

2 0 0 0 A N N U A L R E P O R T

S U M M A R Y



RENAULT



THE RENAULT

GROUP

In 2000, the Renault group sold over 2.3 million vehicles, posted revenues of €40,175 million and doubled its profit compared with 1999. Renault continued its strategy of profitable growth based on innovation, competitiveness and international expansion. It is the leading brand in Europe and, through its Alliance with Nissan, now ranks among the top six global players in the automobile industry. Renault has moved to focus on its core automobile business, acquiring two new brands, Samsung and Dacia. At the same time, it is maintaining an active presence in the truck sector through a strategic agreement with Volvo which gave birth to the world's second largest truck manufacturer.

CONTENTS



In just two years, our Alliance with Nissan has made rapid progress and achieved concrete results.



Renault is enhancing its product line at the top of the range. Laguna II, pictured here in a hatchback version, was the first model unveiled in our move up-market.



Still the leading brand in Western Europe, Renault saw its sales jump by 22.7% on foreign markets in 2000.

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The third biggest selling model in Europe, Clio is still winning over a young and up-and-coming customer base, particularly in Spain, where Renault was once again market leader with a share of 12.7%. Clio is pictured here against the backdrop of the Coca Castle in Spain.

HIGHLIGHTS

AND KEY FIGURES

In 2000, Renault doubled net income to €1,080 million (FRF7.1 billion). It was ranked the leading automobile brand in Western Europe for the third year running, with a market share – passenger cars and light commercial vehicles combined – of 11%, while sales were up 22.7% outside Western Europe. Renault fuelled future growth by increasing research and development efforts and pursuing international development opportunities, notably in Brazil, Mexico, Korea and Romania.

The global automobile market hit a new record of nearly 56 million units in 2000. The market was down slightly in Western Europe, with a drop of 1.3%, but remained buoyant.

Global and European automobile markets (in millions of units)					
Passenger cars and LCVs					
	1996	1997	1998	1999	2000
Western Europe	14.2	14.9	16.0	16.9	16.7
Global market	50.7	52.5	52.5	53.9	55.8

Renault's worldwide sales stabilized at the record set in 1999. In 2000, Renault also sold over 50,000 vehicles under the Dacia brand in Romania and 12,500 Samsung-badged vehicles in Korea.

Worldwide sales (in units)					
	1996	1997	1998	1999	2000
Commercial vehicles ¹	60,133	67,335	76,399	82,453	86,345
Light commercial vehicles	214,764	209,846	263,970	301,203	322,994
Passenger cars	1,562,646	1,628,236	1,866,035	1,987,455	1,966,417
TOTAL	1,837,543	1,905,417	2,206,404	2,371,111	2,375,756

¹ The coach and bus business was transferred to Irisbus, with effect from January 1, 1999. Sales from 1998 to 2000 no longer include these vehicles.

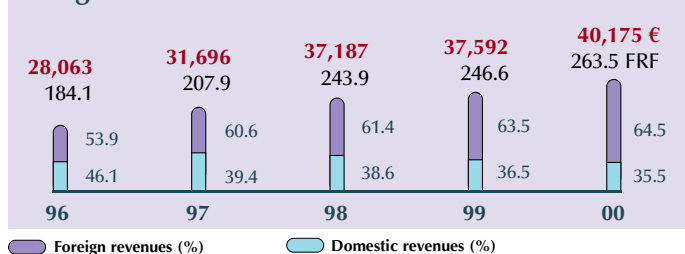
In Western Europe, Renault was the leading brand in the passenger car and LCV segments combined. The Renault-Nissan Alliance had a global market share of over 8.9% — 4.2% for Renault (including Dacia and Samsung vehicles) and 4.7% for Nissan — and was ranked among the top six automakers worldwide.

Renault's market share in Europe, the United States and worldwide (as a %)

	1996	1997	1998	1999	2000
EUROPE					
Passenger cars	10.1	9.9	10.7	11.0	10.6
LCVs	13.4	11.5	13.0	13.9	14.1
Passenger cars and LCVs	10.4	10.1	11.0	11.3	11.0
Trucks over 16 tons	11.8	11.7	12.1	12.1	12.4
UNITED STATES					
Class 8 trucks (retail sales)	12.1	12.5	12.8	13.1	13.3
WORLDWIDE					
Passenger cars and LCVs	3.5	3.5	4.1	4.2	4.1

Revenues (€ million and FRF billion)

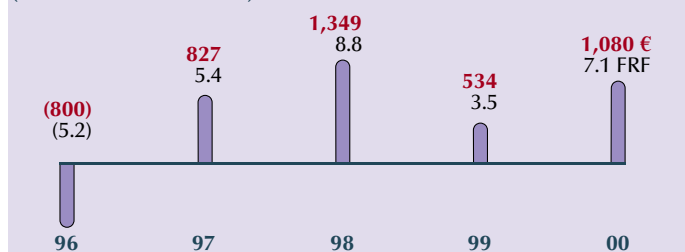
Foreign revenues and domestic revenues (as a %)



Continuing its efforts to expand outside France, Renault generated nearly 65% of total revenues in foreign markets in 2000, compared with 63.5% in 1999.

Net income

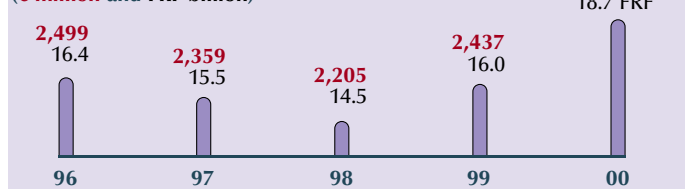
(€ million and FRF billion)



Renault doubled net income to €1,080 million (FRF7.1 billion) in 2000, with a return on equity of 12.6%.

Capital expenditures in property, plant and equipment and intangible assets

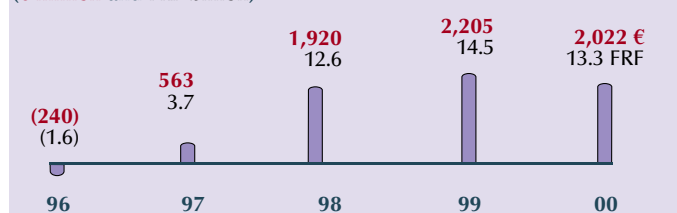
(€ million and FRF billion)



To pursue its policy of regular product renewal, Renault further increased capital expenditures in property, plant and equipment and intangibles to 7.1% of revenues in 2000, compared with 6.5% in 1999.

Operating margin¹

(€ million and FRF billion)

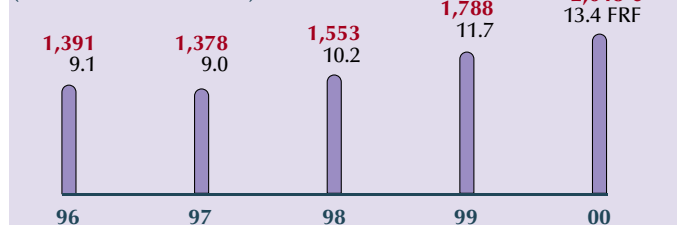


¹ Operating margin has been adopted by Renault as a performance indicator. It measures income generated directly by operations, before exceptional and extraordinary items.

In 2000, Renault generated operating margin equivalent to 5% of revenues, in line with targets set at the beginning of the year.

Research & Development expenses

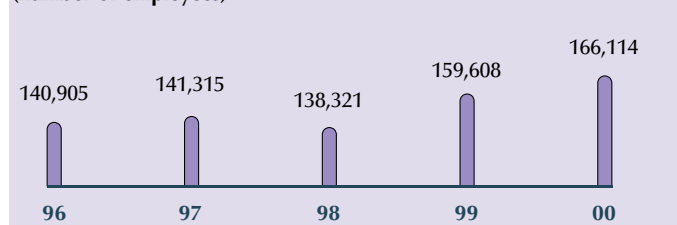
(€ million and FRF billion)



The group stepped up its research and development efforts in 2000. The increase in R&D spending (€260 million, or FRF1.7 billion) helped prepare for product launches, develop new engines and expand internationally, thereby laying the foundations for the group's future growth.

Workforce

(number of employees)



In 2000, Renault's workforce totaled 166,114 employees worldwide. The increase in staff numbers in 2000 — up by 6,506 people — was chiefly due to the integration of Renault Samsung Motors employees and the recruitment of over 6,000 people throughout the group.



FROM

*Technocentre –
the wave-form glass roof of the Hive
Architects: Valode and Pistre*

*In 2000, we continued to expand
and consolidated our position
on world automobile markets
with a number of strategic operations.
Our net income doubled
from the previous year.
Over the past two years,
Nissan and Renault have achieved
significant progress, building on our shared
commitment to establish a bi-national group
dedicated to profitable growth
for both partners.*

THE

CHAIRMAN

In 2000, we continued to expand and consolidated our position on world automobile markets with a number of strategic operations.

Our net income doubled from the previous year. Over the past two years, Nissan and Renault have achieved significant progress, building on our shared commitment to establish a bi-national group dedicated to profitable growth for both partners.

The platform for small cars carrying our two brands will go into production in 2002 with the replacement for the Nissan Micra, while a second platform will be used for the Mégane replacement at the end of the same year. These platforms will account for more than 50% of the Alliance's total output.

