

Motor Industry News Leyland Australia

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COMMON MARKET MOVE:

LEYLAND BUYS INNOCENTI IN ITALY

British Leyland (UK) is to buy outright the Innocenti Autoveicoli Company of Milan, which assembles and sells Austin and Morris vehicles, particularly Minis, in Italy.

The move is part of a major drive by British Leyland to gain a much larger share of common market car sales in preparation for Britain's entry in 1973.

Total cost of the deal, which includes all land, buildings, plant and equipment, will be about £3 million (A\$ 6.56 million).

Italy is British Leyland's biggest European market and sales in Italy through Innocenti are considerably greater than total sales of all Italian cars in Britain.

In 1970 sales were 48,798 units, which increased to 56,452 in 1971, giving a market share of four per cent.

Sales are currently running well ahead of the 60,500 sales forecast for 1972 and in March Innocenti had second best sales of any company after Fiat, and well ahead of Volkswagen and Renault.

Current British Leyland sales to Europe overall total 247,000 units a year and it is intended to boost this to 500,000 by 1975.

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CARS	AUSTIN	BUSES	COACHES	FOUR WHEEL	TRACTORS	ROAD ROLLERS
ROVER	MORRIS	LEYLAND	AB DENNING	DRIVE	LEYLAND	GRADERS
JAGUAR	MG	TRUCKS	PRESSED METAL	LANDROVER		AVELING-BARFORD
DAIMLER	TRIUMPH	LEYLAND		RANGEROVER		

LEYLAND MOTOR CORPORATION OF AUSTRALIA LTD. 893-931 STH. DOWLING ST. WATERLOO 2017 NSW PH. 663-0321

The marketing of other British Leyland cars, mainly Triumph, Rover and Jaguar is currently controlled by British Leyland Italia, which will now merge with Innocenti.

Managing Director of Innocenti will be Mr. Geoffrey Robinson, 32, currently Financial Controller of the Corporation and a graduate of Cambridge with a degree in economics from Yale.

Commenting on the deal, Lord Stokes, Chairman of British Leyland, said: "Our Corporation has always been totally committed to joining the Common Market and our stake in the Italian market through Innocenti has been one of the most vital factors in our European sales drive.

"Now that we have sole control of assembly and marketing we can not only increase sales but take a much bigger share of the market.

"Our investigations show that production capacity can be increased to 75,000 units a year without any capital expenditure, whilst 100,000 can be achieved from only modest investment."

Other British Leyland cars, particularly the new Morris Marina, are now being evaluated for possible introduction to the Italian market.