



PRESS RELEASE

February 29, 2008

BY SIGNING THE FINAL AGREEMENTS, RENAULT AND AVTOVAZ CONFIRM THEIR STRATEGIC PARTNERSHIP

- **February 29, 2008, Moscow, Russia: Serguey Chemezov, Head of Russian Technologies, Chairman of the Board of AvtoVAZ, Anatoli Issaikine, Head of Rossoboronexport, Boris Alyoshin, President of AvtoVAZ, Ruben Vardanian, President of Troika Dialog Group Limited, Serguei Skvortsov, President of Troika Capital Partners representing Troika Dialog Investments Limited and Carlos Ghosn, President and CEO of Renault signed several agreements confirming the strategic partnership between AvtoVAZ and Renault.**
- **Renault will invest 1 billion US dollars for 25% + 1 share of AvtoVAZ's shares*.**
- **These agreements, which ensure the implementation of the strategic partnership announced on December 8, 2007 would allow AvtoVAZ and Renault to:**
 - **Accelerate the development of AvtoVAZ, renew and expand its vehicle range**
 - **Grow the Lada brand while respecting its identity, in order to maintain its leadership**
 - **Share technological expertise and know-how.**

Russian Technologies and Renault will become equal shareholders of AvtoVAZ in the spirit of a long-term partnership. Once the capital of AvtoVAZ has been restructured in the first half of 2008, Russian Technologies and Renault will each own 25% + 1 of the ordinary and preferred shares of the company.

AvtoVAZ and Renault will share know-how and technology particularly in relation to manufacturing and marketing and with the aim of improving the attractiveness, competitiveness and overall quality of AvtoVAZ's products.

AvtoVAZ will benefit from Renault's contributions in relation to platforms and power trains in order to rapidly renew and enhance the entire Lada product line. The first Lada vehicle to come from this partnership could be commercialized at the end of 2009.

Sales volumes of Lada vehicles, in agreement with AvtoVAZ, will be consolidated by Renault. Consequently, Russia will become the Renault Group's main market.

After March 1st**, and in order to optimize integration and boost the transformation of AvtoVAZ into a global automotive player, Renault shall propose five executives to join the executive committee of AvtoVAZ, four of whom come from Renault and one from AvtoVAZ:

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- Chief Operating Officer - Yann Vincent
- Executive Vice-President, Plan, Product Planning and Programs - Hugues Desmarchelier
- Senior Vice-President, Controlling - whose name will be announced later
- Executive Vice-President, Purchasing - Christian Muller
- Executive Vice-President, Engineering - Maxim Nagaytsev

Renault shall be attributed three of the twelve seats on the Board of Directors of AvtoVAZ and will be represented by Carlos Ghosn, President and CEO of Renault, Patrick Pelata, Executive Vice President, and Thierry Moulounguet, Executive Vice President.

Renault and AvtoVAZ shall rely on a Joint Strategic Committee to decide the strategy and coordinate the activities common to both companies, each of which retains its autonomy of decision-making and strategic orientation.

** This amount does not include the payment of a supplementary price (earn out) to be fixed according to AvtoVAZ's financial performance in 2008 - 2009.*

*** Upon approval of the European Commission.*

AvtoVAZ

AvtoVAZ is one of the biggest carmakers in Europe and the leading auto manufacturer in Russia, controlling around 70% of domestic car production. Company manufacturing capacities allow for production of over 750 000 cars annually. AvtoVAZ produces 14 models in 6 segments including the Lada Kalina, the Lada Priora and the Lada 4x4. The company has a \$330 million joint venture with General Motors -- GM-AvtoVAZ -- to manufacture the Chevy-Niva SUV and Chevy Viva cars. AvtoVAZ and GM each hold a 41.5% share in the venture, while the European Bank for Reconstruction and Development owns the remaining 17%. In 2006, AvtoVAZ's net revenues were 184,093 million rubles (USD 6,771 millions).

Renault and the Alliance in Russia

Renault was established in Russia in 1905, created the Avtoframos company in 1998 in partnership with the City of Moscow, began production in its Moscow plant in 2005, and announced in 2007 that the plant's capacity would be doubled.

Nissan's production site in Saint Petersburg is under construction.

The Renault-Nissan Alliance, created in 1999, has sold 6,160,046 vehicles in 2007. The Alliance aims to be ranked in the top three in terms of quality, technology and profitability amongst the major global automakers.

This partnership with AvtoVAZ should open new development opportunities for Renault and for the Alliance on the Russian market, as well as component sharing activities.

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