We have also begun work on our first common engine, a small diesel, as well as on the development of medium-size engines. At the same time, we have adopted a framework for cooperation in research into alternative sources of energy and emission control. Joint initiatives in industrial and commercial spheres are now taking shape in Mexico, Europe, the Mercosur countries, Asia and Australia. These moves, together with a quicker than expected return to profit at Nissan, demonstrate the Alliance's sound basis and the pertinence of its strategy.

During 2000, we also pursued our own international expansion with the acquisition of a new brand, Samsung, which follows that of Dacia in 1999. Samsung gives us a foothold in the Korean market, Asia's second largest. Continued development in Brazil and the success — particularly in Turkey — of the three-box version of the Clio, our first car designed for world markets, brought a steep rise in unit sales outside Western Europe.

Finally, a major highlight of the year was the agreement with AB Volvo for the linking of our truck businesses. The move creates the world's second largest group in the sector, with Renault its largest single shareholder, and provides a promising framework for the future growth of Renault V.I.

Our strategy has benefited shareholders, since Renault's share price rose 16% in 2000. These results reward the efforts of all the men and women at Renault, and I would like to thank them for their contribution. Renault's new scope calls for additional skills and in the year ahead we will thus be continuing the training and recruitment drives of 2000, especially for sites outside Europe.

Following the sweeping strategic changes of 1999 and 2000, we will be focusing this year on making the most of our growth potential, pursuing efforts to achieve constant improvements in quality, costs and delivery times. At the same time, we will be expanding sales, particularly on markets outside Western Europe.



Louis Schweitzer, Renault Chairman and Chief Executive Officer

The renewal of our ranges that began with the roll-out of Laguna II will continue with Avantage, the restyled Clio II, the four-wheel drive version of Kangoo and the new Trafic van. Engine offerings will also be expanded, with special attention to diesels.

Today, expansion naturally calls for new investments and entails additional costs, but it also means higher sales with margins on the rise. Profitability hinges on our capacity to build global recognition for our brand, in turn built on product quality and creative flair. In this regard, our return to Formula 1 racing under our own colors in 2002 will help to consolidate our image and, by the same token, contribute to our future development.

We expect that the deployment of this strategy of profitable growth will mean a further rise in profit in 2001.

A handwritten signature in black ink that reads "Louis Schweitzer".

BOARD OF DIRECTORS

on December 31, 2000

Louis Schweitzer

Chairman of the Board

Pierre Alanche

BNP Paribas

Represented by Michel Pébereau

Jean-Marie Bousset

Jean-Pierre Camescasse

François de Combret

Yoshikazu Hanawa

Nicolas Jachiet

Jean-Luc Lagardère

Bernard Larrouturou

Henri Martre

Jean-Claude Paye

Danièle Potvin

Franck Riboud*

Jeanne Seyvet

Robert Studer

Raymond H. Lévy

Honorary President

* Replacing Antoine Riboud

Renault management team

RENAULT

MANAGEMENT TEAM

MANAGEMENT COMMITTEE AND GROUP EXECUTIVE COMMITTEE

on December 31, 2000

Louis Schweitzer *

Chairman and Chief Executive Officer

Patrick Blain

Senior Vice President, Market Area Europe

Marie-Christine Caubet

Senior Vice President, Market Area France

Jean-Pierre Corniou

*Senior Vice President, Organization
and Information Systems*

Rémi Deconinck

Senior Vice President, Product Planning

Pierre-Alain De Smedt *

*Executive Vice President, Technology, Engineering,
Manufacturing and Purchasing*

Gérard Detourbet

Senior Vice President, Powertrain

Thierry Dombrevail

Senior Vice President, Strategy and Marketing

Christian Dor

Senior Vice President, Chief Financial Officer

Georges Douin *

*Executive Vice President, Product & Strategic Planning
and International Operations*

Alain Dubois-Dumée

Senior Vice President, Corporate Communications

Jean-Baptiste Duzan

Senior Vice President, Purchasing

Michel Faivre-Duboz

Senior Vice President, Vehicle Development Engineering

Patrick Faure *

Executive Vice President, Chairman of Renault Sport

Philippe Gamba

*Chairman and Chief Executive Officer
of Renault Crédit International*

Manuel Gomez

Senior Vice President, International Operations

Michel Gornet

Senior Vice President, Manufacturing

François Hinfray *

Executive Vice President, Sales and Marketing

Jacques Lacambre

*Senior Vice President, Advanced Vehicle
Engineering and Research*

Patrick le Quément

Senior Vice President, Corporate Design

Shemaya Lévy *

Executive Vice President

Philippe Mellier

*Chief Executive Officer,
Renault V.I.'s European Branch*

Luc-Alexandre Ménard

Senior Vice President, Mercosur

Pierre Poupel

Senior Vice President, Quality

Alain-Pierre Raynaud

Senior Vice President, Corporate Controller

Tsutomo Sawada

Senior Vice President, Adviser to the Chairman

Francis Stahl

Senior Vice President, Light Commercial Vehicles

Michel de Virville *

*Corporate Secretary General,
Group Human Resources*

* Members of the Group Executive Committee
chaired by Louis Schweitzer.

Louis Schweitzer

Chairman and Chief Executive Officer - 58 years old

Ecole Nationale d'Administration. Inspector of Finance. Joined Renault in 1986. Became Chief Financial Officer and Head of Strategic Planning in 1988, then Executive Vice President in 1989. Appointed President and Chief Operating Officer in December 1990. Chairman and C.E.O. since May 1992.



Pierre-Alain De Smedt

Executive Vice President - 56 years old

A graduate in economics from the University of Brussels, he began his career in Belgium, notably with Volkswagen and Tractebel. He returned to Volkswagen in 1990 and was appointed Chairman of Autolatina, VAG and Ford's joint subsidiary in Latin America. In 1994, he became Chairman of Volkswagen Brazil and Argentina, before being named Chairman of SEAT at the end of 1996. Appointed Executive Vice President of Renault in 1999, he took over the responsibilities of his predecessor Carlos Ghosn. Reporting to him are Advanced Engineering and Research, Vehicle Development Engineering, Passenger Car Projects, Powertrain, Purchasing, Manufacturing, and the Mercosur Division.



Georges Douin

Executive Vice President - 55 years old

Ecole Polytechnique. Joined Renault in 1967 as a quality engineer in the R&D Department. Became Head of Engineering in 1988, then Vice President, Technology, in 1989 before being appointed Senior Vice President, Product and Strategic Planning and Projects in 1992. Senior Vice President, Product and Strategic Planning and International Operations since July 1997. Appointed Executive Vice President in 1998.



Patrick Faure

Executive Vice President,
Chairman of Renault Sport - 54 years old

Ecole Nationale d'Administration. Joined Renault in 1979 as Sales Branch Manager. Managing Director of Renault Austria (1981) and Renault U.K. (1982), he was appointed Chairman of Renault Sport in 1986, a position he still holds. Became Secretary General of the Renault group in 1988, then Executive Vice President, Head of Sales and Marketing in 1991. In October 1998, he was appointed Chairman and C.E.O. of Renault V.I., then Renault V.I./Mack. He left that position following the agreement with Volvo in July 2000 and was appointed Executive Vice President of the Renault group.



François Hinfray

Executive Vice President - 46 years old

Ecole Nationale d'Administration. Joined Renault in 1989 as Director in charge of European Affairs, before becoming Assistant to the Chairman in 1990. He was appointed Director of the Rouen Branch Office in 1991, Regional Director based in Dijon in 1992, then Managing Director of Deutsche Renault in 1993. In June 1997, he became Senior Vice President, Market Area France, before becoming Executive Vice President, Head of Sales and Marketing in October 1998. He is also responsible for the Light Commercial Vehicles Division.



Shemaya Lévy

Executive Vice President - 53 years old

National School for Statistics and Business Administration (ENSAE). Joined Renault in 1972. Appointed Director of International Operations, America-Asia Area, for Renault V.I. in 1978, Marketing and Sales Director for North America in 1980, then Vice President, Marketing and Sales in 1987 and Chairman and C.E.O. of Renault V.I. in 1994. Became Renault Executive Vice President in October 1998, reported to by the Financial Departments, Corporate Controller, General Auditor, Capital Expenditure Controller and Vice President, Information Systems and Technologies.



Michel de Virville

Corporate Secretary General, Renault Group Human Resources - 55 years old

PhD in mathematics. Research engineer at the CNRS (National Center for Scientific Research). Ministry of Labor (1986). Adviser at the Auditor-General's Department. Joined Renault in 1993. Became responsible for the Human Resources Department in 1996, and was appointed Corporate Secretary General in 1998, with responsibility for the group's Human Resources.



The three-box sedan version of Clio, our first vehicle with a truly global dimension, is built in Brazil and Turkey, and will be built shortly in Russia.

RESULTS

IN LINE WITH FORECASTS

As projected, Renault generated operating margin of €2,022 million (FRF13.3 billion) for 2000. Nissan, staging a rapid turnaround, made a positive contribution to this result. All told, Renault doubled its net income.

