

# 东风雷诺 Press Kit

February 1, 2016



*Qin Yanli, Powertrain Assembly Engineer © Chloé Feng Xiao Hui/ICONE*

## WUHAN PLANT OPENING DONGFENG RENAULT AUTOMOTIVE COMPANY (DRAC)

**Dongfeng Renault Automotive Company (DRAC) opens its first plant in China and starts local production of Renault's latest SUV – Renault Kadjar – just two years after the joint venture's start.**

## Introduction

On December 16, 2013, in the weeks building up to the 50th anniversary celebrations of France's recognition of the People's Republic of China, Renault and Dongfeng Group signed a landmark agreement which saw the two groups form a pioneering bond. The result – DRAC (Dongfeng Renault Automotive Company) – was Groupe Renault's first equal-equity joint venture and one of very few in the Chinese automobile industry.

The Board immediately approved a 10+10 management structure whereby the 10 most senior positions would be filled by an equal number of executives from Renault and from Dongfeng (Presidency, Projects and Programs, Product Planning, R&D, Production, Finance, Purchasing, Human Resources, Sales & Marketing and IT).

Three weeks later, on January 9, 2014, the groundbraking ceremony was held and building work went on to be completed in record time.

# 东风雷诺汽车有限公司

## DONGFENG RENAULT AUTOMOTIVE CO.

- **Groupe Renault is a dynamic French company founded more than 115 years ago. It is a global player and active in more than 125 countries.**
- **Renault is the world's leading French car brand, with strong positions in many countries such as Brazil, Argentina, Russia, North Africa and Turkey. Together with Nissan, the Renault-Nissan Alliance is ranked fourth in the global car industry. Renault is also France's number one car brand and has topped its domestic market for the last 30 years. Renault is the number three car brand in Europe and aims to reach second position in the course of 2016.**
- **Dongfeng Group is a highly influential player with strong brand recognition in China's car industry. Founded in 1969 and headquartered in Wuhan, Dongfeng is the number two Chinese carmaker and ranks among the 10 fastest-growing brands in China. Dongfeng boasts a wealth of experience in joint ventures, as well as in car manufacturing and sales.**
- **The plant, located in Wuhan, is a greenfield plant built in just two years on the strength of a highly-skilled, multicultural team. This comprehensive production facility complies with high quality standards. It includes a vehicle assembly plant, a powertrain plant and an R&D Centre. It has an initial production capacity of 150,000 vehicles per year and nearly 2,000 skilled employees. Production capacity has the potential to be doubled.**
- **The first vehicle to be manufactured at the plant is Renault Kadjar, a sporty styled C-SUV. The car's dynamic design and high-tech features meet the expectations of demanding Chinese customers. The SUV segment accounts for 30% of the Chinese market and is the fastest-growing segment, increasing by 53%. Renault Kadjar will be followed later in 2016 by a new D-SUV also built in Wuhan.**
- **Renault brand's new ambitions in China are encapsulated by its 'Passion for Life' signature, its credentials in motorsport and its return to Formula 1. Renault and China share the same passion for motorsport. Renault's ambitions also include the establishment of a dealer network focused on quality.**

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## KEY FIGURES

### DONGFENG RENAULT AUTOMOTIVE COMPANY (DRAC)

- Renault has been importing cars to China since 1999.
- **February 4, 2010:** A wholly-owned Renault import subsidiary, Renault Beijing Automotive Co. (RBAC), is formed. The company starts to import and distribute Renault vehicles.
- **December 16, 2013:** Renault and Dongfeng sign a contract for the creation of a new equally-owned joint venture company for local production in China: Dongfeng Renault Automotive Company (DRAC).
- **January 9, 2014:** Wuhan plant groundbreaking ceremony.
- **July 1, 2014:** DRAC takes over management of the Renault Beijing Automotive Co. (RBAC) teams in charge of selling and marketing imported Renault vehicles in China. DRAC is now in charge of sales & marketing for imported and locally produced Renault vehicles.
- **February 1, 2016:** Wuhan plant opens.
- DRAC business scope: R&D, manufacturing (vehicles and powertrains), sales and services.
- DRAC shareholders: Groupe Renault (50%) and Dongfeng Group (50%).
- Chairman of Groupe Renault: **Carlos Ghosn**.
- Chairman of Dongfeng Group: **Zhu Yanfeng**.
- CEO of Dongfeng Renault Automotive Company (DRAC): **Jacques Daniel**.
- EVP of Dongfeng Renault Automotive Company (DRAC): **Hu Xindong**.

### WUHAN PLANT

- The Wuhan plant has an initial production capacity of **150,000 vehicles per year** with the potential to produce twice that number.
- The plant covers a total area of **95 hectares**.
- DRAC workforce: 250 at end-2013, 1,000 at end-2014 and **2,000 at end-2015**.
- The initial investment for the joint venture totalled **CNY7.76 billion (€870 million)**.
- Local content rate: more than 80%.
- ISO 9001 Quality Certification awarded in November 2015.
- ISO 14001 Environmental Certification ongoing.
- First vehicle produced at the Wuhan plant: **a C-SUV, Renault Kadjar**.
  - \_ Unveiled at the Guangzhou Motor Show on November 20, 2015.
  - \_ Start of sales in March 2016.
- A second vehicle will soon be produced in 2016 at the Wuhan plant: **a D-SUV**.

