

# 2009 FINANCIAL RESULTS

## ANALYST CONFERENCE

# AGENDA

**01** 2009 OPERATIONS UPDATE  
PATRICK PÉLATA, COO

**02** 2009 FINANCIAL RESULTS  
THIERRY MOULONGUET, CFO

**03** OUTLOOK 2010  
CARLOS GHOSN, CHAIRMAN & CEO

**04** QUESTIONS & ANSWERS  
CARLOS GHOSN, PATRICK PÉLATA, THIERRY MOULONGUET



# 01

## 2009 OPERATIONS UPDATE

PATRICK PÉLATA, COO



# 2009 ACTION PLAN ACHIEVED

## POSITIVE FREE CASH FLOW

## + €2.1bn

### Maximization of revenue sources

- Increase market share



### Optimization of WCR

- Adapt our production level
- Reduce inventories and reorganize the distribution system
- Cash in customer receivables



### Free Cash Flow management

- Cut investments
- Reduce R&D expenses
- Decrease G&A and overheads
- Carry out real estate divestments



# 2009 TIV - 4.5% & 2009 GROUP SALES - 3.1%

## EVOLUTION OF TOTAL INDUSTRY VOLUMES & GROUP SALES VS. 2008

### EUROPE

TIV - 4.5%  
GROUP + 1.4%

### EURASIA

TIV - 52.2%  
GROUP - 38.2%

### EUROMED

TIV - 12.7%  
GROUP - 12.3%

### AMERICAS
















TIV - 5.9%  
GROUP - 7.4%

### ASIA / AFRICA

TIV + 14.3%  
GROUP + 3.6%



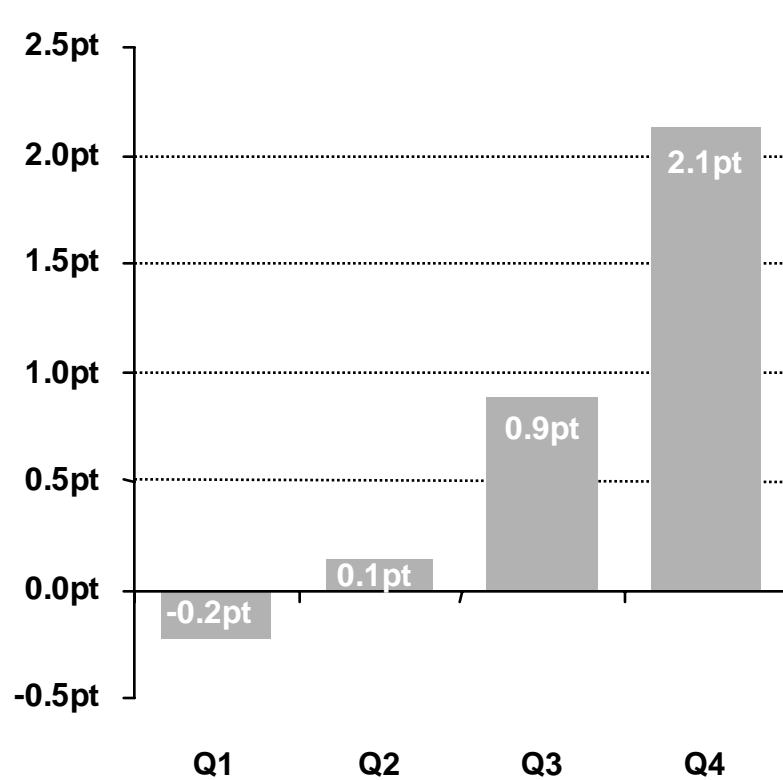
# IN 2009, RENAULT GROUP GAINED MARKET SHARE IN 11 OF ITS TOP 15 MARKETS

	VOLUMES 2009	MARKET SHARE PC+LCV 2009	EVOLUTION OF MARKET SHARE	
			09 vs. 08	H2'09 vs. H2'08
	France	701,998	26.0%	+ 0.6      + 2.3
	Germany	240,049	6.0%	+ 1.0      + 1.4
	South Korea	133,630	9.3%	+ 0.8      + 1.1
	Italy	124,258	5.3%	+ 0.4      + 1.5
	Brazil	117,524	3.9%	- 0.4      - 0.1
	Spain	115,217	10.9%	+ 0.6      + 0.9
	Turkey	82,261	14.8%	- 0.1      + 0.4
	United Kingdom	73,465	3.4%	- 1.1      + 0.2
	Russia	72,284	5.0%	+ 1.3      + 1.6
	Belgium/Luxembourg	64,805	11.1%	+ 0.9      + 1.0
	Argentina	61,019	12.4%	+ 0.3      + 1.1
	Algeria	56,094	23.9%	+ 6.3      + 8.1
	Roumania	51,787	35.9%	+ 1.6      + 0.6
	Iran	37,190	2.8%	- 2.0      - 2.6
	Morocco	37,106	33.7%	+ 5.5      + 5.8

