OFFERING MEMORANDUM

NOT FOR GENERAL CIRCULATION
IN THE UNITED STATES

Jaguar Land Rover PLC

£1,000,000,000 equivalent
£500,000,000 8.125% Senior Notes due 2018
$410,000,000 7.750% Senior Notes due 2018
$410,000,000 8.125% Senior Notes due 2021

Guaranteed on a senior unsecured basis by Jaguar Cars Limited, Land Rover, Jaguar Land Rover North America, LLC, Land Rover Exports Limited and Jaguar Cars Exports Limited

---

The 8.125% Senior Notes due 2018 are issued in the aggregate principal amount of £500,000,000 (the "2018 Sterling Notes"), the 7.750% Senior Notes due 2018 are issued in the aggregate principal amount of $410,000,000 (the "2018 US Dollar Notes") and the 8.125% Senior Notes due 2021 are issued in the aggregate principal amount of $410,000,000 (the "2021 US Dollar Notes" and, together with the 2018 US Dollar Notes, the "US Dollar Notes," and together with the 2018 Sterling Notes, the "Notes").

The 2018 Sterling Notes bear interest at the rate of 8.125% per annum, the 2018 US Dollar Notes bear interest at the rate of 7.750% per annum and the 2021 US Dollar Notes bear interest at the rate of 8.125% per annum, in each case payable semi-annually in arrears on 15 May and 15 November of each year, beginning on 15 November 2011. The 2018 Sterling Notes and the 2018 US Dollar Notes will mature on 15 November 2018 and the 2021 US Dollar Notes will mature on 15 November 2021. In the event of a Change of Control (as defined herein), Jaguar Land Rover PLC (the "Issuer") must make an offer to purchase each series of the Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest to the date of purchase.

The Notes are the Issuer's senior obligations and rank equally in right of payment with all existing and future indebtedness of the Issuer that is not subordinated in right of payment to the Notes and are senior in right of payment to all existing and future indebtedness of the Issuer that is subordinated in right of payment to the Notes. The Notes are fully and unconditionally guaranteed on a senior unsecured basis by Jaguar Cars Limited, Land Rover, Jaguar Land Rover North America, LLC, Land Rover Exports Limited and Jaguar Cars Exports Limited (the "Guarantors"). The guarantees of the Notes by each of the Guarantors (the "Note Guarantees") rank equally in right of payment with all of the existing and future indebtedness of such Guarantor that is not subordinated in right of payment to the Note Guarantees, and senior in right of payment to all existing and future indebtedness of such Guarantor that is subordinated in right of payment to the Note Guarantees. The Notes and the Note Guarantees are also effectively subordinated to all of the Issuer's and each of the Guarantors' existing and future secured debt to the extent of the value of the assets securing such debt and to all existing and future debt of all the Issuer's subsidiaries that do not guarantee the Notes.

Currently, there is no public market for the Notes. Application has been made to admit the Notes to the Official List of the Luxembourg Stock Exchange and to trading on the Luxembourg Stock Exchange's Euro MTF market (the "Euro MTF Market"). The Euro MTF Market is not a regulated market pursuant to the provisions of Directive 2004/39/EC. This Offering Memorandum constitutes a prospectus for the purpose of the Luxembourg law dated 10 July 2005 on Prospectuses for Securities.

Investing in the Notes involves risks. Please see "Risk Factors" beginning on page 24.

The Notes and the Note Guarantees have not been registered under the US Securities Act of 1933, as amended (the "US Securities Act"), or any state securities laws. Accordingly, the Notes and the Note Guarantees are being offered and sold only to qualified institutional buyers ("QIBs") in accordance with Rule 144A under the US Securities Act ("Rule 144A") and outside the United States in offshore transactions in accordance with Regulation S under the US Securities Act ("Regulation S"). Prospective purchasers that are QIBs are hereby notified that the seller of the Notes may be relying on the exemption from the registration requirements under the US Securities Act provided by Rule 144A.

Price of the 2018 Sterling Notes: 100.000% plus accrued interest, if any, from 19 May 2011
Price of the 2018 US Dollar Notes: 100.000% plus accrued interest, if any, from 19 May 2011
Price of the 2021 US Dollar Notes: 100.000% plus accrued interest, if any, from 19 May 2011

The Notes will be issued in the form of global notes in registered form. Please see "Book-entry; Delivery and Form."

Joint Physical Bookrunners

Citi **Credit Suisse** **J.P. Morgan** **Standard Chartered Bank**

23 May 2011

TABLE OF CONTENTS

IMPORTANT INFORMATION

You should rely only on the information contained in this offering memorandum (the "Offering Memorandum"). None of the Issuer, the Guarantors or Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, J.P. Morgan Securities Ltd., J.P. Morgan Securities LLC and Standard Chartered Bank (collectively, the "initial purchasers") has authorised anyone to provide you with any information or represent anything about the Issuer, the Guarantors or the initial purchasers, the Issuer's financial results or this offering that is not contained in this Offering Memorandum. If given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, the Guarantors or the initial purchasers. None of the Issuer, the Guarantors or the initial purchasers is making an offering of the Notes in any jurisdiction where this offering is not permitted. You should not assume that the information contained in this Offering Memorandum is accurate as at any date other than the date on the front of this Offering Memorandum.

In making an investment decision, prospective investors must rely on their own examination of the Issuer and the terms of this offering, including the merits and risks involved.

This Offering Memorandum has been prepared by the Issuer solely for use in connection with the proposed offering of the Notes described in this Offering Memorandum and for application for listing particulars to be approved by the Luxembourg Stock Exchange and for each series of Notes to be admitted to the Official List of the Luxembourg Stock Exchange and admitted to trading on its Euro MTF Market. This Offering Memorandum may only be used for this purpose. This Offering Memorandum does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes. Each prospective investor, by accepting delivery of this Offering Memorandum, agrees to the foregoing.

In addition, none of the Issuer, the Guarantors or the initial purchasers or any of our or their respective representatives is making any representation to you regarding the legality of an investment in the Notes, and you should not construe anything in this Offering Memorandum as legal, business or tax advice. You should consult your own advisers as to legal, tax, business, financial and related aspects of an investment in the Notes. You must comply with all laws applicable in any jurisdiction in which you buy, offer or sell the Notes or possess or distribute this Offering Memorandum, and you must obtain all applicable consents and approvals; none of the Issuer, the Guarantors or the initial purchasers shall have any responsibility for any of the foregoing legal requirements.

The Issuer is an indirect, wholly owned subsidiary of Tata Motors Limited ("Tata Motors"). Tata Motors does not assume any liability for or guarantee the Notes and investors in the Notes will not have any recourse against Tata Motors in the event of default by Jaguar Land Rover PLC or any of the Guarantors of their respective obligations under the terms of the Notes and the Note Guarantees.

The initial purchasers make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this Offering Memorandum. Nothing contained in this Offering Memorandum is, or shall be relied upon as, a promise or representation by the initial purchasers as to the past or future.

The Issuer accepts responsibility for the information contained in this Offering Memorandum. To the best of the Issuer's knowledge and belief, the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information. However, the information set out under the headings "Exchange Rates," "Summary," "Operating and Financial Review and Prospects" and "Our Business" includes extracts from information and data, including industry and market data and estimates, released by publicly available sources in Europe and elsewhere. While we accept responsibility for the accurate extraction and summarisation of such information and data, we have not independently verified the accuracy of such information and data and we accept no further responsibility in respect thereof.

Unless the context indicates otherwise, when we refer to "we," "us," "our," "Jaguar Land Rover," "the Group" and "our Group" for the purposes of this Offering Memorandum, we are referring to the Issuer and its subsidiaries.

The information set out in relation to sections of this Offering Memorandum describing clearing arrangements, including the section entitled "Book-Entry; Delivery and Form," is subject to any change in or reinterpretation of the rules, regulations and procedures of The Depository Trust Company ("DTC"), Euroclear Bank S.A./N.V. ("Euroclear") or Clearstream Banking, *sociéte anonyme* ("Clearstream Banking") currently in effect. While the Issuer accepts responsibility for accurately summarising the information concerning DTC, Euroclear and Clearstream Banking, they accept no further responsibility in respect of such information. In addition, this Offering Memorandum contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of documents referred to herein will be made available to prospective investors upon request to us or the initial purchasers.

By receiving this Offering Memorandum, you acknowledge that you have had an opportunity to request from the Issuer for review, and that you have received, all additional information you deem necessary to verify the accuracy and completeness of the information contained in this Offering Memorandum. You also acknowledge that you have not relied on the initial purchasers in connection with your investigation of the accuracy of this information or your decision whether to invest in the Notes.

The Issuer reserves the right to withdraw this offering at any time. The Issuer is making this offering subject to the terms described in this Offering Memorandum and the purchase agreement relating to the Notes entered into between the Issuer and the initial purchasers (the "Purchase Agreement"). The Issuer and the initial purchasers reserve the right to reject all or a part of any offer to purchase the Notes, for any reason. The Issuer and the initial purchasers also reserve the right to sell less than all of the Notes offered by this Offering Memorandum or to sell to any purchaser less than the amount of Notes it has offered to purchase.

None of the US Securities and Exchange Commission (the "SEC"), any state securities commission or any other regulatory authority has approved or disapproved of the Notes, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offence in the United States and could be a criminal offence in other countries.

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold, except as permitted under the US Securities Act and the applicable state securities laws, pursuant to registration or exemption therefrom. As a prospective investor, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. Please refer to the sections in this Offering Memorandum entitled "Plan of Distribution" and "Notice to Investors."

The distribution of this Offering Memorandum and the offering and sale of the Notes in certain jurisdictions may be restricted by law. Please see "Notice to US Investors," "Notice to EEA Investors," "Notice to UK Investors" and "Notice to Italian Investors."

The Notes will be issued in the form of one or more global notes. Please see "Book-Entry; Delivery and Form."

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED, 1955, AS AMENDED, ("RSA 421-B") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO US INVESTORS

Each purchaser of the Notes will be deemed to have made the representations, warranties and acknowledgements that are described in this Offering Memorandum under "Notice to Investors."

The Notes offered hereby have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered or sold in the United States, except to "qualified institutional buyers" within the meaning of Rule 144A in reliance on an exemption from the registration requirements of the US Securities Act provided by Rule 144A. Prospective sellers are hereby notified that the sellers of the Notes may be relying on the exemption from the registration requirements of Section 5 of the US Securities Act provided by Rule 144A. The Notes may be offered and sold outside the United States in reliance on Rule 903 or Rule 904 of Regulation S. For a description of certain further restrictions on resale or transfer of the Secured Notes, see "Notice to Investors."

The Notes described in this Offering Memorandum have not been registered with, recommended by or approved by the SEC, any state securities commission in the United States or any other securities commission or regulatory authority, nor has the SEC, any state securities commission in the United States or any such securities commission or authority passed upon the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offence.

THE NOTES MAY NOT BE OFFERED TO THE PUBLIC WITHIN ANY JURISDICTION. BY ACCEPTING DELIVERY OF THIS OFFERING MEMORANDUM, YOU AGREE NOT TO OFFER, SELL, RESELL, TRANSFER OR DELIVER, DIRECTLY OR INDIRECTLY, ANY NOTES TO THE PUBLIC.

NOTICE TO EEA INVESTORS

In relation to any Member State of the European Economic Area that has implemented the Prospectus Directive (each, a "Relevant Member State"), each initial purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of the Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the

Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in the Relevant Member State at any time:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant Initial Purchaser nominated by the Issuer for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the Notes shall result in a requirement for the publication by the Issuer, the Guarantors or the initial purchasers of a prospectus pursuant to Article 3 of the Prospectus Directive or a supplement pursuant to Article 16 of the Prospectus Directive.

For the purposes of this section, the expression an "offer of notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

NOTICE TO UK INVESTORS

This Offering Memorandum is for distribution only to, and is directed solely at, persons who (i) are investment professionals, as such term is defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc") of the Financial Promotion Order, or (iii) are outside the United Kingdom (all such persons together being referred to as "relevant persons"). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this Offering Memorandum or any of its contents.

NOTICE REGARDING SERVICE OF PROCESS AND ENFORCEMENT OF JUDGMENTS

SUBSTANTIALLY ALL OF THE DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER ARE NON-RESIDENTS OF THE UNITED STATES. ALL OR A SUBSTANTIAL PORTION OF THE ASSETS OF SUCH NON-RESIDENT PERSONS AND A SUBSTANTIAL PORTION OF THE ASSETS OF THE ISSUER ARE LOCATED OUTSIDE THE UNITED STATES. AS A RESULT, IT MAY NOT BE POSSIBLE FOR INVESTORS TO EFFECT SERVICE OF PROCESS WITHIN THE UNITED STATES UPON SUCH PERSONS OR THE ISSUER, OR TO ENFORCE AGAINST THEM IN US COURTS JUDGMENTS OBTAINED IN SUCH COURTS PREDICATED UPON THE CIVIL LIABILITY PROVISIONS OF THE FEDERAL SECURITIES LAWS OF THE UNITED STATES. FURTHERMORE, THE ISSUER IS ADVISED THAT: (1) RECOGNITION AND ENFORCEMENT IN ENGLAND AND WALES OF JUDGMENTS IN CIVIL AND COMMERCIAL MATTERS FROM US FEDERAL OR STATE COURTS IS NOT AUTOMATIC BUT IS INSTEAD SUBJECT TO VARIOUS CONDITIONS BEING MET; AND (2) IT IS QUESTIONABLE WHETHER THE COURTS OF ENGLAND AND WALES WOULD ACCEPT JURISDICTION AND IMPOSE CIVIL LIABILITY IF THE ORIGINAL ACTION WAS

COMMENCED IN ENGLAND AND WALES, INSTEAD OF THE UNITED STATES, AND PREDICATED SOLELY UPON US FEDERAL SECURITIES LAWS.

STABILISATION

In connection with the offering of the Notes, Citigroup Global Markets Limited (the "Stabilising Manager") (or persons acting on behalf of the Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offering of the Notes is made and, if begun, may be ended at any time, but it must end no later than 30 days after the date on which the Issuer received the proceeds of the issue, or no later than 60 days after the date of the allotment of the Notes, whichever is the earlier.

NOTES ON DEFINED TERMS USED IN THIS OFFERING MEMORANDUM

The following terms used in this Offering Memorandum have the meanings assigned to them below:

"Board" or "board of directors"	The board of directors of the Issuer.
"British pounds," "GBP," "pounds sterling," "sterling," or "£"	Pounds sterling, the currency of the United Kingdom.
"CKD" or "Complete Knock Down"	A complete kit containing all of the parts needed to assemble a vehicle. The parts are typically manufactured in one country or region, and then exported to another country or region for final assembly. CKD is a common practice within the automotive industry, the bus and heavy truck industry, and the rail vehicle industry.
"euro," "EUR" or "€"	Euro, the currency of the European Union Member States participating in the European Monetary Union.
"Financial Period 2009"	Period from 18 January 2008 to 31 March 2009.
"Fiscal year"	Year beginning 1 April and ended 31 March of the following year.
"Fiscal 2009"	Year beginning 1 April 2008 and ended 31 March 2009.
"Fiscal 2010"	Year beginning 1 April 2009 and ended 31 March 2010.
"Fiscal 2011"	Year beginning 1 April 2010 and ended 31 March 2011.
"Fiscal 2012"	Year beginning 1 April 2011 and ended 31 March 2012.
"IFRS"	International Financial Reporting Standards as adopted by the International Accounting Standards Board.
"Indenture"	The indenture governing the Notes offered hereby.
"Indian GAAP"	Accounting principles generally accepted in India.
"Indian rupees"	Indian rupees, the lawful currency of India.
"Jaguar Land Rover," "Jaguar Land Rover Group," "Group," "we," "us" and "our"	Jaguar Land Rover PLC and its subsidiaries (including any of their predecessors).
"Issuer"	Jaguar Land Rover PLC, a company incorporated under the laws of England and Wales.
"JPY"	Japanese yen, the lawful currency of Japan.
"LIBOR"	London Interbank Offered Rate.
"Light vehicles"	Cars and light commercial vehicles as categorised by IHS Automotive.
"National sales companies" or "NSCs"	National sales companies for Jaguar Land Rover products.

"Premium cars"	Segment of the automotive industry comprising those brands categorised by IHS Automotive as premium brand, namely Acura, Alfa Romeo, Aston Martin, Audi, Bentley, BMW, Bugatti, Cadillac, De Tomaso, Ferrari, Fisker, Hummer, Infiniti, Jaguar, Lamborghini, Lancia, Land Rover, Lexus, Lincoln, Lotus, Maserati, Maybach, McLaren, Mercedes Benz, Mini, Morgan, Porsche, Rolls Royce, Saab, Tesla, TVR and Volvo.
"R&D"	Research and development.
"Rest of Europe"	Europe, excluding the United Kingdom and Russia.
"Russian Rouble"	Russian Roubles, the lawful currency of Russia.
"SEC"	United States Securities and Exchange Commission.
"Sports Utility Vehicles" or "SUVs"	Segment of the automotive industry, which includes mini, sub-compact, compact, standard and luxury full-size SUV vehicles, according to IHS Automotive's global segmentation system. Sizes vary from less than 3,800 mm (mini SUVs) to more than 4,800 mm (luxury full-size SUVs).
"US dollars," "USD," "US$" or "$"	US dollars, the currency of the United States.
"US GAAP"	Accounting principles generally accepted in the United States of America.
"Wholesale volumes"	Aggregate number of finished vehicles sold to (i) dealers in the United Kingdom or foreign markets in which we have established an NSC and (ii) importers in all other markets. Generally, we recognise revenue on the sale of finished vehicles and parts (net of discounts, sales incentives, customer bonuses and rebates granted) when products are delivered to dealers and, in connection with sales to importers, when products are delivered to a carrier for export sales.

PRESENTATION OF FINANCIAL AND OTHER DATA

Issuer

Jaguar Land Rover PLC, which is the intermediate holding company of the Jaguar Land Rover business, was incorporated in England and Wales as a private limited company on 18 January 2008, and registered under the name TML Holdings Limited on 6 February 2008 and the name JaguarLandRover Limited on 9 June 2008. On 6 April 2011, it was re-registered in England and Wales as a public limited company. The Issuer is a direct, wholly owned subsidiary of TML Holdings PTE Limited (Singapore) ("TMLH"), itself wholly owned by Tata Motors. Tata Sons Limited ("Tata Sons"), together with its subsidiaries, owned 34.7% of the voting rights of capital in Tata Motors as at 31 December 2010. In this Offering Memorandum, we refer to, and present consolidated financial information for, the Issuer and its consolidated subsidiaries.

The Issuer was formed on 18 January 2008 by Tata Motors to acquire Jaguar Cars Limited and Land Rover from Ford Motor Company ("Ford"). The transaction was consummated on 2 June 2008. Therefore, our financial statements for Financial Period 2009 are for the period from 18 January 2008 to 31 March 2009, but our results of operations reflect the trading of the Jaguar and Land Rover businesses from 2 June 2008 to 31 March 2009. This may make it difficult to compare our results of operations and financial condition or to estimate our results of operations in the future.

Corporate Reorganisation

On 31 March 2011:

- the Issuer converted 1,001,284,322 \$1.00 ordinary shares to 500,642,161 £1.00 ordinary shares;
- the Issuer converted two £1.00 deferred ordinary shares to two £1.00 ordinary shares, ranking *pari passu* with the other ordinary shares;
- the Issuer converted 11,015,000 7.25% \$100.00 preference shares into 1,000 million £1.00 ordinary shares ranking *pari passu* with the other ordinary shares, and 407,052,620 7.25% £1.00 non-cumulative redeemable preference shares; and
- the Issuer redeemed 250 million 7.25% £1.00 preference shares to reduce the outstanding balance of preference shares to 157,052,620. The Issuer will use part of the net proceeds from the issue of the Notes to extinguish the liability arising from this redemption. Please see "Use of Proceeds."

On 6 April 2011, the Issuer re-registered in England and Wales as a public limited company.

These actions are collectively referred to in this Offering Memorandum as the "Corporate Reorganisation."

Financial Statements and Other Financial Information

This Offering Memorandum includes:

- the audited consolidated financial statements of Jaguar Land Rover PLC and its subsidiaries for the financial year ended and as at 31 March 2010 and the period commencing 18 January 2008 and ended 31 March 2009 which reflects the trading of the Jaguar and Land Rover businesses from 2 June 2008 to 31 March 2009 (the "2010 and 2009 Consolidated Financial Statements");
- the unaudited, condensed consolidated interim financial statements of Jaguar Land Rover PLC and its subsidiaries as at and for the nine months ended 31 December 2010 (the "Condensed Consolidated 2010 Interim Financial Statements" and, together with the 2010 and 2009 Consolidated Financial Statements, the "Consolidated Financial Statements"); and

- the unaudited, condensed consolidated financial information for the 12 months ended 31 December 2010 for Jaguar Land Rover PLC and its subsidiaries, which have been derived by aggregating without adjustments the relevant results of the year ended 31 March 2010 and the nine months ended 31 December 2010 and subtracting the nine months ended 31 December 2009 to derive results for the 12 months to 31 December 2010.

Except as otherwise noted below, the Consolidated Financial Statements have been prepared in accordance with IFRS, including interpretations of the International Financial Reporting Interpretations Committee. In making an investment decision, you must rely upon your own examination of the terms of the offering of the Notes and the financial information contained in this Offering Memorandum. You should consult your own professional advisers for an understanding of the differences between IFRS and US GAAP and how those differences could affect the financial information contained in this Offering Memorandum. There are a number of differences between IFRS and US GAAP. The company has not prepared financial statements in accordance with US GAAP or reconciled its financial statements to US GAAP and is therefore unable to identify or quantify the differences that may impact the company's reported profits, financial position or cash flows were they to be reported under US GAAP.

We would not be able to capitalise product development costs if we were to prepare our financial statements in compliance with US GAAP. Under IFRS, research costs are charged to the income statement in the year in which they are incurred. Product development costs incurred on new vehicle platforms, engine, transmission and new products must, however, be capitalised and recognised as intangible assets when (i) feasibility has been established, (ii) we have committed technical, financial and other resources to complete the development and (iii) it is probable that the relevant asset will generate probable future economic benefits. The costs capitalised include the cost of materials, direct labour and directly attributable overhead expenditure incurred up to the date the asset is available for use. Interest costs incurred in connection with the relevant development are capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings if no specific borrowings have been incurred for the asset. We amortise product development costs on a straight-line basis over the estimated useful life of the intangible assets. Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment loss.

The preparation of financial statements in conformity with IFRS requires us to use certain critical accounting estimates. It also requires our board of directors (the "Board") to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Consolidated Financial Statements, are described in "Operating and Financial Review and Prospects—Critical Accounting Policies."

The Consolidated Financial Statements have been prepared based on a 1 April to 31 March fiscal year ("Fiscal year") and are presented in British pounds rounded to the nearest 0.1 million. The Consolidated Financial Statements have been prepared under the historical cost convention modified for certain items carried at fair value, as stated in the accounting policies set out in the Consolidated Financial Statements.

The consolidated financial data for the 12 months ended 31 March 2010 and for the period commencing 18 January 2008 and ended 31 March 2009 for Jaguar Land Rover included in the sections of this Offering Memorandum headed "Summary Consolidated Financial and Other Data" and "Selected Consolidated Financial and Other Data" do not constitute the statutory accounts of the Issuer within the meaning of Section 435 (1) and (2) of the Companies Act 2006.

Statutory accounts are accounts for a financial year required to be delivered to the registrar under Section 441 of the Companies Act 2006. Statutory accounts of the Issuer for the year ended 31 March 2010 and for its financial period from 18 January 2008 to 31 March 2009 have been delivered to the

Registrar of Companies in England and Wales. The Issuer's auditors made an unqualified report on the accounts for the said periods and such reports did not contain any statement under Sections 498 (2) or (3) of the Companies Act 2006 (in the case of the accounts for the year ended 31 March 2010) or under Sections 237(2) or (3) of the Companies Act 1985 (in the case of the accounts for the financial period ended 31 March 2009).

Non-IFRS Financial Measures

In this Offering Memorandum, we have included references to certain non-IFRS measures, including EBITDA. EBITDA is not an IFRS measure and should not be construed as an alternative to any IFRS measure such as revenue, gross profit, other income, net profit or cash flow from operating activities. We define "EBITDA" as net income attributable to shareholders before income tax, finance expense (net of capitalised interest), finance income, the excess of fair value of net assets acquired over cost of acquisition, depreciation and amortisation. In this Offering Memorandum, we present EBITDA and related ratios for Jaguar Land Rover PLC and its consolidated subsidiaries. EBITDA and related ratios should not be considered in isolation and are not measures of our financial performance or liquidity under IFRS and should not be considered as an alternative to profit or loss for the period or any other performance measures derived in accordance with IFRS or as an alternative to cash flow from operating, investing or financing activities or any other measure of our liquidity derived in accordance with IFRS. EBITDA does not necessarily indicate whether cash flow will be sufficient or available for cash requirements and may not be indicative of our results of operations. In addition, EBITDA, as we define it, may not be comparable to other similarly titled measures used by other companies.

We believe that EBITDA is a useful indicator of our ability to incur and service our indebtedness and can assist certain investors, security analysts and other interested parties in evaluating us. You should exercise caution in comparing EBITDA as reported by us to EBITDA, or adjusted variations of EBITDA, of other companies. EBITDA as presented in this Offering Memorandum differs from the definition of "Consolidated EBITDA" that is contained in the Indenture. EBITDA has limitations as an analytical tool, and you should not consider it in isolation. Some of these limitations include the following: (i) it does not reflect our capital expenditures or capitalised product development costs, our future requirements for capital expenditures or our contractual commitments; (ii) it does not reflect changes in, or cash requirements for, our working capital needs; (iii) it does not reflect the significant interest expense, or the cash requirements necessary, to service interest or principal payments on our debt; and (iv) although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised will often need to be replaced in the future and EBITDA does not reflect any cash requirements that would be required for such replacements.

We also include quarterly financial information based on internal management financial information prepared in accordance with Generally Accepted Accounting Principles in India ("Indian GAAP"). Please see "Summary—Historical Unaudited Quarterly Internal Management Financial Information." Finally, we also present certain financial information of Tata Motors prepared in accordance with Indian GAAP in Indian rupees and converted to US dollars at an exchange rate of 44.50 Indian rupees to the US dollar.

The financial information included in this Offering Memorandum is not intended to comply with reporting requirements of the SEC and will not be subject to review by the SEC.

INDUSTRY AND MARKET DATA

Throughout this Offering Memorandum, we have used industry and market data obtained from independent industry and official publications, market research, internal surveys and estimates, and other publicly available information. International industry data, including production and sales forecasts for the global automotive industry, have been derived from published reports of IHS

Automotive. IHS Automotive has not reviewed or approved the contents of this Offering Memorandum. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed. We believe that such data is useful in helping investors understand the industry in which we operate and our position within the industry. However, we do not have access to the facts and assumptions underlying the numerical data and other information extracted from publicly available sources and have not independently verified any data provided by third parties or industry or general publications. Neither we nor any of the initial purchasers make any representation as to the accuracy of such information. Similarly, while we believe that our internal surveys or estimates are reliable, they have not been verified by independent sources and we cannot assure you of their accuracy.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains certain forward-looking statements within the meaning of the US federal securities laws. These forward-looking statements involve known and unknown risks, uncertainties and other factors which are in some cases beyond our control and may cause our actual results or performance to differ materially from those expressed or implied by such forward-looking statements, including, among other things:

- global economic, political and social conditions and the competitive environment in the United Kingdom and the Rest of Europe, the United States, China and other markets in which we operate and sell our products could have a significant adverse impact on our sales and results of operations;
- the potential for new drive technologies being developed and the resulting effects on the automobile market;
- accidents and natural disasters, including the effects of the recent natural disasters in Japan;
- government policies, including those specifically regarding the automotive industry, such as industrial licensing, environmental regulations, safety regulations, import restrictions and duties, excise duties, sales taxes, value added taxes, product range restrictions, diesel and gasoline prices and road network enhancement projects;
- our being subject to extensive government regulation and the potential that we may not be able to comply with existing regulations and requirements or changes in such regulations or requirements;
- the implementation and success of new products, designs and innovations, and changing consumer demand for the premium cars and all-terrain vehicles we sell;
- the implementation of new projects and growth strategies, including cost-reduction efforts and entry into new markets and any potential mergers and acquisitions in the future;
- our operations could expose us to economic, political and other risks, including unexpected changes in regulatory and legal regimes, political instability, wars, terrorism, multinational conflicts, natural disasters, fuel shortages/prices, epidemics, labour strikes and other risks in the markets in which we operate and in emerging market countries in which we plan to expand;
- the availability and cost of consumer finance to our customers and fluctuations in used car valuations;
- contractual arrangements with suppliers and disruptions in supply, shortages of raw materials or underperformance of our distribution channels;
- our dependence on the performance by third parties of their contractual obligations;
- disruptions to our manufacturing, design and engineering facilities;
- significant movements in the prices of key inputs such as steel, aluminium, rubber and plastics;
- vulnerability to volatility in the price and availability of fuel;
- the seasonal effect of a substantial decrease in our sales during certain quarters could have a material adverse impact on our financial performance;
- credit and liquidity risks and the terms on which we finance our working capital and capital and product development expenditures and investment requirements;
- fluctuations in the currency exchange rate of our revenues against those currencies in which we incur costs and our functional currency;
- interest rate fluctuations may affect the cost of our interest-bearing liabilities;

- potential product liability, warranties and recalls of the products we manufacture;
- the protection and preservation of our intellectual property;
- potential labour unrest and the loss of one or more key personnel or the potential inability to attract and retain highly qualified employees;
- pension obligations may prove more costly than currently anticipated and the market value of assets in our pension plans could decline;
- our potential inability to obtain insurance for certain risks under terms acceptable to us;
- our reliance on information technology for trading and corporate business;
- our potential obligation to guarantee the obligations of our subsidiaries, joint ventures and associates in connection with their trading activities; and
- other factors beyond our control.

All statements other than statements of historical facts included in this Offering Memorandum, including, without limitation, statements regarding our future financial position, risks and uncertainties related to our business, strategy, capital expenditures, projected costs and our plans and objectives for future operations, if any, may be deemed to be forward-looking statements. These forward-looking statements are subject to a number of risks and uncertainties, including those identified above and under the "Risk Factors" section in this Offering Memorandum. Words such as "believe," "expect," "anticipate," "project," "may," "intend," "aim," "will," "should," "estimate" and similar expressions or the negatives of these expressions are intended to identify forward-looking statements. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The risks described in the "Risk Factors" section in this Offering Memorandum are not exhaustive. Other sections of this Offering Memorandum describe additional factors that could adversely affect our business, financial condition or results of operations. Moreover, we operate in a very competitive and rapidly changing environment. We may face new risks from time to time, and it is not possible for us to predict all such risks, nor can we assess the impact of all such risks on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not place undue reliance on forward-looking statements as a prediction of actual results.

In addition, the section entitled "Our Industry and Markets" in this Offering Memorandum contains production and sales forecasts for the global automotive industry made by IHS Automotive. These forecasts have been prepared by IHS Automotive, an external provider of industry data, and have not been independently verified. These forecasts are subject to the factors, risks and uncertainties identified above and may be deemed to be forward-looking statements. There can be no assurance that these forecasts will prove to be accurate. Forecasts are necessarily based on numerous different assumptions and any difference between the assumptions used and actual facts could cause the actual results to be materially different (either lower or higher) from the forecasts.

The inclusion of the forecasts in this Offering Memorandum should not be viewed as a representation by us, the initial purchasers, IHS Automotive or any other person that these assumptions will be realised, in whole or in part, or that these assumptions will be predictive of future results. Prospective investors should not place undue reliance on the forecasts and should make their own independent assessment of our future prospects and the risks relating to the global automotive market or the markets in which we operate. You are cautioned not to make an investment in the Notes solely on the basis of forward-looking information about the future prospects of the automotive industry in general or the future levels of production or sales of light vehicles in particular.

EXCHANGE RATES

Exchange Rate between British Pounds and the US Dollar

The table below sets out the period end, the average, high and low exchange rates (representing, for any day, the Federal Reserve Bank of New York noon-buying rate on such day) expressed in US dollars per £1.00, for the years indicated.

	US dollars per British pound[1]			
Year ended 31 March	**Period end**	**Average[2]**	**High**	**Low**
2007	1.9685	1.9095	1.9847	1.7389
2008	1.9855	2.0132	2.1104	1.9405
2009	1.4300	1.7040	2.0038	1.3658
2010	1.5186	1.5994	1.6977	1.4402
2011	1.6048	1.5573	1.6387	1.4344

(1) Source: Bloomberg.

(2) The average noon buying rate for British pounds on the last day of each month during the applicable period.

The table below sets out the period end, high and low exchange rates, expressed in US dollars per £1.00, for each of the six months prior to the date of this Offering Memorandum.

	US dollars per British pound[1]		
Month	**Period end**	**High**	**Low**
November 2010	1.5578	1.6282	1.5557
December 2010	1.5392	1.5882	1.5361
January 2011	1.6042	1.6042	1.5490
February 2011	1.6247	1.6247	1.5986
March 2011	1.6048	1.6387	1.5983
April 2011	1.6691	1.6691	1.6129
May 2011 (to 13 May 2011)	1.6179	1.6690	1.6179

(1) Source: Bloomberg.

The US dollars per British pound exchange rate on 13 May 2011 was $1.6179 = £1.00.

Our inclusion of such translations is not meant to suggest that the British pound amounts actually represent such US dollar amounts or that such amounts could have been converted into US dollars at such rate or any other rate. For a discussion of the impact of the exchange rate fluctuations on our financial condition and results of operations, please see "Operating and Financial Review and Prospects." We did not use the rates listed above in the preparation of our Consolidated Financial Statements.

SUMMARY

The following summary highlights selected information from this Offering Memorandum and does not contain all of the information that you should consider before investing in the Notes. This Offering Memorandum contains specific terms of the Notes, as well as information about our business and detailed financial data. You should read this Offering Memorandum in its entirety, including the "Risk Factors" section and our Consolidated Financial Statements and the notes to those statements. In addition, certain statements include forward-looking information that involves risks and uncertainties. Please see "Forward-looking Statements."

Unless the context indicates otherwise, when we refer to "we," "us," "our," "Jaguar Land Rover," "the Group" and "our Group" for the purposes of this Offering Memorandum, we are referring to the Issuer and its subsidiaries.

OUR BUSINESS

Overview

We design, develop, manufacture and sell Jaguar premium sports saloons and sports cars and Land Rover premium all-terrain vehicles, as well as related parts and accessories. We have a long tradition as a manufacturer of premium passenger vehicles with internationally recognised brands, an exclusive product portfolio of award-winning vehicles, a global distribution network and strong research and development ("R&D") capabilities. Jaguar and Land Rover collectively received over 80 awards from leading international motoring writers, magazines and opinion formers in 2010.

We operate three major production facilities (employing a total of approximately 10,100 employees as at 31 December 2010) and two advanced design and engineering facilities (employing a total of approximately 5,100 employees as at 31 December 2010, which includes employees at our corporate headquarters located at Gaydon), all of which are located in the United Kingdom. At 31 December 2010, we employed 16,893 employees globally.

We operate a global sales and distribution network designed to achieve geographically diversified sales and facilitate growth in key markets. Our three principal regional markets are North America, the United Kingdom and the Rest of Europe (including Russia), which respectively accounted for 23.2%, 22.8% and 27.8% of our wholesale volumes in the nine months ended 31 December 2010 and 19.4%, 28.4% and 27.3% in Fiscal 2010. We have also increased our presence in China, which accounted for 10.5% of our wholesale volumes in the nine months ended 31 December 2010 and 9.7% in Fiscal 2010.

The Issuer was formed by Tata Motors on 18 January 2008 to acquire Jaguar Cars Limited and Land Rover from Ford. The transaction was consummated on 2 June 2008. We are a wholly owned subsidiary and integrated business division of Tata Motors, a part of the Tata Group, an Indian business conglomerate with operations in more than 80 countries across six continents. Tata Motors is India's leading automobile company and ranks as the third largest bus manufacturer (in the above eight tonne category) and the fourth largest truck manufacturer (in the above eight tonne category) in the world, in each case, as measured by volume of vehicles sold in 2009.

The following table presents our revenue, net income/(loss) attributable to shareholders and EBITDA in Financial Period 2009, Fiscal 2010 and the nine months ended 31 December 2009 and 2010.

	Period commencing on 18 January 2008 and ended 31 March 2009[(1)]	Fiscal year ended 31 March 2010	Nine months ended 31 December 2009	Nine months ended 31 December 2010	Twelve months ended 31 December 2010
	(£ in millions)				
Revenues	4,949.5	6,527.2	4,486.2	7,132.0	9,173.0
Net income/(loss) attributable to shareholders	(402.4)	23.5	(55.8)	773.5	852.8
EBITDA	(197.7)	422.1	244.5	1,124.7	1,302.3

(1) Financial Period 2009 represents the period from 18 January 2008 to 31 March 2009 and the trading of the Jaguar and Land Rover businesses from the date of acquisition on 2 June 2008 to 31 March 2009.

Our recovery in the latter half of Fiscal 2010 and in the nine months ended 31 December 2010 is attributable to improved global economic conditions, a revamped model line-up and better market mix, as well as favourable foreign exchange movements and the positive impact of our cost-containment efforts across our operations.

Our unit sales (on a wholesale basis) under each of our brands for the nine months ended 31 December 2010 and 2009, as well as Fiscal 2010 and Financial Period 2009, are set out in the table below:

	Period commencing on 18 January 2008 and ended 31 March 2009[(1)]	Fiscal year ended 31 March 2010	Nine months ended 31 December 2009	Nine months ended 31 December 2010	Twelve months ended 31 December 2010
	(units)				
Jaguar	47,057	47,418	36,510	42,952	53,860
Land Rover	120,291	146,564	100,468	134,538	180,634
Total	**167,348**	**193,982**	**136,978**	**177,490**	**234,494**

(1) Financial Period 2009 represents the period from 18 January 2008 to 31 March 2009 and the trading of the Jaguar and Land Rover businesses from the date of acquisition on 2 June 2008 to 31 March 2009.

Our vehicles

Jaguar designs, develops and manufactures premium sports saloons and sports cars recognised for their performance, design and unique British style. Jaguar's range of products comprises the XK sports car (coupe and convertible), the XF saloon and the new XJ saloon, accounting for 10.5%, 59.7% and 29.6%, respectively, of the total units sold wholesale in the nine months ended 31 December 2010 (12.0%, 69.5% and 0.7%, respectively, in Fiscal 2010, with the remainder attributable to the now discontinued X-Type).

- Launched in 2006, the all-aluminium XK is Jaguar's premium luxury sports car, combining performance and luxury in coupe and convertible models. The XK was significantly updated in 2009 with a new engine and exterior and interior design enhancements, and the XK range has been further revised with a new look for 2011. The new XKR-S will be launched during 2011, creating a sporting flagship for our revitalised XK line-up. The XKR-S is the fastest and most powerful production sports GT that Jaguar has ever built.

- The XF, launched in 2008, is a premium executive car that merges sports car styling with the sophistication of a luxury saloon. The Jaguar XF is Jaguar's best-selling model across the world by volume and it has garnered more than 80 international awards since its launch, including being named "Best Executive Car" for four years running by What Car? magazine. In 2011, we will launch our four-cylinder 2.2-litre diesel version of the XF with Intelligent Stop-Start Technology, making it the most fuel-efficient Jaguar yet and allowing Jaguar to compete with smaller capacity diesel engines offered by our competitors.
- The XJ is Jaguar's largest luxury saloon vehicle, powered by a choice of supercharged and naturally aspirated 5.0-litre V8 petrol engines and a 3.0-litre diesel engine. A 3.0-litre V6 petrol engine will also be introduced to the Chinese market during 2011. Utilising Jaguar's aerospace-inspired aluminium body architecture, the XJ's lightweight aluminium body provides improved agility and economy. In May 2010, customer deliveries of the new XJ commenced and it received more than 20 international awards in 2010, including "Best Luxury Car" from China's Auto News, "Annual Limousine King" from Quattroroute (Italy), "Luxury Car of the Year" from Top Gear (UK), Automobile Magazine's "2011 Design of the Year" and "Best Executive Sedan" at the Bloomberg Awards in the United States.

Land Rover designs, develops and manufactures premium all-terrain vehicles that aim to differentiate themselves from the competition by their simplicity, ability, strength and durability. Land Rover's range of products comprises the Defender, Freelander 2 (LR2), Discovery 4 (LR4), Range Rover Sport and Range Rover, accounting for 9.7%, 29.9%, 21.1%, 25.8% and 13.5%, respectively, of the total wholesale units sold in the nine months ended 31 December 2010 (11.7%, 30.4%, 20.6%, 24.3% and 13.0%, respectively, in Fiscal 2010).

- The Defender is Land Rover's most capable off-roader, and is recognised as a leading vehicle in the segment targeting extreme all-terrain abilities.
- The Freelander 2 (LR2) is a versatile vehicle for both urban sophistication and off-road capability. For the 2011 Model Year, we offered customers a choice of 4WD and 2WD Freelanders, with an eD4 engine capable of 4.98L/100km which was especially well received in major European markets.
- The Discovery 4 (LR4) is a mid-size SUV that features genuine all-terrain capability. A range of new features, including the new 3.0-litre LR-TDV6 diesel engine, helped to propel the Discovery to the What Car? magazine award for the Best 4x4 for the seventh successive year.
- The Range Rover Sport combines the performance of a sports tourer with the versatility of a Land Rover.
- The Range Rover is the flagship of the brand with a unique blend of British luxury, classic design with distinctive, high-quality interiors and outstanding all-terrain ability. The 2011 Model Year Range Rover, with an all-new 4.4-litre TDV8 engine aiming to achieve a 14% reduction in CO_2 emissions and a 19% improvement in fuel consumption to 7.81L/100km as compared to the 2010 Model Year, has been particularly well received both in England and overseas.

Land Rover products offer a range of powertrains, including turbocharged V6 diesel, V6 petrol engines and V8 naturally aspirated and supercharged petrol engines, with manual and automatic transmissions.

Product design, development and technology

Our vehicles are designed and developed by award-winning design teams, and we are committed to a programme of periodic enhancements in product design. Our two design and development centres are equipped with computer-aided design, manufacturing and engineering tools, and are configured for competitive product development cycle-time and efficient data management. In recent years, we have refreshed the entire Jaguar range under a unified concept and design language and continued to enhance the design of Land Rover's range of all-terrain vehicles.

Our R&D operations currently consist of a single engineering team, with a co-managed engineering function for Jaguar and Land Rover, sharing premium technologies, powertrain designs and vehicle architecture. All of our products are designed and engineered in the United Kingdom. We endeavour to implement the best technologies into our product range to meet the requirements of a globally competitive market. One example of our development capabilities is Jaguar's aluminium body architecture, which we expect will be a significant contributor to further efficiencies in manufacturing and engineering, as well as the reduction of CO_2 emissions. We aim to develop vehicles running on alternative fuels and hybrids and also invest in other programmes for the development of technologies aiming to improve the environmental performance of our vehicles.

Facilities

We operate three automotive manufacturing facilities in the United Kingdom employing approximately 10,100 employees as at 31 December 2010. At Solihull, we produce the Land Rover Defender, Discovery 4, Range Rover and Range Rover Sport models and employ approximately 4,300 employees. At Castle Bromwich, we produce the Jaguar XK, XJ and XF models and employ approximately 2,300 employees. At Halewood, we produce the Freelander and employ approximately 3,500 employees. We will also commence production of the Range Rover Evoque at this facility in 2011. We believe our three existing automotive manufacturing facilities at Solihull, Castle Bromwich and Halewood provide us with a flexible manufacturing footprint to support our present product plans. In addition, we are assessing investment opportunities for establishing a manufacturing and assembly base in China.

In addition to our automotive manufacturing facilities, we also have two product development, design and engineering facilities in the United Kingdom. The facility located at Gaydon houses our design and engineering centre and global headquarters with approximately 3,300 employees, and the facility located at Whitley houses a second design and engineering centre with approximately 1,800 employees, as at 31 December 2010. The Solihull, Gaydon and Whitley facilities are freeholdings, while Castle Bromwich and Halewood are held through a combination of freeholds and long-term leaseholds, generally with nominal rents.

Sales, distribution and financial services

We market Jaguar products in 101 markets and Land Rover products in 174 markets, through a global network of 18 national sales companies ("NSCs"), 84 importers, 61 export partners and 2,241 franchise sales dealers, of which 524 are joint Jaguar and Land Rover dealers. In the nine months ended 31 December 2010, global unit sales of our cars (wholesale) were 23.2% to North America (19.4% in Fiscal 2010), 22.8% to the United Kingdom (28.4% in Fiscal 2010), 22.9% to the Rest of Europe (excluding Russia) (23.1% in Fiscal 2010), 10.5% to China (9.7% in Fiscal 2010), 4.9% to Russia (4.2% in Fiscal 2010), and 15.7% to the rest of the world (15.3% in Fiscal 2010).

We have established robust business processes and systems to ensure that our production plans meet anticipated retail sales demand and to enable the active management of our inventory of finished vehicles and dealer inventory throughout our network. These measures include continuous monitoring of retail volumes (i.e. sales from our dealers to end customers) and the level of inventory of finished vehicles at dealers and inventory en-route from our manufacturing facilities to our national sales companies and dealers. We monitor those inventory levels versus internal "ideal stock" targets that we believe are appropriate for each market and model. The "ideal stock" target reflects specific distribution requirements for each market, including the transit times for those markets. We conduct a monthly "global forecast review" to assess sales running rates and volume expectations over the coming months and use that information to plan sales actions and production actions to meet the market requirements. We have a monthly "sales and programming committee" at which we review the sales forecast and plans, and review and modify our production plans as required in order to meet anticipated sales levels and ensure that our inventory and dealer inventory of finished vehicles is managed to "ideal stock" levels.

We have entered into arrangements with independent partners to provide financing to our customers, including FGA Capital, a joint venture between Fiat Auto and Credit Agricole, for the United Kingdom and European markets, Chase Auto Finance for the US market, and local providers in a number of other key markets. Our financing partners offer our customers a range of consumer financing products that involve either the leasing of the vehicle for a term (with the option to either own the vehicle at maturity upon the payment of a defined balance or return it) or the purchase of the vehicle.

Separation from Ford

The Issuer was formed by Tata Motors on 18 January 2008 to acquire Jaguar Cars Limited and Land Rover from Ford. The transaction was consummated on 2 June 2008. We completed the process of separating operations in markets where Jaguar and Land Rover previously operated as part of Ford in November 2009. In addition, the separation of Jaguar and Land Rover's IT infrastructure and support systems from those of Ford was completed operationally in the first quarter of Fiscal 2011. We continue to source all of our engines from Ford and a joint venture between Ford and PSA Peugeot Citroën ("PSA") under a long-term arrangement on an arm's-length basis. In addition, we have developed the European D-Class ("EuCD") platform technology with Ford and Volvo cars. We do not owe any royalties or charges to Ford for use of the EuCD platform in Land Rover vehicles manufactured by us within the United Kingdom. However, an access fee and royalties are payable to Ford if we wish to manufacture any vehicle using this platform outside of the United Kingdom.

Our Competitive Strengths

We believe that the successful turnaround achieved during the past two years, our current trading performance and our future success are based upon the following key competitive strengths:

Iconic and globally recognised brands built on a strong heritage

We believe that the strong brand heritage and global recognition of Jaguar and Land Rover have helped us to achieve our recent strong operating performance and position us well to benefit from a resurging global economy and strong expected growth in new emerging markets. Founded in 1922, Jaguar has a long tradition of designing and manufacturing premium sports cars and saloons recognised for their design, engineering performance and a distinctive British style. The brand has a strong racing history, with Jaguar first winning the Le Mans race in 1951 and becoming the first manufacturer to win both the Le Mans and the Monte Carlo races in 1956. Since then, Jaguar has won numerous racing titles. Founded in 1948, Land Rover designs and manufactures vehicles known for their simplicity, ability, strength and durability. Land Rover's brand identity is built around utility, reliability and, above all, its all-terrain capability.

Both our Jaguar and Land Rover brands are globally recognised as premium, class-leading and highly differentiated vehicles within their segments as evidenced by consumer demand, sales in more than 170 countries and the many international awards received across different geographical regions (for example, in 2010 our vehicles won "Best Luxury Car" in China (Jaguar XJ), "Car of the Year" in Russia (Jaguar XK), "Best Luxury Vehicle" in Australia (Range Rover) and "All-round SUV of the year" in the United States (Land Rover Discovery) and in 2011 the Range Rover Evoque won the What Car? "Most Exciting Car of 2011" award). Over the years, our brands have achieved a high rate of customer loyalty as recognised by expert opinion formers. For example, the 2010 Jaguar XK and the 2010 Range Rover won the 2010 Polk Automotive Loyalty Awards, a leading fact-based award in the automotive industry that measures owner loyalty on the basis of information collected from millions of car registrations every year.

Award-winning design capabilities and distinct model line-ups

We believe that our business is supported by award-winning design capabilities and distinctive model line-ups. Our two award-winning design teams, led by designers Ian Callum and Gerry McGovern, have a track record of designing contemporary and elegant cars, while retaining the distinctive brand identity of Jaguar and Land Rover.

We believe that Jaguar has a long tradition of producing innovative automobiles exemplified by design icons such as the Jaguar E-type. Today Jaguar's entire product range has been refreshed under a unified design and concept language, upon which we intend to further develop our exclusive product portfolio. We believe that our new design and concept language will help Jaguar appeal to a new and younger audience. We also believe that Land Rover offers one of the most consistent, universally recognised and successful model line-ups within the automotive industry.

Our product development process is highly structured with the aim of allowing us to respond quickly to new market trends and to leverage market opportunities (such as environmental awareness among consumers). We run an annual product development process with regular management reviews and specific product cycle milestones. Two years after the launch of a new vehicle, we generally conduct a feature upgrade with incremental improvements. Four years after the product launch, we aim to conduct a major upgrade to both exterior and interior features. The product cycle normally ends seven years after launch with a new product design and platform. We believe that this product development process is a key factor in our operational efficiency and has helped us to achieve our recent and ongoing success through regular improvements and upgrades to our model line-up. We will continue to strengthen our line-up with new model launches, one of which is the Range Rover Evoque, presently expected to come to market in the latter part of 2011. We expect to implement a variety of product actions on existing vehicles in the next five years, across both brands, including all-new vehicles, powertrain upgrades and body/trim changes, which are expected to support sales growth across wider segments.

The strength of our design capabilities and distinct model line-ups has been widely validated by industry experts. Jaguar and Land Rover have collectively received more than 80 awards from leading international magazines and opinion formers in 2010 and numerous other awards, accolades and recognition throughout their recent history, including, indicatively, "Car of the Decade" (Range Rover) by the readers of *autocar.co.uk* in 2010, "Best Executive Car 2010" (Jaguar XF) by What Car? magazine and the "Classic Concept Award 2010" by Louis Vuitton (C-X75 Concept Car).

Technical excellence with a strong focus on research and development

We develop and manufacture technologically advanced vehicles. For example, we are one of the industry leaders in aluminium body structures, which contribute to the manufacture of lighter vehicles with improved fuel efficiency and performance, while maintaining the body stiffness that customers in the premium segment demand. We have industry-leading capabilities in all-terrain applications, such as Land Rover's "terrain response system," winner of a 2008 Queen's Award for Enterprise: Innovation, which is the all-terrain system that adjusts the performance of vital operating components of the vehicle to different driving and weather conditions. We also aim to be at the forefront of calibration and certification of emissions and fuel economy, with a number of emission-reducing technologies under development (including hybrids, the above-mentioned use of lightweight material, reducing parasitic losses through the driveline and improvements in aerodynamics). For example, the Jaguar XK is the only car in its class that emits less than 300g per km of carbon dioxide. We believe that we are also among the leading automobile manufacturers in the areas of powertrain application engineering and sound quality. Our technical and operational capabilities are supported by a focus on investment in R&D conducted by a team of over 100 engineers in our Research and Advanced System Engineering department. The recently presented concept Jaguar C-X75 range-extended electric vehicle powered by twin-turbines and lithium-ion batteries is one further example of our research-driven product development capabilities.

Global market presence through comprehensive and growing global distribution network

We market and sell our vehicles through a global sales and distribution network designed to achieve geographically diversified sales and facilitate growth in key markets. We sell Jaguar products in 101 markets and Land Rover products in 174 markets through a network of 18 NSCs, 84 importers, 61 export partners and 2,241 franchise sales dealers, of which 524 are joint Jaguar and Land Rover dealers. Our top three regional markets are North America, the United Kingdom and the Rest of Europe (including Russia), which accounted for 23.2%, 22.8% and 27.8%, respectively, of our wholesale volumes in the nine months ended 31 December 2010 (19.4%, 28.4% and 27.3%, respectively, in Fiscal 2010). In addition, over the years we have expanded our global sales and distribution network, and achieved diversification of revenue beyond our core markets to the Rest of Europe and other developed markets.

Our success in established markets and strong brand recognition have positioned us well to capture the significant sales growth experienced in emerging markets, such as China, Russia, India and other countries. In recent years, we have increased our presence in China, with wholesale volumes in the nine months ended 31 December 2010 up to 10.5% of total wholesale volumes, compared with 9.7% in Fiscal 2010. We believe this growth potential in markets with growing affluent populations will counter balance the expected lower rate of sales growth in more mature developed markets and offers significant opportunities to increase and diversify further our sales volumes. Consequently, we are actively investing in our sales network outside our major markets. In China, we have established an NSC and we are aiming to grow the dealer network to 100 locations by the end of 2011. We recently signed a memorandum of understanding to export 40,000 vehicles annually to our growing Chinese client base. We are also in the process of assessing investment opportunities for establishing a manufacturing and assembly base in China. In India, we have established a product development operation and, since April 2011, Freelander vehicle kits have been assembled by Tata Motors in a "complete knock down" ("CKD") assembly facility. We also plan to expand our presence by opening additional dealerships in India.

Profitable growth and strong operating cash generation

In the nine months ended 31 December 2010 and 2009, we generated EBITDA of £1,124.7 million and £244.5 million, respectively, against EBITDA of £422.1 million in Fiscal 2010 and negative EBITDA of £197.7 million in Financial Period 2009.

We generated net income of £773.5 million in the nine months ended 31 December 2010, compared with a net loss of £55.8 million in the equivalent period in 2009. In Fiscal 2010, our net income was £23.5 million and in Financial Period 2009 we had a net loss of £402.4 million.

Since our recovery, we have generated significant cash flow, predominantly from the sale of our vehicles. Our cash generated from operating activities in the nine months ended 31 December 2010, which does not include cash invested in capital expenditure or capitalised product development spending, was £1,246.4 million. The equivalent figure in the nine months ended 31 December 2009 was £326.7 million. Furthermore, we have a strong liquidity position with cash and cash equivalents of £999.7 million and undrawn committed facilities of £236.0 million as at 31 December 2010, which is more than sufficient relative to our short-term working capital requirements.

The substantial improvement in our results of operations, especially our EBITDA, net income and cash and general liquidity position, was attributable to an increase in wholesale volumes and an improvement in product mix associated with the introduction of the new Jaguar XJ and the cessation of the Jaguar X-Type and the continued strength of the Range Rover and Range Rover Sport. We also experienced an improvement in market mix, in particular the strengthening of our business in China, which was supported by the launch of an NSC in China in mid-2010. Further, our performance was also assisted by the positive impact of the strengthening of the US dollar against the pound sterling and the euro, which has positively affected our revenues (a portion of which comprises wholesale volumes in US dollars) against the backdrop of a largely pound sterling and euro cost base. The improvement in our results of operations in the nine months ended 31 December 2010 was also partially attributable to further cost-efficiency improvements in material costs and manufacturing costs, supported by increased production volume levels. We continue to benefit from cost efficiences and effective cash management initiatives we adopted in response to the challenging operating conditions in 2008 and 2009, including the alignment of production with demand, active management of our working capital through extension of the term of trade payables and acceleration of the term of trade receivables while reducing inventories, and scaling down our cost base across our business (including payroll). We expect our strong operating cash generation to fund most product investment requirements and allow for profitable growth in the future.

Experienced and highly qualified senior management team

We have a highly experienced and respected senior management team. Our senior management comprises experienced senior automotive executives with an average tenure of more than 20 years in the automotive industry each. Our chief executive officer, Dr. Ralf Speth, was appointed on 19 February 2010. We believe that the experience, industry knowledge and leadership of our senior management team, evidenced by their ability to turn the business around from the weak operating results of Financial Period 2009 against challenging economic conditions into our recent recovery and profitable sales growth, will help us implement our strategy and achieve further profitable growth.

Shareholder support

We benefit from strong and ongoing support from Tata Motors, our parent company. Tata Motors is India's leading automobile company, and ranks as the third largest bus manufacturer (in the above eight tonne category) and the fourth largest truck manufacturer (in the above eight tonne category) in the world, in each case measured by volume of vehicles sold in 2009. Tata Motors holds a strong domestic position in India in the commercial vehicle segment with an estimated market share by volume of more than 55% in Fiscal 2010. Further, in the passenger vehicle segment, Tata Motors is the third largest in India by volume sold in 2010, and it has over 1,400 customer sales points in the country. Tata Motors also developed the Nano, an economical micro-compact passenger vehicle. It has also established a successful international presence as an automobile company through joint ventures and acquisitions such as the acquisition of the commercial vehicle business of Daewoo in 2004. On 2 June 2008, Tata Motors acquired the Jaguar Land Rover businesses from Ford, establishing its international presence in the premium car market. Tata Motors has a manufacturing footprint in India, South Africa, South Korea, Spain, Thailand and the United Kingdom.

Tata Motors sold 768,834 units in the nine months ended 31 December 2010 and 872,951 units in Fiscal 2010. Tata Motors group had revenues of US$19,660.0 million (Indian GAAP) in the nine months ended 31 December 2010 and US$20,800.0 million (Indian GAAP) in Fiscal 2010, and achieved profits of US$1,500.0 million (Indian GAAP) and US$577.8 million (Indian GAAP), respectively, in the same periods.

We believe we are of strategic importance to Tata Motors because we represent approximately two-thirds of its revenue. Our Board includes the Chairman, Vice Chairman and the Managing Director and Chief Executive Officer of Tata Motors, who dedicate significant time and energy to developing our business. As a part of Tata Motors, we are able to gain access to a wider pool of financing banks and sources than we could as an independent group. We are also able to access the long-established operational and sales expertise of our parent in India, where it maintains comprehensive engineering and product development capabilities, and other key emerging markets.

Tata Motors does not assume any direct or indirect liability for or guarantee the Notes.

Our Strategy

We have a multifaceted strategy to position ourselves as a leading manufacturer of premium vehicles offering high-quality products tailored to specific markets. Our success is tied to our investment in product development, which is reflected in our strategic focus on capital expenditure, R&D and product design. Our strategy consists of the following key elements:

Grow the business through new products and market expansion

We offer products in the premium performance car and all-terrain vehicle segments, and we intend to grow the business by diversifying our product range within these segments, for example by offering different powertrain combinations. For instance, the new Range Rover Evoque will help us expand into a market segment that is attracted by a smaller, lighter and more "urban" off-road vehicle than the market segment in which our Range Rover models traditionally compete, while the new 2.2-litre diesel XF will cater to a much wider group of potential customers, particularly company car drivers.

In addition, we have a strategy of expanding our regional coverage into select geographic locations where we have identified an opportunity to grow within our core segments. As a producer of distinctive, premium products, we believe we are well positioned to increase our revenues in emerging affluent countries with growing sales potential. There are three specific aspects to our strategy of geographic expansion. First, we aim to establish new manufacturing facilities, assembly points and suppliers in selected markets. For example, we have established a product development operation in India and we sell vehicle kits to be assembled in CKD facilities in India, Kenya, Malaysia, Turkey and Pakistan. We are also seeking to establish a manufacturing base in China. In addition, we will continue to look for opportunities to source materials and components in a cost-efficient manner and, in pursuit of that objective, we have already opened purchasing offices in China and India. Second, we aim to increase our marketing and dealer network in emerging markets. For example, we will continue to grow our presence in the Indian market by opening additional dealerships across the country. In China, we have established an NSC to expand our presence in this key market and we plan to increase our network of sales dealerships across the country up to 100 dealerships by the end of 2011. Third, we aim to leverage our relationship with Tata Motors and the synergies we can achieve in the areas of research and product development, supply sourcing, manufacturing and assembly and other vital operations.

Transform the business structure to deliver sustainable returns

The automobile industry is highly cyclical. To mitigate the impact of cyclicality and provide a foundation from which to invest in new products, designs and technologies in line with our overall strategy, we plan to strengthen our operations by gaining a significant presence across a select range of products and a wide diversity of geographic markets. One key component of this strategy, which delivered positive results over the last six quarters, is our focus on improving the mix of our products (by developing vehicles designed to increase our market segment penetration or market visibility as well as products that generate higher contribution margins than others) and the mix of our markets (with a focus on expanding our sales into higher margin markets). We also plan to continue to strengthen our business operations other than vehicle sales, such as spare part sales, service and maintenance contracts.

We undertake a variety of internal and external benchmarking exercises, such as competitor vehicle teardown, market testing or internal comparative analysis across our own vehicles, which help us to identify cost improvement opportunities for our components, systems and sub-systems. We also explore opportunities to source materials from low-cost countries as well as sharing components across platforms in order to gain economies of scale and reduce engineering costs. We believe that our strategy to enhance global sourcing will enable us to take advantage of low-cost bases in countries such as India and China. We are taking the same approach with engineering, where we are progressively building up capability through our product development operation in India by allowing incremental levels of design responsibility to be tested on successive programmes. In addition, we have intensified efforts to review and realign our cost structure through a number of measures, such as the reduction of manpower costs through increased employee flexibility between sites and a rationalisation of our other fixed costs.

Investment in product development and technology to maintain high quality

One of our principal goals is to enhance our status as a leading manufacturer of premium passenger vehicles by investment in our products, R&D, quality improvement and quality control. Our strategy is to maintain and improve our competitive position by developing technologically advanced vehicles. Over the years, we have enhanced our technological strengths through extensive in-house R&D activities, particularly through our two advanced engineering and design centres, which centralise our capabilities in product design and engineering. In pursuit of this strategy, we have recently announced a programme of future product development and improvement involving investment in research, design and technical innovation. Annual capital spending (including capitalised product development costs) is expected to increase to approximately £1,500.0 million in Fiscal 2012, slightly above 50% of which is expected to be research and development costs (with approximately 80% to 90% to be capitalised in line with our accounting policy as described elsewhere in this Offering Memorandum) and slightly under 50% of which is expected to be expenditure on tangible fixed assets such as facilities, tools and equipment. The substantial majority of our expected product investment relates to investment in new and replacement models, derivatives, powertrain actions and other upgrades and the associated investment in tools and facilities and other equipment. We intend to grow our team to over 5,000 engineers and designers from approximately 4,200 at present to support this programme.

We are committed to continued investment in new technologies, including developing sustainable technologies to improve fuel economy and reduce CO_2 emissions. We consider technological leadership to be a significant factor in our continued success, and therefore intend to continue to devote significant resources to upgrading our technological capabilities. In line with this objective, we are involved in a number of advanced research consortia that bring together leading manufacturers, suppliers and academic specialists in the United Kingdom, supported by funding from the government's Technology Strategy Board.

We are pursuing various quality improvement programmes, both internally and at our suppliers' operations, in an effort to enhance customer satisfaction and reduce our future warranty costs. We have also established a procedure for ensuring quality control of outsourced components, and products purchased from approved sources undergo a supplier quality improvement process. Reliability and other quality targets are built into our new product introduction process. Assurance of quality is further driven by the design team, which interacts with downstream functions like process-planning, manufacturing and supplier management to ensure quality in design processes and manufacturing. We believe our extensive sales and service network has also enabled us to provide quality and timely customer service. Through close coordination supported by our IT systems, we monitor quality performance in the field and implement corrections on an ongoing basis to improve the performance of our products.

Products and environmental performance

Our strategy is to invest in products and technologies that position our products ahead of expected stricter environmental regulations and ensure that we benefit from a shift in consumer awareness of the environmental impact of the vehicles they drive. We are the largest investor in automotive R&D in the United Kingdom. We also believe that we are also the leader in automotive green-technology in the United Kingdom. Our environmental vehicle strategy focuses on new propulsion technology, weight reduction and reducing parasitic losses through the driveline. Projects like Limo-Green, REHEV and Range-e are some examples of our research into the electrification of premium sedan and all-terrain vehicles.

We are a global leader in the use of aluminium and other lightweight materials to reduce vehicle weight and we are ahead of many of our competitors in the implementation of aluminium construction. We already offer two aluminium monocoque vehicles, the Jaguar XJ and Jaguar XK. We plan to deploy our core competency in aluminium construction across more models in our range. The new, all-aluminium Jaguar XJ 3.0 V6 twin-turbo diesel has CO_2 emissions rated at 184g/km. We are also developing more-efficient vehicle technologies. The new Range Rover Evoque is expected to emit less than 130g/km. Range Rover's 2011 Model Year has been updated with an all-new 4.4-litre TDV8 with 8-speed transmission, resulting in a 14% reduction in CO_2 and an improvement in fuel consumption of nearly 19% to 7.81L/100km. The 2011 Model Year Freelander 2, which goes on sale later this year, will feature a new eD4 diesel engine capable of 4.98L/100km and CO_2 emissions of 158g/km in 2WD. Finally, Jaguar's C-X75 concept car incorporates twin gas turbines and demonstrates some of the technologies we are developing for the future.

We are also taking measures to reduce emissions, waste and the use of natural resources from all of our operations. We recognise the need to use resources responsibly, produce less waste and reduce our carbon footprint. We have set ourselves a target for a 25% reduction in CO_2 and waste to landfill and a 10% reduction in water usage from 2007 levels by 2012. We are implementing life cycle techniques so that we can evaluate and reduce our environmental footprint all through the value chain. We have been certified to the international environmental management standard, ISO14001, since 1998. As part of our integrated CO_2 management strategy, we have one of the largest voluntary CO_2 offset programmes. We offset all our own manufacturing CO_2 emissions and provide customer programmes to enable our customers to offset the emissions from vehicle use.

Recent Developments and Trading Update

Corporate Reorganisation

On 31 March 2011:

- the Issuer converted 1,001,284,322 \$1.00 ordinary shares to 500,642,161 £1.00 ordinary shares;
- the Issuer converted two £1.00 deferred ordinary shares to two £1.00 ordinary shares, ranking *pari passu* with the other ordinary shares;

- the Issuer converted 11,015,000 7.25% $100.00 preference shares into 1,000 million £1.00 ordinary shares ranking *pari passu* with the other ordinary shares, and 407,052,620 7.25% £1.00 non-cumulative redeemable preference shares; and
- the Issuer redeemed 250 million 7.25% £1.00 preference shares to reduce the outstanding balance of preference shares to 157,052,620. The Issuer will use part of the net proceeds from the issue of the Notes to extinguish the liability arising from this redemption. Please see "Use of Proceeds."

On 6 April 2011, the Issuer re-registered in England and Wales as a public limited company.

Impact of the recent natural disasters in Japan

We are monitoring the impact of the recent disasters in Japan. At present, we have not suffered any production shut-downs or delays due to supply chain disruptions. However, the situation in Japan continues to evolve. There is a risk we may face supply chain disruptions in the future. Please see "Risk Factors—Risks Associated with the Automotive Industry—Increases in the cost, or disruptions in the supply of vehicle parts manufactured in Japan resulting from recent natural disasters could materially harm our business."

Trading update

We are finalising the preparation of our results of operations for the quarter and Fiscal year ended 31 March 2011. Those results will be announced as part of Tata Motors's results for the Fiscal year ended 31 March 2011, presently expected to be published on or around 26 May 2011. Based on present management estimates and subject to confirmation by the results announcement as described in the preceding sentence, we believe that:

- our wholesale volumes for the quarter ended 31 March 2011 were slightly above those of the prior quarter;
- our revenue and EBITDA for this quarter are expected to conclude a strong performance in Fiscal 2011;
- our operating and financial performance for this quarter was in line with management expectations and driven by the continuation of the trends identified in the section entitled "Operating and Financial Review and Prospects—General Trends of Our Recent Performance."

The Issuer

The Issuer is a public limited company, incorporated under the laws of England and Wales with company number 6477691, with its registered office at Banbury Road, Gaydon, Warwick, Warwickshire, CV35 0RG, United Kingdom.

The telephone number of the Issuer is +(44) 1926 641 111.

The Guarantors

Jaguar Cars Limited is a limited liability company, incorporated under the laws of England and Wales with company number 01672070, with its registered office at Abbey Road, Whitley, Coventry, CV3 4LF, United Kingdom.

The telephone number of Jaguar Cars Limited is +(44) 2476 303 080.

Land Rover is an unlimited liability company, incorporated under the laws of England and Wales with company number 04019301, with its registered office at Banbury Road, Gaydon, Warwick, Warwickshire, CV35 0RR, United Kingdom.

The telephone number of Land Rover is +(44) 1926 641 111.

Jaguar Land Rover North America, LLC is a limited liability company, incorporated under the laws of Delaware, with company number 2075961, with its registered office at 555 Macarthur Blvd, Mahwah, NJ 07430, United States.

The telephone number of Jaguar Land Rover North America, LLC is +(1) 201 818 8500.

Land Rover Exports Limited is a limited company, incorporated under the laws of England and Wales, with company number 01596703, with its registered office at Banbury Road, Gaydon, Warwick, Warwickshire, CV35 0RR, United Kingdom.

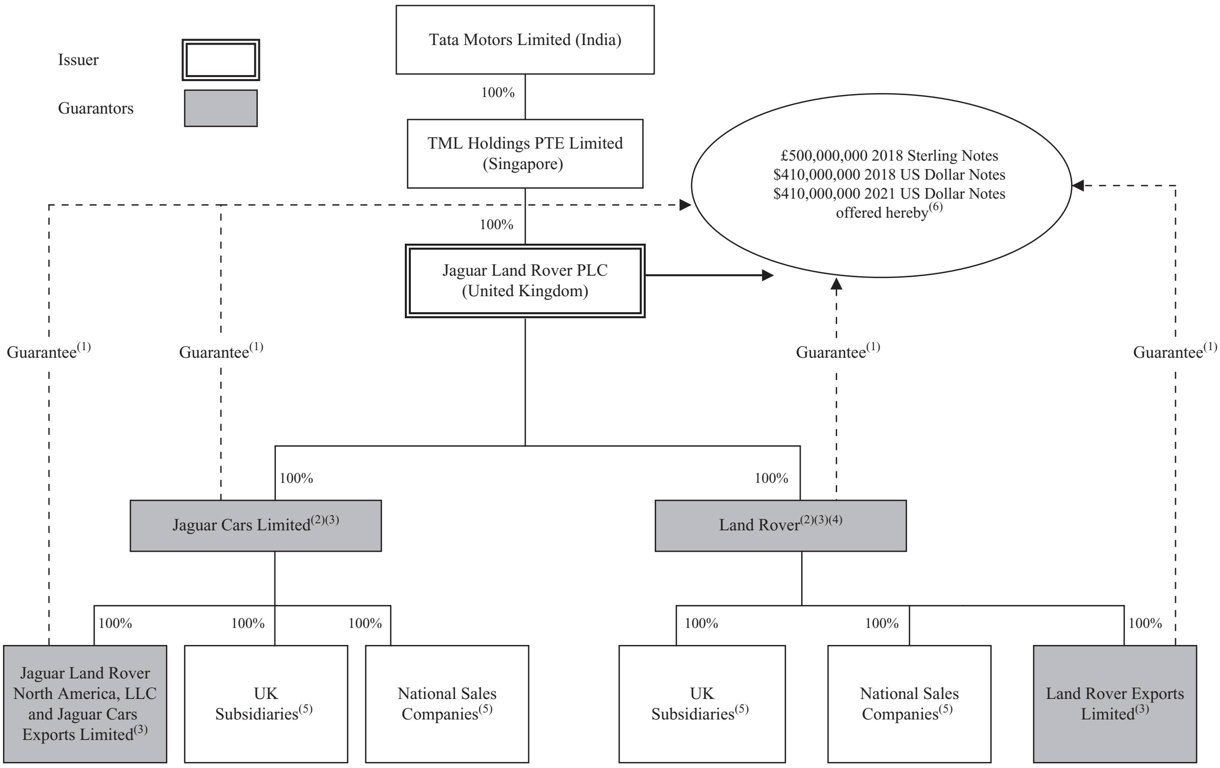
The telephone number of Land Rover Exports Limited is +(44) 1926 641 111.

Jaguar Cars Exports Limited is a private limited company, incorporated under the laws of England and Wales, with company number 01672065, with its registered office at Abbey Road, Whitley, Coventry, CV3 4LF, United Kingdom.

The telephone number of Jaguar Cars Exports Limited is +(44) 2476 303 080.

CORPORATE AND FINANCING STRUCTURE

The following diagram gives an overview of the corporate and financing structure of the Issuer and its subsidiaries, after giving effect to the issue of the Notes offered hereby and following the application of the net proceeds therefrom. Please see "Use of Proceeds." For a summary of the material financing arrangements identified in this diagram, please see "Description of Other Indebtedness" and "Description of the Notes."



(1) On a pro forma basis after giving effect to the issue of the Notes and the use of proceeds therefrom, as at 31 December 2010, the subsidiaries of the Issuer that will not guarantee the Notes would have had £18.0 million of indebtedness that would rank structurally senior to the Notes and the Note Guarantees.

(2) Each of Land Rover and Jaguar Cars Limited has given guarantees (executed in December 2010 and March 2011) to the other company's pension fund trustees. In addition, each company on 9 December 2010 granted security in favour of its own and the other company's pension fund trustees as security for each company's obligations under its own pension scheme(s) and under the said guarantees. The security takes the form of (a) a fixed charge over all present and future trademarks, service marks, domain names, trade names, logos and associated or similar rights anywhere in the world and (b) a floating charge over all present and future assets. The amount recoverable under the security is capped at £900.0 million. If no enforcement event has occurred, the fixed charge is automatically discharged on 9 December 2012. The security is passive in that the chargees are not entitled to appoint an administrator or other insolvency officer as a consequence of the security and that the enforcement events are narrow and limited to the happening of formal insolvency proceedings or steps. Pursuant to certain intercreditor arrangements, the security over the intellectual property assets ranks second behind any present or future floating charge over the same assets and the security over all other assets ranks second behind any present or future security of any kind. The pension fund trustees have agreed to release their security if the aggregate pension scheme deficit falls below £100.0 million. They have also agreed, in principle, to consider releasing the security (i) if at any time all of our borrowings are unsecured or (ii) in exchange for fixed security over the same intellectual property assets mentioned above, subject to satisfactory independent valuation.

(3) We estimate that the Guarantors would have accounted for approximately 92.0% of the aggregated total assets, 53.0% of revenue and 82.0% of EBITDA of Jaguar Land Rover PLC and its consolidated subsidiaries as at and for the nine months ended 31 December 2010, excluding intragroup assets and transactions. The Guarantors represent a higher percentage of

EBITDA than revenue because those NSCs which are not Guarantors operate solely as distributors of our vehicles in the markets in which they operate.

(4) Land Rover is an unlimited company. Consequently, in an insolvency, trade and other creditors of Land Rover would have recourse to the Issuer as sole shareholder of Land Rover for any shortfall in Land Rover's assets to meet its debts and liabilities and any winding-up expenses. Please see "Risk Factors—Risks Relating to Our Debt, the Notes and the Note Guarantees—Land Rover, one of the Guarantors, is an unlimited company. As a result, in the case of an insolvency of Land Rover, trade and other creditors of Land Rover would have recourse to the Issuer as sole shareholder of Land Rover for any shortfall in Land Rover's assets."

(5) This corporate and financing structure chart has been condensed and is not a full presentation of the legal structure of our Group.

(6) Please see "Description of Other Indebtedness" for a summary of our secured and unsecured term facilities, working capital and receivables facilities and other financing arrangements and "Operating and Financial Review and Prospects—Liquidity and Capital Resources" for a discussion of our capital structure.

THE OFFERING

The following summary contains basic information about the Notes and the Note Guarantees. It may not contain all of the information that is important to you. For a more complete understanding of the Notes and the Note Guarantees, please see the section of this Offering Memorandum entitled "Description of the Notes" and particularly to those subsections to which we have referred you. Terms used in this summary and not otherwise defined have the meanings given to them in "Description of the Notes."

Issuer	Jaguar Land Rover PLC.
Aggregate Issue	£1,000,000,000 equivalent.
2018 Sterling Notes Offered	£500 million aggregate principal amount of 2018 Sterling Notes due 2018.
2018 US Dollar Notes Offered	$410 million aggregate principal amount of 2018 US Dollar Notes due 2018.
2021 US Dollar Notes Offered	$410 million aggregate principal amount of 2021 US Dollar Notes due 2021.
Maturity	15 May 2018 for the 2018 Sterling Notes and the 2018 US Dollar Notes (together, the "2018 Notes") or 15 May 2021 for the 2021 US Dollar Notes.
Issue Date	The Notes were issued on 19 May 2011.
Interest	8.125% per annum for the 2018 Sterling Notes, 7.750% per annum for the 2018 US Dollar Notes, and 8.125% per annum for the 2021 US Dollar Notes, payable semi-annually in arrears on each 15 May and 15 November beginning on 15 November 2011. Interest on the Notes will accrue from their date of issue.
Guarantees	The Notes will be guaranteed on a senior unsecured basis by the Guarantors.
Ranking	The Notes will be senior unsecured obligations of the Issuer and the Note Guarantees will be senior unsecured obligations of the Guarantors. The payment of the principal of, premium, if any, and interest on the Notes and the obligations of the Guarantors under the Note Guarantees will: • rank equally in right of payment with all existing and future unsecured indebtedness of the Issuer and the Guarantors, as applicable, that is not, by its terms, expressly subordinated (and is not senior) in right of payment to the Notes; • rank senior in right of payment to any and all of the existing and future indebtedness of the Issuer and the Guarantors, as applicable, that is, by its terms, expressly subordinated in right of payment to the Notes or such Guarantee as applicable; and

	• be effectively subordinated to any secured indebtedness of the Issuer and the Guarantors, as applicable, to the extent of the value of the collateral securing such indebtedness, and to the indebtedness of the subsidiaries of the Issuer that are not Guarantors. Neither Tata Motors nor TMLH will guarantee the Notes.
Optional Redemption	At any time prior to 15 May 2014, in the case of the 2018 Notes, and 15 May 2016, in the case of the 2021 US Dollar Notes, the Issuer may redeem the Notes at 100% of their principal amount plus accrued and unpaid interest, if any, and any other amounts payable thereon, to the dates of redemption, plus a premium, as described under "Description of the Notes—Optional Redemption of the 2018 Notes prior to 15 May 2014 and the 2021 US Dollar Notes prior to 15 May 2016." At any time on or after 15 May 2014, in the case of the 2018 Notes, and 15 May 2016, in the case of the 2021 US Dollar Notes, the Issuer may also redeem all or part of the Notes at the redemption prices listed under "Description of the Notes—Optional Redemption of the 2018 Notes on or after 15 May 2014 and the 2021 US Dollar Notes on or after 15 May 2016." At any time prior to 15 May 2014, the Issuer may redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds of certain equity offerings at the redemption price listed under "Description of the Notes—Optional Redemption of the Notes upon an Equity Offering." For a more detailed description, please see "Description of the Notes—Optional Redemption."
Additional Amounts; Tax Redemption	All payments in respect of the Notes made by the Issuer will be made without withholding or deducting for any taxes or other governmental charges, except to the extent required by law. If withholding or deduction is required by law, subject to certain exceptions, the Issuer will pay additional amounts so that the net amount each holder of the Notes receives is no less than the holder would have received in the absence of such withholding or deduction. Please see "Description of the Notes—Additional Amounts." If certain changes in the law of any relevant taxing jurisdiction become effective that would impose withholding taxes or other deductions on the payments on the Notes, the Issuer may redeem the Notes in whole, but not in part, at any time, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, to the date of redemption. Please see "Description of the Notes—Redemption for Changes in Withholding Taxes."

Restrictive Covenants	The Indenture will contain covenants that restrict the ability of the Issuer, the Guarantors and certain Restricted Subsidiaries (as defined herein) to: • incur more debt; • pay dividends, repurchase stock, and make distributions and certain other payments and investments; • create liens; • enter into transactions with affiliates; • transfer or sell assets; • provide guarantees of other debt; • agree to restrictions on dividends by subsidiaries; and • merge or consolidate. For a more detailed description of these covenants, please see "Description of the Notes—Certain Covenants." These covenants are subject to a number of important qualifications and exceptions.
Transfer Restrictions	We have not registered the Notes or the Note Guarantees under the US Securities Act. You may only offer or sell Notes in a transaction exempt from or not subject to the registration requirements of the US Securities Act. Please see "Notice to Investors."
Use of Proceeds	The net proceeds from the issue and sale of the Notes will be used to refinance existing indebtedness (including indebtedness owed to our parent company) and for general corporate purposes.
Trustee, Paying Agent, Transfer Agent and Registrar	Citibank, N.A., London Branch.
Listing	Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and be admitted to trading on the Luxembourg Stock Exchange's Euro MTF Market. The Euro MTF Market is not a regulated market pursuant to the provisions of Directive 2004/39/EC.
Governing Law	The Notes and the Indenture will be governed by the laws of the State of New York.
Risk Factors	Investing in the Notes involves risks. You should carefully consider the information under the title "Risk Factors" and the other information included in this Offering Memorandum before deciding whether to invest in the Notes.

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The following table sets out Jaguar Land Rover's summary consolidated financial data and other data for the periods ended and as at the dates indicated below. For a discussion of the presentation of financial data, please see "Presentation of Financial and Other Data."

We have derived the summary consolidated financial data for the Fiscal year ended 31 March 2010 and the period commencing 18 January 2008 and ended 31 March 2009 and the interim consolidated financial data for the nine months ended 31 December 2010 and 2009 from the Consolidated Financial Statements included elsewhere in this Offering Memorandum.

The unaudited consolidated financial information for the 12 months ended 31 December 2010 set out below was derived by aggregating without adjustment the consolidated financial data for the 12 months ended 31 March 2010 and the nine months ended 31 December 2010 and subtracting the consolidated financial data for the nine months ended 31 December 2009. The financial information for the 12 months ended 31 December 2010 has been prepared for illustrative purposes only and is not necessarily representative of our results of operations for any future period or our financial condition at any future date.

The financial information contained herein was prepared in accordance with IFRS. The summary financial data and other data should be read in conjunction with "Selected Consolidated Financial and Other Data," "Operating and Financial Review and Prospects" and the financial statements and related notes included elsewhere in this Offering Memorandum. Historical results are not necessarily indicative of future expected results. In addition, our results for the nine-month period ended 31 December 2010 should not be regarded as indicative of our results expected for the year ended 31 March 2011.

Please note that, while we charge our research costs to the income statement in the year in which they are incurred, we capitalise product development costs relating to new vehicle platforms, engine, transmission and new products and recognise them as intangible assets under certain conditions. Please see "Presentation of Financial and Other Data." There are a number of differences between IFRS and US GAAP. One difference is that we would not be able to capitalise such costs if we were to prepare our financial statements in compliance with US GAAP. In addition, interpretations of IFRS may differ, which can result in different applications of the same standard and, therefore, different results.

On 18 January 2008, Tata Motors set up Jaguar Land Rover to acquire the Jaguar and Land Rover businesses from Ford. The transaction was consummated on 2 June 2008. Therefore, our financial statements for Financial Period 2009 are for the period from 18 January 2008 to 31 March 2009, but include the operations of the Jaguar and Land Rover businesses only from 2 June 2008 to 31 March 2009, whereas our financial statements for Fiscal 2010 include the operations of the Jaguar and Land Rover businesses for the entire year. This may make it difficult to compare our results of operations and financial condition or to estimate our consolidated results of operations in the future.

	Period commencing on 18 January 2008 and ended and as at 31 March 2009[1]	Fiscal year ended and as at 31 March 2010	Nine months ended and as at 31 December		Twelve months ended and as at 31 December 2010
			2009	2010	
	(£ in millions)				
Income Statement Data:					
Revenues	4,949.5	6,527.2	4,486.2	7,132.0	9,173.0
Cost of sales—materials[2]	(3,375.0)	(4,437.0)	(3,141.6)	(4,444.9)	(5,740.3)
Employee cost	(587.8)	(746.8)	(552.3)	(575.2)	(769.7)
Other expenses	(1,500.2)	(1,488.2)	(1,017.6)	(1,455.0)	(1,925.6)
Expenditure capitalised[3]	418.3	471.0	341.3	437.1	566.8
Other income (net)	27.4	27.6	21.3	33.3	39.6
Foreign exchange gain/(loss) (net)	(129.9)	68.3	107.2	(2.6)	(41.5)
Depreciation and amortisation[4]	(229.3)	(317.0)	(246.9)	(299.2)	(369.3)
Excess of fair value of net assets acquired over cost of acquisition[5]	116.0	—	—	—	—
Finance income	10.0	3.4	1.8	17.9	19.5
Finance expense (net of capitalised interest)	(74.7)	(57.1)	(39.9)	(28.9)	(46.1)
Net income/(loss) before tax	(375.7)	51.4	(40.5)	814.5	906.4
Income tax expense	(26.7)	(27.9)	(15.3)	(41.0)	(53.6)
Net income/(loss) attributable to shareholders	(402.4)	23.5	(55.8)	773.5	852.8
Currency translation differences	(607.5)	100.8	215.2	38.7	(75.7)
Gain on cancellation of preference shares	—	—	—	48.8	48.8
Actuarial gains and losses	(200.5)	(21.3)	(145.5)	(128.2)	(4.0)
Gain/(loss) on cash flow hedges	—	—	—	(11.7)	(11.7)
Total comprehensive income for the year	(1,210.4)	103.0	13.9	721.1	810.2
Balance Sheet Data (at period end):[6]					
Intangible assets	1,270.5	1,676.0	n.a.	2,001.3	2,001.3
Total non-current assets	2,609.8	3,031.6	n.a.	3,364.0	3,364.0
Total current assets	1,674.1	2,592.7	n.a.	2,963.1	2,963.1
Total assets	4,283.9	5,624.3	n.a.	6,327.1	6,327.1
Total current liabilities	4,144.7	3,585.0	n.a.	3,734.2	3,734.2
Total non-current liabilities	1,066.0	2,502.1	n.a.	2,334.6	2,334.6
Total liabilities	5,210.7	6,087.1	n.a.	6,068.8	6,068.8
Total equity attributable to equity holders of the parent	(926.8)	(462.8)	n.a.	258.3	258.3

	Period commencing on 18 January 2008 and ended and as at 31 March 2009(1)	Fiscal year ended and as at 31 March 2010	Nine months ended and as at 31 December 2009	Nine months ended and as at 31 December 2010	Twelve months ended and as at 31 December 2010
	(£ in millions)				
Cash Flow Data:					
Net cash from/(used in) operating activities	(70.7)	626.0	326.7	1,246.4	1,545.7
Net cash from/(used in) investing activities	(1,696.3)	(795.1)	(610.3)	(548.5)	(733.3)
Net cash from/(used in) financing activities	1,886.8	711.1	626.3	(392.1)	(307.3)
Cash and cash equivalents at the end of year	128.5	679.9	472.5	999.7	999.7
Other Financial Data:					
EBITDA(7)	(197.7)	422.1	244.5	1,124.7	1,302.3
Capital expenditure (excluding R&D costs)	188.8	332.3	271.0	127.2	188.5
R&D costs(8)	457.2	471.2	369.2	513.6	615.6
Capitalised product development expenditure(9)	418.3	423.4	334.4	400.1	489.1
Net debt (at period end)(10)	2,626.1	2,378.5	n.a.	1,647.5	1,647.5
Pro forma net debt (at period end)(11)	n.a.	n.a.	n.a.	n.a.	563.8
Pro forma net finance costs(12)	n.a.	n.a.	n.a.	n.a.	72.7
Ratio of EBITDA to pro forma net finance costs	n.a.	n.a.	n.a.	n.a.	17.9x
Ratio of pro forma net debt to EBITDA	n.a.	n.a.	n.a.	n.a.	0.43x

(1) Financial Period 2009 represents the period from 18 January 2008 to 31 March 2009 and the trading of the Jaguar and Land Rover businesses from the date of acquisition on 2 June 2008 to 31 March 2009.

