The Group operates in 118 countries, offering a range of vehicles tailored to today’s mobility needs and the requirements of its different markets.

In 1999, Renault and Nissan entered into an Alliance that has unlocked synergies through shared investments, volumes and resources. In 2009, the Renault-Nissan alliance was ranked the 4th largest global automaker.

To be a major player in tomorrow’s automobile industry, the Group is marshalling the know-how of its people around the world and drawing on more than a century of experience in innovation.

Our goals:

- develop sustainable mobility solutions and make them available to the greatest number of people throughout the world, by innovating and pursuing our R&D efforts;
- prepare the way for the vehicles of the future by listening to what society is saying and devising new services that will improve quality of life for everyone, everyday;
- respond to environmental challenges by taking care to preserve natural resources and protect the environment;
- strengthen our workforce policy, based on responsibility, diversity and fairness;
- deepen our relations with stakeholders through regular, transparent reporting;
- develop within the Alliance the foundations of sustainable mobility.
CONVERSATION WITH THE CHAIRMAN

For years, the world has had to adjust to the automobile: the time has come for the automobile to adapt to the world.

How would you sum up 2009?

2009 was a very difficult year for the automotive industry. In a context of crisis, the whole company pulled together to focus on a single priority: generating positive free cash flow. This objective was reached in full with two billion euros in free cash flow. I would like to thank all the staff of Renault for their efforts and their contribution to the company’s results.

What is the outlook for 2010?

The automotive market is expected to grow by 3% in 2010 compared with 2009, but with significant disparities between regions. In two of the main regions in which Renault is present, Europe and Eurasia, markets are expected to shrink by around 10% on 2009. We therefore expect 2010 to be another tense year and, once again, our main objective is to generate positive free cash flow.

What are the levers for generating positive free cash flow in this market context?

We are counting on increased market share in the main countries where we are present. To achieve this, we can count on our young, competitive range, and on the six new models that will be launched in 2010. Our efforts to cut both fixed and variable costs will also be continued. Management of our working capital requirements will remain strict. Last and this is essential, we will be stepping up synergies with Nissan.

Concerning synergies with the Alliance, did you reach the target of €1.5 billion set for 2009?

Yes, we had exceeded this target at December 31, 2009, a full one-quarter before the end of Nissan’s fiscal year. The creation of a team dedicated to accelerating synergies between Renault and Nissan in May 2009 made it possible to deliver, faster, better and more durable results.

For 2010, our target is to generate one billion in new synergies, in free cash flow. If we take account of the carryover of synergies from 2009, the impact on free cash flow in 2010 will exceed two billion euros for both Renault and Nissan.

What areas do these synergies concern?

The two main sources of synergies, in terms of financial impact, are synergies in purchasing and synergies in the sharing of parts, platforms and powertrain sub-systems. For example, instead of developing its own 1.6 l diesel engine, Nissan will take advantage of the studies conducted by Renault. Nissan saved 50 million euros on this project in 2009 – and pooling the costs enabled Renault to cut the total outlay by 25 million euros. This sharing of costs also cut our purchasing costs since the engine will be produced on a larger scale.

Synergies with the Alliance also enable us to conduct projects that neither company would have been able to take on separately. The most obvious example is the development of electric vehicles. Neither Renault nor Nissan would have been able to bear the cost for this alone. But we could also talk about our international development strategy. In Russia and India, in particular, by working together, we are obtaining the critical size necessary for our competitive development more quickly.

Looking beyond 2010, what are Renault’s strategic objectives?

Our key concern is for Renault and the Alliance to meet the challenges faced by the automotive industry worldwide.

• We aim to be pioneers in the mass marketing of electric vehicles while continuing to improve the efficiency of our combustion engines.

• We will continue to boost our sales on emerging markets, especially by our position in countries where we are already present, such as Russia, India and Brazil.

• We will expand our commercial offensive in Europe, particularly by strengthening the respective positions of our brands, Renault and Dacia.

• We will consolidate our position as a leader in low-cost vehicles with the Logan platform, and we will use our future ultra-low cost vehicle as a lever for our international development.

• We will step up the development of joint policies within the Alliance, which is crucial in achieving these objectives.

• We will include all these objectives in a new medium-term plan currently in preparation, which we should be able to announce early next year.

To conclude, what message would you like to give our shareholders?

In the current context, we should remember that our roots have been in France for over 110 years – and they will remain in France.

But the future of Renault is also being played out beyond our borders. Since its founding, Renault has been a company with a global approach. Through the Alliance, we have opened our doors to diversity, and the successful integration of Dacia and Renault Samsung Motors has opened the doors still wider. Today, the Alliance ranks as the world’s fourth biggest manufacturer, with a lead of more than one million units over the number five.

Our ambition is to contribute to making the car a means of progress for mankind once more, by developing forms of mobility that are compatible with the sustainable development of the planet. We are focusing our research and development efforts on the products and technologies that are most appropriate to this mission. Our strength lies in our collective capacity to work towards this future, building on contributions from us all, whether we are from France, Europe, South America, North Africa, Korea, Russia or India.

I would like your investment in Renault to be an even greater source of satisfaction and pride.
CARLOS GHOSN
PRESIDENT, AGE 55
École Polytechnique. École Nationale des Ponts et Chaussées, Doctorate from EHESS.
In 1999, he was appointed Nissan’s Chief Operating Officer, and then became the company’s President and Chief Executive Officer in 2001. In 2005, he returned to Nissan in Tokyo as Senior Vice President, CEO Office and Corporate Administration. In 2010, he was appointed Executive Vice President, Plan, Product Planning and Programs.

PHILIPPE KLEIN
EXECUTIVE VICE PRESIDENT, PLAN, PRODUCT PLANNING AND PROGRAMS AND CORPORATE CONTROL, AGE 58
École Supérieure de Physique-Orsay de Paris and École Nationale Supérieure des Ponts et Chaussées.
Philippe Klein joined Renault in 1981 and held a number of positions in the Engine Development department until 1992, when he became Executive Secretary to the Chief Engineer, he joined the Powertrain Engineering Department, and in 1996, the Vehicle Engineering Department. From 1999 to 2003, following the creation of the Renault Nissan Alliance, he joined Nissan in Japan as Deputy Chief Financial Officer. In 2003, he was appointed Senior Vice President, Corporate Planning and Programs in January 2003, he was appointed Program Director for the SUN line and became a member of Nissan’s North America Management Committee in 2002. He was appointed Senior Vice President, Manufacturing, Engineering and then Corporate Planning and Product Planning. In 2007, he was placed in charge of Group Finance.

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Executive Vice President, Sales and Marketing, LCV, RMC Leader Europe, AGE 56
Sorbonne University.
In 2009, he was appointed Executive Vice President, Sales & Marketing and LCV, RMC Leader Europe and, in October, CEO of the Renault Group.

JÉRÔME STOLL
EXECUTIVE VICE PRESIDENT, CORP. ADMINISTRATION, AGE 57
École Supérieure de Commerce de Paris (ESCP), Centre Perfectionnement aux Affaires (CPA), Rennes Business School.
Jérôme Stoll worked at Renault VI from 1980 to 1983, then held a position with the senior management team of Berliet Nigeria, a Renault VI subsidiary, until 1987, when he joined Renault. He became Finance and Administrative Director at Renault Automation in 1989. He was named Director of Industrial Purchasing in 1995, then Director of Powertrain Purchasing in 1996. Jérôme Stoll became President and CEO of Renault Samsung Motors in 2001. On October 1, 2005, he took up the post of Mercosur Director, becoming CEO of Renault do Brasil and a member of Renault's Management Committee. On November 1, 2005, Jérôme Stoll was appointed Executive Vice President, Sales & Marketing and LCV, RMC Leader Europe and, in October, CEO of the Renault Group.

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2009 IN PICTURES
THE RENAULT GROUP IN 2009

JANUARY
- A Dacia range review is organized for the international press at Mortefontaine, near Paris. The event is an opportunity to present the brand’s full line-up (Logan, Logan MCV, Sandero, Logan Van, Logan Pick-up), as well as the new powertrains.

FEBRUARY
- Launch of Kangoo Be Bop.

MARCH
- Geneva Motor Show: Renault reveals Grand Scénic, Scénic, Mégane Estate and Mégane Renault Sport. The Group has one of the youngest ranges in Europe with an average age of 2.5 years.
- The Renault-Nissan Alliance celebrates its tenth anniversary: present in 190 countries, it set a specific target for 2009: €1.5 billion in synergies split equally between the two partners.

APRIL
- Introduction of the crisis-period labor deal: responding to an estimated 20% downturn in business in 2009, this contract is negotiated between management and labor representatives in France and signed by partner trade unions. The contract has two priorities: to protect employment by extending short-time working to all employees of Renault s.a.s. and to maintain their net income.
- Launch of Grand Scénic.

MAY
- Annual General Meeting of May 6: following the planned departure of Louis Schweitzer, Carlos Ghosn is appointed Chairman of the Board of Directors.
- The Alliance steps up the pace: building on 11 years of joint experience, Renault and Nissan step up cooperation by founding a small team within RNBV to accelerate and expand synergies to improve the performance of both companies.
- Launch of Carminat Tom Tom with Clio III phase 2.
- Launch of Grand Scénic.

JUNE
- The Renault-Nissan Alliance and EDF (France’s public electric utility) step up their collaboration on zero-emission* electric vehicles and announce a trial involving 100 vehicles in the Paris region.
- Launch of Renault Mégane Estate and Renault Scénic.
- Launch of New SM3 by Renault Samsung Motors in Korea.

JULY
- Tenth anniversary of Dacia: since its acquisition by Renault on July 2, 1999, Dacia has become a major player in the automotive industry and a key pillar of the Renault group’s strategy.

SEPTEMBER
- Frankfurt Motor Show: reflecting its commitment to sustainable mobility, Renault unveils a new brand signature: “Drive the Change”.
- Reflecting this approach, the Group presents four show cars heralding its future range of electric vehicles: Twizy Z.E. Concept, Zoe Z.E. Concept, Fluence Z.E. Concept, Kangoo Z.E. Concept.
- Pursuing its cooperation policy designed to optimize charging systems for its electric vehicles, Renault signs an agreement with Germany’s RWE, an electricity producer.

OCTOBER
- The first stone is laid in Tangiers: the site is scheduled to come on line in 2012, with the production of two new models for the Entry program.
- Women’s Forum: reflecting its commitment to diversity and the increased presence of women in the automotive sector, the Renault-Nissan Alliance is present in Deauville for the fourth year in a row.
**NOVEMBER**

- New sustainable development website: following the founding in December of the Sustainable Mobility Institute Renault-ParisTech, Renault launches a new website: www.mobilite-durable.org. Through this site, which features press reviews, interviews with sustainable mobility players and an interactive map of good practices, Renault goes out to meet web users interested in sustainable development.

- New Renault Scénic was awarded the 2009 Golden Steering Wheel Award in the compact MPV class. This distinction is awarded by the German Sunday paper Bild am Sonntag and by the readers of Auto Bild and similar European magazines circulated in 25 countries. One of Renault’s star products, Scénic invented the compact MPV segment 14 years ago and led it for a decade. Launched in June 2009, New Renault Scénic is now the best-selling MPV in Europe by cumulative volume.

**DECEMBER**

- Fluence Z.E. and Kangoo Express Z.E. at the climate change summit in Copenhagen: prototypes of these two zero-emission^* vehicles prove their appeal and simplicity to the participants at the conference.

- Renault takes part in the International Day of Persons with Disabilities, as the only European manufacturer committed to the design, production and sale of vehicles for the disabled. Through its subsidiary, Renault Tech, Renault markets a wide range of vehicles for consumers or business users, for personal, family or group use: Kangoo, Logan MCV, Traffic and Master.

> CONVERSATION WITH PATRICK PÉLATA

**Chief Operating Officer**

How did Renault manage the crisis?

Our crisis plan in 2009 was aimed at a single objective: achieving positive free cash flow. This plan was organized in three parts: maximizing our revenues, notably by improving market share; reducing our working capital requirements, and in particular our stocks; and, lastly, reducing our fixed costs. We worked successfully on these three levers thanks to the hard work of all Renault employees. With free cash flow of 2.1 billion euros, we comfortably met our objective.

What was the biggest contributor to free cash flow in 2009?

Reducing our stocks. Between December 2008 and December 2009, we cut stocks by more than 1.3 billion euros, which is in a decrease of more than 2.6 billion euros compared with June 2008. To do so, we significantly reorganized our logistics system. We reduced aging stocks, pooled stocks between different countries and better controlled the stock of vehicles for sales. We also reduced our stocks of used vehicles, parts and accessories, and raw materials.

Didn’t this fall in stocks impact the Group’s sales results?

In the first quarter we found it difficult to respond to the rise in demand following the introduction of scrappage bonuses in the main European markets. We adjusted our production accordingly. Globally we improved our market share in 2009, with an acceleration in the second half. If you look at Renault’s 15 main markets, which account for 85% of our sales, we improved our share in 11 countries. This figure is even better in the second half, with an increase in 13 out of the 15 countries.

In Europe in the second half, Renault achieved the biggest growth in market share of any brand, followed by our friends from Nissan and Dacia.

And the reduction in fixed costs?

Renault succeeded in doing more with less. Compared with 2007 – the year before the crisis – our fixed costs fell by over 2.2 billion euros, proportionally more than our revenues. These results were achieved without jeopardizing our strategic projects. Our international projects, the renewal of our offering, the optimization of our internal combustion engines, our investments in electric vehicles – we were able to achieve all this while at the same time reducing our expenditure. This frugality is now an integral part of our processes and we will continue to benefit from it, post-crisis period included.

Which levers can be used in 2010 to achieve positive free cash flow?

We are launching six new models in 2010 (SM5, Duster, Mégane Coupe-Cabriolet, Wind, Master front-wheel driven and Master rear-wheel drive). We will also enjoy a full year of New Scénic, renewed Master rear-wheel drive. We will also sell a full year of New Scénic, renewed Master rear-wheel drive. We will also enjoy a full year of New Scénic, renewed Master rear-wheel drive. We will also sell a full year of New Scénic, renewed Master rear-wheel drive. We will also sell a full year of New Scénic, renewed Master rear-wheel drive.

We will continue to increase market share in our main countries. We will keep our fixed costs low. And we will also continue to accelerate synergies with Nissan and reduce our fixed and variable costs. All of these measures will allow us to achieve positive free cash flow in 2010.

And the reduction in fixed costs?

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### Key Figures

#### TOTAL INDUSTRY VOLUME - PC + LCV REGISTRATIONS (UNITS)

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
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</thead>
<tbody>
<tr>
<td>Europe (incl. France)</td>
<td>17,514,951</td>
<td>17,773,957</td>
<td>18,070,512</td>
<td>16,825,399</td>
<td>15,877,491</td>
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<tr>
<td>Estimated + America + Asia-Africa</td>
<td>27,022,655</td>
<td>29,303,333</td>
<td>32,583,925</td>
<td>33,812,186</td>
<td>34,491,628</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>44,537,206</strong></td>
<td><strong>47,127,290</strong></td>
<td><strong>50,654,437</strong></td>
<td><strong>50,637,585</strong></td>
<td><strong>50,376,979</strong></td>
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#### RENAULT GROUP - MARKET SHARE - PC + LCV (%)

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<tr>
<td>Europe (incl. France)</td>
<td>10.4%</td>
<td>9.4%</td>
<td>8.8%</td>
<td>8%</td>
<td>9.5%</td>
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<tr>
<td>Estimated + America + Asia-Africa</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.6%</td>
<td>2.6%</td>
<td>2.3%</td>
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#### RENAULT GROUP - SALES - PC + LCV (UNITS)

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<tr>
<td>Europe (incl. France)</td>
<td>1,932,756</td>
<td>1,982,999</td>
<td>1,924,301</td>
<td>1,597,254</td>
<td>1,529,966</td>
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<tr>
<td>Estimated + America + Asia-Africa</td>
<td>682,083</td>
<td>740,710</td>
<td>860,778</td>
<td>874,099</td>
<td>779,829</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>2,614,839</strong></td>
<td><strong>2,723,709</strong></td>
<td><strong>2,785,079</strong></td>
<td><strong>2,471,353</strong></td>
<td><strong>2,309,188</strong></td>
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#### INTERNATIONAL GROUP SALES

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<tr>
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<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
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<tbody>
<tr>
<td>% of total</td>
<td>37.2%</td>
<td>38.8%</td>
<td>35.1%</td>
<td>36.9%</td>
<td>34.0%</td>
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#### RENAULT SHARE PERFORMANCE FROM DECEMBER 31, 2004 TO DECEMBER 31, 2009 (€)

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<th>2006</th>
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<tr>
<td>Renault annual change</td>
<td>+11.9%</td>
<td>+32.1%</td>
<td>+6.6%</td>
<td>-80.9%</td>
<td>+95.1%</td>
</tr>
<tr>
<td>Renault: +95.1%</td>
<td></td>
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<td></td>
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<tr>
<td>D.J Euro S PX Auto: +17.4%</td>
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<tr>
<td>CAC 40: +22.3%</td>
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<th>2009</th>
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</thead>
<tbody>
<tr>
<td>Year-end price (31/12/09)</td>
<td>68.90</td>
<td>91.00</td>
<td>93.01</td>
<td>18.55</td>
<td>36.20</td>
</tr>
<tr>
<td>High (20/10/09)</td>
<td>92.45</td>
<td>97.85</td>
<td>121.38</td>
<td>95.74</td>
<td>36.78</td>
</tr>
<tr>
<td>Low (03/03/09)</td>
<td>61.30</td>
<td>70.20</td>
<td>84.86</td>
<td>14.70</td>
<td>19.56</td>
</tr>
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</table>
The Board of Directors met seven times in 2009. At each of these meetings, management presented a report on the finances, market performance and the industrial and technical activities of the Group in all areas, before taking questions from Board members. The main topics addressed during the year are outlined below.

**ACCOUNTS AND BUDGET**

The Board approved the Group’s consolidated financial statements and first-half financial statements for 2009, set the dividend to be proposed to the AGM, and adapted the 2010 operating and investment budget. It reviewed the action plan to preserve Renault’s competitiveness, profitability and financial position in the light of the new economic situation. Given the difficulties in raising new private market financing, the Board authorized the signature of a loan agreement with the government and its representatives.

**GROUP STRATEGY**

The Board discussed Renault’s strategic guidelines after Renault Commitment 2009, with particular emphasis on the electric vehicle (ZOE), as part of a day devoted to this issue. It approved the signature of a Memorandum of Understanding with AvtoVAZ shareholders Russian Technologies and Troika Dialog regarding the means to ensure AvtoVAZ’s sustainability. The Board also approved continued engagement in Formula 1 with the support of a new strategic partner.

**THE ALLIANCE**

Ten years after the Alliance’s creation, the Board examined how to step up Renault-Nissan cooperation (identified synergies to contribute $1.5 billion to the free cash flow of the two Alliance partners) and create a dedicated team within RNBV to coordinate the main areas of cooperation between Renault and Nissan. It approved the signature of a Letter of Intent with Nissan, the French Atomic Energy Commission (CEA) and the French Strategic Investment Fund (FSI) to set up a joint venture company that would develop and manufacture batteries for electric vehicles in France. The Board also noted the summary of the Alliance Board’s decisions and proposals.
SPECIALIZED COMMITTEES OF THE BOARD OF DIRECTORS

The Board has four specialized committees.

