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**Financial report 2016/17**

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

**Vianen**

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Deloitte Accountants B.V.  
For identification purposes only.  
Related to auditor's report  
dated May 24, 2017



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## Annual report of the directors

### *Mission Statement*

Jaguar Land Rover is the UK's largest car manufacturer and ranked the best employer in Britain. Jaguar : renowned for seductive design and the art of performance. Land Rover : the market leader in premium sports utility vehicles, going above and beyond. Jaguar Land Rover – Britain at its best.

Our two iconic brands deliver experiences our discerning customers love, for life. That is what makes Jaguar Land Rover one of the world's leading lifestyle companies. We are profitable, pioneering and expanding our business across the globe. Under the stewardship of Tata Motors Limited our company has been transformed. Long-term investment and cutting-edge innovation are the keys to our success and future growth. With every breakthrough model in our portfolio either new or refreshed, Jaguar Land Rover has a new offer to make, taking the best of our heritage and developing it for an exciting future.

### *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 in 2016/17 compared with 2015/16. Main reason was the successful launch of the new "Jaguar F-Pace"- the luxury performance SUV brings together sporty handling and dramatic beauty with everyday practicality and efficiency and the continuous strong sales of the Evoque, Discovery Sport and XE.

Net revenue slightly decreased 193.093k compared with previous year 2015/16 194.382k. Result before taxation increased with 30k to 1.931k. The balance sheet total increased to 61.157k from 55.838k.

### *Future developments*

2017/18 will also be an important year for Jaguar Land Rover. The new "Range Rover Velar"- the fourth member of an expanded Range Rover Family - will be launched in September 2017. The new XF Sport break will be launched in June and the new X540 will be launched in July 2017. And the full electric Jaguar I-Pace will be launched in September 2017.

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*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 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 2016/17 there were no changes in funding, nor are there any expected in 2017/18.

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 2017/18. Expected staffing is planned to suite necessary business operations

*Environmental issues*

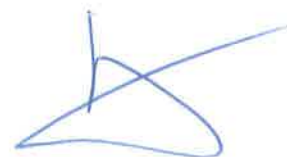
Investments are made on an on-going basis in order to improve Jaguars' and Land Rovers' reputation on corporate citizenship. Together with a number of suppliers and supported by the British government, Jaguar and Land Rover are not only working on low emission vehicles, but also on several other projects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

*Risks*

Jaguar Land Rover Netherlands has assessed all potential risks – strategically, operationally, financially, and legally – and has concluded that from a market perspective there are no risks which are relevant for this report. 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 .

The group is willing to take risks in a responsible and calculated manner and hence a careful and risk based assessment process 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:



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- 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 emission vehicles, but also on several other projects that will reduce the company's CO2-emission like hybrid and electric 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, 24 May 2017

M.A.M. Bienemann  
Managing Director

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## Annual accounts

### Balance sheet as at March 31 2017

(before proposed appropriation of result)

		<u>March 31 2017</u>		<u>March 31 2016</u>	
	Ref.	EUR000	EUR000	EUR000	EUR000
<b>Assets</b>					
<b>Fixed assets</b>					
Tangible fixed assets	3	28		23	
Financial fixed assets	4	<u>581</u>		<u>77</u>	
			609		100
<b>Current assets</b>					
Stocks	5	31.022		18.723	
Receivables	6	32.428		34.092	
Cash at banks and in hand	7	<u>3.672</u>		<u>2.923</u>	
			<u>67.123</u>		<u>55.738</u>
			<u>67.731</u>		<u>55.838</u>



	Ref.	March 31 2017		March 31 2016	
		EUR000	EUR000	EUR000	EUR000
<i>Shareholders' equity and liabilities</i>					
<b>Shareholders' equity</b>	8				
Share capital		45		45	
Other reserves		6.042		2.049	
Result for the year		-		2.530	
			6.087		4.624
<b>Long-term liabilities</b>					
<b>Current liabilities</b>	9		61.644		51.214
			67.731		55.838



## Profit and loss account 2016/17

	Ref.	2016/2017		2015/2016	
		EUR000	EUR000	EUR000	EUR000
<b>Net turnover</b>	12		194.411		194.382
Cost of goods sold		173.417		175.287	
Personnel expenses	13	2.577		2.751	
Depreciation of tangible fixed assets	14	13		12	
Operating expenses	15	16.402		14.411	
<b>Total expenses</b>			<u>192.409</u>		<u>192.461</u>
<b>Operating result</b>			2.002		1.921
Financial income and expenses	16		71-		20-
<b>Result on ordinary activities before taxation</b>			<u>1.931</u>		<u>1.901</u>
Taxation on result on ordinary activities			<u>-469</u>		<u>466-</u>
<b>Net result after taxation</b>			<u>1.463</u>		<u>1.435</u>

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## Cash flow statement 2016/17

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. Jaguar Land Rover Nederland B.V. is registered in the Dutch Chamber of Commerce with registration number 23074977.

