

# RENAULT GROUP FIRST HALF 2010 FINANCIAL RESULTS

PATRICK PÉLATA, COO  
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## AGENDA

**01** H1 2010 FINANCIAL RESULTS

**02** H1 2010 OPERATIONS UPDATE

**03** QUESTIONS & ANSWERS

# 01



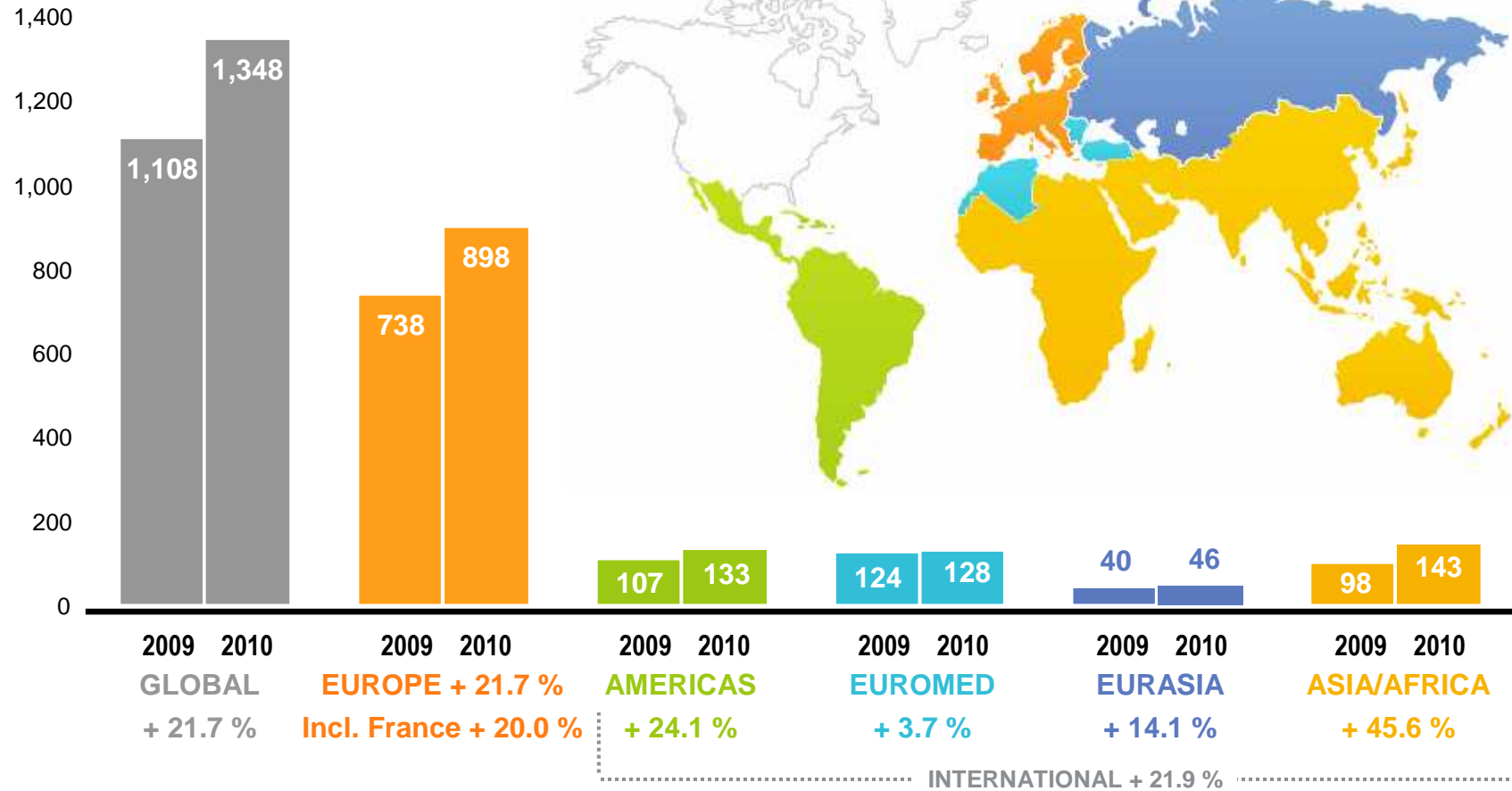
## **H1 2010 FINANCIAL RESULTS**

**DOMINIQUE THORMANN**

**CFO**

# RENAULT GROUP SALES +21.7 %

Thousand units  
(PC + LCV)



## H1 2010 FINANCIAL RESULTS

	H1 2009	H1 2010	CHANGE
<b>Revenues</b>	<b>15,991<sup>(1)</sup></b>	<b>19,668</b>	<b>+ 23.1 %</b>
<b>Operating margin</b>	<b>- 620</b>	<b>+ 780</b>	<b>+ 1,400</b>
in % of revenues	- 3.9 %	+ 4.0 %	+ 7.9 pts
<b>Other operating income &amp; expenses</b>	<b>- 326</b>	<b>- 62</b>	<b>+ 264</b>
<b>Net financial income &amp; expenses</b>	<b>- 181</b>	<b>- 246</b>	<b>- 65</b>
<b>Associated companies</b>	<b>- 1,584</b>	<b>+ 531</b>	<b>+ 2,115</b>
<b>Current &amp; deferred taxes</b>	<b>- 1</b>	<b>- 180</b>	<b>- 179</b>
<b>Net income</b>	<b>- 2,712</b>	<b>+ 823</b>	<b>+ 3,535</b>

(1) On a consistent basis, H1 2009 = €15,977m

million euros

# H1 2010 GROUP REVENUES UP 23.1 %

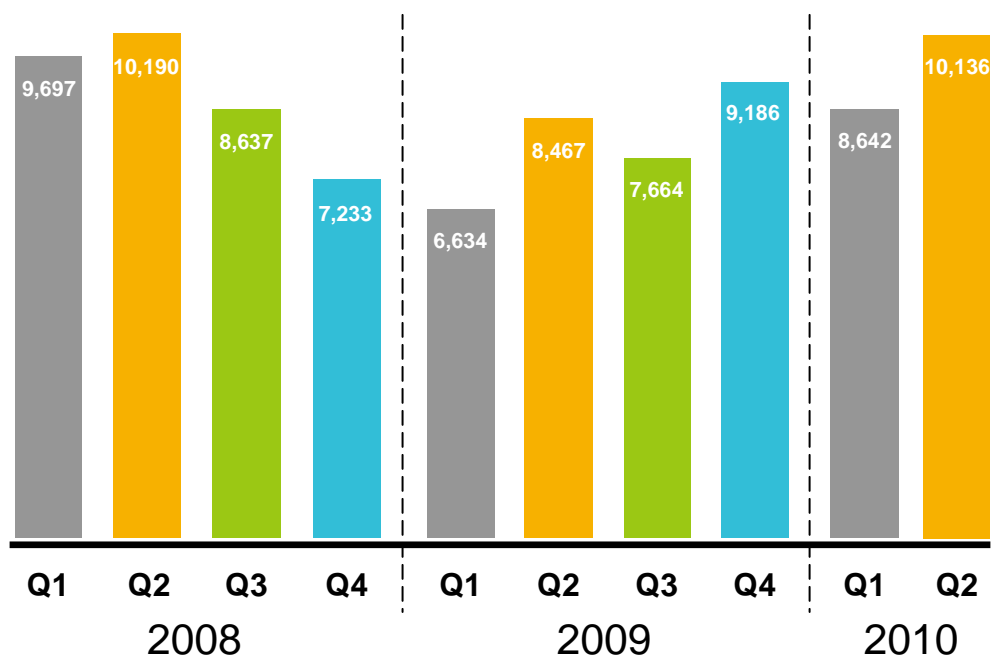
	H1 2009	H1 2010	CHANGE
<b>Global sales (units)</b>	<b>1,107,506</b>	<b>1,348,345</b>	<b>+ 21.7 %</b>
<b>Group Revenues <sup>(1)</sup></b>	<b>15,977</b>	<b>19,668</b>	<b>+ 23.1 %</b>
of which Automobile	15,097	18,778	[ + 24.4 % ]
Sales financing	880	890	+ 1.1 %

(1) H1'09 restated for 2010 scope and methods

million euros

<b>Q1</b>	<b>Q2</b>
<b>+ 30.3 %</b>	<b>+ 19.8 %</b>

# EVOLUTION OF AUTOMOBILE REVENUES



PUBLISHED

million euros

## H1 2010 AUTOMOBILE REVENUES vs. H1 2009\*

**€ 18,778**                      **24.4 %**

Volume                              **+ 16.8 pts**

Mix/price                           **+ 1.5 pts**

Currencies                         **+ 3.2 pts**

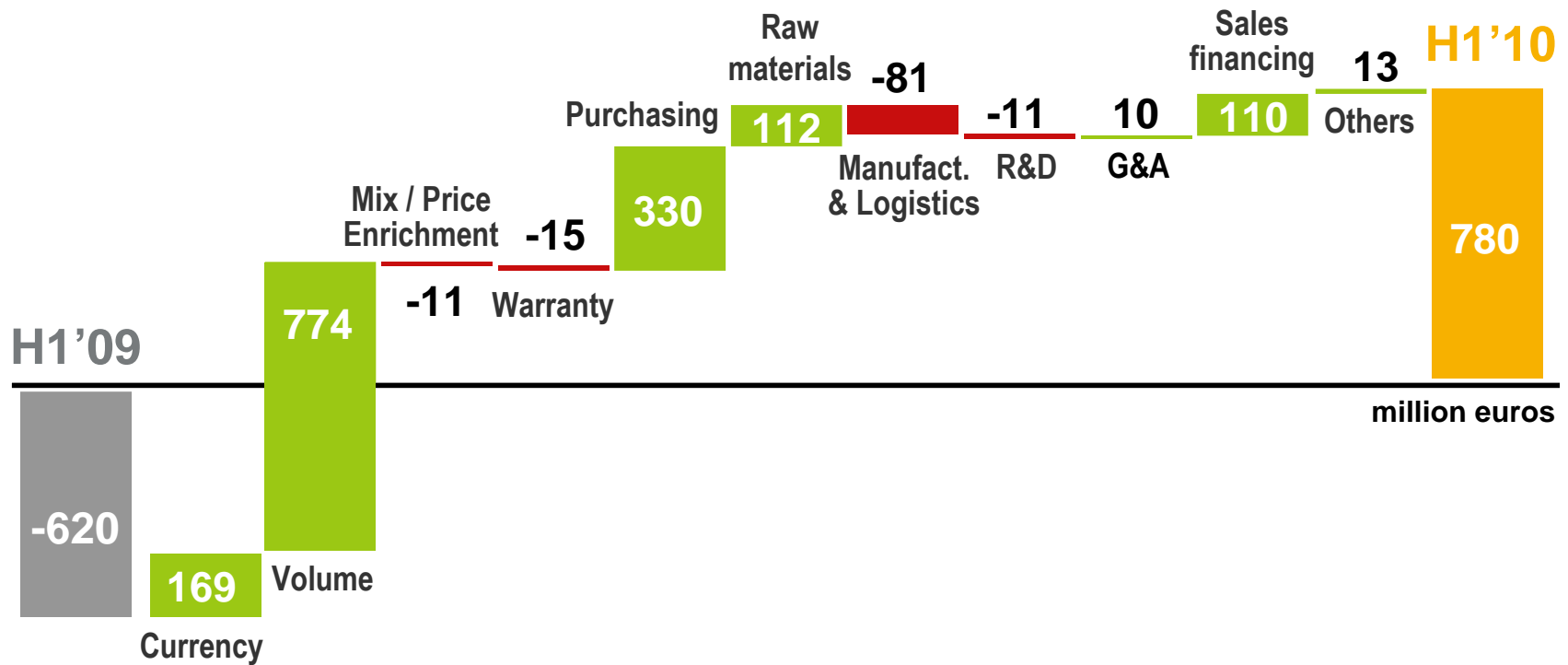
Other activities                    **+ 2.9 pts**

