Association of Russian Automakers (OAR)
Nonprofit Partnership

OICA Round Table
"The World Auto Industry: Situation and Trends"

Automobile market situation and forecasts in Russia

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Seoul, 23 October 2014

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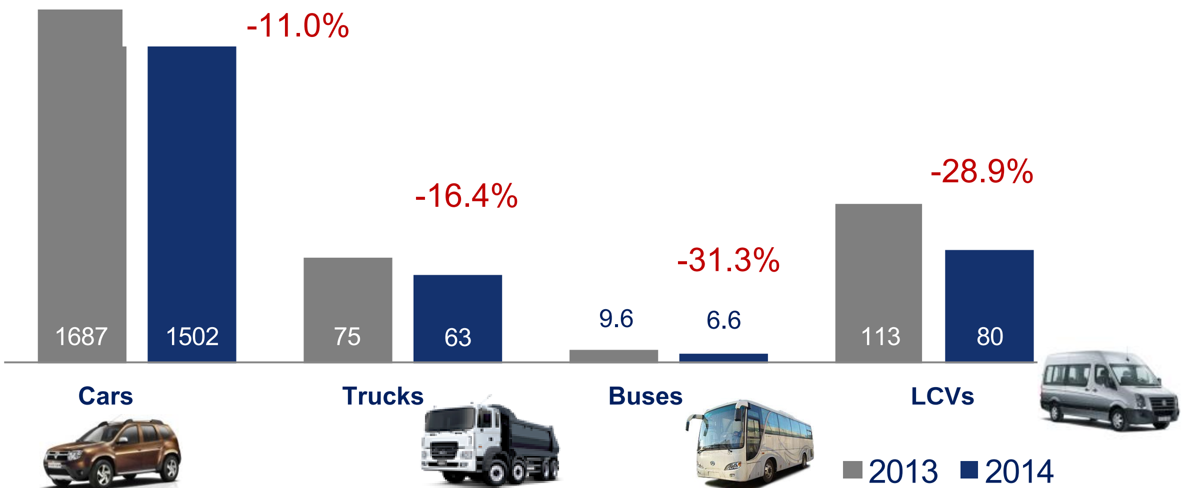
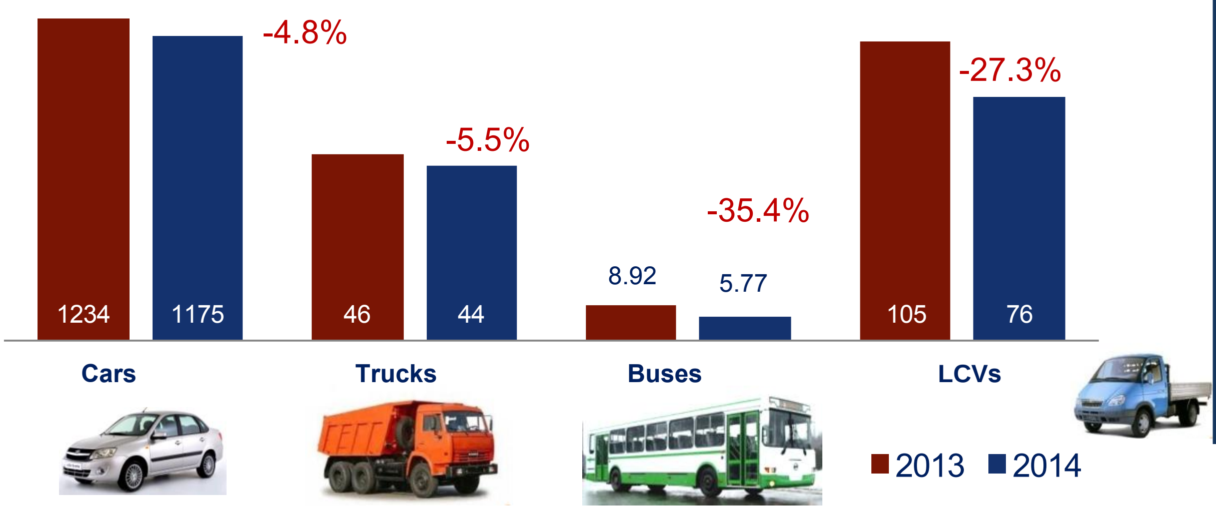
NEW VEHICLE SALES AND PRODUCTION IN RUSSIA
January – August 2014

