

RENAULT GROUP EXANE CONFERENCE

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RENAULT 2016 DRIVE THE CHANGE

RENAULT
2016
DRIVE THE
CHANGE



- 1. ENSURE THE GROUP'S GROWTH**
- 2. GENERATE FREE CASH FLOW ON A LASTING BASIS**

2013 OBJECTIVES

- **3 million vehicles** sold in 2013
- **2 billion euros cumulated operational free cash flow** 2011-2013

SEVEN PERFORMANCE LEVERS

1. INNOVATION

2. STRENGTHENED PRODUCT OFFER

3. STRENGTHENED BRAND IMAGE

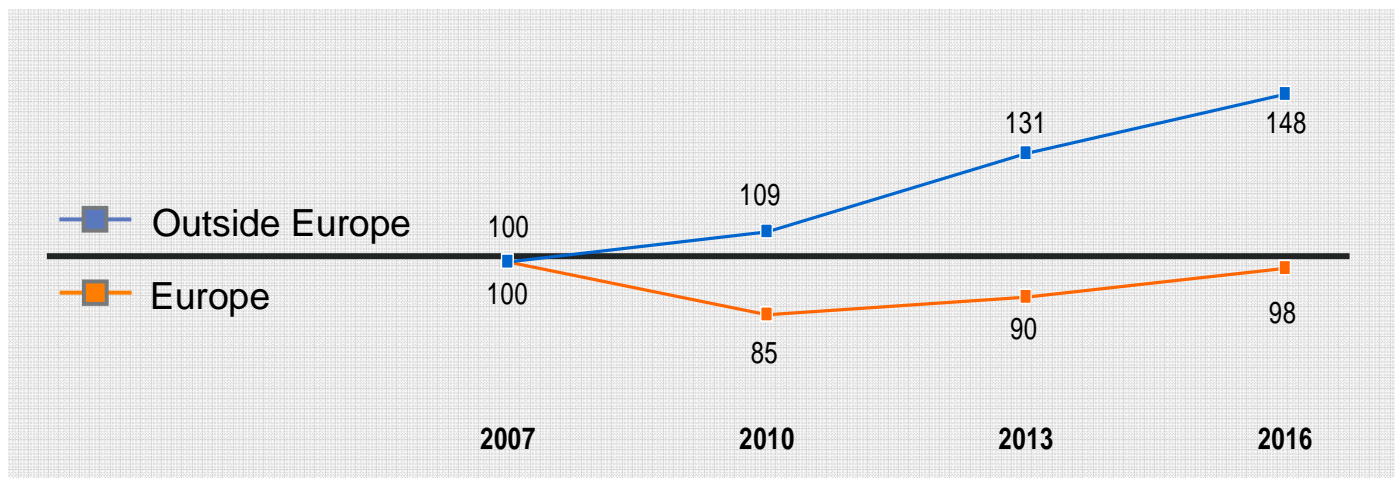
4. NETWORK EXCELLENCE IN CUSTOMER RELATIONS

