



2001 ANNUAL REPORT
SUMMARY



RENAULT





KEY FIGURES 2001

As a volume car manufacturer, Renault has defined a strategy of profitable growth built on three pillars:

- *competitiveness — we aim to lead the field in terms of product and service quality, keeping production costs, and development and delivery times well under control*
- *brand image hinged on innovation*
- *international development*

Renault has teamed up with Nissan to build a bi-national group that ranks fifth worldwide with 5 million vehicles sold in 2001. Renault is also the principal shareholder of AB Volvo, the world's second largest truck manufacturer.

REVENUES

€36,351 MILLION

OPERATING MARGIN

€473 MILLION

NET INCOME

€1,051 MILLION

No. 1 BRAND

IN WESTERN EUROPE WITH AN 11.1% MARKET SHARE (CARS AND LCVs COMBINED)

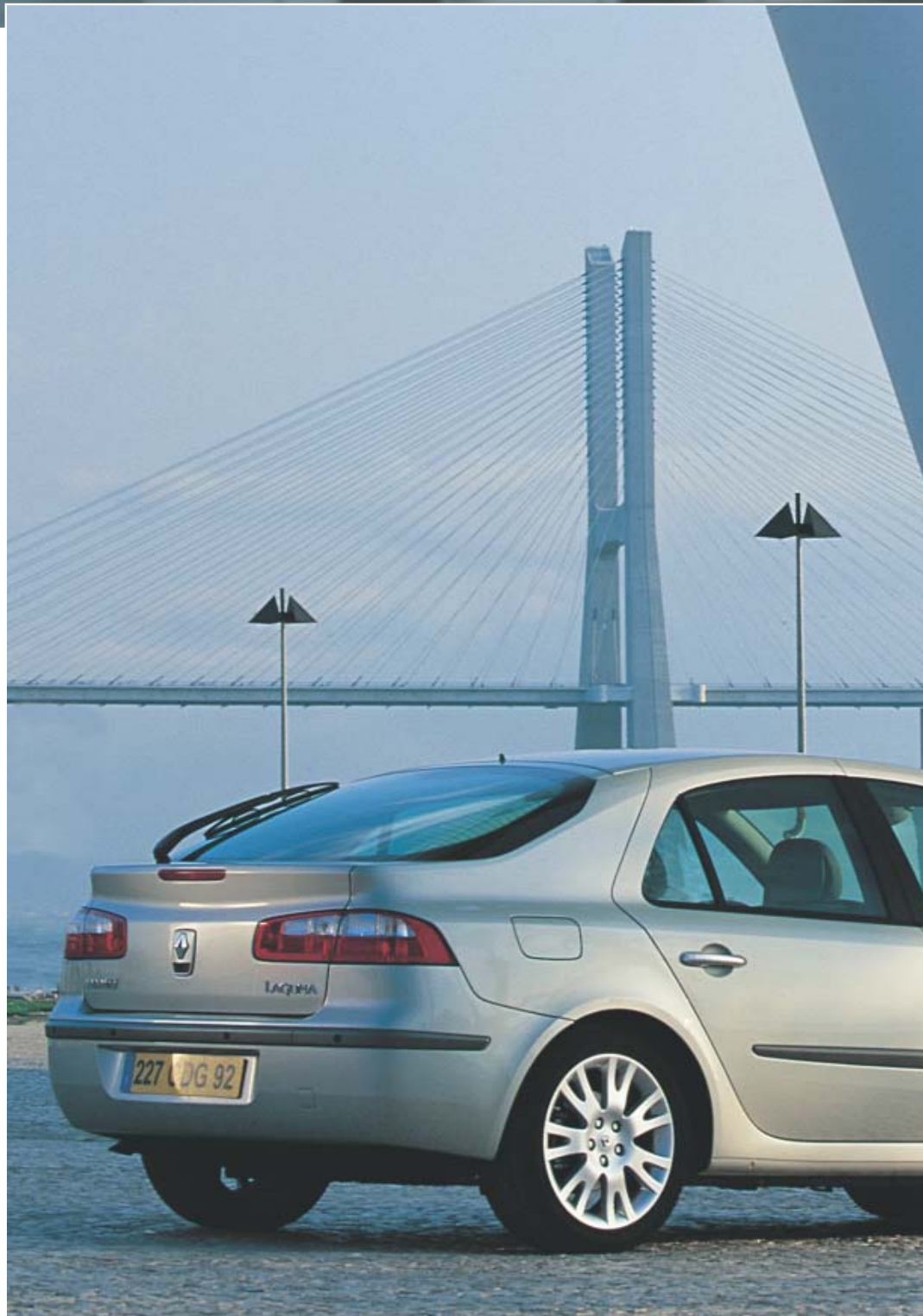
2,409,226

VEHICLES SOLD WORLDWIDE

140,500

EMPLOYEES

THE RENAULT GROUP



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FROM THE CHAIRMAN

In 2001, Renault strengthened positions in key markets and achieved higher sales worldwide.

At the same time, profitability in our Automobile Division was hit by heightened competition in Europe, some of our products nearing the end of their life cycle, and severe economic downturns in Argentina and Turkey. Yet steady net income confirms the soundness of our strategy.

We consolidated Renault's ranking as the number-one brand in Western Europe and bolstered market share in Central and Eastern Europe, while further inroads were made in Brazil and export sales outside Europe grew significantly. In Korea, Renault Samsung Motors made promising progress and restructuring of Dacia in Romania began to yield its first rewards. All told, volumes were up for the fifth year in a row, with the Renault group winning 4.4% of the global automobile market in 2001.

We also reaped the first benefits of our investment in Nissan, which made a major positive contribution to our consolidated earnings. In the course of the year, cooperation between our two groups gave rise to a number of new achievements, demonstrating the vitality of our Alliance. These included a second common platform, the launch of a joint purchasing company, convergence of our sales subsidiaries and networks in Europe, and the startup of a new factory producing light commercial vehicles for both brands in Brazil.

We completed our strategic tie-up with AB Volvo, becoming the largest shareholder of the world's number-two truck manufacturer.

We continued our drive to cut costs and significantly reduced debt — despite still high investments as we finalized development of the range of new products that we will start bringing to market in 2002.

Looking to the year ahead, 2002 will see a series of major launches. After Laguna II — now the benchmark for its

Louis Schweitzer
Chairman and
Chief Executive Officer*



segment — we will be renewing our offering at the top end of the range with Vel Satis and the new Espace, to be followed at the end of the year by the first steps towards renewal of the Mégane line-up. These moves will continue in 2003 and beyond, making for a full update of our product range. In 2004, we will have 25 models available with an average age of around three years compared with four and a half today.

Our brand's driving force will also be visible in our commitment to motor sport, since the new

Renault team will be seeing its first year in Formula 1 racing.

Finally, in 2001 the second stage of our Alliance with Nissan will involve consolidation of our community of interests through cross-shareholdings, as well as the establishment of a joint management company to steer both companies' strategy, Renault-Nissan bv. This will play a crucial role in building the Renault-Nissan group.

In 2002, we will continue to deploy our strategy. In so doing, we will be counting on the

shared commitment of all Renault staff members and their confidence in our future.

A sentiment they demonstrated by participating in the capital increase reserved to employees in 2001.

* Process manager Paul Carvalho and line supervisors Pascal Deroo and Guillaume Le Bail in discussion with Louis Schweitzer at the Cléon plant.

THE BOARD OF DIRECTORS

ON DECEMBER 31, 2001



Louis Schweitzer
Chairman



Pierre Alanche
Engineer in charge of overseeing development of Renault's production information systems



Jean-Marie Bousset
Renault after-sales technician



Jean-Pierre Camescasse
Engineer in charge of quality of Renault's technical documentation



François de Combret
Associate Director, Lazard Frères



Yoshikazu Hanawa
Chairman, Nissan Motor Co. Ltd.



Nicolas Jachiet
Head of Shareholding Department, Treasury Division Ministry of the Economy, Finance and Industry



Jean-Luc Lagardère
Board member, Lagardère SCA



Bernard Larrouturnou
Chairman and CEO, INRIA



Henri Martre
Honorary Chairman, Aérospatiale



Jean-Claude Paye
Attorney



Michel Pébereau
Chairman and CEO, BNP Paribas Representative of BNP Paribas



Danièle Potvin
Director, Renault Executive Internships



Franck Riboud
Chairman and CEO, Danone



Jeanne Seyvet
Director General, Industry, Information Technologies and Post, Ministry of the Economy, Finance and Industry