ACCOUNTS AND AUDIT COMMITTEE
Philippe Lagayette chairs this committee, whose other members include Alain Champigneux, Charles de Croisset, Dominique de La Garanderie, Jean-Claude Paye and Alëks Koller. Four of the six are independent directors. The committee met five times in 2009, and dealt with the following matters in particular: the Group’s consolidated financial statements and Renault SA’s individual financial statements for 2008 and first-half 2009; the fees paid to the statutory auditors; the activity of the Compliance function; and the impact of the Order of December 18, 2008 on the legal auditing of accounts.

RECEIVED ITEMS ON ITS AGENDA WERE THE ARF/PMEDEF RECOMMENDATIONS ON REMUNERATION, AS WELL AS THE REMUNERATION OF THE CHAIRMAN AND CEO, FOLLOWING THE COMBINATION OF THOSE FUNCTIONS, AND OF THE EXECUTIVE COMMITTEE MEMBERS.

FUNCTIONS OF THE CHAIRMAN OF THE BOARD COMBINED WITH THOSE OF CHIEF EXECUTIVE OFFICER

The departure of Louis Schweitzer, as he himself had proposed, in 2009, led Renault to adjust its governance arrangements, while ensuring ongoing transparency between executive management and the Board of Directors and, more broadly, with regard to shareholders and the market. The 2005 decision to separate the functions had been prompted by the desire to ensure a smooth management transition. A change in the governance arrangements was proposed to the Board of Directors following the AGM of May 6, 2009. Carlos Ghosn was appointed Chairman and CEO, taking on the role of Chairman of the Board of Directors in addition to his current duties. Aside from strategic decisions and the monitoring of financial and legal issues and public affairs, which remain the direct responsibility of the Chairman and CEO, operational decisions are under the authority of the Chief Operating Officer.

MANAGEMENT METHODS

APPOINTMENT OF A SENIOR INDEPENDENT DIRECTOR

In 2009 the Board of Directors appointed Philippe Lagayette as Senior Independent Director. The Senior Independent Director is there to ensure a proper balance of powers and was appointed after the functions of Chairman and Chief Executive Officer were combined. The Senior Independent Director, whose role consists in coordinating the activity of the independent directors, provides a link between the independent directors and the Chairman and CEO, acting in his capacity as Chairman of the Board of Directors.

The Board appoints the Senior Independent Director from among the eligible independent directors, upon a proposal by the Appointments and Governance Committee. The Senior Independent Director is appointed for the term of his directorship.
LISTENING TO INDIVIDUAL SHAREHOLDERS

A CONSULTATIVE COMMITTEE: REPRESENTING SHAREHOLDERS

The Shareholder Consultative Committee was formed in 1996 to help improve the communications tools intended for individual shareholders. Composed of nine shareholders, the committee met three times in 2009 to analyze and propose improvements to various communications tools: the Shareholders’ Letter, the shareholder guide, etc. The members of the committee are listed on renault.com/Finance.

SHAREHOLDER STRUCTURE AT DECEMBER 31, 2009

In addition to the Shareholders’ Newsletter, a toll-free number with voice messaging system, general email address (communication.actionnaires@renault.com) and an email address specific to the shareholders’ meeting, shareholders also have a dedicated website with an online Shareholder’s Guide.

MEETING UP WITH SHAREHOLDERS AROUND THE COUNTRY

To encourage exchanges with its shareholders around the country, Renault’s management traveled to Lille and Nice in 2009 to participate in events organized by the French Federation of Investment Clubs.

MAINTAINING CLOSE RELATIONS WITH INVESTORS

INSTITUTIONAL INVESTORS

The Group organizes financial analyst meet-}

ings for each financial results disclosure and when it announces key events. It also holds one-on-one meetings with investors throughout the year in France and abroad, and Renault’s management participates in professional conferences and the major auto shows.

SOCIALLY RESPONSIBLE INVESTORS

Renault welcomes investors looking to make a long-term commitment. As a result, it fosters close ties with the community of socially responsible analysts and investors through one-on-one meetings and SRI-themed conferences organized by specialist brokers in Europe and the USA. Renault management regularly speaks out on social and environmental topics.

CONVERSATION WITH

Aldo Sicurani

Member of Renault’s Shareholder Consultative Committee

…exceed standards. And the interactive shareholder guide is particularly well exceeded standards. And the interactive shareholder guide is particularly well

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Market capitalization at 12/31/2009

Renault holds the 11th position among the global carmakers

Financial announcements in 2010

February 11

Full-Year 2009 financial results

April 28

First-quarter 2010 revenues

April 30

Annual general meeting

July 30

First-half 2010 financial results

October 27

Third-quarter 2010 revenues

Contact

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For complete documentation and live streaming of major events (AGM, results presentations)


To register your Renault shares:

BNP Paribas – Securities Services – Actionnaire Renault – Immeuble Tobiac – 75450 Paris Cedex 9 – Tel: +33 882 23 00 03 or +33 (0) 4 10 14 11 16.
1. VISION AND STRATEGY
WHAT TODAY’S CUSTOMERS EXPECT

The automobile industry is at a turning point in its history, with challenges ranging from inequalities in safety and mobility to pollution and the vital need to cut CO₂ emissions and preserve natural resources. By placing people, family and quality of life at the center of its vision, Renault has chosen to create affordable, low-carbon products and services that make life easier. The goal is to pioneer sustainable mobility for all and to ensure that the automobile becomes a source of progress again.
WHAT TODAY’S CUSTOMERS EXPECT
ENJOYABLE, MODERN, ECONOMICAL VEHICLES

Consumers are still attracted to cars and are not willing to forgo their enjoyment. But new kinds of consumption and mobility are emerging and require a technological breakthrough.

THE CRISIS HAS ACCELERATED EXISTING TRENDS

On mature markets such as Europe, the USA and Japan, the crisis has accelerated a deep-seated and lasting change in customers’ expectations and hence purchasing habits, as people grapple with uncertainties about purchasing power and oil prices, and the growing realization that the planet’s resources are finite and that consumption alone is not a guarantee of happiness. Two contrasting – though not conflicting – trends are at work. On the one hand, cars are criticized because they emit CO2 gases, are expensive and increasingly awkward to use about town. On the other, people still really want cars, which many continue to view as ensuring freedom of movement. As a result, for the first time, sales of city cars (vehicles in the A and B segments) have overtaken sales of compacts (C segment) in Europe.

Moreover, on developing markets, such as Russia, Romania, Brazil and India, customers want a car either because they do not have one yet, or because they want a more attractive and comfortable vehicle. Admittedly, the crisis has slowed the rapid expansion on these markets, where car ownership is not yet widespread, but these countries remain a key source of growth for the auto sector. At the same time, demand is growing for vehicles that respect the environment.

DEVELOPING A BROADER VIEW OF MOBILITY

The future of the automobile also has to be considered from the perspective of mobility and the uses to which vehicles are put. Even as the crisis is prompting drivers to spend less time behind the wheel and to opt for more compact and economical cars, mobility choices are shifting towards multimodal and inter-modal approaches. These trends are gaining ground particularly in urban areas, where cars get stuck in traffic jams and where parking is a source of constant annoyance. As a result, the car has to become more than just a thing on wheels. It has to be connected to the outside world in a way that makes users’ lives easier and opens up new services and uses, such as car sharing.

WINNING OVER THE CONSUMERS OF THE FUTURE

The crisis has accentuated another trend: the proportion of under-35s who buy new vehicles has fallen (from 30% in 1991 to 20% today in France). Unlike previous generations, today’s young people do not regard the car as their main means of freedom. They prefer the internet, which allows them to thumb virtually and to be constantly connected to their community. But these young people are also the next generation of customers. The challenge is therefore to harness new kinds of technology (such as car sharing) and opens up new services and uses, such as car sharing.

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WHAT RENAULT CAN OFFER

1 - VISION AND STRATEGY

WINNING OVER THE CONSUMERS OF THE FUTURE

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WHAT RENAULT CAN OFFER

THE EXPERIENCE AND KNOW-HOW OF OUR PEOPLE

Since its creation in 1898, Renault has never ceased to develop innovative products and services. Today, Renault is equipping itself to remain the pioneering, innovative, human company it always was by bringing customers top-quality products and services that are ingenious, appealing, affordable and carbon-efficient. True to the brand’s values, the Group’s new baseline, revealed in Fall 2009, clearly expresses Renault’s ambitions: “Drive the Change”. 

The proportion of under-35s among new vehicle buyers is falling.

26% of new vehicles sold in 2020 in the main developed countries (Western Europe, US, Japan, China) will be electric vehicles or hybrids.

(According to a study by the Boston Consulting Group)

In 2009, 65% of vehicles sold in Europe by the Group emitted less than 140g of CO2 per km (compared with 48% in 2008), c/w 31% less than 120g.

2009 Renault Annual Report 21
TwiZy: A NEw kiNd Of URbAN mObiLiTy

Like Espace before it, Twizy represents a radical new concept. It is an ultracompact electric car, with a footprint barely larger than that of a scooter and a turning circle of just three meters. It has space for a driver and a passenger (one behind the other), a four-wheel chassis and wraparound bodywork. Twizy is nimble, practical, and ideally suited to the demands of city traffic.

The energy available onboard Twizy serves just one purpose – mobility. The open chassis calls for neither heating nor climate control, both of which consume a significant amount of energy. The design choices, coupled with the vehicle’s low weight (it tips the scales at just 420 kg, complete with batteries), contribute directly to Twizy’s range, which can reach 100 km.

SERVING PEOPLE WITH OVER 110 YEARS OF INNOVATION

In 1898, Louis Renault designed a car featuring two major innovations for the future of this new means of transportation: universal joint transmission and a revolutionary direct-drive gearbox. In 1902, Renault filed a patent for a supercharge system, which would lead decades later to the birth of the turbocharger.

The launch of the 4CV in 1946 symbolized a twofold reconstruction, that of France and Renault. Renault created another sensation in 1961 with the Renault 4, the first “votre a une vie” car for life and living, followed in 1972 by the Renault 5, the first city car.

With Espace in 1984, Renault launched the minivan (MPV) concept in Europe, followed 12 years later by the first compact minivan, Scénic. These two models were an entirely new take on the family car.

In 1989, Twingo reinvented the automobile with an alternative to traditional small cars. Since 2004, Renault has led the way in a new form of automobile consumption with its Entry range (Logan and Sandero).

At end-2008, Renault was one of the top-three carmakers in terms of low fuel consumption and CO2 emissions. Renault announced the mass production of a complete range of zero emission electric vehicles.

OUR ABILITY TO INNOVATE

The Renault eco² range is a product of Group R&D’s many innovative ideas and the strategic partnerships created worldwide to constantly enhance the performance of our vehicles. Examples include:

• downsizing technology: higher efficiency turbochargers are used to build more compact engines with greater power, paving the way for a range of economical, feisty, affordable powerplants;
• new-generation automatic transmissions such as the Efficient Dual Clutch (EDC) that offer consumption and emissions on a par with manual gearboxes;
• technologies, the low-pressure exhaust gas recirculation (EGR) system that reduces pollutant emissions, especially nitrogen oxide;

Dashboard of Twizy Z.E. Concept.

CO2 emissions: 1g CO2/km = 10 kg or 0.020 SCx or 8 Newton or 30 Watt (electricity)
Power consumption: 0.1 l/100 km = 25 kg or 0.030 SCx or 20 Newton or 1000 Watt (electricity)

LEVERS TO REDUCE CO2

Consumption of fuel and CO2 emissions

Energy consumption of the vehicle
Management of masses
Rolling resistance
Aerodynamics
Consumption accessories/comfort

GMP energy (powertrain)
Engine
Gearbox

RENAULT ECOC® CHAMPIONS FOR 2010

A “Champion” is a version of a model with best-in-class ratings for CO2 emissions. NB: the target level of CO2 emissions set for 2020 by France’s national roundtable on the environment is 130g/km for all vehicles on the road in France.

In the Renault eco² range, the CO2 Champions are

- Laguna dCi 110 (122g/km of CO2),
- Mégane dCi 110 EDC (114g/km of CO2),
- Scenic dCi 95 (125g/km of CO2),
- Clio dCi 85 (98g/km of CO2)
- Twingo dCi 85 (94g/km of CO2).

The emission reductions are achieved through new engine and vehicle developments.

RENAULT is one of the top-three carmakers in terms of low fuel consumption and CO2 emissions. Renault addresses all life-cycle phases, from vehicle production to end-of-life recycling.

In 2009, Renault announced the mass production of a complete range of zero emission electric vehicles.
Renault Samsung Motors was ranked number one in South Korea for the seventh year in a row.

Because side impacts are a major cause of fatal injuries (one-third of accidents), particularly in urban areas, Renault has recently added twin side-impact sensors to enhance its safety system. The sensors halve the time required to trigger the new dual-chamber thorax/pelvis airbags in the event of a side impact. The airbags apply three times more pressure to the pelvis, which is stronger than the thorax. Introduced to the top-end of the range with New Laguna, the twin impact sensors are now fitted on the entire Megane family.

PREVENT, CORRECT, PROTECT: SAFETY FEATURES FOR REAL-LIFE SITUATIONS

When it comes to occupant protection, Renault is a standard-setter, as reflected by the scores its models have received in crash tests carried out by the Independent Euro NCAP organization. Beginning with Laguna II in 2001, 12 Renault vehicles have earned the top score of five stars. Drawing on its unique expertise in the field of safety, Renault is constantly innovating to provide its customers with products that offer a response to the realities of everyday driving. Priority goes to technologies that can prevent accident risks, take corrective action in unexpected driving situations and protect occupants in the event of a collision.

NEW RENAULT SCÉNIC: PACKED WITH HANDY NEW FEATURES

New Renault Scénics are the first MPVs to be fitted with an audible/visual parking aid combined with a reversing camera. To make parking safer and easier, the reversing camera shows an image of the area behind the vehicle on the navigation screen. A Thin Film Transistor computer screen shows color-coded zones on the central display to make it easier to visualize how close objects are. Like New Megane Hatchback and Coupé. New Renault Scénics offer a new radio/CD MP3 player with Bluetooth® connectivity, a Plug & Music multimedia terminal with USB and iPod sockets, and a top-of-the-line 3D Sound by Arkamys® audio system.

THE FOUR PILLARS OF RENAULT’S QUALITY APPROACH

LISTEN: act on customers’ needs and expectations; address areas of dissatisfaction.

GUARANTEE: that required quality standards are applied and obtained to provide vehicles and services with impeccable reliability.

ENDURE: make products that last and age well, according to the use to which they are put.

SERVE: provide services that ensure that customers are confident and comfortable with their vehicles and the brand.

RENault is the only carmaker to have 12 vehicles earn the top score of five stars in Euro NCAP tests.

PASSIVE SECURITY

New Megane Estate comes with the same positive safety features and systems that helped the hatchback attain the maximum possible score of 37 points out of 37 in Euro NCAP crash tests, namely a programmed deforma
tion structure combined with the third-generation Renault System for Restraint and Protection (SRP3), which offers the best possible protection in accidents. New Megane Estate also comes with the innovative twin side-impact sensors first seen on New Laguna. This system halves the time required to trigger the dual-chamber thorax/pelvis airbags (5 ms) for even greater occupant protection.

Making Useful Technology Available to All: A Renault Tradition

Renault has always strived to make the very best technology available and affordable to the widest possible number of people. A pioneer in the man/machine interface through features such as central locking, steering wheel-mounted radio controls as standard, the hands-free card for vehicle access and start button for keyless ignition, Renault continues to push the boundaries and set new standards in the car world. Renault is now offering Carminat TomTom®, the first built-in, updatable GPS navigation system offered as standard for under €500.

QUALITY: MEETING 2009 TARGETS … AND STILL IMPROVING

Quality is a commitment that we make to our customers. In 2009 the push for progress initiated by the Group brought tangible results:

- Warranty expenses were down 52% relative to 2008.
- 80.6% of customers were fully satisfied (Sept. 2009) with sales and aftersales services (8.5-point increase on end-2008).
- Laguna II was in the top three of its category in France and Germany;
- A and B segment models were rated “excellent” by the German automobile magazine Auto Plus on January 12, 2010 and was voted third-most reliable automobile in the annual survey by UFO-Que Choit, a consumer magazine, with a reliability score of 92.61%.
- Renault Samsung Motors was ranked number one in South Korea for the seventh year in a row.

Because quality is a process of continuous improvement, Renault is pursuing its efforts. The Quality Department worked this year on a Customer Satisfaction Plan that will be deployed beginning on February 1, 2010. The goal is to make customers happy, but also to be recognized for our quality.

RENAULT in the Top-Three for Quality in Several European Countries

This was how Renault and its newest models (Mégane III, Clio III, Twingo II, Laguna III and Kangoo III) fared in recent carmaker surveys.
WHAT RENAULT CAN OFFER

THE RENAULT-NISSAN ALLIANCE

The automobile business of tomorrow will still be a “heavy” industry, associated with large companies and cutting-edge technologies. Automakers need massive resources to invest in new products and develop new technologies to meet the complex and varied needs of both consumers and regulators. Today, more than ever before, scale and global market coverage are crucial to success. In this context, the Renault-Nissan Alliance offers the two partners a unique competitive advantage.

11 YEARS ON, NEW SYNERGIES CONTINUE TO FLOW

Eleven years have gone by since the Alliance was first signed with Nissan on March 27, 1999. The two groups now have proven experience and maturity in handling cross-cultural management and cooperation while also respecting the identities of each organization.

SHARING MANUFACTURING EXPERTISE AND FACILITIES

Renault and Nissan have actively exchanged know-how and implemented best practices in the area of manufacturing. Renault has upgraded its production system by introducing shop floor management with the support of Nissan experts and standardized workstations, while Nissan has adopted Renault standards and analytical tools for workstation ergonomics and cost-control methods.

The two partners have also boosted capacity utilization by sharing production facilities, thus reducing fixed and related costs. The Renault Cevita plant in Brazil, for example, produced two Nissan vehicles in 2009, while Nissan’s South Africa plant began rolling out the Renault Sandero. Other facilities are shared in Spain, Mexico and Korea.

STRENGTH THROUGH THE GLOBAL CRISIS

The Alliance has faced the challenges of the global crisis head-on, taking a series of actions to ensure the long-term sustainability of each company and to take cooperation to a higher level.

In May 2009, the Alliance announced additional synergy projects to contribute €1.5 billion in free cash flow to Renault and Nissan. To reinforce the deployment of these projects across both companies, a dedicated team was set up called Renault Nissan BV (or ‘RNBV’) reporting directly toCarlos Ghosn. Its mission is to foster deeper, broader cooperation between the two partners, not just to meet the short-term objective of delivering additional free cash flow but as a long-term change to the way in which the Alliance operates. The push to generate synergies focuses primarily on priority areas such as purchasing, industrialization of vehicles and mechanical organs, shared platforms and parts, powertrains, support functions, global logistics, information systems, research and advanced technologies, and zero emission vehicles.