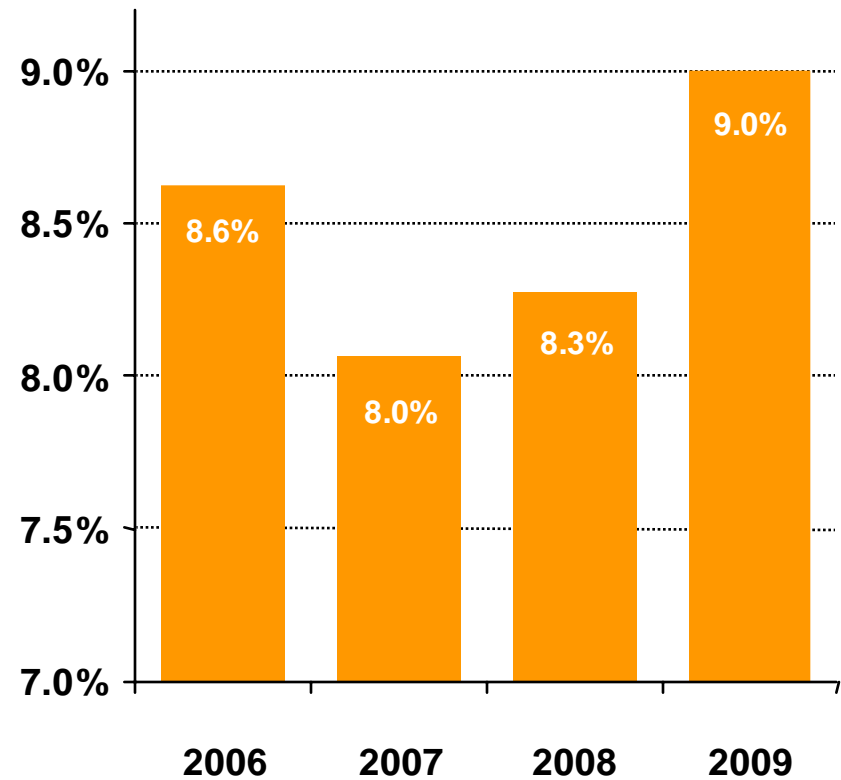
# ZOOM ON EUROPE PC MARKET SHARE

## STRONG MOMENTUM VS. 2008

### GROUP PC MS IN EUROPE 2009 VS. 2008

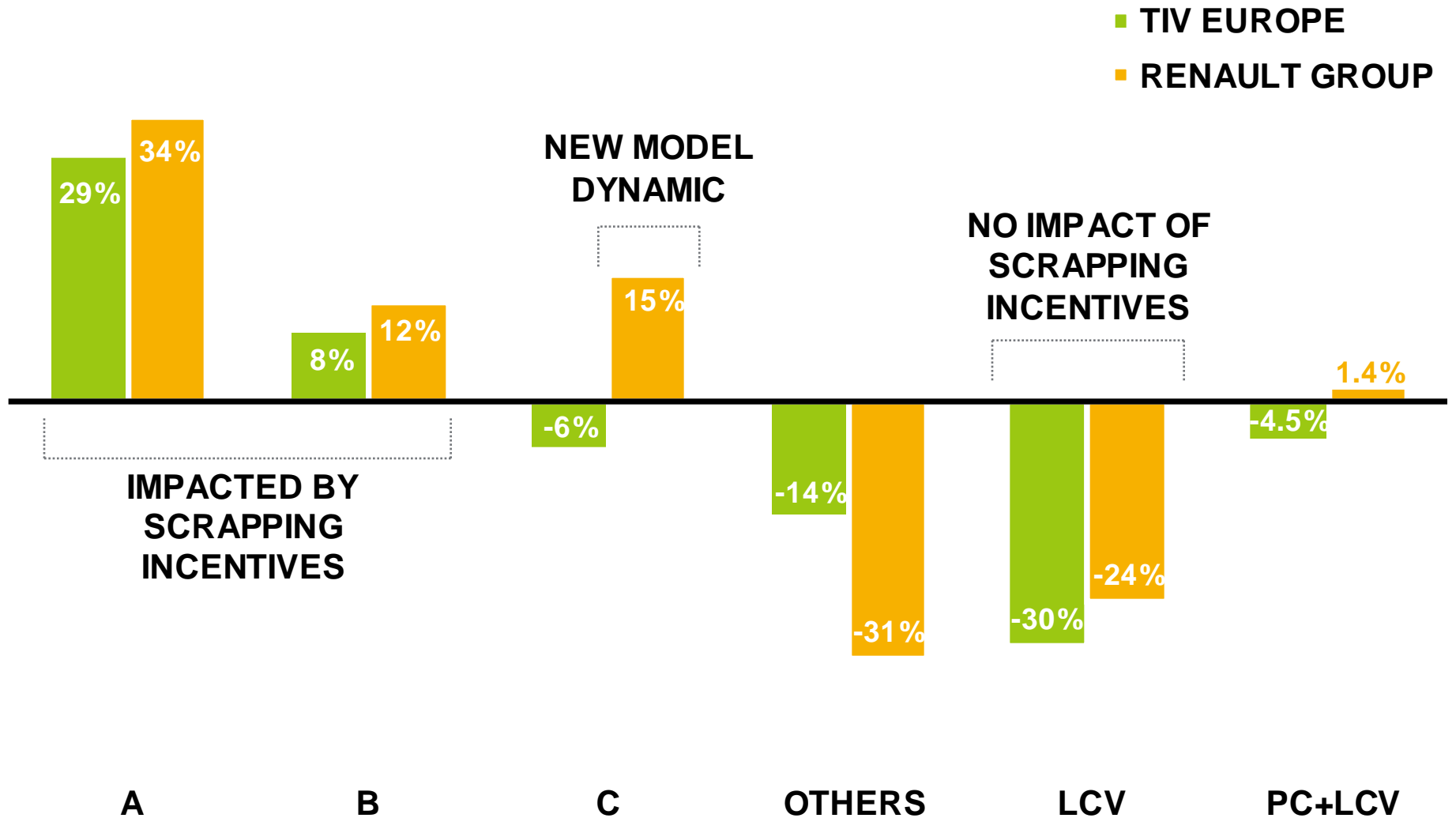


### GROUP PC MS IN EUROPE 2006-2009



# EUROPEAN TIV & GROUP SALES BY SEGMENT

EVOLUTION OF TOTAL INDUSTRY VOLUMES & GROUP SALES vs. 2008



