

JAGUAR LAND ROVER ITALIA S.p.A.

LOCAL STATUTORY ACCOUNTS AS AT 31.03.2018



Jaguar Land Rover Italia S.p.A.

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39
Financial Statements as at March 31, 2018

This report has been translated into English from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39

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

Report on the financial statements

Opinion

We have audited the financial statements of Jaguar Land Rover Italia S.p.A. (the Company), which comprise the balance sheet as at March 31, 2018, the income statement and the cash flow statement for the year then ended and the explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at March 31, 2018 and of the result of its operations and its cash flows for the year then ended in accordance with the Italian regulations and accounting principles governing financial statements.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *auditor's responsibilities for the audit of the financial statements* section of this report. We are independent of the company in accordance with ethical requirements and standards applicable in Italy that are relevant to the audit of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

The Company, as requested by the Italian Law, included in the explanatory notes the key figures from the latest financial statements of the company that exercises the management and coordination activities over it. Our opinion on Jaguar Land Rover Italia S.p.A. financial statements does not extend to such figures.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian regulations and accounting principles governing financial statements and, within the limits of the law, 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.

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.

The statutory audit committee ("*Collegio sindacale*") is responsible, within the terms provided by the law, for overseeing the Company's financial reporting process.

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 International Standards on Auditing (ISA Italia) 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.

As part of the audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of non 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 and 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;
- Evaluate the appropriateness of accounting principles used and the reasonableness of accounting estimates and related disclosures made management;
- Conclude on the appropriateness of management's use of the going concern 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 in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at the appropriate level as required by the ISA Italia, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion pursuant to article 14, paragraph 2, letter e), of Legislative Decree n. 39/10.

The directors of Jaguar Land Rover Italia S.p.A. are responsible for the preparation of the report on operations of Jaguar Land Rover Italia S.p.A. as at March 31, 2018, including its consistency with the financial statements and the compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations, with the financial statements of Jaguar Land Rover Italia S.p.A. as at March 31, 2018 and on its compliance with the applicable laws and regulations, and in order to assess whether its contain material misstatements.

In our opinion, the report on operations is consistent with the financial statements of Jaguar Land Rover Italia S.p.A. as at March 31, 2018 and is compliant with applicable laws and regulations.

With reference to the assessment pursuant to article 14, paragraph. 2, letter e), of Legislative Decree n. 39/10 based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Rome, May 28, 2018

BDO Italia S.p.A.

Signed by Alessandro Fabiano

Partner

FINANCIAL STATEMENTS AT 31/03/2018

BALANCE SHEET

ASSETS	31/03/2018		31/3/2017	
	EURO	EURO	EURO	EURO
(B) FIXED ASSETS				
I - Intangible fixed assets:				
(5) Goodwill	4.411.184		5.587.500	
(7) Other	2.005.849		1.541.525	
Total		6.441.553		7.129.025
II - Tangible fixed assets:				
(2) Plant and machinery	47.133		13.030	
(3) Industrial and commercial equipment	1.399.166		301.854	
(4) Other assets	747.858		550.959	
Total.		2.194.157		865.843
III - Financial fixed assets:				
(1) Equity investments in: d) Other companies	130		130	
Total.		130		130
Total fixed assets (B)		8.635.840		7.994.998
(C) CURRENT ASSETS:				
I - Inventories:				
(4) Goods	66.947.813		92.779.492	
Total.		66.947.813		92.779.492
II - Receivables:				
(1) Trade receivables due within subsequent FY	39.136.850		10.165.414	
(4) Receivables from parent companies	166.925.768		153.454.439	
(5) Receivables from companies controlled by parent companies	64.932		612.289	
(5) - bis) Tax receivables	113.413		113.413	
(5) - ter) Deferred tax asset	11.367.026		7.879.270	
(5) - quater) Other receivables	286.446		129.069	
Totale.		217.894.435		172.353.894
IV - Cash and cash equivalents:				
(1) Bank and postal accounts	27.843.792		20.546.478	
Total.		27.843.792		20.546.478
Total current assets (C)		312.686.040		285.679.864
(D) ACCRUALS AND DEFERRALS		229.599		109.842
TOTAL ASSETS		321.551.479		293.784.704

JAGUAR LAND ROVER ITALIA S.p.A.
Sede legale in Roma - Viale Alessandro Marchetti, 105
Capitale sociale Euro 25.000.000,00 i.v.
R.E.A. n. 944215 - Azionista Unico.
Codice fiscale, partita IVA e iscrizione nel registro delle imprese di Roma n. 06070621005

FINANCIAL STATEMENTS AT 31/03/2018

BALANCE SHEET

LIABILITIES:	31/03/2018		31/3/2017	
	EURO	EURO	EURO	EURO
(A) SHAREHOLDERS' EQUITY:				
I - Share capital		25.000.000		25.000.000
IV - Legal reserve		1.703.688		1.303.712
VII - Other reserves - Merger surplus		2.102.935		2.102.935
VIII - Profit (Loss) carried forward		36.406.734		28.807.178
IX - Profit (loss) for the year		10.176.769		7.999.533
Total		75.390.126		65.213.358
(B) PROVISIONS FOR LIABILITIES AND CHARGES:				
(3) Other	37.478.148		25.800.838	
Total.		37.478.148		25.800.838
(C) PROVISION FOR EMPLOYEE SEVERANCE PAY.		2.819.056		2.703.641
(D) PAYABLES:				
(6) Advances	1.860.866		80.000	
(7) Trade payables	34.930.090		29.329.310	
(11) Payables to parent companies	107.007.549		111.442.358	
(11 bis) Payables to companies controlled by parent companies	595.296		905.032	
(12) Tax liabilities	32.768.119		36.898.135	
(13) Payables to social security authorities	370.319		358.801	
(14) Other payables	23.597.727		17.682.468	
Totale.		201.129.966		196.696.104
(E) ACCRUALS AND DEFERRALS		4.734.183		3.370.763
TOTAL LIABILITIES		321.551.479		293.784.704

JAGUAR LAND ROVER ITALIA S.p.A.
Sede legale in Roma - Viale Alessandro Marchetti, 105
Capitale sociale Euro 25.000.000,00 i.v.
R.E.A. n. 944215 - Azionista Unico.
Codice fiscale, partita IVA e iscrizione nel registro delle imprese di Roma n. 06070621005