The target of €1.5 billion in additional synergies was met by mid-December with one quarter still to go before the end of Nissan’s financial year. A new plan has been launched for 2010 aimed at an additional €1 billion in synergies for the two companies.

LOOKING FURTHER AHEAD

Aiming for zero-emission* leadership

The substantial progress made toward this goal in 2009 was only possible because the two partners have joined forces, investing €4 billion into research, engineering, product development and manufacturing of vehicles and batteries. A new business unit was created in 2009 to ensure maximum coordination and synergy development across the two companies, supported through RNBV. Some 2,000 employees from Nissan and Renault are now working on the EV project. The first electric vehicle, the Nissan LEAF, will be launched in late 2010 and a further seven vehicles have been confirmed for production across the Renault, Nissan and Infiniti brands. By 2009, the Alliance had confirmed five battery production plants: one to be built in Japan, France, the United States, the United Kingdom and Portugal. When fully operational, these plants will give the Alliance 500,000 units of battery production capacity a year.

* in use

EXAMPLES OF SYNERGIES

• Renault and Nissan have jointly developed engines and gearboxes, including one automatic gearbox (6-speed) and two diesel engines (6c.i. and 2.0 c.i.).
• In R&D, common roadmaps were introduced in 2009 for strategic technologies, including advanced safety, interior comfort and the electric vehicle. Renault will benefit from the battery technology that Nissan has developed with NEC, which will lead to significant savings in development costs. There will be savings on the investment side too, following the decision to opt for a shared process – the Quick Drop System – for replacing EV batteries.
• Renault Nissan Purchasing Organization (RNPPO) now handles all Alliance purchasing; when it was set up in April 2001, RNPPO accounted for 30% of Renault and Nissan purchases. The scope of shared activities and RNPPO’s geographical coverage have increased steadily since then and now covers 100% of purchases. By combining their media spend under one agency, for example, Renault and Nissan were able to leverage purchasing scale and deliver cost savings for both companies.

LOOkiNG fURThER AhEAd

SyNErgiES cONTiNUE

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WHAT RENAULT CAN OFFER

OUR PRESENCE IN FRANCE AND AROUND THE WORLD

Over the last ten years, Renault has pursued a policy of international expansion through strategic partnerships. As a result, the Group is now solidly positioned on markets that still have major growth potential despite the crisis. The ultimate goal is to raise the Group’s global market share.

THE GROWTH REGIONS OF THE FUTURE

EUROPE REGION

In 2009, the Group adjusted its industrial production to reflect commercial demand.

FRANCE

Even though Renaults are produced in 18 different countries, France remains the industrial heart of Renault, with 14 industrial plants out of a global total of 37.

- The Maubeuge plant will manufacture Kangoo EV, providing its experience in LCVs.
- The Flins plant, which currently manufactures Clio, will also produce the future electric vehicle based on Zoe Z.E. Concept, as well as batteries for electric vehicles. In addition, it will handle battery recycling activities. These efforts set to become the center for Renault’s EV activities in Europe.
- The Saint-Ouen plant, which produces Laguna and Espace, will also manufacture an LDV for the European, Russian, Turkish and North African markets from 2013.
- The Cleon plant will add the 1.6 dCi production range to the range of power-plants that it produces.
- It is confirmed that Batilly will produce Master’s future replacement.
- Production of new Mégane Coupé Cabriolet has begun at the Douai plant for a market launch in Spring 2010.

RENAULT IN FRANCE:

- 14 industrial plants (out of a total of 37);
- 1.5 of the industrial workforce;
- 75% of the group’s worldwide sales;
- 86% of engineering spend;
- 25% of the Group’s worldwide production;
- 46% of the total Group workforce and 55% of the Renault workforce (excluding 1/3 of the industrial workforce);
- 18 different countries, France remains the industrial heart of Renault, with 14 industrial plants out of a global total of 37.

SPAIN

Renault has been in Spain for around 60 years and has made the country its number two center of Group industrial operations. The three industrial plants in Spain produce vehicles from the Renault family, as well as all Modus and Grand Modus. Spain is also the main center of production of K engines (1.5dCi) and a major center of production for gearboxes. In early 2010, Renault presented its industrial plan for Spain.

- Valladolid: Renault will manufacture three new products in Valladolid: the zero-emission* electric vehicle based on Twizy Z.E. Concept from 2011, a new combustion engine from 2012, and a future combustion-powered A/B segment vehicle in 2013.

PORTUGAL

Portugal has joined the swelling ranks of countries that are taking serious action to ensure that zero-emission* mobility becomes a reality. The government is overseeing the deployment of a vast nationwide network of 1,300 charging stations over the next two years.

- Aveiro: On December 8, 2009, the Renault Nissan Alliance announced that the Renault/Companhia Aventura de Componentes para a Indústria (CACIA) industrial complex in Aveiro had been chosen to produce advanced lithium-ion batteries for Group EVs.

SLOVENIA

- Nova mestna: The plant ramped up output in 2009 to respond to strong demand for Twingo.

EURASIA REGION

RUSIA

Despite the crisis, Renault continued to win market share this year. The Group was down 33%, but the market tumbled by 50%. The Group doubled capacity at the Avtoframos plant (160,000 units a year) and will launch AvtoVaz Z1 in 2013.

- AvtoVaz (Renault 25%): the crisis helped crystalize awareness of the need for change at AvtoVaz. The restructuring process is being carried out under difficult conditions, but all the partners share the same desire to make AvtoVaz a modern, sustainable and profitable company. With this in mind, the Russian government will increase its support for AvtoVaz from 25 billion to 75 billion rubles (€1.67 billion) with a view to repaying bank loans and covering the company’s short-term liquidity requirements. For its part, Renault is providing technical and managerial know-how as part of a package worth the equivalent of $340 million. The Alliance is planning to produce the vehicles of both brands alongside Ladas at AvtoVaz’s Tagil plant. Vehicles produced under the Lada brand will account for at least 10% of AvtoVaz’s output. All these measures will help AvtoVaz to rebuild its margins and increase the combined market share and sales of Lada, Renault and Nissan on the Russian market. The final agreements are expected to be signed in late March 2010.

CAPITALIZING ON INDUSTRIAL AND COMMERCIAL OPERATIONS IN INTERNATIONAL MARKETS

Brazil, Russia, India and China (also known as the “BRIC” countries) and emerging markets in general have certainly witnessed a sharp slowdown because of the crisis. But they still have huge growth potential, because car ownership rates are much lower than in mature markets. In India and North Africa, there are just 50 cars for every 1,000 people. The number is closer to 100 in Iran and 150 in Russia and Brazil, as compared with 600 in the USA and 650 in Europe and Japan.

Renault intends to leverage local partnerships to sell its vehicles, especially those from the Entry program, i.e. Logan and Sandero. The Entry range is designed to make it easier for middle class people to buy their first car and is spearheading the Group’s international expansion.

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EUROMED REGION

Because they offer a range of vehicles that meet the needs of customers in the region, Renault and Dacia are leaders on virtually all Euromed markets. The Group sold 245,000 vehicles on a market that contracted by 1 million units. The Group has competitive plants in this region, including in Pitesti (Romania), Buşsa (Turkey) and Sousse (Tunisia), as well as the future Tangers facility (Morocco).

MOROCCO

• Tangiers: Renault and Nissan jointly launched this industrial project, which retains its strategic importance for the Alliance. In view of the current situation, the project has been postponed by a few months and Nissan has withdrawn temporarily, although the Alliance still has serious ambitions for the post-crisis period. Work is continuing, and the plant is expected to begin operating in 2012, manufacturing two new Entry program vehicles. Ultimately, the factory will have an annual capacity of 400,000 units.

ROMANIA

The industrial home of Logan, Romania is key to the Group’s plans for international expansion.

• Pitesti: The facility is the original production plant for the Logan platform. It plays a crucial part, manufacturing the entire Dacia range (five models), determining manufacturing processes, supplying parts to other Renault plants that make Logans, and assisting in training. Currently, vehicles from the Logan platform are sold in 80 different countries.

• The design offices in Bucharest continue to develop vehicle projects to address the specific needs of customers in the Euromed region.

AMERICAS REGION

BRAZIL

The Brazilian market has doubled in six years. It will probably break the three-million mark again in 2010. Renault has a 3.9% share of this market, which was the second largest for the Entry range in 2009.

• Curitiba: Initially designed for Brazil and manufactured in the Ayrton Senna plant, Sandero continues to gain ground in its home country and Argentina. With Sandero Stepway, launched in 2008, the 2009 sales for the Entry program reached 43,000, making up 71% of Renault’s total 117,500 sales. Renault will invest around €401 million on this rapidly-expanding market in the next three years. The company is targeting a 2011 launch for a Brazilian version of Duster, the first 4WD marketed by Renault in Brazil.

• Bursa: Renault has announced that the Dylo Renault plant, which celebrates its 40th birthday this year, will manufacture the electric version of Fluence on the same production line as the combustion-powered versions. By producing the future EV in Bursa, Renault will also be able to tap into the plant’s excellent quality/cost/delivery time performances and local sourcing arrangements, which will allow the Group to price the zero-emission* hatchback as attractively as combustion-powered versions. The model will go into production in the first half of 2011.

TURKEY

• Istanbul: Building Logan Pick-up at the Pitesti plant.

ASIA-AFRICA REGION

SOUTH KOREA

Renault Samsung Motors (Renault 80.1%) sells four passenger cars (SM3, SM5, SM7 and QM5) and benefits from Samsung’s outstanding reputation for technology, quality and services.

• Busan: RSM operates using this ultra-modern plant (production capacity of 300,000 vehicles a year), an R&D center and network of 177 sales outlets. At the 2009 Seoul Motor Show, RSM unveiled two new additions: a show car version of the replacement for the SM3 (325,000 units sold since its launch in 2002) and eM9, Renault Samsung Motors’ first concept car.

INDIA

Renault is partnering Mahindra & Mahindra to produce and market Logan, and is working with Bajaj to develop an ultra-low-cost vehicle. Renault is well placed on the Indian market to benefit when the economy begins recovering.

• Chennai: The Alliance is continuing to build its first shared industrial plant as part of a joint venture (JV, A日本語:パワープラント), Renault, which put its participation on hold because of the crisis, announced at the Delhi Motor Show in January that it would resume its investment. Several new cars will be launched over the next two years, and Renault will have a complete range for the Indian market within four years.

IRAN

Since manufacturing of Tomoter (the Iranian version of Logan) began in March 2007, total production has broken the 100,000-unit mark.

SOUTH AFRICA

• The Rosslyn plant began producing Sanderos in 2009. Assembled by Nissan, Sandero is marketed by Renault South Africa in a subsidiary in which Renault holds a 51% share. This Nissan plant is the fourth to be shared by the Alliance.

RSM has been ranked first for product and service quality in South Korea for eight years.

Building Logan Pick-up at the Pitesti plant.
Renault, France’s leading carmaker, is a modern and popular automotive brand. The company draws on its 111 years’ of innovation and on the economic and technological power of its Alliance with Nissan to build vehicles that are both environmentally sound and affordable for the greatest number of people.

At Renault, we believe that innovative developments and environmentally-friendly solutions should not be reserved for top-of-the-line vehicles. This is why our teams are developing sustainable mobility solutions that are tailored to mature and emerging markets.

And because zero-emission* vehicles are the future, the Group has adopted a revolutionary new strategy based on mass production of all-electric vehicles. From 2011, Renault will be the first carmaker to offer a complete line-up of electric vehicles that meet the needs of different customers and usage requirements.

*in use
In 2009, Renault continued to renew its line-up on the small and mid-sized segment, which makes up two-thirds of the European market. The range is now one of the youngest on the market. Our objective: to make technological progress available to everyone, on mature and emerging markets alike.

**RENEWING THE CORE RANGE**

**MAKING MORE-ENVIRONMENTALLY-SOUND CARS THAT ARE CHEAPER TO BUY AND RUN.**

• Mégane and Scénic: in the first half of 2009, Renault unveiled three new models in the renewed Mégane family, starting with the 5- and 7-seat New Renault Grand Scénic (after the Hatchback and Coupé at end-2008), followed by New Renault Scénic and New Renault Mégane Estate. In less than a year, Renault has renewed virtually its entire range on the compact car segment, which is the core of the European market. As a result, the Group has one of the youngest ranges on the European car market.

• Fluence: launched in Fall 2009, it replaces Mégane 4 Sedan on the assembly line of the Côté-Renault plant in Bursa, Turkey, and is capitalizing on existing industrial facilities. Fluence offers an ergonomic driving position, a welcoming, comfortable cabin, and a top-of-the-line equipment package. All the diesel powerplants offered on Renault Fluence emit 119g of CO₂ per km and qualify for the Renault eco² signature.

• The Z.E. (for zero emission) range: the show car presented at the 2009 Frankfurt Motor Show offers an insight into the range of electric vehicles that Renault will launch beginning in 2011. From the very outset, these vehicles have been designed to be production cars priced on par with combustion-powered vehicles:
  - Fluence Z.E., a status-enhancing, environmentally-friendly family car based on its combustion-powered namesake (like Kangoo Z.E.).
  - Twizy Z.E. (city car) and Zoe Z.E. (a compact, versatile hatchback), two models that are specifically designed for electric engines. Fluence Z.E. and Twizy will be sold from 2011 onwards (as will Kangoo Z.E.), followed by Zoe in 2012. Beyond 2012, the range will continue to expand across all segments to meet different customer needs.

**THE ENTRY RANGE: DELIVERING THE ESSENTIALS AT THE RIGHT PRICE.**

Launched by Renault as part of its international expansion, the Entry range is sold under the Dacia and Renault brands depending on the country. A pioneer in entry-level vehicles, with over 1.8 million sales (Logan and Sandero) worldwide since 2004, the Group intends to maintain its lead over the competition.

Dacia, setting the standard for a new approach to cars. Since Logan’s launch in 2004, Dacia has become the brand for customers looking for vehicles that are reliable, robust, comfortable, affordable and environmentally-friendly. All the models in the Dacia line-up include Dacia eco² versions fitted with gasoline, diesel, LPG and E85 engines emitting less than 140g of CO₂ per km. The dCi 70 and dCi 85 engines available with Dacia Logan and Dacia Logan MCV meet the Euro 5 standards.

Key figures 2009

• No.1 in France, Twingo is one of the top-3 selling vehicles in its category in Europe. It is also No.1 in Belgium in its segment and No.3 in Germany.

• Clio ranks fifth in its segment in Europe.

• The Mégane family ranks third on the European market and leads its segment on the French market with over 153,000 registrations.

• The Entry range goes from strength to strength: sales under the Renault and Dacia brands were up 4.5% to over 1.8 million units.

Renault has renewed six models in the space of a year.

**ENTRY RANGE VEHICLES ARE MANUFACTURED IN EIGHT COUNTRIES AND MARKETED IN 86 COUNTRIES UNDER THE RENAULT AND DACIA BRANDS.**

In emerging countries, automobiles represent a more comfortable, safe and reliable means of transportation. This is especially true in the countries of the Eurozone Region, such as Algeria, Tunisia, Morocco, Turkey, Romania and Bulgaria, where Renault is number one. Dacia offers the fast-growing middle-class in these countries the opportunity to acquire a new, status-enhancing vehicle.

Winning new customers on mature markets. Initially developed to meet the needs of customers in emerging countries, the Entry range is also proving increasingly successful on mature markets among people who usually buy second-hand, but also among pragmatically-minded customers who only want the essentials.

Dacia, Logan MCV: LPG versions were launched initially in Romania (Dacia Logan) and Dacia Logan MCV) and Italy in 2008 (Dacia Sandero, Dacia Logan MCV), followed by France in Spring 2009 (Sandero, then Dacia Logan), and Germany (Dacia Sanders, Dacia Logan MCV) and the Netherlands (Dacia Sandero) in Fall 2009. Consistent with its positioning, Dacia will continue to fill out the range with a new 4WD model in 2010.
LIMITING THE ENVIRONMENTAL IMPACT OF OUR VEHICLES

Renault is now one of Europe’s most efficient carmakers in terms of CO₂ emissions. In 2009, the Group pursued its eco² environmental program, striving to reduce the environmental impact at every stage of vehicle life.

CONTINUING TO IMPROVE COMBUSTION-POWERED VEHICLES

Nothing is left to chance. Renault’s teams throughout the entire company hunt down each gram of CO₂ to lower emissions. Work in 2009 included the following:

• Downsizing combustion engines. The idea is to make a smaller engine that is boosted by a high-efficiency turbo-charger. This approach is being applied to gas and diesel versions, although gasoline engines currently offer much greater potential for cutting emissions.

• Gasoline: a new family of small turbo engines has been developed in partnership with Nissan. In 2012, these modular engines, with a cubic capacity ranging from 0.9 to 1.2 liters, will replace normally-aspirated engines in the 1.2- to 1.6-liter bracket. They will be offered in 3- and 4-cylinder versions and will focus on power outputs of between 66kW and 85 kW (90 to 115 hp). Renault will go on to develop more powerful versions.

• Diesel: Renault plans to make maximum use of dCi technology turbo-charged four-stroke diesel engines equipped with common rail direct fuel injection) by introducing major changes so that engines comply with future emissions standards and consume even less fuel (reduction of around 20%). Several engines should come under the 100g/km mark, including the future 1.6 dCi 130, a completely new engine developed as part of the Renault-Nissan Alliance. Renault has filed 15 patents for this engine.

• More efficient manual and automatic gearboxes. The consumption and emissions performances of the new-generation automatic transmissions equal those of manual gearboxes. The new EDC double clutch transmission is a case in point.

• Optimized design fundamentals: mass, aerodynamics, rolling resistance. Making more efficient engines and gearboxes and improving aerodynamics are key ways to reduce consumption and hence CO₂ emissions. A number of research programs are investigating promising avenues of progress. One example is the Super Light Car program: if the vehicle body is lighter, the engine and chassis can be smaller, the brakes less powerful and suspension can be reduced. And less weight also means less consumption.

• Control system, for a dynamic and economical performance. The Laguna GT’s 4Control system exemplifies the kind of technology that Renault has developed in the area of dynamic performance. For customers, benefits include enhanced safety and a vehicle that handles well and is enjoyable to drive.

To meet the challenges of climate warming and declining oil resources, Renault is:

• introducing new technologies in combustion engines and transmissions,

• making an unprecedented commitment to all-electric vehicles.

Renault brings its expertise to all parts of the vehicle in order to limit the environmental impact.
MASS PRODUCE ELECTRIC VEHICLES AFFORDABLE FOR EVERYONE

The Group’s ambition is clear: to be the leader in mass-marketed zero-emission* vehicles. More than that, the Group wants to help the automobile win back the hearts of younger people.

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The Group is also looking at new business models. One possibility is that consumers could buy their vehicle, take out a power subscription, and rent their battery (see EVs, Three Ways to “Fill Up”).

Three Ways to “Fill Up”...

As well as developing vehicles, Renault and Nissan are working to build a network of recharging points and designing service packages that will make it simple to use EVs day-to-day.

1. Standard charge in four to eight hours by plugging into a socket installed at home, or at public and individual transportation system. RWE is in the process of setting up a vast recharging system in the main German cities that will be gradually rolled out countrywide.