Further rises in sales

Sales revenues for 2000 were up 5.6% on a consistent basis to stand at €40,175 million (FRF263.5 billion). Main developments by division are outlined below.

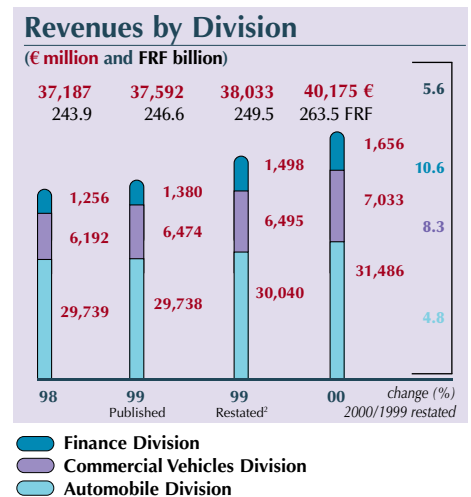
- A total of 2.3 million **vehicles** sold under the Renault brand equaled the record of the previous year. It was also the most successful brand in Western Europe for the third year running, although sales were down 3.9% on a market which contracted 1.3%.

Sales to other parts of the world, in contrast, were up a steep 22.7%, with good performances in Brazil and Turkey providing

much of the momentum.

- In **trucks**, Renault V.I. increased its share of the European market, where strong demand drove sales to a record high. In the US, Mack withstood a downturn in the market better than other manufacturers and raised its share of business to 13.3%.

- Finally, in **sales financing**, the average of outstanding amounts earning interest rose 9.5%¹.



¹ After adjustment to neutralize the impact of the consolidation in 1999 of Nissan's European financing subsidiaries.

² On a consistent basis.

Operating margin 5% of revenues as predicted

Operating margin for 2000 was equal to 5% of revenues at €2,022 million (FRF13.3 billion). This compares with 5.9% in 1999.

Contributions of individual divisions were as follows:

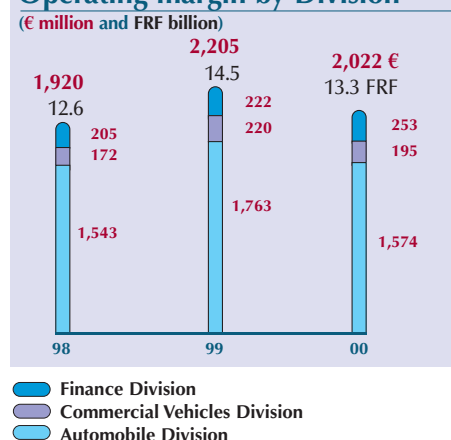
- **Automobile** sales contributed €1,574 million (FRF10.3 billion), a figure reflecting steep rises in R & D spending as well as charges for international expansion to lay the foundations for the group's future. At the same time, Renault successfully completed its first cost-cutting plan, generating savings

of FRF20 billion over the three years from 1998 to 2000.

- **Commercial vehicles** contributed €195 million (FRF1.3 billion), representing a decline of 11.4% from the previous year as rises in Renault V.I. sales and the dollar failed to offset deteriorating sales prices.

- The **Finance Division** contributed €253 million (€1.7 billion), 14% more than in the previous year.

Operating margin by Division



Net income doubled

Pre-tax operating income for 2000 was the highest in Renault's history, and net income doubled to €1,080 million (FRF7.1 billion). In addition to the level of operating margin, this mainly reflected:

- other operating income and expense representing a net charge of €402 million (FRF2.6 billion), a significantly lower figure than that for the previous year when an exceptional charge of €584 million (FRF3.8 billion) was booked for early retirement of older employees.
- the recovery of Nissan Motor, which made its first positive contribution, with a profit of €56 million (FRF400 million) compared with a charge of €330 million (FRF2.2 billion) in 1999.

Summarized statements of income (€ million and FRF billion)

	1998		1999		2000	
	€	FRF	€	FRF	€	FRF
Revenues	37,187	243.9	37,592	246.6	40,175	263.5
Operating margin	1,920	12.6	2,205	14.5	2,022	13.3
Other operating income and expenses	(268)	(1.8)	(721)	(4.7)	(319)	(2.1)
Operating income	1,652	10.8	1,484	9.7	1,703	11.2
Financial income (expense)	60	0.4	32	0.2	(69)	(0.5)
Share in Nissan net income (loss)	-	-	(330)	(2.2)	56	0.4
Pre-tax income	1,699	11.1	1,160	7.6	1,723	11.3
Tax	(362)	(2.4)	(620)	(4.1)	(649)	(4.3)
Renault net income	1,349	8.8	534	3.5	1,080	7.1

Strategic transactions and investment for the future

Cash flow from operations came to €3,412 million (FRF22.4 billion), exceeding total investments in property, plant & equipment and intangible assets which amounted to €2,381 million (FRF15.6 billion) net of disposals, equivalent to 5.9% of revenues.

- Following its 1999 acquisition of an equity interest in Nissan Motor, Renault made a number of new strategic transactions in 2000. These included the acquisition on the open market of 4.84% of AB Volvo equity following the tie-up with the Swedish company, and that of 100% of Benetton Formula Ltd. This is the main explanation for the scale of securities investments totaling €811 million (FRF5.3 billion).
- Investments, combined with a rise in working capital requirement as business took

Statement of cash flows and financial structure (€ million and FRF billion)

	1998		1999		2000	
	€	FRF	€	FRF	€	FRF
Cash flow from operations	3,098	20.3	3,314	21.7	3,412	22.4
Capital expenditures in plant, property and equipment and intangible assets (net of disposals)	1,808	11.9	2,033	13.3	2,381	15.6
Acquisition of securities ¹	67	0.4	5,063	33.2	811	5.3
Net financial debt ² (industrial and commercial activities)	(1,612)	(10.6)	2,700	17.7	4,793	31.4
Shareholders' equity	7,861	51.6	8,185	53.7	9,652	63.3

¹ In 1999, acquisition of Nissan securities for €4,917 million (FRF32.3 billion).

² In 1999, Renault redeemable shares previously considered as near-equity were recorded as debt. Year 1998 has been restated accordingly.

a less favorable turn at the end of the year, and consolidation of Renault Samsung Motors of Korea explain a rise in net financial debt of industrial and commercial businesses to €4,793 million (FRF31.4 billion).

- Shareholders' equity including profit for the 2000 financial year amounted to €9,652 million (FRF63.3 billion).

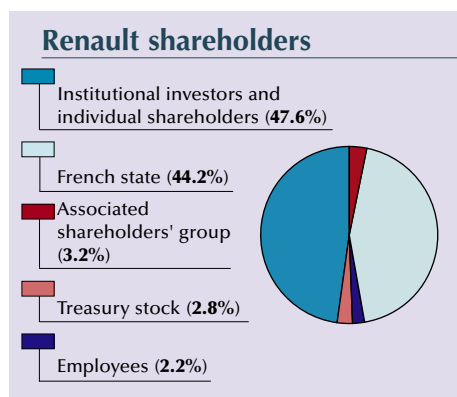
STOCKMARKET

PERFORMANCE AND SHAREHOLDERS

Renault shares closed the year at €55.50, showing a rise of 16% over 12 months. This compares favorably with a decline of 0.5% in the Paris market's benchmark CAC 40 index, a meager 1.7% rise in French automobile stocks and a fall of 17.6% in the European automobile sector as a whole. Close relationships with shareholders are a strategic priority for Renault.

Share ownership

At December 31, 2000, ownership of Renault equity was as follows:



- According to a study conducted by France's central securities depository Sicovam on June 30, 2000, some 300,000 individual shareholders held 8.4% of Renault equity. This figure does not include employees and former Renault employees whose shares are administered through a fund or are registered directly with Renault. Institutional investors held 39%, with residents and non-residents accounting for roughly equal proportions. The ten largest shareholders held 10.2% of equity.

- On January 1, 2001, Renault converted capital stock into euros. It was set at €913,632,540.27 represented by 239,798,567 shares with a nominal value of €3.81 each.

Dividend payment in 2001

The Board of Directors will ask the Annual General Meeting on May 10, 2001 to approve the distribution of a dividend of FRF6 (€0.91) per share entitling individual shareholders to a tax credit of FRF3 (€0.46) per share. It is proposed that this should be made payable from June 5, 2001.

Share performance

Renault share prices varied significantly in the course of 2000. At the beginning of the year, they suffered from a profit warning issued by Nissan on February 2, as well as the announcement of forecasts below market expectations.

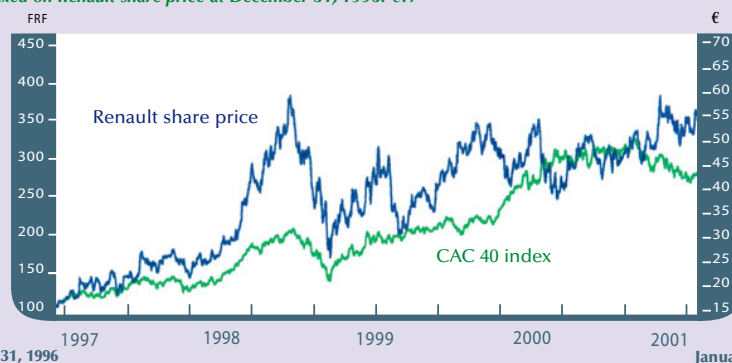
The announcement of plans for a tie-up with Volvo in trucks and first signs of an upturn at

Nissan made for a firmer showing in the second quarter.