### CHINESE MARKET

- Passenger car market in China: **21,2 million units in 2015 units and 25 million in 2020**.
- SUV market in China: 5 million cars; 30% of the market. Current growth: 53% in 2015.
- Vehicle ownership rate: 100 per 1,000 inhabitants in 2015.
- Vehicle population: 50 million units in 2011, 240 million in 2013, and 600 million forecast for 2050.
- Renault dealer network: **100 outlets at end-2014 and 125 at end-2015**.
- Renault ranked second for service quality according to the JD Power Initial Quality Study in 2015.
- Renault range in China: a comprehensive imported range (including Koleos, Captur, Mégane R.S. and Fluence), and now the locally produced C-SUV, Renault Kadjar, followed soon by a D-SUV.

# 01

## A greenfield plant built in just two years and designed to ensure high quality production

The factory, located in Wuhan, is a greenfield plant which was built in just two years on the strength of a highly-skilled, multicultural team. This comprehensive production facility complies with high quality standards and has a special focus on environmental protection. It includes a vehicle plant, a powertrain plant and an R&D Centre. It has an initial production capacity of 150,000 vehicles per year and nearly 2,000 talented employees. Production capacity has the potential to be doubled.

*"Building a greenfield plant is always a big challenge. I am proud that we completed it in just two years to high quality standards thanks to our very talented, multicultural team. We achieved all major steps in this project: implementation of an innovative joint venture, accomplishment of a car plant, carrying out of an engine plant and development of two vehicles: a C SUV and a D SUV."*

**Jacques Daniel**, SVP and Chief Executive Officer of Dongfeng Renault Automotive Company.

*"Despite being a latecomer to the Chinese market, Dongfeng Renault fears no challenge nor competition of any kind. Because we have top quality products, efficient teams and high motivation. The successful opening of the plant marks a good start. With the market performance of Kadjar and products to follow, we will continue to prove Dongfeng Renault is among the most competitive companies in the Chinese auto market."*

**Hu Xindong**, EVP of Dongfeng Renault Automotive Company.



¾ rear Kadjar, produced at Wuhan plant © Chloé Feng Xiao Hui/ICONE

# A plant built in just two years on the strength of a highly-skilled, multicultural team

On 16 December 2013, an agreement was signed for the creation of the Dongfeng Renault Automotive Company (DRAC) joint venture. One year later, the joint venture had around 1,000 employees – a considerable human resources challenge. At end-2015, the workforce totalled over 2,000. Thanks to this highly-skilled multicultural team, the corporate development is fuelled by talents.

## A multicultural team in a JV organisation

### 'One Team, One Voice, One Action'

- After the agreement signature for the JV, the first French people coming from Renault and the first Chinese people coming from Dongfeng took over this ambitious project. They started with defining a strong slogan in order to bring together people around a joint project and a joint goal. This was the starting point of the recruitment of a talented and multicultural team coming from Renault Nissan Alliance, Dongfeng Group and Dongfeng Nissan JV (DFL).

**ONE TEAM**

一个团队

**ONE VOICE**

一种声音

**ONE ACTION**

一致行动

### A multicultural team with Chinese, French, Korean and Japanese staff members – as well as Indian, Spanish and Romanian

- Many DRAC's Chinese employees come from Dongfeng Motor Company Limited (DFL – the Dongfeng Nissan JV) or from other companies affiliated to Dongfeng Motor Group: all in all, more than 700 people. They have an excellent understanding of each other and are accustomed to working in a JV organisation. Dongfeng has been Nissan's partner in China since 2003 and Renault has had an Alliance with Nissan since 1999.
- The 84 French staff members come from Renault and many have previous international experience like for the acquisition of Dacia in Romania in 1999, of Samsung Motors in Korea in 2000, Chennai plant opening in India in 2010 etc.
- The 28 Korean employees come from Renault Samsung Motors (RSM). They provide a good interface between French and Chinese staff members as they are already familiar with Renault's corporate culture, decentralised management structures (plant, R&D, Design) and with Asian culture.
- Most of the 10 Japanese staff come from DFL, the Dongfeng Nissan JV, or Nissan. They have a strong JV and manufacturing culture.