FINANCIAL STATEMENTS AT 31/03/2018

INCOME STATEMENT

	31/03/2018		31/3/2017	
	EURO	EURO	EURO	EURO
(A) VALUE OF PRODUCTION:				
(1) Revenue from sales and services		1.239.513.280		1.186.472.720
(5) Other revenue and income		48.899.072		33.042.621
Total value of production (A)		1.288.412.352		1.219.515.341
(B) COST OF PRODUCTION:				
(6) Raw and ancillary materials, consumables and goods		1.117.895.300		1.149.968.752
(7) Services		98.390.091		78.011.544
(8) Lease and rental costs		830.416		707.552
(9) Personnel costs:				
(a) Wages and salaries	8.061.996		7.447.658	
(b) Social security charges	2.305.598		2.258.177	
(c) Employee severance indemnity	587.220		574.190	
(e) Other costs	0		154.590	
Total personnel costs.		10.954.814		10.434.615
(10) Depreciation, amortisation and write-downs:				
(a) Amortisation of intangible fixed assets	1.642.699		1.517.750	
(b) Depreciation of tangible fixed assets	375.488		139.664	
(d) Write-downs of current receivables and cash and cash equivalents	219.162		483.169	
Total depreciation, amortisation and write-downs		2.237.349		2.140.583
Changes in inventories of raw and ancillary materials, consumables and goods		25.831.678		(46.298.995)
(11) and goods		0		225.000
(12) Accruals for risks		12.768.883		6.007.298
(13) Other allowances		2.220.986		2.852.230
(14) Sundry operating expenses				
Total cost of production (B)		1.271.129.517		1.204.048.579
Difference between value of production and cost of production (A-B)		17.282.835		15.466.762
(C) FINANCIAL INCOME AND CHARGES:				
Other financial income:				
(d) Income other than the above	66.523		13.667	
(17) Interest and other financial expenses	(3.179.161)		(3.642.750)	
(17-bis) Exchange-rate profit and loss	(494)		11.054	
Total (16-17)		(3.113.132)		(3.618.029)
PROFIT BEFORE TAX (A-B+/-C);		14.169.703		11.848.733
(20) Tax				
(a) Current income tax	(7.480.537)		(7.287.910)	
(b) Prior years tax	(153)		39.978	
(c) Deferred/prepaid tax	3.487.756		3.398.732	
Total income tax		(3.992.934)		(3.849.200)
(21) Profit (loss) for the year		10.176.769		7.999.533

CASH FLOW STATEMENT

Cash flow determined using the direct method

	April 2017-March 2018	April 2016-March 2017
A. Cash flow from operating activities		
Payments from customers	1.551.573.313	1.606.761.457
Other payments received	0	32.750
(Payments to suppliers for good and services)	(206.136.360)	(164.901.011)
(Payments to personnel)	(4.392.629)	(3.928.688)
(VAT payments)	(266.925.870)	(254.254.852)
(Other payments)	(395.843)	(93.568)
(Income taxes paid)	(19.261.933)	(11.143.849)
Interest received / (paid)	(3.264.590)	(3.338.338)
Cash flow from operating activities (A)	1.051.196.089	1.169.133.901
(Tangible assets - Investments)	(1.717.603)	(447.843)
<i>Intangible assets</i>		
(Intangible assets - Investments)	(955.228)	(1.250.194)
<i>Other investment activities</i>		
(Loans made to) controlling company - Deposit agreement	(1.051.225.944)	(1.175.000.000)
Repayment of loans made to controlling company -Deposit agreement	10.000.000	10.000.000
Cash flow from investment activities (B)	(1.043.898.775)	(1.166.698.037)
C. Cash flow from financing activities		
Cash flow from financing activities (C)	0	0
Increase (decrease) in cash-in-hand and cash-at-bank (A ± B ± C)	7.297.314	2.435.864
Cash-in-hand and cash-at-bank at 1 April	20.546.478	18.110.614
Cash-in-hand and cash-at-bank at 31March	27.843.792	20.546.478

Jaguar Land Rover Italia S.p.A.

Jaguar Land Rover Italia S.p.A. –A sole shareholder company (*Azionista Unico*)
Registered office in Rome, Viale Alessandro Marchetti, 105 – Share capital € 25,000,000 fully paid-in
Chamber of Commerce (R.e.a.) reg. No. 944215
Fiscal code, VAT number and Rome Companies Registry reg. No 06070621005

Notes to the Financial statements at 31.03.2018

Fiscal year

On 7 March 2016, the Company's articles of association were amended by deed executed by notary public Pierandrea Fabiani (notary public's file reg. No 92801, folder no. 17773) and the year-end was changed to 31 March of each year.

Layout and content of the Financial statements

These Financial Statements, composed of the Balance Sheet, Profit and Loss Account, Notes and Cash Flow Statement, are in line with the relevant Civil Code provisions and EU directives.

The Financial Statements have been drawn up pursuant to the provisions of articles 2423 ff of the Civil Code as amended by Legislative Decree No 139 of 18 August 2015 implementing Directive 2013/34/EU on the annual financial statements and consolidated financial statements.

The Balance Sheet, Profit and Loss Account and Financial Statements layout is that prescribed by articles 2424, 2425 and 2425 ter of the civil code.

The corresponding amount for the prior year has been reported next to each item of the Balance Sheet and Profit and Loss Account and, if necessary, has been adjusted for comparison purposes: a mention of the relevant adjustment, or non-adjustment as the case may be, has been made in the description of each item.

Items of the Balance Sheet and Profit and Loss Account with a nil balance have not been included; their exclusion did not, however, result in changes in the numbering sequence prescribed for the statutory Balance Sheet and Profit and Loss Account layout. All figures of the Balance Sheet and Profit and Loss Account are in whole Euros.

Main valuation criteria

The valuation criteria adopted in the preparation of the Financial statements at 31 March 2018 are in line with those provided by article 2426 of the civil code, having regard, where necessary, to the accounting principles issued by the Italian accounting standard setting board (*Organismo Italiano di Contabilità, O.I.C.*) or, if none are available, to the IAS-IFRS.

More generally, the valuation of financial statements items was made on a prudent, accrual and going concern basis.

The company carries on business pursuant to a distribution agreement with Jaguar Land Rover Limited. Under the agreement, which involves a low business risk for Jaguar Land Rover Italia S.p.A., transfer prices are determined in such a way that the distribution company is guaranteed a profit margin as a percentage of sales revenue (Transactional Net Margin Method – TNMM). Such margin rate is established by specific comparability analyses conducted at group level based on similar transactions carried out between independent parties.

As mentioned in the prior year's financial statements, the manufacturer Jaguar Land Rover Limited has been applying this transfer pricing methodology to all group companies since 2012.

No exceptional events occurred in the fiscal year ended 31 March 2018 which made it necessary to adopt one of the derogations pursuant to article 2423(5) of the Civil Code.