\* 2009 restated for 2010 scope and methods



# GROUP OPERATING MARGIN VARIANCE ANALYSIS

CHANGE H1'10 / H1'09 : + € 1,400m



## OPERATING MARGIN BY ACTIVITY

	H1 2009	H1 2010	CHANGE
<b>AUTOMOBILE</b>	<b>- 869</b>	<b>410</b>	<b>+ 1,279</b>
% Automobile revenues	- 5.8 %	2.2 %	+ 8 pts
<b>SALES FINANCING</b>	<b>249</b>	<b>370</b>	<b>+ 121</b>
% Sales Financing revenues	28.0 %	41.6 %	+ 13.6 pts
<b>TOTAL</b>	<b>- 620</b>	<b>780</b>	<b>+ 1,400</b>
% Group revenues	- 3.9 %	4.0 %	+ 7.9 pts

million euros

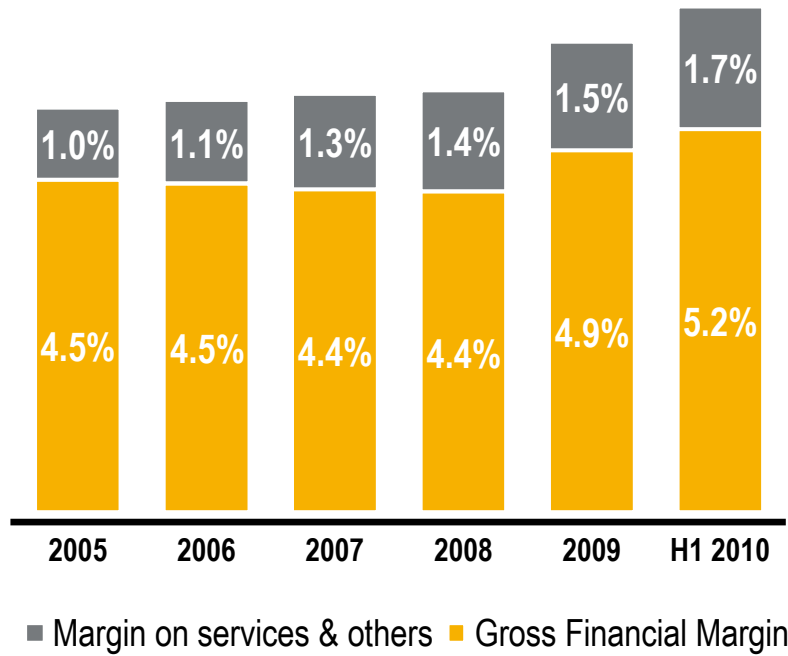
## AN EXCEPTIONAL PERFORMANCE FOR RCI BANQUE

	H1 2009	H1 2010
Average loans outstanding (million euros)	20,130	20,734
Net banking income	5.23 %	5.75 %
Cost of risk (customer & dealer)	- 1.03 %	- 0.49 %
Operating expenses	- 1.75 %	- 1.66 %
Pretax income	2.44 %	3.59 %

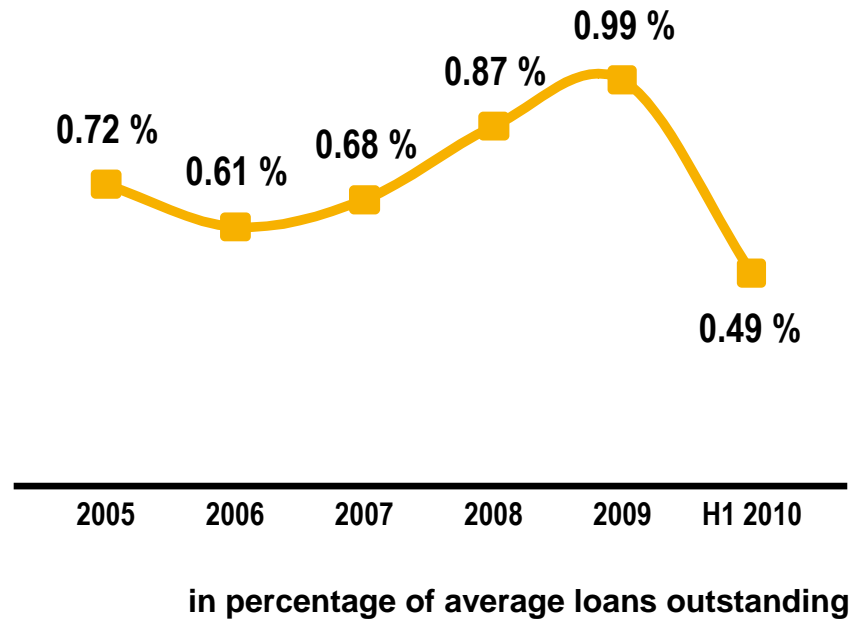
in percentage of average loans outstanding

# RCI - IMPROVEMENT IN MARGIN AND COST OF RISK

**GROSS FINANCIAL MARGIN & MARGIN ON SERVICES & OTHERS**



**CUSTOMER & DEALER COST OF RISK**



## OTHER OPERATING INCOME & EXPENSES

	H1 2009	H1 2010
Restructuring charges	- 60	- 39
Impairment of capitalized assets	- 297	- 50
Profit / loss on asset sales	- 31	27
<b>TOTAL</b>	<b>- 326</b>	<b>- 62</b>

million euros

## H1 2010 FINANCIAL RESULTS

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Other operating income & expenses	- 326	- 62	+ 264
<b>Net financial income &amp; expenses</b>	<b>- 181</b>	<b>- 246</b>	<b>- 65</b>
Associated companies	- 1,584	+ 531	+ 2,115
Current & deferred taxes	- 1	- 180	- 179
Net income	- 2,712	+ 823	+ 3,535

(1) On a consistent basis, H1 2009 = €15,977m

million euros

## ASSOCIATED COMPANIES

	H1 2009	H1 2010	CHANGE
Nissan	- 1,211	[ 460 ]	+ 1,671
Volvo	- 196	121	+ 317
AvtoVaz*	- 182	- 56	+ 126
Others	5	6	+ 1
<b>TOTAL</b>	<b>- 1,584</b>	<b>531</b>	<b>+ 2,115</b>

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

million euros

Q1	Q2
70	390

## H1 2010 FINANCIAL RESULTS

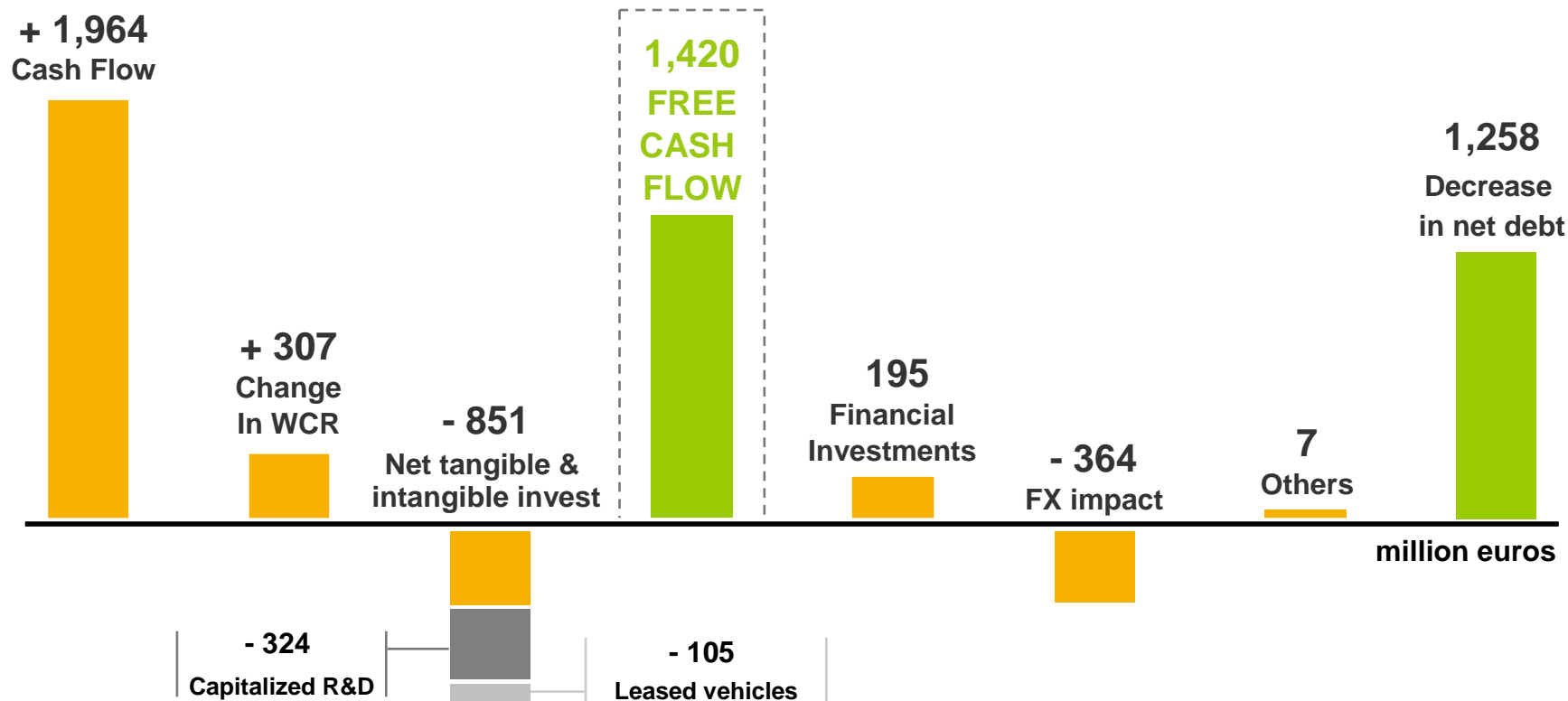
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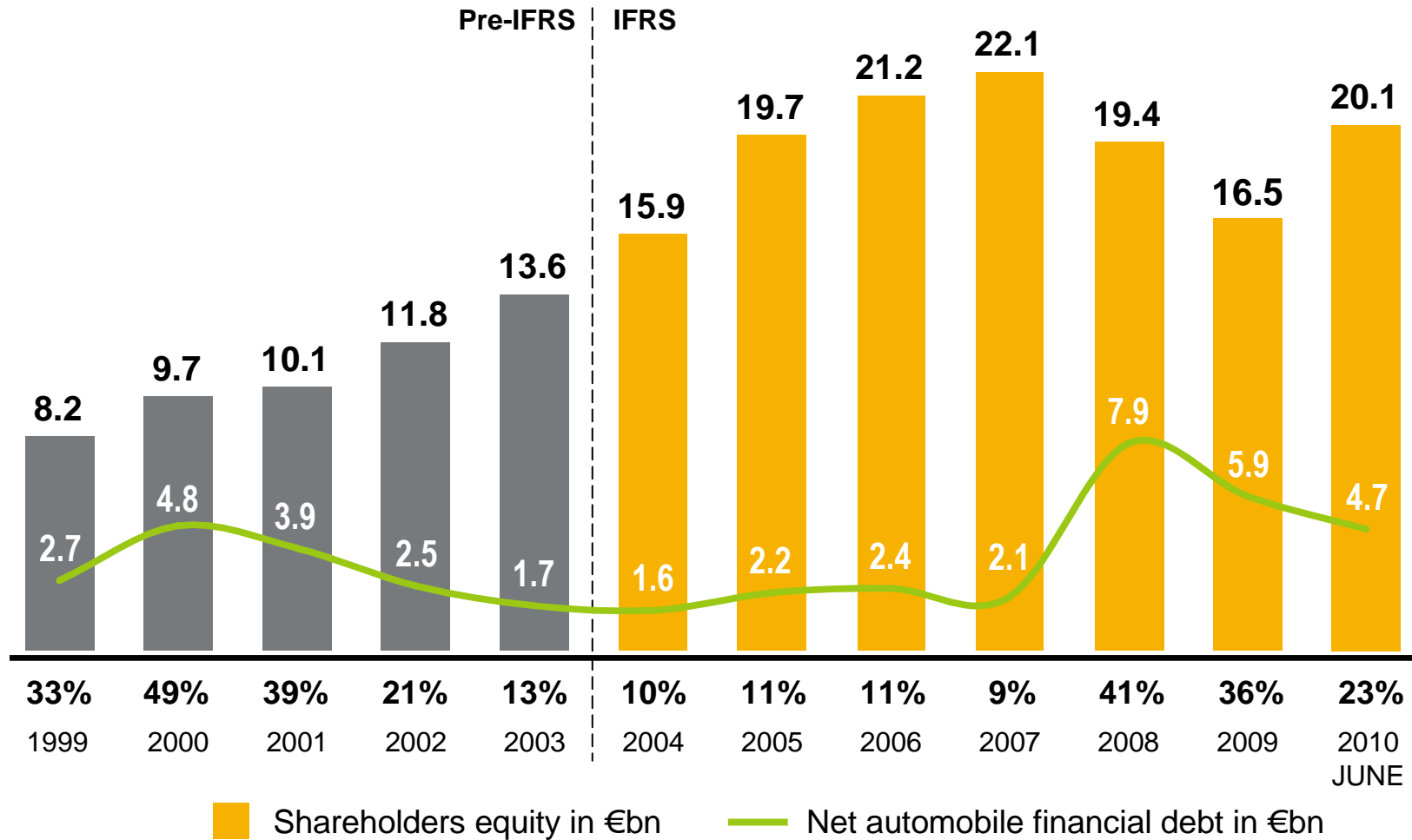
million euros