### A JV organisation (50% Renault / 50% Dongfeng), unique in Groupe Renault

- Because DRAC is equally owned by Renault and Dongfeng, it has its own corporate culture built on diversity but with one goal: 'One Team, One Voice, One Action'.
- In order to have a real joint management, a 10+10 organisation has been implemented: the 10 chief functions of the organisation are headed by people from Renault and Dongfeng (Presidence, Projects & Programs, Product Planning, R&D, Industrialisation, Finance, Purchasing, Human Resources, Sales & Marketing, IS/IT)
- Decisions are made together on a daily basis, through weekly executive committee meetings and at the Board of Directors meetings (at least 3 per year).
- DRAC's corporate culture also means sharing the best practices of each partner, for more efficiency and quality.
- The Information Systems & Information Technology (IS/IT) Department is a good example: indeed, DRAC's Information Systems use the best systems of each partner. The challenge was to bring them together and to keep them operating efficiently.
  - The vehicle design and development systems come from Renault.
  - The manufacturing and logistics systems come from DFL (Dongfeng Nissan JV) and are a combination of Chinese and Japanese systems.
  - The sales and marketing systems are Chinese.



- The finance and HR systems are Chinese, while the Purchasing Department uses Renault's highly efficient system.

## Young, highly-skilled employees

### The challenge of training

- Training is key in a greenfield project of this scale and which launched in such a short timeframe.
- DRAC employees were mainly trained at DFL, the Dongfeng Nissan JV in China: speaking the same language and being in the same country were big advantages.
- In 2015, 560 people (workshop managers and operators) each spent four months in training at DFL automotive plants in Huadu, Zhengzhou, Dalian and Xiangyang. The training helped developed their skills and their management capacities, helping to ensure the success of the new plant.
- Some employees were also trained at Renault Samsung Motors in Korea (e.g. Test Lab staff) or at Renault in France, in order to develop their skills in some areas of specific expertise.
- Others were trained in the Wuhan plant, thanks to other training programs.
- All in all, in 2015, DRAC conducted 506 training programs, which corresponds to 435,000 hours in total – above the average of a greenfield plant.

### Young, talented and motivated employees

- 95% of the plant's employees are under 35 years old.
- The average age of an operator is 25 years old.
- 16% of DRAC's employees are women, in line with the Chinese automotive industry average.
- Corporate meetings and leisure activities are organised for employees to build a common team spirit, in line with the corporate culture in China.



Wuhan plant exteriors © Chloé Feng Xiao Hui/ICONE



Kadjar assembly © Chloé Feng Xiao Hui/ICONE

## A comprehensive production facility with high quality standards

The Wuhan plant's groundbreaking ceremony took place in January 2014. Two years later, a comprehensive plant is operational, including a vehicle plant, a powertrain plant and a R&D Centre, with quality as a priority.

### A vehicle plant, a powertrain plant and an R&D Centre

#### The vehicle plant is manufacturing its first vehicle, Renault Kadjar.

- The stamping department has a 5,400 tonnes high-speed stamping line. 40 people work in this department.
- The body shop has a 49% automation ratio and 139 robots. 197 people work in this department.
- The trim and chassis department is the final assembly shop of the vehicle plant. 360 people work in this department.

*"The vehicle plant draws on the best practices of DFL's plant (Dongfeng Nissan JV) and Renault's high quality standards."*

Zhang Wei, Manufacturing GM.

- **The body paint department.**

- \_ The body paint department has 82 people and includes four sections:
  - 1 line for pre-treatment and electro-dipping (PT/ED Line).
  - 1 sealant line with at least 10 robots for underbody application.
  - 1 top coat line with at least 12 robots for external application.
  - 1 "inspection and touch-up" line.
- \_ **The "inspection & touch-up" section, or "zebra light" section**, is where paint quality is checked. Renault plants in Maubeuge, France and Douai, France also have this same type of high-end facility.
- \_ To ensure best colour matching of all external parts (body / bumpers / handles / etc.), the paint department is equipped with a colour matching booth.
- \_ The paint department is also an extremely multicultural team with 17 people in process engineering (one Japanese, one Korean, four French and 11 Chinese) and 84 in the whole department.
- \_ **The bumper paint and injection department** has two machines including one able to inject both plastic for bumper and for fender.

### **The powertrain plant currently produces the two-litre MR20DD Alliance engine.**

- The main advantage of having a powertrain plant is to better control quality and capacity. The powertrain plant includes three departments: powertrain casting, **powertrain machining and powertrain assembly**. 250 people work at this plant, including 28 in process engineering. 25% are from Dongfeng Nissan, 25% are from Dongfeng Group, the others coming from outside Dongfeng.
- The **casting department produces two core parts for the two-litre engine: the cylinder block and the cylinder head**. Only Renault plants in Cleon, Le Mans, Pitesti and Wuhan have a casting department. This casting department is equipped with the latest Alliance technologies.

*"In the powertrain department, we have implemented Nissan processes and Renault quality procedures. Thanks to our three first-rate manufacturing workshops, we have full control over our quality and capacity."*

François Trochu, Powertrain Department Manager AGM.

