

# Q3 Revenues 2008

**PATRICK PELATA, COO**

OCTOBER 23<sup>RD</sup>, 2008



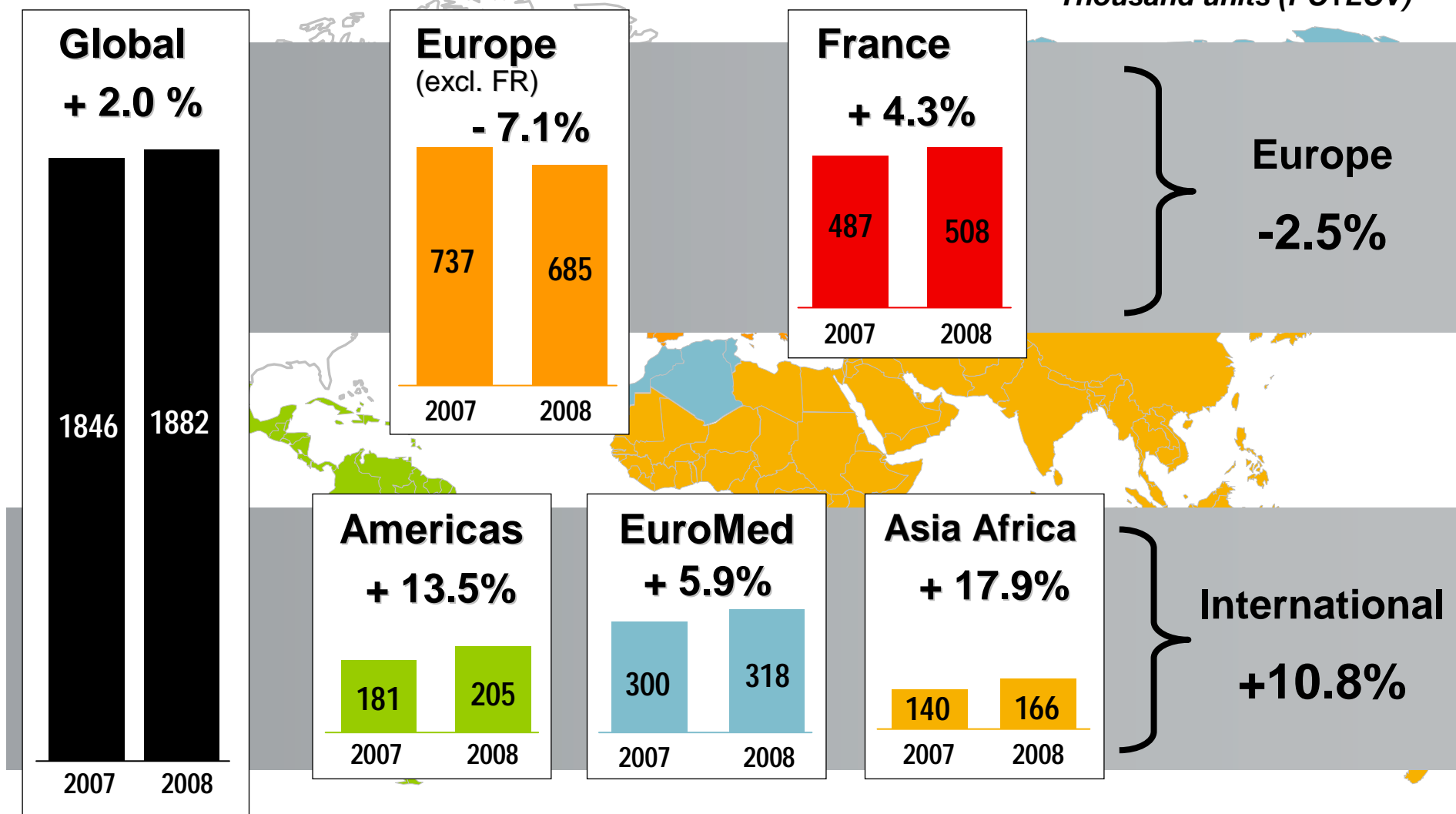
# OUTLOOK

- European market forecast at -8% vs. 2007 (-17% in Q4)
- Signs of slowing growth in some international markets
- Outlook for the full year 2008 :
  - Renault shows its competitiveness, increasing market share both in Europe and internationally, and without further deterioration of car markets, group volumes should slightly exceed 2007 levels leading to a consolidated operating margin of between 2.5% and 3%.
- Impact of market evolution on 2009 is being assessed.  
2009 outlook published with FY2008 results



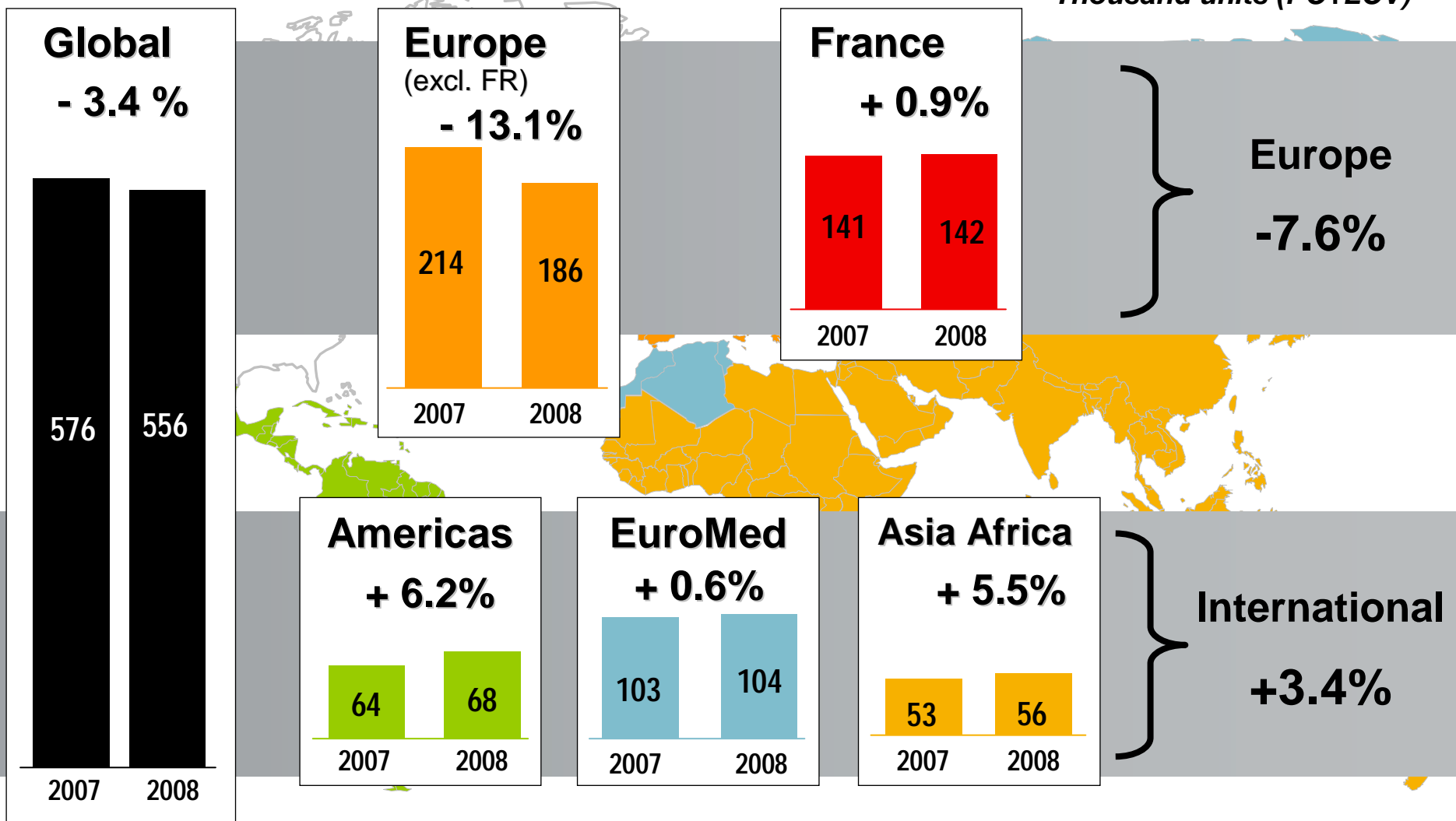
# +36,000 CAR SALES VS. 2007 AT THE END OF SEPT.

Thousand units (PC+LCV)