# CHANGE IN AUTOMOBILE NET FINANCIAL DEBT

**DEC 31<sup>ST</sup> 2009 : € 5,921M**  
**JUN 30<sup>TH</sup> 2010 : € 4,663 M**



# NET DEBT vs. SHAREHOLDERS EQUITY



## AUTOMOBILE DIVISION LIQUIDITY

### END 2009

#### LIQUIDITY RESERVES

Cash	= € 5.4 Bn
Credit lines	= € 4.1 Bn
<i>(of which drawn zero)</i>	

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**TOTAL** = € 9.5 Bn



### END H1 2010

#### LIQUIDITY RESERVES

Cash	= € 6.3 Bn
Credit lines	= € 4.1 Bn
<i>(of which drawn zero)</i>	

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**TOTAL** = € 10.4 Bn

### 2 BONDS ISSUED IN H1 2010

- €500m 2017 @ 5.625 %
- €400m 2015 @ 5.625 %

## RCI LIQUIDITY

### END 2009

#### LIQUIDITY RESERVES

Cash	= € 0.7 Bn
ECB eligible	= € 1.2 Bn
Credit lines	= € 4.5 Bn
<i>(of which drawn zero)</i>	
<b>TOTAL</b>	<b>= € 6.4 Bn</b>



### END H1 2010

#### LIQUIDITY RESERVES

Cash	= € 0.2 Bn
ECB eligible	= € 1.5 Bn
Credit lines	= € 4.6 Bn
<i>(of which drawn zero)</i>	
<b>TOTAL</b>	<b>= € 6.3 Bn</b>

- **4 BONDS ISSUED IN H1 2010**
  - €600m 2015 @ 4.38%
  - €500m 2013 @ 3.38%
  - €600m 2012 @ 2.88%
  - €500m 2013 @ 4.00%
- **1 PUBLIC ABS FOR €873M BACKED BY GERMAN AUTO LOANS @ EURIBOR 1M +1.15% IN JULY**