(2) We have elected to present our income statement under IFRS by nature of expenditure rather than by function. Accordingly, we do not present costs of sales, selling and distribution and other functional cost categories on the face of the income statement. For illustrative purposes, we have defined "cost of sales—materials" as the sum of the following types of expenditure presented in the income statement: (i) change in inventories of finished goods and works in progress; (ii) purchase of products for sale; and (iii) raw materials and consumables. "Cost of sales—materials" does not equal "cost of sales" that the company would report if it were to adopt a functional presentation for its income statement because it does not include all relevant employee costs, depreciation and amortisation of assets used in the production process and relevant production overheads, which we report separately. The reconciliation of costs of sales—materials to our income statement is as follows:

	Period commencing on 18 January 2008 and ended 31 March 2009	Fiscal year ended 31 March 2010	Nine months ended 31 December 2009	Nine months ended 31 December 2010	Twelve months ended 31 December 2010
	(£ in millions)				
Change in inventories of finished goods and work in progress	(260.4)	49.3	(88.4)	89.1	226.8
Add purchase of products for sale	(497.5)	(603.1)	(438.2)	(528.7)	(693.6)
Add raw materials and consumables	(2,617.1)	(3,883.2)	(2,615.0)	(4,005.3)	(5,273.5)
Cost of sales—materials	(3,375.0)	(4,437.0)	(3,141.6)	(4,444.9)	(5,740.3)

(3) This amount represents the amount of internally generated intangible assets recognised at the end of the relevant period, which consist predominantly of capitalised cost of product development.

(4) Depreciation and amortisation include, among other things, the amortisation attributable to the capitalised cost of product development relating to new vehicle platforms, engine, transmission and new products. The amount of total depreciation

and amortisation attributable to the amortisation of capitalised product development costs for Financial Period 2009, Fiscal 2010, the nine months ended 31 December 2009 and 2010 and the last 12 months ended 31 December 2010 was £2.6 million, £52.4 million, £34.3 million, £65.8 million and £83.9 million, respectively.

(5) On 2 June 2008, the Issuer acquired the Jaguar and Land Rover businesses from Ford. The consideration was £1,279.4 million not including £149.7 million of cash acquired in the business. The one-off excess of fair value of net assets acquired over the cost of acquisition was £116.0 million. This excess was primarily attributable to the significant value of the Jaguar and Land Rover brands.

(6) Comparable balance sheet data in our Condensed 2010 Interim Financial Statements are presented as at 31 March 2010, not 31 December 2009. Consequently, no balance sheet data is presented as at 31 December 2009.

(7) We have defined EBITDA as net income/(loss) attributable to shareholders before income tax expense, finance expense (net of capitalised interest), finance income, the excess of fair value of net assets acquired over cost of acquisition, depreciation and amortisation. EBITDA is presented because we believe that it is frequently used by securities analysts, investors and other interested parties in evaluating companies in the automotive industry. However, other companies may calculate EBITDA in a manner that is different from ours. EBITDA is not a measure of financial performance under IFRS and should not be considered an alternative to cash flow from operating activities or as a measure of liquidity or an alternative to profit/(loss) on ordinary activities as indicators of operating performance or any other measures of performance derived in accordance with IFRS.

The reconciliation of EBITDA to our net income/(loss) attributable to shareholders line item is:

	Period commencing on 18 January 2008 and ended 31 March 2009	Fiscal year ended 31 March 2010	Nine months ended 31 December 2009	Nine months ended 31 December 2010	Twelve months ended 31 December 2010
	(£ in millions)				
Net income/(loss) attributable to shareholders	(402.4)	23.5	(55.8)	773.5	852.8
Add back depreciation and amortisation	229.3	317.0	246.9	299.2	369.3
Add back excess of fair value of net assets acquired over cost of acquisition	(116.0)	—	—	—	—
Add back finance income	(10.0)	(3.4)	(1.8)	(17.9)	(19.5)
Add back finance expense (net of capitalised interest)	74.7	57.1	39.9	28.9	46.1
Add back income tax expense	26.7	27.9	15.3	41.0	53.6
EBITDA	(197.7)	422.1	244.5	1,124.7	1302.3

(8) This amount represents the total expenditure on research and development for the periods indicated (including both the cost charged to the income statement as other expenses and the capitalised cost that was recognised as an intangible asset).

(9) This amount reflects the capitalised cost of product development recognised as an intangible asset at the end of the relevant period.

(10) Net debt equals total debt, including secured and unsecured borrowings, finance leases and factoring facilities, less cash and cash equivalents.

(11) Pro forma net debt equals net debt, as adjusted to give pro forma effect to the issue of the Notes and the application of the proceeds therefrom (as more specifically described under "Use of Proceeds") excluding estimated debt issuance costs of £20.0 million.

(12) Pro forma net finance costs reflects our net interest expense for the last 12 months ended 31 December 2010 as if the Notes had been issued and our indebtedness had been repaid with the proceeds on 1 January 2010.

HISTORICAL UNAUDITED QUARTERLY INTERNAL MANAGEMENT FINANCIAL INFORMATION

To illustrate the positive trend of our recent operating and financial performance as described under "Operating and Financial Review and Prospects—General Trends of Our Recent Performance," we have included in this Offering Memorandum revenue and profit before tax for the quarters ended 30 June 2009, 30 September 2009, 31 December 2009, 31 March 2010, 30 June 2010, 30 September 2010 and 31 December 2010 (collectively, the "Historical Unaudited Quarterly Internal Management Financial Information"). We have also included wholesale volumes for the same periods.

The Historical Unaudited Quarterly Internal Management Financial Information presented below has been prepared by us in accordance with Indian GAAP based on internal management financial information prepared for the purpose of the quarterly consolidation of the ultimate parent company based on their instruction and adopted accounting policies. We have not made any adjustments to reconcile the Historical Unaudited Quarterly Internal Management Financial Information to an IFRS presentation. This Historical Unaudited Quarterly Internal Management Financial Information is not comparable to the Consolidated Financial Statements, which are prepared in accordance with IFRS. Furthermore, the Historical Unaudited Quarterly Internal Management Financial Information is not a full presentation of our results of operations for the relevant periods and, consequently, does not give a complete and accurate picture of our financial position and results of operations during the periods presented therein.

The Historical Unaudited Quarterly Internal Management Financial Information is presented only for illustrative purposes. Such information (i) has not been audited, reviewed or verified by any independent accounting firm; (ii) has been derived from internal management financial information that was prepared in accordance with Indian GAAP, which differs in certain respects from IFRS as applied to the audited and unaudited financial information contained elsewhere in this Offering Memorandum; and (iii) reflects revenue and profit before tax for quarterly periods that are not directly comparable due to a number of factors, including discontinued vehicle models, fluctuations in foreign exchange rates and other factors.

We are presenting the Historical Unaudited Quarterly Internal Management Financial Information in Indian GAAP because we prepare quarterly information in Indian GAAP for purposes of the quarterly reporting obligations of Tata Motors under the rules of its home country stock exchange listing. We only report under IFRS our annual results of operations for purposes of the reporting obligations of Tata Motors under Form 20-F under the U.S. Securities Exchange Act of 1934. We have also prepared the Condensed Consolidated Interim Financial Statement under IFRS for purposes of this Offering Memorandum. Following the completion of the offering of the Notes, we will report quarterly financial information prepared in accordance with IFRS.

THE HISTORICAL UNAUDITED QUARTERLY INTERNAL MANAGEMENT FINANCIAL INFORMATION PRESENTED BELOW HAS NOT BEEN AUDITED, REVIEWED OR VERIFIED BY ANY INDEPENDENT ACCOUNTING FIRM.

	Three months ended						
	30 June 2009	**30 September 2009**	**31 December 2009**	**31 March 2010**	**30 June 2010**	**30 September 2010**	**31 December 2010**
Revenue (in £ millions)	1,125.0	1,420.1	1,965.9	2,043.7	2,262.1	2,247.1	2,657.8
Profit/(loss) before tax (in £ millions)	(76.1)	(28.0)	49.5	91.3	239.2	264.4	300.5
Wholesale volumes (number of units)	35,947	44,305	56,726	57,004	59,201	55,134	63,155

RISK FACTORS

An investment in the Notes involves a high degree of risk. You should carefully consider the following risks, together with other information provided to you in this Offering Memorandum, in deciding whether to invest in the Notes. The occurrence of any of the events discussed below could materially adversely affect our business, financial condition or results of operations. If these events occur, the trading prices of the Notes could decline, we may not be able to pay all or part of the interest on or principal of the Notes, and you may lose all or part of your investment. Additional risks not currently known to us or that we now deem immaterial may also harm us and affect your investment.

This Offering Memorandum contains "forward-looking" statements that involve risks and uncertainties. Our actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include those discussed below and elsewhere in this Offering Memorandum. Please see "Forward-looking Statements."

Risks Associated with the Automotive Industry

Lack of improvement or worsening global economic conditions could have a significant adverse impact on our sales and results of operations

The automotive industry depends on general economic conditions around the world. Economic slowdowns in the past have significantly affected the automotive and related industries. The demand for automobiles is influenced by a variety of factors, including, among other things, the growth rate of the global economy, availability of credit, disposable income of consumers, interest rates, environmental policies, tax policies, safety regulations, freight rates and fuel prices.

As a result of the recent global financial crisis, our business sustained significant losses in Financial Period 2009. Although the global economic climate has improved since then, the prevailing economic environment in a number of countries continues to be a cause of concern. Confidence in financial markets and general consumer confidence have been further eroded by concerns over public sector debt, especially in certain peripheral European countries, such as Greece, Ireland, Spain and Portugal, recent geopolitical events in North Africa and the Middle East as well as the impact of the natural disasters in Japan. Deterioration in key economic factors, such as GDP growth rates, interest rates and inflation, as well as the reduced availability of financing for vehicles at competitive rates, may result in a decrease in demand for automobiles. A decrease in demand would, in turn, cause automobile prices and manufacturing capacity utilisation rates to fall. Such circumstances have in the past materially affected, and may in the future materially affect, our business, results of operations and financial condition.

Intensifying competition could materially and adversely affect our sales and results of operations

The global automotive industry, including the premium passenger car segment, is highly competitive and competition is likely to further intensify in view of the continuing globalisation and consolidation in the worldwide automotive industry. There is a strong trend among market participants in the premium automotive industry towards intensifying efforts to retain their competitive position in established markets while also developing a presence in more-profitable and fast-growing emerging markets, such as China. A range of factors affect the competitive environment, including, among other things, quality and features of vehicles, innovation, development time, ability to control costs, pricing, reliability, safety, fuel economy, environmental impact and perception thereof, customer service and financing terms. There can be no assurance that we will be able to compete successfully in the global automotive industry.

We are exposed to the risks of new drive technologies being developed and the resulting effects on the automobile market

Over the past few years, the global market for automobiles, particularly in established markets, has been characterised by increasing demand for more environmentally friendly vehicles and technologies. This is related, in particular, to the public debate on global warming and climate protection. We endeavour to take account of climate protection and the ever more stringent laws and regulations that have been and are likely to be adopted. We are focusing on researching, developing and producing new drive technologies, such as hybrid engines and electric cars. We are also investing in development programmes to reduce fuel consumption through the use of lightweight materials, reducing parasitic losses through the driveline and improvements in aerodynamics.

There is a risk that these R&D activities will not achieve their planned objectives or that competitors or joint ventures set up by competitors will develop better solutions and will be able to manufacture the resulting products more rapidly, in larger quantities, with a higher quality and/or at a lower cost. This could lead to increased demand for the products of such competitors and result in a loss of market share for us. There is also a risk that the money invested in researching and developing new technologies will, to a considerable extent, have been spent in vain, because the technologies developed or the products derived therefrom are unsuccessful in the market or because competitors have developed better or less expensive products. It is possible that we could then be compelled to make new investments in researching and developing other technologies to maintain our existing market share or to win back the market share lost to competitors.

In addition, the climate debate and promotion of new technologies are increasingly resulting in the automotive industry's customers no longer looking for products only on the basis of the current standard factors, such as price, design, performance, brand image or comfort/features, but also on the basis of the technology used in the vehicle or the manufacturer or provider of this technology. This could lead to shifts in demand and the value-added parameters in the automotive industry at the expense of our products.

Increases in the cost, or disruptions in the supply, of vehicle parts manufactured in Japan resulting from recent natural disasters could materially harm our business

The recent earthquake and tsunami in Japan and their aftermath have created significant economic uncertainty in that country, the effects of which are largely not yet assessable. Since the earthquake, we have observed a significant drop in commercial activity in Japan, and we believe economic activity in the country may be generally disrupted for a substantial period of time. Some of our vehicles use raw materials, pre-products and vehicle parts that are sourced from Japan, including microchips. The recent natural disasters in that country have caused some Japanese suppliers to halt, delay or reduce production, which could reduce or disrupt the supply of such raw materials, pre-products and vehicle parts and/or an increase in their cost. Substantial increases in the costs or a significant delay or sustained interruption in the supply of key inputs sourced from Japan could adversely affect our ability to maintain our current and expected levels of production, and therefore negatively affect our revenues and increase our operating expenses.

New or changing laws, regulations and government policies regarding increased fuel economy, reduced greenhouse gas and other air emissions, and vehicle safety may have a significant effect on how we do business

We are subject throughout the world to comprehensive and constantly changing laws, regulations and policies. We expect the number and extent of legal and regulatory requirements and the related costs of changes to our product line-up to increase significantly in the future. In Europe and the United States, for example, governmental regulation is primarily driven by concerns about the environment (including greenhouse gas emissions), vehicle safety, fuel economy and energy security.

Requirements to optimise vehicles in line with these governmental actions could significantly affect our plans for global product development and may result in substantial costs, including civil penalties in cases of noncompliance. They may also result in limiting the types of vehicles we sell and where we sell them, which may affect our revenue.

The European Union passed legislation in April 2009 to begin regulating vehicle carbon dioxide emissions in 2012. The legislation sets a target of a fleet average of 130 grams per kilometer by 2012 and an ambitious target of 95 grams per kilometer by 2020, with the specific requirements for each manufacturer based on the average weight of the vehicles it sells. We have applied to receive a permitted derogation from this emissions requirement available to small volume and niche manufacturers. If our derogation request is successful, we would be permitted to reduce our emissions by 25% from 2007 levels rather than meeting a specific CO_2 emissions target. There is no guarantee that our application will be successful and we may incur financial penalties if we are unable to comply with this legislation. Moreover, in 2007 the European Parliament adopted the latest in a series of more stringent standards for emissions of other air pollutants from passenger vehicles, to be phased in from September 2009 (Euro 5) and September 2014 (Euro 6). At the national level, an increasing number of EU Member States have adopted some form of fuel consumption or carbon dioxide-based vehicle taxation system.

Additional measures have been proposed or adopted in the European Union to regulate safety features, tyre-rolling resistance, vehicle air conditioners, tyre-pressure monitors and gear shift indicators.

In the United States, the Corporate Average Fuel Economy ("CAFE"), standards for passenger cars will require manufacturers of passenger vehicles and light trucks to meet an estimated combined average fuel economy level of at least 6.75L/100km by 2020. California is implementing more stringent fuel economy standards. Moreover, under new US federal greenhouse gas regulations, passenger cars and light trucks for model years 2012 through 2016 must meet an estimated combined average emissions level of 250 grams of carbon dioxide per mile.

Other countries, such as China, are also developing new policies to address these issues.

To comply with current and future environmental norms, we may have to incur additional capital expenditure and R&D expenditure to upgrade products and manufacturing facilities, which would have an impact on our cost of production and the results of operations and may be difficult to pass through to our customers. If we are unable to develop commercially viable technologies within the time frames set by the new standards, we could face significant civil penalties or be forced to restrict product offerings drastically to remain in compliance. Moreover, meeting government-mandated safety standards is difficult and costly because crash-worthiness standards tend to conflict with the need to reduce vehicle weight in order to meet emissions and fuel economy standards.

Changes in tax, tariff or fiscal policies could adversely affect the demand for our products

Imposition of any additional taxes and levies designed to limit the use of automobiles could adversely affect the demand for our vehicles and our results of operations. Changes in corporate and other taxation policies as well as changes in export and other incentives given by various governments or import or tariff policies could also adversely affect our results of operations. Such government actions may be unpredictable and beyond our control, and any adverse changes in government policy could have a material adverse effect on our business prospects, results of operations and financial condition.

Risks Associated with Our Business

Our future success depends on our ability to satisfy changing customer demands by offering attractive and innovative products in a timely manner and maintaining such products' competitiveness and quality

Customer preferences, especially in many of the more mature markets, show an overall trend towards fuel efficient, small and environmentally friendly vehicles. In many markets, these preferences are driven by customers' environmental concerns, increasing fuel prices and government regulations, such as regulations regarding the level of CO_2 emissions, speed limits and higher taxes on sports utility vehicles or premium automobiles.

Such a general shift in consumer preference towards smaller and more environmentally friendly vehicles could materially affect our ability to sell premium passenger cars and large or medium-sized all-terrain vehicles at current or targeted volume levels. Our operations may be significantly impacted if we fail to develop, or experience delays in developing, fuel efficient vehicles that reflect changing customer preferences and meet the specific requirements of government regulations. Our competitors can gain significant advantages if they are able to offer vehicles that satisfy customer preference and government regulations earlier than we are able to do so. Potential delays in bringing new high-quality vehicles to market would adversely affect our business, financial condition, results of operations and cash flows.

There can be no assurance that our new models will meet our sales expectations, in which case we may be unable to realise the intended economic benefits of our investments, which would in turn materially affect our business, results of operations and financial condition. In addition, there is a risk that our quality standards can only be maintained by incurring substantial costs for monitoring and quality assurance. For our customers, one of the determining factors in purchasing our vehicles is the high quality of the products. A decrease in the quality of our vehicles (or if the public were to have the impression that such a decrease in quality had occurred) could damage our image and reputation as a premium automobile manufacturer and in turn materially affect our business, results of operations and financial condition.

We are more vulnerable to reduced demand for premium performance cars and all-terrain vehicles than automobile manufacturers with a more diversified product range

We operate in the premium performance car and all-terrain vehicle segments, which are very specific segments of the premium passenger car market. Accordingly, our performance is linked to market conditions and consumer demand in those two market segments. Other premium performance car manufacturers operate in a broader spectrum of market segments, which makes them comparatively less vulnerable to reduced demand for any specific segment. Any downturn or reduced demand for premium passenger cars and all-terrain vehicles in the geographic markets in which we operate could have a more pronounced effect on our performance and earnings than would have been the case if we had operated in a larger number of different market segments.

Our significant reliance on key mature markets increases the risk of negative impact of adverse change in customer demand in those countries

We have a significant presence in the United Kingdom, North American and continental European markets from which we derive approximately two-thirds of our revenues. The global economic downturn significantly impacted the automotive industry in these markets in Fiscal 2009. Even though sales of passenger cars were aided by government-sponsored car-scrap incentives, these incentives primarily benefited the compact and micro-compact car segments and had virtually no slowing effect on the sales declines in the premium car or all-terrain vehicle segments in which we operate. Although demand in these markets has recovered strongly, a decline in demand for our vehicles in these major markets may in the future significantly impair our business, financial position and results of operations.

In addition, our strategy, which includes new product launches and expansion into growing markets, such as China, India, Russia and Brazil, may not be sufficient to mitigate a decrease in demand for our products in mature markets in the future, which could have a significant adverse impact on our financial performance.

Any inability to implement our growth strategy by entering new markets may adversely affect our results of operations

Our growth strategy relies on the expansion of our operations in other parts of the world, including China, India, Russia, Brazil and other parts of Asia, which feature higher growth potential than many of the more mature automotive markets. The costs associated with entering and establishing ourselves in new markets, and expanding such operations may, however, be higher than expected, and we may face significant competition in those regions. In addition, our international business faces a range of risks and challenges, including language barriers, cultural differences, difficulties in staffing and managing overseas operations, inherent difficulties and delays in contract enforcement and the collection of receivables under the legal systems of foreign countries, the risk of non-tariff barriers, regulatory and legal requirements affecting our ability to enter new markets through joint ventures with local entities, difficulties in obtaining regulatory approvals, environmental permits and other similar types of governmental consents, difficulties in negotiating effective contracts, obtaining the necessary facility sites or marketing outlets or securing essential local financing, liquidity, trade financing or cash management facilities, export and import restrictions, multiple tax regimes (including regulations relating to transfer pricing and withholding and other taxes on remittances and other payments from subsidiaries), foreign investment restrictions, foreign exchange controls and restrictions on repatriation of funds, other restrictions on foreign trade or investment sanctions, and the burdens of complying with a wide variety of foreign laws and regulations. If we are unable to manage risks related to our expansion and growth in other parts of the world and therefore fail to establish a strong presence in those higher growth markets, our business, results of operations and financial condition could be adversely affected or our investments could be lost.

We may be adversely impacted by political instability, wars, terrorism, multinational conflicts, natural disasters, fuel shortages/prices, epidemics, labour strikes and other risks in the markets in which we operate

Our products are exported to a number of geographical markets and we plan to expand our international operations further in the future. Consequently, we are subject to various risks associated with conducting our business both within and outside our domestic market and our operations may be subject to political instability, wars, terrorism, regional and/or multinational conflicts, natural disasters, fuel shortages, epidemics and labour strikes. In addition, conducting business internationally, especially in emerging markets, exposes us to additional risks, including adverse changes in economic and government policies, unpredictable shifts in regulation, inconsistent application of existing laws and regulations, unclear regulatory and taxation systems and divergent commercial and employment practices and procedures. Any significant or prolonged disruptions or delays in our operations related to these risks could adversely impact our results of operations.

We are exposed to the risk of reduced supply of consumer finance and fluctuations in used car valuations

During the recent global financial crisis, several providers of customer finance reduced their supply of consumer financing for the purchase of new vehicles. Any reduction in the supply of available consumer finance in the future would make it more difficult for some of our customers to purchase our vehicles and could put us under commercial pressure to offer new (or expand existing) retail or dealer incentives to maintain demand for our vehicles.

Further, the Group offers residual value guarantees on the purchase of certain leases in some markets. The value of these guarantees is dependent on used car valuations in those markets at the end of the lease, which is subject to change. Consequently, we may be adversely affected by movements in used car valuations in these markets.

Under-performance of our distribution channels may adversely affect our sales and results of operations

Our products are sold and serviced through a network of authorised dealers and service centres across our domestic market, and a network of distributors and local dealers in international markets. We monitor the performance of our dealers and distributors and provide them with support to assist them to perform to our expectations. There can be no assurance, however, that our expectations will be met. Any under-performance by our dealers, distributors or service centres could adversely affect our sales and results of operations.

Disruptions to our supply chains or shortages of essential raw materials may adversely affect our production and results of operations

We rely on third parties for sourcing raw materials, parts and components used in the manufacture of our products. At the local level, we are exposed to reliance on smaller enterprises where the risk of insolvency is greater. Furthermore, for some of parts and components, we are dependent on a single source. Our ability to procure supplies in a cost effective and timely manner or at all is subject to various factors, some of which are not within our control. While we manage our supply chain as part of our supplier management process, any significant problems with our supply chain or shortages of essential raw materials in the future could affect our results of operations in an adverse manner.

Adverse economic conditions and falling vehicle sales had a significant financial impact on our suppliers in the past. A deterioration in automobile demand and lack of access to sufficient financial arrangements for our supply chain could impair the timely availability of components to us. In addition, if one or more of the other global automotive manufacturers were to become insolvent, this would have an adverse impact on the supply chains and may further adversely affect our results of operations.

As part of the separation agreements with Ford, we entered into supply agreements with Ford and certain other third parties for critical components. All of the engines used in our vehicles are currently supplied by Ford or the Ford–PSA joint venture. We may not be able to manufacture engines or find a suitable replacement supplier in a timely manner in the event of any disruption in the supply of engines, or parts of engines, and other hardware or services provided to us by Ford or the Ford–PSA joint venture and such disruption could have a material adverse impact on our operations, business and/or financial condition.

Increases in input prices may have a material adverse impact on our result of operations

In the nine months ended 31 December 2010 and 2009, our costs of sale (comprising raw materials, components and purchases of products for sale) constituted approximately 62.3% and 70.0%, respectively, of our total revenues. Prices of commodities used in manufacturing automobiles, including steel, aluminium, copper, zinc, rubber, platinum, palladium and rhodium, have become increasingly volatile over the past two years. Further, with the global economy coming out of recession, prices of commodity items such as steel, non-ferrous metals, precious metals, rubber and petroleum products are likely to remain high and may rise significantly. While we continue to pursue cost reduction initiatives, an increase in the price of input materials could severely impact our profitability to the extent such increase cannot be absorbed by the market through price increases and/or could have a negative impact on demand. In addition, because of intense price competition and our high level of fixed costs, we may not be able to adequately address changes in commodity prices even if they are foreseeable.

In addition, an increased price and supply risk could arise from the supply of rare and frequently sought raw materials for which demand is high, especially those used in vehicle electronics such as rare earths, which are predominantly found in China. In the past, China limited the export of rare earths from time to time, and has announced that it will further reduce their production and export in 2011. If we are unable to find substitutes for such raw materials or pass price increases on to customers by raising prices, or to safeguard the supply of scarce raw materials, our vehicle production, business and results from operations could be affected.

Furthermore, while other automobile manufacturers may seek to hedge themselves against increases in raw material and energy prices through the use of financial derivatives, we do not currently use derivatives for commodity price hedging although we may do so in the near future. These risks are presently managed through the use of fixed price supply contracts with tenors of up to 12 months for energy and some commodity costs.

We have a limited number of manufacturing, design and engineering facilities and any disruption in the operations of those facilities could adversely affect our business, financial condition or results of operations

We have three manufacturing facilities and two design and engineering centres, all of which are located in the United Kingdom. We could experience disruption to our manufacturing, design and engineering capabilities for a variety of reasons, including, among others, extreme weather, fire, theft, system failures, natural catastrophes, mechanical or equipment failures and similar risks. We are particularly exposed to such disruptions due to the limited number of our facilities. Any significant disruptions could adversely affect our ability to design, manufacture and sell our products and, if any of those events were to occur, we cannot be certain that we would be able to shift our design, engineering and manufacturing operations to alternative sites in a timely manner or at all. Any such disruption could therefore materially affect our business, financial condition or results of operations.

Our business is seasonal in nature and a substantial decrease in our sales during certain quarters could have a material adverse impact on our financial performance

The sales volumes and prices for our vehicles are influenced by the cyclicality and seasonality of demand for these products. We are affected by the biannual registration of vehicles in the United Kingdom, when new vehicle registrations take place in March and September, which in turn has an impact on the resale value of vehicles. This leads to an increase in sales during the period when the aforementioned change occurs. Most other markets, such as the United States, are driven by introduction of new model year vehicles, which typically occurs in the autumn of each year. Furthermore, Western European markets tend to be impacted by the summer and winter holidays. The resulting sales profile influences operating results on a quarter-to-quarter basis. Our summer and winter shutdowns also have a significant seasonal impact on our cash flows. Sales in the automotive industry have been cyclical in the past and we expect this cyclicality to continue.

We are exposed to credit and liquidity risks

Our main sources of liquidity are cash generated from operations, external debt in the form of working capital and other similar revolving credit facilities, external term debt, various factoring and VAT discount facilities and, during the economic downturn in the second and third quarters of Fiscal 2010, financial support from our parent company. We maintain short-term debt finance and intergroup funding arrangements that are designed to ensure that the Group has sufficient credit and liquidity available for our operations. In addition, the Group has issued long-term preference shares to TMLH. However, adverse changes in the global economic and financial environment may result in lower consumer demand for vehicles, and prevailing conditions in credit markets may adversely affect both consumer demand and the cost and availability of finance for our business and operations. If the global economy goes back into recession and consumer demand for our vehicles drops, as a result of higher oil prices, excessive public debt or for any other reasons, and the supply of external financing becomes limited, we may again face significant liquidity risks.

We are also subject to various types of restrictions or impediments on the ability of companies in our Group in certain countries to transfer cash across the Group. These restrictions or impediments are caused by exchange controls, withholding taxes on dividends and distributions and other similar restrictions in the markets in which we operate. At 31 December 2010, we had £999.7 million of cash and cash equivalents, of which £382.0 million was cash held in subsidiaries of the Issuer outside the United Kingdom. A portion of this amount is subject to various restrictions or impediments in certain countries. For example, our subsidiary in China is subject to foreign exchange controls and thereby restricted from transferring cash to other companies of the Group outside of China. China is further imposing a withholding tax on dividends and distributions to parent companies of Chinese subsidiaries, which creates additional disincentives and costs in relation to the remittance of cash outside of China. Brazil and Russia are also restricting the ability of our local subsidiaries to participate in cash pooling arrangements and to transfer cash balances outside of the relevant countries, but they do not restrict the ability of those entities to make intragroup loans or pay dividends. South Africa is also imposing a withholding tax. We believe that these restrictions have not had and are not expected to have any impact on our ability to meet our cash obligations.

Interest rate, currency and exchange rate fluctuations could adversely affect our results of operations

The Group has both interest-bearing assets (including cash balances) and interest-bearing liabilities, many of which bear interest at variable rates. We are therefore exposed to changes in interest rates in the various markets in which we borrow. While the directors revisit the appropriateness of these arrangements in light of changes to the size or nature of the Group's operations, we may be adversely affected by the effect of changes in interest rates.

Our operations are also subject to fluctuations in exchange rates with reference to countries in which we operate. We sell vehicles in the United Kingdom, North America, the Rest of Europe, China, Russia and many other markets and therefore generate revenue in, and have significant exposure to movements of, the US dollar, euro, Chinese renminbi, Russian rouble and other currencies relative to pounds sterling. We source the majority of our input materials and components and capital equipment from suppliers in the United Kingdom and Europe with the balance from other countries, and therefore have cost in, and significant exposure to the movement of, the euro and other currencies relative to pounds sterling. The majority of our product development and manufacturing operations and our global headquarters are based in the United Kingdom, but we also have national sales companies which operate in the major markets in which we sell vehicles. As a result we have cost in, and exposure to movements of, the US dollar, euro, Chinese renminbi, Russian rouble and other currencies relative to pounds sterling.

Moreover, we have outstanding foreign currency denominated debt and are sensitive to fluctuations in foreign currency exchange rates. We have experienced, and expect to continue to experience, foreign exchange losses and gains on obligations denominated in foreign currencies in respect of our borrowings and foreign currency assets and liabilities due to currency fluctuations.

We seek to manage our interest and foreign exchange exposure through the use of financial hedging instruments, including foreign currency forward contracts, currency swap agreements and currency option contracts, as well as interest rate swap agreements. We are, however, exposed to the risk that appropriate hedging lines for the type of risk exposures we are subject to may not be available at a reasonable cost or at all. Moreover, as with all hedging instruments, there are risks associated with the use of such hedging instruments. While mitigating to some degree our exposure to fluctuations in interest rates and currency exchange rates, we potentially forego benefits that might result from market fluctuations in those interest rate or currency exposures. Hedging transactions can also result in substantial losses. Such losses could occur under various circumstances, including, without limitation, any circumstances in which a counterparty does not perform its obligations under the applicable hedging arrangement, the arrangement is imperfect or our internal hedging policies and procedures are not followed or do not work as planned.

We are subject to risks associated with product liability, warranty and recall

We are subject to risks and costs associated with product liability, warranties and recalls in connection with performance, compliance or safety-related issues affecting our vehicles. We expend considerable resources in connection with product recalls and these resources typically include the cost of the part being replaced and the labour required to remove and replace the defective part. In addition, product recalls can cause our consumers to question the safety or reliability of our vehicles and harm our reputation. Any harm to the reputation of any one of our models can result in a substantial loss of customers.

Furthermore, we may also be subject to class actions or other large-scale product liability or other lawsuits in various jurisdictions in which we have a significant presence. The use of shared components in vehicle production increases this risk because individual components are deployed in a number of different models across our brands. Any costs incurred or lost sales caused by product liability, warranties and recalls could materially adversely affect our business.

Our business relies on the protection and preservation of our intellectual property

We own or otherwise have rights in respect of a number of patents and trademarks relating to the products we manufacture, which have been obtained over a period of years. In connection with the design and engineering of new vehicles and the enhancement of existing models, we seek to regularly develop new technical designs for use in our vehicles. We also use technical designs which are the intellectual property of third parties with such third parties' consent. These patents and trademarks have been of value in the growth of our business and may continue to be of value in the future. Although we do not regard any of our businesses as being dependent upon any single patent or related group of patents, an inability to protect this intellectual property generally, or the illegal breach of some or a large group of our intellectual property rights, would have a materially adverse effect on our operations, business and/or financial condition. We may also be affected by restrictions on the use of intellectual property rights held by third parties and we may be held legally liable for the infringement of the intellectual property rights of others in our products.

If we are unable to effectively implement or manage our strategy, our operating results and financial condition could be materially and adversely affected

As part of our strategy, we may open new manufacturing, research or engineering facilities, expand existing facilities, add additional product lines or expand our businesses into new geographical markets. There is a range of risks inherent in such a strategy that could adversely affect our ability to achieve these objectives, including, but not limited to, the following:

- the potential disruption of our business;
- the uncertainty that new product lines will generate anticipated sales;
- the uncertainty that a new business will achieve anticipated operating results;
- the diversion of resources and management's time;
- our cost reduction efforts may not be successful;
- the difficulty of managing the operations of a larger company; and
- the difficulty of competing for growth opportunities with companies having greater financial resources than we have.

We may be adversely affected by labour unrest

In general, we consider our labour relations with all of our employees, a substantial portion of whom belong to unions, to be good. However, in the future we may face labour unrest, at our own facilities or those of our suppliers, which may delay or disrupt our operations in the affected regions, including the sourcing of raw materials and parts, the manufacture, sales and distribution of vehicles and the provision of services. If work stoppages or lock-outs at our facilities or at the facilities of our major suppliers occur or continue for a long period of time, our business, financial condition and results of operations may be materially affected.

We could be adversely affected by the loss of one or more key personnel or by an inability to attract and retain highly qualified employees

We believe that our growth and future success depend in large part on the skills of our executive and other senior officers, as well as our senior designers and engineers. The loss of the services of one or more of these employees could impair our ability to continue to implement our business strategy. Our executive and other senior officers have extensive and long-standing ties within our primary lines of business and substantial experience with our operations, and have contributed significantly to our growth. If we lose the services of one or more of them, he or she may be difficult to replace and our business could be materially and adversely affected. Our success also depends, in part, on our continued ability to attract and retain experienced and qualified employees, particularly qualified engineers with expertise in automotive design and production. The competition for such employees is intense, and our inability to continue to attract, retain and motivate employees could adversely affect our business and our plans to invest in the development of new designs and products.

Future pension obligations may prove more costly than currently anticipated and the market value of assets in our pension plans could decline

We provide post-retirement and pension benefits to our employees, some of which are defined benefit plans. Our pension liabilities are generally funded and our pension plan assets are particularly significant. As part of our Strategic Business Review process, we closed the Jaguar Land Rover defined benefit pension plan to new joiners as at 19 April 2010. All new employees in our operations from 19 April 2010 have joined a new defined contribution pension plan.

Under the arrangements with the trustees of the defined benefit pension schemes, an actuarial valuation of the assets and liabilities of the schemes is undertaken every three years. The most recent valuation, as at April 2009, indicated a shortfall in the assets of the schemes as at that date, versus the actuarially determined liabilities as at that date, of £403.0 million.

As part of the valuation process we agreed a schedule of contributions, which together with the expected investment performance of the assets of the schemes, is expected to eliminate the deficit by 2018. We also granted security in favour of the pension fund trustees as security for our obligations under the pension schemes. Please see footnote 2 in “Summary—Corporate and Financing Structure.”

The next actuarial valuation is presently expected to be in April 2012.

Lower return on pension fund assets, changes in market conditions, changes in interest rates, changes in inflation rates and adverse changes in other critical actuarial assumptions, may impact our pension liabilities and consequently increase funding requirements, which will adversely affect our financial condition and results of operations.

Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject, which could have a material adverse effect on our business

While we believe that the insurance coverage that we maintain is reasonably adequate to cover all normal risks associated with the operation of our business, there can be no assurance that any claim under our insurance policies will be honoured fully or timely, our insurance coverage will be sufficient in any respect or our insurance premiums will not increase substantially. Accordingly, to the extent that we suffer loss or damage that is not covered by insurance or which exceeds our insurance coverage, or have to pay higher insurance premiums, our financial condition may be affected.

We are exposed to various operational risks, including risks in connection with the use of information technology

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This includes, among other things, losses that are caused by a lack of controls within internal procedures, violation of internal policies by employees, disruption or malfunction of IT systems, computer networks and telecommunications systems, mechanical or equipment failures, human error, natural disasters or malicious acts by third parties. We are generally exposed to risks in the field of information technology, since unauthorised access to or misuse of data processed on our IT systems, human errors associated therewith or technological failures of any kind could disrupt our operations, including the manufacturing, design and engineering process. Like any other business with complex manufacturing, research, procurement, sales and marketing and financing operations, we are exposed to a variety of operational risks and, if the protection measures put in place prove insufficient, our results of operations and financial conditions can be materially affected.

Our production facilities are highly regulated and we may incur significant costs to comply with, or address liabilities under, environmental, health and safety laws and regulations applicable to them

Our production facilities are subject to a wide range of environmental, health and safety requirements. These requirements address, among other things, air emissions, wastewater discharges, accidental releases into the environment, human exposure to hazardous materials, the storage, treatment, transportation and disposal of wastes and hazardous materials, the investigation and clean-up of contamination, process safety and the maintenance of safe conditions in the workplace. Many of our operations require permits and controls to monitor or prevent pollution. We have incurred, and will continue to incur, substantial ongoing capital and operating expenditures to ensure compliance with current and future environmental, health and safety laws and regulations or their more stringent enforcement. Violations of these laws and regulations could result in the imposition of significant fines and penalties, the suspension, revocation or non-renewal of our permits, or the closure of our plants. Other environmental, health and safety laws and regulations could impose restrictions or onerous conditions on the availability or the use of raw materials we need for our manufacturing process.

Our manufacturing process results in the emission of greenhouse gases such as carbon dioxide. The EU Emissions Trading Scheme, an EU-wide system in which allowances to emit greenhouse gases are issued and traded, is anticipated to cover more industrial facilities and become progressively more stringent over time, including by reducing the number of allowances that will be allocated free of cost to manufacturing facilities. In addition, a number of further legislative and regulatory measures to address greenhouse gas emissions, including national laws and the Kyoto Protocol, are in various phases of discussion or implementation. These measures could result in increased costs for us to: (i) operate and maintain our production facilities; (ii) install new emissions controls; (iii) purchase or otherwise obtain allowances to emit greenhouse gases; and (iv) administer and manage our greenhouse gas emissions programme.

Many of our sites have an extended history of industrial activity. We may be required to investigate and remediate contamination at those sites, as well as properties we formerly operated, regardless of whether we caused the contamination or the activity causing the contamination was legal at the time it occurred. In connection with contaminated properties, as well as our operations generally, we also could be subject to claims by government authorities, individuals and other third parties seeking damages for alleged personal injury or property damage resulting from hazardous substance contamination or exposure caused by our operations, facilities or products. The discovery of previously unknown contamination, or the imposition of new obligations to investigate or remediate contamination at our facilities, could result in substantial unanticipated costs. We could be required to establish or substantially increase financial reserves for such obligations or liabilities and, if we fail to accurately predict the amount or timing of such costs, the related impact on our business, financial condition or results of operations could be material.

Compliance with new and changing corporate governance and public disclosure requirements adds uncertainty to our compliance policies and increases our costs of compliance

We are affected by the corporate governance and disclosure requirements of our parent, Tata Motors, which is listed on the Bombay Stock Exchange, the National Stock Exchange of India and the New York Stock Exchange (the "NYSE"). Changing laws, regulations and standards relating to accounting, corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002 and SEC regulations, Securities and Exchange Board of India (the "SEBI") regulations, the NYSE listing rules and Indian stock market listing regulations, have increased the compliance complexity for our parent company and, indirectly, for us. These new or changed laws, regulations and standards may lack specificity and are subject to varying interpretations. Their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs of compliance as a result of ongoing revisions to such governance standards. We are committed to maintaining high standards of corporate governance and public disclosure. However, our efforts to comply with evolving laws, regulations and standards in this regard have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management resources and time. In addition, there can be no guarantee that we will always succeed in complying with all applicable laws, regulations and standards.

Tata Motors can exert considerable control over Jaguar Land Rover

We are an indirect, wholly owned subsidiary of Tata Motors through TMLH. As a result of the above ownership structure, Tata Motors is able to significantly influence any matter requiring our shareholder's approval, including the election of our directors and approval of significant corporate transactions. Tata Motors may also engage in activities that may conflict with our interests or the interests of the holders of the Notes and, in such events, the holders of the Notes could be disadvantaged by these actions.

Risks Relating to Our Debt, the Notes and the Note Guarantees

Corporate benefit and financial assistance laws and other limitations on the obligations under the Note Guarantees may adversely affect the validity and enforceability of the Note Guarantees

The Note Guarantees provide the holders of the Notes with a right of recourse against the assets of the Guarantors. Each of the Note Guarantees and the amounts recoverable thereunder will be limited to the maximum amount that can be guaranteed by a particular Guarantor without rendering the Note Guarantees, as they relate to that Guarantor, voidable or otherwise ineffective under applicable law. Enforcement of a guarantee against a Guarantor will be subject to certain defences available to the Guarantor. These laws and defences may include those that relate to fraudulent conveyance, financial assistance, corporate benefit and regulations or defences affecting the rights of creditors generally. If one or more of these laws and defences are applicable, the Note Guarantees may be unenforceable.

The Notes will be structurally subordinated to the liabilities of non-guarantor subsidiaries

Some, but not all, of our subsidiaries will guarantee the Notes. Generally, holders of indebtedness of, and trade creditors of, non-guarantor subsidiaries, including lenders under bank financing agreements, are entitled to payments of their claims from the assets of such subsidiaries before these assets are made available for distribution to any Guarantor or the Issuer, as direct or indirect shareholders.

Accordingly, in the event that any of the non-guarantor subsidiaries becomes insolvent, liquidates or otherwise reorganises:

- the creditors of the Guarantors and the Issuer (including the holders of the Notes) will have no right to proceed against such subsidiary's assets; and
- creditors of such non-guarantor subsidiary, including trade creditors, will generally be entitled to payment in full from the sale or other disposal of the assets of such subsidiary before any Guarantor and the Issuer, as direct or indirect shareholder, will be entitled to receive any distributions from such subsidiary.

As at 31 December 2010, after giving effect to the issue of the Notes and the application of the proceeds therefrom, our non-guarantor subsidiaries would have had £18.0 million of debt, which would have ranked structurally senior to the Notes and the Note Guarantees.

Claims by our secured creditors will have priority with respect to their security over the claims of the holders of the Notes, to the extent of the value of the assets securing such indebtedness

Claims by our secured creditors will have priority with respect to the assets securing their indebtedness over the claims of holders of the Notes. As such, the claims of the holders of the Notes will be effectively subordinated to any secured indebtedness and other secured obligations of the Issuer and the Guarantors. As at December 31, 2010, on a pro forma basis after giving effect to the offering of the Notes, we would have had total outstanding secured indebtedness on a consolidated basis of approximately £153.2 million.

Additionally, as described under "Description of the Notes," the Indenture allows us to incur additional secured indebtedness in certain circumstances that will be effectively senior to the Notes. In the event of any foreclosure, dissolution, winding-up, liquidation, reorganisation, administration or other bankruptcy or insolvency proceeding of the Issuer or any Guarantor that has secured obligations, holders of secured indebtedness will have prior claims to the assets of the Issuer and such Guarantor that constitute their collateral. The holders of the Notes will participate ratably with all holders of the unsecured indebtedness of the Issuer and the relevant Guarantor and, potentially with all of their other general creditors, based upon the respective amounts owed to each holder or creditor, in the remaining assets of the Issuer or the relevant Guarantor. In the event that any of the secured indebtedness of the Issuer or the relevant Guarantor becomes due or the creditors thereunder proceed against the operating assets that secured such indebtedness, the assets remaining after repayment of that secured indebtedness may not be sufficient to repay all amounts owing in respect of the Notes or the relevant Note Guarantee. As a result, holders of Notes may receive less, ratably, than holders of secured indebtedness of the Issuer or the relevant Guarantor.

Our substantial indebtedness could adversely affect our financial health and ability to withstand adverse developments and prevent us from fulfilling our indebtedness obligations

Following the completion of the offering of the Notes, we will have a significant amount of indebtedness and substantial debt service obligations. As at 31 December 2010, on a pro forma basis after giving effect to the offering of the Notes, we would have had total outstanding indebtedness on a consolidated basis of approximately £1,934.2 million.

Our substantial indebtedness could have important consequences. It will, among other things:

- require us to dedicate a substantial portion of our operating cash flows to making periodic principal and interest payments on our indebtedness, thereby limiting our ability to make acquisitions and take advantage of significant business opportunities, thus placing us at a competitive disadvantage compared to our competitors that have less debt;
- make it more difficult for us to satisfy our obligations with respect to our indebtedness;
- increase our vulnerability to general adverse economic and industry conditions;
- limit our ability to borrow additional funds or to sell or transfer assets in order to refinance existing indebtedness or fund future working capital, capital expenditures, any future acquisitions, research, development and technology process costs and other general business requirements; or
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate.

Any of the above listed factors could materially adversely affect our results of operations, financial condition and cash flows.

In addition, a portion of our debt bears interest at variable rates that are linked to changing market interest rates. Although we may hedge a portion of our exposure to variable interest rates by entering into interest rate swaps, we cannot assure you that we will do so in the future. As a result, an increase in market interest rates would increase our interest expense and our debt service obligations, which would exacerbate the risks associated with our leveraged capital structure. See also "—Risks Associated with Our Business—Interest rate, currency and exchange rate fluctuations could adversely affect our results of operations."

Despite our substantial indebtedness, we may still be able to incur significantly more debt, including secured debt; this could intensify the risks described above

Despite our significant indebtedness, we, the Guarantors and our respective subsidiaries may incur additional indebtedness (secured and unsecured) in the future, provided that such indebtedness is permitted to be incurred under the Indenture governing the Notes. If additional debt is added to our substantial debt levels, the related risks that we now face could intensify. For more information on our ability to incur and secure additional debt, please see "Description of the Notes."

We may not be able to repurchase the Notes upon a change of control

Upon the occurrence of a "Change of Control" (as defined in the Indenture), you will have the right to require us to repurchase your Notes at a purchase price in cash equal to 101% of the principal amount of your Notes plus accrued and unpaid interest, if any. In the event that a Change of Control occurs, we may not have sufficient financial resources to satisfy all of our obligations under the Notes and any other indebtedness with similar provisions. Our failure to repurchase any Notes when due would result in a default under the Indenture.

We may not be able to refinance our existing or future debt obligations or renew our credit facilities on acceptable terms or at all

Following the issue of the Notes, our financial indebtedness and committed credit facilities will include different types of corporate debt and credit facilities, including corporate debt incurred by the Issuer (such as the Notes offered hereby) or the Guarantors, credit facilities available to the Issuer or its subsidiaries, debt incurred by our subsidiaries, and credit facilities, working capital facilities and other committed facilities or guarantees thereof available to our subsidiaries (please see "Description of Other Indebtedness"). In relation to our corporate debt that is repayable with a 'bullet' payment on maturity (such as the Notes offered hereby), our ability to make such payments at maturity is uncertain and will depend upon our ability to generate sufficient cash from operations, obtain additional equity or debt financing or sell assets. This ability to obtain equity or debt financing on favourable terms or at all will depend on many factors outside our control, including the then prevailing conditions in the international credit and capital markets. Our ability to sell assets and use the proceeds for the refinancing of debt obligations coming due will also depend on many factors outside our control, including the existence of willing purchasers and asset values. At the time the refinancing of each of our existing debt obligations is due, we may not be able to raise equity or refinance the repayment of our debt obligation on terms as favourable as the original loan or sell the property at a price sufficient to repay the relevant debt or at all. In relation to the committed credit facilities available to our subsidiaries, we are subject to the risk that we may not be able to renew such credit facilities on similar or better terms or at all. If we are unable to refinance our existing or future debt obligations or renew our existing or future credit facilities on acceptable terms or at all, this could have material adverse effects on our liquidity, financial condition and results of operations.

Restrictive covenants in our financing agreements, including the Indenture, may limit our operations and financial flexibility and adversely impact our future results and financial condition

Some of our financing agreements and debt arrangements set limits on and/or require us to obtain consents before, among other things, pledging assets as security. In addition, certain financial covenants may limit our ability to borrow additional funds or to incur additional liens. In the past, we have been able to obtain required lender consents for such activities. However, there can be no assurance that we will be able to obtain such consents in the future. If our financial or growth plans require such consents and such consents are not obtained, we may be forced to forego or alter our plans, which could adversely affect our results of operations and financial condition.

In the event that we breach these covenants, the outstanding amounts due under such financing agreements could become due and payable immediately. A default under one of these financing agreements may also result in cross-defaults under other financing agreements and result in the outstanding amounts under such other financing agreements becoming due and payable immediately. Defaults under one or more of our financing agreements could have a material adverse effect on our results of operations and financial condition.

To service our indebtedness, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control. We might be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful

Our ability to make payments on and to refinance our indebtedness, including the Notes, and to fund planned capital expenditures will depend on our ability to generate cash in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. Based on our current level of operations, we believe our cash flow from operations, available cash, proceeds from the offering of the Notes and available borrowings under our other financing facilities will be adequate to meet our future liquidity needs for at least the next 12 months. We cannot assure you, however, that our business will generate sufficient cash flow from operations or that future borrowings will be available to us in an amount sufficient to enable us to pay our indebtedness, including the Notes, or to fund our other liquidity needs.

The insolvency laws of England and Wales may not be as favourable to you as US bankruptcy laws or those of another jurisdiction with which you are familiar

The Issuer and the Guarantors are incorporated in England and Wales. The insolvency laws of England and Wales may not be as favourable to your interests as the laws of the United States or other jurisdictions with which you are familiar. A brief description of certain aspects of insolvency law in England and Wales is set out under "Insolvency laws may permit a court to set aside the Note Guarantee, and if that occurs, you may not receive any payments under the Note Guarantee" below.

Insolvency laws may permit a court to set aside the Note Guarantee, and if that occurs, you may not receive any payments under the Note Guarantee

The Issuer and the Guarantors, other than Jaguar Land Rover North America, LLC, are companies incorporated under English law. As a general rule, insolvency proceedings with respect to an English company should be based on English insolvency laws. However, pursuant to the EC Regulation No. 1346/2000 on Insolvency Proceedings ("EC Regulation on Insolvency Proceedings"), where an English company conducts business in more than one Member State of the European Union, the jurisdiction of the English courts may be limited if the company's "centre of main interests" is found to be in a Member State other than the United Kingdom. There are a number of factors that are taken into account to ascertain the centre of main interests, which should correspond to the place where the company conducts the administration of its interests on a regular basis and is therefore ascertainable by third parties. The point at which this issue falls to be determined is at the time that the relevant insolvency proceedings are opened. Similarly, the UK Cross Border Insolvency Regulations 2006, which implement the UNCITRAL Model law on cross-border insolvency in the United Kingdom, provide that a foreign (i.e. non-European) court may have jurisdiction where any English company has a centre of its main interests in such foreign jurisdiction, or where it has a place of operations in such foreign jurisdiction and carries out non-transitory economic activities with human means and assets or services.

Administration

The relevant English insolvency statutes empower English courts to make an administration order in respect of an English company in certain circumstances. An administrator can also be appointed out of court by the company, its directors or the holder of a qualifying floating charge; different procedures apply according to the identity of the appointor. During the administration, in general no proceedings or other legal process may be commenced or continued against the debtor, except with leave of the court or consent of the administrator. If one of the Guarantors were to enter into administration proceedings, it is possible that the guarantee granted by it may not be enforced while it was in administration.

There are circumstances under English insolvency law in which the granting by an English company of guarantees can be challenged. In most cases this will only arise if the company is placed into administration or liquidation within a specified period of the granting of the guarantee. Therefore, if during the specified period an administrator or liquidator is appointed to an English company, he or she may challenge the validity of the guarantee given by the company.

The following potential grounds for challenge may apply to the Note Guarantees:

Transaction at an undervalue

Under English insolvency law, a liquidator or administrator of an English company could apply to the court for an order to set aside the creation of a guarantee if such liquidator or administrator believed that the creation of such guarantee constituted a transaction at an undervalue. It will only be a transaction at an undervalue if at the time of the transaction or as a result of the transaction, the English company is insolvent (as defined in the UK Insolvency Act 1986, as amended). The transaction can be challenged if the English company enters into liquidation or administration within a period of two years from the date the English company grants the guarantee. A transaction might be subject to being set aside as a transaction at an undervalue if it involved a gift by a company, if a company received no consideration or if a company received consideration of significantly less value, in money or money's worth, than the consideration given by such company. However, a court generally will not intervene if it is satisfied that the company entered into the transaction in good faith and for the purpose of carrying on its business, and that at the time it did so there were reasonable grounds for believing the transaction would benefit it. If the court determines that the transaction was a transaction at an undervalue the court can make such order as it thinks fit to restore the company to the position it would have been in had it not entered into the transaction. In any proceedings, it is for the administrator or liquidator to demonstrate that the English company was insolvent unless a beneficiary of the transaction was a connected person (as defined in the UK Insolvency Act 1986, as amended), in which case the connected person must demonstrate the solvency of the English company in such proceedings.

Preference

Under English insolvency law, a liquidator or administrator of an English company could apply to the court for an order to set aside the creation of a guarantee if such liquidator or administrator believed that the creation of such guarantee constituted a preference. It will only be a preference if at the time of the transaction or as a result of the transaction the English company is insolvent. The transaction can be challenged if the English company enters into liquidation or administration within a period of six months (if the beneficiary of the guarantee is not a connected person) or two years (if the beneficiary is a connected person) from the date the English company grants the guarantee. A transaction may constitute a preference if it has the effect of putting a creditor, guarantor or surety of the English company in a better position (in the event of the company going into insolvent liquidation) than such creditor, guarantor or surety would otherwise have been in had that transaction not been entered into. If the court determines that the transaction was a preference the court can make such order as it thinks fit to restore the company to the position it would have been in had it not entered into the transaction. However, for the court to determine a preference, it must be shown that the English company was influenced by a desire to produce that result. In any proceedings, it is for the administrator or liquidator to demonstrate that the English company was insolvent and that there was such influence unless a beneficiary of the transaction was a connected person, in which case the connected person must demonstrate in such proceedings that there was no such influence.

Transaction defrauding creditors

Under English insolvency law, where it can be shown that a transaction was at an undervalue and was made for the purposes of putting assets beyond the reach of a person who is making, or may make, a claim against a company, or of otherwise prejudicing the interests of a person in relation to the claim, which that person is making or may make, the transaction may be set aside by the court as a transaction defrauding creditors. This provision may be used by any person who claims to be a "victim" of the transaction and is not therefore limited to liquidators or administrators. There is no statutory time limit in the English insolvency legislation within which the challenge must be made and the relevant company does not need to be insolvent at the time of the transaction.

It may be difficult for you to effect service of process against the directors of the Issuer and Guarantors outside the United States and enforce legal proceedings against us

The Issuer and the Guarantors, other than Jaguar Land Rover North America, LLC, are incorporated under the laws of England and Wales. Most of the directors and officers reside outside the United States and a substantial part of their assets are located outside the United States. Although both the Issuer and the Guarantors will agree, in accordance with the terms of the Indenture, to accept service of process in the United States by agents designated for such purpose, it may not be possible for the holders of Notes: (i) to effect service of process in the United States upon those of the directors or officers of the Issuer or the Guarantors who are outside of the United States or (ii) to enforce against either the Issuer or the Guarantors, or their respective officers or directors who are outside of the United States, judgments obtained in US courts predicated upon the civil liability provisions of the federal or state securities laws of the United States. We have been advised by our legal advisers that there is also doubt as to the direct enforceability outside of the United States against any of these persons in an original action or in an action for the enforcement of judgments of US courts, of civil liabilities predicated solely upon US federal or state securities laws.

We have been advised by our legal advisers that a judgment in civil and commercial matters of a US federal or state court would not automatically be recognised or enforceable in England and Wales. To enforce any such US judgment in England and Wales, proceedings must first be initiated before a court of competent jurisdiction in England and Wales and recognition and enforcement of a US judgment by the courts of England and Wales in such an action is conditional upon (among other things) the US judgment being final and conclusive on the merits in the sense of being final and unalterable in the court that pronounced it and being for a debt for a definite sum of money. This is discussed in more detail in the section entitled "Service of Process and Enforcement of Judgments." Such counsel has expressed no opinion, however, as to whether the enforcement would be in pounds sterling or as at which date, if any, the determination of the applicable exchange rate from US dollars to pounds sterling would be made.

There is no existing trading market for the Notes and we cannot assure you that an active trading market will develop, which could adversely impact your ability to sell your Notes

The Notes are new securities for which there is currently no existing market. Although we have made an application to list the Notes on the Luxembourg Stock Exchange, we cannot assure you that the Notes will remain listed. We cannot assure you as to the liquidity of any market that may develop for the Notes, the ability of holders of the Notes to sell them or the price at which the holders of the Notes may be able to sell them. The liquidity of any market for the Notes will depend on the number of holders of the Notes, prevailing interest rates, the market for similar securities and other factors, including general economic conditions and our own financial condition, performance and prospects, as well as recommendations by securities analysts. Historically, the market for non-investment grade debt, such as the Notes, has been subject to disruptions that have caused substantial price volatility. We cannot assure you that if a market for the Notes were to develop, such a market would not be subject to similar disruptions. We have been informed by the initial purchasers that they intend to make a market for the Notes after the offering of the Notes is completed. However, they are not obliged to do so and may cease their market-making activity at any time without notice. In addition, such market-making activity will be subject to limitations imposed by the US Securities Act and other applicable laws and regulations. As a result, we cannot assure you that an active trading market for the Notes will develop or, if one does develop, that it will be maintained.

Transfer of the Notes will be restricted

We have not registered and do not intend to register the offer and sale or resale of the Notes under the US securities laws, including the US Securities Act, or the securities laws of any other jurisdiction. The Notes will not have the benefit of any registration rights agreement. You may not offer or sell the Notes, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of US securities laws and other applicable securities laws. You should read "Notice to Investors" for further information about these and other transfer restrictions. It is your obligation to ensure that any offer or sale of your Notes by you complies with applicable securities laws.

The Notes will initially be held in book-entry form and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights or remedies

Unless and until any Notes in definitive registered form ("definitive registered notes") are issued in exchange for book-entry interests, owners of book-entry interests will not be considered owners or holders of Notes. The common depositary (or its nominee) for the accounts of Euroclear and Clearstream Banking will be the registered holder of the Sterling Global Notes, and DTC, or its nominee, will be the registered holder of the Dollar Global Notes (as such terms are defined in "Book-Entry; Delivery and Form"). After payment to the common depositary, we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of DTC, Euroclear or Clearstream Banking, as applicable, and if you are not a participant in DTC, Euroclear or Clearstream Banking, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder under the Indenture. Please see "Book-Entry; Delivery and Form."

Unlike the holders of the Notes themselves, owners of book-entry interests will not have the direct right to act upon our solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from DTC, Euroclear or Clearstream Banking. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any request actions on a timely basis.

Similarly, upon the occurrence of an event of default under the Indenture, unless and until definitive registered notes are issued in respect of all book-entry interests, if you own a book-entry interest, you will be restricted to acting through DTC, Euroclear or Clearstream Banking. We cannot assure you that the procedures to be implemented through DTC, Euroclear or Clearstream Banking will be adequate to ensure the timely exercise of rights under the Notes. Please see "Book-Entry; Delivery and Form."

Land Rover, one of the Guarantors, is an unlimited company. As a result, in the case of an insolvency of Land Rover, trade and other creditors of Land Rover would have recourse to the Issuer as sole shareholder of Land Rover for any shortfall in Land Rover's assets

Land Rover, one of the Guarantors and a direct wholly owned subsidiary of the Issuer, is an unlimited company organised under the laws of England and Wales. Because of the unlimited status of Land Rover, if Land Rover were to become insolvent, the Issuer would have an obligation to contribute assets to Land Rover to make up for any shortfall in Land Rover's assets to meet its debts and liabilities and any winding-up expenses. The Issuer's potential liability as a shareholder of Land Rover is therefore unlimited. As a result, in the case of an insolvency of Land Rover, trade and other creditors of Land Rover would have recourse to the Issuer as sole shareholder of Land Rover for any shortfall in Land Rover's assets.

Investors in the Notes may have limited recourse against the independent auditors

The 2010 and 2009 Consolidated Financial Statements have been audited by Deloitte LLP, independent auditors, as stated in the audit report relating to the 2010 and 2009 Consolidated Financial Statements. The audit reports of Deloitte LLP with respect to the 2010 and 2009 Consolidated Financial Statements, in accordance with guidance issued by The Institute of Chartered Accountants in England and Wales, include the following limitations:

> "This report is made solely to the Company's Directors in accordance with our engagement letter dated 27 April 2011 and solely for the purpose of inclusion within the offering memorandum under the rules and regulations of the Luxembourg Stock Exchange for the proposed offering of senior secured notes by Jaguar Land Rover PLC (the "Offering Memorandum"). Our audit work has been undertaken so that we might state to the Company's Directors those matters we are required to state to them in an independent auditors' report and for no other purpose. To the fullest extent permitted by law, and save for any responsibility under the rules and regulations of the Luxembourg Stock Exchange, we will not accept or assume responsibility to anyone other than the Company or the Company's Directors, for our audit work, for this report, or for the opinions we have formed."

The SEC would not permit such limiting language to be included in a registration statement or a prospectus used in connection with an offering of securities registered under the US Securities Act or in a report filed under the US Securities Exchange Act of 1934, as amended (the "Exchange Act"). If a US (or any other) court were to give effect to the language quoted above, the recourse that investors in the Notes may have against the independent accountants based on their reports or the Consolidated Financial Statements to which they relate could be limited.

USE OF PROCEEDS

We estimate that the gross proceeds of the offering of the Notes will be £1,000.0 million sterling equivalent and we estimate the net proceeds will be £980.0 million sterling equivalent.

The expected estimated sources and uses of the funds raised through the offering of the Notes are shown in the table below. Actual amounts will vary from estimated amounts depending on several factors, including differences from our estimate of existing cash in the business, our estimates of the cost of repaying our existing indebtedness in the Refinancing and differences from our estimates of fees and expenses. Any changes in these amounts may affect the amount of surplus cash.

Sources	£ in millions	Uses	£ in millions
2018 Sterling Notes offered hereby	500.0	Liability for redemption of preference shares(2)	250.0
2018 US Dollar Notes offered hereby(1)	250.0	Refinancing of existing indebtedness(3)(4)	359.3
2021 US Dollar Notes offered hereby(1)	250.0	Estimated fees and expenses(5)	20.0
		Estimated surplus cash(6)	370.7
Total sources	**£1,000.0**	**Total uses**	**£1,000.0**

(1) Using the Federal Reserve Bank of New York noon-buying rate on 6 May 2011 rounded to two decimal places of \$1.64=£1.00.

(2) On 31 March 2011, we redeemed at par £250.0 million of 7.25% non-cumulative redeemable preference shares held by TMLH. The redemption created a liability owed by us to our parent company and the proceeds of the offering will be used to discharge that liability.

(3) We will use the net proceeds from the issue of the Notes to repay borrowings having an aggregate principal amount of £354.3 million, plus estimated fees and expenses relating to such repayment of approximately £5.0 million, under the following loan agreements:

(i) a loan agreement dated 11 June 2009 (as amended, restated and acceded to on 23 August 2010) entered into by Land Rover (as borrower) and guaranteed by Jaguar Cars Limited, Land Rover Exports Limited, Jaguar Cars Exports Limited and Jaguar Land Rover North America, LLC. The loan agreement provides for a facility of £70.0 million (£35.4 million of which has currently been drawn and will be repaid with the net proceeds from the issuance of the Notes), consisting of a three-year term loan (expiring 12 June 2012) and an overdraft facility, each to the value of £35 million, and interest of LIBOR plus a fixed margin of 3.50% per annum. This facility is secured by a collateral pool comprising property, plant and machinery, and tooling in the United Kingdom;

(ii) a loan agreement dated 29 September 2009 (as amended, restated and acceded to on 23 August 2010) entered into by Land Rover (as borrower) and guaranteed by Jaguar Cars Limited, Land Rover Exports Limited, Jaguar Cars Exports Limited and Jaguar Land Rover North America, LLC. The agreement provides for a single currency term loan in the amount of up to £175.0 million (£90.0 million of which has currently been drawn and will be repaid with the net proceeds from the issuance of the Notes) maturing on 30 September 2011 and attracting an interest rate of the aggregate of LIBOR, plus a fixed margin of 2.75% per annum. This facility is secured by a collateral pool comprising property, plant and machinery, and tooling in the United Kingdom; and

(iii) £229.3 million out of £338.3 million of outstanding borrowings under three facilities with a regional development bank. Following the closing of the issue of the Notes, £109.0 million will remain outstanding under these facilities. Please see "Description of Other Indebtedness—Facilities D & E—£109.0 million Regional Development Bank Facilities."

(4) It is our present intention that we will also fully cancel as soon as practicable after the date of this offering memorandum a syndicated facility agreement (currently undrawn) among Land Rover Parts Limited and Land Rover Parts US LLC as borrowers and a commercial lender providing for a £75.0 million three-year single-currency secured syndicated term loan facility (of which £50.0 million is available pending further syndication). The facility matures three years after first drawdown, although no drawdown has yet been made. The security consists of the "Land Rover" after market spare parts inventory and business as owned and operated by the borrowers. Almost all of the secured assets belong to the borrowers, although Land Rover and Land Rover Exports Limited have also provided some limited security over assets which they might own which relate to the "Land Rover" after market spare parts inventory and business. Land Rover, Jaguar Land

Rover North America, LLC and the borrowers are party to the facility agreement as guarantors. The borrowers have the right to cancel the facility upon payment of a fee of 2% of the facility limit (reducing to 1% on 16 July 2011 and to zero on 16 July 2012).

(5) Represents the estimated legal, accounting, underwriting, printing, market and other fees and associated out-of-pocket expenses incurred in connection with the offering, sale and issue of the Notes.

(6) The estimated cash balance will be used for general corporate purposes. Until the cash is so used, we will invest it in short-term liquid assets.

CAPITALISATION

The following table sets out the consolidated cash and cash equivalents and capitalisation of the Issuer, as at 31 December 2010, as adjusted to give effect to (i) the Corporate Reorganisation (please see "Summary—Our Business—Recent Developments and Trading Update—Corporate Reorganisation") and (ii) the offering and issue of the Notes and the application of the proceeds therefrom (please see "Use of Proceeds").

Sources	Actual as at 31 December 2010	Adjustments for the Corporate Reorganisation	Adjustments for the offering of the Notes and the use of the proceeds therefrom	As adjusted
		(£ in millions)		
Cash and cash equivalents	999.7[1]	—	370.7[2]	1,370.4
Secured borrowings	636.8	—	(474.3)[3]	162.5[4][5]
Finance leases	25.0	—	—	25.0
Factoring[6]	284.6	—	—	284.6
Unsecured borrowings	2.4	—	120.0[7]	122.4
Notes offered	—	—	1,000.0	1,000.0
Total third-party debt	948.8	—	645.7	1,594.5
Unsecured borrowings	182.6[8]	250.0[9]	(250.0)[10]	182.6
Preference shares	1,515.8	(1,358.7)[11]	—	157.1
Total debt	2,647.2	(1,108.7)	395.7	1,934.2
Ordinary shares	644.6	856.0[12]	—	1,500.6
Reserves/accumulated deficit	(386.3)	252.7[13]	—	(133.6)
Total equity	258.3	1,108.7	—	1,367.0
Total capitalisation	2,905.5	—	395.7	3,301.2

(1) The total amount of cash and cash equivalents includes £382.0 million in subsidiaries of the Issuer outside the United Kingdom. A portion of this amount is subject to various restrictions or impediments on the ability of our subsidiaries in certain countries to transfer cash across the Group, such as foreign exchange controls by withholding taxes on dividends and distributions and other similar measures. As at 31 December 2010, this includes £262.0 million held by subsidiaries in China, a portion of which could be used to satisfy current liabilities in China. In addition, we have cash affected by such restrictions or impediments (but not foreign exchange controls) in South Africa, Brazil, Russia and other countries. In each of these countries, we can access our cash by using certain transaction structures that are common in the relevant country.

(2) Represents the cash surplus following the issuance of the Notes and the application of the proceeds therefrom, which will be used for general corporate purposes.

(3) Represents the application of £354.3 million from the net proceeds from the offering of the Notes towards the repayment of the principal amount of our term borrowings and amounts drawn under our credit facilities as described under "Use of Proceeds" and the conversion of secured borrowings of £120.0 million to unsecured borrowings under the terms of an 18-month loan facility as more specifically described under "Description of Other Indebtedness—Facility A—£120.0 million Single-Currency Unsecured Bilateral Terms Loan Facility."

(4) On the issue date, we will also have £66.0 million of undrawn secured credit facilities.

(5) This amount of secured debt does not include the obligations to the Land Rover and Jaguar Cars Limited pension fund trustees, which are secured by second-ranking charges. Please see footnote 2 of "Summary—Corporate and Financing Structure." Furthermore, this amount of secured debt does not include the conversion of secured borrowings of £120.0 million to unsecured borrowings under the terms of an 18-month loan facility as more specifically described under "Description of Other Indebtedness—Facility A—£120.0 million Single-Currency Unsecured Bilateral Terms Loan Facility."

(6) Represents our factoring facilities entered into in the ordinary course of business.

(7) Represents the conversion of secured borrowings of £120.0 million to unsecured borrowings under the terms of an 18-month loan facility as more specifically described under "Description of Other Indebtedness—Facility A—£120.0 million Single-Currency Unsecured Bilateral Terms Loan Facility."

(8) Represents the amount of unsecured borrowings (other than the preference shares) owed to our parent company. It is our present intention to refinance this intra-group liability with a private term loan. Although we cannot provide any assurances that the funding of the term loan will be completed, we are presently in advanced discussions with our lender and expect to settle the transaction in the near term. For a summary of the terms of this private term loan, see "Description of Other Indebtedness—Facility M—US$300.0 million 5-year single-currency bilateral term loan facility."

(9) Represents the creation of a liability of £250.0 million to our parent company as a result of the redemption of an equal amount of our preference shares in the Corporate Reorganisation.

(10) Represents the application of £250.0 million from the net proceeds from the offering of the Notes towards the discharge of a liability of equal amount owed to our parent company as a result of the redemption of an equal amount of our preference shares at par. Please also see footnote 9 above.

(11) Represents preference shares of the Issuer converted into ordinary shares, the creation of a capital redemption reserve due to a reduction in our share capital, the creation of a liability of £250.0 million to our parent company as a result of the redemption of an equal amount of our preference shares and exchange rate fluctuations in the conversion of US dollar denominated shares to pounds sterling in connection with the Corporate Reorganisation.

(12) Represents the conversion of preference shares into ordinary shares in the Corporate Reorganisation.

(13) Represents the creation of capital redemption reserves due to reduction in share capital in the Corporate Reorganisation.

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

The following table sets out Jaguar Land Rover's selected consolidated financial data and other data for the periods ended and as at the dates indicated below. For a discussion of the presentation of financial data, please see "Presentation of Financial and Other Data."

We have derived the selected consolidated financial data for the Fiscal year ended 31 March 2010 and the period commencing 18 January 2008 and ended 31 March 2009 and the interim consolidated financial data for the nine months ended 31 December 2010 and 2009 from the Consolidated Financial Statements included elsewhere in this Offering Memorandum.

The unaudited consolidated financial information for the 12 months ended 31 December 2010 set out below was derived by aggregating without adjustment the consolidated financial data for the 12 months ended 31 March 2010 and the nine months ended 31 December 2010 and subtracting the consolidated financial data for the nine months ended 31 December 2009. The financial information for the 12 months ended 31 December 2010 has been prepared for illustrative purposes only and is not necessarily representative of our results of operations for any future period or our financial condition at any future date.

The financial information contained herein was prepared in accordance with IFRS. The selected financial data and other data should be read in conjunction with "Summary Consolidated Financial and Other Data," "Operating and Financial Review and Prospects" and the financial statements and related notes included elsewhere in this Offering Memorandum. Historical results are not necessarily indicative of future expected results. In addition, our results for the nine-month period ended 31 December 2010 should not be regarded as indicative of our results expected for the year ended 31 March 2011.

Please note that, while we charge our research costs to the income statement in the year in which they are incurred, we capitalise product development costs relating to new vehicle platforms, engine, transmission and new products and recognise them as intangible assets under certain conditions. Please see "Presentation of Financial and Other Data." There are a number of differences between IFRS and US GAAP. One difference is that we would not be able to capitalise such costs if we were to prepare our financial statements in compliance with US GAAP. In addition, interpretations of IFRS may differ, which can result in different applications of the same standard and, therefore, different results.

On 18 January 2008, Tata Motors set up the Issuer to acquire the Jaguar and Land Rover businesses from Ford. The transaction was consummated on 2 June 2008. Therefore, our financial statements for Financial Period 2009 are for the period from 18 January 2008 to 31 March 2009 but include the operations of the Jaguar and Land Rover businesses only from 2 June 2008 to 31 March 2009, whereas our financial statements for Fiscal 2010 include the operations of the Jaguar and Land Rover businesses for the entire year. This may make it difficult to compare our results of operations and financial condition or to estimate our consolidated results of operations in the future.

	Period commencing on 18 January 2008 and ended and as at 31 March 2009[1]	Fiscal year ended and as at 31 March 2010	Nine months ended and as at 31 December 2009	Nine months ended and as at 31 December 2010	Twelve months ended and as at 31 December 2010
	(£ in millions)				
Income Statement Data:					
Revenues	4,949.5	6,527.2	4,486.2	7,132.0	9,173.0
Cost of sales—materials[2]	(3,375.0)	(4,437.0)	(3,141.6)	(4,444.9)	(5,740.3)
Employee cost	(587.8)	(746.8)	(552.3)	(575.2)	(769.7)
Other expenses	(1,500.2)	(1,488.2)	(1,017.6)	(1,455.0)	(1,925.6)
Expenditure capitalised[3]	418.3	471.0	341.3	437.1	566.8
Other income (net)	27.4	27.6	21.3	33.3	39.6
Foreign exchange gain/(loss) (net)	(129.9)	68.3	107.2	(2.6)	(41.5)
Depreciation and amortisation[4]	(229.3)	(317.0)	(246.9)	(299.2)	(369.3)
Excess of fair value of net assets acquired over cost of acquisition[5]	116.0	—	—	—	—
Finance income	10.0	3.4	1.8	17.9	19.5
Finance expense (net of capitalised interest)	(74.7)	(57.1)	(39.9)	(28.9)	(46.1)
Net income/(loss) before tax	(375.7)	51.4	(40.5)	814.5	906.4
Income tax expense	(26.7)	(27.9)	(15.3)	(41.0)	(53.6)
Net income/(loss) attributable to shareholders	(402.4)	23.5	(55.8)	773.5	852.8
Currency translation differences	(607.5)	100.8	215.2	38.7	(75.7)
Gain on cancellation of preference shares	—	—	—	48.8	48.8
Actuarial gains and losses	(200.5)	(21.3)	(145.5)	(128.2)	(4.0)
Gain/(loss) on cash flow hedges	—	—	—	(11.7)	(11.7)
Total comprehensive income for the year	(1,210.4)	103.0	13.9	721.1	810.2
Balance Sheet Data (at period end):[6]					
Intangible assets	1,270.5	1,676.0	n.a.	2,001.3	2,001.3
Total non-current assets	2,609.8	3,031.6	n.a.	3,364.0	3,364.0
Total current assets	1,674.1	2,592.7	n.a.	2,963.1	2,963.1
Total assets	4,283.9	5,624.3	n.a.	6,327.1	6,327.1
Total current liabilities	4,144.7	3,585.0	n.a.	3,734.2	3,734.2
Total non-current liabilities	1,066.0	2,502.1	n.a.	2,334.6	2,334.6
Total liabilities	5,210.7	6,087.1	n.a.	6,068.8	6,068.8
Total equity attributable to equity holders of the parent	(926.8)	(462.8)	n.a.	258.3	258.3

	Period commencing on 18 January 2008 and ended and as at 31 March 2009[1]	Fiscal year ended and as at 31 March 2010	Nine months ended and as at 31 December 2009	Nine months ended and as at 31 December 2010	Twelve months ended and as at 31 December 2010
	(£ in millions)				
Cash Flow Data:					
Net cash from/(used in) operating activities	(70.7)	626.0	326.7	1,246.4	1,545.7
Net cash from/(used in) investing activities	(1,696.3)	(795.1)	(610.3)	(548.5)	(733.3)
Net cash from/(used in) financing activities	1,886.8	711.1	626.3	(392.1)	(307.3)
Cash and cash equivalents at the end of year	128.5	679.9	472.5	999.7	999.7
Other Financial Data:					
Capital expenditure (excluding R&D costs)	188.8	332.3	271.0	127.2	188.5
R&D costs[7]	457.2	471.2	369.2	513.6	615.6
Capitalised product development expenditure[8]	418.3	423.4	334.4	400.1	489.1

(1) Financial Period 2009 represents the period from 18 January 2008 to 31 March 2009 and the trading of the Jaguar and Land Rover businesses from the date of acquisition on 2 June 2008 to 31 March 2009.

(2) We have elected to present our income statement under IFRS by category of expenditure rather than by function. Accordingly, we do not present costs of sales, selling and distribution and other functional cost categories on the face of the income statement. For illustrative purposes, we have defined "cost of sales—materials" as the sum of the following types of expenditure presented in the income statement: (i) change in inventories of finished goods and works in progress; (ii) purchase of products for sale; and (iii) raw materials and consumables. Cost of sales—materials does not equal "cost of sales" that the company would report if it were to adopt a functional presentation for its income statement because it does not include all relevant employee costs, depreciation and amortisation of assets used in the production process and relevant production overheads, which we report separately. The reconciliation of costs of sales—materials to our income statement is as follows:

	Period commencing on 18 January 2008 and ended 31 March 2009	Fiscal year ended 31 March 2010	Nine months ended 31 December 2009	Nine months ended 31 December 2010	Twelve months ended 31 December 2010
	(£ in millions)				
Change in inventories of finished goods and work in progress	(260.4)	49.3	(88.4)	89.1	226.8
Add purchase of products for sale	(497.5)	(603.1)	(438.2)	(528.7)	(693.6)
Add raw materials and consumables	(2,617.1)	(3,883.2)	(2,615.0)	(4,005.3)	(5,273.5)
Cost of sales—materials	(3,375.0)	(4,437.0)	(3,141.6)	(4,444.9)	(5,740.3)

(3) This amount represents the amount of internally generated intangible assets recognised at the end of the relevant period, which consist predominantly of capitalised cost of product development.

(4) Depreciation and amortisation include, among other things, the amortisation attributable to the capitalised cost of product development relating to new vehicle platforms, engine, transmission and new products. The amount of total depreciation and amortisation attributable to the amortisation of capitalised product development costs for Financial Period 2009, Fiscal 2010, the nine months ended 31 December 2009 and 2010 and the last 12 months ended 31 December 2010 was £2.6 million, £52.4 million, £34.3 million, £65.8 million and £83.9 million, respectively.

(5) On 2 June 2008, the Issuer acquired the Jaguar and Land Rover businesses from Ford. The consideration was £1,279.4 million, not including £149.7 million of cash acquired in the business. The one-off excess of fair value of net assets acquired over the cost of acquisition was £116.0 million. This excess was primarily attributable to the significant value of the Jaguar and Land Rover brands.

(6) Comparable balance sheet data in our Condensed 2010 Interim Financial Statements are presented as at 31 March 2010, not 31 December 2009. Consequently, no balance sheet data is presented as at 31 December 2009.

(7) This amount represents the total expenditure on research and development for the periods indicated (including both the cost charged to the income statement as other expenses and the capitalised cost that was recognised as an intangible asset).

(8) This amount represents the capitalised cost of product development recognised as an intangible asset at the end of the relevant period.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion should be read together with, and is qualified in its entirety by reference to, our Consolidated Financial Statements including the related notes thereto, included in this Offering Memorandum beginning on page F-1. The following discussion should also be read in conjunction with "Presentation of Financial and Other Data" and "Selected Consolidated Financial and Other Data." Except for the historical information contained herein, the discussions in this section contain forward-looking statements that reflect our plans, estimates and beliefs and involve risks and uncertainties. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this Offering Memorandum, particularly in "Risk Factors" and "Forward-looking Statements."

Overview

We design, develop, manufacture and sell Jaguar premium sports and saloon cars and Land Rover premium all-terrain vehicles, and engage in the sale of related parts and accessories. We have a long tradition as a manufacturer of premium passenger vehicles with internationally recognized brands, an exclusive product portfolio of award-winning vehicles, a brand-specific global distribution network, and strong research and development capabilities. Jaguar and Land Rover collectively received over 80 awards from leading international motoring writers, magazines and opinion formers in 2010.

We operate a global sales and distribution network designed to achieve geographically diversified sales and facilitate high growth in key markets. Our principal regional markets are the United States, the United Kingdom and the Rest of Europe, which respectively accounted for 22.5%, 19.1% and 21.0% of our revenues in the nine months ended 31 December 2010 (19.5%, 23.7% and 25.4% in Fiscal 2010).

We operate three major production facilities (employing a total of approximately 10,100 employees as at 31 December 2010) and two advanced design and engineering facilities (employing a total of approximately 5,100 employees as at 31 December 2010, which includes employees at our corporate headquarters located at Gaydon), all of which are located in the United Kingdom. At 31 December 2010, we employed 16,893 employees globally.

The Issuer was formed on 18 January 2008, and acquired Jaguar Cars Limited and Land Rover from Ford on 8 July 2008. We are a wholly owned subsidiary of Tata Motors, a member of the international conglomerate Tata Group. Tata Motors is India's leading automobile company and ranks as the third largest bus manufacturer (in the above eight tonne category) and the fourth largest truck manufacturer (in the above eight tonne category) in the world, in each case as measured by volume of vehicles sold in 2009.

We generated revenues of £7,132.0 million, net income of £773.5 million and EBITDA of £1,124.7 million in the nine months ended 31 December 2010, as compared to revenues of £4,486.2 million, net loss of £55.8 million and negative EBITDA of £244.5 million in the nine months ended 31 December 2009. Our results of operations in the nine months ended 31 December 2010 represent an improvement from revenue of £6,527.2 million, net income of £23.5 million and EBITDA of £422.1 million in Fiscal 2010 and a turnaround from revenue of £4,949.5 million, a net loss of £402.4 million and negative EBITDA of £197.7 million in Financial Period 2009. Our recovery in the latter half of Fiscal 2010 and in the nine months ended 31 December 2010 is attributable to improved global economic conditions, a revamped model line-up and better market mix, as well as favourable foreign exchange movements and the positive impact of our cost-containment efforts across our operations.

Our unit sales (on a wholesale basis) under each of our brands for the nine months ended 31 December 2010 and 2009, as well as Fiscal 2010 and Financial Period 2009 are set out in the table below:

	Period commencing on 18 January 2008 and ended 31 March 2009[(1)]	Fiscal year ended 31 March 2010	Nine months ended 31 December 2009	Nine months ended 31 December 2010	Twelve months ended 31 December 2010
			(units)		
Jaguar	47,057	47,418	36,510	42,952	53,860
Land Rover	120,291	146,564	100,468	134,538	180,634
Total	**167,348**	**193,982**	**136,978**	**177,490**	**234,494**

(1) Financial Period 2009 represents the period from 18 January 2008 to 31 March 2009 and the trading of the Jaguar and Land Rover businesses from the date of acquisition on 2 June 2008 to 31 March 2009.

General Trends of Our Recent Performance

In Financial Period 2009, the economic environment was challenging, with depressed demand in most of our key markets, low confidence levels in global financial markets, volatility in exchange rates and rising prices for input materials. For much of Fiscal 2009, many of the markets in which we operate experienced negative GDP growth and the market for premium cars remained weak. Slow economic growth in many cases was matched by low or negative inflation rates. The cumulative impact on the global automotive industry of a number of negative macroeconomic developments—including subdued demand for discretionary consumer products, low consumer confidence, turmoil in financial markets, volatility in exchange rates, rising oil prices and other input materials—was substantial. For example, worldwide premium-brand light vehicle sales, which is broadly the segment in which we operate, declined by 12.8% from 2008 to 2009. Like other automotive manufacturers operating in such a challenging economic environment, we experienced a sharp decline in wholesale volumes and revenues, especially in the third and fourth quarters of Financial Period 2009.

In the first half of Fiscal 2010, there were signs of an economic recovery and a return to positive GDP growth in our most significant markets, which improved in the third and fourth quarters of the same Fiscal year. In addition, sustained growth continued in many emerging markets throughout Fiscal 2010, especially in China, India, Russia and South America, in some cases supported by significant stimulus programmes. As a result of the economic recovery, we experienced a marked improvement in our results of operations and our financial condition in the latter half of Fiscal 2010 and this upturn has accelerated in Fiscal 2011. The substantial improvement in our results of operations, especially our EBITDA, net income and cash and general liquidity position, was attributable to an increase in wholesale volumes and an improvement in product mix associated with the introduction of the new Jaguar XJ and the cessation of the Jaguar X-Type and the continued strength of the Range Rover and Range Rover Sport. We also experienced an improvement in market mix, in particular the strengthening of our business in China, which was supported by the launch of an NSC in China in mid-2010. Further, our performance was also assisted by the positive impact of the strengthening of the US dollar against the pound sterling and the euro, which has positively affected our revenues (a portion of which comprises wholesale volumes in US dollars) against the backdrop of a largely pound sterling and euro cost base. The improvement in our results of operations in the nine months ended 31 December 2010 was also partially attributable to further cost-efficiency improvements in material costs and manufacturing costs, supported by increased production volume levels. We continue to benefit from cost-efficiencies and effective cash management initiatives we adopted in response to the challenging operating conditions in 2008 and 2009, including the alignment of production with demand, active management of our inventory and dealer stock levels, rapid action to cut production and wholesale volume below the level of retail volume in order to enable dealer stocks to be reduced to targeted levels, management of our working capital through extension of the term of most trade payables and acceleration of the term of trade receivables. During the financial downturn, we also shrank our cost base across our business with specific measures to reduce staff costs and other fixed costs including engineering and capital spending, marketing and selling cost and manufacturing costs. We agreed an interim pay and bonus freeze and longer working hours with our unions and announced 2,200 agency and permanent headcount reductions. Following the economic recovery and turnaround in the results of our operations, we have reached agreement on reduced rates for new hires to blue-collar jobs from 1 January 2011. We also continue to drive to identify and implement material cost-efficiencies and reductions through design actions and collaboration with our suppliers. We believe that many of these actions have resulted in cost-efficiencies that are likely to improve our resilience to external shocks. We expect our strong operating cash generation to fund our product investment requirements and allow for profitable growth in the future.