5. OPTIMISED R&D AND INVESTMENT EXPENDITURES

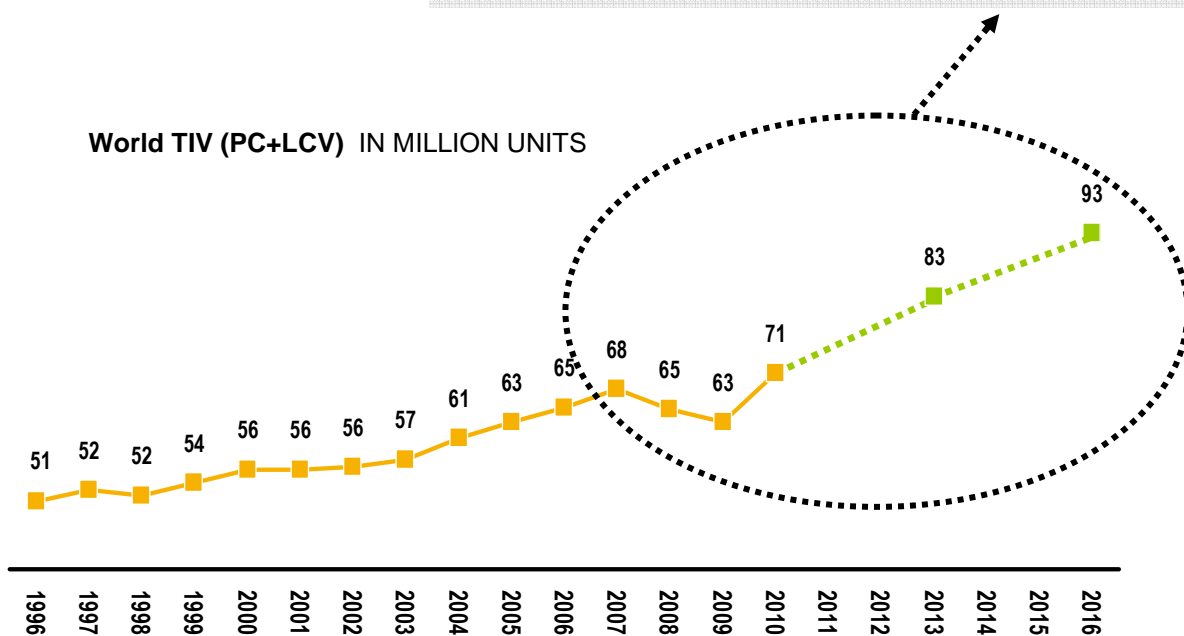
6. COST REDUCTION

7. MAINTAINED POSITIONS IN EUROPE
AND INTERNATIONAL EXPANSION

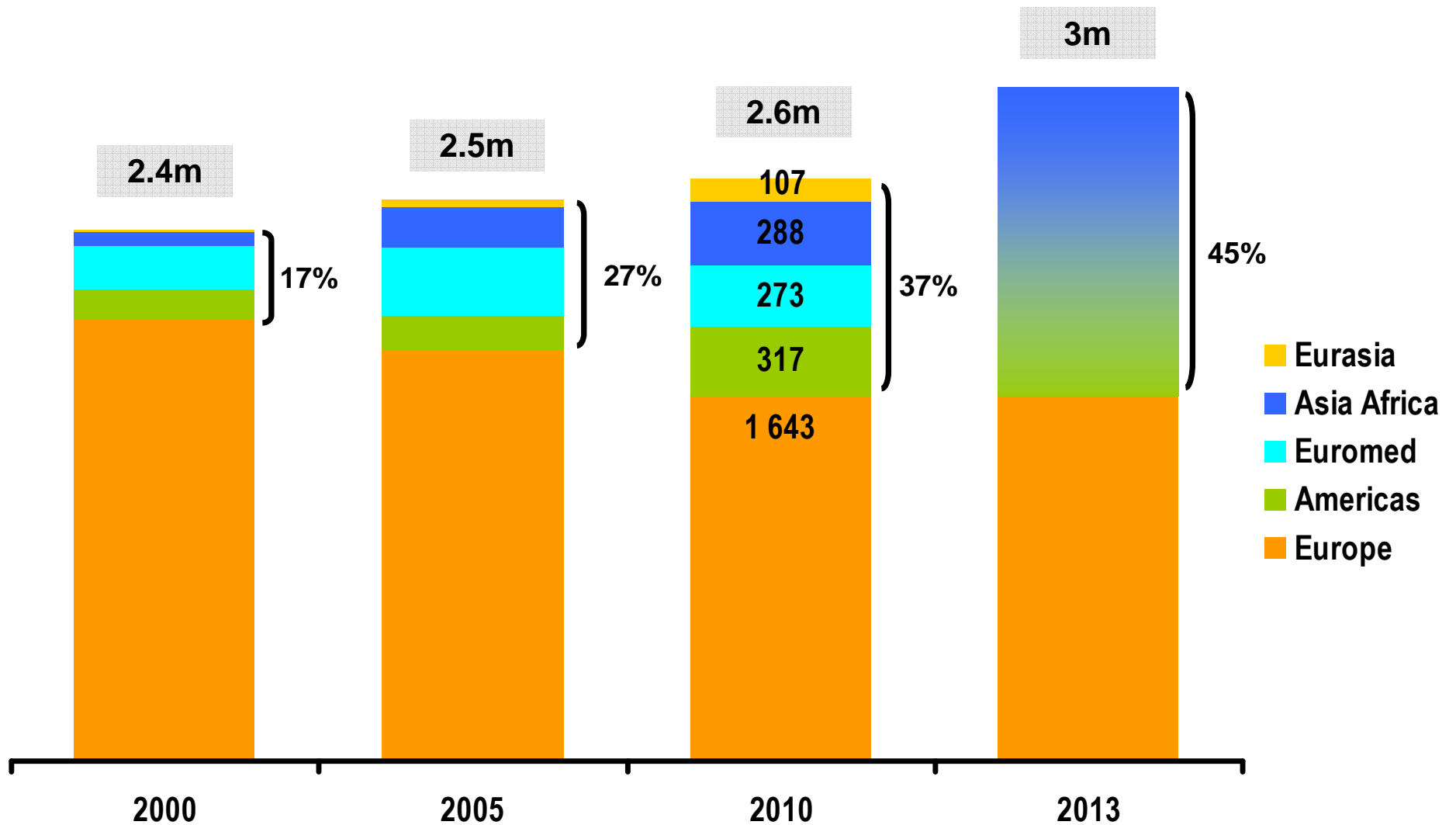
NON EUROPEAN MARKETS DRIVING GLOBAL MARKET GROWTH



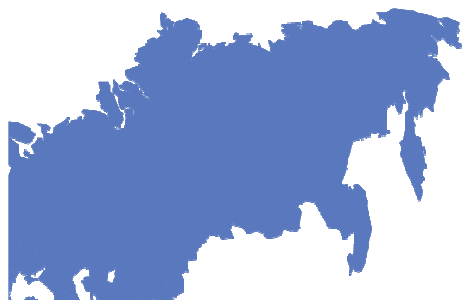
World TIV (PC+LCV) IN MILLION UNITS



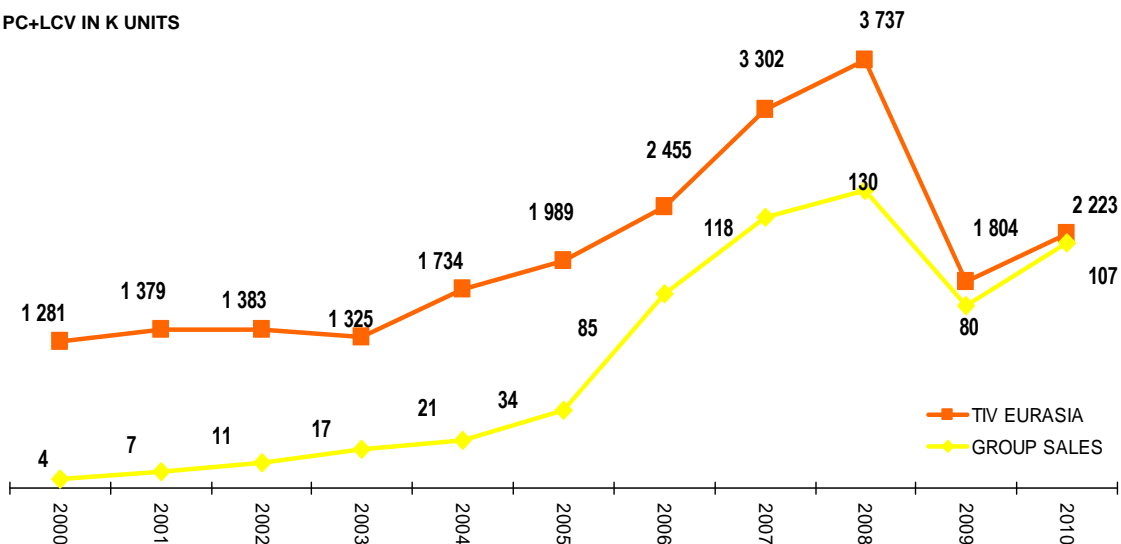
90% OF GROWTH OUTSIDE OF EUROPE



EURASIA




PC+LCV IN K UNITS



3 BEST SELLING CARS

UNITS in 2010

UNITS in 2010		MARKET SHARE PC+LCV			
In K		2000	2005	2010	2013
96	RUSSIA 	0.3%	1.9%	4.8%	>6.0%

LOGAN



SANDERO



FLUENCE



FOCUS ON RUSSIA

▪ New industrial launches

- 2011 Fluence, Mégane, Sandero Stepway
- 2012 Duster, D segment offer
- 2013 Logan replacement

