



2009 ANNUAL REPORT

PROMOTING SUSTAINABLE MOBILITY FOR ALL

DRIVE THE CHANGE



2009 KEY FIGURES *

GROUP SALES WORLDWIDE **: **2,726,645 VEHICLES**

REVENUES: **€ 33,712 MILLION**

OPERATING MARGIN: **- € 396 MILLION**

NET INCOME, RENAULT SHARE: **- € 3,125 MILLION**

WORKFORCE: **121,422 EMPLOYEES**

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THE RENAULT GROUP HAS BEEN MAKING CARS SINCE 1898. TODAY, IT DESIGNS, MANUFACTURES AND MARKETS VEHICLES UNDER THREE BRANDS: RENAULT, DACIA AND RENAULT SAMSUNG MOTORS.

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

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

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

Our goals:

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

CONVERSATION WITH THE CHAIRMAN

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



How would you sum up 2009?

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

What is the outlook for 2010?

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

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

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

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

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

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

What areas do these synergies concern?

The two main sources of synergies, in terms of financial impact, are synergies in purchasing and synergies in the sharing of parts, platforms and powertrain sub-systems. For example, instead of developing its own 1.6 l diesel engine, Nissan will take advantage of the studies conducted by Renault. Nissan saved 50 million euros on this project in 2009 – and pooling the costs enabled Renault to cut the total outlay by 20 million euros. This sharing of costs also cut our purchasing costs since the engine will be produced on a larger scale. Synergies with the Alliance also enable us to conduct projects that neither company would have been able to take on separately. The most obvious example is the development of electric vehicles. Neither Renault nor Nissan would have been able to bear the cost for this alone. But we could also talk about our international development strategy. In Russia and India, in particular, by working together, we are obtaining the critical size necessary for our competitive development more quickly.

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

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

- We aim to be pioneers in the mass marketing of electric vehicles while continuing to improve the efficiency of our combustion engines.
- We will continue to boost our sales on emerging markets, especially by our position in countries where we are already present, such as Russia, India and Brazil.
- We will expand our commercial offensive in Europe, particularly by strengthening the respective positions of our brands, Renault and Dacia.
- We will consolidate our position as a leader in low-cost vehicles with the Logan platform, and we will use our future ultra-low cost vehicle as a lever for our international development.
- We will step up the development of joint policies within the Alliance, which is crucial in achieving these objectives.
- We will include all these objectives in a new medium-term plan currently in preparation, which we should be able to announce early next year.

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

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

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

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

I would like your investment in Renault to be an even greater source of satisfaction and pride.

MANAGEMENT TEAM

GROUP EXECUTIVE COMMITTEE AT MARCH 1, 2010



From left to right: T. Moulonguet, M. Gornet, K. Nakamura, P. Péлата, C. Ghosn, O. Desforges, J. Stoll and P. Klein

CARLOS GHOSN PRÉSIDENT, AGE 55

École Polytechnique. École des Mines. In 1996, after 18 years at Michelin, he joined Renault as Executive Vice President in charge of operations in Mercosur countries as well as Advanced Research, Car Engineering, Car Manufacturing, Powertrain Operations and Purchasing. In 1999, he was appointed Nissan's Chief Operating Officer, and then became the company's President and Chief Executive Officer in 2001. President and Chief Executive Officer of Renault since May 2005, he remains President and Chief Executive Officer of Nissan Motor Co. Ltd.

PATRICK PÉLATA CHIEF OPERATING OFFICER, AGE 54

École Polytechnique. École Nationale des Ponts et Chaussées, Doctorate from EHESS. Joined Renault in 1984 and became Senior Vice President, Vehicle Engineering Development and a member of the Management Committee in 1998. In 1999, he became Nissan Executive Vice President, Corporate and Product Planning, Design and Programs, and a member of the Executive Committee. A member of the Nissan Board, he was appointed Executive Vice President, Plan, Product Planning and Programs with the Renault group and became a member of the Group Executive Committee on July 1, 2005. He is also a member of the Renault-Nissan Alliance Board. In 2008, he was appointed Renault Chief Operating Officer.

