



DRIVE THE CHANGE

STORY

December 13, 2013

RENAULT CELEBRATES 15 YEARS OF 'MADE IN BRAZIL'

December 4, 2013. Renault celebrates today its 15 years of local production in the country, and its 1.8 million cars made in Brazil are a source of pride. Its relationship with the country dates back to the 1960s, when the first Gordinis and Interlagos were seen on local streets, made under the license of Willis Overland. December 4, 1998: the start of operations of its first plant marked a new era in its success story, and Renault won over a place among the country's leading car manufacturers.

The State of Paraná welcomed Renault's initiative and São José dos Pinhais, in the metropolitan area of Curitiba, was the place chosen to settle its industrial site. A foundation stone was laid in March 1996 to mark the beginning of the construction works. Louis Schweitzer, then Renault Group's CEO, and Pierre Poupel, president at Renault Brazil, were joined by Viviane Senna to pay homage to her brother, race driver Ayrton Senna, thus naming the industrial complex after him.

Two and a half years later, the first cars that would amaze Brazilian consumers for their innovation and modernity were being produced. First Renault model in Brazil, the Scénic launched the local minivan segment, and, together with the Clio, which came soon after, stood out for their innovative design and safety concerns: they were the first Brazilian cars to offer dual front air bags as a standard feature.

After the passenger car plant, the Ayrton Senna Complex received a powertrain plant in 1999 and, in 2001, the Renault-Nissan Alliance's light commercial vehicles plant, which would manufacture models of both brands. The three plants have already made approximately 1.8 million vehicles and 2.9 million engines in 15 years.

When the industrial facilities were consolidated, the company progressively achieved accomplishments throughout its 15 years of activity. Since the time when the first Scénic left

the assembly line, Renault launched 127 novelties, became the country's fifth carmaker (with an average market share of 7% in the last five months) and the number of employees increased more than 10 times, totaling 6,500 direct jobs and 25 thousand indirect jobs in the State of Paraná alone. In 2011, the country became the world's second largest market for the brand, just behind France.

"Renault is a Brazilian company now and our products are a reference in their respective segments. We offer job and revenue opportunities and contribute to the development of the society. This is a source of pride to us", says Olivier Murguet, president, Renault Brazil.

Strategic planning and growth

Renault made important accomplishments in Brazil in 15 years. It is now ranked among the country's 5 biggest carmakers, and it is increasingly developing its share in the last few years, with an average above market levels. In 2012, for example, it achieved a growth rate of 24%, which is 4 times above the 6% rate achieved by the overall industry. Its average market share in the last few months was of 7% and it aims to achieve 8% by 2016. In addition, the Sandero is ranked among the country's eight best-selling models and the models Duster and Logan are widely acclaimed by consumers.

The success achieved was possible thanks to a growth strategy based on three pillars: dealership network expansion, product range renewal and development, and installed capacity increase. The dealership network is vital for sales growth and has seen 100 new stores in the last three years alone. Expansion plans are underway. In 2013, 40 new points of sale will be opened, 17% up compared to 2012, for a total of 275 dealerships (coverage of 83% of the domestic territory).

As to product range renewal and development, 20 novelties were introduced since 2011. In 2013, Renault has launched a completely revamped Master – the same model marketed in Europe, which offers more than 70 different configurations – and the New Logan, which offers affordable innovation, comfort, refinement and a modern design, without neglecting its innate characteristics, such as robustness, low maintenance costs, plenty of interior room and a three-year warranty.

More than R\$ 6 billion invested

The Ayrton Senna Complex had to be adapted to the development of the industry and to its own growth pace. Considering the investments made since the beginning of its operations, the Brazilian subsidiary received approximately R\$ 6 billion. Latest capital contributions channeled into production capacity increase amount to R\$ 500 million (from a total of 1.5 billion reais for the 2010-2015 period).

The expansion works were carried out in record time – only two months – and the installed capacity jumped from 280 to 380 thousand units a year, which includes the passenger car plant that is now able to make 320 thousand annual units (previously 220 thousand units/year) and the light commercial vehicles plant, which can manufacture 60 thousand units a year.

