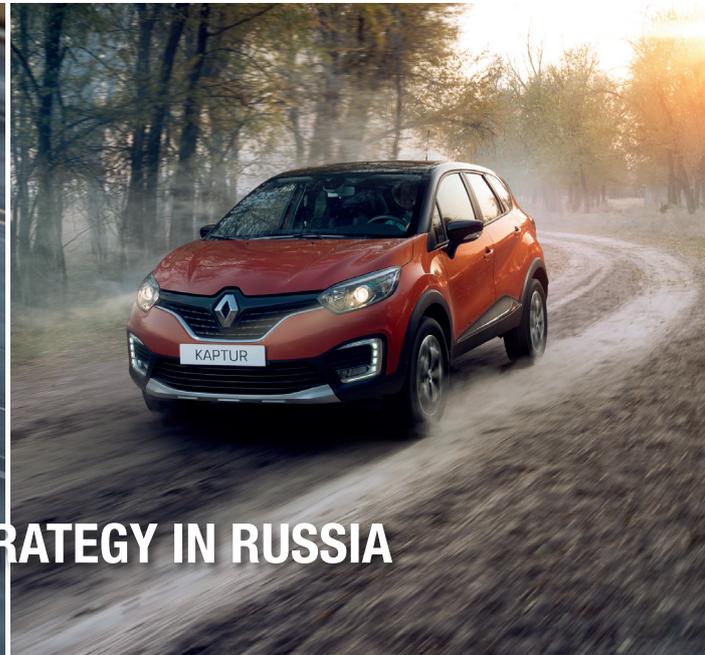




RENAULT & LADA BRANDS: GROUPE RENAULT'S SUCCESSFUL STRATEGY IN RUSSIA

August 2018





● MOSCOW

● IZHEVSK

● TOGLIATTI

SCHEDULE

AUGUST 28TH

AFTERNOON

**ARRIVAL
IN MOSCOW**

EVENING

DINNER

AUGUST 29TH

MORNING

MOSCOW

MOTOR SHOW:

- Reveal of the new C segment crossover showcar
- Renault/Lada press conferences, interviews
- Groupe Renault's strategy in Russia by N. Maure, A. Pankov and Y. Caracatzanis

EVENING

**DINNER
IN MOSCOW WITH
SPOKESPERSONS**

AUGUST 30TH

MORNING

**RENAULT MOSCOW
PLANT TOUR**

AFTERNOON

**DEPARTURE
FOR TOGLIATTI**

EVENING

**DINNER
AT LADA RESORT**

AUGUST 31ST

MORNING

**AVTOVAZ
PLANT TOUR**

AFTERNOON

**LADA RANGE
TEST DRIVE**

**RETURN
TO COUNTRIES**

SPOKESPERSONS



NICOLAS MAURE

SVP, CHAIRMAN OF EURASIA REGION, GROUPE RENAULT / VICE CHAIRMAN OF THE BOARD OF DIRECTORS OF AVTOVAZ

58 years old, Nicolas Maure is graduated from Ste-Geneviève, École Centrale Paris and Institut Européen d'Administration des Affaires.

Joined Boston Consulting Group in 1985. Moved to Valeo in 1988 for strategic planning, production, supply managing. In 1993, joined Bertrand Faure and Faurecia in 1996. Joined Renault in 2000 in the position of Purchasing Director Parts & Accessories Division, Corporate Quality Project Manager, General Manager Société de Transmissions Automatiques. In 2006, appointed Powertrain Plant Manager of Dacia and in 2008 Powertrain VP, Purchasing. In 2013, Vice President Industrial Performance & Strategy and in 2014, Managing Director of Renault Group in Romania, President & CEO of Automobile Dacia SA in Romania. Appointed AVTOVAZ Group President and CEO in April 2016. In May 2018, he becomes the SVP, Chairman of Eurasia Region of Groupe Renault.



ANDREY PANKOV

RENAULT RUSSIA MANAGING DIRECTOR

45 years old, Andrey Pankov is graduated from the Voronezh state university (major: information systems and artificial intelligence). He holds Master's Degrees in Physics and Business Administration.

