

AUTOMOTIVE INDUSTRY IN RUSSIA

RESULTS OF 2015, PROSPECTS



MAY 2015

*Addressed to marketing experts,
analysts, directors and managers involved
in automotive business*

From corporate author

Please find below our traditional report "Automotive Industry In Russia. Results Of 2015, Prospects", prepared by AUTOSTAT analytic agency and containing information about motor vehicle production in Russia, particularly passenger cars and commercial vehicles.

Besides cumulative data and analysis of the trends in the Russian automotive industry, this report comprises information on each enterprise including last year's results and production dynamics for the few recent years as well as actual information about the current activity and prospects of development. The forecast of vehicle production in Russia for 2016, prepared by AUTOSTAT specialists, deserves special attention.

1.38 million vehicles were produced in Russia in 2015, that is 26% less than a year ago.

So the Russian automotive production has been decreasing for three years and the decline rates accelerated considerably. At the same time, 97,400 passenger cars (-23.6%) and 20,000 trucks (-9.1%) were exported.

Almost 88% of automotive production in Russia are generated by passenger cars, that is 1.21 million vehicles (-28%).

First time for a long time foreign manufacturers decreased their hand in this segment, and today their share is about 77%. At the same time, the share of traditional domestic brands exceeded 23%.

AVTOVAZ remained the leader of the Russian automotive industry, having assembled 346,800 passenger cars – that is 20.1% less than a year ago.

Hyundai Motor Manufacturing Rus plant in St. Petersburg confirmed its status as the largest foreign vehicle manufacturer.

Last year Hyundai Motor Manufacturing Rus plant assembled 229,500 vehicles, that is 3.2% less than a year ago.

In 2015 truck enterprises in Russia decreased their production by almost 17% to 132,200 vehicles, which is 9.6% of the total automotive production in the country.

Truck production is still highly consolidated as about 80% of vehicles in Russia are produced by three enterprises.

Traditional leaders here are GAZ (59,700 vehicles; -10.6%), KAMAZ (28,200 vehicles; -27.2%) and UAZ (19,400 vehicles; +11%).

Buses generate 2.7% of the total automotive production in Russia, i.e. 36,700 vehicles (-17.8%) in terms of numbers.

Almost 70% of this number come from three domestic enterprises: UAZ (9,900 vehicles; +18%), GAZ (9,200 vehicles; -7.3%) and PAZ (5,900 vehicles; -21.1%).

Marketing report "Automotive industry in Russia. Results of 2015, Prospects" is prepared with an office research method. The major information sources are our own databases and information obtained from the market players directly. All data, presented in the report is clearly organized and compiled in tables. Each subject is traditionally illustrated with graphs and diagrams.

*Best regards to all colleagues
Sergey Tselikov
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PRODUCTION OF AUTOMOTIVE VEHICLES IN RUSSIA

X.XX million vehicles were produced in Russia in 2015, that is XX% less than a year ago.

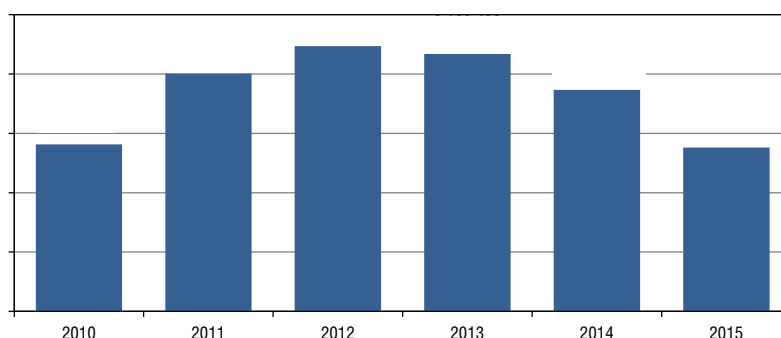
So the Russian automotive production has been decreasing for three years and the decline rates accelerated considerably.

AVTOVAZ remains the leader of the Russian automotive industry with XXX,XXX vehicles produced last year, which is a quarter of the total automotive production. In 2015 the Togliatti plant reduced its output by XX.X%.

Hyundai Motor Manufacturing Rus plant in St. Petersburg confirmed its leadership in foreign vehicle production in our country, having decreased its output by only X.X% to XXX,XXX vehicles...

Dynamics of automotive production in Russia in 2010 – 2015

(un.)