# 2009 - SUCCESSFUL PRODUCT RAMP-UP



**MEGANE SCENIC**



**MEGANE**



**SM3**

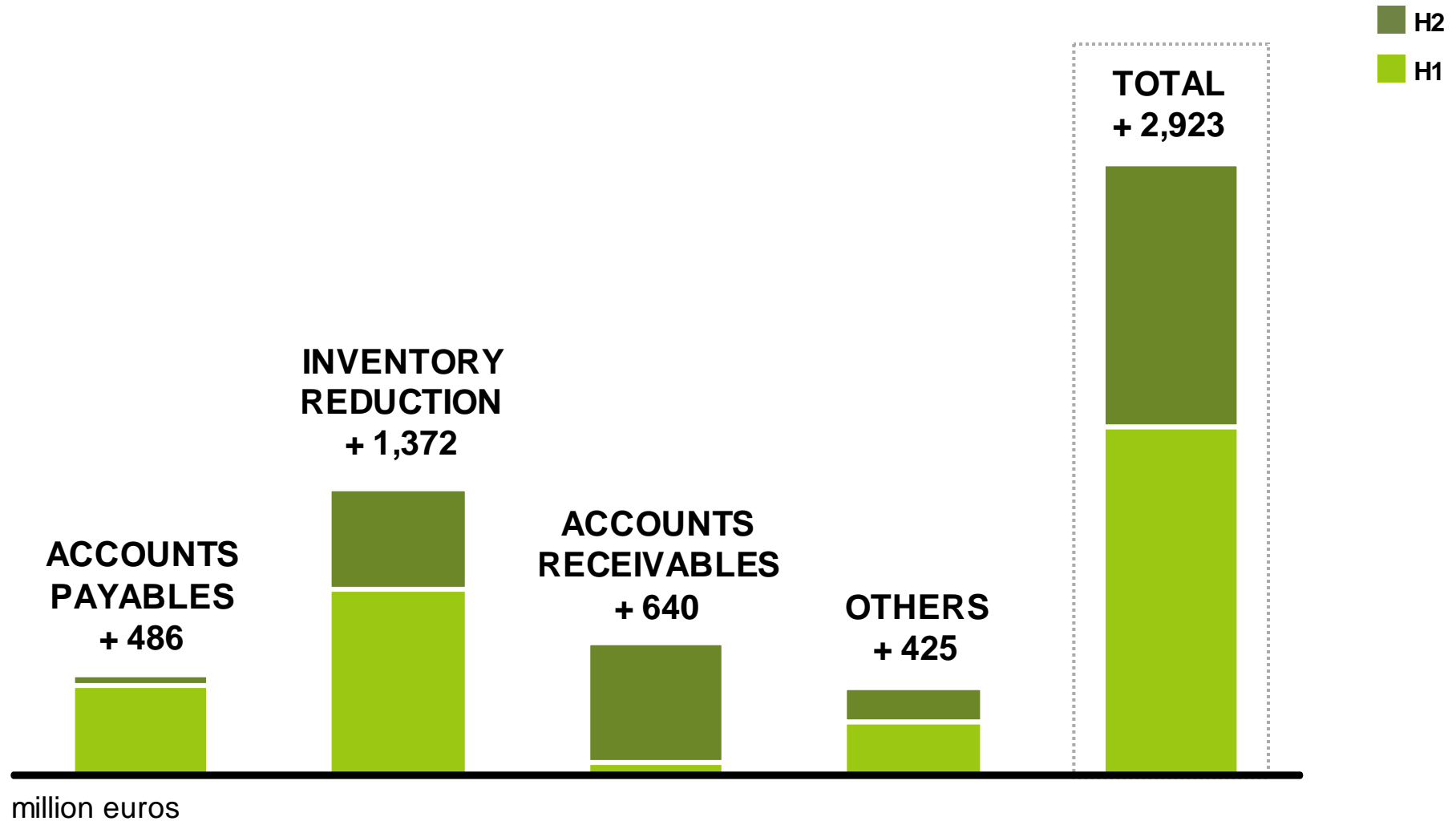


**SANDERO**



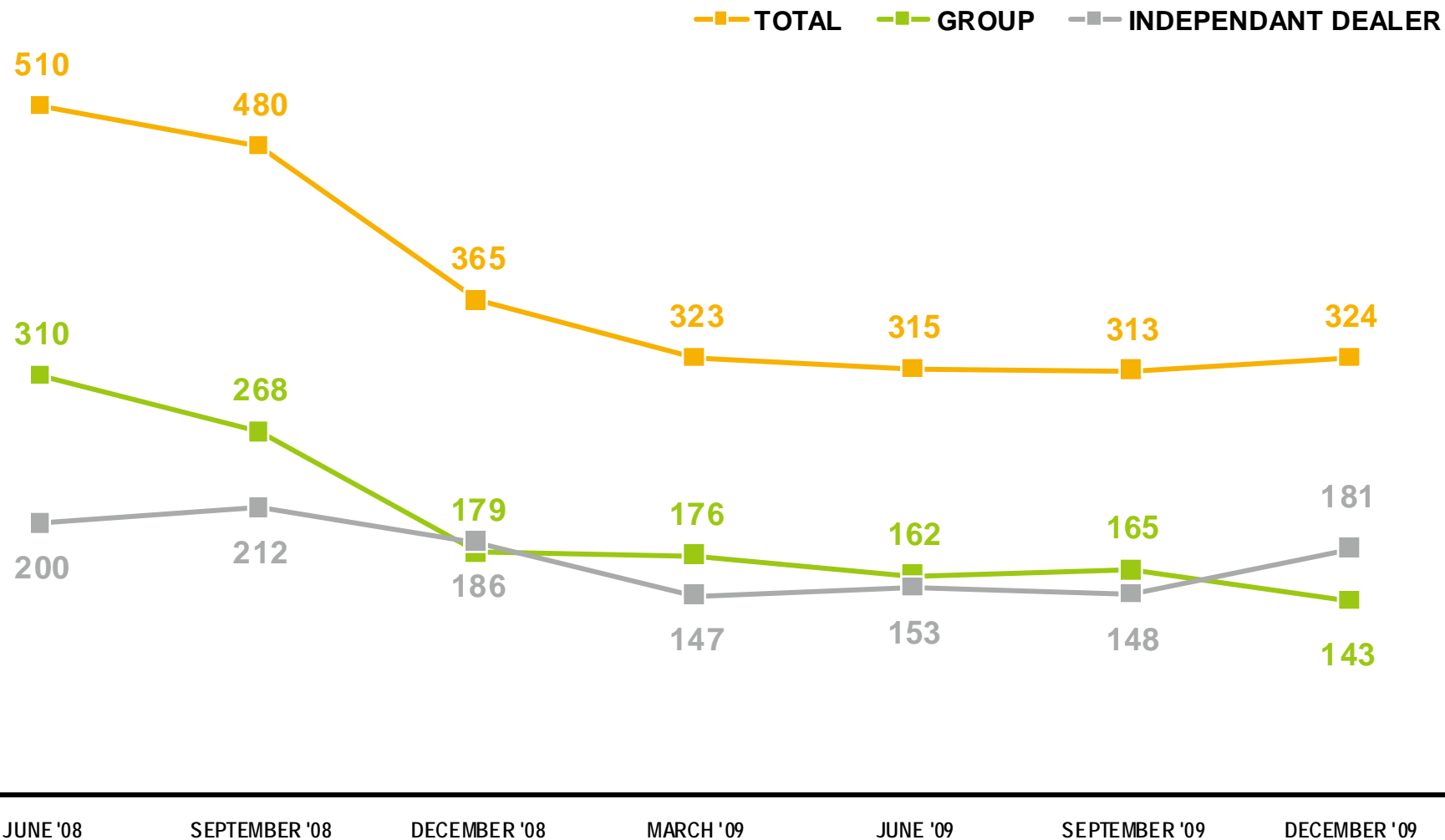
# POSITIVE WCR VARIATION IN 2009

## CONTRIBUTION TO AUTOMOBILE WCR IMPROVEMENT



# DISTRIBUTION STOCK REDUCTION

## NEW VEHICLE PHYSICAL DISTRIBUTION STOCK IN K UNITS

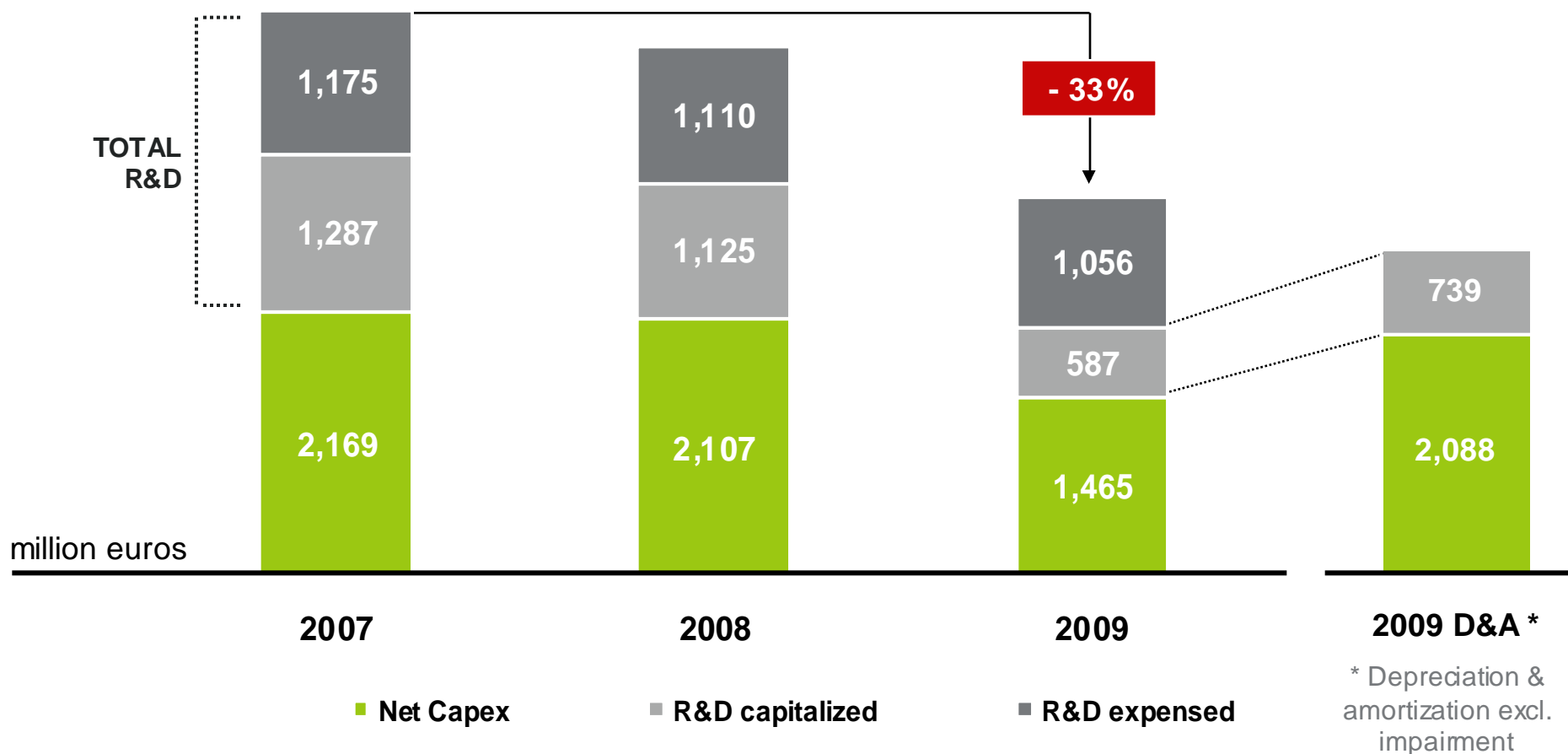


