

PRESS RELEASE

2011-10-05

IN BRAZIL, RENAULT TO INCREASE ITS PRODUCTION CAPACITY BY 100,000 UNITS PER YEAR IN 2013

In 1998, one year after the founding of Renault do Brasil, Renault opened its first production plant in Curitiba. While visiting the site, Carlos Ghosn today announced that production capacity will be increased by 2013.

- **Renault will produce an additional 100,000 vehicles a year in its Curitiba plant in 2013, creating 1,000 new jobs in the process. The plant's annual capacity (passenger cars and LCVs) will be increased to more than 380,000 units per year.**
- **Capital outlay totals 500 million Brazilian reais, or about €200 million.**
- **This increase in production capacity will provide Renault with the means to achieve its ambitions in Brazil. Renault aims to claim market share of 8% by 2016, compared with more than 5% today.**
- **Along with India and Russia, Brazil is one of Renault's three priority markets as part of "Renault 2016 – Drive the Change". Brazil was the Group's third largest market for the year to end August 2011, behind France and Germany, and it was the second largest in July and August.**

Carlos Ghosn, President and CEO of Renault stated: *"In 2011, Brazil is set to become Renault's second-largest market. Brazil is one of the cornerstones of our international growth strategy : more than one-quarter of the growth in volume will come from Brazil. If we are to reach this target, then we must increase our manufacturing capacity, and we have chosen our Curitiba plant to achieve this."*

100,000 more cars per year

The annual passenger car and LCV production capacity of the Curitiba plant currently stands at more than 280,000

vehicles. By early 2013, it will have been increased by 100,000 vehicles, further to the agreement signed by the Group and the Parana government this morning. Renault will invest 500 million Brazilian reais, or about €200 million, in this development project (new systems, extension of the assembly line), in addition to the regular capital outlay of 1 billion reais (2010-2015), for industrial production and development of new products.

The investments also provide for the creation of a genuine engineering center close to the production plants, whereas, today, the engineering personnel and establishments (Renault Technologies Americas – RTA) are scattered around the industrial complex. Renault do Brasil is to open a training center and new centers for logistics in order to make more rational use of storage areas. All these operations will create 1,000 new jobs, in addition to the 1,000 new hires already made in 2011, making a full 2,000 jobs by 2015. Renault has three plants in the Ayrton Senna complex at Curitiba: a passenger car plant, an LCV plant and an engine plant. Brazil exports vehicles to the other markets in South America (Argentina, Mexico, etc.).

Brazil: a priority market

This increase in production capacity comes hot on the heels of strong growth in the Brazilian market (see appendix). As part of the Group's strategy for international growth outside Europe, Brazil, along with India and Russia, is one of Renault's three priority markets in the "Renault 2016 – Drive the Change" plan. Renault's sales stood at 114,331 vehicles at end August 2011, with a 20,3 % increase in volume compared with 2010 and a market share of over 5 %. Renault Brazil, the country's fifth carmaker behind the big four (Fiat, Volkswagen, Chevrolet/GM, Ford), aims to corner a market share of 8% by 2016.

Duster: Curitiba's new flagship?

After going on show at the Buenos Aires motor show in June 2011, Renault Duster is the latest passenger car to go into production at the Curitiba plant. Renault Design Latin America and Renault Technologies Americas (RTA) have adapted the European version to the local conditions and demands. A symbol of the greater accessibility of Sport Utility Vehicles (SUV) and innovation for all, Duster will be launched in Argentina and Brazil on October 7. The passenger car plant in Curitiba also makes Renault Sandero, the brand's best-seller on the Brazilian market, Sandero Stepway, Logan and Mégane Grand Tour II

PASSENGER CAR AND LCV OUTPUT AT curitiba				
	2008	2009	2010	YTD 2011 (till August)
Passenger cars (Renault)	114,7	116,405	161,6	133,158
LCVs (Renault+Nissan)	14,6	23,989	29,1	30,672

RENAULT SALES (PASSENGER CARS AND LCVS)						
	2007	2008	2009	2010	2010 end August	2011 end August
Americas (including Brazil)	237,149	247,709	227,963	317,028	192,005	246,865
Brazil only	73,614	115,153	117,524	160,3	95,027	114,331

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MANUFACTURER RANKINGS IN BRAZIL

	2010	2011 end August
Fiat	22.8%	22.4%
Volkswagen	20.9%	20.7%
Chevrolet/GM	19.8%	18.4%
Ford	10%	9.4%
Renault	4.8%	5.1%

RENAULT DO BRASIL automoveis
Founded in 1997
Total investment of USD 2.25 billion (about € 1.70 billion) from 1998 to 2010
Current structure of the capital:
Manufacturing and sales subsidiary, owned:
- 80.29% by COFAL (a financial holding company owned by Renault)
- 19.56% by Renault SAS
- 0.15% by the state of Parana
Executives: Jean-Michel Jalinier, President of RdB
Headcount: 6,000 (including the 1,000 new hires already made in 2011) : 4,000 in manufacturing ; 600 in engineering ; 1 400 others
A network of 186 dealerships.

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