2. Quick charge in 30 minutes from high-power recharging points at fueling stations, dealerships and other public locations close to homes, shops and offices.

3. 3-minute Quick Drop battery exchange system: at specially-equipped stations, a machine swaps the used battery for another without the driver even having to leave the vehicle. Exclusive to Renault-Better Place.

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THE EVS WILL BE PRODUCED IN

• Flins (France) for the city car Zoe Z.E. Concept.
• Maubeuge (France) for Kangoo Z.E. Concept, aimed at professionals;
• Valladolid (Spain) for Twin能 Z.E. Concept.
• Bursa (Turkey) for Fluence Z.E. Concept.

More than 2,000, people, drawn in equal numbers from Renault and Nissan, are already working on the EV program.

In addition to creating innovative technologies and technical solutions to improve combustion-powered vehicles, Renault has also decided to develop all electric vehicles that will be available to everyone. Price-wise, EVs will be equivalent to combustion-powered vehicles, but running costs will be lower than those of comparable combustion-powered cars, since electricity is cheaper than fuel.

• Electric Vehicles (EV), a vehicle program like any other, with scale economies and standardized components. From the very outset, the EV program has been developed to help Renault meet its profitability targets. To generate economies of scale, Renault and Nissan are pooling and standardizing essential components, with each brand proposing a range of solutions. More than 1,000 people at Renault, and the same again at Nissan, are working on the Z.E. program, whose vehicles will be produced at existing Renault plants. Renault and Nissan are also working with governments and companies to mass-market a complete range of EVs by 2012. The Alliance has already signed around 40 global agreements with partners. For example, Renault is committed to supplying 100,000 Fluences to its partner, Better Place, in Israel and Denmark by 2016.

The technical options that Renault is exploring to optimize energy management may all find their way onto future production vehicles. Examples include improved aerodynamics, streamlined underbody and full-disc wheels, low energy LED lighting and EV-specific driving aids (battery charge management, smart navigation system showing recharging stations). Renault is already preparing for a second, even third, generation of electric vehicles.

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• Technological building blocks for the vehicles of tomorrow: Work goes on in design offices and research labs on the technological building blocks needed to develop a diverse, complete range of electric vehicles:

  - Electric powertrains: the Renault-Nissan Alliance is developing a comprehensive range of electric powertrains, with output ranging from 15 kW to 80 kW. One advantage of the electric engine is its 90% energy efficiency—considerably higher than that of a combustion engine.
  - Batteries: several projects are underway, including Helios (High Energy Lithium-Ion Storage Solutions), a European-level project coordinated by Renault and involving other manufacturers (Fiat, PSA Peugeot-Citroën, Volvo and others), organizations (including EdF, ENEA, ZSW and CEA), research laboratories and a battery manufacturer (Johnson Controls / Saft). The goal is to study the effects of electrode materials (characteristics, composition) on battery safety and life.
  - Safety: sizing, failure simulators, crash calculations), tests (battery tests, vehicle crashes).
  - Energy management: including optimizing cooling systems (exchangers, water circulation, etc.) and developing heat management strategies.

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“With the electric vehicle, the aim is not to lower CO₂ emissions by 30% or 40%, but to cut them to zero. Zero emissions – that means no tailpipe, no CO₂, no particles and no noise.”

Carlos Ghosn, 2009 Frankfurt Motor Show
MAKING USEFUL TECHNOLOGY AVAILABLE:
TOP-OF-THE-LINE FEATURES FOR EVERYONE

For Renault, it is a matter of principle: useful innovations should not be kept for top-of-the-line vehicles. Priority should go to making the very best technology available and affordable to the widest possible number of people.

TECHNOLOGICAL INNOVATIONS THAT IMPROVE SAFETY AND MAKE LIFE EASIER

- Carminat TomTom®, the first built-in, updatable GPS system. Renault has been developing affordable automotive navigation systems for over 15 years. In 1996, Renault Safrane carried out the first European road tests of the Carminat system. The very next year, the Group became the first carmaker to offer fully-integrated navigation systems. Since then, ongoing work has been done on successive Carminat systems to continue developing these solutions, with the accent on safety. New Renault has broken new ground by introducing an advanced, built-in navigation system for less than €500 as standard from the Clio range up.

- Customizable, easy-to-read instrument panels. Thin Film Transistor (TFT) technology allows drivers to customize the configuration of their instrument panel, which provides a clear, high-resolution display of data such as vehicle speed, cruise control/speed limiter settings (on/off), door-open alert and tire pressure, as well as information from the parking assistance system. Implemented on New Laguna, the set-up menu lets the driver activate, deactivate or modify the parameters of certain functions, such as the volume of the audible parking proximity sensor warning, language settings, and the automatic headlamp activation function. The contrast provided by the entry-level monochrome LCD display (white on black background) is 30 times superior to that of current technology, while screen reflections and transparency are automatically corrected.

At Renault, innovation is not an end in itself. It has to be useful. In consequence, the aim is not to continually increase the number of active systems, but rather to design a system (axles, chassis components and electromechanical actuators) to deliver functions that are significantly useful for the driver and passengers.

HARNESSING THE EXPERTISE OF RENAULT SPORT TECHNOLOGIES TO BUILD PRODUCTION SPORTING MODELS

Renault Sport Technologies has combined its experience of motor sport with production expertise to develop a range of sporting cars. The hallmarks of Renault Sport models are their pedigree engines and efficient chassis, which together deliver an undeniably high level of sports performance, as testified by the reputation forged by Megane F1 Team R26 and Megane R26.R.

- New Megane R.S. was released on the market in Fall 2009 with a choice of two chassis: a Sport chassis for everyday driving enjoyment; and a Cup chassis offering enhanced track performance. Equally at home on the road or on the track, New Megane R.S. benefits from experience gained in the development of the New Megane program. It is assembled at the Palencia plant in Spain.

- Twingo Gordini R.S.: the mythical blue car with the white racing stripes is back. Unveiled at the end of 2009, it will be launched in Europe in March 2010. Clio Gordini R.S. will be released during 2010.

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At Renault, innovation is not an end in itself. It has to be useful. In consequence, the aim is not to continually increase the number of active systems, but rather to design a system (axles, chassis components and electromechanical actuators) to deliver functions that are significantly useful for the driver and passengers.
STILL MEETING NEEDS, BUT NOW MORE ENVIRONMENTALLY FRIENDLY

With 15% of the European market in 2009, the Group held onto its leadership ranking and strengthened its positions. Dacia’s newly launched LCV range took 0.8% of the market. Keys to success include a comprehensive line-up of practical, good-looking, well-priced vehicles, but also successful partnerships and a network of business centers focused on LCVs.

A YOUNG, COMPREHENSIVE RANGE OF WINNING VEHICLES

Although LCVs tend to have a long marketing life, Renault endeavors to renew its models regularly, including Trafic in 2001, Kangoo in 2007 with an L2 format on the way, and Master, whose make-over is scheduled for 2010. In this way, the Group offers vehicles that benefit from the very latest advances in energy efficiency, driving comfort and safety.

KANGOO: A PROVEN COMMERCIAL SUCCESS

With 2.6 million units sold since its launch (LCVs making up more than half the total), Kangoo has been a resounding commercial success. In 2009, Kangoo Express was number-one on the small van segment in France, well ahead of its competitors.

REDUCED CO2 EMISSIONS FOR RENAULT TRAFIC

Still in the top-three of its segment, with 53,573 units sold worldwide, Trafic received a number of modifications in 2009. Notably, following the inclusion of new solenoid injectors on the 2.0 dCi engine, Renault was able to launch a Renault Tracfic Passenger in France with CO2 emissions of just 195g/km (i.e. a consumption saving of 0.4 litres/100 km, which reduced the vehicle’s environmental penalty payment from €1,600 to €750). Renault Tracfic LCVs are getting the same engine upgrades, so the 2.0 dCi engine’s consumption over a combined cycle has been cut by an average of 0.25 litres/100 km.

ADDED LENGTH FOR TRAFIC PASSENGER PRIVILEGE

Now available in an L2 version (40 cm longer than L1), Tracfic Passenger Privilege offers an additional 400 dm³ of trunk space and a carrying capacity of 1,100 dm³. Aimed at companies looking for loading space for luggage and passengers, Tracfic Passenger Privilege L2 is available in 12 European countries: France, Germany, Italy, Spain, Netherlands, Austria, Switzerland, Poland and the Scandinavian countries.

NEW RENAULT MASTER: A BENCHMARK FOR COMFORT AND FUEL EFFICIENCY

After a successful career spanning more than 12 years, with more than one million units sold in 45 markets worldwide, Renault is renewing its Master range. The cab offers the market’s most comprehensive range of practical stowage solutions. Shaped around the specific requirements of business users and the equipment they need for their everyday work, these stowage solutions are both user-friendly and perfectly integrated into the design of the cab. New Renault Master aims to become the segment’s benchmark for comfort thanks to a complete repositioning of the driving position and controls, enhanced visibility and the availability of a raft of comfort-enhancing features normally associated with passenger cars.

New Master offers class-leading combined-cycle fuel consumption as low as 7.1 litres/100 km (187g of CO2/km). Servicing costs have been slashed by 40% compared with the previous model and figure among the market’s lowest. The new rear-wheel drive versions, developed entirely by Renault, feature a monocoque construction for improved on-road performance and extra payload. The range has been extended to include an additional length option (L4, offering a carrying capacity of up to 17m³). Also new are 3.5 and 4.5 tonne versions (with twin rear wheels), as well features that give coachbuilders greater scope for conversions.

The electric vehicle will be built on the same production line as combustion-powered versions: Kangoo Z.E. will benefit from the know-how, supplier system and logistics network of the current Kangoo. Specializing in LCVs for almost twenty years, the Maubeuge plant, which produces Kangoo, Kangoo Express and Kangoo Be Bop, has shown its ability to continuously adjust to the diverse needs of this kind of vehicle (short or long versions, with or without lateral windows, etc.)

KANGOO EV CONCEPT, AN LCV OFFERING EXCELLENT TOTAL COST OF OWNERSHIP

The future electric Kangoo, whose precursors were Kangoo Be Bop Z.E. and Kangoo Z.E. Concept, will be a light commercial vehicle. Mainly intended for urban and suburban use, it will be gentle on the environment and offer excellent total cost of ownership, making it a highly attractive solution for both individual customers and fleet operators.

RAPID START-UP OF INDUSTRIAL PRODUCTION, GUARANTEING OUTSTANDING BUILD QUALITY

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**PRODUCT LINE-UP / LCVs**

**FOCUS ON RENAULT TECH**

Renault is the only European carmaker committed to designing, manufacturing and selling vehicles for people with reduced mobility. This activity is fully integrated within the company and is performed by its subsidiary, Renault Tech.

**MOBILITY SOLUTIONS FOR DISABLED PEOPLE**

The range includes vehicle conversions to accommodate wheelchairs (access ramps, interior fastenings, etc.), swiveling and/or removable chairs to help get people in and out of wheelchairs, and driving aids (cluster-mounted accelerator and brake controls, steering balls, multi-function remote controls). Assembly takes place at a dedicated plant in Heudebouville (Eure, France).

**INDIVIDUALS AND PROFESSIONALS CAN CHOOSE FROM A BROAD RANGE OF VEHICLES FOR SINGLE DRIVERS, FAMILIES AND GROUPS**

Several models are offered to meet customer needs: Kangoo, Logan MCV, Trafic and Master. Kangoo, the best-seller, is the only vehicle of any brand to be approved for the entire European Union, independent of national legislation.

**TAILORED SERVICES, DEDICATED TEAMS**

Renault Tech customers can opt for short-term rentals lasting from a few days to six months and a special servicing contract (in France, Renault bears 45% of the cost). Renault Tech ensures quality customer relations with a dedicated sales team that provides personalized solutions for the needs of people with reduced mobility, whether they are private individuals or fleet customers.

**ASSISTING DISABLED DRIVERS**

- Alongside the special vehicles designed by Renault Tech, the Group has developed a software program for dealerships. The aim is to provide dealers with detailed knowledge about the equipment and vehicles adapted for disabled drivers, so that they can provide the right advice for each driver’s needs.
- The Group has also published “En Route”, the first practical guide on access to driving for the disabled. The guide is available free of charge at Renault dealerships or can be downloaded from www.renault.fr/handiservices, on the dedicated page of the Renault site.
- Renault is also an active partner in the Motability car scheme for the disabled in the UK.

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2 - MEETING NEW MOBILITY REQUIREMENTS

PRODUCT LINE-UP

VEHICLE RANGE

PASSenger CARS

TWINGO
(Twigo also available)

TWINGO RENAULT SPORT

SANDERO
(Also available as Stepway)

LOGAN

KANGOO EXPRESS COMPACT

KANGOO EXPRESS MAXI

NEW MASTER

NEW MASTER PROPULSION

KANGOO EXPRESS COMPACT

LOGAN

SM3 CLASSIC EDITION

SM3

SM5

SM5

SM7

SM7

SM7

SM7

SM7

PRODUCt LiNE-UP

VEHICLE RANGE

LIGHT COMMERCIAL VEHICLES

DUSTER

LOGAN MCV

SANDERO AND SANDERO STEPWAY

NEW MASTER PRODUCTION

LOGAN PICK-UP

LAGUNA
(Also available as Grand Scénic)

LAGUNA ESTATE
(Also available as Grand Scénic)

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LAGUNA
Renault teams are working on every front to build top-quality vehicles that are ingenious, appealing, affordable and carbon-efficient. By targeting continuous progress and harnessing the power of Alliance synergies, they are determined to make innovation the engine of Renault’s competitiveness.

**ENGINEERING**

**PROMOTING A MORE OPEN AND FLEXIBLE APPROACH**

In 2009, the Engineering and Quality Department, launched the Change Up Plan, which is closely tied to the company’s vision and the new brand baseline. The plan aims to deliver product quality, customer satisfaction and improved performances.

**CHANGE UP: SEVEN FOCUS AREAS**

Each area will help to optimize processes and further strengthen synergies within the Group.

- Pursue an innovation policy that focuses on openness and partnerships inside and outside the automotive world to stimulate creativity.
- Work on quality and customer satisfaction, with the emphasis on sustainability.
- Overhaul the development approach: maximize use of digital tools and optimize synchronization and regulation to drastically reduce costs and development leadtimes.
- Accelerate standardization and efforts to identify synergies with Nissan to cut development costs for new products and processes in all areas, including new technologies, new components and shared capacities.
- Simplify and delegate responsibility for cross-cutting processes in the regions.
- Manage skills dynamically to ensure that people are assigned more efficiently, prepare training paths and provide a clearer picture for career management.
- Develop collaborative tools to make engineering teams around the world more responsive and efficient.

**STRENGTHENING THE INNOVATION POLICY**

Plan to the vehicles of the range faster by identifying projects that will push back boundaries to build the sustainable mobility solutions of the future, and by creating a Strategic Committee for Innovation that is aware of the requirements and constraints at every level of the development chain and that has the authority needed to speed up decision-making and reduce time to market.

- Develop strategic partnerships and synergies within the Alliance, placing the emphasis on a cross-discipline approach to research. As part of this, Renault has signed partnerships with the CEA and Paris Tech, and co-innovation agreements with a number of its suppliers. Meanwhile, cooperation with Nissan has been furthered to distribute R&D responsibilities (for engines, batteries, etc.) more efficiently and enable the two partners to share each other’s technologies

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**CONVERSATION WITH**

Olivier Desforges
Executive Vice President, Engineering and Quality

You became EVP for Engineering and Quality in March 2009. How have these three months gone?

Very well, especially given that 2009 was a fairly unusual year, because of the economic crisis. Of course, but also because it marked the end of the Renault Commitment 2009 Action Plan. I can say with some pride that Group engineering demonstrated its reliability and outstanding expertise. We managed to get all the new models out on time, while achieving superb quality levels (as shown by the ADAC and JD Power ratings) and lowering development costs, by 30% between Mégane 2 and Mégane 3 for example. The 2009 outcomes, especially the €150 million reduction in fixed costs, are truly the result of collective efforts by all our teams worldwide, at every level and every area, from development to support functions.

**“Teams worldwide”: in other words, engineering is becoming more international?**

Absolutely. Reliable, skilled and global. These three adjectives sum up Group engineering today. Most of our staff are based in France and around 5,000 people currently work outside Western Europe. This offers us a solid, sustainable advantage, all the more so now that we have progressively developed the arrangements for delegating responsibilities. As teams have gained in maturity, they have gradually moved from production activities to product design in many of the countries where we operate. This is a strength that we need to cultivate.

**What can engineering do to help Renault make good on its promise of making sustainable mobility available to everyone?**

Lots of course, now more than ever. At the end of 2009, we endeavored to translate the Group’s vision into our activities. Our vision of engineering is that of a team that is proud to develop the most ingeniously sustainable mobility solutions for everyone. Every one of these words carries importance. But I want to stress above all the notion that we are a proud team. The world “team” is synonymous with shared support and efficiency. Together we are strong, as everyone knows. Which is why I believe it is vital for every sector and department in every country to share this vision. And we are “proud”, because developing ingenious solutions is a powerful motivating force. Being ingenious means more than just innovating. It means developing essential solutions that deliver the right value to customers. It means capitalizing on what we do well and reusing our assets as much as possible to make new products.

**What are your targets for 2010?**

Help the Group to win market share, enhance quality and generate positive cash flow. The Change Up Plan, which transforms our engineering activities, is designed to help Renault meet these goals. Because we are a close-knit, global company with multiple businesses, we have to continue to streamline our operating methods and delegate more responsibilities at every level, to ensure that we are more responsive and nimble. By involving people more closely in decision-making, we make everyone more accountable and hence proud of their accomplishments. We are also going to redouble our efforts to standardize parts and components and make all our processes more efficient, from pre-engineering to production. The aim is to cut development costs by a further 30% and to accelerate time to market (notably by shortening the development timetable from 36 to 32 months). And of course, we will continue to carry over existing platforms.

In general, we need to generate more synergies with all of our partners. That means Nissan primarily, of course, but also other outside partners, such as the CEA, suppliers and academic research centers. We need to find good ideas wherever they are, and for that, engineering has to be truly open to the outside.

**Improved processes alone will not make engineering more nimble. There is the human aspect too.**

Which is crucial to success. For that reason, one arm of the engineering plan is entirely devoted to the dynamic management of skills and expertise. We have to develop and cultivate a more nimble approach, so that we have to be more efficient and quicker at identifying critical and obsolete skills, as well as opportunities for mobilizing, along with associated training needs. We also have to improve career management and develop a strong expertise to ensure that businesses endure and flourish. In addition to the skills within teams, management is also essential to success. We are therefore introducing more focused and supportive management coaching, so that people find their work more rewarding and get more recognition for their efforts.
QUALITY
A SHARED CULTURE AND AN APPROACH BASED ON CONTINUOUS PROGRESS

In 2009, Renault reaped the benefits of progress made in recent years: the Group is now ranked among the best for product and service quality. In other words, Renault is on track to meet its objective of being in the top-three. And its teams are working hard to achieve that goal.