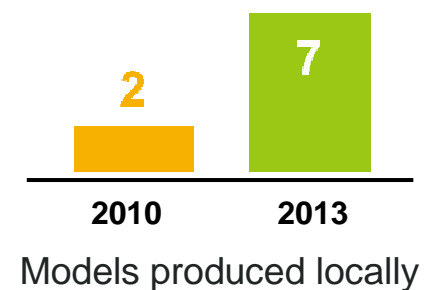
▪ Avtovaz

- Alliance accessing existing capacity
- New products on M0 platform

▪ Dealer network extension

- 100 additional dealers by end 2013

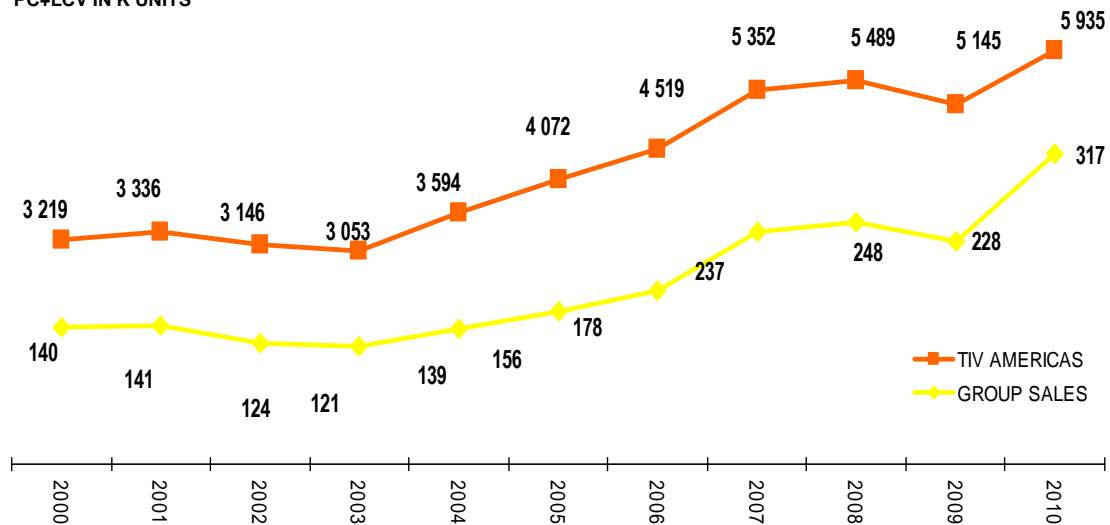
▪ Brand image improvement



AMERICAS



PC+LCV IN K UNITS



3 BEST SELLING CARS

2010 UNITS

In K	Country	Flag
160	BRAZIL	
82	ARGENTINA	
38	COLOMBIA	

MARKET SHARE PC+LCV

	2000	2005	2010	2013
BRAZIL	4.0%	2.9%	4.8%	> 6.5%
ARGENTINA	18.4%	10.3%	13.0%	+
COLOMBIA	13.2%	17.6%	15.9%	-

SANDERO



LOGAN



CLIO



FOCUS ON BRAZIL

- **Strong product momentum**

- 2011 Fluence, Sandero Phase II, Duster
- 2012 Entry price offer
- 2013 Replacement of Logan, LCV offer
- 2014 Further range expansion

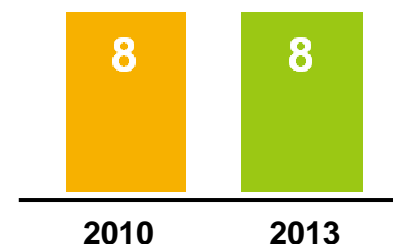
- **Increase market coverage**

- Product offer
- Dealer network capacity (+90 sales points in 4 years)
- Service offer RCI

- **Adapt industrial capacity to meet demand**

- Localization – sourcing, design, customization

- **Increase brand awareness**

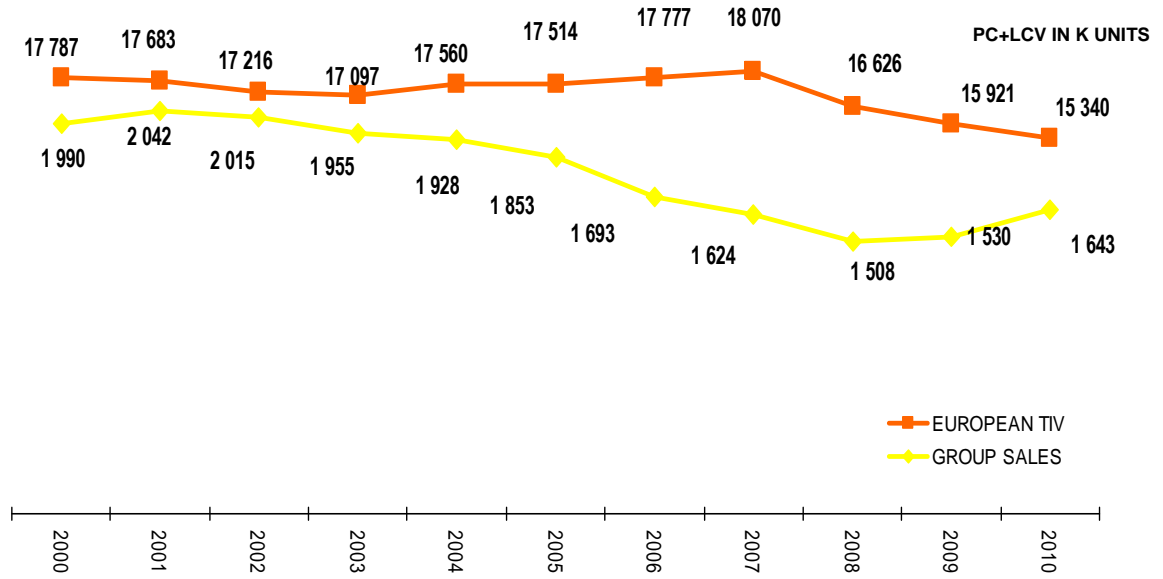


Models produced in Mercosur








Curitiba plant

EUROPE



2010 UNITS

In K		2000	2005	2010
745	FRANCE 	29.1%	27.2%	27.9%
171	GERMANY 	6.1%	5.3%	5.5%
142	ITALY 	7.1%	6.6%	6.6%
125	SPAIN 	12.8%	12.4%	11.4%
113	UNITED KINGDOM 	7.1%	7.1%	5.0%