ODILE DESFORGES EXECUTIVE VICE PRESIDENT, ENGINEERING AND QUALITY, AGE 60

Graduated from Ecole Centrale de Paris. She began her career as Research Officer at the Transport Research Institute. She joined the Renault Group in 1981. In 1986 she moved to Purchasing, and in 1992 became Director, Body Hardware Purchasing for the joint Renault Volvo Purchasing Organization and, in 1994, for Renault only. In March 1999, she became Executive Vice President of the Renault VI-Mack Group. In 2001, she was appointed President of the AB Volvo Group's 3P Business Unit. In 2003 she became Senior Vice President, Renault Purchasing, Chairman and Managing Director of the Renault Nissan Purchasing Organization (RNPO) and joined the Renault Management Committee. In 2009 she became Executive Vice President, Engineering and Quality, and a member of the Group Executive Committee.

MICHEL GORNET EXECUTIVE VICE PRESIDENT, MANUFACTURING AND LOGISTICS, AGE 63

École Polytechnique. Harvard Business School. Joined Renault in 1968. Appointed General Manager of the Billancourt plant in 1986, then of the Sandouville plant in 1989. He became Senior Vice President, Manufacturing in 1994 and joined the Renault Management Committee at that time. He was appointed Executive Vice President, Manufacturing and Logistics and member of the Group Executive Committee on January 1, 2005. In March 2007, he was placed in charge of Group Human Resources.

PHILIPPE KLEIN

EXECUTIVE VICE PRESIDENT, PLAN, PRODUCT PLANNING AND PROGRAMS AND CORPORATE CONTROL, AGE 53

École Supérieure de Physique-Chimie de Paris and École Nationale Supérieure des Pétroles et Moteurs. Philippe Klein joined Renault in 1981 and held a number of positions in the Engine Development department until 1992, when he became Executive Secretary to the Chairman. In 1994, he joined the Powertrain Engineering Department, and in 1998, the Vehicle Engineering Development Department. From 1999 to 2003, following the creation of the Renault Nissan Alliance, he joined Nissan in Tokyo as Vice President in charge of the CEO's office. Back at Renault in 2005, he was appointed Senior Vice President, Industrial System Performance Department, then Senior Vice President, in charge of the CEO's Office, and a member of the Renault Management Committee. In 2007, he returned to Nissan in Tokyo as Senior Vice President, CEO /COO Office and Corporate Administration. In 2008 he was appointed Executive Vice President, Plan, Product Planning and Programs.

THIERRY MOULONGUET

EXECUTIVE VICE PRESIDENT, CHIEF FINANCIAL OFFICER, COMPLIANCE OFFICER, AGE 58

École Nationale d'Administration. Joined Renault in February 1991 as Head of Group Financial Relations, before being appointed Senior Vice President, Controller of Capital Expenditures in 1996. In 1999, following the signature of the Renault-Nissan Alliance agreement, he joined Nissan in Japan as Deputy Chief Financial Officer. In 2000 he was appointed Chief Financial Officer of Nissan. In 2004 he became Executive Vice President and Chief Financial Officer of Renault and a member of the Group Executive Committee.

KATSUMI NAKAMURA

EXECUTIVE VICE PRESIDENT, RMC LEADER, ASIA-AFRICA, AGE 56

Katsumi Nakamura began his career with Nissan, Japan in 1978, working in Vehicle Engineering and then Corporate Planning and Product Planning. In January 2000, he was appointed Program Director for the SUV line-up and became a member of Nissan's North America Management Committee. In 2002, he was charged with establishing Nissan's operations in China and in 2003 he was appointed President of Dongfeng Motor Company Co. Ltd, Nissan's joint venture partnership in China. In 2008, Katsumi Nakamura was appointed RMC Leader for Asia-Africa and joined the Renault group Executive Committee.

JÉRÔME STOLL

EXECUTIVE VICE PRESIDENT, SALES AND MARKETING, LCV, RMC LEADER EUROPE, AGE 56

École Supérieure de Commerce de Paris (ESCP), Centre Perfectionnement aux Affaires (CPA). Jérôme Stoll worked at Renault V.I. from 1980 to 1983, then held a position with the senior management team of Berliet Nigeria, a Renault V.I. subsidiary, until 1987, when he joined Renault. He became Finance and Administrative Director at Renault Automation in 1989. He was named Director of Industrial Purchasing in 1995, then Director of Powertrain Purchasing in 1998. Jérôme Stoll became President and CEO of Renault Samsung Motors in 2000. On May 1, 2006, he took up the post of Mercosur Director, becoming CEO of Renault do Brasil and a member of Renault's Management Committee. In 2009, Jérôme Stoll was appointed Executive Vice President, Sales & Marketing and LCVs, RMC Leader, Europe and, in October, CEO of Renault Retail Group.

