

JAGUAR LAND ROVER DEUTSCHLAND GmbH

Annual Financial Statements

For the year ended March 31, 2017

Income Statement for the period from 1 April 2016 to 31 March 2017

	2016/17	2015/16
	EUR	EUR
1. Revenue	1.785.616.456,27	1.516.610.729,58
2. Other operating income	56.323.050,17	59.555.236,93
3. Cost of materials		
a) cost of purchased merchandise	1.532.426.459,39	1.341.562.809,76
b) cost of purchased services	15.864.360,21	0,00
4. Personnel expenses		
a) Wages and salaries	29.209.229,71	20.508.264,90
b) Social security, post-employment costs and other employee benefits	2.249.908,78	2.056.657,31
of which post-employment costs:		
EUR 713.672,41 (Prior Year: EUR 858.387,61)		
5. Depreciation and write-downs on property, plant and equipment	1.039.108,32	588.112,78
6. Other operating expenses	241.817.959,83	195.429.102,27
7. Other interest and similar income	8.449,80	16.575,88
of which from affiliated companies		
EUR 8.449,80 (Prior Year: EUR 16.575,88)		
8. Interest and similar expenses	389.707,00	364.898,00
of which from accumulation of interest on provisions		
EUR 389.707,00 (Prior Year: EUR 364.898,00)		
11. Taxes on income	5.597.748,47	4.460.845,17
12. Profit after Tax	13.353.474,53	11.211.852,20
13. Other Taxes	132.199,19	252.180,33
14. Profit for the period	13.221.275,34	10.959.671,87

Balance Sheet as at 31 March 2017

Assets

	31.03.2017 EUR	31.03.2016 EUR
Property, plant and equipment		
1. Land	11.213.599,00	11.213.599,00
2. Operating and Office Equipment	3.957.278,50	1.878.813,76
3. Prepayments	10.080.173,23	2.600.633,86
	<u>25.251.050,73</u>	<u>15.693.046,62</u>
B. Current assets		
I. Inventories		
Merchandise	135.986.703,42	69.353.360,23
II. Receivables and other assets		
1. Trade accounts receivable	92.074.834,15	71.466.156,81
2. Receivables from affiliates of which to the shareholder: EUR 185.777.461,60 (Prior Year: EUR 222.428.497,11)	187.559.626,17	223.739.720,13
3. Other assets of which with a residual term of more than one year EUR 8.657,80 (Prior Year: EUR 78.071,80)	21.782.599,68	25.106.624,82
	<u>301.417.060,00</u>	<u>320.312.501,76</u>
III. Cash-in-hand and bank balances	887.380,09	423.418,06
	<u>438.291.143,51</u>	<u>390.089.280,05</u>
C. Prepaid Expenses	138.488,81	110.802,68
	<u>463.680.683,05</u>	<u>405.893.129,35</u>

Equity and Liabilities

	31.03.2017 EUR	31.03.2016 EUR
A. Equity		
I. Subscribed capital	2.556.459,41	2.556.459,41
II. Capital reserves	15.816.876,66	15.816.876,66
III. Retained profits brought forward	28.476.426,36	17.516.754,49
IV. Profit for the period	13.221.275,34	10.959.671,87
	<u>60.071.037,77</u>	<u>46.849.762,43</u>
B. Provisions		
1. Provisions for retirement and benefit obligations	9.442.276,00	8.462.244,06
2. Provisions for taxes	8.944.439,84	4.394.530,78
3. Other provisions	124.352.197,34	96.121.173,38
	<u>142.738.913,18</u>	<u>108.977.948,22</u>
C. Liabilities		
1. Trade accounts payable of which with a residual term of up to one year EUR 16.596.421,77 (Prior Year: EUR 10.373.142,79)	16.596.421,77	10.373.142,79
2. Liabilities to affiliated companies of which with a residual term of up to one year EUR 168.099.040,63 (Prior Year: EUR 170.976.406,36) of which to the shareholder: EUR 158.137.452,87 (Prior Year: EUR 164.678.702,14)	168.099.040,63	170.976.406,36
3. Other liabilities of which with a residual term of up to one year EUR 73.018.036,70 (Prior Year: EUR 68.715.869,55) of which from taxes EUR 49.319.157,59 (Prior Year: EUR 40.349.525,94)	73.018.036,70	68.715.869,55
	<u>257.713.499,10</u>	<u>250.065.418,70</u>
D. Deferred Expenses and Accrued Income	3.157.233,00	0,00
	<u>463.680.683,05</u>	<u>405.893.129,35</u>

