded with the company. The general conditions of contract for the public accounting professions as issued by the Austrian chamber of tax advisors and auditors on 8 March 2000, in the version dated 21 February 2011 ("AAB 2011"; appendix), form an integral part of this audit contract. These General Conditions of Contract do not only apply between the Company and the auditor, but also towards third parties. § 275 of Austrian Commercial Code applies with regard to our responsibility and liability as auditor towards the company and towards third parties.

2. Disclosure of and Notes on Significant Items in the Financial Statements

The notes to the annual financial statements were prepared in accordance pursuant to §§ 236 ff of the Austrian Commercial Code. In order to avoid repetition, for information on the individual items in the annual financial statements in accordance with § 273 (1) of the Austrian Commercial Code we refer to the comments and tables in the notes.

3. Summary of the results of the audit

3.1. Conclusion on the Compliance of the Accounting, Financial Statements and the Management Report

In performing our audit procedures, we determined the compliance with statutory provisions and generally accepted accounting principles. As part of our risk and control oriented audit approach, we included in the audit – where we considered it necessary for our audit report – the internal controls in parts of the accounting process.

With regard to the legal compliance of the financial statements and the management report, we refer to our comments in the auditor's report.

3.2. Information provided

All information required was provided by the legal representatives of the company. A letter of representation signed by the legal representatives has been included in our working papers.

3.3. Statement on matters pursuant to § 273 (2) and (3) of the Austrian Commercial Code (Execution of Reporting Obligation)

In performing our duties as auditor, we have not determined any facts that might endanger the audited company's position as a going concern or adversely affect its future development, nor any facts that would constitute a serious breach of the law or of the Company's articles of association by the legal representatives or employees. Material weaknesses in the internal control of the accounting process have not come to our attention. The criteria for assuming a reorganization requirement (Section 22 No. 1 URG (Austrian Reorganization Act)) are not met.

4. Auditor's Opinion

Report on the Financial Statements

Opinion

We have audited the financial statements of Jaguar Land Rover Austria GmbH, Salzburg, (the Company), which comprise the balance sheet as at March 31, 2017, the income statement for the year then ended, and the notes.

In our opinion, the accompanying financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as of March 31, 2017, and of its financial performance for the year then ended in accordance with Austrian Generally Accepted Accounting Principles and the additional requirements of section 245a of the Austrian Commercial Code.

Basis for Opinion

We conducted our audit in accordance with the Austrian Generally Accepted Auditing Standards. Those standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Austrian legal and professional guidelines, and we have fulfilled our other professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

The Company's management is responsible for the preparation of financial statements that give a true and fair view in accordance with Austrian Generally Accepted Accounting Principles, and responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Austrian Standards on Auditing, which require the application of ISAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The scope of the audit does not include assurance on the future viability of the Company or on the efficiency or effectiveness with which the management has conducted or will conduct the affairs of the Company.

As part of an audit in accordance with Austrian Generally Accepted Auditing Standards that require the application of ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on the Management Report

Pursuant to Austrian statutory provisions, the management report has to be audited as to whether it is consistent with the financial statements and as to whether it is prepared in accordance with the applicable legal requirements.

The Company's management is responsible for the preparation of the management report in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian Generally Accepted Auditing Standard that are relevant for the audit of the management report.

Opinion

In our opinion, the management report was prepared in accordance with the applicable legal requirements and is consistent with the financial statements.

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Statement

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit of the financial statements we have not identified material misstatements in the management report.

Vienna, May 26, 2017

Deloitte Audit Wirtschaftsprüfungs GmbH

Mag. Friedrich Wiesmüller m.p.
Certified Public Accountant

Dr. Gottfried Spitzer m.p.
Certified Public Accountant

This report is a translation of the original report in German, which is solely valid.

