

American Motors Corporation

American Center, 27777 Franklin Road, South field, MI, 48034. Phone: (313) 827-1000

Gerald C. Meyers *Chairman and Chief Exec. Officer*
 W. Paul Tippett Jr. *Pres. and Chief Operating Officer*
 Richard A. Calmes *V-P-Personnel and Community Affairs*
 Tod O. Clare *V-P-International Operations*
 Thomas A. Staudt *V.-P.-Mkt. Group*
 A. Keith Ebersole *V.-P.-Diversified Operations & Supply Group*
 Forrest A. Hainline Jr. *V-P and Gen. Counsel; Secretary*

Lawrence H. Hyde *Group V-P-Internat'l and Special Vehicle Operations, President*
 Roy T Lawrie *AM General Corp. V-P and Controller*
 Roy C. Luno *V-P-Product Engineering*
 Richard T MacCracken *V-P-Industrial Relations*
 George A. Maddox *V-P-Manufacturing Operations*
 Jean Marc Lepeu *V-P-Financial Affairs*

Frederick A. Stewart *V-P-Government Affairs*
 Marvin W. Stucky *V-P-Govt. Affairs and Corp. Planning*
 Dale E. Dawkins *V-P-Product Group*
 Richard A. Teague *V-P-Styling*
 John P Tierney *V-P and Treasurer*
 James L. Tolley *V-P-Public Relations*
 William S. Pickett *Pres. and Gen. Mgr., American Motors (Canada) Ltd. Adv. Agency: Grey Advertising Inc.*

On Dec. 16, 1980, stockholders of American Motors Corp. (AMC) approved a financing program which made the French automaker, Regie Nationale des Usines Renault, a 46% partner in AMC.

This action provided AMC with needed cash for its operations and strengthened production and marketing agreements that already were an integral part of the first trans-Atlantic, international auto alliance.

The Dec. 16 vote authorized Renault to purchase \$200 million worth of common stock, preferred stock and warrants in 1981 and 1982. This was in addition to \$150 million invested by Renault in 1980 which AMC used to finance production of a domestic-built, Renault-designed car to debut in the '83 model year.

AMC said the additional \$200 million would permit accelerated introduction of newly designed, more fuel-efficient Jeep vehicles beginning in the '83 model year.

AMC also indicated that Renault's maximum ownership could reach 59%, but the French manufacturer said it did not intend to exceed 50% ownership.

Renault's increased investment in AMC resulted in the addition of three more Renault nominees to the American automaker's Board of Directors (two nominees were elected to the Board in 1980), and the election of Jean Marc Lepeu, former corporate treasurer of Renault, to the position of AMC vice president-financial affairs.

The agreement also enabled both automakers to expand their international markets, with Renault vehicles sold through established AMC dealerships in the U.S. and AMC's Jeep line offered through Renault's worldwide outlets.

In fiscal 1980, AMC's worldwide wholesale sales of automobiles and Jeep vehicles totaled 353,186, a 15% drop from the 415,199 vehicles sold in 1979. A decline in the market for 4-wd vehicles accounted for most of that drop, as Jeep sales of 111,336 in fiscal 1980 fell 46% off the 1979 total of 207,642.

Wholesale automobile sales, on the other hand, rose 17%-from 207,557 in fiscal 1979 to 241,850 in 1980-boosted by a 163% increase in wholesale sales of Renault vehicles.

Domestically, AMC's automobile sales picture improved in model year '80, following a 19% drop in domestic car sales from '78 to '79. With a total of 163,502 deliveries in '80, AMC recorded a 12% increase over the 146,078 posted in '79.

The 4-wd Eagle, introduced late in

1979, contributed to that increase. It sold well in '80, but didn't hit the corporation's target of 50,000 because of a mild winter and the general downturn in the automobile market, according to the company's president.

Production of AMC's slow-selling Pacer was discontinued in December 1979 to increase Eagle capacity at AMC's only domestic auto assembly facility, located in Kenosha, WI. Kenosha's '80 production total of 199,613 cars rose

18% over the 169,439 cars assembled there in '79. AMC also produced 6- and 8-cyl. engines at Kenosha in '80, turning out approximately 239,000 of the powerplants for use in Concord, Eagle and Spirit.

Calendar year 1980 sales of domestic-built AMC cars, at 149,438, fell 7.8% under the 1979 total of 162,057. Calendar 1980 production also fell: from 184,636 in 1979 to 164,725, a 10.8% drop.

As part of its 1980 contract negotiations with the United Auto Workers local at Kenosha, AMC became the second U.S. auto company to agree to nominate a UAW member to its Board of Directors (Chrysler Corp. was the first). AMC's financial situation, like those of all domestic automakers, worsened in 1980, when the company reported a net loss of \$155.7 million, or \$4.88 a share, for the 12 months ended Sept. 30, 1980. That contrasted with net earnings of \$83.9 million, or \$2.76 a share, for the same period in 1979. Net sales for AMC were also down during the period compared to a year earlier: \$2.7 billion vs. a record \$3.1 billion in 1979.

AMC ended 1980 on an upbeat note, however: Added cash from Renault, plus two new Spirit-based 4-wd Eagles, plus the promise of new Renault cars to market in the U.S. and new outlets for its Jeep vehicles overseas gave AMC optimism for the '81 model year.

Model Year U.S. Dealer New Car Sales

	'80	'79
Spirit	55,392	47,392
Concord	70,336	86,461
Pacer	3,733	9,954
Matador		614
Eagle	34,041	1,657
Total	163,502	146,078

'79, contributed to that increase. It sold well in '80, but didn't hit the corporation's target of 50,000 because of a mild winter and the general downturn in the automobile market, according to the company's president.

Production of AMC's slow-selling Pacer was discontinued in December 1979 to increase Eagle capacity at AMC's only domestic auto assembly facility, located in Kenosha, WI. Kenosha's '80 production total of 199,613 cars rose

FINANCIAL REPORT OF AMERICAN MOTORS CORP. - (Fiscal Year Ended September 30)

	1980	1979	1978	1977
Net Sales	\$2,683,973,000	\$3,117,049,000	\$2,585,428,000	\$2,236,896,000
Net Earnings (Loss)	(\$155,672,000)	\$83,944,000	\$36,690,000	\$8,266,000
Net Earnings per share	(\$4.88)	\$2.76	\$1.21	\$27
Dividend per share	-	.075	-	-
Current Assets	\$659,879,000	\$793,632,000	\$668,635,000	\$618,023,000
Current Liabilities	\$565,200,000	\$557,756,000	\$516,692,000	\$515,122,000
Average Employment	23,500	27,915	27,517	29,519
Stockholders Investment	\$296,567,000	\$440,808,000	\$357,880,000	\$320,841,000