MARKET SHARE

3 BEST SELLING CARS



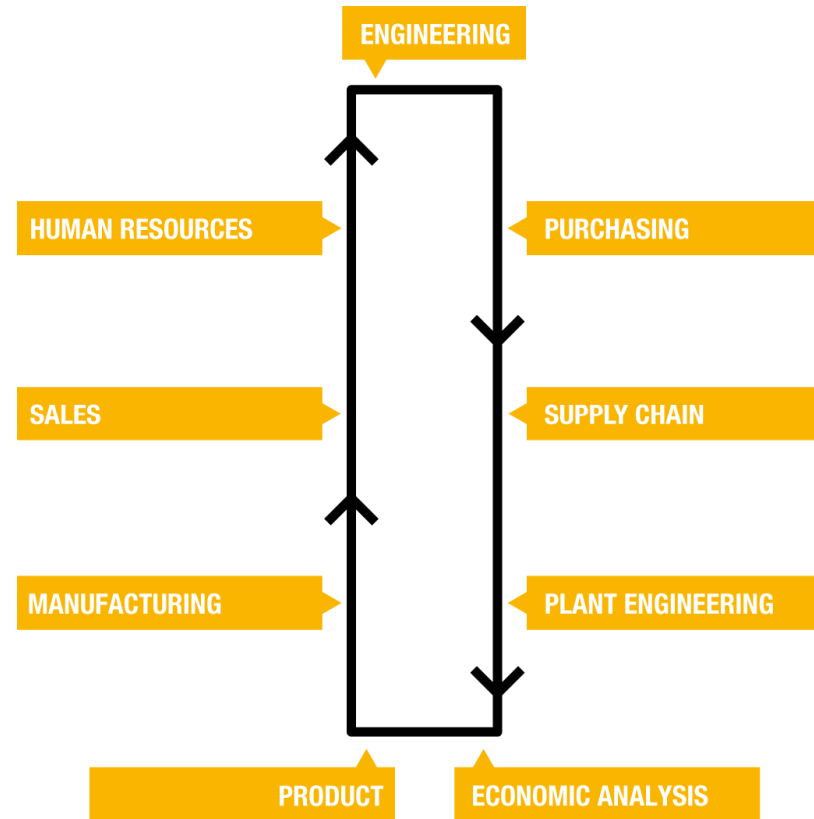
EUROPE

- **Capacity optimization**
 - 20% reduction in capacity
 - Target >80% utilization rate from end 2013 (Harbour)
- **Strategic cooperation with Daimler**
 - LCV and engines
 - Twingo/Smart renewal
- **EV and new technologies**
 - New best in class internal combustion line-up
 - ZOE: the first Full mass EV
- **New design**