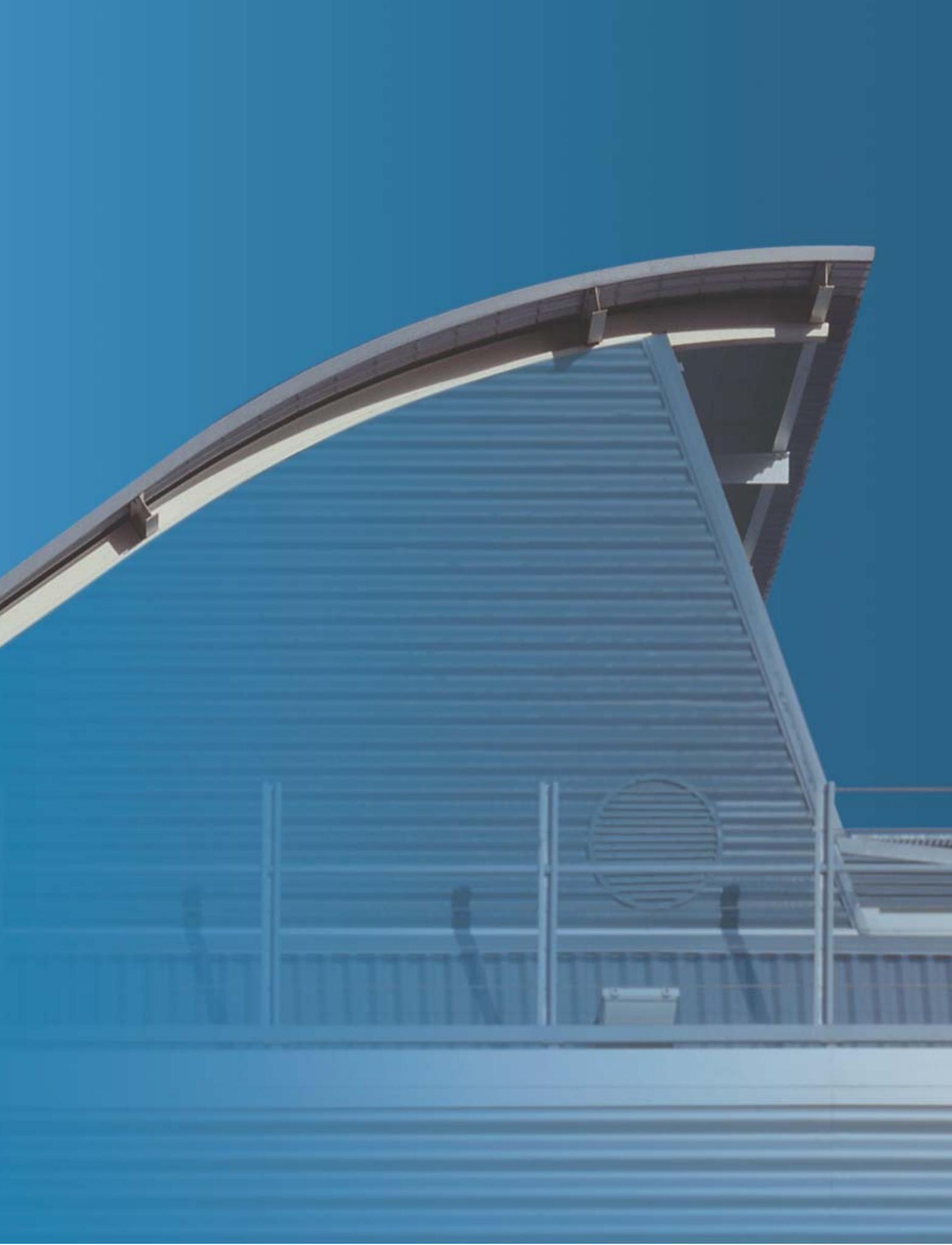


Robert Studer
Former Chairman, Union de Banques Suisses

Raymond H. Lévy
Honorary President

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THE MANAGEMENT TEAM

GROUP EXECUTIVE COMMITTEE ON DECEMBER 31, 2001



Louis Schweitzer
Chairman and Chief Executive Officer
59 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 CEO of the Renault group since May 1992.



Pierre-Alain De Smedt
Executive Vice President
57 years old

A graduate in engineering and business administration from the University of Brussels. After three years as Chairman of SEAT, he joined Renault in 1999 as Executive Vice President. Reporting to him are Research, Vehicle Engineering, Passenger Car Projects, Powertrain, Purchasing, Manufacturing, and the Mercosur Division.



Georges Douin
Executive Vice President
56 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 & Strategic Planning and Projects in 1992. Senior Vice President, Product & Strategic Planning and International Operations since 1997. Appointed Executive Vice President in 1998.



Patrick Faure
Executive Vice President Chairman and CEO of Renault F1 Team
55 years old

Ecole Nationale d'Administration. Joined Renault in 1979, Head of Sales and Marketing from 1991 to 1998, then appointed Chairman and CEO of Renault V.I./Mack until 2000 when he was named Executive Vice President of the Renault group. Chairman of Renault Sport from 1986, he became Chairman and CEO of Renault F1 Team in 2002.

Renault Management Committee and Group Executive Committee on December 31, 2001

***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, Chief Information Officer

***Pierre-Alain De Smedt**
Executive Vice President, Industry and Technology

Rémi Deconinck
Senior Vice President, Product Planning

***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, Supplier Relations – Chairman and CEO of Renault Nissan Purchasing Organization (RNPO)

Michel Faivre Duboz
Senior Vice President, Vehicle Engineering Development

***Patrick Faure**
Executive Vice President - Chairman and CEO of Renault F1 Team

Philippe Gamba
Chairman and CEO of RCI Banque

Manuel Gomez
Senior Vice President, International Operations

Michel Gornet
Senior Vice President, Manufacturing and Powertrain

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François Hinfray
Executive Vice President
47 years old

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



Shemaya Lévy
Executive Vice President
54 years old

Ecole Nationale de la Statistique et de l'Administration Economique.
Joined Renault in 1972. After holding various positions at Renault V.I., he was appointed Vice President, Sales and Marketing in 1987 and Chairman and CEO of Renault V.I. in 1994. Became Executive Vice President in 1998, reported to by Finance, Audit, Financial Control and Information Technologies & Systems.



Michel de Virville
Corporate Secretary General
Executive Vice President,
Group Human Resources
56 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 Head of the Human Resources Department in 1996, and was appointed Corporate Secretary General in 1998, with responsibility for the group's Human Resources.

***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,
Chief Financial Officer

Benoît Marzloff
Senior Vice President,
Strategy and Marketing

Luc-Alexandre Ménard
Senior Vice President, Mercosur

Bruno Morange
Senior Vice President,
Light Commercial Vehicles

Pierre Poupel
Senior Vice President, Quality

Alain-Pierre Raynaud
Senior Vice President,
Corporate Controller

Tsutomu Sawada
Senior Vice President,
Adviser to the Chairman

***Michel de Virville**
Corporate Secretary General,
Executive Vice President,
Group Human Resources





RCI-Banque trading room at company headquarters in Marne-la-Vallée, east of Paris. In 2001, financial services contributed €1.8 billion to consolidated revenues.

Our choice of strategic priorities helped hold net income steady at €1,051 million in 2001.

Renault is now the leading automobile brand in Western Europe, expanding its reach despite tough international conditions: during the year, unit sales rose 2.3% worldwide while revenues increased 5.6%. In 2001 we also worked hard to strengthen ties with shareholders, addressing their concerns through a series of meetings in France and the rest of the world, print documents and a special section of our internet site at www.renault.com.

BUSINESS & FINANCE

PROFITABLE GROWTH



Telheiras, Portugal: A financial adviser at Renault Gest, the Portuguese subsidiary of RCI-Banque, helps a customer choose the best financing option.

HIGHLIGHTS AND KEY FIGURES



Discrete elegance is the watchword for Vel Satis, Renault's new top-of-the-line sedan.

In a contrasting economic climate — the car market in Western Europe was stable, while both Turkey and Argentina were hit by recession — the Renault group posted a 2.3% rise in unit sales worldwide to 2.4 million vehicles and scored global market share of 4.4%. Despite a significant decline in operating margin to €473 million — equivalent to 1.3% of revenues, compared with 5.4% in 2000 — Renault held net income on track at €1,051 million in 2001.

As a result of the agreement between Renault and AB Volvo, signed on January 2, 2001, the Renault V.I./Mack group was deconsolidated. Certain figures from the 2000 financial year, including revenues, operating margin and capital expenditure in property, plant and equipment, have been adjusted for comparison purposes.

Global and European automobile markets (in millions of units)

Passenger cars and light commercial vehicles

	1997	1998	1999	2000	2001
Western Europe	14.9	16.0	16.9	16.7	16.7
Global market	52.5	52.5	53.4	55.9	55.1

The global automobile market was down slightly on 2000, but remained buoyant in 2001 with over 55 million units. The market in Western Europe in 2001 stood at 16.7 million units. Passenger-car registrations rose 0.7% to 14.8 million and light commercial vehicles leveled off to 1.9 million units, down 2.8%.

Renault group market share in Europe and worldwide (as a %)

	1997	1998	1999	2000	2001
Europe					
Passengers cars	9.9	10.7	11.0	10.6	10.6
Light commercial vehicles	11.5	13.0	13.9	14.1	15.3
Passenger cars and light commercial vehicles	10.1	11.0	11.3	11.0	11.1
Worldwide					
Passenger cars and light commercial vehicles	3.5	4.1	4.2	4.2	4.4

In Western Europe, Renault retained its position as leading brand in the passenger car and light commercial vehicle market for the fourth year running, with market share of 11.1%, compared with 11% in 2000. The Renault group — under its three nameplates Renault, Dacia and Samsung — had a global market share of 4.4% in 2001, up from 4.2% in 2000. The Renault-Nissan Alliance ranked among the top six global carmakers with a 9.2% market share.

SUMMARY

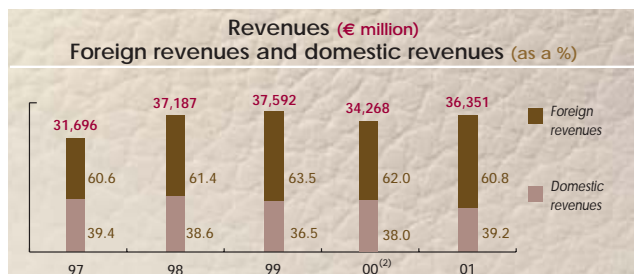
2001 Renault Annual Report

Renault's sales rose 1.6% in Western Europe, Samsung made a breakthrough in Korea and sales climbed in Brazil. These factors helped offset the severe market slumps in Turkey and Argentina. All told, the group's unit sales increased by 2.3% worldwide to 2.4 million.

Group sales worldwide (in units)

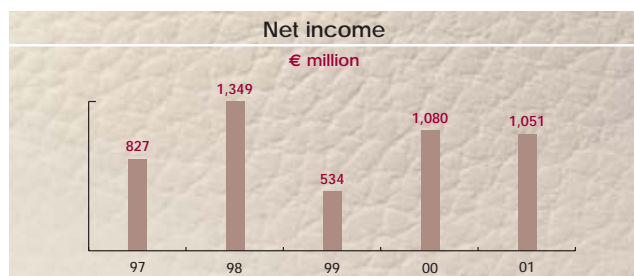
	1997	1998	1999	2000 ⁽¹⁾	2001 ⁽¹⁾
Light commercial vehicles	209,846	263,970	301,203	334,564	335,030
Passengers cars	1,628,236	1,866,035	1,987,455	2,021,644	2,074,196
TOTAL	1,838,082	2,130,005	2,288,658	2,356,208	2,409,226

⁽¹⁾ Including sales under the Dacia and Samsung brands (52,000 and 70,000 units, respectively, in 2001).

