Information contained within this document may contain forward looking statements. Although the Company considers that such information and statements are based on reasonable assumptions taken on the date of this report, due to their nature, they can be risky and uncertain and can lead to a difference between the exact figures and those given or deducted from verbal information and statements.

PJSC AVTOVAZ does not undertake to provide updates or revisions to this report, should any new statements and information be available, should any new specific events occur or for any other reason. PJSC AVTOVAZ makes no representation, declaration or warranty as regards the accuracy, sufficiency, adequacy, effectiveness and genuineness of any statements and information contained in this report.

Further information on PJSC AVTOVAZ can be found on AVTOVAZ’s web sites (www.lada.ru and http://info.avtovaZ.ru).
Content

1. AVTOVAZ Group general overview
2. LADA brand and 2017 commercial results overview
3. 2017 AVTOVAZ Group IFRS financial results
4. Mid-term plan guidelines
5. Q&A session
1. AVTOVAZ GROUP GENERAL OVERVIEW

Nicolas MAURE
President & Chief Executive Officer
## GROUPE RENAULT in Russia: 2017 Key figures

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SALES IN RUSSIA, k-units</strong></td>
<td><strong>136.7 (#4)</strong></td>
<td><strong>311.6 (#1)</strong></td>
</tr>
<tr>
<td><strong>MARKET SHARE IN RUSSIA, PC+LCV</strong></td>
<td><strong>8.6%</strong></td>
<td><strong>19.5%</strong></td>
</tr>
<tr>
<td><strong>EXPORT SALES, k-units</strong></td>
<td><strong>17</strong></td>
<td><strong>25</strong></td>
</tr>
<tr>
<td><strong>HEADCOUNT, people as of Dec 31 (manufacturing scope)</strong></td>
<td><strong>4 700 (vehicle assembly)</strong></td>
<td><strong>46 500 (casting, PWT, stamping, plastic, vehicle assembly)</strong></td>
</tr>
<tr>
<td><strong>PLANTS / CAPACITIES, K vehicles per year / BRANDS PRODUCED</strong></td>
<td>Moscow /190 /</td>
<td>Togliatti / 780 /</td>
</tr>
<tr>
<td></td>
<td>Izhevsk / 145 /</td>
<td></td>
</tr>
<tr>
<td><strong>PRODUCTION, k-units (CBU+KD)</strong></td>
<td><strong>99.2 (Moscow plant)</strong></td>
<td><strong>484.6</strong></td>
</tr>
<tr>
<td></td>
<td>+20.3 k-units painted bodies for Algeria</td>
<td></td>
</tr>
</tbody>
</table>
General layout of AVTOVAZ and GROUPE RENAULT in Russia

- 448 K LADA and Renault cars sold in 2017
- Russia is #2 market for Groupe Renault after France
- Projected to be #1 market by the end of Renault MTP

Shareholding structure at Dec 31, 2017:
- RENAULT RUSSIA: 100%
- Alliance Rostec Auto: 64.60%
- RENAULT NISSAN MITSUBISHI GROUPE RENAULT: 82.45%
- 17.55% Ownership by Rostec

Plant locations:
- MOSCOW AVTOVAZ Representative office
- IZHEVSK - LADA-Izhevsk plant: 117K in 2017
- MOSCOW Renault Russia plant: 99K in 2017
- TOGLIATTI - Head-office & Togliatti plants: 367K in 2017 (+20K bodies)
AVTOVAZ 50-years History

1970  VAZ 2101

VAZ 2121 (NIVA)  1977

2016  LADA XRAY

2017  LADA Vesta SW Cross
Storyline of cooperation with RENAULT-NISSAN-MITSUBISHI Alliance

- Renault Group acquires 26% + 1 share of AVTOVAZ
- Launch of the B0 project, Body, Paint, Trim and Chassis Shops, Engine and Gearbox Shops for LADA, Renault and Nissan cars
- Production launch of the first LADA on the B0 Platform - LADA Largus
- Purchase of UAG (LADA Izhevsk) by AVTOVAZ in cooperation with Renault-Nissan
- Production launch of Nissan Almera in Togliatti
- Production launch of Renault Logan in Togliatti
- Production launch of Renault Sandero
- Production launch of Nissan Sentra in Izhevsk. LADA Izhevsk plant deeply modernized
- Production launch of Datsun on-DO in Togliatti
- Production launch of Datsun mi-DO in Togliatti (LADA Platform)
- Production launch of Alliance engine HR16 in Togliatti. The full production cycle: casting, machining, assembly
- Production launch of LADA XRAY (B0 Platform) in Togliatti
- Export of Renault painted bodies from Togliatti to the Algerian plant in Oran
### Russia & neighborhood countries: Key figures 2017