COST REDUCTION

PROJET MONOZUKURI



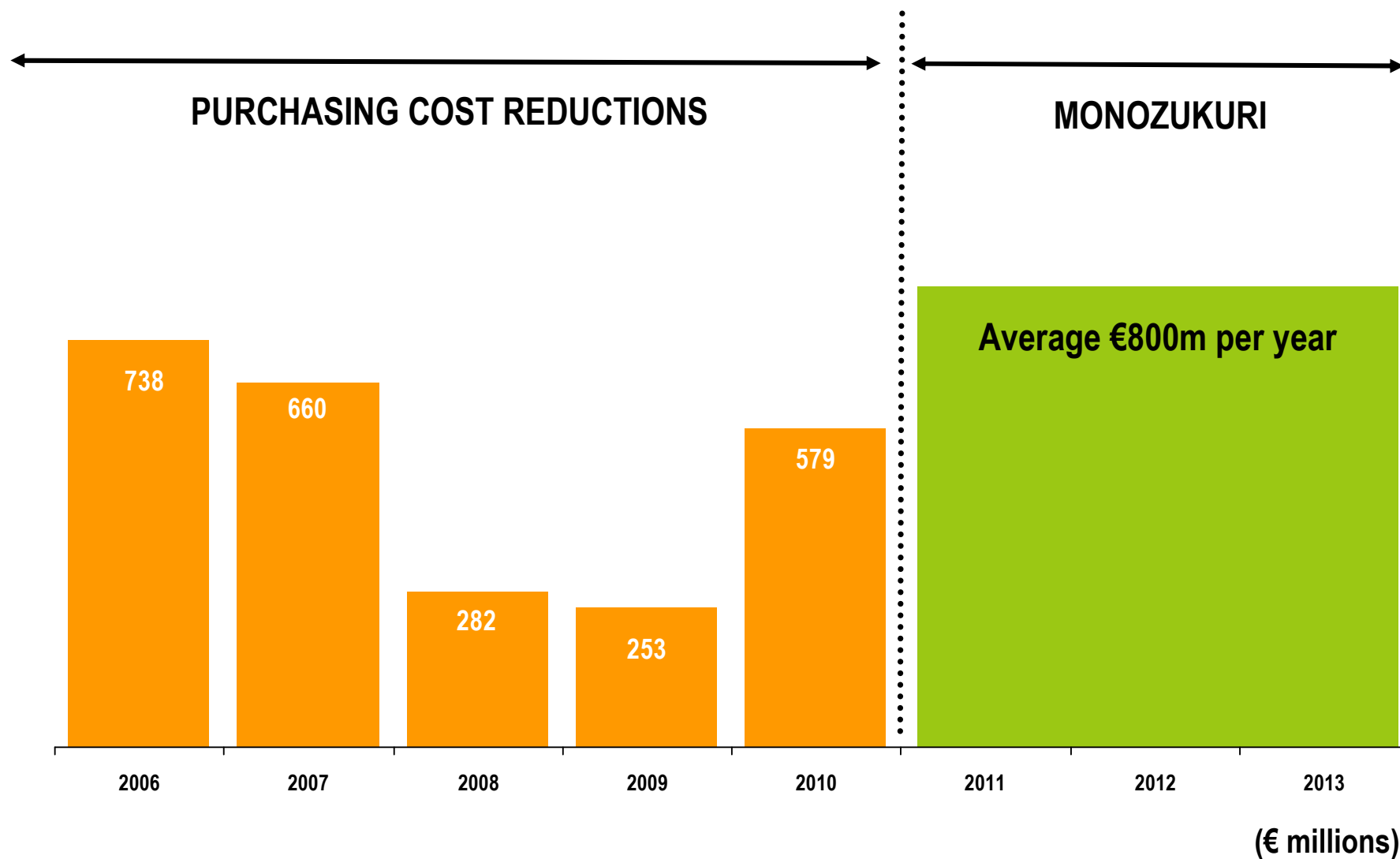
OBJECTIVE

12% reduction in Total delivered cost over 3 years

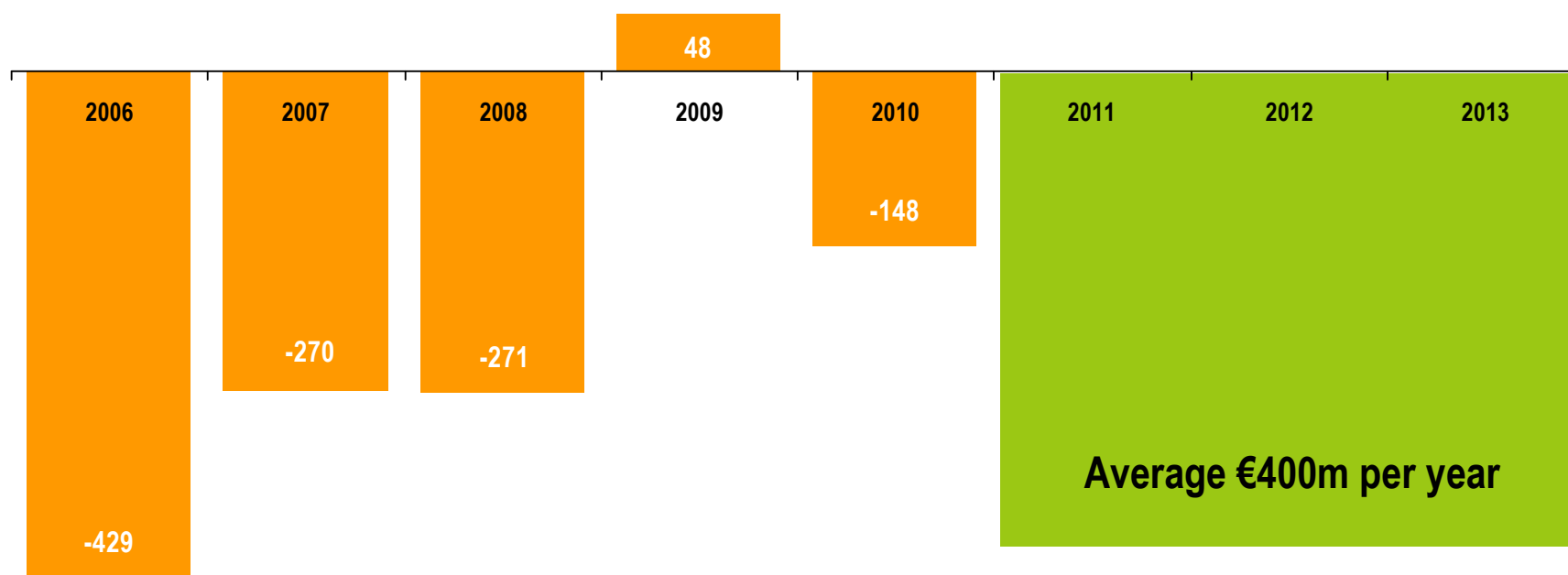


€2.4 bn 2011-2013

IMPACT IN COP OF PURCHASING COST REDUCTIONS

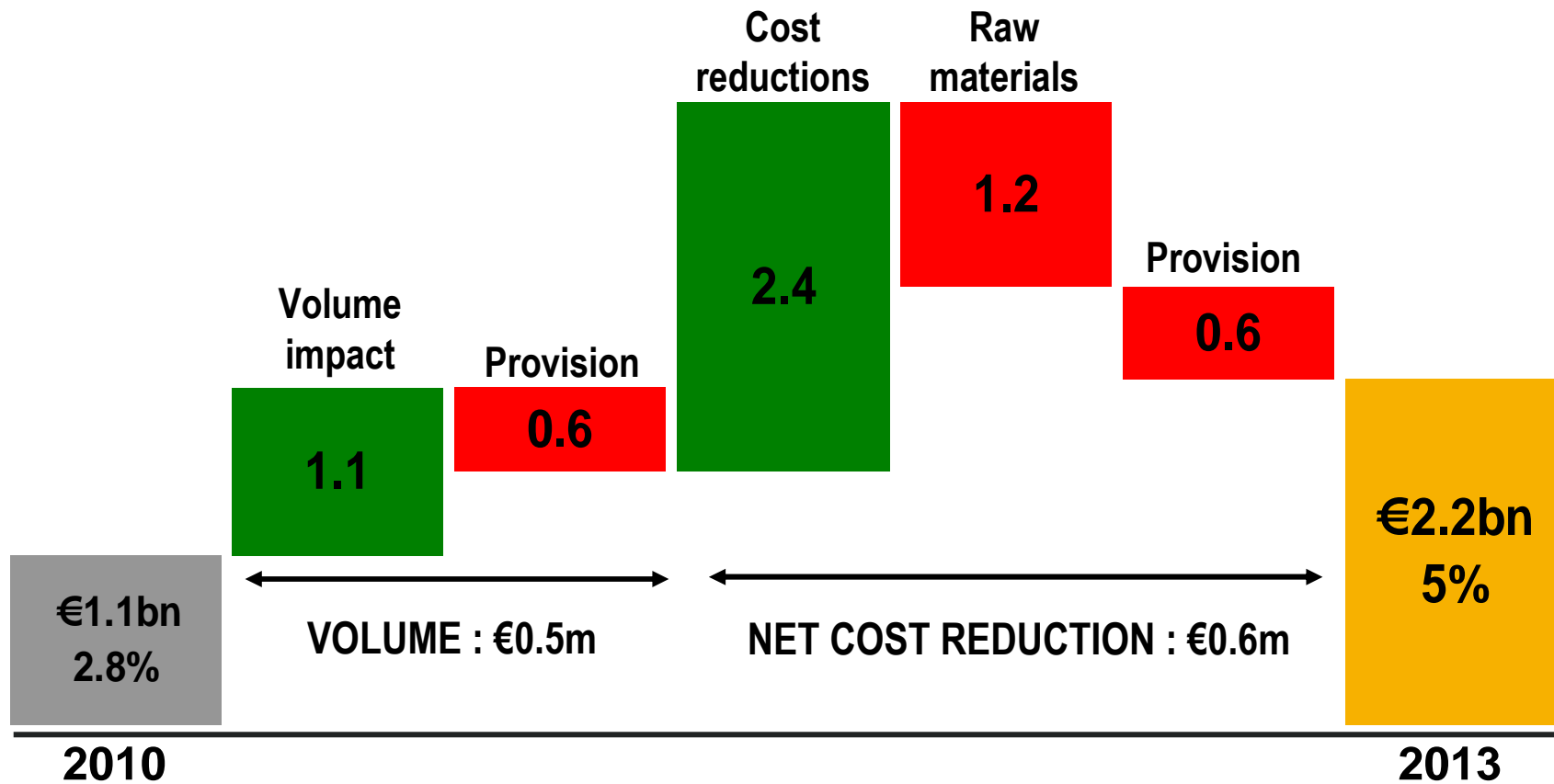


RAW MATERIAL ASSUMPTION

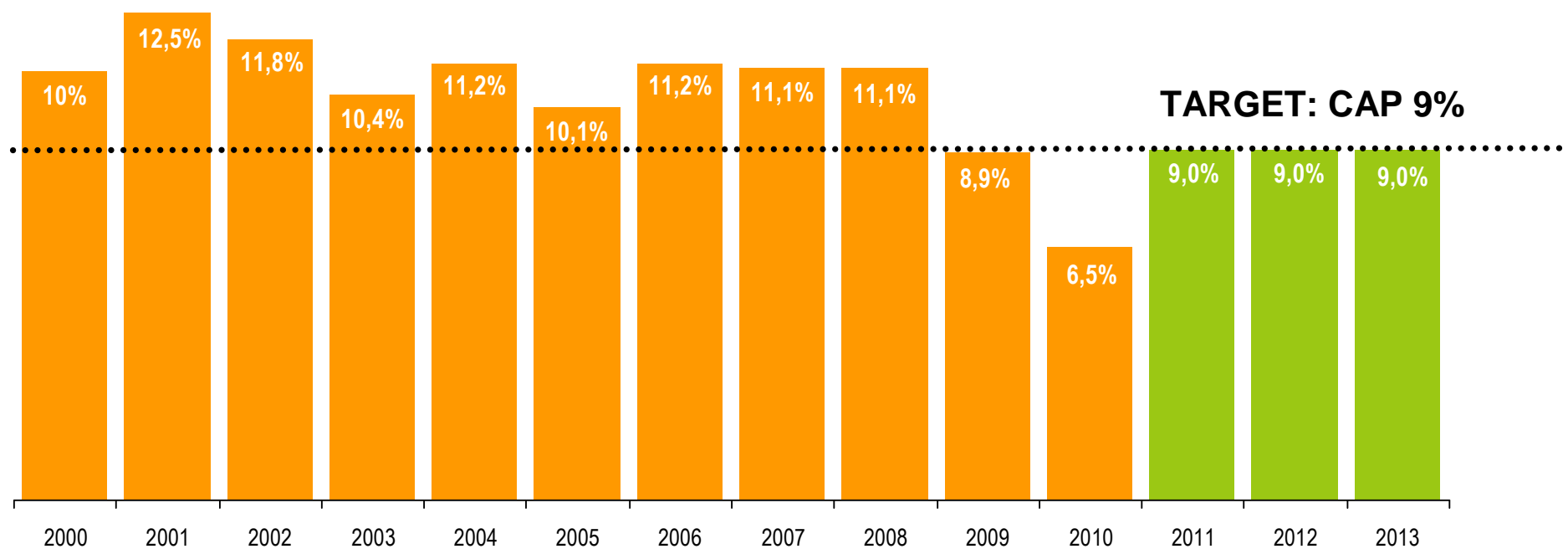


Raw material impact on operating margin vs. previous period in millions of euros