The following main valuation criteria have been adopted in the preparation of the financial statements:

Fixed assets

Intangible assets

They are recorded at the historical cost less the amortisation of prior years, the amortisation charge for the year and any write-downs due to permanent value impairments. Amortisation charges have been calculated on a straightline basis having regard to the remaining useful life of the assets.

In particular, the goodwill purchased in the year 2000 has been recorded in the assets section in an amount corresponding to the price paid less amortisation and any write-downs. Goodwill amortisation is calculated on a straightline basis having regard to its remaining useful life (based on remaining term of the distribution agreement entered into with Jaguar Land Rover Limited) expiring 31 December 2021.

As mentioned in prior years, in the financial statements at 31/12/2002 the Company had made a goodwill write-down to adjust the value of the asset to its potential recovery value as estimated by an expert.

Pursuant to the terms of article 12 of legislative decree 139/2015, the Company took advantage of the possibility not to apply retroactively the new goodwill amortisation method introduced by the decree.

The “Other intangible assets”, which consist of leasehold improvements, have been amortised on the basis of the remaining term of the relevant property lease agreement.

Tangible assets

These have been recorded at their purchase cost adjusted by the corresponding accumulated depreciation. No financial costs have been capitalised either in the year in question or in prior years. The depreciation charges recorded in the profit and loss account have been calculated having regard to the use and the economic and technical life of the assets based on their

remaining useful life. This principle is deemed to be well reflected by the following rates, and have been halved in the year in which the asset entered operation:

Breakdown	
Electronic office machines	20%
Non automatic generic installations	10%
Sundry small tools	25%
Furniture and office furniture	12%
Industrial and commercial equipment	10%

Assets of a minor amount (less than 516 Euro) have been wholly depreciated in the year.

Financial fixed assets

Shareholdings “in other undertakings” have been measured at the subscription or purchase price.

Accounts receivable

Accounts receivable have been recorded at the amortised cost, having regard to time discounting and to their presumed realisable value. The nominal value of the accounts receivable was adjusted, whenever necessary, to their presumed realisable value by a write-down.

Cash-in-hand and cash-at-bank

Cash-in-hand and cash-at-bank has been measured at the nominal value.

Accounts payable

They have been recorded using the amortised cost method, taking into account time discounting.

Accrued income/liabilities and prepayments/deferred income

Accrued income and prepayments consist of income accrued in the year which will be received in future years and costs incurred before the year-end which will accrue in subsequent years; accrued liabilities and deferred income include costs accrued in the year which however will be paid in future years, and income received before the year-end but accruing in subsequent years.

A detail of prepayments is provided in the relevant section of these Notes.

Inventory

Inventory has been recorded at the lower of purchase cost and realisable value as inferred from market trend at the year-end adjusted by any write-downs. The year-end inventory valuation methods adopted were the specific cost method for cars and the weighted average cost method for spare parts.

The book value of the inventory does not significantly depart from its current costs value at the year-end.

Provisions for contingent liabilities and charges

These provisions are set aside for the coverage of losses or liabilities that are certain or likely to arise, but whose amount and date of occurrence could not be determined at the year-end.

The provisions have been measured on a prudent and accruals basis and the relevant accruals have been determined at the best possible estimate based on the available information.

Employees' termination pay

This item includes the amounts actually accrued to the benefit of Company employees pursuant to article 2120 of the civil code, in accordance with the law and the current collective bargaining agreements, taking into account all forms of continuous remuneration.

Income taxes

Current income taxes are determined on the basis of a conservative interpretation of the tax rules in force.

Deferred tax assets and liabilities are calculated based on a reasonable certainty that future taxable amounts may be offset against any temporary differences between the statutory value and the tax basis of an asset or liability. The impact on the result of operations of this method of recognition is stated in the description of the relevant item of the P&L Account.

Financial risks management policies

The company aims at managing and containing its financial risks by relying both on the directors' prudent evaluations and on specific risks management processes put in place as part of corporate procedures, as well as through special-purpose centralized group functions.

The company's financial risks are as follows:

- **Liquidity risk:** this risk is mainly related to the company's current financial requirements to carry out its selling activities. This risk is managed by implementing financial plans which estimate future cash flows; in this respect, consider, for example, the Deposit Agreement with Jaguar Land Rover group companies.
- **Risk of cash flow changes:** this is mainly in connection with the Deposit Agreement, under which interest accrues at variable market rates.
- **Credit risk:** the risk of the counterparty's insolvency is limited to accounts receivable from the public authorities and some car rental companies which account for a small percentage of the Company's total receivables. Instead, car sales to dealers are only subject to a minor credit risk since the relevant accounts receivable are sold on a without-recourse basis to the factoring companies FCA Bank S.p.A., SG Factoring S.p.A. and Ifitalia S.p.A.. Accounts receivables from the sale of spare parts are sold to Ifitalia S.p.A.. The credit management function estimates the recoverability of accounts receivable and calculates the relevant bad debt reserve to be recorded in the financial statements. At 31 March 2018, the bad debt reserve amounted to approx. 1.6 million Euro.

Translation of items in foreign currency

Accounts receivable and payable originally denominated in foreign currency are recorded at the spot exchange rates ruling at the year-end; any translation gains or losses are recognised in the profit and loss account and any net gain is set aside to a reserve which is non-distributable until the gain is realized.

Any non-monetary items in foreign currency are recorded at the exchange rate ruling at the time of purchase.

Guarantees, engagements, leases and risks

Any risks in connection with personal guarantees or collaterals for third-party debts have been recognised in these Notes at an amount corresponding to the value of the guarantee; the amount of the guaranteed third-party debt at the reporting date is mentioned in these Notes if lower than the value of the underlying guarantee.

Engagements are recognised at their nominal value as inferred from the relevant documentation.

Given the high probability of customers exercising the buyback option, i.e. the choice for the customer to sell back and the obligation on the Company to repurchase vehicles, relative amounts are included in the Memorandum Accounts in these Notes.

ANALYSIS OF THE MAIN FINANCIAL STATEMENTS ITEMS

Unless otherwise expressly stated, all amounts in these Notes are in Euros.

Assets

We set out below a description of and the main changes in the composition of the company's assets.

B) Fixed assets

I. Intangible assets

At 31 March 2018 and at 31 March 2017 they amounted respectively to Euro 6,441,553 and Euro 7,129,025, with a net decrease of Euro 687,472.