# FIXED COST REDUCTION

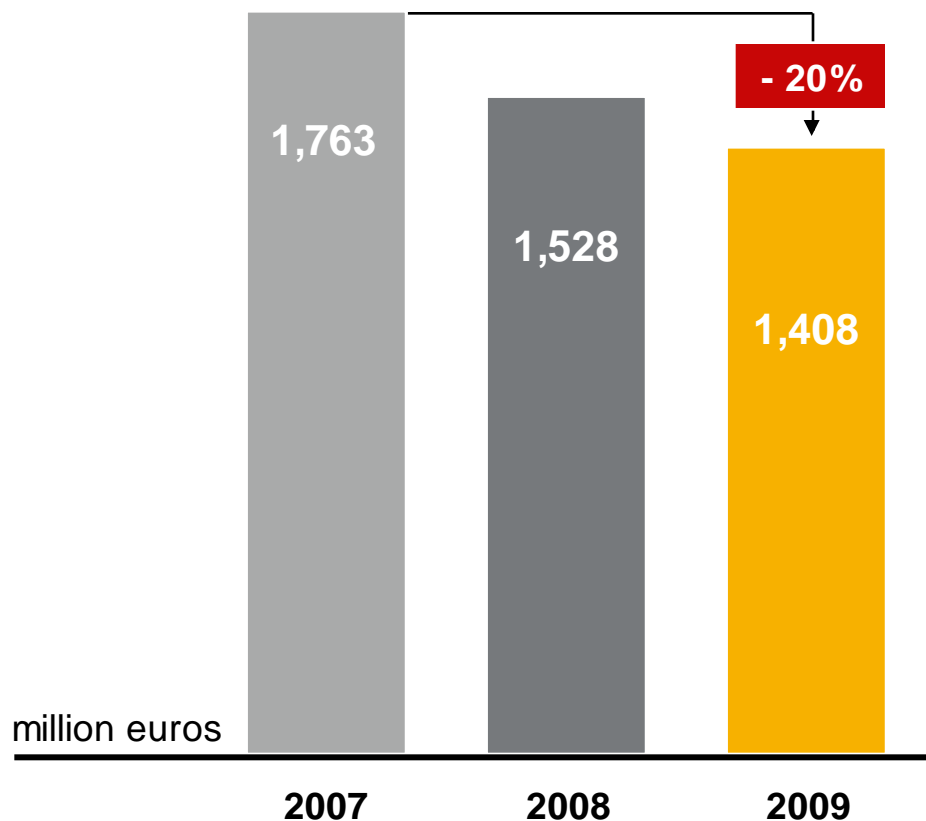
	2009 vs. 2007	2009 vs. 2008
<b>Revenues</b>	<b>- 17%</b>	<b>- 11%</b>
R&D	- 33%	- 26%
G&A	- 20%	- 8%
Manufacturing fixed costs	- 9%	- 3%
Net Capex	- 32%	- 30%
Fixed marketing expenses	- 9%	- 17%
<b>TOTAL FIXED COSTS</b>	<b>- 21%</b>	<b>- 17%</b>