### **A comprehensive R&D Centre, with a test lab, a test track and a design studio**

- **The highly multicultural R&D Centre** employs 300 people, including 12 French and 12 Korean staff members. Renault also operates R&D Centres in France, India, Brazil, Korea and Romania. The challenge for the Wuhan R&D Centre was to work quickly on three vehicle projects (the Kadjar, a D-segment SUV and an electric sedan) while the R&D Centre was under construction at the plant.
- **The test lab** had a workforce of 36 people at end-2015 and comprises three main sections:
  - \_ Engine test section: four rooms, two rooms are currently in operation,
  - \_ Vehicle exhaust test section,
  - \_ Vibration and climatic vehicle endurance test.
- **The design studio** employs five people to design vehicle facelifts and adaptations tailored to the Chinese market in order to meet the expectations of demanding Chinese customers.

*"The R&D Centre faces a twin challenge: to deliver quality in terms of local content and manufacturing, while taking into account the characteristics of the Chinese market."*

Jacques Foulquier, Powertrain Department Manager VP, Projects & Programmes.



### With the support of powerful purchasing and logistics departments

- The **purchasing department** covers four areas: services & investments, parts, raw materials and project management. It employs 78 people: one Korean, four French, 15 Chinese coming from DFL and a majority from Dongfeng Group. 90% of suppliers are shared with DFL and RNPO (Renault Nissan Purchasing Organisation) and 10% are new suppliers (located close to the plant). By carefully managing purchasing investments, the plant was able to be launched on schedule.

*"Along with DFL, DRAC shares the same Renault Nissan purchasing organisation culture. We work together constructively in a three-way relationship with DRAC, DFL and Dongfeng Group."*

**Patrick Leclerc**, DGM Purchasing, and **Cao Songlin**, GM Purchasing.

- The **logistics department** has two main functions: to deliver parts in the plant in accordance with delivery times, cost and quality requirements, and to ship vehicles around China.

*"Coping with distances in China is a huge challenge. It can take between 2 hours and 10 days to deliver a car."*

**Alain Borne**, AGM Logistics, and **Zhang Guo**, AGM Logistics.

### A new central spare parts warehouse

- In the framework of the future launch of the CKD vehicle and business expansion, the central spare parts warehouse has been transferred from Shanghai to Wuhan. The spare parts logistic activity is supported by a new third party logistic supplier, FSL, which is already Dongfeng Nissan supplier and add to the local synergies with our Alliance partner. 80 trucks were necessary for the transfer of 290,000 parts to the new 18,000 m<sup>2</sup> facility. Beginning of January 2016, 3 additional regional warehouses are opening in Beijing, Shanghai and Guangzhou.

### Quality – the overriding priority

- The quality assurance process at the Wuhan plant **draws on Renault's high quality standards and DFL's best practices**.
- The Wuhan plant was awarded **ISO 9001 Quality Certification** in November 2015. The scope of the manufacturing quality organisation covers the vehicle plant, the powertrain plant and parts quality assurance (supplier management during project and volume production phase).
- Quality assurance processes are in place throughout all the plant's departments.



'Zebra light' section © Chloé Feng Xiao Hui/ICONE



Colour matching booth © Chloé Feng Xiao Hui/ICONE



Powertrain quality check © Chloé Feng Xiao Hui/ICONE

### Some examples include:

- At the powertrain department: sealing tests, 3D tests and test benches are used to ensure the conformity of 100% of the engine. At the powertrain department: sealing tests, 3D tests and test benches are used to ensure the conformity of 100% of the engine.
- At the stamping department:
  - \_ The XL line uses a cleaning machine, in order to clean each piece of blank sheet,
  - \_ At the end of the XL line, an aspect check is carried out to check for any defects on parts,
  - \_ And a high-end injection process: tool closing, injection, holding pressure, cooling, tool opening and parts removal.
- At the paint department:
  - \_ The “inspection and touch-up” section – also called “zebra light” section – checks paint quality,
  - \_ The colour matching booth ensures proper colour matching of all external parts. This booth can provide standard light and simulated sunlight.
- At the trim and chassis department: tools and systems track quality like real time torque monitoring, history data tracking, statistical data analysis and electrical accompanying manipulator.
- In line: 100% electric test & rolling test bench.
- At the pre-delivery department: the vehicle shower test checks seals.
- Moreover, the Alliance Vehicle Evaluation Standard (AVES) has been implemented at Wuhan plant. Developed through the Renault-Nissan Alliance, AVES means that vehicles are evaluated before mass production. The evaluation process involves more than 300 criteria based on customer expectations.
- In addition, the Wuhan plant has R&D facilities such as a test lab.
- Last but not least, Dongfeng Renault carries out various test drives:
  - \_ Test drives at the Chengyang NAST, Dongfeng Group’s test drive centre: prototype testing under very severe conditions,
  - \_ Test drives before start of sales: tests of more than 100 Kadjar in real-life driving conditions.

