





*Jaguar Plc*

## Beginning

- Sir John Egan - credited for returning Jaguar to profitability.
- Needed plant modernization and product design and development.
- Solution: Jaguar had to link with a larger company.
- Sir John received offers from two large companies.
- General Motors wanted only 30% of the shares.
- Ford wanted to own 100% of Jaguar's shares.
- Sir John has to make a decision.



## Privatization of Jaguar

- 1984- State owned British Leyland.
- Prime Minister Thatcher`s sells Jaguar to the public.
- Jaguar is being privatized.
- Offered at high price and held from small investors
- 177,880,000 shares at 165 pence each.
- 85% of the shareholders owned 1 to 500 shares.
- 7.6% stock controlled by shareholders.
- " Golden share" prevented hostile takeover.
- Each individual could own 15% of the shares.



# Jaguar`s Performance

- Financial improvement in 1980s:
- stability
- good profits
- U.S market particularly strong.
- 75% of the potential customers
- Jaguar relied on two model series.
- Was vulnerable to an unsuccessful model launch
- Forward hedging and wild savings.
- Selling forward of 50% to 75% of anticipated dollar receipts.
- Financial performance suffered.
- Stock market crashed.
- Profits fell to 53% in 1988.