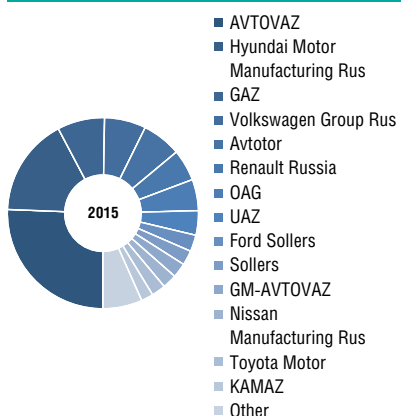


Production of automotive vehicles in Russia in 2010 – 2015

(un.)

Manufacturer	2010	2011	2012	2013	2014	2015	Chg., %
AVTOVAZ							
Hyundai Motor Manufacturing Rus							
GAZ							
Volkswagen Group Rus							
Avtotor							
Renault Russia							
OAG							
UAZ							
Ford Sollers							
Sollers							
GM-AVTOVAZ							
Nissan Manufacturing Rus							
Toyota Motor							
KAMAZ							
PSMA Rus							
Derways							
General Motors Auto							
URAL							
PAZ							
Luidor							
PSA VIS-AUTO							
ST Nizhegorodets							
LADA Sport							
Chechenavto							
Mercedes-Benz Trucks Vostok							
Other							
Total							

Structure of production



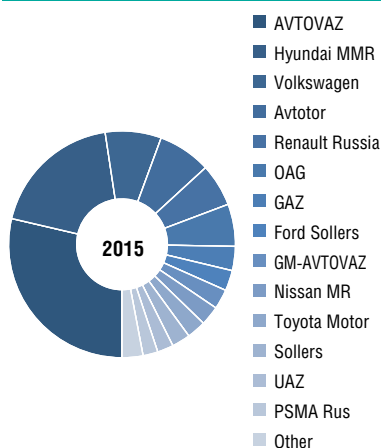
STRUCTURE OF PASSENGER CAR PRODUCTION

In 2015 automotive enterprises in Russia produced about X.X million passenger cars. So the decrease in production is XX.X% or about XXX,XXX vehicles in terms of numbers.

The decline in production was provided mostly by foreign car manufacturers in Russia, which reduced their output by XX.X% to XXX,XXX passenger cars last year. Domestic automobile plants decreased their production in Russia less – by XX.X% to XXX,XXX cars.

XX.X% of the total production come from AVTOVAZ. Then come Hyundai Motor Manufacturing Rus (XX%), Volkswagen Group Rus (X%), Avtotor (X.X%), Renault Russia (X.X%)...

Structure of passenger car production



Passenger car production in Russia by models in 2010 – 2015							(un.)
Manufacturer	2010	2011	2012	2013	2014	2015	Chg., %
AVTOVAZ, Togliatti							
LADA 1117 Kalina							
LADA 1118 Kalina							
LADA 1119 Kalina							
LADA 2192 Kalina new							
LADA 2194 Kalina new							
LADA 21053 Classic							
LADA 2107 Classic							
LADA 2113 Samara							
LADA 2114 Samara							
LADA 2115 Samara							
LADA 2121 Niva							
LADA 2131 Niva							
LADA 2170 Priora							
LADA 2171 Priora							
LADA 2172 Priora							
LADA 2190 Granta							
LADA Largus R 90							
LADA XRAY							
LADA El LADA							
Nissan Almera							
Datsun							
Renault Logan							
Renault Sandero							
Hyundai MMR, St. Petersburg							
Volkswagen GR, Kaluga							
Avtotor, Kaliningrad							
KIA							
BMW							
Hyundai							
Opel							
Chevrolet DAT							
MG							
Chevrolet GM							
Cadillac							
Renault Russia, Moscow							
OAG/IzhAvto, Izhevsk							
LADA Granta							
Nissan Sentra, Tiida							
LADA Vesta							
LADA Classic							
KIA Spectra							
KIA Sorento							
GAZ, Nizhny Novgorod							
Chevrolet Aveo, VW Jetta, Skoda (Yeti, Octavia)							
Volga Siber							
Ford Sollers							
GM-AVTOVAZ, Togliatti							
Nissan MR, St. Petersburg							
Toyota Motor, St. Petersburg							
Sollers							
Mazda Sollers Manufacturing Rus							
Sollers-Bussan							
Sollers-Naberezhnye Chelny							
Sollers-Yelabuga							
Sollers-KAMA							
Sollers-DV							
UAZ, Ulyanovsk							
UAZ-3151/3153/3159 and modifications							
UAZ Hunter							
UAZ-3163 Patriot							
PSMA Rus, Kaluga							
Derways, Cherkessk							
General Motors Auto, St. Petersburg							
LADA Sport, Togliatti							
Chechenavto, Argun							
PSA VIS-AUTO, Togliatti							
Super-Auto, Togliatti							
BRONTO, Togliatti							
IMS, Moscow region							
TaGAZ, Taganrog							
Total							

STRUCTURE OF TRUCK PRODUCTION

In 2015 automotive enterprises in Russia decreased truck production by XX.X% to XXX,XXX vehicles.