### Special focus on environmental protection

- **Chinese regulations** for plant construction are as tough as European regulations. The Wuhan plant complies with every regulation in force.
- In addition, the **Wuhan plant exceeds mandatory requirements**:
  - \_ The Wuhan plant uses **water-soluble paints** (solvent-free paints), which have a low level of volatile organic compounds (VOC). The plant’s VOC emissions are as low as best-in-class Renault plants,
  - \_ **Air filtration and recirculation equipment** has been installed in the paint booths and baking ovens. The aim is to reduce energy consumption and optimize air quality,
  - \_ **100% of the industrial effluents of the plant are treated and depolluted and 40% are re-used** for sanitary facilities and the watering of green spaces,
  - \_ **The use of energy-efficient LED lighting** is widespread inside and outside the plant buildings,
  - \_ **Plant facilities are managed centrally**, through a building management system, thereby optimising energy consumption,
  - \_ **The power usage effectiveness (PUE) of the DRAC data centre based in Wuhan plant** is 1.7. This indicator measures the energy efficiency of data centres and complies with industrial standards at the start of production. The DRAC data centre has green credentials thanks to the use of Emerson “Coolflex” cooling system, Emerson Liebert.PEX precision air-conditioning system, Emerson “E serial” racks etc,
  - \_ All the buildings have cladding with insulated sandwich panels and an insulated roof panel, to improve their energy balance.

- The plant is confident to be awarded **ISO 14001 Environmental Certification** as the next step, as well as the **OHSAS 18001 Health and Safety Certification**. The latter is a certification intended to help organizations to control occupational health and safety risks.
- The vehicles produced at the plant comply with Beijing 5 emission standards (for largest cities) and Beijing 4 emission standards (for other cities). These emission standards are as stringent as Euro 5 and Euro 4 legislation.
- In September 27, 2015, DRAC announced a plan to produce its first electric model in China based on the current Fluence Z.E. in 2017.
  - See Appendix 5 concerning Renault's EV involvement in China.

# 02

## Renault Kadjar, an SUV designed to meet Chinese customers' expectations

The first vehicle to be manufactured at the Wuhan plant is Renault Kadjar, a sporty styled SUV. The car's dynamic design and high-tech features meet the expectations of Chinese customers. In 2015, the SUV segment accounted for more than 30% of the Chinese market and is the fastest growing segment, increasing by 53%. Renault Kadjar was unveiled at the 13th Guangzhou Motor Show on November 20, 2015. It will go on sale in China in March 2016.

*"We want to extend the success enjoyed by Kadjar in Europe to China. China is a market with a very fast-growing SUV segment. This is why Kadjar is the right car in the right market."*

**Jérôme Stoll**, Chief Performance Officer, Groupe Renault.

*"Its elegant lines and lighting signature are very distinctive. It is a car with a big personality, a cool, dashing athlete ready to sprint. The Kadjar is like a racing car, quiet yet powerful, radiating passion, beauty and power."*

**Fan Bingbing**, Chinese movie star.



Renault Kadjar and Fan Bingbing at the Guangzhou Motor Show in November 2015 © MARTIN-GAMBIER, Olivier



# A sporty styled SUV

## A dynamic design

*"Kadjar will challenge consumers' perceptions of current SUV styling and reshape the segment."*

Hu Xindong, EVP, Dongfeng Renault Automotive Company.

- Renault Kadjar stands out through **its fluid, athletic exterior styling**:
  - \_ Kadjar's design is strong in every detail, from **its high waistline to its dynamic front end**,
  - \_ A dynamic design **throughout**: full LED headlight, 18-inch dynamic diamond-cut alloy wheels, high-end metallic paint, the C-segment's first openable panoramic sunroof, a 2,645 mm super long wheelbase, etc.
- Renault Kadjar offers **a refined and sporty interior**:
  - \_ The instrument panel falls naturally in the driver's line of sight and **suggests genuine enjoyment behind the wheel**,
  - \_ A sporty design **throughout**: carbon fiber trim, sporty D-shaped steering wheel, TFT intelligent multi-mode colour screen, ergonomic sport seats, etc.

## Inspired by Renault motorsport expertise

*"I've always appreciated those who keep going and live life to the fullest. I've enjoyed constantly challenging myself. I want to compare myself to Kadjar, an SUV with sporty style, with exceptional beauty on the outside and roaring passion on the inside."*

Fan Bingbing, Chinese movie star.

- Chinese movie star **Fan Bingbing unveiled Renault Kadjar at the Guangzhou Motor Show** on November 20, 2015. Her fearless attitude and passionate personality are a perfect match for Kadjar and its sporty style.
- Inspired by the latest Renault motorsport expertise, Kadjar boasts **an ultra-low drag coefficient of just 0.3** and a sporty chassis tuning.
- Kadjar offers outstanding driveability, with **the highest ground clearance in its class (196mm) and the segment's first intelligent four-wheel drive system with Lock mode available on all versions**.
- Kadjar features **an all-wheel independent suspension**, for best comfort and handling
- Renault Kadjar also benefits from a range of particularly **efficient engines** which position it at the forefront of the segment in terms of low fuel consumption and CO emissions. Kadjar is available with the two-litre Alliance engine produced at the Wuhan plant (direct injection petrol engine with Energy engine label and CVT 7-speed transmission).