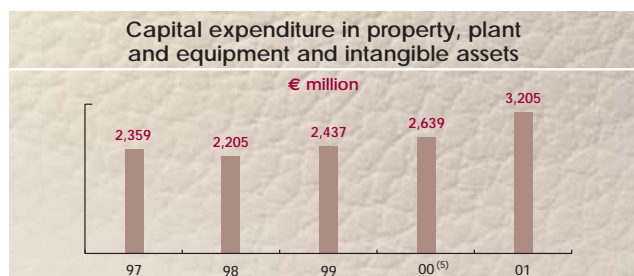


⁽²⁾ Revenues adjusted on a consistent basis with 2001, principally taking into account the deconsolidation of the Renault V.I./Mack group.

The group generated over 60% of total revenues in foreign markets in 2001, up 6.1% to €36.4 billion.

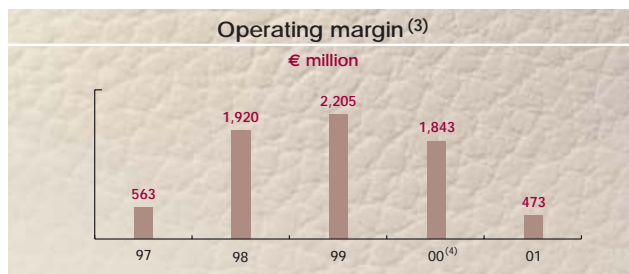


Renault held net income on track in 2001 in spite of the decline in operating margin. This was due to capital gains from the sale of equity investments and the impact of Nissan Motor's recovery on Renault's financial statements. Net income totaled €1,051 million, or €4.38 per share in 2001, compared with €4.50 in 2000.



⁽⁵⁾ Pro forma figures.

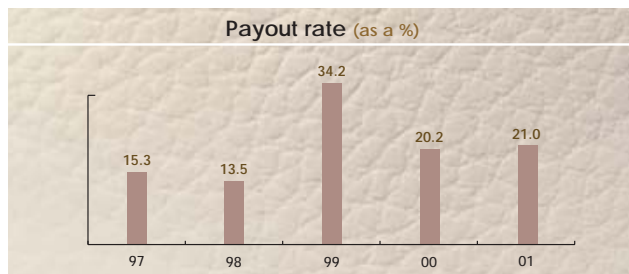
Renault continued to grow capital expenditure in 2001, primarily in a bid to renew product and component ranges and upgrade facilities. 2001 saw a high rate of capital expenditure due to Renault's range renewal plan and the international expansion of the group.



⁽³⁾ Operating margin has been adopted by Renault as a performance indicator. It measures income generated directly by operations, before exceptional and extraordinary items.

⁽⁴⁾ Pro forma figures.

In 2001, Renault's operating margin came to €473 million, equivalent to 1.3% of revenues, compared with 5.4% in 2000. This decline was entirely due to the Automobile Division. The contribution from international operations fell on account of the crises in Turkey and Argentina. Furthermore, R&D expenditure increased and European operations were down after prices were cut in the United Kingdom and the product cycle proved less buoyant ahead of the renewal of the Mégane range.



At the Annual General Meeting of Shareholders on April 26, 2002, shareholders will be asked to vote on a dividend payment totaling €0.92 per share, equivalent to a payout rate of 21% of net income. Dividends will be paid on May 15, 2002.



Renault's workforce totaled 140,417 employees worldwide. The decline in staff numbers in 2001 was mainly due to the sale of the Renault V.I./Mack group (22,068 employees) and CAT (2,518 employees). The group's active recruitment policy was ongoing in 2001 with 6,000 new hires worldwide.

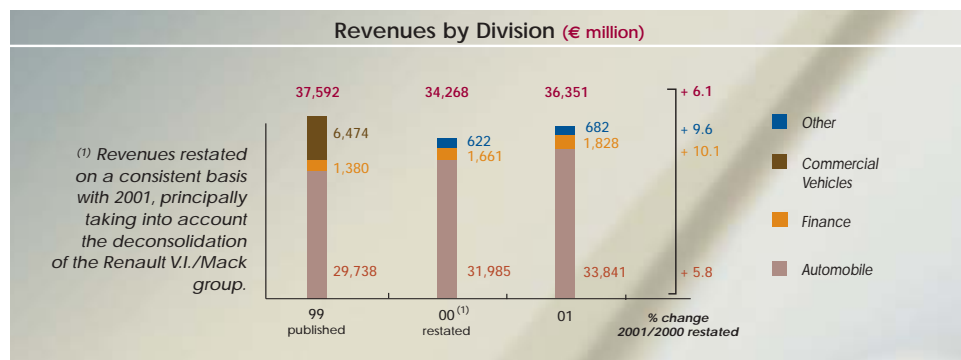
FINANCIAL RESULTS

Renault revenues were up 6.1% in 2001, at €36.4 billion. The year also saw increased efforts to cut costs and debt, as well as significant capital gains on sales of equity investments. The first benefits of the investment in Nissan appeared, opening the way for a second stage in our Alliance, reinforcing strategic links. All told, Renault generated earnings per share of €4.38, a figure close to the €4.50 recorded in 2000.

Revenue growth continues

Renault revenues for 2001 came to €36.4 billion, up from €34.3 billion in 2000 (restated).

- The **Automobile Division** contributed €33.8 billion or 93.1% of the total, with revenues up 5.8% on a consistent basis. This increase reflected gains in Europe and an improved sales mix, in turn largely attributable to the success of New Clio and Laguna II, as well as continued rises in sales of diesel models. Outside Western Europe, the sharp increase in the revenues of Renault Samsung Motors combined with moves into a number of markets in Central Europe, Brazil and elsewhere, limited the impact of declines in Turkey and Argentina.
- The **Finance Division** contributed €1.8 billion to revenues, showing a rise essentially due to income from sales financing, with the average outstanding amount of interest-bearing credit up 5.6%.



Operating margin narrows

Operating margin for 2001 came to €473 million, representing 1.3% of revenues compared with 5.4% pro forma for 2000. This was due to a decline in the operating margin of the **Automobile Division**, which contributed €216 million, down from €1,574 million pro forma in 2000. There were three main reasons for this:

- a marked fall in contributions from business outside Europe, in turn mainly due to downturns in Turkish markets and deteriorating conditions in Mercosur countries.
- a cyclical rise in research and development outlays, relating to the renewal of the product range.
- a lower contribution from business in Europe due to falling prices in the UK and a less favorable product cycle with the upcoming renewal of Mégane.

The **Finance Division's** contribution to operating margin was little changed at €252 million compared with €263 million pro forma in 2000.





Nissan's Aguascalientes plant in Mexico turns out the hatchback and sedan versions of New Clio, sold under the Renault Clio and Nissan Platina names.



Verve and class — a winning combination for Clio Renault Sport with the 172-hp 2.0 16V engine.



Renault dealership in Brazil — a steadily expanding network gives the brand worldwide reach.



Scénic brings a new concept to the Mexican car market.

Net income held on track

Despite the decline in operating margin, Renault was able to hold net income close to the level of the previous year, reporting €1,051 million after €1,080 million for 2000. Main contributing factors were:

- significant capital gains on the sale of securities relating to the contribution of Renault V.I./Mack shares to Volvo (€335 million) and the sale of CAT shares to Global Automotive (€318 million).
- Renault's interest in the net income of Nissan Motor, representing a positive contribution of €497 million, with Renault thus benefiting from the group's recovery as expected.

Summary income statement (€ million)

	1999	2000 ⁽¹⁾	2001
Revenues	37,592	40,175	36,351
Operating margin	2,205	2,022	473
Other operating income and expense	(721)	(319)	231
Operating income	1,484	1,703	704
Net financial income (expense)	32	(69)	(64)
Share in the net income of Nissan Motor	(330)	56	497
Pre-tax income	1,160	1,723	1,020
Tax	(620)	(649)	(67)
Renault net income	534	1,080	1,051

⁽¹⁾ Published data.

A stronger balance sheet

- In 2001, cash flows from operating activities came to €1,688 million compared with €3,137 million pro forma in 2000, a decline mainly reflecting that in group operating margin.
- During the year, Renault took a more selective approach to investment, focusing resources on renewal of ranges and international business. After deduction of the proceeds of divestments, capital expenditure in property, plant and equipment and intangible assets totaled €2,641 million in 2001 compared with €2,208 million pro forma in 2000, and represented 7.3% of revenues compared with 6.4% pro forma in 2000.
- Despite the scale of investments, net financial debt of the industrial and commercial activities declined by €866 million. This reflected the €653 million generated by the sale of equity interests and a fall of €1,751 million in the working capital requirements of industrial and commercial activities, a favorable trend partly due to improved management of all the items making up working capital requirements.
- At December 31, 2001, net financial debt of industrial and commercial activities was equal to 39.1% of shareholders' equity, compared with 49.7% a year earlier.

Statement of cash flows and financial structure (€ million)

	1999	2000	2001
Cash flows from operating activities	3,314	3,137 ⁽¹⁾	1,688
Capital expenditure in property, plant and equipment and intangible assets (net of disposals)	2,033	2,208 ⁽¹⁾	2,641
Acquisition of securities ⁽²⁾	5,063	811	109
Net financial debt (of industrial and commercial activities)	2,700	4,793	3,927
Shareholders' equity	8,185	9,652	10,051

⁽¹⁾ Pro forma data.