Management Report as 31st March 2017

A. Business Development

1. Sales volume and sales development

The total German vehicle market amounted to 3,351,607 units (registrations) in the period from January to December 2016. In 2015 3,206,042 units were sold in the same period. This represents an increase in the total market 4.54%. The segments relevant for Land Rover show an increase of 15.95%. The segments relevant for Jaguar show a decrease of 7.54%.

The upper luxury car segment (Large Saloon) in Germany showed an increase in 2016 of 3.66%, which can be explained by the BMW 7 Series by itself. The sales figures of the Jaguar XJ rose with 298 units compared to 231 in the prior year, an increase of 29.00%.

The medium market segment (saloon car and estate car) declined by 1.04% compared to the prior year. This was driven by a reduction in the number of estate cars registered which could not be completely compensated by an increase on the saloon side. In this segment the Jaguar XF showed an increase of 13.15 % in the first full year of sales of the new saloon version with 1,996 units compared to 1,764 in the same period last year. With the launch of the new Jaguar XE in 2015 Jaguar entered a completely new segment. In the first full year of sales the Jaguar XE in 2016 was able to achieve sales of 2,764 units despite the segment showing an overall reduction of 2.28%. In comparison to the prior year with 1,705 units, that represents an increase of 62.11%.

In the mid-size sports car segment the Jaguar F-Type experienced a very small decrease with 1,316 units (1.2% or 16 units). Overall this segment showed a reduction of 2.41%. The Jaguar F-Type achieved a market share of 4.68% in this segment which is dominated by Porsche – an increase of approximately 0.6% in comparison to the prior year.

The medium SUV segment showed an increase of 17.39% over the prior year. Despite it being the run out year of the iconic Defender Land Rover was able to achieve growth of 14.3%. The Range Rover Evoque proved itself once again a success story with 7,007 units in the premium part of the segment (Prior year 5,672 units), although this was already the fifth year of selling this model. The Discovery Sport was able to build on the success of its launch year in 2015 in 2016 with an increase of 72.26% to achieve 4,856 units (prior year 2,792 units). Due to its run out the Defender showed a reduction of 1,529 units (48.79%) in comparison to the prior year. In the large SUV segment the overall market increased over 2015 by 11.82% and here the Land Rover Discovery experienced a small reduction in the mainstream part of the segment of 4.13% in its run out year. The Range Rover was able to significantly outperform its prior year achievement with 3,916 units (an increase of

17.35%). The Range Rover Sport also beat its prior year performance by 16.55%, with 5,365 compared to 4,603 registrations.

The first quarter of 2017 showed a small decrease for Land Rover of 7.25% in comparison to the prior year which was driven by the run out of the Defender. Jaguar showed an extremely positive result in the first quarter of 2017 with an increase of 71.98% which is attributable to the F-Pace not yet being on sale in the same period of the prior year.

From April 2016 to March 2017 a total of 10,411 Jaguar vehicles were delivered to dealers representing an increase of 3,910 units or 60.1% over the comparable prior year period. The main driver for this was the market launch of the first Jaguar, the Jaguar F-Pace, with sales of 3,987 units. In the prior year only 268 units were sold in preparation for this launch in April 2016.

Land Rover sold 22,799 vehicles to dealers in fiscal year 16/17. This represents 1,287 units or 5.3% less than in the prior year. The main reason for this is the run out of the Defender and Discovery, the successors of which will not be launched until after the reporting period.