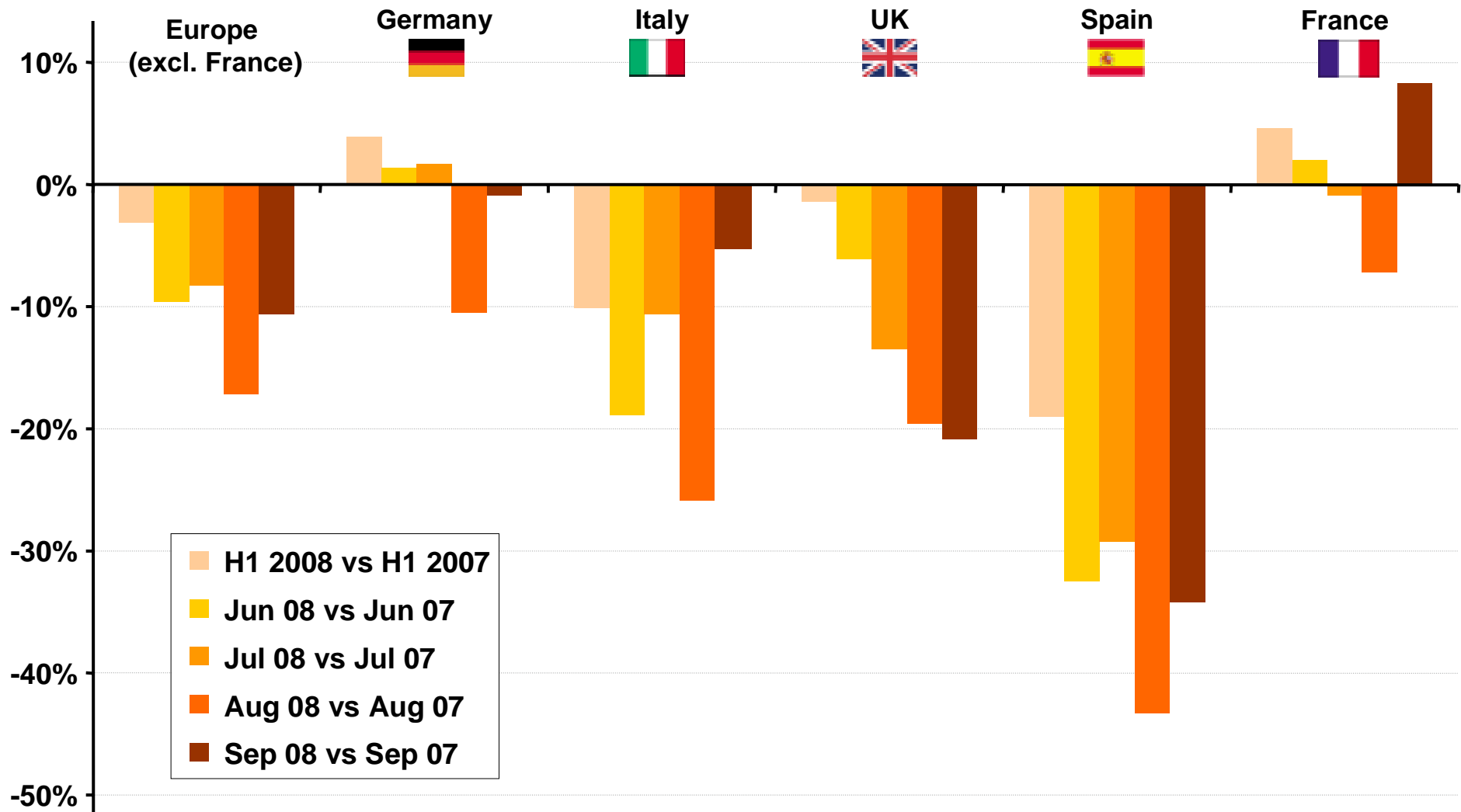


# - 20,000 CAR SALES IN Q3 2008 VS. Q3 2007

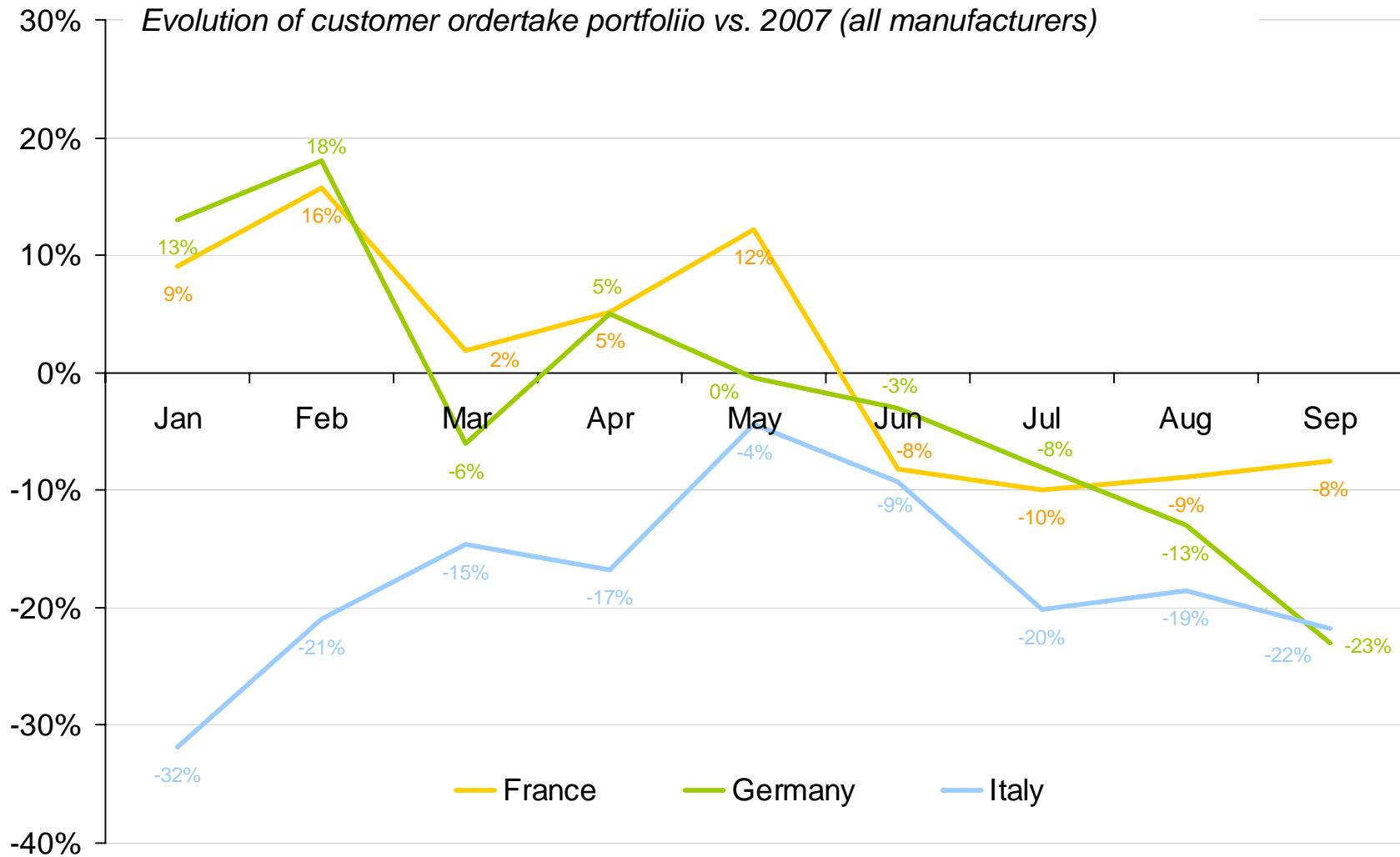
Thousand units (PC+LCV)