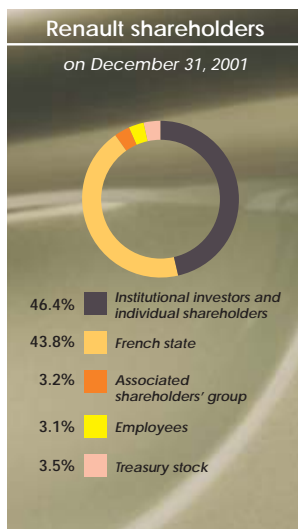
⁽²⁾ In 1999, acquisition of Nissan shares for €4,917 million.

THE RENAULT SHARE

With stockmarkets in turmoil, Renault shares were on a rollercoaster in 2001. They closed the year at €39.61, down 28.6% on December 31, 2000, after three consecutive years of rises. Initiatives to forge closer ties with shareholders continued throughout the year.

Share ownership

On December 31, 2001, ownership of Renault equity was as follows:



- In December 2001, Renault made a share issue equivalent to 1% of its capital reserved to employees. At its conclusion, capital stock totaled €922,768,855.50 represented by 242,196,550 shares with a nominal value of €3.81 each.

- A Euroclear study found that some 280,000 individual shareholders held 7.3% of Renault equity on December 28, 2001. This figure does not include employees and former employees whose shares are administered through a fund or are registered directly with Renault. Institutional investors held 39%, with French residents and non-residents accounting for roughly equal proportions.

Share performance

Renault's share price varied widely in 2001. Upbeat 2000 results and renewed interest in old economy stocks combined to boost it to a 2001 peak of €64 on March 8, but it then slid, hit by investor concern over company performance in Western Europe and developments in Turkey. In August, half-year results disappointed some investors and the share lost fresh ground, following Nissan downward. September 11 and its aftermath sent the share price to an annual low of €26.01 on September 21. It subsequently picked up but lagged other automotive shares as Renault revised its second-half operating margin targets downward. The share closed the year at €39.61, down 28.6% on December 31, 2000, compared

with a 22% drop in the CAC 40 index and falls of 6.5% and 0.7%, respectively, for auto-sector indexes in France (SBF Auto) and Europe (DJ Euro Stoxx Auto).

Key dates in 2002

Tuesday, February 12: Announcement of 2002 full-year results

Thursday, March 28: Extraordinary General Meeting of Shareholders

Wednesday, April 24: Announcement of first-quarter 2002 revenues

Friday, April 26: Annual General Meeting of Shareholders

Wednesday, May 15: Payment of dividend of €0.92 per share^(*)

Thursday, July 25: Announcement of first-half 2002 results

Thursday, October 24: Announcement of third-quarter 2002 revenues

^(*) As proposed by the Board of Directors and decided on by the Annual General Meeting of Shareholders on April 26, 2002.

Renault share performance from December 31, 1996 to February 28, 2002

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





Renault Shareholders' Advisory Committee meets as key 2001 indicators are released.

Keeping shareholders in the picture

First listed in November 1994, Renault has consistently sought to regularly provide the same clear, transparent information to all shareholders, both individual and institutional.

Since May 1995, the company has had its own **Shareholders' Club**, now some 33,000 strong. Members are kept up to date by a quarterly newsletter, special reports on strategic developments in the Renault-Nissan Alliance, and an abridged version of the annual report. They receive documents for the AGM and are regularly invited to tour production facilities and attend shareholder meetings in their region. In 2001, groups thus visited plants in Flins, Sandouville and Douai, while

four shareholder meetings were organized in conjunction with Euronext in Mulhouse, Paris, Brussels and Nantes. In November 2001, Renault took part in the Actionaria trade show in Paris, developing direct contacts with shareholders.

The **Shareholders' Advisory Committee** was set up in 1996 to give individual shareholders clearly presented information to underpin their investment decisions. It has 12 members. The Committee met four times in 2001, twice in plenary sessions attended by Renault Chairman Louis Schweitzer. Subjects included financial information displayed on the company website, drafting of announcements of 2001 half-

year results, communication vectors/events and messages sent to individual shareholders, preparation of the abridged annual report for 2001, and a presentation of the plans to reinforce the Alliance.

Over the past four years Renault has pursued an active campaign targeting the advisers and opinion-makers who have a significant influence on stock-market investments — and who are thus important relays for information to shareholders. In 2001, the company organized ten meetings in cities and towns around France for this public, as well as two tours of production plants (in Batilly and Maubeuge).

"Interaction with individual shareholders, including special events, is an increasingly important part of our financial communications strategy. One example is our Shareholders' Club, which gives members an opportunity to deepen their understanding of Renault's strategy and daily operations. The demand is there — no doubt about that — and we have taken a number of initiatives in response. Today guided tours of production plants give shareholders a more concrete idea of what we do. They can also subscribe to Renault magazines, and receive invitations to auto shows and other events. Through our internet site, individual shareholders have access to the same information that analysts receive; they can track our share price online and ask questions. A survey of shareholders using the internet in France, Belgium and Switzerland ranked our site as one of the most interactive in 2001."

Olivier Bourges
Vice President,
Investor Relations



Key figures for 2001 (€⁽¹⁾)

	1999	2000	2001
Number of shares at December 31	239,798,567	239,798,567	242,196,550
Financial data			
Net earnings per share	2.23	4.50	4.38
Net assets per share	34.13	40.25	41.88
Net dividend per share	0.76	0.91	0.92 ⁽²⁾
Stockmarket data			
Closing price at December 31	47.86	55.50	39.61
Market capitalization at December 31 (€ billion)	11.5	13.3	9.6
High for the year	55.00	61.00	64.00
Low for the year	30.53	37.53	26.01

⁽¹⁾ Excepting market capitalization, in € billion.

⁽²⁾ As proposed by the Board of Directors and decided on by the Annual General Meeting of Shareholders on April 26, 2002.

Shareholder information

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Renault rounded out the huge São José dos Pinhais plant in Brazil — the Alliance's first shared facility — with a new LCV production unit.





Scénic is the Alliance's first industrial project. Made at Nissan's Cuernavaca plant in Mexico, it gave Renault a foothold in a market the company had left 15 years earlier.



Laguna II unveiled at the Moscow Motor Show in August 2001.

STRATEGY

RENAULT'S GLOBAL REACH

The Renault-Nissan Alliance, international deployment of the Renault brand, acquisition and development of Samsung and Dacia. In the space of a few years, Renault has grown in stature, moving from a regional carmaker in Europe to a world-class contender.



Twingo — at home in Tokyo.

RENAULT-NISSAN

THE ALLIANCE ON T



Two vehicles — the Renault Master and the Nissan Frontier — roll off two separate production lines under a single roof. Built in just 18 months, Renault's LCV unit at the Ayrton Senna plant in São José dos Pinhais in Brazil represents an outlay of \$236 million. With initial output running at 40,000 vehicles a year, it expands Renault's offering of light commercial vehicles and gives Nissan a springboard for development in Brazil.

The Alliance signed by Renault and Nissan in 1999 opened exciting new prospects. And it has been a success, with a speedy recovery at Nissan making a positive contribution to group results. Teams at Renault and Nissan have demonstrated a capacity to work together effectively to build a balanced and successful bi-national group. Development of the Alliance will now enter a second stage involving closer equity ties and stronger strategic management.

Vigorous rise in Nissan earnings

Nissan's performance for 2001 reflects the rapid effectiveness of the Nissan Revival Plan or NRP, launched in the autumn of 1999 with the backing of the financial and managerial resources committed by Renault on the conclusion of the Alliance.

While revenues were steady amid toughening economic and competitive conditions, Nissan made a positive contribution of nearly €500 million to Renault's consolidated earnings for the 2001 fiscal year.

A complete overhaul of purchasing for both industrial supplies and services enabled Nissan to more than achieve its 20% cost-reduction target earlier than originally planned. Financial debt is being cut back

by stages and results have benefited significantly from the reorganization of production facilities in Japan — where three assembly plants were closed in March 2000 — and restructuring of its sales network.

Nissan can now build on a firmer base as it moves ahead with a worldwide program for the complete renewal of its product range in just three years. This calls for the roll-out of eight or nine new models each year.



Tokyo: Fruitful exchanges between French and Japanese participants at the Alliance's second convention, held in October 2001.

THE MOVE



Curitiba, Brazil: A Renault operator handles either of the two vehicles in production — Nissan's Frontier pickup and the Renault Master.

"As soon as the Alliance was agreed on, Nissan restructured its Purchasing Division. It drew on the example of Renault — an approach which also made for more fruitful dialogue. In addition to a model focused primarily on quality and delivery times, Renault contributed its recognized expertise in cost control, applying methods that involve setting annual targets for price reductions in vehicle components and engines worldwide, performance indicators, centralization of important decisions, cost targets by project and strict management of the supplier base. Action taken in these areas has paid off. The targets of the Nissan Revival Plan were achieved ahead of schedule and the Purchasing Division now plays a central role in all key business decisions."

Bernard Rey

Senior Vice
President,
Nissan Purchasing
Strategy



RENAULT-NISSAN

THE ALLIANCE



Brazilian line operators in the first Renault-Nissan shared plant in Curitiba.



Yoshikazu Hanawa, Louis Schweitzer and Carlos Ghosn in Tokyo at the second Alliance Convention.



Operators fine-tune a Clio engine at Nissan's Aguascalientes plant in Mexico.



Trail-blazer: The X-Trail leads Nissan's 4WD line-up.

"A change of culture is always a challenge, but we have begun to apply some of Nissan's methods with a view to enhancing quality, cutting costs and shortening lead times. The new system of quality milestones means that we now have sufficient time to detect and correct any problems. By planning for an optimum number of projects, we can also offer higher quality products at lower development cost. At the same time, new working methods and management better representing the required mix of skills and know-how will further enhance efficiency. By making a success of our common powertrains project in terms of quality, cost and delivery times — and assuming Nissan does the same — we will be making a significant contribution to the success of the Alliance as a whole."

Kazumasa Katoh

Vice President,
Renault Powertrain Engineering
formerly General Manager
of Nissan's Powertrain
Operations
Division



The Alliance — a growing presence

In 2001, major achievements and projects illustrated the rich potential of our cooperation in both manufacturing and sales, opening access to new markets and extending the scope of the Alliance while at the same time consolidating competitive strengths.

