INVESTOR DAY

Renault Technocentre

October 3rd, 2008

INVESTOR DAY AGENDA

01 **NEW MEGANE PROGRAM**
Bruno ANCELIN

02 **POSITIONING NEW MEGANE IN RENAULT COMMITMENT 2009**
Patrick PÉLATA

03 **PURCHASING STRATEGY & SOURCING**
Odile DESFORGES

04 **C-SEGMENT SALES STRATEGY**
Patrick BLAIN

05 **CONCLUSION AND Q&A**
Carlos GHOSN

RENAULT

INVESTOR DAY

NEW MEGANE PROGRAM

Bruno ANCELIN

SVP, M1/C SEGMENT PROGRAM DIRECTOR


2008 ME 92


RENAULT

AGENDA

01 MEGANE II BACKGROUND

02 PRODUCT PERFORMANCE

03 DEVELOPMENT & PRODUCTION COSTS

04 SALES STRATEGY

05 INTERNATIONAL OUTLOOK

06 PROFITABILITY

01 MEGANE II BACKGROUND

MEGANE II SWOT ANALYSIS

Strengths

- 6 bodies covering all customer needs
- Sedan adapted to international markets
- Good COP at end of life
- Robust volumes in lifecycle for all bodies except the hatchback
- Innovative hatchback design at launch

Weaknesses

- Designed for the European market (except Sedan)
- Purchasing & Manuf. structured for Europe
- Quality issues at launch
- Hatchback much debated design

Opportunities

- De-contenting & LCC sourcing for international bodies
- LCC parts sourcing development
- Reduction of short-term rental sales & adaptation of industrial capacities

Threats

- Raw material price increase
- Decreasing markets for MPVs
- New CO_2 regulations

02 PRODUCT PERFORMANCE

NEW MEGANE KEY POINTS

ERGONOMIC & PRACTICAL DESIGN

REASSURING HANDLING
& DRIVING PLEASURE

SAFETY

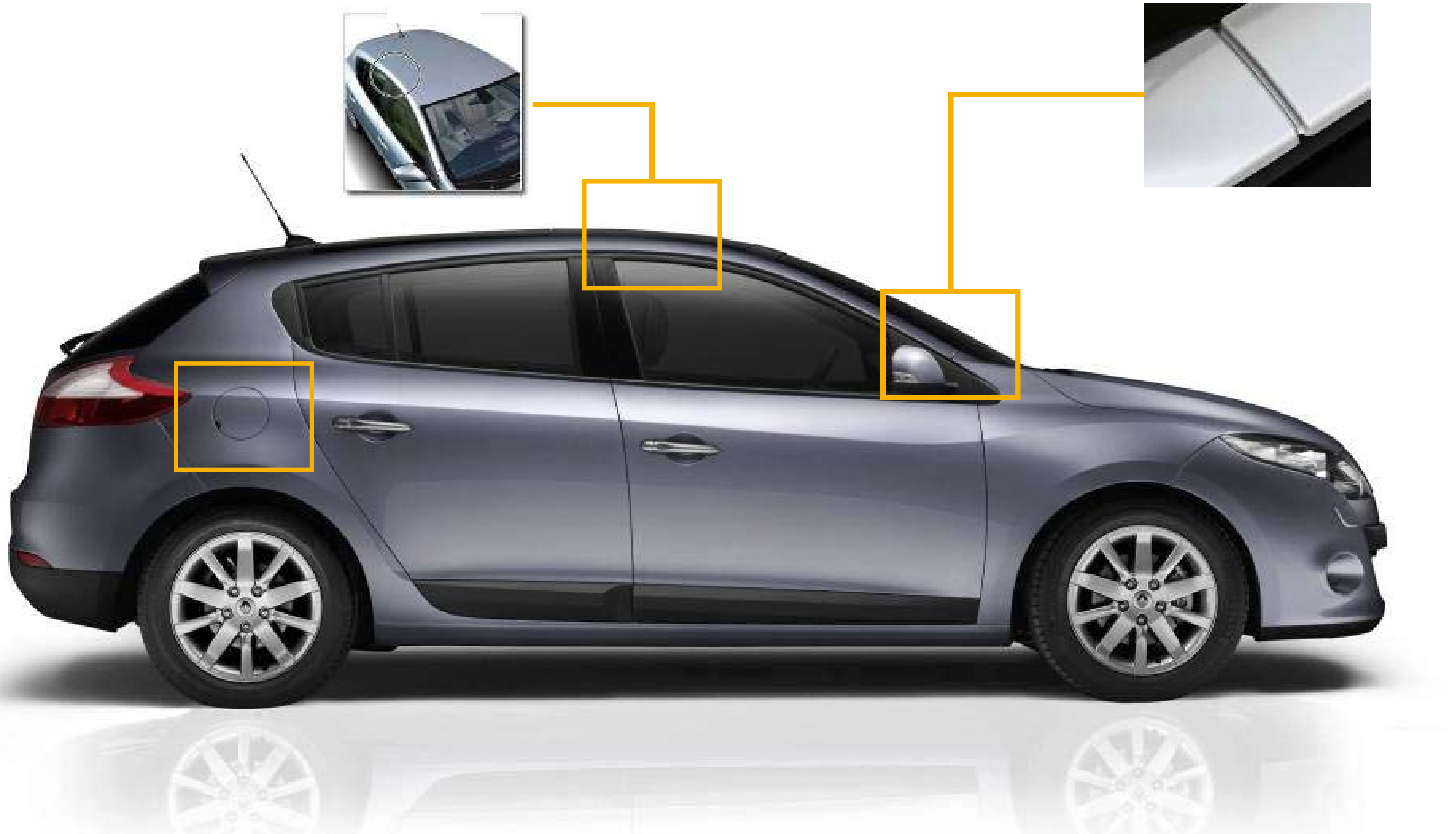

MEGAN

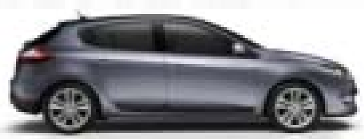

MEGANE


RENAULT


MEGANE

SPECIAL CARE TAKEN ON PERCEIVED QUALITY





NEW MEGANE KEY SELLING POINTS

#1 ERGONOMICS

Analogue / Digital display with coloured speed monitoring

Keyless car (walk away)

2 Navigation systems with central control

TOM-TOM navigation < 500€ (available from early 2009)

Top 3 boot space

- **Automatic parking brake with central switch**
- **Best-in-class seat height adjustment (70 mm)**
- **Electric driver's seat**
- **Dual zone auto climate control**

NEW MEGANE KEY SELLING POINTS

#2 REASSURING HANDLING & DRIVING PLEASURE

Best-in-class road handling

New axles

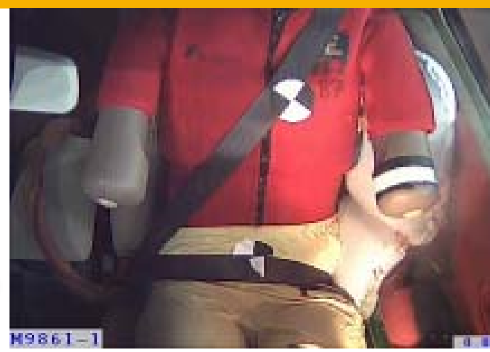
Enhanced body roll & cornering stability

More responsive steering

- **Body roll reduced by 9% ➡ enhanced cornering stability**
- **Power steering :**
  - **7% more lively**
  - **20% stiffer**
  - **4x faster responsiveness**

NEW MEGANE KEY SELLING POINTS

#3 SAFETY



Reinforced side impact **Dual chamber side airbags** **Rear seatbelt indicator** **Anti-whiplash headrests**

Keep leadership in passive safety

- Megane III is 25% safer than Megane II on side impact
- Maintain excellent level on front impact

Expert in active safety

- Offer best-in-class active safety features (ESC, EBS…)

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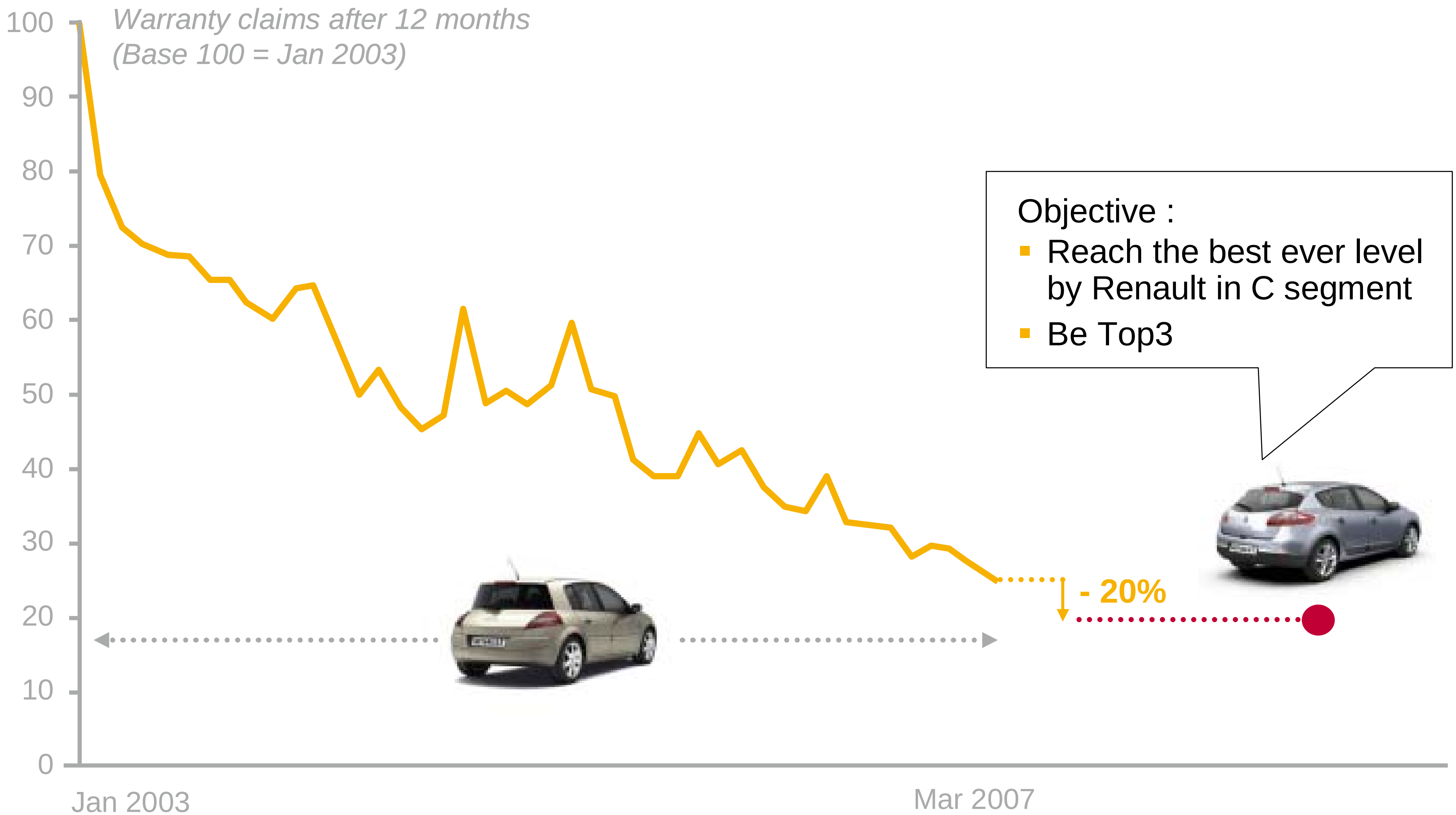
QUALITY – TOP 3 TARGET