During the second half, conditions were generally unfavorable for automobile stocks, with oil prices on the rise and economies beginning to show signs of slackening. However, Renault shares did better than the sector as a whole. In October, they picked up sharply in response to the announcement of better than expected half-year results for Nissan, as well as Renault's continuing efforts to enhance profitability, illustrated by its announcement of a new drive to cut costs plus a steady flow of new models. Renault shares reached their peak for the year at €61 on November 1, then eased to close the year at €55.50. Over the 12 months, the price thus rose 16%, compared with an 0.5% decline in the Paris market's benchmark CAC 40 index.

Renault share performance from December 31, 1996 to January 31, 2001

CAC 40 indexed on Renault share price at December 31, 1996: €17





Some 1.35 million units of Scenic have been produced since its launch in October 1996. The model has continued to notch up successes on our new markets.

Keeping shareholders in the picture

Renault aims for full transparency, based on timely, clearly stated presentation of information to its shareholders.

To this end, it has had its own Shareholders' Club since May 1995. Members receive a quarterly newsletter, as well as special reports on strategic developments and an abridged version of the annual report. Similarly, the renault.com website now includes a financial section and displays content of presentations to financial analysts, thereby helping to ensure equal access of all shareholders to information. The Shareholders' Advisory Committee, counting 12 members, helps Renault to provide individual shareholders with clearly presented information in keeping with their expectations.

The Committee met twice in 2000, once in a full session attended by Renault Chairman Louis Schweitzer, and once for a working session. Subjects considered included drafting of the announcement of 1999 financial results, improvements to the

shareholders' newsletter and proposals for the activities of the Shareholders' Club. As provided in the Committee's rules, membership was partly renewed in January 2001. In May, Renault Chairman Louis Schweitzer explained Renault's strategy to shareholders at a meeting organized in Bordeaux by Paris Europlace, an association that promotes Paris as a financial center. Finally, Renault was present at the shareholders' trade fair held in Paris in November, which offered new opportunities for personal contact with individual shareholders. Renault also takes an active approach to communications, targeting opinion-makers who have a significant influence on stock-market investments and who are thus important relays for information to shareholders. In 2000, Renault thus organized ten meetings in cities and towns around France and one in the capital during the Paris Auto Show.

From February 1998 to June 2000, the proportion of Renault equity held by individual shareholders rose by over 40% and the number of individual shareholders by nearly 5%.

Key figures for 2000

	1998		1999		2000	
Number of shares at December 31	239,798,567		239,798,567		239,798,567	
FINANCIAL DATA	€	FRF	€	FRF	€	FRF
Net income per share	5.64	36.98	2.23	14.62	4.50	29.53
Equity per share	32.86	215.51	34.13	223.89	40.25	264.03
Net dividend per share	0.76225	5.00	0.76225	5.00	0.91 ¹	6.00 ¹
STOCKMARKET DATA²	€	FRF	€	FRF	€	FRF
Closing price on December 31	38.26	251.00	47.86	313.94	55.50	364.06
Market capitalization on December 31 (bns)	9.2	60.2	11.5	75.3	13.3	87.3
High for the year	60.96	399.90	55.00	360.78	61.00	400.13
Low for the year	25.61	168.00	30.53	200.26	37.53	246.18

¹ As proposed by the Board of Directors to the Annual General Meeting of Shareholders on May 10, 2001

² In FRF and €, with the exception of market capitalization, stated in billions of FRF and €.

Shareholder information

• Renault - Financial information

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RENAULT-NISSAN

ALLIANCE GATHERS MOMENTUM

The unique Alliance we forged with Nissan in 1999 has yielded significant benefits in its first two years. Rapid progress in our common strategy for profitable growth has drawn on a wide range of initiatives in production, sales and finance, as well joint development projects. The pace of Nissan's recovery augurs well for continued success.



On January 6, 2001, Scénic started to roll off the production lines of Nissan's Cuernavaca plant in Mexico, showing the way for industrial cooperation within the scope of the Alliance.

Swift progress on shared components

A central pillar of the Renault-Nissan Alliance is our jointly planned program for the convergence of platforms and powertrains, a process which is going ahead on schedule. The first common platform, designed for smaller vehicles under the two brands, will be used for the replacement of the Nissan Micra in 2002. A second platform announced in February 2001 will be dedicated to lower mid-range vehicles, with the first to come out under the Renault name as early as 2002. We will be able to produce twice as many units from these common platforms as we could working on our own, and they will account for over 50% of the Alliance's total output.

Plans call for a total of ten platforms to be set up between now and 2010. This will not only generate savings, but also lead to greater speed and overall progress, making the vehicles even more competitive while retaining their distinct identities despite the use of common components.

At the same time, an initial project for the joint development of a small diesel engine is already under way and work on medium-size engines is to begin in 2001.

In research, we are sharing the burdens of resource-intensive projects. Areas covered include, among others, hybrid drive units, fuel cells and radical emission reduction.

Exchanging products and components

A Nissan 3.5-liter V6 engine will power Renault's Vel Satis, which is to replace Safrane. In addition, a long-term agreement between Renault, Nissan Motor and Nissan Diesel calls for annual deliveries of 30,000 common-rail direct-injection diesel engines to equip light commercial vehicles for Renault and Renault V.I.. Nissan, for its part, will have the benefit of Renault's range of light commercial vehicles, the only area where the Alliance will involve cross-badging.



Their job is to position new Nissan products on the European market. They work in English at Renault's Aubevoye road proving site in France.

R.C.I.

Renault Cr dit International, a subsidiary with an important role in international expansion, will finance sales of both Renault and Nissan vehicles in Mexico, thus further expanding its range of services. Looking ahead, we aim to sell 80,000 vehicles a year in Mexico, winning a market share of 6 to 8%, while at the same time using this new base to reinforce Renault's presence in Central America, the Caribbean and Latin America generally.



Members of the Product Planning CCT at a meeting in Tokyo.

The Renault-Nissan Alliance is built on CCTs (cross-company teams) and FTTs (functional task teams), each with around ten members — half Renault and half Nissan. Units meet up at least once a month. Their brief: identify opportunities to enhance cooperation and draft proposals for submission to the Global Alliance Committee. At its monthly meeting, the GAC approves or modifies proposals, lending added strategic impetus to the Alliance.

Breakthrough in Mexico

Nissan has two factories and 20% of the market in Mexico, offering a sound base for our return after our withdrawal 15 years ago. This will enable us to limit investment costs to a reasonable \$400 million over seven years to make the most of an attractive product line-up — initially Clio and Scénic — which supplements the Nissan range, while at the same time optimizing capacity utilization. The first Scénics rolled out of the Cuernavaca site in early 2001, with Renault Mexico handling distribution and sales since the end of January. Clio assembly is to start up at Aguascalientes, Nissan's other Mexican site, at the end of the year.

Rapid gains on other world markets

In return, Renault's significant industrial and commercial presence in Mercosur countries offers Nissan new opportunities to develop a long-term strategy in a region where it has hitherto been little represented. Our partner thus plans to invest \$300 million between now and 2005 to raise sales from 4,000 units a year to 150,000 by 2010, with five models made locally. The first of these will be the new Frontier pickup, which will be assembled alongside the Renault Master at our new light commercial vehicle site at Curitiba in Brazil as of 2001. Nissan vehicles will be sold through a newly established subsidiary and distributed through the Renault network, which has already been providing this service in Brazil and Uruguay since the end of 2000.

Cooperation is also being extended to all other parts of the world where one or the other of the two partners is present. With the support of Nissan, Renault is thus returning to or moving into markets in Peru, Australia and in Taiwan, while Nissan will benefit from our backing to raise sales in Morocco, and, in time, North Africa generally.

"Integration of Nissan's European financing subsidiaries has been fast and effective, taking less than one year, and gave rise to no misunderstandings on either side. Things have been all the easier in that the people at Nissan are real professionals — experts who speak the same language as we do and know exactly what is at stake. This integration is, of course, only natural particularly in countries where Nissan and Renault are targeting the market together."

Alain Breuils

International Director of R.C.I.

Revamping European sales

On European markets, the Alliance aims to win a combined 17% share of automobile and light commercial vehicle sales. To this end, the partners are building a shared sales and marketing organization to span Europe as a whole, allowing Nissan to broaden its presence and providing an effective lever to make the most of our joint potential. Generating substantial market gains and savings, this organization is also designed to help us anticipate developments in European vehicle distribution and win an added competitive edge. Yet while administrative and other back-office support is shared, sales and after-sales services in direct contact with customers are to remain separate to preserve distinct brand identities.

Consolidating overall cohesion of this joint offensive on European markets, in 2000 Renault Crédit International continued integration of Nissan's European financing subsidiaries, setting up unified structures to finance both Renault and Nissan in Italy, Spain, Germany and the Netherlands. During the year, R.C.I. also took over financing of the Nissan network and sales in France, extending this to Switzerland in January 2001.