Purchasing is the biggest single item in the cost of a vehicle, and the pooling of orders for large volumes of common components can generate significant economies of scale. With this in mind, in May 2001 Renault and Nissan set up a joint subsidiary under the name Renault Nissan Purchasing Organization or RNPO to achieve maximum efficiency in this key area (see box opposite page).

For **common platforms and powertrains**, introduction of the B and C platforms will enable us to put on the market, as of 2002, replacements for the small cars and lower mid-range models of both our product ranges. By 2005, these two platforms will be used for 3.7 million vehicles a year or half the total future volume for the Alliance, and by 2010 the Alliance will have ten

shared platforms, including three for light commercial vehicles. At the same time, plans to develop eight shared engine lines and seven shared transmission lines took a fresh step forward as work began on medium-size engines.

In **manufacturing**, cooperation led to three major events in 2001, with the launch of the very first cross-manufacturing operations providing concrete opportunities to share best practice in terms of quality, costs and delivery times. These concerned, firstly, the assembly of Scénic and Clio at Nissan's two plants in Mexico. December saw the opening of the Alliance's first joint factory, the Renault light commercial vehicle plant at Curitiba in Brazil. Initially — starting in 2001 — this is assembling the Renault Master; Nissan's pickup, the Frontier, will be added on in May 2002. Finally, plans were announced to begin assembly of the Renault Trafic, developed in conjunction with GM Europe, at Nissan's Spanish plant in Barcelona.

Cooperation in sales aims to strengthen the Alliance's positions and give it

a competitive edge in the face of toughening competition and economic conditions. In this area, each partner is able to offer the other support in setting up its organization on some markets, while increasing the number of joint structures to generate savings. Following Mexico, Brazil and Japan in 2000, cooperation was extended to Australia, Indonesia, and Taiwan in 2001.

In **Europe**, the Alliance will need to muster all its forces to meet the challenges ahead, with new contenders set to enter the distribution sector from 2002 on. Reflecting our strategy of dealer concentration which nonetheless respects — as in other parts of the world — the distinct identities of our two brands and associated services, Renault is backing up Nissan's sales drive with the development of a shared organization. New subsidiaries or single legal entities will also be set up, as in Switzerland and the Netherlands — countries where Renault has taken over the sales operations of Nissan.

Renault Nissan Purchasing Organization — the Alliance's first joint company

Trimming a combined purchasing bill previously close to €45 billion was the challenge. And the logical response was to pool bargaining clout and win attractive terms for large orders of common

components. This was achieved through the launch, in May 2001, of Renault Nissan Purchasing Organization or RNPO, an equally-owned company based in France which is the Alliance's first joint

entity. RNPO deals with around 30% of common purchasing needs, a proportion expected to rise to 70% in the future. Both Renault and Nissan stand to benefit in terms of cost and quality.



CCT Purchasing members at work. Twelve Cross-Company Teams have been driving Alliance development since 1999.

Stage two of the Alliance gets under way

A turnaround at Nissan was essential before the launch of stage two of the Alliance as agreed in 1999. In the event, recovery came very quickly, leading us to speed up the process: on October 30, 2001 we announced a plan to consolidate the balance and performance of the Alliance, while at the same time preserving the operating autonomy of each of our two groups. Scheduled for implementation from the first half of 2002, this plan is built around three priorities:

- **reinforcing mutual interest through stronger equity ties.** Renault will raise its stake in Nissan from 36.8% to 44.4%, while Nissan will acquire up to a 15% non-voting interest in Renault. Each thus stands to benefit from the other's performance.

- **strengthening strategic management of the Renault-Nissan group** through the creation of an equally-owned company incorporated in the Netherlands, Renault-Nissan bv. Taking over from the Global Alliance Committee or GAC, which was responsible for launching and steering the Alliance from 1999 on, this new entity will be the Alliance's strategic command center, ensuring overall coordination of its operation. Led by Renault's Chairman & CEO Louis Schweitzer and Nissan's President & CEO Carlos Ghosn, Renault-Nissan bv's eight-member Management Board alone has the power to take strategic decisions for the medium to long term. It will also have sole responsibility for newly created companies such as the Renault Nissan Purchasing

Organization (RNPO) and will supervise the Cross-Company Teams that have driven the Alliance's progress since 1999.

- **preserving the distinct identity and independence of the two groups which are to continue running their own operations.** The French government has lent its support to these measures, designed to consolidate the Renault-Nissan group, and has announced its intention to cut its equity interest in Renault at a later date to 25%.

"Nissan contributed nearly half a billion euros to Renault's 2001 consolidated earnings, demonstrating its capacity to stage a stronger and quicker recovery than anticipated. And with Renault's equity interest in Nissan rising to 44.4%, we will be getting more out of this recovery as of 2002. Since this rise is associated with a capital increase reserved to Nissan, it will not cause any significant change in our level of debt. The second stage in the Alliance, set for implementation beginning in 2002 and involving both the strengthening of equity ties between the two groups and the creation of Renault-Nissan bv, will favor good performance from both Renault and Nissan, while at the same time preserving the distinct identity of each company and thus the personal commitment of all employees."

Shemaya Lévy
Executive Vice
President,
Chief Financial
Officer,
Renault



RENAULT'S PERFOR



Produced in Turkey, the Clio Symbol — the sedan version of Clio — was the driving force behind sales in Central and Eastern Europe in 2001, where it is marketed under the name Thalia.

Continuing its strategic drive for international expansion, Renault consolidated manufacturing and commercial bases in 2001. Sales rose 4.4% outside Western Europe despite market slumps in Turkey and Argentina, and performances were particularly strong in Central Europe and Brazil.

Winning ways in Central Europe

Quickest gains were recorded in Central Europe, where our market share was up from 7% to 9.9% in just a year, lifting Renault from number five to number three in the region. Despite a drop in the Polish market, sales rose nearly 24% overall, reflecting in particular the success of Thalia — the sedan version of Clio — and Laguna. Looking further east, sales were also up, exceeding our targets in Russia, the Ukraine, Belarus and Georgia. Once again, these gains rewarded the success of the Clio sedan and Mégane. The continuing expansion of our sales network in Russia, where we now have

over 30 dealerships in 18 cities, has enabled us to multiply sales by a factor of five in just two years.

Brazil — growth built on a full operational base

Renault now has a 5.2% share of the automobile market in Brazil — Latin America's largest — putting us in fifth place among local manufacturers. In December, we opened a new factory for Renault and Nissan light commercial vehicles, strengthening our position in this segment. Master vans from the site will be a useful addition to our offering of Kangoo and Trafic vans assembled in Argentina,

enhancing potential for gains in Brazil and other Mercosur countries.

The central pillar of our presence in the region is the Ayrton Senna facility at São José dos Pinhais in the Brazilian state of Paraná. This now has two assembly plants with a total capacity of 240,000 vehicles a year, including 40,000 for the more recent, as well as a powertrain plant with an annual capacity of 400,000 engines. It is served by an adjacent industrial supplier park.

Broadening horizons

Sales in new markets outside Western Europe also rose sharply.

MANCE



Line workers assemble a powertrain at the Ayrton Senna plant in Curitiba, Brazil.

In South Africa, sales jumped to over 13,000 vehicles. Growth was also healthy in Algeria, Tunisia and Egypt, offsetting a downturn in Morocco. In the Asia-Pacific region, we reaped the first rewards of close cooperation with Nissan, selling 14,200 vehicles in 2001*. And we expect more to come, since our target for the region is now to boost sales to 22,000 vehicles in 2002.

* Excluding Korea.

Countering difficulties in Argentina...

Argentina's economic slump dealt a heavy blow to the automobile market, which contracted by nearly 42%

during the year. At the same time, export business suffered from the Brazilian real's fall against the dollar and peso. Renault Argentina SA was thus forced to cut production and in the autumn adopted drastic measures to deal with the severe crisis sweeping the country. In addition to job cuts affecting 330 administrative staff at headquarters and subsidiaries, the company introduced a program to encourage voluntary departures from its factory at Santa Isabel de Cordoba and align capacity with expected sales. Renault nonetheless kept the top ranking it has held in

Argentina for the past six years, taking 18.4% of the market.

...and Turkey

The Turkish market also suffered a deep slump, with sales falling nearly 70% in 2001. More encouragingly, Renault's share was up 4.2 percentage points to 23.6%, consolidating our number-one position. A main contributing factor was local car buyers' enthusiastic response to the Clio sedan, echoed in neighboring markets of Central and Eastern Europe. Operations at the Bursa plant were maintained in large part thanks to this surge in exports, which accounted for nearly 90% of its output.

TWO NEW BRANDS

DACIA AND SAMSU

A successful beginning for Renault Samsung Motors in Korea and continuing upgrading of Dacia in Romania are adding new impetus to Renault's international expansion. Progress to date confirms our target: generating half of group sales outside Western Europe by 2010.

Dacia continues progress towards €5,000 car

When we took over Dacia, our goal was to make Romania an automobile manufacturing platform for Central and Eastern Europe — still very much on the agenda — and launch an affordable car designed especially for emerging markets. In 2000, we undertook a complete overhaul of the company. This involved progressive upgrades of the Pitesti plant, new training programs and restructuring of its sales network. Two other priorities in repositioning Dacia are renewal of its product line-up and plans to launch an entry-level car priced at €5,000 for emerging markets. In 2001 modernization continued at a brisk pace, while Dacia

sales benefited from the launch of the SuperNova on a Romanian market that firmed slightly.

The SuperNova, launched in 2000, is equipped with a Renault engine and transmission unit, making it the first product to bear the mark of our involvement with Dacia.