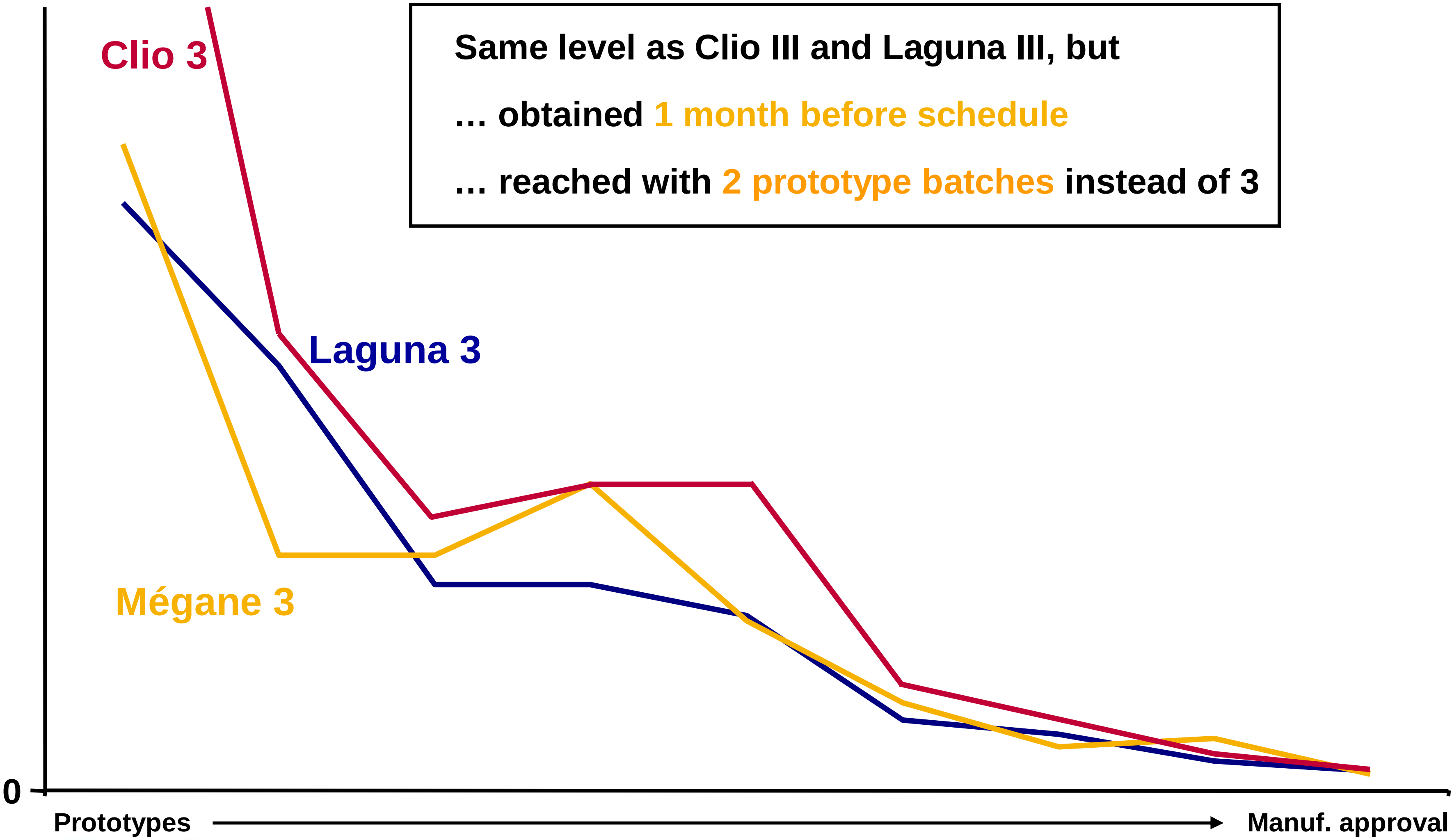


INITIAL QUALITY

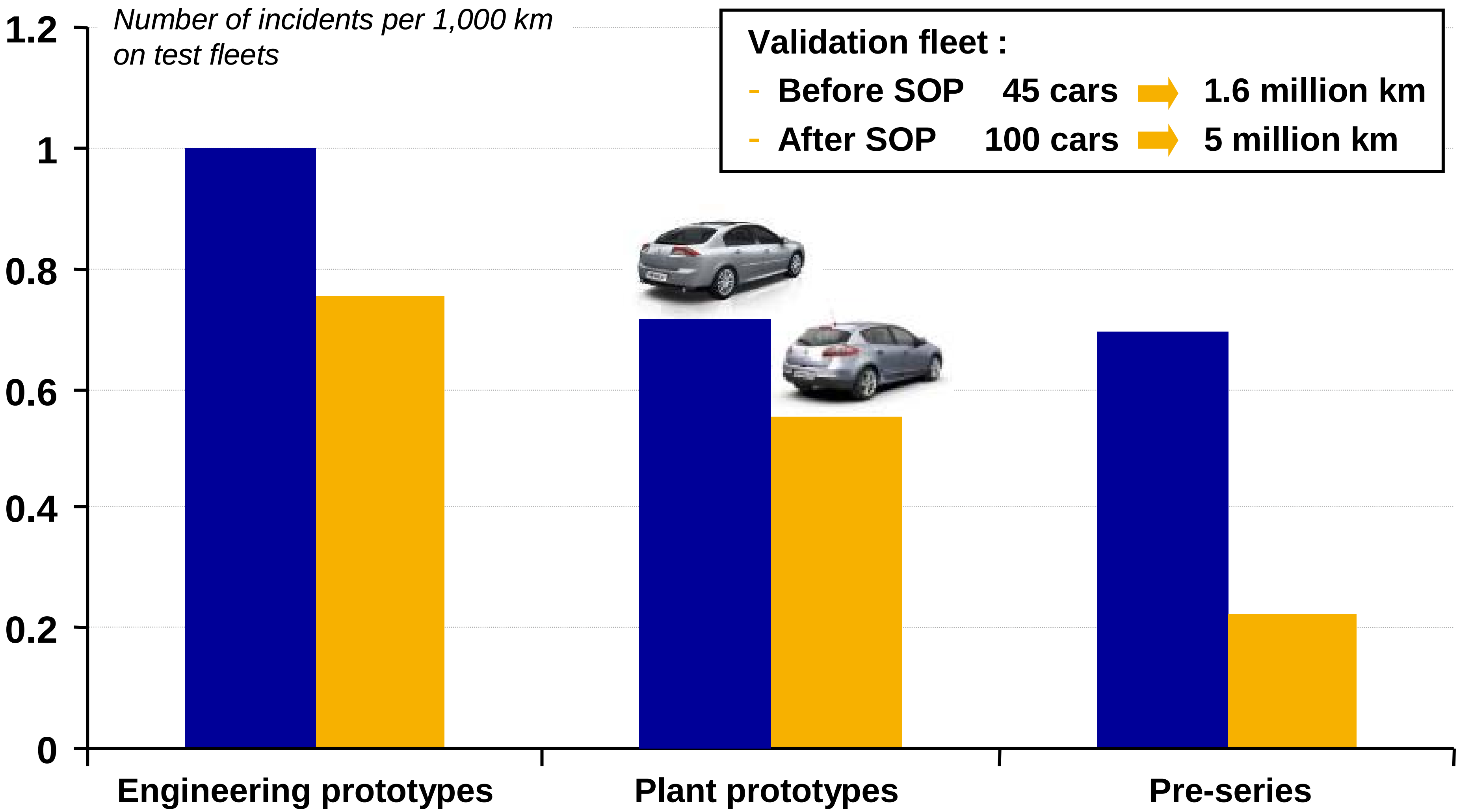
Same level as Clio III and Laguna III, but

… obtained 1 month before schedule

… reached with 2 prototype batches instead of 3



DURABILITY

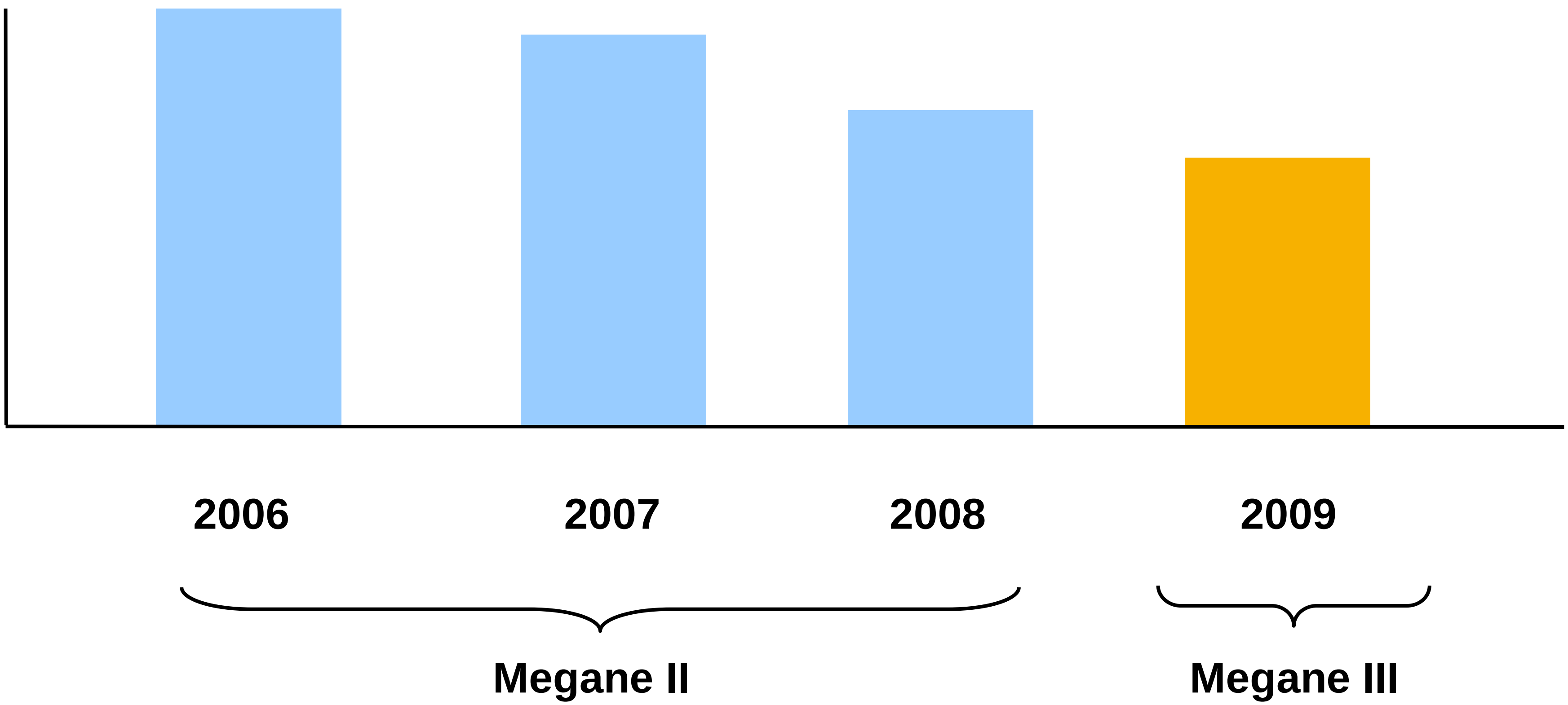


Validation fleet :

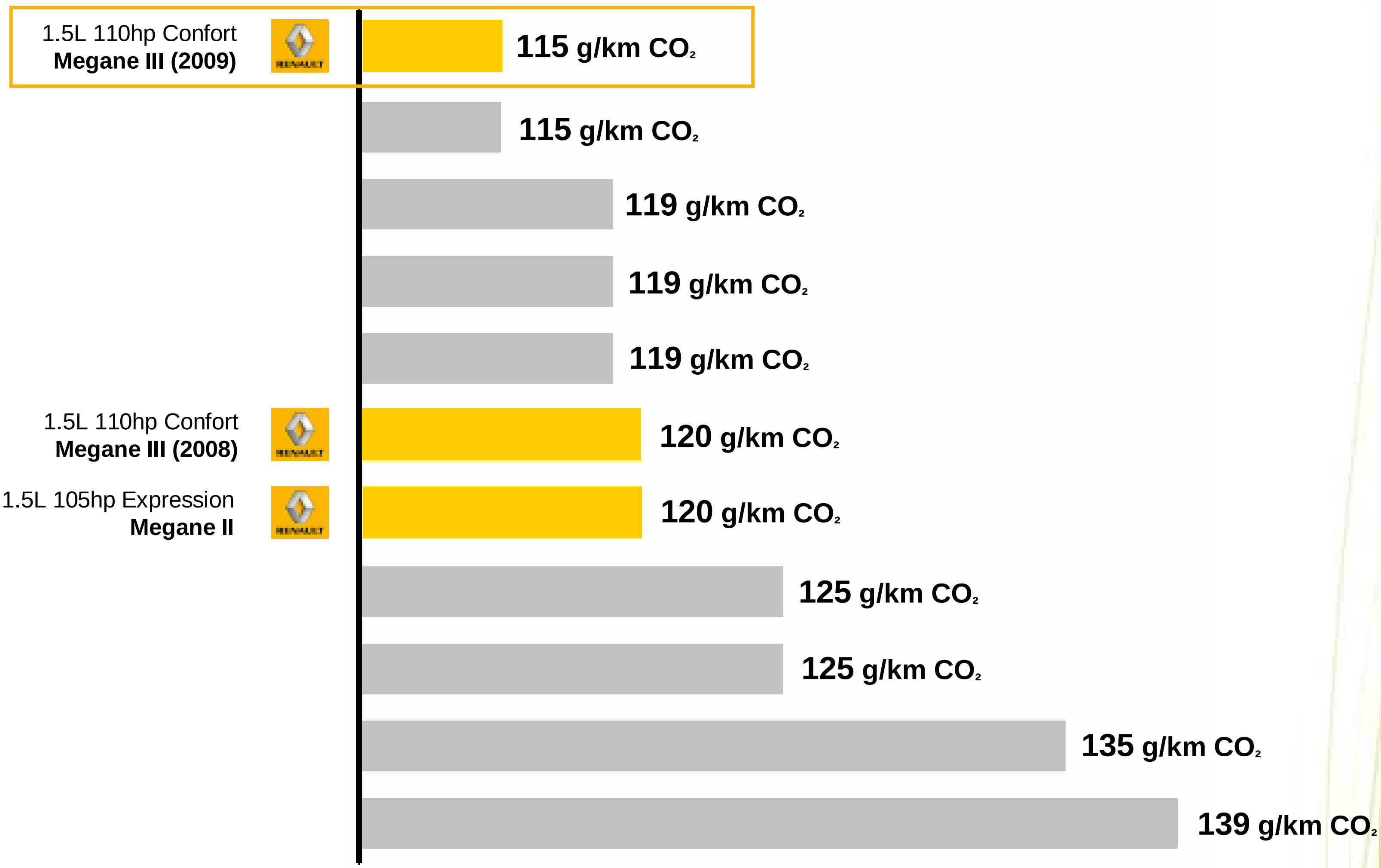
- **Before SOP 45 cars → 1.6 million km**
- **After SOP 100 cars → 5 million km**

WARRANTY COSTS

Evolution of manufacturer's warranty cost per unit (Base 100 = 2006)