# 02



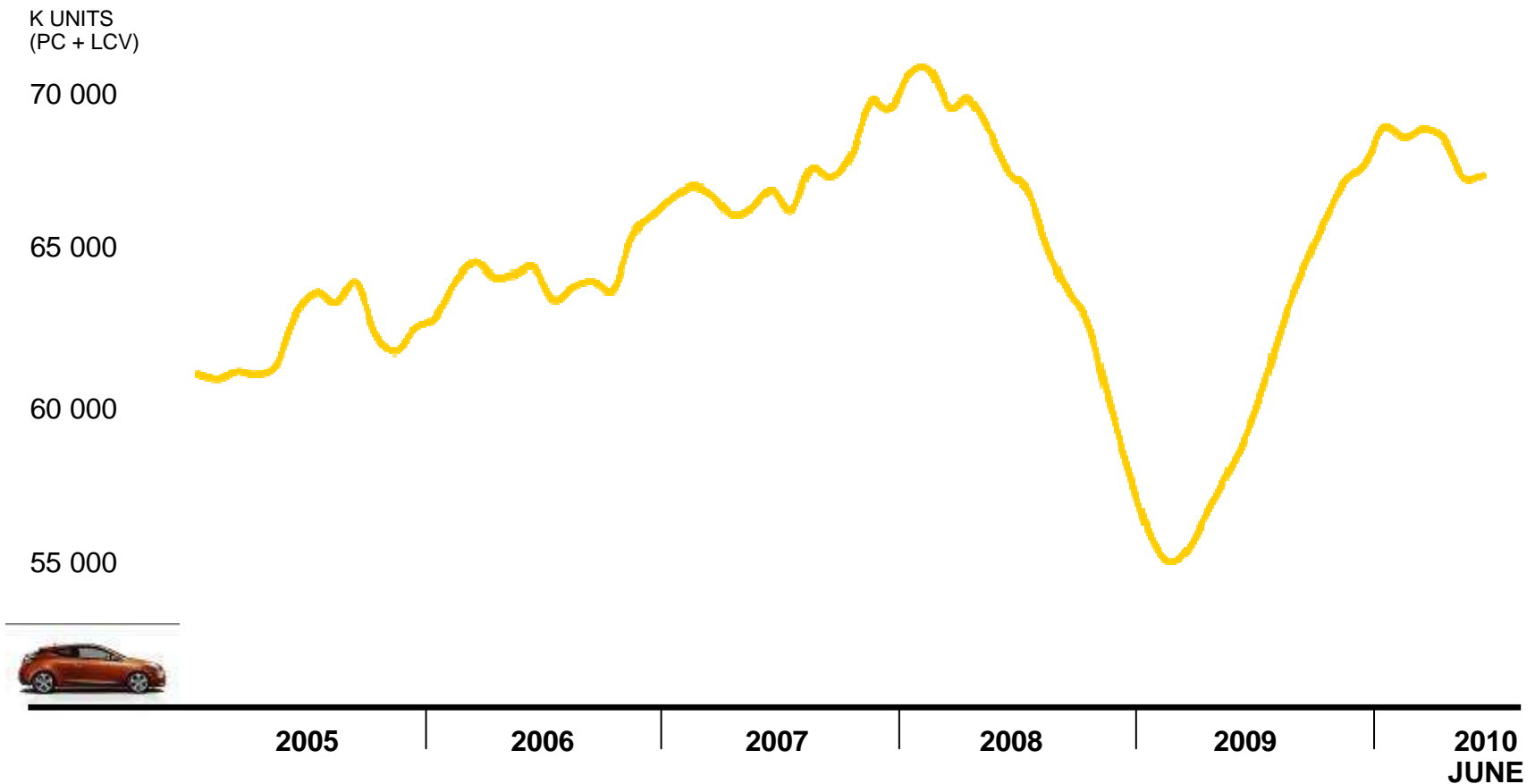
**2010 OPERATIONS UPDATE**

**PATRICK PÉLATA**

**COO**

# GLOBAL TOTAL INDUSTRY VOLUME +16.9 % VS. H1 2009

## GLOBAL TIV (ROLLING AVERAGE 4 MONTHS)



# TIV EVOLUTION BY REGION TOTAL INDUSTRY VOLUMES H1 2010 VS. H1 2009 (PC+LCV)

## GLOBAL\*

TIV + 16.9 %

## EURASIA

TIV - 0.8 %

## EUROPE

TIV + 1.7 %

## EUROMED

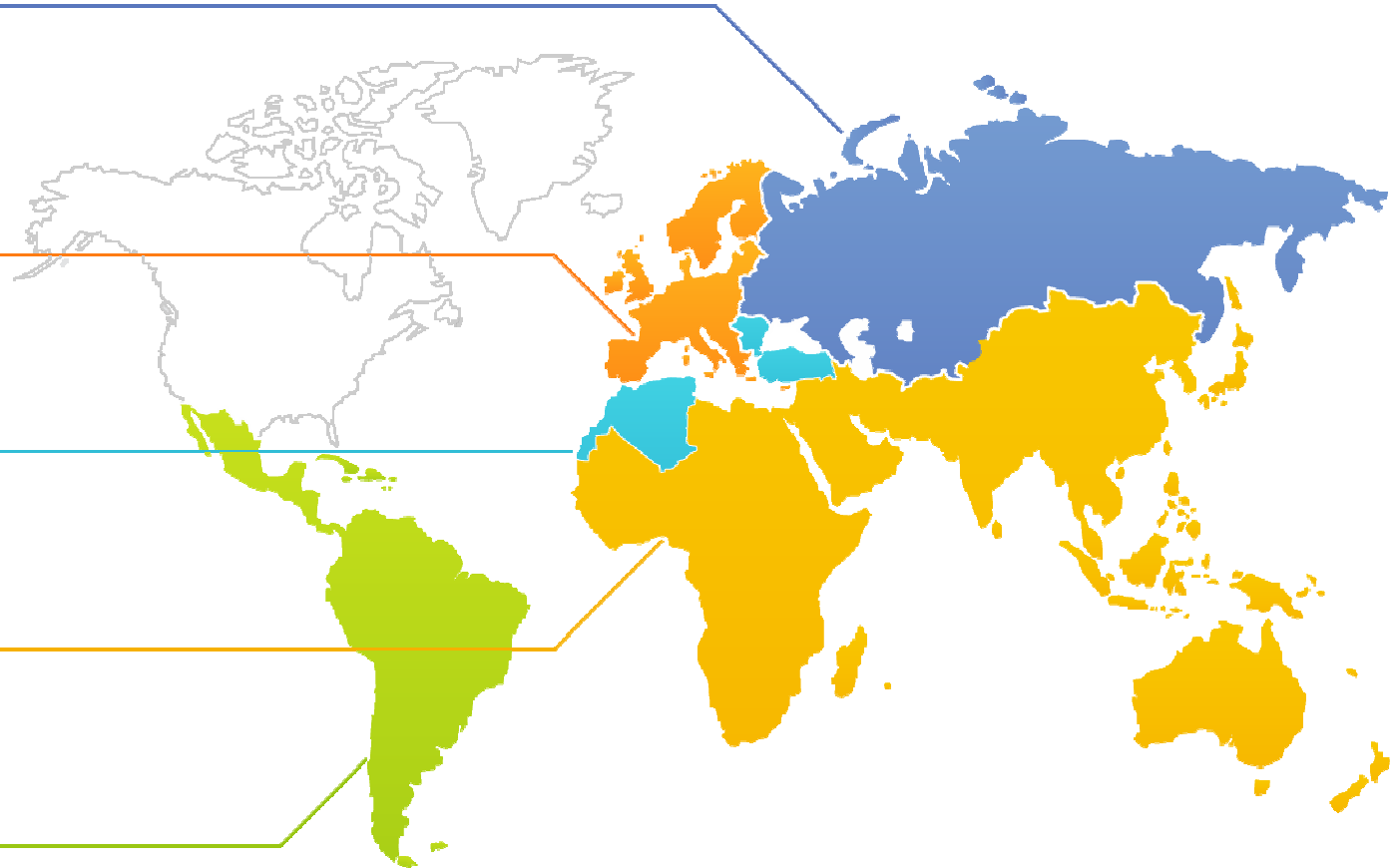
TIV - 7.0 %

## ASIA / AFRICA

TIV + 31.3 %

## AMERICAS

TIV + 10.6 %



\* Including USA & Canada

# TIV EVOLUTION BY REGION TOTAL INDUSTRY VOLUMES H1 2010 VS. H1 2009 (PC+LCV)

## GLOBAL \*

TIV + 16.9 %  
GROUP + 21.7 %

## EURASIA

TIV - 0.8 %  
GROUP + 14.1 %

## EUROPE

TIV + 1.7 %  
GROUP + 21.7 %

## EUROMED

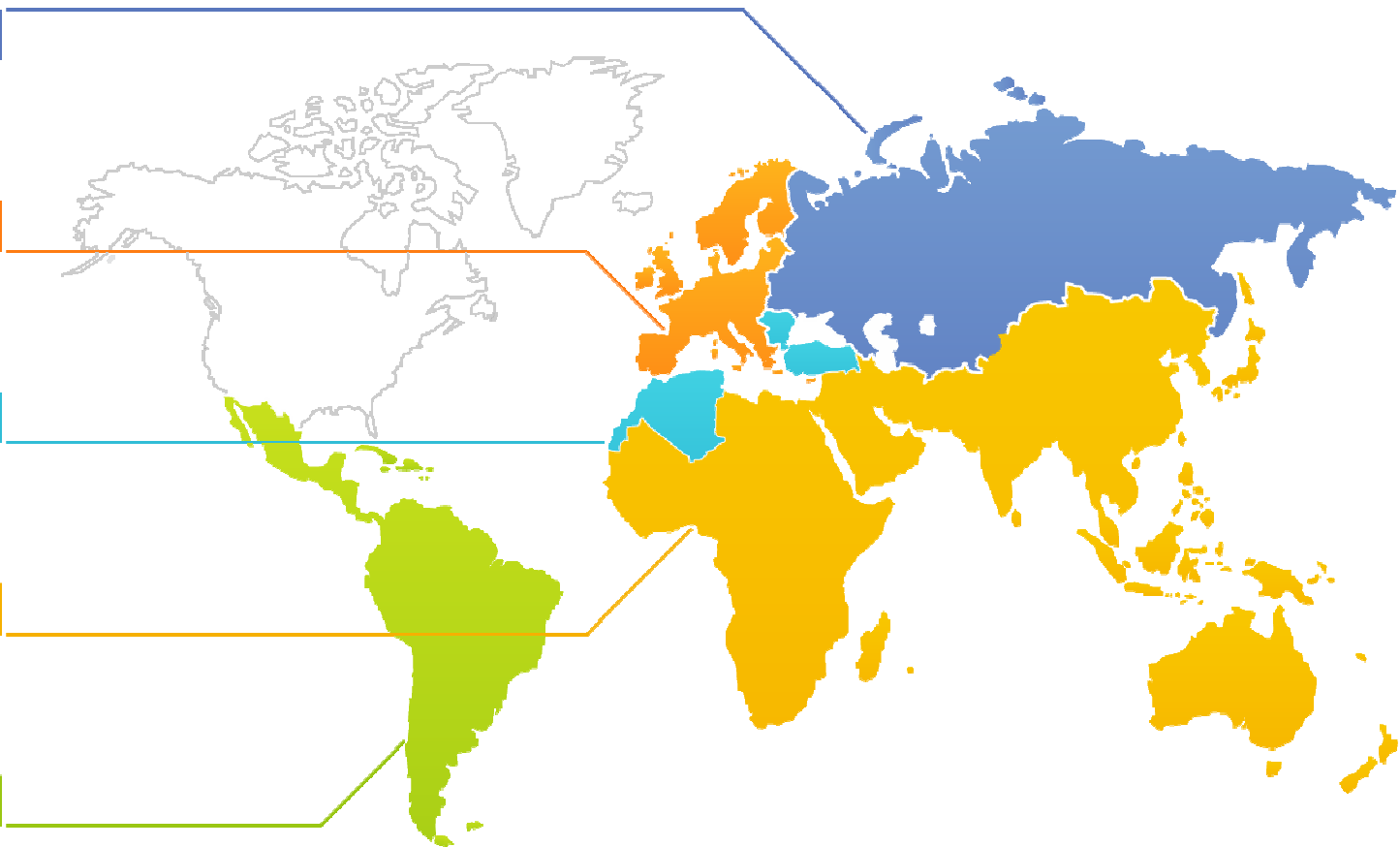
TIV - 7.0 %  
GROUP + 3.7 %

## ASIA / AFRICA

TIV + 31.3 %  
GROUP + 45.6 %
















## AMERICAS

TIV + 10.6 %  
GROUP + 24.1 %



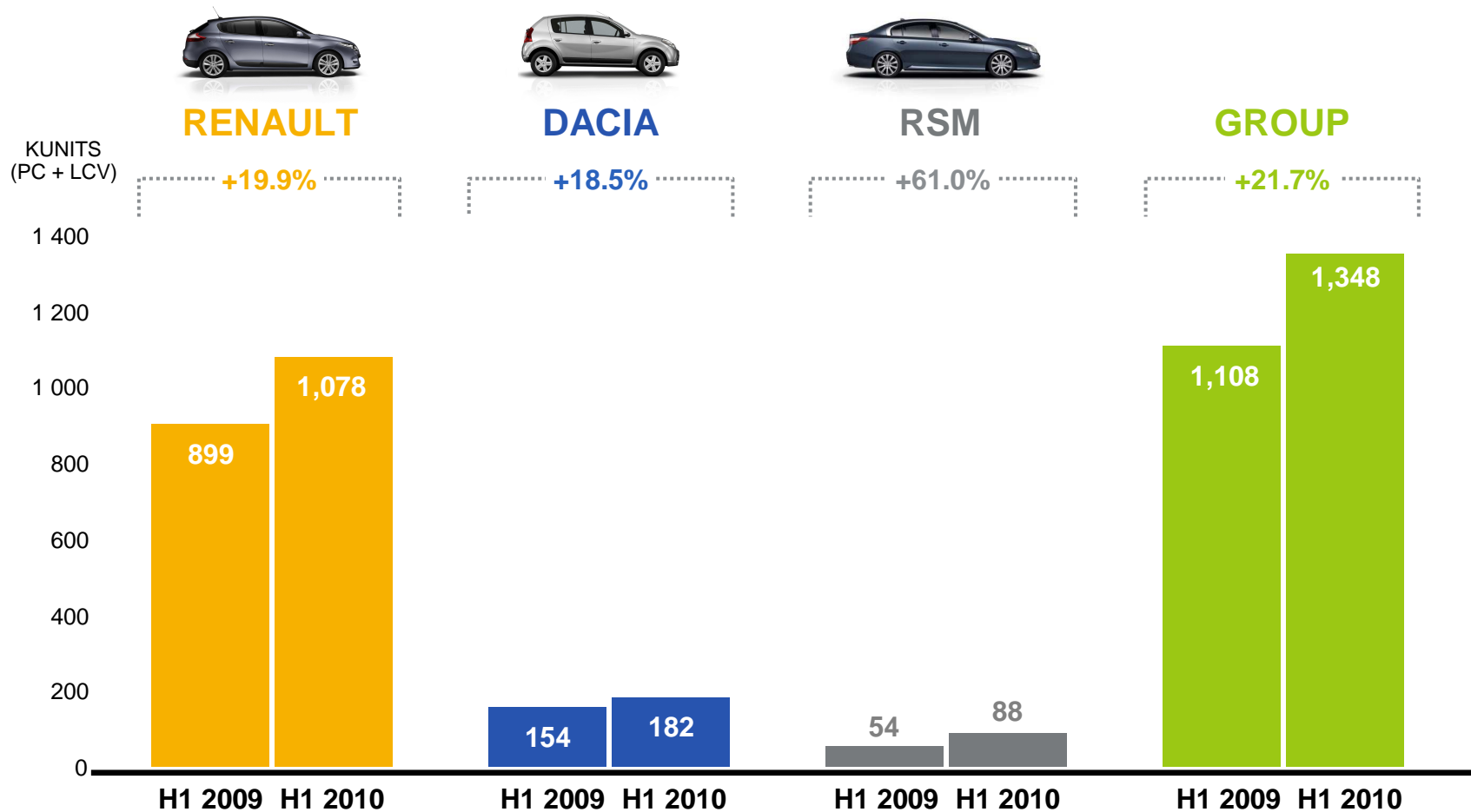
\* Including USA & Canada

## GAINS IN MARKET SHARE IN 12 OUT OF OUR TOP 15 MARKETS

		UNITS	MARKET SHARE	CHANGE IN MARKET SHARE
	FRANCE	407,097	28.5%	+ 3.3
	ITALY	86,969	6.9%	+ 2.3
	SOUTH KOREA	85,142	11.4%	+ 3.0
	GERMANY	84,083	5.4%	- 0.4
	SPAIN	72,920	10.9%	+ 0.4
	BRAZIL	64,599	4.3%	+ 0.7
	UNITED-KINGDOM	59,403	4.9%	+ 2.1
	BELGIUM/LUXEMBOURG	49,275	12.8%	+ 1.7
	RUSSIA	42,227	5.3%	+ 0.6
	TURKEY	40,762	14.6%	+ 0.4
	ARGENTINA	37,620	11.6%	- 0.6
	ALGERIA	37,306	29.3%	+ 6.5
	NETHERLANDS	25,861	8.7%	+ 2.1
	ROMANIA	23,971	41.9%	+ 4.8
	IRAN	20,626	2.8%	- 0.2