<table>
<thead>
<tr>
<th>Country</th>
<th>Population</th>
<th>GDP per capita</th>
<th>TIV</th>
<th>Motorization rate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Belarus</strong></td>
<td>9,504,000</td>
<td>18,616$</td>
<td>32,000</td>
<td>369 cars</td>
</tr>
<tr>
<td><strong>Russia</strong></td>
<td>146,880,000</td>
<td>27,890$</td>
<td>1,596,000</td>
<td>298 cars</td>
</tr>
<tr>
<td><strong>Belarus</strong></td>
<td>3,550,000</td>
<td>6,657$</td>
<td>5,600</td>
<td>176 cars</td>
</tr>
<tr>
<td><strong>Ukraine</strong></td>
<td>42,568,000</td>
<td>8,656$</td>
<td>87,600</td>
<td>203 cars</td>
</tr>
<tr>
<td><strong>Tajikistan</strong></td>
<td>3,718,000</td>
<td>10,644$</td>
<td>4,500</td>
<td>261 cars</td>
</tr>
<tr>
<td><strong>Moldova</strong></td>
<td>3,718,000</td>
<td>10,644$</td>
<td>4,500</td>
<td>261 cars</td>
</tr>
<tr>
<td><strong>Armenia</strong></td>
<td>3,718,000</td>
<td>10,644$</td>
<td>4,500</td>
<td>261 cars</td>
</tr>
<tr>
<td><strong>Georgia</strong></td>
<td>3,718,000</td>
<td>10,644$</td>
<td>4,500</td>
<td>261 cars</td>
</tr>
<tr>
<td><strong>Armenia</strong></td>
<td>3,718,000</td>
<td>10,644$</td>
<td>4,500</td>
<td>261 cars</td>
</tr>
<tr>
<td><strong>Uzbekistan</strong></td>
<td>9,562,000</td>
<td>18,680$</td>
<td>5,000</td>
<td>60 cars</td>
</tr>
<tr>
<td><strong>Kazakhstan</strong></td>
<td>18,157,000</td>
<td>26,071$</td>
<td>46,800</td>
<td>249 cars</td>
</tr>
<tr>
<td><strong>Kyrgyzstan</strong></td>
<td>33,979,000</td>
<td>6,990$</td>
<td>59,000</td>
<td>224 cars</td>
</tr>
<tr>
<td><strong>Turkmenistan</strong></td>
<td>8,990,000</td>
<td>3,131$</td>
<td>2,300</td>
<td>85 cars</td>
</tr>
</tbody>
</table>

**Sources:**
- International Organization of Motor Vehicle Manufacturers - [www.oica.net](http://www.oica.net)
- International Monetary Fund - [www.imf.org](http://www.imf.org)
- Analytic Agency AUTOSTAT - [www.autostat.ru](http://www.autostat.ru)
2. LADA BRAND AND 2017 COMMERCIAL RESULTS

Jan PTACEK
EVP, Sales & Marketing
## LADA product portfolio

<table>
<thead>
<tr>
<th>Granta</th>
<th>Kalina</th>
<th>Priora</th>
<th>Vesta</th>
<th>XRAY</th>
<th>Largus</th>
<th>4x4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Granta Sedan</td>
<td>Kalina Hatchback</td>
<td>Priora Sedan</td>
<td>Vesta Sedan</td>
<td>XRAY</td>
<td>Largus 5- or 7-seats</td>
<td>4x4 3-doors</td>
</tr>
<tr>
<td>Granta Liftback</td>
<td>Kalina Wagon</td>
<td></td>
<td></td>
<td>Launch Nov, 2015</td>
<td>Largus Cross 5- or 7-seats</td>
<td>4x4 Urban 3-doors</td>
</tr>
<tr>
<td>Granta Pick Up</td>
<td>Kalina Cross</td>
<td></td>
<td></td>
<td></td>
<td>Largus Fourgon</td>
<td>4x4 5-doors</td>
</tr>
<tr>
<td>LADA Sport</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4x4 Urban 5-doors</td>
</tr>
<tr>
<td>Granta Sport</td>
<td>Kalina Sport</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4x4 Pick Up</td>
</tr>
<tr>
<td>Granta Sport</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kalina NFR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Launched Oct, 2017**
- **Launched Nov, 2015**
- **Launched Feb, 2016**
Russian Market (PC+LCV) Overview 2005-2017