International Advisory Board

The International Advisory Board, provided for in the agreement of March 27, 1999, is now up and running. A forum for the exchange of ideas, views, opinions and knowledge, this consultative body helps shape an effective global strategy for the Alliance. The Board held its first meeting on April 20, 2000 and now meets at least twice a year. It is jointly chaired by Louis Schweitzer and Yoshikazu Hanawa, who chose the other ten distinguished international figures making up its membership.

"I was surprised at the extent of Renault's commitment to the Alliance. The difference in corporate cultures between Nissan and Renault means that we see other ways of doing things and are confronted with different opinions. So, we have to think about our own convictions and that is most enriching. We must adapt and quickly find structures and procedures so as to develop synergies. We have common interests and must not lose sight of them."

Wim Iterbeke

Engineer from Nissan's European Technical Center in Louvain-la-Neuve, Belgium, now at the Product Synthesis unit in Aubevoye, France





The Patrol GR

The flagship of Nissan's 4WD range, the Patrol GR combines robustness with driving pleasure. The Nissan Patrol will celebrate its fiftieth anniversary this year.

Nissan bounces back

The Nissan Revival Plan launched in autumn 1999 is fundamental to the Alliance, which can only succeed once Nissan operations are back on sound structural and financial bases. Progress in this direction has been rapid, as half-year results announced in November 2000 demonstrate. With consolidated net profit for the six months from April 1 to September 30 reaching \$1.24 billion and operating margin for the period at 4.5%, Nissan is set to record its best performance in ten years. At the same time, the capital contributed by Renault in exchange for its equity interest and selected asset sales have significantly improved its balance sheet. Continuing commitment to wide-ranging cost reduction combined with investment in new products and production facilities will make for further gains, as will Nissan's new brand identity. Which augurs well for our partner's future and, by the same token, for the success of our Alliance.

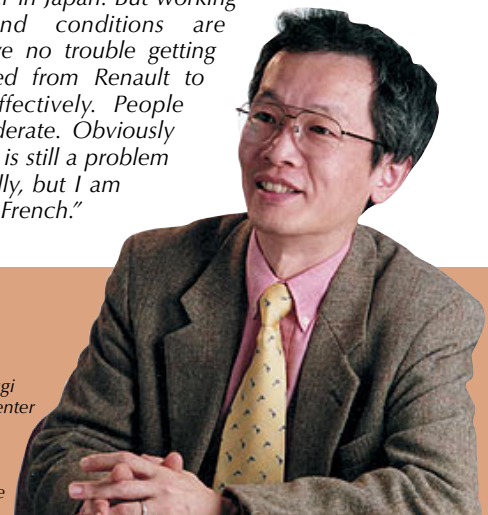
Renault reaps the benefits

The profit generated by Nissan contributed €453 million to Renault's own earnings in the second half of 2000. The full-year contribution comes to €56 million.

"The first difference I noticed was in working hours. People at Aubevoye do not work as late as they do at the Nissan Technical Center in Japan. But working procedures and conditions are excellent. I have no trouble getting the help I need from Renault to do my job effectively. People are very considerate. Obviously communicating is still a problem for me personally, but I am working on my French."

Satushi Osagawara

Nissan engineer, formerly at the Atsugi Nissan Technical Center near Tokyo, now at the Product Synthesis unit in Aubevoye, France





A Renault showroom in Porto Alegre in the Brazilian state of Rio Grande do Sul.

A MULTI-BRAND MANUFACTURER

Building on the Alliance with Nissan, Renault is stepping up its own drive for profitable growth, moving into new markets around the world by stages. As part of this process of quickening expansion, it recently acquired two new brands, Samsung and Dacia.

Renault in South Korea

In 2000, we took advantage of a new opportunity for growth in Asia, acquiring Samsung Motors, which manufactures and distributes the SM5, a car based on a model at the top of the Nissan range. Renault is thus the first western manufacturer to establish a foothold in South Korea, the second largest market in the region.

Favoring an international approach built on partnerships, Renault holds 70.1% of the new company set up in association with Samsung and the creditors of Samsung Motors. Renault Samsung Motors will be extending its offering in South Korea by stages, introducing models developed within the framework of the Alliance to suit

the local market. With the Pusan plant and the distribution network now back in operation, Renault's target is to sell between 150,000 and 200,000 vehicles a year on domestic and export markets by 2005.

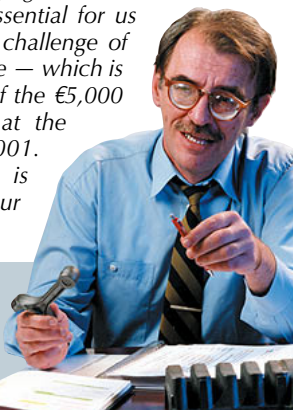
Renault Agriculture – out to win

Now present in India through its partnership with International Tractors Ltd, Renault Agriculture also aims to offer up-to-date, competitively-priced products on emerging markets. In Europe, Renault Agriculture stood up well in the face of a 10% decline in the market. It benefited from the launches of Atlas and Temis, as well as new-model Ceres and Cergos tractors. It also enhanced product appeal with a range of innovations including the multi-functional Ergopilot lever, the Proactiv suspended front-axle assembly and the Hydrostable driving cab.



"We are very proud to be back alongside Renault, and to be working together in such a truly cooperative spirit. But we also have an enormous responsibility – winning back the confidence of Renault and the world. We have had some initial success with the Dacia Super Nova, which is encouraging, but it is absolutely essential for us to meet the challenge of the next stage – which is the launch of the €5,000 car project at the end of 2001. Our future is entirely in our own hands."

Oliviu Paun
Mechanical engineer,
Dacia, Romania



A new departure in Romania

Renault also raised its interest in Romanian manufacturer Dacia to 80.1% in 2000. Capital spending to bring the company's site up to standard will total \$200 million over five years.

We plan to extend the Dacia range with a radically different, modern and robust car designed specifically for emerging economies and priced at only €5,000.

Building capacity in Brazil

Our state-of-the-art facility at Curitiba is continuing expansion to meet the expected rises in demand in this region of the Mercosur. A factory designed to produce up to 50,000 light commercial vehicles a year has been added to the automobile assembly unit and the plant supplying engines for Latin American markets. The new factory will be operational at the end of 2001, with models including not only the Renault Master but also Nissan's Frontier pickup, thus giving concrete shape to the Alliance in this part of the world. Renault's operations in Mercosur countries now include four assembly plants – in Brazil, Argentina and Uruguay – two powertrain plants, one in Brazil and the other in Chile, and a fast-growing distribution network. Renault has a market share of 6.4% in the Mercosur, with notably 4% in Brazil and 18% in Argentina, where it remains number one.

R.C.I. backs worldwide expansion

Renault Crédit International (R.C.I.) has accelerated expansion on world markets with the launch of operations in Argentina and Brazil, where rapid rises in financing volumes reflect the growth of Renault sales in the region. In association with Renault's acquisition of Dacia, R.C.I. has also set up a subsidiary in Romania which operates in partnership with a bank to offer the brand's customers financing packages suited to their needs. Other moves into new markets are planned for 2001, with Mexico a special priority, since it will be home to the first subsidiary set up within the framework of the Alliance.

"I chose a Mégane because I like the design, because it's good value for money, and because it's a safe car. Renault is the only manufacturer in Brazil to offer such high standards of safety – in particular the twin airbags – in this category."



Jandira Zingano

Brazilian customer - mathematics teacher



Record performance in Turkey

Already the leading brand in the passenger car segment – with a 23% market share – Renault boosted sales by 49% in 2000, largely due to the success of Clio Symbol, a three-box model launched in late 1999, and an attractive line-up of vehicles made locally at the Bursa plant or imported.

A young operator at the Bursa plant in Turkey.

As Renault moves ahead and changes, so does its workforce, since workloads and the skills needed for success change just as fast. The recruitment drive that brought in 6,000 new employees in 2000 is thus set to continue, underpinning our international expansion.

"The induction program was really an experience for me. I had never even set foot inside a factory, much less worked on a car body. The people I worked with were very friendly and helpful, and my team leader taught me a lot about the quality and management issues you deal with in day-to-day operation. My internship in sales showed me how tough it can be to sell a car, and how important customer service is for Renault. From the day I joined the company, I found everybody very helpful and I got all the guidance I needed. Now, I definitely feel at home."

Rochelle Epplein
aged 29, American
Advertising strategy assistant
Marketing Department



Renault is a class-leading player in Computer-Aided Engineering.

SKILLS

FOR THE FUTURE



A stage in the final assembly of Mégane at the Palencia plant in Spain.



A team of young engineers at the Technocentre in Guyancourt, France.



Safety is a major field of expertise at Renault.

Surge in recruitment

Changes include quickening growth and an increasingly international organization, combined with a steady flow of new products and services, that in turn call for new skills and technologies. They mean special challenges for Human Resources, and explain a wave of recruitment to expand the workforce — and with it Renault's potential.

The recruitment drive conducted in 2000 concerned all staff categories, including engineers, other graduates and technicians — especially in new technologies — as well as production workers with the training to deal with new types of process. All told, over 6,000 people joined the group during the year.