ENVIRONMENT
AIMING TOP EMISSION LEVEL ON DIESEL CORE ENGINE

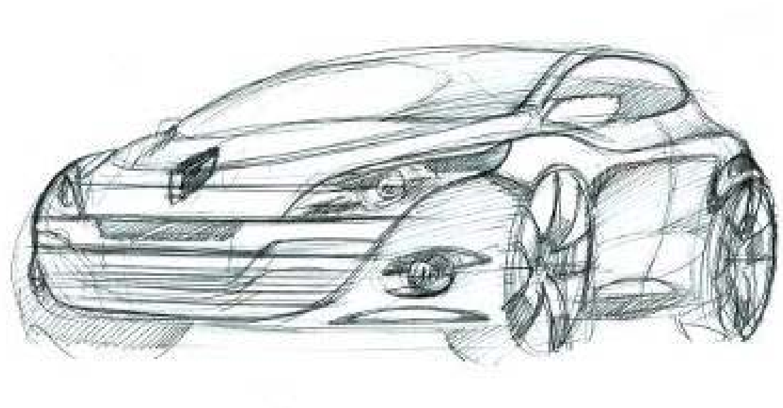


ENVIRONMENT
MEGANE III IS BIGGER BUT LIGHTER

1,225 kg

63 kg saved
at isovolume

1,235 kg



03 DEVELOPMENT & PRODUCTION COSTS

MEGANE DEVELOPMENT
CARRY-OVER OPTIMIZATION

Megane II (X84) platform

134 parts (25%) reused

SPECIFIC

CARRY-OVER

MODIFIED CARRY-OVER

Commonality

Between 6 models
to minimize specific development

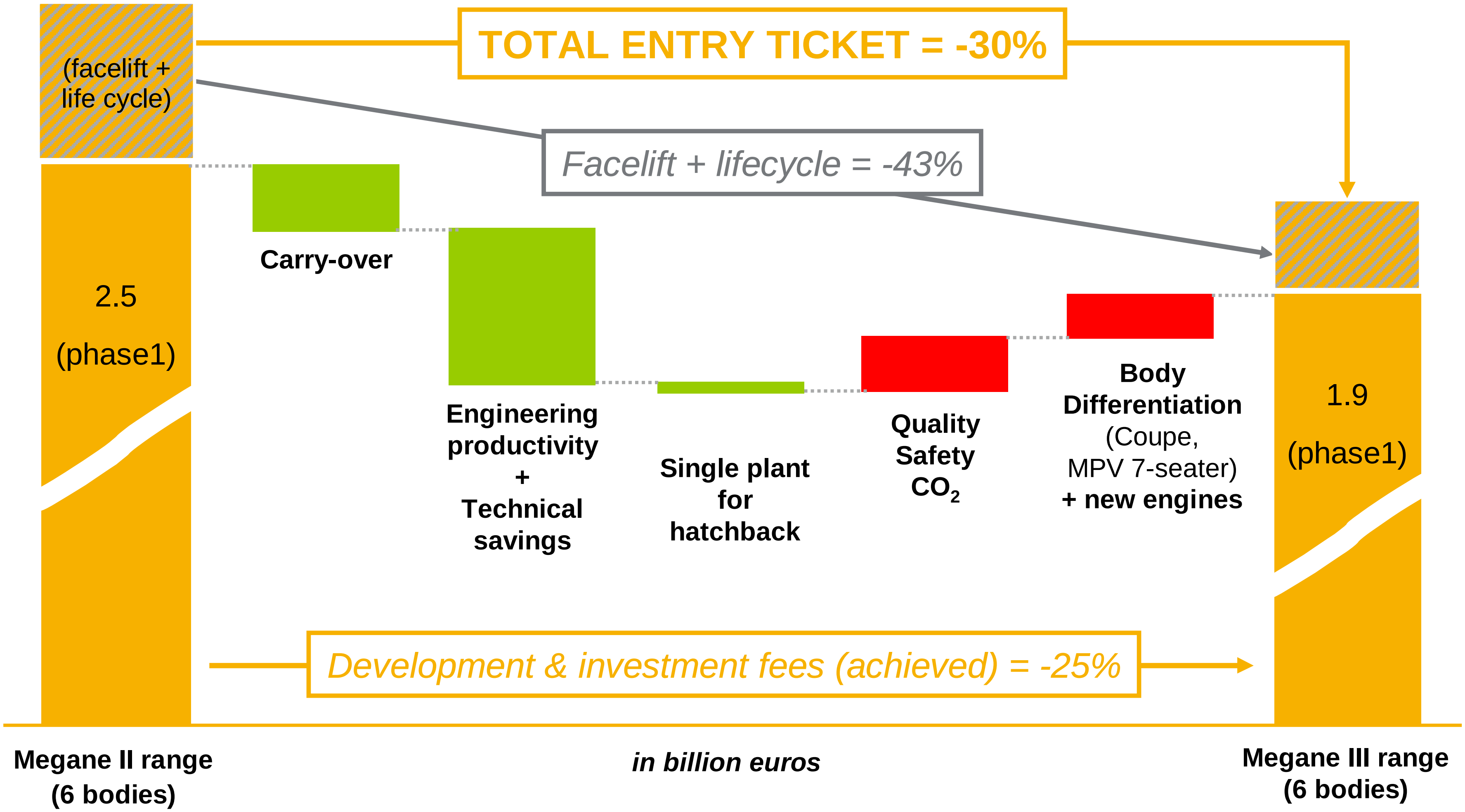
Laguna III (X91)