Publication of the financial statements together with our auditor's opinion may only be made if the financial statements and the management report are identical with the audited version attached to this report. Section 281 paragraph 2 UGB (Austrian Commercial Code) applies

Financial Statements

Income statement
from April 1, 2016 to March 31, 2017

(Amounts in Euro)

		2015/2016 kEUR
1. Net sales	278.968.275,68	222.981
2. Other operating income		
a) Income from the disposal of non - current assets with the exception of financial assets	100,00	0
a) Income from reversal of accruals	522.487,56	655
b) Miscellaneous	<u>510.523,40</u>	<u>416</u>
	1.033.110,96	1.071
3. Costs of materials and services received	(258.106.930,81)	(206.029)
4. Personnel expenses		
a) Salaries	(2.251.409,34)	(2.578)
b) Social expenses		
aa) Expenses for pensions	(96.701,50)	(95)
bb) Expenses for severance payments and payments to operational company pension funds	(170.408,65)	(103)
cc) Expenses for statutory social security and payroll related contributions	(528.947,78)	(473)
dd) Other social benefits	<u>(585.591,01)</u>	<u>(354)</u>
	(3.633.058,28)	(3.603)
5. Amortization and depreciation of intangible and fixed assets	(106.091,20)	(53)
6. Other operating expenses		
a) Non-income based taxes	(735.397,25)	(116)
b) Miscellaneous	<u>(14.314.568,02)</u>	<u>(11.626)</u>
	(15.049.965,27)	(11.742)
7. Subtotal from line 1 to 6 (operating result)	3.105.341,08	2.625
8. Income from other interest and similar income thereof group 2.822,36 (previous year kEUR 4)	3.584,40	3
9. Interest and similar expenses	(627.758,93)	(593)
10. Subtotal from line 8 to 9 (financial result)	(624.174,53)	(590)
11. Profit before taxes (Subtotal from line 7 and 10)	2.481.166,55	2.035
12. Taxes on income	(526.332,00)	(488)
13. Profit after taxes on income = Net profit for the year	1.954.834,55	1.547
14. Profit carried forward	<u>9.922.940,71</u>	<u>8.376</u>
15. Total profit	<u>11.877.775,26</u>	<u>9.923</u>

NOTES

Jaguar Land Rover GmbH

as of March 31, 2017

Preliminary remarks:

The financial statements are prepared in conformity with the principles of the Austrian commercial law (UGB) for the year 2016/2017.

Land Rover Vertriebs GmbH as transferring company and Jaguar Austria GmbH as receiving company were merged according to Art 1 Austrian corporate restructuring taxes act (UmgrStG). The merger took effect on December 31, 2004. There was no capital increase in accordance with Austrian corporate restructuring taxes act. The assets of Land Rover Vertriebs GmbH were taken into Jaguar Austria GmbH at book values.

The necessary adjustment of the previous year's values due to the amendment to the accounting principles, called RÄG 2014, were taken into account.

I. Accounting and Valuation Principles

The financial statements are prepared in accordance with Austrian generally accepted accounting principles and present fairly in all material respects, the net asset- financial- and earnings position of the company.

Recording, valuation and presentation of each position of the financial statements is in accordance with the general principles in paras. 196 to 211 UGB including the regulations for corporations in paras. 222 to 235 UGB.

The regulations of the RÄG 2014 were applied for the first time in the annual financial statements 2016/2017. Due to the changed disclosure requirements of the RÄG 2014 the figures of the prior year were adapted, so that they are not comparable with the figures shown on the financial statement of last year. All necessary adjustment of the previous year's values due to the amendment to the accounting principles, called RÄG 2014, were taken into account. In the year 2016/2017 deferred taxes are recognized for the first time in accordance with section 198 (9) of the Austrian Commercial Code (UGB).

Fixed assets are recorded at acquisition or manufacturing costs. Depreciation is calculated on a straight line basis with the expected useful life ranging from 3 to 15 years.

Finished products are valued at acquisition costs, whereas a lower market value is considered if applicable.

The valuation of cars is based on the identity price procedure; spare parts are valued at moving average price procedure.

Accounts receivables are encashed by a finance enterprise on the day, respectively no later than two days after reporting.

Accruals take into account all recognizable risks and uncertain liabilities on the basis of a reasonable commercial estimate.

