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Isuzu Launches Commercial Truck Production and Sales in Russia

Tokyo, July 11, 2006: Isuzu Motors Limited (TSE code: 7202) will begin a full-scale local production and sales of the ELF light-duty commercial trucks (NQR71) in Russia under an agreement with OAO Severstal-Auto (SSA). The vehicle production and sales will be carried out by OAO Ulyanovsky Avtomobilny Zavod (UAZ), a consolidated subsidiary of OAO Severstal-Auto (SSA).

Beginning in July, UAZ will start assembly of the Isuzu ELF light-duty commercial trucks from SKD semi-knockdown kits supplied by Isuzu. The vehicles will be marketed and sold under Isuzu brand and be sold primarily through dealers affiliated with UAZ in Russia. In 2006, UAZ plans to build and sell 500 units, with an agreement to target at a 10,000-unit production and sales within the coming three-year period. The companies expect the vehicles have future volume potential of over 30,000 units a year. The undertakings by UAZ and Isuzu this time will mark the first for Russia to build Japanese trucks in the country.

At the initial sales launch in September 2006, nine dealerships affiliated with UAZ will sell the Isuzu vehicles; by the end of the year, the total number of dealers is expected to be more than 30 dealers throughout Russia, including non-UAZ affiliates.

SSA was incorporated in 2002 as a Russian automotive holding company for the newly spun-off automotive division of the Severstal, Russia's major steel company. SSA owns controlling stakes in UAZ, the long-standing domestic truck manufacturer founded in 1941, and ZMZ, an engine producer. UAZ is located in Ulyanovsky (approximately 800km east of Moscow).

<Reference: Company profile of UAZ >

Name	OAO Ulyanovsky Avtomobilny Zavod
Located in	Ulyanovsky, Russia
Established in	August, 1941
Representative	Vadim Shvetsov (Chairman of the Board of Directors)
Number of employees	Approx. 17,000
Main shareholder	68% Severstal-Auto OAO, Other 32%
Main line of business	Manufacture and sales of trucks, 4x4 vehicles.
Installed production capacity	120,000 units/an.(Actual: Approx. 80,000 units/an.)