The construction of a new Logistics Preparation Center (with 35,000 m² and 12 meters of ceiling height) was also included in the recent investment plan. It shall be emphasized that higher production levels require the creation of jobs. Since 2011, 1,200 new jobs were created and now Renault's workforce totals 6,500 direct employees.

Engineering and design

In addition to its well-established sales and production infrastructure, market share growth entails having a continuously renewed product range adapted for the tastes and needs of local consumers. This is why Renault has strongly invested in human capital, implementing cutting-edge engineering and design organizations in Brazil.

The Renault Technology Americas (RTA) is located at the Ayrton Senna Complex. Established in 2007, the engineering center seats 600 engineers whose work is aimed at developing new technologies, for example, engines that are progressively more economical and efficient. Thanks to the RTA, Renault has a prominent position in the Brazilian Fuel Efficiency Labelling Program, with six models being awarded an "A" for fuel consumption.

Established in 2008, the Renault Design Latin America (RDAL) is sited in the city of São Paulo. Brazil is one of the 5 countries chosen to receive a design center and it is the brand's first design studio in the American continent.

Environmentally and people friendly

Renault wants to keep its operations closer to the society. As a result, the Renault Institute was launched in 2010, during the São Paulo Motor Show, in order to improve the quality of life of Brazilians and preserve the biodiversity. In three years, the Institute has developed and supported initiatives targeted at improving the lives of Brazilians, with investments that amount to R\$ 9 million, for the benefit of more than 300 thousand people, directly or indirectly. Because of its Institute, Renault is closer to the communities where it is present and now it can outline planned actions to offer a better perspective and improve the quality of life of

children, youngsters and adults. The Renault Institute operates in four areas of activity: Education, Road Safety, Social Development & Diversity, and Environmental Sustainability & Mobility.

As to institutional activities, Renault has closed naming rights deals to rename important venues. In São Paulo, the Renault Theater delights audiences with Broadway musicals. In Curitiba, The Expo Renault Barigui is an exhibition center located at the heart of the city's main public park. This year, Renault sponsored the Curitiba Theater Festival, the country's leading event in its genre. In 2014, it will sponsor the Acadêmicos do Salgueiro samba school during the Rio Carnival, whose theme will be the creation of the world.

Caring for the environment

Environmental concerns made Renault Brazil one of the local carmakers having the largest preserved area: 60% of its 2.5 million m² are consisted of native forests that are home to more than 140 species of mammals, birds, fishes, amphibians and reptiles. Today, 100% of its industrial waste is managed: 95% is recycled and the rest is valorized. The Ayrton Senna Complex holds an ISO 14001 certification since 2003.

Pioneer in zero emission mobility

Renault is the global leader in electrically propelled vehicles and it is taking major steps towards disseminating the benefits of zero emission technology in Brazil. As yet, 40 EVs have already been sold to institutions that maintain projects related to the technology: CPFL Energia (2 units) Itaipu Binational (32 Twizy) and FedEx (6 Kangoo Z.E. Maxi).

The Renault-Nissan Alliance is investing 4 billion euros to develop vehicles that do not use oil derivatives as fuel and may be charged with pure, renewable energy. More than 100,000 zero emission cars have already been sold in less than three years, which is more than the total amount sold by the industry altogether.

FACTS & NUMBERS

- **Exports**

Biggest exporter in the State of Paraná, with R\$ 2.2 billion exported in 2012:

More than 54,000 cars exported to 7 countries

More than **135,000** engines exported

History: more than 350,000 cars

- **Human Resources**

Headcount

6,500 direct jobs

25,000 indirect jobs in the State of Paraná alone

Approximately 600 engineers at the Renault Technology Americas in Curitiba (1,000 in the Americas Region)

1,200 new jobs created in the last 2 years

Social Benefits

R\$ 55 million in benefits to employees and dependents (health, dental and life insurance, transportation, corporate cafeteria, training)

Health and dental insurance

R\$ 22 million in health and dental insurance in 2012

More than 100 thousand medical appointments/year

Employee transportation

R\$ 12.7 million/year - 200 bus lines/day

Corporate cafeteria

137 thousand meals/month

Training

R\$ 2.6 million - 153 thousand hours/year

Renault accredited schools: *FAMEC / ENSITEC / SENAC / UTFPR*