Andrey Pankov enjoys his strong expertise and successful experience in managing Russian divisions of international car companies. He began his career in 1995 as a senior engineer at Sberbank, followed by managerial positions at Procter & Gamble and Nestlé. In 2005, he was appointed Sales Director of Hyundai Motor in Russia. In 2007-2009, he held the position of CEO and General Director of Mitsubishi Motors in Central Asia, followed by CEO and General Director of MMC Rus (Mitsubishi Motors Corporation Russia) in 2009-2015. In 2015, he was appointed Renault Russia Managing Director.



YVES CARACATZANIS

CEO OF AVTOVAZ

54 years old, Yves Caracatzanis is graduated from École Centrale Paris.

He began his career with Bossard Consultants and then Hewlett Packard before joining Renault in 1992 as a Logistics Organisation Project Manager. He started working at the Flins plant in 1995 where he successively managed the Manufacture Assembly Workshop, then the Paint Department beginning in 1999 and the Quality Department as from 2002 for the launch of the Clio 3. In 2005, he was appointed SVP of Group Vehicle Prototype Engineering. In 2008, he participated in the creation of the Group Supply Chain, and became Groupe Renault SVP of the Global Supply Chain in 2010. He then became, in 2013, SVP of production and Supply Chain for the Eurasia Region. Since April 2016, he has been General Manager of Groupe Renault Romania and CEO of Automobile Dacia. As of June 1st, 2018, he is appointed President of AVTOVAZ.



JÉRÔME PANNAUD

SALES GENERAL MANAGER, RENAULT RUSSIA

Jérôme Pannaud started his career at Groupe Renault in 1989 working on different positions in marketing in the Netherlands, Belgium and France. From March 2006, he worked as LCV Lineup Director. Working at this position, Mr. Pannaud managed the launch of Master. From 2010, he worked as DCE Marketing Director. From March 2013, he has been on the position of G9 Sales Director. From May 1st, 2015, Jérôme Pannaud was appointed to a position of Sales General Manager, Renault Russia.



JEAN-LOUIS THERON

**MOSCOW PLANT MANAGING DIRECTOR
RENAULT**

Jean-Louis Theron began working at Groupe Renault in 1992 as the Project Leader for a new Paint Shop in the Engineering Department in Vénissieux at Renault Trucks. He worked in the managerial positions in the Department of Central Maintenance and Ecology, and also headed the Painting and Ecology Department. In 2005, he became the Head of the Maintenance Department at the plant in Le Mans. There, in 2006, he took the position of Head of the Rear Axle Department, and then, in 2009, became the Head of the Stamping, welding and assembly Departments.

In 2012, Jean-Louis arrived in Moscow as Deputy Plant Director for the production, where he worked for three years. Since 2015, he worked in India in a similar position, and since June 15, 2017, Jean-Louis returned to Russia as the Moscow Plant Managing Director Renault.



JAN PTACEK

**EXECUTIVE VICE PRESIDENT FOR SALES AND
MARKETING, AVTOVAZ**

48 years old, Jan Ptacek is graduated from Czech Technical University in Prague and École des Mines of Paris.

He joined Renault in 2004. He became Sales and Marketing Director, Entry Range in France. In 2008, he was appointed Marketing Director of Russia and Eurasia region and in 2013, General Manager of Ukraine.

Since 2016, he is Executive Vice President, Sales and Marketing at AVTOVAZ.



ALES BRATOZ

**EXECUTIVE VICE PRESIDENT FOR PRODUCTION AND SUPPLY CHAIN MANAGEMENT,
AVTOVAZ**

54 years old, Ales Bratoz is graduated from the University of Maribor, Slovenia. He joined Renault in 2005 as Plant Manager. In 2008, he was appointed Plant General Director in Slovenia and Plant General Director in Turkey in 2013. Since 2016, he is Executive Vice President for Production and Supply Chain management at AVTOVAZ.

01

GROUPE RENAULT IN RUSSIA

GROUPE RENAULT IN RUSSIA

KEY FIGURES, end of 2017

LEADER ON THE AUTOMOTIVE MARKET WITH 2 BRANDS, RENAULT AND LADA



28.1% market share in Russia

448,300 vehicles sold

KEY MANUFACTURING PLAYER FOR THE ALLIANCE WITH 3 PLANTS



Moscow

Togliatti

Izhevsk



Total capacity of
1.1 million
vehicles / year

**RENAULT RUSSIA,
1ST FOREIGN INVESTOR
IN RUSSIA WITH MORE THAN
1.5 BILLION EUROS**



**KEY EMPLOYER UNDER THE TWO BRANDS:
51,200 PEOPLE**



GROUPE RENAULT IN RUSSIA

2017 KEY FIGURES



SALES IN RUSSIA

k-units

136.7 (4TH brand)