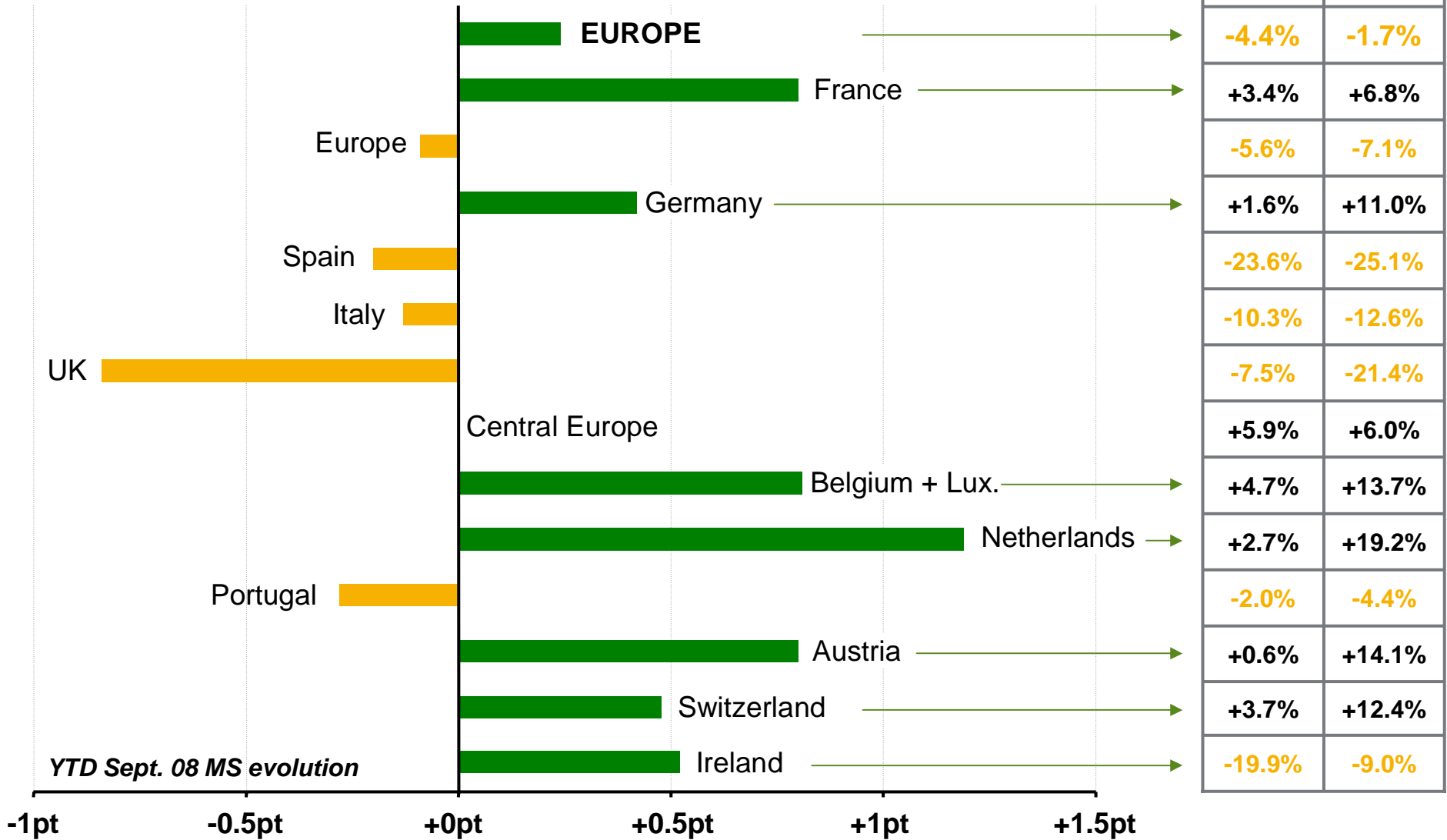
# FAST DECREASING MARKETS IN MAJOR EUROPEAN COUNTRIES



# TIV ORDERS EVOLUTION: ITALY, GERMANY & FRANCE

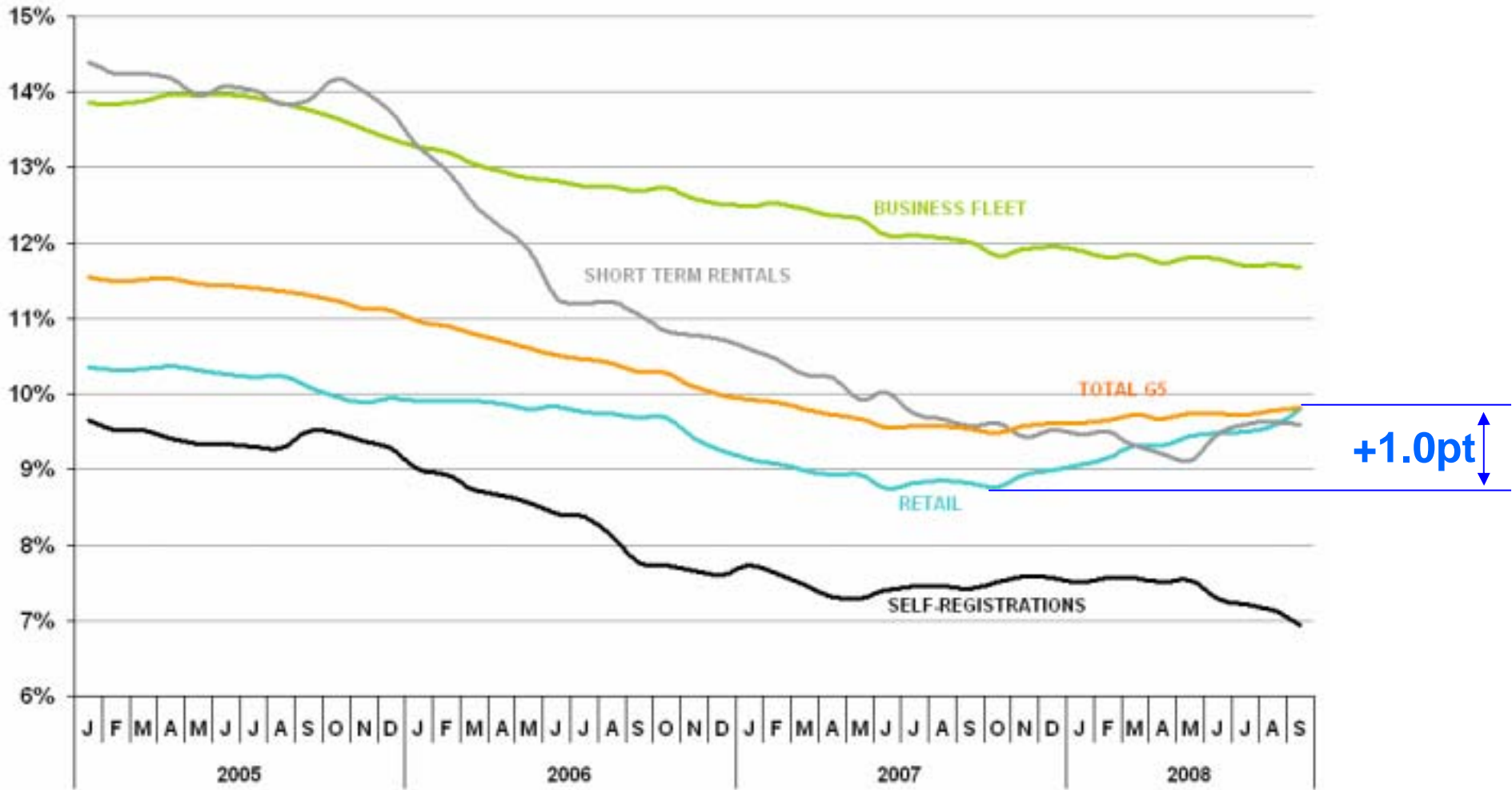


# MARKET SHARE EVOLUTION PER COUNTRY

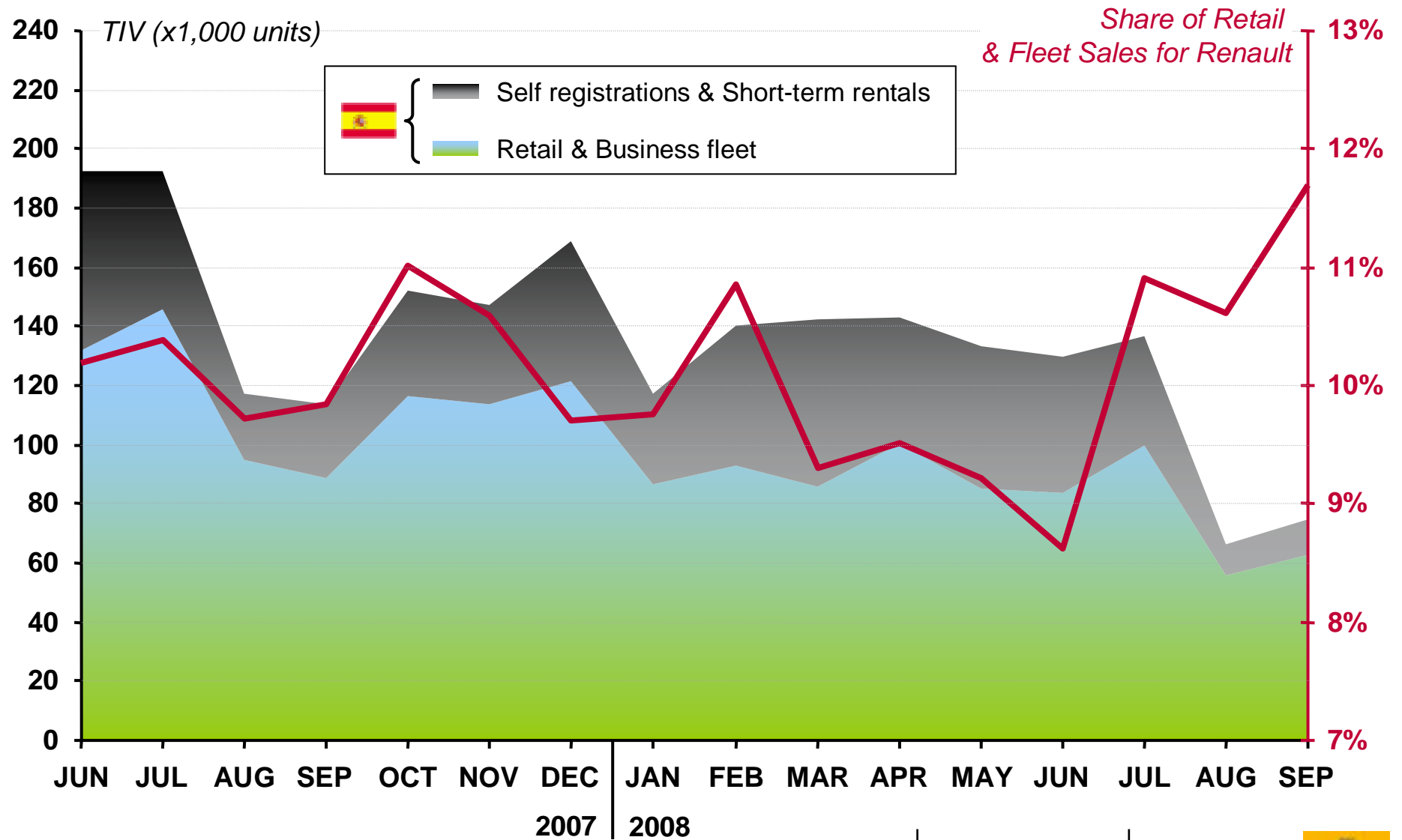


# SALES CHANNEL MIX – 5 MAJOR EUROPEAN COUNTRIES

## MARKET SHARE BY CHANNEL – 12M ROLLING AVERAGE SINCE 2005



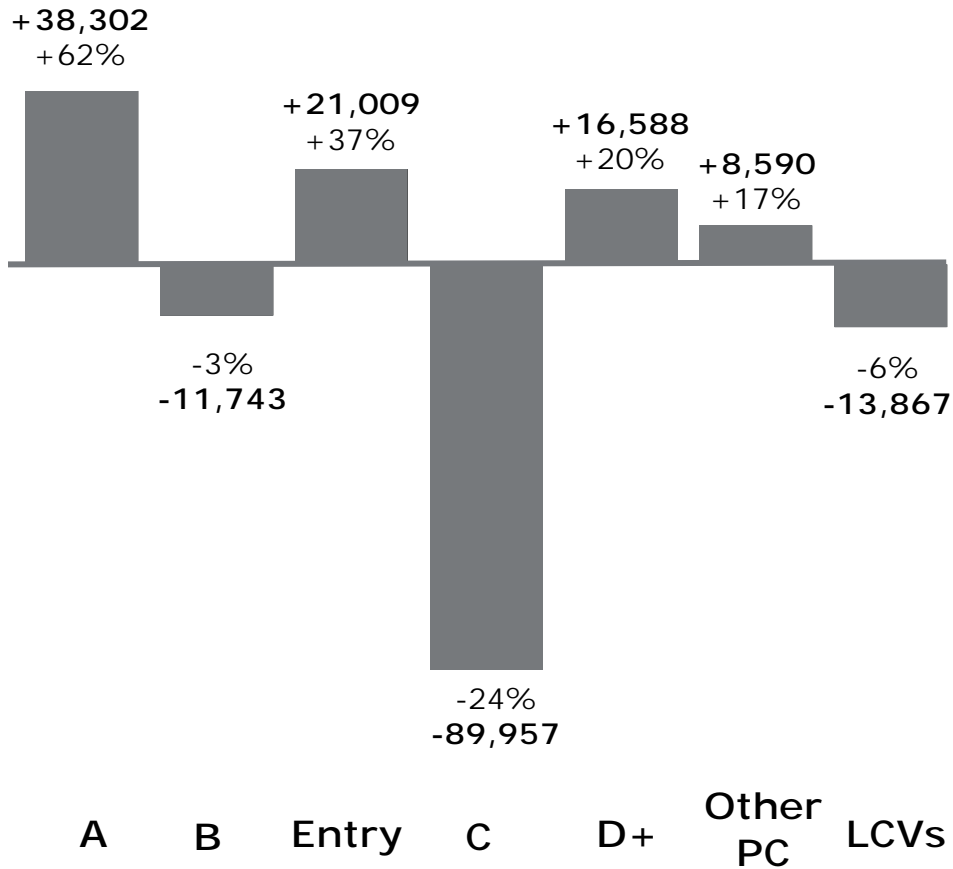