# AUTOMOBILE CAPEX AND R&D vs. DEPRECIATION



# GENERAL & ADMINISTRATIVE EXPENSES



- Voluntary departure plan
- Head office partial working time
- Reduction in temporary staff
- Travel restrictions

# WHAT WAS BETTER / WORSE THAN EXPECTED IN 2009?

- TIV
- MANAGEMENT OF WCR
- FIXED COSTS REDUCTION
- RCI FINANCIAL PERFORMANCE

- CAR SHORTAGE IN H1 DUE TO DE-STOCKING EARLIER THAN COMPETITION
- MODEL MIX IN EUROPE (UPPER SEGMENT & LCV TIV)
- MARKET TRANSACTION PRICES

# 02

## 2009 FINANCIAL RESULTS

THIERRY MOULONGUET, CFO



# 2009 FINANCIAL RESULTS

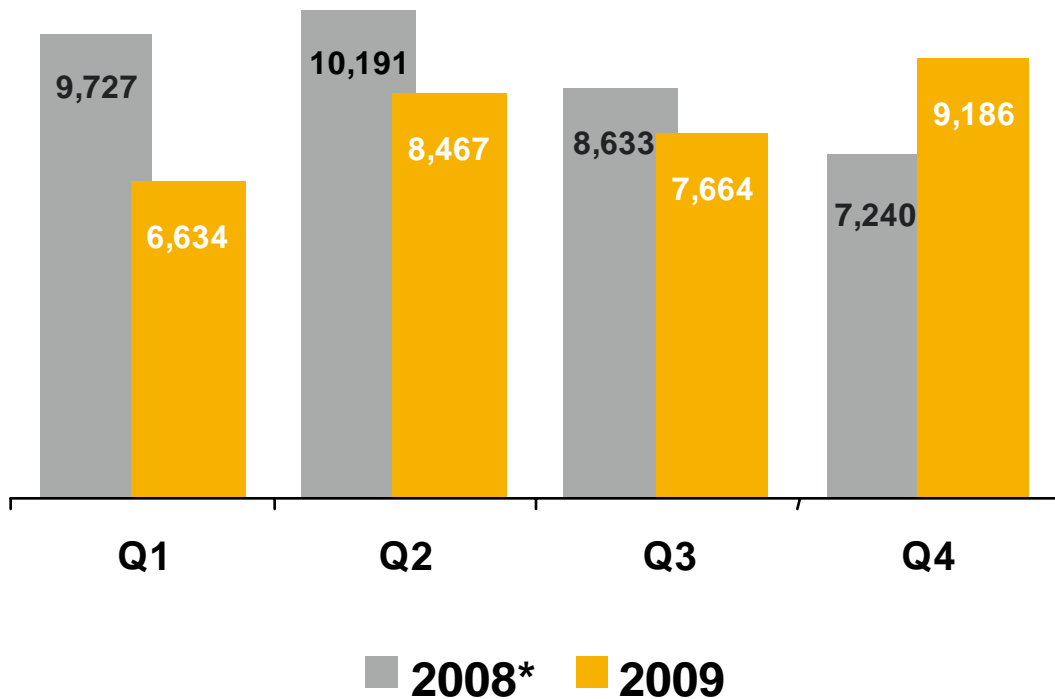
million euros

	2008 RESTATED <sup>(1)</sup>	2009	CHANGE
Revenues	37,791	<b>33,712</b>	- 10.8%
Operating margin	326	<b>- 396</b>	- 722
<i>in % of revenues</i>	<i>0.9%</i>	<b><i>- 1.2%</i></b>	<i>- 2.1pts</i>
Other operating income & expenses	- 443	<b>- 559</b>	- 116
Net financial income & expenses	441	<b>- 404</b>	- 845
Associated companies	437	<b>- 1,561</b>	- 1,998
Current & deferred taxes	- 162	<b>- 148</b>	+ 14
Net income	599	<b>- 3,068</b>	- 3,667

(1) Impairment charges of €114m were restated from Operating margin to Other operating income and expenses to be consistent with 2009.

# EVOLUTION OF AUTOMOBILE REVENUES

(million euros)



