



PRESS KIT

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RENAULT WILL PRODUCE NEW MASTER EXCLUSIVELY AT THE BATILLY PLANT IN FRANCE

- **Renault has chosen the Batilly plant in the *département* of Meurthe-et-Moselle, in northeastern France, to be the exclusive production site for New Master.**
- **Renault thus ensures the continuing operation of the site, which will remain the largest private-sector employer in the Meurthe-et-Moselle.**
- **Renault chose the plant because of its competitiveness in producing large vans.**
- **The Group has invested €151 million in the plant to get it ready to manufacture the new vehicle.**
- **This decision is an illustration of Renault's industrial strategy of relying on French plants to manufacture high-value-added vehicles for European markets.**

Starting this year, the SoVAB (Société des Véhicules Automobiles de Batilly) plant will be the one and only production site for New Master anywhere in the world. The plant is located in the *département* of Meurthe-et-Moselle, 30 km north of Metz, in northeastern France.

The site, which will celebrate its 30th anniversary at the beginning of June, has specialized in the production of large vans since 1980. From 1980 to 1997, it manufactured the first-generation Master. From 1997 until today, the plant has built the second-generation Master, which has sold more than one million units in 45 countries. Orders for New Master – the third generation of the vehicle – are already being booked, and it will progressively replace the current version. SoVAB is slated to stop production of the second-generation Master at the end of 2010.

By choosing SoVAB, Renault ensures the continued operation of the site. With 2,399 workers, the plant will remain the largest private-sector employer in the Meurthe-et-Moselle. Owing to intensive local integration, 3,000 full-time equivalent jobs in the Lorraine region are

indirectly dependent on the SoVAB plant. Renault thus contributes to industrial employment in a region that has had to cope with worker redeployment in the steel and mining industries.

Renault has selected SoVAB for its know-how in large-van production. In particular, the Batilly plant has production lines capable of handling New Master's dimensions, reducing manufacturing start-up costs for the program. For example, New Master L4, whose length of 6.848 m makes it two meters longer than Grand Espace, can be built there.

The plant is also notable for its experience in managing the wide diversity typical of light commercial vehicles and will be perfectly capable of manufacturing the 350 variants of New Master.

The know-how acquired by workers at Batilly has made the second-generation Master a quality benchmark in its segment in Europe. New Master is set to carry on as a standard-setter, thanks in part to the 3 million kilometers of tests that went into designing it. Quality is crucial in the light commercial vehicle sector. Businesses must be able to count on their vehicles day in, day out, year after year. With New Master, they will be able to do that.

Thanks to the Renault Production Way (RPW), the industrial management approach introduced by Renault 10 years ago, quality performance in all the Group's recently started manufacturing programs has been remarkably successful. New Master will benefit from this learning curve as it goes into production.

Batilly has a well-tested network of suppliers with a solid reputation for quality, cost, and on-time delivery performance. Cléon, another French plant in the Group, will supply all the new 2.3 dCi (type M9T) engines to the site. With this new engine, which will come in three horsepower ratings (dCi 100, dCi 125 and dCi 150), New Master's average fuel consumption will be 1 liter/100 km lower than the second-generation Master's.

Renault has invested €151 million at Batilly to launch production of New Master. Substantial investments were made in particular the body-assembly shop so it would have the advantage of the latest industrial robotic technologies. Renault has installed a totally new line with almost 250 robots capable of producing the 350 variants of New Master.

Changes have also been made in the painting department to allow production of the new, L4 version, which is 6.848 m long and to apply 120 countermark colors to respond to the multiple visual identity requirements of New Master customers.

In assembly, Renault has modified its production line to improve working conditions, make installations more efficient (New Master front-wheel drive and rear-wheel drive vehicles will be assembled on the same line) and optimize quality.

All the latest methods applied at the Group's plants, like the strike zones¹, IFA² and kitting³ have thus been introduced at Batilly, thus boosting the site's competitiveness in terms of quality, cost, and delivery times.

The plant has set up 43,400 hours of training for plant workers and 22,000 hours for the maintenance personnel to achieve an optimal level of quality from day one.

New Master, like all Renault light commercial vehicles, is a high-value-added product. Renault's industrial strategy consists in locating production as near as possible to markets and building high-value-added vehicles in countries with high labor costs. The Group can thus manufacture this van in France. In 2007, Renault put New Kangoo into production at its Maubeuge plant, and it will start manufacturing a new van at Sandouville within the next few years.

Renault is a French company that is both attached to its roots and eager to grow internationally.

Although Renault vehicles may be sold in 188 countries on five continents, France is still the industrial heart of the Group. Renault has 14 manufacturing sites in France out of a total of 38 worldwide, and 55% of its industrial added value is earned there. One-third of Renault's manufacturing personnel work in France.