# BUSINESS CASE : SPAIN



# GROUP SALES BY SEGMENT IN EUROPE

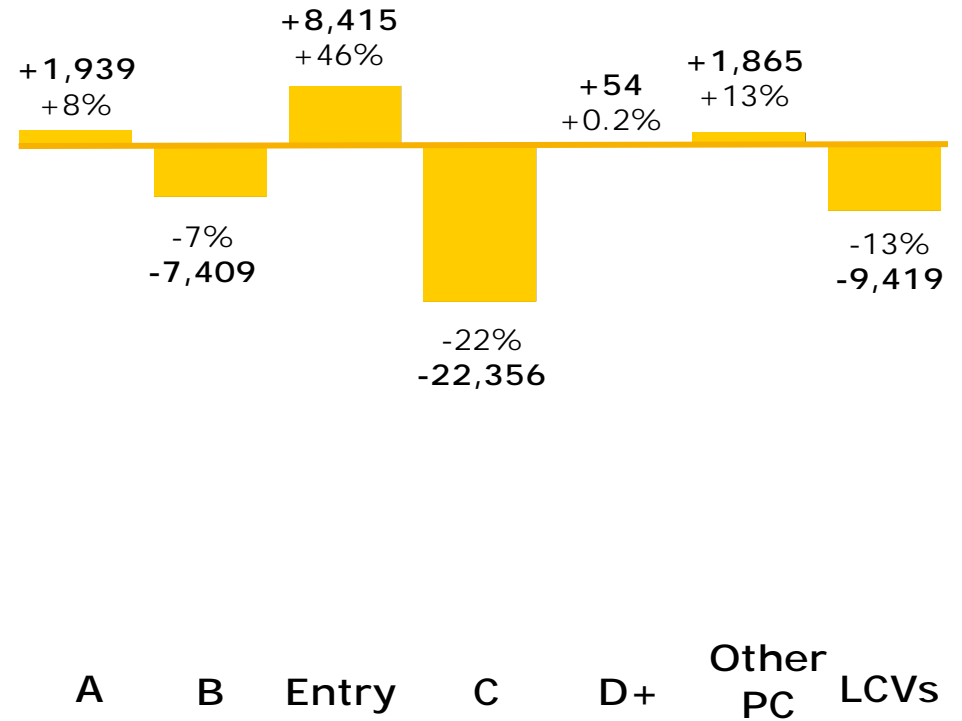
**- 31,078 units or -2.5% vs. YTD 2007**

Change YTD 2008 / YTD 2007 – In units

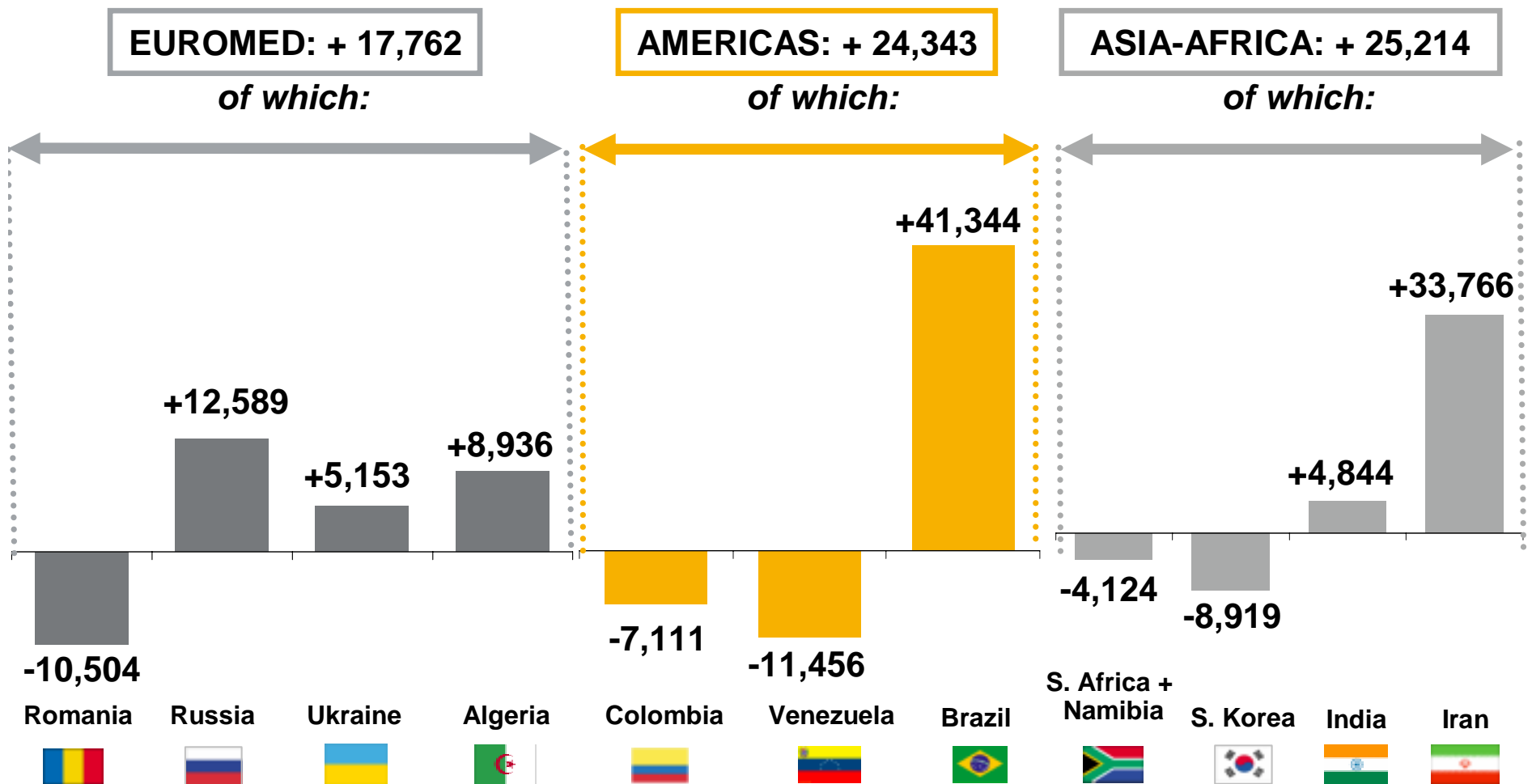


**- 26,911 units or -7.6% vs. Q3 2007**

Change Q3 2008 / Q3 2007 – In units



# GROUP SALES OUTSIDE EUROPE UP 10.8% TO 688K UNITS YTD



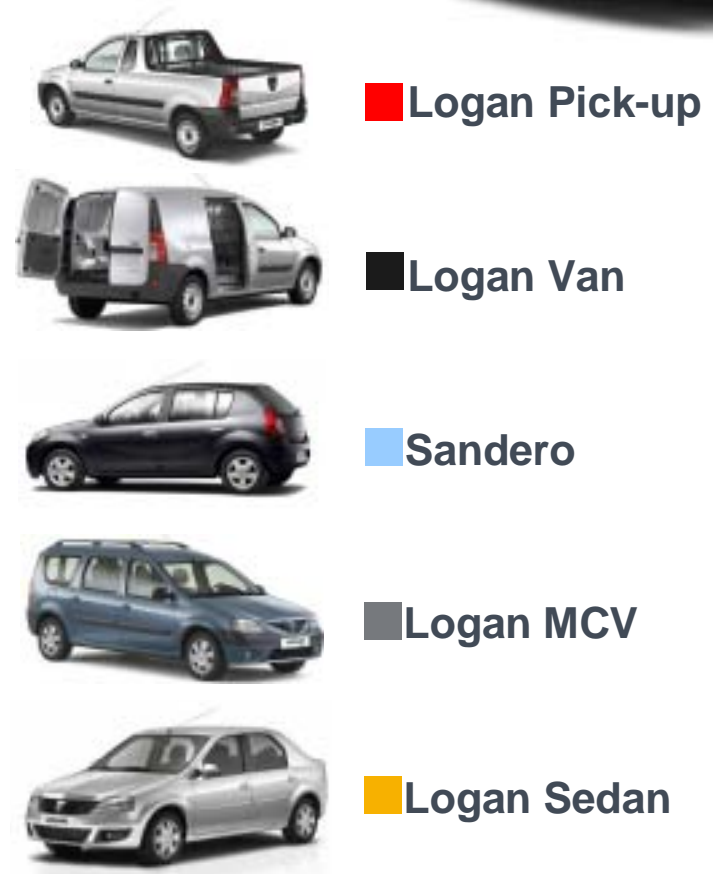
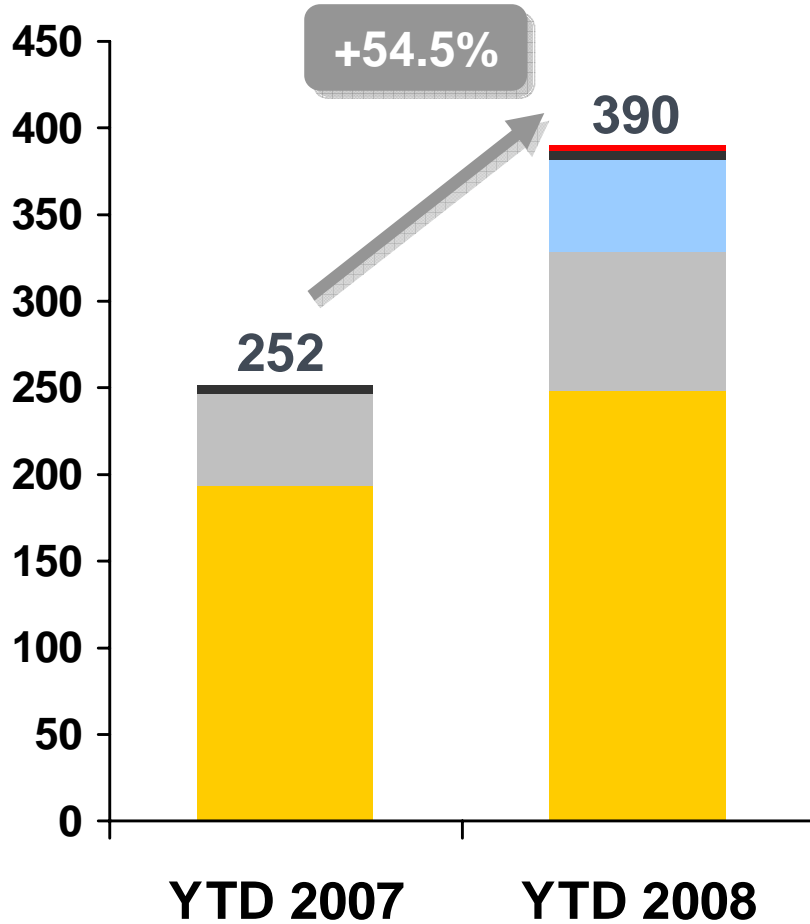
Change YTD 2008 / YTD 2007 – In units (Cars+LCVs)