GROUP OPERATING MARGIN WALKDOWN 2010-2013

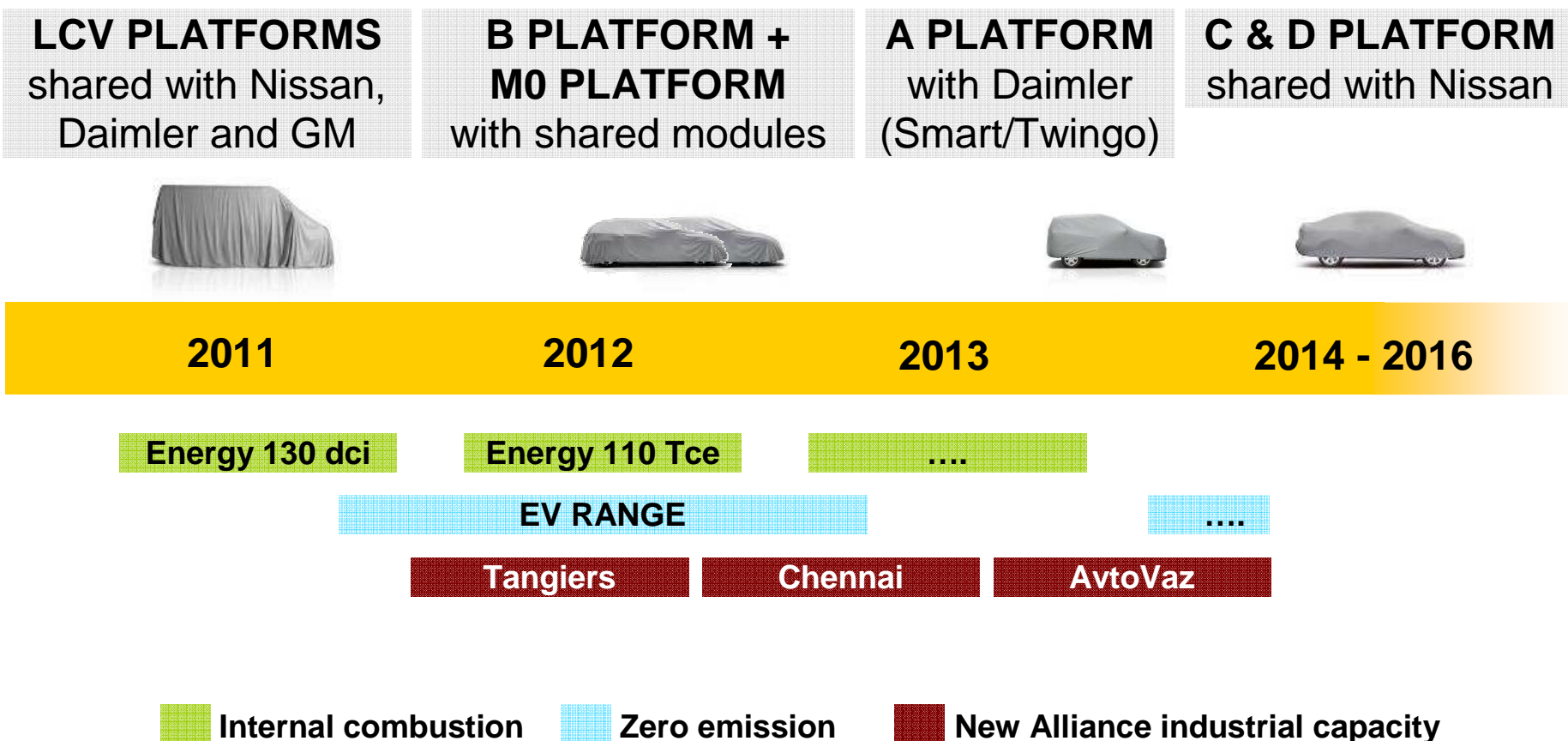


CAPITAL EXPENDITURE AND R&D



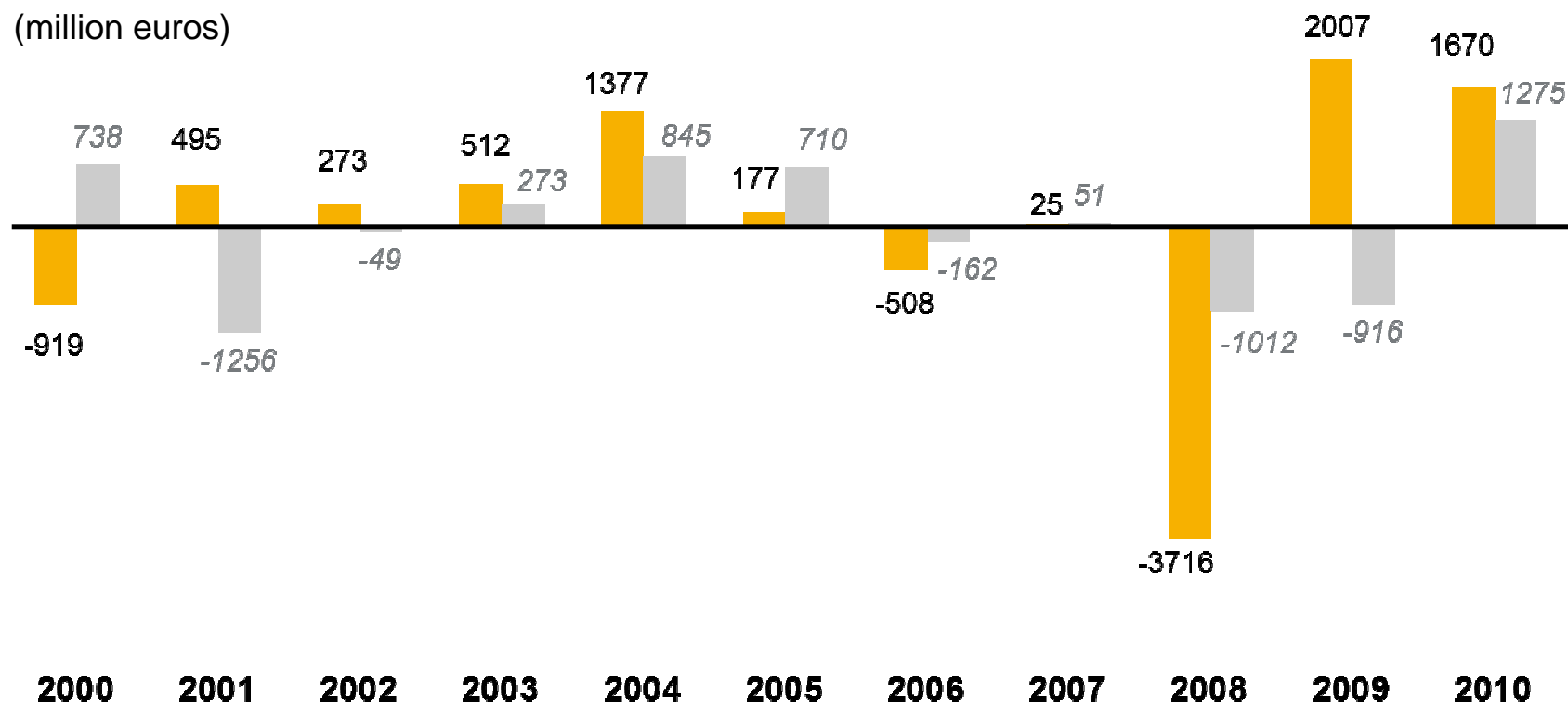
Net capital expenditure and net R&D in % of group revenues

OPTIMISED R&D AND INVESTMENT EXPENDITURES



FREE CASH FLOW EVOLUTION

(million euros)



■ Operational Free Cash Flow

■ Operational Free Cash Flow excluding WCR evolution

DIVIDEND POLICY – RENAULT 2016

- A two tier policy:
 - 1. Pass through of dividends received from quoted associates to Renault's shareholders**
What is received in year 1 will be paid in year 2
 - 2. When the financial environment & Renault's balance sheet permits it:**
A percentage of operational FCF from the Renault core business
- A policy aimed at optimising shareholder value from an Alliance structure perspective