So, the decline in production has been registered for two years.

Gorky automobile plant, the leader of truck production in Russia, assembled XX,XXX vehicles last year (-XX.X%). Today the enterprise manufactures the GAZel Next, the GAZel and the Sobol LCVs, the GAZon Next, the GAZ-3308 and the GAZ-3309 medium-duty commercial vehicles.

KAMAZ (XX,XXX vehicles; -XX.X%), remains the largest heavy truck manufacturer. The third place belongs to another domestic manufacturer – the Ulyanovsk automobile plant (XX,XXX vehicles; +XX%)...

Truck production (including LCV) in Russia in 2010 – 2015							(un.)
Manufacturer	2010	2011	2012	2013	2014	2015	Chg., %
GAZ, Nizhny Novgorod							
KAMAZ, Naberezhnye Chelny							
UAZ, Ulyanovsk							
UAZ-3909 and modifications							
UAZ-2360/2363							
UAZ-3303/33036							
UAZ-3741							
URAL, Miass							
URAL-4320/43206 (chassis)							
URAL-5557 (dump-truck)							
URAL-5423 (tr. tractor)/URAL-5323 (tr. tractor)							
URAL-44202/43202 (truck tractor)							
URAL-6370							
URAL-43204 (timber truck)							
Other							
AVTOVAZ, Togliatti							
Ford Sollers, Yelabuga							
Sollers							
Sollers-Isuzu							
Sollers-Yelabuga							
PSA VIS-AUTO, Togliatti							
Mercedes-Benz Trucks Vostok*, Naberezhnye Chelny							
MAN Truck & Bus, St. Petersburg							
Fuso KAMAZ Trucks Rus**, Naberezhnye Chelny							
Volvo Vostok, Kaluga							
Scania Peter, St. Petersburg							
IVECO-AMT, Miass							
BAW-RUS Motor Corporation, Ulyanovsk							
BAZ, Bryansk							
Avtotor, Kaliningrad							
MZ TONAR, Moscow region							
Komatsu Manufacturing RUS, Yaroslavl							
NPK Uralvagonzavod, Sverdlovsk region							
Caterpillar Tosno, Leningrad region							
Other							
Total							

Note: * Daimler KAMAZ Rus since January 2016

** affiliated to Mercedes-Benz Trucks Vostok in June 2015

STRUCTURE OF BUS PRODUCTION

In 2015 Russian enterprises decreased bus production by almost XX% to about XX,XXX vehicles.

The Ulyanovsk automobile plant, which became the leader in the bus segment of the Russian automotive industry, assembled about XX,XXX vehicles last year (+XX%). The enterprise produced X,XXX UAZ-3962 (+XX.X%) and X,XXX UAZ-2206 (-X.X%).

Gorky automobile plant assembled X,XXX passenger modifications of the GAZel and the Sobol, and the GAZel Next buses.

The third place belongs to the Pavlovo bus plant, which is the largest manufacturer of small-class buses in Russia. Last year PAZ manufactured X,XXX buses (-XX.X%), including X,XXX PAZ-32053 (-XX.X%).

Then comes Luidor company, which specializes in production of minibuses and special vehicles on the Mercedes-Benz Sprinter, the Volkswagen Crafter and the Renault Master base, as well as GAZ models...

Bus production (including LCV) in Russia by models in 2010 - 2015							(un.)
Manufacturer	2010	2011	2012	2013	2014	2015	Chg., %
UAZ, Ulyanovsk							
UAZ-3962							
UAZ-2206							
GAZ, Nizhny Novgorod							
PAZ, Pavlovo							
PAZ-32053/3206 (small-size suburban bus)							
PAZ-3203/3204/2256 (small-size city bus)							
PAZ-4234 (medium-size suburban bus)							
PAZ-3237/5272/5269 (city bus)							
Luidor, Nizhny Novgorod							
ST Nizhegorodets, Nizhny Novgorod							
LiAZ, Liki							
Industrial Technologies, Nizhny Novgorod							
NefAZ, Neftekamsk							
City bus							
Suburban buses							
Intercity buses							
Other							
KAvZ, Kurgan							
KAvZ-4238							
KAvZ-4235 with engine Euro-3							
KAvZ-4239							
URAL, Miass							
URAL-32552 (crew bus)							
URAL-3255 (crew bus)							
URAL-32551 (crew bus)							
Avtodom, Ulyanovsk							
Volgabus, Volzhsky							
KAMAZ-Marco, Neftekamsk							
IMS, Moscow region							
Ford Sollers, Yelabuga							
ARTAN, Nizhny Novgorod region							
Tula-Bus, Tula region							
BAW-RUS Motor Corporation, Ulyanovsk region							
Other							
Total							