Wholesale volumes for the Group in the nine months ended 31 December 2010 were 177,490 units, as against 136,978 units in the equivalent period in 2009, an improvement of 29.6%. The overall trend shows a significant increase in sales volumes for both our brands. Wholesale volumes for the nine months ended 31 December 2010 were 42,952 units for Jaguar and 134,538 units for Land Rover, as compared to 36,510 units for Jaguar and 100,468 units for Land Rover in the nine months ended 31 December 2009, an increase of 17.6% and 33.9%, respectively. The increase is partially attributable to discontinuation of the X-Type (production ceased in December 2009) and the XJ (production of the old XJ ceased in May 2009), which resulted in lower sales of those units in the nine months ended 31 December 2009. Sales have recovered strongly in the nine months ended 31 December 2010 on the back of demand for 2010 model year vehicles, including the new XJ, which commenced delivery in May 2010.

Wholesale volumes in the United Kingdom for the nine months ended 31 December 2010 totalled 40,529, up 12.0% from 36,190 in the equivalent period in 2009, as compared with 41,095 in North America for the nine months ended 31 December 2010, up 44.5% from 28,442 for the same nine-month period in 2009. Demand in China continued to be strong across all products, with wholesale volumes of 18,692 in the nine months to 31 December 2010, up 39.1% from 13,433 units in the nine months to 31 December 2010. Wholesale in Russia totalled 8,619 units in the nine months to 31 December 2010, a 35.1% increase on the 6,380 wholesale units sold in the nine months ended 31 December 2009, which reflected a turnaround in the local market after the Russian economy was hit hard by the global economic crisis, including the sharp fall in oil prices and the drying up of foreign credit on which Russian banks and companies tend to rely heavily. During Fiscal 2010, the automotive sector as a whole in the United Kingdom, Europe and the United States benefited from a variety of vehicle scrappage schemes. However, we believe these schemes had minimal benefit for the premium vehicle segment in which we operate.

Revenues were £7,132.0 million for the nine months ended 31 December 2010, compared to £4,486.2 million for the nine months ended 31 December 2009. This was reflected in improved EBITDA, which was £1,124.7 million in the nine months ended 31 December 2010 and £244.5 million in the same period in 2009, and higher net income/(loss), which was £773.5 million and £(55.8) million, respectively. The increase in net income is primarily attributable to an increase in sales volumes and improvement in operations.

Exchange rate volatility in Fiscal 2010 and Fiscal 2011 has been particularly marked as economies emerged from the global financial crisis. We are exposed principally to movements in the US dollar–sterling and euro–sterling exchange rates, but we have exposure to the Russian rouble, the Chinese renminbi and other currencies. Although we have benefited from many of these exchange movements, particularly movements in the US dollar and Russian rouble, other movements have had an adverse impact on our operations, such as movements in the euro-sterling exchange rate. In order to mitigate the impact of exchange rate volatility on our results, we have a management-approved hedging policy in place and we hedge our currency exposures using a combination of forward contracts and options.

Over the nine months to 31 December 2010, many of the raw materials we use to manufacture our vehicles increased in price. The increase in price has been particularly marked with regards to energy, steel, aluminium, palladium and platinum, which are all key inputs for our business. While we seek to manage the effect of fluctuations in commodity and energy prices by using a combination of short- and long-term supply contracts, the increase in commodity and energy prices has added cost pressure to our business.

In 2010, we completed guarantee arrangements to allow the drawdown of three facilities for £338.0 million with a regional development bank, agreed a syndication of an inventory financing facility to increase available funding from £85.0 million to £116.0 million, negotiated the renewal of a US$200.0 million loan for another year, and repaid short-term borrowing from Tata Group companies (other than Tata Motors) totalling £220.0 million.

Our wholesales volumes for the quarter ended 31 March 2011 were slightly above the prior quarter. Our revenue and EBITDA for this quarter conclude a strong performance in Fiscal 2011. This performance was in line with management expectations and driven by the continuation of the trends identified in the section entitled "Operating and Financial Review and Prospects—General Trends of Our Recent Performance."

We have recently announced a programme of future product development and improvement involving investment in research, design and technical innovation. Annual capital spending (including capitalised product development costs) is expected to increase to approximately £1,500.0 million in Fiscal 2012, slightly above 50% of which is expected to be research and development costs (with approximately 80% to 90% to be capitalised in line with our accounting policy as described elsewhere in this Offering Memorandum) and slightly under 50% of which is expected to be expenditure on tangible fixed assets such as facilities, tools and equipment. The substantial majority of our expected product investment relates to investment in new and replacement models, derivatives, powertrain actions and other upgrades and the associated investment in tools and facilities and other equipment. We intend to grow our team to over 5,000 engineers and designers from approximately 4,200 at present to support this programme. This programme of future product development will lead to an increase in our staff costs and an increase of intangible assets in the form of capitalised product development expenses.

Significant Factors Influencing Our Results of Operations

Our results of operations are dependent on a number of factors, which include mainly the following:

- *General economic conditions.* We, like the rest of the automotive industry, are substantially affected by general economic conditions. For the trends, outlook and competitive conditions in our industry and markets, please see "Our Industry and Markets." For the risks associated with our industry and markets please see "Risk Factors—Risks Associated with the Automotive Industry—Lack of improvement or worsening global economic conditions could have a significant adverse impact on our sales and results of operations."

- *Credit, liquidity and interest rates and availability of credit for vehicle purchases.* Our volumes are significantly dependent on the availability of vehicle financing arrangements by external providers of lease and consumer financing options and the costs thereof. For further discussion of our independent financing arrangements through our finance partners, please see "Our Business—Financing Arrangements and Financial Services Provided."

- *Our competitive position in the market.* Competition in the premium and SUV segments in which we operate has an effect on volumes and price realisation, which may have an impact on the profitability of our business. For a discussion regarding our competitive position in our markets, please see "Our Business—Competition" and "Our Industry and Markets."
- *Seasonality.* Our results of operations are also dependent on seasonal factors in the automotive market. Please see "Our Business—Our Strategy—Strengthen our operations to mitigate cyclicality and reduce fixed costs," "Our Industry and Markets—Seasonality" and "Risk Factors—Risks Associated with Our Business—Our business is seasonable in nature and a substantial decrease in our sales during certain quarters could have a material adverse impact on our financial performance."
- *Environmental regulations.* There has been a greater emphasis on the emission and safety norms for the automobile industry by governments in the various countries in which we operate. Compliance with these norms has had, and will continue to have, a significant impact on the costs and product life cycles in the automotive industry. For further details with respect to these regulations, please see "Our Business—Significant Environmental, Health, Safety and Emissions Issues."
- *Foreign currency rates.* Changes in foreign currency exchange rates may positively or negatively affect our results of operations through both transaction risk and translation risk. Transaction risk is the risk that the currency structure of our costs and liabilities will deviate from the currency structure of sales proceeds and assets. Translation risk is the risk that our financial results for a particular period will be affected by changes in the prevailing exchange rates at the end of the period, which may have a substantial impact on comparisons with prior periods. However, the translation effect is a reporting consideration and does not impact our underlying results of operations. Please see "Description of Other Indebtedness" for more detail on our hedging arrangements and "Risk Factors—Risks Associated with Our Business—Interest rate, currency and exchange rate fluctuations could adversely affect our results of operations" for further information on the risks associated with our foreign currency exposure.
- *Political and regional factors.* Similarly to the rest of the automotive industry, we are affected by political and regional factors. For a discussion regarding these risks, please see "Risk Factors—Risks Associated with Our Business—We may be adversely impacted by political instability, wars, terrorism, multinational conflicts, natural disasters, fuel shortages/prices, epidemics, labour strikes and other risks in the markets in which we operate," "Risk Factors—Risks Associated with the Automotive Industry—New or changing laws, regulations and government policies regarding increased fuel economy, reduced greenhouse gas and other air emissions and vehicle safety may have a significant effect on how we do business" and "Risk Factors—Risks Associated with the Automotive Industry—Changes in tax or fiscal policies could adversely affect the demand for our products."

Explanation of Income Statement Line Items

Our income statement includes the following items. For more information, please see "Operating and Financial Review and Prospects—Critical Accounting Policies" and the Consolidated Financial Statements elsewhere in this Offering Memorandum.

- *Revenue:* Revenue includes the fair value of the consideration received or receivable from the sale of finished vehicles and parts to dealers (in the United Kingdom and the foreign countries in which we have NSCs) and importers (in all other countries). We recognise revenue on the sale of products, net of discounts, sales incentives, customer bonuses and rebates granted, when products are delivered to dealers or when delivered to a carrier for export sales, which is when title and risks and rewards of ownership pass to the customer. Sale of products includes export and other recurring and non-recurring incentives from governments at the national and state levels. Sale of products is presented net of excise duty where applicable and other indirect taxes. Consequently, the amount of revenue we recognise is driven by wholesale volumes (i.e. sales of finished vehicles to dealers and importers). We do, however, monitor the level of retail volumes as a general metric of customer demand for our products with the aim of managing effectively the level of stock held by our dealers. Retail volumes do not directly affect our revenue.

- *Cost of sales—materials:* We have elected to present our income statement under IFRS by nature of expenditure rather than by function. Accordingly, we do not present costs of sales, selling and distribution and other functional cost categories on the face of the income statement. For illustrative purposes, we have defined "cost of sales—materials" as the sum of the following types of expenditure presented in the income statement: (i) change in inventories of finished goods and works in progress; (ii) purchase of products for sale; and (iii) raw materials and consumables. "Cost of sales—materials" does not equal "cost of sales" that the company would report if it were to adopt a functional presentation for its income statement because it does not include all relevant employee costs, depreciation and amortisation of assets used in the production process and relevant production overheads.

  Changes in inventories of finished goods and work in progress reflects the difference between the inventory of vehicles and parts at the beginning of the relevant period and the inventory of vehicles and parts at the end of the relevant period. It represents the credit or charge required to reflect the manufacturing costs for finished vehicles and parts, or vehicles and parts on the production line, that were still on stock at the end of the relevant period. For example, if wholesale volumes for a given period are zero, the changes in inventories of finished goods and work in progress will equal the cost of producing finished vehicles and parts (finished goods) and the cost of all vehicles and parts in the production line (work in progress). If, on the other hand, the change in inventories of finished goods and work in progress for a given period is zero, this means that all of the finished vehicles and parts produced during the period have been sold and converted into revenues without leaving any stock in the production line. Inventories (other than those recognised consequent to the sale of vehicles subject to repurchase arrangements) are valued at the lower of cost and net realisable value. Cost of raw materials and consumables are ascertained on a first-in-first-out basis. Costs, including fixed and variable production overheads, are allocated to work-in-progress and finished goods determined on a full absorption cost basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses. Inventories include vehicles sold subject to repurchase arrangements arising primarily from sales to car fleet companies in the United States. These vehicles are carried at cost and are amortised in changes in stocks and work in progress to their residual values (i.e. estimated second-hand sale value) over the term of the arrangement.

  Purchase of products for sale represents the cost associated with the supply from third-party suppliers of parts and other accessories that we do not manufacture ourselves but fit into our finished vehicles at the customer's discretion.

  Raw materials and consumables represents the cost of the raw materials and consumables that we purchase from third parties and use in our manufacturing operations, including aluminium, other metals, rubber and other raw materials and consumables.

- *Employee cost:* This line item represents the cost of wages and salaries, social security and employee benefit costs for all of our employees and agency workers, including employees of centralised functions and headquarters.
- *Other expenses:* This line item comprises any expense not otherwise accounted for in another line item. These expenses principally include warranty and product liability costs and freight and other transportation costs, stores, spare parts and tools consumed, product development costs, repairs to building, plant and machinery, power and fuel, rent, rates and taxes, publicity and marketing expenses, insurance and other general costs.
- *Expenditure capitalised:* Expenditure capitalised represents employee costs, store and other manufacturing supplies, and other works expenses incurred mainly towards product development projects. It also includes costs attributable to internally constructed capital items. Product development costs incurred on new vehicle platforms, engine, transmission and new products are capitalised and recognised as intangible assets when (i) when feasibility has been established, (ii) we have committed technical, financial and other resources to complete the development and (iii) it is probable that the relevant asset will generate probable future economic benefits. The costs capitalised include the cost of materials, direct labour and directly attributable overhead expenditure incurred up to the date the asset is available for use. The application of the relevant accounting policy involves critical judgement and interpretations of IFRS may differ, which can result in different applications of the same standard and, therefore, different results. Interest cost incurred in connection with the relevant development is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings if no specific borrowings have been incurred for the asset.
- *Other income/(loss):* This item represents any income not otherwise accounted for in another line item. It principally includes income from the Land Rover Experience and sales of second-hand Land Rover warranties in the United States.
- *Excess of fair value of net assets acquired over cost of acquisition:* On 2 June 2008, the Issuer acquired the Jaguar and Land Rover businesses from Ford. The consideration was £1,279.4 million, not including £149.7 million of cash acquired in the business. The one-off excess of fair value of net assets acquired over the cost of acquisition was £116.0 million. This one-off amount of £116.0 million increased net income for the period and is, therefore, reflected in the aggregate amount of negative EBITDA of £197.7 million for the period presented. This excess was primarily attributable to the significant potential value of the Jaguar and Land Rover brands.
- *Foreign exchange gain/(loss) (net):* This item represents the net gain or (loss) attributable to movements in the exchange rates of the currencies in which we generate revenues.
- *Depreciation and amortisation:* Depreciation and amortisation represent the depreciation of property, plant and equipment and the amortisation of intangible assets, including the amortisation of capitalised product development costs. Depreciation is provided on a straight-line basis over estimated useful lives of the assets. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use. Capital-work-in-progress includes capital advances. Amortisation is provided on a straight-line basis over estimated useful lives of the intangible assets. The amortisation period for intangible assets with finite useful lives is reviewed at least at each year-end. Changes in expected useful lives are treated as changes in accounting estimates. Capital-work-in-progress includes capital advances. As required under IFRS, we capitalise a significant percentage of our product

development costs. Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment loss.

- *Finance income:* This item represents the income from short-term liquid financial assets, marketable securities and other financial instruments (including bank deposits).
- *Finance expense (net):* This item represents the net expense of our financial borrowings, including fees and commitment fees paid to financial institutions in relation to committed financial facilities and similar credit lines.

Results of Operations

The tables and discussions set out below provide an analysis of selected items from our consolidated statements of income for each of the periods described below.

Nine months ended 31 December 2010 compared to nine months ended 31 December 2009

The following table sets out selected items from our consolidated statements of income for the periods indicated and the percentage change from period to period, and shows these items as a percentage of total revenues.

	Nine months ended 31 December		Amount of change	Percentage change	Nine months ended 31 December	
	2009	2010			2009	2010
	(£ in millions)			(% change)	(% of revenue)	
Revenues	4,486.2	7,132.0	2,645.8	59.0%	100%	100%
Cost of sales—materials	(3,141.6)	(4,444.9)	(1,303.3)	41.5%	70.0%	62.3%
Employee cost	(552.3)	(575.2)	(22.9)	4.1%	12.3%	8.1%
Other expenses	(1,017.6)	(1,455.0)	(437.4)	43.0%	22.7%	20.4%
Expenditure capitalised	341.3	437.1	95.8	28.1%	7.6%	6.1%
Other income (net)	21.3	33.3	12.0	56.3%	0.5%	0.5%
Foreign exchange gain/(loss) (net)	107.2	(2.6)	(109.8)	—	2.4%	<0.1%
Depreciation and amortisation	(246.9)	(299.2)	(52.3)	21.2%	5.5%	4.2%
Finance Income	1.8	17.9	16.1	894.4%	<0.1%	0.3%
Finance expense (net)	(39.9)	(28.9)	11.0	27.6%	0.9%	0.4%
Net income/(loss) before tax	(40.5)	814.5	855.0	—	0.9%	11.4%
Income tax expense	(15.3)	(41.0)	(25.7)	168.0%	0.3%	0.6%
Net income/(loss) attributable to shareholders	(55.8)	773.5	829.3	—	1.2%	10.8%
Currency translation differences	215.2	38.7	(176.5)	82.0%	4.8%	0.5%
Gain on cancellation of preference shares	—	48.8	48.8	—	—	0.7%
Actuarial gains and (losses)	(145.5)	(128.2)	17.3	11.9%	3.2%	1.8%
Gain/(loss) on cash flow hedges	—	(11.7)	(11.7)	—	—	0.2%
Total comprehensive income/(loss) for the year	13.9	721.1	707.2	5,087.8%	0.3%	10.1%

Revenue

Revenue increased by £2,645.8 million to £7,132.0 million in the nine months ended 31 December 2010 from £4,486.2 million in the nine months ended 31 December 2009, or an increase of 59.0%. This increase is primarily attributable to an increase in wholesale volumes from 136,978 to 177,490 units over the relevant period as a result of the global economic recovery, rising consumer confidence and demand for our products. Our revenue growth was attributable to a number of factors, including an improvement in product mix associated with the introduction of the new Jaguar XJ and the cessation of the Jaguar X-Type and the continued strength of the Range Rover and Range Rover Sport models. We also experienced an improvement in market mix, in particular the strengthening of our business in China, which was supported by the launch of an NSC in China in mid-2010. The launch of our NSC in China enabled us to sell our vehicles directly to dealers in China in contrast to the previous arrangements under which we sold our vehicles to third-party importers who then on-sold the vehicles to dealers. This change in trading arrangements has driven a change in business structure, improved revenue and profitability. We also benefited from a favourable exchange rate environment, due to the strengthening of the US dollar against the pound sterling and the euro in the nine months ended 31 December 2010.

Cost of sales—materials

Our cost of sales—materials increased to £4,444.9 million in the nine months ended 31 December 2010, up 41.5% from £3,141.6 million in the equivalent period in 2009. The increase is predominantly attributable to the increase in wholesale volume over the periods. In addition, cost of sales—materials as a percentage of total revenue decreased from 70.0% to 62.3%, reflecting the improvement in price-realisation, exchange rate fluctuations and economies of scale. Within the aggregate cost of sales—materials figure, the largest component of the increase was components, raw materials and consumables, which increased by £1,390.3 million, or 53.2%, due to an increase in production levels in the nine-month period ended 31 December 2010 compared to the corresponding period in 2009.

Change in inventories of finished goods and work in progress: In the nine months ended 31 December 2010, we added £89.1 million to our inventory of finished goods and work in progress, thereby decreasing our cost of sales—materials. This increase of inventories at 31 December 2010 compared to 1 April 2010 was the result of increased production levels at all of our manufacturing sites across all of our products in an effort to build higher inventory levels and thereby meet expected rising demand for our finished vehicles and parts. In the nine months ended 31 December 2009, we reduced our inventory of finished goods and work in progress by £88.4 million. This reduction of levels of inventory at the end of December 2009 compared to 1 April 2009 was the result of our specific strategy to reduce inventory levels as well as stock at our dealerships and import companies during the severe economic downturn that affected our operations in Financial Period 2009.

Purchase of products for sale: In the nine months ended 31 December 2010, we spent £528.7 million on parts and accessories supplied by third parties and used in our finished vehicles and parts, compared to £438.2 million in the nine months ended 31 December 2009, or an increase of 20.7%. This increase was primarily attributable to the correlated increase of revenues and wholesale volumes and an associated increase in production levels during the relevant nine-month period ended 31 December 2010 compared to the corresponding period in 2009.

Raw materials and consumables: The increase in the total cost of raw materials and consumables was primarily attributable to higher wholesale volumes and an associated increase in production levels in the nine-month period ended 31 December 2010 compared to the corresponding period in 2009. In addition, raw materials and consumables as a percentage of revenue remained quite stable at 56.2% for the nine months ended 31 December 2010 as compared to 58.3% for the same period in 2009. Raw materials and consumables for the nine months ended 31 December 2010 were £4,005.3 million compared to £2,615.0 million in the nine months ended 31 December 2009, reflecting an increase of £1,390.3 million, or 53.2%. We consume a number of raw materials in the manufacture of vehicles such as steel, aluminium, copper, precious metals and resins. During 2010, the prices of steel, non-ferrous and precious metals and rubber witnessed unprecedented increases in a short period, which could be only partially offset by our cost reduction initiatives and increased price-realisation.

Employee cost: Our employee cost increased by 4.1% to £575.2 million in the nine months ended 31 December 2010 from £552.3 million in the equivalent period in 2009. The absolute increase is attributable to greater sales and the recruitment of new employees. Despite this increase, our employee cost as a percentage of total revenues decreased to 8.1% in the last nine months of 2010 from 12.3% in the same period in 2009, primarily on account of increased revenues and economies of scale. Several measures to lower the employee cost had been taken during the severe downturn of the second half of the 2009 calendar year, such as an active reduction in overtime and shift hours, the introduction of sabbatical leave programmes, a reduction in temporary head count and voluntary retirement.

Other expenses: Other expenses increased to £1,455.0 million in the nine months ended 31 December 2010 from £1,017.6 million in the same period in 2009. As a percentage of revenue these represented 20.4% in 2010 compared with an equivalent figure of 22.7% in 2009. The absolute increase was driven by growth in wholesale volumes. More specifically, the increase was attributable to higher expenditure on freight, which increased from £120.8 million to £155.2 million and publicity, up from £234.8 million to £342.9 million.

Expenditure capitalised: We capitalise product development costs incurred on new vehicle platforms, engines, transmissions and new products in accordance with IFRS. The following table shows the R&D costs recognised in our income statement, and the share of capitalised development costs and amortisation of capitalised development costs in the nine months ended 31 December 2010 and 2009:

	Nine months ended 31 December	
	2009	**2010**
	(£ in millions)	
Total R&D costs	369.2	513.6
Of which expenditure capitalised	334.4	400.1
Capitalisation ratio in %	90.6%	77.9%
Amortisation of expenditure capitalised	34.3	65.8
R&D costs charged in income statement	27.9	76.5
As % of revenues	0.6%	1.1%

The capitalisation ratio of development costs depends on the production cycle that individual models pass through in different periods.

The increase to £400.1 million in the nine months ended 31 December 2010 from £334.3 million in the nine months ended 31 December 2009 reflects increased product development costs associated with the development of Evoque and other future products.

Other income (net): Our other income increased to £33.3 million in the nine months ended 31 December 2010, compared to £21.3 million in the equivalent period in 2009. The increase is mainly due to income from the Land Rover Experience and sales of second-hand Land Rover warranties in the United States.

Foreign exchange (gain)/loss (net): We registered a foreign exchange loss of £2.6 million in the nine months ended 31 December 2010, compared to a gain of £107.2 million in the equivalent period in 2009. A significant portion of the exchange gains in the nine months ended 31 December 2009 and the losses in the equivalent period in 2010 reflect (i) the effect of exchange fluctuations on foreign currency borrowings and (ii) foreign exchange gains and losses on account of fluctuations in US dollars, sterling and euro during the period.

Depreciation and amortisation: Our depreciation and amortisation increased to £299.2 million in the nine months ended 31 December 2010, compared to £246.9 million in this period in 2009. The increase primarily reflects the amortisation of product development costs that we began to capitalise in Financial Period 2009, in accordance with IFRS.

Finance income: Our finance income increased by £16.1 million from £1.8 million in the nine months ended 31 December 2009 to £17.9 million in the nine months ended 31 December 2010. The increase was largely due to a gain of £11.3 million on foreign currency derivatives and significantly higher cash balances leading to increased interest income.

Finance expense (net): Our interest expense was reduced by 27.6% to £28.9 million in the nine months ended 31 December 2010 from £39.9 million in the same period in 2009. The reason for the decrease is that due to the sudden deterioration in the economic environment in 2009, we had to borrow further to finance our capital expenditure plans and working capital requirements with a significant increase in borrowing rates. As conditions have normalised, we have been able to reduce our interest expense, as well as capitalise a greater portion of our interest expense to the extent attributable to product development costs.

Income tax expense: We had an income tax expense of £41.0 million in the nine months ended 31 December 2010, compared to £15.3 million in the nine months ended 31 December 2009. The effective tax rate for this period in 2010 was 5.0% of net income before tax compared to 37.8% of net income before tax for the same period in 2009.

Net income/(loss)

Our consolidated net income for the nine months ended 31 December 2010 was £773.5 million, compared to a consolidated net loss of £55.8 million in the equivalent period in 2009. This marked improvement was the result of the factors identified above.

Fiscal 2010 and Financial Period 2009

In this section, we examine the consolidated results of operations of the Issuer and its subsidiaries for the Fiscal year ended 31 March 2010 and the consolidated results of operations of the Issuer and its subsidiaries for the period from 18 January 2008 to 31 March 2009. The results of operations of the Issuer for Financial Period 2009 reflect the period from the date of acquisition of the Jaguar and Land Rover businesses by the Issuer on 2 June 2008 to 31 March 2009, which is less than a 12-month period and, as a result, not directly comparable with the Fiscal year ended 31 March 2010.

	Period commencing on 18 January 2008 and ended 31 March 2009(1)	Fiscal year ended 31 March 2010	Period commencing on 18 January 2008 and ended 31 March 2009(1)	Fiscal year ended 31 March 2010
	(£ in millions)		(% of Revenues)	
Revenues	4,949.5	6,527.2	100%	100%
Cost of sales—materials	(3,375.0)	(4,437.0)	68.2%	68.0%
Employee cost	(587.8)	(746.8)	11.9%	11.4%
Other expenses	(1,500.2)	(1,488.2)	30.3%	22.8%
Expenditure capitalised	418.3	471.0	8.5%	7.2%
Other income (net)	27.4	27.6	6.6%	0.4%
Foreign exchange gain/(loss) (net)	(129.9)	68.3	2.6%	1.0%
Depreciation and amortisation	(229.3)	(317.0)	4.6%	4.9%
Excess of fair value of net assets acquired over cost of acquisition	116.0	—	2.3%	—
Finance Income	10.0	3.4	0.2%	0.1%
Finance expense (net)	(74.7)	(57.1)	1.5%	0.9%
Net income/(loss) before tax	(375.7)	51.4	7.6%	0.8%
Income tax expense	(26.7)	(27.9)	0.5%	0.4%
Net income/(loss) attributable to shareholders	(402.4)	23.5	8.1%	0.4%
Currency translation differences	(607.5)	100.8	12.3%	1.5%
Actuarial gains and (losses)	(200.5)	(21.3)	4.1%	0.3%
Total comprehensive income/(loss) for the year	(1,210.4)	103.0	24.5%	1.6%

(1) Financial Period 2009 represents the period from 18 January 2008 to 31 March 2009 and the trading of the Jaguar and Land Rover businesses from the date of acquisition on 2 June 2008 to 31 March 2009.

Revenues

Our revenue was £6,527.2 million in Fiscal 2010 and £4,949.5 million in Financial Period 2009, which is less than a 12-month period and, as a result, not directly comparable with Fiscal 2010. Excluding the effects on comparability of the different time periods, the higher revenue was driven primarily by the growth of wholesale volumes from 167,348 units to 193,982 units resulting from the global economic recovery in all of the markets in which we operate, increased consumer demand for our products and rising consumer confidence.

Cost of sales—materials

In Fiscal 2010, our cost of sales—materials was £4,437.0 million, which represented 68.0% of our revenue of £6,527.2 for the year, a percentage which remained almost unchanged from Financial Period 2009. Our cost of sales—materials in Financial Period 2009 was £3,375.0 million, which represented 68.2% of our revenues of £4,949.5 million for the period. The higher absolute figure in Fiscal 2010 is due to the lack of comparability between the periods and an increase in our sales volumes in Fiscal 2010. Within the cost of sales—materials figure, the largest increase was in raw materials and consumables, which amounted to £3,883.2 million in Fiscal 2010, up from £2,617.1 million in Financial Period 2009.

Changes in inventories of finished goods and work in progress: In Fiscal 2010, we added £49.3 million to our inventory of finished goods and work in progress. This increase of inventories at the end of Fiscal 2010 compared to 1 April 2009 was the result of increased production levels, particularly in the fourth quarter of Fiscal 2010, to meet expected rising demand for our finished vehicles and parts. In Financial Period 2009, we reduced our inventory of finished goods and work in progress by £260.4 million, which represented 5.3% of our total revenue for the period. This reduction of levels of inventory at the end of March 2009 compared to 2 June 2008 was the result of our strategy to reduce our inventories and those of our dealers.

Purchase of products for sale: In Fiscal 2010, we spent £603.1 million on parts and accessories supplied by third parties and used in our finished vehicles and parts, compared to £497.5 million in Financial Period 2009. Excluding the effects on comparability of the different time periods, this increase was primarily attributable to the increase of revenue and wholesale volumes and associated production increases during Fiscal 2010 compared to Financial Period 2009.

Raw materials and consumables: Raw materials and consumables as a percentage of revenue increased to 59.5% in Fiscal 2010 compared to 52.9% in Financial Period 2009, due to an increase in raw materials and commodity prices, including energy, aluminium, steel and platinum. Raw materials and consumables for Fiscal 2010 were £3,883.2 million compared to £2,617.1 million in Financial Period 2009, reflecting an increase in vehicle wholesale volumes and associated increased production levels.

Employee cost: Our employee cost was £746.8 million in Fiscal 2010 and £587.8 million in Financial Period 2009. The number of employees has remained flat across the two periods and the increase is partly the result of comparing the full-year cost for 2010 with Financial Period 2009, as well as certain actions taken in Fiscal 2010 during the economic downturn to control and reduce costs. However, the largest portion of the increase is the effect of increased pension costs on account of revisions in assumptions. Despite this large increase, our employee cost as a percentage of sales reduced to 11.4% in Fiscal 2010 from 11.9% in Financial Period 2009.

Other expenses: Other expenses were £1,488.2 million in Fiscal 2010 and £1,500.2 million in Financial Period 2009. As a percentage of revenue, other expenses therefore represented 22.8% in Fiscal 2010 compared to 30.3% in Financial Period 2009. The lower percentage of revenue was driven primarily by increased production levels and utilisation of internal and external input resources (as a result of growth in wholesale volumes and expected demand for our products). More specifically, publicity increased to £328.6 million from £283.1 million and warranty expenses increased to £300.2 million from £249.7 million.

Expenditure capitalised: We capitalise product development costs incurred on new vehicle platforms, engines, transmissions and new products in accordance with IFRS. The following table shows the R&D costs recognised in our income statement, and the share of capitalised development costs and amortisation of capitalised development costs in Fiscal 2010 and Financial Period 2009:

	Period commencing on 18 January 2008 and ended 31 March 2009[(1)]	Fiscal year ended 31 March 2010
	(£ in millions)	
Total R&D costs	457.2	471.2
Of which expenditure capitalised	418.3	423.4
Capitalisation ratio in %	91.5%	89.9%
Amortisation of expenditure capitalised	2.6	52.4
R&D costs charged in income statement	38.9	47.8
As % of revenues	0.8%	0.7%

(1) Financial Period 2009 represents the period from 18 January 2008 to 31 March 2009 and the trading of the Jaguar and Land Rover businesses from the date of acquisition on 2 June 2008 to 31 March 2009.

The capitalisation ratio of development costs depends on the production cycle that individual models pass through in different periods.

Expenditure capitalised was £423.4 million in Fiscal 2010 and £418.3 million in Financial Period 2009, which reflects the ongoing product development costs associated with the design, development, engineering and testing of new products and other major product development plans.

Other income (net): We recorded a net gain in other income of £27.6 million in Fiscal 2010, compared to £27.4 million in Financial Period 2009. The other income for Fiscal 2010 includes income from the Land Rover Experience and sales of second-hand Land Rover warranties in the United States.

Foreign exchange gain/(loss) (net): We had a foreign exchange gain of £68.3 million in Fiscal 2010, compared to a loss of £129.9 million in Financial Period 2009. A significant portion of the exchange gain in Fiscal 2010 reflects (a) an exchange gain on foreign currency borrowing and (b) a notional exchange gain on year-end valuation of foreign currency borrowings, whereas a significant portion of the loss in Financial Period 2009 is due to the effect of exchange rate fluctuations on foreign currency monetary assets and liabilities.

Depreciation and amortisation: Our depreciation and amortisation was £317.0 million in Fiscal 2010, compared to £229.3 million in Financial Period 2009. The depreciation expense is attributable to additions to property, plant and equipment in Financial Period 2009 and Fiscal 2010. Further, the higher amortisation figure is attributable to product development costs of projects for which production had commenced.

Excess of fair value of net assets acquired over cost of acquisition: On 2 June 2008, we acquired the Jaguar and Land Rover businesses from Ford. The consideration was £1,279.4 million, not including £149.7 million of cash acquired in the business. The one-off excess of fair value of net assets acquired over the cost of acquisition was £116.0 million, which was primarily attributable to the significant value of the Jaguar and Land Rover brands.

Finance expense (net): Our interest expense (net of interest capitalised) decreased by 23.6% to £57.1 million in Fiscal 2010 from £74.7 million in Financial Period 2009. The reason for the decrease is primarily attributable to the interest expense on the acquisition debt being higher than the interest expense after refinancing with the issuance of preference shares to our parent.

Income tax expense: We had an income tax expense of £27.9 million in Fiscal 2010, compared to £26.7 million in Financial Period 2009. The effective tax rate for Fiscal 2010 was 54.3% of net income before tax as compared to Financial Period 2009, where the tax expense was 7.1% of net loss before tax. The reason for the difference is largely due to the relatively modest profit recorded in Fiscal 2010 as against the substantial losses of £375.7 million before tax in Financial Period 2009, £130.5 million of which was not recognised as a deferred tax asset because it was not probable that there would be sufficient future taxable profits to allow the losses to be utilised.

Net income/(loss)

Our consolidated net income for Fiscal 2010 was £23.5 million, compared to net loss of £402.4 million in Financial Period 2009. Net income as a percentage of revenue increased to 0.4% in Fiscal 2010 from a net loss of 8.1% of revenue in Financial Period 2009. This increase was the result of all of the above factors.

Liquidity and Capital Resources

We finance our capital requirements through cash generated from operations, external debt in the form of working capital and revolving credit facilities, external term debt, various factoring and VAT discount facilities and, during the downturn in the second and third quarters of Fiscal 2010, financial support received from our parent company in the form of credit lines and preference shares. In the ordinary course of business, we also enter into, and maintain, letters of credit, cash pooling and cash management facilities, performance bonds and guarantees and other similar facilities. As at 31 December 2010, on a consolidated level, we had cash and cash equivalents of £999.7 million and undrawn committed facilities of £236.0 million. The total amount of cash and cash equivalents includes £382.0 million in subsidiaries of the Issuer outside the United Kingdom. A portion of this amount is subject to various restrictions or impediments on the ability of our subsidiaries in certain countries to transfer cash across the Group, such as foreign exchange controls by withholding taxes on dividends and distributions and other similar measures. As at 31 December 2010, this includes £262.0 million held by subsidiaries in China, a portion of which could be used to satisfy current liabilities in China. In addition, we have cash affected by such restrictions or impediments (but not foreign exchange controls) in South Africa, Brazil, Russia and other countries. In each of these countries, we can access our cash by using certain transaction structures that are common in the relevant country.

On a pro forma basis, after giving effect to the issuance of the Notes and the application of the proceeds therefrom, as at 31 December 2010 we would have had, on a consolidated level, cash and cash equivalents of £1,370.4 million and total borrowings (including short-term debt) of £1,934.2 million, with undrawn secured committed facilities of £66.0 million. We believe that we have sufficient resources available to meet our planned capital requirements. However, our sources of funding could be adversely affected by an economic slowdown or other macroeconomic factors, which are beyond our control. A decrease in the demand for our products and services could lead to an inability to obtain funds from external sources on acceptable terms or in a timely manner or at all.

Our capitalisation

We financed the acquisition of the Jaguar and Land Rover businesses (for a total purchase price of US$2.5 billion) by way of a US$3.0 billion bridge loan arranged and guaranteed by Tata Motors with external lenders. We refinanced part of this bridge loan (US$983.8 million) by issuing US dollar denominated ordinary (with aggregate cash proceeds of US$471.3 million) and preference shares (with aggregate cash proceeds of US$1,101.5 million) to TMLH, our immediate parent company. The balance of the proceeds from these share issuances, together with additional facilities, were used to finance our business in Financial Period 2009 in the context of the economic downturn.

In Fiscal 2010, to refinance the balance of our bridge loan (US$2,016.2 million) and finance our business in challenging trading conditions, we issued US dollar denominated ordinary shares (with aggregate cash proceeds of US$530.0 million) and preference shares (with aggregate cash proceeds of US$1,620.8 million) to our immediate parent and entered into secured and unsecured short-term borrowings (with aggregate cash proceeds of £277.6 million), and long-term borrowings with third party lenders, including the £338.0 million Regional Development Bank Facilities.

On 31 May 2010, preference shares were cancelled for an aggregate amount of US$79.2 million. On 5 November 2010, we redeemed US dollar denominated preference shares for an aggregate amount of US$298.0 million (giving rise to a short-term unsecured debt of £184.8 million at 31 December 2010).

During our Corporate Reorganisation, we further restructured our capitalisation by, among other things, converting our US dollar denominated ordinary shares into pound sterling denominated ordinary shares, converting our outstanding US denominated preference shares into an aggregate of £856.0 million pound sterling denominated ordinary shares and £407.1 million of pound sterling denominated preference shares and reducing capital to create a capital redemption reserve of £166.7 million. We also redeemed an aggregate of £250.0 million of pound sterling denominated preference shares (giving rise to an equivalent liability that we expect to extinguish by using part of the net proceeds of the offering of the Notes). Please see "Presentation of Financial and Other Data—Corporate Reorganisation". As of the date of this Offering Memorandum, we have outstanding issued capital of £1,657.7 million, comprising an aggregate amount of £157.1 million preference shares and £1,500.6 million ordinary shares. All our shares are fully paid up and no shares may be issued for less than the aggregate of its nominal value and any premium paid to the company in consideration for its issue.

The following table shows the issued capital of the Issuer:

Class Name	Nominal Value	Issued Capital	Capital Weighting	Issued Shares	Votes per share	Vote weighting
7.25% Non-Cumulative Redeemable Preference £1.00	£1.00	£157,052,620.00	9.474%	157,052,620	1	100.000%
Ordinary £1.00	£1.00	£1,500,642,163.00	90.526%	1,500,642,163	1	100.000%
Total Capital		£1,657,694,783.00	100.000%	1,657,694,783		100.000%

Preference shares

The 7.25% non-cumulative redeemable preference shares of £1.00 each entitle TMLH to a fixed non-cumulative preferential dividend of £0.0725 per preference share to be paid out of the profits available for distribution in each Fiscal year. On each dividend date, a payable preference dividend gives rise to a liability immediately payable by us to TMLH. The preference shares have a maturity of ten years, but can be redeemed partially or totally by us at any time prior to maturity. On redemption, we have to pay £1.00 per preference share and the sum equal to any arrears of the preference dividend, whether or not such dividend has been declared or earned. On a return of capital on liquidation or otherwise, the assets of the company available for distribution among the shareholders will be applied first in repaying the holders of the preference shares, in preference to ordinary shareholders. To date, in the absence of available reserves for distribution in Fiscal 2010 and Financial Period 2009, we have not paid any preference dividends to TMLH. In addition, TMLH has waived any accrued preference dividend as at 31 December 2010.

Ordinary Shares

Holders of ordinary shares are entitled to receive notice of, attend, speak and vote at any general meeting. Ordinary shares entitle the holder to payment of a dividend if profits remain available for distribution after distribution to the holders of preference shares. All payments of dividends among the ordinary shareholders are in proportion to the number of ordinary shares held by them. On a return of capital or liquidation, the assets of the company available for distribution among the members are applied first in repaying the holders of preference shares, before the balance is applied to the holders of ordinary shares in proportion to the nominal amounts paid up by them.

Our borrowings

The following table shows details of our financing arrangements as at 31 December 2010 (excluding factoring and specialist facilities), as well as the amounts outstanding and undrawn on a pro forma basis after giving effect to the offering of the Notes. For more information on our financing arrangements, please see "Use of Proceeds" and "Description of Other Indebtedness".

Facility	Committed Amount	Maturity	Amount outstanding as at 31 December 2010	Amount undrawn as at 31 December 2010	Amount outstanding as at 31 December 2010 pro forma for the offering of the Notes	Amount undrawn as at 31 December pro forma for the offering of the Notes
	£ in millions		£ in millions	£ in millions	£ in millions	£ in millions
Facility A-Single-currency bilateral term loan facility	129.3	31 March 2012[1]	129.3	0.0	120.0[2]	0.0
Facility C-Single-currency secured syndicated borrowing-base revolving loan facility	116.0	11 November 2014	50.0	66.0	50.0	66.0
Facility D & E-Regional Development Bank Facilities	338.0	5 March 2018	338.0	0.0	109.0	0.0
£50.0 million three-year single-currency secured syndicated term loan facility	50.0	Three years after first drawdown	0.0	50.0	0.0	0.0[3]
£70.0 million three-year term loan and overdraft facility	70.0	12 June 2012	35.4	34.6	0.0	Facility cancelled
£175.0 million single-currency term loan	175.0	30 September 2011	90.0	85.0	0.0	Facility cancelled
Other facilities	20.9	—	20.9	0.0	20.9	0.0
Capitalised costs	(26.8)	—	(26.8)	—	(8.9)	—
Total	872.4	—	636.8	235.6	291.0	66.0

(1) We expect this facility to be extended to 30 September 2012 as an unsecured facility to finance the general working capital requirements of Land Rover, Jaguar Cars Limited and their respective subsidiaries.

(2) The loan was converted from US dollars to pounds sterling. The difference of £9.3 million from the balance as at 31 December 2010 to the pro forma balance under a facility denominated in pounds sterling is due to exchange rate fluctuations.

(3) It is our present intention that we will fully cancel this facility as soon as practicable after the date of this offering memorandum. Please see footnote 4 of "Use of Proceeds."

Liquidity and cash flows

Our principal sources of cash are cash generated from operations (primarily wholesale volumes of finished vehicles and parts) and external financings, which include term financings and revolving credit financings and similar committed liquidity lines. We use our cash to purchase raw materials and consumables, for maintenance of our plants, equipment and facilities, for capital expenditure on product development, to service or refinance our debt, to meet general operating expenses and for other purposes in the ordinary course of business. While global credit markets witnessed an improvement in liquidity and risk aversion, following the exceptional circumstances of Financial Period 2009, the recent events of the European sovereign debt crises continue to create uncertainty.

Because Land Rover is the main group entity used for financing and borrowing purposes, we have a policy of aggregating and pooling cash balances within that entity on a daily basis. Certain of our subsidiaries and equity method affiliates have contractual and other limitations in respect of their ability to transfer funds to us in the form of cash dividends, loans or advances. For example, our subsidiary in China is subject to foreign exchange controls and thereby restricted from transferring cash to other companies of the Group outside of China. China is also imposing a withholding tax on dividends and distributions to parent companies of Chinese subsidiaries, which creates additional disincentives and costs in relation to the remittance of cash outside of China. Brazil and Russia are also restricting the ability of our local subsidiaries to participate in cash pooling arrangements and to transfer cash balances outside of the relevant countries, but they do not restrict the ability of those entities to make intragroup loans or pay dividends. South Africa is also imposing a withholding tax. We believe that these restrictions have not had and are not expected to have any impact on our ability to meet our cash obligations.

Cash flow data

Nine months ended 31 December 2010 compared to nine months ended 31 December 2009

The following table sets out selected items from our consolidated statements of cash flow for the nine months ended 31 December 2010 compared to the nine months ended 31 December 2009.

	Nine months ended 31 December		Amount of change
	2009	2010	
	(£ in millions)		
Cash flows from operating activities			
Net income / (loss) attributable to shareholders	**(55.8)**	**773.5**	**829.3**
Depreciation and amortisation	**246.9**	**299.2**	**52.3**
Loss on sale of assets	**—**	**1.1**	**1.1**
Foreign exchange loss	**(107.2)**	**(2.6)**	**104.6**
Income tax expense	**15.3**	**41.0**	**25.7**
Finance expense (net)	**39.9**	**28.9**	**(11.0)**
Finance income	**(1.8)**	**(17.9)**	**(16.1)**
Cash flows from operating activities	**137.3**	**1,123.2**	**985.9**
Decrease / (increase) in trade and other receivables	**(137.6)**	**24.5**	**162.1**
(Increase) / decrease in inventories	**107.9**	**(70.7)**	**(178.6)**
Increase in other non-current assets	**—**	**(26.8)**	**(26.8)**
Increase in accounts payable and other creditors	**225.9**	**233.9**	**8.0**
Increase in provisions	**26.0**	**5.8**	**(20.2)**
Cash generated from operations	**359.5**	**1,289.9**	**930.4**
Income tax paid	**(32.8)**	**(43.5)**	**(10.7)**
Net cash from operating activities	**326.7**	**1,246.4**	**919.7**
Cash flows used in investing activities			
Interest received	**1.8**	**15.8**	**14.0**
Purchases of property, plant and equipment and intangible assets	**(612.1)**	**(564.3)**	**47.8**
Net cash used in investing activities	**(610.3)**	**(548.5)**	**61.8**
Cash flows (used in) / from financing activities			
Proceeds from issuance of ordinary shares	**361.0**	**—**	**(361.0)**
Proceeds from issuance of preference shares classified as long-term debt	**1,035.2**	**—**	**(1,035.2)**
Interest paid	**(51.6)**	**(77.0)**	**(25.4)**
Repayment of short term debt	**(755.4)**	**(324.4)**	**431.0**
Increase in long-term debt	**37.1**	**9.3**	**(27.8)**
Net cash from financing activities	**626.3**	**(392.1)**	**(1,018.4)**
Net change in cash and cash equivalents	**342.7**	**305.8**	**(36.9)**
Cash and cash equivalents at beginning of nine months	**128.5**	**679.9**	**551.4**
Effect of exchange rate fluctuations on cash held	**1.3**	**14.0**	**12.7**
Cash and cash equivalents at end of nine months	**472.5**	**999.7**	**527.2**

Net cash provided by operating activities was £1,246.4 million in the nine months ended 31 December 2010 compared to £326.7 million the nine months ended 31 December 2009. This is primarily attributable to the improvement in our net income to £773.5 million in the nine months ended 31 December 2010 from a net loss of £55.8 million in the nine months ended 31 December

2009. A recovery in the world economy, resulting in a significant improvement in sales volumes, positively impacted our income and operating cash flow in the last nine months of 2010.

Net cash used in investing activities decreased to £548.5 million in the nine months ended 31 December 2010, compared with £610.3 million in the equivalent period in 2009. Purchase of property, plant and equipment and expenditure on intangible assets (product development projects) was £564.3 million in the last nine months of 2010 and £612.1 million in the last nine months of 2009. Our capital expenditure relates mostly to capacity expansion of our production facilities, quality and reliability improvement projects, and the introduction of new products, including the costs associated with the development of the Range Rover Evoque.

Net cash used in financing activities was £392.1 million in the nine months ended 31 December 2010 compared to net cash received from financing activities of £626.3 million in the nine months ended 31 December 2009. Cash used in financing activities in the nine months ended 31 December 2010 included cash used to repay short-term debt (£324.4 million) and interest paid on existing debt (£77.0 million), offset by a modest increase in long-term debt of £9.3 million. Cash generated from financing activities in the nine months ended 31 December 2009 reflected the £1,035.2 million proceeds from the issue of preference shares to TMLH as a result of the financial support extended to us during the economic downturn and the proceeds from the issue of £361.0 million of ordinary shares to our parent company, offset by the repayment of £755.4 million of short-term debt in the same period.

Fiscal 2010 and Financial Period 2009

The following table sets out selected items from our consolidated statements of cash flows for Fiscal 2010 and Financial Period 2009.

	Period commencing on 18 January 2008 and ended 31 March 2009(1)	Fiscal year ended 31 March 2010
	(£ in millions)	
Cash flows from operating activities		
Net income / (loss) attributable to shareholders	**(402.4)**	**23.5**
Depreciation and amortisation	229.3	317.0
Excess of fair value of net assets acquired over cost of acquisition	(116.0)	—
Loss on sale/disposal of property, plant and equipment	2.6	2.5
Foreign exchange (losses) /gain	129.9	(68.3)
Income tax expense	26.7	27.9
Finance expense (net)	64.7	53.7
Cash flows from / (used in) operating activities	**(65.2)**	**356.3**
(Increase) / decrease in trade receivables	276.8	(256.1)
(Increase) / decrease in inventories	386.0	(52.7)
Increase / (decrease) in accounts payable	(679.6)	729.0
(Decrease) / increase in provisions	25.9	(103.6)
Cash generated from / (used in) operations	**(56.1)**	**672.9**
Income tax paid	(14.6)	(46.9)
Net cash from/(used in) operating activities	**(70.7)**	**626.0**
Cash flows used in investing activities		
Acquisition of subsidiary, net of cash acquired	(1,129.7)	—
Restricted deposits	3.2	(61.5)
Finance income received	10.0	3.4
Purchases of property, plant and equipment	(169.3)	(266.0)
Proceeds from sale of property, plant and equipment	7.8	—
Acquisition of intangible assets	(418.3)	(471.0)
Net cash used in investing activities	**(1,696.3)**	**(795.1)**

(1) Financial Period 2009 represents the period from 18 January 2008 to 31 March 2009 and the trading of the Jaguar and Land Rover businesses from the date of acquisition on 2 June 2008 to 31 March 2009.

	Period commencing on 18 January 2008 and ended 31 March 2009[1]	Fiscal year ended 31 March 2010
	(£ in million)	
Cash flows from financing activities		
Proceeds from issue of ordinary shares	283.6	361.0
Finance expense paid	(66.7)	(76.1)
Proceeds from issuance of short-term debt	639.4	277.6
Repayment of short-term debt	(531.6)	(209.7)
Payments of lease liabilities	(5.6)	(5.5)
Proceeds from issuance of long-term debt	1,567.7	1,772.3
Repayment of long-term debt	—	(1,408.5)
Net cash from financing activities	1,886.8	711.1
Net change in cash and cash equivalents	119.8	542.0
Cash and cash equivalents at beginning of year/period	—	128.5
Effect of exchange rate fluctuations on cash held	8.7	9.4
Cash and cash equivalents at end of year/period	128.5	679.9

(1) Financial Period 2009 represents the period from 18 January 2008 to 31 March 2009 and the trading of the Jaguar and Land Rover businesses from the date of acquisition on 2 June 2008 to 31 March 2009.

Net cash provided by operating activities was £626.0 million in Fiscal 2010, whereas net cash used by operating activities was £70.7 million in Financial Period 2009. The difference is largely due to a turnaround in revenue and profitability in Fiscal 2010. Our net income was £23.5 million in Fiscal 2010, as compared to losses of £402.4 million in Financial Period 2009.

In Fiscal 2010, cash from accounts payable and other creditors amounted to £729.0 million, with the high amount of trade payables mainly due to an increase in manufacturing activity and production volumes caused by increased demand for our vehicles and an extension of payment terms for our accounts payable. The increase in cash was partly offset by cash outflow from increased trade receivables, which used £256.1 million in Fiscal 2010, compared to generating £276.8 million in Financial Period 2009, and inventories, which used £52.7 million in Fiscal 2010, as compared to generating £386.0 million in Financial Period 2009. The increase in trade receivables and inventories primarily relate to volume growth. Our income tax liability increased, in part because the Group returned to profit and we pay tax on our overseas NSC profits, even where the Group has a substantial deferred tax credit due to losses in previous years.

Net cash used in investing activities was £795.1 million in Fiscal 2010, which was lower than the £1,696.3 million used in Financial Period 2009. The main driver for the difference in the cash outflow from investing activities in the two periods is the one-off net cash impact resulting from the acquisition by Jaguar Land Rover PLC (then an acquisition special-purpose vehicle created by Tata Motors to acquire the Jaguar and Land Rover businesses) amounting to £1,129.7 million. The cash outflow from investing activities in Fiscal 2010 was largely due to net cash used for the purchase of property, plant and equipment amounting to £266.0 million and intangible assets amounting to £471.0 million, whereas cash amounting to £169.3 million and £418.3, respectively, was used for these purposes in Financial Period 2009. In Fiscal 2010, our capital expenditure related mostly to capacity expansion of our production facilities, especially upgrading the production facilities at Castle Bromwich and Solihull for new products and product development costs for proposed/new product launches, as well as on quality and reliability improvement projects.

Net cash inflow from financing activities was £711.1 million for Fiscal 2010, down from a net cash inflow of £1,886.8 million for Financial Period 2009. The most significant drivers of our net cash flow from financing activities of £1,886.8 million in Financial Period 2009 relate to the proceeds from a US dollar bridge loan, the issuance of US dollar denominated ordinary and preference shares to TMLH, our immediate parent company, new facilities and the repayment of a portion of the bridge loan. To acquire the Jaguar Land Rover businesses, we entered into a US$3.0 billion bridge loan facility arranged and guaranteed by Tata Motors with external lenders. Cash proceeds from the bridge loan also injected working capital into our business. In Financial Period 2009, we further issued to TMLH US dollar denominated ordinary shares (£283.6 million sterling equivalent) and US dollar denominated preference shares (US$1,101.5 million), which, together with the long-term portion of our bridge loan, contributed to proceeds from long-term debt of £1,567.7 million. We repaid a portion of our bridge loan (£531.6 million) and used the balance of our cash inflow to finance our business in the context of the economic downturn.

The main reason for the lower net cash flow from financing activities of £711.1 million in Fiscal 2010 is the repayment of our bridge loan facility. In order to fund this repayment (£1,408.5 million) and finance our business in the face of challenging trading conditions, we issued US dollar denominated ordinary shares (£361.0 million equivalent) as well as US dollar denominated preference shares to TMLH, and entered into long-term borrowings with third party lenders (which, together with our preference shares, contributed to proceeds from long term debt of £1,772.3 million equivalent). We also entered into secured and unsecured short term borrowings (with aggregate cash proceeds of £277.6 million). In Fiscal 2010, stronger operating cash generation coupled with working capital initiatives enabled us to achieve a strong liquidity position with a smaller contribution required from cash from financing activities compared to Financial Period 2009. We paid interest of £76.1 million in Fiscal 2010 as against £66.7 million in Financial Period 2009.

Sources of financing and capital structure

We fund our short-term working capital requirements with cash generated from operations, overdraft facilities with banks, short- and medium-term borrowings from lending institutions and banks. The maturities of these short- and medium-term borrowings and debentures are generally matched to particular cash flow requirements. At 31 December 2010, we had several long-term borrowings on our balance sheet (without giving pro forma effect to the issue of the Notes and the application of the proceeds therefrom). Following the issue of the Notes and the application of the proceeds therefrom, our main long-term borrowing will be the Notes. In addition to the Notes, we will also maintain (i) a £120.0 million 1-year Single-currency Bilateral Term Loan Facility, (ii) a £116.0 million 5-year Single-currency Secured Syndicated Borrowing-Base Revolving Loan Facility, (iii) a £109.0 million 8-year Single-currency Borrowing-Term Facility, (iv) a number of factoring facilities and (v) a specialist facility. For a summary of those borrowings that we intend to repay with the proceeds of the issue of the Notes, please see "Use of Proceeds." For a detailed description of those borrowings we intend to retain following this offering, please see "Description of Other Indebtedness."

Capital expenditure

In the nine months ended 31 December 2010 and 2009, capital expenditure, including capitalised product development spending, amounted to £564.3 million and £612.1 million, respectively, which mainly included expenditure on tooling and product development for proposed product introductions. In Fiscal 2010 and Financial Period 2009, capital expenditure was £755.7 million and £607.1 million, respectively. We continue to make investments in new technologies through R&D activities to develop products that meet the requirements of the premium segment including developing sustainable technologies to improve fuel economy and reduce CO_2 emissions. In pursuit of this objective, annual capital spending (including capitalised product development costs) is expected to increase to approximately £1,500.0 million in Fiscal 2012, slightly above 50% of which is expected to be research and development costs (with approximately 80% to 90% to be capitalised in line with our accounting policy as described elsewhere in this Offering Memorandum) and slightly under 50% of which is expected to be expenditure on tangible fixed assets such as facilities, tools and equipment. The substantial majority of our expected product investment relates to investment in new and replacement models, derivatives, powertrain actions and other upgrades and the associated investment in tools and facilities and other equipment. We intend to grow our team to over 5,000 engineers and designers from approximately 4,200 at present to support this programme. We intend to fund this product investment programme with cash generated from operations.

Some of our recently launched and anticipated new products are as follows:

Range Rover Evoque: On 17 June 2010, we revealed the Range Rover Evoque. This all-new vehicle will join Range Rover and Range Rover Sport in the product line-up in the latter part of 2011. The Range Rover Evoque will be the smallest, lightest and most fuel-efficient Range Rover ever produced. Customers will have a choice of both 4WD and 2WD versions, some with sub-130g/km CO_2 emissions.

Jaguar XJ: In September 2009, the new Jaguar XJ had its public debut at the Frankfurt International Motor show. In May 2010, we commenced retail customer deliveries. This is an important new model, which has replaced the previous generation XJ. The new XJ features the next generation of Jaguar's aerospace-inspired aluminium body architecture, a choice of standard or long wheelbase models, enhanced powertrains with all of Jaguar's new ultra-efficient Gen III 5.0-litre petrol and 3.0 diesel engines available, together with what we believe to be the highest standards of personal luxury and specification. Among the product innovations are an instrument cluster, for which traditional physical instruments have been replaced by a 12" thin film transistor screen.

Acquisitions and Disposals

On 2 June 2008, we acquired the Jaguar and Land Rover businesses from Ford. The consideration was £1,279.4 million, not including £149.7 million of cash acquired in the business. We have made no other material acquisitions or disposals since 2 June 2008.

Off-Balance Sheet Arrangements, Contingencies and Commitments

Off-balance sheet arrangements

We have no off-balance sheet financial arrangements.

Contingencies

In the normal course of our business, we face claims and assertions by various parties. We assess such claims and assertions and monitor the legal environment on an ongoing basis, with the assistance of external legal counsel wherever necessary. We record a liability for any claims where a potential loss is probable and capable of being estimated and disclose such matters in our financial statements, if material. Where potential losses are considered possible, but not probable, we provide disclosure in our financial statements, if material, but we do not record a liability in our accounts unless the loss becomes probable.

There are various claims against us, the majority of which pertain to motor accident claims and consumer complaints. Some of the cases also relate to replacement of parts of vehicles and/or compensation for deficiency in the services by us or our dealers. We believe that none of these contingencies, either individually or in aggregate, would have a material adverse effect on our financial condition, results of operations or cash flow.

Commitments

We have entered into various contracts with suppliers and contractors for the acquisition of plant and machinery, equipment and various civil contracts of a capital nature aggregating £297.4 million at 31 December 2010. We have entered into various contracts with suppliers and contractors which include obligations aggregating £707.5 million at 31 December 2010, to purchase minimum or fixed quantities of material.

Quantitative and Qualitative Disclosures about Market Risks

We are exposed to financial risks as a result of the environment in which we operate. The main exposures are to currency risk on overseas sales and costs and commodity price risk on raw materials. Our Board has approved a hedging policy covering these risks and has appointed a Financial Risk Committee to implement hedging at a tactical level. Where it is not possible to mitigate the impact of financial risks by switching supplier locations or using fixed price contracts, the policy allows for the use of forwards, purchased options and collars to hedge the exposures.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may potentially affect our consolidated income statement, equity and debt where any transaction references more than one currency or where assets/ liabilities are denominated in a currency other than the functional currency of the respective consolidated entities.

Considering the countries and economic environment in which we operate, our operations are subject to currency risk on overseas sales and costs. The risks primarily relate to fluctuations in the US dollar, euro, Chinese renminbi and Russian rouble against the British pound. We use forward contracts and options primarily to hedge foreign exchange exposure, and to hedge interest rate exposure. Further, any weakening of sterling against major foreign currencies may have an adverse effect on our cost of borrowing and the cost of imports reported, which consequently may increase the cost of financing our capital expenditures. This also may impact the earnings of our international businesses. We evaluate the impact of foreign exchange rate fluctuations by assessing our exposure to exchange rate risks.

The following table presents information relating to foreign currency exposure (other than risk arising from derivatives) as at 31 March 2010:

	US dollar	Euro	Japanese yen	Russian rouble	Others[(1)]	Total
			(£ in millions)			
Financial assets	280.7	150.8	23.4	25.1	164.4	644.4
Financial liabilities	(2,074.9)[(2)]	(452.5)[(3)]	(62.7)	(5.9)	(61.1)	(2,657.1)
Net exposure asset/liability	(1,794.2)	(301.7)	(39.3)	19.2	103.3	(2,012.7)

(1) "Others" include currencies such as pounds sterling, Chinese renminbi, Singapore dollars, Swiss francs, Australian dollars, South African rand, Thai baht, Korean won, etc.

(2) Includes primarily the preference shares, which were denominated in US dollars prior to the Corporate Reorganisation.

(3) Includes primarily trade payables denominated in euros.

For a sensitivity analysis of our foreign currency exposure, please see note 30 of our Consolidated Financial Statements for Fiscal 2010.

Interest rate risk

We are subject to variable interest rates on some of our interest-bearing liabilities. Our interest rate exposure is mainly related to debt obligations. We use a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for our day-to-day operations, like preference shares and short-term loans.

As at 31 December 2010, a net financial liability of £612.8 million was subject to a variable interest rate. An increase/decrease of 100 basis points in interest rates at the balance sheet date would have resulted in an impact of £6.13 million on income/loss for the nine months ended 31 December 2010.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses the direct risk of default, the risk of deterioration of creditworthiness and concentration risks. Financial instruments that are subject to concentrations of credit risk principally consist of investments classified as loans and receivables, trade receivables, loans and advances, derivative financial instruments and financial guarantees issued for equity-accounted entities.

The carrying amount of financial assets represents the maximum credit exposure. As at 31 December 2010, our maximum exposure to credit risk was £1,972.6 million, being the total of the carrying amount of cash balance with banks, short-term deposits with banks, trade receivables, finance receivables and financial assets.

Financial assets that are neither past due nor impaired

None of our cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables and other receivables, and other loans or receivables that are neither impaired nor past due, there were no indications as at 31 December 2010, that defaults in payment obligations will occur.

The table below provides details regarding the financial assets that are neither past due nor impaired, including estimated interest payments as at 31 March 2010:

	Gross	Impairment
	(£ in millions)	
Not yet due	600.6	(0.8)
Overdue <3 months	60.8	(0.2)
Overdue >3 <6 months	21.3	(14.8)
Overdue >6 months	3.0	(0.5)
	685.7	(16.3)

Derivative financial instruments and risk management

We enter into a variety of interest rate and foreign currency forward contracts and options to manage our exposure to fluctuations in foreign exchange rates and interest rates. The counterparty is generally a bank. These financial exposures are managed in accordance with our risk management policies and procedures.

Specific transactional risks include risks like liquidity and pricing risks, interest rate and exchange rates fluctuation risks, volatility risks, counterparty risks, settlement risks and gearing risks. We are also exposed to interest rate risk and currency risk.

Critical Accounting Policies

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the 2010 and 2009 Consolidated Financial Statements are included in the following notes:

(i) Note 16—Property, plant and equipment—the Group applies judgement in determining the estimate useful life of assets.

(ii) Note 17—Intangible assets—management applies significant judgement in establishing the applicable criteria for capitalisation of appropriate product development costs.

(iii) Note 21—Provision for product warranty—it is necessary for Group to assess the provision for anticipated lifetime warranty and campaign costs. The valuation of warranty and campaign provisions requires a significant amount of judgement and the requirement to form appropriate assumptions around expected future costs

(iv) Note 27—Assets and obligations relating to employee benefits—it is necessary for actuarial assumptions to be made, including discount and mortality rates and the long-term rate of return upon scheme assets. The Group engages a qualified actuary to assist with determining the assumptions to be made when evaluating these liabilities.

(v) Note 30—Financial Instruments—the Group enters into complex financial instruments and therefore appropriate accounting for these hedges requires judgement around the valuations is required.

Revenue recognition

Revenue is measured at fair value of consideration received or receivable. Revenue is recognised on the sale of products, net of discounts, sales incentives, customer bonuses and rebates granted, when products are delivered to dealers or when delivered to a carrier for export sales, which is when title and risks and rewards of ownership pass to the customer. Sale of products includes export and other recurring and non-recurring incentives from governments at the national and state levels. Sale of products is presented net of excise duty where applicable and other indirect taxes. Revenue is recognised when collectability of the resulting receivable is reasonably assured.

Cost recognition

Costs and expenses are recognised when incurred and are classified according to their nature. Expenditure capitalised represents employee costs, stores and other manufacturing supplies, and other expenses incurred for construction, including product development.

Provisions

A provision is recognised if, as a result of a past event, we have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Product warranty expenses: The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidences based on actions on product failures. The timing of outflows will vary as and when a warranty claim will arise, being typically up to four years.

Residual risk: In certain markets, we are responsible for the residual risk arising on vehicles sold by dealers under leasing arrangements. The provision is based on the latest available market expectations of future residual value trends. The timing of the outflows will be at the end of the lease arrangements, being typically up to three years.

Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Freehold land is measured at cost and is not depreciated. Cost includes purchase price, taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

Interest cost incurred for constructed assets is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

Depreciation is provided on a straight-line basis over estimated useful lives of the assets. Estimated useful lives of the assets are as follows:

	Estimated useful life (years)
Buildings	20 to 40
Plant and equipment	9 to 30
Computers	3 to 6
Vehicles	3 to 10
Furniture and fixtures	3 to 20

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use. Capital-work-in-progress includes capital prepayments.

Intangible assets

Intangible assets purchased, including those acquired in a business combination, are measured at cost or fair value as at the date of acquisition where applicable less accumulated amortisation and accumulated impairment, if any. Intangible assets with indefinite lives are reviewed annually to determine whether indefinite-life assessment continues to be supportable. If not, the change in the useful-life assessment from indefinite to finite is made on a prospective basis.

Amortisation is provided on a straight-line basis over estimated useful lives of the intangible assets. The amortisation year for intangible assets with finite useful lives is reviewed at least at each year-end. Changes in expected useful lives are treated as changes in accounting estimates.

Capital-work-in-progress includes capital advances.

Customer-related intangibles consist of order backlog and dealer network.

	Estimated amortisation period
Patents and technological know-how	2 to 12 years
Customer-related—Dealer network	20 years
Product development	3 to 10 years
Intellectual property rights and other	Indefinite life
Software	2 to 8 years

Internally generated intangible assets

Research costs are charged to the consolidated income statement in the year in which they are incurred.

Product development costs incurred on new vehicle platform, engines, transmission and new products are recognised as intangible assets, when feasibility has been established, the Group has committed technical, financial and other resources to complete the development and it is probable that asset will generate probable future economic benefits.

The costs capitalised include the cost of materials, direct labour and directly attributable overhead expenditure incurred up to the date the asset is available for use. The capitalisation of directly attributable overhead expenditure involves critical judgement in applying the relevant accounting policy and interpretations of IFRS may differ, which can result in different applications of the same standard and, therefore, different results.

Interest cost incurred is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings if no specific borrowings have been incurred for the asset.

Product development cost is amortised on a straight-line basis over estimated useful lives of the intangible assets.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment loss.

Impairment

Property, plant and equipment and other intangible assets: At each balance sheet date, the Group assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment indicator exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, or earlier, if there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated income statement.

As at 31 December 2010, none of our property, plant and equipment and intangible assets were considered impaired.

Employee benefits

Pension plans: We operate several defined benefit pension plans, which are contracted out of the second state pension scheme. The assets of the plans are held in separate trustee administered funds. The plans provide for monthly pension after retirement as per salary drawn and service year as set out in rules of each fund.

Contributions to the plans by our subsidiaries take into consideration the results of actuarial valuations. The plans with a surplus position at the year-end have been limited to the maximum economic benefit available from unconditional rights to refund from the scheme or reduction in future contributions. Where the subsidiary is considered to have a contractual obligation to fund the pension plan above the accounting value of the liabilities, an onerous obligation is recognised.

Under the arrangements with the trustees of the defined benefit pension schemes, an actuarial valuation of the assets and liabilities of the schemes is undertaken every three years. The most recent valuation, as at April 2009, indicated a shortfall in the assets of the schemes as at that date, versus the actuarially determined liabilities as of that date, of £403.0 million.

As part of the valuation process we agreed a schedule of contributions, which together with the expected investment performance of the assets of the schemes, is expected to eliminate the deficit by 2018. We also granted security in favour of the pension fund trustees as security for our obligations under the pension schemes. Please see footnote 2 in “Summary—Corporate and Financing Structure.”

The next actuarial valuation is presently expected to be in April 2012.

A separate defined contribution plan is available to all new employees. Costs in respect of this plan are charged to the income statement as incurred.

Post-retirement Medicare scheme: Under this unfunded scheme, employees of some subsidiaries receive medical benefits subject to certain limits of amount, periods after retirement and types of benefits, depending on their grade and location at the time of retirement. Employees separated as part of an Early Separation Scheme, on medical grounds or due to permanent disablement, are also covered under the scheme. Such subsidiaries account for the liability for post-retirement medical scheme based on an actuarial valuation.

Actuarial gains and losses

Actuarial gains and losses relating to retirement benefit plans are recognised in other comprehensive income in the year in which they arise. Actuarial gains and losses relating to long-term employee benefits are recognised in the consolidated income statement in the year in which they arise. The measurement date of retirement plans is 31 March.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets are classified into categories: financial assets at fair value through net income/(loss), held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial liabilities are classified into financial liabilities at fair value through net income/(loss) and other financial liabilities.

Financial instruments are recognised on the balance sheet when we become a party to the contractual provisions of the instrument. Initially, a financial instrument is recognised at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount, if it is not classified as at fair value through net income/(loss). Subsequently, financial instruments are measured according to the category in which they are classified.

- *Financial assets and financial liabilities at fair value through net income/(loss)*: Derivatives, including embedded derivatives separated from the host contract, unless they are designated as hedging instruments, for which hedge accounting is applied, are classified into this category. Financial assets and liabilities are measured at fair value with changes in fair value recognised in the consolidated income statement.
- *Loans and receivables:* Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as financial assets at fair value through net income/(loss) or financial assets available-for-sale. Subsequently, these are measured at amortised cost using the effective interest method less any impairment losses. These include trade receivables, finance receivables, other financial assets and investments with fixed or determinable payments.
- *Available-for-sale financial assets:* Available-for-sale financial assets are those non-derivative financial assets that are either designated as such upon initial recognition or are not classified in any of the other financial assets categories. Subsequently, these are measured at fair value and changes therein, other than impairment losses which are recognised directly in other comprehensive income, net of applicable deferred income taxes.
- *Equity instruments:* Equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. When the financial asset is derecognised, the cumulative gain or loss in equity is transferred to the consolidated income statement.
- *Other financial liabilities:* These are measured at amortised cost using the effective interest method.

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, we determine the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method and other valuation models.

We derecognise a financial asset only when the contractual rights to the cash flows from the asset expires or we transfer the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If we neither transfer nor retain substantially all the risks and rewards of ownership and continue to control the transferred asset, we recognise our retained interest in the asset and an associated liability for amounts we may have to pay. If we retain substantially all the risks and rewards of ownership of a transferred financial asset, we continue to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities are derecognised when these are extinguished, that is when the obligation is discharged, cancelled or has expired.

We assess at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

OUR INDUSTRY AND MARKETS

This section primarily relies on information available from IHS Automotive, and is based on IHS Automotive's classifications of brands, vehicles, geographical markets and market segments. This information has not been independently verified by the Issuer, the Guarantors or the initial purchasers, and no representation is made as to the accuracy of this information, which may be inconsistent with information available or compiled from other sources. IHS Automotive has not reviewed or approved this section.

Cautionary Statement Regarding Forecasts and other Forward-looking Information about Our Industry and Markets

This section contains forecasts made by IHS Automotive about the future production and sales of light vehicles (in general and light vehicles in the premium-brand segment in particular) in the global automotive market and selected geographical regions, forecasts of future annualised growth rates, and forecasts of sales and annualised growth rates of the various sub-segments of the premium-brand segment of the market for light vehicles. These forecasts have been prepared by IHS Automotive, an external provider of industry data, and have not been independently verified. Although the information has been extracted from data sources made commercially available by IHS Automotive, IHS Automotive has not reviewed or approved the information presented in this Offering Memorandum.

There can be no assurance that these forecasts will prove to be accurate. Forecasts are necessarily based on numerous different assumptions and any difference between the assumptions used and actual facts could cause our actual results to be materially different (either lower or higher) from the forecasts. More specifically, the actual volumes of vehicles sold in the future in the global automotive market, any specific geographical region, the premium-brand segment or any sub-segment thereof will depend on numerous factors, including global economic conditions, consumer demand, fuel prices, prices of vehicles, taxes and duties, customer preferences, and other similar factors that can, and will, influence materially the future sales of vehicles.

The inclusion of the forecasts in this Offering Memorandum should not be viewed as a representation by us, the initial purchasers, IHS Automotive or any other person that these assumptions will be realised, in whole or in part, or that these assumptions will be predictive of future results.

Prospective investors should not place undue reliance on the forecasts and should make their own independent assessment of our future prospects and the risks relating to the global automotive market or the markets in which we operate.

You are cautioned not to make an investment in the Notes solely on the basis of forward-looking information about the future prospects of the automotive industry in general or the future levels of production or sales of light vehicles in particular.

Introduction

IHS Automotive classifies brands of car and light commercial vehicles (together "light vehicles") into premium and non-premium brands. IHS Automotive further classifies light vehicles into sub-categories depending upon the type of vehicle. The categorisation is subjective, combining judgements on vehicle specifications and purchaser perceptions.

Both Jaguar and Land Rover are categorized as premium brands by IHS Automotive, a category which currently comprises Acura, Alfa Romeo, Aston Martin, Audi, Bentley, BMW, Bugatti, Cadillac, De Tomaso, Ferrari, Fisker, Hummer, Infiniti, Jaguar, Lamborghini, Lancia, Land Rover, Lexus, Lincoln, Lotus, Maserati, Maybach, McLaren, Mercedes Benz, Mini, Morgan, Porsche, Rolls Royce, Saab, Tesla, TVR and Volvo. In addition, our vehicles fall into the following sub-categories based on our 2010/2011 model line-up:

Jaguar	Land Rover
E1—large and luxury class cars • Jaguar XF E2—high luxury class cars • Jaguar XJ • Jaguar XK	SUV-C—compact car-based SUV • Land Rover Freelander 2 (LR2) • Range Rover Evoque SUV-D—standard truck-based SUV • Land Rover Defender SUV-E—luxury/full (truck-based) SUV • Land Rover Discovery 4 (LR4) • Range Rover • Range Rover Sport

Factors Affecting Demand

Both the general global automotive industry and the premium-brand segment are affected by a variety of economic and political factors, which may be interrelated. Some of these factors are described below:

- ***Global economic conditions:*** Consumer demand for passenger automobiles is affected by global economic conditions, which in turn affect consumers' disposable income, purchasing power and the availability of credit to consumers.
- ***Fuel prices:*** Increasing fuel prices generally reduce demand for larger and less fuel-efficient cars, while lower fuel prices generally support demand for larger vehicles and reduce the focus on fuel efficiency.
- ***Prices of vehicles:*** Demand for vehicles is affected by the price at which manufacturers are able to market and sell their vehicles. Sale prices in turn depend upon a number of factors, including, among other things, the price of key inputs, such as raw materials and components, the cost of labour and competitive pressures.
- ***Taxes and duties:*** The level of taxes that are levied on the sales and ownership of vehicles is another key factor. Taxes are generally levied at the time of purchase of vehicles or as ongoing taxes on vehicles ownership, road tax duties, and taxes on fuel. In general demand for vehicles reacts negatively to higher taxes.
- ***Customer preferences:*** Customer preferences and trends in the market change, which in turn affects demand for specific vehicle categories and specific offerings within each vehicle category.

Economic Stimulus Package and Incentives

In response to the severe impact of the recent global economic crisis, several governments introduced temporary support schemes for the automotive industry during 2009 and 2010. In Europe, the European Investment Bank (the "EIB") announced a support package of aid to the car industry in December 2008 under the European Clean Transport Facility, a part of the European Economic Recovery Programme. The UK government also announced the Automotive Assistance Program (the "AAP"), a programme of support for the British car industry, in January 2009. The AAP was intended to facilitate government loan guarantees on a case-by-case basis to projects for which EIB funding has been approved and to create value in the United Kingdom by preserving jobs and promoting new investments furthering government objectives of low carbon emission. We did not participate in the AAP.

The United Kingdom also introduced a vehicle scrappage incentive scheme for vehicles more than 10 years old in order to stimulate purchases of new cars in the United Kingdom. The United States and several European countries (including Cyprus, France, Germany, Italy, Luxembourg, Portugal, Romania and Spain) introduced programmes with similar objectives. Although such schemes have supported demand for non-premium-brand light vehicles more than premium-brand light vehicles, the global automotive industry overall has benefited from those incentives. In most of the markets in which we operate, these incentive schemes and support programmes have now come to an end, with evidence of a subsequent reduction in vehicle sales.

Seasonality

Our business is affected by the biannual registration of vehicles in the United Kingdom, where new vehicle registrations take place in March and September. This has an impact on the resale value of the vehicles because sales are clustered around the time of the year when the vehicle registration number change occurs. Seasonality in most other markets is driven by introduction of new model year vehicles and derivatives. Furthermore, Western European markets tend to be impacted by summer and winter holidays. The resulting sales profile influences operating results on a quarter-to-quarter basis.

Sales

Impact of the global economic crisis

The recent global economic crisis constrained business and consumer spending while increasing public spending and deficits, particularly in the United States, the United Kingdom and the Rest of Europe. In 2008 and 2009, many of the markets in which we operate experienced negative economic growth, in many cases matched by low or negative inflation rates and declining vehicle sales. The depressed economic environment in most mature markets was partially offset by growth in developing markets, such as China, India and the Middle East, which in some cases were supported by important government stimulus programmes. All major automobile markets had returned to positive growth by the end of 2009.

Historical sales data and forecasts for the global light vehicle market

The following table shows historical and forecast light vehicle sales in key regions and selected key countries in which we operate for the 2008–2016 period, as well as annualised growth rates in sales for 2008–2010 and 2010–2016.

There can be no assurance that any of the forecasts presented below will prove to be accurate.

Regions	2008	2009	2010	F2011	F2012	F2013	F2014	F2015	F2016	2008-10	F2010-16
	Number of vehicles									**CAGR**	
					(in millions)					**(as percentage)**	
Africa	0.9	0.7	0.8	1.0	1.1	1.2	1.3	1.3	1.4	(3.9)%	8.9%
Asia	20.0	24.2	30.1	32.4	34.6	37.0	39.4	41.5	43.8	22.8%	6.4%
Eastern Europe	5.8	3.4	3.9	4.4	4.6	5.1	5.7	6.2	6.6	(17.4)%	9.1%
Middle East	2.7	2.5	2.8	2.9	3.1	3.2	3.3	3.3	3.5	2.6%	3.6%
North America	15.9	12.7	14.0	15.6	17.5	18.7	19.3	19.9	20.0	(6.3)%	6.2%
South America	4.1	4.1	4.8	5.1	5.4	5.7	6.0	6.3	6.8	8.0%	5.9%
Western Europe	15.4	15.0	14.4	14.3	14.8	15.6	16.1	16.1	16.0	(3.0)%	1.7%
Other	1.3	1.1	1.3	1.4	1.4	1.4	1.5	1.5	1.4	(1.8)%	2.1%
Total	**66.0**	**63.7**	**72.2**	**77.1**	**82.5**	**87.9**	**92.6**	**96.2**	**99.5**	**4.6%**	**5.5%**
Selected countries											
UK	2.4	2.2	2.3	2.2	2.3	2.4	2.5	2.6	2.6	(3.5)%	2.4%
US	13.2	10.4	11.6	13.1	14.9	16.0	16.6	17.1	17.2	(6.4)%	6.8%
China	8.6	13.0	17.0	18.8	20.2	21.8	23.5	25.1	26.9	40.8%	7.9%
Selected countries as % of total	**36.8%**	**40.2%**	**42.8%**	**44.3%**	**45.4%**	**45.8%**	**46.1%**	**46.6%**	**46.9%**	—	—

Source: IHS Automotive

Worldwide light vehicle sales decreased by 3.5% from 2008 to 2009, but rallied by 13.3% from 2009 to 2010. In 2010, 41.8% of the light vehicles were sold in Asia, 20.0% in Western Europe, 19.4% in North America and 6.6% in South America. These four regions are the four largest by sales and accounted for 87.7% of worldwide sales in 2010. Sales in Asia increased year-on-year by 21.3% from 2008 to 2009 and by 24.3% from 2009 to 2010. In contrast, in Western Europe sales have exhibited a negative trend since 2008, decreasing by 2.5% from 2008 to 2009 and by 3.6% from 2009 to 2010. Sales in North America decreased by 20.5% from 2008 to 2009, but recovered by 10.4% from 2009 to 2010. The UK market declined by 10.0% from 2008 to 2009, but increased by 3.3% from 2009 to 2010. Exhibiting the same trend as the larger North American market, sales in the United States declined by 21.2% from 2008 to 2009 and recovered by 11.1% from 2009 to 2010. Sales in China were up over the past three years, increasing by 51.1% from 2008 to 2009 and 31.3% from 2009 to 2010.

In the years from 2010 to 2016, the highest annualised growth rates are forecast for Eastern Europe (9.1%), and Africa (8.9%). The lowest growth rates are forecast for Western Europe (1.7%). No region is currently forecast to have negative growth. In absolute units, the highest increase is forecast for Asia, with sales forecast to increase from 30.1 million light vehicles in 2010 to 43.8 million light vehicles in 2016. Sales are forecast to grow over 2010–2016 at an annualised rate of 2.4% in the United Kingdom, 6.8% in the United States and 7.9% in China.

Historical sales data and forecasts for the light vehicle premium-brand market

The following table shows historical and forecast light vehicle sales in the premium-brand segment in key regions and selected key countries in which we operate for the 2008–2016 period, as well as annualised growth rates in sales for 2008–2010 and 2010–2016.

There can be no assurance that any of the forecasts presented below will prove to be accurate.

	Number of vehicles									CAGR	
Premium brands	**2008**	**2009**	**2010**	**F2011**	**F2012**	**F2013**	**F2014**	**F2015**	**F2016**	**2008-10**	**F2010-16**
	(in millions)									(as percentage)	
Africa	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	5.7%	9.1%
Asia	0.6	0.7	1.1	1.3	1.5	1.8	2.0	2.2	2.4	32.6%	13.5%
Eastern Europe	0.3	0.2	0.2	0.3	0.3	0.3	0.4	0.4	0.5	(9.0)%	13.0%
Middle East	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	(4.2)%	13.1%
North America	1.8	1.4	1.6	1.8	2.1	2.4	2.5	2.5	2.6	(4.6)%	8.1%
South America	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	20.3%	6.3%
Western Europe	3.0	2.6	2.7	2.8	3.0	3.2	3.3	3.4	3.4	(4.9)%	3.9%
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(4.2)%	9.4%
Total	**5.9**	**5.1**	**5.9**	**6.6**	**7.3**	**8.0**	**8.5**	**9.0**	**9.2**	**0.1%**	**7.8%**
Selected countries											
UK	0.5	0.4	0.5	0.5	0.5	0.5	0.6	0.6	0.6	(1.2)%	3.6%
US	1.6	1.3	1.4	1.7	1.9	2.2	2.3	2.3	2.4	(5.4)%	8.6%
China	0.3	0.4	0.7	0.9	1.1	1.3	1.5	1.7	1.8	56.1%	16.3%
Selected countries as % of total	**40.8%**	**41.2%**	**45.0%**	**46.9%**	**48.5%**	**49.9%**	**50.6%**	**50.8%**	**51.5%**	**—**	**—**

Source: IHS Automotive

Worldwide premium-brand light vehicle sales declined by 12.8% from 2008 to 2009 but recovered to their 2008 levels in 2010. In 2010, as a percentage of global premium-brand sales, the largest region was Western Europe accounting for 45.5%, followed by North America accounting for 27.3% and Asia accounting for 18.9%. The fourth largest region was Eastern Europe accounting for 3.9%. Together these four regions accounted for more than 95.0% of the worldwide premium-brand light vehicles sales in 2010. In Asia, sales of premium-brand light vehicles grew over the past three years, increasing by 16.5% from 2008 to 2009 and by 50.8% from 2009 to 2010. In Western Europe, sales contracted by 12.4% from 2008 to 2009 before partially recovering by 3.3% from 2009 to 2010. Sales in North America declined by 20.2% from 2008 to 2009, but were up by 14.1% from 2009 to 2010. In Eastern Europe, sales declined by 31.9% from 2008 to 2009, but increased by 21.7% from 2009 to 2010. Sales in the United Kingdom decreased by 10.3% from 2008 to 2009 and almost recovered to their 2008 levels in 2010. In line with the broader North American market, sales in the United States declined by 21.8% from 2008 to 2009 and recovered by 14.4% in 2009 to 2010. In China sales of premium-brand light vehicles grew year-on-year, increasing by 37.8% from 2008 to 2009 and by 76.9% from 2009 to 2010.

In the years from 2010 to 2016, the highest annualised growth rates are forecast for Asia (13.5%), the Middle East (13.1%), and Eastern Europe (13.0%). The lowest growth rates are forecast for Western Europe (3.9%), and South America (6.3%). For all regions growth is forecast to be faster in the premium-brand segment than in the non-premium-brand segment as measured by annualised average growth. No region is currently forecast to exhibit negative growth. In absolute units, the highest increase is forecast for Asia growing from 1.1 million light vehicles in 2010 to 2.4 million premium-brand light vehicles in 2016. Sales are expected to grow at an annualised rate of 3.6% in the United Kingdom, 8.6% in the United States and 16.3% in China from 2010 to 2016.

The following table shows historical and forecast premium-brand vehicle sales by class or segment for the 2008–2016 period, as well as annualised growth rates in sales for 2008–2010 and 2010–2016.

There can be no assurance that any of the forecasts presented below will prove to be accurate.

Premium brands	2008	2009	2010	F2011	F2012	F2013	F2014	F2015	F2016	2008-10	F2010-16
	Number of vehicles									CAGR	
	(in millions)									(as percentage)	
A—Utility/City	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA	NA
B—Supermini	0.3	0.3	0.3	0.4	0.5	0.4	0.5	0.6	0.6	6.8%	8.6%
C1—Lower Medium	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	(8.4)%	(19.2)%
C2—Medium	0.5	0.5	0.5	0.6	0.8	1.0	1.0	1.1	1.0	(2.6)%	12.1%
D1—Upper Medium	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	(12.1)%	(25.6)%
D2—Executive	1.8	1.4	1.5	1.6	1.8	2.0	2.2	2.4	2.4	(8.5)%	8.3%
E1—Large and/or Luxury	1.2	1.0	1.2	1.3	1.5	1.5	1.5	1.6	1.6	2.0%	5.2%
E2—High Luxury	0.3	0.2	0.3	0.3	0.4	0.4	0.4	0.4	0.4	(0.0)%	7.5%
F1—Super Luxury	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(5.3)%	4.3%
F2—Ultra Luxury	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(11.1)%	8.0%
HVAN—Heavy Van	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26.8%	7.0%
MPV-B—Sub Compact MPV	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(14.0)%	7.0%
MPV-C—Compact MPV	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	(3.1)%	2.7%
MPV-D—Standard MPV	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1%	11.3%
MPV-E—Luxury MPV	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(15.2)%	NA
MVAN—Medium Van	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	(10.6)%	3.0%
N/K—Not Known	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.3%	(13.1)%
PUP-D—Full-Size Pickup	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(46.2)%	(39.1)%
SUV-C—Compact SUV	0.1	0.1	0.2	0.2	0.4	0.6	0.6	0.7	0.7	68.3%	27.3%
SUV-D—Standard SUV	0.2	0.4	0.5	0.6	0.6	0.6	0.7	0.8	0.9	48.6%	11.2%
SUV-E—Luxury/Full-Size SUV	0.9	0.7	0.8	0.9	0.9	1.0	1.0	1.1	1.1	(1.9)%	4.3%
Total	**5.9**	**5.1**	**5.9**	**6.6**	**7.3**	**8.0**	**8.5**	**9.0**	**9.2**	**0.1%**	**7.8%**

Source: IHS Automotive

Jaguar products are classified in segments E1 (Jaguar XF) and E2 (Jaguar XJ and Jaguar XK), which had a relatively positive performance over the downturn: E1 and E2 sales stayed relatively stable on an annualised basis from 2008 to 2010. As per IHS Automotive's forecasts, E1 and E2 sales are forecast to experience increasing growth over 2010–2016 with an annualised growth rate of 5.2% and 7.5%, respectively. With respect to two of Land Rover's key segments, SUV-C (Land Rover Freelander 2 (LR2) and Range Rover Evoque) and SUV-D (Land Rover Defender), these segments have historically outperformed the sales of other SUV and pick-up vehicles and are further expected to grow by an annualised rate of 27.3% and 11.2%, respectively, over 2010–2016, while the SUV-E vehicle class (Land Rover Discovery 4 (LR4), Range Rover and Range Rover Sport) has over the last three years shown sales declines and is expected to grow more slowly.

