



PRESS RELEASE

MARCH 2, 2007

Orders are open for Logan in Iran

- From March 3, 2007, Iranian customers will be able to place orders for Logan which will be marketed in Iran as Tondar-90.
- In a partnership that involves the Iranian automobile industry's key players, Tondar-90 is assembled in the factories of the country's two leading carmakers – Iran Khodro and SAIPA – and is sold through their respective networks.
- Iran joins Romania (since 2004), Russia, Morocco and Colombia (since 2005) as the fifth nation to produce Logan. Annual production capacity is 300,000 cars and, given the country's buoyant automobile market, the Logan project in Iran will make a significant contribution to achieving Renault Commitment 2009.

In response to strong demand and in keeping with local practice, order books for Tondar-90 will open in Iran on March 3, in the networks of Iran Khodro and SAIPA.

A product that matches Iranian demand

Sold under the Renault brand, and with prices starting from €6,750, Logan is particularly suited to the demand of Iranian customers looking for an inexpensive, spacious, robust, reliable and modern family car. As is the case in the majority of countries where the automobile market is expanding extremely quickly, price continues to stand out as a decisive factor in Iran where vehicles costing less than €3,000 accounted for 50 per cent of the market in 2006.

In order to strengthen its proximity with Iranian customers, Logan will be known locally as Tondar-90, which is Farsi for 'Thunder'. The car will be available in three finitions and with a 1.6 16V petrol engine. Order books for Tondar-90 will open in March in Iran Khodro and SAIPA networks all over the country.

Tondar-90's launch in Iran was preceded by the introduction in July 2006 of the four-door Mégane saloon which went on sale in ten dealerships of the Pars Khodro network (SAIPA Group). The availability of this model enabled Renault to prepare for the arrival of Logan and

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also develop brand awareness. The Méganes sold in Iran are currently imported from Turkey and produced at the Bursa plant. From late 2007, the model will be assembled locally in Iran by Pars Khodro, with production capacity due to reach 15,000 vehicles per annum. The introduction of Tondar-90 permits Renault to expand its line-up in Iran and offer customers a diversified range.

With a population of 69 million and with car ownership standing at 100 vehicles per thousand inhabitants, the Iranian market has considerable potential. It is extremely dynamic and sales have practically tripled over the past five years to reach nearly a million vehicles in 2006. Last year's market was 8 per cent up over 2005.

A project featuring the involvement of Iran's two principal carmakers

For this far-reaching project, Renault has chosen to call on the production facilities of the Iranian automobile industry, as well as the in-depth understanding of the local market of Iran's two leading carmakers, Iran Khodro and SAIPA. Renault Pars is responsible for engineering, quality, purchasing and logistical matters, as well as for the coordination of sales, marketing and after-sales service policies.

An ambitious industrial programme

Initial production capacity is 300,000 vehicles, split equally between the two Iranian partners' factories which are both located in the suburbs of Tehran. Vehicles are assembled in compliance with the standards laid down by the Renault Production Way and use both locally-sourced and imported components. The latter come essentially from Romania. Local content at the time of production start-up in spring 2007 will be with 60 per cent and the target is to take that figure to 80 per cent in the medium-term. The first phase of investment relating to the project amounted to €300 million which essentially involved the introduction of specific tooling at the 50 Iranian suppliers selected by Renault Pars. From the end of 2007, engines and gearboxes for Tondar-90 will also be produced locally (from the end of 2007 in the case of the engine, from spring 2008 for the gearbox).

According to the terms of an agreement signed by Renault and the Iranian authorities, Iran will serve as a base for the exportation of Tondar-90.

Renault Pars

Renault Pars was founded in 2004. Its capital is held jointly by Renault (51 per cent) and by AIDCO (49 per cent). AIDCO (Automotive Industrial Development Company) is held jointly by IDRO (Industrial Development and Renovation Organization), Iran Khodro and SAIPA.

Renault's history in Iran

1959: Renault opens a sales office in Iran.

1975: Renault assembles R5s from CKD kits in association with SAIPA (Société Anonyme Iranienne de Production Automobile), a company founded in 1966 and which had previously assembled a number of other vehicles, including the Citroën Dyane.

1979: Iranian Revolution. Nationalization of SAIPA's factory.

1991: Renault sells 3,000 SAIPA-assembled Renault 21s.

1992: Cooperation with SAIPA ends.

1997: Closure of Renault's representational office.

2002 (June): Contact between Renault and the Iranian authorities, through IDRO¹ (Industrial Development & Renovation Organization) in order to participate in a programme aimed at modernizing Iran's national automobile fleet.

2004 (March): Renault Pars founded. Held jointly by Renault (51 per cent) and AIDCO (49 per cent), which itself is made up of IDRO (Industrial Development and Renovation Organization), Iran Khodro and SAIPA.

2006 (July): The four-door Mégane saloon launched in Iran. The model is sold through the Pars Khodro network which is part of the SAIPA Group.

2007: Logan launched (known as Tondar-90 in Iran).

SAIPA

Founded in 1968, SAIPA and its subsidiary Pars Khodro (since 2000) produced 505,232 cars and LCVs in 2006. SAIPA has 80 subsidiaries and works notably in cooperation with Citroën, Nissan and Kia. Its range covers cars, pick-ups and SUVs and vehicles currently produced include the Pride, the Xantia and the Rio.

SAIPA received ISO 9000 certification in 2003.

Iran Khodro (IKCO)

Founded in 1962, Iran Khodro (IKCO) is a public joint stock company with the objective of creation and management of factories to manufacture various types of vehicles and parts as well as selling and exporting them.

The company was nationalized after the Islamic Revolution of 1979. IKCO is the biggest auto manufacturer in the Middle East. In 2006, Iran Khodro produced 513,984 vehicles. IKCO has been assembling different models of Peugeot and recently has started producing Samand as a national brand.

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¹ A state-run body controlled by the Ministry for Industry and Mining which manages all public sector participation in the Iranian automobile industry.