Trim parts
with high quality level

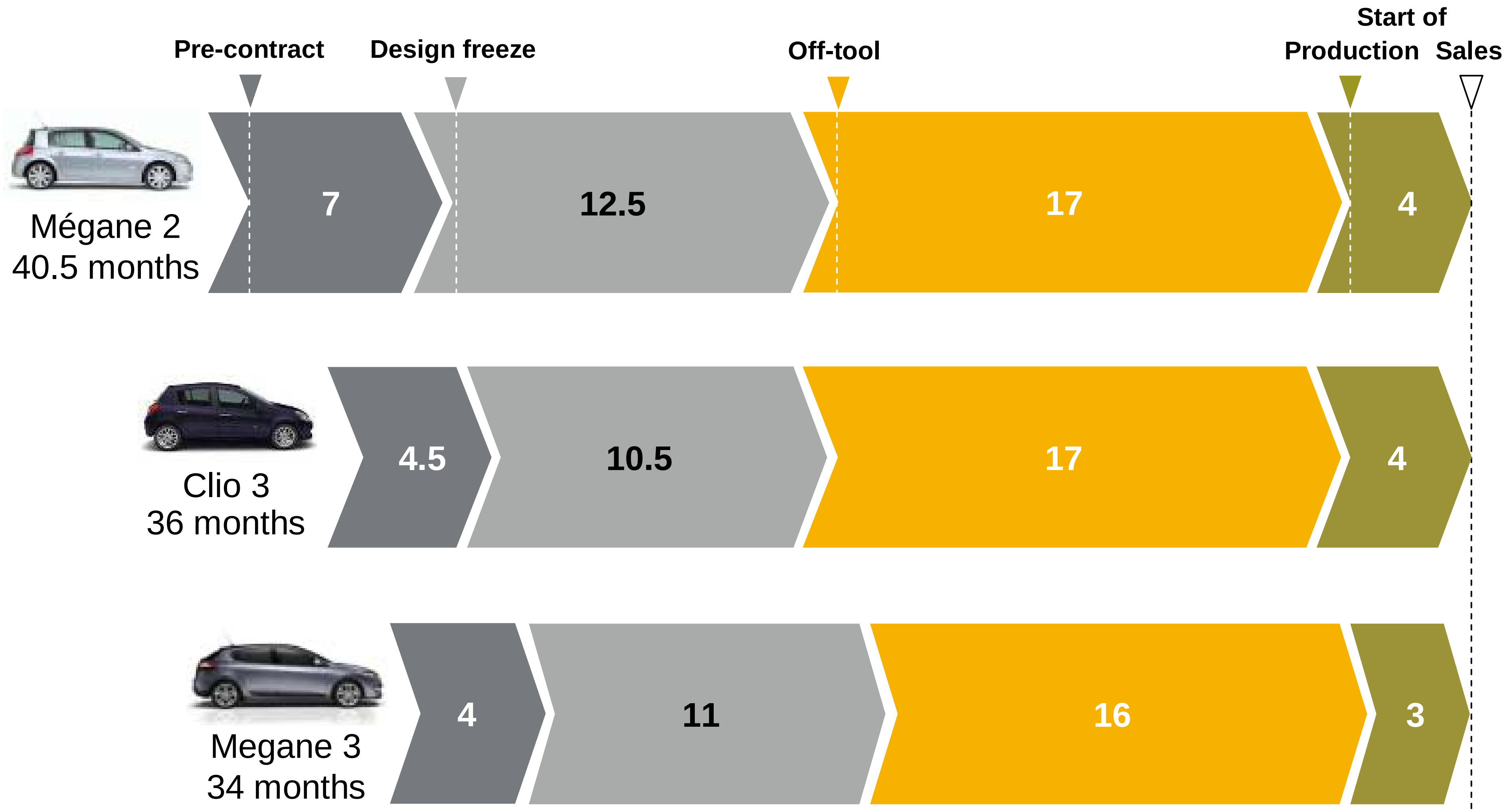
Other models

Trim parts to reduce
development & investment

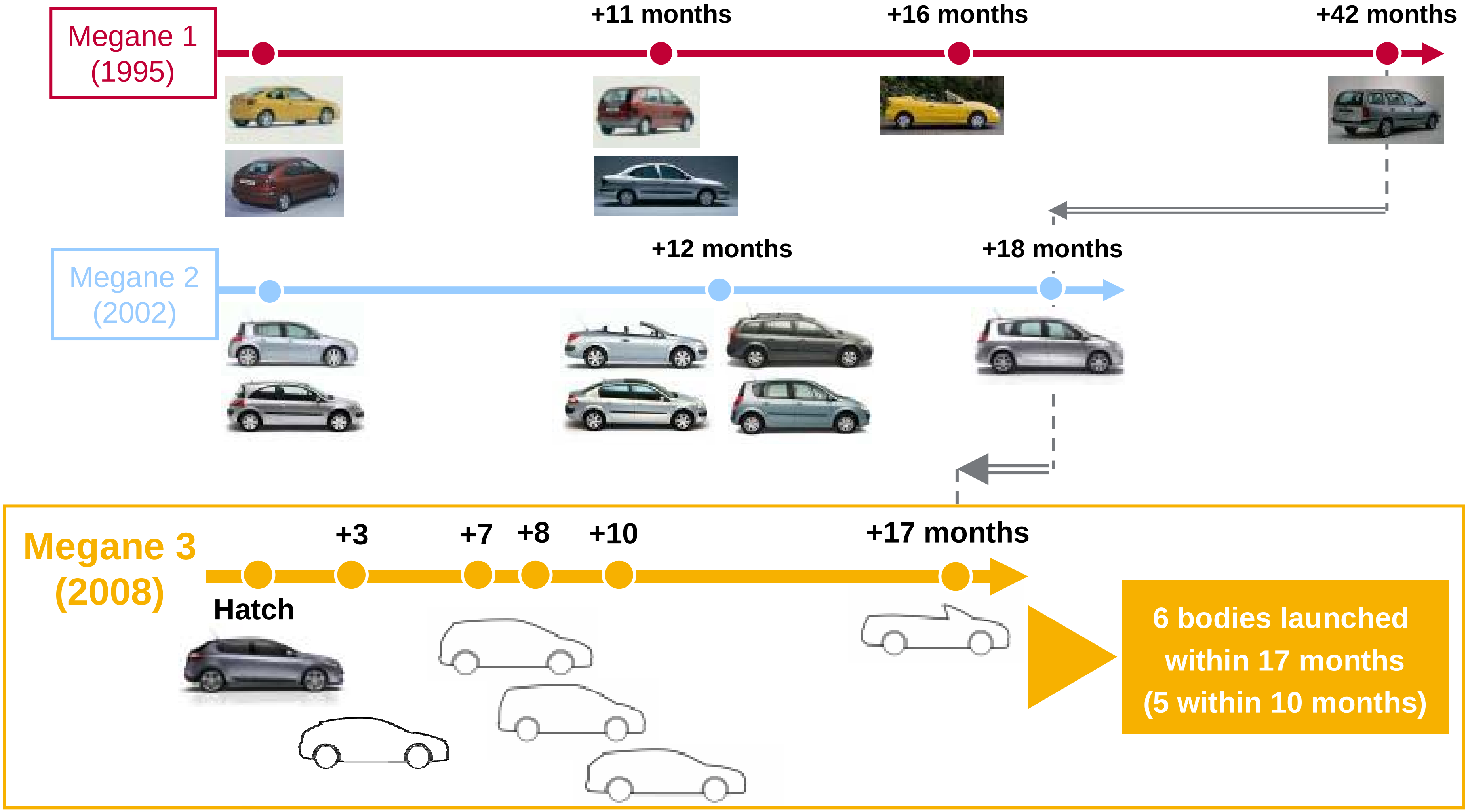
MEGANE DEVELOPMENT
ENTRY TICKET REDUCED BY 30% VS. MEGANE II

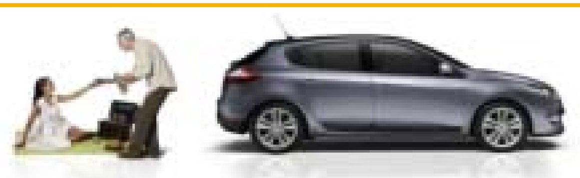


MEGANE DEVELOPMENT
THE SHORTEST SCHEDULE IN RENAULT'S HISTORY



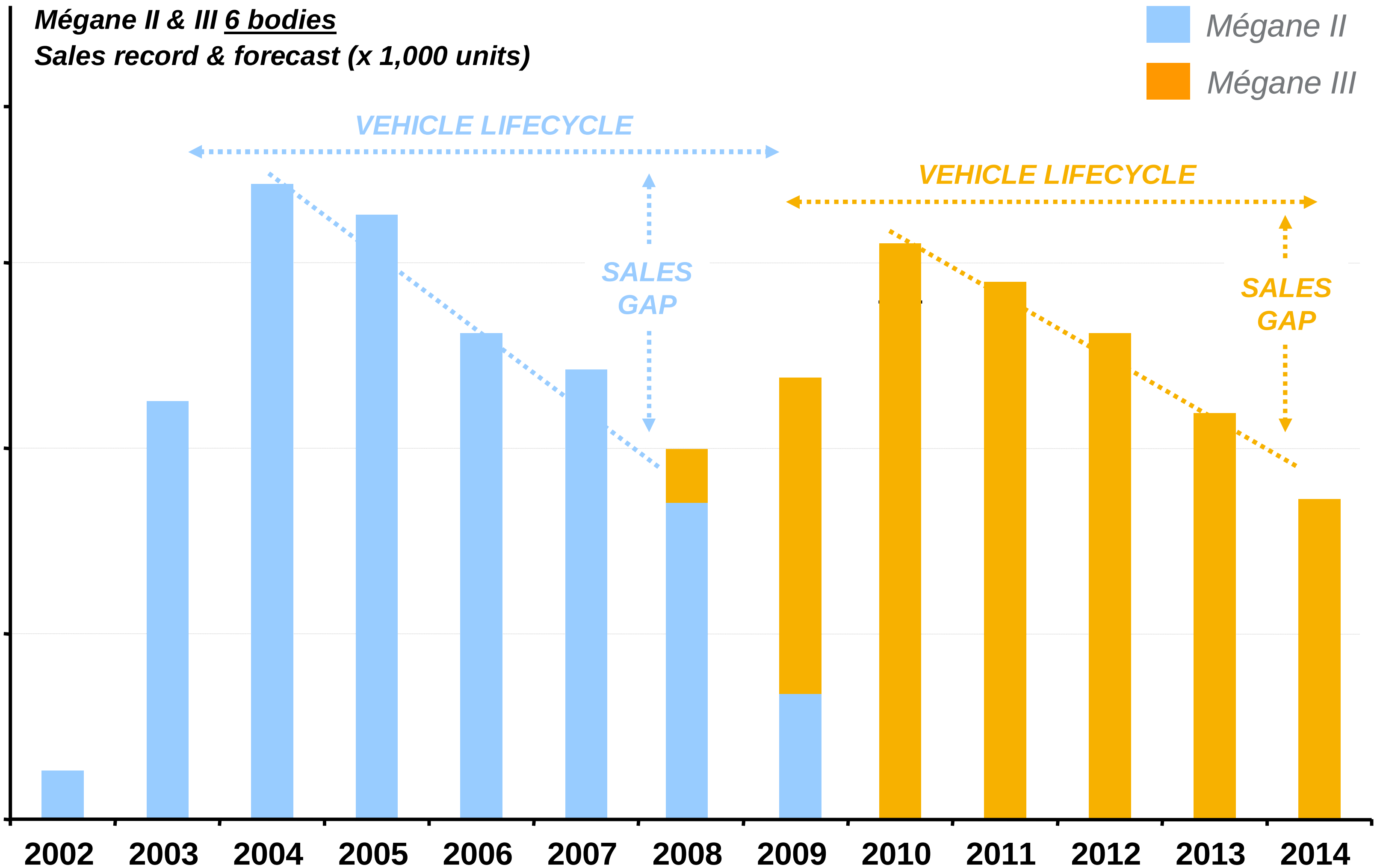
MEGANE RANGE LAUNCH
THE SHORTEST SCHEDULE IN RENAULT'S HISTORY



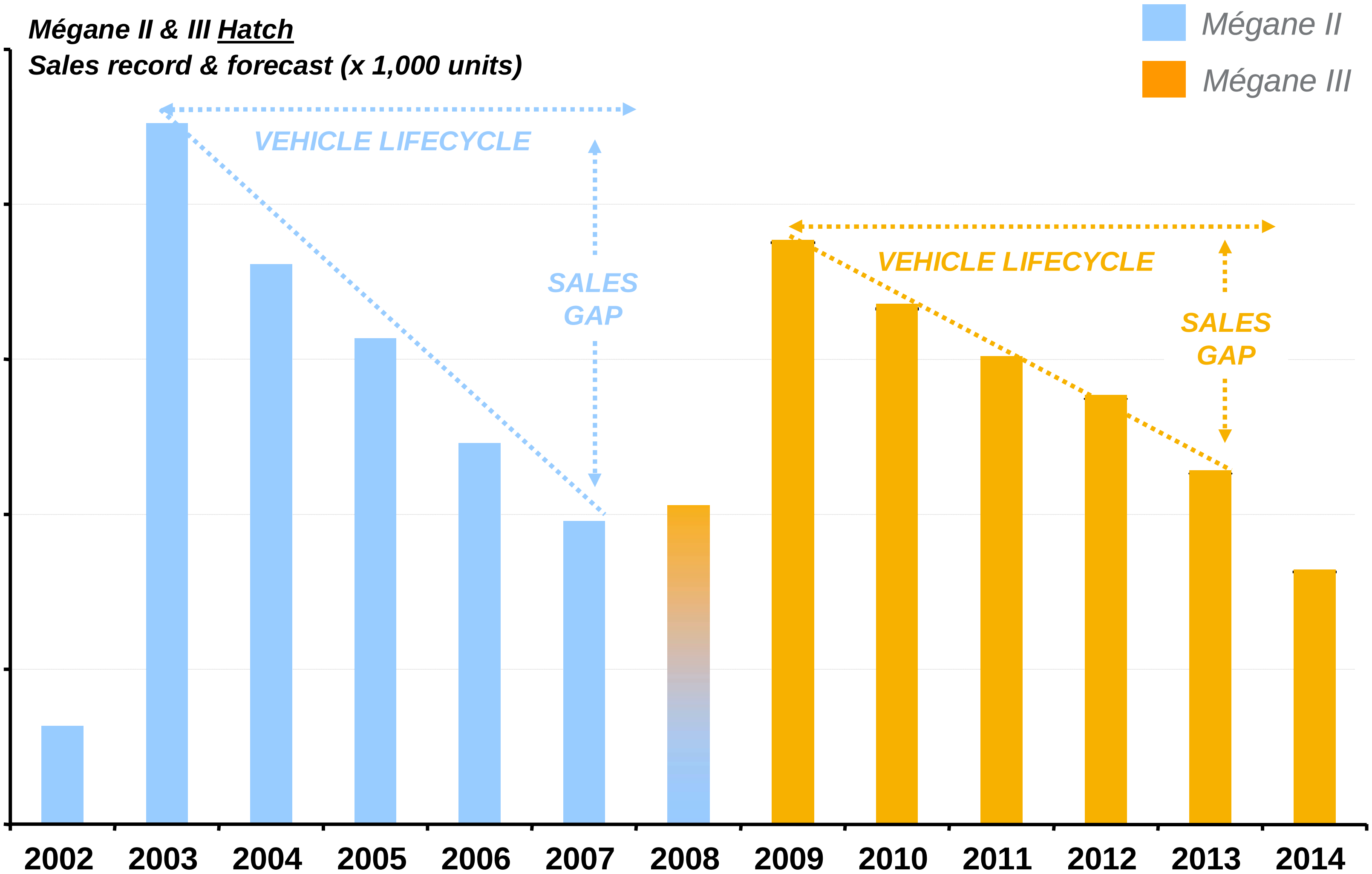


04 SALES VOLUMES

SALES VOLUMES
REALISTIC SALES VOLUME ON A FLATTER LIFE CYCLE

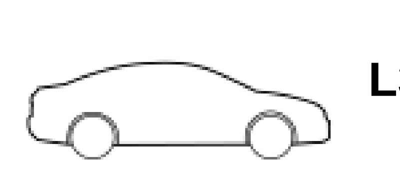


SALES VOLUMES
MEGANE III HATCH



05 INTERNATIONAL OUTLOOK

INTERNATIONAL OUTLOOK
2 SPECIFIC MODELS FOR INTERNATIONAL CONQUEST



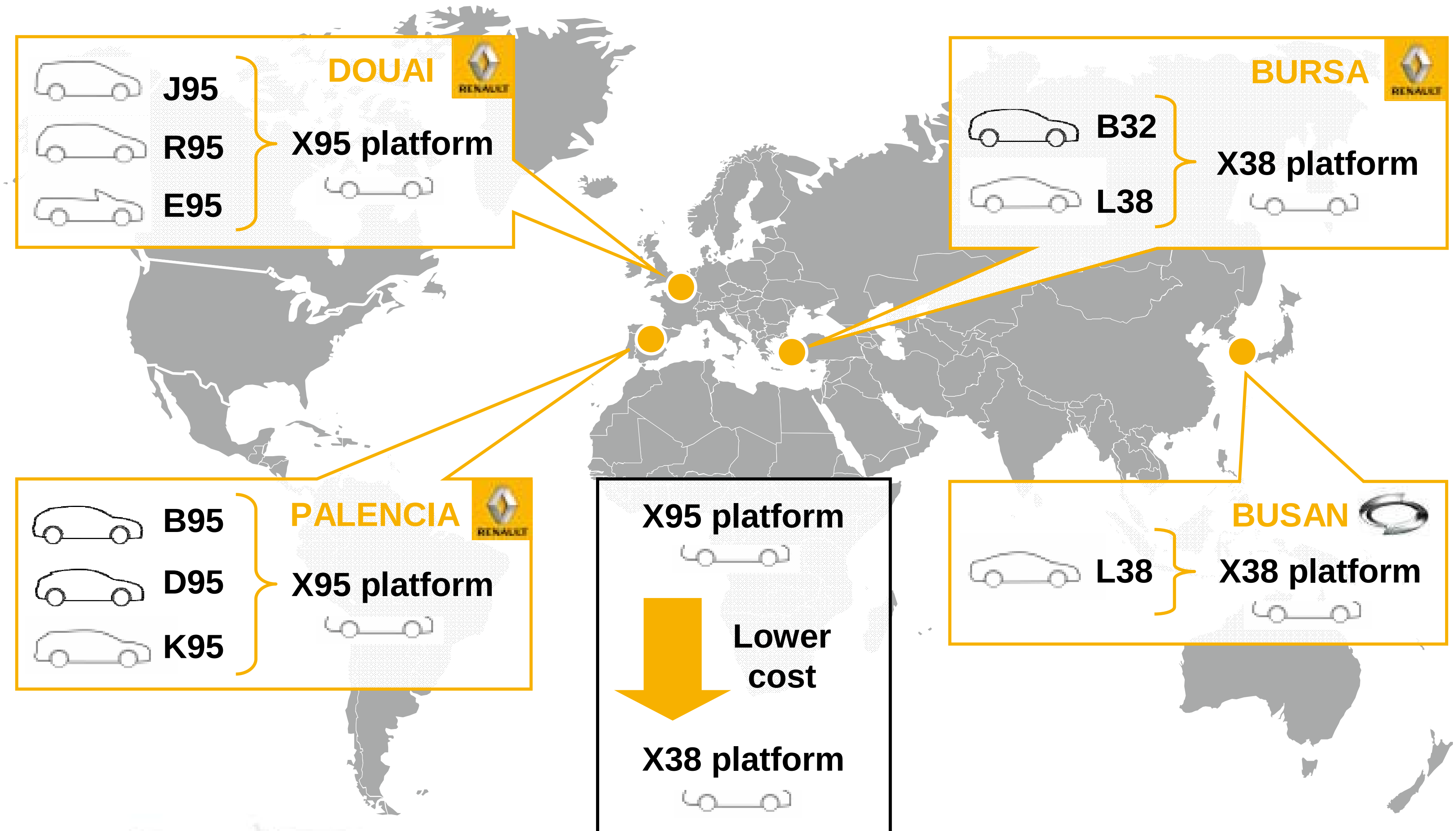
L38 – Sedan

- Specific design
- Replacement for current Megane II Sedan and SM3
- 90% of sales forecast outside Europe
- Cost reduction Vs. X95 (non-visible decontenting + LCC sourcing)
- Mid level base specifications, up-gradable to European standards

B32 - Hatchback

- « B95 skin with L38 technical content »
  - Design of Megane III hatchback (B95)
  - Platform of L38 Sedan

INTERNATIONAL OUTLOOK
IN 2009, 2 PLATFORMS WITH 4 DEDICATED PLANTS

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MEGANE

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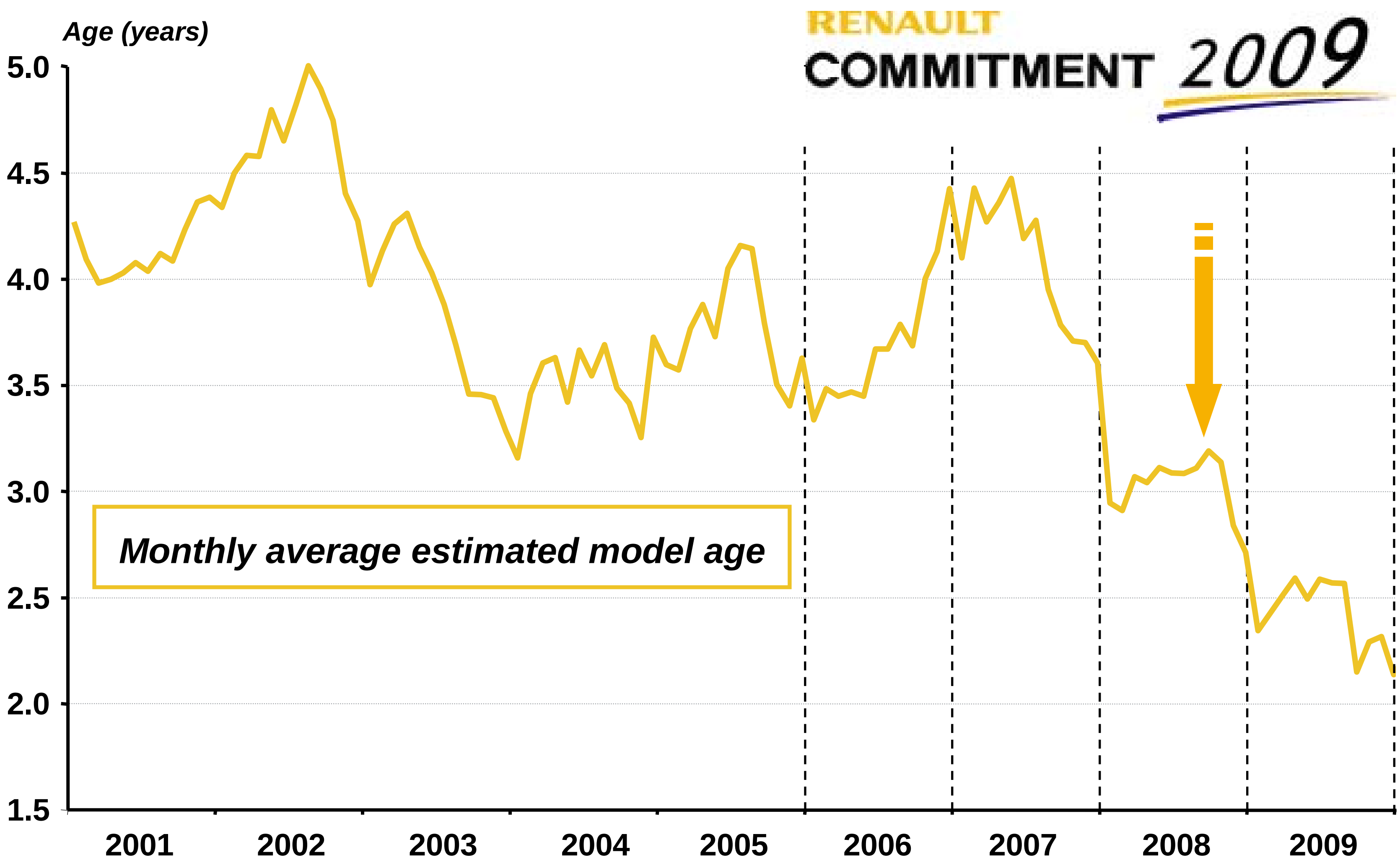
POSITIONING NEW MEGANE
IN RENAULT COMMITMENT 2009