Production

Impact of the global economic crisis

The global economic crisis caused a reduction in production across most developed auto markets from 2008 to 2009. The decrease was most pronounced in North America, Eastern Europe and Western Europe. Some emerging markets, particularly China and India, experienced smaller declines or more modest production increases.

Historical production data and forecasts for the global automotive market

The following table shows historical and forecast vehicle production globally and by region for the 2008–2016 period, as well as annualized growth rates in vehicle production for 2008–2010 and 2011–2016.

There can be no assurance that any of the forecasts presented below will prove to be accurate.

	Number of vehicles									CAGR	
Regions	**2008**	**2009**	**2010**	**F2011**	**F2012**	**F2013**	**F2014**	**F2015**	**F2016**	**2008-10**	**F2010-16**
	(in millions)									(as percentage)	
Africa	0.7	0.5	0.6	0.7	0.9	1.0	1.1	1.2	1.2	(4.9)%	12.3%
Asia	28.9	29.1	37.3	39.4	42.4	45.3	48.0	50.6	53.1	13.7%	6.0%
Eastern Europe	6.6	4.8	5.9	6.2	6.6	7.1	7.5	7.9	8.1	(5.1)%	5.2%
Middle East	1.3	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.5	7.0%	0.6%
North America	12.6	8.6	11.9	13.1	13.9	14.6	15.7	16.7	16.4	(2.7)%	5.5%
South America	3.8	3.7	4.1	4.4	4.7	5.1	5.3	5.5	5.8	4.7%	5.8%
Western Europe	14.6	12.0	13.5	13.9	14.3	15.1	15.8	16.0	16.2	(3.9)%	3.1%
Total	**68.4**	**60.1**	**74.9**	**79.2**	**84.3**	**89.6**	**94.8**	**99.4**	**102.3**	**4.6%**	**5.3%**

Source: IHS Automotive

According to data published by IHS Automotive, while worldwide production of light vehicles declined by 12.1% from 2008 to 2009, it increased by 24.5% from 2009 to 2010. Production of cars and light vehicles is increasingly moving towards Asia with 49.9% of light vehicles being produced in Asia in 2010 (48.4% in 2009 and 42.2% in 2008). In Western Europe, total production fell by 17.8% from 2008 to 2009 but partially recovered by 12.2% from 2009 to 2010. In North America, production fell by 31.9% from 2008 to 2009 but increased by 39.1% from 2009 to 2010.

IHS Automotive forecasts that total production will be 102.3 million light vehicles in 2016. This represents a 5.3% increase in annualised production from 2010. Asia is expected to expand production by 6.0% on an annualised basis from 2010 to 2016. As a result, Asia is forecast to produce 52.0% of worldwide light vehicles by 2016. Africa and South America are also expected to grow their annualised production by 12.3% and 5.8%, respectively, from 2010 to 2016, albeit from lower bases.

Historical production data and forecasts for the premium-brand market

The following table shows historical and forecast premium-brand light vehicle production globally and by region for the 2008–2016 period, as well as the annualised growth rates in vehicle production for 2008–2010 and 2010–2016.

There can be no assurance that any of the forecasts presented below will prove to be accurate.

Premium-brand light vehicles	Number of vehicles									CAGR	
	2008	2009	2010	F2011	F2012	F2013	F2014	F2015	F2016	2008-10	F2010-16
	(in millions)									(as percentage)	
Africa	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	(2.5)%	3.4%
Asia	0.6	0.5	0.7	1.0	1.1	1.3	1.6	1.8	2.0	10.9%	18.0%
Eastern Europe	0.1	0.1	0.1	0.2	0.2	0.3	0.4	0.4	0.4	(7.7)%	21.8%
Middle East	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.2%	25.9%
North America	0.9	0.5	0.8	0.9	1.0	1.1	1.2	1.3	1.3	(5.5)%	9.3%
South America	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(32.5)%	(0.1)%
Western Europe	4.4	3.7	4.4	4.9	5.2	5.4	5.5	5.7	5.8	0.4%	4.6%
Total	**6.2**	**4.9**	**6.2**	**7.0**	**7.6**	**8.2**	**8.9**	**9.4**	**9.7**	**0.2%**	**7.7%**

Source: IHS Automotive

According to data published by IHS Automotive, worldwide production of premium-brand light vehicles fell by 20.7% from 2008 to 2009 but recovered to their 2008 level in 2010. Western Europe accounted for 71.4% of global premium-brand production with North America and Asia accounting for 12.7% and 12.0%, respectively, of global production in 2010.

As per data published by IHS Automotive, the total production of premium-brand light vehicles is expected to grow by 56.1% from 2010 to 2016, corresponding to an annualised growth rate of 7.7%. The highest production increases in absolute terms are forecast in Asia, where production is expected to grow from 0.7 million light vehicles in 2010 to 2.0 million vehicles in 2016, corresponding to an annualised growth rate of 18.0%. Other regions that are forecast to see high growth rates include Eastern Europe and the Middle East, although from much lower starting points. In comparison, production of premium-brand light vehicles in Western Europe and the United States is expected to grow at annualised rates of 4.6% and 9.3%, respectively.

OUR BUSINESS

Overview

We design, develop, manufacture and sell Jaguar premium sports saloons and sports cars and Land Rover premium all-terrain vehicles, as well as related parts and accessories. We have a long tradition as a manufacturer of premium passenger vehicles with internationally recognised brands, an exclusive product portfolio of award-winning vehicles, a global distribution network and strong R&D capabilities. Jaguar and Land Rover collectively received over 80 awards from leading international motoring writers, magazines and opinion formers in 2010.

We operate three major production facilities (employing a total of approximately 10,100 employees as at 31 December 2010) and two advanced design and engineering facilities (employing a total of approximately 5,100 employees as at 31 December 2010, which includes employees at our corporate headquarters located at Gaydon), all of which are located in the United Kingdom. At 31 December 2010, we employed 16,893 employees globally.

We operate a global sales and distribution network designed to achieve geographically diversified sales and facilitate growth in key markets. Our three principal regional markets are North America, the United Kingdom and the Rest of Europe (including Russia), which respectively accounted for 23.2%, 22.8% and 27.8% of our wholesale volumes in the nine months ended 31 December 2010 and 19.4%, 28.4% and 27.3% in Fiscal 2010. We have also increased our presence in China, which accounted for 10.5% of our wholesale volumes in the nine months ended 31 December 2010 and 9.7% in Fiscal 2010.

The Issuer was formed by Tata Motors on 18 January 2008 to acquire Jaguar Cars Limited and Land Rover from Ford. The transaction was consummated on 2 June 2008. We are a wholly owned subsidiary and integrated business division of Tata Motors, a part of the Tata Group, an Indian business conglomerate with operations in more than 80 countries across six continents. Tata Motors is India's leading automobile company and ranks as the third largest bus manufacturer (in the above eight tonne category) and the fourth largest truck manufacturer (in the above eight tonne category) in the world, in each case, as measured by volume of vehicles sold in 2009.

The following table presents our revenue, net income/(loss) attributable to shareholders and EBITDA in Financial Period 2009, Fiscal 2010 and the nine months ended 31 December 2009 and 2010.

	Period commencing on 18 January 2008 and ended 31 March 2009(1)	Fiscal year ended 31 March 2010	Nine months ended 31 December		Twelve months ended 31 December 2010
			2009	2010	
	(£ in millions)				
Revenues	4,949.5	6,527.2	4,486.2	7,132.0	9,173.0
Net income/(loss) attributable to shareholders	(402.4)	23.5	(55.8)	773.5	852.8
EBITDA	(197.7)	422.1	244.5	1,124.7	1,302.3

(1) Financial Period 2009 represents the period from 18 January 2008 to 31 March 2009 and the trading of the Jaguar and Land Rover businesses from the date of acquisition on 2 June 2008 to 31 March 2009.

Our recovery in the latter half of Fiscal 2010 and in the nine months ending 31 December 2010 is attributable to improved global economic conditions, a revamped model line-up and better market mix, as well as favourable foreign exchange movements and the positive impact of our cost-containment efforts across our operations.

Our unit sales (on a wholesale basis) under each of our brands for the nine months ended 31 December 2010 and 2009, as well as Fiscal 2010 and Financial Period 2009, are set out in the table below:

	Period commencing on 18 January 2008 and ended 31 March 2009(1)	Fiscal year ended 31 March 2010	Nine months ended 31 December 2009	Nine months ended 31 December 2010	Twelve months ended 31 December 2010
			(units)		
Jaguar	47,057	47,418	36,510	42,952	53,860
Land Rover	120,291	146,564	100,468	134,538	180,634
Total	**167,348**	**193,982**	**136,978**	**177,490**	**234,494**

(1) Financial Period 2009 represents the period from 18 January 2008 to 31 March 2009 and the trading of the Jaguar and Land Rover businesses from the date of acquisition on 2 June 2008 to 31 March 2009.

Our vehicles

Jaguar designs, develops and manufactures premium sports saloons and sports cars recognised for their performance, design and unique British style. Jaguar's range of products comprises the XK sports car (coupe and convertible), the XF saloon and the new XJ saloon, accounting for 10.5%, 59.7% and 29.6%, respectively, of the total units sold wholesale in the nine months ended 31 December 2010 (12.0%, 69.5% and 0.7%, respectively, in Fiscal 2010, with the remainder attributable to the now discontinued X-Type).

- Launched in 2006, the all-aluminium XK is Jaguar's premium luxury sports car, combining performance and luxury in coupe and convertible models. The XK was significantly updated in 2009 with a new engine and exterior and interior design enhancements, and the XK range has been further revised with a new look for 2011. The new XKR-S will be launched during 2011, creating a sporting flagship for our revitalised XK line-up. The XKR-S is the fastest and most powerful production sports GT that Jaguar has ever built.
- The XF, launched in 2008, is a premium executive car that merges sports car styling with the sophistication of a luxury saloon. The Jaguar XF is Jaguar's best-selling model across the world by volume and it has garnered more than 80 international awards since its launch, including being named "Best Executive Car" for four years running by What Car? magazine. In 2011, we will launch our four-cylinder 2.2-litre diesel version of the XF with Intelligent Stop-Start Technology, making it the most fuel-efficient Jaguar yet and allowing Jaguar to compete with smaller capacity diesel engines offered by our competitors.
- The XJ is Jaguar's largest luxury saloon vehicle, powered by a choice of supercharged and naturally aspirated 5.0-litre V8 petrol engines and a 3.0-litre diesel engine. A 3.0-litre V6 petrol engine will also be introduced to the Chinese market during 2011. Utilising Jaguar's aerospace-inspired aluminium body architecture, the XJ's lightweight aluminium body provides improved agility and economy. In May 2010, customer deliveries of the new XJ commenced and it received more than 20 international awards in 2010, including "Best Luxury Car" from China's Auto News, "Annual Limousine King" from Quattroroute (Italy), "Luxury Car of the Year" from Top Gear (UK), Automobile Magazine's "2011 Design of the Year" and "Best Executive Sedan" at the Bloomberg Awards in the United States.

Land Rover designs, develops and manufactures premium all-terrain vehicles that aim to differentiate themselves from the competition by their simplicity, ability, strength and durability. Land

Rover's range of products comprises the Defender, Freelander 2 (LR2), Discovery 4 (LR4), Range Rover Sport and Range Rover, accounting for 9.7%, 29.9%, 21.1%, 25.8% and 13.5%, respectively, of the total wholesale units sold in the nine months ended 31 December 2010 (11.7%, 30.4%, 20.6%, 24.3% and 13.0%, respectively, in Fiscal 2010).

- The Defender is Land Rover's most capable off-roader, and is recognised as a leading vehicle in the segment targeting extreme all-terrain abilities.
- The Freelander 2 (LR2) is a versatile vehicle for both urban sophistication and off-road capability. For the 2011 Model Year, we offered customers a choice of 4WD and 2WD Freelanders, with an eD4 engine capable of 4.98L/100km which was especially well received in major European markets.
- The Discovery 4 (LR4) is a mid-size SUV that features genuine all-terrain capability. A range of new features, including the new 3.0-litre LR-TDV6 diesel engine, helped to propel the Discovery to the What Car? magazine award for the Best 4x4 for the seventh successive year.
- The Range Rover Sport combines the performance of a sports tourer with the versatility of a Land Rover.
- The Range Rover is the flagship of the brand with a unique blend of British luxury, classic design with distinctive, high-quality interiors and outstanding all-terrain ability. The 2011 Model Year Range Rover, with an all-new 4.4-litre TDV8 engine aiming to achieve a 14% reduction in CO_2 emissions and a 19% improvement in fuel consumption to 7.81L/100km as compared to the 2010 Model Year, has been particularly well received both in England and overseas.

Land Rover products offer a range of powertrains, including turbocharged V6 diesel, V6 petrol engines and V8 naturally aspirated and supercharged petrol engines, with manual and automatic transmission.

Product design, development and technology

Our vehicles are designed and developed by award-winning design teams, and we are committed to a programme of periodic enhancements in product design. Our two design and development centres are equipped with computer-aided design, manufacturing and engineering tools, and are configured for competitive product development cycle-time and efficient data management. In recent years, we have refreshed the entire Jaguar range under a unified concept and design language and continued to enhance the design of Land Rover's range of all-terrain vehicles.

Our R&D operations currently consist of a single engineering team, with a co-managed engineering function for Jaguar and Land Rover, sharing premium technologies, powertrain designs and vehicle architecture. All of our products are designed and engineered in the United Kingdom. We endeavour to implement the best technologies into our product range to meet the requirements of a globally competitive market. One example of our development capabilities is Jaguar's aluminium body architecture, which we expect will be a significant contributor to further efficiencies in manufacturing and engineering, as well as the reduction of CO_2 emissions. We aim to develop vehicles running on alternative fuels and hybrids and also invest in other programmes for the development of technologies aiming to improve the environmental performance of our vehicles.

Facilities

We operate three automotive manufacturing facilities in the United Kingdom employing approximately 10,100 employees as at 31 December 2010. At Solihull, we produce the Land Rover Defender, Discovery 4, Range Rover and Range Rover Sport models and employ approximately 4,300 employees. At Castle Bromwich, we produce the Jaguar XK, XJ and XF models and employ approximately 2,300 employees. At Halewood, we produce the Freelander and employ approximately 3,500 employees. We will also commence production of the Range Rover Evoque at this facility in 2011. We believe our three existing automotive manufacturing facilities at Solihull, Castle Bromwich and Halewood provide us with a flexible manufacturing footprint to support our present product plans. In addition, we are assessing investment opportunities for establishing a manufacturing and assembly base in China.

In addition to our automotive manufacturing facilities, we also have two product development, design and engineering facilities in the United Kingdom. The facility located at Gaydon houses our design and engineering centre and global headquarters with approximately 3,300 employees, and the facility located at Whitley houses a second design and engineering centre with approximately 1,800 employees, as at 31 December 2010. The Solihull, Gaydon and Whitley facilities are freeholdings, while Castle Bromwich and Halewood are held through a combination of freeholds and long-term leaseholds, generally with nominal rents.

Sales, distribution and financial services

We market Jaguar products in 101 markets and Land Rover products in 174 markets, through a global network of 18 NSCs, 84 importers, 61 export partners and 2,241 franchise sales dealers, of which 524 are joint Jaguar and Land Rover dealers. In the nine months ended 31 December 2010, global unit sales of our cars (wholesale) were 23.2% to North America (19.4% in Fiscal 2010), 22.8% to the United Kingdom (28.4% in Fiscal 2010), 22.9% to the Rest of Europe (excluding Russia) (23.1% in Fiscal 2010), 10.5% to China (9.7% in Fiscal 2010), 4.9% to Russia (4.2% in Fiscal 2010), and 15.7% to the rest of the world (15.3% in Fiscal 2010).

We have established robust business processes and systems to ensure that our production plans meet anticipated retail sales demand and to enable the active management of our inventory of finished vehicles and dealer inventory throughout our network. These measures include continuous monitoring of retail volumes (i.e. sales from our dealers to end customers) and the level of inventory of finished vehicles at dealers and en-route from our manufacturing facilities to our national sales companies and dealers. We monitor those inventory levels versus internal "ideal stock" targets that we believe are appropriate for each market and model. The "ideal stock" target reflects specific distribution requirements for each market, including the transit times for those markets. We conduct a monthly "global forecast review" to assess sales running rates and volume expectations over the coming months and use that information to plan sales actions and production actions to meet the market requirements. We have a monthly "sales and programming committee" at which we review the sales forecast and plans, and review and modify our production plans as required in order to meet anticipated sales levels and ensure that our inventory and dealer inventory of finished vehicles is managed to "ideal stock" levels.

We have entered into arrangements with independent partners to provide financing to our customers, including FGA Capital, a joint venture between Fiat Auto and Credit Agricole, for the United Kingdom and European markets, Chase Auto Finance for the US market, and local providers in a number of other key markets. Our financing partners offer our customers a range of consumer financing products that involve either the leasing of the vehicle for a term (with the option to either own the vehicle at maturity upon the payment of a defined balance or return it) or the purchase of the vehicle.

Separation from Ford

The Issuer was formed by Tata Motors on 18 January 2008 to acquire Jaguar Cars Limited and Land Rover from Ford. The transaction was consummated on 2 June 2008. We completed the process of separating operations in markets where Jaguar and Land Rover previously operated as part of Ford in November 2009. In addition, the separation of Jaguar and Land Rover's IT infrastructure and support systems from those of Ford was completed operationally in the first quarter of Fiscal 2011. We continue to source all of our engines from Ford and a joint venture between Ford and PSA under a long-term arrangement on an arm's-length basis. In addition, we have developed the EuCD platform technology with Ford and Volvo cars. We do not owe any royalties or charges to Ford for use of the EuCD platform in Land Rover vehicles manufactured by us within the United Kingdom. However, an access fee and royalties are payable to Ford if we wish to manufacture any vehicle using this platform outside of the United Kingdom.

Our Competitive Strengths

We believe that the successful turnaround achieved during the past two years, our current trading performance and our future success are based upon the following key competitive strengths:

Iconic and globally recognised brands built on a strong heritage

We believe that the strong brand heritage and global recognition of Jaguar and Land Rover have helped us to achieve our recent strong operating performance and position us well to benefit from a resurging global economy and strong expected growth in new emerging markets. Founded in 1922, Jaguar has a long tradition of designing and manufacturing premium sports cars and saloons recognised for their design, engineering performance and a distinctive British style. The brand has a strong racing history, with Jaguar first winning the Le Mans race in 1951 and becoming the first manufacturer to win both the Le Mans and the Monte Carlo races in 1956. Since then, Jaguar has won numerous racing titles. Founded in 1948, Land Rover designs and manufactures vehicles known for their simplicity, ability, strength and durability. Land Rover's brand identity is built around utility, reliability and, above all, its all-terrain capability.

Both our Jaguar and Land Rover brands are globally recognised as premium, class-leading and highly differentiated vehicles within their segments as evidenced by consumer demand, sales in more than 170 countries and the many international awards received across different geographical regions (for example, in 2010 our vehicles won "Best Luxury Car" in China (Jaguar XJ), "Car of the Year" in Russia (Jaguar XK), "Best Luxury Vehicle" in Australia (Range Rover) and "All-round SUV of the year" in the United States (Land Rover Discovery) and in 2011 the Range Rover Evoque won the What Car? "Most Exciting Car of 2011" award). Over the years, our brands have achieved a high rate of customer loyalty as recognised by expert opinion formers. For example, the 2010 Jaguar XK and the 2010 Range Rover won the 2010 Polk Automotive Loyalty Awards, a leading fact-based award in the automotive industry that measures owner loyalty on the basis of information collected from millions of car registrations every year.

Award-winning design capabilities and distinct model line-ups

We believe that our business is supported by award-winning design capabilities and distinctive model line-ups. Our two award-winning design teams, led by designers Ian Callum and Gerry McGovern, have a track record of designing contemporary and elegant cars, while retaining the distinctive brand identity of Jaguar and Land Rover.

We believe that Jaguar has a long tradition of producing innovative automobiles exemplified by design icons such as the Jaguar E-type. Today Jaguar's entire product range has been refreshed under a unified design and concept language, upon which we intend to further develop our exclusive product portfolio. We believe that our new design and concept language will help Jaguar appeal to a new and younger audience. We also believe that Land Rover offers one of the most consistent, universally recognised and successful model line-ups within the automotive industry.

Our product development process is highly structured with the aim of allowing us to respond quickly to new market trends and to leverage market opportunities (such as environmental awareness among consumers). We run an annual product development process with regular management reviews and specific product cycle milestones. Two years after the launch of a new vehicle, we generally conduct a feature upgrade with incremental improvements. Four years after the product launch, we aim to conduct a major upgrade to both exterior and interior features. The product cycle normally ends seven years after launch with a new product design and platform. We believe that this product development process is a key factor in our operational efficiency and has helped us to achieve our recent and ongoing success through regular improvements and upgrades to our model line-up. We will continue to strengthen our line-up with new model launches, one of which is the Range Rover Evoque, presently expected to come to market in the latter part of 2011. We expect to implement a variety of product actions on existing vehicles in the next five years, across both brands, including all-new vehicles, powertrain upgrades and body/trim changes, which are expected to support sales growth across wider segments.

The strength of our design capabilities and distinct model line-ups has been widely validated by industry experts. Jaguar and Land Rover have collectively received more than 80 awards from leading international magazines and opinion formers in 2010 and numerous other awards, accolades and recognition throughout their recent history, including, indicatively, "Car of the Decade" (Range Rover) by the readers of *autocar.co.uk* in 2010, "Best Executive Car 2010" (Jaguar XF) by What Car? magazine and the "Classic Concept Award 2010" by Louis Vuitton (C-X75 Concept Car).

Technical excellence with a strong focus on research and development

We develop and manufacture technologically advanced vehicles. For example, we are one of the industry leaders in aluminium body structures, which contribute to the manufacture of lighter vehicles with improved fuel efficiency and performance, while maintaining the body stiffness that customers in the premium segment demand. We have industry-leading capabilities in all-terrain applications, such as Land Rover's "terrain response system," winner of a 2008 Queen's Award for Enterprise: Innovation, which is the all-terrain system that adjusts the performance of vital operating components of the vehicle to different driving and weather conditions. We also aim to be at the forefront of calibration and certification of emissions and fuel economy, with a number of emission-reducing technologies under development (including hybrids, the above-mentioned use of lightweight material, reducing parasitic losses through the driveline and improvements in aerodynamics). For example, the Jaguar XK is the only car in its class that emits less than 300g per km of carbon dioxide. We believe that we are also among the leading automobile manufacturers in the areas of powertrain application engineering and sound quality. Our technical and operational capabilities are supported by a focus on investment in R&D conducted by a team of over 100 engineers in our Research and Advanced System Engineering department. The recently presented concept Jaguar C-X75 range-extended electric vehicle powered by twin-turbines and lithium-ion batteries is one further example of our research-driven product development capabilities.

Global market presence through comprehensive and growing global distribution network

We market and sell our vehicles through a global sales and distribution network designed to achieve geographically diversified sales and facilitate growth in key markets. We sell Jaguar products in 101 markets and Land Rover products in 174 markets through a network of 18 NSCs, 84 importers, 61 export partners and 2,241 franchise sales dealers, of which 524 are joint Jaguar and Land Rover dealers. Our top three regional markets are North America, the United Kingdom and the Rest of Europe (including Russia), which accounted for 23.2%, 22.8% and 27.8%, respectively, of our wholesale volumes in the nine months ended 31 December 2010 (19.4%, 28.4% and 27.3%, respectively, in Fiscal 2010). In addition, over the years we have expanded our global sales and distribution network, and achieved diversification of revenue beyond our core markets to the Rest of Europe and other developed markets.

Our success in established markets and strong brand recognition have positioned us well to capture the significant sales growth experienced in emerging markets, such as China, Russia, India and other countries. In recent years, we have increased our presence in China, with wholesale volumes in the nine months ended 31 December 2010 up to 10.5% of total wholesale volumes, compared with 9.6% in Fiscal 2010. We believe this growth potential in markets with growing affluent populations will counter balance the expected lower rate of sales growth in more mature developed markets and offers significant opportunities to increase and diversify further our sales volumes. Consequently, we are actively investing in our sales network outside our major markets. In China, we have established an NSC and we are aiming to grow the dealer network to 100 locations by the end of 2011. We recently signed a memorandum of understanding to export 40,000 vehicles annually to our growing Chinese client base. We are also in the process of assessing investment opportunities for establishing a manufacturing and assembly base in China. In India, we have established a product development operation and, since April 2011, Freelander vehicle kits have been assembled by Tata Motors in a CKD assembly facility. We also plan to expand our presence by opening additional dealerships in India.

Profitable growth and strong operating cash generation

In the nine months ended 31 December 2010 and 2009, we generated EBITDA of £1,124.7 million and £244.5 million, respectively, against EBITDA of £422.1 million in Fiscal 2010 and negative EBITDA of £197.7 million in Financial Period 2009.

We generated net income of £773.5 million in the nine months ended 31 December 2010, compared with a net loss of £55.8 million in the equivalent period in 2009. In Fiscal 2010, our net income was £23.5 million and in Financial Period 2009 we had a net loss of £402.4 million.

Since our recovery, we have generated significant cash flow, predominantly from the sale of our vehicles. Our cash generated from operating activities in the nine months ended 31 December 2010, which does not include cash invested in capital expenditure or capitalised product development spending, was £1,246.4 million. The equivalent figure in the nine months ended 31 December 2009 was £326.7 million. Furthermore, we have a strong liquidity position with cash and cash equivalents of £999.7 million and undrawn committed facilities of £236.0 million as at 31 December 2010, which is more than sufficient relative to our short-term working capital requirements.

The substantial improvement in our results of operations, especially our EBITDA, net income and cash and general liquidity position, was attributable to an increase in wholesale volumes and an improvement in product mix associated with the introduction of the new Jaguar XJ and the cessation of the Jaguar X-Type and the continued strength of the Range Rover and Range Rover Sport. We also experienced an improvement in market mix, in particular the strengthening of our business in China, which was supported by the launch of an NSC in China in mid-2010. Further, our performance was also assisted by the positive impact of the strengthening of the US dollar against the pound sterling and the euro, which has positively affected our revenues (a portion of which comprises wholesale volumes in US dollars) against the backdrop of a largely pound sterling and euro cost base. The improvement in our results of operations in the nine months ended 31 December 2010 was also partially attributable to further cost-efficiency improvements in material costs and manufacturing costs, supported by increased production volume levels. We continue to benefit from cost efficiences and effective cash management initiatives we adopted in response to the challenging operating conditions in 2008 and 2009, including the alignment of production with demand, active management of our working capital through extension of the term of trade payables and acceleration of the term of trade receivables while reducing inventories, and scaling down our cost base across our business (including payroll). We expect our strong operating cash generation to fund most product investment requirements and allow for profitable growth in the future.

Experienced and highly qualified senior management team

We have a highly experienced and respected senior management team. Our senior management comprises experienced senior automotive executives with an average tenure of more than 20 years in the automotive industry each. Our chief executive officer, Dr. Ralf Speth, was appointed on 19 February 2010. We believe that the experience, industry knowledge and leadership of our senior management team, evidenced by their ability to turn the business around from the weak operating results of Financial Period 2009 against challenging economic conditions into our recent recovery and profitable sales growth, will help us implement our strategy and achieve further profitable growth.

Shareholder support

We benefit from strong and ongoing support from Tata Motors, our parent company. Tata Motors is India's leading automobile company, and ranks as the third largest bus manufacturer (in the above eight tonne category) and the fourth largest truck manufacturer (in the above eight tonne category) in the world, in each case measured by volume of vehicles sold in 2009. Tata Motors holds a strong domestic position in India in the commercial vehicle segment with an estimated market share by volume of more than 55% in Fiscal 2010. Further, in the passenger vehicle segment, Tata Motors is the third largest in India by volume sold in 2010, and it has over 1,400 customer sales points in the country. Tata Motors also developed the Nano, an economical micro-compact passenger vehicle. It has also established a successful international presence as an automobile company through joint ventures and acquisitions such as the acquisition of the commercial vehicle business of Daewoo in 2004. On 2 June 2008, Tata Motors acquired the Jaguar Land Rover businesses from Ford, establishing its international presence in the premium car market. Tata Motors has a manufacturing footprint in India, South Africa, South Korea, Spain, Thailand and the United Kingdom.

Tata Motors sold 768,834 units in the nine months ended 31 December 2010 and 872,951 units in Fiscal 2010. Tata Motors group had revenues of US$19,660.0 million (Indian GAAP) in the nine months ended 31 December 2010 and US$20,800.0 million (Indian GAAP) in Fiscal 2010, and achieved profits of US$1,500.0 million (Indian GAAP) and US$577.8 million (Indian GAAP), respectively, in the same periods.

We believe we are of strategic importance to Tata Motors because we represent approximately two-thirds of its revenue. Our Board includes the Chairman, Vice Chairman and the Managing Director and Chief Executive Officer of Tata Motors, who dedicate significant time and energy to developing our business. As a part of Tata Motors, we are able to gain access to a wider pool of financing banks and sources than we could as an independent group. We are also able to access the long-established operational and sales expertise of our parent in India, where it maintains comprehensive engineering and product development capabilities, and other key emerging markets.

Tata Motors does not assume any direct or indirect liability for or guarantee the Notes.

Our Strategy

We have a multifaceted strategy to position ourselves as a leading manufacturer of premium vehicles offering high-quality products tailored to specific markets. Our success is tied to our investment in product development, which is reflected in our strategic focus on capital expenditure, R&D and product design. Our strategy consists of the following key elements:

Grow the business through new products and market expansion

We offer products in the premium performance car and all-terrain vehicle segments, and we intend to grow the business by diversifying our product range within these segments, for example by offering different powertrain combinations. For instance, the new Range Rover Evoque will help us expand into a market segment that is attracted by a smaller, lighter and more "urban" off-road vehicle than the market segment in which our Range Rover models traditionally compete, while the new 2.2-litre diesel XF will cater to a much wider group of potential customers, particularly company car drivers.

In addition, we have a strategy of expanding our regional coverage into select geographic locations where we have identified an opportunity to grow within our core segments. As a producer of distinctive, premium products, we believe we are well positioned to increase our revenues in emerging affluent countries with growing sales potential. There are three specific aspects to our strategy of geographic expansion. First, we aim to establish new manufacturing facilities, assembly points and suppliers in selected markets. For example, we have established a product development operation in India and we sell vehicle kits to be assembled in CKD facilities in India, Kenya, Malaysia, Turkey and Pakistan. We are also seeking to establish a manufacturing base in China. In addition, we will continue to look for opportunities to source materials and components in a cost-efficient manner and, in pursuit of that objective, we have already opened purchasing offices in China and India. Second, we aim to increase our marketing and dealer network in emerging markets. For example, we will continue to grow our presence in the Indian market by opening additional dealerships across the country. In China, we have established an NSC to expand our presence in this key market and we plan to increase our network of sales dealerships across the country up to 100 dealerships by the end of 2011. Third, we aim to leverage our relationship with Tata Motors and the synergies we can achieve in the areas of research and product development, supply sourcing, manufacturing and assembly and other vital operations.

Transform the business structure to deliver sustainable returns

The automobile industry is highly cyclical. To mitigate the impact of cyclicality and provide a foundation from which to invest in new products, designs and technologies in line with our overall strategy, we plan to strengthen our operations by gaining a significant presence across a select range of products and a wide diversity of geographic markets. One key component of this strategy, which delivered positive results over the last six quarters, is our focus on improving the mix of our products (by developing vehicles designed to increase our market segment penetration or market visibility as well as products that generate higher contribution margins than others) and the mix of our markets (with a focus on expanding our sales into higher margin markets). We also plan to continue to strengthen our business operations other than vehicle sales, such as spare part sales, service and maintenance contracts.

We undertake a variety of internal and external benchmarking exercises, such as competitor vehicle teardown, market testing or internal comparative analysis across our own vehicles, which help us to identify cost improvement opportunities for our components, systems and sub-systems. We also explore opportunities to source materials from low-cost countries as well as sharing components across platforms in order to gain economies of scale and reduce engineering costs. We believe that our strategy to enhance global sourcing will enable us to take advantage of low-cost bases in countries such as India and China. We are taking the same approach with engineering, where we are progressively building up capability through our product development operation in India by allowing incremental levels of design responsibility to be tested on successive programmes. In addition, we have intensified efforts to review and realign our cost structure through a number of measures, such as the reduction of manpower costs through increased employee flexibility between sites and a rationalisation of our other fixed costs.

Investment in product development and technology to maintain high quality

One of our principal goals is to enhance our status as a leading manufacturer of premium passenger vehicles by investment in our products, R&D, quality improvement and quality control. Our strategy is to maintain and improve our competitive position by developing technologically advanced vehicles. Over the years, we have enhanced our technological strengths through extensive in-house R&D activities, particularly through our two advanced engineering and design centres, which centralise our capabilities in product design and engineering. In pursuit of this strategy, we have recently announced a programme of future product development and improvement involving investment in research, design and technical innovation. Annual capital spending (including capitalised product development costs) is expected to increase to approximately £1,500.0 million in Fiscal 2012, slightly above 50% of which is expected to be research and development costs (with approximately 80% to 90% to be capitalised in line with our accounting policy as described elsewhere in this Offering Memorandum) and slightly under 50% of which is expected to be expenditure on tangible fixed assets such as facilities, tools and equipment. The substantial majority of our expected product investment relates to investment in new and replacement models, derivatives, powertrain actions and other upgrades and the associated investment in tools and facilities and other equipment. We intend to grow our team to over 5,000 engineers and designers from approximately 4,200 at present to support this programme.

We are committed to continued investment in new technologies, including developing sustainable technologies to improve fuel economy and reduce CO_2 emissions. We consider technological leadership to be a significant factor in our continued success, and therefore intend to continue to devote significant resources to upgrading our technological capabilities. In line with this objective, we are involved in a number of advanced research consortia that bring together leading manufacturers, suppliers and academic specialists in the United Kingdom, supported by funding from the government's Technology Strategy Board.

We are pursuing various quality improvement programmes, both internally and at our suppliers' operations, in an effort to enhance customer satisfaction and reduce our future warranty costs. We have also established a procedure for ensuring quality control of outsourced components, and products purchased from approved sources undergo a supplier quality improvement process. Reliability and other quality targets are built into our new product introduction process. Assurance of quality is further driven by the design team, which interacts with downstream functions like process-planning, manufacturing and supplier management to ensure quality in design processes and manufacturing. We believe our extensive sales and service network has also enabled us to provide quality and timely customer service. Through close coordination supported by our IT systems, we monitor quality performance in the field and implement corrections on an ongoing basis to improve the performance of our products.

Products and environmental performance

Our strategy is to invest in products and technologies that position our products ahead of expected stricter environmental regulations and ensure that we benefit from a shift in consumer awareness of the environmental impact of the vehicles they drive. We are the largest investor in automotive R&D in the United Kingdom. We believe that we are also the leader in automotive green-technology in the United Kingdom. Our environmental vehicle strategy focuses on new propulsion technology, weight reduction and reducing parasitic losses through the driveline. Projects like Limo-Green, REHEV and Range-e are some examples of our research into the electrification of premium sedan and all-terrain vehicles.

We are a global leader in the use of aluminium and other lightweight materials to reduce vehicle weight and we are ahead of many of our competitors in the implementation of aluminium construction. We already offer two aluminium monocoque vehicles, the Jaguar XJ and Jaguar XK. We plan to deploy our core competency in aluminium construction across more models in our range. The new, all-aluminium Jaguar XJ 3.0 V6 twin-turbo diesel has CO_2 emissions rated at 184g/km. We are also developing more-efficient vehicle technologies. The new Range Rover Evoque is expected to consume less than 130g/km. Range Rover's 2011 Model Year has been updated with an all-new 4.4-litre TDV8 with 8-speed transmission, resulting in a 14% reduction in CO_2 and an improvement in fuel consumption of nearly 19% to 7.81L/100km. The 2011 Model Year Freelander 2, which goes on sale later this year, will feature a new eD4 diesel engine capable of 4.98L/100km and 158g/km in 2WD. Finally, Jaguar's C-X75 concept car incorporates twin gas turbines and demonstrates some of the technologies we are developing for the future.

We are also taking measures to reduce emissions, waste and the use of natural resources from all of our operations. We recognise the need to use resources responsibly, produce less waste and reduce our carbon footprint. We have set ourselves a target of 25% reduction in CO_2 and waste to landfill and a 10% reduction in water usage from 2007 levels by 2012. We are implementing life cycle techniques so that we can evaluate and reduce our environmental footprint all through the value chain. We have been certified to the international environmental management standard, ISO14001, since 1998. As part of our integrated CO_2 management strategy, we have one of the largest voluntary CO_2 offset programmes. We offset all our own manufacturing CO_2 emissions and provide customer programmes to enable our customers to offset the emissions from vehicle use.

History of Our Group

The following list of events in chronological order presents the key milestones in our Group's history.

- 1922 (Jaguar) Swallow Side Car Company founded
- 1935 (Jaguar) Jaguar name first appeared on 2.5-litre saloon and company takes on the name
- 1948 (Jaguar) Mark V and XK120
  (Land Rover) First Land Rover, the Series I, was produced in Solihull by the Rover Car Company
- 1951 (Jaguar) Won first Le Mans race
- 1953 (Jaguar) Took 1st, 2nd and 4th at Le Mans
- 1956 (Jaguar) First manufacturer to win both Le Mans and the Monte Carlo rally
- 1958 (Land Rover) Second Land Rover, the Series II, is produced
- 1961 (Jaguar) Launch of E-Type
- 1967 (Land Rover) Land Rover becomes part of Leyland Motors, later British Leyland
- 1968 (Jaguar) XJ Model debut
- 1970 (Land Rover) Range Rover introduced as the first genuinely multipurpose vehicle
- 1976 (Land Rover) One millionth Land Rover is produced
- **1989 (Jaguar) Jaguar acquired by Ford**
  (Land Rover) Launch of Discovery
- 1994 (Land Rover) Rover Group is taken over by BMW
- 1997 (Land Rover) Freelander launched
- 1999 (Jaguar–Ford) Launch of S-Type
- **2000 (Land Rover) Land Rover acquired by Ford from BMW**
- 2001 (Jaguar) Launch of X-Type Jaguar
  (Land Rover) New Range Rover launched
- 2003 (Jaguar) Launch of all-aluminium XJ Jaguar
- 2004 (Land Rover) New Discovery LR3 launched
- 2005 (Land Rover) Range Rover Sport launched
- 2006 (Jaguar) Launch of all-aluminium XK Jaguar
- 2007 (Land Rover) Launch of Freelander/LR2 and new Defender powertrain
- **2008 Tata Motors acquired Jaguar Cars Limited and Land Rover from Ford Motor Company in June 2008**
  Launch of XF Jaguar (replacing S-Type)
  Discontinued X-Type
- 2009 Launch of the Land Rover Discovery 4
- 2010 Launch of new XJ Jaguar

Our Vehicles

We have an exclusive portfolio of vehicles:

Jaguar: Jaguar's principal products are the XK sports car (coupe and convertible), XF saloon and the XJ saloon. Until recently Jaguar's product range included the X-Type but, in line with our strategy to build the Jaguar brand as a premium sports car, we discontinued the production of the X-Type, a compact-size four-door sedan, in December 2009.

- The Jaguar XK is an all-aluminium sports coupe and convertible available with naturally aspirated and supercharged V8 petrol engines. The XK was significantly updated in 2009 with a new engine and exterior and interior design enhancements; the XK range has been further revised with a new look for 2011. The new XKR-S will be launched during 2011, creating a sporting flagship for our revitalised, modern XK line-up. The XKR-S is the fastest and most powerful production sports GT that Jaguar has ever built.

- The XF, launched in 2008, is a premium executive car that merges sports car styling with the sophistication of a luxury saloon. The Jaguar XF, is Jaguar's best-selling model across the world and it has garnered more than 80 international awards since its launch, including being named "Best Executive Car" for four years running by What Car? magazine. For 2011, fundamental design changes to the front and rear of the XF aim to bring a more assertive, purposeful stance to the XFR, which we believe is now a bolder and more appealing automobile closer to the original C-XF concept car. In addition, we will launch our four-cylinder 2.2-litre diesel version of the XF with Intelligent Stop-Start Technology, making it the most fuel-efficient Jaguar yet and allowing Jaguar to compete with smaller capacity diesel engines offered by our competitors.
- The XJ is Jaguar's largest luxury saloon vehicle, powered by a choice of supercharged and naturally aspirated 5.0-litre V8 petrol engines and a 3.0-litre diesel engine. A 3.0-litre V6 petrol engine will also be introduced to the Chinese market during 2011. Utilising Jaguar's aerospace-inspired aluminium body architecture, the XJ's lightweight aluminium body provides improved agility and economy. The new XJ went on sale in May 2010 and has already received more than 20 international honours in 2010 including "Best Luxury Car" from China's Auto News, "Annual Limousine King" from Quattroroute (Italy), "Luxury Car of the Year" from Top Gear (UK), Automobile magazine's "2011 Design of the Year" and "Best Executive Sedan" at the Bloomberg Awards in the United States. For 2011, the XJ has been upgraded to include a new Executive Package and a Rear Seat Comfort package, which we believe will make our flagship model the ultimate executive limousine experience.

Land Rover: Land Rover's principal products are the Defender, Freelander 2 (LR2), Discovery 4 (LR4), Range Rover Sport and Range Rover.

- The Defender is Land Rover's most capable off-roader, and is recognised as a leading vehicle in the segment targeting extreme all-terrain abilities.
- The Freelander 2 (LR2) is a versatile vehicle for both urban sophistication and off-road capability. For the 2011 Model Year, we offered customers a choice of 4WD and 2WD Freelanders, with an eD4 engine capable of 4.98L/100km which was especially well received in major European markets.
- The Discovery is a mid-size SUV that features genuine all-terrain capability. A range of new features, including the new 3.0-litre LR-TDV6 diesel engine, helped to propel the Discovery to the What Car? magazine award for the Best 4x4 for the seventh successive year.
- The Range Rover Sport combines the performance of a sports tourer with the versatility of a Land Rover.
- The Range Rover is the flagship of the brand with a unique blend of British luxury, classic design with distinctive, high-quality interiors and outstanding all-terrain ability. The 2011 Model Year Range Rover, with an all-new 4.4-litre TDV8 engine boasting a 14% reduction in CO_2 emissions and a 19% improvement in fuel consumption to 7.81L/100km, has been particularly well received both at home and abroad. Land Rover products offer a range of powertrains, including turbocharged V6 diesel, V6 petrol engines and V8 naturally aspirated and supercharged petrol engines, with manual and automatic transmission.

Product sales performance: The global financial crisis impacted the world automotive industry and its effect on the premium market was particularly pronounced, with industry volumes estimated to have fallen between 25% and 30%. The global financial crisis constrained business and consumer spending, particularly in the United States, the United Kingdom and Europe, which was partially offset by growth in developing markets such as China, Russia, the Middle East and Eastern Europe. For the early part of Fiscal 2010, many of the markets in which we operate experienced negative growth but all major markets returned to positive growth in the second half of Fiscal 2010 and this has continued through to

31 December 2010, with strong growth expected to continue in many emerging markets such as China, India and South America. In addition, confidence within financial markets has also been adversely affected by concerns over public sector debt, heightened by events such as the downgrading of certain European sovereign debt ratings. In the context of falling industry volumes, the automotive sector in the United Kingdom, Europe and the United States benefited from a variety of vehicle scrappage schemes, many of which have now ceased. The scrappage schemes resulted in some sales of our vehicles; however, we believe the impact on the premium automotive market in which we operate has been minimal and we did not benefit significantly from such schemes.

Despite these concerns, our 2010 product launches and concerted marketing efforts enabled us to witness a relatively strong rebound in sales of the Jaguar and Land Rover brands. Our unit sales on a wholesale basis increased to 177,490 units in the nine months ended 31 December 2010 from 136,978 units in the nine months ended 31 December 2009. Jaguar volumes increased to 42,952 units during the nine-month period ended 31 December 2010 from 36,510 in the equivalent period in 2009, following greater volumes and the introduction of the new XJ, which went on sale to customers in Fiscal 2011. Land Rover volumes increased to 134,538 units from 100,468 units in the nine months ended 31 December 2009, as a result of increased Range Rover, Range Rover Sport and Discovery 4 (LR4) sales. We exported 136,961 units in the nine months ended 31 December 2010 compared to 100,788 units in the nine months ended 31 December 2009, an increase of 35.9%.

Our key geographical markets

We are present in all significant sales markets. We analyse our performance according to the following geographic segments: North America, United Kingdom, Rest of Europe, Russia, China and Rest of World. The following table provides an analysis of the Group's regional wholesale volumes by units for the nine months ended 31 December 2009 and the equivalent period in 2010:

	Nine months ended 31 December 2009	Nine months ended 31 December 2010	Change	Change
		(units)		(%)
Regional wholesale volumes:				
United Kingdom	36,190	40,529	4,339	12.0
North America	28,442	41,095	12,653	44.5
Rest of Europe	32,178	40,723	8,545	26.6
Russia	6,380	8,619	2,239	35.1
China	13,433	18,692	5,259	39.1
Rest of World	20,355	27,832	7,477	36.7
Global wholesale volumes:				
Jaguar	36,510	42,952	6,442	17.6
Land Rover	100,468	134,538	34,070	33.9
Total	136,978	177,490	40,512	29.6

United Kingdom

Our wholesale volumes in the United Kingdom for the combined brands increased by 12.0% in the nine months ended 31 December 2010 compared to the nine months ended 31 December 2009, with Jaguar down by 6.1% and Land Rover up by 22.7%. The total wholesale volume in the United Kingdom was 40,529 units in the nine-month period in 2010, compared to 36,190 units in the same nine-month period ended 31 December 2009.

North America

Our North American wholesale volumes for the combined brands increased by 44.5% in the nine months ended 31 December 2010 compared to the same period in 2009, with Jaguar up 54.1% and Land Rover up 40.1%. The total North American wholesale for Jaguar Land Rover was 41,095 units in the 2010 period, as against 28,442 in the 2009 period.

Rest of Europe

In the nine months ended 31 December 2010, our combined European wholesale volumes (excluding Russia) increased by 26.6% as compared to the nine months ended 31 December 2009. The European wholesale for the nine months ended 31 December 2010 for our combined brands was 40,723 units, representing an increase of 8,545 units compared to 32,178 units in the equivalent period in 2009. Trading within certain European markets remained challenging during the period, especially with recent uncertainty in Greece prompting the downgrading of sovereign debt ratings and leading to additional pressure on financial markets. Several European countries, including Cyprus, France, Germany, Italy, Luxembourg, Portugal, Romania and Spain, introduced different versions of vehicle scrappage schemes and incentives. These schemes did have some effect on overall volumes, but the impact on the premium segments in which we operate was minimal.

Russia

Our Russian sales volumes improved by 35.1% in the nine months ended 31 December 2010 compared to the nine months ended 31 December 2009, with Jaguar up by 39.0% and Land Rover up by 34.8% for the same period. The Russian wholesale volume for the nine months to 31 December 2010 for the combined brands was 8,619 units, up from 6,380 units in the nine months ended 31 March 2009. The Russian market was showing signs of recovery from the global economic crisis, driven particularly by the sharp fall in oil prices and the drying-up of foreign credits on which Russian banks and companies tend to rely heavily.

China

Our Chinese wholesale volumes increased by 39.1% in the nine months ended 31 December 2010 compared to the nine months ended 31 December 2009, with Jaguar up by 22.8% for the period and Land Rover up 41.1%. The wholesale volume for the combined brands in the nine months ended 31 December 2010 was 18,692 units in China, up from 13,433 units sold in the nine months ended 31 December 2009.

Financing Arrangements and Financial Services Provided

We have entered into arrangements with third-party financial service providers to make vehicle financing available to our customers in 12 countries worldwide covering our largest markets by volume, including the United States, the United Kingdom, the Rest of Europe and China. We do not offer vehicle financing on our own account but rather through a series of exclusive partnership arrangements with market-leading banks and finance companies in each market, including FGA Capital (a joint venture between Fiat Auto and Credit Agricole) in the United Kingdom and the Rest of Europe, and Chase Auto Finance in the United States.

We typically sign a medium-term service level agreement with our strategic partners for the provision of retail finance, retail leasing and dealer wholesale financing. For instance, in 2008 we entered into five-year agreements with FGA Captial and Chase Auto Finance. The financial services are supplied by our partners in accordance with a number of specifications involving, among others, product development, pricing, speed of delivery and profitability. These arrangements are managed in the United Kingdom by a team of our employees, which is responsible for ensuring ongoing compliance with the standards and specifications agreed with our partners. For wholesale financing, we typically provide an interest-free period to cover an element of the dealer network-stocking period. We work closely with our finance partners to maximise funding lines available to dealers in support of our business objectives.

Because we do not offer vehicle financing on our own account, we typically have no balance sheet exposure to vehicle financing other than a limited number of residual value risk-sharing arrangements in the United States. The finance partner funds the portfolio and, in most cases, assumes the credit and residual value risks that arise from the portfolio. Profit-sharing agreements are in place with each partner, and they are typically linked to the volume growth of new business and the return on equity generated from the portfolio.

Sales and Distribution

We distribute our vehicles in 101 markets across the world for Jaguar, and 174 markets across the world for Land Rover. Sales locations for our vehicles are operated as independent franchises. We are represented in our key markets through national sales companies as well as third-party importers. Jaguar and Land Rover have regional offices in certain select countries that manage customer relationships, vehicle supplies and provide marketing and sales support to their regional importer markets. The remaining importer markets are managed from the United Kingdom.

Our products are sold through a variety of sales channels: through our dealerships for retail sales; for sale to fleet customers, including daily rental car companies; commercial fleet customers; leasing companies; and governments. We do not depend on a single customer or small group of customers to the extent that the loss of such a customer or group of customers would have a material adverse effect on our business.

The following tables present the sales and distribution network, wholesale volumes in the nine months ended 31 December 2010 and percentage of global sales for each of the Land Rover and Jaguar brands in the countries indicated.

United Kingdom	Land Rover	Jaguar
NSCs	1	1
Number of sales dealers	119	90
Wholesale volumes	27,911	12,618
% Global sales	20.7%	29.4%

North America	Land Rover	Jaguar
NSCs	2	2
Number of sales dealers	189	188
Wholesale volumes	27,298	13,797
% Global sales	20.3%	32.1%

Rest of Europe	Land Rover	Jaguar
NSCs	8	8
Importers	32	23
Export partner markets	8	0
Number of sales dealers	653	329
Wholesale volumes	32,044	8,679
% Global sales	23.8%	20.2%

China	Land Rover	Jaguar
NSCs	1	1
Number of sales dealers	51	54
Wholesale volumes	16,919	1,773
% Global sales	12.6%	4.1%

Russia	Land Rover	Jaguar
NSCs	1	1
Number of sales dealers	40	15
Wholesale volumes	7,952	667
% Global sales	5.9%	1.6%

Rest of the World	Land Rover	Jaguar
NSCs	5	4
Importers	52	42
Export partner markets	53	8
Number of sales dealers	327	186
Wholesale volumes	22,414	5,418
% Global sales	16.7%	12.6%

The following table presents the location of our franchised sales dealerships for each of our brands as at 31 March 2011.

	Land Rover	Jaguar	Of which joint
United Kingdom	119	90	26
North America	189	188	103
Rest of Europe	653	329	203
China	51	54	49
Russia	40	15	15
Rest of World	327	186	128
Total	**1,379**	**862**	**524**

Competition

We operate in a globally competitive environment and face competition from established premium and other vehicle manufacturers who aspire to move into the premium performance car and premium SUV markets, some of which are much larger than we are. Jaguar vehicles compete primarily against other European brands such as Audi, BMW and Mercedes Benz. Land Rover and Range Rover vehicles compete largely against SUVs manufactured by Audi, BMW, Infiniti, Lexus, Mercedes Benz, Porsche and Volkswagen. The Land Rover Defender competes with vehicles manufactured by Isuzu, Nissan and Toyota.

Research and Development

We devote significant resources towards our R&D activities. Our R&D operations currently consist of a single engineering team, operating within a co-managed Jaguar and Land Rover engineering facility, sharing premium technologies, powertrain designs and vehicle architecture. We are pursuing various initiatives, such as the introduction of our Premium Lightweight Architecture (PLA), to enable our business to comply with existing and evolving emissions legislation in our sales markets, which we believe will be a key enabler of both reduction in CO_2 and further efficiencies in manufacturing and engineering. In recent years, we have made significant progress in reducing our development cycle times.

We endeavour to implement advanced technologies in our vehicles to meet the requirements of a globally competitive market. In addition, our R&D activities also focus on developing vehicles running on alternative fuels, including CNG, liquefied petroleum gas, bio-diesel and compressed air and electric cars. We are pursuing several initiatives, including alternative energy technologies, to meet our targeted reduction in CO_2 emissions in the next five years. For example, in March 2009, the UK government confirmed it would make available a grant of up to £27.0 million to support the production of a new model, the Range Rover Evoque, based on the compact and sustainable LRX Concept, to be produced at the Halewood factory. The vehicle, confirmed for production, would be the smallest, lightest and most fuel-efficient addition to the Range Rover family of luxury vehicles and will debut in the latter part of 2011. This vehicle is planned to further enhance our commitment to sustainability.

Initiatives in vehicle electronics such as engine management systems, in-vehicle network architecture, telematics for communication and tracking and other emerging technological areas are also being pursued and which could possibly be deployed on our future range of vehicles. Likewise various new technologies and systems that would improve safety, performance and emissions of our product range are under implementation on our passenger cars and commercial vehicles.

We have modern safety test facilities for testing and developing new products. These include a pedestrian safety testing facility, a pendulum impact test facility and a gravity-powered impact rig for occupant protection and vehicle structural development. We also have two full vehicle semi-anechoic chambers for developing reductions in vehicle-based noise and vibration levels and engine testing facilities for developing and certifying exhaust emissions to a wide range of international regulatory standards.

With the aim of providing prompt service to the customer, we have commenced development of an enterprise-level vehicle diagnostics system for achieving speedy diagnostics of the complex electronics in modern vehicles. The initiative in telematics has also further spanned into fleet management and vehicle tracking system using GNSS (Global Navigation Satellite Systems).

Our product design and development centres are equipped with computer-aided design, manufacture and engineering tools, with sophisticated hardware, software and other IT infrastructure to create a digital product development environment and virtual testing and validation, aiming to reduce the product development cycle-time and data management. Rapid prototype development systems, testing cycle simulators, advanced emission test laboratories and styling studios are also a part of our product development infrastructure. We have aligned our end-to-end digital product development objectives and infrastructure with our business goals and have made significant investments to enhance the digital product development capabilities especially in the areas of product development through computer–aided design, computer aided manufacturing, computer-aided engineering, knowledge-based engineering and product data management.

Intellectual Property

We create, own and maintain a wide array of intellectual property assets that we believe are among our valuable assets throughout the world. Our intellectual property assets include patents and patent applications related to our innovations and products; trademarks related to our brands, and products, copyrights in creative content, designs for aesthetic features of products and components, trade secrets and other intellectual property rights. We aggressively seek to protect our intellectual property around the world.

We own a number of patents registered, and have applied for new patents which are pending registration, in the United Kingdom and in other strategically important countries worldwide. We obtain new patents through our ongoing research and development activities.

We own registrations for number of trademarks and have pending applications for registration in the United Kingdom and abroad. The registrations mainly include trademarks for our vehicles.

Additionally, perpetual royalty-free licences to use other essential intellectual properties have been licensed to us for use in Jaguar and Land Rover vehicles. Jaguar and Land Rover own registered designs to protect the design of certain vehicles in several countries. In relation to the EuCD platform, Ford owns the intellectual property but we are not obliged to pay any royalties or charges for its use in Land Rover vehicles manufactured by us within the United Kingdom. However, an access fee and royalties are payable to Ford if we wished to manufacture any product using this platform outside of the United Kingdom.

Components and Raw Materials

The principal materials and components required by us for use in our vehicles are steel and aluminium in sheet (for in-house stamping) or externally pre-stamped form, aluminium castings and extrusions, iron/steel castings and forgings, and items such as alloy wheels, tires, fuel injection systems, batteries, electrical wiring systems, electronic information systems and displays, leather-trimmed interior systems such as seats, cockpits, doors, plastic finishers and plastic functional parts, glass and consumables (paints, oils, thinner, welding consumables, chemicals, adhesives and sealants) and fuels. We also require certain highly functional components such as axles, engines and gear boxes for our vehicles, which are mainly manufactured by strategic suppliers. We have long-term purchase agreements for critical components such as transmissions (ZF Friedrichshafen) and engines (Ford and Ford–PSA). The components and raw materials in our cars include steel, aluminium, copper, platinum and other commodities. Most commodities continued to experience great price volatility during the last nine months of 2010. We have established contracts with certain commodity suppliers to cover our own and our suppliers' requirements to mitigate the effect of such high volatility. Special initiatives were also undertaken to reduce material consumption through value engineering and value analysis techniques.

We work with a range of strategic suppliers to meet our requirements for parts and components. We have established quality control programmes to ensure that externally purchased raw materials and components are monitored and meet our quality standards. Such programmes include site engineers who regularly interface with suppliers and carry out visits to supplier sites to ensure that relevant quality standards are being met. Site engineers are also supported by persons in other functions, such as program engineers who interface with new model teams as well as resident engineers located at our plants, who provide the link between the site engineers and the plants. We have in the past worked, and expect to continue to work, with our suppliers to optimise our procurements, including by sourcing certain raw materials and component requirements from low-cost countries.

Suppliers

We have an extensive supply chain for procuring various components and we endeavour to work closely with our suppliers to form short- and medium-term plans for our business. We also outsource many of the manufacturing processes and activities to various suppliers. Where this is the case, we provide training to the outside suppliers who design and manufacture the required tooling and fixtures.

We continue to source all of our engines from Ford or the joint venture between Ford and PSA on an arm's-length basis. Supply agreements have been entered into with Ford as further set out below:

- Long-term agreements have been entered into with Ford for technology sharing and joint development providing technical support across a range of technologies focused mainly around Powertrain engineering such that we may continue to operate according to our existing business plan. This includes the EuCD platform, a shared platform consisting of shared technologies, common parts and systems and owned by Ford, which is shared between Land Rover, Ford and Volvo Cars.

- Supply agreements, aligned to the business' cycle plan and having end-stop dates to December 2020 at the latest, were entered into with Ford Motor Company for (i) the long-term supply of engines developed by Ford, (ii) engines developed by us but manufactured by Ford and (iii) engines developed by the Ford–PSA joint venture. Purchases under these agreements are generally denominated in euros and pounds sterling.

Insurance

We have global insurance coverage which we consider to be reasonably sufficient to cover normal risks associated with our operations and insurance risks (including property, business interruption, marine and product/general liability) and which we believe is in accordance with commercial industry standards.

We have also taken insurance coverage on directors and officers' liability to minimise risks associated with international litigation.

Legal Proceedings

In the normal course of our business, we face claims and assertions by various parties. We assess such claims and assertions and monitor the legal environment on an ongoing basis, with the assistance of external legal counsel wherever necessary. We record a liability for any claims where a potential loss is probable and capable of being estimated, and disclose such matters in our financial statements, if material. Where potential losses are considered possible, but not probable, we provide disclosure in our financial statements, but we do not record a liability in our accounts unless the loss becomes probable.

There are various claims against us, the majority of which pertain to motor accident claims and consumer complaints. Some of the cases also relate to replacement of parts of vehicles and/or compensation for deficiency in services provided by us or our dealers.

We are not aware of any governmental, legal or arbitration proceedings (including the claims described above and any threatened proceedings of which we are aware) which, either individually or in the aggregate, would have a material adverse effect on our financial condition, results of operations or cash flow.

Employees

We consider our human capital to be a critical factor to our success. We have drawn up a comprehensive human resource strategy that addresses key aspects of human resource development such as:

- a code of conduct and fair business practices;
- a fair and objective performance management system linked to the performance of the businesses, which identifies and differentiates high performers while offering separation avenues for non-performers; and
- development of comprehensive training programs to impart and continuously upgrade industry- and function-specific skills.

In line with our human resources strategy, we have implemented various initiatives in order to build better organisational capability that we believe will enable us to sustain competitiveness in the global market place. Our human resources focus is to attract talent, retain the better and advance the best. Some of our initiatives to meet this objective include:

- global recruitment to meet the requirements of our expansion plans;

- extensive process mapping to benchmark and align our human resource processes with global best practices;
- twice yearly utilisation of our employee engagement survey;
- extensive brand-building initiatives at university campuses to increase recruiting from premium universities;
- use of an employee self-service portal; and
- succession planning through the identification of second-level managers for all units, locations and functions.

The following table sets out a breakdown of persons employed by us at the time indicated by type of contract.

	As at 31 December	
	2010	**2009**
Salaried (excluding those on maternity leave)	6,819	6,585
Hourly	8,113	8,573
Total permanent	14,932	15,158
Agency	1,961	1,015
Total	**16,893**	**16,173**
Salaried maternity (not included in above)	42	55

We employed approximately 15,900 employees in the United Kingdom and approximately 1,000 employees in the rest of the world.

Training and Development

We are committed to building the competences of our employees and improving their performance through training and development. We identify gaps in our employees' competencies and prepare employees for changes in competitive environments, as well as to meet organisational challenges.

The focus areas in training in the last year have centred on leadership, innovation management and internationalisation, as well other training programmes designed to drive a change in our employees' outlook as we develop as a global competitor. Developmental initiatives for our senior leadership were held through international programmes at various institutions.

Union Wage Settlements

We have generally enjoyed cordial relations with our employees at our factories and offices. More than 96% of our manufacturing shop floor workers and approximately 45% of our salaried staff in the United Kingdom are members of a labour union. Trade unions are not recognised for management employees.

Employee wages are paid in accordance with wage agreements that have varying terms (typically two years) at different locations. The expiration date of the wage agreements with respect to our UK unionised employees is 31 October 2012.

We have agreed with our employees that all new hires into blue-collar jobs from 1 January 2011 are hired initially as agency employees and paid 80% of the established pay rates. After 12 months, these agency employees move to a fixed-term contract of up to 12 months at 80% of established pay rates. At the end of the fixed-term contract period, they move to a permanent contract at 90% of established pay rates. We also agreed that there were no restrictions in the number of agency employees at our facilities and extended "pay for performance" arrangements below our management population to all our white-collar professional staff.

We believe we have maintained a cordial industrial relations environment in all our manufacturing units, with no strike action in the last eight years.

Properties and Facilities

We operate three automotive manufacturing facilities in the United Kingdom employing approximately 10,100 employees as at 31 December 2010. At Solihull, we produce the Land Rover Defender, Discovery 4 (LR4), Range Rover and Range Rover Sport models and employ approximately 4,300 employees. At Castle Bromwich, we produce the Jaguar XK, XJ and XF models and employ approximately 2,300 employees. At Halewood, we produce the Freelander 2 (LRZ) and employ approximately 3,500 employees. We will also commence production of the Range Rover Evoque at this facility in 2011. In addition to our automotive manufacturing facilities, we also have two product development, design and engineering facilities in the United Kingdom. The facility located at Gaydon houses our global headquarters, including our commercial and central staff functions. It is also the location of the design and engineering centre for Land Rover, which includes an extensive on-road test track and off-road testing capabilities and employs approximately 3,300 employees as at 31 December 2010. The facility located at Whitley houses a design and engineering centre for Jaguar, which includes powertrain and other test facilities, and employs approximately 1,800 employees as at 31 December 2010. The Solihull, Gaydon and Whitley facilities are freeholdings, while Castle Bromwich and Halewood are held through a combination of freeholds and long-term leaseholds, generally with nominal rents.

In addition to our manufacturing and design/engineering facilities, our properties include sales offices and other sales facilities in major cities, repair service facilities and R&D facilities.

The following table sets out information with respect to our principal facilities as at 31 December 2010.

Location	Owner/ Leaseholder	Freehold/Leasehold	Principal Products or Functions
United Kingdom			
• Solihull	Land Rover	Freehold	Automotive vehicles & components
• Castle Bromwich	Jaguar Cars Limited	Freehold and leasehold	Automotive vehicles & components
• Halewood	Jaguar Cars Limited	Freehold and leasehold	Automotive vehicles & components
• Gaydon	Land Rover	Freehold	Headquarters and product development
• Whitley	Jaguar Cars Limited	Freehold	Product development
Rest of the world	The Group	Freehold and leasehold	National sales companies
			Regional sales offices

Substantially all of our owned properties are subject to mortgages in favour of secured lenders and debenture trustees for the benefit of secured debenture holders. A significant portion of our property, plant and equipment is pledged as collateral securing indebtedness incurred by us.

We consider all of our principal manufacturing facilities and other significant properties to be in good condition and adequate to meet the needs of our operations. We believe that there are no material environmental issues that may affect our utilisation of these assets.

We have additional property interests throughout the world for limited manufacturing, sales offices, dealer training and testing. The majority of these are housed within leased premises.

Significant Environmental, Health, Safety and Emissions Issues

Our business is subject to increasingly stringent laws and regulations governing environmental protection, health, safety (including vehicle safety) and vehicle emissions, and increasingly stringent enforcement of these laws and regulations. We carefully monitor environmental requirements in respect of both our production facilities and our vehicles, and have plans to reduce the average CO_2 emissions of our vehicle fleet through the introduction of sustainable technologies, including modular lightweight vehicle architectures, smaller and more fuel efficient SUVs and development of technologies that use hybrid and alternative fuels. While we have plans to reduce emissions, the risk remains that constantly evolving legislation in this area may impose requirements in excess of currently planned actions and consumers may demand further fuel efficiency and reduction in emissions. Please see "Risk Factors—Risks Associated with the Automotive Industry—New or changing laws, regulations and government policies regarding increased fuel economy, reduced greenhouse gas and other air emissions, and vehicle safety may have a significant effect on how we do business."

Environmental, health and safety regulation applicable to our production facilities: As an automobile company, our production facilities are subject to extensive governmental regulations regarding, among other things, air emissions, wastewater discharges, accidental releases into the environment, human exposure to hazardous materials, the storage, treatment, transportation and disposal of hazardous materials and wastes, the clean-up of contamination and the maintenance of safe conditions. These regulations are likely to become more stringent and compliance costs may be significant. In addition, we have significant operations in the United States and Europe which have stringent regulations relating to vehicular emissions. The proposed tightening of vehicle emissions regulations by the European Union will require significant costs of compliance for us. While we are pursuing various technologies in order to meet the required standards in the various countries in which we operate, the costs of compliance with these required standards can be significant to our operations and may adversely impact our results of operations.

Greenhouse gas/CO_2/fuel economy legislation: Legislation is now in place limiting the manufacturer fleet average greenhouse gas emissions in Europe for passenger cars starting January 2012 to 130 grams of carbon dioxide per kilometer, to be phased in gradually but initially requiring 65% of new cars to comply and increasing to 100% of new cars in 2015. In 2009, the most recently available official EU data for carbon dioxide emissions, Jaguar achieved on average 194.2 grams of carbon dioxide per kilometer and Land Rover achieved 242.2 grams of carbon dioxide per kilometer. Different targets will apply to each manufacturer based on their respective fleets of vehicles and average weight. We have applied to receive a permitted derogation from this emissions requirement available to small volume and niche manufacturers. If our derogation request is successful, we would be permitted to reduce our emissions by 25% from 2007 levels rather than meeting a specific CO_2 emissions target.

Furthermore, the European Union has proposed a medium- to long-term target reduction for passenger cars to 95 grams of carbon dioxide per kilometer by 2020, a remarkably ambitious target even in comparison to other fuel efficiency requirements worldwide. The European Union has also recently adopted an average emissions limit of 175 grams of carbon dioxide per kilometer for light commercial vehicles to be phased in between 2014 and 2017. Implementation of light commercial vehicle CO_2 standards would affect the Defender and a small number of Freelander and Discovery vehicles.

In the United States, the Environmental Protection Agency (the "EPA") and the National Highways Transportation Safety Agency (the "NHTSA") have issued a joint final rule to reduce the average greenhouse gas emissions from passenger cars, light-duty trucks and medium-duty passenger vehicles for model years 2012–16 to 250 grams of carbon dioxide per mile, equivalent to 6.63L/100km if the requirements were met through fuel economy standards. In addition, many other markets either have or will shortly define similar greenhouse gas emissions standards (including Canada, China, Japan, Korea, Switzerland, Australia and South Africa).

California is currently developing a new Zero Emission Vehicle regulation which mandates increased penetration of hybrid and plug in hybrid electric vehicles from model year 2014 onwards above and beyond the requirements of the EPA greenhouse gas emissions regulations. In February 2010, the California Air Resources Board enacted regulations that deem manufacturers of vehicles for model years 2012–16 that are in compliance with the EPA greenhouse gas emissions regulations to also be in compliance with California's greenhouse gas emission regulations.

We are fully committed to meeting these standards and technology deployment plans incorporated into cycle plans are directed to achieving these standards. These plans include the use of lightweight materials, including aluminium, which will contribute to the manufacture of lighter vehicles with improved fuel-efficiency, reducing parasitic losses through the driveline and improvements in aerodynamics. They also include the development and installation of smaller engines in our existing vehicles and other drivetrain efficiency improvements, including the introduction of eight-speed transmissions in some of our vehicles. We also plan to introduce smaller vehicles, commencing with the introduction of the Range Rover Evoque, the most fuel-efficient vehicle in the Land Rover line-up. The technology deployment plans also include the research development and deployment of hybrid-electric vehicles. These technology deployment plans include the research, development and deployment of hybrid electric vehicles initially in Europe and the United States, which require significant investment. Additionally, local excise tax initiatives are also a key consideration in ensuring our products meet customer needs for environmental footprint and cost of ownership concerns.

Non-greenhouse gas emissions legislation: In 2007, the European Union adopted the latest in a series of more stringent standards for emissions of other air pollutants from passenger and light commercial vehicles, such as nitrogen oxides, sulfur dioxide, carbon monoxide and particulates. These standards are being phased in from September 2009 (Euro 5) and September 2014 (Euro 6) for passenger cars and from September 2010 (Euro 5) and September 2015 (Euro 6) for light commercial vehicles.

In the United States, the NHTSA set CAFE standards for passenger cars and light trucks to meet an estimate combined average fuel economy level of 6.90L/100km in model year 2016. In addition, existing California Low-Emission Vehicle ("LEV2") regulations and planned LEV3 regulations place ever-stricter limits on particulate emissions, oxides of nitrogen and hydrocarbons emissions from passenger cars and light duty trucks. These regulations require ever increasing levels of technology in engine control systems, on-board diagnostics and after treatment systems affecting the base costs of our powertrains. Additional stringency of evaporative emissions also requires more-advanced materials and joints solutions to eliminate fuel evaporative losses, all for much longer warranty periods (up to 150,000 miles in the United States). While Europe and California lead the implementation of these emissions programmes, other nations and states typically follow on with adoption of similar regulations two to four years thereafter (e.g. Euro 5 in September 2009, China in January 2012).

To comply with the current and future environmental norms, we may have to incur substantial capital expenditure and R&D expenditure to upgrade products and manufacturing facilities, which would have an impact on our cost of production and results of operation.

Vehicle safety: Vehicles sold in Europe are subject to vehicle safety regulations established by the European Union or by individual Member States. In 2009, the European Union enacted a new regulation to establish a simplified framework for vehicle safety, repealing more than 50 existing directives and replacing them with a single regulation aimed at incorporating relevant United Nations standards. The incorporation of the United Nations standards will commence in 2012, and as to new regulations on advanced safety systems, the European Commission plans to require new model cars from 2011 to have electronic stability control systems, to introduce regulations relating to low-rolling resistance tires in 2013, to require tire pressure monitoring systems starting in 2012 and to require heavy vehicles to have advanced emergency braking systems and lane departure warning systems from 2013. From April 2009, the criteria for whole vehicle type approval were extended to cover all new road vehicles, to be phased in over five years depending on vehicle category. The extension clarifies the criteria applicable to small commercial vehicles.

The NHTSA issues federal motor vehicle safety standards covering a wide range of vehicle components and systems such as airbags, seatbelts, brakes, windshields, tires, steering columns, displays, lights, door locks, side impact protection and fuel systems. We are required to test new vehicles and equipment and assure their compliance with these standards before selling them in the United States. We are also required to recall vehicles found to have defects that present an unreasonable risk to safety or which do not conform to the required Federal Motor Vehicle Safety Standards, and to repair them without charge to the owner. The financial cost and impact on consumer confidence of such recalls can be significant depending on the repair required and the number of vehicles affected. We have no investigations relating to alleged safety defects or potential compliance issues pending before the NHTSA.

These standards add to the cost and complexity of designing and producing vehicles and equipment. In recent years the NHTSA has mandated, among other things:

- a system for collecting information relating to vehicle performance and customer complaints, and foreign recalls to assist in the early identification of potential vehicle defects as required by the Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act; and
- enhanced requirements for frontal and side impact, including a lateral pole impact.

Furthermore, the Cameron Gulbransen Kids Transportation Safety Act of 2007 (Kids and Cars Safety Act), passed into law in 2008, requires the NHTSA to enact regulations related to rearward visibility and brake-to-shift interlock and requires the NHTSA to consider regulating the automatic reversal functions on power windows. The costs to meet these proposed regulatory requirements may be significant.

Vehicle safety regulations in Canada are similar to those in the United States; however, many other countries have vehicle regulatory requirements which differ from those in the United States. The differing requirements among various countries create complexity and increase costs such that the development and production of a common product that meets the country regulatory requirements of all countries is not possible. Global Technical Regulations ("GTRs"), developed under the auspices of the United Nations continue to have an increasing impact on automotive safety activities, as indicated by EU legislation. In 2008, GTRs on electronic stability control, head restraints and pedestrian protection were each adopted by the UN "World Forum for the Harmonization of Vehicle Regulations," and are now in different stages of national implementation. While global harmonisation is fundamentally supported by the automobile industry in order to reduce complexity, national implementation may still introduce subtle differences into the system.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The Issuer is a public limited company incorporated under the laws of England and Wales. The business address of the directors and senior management of the Issuer is Banbury Road, Gaydon, Warwick, Warwickshire, CV35 0RG, United Kingdom.

The following table provides information with respect to members of the board of directors of the Issuer as at the date of this Offering Memorandum:

Name	Position	Date of Birth	Year appointed as Director, Chief Executive Officer or Secretary
Ratan N. Tata	Chairman and Director	28 December 1937	2008
Ravi Kant	Director	1 June 1944	2008
Andrew M. Robb	Director	2 September 1942	2009
Dr. Ralf D. Speth	Chief Executive Officer and Director	9 September 1955	2010
Carl-Peter Forster	Director	9 May 1954	2010

Set forth below is a short biography of each of the members of the Board.

Ratan N. Tata (Chairman): Mr. Tata holds a B.Sc. (Architecture) degree in structural engineering from Cornell University, USA and has completed the Advanced Management Program at Harvard Business School, USA. He joined the Tata Group in 1962. As Chairman of Tata Industries Limited since 1981, he was responsible for transforming the company into a group strategy think-tank and a promoter of new ventures in high technology businesses. In 1991, Mr. Tata was appointed Chairman of Tata Sons Limited, the holding company of the Tata entities and currently holds the chairmanships of major Tata companies. During his tenure, the Tata Group's revenues have grown over tenfold to annualised revenue of US$67.4 billion. He was appointed to the board of directors of Jaguar Land Rover in 2008.

Mr. Tata is a Member of the Prime Minister's Council on Trade and Industry in India and a member of various global councils. He is also the chairman of two of the largest private sector promoted philanthropic trusts in India. Mr. Tata is associated with various organizations in India and abroad.

The Indian government honoured Mr. Tata with its second highest civilian award, the Padma Vibhushan, in 2008. Mr. Tata was conferred with "NDTV Automotive Man of the Year 2008" award. He has also been conferred an honorary doctorate in business administration by the Ohio State University, an honorary doctorate in technology by the Asian Institute of Technology, Bangkok, an honorary doctorate in science by the University of Warwick, and an honorary fellowship by the London School of Economics. Mr. Tata has been on the board of Tata Motors since 1981 including 14 years in an executive capacity, and is actively involved with product development and other business strategies pursued by Tata Motors. One of his achievements was designing and developing an indigenous Indian car, "Indica," which is one of the leading products in its category in the Indian car market. The "Nano"—the fuel efficient, low-cost, eco-friendly "people's car" envisioned by Mr. Tata—was launched commercially in March 2009. Tata Motors was also awarded the Wall Street Journal Technology Innovation Award for the Tata Nano, in the transportation sector.

Ravi Kant (Director): Mr. Ravi Kant holds a Bachelor of Technology degree from the Indian Institute of Technology, Kharagpur and a Master's in Science degree from the University of Aston, Birmingham, United Kingdom. He was conferred with an Honorary D.Sc. by the Aston University, Birmingham in July 2008. He is an Honorary Industrial Professor at the University of Warwick, United Kingdom. Mr. Kant was awarded the "BMA Management Man of the Year" Award 2008-09 and has also been recognised with distinguished alumnus awards for Mayo College, Ajmer and IIT, Kharagpur. Mr. Kant is also a member of the governing board of Vale Columbia Centre on Sustainable International Investment, National Institute of Design, Ahmedabad and SMILE TRAIN (an international cleft lip/palate charity organisation). Mr. Kant is the chairman of IIM and Rohtak, and was also the president of the Society of Indian Automobile Manufacturers. Mr. Kant has wide and varied experience in manufacturing and marketing, particularly in the automobile industry. Prior to joining Tata Motors, he had been with Philips India Limited, LML Limited, Titan Watches Limited, Kinetic Engineering Limited and Hawkins Cookers Limited. Mr. Kant has been with Tata Motors since 2000 as the executive director (commercial vehicle business unit) responsible for the manufacturing and marketing of the Commercial Vehicle Business Unit and was appointed as the Managing Director in 2005. Mr. Kant superannuated on 1 June 2009 as per Tata Motors' retirement policy and the terms of his appointment. Mr. Kant was appointed as the Non-Executive Vice-Chairman of the board of directors of Tata Motors with effect from 2 June 2009. Mr. Kant is also on the board of various joint venture companies of the Tata Motors Group as well as Voltas Limited and Tata Industries Limited. He was appointed to the board of directors of Jaguar Land Rover in 2008.

Mr. Andrew M. Robb (Director): Mr. Robb was appointed to the board of directors of Jaguar Land Rover in 2009. Prior to joining the Issuer, Mr. Robb was a Director of Pilkington Group plc until 2003, having held the position of Finance Director from 1989 to 2001. He was previously Finance Director of the Peninsular and Oriental Steam Navigation Co from 1983.

Mr. Robb currently holds a number of other directorships, including as Non-Executive Independent Director of Tata Steel Limited since 2007 and is Chairman of the Board of Tata Steel Europe Limited. Mr. Robb has been on the Board of Corus Group plc since 2003, is the Non-Executive Director of both Kesa Electricals plc and Laird plc and is the Senior Independent Director of Paypoint plc.

Dr. Ralf D. Speth (Chief Executive Officer and Director): Dr. Ralf Speth was appointed to the post of Chief Executive Officer of our Group in 2010. Dr. Speth holds a Doctorate of Engineering in Mechanical Engineering and Business Administration from Warwick University and a degree in Economics and Engineering from Rosenheim University, Germany.

Prior to this appointment, Dr. Speth was Head of Global Operations at the International Industrial Gases and Engineering Company, The Linde Group, having joined in 2002. Dr. Speth was previously Director of Production, Quality and Product Planning at Ford's Premier Automotive Group since 2000, having worked at BMW for 20 years from 1980 until 2000. Dr. Speth was appointed to the board of directors of Tata Motors and the board of directors of Jaguar Land Rover in 2010. Dr. Speth has more than 23 years of experience in the automotive industry.

Carl-Peter Forster (Director): Mr. Forster holds a Diploma in Aeronautical Engineering from the Technical University in Munich and a Diploma in Economics from the Rheinische Friedrichs-Wilhelm-Universitat in Bonn, Germany.

Mr. Forster has 25 years of international experience in the automobile industry and was the CEO of General Motors, Europe where he oversaw Opel/Vauxhall, Saab and the European activities of Chevrolet. Prior to this, Mr. Forster held various positions in BMW, including that of Managing Director of BMW South Africa and member of the Managing Board of BMW, and was responsible for worldwide manufacturing, including operations of the Rover Group and product engineering projects.

Mr. Forster was appointed as the Group Chief Executive Officer and Managing Director of Tata Motors in 2010 and was entrusted with the overall responsibility of Tata Motors operations globally, including Jaguar Land Rover. He was appointed to the board of directors of Jaguar Land Rover in 2010.

Senior Management Team

The following table provides information on the members of our senior management team:

Name	Position	Date of birth	Year appointed
Dr. Ralf Speth	Chief Executive Officer and Director, and Director of Jaguar Cars Limited and Land Rover	9 September 1955	2010
SUK Menon	Group Finance Director and Director of Jaguar Cars Limited	1 December 1944	2010
Mike Wright	Director of Jaguar Cars Limited and Land Rover	21 June 1953	2008
Phil Popham	Group Sales Operations Director and Director of Land Rover	28 September 1965	2008
Kenneth Gregor	Chief Financial Officer, and Director of Jaguar Cars Limited and Land Rover	5 April 1967	2008
Paul Cope	Director of Manufacturing, and Director of Jaguar Cars Limited and Land Rover	27 November 1954	2008
Phil Hodgkinson	Director of Product Development, and Director of Jaguar Cars Limited and Land Rover	5 May 1959	2008
Des Thurlby	HR Director, and Director of Land Rover	4 August 1964	2008
Adrian Hallmark	Jaguar Global Brand Director	7 July 1962	2010
John Edwards	Land Rover Global Brand Director	15 January 1962	2010
Bob Joyce	Engineering Director	24 May 1958	2008
Gerry McGovern	Land Rover Design Director	23 September 1955	2006
Ian Callum	Jaguar Design Director	30 July 1954	1999
Jeremy Vincent	IT Director	9 September 1959	2008
Ian Harnett	Purchasing Director	28 February 1961	2009

Set out below is a short biography of each of the members of the Senior Management Team:

Dr. Ralf Speth (Chief Executive Officer): Dr. Speth has held the position of Chief Executive Officer since 2010. For biographical information please see "Board of Directors."

SUK Menon (Group Finance Director): Mr. Menon is a member of the Institute of Company Secretaries of India and holds a program in Business Administration from Bombay University, a Bachelor of Commerce degree and a Bachelor of Law degree. To date, Mr. Menon has held the position of Chief Financial Officer of Tata Chemicals, Mumbai, Vice President of Tata Motors, Mumbai, and Vice President and Chief Finance Director of Tata Daewoo Commercial Vehicle Co Ltd, South Korea. Mr. Menon has more than 10 years of experience in the automotive industry and has been with Jaguar Land Rover for two years.

Mike Wright (Executive Director): Mr. Wright holds a Bachelor of Science in Communications Science and Linguistics from the University of Aston, Birmingham. Mr. Wright has extensive sales and marketing management experience with Land Rover, Jaguar and previously Rover, under different owners. He was Managing Director of Land Rover UK and developed, under BMW ownership, the Land Rover and Rover brands in a number of international markets. Mr. Wright also has experience in several field positions in the United Kingdom and Germany with Rover Triumph. He is currently on the board of directors of both Jaguar and Land Rover. Mr. Wright has 33 years of experience in the automotive industry and with Jaguar Land Rover.

Phil Popham (Group Sales Operations Director): Mr. Popham has a degree in Business Studies from the University of Aston, Birmingham and is currently a member of the board of directors for Land Rover. He was previously at Volkswagen for three years and prior to that, held the position of Marketing Director for Land Rover South Africa from 1995 to 1997 and Vice President of Marketing for Land Rover North America from 1998 to 1999. Mr. Popham has more than 23 years of experience in the automotive industry and has 19 years of experience with Jaguar Land Rover.

Kenneth Gregor (Chief Financial Officer): Mr. Gregor holds a Master's in Business Administration from Cranfield University, Bedfordshire and a BSc with Honours in Applied Mathematics from the University of St. Andrews. Mr. Gregor joined Jaguar Cars in 1997 and has held a number of financial management positions within Jaguar Land Rover, including as Financial Controller between 2006 and 2008, prior to his appointment as Chief Financial Officer of Jaguar Land Rover in 2008. Between 1989 and 1996 Mr Gregor held a number of positions within HSBC Investment Banking, London, advising on mergers, acquisitions, privatisations and capital raisings. Mr. Gregor is currently on the board of directors of both Jaguar and Land Rover. Mr. Gregor has 14 years of experience in the automotive industry and with Jaguar Land Rover.

Paul Cope (Director of Manufacturing): Mr. Cope holds a Bachelor of Social Sciences degree with Honours from the University of Essex. Prior to his appointment, Mr. Cope held the position of Manufacturing Director at each of Land Rover's Solihull Plant, Automotive Component Holdings, USA and Visteon in Dearborn. Mr. Cope was previously Plant Manager of Visteon Corp's Indianapolis manufacturing facility, having been Manager of Engine Testing at Ford's Research and Engineering Centre in Dunton from 1992 and Plant Manager for Engineering and Quality at Ford's Swansea Chassis and Powertrain plant from 1996. Mr. Cope is currently on the board of directors of both Jaguar and Land Rover. Mr. Cope has more than 34 years of experience in the automotive industry and has been with Jaguar Land Rover for five years.

Phil Hodgkinson (Director of Product Development): Mr. Hodgkinson holds a Bachelor of Technology degree from Loughborough University and has eight years' experience in a number of positions at Ford Motors, which include Development Engineer in Truck Development, Vehicle Engineer, Component Engineer and Product Planning on Light Truck followed by the Mondeo Programme. He was previously a Technical Engineering apprentice at Leyland Vehicles from 1975 to 1982 and has since worked on key projects at Jaguar, including the XJS, XK8, Chief Programme Engineer S-Type, Vehicle Line Director Jaguar followed by Vehicle Line Director Land Rover. Mr. Hodgkinson is currently on the board of directors of both Jaguar and Land Rover. Mr. Hodgkinson has more than 35 years of experience in the automotive industry and has been with Jaguar Land Rover for 21 years.

Des Thurlby (HR Director): Mr. Thurlby holds a Master of Business Administration from the London Business School and a Bachelor's degree with Honours in Politics and Economics from Newcastle University. He is a member of the Chartered Institute for Personnel and Development

(CIPD) and was previously Director of HR Operations for Ford of Europe from 2005 to 2007. He joined Ford in Human Resources in 1987, where he held a number of HR positions and joined Land Rover when Ford acquired the business in 2000. He went on to become the Manager of HR Operations for Land Rover and later became HR Director at Jaguar. Mr. Thurlby is currently a member of the board of directors of Land Rover. Mr. Thurlby has more than 24 years of experience in the automotive industry and has been with Jaguar Land Rover for four years.