¹ A strike zone is an ergonomically organized space for supplying the workstations. Besides improving quality and worker efficiency, strike zones enable workstations to handle a greater variety of tasks with no additional difficulties thanks to the use of a picking process.

² IFA (Integrated Factory Automation) is the combination of all types of simple automation at low cost to eliminate operations that do not add value.

³ Kitting is a process in which a worker puts a batch of components in a basket, or "kit". This kit is then assigned to a vehicle. Each worker on the line takes the parts that will mount on the car out of the kit corresponding to it. This eliminates the need to choose the right part from a supply next to the assembly line.

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Light commercial vehicles: high stakes for Renault

In 2009, Renault produced 215,876 LCVs, and almost one LCV out of three sold in France (31.2% of the market) was a Renault. Renault enjoys a big lead in the French market, with a penetration rate almost two times higher than its nearest competitor's (Citroën LCV 2009 market share in France: 17.9%; source: CCFA). Renault also remains the brand leader in Western Europe, with a 14.8% market share.

Renault unveiled New Master on January 25, 2010. It joins New Kangoo and New Trafic to round out Renault's LCV range. With the addition of New Master, this range will offer businesses payload capacities ranging from 2 to 22 m3. Renault's aim with this offering is to maintain its leadership in the LCV market in Europe and to continue increasing its market shares.

The Light Commercial Vehicles Division, an autonomous entity comprising all the LCV activities, is headed by Jérôme Stoll, Executive Vice President, Sales and Marketing and LCVs, with Jean-Christophe Kugler as its manager. With a workforce of 5,570 employees, based mainly at Villiers-Saint-Frédérique, Maubeuge and Batilly, it has developed LCV expertise unmatched anywhere. The LCV Division is able to respond to all business customer needs in terms of vehicle variants (for example, there are 350 variants of New Master), quality (Master is a quality benchmark in its segment), and total cost of ownership (New Master has 40%-lower maintenance costs than the previous model and consumes 1 liter /100km less fuel than the second-generation Master).

The stakes are high for Renault in the LCV sector in terms of profitability and its ability to keep production in Western Europe. Light commercial vehicles are high-value-added vehicles. All Renault brand LCVs sold in Western European markets are produced in Western Europe and especially France. Kangoo is manufactured at MCA (Maubeuge Carrosserie Automobile, a wholly owned Renault subsidiary). Trafic is produced at Luton, in a General Motors plant, and at Barcelona, at a Nissan site. Master and its replacement, New Master, are produced by SoVAB (Société de Véhicules Automobiles de Batilly, a wholly owned Renault subsidiary).

Light commercial vehicles are a Renault mainstay. Starting in 2011, Renault will build a zero-emissions, electric version of Kangoo, at Maubeuge. Renault is also getting ready to put a light commercial vehicle into production at Sandouville.

The Renault Light Commercial Vehicle Division

In the Light Commercial Vehicle Division, a Business Unit with 5,570 employees, specialists in vehicle design, manufacturing and sales and marketing are all focused on achieving a common performance objective for Renault's LCVs.

Business customers demand a special standard of service. That is why the LCV Division has created the Renault Pro+ network, an approach to serving business customers that brings together all the services they need at a single location.

The Batilly site

The SoVAB (Société des Véhicules Automobiles de Batilly) site, which is celebrating its 30th anniversary this year, has specialized from the beginning in van production.

Inaugurated in 1980, the plant began manufacturing Master I and then Trafic I in 1981. From 1997 to 2010, it produced the second-generation Master. In 2010, the plant is starting to produce of New Master.

The plant has 2,399 employees (as of December 31, 2009). It operates according to sustainable development principles and is certified to ISO 14001.

New Master: comfort and fuel-efficiency unmatched in the large van market

The objective for New Renault Master is to capture a larger market share than the second-generation model did. Three key advantages will help do that: its comfort, its lower total cost of ownership, and its 350 variants.

New Renault Master is designed to set the standard for comfort in its segment. The ergonomics of the driver's position have been completely reworked, there is much greater visibility, and a lot of features have been adopted from private vehicles to enhance comfort and convenience. There are more practical stowage solutions in the cab than in any other vehicle on the market. These stowage solutions, designed specifically for the things our business customers use daily, are efficient and totally integrated.

With fuel consumption averaging 1 l/100 km lower than with the current Master, and mixed consumption starting at 7.1 l/100 km (187 g CO₂/km), the front-wheel-drive version of New Renault Master is the leader in NEDC consumption. Its maintenance costs are 40% below its predecessor's, making them among the lowest in the market.