NEW SALES: 1651.6 thou. units, down 12.4% YOY



PRODUCTION: 1300.5 thou. units, down 6.7% YOY



MARKET SHARE of vehicles produced in Russia

Cars + LCVs + Trucks + Buses

	Produced in Russia	Imported
2014	72.2%	27.8%
2013	68.2%	31.8%

Cars

	Produced in Russia	Imported
2014	72.0%	28.0%
2013	68.3%	31.7%

LCVs

	Produced in Russia	Imported
2014	86.4%	13.6%
2013	77.6%	22.4%

Trucks

	Produced in Russia	Imported
2014	59.4%	40.6%
2013	53.0%	47.0%

Buses

	Produced in Russia	Imported
2014	63.06%	36.94%
2013	68.86%	31.14%

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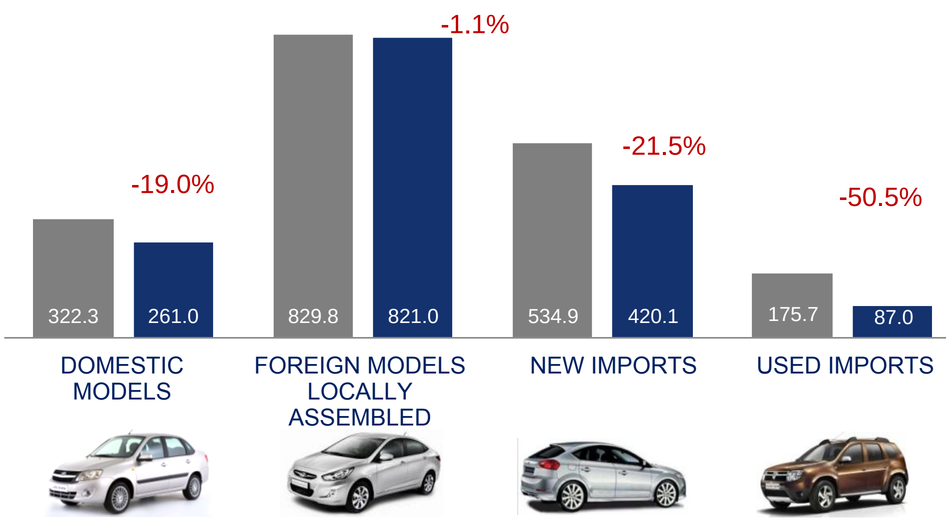
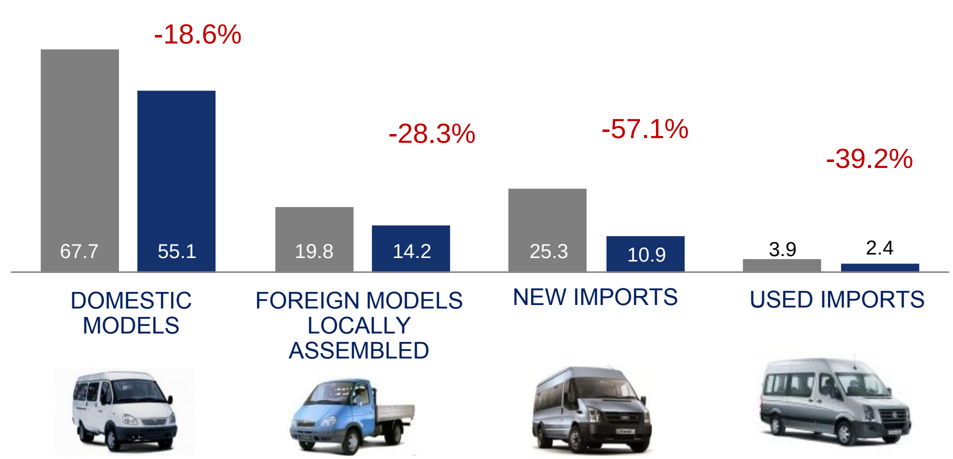
RUSSIAN AUTOMOBILE MARKET by vehicle origin, January – August 2014