Kadjar in Wuhan streets © Chloé Feng Xiao Hui/ICONE



Kadjar in Wuhan © Chloé Feng Xiao Hui/ICONE

## High-tech features

### Equipment for demanding young Chinese customers

- Kadjar has been tailored for demanding Chinese customers and **specially adapted by the R&D Centre in Wuhan.**
- Kadjar offers a **seven-inch display with R-Link infotainment system:**
  - \_ Chinese digital natives,
  - \_ R-Link on Kadjar will also include connected services.
- **Kadjar boasts a comprehensive air quality system:**
  - \_ An Air Quality Sensor (AQS) located at the front end of the vehicle automatically recycles air cabin if necessary,
  - \_ A Combined Filter (CF) in order to constantly filter pollen and particulates,
  - \_ An Air Purifier (on/off).

### Advanced Driver Assistance Systems

- **Renault Kadjar includes several Advanced Driver Assistance Systems (ADAS):** a range of technologies promoting **safety and an easier driving experience.**
- Advanced Driver Assistance Systems fall into several categories depending on their purpose: to extend the driver's field of vision, to warn of a loss of alertness, or to provide electronic co-driving functions, anti-collision systems or parking aids.
- The Advanced Driver Assistance Systems available for Kadjar:
  - \_ Easy Park Assist with three parking modes: diagonal/parallel/perpendicular,
  - \_ Blind Spot Warning,
  - \_ Front, rear and side parking sensors.

**Renault Kadjar, the new C-SUV, will be followed later in 2016 by a new D-SUV, also manufactured at the Wuhan plant.**



# 03

## The Renault brand's new ambitions in China

The Renault brand's new ambitions in China are encapsulated by its 'Passion for Life' signature, its credentials in motorsport and its return to Formula 1. Renault's ambitions include the establishment of a dealer network focused on quality. Renault dealerships are now open in all the Chinese provinces and the brand was ranked number two in China according to the JD Power Initial Quality Study.

*"'Passion for Life' gives voice to a contagious emotional appeal, and translates into the desire for a passionate life shared by Renault and young consumers. Today, Renault brings the same burning passion to China, setting aflame yet again every heart that yearns for passion."*

**Xiong Yi**, Sales & Marketing GM of Dongfeng Renault Automotive Company.

*"Renault's network comprised 125 outlets at end-2015, complying with demanding Renault standards. We have developed an innovative network development strategy allowing our partners to be quickly profitable thanks to innovative business models, allowing us to follow the volume growth and securing the success of our product plan."*

**Nicolas Monnot**, Sales & Marketing DGM of Dongfeng Renault Automotive Company.



Renault dealership in Wuhan © WACK, Patrick / CAPA Pictures

# Building the Renault brand around the 'Passion for Life' signature and motorsport

The 'Passion for Life' signature of the Renault brand is expressed through motorsport, for which Renault and China share the same passion, and also through sport sponsorships in China.

## Renault and China share the same passion for motorsport

- Renault is returning to Formula 1.

The prestigious and unpredictable Shanghai Grand Prix (held in April every year since 2004) features top drivers, the biggest teams and the highest-performing engines. Renault has a long history in motorsport and is returning to Formula 1 with its own team in 2016. Renault has been a major player in Formula 1 for nearly 40 years. Renault has claimed 12 Constructors' world titles and 11 Drivers' titles, a record bettered only by Ferrari. Renault is an iconic brand in Formula 1. Running as a team in its own right in 2016, Renault intends to play an active role in the sport's development. Formula 1 is a showcase for automotive technology and accelerates the development of innovation at Renault and across its range of sports models.

- Formula E is an integral part of Renault's racing and zero-emission vehicles strategy.

Renault won the Team's title at the end of the inaugural Formula E Championship (2014/2015). It started the second season with a victory at Beijing in October 2015. The Formula E Championship sees motorsport enter a new era and has already established itself as a testbed for zero-emission vehicle research and development. The Renault-Nissan Alliance is the world's leading manufacturer of electric vehicles. Renault is the top selling EV brand in Europe with 25% segment share.

- At the Guangzhou Motor Show on November 20, 2015, Renault presented the high-performance Renault Sport R.S. 01 which is poised to reveal the talents of the next generation of professional and amateur drivers.

## Sport sponsorships in China

### Dongfeng Renault officially sponsors exclusive "2015 CCTV Sports Personality of the Year" title.

- "CCTV Sports Personality of the Year" is the highest-profile award in the Chinese sports area. The spirit of competition associated with sport fits in perfectly with DRAC's passion for challenge. The media coverage of the event will help to extend DRAC's brand influence and boost the company's image in the lead-up to Kadjar launch.
- The award ceremony was held at the Beijing National Stadium on January 24, 2016. This was the first time DRAC and Kadjar have ever appeared on CCTV.

### Dongfeng Renault becomes the official title sponsor of the Wuhan Marathon.

- As the official title sponsor of the event, DRAC will begin a three-year strategic partnership with the Wuhan Marathon. Its first locally produced SUV model Kadjar will serve as the lead car and as shuttle during the race.
- 2016 Dongfeng Renault Wuhan Marathon will be held on April 10. The passionate and indomitable spirit of marathon runners perfectly echoes the Kadjar positioning. We aim to advocate a healthy, dynamic and positive lifestyle through our sponsorship of the Wuhan Marathon.