Most of managerial staff concerned are younger graduates. Yet 25% of these men and women have already acquired significant experience, which is an invaluable resource to back Renault's development. Staff at this level are required to have a sound knowledge of English as well as their native language, which means that they must score at least 750 points on TOEIC, the Test of English for International Communication — an internationally recognized standard. Since 1999, all newly recruited managers have been required to participate in an induction program organized in several stages spread over 18 months. During this time, participants acquire experience in different fields, from work on the factory floor to management training.

The internet — an increasingly important tool

Each corporate department is required to meet an annual target for recruitment of staff with an international profile. In 2000, this was set at 20% of the intake, a proportion that will rise in the years ahead. Rather than recruiting executives and engineers on a purely local basis, Renault is thus on the lookout for people who have worked or studied away from their home country for two years or more, or who are recruited outside their home country. In this regard, the internet plays an increasingly important role in

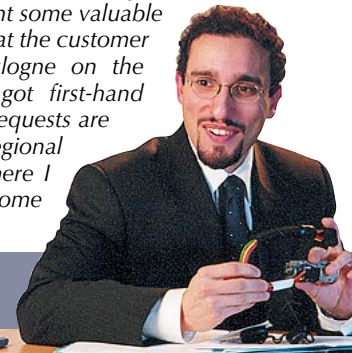
reaching suitable recruits in all parts of the world. A regularly updated section of the Renault website at www.renault.com is dedicated to job offers and allows on-line applications, which receive a personalized response within a few days. Similarly, JobAccess, a multi-lingual intranet site, favors job mobility among existing employees.

BPU — IT for more effective global teamwork

BPU stands for Base Personnel Unique or single personnel database. This IT tool, common to all Renault group companies, will, in time, allow unified management of all staff, spanning over 350 sites in 36 countries. Advantages include promotion of more effective global teamwork. Implementation of the database required extensive preparatory work on common procedures in recruitment, training and other areas, as well as the drafting of internationally accepted definitions for related criteria to allow group companies in all parts of the world to consult and use the resources.

"I was recruited by video-conference in Brazil, where I was working for another car manufacturer. The experience I most remember from the induction program is the time I spent on the production line, assembling cylinder heads at the Cléon factory in Normandy. I was in good hands, and I got to move around to several jobs. After that I spent some valuable time in sales. First I was based at the customer relations department in Boulogne on the outskirts of Paris, where I got first-hand experience of how customer requests are dealt with. Then I went to regional sales headquarters in Lille where I got an opportunity to make some interesting observations."

Nuno de Morais
aged 26, Dutch, supplier relations
consultant, Purchasing Department





Marking the first stage in Renault's program to renew and expand its offering at the top of the range, Laguna II combines the best in manufacturing know-how and technology. Standard equipment includes advanced new features unmatched by any of its rivals in this highly competitive sector.



Laguna II Sport Tourer

The Sport Tourer is no simple spin-off of the Laguna II Hatchback. Elegant styling with taut lines and quality finish also set it apart from others in its category, as does a range of equipment identical to that of the Hatchback. This includes the V6 24V engine and the new five-speed automatic transmission with flick-shift control.

The all-purpose card

A major innovation, the key is replaced by the Renault card as standard equipment on Laguna II. It uses a radio signal to lock and unlock doors. Once inside, the driver slots it into a central console to initiate all systems. A simple push on a button suffices to start and stop the engine.



LAGUNA II

THE POWER OF KNOW-HOW

New directions

Rolled out simultaneously in hatchback and sport-tourer formats, Laguna II represents the first step in a program to renew Renault's offering at the top end of the market and consolidate its brand identity. Robust design, reliability, safety, road performance and respect for the environment are fundamentals that have naturally come in for special care — care which is the hallmark of the very best. Design features reflecting Renault's unique flair also set Laguna II apart — not least its luminous interior styling with quiet, spacious comfort and convenience for passengers and drivers. Standard equipment embodies a full array of the latest technology, some of it never previously available in this market segment.

Passive safety for rear seats

Protection of rear-seat passengers has been a special priority for Laguna II, with new safety features unmatched by others in its category. These include three three-point safety belts and three folding head rests, as well as anti-submarining on all seats to prevent passengers from sliding under their safety belts. Safety belts on side seats are equipped with pretensioners and load limiters. Finally, there are Isofix fittings to attach child safety seats.

Innovation at its best

Using an electronic card to lock and unlock doors and systems, Laguna II is the first keyless car on the market. Standard equipment includes a major innovation jointly developed by Renault and Michelin to monitor tire pressure, as well as a parking proximity sensor, a new cruise control/speed-limiter system, a new version of the Carminat navigation system integrating traffic news, and a new Odysline communications unit featuring a wide screen. Which adds up to intelligent, easy driving in comfort and safety.

Safety and respect for the environment

Always a key priority for Renault, safety — both active and passive — has been significantly reinforced. Improved road holding and braking, with ESP and an emergency brake assist system, as well as greater resistance, especially to side impact, plus a range of equipment to restrain and protect occupants all place Laguna ahead of the field in its category. In this, it follows the examples already set by Mégane, Espace and Clio.

Safe, pleasurable driving goes hand in hand with the highest environmental standards. Both hatchback and sport-tourer versions of Laguna offer a selection of high-performance multi-valve gasoline engines as well as diesel engines. These combine added power with improved standards for fuel consumption and emission control, a step ahead of the more demanding official requirements to come. New transmissions further enhance engine efficiency and include a five-speed automatic transmission with flick shift on the V6 unit and a six-speed manual gearbox for the 1.9 dCi unit.

"The fact that Laguna II is keyless is symbolic, underscoring as it does the car's advanced technology — an important consideration for customers in this category. They like technology and they like style. And their reactions show that Laguna II is just what they want on both counts. Which is something we can be proud of."

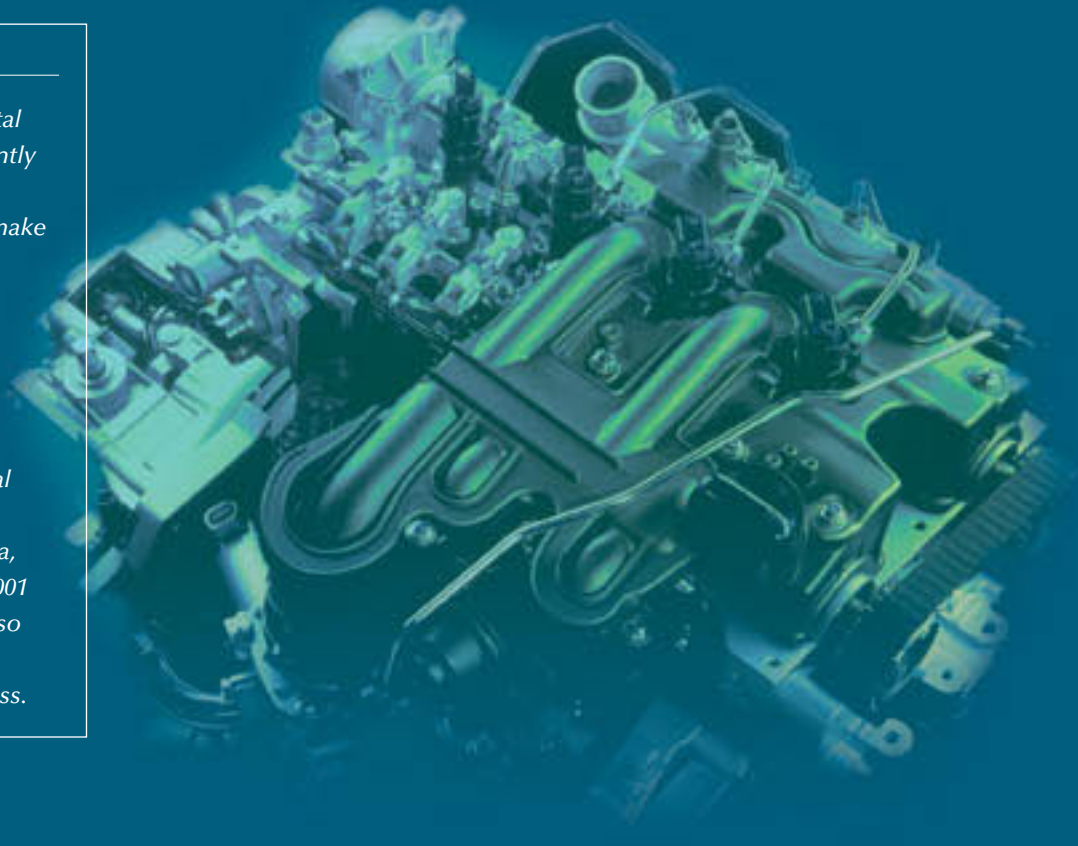
Bernard Dumondel
Laguna II
product manager



Clean cars and green factories

At Renault, we take our environmental responsibilities seriously. We constantly strive to reduce the impact of our business on the natural world, and make environmental aims an integral part of all our processes. Nor does our concern stop at the factory door: all Renault suppliers and partners share the same concerns.

All industrial plants operated by the Renault group include environmental management systems. Designed to constantly raise standards in this area, this approach has won them ISO 14001 certification. Our sales network is also increasingly involved in the same management and certification process.