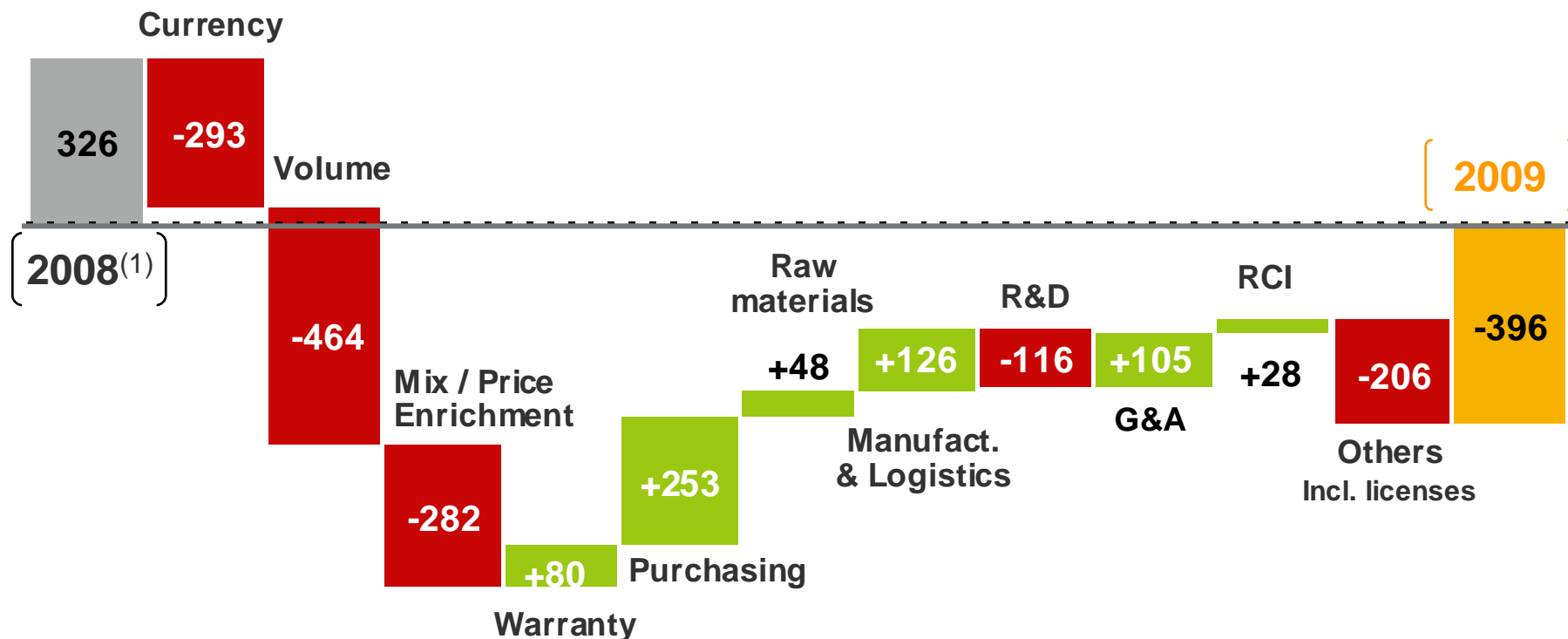
2009 AUTOMOBILE REVENUES vs. 2008*	
€31,951m	- 10.7%
Volume	- 0.6 pts
Mix/price	- 2.8 pts
FOREX	- 2.5 pts
Other activities	- 4.8 pts

(\*) 2008 restated for 2009 scope and methods

# GROUP OPERATING MARGIN VARIANCE ANALYSIS

(million euros)

[ CHANGE 2009 / 2008<sup>(1)</sup> : - €722m ]



(1) Impairment charges of €114m were restated from Operating margin to Other operating income and expenses to be consistent with 2009



# A ROBUST PERFORMANCE FOR RCI BANQUE

in % of average loans outstanding

	2008	2009
Average loans outstanding (million euros)	22,701	<b>20,191</b>
Net banking income	4.58%	<b>5.17%</b>
Cost of risk	- 0.87%	<b>- 0.99%</b>
Operating expenses	- 1.59%	<b>- 1.77%</b>
Pretax income	2.13%	<b>2.41%</b>

# OTHER OPERATING INCOME & EXPENSES

(million euros)

	2008*	2009
Restructuring charges	- 489	- 218
Partial sale of Renault F1		- 118
Impairment of capitalized assets*	- 114	- 297
Profit / loss on asset sales	150	102
Others	10	- 28
<b>TOTAL</b>	<b>- 443</b>	<b>- 559</b>

(\* Change in scope in 2009 for impairment of capitalized assets due to their non-recurring nature or amount. These charges were previously classed in operating margin. FY 2008 accounts have been restated accordingly (114m).

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(million euros)

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<i>excluding fair value adjustment</i>	- 68	<b>- 361</b>	- 293

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# ASSOCIATED COMPANIES

(million euros)

	H1'09	H2'09	CY'09
Nissan	- 1,211	309	- 902
Volvo	- 196	- 105	- 301
AvtoVaz*	- 182	- 188	- 370
Others	5	7	12
<b>TOTAL</b>	<b>- 1,584</b>	<b>23</b>	<b>- 1,561</b>

	Q3	Q4
	134	175

(\*) AvtoVaz is consolidated with a 3-month time lag.

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# 2009 FINANCIAL RESULTS

(million euros)

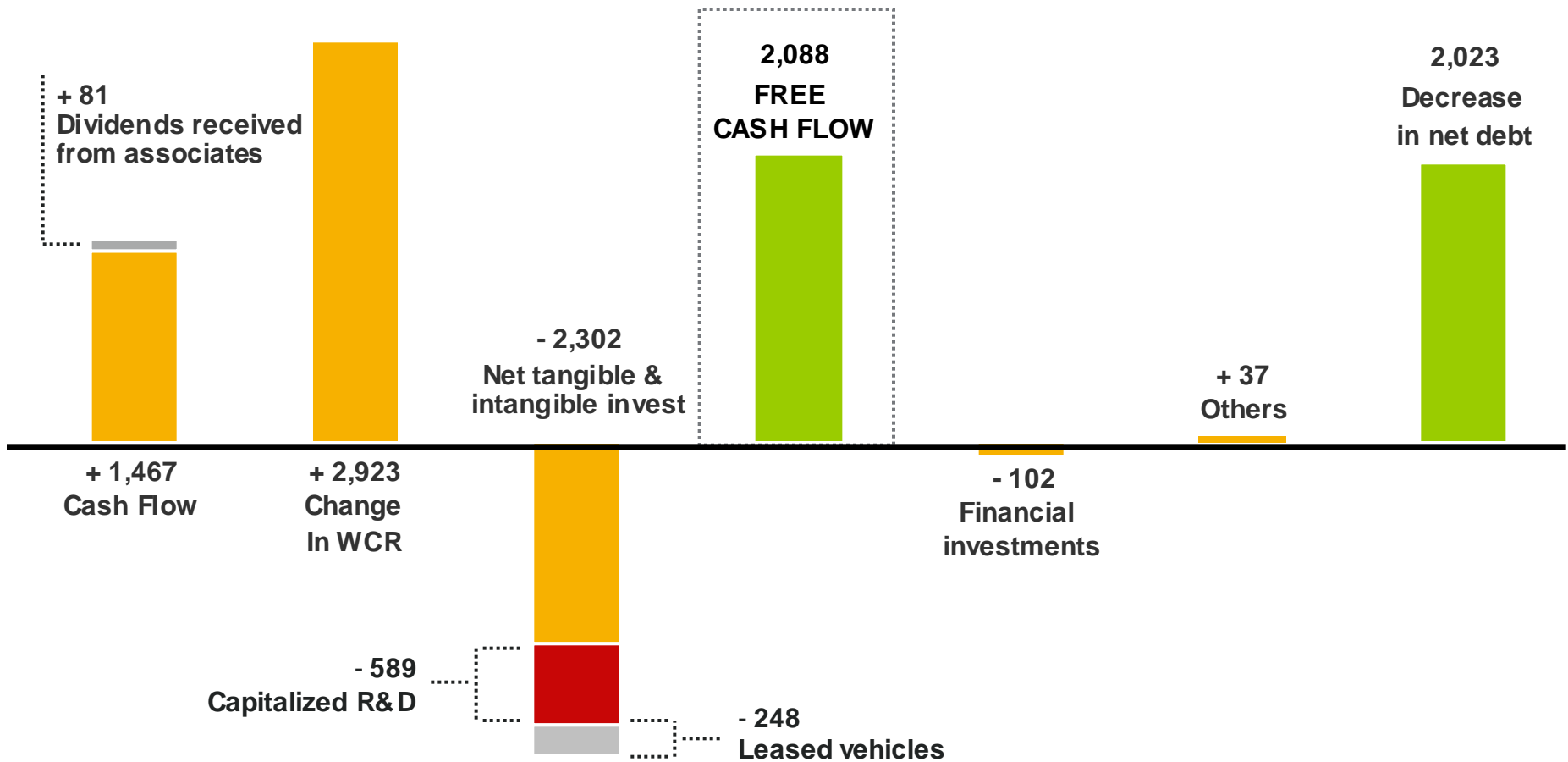
	H1'09	H2'09
Revenues	<b>15,991</b>	<b>17,721</b>
Operating margin	<b>-620</b>	<b>224</b>
<i>in % of revenues</i>	<b>-3.9%</b>	<b>1.3%</b>
Other operating income & expenses	<b>- 326</b>	<b>- 233</b>
Net financial income & expenses	<b>- 181</b>	<b>- 223</b>
Associated companies	<b>- 1,584</b>	<b>23</b>
Current & deferred taxes	<b>- 1</b>	<b>- 147</b>
Net income	<b>- 2,712</b>	<b>- 356</b>