The new rear-wheel-drive versions, developed entirely by Renault, have a monocoque structure for better road performance and larger payload capacity. A longer vehicle has been added to the range (L4, with a payload volume of up to 22 m³). Also new are the 3.5- and 4.5-ton versions with dual rear wheels and the larger selection of body-conversion options.

New Renault Master is powered by the new 2.3-liter dCi engine developed specifically for the requirements of commercial vehicles. The engine range includes three horsepower options (dCi 100, dCi 125 and dCi 150) and is identical for both the front-wheel-drive (transversal mounting) and rear-wheel-drive (longitudinal mounting) vehicles.

Renault in France

Key data

- Renault has 14 industrial sites in France out of a total of 38 worldwide.

In the Renault group, one manufacturing employee out of three works at a French site.

- In 2009, Renault produced about 545,000 vehicles and sold about 635,000 Renault vehicles in France.
- 55% of the Renault group's industrial added value is generated in France.
- 60% of purchasing for production in France is done with suppliers located in France.
- 82% of Renault's R&D staff work in France.

Renault's production facilities in France

- **Batilly** builds Master and New Master (exclusive manufacturer worldwide).
- **Choisy** is in charge of standard replacement parts.
- **Cléon** is the Group's largest mechanical components plant. It produces gearboxes and engines (1.9 dCi, 2.0 dCi, 2.3 dCi, 2.5 dCi, V6 3.0 dCi, 2.0 gasoline and 2.0 turbo gasoline).
- **Dieppe** produces the Clio Renault Sport (exclusive manufacturer worldwide) and mounts LPG kits on Clio cars.
- **Douai** produces New Scénic, New Grand Scénic and New Mégane Coupé-Cabriolet (exclusive manufacturer worldwide).
- **Douvrin** produces the 1.2 gasoline engine (exclusive manufacturer worldwide).
- **Flins** produces Clio Campus and Clio III.
- **Le Mans** produces front and rear drive trains as well as other mechanical components.
- **Maubeuge** produces Kangoo PV, LCV and be bop (exclusive manufacturer worldwide). Ruitz produces automatic gearboxes.
- **Sandouville** produces Laguna Sedan, Estate and Coupe as well as Espace (exclusive manufacturer worldwide).
- **Villeurbanne** produces front and rear drive trains.

Product news

- In 2007, Renault began marketing Laguna Sedan and Estate (produced exclusively at Sandouville) as well as New Kangoo (produced exclusively at Maubeuge).
- In 2008, Renault began marketing Laguna Coupe (produced exclusively at Sandouville) and Kangoo be bop (produced exclusively at Maubeuge). Also in 2008, Renault began manufacturing the new V6 Diesel type V9X engine at Cléon.
- In 2009, Renault began marketing New Scénic and New Grand Scénic (produced exclusively at Douai) as well as Clio III phase 2 (partially produced at Flins).
- In 2010, Renault will begin marketing New Master (produced exclusively at Batilly) and New Mégane Coupé-Cabriolet (produced exclusively at Douai).
- In 2011, Renault will begin marketing Kangoo Z.E. (produced exclusively at Maubeuge).
- In 2012, Renault will begin marketing Zoé Z.E. (produced exclusively at Flins) and manufacturing the new 1.6 dCi, type R9M engine (produced exclusively at Cléon) and batteries for electric vehicles (Flins).
- In 2013, Renault will begin marketing a new van produced at Sandouville and Clio IV, which will be partially produced at Flins.

Renault's industrial strategy

Renault's industrial strategy has two main components:

1) **Produce as near as possible to the markets**, based on broad geographic areas (for example, Latin America for Latin America, the EU and Turkey for the EU, etc.) to facilitate logistics flows and adapt production closely to market requirements (e.g., in Brazil, vehicles that run on flex-fuel, which does not exist in Europe).

2) Choose production sites according to their **performance and the targeted profitability** of the programs:

- The plants are put in competition with one another when a new vehicle or mechanical component program is started. Renault compares and chooses on a case-by-case basis the site best suited for the program in terms of Quality–Cost–Delivery. Therefore, the plants are continually working to improve their physical performance. HCC plants thus face competition from LCC plants and need to point out any edge they have in quality and delivery performance (the existing supplier network, the proximity of key infrastructures and countries where the products will be marketed).

- The choice is also guided by the profitability objectives for the programs. Renault relies on carry-over to reduce its investments and thus looks at the equipment already installed in the plants when it makes its decisions. The margins are small on city cars, so Renault is obliged to produce Twingo in Slovenia. Otherwise, it would be sold at a loss. Renault can, on other hand, produce vehicles with higher margins (M1, M2/S, EV, LCV) in France.

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