Patrick PÉLATA

EVP, MARKET AREA EUROPE

YOUNGER MODEL RANGE FOR GROWTH IN EUROPE



RENAULT POWERTRAIN AND CO2 COMPETITIVENESS

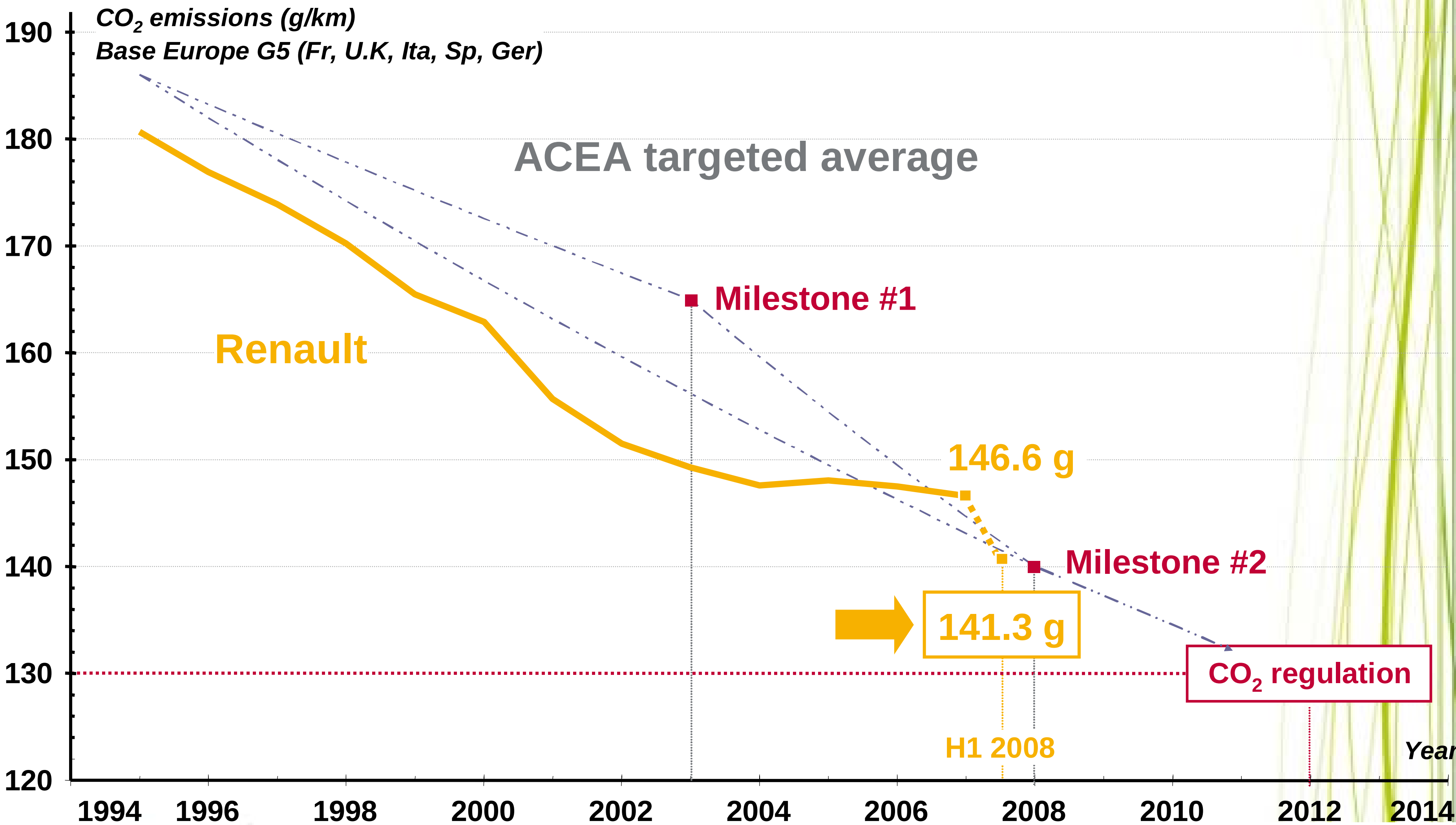
TRUE TO OUR ROOTS

- *« De l'avant-garde mais sans excès, pour des véhicules légers, des prix modestes et des moteurs de qualité répondant aux besoins des clients »*

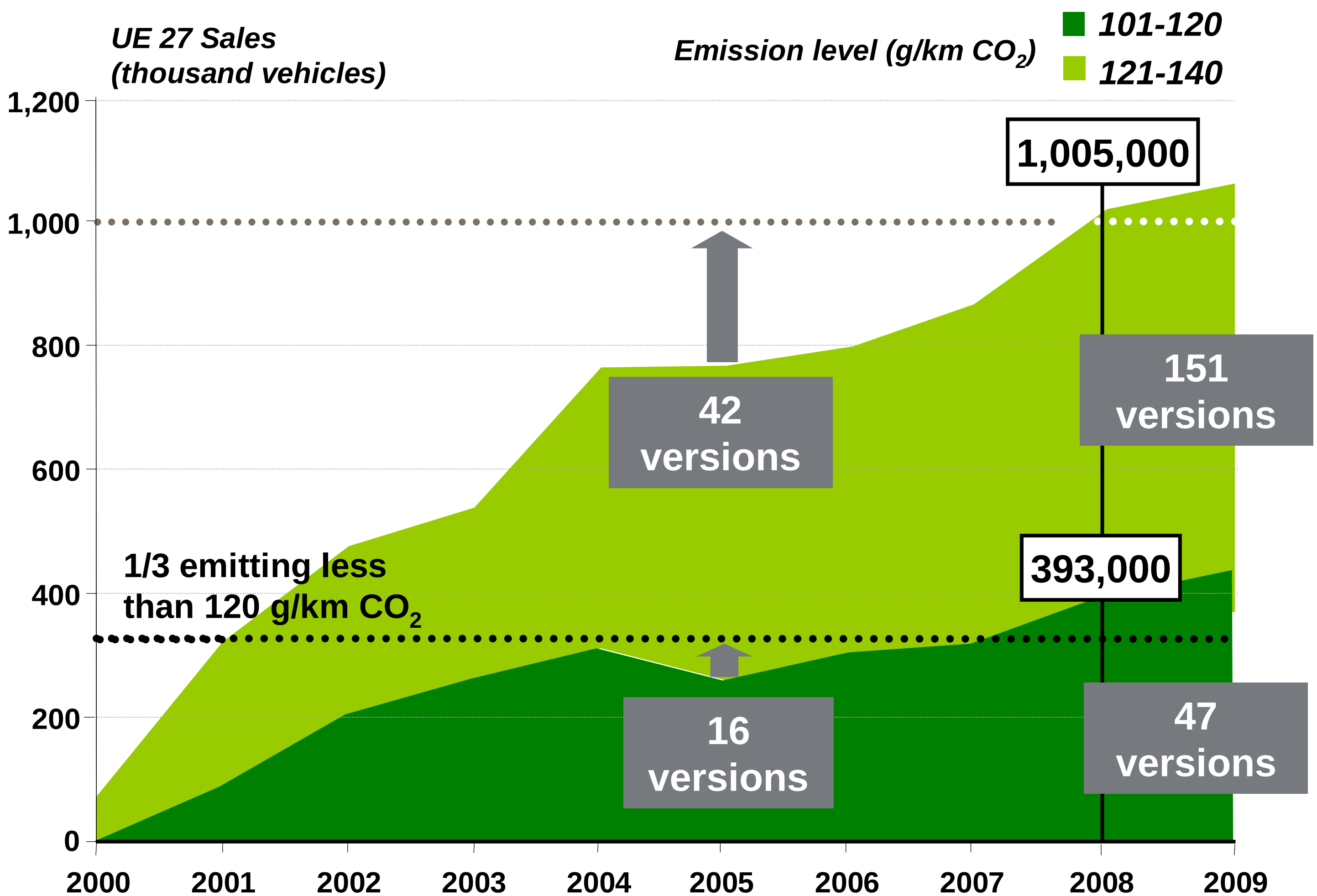
  "Avant-garde but without excessiveness, for light weight vehicles, modest prices and quality motors meeting customers' needs."

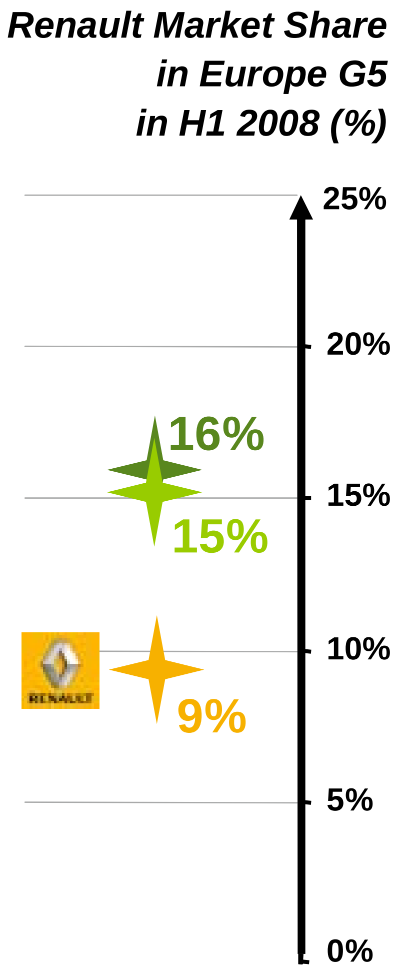
Louis Renault - 1901

CAFE EVOLUTION
RENAULT'S AVERAGE IS ON TRACK WITH REGULATION



IN-LINE WITH RC2009 120 & 140g CO_2 COMMITMENT WITH A HIGHLY COMPETITIVE OFFER





RENAULT POWERTRAIN STRATEGY

- Renault eco^2 Dacia eco^2

- **Offer best cost-to-value ratio to customers**
  - Total Cost of Ownership
  - CO_2 reduction
  - Durability
  - Fun to drive

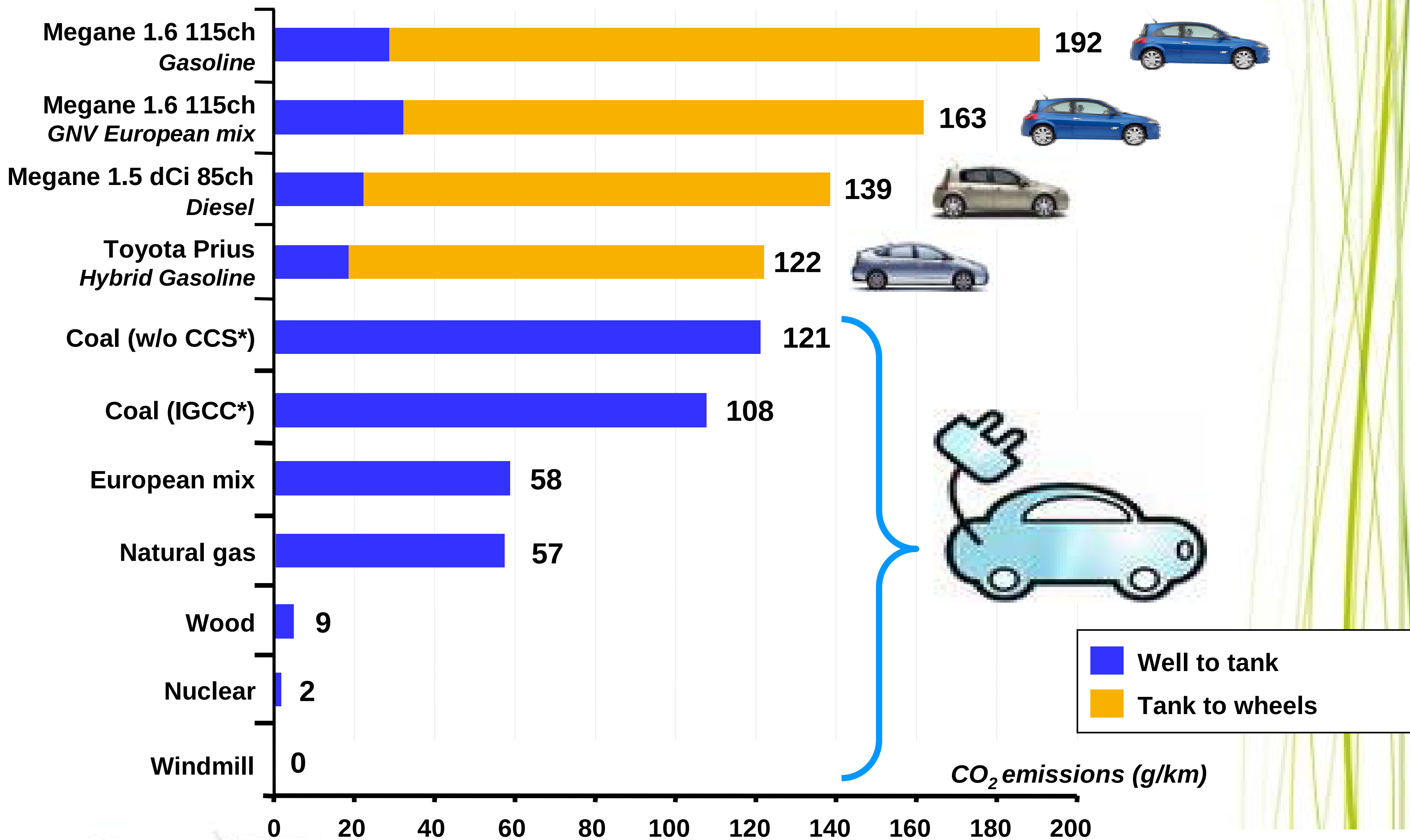
- **Improvement of conventional technology**
  - dCi Diesel line-up continuous evolution
  - TCe gasoline line-up deployment
  - Transmission line-up improvement

- **Breakthrough to "zero-emission"** vehicles with electric powertrains

EV: A STRATEGIC MOVE

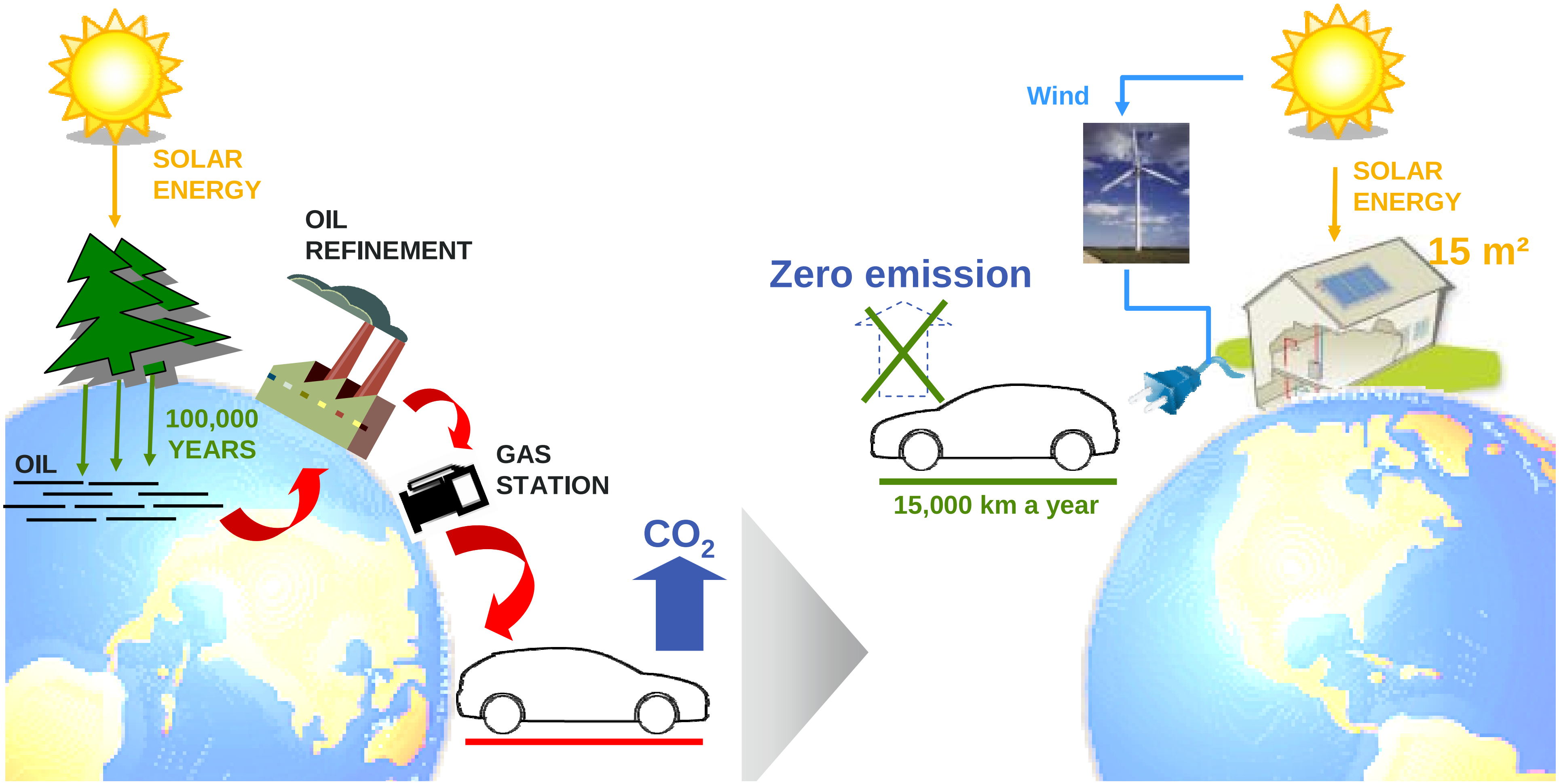
WHAT DRIVES THE EV?