Sales revenue for the year 2016/17 was € 1,785.6 Mil compared to € 1,535.4 Mil in the prior year (these revenues are comparable under BilRUG). Sales revenue is earned primarily through the sale of new vehicles (85.6%, € 1,527.8 Mil, prior year € 1,318.6 Mil), the sale of replacement parts and accessories (8.4%, € 150.7 Mil, prior year € 132.5 Mil) as well as the sale of Jaguar and Land Rover used cars to the dealer network (4.0%, € 71.5 Mil, prior year € 65.5 Mil). Additionally due to the adoption of BilRUG sales revenue from services sold amounted to 1.9%, € 34.8 Mil, prior year € 18.8 Mil).

2. Employees

As at 31. March 2017 Jaguar Land Rover Deutschland GmbH had 248 employees under permanent contract (31st March 2016, 211). Of the 248 Mitarbeitern 102 employees were engaged in central functions for other European Jaguar Land Rover companies (31st March 2016, 71). The growth in headcount is a direct result of the successful development of Jaguar Land Rover in Germany and across Europe. The expenses for these central activities are passed on to Jaguar Land Rover Limited.

B. Situation of the Company

1. Results of Operations

Sales revenue for the reporting period increased by k€ 269,006 in comparison to the prior year (k€ 247.413557 after the retrospective application BilRUG to prior year revenues). The overwhelming driver for this very positive result is the in units sold for both brands.

The margin increased to 13.3% in 16/17 in comparison to 11.5% in the prior period (12.6% 413557 after the retrospective application BilRUG to prior year revenues) . The driver for this are the increased revenues from the provision of services to group companies which were more than able to compensate for increased transfer prices for vehicles.

The reduction in other operating income of k€ 3,232 resulted mainly from the application of the new definition revenues under BilRUG and the corresponding change in the reporting of the rebilling of services provided Jaguar Land Rover Limited and other group companies.

Personnel expenses rose in comparison to prior year by k€ 8,894 to t€ 31.459 which was the result of an increase of employees in functions for other European Jaguar Land Rover companies as well as in the local company itself

Other operating expenses increased by K€ 46.389 in comparison to prior year. The main driver for this is an increase in selling and advertising expenses as a result of the increase in the number of vehicles sold and as investment in the brands.

The results of operations are affected by the agreement on the determination of transfer prices concluded with Jaguar Land Rover Limited, Coventry / United Kingdom. Since 1 April 2013 transfer prices are defined such that the ratio of the earnings before taxes from the sale and marketing of new vehicles, spare parts and accessories of the Jaguar and Land Rover brands at contractually agreed net income of these divisions are competitive compared with the industry.

In last year's management report we expected an increase in the registration of new vehicles due to the introduction of Jaguar F-PACE but that we would have a reduced growth in turnover in comparison to prior year (36.7%). This was reflected in the turnover growth of 17.7% (16.3% after the retrospective application BilRUG to prior year revenues) and an increase of net profit for the period of 19.1%.

Financial Position

The statement of cash flows below reflects changes of the entity's net financial position and liquidity for the period, whereby the cash flow from operating activities was determined using the indirect method:

	2016/2017 kEUR	2015/2016 kEUR
Profit for the period	13,221	10,960
Amortisation/depreciation/write-downs on fixed assets	1,039	588
Increase/decrease (+) in provisions	33,761	12,303
Loss on disposal of fixed assets	0	16
Increase(-)/decrease in inventories, trade receivables and other assets that are not allocatable to investing or financing activities		
	-84,415	-53,148
Increase/decrease (+) in trade payables and other liabilities that are not allocated to investing or financing activities		
	10,805	102,020
Interest income	-8	-17
Cash flow from current business activities	-25,597	72,722
Cash outflow from the acquisition of property, plant and equipment	-10,597	-2,754
Cash outflow from the acquisition of investments	0	-4
Cash outflow on account of cash investments in the cash pool	36,650	-58,174
Erhaltene Zinsen	8	17
Cash flow from investing activities	26,061	-60,915
Cash outflow from the repayment of borrowings and loans	0	-12,041
Cash flow from financing activities	0	-12,041
Change in cash and cash equivalents	464	-234
Opening balance of cash and cash equivalents	423	313
Increase in cash through accretion	0	-343
Closing balance of cash and cash equivalents (= liquid funds)	887	423