Adrian Hallmark (Jaguar Global Brand Director): Mr. Hallmark joined Jaguar Land Rover as Global Brand Director, Jaguar in 2010. He has global responsibility for the Jaguar brand and he is a member of Jaguar Land Rover's Executive Committee. Mr. Hallmark has held a number of senior management positions at Porsche, Bentley, Volkswagen and most recently SAAB Automobil AB where he was Executive Sales Director. Mr. Hallmark completed a degree in Mechanical Engineering and Metallurgy at the University of Wolverhampton and later went on to complete a diploma in Management before beginning his career as a Design Engineer in the nuclear industry. In 1989 he took up his first senior position in the automotive industry as Group Managing Director at Porsche GB. He has more than 27 years of experience in the automotive industry and has been with Jaguar Land Rover since late 2010.

John Edwards (Land Rover Global Brand Director): Mr. Edwards was appointed to the position of Global Brand Director in late 2010. Mr. Edwards initially graduated in Sports Science before studying marketing. His role as Global Brand Director encapsulates brand-positioning, current and future product-planning, maximising revenue, marketing communications, brand-extension strategies and supporting future growth. Prior to this appointment, he was the Regional Director of Land Rover's United Kingdom and European Operations. In this role, Mr. Edwards had responsibility for Land Rover Sales and Marketing in Europe. He has also previously been the Managing Director of Land Rover UK, the Regional Director for Overseas Operations (all markets outside Europe and North America) and Director of Global Marketing at Land Rover, as well as Director of Mini/MG UK, a division within the BMW Group established to manage sales, marketing and distribution of Mini and MG vehicles in the United Kingdom. He has more than 21 years of experience in the automotive industry and has been with Jaguar Land Rover for 11 years.

Bob Joyce (Engineering Director): Mr. Joyce is Group Engineering Director of Jaguar Land Rover, a position he has held since 2008, and he is a Jaguar Land Rover Executive Committee Member. He completed his first degree in Engineering at Leicester University, followed by a MBA from Warwick University. He is a Fellow of the Institute of Mechanical Engineers. Prior to his appointment as Group Engineering Director, Mr. Joyce was Engineering Director for Jaguar and Land Rover, a position he held from 2003. He joined Ford Motor Company in 2001 as Engineering Director for Land Rover. Prior to joining Land Rover, Mr. Joyce held a range of senior engineer positions in the automotive sector, including Chief Engineer of Rover's K-Series engine family, a director of the Gaydon Technology Centre, a director of Rover Body & Pressings and Body Engineering Director of the Rover Group. In 1997, working for BMW, he became Senior Vice President for FWD platforms, including MG Rover and the new Mini, taking the latter programme from initial approval to engineering sign-off. During his career with Jaguar Land Rover, Mr. Joyce has overseen the creation and delivery of a range of new vehicles including Range Rover, Discovery 3 and 4, Range Rover Sport, Freelander 2, Jaguar XK, Jaguar XF and the new Jaguar XJ. He has more than 30 years of experience in the automotive industry and has been with Jaguar Land Rover for 11 years.

Gerry McGovern (Land Rover Design Director): Mr. McGovern is the Design Director for Land Rover and Range Rover. Mr. McGovern completed a degree in industrial design before specialising in automotive design at the Royal College of Art. He worked for Chrysler and Peugeot, before joining the Rover Group, where he was the lead designer of the critically acclaimed MGF sports car and the Land Rover Freelander. He also led the team that created the current Range Rover. Mr. McGovern joined

Ford in 1999 but rejoined Land Rover as Director, Advanced Design in 2004. In 2006, he became Design Director for Land Rover and he subsequently became a member of the Land Rover Board of Management in 2008 and the Jaguar Land Rover Executive Committee in 2009. He has more than 33 years of experience in the automotive industry and has been with Jaguar Land Rover for seven years.

Ian Callum (Jaguar Design Director): Mr. Callum attended a course in Industrial Design at Glasgow School of Art, which was followed by a two-year course in Automobile Design at the Royal College of Art. Ford recruited him immediately out of the Royal College of Art and from 1978 he spent 12 years working in the company's design studios in Britain, Japan, the United States, Australia and Germany. He was then appointed Design Manager responsible for the Ghia Design Studio in Turin before he returned to the UK to join TWR in Oxford as Chief Designer in 1990. During his time with Ford, Mr. Callum worked on both the exterior and interior design of the Fiesta, the Mondeo, the Ford RS200 mid-engined sports car, the Escort RS and the Cosworth. While he was with Ghia in Turin he played a major role in the Via design Concept for a mid-engine sports car utilising a fibre optic lighting system and was responsible for the design and development of the Ghia Zig and Zag compact 2-seater sports car and mini van vehicles. Since his return to the UK in 1990, Mr. Callum has worked on TWR programmes for GM's Australian subsidiary, Holden, together with projects for Aston Martin (DB7 and Vanquish), Ford (Puma), Volvo (C70), Nissan (R390 Le Mans) and Mazda, Range Rover and Rover. Mr. Callum joined Jaguar in 1999, and is responsible for creating a new and exciting design language for the brand which began with the XK, the XF and has most recently been seen in the all new XJ, a multi-award winning car which completes Jaguar's vehicle line-up. Mr. Callum has also developed some of Jaguar's most iconic concept cars, the latest being the CX75 which was launched at the Paris Motor Show in September 2010. Mr. Callum has 32 years of experience in the automotive industry and has been with Jaguar Land Rover for 12 years.

Jeremy Vincent (IT Director): Mr. Vincent is IT Director for Jaguar Land Rover, a position to which he was appointed in August 2008. He has a degree in Electrical Engineering from Huddersfield Polytechnic and an MBA from Warwick University. Prior to joining Jaguar Land Rover, Mr. Vincent worked with the Birds Eye Igloo Group as they separated from their former parent group, Unilever. After leaving the Navy as an engineering officer, Jeremy has spent over 20 years as a senior strategic business/technology professional working for major Fortune 500 and FTSE 100 international corporations across the world, delivering large-scale technology-enabled business transformation programmes. Jeremy has extensive international experience and has lived and worked in Germany, Japan and the United Kingdom during his career. He has 20 years of experience in the automotive industry and has been with Jaguar Land Rover for three years.

Ian Harnett (Purchasing Director): Mr. Harnett was appointed Director of Purchasing of Jaguar Land Rover in 2009. Ian has a BSc (Hons) in Economics and Management from Cardiff University and a Diploma in IT from Warwick University. Previously Ian was responsible for establishment of the new Strategic Business Office at Jaguar Land Rover, as well as heading the Transition Team as Jaguar Land Rover was divested from Ford Motor Company. Ian joined British Leyland in 1982 starting in the Purchasing Department at Longbridge and spent the next 25 years in various purchasing and project roles, including assignments with the subsequent owners of Rover Group. For a number of years Ian was responsible for Honda contracts and later headed a joint purchasing team in BMW / Rover. In 2000, Ian led the Land Rover Purchasing Team out of BMW ownership following the Ford acquisition. He has more than 28 years of experience in the automotive industry with Jaguar Land Rover.

Compensation of Key Management Personnel

The following table shows the short-term benefits paid to the members of the board of directors of the Issuer in Fiscal 2010 and Financial Period 2009.

	Period from 18 January 2008 to 31 March 2009	Year ended 31 March 2010
	(£ in millions)	
Short-term benefits	2.3	3.4
Post-employment benefits	0.3	0.2
Total	2.6	3.6

Board Practices

The Board consists of four executive directors and an independent director. Appointments of new directors are considered by the full Board.

The roles of the Chairman and the Chief Executive Officer are distinct and separate with appropriate powers being delegated to the Chief Executive Officer to perform the day-to-day activities of the Company.

The Board, along with its committees, provides leadership and guidance to our management, particularly with respect to corporate governance, business strategies and growth plans, the identification of risks and their mitigation strategies, entry into new businesses, product launches, demand fulfilment and capital expenditure requirements, and the review of our plans and targets.

The Board has delegated powers to the committees of the Board through written/stated terms of reference and oversees the functioning operations of the Committees through various circulars and minutes. The Board also undertakes our subsidiaries' oversight functions through review of their performance against their set targets, advises them on growth plans and, where necessary, gives strategic guidelines.

Committees

Audit Committee

The Audit Committee independently reviews the adequacy and effectiveness of risk management across our Group. It is comprised of two directors, at least one of whom is an independent director. The scope of the Audit Committee includes:

- reviewing the annual and all interim financial statements prior to submission to the Board and the shareholder, with particular reference to:
  - critical accounting policies and practices and any changes to them, off-balance sheet structures, related party transactions and contingent liabilities;
  - audit, legal and tax and accounting updates;
  - unusual or exceptional transactions;
  - major accounting entries involving estimates based on the exercise of judgement, including provisions for impairment and other major items; and
  - the auditors' report and any qualifications or emphases therein, taking particular note of any audit differences or adjustments arising from the audit.
- Reviewing the effectiveness of financial reporting, internal control and risk management procedures within our Group, with particular regard to compliance with the Sarbanes Oxley

legislation and other relevant regulations and to disclosures from the Chief Executive Officer or Chief Financial Officer, with particular reference to any significant weaknesses or deficiencies in the design or operation of internal controls which are reasonably likely to adversely affect our ability to record, process and report financial data and to receive reports from the external and internal auditors with respect to these matters.

- Assessing the reliability and integrity of our accounting policies and financial reporting and disclosure practices and processes.
- In relation to internal audits, the Audit Committee has responsibility to:
  - review on a regular basis the adequacy of internal audit functions, including the internal audit charter, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, budget, coverage and the frequency of internal audit;
  - review the regular internal reports to management prepared by the internal audit department as well as management's response thereto;
  - review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - discuss with internal auditors any significant findings and follow-up thereon; and
  - review internal audit reports relating to internal control weaknesses.
- In relation to external auditors, the Audit Committee has responsibility to:
  - oversee the appointment of the external auditors, to approve their terms of engagement, including fees, and the nature and scope of their work;
  - review their performance and independence every year and to pre-approve any provision of non-audit services by the external auditors;
  - establish a clear hiring policy in respect of employees or former employees of the external auditors and monitor the implementation of that policy; and
  - evaluate the external auditors by reviewing annually the firm's independence, its internal quality control procedures, any material issues raised by the most recent quality control or peer review of the firm, and the findings of any enquiry or investigation carried out by government or professional bodies with respect to one or more independent audits carried out by the firm within the last five years.
- In relation to subsidiary company oversight, the appointment, compensation and oversight of auditors is covered by the Audit Committee. A working procedure has evolved which facilitates dual oversight and compliance between us and our subsidiaries. The Audit Committee has responsibility to review the financial statements. The Audit Committee will perform and review the following:
  - the appointment of the auditors;
  - the fixing of remuneration of the auditors;
  - the pre-approval of all services;
  - compliance regarding prohibited services; and
  - oversight of the work done by the auditors.
- To oversee the operation and maintenance of procedures for receiving, processing and recording complaints regarding accounting, internal controls or auditing matters and for the confidential

submission by employees of concerns regarding allegedly questionable or illegal practices. The Audit Committee shall ensure that these arrangements allow independent investigation of such matters and appropriate follow-up action.

- To oversee controls designed to prevent fraud and to review all reports of instances of fraud.
- To satisfy itself that Group policy on ethics is followed and to review any issues of conflict of interest, ethical conduct or compliance with law, including competition law, brought to its attention.
- To oversee legal compliance in our Group.
- To conduct and supervise such investigations or enquiries as the Board may require.

Remuneration Committee

The Remuneration Committee is comprised of members appointed by our board of directors. The Remuneration Committee may, at our expense, obtain outside legal or other independent professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

The scope of the Remuneration Committee is to:

- review and approve any proposals regarding the remuneration (including base salary, bonus, long-term incentives, retention awards and pension arrangements) of all employees at leadership level 2 and above;
- review and approve all bonus plans and long-term incentive plans at leadership level 5 and above (including the structure of the plans, and whether, and at what level, the plans should pay out);
- review and approve changes to any defined benefit pension plans; and
- regularly review independent data regarding the competitive position of salaries and benefits and make recommendations, as appropriate.

Executive Committee

The Executive Committee is comprised of the Chief Executive Officer and his direct reports. The objective of the Executive Committee is to provide strategic management, to achieve business results and to ensure compliance and control using various assurance tools and functions such as an independent internal audit function, a risk and assurance committee and a legal compliance office.

The Executive Committee is responsible for the executive management of the business and the strategic direction of the Group. It is also responsible for risk management across the company, the communication of policy requirements and the review and approval of the risk management policy and framework. The Executive Committee identifies strategic risk, debates strategies and commits the allocation of key resources to manage key and emerging risk factors. Within this role, the Executive Committee defines, sponsors, supports, debates and challenges risk management activity across our Group.

Risk and Assurance Committee

The Risk and Assurance Committee is responsible for the ongoing development and co-ordination of the system of risk management as well as the consolidation, challenge and reporting of all risk management information. It provides support and guidance on the application of risk management across the company.

MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Major Shareholders of the Issuer

As at 31 December 2010, the following organisations held direct and indirect interests in voting rights equal to or exceeding 3% of the ordinary share capital of the Issuer:

Name of shareholder of Issuer	Number of ordinary shares	%
TML Holdings PTE Limited (Singapore)	1,500,642,163	100

Major Shareholders of TMLH

As at 31 March 2011, the following organisations held direct and indirect interests in voting rights equal to or exceeding 3% of the ordinary share capital of our holding company, TMLH:

Name of shareholder of TMLH	Number of ordinary shares	%
Tata Motors Limited (India)	2,638,326,018	100

Major Shareholders of Tata Motors

Tata Motors Limited is a widely held, listed company with approximately 315,617 shareholders of ordinary shares and 23,640 shareholders of 'A' ordinary shares of record. As at 31 December 2010, Tata Sons and its subsidiaries held 25.7% of the ordinary shares of Tata Motors, and was its largest shareholder.

Related Party Transactions

Our related parties principally consist of Tata Sons Ltd (including Tata Motors), subsidiaries of Tata Sons Ltd and other associates and joint ventures. We routinely enter into transactions with these related parties in the ordinary course of business. We enter into transactions for the sale and purchase of products with our associates.

The following table summarises related party transactions and balances not eliminated in the 2010 and 2009 Consolidated Financial Statements for the nine months ended 31 December 2010, Fiscal 2010 and Financial Period 2009.

	Period commencing on 18 January 2008 and ended 31 March 2009(1)		Fiscal year ended 31 March 2010		Nine months ended 31 December 2010	
	With associates	With immediate and ultimate parent	With associates	With immediate and ultimate parent	With associates	With immediate and ultimate parent
	(£ in millions)					
Transactions during the period:						
Sale of products	—	—	—	12.5	27.2	—
Services received	12.9	—	26.7	0.3	30.6	—
Loan transactions in the period	—	769.5	—	1,026.0	—	(97.4)
Balances as at period end:						
Trade and other receivables	—	—	—	0.6	8.4	—
Accounts payable	—	—	3.6	—	—	—
Loans given	4.1	769.5(2)	—	1,795.5(3)	—	1,698.1(4)

(1) Financial Period 2009 represents the period from 18 January 2008 to 31 March 2009 and the trading of the Jaguar and Land Rover businesses from the date of acquisition on 2 June 2008 to 31 March 2009.

(2) Relates to 11,015,000 7.25% non-cumulative redeemable preference shares of US$100 each.

(3) Relates to 27,222,877 7.25% non-redeemable preference shares of US$100 each.

(4) Relates to 23,450,877 7.25% non-cumulative redeemable preference shares of US$100 each and £182.3 million of intercompany loans related to the redemption of certain preference shares during the period.

DESCRIPTION OF OTHER INDEBTEDNESS

The following is a summary of the material terms of the principal financing arrangements of Land Rover and Jaguar Cars Limited. This section does not mention the financing arrangements that will be fully repaid and cancelled upon completion of the issue of the Notes (please see "Use of Proceeds"). The following summary does not purport to describe all of the terms and conditions of such financing arrangements, and therefore is qualified in its entirety by reference to the actual agreements. We recommend you refer to the actual agreements for further details, copies of which are available upon request (subject to confidentiality constraints). For the terms and conditions of the Notes, please see "Description of the Notes."

Facility A—£120.0 million Single-currency Bilateral Term Loan Facility

General

Land Rover (as borrower) entered into a facility agreement, dated 29 January 2009 (as subsequently amended) with a bank as lender. Jaguar Cars Exports Limited and Land Rover Exports Limited (together, the "Export Companies") and Jaguar Cars Limited are party to the facility agreement as guarantors. Jaguar Land Rover North America, LLC (collectively with Land Rover, the Export Companies and Jaguar Cars Limited, the "Obligors") is party to the facility agreement as obligor (Jaguar Land Rover North America, LLC under a separate agreement guarantees the facility). Each Obligor has provided security (although upon completion of the issue of the Notes, we expect all the security to be released). As at the date of this Offering Memorandum, the facility is fully drawn. As of the date of this Offering Memorandum, all principal, interest and other sums must be repaid in full on 31 March 2012. However, on or before the completion of the issue of the Notes, we expect this maturity date to be extended to 30 September 2012, the purpose of the facility is to finance the general working capital requirement of Land Rover, Jaguar Cars Limited and their respective subsidiaries (collectively, the "Manufacturing Group").

Interest and fees

Interest: The per annum interest rate payable is sterling LIBOR (or the rate determined by the lender to be its actual cost of funds) plus a margin of 1.25%. A customary market disruption clause appears in the facility agreement.

Default interest: If any sum due by the Obligors is not paid on its due date, default interest is payable at the per annum interest rate of 2% plus the interest rate which would have applied if the unpaid sum had been a loan advanced under the facility.

Fees: Any arrangement and other fees already paid are not covered in this summary.

Repayments and prepayments

Repayments: As of the date of this Offering Memorandum, all principal, interest and other sums must be repaid in full on 31 March 2012. However, on or before the completion of the issue of the Notes, we expect this maturity date to be extended to 30 September 2012.

Mandatory prepayments: If it becomes unlawful for the lender to comply with its obligations, the lender is entitled to require that the borrower immediately repay the facility in full. Upon a change of control the borrower must (if the lender instructs) immediately repay the facility in full. Change of control means (a) a disposal of all or substantially all of an Obligor's assets or (b) a change of control of any Obligor.

Voluntary prepayments: All or part of the facility may be prepaid on giving 10 business days' notice.

Redrawings: Any amount repaid or prepaid may be redrawn.

Covenants

General and information covenants: There are various positive and negative covenants with which each Obligor must comply. Some of these covenants are customary for loans of this type in the London market and include: gross-up for withholding tax, pay increased costs, indemnities (including for tax), maintaining authorisations, compliance with laws, restrictions on mergers, no change of business, maintaining corporate existence, preservation of assets, no change to centre of main interest, no change to financial year or auditors, pay taxes and *pari passu* ranking of debt. Other covenants include: restrictions on secured borrowings, arm's-length transactions, restrictions on giving guarantees, restrictions on giving support to suppliers, restrictions on repaying intragroup loans, restrictions on dividends, restrictions on changes to directors, no change of control, compliance with US anti-terrorism laws and Employee Retirement Income Security Act 1974 ("ERISA") laws, annual and quarterly audited and management accounts, and annual budgets.

Financial covenants: There is a maximum total debt to EBITDA ratio (currently the ratio is 3.75, changing to 2.71 on 1 January 2012 and to 2.15 on 1 July 2012). This financial covenant matches the financial covenant in Facilities D & E. If the financial covenant is amended or no longer applies under Facilities D & E, the financial covenant under this facility will automatically be so amended or disapplied.

Events of default

The facility agreement sets out various events of default the occurrence of which allows the lender to cancel the facility, demand immediate payment of principal, interest and other sums, place the facility on demand, enforce any rights or security, appoint a director of the borrower and/or appoint a nominee to attend any shareholders' meeting of the borrower. Such events of default include (subject in certain cases to grace periods, thresholds and other qualifications): non-payment, breach of other obligations, misrepresentation, cross-default, insolvency, insolvency proceedings, creditors' process, either Export Company or Jaguar Land Rover North America, LLC ceasing to be a member of the Manufacturing Group, unlawfulness or invalidity of obligations or agreements, breach, repudiation or rescission by any party (other than the lender) to any facility documents (including certain intercreditor and subordination agreements), a material adverse change occurs or is likely to occur (meaning a material adverse effect on the business or assets of any Obligor or the Manufacturing Group, the ability of any Obligor to comply with the facility documents or the validity or enforceability of any facility documents), cessation of business, expropriation, litigation and certain ERISA-related events.

Security

The security package provided by the Obligors to the lender is shared with certain other creditors pursuant to a security pool arrangement set out in "—Intercreditor Arrangements—Intercreditor C" pursuant to which one of the creditor banks was appointed as security trustee. A description of this intercreditor agreement and certain other intercreditor agreements is set out in "—Intercreditor Arrangements—Intercreditor C." However, upon the completion of the issue of the Notes, we expect all the security for this facility to be released and this facility will continue as an unsecured, guaranteed facility.

The Manufacturing Companies and the Export Companies granted a charge dated 23 August 2010 creating mortgages (including over the Manufacturing Companies' main manufacturing sites in England), fixed charges (including over plant and machinery at those sites and a bank account), security assignments over insurance policies and floating charges over all present and future assets to the security trustee as security for, among other things, any of those charging companies' obligations under the facility agreement and all other facility documents. The charge is expressed to be a qualifying floating charge for the purposes of paragraph 14 of schedule B1 of the Insolvency Act 1986 and states that the security trustee may appoint an administrator of any chargor. The charge contains a crystallisation mechanism. There are various positive and negative covenants in the charge including: restrictions on granting security or disposing of charged assets, and property covenants (including relating to repair, insurance, alterations, planning, information, environment and leases).

Jaguar Land Rover North America, LLC granted security to the security trustee pursuant to an amended and restated guarantee and security agreement dated 23 August 2010 over substantially all Jaguar Land Rover North America, LLC's present and future non-real estate assets.

Governing law

The facility agreement and the main security and other facility documents are governed by English law save for the guarantee and security agreement executed by Jaguar Land Rover North America, LLC which is governed by New York law.

Facility B—£60.0 million Committed Multiple-currency Bilateral Invoice Discounting Facility

General

Land Rover Exports Limited as seller entered into an invoice discounting facility agreement dated 5 August 2009 (as subsequently amended) with a bank as buyer. The facility is committed (subject to certain conditions such as eligibility criteria like support by a standby letter of credit or guarantee issued by a specified bank and no greater than 270-day maturity, and subject to the buyer's right to vary or reduce any of the debtor sub-limits at any time). The receivables are generated from sales of finished vehicles, spare parts and accessories. The facility's availability ends on 31 January 2012. The facility is revolving, and as a sold receivable matures and is paid, an equivalent sum becomes available for re-utilisation by the seller under the facility.

Interest and fees

Discount rate: The discount rate is the per annum interest rate equal to the buyer's cost of funds plus 0.95%.

Default interest: If any sum due by the seller is not paid on its due date, default interest is payable at the per annum interest rate equal to the buyer's cost of funds plus 2%.

Fees: The following fees are payable to the buyer under the facility: a quarterly fee of 0.25% of the facility limit and a quarterly fee at a rate per annum of 0.35% applied against the daily unutilised available facility. Any arrangement and other fees paid already paid are not covered in this summary.

Recourse

Upon presentation by the seller of a purchase request, the buyer pays the seller the purchase price for the relevant receivable (the purchase price being the net present value of the receivable using the discount rate). At the same time as presenting the purchase request, the buyer delivers deeds in favour of the seller assigning all rights relating to that receivable and the related standby letter of credit or guarantee. Unless a receivable defaults, no notice of assignment is given to the debtor or the issuer of the related standby letter of credit or guarantee.

If a sold receivable is not paid on its due date other than as a result of a commercial dispute (as defined), the seller must pay the buyer a sum equal to that receivable (plus interest from that due date). Notwithstanding the foregoing, if the receivable remains unpaid after 21 days, the seller must pay the buyer a sum equal to that receivable (plus interest from that due date), at which point that receivable is assigned by way of sale back to the seller by the buyer. If a sold receivable is not paid on its due date as a result of a commercial dispute, the seller must immediately pay the buyer a sum equal to that receivable (plus interest from that due date), at which point that receivable is assigned by way of sale back to that seller by the buyer.

Covenants

There are various positive and negative covenants with which the seller must comply. Covenants include: a wide indemnity for losses suffered by the buyer in certain circumstances (such as non-payment by the seller or an issuer of a standby letter of credit or guarantee, non-payment of a receivable by the debtor due to a commercial dispute, non-payment of taxes or an event of default occurs), indemnities, pay increased costs, minimise losses on receivables, cooperate with and assist the buyer, further assurance, take enforcement action, no amendments to supply contracts, standby letters of credit and guarantees, perfect rights, ensure receivables paid to accounts held with the buyer, no granting of encumbrances over any standby letters of credit and guarantees, pay taxes, comply with any standby letters of credit and guarantees, comply with all buyer instructions including to make demand on any issuer of standby letters of credit or guarantees, ensure all relevant supply contracts have retention of title provisions, and gross-up for withholding tax.

Events of default

The facility agreement sets out various events of default the occurrence of which allows the buyer to cancel the facility and require the repayment of all accrued or outstanding amounts. Such events of default include (subject in certain cases to grace periods, thresholds and other qualifications): non-payment, breach of other obligations, misrepresentation, cross-default, insolvency, insolvency proceedings, distress, enforcement of security, unlawfulness or invalidity of obligations or agreements, repudiation by the seller or any issuer of the facility agreement or any standby letters of credit or guarantees, and an event of indemnity (as defined) occurs.

Governing law

The facility agreement is governed by English law.

Facility C—£116.0 million 5-year Single-currency Secured Syndicated Borrowing—Base Revolving Loan Facility

General

The Manufacturing Companies as borrowers entered into a facility agreement dated 11 November 2009 (as subsequently amended) arranged by a commercial lender. The Export Companies and the Manufacturing Companies are party to the facility agreement as guarantors. Jaguar Land Rover North America, LLC is party to the facility agreement as obligor (Jaguar Land Rover North America, LLC under a separate agreement guarantees the facility). The commercial lender is party to the facility agreement as arranger, facility agent, security trustee and one of the original lenders. As at the date of this Offering Memorandum, the principal drawn amount under the facility is £50.0 million. The Obligors provide security for the facility. Tata Motors issued a comfort letter dated 11 November 2009 in favour of the lenders, the terms and legal nature of which we have not summarised. All principal, interest and other sums must be repaid in full on 11 November 2014. The purpose of the facility is to provide for the general corporate and working capital purposes of the Obligors.

Interest and fees

Interest: The per annum interest rate payable is 3-month sterling LIBOR plus a margin of 3%. A customary market disruption clause appears in the facility agreement.

Default interest If any sum due by the Obligors is not paid on its due date, default interest is payable at the per annum interest rate of 4% plus the interest rate which would have applied if the unpaid sum had been a loan advanced under the facility.

Fees: The following fees are payable to one or more of the finance parties under the facility: an annual fee of 1% of the facility limit, a fee at a rate per annum of 1.42% applied against the daily principal drawn amount under the facility, a fee at a rate per annum of 0.5% applied against the daily undrawn available facility and a fee on any amount of the facility cancelled at any time of between 3% and 0.5% of the amount cancelled, depending on when the cancellation occurs. Any arrangement and other fees already paid are not covered in this summary.

Repayment and prepayment

Repayments: All principal, interest and other sums must be repaid in full on 11 November 2014. Prior to that, if on any business day the total principal drawn amount under the facility exceeds the borrowing base amount (as defined in the facility agreement), the borrowers must repay that excess on the same day.

Mandatory prepayments: If it becomes unlawful for any lender to comply with its obligations, that lender is entitled to require that the borrowers immediately repay that lender's participation in any principal drawn amount under the facility. Upon a change of control the borrowers must (unless the lenders agree otherwise) immediately repay the facility in full. "Change of control" means (a) a disposal of all or substantially all of an Obligor's assets, (b) the Issuer or any Obligor ceasing to be controlled or a wholly owned subsidiary of Tata Motors, (c) Tata Motors ceasing to be controlled or a wholly owned subsidiary of Tata & Sons or (d) either Export Company or Jaguar Land Rover North America, LLC ceasing to be controlled or a wholly owned subsidiary of either Manufacturing Company.

Voluntary prepayments: The borrowers may voluntarily prepay the facility by notifying the lenders at any time of those vehicles they do not wish to be considered as eligible inventory.

Redrawings: If at any time the borrowing base amount exceeds the total principal drawn amount under the facility, a new loan may be advanced to the borrowers.

Covenants

General and information covenants: There are various positive and negative covenants with which each Obligor must comply. Some of these covenants are customary for syndicated loans of this type in the London market and include: gross-up for withholding tax, pay increased costs, indemnities (including for tax), delivery of compliance certificates, maintaining authorisations, compliance with laws, pay taxes, no change to centre of main interest, restrictions on mergers, no change of business, maintaining corporate existence, preservation of assets and *pari passu* ranking of debt. Other covenants include: insuring of secured assets, restrictions on new subsidiaries, various undertakings relating to vehicle inventory, annual, quarterly and monthly audited and management accounts, annual budgets, restrictions on intragroup loans, restrictions on dividends, restrictions on granting security (negative pledge), arm's length transactions, restrictions on giving guarantees, restrictions on changes to directors, no change of control, access, intellectual property, compliance with US anti-terrorism laws and ERISA laws, and restrictions on secured borrowings.

Financial covenants: There are various financial covenants. At 31 March 2011, the ratios tested were: maximum debt to EBITDA ratio of 222.0% and minimum EBITA to interest payable ratio of 600.0%, with the ratios to apply on the next test date of 31 December 2011 and the ratios thereafter to be agreed by the parties. In addition, there are covenants regarding minimum current assets to current liabilities ratio (the ratio to apply on the next test date of 31 December 2011 and the ratios thereafter are to be agreed by the parties) and maximum debt to equity ratio (the ratio to apply on the next test date of 31 December 2011 and the ratios thereafter are to be agreed by the parties).

Events of default: The facility agreement sets out various events of default the occurrence of which allows the lenders to cancel the facility, change the manufactured cost advance rate to zero, place the facility on demand, demand immediate payment of principal, interest and other sums, enforce any rights or security, appoint a director of either borrower and/or appoint a nominee to attend any shareholders' meeting of either borrower. Such events of default include (subject in certain cases to grace periods, thresholds and other qualifications): non-payment, breach of financial covenants, breach of other obligations, misrepresentation, cross-default, insolvency, insolvency proceedings, creditors' process, unlawfulness or invalidity of obligations or agreements, breach of obligations by other parties (including Tata Motors withdrawing its comfort letter), cessation of business, audit qualification, expropriation, litigation, support systems default, rescission of agreements, a material adverse change occurs or is likely to occur (meaning a material adverse effect on the business or assets of any Obligor or the Manufacturing Group, the ability of any Obligor or the Manufacturing Group to comply with the facility documents or the validity or enforceability of any facility documents) and certain ERISA-related events.

Security and guarantees

The Export Companies and the Manufacturing Companies granted a floating charge dated 11 November 2009 of all present and future assets to the security trustee as security for any of those charging companies' obligations under the facility agreement and all related documents. The charge is expressed to be a qualifying floating charge for the purposes of paragraph 14 of schedule B1 of the Insolvency Act 1986 and states that the security trustee may appoint an administrator of any chargor. The charge contains a crystallisation mechanism. There are various positive and negative covenants in the charge including: restrictions on disposing of charged assets and the granting of security over charged assets, insurance, changing centres of main interest and information on charged assets.

Jaguar Land Rover North America, LLC granted security to the security trustee pursuant to a guarantee and security agreement dated 11 November 2009 over substantially all Jaguar Land Rover North America, LLC's present and future non-real estate assets.

Governing law

The facility agreement and the main security and other facility documents are governed by English law save for the guarantee and security agreement executed by Jaguar Land Rover North America, LLC which is governed by New York law and the Tata Motors comfort letter which is governed by Indian law.

Facilities D & E—£109.0 million Regional Development Bank Facilities

General

Land Rover as borrower entered into two finance contracts each dated 24 February 2010 with a regional development bank as the facility agent and sole original lender. Jaguar Cars Limited is party to each finance contract as guarantor. Upon completion of the issue of the Notes, it is our intention to reduce the aggregate principal drawn amount under the two facilities to £109.0 million, comprising £63.3 million under the first finance contract and £45.7 million under the second finance contract. The loan under each finance contract is divided into sub-credits. Each finance contract and its facility is separate from and, in the main, operates independently from the other. Other than the facility amounts and provisions related to the facility amounts, the finance contracts have identical terms. Each finance contract is supported by a primary guarantee granted by a different bank in each case, and a counter-guarantee granted by a different group of banks in each case (each group represented by a counter-guarantor's agent, which is the same bank for each facility). For both facilities, Tata Motors issued a comfort letter in favour of the lender, the terms and legal nature of which we have not summarised. All principal, interest and other sums under each finance contract must be repaid in full on 5 March 2018. The purpose of each facility is to finance research and engineering activities aimed at achieving CO_2 targets set by the European Commission.

Interest and fees

Interest: Under each finance contract, the per annum interest rate payable is 3.39% plus a margin of 0.05%.

Default interest: Interest accrues on any overdue sum payable under each finance contract at a rate of LIBOR plus 2% per annum or the rate which is equal to the fixed rate plus 0.25% if such rate is in excess of LIBOR plus 2%.

Fees: The following fees are payable in relation to each facility: a fee of £25,000 to the facility agent for each renewal or replacement of the counter-guarantee or the primary guarantee (other than for an extension of the counter-guarantee for an additional two years after the expiry of the initial two-year period where the fee is instead £8,000 for such renewal), an annual fee of £5,000 to the counter-guarantors' agent payable on the fourth anniversary and then annually thereafter, a fee of 3.25% per annum of the maximum guaranteed amount of each counter-guarantor and a commission of 3% per annum of the maximum guaranteed amount of the primary guarantor. Any arrangement and other fees already paid are not covered in this summary.

Repayment and prepayment

Repayments: All principal, interest and other sums under each facility must be repaid in full on 5 March 2018. Prior to that, the borrower shall repay each facility's loan in instalments on each payment date indicated in a repayment schedule for that facility. The first repayment date is 5 March 2013.

Mandatory prepayments: If the costs of the project to reduce emissions for which the facilities were made available are reduced to a level at which the amount of the facilities exceeds 50% of the project costs, the facility agent is entitled to demand prepayment of each facility's loan by the amount required to reduce the facilities to no more than 50% of the project costs. If at any time the borrower or the guarantor voluntarily prepays another unconnected loan (in full or in part) which was originally granted for a term of five years or more (unless such loan is refinanced by a loan having a term of at least the unexpired term of the original loan), the facility agent is entitled to require a prepayment of each facility by an amount which the prepaid amount bears in proportion to all loans granted to the borrower or the guarantor with a term of more than five years. In addition, if the borrower or the guarantor prepays any loan granted by any member of the Tata Motors Group for an initial term of more than one year and unless such loan is replaced by another loan, the facility agent is entitled to require a prepayment of each facility by an amount which the prepaid amount bears in proportion to all loans granted to the borrower or the guarantor by members of the Tata Motors Group. Upon a change of control the facility agent may require the borrower to prepay each facility within 30 days. "Change of control" means an event which occurs if Tata Motors should cease to be the beneficial owner directly or indirectly through subsidiaries of more than 50% of the issued share capital of each of the borrower and the guarantor. Upon a change of law event (such event being the enactment, promulgation, execution or ratification of or any change in or amendment to any law, rule or regulation (or in the application or official interpretation of any law, rule or regulation) that occurs after the date of the finance contracts which results or is reasonably likely to result in a material adverse change) the facility agent may require the borrower to prepay each facility within 30 days. If the borrower has failed to extend, renew or replace a primary guarantee or a counter-guarantee within a certain time period before the expiry of the relevant guarantee, the facility agent may require the immediate prepayment of the relevant facility in an amount equal to the credit (in respect of the primary guarantee) which is guaranteed by the primary guarantor or sub-credit (in respect of the counter-guarantee) which is guaranteed by the relevant counter-guarantor. The borrower may also be required to prepay a facility due to events affecting the primary guarantor or events affecting the counter-guarantors. Such requirements are described below in relation to the primary guarantees and the counter-guarantees.

Voluntary prepayments: The borrower may voluntarily prepay either facility by giving the facility agent at least one month's prior notice. Any voluntary prepayment prior to 24 February 2012 requires the prior written consent of the counter-guarantors' agent (acting on the instructions of all the counter-guarantors).

Redrawings: No loan which has been repaid or prepaid may be re-borrowed.

Covenants

General and information covenants: There are various positive and negative covenants with which the borrower and the guarantor must comply. The covenants include: various undertakings in respect of the project, compliance with law, no change of business, restrictions on merger, restrictions on payment of dividends, no repayment of loans from the Tata Motors Group, *pari passu* ranking and a most favoured nation clause, gross-up for withholding tax, indemnities (including for tax and prepayments). Information covenants include: information regarding the project, delivery of annual unaudited and audited consolidated accounts of the Jaguar Land Rover group and notification to the facility agent about the occurrence of certain events.

Financial covenants: There is a financial covenant in the finance contracts. The financial covenant is a maximum total debt to EBITDA ratio (currently 3.75:1). The ratio will be 2.71:1 for the period 1 January 2012 to 30 June 2012 and 2.15:1 for the period from 1 July 2012 until the final repayment date.

Events of default: Each finance contract sets out various events of default the occurrence of which allows the facility agent to demand repayment of the loan together with accrued interest. Such events of default include (subject in certain cases to grace periods, thresholds and other qualifications): non-payment, misrepresentation or misstatement of information, cross-default, insolvency, insolvency proceedings, creditors' process, material adverse change (meaning in the opinion of the lenders a change which materially impairs the ability of the borrower or guarantor to comply with its obligations under the facility, materially impairs the business or financial condition of the borrower or guarantor or adversely effects the security provided), unlawfulness or invalidity of obligations or agreements, breach of financial covenant, and declaration or payment of dividend.

Security and guarantees

General: Each finance contract is guaranteed by the primary guarantor under the primary guarantee. In addition, the obligations of the borrower and the obligations of the primary guarantor under the primary guarantee is guaranteed by counter-guarantors. Jaguar Cars Limited is a guarantor under each finance contract.

Primary-guarantees: Each facility's primary guarantee is provided under a guarantee and indemnity deed. The issuance of each primary guarantee is governed by relevant guarantee issuance facility agreements which are described under Facilities F and G. Each primary guarantee is for a term of eight years and 90 days. If certain events occur in relation to a primary guarantor, the borrower shall upon notice by the counter-guarantors' agent either provide a replacement primary guarantor (acceptable to the facility agent and the counter-guarantors' agent), provide cash collateral or prepay the amount guaranteed by the affected primary guarantor or provide additional security. The borrower may be required to take the action on very short notice. If it fails to take the required action, the facility agent must make a demand for repayment of all the loans outstanding under the relevant finance contract. The facility agent may not waive the repayment or otherwise amend the provisions relating to the required demand without the consent of the counter-guarantors' agent or primary guarantor. The relevant events affecting the primary guarantor which triggers the obligations of the borrower to replace that primary guarantor or take the other action described above are illegality in respect of the primary guarantee or a credit event occurs in relation to the primary guarantor. The definition of "Credit Event" covers bankruptcy events, failure to pay and restructuring events.

Counter-guarantees: Each facility's counter-guarantee is provided under a counter-guarantee and indemnity deed. There are multiple counter-guarantors under each counter-guarantee. Each counter-guarantee is for an initial term of two years. The counter-guarantors are represented by the counter-guarantors' agent, which is also a party to the relevant finance contract and has certain rights and obligations under that finance contract. If certain events occur in relation to a counter-guarantor, the facility agent may require the borrower to either replace the affected counter-guarantor, procure that the affected counter-guarantor provides cash collateral to the facility agent, prepay the sub-credits guaranteed by the affected counter-guarantor, provide cash cover or provide additional security acceptable to the facility agent. The events affecting a counter-guarantor which would trigger the borrower's obligations to take these actions include lowered credit rating, material adverse change, the obligations under the counter-guarantee cease to be valid, binding and enforceable or insolvency affecting the counter-guarantor. If the counter-guarantors have paid amounts in respect of their counter-guarantee, the counter-guarantors are entitled to purchase the loans under the relevant finance contract and become lenders under that finance contract. The borrower and the guarantor have entered into a borrower counter-guarantor indemnity deed for each finance contract for the purpose of indemnifying the counter-guarantors for cost, losses or liabilities (including for taxes, currency and terminating, liquidating, obtaining or re-establishing any hedge or related trading position) arising out of the granting of the counter-guarantee.

Account charge in favour of the counter-guarantors' agent: The borrower granted an account charge dated 24 February 2010 in favour of the counter-guarantors' agent being the same bank across all the facilities. The account charge secures certain liabilities which may arise as a result of a counter-indemnity which the borrower and the guarantor have provided the counter-guarantors' agent. The counter-indemnity was provided for an indemnity for withholding taxes provided by the counter-guarantors' agent to the lender under the finance contracts.

Guarantee by Jaguar Cars Limited: For each facility, Jaguar Cars Limited entered into a guarantee and indemnity deed dated 24 February 2010 in favour of the lender.

Governing law

The finance contracts and the main other related documents are governed by English law, save the account charge is governed by Singapore law.

Facility F—£50.0 million 8+-year Secured Bilateral Guarantee Issuance Facility

General

Land Rover as applicant entered into a facility agreement dated 24 February 2010 (as subsequently amended) with a bank as issuer. The Export Companies and Jaguar Cars Limited are party to the facility agreement as guarantors. Jaguar Land Rover North America, LLC is party to the facility agreement as Obligor (Jaguar Land Rover North America, LLC under a separate agreement guarantees the facility). Tata Motors issued a comfort letter and a letter agreeing in principle to a form of guarantee, in favour of the issuer, the terms and legal nature of which letters we have not summarised. Each Obligor has provided security. The purpose of the facility is to issue a guarantee to support Facility D (referred to there as the primary guarantee). The guarantee was issued for a maximum amount of £50 million in favour of the lender in Facility D. The guarantee expires after eight years and 90 days.

Interest and Fees

Default interest: If any sum due by the applicant is not paid on its due date, default interest is payable at the per annum interest rate of 2% plus the interest rate payable on loans made under Facility D.

Fees: The following fee is payable to the issuer under the facility: an annual fee of 3% of the guarantee amount (this fee may be increased at the option of the issuer if in its reasonable opinion it perceives a material change in the risks associated with facility and/or there has been a material adverse change in LIBOR). Any arrangement and other fees paid already paid are not covered in this summary.

Facility mechanics

Maturity: The guarantee expires after eight years and 90 days.

Indemnity: The applicant indemnifies the issuer for all losses suffered by the issuer relating to the issuance of the guarantee, including any sum the issuer pays out under the guarantee.

Mandatory cash cover: If it becomes unlawful for the issuer to comply with its obligations, the issuer is entitled to require full cash cover as described in "—Events of default."

Covenants

General and information covenants: There are various positive and negative covenants with which each Obligor must comply. Covenants include: gross-up for withholding tax, pay increased costs, indemnities (including for tax), maintaining authorisations, compliance with laws, restrictions on secured borrowings, restrictions on mergers, no change of business, maintaining corporate existence, preservation of assets, no change to centre of main interest, no change to financial year or auditors, pay taxes, *pari passu* ranking of debt, arm's-length transactions, restrictions on giving guarantees, restrictions on giving support to suppliers, restrictions on repaying intragroup loans, restrictions on dividends, restrictions on changes to directors, no change of control, compliance with US anti-terrorism laws and ERISA laws, annual and quarterly audited and management accounts, and annual budgets.

Financial covenants: There is one financial covenant, namely: maximum total debt to EBITDA ratio (currently the ratio is 3.75, changing to 2.71 on 1 January 2012 and to 2.15 on 1 July 2012). This financial covenant matches the one in each of the Facilities D and E. If the financial covenant is amended or no longer applied under Facilities D and E, the financial covenant under this facility will also be deemed amended or disapplied, but only with the consent of the issuer, which shall not be unreasonably withheld.

Events of default

The facility agreement sets out various events of default the occurrence of which allows the issuer to call for the applicant to place with it full cash cover for the issuer's obligations/contingent liability under the guarantee, appoint a director of the applicant and/or appoint a nominee to attend any shareholders' meeting of the applicant. Such events of default include (subject in certain cases to grace periods, thresholds and other qualifications) the same as those described for Facility A.

Security

The security package provided by the Obligors to the issuer is shared with certain other creditors pursuant to a security pool arrangement set out below in "—Intercreditor Arrangements—Intercreditor C" pursuant to which one of the creditor banks was appointed as security trustee. A description of this intercreditor agreement and certain other intercreditor agreements is set out below in "—Intercreditor Arrangements—Intercreditor C."

The second and third paragraphs of the "Security" section of Facility A apply to this facility.

Governing law

The facility agreement and the main security and other facility-related documents are governed by English law save for the guarantee and security agreement executed by Jaguar Land Rover North America, LLC which is governed by New York law and the Tata Motors comfort letter and guarantee letter which are governed by Indian law.

Facility G—£260.0 million 8+-year Secured Bilateral Guarantee Issuance Facility

General

Land Rover as applicant entered into a facility agreement dated 24 February 2010 (as subsequently amended) with a bank as issuer. The Export Companies and Jaguar Cars Limited are party to the facility agreement as guarantors. Jaguar Land Rover North America, LLC is party to the facility agreement as Obligor (Jaguar Land Rover North America, LLC under a separate agreement guarantees the facility). Tata Motors issued a comfort letter and a letter agreeing in principal to a form of guarantee, in favour of the issuer, the terms and legal nature of which letters we have not summarised. Each Obligor has provided security. The purpose of the facility is to issue a guarantee to support Facility D (referred to there as the primary guarantee). The guarantee was issued for a maximum amount of £260 million in favour of the lender in Facility E. The guarantee expires after eight years and 90 days.

Fees

Fees: The following fee is payable to the issuer under the facility: an annual fee of 3% of the guarantee amount. Any arrangement and other fees already paid are not covered in this summary.

Facility mechanics

Maturity: The guarantee expires after eight years and 90 days.

Indemnity: The applicant indemnifies the issuer for all losses suffered by the issuer relating to the issuance of the guarantee, including any sum the issuer pays out under the guarantee.

Mandatory cash cover: If it becomes unlawful for the issuer to comply with its obligations, the issuer is entitled to require full cash cover as described in "—Events of default" below.

Events of default

Same as for Facility F.

Covenants

General and information covenants: Same as for Facility F.

Financial covenants: Same as for Facility F.

Security

The security package provided by the Obligors to the issuer is shared with certain other creditors pursuant to a security pool arrangement set out in "—Intercreditor Arrangements—Intercreditor C" pursuant to which one of the creditor banks was appointed as security trustee. A description of this intercreditor agreement and certain other intercreditor agreements are set out in "—Intercreditor Arrangements—Intercreditor C."

The second and third paragraphs of the "Security" section of Facility A apply to this facility.

Governing law

Same as for Facility F.

Facility H—£200.0 million Uncommitted 1-year Single-currency Bilateral VAT Receivables Discounting Facility

General

Land Rover Exports Limited as seller entered into a receivables purchase agreement dated 13 May 2010 (as subsequently amended) with a bank as buyer. Land Rover guaranteed (under a separate guarantee) the seller's obligations. The facility is uncommitted (meaning there is no obligation on the buyer to purchase any receivables offered by the seller). The receivables comprise the right of the seller to make claims for and receive refunds from HM Customs & Excise ("HMRC") in relation to VAT. The facility's availability ends on 31 March 2012. The facility is revolving, and as a sold receivable matures and is paid, an equivalent sum becomes available for re-utilisation by the seller under the facility.

Interest and fees

Discount rate: The discount rate is the per annum interest rate equal to LIBOR plus 2% plus (if any) certain regulatory costs.

Default interest: If any sum due by the seller is not paid on its due date, default interest is payable at the per annum interest rate equal to the discount rate plus 2%.

Fees: Any arrangement and other fees already paid are not covered in this summary.

Recourse and mechanics

The buyer can compel the seller to repurchase a receivable if a dispute arises in relation to it, *force majeure* (as defined therein) delays or prevents the payment of the receivable, the seller is in breach of certain representations about the receivable, certain termination events have occurred in relation to the receivable or it becomes unlawful for the buyer to purchase or hold the receivable. The buyer may compel the seller to repurchase all receivables if a receivable remains unpaid after 37 days after the relevant VAT quarter end and remains unpaid after a further four weeks.

The buyer appoints the seller to collect the receivables. The buyer must maintain a collection account in its name with the buyer into which sold receivables must be paid.

The seller indemnifies the buyer in relation to certain circumstances relating to a receivable, such as a receivable not being paid into the collection account, any dispute with HMRC, any delay or error in filing a VAT return, invalidity or unenforceability of a receivable, breach of covenant by the seller, any deduction made by HMRC and the occurrence of a termination event (as defined).

Covenants

There are various positive and negative covenants with which the seller must comply. These covenants include: annual audited accounts, filing VAT returns, prohibition on creating security over the receivables and related monies in the collection account, not join a VAT group, devote attention and care to the administration and collection of the receivables, provide information, give access, pay taxes, gross up for withholding tax, indemnities (including for tax) and further assurance.

Security

The seller granted a fixed and floating charge in favour of the buyer over any rights or interest that the seller may hold in any receivable or in any money in the collection account relating to that receivable, notwithstanding the sale of that receivable to the buyer.

Termination events

The facility agreement sets out various termination events the occurrence of which allows the buyer to cancel the facility and to claim an indemnity for losses suffered as a result (and in certain circumstances to compel the seller to repurchase receivables). Such termination events include (subject in certain cases to grace periods, thresholds and other qualifications): non-payment, breach of other obligations, misrepresentation, distress, cessation of business, a material adverse change occurs or is likely to occur (meaning a material adverse effect on the business or assets of the seller or the validity or enforceability of any facility documents), insolvency, insolvency proceedings, unlawfulness, seller ceases to be a subsidiary of Tata Motors and the guarantee is unenforceable.

Governing law

The receivables purchase agreement, guarantee and security agreement are governed by English law.

Facility I—£140.0 million Uncommitted 1-year Single-currency Bilateral VAT Receivables Discounting Facility

General

Jaguar Cars Exports Limited as seller entered into a receivables purchase agreement dated 18 December 2006 (as subsequently amended) with a bank as buyer. Jaguar Cars Limited guaranteed (under a separate guarantee) the seller's obligations. The facility is uncommitted (meaning there is no obligation on the buyer to purchase any receivables offered by the seller). The receivables comprise the right of the seller to make claims for and receive refunds from HMRC in relation to VAT. The facility's availability ends on 15 November 2011. The facility is revolving, and as a sold receivable matures and is paid, an equivalent sum becomes available for re-utilisation by the seller under the facility.

Interest and fees

Discount rate: The discount rate is the per annum interest rate equal to LIBOR plus 2% plus (if any) certain regulatory costs.

Default interest: If any sum due by the seller is not paid on its due date, default interest is payable at the per annum interest rate equal to the discount rate plus 2%.

Fees: Any arrangement and other fees paid already paid are not covered in this summary.

Recourse and mechanics

The buyer can compel the seller to repurchase a receivable if a dispute arises in relation to it, *force majeure* (as defined therein) delays or prevents the payment of the receivable, the seller is in breach of certain representations about the receivable, certain termination events have occurred in relation to the receivable or it becomes unlawful for the buyer to purchase or hold the receivable. The buyer may compel the seller to repurchase all receivables if a receivable remains unpaid after 37 days after the relevant VAT quarter end and remains unpaid after a further four weeks.

The buyer appoints the seller to collect the receivables. The buyer must maintain a collection account in its name with the buyer into which sold receivables must be paid.

The seller indemnifies the buyer in relation to certain circumstances relating to a receivable such as a receivable not being paid into the collection account, any dispute with HMRC, any delay or error in filing a VAT return, invalidity or unenforceability of a receivable, breach of covenant by the seller, any deduction made by HMRC and the occurrence of a termination event (as defined therein).

Covenants

There are various positive and negative covenants with which the seller must comply. Covenants include: annual audited accounts, filing VAT returns, prohibition on creating security over the receivables and related monies in the collection account, not join a VAT group, devote attention and care to the administration and collection of the receivables, provide information, give access, pay taxes, gross up for withholding tax, indemnities (including for tax) and further assurance.

Security

The seller granted a fixed and floating charge in favour of the buyer over any rights or interest that the seller may hold in any receivable or in any money in the collection account relating to that receivable, notwithstanding the sale of that receivable to the buyer.

Termination events

The facility agreement sets out various termination events the occurrence of which allows the buyer to cancel the facility and to claim an indemnity for losses suffered as a result (and in certain circumstances to compel the seller to repurchase receivables). Such termination events include (subject in certain cases to grace periods, thresholds and other qualifications): non-payment, breach of other obligations, misrepresentation, distress, cessation of business, a material adverse change occurs or is likely to occur (meaning a material adverse effect on the business or assets of the seller or the validity or enforceability of any facility documents), insolvency, insolvency proceedings, unlawfulness, seller ceases to be a subsidiary of Tata Motors and the guarantee is unenforceable.

Governing law

The receivables purchase agreement, guarantee and security agreement are governed by English law.

Facility J—£20.0 million 2-year Single-currency Secured Bilateral Term Loan Facility

General

Land Rover as borrower entered into a facility agreement dated 26 January 2011 with a bank as lender. Jaguar Cars Limited is party to the facility agreement as guarantor. Jaguar Land Rover Automotive Trading (Shanghai) Co Limited provides security for the facility. As at the date of this Offering Memorandum, the principal drawn amount under the facility is £20.0 million. A standby letter of credit ("SBLC") for £30.3 million issued to the lender by a Chinese bank. All principal, interest and other sums must be repaid in full on 31 January 2013. The purpose of the facility is to finance the general working capital of the Manufacturing Group.

Interest

Interest: The per annum interest rate of 3.55%.

Default interest: If any sum due by the Land Rover, Jaguar Cars Limited and Jaguar Land Rover Automotive (Shanghai) Co Limited (collectively, the "Covenantors") is not paid on its due date, default interest is payable at the per annum interest rate of 2% plus the interest rate which would have applied if the unpaid sum had been a loan advanced under the facility.

Repayments and prepayments

Repayments: All principal, interest and other sums must be repaid in full on 31 January 2013.

Mandatory prepayments: If it becomes unlawful for the lender to comply with its obligations, the lender is entitled to require that the borrower immediately repay the facility in full. Upon a change of control the borrower must (if the lender instructs) immediately repay the facility in full. Change of control means (a) a disposal of all or substantially all of an Covenantor's assets or (b) a change of control of any Covenantor.

Voluntary prepayments: With the consent of the lender, all or part of the facility may be prepaid on giving seven business days' notice.

Redrawings: Any amount repaid or prepaid may not be redrawn.

Covenants

General and information covenants: There are various positive and negative covenants with which the borrower and guarantor must comply. Some of these covenants are customary for loans of this type in the London market and include: gross-up for withholding tax, pay increased costs, indemnities (including for tax), maintaining authorisations, compliance with laws, restrictions on mergers, no change of business, maintaining corporate existence, preservation of assets, no change to centre of main interest, no change to financial year or auditors, pay taxes and *pari passu* ranking of debt. Other covenants include: no change of control, compliance with US anti-terrorism laws and ERISA laws, annual and quarterly audited and management accounts, and annual budgets, certain compliance by the Manufacturing Group with US Office of Foreign Asset Control ("OFAC") and US Foreign Corrupt Practices Act ("FCPA") laws and compliance by the Manufacturing Group with UK money laundering laws.

Events of default

The facility agreement sets out various events of default the occurrence of which allows the lender to cancel the facility, demand immediate payment of principal, interest and other sums, place the facility on demand and/or enforce any rights or security. Such events of default include (subject in certain cases to grace periods, thresholds and other qualifications): non-payment, breach of other obligations, misrepresentation, cross-default, insolvency, insolvency proceedings, creditors' process, Jaguar Land Rover Automotive Trading (Shanghai) Co Limited ceasing to be a member of the Manufacturing Group, unlawfulness or invalidity of obligations or agreements, breach, repudiation or rescission by any party (other than the lender) to any facility related agreement (including certain intercreditor and subordination agreements), a material adverse change occurs or is likely to occur (meaning a material adverse effect on the business or assets of any Covenantor or the Manufacturing

Group, the ability of any Covenantor to comply with the facility documents or the validity or enforceability of any facility documents), cessation of business, expropriation, litigation and certain ERISA-related events.

Credit support

The facility is supported by the standby letter of credit. The standby letter of credit was issued by the Chinese bank at the application of Jaguar Land Rover Automotive Trading (Shanghai) Co Limited under a facility letter between Jaguar Land Rover Automotive Trading (Shanghai) Co Limited and the SBLC issuer. As security for Jaguar Land Rover Automotive Trading (Shanghai) Co Limited's reimbursement obligations in relation to payments made by the SBLC issuer under the standby letter of credit, Jaguar Land Rover Automotive Trading (Shanghai) Co Limited placed a deposit of Chinese renminbi 209.5 million in a blocked account in its name with the SBLC issuer and granted a Chinese law charge over the account in favour of the SBLC issuer.

Hedging arrangements

The facility agreement contains an embedded non-deliverable forward. On the scheduled maturity date, the principal amount outstanding of the loan due to be repaid will be adjusted to take account of movements in the sterling and Chinese renminbi exchange rate between the date falling two business days prior to the relevant utilisation being made (being the date on which the "forward rate" is agreed) and two days prior to such scheduled maturity date. Where the relevant exchange rate on the second business day prior to the scheduled maturity date is (i) greater than the forward rate, the principal amount outstanding of the loan will be reduced by an amount calculated by reference to such excess and (ii) lower than the forward rate, the principal amount outstanding of the loan will be increased by an amount calculated by reference to such deficit.

Where the loan is accelerated or otherwise cancelled, prepaid or repaid (either in whole or in part) prior to its scheduled maturity date, the principal amount due to be repaid will be adjusted to take into account the cost of unwinding such non-deliverable forward arrangement. Such unwind cost will be determined in the manner set out in the 2002 ISDA Master Agreement as if a transaction reflecting such non-deliverable forward arrangement had been entered into thereunder and may result in either an increase or decrease in the principal amount outstanding due to be repaid on such date of early repayment, depending on whether such unwind cost would be deemed to be payable either to or from the borrower.

Governing law

The facility agreement and is governed by English law and the standby letter of credit facility letter, account charge and standby letter of credit are governed by Chinese law.

Facility K—£20.0 million 1-year Single-currency Secured Bilateral Term Loan Facility

General

Land Rover as borrower entered into a facility agreement dated 31 March 2011 with a bank as lender. Jaguar Cars Limited is party to the facility agreement as guarantor. Jaguar Land Rover Automotive Trading (Shanghai) Co Limited provides security for the facility. As at the date of this Offering Memorandum, the principal drawn amount under the facility is £20.0 million. A standby letter of credit for US$29.2 million issued to the lender by a Chinese bank. All principal, interest and other sums must be repaid in full on 8 April 2012. The purpose of the facility is to finance the general working capital of the Manufacturing Group.

Interest and fees

Interest: The per annum interest rate of 3.25%.

Default interest: Same as for Facility J.

Repayment and prepayment

Repayments: All principal, interest and other sums must be repaid in full on 8 April 2012.

Mandatory prepayments: Same as for Facility J.

Voluntary prepayments: Same as for Facility J.

Redrawings: Same as for Facility J.

Covenants

Same as for Facility J.

Events of default

Same as for Facility J.

Credit support

The facility is supported by the standby letter of credit. The standby letter of credit was issued by the issuer at the application of Jaguar Land Rover Automotive Trading (Shanghai) Co Limited under a facility letter between Jaguar Land Rover China and the issuer. As security for Jaguar Land Rover Automotive Trading (Shanghai) Co Limited's reimbursement obligations in relation to payments made by the issuer under the standby letter of credit, Jaguar Land Rover Automotive Trading (Shanghai) Co Limited placed a deposit of Chinese renminbi 210.65 million in a blocked account in its name with the issuer and granted a Chinese law charge over the account in favour of the Issuer.

Hedging arrangements

Same as for Facility J.

Governing law

Same as for Facility J.

Facility L—US$450.0 million Full Recourse Committed and Uncommitted Multiple-currency Bilateral Invoice Discounting Facility

General

The Export Companies as sellers entered into an amended and restated invoice discounting facility agreement dated 11 March 2011 with a bank as buyer. Each Export Company is party to the facility agreement as guarantor of the other Export Company, and the Export Companies are jointly and severally liable under the facility agreement. US$250.0 million of the facility is committed (subject to certain conditions such as eligibility criteria (e.g. credit insurance coverage) and no greater than 180-day maturity) and US$200.0 million is uncommitted and at the discretion of the buyer. The receivables are generated from sales of finished vehicles and Land Rover spare parts and accessories. The facility terminates on 31 December 2011 save the buyer may on 90 days' notice terminate earlier. The facility is revolving, and as a sold receivable matures and is paid, an equivalent sum becomes available for re-utilisation by the sellers under the facility.

Rates, interest and fees

Discount rate: Under the committed facility, the discount rate is the per annum interest rate equal to the relevant currency's LIBOR plus 2.5%. Under the uncommitted facility, the discount rate is the per annum interest rate equal to the relevant currency's LIBOR plus 1.5%.

Default interest: If any sum due by the sellers is not paid on its due date, default interest is payable at the per annum interest rate of LIBOR plus 2%.

Fees: The following fees are payable to the buyer under the facility: a quarterly fee of 0.1% of the committed facility limit and a quarterly fee at a rate per annum of 0.85% applied against the daily unutilised available committed facility. Any arrangement and other fees paid already paid are not covered in this summary.

Recourse

On payment by the buyer of the purchase price for a receivable (the purchase price being the net present value of the receivable using the relevant discount rate), all rights relating to that receivable (including the benefit of any credit insurance) is assigned by way of sale to the buyer from the relevant seller. Unless a receivable defaults, no notice of assignment is given to the debtor.

If a sold receivable is not paid on its due date other than as a result of a commercial dispute (as defined), the relevant seller must pay the buyer a sum equal to any uninsured portion of that receivable (plus interest from that due date). Notwithstanding the foregoing, if the receivable remains unpaid after 21 days, the relevant seller much pay the buyer a sum equal to that receivable (plus interest from that due date), at which point that receivable is assigned by way of sale back to that seller by the buyer. If a sold receivable is not paid on its due date as a result of a commercial dispute, the relevant seller must immediately pay the buyer a sum equal to that receivable (plus interest from that due date), at which point that receivable is assigned by way of sale back to that seller by the buyer.

Covenants

There are various positive and negative covenants with which the sellers must comply. Covenants include: a wide indemnity for losses suffered by the buyer in certain circumstances (such as misrepresentation, non-payment by the sellers, non-compliance with insurance, non-payment of taxes or an event of default occurs), indemnities, pay increased costs, minimise losses on receivables, cooperate with and assist the buyer, no amendments to supply contracts and insurances, perfect rights, ensure receivables paid to accounts held with the buyer, pay taxes, comply with insurance policies and gross-up for withholding tax.

Events of default

The facility agreement sets out various events of default the occurrence of which allows the buyer to cancel the facility and require the repayment of all accrued or outstanding amounts. Such events of default include (subject in certain cases to grace periods, thresholds and other qualifications): non-payment, breach of other obligations, misrepresentation, cross-default, insolvency, insolvency proceedings, distress, enforcement of security, unlawfulness or invalidity of obligations or agreements, repudiation by any seller or insurer of the facility agreement or insurance policy, crystallisation of any floating charges, appointment of an administrator pursuant to a floating charge, a material adverse change occurs or is likely to occur (meaning a material adverse effect on the financial condition or assets of the sellers, the ability of the sellers to comply with the facility documents or the validity or enforceability of any facility documents) and an event of indemnity (as defined) occurs.

Governing law

The facility agreement is governed by English law.

Facility M—US$300.0 million 5-year single-currency bilateral term loan facility

General

Jaguar Land Rover PLC as borrower entered into a facility agreement (called "private agreement") dated 18 October 2010 (as subsequently amended) with a commercial lender as lender. The facility was arranged by a third party arranger. As at the date of this Offering Memorandum, the facility is undrawn and its availability period has expired. However, we continue to be in discussions with the lender about activating the facility and drawing it in full. The facility agreement was supplemented by an undertaking given by the borrower to the lender dated 18 October 2010. All principal, interest and other sums must be repaid in full on the fifth anniversary of the SKR (defined below).

Rates, interest and fees

Interest: Interest on any loan advanced under the facility is payable annually in arrear. The per annum interest rate payable is 1-year US dollar LIBOR plus a margin of 2.55%.

Fees: The following fees are payable to the arranger and the custodian: a one-off arrangement fee of US$1.2 million is to be paid to the arranger upon or after first drawdown; and an annual fee of US$250,000 is to be paid by the borrower to the custodian. Any arrangement and other fees paid at or about the time that the facility agreement was entered into are not covered in this summary.

Repayments and prepayments

Repayments: All principal, interest and other sums must be repaid in full on the fifth anniversary of the date of the SKR.

Mandatory prepayments: If prior to maturity of the loan, the borrower instructs the Custodian (defined below) to release the Share Certificates (defined below), the loan and accrued interest shall be payable on one business day's demand by the lender.

Voluntary prepayments: On or after the second anniversary of the loan disbursement, the borrower may prepay all or any part of the loan (together with all accrued but unpaid interest thereon) on giving three months' prior written notice.

Covenants

There are various positive and negative covenants with which the borrower must comply including confidentiality and a prohibition on disposing or granting security over the shares the Underlying Shares (defined below).

Custody arrangement

Pursuant to the terms of the facility agreement, the borrower has deposited the following share certificates (the **"Share Certificates"**) with BSI Bank Limited Singapore Branch (the **"Custodian"**): certificate in the name of the borrower representing 21,939,800,000 ordinary shares in Land Rover (constituting 32.6% of all the issued share capital of Land Rover) and certificate in the name of the borrower representing 707,141,822 ordinary shares in Jaguar Cars Limited (constituting 32.6% of all the issued share capital of Jaguar Cars Limited). The shares the subject of the Share Certificates are referred to as the **"Underlying Shares"**.

The Share Certificates have been deposited by the borrower with the Custodian against which the Custodian has issued a safe keeping receipt (the **"SKR"**) dated 6 January 2011 addressed to the borrower as applicant and the lender as beneficiary. In the SKR the Custodian confirms that it will not release the Share Certificates without the borrower's written consent or instructions.

It is expressly confirmed by the borrower and the lender in the facility agreement that no security interest or trust is granted or created by the borrower in favour of the lender in or over the Share Certificates, the Underlying Shares or any dividends or other rights relating to them.

Governing law

The facility agreement and undertaking are governed by English law and the SKR is governed by Singapore law.

Intercreditor Arrangements

Intercreditor A

The security trustee under Facility C, the security trustee under Facilities A, F and G (the "Pool Facilities") and the Obligors have entered into intercreditor and priority arrangements to govern the ranking, priority and administration of the various overlapping and competing security arrangements referred above in relation to those facilities.

Any recoveries made under security which arise from the Facility C priority assets (namely unfinished and finished vehicles, and related insurances) will be applied first against Facility C and then Pool Facilities. Any recoveries made under security which arise from the Pool Facilities priority assets (namely land, buildings, plant and machinery, and related insurances, at the main sites of the Manufacturing Companies in England) will be applied first against the Pool Facilities and then Facility C. Before any security enforcement (including appointment of an administrator), and save in an emergency, the security trustees agree to consult for 30 days. Standing consent is given by the security trustees to the Export Companies and the Manufacturing Companies granting, in certain circumstances and on certain conditions, first-ranking security over any non-priority assets to another creditor and/or *pari passu* ranking all-asset floating charges to another creditor.

Intercreditor B

The security trustees referred to in "—Intercreditor A" above and the Manufacturing Companies entered into intercreditor and priority arrangements with the pension funds trustees of the Manufacturing Companies (referred to in footnote 2 in "Summary—Corporate and Financing Structure") to govern the ranking, priority and administration of the various overlapping and competing security arrangements held by the security trustees and pension funds trustees.

The security granted by the Manufacturing Companies to the pension funds trustees takes the form of (i) a fixed charge over all present and future trademarks, service marks, domain names, trade names, logos and associated or similar rights anywhere in the world and (ii) a floating charge over all present and future assets. Pursuant to the intercreditor arrangements, the security ranks second behind the security held by the security trustees. The pension funds trustees are not entitled to appoint an administrator or other insolvency officer as a consequence of the security they hold.

Intercreditor C

The lenders under the Pool Facilities, the security trustee appointed by them and the Obligors entered into an intercreditor agreement to govern the sharing and administration of a common pool of security granted by the Obligors to the lenders, such security referred to above in this section on

"Description of Other Indebtedness." Land Rover must pay an annual fee to the security trustee of £25,000. Any arrangement and other fees already paid are not covered in this summary.

The security pool is shared between the lenders *pari passu* and no new security or guarantees can be given by the Obligors to any lender unless they all receive the same. The Obligors agree to maintain a minimum security coverage ratio and agree that no one lender shall have a more favourable position that the others in relation to certain types of provisions (called a most favoured nation clause). The Obligors may borrow more from any lender, and introduce new lenders into the security pool, subject to a number of conditions, including that the security coverage ratio is maintained.

Upon completion of the issue of the Notes, we expect Facility A to become an unsecured facility and therefore cease to be a Pool Facility and withdraw from these intercreditor arrangements.

Hedging Facilities

As a result of trading in overseas markets, we have significant currency exposures, principally arising from US dollar revenue and euro-denominated costs. We use foreign currency forward contracts and option contracts to hedge the risks arising from exposure to foreign currency fluctuations relating to highly probable forecast transactions. We expect that these arrangements will remain in place following the offering of the Notes. As at 31 December 2010, we have hedged sterling–dollar and euro–dollar currency exposures of approximately £3,200.0 million until the end of Fiscal 2012 through credit lines agreed with 13 banks. The estimated market value associated with terminating these hedging lines is £9.7 million as at 31 December 2010.

DESCRIPTION OF THE NOTES

The Notes are issued under and governed by an Indenture, dated May 19, 2011 (the "Indenture"). The Indenture is between the Issuer, the Guarantors and Citibank, N.A., London Branch, as Trustee. Copies of the form of the Indenture are available upon request to the Issuer.

You will find the definitions of capitalized terms used in this description either in the body of this section or at the end of this section under "—Certain Definitions."

Application has been made to list each series of Notes on the Luxembourg Stock Exchange. The Notes are expected to be designated for trading on its Euro MTF Market.

The Indenture will not be qualified under the Trust Indenture Act of 1939, as amended. The terms of the Notes will include those stated in the Indenture.

General

The Notes

The Notes:

- are general unsecured, senior obligations of the Issuer;
- are being offered in an aggregate principal amount of £1,000,000,000 equivalent;
- mature on May 15, 2018 (the "2018 Notes") or on May 15, 2021 (the "2021 US Dollar Notes");
- will be issued in denominations of £100,000 and integral multiples of £1,000 in excess thereof, in the case of the 2018 Sterling Notes, and denominations of $150,000 and integral multiples of $1,000 in excess thereof, in the case of the US Dollar Notes;
- will be represented by one or more global notes in registered form without interest coupons attached. See "Book-Entry; Delivery, and Form";
- rank equally in right of payment to any existing and future senior unsecured Indebtedness of the Issuer; and
- will be repaid at par in pounds sterling, in the case of the 2018 Sterling Notes, and US dollars, in the case of the US Dollar Notes.

Additional Notes

The Issuer in a supplemental indenture relating to additional notes in the applicable currency may issue additional notes (the "Additional Notes", as the case may be), from time to time after this offering subject to the provisions of the Indenture described below under "—Certain Covenants", including, without limitation, the covenant set forth under "—Certain Covenants—Limitation on Incurrence of Indebtedness." The Notes offered hereby and, if issued, any Additional Notes subsequently issued under an Indenture will be treated as a single class for all purposes under that Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase (provided that, if any additional notes are not fungible with existing notes of the same class for U.S. federal income tax purposes, such additional notes shall have a separate CUSIP, if any).

Interest

Interest on the Notes will:

- accrue at the rates of 8.125%, 7.750% and 8.125% for the 2018 Sterling Notes, the 2018 US Dollar Notes and the 2021 US Dollar Notes, respectively, per annum;

- accrue from the date of issuance or the most recent interest payment date;
- be payable in cash semi-annually in arrears on and, commencing on November 15, 2011, with the first interest payment covering the period from the Issue Date to November 15, 2011.
- be payable semi-annually on May 15 and November 15 of each year to the holders of record on May 1 and November 1, as the case may be, immediately preceding the related interest payment dates; and
- be computed on the basis of a 360-day year comprised of twelve 30-day months.

The yields calculated at issuance of the 2018 Sterling Notes, the 2018 US Dollar Notes and the 2021 US Dollar Notes were 8.125%, 7.750% and 8.125%, respectively. Your yield will depend on the price at which you purchase the 2018 Notes or the 2021 US Dollar Notes.

Guarantees

The obligations of the Issuer under the Notes, including the repurchase obligation of the Issuer resulting from a Change of Control, will be unconditionally guaranteed, on a joint and several basis, by Jaguar Cars Ltd., Land Rover, Jaguar Cars Exports Ltd., Land Rover Exports Ltd., Jaguar Land Rover North America, LLC, and any future guarantors of the Notes as described below under "—Certain Covenants—Limitation on Guarantees" (the "Guarantors"). These guarantees (the "Note Guarantees) by the Guarantors will not exceed the maximum amount that can be guaranteed by the applicable Guarantor without rendering the Note Guarantee, as it relates to the Guarantor, voidable or unenforceable under applicable laws affecting the rights of creditors generally.

Under the Indenture, a Guarantor may consolidate with, merge with or into, or transfer all or substantially all of its assets to any other Person as described below under "—Certain Covenants—Consolidation, Merger and Sales of Assets" and "—Certain Covenants—Limitations on Asset Sales." However, if the other Person is not the Issuer or a Guarantor, such Guarantor's obligations under its Note Guarantees must be expressly assumed by such other Person. Upon the sale or other disposition (including by way of consolidation or merger) of a Guarantor, or the sale or disposition of all or substantially all the assets of a Guarantor (in each case other than to the Issuer), such Guarantor will be released and relieved from all its obligations under its Note Guarantees, subject to the limitations below under "—Certain Covenants—Limitations on Asset Sales."

The Note Guarantee of a Guarantor will be released:

(1) in connection with any sale or other disposition of all or substantially all of the assets of that Guarantor (including by way of merger, consolidation, amalgamation or combination) to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary, if the sale or other disposition does not violate the covenants on "—Consolidation, Merger and Sales of Assets" or "—Limitations on Asset Sales";

(2) in connection with any sale or other disposition of Capital Stock of that Guarantor (or Capital Stock of any Parent Holdco of such Guarantor (other than the Issuer)) to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary, if the sale or other disposition does not violate the covenants on "—Consolidation, Merger and Sales of Assets" or "—Limitations on Asset Sales" and the Guarantor ceases to be a Restricted Subsidiary as a result of the sale or other disposition;

(3) in connection with any sale or other disposition of all or substantially all of the assets of that Guarantor (including by way of merger, consolidation, amalgamation or combination) to another Guarantor, if the sale or other disposition does not violate the covenants on "—Consolidation, Merger and Sales of Assets" or "—Limitations on Asset Sales";

(4) upon the release of the Guarantee, security or Indebtedness that gave rise to the obligations to Guarantee the Notes, so long as no other Indebtedness of the Issuer or a Restricted Subsidiary is at that time guaranteed or secured by such Guarantor in a manner that would require the granting of a Note Guarantee;

(5) if the Issuer designates any Restricted Subsidiary that is a Guarantor to be an Unrestricted Subsidiary in accordance with the covenant on "—Designation of Restricted and Unrestricted Subsidiaries";

(6) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions "—Defeasance" and "—Satisfaction and Discharge";

(7) upon the full and final payment of the Notes and performance of all Obligations of the Issuer and the Guarantors under the Indenture and the Notes; or

(8) as described under the caption "—Amendments and Waivers."

Upon any occurrence giving rise to a release of a Note Guarantee, as specified above, the Trustee, subject to receipt of certain documents from the Issuer and/or Guarantor, will execute any documents reasonably required in order to evidence or effect such release, discharge and termination in respect of such Note Guarantee. Neither the Issuer, the Trustee nor any Guarantor will be required to make a notation on the Notes to reflect any such release, discharge or termination.

Ranking

The Notes will be senior unsecured obligations of the Issuer and the Note Guarantees will be senior unsecured obligations of the Guarantors. The payment of the principal of, premium, if any, and interest on the Notes and the obligations of the Guarantors under the Note Guarantees will:

- rank *pari passu* in right of payment with all other Indebtedness of the Issuer and the Guarantors, as applicable, that is not by its terms expressly subordinated to other Indebtedness of the Issuer and the Guarantors, as applicable;
- rank senior in right of payment to all Indebtedness of the Issuer and the Guarantors, as applicable, that is, by its terms, expressly subordinated to the senior Indebtedness of the Issuers and the Guarantors, as applicable; and
- be effectively subordinated to the Secured Indebtedness of the Issuer and the Guarantors, as applicable, to the extent of the value of the collateral securing such Indebtedness, and to the Indebtedness of the Subsidiaries that are not Guarantors of the Notes.

Form of Notes

The Notes will be represented initially by global notes in registered form. 2018 Sterling Notes and US Dollar Notes initially offered and sold in reliance on Rule 144A under the Securities Act ("Rule 144A") will be represented by global Notes (the "Rule 144A Global Notes"); 2018 Sterling Notes and US Dollar Notes initially offered and sold in reliance on Regulation S under the Securities Act ("Regulation S") will be represented by additional global Notes (the "Regulation S Global Notes"). The combined principal amounts of the Sterling Rule 144A Global Note and the Sterling Regulation S Global Note (together, the "Sterling Global Notes") will at all times represent the total outstanding principal amount of the 2018 Sterling Notes represented thereby. The combined principal amounts of the Dollar Rule 144A Global Note and the Dollar Regulation S Global Note (together, the "Dollar Global Notes") will at all times equal the outstanding principal amount of the US Dollar Notes represented thereby.

The global notes representing the 2018 Sterling Notes (the "Sterling Global Notes") will be deposited with a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream Banking. The global notes representing the US Dollar Notes (the "Dollar Global Notes") will be deposited with a custodian and registered in the name of Cede & Co., as nominee for DTC, in each case for credit to an account of a direct or indirect participant in DTC (including Euroclear and Clearstream Banking). The Sterling Global Notes and the Dollar Global Notes are collectively referred to as the "Global Notes".

Ownership of interests in the Global Notes (the "Book-Entry Interests") will be limited to persons that have accounts with DTC, Euroclear and/or Clearstream Banking, as applicable, or persons that hold interests through such participants. DTC, Euroclear and Clearstream Banking will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries. Except under the limited circumstances described in "Book-Entry; Delivery and Form". Book-Entry Interests will not be held in definitive certificated form.

Paying Agent and Registrar

Citibank, N.A., London Branch, will initially act as paying agent (the "Paying Agent") for the Notes. Citibank, N.A., London Branch, will initially act as registrar (the "Registrar") for the Notes. The Issuer may change the Paying Agent or Registrar for the Notes, and the Issuer may act as Registrar for its Notes. For further information on payments on the Notes and transfers of the Notes, see "Book-Entry; Delivery, and Form".

Optional Redemption

Optional Redemption of the 2018 Notes prior to May 15, 2014 and the 2021 US Dollar Notes prior to May 15, 2016

At any time prior to May 15, 2014, in the case of the 2018 Notes, and May 15, 2016, in the case of the 2021 US Dollar Notes, upon not less than 30 nor more than 60 days' written notice, the Issuer may redeem, at its option, at redemption prices equal to 100% of the principal amount of the applicable series of Notes being redeemed plus accrued interest, if any, to the applicable redemption date, plus the excess of:

- as determined by the calculation agent the sum of the present values of the remaining scheduled payments of principal and interest on the Notes being redeemed not including any portion of such payment of interest accrued on the date of redemption, from the redemption date to the maturity date, discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Gilt Rate (in the case of the 2018 Sterling Notes) or the Treasury Rate (in the case of the US Dollar Notes) plus, in each case, 50 basis points; over
- 100% of the principal amount of the Notes being redeemed.

If such optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest, if any, will be paid to the Person in whose name the Note is registered at the close of business on such record date, and no additional interest will be payable to beneficial holders whose Notes will be subject to redemption by the Issuer.

In the case of any partial redemption, the Trustee will select the Notes for redemption in compliance with the requirements of the principal securities exchange, if any, on which the Notes are listed, as certified by the Issuer to the Trustee, or, if the Notes are not listed, then on a pro rata basis, by lot or by such other method as the Trustee in its sole discretion will deem to be fair and appropriate, although no 2018 Sterling Note of £100,000 in original principal amount or less, and no

US Dollar Note of $150,000 in original principal amount or less, will be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption relating to that Note will state the portion of the principal amount thereof to be redeemed. A new Note in principal amount equal to the unredeemed portion thereof will be issued and delivered in the name of the holder thereof upon cancellation of the original Note.

Any such redemption and notice may, in the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent.

Optional redemption of the Notes upon an Equity Offering

At any time prior to May 15, 2014, upon not less than 30 nor more than 60 days' written notice, the Issuer may on any one or more occasions redeem up to 35% of the aggregate principal amount of the applicable series of Notes at a redemption price equal to 108.125% of the principal amount of the 2018 Sterling Notes and 2021 US Dollar Notes being redeemed and a redemption price equal to 107.750% of the principal amount of the 2018 US Dollar Notes being redeemed, as applicable, in each case plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the redemption date (subject to the rights of holders of the Notes on the relevant record date to receive interest on the relevant interest payment date), with the net cash proceeds from one or more Equity Offerings. The Issuer may only do this, however, if:

(a) at least 65% of the aggregate principal amount that was initially issued of the series of Notes being redeemed (excluding Notes within such series that are held by the Issuer or any of its Subsidiaries) would remain outstanding immediately after the occurrence of such proposed redemption; and

(b) the redemption occurs within 90 days after the closing of such Equity Offering.

Notice of any redemption upon any Equity Offering may be given prior to the completion thereof, and any such redemption or notice may, at the Issuer's discretion, be subject to one or more conditions precedent, including, but not limited to, completion of the related Equity Offering.

Any such redemption and notice may, in the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent.

Optional Redemption of the 2018 Notes on or after May 15, 2014 and the 2021 US Dollar Notes on or after May 15, 2016

At any time on or after May 15, 2014, in the case of the 2018 Notes, and May 15, 2016, in the case of the 2021 US Dollar Notes, and prior to maturity, upon not less than 30 nor more than 60 days' written notice, the Issuer may redeem all or part of the applicable series of Notes. These redemptions will be in amounts of £100,000 or integral multiples of £1,000 in excess thereof, in the case of the 2018 Sterling Notes, and in amounts of $150,000 or integral multiples of $1,000 in excess thereof, in the case of the US Dollar Notes, at the following redemption prices (expressed as percentages of their principal amount at maturity), plus accrued and unpaid interest, if any, to, but not including, the redemption date, if redeemed during the 12-month period commencing on the anniversary of the Issue Date in each of the years set forth below. This redemption is subject to the right of holders of record on the relevant regular record date that is prior to the redemption date to receive interest due on an interest payment date.

Year	2018 Sterling Notes redemption prices
2014	106.094%
2015	104.063%
2016	102.031%
2017 and thereafter	100.000%

Year	2018 US Dollar Notes redemption prices
2014	105.813%
2015	103.875%
2016	101.938%
2017 and thereafter	100.000%

Year	2021 US Dollar Notes redemption prices
2016	104.063%
2017	102.708%
2018	101.354%
2019 and thereafter	100.000%

Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portion thereof called for redemption on the applicable redemption date. Any such redemption or notice may, at the Issuer's discretion, be subject to one or more conditions precedent.

Redemption for Changes in Withholding Taxes

The Issuer is entitled to redeem the Notes issued by it, at its option, in whole but not in part, upon not less than 30 nor more than 60 days' notice, at 100% of the principal amount of such Notes, plus accrued and unpaid interest (if any) to the date of redemption (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if arising due to a Change in Tax Law:

(a) In the case of the Issuer or any Guarantor, as the case may be, the Issuer or Guarantor has, or would, on the next date on which any amount would be payable with respect to such Notes, become obligated to pay to the holder or beneficial owner of any Note any Additional Amounts (as defined below under—Additional Amounts); and

(b) in the case of any Guarantor, (A) such Guarantor would be unable, for reasons outside its control, to procure payment by the Issuer or (B) the procuring of such payment by the Issuer would be subject to withholding taxes imposed by a Relevant Taxing Jurisdiction (as defined below under "—Additional Amounts"),

provided, however, that the Issuer determines, in its reasonable judgment, that the obligation to pay such Additional Amounts cannot be avoided by the use of reasonable measures available to it, and *provided, further*, that at the time such notice is given, such obligation to pay Additional Amounts (as defined below) remains in effect.

For purposes hereof, a "Change in Tax Law" shall mean:

any change in or an amendment to the laws, treaties, regulations or rulings of any Relevant Taxing Jurisdiction (as defined below under "Additional Amounts"), including any change in the application, administration or administrative or judicial interpretation of such laws, treaties, regulations or rulings; which change or amendment has not been publicly announced as formally proposed before and which becomes effective on or after the Issue Date (or, if the Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction on a date after the Issue Date, such later date).

Notice of any such redemption shall be irrevocable. Prior to the publication or, where relevant, mailing of any notice of redemption described in this paragraph, the Issuer shall deliver to the Trustee an Officer's Certificate stating that the Issuer is entitled to effect such redemption in accordance with the terms set forth in the Indenture and setting forth in reasonable detail a statement of the facts relating thereto (together with a written Opinion of Counsel to the effect that the Issuer or any Guarantor has become obligated to pay such additional amounts as a result of a change or amendment described above).

The foregoing provisions shall apply *mutatis mutandis* to any successor Person, after such successor Person becomes a party to the Indenture, with respect to a Change in Tax Law occurring after the time such successor Person becomes a party to the Indenture.