Duster 44 / Kaptur 31 / Logan 31 / Sandero 30

311.6 (leading brand)

Granta 94 / Vesta 77 / Largus 34 / XRAY 33

MARKET SHARE IN RUSSIA

PC+LCV

8.6%

19.5%

EXPORT SALES

k-units

17

25

HEADCOUNT

People as of Dec 31

4,700

46,500

PLANTS / CAPACITIES

K vehicles per year /

BRANDS PRODUCED

Moscow / 190 /



Togliatti / 780 /



Izhevsk / 190 /



PRODUCTION

k-units (CBU+KD)

99.2 (Moscow plant)

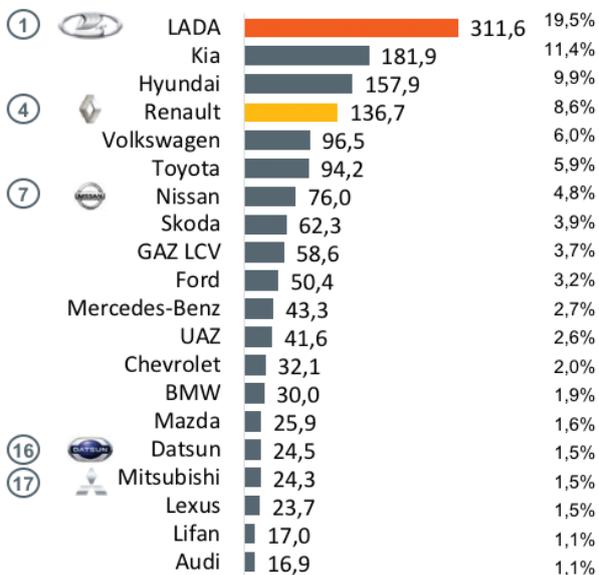
+20.3 painted bodies for Algeria

484.6

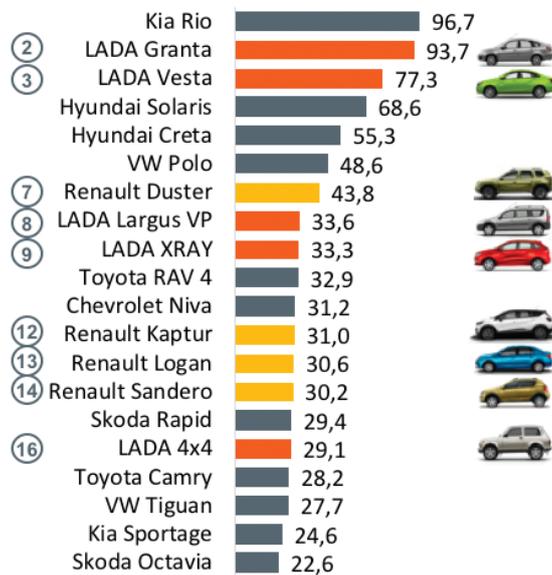
2017 GROUPE RENAULT SALES IN RUSSIA

9 RENAULT AND LADA MODELS IN TOP 20

Top-20 brands (PC+LCV) in 12m'2017, K units



Top-20 PC models in 12m'2017, K units



GROUPE RENAULT MID-TERM PLAN BY 2022

#1 AUTOMOTIVE GROUP WITH 30% MARKET SHARE



IN 2017, **RUSSIA IS #2** MARKET FOR GROUPE RENAULT (SALES VOLUME).
PROJECTED TO BE **#1 BY THE END OF THE DRIVE THE FUTURE PLAN.**

RENAULT AMBITION

EXPAND MARKET COVERAGE AND BOOST COMPETITIVENESS

LEVERAGE EXISTING LINE-UP

Kaptur from mid-2016

EXPAND MARKET COVERAGE

- +4 new models
- Reinforce SUV offer

ANTICIPATE EVOLVING MARKET REQUIREMENTS

- 2 new engines
- 2 new gearboxes
- New multimedia
- Boost 4x4 offer
- Digitalization