Well to Wheels analysis for gCO_2 per km (Source: JRC/Eucar/Concawe & Renault)



*** CCS = capture & sequestration of CO_2**
*** IGCC = Integrated gasification on a combined cycle**

ULTIMATELY…
CHANGE FROM OIL CYCLE TO SOLAR CYCLE



from refueling stations to vehicle-to-the-grid concept

THE RENAULT ELECTRIC VEHICLE LINE-UP

From 2009 onwards, progressive demonstrations
Test fleet before end of 2009

	2009	2010	2011	2012
e-Sedan			◎	
e-Kangoo			◎	
Specific EV				◎

◎ ***Mass production***

KEY TAKE-AWAYS FROM THE ISRAEL OPERATIONS

1. **The Israel operation**
   - **Guarantees mass production, lowering the barrier-to-entry of volumes,**
   - **Makes the thinking of electric grid infrastructure (more) reasonable**
   - **Sets the example for governmental incentives allowing EV usage**

2. **The Israel operation has massive coverage in the media, and positive impact for Better Place and Renault**

3. **Israel is just the first step: other countries, regions or cities are coming ...**

THE RENAULT-NISSAN ALLIANCE ACTS TO MASS PRODUCE ELECTRIC VEHICLES BY 2011

- **Competitive schedule**
- **Key breakthrough on batteries**
  - High knowledge in the Alliance further to longstanding R&D activities in Nissan
- **Vision on business model and best partners**
  - Project Better Place : adequate partner for the complementary investments
- **Early initiatives in progress**
  - In Israel : high potential of an innovative business model associating main leverages
  - In USA : Nissan involvement for meeting Californian rules with EV starting 2010
  - In Denmark, but also in UK and several EU countries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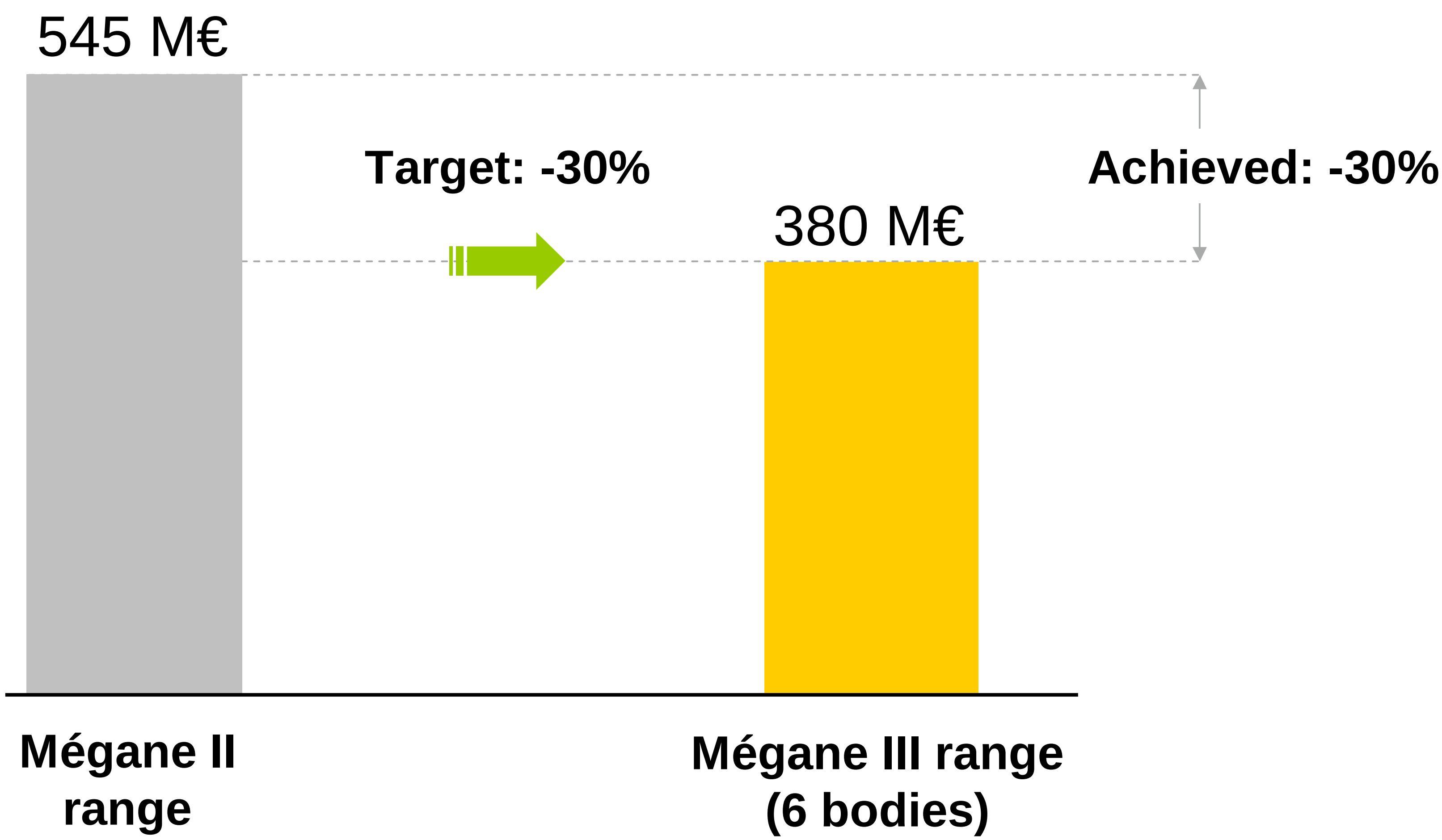
PURCHASING PERFORMANCE

Odile DESFORGES

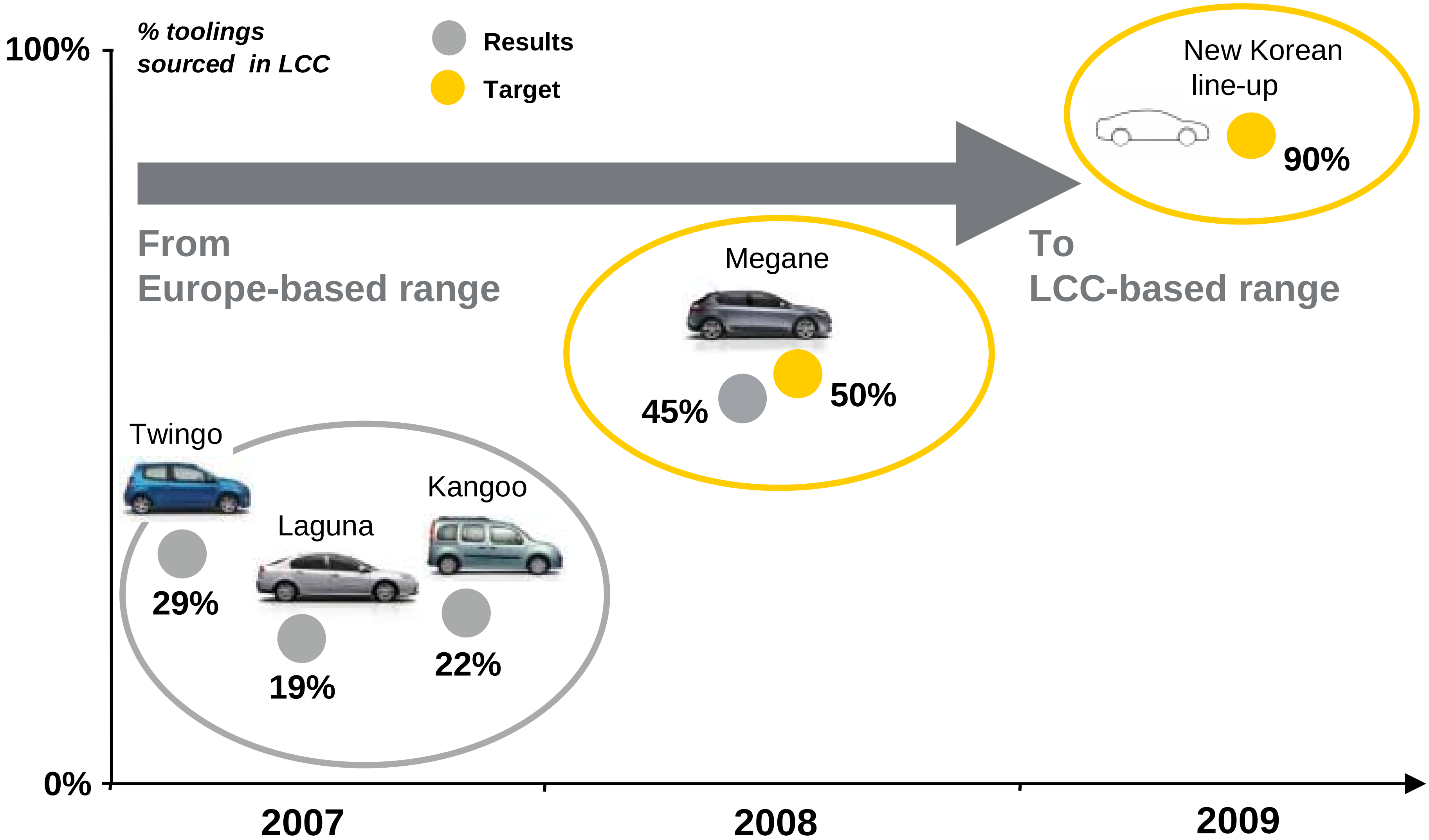
SVP, PURCHASING

CHAIRMAN & MANAGING DIRECTOR, RNPO

MEGANE III (X95)
SPECIFIC VENDOR TOOLING



VENDOR TOOLING LCC SOURCING



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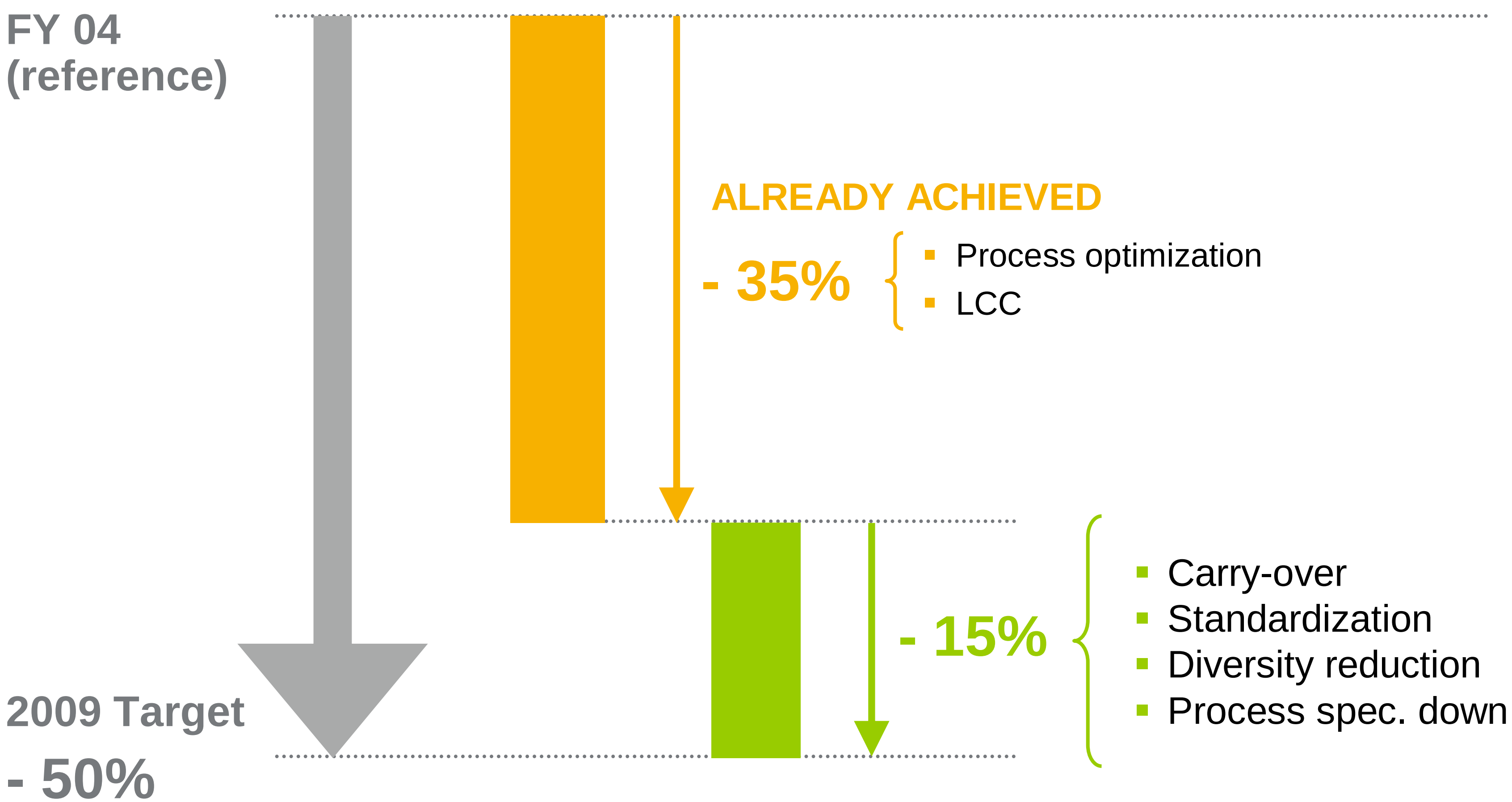
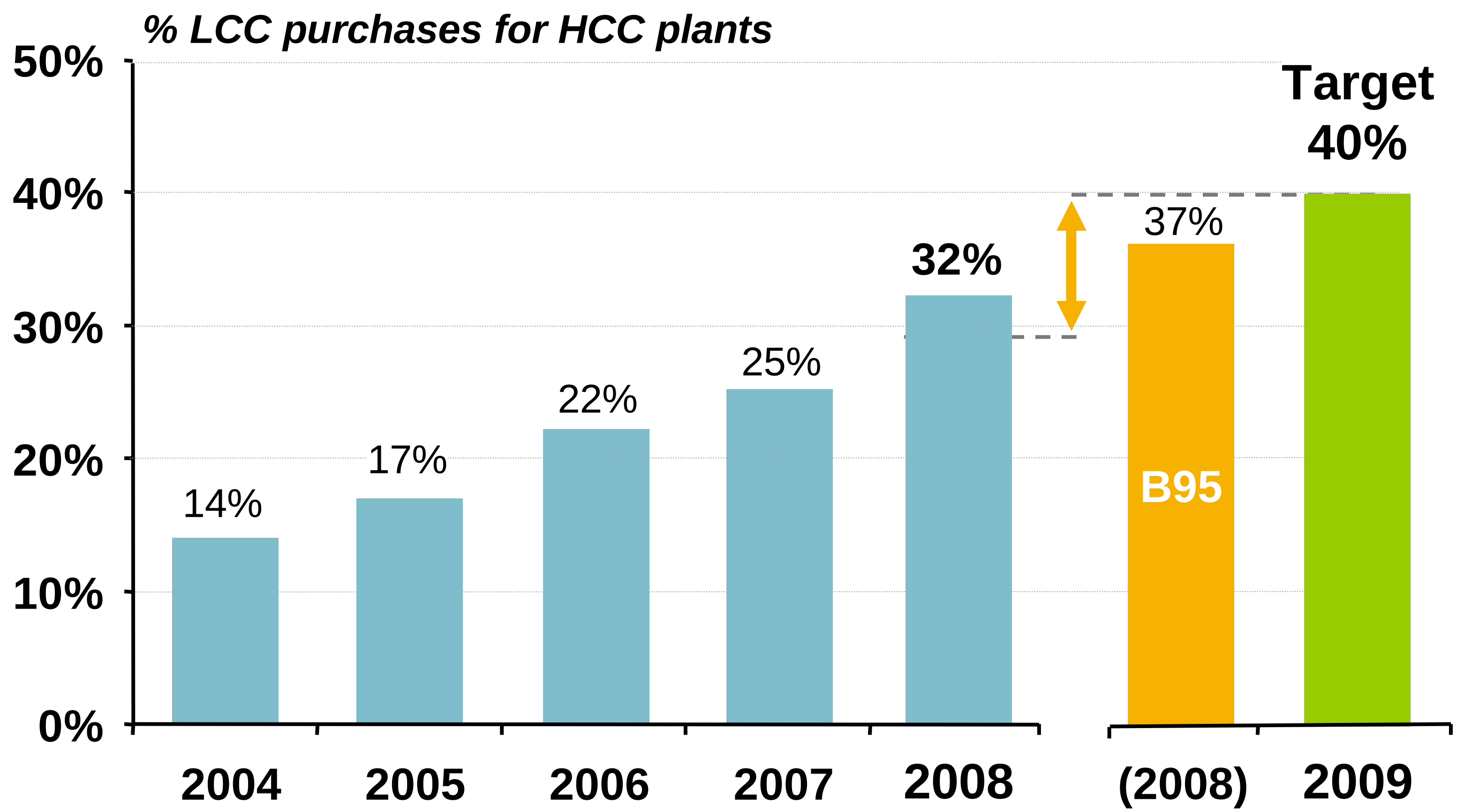
FURTHER COST REDUCTION
AN ADDITIONAL - 15% TO REACH - 50% TARGET