group PC + LCV

# ALL 3 BRANDS CONTRIBUTED TO SALES GROWTH



## NEW SM5



# NEW RENAULT FLUENCE

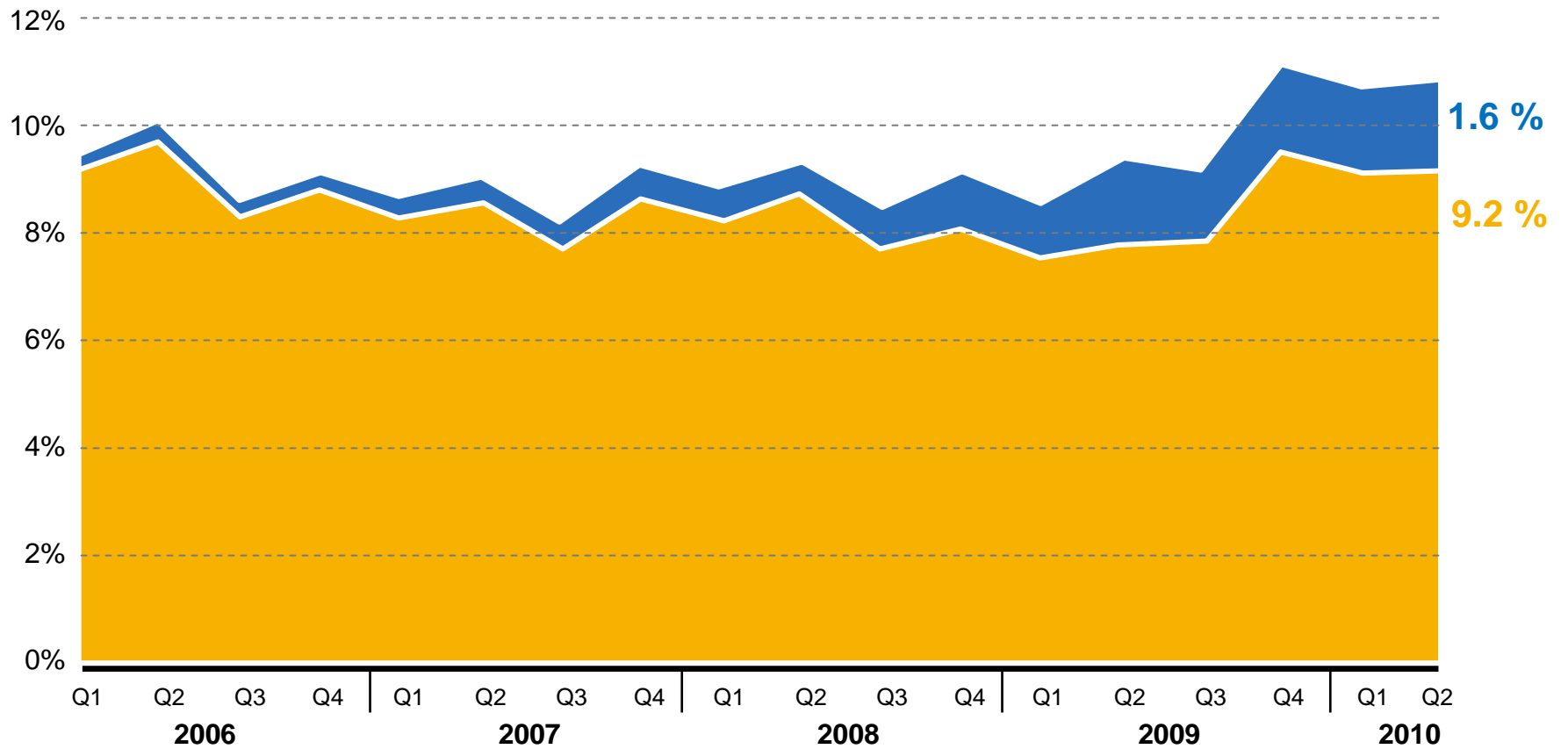


# SANDERO



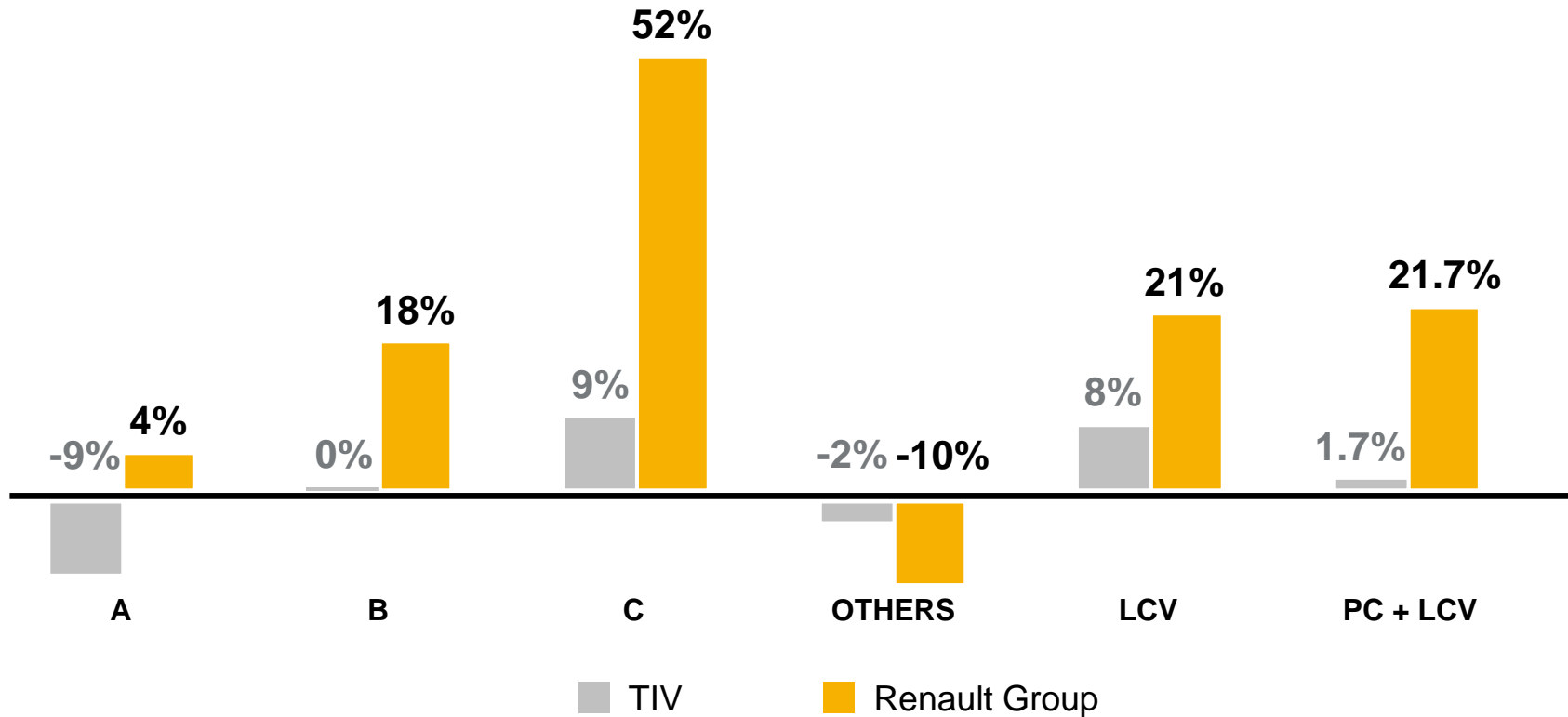
# ZOOM EUROPE: STRONG MOMENTUM FOR BOTH BRANDS