The accrual for severance payment obligations and jubilee obligations were calculated in accordance with UGB under actuarial principles.

The calculation is based on a discount factor of 1% (p/y 1,5%) and a retirement age of 65/60 men/women. The selected net method of calculation, taking into account for future salary increases and employee structure, adequately covers the disclosure requirement in accordance with section 211 (1) of the Austrian Commercial Code (UGB). This is also valid for the provisions for anniversary bonuses.

Liabilities are stated at the amount likely to be paid back under consideration of the principle of prudence.

Receivables and liabilities denominated in foreign currency are recorded with an average cross rate of the date of origin. Losses due to exchange rate changes are recognized at the end of the year based on the respective bid or ask price.

II. Notes to the balance sheet

ASSETS

Fixed assets

Development of the fixed assets

Summary of fixed assets: Appendix to the notes

Current assets

Receivables and other liabilities

All accounts receivable are due in full within one year.

The accounts receivables from affiliated companies include other receivables and receivables from goods and services. All in all, the sum of receivables from affiliated companies as of 31.03.2017 amounts to EUR 47.735.791,30 (p/y kEUR 28.408). The other receivables include short-term receivables from intercompany cash-pooling activities.

The other receivables and assets amount to EUR 45.287,64. These receivables include:

Suppliers with debit balances	EUR	630,56	(p/y kEUR 338)
Others	EUR	44.657,08	(p/y kEUR 38)

Deferrals

Deferrals from transitory items amounting to EUR 140.780,90 (p/y kEUR 166) include automobile insurance (kEUR 141).

Deferred taxes assets according to para. 198 (10) UGB in the amount of EUR 130.100,00 (p/y kEUR 0) are shown in the balance sheet.

LIABILITIES

Equity

The share capital amounts to EUR 145.000,00 (p/y kEUR 145) and has been fully paid in.

The net gains include the net income of the year of EUR 1.954.834,55 (p/y kEUR 1.547).

The company is a large corporation pursuant to para. 221 UGB.

Provisions

Other provisions amount to EUR 16.974.800,00 (p/y kEUR 12.667) and include the following items:

	March 31, 2017 EUR	March 31, 2016 kEUR
Provisions for employee benefits	897.300,00	982
Other provisions	16.077.500,00	11.685
	16.974.800,00	12.667

Other provisions amounting to EUR 16.077.500,00 (p/y kEUR 11.685) include the following items:

	March 31, 2017 EUR	March 31, 2016 kEUR
Provisions for after sales expenses	704.000,00	460
Provisions for revenue reductions	10.138.500,00	7.376
Provisions for dealer bonifications	3.159.600,00	1.934
Provisions for cancellation of dealer contracts	0,00	117
Provisions for other costs	2.075.400,00	1.798
	16.077.500,00	11.685

The arbitration process regarding the dealer contract dissolution with the dealer HoE was closed by a decision of arbitration court and a payment of Jaguar Land Rover Austria GmbH. The recorded provision was used for the payment, the rest of the provision was released. However, HoE appealed against the arbitration award. Based on the assessment of corporate lawyers in 2016/17 a provision of kEUR 520 is built.

The provision for the termination of dealer contracts amounting to EUR 117.000,00 was recorded for claims that could result from the termination of a contract with the dealer Jaguar Wien. The legal dispute was closed in 2017 and the provision was used and offset against expenses incurred.

The reduction of the discount factor from 1,5 % to 1 % (netto) for the calculation of provisions for employee benefits had no material impact.

Liabilities

The other liabilities include security payments in the amount of EUR 178.000,00 with a residual term of more than one year. The maturity of all liabilities is less than one year.

The liabilities to affiliated companies amount to EUR 33.668.402,58 (p/y kEUR 17.384) and primarily include accounts payable.

The other liabilities primarily include clearing accounts to tax authorities in the amount of kEUR 8.400 (p/y kEUR 3.225) and customers with credit balances in the amount of kEUR 2.924 (p/y kEUR 4.129). Thereof, kEUR 71 will be paid effectively after the balance sheet date.