LCC FOR HCC
PARTS PURCHASES IN LCC FOR W. EUROPE PLANTS



NAMASTE PLAN: INDIAN SOURCING FOR BETTER PERFORMANCE WORLDWIDE

- Sourcing decisions in 2008:
  - Turnover: 240 M€
  - Average actual savings: 17 % including logistics costs
- Potential purchasing turnover in India: 850 M€

ALLIANCE APPROACH TO ACHIEVE COST LEADERSHIP

COST LEADERSHIP

Growth in volume per part

Business growth

Complexity, diversity reduction

Deep localization

Logistics improvement

Material optimization

Spec challenge

Alliance Component

Productivity improvement
333 - Synergie 500

Supplier

Respect, Trust, Transparency

RENAULT NISSAN

RENAULT

SET A SINGLE ALLIANCE COMMODITY STRATEGY

19 joint teams by end 2008 → 35% RNPO parts turnover

1 Technical Strategy

Standardization policy
& the related **technical strategy**

2 Sourcing Strategy

and **world-wide Alliance supplier base management**

3 Total delivered cost Road maps

ACM
Alliance
Commodity
Meeting

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C-SEGMENT SALES STRATEGY

Patrick BLAIN

EVP, SALES & MARKETING

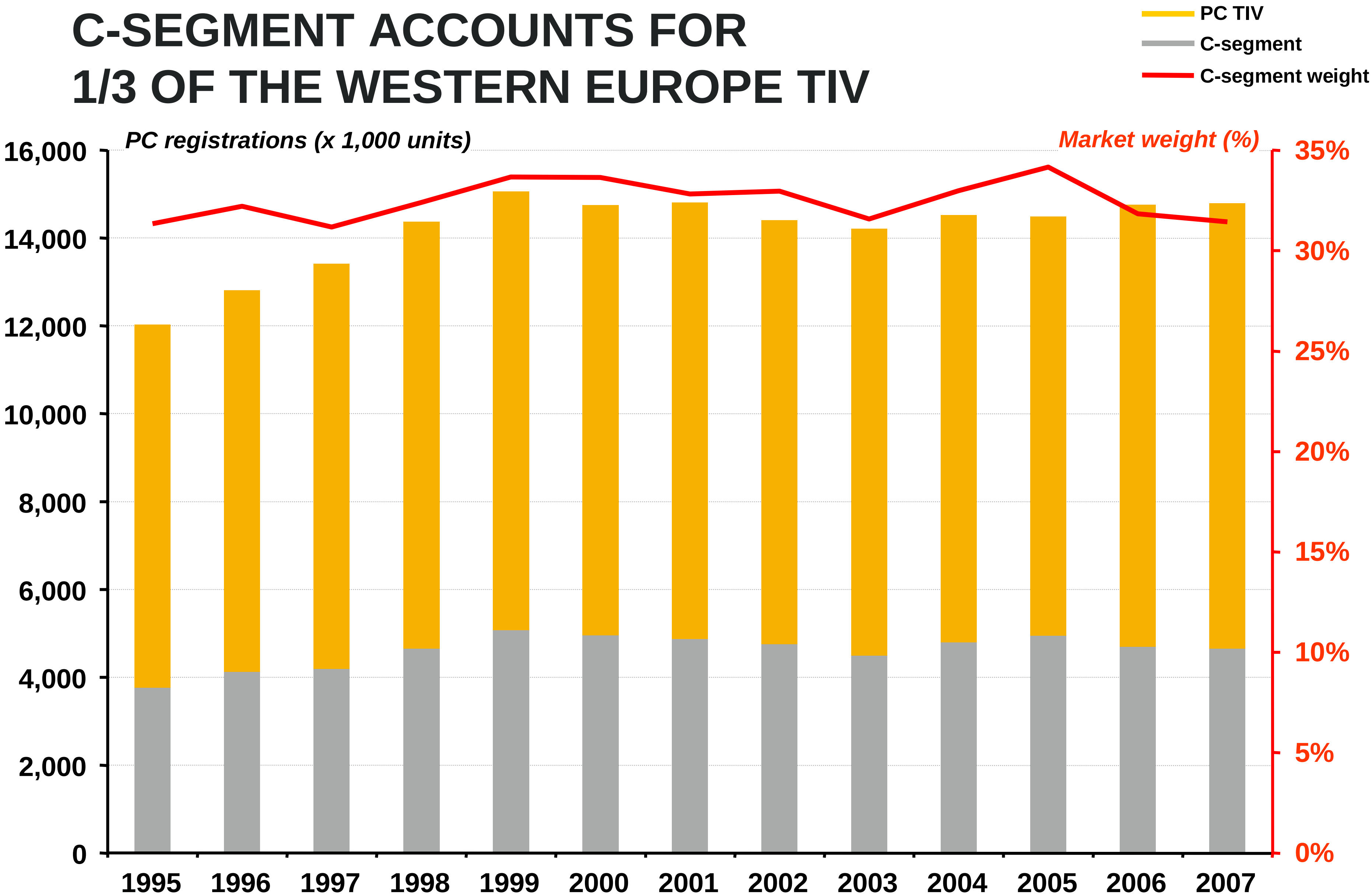
AGENDA

MEGANE III SALES STRATEGY

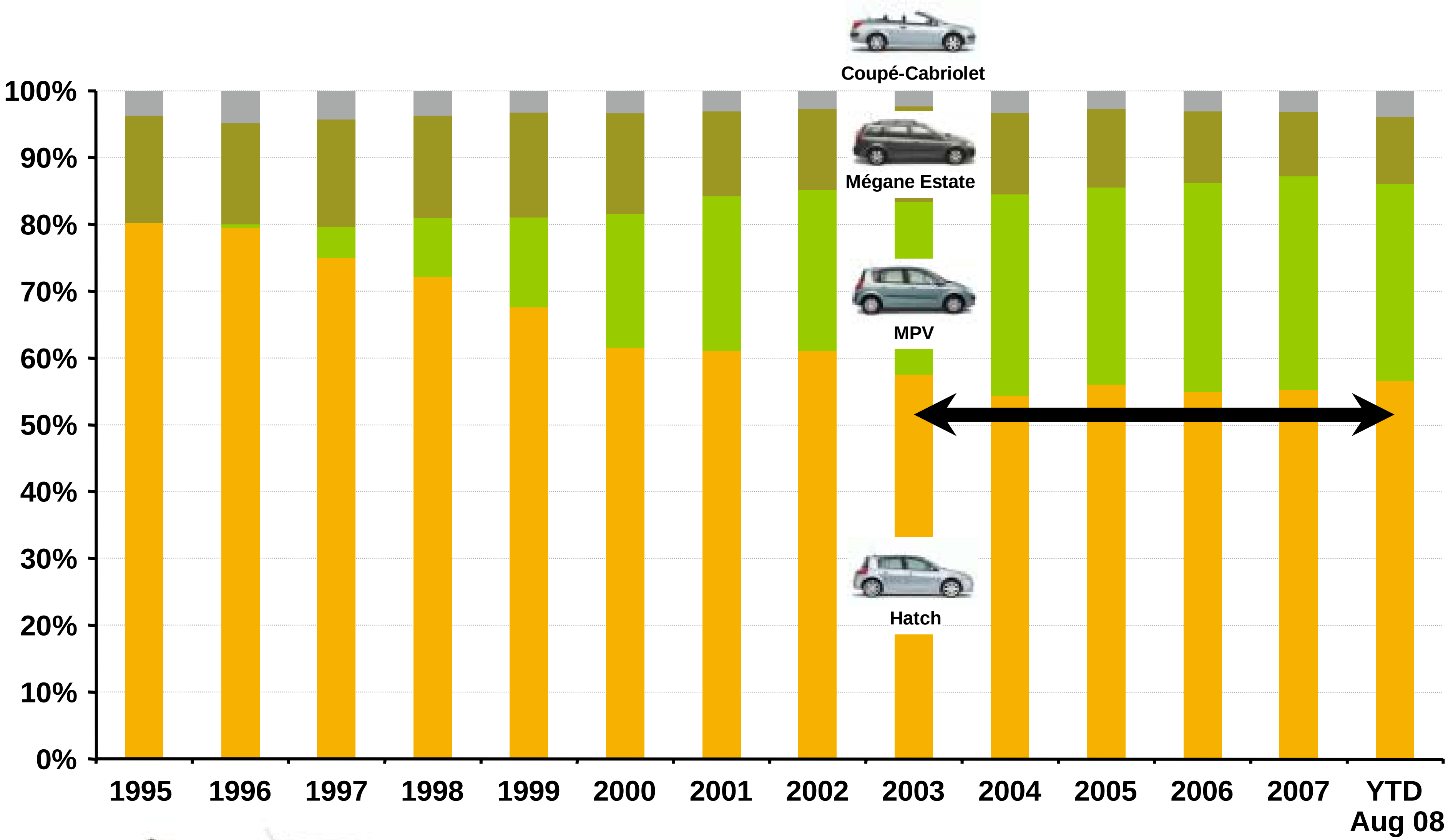
- C-Segment history
- Marketing positioning
- Feedback on customer tests
- Sales volumes
- Customer channels
- Price strategy, including residual value
- International outlook

