



Group Lotus plc

Embargo: 1545 UK time
20 September 2006

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Solid Five Year Plan Heralds Three New Models

Group Lotus is set for a bright future with a greatly expanded and extended car model programme and new opportunities for the engineering business on a re-aligned basis.

Following a major review of the entire business and with the full support of the Lotus Group International Limited (LGIL) holding company board, Lotus intends to launch two additional new models over the next three years. This is in addition to the new Esprit, which will top the range as the company's future flagship sports car.

The two additional models will be a new mid-range Lotus set for launch in December 2008 and a Lotus/Proton high-performance model, due in May 2008. The flagship Esprit replacement, whose introduction has been extended to incorporate more Lotus "DNA" and other enhancements to meet the changing needs of the global marketplace, will be unveiled in December 2009.

The review also highlighted opportunities for growth in the engineering consultancy business, including expansion in new markets, joint ventures and strategic alliances.

Mike Kimberley, Chief Executive Officer, Group Lotus said: "We are very pleased to have secured LGIL Board approval for a high-level five-year strategic business plan – the first such approved plan that this company has had in the last six years. We have some great opportunities ahead of us and some already under way. It's a very bright future but we have to work hard to bring all the opportunities to fruition."

The current Lotus model range includes the award-winning and class-leading Elise and Exige with the recently-introduced Europa S. The three new models, all to be sold through the Lotus dealer network, will address new market segments and allow Lotus to extend its appeal to a wider customer base. Development work on two of the three new models is already ongoing and will increase significantly in future months.

Responding to a general economic downturn in certain key markets, Lotus has recently reduced production of its iconic Elise and Exige models. It also expects to 'right-size' its workforce to match capacity with global demand and to minimise overheads. (Cont.: >>)





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Mike Kimberley concluded “Like many other carmakers we need to tighten our belts in the short term. It is essential we respond fast to market conditions while we drive forward this exciting long-term plan. Our shareholder Proton has been and is very supportive of Group Lotus plc, with strong backing for our realignment plans.”

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Notes:

About Group Lotus plc:

The main operating subsidiary of Group Lotus plc is Lotus Cars Ltd, which has two operating divisions - Lotus Cars and Lotus Engineering.

Lotus Engineering provides comprehensive and versatile high technology consultancy services to many of the world’s OEMs and Tier 1 suppliers, offering a full engineering service from initial concept and project design through development to full production prototype build.

Lotus Cars builds and commercialises Lotus sports cars, Europa, Elise and Exige; and manufactures the advanced composite front and rear crash structures for the Aston Martin V12 Vanquish.

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