# CHANGE IN AUTOMOBILE NET FINANCIAL DEBT

Dec 31<sup>st</sup> 2008: €7,944m

→ Dec 31<sup>st</sup> 2009: €5,921m

(million euros)



# AUTOMOBILE DIVISION LIQUIDITY RESERVE

**END 2008**

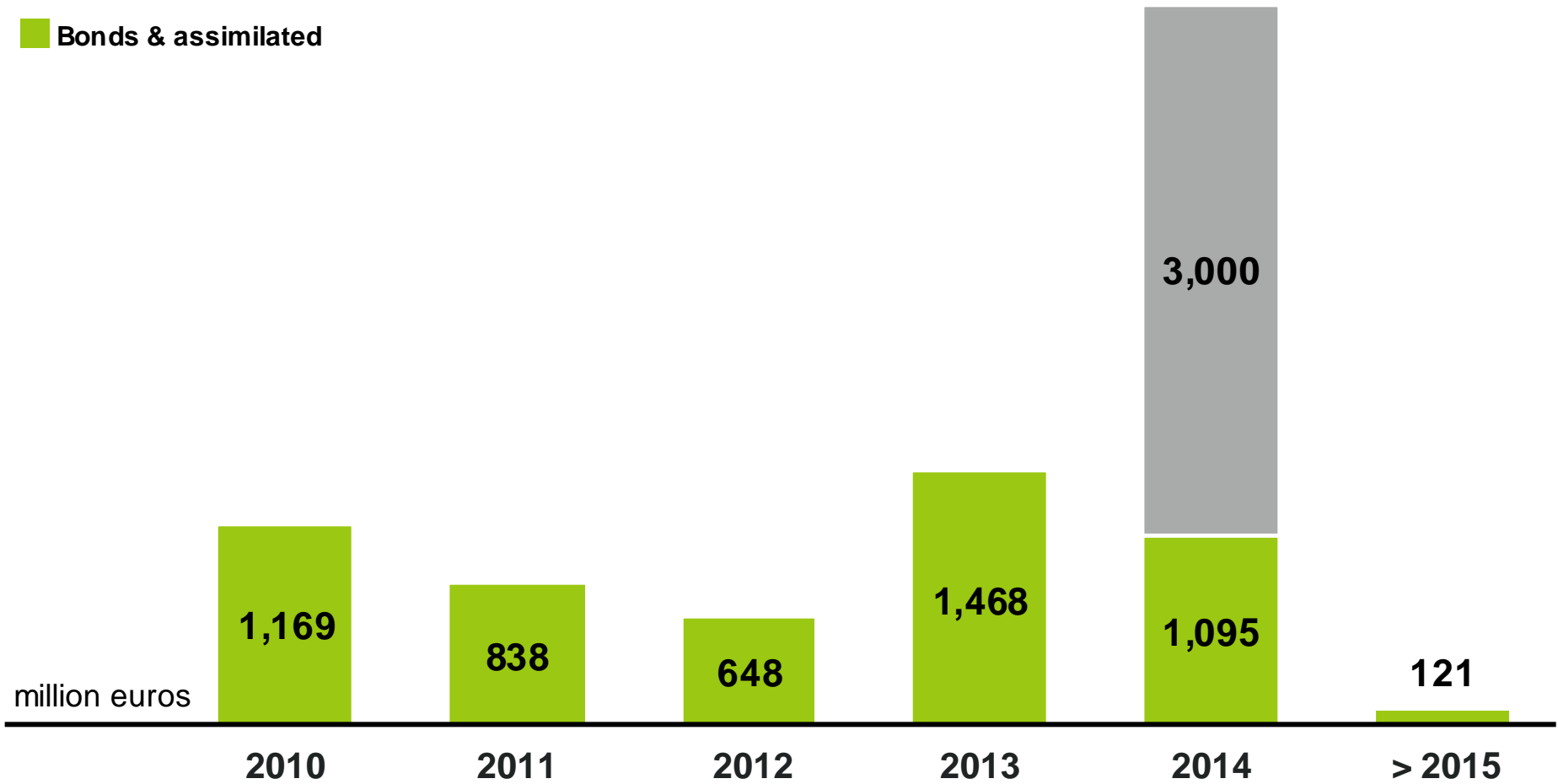
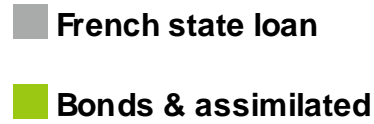
<b>LIQUIDITY RESERVES</b>	
<b>Cash</b>	<b>= €1.1 Bn</b>
<b>Credit lines</b>	<b>= €4.2 Bn</b>
<b>(of which drawn = €0.5 Bn)</b>	
<b>TOTAL</b>	<b>= €4.8 Bn</b>