Cash flow from operating activities resulted largely in an increase in stock due to of k€ 66,633 due to the reporting date and production. On the other hand accruals increased by k€ 33,761 which was driven by an increase in accruals for direct taxed and marketing campaigns. Liabilities also show an increase of k€ 10,805 which is due to an increase in the liability for indirect taxes.

Cash flow from investing activities resulted from payments due to reduction of funds in the cash pool of k€ 36,650 and payments for the building project in Munich of k€ 10,597. The building project is the new build of a flagship retail site („Munich Statement Site“) on the company's own land in Munich.

The equity ratio amounted to 13.0% compared to 11.5% in the prior year. The company participates in Cash Pool with Jaguar Land Rover Limited.

At the balance sheet date Jaguar Land Rover Deutschland had cash pool credits of k€ 185,778 (prior year k€ 222,428). The financial position of the entity is orderly.

3. Net Assets

The entity's assets comprise notably of fixed assets in the amount of k€ 25,251, inventories in the amount of k€ 135,987, trade receivables of k€ 92,075 as well as receivables from affiliated companies in the amount of k€ 187,560.

Fixed assets are primarily the plot of land in Munich in the amount of k€ 11,214 and construction work in progress payments for the building work for the „Munich Statement Site“ retail site building project.

Inventories are comprised of new and used cars of the company as well as Jaguar spare parts. These have increased in comparison to the prior year by k€ 66,633. The reason for this is the timing of production from the factory and the on the sales side, the desire for a „fast start“ in the new financial year. The increase also relates to the launch of Land Rover Discovery in April 2017 as these vehicles were delivered immediately after production.

A vehicle carrying amount of k€ 21,871, disclosed under other assets, results from buyback agreements concluded with car rental companies (prior year k€ 25,101). The reduction results in a decrease of 189 units in comparison to prior year. The balance sheet item to be offset against this of k€ 23,699 (prior year k€ 28,366) was recorded as buyback commitments under other liabilities.

Receivables from affiliated companies notably include the aforementioned cash pool receivables from Jaguar Land Rover Limited in the amount of € 185.8 Mil (prior year € 222.4 Mil).

Trade receivables rose by k€ 20,609 in comparison to the prior year (k€ 71,466) due to the high sales volume in March 2017.

C. . Future developments and material opportunities and risks

1. Risks and risk management

In the period ended 31st March 2013, complete process documentation was prepared on account of the SAP implementation, which was further updated in the current period.

The internal control system was expanded in the reporting period and is entirely suited to ensuring the accuracy and completeness of the representation of JLR's business activities in the company's books.

Financial transactions are monitored monthly. Deviations are explained to Jaguar Land Rover Limited by means of reports and analyses.

The entity is included in the cash pool system of the Tata Group in order to hedge against liquidity risks. This ensures the coverage of short-term financing needs and the settlement of occasional payment transactions at all times. Management remains informed of the financial position and results of other companies within the cash-pool system. This ensures that any possible risk is recognised early on.

A risk from cash flow fluctuations is seen for the cash pooling receivables. This risk is, however, classified as low.

Jaguar Land Rover is not exposed to any financial risks from the receivables of vehicle sales. This risk is covered by a purchase financing offered by FCA Bank Germany GmbH, Heilbronn/Germany. Risks from the free supply of spare part sales are borne by Jaguar Land Rover Deutschland. Here, the option cash on delivery (COD) is offered for Land Rover Parts in case the solvency of a customer worsens. Risk from the sale of vehicles to direct customers is borne by Jaguar Land Rover Deutschland. The credit worthiness of these customers is, however, regularly reviewed.