## GROUP PC+LCV MARKET SHARE IN EUROPE

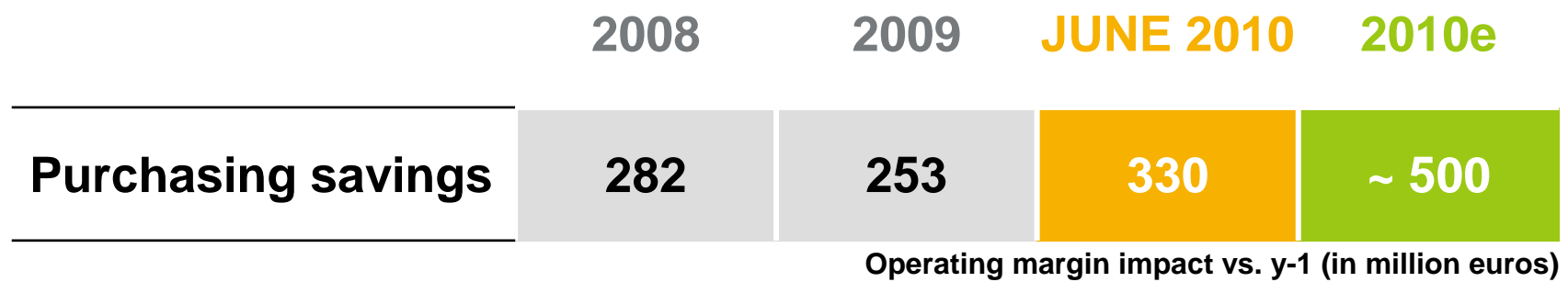


## ZOOM EUROPE: TAKING MARKET SHARE IN MOST SEGMENTS

**EVOLUTION OF TIV AND RENAULT GROUP SALES IN EUROPE BY SEGMENT**  
H1 2010 VS. H1 2009



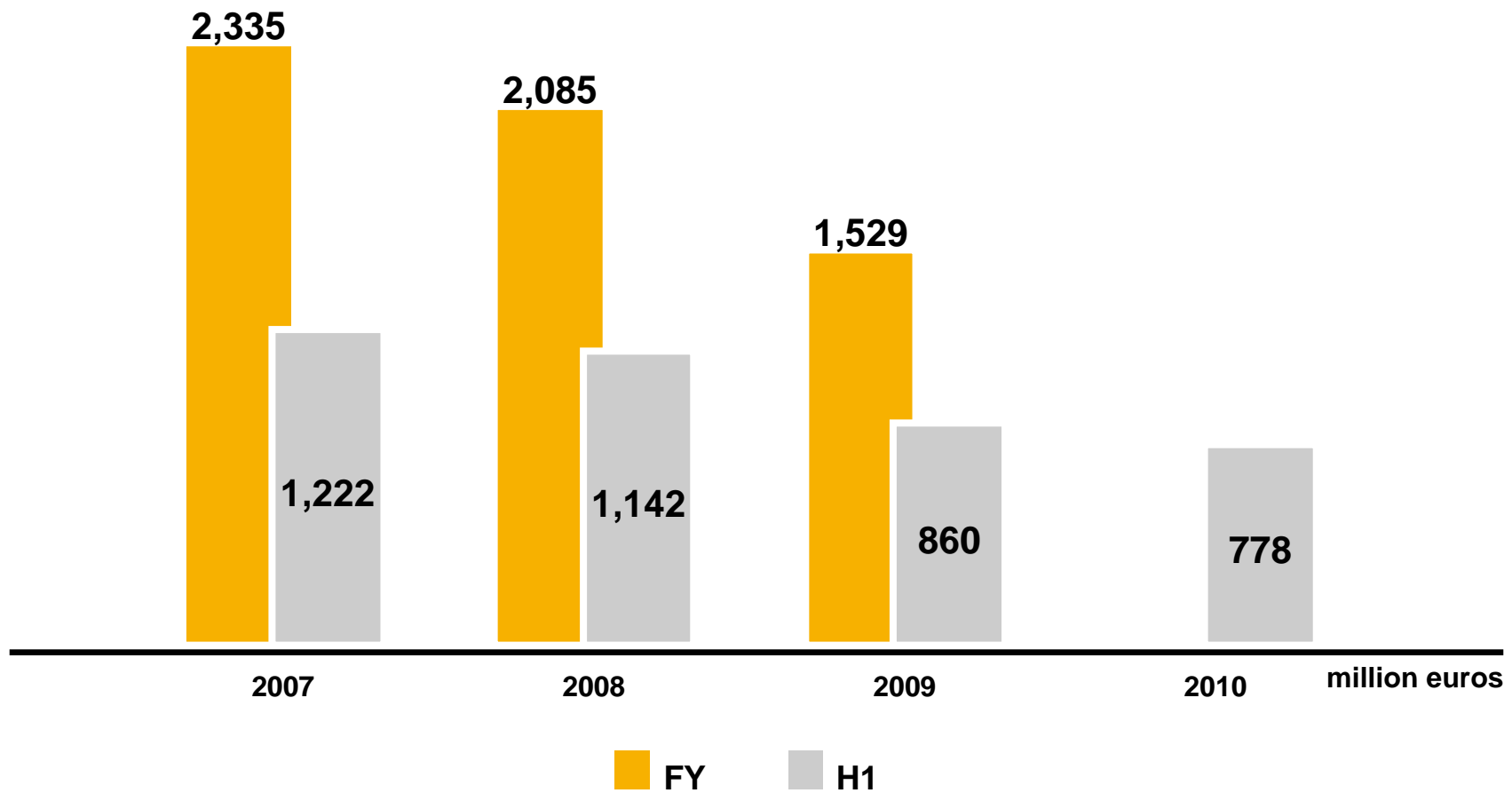
## PURCHASING SAVINGS



## FIXED COST REDUCTION

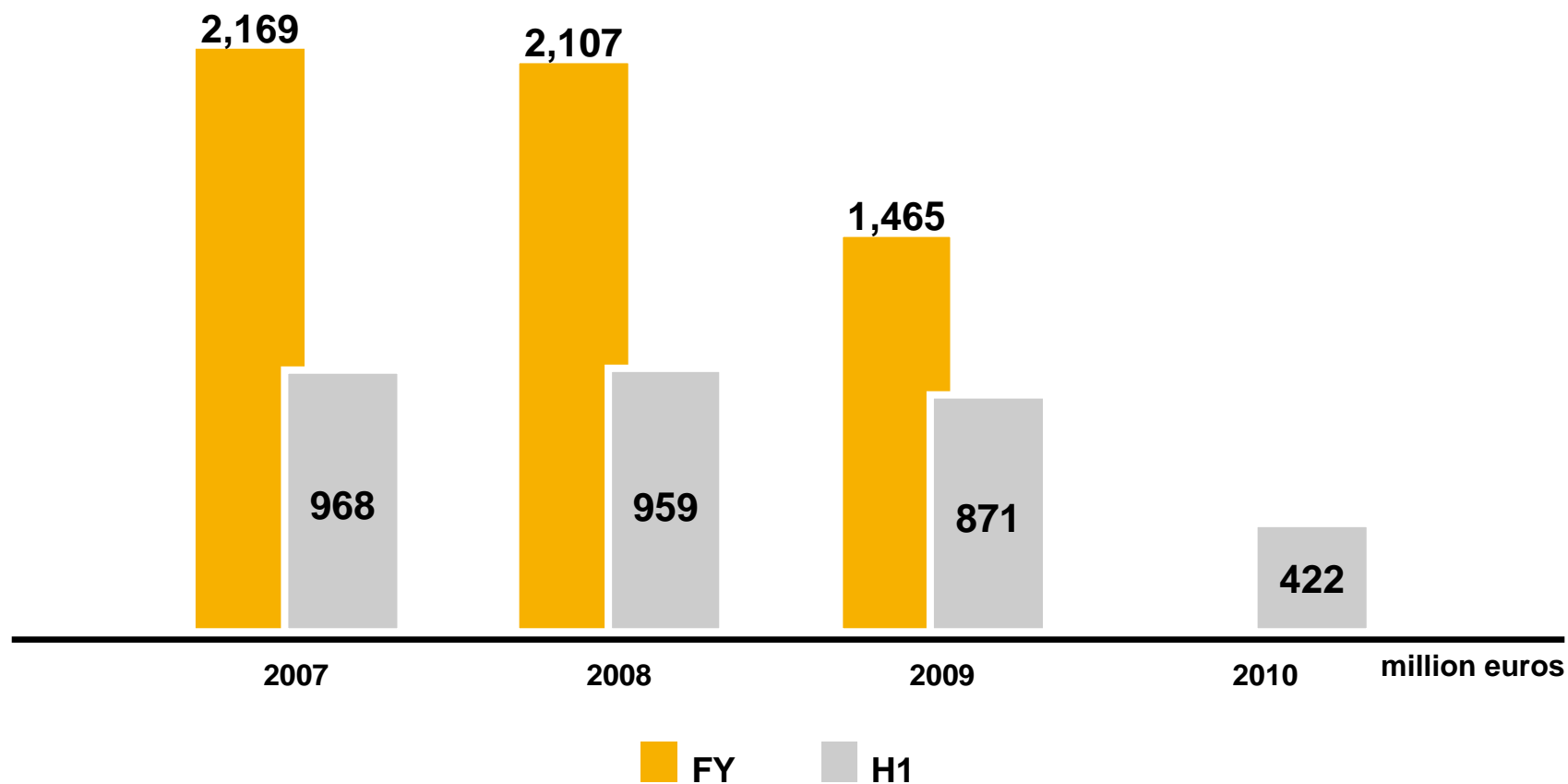
	H1'10 vs. H1'09	H1'10 vs. H1'08
<b>REVENUES</b>	<b>+ 23 %</b>	<b>- 6 %</b>
Net R&D	- 9 %	- 32 %
G&A	+ 1 %	- 14 %
Manufacturing fixed costs	+ 13 %	- 3 %
Net Capex	- 52 %	- 56 %
Fixed marketing expenses	- 7 %	- 22 %
<b>TOTAL FIXED COSTS</b>	<b>- 8 %</b>	<b>- 23 %</b>

## NET R&D



## NET CAPEX REDUCTION

### NET CAPEX AUTOMOBILE (EXCLUDING LEASED VEHICLES)

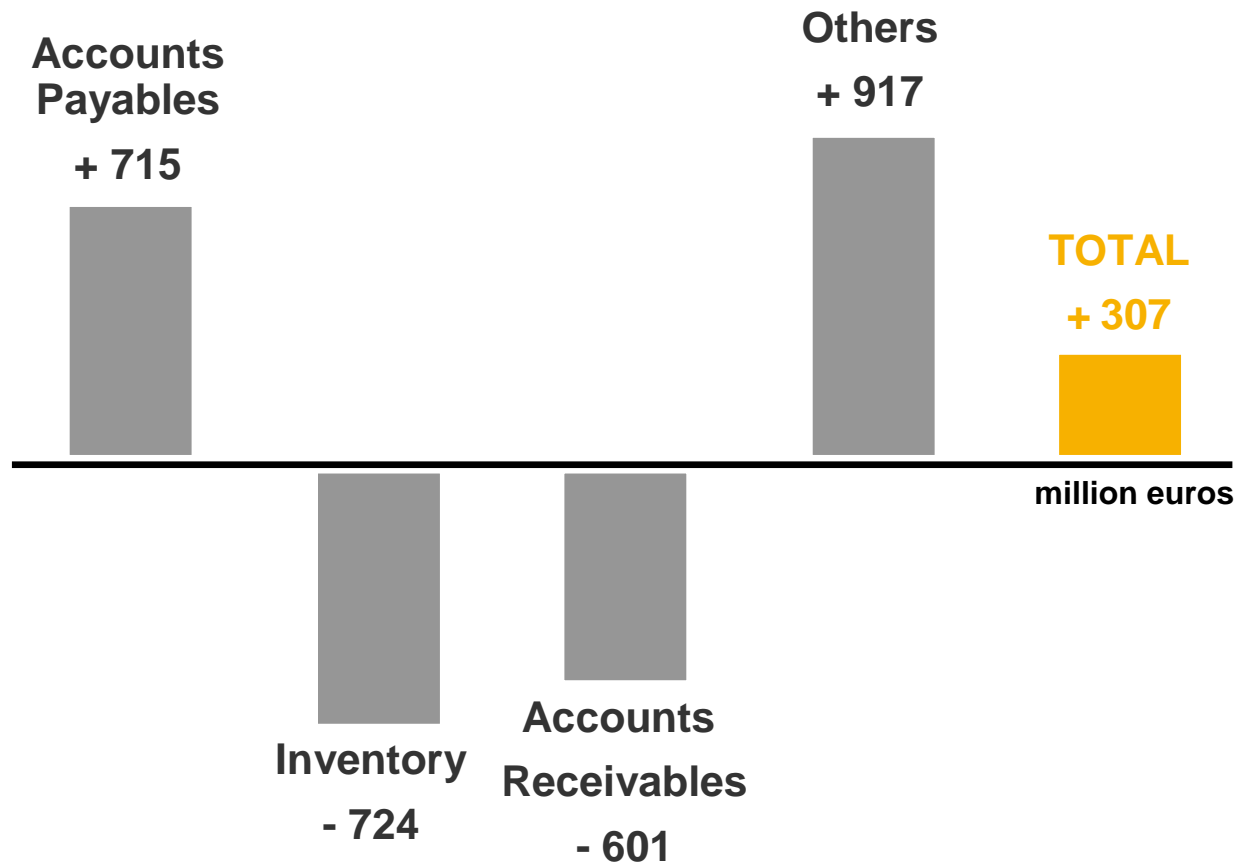


## NET CAPEX AND R&D

	2007	2008	2009	H1 2010	2010 <sup>e</sup>
<b>NET CAPEX</b>	5.3 %	5.6 %	4.4 %	2.2 %	
<b>NET R&amp;D</b>	5.7 %	5.5 %	4.5 %	4.0 %	
<b>TOTAL</b>	11.1 %	11.1 %	8.9 %	6.1 %	~ 8 %