In 2009 finance agreements with FCA Bank were executed, which are still valid in Austria. In addition in 2014 a finance agreement with UCL for the Czech Republic was executed.

III. Notes to the income statement

The income statement was set up according to the total expenditure format.

Revenues including revenue reductions can be grouped by activity as follows:

	2017 kEUR	2016 kEUR	<u>thereof revenues from foreign countries</u>	
			2017 kEUR	2016 kEUR
Car sales	258.849	205.238	80.748	59.518
Spare parts	11.877	13.569	3.351	3.624
After sales	8.228	3.869	2.227	1.035
Others	396	567	1	124
	279.350	223.243	86.327	64.301

Expenses for severance payments (para. 237 lit 13 UGB) amounting to EUR 170.408,65 (p/y kEUR 103) includes:

- expenses for severance payments EUR 153.784,80 (p/y kEUR 91)
- expenses for employee provident fund contributions EUR 16.623,85 (p/y kEUR 11)

Taxes on income and income include the income taxes calculated on the basis of the tax result and break down as follows:

	2017 EUR
income tax 2017	656.408
income tax previous year	24
deferred taxes	-130.100
	<u><u>526.332</u></u>

Deferred taxes are recognized for the first time in accordance with section 198 (9) of the Austrian Commercial Code (UGB). The corporate tax rate is 25%. The differences between the commercial and tax balance are as follows:

	2017 EUR
in future deductible Severances payments	89.188
Accruals for severance payments	275.310
Reserve for employees anniversary bonus	138.302
discounting long-term accruals	17.584
	<u><u>520.384</u></u>

The deferred tax as of March 31, 2017 is EUR 130.100,00. The corporate tax rate is 25%

IV. Other notes

Intercompany relations

The company is a 100% subsidiary of Jaguar Land Rover Limited, Coventry, Great Britain. Thus, the company is a part of the Jaguar Land Rover Group.

TATA Motors Ltd, Mumbai, India prepares the consolidated financial statements for the largest group of companies. The consolidated financial statements are available at the premises of the company. Jaguar Land Rover Limited prepares the consolidated financial statements for the smallest group of companies.

Assets and liabilities towards these and other companies integrated in the group are presented as assets and liabilities from affiliated companies according to para. 189a Z8 UGB.

Expenses for auditors

The expenses for the audit 2017 have been accrued with EUR 39.600,00 (p/y kEUR 37).

Employees

In the current business year 27 (p/y 24) people were employed on average.

Continuing obligations

The continuing obligations amount to kEUR 219 in the following business year (p/y kEUR 158) and presumably kEUR 1.200 for the next five years (p/y kEUR 850).

The management board of the company as of March 31, 2017 consists of:

Mag. Peter Modelhart

With respect to the remuneration of the managing director, the clause according to para. 242 (4) Austrian commercial code has been applied. The total expenses for severance pay concern only other employees.

Profit appropriation

Management suggests that the annual net profit in 2016/2017 in the amount of EUR 11.877.775,26 is fully carried forward to the following year.

Significant occurrences after the reporting date

No significant occurrences after the reporting date to report.

Salzburg, May 29 2017

Jaguar Land Rover Austria GmbH

Managing Director

Mag. rer. soc. oec. Peter Modelhart m.p.