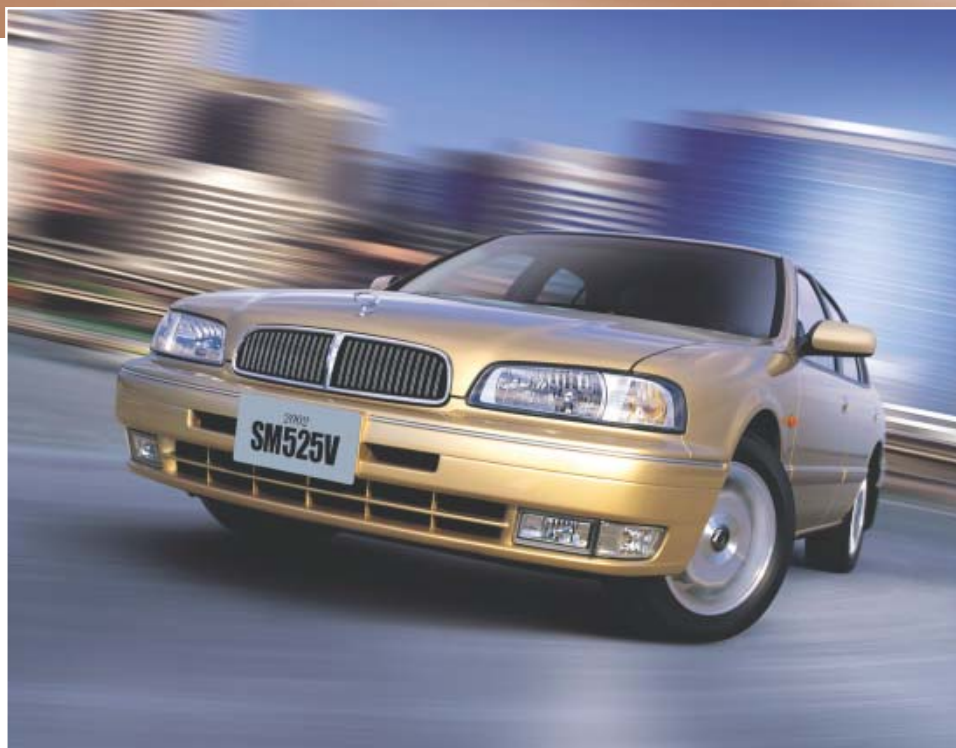
All told, sales were up 3.8% to over 52,000 vehicles, setting Dacia's market share close to 60%.

The €5,000 car under development at Renault's Technocentre in Guyancourt, outside Paris, will provide our group with an original and highly competitive offering for

emerging markets, initially in Romania and Central Europe, then on developing markets in other parts of the world. The product, which will play a central role in Dacia's contribution to our growth strategy, will initially be available in a four-door sedan version. It illustrates the effectiveness of the turnaround at Dacia, and will open a new era in the company's development through expansion onto export markets.



Stripped down, built back up: Dacia's Pitesti unit in Romania gears up for growth ahead.



In 2001, its first full year in operation, Renault Samsung Motors sold over 70,000 SM5s. Developed under license from Nissan, the SM5 is the third largest selling car in Korea.

Korea — now Renault's eighth largest market

In September 2000, we took over the operating assets of Samsung Motors Inc. to found Renault Samsung Motors (RSM). Over the ensuing 15 months, production at our Busan site steadily gathered pace and our sales network grew with the addition of some 60 new outlets, raising the total to nearly a hundred. As a result, sales headed up to 7,000 vehicles a month and the total for 2001 reached just over 70,000.

A single model, the SM5 — developed under license from Nissan — accounted for all sales. The SM5 now has a market share of over 25% in its segment and comes in third overall on the Korean automobile market.

A new version of the SM5 was put on the market this January and will be followed in the autumn by a second model, the SM3. These will contribute to the company's target of boosting sales to around 100,000 vehicles in 2002.

Renault Samsung Motors facilities include a factory at Busan with a capacity of 240,000 vehicles a year, a modern, fully-equipped technical center in Giehung, the outstanding skills built up by Samsung, and an up-to-date sales organization. Deployment of this quality organization offers Renault truly significant potential for expansion on Asia's second largest automobile market.

Asia-Pacific region

Based at Nissan headquarters in Tokyo, this division includes the entire Asia-Pacific region with the exception of Korea. Renault sales in Japan are still limited, reflecting changes in the distribution network and line-up, but demand has quickened in Australia, Indonesia and Taiwan. Altogether over 85,000 vehicles were sold in the region in 2001.

"Our strategy for Korea is to capitalize on the popularity of the Samsung brand name while preserving its identity as a Korean manufacturer. We have nonetheless made some changes to the logo and our vehicles now carry the Renault Samsung brand. We do not currently import any Renaults, since our prime mission is to contribute to the group's expansion with the success of Renault Samsung Motors. This is entirely consistent with Renault's multi-brand strategy."

Jérôme Stoll
Chief Executive Officer,
Renault Samsung Motors,
Seoul



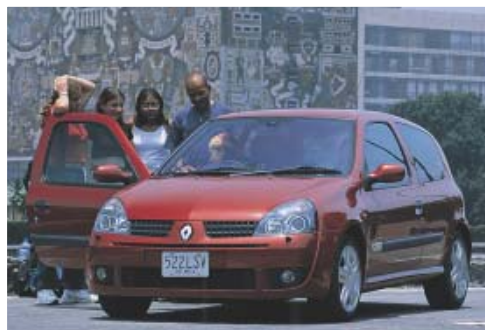


*The Laguna II Sport Tourer
targets discerning car
buyers with a taste
for technology.*





The new Traffic, voted Van of the Year 2002 in Europe.



The New Clio 2.0 RS out in front on the car rally circuit in Mexico, where fans applaud its flair and handling.



Avantime, a coupé version of the minivan concept.

PRODUCTS

ONGOING INNOVATION

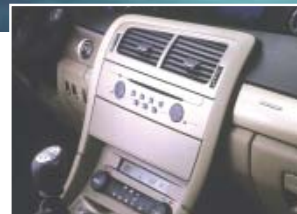
Demanding standards of quality combined with creative flair set the pace for the overhaul of the Renault line-up, beginning with Laguna II and Vel Satis at the top of the range. Innovation goes hand in hand with an unswerving commitment to fundamental principles — quality, reliability and safety — that are the natural heritage of each and every Renault vehicle.



Vel Satis: Smooth sleek power in a class of its own.

TOP OF THE RANGE

DARING AND EXPER



A well-appointed yet discrete interior and cutting-edge technology make Vel Satis a timeless luxury car that combines elegance with comfort, reliability, superb handling and safety.

Excellence with a design all of its own. The full force of Renault's know-how was behind this project, with crucial implications for the future — developing a top-of-the-range car, naturally offering the highest standards of reliability and impeccable quality, but also embodying the daring and innovative spirit that are the hallmarks of its manufacturer. Meet Vel Satis, the first model in Renault's upcoming range renewal.

Vel Satis, a luxury sedan with detail and daring

Reentering a market segment — and staking out positions for the long term — implies commitment and planning. Renault rose to the challenge, mustering the expertise and resources needed to create Vel Satis.

A car at the top of the range must combine reliability, durability, flawless mechanics, high-quality materials, impeccable finish and safety. Vel Satis meets these requirements and more, setting new standards in several areas. And our expertise in these fundamentals allowed us scope to add a special touch, setting it apart from rivals with daring features that embody Renault's culture of innovation.

Vel Satis — tackling a changing market

Top-of-the-range cars account for 12.5% of the European market as a whole, with demand mainly from Germany, the UK and France. Together these three countries represent 70% of sales, with Germany alone accounting for nearly 40%. While sedans still top the segment, they are losing ground to minivans, station wagons and cabriolets. We are convinced that our new sedan concept will be a winner in Europe, where there is a long tradition of automotive culture. Vel Satis will benefit from its appeal for the growing numbers of non-conformist customers on the lookout for fresh values. A standard bearer for Renault's image in Europe, Vel Satis is expected to take 3% of the top end of the market in 2003, with sales totaling approximately 300,000 units in the period from 2002 to 2008.

In a class of its own

The strategically important development of Vel Satis was backed up by a special organization led by the Top-of-the-Range Committee bringing together staff members from all major departments. Completed in just 42 months, all development was carried out at the Renault Technocentre on the outskirts of Paris. Vel Satis is manufactured at our Sandouville plant near Le Havre, where significant investments were made to handle production at the upper and top end of the range. Vel Satis, Laguna II and the replacement for the Espace use the same platform. Shared processes and common components enabled us to cut the cost of the Vel Satis rollout to €550 million. And since Vel Satis targets a carefully defined customer profile, showroom staff received special training.

TISE



In December 2001 Vel Satis took first prize in a competition organized by the French Noise Abatement Council. Vel Satis and Laguna II are the only European cars certified 71dBA, below the 74dBA required under official standards for external noise produced by vehicles. Three major innovations built into Vel Satis include a patented trigonal multi-link rear suspension, an automatic parking brake replacing the traditional handbrake, and dual-hinged seat backs.

"The top end of the range is a big plus for brand image, and a very profitable segment, too. Renault has moved to win full recognition in this segment, building on our culture of innovation. Vel Satis is a sedan positioned at the top of the

market in terms of elegance and fundamentals, but with a special touch of daring, setting it apart from traditional models in this segment. You find the same approach in Avantime, a new concept in the coupé segment, and the Espace, soon to be

renewed to strengthen its leading position. Like Formula 1 racing, our top-of-the-range vehicles will definitely boost Renault's international standing."

Benoît Marzloff
Senior Vice President,
Strategy and Marketing,
Renault



PRODUCT LINE-UP

SAFETY, PERFORMAN



New Traffic

Voted Van of the Year 2002 in Europe, New Traffic combines innovative design and individual personality with superior road handling underpinned by fuel-efficient common-rail turbodiesel engines.

For professionals, user-friendly features — extended maintenance-free driving, durability and ergonomics — make this van a winner, especially when teamed up with premium safety equipment that includes a best-in-class braking system.

Developed jointly with General Motors Europe, New Traffic makes Renault's line-up of light commercial vehicles the youngest and most innovative on the market.

Compact, fuel-efficient and silent

The 80-hp 1.5 dCi engine ushered in by Clio — and soon to be fitted on Kangoo — builds on the winning features of the 65-hp version of the all-new K9K common-rail turbodiesel engine family.