The following tables show the composition of and the changes in the value of the single intangible assets:

Concessions, licences and trademarks	Historical cost	Amortisation	Net value
Balance at 31/12/2017	668.574	668.574	0
Additions for the year	36.778	0	36.778
Amortisation for the year	0	(12.258)	(12.258)
Sales and disposals	0	0	0
Balance at 31/12/2018	705.352	656.316	24.520

Item B. I. 4. “Concessions, licences, trademarks”, recorded in the financial statements as to Euro 24,520, refers to software licences.

Goodwill	Historical cost	Amortisation and value adjustments	Net value
Balance at 31/03/2017	36.713.533	31.126.033	5.587.500
Additions for the year			0
Amortisation for the year		1.176.316	(1.176.316)
Sales and disposals			0
Balance at 31/03/2018	36.713.533	32.302.349	4.411.184

Item B. I. 5. “Goodwill”, recorded in the financial statements as to Euro 4,411,184, reflects the value paid for the goodwill, less amortisation and any value adjustments.

Other intangibles	Historical cost	Amortisation	Net value
Balance at 31/03/2017	2.049.426,00	(507.901)	1.541.525,00
Additions for the year	918.449,00	0,00	918.449,00
Amortisation for the year		(454,125)	(454,125)
Sales and disposals		0	0
Reclassifications			0,00
Balance at 31/03/2018	2.967.875	(962.026)	2.005.849

Item B. I. 7. “Other intangible assets” as to euro 2,005,849, consists of the costs incurred for improvements to the head offices, the Training Academy and the spare parts warehouse which are currently on lease.

The above intangibles did not undergo any write-downs or write-ups either in the current year or in prior years, with the exception of goodwill, which in prior years was written down by Euro 2,141,924.

II. Tangible assets

At 31 March 2018 and at 31 March 2017 they amounted respectively to Euro 2,194,157 and Euro 865,843, with a net Euro 1,328,314 increase.

The following tables show the composition of and the changes in the value of the single tangible assets:

Generic installations	Historical cost	Depreciation	Net value
Balance at 31/03/2017	145.700	(123,670)	13.030
Purchases for the year	37.592		37.592
Amortisation for the year		(3.489)	(3.489)
Sales and disposals			
Reclassifications			0
Balance at 31/03/2018	183.292	(136.159)	47.133

Industrial and commercial equipment	Historical cost	Depreciation	Net value
Balance at 31/03/2017	1.148.212	(846.357)	301.855
Purchases for the year	1.350.682	0	1.350.682
Depreciation for the year		(239.571)	(239.571)
Sales and disposals	(29.500)	15.700	(13.800)
Reclassifications			0
Balance at 31/03/2018	2.469.394	(1.070.228)	1.399.166

Other assets (furniture, office machines, computers)	Historical cost	Amortisation	Net value
Balance at 31/03/2016	1.241.161	(690.201)	550.960
Purchases for the year	329.327		329.327
Amortisation for the year		(132.429)	(132.429)
Sales and disposals			0
Reclassifications			0
Balance at 31/03/2017	1.570.488	(822.630)	747.858

The purchases for the year mainly consist of equipments and other assets for the new spare parts warehouse located in Bentivoglio (BO).

Assets of a unit value lower than 516 Euro

Assets of a unit value lower than 516 Euro have been wholly depreciated in the year in which they were purchased and entered operation. They have in any case been included by category in the above summary tables.

The above tangible assets did not undergo any write-downs or write-ups either in the current year or in prior years.

III. Financial fixed assets

Shareholdings

Description	Value at 31/03/2017	Increases for the year	Decreases for the year	Write-downs for the year	Value at 31/12/2018
Other	130	0	0	0	130

Item B. III. 1 d. “Shareholdings in other undertakings”, in an amount of 130 Euro, is in connection with the purchase of the shareholding in CO.NA.I (the Italian National Packaging Consortium).

C) Current assets

I. Inventory

At 31 March 2018 inventory amounted to Euro 66,947,813, compared to Euro 92,779,492 at 31 March 2017, with a net decrease of Euro 25,831,679. The composition of and changes in the inventory recorded under item C. I. 4. “Goods” can be summarised as follows:

Description	Value at 31/03/2017	Value at 31/03/2018	Difference 31.03.2018 / 31.03.2017
a) Cars	70.914.743	37.886.031	-33.028.712
b) Other cars	13.846.801	19.056.197	5.209.396
c) Spare parts	10.230.150	14.814.005	4.583.855
Write-downs	(2.212.202)	(4.808.420)	(2.596.218)
Total inventory	92.779.492	66.947.813	-25.831.679

The item a) “Cars” consists of the stock of new vehicles whereas item b) “Other cars”, consists of cars which, although meant for sale, are used by the Company for a short period of time. Item c) consists of the inventory of spare parts and accessories.

During the year, the inventory write-down – recorded in the financial statements to reduce the value of inventory and amounting to Euro 4,808,420 at 31/03/2018 – underwent the following changes during the year:

Description	Value at 31/03/2017	Decreases	Increases	Value at 31/03/2018
a) Cars	304.581	-90.727		213.854
b) Other cars	1.083.794	0	2.523.308	3.607.102
c) Spare parts	823.827	0	163.637	987.464
Total inventory	2.212.202	-90.727	2.686.945	4.808.420

II. Accounts receivable

Accounts receivable from customers

Item C. II. 1 consists of the trade accounts receivable to customers and the other group companies recorded in the Financial Statements at 31 March 2018 in an amount of Euro 39,136,850, with a net year-on-year increase of Euro 28,971,436 mainly as a result of accounts receivable for car sales to rental companies near year end.

We set out below a detailed analysis of the changes in this item:

Description	Value at 31/03/2017	Value at 31/03/2018	Difference
Accounts receivable from customers from sale of cars, spare parts and other products	12.313.915	40.708.821	28.394.906
Write-down	(2.148.501)	(1.571.970)	576.531
Balance	10.165.414	39.136.850	28.971.436

All accounts receivable from customers fall due within one year.

The nominal value of the accounts receivable was adjusted to their presumed realisable value by a bad debt reserve which during the year underwent the following changes:

Description	Value at	Decreases for the year	Increases for the year	Value at
	31/03/2017			31/03/2018
Write-down of accounts receivable	2.148.501	795.692	219.161	1.571.970
Total write-down of accounts receivable	2.148.501	795.692	219.161	1.571.970

Accounts receivable from companies under control by the controlling companies

Item C. II 5, whose balance at 31.03.2018 was Euro 64,932 (Euro 612,289 at 31.03.2017) consists of the account receivable from Jaguar Land Rover Deutschland GmbH, mainly in connection with the recharge of staff secondment costs.