K-units


1,558 1,919 2,604 2,940 1,468 1,915 2,654 2,936 2,778 2,492 1,602 1,426 1,596

Sources:
Association of European Businesses - http://www.aebrus.ru/
LADA Russia Market Share Results of 2017

The highest market share for the last 6 years

PC only

- 19.5% (2017)
- 18.3% (2016)
- 17.1% (2015)
- 16.1% (2014)
- 15.5% (2013)
- 16.4% (2012)

PC+LCV

- 20.5% (2017)
- 19.5% (2016)
- 18.7% (2015)
- 16.8% (2014)
- 17.5% (2013)
- 16.1% (2012)

Sources:
Association of European Businesses - [http://www.aebrus.ru/](http://www.aebrus.ru/)
# 2017 Russian Market Top-10 Brands & Models (PC+LCV), K Units

### LADA #1 in Russia

<table>
<thead>
<tr>
<th>Brand</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>LADA</td>
<td>312</td>
</tr>
<tr>
<td>Kia</td>
<td>182</td>
</tr>
<tr>
<td>Hyundai</td>
<td>158</td>
</tr>
<tr>
<td>Volkswagen</td>
<td>96</td>
</tr>
<tr>
<td>Renault</td>
<td>94</td>
</tr>
<tr>
<td>Nissan</td>
<td>76</td>
</tr>
<tr>
<td>Toyota</td>
<td>62</td>
</tr>
<tr>
<td>LADA Largus PC</td>
<td>59</td>
</tr>
<tr>
<td>LADA XRAY</td>
<td>50</td>
</tr>
</tbody>
</table>

### 4 LADA models out of Top-10 PC

<table>
<thead>
<tr>
<th>Brand</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kia Rio</td>
<td>97</td>
</tr>
<tr>
<td>LADA Granta</td>
<td>94</td>
</tr>
<tr>
<td>LADA Vesta</td>
<td>77</td>
</tr>
<tr>
<td>Hyundai Solaris</td>
<td>69</td>
</tr>
<tr>
<td>Hyundai Creta</td>
<td>55</td>
</tr>
<tr>
<td>VW Polo</td>
<td>49</td>
</tr>
<tr>
<td>Renault Duster</td>
<td>44</td>
</tr>
<tr>
<td>LADA Largus PC</td>
<td>34</td>
</tr>
<tr>
<td>LADA XRAY</td>
<td>33</td>
</tr>
<tr>
<td>Toyota RAV 4</td>
<td>33</td>
</tr>
</tbody>
</table>

Sources:
Association of European Businesses - [http://www.aebrus.ru](http://www.aebrus.ru)
LADA Granta

№2 in 2017

93 686 units sold in RF

+7% sales growth vs 2016

The Winner in 2017:

#2 in RBC ranking “Product for People”

Starting at ₽399 900
№3 in 2017
77 291 units sold in RF
+40% sales growth vs 2016

The Winner in 2017:
- “Car of the Year” in Russia
- “2017 Best Market Newcomer” by the Russian Automotive Forum
- Grand-Prix “Za Rulem” in “Editor’s Choice” nomination
- Prize of the First Moscow Biennale of Design
- The winner in “Compact Crossovers” and “Breaking Stereotypes” of “Za Rulem”

Starting at ₽ 569 900
LADA Largus

№1 Station wagon in 2017
41 741 units sold
PC: 33 601 units
LCV: 8 140 units
+15% sales growth vs 2016

The Winner
“Car of the Year” in Minivans category

Starting at ₽ 514 900
LADA XRAY

№9 in sales 2017
33 319 units sold
+67% sales growth vs 2016

The Winner in 2017:
Grand-Prix “Za Rulem”

Starting at ₽ 614 900
LADA Brand: from the Past to the Future

LADA before and what people think about us

- 29M cars sold around the world
- The biggest dealer network in RF
- Low level dealer network standards
- Low involvement in aftersales business

LADA now and tomorrow

- Success of the new LADA line-up
- New brand standards
- Dealer network renovation ongoing
- New customer experience – breakthrough to operate
LADA Brand: 360° Brand Action Plan
LADA Brand Values