01 MEGANE III SALES STRATEGY

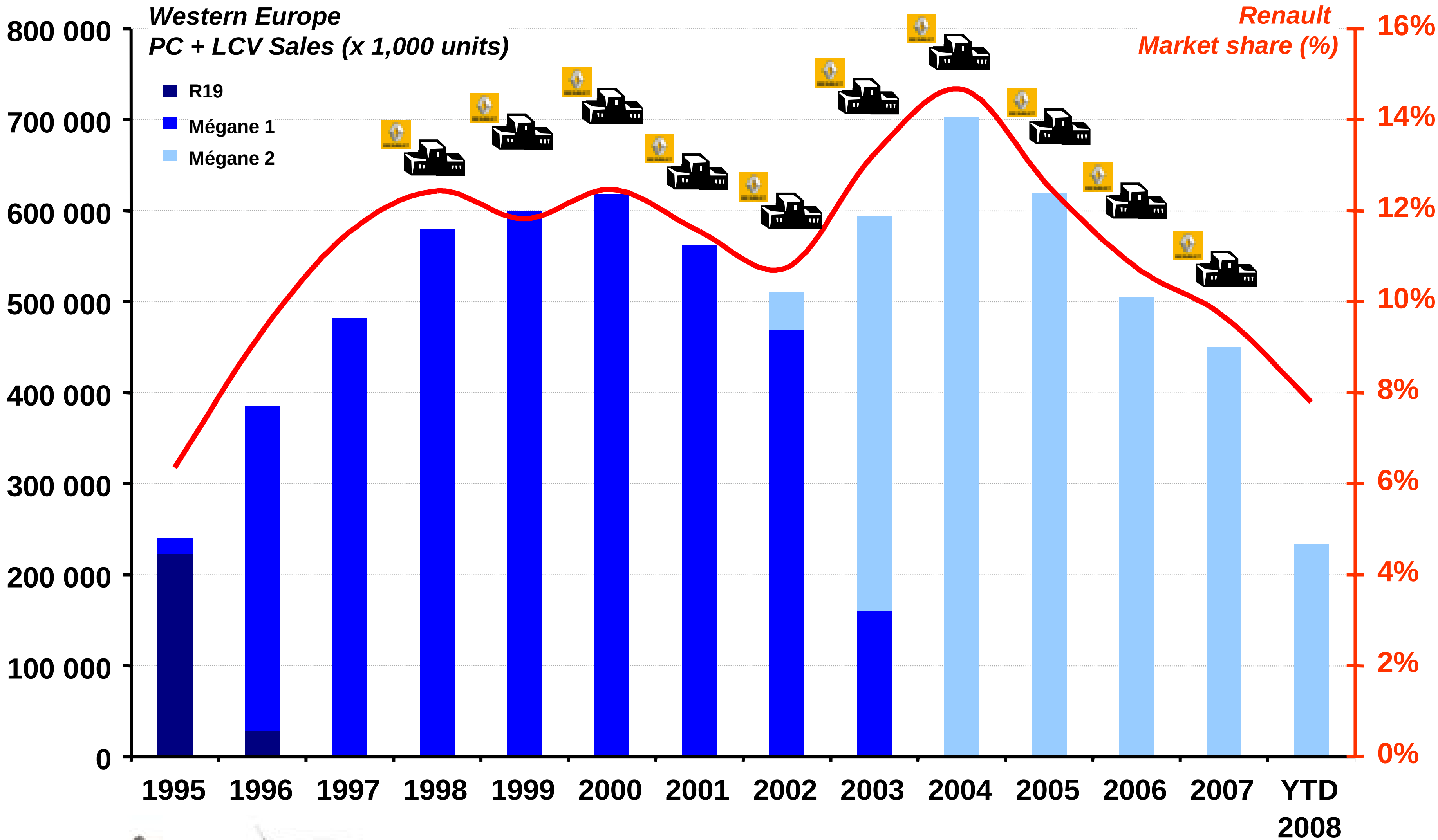
C-SEGMENT ACCOUNTS FOR 1/3 OF THE WESTERN EUROPE TIV



HATCHBACK SALES ARE STABLE IN W. EUROPE C-SEGMENT OVER THE LAST 5 YEARS



C-SEGMENT IS RENAULT'S CORE BUSINESS



MARKET POSITIONING

STYLING

- Sporty
- Reassuring
- Sleek / Elegant
- Consensually appreciated modernity

DRIVING PLEASURE

- Dynamic
- Powerful
- Roadholding

PRICE VS. EQUIPMENT

- Very persuasive equipment & perf. vs. price ratio

Positioning

A STYLISH, DYNAMIC AND REASSURING CAR

USPs

- Dynamic
- Easy

← *Claim justifications* →

BSPs

- Reassuring
- Environment-friendly
- Affordable

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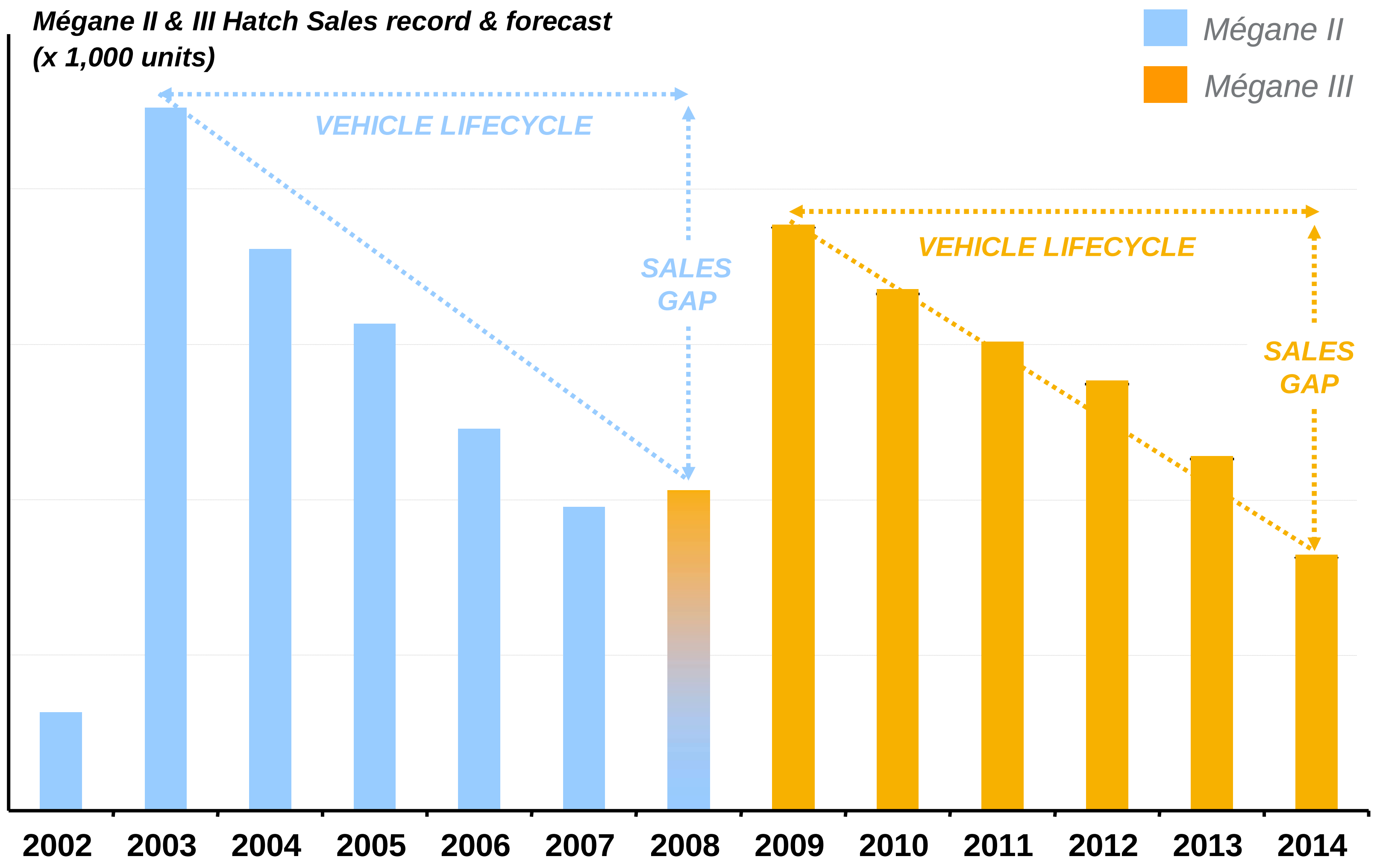
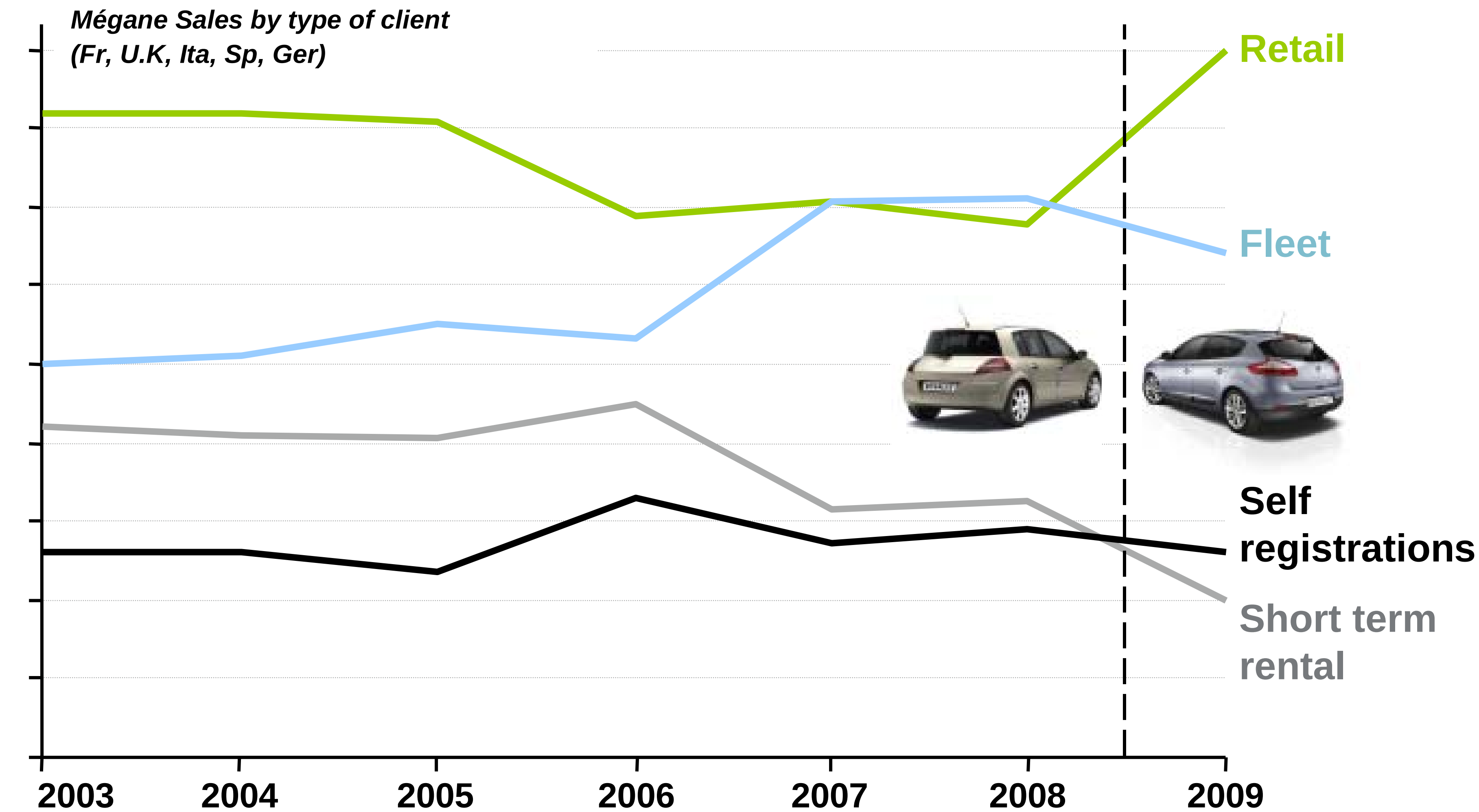
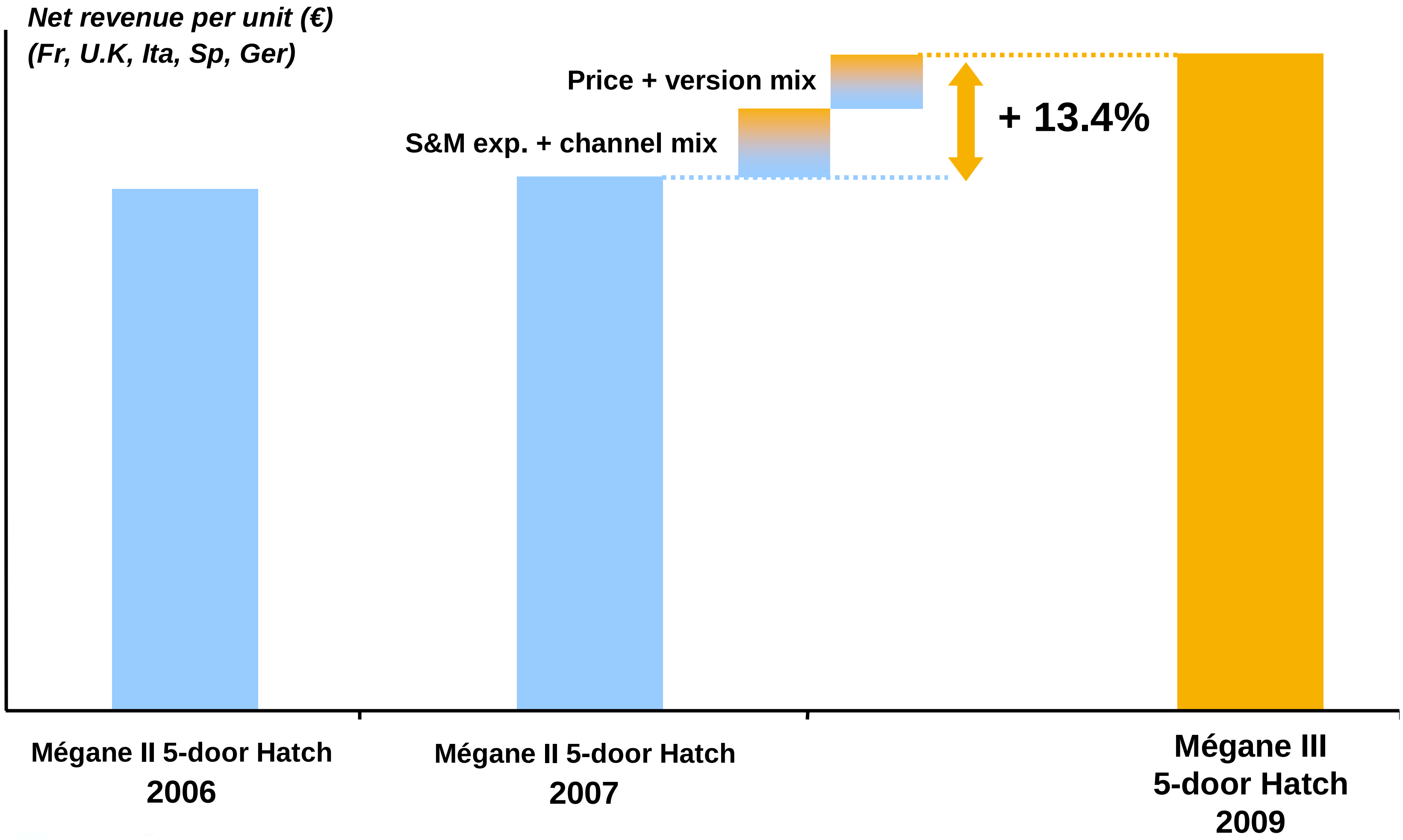
REALISTIC SALES VOLUME ON A FLATTER LIFE CYCLE…



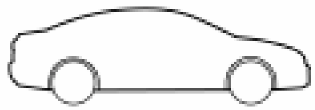
…BASED ON AN OPTIMIZED CHANNEL MIX…



…LEADING TO THE IMPROVEMENT OF THE VARIABLE NET REVENUE (5 MAJOR EUROPEAN COUNTRIES)



INTERNATIONAL OUTLOOK



L38 - Sedan

More than double the volume
of Sedan (Mégane II + SM3) worldwide

B32 – Hatchback

Increase significantly our C-segment hatchback
presence outside of Europe

CONCLUSION

- **A line-up fully covering market and customer needs in Europe**
- **Ambitious but realistic objectives**
- **« Super selective » policy**
- **Specific bodies to improve our performance & conquer new markets outside Europe**

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CONCLUSION

Carlos GHOSN

PRESIDENT & CEO