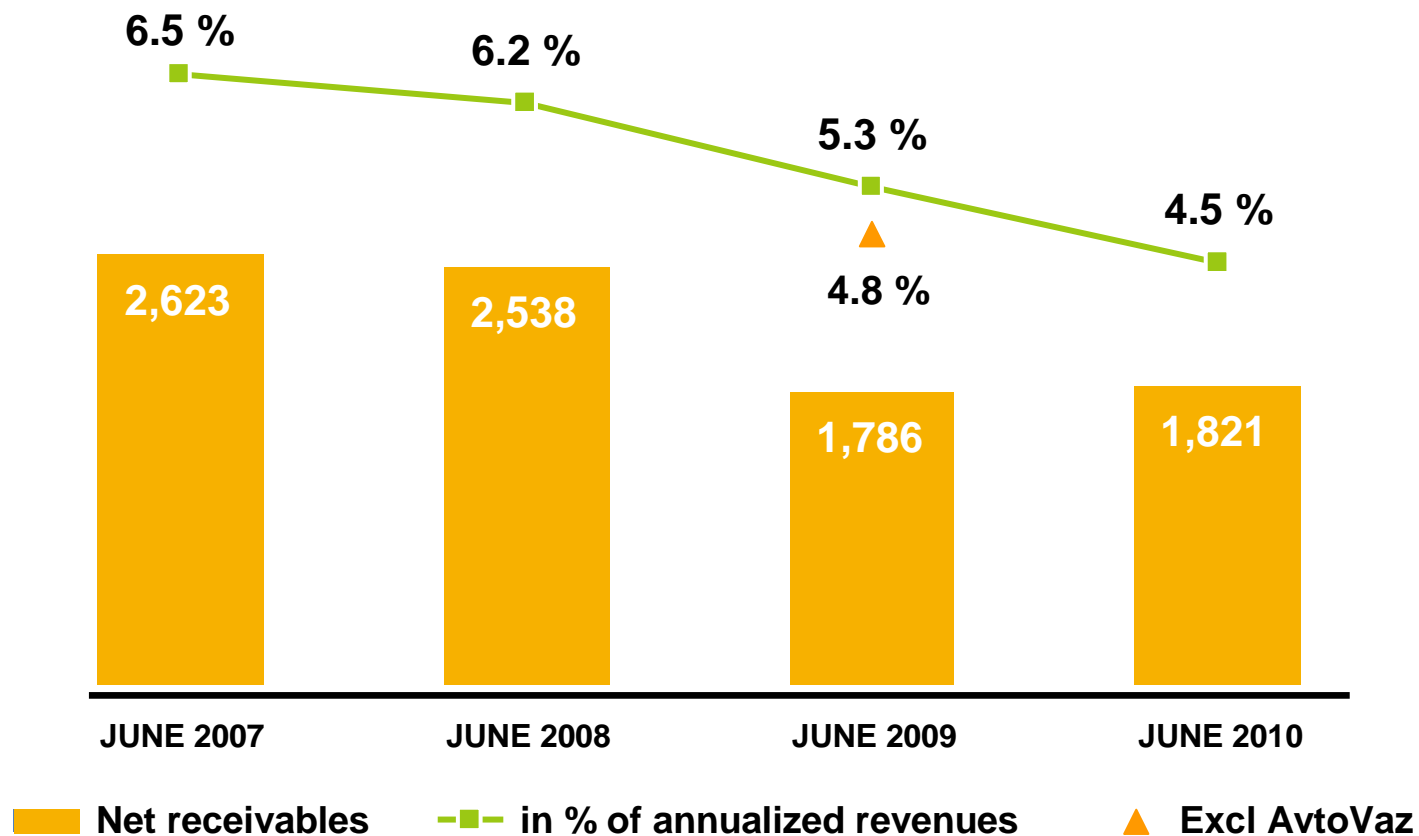
% of Group revenues

## CHANGE IN WCR H1 2010 vs 31<sup>ST</sup> DEC 2009



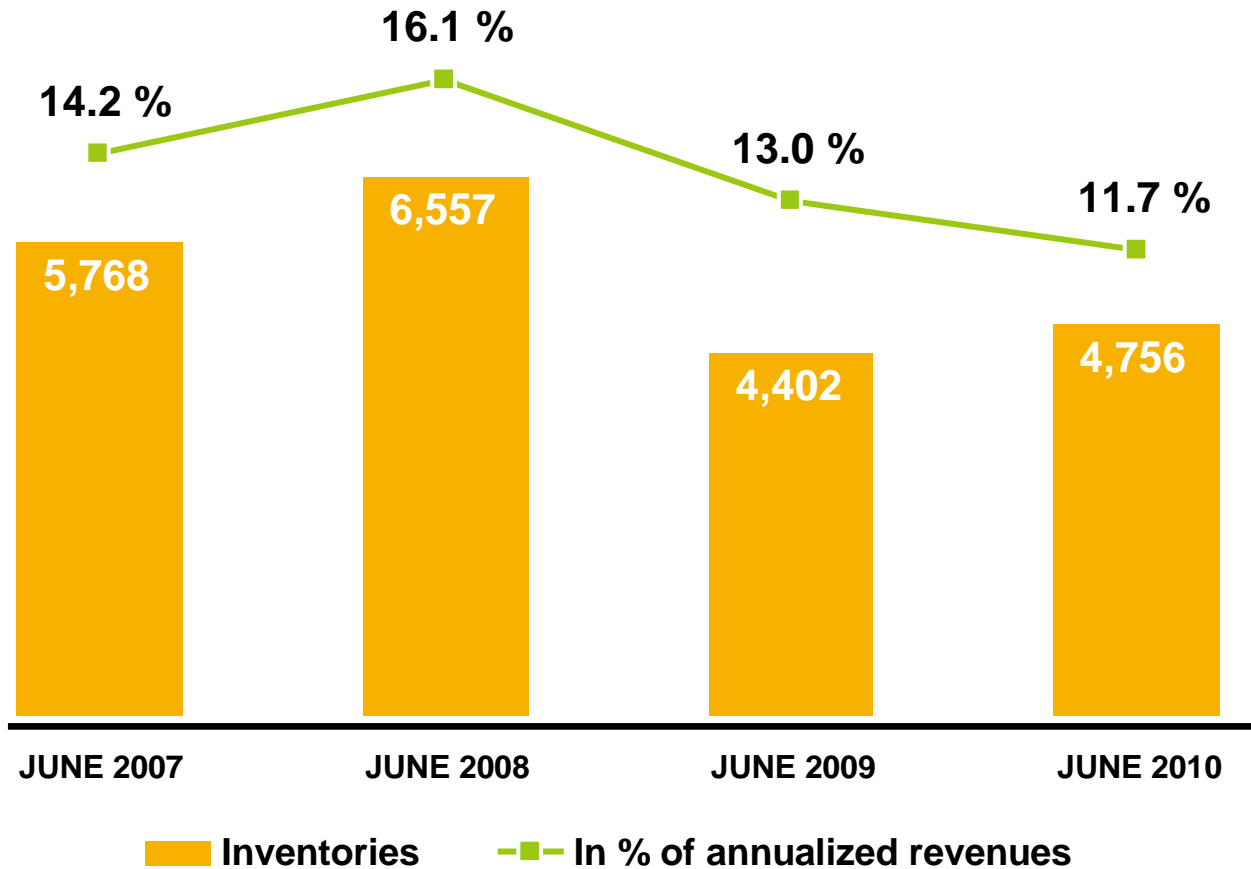
# RECEIVABLES CONTROL

AUTOMOBILE NET RECEIVABLES IN €M (IN % ANNUALIZED REVENUES = Q2\*4)

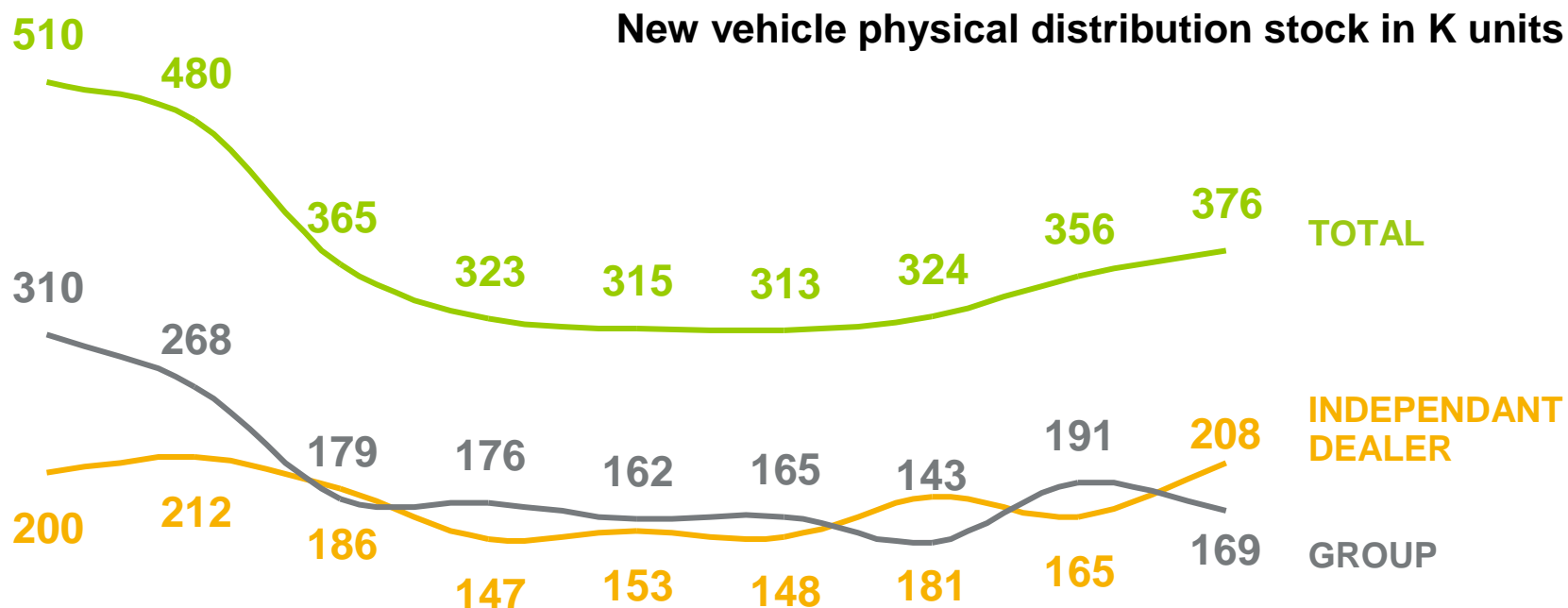


## INVENTORY CONTROL

AUTOMOBILE INVENTORY IN €M (IN % ANNUALIZED REVENUES = Q2\*4)



# DISTRIBUTION STOCK REDUCTION



JUN'08	SEP'08	DEC'08	MAR'09	JUN'09	SEP'09	DEC'09	MAR'10	JUN'10	
69	80	67	60	45	52	47	50	51	Number of days of sales