#### 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 2016/17 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

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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.

## **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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### 1.11 Changes in accounting estimates

Effective FY 2016/2017 JLR changed the method for estimating the depreciation of company cars for inventory valuation. JLR had used a fixed percentage for the depreciation of inventory company cars. From retrospective review by management JLR concluded that applying depreciation percentages per brand based upon historical data is the preferable inventory valuation method. The change in estimate is presented in the following table:

Depreciation expense according to new method:	€ 1.491
Depreciation expense based on 25% (FY 2015/2016)	€ 1.181
Difference:	€ 310

The effects of the change in estimate on inventory and cost of sales are recorded prospectively.

## 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.

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## 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.

JLR has two defined contribution pension plans which are financed by contributions to a insurance company.

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.

The related accrued entitlements are always fully financed in the related calendar year through – at least - cost effective contribution payments. The pension plans are career average plans.

The annual contribution payments are 8% of the pensionable salary that is based on the gross wage net of a deductible (of EUR 12,953). The pensionable salary is capped (at EUR 101,519). The annual employer-paid contribution is at least 4% and capped at 4% of the pensionable salary.

The capital available for the purchase of a pension equals the investment value as at pension date. The return on the contribution payments has not been guaranteed.

Based on the administrative regulations the group has no other obligations than the annual contribution payments.

## 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.

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## 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 2016</b>			
Acquisition or production costs	114	42	156
Accumulated impairments and depreciation	-95	-38	-133
Book value	<u>19</u>	<u>4</u>	<u>23</u>
<b>Movements 2016/17</b>			
Additions	15	2	17
Desinvestments			
Depreciation	-11	-1	-12
Depreciation Desinvestments			
	<u>4</u>	<u>1</u>	<u>5</u>
<b>31 March 2017</b>			
Acquisition or production costs	129	44	173
Accumulated impairments and depreciation	-106	-39	-145
Book value	<u>23</u>	<u>5</u>	<u>28</u>
Depreciation rates	<u>25,00%</u>	<u>25,00%</u>	

#### 4 Financial fixed assets

	<b>Total financial fixed assets</b>
	EUR000
<b>April 1 2016</b>	
Book value	77
<b>Movements 2016/17</b>	<u>504</u>
<b>March 31 2017</b>	
Book value	<u>581</u>

The financial fixed assets exist of a certificate of EUR 13,613 in a golf club.  
As at balance sheet date the total market value of the listed securities presented under the financial fixed assets amounted to EUR 567,360 (2015/2016 : EUR 63,226).

#### 5 Stocks

	<u>Mar 31 2017</u>	<u>Mar 31 2016</u>
	EUR000	EUR000
Finished products and goods for resale	<u>31.022</u>	<u>18.723</u>
Total	<u>31.022</u>	<u>18.723</u>

The buyback liabilities have an average duration of 9 months and exist of EUR 8,388,939 which is included in the stock value FY 2015/16: EUR 2,048,963.

## 6 Receivables

	March 31 2017		March 31 2016	
	Total	Term > 1 year	Total	Term > 1 year
	EUR000	EUR000	EUR000	EUR000
Trade debtors	23.569	0	16.583	0
Amounts due from group companies	-	0	16.622	0
Prepaid pension costs	359	0	51	0
Other receivables	8.500	0	773	0
	<u>32.428</u>	<u>0</u>	<u>34.092</u>	<u>0</u>

The average interest received from Land Rover Group in the cash pool arrangement amounted to in 2016/17 0,0251% FY 2015/16 0,0100%.

Provisions on doubtful debtors 2016/17 exist of EUR 308,840, 2015/16 EUR 433,344.

### *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 2017 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 2017</u>	<u>March 31 2016</u>
	EUR000	EUR000
Balance sheet according to 2014/15 financial statements	2.049	2.049
Profit distribution prior financial year	2.530	-
Profit distribution financial year	1.463	-
	<u>6.042</u>	<u>2.049</u>
Balance as at 31 March		
	<u>6.042</u>	<u>2.049</u>
 <i>Unallocated result</i>		
Balance sheet as at 1 April	2.530	1.095
Added to other reserves	2.530-	-
Result FY 2015/16	-	1.435
	<u>-</u>	<u>1.435</u>
Balance as at 31 March	<u>-</u>	<u>2.530</u>
 <i>Result for the year</i>		
Balance sheet as at 1 April	-	-
Result financial year	1.463	1.435
Added to other reserves	1.463-	-
Added to Unallocated result	<u>-</u>	<u>1.435-</u>
Balance as at 31 March	<u>-</u>	<u>-</u>

### *Proposed appropriation of result for the financial year 2016/17*

Following the proposed profit appropriation of the Board of Directors, and pursuant to article 15 of the Articles of Association, an amount of EUR 1,463,000 of the 2016/17 result and EUR 1,435,000 2015/16 result it is proposed to add EUR 2,898,000 of the profit to other reserves. The financial statements reflect this proposal.

