

May 3, 2012

Press Release

Renault-Nissan Alliance and Russian Technologies agree to create joint venture to acquire a majority stake in AVTOVAZ

- ***Renault-Nissan and state corporation Russian Technologies will form joint venture to accelerate product launches and technology transfer to AVTOVAZ, Russia's largest carmaker.***
- ***Renault-Nissan will invest about US\$750 million, and Russian Technologies will favorably restructure debt as they form the joint venture.***
- ***Renault-Nissan will get a majority stake in the joint venture, which will control AVTOVAZ; transaction is expected to be complete in 2014.***

PARIS – May 3, 2012 -- The Renault-Nissan Alliance and state corporation Russian Technologies have agreed to create a joint venture and give the Renault-Nissan Alliance an indirect majority stake in AVTOVAZ, according to a new memorandum of understanding.

The Renault-Nissan Alliance, AVTOVAZ, Russian Technologies and Troika Dialog signed the non-binding agreement today in Paris. According to the memorandum, the Renault-Nissan Alliance and Russian Technologies will contribute their respective stakes in AVTOVAZ to a joint venture that will control AVTOVAZ, Russia's largest car company and maker of the iconic Lada brand.

Renault-Nissan plans to invest about US\$750 million, which will give the French-Japanese car group 67.13% of the joint venture in mid-2014. The joint venture will then hold 74.5% of AVTOVAZ. The transaction is expected to be complete by 2014.

Renault, which purchased 25% of AVTOVAZ in 2008 and then helped AVTOVAZ pilot an aggressive turnaround, will invest about US\$300 million in the joint venture. Nissan, which does not currently own a stake in AVTOVAZ, will invest about US\$450 million. Renault and Nissan will make periodic payments through 2014.

Russian Technologies has agreed to restructure its outstanding loans with AVTOVAZ with approximately RUB7 billion (US\$238 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\$1.56 billion) of interest-free debt is being extended well beyond its current maturity date. This gives AVTOVAZ a strong balance sheet with no liquidity constraints.

"Today's memorandum is the latest step in an expanding collaboration that helps modernize the leader of Russia's auto industry," said Renault-Nissan Alliance Chairman and CEO Carlos Ghosn. "Just as Renault and Nissan will continue their technology transfer to AVTOVAZ plants, our AVTOVAZ colleagues will contribute more and more to the Alliance's multicultural management bench."

"We are very pleased to allow AVTOVAZ to further strengthen its ties with the Renault-Nissan Alliance and to welcome Nissan as a new strategic partner in AVTOVAZ," said Sergey Chemezov, Russian Technologies General Director and Chairman of the Board of AVTOVAZ. "The joint venture between Russian Technologies and the Alliance is



another testimony to our remarkable progress in implementing our shared vision for AVTOVAZ and the Lada brand.”

The Renault-Nissan Alliance will perform financial, legal and environmental due diligence over the coming months. The parties expect to sign definitive agreements and close the transaction by the end of 2012, subject to customary regulatory approvals.

The joint venture will acquire Russian investment company Troika Dialog’s entire stake in AVTOVAZ by 2014.

Ruben Vardanian, President of Troika Dialog, said “Troika Dialog is proud to have played an active role in fostering one of the most successful strategic turnarounds in Russia’s industrial sector. AVTOVAZ is a compelling example of how a company can benefit from the collective efforts of some of the leading names in the industry globally to provide a model for future competitiveness and underline the automobile industry’s contribution as a thriving sector to the Russian economy.”

Collaboration remains on fast track

The memorandum comes a month after Russian Prime Minister Vladimir Putin inaugurated a US\$525 million assembly complex in AVTOVAZ’s Togliatti factory, adding capacity of up to 350,000 cars per year. With the new facilities, the factory has a capacity of almost 1.0 million cars per year.

Renault, Nissan and Lada are launching a product offensive that will update all core Lada models and launch new cars across all three brands – including five models from the newly inaugurated facility. The three brands operate additional plants in, Moscow, St. Petersburg and Izhevsk.

“AVTOVAZ welcomes this agreement between our core shareholders. The company believes the Renault-Nissan Alliance and Russian Technologies shared vision for AVTOVAZ is a key enabler of our future success,” said AVTOVAZ CEO Igor Komarov. “Both core shareholders will continue to bring the support the company needs as it undergoes its biggest transformation plan ever. The AVTOVAZ management team and our partners within the Alliance will continue to accelerate our integration and joint projects.”

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. More than 10 million Russian households already earn more than US\$50,000 per year.

Total industry volume in Russia last year was 2.65 million vehicles, including light commercial vehicles. Volume in 2012 is expected to be 2.9 million units.

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.

HSBC is an advisor to Renault-Nissan in this transaction.



Information for editors:

ABOUT RENAULT-NISSAN ALLIANCE:

The Renault-Nissan Alliance is a strategic partnership between Paris-based Renault and Yokohama, Japan-based Nissan, which, together with AVTOVAZ, sell 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:

Russian Technologies State Corporation was founded in 2007 in accordance with a Federal Law of the Russian Federation. The purpose of State Corporation Russian Technologies is cooperation in the development, production and export of high-tech industrial goods by providing support for Russian companies involved in the development and production of high tech industrial goods on the internal and external markets and attracting investment to organizations in various industrial sectors.

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ABOUT AVTOVAZ:

AVTOVAZ, maker of Lada branded vehicles, is the most important automaker in Russia. The company operates one of the world's largest car factories in Togliatti and acquired the Izhavto plant during 2011. AVTOVAZ is targeting nearly 1.4 million of total vehicle assembly in Russia by 2015.

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ABOUT TROIKA DIALOG:

Troika Dialog is a subsidiary company of Sberbank of Russia, and is one of the leading investment companies operating in the CIS. The key business areas of Troika Dialog, founded in 1991, are securities sales and trading, investment banking, private wealth and asset management, direct and venture investments, as well as personal investment and finance. Troika Dialog's operations are located in 21 cities across Russia plus offices in New York, London, Nicosia, Kyiv and Almaty.



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