Further material risks from current business are not on hand at present. For the assessment, the company has taken into account all information on hand when preparing the balance sheet and has set up provisions based on sound business judgement.

2. Opportunities and Risks

The following risks with material impact on the net asset, financial position and result of operations are seen for the reporting period ending March 2017:

- High theft rates for Range Rover and Range Rover Sport, which could endanger the current commercial success in the medium term
- The development of diesel and fuel prices and future form of emission-based taxes
- Future development of the EU regulations concerning total CO² emissions of the vehicle fleet.

- the fact that the current tax audit has not yet been finalised

The entity's model line-up will be further enriched in the coming financial year. Land Rover is launching the successor of the Discovery in the large SUV segment and is extending the Range Rover product offering Segment with the dynamically styled Velar. Presales figures and positive press reports indicate that the launch of this product should be a successful one.

Jaguar expects to build further on the success of the F-Pace and is introducing the smaller E-Pace as a second Jaguar SUV model. The XF model line-up will also be extended in the coming financial year with the launch of a new estate version (Sportbrake).

3. Outlook

The German Association of the International Vehicle Producers (VdiK) anticipates that the German vehicle market will remain at the same level as the prior year with sales of 3.4 million vehicles in 2017.

In 2015/16 the implementation of the German Market Plan (GMP) was successfully concluded. In 2015/16 war die Umsetzung des German Market Plans (GMP) erfolgreich abgeschlossen. In order to utilise the full potential of both brands the company has developed the German Market Plan II which builds on the success of the previous plan.

The plan is based on several pillars aimed at driving growth.

Most notable here are the areas dealer network and customer experience. Under the slogan "first choice" aims not only to offer sought after products but to provide an excellence of experience in all areas.

Für das Geschäftsjahr 2017/18 wird von einem Wachstum der Zulassungszahlen ausgegangen. Dies wird im Wesentlichen durch die neuen Produkte getrieben.

For the period ending March 2017 we are currently anticipating an increase in sales revenue but not as high as in the previous year.

Schwalbach am Taunus, May 2017

Peter Modelhart
Managing Director
Jaguar Land Rover Deutschland GmbH

Jaguar Land Rover Deutschland GmbH, Schwalbach am Taunus

Notes to the financial statements for the period ended March 2017

A. GENERAL INFORMATION

Jaguar Land Rover Deutschland GmbH with its registered office in Schwalbach am Taunus is registered with the commercial register in Königstein under the number HRB 2408.

The financial statements as at 31st March 2017 were prepared in compliance with the provisions of the German Commercial Code (HGB) applicable to large firms organised in a corporate form as well as in compliance with the supplementing provisions of the German Law on Limited Liability Companies (GmbHG).

B. Application of the Balance Sheet Restatement Regulations (BilRUG)

Due to the first time application of the new definition of sales revenue under 277 para. 1 of the German Commercial Code (HGB) we point out that comparisons with prior year amounts are not directly possible. The in retrospect corrected amount of sales revenue for prior year which has arisen as a result of the application of BilRUG to prior year values is given in section E.

The extraordinary expense which was shown in the prior year and arises from the amortization of the difference in the pension accrual under article 67 para. 1 EGHGB, is shown in the reporting year under other operating expense and has been reclassified accordingly in the figures for prior year comparison.

C. Accounting and valuation principles

Accounting principles

The financial statements were prepared in compliance with the general recognition principles in Secs. 246 to 251 German Commercial Code (HGB) as well as taking into account the special recognition principles for firms organised in a corporate form in accordance with Secs. 268 to 274a, 276 to 278 German Commercial Code (HGB).

Vehicles sold within the scope of buyback contracts to car rentals are disclosed under other

assets, since economic ownership remains at the entity and the sale of the vehicles after the short-term holding period of the car rental firms is upon the entity. The buyback commitments are disclosed under other liabilities. Revenue is only realised after termination of the buyback transactions at the final sale of the vehicle to the dealer.