## 9 Current liabilities

	<u>March 31 2017</u>	<u>March 31 2016</u>
	EUR000	EUR000
Trade creditors	1.971	613
Tax payable	16.441	14.006
Group Companies	21.338	23.586
Corporate income tax payable	781	578
Other liabilities	<u>21.113</u>	<u>12.431</u>
	<u>61.644</u>	<u>51.214</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.

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## 11 Commitments not included in the balance sheet

### *Financial obligations*

- The Company issued a guarantee to the Dutch tax authorities of EUR 500,000 associated with BPM.
- The commitment for renting the building amounts to EUR 163,056 on a yearly basis. The contract expires in 2020. The commitment with due in 1 year amounts to € 163,056, the commitment due within 5 years but no earlier than 1 year amounts to EUR 366,876 the commitment that is due no earlier than 5 years amounts up to EUR 0. The figures as stated do not include the yearly indexation.

## 12 Net turnover

Net turnover can be split into the following major categories:

	<u>2016/17</u>	<u>2015/16</u>
	EUR000	EUR000
Cars	169.849	170.057
Parts	23.244	19.874
Other	<u>1.709</u>	<u>4.451</u>
	<u>194.803</u>	<u>194.382</u>

In FY 2016/17 a total amount of EUR 44.023.815 FY 2015/16: EUR 39.963.387 Luxury tax ('BPM') recorded relating to cars which have been registered for the first time in The Netherlands.

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**13 Personnel expenses**

	<u>2016/17</u>	<u>2015/16</u>
	EUR000	EUR000
Wages and salaries	1.861	1.819
Pension costs	148	406
Other salary costs	329	215
Other social security costs	<u>239</u>	<u>311</u>
	<u>2.577</u>	<u>2.751</u>

**14 Depreciation of tangible fixed assets**

	<u>2016/17</u>	<u>2015/16</u>
	EUR000	EUR000
Tangible fixed assets	<u>13</u>	<u>12</u>
	<u>13</u>	<u>12</u>



## 15 Operating expenses

The operating expenses captions can be broken down as follows:

	<u>2016/17</u>	<u>2015/16</u>
	EUR000	EUR000
Other sales expenses	12.766	10.808
Local variable costs	223	159
Rent / heating / light utilities	212	215
Cost of company vehicles	739	809
Consultancy costs	948	975
Legal costs	64	221
Other administration costs	-	433
Cost of computers	321	147
Other	<u>1.129</u>	<u>644</u>
	<u>16.402</u>	<u>14.411</u>

The auditors fee amounts to EUR 59,000 (2015/16: EUR 67,000) and is related to the audit of the financial statements. No other services were provided by the auditor.

## Employees

During 2016/17 an average of 24 FTE (2015/16: 20,75 FTE).

## 16 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.

<i>Interest</i>	<u>31 Mar 2017</u>	<u>31 Mar 2016</u>
	EUR000	EUR000
interest cost Land Rover Exports Ltd.	-26	-
interest income Land Rover Exports Ltd.	2	2
Bank charges	-1	-
Other	-46	22-
	<u>-71</u>	<u>20-</u>

<i>Cost of Sales</i>	<u>31 Mar 2017</u>	<u>31 Mar 2016</u>
	EUR000	EUR000
Vehicles	161.597	157.797
Parts	11.820	17.490
	<u>173.417</u>	<u>175.287</u>

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## 17 Taxation on result on ordinary activities

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

	<u>2016/17</u>	<u>2015/16</u>
	EUR000	EUR000
Result from ordinary activities before taxation	<u>1.931</u>	<u>1.901</u>
	1.931	1.901
Taxation previous years	0	-
Taxation on result on ordinary activities	<u>469-</u>	<u>466-</u>
Taxation according to the profit and loss account	469-	325-
Effective tax rate	24,3%	24,5%
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 2015/16.

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.

## 18 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, May 24 2017

M.A.M. Bienemann  
Managing Director

Deloitte Accountants B.V.  
For identification purposes only.  
Related to auditor's report  
dated May 24, 2017



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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.