FORECAST OF PASSENGER CAR PRODUCTION IN RUSSIA

AUTOSTAT analytic agency prepared forecast of passenger car production in Russia for 2016.

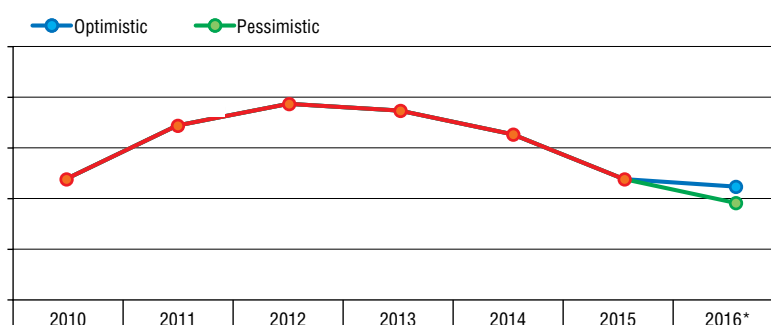
From our point of view, longer-term forecasting of automotive production is inappropriate in the current difficult circumstances.

We would like to draw your attention that the forecast is prepared for two scenarios, each of which takes into account certain factors in the development of both automotive manufacturers and the country's economy.

According to AUTOSTAT analytic agency, the decline in passenger car sales, which has been registered in Russia for three years, will continue this year...

Passenger car production in Russia

(un.)



Passenger car production in Russia

(un.)

Manufacturer/year	2010	2011	2012	2013	2014	2015	2016 optimistic*	2016 pessim.*
AVTOVAZ								
Avtotor								
GAZ								
Derways								
General Motors Auto								
GM-AVTOVAZ								
Nissan Manufacturing Rus								
OAG								
PSMA Rus								
Renault Russia								
Sollers (Far East)								
Toyota Motor								
UAZ								
Volkswagen Group Rus								
Ford Sollers								
Hyundai Motor Manufacturing Rus								
Other								
Total								

* Forecast of AA Autostat

MAJOR AUTOMOTIVE ENTERPRISES IN RUSSIA

VOLGABUS, Volzhskywww.volgabus.ru

	2014	2015
Production dynamics	-XX.X%	XX.X%
Share	X.XX%	X.XX%

Volgabus plant (former Volzhanin) was founded in 1993. Initially the enterprise assembled buses of the Likino bus plant and only in 1999 started manufacture of its own products.

At present the enterprise assembles city, suburban, intercity and special buses and its lineup includes about XX modifications.

Production capacity of the enterprise enables to produce XXX buses per year.

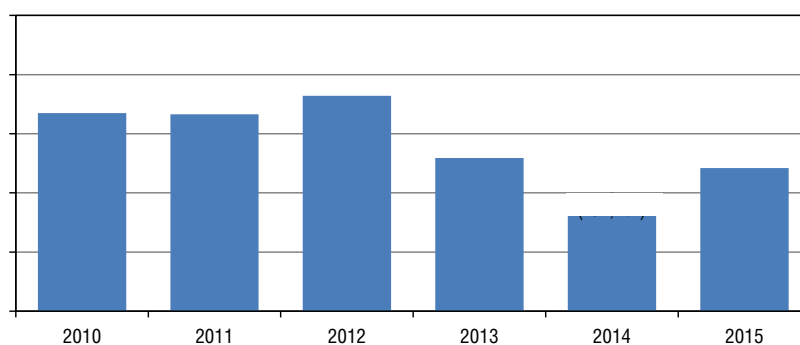
The staff of the enterprise is over XXX people.

In 2010 the enterprise launched production of the CityRitm-18 XX-meter articulated bus on MAN chassis. In 2011 the company started collaboration with Ashok Leyland corporation (India), as a result the Ritmix small-class bus was introduced.