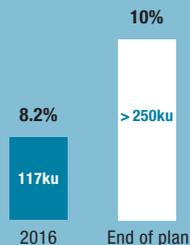
BOOST COMPETITIVENESS

Leverage industrial base and platforms



10%
MARKET SHARE

RETURN TO HISTORICAL
HIGH PROFITABILITY



LADA RECOVERY PLAN IN LINE WITH MID-TERM PLAN AMBITION: #1 BRAND WITH 20% PROFITABLE M/S

**CONSOLIDATE
PROFITABLE
MARKET SHARE**



**IMPROVE LADA BRAND
IMAGE & NETWORK
EFFICIENCY IN RUSSIA**



**BRING INDUSTRIAL
PERFORMANCE
TO ALLIANCE LEVELS**



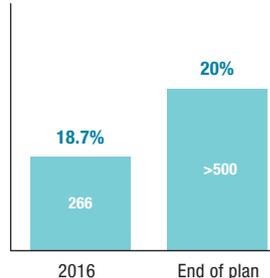


20%
RF market share
(PC+LCV)

~X2 volumes

PROFITABILITY
≥ GROUP LEVEL

LADA SALES VOLUMES, KU



02

RENAULT BRAND IN RUSSIA

RENAULT BRAND IN RUSSIA

2017 KEY FIGURES



SALES IN RUSSIA

k-units

136.7 (4TH BRAND)

Duster 44 / Kaptur 31 / Logan 31 / Sandero 30

MARKET SHARE IN RUSSIA

PC+LCV

8.6%

EXPORT SALES

k-units

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HEADCOUNT

People as of Dec 31

4,700

PLANTS / CAPACITIES

K vehicles per year /

BRANDS PRODUCED

Moscow / 190 /



PRODUCTION

k-units (CBU+KD)

99.2 (Moscow plant)

+20.3 painted bodies for Algeria

RENAULT

MOSCOW PLANT OVERVIEW

PLANT CAPACITY

97,000

vehicles / year
(1.5 shift)

PROCESS

Bodyshop, Paintshop,
Trim & chassis



ROBOTIZATION LEVEL

19%

in Bodyshop

37%

in Paintshop



MAX CAPACITY

190,000

vehicles / year
(2 shifts / 3 teams)

PRODUCTION VOLUMES

99,170

vehicles in 2017
Duster, Kaptur, Nissan Terrano

HEADCOUNT

2,095

incl. 1,586
"blue collars"

HISTORICAL FACTS

RENAULT IN RUSSIA

1916

- ▶ RENAULT'S FIRST PLANT BUILT NEAR THE LAKE OF RYBINSK NORTH OF MOSCOW.

1970

- ▶ RENAULT'S FIRST OFFICE OPENED IN MOSCOW.

1998

- ▶ ESTABLISHMENT OF A 50-50 JOINT VENTURE BETWEEN RENAULT AND THE GOVERNMENT OF MOSCOW, AVTOFRAMOS.

2005

- ▶ RENAULT'S PLANT OPENED IN MOSCOW.
- ▶ RENAULT LOGAN LAUNCHED.

2006

- ▶ THIRD SHIFT LAUNCHED.
- ▶ 50,000 RENAULT LOGAN PRODUCED.
- ▶ ISO 9001 CERTIFICATE OBTAINED.

2008

- ▶ ISO 14001 CERTIFICATE OBTAINED.
- ▶ 200,000 RENAULT LOGAN PRODUCED.

2010

- ▶ RENAULT SANDERO AND SANDERO STEPWAY LAUNCHED.
- ▶ 300,000 RENAULT LOGAN PRODUCED.
- ▶ DOUBLING OF PRODUCTION CAPACITIES FROM 15 CAR/HOUR TO 33.5 CARS/HOUR.

2011

- ▶ RENAULT FLUENCE AND RENAULT DUSTER LAUNCHED.

2012

- ▶ 500,000 RENAULT CARS PRODUCED.
- ▶ RENAULT KOLEOS AND RENAULT LATITUDE (DKD) LAUNCHED.
- ▶ RENAULT BECOMES THE 100% OWNER OF THE GROUPE'S RUSSIAN BRANCH.

2013

- ▶ 100,000 RENAULT DUSTER.
- ▶ 500,000 RENAULT LOGAN.
- ▶ RENAULT DUSTER WITH AN AUTOMATIC TRANSMISSION LAUNCHED.

2014

- ▶ NISSAN TERRANO LAUNCHED.
- ▶ 1,000,000 RENAULT CARS.
- ▶ CREATION OF CJSC* RENAULT RUSSIA.