# Developing a dealer network focused on quality

## Network expansion: dealerships in all the Chinese provinces

- In July 2014, DRAC took over the management of the Renault Beijing Automotive Co. (RBAC) teams in charge of selling and marketing imported Renault vehicles in China. This change stimulated the network.
- Renault is stepping up the expansion of the network which comprised **125 outlets at end-2015**.
- The network is **present in all the Chinese provinces** and sells both imported and locally produced models. It complies with **demanding Renault standards, which have been adapted to the Chinese market**.
- In terms of dealer network, Dongfeng Renault is also building innovative business models. For instance, Renault will launch special satellite stores and city showrooms beyond the traditional network. This will help to increase our network coverage and service capability. DRAC is also expanding digital sales.



Dealership in Shanghai © MARTIN-GAMBIER, Olivier



Dealership in Jinan © Chloé Feng Xiao Hui/ICONE



Dealership in Jinan © Chloé Feng Xiao Hui/ICONE

## Service quality: number two in China according to the JD Power Initial Quality Study

- In the China Initial Quality Study released by JD Power in 2015, Renault was ranked second among mass-market brands, a compelling endorsement of Renault's quality.

Besides, Renault had another triumph in 2015 with Renault Koleos ranking second in midsize SUV segment. Renault has built up an excellent brand image for quality.

- Renault boasts excellent after-sales service on a par with that of luxury brands, including:
  - \_ A three-year/100,000km warranty for the whole car,
  - \_ A five-year/120,000km warranty for the powertrain and transmission,
  - \_ Full offer of services such as maintenance packages, courtesy car, free check-up,
  - \_ Competitive maintenance costs: Renault's prices are positioned below main local competitors.

# Appendices

## APPENDIX 1 – Groupe Renault: Key figures

### GRUPE RENAULT, AN INTERNATIONAL GROUP

- Groupe Renault has been building cars since 1898. Today it is **an international, multi-brand group, selling more than 2.8 million vehicles in 125 countries in 2015.**
- Renault is the world's number one French car brand, France's number one car brand, and aims to reach second position in Europe in 2016.
- Renault boasts 36 manufacturing sites, and employing more than 117,000 people.
- To meet the major technological challenges of the future and continue its strategy of profitable growth, the Group is harnessing its international development through its three brands, Renault, Dacia and Renault Samsung Motors.
- **In Formula 1, Renault has been a major player for nearly 40 years and is poised to return to Formula 1 with its own team in 2016.** Renault has claimed 12 Constructors' world titles and 11 Drivers' titles, a record bettered only by Ferrari.

### GRUPE RENAULT, PART OF THE RENAULT-NISSAN ALLIANCE

- The Renault-Nissan Alliance is **the world's fourth-biggest automotive manufacturer.**
- The Alliance sold 8.5 million vehicles in 2014 in almost 200 countries around the world through its eight brands (Renault, Dacia, Renault Samsung Motors, Nissan, Infiniti, Datsun, Venucia and Lada). This record figure corresponds to more than one vehicle in every ten sold worldwide.
- The Renault-Nissan Alliance is the world's **number one maker of electric vehicles** with a segment share of over 50%. At the end of 2015, Renault and Nissan have sold a cumulative figure of 280,000 electric vehicles.
- The Renault-Nissan Alliance was official partner of the 2015 COP21 summit in Paris, providing a fleet of 200 electric vehicles.

## APPENDIX 2 – Dongfeng Group: Key figures

- Dongfeng is **China's number two carmaker.** It is a State Owned Enterprise (SOE) under the direct supervision of the State-Owned Assets Supervision and Administration Commission of the State Council.
- Dongfeng, which means 'East Wind' in Chinese, was founded in 1969 and is headquartered in Wuhan.
- Dongfeng is a highly influential player with strong brand recognition in China's car industry. It ranks among the 10 fastest-growing brands in China and among the world's top 500 brands.
- In 2015, Dongfeng Group sold 3.87 million cars.
- It will further utilise its strategic fund allocation to speed up the development of sustainable, high-quality operations in order to **achieve its goal of 5.6 million cars.**
- Dongfeng has partnership agreements with **Renault, Nissan, PSA, Honda, Kia** and Luxgen (a Taiwanese automaker founded in 2009).

## APPENDIX 3 – City of Wuhan

- Wuhan, on the banks of the Yangtze River, **is the capital of Hubei province**. At the intersection of two rivers, Wuhan is a conglomeration of three cities: Wuchang (where most of the universities are located), Hanyang and Hankou (the business district and a former European concession).
- It is the twelfth most populous city in China and **the second-biggest city in central China** after Chongqing. It has a population of about **10 million**. Wuhan is also **the Chinese city which attracts the highest investment from France**.
- It is Dongfeng's home city and is sometimes called the **"Chinese Detroit"** because it is a huge car manufacturing hub.
- Wuhan hosts some of China's most prestigious universities. Since 2012, Renault foundation has been offering Masters and MBA programs to students from Huazhong and Wuhan University

## APPENDIX 4 – Renault's imported range

Renault has been importing vehicles in China **since 1999**. Millions of Chinese drivers have chosen French-styled 'Voiture à Vivre' cars, notably the Koleos crossover.