LADA brand promise:
A new way forward

- Confidence in all situations
- Value for money
- Energetic bold design
LADA: the Largest Dealer Network in Russia

300 LADA sales / aftersales points in 170 cities, 78 regions
LADA Dealers: renewal & development

58% of dealerships have a new external visual identification

50 dealerships are fully compliant to new LADA standards
More connected and digital

- **Portal www.LADA.ru**
  - More than 2 Mln visitors/month
  - More than 10 Mln page views/month

Other levers under development

- Call Center reinforcement to better satisfy the customers
- CRM for better customer conversation
- Lead management for more efficient follow up of customer needs

**Engagement Rate 2017**

Facebook

- #1*

VK

- #1*

Instagram

- #3*

Twitter

- #4*

**Interactions Rating 2017**

Facebook

- #3*

VK

- #1*

Instagram

- #1*

Twitter

- #1*

**New communication standards**

- 85.2M post views**
- 7.5M video views on YouTube***
- 3 228 posts published**

**Strong media investments**

ATL 2017

ATL 2018

Aggression Index

x2

* Source – youscan.io

** Statistics vk.com  fb.com  twitter.com

*** Statistics youtube.com
LADA EXPORT 2017 (RETAIL SALES)

- LADA vehicles are sold in 30 countries
- The best selling model is LADA 4x4
- Sales of LADA Vesta and Vesta SW/SW Cross were launched in export markets successfully
- Belarus: launch of the second importer, record market share of 11.1%, +3.3 pt vs 2016
- Kazakhstan: LADA share is on the level of 18.7%, +1.4 pt vs 2016
- Export started to China, Cuba and Jordan

Retail sales on international markets increased by +28%

<table>
<thead>
<tr>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>18.7 K units</td>
<td>24 K units</td>
</tr>
</tbody>
</table>
New markets opening – example Cuba and Jordan
Development of LADA Aftersales Business

46% turnover increase vs. 2016

The best result ever

B RUB

2014 10.5
2015 12.8
2016 14.0
2017 20.3
LADA Sport – focus on Russia

63 podiums

RSKG (Russian Circuit Racing Series):
- Touring: 2nd place in personal and 1st place in team standing
- Super-Production: 1st place in personal and 2nd place in team standing
- National: 2nd place in personal and 3rd place in team standing

Rally:
- Champions and Russian Cup winner
- 7 stages of LADA Rally MonoCUP and 16 participating teams

Karting:
- KZ-2: 1st place in personal and 1st place in team standing
3. 2017 AVTOVAZ GROUP IFRS FINANCIAL RESULTS

Alexey BOBROV
EVP, Chief Financial Officer
AVTOVAZ GROUP wholesales volume

Units (incl. SKD + CKD)

<table>
<thead>
<tr>
<th></th>
<th>LADA RF</th>
<th>LADA Export</th>
<th>Alliance partners</th>
<th>Other partners</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>+16.2%</td>
<td>+44.5%</td>
<td>+13.8%</td>
<td>+2.5%</td>
</tr>
</tbody>
</table>

- **LADA RF:**
  - 2016: 275,688
  - 2017: 320,222

- **LADA Export:**
  - 2016: 17,275
  - 2017: 24,955

- **Alliance partners:**
  - 2016: 94,353
  - 2017: 107,375

- **Other partners:**
  - 2016: 32,104
  - 2017: 32,909

RF – Russian Federation
### AVTOVAZ GROUP revenues

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>CHANGE 17 vs 16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unit wholesales</strong></td>
<td>419,420</td>
<td>485,461</td>
<td>+15.7%</td>
</tr>
<tr>
<td><em>incl. SKD &amp; CKD (units)</em></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Group revenues</strong></td>
<td>184.9</td>
<td>225.6</td>
<td>+22.0%</td>
</tr>
<tr>
<td><em>(B RUB)</em></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>of which: LADA Brand incl. aftersales</strong></td>
<td>136.9</td>
<td>175.1</td>
<td>+27.9%</td>
</tr>
<tr>
<td><strong>Renault-Nissan Alliance</strong></td>
<td>40.5</td>
<td>42.3</td>
<td>+4.4%</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>7.5</td>
<td>8.2</td>
<td>+9.3%</td>
</tr>
</tbody>
</table>
AVTOVAZ GROUP revenues variance analysis