Tax credits

Item C. II. 5 Bis consists of the tax credit of Euro 113,413 at 31 March 2018 and did not undergo any changes, as shown in the following table:

Description	Value at 31/03/2017	Value at 31/03/2018	Difference
Income tax credits	113.413	113.413	0
Balance	113.413	113.413	0

The balance at 31.03.2017 wholly refers to the IRES tax credit for FYs 2007 to 2011 claimed for refund (pursuant to article 2(1 quater) of decree law No 201/2011) and arising in connection with the non-deduction of IRAP on employee and quasi-employee costs.

Deferred tax assets

Item C. II. 5 Ter shows the value of deferred tax assets, less deferred tax liabilities, which amounts to Euro 11,367,026. The item can be broken down as follows:

Description	Value at 31/03/2017	Value at 31/03/2018	Difference
IRES	6.532.429	9.517.943	2.985.514
IRAP	1.346.841	1.849.083	502.242
Balance	7.879.270	11.367.026	3.487.756

The following table provides a description of the temporary differences for IRES and IRAP which resulted in the separate posting of the relevant deferred tax assets and liabilities compared to the prior year. For a description of the amounts credited or charged to the P&L account, reference should be made to the comments to item 20 of the Profit and Loss Account. The IRAP rate adopted to determine the future tax effect is 4.82%, namely the rate currently in force, whereas the IRES rate used to this effect is 24%.

Breakdown	31/03/2018				31/03/2017			
	Temporary differences + deductible differences	Deferred taxes + def.tax assets (-) def.tax liab.			Temporary differences + deductible differences	Deferred taxes + def.tax assets (-) def.tax liab.		
		(-) taxable differences	IRES	IRAP		Total	(-) taxable differences	IRES
tax rate								
Deferred tax assets								
Write-downs of fixed assets IRES	2.141.924	514.062		514.062	2.141.924	514.062		514.062
Write-downs of fixed assets IRAP	2.141.924		103.241	103.241	2.141.924		103.241	103.241
Provision for contingent liabilities and charges IRES	36.220.793	8.692.990		8.692.990	25.800.838	6.192.201		6.192.201
Provision for contingent liabilities and charges IRAP	36.220.793		1.745.842	1.745.842	25.800.838		1.243.600	1.243.600
Write-down of inventory IRES	4.808.420	1.154.021		1.154.021	212.202	530.929		530.929
Write-down of accounts receivable	1.571.970	377.273		377.273	2.148.500	515.640		515.640
Other costs with deferred IRES deductibility	0	0		0	0	0		0
Total deferred tax assets		10.738.346	1.849.083	12.587.429		7.752.832	1.346.841	9.099.673
Deferred tax liabilities								
Additional goodwill amortisation for IRES	(5.085.012)	(1.220.403)		(1.220.403)	(5.085.012)	(1.220.403)		(1.220.403)
Total deferred tax liabilities		(1.220.403)	0	(1.220.403)		(1.220.403)	0	(1.220.403)
Total		9.517.943	1.849.083	11.367.026		6.532.429	1.346.841	7.879.270

Impact on the P&L account	2017/2018	2016/2017
Deferred tax assets at the beginning of the year (B)	9.099.673	5.700.941
Deferred tax assets at the end of the year (A)	12.587.429	9.099.673
Impact on the P&L account (A - B)	3.487.756	3.398.732
Deferred taxes at the beginning of the year (B)	(1.220.403)	(1.220.403)
Deferred taxes at the end of the year (A)	(1.220.403)	(1.220.403)
Impact on the P&L account (A - B)	0	0
Total impact on the P&L account	3.487.756	3.398.732

The € 12,587,429 deferred tax assets were recognised on the assumption that the medium term business forecasts - supported by the distribution agreement (based on the TNMM) which ensures the company's steady profitability – give reasonable certainty that in future years the company's taxable income will not be lower than the temporary differences that will be reversed.

Accounts receivable from others

Item C. II. 5 Quater rose from Euro129,069 at 31.03.2017 to Euro 286,446 at 31 March 2018, with a year-on-year increase of Euro 157,377, as detailed below:

Description	Value at 31/03/2017	Value at 31/03/2018	Difference
Accounts receivable from personnel	66.796	221.794	154.998
Accounts receivable from others	62.273	64.652	2.379
Balance	129.069	286.446	157.377

Accounts receivable from controlling companies

This item includes the account receivable from Jaguar Land Rover Limited in connection with the Deposit agreement, remunerated at market rates, whose balance at 31 March 2018 was Euro 163,478,080 (Euro 151,049,722 at the prior year-end), and the account receivable in connection with the recharge of warranty repair costs.

The increase is mainly due to the transfer to Jaguar Land Rover Limited of higher cash flows in connection with the ordinary sale activity.

IV. Cash-in-hand and cash-at-bank

The balance of item C. IV. consists of the cash-at-bank, cash-in-hand and cash equivalents at the year-end, as shown below:

Description	Value at 31.03.2017	Value at 31.03.2018	Difference 2018-2017
Bank and P.O. accounts	20.546.478	27.843.792	7.297.314
Cash-in-hand and cash equivalents	0	0	0
Total	20.546.478	27.843.792	7.297.314

D) Accrued income and prepayments

This item consists of the portion of costs and income pertaining to more than one accounting period accruing before or after the relevant collection/payment and/or billing. At 31 March 2018 there were no accrued income and prepayments of a duration exceeding five years. The item can be broken down as follows:

Description	Value at 31/03/2017	Value at 31/03/2018	Difference 2018-2017
Prepaid insurance premium	109.842	229.599	119.757
Total	109.842	229.599	119.757

Liabilities

We set out below the composition of and the main changes in the liabilities:

A) Shareholders' equity

The following table summarises the changes in the items of shareholders' equity in FYs 2016, 2016/17 and 2017/18:

Description	Value at 31/03/2016	Increases (Decreases)	Decreases Allocations	Value at 31/03/2017	Increases (Decreases)	Decreases Allocations	Value at 31/03/2018
Share capital	25.000.000			25.000.000			25.000.000
Legal reserve	1.212.159	91.553	0	1.303.712	399.976	0	1.703.688
Share exchange surplus	2.102.935			2.102.935			2.102.935
Retained earnings	27.067.674	1.739.504	0	28.807.178	7.599.556	0	36.406.734
Profit (loss) for the year	1.831.056	7.999.533	(1.831.056)	7.999.533	10.176.769	(7.999.533)	10.176.769
Total shareholders' equity	57.213.824	9.830.590	(1.831.056)	65.213.358	18.176.301	(7.999.533)	75.390.126

The Share capital has been wholly paid-in and at 31 March 2018 amounted to Euro 25,000,000 divided into 25,000,000 shares each having a nominal value of 1 Euro, subscribed by the Sole Shareholder.