The main imported models that Renault sells in China are **Koleos, Captur, Mégane R.S. and Fluence**.

### RENAULT KOLEOS

- Thanks to its perfect blend of comfort, quality and elegance, Koleos has spearheaded the brand's growth.
- French basketball star Tony Parker is the ambassador for Renault Koleos.
- Koleos is the best-selling European imported SUV in China.
- Koleos has won five-star rating from both Euro NCAP and C-NCAP.

### RENAULT CAPTUR

- Renault Captur was presented at the Beijing Motor Show in April 2014 and was launched in China in June 2015. It is a best-seller in Europe.
- Personalised model, customised purchase scheme, free maintenance service.

### MEGANE RENAULT SPORT

- Mégane R.S., which was presented at the Beijing Motor Show in April 2014, is one of the world's fastest production cars in its category. Synonymous with control and driving pleasure, it embodies Renault's sporting heritage.
- Megane R.S. smashed the Nürburgring' lap record for a front-wheel-drive cars twice.

### RENAULT FLUENCE

- Fluence was launched at the Wuhan Motor Show in October 2014.
- Designed for young Chinese people, who aspire to high-grade, romance and freedom lifestyle.

## APPENDIX 5 – Renault’s EV involvement in China

- To address its environmental and energy-related issues, China has set an ambitious target of **having five million electric and hybrid vehicles on the road by 2020**.
- More than 100,000 electric vehicles are in circulation in China today.
- **The Renault Nissan Alliance ranks as the world leader in the sector:** more than half of all electric vehicles sold around the world are Alliance EVs.
- Renault has a full range of electric vehicles with Twizy, Fluence Z.E., ZOE and Kangoo Z.E. All these cars were on display on the Renault EV booth at the 13th Guangzhou Motor Show in November 2015.
- Renault and China are natural partners in the realm of zero-emission vehicles.
- In 2014, Renault won two contracts in Hong Kong with the Fluence Z.E. and there are 150 Fluence Z.E.s on the road in Hong Kong.
- **In 2015, Dongfeng and Renault agreed to produce electric vehicles in China.**

### AN ELECTRIC SEDAN PRODUCED AT WUHAN IN 2017

- September 28, 2015: when Zhu Yanfeng, Chairman of Dongfeng Group, visited Renault’s R&D centre near Paris, Dongfeng Renault Automotive Company (DRAC) announced the production of its first electric vehicle in China.
- As part of the joint venture between Dongfeng and Renault, DRAC will produce an electric vehicle that **is based on the Fluence Z.E.** The electric car will be **produced at the Wuhan plant in 2017** and will be sold **under a local Dongfeng brand for the Chinese market only.**
- The agreement signals the commitment of both Groupe Renault and Dongfeng Group to offer sustainable mobility solutions.
- Dongfeng-Renault, **in a partnership with LG**, is to introduce latest-generation batteries.
- The sedan segment in China is the biggest in the world and there are not many EVs in this segment.

### FORMULA E: A BOOST FOR RESEARCH INTO ELECTRIC VEHICLES

- Formula E **is the world’s first major racing championship for electric single-seater racing cars.**
- **Ten teams, each with two drivers,** compete in this FIA-sanctioned event **around temporary circuits built in the centre of some of the planet’s biggest cities.**
- 2014/2015 - Renault e.dams won the inaugural **Teams’ title.**
- 2015/2016 – Season 2: Renault e.dams’ Sébastien Buemi made the perfect start to his Formula E Championship campaign at the **Beijing ePrix on October 24** by claiming pole position and the fastest race lap en route to an assertive victory.
- Renault has stepped up its commitment to the series by developing its own electric powertrain. These leading-edge technologies will benefit all the vehicles in Renault’s zero-emission range and help to improve electric motor performance and battery range.

## APPENDIX 6 – Renault Art Collection in China

- Renault is currently **showing its outstanding art collection in Beijing and Wuhan** to the Chinese public. The exhibition began in December 2015 in Beijing and will open in March 2016 in Wuhan.
- Back in the 1960s, Renault initiated a policy of supporting artists in their work. The company provided **Arman, Dubuffet, Soto, Takis, Tinguely, Vasarely** and many more with the technical resources, industrial equipment and space for producing original works. This collaboration has continued in 2015 with two Chinese artists on show in the two exhibitions: **He An and Wenfang.**
- Renault also organised an exhibition on the photographer **Robert Doisneau** in Beijing in 2014. One of the 20th century’s greatest photographers of people, Doisneau worked for Renault from 1934 to 1956.