For sales transactions in several parts, for example on-line services the revenues are split according to their estimated current value. Sales revenues from these contracts are deferred and recognised over the lifetime of the contract

The entity does not take advantage of the option under Sec 274 (I) Sentence 2 German Commercial Code (HGB) to recognise the excess in deferred tax assets on account of arising tax reliefs.

Valuation principles

The financial statements were prepared taking into account the general valuation principles in Secs. 252 to 256a German Commercial Code (HGB).

In detail the following valuation principles apply:

FIXED ASSETS

Property, plant and equipment

Land and operating and office equipment is measured at cost, including incidental cost, less cash discounts it's value is reduced, if it has a useful life, according to planned depreciation. Depreciation is calculated on a straight-line basis over the expected individually expected useful lives as follows:

	Years
EDP software	2 to 4
Operating Equipment	3 to 5
Office Equipment	4 to 10
Company Cars (new)	4
Company Cars (used)	3
Tenant Fixtures	5 to 10

Low-value assets with a cost of up to EUR 150.00 are recognised through profit or loss. Low value assets with a cost of between EUR 150.00 and EUR 1,000.00 are collected as a compound item, which is recognised and depreciated over a period of five years on a straight line

basis.

CURRENT ASSETS

Inventories

Vehicles and spare parts are recognised in compliance with the strict lower-of-cost-or-market-principle at cost, including the incidental cost. Principally, the average rating method is used. Adequate amounts are deducted for slow-selling vehicles. In the aggregate, depreciation k€ 8,123 (prior year: k€ 2,518) was made on the vehicle stock. The increase is due to the high volume of vehicles in inventory through vehicles returning under buy-back contracts and in the company stock of own use vehicles.

Receivables and other assets

Trade receivables and receivables from affiliated companies are recognised at cost. Specific allowances are made for doubtful receivables.

Except for the corporate income tax credit that is discounted with 5.5% and the vehicles with buy-back commitments, other assets are recognised at cost. Vehicles with buy-back commitments are recognised at cost less specific allowances for single vehicles depending on the sales expectations on the market for used cars.

Cash in-hand, bank balances

Cash in-hand and bank balances are recognised at nominal values.

PROVISIONS

The pension commitments were determined using the projected unit credit method by applying actuarial principles with an interest rate of 3.94% p.a. based on Prof. Dr. Klaus Heubeck's 2005G Standard Tables that were published in 2006. In accordance with § 253 (2) German Commercial Code(HGB), provisions for pension obligations are discounted on a lump-sum basis with the average market interest rate of the last ten years that arises in case of an unanticipated residual term of 15 years, determined by Deutsche Bundesbank (the German central bank). This took into account salary increases 2.0% p.a. and an annual pension increase of 1.75%, annual rises of the assessment ceiling of 2.0%. Age and gender-dependent fluctuation probabilities were taken into account for the employee turnover. The difference in the valuation of the provision applying the average market rate of the last seven years with an interest rate of 3.12% p.a. is k€ -1,842.

On account of the option under Article 67 (1) Sentence 1 Introductory Law to the German Commercial Code (EGHGB) an amount K€ 94 (1/15th of the difference determined as at April 2011) was added to the provisions for pensions. Due to the additions made pro rate over 15 years the balance sheet does not include pension commitments of k€ 749 as at March 31st 2017.

Other Provisions

Other provisions are recognised at settlement value, based on sound business judgement. Provisions with a residual term of more than one year are discounted over their residual terms at an average market interest rate calculated by Deutsche Bundesbank (the German central bank).

LIABILITIES

Trade payables, liabilities to affiliated companies and other liabilities are recognised at the amounts to be repaid. Current liabilities denominated in a foreign currency are recognised at the mean spot rate in effect on the balance sheet date.

D. NOTES TO THE BALANCE SHEET

1. Fixed Assets

The movements in fixed assets in the period ended 31 March 2017 are presented in the statement of movements in fixed assets attached (Appendix to the Notes).