Due to dynamics of the company's development as well as growing demand for buses a holding was established...

Commercial vehicle production at Volgabus

(un.)



Segment/year	2010	2011	2012	2013	2014	2015
Buses						

OTHER ENTERPRISES

AVTODOM, Ulyanovsk

www.avtodom73.ru

Avtodom company, which has been represented in the market of special vehicles for more than 10 years, specializes in the manufacture of A-, B-, C-class ambulance vehicles (AIPS), resuscitation ambulance vans,

including neonatal modifications and special vehicles: police vehicles, special cash logistics vehicles (class 2, 3 of armour protection), emergency service vehicles...

BAZ, Bryansk

www.bzkt.ru

The Bryansk automobile plant was established in June 1998 as a result of the restructuring of the Bryansk automobile plant, founded in 1958. Today BAZ is one the leading developers and manufacturers of heavy-duty (14-40-ton) wheeled chassis in Russia. The main customers of BAZ company are Ministry of Defense of Russia, oil and gas enterprises and crane manufacturers.

For more than fifty years of vehicle production, the enterprise has manu-

factured about 11,000 chassis and BAZ truck tractors, which became the base for over 40 items of armament and military vehicles...

KOMATSU MANUFACTURING RUS, Yaroslavl

www.komatsu.yar.ru

Japanese company Komatsu, leading manufacturer of building and forest machines, was founded in 1921. Today the company is also one of the leaders in the CIS and East Asian markets.

Komatsu Manufacturing Rus plant in Yaroslavl became the first Komatsu assembly enterprise in Russia and the XXth in the world. X.XXX million roubles (about

XXX billion yen) were invested in the construction of the enterprise. Komatsu Group owns XX.X% of the enterprise, and X.X% share belongs to European Bank for...

LADA SPORT, Togliatti

www.LADA-sport.ru

AVTOVAZ subsidiary enterprise – LADA SPORT – specializes in production of sport versions of the LADA Granta and the LADA Kalina for public roads. Sport lineup of LADA vehicles is developed taking into account experience of LADA Sport team in Russian and international motor racings.

Production of the LADA Granta Sport started in the middle of 2013 and in August

2014 the company introduced the LADA Granta Sport turbo charged hatchback, in the end of 2015 the enterprise extended its model lineup having added the XXX h.p. LADA Kalina NFR turbo charged hatchback...

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OUR PRODUCTS

Reference book «Automotive market in Russia» is published once a year. It contains results of the Russian market development for the previous year, different estimations including financial ones, and forecast of further development of the market.

The reference book includes three parts: production, sales and parc of vehicles in Russia.

Marketing reports contain analysis of separate segments of the automotive market. The reports are prepared with an office research method. The sources of information are data of the State Customs Committee, State Traffic Safety Inspectorate, as well as our own databases and information, obtained from the market players directly.

ABOUT THE COMPANY

AUTOSTAT analytic agency has been operating in the Russian information market since 2006. The demand for its reports and their appreciation by the market players enabled the marketing research of the automotive market to become the main activity of AUTOSTAT agency. The experience of the agency's specialists in automotive and financial spheres as well as specialization in automotive sector enables to prepare marketing reports on actual subjects.

OUR CLIENTS

For the years of the agency's operation, our reports have been bought by over 2,000 companies including automotive and component manufacturers, leading Russian and foreign consulting agencies, big banks and insurance companies such as PricewaterhouseCoopers, Ernst & Young (CIS) B. V., Boston Consulting Group, Booz Allen Hamilton Inc, Deloitte & Touche CIS, Roland Berger Strategy Consultants, Frost & Sullivan, McKinsey & Company, Mitsui & Co. Ltd, Toyota Motor, Nissan Motor Rus, Volkswagen Group Rus, BMW Rusland Trading, Amtel Vredestein, Continental Tires Rus, Dupont Russia, Varta Battery GmbH, ZF Trading GmbH, Robert Bosch, BASF, AVTOVAZ, Sollers, ZAZ SeAZ, Rossgosstrah, Ingosstrah, ROSNO, Ugoria, Europlan, Alfabank», Russian standard bank, MDM and many others.

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COMMERCIAL VEHICLE MARKET IN RUSSIA

PASSENGER CAR MARKET IN RUSSIA

AUTOMOTIVE COMPONENT AND SPARE PART MARKET IN RUSSIA

AUTOMOTIVE INDUSTRY IN RUSSIA

ASSEMBLY AND LOCALIZATION OF FOREIGN VEHICLES IN RUSSIA

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