OICA

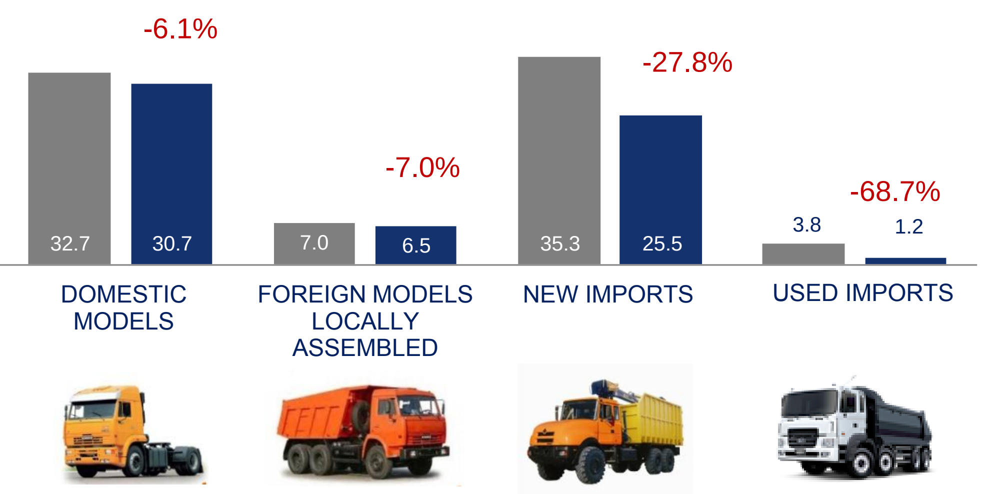
Cars: 1589.1 thou.units, down 14.7%



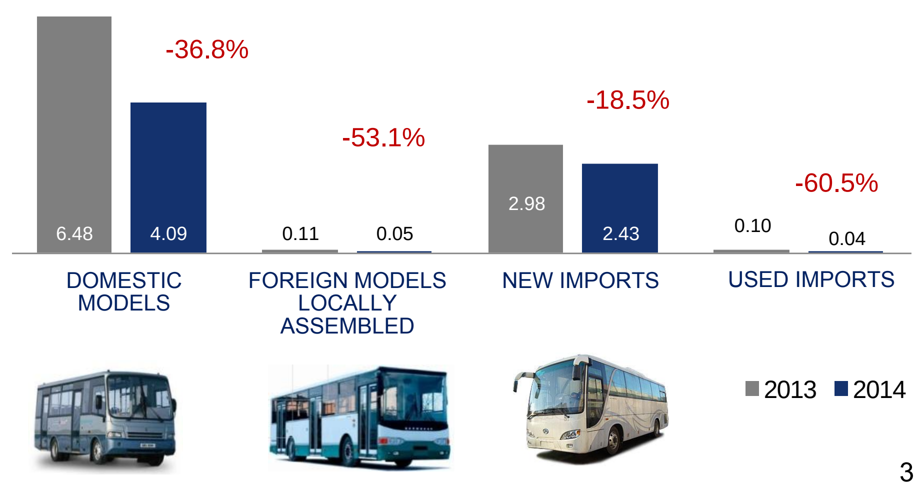
LCVs: 82.6 thou.units, down 29.3%



Trucks: 63.9 thou.units, down 18.9%



Buses: 6.6 thou.units, down 31.6%



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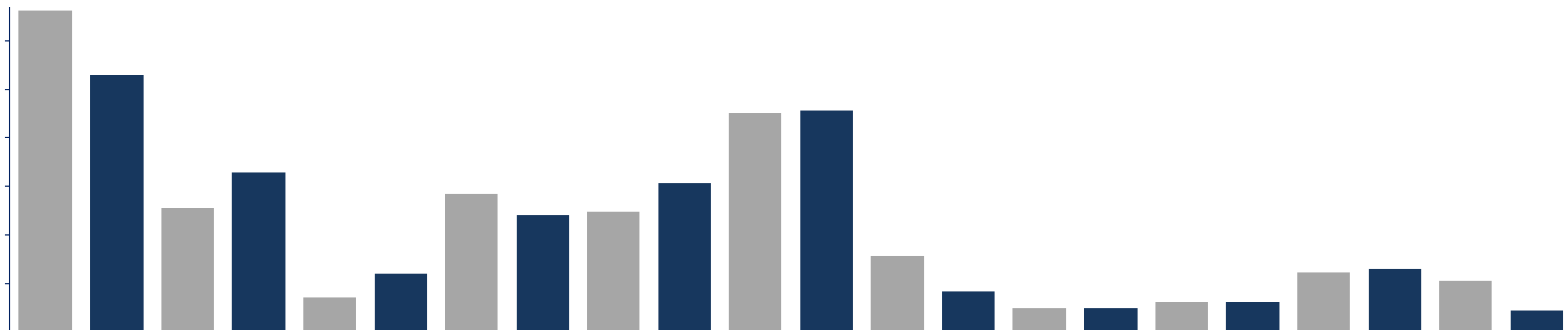
PASSENGER CAR PRODUCTION IN RUSSIA
by major manufacturer group

Thousand units	January-August 2013	Share in 2013	January-August 2014	Share in 2014	Growth rate
TOTAL:	1234.1	100.0%	1 174.8	100.0%	-4.8%
incl. output under "industrial assembly regime"	1034.9	83.9%	1020.0	86.8%	-1.4%