LAGUNA’S RESULTS OFFER PROOF
Independent surveys show that New Laguna has already achieved its objective by getting into the top-three in France and Germany. In only its first year on the road, it came second-equal with Mercedes C-Klasse and Audi A4 in the 2009 rankings drawn up by the German automobile club (ADAC). Laguna also ranked first in its category in the 2009 German survey by JD Power VOSS.

PROGRESS ACROSS THE RANGE
The rest of the range enjoyed significant progress too. Off-road breakdowns after a year on the road fell 30% for the entire range. The rest of the range enjoyed significant progress too. Off-road breakdowns after a year on the road fell 30% for the entire range. The rest of the range enjoyed significant progress too.

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Rollling out the customer satisfaction plan
Quality is first and foremost a state of mind. Building on the progress already achieved, the Group is planning to pursue its efforts and keep everyone constantly motivated. Group employees are the front-line quality ambassadors, representing us to customers and the public.

The Customer Satisfaction Plan to be deployed in early 2010 will contain the key areas that will guide the company in the coming years:

- **GUARANTEE** - Make sure our customers all around the world benefit from our progress on quality.
- **ENDURE** - Make customers happy by providing products that offer long-term reliability and that age well (i.e. look good over time, provide long-lasting functions and high mileage, tough, reliable).
- **SERVE** - Ensure that customers always have peace of mind by developing and maintaining a genuine relationship of trust with them.
- **LISTEN** - Understand the public’s quality expectations; understand what satisfies people and how our quality is viewed.

140 measures have put New Laguna in the top-three for product and service quality.

CONVERSATION WITH
Laurens van den Acker
Senior Vice President, Group Corporate Design
Laurens van den Acker studied at the University of Technology in Delft (Netherlands). He began his career at Design System SRL in Italy, joining Audi (Germany) in 1993. In 1998, he was hired by Ford and held a number important positions in the USA. In 2006, he became head of the Mazda Motor Corporation’s Design Division in Hiroshima (Japan). He joined Renault on May 15, 2009 and was appointed Senior Vice President, Group Corporate Design on September 1, 2009.

You took up your new position in Fall 2009. What made you decide to come to Renault?
You don’t pass up an opportunity to work for Renault! The brand is famed and respected all over the world. Renault has a huge influence on the design of cars today. To be part of that tradition of innovation is a great privilege. And I am arriving at a very exciting time. The world of the automobile is changing, and Renault has shown that it is determined to rewrite the rule book. Drive the Change, our new baseline, is both a promise and a great source of inspiration.

How is the new baseline a source of inspiration?
It expresses a goal that is very important to me, namely that people should be at the center of what we do. The strength of the Renault brand is that it is not one-dimensional. It encompasses every stage of life: youth and family, work and play, as well as the older and wiser years. It reflects life in all its diversity. What a great starting point to revitalize the brand and take on the challenges of today.

Does the same go for Dacia?
Of course! Dacia is another big responsibility. The brand has created a new customer base. It is opening new markets. It is supposed to be a brand for everyone, and the cars we make have to reflect that purpose. Our job now is to strengthen the brand’s design and the way it is given expression, and find a way to help it mature and tie it more closely to an ethos of sustainable development. It’s a great challenge! In general, in a group as international as Renault, the trick is to respect the Group’s identity while defining strategies for the individual brands, including Renault Samsung Motors.

When can we expect to see the first models designed by Laurens van den Acker?
The automobile industry works to long timeframes, although I am aware that speed is of the essence. We plan to unveil concept cars at the 2010 Paris Motor Show and release the first production models in 2012.

After so many years spent abroad, do you feel out of place?
Renault has given me an incredibly warm welcome. And the design team is not only gifted – our young designers come from 28 different countries. So I don’t feel completely out of place. I am delighted to come back to Europe, and especially to France. I believe that French culture and design feed off each other. France is a great place for big, beautiful achievements. Just look at Paris!
MANUFACTURING
ADJUSTING ORGANIZATIONS TO REFLECT ACTIVITY AND IMPROVING PERFORMANCE

Manufacturing coped with the crisis and mitigated its effects by adjusting organizations to reflect activity, by continuing to improve the performance of the industrial facilities and by helping to generate positive free cash flow. In France, a crisis-period labor deal was introduced to safeguard employee pay.

CALIBRATING THE ORGANIZATION TO REFLECT DEMAND

Demand for cars was sustained thanks to the introduction by many European countries of measures, such as scrapage bonuses, to encourage people to renew their vehicles. However, the impact varied from segment to segment: plants manufacturing small cars (Twingo, Clio, Dacia) had to ramp-up production and maximize use of installed capacity to keep up with heavy commercial demand. By contrast, activity levels were low at other Group plants, particularly in Europe and Russia. These facilities had to make extensive use of short-time working arrangements. In France, a crisis-period labor deal was introduced to manage these shut-downs by establishing new, burden-sharing rules that made the arrangements easier to accept. Manufacturing used the contrasting situations at different plants to manage overstaffing during some production lulls by loaning personnel to plants that were experiencing heavy demand.

KEEPING OUR COMMITMENTS ON QUALITY AND DELIVERY TIMES

Quality levels, which have been progressing steadily for some years, went higher again in 2009 at the powertrain and body/assembly plants, thanks to the extended deployment of the Renault Production Way (RPW). Rigorous application of the RPW enabled Manufacturing to continue to improve the physical performance of plants. Furthermore, despite the significant number of industrial projects underway this year, 2009 saw a particularly large number of industrial projects, with 67 vehicle projects, five projects to increase bodywork and assembly capacity and 16 mechanical projects, all milestones were reached on time and at the requisite quality level.

OPTIMIZING COSTS AT EVERY LEVEL

To meet the company’s cash requirements, plants carried out a series of actions to reduce fixed costs and limit cash outflows. Some 2,000 people left Manufacturing/Logistics as part of the Renault Voluntary Departure Project. Costs were cut and cash outflows limited by pooling certain activities across sites, or taking them back to entrust them to staff left idle because of the downturn in activity. Also, by promoting the reutilization of existing resources, industrial investment was trimmed by 25%.

GLOBAL ALLIANCE LOGISTICS OUTSTANDING PERFORMANCES

Launched in 2009, the Renault Logistics System is based on simple processes and standards that are shared within the Alliance. The supply chain plays a huge role in the Group’s performance and image worldwide. Delivering the right products to customers on time and at the best possible price remains the number-one priority in 2010.

An unusual set of circumstances was presented in 2009 in that production values were sustained owing to scrapage bonuses in most European countries, but the supplier network was weakened by the crisis. The supply chain responded by taking additional measures to make customer delivery times even more reliable and continued careful management of the inventory drawdown, which was an absolute priority in terms of helping the company to generate positive free cash flow.

• The reliability of vehicle delivery times improved by 4.8% compared with 2008.
• The goal set at end-2008 of cutting Group inventory by €800 million was achieved and surpassed thanks to measures carried out in collaboration with manufacturing and sales.

88% of Sandero parts manufactured in Brazil are bought in Brazil, making Sandero a benchmark for local content.

RENAULT PRODUCTION WAY CELEBRATES ITS TENTH ANNIVERSARY

The Renault Production Way (RPW) is an industrial management approach that is specific to Renault. It has a twofold purpose: to ensure that the Group’s industrial system performs in line with the best in the world, and to support Renault’s international expansion. It provides a reference framework to be applied in a standardized manner in all Group plants. Its key characteristic is that it places the workstation at the heart of the system. Created in 1999, the RPW is the result of numerous, fruitful projects, all milestones were reached on time and at the requisite quality level.

A NEW WAY TO MOVE AROUND EUROPE

Created in late 2009, Alliance Logistics Europe (ALE) is now responsible for in-bound and out-bound logistics for both companies across Europe and for the Euremed and Eurasia Regions for Renault. Divided into in-bound (parts and raw materials coming into the company) and out-bound (finished products and parts leaving the company to go to our customers, dealers or to other company facilities), logistics accounts for some €3.8 billion costs annually, of which Europe accounts for €1.9 billion.

The logistics teams in Renault and Nissan have a long history of working together, taking advantage of sharing best practices and innovations within the framework of the Alliance. The Cross-Company Team (CCT) for logistics is one of the largest serving teams within the Alliance, working continuously together since 2001.

Performance diagnostic, door assembly unit, Riss, France.

Reference: Inlogistics.
PURCHASING SUPPORT OUR SUPPLIERS TO MAKE THEM COMPETITIVE PARTNERS IN THE LONG RUN

Renault works closely with its suppliers, helping them to improve quality, cost and logistics performances and, naturally, to foster innovation.

SHARE BEST PRACTICES WITH SUPPLIERS IN THE AREA OF INDUSTRIAL PERFORMANCE

The challenge is to enable suppliers to reduce operating (fixed costs, purchasing, R&D, etc.) and to define specifications for parts purchasing and services that cover only what is needed. In other words, the Group is pursuing a global supplier support policy that encompasses:
• Innovation and product development from the earliest stage;
• Quality (120 Renault quality experts have been seconded to suppliers);
• Competitiveness (40 experts help suppliers to improve their competitiveness).

FOSTER A DEMANDING, LEARNING RELATIONSHIP WITH SUPPLIERS

This is key to success and involves bringing suppliers in at a very early stage. This approach provides Renault with innovations that offer the best value for money and generate margin for both the carmaker and the equipment supplier, which gets the benefit of expertise. Renault needs suppliers that are capable of investing in innovative solutions, such as batteries for the new electric vehicles.

The primary responsibility of Purchasing is to ensure that plants are properly supplied. One missing part will prevent cars from getting off the production line, which means they cannot be sold.

Purchasing is involved at three levels:
• Engineering, from the earliest stage, to optimize the innovation process and promote cost-cutting developments in cooperation with suppliers, and manufacturing, where the challenge is to generate economies of scale.
• Transport logistics, to optimize flows in and out of production facilities.
• Purchases of services, for example, a single call for bids was held for Renault and Nissan media purchasing, and just one company was selected, which helped to reduce costs.

CONVERSATION WITH

Christian Vandenhende
Senior Vice President, Purchasing, Alliance Director of Global Purchasing

How has the crisis affected Purchasing?

Customers have changed: they are spending less and are prepared to pay more only for specific features, considering others as basics. This shift in mentalities has forced us to design and purchase differently, without sacrificing our profitability. Purchasing accounts for 60% of Alliance revenues and 80% of vehicle production costs. That means that RNPO is in the front line when it comes to meeting the need for increased competitiveness.

Has the crisis changed relations with suppliers?

Of course. The priority in 2009 was to secure supplies and aid suppliers who were weakened by the crisis. Some of them were experiencing difficulties that were weakened by the crisis. Some of them were experiencing difficulties that threatened our supplies. One missing part can prevent vehicles from getting off the production line. Now, our priority is to provide support to ensure uninterrupted supply. I meet with the bosses of equipment suppliers, from the largest to the smallest, on a regular basis, for a review of the situation. But aside from the cyclical difficulties, the crisis has been the catalyst for a fundamental strategic shift in our relations with suppliers. The key reason is that profitability comes from efforts to unlock value, and hence from the emergence of suppliers that are competitive in the long run.

How did you help weakened suppliers?

Renault naturally contributed significantly to the collective support measures put in place for the automotive industry in France, application of the LME act on shorter payment times, application of the Code of Good Practices and Competitive Performance, financial contribution to the FMEA* and the four sub-work groups set up by the IPA (manufacturer/supplier platform).

Overall, if we include payment times, financial support and FMEA investments, some €1.5 billion was spent in 2009 to support suppliers. We also consider providing temporary cash assistance packages on a case-by-case basis. The idea is to enable suppliers to cope with the cyclical challenges while being fair as not to create any competitive distortions.

In 2009, you were appointed Alliance Director of Global Purchasing. Can you give us an update on synergies? The goal is to foster the emergence of suppliers that are competitive in the long run. We plan to act on three main fronts:

First, parts volumes: volumes of individual parts will be increased through greater standardization and reduced diversity to take full advantage of economies of scale.
Second, leverage the Alliance’s “1-a-million vehicles” factor by speaking with one voice to a supplier from whom we might buy parts for Infiniti and Logan, or by doing more to share specifications. Third, concentrate volumes with a smaller number of suppliers. When a market falls by 20%, we have no choice but to reduce the number of suppliers to keep the same volume per provider. Accordingly, our Alliance Champions project is geared to promote the emergence of suppliers who rank best in class for quality, cost and delivery times within their product family.

Do you also expect suppliers to innovate?

We want to work with preferred partners that are involved at a much earlier stage of the development process. This helps to cut delivery times and costs, but also enables us to benefit from more of our suppliers’ innovations. We are too often cited by suppliers as a preferred manufacturer to whom they submit their innovations. To find suppliers’ ideas, you have to go out and get them. That is why from now on I want purchasers to be constantly on the look-out for innovative solutions at suppliers; they need to become a source of proposals for R&D and marketing. Purchasing should not merely be a cost cutter, but also a value provider.

* Fund for the modernisation of equipment makers.

RNPO IS THE JOINT PURCHASING STRUCTURE OF THE ALLIANCE

• 100% of shared purchasing since April 1, 2009.
• Estimated value of shared purchases in 2009: €50 billion in RNPO.
• 66% of shared suppliers.
• Seven countries have shared purchasing organizations: South Africa, India, Morocco, Spain, Argentina, Mexico and Russia.
• Around 1,800 Renault employees, of which 40% are abroad.
SALES AND MARKETING
NEVER LET UP ON EFFORTS TO IMPROVE CUSTOMER SATISFACTION

Renault continued to adjust its operating methods to cope with challenging circumstances, including the economic crisis, stiffer competition and problems at some suppliers and network partners.

IMPROVED QUALITY OF SERVICE
Deployment of the sales and marketing component of the Renault Excellence Plan continued in 2009. Quality processes in the networks were further standardized, while commercial and business performances were enhanced. The percentage of customers who said they were “fully satisfied” with sales and after-sales services provided by our networks worldwide rose further to 81% just over our target of 80.2%.

Increased sales of service agreements and improved vehicle quality are also helping to make customers happier.

The Group plans to build on the commercial growth that began in second-half 2009 to pursue its continuous progress approach in 2010.

THE RIGHT VEHICLES IN THE RIGHT PLACE
By reducing transportation and vehicle delivery times, the Group managed in 2009 to reduce inventory in the supply chain (which is invisible to customers), while optimizing the inventory of show and test cars at dealerships to make sure that commercial activity was unaffected.

COMPETITIVE AFTERSALES PRICES FOR OLDER VEHICLES
As vehicles age, owners are less likely to take them to the brand network for maintenance, often preferring to use independent garages or car repair centers who offer prices sized to the age of vehicles. As a result, revenues from genuine spares decline as vehicles get older. To address this situation, Parts and Accessories is working to win back owners of vehicles that are more than five years old. The Motrio parts range and special packages combine with the genuine spares offering to cover a wider spectrum of the aftersales market and customer needs. After successful regional trials in France, this project is being introduced in many countries.

IN 2009:

- The Renault brand is now once again the third-ranked brand in Western Europe, chiefly owing to the success of the Megane family and Twingo.
- Renault maintained its leadership position (held since 1998) on the Western European LCV market.
- Dacia increased sales by 91% to 274,500 units in Europe and recorded market share of 1.4%. Dacia is now one of the top ten selling brands in France.
- Renault Samsung Motors increased its market share by 0.5% and grew volumes by 30.8%, making South Korea the Group’s third-largest market in 2009.

RENault RETAiL gROUP (RRg)

RENAULT RETAIL GROUP (RRG)

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WITH more revenues of €4 billion (excluding warranties), Renault’s spare parts business is one of the market’s top performers. It also plays an important part in our profitability.

CONVERSATION WITH

Jérôme Stoll
Executive Vice President, Sales and Marketing, Light Commercial Vehicles, RMC, Leader, Europe

What are your main sales and marketing objectives for 2010?
The main objective is naturally to gain ground on our different markets. Our range will help us to achieve that. We are also counting on a recovery in 2010 in the LCV and corporate markets. We perform well on these two segments, but the crisis hit them much harder than the PC market, which received government support.

Even so, we have to continue to make our sales and after-sales system more efficient. In particular, we need to pursue efforts to improve customer satisfaction and optimize the way we manage our brands to maximize their performance. We also have to continue to adjust our organizations so that we are always improving our ability to understand and address customers’ needs.

Finally, we are already getting ready for the arrival of our electric vehicle range and deploying the new baseline “Drive the Change” in our networks. Renault has been learning for the past few years. Now we have to spread this message to customers – and show them it is true! Day in, day out, sales and aftersales have to make sure that customers get a new, more rewarding Renault experience.

What do you explain the growth?
Obviously we drive on our product range, which has been substantially renewed since 2008, notably with the arrival of the new Megane family. Our small car line-up, from Twingo to the Dacia range, is ideally suited to the current economic climate, and we also took advantage of the opportunities opened up by the support measures provided to the automobile market by governments around the world. Ongoing efforts to renew the range put us in a strong position going into 2010.

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SALES FINANCING
SUPPORTING CARMAKER AND NETWORK SALES WORLDWIDE

The RCI Banque group provides sales and network financing for the five Alliance brands: Renault, Dacia, Samsung, Nissan and Infiniti.

A SOLID BUSINESS MODEL

The RCI Banque group is present in 39 countries worldwide, including Europe (27 countries), the Americas (Argentina, Brazil, Colombia and Mexico), Asia (South Korea) and the Euromed Region (Algeria, Morocco, Romania, Turkey) and Eurasia (Russia, Ukraine).

Despite the crisis, RCI showed the strength of its business model and continued to provide support for carmaker and network sales, keeping earnings in line with those of previous years.

EXTENDING REGIONAL COVERAGE WITH THE ALLIANCE

Since 1999, within the framework of the Renault-Nissan Alliance agreement, RCI has gradually taken over Nissan customer and network financing by acquiring the existing finance subsidiaries in Western Europe and subsequently extending its coverage within Europe, South America and the Euromed Region. As part of this, in 2009 the agreement with Nissan Europe was renewed for a ten-year period and expanded to new countries (Hungary, Czech Republic and Slovakia).

SHARE OF FINANCING IN 2009, BY REGION

- ASIA-AFRICA: 18.6%
- AMERICAS: 29.1%
- EUROPE: 32.3%
- FRANCE: 20.4%
- WORLDWIDE: 100%

SHARE OF FINANCING IN 2009, BY BRAND

- NISSAN AND INFINITI: 31.4%
- RENAULT: 29.1%
- DACIA: 22.9%
- RENAULT SAMSUNG MOTORS: 47.2%
- EUROMED: 30%
- AMERICAS: 29%
- ASIA-AFRICA: 47.4%

NEW FINANCING CONTRACTS IN 2009 PER UNIT

- WORLDWIDE: 826,154 VEHICLES
- EUROPE: 564,107 NEW VEHICLES
- FRANCE: 142,047 USED VEHICLES
- ASIA-AFRICA: 107,117 NEW VEHICLES

NEW FINANCING CONTRACTS IN 2009

- € 8,263 MILLION

How did the year actually play out?