The Legal Reserve increased by Euro 399,976 as a result of the allocation of the relevant share of the 2016/17 profit, as resolved by the general meeting in accordance with article 2430 of the civil code.

Pursuant to the general meeting resolution, retained earnings rose from Euro 28,807,178 to Euro 36,406,734 following the appropriation of the 2016/17 profit to retained earnings as to 7,599,556 Euro.

The item "Other reserves – Share exchange surplus" derives from the 2011 merger and did not undergo any changes in the year.

We set out below the table containing the information required by article 2427(7-bis)(1) of the Civil Code and recommended by the Italian Accounting Standard Setting Board:

Nature/description	Amount	Possibility of use	Available amount	Summary of amounts used in the three prior fiscal years	
				for loss coverage	for other reasons
Share capital	25.000.000				
Equity reserves:					
Reserve for treasury shares					
Reserve for shares or equity interests in the controlling company					
Reserve for share exchange	2.102.935	A,B	2.102.935		
Reserve from conversion of bonds					
Earnings reserves:					
Legal reserve	1.703.688	B	1.703.688		
Reserve for treasury shares					
Reserve from net exchange gains					
Reserve from valuation of shareholdings using the Net Equity method					
Reserve from derogations pursuant to article 2423(4)					
Retained earnings	36.406.734	A,B,C	36.406.734		
Total			40.213.357		
Non-distributable amount			3.806.623		
Remaining distributable amount			36.406.734		
Legend:					
A: share capital increase					
B: loss coverage					
C: distribution to the shareholders					

B) Provisions for contingent liabilities and charges

Other provisions

Item B. 3. “Other Provisions for contingent liabilities and charges” amounts to Euro 37,478,148 at 31 March 2018, with an year-on-year increase of Euro 11,677,310.

These provisions are set aside for the coverage of losses, liabilities, risks and charges related to the conduct of business, that are certain or likely to arise, but whose amount and date of occurrence could not be determined at the year-end. The following table shows the composition of and changes in this item:

Description	Value at 31.03.2017	Increases for the year	Decreases/Allocations	Value at 31.03.2018
Provision for maintenance and warranty costs	583.848	0	431.233	152.615
Provision for miscellaneous contingent liabilities and charges	25.216.990	35.801.973	23.693.430	37.325.533
Total B.3	25.800.838	35.801.973	24.124.663	37.478.148

The “*Provision for maintenance and warranty costs*,” of Euro 152,615 at 31.03.2018, has been set aside to cover for the estimated maintenance costs for vehicles sold in prior years to the Public Authorities.

No amount was accrued in the year, whereas the amount used in the year is Euro 431,233.

The balance of the “*Provision for miscellaneous contingent liabilities and charges*”, of Euro 37,325,533, consists of provisions for legal risks as to Euro 505,000, for commercial costs as to Euro 32,637,942, for costs regarding the possible return of worn-core replacement parts by dealers and authorised repair shops as to Euro 1,643,892, for employee bonuses as to Euro 450,000 and marketing costs payable to the dealers as to Euro 836,344.

Commercial costs are partly deducted directly from sales revenue as they consist of discounts and allowances granted to dealers on the cars purchased from the company during the year and partly recorded under item B13 “Other accruals”.

C) Employees' termination pay

The provision recorded under item C of the liabilities section of the Balance Sheet reflects the amount due by the company to its employees on payroll at 31 March 2018:

Description	Value at	Increases for	Decreases for	Value at
Employees' termination pay	2.703.641	353.162	237.747	2.819.056
Total	2.703.641	353.162	237.747	2.819.056

Pursuant to law 296/2006 and relevant implementation decrees, we inform you that 74 employees decided to keep their termination pay with the company, whereas 34 employees opted for its allocation to the relevant pension funds.

The balance at 31.03.2018 is adequate to meet the relevant legal and collective bargaining agreement obligations.

Headcount information

The company's average headcount, broken down by category, is as follows:

Headcount	At 31/03/2017	At 31/03/2018
Managers/executives (<i>Dirigenti</i>)	20	19
Employees	88	89
Total	108	108

D) Accounts payable

Accounts payable have been measured at their nominal value and can be broken down as follows by due date:

Jaguar Land Rover Italia S.p.A.
Notes to the Financial Statements at 31 March 2018

Description	Balance at 31.03.2017	Balance at 31.03.2018			Difference 2018/2017	
		31.03.2018	falling due within one year	falling due after more than one year		falling due after more than 5 years
D (6) Advances	80.000	1.860.866	1.860.866		1.780.866	
D (7) Accounts payable to suppliers	29.329.310	34.930.090	34.930.090		5.600.780	
D (11) Accounts payable to controlling companies	111.442.358	107.007.549	107.007.549		(4.434.809)	
D (11 bis) Accounts payable to undertakings under control by the controlling companies	905.032	595.296	595.296		(309.736)	
D (12) Tax liabilities	36.898.135	32.768.119	32.768.119		(4.130.016)	
D (13) Accounts payable to social security agencies	358.801	370.319	370.319		11.518	
D (14) Other accounts payable	17.682.468	23.597.727	23.597.727		5.915.259	
Balance	196.696.104	201.129.966	201.129.966	0	0	4.433.862

The "Accounts payable to suppliers", item D. 7., fall due within one year and are in connection with trade payables to third party suppliers for the purchase of goods and services.

Item D.11 "Accounts payable to controlling companies", which amounted to Euro 107,007,549 at 31 March 2018, mainly consists of the payable to Jaguar Land Rover Limited for cars and spare parts purchased but still unpaid for at 31.03.2018.

Item D.11 bis "Accounts payable to undertakings under control by controlling companies", totalling Euro 595,296 at 31.03.2018 (Euro 905,032 at 31.03.2017), is mainly in connection with the payable to Spark44 S.r.l..

Item D. 12. "Tax liabilities" amounted to Euro 32,768,119 at 31 March 2018 and can be broken down as follows:

Description	Balance at 31/03/2018
VAT liabilities (March 2018)	32.548.126
IRES and IRAP payable	46.374
Withholdings levied from employees and self-employed (March 2018)	173.619
Total	32.768.119

Item D. 13. consists of "Accounts payable to social security agencies" which at 31 March 2018 amounted to Euro 370,319.