Additional Amounts

All payments made under or with respect to the Notes under the Indenture or pursuant to any Note Guarantee shall be made free and clear of and without withholding or deduction for or on account of any present or future Taxes imposed or levied by or on behalf of (i) the United Kingdom or any political subdivision or governmental authority thereof or therein having the power to tax; (ii) any jurisdiction from or through which payment on the Notes or any Note Guarantee is made, or any political subdivision or governmental authority thereof or therein having the power to tax; or (iii) any other jurisdiction in which the Issuer or any Guarantor is incorporated or organized, engaged in business for tax purposes or resident for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax (each a "Relevant Taxing Jurisdiction"), unless the Issuer or any Guarantor is required to withhold or deduct Taxes by law or by the interpretation or administration thereof by the relevant government authority or agency. If the Issuer or any Guarantor is so required to withhold or deduct any amount for or on account of Taxes imposed or levied by or on behalf of any Relevant Taxing Jurisdiction from any payment made under or with respect to the Notes or any Note Guarantee, such Issuer or such Guarantor, as the case may be, will pay such additional amounts ("Additional Amounts") as may be necessary so that the net amount (including Additional Amounts) received by each holder after such withholding or deduction (including any withholding or deduction on such Additional Amounts) will not be less than the amount such holder would have received if such Taxes had not been withheld or deducted; *provided, however,* that no Additional Amounts will be payable with respect to payments made to any holder or beneficial owner for or on account of:

(a) any Taxes that would not have been imposed, assessed, levied or collected but for the existence of a present or former business or personal connection between the holder or beneficial owner of the Notes or applicable Note Guarantee and the Relevant Taxing Jurisdiction imposing such Taxes (other than the mere holding of the Notes or any Note Guarantees);

(b) any Taxes that would not have been imposed, assessed, levied or collected but for the fact that where presentation is required, the applicable Note or Note Guarantee was presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that a holder would have been entitled to such Additional Amounts if it had presented the

Note or Note Guarantee, as applicable, on any day during the 30-day period ending on such Relevant Date;

(c) any Taxes that would not have been imposed, assessed, levied or collected had the holder or beneficial owner of the Notes or any Note Guarantee complied, on a timely basis, with a written request of an Issuer or any Guarantor for any applicable information or certification that would have, if provided on a timely basis, permitted the payment to be made without withholding or deduction (or with a reduced rate of withholding or deduction);

(d) any withholding or deduction imposed on a payment to or for the benefit of an individual that is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council Meeting of November 26-27, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive, or pursuant to any European Union legislation amending or replacing such Directive;

(e) any withholding or deduction imposed on the applicable Note or Note Guarantee that is presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the Note or Note Guarantee to another paying agent in a Member State of the European Union;

(f) any estate, inheritance, gift, sales, excise, transfer, personal property or similar Taxes;

(g) any Taxes payable other than by deduction or withholding from payments under, or with respect to, the Notes or with respect to any Note Guarantee; or

(h) any Taxes that are payable on account of any combination of (a) through (g) above.

In addition, Additional Amounts will not be paid in respect of any payment in respect of the Notes or any Note Guarantee to any holder or beneficial owner of the applicable Notes or Note Guarantee that is a fiduciary, a partnership, a limited liability company or any person other than the sole beneficial owner of such payment to the extent such payment would be required by the laws of a Relevant Taxing Jurisdiction to be included in the income for tax purposes of a beneficiary or settlor with respect to such fiduciary, a member of such partnership, an interest holder in such limited liability company or a beneficial owner that would not have been entitled to such Additional Amounts had such beneficiary, settlor, member, interest holder or beneficial owner been the holder of such Notes or Note Guarantee.

For purposes of the foregoing, the "Relevant Date" means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the monies payable has not been received by the Paying Agent on or prior to such due date, the Relevant Date means the first date on which, the full amount of such monies having been so received and being available for payment to Holders, notice to that effect has been duly given to the Holders.

Wherever in the Indenture or the Notes or any Note Guarantee there are mentioned, in any context, (1) the payment of principal, (2) purchase prices in connection with a purchase of Notes under the Indenture or the Notes, (3) interest or (4) any other amount payable on or with respect to any of the Notes or any Note Guarantee, such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

At least 30 days prior to each date on which payment of principal, premium, if any, interest or other amounts on the Notes or any Note Guarantee is to be made (unless an obligation to pay Additional Amounts arises less than 45 days prior to that payment date, in which case it shall be promptly thereafter), if the Issuer or any Guarantor will be obligated to pay Additional Amounts with respect to any such payment, such Issuer will promptly furnish the Trustee and the Paying Agent, if other than the Trustee, with an Officer's Certificate stating that such Additional Amounts will be payable and the amounts estimated to be so payable, and will set forth such other information necessary to enable the Trustee or the Paying Agent to pay such Additional Amounts to the holders on the payment date.

The Issuer or the relevant Guarantor will make all withholdings and deductions required by law and will remit the full amount deducted or withheld to the relevant tax authority in accordance with applicable law. The Issuer or the relevant Guarantor will use its reasonable efforts to obtain tax receipts from each tax authority evidencing the payment of any Taxes so deducted or withheld. The Issuer or the relevant Guarantor will furnish to the Trustee, within a reasonable time after the date the payment of any Taxes so deducted or withheld is made, certified copies of tax receipts evidencing payment by the Issuer or a Guarantor, as the case may be, or if, notwithstanding such entity's efforts to obtain receipts, receipts are not obtained, other evidence of payments (reasonably satisfactory to the Trustee) by such entity. If reasonably requested by the Trustee, the Issuer or the relevant Guarantor will provide to the Trustee such information as may be in the possession of the Issuer or the relevant Guarantor (and not otherwise in the possession of the Trustee) to enable the Trustee to determine the amount of withholding taxes attributable to any particular holder, *provided*, *however*, that in no event shall the Issuer or the relevant Guarantor be required to disclose any information that it reasonably deems to be confidential.

The Issuer and the Guarantors will pay and indemnify the holders for any present or future stamp, court or documentary taxes, or any other excise, property or similar taxes, charges or levies (including any penalties, interest or other liabilities related thereto) which arise in any Relevant Taxing Jurisdiction, from the execution, delivery and registration of the Notes, the Note Guarantees, the Indenture and any document or instrument referred to therein, upon original issuance and initial resale of the Notes, or in connection with the enforcement of the Notes, any Note Guarantee, the Indenture or any other document or instrument referred to therein.

The foregoing obligations will survive any termination, defeasance or discharge of the Indenture. References in this section ("—Additional Amounts") to the Issuer or any Guarantor shall apply to any successor(s) thereto.

Change of Control

Each holder of the Notes, upon the occurrence of a Change of Control, will have the right to require that the Issuer repurchase such holder's Notes, at a purchase price in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Within 30 days following a Change of Control, the Issuer will mail a notice to the holders of the Notes with a copy to the Trustee stating:

(1) that a Change of Control has occurred and that such holder has the right to require the Issuer to purchase such holder's Notes, at a purchase price in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest on the relevant interest payment date);

(2) the circumstances and relevant facts regarding such Change of Control (including information with respect to pro forma historical income, cash flow and capitalization after giving effect to such Change of Control);

(3) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed);

(4) that each Note will be subject to repurchase only in integral multiples of £1,000 (in the case of 2018 Sterling Notes), or $1,000 (in the case of US Dollar Notes); and

(5) the instructions determined by the Issuer, consistent with the covenant described hereunder, that a holder must follow in order to have its Notes purchased.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations or applicable listing requirements conflict with the provisions of this covenant, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue thereof.

The Issuer will not be required to repurchase Notes pursuant to this Change of Control feature if a notice of redemption has been given pursuant to the Indenture as described above under the caption "—Optional redemption," unless and until there is a default in payment of the applicable redemption price.

The Change of Control repurchase feature is a result of negotiations between the Issuer and the initial purchasers. We have no present intention to engage in a transaction involving a Change of Control, although it is possible that we would decide to do so in the future. Subject to the limitations discussed below, we could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of Indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings. Restrictions on our ability to Incur additional Indebtedness are contained in the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness." These restrictions can only be waived with the consent of the holders of a majority in principal amount of the Notes then outstanding under the Indenture. Except so long as the limitations contained in such covenants are effective, the Indenture will not contain any covenants or provisions that may afford holders of the Notes protection in the event of a highly leveraged transaction.

The Issuer's ability to repurchase Notes upon a Change of Control may be limited by a number of factors. The occurrence of some of the events that constitute a Change of Control would constitute a default under certain other Indebtedness of the Issuer or its Subsidiaries which, in the event of a Change of Control, could make it difficult for the Issuer to repurchase the Notes. Our future Indebtedness may contain prohibitions on the occurrence of certain events that would constitute a Change of Control or require such Indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the holders of their right to require the Issuers to repurchase Notes could cause a default under such Indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on us. Finally, the Issuer's ability to pay cash to the holders of Notes following the occurrence of a Change of Control may be limited by our then existing financial resources. We cannot assure you that sufficient funds will be available when necessary to make any required repurchases. The provisions under the Indenture relating to the Issuer's obligation to make an offer to repurchase Notes as a result of a Change of Control may be waived or modified with the written consent of the holders of a majority in principal amount of the Notes issued under the Indenture.

Certain Covenants

Limitation on Incurrence of Indebtedness

(a) The Issuer shall not, and shall not cause or permit any of its Restricted Subsidiaries to, Incur, directly or indirectly, any Indebtedness; *provided, however,* that the Issuer and its Restricted Subsidiaries, may Incur Indebtedness if on the date thereof the Consolidated Coverage Ratio of the Issuer is at least 2.25 to 1.0.

(b) The foregoing limitations contained in paragraph (a) do not apply to the Incurrence of any of the following Indebtedness:

(1) Indebtedness in respect of the Notes issued on the Issue Date, and the related Note Guarantees by the Issuer and the other Guarantors;

(2) Indebtedness (other than Indebtedness of the type covered by subparagraph (3) of this paragraph (b)) outstanding on the Issue Date after giving effect to the application of proceeds from the Notes;

(3) Indebtedness in respect of Receivables Financing;

(4) Indebtedness of the Issuer or a Guarantor owed to and held by the Issuer or a Guarantor, Indebtedness of a Restricted Subsidiary owed to and held by another Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Issuer; *provided, however,* that any subsequent issuance or transfer or any Capital Stock that results in any such Indebtedness being held by a Person other than the Issuer or Restricted Subsidiary shall be deemed, in each case, to constitute the Incurrence of such Indebtedness by the Issuer or such Restricted Subsidiary, as the case may be;

(5) Capital Lease Obligations and Indebtedness Incurred, in each case, to provide all or a portion of the purchase price or cost of construction of an asset;

(6) Refinancing Indebtedness in respect of Indebtedness Incurred pursuant to paragraph (a) or pursuant to subparagraph (1), (2), (6) or (12) of this paragraph (b);

(7) Hedging Obligations entered into for non-speculative purposes as determined in good faith by the Issuer;

(8) customer deposits and advance payments received from customers for goods purchased in the ordinary course of business;

(9) the guarantee by the Issuer or any Restricted Subsidiary of Indebtedness of the Issuer or any Restricted Subsidiary to the extent that the guaranteed Indebtedness was permitted to be incurred by another provision of this covenant; *provided* that if the Indebtedness being guaranteed is subordinated to or *pari passu* with the Notes or a Note Guarantee, then the guarantee must be subordinated or *pari passu*, as applicable, to the same extent as the Indebtedness guaranteed; *provided further* that the Issuer and each Guarantor shall not guarantee or provide any other form of credit support relating to any Indebtedness of any Subsidiary that is not a Guarantor unless the Issuer or such Guarantor could Incur such Indebtedness pursuant to another provision of subparagraphs (a) or (b) of this covenant;

(10) the incurrence by the Issuer or any Restricted Subsidiary of Indebtedness in respect of workers' compensation claims, self-insurance obligations, captive insurance companies, bankers' acceptances, performance and surety bonds in the ordinary course of business;

(11) the incurrence by the Issuer or any Restricted Subsidiary of Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument (including electronic withdrawals) inadvertently drawn against insufficient funds, so long as such Indebtedness is covered within 30 Business Days;

(12) Indebtedness of any Person outstanding at the time such Person becomes a Restricted Subsidiary; *provided, however,* that such Indebtedness is not created, Incurred or assumed in connection with, or in contemplation of, such other Person becoming a Restricted Subsidiary of the Issuer; *provided further* that at the time such Person became a Restricted Subsidiary (A) the Issuer would have been able to incur £1.00 of additional Indebtedness pursuant to paragraph (a) above after giving effect to the Incurrence of such

Indebtedness or (B) the Consolidated Coverage Ratio would not be less than it was immediately prior to giving effect the transaction pursuant to which such Person became a Restricted Subsidiary;

(13) Indebtedness arising from agreements of the Issuer or any Restricted Subsidiary providing for customary indemnification, obligations in respect of earnouts or other adjustments of purchase price or, in each case, similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Capital Stock of a Subsidiary, *provided* that the maximum liability of the Issuer or its Restricted Subsidiaries in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the Fair Market Value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Issuer or its Restricted Subsidiaries in connection with any such disposition;

(14) Indebtedness of the Issuer or any Restricted Subsidiary in respect of (A) letters of credit, surety, performance or appeal bonds, completion guarantees, judgment, advance payment, customs, VAT or other tax guarantees or similar instruments issued in the ordinary course of business of such Person and not in connection with the borrowing of money, including letters of credit or similar instruments in respect of self-insurance and workers compensation obligations, and (B) any Cash Management Arrangements; provided, however, that upon the drawing of such letters of credit or other instrument, such obligations are reimbursed within 30 days following such drawing;

(15) the incurrence of Indebtedness by the Issuer or any of its Restricted Subsidiaries in an aggregate principal amount at any time outstanding, including all Indebtedness incurred to Refinance any Indebtedness incurred pursuant to this sub-paragraph (15), not to exceed £250.0 million; and

(16) the incurrence of Indebtedness under Facility M; *provided* the net proceeds of such Indebtedness are used to repay Indebtedness existing at the time of such issuance.

Notwithstanding anything to the contrary in paragraphs (a) and (b) of this covenant above, the aggregate principal amount of Indebtedness Incurred by Restricted Subsidiaries of the Issuer that are not Guarantors shall not exceed £50.0 million.

(c) For purposes of determining compliance with the foregoing covenant:

(1) in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described above, the Issuer, in its sole discretion, will classify and from time to time may reclassify such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one of the above subparagraphs, *provided however,* that any Indebtedness outstanding on the Issue Date and Indebtedness Incurred under subparagraph (b)(5) above may not be reclassified to paragraph (a) above; and

(2) an item of Indebtedness may be divided and classified, or reclassified, in more than one of the types of Indebtedness described above, *provided however,* that any Indebtedness outstanding on the Issue Date and Indebtedness Incurred under subparagraph (b)(5) above may not be reclassified to paragraph (a) above.

(d) During any Investment Grade Status Period, upon notice by the Issuer to the Trustee by the delivery of an Officer's Certificate that it has achieved Investment Grade Status, this covenant will be suspended and will not during such period be applicable to the Issuer and its Subsidiaries and shall only be applicable if such Investment Grade Status Period ends.

As a result, during any such period, the Notes will lose the protection initially provided under this covenant. No action taken during an Investment Grade Status Period or prior to an Investment Grade Status Period in compliance with this covenant will require reversal or constitute a default under the Notes in the event that this covenant is subsequently reinstated or suspended, as the case may be. An Investment Grade Status Period will not commence until the Issuer has delivered the Officer's Certificate referred to above and will terminate immediately upon the failure of the Notes to maintain Investment Grade Status.

The accrual of interest or preferred stock dividends, the accretion or amortisation of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness, the reclassification of preferred stock as Indebtedness due to a change in accounting principles, and the payment of dividends on preferred stock or Disqualified Stock in the form of additional shares of the same class of preferred stock or Disqualified Stock will not be deemed to be an incurrence of Indebtedness or an issuance of preferred stock or Disqualified Stock for purposes of this covenant.

For purposes of determining compliance with any sterling denominated restriction on the incurrence of Indebtedness, the sterling equivalent principal amount of Indebtedness denominated in a different currency shall be utilised, calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred; *provided*, *however*, that (i) if such Indebtedness denominated in non-sterling currency is subject to a Currency Agreement with respect to sterling the amount of such Indebtedness expressed in sterling will be calculated so as to take account of the effects of such Currency Agreement; and (ii) the sterling equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date. The principal amount of any refinancing Indebtedness incurred in the same currency as the Indebtedness being refinanced will be the sterling equivalent of the Indebtedness refinanced determined on the date such Indebtedness was originally incurred, except to the extent that:

(1) such sterling equivalent was determined based on a Currency Agreement, in which case the refinancing Indebtedness will be determined in accordance with the preceding sentence; and

(2) the principal amount of the refinancing Indebtedness exceeds the principal amount of the Indebtedness being refinanced, in which case the sterling equivalent of such excess will be determined on the date such refinancing Indebtedness is being incurred.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer or any Restricted Subsidiary may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

The amount of any Indebtedness outstanding as of any date will be:

(1) in the case of any Indebtedness issued with original issue discount, the amount of the liability in respect thereof determined in accordance with IFRS; and

(2) the principal amount of the Indebtedness, in the case of any other Indebtedness.

Restricted Payments

(a) The Issuer will not, and will not allow permit its Restricted Subsidiaries, directly or indirectly, to make any Restricted Payment; *provided, however,* that the Issuer or any Restricted Subsidiary may make a Restricted Payment if on the date thereof if, and after giving pro forma effect to such proposed Restricted Payment:

  (1) no Default or Event of Default will have occurred and be continuing or would occur as a consequence of such Restricted Payment;

  (2) such Issuer or Restricted Subsidiary could incur at least £1.00 of additional Indebtedness pursuant to the ratio set forth in (a)(1) under "—Certain Covenants—Limitations on

Incurrence of Indebtedness". A Restricted Payment that is an Investment will be permitted to be made under this sub-paragraph (2) if, at the time of entering into a binding agreement or arrangement to make such Investment, and after giving pro forma effect to such Investment, the Consolidated Coverage Ratio of the Issuer is at least 2.25 to 1.0.; and

(3) the aggregate amount of all Restricted Payments declared or made after the Issue Date (including Restricted Payments permitted by clauses (b)(1), (8) and (10) below, but excluding all other Restricted Payments described in paragraph (b) below) does not exceed the sum of (without duplication):

(i) 50% of the Consolidated Net Income of the Issuer for the period from January 1, 2011 to the end of the Issuer's most recently ended fiscal quarter for which financial statements are available at the time of such proposed Restricted Payment (or, if such Consolidated Net Income shall be a negative number, minus 100% of such negative amount); *plus*:

(ii) the aggregate net cash proceeds and the Fair Market Value of property or assets or marketable securities received by the Issuer after the Issue Date as capital contributions or from the issuance or sale (other than to any Subsidiary) of shares of the Issuer's Qualified Capital Stock or warrants, options or rights to purchase shares of the Issuer's Qualified Capital Stock (except, in each case to the extent such proceeds are used to purchase, redeem or otherwise retire Capital Stock as set forth in clause(b) (5) or (6) below) (excluding the net cash proceeds from the issuance of the Issuer's Qualified Capital Stock financed, directly or indirectly, using funds borrowed from the Issuer or any Subsidiary until and to the extent such borrowing is repaid); *plus*

(iii) the amount by which the Issuer's Indebtedness or Indebtedness of any Restricted Subsidiary is reduced on the Issuer's consolidated balance sheet after the Issue Date upon the conversion or exchange (other than by the Issuer or its Restricted Subsidiary) of such Indebtedness into the Issuer's Qualified Capital Stock, together with the aggregate net cash proceeds and the Fair Market Value of property or assets or marketable securities received by the Issuer at the time of such conversion or exchange (excluding the net cash proceeds from the issuance of the Issuer's Qualified Capital Stock financed, directly or indirectly, using funds borrowed from the Issuer or any Restricted Subsidiary until and to the extent such borrowing is repaid); *plus*

(iv) (x) in the case of any Investment that is sold, disposed of or otherwise cancelled, liquidated or repaid, constituting a Restricted Payment made after the Issue Date, an amount equal to 100% of the aggregate amount received in cash and the Fair Market Value of the property or assets and marketable securities received by the Issuer or any Restricted Subsidiary and (y) in the case of the designation of an Unrestricted Subsidiary as a Restricted Subsidiary or if an Unrestricted Subsidiary is merged or consolidated into the Issuer or a Restricted Subsidiary or the assets of an Unrestricted Subsidiary are transferred to the Issuer or a Restricted Subsidiary (as long as the designation of such Subsidiary as an Unrestricted Subsidiary was deemed a Restricted Payment), the Fair Market Value of the Issuer's interest in such Subsidiary as of the date of such designation or at the time of such merger, consolidation or transfer of assets; *plus*

(v) to the extent that any Investment constituting a Restricted Payment that was made after the Issue Date is made in an entity that subsequently becomes a Restricted Subsidiary, the Fair Market Value of such Investment of the Issuer and the

Restricted Subsidiaries as of the date such entity becomes a Restricted Subsidiary; *plus*

(vi) 100% of any dividends or distributions received by the Issuer or a Restricted Subsidiary after the Issue Date from an Unrestricted Subsidiary, to the extent that such dividends or distributions were not otherwise included in the Consolidated Net Income of the Issuer for such period; *less*

(vii) 100% of the sum total of (i) the total amount of cash transfers or distributions of cash to Affiliates (other than Restricted Subsidiaries of the Issuer) of the Issuer or any of its Restricted Subsidiaries in connection with customary cash pooling arrangements ("Outgoing Cash Pooling Transfers"), less (ii) the total amount of cash transfers or distributions of cash made by Affiliates (other than Restricted Subsidiaries of the Issuer) of the Issuer or any of its Restricted Subsidiaries to the Issuer or any of its Restricted Subsidiaries in connection with customary cash pooling arrangements ("Incoming Cash Pooling Transfers").

(b) The foregoing limitations contained in paragraph (a) do not apply to the following Restricted Payments by the Issuer or any Restricted Subsidiary so long as (with respect to subparagraphs (3) to (9) below) no Default or Event of Default has occurred or is continuing:

(1) the payment of any dividend within 60 days after the date of its declaration or publication if at such date of declaration or publication, as the case may be, such payment would have been permitted by the provisions of this section "—Certain Covenants—Restricted Payments";

(2) cash payments in lieu of issuing fractional shares pursuant to the exchange or conversion of any exchangeable or convertible securities;

(3) the repurchase, redemption or other acquisition or retirement for value of any shares of the Issuer's Capital Stock or options, warrants or other rights to acquire such Capital Stock in exchange for (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares or scrip), or out of the net cash proceeds of a substantially concurrent issuance and sale (other than to a Restricted Subsidiary of the Issuer) of, shares of the Issuer's Qualified Capital Stock or options, warrants or other rights to acquire such Qualified Capital Stock;

(4) the repurchase, redemption, defeasance or other acquisition or retirement for value or payment of principal of any Subordinated Obligation in exchange for, or out of the net cash proceeds of a substantially concurrent issuance and sale (other than to a Restricted Subsidiary of the Issuer) of, shares of such Issuer Qualified Capital Stock; *provided* that the amount of any such net cash proceeds that are utilized for any such Restricted Payment will be excluded from clause (a)(3)(ii) above;

(5) the purchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Obligation (other than Disqualified Stock) in exchange for, or out of the net cash proceeds of a substantially concurrent incurrence (other than to a Restricted Subsidiary of the Issuer) of, Refinancing Indebtedness;

(6) the repurchase, redemption or other acquisition or retirement for value of any Qualified Capital Stock of the Issuer held by any current or former officer, director, employee or consultant of the Issuer or any of its Restricted Subsidiaries pursuant to any equity subscription agreement, stock option agreement, restricted stock grant, shareholders' agreement or similar agreement; *provided* that the aggregate price paid for all such repurchased, redeemed, acquired or retired Qualified Capital Stock does not exceed

£5 million in any calendar year with unused amounts in any calendar year being carried over to succeeding calendar years subject to a maximum of £10 million in any calendar year;

(7) the declaration or payment of any dividend to all holders of Capital Stock of a Subsidiary of the Issuer on a pro rata basis or on a basis that results in the receipt by the Issuer or any of its Restricted Subsidiaries of dividends or distributions of greater value than the Issuer or such Restricted Subsidiary would receive on a pro rata basis;

(8) following a public equity offering that results in a listing of the Capital Stock of the Issuer, the payment of dividends on the Capital Stock of the Issuer up to 6% per annum of the net cash proceeds received by the Issuer in any such public equity offering or any subsequent public equity offering of such Capital Stock;

(9) the repurchase of Capital Stock deemed to occur upon the exercise of stock options with respect to which payment of the cash exercise price has been forgiven if the cumulative aggregate value of such deemed repurchases does not exceed the cumulative aggregate amount of the exercise price of such options received; and

(10) so long as no Default or Event of Default has occurred and is continuing, other Restricted Payments at any time outstanding in an aggregate amount not to exceed £200.0 million since the Issue Date.

(c) During any Investment Grade Status Period, upon notice by the Issuer to the Trustee by the delivery of an Officer's Certificate that it has achieved Investment Grade Status, this covenant will be suspended and will not during such period be applicable to the Issuer and its Restricted Subsidiaries and shall only be applicable if such Investment Grade Status Period ends.

As a result, during any such period, the Notes will lose the protection initially provided under this covenant. No action taken during an Investment Grade Status Period or prior to an Investment Grade Status Period in compliance with this covenant will require reversal or constitute a default under the Notes in the event that this covenant is subsequently reinstated or suspended, as the case may be. An Investment Grade Status Period will not commence until the Issuer has delivered the Officer's Certificate referred to above and will terminate immediately upon the failure of the Notes to maintain Investment Grade Status.

Limitation on Liens

The Indenture provides that the Issuer may not, and may not permit any of its Restricted Subsidiaries to, directly or indirectly, create, Incur or suffer to exist any Lien (other than Permitted Liens) upon any of its property or assets (including Capital Stock), whether owned on the date of the Indenture or acquired after that date, securing any Indebtedness, unless contemporaneously with (or prior to) the Incurrence of the Liens effective provision is made to secure the Indebtedness due under the Indenture and the Notes, equally and ratably with (or prior to in the case of Liens with respect to Subordinated Obligations) the Indebtedness secured by such Lien for so long as such Indebtedness is so secured. Any such Lien created in favor of the Notes will be automatically and unconditionally released and discharged upon the release and discharge of the initial Lien to which it relates.

Limitations on Asset Sales

(a) The Issuer will not cause or permit any of its Restricted Subsidiaries to consummate any Asset Sale unless:

(1) the consideration the Issuer or such Restricted Subsidiary receives for such Asset Sale is not less than the Fair Market Value of the assets sold (as determined in good faith by the Issuer's board of directors.

(2) at least 75% of the consideration the Issuer or such Restricted Subsidiary receives in respect of such Asset Sale consists of (i) cash (including any Net Cash Proceeds received from the conversion within 90 days of such Asset Sale of securities, notes or other obligations received in consideration of such Asset Sale); (ii) Cash Equivalents; (iii) the assumption by the purchaser of (x) the Issuer's Indebtedness or Indebtedness of any Restricted Subsidiary (other than Subordinated Obligations) as a result of which neither the Issuer nor any of the Restricted Subsidiaries remains obligated in respect of such Indebtedness or (y) Indebtedness of a Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale, if the Issuer and each other Restricted Subsidiary is released from any guarantee of such Indebtedness as a result of such Asset Sale; (iv) Replacement Assets; or (v) a combination of the consideration specified in clauses (i) to (iv); and

(3) the Issuer delivers an Officer's Certificate to the Trustee certifying that such Asset Sale complies with the provisions described in the foregoing clauses (1) and (2).

(b) If the Issuer or any Restricted Subsidiary consummates an Asset Sale, the Net Cash Proceeds from such Asset Sale, within 360 days after the consummation of such Asset Sale, may be used by the Issuer or such Restricted Subsidiary:

(1) (i) to purchase the Notes pursuant to an offer to all holders of Notes at a purchase price equal to at least 100% of the principal amount of the Notes, plus accrued and unpaid interest thereon and Additional Amounts, if any, to (but not including) the date of purchase, (ii) to prepay, repay, or purchase Indebtedness that is secured by the assets that were the subject of the Asset Sale or that ranks *pari passu* in right of payment with the Notes or any Note Guarantee or Indebtedness of a Restricted Subsidiary that is not a Guarantor (other than Indebtedness owed to the Issuer or an Affiliate of the Issuer), *provided* in each case that if the Indebtedness repaid is revolving credit Indebtedness, that commitments with respect thereto are correspondingly permanently reduced, (iii) to invest in any Replacement Assets, (iv) to make a capital expenditure or (v) for any combination of the foregoing; provided that in the case of clause (iii), if the Issuer or such Restricted Subsidiary, as the case may be, has entered into a binding commitment in definitive form within such 360-day period to so apply such Net Cash Proceeds with the good faith expectation that such Net Cash Proceeds will be applied to satisfy such commitment within 180 days of such commitment (an "Acceptable Commitment"), such binding commitment shall be treated as a permanent application of such Net Cash Proceeds; provided further that if any Acceptable Commitment is later cancelled or terminated for any reason before such Net Cash Proceeds are applied and after such initial 360-day period, then such Net Cash Proceeds shall constitute Excess Proceeds; and

(c) Any Net Cash Proceeds from Asset Sales that are not applied or invested as provided in clause (b) of this covenant will constitute "Excess Proceeds." The Issuer may also at any time, and the Issuer will within 10 Business Days after the aggregate amount of Excess Proceeds exceeds £25.0 million, make an offer to purchase (an "Excess Proceeds Offer") from all holders of Notes and from the holders of any Pari Passu Indebtedness, to the extent required by the terms thereof, on a pro rata basis, in accordance with the procedures set forth in the

Indentures or the agreements governing any such Pari Passu Indebtedness, the maximum principal amount of Notes and any such Pari Passu Indebtedness that may be purchased with the amount of the Excess Proceeds. The offer price as to each Note and any such Pari Passu Indebtedness will be payable in cash in an amount equal to (solely in the case of the Notes) 100% of the principal amount of such Note and (solely in the case of Pari Passu Indebtedness) no greater than 100% of the principal amount (or accreted value, as applicable) of such Pari Passu Indebtedness, plus in each case accrued and unpaid interest, if any, to the date of purchase.

To the extent that the aggregate principal amount of Notes and any such Pari Passu Indebtedness tendered pursuant to an Excess Proceeds Offer is less than the aggregate amount of Excess Proceeds, the Issuer may use the amount of such Excess Proceeds not used to purchase Notes and Pari Passu Indebtedness for general corporate purposes that are not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes and any such Pari Passu Indebtedness validly tendered and not withdrawn by holders thereof exceeds the aggregate amount of Excess Proceeds, the Notes and any such Pari Passu Indebtedness to be purchased will be selected by the Trustee on a pro rata basis (based upon the principal amount of Notes and the principal amount or accreted value of such Pari Passu Indebtedness tendered by each holder). Upon completion of each such Excess Proceeds Offer, the amount of Excess Proceeds will be reset to zero.

(d) If the Issuer is obligated to make an Excess Proceeds Offer, the Issuer will purchase the Notes and Pari Passu Indebtedness, at the option of the holders thereof, in whole or in part in integral multiples of £1,000 or $1,000, as applicable, on a date that is not earlier than 30 days and not later than 60 days from the date the notice of the Excess Proceeds Offer is given to such holders, or such later date as may be required under the Exchange Act; provided that no Note of less than £100,000 or $150,000, as applicable remains outstanding thereafter.

If the Issuer is required to make an Excess Proceeds Offer, the Issuer will comply with the applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws and regulations, including any securities laws of the United Kingdom and the requirements of any applicable securities exchange on which Notes are then listed. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this covenant, we will comply with such securities laws and regulations and will not be deemed to have breached our obligations described in this covenant by virtue thereof.

Limitations on Guarantees

The Issuer will not cause or permit any of its Restricted Subsidiaries, directly or indirectly, to Guarantee any Indebtedness of the Issuer or any Restricted Subsidiary unless such Restricted Subsidiary is a Guarantor or contemporaneously executes and delivers to the Trustee a Note Guarantee pursuant to which such Restricted Subsidiary will Guarantee payment of the Notes on the same terms and conditions as those set forth in the Indenture and applicable to the other Guarantors and delivers to the Trustee an Opinion of Counsel (which may contain customary exceptions) that such Note Guarantee has been duly authorized, executed and delivered by such Restricted Subsidiary and constitutes a legal, valid, binding and enforceable obligation of such Restricted Subsidiary.

Consolidation, Mergers and Sales of Assets

(a) The Indenture provides that the Issuer and the Guarantors may not consolidate or merge with or into (whether or not the Issuer or such Guarantor is the Surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties and assets in one or more related transactions, to another Person unless:

(1) the Surviving Person is an entity organized and existing under the laws of Germany, the United Kingdom, or any other member state of the European Union (as of December 31, 2003) Luxembourg, Switzerland, the United States of America, or any State thereof or the District of Columbia, or the jurisdiction of formation of such Issuer or any Guarantor; or, if the Surviving Person is an entity organized and existing under the laws of any other jurisdiction, such Issuer delivers to the Trustee an Opinion of Counsel to the effect that the rights of the holders of the Notes, would not be affected adversely as a result of the law of the jurisdiction of organization of the Surviving Person, insofar as such law affects the ability of the Surviving Person to pay and perform its obligations and undertakings in connection with its Note Guarantee or the ability of the Surviving Person to obligate itself to pay and perform such obligations and undertakings or the ability of the holders to enforce such obligations and undertakings;

(2) the Surviving Person (if other than such Issuer or a Guarantor) shall expressly assume, (A) in a transaction or series of transactions involving such Issuer, by a supplemental indenture in a form satisfactory to the Trustee, all of the obligations of such Issuer under the relevant Indenture (including the obligation to pay Additional Amounts), or (B) in a transaction or series of transactions not involving the Issuer, by a Guarantee Agreement, in a form satisfactory to the Trustee, all of the obligations of such Guarantor under its Note Guarantee (including the obligation to pay Additional Amounts);

(3) the Issuer or the Surviving Person would, on the date of such transaction or series of transactions after giving *pro forma* effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, (A) be able to incur £1.00 of additional Indebtedness pursuant to the ratio set forth in (a)(1) under "—Certain Covenants—Limitations on Incurrence of Indebtedness" or (B) have a Consolidated Coverage Ratio not less than it was immediately prior to giving effect to such transaction.

(4) at the time of and immediately after such transaction, no Default or Event of Default shall have occurred and be continuing; and

(5) the Issuer or such Guarantor delivers to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger, transfer, assignment, sale, lease or other disposition and such supplemental indenture and Guarantee Agreement, if any, comply with the Indenture.

(b) The foregoing limitations contained in paragraph (a) do not apply to any consolidation or merger among Guarantors.

Dividend and Other Payment Restrictions Affecting Subsidiaries

The Issuer and the Restricted Subsidiaries will not, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock to the Issuer or any Restricted Subsidiary, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to the Issuer or any Restricted Subsidiary;

(2) make loans or advances to the Issuer or any Restricted Subsidiary; or

(3) sell, lease or transfer any of its properties or assets to the Issuer or any Restricted Subsidiary,

provided that (x) the priority of any preferred stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill period to) loans or advances made to the Issuer or any Restricted Subsidiary to other Indebtedness incurred by the Issuer or any Restricted Subsidiary, in each case, shall not be deemed to constitute such an encumbrance or restriction.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

(1) any agreements as in effect on the Issue Date and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided* that the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the Issue Date (as determined in good faith by the Issuer);

(2) the Indenture, the Notes and the Note Guarantees;

(3) applicable law, rule, regulation or order or the terms of any licence, authorisation, concession or permit;

(4) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Issuer or any Restricted Subsidiary as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was Incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; *provided* that, in the case of Indebtedness, such Indebtedness was permitted by the terms of the Indenture to be incurred;

(5) customary non-assignment and similar provisions in contracts, leases and licences entered into in the ordinary course of business;

(6) purchase money obligations for property acquired in the ordinary course of business and Capital Lease Obligations that impose restrictions on the property purchased or leased of the nature described in clause (3) of the preceding paragraph;

(7) any agreement for the sale or other disposition of the Capital Stock or all or substantially all of the property and assets of a Subsidiary that restricts distributions by that Restricted Subsidiary pending its sale or other disposition;

(8) Refinancing Indebtedness; *provided* that the restrictions contained in the agreements governing such Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced as determined in good faith by the Issuer;

(9) Liens permitted to be incurred under the provisions of the covenant described above under the caption "—Limitation on Liens" that limit the right of the debtor to dispose of the assets subject to such Liens;

(10) customary provisions limiting the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements in the ordinary course of business (including agreements entered into in connection with a Restricted Investment), which limitation is applicable only to the assets that are the subject of such agreements;

(11) restrictions on cash or other deposits or net worth imposed by customers or suppliers or required by insurance, surety or bonding companies, in each case, under contracts entered into in the ordinary course of business;

(12) any agreements with respect to Indebtedness of the Issuer or any Restricted Subsidiary permitted to be incurred subsequent to the Issue Date pursuant to the section entitled "—Certain Covenants—Limitations on Incurrence of Indebtedness" and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; provided that such encumbrances or restrictions are not materially less favorable, taken as a whole, to the Holders of the Notes than is customary in comparable financings (as determined in good faith by the board of directors or a member of senior management of the Issuer) and the Issuer determines that such encumbrance or restriction will not materially affect the Issuer's ability to make principal or interest payments on the Notes as and when they come due; and

(13) any encumbrance or restriction existing under any agreement that extends, renews, refinances or replaces the agreements containing the encumbrances or restrictions in the foregoing subparagraphs (1) through (12), or in this subparagraph (13); *provided* that the terms and conditions of any such encumbrances or restrictions are no more restrictive in any material respect than those under or pursuant to the agreement so extended, renewed, refinanced or replaced.

Transactions with Affiliates

The Issuer and any Restricted Subsidiary will not make any payment to or sell, lease, transfer or otherwise dispose of any of their properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement (including an agreement providing for the payment of fees for intellectual property, trademarks or brands), understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Issuer (each, an "Affiliate Transaction") involving, from the Issue Date, aggregate payments or consideration in excess of £25.0 million, unless the Affiliate Transaction is on terms that are no less favourable to the Issuer or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Issuer or such Restricted Subsidiary with an unrelated Person.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

(1) any employment agreement, collective bargaining agreement, consultant, employee benefit arrangements with any employee, consultant, officer or director of the Issuer or any Restricted Subsidiary, including under any stock option, stock appreciation rights, stock incentive or similar plans, entered into in the ordinary course of business;

(2) transactions between or among the Issuer and any Restricted Subsidiary;

(3) transactions with a Person that is an Affiliate of the Issuer solely because the Issuer owns, directly or through a Subsidiary, Capital Stock in, or controls, such Person;

(4) payment of reasonable and customary fees and reimbursements of expenses (pursuant to indemnity arrangements or otherwise) of officers, directors, employees or consultants of the Issuer or any Restricted Subsidiary;

(5) any issuance of Capital Stock (other than Disqualified Stock) of the Issuer to Affiliates of the Issuer;

(6) any Restricted Payment that is permitted pursuant to the covenant described above under the caption "—Restricted Payments;"

(7) any Permitted Investment (other than Permitted Investments described in subparagraph (3) of the definition thereof);

(8) transactions pursuant to, or contemplated by any agreement in effect on the Issue Date and transactions pursuant to any amendment, modification or extension to such agreement, so long as such amendment, modification or extension, taken as a whole, is not-materially more disadvantageous to the holders of the Notes than the original agreement as in effect on the Issue Date;

(9) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services or providers of employees or other labour, in each case in the ordinary course of business and otherwise in compliance with the terms of this Indenture that are fair to the Issuer or the Restricted Subsidiaries, in the reasonable determination of the members of the Board of Directors of the Issuer or the senior management thereof, or are on terms at least as favourable as might reasonably have been obtained at such time from an unaffiliated Person; and

(10) transactions (i) providing for the payment of guarantee fees to Affiliates of the issuer in respect of financial guarantees by such Affiliate of Indebtedness of the Issuer or a Restricted Subsidiary that is permitted to be incurred under the Indenture and (ii) in respect of an agreement by the Issuer or any Restricted Subsidiary to pay fees to an affiliate to pay fees to an Affiliate for intellectual property, trademarks and/or brands, in compliance with the terms of the Indenture that, in each case, are fair from a financial point of view to the Issuer or the Restricted Subsidiaries and, in the case of any agreement described in clause (ii) are on terms no less favorable in any material respect to the Issuer and its Restricted Subsidiaries than the terms provided to other Affiliates of the counterparty in similar transactions, in each case in the reasonable determination of the members of the Board of Directors of the Issuer as set forth in an Officer's certificate delivered to the Trustee.

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors of the Issuer may designate any Subsidiary (including any newly acquired or newly formed Subsidiary), other than the Guarantors, to be an Unrestricted Subsidiary if:

(a) no Default or Event of Default shall have occurred and be continuing at the time of or after giving effect to such designation;

(b) such Subsidiary and any of its Subsidiaries do not own any Capital Stock or Indebtedness of, or own or hold any Lien on any property of, the Issuer or any Restricted Subsidiary other than a Subsidiary of the Subsidiary to be so designated;

(c) either:

   (1) the Subsidiary to be so designated has total consolidated assets of £1,000 or less; or

   (2) if such Subsidiary has consolidated assets greater than £1,000, then the Issuer would be permitted to make an Investment under the covenant described under "—Restricted Payments" after giving effect to such designation in the amount specified in the definition of "Investment";

(d) all of the Indebtedness of such Subsidiary and its Subsidiaries shall, at the date of designation, and will at all times thereafter, consist of Non-Recourse Debt;

(e) such Subsidiary is a Person with respect to which neither the Issuer nor any Restricted Subsidiary has any direct or indirect obligation:

   (1) to subscribe for additional Capital Stock of such Person; or

(2) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and

(f) on the date such Subsidiary is designated an Unrestricted Subsidiary, such Subsidiary is not a party to any agreement, contract, arrangement or understanding with the Issuer or any Restricted Subsidiary with terms substantially less favorable to the Issuer than those that might have been obtained from Persons who are not Affiliates of the Issuer other than transactions that comply with the covenant described under "—Transactions with Affiliates."

In the event of any such designation, the Issuer shall be deemed to have made an Investment constituting a Restricted Payment pursuant to the covenant described under "—Restricted Payments."

The Board of Directors of the Issuer may designate any Unrestricted Subsidiary to be a Restricted Subsidiary if such Unrestricted Subsidiary's primary business is a Permitted Business and immediately after giving effect to such designation:

(a) no Default or Event of Default shall have occurred and be continuing at the time of and after giving effect to such designation,

(b) the Issuer could Incur £1.00 of additional Indebtedness under paragraph (a) of the covenant described under "—Limitation on Incurrence of Indebtedness," and

(c) all Liens and Indebtedness of such Unrestricted Subsidiary outstanding immediately following such designation would, if incurred at that time, have been permitted to be Incurred for all purposes of the Indenture.

Any such designation of a Subsidiary as a Restricted Subsidiary or Unrestricted Subsidiary by the Board of Directors of the Issuer shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors of the Issuer giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing provisions.

Reports and Notices

For so long as any Notes are outstanding, the Issuer will provide the Trustee with:

(1) its annual financial statements and related notes thereto for the most recent two fiscal years prepared in accordance with IFRS (or any other internationally generally acceptable accounting standard in the event the Issuer is required by applicable law to prepare its financial statements in accordance with such other standard or is permitted and elects to do so) and including segment data, together with an audit report thereon, together with a discussion of the "Operating Results" and "Liquidity" for such fiscal years prepared in a manner substantially consistent with the "Operating and Financial Review and Prospects" section in this Offering Memorandum herein and a "Business Summary of the Financial Year" and discussion of "Business Segments" provided in a manner consistent with its annual report, a description of "Related Party Transaction", and a description of Indebtedness, within 120 days of the end of each fiscal year;

(2) quarterly financial information as of and for the period from the beginning of each year to the close of each quarterly period (other than the fourth quarter), together with comparable information for the corresponding period of the preceding year, and a summary "Management's Discussion and Analysis of Financial Condition and Results of Operations" section prepared in a manner substantially consistent with this Offering Memorandum, providing a brief discussion of the results of operations for the period within 60 days following the end of the fiscal quarter (or, solely in respect of the quarterly period ended 30 June 2011, within 75 days following the end of such fiscal quarter); and

(3) promptly after the occurrence of any material acquisition, disposition or restructuring of the Issuer and the Restricted Subsidiaries, taken as a whole, or any changes of the Chief Executive Officer or Chief Financial Officer at the Issuer or change in auditors of the Issuer or any other material event that the Issuer announces publicly, a report containing a description of such event.

provided, however, that only to the extent reasonably available, at any time that any of the Issuer's Subsidiaries are Unrestricted Subsidiaries, the quarterly and annual financial information required by this paragraph will include a presentation, either on the face of the financial statements, in the footnotes thereto, or in "Management's Discussion and Analysis of Financial Condition and Results of Operations" or other comparable section, of the financial condition and results of operations of the Issuer and the Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Issuer.

Contemporaneously with the furnishing of each such report discussed above, the Issuer will also (a) file a press release with the appropriate internationally recognised wire services in connection with such report and (b) post such report on the Issuer's website.

In addition, so long as the Notes remain outstanding and during any period when the Issuer is not subject to Section 13 or 15(d) of the Exchange Act other than by virtue of the exemption therefrom pursuant to Rule 12g3-2(b), the Issuer will furnish to any holder or beneficial owner of Notes initially offered and sold in the United States to "qualified institutional buyers" as defined in Rule 144A under the U.S. Securities Act of 1933 pursuant to such rule and any prospective purchaser in the United States designated by such holder or beneficial owner, upon request, any information required to be delivered pursuant to Rule 144A(d)(4) under the U.S. Securities Act of 1933.

So long as any Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market and the rules of the Luxembourg Stock Exchange so require, the Issuer will submit to the Luxembourg Stock Exchange notices, where appropriate, of general meetings to be held to deliberate on a planned amendment to the articles of association affecting the rights of the holders of the Notes and will publish promptly in Luxembourg in a leading newspaper (expected to be the Luxemburger Wort) or the website of the Luxembourg Stock Exchange (*www.bourse.lu*) all redemption and repayment notices together with a list of the numbers of the Notes drawn for redemption, and a full list of the Notes drawn but not presented for repayment, as well as the nominal amount of the Notes still outstanding.

Events of Default

Each Indenture provides that any one or more of the following described events, which has occurred and is continuing, constitutes an "Event of Default" with respect to the Notes issued under such Indenture:

(1) failure for 30 days to pay interest on the Notes, including any Additional Amounts in respect thereof, when due; or

(2) failure to pay principal of or premium, if any, on the Notes when due, whether at maturity, upon redemption, by declaration or otherwise; or

(3) failure to observe or perform any other covenant contained in the Indenture for 60 days after notice as provided in the Indenture; or

(4) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Issuer or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by us), whether such Indebtedness or Guarantee now exists or is Incurred after the Issue Date, if (A) such default results in the acceleration of such Indebtedness prior to its express maturity or will

constitute a default in the payment of such Indebtedness and (B) the principal amount of any such Indebtedness that has been accelerated or not paid at maturity, when added to the aggregate principal amount of all other such Indebtedness, at such time, that has been accelerated or not paid at maturity, exceeds £25.0 million; or

(5) any final judgment or judgments (not covered by insurance) which can no longer be appealed for the payment of money in excess of £25.0 million shall be rendered against the Issuer thereunder or the Issuer or any of its Restricted Subsidiaries and shall not be discharged for any period of 60 consecutive days during which a stay of enforcement shall not be in effect; or

(6) any Note Guarantee shall cease to be in full force and effect in accordance with its terms for any reason except pursuant to the terms of the Indenture governing the release of Note Guarantees or the satisfaction in full of all the obligations thereunder or shall be declared invalid or unenforceable other than as contemplated by its terms, or any Guarantor shall repudiate, deny or disaffirm any of its obligations thereunder; or

(7) certain events in bankruptcy, insolvency or reorganization of the Issuer, the Guarantors or any of the Issuer's Significant Subsidiaries, which are also Restricted Subsidiaries.

A default under paragraph (3) of this section will not constitute an Event of Default under an Indenture unless the Trustee or holders of 25% in principal amount of the outstanding Notes under such Indenture notify the Issuer party to such Indenture and the Issuer of such default and such default is not cured within the time specified in paragraph (3).

The Trustee or the holders of not less than 25% in aggregate outstanding principal amount of the Notes under the relevant Indenture may declare the principal of and interest (including any Additional Amounts) on such Notes due and payable immediately on the occurrence of an Event of Default; *provided, however,* that, after such acceleration, but before a judgment or decree based on acceleration, the holders of a majority in aggregate principal amount of the outstanding Notes may, under certain circumstances, rescind and annul such acceleration if all Events of Default, other than the nonpayment of accelerated principal, have been cured or waived as provided in the Indenture. For information as to waiver of defaults, see "—Amendments and Waivers."

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an event of default shall occur and be continuing, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any holders of Notes issued thereunder unless such holders shall have offered to the Trustee indemnity and/or security satisfactory to it. Subject to the provisions for the indemnification of the Trustee, the holders of a majority in aggregate principal amount of the Notes issued thereunder, then outstanding, will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee.

No holder of any Note will have any right to institute any proceeding with respect to the Indenture governing such Note or for any remedy thereunder, unless written notice of a continuing Event of Default shall have previously been given in accordance with the terms of such Indenture and reasonable indemnity shall have been offered, to the Trustee to institute such proceeding as Trustee, and the Trustee will not have received from the holders of a majority in aggregate principal amount of the outstanding Notes under such Indenture a direction inconsistent with such request and shall have failed to institute such proceeding within 60 days. However, such limitations do not apply to a suit instituted by a holder of a Note for enforcement of payment of the principal of and premium, if any, or interest on such Note on or after the respective due dates expressed in such Note.

The holders of a majority in aggregate outstanding principal amount of the US Dollar Notes or the 2018 Sterling Notes affected thereby may, on behalf of the holders of all the applicable issue of Notes, waive any existing default, except a default in the payment of principal, premium, if any, or interest or a default in respect of a covenant or provision that cannot be modified or amended without consent of the holders of 90% of the principal amount of the Notes outstanding. The Issuer is required to file annually with the Trustee a certificate as to whether or not the Issuer is in compliance with all the conditions and covenants under the applicable Indenture.

Amendments and Waivers

Subject to certain exceptions, each Indenture may be amended with the consent of the holders of a majority in principal amount of the Notes issued under such Indenture then outstanding (including without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes) and, subject to certain exceptions, any existing default or compliance with any provisions may be waived with the consent of the holders of a majority in principal amount of such Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes). However, without the consent of holders of at least 90% of the aggregate principal amount of Notes then outstanding, no amendment or waiver may, among other things:

(1) reduce the percentage of principal amount of Notes whose holders must consent to an amendment;

(2) reduce the stated rate of or extend the stated time for payment of interest on any Note;

(3) reduce the principal of or extend the Stated Maturity of any Note;

(4) reduce the premium payable upon the redemption of any such Note or change the time at which any Note may be redeemed as described above under "Optional Redemption";

(5) make any Note payable in money other than that stated in the Note;

(6) impair the right of any holder to receive payment of premium, if any, principal of and interest on such holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such holder's Notes;

(7) change the obligation of the Issuer or any Guarantor to pay Additional Amounts;

(8) make any change in the amendment provisions which require each holder's consent or in the waiver provisions; or

(9) release any Guarantor from their Note Guarantee.

Without the consent of any holder, the Issuer and the Trustee may amend the applicable Indenture to:

(1) cure any ambiguity, omission, defect or inconsistency;

(2) conform the text of the Indenture, the Note Guarantees or the Notes to any provision of this Description of the Notes to the extent that such provision in this Description of the Notes was intended to be a verbatim recitation of a provision of the Indenture, the Note Guarantees, or the Notes;

(3) add Note Guarantees with respect to the Notes;

(4) secure the Notes;

(5) add to the covenants of such Issuer and the Guarantors for the benefit of the holders or surrender any right or power conferred upon the Issuer;

(6) evidence and provide the acceptance and appointment of a successor trustee;

(7) comply with the rules of any applicable securities depositary;

(8) issue Additional Notes in accordance with such Indenture; or

(9) make any change that does not adversely affect the rights of any holder.

The consent of the holders is not necessary under the Indenture to approve the particular form of any proposed amendment or waiver to or under the Indenture. It is sufficient if such consent approves the substance of the proposed amendment or waiver. After an amendment, supplement or waiver under the Indenture becomes effective, the Issuer is required to mail to the holders a notice briefly describing such amendment, supplement or waiver. However, the failure to give such notice to all the holders, or any defect in the notice, will not impair or affect the validity of the amendment, supplement or waiver.

Defeasance

The Issuer at any time may terminate all its obligations under the Notes issued by it and the Indenture ("legal defeasance"), except for certain obligations, including those respecting the defeasance trust and obligations to register the transfer or exchange of the Notes, to replace mutilated, destroyed, lost or stolen Notes and to maintain a registrar and paying agent in respect of the Notes.

The Issuer at any time may terminate its obligations under covenants described under "Certain Covenants" (other than "—Consolidation, Merger and Sales of Assets"), the operation of the cross-default upon a payment default, cross-acceleration provisions, the bankruptcy provisions with respect to Subsidiaries, the judgment default provision described under "Events of Default" above and the limitations contained in paragraph (5) under "Certain Covenants—Consolidation, Merger and Sales of Assets" above ("covenant defeasance").

The Issuer may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Issuer exercises its legal defeasance option, payment of the Issuer's Notes may not be accelerated because of an Event of Default with respect to such Notes. If the Issuer exercises its covenant defeasance option, payment of such Issuer's Notes may not be accelerated because of an Event of Default specified in paragraphs (3), (4), (5) or (7) under "Events of Default" above or because of the failure of the Issuer to comply with paragraph (5) under "Certain Covenants—Consolidation, Merger and Sales of Assets" above.

In order to exercise either defeasance option, the Issuer must irrevocably deposit in trust (the "defeasance trust") with the Trustee for the benefit of the holders Designated Government Obligations for the payment of principal, premium, if any, and interest on the Notes of such Issuer to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of:

(a) an Opinion of Counsel (subject to customary exceptions and exclusions) to the effect that U.S. and non-U.S. holders of such Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred. In the case of legal defeasance only, such Opinion of Counsel must be based on a ruling of the Internal Revenue Service or other change in applicable U.S. federal income tax law; and

(b) an Opinion of Counsel in the United Kingdom (subject to customary exceptions and exclusions) to the effect that holders of such Notes will not recognize income, gain or loss for tax purposes of the United Kingdom and will not be liable to any stamp duty, stamp duty reserve tax or other transfer tax in the United Kingdom as a result of such deposit and defeasance and will be subject to tax in the United Kingdom on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all the Notes issued thereunder, when:

(1) either:

(a) all the Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Issuer, have been delivered to the Trustee for cancellation; or

(b) all the Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year and the Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the holders, cash in US dollars and/or pounds sterling, as appropriate, or Designated Government Securities, or a combination, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Trustee for cancellation for principal, premium and Additional Amounts, if any, and accrued interest to the date of maturity or redemption;

(2) the Issuer or any Guarantor has paid or caused to be paid all sums payable by it under the Indenture; and

(3) the Issuer has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be.

In addition, the Issuer must deliver an Officer's Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been complied with; provided that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2) and (3)).

No Personal Liability of Directors, Officers, Employees and Stockholders

No member of the Board of Directors, director, officer, employee, incorporator or stockholder of the Issuer or the Guarantors, as such, shall have any liability for any obligations of the Issuer or any Guarantor under the Notes, the Indenture or the Note Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder by accepting a Note waives and releases all such liability and agrees not to enforce any claim in respect of the Notes, the Indentures or the Note Guarantees to the extent that it would give rise to such personal liability. The waiver and release are part of the consideration for issuance of the Notes and the Note Guarantees. Such waiver and release may not be effective to waive liabilities under the U.S. federal securities laws and it is the view of the SEC that such a waiver is against public policy.

Consent to Jurisdiction and Service of Process

The Indenture provides that the Issuer and each Guarantor irrevocably agree to accept notice and service of process in any suit, action or proceeding with respect to the Indentures and the Notes, as the case may be, brought in any U.S. federal or state court located in the Borough of Manhattan in the City of New York and that the Issuer and each Guarantor submits to the jurisdiction thereof.

Concerning the Trustee

Citibank, N.A., London Branch is the Trustee under each Indenture and has been appointed by the Issuer as Registrar with regard to the Notes. Citibank, N.A. is a company incorporated with limited liability in the United States of America under the laws of the City and State of New York on 14 June 1812 and reorganised as a national banking association formed under the laws of the United States of America on 17 July 1865 with Charter number 1461 and having its principal business office at 399 Park Avenue, New York, NY 10043, USA and having in Great Britain a principal branch office situated at Canada Square, Canary Wharf, London E14 5LB with company number FC001835 and branch number BR001018. The Trustee authenticates each Global Note and, as Registrar, is responsible for the transfer and registration of Notes exchanged in accordance with the Indentures. Upon the occurrence of an Event of Default as defined under an Indenture, the Trustee must notify the holders of the Notes issued thereunder of such default and thereafter the Trustee may pursue various actions and remedies on behalf of the holders of such Notes as set out in the Indenture and approved by the holders of the Notes. In its capacity as Trustee, the Trustee may sue on its own behalf the holders of the Notes. The Trustee will not be liable for any action it takes or omits to take in good faith which it believes, acting in good faith, to be authorized under the Indenture. The Trustee is further entitled to require and rely in good faith on an Officer's Certificate, Issuer Order (as applicable) or Opinion of Counsel before taking action. The Trustee is indemnified by the Issuer under each Indenture for any and all loss, damage, claim proceedings, demands, costs, expenses or liability including taxes incurred by the Trustee without negligence or willful misconduct on its part in connection with the acceptance of administration of the trust under such Indenture. The Trustee may resign at any time by notifying the Issuer in writing. The Trustee may be removed by the holders of a majority in principal amount of the US Dollar Notes or the 2018 Sterling Notes as the case may be, by notifying the Issuer and the Trustee in writing, and such majority holders may appoint a successor trustee with the Issuer's consent. In addition the Issuer may remove the Trustee upon certain bankruptcy and similar events relating to the Trustee or if the Trustee becomes incapable of acting with respect to its duties under the Indenture.

Validity of Claims

The time of validity for a payment of interest, principal, the redemption price or another amount payable under each Indenture is six years from the date on which such payment is due.

Governing Law

Each Indenture and the Notes will be governed by, and construed in accordance with, the laws of the State of New York. The Note Guarantees will be governed by, and construed in accordance with, the laws of the State of New York, except that certain matters concerning the limitations thereof will be construed in accordance with the laws of the United Kingdom.

Certain Definitions

As used in each Indenture (except as specifically noted below):

"Accounting Principles" means IFRS or, upon adoption thereof by the Issuer and notice to the Trustee, any other accounting standards which are generally acceptable in the jurisdiction of organization of the Issuer, approved by the relevant regulatory or other accounting bodies in that jurisdiction and internationally generally acceptable and as in effect from time to time.

"Affiliate" of any specified Person means:

(1) any other Person, directly or indirectly, controlling or controlled by, or

(2) under direct or indirect common control with such specified Person.

For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Asset Sale" means any direct or indirect sale, issuance, conveyance, transfer, lease (other than operating leases entered into in the ordinary course of business), assignment or other transfer for value by the Issuer or any Restricted Subsidiary to any Person other than the Issuer or a Restricted Subsidiary of the Issuer, including any disposition by means of a merger, consolidation or similar transaction (each referred to for the purposes of this definition as a "disposition"), of:

(1) any shares of Capital Stock of any Subsidiary (other than directors qualifying shares or shares required by applicable law to be held by a Person other than the Issuer or any Restricted Subsidiary),

(2) all or substantially all the assets of any division or line of business of the Issuer or any Restricted Subsidiary, or

(3) any other assets of the Issuer or its Restricted Subsidiaries.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(1) a disposition of assets or issuance of Capital Stock by a Restricted Subsidiary to the Issuer or by the Issuer or its Restricted Subsidiaries to a Restricted Subsidiary,

(2) any single transaction or series of related transactions that involves assets or Capital Stock having a Fair Market Value of less than £10 million,

(3) the disposition of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements,

(4) a disposition that is made in connection with the establishment of a joint venture which is a Permitted Investment or sales, transfers and other dispositions of Investments in joint ventures to the extent required by or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture agreements and similar binding agreements,

(5) the sale, lease or other disposition, including in connection with any Receivables Financing, of equipment, inventory, property, stock-in-trade, goods, accounts receivable or other assets in the ordinary course of business,

(6) the lease, assignment, sublease, license or sublicense of any real or personal property in the ordinary course of business,

(7) a Permitted Investment or a Restricted Payment (or a transaction that would constitute a Restricted Payment but for the exclusions from the definition thereof) that is not prohibited by "Certain Covenants—Restricted Payments",

(8) foreclosure, condemnation or similar action with respect to property or other assets,

(9) any disposition of Capital Stock, Indebtedness or other securities of any Unrestricted Subsidiary,

(10) for the purposes of "—Certain Covenants—Asset Sales" only, a disposition of all or substantially all the assets of the Issuer in accordance with the covenant described under "—Certain Covenants—Consolidation, Merger and Sale of Assets" or any disposition that constitutes a Change of Control,

(11) sales of assets received by the Issuer or any Restricted Subsidiary upon the foreclosure on a Lien granted in favor of the Issuer or any Restricted Subsidiary,

(12) the sale or other disposition of cash or Cash Equivalents,

(13) the grant of licenses to intellectual property rights to third parties on an arms' length basis in the ordinary course of business,

(14) the granting of Liens not otherwise prohibited by the Indenture,

(15) the surrender, or waiver of contract rights or settlement, release or surrender of contract, tort or other claims,

(16) the unwinding of any Hedging Obligation, and

(17) any transfer or disposition of obsolete, worn-out or surplus equipment or facilities or other assets or rights of the Issuer or any Restricted Subsidiary that are no longer used or useful in the ordinary course of the Issuer's or any Restricted Subsidiary's business.

"Average Life" means, as of the date of determination, with respect to any Indebtedness or Preferred Stock, the quotient obtained by dividing:

(1) the sum of the products of numbers of years from the date of determination to the dates of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Preferred Stock multiplied by the amount of such payment by,

(2) the sum of all such payments.

"Board of Directors" means, with respect to the Issuer or any Guarantor, as the case may be, the Board of Directors (or other body performing functions similar to any of those performed by a Board of Directors or any committee thereof duly authorized to act on behalf of such Board (or other body).

"Business Day" means any day other than:

(1) a Saturday or Sunday,

(2) for purposes of the US Dollar Notes only, a day on which banking institutions in New York City, London or the jurisdiction of organization of the office of the Paying Agent (other than the Trustee) are authorized or required by law or executive order to remain closed,

(3) for purposes of the 2018 Sterling Notes only, a day on which banking institutions in London or the jurisdiction of organization of the Paying Agent (other than the Trustee) are authorized or required by law or executive order to remain closed, or

(4) except for purposes of payments made on or in respect of the 2018 Sterling Notes by a Paying Agent other than the Trustee, a day on which the corporate trust office of the Trustee is closed for business.

"Capital Lease Obligations" means an obligation that is required to be classified and accounted for as a capital lease for financial reporting purposes in accordance with Accounting Principles, and the amount of Indebtedness represented by such obligation shall be the capitalized amount of such obligation determined in accordance with Accounting Principles; and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty.

"Capital Stock" of any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"Cash Equivalents" means:

(1) direct obligations (or certificates representing an interest in such obligations) issued by, or unconditionally guaranteed by, the government of a member state of the European Union (as of December 31, 2003), the United States of America or Switzerland (including, in each case, any agency or instrumentality thereof), as the case may be, the payment of which is backed by the full faith and credit of the relevant member state of the European Union (as of December 31, 2003) or the United States of America or Switzerland, as the case may be, and which are not callable or redeemable at the Issuer's option;

(2) overnight bank deposits, time deposit accounts, certificates of deposit, banker's acceptances and money market deposits with maturities (and similar instruments) of 12 months or less from the date of acquisition:

    (a) issued by a bank or trust company which is organized under, or authorised to operate as a bank or trust company under, the laws of a member state of the European Union (as of December 31, 2003) or of the United States of America or any state thereof or Switzerland (each, an Approved Jurisdiction) or India; provided that such bank or trust company has capital, surplus and undivided profits aggregating in excess of £250.0 million (or the foreign currency equivalent thereof as of the date of such investment) and whose long-term debt is rated "A-3" or higher by Moody's or A- or higher by S&P or the equivalent rating category of another internationally recognised rating agency (or, in the case of a bank or trust company which is organized under, or authorized to operate as a bank or trust company under, the laws of India, whose long-term debt is rated Investment Grade); and

    (b) only in the case of Restricted Subsidiaries organized under the laws of any jurisdiction other than an Approved Jurisdiction or India, which are (i) issued by a bank or trust company (x) organized under, or authorised to operate as a bank or trust company under, the laws of the jurisdiction under which such Restricted Subsidiary is organized; (y) which has capital, surplus and undivided profits aggregating in excess of £250.0 million (or the foreign currency equivalent thereof as of the date of such investment) and (z) whose long-term debt is rated "A-3" or higher by Moody's or A- or higher by S&P or the equivalent rating category of another internationally recognised rating agency; or (ii) in the event that no bank or trust company satisfies the criteria in (i) above, issued by a bank or trust company that is a branch or wholly-owned Subsidiary of a bank or trust company organized under the laws of an Approved Jurisdiction (a "Parent Bank"); provided that such Parent Bank has capital, surplus and undivided profits aggregating in excess of £250.0 million (or the foreign currency equivalent thereof as of the date of such investment) and whose long-term debt is rated "A-3" or higher by Moody's or A- or higher by S&P or the equivalent rating category of another internationally recognised rating agency.

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) above entered into with any financial institution meeting the qualifications specified in clause (2) above;

(4) commercial paper having one of the two highest ratings obtainable from Moody's or S&P and, in each case, maturing within one year after the date of acquisition; and

(5) money market funds rated "Aaa" by Moodys or "AAA" by S&P or the equivalent rating category of another internationally recognised rating agency with weighted-average maturity of 60 days or less.

"Cash Management Arrangements" means the cash management arrangements of the Issuer or the Guarantors and their Affiliates (including any Indebtedness arising thereunder) which arrangements are in the ordinary course of business consistent with past practice.

"Change of Control" means the occurrence of one or more of the following events:

(1) so long as any portion of the Capital Stock of the Issuer is not listed on a securities exchange, if Tata Motors Ltd. (India) shall fail at any time to beneficially own and control more than 50% of the capital stock with ordinary voting power in the Issuer;

(2) if any portion of the Capital Stock of the Issuer is listed on a securities exchange, if Tata Motors Ltd. (India) shall fail at any time to beneficially own and control more than 30% of the capital stock with ordinary voting power in the Issuer;

(3) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Issuer to any Person or group of related Persons for purposes of Section 13(d) of the Exchange Act (a "Group"), together with any Affiliates thereof (whether or not otherwise in compliance with the provisions of the Indenture).

"Commodities Agreement" means any agreement or arrangement designed to protect the relevant Person against fluctuations in commodities prices.

"Consolidated Coverage Ratio" of any Person as of any date of determination means the ratio of (x) the aggregate amount of Consolidated EBITDA for such Person's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of such determination to (y) Consolidated Net Interest Expense for such four fiscal quarters; *provided, however,* that:

(1) if such Person or any of its Subsidiaries has Incurred or repaid, repurchased, defeased or otherwise discharged (in each case other than Indebtedness under any revolving credit facility unless such Indebtedness has been permanently repaid and any related commitment has been terminated) any Indebtedness since the beginning of such period that remains outstanding or discharged or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio is an Incurrence or discharge of Indebtedness, or both, Consolidated EBITDA and Consolidated Net Interest Expense for such period shall be calculated after giving effect on a pro forma basis to such Indebtedness as if such Indebtedness had been Incurred or discharged on the first day of such period and the Incurrence or discharge of any other Indebtedness as if such Incurrence or discharge had occurred on the first day of such period,

(2) if since the beginning of such period such Person or any of its Subsidiaries shall have made any Asset Sale, the Consolidated EBITDA for such period shall be reduced by an amount equal to the Consolidated EBITDA (if positive) directly attributable to the assets which are the subject of such Asset Sale for such period, or increased by an amount equal to the Consolidated EBITDA (if negative), directly attributable thereto for such period and Consolidated Net Interest Expense for such period shall be reduced by an amount equal to the Consolidated Net Interest Expense directly attributable to any Indebtedness of such Person or any of its Subsidiaries repaid, repurchased, defeased or otherwise discharged with respect to such Person and its continuing Subsidiaries in connection with such Asset Sale for such period (or, if the Capital Stock of any Subsidiary is sold, the Consolidated Net Interest Expense for such period of credit and directly attributable to the Indebtedness of such Subsidiary to the extent such Person and its continuing Subsidiaries are no longer liable for such Indebtedness after such Asset Sale),

(3) if since the beginning of such period such Person or any of its Subsidiaries (by merger or otherwise) shall have made an Investment in any Subsidiary (or any Person which becomes a

Subsidiary) or an acquisition of assets, which constitutes all or substantially all of an operating unit of a business, Consolidated EBITDA and Consolidated Net Interest Expense for such period shall be calculated after giving pro forma effect thereto (including the Incurrence of any Indebtedness) as if such Investment or acquisition occurred on the first day of such period, and

(4) if since the beginning of such period any Person (that subsequently became a Subsidiary or was merged with or into such Person or any of its Subsidiaries since the beginning of such period) shall have made any Asset Sale, any Investment or acquisition of assets that would have required an adjustment pursuant to paragraph (2) or (3) above if made by such Person or a Subsidiary of such Person during such period, Consolidated EBITDA and Consolidated Net Interest Expense for such period shall be calculated after giving pro forma effect thereto as if such Asset Sale, Investment or acquisition occurred on the first day of such period.

For purposes of this definition, whenever pro forma effect is to be given to any event, the amount of income or earnings relating thereto and the amount of Consolidated Net Interest Expense associated with any Indebtedness Incurred in connection therewith, the pro forma calculations shall be determined in good faith by a responsible financial or accounting officer of such Person (including any pro forma anticipated expenses, cost savings and cost reduction synergies). If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest of such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months).

"Consolidated EBITDA" means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period plus the following to the extent deducted in calculating such Consolidated Net Income, without duplication:

(1) provision for taxes based on income or profits of such Person and its Subsidiaries which are Restricted Subsidiaries for such period; *plus*

(2) the Consolidated Net Interest Expense of such Person and its Subsidiaries which are Restricted Subsidiaries for such period; *plus*

(3) depreciation, amortization (including, without limitation, amortization of intangibles and deferred financing fees) and other non-cash charges and expenses (including without limitation write-downs and impairment of property, plant, equipment and intangibles and other long-lived assets and the impact of purchase accounting on the Company and its Restricted Subsidiaries for such period) of the Company and its Restricted Subsidiaries (excluding any such non-cash charge or expense to the extent that it represents an accrual of or reserve for cash charges or expenses in any future period or amortization of a prepaid cash charge or expense that was paid in a prior period) for such period; *plus*

(4) any expenses, charges or other costs related to the issuance of any Capital Stock, or any Permitted Investment, acquisition, disposition, recapitalization or listing or the incurrence of Indebtedness permitted to be incurred under the covenant described above under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness" whether or not successful and, in each case, deducted in such period in computing Consolidated Net Income; *plus*

(5) the amount of any minority interest expense consisting of subsidiary income attributable to minority equity interests of third parties in any non-wholly owned Restricted Subsidiary in such period or any prior period, except to the extent of dividends declared or paid on, or other cash payments in respect of, Equity Interests held by such parties; *plus*

(6) any income or charge attributable to a post-employment benefit scheme other than the current service costs and any past service costs and curtailments and settlements attributable to the scheme, *minus*

(7) non-cash items increasing such Consolidated Net Income for such period (other than any non-cash items increasing such Consolidated Net Income pursuant to clauses (1) through (10) of the definition of Consolidated Net Income), other than the reversal of a reserve for cash charges in a future period in the ordinary course of business,

in each case, on a consolidated basis and determined in accordance with IFRS.

"Consolidated Net Income" means, with respect to any specified Person for any period, the aggregate of the net income (loss) of such Person and its Restricted Subsidiaries for such period, on a consolidated basis (excluding the net income (loss) of any Unrestricted Subsidiaries), determined in accordance with IFRS and without any reduction in respect of preferred stock dividends; provided that:

(1) the net income or loss of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or a Restricted Subsidiary which is a Subsidiary of the Person;

(2) solely for the purpose of determining the amount available for Restricted Payments under clause (a)(3)(i) of the first paragraph under the caption "—Certain Covenants—Restricted Payments", any net income or loss of any Restricted Subsidiary (other than any Guarantor) will be excluded if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Company (or any Guarantor that holds the Equity Interests of such Restricted Subsidiary, as applicable) by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Notes or the Indenture and (c) contractual restrictions in effect on the Issue Date with respect to such Restricted Subsidiary and other restrictions with respect to such Restricted Subsidiary that, taken as a whole, are not materially less favorable to the Holders of the Notes than such restrictions in effect on the Issue Date, except that the Company's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Company or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary (other than any Guarantor), to the limitation contained in this clause);

(3) any net gain or loss realized upon the sale or other disposition of any asset or disposed operations of the Company or any Restricted Subsidiaries (including pursuant to any sale leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by the Company) will be excluded;

(4) any one time non-cash charges or any amortization or depreciation resulting from purchase accounting, in each case, in relation to any acquisition of, or merger or consolidation with, another Person or business or resulting from any reorganization or restructuring involving the Company or its Subsidiaries will be excluded;

(5) the cumulative effect of a change in accounting principles will be excluded;

(6) any extraordinary, exceptional or nonrecurring gains or losses or any charges in respect of any restructuring, redundancy or severance (in each case as determined in good faith by the Company) will be excluded;

(7) any unrealized gains or losses in respect of Hedging Obligations or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value or changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations will be excluded;

(8) any non-cash compensation charge or expenses arising from any grant of stock, stock options or other equity-based awards will be excluded;

(9) any goodwill or other intangible asset impairment charges will be excluded;

(10) all deferred financing costs written off and premium paid in connection with any early extinguishment of Indebtedness and any net gain or loss from any write-off or forgiveness of Indebtedness will be excluded; and

11) all foreign exchange gains and losses on Indebtedness denominated in currencies other than pounds sterling;

"Consolidated Net Interest Expense" means, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the consolidated interest expense (net of interest income) of such Person and its Subsidiaries which are Restricted Subsidiaries for such period, whether paid or accrued, including without limitation amortization of debt discount (but not debt issuance costs, commissions, fees and expenses), non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark-to-market valuation of Hedging Obligations or other derivative instruments gains or losses attributable to the discounting of liabilities or provisions as required under Accounting Principles and the unwinding of the discount and expected return on assets relating to pension schemes, plans and similar pension arrangements), the interest component of deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings; *plus*

(2) the consolidated interest expense of such Person and its Subsidiaries which are Restricted Subsidiaries that was capitalized during such period; *plus*

(3) any interest on Indebtedness of another Person that is guaranteed by such Person or one of its Subsidiaries which are Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Subsidiaries which are Restricted Subsidiaries; *plus*

(4) net payments and receipts (if any) pursuant to interest rate Hedging Obligations (excluding amortization of fees) with respect to Indebtedness; *plus*

(5) all dividends, whether paid or accrued and whether or not in cash, on any series of preferred stock of any Restricted Subsidiary, other than dividends on Equity Interests payable to the Issuer or a Restricted Subsidiary.

"Consolidated Tangible Assets" means, as of any date of determination, the total amount of all assets of the Issuer and its Restricted Subsidiaries, determined on a consolidated basis in accordance with Accounting Principles, as of the end of the most recent fiscal quarter for which the Issuer's financial statements are available, less the sum of the Issuer's consolidated assets that are properly classified as intangible assets as of such quarter end, determined on a consolidated basis in accordance with Accounting Principles.

"Currency Agreement" means any foreign currency exchange contract, currency swap agreement or other similar agreement or arrangement.

"Default" means any event that is, or after notice or passage of time or both would be, an Event of Default (as defined herein).

"Designated Government Obligations" means direct non-callable and non-redeemable obligations (in each case, with respect to the issuer thereof) of any member state of the European Union that is a member of the European Union as of the Issue Date or of the United States of America (including, in each case, any agency or instrumentality thereof), as the case may be, the payment of which is secured by the full faith and credit of the applicable member state or of the United States of America, as the case may be.

"Disqualified Stock" means, with respect to any Person, any Capital Stock that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

(1) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise,

(2) is convertible or exchangeable for Indebtedness or Disqualified Stock; or

(3) is redeemable at the option of the holder thereof, in whole or in part,

in each case on or prior to the first anniversary of the Stated Maturity of the Notes; *provided, however,* that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of an "asset sale" or "change of control" occurring prior to the first anniversary of the Stated Maturity of the Notes shall not constitute Disqualified Stock if the "asset sale" or "change of control" provisions applicable to such Capital Stock are not more favorable to the holders of such Capital Stock than the provisions described under "—Change of Control."

"Equity Interest" means Capital Stock and all warrants, options or other rights to acquire Capital Stock.

"Equity Offering" means a public or private sale of Qualified Capital Stock of the Issuer (other than a public offering on Form S-8) or any similar offering in other jurisdictions.

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended.

"Fair Market Value" means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress of either party, determined in good faith by the Chief Executive Officer, Chief Financial Officer or responsible accounting or financial officer of the Issuer.

"Facility M" means the US$300.0 million 5-year single-currency bilateral term loan facility between the Issuer and a commercial lender dated 18 October 2010 (as subsequently amended) and supplemented by an undertaking given by Jaguar Land Rover to the lender dated 18 October 2010.

"Gilt Rate" means, as of any redemption date, the yield to maturity as of such redemption date of United Kingdom government securities with a fixed maturity (as complied by the Office for National Statistics and published in the most recent Financial Statistics that have become publicly available at least two Business Days in London prior to such redemption date (or, if such Financial Statistics are no longer published, any publicly available source of similar market data)) most nearly equal to the period from such redemption date to the Stated Maturity of the Notes being redeemed; provided, however, that if the period from such redemption date to the Stated Maturity of the Notes being redeemed is less than one year, the weekly average yield on actually traded United Kingdom government securities denominated in sterling adjusted to a fixed maturity of one year shall be used.

"Guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness or other obligation of any Person and any obligation, direct or indirect, contingent or otherwise, of such Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise), or

(2) entered into for the purpose of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided, however, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning. The term "guarantor" shall mean any Person Guaranteeing any obligation.

"Guarantee Agreement" means, in the context of a consolidation, merger or sale of all or substantially all of the assets of a Guarantor, an agreement by which the Surviving Person from such a transaction expressly assumes all of the obligations of such Guarantor under its Note Guarantee.

"Hedging Obligations" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Commodities Agreement or Currency Agreement.

"IFRS" means international financial reporting standards and interpretations issued by the International Accounting Standards Board and adopted by the European Commission, as in effect from time to time.

"Incur" means issue, assume, guarantee, incur or otherwise become liable for; *provided, however,* that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Subsidiary at the time it becomes a Subsidiary. The term "Incurrence" when used as a noun shall have a correlative meaning. The accretion of principal of a non-interest bearing or other discount security shall be deemed the Incurrence of Indebtedness. In connection with credit facilities, overdraft facilities, debt facilities and similar instruments or arrangements with banks, other institutions, funds or investors that provide for commitments or similar obligations to make loans or other advances, "Incur" means entering into the contractual commitment or agreement or similar obligation to make such loan or advance.

"Indebtedness" means, with respect to any Person on any date of determination (without duplication):

(1) the principal of and premium (if any) in respect of (A) (i) in connection with credit facilities, overdraft facilities, debt facilities and similar instruments or arrangements with banks, other institutions, funds or investors that provide for commitments or similar obligations to make loans (revolving or otherwise) or other advances, the total principal committed amount of such loans and advances and (ii) in connection with any other type of indebtedness, money borrowed and (B) Indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable,

(2) all Capital Lease Obligations of such Person,

(3) all obligations of such Person issued or assumed as the deferred purchase price of property or services, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreement (other than customary reservations or retentions of title under agreements with suppliers entered into in the ordinary course of business),

(4) all obligations of such Person for the reimbursement of any obligor on any letter of credit, bank guarantee, banker's acceptance or similar credit transaction (except to the extent such reimbursement obligation relates to trade debt in the ordinary course of business and such reimbursement obligation is paid within 30 days after payment of the trade debt),

(5) the amount of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock or, with respect to any subsidiary of such Person, any Preferred Stock (but excluding, in each case, any accrued dividends),

(6) all obligations of the type referred to in paragraphs (1) through (5) of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any Guarantee,

(7) all obligations of the type referred to in paragraphs (1) through (6) of other Persons secured by any Lien on any property or asset of such Person (whether or not such obligation is assumed by such Person), the amount of such obligation being deemed to be the lesser of the value of such property or assets or the amount of the obligation so secured, and

(8) to the extent not otherwise included in this definition, Hedging Obligations of such Person.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date. For the avoidance of doubt, the following will not be treated as Indebtedness:

(1) Subordinated Shareholder Debt;

(2) Trade debt Incurred in the ordinary course of business and not overdue by 90 days or more;

(3) Any lease of property which would be considered an operating lease under the Accounting Principles and any guarantee given by the Issuer or a Restricted Subsidiary in the ordinary course of business solely in connection with, and in respect of, the obligations of the Issuer or a Restricted Subsidiary under any operating lease;

(4) Indebtedness Incurred in respect of workers' compensation claims, self insurance obligations, social security or wage Taxes, pension fund obligations or contributions or similar claims, obligations or contributions, performance, surety and similar bonds and completion guarantees provided in this ordinary course of business; and

(5) Indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, in each case, Incurred or assumed in connection with the disposition or acquisition of any business, assets or Capital Stock of a Subsidiary, provided, that the maximum aggregate liability in respect of all such Indebtedness (other than in respect of tax and environmental indemnities) shall at no time exceed, in the case of a disposition, the gross proceeds actually received by the Issuer or its Restricted Subsidiaries in connection with such disposition and, in the case of an acquisition, the fair market value of any business assets or Capital Stock acquired.

"Interest Rate Agreement" means any interest rate swap agreement, interest rate cap agreement or other similar financial agreement or arrangement.

"Investment" in any Person means any direct or indirect advance, loan (other than advances to customers in the ordinary course of business that are recorded as accounts receivable on the balance sheet of such Person) or other extensions of credit (including by way of Guarantee or similar arrangement) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by such Person; *provided, however,* that advances, loans or other extensions of credit arising under the Cash Management Arrangements shall not be deemed Investments.

"Investment Grade" means a rating of BBB- or higher by S&P and Baa3 or higher by Moody's or the equivalent of such ratings by S&P or Moody's and the equivalent in respect of Rating Categories of any Rating Agencies substituted for S&P or Moody's.

"Investment Grade Status Period" means any period when the Notes have achieved and continue to maintain an Investment Grade rating and no Event of Default has occurred and is continuing.

"Issue Date" means May 19, 2011.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Net Cash Proceeds" means:

(1) with respect to any Asset Sale, the proceeds thereof in the form of cash or Cash Equivalents including payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed for, cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to the Issuer or any Restricted Subsidiary), net of:

   (a) brokerage commissions and other fees and expenses (including, without limitation, fees and expenses of legal counsel, accounts, investment banks and other consultants) related to such Asset Sale;

   (b) provisions for all taxes paid or payable, or required to be accrued as a liability under the Accounting Principles as a result of such Asset Sale;

   (c) all distributions and other payments required to be made to any Person (other than the Issuer or any Restricted Subsidiary) owning a beneficial interest in the assets subject to the Asset Sale; and

   (d) appropriate amounts required to be provided by the Issuer or any Restricted Subsidiary, as the case may be, as a reserve in accordance with the Accounting Principles against any liabilities associated with such Asset Sale and retained by the Issuer or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as reflected in an Officer's Certificate delivered to the Trustee; and

(2) with respect to any capital contributions, issuance or sale of Capital Stock or options, warrants or rights to purchase Capital Stock, or debt securities or Capital Stock that have been converted into or exchanged for Capital Stock as referred to under "—Certain covenants—Restricted Payments", the proceeds of such issuance or sale in the form of cash or Cash Equivalents, payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed of for, cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to the Issuer or any Restricted Subsidiary), net of attorney's fees, accountant's fees and brokerage, consultation, underwriting and other fees and expenses actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"Non-Recourse Debt" means Indebtedness:

(1) as to which neither the Issuer nor any Restricted Subsidiary (a) provides any Guarantee or credit support of any kind (including any undertaking, Guarantee, indemnity, agreement or instrument that would constitute Indebtedness) or (b) is directly or indirectly liable (as a guarantor or otherwise);

(2) no default with respect to which Indebtedness (including any rights that the holders thereof may have to take enforcement action against an Unrestricted Subsidiary) would permit (upon notice, lapse of time or both) any holder of any other Indebtedness of the Issuer or any Restricted Subsidiary to declare a default under such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity; and

(3) the explicit terms of which provide there is no recourse against any of the assets of the Issuer or any Restricted Subsidiary.

"Note Guarantee" means the Guarantee by a Guarantor of the Issuer's obligations under the Notes of such Issuer.

"Officer's Certificate" means a certificate signed by one Responsible Officer of the Issuer or of any Guarantor.

"Opinion of Counsel" means a written opinion from legal counsel who is reasonably acceptable to the Trustee. The counsel may be an employee of or counsel to the Issuer, a Guarantor or the Trustee.

"Parent Holdco" means any Person (other than a natural person) which legally and beneficially owns more than 50% of the Voting Stock and/or Capital Stock of another Person, either directly or through one or more Subsidiaries.

"Pari Passu Indebtedness" means (a) any Indebtedness of the Issuer that ranks equally in right of payment with the Notes or (b) with respect to any Note Guarantee, any Debt that ranks equally in right of payment to such Note Guarantee.

"Permitted Business" means any businesses, services or activities engaged in by the Issuer or any Restricted Subsidiary on the Issue Date and any businesses, services or activities related, ancillary or complementary to any of the foregoing or are extensions or developments of any thereof.

"Permitted Investments" means:

(1) any Investment in the Issuer or any Restricted Subsidiary;

(2) (a) any Investment in cash and (b) any Outgoing Cash Pooling Transfer if, following such Outgoing Cash Pooling Transfer, the total amount of Outgoing Cash Pooling Transfers from 1 January 2011 less the total amount of Incoming Cash Pooling Transfers over the same period, does not exceed the sum total of sub-paragraphs (i) to (vi) of paragraph (a)(3) under the caption "Restricted Payments";

(3) any Investment, made for non-speculative purposes and in accordance with a conservative investing policy, as determined in good faith by the Board of Directors of the Issuer, in (i) Cash Equivalents and (ii) if, and to the extent, the Issuer and its Restricted Subsidiaries hold an aggregate amount of at least £500.0 million of Cash Equivalents as of the date of their most recent monthly management accounts, in any Investments which are rated Investment Grade;

(4) any Investment by the Issuer or any Restricted Subsidiary in a Person, if as a result of such Investment:

(a) such Person becomes a Restricted Subsidiary; or

(b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary;

(5) any acquisition of assets or Capital Stock solely in exchange for the issuance of Capital Stock (other than Disqualified Stock) of the Issuer;

(6) any Investments received in compromise or resolution of (a) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Issuer or their Restricted Subsidiaries, including pursuant to any plan of reorganisation or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (b) litigation, arbitration or other disputes;

(7) Investments in receivables owing to the Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business;

(8) Investments represented by Hedging Obligations, which obligations are permitted by subparagraph (b)(7) of the covenant entitled "—Certain Covenants—Limitations on Incurrence of Indebtedness";

(9) Investments in the Notes and any other Indebtedness of the Issuer or any Restricted Subsidiary;

(10) any guarantee of Indebtedness permitted to be incurred by the covenant described above under the caption "—Certain Covenants—Limitations on Incurrence of Indebtedness";

(11) Investments acquired after the Issue Date as a result of the acquisition by the Issuer any Restricted Subsidiary of another Person, including by way of a merger, amalgamation or consolidation with or into the Issuer or its Restricted Subsidiaries in a transaction that is not prohibited by the covenant described above under the caption "—Certain Covenants—Limitations on Mergers and Sale of Assets" after the Issue Date to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(12) any Investment to the extent made using as consideration Capital Stock of the Issuer (other than Disqualified Stock); and

(13) other Investments in any Person, when taken together with all other Investments made pursuant to this sub-paragraph (13) that are at the time outstanding not to exceed £150.0 million.