The first half of 2009 was very difficult, with production and standstill periods falling. Fortunately, from the spring onwards, action by central banks took effect and this, combined with government support measures, enabled us to access satisfactory refinancing. From September onwards, demand took over, boosted by special schemes, such as incentives to run more environmentally friendly cars and scrappage bonus schemes. The prospects are bright in Brazil and South Korea, RCI’s other strongest markets, whereas car sales forecasts are down for the most part. But the same is not true everywhere. The prospects are bright in Brazil and South Korea. RCI’s other strength is that it can finance all of the Alliance’s brands, including Dacia, for example, which is experiencing robust growth in mature and emerging markets alike. This is creating lots of opportunities.

We also plan to pursue our international expansion plan, starting in Turkey, where we have just signed an agreement to set up a joint venture, but also in Russia where we are on the edge of moving from today’s trade agreement to a local sales financing structure.

In 2009, the Nissan, Infiniti, Dacia and Renault Samsung brands accounted for around 30% of the volumes of the RCI group.

CONVERSATION WITH

Dominique Thormann
RCI Banque

October 1989-October 2009. You joined RCI Banque 20 years ago. Now you are the Chairman and CEO. Looking back, what strikes you about that time?

So many things have changed! From being a mostly French company, Renault is now thoroughly international, and RCI provides sales financing for the five Alliance brands in 39 countries: few captive finance companies can draw on that kind of potential. My own path – ten years at Renault and ten at Nissan in Japan, Europe and the USA – is an accurate reflection of the changes within the Group. In that sense, I myself am a “product” of the Alliance and it is this experience that I now want to bring to RCI.

How would you assess 2009?

We had to cope with a crisis of unprecedented proportions in 2009, one that affected not just the financial sphere, but also liquidity and the automobile industry. For RCI, a captive finance company that serves the Alliance brands, it was a perfect storm. With 2009 over, I can say that we continued to do an effective job, serving the networks and Group brand sales. We are especially happy about two things: we maintained our vehicle purchase financing packages while keeping risk under control and RCI’s contribution to Renault’s operating margin is slightly higher than in 2008.

What is the outlook for 2010?

We have to capitalize on the strong commercial momentum of second half 2009 and develop services linked to car use. Obviously, the economic situation remains uncertain and the scrappage bonus schemes are ending across Europe, where car sales forecasts are down for the most part. But the same is not true everywhere. The prospects are bright in Brazil and South Korea. RCI’s other strength is that it can finance all of the Alliance’s brands, including Dacia, for example, which is experiencing robust growth on mature and emerging markets alike. This is creating lots of opportunities. We also plan to pursue our international expansion plan, starting in Turkey, where we have just signed an agreement to set up a joint venture, but also in Russia where we are on the edge of moving from today’s trade agreement to a local sales financing structure.

*“Société de Crédit d’Investissement de l’Économie Francaise - a special financing agency created by the French government”*
What is the best way to combine economic, ecological and civic responsibility?

Renault’s commitment to sustainable development is based on three key pillars: business performance, without which the company has no reason to be, respect for the environment, and corporate and social responsibility.

_RENAULT, A RESPONSIBLE, COMMITTED PLAYER_

“Large companies cannot focus exclusively on business performance without a thought for what is happening around them. It is our responsibility, and it is also in our interest, to reinforce our environmental approach and to become involved in the corporate and social life of the countries where we are present.”

Carlos Ghosn
SOCIAL RESPONSIBILITY

PROmOTiNG SOLiDARiTY
IN INNOVATION

Renault has long been aware of its corporate responsibility and has identified four priority areas: education, diversity, health/safety and sustainable mobility. To reinforce the coherence of initiatives in this area, Renault set up a division of Corporate Social Responsibility in 2009. The division’s role is to ensure that social concerns are integrated into everything the company does.

EDUCATION

PROMOTInG EDUCAtiON AND ENCOURAgiNG EQUAL OPPORTuNiTIES

In France, Renault has signed a government-sponsored business commitment charter to promote equal opportunities in education. It is also supporting a range of initiatives in France and, above all, pursuing a long-term approach.

Outside France, Renault is implementing education projects tailored to the issues and needs of each country, in close cooperation with local education authorities. This is particularly true in countries where the Group’s commitment is taken further by local foundations or institutes, as in France, Spain and Brazil.

DIPLOMA COURSE FOR LoW-SKilleD YOUNG PeOPLE

Renault regularly renewal the framework agreement signed in 1992 with France’s Ministry of Employment, Labor and Social Cohesion, to promote the professional insertion of young people. The agreement gives 650 unskilled, young people the opportunity to follow a diploma course. The program includes three to four months of training at an industrial site, followed by a work-study contract for 12 to 24 months, followed by help in finding a job. At the end of the program, participants receive an occupational certificate or diploma recognized in many sectors.

PLAN ESPOIR BANLiEU

Through this government-sponsored urban revival plan in France, Renault is reinforcing the policy it has pursued for many years. The Group has made a commitment to open its doors to a number of young people from disadvantaged areas — 420 new recruits, 720 interns and 450 students on work/study programs — between 2008 and 2010.

Diversity Diagnostic Vigéo

Women’s Forum

“Elles Bougent” Initiative

Diversity Label

Women for Education

Valued Citizens Initiative

Diversity Diagnostic Vigéo

Research/Education

Eco-driving

Car-sharing

CSR INITiATiVES BY RENAULT

In each of the four priority areas, some initiatives concern CSR, and others corporate philanthropy. Renault and its subsidiaries around the globe are thus involved in numerous initiatives that promote the general interest and reflect their civic engagement.

EDUCATION

Renault Foundation

Valued Citizens Initiative

“Course en cours”

Numéric Ensemble

School of second chance

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SUSTAiNAbLE mObiLiTy

Sustainable Mobility Institute

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Car-sharing

WORK/STUDY PROGRAMS

• More than 3,000 young people, one- third of them women, have already taken part in these programs, implemented at five Group schools in France: Douai, Le Mans, Flins, Cléon, Sandouville.

• 90% have obtained a diploma.

• 70% have found a job.

5,200 children from high schools across France are taking part in “Course en Cours”.

“Course en Cours”

The aim of this educational project is to bring schools and business closer together, and also to encourage girls to take an interest in the automotive industry. Since 2006 experts from Renault and Renault F1 Team have been supporting mixed teams of model-makers competing in this Formula 1 event based on 1:18 scale cars designed by pupils. Every year, more than 5,000 high-school students across France take part in “Course en cours”. Approved by France’s Ministry of Education, this initiative won the “Jury Prize” and “Public Prize” in a competition organized by the Ministry as part of the “European year of creativity and innovation”.

French champions in the World Skills Competition — automotive training.

DIALoGE WiTH STAKEHOLDERS, A CORE FEATURe OF CSR

Renault recognizes the possible consequences of its activities on people and the environment, and seeks to address the growing expectations of stakeholders. Pursuing a credible, long-term approach, Renault maintains an ongoing dialogue with all stakeholders: customers, suppliers, dealers, scientific experts, local communities and residents, employees, shareholders, associations, international organizations and government bodies.

“… TO NEW CHALLENGES…”

… TO NEW CHALLENGES…”

Actions in favour of civil society

Social challenges related to the car industry

FORMATiON COURSE FOR LoW-SKilleD YOUNG PeOPLE

Renault has been supporting “Valued Citizens” in South Africa for almost ten years. 423,000 young people in 1,575 schools have already taken part in this program.

VALUED CITiZENS iNiTiATiVe

In South Africa, Renault was a founding partner in the NGO Valued Citizens Initiative in 2001. Deployed in state multiracial, multilingual schools, the program aims to develop a sense of responsible citizenship in children, encourage them to be open to the world, and build their confidence and self-esteem. To date, almost 1,075 primary and high schools in urban and rural areas have taken part in this program, a total of 423,000 pupils and 3,500 teachers in the provinces of Gauteng, Free State, KwaZulu Natal and Limpopo.

MENTORiNG iN SCHOOL AND UNiVERSITY STUDENTS FROM DISADVANTAgED BaCKGROUNDS

• With Incentif’ School in Paris, Renault is helping a class of grant students to prepare for competitive entry exams at France’s selective business and engineering schools over a period of three years.

• As part of this approach, Renault also became part of the project “Un Àvenir Ensemble” in 2009.

Mentoring of school and university students from disadvantaged backgrounds.

2009 Renault Annual Report
EDUCATION
PROMOTING A MEETING OF CULTURES THROUGH RENAULT’S CORPORATE FOUNDATION

Founded in 2001, the Renault Foundation supports talented young people and helps them to flourish in a multicultural environment.

It encourages sharing and understanding between different cultures and supports exchanges between France, Europe and other countries where Renault operates.

FOR STUDENTS FROM OUTSIDE FRANCE

The Foundation organizes and funds three degree programs in France for foreign post-graduate students who hold an undergraduate degree from their own countries:

- The Dauphine-Sorbonne-Renault MBA, established in partnership with Paris Dauphine University and the Business Administration Institute at Paris (Pantheon-Sorbonne University);
- the Renault Foundation Polytech’Tech Masters in Transportation and Sustainable Development, with the École des Ponts, École des Mines de Paris, and École Polytechnique;
- the Renault Major Cycle, in partnership with the Paris Tech schools and Paris I (Pantheon-Sorbonne University).

The Foundation has already helped to train some 430 students from around ten countries (Japan, South Korea, Brazil, Iran, Romania, Russia, India, Morocco, and most recently, Lebanon).

FOR STUDENTS FROM FRANCE’S LEADING BUSINESS AND ENGINEERING SCHOOLS

The Foundation has set up a chair in “multicultural management and corporate performance” in partnership with École Polytechnique and HEC. The activities of the chair include a teaching program and a series of research projects conducted in France, India and Japan on managerial issues specific to multinational companies.

DIVERSITY
ACTING TO PROMOTE DIVERSITY

Diversity is a key driver of performance, motivation and commitment for employees. A wide range of initiatives to prevent discrimination have been put in place in the countries where the Group operates.

On December 3, 2009, United Nations International Day of Persons with Disabilities, Renault restated its commitment to diversity in general, and to disabled people in particular. The various educational initiatives organized on that day, targeting employees and the general public (France) served to:

- promote the mobility solutions for disabled people offered by Renault;
- inform people about the disability agreement applicable on the scope of Renault s.a.s., the agreement aims to help disabled people find and keep jobs;
- raise awareness among employees and managers concerning different types of disability so that they can better factor them in on a day-to-day basis in the workplace.

On the occasion of the celebration of the 10th anniversary of the “Women for Education” prize in 2009, as it has done since 2007, the Renault Foundation ParisTech Master’s for Students from Outside France and the Renault Foundation in partnership with the Elle Foundation and Aide et Action that aims to create opportunities for women in the automotive industry.

The company works with Elles Bougent, an association that aims to create opportunities for women in the automotive industry.

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**RENAULT RETAIL GROUP’S HUMANITARIAN AND SOCIAL ASSISTANCE FUND**

Since it was founded in 2003, the social and humanitarian aid fund of Renault Retail Group (RRG), the Renault group’s European distribution subsidiary, has financed more than 50 projects led by not-for-profit organizations (NGOs, associations, etc.). Most of the initiatives were humanitarian projects conducted primarily in France and in the countries of Africa and Asia. This year again, the action of RRG focused on:

- emergency aid: 50 tons of cereals sent to northern Mali and supplied to the canteen of a Malian orphanage for six months with Planète Urgence;
- health aid: a continuous supply of pharmaceutical products for the dispensary set up by RRG in Timbuktu;
- sponsorship of ten business creation projects by young people in difficulty, with the IODE (a French association set up to help the socially excluded create their own business through microcredit);
- education and training (Aide et Action, Enfants de l’Ovale with Philippe Sella, a French rugby player);
- health missions: in Madagascar with Médecins du Monde, in Togo with EVADIES (a humanitarian student association) and in Mauritania with Santé Sud);
- humanitarian leave: RRG allows employees to take “humanitarian service leaves” in Africa through the organization Planète Urgence. The company finances the humanitarian work of employees who wish to use their skills to help local communities. Since 2004, 18 RRG employees have run training sessions in Mali (16 in the field of mechanics and two in office automation).

Renault Retail Group provides help in Africa.

**WOMEN FOR EDUCATION: PROMOTING WOMEN’S EDUCATION AND DIVERSITY**

As part of its partnership with the Women’s Forum, Renault sponsored the “Women for Education” prize in 2009, as it has done since 2007. Set up with the Elle Foundation and the association Aide et Action, the prize aims to provide financial support for a project developed by and for women, based on the subjects of access to new technologies and information. In 2009 the grant was shared by two NGOs – one in Mexico (training wheelchair users) and one in Ethiopia (job training for young mothers) – which were awarded the “Women for Education” prize equally.

Promoting diversity means recognizing all forms of talent. This is the basis of a people-centric and socially responsible company.
Sustainable Mobility
Renault Architect of Sustainable Mobility

The main challenge today lies in Renault’s ability to give as many people as possible access to technology that can reduce carbon emissions.

The Group believes that environmental protection demands wide availability of clean technologies. And to give everybody access to mobility, it is also essential to develop expertise in this area. This is the role of the Sustainable Mobility Institute set up by Renault in 2009.

Developing innovative Mobility services at renault
Renault first put in place an initiative to encourage car pooling among employees in 1996. In 2008 it was extended to all sites in France. Renault has also put in place employee transport plans at the new Egyptian offices in Alexandria, in Paris, and the Technocentre, in Guyancourt, outside Paris.

Helping to educate the general public on eco-driving and bring about a change of behavior
To be a success, the Renault eco² program needs to bring about a change in behavior and to encourage people to adapt environmentally responsible driving practices. In 2008 Renault set up an educational operation on eco-driving for the general public. The program includes free eco-driving lessons, along with trials on eco-driving simulation, educational games for families and an eco-driving family challenge. Following on from the success of this operation, Renault has decided to broaden its targets. It has opened an interactive, educational website: www.renault-eo2.com, and set up training, initially for fleet customers but subsequently to be extended to consumers, in France. The training program started in early 2010 in partnership with Code de Conduite (COP), then in other countries with Key Driving Competencies (KDC).

The Sustainable Mobility Institute
In 2009 the Renault Foundation and ParisTech decided to team up on research and teaching work on the future of passenger transportation by founding a Sustainable Mobility Institute. Renault engineers and teacher/researchers and students from ParisTech aim to work together to promote research into the design of innovative mobility systems and to train top managers and researchers to meet the demands of industry in the sector of transportation for the future.

The Sustainable Mobility Institute could open its doors to other French or international companies or universities that wish to participate in this research.

Health/Safety
Road Safety: Working Actively with the Authorities

Road safety is a global public health issue, which concerns every continent. As an international company, Renault considers itself a partner of governments throughout the world, and aims to be an active partner in helping to improve road safety.

Prevention, correction, protection and education
The Group’s policy focuses on four key areas: the first three are based on the Group’s expertise and R&D studies in vehicle design and production. The fourth is based on educational initiatives targeting the general public, in partnership with France’s national Road Safety Foundation, employees and suppliers: Sécurité magazine, TV program “Warm-up”, in-house training, etc.

Sharing knowledge
As a member of the board of France’s Road Safety Foundation, Renault takes part in research projects aimed at contributing effectively to road safety. Renault experts are involved in the work of the e-Safety Forum, a public-private consultation whose aim is to accelerate development, deployment and use of new information and communication technologies to improve road safety in Europe.

Taking part in international initiatives to promote sustainable mobility
Renault experts took part in drafting the final report of Mobility 2030, and were involved in studies on a road safety action plan for developing countries, leading to the founding of the GRSI (Global Road Safety Initiative).

In 2009 Renault confirmed its commitment to a number of sustainable mobility projects: (CRS, Smart, TISA) supported by the European Commission. Renault is also a member of the board of ERTICO. In 2008 it took part in the Partners Topic Group “ICT for clean and efficient mobility” with a view to developing R&D proposals for new mobility systems in the areas of eco-driving and improved, economical navigation.

Renault Standards

• UN Global Compact: Renault joined the Global Compact in 2001. It is also committed to the guidelines of the Organization for Economic Cooperation and Development (OECD) as well as to the Declaration of the International Labor Organization (ILO).
• Code of Good Conduct: adopted in 1998 and given to management and suppliers, it provides a framework for relationships with all stakeholders, both inside and outside the Group. Given the Group’s steady international expansion and the wide variety of risks in the countries where it is present. Renault decided to reinforce its ethical approach by adding a “Compliance” function and a whistleblowing system.
• Declaration of Employees’ Fundamental Rights.
• Code of good practices and competitive performance.
• The Sustainable Development Purchasing Charter.
CORPORATE RESPONSIBILITY - PREPARING FOR THE FUTURE

We have long known that our main wealth lies in the talent and experience of our workforce. And since this will continue to be true after the crisis, the priority in 2009 was to save jobs and to protect employees from loss of income linked to short-time working. At the same time, Renault continued training efforts to enable employees to maintain their skills at the highest level in the exercise of their work.

THE CRISIS-PERIOD LABOR DEAL

Negotiated with labor representatives and signed by four trade unions (FO, CFDT, CGT and CFTC), this deal made it possible to limit the loss of income caused by short-time working.

The deal was implemented on April 1, 2009 as part of an agreement with the French government. In June 2009 an agreement was reached between the government and the unemployment benefit agency, UNEDIC, that allows UNEDIC to contribute to the short-time working offset scheme. In agreement with the trade unions, Renault made an amendment to the crisis-period labor deal that increased the contribution made by Renault and the government to compensation for short-time working offsets and cut the contribution made by employers from one day of individual “time capital” for every five non-work days, to one day for every 10 non-work days.

ADJUSTMENTS IN PAY POLICY

Renault s.a.s. did not award an overall pay rise. However, 31% of production employees and 49% of non-managerial staff benefited from individual pay awards or seniority-related rises. Outside France, the pay policy respects local market standards.

PROTECTING THE GROUP’S DEVELOPMENT CAPACITY OVER THE LONG TERM

In 2009 the continued global economic downturn forced Renault to adjust its production activities and employment policy in order to remain competitive.

The Group therefore continued to reorganize production sites and maintain the freeze on hiring in Europe, put in place at end-2008. In France the voluntary departure plan put in place in the last quarter of 2008, continued as planned until end-April 2009. The aim was to meet the Group’s need for structural adjustment, in view of the situation of the worldwide automotive industry.

THE RENAULT VOLUNTARY DEPARTURE PLAN

As the name suggests, the plan was based solely on voluntary participation. In France, support measures were put in place for employees leaving the company, to help them pursue a personal or professional project (business creation, redeployment leave, return to the home country, etc.) or to reorganize personal time and cut the contribution made by employers from one day of individual “time capital” for every five non-work days, to one day for every 10 non-work days.

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PREVENTING PSYCHOSOCIAL RISKS AND WORK-RELATED STRESS

Managing a place where people work means managing a place where people live. In the crisis situation of 2009, local HR policy placed the emphasis on listening to employees, and supporting and guiding managers in difficult situations.

HR ORGANIZATION BASED ON A COLLEGIATE STRUCTURE AND LOCAL PRESENCE

The aim is to create as dense a network as possible to make it easier to identify severe stress and to ensure that managers are not left to cope with the situation alone. Renault has sought to put in place a complementary collegial structure relying on managers, local HR directors and occupational doctors, in order to provide a prompt and pertinent response either within the company or through an external firm.