Foreign models assembled in Russia	880.5	71.3%	892.2	75.9%	1.3%
incl. output under "industrial assembly regime"	685.7	55.6%	718.2	61.1%	4.8%

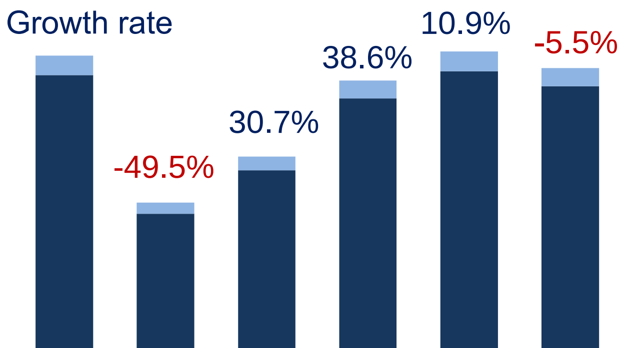


	AVTOVAZ	RENAULT	NISSAN	GM Group	VW Group	KIA-HYUNDAI	FORD Group	TOYOTA Group	PSA PEUGEOT CITROEN	SOLLERS	Others
2013	331.1	126.9	35.8	142.0	123.6	225.9	78.8	24.9	31.2	61.3	52.7
2014	265.2	164.8	60.2	119.90	153.3	227.8	41.7	24.5	30.7	64.4	22.2
Share in 2013	26.8%	10.3%	2.9%	11.5%	10.0%	18.3%	6.4%	2.0%	2.5%	5.0%	4.3%
Share in 2014	22.6%	14.0%	5.1%	10.2%	13.0%	19.4%	3.5%	2.1%	2.6%	5.5%	1.9%
Growth 2014/2013 %	-19.9%	29.9%	67.9%	-15.5%	24.0%	0.9%	-47.1%	-1.3%	-1.5%	5.1%	-57.9%