2015

- ▶ RENAULT DUSTER PH.2 LAUNCHED.
- ▶ PLANT'S 10TH ANNIVERSARY.

2016

- ▶ RENAULT KAPTUR LAUNCHED.
- ▶ 100 YEARS SINCE RENAULT STARTED ITS PRODUCTION IN RUSSIA.

2017

- ▶ 20,000 RENAULT KAPTUR PRODUCED.
- ▶ LAUNCH OF RENAULT KOLEOS: FULL RANGE OF CROSSOVERS IN RUSSIA.

* Closed Joint Stock Company

RENAULT RUSSIA MODEL RANGE

MOSCOW PLANT PRODUCTION



KAPTUR



DUSTER



ARKANA

TOGLIATTI PLANT PRODUCTION



LOGAN



SANDERO



**SANDERO
STEPWAY**

BUILD-UP



KOLEOS



DOKKER

RENAULT DUSTER



Renault Duster: #7 in Russia (43.8 K-Units in 2017)

RENAULT KAPTUR



© Mikhailim Yuri Avrovaz Groupe Renault

Renault Kaptur: #12 in Russia (31 K-Units in 2017)

RENAULT

A COMPLETE CROSSOVER LINE-UP



Full range of crossovers in Russia: Renault Duster, Renault Kaptur, Renault Koleos and coming soon: a distinctive crossover.

03

AVTOVAZ & LADA BRAND
IN RUSSIA

AVTOVAZ

A WIN-WIN PARTNERSHIP WITH RENAULT SINCE 2008

ALLIANCE ROSTEC AUTO B.V.

	BEFORE DECEMBER 2016	APRIL 2018 AFTER CLOSED SUBSCRIPTION
Renault	50%	61.1%
Nissan	17.1%	0%
Rostec	32.9%	38.9%
	100%	100%

AVTOVAZ

	BEFORE DECEMBER 2016	APRIL 2018 AFTER CLOSED SUBSCRIPTION
Alliance Rostec Auto B.V.	74.5%	83.53%
Others	25.5%	16.47%
	100%	100%

RENAULT IN AVTOVAZ

	BEFORE DECEMBER 2016	APRIL 2018 AFTER CLOSED SUBSCRIPTION
Renault indirect participation	37.3%	51.02%

2018

YVES CARACATZANIS APPOINTED CEO OF AVTOVAZ.

April:

RESERVED CAPITAL INCREASE OF AVTOVAZ COMPLETED.

June:

ALLIANCE ROSTEC AUTO BV. FILED A PACKAGE OF MANDATORY TENDER OFFER DOCUMENTS.

2017

RENAULT ACQUIRES THE 9.15% SHARE OF NISSAN IN ALLIANCE ROSTEC AUTO BV. RENAULT TAKE PART IN THE PUBLIC OFFERING FOR RECAPITALIZING AVTOVAZ.

2016

RENAULT PARTICIPATES IN THE CAPITAL INCREASE OF AVTOVAZ. RENAULT INCREASES ITS SHARE IN THE CAPITAL OF ALLIANCE ROSTEC AUTO BV TO 73.30% AND FULLY CONSOLIDATES AVTOVAZ.

2015

RENAULT, NISSAN AND AVTOVAZ MERGE THEIR PURCHASING IN RUSSIA.

2012

April:

INAUGURATION OF THE SHARED PRODUCTION LINE B0 & START OF PRODUCTION OF LADA LARGUS, FIRST CAR BASED ON RENAULT-NISSAN PLATFORM.

December:

RENAULT-NISSAN ALLIANCE ACQUIRES A MAJORITY SHARE IN ALLIANCE ROSTEC AUTO B.V.

2008

STRATEGIC PARTNERSHIP AGREEMENT WITH RENAULT. RENAULT ACQUIRES A STAKE OF 25% PLUS ONE SHARE IN AVTOVAZ.

LADA BRAND IN RUSSIA

2017 KEY FIGURES



SALES IN RUSSIA
k-units

311.6 (Leading brand)
Granta 94 / Vesta 77 / Largus 34 / XRAY 33

MARKET SHARE IN RUSSIA
PG+LCV

19.5%

EXPORT SALES
k-units

25

HEADCOUNT
People as of Dec 31

46,500

PLANTS / CAPACITIES
K vehicles per year /
BRANDS PRODUCED

Togliatti / 780 /    
Izhevsk / 190 / 

PRODUCTION
k-units (CBU+KD)

484.6

RECAPITALIZATION

GROUPE RENAULT AND RUSSIAN CARMAKER AVTOVAZ HAVE BEEN STRENGTHENING THEIR LINKS SINCE 2008.

