



PRESS RELEASE

March 1, 2010

RENAULT BOOSTS CAPACITY AT MOSCOW PLANT AND LAUNCHES SANDERO IN RUSSIA

Renault is today inaugurating the second phase of the Avtoframos plant in Moscow, in the presence of Chairman and CEO Carlos Ghosn and Moscow Mayor Yuri Luzhkov.

- Renault's Moscow plant was inaugurated in April 2005 with initial capacity of 60,000 vehicles per year and a 230 million euro investment. Capacity is now being boosted to 160,000 with an additional investment of 150 million euros.
- Sandero is the second Renault vehicle, after Logan, to be produced in Russia at the Avtoframos plant. The new, stylish 5-seater hatchback makes its debut on the Russian market on March 1, 2010.
- Renault was the fifth-ranked brand in Russia in 2009 and had a 5 percent market share. This is largely due to the success of Logan, the highest selling foreign branded vehicle accounting for 53,869 of the 72,284 units sold. Renault now intends to make further inroads into the Russian market with Sandero.

Russia is a strategic market for Renault

By increasing annual production capacity at the Avtoframos plant to 160,000 units, Renault is stepping up its commitment to Russia and confirming the importance of the country's market. Despite plummeting 49 percent in 2009 as a result of the crisis, the Russian market still has huge growth potential. Car ownership is currently 230 vehicles per 1,000 inhabitants, compared with 600 per 1,000 in Western Europe.

Logan has sold well in Russia since its launch in 2005, even in the midst of the crisis. This demonstrates the importance of offering locally produced vehicles tailored to customers' needs. In 2009 Logan was the top-selling foreign vehicle in Russia, enabling Renault to grow market share by 1.3 percentage points to 5 percent.

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Expanding Avtoframos

Renault continues to expand its industrial facilities in Russia, first established in 1998 through a partnership with the municipality of Moscow. In all Renault has invested 380 million euros in its Moscow plant:

- 230 million euros to build the factory and install initial capacity (60,000 units per year, rising to 80,000 in 2007)
- 150 million euros for phase 2 of the plant, with production capacity boosted to 160,000 units per year.

The municipality of Moscow kept up its partnership with Renault by contributing the 27 hectares of land needed to expand the plant.

Phase 2 of Avtoframos consists chiefly in:

- building a new paint shop to handle 15 vehicles/hr,
- raising the capacity of the bodyshop from 15 to 30 vehicles/hr, with the installation of the first workshop robots designed to new industry standards,
- extending the final assembly line.

The new facilities at Avtoframos are based on Renault's latest industrial standards, which increase production line flexibility. The plant can now produce Logan and Sandero on the same line, to be followed by Duster at end-2011.

Local content at startup for Sandero is 44 percent, the same as for Logan at present. Some of the parts will be sourced from Pitesti, Romania, the mother factory for the Entry program. The ultimate aim is a local content rate of 75 percent, which can be achieved by growing the supplier network in partnership with Avtovaz and Nissan.

For the Sandero production launch, Avtoframos personnel worked with teams from Pitesti and Renault Technology Romania, the Bucharest-based local engineering center. Some fifteen senior Avtoframos operators trained for two weeks at Pitesti to learn assembly techniques for Sandero and to draw up the Standard Operation Sheets that describe workstation operating methods.

Avtoframos, like all Renault group plants, is ISO 14001 certified, receiving its initial certification in April 2004. Issued by independent organizations, the certification acknowledges that a factory is committed to achieving ongoing progress in environmental performance and reducing its biophysical impact.

Sandero in Russia

Sandero, which arrives in Russia this month, is ideally suited to the needs of the country's young city-dwellers. Alongside Logan, it expands Renault's offering in the entry level segment, which has remained stable in Russia since 2005 and accounts for one third of the market. Sandero should benefit from the success of Logan, which has won over Russian auto buyers with its outstanding price/specification ratio. A seductively styled 5-seater hatchback, Sandero shares the same DNA as the vehicles built on the B0 (Logan) platform, with the same qualities of roominess, loadspace, reliability and sturdiness. And like Logan, it will carry a 3-year or 100,000 km warranty. With a starting price of 319,000 rubles, Sandero is one of the best-priced vehicles in the entry level segment. It will be available throughout the Renault network in Russia, comprising more than 100 outlets covering all cities with a population of 300,000 or more.

Sandero was launched at end-2007 in Brazil and then progressively in Europe, the Maghreb and South Africa, attracting more than 300,000 buyers in some 60 countries. This strong performance shows that Sandero has won over customers in developing markets who are buying cars in the same way as consumers in mature markets. Wherever it is sold, its essential automotive qualities are the same: an alluring design that does not compromise on the fundamentals of safety and quality. Russia is the sixth country to produce Sandero, after Brazil, Romania, Colombia, Morocco and South Africa.

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History of Renault in Russia

1916: Founding of the *Société Anonyme Russky Renault* in Saint Petersburg.

1966: Signing of a series of agreements concerning engineering, supply and construction of facilities.

A few of the major agreements signed between 1966 and 1983: Moskvitch (automobiles), Kamaz (trucks), Kharkov (tractors), Alexandria (contactors) and Pskov (welding machines).

1968: Opening of a representation office.

1998: Founding of Avtoframos, a Russian company under Russian law with an initial share capital of RUB 124 million (EUR 4.6 million). Equally owned by Renault and the city of Moscow, Avtoframos was set up to produce and sell Renault vehicles in Russia.

2000: Increase of EUR 90 million in Avtoframos' share capital, with Renault providing a cash contribution and the city of Moscow contributing fixed assets.

2003: Announcement of a EUR 230 million investment for the production and sale of Logan.

2004: Construction of the Avtoframos plant and preparation for the launch of X90

2005: Inauguration of the Avtoframos plant. Production of Logan..

2008 (Feb.). Definitive signing of the strategic partnership between Renault and AvtoVAZ, with Renault taking a 25% stake plus one share.

2008 (Sep.): AvtoVAZ purchases Logan platform licenses to produce the RF, along with K engines and J gearboxes

2008 (Oct.): Manufacturing of 200,000th Logan.

2009 (Nov.): Renault, Russian Technologies and Troika Dialog sign an agreement on the restructuring of AvtoVAZ

Workforce: 2,700 employees at December 31, 2009

Avtoframos plant – industrial subsidiary

Legal form and ownership structure: *Société par Actions Ouverte* (open joint stock company), owned 94.6% by Renault and 5.4% by the city of Moscow.

Area: 31 ha initially / 58 ha today

Activity: Bodywork-Assembly

Production lines: 1 line

Local sourcing: 44% at end-2009

Vehicles produced: Renault Logan since 2005 / Renault Sandero from 2010

Production

	2005	2006	2007	2008	2009
Logan	7,057	50,665	72,756	73,186	51,188

Commercial subsidiary

Sales network: 78 dealers and more than 100 points of sale.

Other structures

- central replacement parts warehouse,
- training centre

Renault vehicles sold

Car range: Logan, Sandero, Symbol, Clio III, Kangoo, Mégane Hatchback, New Mégane Coupe, Scénic, Koléos, Laguna III, Espace.

LCV range: Kangoo Express, Trafic and Master.