Change 2017 vs 2016: + 40.7 B RUB (+22.0%)
### AVTOVAZ GROUP operating margin and net result

<table>
<thead>
<tr>
<th></th>
<th>2016 B RUB</th>
<th>2017 B RUB</th>
<th>CHANGE 17 vs 16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating margin</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>in % from Revenue</td>
<td>-8.8%</td>
<td>0.7%</td>
<td>+9.5pp</td>
</tr>
<tr>
<td>Other operating income</td>
<td>1.3</td>
<td>1.1</td>
<td>-0.2</td>
</tr>
<tr>
<td>Other operating expenses(^1)</td>
<td>-25.7</td>
<td>-3.3</td>
<td>+22.4</td>
</tr>
<tr>
<td>Net interest income / expenses</td>
<td>-10.0</td>
<td>-7.3</td>
<td>+2.7</td>
</tr>
<tr>
<td>Other finance income / expenses</td>
<td>1.9</td>
<td>-0.6</td>
<td>-2.5</td>
</tr>
<tr>
<td>Share in net income / loss of associates and joint ventures</td>
<td>0.6</td>
<td>-1.6</td>
<td>-2.2</td>
</tr>
<tr>
<td>Current and deferred taxes</td>
<td>3.3</td>
<td>0.4</td>
<td>-2.9</td>
</tr>
<tr>
<td><strong>Net result for the period</strong></td>
<td>-44.8</td>
<td>-9.7</td>
<td>+35.1</td>
</tr>
<tr>
<td>in % from Revenue</td>
<td>-24.2%</td>
<td>-4.3%</td>
<td>+19.9pp</td>
</tr>
</tbody>
</table>

1) One-time restructuring cost, thereof impairment loss 18 B RUB in 2016, 0 B RUB in 2017
Operating margin 2017 vs 2016

<table>
<thead>
<tr>
<th>2016</th>
<th>F/X</th>
<th>Volume/price/MIX</th>
<th>Bought out parts (BOP) performance</th>
<th>Raw materials</th>
<th>Manufacturing performance &amp; Logistics</th>
<th>Warranty</th>
<th>Non-recurring COGS &amp; others</th>
<th>R&amp;D</th>
<th>G&amp;A</th>
<th>Spare parts contribution</th>
<th>Operating margin from subsidiaries</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-16.23</td>
<td>(-8.8%)</td>
<td>12.22</td>
<td>-2.94</td>
<td>0.07</td>
<td>0.25</td>
<td>4.44</td>
<td>0.08</td>
<td>-0.17</td>
<td>1.30</td>
<td>-1.38</td>
<td>1.60 (+0.7%)</td>
<td></td>
</tr>
</tbody>
</table>

B RUB

4.44

0.07

0.25

1.30

-1.38

1.12

-2.94

-0.74

-1.38

1.60 (+0.7%)
AVTOVAZ GROUP 2017 Free cash flow analysis

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount (in RUB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables</td>
<td>+9.8</td>
</tr>
<tr>
<td>Income tax</td>
<td>-0.4</td>
</tr>
<tr>
<td>Net interest</td>
<td>-6.5</td>
</tr>
<tr>
<td>Net investments</td>
<td>-5.2</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>+3.9</td>
</tr>
<tr>
<td>Other changes in working capital</td>
<td>-0.6</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>+1.4</td>
</tr>
<tr>
<td>Inventories</td>
<td>-3.4</td>
</tr>
<tr>
<td>Operating cash flow</td>
<td>+8.7</td>
</tr>
</tbody>
</table>

AVTOVAZ GROUP PRESENTATION FOR ANALYSTS
2018 Outlook

Forecast
- Turnover growth more than Russian market growth
- Positive operating margin
- Tight management of working capital and CAPEX while ensuring timely projects implementation

Opportunities
- Russian market growth
- Export markets growth (Kazakhstan, Belarus etc.) + new countries
- Continued Russian State support to domestic market and export
- Interest rates
- ...