# ENTRY LEVEL WORLDWIDE SALES



Thousands of units (Cars+LCVs)



# GROUP REVENUES BY DIVISION Q3 2008

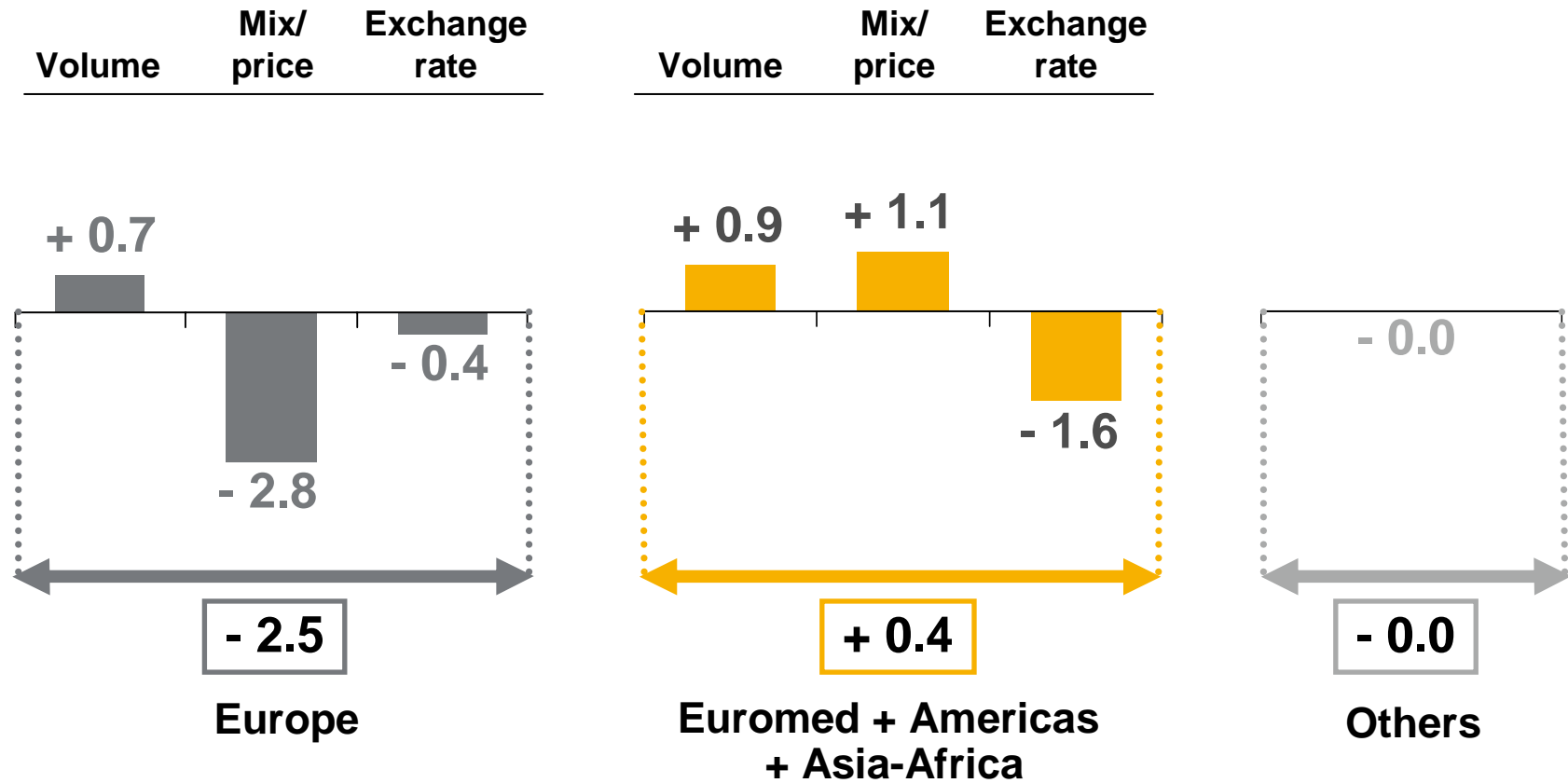
<i>In million euros</i>	Q3 2007 Pro forma*	Q3 2008	Change (%)
Automobile	8,830	8,637	- 2.2%
Sales Financing	525	512	- 2.5%
<b>TOTAL</b>	<b>9,355</b>	<b>9,149</b>	<b>- 2.2%</b>

\* 2007 data has been restated on a consistent basis



# AUTOMOBILE DIVISION REVENUES DOWN 2.2% IN Q3'08

*Contribution to the change in revenues*



# Q3 OVERVIEW

## ■ EUROPE

- Europe TIV fell faster than expected
- Model mix : Mégane end of life and Entry/A/B segment gaining in mix
- Market share gains & sales channel quality maintained
- New and used vehicle inventory actions already implemented, but stock levels only maintained

## ■ INTERNATIONAL

- First signs of slowing growth
- Currency impacts
- Strong entry segment deployment & Sandero now adding diversification

→ Poor visibility and tough market conditions as economic environment spreads globally