SINCE JANUARY 1ST, 2017, AVTOVAZ IS CONSOLIDATED IN GROUPE RENAULT'S ACCOUNTS AND LADA, THE AVTOVAZ OWNED BRAND, IS NOW THE FIFTH BRAND OF GROUPE RENAULT ALONGSIDE RENAULT, DACIA, RENAULT SAMSUNG MOTORS AND ALPINE.

AVTOVAZ IS THE LEADING AUTOMAKER IN RUSSIA,

with over 500,000 vehicles produced in 2017 under four brands: LADA, Renault, Nissan and Datsun (in Togliatti and Izhevsk plants). In 2016, AVTOVAZ initiated an ambitious recovery plan.

AVTOVAZ

A FULL SCOPE OF ACTIVITIES & EXPERTISE

Develop / Build / Sell / Service
LADA cars globally



DESIGN

ENGINEERING

PURCHASING (ARNPO)

PRODUCTION
INCL. COMPONENTS

SALES

SERVICE + FINANCE

SPARE PARTS

Local producer of Renault / Nissan /
Datsun cars & components



Component supply
on Russian market



AVTOVAZ

TOGLIATTI AND IZHEVSK PLANTS



TOGLIATTI

Capacity **780 K** vehicles per year

3 vehicle lines:

LINE B0: Renault Logan, Renault Sandero, Nissan Almera, LADA Largus, LADA XRAY

LINE KALINA: LADA Kalina, LADA Granta, Datsun on-DO, Datsun mi-DO

LINE 3: LADA Priora, LADA 4x4

+ **POWERTRAIN & COMPONENTS** lines

387 K cars in 2017



IZHEVSK

Capacity **190 K** vehicles per year

1 vehicle line:

LADA Vesta

+ **COMPONENTS** lines

117 K cars in 2017



AVTOVAZ

NEW MID-TERM PLAN: AMBITION

**BACK ON TRACK
IN TWO PHASES**

2016-2019 **2020-2026**

1

REBOUND through:

- Quality and customer satisfaction
- >20% Market Share for passenger cars in Russia
- Export sales ramp-up
- Strong cost optimization including Monozukuri with suppliers
- Deep localization
- Industrial Park in Togliatti

Positive COP from 2017

2

PROFITABLE GROWTH through:

- Complete product/market portfolio regeneration
- Further expansion of export
- Affordable product innovations
- Full utilization of capacities (3 vehicle lines in Togliatti & 1 in Izhevsk)
- Fully integrated Alliance standards and systems

Positive net profit from 2021

AVTOVAZ

NEW MID-TERM PLAN: KEY LEVERS



LADA

PRODUCT PORTFOLIO 2018*

NEW Granta	Vesta	XRAY	Largus	4x4
 NEW Granta Sedan	 Vesta Sedan	 XRAY	 Largus 5- or 7-seats	 4x4 3-doors
 NEW Granta Liftback	 NEW Vesta Cross	 NEW XRAY Cross	 Largus Cross 5- or 7-seats	 4x4 Urban 3-doors
 NEW Granta Hatchback	 NEW Vesta Sport		 Largus Fourgon	 4x4 5-doors
 NEW Granta Wagon	 Vesta SW Cross			 4x4 Urban 5-doors
 NEW Granta Cross	 Vesta SW			

* Taking into account LADA Kalina and LADA Priora end of production and w/o current products of subsidiaries LADA-Sport, VIS-Avto and small series vehicles

LADA VESTA



© Mikhailin Yuri Avtovez Groupe Renault

LADA Vesta: #3 in Russia (77.3 K-Units in 2017)

LADA XRAY



© Михаил Юри Автотаз Групе Ренаулт

LADA XRAY: #9 in Russia (33.3 K-Units in 2017)

LADA

TRANSFORMATION OF THE BIGGEST NETWORK IN RUSSIA



300 LADA DEALERSHIPS in Russia
NEW SERVICE QUALITY STANDARDS in sales and aftersales

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