



PRESS RELEASE

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For Immediate Release

Renault-Nissan and Russian Technologies create joint venture to finalize strategic partnership with AVTOVAZ

- **Renault-Nissan and Russian Technologies create joint venture to accelerate product launches and technology transfer to AVTOVAZ, Russia's largest carmaker.**
- **Renault-Nissan will get a majority stake in the joint venture, called Alliance Rostec Auto BV, which will control AVTOVAZ, leader of the Russian auto market .**
- **This deal promotes Renault, Nissan and LADA's improved synergy and product development in the fast-growing Russian market.**

MOSCOW – December 12, 2012 – The Renault-Nissan Alliance and Russian Technologies State Corporation have created a joint venture which will hold their entire equity interests in AVTOVAZ and serve as a stable, long-term controlling shareholder for Russia's largest car company and the owner of the LADA brand.

Renault-Nissan Chairman and CEO Carlos Ghosn announced the creation of Alliance Rostec Auto BV today at a ceremony in Moscow with Sergey Chemezov, General Director of Russian Technologies and Chairman of the Board of AVTOVAZ, and Igor Komarov, President of AVTOVAZ.

"Today's historic agreement is a win-win-win for all companies: Renault, Nissan and AVTOVAZ. It is a significant new chapter in an already solid partnership," Ghosn said. "The joint venture will help accelerate our Russian market offensive. It will support the competitiveness of AVTOVAZ, Russia's auto industry leader."

According to the terms of the deal, Renault-Nissan will invest RUB23 billion (US\$ 742 million). The investment will give Renault-Nissan 67.13% of the joint venture by mid-2014. The joint venture will then hold 74.5% of AVTOVAZ.

Renault, which purchased 25% of AVTOVAZ in 2008 and then helped AVTOVAZ in its successful turnaround, will invest about RUB11.3 billion (US\$366 million) in the joint venture and plans to own 50.1% in the joint venture by June 2014. Nissan which did not previously own a stake in AVTOVAZ, will invest RUB11.7 billion (US\$376 million) and plans to own 17.03% in the joint venture by the same period.

Over the same period, Russian Technologies will hold 32.87% of the joint venture.

As part of the deal, Russian Technologies is restructuring its outstanding loans with AVTOVAZ with RUB8 billion (US\$258 million) proceeds from the anticipated sale of AVTOVAZ's non-core assets being used to repay part of Russian Technologies loans. The remainder of circa RUB46 billion (US\$1.48 billion) of interest-free debt is being extended until 2032. This gives AVTOVAZ a strong balance sheet with no liquidity constraints.

By the completion of the deal in 2014, Alliance Rostec Auto BV will have bought out all the shares in AVTOVAZ currently owned by the company Troika Dialog Investment Ltd.

The transaction is subject to applicable conditions precedent, which are expected to be promptly satisfied;

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The Alliance Rostec Auto BV board will be focused on the key shareholder decisions at AVTOVAZ and will be the forum of discussion for the Alliance and Russian Technologies.

As part of the deal, Renault-Nissan Chairman and CEO Carlos Ghosn will become Chairman of the Board of Alliance Rostec Auto BV. The Board of Directors will be composed of:

- Three representatives of the Renault-Nissan Alliance: Dominique Thormann, Executive Vice President and Chief Financial Officer, Renault; Joseph Peter, Executive Vice President and Chief Financial Officer, Nissan; and Bruno Ancelin, Senior Vice President and Chairman Eurasia Region, Renault;
- Two representatives of Russian Technologies: Sergey Chemezov, General Director; and Igor Zavyalov, Deputy General Director.

The AVTOVAZ board will be increased from 12 to 15 members. Renault-Nissan will have eight board members. The candidates will be approved at the extraordinary AVTOVAZ shareholder meeting on February 12, 2013. Sergey

Chemezov will remain Chairman of the Board of AVTOVAZ and will alternate with Carlos Ghosn as Vice Chairman starting in June 2013.

“The Russian automotive market is on the edge of becoming No. 1 in Europe in terms of new vehicle sales,” said the General Director of Russian Technologies Sergey Chemezov. *By 2020, AVTOVAZ, together with its partners, expects to produce, annually, over 1 million cars matching the highest world standards. Thanks to the partnership with the Renault-Nissan Alliance, new modern and highly paid working places will be created for the inhabitants of Togliatti and the region”.*

The deal comes eight months after President of the Russian Federation Vladimir Putin inaugurated an assembly complex with manufacturing capacity of 350,000 vehicles per year in Togliatti in Russia’s Samara region. The complex will become home to one of the largest platform-sharing programs in the Renault-Nissan Alliance. It has already started the production of LADA Largus in spring 2012 while the manufacturing of the new Nissan Almera was launched just yesterday with full ramp-up in spring 2013. Production will soon span five models across three brands – LADA, Renault and Nissan. Investments in this project will total about €400 million.

The three partners also build cars at plants in Moscow, St. Petersburg and Izhevsk (700 kms north of Togliatti, acquired by AVTOVAZ in 2012). Each of these plants will continue to benefit from new projects and investments.

With the Togliatti improvements and those planned at other manufacturing complexes, Renault-Nissan and AVTOVAZ will have a Russian capacity of at least 1.7 million cars per year starting in 2016.

“Strengthening of our partnership is a logical next step of our joint operation. Yesterday, AVTOVAZ became home to multiple brands with the production of the first Nissan model in Togliatti. Our rapid integration will improve the efficiency of our common efforts and increase our market share,” said Igor Komarov, President of AVTOVAZ.

Total automotive industry volume in Russia last year was 2.65 million vehicles, including light commercial vehicles. In 2012, the volume is expected to increase to 2.9 million units.

Russia is the third largest market for the Renault-Nissan Alliance.

The Alliance sold 878,990 cars in Russia last year – including 578,387 LADAs, for a market share of nearly 33 percent.

ABOUT THE RENAULT-NISSAN ALLIANCE

The Renault-Nissan Alliance is a strategic partnership between Paris-based Renault and Yokohama, Japan-based Nissan. Together with AVTOVAZ, they sell more than one in 10 cars worldwide. Renault and Nissan have been strategic partners since 1999 and sold 8.03 million cars in nearly 200 countries in 2011. The Alliance operates strategic collaborations with numerous automakers, including Germany's Daimler, China's Dong Feng and regional manufacturers such as Ashok Leyland in India.

<http://blog.alliance-renault-nissan.com/>

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ABOUT RUSSIAN TECHNOLOGIES STATE CORPORATION

Russian Technologies is a Russian corporation established in 2007 to facilitate development, production and export of high technology industrial products for civil and military purposes. The corporation includes 663 organizations. Russian Technologies consist of 12 holdings perform in the defense industry complex and 5 holdings in the civil sectors of industry. Facilities of the corporation are situated in 60 constituent territories of the Russian Federation and supply products to the markets of more than 70 countries. CEO of the corporation - Sergey Chemezov. Net income in 2011 amounted to 1.55 billion roubles, the tax payments to budgets of all levels have reached 100 billion roubles.

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ABOUT AVTOVAZ

AVTOVAZ is the largest Russian car manufacturer, the maker of LADA and Nissan vehicles. The company owns one of the world's largest car factories in Togliatti and a plant in Izhevsk. AVTOVAZ is targeting production of nearly 1.4 million of LADA, Renault and Nissan vehicles in Russia by 2015.

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