"Permitted Liens" means, with respect to any Person:

(1) pledges or deposits by such Person under workmen's compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits or cash or Designated Government Obligations to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import or customs duties or for the payment of rent, in each case Incurred in the ordinary course of business;

(2) Liens imposed by law, including carriers', warehousemen's and mechanics' Liens, in each case for sums not yet due or being contested in good faith if a reserve or other appropriate provisions, if any, as are required by Accounting Principles have been made in respect thereof;

(3) Liens for taxes, assessments or other governmental charges not yet subject to penalties for nonpayment or which are being contested in good faith provided appropriate reserves, if any, as are required by Accounting Principles have been made in respect thereof;

(4) Liens in favor of issuers of surety or performance bonds or letters of credit or bankers' acceptances issued pursuant to the request of and for the account of such Person in the ordinary course of its business;

(5) encumbrances, easements or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real properties or liens incidental to the conduct of the business of such Person or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(6) Liens securing Hedging Obligations so long as the related Indebtedness is, and is permitted to be under the Indenture, secured by a Lien on the same property securing such Hedging Obligation or Interest Rate Agreement;

(7) leases, subleases and licenses of real property which do not materially interfere with the ordinary conduct of the business of the Issuer or any Restricted Subsidiary and leases, subleases and licenses of other assets in the ordinary course of business;

(8) Liens for the purpose of securing the payment (or the refinancing of the payment) of all or a part of the purchase price of, or Capital Lease Obligations with respect to, assets or property acquired or constructed in the ordinary course of business; provided that:

   (a) the aggregate principal amount secured by such Liens does not exceed the cost of the assets or property so acquired or constructed; and

   (b) such Liens are created within 180 days of construction or acquisition of such assets or property (or, upon a refinancing, replace Liens created within such period) and do not encumber any other assets or property of the Issuer or any Restricted Subsidiary other than such assets or property and assets affixed or appurtenant thereto;

(9) Liens arising solely by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary institution; *provided* that such deposit account is not intended by the Issuer or any Restricted Subsidiary to provide collateral to the depositary institution;

(10) Liens arising from United States Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Issuer or any Restricted Subsidiary in the ordinary course of business;

(11) Liens existing on the Issue Date;

(12) Liens on property or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary; *provided, however,* that such Liens are not created, Incurred or assumed in connection with, or in contemplation of, such other Person becoming a Restricted Subsidiary of the Issuer or the Guarantors; *provided further, however,* that any such Lien may not extend to any other property owned by the Issuer or its Restricted Subsidiaries;

(13) Liens on property at the time the Issuer or any Restricted Subsidiary acquired the property, including any acquisition by means of a merger or consolidation with or into the Issuer or any Restricted Subsidiary; *provided, however,* that such Liens are not created, Incurred or assumed in connection with, or in contemplation of, such acquisition; *provided further, however,* that such Liens may not extend to any other property owned by the Issuer or any Restricted Subsidiary;

(14) Liens securing Indebtedness or other obligations of the Issuer to a Guarantor or of a Guarantor owing to the Issuer or a Guarantor;

(15) Liens securing the Notes and all other Indebtedness which by its terms must be secured if the Notes are secured;

(16) Liens securing Indebtedness Incurred to refinance Indebtedness that was previously secured;

(17) Liens arising by operation of law or by agreement to the same effect in the ordinary course of business;

(18) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of assets entered into in the ordinary course of business;

(19) Liens over cash paid into an escrow account pursuant to any purchase price retention arrangement as part of any permitted disposal by the Issuer or any Restricted Subsidiary on condition that the cash paid into such escrow account in relation to a disposal does not represent more than 15% of the net proceeds of such disposal;

(20) judgment Liens not giving rise to an Event of Default so long as such Lien is adequately bonded and any appropriate legal proceedings which may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(21) Liens securing the Indebtedness in respect of Receivables Financing permitted to be Incurred under subparagraph (b)(3) under "—Certain Covenants—Limitation on Incurrence of Indebtedness";

(22) Liens on any proceeds loan made by the Issuer or any Restricted Subsidiary in connection with any future incurrence of Indebtedness permitted under the Indenture and securing that Indebtedness;

(23) Liens on cash held by Subsidiaries of the Issuer or its Restricted Subsidiaries outside of the United Kingdom securing Indebtedness of the Issuer or its Restricted Subsidiaries; and

(24) other Liens securing Indebtedness of the Issuer and its Restricted Subsidiaries for money borrowed (and, without duplication, guarantees of such Indebtedness by the Issuer or any Restricted Subsidiary), provided that the aggregate principal amount of such Indebtedness of the Issuer and its Restricted Subsidiaries (other than Indebtedness secured only by Liens described in clause (23)), measured as of the date of the creation of such Lien and the date of Incurrence of any such Indebtedness and after giving pro forma effect to the creation of such Lien, shall not exceed the greater of £275.0 million or 6.1% of the Company's Consolidated Tangible Assets.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency, instrumentality or political subdivision thereof, or any other entity.

"Preferred Stock", as applied to the Capital Stock of any corporation, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such corporation, over shares of Capital Stock of any other class of such corporation.

"Qualified Capital Stock" means any Capital Stock which is not Disqualified Stock.

"Rating Agencies" means:

(1) S&P and

(2) Moody's, or

(3) if S&P or Moody's or both shall not make a rating of the Notes publicly available, despite the Issuer using its commercially reasonable efforts to obtain such a rating, a nationally recognized securities rating agency or agencies, as the case may be, selected by the Issuer, which shall be substituted for S&P or Moody's or both, as the case may be.

"Rating Category" means:

(1) with respect to S&P, any of the following categories: BB, B, CCC, CC, C and D (or equivalent successor categories),

(2) with respect to Moody's, any of the following categories: Ba, B, Caa, Ca, C and D (or equivalent successor categories), and

(3) the equivalent of any such category of S&P or Moody's used by another rating agency. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within rating categories (+ and − for S&P, 1, 2 and 3 for Moody's; or the equivalent gradations for another rating agency) shall be taken into account (e.g., with respect to S&P, a decline in a rating from BB+ to BB, as well as from BB− to B+, which constitute a decrease of one gradation).

"Receivables Financings" means any financing transaction or series of financing transactions that have been or may be entered into by the Issuer or any of its Restricted Subsidiaries pursuant to which the Issuer or any Restricted Subsidiary may sell, convey or otherwise transfer to another Person, or may grant a security interest in, any receivables or interests therein in connection with the financing of purchases of finished vehicles from the Issuer or a Restricted Subsidiary in the ordinary course of business (whether such receivables are then existing or arising in the future) including without limitation, all security interests in goods financed thereby, the proceeds of such receivables, and other assets which are customarily sold or in respect of which security interests are customarily granted in connection with securitization transactions involving such assets.

"Refinance" means, in respect of any Indebtedness, to refinance, extend, renew, refund, repay, prepay, redeem, defease or retire, or to issue other Indebtedness in exchange or replacement for, such Indebtedness.

"Refinanced" and "Refinancing" shall have correlative meanings.

"Refinancing Indebtedness" means Indebtedness that Refinances any Indebtedness of the Issuer or any Restricted Subsidiary existing on the Issue Date or Incurred in compliance with the Indenture including Indebtedness that Refinances Refinancing Indebtedness; *provided, however,* that:

(1) such Refinancing Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being Refinanced,

(2) such Refinancing Indebtedness has an Average Life at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the Average Life of the Indebtedness being Refinanced,

(3) such Refinancing Indebtedness has an aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if Incurred with original issue discount, the aggregate accreted value) then outstanding or committed (plus fees and expenses, including any premium and defeasance costs) under the Indebtedness being Refinanced; *provided further, however,* that Refinancing Indebtedness shall not include (x) Indebtedness of a Restricted Subsidiary that Refinances Indebtedness of the Issuer or (y) Indebtedness of the Issuer or a Restricted Subsidiary that Refinances Indebtedness of another Restricted Subsidiary, and

(4) the new Indebtedness is not senior in right of payment to the Indebtedness that is being refinanced.

"Replacement Assets" means properties and assets that replace the properties and assets that were the subject of an Asset Sale or properties and assets that are, or will be, used in the Issuer's business or in that of the Restricted Subsidiaries or any and all businesses that in the good faith judgment of the board of directors of the Issuer are reasonably related, and, in each case, any capital expenditure relating thereto.

"Responsible Officer" means the chief executive officer, president, chief financial officer, senior vice president—finance, treasurer, assistant treasurer, managing director, management board member or director of a company.

"Restricted Investment" means an Investment other than a Permitted Investment.

"Restricted Payments" means any of the following:

(1) to declare or pay any dividend on or make any distribution (whether made in cash, securities or other property) with respect to any of the Capital Stock of the Issuer or any Restricted Subsidiary (including, without limitation, any payment in connection with any merger, consolidation, amalgamation or other combination involving the Issuer or any Restricted Subsidiary) (other than to the Issuer, or any Restricted Subsidiary of the Issuer) except for dividends or distributions payable solely in shares of the Issuer or Qualified Capital Stock of the Issuer or in options, warrants or other rights to acquire such shares or Qualified Capital Stock;

(2) to purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger, consolidation, amalgamation or other combination), directly or indirectly, any shares of the Issuer's Capital Stock or any Capital Stock of any Affiliate of the Issuer held by Persons other than the Issuer or its Restricted Subsidiaries (other than Capital Stock of any Restricted Subsidiary of the Issuer or any entity that becomes a Restricted Subsidiary of the Issuer as a result thereof) or any options, warrants or other rights to acquire such shares of Capital Stock;

(3) to make any principal payment on, or repurchase, redeem, defease or otherwise acquire or retire for value, prior to any scheduled principal payment, sinking fund payment or stated maturity, any Subordinated Obligation (other than intercompany Indebtedness between the Issuer or any Restricted Subsidiary or among Restricted Subsidiaries of the Issuer);

(4) to make any payments on or with respect to, or purchase, redeem, defease, or otherwise acquire or retire for value any Subordinated Shareholder Debt; or

(5) make any Restricted Investment.

If any Restricted Payment described above is not made in cash, the amount of the proposed Restricted Payment will be the fair market value of the asset to be transferred as at the date of transfer.

"Restricted Subsidiary" means any Subsidiary of the Issuer and its Subsidiaries, including the Guarantors, other than an Unrestricted Subsidiary.

"S&P" means Standard & Poor's Corporation and its successors.

"SEC" means the U.S. Securities and Exchange Commission.

"Secured Indebtedness" means any Indebtedness secured by a Lien.

"Significant Subsidiary" means, with respect to any Person, any Subsidiary of such Person that satisfies the criteria for a "significant subsidiary" set forth in Rule 1.02 of Regulation S-X under the Exchange Act.

"Stated Maturity" means, with respect to any security, the date specified in such security as the fixed date on which the final payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency unless such contingency has occurred).

"Subordinated Obligation" means any Indebtedness of the Issuer or a Guarantor (whether outstanding on the Issue Date or thereafter Incurred) that is subordinate or junior in right of payment to the Notes or such Guarantor's Note Guarantee pursuant to a written agreement to that effect.

"Subordinated Shareholder Debt" means, collectively, any funds provided to the Issuer by any direct or indirect Parent HoldCo of the Issuer, or Affiliate of such Parent HoldCo, pursuant to any security, instrument or agreement, other than Capital Stock, that pursuant to its terms:

(1) does not (including upon the happening of any event) mature or require any amortisation or other payment of principal prior to the first anniversary of the maturity of the Notes (other than through conversion or exchange of any such security or instrument for Qualified Capital Stock or for any other security or instrument meeting the requirements of the definition);

(2) does not (including upon the happening of any event) require the payment in cash or otherwise, of interest or any other amounts prior to the first anniversary of the maturity of the Notes (provided that interest may accrete while such Subordinated Shareholder Debt is outstanding and accretion interest may become due upon maturity as permitted by clause (a) or acceleration of maturity as permitted by clause (c) below and any interest may be satisfied at any time by the issue to the holders thereof of additional Subordinated Shareholder Debt);

(3) does not (including upon the happening of any event) provide for the acceleration of its maturity and its holders have no right (including upon the happening of any event) to declare a default or event of default or take any enforcement action, prior to the first anniversary of the maturity of the Notes;

(4) is not secured by a Lien or any assets of the Issuer or a Restricted Subsidiary and is not guaranteed by any Subsidiary of the Issuer;

(5) is contractually subordinated and junior in right of payment to the prior payment in full in cash of all obligations (including principal, interest, premium (if any) and Additional Amounts (if any)) of the Issuer under the Notes and the Indenture such that:

   (A) upon any total or partial liquidation, dissolution or winding up of the Issuer or in any bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to the Issuer or its property, the holders of the Notes will be entitled to receive payment in full in cash of the obligations under the Notes and the Indenture, including Additional Amounts, if any, before the providers of such Subordinated Shareholder Debt will be entitled to receive any payment in respect of such Subordinated Shareholder Debt;

   (B) such Subordinated Shareholder Debt may not be amended such that it would cease to qualify as Subordinated Shareholder Debt until a date that is after the prior payment in full in cash of all obligations in respect of the Notes and the Indenture;

   (C) the providers of such Subordinated Shareholder Debt shall assign any rights to vote, including by way of proxy, in a bankruptcy, insolvency or similar proceeding to the relevant trustee to the extent necessary to give effect to the priority and subordination provisions described in this definition; and

(D) the providers of such Subordinated Shareholder Debt shall agree that, in the event any payment on such Subordinated Shareholder Debt is received by such provider in contravention of its terms and any applicable subordination agreement, then such payment shall be held in trust for the benefit of, and shall be paid over or delivered to, the trustee, on behalf of the holders of the Notes;

(6) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Notes or compliance by the Issuer with its obligations under the Notes and the Indenture;

(7) does not (including upon the happening of any event prior to the payment in full in cash of all obligations in respect of the Notes and the Indenture) constitute Voting Stock; and

(8) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder, in whole or in part, prior to the date on which the Notes mature other than into or for Qualified Capital Stock of the Issuer;

provided that any event or circumstance that results in such Indebtedness ceasing to qualify as Subordinated Shareholder Debt, such Indebtedness shall constitute an incurrence of such Indebtedness by the Issuer, and any and all Restricted Payments made through the use of the net proceeds from the incurrence of such Indebtedness since the date of the original issuance of such Subordinated Shareholder Debt shall constitute new Restricted Payments that are deemed to have been made after the date of the original issuance of such Subordinated Shareholder Debt.

"Subsidiary" means, with respect to any Person, any corporation, limited liability company, association, partnership or other business entity of which more than 50% of the total voting power of shares of Voting Stock is at the time owned or controlled, directly or indirectly, by:

(1) such Person;

(2) such Person and one or more Subsidiaries of such Person; or

(3) one or more Subsidiaries of such Person.

Unless otherwise provided, all references to a Subsidiaries shall be to Subsidiaries of the Issuer and the Guarantors.

"Surviving Person" means, with respect to any Person involved in any merger, consolidation or other business combination or the sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of such Person's assets, the Person formed by or surviving such transaction or the Person to which such disposition is made.

"Tax" means any tax, duty, levy, impost, assessment or other governmental charge, including penalties, interest and other liabilities related thereto, and, for the avoidance of doubt, including any withholding or deduction for or on account of Tax). "Taxes" and "Taxation" have meanings correlative to the foregoing.

"Treasury Rate" means, solely for purposes of the US Dollar Notes, with respect to a Redemption Date, the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H. 15(519) that has become publicly available at least two Business Days prior to such Redemption Date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such Redemption Date to the Stated Maturity of the Notes being redeemed; *provided, however,* that if the period from the Redemption Date to such date is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the Redemption Date to such date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

"Voting Stock" of a Person means all classes of Capital Stock or other interests (including partnership interests) of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

"Wholly Owned Subsidiary" means a Subsidiary all the Capital Stock of which (other than directors' qualifying shares and shares held by other Persons to the extent such shares are required by applicable law to be held by a Person other than its parent or a Subsidiary of its parent) is owned by the Issuer or by one or more Wholly Owned Subsidiaries, or by the Issuer and one or more Wholly Owned Subsidiaries.

BOOK-ENTRY; DELIVERY AND FORM

General

The US Dollar Notes will be represented by one or more global notes in registered form without interest coupons attached (the "Dollar Global Notes"). The Dollar Global Notes will be deposited with a custodian for, and registered in the name of, Cede & Co., as nominee for DTC in each case for credit to an account of a direct or indirect participant in DTC (including Euroclear and Clearstream banking). The 2018 Sterling Notes will be represented by one or more global notes in registered form without interest coupons attached (the "Sterling Global Notes"). The Sterling Global Notes will be deposited with a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream Banking. The Dollar Global Notes and the Sterling Global Notes are collectively referred to as the "Global Notes".

Ownership of interests in the Global Notes (the "Book-Entry Interests") will be limited to persons that have accounts with DTC, Euroclear and/or Clearstream Banking, as applicable, or persons that hold interests through such participants. DTC, Euroclear and Clearstream Banking will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries. Except under the limited circumstances described below, Book-Entry Interests will not be held in definitive certificated form.

Book-Entry Interests will be shown on, and transfers thereof will be done only through, records maintained in book-entry form by DTC, Euroclear and Clearstream Banking and their participants. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of such securities in definitive certificated form. The foregoing limitations may impair the ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, holders of Book-Entry Interests will not be considered the owners or "holders" of Notes for any purpose.

So long as the Notes are held in global form, DTC, Euroclear and/or Clearstream Banking, as applicable (or their respective nominees), will be considered the sole holders of the Global Notes for all purposes under the Indenture governing the Notes. In addition, participants must rely on the procedures of DTC, Euroclear and/or Clearstream Banking, and indirect participants must rely on the procedures of DTC, Euroclear, Clearstream Banking and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders under the Indenture.

Neither we nor the Trustee will have any responsibility, or be liable, for any aspect of the records relating to the Book-Entry Interests.

Redemption of the Global Notes

In the event that any Global Note (or any portion thereof) is redeemed, DTC, Euroclear and/or Clearstream Banking, as applicable, will redeem an equal amount of the Book-Entry Interests in such Global Note from the amount received by it in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by DTC, Euroclear and Clearstream Banking, as applicable, in connection with the redemption of such Global Note (or any portion thereof). We understand that, under the existing practices of DTC, Euroclear and Clearstream Banking, if fewer than all of the Notes are to be redeemed at any time, DTC, Euroclear and Clearstream Banking will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions), by lot or on such other basis as they deem fair and appropriate; provided, however, that no Book-Entry Interest of £100,000 or $150,000 principal amount or less for the Sterling Notes and US Dollar Notes, respectively, may be redeemed in part.

Payments on Global Notes

We will make payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, and interest) to DTC or its nominee (in the case of Dollar Global Notes) and to the common depositary or its nominee for Euroclear and Clearstream Banking (in the case of Sterling Global Notes), which will distribute such payments to participants in accordance with their customary procedures. We will make payments of all such amounts without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, except as may be required by law and as described under "Description of the Notes—Additional Amounts." If any such deduction or withholding is required to be made, then, to the extent described under "Description of the Notes—Additional Amounts" above, we will pay additional amounts as may be necessary in order that the net amounts received by any holder of the Global Notes or owner of Book-Entry Interests after such deduction or withholding will equal the net amounts that such holder or owner would have otherwise received in respect of such Global Note or Book-Entry Interest, as the case may be, absent such withholding or deduction. We expect that standing customer instructions and customary practices will govern payments by participants to owners of Book-Entry Interests held through such participants.

Under the terms of the Indenture, the Issuer and the Trustee will treat the registered holder of the Global Notes (e.g. DTC, Euroclear or Clearstream Banking (or their respective nominees)) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the Trustee or any of their respective agents has or will have any responsibility or liability for any aspect of the records of DTC, Euroclear, Clearstream Banking or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest or for maintaining, supervising or reviewing the records of DTC, Euroclear, Clearstream Banking or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest, or Euroclear, Clearstream Banking or any participant or indirect participant.

Currency of Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Dollar Global Notes will be paid to holders of interest in such Notes through DTC in US dollars. The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Sterling Global Notes will be paid to holders of interests in such Notes through Euroclear and/or Clearstream Banking in sterling.

Action by Owners of Book-Entry Interests

DTC, Euroclear and Clearstream Banking have advised the Issuer that they will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described below) only at the direction of one or more participants to whose account the Book-Entry Interests are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. DTC, Euroclear and Clearstream Banking will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an Event of Default under the Indenture, each of DTC, Euroclear and Clearstream Banking reserves the right to exchange the Global Notes for definitive registered notes in certificated form ("Definitive Registered Notes") and to distribute Definitive Registered Notes to its participants.

Transfers

Transfers between participants in DTC, Euroclear and Clearstream Banking will be effected in accordance with DTC, Euroclear and Clearstream Banking rules and will be settled in immediately available funds. If a holder requires physical delivery of Definitive Registered Notes for any reason, including to sell Notes to persons in jurisdictions that require physical delivery of securities or to pledge such Notes, such holder must transfer its interests in the Global Notes in accordance with the normal procedures of DTC, Euroclear and Clearstream Banking and in accordance with the procedures set out in the Indenture.

The Rule 144A Global Notes will have a legend to the effect set out under "Notice to Investors." Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements discussed under "Notice to Investors."

Book-Entry Interests in Rule 144A Global Notes ("Rule 144A Book-Entry Interests") may be transferred to a person who takes delivery in the form of Book-Entry Interests in Regulation S Global Notes ("Regulation S Book-Entry Interests") only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the US Securities Act or any other exemption (if available under the US Securities Act).

Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of a Rule 144A Book-Entry Interest denominated in the same currency only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a QIB within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "Notice to Investors" and in accordance with any applicable securities laws of any other jurisdiction.

In connection with transfers involving an exchange of a Regulation S Book-Entry Interest for a Rule 144A Book-Entry Interest, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Notes.

Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in any other Global Note will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Note and become a Book-Entry Interest in such other Global Note, and accordingly will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it remains such a Book-Entry Interest.

Definitive Registered Notes

Under the terms of the Indenture, owners of the Book-Entry Interests will receive Definitive Registered Notes:

- if DTC, Euroclear or Clearstream Banking notifies the Issuer that it is unwilling or unable to continue to act as depositary and a successor depositary is not appointed by us within 120 days; or
- if the owner of a Book-Entry Interest requests such an exchange in writing delivered through DTC, Euroclear or Clearstream Banking following an event of default under the Indenture.

In the case of the issue of Definitive Registered Notes, the holder of a Definitive Registered Note may transfer such Note by surrendering it to the Registrar or Transfer Agent. In the event of a partial transfer or a partial redemption of a holding of Definitive Registered Notes represented by one Definitive Registered Note, a Definitive Registered Note will be issued to the transferee in respect of the part transferred and a new Definitive Registered Note in respect of the balance of the holding not transferred or redeemed will be issued to the transferor or the holder, as applicable; provided that no

Definitive Registered Note in a denomination less than £100,000 or $150,000 will be issued. We will bear the cost of preparing, printing, packaging and delivering the Definitive Registered Notes.

We will not be required to register the transfer or exchange of Definitive Registered Notes for a period of 15 calendar days preceding (i) the record date for any payment of interest on the Notes, (ii) any date fixed for redemption of the Notes or (iii) the date fixed for selection of the Notes to be redeemed in part. Also, we are not required to register the transfer or exchange of any Notes selected for redemption or which the holder has tendered (and not withdrawn) for repurchase in connection with a change of control offer. In the event of the transfer of any Definitive Registered Note, the Trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents as described in the Indenture. We may require a holder to pay any taxes and fees required by law and permitted by the Indenture and the Notes.

If Definitive Registered Notes are issued and a holder thereof claims that such Definitive Registered Note has been lost, destroyed or wrongfully taken, or if such Definitive Registered Note is mutilated and is surrendered to the Registrar or at the office of the Transfer Agent, we will issue and the Trustee will authenticate a replacement Definitive Registered Note if the Trustee's and our requirements are met. The Issuer or the Trustee may require a holder requesting replacement of a Definitive Registered Note to furnish an indemnity bond sufficient in the judgement of both to protect themselves, the Trustee or the Paying Agent appointed pursuant to the Indenture from any loss which any of them may suffer if a Definitive Registered Note is replaced. The Issuer may charge for any expenses incurred by us in replacing a Definitive Registered Note.

In case any such mutilated, destroyed, lost or stolen Definitive Registered Note has become or is about to become due and payable, or is about to be redeemed or purchased by the Issuer pursuant to the provisions of the Indenture, the Issuer, in its discretion, may, instead of issuing a new Definitive Registered Note, pay, redeem or purchase such Definitive Registered Note, as the case may be.

Definitive Registered Notes may be transferred and exchanged only after the transferor first delivers to the Trustee a written certification (in the form provided in the Indenture) to the effect that such transfer will comply with the transfer restrictions applicable to such Notes. Please see "Notice to investors."

So long as the Notes are listed on the Luxembourg Stock Exchange and the rules of such exchange so require, we will publish a notice of any issuance of Definitive Registered Notes in a newspaper having general circulated in Luxembourg (which we expect to be the Luxemburger Wort) or, to the extent and in the manner permitted by such rules, posted on the official website of the Luxembourg Stock Exchange (www.bourse.lu).

Information Concerning DTC, Euroclear and Clearstream Banking

DTC

DTC is:

- a limited purpose trust company organized under the New York Banking Law;
- a "banking organization" under the New York Banking Law;
- a member of the Federal Reserve System;
- a "clearing corporation" within the meaning of the New York Uniform Commercial Code; and
- a "clearing agency" registered under Section 17A of the Exchange Act.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of transactions among its participants. It does this through electronic book-entry changes in the accounts of securities participants, eliminating the need for physical movement of securities certificates. DTC participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations such as the initial purchasers. Others, such as banks, brokers, dealers, trust companies and clearing corporations, that clear through or maintain a custodial relationship with a direct participant also have access to the DTC system and are known as indirect participants.

Because DTC can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the DTC system or otherwise take actions in respect of such interest may be limited by the lack of a definitive certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through the DTC system will receive distributions attributable to the Dollar Global Notes only through DTC participants.

The address of DTC in New York is 55 Water Street, New York, New York 10041.

Euroclear and Clearstream Banking

Our understanding with respect to the organization and operations of Euroclear and Clearstream Banking is as follows. Euroclear and Clearstream Banking hold securities for participating organisations. They also facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream Banking provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream Banking interface with domestic securities markets. Euroclear and Clearstream Banking participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organisations. Indirect access to Euroclear and Clearstream Banking is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodian relationship with a Euroclear or Clearstream Banking participant, either directly or indirectly.

Global Clearance and Settlement under the Book-Entry System

Subject to compliance with the transfer restrictions applicable to the Global Notes, cross-market transfers between participants in DTC, on the one hand, and Euroclear or Clearstream Banking participants, on the other hand, will be done through DTC in accordance with DTC's rules on behalf of each of Euroclear or Clearstream Banking by the common depositary; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream Banking by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream Banking will, if the transaction meets its settlement requirements, deliver instructions to the common depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the Global Notes in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream Banking participants may not deliver instructions directly to the common depositary.

Because of time zone differences, the securities account of a Euroclear or Clearstream Banking participant purchasing an interest in a Global Note from a participant in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream Banking participant, during the securities settlement processing day (which must be a business day for Euroclear or Clearstream Banking, as the case may be) immediately following the settlement date of DTC. Cash received in

Euroclear and Clearstream Banking as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream Banking participant to a participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream Banking cash account only as of the business day for Euroclear or Clearstream Banking following DTC's settlement date.

Although DTC, Euroclear and Clearstream Banking are expected to follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants of DTC, Euroclear or Clearstream Banking, as the case may be, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Trustee or any Paying Agent will have any responsibility for the performance by DTC, Euroclear or Clearstream Banking or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

TAXATION

Prospective purchasers of the Notes are advised to consult their own tax advisers as to the tax consequences, under the tax laws of the country of which they are resident, of a purchase of Notes including, without limitation, the consequences of receipt of interest and premium, if any, on any sale or redemption of, the Notes or any interest therein.

References in this discussion to Notes acquired, owned, held or disposed of by noteholders include, except where otherwise expressly stated, the Book-Entry Interests held by purchasers in the Notes in global form deposited with, and registered in the name of a common depositary for Euroclear and/or Clearstream Banking.

United Kingdom Taxation

The following is a general description of certain UK tax consequences relating to the Notes and is based on current UK tax law and HM Revenue & Customs ("HMRC") published practice, both of which may be subject to change, possibly with retrospective effect. It does not purport to be a complete analysis of all UK tax considerations relating to the Notes, does not purport to constitute legal or tax advice, relates only to persons who are the absolute beneficial owners of Notes and who hold Notes as a capital investment, and does not deal with certain classes of persons (such as brokers or dealers in securities and persons connected with the Issuer) to whom special rules may apply. If you are subject to tax in any jurisdiction other than the United Kingdom or if you are in any doubt as to your tax position, you should consult an appropriate professional adviser.

Interest on the Notes

Payment of interest on the Notes

Interest on the Notes will be payable without withholding or deduction for or on account of UK income tax provided the Notes are and remain listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 (the "ITA"). The Luxembourg Stock Exchange is a recognised stock exchange for these purposes. Securities such as the Notes will be treated as listed on the Luxembourg Stock Exchange if they are included in the Official List of the Luxembourg Stock Exchange and are listed and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange.

Interest on the Notes may also be paid without withholding or deduction for or on account of UK income tax where the Issuer reasonably believes (and any person by or through whom interest on the Notes is paid reasonably believes) at the time the payment is made that (a) the person beneficially entitled to the interest is a UK resident company or a non-UK resident company that carries on a trade in the United Kingdom through a permanent establishment and the payment is one that the non-UK resident company is required to bring into account when calculating its profits subject to UK corporation tax or (b) the person to whom the payment is made is one of the further classes of bodies or persons, and meets any relevant conditions, set out in sections 935-937 of the ITA, provided that in either case HMRC has not given a direction, the effect of which is that the payment may not be made without that withholding or deduction.

In all other cases, an amount must be withheld from payments of interest on the Notes on account of UK income tax at the basic rate (currently 20%), subject to any direction to the contrary by HMRC under an applicable double taxation treaty.

Holders of the Notes who are individuals may wish to note that HMRC has power to obtain information (including, in certain cases, the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays certain amounts in respect of the Notes to, or receives certain amounts in respect of the Notes for the benefit of, an individual. Such information may, in certain circumstances, be exchanged by HMRC with the tax authorities of other jurisdictions.

Further UK tax issues

Interest on the Notes constitutes UK source income for tax purposes and, as such, may be subject to UK tax by way of assessment (including self-assessment) even where paid without withholding or deduction.

However, interest with a UK source received without withholding or deduction for or on account of UK income tax will not be chargeable to UK tax in the hands of a holder of Notes (other than certain trustees) who is not resident for tax purposes in the United Kingdom unless (a) that holder of Notes is a company which carries on a trade in the United Kingdom through a permanent establishment in the United Kingdom or, if not such a company, carries on a trade, profession or vocation in the United Kingdom through a branch or agency, and (b) the interest is received in connection with, or the Notes are attributable to, that permanent establishment, branch or agency. There are exemptions for interest received by certain categories of agent (such as some brokers and investment managers). The provisions of an applicable double taxation treaty may also be relevant for such holders of Notes.

European Union directive on the taxation of savings income

Under Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments, each Member State of the European Union (each, a "Member State") is required to provide to the tax or other relevant authorities of another Member State details of payments of interest or other similar income made by a person within its jurisdiction to an individual or certain other types of person resident in that other Member State; however, for a transitional period, Austria and Luxembourg have instead opted to apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35%, unless during that period they elect otherwise. The transitional period is to terminate following agreement by certain non-EU countries to the exchange of information relating to such payments. A number of non-EU countries, and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding).

The European Commission has published proposals for amendments to Council Directive 2003/48/EC, which, if implemented, would amend and broaden the scope of the requirements above.

UK corporation tax payers

In general, holders of Notes which are within the charge to UK corporation tax will be charged to tax as income on all returns, profits or gains on, and fluctuations in value of, the Notes (whether attributable to currency fluctuations or otherwise) broadly in accordance with their statutory accounting treatment.

Other UK tax payers

Taxation of chargeable gains

The 2018 Sterling Notes will constitute "qualifying corporate bonds" within the meaning of section 117 of the Taxation of Chargeable Gains Act 1992. Accordingly, a disposal by a holder of a 2018 Sterling Note will not give rise to a chargeable gain or an allowable loss for the purposes of the UK taxation of chargeable gains. For certain other possible UK tax consequences of a disposal of a 2018 Sterling Note by a holder of 2018 Sterling Notes, please see "—Taxation of Discount" below.

A disposal of US Dollar Notes by an individual holder of Notes who is resident or ordinarily resident in the United Kingdom or who carries on a trade, profession or vocation in the United Kingdom through a branch or agency to which those US Dollar Notes are attributable may give rise to a chargeable gain or allowable loss for the purposes of the UK taxation of chargeable gains. These provisions would not apply to US Dollar Notes that are deemed to be "deeply discounted securities" (please see "—Taxation of Discount" below). In calculating any gain or loss on a disposal (including redemption) of a US Dollar Note, sterling values are compared at acquisition and disposal. Accordingly, a taxable gain can arise even where the US dollar amount received on a disposal (including redemption) is the same as, or less than, the amount paid for the US Dollar Note. Special rules may apply to individuals who have ceased to be resident or ordinarily resident in the United Kingdom and who dispose of their US Dollar Notes before becoming once again resident or ordinarily resident in the United Kingdom.

Accrued income profits

On a disposal of Notes by a holder of Notes, any interest which has accrued since the last interest payment date may be chargeable to tax as income under the rules relating to accrued income profits as set out in Part 12 of the ITA if that holder of Notes is resident or ordinarily resident in the United Kingdom or carries on a trade in the United Kingdom through a branch or agency to which the Notes are attributable. Holders of Notes are advised to consult their own professional advisers for further information about the accrued income scheme in general and the potentially adverse tax consequences of holding variable rate securities in particular.

Taxation of discount

Dependent, among other things, on the discount (if any) at which the Notes are issued, the Notes may be deemed to constitute "deeply discounted securities" for the purposes of Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005. If the Notes are deemed to constitute deeply discounted securities, individual holders of Notes who are resident for tax purposes in the United Kingdom or who carry on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Notes are attributable generally will be liable to UK income tax on any gain made on the sale or other disposal (including redemption) of the Notes. Holders of Notes are advised to consult their own professional advisers if they require any advice or further information relating to "deeply discounted securities."

Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

No UK stamp duty or SDRT is payable on issue of, or on a transfer of, or agreement to transfer, Notes.

United States Federal Income Taxation

General

UNITED STATES IRS CIRCULAR 230: To ensure compliance with Internal Revenue Service ("IRS") Circular 230, you are hereby notified that: (i) any discussion of US federal tax issues in this Offering Memorandum is not intended or written to be relied upon, and cannot be relied upon, for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code of 1986, as amended (the "Code"); (ii) such discussion is written in connection with the promotion or marketing of the transactions or matters addressed herein; and (iii) holders should seek advice based on their particular circumstances from an independent tax adviser.

The following summary describes certain US federal income tax consequences that may be relevant with respect to the acquisition, ownership and disposition of Notes by US Holders (as defined below) who purchase Notes in this offering at their "issue price" (i.e. the first price at which a substantial amount of Notes is sold for money to investors (not including bond houses, brokers or similar persons or organisations acting in the capacity of underwriters, placement agents or wholesalers)). This summary only addresses US federal income tax considerations of US Holders that will hold the Notes as capital assets. It does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase the Notes. In particular, this summary does not address tax considerations applicable to US Holders that may be subject to special tax rules including, without limitation, the following: (i) financial institutions; (ii) insurance companies; (iii) dealers or traders in securities or currencies; (iv) tax-exempt entities; (v) persons who will hold Notes as part of a "hedging" or "conversion" transaction or as a position in a "straddle" or as part of a "synthetic security" or other integrated transaction for US federal income tax purposes; (vi) persons who have a "functional currency" other than the US dollar; (vii) regulated investment companies; and (viii) persons who have ceased to be US citizens or lawful permanent residents of the United States. Further, this summary does not address alternative minimum tax consequences or US federal estate and gift tax consequences.

This summary is based on the Code and US Treasury regulations and judicial and administrative interpretations thereof, as of the date of this Offering Memorandum. All of the foregoing is subject to change, which change could apply retroactively and could affect the tax consequences described below.

For purposes of this summary, a "US Holder" is a beneficial owner of a Note that is, for US federal income tax purposes: (i) an individual who is a citizen or resident of the United States; (ii) a corporation, or other entity treated as a corporation, created or organised in or under the laws of the United States, any state thereof, or the District of Columbia; (iii) an estate, the income of which is subject to US federal income taxation regardless of its source; or (iv) a trust if (1) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust or (2) the trust was in existence on 20 August 1996 and has properly elected to continue to be treated as a US person.

If any entity treated as a partnership or other pass-through entity for US federal income tax purposes holds Notes, the tax treatment of a partner in or owner of the partnership or other pass-through entity will generally depend upon the status of the partner or owner and the activities of the entity. A holder that is a partner in a partnership or other pass-through entity that is considering holding Notes should consult its own tax adviser.

Each prospective investor should consult its own tax adviser with respect to the US federal (including income, estate and gift), state, local and foreign tax consequences of acquiring, owning and disposing of Notes. US Holders should also review the discussion under "—United Kingdom taxation" for the United Kingdom tax consequences to a US Holder of the ownership of Notes.

Payments of stated interest

Stated interest paid on a Note will be taxable to a US Holder as ordinary interest income at the time it is received or accrued, depending on the US Holder's method of accounting for US federal income tax purposes.

A US Holder who uses the cash method of accounting and who receives a payment of stated interest in sterling (including a payment attributable to accrued but unpaid stated interest upon the sale, exchange, redemption, retirement or other disposition of a Note) will be required to include in income the US dollar value of the sterling payment received (determined based on the spot rate on the date the payment is received), regardless of whether the payment is in fact converted to US dollars at that time. A cash basis US Holder will not realise foreign currency gain or loss on the receipt of stated interest income but may recognise foreign currency gain or loss attributable to the actual disposition of the sterling received.

A US Holder who uses the accrual method of accounting will, unless the election described below is made, accrue sterling-denominated stated interest income in sterling and translate that amount into US dollars based on the average spot rate of exchange in effect for the accrual period or, with respect to an accrual period that spans two taxable years, at the average spot rate for the partial period within the applicable taxable year. Alternatively, an accrual method US Holder may elect to translate stated interest income received in sterling into US dollars at the spot rate on the last day of the interest accrual period (or, in the case of a partial accrual period, the spot rate on the last day of such partial accrual period) or, if the date of receipt is within five business days of the last day of the interest accrual period, the spot rate on the date of receipt. A US Holder that makes this election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the IRS. A US Holder that uses the accrual method will recognise foreign currency gain or loss with respect to accrued sterling-denominated stated interest income on the date the interest payment (or proceeds from a sale, exchange, redemption, retirement or other disposition attributable to accrued interest) is actually received. The amount of foreign currency gain or loss recognised will equal the difference between the US dollar value of the sterling payment received (determined based on the spot rate on the date the payment is received) in respect of the accrual period and the US dollar value of stated interest income that has accrued during the accrual period (as determined above), regardless of whether the payment is in fact converted to US dollars. Foreign currency gain or loss generally will be treated, for US foreign tax credit purposes, as US source ordinary income or loss, and generally will not be treated as an adjustment to interest income or expense.

Interest received by a US Holder, whether sterling-denominated or dollar-denominated, will be treated as foreign source income.

Original issue discount

If any of the 2018 Sterling Notes and/or the US Dollar Notes are issued at an issue price less than their respective stated principal amounts they will be considered to have been issued with original issue discount ("OID") for US federal income tax purposes unless the OID is less than a *de minimis* threshold (generally one-quarter of 1% of the applicable Notes' stated principal amount multiplied by the number of complete years to maturity from its issue date).

Payments of stated interest will be taxable as described above under "—Payments of stated interest" above.

A US Holder of a Note treated as issued with OID must include the OID in income as foreign source ordinary income for US federal income tax purposes as it accrues under a constant yield method in advance of receipt of the cash payments attributable to such income, regardless of such US Holder's regular method of tax accounting. In general, the amount of OID included in income by the US Holder of a Note is the sum of the daily portions of OID with respect to such Note for each day during the taxable year (or portion of the taxable year) on which the US Holder held the Note. The daily portion of OID on any Note is determined by allocating to each day in any accrual period a ratable portion of the OID allocable to that accrual period. An accrual period may be of any length and the accrual periods may vary in length over the term of the Note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the first day or final day of an accrual period. The amount of OID allocable to each accrual period is generally equal to the difference between (i) the product of the Note's adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period) and (ii) the amount of any qualified stated interest payments allocable to such accrual period. The adjusted issue price of a Note at the beginning of any accrual period is the sum of the issue price of the Note plus the amount of OID allocable to all prior accrual periods. Under these rules, US Holders generally will have to include in taxable income increasingly greater amounts of OID in successive accrual periods.

A US Holder of a 2018 Sterling Note treated as issued with OID must (i) determine OID allocable to each accrual period in Sterling using the constant yield method described above, and (ii) translate the amount of OID into US dollars and recognise foreign currency gain or loss in the same manner as described above for stated interest accrued by an accrual basis US Holder. US Holders should note that because the cash payment in respect of accrued OID on a Note will not be made until maturity or other disposition of the Note, a greater possibility exists for fluctuations in foreign currency exchange rates (and the required recognition of foreign currency gain or loss) than is the case for foreign currency instruments issued without OID. US Holders are urged to consult their tax advisers regarding the interplay between the application of the OID and foreign currency exchange gain or loss rules.

If any of the 2018 Sterling Notes and/or the US Dollar Notes are issued with OID, US Holders may obtain information regarding the amount of OID, the issue price, the issue date and the yield to maturity relating to such Note by contacting the chief financial officer at Banbury Road, Gaydon, Warwick, Warwickshire, CV35 0RG, United Kingdom.

The rules governing OID instruments are complex and, accordingly, prospective investors should consult their own tax advisers concerning the application of such rules to the Notes.

Disposition of a Note

Upon the sale, exchange, redemption, retirement or other taxable disposition of a Note, a US Holder generally will recognise taxable gain or loss equal to the difference between the amount realised on such disposition (except to the extent any amount realised is attributable to accrued but unpaid stated interest, which is taxable as described under "—Payments of stated interest") and the US Holder's adjusted tax basis in the Note. A US Holder's adjusted tax basis will generally be (i) with respect to a dollar-denominated Note, the cost at which a US Holder acquires such Note (increased by any OID previously included in income), or (ii) with respect to a sterling-denominated Note, the US dollar value of the sterling paid for the Note, determined on the date of purchase (which generally should be the closing date), increased by any OID previously included in income. The amount realised on the sale, exchange, redemption, retirement or other disposition of a Note for an amount of foreign currency will generally be the US dollar value of such foreign currency based on the spot exchange rate on the date the Note is disposed of; provided, however, that if the Note is traded on an established securities market, a cash basis taxpayer (and if it elects, an accrual basis taxpayer) will determine the US dollar value of such foreign currency on the settlement date of the disposition. If an accrual method taxpayer makes the election described above, such election must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS. If a Note is not traded on an established securities market (or, if a Note is so traded, but a US Holder is an accrual basis taxpayer that has not made the settlement date election), a US Holder will recognise foreign currency gain or loss (which is generally taxable as US source ordinary income or loss) to the extent that the US dollar value of the sterling received (based on the spot rate on the settlement date) differs from the US dollar value of the amount realized.

Except as discussed below with respect to foreign currency gain or loss, any gain or loss realised by a US Holder on the disposition of a Note will generally be US source capital gain or loss and will be treated as long-term capital gain or loss if the Note has been held for more than one year at the time of the disposition of the Note. For certain non-corporate holders (including individuals), any such long-term capital gain is currently subject to US federal income tax at preferential rates. The deductibility of capital losses is subject to limitations.

Gain or loss realised upon the sale, exchange, retirement, redemption or other taxable disposition of a Note that is attributable to fluctuations in currency exchange rates will be ordinary income or loss which will not be treated as interest income or expense. Gain or loss attributable to fluctuations in currency exchange rates generally will equal the difference between (i) the US dollar value of your purchase price for the Note, determined on the date the Note is retired or disposed of, and (ii) the US dollar value of your purchase price for the Note, determined on the date you acquired the Note (or, in each case, determined on the settlement date if the Notes are traded on an established securities market and the holder is either a cash basis or an electing accrual basis holder). Payments received that are attributable to accrued interest will be treated in accordance with the rules applicable to payments of interest described above. In addition, as discussed above, if the 2018 Sterling Notes are treated as issued with OID, a US Holder may recognise foreign currency gain or loss with respect to amounts of previously accrued OID based on the difference between the rate of exchange at which the OID was included in income in each accrual period while the note is held by the holder and the applicable rate of exchange at which the holder is required to translate foreign currency at the time the note matures or is otherwise disposed of. Such foreign currency gain or loss will be recognised only to the extent of the total gain or loss realized by a US Holder on the sale, exchange, retirement, redemption or other disposition of the Note. As noted above, generally, such foreign currency gain or loss will be US source ordinary income or loss for US foreign tax credit purposes.

Exchange of foreign currencies

A US Holder's tax basis in any sterling received as interest on or on the sale or other disposition of a Note will be the US dollar value of such sterling at the spot rate in effect on the date of receipt of the sterling. Any gain or loss recognised by a US Holder on a sale, exchange or other disposition of the sterling will be ordinary income or loss and generally will be US source income or loss for US foreign tax credit purposes.

Tax return disclosure requirements

Certain US Treasury regulations meant to require the reporting of certain tax shelter transactions cover transactions generally not regarded as tax shelters, including certain foreign currency transactions giving rise to losses in excess of a certain minimum amount (e.g. US$50,000 in the case of an individual or trust), such as the receipt or accrual of interest or a sale, exchange, retirement or other taxable disposition of a foreign currency note or of foreign currency received in respect of a foreign currency note. Persons considering the purchase of the 2018 Sterling Notes should consult with their own tax advisers to determine the tax return disclosure obligations, if any, with respect to an investment in the 2018 Sterling Notes or the disposition of sterling, including any requirement to file IRS Form 8886 (Reportable Transaction Statement).

Information with respect to foreign financial assets

Individuals that own "specified foreign financial assets" with an aggregate value in excess of US$50,000 are generally required to file an information report with respect to such assets with their tax returns. "Specified foreign financial assets" include any financial accounts maintained by foreign financial institutions, as well as any of the following, but only if they are not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-US persons, (ii) financial instruments and contracts held for investment that have non-US issuers or counterparties, and (iii) interests in foreign entities. The Notes may be subject to these rules. Persons required to file US tax returns that are individuals are urged to consult their tax advisers regarding the application of this legislation to their ownership of the Notes.

Backup withholding and information reporting

Backup withholding and information reporting requirements may apply to certain payments to US Holders of interest on the Notes and to the proceeds of a sale, exchange or other disposition (including a retirement or redemption) of a Note. Backup withholding (currently at a rate of 28%) may be required if the US Holder fails (i) to furnish the US Holder's taxpayer identification number, (ii) to certify that such US Holder is not subject to backup withholding or (iii) to otherwise comply with the applicable requirements of the backup withholding rules. Certain US Holders (including, among others, corporations) are not currently subject to the backup withholding and information reporting requirements. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a US Holder generally may be claimed as a credit against such US Holder's US federal income tax liability and any excess may result in a refund, provided that the required information is timely furnished to the IRS.

PLAN OF DISTRIBUTION

Subject to the terms and conditions stated in the Purchase Agreement, dated as of 12 May 2011, the initial purchasers named below have agreed to purchase, and we have agreed to sell to the initial purchasers, the principal amount of the Notes as set out below:

Initial purchasers	Principal amount of 2018 Sterling Notes	Principal amount of 2018 US Dollar Notes	Principal amount of 2021 US Dollar Notes
Citigroup Global Markets Limited	£125,000,000	$ 102,500,000	$ 102,500,000
Credit Suisse Securities (Europe) Limited	£125,000,000	$ 102,500,000	$ 102,500,000
J.P. Morgan Securities Ltd./J.P. Morgan Securities LLC	£125,000,000	$ 102,500,000	$ 102,500,000
Standard Chartered Bank	£125,000,000	$ 102,500,000	$ 102,500,000
Total	£500,000,000	$ 410,000,000	$ 410,000,000

The Purchase Agreement provides that the obligation of the initial purchasers to purchase the Notes is subject to approval of legal matters by counsel and to other conditions. The initial purchasers must purchase all of the Notes if they purchase any of the Notes.

The Notes and the Note Guarantees have not been and will not be registered under the US Securities Act or qualified for sale under the securities laws of any state or jurisdiction outside the United States and may not be offered to, or for the account or benefit of, persons in the United States except in transactions exempt from the registration requirements of the US Securities Act. Please see "Notice to investors."

We have been advised that the initial purchasers propose to resell the Notes at the offering price set out on the cover page of this Offering Memorandum within the United States to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A and outside the United States in offshore transactions in reliance on Regulation S. After the initial offering, the offering price and other selling terms of the Notes may from time to time be varied by the initial purchasers without notice. To the extent certain of the initial purchasers are not US registered broker-dealers and they intend to effect any sales of the Notes in the United States they will do so through one or more US registered broker-dealers permitted by the regulations of the Financial Industry Regulatory Authority, Inc.

In addition, until 40 days after the commencement of this offering, an offer or sale of Notes within the United States by a dealer that is not participating in this offering may violate the registration requirements of the US Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A.

In each Relevant Member State, an offer to the public of any Notes may not be made in that Relevant Member State prior to the publication of a prospectus in relation to the Notes which has been approved by the competent authority in that Relevant Member State or where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that an offer to the public in that Relevant Member State of any Notes may be made at any time under the following exemptions under the Prospectus Directive, if the Prospectus Directive has been implemented in that Relevant Member State:

(a) any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant initial purchaser nominated by the Issuer for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall result in a requirement for the publication by the Issuer, the Guarantors or the initial purchasers of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Notes to be offered so as to enable an investor to decide to purchase any Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Each initial purchaser represents and warrants that:

(d) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(e) it has complied and will comply with all applicable provisions of the FSMA with regard to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Delivery of the Notes was made against payment therefore on 19 May 2011, which was the fifth business day following the date of pricing of the Notes (such settlement being referred to as "T").

The Notes will constitute a new class of securities with no established trading market. Application has been made to admit the Notes to the Official List of the Luxembourg Stock Exchange and be admitted to trading on the Euro MTF Market. However, we cannot assure you that the prices at which the Notes will sell in the market after this offering will not be lower than the initial offering price or that an active trading market for the Notes will develop and continue after this offering.

The initial purchasers have advised us that they currently intend to make a market in the Notes. However, they are not obliged to do so, and they may discontinue any market-making activities with respect to the Notes at any time without notice. In addition, market-making activity will be subject to the limits imposed by the Exchange Act, and may be limited. Accordingly, we cannot assure you that a liquid market will develop for the Notes, that you will be able to sell your Notes at a particular time or that the prices that you receive when you sell will be favourable.

In connection with this offering, the initial purchasers are not acting for anyone other than us and will not be responsible to anyone other than us for providing the protections afforded to their clients nor for providing advice in relation to this offering.

Buyers of the Notes sold by the initial purchasers may be required to pay stamp taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the initial offering price set out on the cover of this Offering Memorandum.

In connection with this offering, the Stabilising Manager may purchase and sell Notes in the open market. These transactions may include over-allotment, syndicate-covering transactions and stabilising transactions. However, there is no assurance that such transactions may be effected. Over-allotment involves sales of Notes in excess of the principal amount of Notes to be purchased by the initial purchasers in this offering, which creates a short position for the initial purchasers. Covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions. Stabilising transactions consist of certain bids or purchases of Notes made for the purpose of preventing or retarding a decline in the market price of the Notes while the offering is in progress. Any of these activities may have the effect of preventing or retarding a decline in the market price of the Notes. They may also cause the price of the Notes to be higher than the price that otherwise would exist in the open market in the absence of these transactions. The Stabilising Manager may conduct these transactions in the over-the-counter market or otherwise. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of Notes is made and, if begun, may be ended at any time, but it must end no later than 30 days after the date on which the Issuer receives the proceeds of the issue, or no later than 60 days after the date of the allotment of the relevant Notes, whichever is the earlier. Please see "Stabilisation."

We have agreed to indemnify the initial purchasers against certain liabilities, including liabilities under the US Securities Act.

Certain of the initial purchasers or their affiliates are lenders to the Issuer under an unsecured term facility and certain other facilities detailed in "Description of Other Indebtedness." The initial purchasers and their respective affiliates also perform various financial advisory, investment banking and commercial banking services from time to time for us and our subsidiaries, joint ventures and associates. An affiliate of Citigroup Global Markets Limited holds 1,423,364 (1.48%) of the "A" Ordinary Shares in Tata Motors as at 31 December 2010.

NOTICE TO INVESTORS

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes offered hereby.

The Notes and the Note Guarantees have not been registered under the US Securities Act or any state securities laws and, unless so registered, they may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable state securities laws. Accordingly, the Notes offered hereby are being offered and sold only to "qualified institutional buyers" (as defined in Rule 144A under the US Securities Act) in reliance on Rule 144A under the US Securities Act and outside the United States in offshore transactions (as defined in Regulation S under the US Securities Act) in reliance on Regulation S under the US Securities Act.

Each purchaser of Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with us and the initial purchasers as follows:

(1) It understands and acknowledges that the Notes and the Note Guarantees have not been registered under the US Securities Act or any applicable state securities law, are being offered for resale in transactions not requiring registration under the US Securities Act or any state securities law, including sales pursuant to Rule 144A under the US Securities Act, and may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the US Securities Act or any applicable state securities law, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set out in paragraph (5) below.

(2) It is not an "affiliate" (as defined in Rule 144 under the US Securities Act) of the Issuer or acting on the Issuer's behalf and it is either:

 (i) a QIB and is aware that any sale of Notes to it will be made in reliance on Rule 144A and the acquisition of Notes will be for its own account or for the account of another QIB; or

 (ii) purchasing the Notes outside the United States in an offshore transaction in accordance with Regulation S under the US Securities Act.

(3) It acknowledges that neither we nor the initial purchasers, nor any person representing us or the initial purchasers, have made any representation to it with respect to the offering or sale of any Notes, other than the information contained in this Offering Memorandum, which Offering Memorandum has been delivered to it and upon which it is relying in making its investment decision with respect to the Notes. It has had access to such financial and other information concerning us and the Notes as it has deemed necessary in connection with its decision to purchase any of the Notes.

(4) It is purchasing the Notes for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the US Securities Act or any state securities laws, subject to any requirement of law that the disposal of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the US Securities Act.

(5) Each holder of Notes issued in reliance on Rule 144A ("Rule 144A Notes") agrees on its own behalf and on behalf of any investor account for which it is purchasing the Notes, and each subsequent holder of the Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes prior to the date (the "Resale Restriction Termination

Date") that is one year after the later of the date of the Issue Date and the last date on which the Issuer or any of its affiliates was the owner of such Notes (or any predecessor thereto) only (i) to the Issuer, (ii) pursuant to a registration statement that has been declared effective under the US Securities Act, (iii) for so long as the Notes are eligible pursuant to Rule 144A under the US Securities Act, to a person it reasonably believes is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A under the US Securities Act, (iv) pursuant to offers and sales that occur outside the United States in compliance with Regulation S under the US Securities Act, (v) to an institutional accredited investor (within the meaning of Rule 501(a)(1), (2), (3) or (7) under the US Securities Act) that is not a qualified institutional buyer and that is purchasing for its own account or for the account of another institutional accredited investor, in each case in a minimum principal amount of Notes of US$250,000, or (vi) pursuant to any other available exemption from the registration requirements of the US Securities Act, subject in each of the foregoing cases to any requirement of law that the disposal of its property or the property of such investor account or accounts be at all times within its or their control and in compliance with any applicable state securities laws, and any applicable local laws and regulations, and further subject to the Issuer's and the Trustee's rights prior to any such offer, sale or transfer pursuant to clause (iv), (v) or (vi) to require the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them. Each purchaser acknowledges that each Rule 144A Note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT. THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE RESALE RESTRICTION TERMINATION DATE, WHICH IS ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY) ONLY (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT, (E) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE U.S. SECURITIES ACT THAT IS AN INSTITUTIONAL ACCREDITED INVESTOR ACQUIRING THE SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL ACCREDITED INVESTOR, IN EACH CASE IN A MINIMUM PRINCIPAL AMOUNT OF THE SECURITIES OF US$250,000, FOR

INVESTMENT PURPOSES AND NOT WITH A VIEW TO OR FOR OFFER OR SALE IN CONNECTION WITH ANY DISTRIBUTION IN VIOLATION OF THE U.S. SECURITIES ACT, OR (F) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSAL OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSES (D), (E) OR (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM.

(6) It agrees that it will give to each person to whom it transfers the Notes notice of any restrictions on transfer of such Notes.

(7) It acknowledges that until 40 days after the commencement of the offering, any offer or sale of the Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the US Securities Act.

(8) It acknowledges that the Transfer Agent will not be required to accept for registration of transfer any Notes except upon presentation of evidence satisfactory to us and the Trustee that the restrictions set out therein have been complied with.

It acknowledges that we, the initial purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agrees that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by its purchase of the Notes are no longer accurate, it shall promptly notify the initial purchasers. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.

LEGAL MATTERS

Certain legal matters with respect to the Notes and the Note Guarantees are being passed upon for us and the Guarantors by Shearman & Sterling LLP, US counsel to the Issuer and the Guarantors, and by Hogan Lovells International LLP, English counsel to the Issuer and the Guarantors. Certain legal matters with respect to the offering of the Notes and the Note Guarantees will be passed upon for the initial purchasers by Sullivan & Cromwell LLP, US and English counsel to the initial purchasers.

INDEPENDENT AUDITORS

The consolidated financial statements of Jaguar Land Rover PLC and its subsidiaries as at 31 March 2010 and 2009 included in this Offering Memorandum have been audited by Deloitte LLP, independent auditors, as stated in their reports appearing herein.

SERVICE OF PROCESS AND ENFORCEMENT OF JUDGMENTS

The Issuer and the Guarantors, other than Jaguar Land Rover North America LLC, are incorporated in England and Wales. Most of the directors and executive officers of the Issuer and the Guarantors, other than Jaguar Land Rover North America LLC, reside outside the United States. In addition, most of the assets of the Issuer and the Guarantors, other than Jaguar Land Rover North America LLC, are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer and the Guarantors or any of their directors and executive officers, or to enforce against them judgments of US courts predicated upon civil liability provisions of the US federal or state securities laws.

If a judgment is obtained in a US court against the Issuer or the Guarantors, or any of their directors or executive officers, investors will need to enforce such judgment in jurisdictions where the relevant defendant has assets. Even though the enforceability of US court judgments outside the United States is described below for England and Wales, you should consult with your own advisers in any pertinent jurisdictions as needed to enforce a judgment in those countries or elsewhere outside the United States.

The following summary with respect to the enforceability of certain US court judgments in England and Wales is based upon advice provided to us by US and English legal advisers. The United States and England and Wales currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments (as opposed to arbitration awards) in civil and commercial matters. Consequently, a final judgment for payment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon US federal securities laws, would not automatically be recognised or enforceable in England and Wales. In order to enforce any such US judgment in England and Wales, proceedings must first be initiated before a court of competent jurisdiction in England and Wales. In such an action, the courts of England and Wales would not generally reinvestigate the merits of the original matter decided by the US court (subject to what is said below) and it would usually be possible to obtain summary judgment on such a claim (assuming that there is no good defence to it). Recognition and enforcement of a US judgment by the courts of England and Wales in such an action is conditional upon (among other things) the following:

- the US court having had jurisdiction over the original proceedings according to English conflicts of laws principles in England and Wales;
- the US judgment being final and conclusive on the merits in the sense of being final and unalterable in the court which pronounced it and being for a debt for a definite sum of money;
- the US judgment not contravening public policy in England and Wales;
- the US judgment not being for a sum payable in respect of tax, or other charges of a like nature in respect of a penalty or fine;
- the US judgment not having been arrived at by doubling, trebling or otherwise multiplying a sum assessed as compensation for the loss or damages sustained and not being otherwise in breach of Section 5 of the Protection of Trading Interests Act 1980;
- the US judgment not having been obtained by fraud or in breach of principles of natural justice in England and Wales;
- there not having been a prior inconsistent decision of the courts of England and Wales between the same parties; and
- the enforcement proceedings in England and Wales being commenced within six years from the date of the US judgment.

Subject to the foregoing, investors may be able to enforce in England and Wales judgments in civil and commercial matters that have been obtained from US federal or state courts. However, we cannot assure you that those judgments will be recognised or enforceable in England and Wales. In addition, it is questionable whether the courts of England and Wales would accept jurisdiction and impose civil liability if the original action was commenced in England and Wales, instead of the United States, and predicated solely upon US federal securities laws.

WHERE YOU CAN FIND MORE INFORMATION

Each purchaser of the Notes from the initial purchasers will be furnished with a copy of this Offering Memorandum and any related amendments or supplements to this Offering Memorandum. Each person receiving this Offering Memorandum acknowledges that:

- such person has been afforded an opportunity to request from us and to review, and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein (subject to confidentiality constraints);
- such person has not relied on the initial purchasers or any person affiliated with the initial purchasers in connection with its investigation of the accuracy of such information or its investment decision; and
- except as provided above, no person has been authorised to give any information or to make any representation concerning the Notes offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorised by us or the initial purchasers.

This Offering Memorandum contains summaries, believed to be accurate in all material respects, of certain terms of certain agreements, but reference is made to the actual agreements (copies of which will be made available upon request to us, subject to confidentiality constraints) for complete information with respect thereto, and all such summaries are qualified in their entirety by this reference. While any Notes remain outstanding, we will make available, upon request, to any holder and any prospective purchaser of Notes the information required pursuant to Rule 144A(d)(4) under the US Securities Act during any period in which we are not subject to Section 13 or 15(d) of the Exchange Act or exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act. Requests for such information and requests for the agreements summarised in this Offering Memorandum should be directed to Jaguar Land Rover plc, Banbury Road, Gaydon, Warwick, Warwickshire, CV35 0RG, United Kingdom. Our website can be found at www.jaguarlandrover.com. Information contained on our website is not incorporated by reference into this Offering Memorandum and is not part of this Offering Memorandum.

LISTING AND GENERAL INFORMATION

1. The Issuer was incorporated in England and Wales on 18 January 2008. The service address of the directors of the Issuer is Banbury Road, Gaydon, Warwick, Warwickshire, CV35 0RG, United Kingdom. Jaguar Cars Limited is a limited liability company, incorporated under the laws of England and Wales. The service address of the directors of Jaguar Cars Limited is Abbey Road, Whitley, Coventry, CV3 4LF, United Kingdom. Land Rover is an unlimited liability company, incorporated under the laws of England and Wales. The service address of the directors of Land Rover is Banbury Road, Gaydon, Warwick, CV35 ORR, United Kingdom. Jaguar Land Rover North America LLC is a limited liability company, incorporated under the laws of Delaware. The service address of the directors of Jaguar Land Rover North America LLC is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, United States. Land Rover Exports Limited is a limited company, incorporated under the laws of England and Wales. The service address of the directors of Land Rover Exports Limited is Banbury Road, Gaydon, Warwick, Warwickshire, CV35 ORR, United Kingdom. Jaguar Cars Exports Limited is a private limited company, incorporated under the laws of England and Wales. The service address of the directors of Jaguar Cars Exports Limited is Abbey Road, Whitley, Coventry, CV3 4LF, United Kingdom.
2. Application has been made for each series of the Notes to be listed on the Official List of the Luxembourg Stock Exchange and to be traded on the Luxembourg Stock Exchange's Euro MTF Market. We estimate total expenses related to admission to trading at £5,000.
3. The Issuer and the Guarantors accept responsibility for the information contained in this Offering Memorandum. To the best of their knowledge, except as otherwise noted, the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of this Offering Memorandum.
4. Save as discussed in "Plan of Distribution," so for as the Issuer is aware, no person involved in the issue has an interest material to the offering of the Notes.
5. Except as disclosed herein, there has been no material adverse change in our consolidated financial position since 31 December 2010, the date of the most recent unaudited financial statements included herein.
6. Neither we nor any of our subsidiaries is a party to any litigation that, in our judgement, is material in the context of the issue of the Notes, except as disclosed herein.
7. We have appointed Citibank, N.A., London Branch as our Paying Agent and Transfer Agent. We reserve the right to vary such appointment.
8. The issue of the Notes was authorised by resolutions of the board of directors of the Issuer passed at meetings held on 21 March 2011 and the Notes Guarantees were authorised by resolutions of the board of directors of Jaguar Cars Limited on Land Rover, Jaguar Land Rover North America LLC, Jaguar Cars Exports Limited and Land Rover Exports Limited on or around 12 May 2011.
9. The bylaws of the Issuer and Guarantors, their most recent financial statements, the Offering Memorandum, the Indenture and related agreements are available at the registered offices of the Issuer and Guarantors, as applicable.
10. The statute of limitations applicable to payment of interest and repayment of principal under New York law is six years.
11. The 2018 Sterling Notes sold pursuant to Rule 144A have been accepted for clearance through Euroclear and Clearstream Banking under the Common Code 062721553 and the ISIN XS0627215535 and the 2018 Sterling Notes sold pursuant to Regulation S have been accepted for

clearance through Euroclear and Clearstream Banking under the Common Code 062721537 and the ISIN XS0627215378. The 2018 US Dollar Notes sold pursuant to Regulation S have been accepted for clearance through the book-entry facilities of DTC under the Common Code 062802391, CUSIP G50027 AA2 and the ISIN USG50027AA20. The 2018 US Dollar Notes sold pursuant to Rule 144A have been accepted for clearance through the book-entry facilities of DTC under the Common Code 062803916, CUSIP 47009X AA7 and the ISIN US47009XAA72. The 2021 US Dollar Notes sold pursuant to Regulation S have been accepted for clearance through the book-entry facilities of DTC under the Common Code 062804742, CUSIP G50027 AB0 and the ISIN USG50027AB03. The 2021 US Dollar Notes sold pursuant to Rule 144A have been accepted for clearance through the book-entry facilities of DTC under the Common Code 062805463, CUSIP 47009X AB5 and the ISIN US47009XAB55.

GLOSSARY OF SELECTED TERMS

The following terms used in this Offering Memorandum have the meanings assigned to them below:

"Automatic transmission"	A device consisting of an arrangement of gears, brakes and clutches that automatically changes the speed ratio between the engine and the tyres of an automobile, freeing the driver of the automobile from having to shift gears manually.
"Auxiliary power generator"	A device on a vehicle that provides energy for functions other than propulsion.
"Charge deleting mode"	The mode of vehicle operation that is dependent on stored charge from a battery pack.
"Charge sustaining mode"	The mode of vehicle operation that is dependent on charge from a battery pack that is sustained by the running of the vehicle's engine.
"CO_2"	Carbon dioxide.
"Compact car"	A classification of cars known as the C1 (Lower Medium) and C2 (Medium) segment across Europe.
"Convertible"	A type of automobile which has a roof that can retract and fold away, allowing conversion from a closed car bodied vehicle to an open-air vehicle.
"Corporate Average Fuel Economy" or "CAFE"	Regulations in the United States to improve the average fuel economy of automobiles sold in the United States. Fuel economy standards under these regulations are written and enforced by the NHTSA.
"Coupe"	A type of closed car bodied automobile with two doors and closely coupled front and rear seats.
"Driveline"	The parts of the powertrain excluding the engine and the transmission.
"eD4"	Efficient diesel four cylinders, our marketing term for our 2WD diesel products.
"Electric drive motor"	A device that converts electrical energy into mechanical energy through interacting magnetic fields with current-carrying conductors.
"Engine capacity"	The volume swept by all the pistons of an engine, within their bores, from the top to the bottom of their travel. Engine capacity is typically measured in litres and engines with greater capacities are usually more powerful.

"EU Emissions Trading Scheme"	The largest multi-national market-based emissions trading scheme, used to control pollution by providing economic incentives for achieving reductions in the emission of environmental pollutants.
"Euro 5"	Part of a number of regulations introduced by the European Union stipulating common requirements for emissions from automobiles and their replacements parts. Euro 5 stipulates emission requirements for automobiles running diesel, petrol and natural gas engines. Effective from September 2009.
"Euro 6"	Part of a number of regulations introduced by the European Union stipulating common requirements for emissions from automobiles and their replacements parts. Euro 6 requires all vehicles equipped with diesel engines to substantially reduce their emissions of nitrogen oxides. Effective from September 2014.
"Evaporative emissions"	Emissions that are generally composed of gasoline vapours that have escaped from storage tanks, fuel lines and fuel systems of vehicles.
"Hybrid"	A vehicle that uses two or more distinct power sources for propulsion.
"Kyoto Protocol"	A protocol to the International Framework Convention on Climate Change with the objective of reducing greenhouse gases in an effort to prevent climate change.
"lithium-ion battery"	A type of rechargeable battery which employs the use of lithium-ions. It is characterised by its high energy density, low memory effect and slow loss of charge when not in use.
"Manual transmission"	A device consisting of an arrangement of gears and clutches that is manually operated by the driver of an automobile, allowing him or her to change the speed ratio between the engine and the tyres of an automobile.
"Naturally aspirated engine"	An engine that depends solely on atmospheric pressure to draw in air for internal combustion.
"Parasitic reduction technology"	Technology that increases energy efficiency by reducing non-engine energy losses, such as energy losses due to wind resistance, drivetrain friction, brake drag, ancillary systems losses and tyre-rolling resistance.
"Particulate emissions"	Exhaust emissions characterised by the presence of small particles of solids and liquids.
"Powertrain"	A system of mechanical parts, which first produces energy and then converts the energy to movement. In the case of an automobile, the powertrain would comprise the automobile's engine, transmission, driveshaft, a mechanical component that transmits torque and rotation, and tyres.

"Supercharged engine"	An engine that uses a supercharger, a device powered directly by the engine that compresses air flowing into the engine, to draw in more air for internal combustion. As a supercharger causes more air to enter the engine for combustion, a supercharged engine generally produces more power than the same engine without the charging.
"TDV6"	Turbo Diesel V6 engine (currently 3.0L displacement).
"TDV8"	Turbo Diesel V8 engine (currently 4.4L displacement).
"Thin film transistor screen"	A screen which uses thin film transistor technology to improve image quality.
"Turbocharged engine"	An engine that depends on a turbocharger, a device powered by the flow of exhaust from the engine that compresses air flowing into the engine, to draw in more air for internal combustion. As a turbocharger causes more air to enter the engine for combustion, a turbocharged engine generally produces more power than the same engine without the charging.
"Tyre-rolling resistance"	The resistance that occurs when the tyre rolls at steady straight-line velocity on a flat surface. The more rolling resistance a tyre has, the more power is required from the engine to move the vehicle.
"V6"	An engine with six cylinders arranged in pairs, driving a common crank, and forming a "V" shape when viewed end-on.
"V8"	An engine with eight cylinders arranged in pairs, driving a common crank, and forming a "V" shape when viewed end-on.

JAGUAR LAND ROVER PLC

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

Jaguar Land Rover PLC

(formerly JaguarLandRover Limited)

Audited non-statutory financial statements

Registered number 06477691

Year ended 31 March 2010 and Period since incorporation on 18 January 2008 to 31 March 2009

Contents

Jaguar Land Rover PLC (formerly JaguarLandRover Limited)
Audited non-statutory financial statements
Year ended 31 March 2010 and Period since incorporation on 18 January 2008 to 31 March 2009

Statement of Directors' Responsibilities

The directors are responsible for preparing the non-statutory financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the International Accounting Standards Board.

In preparing these non-statutory financial statements, the directors are required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in International Financial Reporting Standards ("IFRS") as adopted by the International Accounting Standards Board are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with International Financial Reporting Standards as adopted by the International Accounting Standards Board. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' responsibility statement

We confirm to the best of our knowledge the financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the International Accounting Standards Board, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole.

These financial statements were approved by the board of directors and were signed on its behalf on 28 April 2011 by:

Andrew M. Robb
Director

Independent auditors' report to the Directors of Jaguar Land Rover PLC (formerly JaguarLandRover Limited)

We have audited the non-statutory financial statements of Jaguar Land Rover PLC (formerly JaguarLandRover Limited) ("the Company") and its subsidiaries (together, "the Group") for the period from incorporation on 18 January 2008 to 31 March 2009 and for the year ended 31 March 2010 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement and the related notes 1 to 34. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's Directors in accordance with our engagement letter dated 27 April 2011 and solely for the purpose of inclusion within the offering memorandum under the rules and regulations of the Luxembourg Stock Exchange for the proposed offering of senior secured notes by Jaguar Land Rover PLC (the "Offering Memorandum"). Our audit work has been undertaken so that we might state to the Company's Directors those matters we are required to state to them in an independent auditors' report and for no other purpose. To the fullest extent permitted by law, and save for any responsibility under the rules and regulations of the Luxembourg Stock Exchange, we will not accept or assume responsibility to anyone other than the Company or the Company's Directors, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the non-statutory financial statements in accordance with International Financial Reporting Standards as adopted by the International Accounting Standards Board and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit and express an opinion on the non-statutory financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the non-statutory financial statements give a true and fair view and have been properly prepared in accordance with International Financial Reporting Standards as adopted by the International Accounting Standards Board.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the non-statutory financial statements give a true and fair view of the state of the Group's affairs as at 31 March 2009 and 31 March 2010 and of its profit or loss for the periods then ended; and
- the non-statutory financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the International Accounting Standards Board.

Deloitte LLP

Chartered Accountants
Birmingham, UK
28 April 2011

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 2 New Street Square, London EC4A 3BZ, United Kingdom. Deloitte LLP is the United Kingdom member firm of Deloitte Touche Tohmatsu Limited ("DTTL"), a UK private company limited by guarantee, whose member firms are legally separate and independent entities. Please see www.deloitte.co.uk/about for a detailed description of the legal structure of DTTL and its member firms.

Member of Deloitte Touche Tohmatsu Limited

Jaguar Land Rover PLC
(formerly JaguarLandRover Limited)
Audited non-statutory financial statements
Year ended 31 March 2010 and
Period since incorporation on 18 January 2008 to 31 March 2009

Consolidated Income Statement

	Note	Year ended 31 March 2010	Period from incorporation to 31 March 2009
		£m	£m
Revenue	*4*	**6,527.2**	**4,949.5**
Changes in inventories of finished goods and work in progress		49.3	(260.4)
Purchase of products for sale		(603.1)	(497.5)
Raw materials and consumables		(3,883.2)	(2,617.1)
Employee cost		(746.8)	(587.8)
Depreciation and amortisation		(317.0)	(229.3)
Other expenses		(1,488.2)	(1,500.2)
Expenditure capitalised		471.0	418.3
Other income		27.6	27.4
Excess of fair value of net assets acquired over cost of acquisition	*3*	—	116.0
Foreign exchange gain/(loss) (net)		68.3	(129.9)
Finance income	*6*	3.4	10.0
Finance expense (net of capitalised interest)	*6*	(57.1)	(74.7)
Net income / (loss) before tax	*5*	**51.4**	**(375.7)**
Income tax expense	*15*	(27.9)	(26.7)
Net income / (loss) attributable to shareholders		**23.5**	**(402.4)**

Jaguar Land Rover PLC
(formerly JaguarLandRover Limited)
Audited non-statutory financial statements
Year ended 31 March 2010 and
Period since incorporation on 18 January 2008 to 31 March 2009

Consolidated Statement of Comprehensive Income

	Note	Year ended 31 March 2010	Period from incorporation to 31 March 2009
		£m	£m
Net income / (loss) attributable to shareholders		**23.5**	**(402.4)**
Other comprehensive income:			
Foreign currency translation differences		100.8	(607.5)
Actuarial gains and losses	*27*	(21.3)	(200.5)
Total comprehensive income / (loss) for the period attributable to shareholders		**103.0**	**(1,210.4)**

Jaguar Land Rover PLC
(formerly JaguarLandRover Limited)
Audited non-statutory financial statements
Year ended 31 March 2010 and
Period since incorporation on 18 January 2008 to 31 March 2009

Consolidated Balance Sheet

	Note	31 March 2010	31 March 2009
		£m	£m
Non-current assets			
Investments	*10*	0.3	0.3
Other financial assets	*14*	73.2	32.8
Property, plant and equipment	*16*	1,236.3	1,238.6
Pension asset	*27*	0.4	36.0
Intangible assets	*17*	1,676.0	1,270.5
Deferred income taxes	*20*	45.4	31.6
Total non current assets		3,031.6	2,609.8
Current assets			
Cash and cash equivalents	*7*	679.9	128.5
Finance receivables	*8*	4.0	—
Trade receivables		669.4	439.3
Other financial assets	*11*	16.1	12.3
Inventories	*12*	995.4	928.0
Other current assets	*13*	225.5	166.0
Current income tax assets		2.4	—
Total current assets		2,592.7	1,674.1
Total assets		5,624.3	4,283.9

Jaguar Land Rover PLC
(formerly JaguarLandRover Limited)
Audited non-statutory financial statements
Year ended 31 March 2010 and
Period since incorporation on 18 January 2008 to 31 March 2009

Consolidated Balance Sheet (Continued)

	Note	31 March 2010	31 March 2009
		£m	£m
Current liabilities			
Accounts payable	*22*	1,926.6	1,482.7
Short term borrowings and current portion of long term debt	*23*	904.9	1,953.1
Other financial liabilities	*18*	142.3	116.3
Provisions	*21*	303.2	484.9
Other current liabilities	*19*	295.1	89.8
Current income tax liabilities		12.9	17.9
Total current liabilities		3,585.0	4,144.7
Non-current liabilities			
Long term debt	*23*	2,125.5	769.5
Other financial liabilities	*18*	33.9	34.0
Deferred income taxes	*20*	1.6	—
Provisions	*21*	341.1	262.5
Total non current liabilities		2,502.1	1,066.0
Total liabilities		6,087.1	5,210.7
Equity / (deficit) attributable to equity holders of the parent			
Ordinary shares	*24*	644.6	283.6
Reserves/accumulated deficit	*25*	(1,107.4)	(1,210.4)
Deficit attributable to equity holders of the parent		(462.8)	(926.8)
Total liabilities and deficit		5,624.3	4,283.9

Company registered number: 06477691

These financial statements were approved by the board of directors on 28 April 2011 and were signed on its behalf by:

Andrew M. Robb
Director

Jaguar Land Rover PLC
(formerly JaguarLandRover Limited)
Audited non-statutory financial statements
Year ended 31 March 2010 and
Period since incorporation on 18 January 2008 to 31 March 2009

Consolidated Statement of Changes in Equity

	Ordinary shares	Reserves / Accumulated deficit	Total equity
	£m	£m	£m
Balance at 31 March 2009	**283.6**	**(1,210.4)**	**(926.8)**
Income for the year	—	23.5	23.5
Other comprehensive income for the year	—	79.5	79.5
Total comprehensive income	**—**	**103.0**	**103.0**
Issue of ordinary shares	361.0	—	361.0
Balance at 31 March 2010	**644.6**	**(1,107.4)**	**(462.8)**

	Ordinary shares	Reserves / Accumulated deficit	Total Equity
	£m	£m	£m
Balance at 18 January 2008	—	—	—
Loss for the period	—	(402.4)	(402.4)
Other comprehensive loss for the period	—	(808.0)	(808.0)
Total comprehensive income	—	(1,210.4)	(1,210.4)
Issue of ordinary shares	283.6	—	283.6
Balance at 31 March 2009	283.6	(1,210.4)	(926.8)

Jaguar Land Rover PLC
(formerly JaguarLandRover Limited)
Audited non-statutory financial statements
Year ended 31 March 2010 and
Period since incorporation on 18 January 2008 to 31 March 2009

Consolidated Cash Flow Statement

	Year ended 31 March 2010	Period from incorporation to 31 March 2009
	£m	£m
Cash flows from operating activities		
Net income / (loss) attributable to shareholders	**23.5**	**(402.4)**
Adjustments for:		
Depreciation and amortisation	317.0	229.3
Excess of fair value of net assets acquired over cost of acquisition	—	(116.0)
Loss on sale/disposal of property, plant and equipment	2.5	2.6
Foreign exchange (losses) /gain	(68.3)	129.9
Income tax expense	27.9	26.7
Finance expense (net)	53.7	64.7
Cash flows from / (used in) operating activities	**356.3**	**(65.2)**
(Increase) / decrease in trade receivables	(256.1)	276.8
(Increase) / decrease in inventories	(52.7)	386.0
Increase / (decrease) in accounts payable	729.0	(679.6)
(Decrease) / increase in provisions	(103.6)	25.9
Cash generated from / (used in) operations	**672.9**	**(56.1)**
Income tax paid	(46.9)	(14.6)
Net cash from/(used in) operating activities	**626.0**	**(70.7)**
Cash flows used in investing activities		
Acquisition of subsidiary, net of cash acquired	—	(1,129.7)
Restricted deposits	(61.5)	3.2
Finance income received	3.4	10.0
Purchases of property, plant and equipment	(266.0)	(169.3)
Proceeds from sale of property, plant and equipment	—	7.8
Acquisition of intangible assets	(471.0)	(418.3)
Net cash used in investing activities	**(795.1)**	**(1,696.3)**

Consolidated Cash Flow Statement (Continued)

	Note	Year ended 31 March 2010	Period from incorporation to 31 March 2009
		£m	£m
Cash flows from financing activities			
Proceeds from issue of ordinary shares		361.0	283.6
Finance expense paid		(76.1)	(66.7)
Proceeds from issuance of short term debt		277.6	639.4
Repayment of short term debt		(209.7)	(531.6)
Payments of lease liabilities		(5.5)	(5.6)
Proceeds from issuance of long term debt		1,772.3	1,567.7
Repayment of long term debt		(1,408.5)	—
Net cash from financing activities		711.1	1,886.8
Net change in cash and cash equivalents		542.0	119.8
Cash and cash equivalents at beginning of year/period		128.5	—
Effect of exchange rate fluctuations on cash held		9.4	8.7
Cash and cash equivalents at end of year/period		679.9	128.5

Jaguar Land Rover PLC
(formerly JaguarLandRover Limited)
Audited non-statutory financial statements
Year ended 31 March 2010 and
Period since incorporation on 18 January 2008 to 31 March 2009

Notes
(forming part of the financial statements)

1 Background and operations

Jaguar Land Rover PLC (the Company) was set up on 18 January 2008. The comparative period is therefore the period from incorporation to 31 March 2009.

The Company acquired the Jaguar Land Rover business for USD 2.5bn on 2 June 2008, which includes three manufacturing facilities and two advanced engineering centres in the UK and a worldwide sales network.

The Company and its subsidiaries, collectively referred to as ("the Group" or "JLR"), designs, manufactures and sells a wide range of automotive vehicles.

The Company is a public limited company incorporated and domiciled in the UK and has its registered office at Gaydon, Warwickshire, England.

The Company is a subsidiary of Tata Motors Limited, India ("TATA Motors") and acts as an intermediate holding company for the Jaguar Land Rover business. The principal activity during the year was the design, development, manufacture and marketing of high performance luxury saloons, specialist sports cars and four wheel drive off-road vehicles.

Tata Sons Limited (or Tata Sons), together with its subsidiaries, owns 28% of the ordinary shares and 50.97% of "A" ordinary shares of Tata Motors Limited, the ultimate parent company of JLR, and has the ability to influence the Company's operations significantly.

The Company became a public limited company (PLC) on 6 April 2011. The Company was formerly known as JaguarLandRover Limited, and was a limited liability company for the period covered by these accounts.

2 Accounting policies

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (referred to as "IFRS") as issued by the International Accounting Standards Board (referred to as "IASB").

Basis of preparation

The consolidated financial statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair value.

Going concern

The directors have considered the financial position of the Group at 31 March 2010 (net liabilities of £462.8 million (2009: £926.8 million)) and the projected cash flows and financial performance of the Group for at least 12 months from the date of approval of these non-statutory financial statements as

2 Accounting policies (Continued)

well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The directors have taken actions to ensure that appropriate long term cash resources are in place at the date of signing the accounts to fund Group operations. The directors have reviewed the financial covenants linked to the borrowings in place and believe these will not be breached at any point and that all debt repayments will be met.

Therefore the directors consider, after making appropriate enquiries and taking into consideration the risks and uncertainties facing the Group, that the Group has adequate resources to continue in operation as a going concern for the foreseeable future and is able to meet its financial covenants linked to the borrowings in place. Accordingly they continue to adopt the going concern basis in preparing these non-statutory financial statements.

Basis of consolidation

Subsidiaries

The consolidated financial statements include JLR and its subsidiaries. Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The results of subsidiaries acquired or disposed of during the year are included in the consolidated financial statements from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Inter-company transactions and balances including unrealised profits are eliminated in full on consolidation.

Associates and jointly controlled entities (equity accounted investees)

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Company holds between 20 and 50 percent of the voting power of another entity. Jointly controlled entities are those entities over whose activities the Company has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Equity accounted investees are accounted for using the equity method and are recognised initially at cost. The Company's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Company's share of the income and expenses and equity movements of equity accounted investees, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of

2 Accounting policies (Continued)

further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

When the Company transacts with an associate or jointly controlled entity of the Company, profits and losses are eliminated to the extent of the Company's interest in its associate or jointly controlled entity.

Business combination

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. Acquisition related costs are recognised in net income / (loss) as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair value at the acquisition date, except certain assets and liabilities required to be measured as per the applicable standard.

Purchase consideration in excess of the Company's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognised as goodwill. Excess of the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration is recognised, after reassessment of fair value of net assets acquired, in the consolidated income statement.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are included in the following notes:

(i) Note 16—Property, plant and equipment—the Group applies judgement in determining the estimate useful life of assets.

(ii) Note 17—Intangible assets—management applies significant judgement in establishing the applicable criteria for capitalisation of appropriate product development costs.

(iii) Note 21—Provision for product warranty—it is necessary for Group to assess the provision for anticipated lifetime warranty and campaign costs. The valuation of warranty and campaign

2 Accounting policies (Continued)

provisions requires a significant amount of judgement and the requirement to form appropriate assumptions around expected future costs

(iv) Note 27—Assets and obligations relating to employee benefits—it is necessary for actuarial assumptions to be made, including discount and mortality rates and the long-term rate of return upon scheme assets. The Group engages a qualified actuary to assist with determining the assumptions to be made when evaluating these liabilities.

(v) Note 30—Financial Instruments—the Group enters into complex financial instruments and therefore appropriate accounting for these hedges requires judgement around the valuations is required.

Revenue recognition

Revenue is measured at fair value of consideration received or receivable.

Sale of products

The Group recognises revenues on the sale of products, net of discounts, sales incentives, customer bonuses and rebates granted, when products are delivered to dealers or when delivered to a carrier for export sales, which is when title and risks and rewards of ownership pass to the customer. Sale of products includes export and other recurring and non-recurring incentives from Governments at the national and state levels. Sale of products is presented net of excise duty where applicable and other indirect taxes.

Revenues are recognised when collectability of the resulting receivable is reasonably assured.

Cost recognition

Costs and expenses are recognised when incurred and are classified according to their nature.

Expenditure capitalized represents employee costs, stores and other manufacturing supplies, and other expenses incurred for construction including product development undertaken by the Group.

Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

2 Accounting policies (Continued)

Product warranty expenses

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidences based on actions on product failures. The timing of outflows will vary as and when a warranty claim will arise, being typically up to four years.

Residual risk

In certain markets, the Group is responsible for the residual risk arising on vehicles sold by dealers under leasing arrangements. The provision is based on the latest available market expectations of future residual value trends. The timing of the outflows will be at the end of the lease arrangements, being typically up to three years.

Foreign currency

The parent company, Jaguar Land Rover PLC, has a functional currency of USD. The presentation currency of the Group consolidated accounts is GBP as that is the functional currency of the Group's key manufacturing and selling operations.