2. Receivables

Receivables notably include receivables from affiliated of k€ 187,560 (prior year k€ 223,740), and are mostly cash pool receivables of k€ 185,778 (prior year: k€ 222,428), and trade receivables of k€ 92,075 (prior year: k€ 71,466).

3. Deferred Taxes

Deferred taxes have been recognised for temporary differences between the values of assets, liabilities and prepaid expenses/deferred income recognised in the commercial and tax balance sheets. There were no negative differences as at the balance sheet date. Positive differences primarily result from differences in the carrying amounts of provisions for pensions and other provisions. Deferred taxes are determined on the basis of the combined income tax rate

of the entity of 28.515% and comprise corporate income tax, trade tax and the solidarity surcharge. Deferred tax assets that are not accounted for in the balance sheet were incurred in the reporting period.

4. Equity

The fully paid-in share capital amounts to DM 5,000,000.00 (corresponds to € 2,556,459.41). Sole shareholder is Jaguar Land Rover Limited, Coventry /United Kingdom.

5. Other provisions

Regarding other provisions the largest individual items are the provisions for marketing programmes (k€ 66,035; prior year k€ 46,138), for variable retailer margin (k€ 26,359; prior year k€ 21,793), for outstanding invoices (k€ 12,122; prior year k€ 7,536), for dealer start-up support (k€ 9,744; prior year k€ 10,417), for support of the interest free period (k€ 1,386; prior year k€ 1,582) as well as for dealer severance payments in line with Sec89b of the German Commercial Code (HGB) (k€ 4,063; prior year k€ 4,939).

6. Liabilities

The short term liabilities are comprised of:

- **Liabilities to affiliated companies of k€ 168,099 (prior year k€ 170,976) – here mostly liabilities to Jaguar Land Rover France for spare parts of k€ 8,549 (prior year k€ 6,238) and liabilities to the shareholder Jaguar Land Rover Limited of k€ 158,137 (prior year k€ 164,678).**
- Trade payables of k€ 16,596 (prior year k€ 10,373)
- other liabilities
here mostly from VAT of Mil. € 49.3; (prior year Mil € 40.3) and liabilities from buyback contracts with car rentals (Mil. € 23.7; prior year Mil. € 28.4)

E. NOTES TO THE INCOME STATEMENT

1. Revenue

By fields of activity

Revenue was, as in the prior year, all realised within Germany with the brands of Jaguar and Land Rover and can be analysed by fields of activity as follows:

	1.4.2016- 31.03.2017	1.4.2015- 31.03.2016	1.4.2015- 31.03.2016
	BiIRUG		BiIRUG
	k€	k€	k€
New Vehicles	1.528.591	1.318.591	1.318.591
Used Vehicles	71.474	65.528	65.528
Spare Parts and Accessories	150.753	132.491	132.491
Services	34.798	0	18.797
	1.785.616	1.516.610	1.535.407

Other operating income

Other operating income notably comprises the transfer of warranty expenses (k€ 38,450; prior year k€ 33,611) as well as costs transferred to dealers (k€ 17,580; prior year k€ 25,835). Other operating income in the prior year contained recharges for services provided to **Jaguar Land Rover Limited** in the amount of k€ 18,797, which under the new definition of sales revenue according to BiIRUG has been recorded under revenue.

3. Other operating expenses

Other operating expenses notably comprise the following items:

- Warranty expenses (k€ 40,385; prior year k€ 35,244)
- Selling expenses and sales promotions (k€ 114,034; prior year k€ 74,862;)
- Other distribution costs (k€ 11,743; prior year k€ 13,972), mainly due to lower costs for dealer termination and dealer start-up

- Advertising costs (k€ 55,382; prior year k€ 49,466)
- Other sundry administration costs (k€ 10,236; prior year k€ 10,821)

Other operating expenses contain costs in the amount of k€ 94 (prior year k€ 94) which were reported in the prior year before the application of BilRUG as extraordinary expenses. These costs arise from pro rata additions to provisions for pensions over 15 years in accordance with Article 67 (1) Introductory Law to the German Commercial Code (EGHGB).