Jaguar Land Rover Austria GmbH
statement of changes in fixed assets

	Acquisition costs						Book value	
	Value as of 01.04.2016 EUR	additions EUR	capitalized interest EUR	disposals EUR	reboings EUR	Value as of 31.03.2017 EUR	Value as of 01.04.2016 EUR	
I. Intangible assets								
Industrial property rights and similar rights Jaguar Austria Land Rover Austria	68.212,42 291.523,28	- -	- -	- -	- -	68.212,42 291.523,28	0,10 41.340,24	
II. Fixed assets								
Land and buildings	7.406,00 31.592,28	186.355,12	-	-	-	7.406,00 217.947,40	0,03 6.107,19	
Technical equipment and machinery Jaguar Austria Land Rover Austria	175.862,32 299.223,50	10.467,95	-	-	-	175.862,32 309.691,45	0,14 1.345,22	
Other equipment, furniture and fixtures Jaguar Austria Land Rover Austria	68.513,28 184.055,49	345.643,30	-	1.839,39 726,73	-	66.673,89 528.972,06	7.441,69 28.341,57	
low value fixed assets	-	379,31 4.779,01	-	379,31 4.779,01	-	-	-	
	766.652,87	547.624,69	-	7.724,44	-	1.306.553,12	43.235,84	
III. Financial assets								
Securities	1.120.388,57	-	-	7.724,44	-	1.666.288,82	84.585,18	
	319.994,02	379,31	-	2.218,70	-	318.154,63	7.447,64	
	866.394,55	547.245,38	-	5.505,74	-	1.348.134,19	522.071,02	

	statement of changes in depreciation, amortisation and write-downs						Accumul. Depreciation Value as of 01.04.2016 EUR	Accumul. Depreciation Value as of 31.03.2017 EUR
	annual depreciation EUR	revaluation EUR	additions EUR	disposals EUR	reboings EUR	reboings EUR		
I. Intangible assets								
Industrial property rights and similar rights Jaguar Austria Land Rover Austria	19.098,73	-	-	-	-	68.212,32 250.174,04	68.212,32 269.272,77	
II. Fixed assets								
Land and buildings	2.072,90	-	11.717,85	-	-	7.405,97 25.485,09	7.405,97 39.275,84	
Technical equipment and machinery Jaguar Austria Land Rover Austria	879,03	-	919,59	-	-	175.862,18 297.878,28	175.862,18 299.676,90	
Other equipment, furniture and fixtures Jaguar Austria Land Rover Austria	3.394,32 11.892,54	-	50.957,92	1.839,39 726,72	-	61.071,59 155.713,92	62.626,52 217.837,66	
low value fixed assets	-	-	379,31 4.779,01	379,31 4.779,01	-	-	-	
	18.238,79	-	68.753,68	7.724,43	-	723.417,03	892.685,07	
III. Financial assets								
Securities	37.337,52	-	68.753,68	-	-	1.041.803,39	1.140.170,16	
	3.394,32	-	379,31	2.218,70	-	312.552,06	314.106,99	
	33.943,20	-	68.374,37	5.505,73	-	729.251,33	826.063,17	

Management Report

Management Report Jaguar Land Rover Austria GmbH

Fiscal Year 2016 / 17

Preamble

Based on the resolution of the shareholders as of March 2012 the fiscal year has been changed to the period 1st of April to 31st of March. Therefore, the current fiscal year is the fifth year to include 12 months (1st April 2016 – 31st March 2017), which means that the previous year's figures cover a full business year (12 months). The necessary adjustment of the previous year's values due to the amendment to the accounting principles, called RÄG 2014, were taken into account.

I. Business Development

The development of the automotive industry for the financial year 2016/17 was characterized by an increase. In the calendar year 2016, a total of 430.648 (p/y 401.039 / +7,4 %) motor vehicles (motor vehicles, no trailers) were registered for traffic. The number of new registration of cars increased compared to 2015 by 6,8% to 329.604 cars. The number of new registrations of passenger cars – the most important vehicle group (76,53 %) – recorded a total of 329.604 (p/y 308.555) vehicles. This means an increase of 6,8 % or 21.049 vehicles compared to the previous year.

A growth in new car registrations could be observed in the months of June 2016 (+10,6%), September 2016 (+14,9%) and December 2016 (+12,4%).

A decrease was recorded in July 2016 compared to previous year (-0,1%).

As of December 31, 2016, a total of 6,65 million vehicles were registered in the Republic of Austria. This represents an increase by 1,7 % compared to prior year (2015: +1,2 %).

About 4,82 million vehicles were passenger cars (72,5 %), which is an increase of 1,5 %.

