

DELOREAN TO UNLOAD INVENTORY

Detroit Free Press (MI) - Wednesday, April 14, 1982

Author: Associated Press

NEW YORK -- (AP) -- Struggling **DeLorean** Motor Co. has reached tentative agreement to unload its 1981 inventory by leasing half the fleet to Budget Rent-A-Car in Chicago and selling the others to an Ohio auto liquidator, a **DeLorean** spokesman said Tuesday.

Budget Rent-A-Car earlier this year expressed interest in buying 1,000 of the exotic stainless-steel cars whose gull-wing doors open vertically. But Budget was unable to agree on a price for the cars, which retail for \$25,000 each.

DeLorean 's production unit, **DeLorean** Motor Cars Ltd. in Dunmurry, Northern Ireland, was placed in receivership in February by the British government, which refused to invest more money in the automaker but forgave it \$130 million in loans.

IN NEW YORK Tuesday, Bruce McWilliams, **DeLorean** 's vice- president for marketing, said the Budget arrangement was a two- tiered proposal by which income would be generated, and after six months, **DeLorean** would take the cars back and sell them to the public for \$17,000.

As a result, he said, people would have an opportunity to rent the cars and decide whether they want to buy one, while others in the used sports car market could buy -- for \$17,000- plus -- a car with only a few thousand miles on it.

The other part of the deal would be sale of the fewer than 1,000 remaining cars, McWilliams said, for an undisclosed price to Consolidated International Inc. Reportedly, Consolidated will pay \$12,000 each for the cars, while **DeLorean** would have an option to repurchase some or all of them later.

DeLorean would thus gain an immediate infusion of capital, said to be as much as \$15 million, to meet some of its debt and retain the option of reselling the cars later at a higher price.

"IT'S LIKE GOING to the bank and getting a loan," said McWilliams.

Budget, a unit of Transamerica Corp., had no comment Tuesday.

In February, when Budget first expressed interest in a negotiated purchase of some of the **DeLorean** cars, Budget President Morris Belzberg said adding the cars to its fleet would be consistent with the company's development of the luxury rental car market in addition to its low-cost, short-term rentals.

John Z . DeLorean , a former General Motors Corp. vice- president, founded the company bearing his name in 1978, with a goal of selling 30,000 cars a year in the United States.

However, since production got under way, fewer than 5,000 of the 7,000 cars built have been sold and the British government pumped more than \$146.4 million in loans into the employer of 1,500 to keep it in business.

Edition: METRO FINAL

Section: BIZ

Page: 11C

Index Terms: JOHN DE LOREAN

Dateline: NEW YORK

Record Number: 8303190932

Copyright (c) 1982 Detroit Free Press