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THE PRESS STATEMENT

BL AND HONDA ANNOUNCE FURTHER COLLABORATION

Following the successful launch of the Triumph Acclaim - the joint venture between BL Ltd. and the Honda Motor Co., Ltd. - the two companies today announced their agreement to a further stage of collaboration.

BL and Honda today signed a Letter of Intent jointly to develop and manufacture a new executive car in a market sector above that of the Triumph Acclaim with a targeted launch date during 1985. The car will be built in Britain and Japan for sale initially in Japan, Europe and North America.

For BL, the product will be based upon the design philosophy of its LC-10 car family, and for Honda, it will be in line with Honda's development strategy in relation to the executive car category.

The design and development of the car will be carried out jointly by BL and Honda. The division of specific responsibility for particular areas of design between the companies will be subject to further discussion.

A principle of the Letter of Intent is that there will be distinctive and separate BL and Honda models which will maintain the different identities of the two companies.

Both companies stress that the agreement reached so far is preliminary and is subject to detailed negotiations on major issues and possibly to certain formal approvals.

Detailed studies will be undertaken to determine component sourcing, manufacturing and marketing arrangements. However, following initial discussions it is expected that Honda will produce their models in Japan for sale in Japan through the Honda dealer network and also produce BL models for sale through the BL dealer network in Japan.

BL will manufacture in the UK its own models for sale in Britain and European markets through its own dealers. In addition BL will produce Honda models for sale through Honda dealers in Britain and Europe. North America will be supplied by both BL and Honda from the UK and Japan.

This project will enable BL and Honda to strengthen and broaden their product ranges for further market expansion in Europe and in other key markets of the world. It will bring new opportunities in manufacturing and marketing for both companies and follows the common commitment of both companies to achieve mutual benefit through international collaboration.

Mr. Ray Horrocks, Chairman and Chief Executive of the BL Cars Group, commented: "We said that we would consider collaboration step by step. The first step was the successful launch of the Triumph Acclaim, which was introduced on time - to the day - just 22 months after the agreement was signed with Honda.

"This was achieved through outstanding cooperation at all levels in both companies and convinced Honda and ourselves that a more strategic collaborative venture would bring major benefits to Honda and BL.

"For BL this project will strengthen the product-led recovery programme and bring new opportunities in both manufacturing and marketing."

Announcing the project to journalists in Tokyo today, Mr. Kiyoshi Kawashima, President of Honda Motor Co., Ltd. said that both BL and Honda had become confident of combining each other's technologies, as a result of the mutual trust built up on the Triumph Acclaim project. He added: "I believe that joint development and manufacturing between the two companies is not only unique, but also shows the way for future international collaboration. In this sense I believe that the latest agreement between BL and Honda is of the greatest significance."