Risks
- Supply shortages/bottlenecks
- Raw materials prices
- RUB/EUR FX fluctuation
- Available budget for State support measures
- Cost to support distressed suppliers
- ...
4. MID-TERM PLAN GUIDELINES

Nicolas MAURE
President & Chief Executive Officer
AVTOVAZ Mid-Term Plan storyline

**BACK ON TRACK** in two phases

1. **2016-2019**
   - **Rebound** through:
     - Quality and customer satisfaction
     - >20% Market Share for passenger cars in Russia
     - Export sales ramp-up
     - Strong cost optimization including Monozukuri with suppliers
     - Deep localization
     - Industrial Park in Togliatti

   ⇒ Positive COP from 2017

2. **2020-2026**
   - **Profitable growth** through:
     - Complete product.market portfolio regeneration
     - Further expansion of export
     - Affordable product innovations
     - Full utilization of capacities (3 vehicle lines in Togliatti & 1 in Izhevsk)
     - Fully integrated Alliance standards and systems

   ⇒ Positive net profit from 2021
Russian Passenger Car Market Outlook (2017-2020)

Passenger cars per 1 000 people (2015)

Age of Russian car fleet (42.4 M cars at Jan 1st 2018)

Russian PC Market Outlook and LADA Market Share

Sources:
International Organization of Motor Vehicle Manufacturers - www.oica.net
Association of European Businesses - http://www.aebrus.ru
Analytic Agency AUTOSTAT - www.autostat.ru
Russian market segments evolution

B SEGMENT WILL REMAIN DOMINANT

SUV WILL GROW, PUSHED BY CUSTOMER NEEDS & COMPETITION OFFER

100% LADA offer in dominant B-segment

2 new LADA SUV in line with SUV-ization trend
Product line-up renewal

**CURRENT RANGE**

**B/C**
- XRAY
- VESTA SE
- VESTA SW
- VESTA SW CROSS

**4x4**
- 4x4 3d
- 4x4 5d

**ACCESS**
- KALINA HB
- KALINA SW
- KALINA CROSS
- GRANTA SE
- GRANTA HB
- LARGUS
- LARGUS CROSS

**SPORT**
- KALINA SPORT
- GRANTA SPORT

**LCV**
- LARGUS VAN
- ISOTHERM FWD
- SIDE VEHICLE AWD
- ISOTHERM 4x4
- SIDE VEHICLE 4x4
- PICKUP 4x4

**PWT & CONNECTIVITY**
- 87HP NA
- 106HP NA
- 122HP NA
- 5MT
- 5AMT
- MT
- 2 Pedals
- MEDIA NAV
- MMI

**MTP 2018-2022**

1 Family Facelift | 3 New models

1 New Model

2 Family Facelifts | 4 New Models

1 Family Facelift | 1 New model

2 Facelifts

2 New Gearboxes
3 New Engines
New IVI

04.04.2018
AVTOVAZ GROUP PRESENTATION FOR ANALYSTS
AVTOVAZ Total Customer Satisfaction Plan

Recognized Sustainable Customer Satisfaction

Overall Opinion on LADA Brand / Models

Intenders / Owners
- Reactivity
- Perceived Quality
- Durability Quality
- Sales Quality
- After-Sales Quality

Conformity

Cross Functional team work / Digital transformation

Customer Satisfaction Mindset / HR development
Production volume forecast (cars + KDs), k-units

3 shifts capacity (4 800 h per annum)

2 shifts capacity (“Harbour” standard, 3 760 h per annum)
Vehicle Plants direct labor efficiency improvements roadmap

DSTR*, points

ALLIANCE PRODUCTION WAY

- Line 3 Togliatti
- Line 5 Togliatti
- Line 1 Togliatti
- Izhevsk


* - Design Standard Time Ratio (DSTR)
AVTOVAZ Group localization roadmap

AVTOVAZ localization target for new models, incl. new technology needs (Decree #719)

Full localization potential for current range based on existing local supplier’s panel

Current AVTOVAZ Group localization level in Russia (including Alliance cars)

Current LADA models localization level in Russia (according to Decree #166 formula)

Purchasing for Alliance in Russia are managed by AVTOVAZ-Renault-Nissan Purchasing Organization (ARNPO)
Russian automotive industrial scheme

Decree 166 #2
(current till May 31st, 2019)

- 8 years till mid-2019

Perimeter

- Localization ≥ 60% @ consortium level
- Local PWT > 30% of cars
- Modernize R&D centers in Russia

Validity

Conditions

- Reduced custom duties & ELV taxes compensation
- Access to additional state support measures & state purchases

Benefits

SPIC + Decree 719
(valid from June 1st, 2019)

- 10 years (tbc)

- Decree 166 #2 + additional commodities to be localized (engines, transmissions, control units…)
- R&D spent in Russia
- Export volumes