The number of diesel passenger cars increased by 1,7 %, to 2,75 million units and those with gasoline engine (incl. Flex Fuel) increased by 0,9% to approx. 2,04 million units (18.842 units more compared to previous years).

Electric cars recorded an increase of 80,3 %, to 9.071 vehicles, passenger cars with combined mode (hybrids) also developed positively (petrol/electric: +26,5 %; Diesel / Electric: +24,1 %).

Further alternatively powered cars such bivalent operation such as petrol/natural gas (+11,9 %) or petrol/liquid petroleum gas (+9,6 %) also recorded growth. Alternative powered cars such as natural gas recorded a decrease in 2016 (-0,85) compared to previous year.

With 649 cars per 1.000 inhabitants "Burgenland" had the highest level of motorisation compared to "Lower Austria" with 633, "Carinthia" with 623, "Upper Austria" with 615, "Styria" with 593, "Salzburg" with 551, "Vorarlberg" with 531 as well as "Tyrol" with 526 cars per 1.000 inhabitants. Vienna, leading in terms of motorisation per 1.000 inhabitants at the beginning of the 1970s, had only 371 cars

per 1.000 inhabitants in 2016, making it last in this ranking due to a high availability of public transport. On average 550 vehicles were registered in Austria for every 1.000 inhabitants. In the first quarter of 2017 88.493 (prior year 78.455 units) new vehicles were registered in Austria, which represents a share of 79,5 % (prior year 78,5 %) of all vehicles registered in this period.

From April 2015 to March 2016 Jaguar Land Rover Austria GmbH registered 2.066 new Land Rover vehicles and 955 new Jaguar vehicles. In the same period 1.000 new Land Rover vehicles as well as 287 new Jaguar vehicles were registered in the Czech Republic. Especially the models Range Rover Evoque, Discovery Sport and Jaguar F-Pace contributed to this great sales volume. Sales of the models XE and XF, launched in the year 2015 could be increased.

Jaguar Land Rover Austria GmbH contributed positively to the international result of Jaguar Land Rover in 2016 / 17: 955 new Jaguar registrations means a market share of 0,3 % in Austria. With 2.066 new registrations Land Rover holds a market share of 0,6 % in Austria. Together the two brands were able to sell 907 (prior year 789) vehicles in Austria in the first quarter of 2017. In the first quarter 2017 Land Rover registered 637 (prior year 630) car, Jaguar 270 (prior year 157). The increase in sales in the period from January to March 2017 compared to previous year, is based on the innovative product range that was very well accepted by the market.

The structure of the dealer network in Austria is stable. At the beginning of the year 2010, the company took over the distribution for both business lines in the Czech Republic. As of March 31, 2016, 29 dealers were active, thereof in the Czech Republic (10 dealers) and in Austria (20 dealers). The development of the Czech partners is promising.

The revenues of the company as for the year 2016/2017 amounted to mEUR 279,4. The comparable figure for prior year (2015/2016) amounts to mEUR 223,2. The increase in revenues is mainly attributed to the Czech sales volume as well as to the strong Austrian market.

Other operating income includes income from the release of provisions as well as income from marketing services and damage claims from insurance companies. Considering cost of goods sold amounting to mEUR 258,7 (p/y mEUR 206,6) as well as personnel expenses of mEUR 3,6 (p/y mEUR 3,6) and other operating expenses the operating income adds up to mEUR 3,1 (p/y mEUR 2,6). Deducting the financial result leads to an annual profit of mEUR 1,9 (p/y mEUR 1,6).

Car imports are mainly driven by demand of car dealers and are supported and operated by respective EDP systems.

Investments in intangible assets amount to kEUR 0, investments in fixed assets amount to kEUR 548.

The number of employees per March 31, 2017 adds up to 32 (p/y 24). Thereof, 30 employees are employed full time and 2 persons works part time. Training and education is performed within the company and according to the respective needs. The necessary measures for employee involvement are implemented.