The 2.2-liter 16V dCi turbodiesel common rail engine powers the new Espace range. Big on driving pleasure and performance and low on noise, the engine is also cleaner and more fuel-efficient.

CLIO RENAULT SPORT V6

Clio Renault Sport V6 is more than a car — this exclusive sporting model embodies the passion behind the Renault range. Its exuberance springs from a rear mid-mounted transverse 230bhp 3.0 V6 24V engine, coupled with a brand-new six-speed transmission system. Developed in partnership with TWR (Tom Walkinshaw Racing), Clio Renault Sport V6 offers sheer driving pleasure and luxurious interior comfort, while meeting the very highest safety standards.



TWINGO

This bustling, compact car-about-town has a proven capacity to change with the times. Today's Twingo incorporates sweeping improvements, including safety upgrades and a brand new 1.2 16V engine for added zip and flexibility — plus enhanced fuel efficiency.

THE RANGE

SAFETY, PERFORMANCE AND COMFORT

Our entire range has been upgraded for even greater safety, reliability and driving pleasure. Advances also include significant gains in fuel economy, testifying to our concern for the environment.



NEW TRAFIC

New Trafic — created jointly by Renault and General Motors Europe — offers a striking design that combines spacious comfort with robust strength and safety.

It comes in van and combi versions, with a choice of three engines including two diesel units to guarantee performance, fuel economy and reduced running costs. The New Trafic has numerous optional features not previously available on this type of vehicle, including Carminat intelligent navigation and a CD music system.



ESPACE

Espace is also on the move. Additions to its engine range include a new 2.2 16V dCi turbodiesel with common rail and a 2.0 16V unit with variable valve timing driving through a proactive transmission. Outfitted with a host of other exciting new features, Espace is sold in more than 30 countries.



SCENIC RX4

With the new Scenic RX4, buyers can choose between a 1.9 dCi turbodiesel engine with common-rail direct injection technology and a 2.0 16V gasoline unit. This new power plant delivers unbeatable driving pleasure, fuel economy, reduced emission levels and improved acoustics. With two different levels of trim available on the diesel version, this 4WD multi-activity monospace now offers more variety than ever.



MEGANE

The Mégane line-up has gained new appeal with the introduction of more standard equipment and an even wider selection of engines. Today, drivers can choose from the 118bhp 1.8 16V and two diesel units — the 1.9 dCi common-rail and 1.9 dTi, the latter with direct injection. All-new emergency brake assist and a brand new real-time navigation system round out special features.



*The revamped showrooms
at Renault's Fréjus dealership meet customers' every need.*

A NEW IDEA

OF SERVICE



*Listening to customers to come up with the best financing and service
package for each new car owner.*

In 1999, Renault launched a string of major initiatives which included reorganization of sales networks and its New Distribution Project, as well as programs to implement new technologies and offer new, competitively-priced services. Designed to consolidate our positions on ever more hotly disputed markets, these remained the focus of concerted efforts in 2000, with personalized attention for each and every customer the top priority.

Restructuring sales networks

A key achievement of the past year was the adoption of a Europe-wide distribution strategy, including Eastern and Central as well as Western Europe. Defined within the framework of the Alliance with Nissan, this is built around dealer hubs, with the dealerships in each territory belonging to a single owner and meeting the needs of all customers within that territory. By the end of 2000, 90 such hubs had been set up, including 40 in association with Nissan, and this figure should rise to 250 by the end of the current year. In time, the vast majority of hubs are to combine Nissan and Renault sales.

By making the most of all available synergies to cut costs and providing the most attractive service possible, our distribution network aims to build the inherent strengths it needs to deal effectively with rapidly changing regulatory and commercial conditions on European automobile markets.

Quality customer relations — a crucial priority

Restructuring targets not only the primary network of main dealers, but also sub-dealers. As a vector for the Renault brand, the distribution network as a whole must relay the manufacturer's ongoing efforts to enhance product appeal.

This calls for the highest professional standards to ensure that customers feel welcome and get all the information they want, and that our products are displayed to the best advantage. People

"We are now putting the finishing touches on our Customer Relations project on all Renault's main markets. This focuses on three areas: firstly, procedures for customer complaints and queries addressed to the manufacturer; secondly, setting up customer call centers with appropriate organizational and human resources; thirdly, providing a management structure for the operation of these centers and customer relations in general."



Elisabeth Parent

Head of the Customer Relations project

should feel at ease when they are buying a car — whence the development of special showroom areas with a personal touch in design and decoration.

The customer confidence we value so highly must be lasting, and the only way to achieve this is to meet customer needs to the full. Which in turn means giving each customer personal attention, drawing on a full range of resources to respond quickly and effectively to queries and complaints. In this, as in other areas, our goal is uncontested leadership.

The pilot dealership in Fréjus, France.

Renault's multifaceted showrooms with dedicated product areas convey top-level professionalism and underscore the brand's move to conquer market share.



The New Distribution Project — reaching for the sky

The New Distribution project aims for new levels of achievement with three essential goals: producing 70% of all vehicles to order, halving inventories and delivering to order within two weeks, outside new-vehicle launch periods. The first stage in this project, which concerns 11 production sites and 16 countries in Europe, was launched and successfully completed in the course of 2000. The proportion of vehicles produced to order rose to 40%, delivery times were cut by an average of two weeks and inventories declined significantly for both factories and distributors. A second stage, already under way, targets priorities of two kinds. Firstly, it will involve completing adjustments to capacity and further enhancing flexibility at both our own sites and those of our suppliers to better match changing patterns of demand. Secondly, the distribution network will implement a new system for the forward-looking management and administration of orders.

In 2000, we again spent some €80 million on IT and communications equipment to enable us to respond effectively to the challenges of e-commerce, an area where we are involved in both business-to-consumer and business-to-business operations.

Business-to-consumer

Renault.net, the extranet already linking Renault to its sales network in Europe, is being extended by stages to other parts of the world in an initiative that is the first of its kind for a vehicle manufacturer. Renault.net provides intranet access to a range of services helping dealers administer sales of new vehicles and parts. It also enables them to track progress on New Distribution orders in real time.

Reflecting our commitment to a major presence in online sales of used cars, in 2000 we acquired a 33.36% stake in recently-founded Caradisiac. A multi-make site, Caradisiac allows dealers to market their inventory of used cars online.



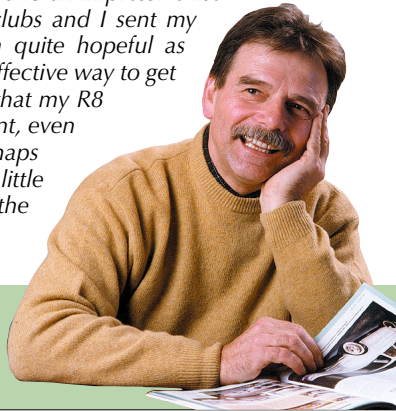
Vivendi, a lively cybercafé in Paris, is just one example of the trend for all things “cyber”.

e-renault

The common goal of all these and other efforts is customer satisfaction, which is fundamental to our brand identity and overall business strategy. And new information technology is making a growing contribution to achieving that goal. To take two telling illustrations, neither the New Distribution Project nor restructuring of our sales network would have been possible without this technology.

Renault is also setting up Renault.site, a unique network of websites serving customers on national markets across Europe. Designed to favor dynamic, personalized relationships with customers, these offer access to a wide variety of information about new and used cars, services, financing, and more. New functions will allow customers to define the car they want in full detail — model, engine, color and options.

"I went to the connoisseurs section of the Renault.com site to sell my Renault 8. I found an impressive list of Renault collectors' clubs and I sent my ad to 13 of them. I'm quite hopeful as internet can be a very effective way to get attention. But it is true that my R8 may be a little too recent, even if it is 30 years old. Perhaps I should let it age a little longer; that might up the stakes for collectors!"



Raymond Vaillier

Technology teacher
La Réole, France

As regards financing, Renault websites display an innovative range of options and services available through R.C.I.. Following recent upgrades, customers can get provisional approval for financing online, while queries are automatically sent on to the customer's chosen Renault dealer.

Business-to-business

Considering the importance of supplies in the overall production cost for a vehicle, in April 2000 Renault and Nissan decided to join Covisint, the world's leading electronic marketplace for vehicle manufacturers and their suppliers. This was jointly founded by Ford, General Motors and DaimlerChrysler. In addition to its role in purchasing, Covisint helps to involve component suppliers in the development of new products and production tools, by the same token helping to cut development time and costs for the benefit of both manufacturers and suppliers.

Added scope for after-sales

The former After-sales Department has been divided into two distinct entities – the Service Department and the Parts and Accessories business unit. The latter, which has a staff of 3,000, operates on a global scale. While the bulk of sales revenues are from OEM parts, it also offers an increasingly wide variety of products designed specifically for after-sales. These include a full selection of paints and the Motrio range of multi-manufacturer parts with 2,000 items that can be used for 90% of the total car fleet and 90% of rapid repairs in Europe. Nissan has also launched the same range in three European countries.

Renault on line

Renault.com, the new official corporate website, offers information on the company, its strategy and its products. Links to other Renault sites around the world allow access to more specific services such as configuring the car of your choice and working out a financing package.