PREVENTION INITIATIVES AT INDIVIDUAL AND COLLECTIVE LEVEL

Initiatives for the continuous improvement of health, safety, ergonomics and working conditions have been implemented at a number of sites (Technocentre and engineering centres). They include stress awareness courses to help HR staff identify people in difficulty, relaxation training for employees, and information on the medical network.

DEVELOPING THE TALENTS OF ALL EMPLOYEES

Vocational training is key to the skills development process. For employees, training is a way to acquire new skills that will maintain their employability.

TRAINING FOR ALL

Renault is committed to training all its employees, regardless of age, status or position in the Group. Training is organized for professional skills, foreign languages, management, and office automation systems, and collaborative tools. The programs are either designed internally or sourced from an external provider.

CONTINUING TO DEVELOP SKILLS

Following on from manufacturing, logistics, engineering, purchasing and management, finance, the IT department has also set up a school. E-learning is now widely used, totalling more than 225,456 hours in 2009.

INDICATORS AND FIELD SURVEYS

As part of the Observatoire Médical du Stress, de l’Anxiété et de la Dépression (OMSAD), a unit set up in 1998 to deal with stress, anxiety and depression, the occupational health services ask employees to take a voluntary, individual pre-diagnostic test. At end-2009 more than 73,000 tests had been carried out.

In June 2009 a second survey was conducted at engineering division sites in order to measure the progress and performance of the action plans implemented by the health, safety and working conditions committees at Guyancourt.

In France, non-work periods were used to train employees and maintain and develop staff skills. For example, all employees in the Paris region followed three days of training as part of the Renault Autumn University. The production sites held mainly specialized trade-oriented courses and training in fundamentals, such as the Renault Production Way, quality, safety, etc.

A/H1N1 FLU – HEALTH MEASURES AND BUSINESS CONTINUITY PLAN

Since the start of September Renault has rolled out a range of measures concerning A/H1N1 flu:

• measures to protect the health of employees in the workplace;
• an information campaign explaining what employees should do and answering their questions;
• a business continuity plan to address a possible situation of high levels of absenteeism;
• a dedicated site accessible to employees from their office and home.

In Europe almost 6,500 people chose to leave the Group, including 4,450 who opted for the Renault Voluntary Departure Plan in France.

In 2009, local HR policy placed the emphasis on listening to employees, and supporting and guiding managers in difficult situations.

Gender parity is progressing!

It is a well-known fact that women are under-represented in training programs for the automotive industry. However:

• 17.7% Renault employees are women;
• one-third of new recruits are women, of whom one-third take up jobs in engineering or management.

Gender parity is progressing!

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• 17.7% Renault employees are women;
• one-third of new recruits are women, of whom one-third take up jobs in engineering or management.
ENVIRONMENTAL RESPONSIBILITY
LIMITING THE IMPACT OF OUR PRODUCTS AND ACTIVITIES

At Renault, acting for the environment means developing a vehicle and service offering that protects the ecological balance of the planet. It also means limiting the impact of our activities on local ecosystems by taking into consideration the environmental and economic situation of each market.

OPTING FOR A GLOBAL APPROACH: THE LIFE CYCLE
This approach, adopted by Renault some years ago, captures all the environmental impacts generated by a vehicle, from design to decommissioning.

The eco² signature launched in 2007 demonstrates the will of the Renault Group to reduce the ecological impact of cars at each stage of their life cycle: manufacture, use and end of life.

Today, 95% of a Renault scrap car is recoverable.

New environmental advances are introduced with each project launch, and some technological innovations can be brought into general application in the longer term: choice of materials, fluid extractability, dismantling operations for recycling, pollutant emissions, fuel consumption, CO₂ emissions, environmental impacts on product industrial processes.

GIVING A SECOND LEASE OF LIFE TO END-OF-LIFE (ELV) VEHICLES
In 2008 the subsidiary Renault Environment joined forces with the group SITA/Suez Environment to develop end-of-life vehicle recycling in France. The Group subsidiary took a majority stake in India, a vehicle distribution/management firm working with 350 dismantlers around France. In 2009, more than 450,000 vehicles were processed.

Renault and SITA have developed dismantling processes to extract and recycle materials that will subsequently be used to produce new automotive parts. These new-ELV recycling tools and processes are developed and tested at dismantling sites, including one in the Soligny region and one in northern France, and at the development centre in Romorantin. The combined efforts of the three companies and their partners will make it possible to meet the vehicle recovery target of 95% in 2016.

PROTECTING NATURAL RESOURCES AND CONTRIBUTING TO EFFORTS TO LIMIT GLOBAL WARMING
Cutting energy consumption
All Group sites worldwide are contributing to a strategy of saving energy and using renewable energies. In 2009 significant variations in production brought down energy consumption. This reduction can be attributed to the efforts made over many years to optimize installations and energy supply contracts.

In 2009 VOC emissions fell by 10% on the previous year. As a result, the target of 14g CO₂/vehicle/km (10g CO₂/km in the 2008 LAW) set for 2012 was reached in 2009.

Cutting production waste, and pursuing efforts to “Reduce, Reuse, Recycle and Recover”
Renault has adopted a global approach to waste management. The “4R” approach introduced in 2008 sets ambitious targets to reduce the residual impact of Renault plants and cut the quantity of waste sent to landfill by 2015.

The plant waste recovery rate rose by 15% in 2009 compared with 2003, largely through the improved recycling of plastic parts.

Protecting water resources
On a like-for-like basis, the Group has halved its water consumption over the past ten years. Withdrawals totaled 11.6 million m³ in 2009. Residual waste (organic matter, suspended solids and metals) has also been halved in ten years on a like-for-like basis.

By gradually deploying R1, R2 and R3 best practices, and by continuing efforts to cut residual waste, the Group will be able to reduce water withdrawals by a further 15% by 2012 compared with 2007.

ALL THE INDUSTRIAL ACTIVITIES OF THE RENAULT GROUP ARE ISO 14001 CERTIFIED
The Renault eco² and Sitaeco eco² labels, which span the entire vehicle life cycle, use ISO 14001 certification to show that the vehicles concerned were produced in plants that respect the environment.

*except for those recently included in the industrial area or excluded from this area.
The objective for Renault in 2009 was to manage the unprecedented economic crisis by mobilizing the entire company in pursuit of a single priority: positive free cash flow. The Group met this target through an action plan with three aims: optimize income, cut costs (including investments) and apply strict management criteria to working capital requirements.
RESULTS

SALES PERFORMANCE

The Renault group increases market share to 3.7% on strong sales performance in the second half.

2009 WORLD SALES RESULTS *

The Renault Group achieved its objective to increase its world market share. The increase of production decided during 2009 and the renewal of the range enabled the Group to increase its penetration in the second half and to finish the year with a growth of market share.

The Renault Group increased its PC + LCV market share slightly, by 0.1 point to 3.7%: in a world market that contracted 4.7%, the Group was down just 3.1%, with sales of 2,309,188 million vehicles.

In the PC market, the Renault group reported market share of 4.3%, up 0.2 points: in a world market that declined 4.2%, the Group reclaimed the position of third-ranked brand in Western Europe mainly owing to the success of the Megane family and Twingo.

In the LCV market, the Renault brand has been the number one brand in Western Europe since 1998.

Dacia brand sales rose by 91% in Europe to 214,500 units and reached 1.3% of the market. Dacia became one of the top-ten best-selling brands in France.

Renault Samsung Motors reported a 30.6% increase in volumes in 2009, increasing its market share by 0.8 points to 9.3%, thus establishing South Korea as the Group’s third-biggest market in 2009.

Owing to the collapse of a number of international markets such as Russia, the percentage of sales generated outside Europe fell for the first time in ten years. It nevertheless totalled 34% for 2009.

The Group’s 15 biggest markets accounted for 85% of its sales.

TOP 15 RESULTS

At end-2009, 11 of these 15 markets reported market share gains (compared with eight at end-June), while one was stable and three were down.

TOP 15

<table>
<thead>
<tr>
<th>Country</th>
<th>2009 Volumes</th>
<th>2009 Market Share</th>
<th>Change in Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>720,883</td>
<td>31.9%</td>
<td>+1.0</td>
</tr>
<tr>
<td>Germany</td>
<td>240,153</td>
<td>6.0%</td>
<td>+1.4</td>
</tr>
<tr>
<td>South Korea</td>
<td>132,630</td>
<td>9.3%</td>
<td>+0.8</td>
</tr>
<tr>
<td>Italy</td>
<td>117,524</td>
<td>4.9%</td>
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<tr>
<td>Spain</td>
<td>115,217</td>
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<tr>
<td>Turkey</td>
<td>82,224</td>
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<tr>
<td>United Kingdom</td>
<td>73,438</td>
<td>3.4%</td>
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<tr>
<td>Russia</td>
<td>72,284</td>
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<tr>
<td>Belgium-Luxembourg</td>
<td>64,799</td>
<td>11.1%</td>
<td>+0.9</td>
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<td>Argentina</td>
<td>61,009</td>
<td>12.4%</td>
<td>+0.4</td>
</tr>
<tr>
<td>Australia</td>
<td>56,094</td>
<td>24.0%</td>
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<td>Norway</td>
<td>51,787</td>
<td>23.9%</td>
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<tr>
<td>Sweden</td>
<td>37,145</td>
<td>34.1%</td>
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</tr>
<tr>
<td>Iran</td>
<td>37,108</td>
<td>2.7%</td>
<td>–2.0</td>
</tr>
</tbody>
</table>

GROUP SALES WORLDWIDE - PC + LCVs

<table>
<thead>
<tr>
<th>Group</th>
<th>2009*</th>
<th>2008</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>1,529,368</td>
<td>1,507,554</td>
<td>1.4</td>
</tr>
<tr>
<td>LCVs</td>
<td>701,998</td>
<td>654,142</td>
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</tr>
<tr>
<td>CARS</td>
<td>240,950</td>
<td>274,352</td>
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<tr>
<td>EUROPA</td>
<td>86,428</td>
<td>130,218</td>
<td>–38.2</td>
</tr>
<tr>
<td>AMERICA</td>
<td>236,029</td>
<td>254,967</td>
<td>–7.4</td>
</tr>
<tr>
<td>CHINA</td>
<td>222,863</td>
<td>215,162</td>
<td>+3.6</td>
</tr>
<tr>
<td>OUTSIDE EUROPE</td>
<td>779,820</td>
<td>874,693</td>
<td>–10.8</td>
</tr>
</tbody>
</table>

TOP 15

<table>
<thead>
<tr>
<th>Region</th>
<th>2009*</th>
<th>2008</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>720,883</td>
<td>2,382,243</td>
<td>–71.1</td>
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<tr>
<td>Germany</td>
<td>2,507,554</td>
<td>2,394,285</td>
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<td>South Korea</td>
<td>64,799</td>
<td>56,253</td>
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<td>Italy</td>
<td>274,352</td>
<td>259,073</td>
<td>+6.3</td>
</tr>
<tr>
<td>Spain</td>
<td>215,162</td>
<td>219,923</td>
<td>–2.1</td>
</tr>
<tr>
<td>Turkey</td>
<td>874,693</td>
<td>874,693</td>
<td>0.0</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>236,029</td>
<td>238,815</td>
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<td>Russia</td>
<td>254,967</td>
<td>259,073</td>
<td>–1.6</td>
</tr>
<tr>
<td>Brazil</td>
<td>215,162</td>
<td>219,923</td>
<td>–2.1</td>
</tr>
<tr>
<td>Argentina</td>
<td>222,863</td>
<td>229,963</td>
<td>–3.1</td>
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</tbody>
</table>

* Preliminary figures.

TOTAL INDUSTRY VOLUME – REGISTRATIONS

<table>
<thead>
<tr>
<th>Main Renault Group Markets</th>
<th>2009*</th>
<th>2008</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe Region</td>
<td>15,877,451</td>
<td>16,625,309</td>
<td>–4.5</td>
</tr>
<tr>
<td>Germany</td>
<td>2,842,699</td>
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<tr>
<td>Italy</td>
<td>2,073,317</td>
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<tr>
<td>Spain</td>
<td>1,058,927</td>
<td>1,061,307</td>
<td>–0.3</td>
</tr>
<tr>
<td>Belgium + Luxembourg</td>
<td>580,781</td>
<td>660,773</td>
<td>–12.1</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1,117,612</td>
<td>1,276,007</td>
<td>–12.7</td>
</tr>
<tr>
<td>Sweden</td>
<td>144,432</td>
<td>151,671</td>
<td>–4.7</td>
</tr>
<tr>
<td>Norway</td>
<td>957,126</td>
<td>957,126</td>
<td>0.0</td>
</tr>
<tr>
<td>Algeria</td>
<td>234,297</td>
<td>246,298</td>
<td>–4.8</td>
</tr>
<tr>
<td>Austria</td>
<td>129,869</td>
<td>131,768</td>
<td>–1.4</td>
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<tr>
<td>European Region</td>
<td>2,796,743</td>
<td>3,113,709</td>
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</tr>
<tr>
<td>France</td>
<td>2,642,659</td>
<td>2,610,569</td>
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<tr>
<td>Germany</td>
<td>3,981,684</td>
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<tr>
<td>Italy</td>
<td>2,392,501</td>
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<td>Spain</td>
<td>2,188,721</td>
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<td>Belgium + Luxembourg</td>
<td>1,058,927</td>
<td>1,061,307</td>
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<td>131,768</td>
<td>–1.4</td>
</tr>
<tr>
<td>American Region</td>
<td>5,202,098</td>
<td>5,528,992</td>
<td>–6.0</td>
</tr>
<tr>
<td>Mexico</td>
<td>1,244,484</td>
<td>1,270,001</td>
<td>–2.1</td>
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<tr>
<td>Brazil</td>
<td>1,117,644</td>
<td>1,122,728</td>
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<tr>
<td>Argentine</td>
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<td>2,032,888</td>
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<tr>
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</tbody>
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* Preliminary figures. ** Outside North America.
**CONSOLIDATED INCOME STATEMENT**

Group revenues stood at €33,712 million, down 10.8% on 2008 on a consistent basis. The revenue contribution from Sales Financing was down 12.0% on 2008 to €7,861 million, in line with the 11.1% decline in average loans outstanding.

Automotive revenues were extremely volatile and varied in 2009. After a first quarter severely impacted by the global economic crisis, the rest of the year was less unfavorable, owing to:

- Growth in some markets, driven by government stimulus plans and scrappage bonuses in many countries;
- And market share gains for Renault on the back of range renewal.

Automobile's revenue contribution declined to €31,951 million, from €35,791 million in 2008 on a consistent basis. The 10.7% decline was due to:

- A decrease in volumes, accounting for 0.6 points. The decline was limited, however, by positive performances in the second half, driven by strong sales of new products and the impact of tax incentives;
- A negative price/mix effect, accounting for -2.8 points: the product mix was skewed towards the lower end of the range by government incentives, a negative impact that was only partly offset by the strong sales of Megane;
- A negative currency effect, accounting for -2.5 points, due to depreciation against the euro on several Group markets, especially the Korean won, the pound sterling, the Russian rouble, and the Romanian leu;
- A decline in sales of components and built-up vehicles to partners, also impacted by the crisis, which accounted for -4.9 points of the downturn in revenues.

**OPERATING MARGIN**

In 2009, using consistent methods (1), the Group's operating margin was a negative 10.7% (€2,923 million) on 2008, compared with a 0.8% margin in 2008. This result demonstrates the validity of R3 Flamanque’s business model in a strained economic and financial environment. Key pricing and refinancing costs, R3 Flamanque managed to:

- Increase its margins: net banking income rose to 5.1% of average loans outstanding, up from 4.9% in 2008. In value terms, that increase offsets the decline in average loans outstanding, which totalled €25.2 billion in 2009, compared with €25.7 billion in 2008 (-2.0%); and
- Keep risk-related costs under control at 0.9% of average loans outstanding at end-December 2009, compared with 0.8% at end-December 2008. The increase can be attributed to worsening economic conditions in Spain and Romania. Excluding these two countries, risk-related costs were stable in 2008. Improved collection and a stricter approvals policy brought down risk-related costs in the second half of 2009.

- Optimize operating costs: restructuring at R3 Flamanque halved operating costs under control compared with 2008.

In 2009, in a poor business environment, the contribution of Automobile to operating margin fell €741 million, using consistent methods (1), from a negative €461 million in 2008 to a negative €1,202 million in 2009 (-25.6% of revenues), chiefly because of:

- A negative currency effect of almost €500 million, due mainly to the depreciation of the Russian rouble, the pound sterling and the Polish zloty;
- A negative volume and price/mix impact of €246 million:
  - the decline in volumes (including for partners) accounted for €64 million, with the positive impact of the Europe Region failing to offset declines in other markets;
  - a negative mix/mix/price/enhancement/ incentives impact of €182 million.
- The positive impact of the reduction in fixed marketing costs and the renewal of the Megane range were not enough to compensate for the change in the mix spurred by tax incentives as well as the commercial pressure in all the Group’s markets;
- The company-wide cost cutting policy, stepped up in 2009, made a positive contribution of €496 million:
  - Purchasing costs decreased by €553 million excluding raw materials (up €49 million), despite the extra cost of providing assistance to some suppliers in difficulty;
  - €32 million was enabled by the Group’s adjustment for rationalizing the real-estate portfolio in November 2009; and
  - Manufacturing costs were down by €136 million.

At December 31, 2009, Automobile’s net financial debt totalled €5,601 million, or 35.9% of shareholders’ equity, down from 40.9% of shareholders’ equity at December 31, 2008.

The €2,023 million decrease in net debt resulted from the combination of:

- Cash flow of €1,467 million, down by €1,594 million on 2008. This decline was due to the fall in operating margin, as well as the sharp decrease in dividends received from associated companies, with only €1 billion from AB Volvo in 2009 (compared with €141 million received from Nissan and €236 million from ALNköping in 2008);
- A €1,253 million decrease in the working capital requirement in 2009 through company-wide action plans focused on this priority target. Inventory was reduced by €1,372 million and customer receivables by €64 million;
- Negative and intangible investments net of disposals (including leased vehicles) (2) of €2,302 million in 2009, down from €3,385 million in 2008 (-32%);
- Automobile generated a substantial €2,088 million in free cash flow in 2009.

**2010 OUTLOOK**

Renault expects economic conditions to remain difficult in 2010 with a European market that could contract by 10% versus the total industry volume of 2009. In this context, consistent with 2009, the company’s objective is to generate positive free cash flow and thus continue to reduce debt.

To meet this objective, Renault will rely on four key levers in 2010:

- The appeal of its product range, which will continue to be broadened and renewed with six new product roll-outs in 2010 to maintain the market share momentum of the second-half 2009.

**CHANGES IN FINANCIAL STRUCTURE**

- Intensified actions to control working capital requirements.
- The continuation of the cost reduction policy and a ratio of net CAPEX and R&D expenses kept at less than 20% of revenues.
- Intensified actions to control working capital requirements.
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- Intensified actions to control working capital requirements.