PASSENGER CAR AND LIGHT COMMERCIAL VEHICLE SALES DYNAMICS

January – August 2014

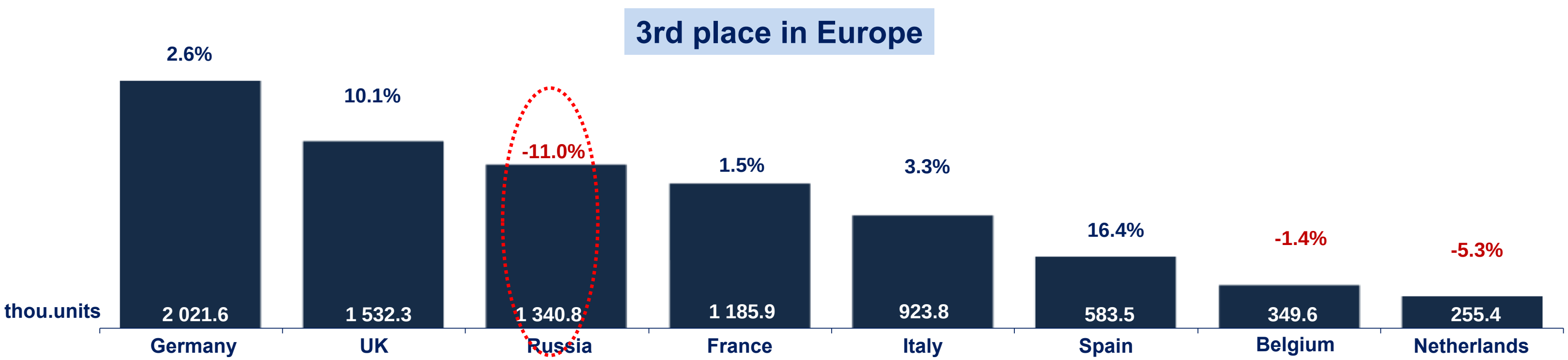
New car and LCV registrations: 1410.7 thou.units, down 12.1% YOY



thou.units	2008	2009	2010	2011	2012	2013
Total	2 897.2	1 463.7	1 912.8	2 650.8	2 938.8	2 777.4
LCV	189.8	107.6	134.1	172.9	192.2	179.3
cars	2 707.5	1 356.1	1 778.7	2 480.9	2 746.6	2 598.2

NEW CAR SALES IN RUSSIA AS COMPARED TO MAJOR EUROPEAN MARKETS

JANUARY - AUGUST 2014



12.41m passenger vehicles (**up 10.0%**) were sold on the world's largest market of China, and **11.19m** light vehicles (**up 5.1%**) were sold on the second largest US market in January-August 2014.

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EXAMPLES OF GOVERNMENT POLICIES TO ENCOURAGE THE AUTO INDUSTRY IN 2014

