

PRESS RELEASE

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Vladimir Putin inaugurates newest Russian assembly line, marking latest milestone in Renault-Nissan and AVTOVAZ partnership

- *€400 million investment generates capacity of up to 350,000 cars annually across three brands.*
- *After Lada Largus, separate models from Nissan and Renault will follow.*
- *This new production line contributes to the three partners' common goal: achieve capacity of at least 1.6 million vehicles per year in Russia by 2016.*

TOGLIATTI, Russia – April 4, 2012 -- Russian Prime Minister Vladimir Putin inaugurated a new car manufacturing facility today, marking the latest milestone in the expanding Renault-Nissan Alliance and AVTOVAZ partnership.

Executives including AVTOVAZ President Igor Komarov, Renault Chief Operating Officer Carlos Tavares and Nissan Chief Operating Officer Toshiyuki Shiga hosted Putin at the “Job One” ceremony at the AVTOVAZ plant in Togliatti, the largest assembly plant in the world. The first car off the new line was the Lada Largus multi-purpose van.

€400 million were invested into this 250,000-square-meter industrial complex, which will take full advantage of the Renault-Nissan Alliance’s expertise in engineering and cost savings. The complex hosts the new production line inaugurated today. The line has a maximum capacity of 350,000 cars per year and will produce vehicles for the three brands – Renault, Nissan and AVTOVAZ. Production starts with two new Lada models, followed by a Nissan vehicle later in 2012, and two Renaults in 2013. Five separate models will be produced across the three companies, reducing costs while preserving the unique characteristics of each brand.

“Our collaboration is deepening every day and increasing economies of scale across the Alliance,” said Renault-Nissan Alliance CEO and Chairman Carlos Ghosn. “It’s a win-win for all parties – and the benefits keep accelerating as Russia becomes Europe’s economic engine of growth.”

A solid partnership

The partnership started in 2008, when Renault bought a 25% stake in AVTOVAZ and began the transfer of technology and know-how to AVTOVAZ manufacturing facilities.

“We initiated our project of a common production line in Togliatti two years ago, in the most difficult times for the economy – so it’s a great honor to see it come to fruition today,” said AVTOVAZ President Igor Komarov. “Our partnership continues to grow deeper by the day.”



This new production tool installed in Togliatti contributes to the three partners' common goal: achieve capacity of at least 1.6 million vehicles per year in Russia by 2016. In parallel to the expansion in Togliatti, the companies are in the final stages of negotiations to increase the Renault-Nissan Alliance's stake in AVTOVAZ.

The Alliance sold 878,990 cars in Russia last year – including 578,387 Ladas. With a market share of nearly 33 percent, Russia is the Alliance's third-largest market after China and the United States.

Russia is the fastest growing economy in Europe and should remain in the forefront for several decades, thanks to the surge in upper- and middle-class consumers in the region. More than 10 million Russian households earn more than US\$50,000 per year. The consulting firm Ernst & Young forecasts that Russia will overtake Germany as Europe's biggest auto market in 2015 with approximately 3.4 million new cars sold.

ABOUT THE RENAULT-NISSAN ALLIANCE

The Renault-Nissan Alliance is a strategic partnership between Paris-based Renault and Yokohama, Japan-based Nissan, which together sell one in 10 cars worldwide. The companies, which have been strategic partners since 1999, sold 8.03 million cars in nearly 200 countries in 2011. In addition to AVTOVAZ, the Alliance operates strategic collaborations with automakers including Germany's Daimler, China's Dong Feng, and India's Ashok Leyland.

ABOUT AVTOVAZ

AVTOVAZ is one of the biggest carmakers in Europe and the leading auto manufacturer in Russia. AVTOVAZ controlled about a third of domestic car production in 2011. Company manufacturing capacities allow for production of 945,000 cars annually (including the new Togliatti assembly line). AVTOVAZ (including the IzhAvto plant) produces six models in the B segment (Samara, Kalina, Priora, Granta, 4x4, Classics). In 2010, AVTOVAZ posted net profit of 3.6 billion rubles; in the first half of 2011, net profit amounted to 6.4 billion rubles.

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