# Q3 Revenues 2008

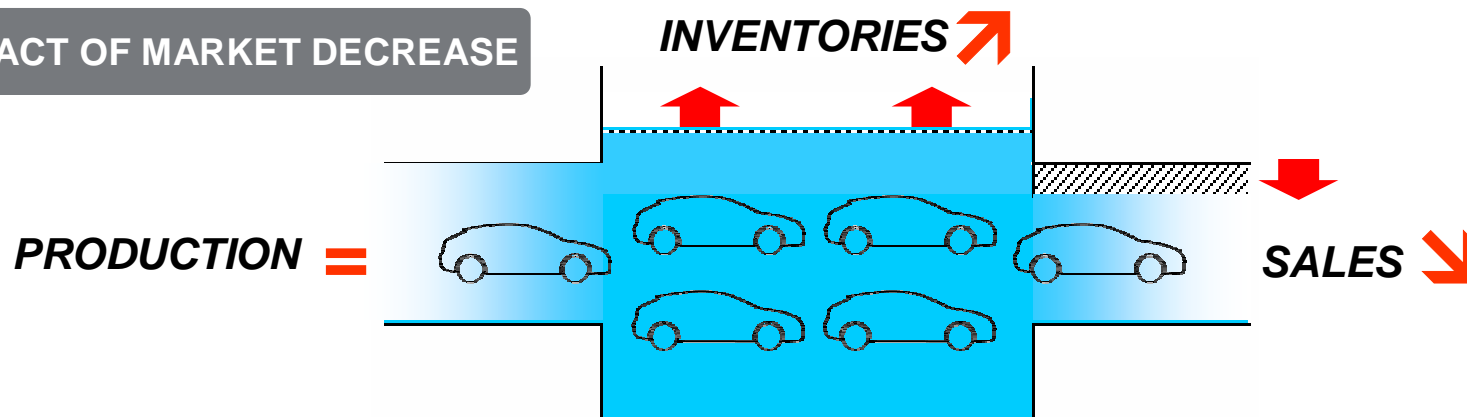
## ACTIONS TAKEN

October 23<sup>rd</sup>, 2008

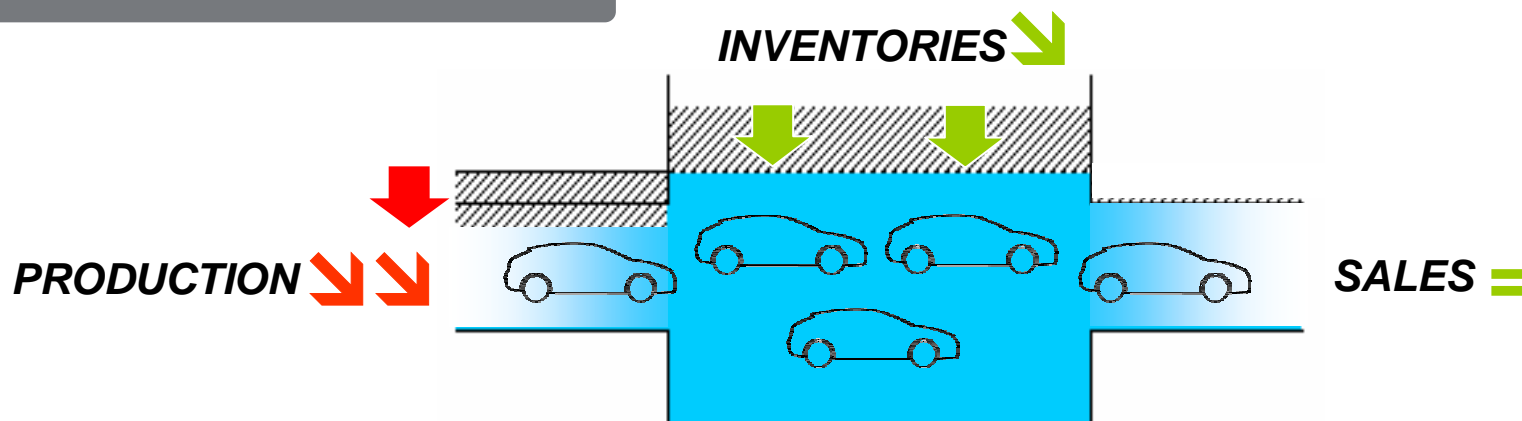


# MANAGING INVENTORY

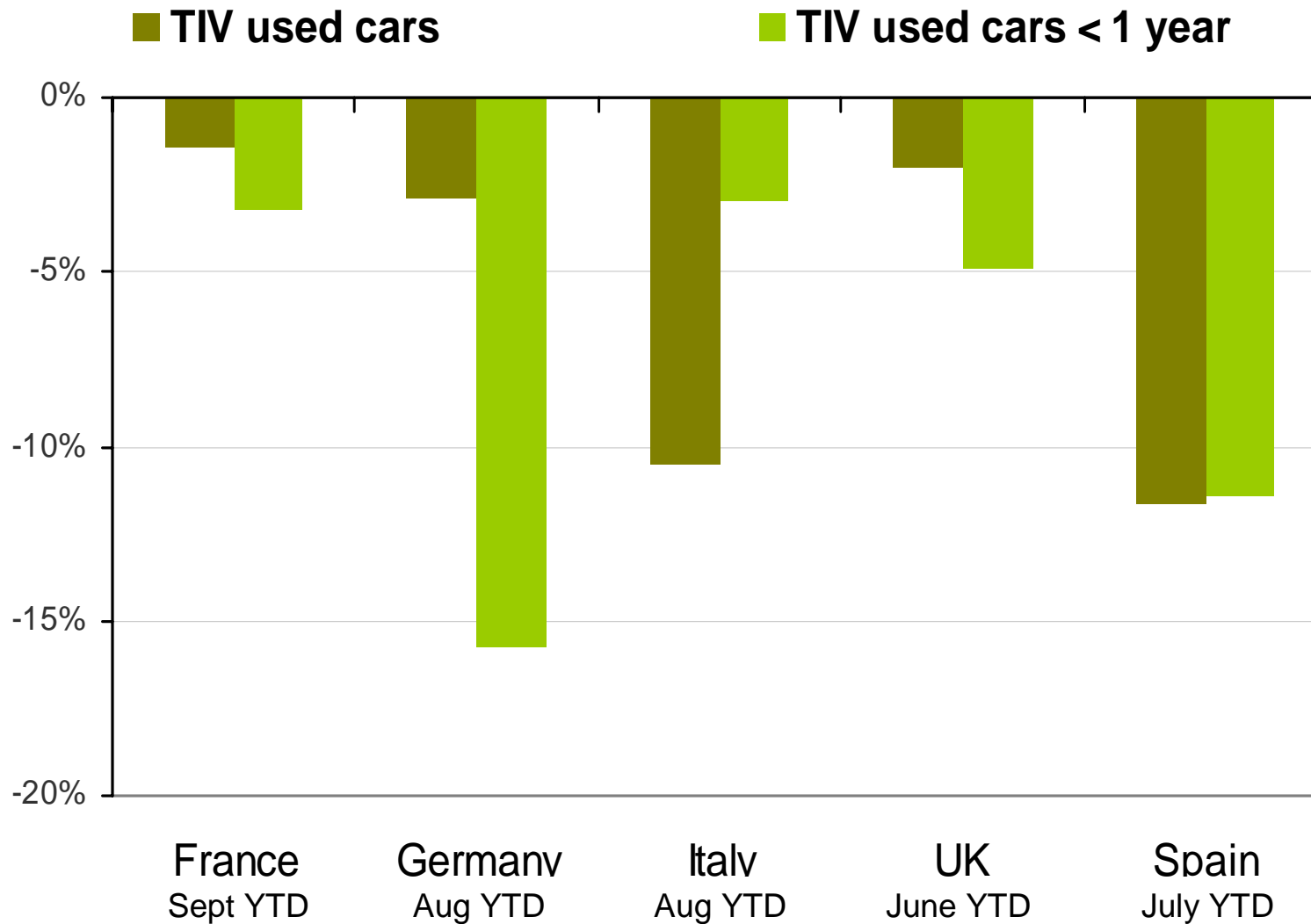
## IMPACT OF MARKET DECREASE



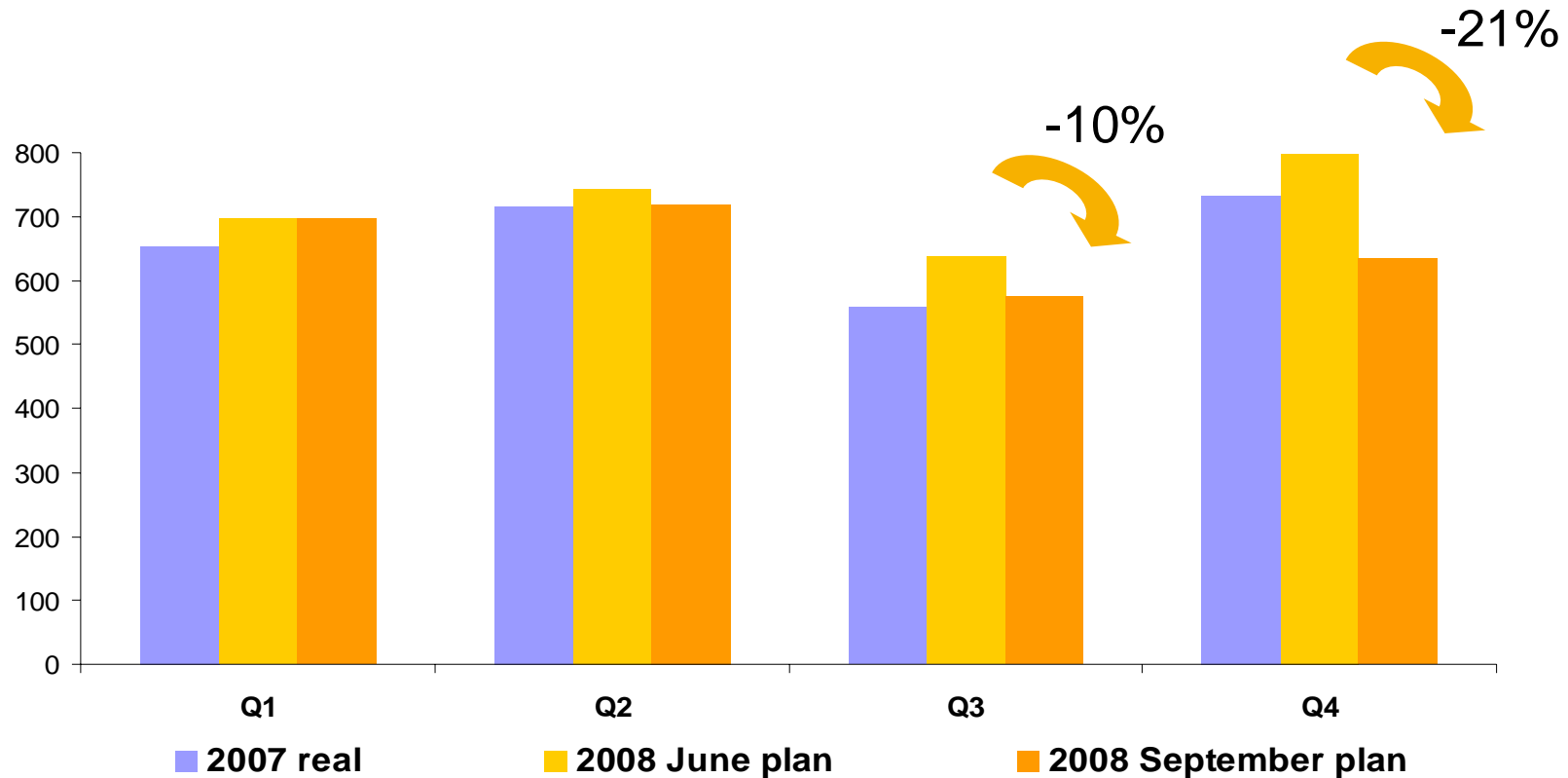
## ADJUSTMENT REQUIRED



# USED CARS: TIV EVOLUTION



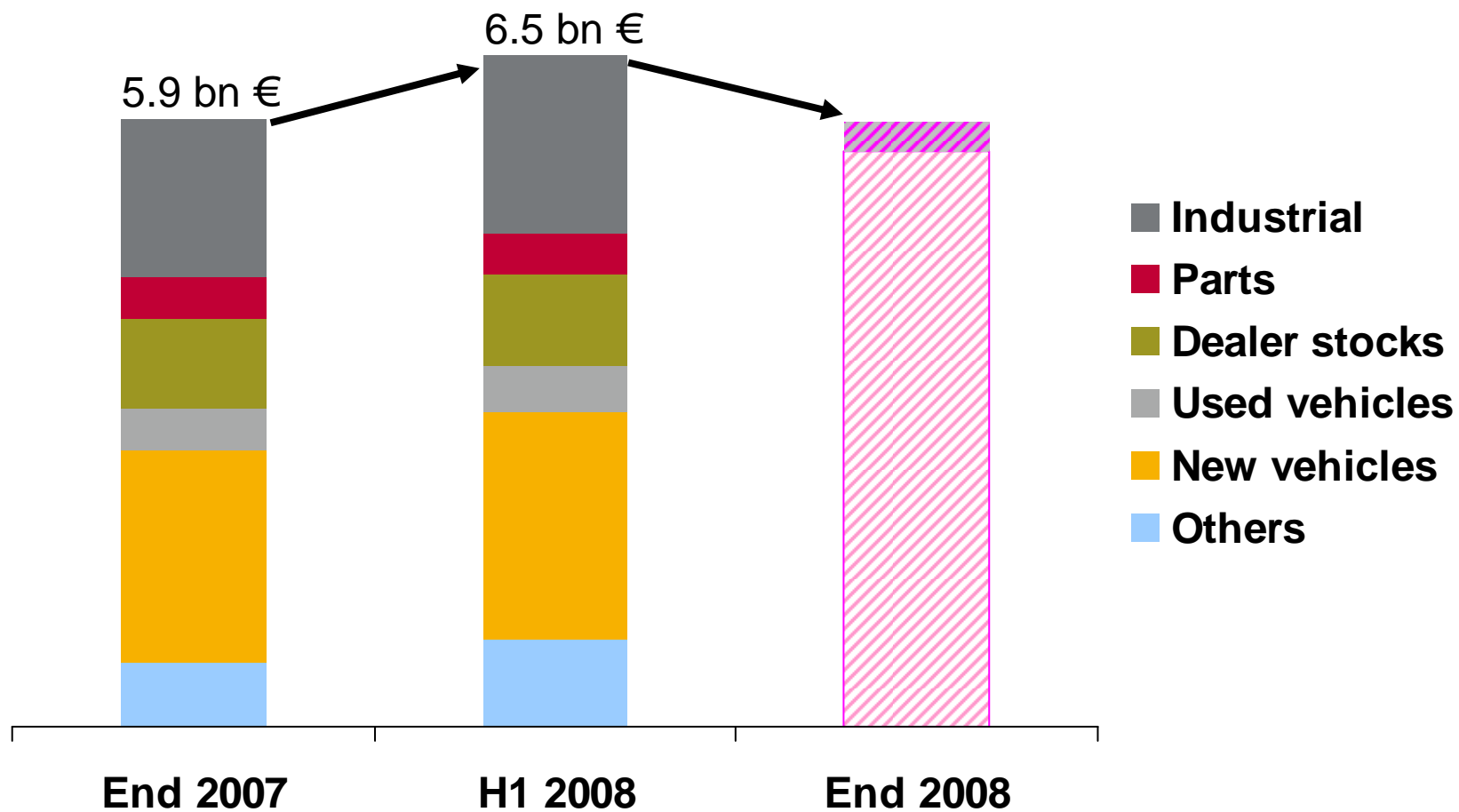
# GLOBAL MANUFACTURING VOLUMES



- **250k units reduced from the manufacturing plan since July**
- **Manufacturing reduction superior to sales trend in order to control inventory levels**

# REDUCING INVENTORY

COMMITMENT TO RETURN TO DECEMBER 2007 LEVELS AT END DECEMBER 2008



# REINFORCING COST REDUCTION & CASH MANAGEMENT

- **Measures announced on July 24:**
  - Repositioning our selling prices
  - Adjusting our organization to the new economic environment
    - ✓ Reducing corporate overhead by 10%
    - ✓ Switching to a single shift on the Laguna production line, in Sandouville plant
  - Reducing the ratio of R&D spend + CAPEX on revenues
  
- **Additional measures:**
  - Manufacturing volumes cut by 250k units
  - Reducing the investments cost (-10% in M€ vs. 2008)