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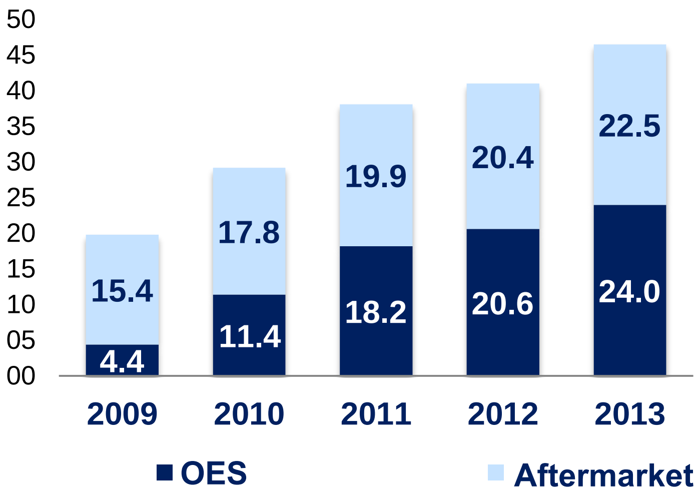
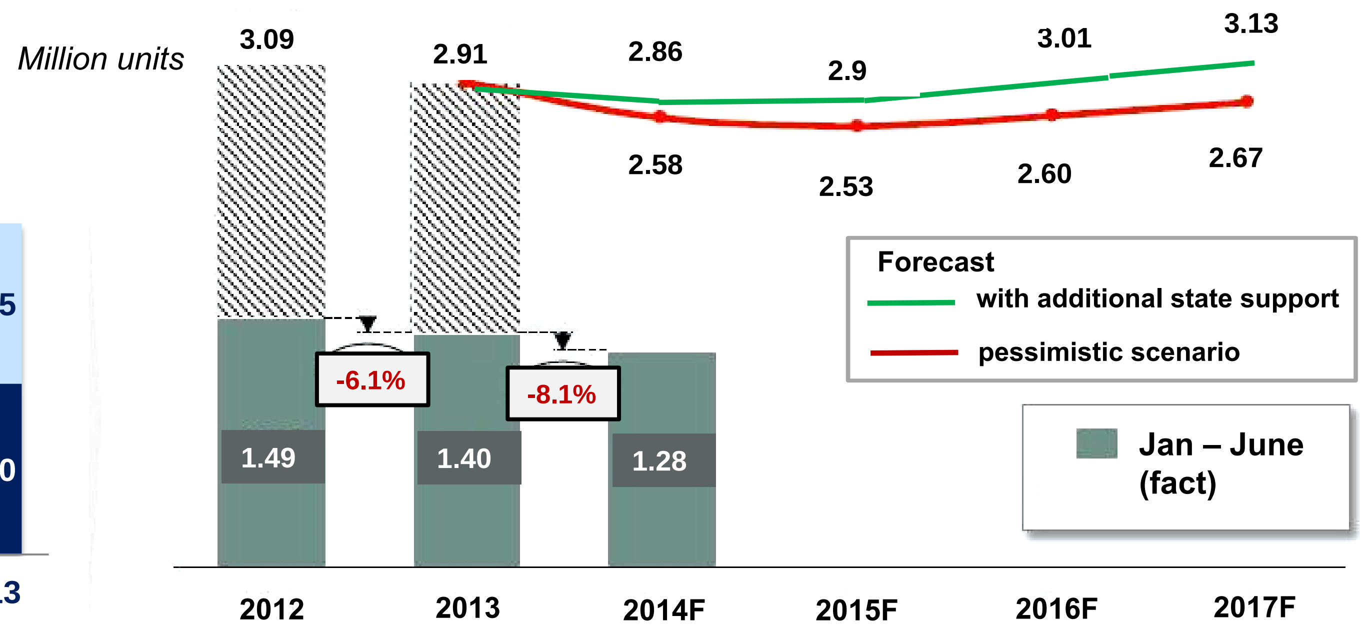
	Action	Expected outcome
1	Granting subsidies for reequipment of manufacturing facilities in automotive industry	Technical modernization and launching new products at over 30 factories
2	Subsidizing rail transportation of cars manufactured in the Far East District to other regions of Russia	Providing low-cost railroad freight for 40,000cars manufactured in the Far East District
3	Financing applied research and major innovation projects	Funding 46 state contracts for R&D
4	A complex of subsidies to partly compensate operating costs to automotive industry organizations	Compensation of expenses for labour force, energy supply, R&D, and production of Euro 4 & 5 vehicles
5	Subsidies to RF subjects for purchase of CNG-fueled vehicles to be used in housing and municipal sectors	Sale of CNG-fueled vehicles manufactured in Common Economic Area – 1497 buses and 1000 other vehicles
6	Application of the “national regime” at purchasing motor vehicles by state executive bodies	Purchase of motor vehicles manufactured in CEA: 5800 cars, 16170 LCVs, 16800 trucks, 3120 buses
7	Introduction of a scrappage scheme (September-December 2014) to revive the automobile market	About 170,000 new vehicles including cars, LCVs, trucks and buses are expected to be additionally sold

RUSSIAN AUTOMOBILE MARKET DEVELOPMENT SCENARIOS

Market of auto components and spare parts, US$bn



Forecast of the Russian automobile market development for 2015 – 2017



	2013	2014F	2015F	2016F	2017F
Growth/ decline year-on-year, %	-5.7%	-7.3%	-1.8%	+2.5%	+2.8%
Forecast with additional state support		-1.7%	+1.3%	+3.8%	+4.1%

THANK YOU FOR YOUR ATTENTION