E. OTHER DISCLOSURES

1. Other financial commitments

The commitments from tenancy agreements for the training centre and the parking lots in Neuss/Germany until the end of the minimum leasing term on 30th September 2020 amount to k€ 1,764 (k€ 42 p.M.). The commitments from tenancy agreements for the office premises in Schwalbach/Germany until the end of the lease on the 31st August 2017 amount k€ 308 (k€ 61 p.M.). For the boutique showroom at Odeonsplatz in München the lease commitments up to the end of the term on 30th April 2018 amount to K€ 337 (K€ 25.6 p.M.). The lease commitments for the lounge at the Nürburgring amount to K€ 574 (K€ 12 p.M.) until the end of the lease term on 30th April 2021. For the showroom and car park in Essen the lease commitments until the end of the lease 31st January 2022 amount to K€ 726 (K€ 11,7 p.M.). In addition there are commitments from on-going lease commitments for the office in Saarbrücken (k€ 2.1 p.M. until 31st August 2017 / k€ 2.3 p.M. from 01st September 2017) as well as for the office in Friedrichshafen (k€ 2.4 p.M.).

The entity has concluded tenancy agreements and leases as well as other service agreements for its business operations. The total commitments from the currently valid contracts amount to k€ 37,995.

2. Number of employees

The entity had 286 (Prior year: 169) employees in the annual average of the reporting period

3. Auditors' fees

An amount of k€ 103 was recognised in the reporting period for auditors' fees (only audit

fees).

4. Members of the company board

Management

Herr Peter Modelhart

5. Total remuneration paid to Management

The total remuneration paid to management in the reporting period has not been disclosed in accordance with Sec 286 (4) German Commercial Code (HGB).

6. Proposal for the appropriation of profit

The management proposes that the net profit for the period ended 31 March 2017 be carried forward to new account.

With the shareholders' resolution dated 28th March 2017 the net profit for the prior year was carried forward to new account.

7. Konzernabschluss

Consolidated financial statements

The entity is included in the consolidated financial statements Jaguar Land Rover Automotive PLC, Coventry, United Kingdom (UK Register Nr. 6477691, www.jaguarlandrover.com) which is in turn included in the consolidated financial statements of TATA Motors Ltd., Mumbai, India, which in turn is part of the consolidated financial statements of Tata Sons Ltd., Mumbai, India (SEC Register Nr. 926042, www.tata.com).

8. Major post-balance sheet events

There were no major post-balance sheet events between the balance sheet date and when the notes to the accounts were prepared.

Schwalbach am Taunus,

Peter Modelhart
Geschäftsführer

Movement in Fixed Assets for the period ended 31 March 2017

HGB	Cost				Depreciation and impairments				Carrying Amounts	
	1. Apr. 2016	Additions	Disposals	31 Mar. 2017	1. Apr. 2016	Additions	Disposals	31. Mrz. 2017	31. Mrz. 2017	31. Mrz. 2016
	€	€	€	€	€	€	€	€	€	€
Property, Plant and equipment										
1. Land	11.213.599,00	0,00	0,00	11.213.599,00	0,00	0,00	0,00	0,00	11.213.599,00	11.213.599,00
2. Operating and office equipment	1.878.813,76	3.117.573,06	1.650,00	4.994.736,82	4.310.272,21	1.039.108,32	1.650,00	5.347.730,53	3.957.278,50	1.878.813,76
2. Prepayments	2.600.633,86	7.479.539,37	0,00	10.080.173,23	0,00	0,00	0,00	0,00	10.080.173,23	2.600.633,86
	15.693.046,62	10.597.112,43	1.650,00	26.288.509,05	4.310.272,21	1.039.108,32	1.650,00	5.347.730,53	25.251.050,73	15.693.046,62
Fixed Assets	15.693.046,62	10.597.112,43	1.650,00	26.288.509,05	4.310.272,21	1.039.108,32	1.650,00	5.347.730,53	25.251.050,73	15.693.046,62