  - Strict inventory control throughout the chain (Factory, National sales companies, Renault Retail Group and private dealers, used cars)
  - RCI Banque:
    - ✓ Tighter customer credit scoring
    - ✓ Reducing private dealer funding lines



# RENAULT: KEY ASSETS

## ■ Line-up

- A rejuvenated product line-up (average age of 2.2 year by end 2008 vs. 3.8 in 2005)
- A strong offer on the entry-level range
- The renewal of the heart of our line-up (New Megane)

## ■ Top level fundamentals

- **Safety:** The only brand with 10 vehicles obtaining 5 stars at Euro NCAP tests
- **Quality:** New Laguna in the Top 3 of its category in France & Germany
- **Environment :** Renault in the Top 3 in Europe in terms of fuel efficiency and CO<sub>2</sub> emissions

## ■ International expansion

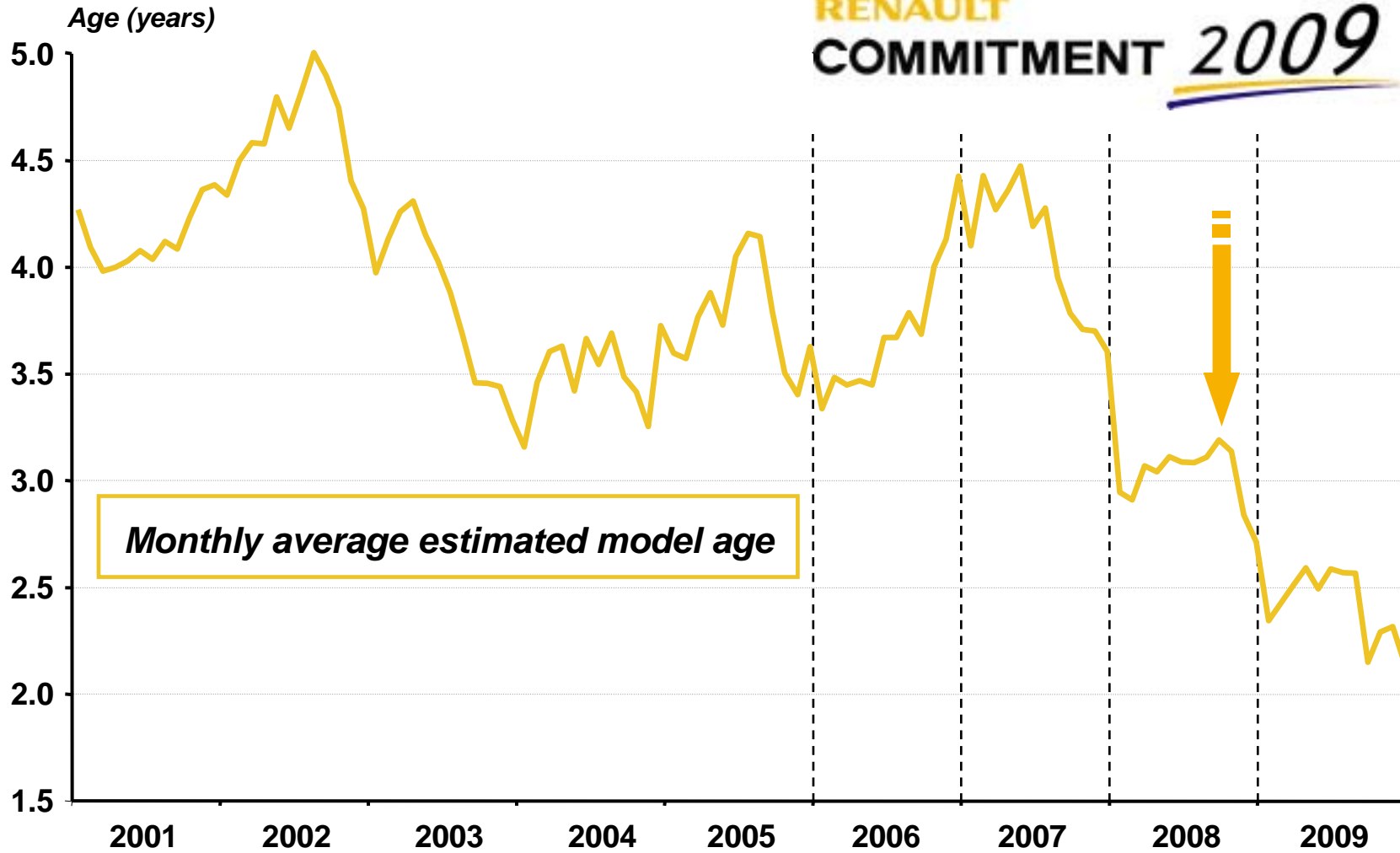
- **Sales outside Europe** represent 37% of the Group sales vs. 27% in 2005

➔ **Renault's performance is less dependent on one market (Europe) and one product (Megane)**



# YOUNGER MODEL RANGE FOR GROWTH IN EUROPE

**RENAULT**  
**COMMITMENT 2009**





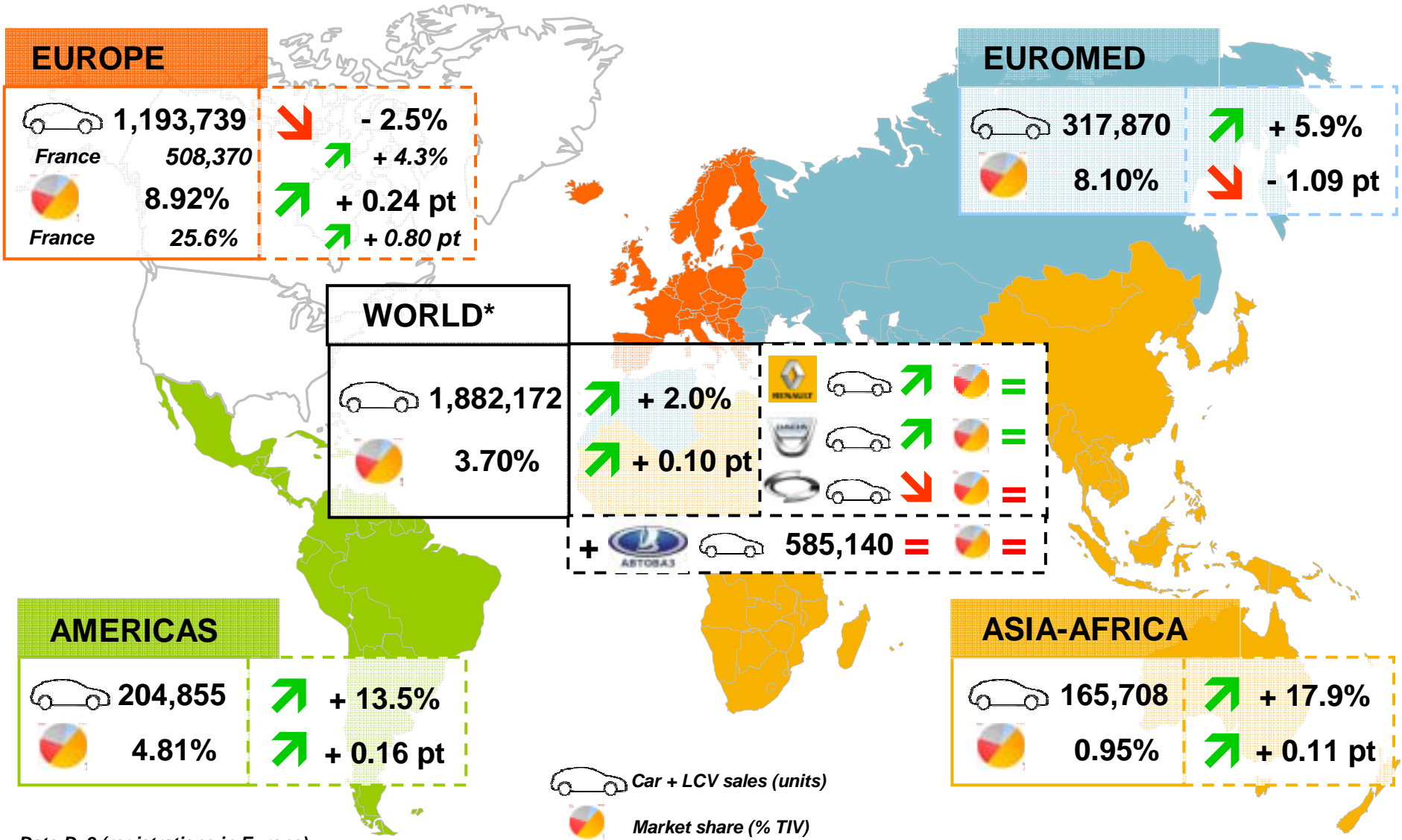
# **Q3 REVENUES 2008**

**ANNEXES**

October 23<sup>rd</sup>, 2008



# WORLDWIDE COMMERCIAL RESULTS – end Sept'08 vs end Sept'07



Data D+9 (registrations in Europe)