## WHAT WAS BETTER / WORSE THAN EXPECTED IN H1?



- TIV
- GROUP MARKET SHARE
- RCI BANQUE
- CURRENCIES
- PURCHASING SAVINGS



- COMMERCIAL PRESSURE IN EUROPE
- INDEXED RAW MATERIALS

## 2010 OUTLOOK: SECOND HALF



### TAILWINDS

- GROUP ORDER BOOK
- COST REDUCTIONS
- CURRENCIES
- TIV OUTSIDE EUROPE



### HEADWINDS

- RAW MATERIALS
- TIV EUROPE
- H2 WCR  
*payment terms in Spain*

# TIV FORECAST TOTAL INDUSTRY VOLUMES FY2010 VS. FY2009 (PC+LCV)

## GLOBAL\*

TIV + 8 %

## EURASIA

TIV + 15 %

## EUROPE

TIV - 7 % to - 9 %

## EUROMED

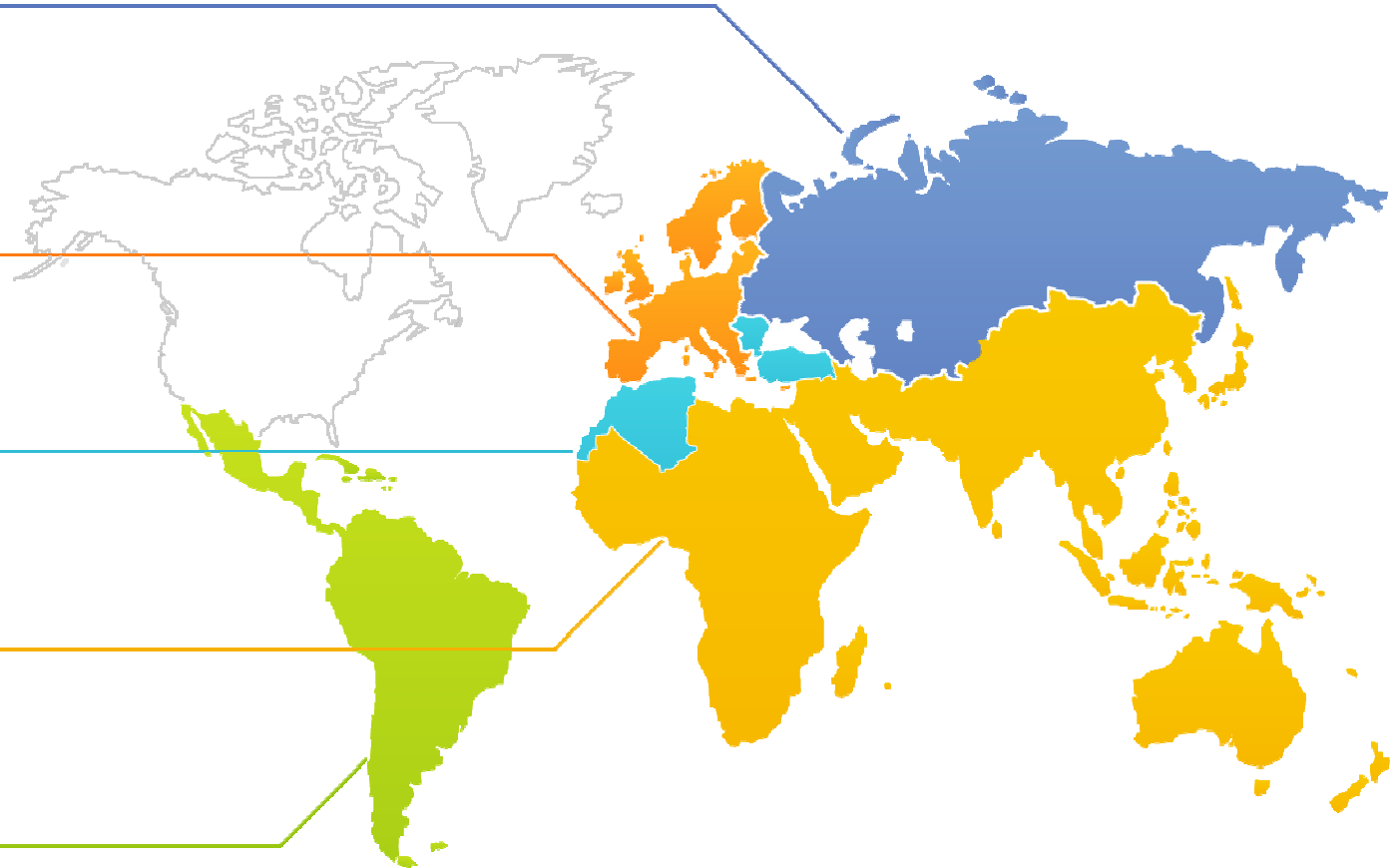
TIV STABLE

## ASIA / AFRICA

TIV > + 15 %

## AMERICAS

TIV > + 5 %



\* Including USA & Canada

# LEVERAGING INTERNATIONAL TIV GROWTH



**SM7**



**SM5**



**KOLEOS**



**FLUENCE**



**MÉGANE HB**



**DUSTER**



**SANDERO**



**SYMBOL**



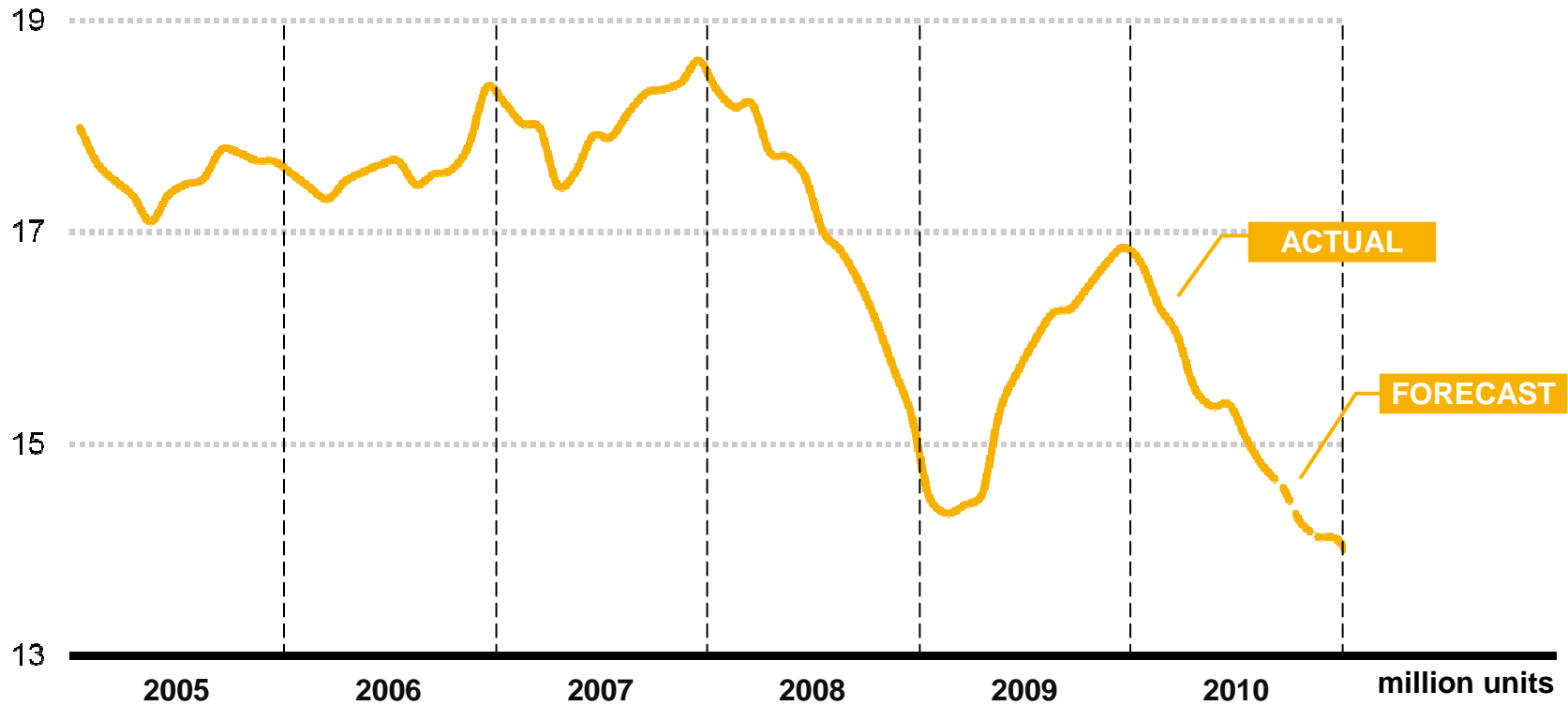
**LOGAN PICK-UP**



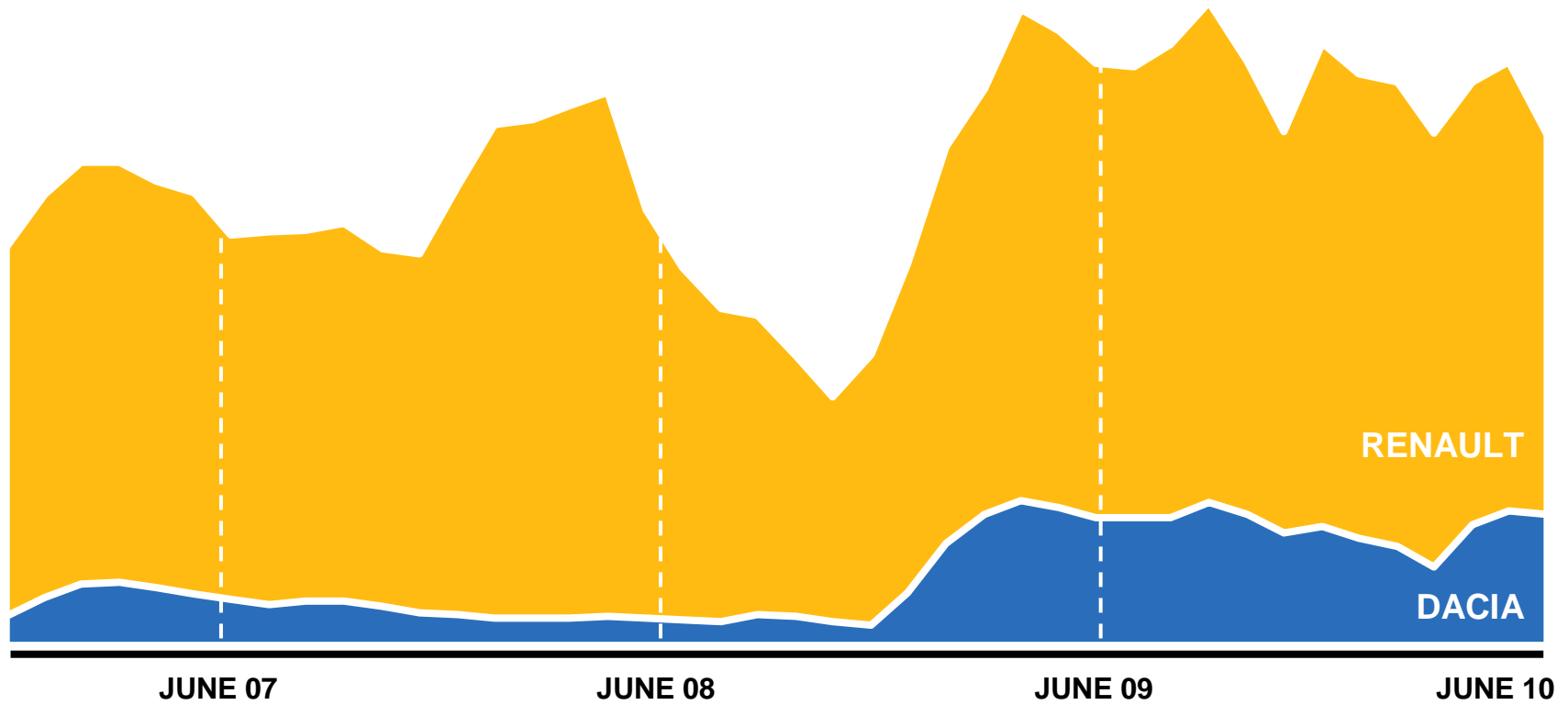
**LOGAN**

# 2010 EUROPEAN TIV: -7 % to -9 % vs 2009

PC + LCV - 4 MONTH ROLLING AVG

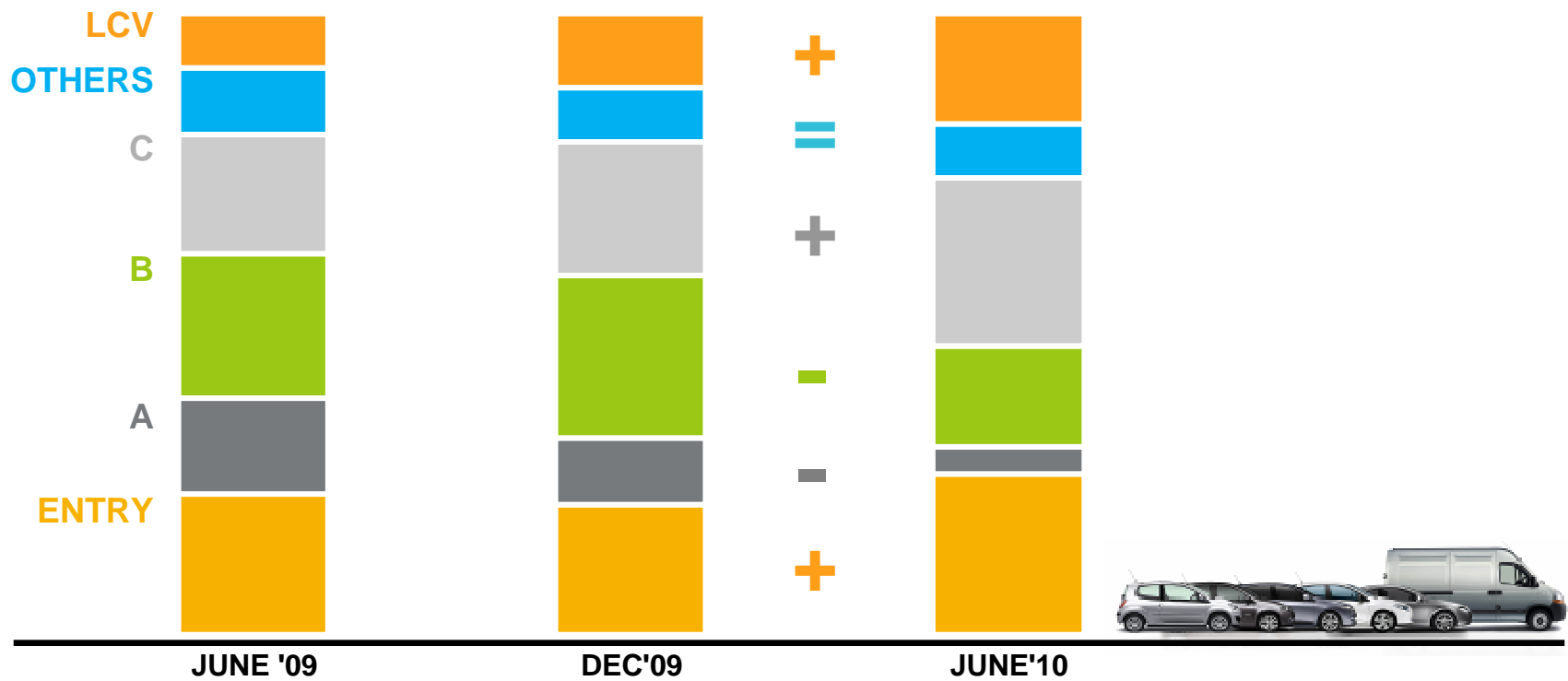


# GROUP ORDERBOOK IN EUROPE PC + LCV



# EUROPE ORDERBOOK MIX IMPROVING

## EUROPEAN ORDERBOOK PC+LCV BY SEGMENT



## NEW RENAULT MEGANE COUPE CABRIOLET



# NEW RENAULT WIND



# NEW RENAULT MASTER



# NEW DACIA DUSTER



## CONCLUSION : OUTLOOK 2010

### 2010 TIV FORECAST PC + LCV VS. 2009

- Europe down - 7 % to - 9 %
- Global up + 8 %

### 2010 GROUP OUTLOOK

- Positive Automobile free cash flow
- Market share improvement in Renault's main markets

## Z24 DEZIR NEW RENAULT DESIGN STRATEGY



# 03



## QUESTIONS & ANSWERS

THE END