**END 2009**

<b>LIQUIDITY RESERVES</b>	
<b>Cash</b>	<b>= €5.4 Bn</b>
<b>Credit lines</b>	<b>= €4.1 Bn</b>
<b>(of which drawn zero)</b>	
<b>TOTAL</b>	<b>= €9.5 Bn</b>

# AUTOMOBILE LONG-TERM DEBT REIMBURSEMENT RENAULT SA



# 03

**OUTLOOK 2010**

**CARLOS GHOSN, CHAIRMAN & CEO**



# 2010 OUTLOOK: TIV EVOLUTION

## EVOLUTION OF TOTAL INDUSTRY VOLUMES VS. 2009

**EUROPE**

- 10%

**EURASIA**

+ 10%

**EUROMED**

- 10%

**AMERICAS**

STABLE

**GLOBAL**

(Incl. USA & Canada)

+3%

**ASIA / AFRICA**

STABLE

# 2010 OUTLOOK: RENAULT

## POSITIVE FCF IN 2010

### LEVERS:

1. Gaining market share in a declining TIV in Europe
2. Extracting additional Alliance synergies
3. Taking cost savings further
4. Sustaining a high level of WCR efficiency



# 1. MARKET SHARE PROGRESSION: BUILDING ON MOMENTUM: MEGANE AND SCENIC



# 1. MARKET SHARE PROGRESSION: STRONG PRODUCT MOMENTUM



# 1. MARKET SHARE PROGRESSION: STRONG PRODUCT MOMENTUM



# 1. MARKET SHARE PROGRESSION: STRONG PRODUCT MOMENTUM



# 1. MARKET SHARE PROGRESSION: RENEWING & EXPANDING THE LCV RANGE

KANGOO  
EXPRESS



new version

TRAFIC  
UPGRADE



NEW MASTER



new version



new version

## 2. ALLIANCE SYNERGIES IN 2009

- **€1.5bn achieved at end-December 2009**
  - Still have up to end FY09 for Nissan
- **Renault outperformed initial target of €678m thanks to additional new savings**
- **Synergies include a mix of:**
  - Pure cost & CAPEX savings
  - Cost & CAPEX avoidance
  - Joint revenue opportunities

## 2. ALLIANCE SYNERGIES

### INTERNATIONAL EXPANSION STRATEGY

#### ALLIANCE "ENTRY PRICE MODEL" STRATEGY IN EMERGING MARKETS



**12 ADDITIONAL MODELS TO BE CROSS-MANUFACTURED BY 2013**

## 2. ADDITIONAL ALLIANCE SYNERGIES 2010

- **€1bn new FCF savings for the Alliance in 2010**
  - > €2bn including carry over
- **Examples of new 2010 synergies**
  - Vehicle & Powertrain development (including parts communization, LCV)
  - Local integration (including industrial sourcing and purchasing localization)
  - Support functions & IS-IT
  - Logistics
  - Sales and Marketing
  - Research & Advanced Technology

**Alliance leverage entry point for future plans of both companies**  
**RNBV upstream in the process to identify synergy potential to be implemented**

### 3. RENAULT: TAKING COST SAVINGS FURTHER IMPROVING FIXED COST EFFICIENCY

- **Leveraging the Alliance - doing more with less**
  - Key technologies & core model range protected
- **More than €2bn of annual fixed costs removed in 2009 vs. 2007**
- **Structural improvements to last beyond the crisis**

<i>% of Group revenues</i>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010<sup>e</sup></b>
<b>NET CAPEX</b>	<b>5.3%</b>	<b>5.6%</b>	<b>4.4%</b>	<b>Stable incl. Electric Vehicles (€400m)</b>
<b>NET R&amp;D</b>	<b>5.7%</b>	<b>5.5%</b>	<b>4.5%</b>	
<b>TOTAL</b>	<b>11.1%</b>	<b>11.1%</b>	<b>8.9%</b>	

### 3. RENAULT: TAKING COST SAVINGS FURTHER ACCELERATING VARIABLE COST REDUCTION

Operating margin savings vs. y-1 (in million euros)	2008	2009	2010 <sup>e</sup>
Purchasing savings	282	253	400

→ 2010 target to increase by > 50% the annual reduction rate

## 4. RENAULT: SUSTAINING A HIGH LEVEL OF WCR EFFICIENCY

- **2009 WCR recovered to pre-crisis levels**

- Despite revenues -17% vs. 2007

(in billion euros)	2008	2009
<b>Δ WCR</b>	<b>-2.7</b>	<b>+2.9</b>

- **Structural improvements to last beyond the crisis**

- Creating a leaner and faster asset turnover
- Implementation of strict "cash culture" within the organisation

% of auto revenues	2007	2008	2009	2010 <sup>e</sup>
<b>Inventory</b>	<b>15.3%</b>	<b>14.7%</b>	<b>12.3%</b>	<b>12.0%</b>
<b>Receivables</b>	<b>5.6%</b>	<b>4.7%*</b>	<b>3.7%</b>	<b>3.5%</b>

(\*) Excl. License receivables of €165m

# RISKS AND OPPORTUNITIES FOR 2010

- **RENAULT 2010 FCF PLAN**

- New model launches

- Additional cost reductions

- New Alliance synergies

- **TIV OUTSIDE WESTERN EUROPE**

- **INDUSTRY PRICING POST  
SCRAPPING INCENTIVES**

- **TIV WESTERN EUROPE**

- **RAW MATERIALS**

# LOOKING BEYOND THE CRISIS

- **Short term - Focus on FCF & continued debt reduction**
- **Renault is preparing for post-crisis challenges**
  - Launching new technological breakthroughs
    - New powertrains**
    - Electric Vehicle**
  - Securing positions for emerging market growth
    - Building on our leadership position in low-cost segment**
    - Developing ultra-low cost offers**
  - Sustaining market share growth in Europe
    - Adapting our line up to the new customer expectations**
    - Investing in the development of our brands**
- **Strengthening the Alliance**
- **2010: preparing the plan to be announced by 2011**



# 04

## QUESTIONS & ANSWERS

CARLOS GHOSN, PATRICK PÉLATA,  
THIERRY MOULONGUET



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