

RUSSIAN AUTOMOTIVE INDUSTRY OUTLOOK

2009 - 2011

Market Overview

- Russia was the fastest growing automotive market in Europe in 2001-2009, rapidly becoming the largest automotive market in Europe.
- The Russian automotive industry was severely affected by the financial crisis in 2008-2009
- The market started showing dynamic recovery in 2010-2011
- There are opportunities for competitive foreign companies in both OEM supplies and aftermarket
- The market is not easy to penetrate – extensive efforts required, but the crisis reduced costs
- Russia will become a WTO member by the middle of 2012

2010 results

- ▣ 1.91 million new car registrations – 30% growth over 2009
- ▣ \$39 billion car sales volume – 30% growth over 2009
- ▣ Despite the 2008-2009 crisis, Russia is still one of the largest and most promising markets in Europe

2011 results

- ▣ 2.65 million new car registrations – 39% growth over 2010
- ▣ \$62 billion car sales volume – 59% growth over 2009
- ▣ Despite the 2008-2009 crisis, Russia is still one of the largest and most promising markets in Europe

Car & LCV sales in Russia in 2006-2011 ('000s)

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Domestic | 800 | 765 | 700 | 450 | 600 | 650 |
| Domestic assembly of foreign makes | 280 | 445 | 580 | 355 | 610 | 1,115 |
| New imports | 720 | 1,200 | 1,500 | 635 | 675 | 860 |
| Used imports | 260 | 380 | 395 | 20 | 25 | 25 |
| Total | 2,060 | 2,790 | 3,175 | 1,460 | 1,910 | 2,650 |

