

RENAULT IS TO INVEST €85 MILLION IN 'FONDERIE DE BRETAGNE' FOUNDRY, SAFEGUARDING MORE THAN 400 JOBS

On July 15, 2011, Renault announced its plan to bolster competitive performance and thereby ensure the staying power of the 'Fonderie de Bretagne' foundry.

- **Renault plans to invest €85 million in the foundry through 2016, on top of the €39 million invested over the last three years, which will represent a total of more than €120 million from Renault between 2008 and 2016.**
- **Over 400 jobs at the site will be safeguarded.**
- **The return to competitive performance should enable the foundry to develop its business, attracting new customers, and this could lead to further recruitment.**
- **Support from national and regional government bodies is an essential component of this ambitious plan.**

€85 million invested between 2011 and 2016 to make the site competitive and develop business

Renault will be investing in the foundry to modernize the plant, buildings and facilities. The main investment item is a new production line with a capacity of 40,000 tons per year, to replace the existing SPO line, the plant's main casting shop, which currently accounts for 70% of business. With the new production line, the foundry expects a substantial performance improvement. Production startup for the new 'spheroidal' graphite line, mainly making chassis parts (stub axles, arms) and powertrain parts (crankshafts and differential casings), is scheduled for 2014, with build-up to full capacity by 2015.

Investments will also be made in improving safety and working conditions (roofs, heating, extraction, gantries, etc.), quality (test systems), and environmental preservation (soil, air and water protection, etc.).

'Fonderie de Bretagne' will also be continuing its firm commitment to personnel training, at a rate of one week per person per year; training expenditure is estimated at €2 million over the next five years.

On top of this wide-ranging investment plan, the foundry will naturally be endeavoring for recovery and business development through rigorous implementation of the Renault Production Way and workforce's commitment.

Key dates in the project schedule start with a study phase in 2012, followed by substantial investment in 2013, startup of the new line in 2014, and build-up to full capacity by 2015

Support from government authorities

This ambitious plan marks Renault's commitment to invest massively in the foundry, backed by strong employees' determination. Discussions are on going with national and regional government to provide support in three main areas:

- Financial support on real estate, renovation and compliance upgrade
- Investment
- Training

Commenting, Gérard Leclercq, Executive Vice President, Manufacturing and Supply Chain, Renault, said: *"This investment project confirms Renault's industrial anchor in France, consistent with my announcement on February 2, on the group's industrial strategy".*

FONDERIE DE BRETAGNE – HISTORY

- **1964:** Société Bretonne de Fonderie et de Mécanique (SBFM) is founded as a Renault subsidiary.
- **1985:** The foundry specializes in spheroidal graphite castings, for added-value safety parts such as suspension arms and exhaust manifolds.
- **1999:** Renault sells the site to Teksid-Fiat, along with its other foundries.
- **2006:** Teksid-Fiat sells the foundry to the Zen group.
- **2008 (November):** The foundry goes into receivership.
- **2009 (October):** Renault takes back the personnel and the industrial assets, through a subsidiary Fonderie de Bretagne.

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