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are remeasured into the functional currency at the exchange rate prevailing on the balance sheet date. Exchange differences are recognised in the consolidated income statement except to the extent, exchange differences, which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalised as part of borrowing costs.

For the purpose of consolidation, the assets and liabilities of the Group's operations with a non-GBP functional currency, are translated to GBP at the exchange rate prevailing on the balance sheet date, and the income and expenses at the average rate of exchange for the year. Exchange differences arising are recognised in other comprehensive income.

Income taxes

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in the consolidated income statement except, when they relate to items that are recognised outside net income / (loss) (whether in other comprehensive income or directly in equity), in which case tax is also recognised outside net income / (loss), or where they arise from the initial accounting for a business combination. In the case of a business combination the tax effect is included in the accounting for the business combination.

2 Accounting policies (Continued)

Current income taxes are determined based on respective taxable income of each taxable entity and tax rules applicable for respective tax jurisdictions.

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Inventories

Inventories (other than those recognised consequent to the sale of vehicles subject to repurchase arrangements) are valued at the lower of cost and net realisable value. Cost of raw materials and consumables are ascertained on a first in first out basis. Costs, including fixed and variable production overheads, are allocated to work-in-progress and finished goods determined on a full absorption cost basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

Inventories include vehicles sold subject to repurchase arrangements. These vehicles are carried at cost to the Group and are amortised in changes in stocks and work in progress to their residual values (i.e. estimated second hand sale value) over the term of the arrangement.

Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any.

Freehold land is measured at cost and is not depreciated.

Cost includes purchase price, taxes and duties, labour cost and direct overheads for self constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

2 Accounting policies (Continued)

Interest cost incurred for constructed assets is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

Depreciation is provided on a straight-line basis over estimated useful lives of the assets. Estimated useful lives of the assets are as follows:

	Estimated useful life (years)
Buildings	**20 to 40**
Plant and equipment	**9 to 30**
Computers	**3 to 6**
Vehicles	**3 to 10**
Furniture and fixtures	**3 to 20**

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use. Capital-work-in-progress includes capital prepayments.

Intangible assets

Intangible assets purchased including those acquired in business combination, are measured at cost or fair value as of the date of acquisition where applicable less accumulated amortisation and accumulated impairment, if any. Intangible assets with indefinite lives are reviewed annually to determine whether indefinite-life assessment continues to be supportable. If not, the change in the useful-life assessment from indefinite to finite is made on a prospective basis.

Amortisation is provided on a straight-line basis over estimated useful lives of the intangible assets.

The amortisation year for intangible assets with finite useful lives is reviewed at least at each year-end. Changes in expected useful lives are treated as changes in accounting estimates.

Capital-work-in-progress includes capital advances.

2 Accounting policies (Continued)

Customer related intangibles consist of order backlog and dealer network.

	Estimated amortisation period
Patents and technological know-how	2 to 12 years
Customer related—Dealer network	20 years
Product development	3 to 10 years
Intellectual property rights and other	Indefinite life
Software	2 to 8 years

Internally generated intangible assets

Research costs are charged to the consolidated income statement in the year in which they are incurred.

Product development costs incurred on new vehicle platform, engines, transmission and new products are recognised as intangible assets, when feasibility has been established, the Group has committed technical, financial and other resources to complete the development and it is probable that asset will generate probable future economic benefits.

The costs capitalised include the cost of materials, direct labour and directly attributable overhead expenditure incurred up to the date the asset is available for use.

Interest cost incurred is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings if no specific borrowings have been incurred for the asset.

Product development cost is amortised over a period of 36 months to 120 months or on the basis of actual production to planned production volume over such year.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment loss.

Leases

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Assets taken on finance lease

A finance lease is recognised as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct

2 Accounting policies (Continued)

costs, if any, are also capitalised and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets taken on operating lease

Leases other than finance leases, are operating leases, and the leased assets are not recognised on the Group's balance sheet. Payments made under operating leases are recognised in the consolidated income statement on a straight-line basis over the term of the lease.

Impairment

Goodwill

Cash generating units to which goodwill are allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit and then to the other assets of the unit pro rata on the basis of carrying amount of each asset in the unit. Goodwill impairment loss recognised is not reversed in subsequent year.

Property, plant and equipment and other intangible assets

At each balance sheet date, the Group assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment indicator exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, or earlier, if there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated income statement.

As of 31 March 2010 and 2009, none of the Group's property, plant and equipment and intangible assets were considered impaired.

2 Accounting policies (Continued)

Employee benefits

Pension plans

The Group operates several defined benefit pension plans, which are contracted out of the second state pension scheme. The assets of the plans are held in separate trustee administered funds. The plans provide for monthly pension after retirement as per salary drawn and service year as set out in rules of each fund.

Contributions to the plans by the subsidiary Group take into consideration the results of actuarial valuations. The plans with a surplus position at the year end have been limited to the maximum economic benefit available from unconditional rights to refund from the scheme or reduction in future contributions. Where the subsidiary Group is considered to have a contractual obligation to fund the pension plan above the accounting value of the liabilities, an onerous obligation is recognised.

A separate defined contribution plan is available to new employees of JLR. Costs in respect of this plan are charged to the income statement as incurred.

Post-retirement Medicare scheme

Under this unfunded scheme, employees of some subsidiaries receive medical benefits subject to certain limits of amount, periods after retirement and types of benefits, depending on their grade and location at the time of retirement. Employees separated from the Group as part of an Early Separation Scheme, on medical grounds or due to permanent disablement are also covered under the scheme. Such subsidiaries account for the liability for post-retirement medical scheme based on an actuarial valuation.

Actuarial gains and losses

Actuarial gains and losses relating to retirement benefit plans are recognised in other comprehensive income in the year in which they arise. Actuarial gains and losses relating to long-term employee benefits are recognised in the consolidated income statement in the year in which they arise.

Measurement date

The measurement date of retirement plans is 31 March.

Financial instruments

Classification, initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets are classified into categories: financial assets at fair value through net income / (loss), held-to-maturity investments, loans and

2 Accounting policies (Continued)

receivables and available-for-sale financial assets. Financial liabilities are classified into financial liabilities at fair value through net income / (loss) and other financial liabilities.

Financial instruments are recognised on the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Initially, a financial instrument is recognised at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount, if it is not classified as at fair value through net income / (loss). Subsequently, financial instruments are measured according to the category in which they are classified.

Financial assets and financial liabilities at fair value through net income / (loss): Derivatives, including embedded derivatives separated from the host contract, unless they are designated as hedging instruments, for which hedge accounting is applied, are classified into this category. Financial assets and liabilities are measured at fair value with changes in fair value recognised in the consolidated income statement.

Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as financial assets at fair value through net income / (loss) or financial assets available-for-sale. Subsequently, these are measured at amortised cost using the effective interest method less any impairment losses.

These include trade receivables, finance receivables, other financial assets and investments with fixed or determinable payments.

Available-for-sale financial assets: Available-for-sale financial assets are those non-derivative financial assets that are either designated as such upon initial recognition or are not classified in any of the other financial assets categories. Subsequently, these are measured at fair value and changes therein, other than impairment losses which are recognised directly in other comprehensive income, net of applicable deferred income taxes.

Equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, are measured at cost.

When the financial asset is derecognised, the cumulative gain or loss in equity is transferred to the consolidated income statement.

Equity instruments: An equity instrument in any contract that evidences residual interests in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities: These are measured at amortised cost using the effective interest method.

2 Accounting policies (Continued)

Determination of fair value:

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Group determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method and other valuation models.

Derecognition of financial assets and financial liabilities:

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

Financial liabilities are derecognised when these are extinguished, that is when the obligation is discharged, cancelled or has expired.

Impairment of financial assets:

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a Group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Loans and receivables:

Objective evidence of impairment includes default in payments with respect to amounts receivable from customers.

Impairment loss in respect of loans and receivables is calculated as the difference between their carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Such impairment loss is recognised in the consolidated income statement. If the amount of an impairment loss decreases in a subsequent year, and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. The reversal is recognised in the income statement.

2 Accounting policies (Continued)

Available-for-sale financial assets:

If the available-for-sale financial assets is impaired, the difference between the financial asset's acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any previous impairment loss recognised in the consolidated income statement, is reclassified from other comprehensive income to the consolidated income statement. If, in a subsequent year, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed. The reversal is recognised in the consolidated income statement. Reversal of impairment loss on equity investments classified as available-for-sale, is not recognised in the consolidated income statement. Increase in their fair value after impairment, is recognised in other comprehensive income.

Impairment loss on equity investments carried at cost is not reversed.

Hedge accounting:

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Group designates these forward contracts in a cash flow hedging relationship by applying the hedge accounting principles.

These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised in other comprehensive income (net of tax), and the ineffective portion is recognised immediately in the consolidated income statement. Amounts accumulated in other comprehensive income are reclassified to the consolidated income statement in the periods in which the forecasted transactions occurs.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecast transactions, any cumulative gain or loss on the hedging instrument recognised in equity is retained there until the forecast transaction occurs.

If the forecast transaction is no longer expected to occur, the net cumulative gain or loss recognised in other comprehensive income is immediately transferred to the consolidated income statement for the year.

New accounting pronouncements

The Group adopted/early adopted the following standards/amendment to standards and interpretations:

IAS 27 Consolidated and Separate Financial Statements: Amendments to IAS 27 are applicable for annual periods beginning on or after 1 July 2009. However, the Group early adopted IAS 27 in its financial statements for the year ended 31 March 2010.

2 Accounting policies (Continued)

The revisions to IAS 27 principally affect the accounting for transactions or events that result in a change in the Group's interests in its subsidiaries. The adoption of the revised Standard has not affected the accounting of the:

- retained interest in a subsidiary subsequent to disposal of controlling interest;
- changes in the ownership interest in a subsidiary that do not result in the change in control; and
- the non-controlling interests on it having a deficit balance.

The above changes have been applied from 1 April 2009 in accordance with the relevant transitional provisions. This has had no impact on the financial statements.

IFRS 3: *Business Combinations (as revised in 2009)*: This standard replaced IFRS 3 issued in 2004. The revised standard is applicable to business combinations for which the acquisition date is on or after the first annual reporting year beginning on or after 1 July 2010. However, the Group early adopted IFRS 3 consequent to early adoption of IAS 27 in its 2010 financial statements. The early adoption does not have any impact on the financial statements for the year ended 31 March 2010. The main changes in the revised standard are:

- Acquisition-related costs are recognised as expenses in the consolidated income statement in the year in which these are incurred.
- In business combinations achieved in stages, any previously held equity interest in the acquiree is remeasured to its acquisition date fair value and the resulting gain or loss is recognised in the consolidated income statement.
- Any changes in contingent consideration classified as a liability at the acquisition date is recognised in the consolidated income statement.
- Non-controlling interests in the entity acquired may be measured either at fair value, or at the proportionate share of the acquiree's net identifiable assets.

The Group also early adopted amendments to other IFRSs, made consequent to amendments of IAS 27 and revision of IFRS 3.

Improvements to IAS 39 Financial Instruments: Recognition and Measurement issued in April 2010: An additional criteria for assessment of whether a call, put or prepayment option is a closely related embedded derivative or not was issued by way of improvements to IAS 39 in April 2010. The amendments are applicable for annual periods beginning on or after 1 January 2010. However, the Group early adopted the improvements.

As per the amendment, if the prepayment penalty reimburses the lender for the present value of the lost interest for the remaining term of the loan contract, it is treated as closely related to the host contract. Lost interest is the interest lost by the lender on account of changes in market interest rate.

2 Accounting policies (Continued)

The impact of the early adoption is not material.

IFRS 8 Operating Segments—effective for annual periods beginning on or after 1 January 2010. This standard replaced IAS 14 Segment Reporting. This standard specifies how an entity should disclose information about its segments, which enables users to evaluate the nature and financial effects of its business activities and the economic environments in which it operates. The adoption of IFRS 8 has no impact on these financial statements.

IAS 1 (revised) Presentation of Financial Statements—effective for annual periods beginning on or after 1 January 2009. The revised standard has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. The revision to IAS 1 does not have any impact on net income.

IFRS 7 Financial Instruments—Disclosures (amendment)—effective for annual periods beginning on or after 1 January 2010. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As per these amendments, comparative information need not be presented in the current year. As the amendments only results in additional disclosures, there is no impact on net income on adoption.

The following pronouncements, issued by the IASB, are not yet effective and have not yet been adopted by the Group:

IFRS 9 Financial Instruments, was issued by IASB in November 2010 as part of its project for revision of the accounting guidance for financial instruments. The new standard provides guidance with respect to classification and measurement of financial assets. The standard will be effective for annual periods beginning on or after 1 January 2013. Early application is permitted. The Group is evaluating the application of this Standard.

IFRIC Interpretation 17 Distributions of Non-cash Assets to Owners, was issued by IASB in November 2008, which is applicable for annual periods beginning on or after 1 July 2010. Early application is permitted. This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. The Group is evaluating the application of this Standard.

IFRS 5 has also been amended to require that assets are classified as held for sale only when they are available for sale in their present condition and the sale is highly probable. The Group is evaluating the application of this Interpretation.

IFRIC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments: IFRIC 19 is applicable for annual periods beginning on or after 1 July 2010. This interpretation addresses accounting of equity instruments issued in order to extinguish all or part of a financial liability. The issue of equity instruments to extinguish an obligation constitutes consideration paid. The consideration

2 Accounting policies (Continued)

is measured at the fair value of the equity instruments issued, unless that fair value is not readily determinable, in which case the equity instruments should be measured at the fair value of the obligation extinguished. Any difference between the fair value of the equity instruments issued and the carrying value of the liability extinguished is recognised in net income / (loss). The Group is evaluating the application of this Interpretation.

In April 2009 and May 2010, IASB issued "improvements to IFRS"—a collection of amendments to certain International Financial Reporting Standards—as part of its program of annual improvements to its standards, which is intended to make necessary, but non-urgent, amendments to standards that will not be included as part of another major project. The amendments resulting from these improvements mainly have effective dates for annual periods beginning on or after 1 July, 2010, although entities are permitted to adopt them earlier. The Group is evaluating the application of improvements.

3 Acquisitions of subsidiaries

Jaguar Land Rover Businesses (JLR)

On 2 June 2008, the Company acquired the Jaguar and Land Rover businesses (JLR) from Ford Motor Company.

JLR is engaged in the design, development, manufacture and sale of high performance luxury saloons, specialist sports cars and four wheel drive off-road vehicles and related components. The JLR businesses includes three major manufacturing facilities and two advanced design and engineering centres in the United Kingdom, a worldwide sales and dealership network, intellectual property rights, patents and trademarks.

The consideration was £1,279.4 million (US$ 2.5 billion) which was financed through a bridge loan facility provided by a syndicate of banks.

The excess of fair value of net assets acquired over the cost of acquisition is £116.0 million and represents approximately 9% of the total acquisition cost. This excess is mainly attributable to significant potential value of two iconic brands—Jaguar and Land Rover.

The Company has accounted for the acquisition under the purchase method in accordance with IFRS 3—Business Combinations. Accordingly the financial results of the acquired businesses since 2 June 2008 have been included in the consolidated financial statements of the Company.

The acquisition had the following effect on the Group's assets and liabilities on the acquisition date.

3 Acquisitions of subsidiaries (Continued)

Effect of acquisition

The acquisition had the following effect on the Group's assets and liabilities.

	Book value	Fair value adjustment	Recognised values on acquisition
	£m	£m	£m
Acquiree's net assets at the acquisition date:			
Property, plant and equipment	1,116.8	120.7	1,237.5
Intangible assets	502.7	374.1	876.8
Inventories	1,095.7	84.1	1,179.8
Trade and other receivables	954.4	—	954.4
Cash and cash equivalents	149.7	—	149.7
Deferred tax asset	27.1	—	27.1
Interest bearing loans and borrowings	(402.0)	—	(402.0)
Trade and other payables	(1,906.4)	—	(1,906.4)
Provisions	(721.5)	—	(721.5)
Net identifiable assets and liabilities			1,395.4
Consideration paid—cash			1,279.4
Cash acquired			149.7
Excess of fair value of net assets acquired over cost of acquisition			**116.0**

From the date of acquisition to 31 March 2009, the acquired entities contributed a loss of £453.1 million to the consolidated net loss for that period.

A deferred tax liability of £162.1 million was recognised on the fair value adjustments. Also, a deferred tax asset of an equivalent amount has been recognised on unused tax losses and capital allowances. It is expected that any reversals of the deferred tax liability would be able to offset against the reversal of the deferred tax asset.

4 Revenue

	Year ended 31 March 2010	Period ended 31 March 2009
	£m	£m
Sale of goods	6,527.2	4,949.5
Total revenues	6,527.2	4,949.5

Notes
(forming part of the financial statements)

5 Expenses

Included in net income / (loss) for the year/period are the following:

	Year ended 31 March 2010	Period ended 31 March 2009
	£m	£m
Excess of fair value of net assets acquired over cost of acquisition	—	(116.0)
Net foreign exchange	(68.3)	129.9
Depreciation of property, plant and equipment	270.9	168.2
Amortisation of intangible assets (excluding internally generated development costs)	26.9	47.2
Amortisation of internally generated development costs	52.4	2.6
Research and development expense	47.8	38.9
Operating lease rentals in respect of plant, property and equipment	16.5	12.3
Loss on disposal of fixed assets	2.5	2.6
Government grants	(0.3)	(0.6)

Government grant income relates to contributions towards a research project received in the year and for which expenditure has been incurred.

6 Finance income and expense

Recognised in net income / (loss)

	Year ended 31 March 2010	Period ended 31 March 2009
	£m	£m
Finance income	3.4	10.0
Total finance income	3.4	10.0

	Year ended 31 March 2010	Period ended 31 March 2009
	£m	£m
Total interest expense on financial liabilities measured at amortised cost	67.3	70.6
Unwind of discount on provisions	3.3	11.8
Interest transferred to capital	(13.5)	(7.7)
Total finance expense	57.1	74.7

The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 4.83% for both periods.

7 Cash and cash equivalents

Cash and cash equivalents consist of the following:

	31 March 2010	31 March 2009
	£m	£m
Balances with banks	679.9	128.5
	679.9	128.5

The Group holds £679.9 million (period ended 31 March 2009: £128.5 million) cash and cash equivalents of which £32.8 million (period ended 31 March 2009: £2.8 million) is in China. The cash held in the Group can be utilised across all the Group's manufacturing and sales operations except for China (see details below). Certain loan covenant restrictions prevent the cash being utilised by Jaguar Land Rover PLC or paid to shareholders until either the loan is repaid or June 2011.

Due to Chinese foreign exchange controls, there are restrictions on taking cash out of the country. These controls limit the Group's ability to utilise the cash held in China in other markets. At 31 March 2010, it is considered that £24.7 million (2009: £nil) of this cash will be utilised against current liabilities in China and therefore the restrictions on movement do not curtail the Group's liquidity position.

8 Finance receivables

Finance receivables primarily consist of loans, the details of which are as follows:

	31 March 2010	31 March 2009
	£m	£m
Total loan instalments to be received	5.5	—
Less: Allowance for credit losses	(1.5)	—
Total	4.0	—
Current portion	4.0	—
Non-current portion	—	—
Total	4.0	—

8 Finance receivables (Continued)

Changes in the allowance for credit losses in finance receivables are as follows:

	31 March 2010	31 March 2009
	£m	£m
At beginning of year/period	—	—
Allowances made during the year/period	1.5	—
Written off	—	—
At end of year/period	1.5	—

9 Allowances for trade and other receivables

Changes in the allowances for trade and other receivables are as follows:

	31 March 2010	31 March 2009
	£m	£m
At beginning of year/period	15.7	—
Acquisition of subsidiary	—	10.1
Allowance made during the year/period net	10.4	6.6
Written off	(9.6)	(1.6)
Foreign exchange translation differences	(0.2)	0.6
At end of year/period	16.3	15.7

10 Investments

Investments consist of the following:

	31 March 2010	31 March 2009
	£m	£m
Unquoted equity investments, at cost	0.3	0.3
	0.3	0.3

10 Investments (Continued)

The Group consolidates the following subsidiaries:

Subsidiary Undertaking	Interest	Class of shares	Country of Incorporation and registration	Principal activity
Jaguar Cars Limited	100%	Ordinary shares	England and Wales	Manufacture of motor Vehicles
Land Rover	100%	Ordinary shares	England and Wales	Manufacture of motor Vehicles

Details of the indirect subsidiary undertakings are as follows:

Name of Group	Interest	Class of shares	Country of incorporation and operation	Principal activity
Jaguar Cars Exports Limited	100%	Ordinary shares	England and Wales	Export sales
Land Rover Exports Limited	100%	Ordinary shares	England and Wales	Export sales
Jaguar Belgium N.V.	100%	Ordinary shares	Belgium	Distribution and sales
Jaguar Deutschland GmbH	100%	Ordinary shares	Germany	Distribution and sales
Jaguar Hispania SL	100%	Ordinary shares	Spain	Distribution and sales
Jaguar Italia SpA	100%	Ordinary shares	Italy	Distribution and sales
Jaguar Land Rover Austria GmbH	100%	Capital contribution €145,300	Austria	Distribution and sales
Jaguar Land Rover North America LLC	100%	Ordinary shares	USA	Distribution and sales
Jaguar Cars (South Africa) (Pty) Ltd	100%	Ordinary shares	South Africa	Dormant
Jaguar Cars Overseas Holdings Limited	100%	Ordinary shares	England and Wales	Holding company
The Jaguar Collection Limited	100%	Ordinary shares	England and Wales	Dormant
The Daimler Motor Company Limited	100%	Ordinary shares	England and Wales	Dormant
Daimler Transport Vehicles Limited	100%	Ordinary shares	England and Wales	Dormant
The Lanchester Motor Company	100%	Ordinary shares	England and Wales	Dormant
SS Cars Limited	100%	Ordinary shares	England and Wales	Dormant
Jaguar & Land Rover Asia Pacific Company Limited	100%	Ordinary shares	Thailand	Distribution and sales
Jaguar Land Rover Japan Limited	100%	Ordinary shares	Japan	Distribution and sales
Jaguar Land Rover Korea Group Limited	100%	Ordinary shares	Korea	Distribution and sales

10 Investments (Continued)

Name of Group	Interest	Class of shares	Country of incorporation and operation	Principal activity
Jaguar Land Rover Mexico SA de CV	100%	Ordinary shares	Mexico	Distribution and sales
Land Rover Group Limited	100%	Ordinary shares	England and Wales	Holding Company
Jaguar Landrover Portugal-Veiculos e Pecas, Lda	100%	Ordinary shares	Portugal	Distribution and sales
Land Rover Espana SL	100%	Ordinary shares	Spain	Distribution and sales
Land Rover Nederland BV	100%	Ordinary shares	Holland	Distribution and sales
Jaguar Land Rover Brand Management Consulting (Shanghai) Ltd	100%	Ordinary shares	China	Sales and Marketing
Jaguar Land Rover Australia Pty Limited	100%	Ordinary shares	Australia	Distribution and sales
Land Rover Belux SA/NV	100%	Ordinary shares	Belgium	Distribution and sales
Land Rover Ireland Limited	100%	Ordinary shares	Ireland	Distribution and sales
Land Rover Italia SpA	100%	Ordinary shares	Italy	Distribution and sales
Land Rover Deutschland GmbH	100%	Ordinary shares	Germany	Distribution and sales
Jaguar Land Rover Canada ULC	100%	Ordinary Shares	Canada	Distribution and sales
Jaguar Land Rover (South Africa) (Pty) Ltd	100%	Ordinary Shares	South Africa	Distribution and sales
Jaguar Land Rover France SAS	100%	Ordinary Shares	France	Distribution and sales
Jaguar Land Rover Brazil LLC	100%	Ordinary Shares	Brazil	Distribution and sales
Jaguar Land Rover Russia	100%	Ordinary Shares	Russian	Distribution and sales
Land Rover Parts Limited	100%	Ordinary Shares	England and Wales	Distribution and sales
Land Rover Parts NA LLC	100%	Ordinary Shares	USA	Distribution and sales

In addition, the Group has the following investments:

Jaguar Land Rover Schweiz AG	10% interest in the ordinary share capital
Jaguar Cars Finance Limited	49.9% interest in the ordinary share capital

The principal activity of Jaguar Land Rover Schweiz AG is the sale of automotive vehicle and parts. The principal activity of Jaguar Cars Finance Limited is the provision of credit finance.

10 Investments (Continued)

The assets, liabilities and profit of Jaguar Cars Finance Limited are as follows:

	31 March 2010	31 March 2009
	£000	£000
Total assets	789	782
Total liabilities	(22)	(23)
Revenues	12	38
Net income	8	27

11 Other financial assets—current

	31 March 2010	31 March 2009
	£m	£m
Advances and other receivables recoverable in cash	11.4	12.2
Other	4.7	0.1
	16.1	12.3

12 Inventories

	31 March 2010	31 March 2009
	£m	£m
Raw materials and consumables	49.9	31.8
Work in progress	79.6	95.8
Finished goods	865.9	800.4
	995.4	928.0

Inventories of finished goods include £124.2 million (2009: £104.1 million), relating to vehicles sold to rental car companies, fleet customers and others with guaranteed repurchase arrangements.

Cost of inventories (including cost of purchased products) recognised as expense during the year amounted to £5,123.7 million (2009: £4,038.6 million).

During the year, the Group recorded inventory write-down expense of £63.3 million (2009 £59.0 million). The write-down is included in other expenses.

The carrying amount of inventories carried at fair value less costs to sell amounted to £262.2 million (2009: £244.6 million).

12 Inventories (Continued)

Inventories with a net book value of £94.4 million (2009: nil) are pledged as security in respect of certain bank loans.

13 Other current assets

	31 March 2010	31 March 2009
	£m	£m
Prepaid expenses	225.5	165.1
Others	—	0.9
	225.5	166.0

14 Other financial assets (non current)

	31 March 2010	31 March 2009
	£m	£m
Restricted cash	61.5	32.8
Others	11.7	—
	73.2	32.8

£49.1 million (2009: £32.8 million) of the restricted cash is held as security in relation to vehicles ultimately sold on lease and on an on-going legal case. The amount is pledged until either the lease or the legal case reach their respective conclusion.

15 Taxation

Recognised in the income statement

	31 March 2010	31 March 2009
	£m	£m
Current tax expense		
Current year/period	36.3	30.6
Adjustments for prior years	3.8	0.4
Current income tax expense	40.1	31.0
Deferred tax expense		
Origination and reversal of temporary differences	(10.5)	(4.3)
Reduction in tax rate	(1.7)	—
Deferred tax expense	(12.2)	(4.3)
Total income tax expense	27.9	26.7

Prior year adjustments relate to differences between prior year estimates of tax position and current revised estimates or submission of tax computations.

Reconciliation of effective tax rate

	Year ended 31 March 2010	Period ended 31 March 2009
	£m	£m
Net income / (loss) attributable to shareholders for the year/period	23.5	(402.4)
Total income tax expense	27.9	26.7
Net income / (loss) excluding taxation	51.4	(375.7)
Tax using the Group effective corporation tax rate of 40% (2009: 26.2%)	20.6	(98.4)
Enhanced deductions for research and development	(26.2)	(27.3)
Non-deductible expenses	14.8	21.5
Current year/period losses for which no deferred tax asset was recognised	16.6	130.5
Under / (over) provided in prior years	2.1	0.4
Total income tax expense	27.9	26.7

16 Property, plant and equipment

	Land and Buildings £m	Plant and equipment £m	Fixtures & fittings £m	Total £m
Cost				
Balance at 18 January 2008	—	—	—	—
Additions	7.8	179.4	1.6	188.8
Acquisitions through business combinations	332.1	846.3	1.7	1,180.1
Currency translation differences	9.3	1.9	8.2	19.4
Disposal	(0.2)	(53.3)	(3.3)	(56.8)
Balance at 31 March 2009	349.0	974.3	8.2	1,331.5
Balance at 1 April 2009	349.0	974.3	8.2	1,331.5
Additions	7.0	254.3	9.2	270.5
Disposal	(21.4)	(37.3)	—	(58.7)
Balance at 31 March 2010	334.6	1,191.3	17.4	1,543.3
Accumulated Depreciation				
Balance at 18 January 2008	—	—	—	—
Depreciation for the period (net of £46.4 million in respect of disposals)	34.7	80.0	7.1	121.8
Balance at 31 March 2009	34.7	80.0	7.1	121.8
Balance at 1 April 2009	34.7	80.0	7.1	121.8
Depreciation for the year (net of £56.9 million in respect of disposals)	6.6	202.2	5.2	214.0
Balance at 31 March 2010	41.3	282.2	12.3	335.8
Net book value				
At 18 January 2008	—	—	—	—
At 31 March 2009	314.3	894.3	1.1	1,209.7
Capital work in progress				28.9
Total property, plant and equipment at 31 March 2009				1,238.6
At 31 March 2010	293.3	909.1	5.1	1,207.5
Capital work in progress				28.8
Total property, plant and equipment at 31 March 2010				1,236.3

17 Intangible assets

	Software	Patents and technological know-how	Customer related	Intellectual property rights and other intangibles	Product development	Total
	£m	£m	£m	£m	£m	£m
Cost						
Balance at 18 January 2008	—	—	—	—	—	—
Acquisitions through business combinations	23.7	147.0	88.7	618.3	22.8	900.5
Other additions—internally developed	—	—	—	—	418.3	418.3
Balance at 31 March 2009	23.7	147.0	88.7	618.3	441.1	1,318.8
Balance at 1 April 2009	23.7	147.0	88.7	618.3	441.1	1,318.8
Other additions—internally developed	47.6	—	—	—	423.4	471.0
Other acquisitions—externally purchased	14.2	—	—	—	—	14.2
Disposals	(2.6)	—	—	—	—	(2.6)
Balance at 31 March 2010	82.9	147.0	88.7	618.3	864.5	1,801.4

17 Intangible assets (Continued)

	Software	Patents and technological know-how	Customer related	Intellectual property rights and other intangibles	Product development	Total
	£m	£m	£m	£m	£m	£m
Amortisation and impairment						
Balance at 18 January 2008	—	—	—	—	—	—
Amortisation for the period	2.5	12.8	30.4	—	2.6	48.3
Balance at 31 March 2009	2.5	12.8	30.4	—	2.6	48.3
Balance at 1 April 2009	2.5	12.8	30.4	—	2.6	48.3
Amortisation for the year	7.3	16.6	3.0	—	52.4	79.3
Disposals	(2.2)	—	—	—	—	(2.2)
Balance at 31 March 2010	7.6	29.4	33.4	—	55.0	125.4
Net book value						
At 18 January 2008	—	—	—	—	—	—
At 31 March 2009	21.2	134.2	58.3	618.3	438.5	1,270.5
At 31 March 2010	**75.3**	**117.6**	**55.3**	**618.3**	**809.5**	**1,676.0**

18 Other financial liabilities

	31 March 2010	31 March 2009
	£m	£m
Current		
Finance lease obligations	5.5	5.6
Interest accrued	1.8	3.7
Derivative financial instruments	0.5	—
Liability for vehicles sold under a repurchase arrangement	134.5	107.0
	142.3	116.3
Non Current		
Finance lease obligations	22.5	26.4
Other payables	11.4	7.6
	33.9	34.0

19 Other current liabilities

	31 March 2010	31 March 2009
	£m	£m
Liabilities for advances received	153.9	34.9
VAT	123.5	52.4
Others	17.7	2.5
	295.1	89.8

20 Deferred income taxes

Significant components of deferred tax asset and liability for the year ended 31 March 2010:

	Opening balance	Recognised in net income / (loss)	Closing balance
	£m	£m	£m
Deferred tax assets			
Depreciation brought forward	117.5	61.6	**179.1**
Expenses deductible in future years:			
Provisions, allowances for doubtful receivables, finance receivables	12.6	27.3	**39.9**
Compensated absences and retirement benefits	—	46.9	**46.9**
Others	4.1	27.6	**31.7**
Total deferred tax asset	**134.2**	**163.4**	**297.6**
Deferred tax liabilities			
Intangible assets	102.6	151.2	**253.8**
Total deferred tax liability	**102.6**	**151.2**	**253.8**
Total net deferred tax asset	**31.6**	**12.2**	**43.8**
Held as deferred tax asset	31.6	13.8	**45.4**
Held as deferred tax liability	—	(1.6)	(1.6)

20 Deferred income taxes (Continued)

Significant components of deferred tax asset and liability for the period ended 31 March 2009:

	Acquired in business combination	Recognised in net income / (loss)	Closing balance
	£m	£m	£m
Deferred tax assets:			
Depreciation carry forwards	120.5	(3.0)	**117.5**
Expenses deductible in future years:			
Provisions, allowances for doubtful receivables, finance receivables	50.4	(37.8)	**12.6**
Others	0.2	3.9	**4.1**
Total deferred tax asset	**171.1**	**(36.9)**	**134.2**
Deferred tax liabilities:			
Intangible assets	114.7	(12.1)	**102.6**
Others	29.1	(29.1)	**—**
Total deferred tax liability	**143.8**	**(41.2)**	**102.6**
Net assets / (liability)	**27.3**	**4.3**	**31.6**

Deferred tax assets and liabilities are offset if they arise in the same legal entity and taxing jurisdiction but not otherwise.

As of 31 December 2010, the unrecognized deferred tax assets amount to £509.8 million, which can be carried forward indefinitely. These relate primarily to business losses and other timing differences. The deferred tax asset has not been recognized on the basis that its recovery is not probable in the foreseeable future.

21 Provisions

Provisions

	31 March 2010	31 March 2009
	£m	£m
Current		
Product warranty	270.7	383.1
Product liability	30.6	24.7
Provisions for residual risk	1.9	77.1
Total current	303.2	484.9
Non current		
Defined benefit obligations	101.4	72.6
Other employee benefits obligations	1.3	2.0
Product warranty	205.7	148.8
Provision for residual risk	13.9	18.3
Provision for environmental liability	18.8	20.8
Total non current	341.1	262.5

Product warranty

	31 March 2010	31 March 2009
	£m	£m
Opening balance	531.9	—
Amounts arising on acquisition	—	548.9
Provision made during the year/period	234.5	264.9
Provision used during the year/period	(301.3)	(314.0)
Impact of discounting	3.3	11.8
Impact of foreign exchange translation	8.0	20.3
Closing balance	476.4	531.9

21 Provisions (Continued)

Product liability

	31 March 2010	31 March 2009
	£m	£m
Opening balance	24.7	—
Amounts arising on acquisition	—	16.3
Provision made during the year/period	12.2	7.8
Provision used during the year/period	(5.2)	(1.8)
Impact of foreign exchange translation	(1.1)	2.4
Closing balance	30.6	24.7

Residual risk

	31 March 2010	31 March 2009
	£m	£m
Opening balance	95.4	—
Amounts arising on acquisition	—	74.9
Provision made during the year/period	—	75.2
Provision used during the year/period	(15.2)	(54.7)
Unused amounts released in the period	(58.0)	—
Impact of foreign exchange translation	(6.4)	—
Closing balance	15.8	95.4

Environmental liability

	31 March 2010	31 March 2009
	£m	£m
Opening balance	20.8	—
Amounts arising on acquisition	—	20.4
Provision made during the year/period	—	1.5
Provision used during the year/period	(0.2)	(1.1)
Unused amount released in the period	(1.8)	—
Closing balance	18.8	20.8

21 Provisions (Continued)

Product warranty provision

The Group offers warranty cover in respect of manufacturing defects, which become apparent within a year of up to four years after purchase, dependent on the market in which the purchase occurred.

Product liability provision

A product liability provision is maintained in respect of known litigation which the Group is party to.

Residual risk provision

In certain markets, the Group is responsible for the residual risk arising on vehicles sold by dealers on a leasing arrangement. The provision is based on the latest available market expectations of future residual value trends. The timing of the outflows will be at the end of the lease arrangements—being typically up to three years.

Environmental risk provision

This provision relates to various environmental remediation costs such as asbestos removal and land clean up. The timing of when these costs will be incurred is not known with certainty.

22 Accounts payable

	31 March 2010	31 March 2009
	£m	£m
Trade payables	1,442.5	902.2
Liabilities to employees	49.5	58.9
Liabilities for expenses	400.0	521.6
Others	34.6	—
	1,926.6	1,482.7

23 Interest bearing loans and borrowings

	31 March 2010	31 March 2009
	£m	£m
Loan from banks	1,221.9	1,953.1
Redeemable preference shares classified as debt	1,795.5	769.5
Other loans	13.0	—
Finance lease liabilities	28.0	32.0
	3,058.4	2,754.6
Less:		
Current portion of bank loan	(892.9)	(1,953.1)
Current portion of other loans	(12.0)	—
Short term borrowings and current portion of long-term debt	(904.9)	(1,953.1)
Current portion of finance lease liabilities	(5.5)	(5.6)
Long term debt	2,148.0	795.9
Held as long term debt	2,125.5	769.5
Held as long term finance leases	22.5	26.4

Redeemable preference shares classified as debt

The holders of the preference shares, the immediate parent undertaking, TMLHoldings Pte. Ltd, are entitled to be paid out of the profits available for distribution of the Company in each financial year a fixed non-cumulative preferential dividend of 7% per annum. The preference share dividend is payable in priority to any payment to the holders of other classes of capital stock.

On a return of capital on liquidation or otherwise, the assets of the Company available for distribution shall be applied first to holders of preference shares the sum of $100 per share together with a sum equal to any arrears and accruals of preference dividend.

The Company may redeem the preference shares at any time, but must do so, not later than ten years after the date of issue. On redemption, the Company shall pay $100 per preference share and a sum equal to any arrears or accruals of preference dividend.

Preference shares contain no right to vote upon any resolution at any general meeting of the Company.

The contractual cash flows of interest bearing debt and borrowings as of 31 March 2010 and 2009 is set out below, including estimated interest payments and excluding the effect of netting agreements.

23 Interest bearing loans and borrowings (Continued)

The analysis assumes the annual coupon rate of 7% will be paid on the preference shares each year and the debt will be repaid at the maturity date.

	31 March 2010	31 March 2009
	£m	£m
Due in		
1 year or less	927.2	1,966.0
1 to 2 years	21.4	59.3
2 to 5 years	250.6	230.4
More than 5 years	1,983.4	1,051.5
	3,182.6	3,307.2

24 Capital and reserves

	31 March 2010	31 March 2009
	£m	£m
Allotted, called up and fully paid		
1,001,284,322 (2009: 471,284,322) Ordinary shares of USD $1 each	644.6	283.6
27,222,877 (2009: 11,015,000) 7% non cumulative preference shares of USD $100	1,795.5	769.5
	2,440.1	1,053.1
Presented as equity	644.6	283.6
Presented as debt	1,795.5	769.5

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company (See note 23).

Movements in share capital of the company

During the year, 900 million $1 Ordinary Shares were authorised and 530 million $1 Ordinary Shares were issued at par. Furthermore, 14 million $100 7% Non Cumulative Redeemable Preference Shares were authorised and 16.2 million were issued at par.

25 Reserves / accumulated deficit

The movement of accumulated deficit and reserves is as follows:

	Translation reserve	Pension reserve	Accumulated deficit: profit and loss reserve	Total Reserves / accumulated deficit
	£m	£m	£m	£m
Balance at 1 April 2009	(607.5)	(200.5)	(402.4)	(1,210.4)
Net profit for the year	—	—	23.5	23.5
Foreign currency translation	100.8	—	—	100.8
Movements in employee benefit plan	—	(21.3)	—	(21.3)
Balance at 31 March 2010	(506.7)	(221.8)	(378.9)	(1,107.4)

	Translation reserve	Pension reserve	Accumulated deficit: profit &loss reserve	Total Reserves / accumulated deficit
	£m	£m	£m	£m
Balance at 18 January 2008	—	—	—	—
Net loss for the period	—	—	(402.4)	(402.4)
Foreign currency translation	(607.5)	—	—	(607.5)
Movements in employee benefit plan	—	(200.5)	—	(200.5)
Balance at 31 March 2009	(607.5)	(200.5)	(402.4)	(1,210.4)

26 Dividends

During 2009 and 2010, no dividends were paid or proposed on the ordinary shares. No dividend was paid or proposed on the non-cumulative preference shares.

27 Employee benefits

Jaguar Cars Limited and Land Rover, have pension arrangements providing employees with defined benefits related to pay and service as set out in the rules of each fund. The following table sets out the disclosure pertaining to employee benefits of Jaguar Cars Limited and Land Rover.

27 Employee benefits (Continued)

Change in defined benefit obligation

	31 March 2010	31 March 2009
	£m	£m
Defined benefit obligation, beginning of the year/period	3,045.1	—
Liability on acquisition	—	3,189.6
Service cost	63.4	62.3
Interest cost	205.3	162.5
Actuarial loss / (gain)	647.3	(339.0)
Benefits paid	(109.0)	(77.6)
Member contributions	19.5	30.6
Plan amendments	(0.3)	—
Plan combinations	—	7.9
Foreign currency translation	—	8.8
Defined benefit obligation, at end of year/period	3,871.3	3,045.1

Change in plan assets

	31 March 2010	31 March 2009
	£m	£m
Fair value of plan assets, beginning of the year/period	3,109.0	—
Asset on acquisition	—	3,518.0
Expected return on plan assets	173.6	220.4
Actuarial gain /(loss) being actual return on assets differing from expected return on assets	562.2	(673.1)
Employer's contributions	52.5	76.1
Members contributions	19.5	30.6
Benefits paid	(109.0)	(77.6)
Plan combinations	—	7.5
Foreign currency translation	(1.3)	7.1
Fair value of plan assets at end of year/period	3,806.5	3,109.0

27 Employee benefits (Continued)

Amount recognised in the consolidated balance sheet consist of

	31 March 2010	31 March 2009
	£m	£m
Present value of unfunded defined benefit obligations	(1.6)	(11.0)
Present value of funded defined benefit obligations	(3,869.7)	(3,034.1)
Fair value of plan assets	3,806.5	3,109.0
Restriction of pension asset (as per IFRIC 14)	(2.9)	(40.0)
Onerous obligation	(33.3)	(60.0)
Net liability	(101.0)	(36.1)
Other	—	(0.5)
Non current assets	0.4	36.0
Non current liabilities	(101.4)	(72.6)
Total net liability	(101.0)	(36.6)

Experience adjustments

	31 March 2010	31 March 2009
	£m	£m
Present value of defined benefit obligation	(3,871.3)	(3,045.1)
Fair value of plan assets	3,806.5	3,109.0
Surplus / (deficit)	(64.8)	63.9
Experience adjustments on plan liabilities (as a percentage of plan liabilities)	647.2 / 16.7%	33.2 / (1.09%)
Experience adjustments on plan assets (as a percentage of plan assets)	562.2 / 14.8%	673.1 / (21.6%)

Amount recognised in other comprehensive income

	Year ended 31 March 2010	Period ended 31 March 2009
	£m	£m
Actuarial loss	(85.1)	(334.1)
Change in restriction of pension asset (as per IFRIC 14)	37.1	133.6
Change in onerous obligation	26.7	—
	(21.3)	(200.5)

27 Employee benefits (Continued)

Net pension and post retirement cost consists of the following components

	Year ended 31 March 2010	Period ended 31 March 2009
	£m	£m
Service cost	63.4	62.3
Interest cost	205.3	162.5
Expected return on plan assets	(173.6)	(220.4)
Net periodic pension cost	95.1	4.4

The assumptions used in accounting for the pension plans are set out below:

	Year ended 31 March 2010	Period ended 31 March 2009
Discount rate	5.5%	6.7%
Rate of increase in compensation level of covered employees	4.0%	3.8%
Inflation increase	3.5%	3.3%
Expected rate of return on plan assets	6.5%	5.8%

The mortality assumptions used are "92 series" base table (based on a year of use of 2009), with medium cohort improvements applied from 2005, and an underpin to future mortality improvements of 1% p.a. for males and 0.5% for females. In addition there is a scaling factor of 135% (males and females) for the Jaguar Pension Plan and Land Rover Pension Scheme, and 110% (males) / 115% (females) for the Jaguar Executive Pension Plan.

Pension plans asset allocation by category is as follows:

	Year ended 31 March 2010	Period ended 31 March 2009
	%	%
Asset category		
Debt	47	62
Equities	51	35
Others	2	3

Defined contribution plan

The Group's contribution to defined contribution plans aggregated £0.2 million for the year (2009: £1.0 million).

28 Commitments and contingencies

In the normal course, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. Management believes that none of the contingencies described below, either individually or in aggregate, would have a material adverse effect on the Group's financial condition, results of operations or cash flows.

Litigation

The Group is involved in legal proceedings, both as plaintiff and as defendant. There are claims which management does not believe to be of material nature.

Other claims

There are other claims against the Group, majority of which pertains to motor accident claims (involving third parties affected in accidents while the Group's vehicles were being transferred from the Group's manufacturing plants to regional sales offices or from one sales office to the other) and consumer complaints. Some of the cases also relate to replacement of parts of vehicles and/or compensation for deficiency in the services by the Group or its dealers.

Commitments

The Group has entered into various contracts with vendors and contractors for the acquisition of plant and machinery, equipment and various civil contracts of capital nature aggregating £216.3 million (2009: £232.0 million).

The Group has entered into various contracts with vendors and contractors which include obligations aggregating £431.0 million (2009: £468.0 million) to purchase minimum or fixed quantities of material.

For commitments related to leases, see note 31.

Inventory and trade receivables with a carrying amount of £391.2 million (2009: £164.0 million) and property, plant and equipment with a carrying amount of £714.8 million (2009: £139.7 million) are pledged as collateral/security against the borrowings and commitments.

29 Capital management

The Group's objectives for managing capital are to create value for shareholders, to safeguard business continuity and support the growth of the Group.

The Group determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through a mixture of equity, convertible or non-convertible debt securities and other long-term/short-term borrowings. The Group's policy is aimed at combination of short-term and long-term borrowings.

The Group monitors the capital structure on basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

Total debt includes all long and short-term debts and finance lease payables. Equity comprises all components excluding loss on cash flow hedges and foreign currency translation reserve.

The following table summarises the capital of the Group:

	31 March 2010	31 March 2009
	£m	£m
Equity	(462.8)	(926.8)
Short term debt (note 23)	910.4	1,958.7
Long term debt (note 23)	2,148.0	795.9
Total debt	3,058.4	2,754.6
Total capital (debt and equity)	2,595.6	1,827.8

30 Financial instruments

This section gives an overview of the significance of financial instruments for the Group and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

30 Financial instruments (Continued)

(a) Financial assets and liabilities

The following table shows the carrying amounts and fair value of each category of financial assets and liabilities as at 31 March 2010:

Financial assets

	Cash and loans and receivables	Total carrying value	Total fair value
	£m	£m	£m
Cash and cash equivalents	679.9	679.9	679.9
Short term deposits with bank	—		
Finance receivables	4.0	4.0	4.0
Trade receivables	669.4	669.4	669.4
Unquoted equity investments	0.3	0.3	—*
Other financial assets—current	16.1	16.1	16.1
Other financial assets—non-current	73.2	73.2	73.2
	1,442.9	1,442.9	1,442.6

* The fair value in respect of the unquoted equity investments cannot be reliably measured.

Financial liabilities

	Other financial liabilities	Total carrying value	Total fair value
	£m	£m	£m
Accounts payable	1,926.6	1,926.6	1,926.6
Short-term debt (including current portion of long-term debt)	904.9	904.9	904.9
Long-term debt (excluding current portion of long-term debt)	2,148.0	2,148.0	2,148.0
Other financial liabilities—current	142.3	142.3	142.3
Other financial liabilities—non-current	11.4	11.4	11.4
	5,133.2	5,133.2	5,133.2

30 Financial instruments (Continued)

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as of 31 March 2009:

Financial assets

	Cash and loans and receivables	Total carrying value	Total fair value
	£m	£m	£m
Cash and cash equivalents	128.5	128.5	128.5
Unquoted equity instruments	0.3	0.3	—*
Trade receivables	439.3	439.3	439.3
Other financial assets—current	12.3	12.3	12.3
Other financial assets—non current	32.8	32.8	32.8
	613.2	613.2	612.9

* the fair value in respect of the unquoted equity investments cannot be reliably measured.

Financial liabilities

	Other financial liabilities	Total carrying value	Total fair value
	£m	£m	£m
Accounts payable	1,482.7	1,482.7	1,482.7
Short-term debt (including current portion of long-term debt)	1,953.1	1,953.1	1,953.1
Long-term debt (excluding current portion of long-term debt)	769.5	769.5	769.5
Other financial liabilities—current	116.3	116.3	116.3
Other financial liabilities—non-current	34.0	34.0	34.0
	4,355.6	4,355.6	4,355.6

Fair value hierarchy

Financial instruments carried at fair value are required to be measured by reference to the following levels.

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category mainly includes quoted equity shares, quoted corporate debt instruments and mutual fund investments.

30 Financial instruments (Continued)

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

1. The short term financial assets and liabilities are stated at amortised cost which is approximately equal to their fair value.
2. The fair value of finance receivables have been estimated by discounting expected cash flows using rates at which loans of similar credit quality and maturity would be made as of March 31, 2010.

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Group could have realised in a sales transaction as of respective dates. The estimated fair value amounts as of March 31, 2010 and 31 March 2009 have been measured as of the respective dates. As such, the fair values of these financial instruments subsequent to the respective reporting dates may be different than the amounts reported at each year-end.

(b) Cash flow hedging

As at 31 March 2010 and 31 March 2009, there are no designated cash flow hedges.

As per its risk management policy, the Group uses foreign currency forward contracts to hedge its risk associated with foreign currency fluctuations relating to highly probable forecast sales transactions. The fair value of such forward contracts as of 31 March 2010 and 31 March 2009 was net loss of £Nil.

Changes in fair value of forward exchange contracts to the extent determined to be an effective hedge is recognised in the statement of other comprehensive income and the ineffective portion of the fair value change is recognised in income statement. Accordingly, the fair value change of net loss of £Nil was recognised in other comprehensive income during the year ended 31 March 2010 and period ended 31 March 2009.

(c) Financial risk management

In the course of its business, the Group is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity price, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

30 Financial instruments (Continued)

The Group has a risk management policy which not only covers the foreign exchange risks but also the risks associated with the financial assets and liabilities like interest rate risks and credit risks. The risk management policy is approved by the board of directors. The risk management framework aims to:

- Create a stable business planning environment—by reducing the impact of currency and interest rate fluctuations to the Group's business plan.
- Achieve greater predictability to earnings—by determining the financial value of the expected earnings in advance.

(d) Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due.

The group's policy on liquidity risk is to ensure that sufficient borrowing facilities are available to fund ongoing operations without the need to carry significant net debt over the medium term. The group's principal borrowing facilities are provided by its parent group (Tata Motors Limited, India, the ultimate parent undertaking and the immediate parent company, TML Singapore Pte Limited) in the form of redeemable preference shares classified as debt. The quantum of committed borrowing facilities available to the group is reviewed regularly and is designed to exceed forecast peak gross debt levels.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

	31 March 2010					
	Carrying amount	Contractual cash flows	1 year or less	1 to <2 years	2 to <5 years	5 years and over
	£000	£000	£000	£000	£000	£000
Non-derivative financial liabilities						
Secured bank loans (note 23)	1,221.9	1,341.0	871.6	15.2	273.6	180.6
Unsecured bank facility (note 23)	13.0	13.0	12.0	1.0	—	—
	1,234.9	**1,354.0**	**883.6**	**16.2**	**273.6**	**180.6**
Finance lease liabilities (note 23)	28.0	33.1	5.5	5.2	15.2	7.2
Redeemable preference shares classified as debt (note 23)	1,795.5	1,795.5	—	—	—	1,795.5
Other financial liabilities (note 18)	148.2	148.2	136.8	11.4	—	—
Trade payables (note 22)	1,442.5	1,442.5	1,442.5	—	—	—
	4,649.1	**4,773.3**	**2,468.4**	**32.8**	**288.8**	**1,983.3**

30 Financial instruments (Continued)

	31 March 2009					
	Carrying amount	Contractual cash flows	1 year or less	1 to <2 years	2 to <5 years	5 years and over
	£000	£000	£000	£000	£000	£000
Non-derivative financial liabilities						
Secured bank loans (note 23)	351.1	353.4	353.4	—	—	—
Unsecured bank facility (note 23)	1,602.0	1,607.0	1,607.0	—	—	—
	1,953.1	**1,960.4**	**1,960.4**	**—**	**—**	**—**
Finance lease liabilities (note 23)	32.0	38.6	5.6	5.5	14.9	12.6
Redeemable preference shares classified as debt (note 23)	769.5	1,308.2	—	53.9	215.5	1,038.8
Other financial liabilities (note 18)	118.3	118.3	110.7	7.6	—	—
Trade payables (note 22)	902.2	902.2	902.2	—	—	—
	3,775.1	**4,327.7**	**2,978.9**	**67.0**	**230.4**	**1,051.4**

The above analysis assumes the annual coupon rate of 7% on the shares classified as debt will be paid.

Trade receivables totalling £296.8 million are pledged as collateral in respect of certain receivable funding arrangements.

(e) Market risk

Market risk is the risk of any loss in future earnings in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rate, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(i) Foreign currency exchange rate risk:

The fluctuation in foreign currency exchange rates may have potential impact on the income statement, equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective consolidated entities.

Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in GBP, US Dollar, Japanese Yen and Euro against the respective functional currencies of the Group and its subsidiaries.

30 Financial instruments (Continued)

The Group, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange exposure, and also to hedge interest rate exposure. Further, any weakening of the functional currencies of the various operations of the Group against major foreign currencies may have an adverse effect on the Group's cost of borrowing and cost of imports reported and consequently may increase the cost of financing our capital expenditures. This also may impact the earnings of international business.

The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of all the currencies by 10% against the presentation currency of the Group.

The following analysis has been worked out based on the gross exposure as of the balance sheet date which could affect the consolidated income statement. There is no exposure to the consolidated income statement on account of translation of financial statements of consolidated foreign entities.

The following table set forth information relating to foreign currency exposure below as of 31 March 2010:

	US Dollar	Euro	JPY	Russian Rouble	*Others	Total
	£m	£m	£m	£m	£m	£m
Financial assets	280.7	150.8	23.4	25.1	164.4	644.4
Financial liabilities	(2,074.9)	(452.5)	(62.7)	(5.9)	(61.1)	(2,657.1)
Net exposure asset/liability	(1,794.2)	(301.7)	(39.3)	19.2	103.3	(2,012.7)

* Others include GBP, Singapore dollars, Swiss Franc, Australian dollars, South African Rand, Chinese Yuan, Thai baht, Korean won etc.

10% appreciation/ depreciation of the Euro, USD and Yen would result in an increase/ decrease in the Group's net income/(loss) before tax by approximately £3.0 million, £17.9 million and £0.4 million respectively for the year ended 31 March 2010.

30 Financial instruments (Continued)

The following table set forth information relating to foreign currency exposure as of 31 March 2009:

	US Dollar	Euro	JPY	*Others	Total
	£m	£m	£m	£m	£m
Financial assets	44.5	48.0	26.7	103.6	222.8
Financial liabilities	(2,444.2)	(109.3)	(9.2)	(155.4)	(2,718.1)
Net exposure asset/liability	(2,399.7)	(61.3)	17.5	(51.8)	(2,495.3)

* Others include currencies such as GBP, Swiss Franc, Singapore dollars, Chinese Yuan, Australian dollars etc.

10% weakening/strengthening of the Euro, USD and Yen would result in a decrease/increase in the Group's net income/(loss) before tax by approximately £0.1 million, £0.7 million and £0.1 million respectively for the year ended 31 March 2009.

(f) Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the cash flows as well as costs.

The Group is subject to variable interest rates on some of its interest bearing liabilities. The Group's interest rate exposure is mainly related to debt obligations. The Group also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible bonds and short term loans.

In its financing business, the Group enters into transactions with customers which primarily result receivables at fixed rates. In order to manage this risk, the Group has a policy to match funding in terms of maturities and interest rates and also for certain part of the portfolio; the Group does not match funding with maturities in order to take advantage of market opportunities.

The Group also enters into arrangements of securitization of receivables in order to reduce the impact of interest rate movements.

As of 31 March 2010 net financial liability of £945.4 million *(2009: £1,619.9 million)* was subject to the variable interest rate. Increase/decrease of 100 basis points in interest rates at the balance sheet date would result in an impact of £8.0 million (2009: £19.5 million) in the consolidated income statement.

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag.

30 Financial instruments (Continued)

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant

(f) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks

Financial instruments that are subject to concentrations of credit risk principally consist of investments classified as loans and receivables, trade receivables and finance receivables. None of the financial instruments of the Group result in material concentrations of credit risks.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was £756.2 million *(2009: £601.6 million)*, being the total of the carrying amount of cash balance with banks, short term deposits with banks, trade receivables and finance receivables.

Financial assets that are neither past due nor impaired

None of the Group's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables and other receivables, and other loans or receivables that are neither impaired nor past due, there were no indications as at 31 March 2010, that defaults in payment obligations will occur.

	31 March 2010 Gross	31 March 2010 Impairment
	£m	£m
Not yet due	600.6	0.8
Overdue < 3 months	60.8	0.2
Overdue >3<6 months	21.3	14.8
Overdue >6 months	3.0	0.5
	685.7	16.3

30 Financial instruments (Continued)

None of the Group's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables, there were no indications as at 31 March 2009, that defaults in payment obligations will occur.

	31 March 2009 Gross	31 March 2009 Impairment
	£m	£m
Not yet due	366.7	1.5
Overdue < 3 months	63.1	0.3
Overdue >3<6 months	20.9	11.0
Overdue >6 months	4.4	2.9
	455.1	15.7

Derivative financial instruments and risk management

The Group risk management policy allows the use of currency and interest derivative instruments to manage its exposure to fluctuations in foreign exchange and interest rates. To the extent possible under IAS 39, these instruments are hedge accounted under that Standard. At 31 March 2010 and 31 March 2009, the Group had no outstanding derivative instruments.

31 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	31 March 2010	31 March 2009
	£m	£m
Less than one year	7.8	6.7
Between one and five years	14.9	12.4
More than five years	—	3.5
	22.7	22.6

The Group leases a number of properties and plant and machinery under operating leases.

31 Operating leases (Continued)

Leases as lessor

The future minimum lease payments under non-cancellable leases are as follows:

	Year ended 31 March 2010	Period ended 31 March 2009
	£m	£m
Less than one year	11.8	5.1
Between one and five years	0.2	0.2
More than five years	—	—
	12.0	5.3

The above leases relate to amounts payable in respect of land and buildings and fleet car sales. The average lease life is less than one year.

32 Related party transactions

The Group's related parties principally consist of Tata Sons Ltd., subsidiaries of Tata Sons Ltd, associates and joint ventures of the Tata Sons Ltd (including Tata Motors Limited). The Group routinely enters into transactions with these related parties in the ordinary course of business. The Group enters into transactions for sale and purchase of products with its associates and joint ventures. Transactions and balances with its own subsidiaries are eliminated on consolidation.

The following table summarizes related party transactions and balances not eliminated in the consolidated financial statements for the year ended 31 March 2010.

	With associates 31 March 2010	With immediate and ultimate parent 31 March 2010	With associates 31 March 2009	With immediate and ultimate parent 31 March 2009
	£m	£m	£m	£m
Sale of products	—	12.5	—	—
Services received	26.7	0.3	12.9	—
Loan transactions in the period	—	1,026.0	—	769.5
Trade and other receivables	3.6	—	—	—
Accounts payable	—	0.6	—	—
Loans outstanding	—	1,795.5	4.1	769.5

32 Related party transactions (Continued)

The following table summarises related party transactions and balances included in the consolidated financial statements for the year ended 31 March 2010:

Compensation of key management personnel

	Year ended 31 March 2010	Period ended 31 March 2009
	£m	£m
Short term benefits	3.4	2.3
Post-employment benefits	0.2	0.3
	3.6	2.6

33 Ultimate parent Group and parent Group of larger Group

The immediate parent undertaking is TML Singapore Pte Limited and ultimate parent undertaking and controlling party is Tata Motors Limited, India which is the parent of the smallest and largest Group to consolidate these financial statements.

Copies of the Tata Motors Limited, India consolidated financial statements can be obtained from the Group Secretary, Tata Motors Limited, Bombay House, 24, Homi Mody Street, Mumbai—400001, India.

34 Subsequent Events

On 31 May 2010, the shareholders of the USD preference shares cancelled 792,000 of the preference shares with a value of $79.2 million. This forgiveness of debt was recognised in reserves, a component of equity.

On 5 November 2010, the Company redeemed 2,980,000 of the USD preference shares with a value of $298.0 million.

On 31 March 2011, the Company converted all its USD ordinary share capital and all its USD preference shares into £1,500.6 million of £1 Ordinary shares and £416.7 million of £1, 7.25% preference shares. In the process the value of the share capital was reduced and a capital redemption reserve of £166.7 million was created.

On 31 March 2011, the Company repaid £250 million of the £1 preference shares.

The interest on the previously held USD preference shares was waived and no interest in relation to these has been included in the Group accounts.

Jaguar Land Rover PLC
(formerly JaguarLandRover Limited)

Unaudited condensed consolidated interim financial statements

Registered number 06477691

9 months ended 31 December 2010

Contents

Jaguar Land Rover PLC
(formerly JaguarLandRover Limited)
Unaudited condensed consolidated interim financial statements
9 months ended 31 December 2010

Consolidated Income Statement
for the nine months ended 31 December 2010

	Note	Nine months ended 31 December 2010 (Unaudited)	Nine months ended 31 December 2009 (Unaudited)
		£m	£m
Revenue		**7,132.0**	4,486.2
Changes in inventories of finished goods and work-in-progress		**89.1**	(88.4)
Purchase of products for sale		**(528.7)**	(438.2)
Raw materials and consumables		**(4,005.3)**	(2,615.0)
Employee cost		**(575.2)**	(552.3)
Depreciation and amortisation		**(299.2)**	(246.9)
Other expenses		**(1,455.0)**	(1,017.6)
Expenditure capitalised		**437.1**	341.3
Other income (net)		**33.3**	21.3
Foreign exchange (loss) gain (net)		**(2.6)**	107.2
Finance income	*3*	**17.9**	1.8
Finance expense (net)	*3*	**(28.9)**	(39.9)
Net income / (loss) before tax		**814.5**	(40.5)
Income tax expense	*8*	**(41.0)**	(15.3)
Net income / (loss) attributable to shareholders		**773.5**	(55.8)

Jaguar Land Rover PLC
(formerly JaguarLandRover Limited)
Unaudited condensed consolidated interim financial statements
9 months ended 31 December 2010

Consolidated Statement of Comprehensive Income for the nine months ended 31 December 2010

	Nine months ended 31 December 2010 (Unaudited)	Nine months ended 31 December 2009 (Unaudited)
	£m	£m
Net income / (loss) attributable to shareholders	**773.5**	(55.8)
Other comprehensive income:		
Currency translation gains	**38.7**	215.2
Actuarial gains and losses	**(128.2)**	(145.5)
Loss on cash flow hedge	**(11.7)**	—
Total other comprehensive (loss) / income for the period	**(101.2)**	69.7
Total comprehensive income for the period attributable to shareholders	**672.3**	13.9

Jaguar Land Rover PLC
(formerly JaguarLandRover Limited)
Unaudited condensed consolidated interim financial statements
9 months ended 31 December 2010

Consolidated Balance Sheet
at 31 December 2010

	Note	31 December 2010	31 March 2010
		£m (Unaudited)	£m (Audited)
Non-current assets			
Investments		**0.3**	0.3
Other financial assets		**78.0**	73.2
Property, plant and equipment		**1,186.1**	1,230.3
Pension asset		**27.3**	0.4
Intangible assets		**2,001.3**	1,682.0
Deferred income taxes		**71.0**	45.4
Total non current assets		**3,364.0**	3,031.6
Current assets			
Cash and cash equivalents		**999.7**	679.9
Financial receivables		**2.8**	4.0
Trade receivables		**607.0**	669.4
Other financial assets	*5*	**23.9**	16.1
Inventories	*6*	**1,068.4**	995.4
Other current assets	*7*	**261.2**	225.5
Current income tax assets		**0.1**	2.4
Total current assets		**2,963.1**	2,592.7
Total assets		**6,327.1**	5,624.3
Current liabilities			
Accounts payable		**2,294.3**	1,926.6
Short term borrowings and current portion of long term debt		**759.5**	904.9
Other financial liabilities	*10*	**165.9**	142.3
Provisions	*11*	**267.8**	303.2
Other current liabilities	*12*	**213.6**	295.1
Current income tax liabilities		**33.1**	12.9
Total current liabilities		**3,734.2**	3,585.0
Non-current liabilities			
Long term debt		**1,862.7**	2,125.5
Other financial liabilities	*10*	**49.1**	33.9
Deferred income taxes		**2.0**	1.6
Provisions	*11*	**420.8**	341.1
Total non current liabilities		**2,334.6**	2,502.1
Total liabilities		**6,068.8**	6,087.1
Equity attributable to equity holders of the Company			
Ordinary shares		**644.6**	644.6
Reserves/accumulated deficit	*14*	**(386.3)**	(1,107.4)
Equity attributable to equity holders of the Company		**258.3**	(462.8)
Total liabilities and equity		**6,327.1**	5,624.3

These condensed consolidated interim financial statements were approved by the board of directors on 28 April 2011 and were signed on its behalf by:

Andrew M. Robb
Director

Company registered number: 06477691

Jaguar Land Rover PLC
(formerly JaguarLandRover Limited)
Unaudited condensed consolidated interim financial statements
9 months ended 31 December 2010

Consolidated Statement of Changes in Equity for the nine months ended 31 December 2010

	Ordinary Shares	Reserves / accumulated deficit	Total Equity
	£m	£m	£m
Balance at 31 March 2009 (Audited)	283.6	(1,210.4)	(926.8)
Net loss for the nine months	—	(55.8)	(55.8)
Other comprehensive income for the nine months	—	69.7	69.7
Total comprehensive income for the period	—	13.9	13.9
Share Issue	361.0	—	361.0
Balance at 31 December 2009 (Unaudited)	**644.6**	**(1,196.5)**	**(551.9)**

	Ordinary shares	Reserves / accumulated deficit	Total Equity
	£m	£m	£m
Balance at 31 March 2010 (Audited)	644.6	(1,107.4)	(462.8)
Net income for the nine months	—	773.5	773.5
Other comprehensive loss for the nine months	—	(101.2)	(101.2)
Cancellation of preference shares	—	48.8	48.8
Total comprehensive income for the period		721.1	721.1
Balance at 31 December 2010 (Unaudited)	**644.6**	**(386.3)**	**258.3**

Jaguar Land Rover PLC
(formerly JaguarLandRover Limited)
Unaudited condensed consolidated interim financial statements
9 months ended 31 December 2010

Consolidated Cash Flow Statement
for the nine months ended 31 December 2010

	Nine months ended 31 December 2010 (Unaudited)	Nine months ended 31 December 2009 (Unaudited)
	£m	£m
Cash flows from operating activities		
Net income / (loss) attributable to shareholders	**773.5**	**(55.8)**
Depreciation and amortisation	**299.2**	**246.9**
Loss on sale of assets	**1.1**	**—**
Foreign exchange loss	**(2.6)**	**(107.2)**
Income tax expense	**41.0**	**15.3**
Finance expense (net)	**28.9**	**39.9**
Finance income	**(17.9)**	**(1.8)**
Cash flows from operating activities	**1,123.2**	**137.3**
Decrease / (increase) in trade and other receivables	**24.5**	**(137.6)**
(Increase) / decrease in inventories	**(70.7)**	**107.9**
Increase in other non-current assets	**(26.8)**	**—**
Increase in accounts payable and other creditors	**233.9**	**225.9**
Increase in provisions	**5.8**	**26.0**
Cash generated from operations	**1,289.9**	**359.5**
Income tax paid	**(43.5)**	**(32.8)**
Net cash from operating activities	**1,246.4**	**326.7**
Cash flows used in investing activities		
Interest received	**15.8**	**1.8**
Purchases of property, plant and equipment and intangible assets	**(564.3)**	**(612.1)**
Net cash used in investing activities	**(548.5)**	**(610.3)**
Cash flows (used in) / from financing activities		
Proceeds from issuance of ordinary shares	**—**	**361.0**
Proceeds from issuance of preference shares classified as long-term debt	**—**	**1,035.2**
Interest paid	**(77.0)**	**(51.6)**
Repayment of short term debt	**(324.4)**	**(755.4)**
Increase in long-term debt	**9.3**	**37.1**
Net cash from financing activities	**(392.1)**	**626.3**
Net change in cash and cash equivalents	**305.8**	**342.7**
Cash and cash equivalents at beginning of nine months	**679.9**	**128.5**
Effect of exchange rate fluctuations on cash held	**14.0**	**1.3**
Cash and cash equivalents at end of nine months	**999.7**	**472.5**

Notes
(forming part of the condensed interim financial statements)

1 Background and operations

Jaguar Land Rover PLC ("the Company") and its subsidiaries, collectively referred to as ("the Group" or "JLR"), designs, manufactures and sells a wide range of automotive vehicles. The Company is a public limited company incorporated and domiciled in the UK and has its registered office at Gaydon, Warwickshire, England. The Company became a public limited company (PLC) on 6 April 2011. The Company was formerly known as JaguarLandRover Limited, and was a limited liability company for the period covered by these accounts.

The Company is a subsidiary of Tata Motors Limited, India ("TATA Motors") and acts as an intermediate holding company for the Jaguar Land Rover business. The principal activity during the period was the design, development, manufacture and marketing of high performance luxury saloons, specialist sports cars and four wheel drive off-road vehicles.

Tata Sons Limited (or Tata Sons), together with its subsidiaries, owns 28% of the ordinary shares and 50.97% of "A" ordinary shares of Tata Motors Limited, the ultimate parent company of JLR, and has the ability to influence the Company's operations significantly. The Company is a subsidiary of Tata Motors Limited, India, and acts as an intermediate holding company of the Jaguar Land Rover business.

The Company acquired the Jaguar Land Rover business for USD 2.5bn on 2 June 2008, which includes three manufacturing facilities and two advanced engineering centres in the UK and a worldwide sales network.

During the period, the holders, TML Holdings Pte. Ltd, the immediate parent company, of the USD 7.25% preference shares cancelled £48.8 million of preference shares for nil consideration. The cancellation has been recognised in reserves.

2 Accounting policies

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim Reporting' as adopted by the International Accounting Standards Board.

Basis of preparation

The information for the 9 months ended 31 December 2010 is unaudited and does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The condensed consolidated interim financial statements of Jaguar Land Rover PLC have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting' as adopted by the International Accounting Standards Board.

The condensed consolidated interim financial statements have been prepared on historical cost basis except for certain financial instruments held at fair value and presented as required under IAS 34.

Notes
(forming part of the condensed interim financial statements)

2 Accounting policies (Continued)

The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated non-statutory financial statements for the year ended 31 March 2010, which were prepared in accordance with IFRS as adopted by the International Accounting Standards Board.

The accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 March 2010, as described in those financial statements.

Going concern

The directors have considered the financial position of the Group at 31 December 2010 (net assets of £258.3 million, (31 March 2010: net liabilities of £462.8 million)) and the projected cash flows and financial performance of the Group for at least 12 months from the date of approval of these condensed consolidated interim financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The directors have taken actions to ensure that appropriate long term cash resources are in place at the date of signing the condensed consolidated interim financial statements to fund Group operations. The directors have reviewed the financial covenants linked to the borrowings in place and believe these will not be breached at any point and that all debt repayments will be met.

Therefore the directors consider, after making appropriate enquiries and taking into consideration the risks and uncertainties facing the Group has adequate resources to continue in operation as a going concern for the foreseeable future and is able to meet its financial covenants linked to the borrowings in place. Accordingly they continue to adopt the going concern basis in preparing the condensed interim financial statements.

3 Finance income and expense

Recognised in net income / (loss)

	Nine months ended 31 December 2010 (Unaudited)	Nine months ended 1 December 2009 (Unaudited)
	£m	£m
Finance income	6.6	1.8
Net gain on derivatives not used for hedging	2.1	—
Net change in fair value of cash flow hedges recycled from equity	9.2	—
Total finance income	17.9	1.8

Notes
(forming part of the condensed interim financial statements)

3 Finance income and expense (Continued)

	Nine months ended 31 December 2010 (Unaudited)	Nine months ended 31 December 2009 (Unaudited)
	£m	£m
Total finance expense on financial liabilities measured at amortised cost	**61.9**	51.6
Unwind of discount on provisions	**2.5**	2.5
Finance expense transferred to capitalised product development	**(35.5)**	(14.2)
Total finance expense	**28.9**	39.9

The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 4.83% for both periods.

4 Allowances for trade and other receivables

Changes in the allowances for trade and other receivables are as follows:

	31 December 2010 (Unaudited)	31 March 2010 (Audited)
	£m	£m
At beginning of period	**16.3**	15.7
Allowance made in the period	**—**	10.4
Allowance released in the period	**(2.5)**	(9.6)
Foreign exchange translation	**(2.8)**	(0.2)
At end of period	**11.0**	**16.3**

5 Other financial assets—current

	31 December 2010 (Unaudited)	31 March 2010 (Audited)
	£m	£m
Derivative financial instruments	**10.3**	—
Advances and other receivables recoverable in cash	**13.0**	11.4
Other	**0.6**	4.7
	23.9	16.1

Notes
(forming part of the condensed interim financial statements)

6 Inventories

	31 December 2010 (Unaudited)	31 March 2010 (Audited)
	£m	£m
Raw materials and consumables	32.7	49.9
Work-in-progress	86.0	79.6
Finished goods	949.7	865.9
	1,068.4	995.4

During the period, the Company recorded an inventory write-down expense of £4.5 million. The write-down is included in other expenses.

7 Other current assets

	31 December 2010 (Unaudited)	31 March 2010 (Audited)
	£m	£m
Prepaid expenses	230.4	225.5
Others	30.8	—
	261.2	225.5

8 Taxation

Recognised in the income statement

The income tax for the 9 month period is charged at the best estimate of the effective annual rate expected to apply for the full year at each subsidiary undertaking.

In the nine month period to 31 December 2009, the Group has a net tax charge despite the loss before tax because deferred tax assets on losses in the UK are not recognised due to insufficient evidence that they will be realisable in future periods.

9 Capital expenditure

Capital expenditure in the period was £564.3 million (2009: £612.1 million) on fixed assets and capitalised engineering. There were no impairments, material disposals or changes in use of assets.

Notes
(forming part of the condensed interim financial statements)

10 Other financial liabilities

	31 December 2010 (Unaudited)	31 March 2010 (Audited)
	£m	£m
Current		
Liabilities for vehicles sold under a repurchase arrangement	135.4	134.5
Finance lease obligations	5.4	5.5
Interest accrued	5.2	1.8
Derivative financial instruments	19.9	0.5
	165.9	142.3
Non Current		
Finance lease obligations	19.6	22.5
Other payables	29.5	11.4
	49.1	33.9

11 Provisions

	31 December 2010 (Unaudited)	31 March 2010 (Audited)
	£m	£m
Current		
Product warranty	233.1	270.7
Product liability	33.3	30.6
Provision for residual risk	1.4	1.9
Total current	267.8	303.2
Non current		
Defined benefit obligations	139.0	101.4
Other retirement obligations	1.0	1.3
Product warranty	256.7	205.7
Provision for residual risk	5.4	13.9
Provision for environmental liability	18.7	18.8
Total non current	420.8	341.1

Notes
(forming part of the condensed interim financial statements)

11 Provisions (Continued)

Product warranty

	31 December 2010 (Unaudited)	31 March 2010 (Audited)
	£m	£m
Opening balance	476.4	531.9
Provision made during the period	254.3	234.5
Provision used during the period	(226.6)	(301.3)
Impact of discounting	2.5	3.3
Impact of foreign exchange translation	(16.8)	8.0
Closing balance	489.8	476.4

Product liability

	31 December 2010 (Unaudited)	31 March 2010 (Audited)
	£m	£m
Opening balance	30.6	24.7
Provision made during the period	5.7	12.2
Provisions used in the period	(2.3)	(5.2)
Impact of foreign exchange translation	(0.7)	(1.1)
Closing balance	33.3	30.6

Residual risk

	31 December 2010 (Unaudited)	31 March 2010 (Audited)
	£m	£m
Opening balance	15.7	95.4
Provision released during the period	—	(58.0)
Provision used during the period	(8.4)	(15.2)
Impact of foreign exchange translation	(0.5)	(6.4)
Closing balance	6.8	15.8

11 Provisions (Continued)

Environmental liability

	31 December 2010 (Unaudited)	31 March 2010 (Audited)
	£m	£m
Opening balance	**18.8**	**20.8**
Provision used during the period	**(0.1)**	**(2.0)**
Closing balance	**18.7**	**18.8**

Product warranty provision

The Group offers warranty cover in respect of manufacturing defects, which become apparent within a year and up to four years after purchase, dependent on the market in which the purchase occurred.

Product liability provision

A product liability provision is maintained in respect of known litigation which the Group is party to.

Residual risk provision

In certain markets, the Group is responsible for the residual risk arising on vehicles sold by dealers on leasing arrangements. The provision is based on the latest available market expectations of future residual value trends. The timing of the outflows will be at the end of the lease arrangements—being typically up to three years.

Environmental risk provision

This provision relates to various environmental remediation costs such as asbestos removal and land clean up. The timing of when these costs will be incurred is not known with certainty.

12 Other current liabilities

	31 December 2010 (Unaudited)	31 March 2010 (Audited)
	£m	£m
Liability for advances received	**37.8**	**153.9**
VAT payable	**129.2**	**123.5**
Others	**46.6**	**17.7**
	213.6	**295.1**

Notes
(forming part of the condensed interim financial statements)

13 Interest bearing loans and borrowings

	31 December 2010 (Unaudited)	31 March 2010 (Audited)
	£m	£m
Loan from banks and related parties	**1,106.4**	**1,221.9**
Redeemable preference shares classified as debt	**1,515.8**	**1,795.5**
Other loans	**—**	**13.0**
Finance lease liabilities	**25.0**	**28.0**
	2,647.2	**3,058.4**
Less:		
Current portion of bank loans and related parties	**(759.5)**	**(892.9)**
Current portion of other loans	**—**	**(12.0)**
Total short term borrowings and current portion of long term debt	**(759.5)**	**(904.9)**
Current portion of finance lease liabilities	**(5.4)**	**(5.5)**
Long term debt	**1,882.3**	**2,148.0**
Presented as long-term debt	**1,862.7**	**2,125.5**
Presented as long-term finance lease in non-current other financial liabilities	**19.6**	**22.5**

14 Other reserves

The movement of reserves and accumulated deficit is as follows:

	Translation reserve	Hedging reserve	Pension reserve	Accumulated deficit: profit and loss reserve	Total Reserves / accumulated deficit
	£m	£m	£m	£m	£m
Balance at 1 April 2010	(506.7)	—	(221.8)	(378.9)	(1,107.4)
Net income for the period	—	—	—	773.5	773.5
Cancellation of redeemable preference shares		—		48.8	48.8
Loss on cash flow hedge	—	(11.7)	—	—	(11.7)
Foreign currency translation	38.7	—	—	—	38.7
Movements in employee benefit plan	—	—	(128.2)	—	(128.2)
Balance at 31 December 2010	(468.0)	(11.7)	(350.0)	443.4	(386.3)

Notes
(forming part of the condensed interim financial statements)

14 Other reserves (Continued)

	Translation reserve	Pension reserve	Accumulated deficit: profit and loss reserve	Total Reserves / accumulated deficit
	£m	£m	£m	£m
Balance at 1 April 2009	(607.5)	(200.5)	(402.4)	(1,210.4)
Net income for the period	—	—	23.5	23.5
Foreign currency translation	100.8	—	—	100.8
Movements in employee benefit plan	—	(21.3)	—	(21.3)
Balance at 31 March 2010	(506.7)	(221.8)	(378.9)	(1,107.4)

15 Dividends

During both the periods no dividends were paid or proposed on the ordinary shares. No dividend was paid or proposed on the non-cumulative preference shares.

16 Employee benefits

Jaguar Cars Limited and Land Rover, have pension arrangements providing employees with defined benefits related to pay and service as set out in the rules of each fund. The following table sets out the disclosure pertaining to employee benefits of Jaguar Cars Limited, Land Rover, UK and overseas subsidiaries which operate defined benefit pension plans.

Change in net pension liability

	Nine months ended 31 December 2010 (Unaudited)	Year to 31 March 2010 (Audited)
	£m	£m
Net pension (liability)/asset at beginning of the period	**(101.0)**	**(36.6)**
Service cost	**(81.0)**	**(63.4)**
Interest cost	**(162.0)**	**(205.3)**
Actuarial loss	**(128.2)**	**(85.1)**
Expected return on assets	**181.5**	**173.6**
Employer contributions and other changes	**179.1**	**52.8**
Change in restriction on asset and onerous obligation	**(0.1)**	**63.0**
Net pension liability at end of period	**(111.7)**	**(101.0)**

16 Employee benefits (Continued)

Amount recognised in the balance sheet consists of

	31 December 2010 (Unaudited)	31 March 2010 (Audited)
	£m	£m
Present value of defined benefit obligations	**(4,019.1)**	**(3,871.5)**
Fair value of plan assets	**4,071.7**	**3,806.5**
Restriction on asset and onerous obligation	**(164.3)**	**(36.0)**
Net liability	**(111.7)**	**(101.0)**
Non current assets	**27.3**	**0.4**
Non current liabilities	**(139.0)**	**(101.4)**

The range of assumptions used in accounting for the pension plans in both periods are set out below:

	%
Discount rate	5.5-6.0
Rate of increase in compensation level of covered employees	2.1-4.0
Inflation increase	2.0-3.5
Expected rate of return on plan assets	6.5

The mortality assumptions use “92 series” base table (based on a year of use of 2009), with medium cohort improvements applied from 2005, and an underpin to future mortality improvements of 1% p.a. for males and 0.5% for females. In addition there is a scaling factor of 135% (males and females) for the Jaguar Pension Plan and Land Rover Pension Scheme, and 110% (males) / 115% (females) for the Jaguar Executive Pension Plan.

17 Commitments and contingencies

In the normal course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides a disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. Management believe that none of the contingencies described below, either individually or in aggregate, would have a material adverse effect on the Group’s financial condition, results of operations, or cash flows.

17 Commitments and contingencies (Continued)

Litigation

The Group is involved in legal proceedings, both as plaintiff and as defendant. These are claims which management does not believe to be of a material nature.

Other claims

There are other claims against the Group, the majority of which pertain to motor accident claims (involving third parties affected in accidents while the Group's vehicles were being transferred from the Group's manufacturing plants to regional sales offices or from one sales office to the other) and consumer complaints. Some of the cases also relate to replacement of parts on vehicles and/or compensation for alleged deficiency in the services provided by the Group or its dealers.

Commitments

The Group has entered into various contracts with vendors and contractors for the acquisition of plant and machinery, equipment and various civil contracts of a capital nature aggregating £297.4 million (31 March 2010: £216.3 million.)

The Group has entered into various contracts with vendors and contractors which include obligations aggregating £707.5 million (31 March 2010: £431.0 million) to purchase minimum or fixed quantities of material.

Financial Instruments

During the nine month period to 31 December 2010, the Group entered into a number of cash flow derivative contracts to manage its foreign currency exposure. To the extent allowed under IAS 39 'Financial Instruments: Recognition and Measurement' the derivatives are accounted for as cash flow hedges.

18 Capital management

The Company's objectives for managing capital are to create value for shareholders, to safeguard business continuity and support the growth of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through a mixture of equity, convertible or non-convertible debt securities and other long-term/short-term borrowings. The Company's policy is aimed at a combination of short-term and long-term borrowings.

The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Total debt includes all long and short-term debts as disclosed in note 13 to the financial statements. Equity comprises all reserves.

Notes
(forming part of the condensed interim financial statements)

18 Capital management (Continued)

The following table summarises the capital of the Company:

	31 December 2010 (Unaudited)	31 March 2010 (Audited)
	£m	£m
Equity / (deficit)	**258.3**	**(462.8)**
Short term debt	**764.9**	**910.4**
Long term debt	**1,882.3**	**2,148.0**
Total debt	**2,647.2**	**3,058.4**
Total capital (debt and equity)	**2,905.5**	**2,595.6**

19 Related party transactions

The Company's related parties principally consist of Tata Sons Limited, subsidiaries of Tata Sons Limited, associates and joint ventures of Tata Sons Limited (including Tata Motors Limited). The Company routinely enters into transactions with these related parties in the ordinary course of business. The Company enters into transactions for the sale and purchase of products with its associates and joint ventures. Transactions and balances with its own subsidiaries are eliminated on consolidation.

The following table summarises related party transactions and balances included in the consolidated condensed interim financial statements for the year ended 31 March 2010.

	With associates (Unaudited)	With immediate parent Company (Unaudited)
	£m	£m
Sale of products	—	12.5
Services received	26.7	0.3
Loan transactions in the period	—	1,026
Trade and other receivables	—	0.6
Accounts payable	3.6	—
Loans outstanding	—	1,795.5

19 Related party transactions (Continued)

The following table summarises related party transactions and balances included in the consolidated condensed interim financial statements for the period ended 31 December 2010.

	With associates (Unaudited)	With immediate and parent Company (Unaudited)
	£m	£m
Sale of products	27.2	—
Services received	30.6	—
Loan transactions in the period	—	(97.4)
Trade and other receivables	8.4	—
Loans given	—	1,698.1*

* Included within this balance is the impact of £48.8m waived on the cancellation of preference shares. See Note 1 for details.

20 Subsequent events

On 31 March 2011, the Company converted all of its USD ordinary share capital and all of its USD preference shares into £1,500.6 million of £1 Ordinary shares and £416.7 million of £1 7.25% preference shares. In the process, the value of the share capital was reduced and a capital redemption reserve of £166.7 million was created.

On 31 March 2011, the Company repaid £250 million of the £1 preference shares.

The interest on the previously held USD preference shares was waived and no interest in relation to these has been included in the Group accounts.

ISSUER

Jaguar Land Rover PLC
Company Number: 6477691
Banbury Road
Gaydon
Warwick
Warwickshire
CV35 0RG
United Kingdom

LEGAL ADVISERS TO THE ISSUER

as to United States law

Shearman & Sterling (London) LLP
9 Appold Street
London EC2A 2AP
United Kingdom

as to English law

Hogan Lovells International LLP
Atlantic House
Holborn Viaduct
London EC1A 2FG
United Kingdom

LEGAL ADVISERS TO THE INITIAL PURCHASERS

as to United States and English law

Sullivan & Cromwell LLP
1 New Fetter Lane
London EC4A 1AN
United Kingdom

TRUSTEE, PAYING AGENT, TRANSFER AGENT AND REGISTRAR

Citibank, N.A., London Branch
14th Floor, Citigroup Centre
Canada Square
London E14 5LB
United Kingdom

LEGAL ADVISERS TO THE TRUSTEE

Allen & Overy LLP
One Bishops Square
London E1 6AD
United Kingdom

LISTING AGENT

Dexia Banque Internationale à Luxembourg
69 route d'Esch
L-1470 Luxembourg

Merrill Corporation Ltd, London
11ZBL11101

Jaguar Land Rover PLC

£1,000,000,000 equivalent
£500,000,000
8.125% Senior Notes due 2018
$410,000,000
7.750% Senior Notes due 2018
$410,000,000
8.125% Senior Notes due 2021

Guaranteed on a senior unsecured basis by Jaguar Cars Limited, Land Rover, Jaguar Land Rover North America LLC, Land Rover Exports Limited and Jaguar Cars Exports Limited

OFFERING MEMORANDUM

Joint Physical Bookrunners

Citi **Credit Suisse** **J.P. Morgan** **Standard Chartered Bank**

23 May 2011