



RENAULT

PRESS RELEASE

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Louis Schweitzer and Keshub Mahindra sign today in Bombay the agreement establishing a joint venture in India

Mr. Keshub Mahindra, Chairman of Mahindra & Mahindra Ltd., and Mr. Louis Schweitzer, Chairman and CEO of Renault Group, signed today, March 21, 2005 in Bombay, a framework agreement for setting up a joint venture in India, Mahindra Renault Ltd, with Mahindra holding a 51 per cent share and Renault 49 per cent.

The agreement provides for the manufacture and sale of Logan in the Indian market from 2007. The estimated project amount will be 125 million euros for a production capacity of 50,000 cars per year.

Logan will be marketed under the brand of Mahindra Renault. Mahindra & Mahindra will use its extensive dealer network to distribute the Logan in India. A right hand drive version of Logan will be developed by Renault in partnership with Mahindra to meet the needs of Indian and other right-hand drive markets.

With a population of more than 1 billion inhabitants, India has experienced strong economic growth, exceeding 8% in 2004. The automobile market progressed by 68% between 1998 and 2003, reaching 1,040,000 vehicles in 2004 with a marked preference for small and medium segment cars (A,B & C).

For Renault, entering the Indian market, constitutes a major step in its international development. Including India, Logan will be produced in six countries: Romania since 2004, Russia, Morocco and Colombia in 2005, and Iran from 2006.

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