Item D. 14. “Other accounts payable” amounts to Euro 23,597,727, with a net increase of Euro 5,915,259, mainly resulting from an increase in accounts payable to dealers in connection with outstanding commercial incentives. This item may be broken down as follows:

Description	Value at 31/03/2017	Value at 31/03/2018	Difference
Accounts payable to employees in respect of accrued holidays and other dues	1.192.810	1.388.387	195.577
Accounts payable to Dealers	16.456.667	22.173.911	5.717.244
Other accounts payable	32.991	35.429	2.438
Total	17.682.468	23.597.727	5.915.259

E) Accrued liabilities and deferred income

This item consists of deferred revenue from the sale of “Connected car” services, included in the sale price of car accessories, which will accrue in future years.

Description	Value at 31/03/2017	Value at 31/03/2018	Difference
Deferred revenue on "Connected car" service	3.370.763	4.734.183	1.363.420
Total	3.370.763	4.734.183	1.363.420

Memorandum accounts

At 31 March 2018 memorandum accounts can be broken down as follows:

Description	Value at 31/03/2017	Value at 31/03/2018	Difference
Third party guarantees issued on our behalf	7.358.987	7.899.493	540.506
Guarantees issued to third parties	1.019.856	8.054.648	7.034.792
Engagements for the repurchase of cars sold under the buyback clause	2.448.188	22.399.494	19.951.306
Total	10.827.031	38.353.635	27.526.604

Third party guarantees issued on our behalf consist of bank guarantees issued to third parties on our behalf.

Comments to and analysis of Profit and Loss Account items

In view of the itemised presentation of costs and income in the P&L Account and of the description of Balance Sheet items set out above, in this section we will deal with the main cost

and revenue items; for a detailed analysis of operating costs and income, reference should be made to the Directors' report.

A) Revenue

The item Revenue from sales and services consists of revenue from the sale of cars, spare parts and other assets, and from the provision of services, as set out below.

Revenue by category of business

The following table shows a breakdown of revenue from sales and services:

Description	Value at 31/03/2017	Value at 31/03/2018	Difference
Sale of cars	1.114.954.307	1.162.107.656	47.153.349
Sale of spare parts and accessories	71.518.413	77.405.624	5.887.211
Total	1.186.472.720	1.239.513.280	53.040.560

Revenue from sales of goods and service supplies is stated after deduction of discounts, allowances and premiums. Revenue rose from Euro 1,186,472,720 to Euro 1,239,513,280, with a net year-on-year increase of Euro 53,040,560.

The difference is mainly due to the increase in car sales.

B) Expenditure

Costs for raw materials, subsidiary materials, consumables and goods and Costs for services

Costs for raw materials, subsidiary materials and consumables recorded a decrease of Euro 32,073,42, from Euro 1,149,968,752 at 31 March 2017 to Euro 1,117,895,300 at 31 March 2018. The costs for services amount to Euro 98,836,691, with a Euro 62,920,027 increase and the difference was mainly due to marketing costs (advertisement and events).

Personnel costs

This item includes all costs for employees including performance increases, promotions, cost of living increases, untaken holidays and any accruals made in accordance with the law and the collective bargaining agreements, for a total of Euro 10,954,814.

C) Financial income and costs

Other financial income

This item refers to the interest income accrued on the Deposit agreement with Jaguar Land Rover Limited as to Euro 63,650 and to bank interest income as to Euro 2,873.

Interest and other financial costs

The item “Interest and other financial costs” amounts to Euro 3,179,161, with a year-on-year decrease of Euro 463,589, and is in connection with the interest payable to factoring companies and with the fees due to American Express.

Income taxes

The taxes for the year total Euro 3,992,934. The following table shows the current and deferred taxes for the year:

Description	Value at 31/03/2017	Value at 31/03/2018
Current taxes		
IRES	5.970.992	5.787.954
IRAP	1.316.918	1.692.583
Deferred tax assets		
IRES	(2.842.393)	(2.985.514)
IRAP	(556.339)	(502.242)
Deferred tax liabilities		
IRES	0	
IRAP	0	
Taxes of prior years	(39.978)	153
Total income taxes	3.849.200	3.992.934

The taxes for the year, accounting for 28.2% of the pre-tax result (32.5% in the prior year), have increased by Euro 143,734.

Deferred tax assets and liabilities are calculated on the temporary differences between statutory values and tax bases, at the tax rate in force at the time such differences are reversed. For a detailed analysis, see the table providing a breakdown of item C II 5 ter.

In order to outline in detail the effects of deferred assets, we set out below a reconciliation of the statutory profit with the notional tax liability:

Determination of the IRES taxable amount

Description	Value	Tax
Pre-tax result	14.169.703	
Notional tax liability (27.5%)		3.400.729
Temporary differences deductible in subsequent years	31.425.911	
Temporary differences from prior years	(18.986.268)	
Permanent differences that will not be reversed in subsequent years	(2.492.870)	
Taxable amount	24.116.475	
Current IRES on the result of operations		5.787.954

Determination of the IRAP taxable amount

Description	Value	Taxes
Difference between revenue and expenditure (A-B)	17.282.835	
Costs not relevant for IRAP	23.942.859	
Total	41.225.694	
Notional tax liability (4.82%)		1.987.078
Temporary differences deductible in subsequent years	22.175.403	
Temporary differences from prior years	(18.117.366)	
Permanent differences that will not be reversed in subsequent years	(10.167.907)	
Taxable amount	35.115.824	
Current tax on the IRAP taxable amount*		1.692.583

*: levied on the taxable amount attributable to *Regione Lazio* (Latium)

F) Related-party transactions

All related-party transactions carried out by Jaguar Land Rover Italia S.p.A., including intragroup transactions, are ordinary day-by-day transactions made at arm's length conditions.

There are no unusual, non-arm's length related-party transactions of a significant amount that fall outside the company's ordinary course of business.

Other information

No Directors' fees are payable.

Pursuant to article 2427(16-bis)(1) of the civil code, the fees payable to the Board of Statutory Auditors amount to Euro 70,000, the Auditor's fee for the annual audit of the accounts is Euro 35,000 and the fees for consulting services amount to Euro 55,400.

No significant events have occurred after the year-end which deserve a mention in these notes.

The parent company which prepares the consolidated financial statements is Tata Motors Limited, a company organized and existing under the laws of India, with registered office in Mumbai. The consolidated financial statements are available at Tata Motors Limited.

As mentioned in the financial statements for the prior period, the Company reached a negotiated settlement for the minor IRES and IRAP findings raised in the notice of deficiency covering FY2009 whereas, as regards the transfer pricing finding, in May 2014 the company filed an application for a Mutual Agreement Procedure under article 6 of the Arbitration Convention (Convention 90/436/EEC of 23 July 1990 on the elimination of double taxation in connection with the adjustment of profits of associated enterprises, transposed in Italy by law No 99 of 22 March 1993) and under the Mutual Agreement Procedure clause (article 26) of the Italy/UK double tax treaty. In October 2014, the Ministry of Economy and Finance informed the Company of the start of the MAP.

