

PRESS RELEASE

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RENAULT LAUNCHES INDUSTRIAL DEVELOPMENT PROJECT IN ALGERIA

Renault, SNVI (Société Nationale de Véhicules Industriels, Algeria's National Company of Industrial Vehicles) and the country's National Investment Fund (FNI) signed a shareholders' agreement on December 19, 2012, in Algiers for the creation of a joint venture (owned 51 percent by the Algerian partners and 49% by Renault) to develop the automotive industry in Algeria and support local market growth.

SNVI and FNI are contributing 34 and 17 percent respectively, to form the 51 percent stake.

The agreement provides for the construction of a manufacturing plant in Oued Tlelat, southwest of Oran, to build Renault Group passenger cars and LCVs, mainly for the Algerian market.

Oued Tlelat was chosen because of the benefits it brings to the project, including its road network, qualified workforce, proximity to the port of Oran, infrastructure and quality land.

The plant's annual production volume will start at 25,000 vehicles/year (7 vehicles/hour) and will ultimately be increased to 75,000 vehicles/year (15 vehicles/hour), based on market response. The first model to be manufactured there will be New Symbol.

Local content in cars will also be gradually stepped up to develop the automotive industry in Algeria.

This content will be supplied through investments inside the production plant (body shop, stamping and painting) but also outside the facility, notably by creating a robust network of local subcontractors with the support and expertise of Renault.

This process has already begun with dialogue between Renault experts and potential local subcontractors, and will continue for several more years.

Training, which is one of the project's keys to success, will be delivered using Renault know-how and technology.

For several months already, mixed Renault and Algerian partner teams have been working to identify the training programmes required and to use and expand the Tlelat/Oran training centre, which will be dedicated to automotive professions.

"It is a pleasure and an honour to be playing a part in the signing of this agreement which aims to develop Algeria's automobile industry," said Renault's Jean-Christophe Kugler, Chief Operating Officer, Euromed-Africa region. "Renault is proud to be the first carmaker to establish production facilities in Algeria. It is also proud to be contributing to the automobile industry's development in the country."

For More Information:**Rochelle CHIMENES**

Press Officer

+33 1 76841905

rochelle.chimenes@renault.com**Raluca BARB**

Head of corporate press department

+33 1 76841854

raluca.barb@renault.com**GROUPE RENAULT****PRESS OFFICE**

Tel.: +33 (0)1 76 84 63 36

renault.media@renault.com

Websites: www.media.renault.com - www.group.renault.com

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