The 80-hp 1.5 dCi engine is a flexible unit in which the new generation spherical common-rail injection system affords plenty of torque from low engine speeds.

It offers greater driving pleasure, exceptionally low fuel consumption and CO₂ emissions and a very high level of acoustic comfort.

The 1.5 dCi is made at the Valladolid Motores plant in Spain, which has sole responsibility for output under the K9K program. Plans call for it to be fitted on the Nissan Almera as well.



80-hp 1.5 dCi engine on Clio.

SUMMARY

2001 Renault Annual Report

CE AND COMFORT



Kangoo 4x4

Kangoo 4x4, with an off-road capability which is exceptional in its segment, takes Renault's SUV range into new territory. It features an adaptive hydraulic coupling from Nissan allowing it to switch automatically to four-wheel-drive mode, along with traction control, ABS and Emergency Brake Assist. In its 4x4 version, Kangoo can safely negotiate any terrain, with premium driving comfort through a 1.6-liter 16V gasoline engine and a 1.9 dCi common-rail turbodiesel unit.



New Clio 2

In 2001, Clio emerged from a major restyling with a host of new safety and comfort features. Current equipment such as ABS and Emergency Brake Assist is enhanced with ESP, while a reinforced body structure and four airbags provide even greater occupant protection. For the Initiale version, a new 80-hp 1.5 dCi turbodiesel engine has been introduced which cuts both fuel consumption and CO₂ emissions. Clio 2 also offers new automatic transmissions for its 1.2-liter 16V and 1.6-liter 16V engines. Two sporting versions from Renault Sport — the 172-hp 2-liter 16V and the 230-hp V6 24V — round out the line.



Laguna II

Laguna II — in both hatchback and sport tourer format — marks the first stage in a top-to-bottom revamp of the Renault range. Outstanding equipment levels enhance driver and passenger comfort in one of the safest vehicles on the road. Laguna II features two major technological innovations: Renault's keyless car system, which uses an electronic card, and a tire pressure monitoring system.

Laguna II is the first and only vehicle to have been awarded five stars by the independent safety-rating agency Euro NCAP — testifying to its success in encapsulating Renault's expertise and longstanding commitment to active and passive safety.

Third-generation SRP

Renault's unique SRP (System for Restraint and Protection) includes adaptive frontal airbags that inflate to two different sizes, depending on force of impact, as well as a fitted adaptive seatbelt. Together these afford greater protection in violent crashes — without secondary effects in the event of minor accidents. Other improvements include enhanced safety for backseat passengers through a selection of special restraint devices that include pretensioners, load limiters and a range of infant seats made to Isofix standards.



Renault dealership
in Noisy-le-Grand outside
Paris. Expert, personalized
customer care in
a comfortable setting.



Renault Mais dealership in Istanbul: A pleasant atmosphere encourages relaxed exchanges with potential buyers.

Customer satisfaction is a key measure of performance at Renault. Our commitment to continuous progress focuses on vehicles as well as manufacturing operations: we strive to produce ever safer and more reliable vehicles, and to offer regularly updated services, while strengthening our corporate image.

CUSTOMERS

COMMITMENT TO QUALITY AND SERVICE



A Twingo Quickshift and owner relaxing on the French Riviera.

QUALITY PRODUCTS

FOR SAFETY AND RE



Paint inspection in Douai.

The Georges Besse plant in Douai, northern France, was the first Renault plant in Europe to install a water-based paint shop, thus reducing emissions of volatile organic compounds. Specializing in Scénic, the facility has served as a pilot site for many innovations.

At Renault, we are constantly improving our products and processes, seeking the best quality, reliability and safety performance. We make no secret of our efforts to meet the very highest international standards — a priority set out in our Alliance Quality Charter.

A corporate mission

Making a quality car is a question of pace. By applying the Renault Production Way across the board in all our industrial operations, we intend to achieve the highest standards anywhere in the world. Launched in 1998, this program has gained from insider access to the Nissan Production Way, recognized worldwide as one of the best in the industry. In time, these two systems will merge, thus easing the deployment of a joint policy for the

construction of common platforms and powertrains. The Renault Production Way is based on a strict methodology to ensure consistent quality as well as regular productivity gains through enhanced workplace efficiency. In concrete terms, this means standardization of procedures plus ongoing analysis and knowledge sharing. All those involved in the manufacture of vehicles and parts — from suppliers to operators — participate actively, making

quality management part and parcel of everyday operations on the ground. Following initial testing in 2000, full deployment of the new system got under way in 2001. The first vehicles to be rolled out under the Renault Production Way will be the new Mégane line-up. Assembled in five countries, it will make its market debut at the end of 2002.

LIABILITY



Vel Satis brakes are put through their paces at the Aubevoye proving ground in Normandy, France.



Acoustic testing for Vel Satis.



Euro NCAP crash test, 2001: Laguna II came through with flying colors and was awarded the first ever five-star rating.

The Alliance Quality Charter

Renault and Nissan have drawn up a Quality Charter covering nine key issues for the Alliance. Aimed at improving and harmonizing quality at both companies, this is part of the ongoing process of debate and convergence between Renault and Nissan that is leading to the emergence of a new culture. The Charter details quality methods and procedures common to our two groups. Its scope extends from quality management in production, new product development and procurement to customer surveys on products and services, procedures for dealing with customer complaints and better control of warranties. The market trend to increasingly long warranties on vehicles makes this drive for total reliability essential.

Implementation of the Charter has already taken concrete shape in two areas — the adoption of common quality procedures in procurement, and common quality measurement criteria. During 2001, the latter were introduced in Mexico, at our Douai factory in northern France and at the newly opened factory for light commercial vehicles on the Ayrtton Senna site in Brazil.

Safety — no compromise

Renault is proud to make cars offering exceptional safety, both active (accident avoidance) and passive (protection for driver and passengers).

In active safety, we constantly strive to upgrade handling, braking and steering precision, at the same time introducing new driving aids. After extending ABS to all our range, we are now phasing in Emergency Brake Assist and Electronic Stability Program.

As regards passive safety, we place special emphasis on structural strength to resist impacts, particularly from the side, as well as restraint systems fitted on front and back seats. The third generation of the Renault System for Restraint and Protection first fitted on Laguna II in January 2001 is now being extended to other new models by stages.

Euro NCAP

Year after year, we outperform other contenders in the crash tests carried out by Euro NCAP, an independent car assessment organization. Testifying to our commitment, as reflected in the scale of our R&D outlays in this area, results confirm the quality of the materials and equipment in our cars. After awarding four stars to Mégane, Espace and Clio, in 2001 Euro NCAP hailed Laguna II with its first five-star rating ever.

Promoting prevention and awareness

At Renault, steady improvements in vehicle comfort, safety and design are just part of the story. We are also committed to accident prevention, more specifically developing public awareness of road safety through a comprehensive teaching program targeting children. Launched in 2000, our "Safety for All" program is aimed at 2 million elementary and middle-school pupils (ages 7 to 11) throughout Europe.

"The role of a quality assurance engineer is to make an overall assessment of the project, after permanently interacting with the other functions involved and drawing on the support of the Quality Department as a whole. This teamwork must begin well upstream in any new project to effectively identify risk, integrating feedback and making detailed plans to deal with them. It is important to analyze all the causes in-depth, while at the same time balancing cost and time considerations — non quality and failure to meet deadlines both add to costs. In the final analysis, the real measure of our success is the satisfaction of customers with our products and services. Which means that we have to keep our eye on changing expectations at all times. We learned a lot from preparations for the assembly of the Clio sedan in Mexico and, in a general way, work with Nissan on problem solving. There are big differences in organizational structure, the way quality is understood and in corporate culture in general."

Marylène Puisse-Desbois
Quality Assurance
Engineer,
Clio program



RENAULT AND CUSTOMERS



Renault customers buy more than a car — they buy peace of mind.

Renault was Europe's number-one brand for cars and light commercial vehicles for the fourth year running in 2001.

To forge ever closer links with our customers and offer innovative services, we are reshaping our sales network, setting up new joint sales subsidiaries in association with Nissan, developing new services including e-commerce websites, upgrading distribution, and more.

Focused distribution

Distribution is currently being reorganized into hubs that bring together different dealerships in a given territory under a single management structure, sharing support operations. This means significant savings for the dealer network without any reduction in the number of sales outlets.

Synergies with Nissan

Renault and Nissan sales subsidiaries in Switzerland and the Netherlands were merged in 2001 into single legal entities (SLE), and German subsidiaries are to follow suit in 2002. Dual legal entities (DLE) are also being set up in other countries to provide joint backup for both groups' sales entities which will nevertheless continue to operate independently. By pooling expertise and resources in this way, we are able to cut distribution costs and strengthen the competitive positions of both our groups.

Commitment to the highest standards of service

We naturally make a constant effort to win customer loyalty with personal attention and quality service in key areas such as repairs, backing this up with new innovative additions to our service offering. Recent examples are new financing packages such as the New Deal in France, as well as fast-fit repair chains Renault Minute Service and Renault Minute Bodyshops, available throughout Europe. We have also launched a car rental service, Renault Rent.

New Distribution

Renault now makes half of all vehicles to order under its New Distribution project, the only system of its kind applied on such a scale by any manufacturer. This frees distributors from inventory concerns, enabling them to meet customer requirements more easily and by the same token increase sales.

Promoting sales on the internet

We are continuing to build our web presence in stages, with our first e-commerce sites in France, the UK and Germany to be joined in 2002 by others serving Spanish, Dutch and Brazilian markets. Existing sites have proved a big success, attracting over 25,000 visits a day. More and more, these lead up to sales at dealerships, and in 2002 we are aiming to be the number-one automobile manufacturer on the internet.

This year will also see the launch of the Renaultparts site to help dealers expand their wholesale parts business with secondary networks and independent repairers.



Restructuring of the Renault-Nissan European network with common support functions, as pictured here in Ulm, Germany. Sharing resources has made for lower costs and greater efficiency in an extremely competitive market.