- The continuation of the cost reduction policy and a ratio of net CAPEX and R&D expenses kept at less than 20% of revenues.
## Consolidated Income Statement ($ Million)

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<th>2008</th>
<th>2007</th>
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<td></td>
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<td>527</td>
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<tr>
<td><strong>o/w AvtoVAZ</strong></td>
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### Key Figures

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<th>CHANGE</th>
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<td><strong>GROUP SALES WORLDWIDE (MILLION UNITS)</strong></td>
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<td>2.36</td>
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<td><strong>GROUP SALES WORLDWIDE ($ BILLION)</strong></td>
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<td>37.792</td>
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<td><strong>OPERATING INCOME (%)</strong></td>
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<td>0.9%</td>
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<td><strong>GROUP NET INCOME (%)</strong></td>
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<td>345</td>
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### Consolidated Financial Position ($ Million)

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### Key Figures

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CONSOLIDATED CASH FLOWS: € MILLION

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(1) The impact of changes in the scope of consolidation results from the treatment applied to acquisitions of minority interests and put options for buyouts of minority shareholdings in controlled companies.

INFORMATION BY REGION: € MILLION

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<td>24,298</td>
<td>25,465</td>
</tr>
<tr>
<td>EUROMED</td>
<td>12,784</td>
<td>13,761</td>
<td>15,137</td>
</tr>
<tr>
<td>ASIA-AFRICA</td>
<td>13,997</td>
<td>13,781</td>
<td>15,137</td>
</tr>
<tr>
<td>AMERICAS</td>
<td>13,997</td>
<td>13,781</td>
<td>15,137</td>
</tr>
<tr>
<td>CONSOLIDATED TOTAL</td>
<td>52,492</td>
<td>48,937</td>
<td>56,876</td>
</tr>
</tbody>
</table>

(1) Including France.

The regions presented correspond to the geographic segments of the Group’s structure.

In 2009, the EuroMed Region was split into two Regions, EuroMed and EuroAsia, which principally covers Russia and the Ukraine.
### Information by Operating Segment - Consolidated Income Statement by Operating Segment (€ Million)

<table>
<thead>
<tr>
<th></th>
<th>Automobile</th>
<th>Sales Financing</th>
<th>Intersegment Transactions</th>
<th>Consolidated Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2009</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales of Goods and Services</td>
<td>31,951</td>
<td>464</td>
<td>-</td>
<td>32,415</td>
</tr>
<tr>
<td>Sales financing revenues</td>
<td>1,287</td>
<td>1,287</td>
<td>-</td>
<td>1,287</td>
</tr>
<tr>
<td>External Sales</td>
<td>31,761</td>
<td>1,791</td>
<td>-</td>
<td>33,552</td>
</tr>
<tr>
<td>Intersegment Sales</td>
<td>31,834</td>
<td>2,193</td>
<td>(29)</td>
<td>33,772</td>
</tr>
<tr>
<td>OPERATING MARGIN *(1)</td>
<td>31,457</td>
<td>1,634</td>
<td>(25)</td>
<td>33,112</td>
</tr>
<tr>
<td>OPERATING INCOME</td>
<td>31,457</td>
<td>1,634</td>
<td>(25)</td>
<td>33,112</td>
</tr>
<tr>
<td>FINANCIAL INCOME *(2)</td>
<td>31,457</td>
<td>1,634</td>
<td>(25)</td>
<td>33,112</td>
</tr>
<tr>
<td>SHARE IN NET INCOME (LOSS) OF ASSOCIATES</td>
<td>(5,068)</td>
<td>-</td>
<td>(5,068)</td>
<td></td>
</tr>
<tr>
<td>Pre-TAX INCOME</td>
<td>26,389</td>
<td>1,634</td>
<td>(25)</td>
<td>28,000</td>
</tr>
<tr>
<td>CURRENT AND DEFERRED TAXES</td>
<td>14</td>
<td>17</td>
<td>(14)</td>
<td></td>
</tr>
<tr>
<td>NET INCOME</td>
<td>(3,068)</td>
<td>237</td>
<td>(294)</td>
<td>(3,068)</td>
</tr>
<tr>
<td><strong>2008</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales of Goods and Services</td>
<td>35,757</td>
<td>464</td>
<td>-</td>
<td>36,241</td>
</tr>
<tr>
<td>Sales financing revenues</td>
<td>1,500</td>
<td>1,500</td>
<td>-</td>
<td>1,500</td>
</tr>
<tr>
<td>External Sales</td>
<td>35,757</td>
<td>2,014</td>
<td>-</td>
<td>37,771</td>
</tr>
<tr>
<td>Intersegment Sales</td>
<td>35,827</td>
<td>2,040</td>
<td>(142)</td>
<td>37,951</td>
</tr>
<tr>
<td>OPERATING MARGIN *(1)</td>
<td>33,969</td>
<td>1,953</td>
<td>(32)</td>
<td>35,791</td>
</tr>
<tr>
<td>OPERATING INCOME</td>
<td>33,969</td>
<td>1,953</td>
<td>(32)</td>
<td>35,791</td>
</tr>
<tr>
<td>FINANCIAL INCOME *(2)</td>
<td>33,969</td>
<td>1,953</td>
<td>(32)</td>
<td>35,791</td>
</tr>
<tr>
<td>SHARE IN NET INCOME (LOSS) OF ASSOCIATES</td>
<td>237</td>
<td>-</td>
<td>237</td>
<td></td>
</tr>
<tr>
<td>Pre-TAX INCOME</td>
<td>35,236</td>
<td>1,953</td>
<td>(32)</td>
<td>37,011</td>
</tr>
<tr>
<td>CURRENT AND DEFERRED TAXES</td>
<td>17</td>
<td>14</td>
<td>(14)</td>
<td></td>
</tr>
<tr>
<td>NET INCOME</td>
<td>(3,068)</td>
<td>178</td>
<td>(294)</td>
<td>(3,068)</td>
</tr>
<tr>
<td><strong>2007</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales of Goods and Services</td>
<td>38,679</td>
<td>511</td>
<td>-</td>
<td>39,190</td>
</tr>
<tr>
<td>Sales financing revenues</td>
<td>1,493</td>
<td>1,493</td>
<td>-</td>
<td>1,493</td>
</tr>
<tr>
<td>External Sales</td>
<td>38,403</td>
<td>2,043</td>
<td>-</td>
<td>40,446</td>
</tr>
<tr>
<td>Intersegment Sales</td>
<td>38,483</td>
<td>2,043</td>
<td>(11)</td>
<td>40,462</td>
</tr>
<tr>
<td>OPERATING MARGIN *(1)</td>
<td>36,666</td>
<td>1,938</td>
<td>(24)</td>
<td>38,501</td>
</tr>
<tr>
<td>OPERATING INCOME</td>
<td>36,666</td>
<td>1,938</td>
<td>(24)</td>
<td>38,501</td>
</tr>
<tr>
<td>FINANCIAL INCOME *(2)</td>
<td>36,666</td>
<td>1,938</td>
<td>(24)</td>
<td>38,501</td>
</tr>
<tr>
<td>SHARE IN NET INCOME (LOSS) OF ASSOCIATES</td>
<td>1,675</td>
<td>17</td>
<td>1,692</td>
<td></td>
</tr>
<tr>
<td>Pre-TAX INCOME</td>
<td>38,327</td>
<td>1,938</td>
<td>(24)</td>
<td>40,241</td>
</tr>
<tr>
<td>CURRENT AND DEFERRED TAXES</td>
<td>18</td>
<td>11</td>
<td>(17)</td>
<td></td>
</tr>
<tr>
<td>NET INCOME</td>
<td>2,738</td>
<td>1,725</td>
<td>(24)</td>
<td>2,738</td>
</tr>
</tbody>
</table>

*(1) Details of amortisation and depreciation are provided in the consolidated cash flow statements by operating segment.
*(2) Sales financing dividends are included in the Automobile segment’s financial income and eliminated as an intersegment transaction.

### Consolidated Financial Position by Operating Segment - December 31, 2009 (€ Million)

<table>
<thead>
<tr>
<th></th>
<th>Automobile</th>
<th>Sales Financing</th>
<th>Intersegment Transactions</th>
<th>Consolidated Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant and Equipment and Intangible Assets</td>
<td>15,863</td>
<td>240</td>
<td>(11)</td>
<td>16,102</td>
</tr>
<tr>
<td>Investments in Associates</td>
<td>12,058</td>
<td>26</td>
<td>-</td>
<td>12,084</td>
</tr>
<tr>
<td>NON-CURRENT FINANCIAL ASSETS - INVESTMENTS IN NON-CONTROLLED ENTITIES</td>
<td>2,392</td>
<td>-</td>
<td>(2,254)</td>
<td>138</td>
</tr>
<tr>
<td>NON-CURRENT FINANCIAL ASSETS - OTHER SECURITIES, LOANS AND DERIVATIVES ON FINANCING OPERATIONS OF THE AUTOMOBILE SEGMENT</td>
<td>888</td>
<td>-</td>
<td>-</td>
<td>888</td>
</tr>
<tr>
<td>DEFERRED TAX ASSETS AND OTHER NON-CURRENT ASSETS</td>
<td>553</td>
<td>145</td>
<td>60</td>
<td>753</td>
</tr>
<tr>
<td>TOTAL NON-CURRENT ASSETS</td>
<td>31,844</td>
<td>416</td>
<td>(2,260)</td>
<td>30,000</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>3,927</td>
<td>5</td>
<td>-</td>
<td>3,932</td>
</tr>
<tr>
<td>Customer receivables</td>
<td>1,179</td>
<td>18,660</td>
<td>(499)</td>
<td>19,340</td>
</tr>
<tr>
<td>Current financial assets</td>
<td>1,025</td>
<td>380</td>
<td>(618)</td>
<td>787</td>
</tr>
<tr>
<td>Other current assets and current tax assets</td>
<td>5,938</td>
<td>2,041</td>
<td>(1,742)</td>
<td>25,823</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>5,408</td>
<td>2,738</td>
<td>(123)</td>
<td>8,023</td>
</tr>
<tr>
<td>TOTAL CURRENT ASSETS</td>
<td>31,844</td>
<td>416</td>
<td>(2,260)</td>
<td>30,000</td>
</tr>
<tr>
<td><strong>ASSETS HELD FOR SALE</strong></td>
<td>65</td>
<td>-</td>
<td>-</td>
<td>65</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>31,844</td>
<td>416</td>
<td>(2,260)</td>
<td>30,000</td>
</tr>
</tbody>
</table>

**SHAREHOLDERS’ EQUITY AND LIABILITIES**

<table>
<thead>
<tr>
<th></th>
<th>Shareholders’ Equity</th>
<th>Non-Current Liabilities</th>
<th>Deferred Tax Liabilities and Long-Term Provisions</th>
<th>Non-CURRENT FINANCIAL LIABILITIES</th>
<th>Total Non-Current Liabilities</th>
<th>Total Current Liabilities</th>
<th>Assets Held for Sale</th>
<th>Total Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2009</strong></td>
<td>16,363</td>
<td>2,258</td>
<td>(2,150)</td>
<td>2,150</td>
<td>16,102</td>
<td>16,102</td>
<td>30,000</td>
<td>30,000</td>
</tr>
<tr>
<td><strong>2008</strong></td>
<td>10,811</td>
<td>2,041</td>
<td>(1,443)</td>
<td>-</td>
<td>11,254</td>
<td>11,254</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td><strong>2007</strong></td>
<td>10,281</td>
<td>1,725</td>
<td>(24)</td>
<td>-</td>
<td>10,501</td>
<td>10,501</td>
<td>20,000</td>
<td>20,000</td>
</tr>
</tbody>
</table>

*(1) Details of amortisation and depreciation are provided in the consolidated cash flow statements by operating segment.
*(2) Sales financing dividends are included in the Automobile segment’s financial income and eliminated as an intersegment transaction.
## CONSOLIDATED CASH FLOWS BY OPERATING SEGMENT (€ MILLION)

**2009**

<table>
<thead>
<tr>
<th>NET INCOME</th>
<th>AUTOMOBILE</th>
<th>SALES FINANCING</th>
<th>INTERSEGMENT TRANSACTIONS</th>
<th>CONSOLIDATED TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>(3,111)</td>
<td>337</td>
<td>(254)</td>
<td></td>
<td>(3,068)</td>
</tr>
<tr>
<td>CANCELLATION OF UNREALISED INCOME AND EXPENSES</td>
<td>2,124</td>
<td>30</td>
<td>(8)</td>
<td>2,146</td>
</tr>
<tr>
<td>AMORTISATION AND IMPAIRMENT</td>
<td>1,546</td>
<td></td>
<td>-</td>
<td>1,546</td>
</tr>
<tr>
<td>CHARGES INCURRED FROM ASOCIATES</td>
<td>81</td>
<td></td>
<td></td>
<td>81</td>
</tr>
<tr>
<td>OTHER UNREALISED INCOME AND EXPENSES</td>
<td>(189)</td>
<td>163</td>
<td>-</td>
<td>(25)</td>
</tr>
<tr>
<td>CASH FLOWS</td>
<td>(4,487)</td>
<td>543</td>
<td>(257)</td>
<td>1,715</td>
</tr>
<tr>
<td>INTERSEGMENT INCREASE IN SALES FINANCING RECEIVABLES</td>
<td>-</td>
<td>76</td>
<td>115</td>
<td>251</td>
</tr>
<tr>
<td>NET CHANGE IN SALES FINANCING RECEIVABLES AND CREDIT</td>
<td>1,366</td>
<td></td>
<td>11</td>
<td>1,377</td>
</tr>
<tr>
<td>CHANGE IN CAPITALISED LEASED VEHICLES</td>
<td>(346)</td>
<td>54</td>
<td>(1)</td>
<td>(396)</td>
</tr>
<tr>
<td>DECREASE IN WORKING CAPITAL</td>
<td>2,973</td>
<td></td>
<td>(18)</td>
<td>2,955</td>
</tr>
<tr>
<td>CASH FLOWS FROM OPERATING ACTIVITIES</td>
<td>4,142</td>
<td>2,911</td>
<td>(113)</td>
<td>6,040</td>
</tr>
<tr>
<td>PURCHASES OF INTANGIBLE ASSETS</td>
<td>870</td>
<td>(14)</td>
<td></td>
<td>(846)</td>
</tr>
<tr>
<td>PURCHASES OF PROPERTY, PLANT AND EQUIPMENT</td>
<td>(1,620)</td>
<td>(3)</td>
<td></td>
<td>(1,623)</td>
</tr>
<tr>
<td>ACQUISITION OF INVESTMENTS, NET OF DISPOSALS AND LOSS</td>
<td>236</td>
<td></td>
<td></td>
<td>236</td>
</tr>
<tr>
<td>NET DECREASE (INCREASE) IN OTHER SECURITIES AND LOANS OF THE ORGANISATION</td>
<td>81</td>
<td></td>
<td>(16)</td>
<td>65</td>
</tr>
<tr>
<td>CASH FLOWS FROM INVESTING ACTIVITIES</td>
<td>(2,059)</td>
<td>(11)</td>
<td>(16)</td>
<td>(2,094)</td>
</tr>
<tr>
<td>CASH FLOWS FROM FINANCING ACTIVITIES</td>
<td>1,422</td>
<td>(103)</td>
<td>142</td>
<td>1,562</td>
</tr>
<tr>
<td>INCREASE (DECREASE) IN CASH AND CASH EQUivalents</td>
<td>4,265</td>
<td>1,690</td>
<td>13</td>
<td>5,908</td>
</tr>
</tbody>
</table>

**2008**

<table>
<thead>
<tr>
<th>NET INCOME</th>
<th>AUTOMOBILE</th>
<th>SALES FINANCING</th>
<th>INTERSEGMENT TRANSACTIONS</th>
<th>CONSOLIDATED TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>556</td>
<td>325</td>
<td>(295)</td>
<td></td>
<td>599</td>
</tr>
<tr>
<td>CANCELLATION OF UNREALISED INCOME AND EXPENSES</td>
<td>2,892</td>
<td>67</td>
<td>(16)</td>
<td>2,943</td>
</tr>
<tr>
<td>AMORTISATION AND IMPAIRMENT</td>
<td>(431)</td>
<td>(8)</td>
<td></td>
<td>(439)</td>
</tr>
<tr>
<td>CHARGES INCURRED FROM ASOCIATES</td>
<td>888</td>
<td></td>
<td></td>
<td>888</td>
</tr>
<tr>
<td>OTHER UNREALISED INCOME AND EXPENSES</td>
<td>(644)</td>
<td>154</td>
<td>(6)</td>
<td>(653)</td>
</tr>
<tr>
<td>CASH FLOWS</td>
<td>3,061</td>
<td>140</td>
<td>(334)</td>
<td>3,257</td>
</tr>
<tr>
<td>INTERSEGMENT INCREASE IN SALES FINANCING RECEIVABLES</td>
<td>-</td>
<td>1,745</td>
<td>(41)</td>
<td>1,294</td>
</tr>
<tr>
<td>NET CHANGE IN SALES FINANCING RECEIVABLES AND CREDIT</td>
<td>(2,150)</td>
<td></td>
<td>(86)</td>
<td>(2,236)</td>
</tr>
<tr>
<td>CHANGE IN CAPITALISED LEASED VEHICLES</td>
<td>(153)</td>
<td>(104)</td>
<td></td>
<td>(257)</td>
</tr>
<tr>
<td>DECREASE IN WORKING CAPITAL</td>
<td>2,103</td>
<td></td>
<td>(13)</td>
<td>2,090</td>
</tr>
<tr>
<td>CASH FLOWS FROM OPERATING ACTIVITIES</td>
<td>(2,604)</td>
<td>(11)</td>
<td>(16)</td>
<td>(2,631)</td>
</tr>
<tr>
<td>PURCHASES OF INTANGIBLE ASSETS</td>
<td>1,775</td>
<td>(1)</td>
<td></td>
<td>(1,774)</td>
</tr>
<tr>
<td>PURCHASES OF PROPERTY, PLANT AND EQUIPMENT</td>
<td>(2,309)</td>
<td>(6)</td>
<td></td>
<td>(2,315)</td>
</tr>
<tr>
<td>ACQUISITION OF INVESTMENTS, NET OF DISPOSALS AND LOSS</td>
<td>1,295</td>
<td></td>
<td></td>
<td>1,295</td>
</tr>
<tr>
<td>NET DECREASE (INCREASE) IN OTHER SECURITIES AND LOANS OF THE ORGANISATION</td>
<td>97</td>
<td></td>
<td>(18)</td>
<td>79</td>
</tr>
<tr>
<td>CASH FLOWS FROM INVESTING ACTIVITIES</td>
<td>(3,092)</td>
<td>(11)</td>
<td>(18)</td>
<td>(3,221)</td>
</tr>
<tr>
<td>CASH FLOWS FROM FINANCING ACTIVITIES</td>
<td>5,122</td>
<td>(103)</td>
<td>142</td>
<td>5,162</td>
</tr>
<tr>
<td>INCREASE (DECREASE) IN CASH AND CASH EQUivalents</td>
<td>4,265</td>
<td>1,690</td>
<td>13</td>
<td>5,908</td>
</tr>
</tbody>
</table>

(1) The change in capitalised leased vehicles has been reclassified from cash flows from investing activities to cash flows from operating activities in application of changes introduced in the annual improvements to IFRS.