TOTAL INDUSTRY VOLUMES & GROUP SALES YTD MAY 2011 vs. 2010*

GLOBAL **

TIV + 7.3 %
GROUP + 4.2 %

EURASIA

TIV + 56.7 %
GROUP + 73.3 %

EUROPE

TIV + 0.5 %
GROUP - 4.7 %

EUROMED

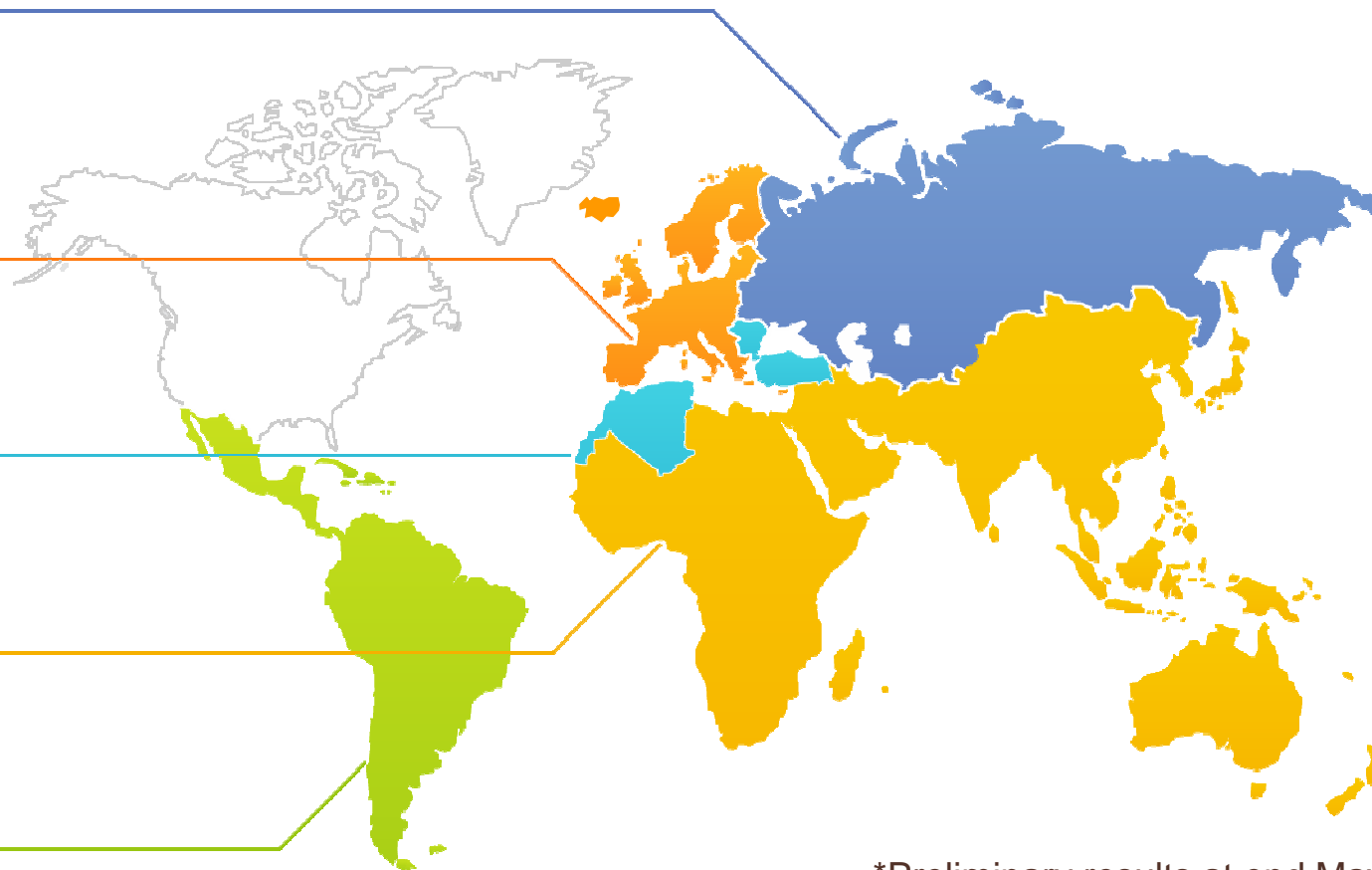
TIV + 32.0 %
GROUP + 24.6 %

ASIA / AFRICA

TIV + 3.6 %
GROUP - 9.1 %

AMERICAS

TIV + 14.7 %
GROUP + 35.0 %

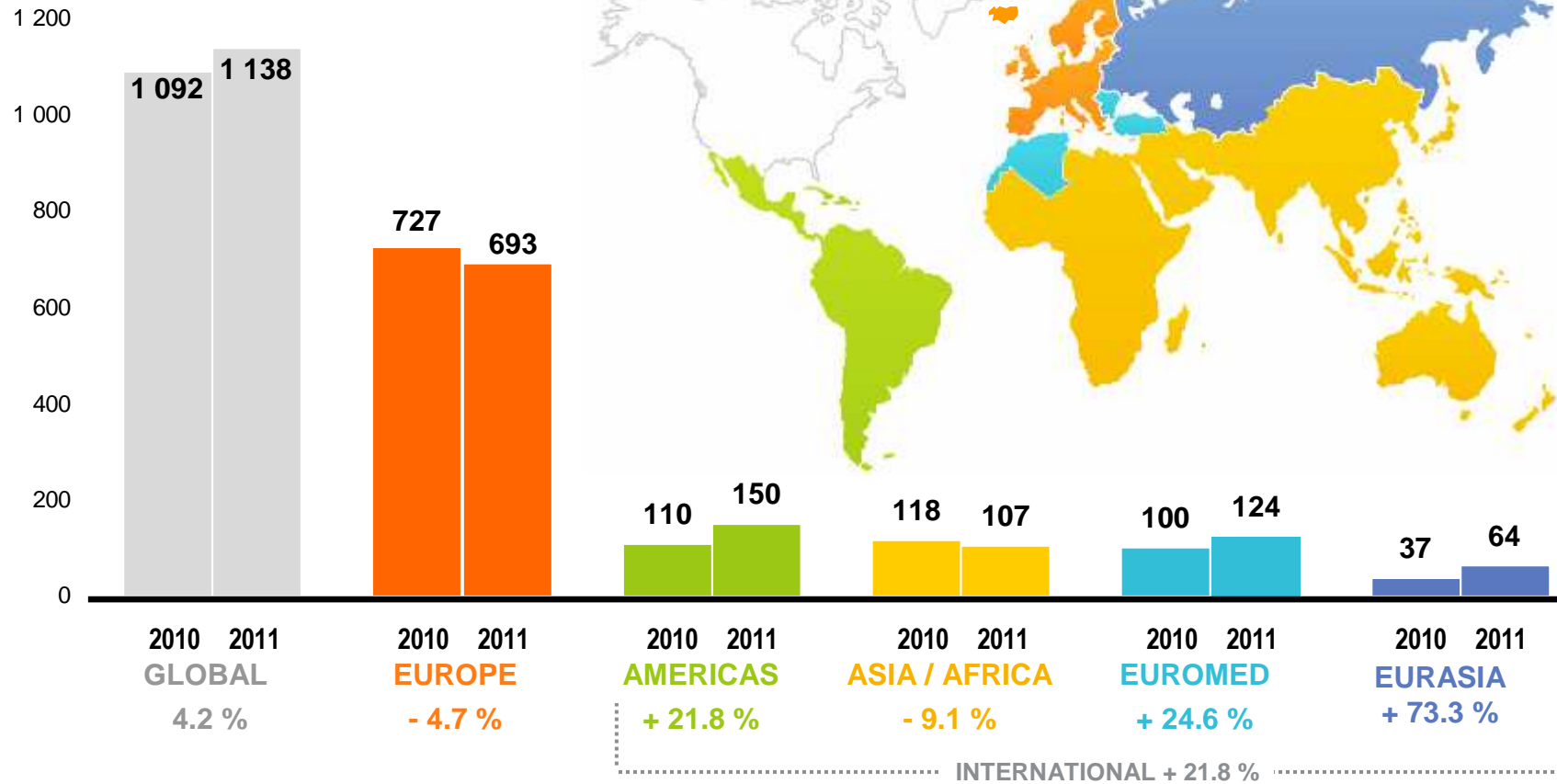


*Preliminary results at end May
**PC+LCV including USA & Canada

RENAULT GROUP SALES YTD MAY 2011 vs. 2010*

INTERNATIONAL SALES MIX AT 39% (+ 6 PTS VS. YTD 2010)

Thousand units
(PC + LCV)



*Preliminary results at end May

OUTLOOK 2011

- **2011 TIV PC+LCV**
 - Lower than previous forecast due to global industry supply disruption
- **Tsunami impact: some production slowdown Q2/Q3**
 - Abnormal seasonality on Group change in working capital
- **Current view: 2011 full year outlook confirmed**
 - unit sales and revenues in 2011 above 2010
 - automobile operational free cash flow > €500m
 - CAPEX + R&D close to 9% of group revenues



DISCLAIMER

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