- Compensation of taxes
- “Made in Russia” status for access to other state support measures & state purchases
- Investment supports
AVTOVAZ Mid-Term Plan roadmap

Revenue, B RUB

COP before non-recurring items, B RUB

Groupe Renault average

Free cash-flow, B RUB
LADA MTP ambition: #1 Brand with 20% & profitable M/S

PROFITABLE MARKET SHARE

LADA BRAND IMAGE & NETWORK EFFICIENCY IN RUSSIA

INDUSTRIAL PERFORMANCE TO ALLIANCE LEVELS

20% RF MARKET SHARE (PC+LCV)
~x2 VOLUMES
PROFITABILITY ≥ GROUPE RENAULT LEVEL

LADA sales volumes, kU

DSTR, points


Average Renault 2017
Best Renault 2017

Line 3 Togliatti
Line 5 Togliatti
Line 1 Togliatti
Izhorsk

25 311.6 >500

Russia Export

04.04.2018 AVTOVAZ GROUP PRESENTATION FOR ANALYSTS
5. Q & A
AVTOVAZ: Togliatti and Izhevsk plants overview

<table>
<thead>
<tr>
<th>Togliatti</th>
<th>Izhevsk</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capacity</strong></td>
<td>650 K vehicles per year</td>
</tr>
<tr>
<td><strong>Max capacity</strong></td>
<td>780 K vehicles per year</td>
</tr>
<tr>
<td><strong>3 Vehicle Lines + Powertrain &amp; Components Lines</strong></td>
<td></td>
</tr>
<tr>
<td>**Production volumes *****</td>
<td></td>
</tr>
<tr>
<td>312 K units in 2016</td>
<td></td>
</tr>
<tr>
<td>367 K units in 2017</td>
<td></td>
</tr>
</tbody>
</table>

* Harbour standard (3 760 h per annum)
** 4 840 h per annum (3 shifts 5 days per week)
*** Including KDs, without 20.3 k-units painted bodies for Algeria
LADA Line Up: 100% coverage of B-segment

MSRP, k RUB

<table>
<thead>
<tr>
<th>Model</th>
<th>MSRP, k RUB</th>
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</thead>
<tbody>
<tr>
<td>Granta</td>
<td>4000</td>
</tr>
<tr>
<td>Kalina</td>
<td>4000</td>
</tr>
<tr>
<td>Kalina/Cross</td>
<td>4000</td>
</tr>
<tr>
<td>4x4/Urban</td>
<td>4000</td>
</tr>
<tr>
<td>XRAY</td>
<td>4200</td>
</tr>
<tr>
<td>XRAY Cross</td>
<td>4400</td>
</tr>
<tr>
<td>Vesta SE</td>
<td>4600</td>
</tr>
<tr>
<td>Vesta SE Cross</td>
<td>4600</td>
</tr>
<tr>
<td>Vesta SW</td>
<td>4600</td>
</tr>
<tr>
<td>Largus</td>
<td>4600</td>
</tr>
<tr>
<td>Largus Cross</td>
<td>4600</td>
</tr>
</tbody>
</table>

Length, mm

04.04.2018 | AVTOVAZ GROUP PRESENTATION FOR ANALYSTS
AVTOVAZ Testing facilities

- PWT tests
- Test track and proving ground
- CAE simulation
- Customers performance tests
- NVH tests
- Chassis tests
- Materials tests
- Body tests

Tech opportunities of tests labs
### AVTOVAZ Testing Proving Ground

#### Sosnovka Proving ground

- **Total area of proving ground, (sq.km)**: 9.46
- **Total length of roads, (km)**: 22
- **Average mileage per year, (km)**: 1,400,000
- **Working time**: 3-shifts, everyday whole year
- **Range of outside temperature, (° C)**: from -40 to +35
- **Area of working buildings, (m²)**: 7,000

#### Validation road tests

- **High speed ring road**
- **Fords**
- **City route**
- **Winter climatic tests**
- **Crushed stone and dust road**
- **Special roads with rough**
- **Validation tests**
- **Durability validation tests**
- **Reliability & Durability**
- **Climatic summer and winter tests**

### Winter climatic tests

- **Surgut**: 2,400 km
- **Togliatti**: 1,800 km
- **Temryuk**: 1,650 km
- **Kislovodsk**: 600 km

### Southern climatic road tests

- **Cherkessk**: Karachayevsk
- **Kislovodsk**: 600 km

### Mountain tests

- **August**: 2,400 km

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