\* Consolidated figures: Renault, Dacia & Renault Samsung



## DETAILS OF THE CHANGE IN REVENUE CONSOLIDATION

<i>In million euros</i>	30/09/2007 Published	Change in Perimeter / Consolidation	30/09/2007 Pro forma	Q3 2007 Published	Change in Perimeter / Consolidation	Q3 2007 Pro forma
Automobile	28,374	- 93	28,281	8,807	23	8,830
Sales Financing	1,530	9	1,539	535	- 10	525
<b>TOTAL</b>	<b>29,904</b>	<b>- 84</b>	<b>29,820</b>	<b>9,342</b>	<b>13</b>	<b>9,355</b>

- **Automobile**

- Deconsolidation of SNR
- Entry into scope of Renault Ireland, Renault Mahindra and “Fonderie de Normandie”

- **Sales Financing**

- Change of UK activity from partial to total consolidation
- Sale of leasing activity in Belgium



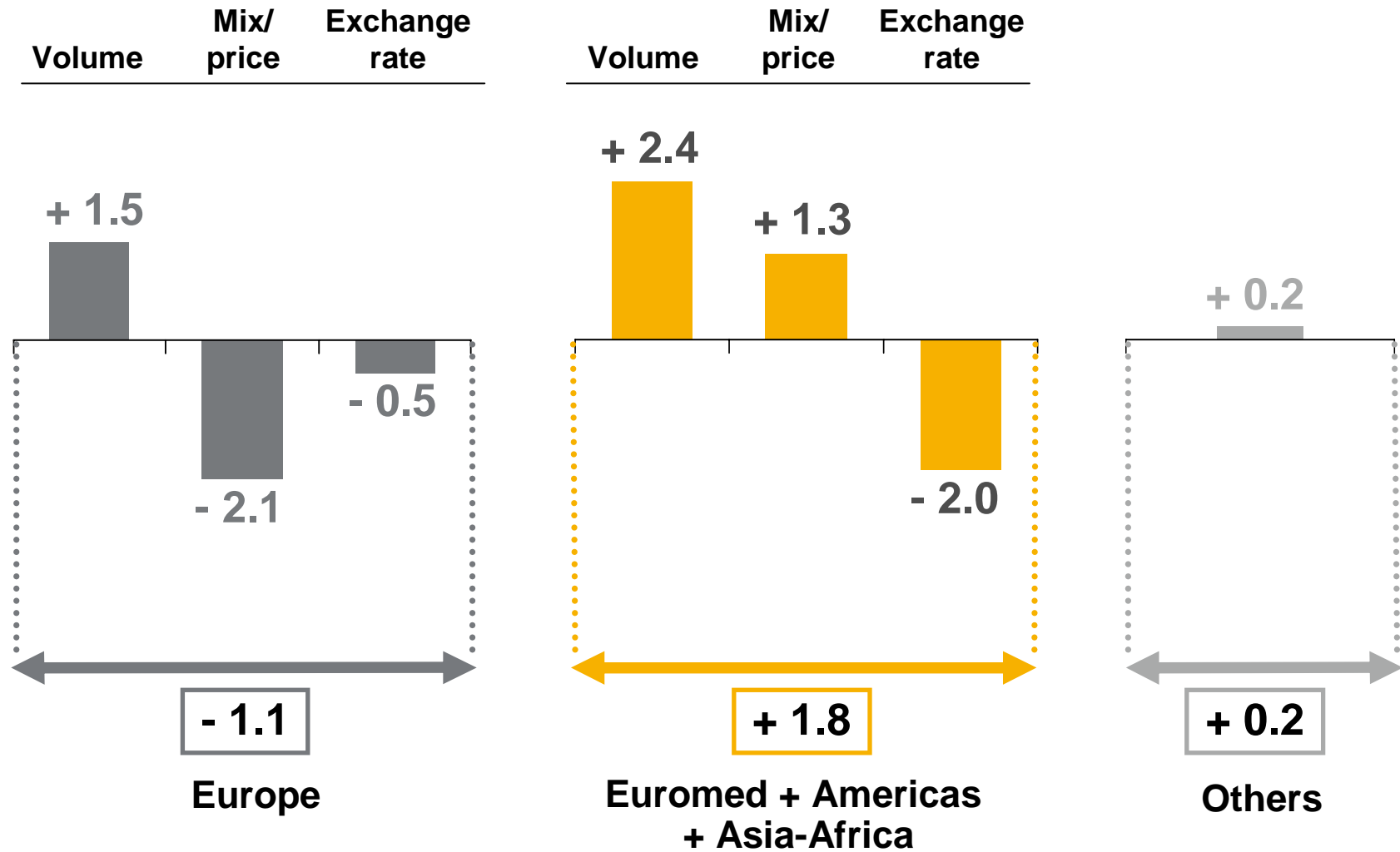
# RENAULT GROUP REVENUES BY DIVISION YTD

<i>In million euros</i>	YTD 2007 Pro forma*	YTD 2008	Change (%)
Automobile	28,281	28,524	+ 0.9%
Sales Financing	1,539	1,567	+ 1.8%
<b>TOTAL</b>	<b>29,820</b>	<b>30,091</b>	<b>+ 0.9%</b>

\* 2007 data has been restated on a consistent basis



# AUTOMOBILE DIVISION REVENUES UP 0.9% YTD

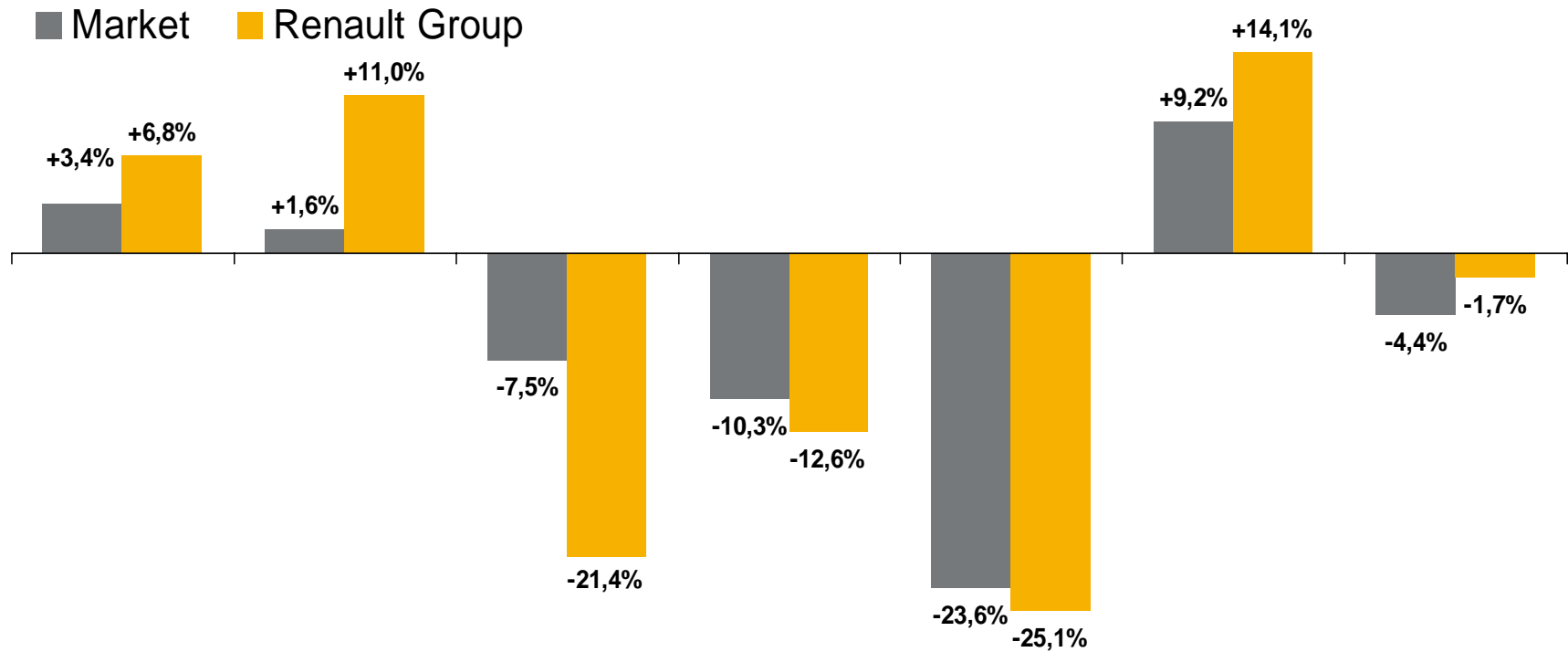


*Contribution to the change in revenues*



# GROUP REGISTRATIONS IN FRANCE & EUROPE REGIONS YTD

% change of registrations YTD 2008 vs. YTD 2007 (Cars+LCV)



Mkt. Sh.	France	Germany	UK	Italy	Spain	Poland	Europe
YTD 08	25.6%	5.1%	4.6%	5.0%	10.3%	7.6%	8.9%
YTD 07	24.8%	4.6%	5.5%	5.2%	10.5%	7.3%	8.7%