Quality in practice at Douai, France,
the first Renault plant to adopt AVES -
the new Renault-Nissan system
for evaluating vehicle quality.



To sustain momentum and back Renault's growth strategy, we attract key skills and invest heavily in training.

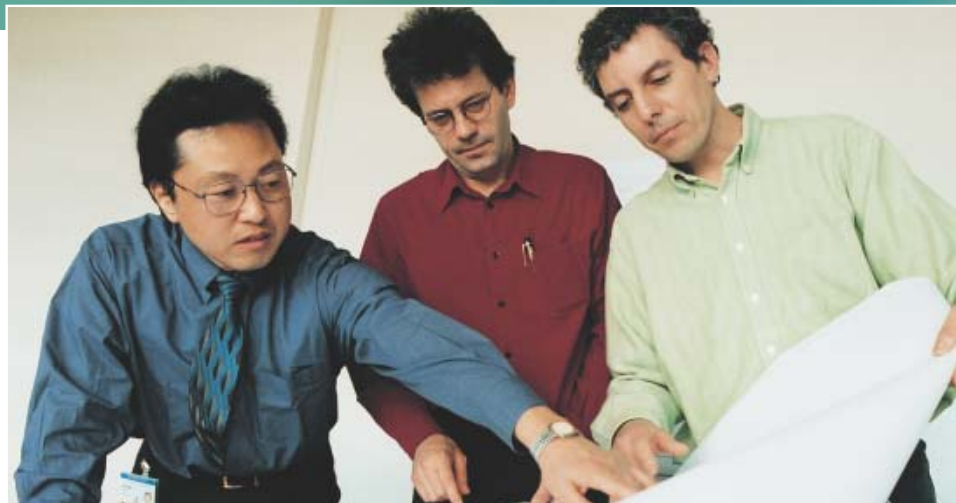
EXPERT TEAMS BUILDING FOR THE FUTURE

Renault operates over 350 sites in 36 countries. The men and the women making up our workforce must take a united approach to achieve our goals and build for the future — day by day.



Discharged substances are monitored at the water treatment plant operated by the Oyak Renault plant in Bursa, Turkey.

CAREERS IN MOTION



A French and Japanese team at the Technocentre in France.

Brisk recruitment

Our global presence and new developments in technology call for hiring as well as ongoing training to ensure that all staff are equipped to cope with change. Today Renault is engaged in an active recruitment policy, with a particular focus on candidates offering international profiles. At the same time, wide-reaching training programs help employees hone existing skills and develop new ones. The aim is to rally all teams to our group's strategy of profitable growth.

Our group's international expansion and the growing momentum of the Alliance with Nissan have far-reaching effects. Added to the pace of technological development, these make for deep and rapid change in patterns of behavior and organization. In 2001, the recruitment of over 6,000 people in different parts of the world made a major contribution to revitalizing the company, rounding out existing skills in core functions as well as new technologies.

This concerned all categories of employees. For management, the proportion of new recruits with an international career profile showed a further rise, reaching 27% of overall recruitment after 25% in 2000 and 9% in 1999. This form of recruitment is backed by active promotion of Renault's corporate image outside France through channels that include major European press titles, career fairs at universities and engineering schools, and a growing internet

presence. In this way, we are steadily building up a network of relationships and contacts, helping us to find the new talents we need. The recruitment section of our www.renault.com website is another vector which attracts more and more users.

Training — a key priority

Training is essential to our capacity to anticipate change and meet new challenges for our business. In France alone, staff received 1.4 million hours

"After finishing business school in Helsinki, I moved to France and in December 2000 answered an online job offer from Renault. The position fit in well with what I had been doing at an advertising agency in Paris, handling international coordination for an automobile manufacturer and then media strategy. I started my new job in January 2001, and did my factory work experience at Douai in northern France. I was assigned to the painting

unit. Believe me, lifting a 13-kilo tailgate over 400 times a day is very hard work. But it was definitely rewarding. I then went to Tours in the Loire Valley to get some first-hand experience in sales. It's a different business altogether. I am now with a young and enthusiastic team of people keen to succeed, and we work hard to do just that. After advertising, I would really like to get nearer to the actual product."

Petra Kaittola
Media Coordinator,
Media and Advertising Strategy
Advertising Department
Finnish





Renault Corporate Design: Superb facilities stimulate creative flair, drawing talented designers from around the world.

of training in 2001 for an investment equal to 6.4% of payroll.

Our operations are increasingly international and the trend has gained added momentum as a result of our Alliance with Nissan. This, in turn, has made languages, especially English, ever more important. To help meet this need, an e-learning facility was set up in 2000, initially in the Paris area, with 50 on-line training terminals averaging 500 connections a week in the first stage.

Management development

To help managers deal effectively with increasingly complex situations, we have updated and expanded our offerings, while at the same time

adapting some corporate programs to regional requirements.

Altogether 4,000 managers, from new recruits to experienced executives, took part in training programs in 2001 — twice the number in the previous year. Special coaching for senior executives provided additional support. Other significant initiatives included joint reviews by human resource teams from Renault and Nissan to find appropriate ways to develop common management practices within the framework of the Alliance.

"I studied information technology in Bogota and spent a year as an exchange student at the Ecole des Mines in Nantes, in western France. Next came an internship with a major French vehicle manufacturer. But instead of going back to Colombia I accepted a job as a software storage specialist with Renault. I went through the new recruit program immediately after I signed up in January 2001. It began at the Sandouville plant, where I was assigned to a unit stamping body panels for Laguna II. I then moved on to a dealership, where I learned what it means to keep customers happy. I love everything to do with cars, so I found this fascinating. I am now working on software for the storage of data on corporate management servers. When I arrived, I had to start out by myself. But without expert support from the team I would never have been able to ensure the necessary continuity."

Edvar Castañeda
Support Engineer
Information Technologies and Systems
Colombian



"I joined Renault in July 2001 after responding to a job offer from the Parts and Accessories Division on the internet. It was for their e-business department. I have a degree in international commerce and I worked in marketing as an intern at a major French group operating in Poland. Later, I set up a website for the Polish Chamber of Commerce in Paris. Now I am developing marketing tools for Renaultp@rts, Renault's first site for the sale of parts and accessories to maintenance and repair specialists. This is part of a broader program to make the most of new IT within the division, which is piloting the development of business-to-employee sites for the Renault group. I haven't completed the new recruit program yet, but I've already made several working visits to France and the UK. Other trips to Italy and Germany are planned to help me gain a fuller understanding of customer needs, completing my integration in the company and making me really familiar with its culture."

Gabriella Grajewska
Marketing Project Manager,
Renaultp@rts
Parts and Accessories
Division
Polish



Improving working conditions

Improved safety and working conditions remain key objectives, as reflected in a group-wide charter adopted in 2000 and implemented in the course of 2001. This has two prime aims — to preserve the health and well-being of employees, and to create working conditions that are a source of motivation. Major developments in 2001 included full audits of conditions at a number of sites, improvements in ergonomic analysis to factor in muscular and skeletal disorders, and moves to take working conditions into account in all new development projects.

LOOKING AHEAD



With an all-new minivan architecture, Espace Concept remains true to its Espace heritage while embracing the visual identity of Avantime and Vel Satis. A concept car at the top end of the range, the Espace Concept combines driving pleasure with safety, reliability and quality.

Financial outlook

(approved by the Board of Directors meeting of February 12, 2002)

2002 will be a year of product launches for Renault, with the introduction of new top-of-the-range models and the start of the Mégane renewal, which will begin to bear fruits at the end of the year.

Against this backdrop and in a similar market context as in 2001 both inside and outside Europe, the aim in 2002 is to consolidate the group's unit sales and maintain positive operating margin, on a consistent accounting basis.

2002 will also mark the beginning of a second phase in the Alliance with Nissan, putting Renault in a position to bolster performance in the coming years.

Product outlook

The sweeping drive to renew our product range that began in 2001 with Laguna II and New Clio will continue in 2002.

Vel Satis, our new flagship in the luxury segment, will be launched in early March, while the first new versions of the Mégane replacement will be rolled out in autumn, along with the successor of Espace, entirely designed and built by Renault. All three confirm the Renault tradition of innovative styling, design and technology.

We have made performance gains from new advances in powertrain technology, with the three major new engines — the 2.0-liter 16V turbo, the 3.5-liter V6 24V gasoline and the 3.0-liter V6 24V diesel — introduced on Vel Satis and set to power other models in the range. Automatic transmissions are making significant headway. By summer this year, Laguna II will offer a choice of two diesel engines teamed up with automatic transmissions, the 110-hp 1.9-liter

dCi with a four-speed transmission and the 2.2-liter dCi with the same five-speed transmission equipping Vel Satis.

Kangoo will offer the 80-hp 1.5-liter dCi model currently fitted to New Clio, while Trafic will gain added power with the 2.5-liter dCi now on the Master.

The results of this revamp of Renault's line-up will be on display at the Paris Motor Show in autumn.

SUSTAINABLE DEVELOPMENT

Renault prides itself on being a good corporate citizen, and in 2002 we will publish our first social responsibility report. This describes in detail our achievements in terms of economic efficiency, social equity and environmental protection — three fundamental aspects of sustainable development. The report will be available both in print and on our corporate website at www.renault.com.

100% Renault

2002 marks Renault's return to Formula 1 under its own colors, with Renault engines and chassis. Set up in 2001, the Renault F1 Team is powered by engines designed and produced at the Viry-Châtillon plant on the outskirts of Paris. The chassis is made at Enstone in the UK, which also runs wind-tunnel tests. The Formula 1 circuit is an unparalleled testing ground for those with a passion to win and a commitment to excellence. At Renault, we are going all out to compete directly with the teams that currently dominate this exciting sport.





The cabin stands out for its clean lines, muted grey and light beige tones, soft leather finish, comfortable seats and floor mats. This luminous interior evokes the very best in contemporary design, with a focus on comfort and well-being. An exceptionally large glazed area rounds out the picture, and a sliding roof opens a record 2.16 square meters.

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