*Magnum Powered by Mack:
Renault V.I.'s limited line of trucks
boasting performance
and driving pleasure.*



STRATEGIC AGREEMENT IN TRUCK MANUFACTURING

In 2000, Renault completed a series of strategic moves, putting its truck business on track for continued growth through the integration of Renault V.I. and Mack in AB Volvo. At the same time, Renault has become Volvo's largest single shareholder, giving it a strategic stake in the world's second biggest truck maker.

Renault — AB Volvo's leading shareholder

Under the agreement announced on April 25, 2000 and signed on July 18 by Renault Chairman Louis Schweitzer and Leif Johansson, head of AB Volvo, Renault exchanged its Commercial Vehicles Division represented by Renault V.I. and Mack for a 15% interest in AB Volvo and acquired a further 5% on the stock market.

Following approval from anti-trust authorities at the European Commission and the US Department of Justice, the share swap became effective on January 2, 2001. Renault is now AB Volvo's leading shareholder with 20% of the capital and voting rights. The agreement provides for the appointment of two directors to the Volvo Board, Louis Schweitzer and Patrick Faure, Executive Vice President of Renault and previously Chairman of Renault V.I.-Mack.

Record sales for Renault V.I.-Mack

Against a backdrop of record demand in Europe and renewed pace on other markets, contrasting with slowing in the US, Renault V.I.-Mack scored the best sales results ever in 2000, with a total of 103,646 units, representing a rise of 11% from the previous year. Taken separately, Renault V.I. reported an even

Key role for three Renault managers in new group

Philippe Mellier has been appointed Chairman and C.E.O. of Renault V.I. and Michel Gigou remains at the helm as Chairman and C.E.O. of Mack, while Odile Desforges continues to take charge of Programs, Product Development and Purchasing within the broader scope of the new organization. All three have also been appointed Executive Vice Presidents of Volvo Global Trucks.

*Vision,
the star product
of Mack's long-haul range.*



EMENT



State-of-the-art performance and comfort for the Volvo FH12, the only truck twice voted truck of the year.

stronger 27.4% rise to 67,814, reflecting the appeal of a fully revamped range. Master and Mascott light commercial vehicles were especially successful, as was the recently launched Midlum medium-size truck. Renault's share of the Western European market rose 0.6 of a point to 11.3% for trucks over 5 tons and 0.2 of a point to 12.4% for trucks over 16 tons. The steepest rises for Renault V.I. were in sales outside Western Europe, up 48.4% as markets firmed in Turkey, Eastern Europe and the Middle East. In the United States, Mack continued to gain ground in the Class 8 segment for the eighth year running, partly thanks to the success of the Vision long-haul truck launched in 1999, and consolidated its number-three ranking with a 13.3% share of total sales in the category. Both Renault V.I. and Mack expanded international reach in the course of the year. Renault V.I. returned to the South African market, with Nissan acting as importer, and bought out its importer in Argentina, while Mack set up two new subsidiaries, one in Mexico and the other in Venezuela. Renault V.I.-Mack contributed a total of €195 million to Renault's consolidated operating margin in 2000.

Tie-ups and cooperation

In fulfillment of the conditions attached to the European Commission's approval of the tie-up with Volvo, in July Renault consolidated Renault V.I.'s 50% interest in Irisbus, a subsidiary owned jointly with Iveco. In December, Renault V.I. and Finnish manufacturer Sisu wound up their equally owned joint interest in RS Hansa Auto Oy Company. At the same time, they put their partnership on a new footing, with Sisu acting as importer for Renault V.I., which holds around 20% of the market in Finland. Turning to the defense business, Renault V.I. teamed up with Giat Industries to form an equally-owned subsidiary, Satory Military Vehicle, which will mainly focus on a contract for armored infantry combat vehicles.

A good year for Irisbus

Irisbus turned in a good performance in 2000, raising its share of the European market 1.1 points to 27.1%, thus consolidating its number-two ranking. The company took first place in Italy, France and Spain, as well as in the Czech Republic through subsidiary Karosa and in Hungary through Ikarusbus. During the year, it signed a contract for the delivery of 286 buses to the city of Moscow, while its Australian subsidiary, launched in 1999, got off to a strong start.

Civis-Cristalis, using a revolutionary optical guidance system developed in partnership with Matra Transport International, moved into the operational phase. A number of French cities have already ordered Civis and the city of Las Vegas, Nevada, has signed a letter of intent.

RENAULT.

CRÉATEUR D'AUTOMOBILES

Strong brand image helps Renault stand out in an increasingly crowded market. Synonymous with promises kept, it is at once an assurance for customers and a source of profit for the company and its distribution network. Which explains the importance of the "Renault. Créateur d'automobiles" campaign launched in 2000 — a campaign designed to enhance perceptions of our brand and, by the same token, the appeal and competitiveness of our image, to underpin growth worldwide.



Sketches of Laguna II Hatchback and Sport Tourer in the design studio.

Vision, daring, warmth

Image is built on fact: the realities of business and products — which for Renault are rooted in a commitment to innovation and technology at its best. Constantly seeking new ways to satisfy customers who want their cars to reflect their personality, their way of looking at life. For this, vision is essential — the vision that lies behind Renault's recognized place as a pioneer, as is the daring so often apparent in the bold design and conceptual thinking behind our products. Plus the warmth illustrated by untiring efforts to enhance driving pleasure, on-board comfort and safety, while at the same time caring for the environment and offering services of the highest standard. These defining features of the Renault brand are the essence of our identity, the basic building blocks of a powerful image.

A return to Formula 1

There could be no more powerful vector for a car maker's image than Formula 1, now a field of battle for most major manufacturers. We are preparing a return to this sport of extremes under our own colors for 2002, following the acquisition of the Benetton team. The move is a reflection of Renault's competitive spirit, our capacity for teamwork and our will to win. We aim to continue a record of success, developing new technology to achieve victory on the track and benefit all our customers, directly or indirectly. And our future victories in Formula 1 racing will be under the Renault banner, helping to build our brand recognition worldwide and, by the same token, contributing to the momentum of growth.



Mock-up of the Laguna II dashboard.

Renault. Créateur d'automobiles

"Renault. Créateur d'automobiles", the new signature we adopted in 2000, is more than a simple advertising baseline. It epitomizes what we stand for — a unique combination of technical excellence and creative flair that sets Renault apart from other carmakers. It is also the expression of a commitment — Renault's mission — which calls for the unswerving dedication of all our employees and partners at every stage from design to distribution.

At the same time, it is a message confirming our strategy of targeting segments higher up the range. A first illustration of this is Laguna II, which marks the beginnings of an overhaul of our ranges to expand our presence at the upper end of the market. To this end, we have made safety, the environment and quality main priorities for our efforts, since these three criteria are essential to the legitimacy of our claim to rank among the world's major vehicle manufacturers. Progress in these fundamental areas is a promise of recognition for the creativity central to Renault's identity.



Koleos concept car in Death Valley in the United States.

"Renault's ground-breaking concepts brought a paradigm shift to the automotive world. And given all the Espace and Scénic clones you see on the road, it looks like Renault is a particularly busy, powerful virus. For me, Avantage and Vel Satis, with their daring, pioneering vision of auto design, encapsulate an indefinable and infinitely seductive French style."

Richard Seymour
Designer, London



LOOKING



Financial outlook

2001 will be a year of self-sustained growth. Based on an identical scope of consolidation, revenues will progress due to international sales growth, the launch of new models, increased production capacity for diesel engines and with a European market stabilized at a high level. Cost cutting will continue with the introduction of a new three-year plan targeting additional annual savings of €1 billion. To ensure its future growth, Renault will maintain a strong focus on research and development and consolidate its international expansion. The implementation of the Alliance will continue to gain pace with the development of a second common platform and the intensification of cooperation in other areas. Renault will benefit fully from Nissan's recovery and the link-up with Volvo in the truck sector.

The significant growth in revenues will come notably from the group's recent international development. The operating margin should exceed the objective of 4% of revenues on average over a business cycle, with Renault aiming for an operating margin in euros of an amount equivalent to that attained in 2000, based on an identical scope of consolidation. Before capital gains, earnings per share should be above the consensus of security analysts' forecasts, which is €6 per share

Major upgrading of the product range

Laguna II, which was launched in January, sparked off the renewal of our product range which will continue in 2001 with the introduction of a host of new products: Avantime, the New Traffic unveiled last August, a restyled Clio II and a 4WD version of Kangoo. The market introduction of Vel Satis, the Safrane replacement, unveiled at the 2001 Geneva Auto Show, is scheduled for early 2002.

The product renewal program was accompanied by an extension of our engine range. This included two new diesels, the 1.5 dCi (made in Valladolid), which will power Clio II in its updated version along with Kangoo, and a powerful 145bhp version of the 2.2 dCi unit for Laguna II. The range of 16V gasoline engines also had a new addition with the arrival of the 1.2-liter unit, fitted to Twingo since early 2001 and now available on Clio II. In the spring of 2001, Twingo will feature a robotized gearbox, "Twingo Quickshift 5".

Vel Satis: a car of distinction

Vel Satis stands out from the crowd of large traditional saloons with an innovative design and cutting-edge technology. The car embodies Renault's ambitions at the top of the range.

AHEAD



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