In the notice of deficiency for FY 2009 the tax authorities acknowledged that the TP documentation produced by the Company for FY2009 contained the necessary data and information for a complete and in-depth transfer pricing analysis and therefore in December 2014 the revenue agency (*Agenzia delle Entrate – Direzione Regionale Lazio*) granted suspension of the tax payment claims. No liabilities are expected to arise for the company in this respect since the reasons for the finding raised are considered to be groundless.

Lastly, it should be noted that on 14 December 2017, the Tax Police completed the tax audit of our Company, which was begun on 25 September 2017. After the audit, the inspectors served a Tax Audit Report on the Company, which included proposals for tax recovery regarding intragroup transfer prices for the 2013-2016 tax periods. To date, however, the Inland Revenue has not served any Assessment Notice on the Company formalizing the findings made in the Tax Audit Report.

Distribution of revenue by geographical area

Geographical area	2016/2017		2017/2018	
	Revenue	%	Revenue	%
Northern Italy	676.289.450	57%	706.522.570	57%
Central and Southern Italy and the Isles	510.183.270	43%	532.990.711	43%
Total	1.186.472.720		1.239.513.280	

Information relating to management and coordination pursuant to art. 2497 ss. of the Civil Code

Main financial data relating to the latest approved financial statements of the parent company

Jaguar Land Rover Limited:

Value at 31/03/2017	Million of pounds (GBP)
------------------------	----------------------------

Non current assets	12.830,00
Current assets	9.825,00
Total assets	22.655,00

Current liabilities	9.178,00
Non current liabilities	7.218,00
Total liabilities	16.396,00

Net assets	6.259,00
-------------------	-----------------

Revenues	20.862,00
Net profit (loss) in the year	771,00

Dear Shareholder,

the financial statements we are submitting to you for approval show a profit of euro 10,176,769 which we propose be appropriated as follows:

- euro 508,838, accounting for 5% of the profit for the year, to the legal reserve as required by article 2430 of the civil code;

- euro 9,667,931 to retained earnings.

Rome, 29 May 2018

For and on behalf of the Board of Directors

The Managing Director

dell'esercizio 2017/18

31.03.2018**BALANCE SHEET**

<i>Assets</i>	<i>Amounts in Euro</i>	<i>Liabilities</i>	<i>Amounts in Euro</i>
FIXED ASSETS	€ 8.635.840	OWN CAPITAL	€ 75.390.126
Intangible assets	€ 6.441.553	Share capital	€ 25.000.000
Tangible assets	€ 2.194.157	Reserves	€ 50.390.126
Financial fixed assets	€ 130	LONG-TERM LIABILITIES	€ 0
WORKING CAPITAL	€ 312.915.639		
Inventory	€ 67.177.412	CURRENT LIABILITIES	€ 246.161.353
Trade and receivables	€ 217.894.435		
Cash and cash equivalents	€ 27.843.792		
INVESTED CAPITAL	€ 321.551.479	TOTAL SOURCES OF CAPITAL	€ 321.551.479

31.03.2018**BALANCE-SHEET BY FUNCTION**

<i>Assets</i>	<i>Amounts in Euro</i>	<i>Liabilities</i>	<i>Amounts in Euro</i>
OPERATIVE CAPITAL INVESTED	€ 321.551.349	OWN CAPITAL	€ 75.390.126
		LIABILITIES FROM FINANCING	€ 0
EXTRA-OPERATIVE USES	€ 130	OPERATIVE LIABILITIES	€ 246.161.353
INVESTED CAPITAL	€ 321.551.479	TOTAL SOURCES OF CAPITAL	€ 321.551.479

dell'esercizio 2017/18

2017/18	
RECLASSIFIED PROFIT & LOSS STATEMENT	
	<i>Amounts in Euro €</i>
Revenue from sales	€ 1.288.412.352
Internal production	€ 0
VALUE OF OPERATIVE ACTIVITY	€ 1.288.412.352
External operative costs	€ 1.242.947.485
Value added	€ 45.464.867
Labour cost	€ 10.954.814
GROSS OPERATIVE MARGIN	€ 34.510.053
Depreciation and accruals	€ 15.006.232
OPERATIVE PROFIT	€ 19.503.821
Profit/(loss) of ancillary activities	-€ 2.220.986
Net profit/(loss) of financial activities	€ 66.029
EBIT NORMALIZED	€ 17.348.864
Extraordinary profit/(loss)	€ 0
TOTAL EBIT	€ 17.348.864
Cost of financing	€ 3.179.161
GROSS PROFIT	€ 14.169.703
Income taxes	€ 3.992.934
NET PROFIT	€ 10.176.769

INDEXES OF FINANCING OF FIXED ASSETS

		31.03.2018	31.03.2017
Primary margin of structure	<i>Own Capital - Fixed Assets</i>	€ 66.754.286	€ 57.218.360
Primary ratio of structure	<i>Own Capital / Fixed Assets</i>	8,73	8,16
Secondary margin of structure	<i>(Own Capital + L-T Liabilities) - Fixed Assets</i>	€ 66.754.286	€ 57.218.360
Secondary ratio of structure	<i>(Own Capital + L-T Liabilities) / Fixed Assets</i>	8,73	8,16

INDEXES OF STRUCTURE OF FINANCING

		31.03.2018	31.03.2017
Total indebtedness ratio	<i>(L-T Liabilities + Current Liabilities) / Own Capital</i>	3,27	3,50
Financing ratio	<i>Liabilities from financing / Own Capital</i>	0,00	0,00

PROFITABILITY INDEXES

		31.03.2018	31.03.2017
Net ROE	<i>Net Profit / Average Own Capital</i>	13,50%	12,27%
Gross ROE	<i>Gross Profit / Average Own Capital</i>	18,80%	18,17%
ROI	<i>Operating Profit / (Average operative invested capital - Average operative liabilities)</i>	25,87%	28,09%
ROS	<i>Operative Profit / Revenue from sales</i>	1,51%	1,50%

SOLVENCY INDICATORS

		31.03.2018	31.03.2017
Current margin	<i>Working Capital - Current Liabilities</i>	€ 66.754.286	€ 57.218.360
Current ratio	<i>Working Capital / Current Liabilities</i>	1,27	1,25
Cash margin	<i>(cash and cash equivalents + trade and receivables) - current liabilities</i>	-€ 423.126	-€ 35.670.974
Cash ratio	<i>(cash and cash equivalents + trade and receivables) / current liabilities</i>	1,00	0,84