II. Company Situation

The launch of the models Jaguar "XE" and "XF" is well accepted by the market. The Jaguar F-Type Convertible as well as Coupé (successor to the legendary E-Type model) is also well accepted by the market. The Jaguar off-road vehicle (F-Pace) is well accepted by the market and delivery of the model started. Regarding exiting models facelifts have taken place, as well as the presentation of new models are planned.

Those models are accompanied by the Range Rover trio: It is headed by the Range Rover Evoque, which has risen to the best-selling model of the entire brand from day one. It is supported by the luxury flagship Range Rover, which is presented in a new form since the beginning of 2013 and Range Rover Sport. The trio will form a quartet as in summer 2017 the model Range Rover Velar will be launched.

Jaguar is working to implement electric vehicles with battery drive. With the support of the Jaguar Formula E Racing Team, the development of technologies for electric vehicles is accelerated and transferred to the road vehicles, starting with Jaguar I-Pace. The Jaguar I-Pace is to come in the second half of 2018 on the market

For 2017/2018 we expect a continuing increase in sales figures for Jaguar in the Republic of Austria as well as the Czech Republic. The long term plans regarding the business lines Jaguar and Land Rover for 2018/2019 and the following years are met.

The company shows an equity of mEUR 12,1 (p/y mEUR 10,2) and a balance sheet total of mEUR 78,3 (p/y mEUR 50,7). The equity ratio thus amounts to 15,0 % (p/y 20,0 %).

The financial situation of the company is secured and visible from the balance sheet. The general expectation for the financial situation is deemed to be positive.

The annual profit of mEUR 2,0 (p/y EUR 1,5) results in a Cash Flow according to the practitioner's method of mEUR 2,3 (p/y mEUR 1,6).

III. Significant Events after Year End

There are no significant events after year end.

IV. Expected Development of the Company

The entity's future prospects remain positive, based on the recent model range as well as the extended development of model supply and the further coverage of the distribution market for the Czech Republic. The financial year 2017/2018 will be used to extend the established market shares. It is difficult to estimate the consequences of the economic and fiscal environment on the entire automotive industry. Nevertheless, we expect a slight increase in sales figures, particularly for SUVs (e.g. Jaguar F-Pace, Land Rover Discovery Sport, etc.) – whereas we want to increase in a difficult environment in market shares due to new products.

V. Research and Development

Jaguar Land Rover Austria GmbH is a trade company. Research and development are therefore not conducted by the company and are performed centrally by the group.

VI. Existing Subsidiaries

The company does not have any subsidiaries.

VII. Risk Report

The organization is exposed to a number of different risks that are inseparably connected to entrepreneurial actions. Our risk policies are focused on using business opportunities in an optimal way and to enter risks only if there are significant chances for a respective added value. Based on a fundamental risk limitation, we only enter risks that are manageable within our organisation by using well accepted methods and measures. From today's point of view, the company is not exposed to risks threatening going concern.

There is no default risk relating to accounts receivable from sales of motor vehicles, because Jaguar Land Rover Austria GmbH has concluded appropriate financing treaties with FGA Bank GmbH (Vienna/Austria), UniCredit Leasing CZ, a.s. (Prague/Czech Republic) and the dealers in Austria and the Czech Republic. All dealers are covered by these contracts. These accounts receivables are redeemed by one of the financing companies one day after billing.

In the accessories and spare part business the default risk of accounts receivables is minimized due to a stable structure of the dealer network, a strict management of accounts receivables including bank guaranties and ongoing check of creditworthiness.

The risks of short term price changes related to the delivery of goods are limited by delivery contracts. Short and long term interest rate risk do not exist, as just cash deposits are held at banks.

Any necessary funding arrangements are made within the group and have been agreed with short- and medium-term liquidity requirements.

There is no exchange rate risk for supply of goods in the Czech Republic since all goods and services are denominated and paid in Euro.

VIII. Financial Instruments

The company does not use financial instruments as defined in para. 243 (3) lit 5 Austrian commercial law.

Salzburg, May 2016

Jaguar Land Rover Austria Gesellschaft m.b.H.

Managing Director

Mag. rer. soc. oec. Peter Modelhart m.p.

Other Appendices