EXECUTIVE COMMITTEE AND MANAGEMENT COMMITTEE AT MARCH 1, 2010

CARLOS GHOSN*

Chairman and CEO

BRUNO ANCELIN

Alliance Director of Global Sourcing

MICHEL BALTHAZAR

Senior Vice President, Pre-Engineering, Projects and Requirements

DENIS BARBIER

RMC Leader, Americas

BERNARD CAMBIER

Senior Vice President, Market Area France

JACQUES CHAUVET

RMC Leader, Euromed

MARIE-FRANÇOISE DAMESIN

Senior Vice President, Corporate Communications

CHRISTIAN DELEPLACE

Expert Fellow

ODILE DESFORGES*

Executive Vice President, Engineering and Quality

CHRISTIAN ESTEVE

GM, Avtoframos, and RMC Leader, Eurasia

MICHEL FAIVRE-DUBOZ

Senior Vice President, Global Supply Chain

MICHEL GORNET*

Executive Vice President, Manufacturing and Logistics

CHRISTIAN HUSSON

Senior Vice President, Legal Department, Senior Vice President, Public Affairs

PHILIPPE KLEIN*

Executive Vice President, Plan, Product Planning and Programs and Management Audit

JEAN-CHRISTOPHE KUGLER

Senior Vice President, LCV Division

NADINE LECLAIR

Senior Vice President, Vehicle Engineering

GÉRARD LECLERCQ

Senior Vice President, Group Human Resources

CHRISTIAN MARDRUS

Alliance Managing Director, Global Logistics

THIERRY MOULONGUET*

Executive Vice President, Chief Financial Officer, Compliance Officer

KATSUMI NAKAMURA*

Executive Vice President RMC Leader, Asia-Africa

ERIC NICOLAS

Senior Vice President, Corporate Controller

STEPHEN NORMAN

Senior Vice President, Global Marketing

PATRICK PÉLATA*

Chief Operating Officer

JACQUES PROST

Senior Vice President, Powertrain Engineering

BERNARD REY

Senior Vice President, CEO Office Senior Vice President, Renault F1 Team

JÉRÔME STOLL*

Executive Vice President, Sales and Marketing, Light Commercial Vehicles, RMC Leader, Europe (incl. France)

DOMINIQUE THORMANN

RCI Banque

JEAN-PIERRE VALLAUDE

Senior Vice President, Quality

LAURENS VAN DEN ACKER

Senior Vice President, Corporate Design

CHRISTIAN VANDENHENDE

Alliance Director of Global Purchasing, Senior Vice President, Purchasing, and Chairman and Managing Director, RNPO

* Members of the Group Executive Committee.

2009 IN PICTURES

THE RENAULT GROUP IN 2009

JANUARY

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

FEBRUARY

- **Launch of Kangoo Be Bop.**

MARCH

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

Renault Mégane Coupé, Mégane Estate, Grand Scénic, Scénic and Clio III phase 2: a totally renewed range with an average age of 2.5 years (compared with 3.8 years in 2005).

MAY

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

JUNE

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

JULY

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

SEPTEMBER

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

OCTOBER

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



April: Launch of Grand Scénic.



September: Presentation of four electric concept cars at the Frankfurt Motor Show and agreement signed with Germany's electricity producer RWE.



May: A new team for Alliance RNBV.



July: In ten years with the Group, Dacia has become a major automotive player.

Renault relaunches the Gordini brand: the blue Twingo RS with two white stripes brings the myth back to life!

APRIL

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



RENAULT,
A PEOPLE CENTRIC
AND INNOVATIVE COMPANY
OFFERING SUSTAINABLE
MOBILITY FOR ALL

DRIVE THE CHANGE



September: A new brand signature.

2009 IN PICTURES

THE RENAULT GROUP IN 2009

NOVEMBER

- **New sustainable development website:** following the founding in December of the **Sustainable Mobility Institute** Renault-ParisTech, Renault launches a new website: www.mobilite-durable.org. Through this site, which features, press reviews, interviews with sustainable mobility players and an interactive map of good practices, Renault goes out to meet web users interested in sustainable development.
- **New Renault Scénic was awarded the 2009 Golden Steering Wheel Award** in the compact MPV class. This distinction is awarded by the German Sunday paper Bild am Sonntag and by the readers of Auto Bild and similar European magazines circulated in 25 countries. One of Renault's star products, Scénic invented the compact MPV segment 14 years ago and led it for a decade. Launched in June 2009, New Renault Scénic is now the best-selling MPV in Europe by cumulative volume.



November: New Scénic receives the 2009 Golden Steering Wheel award.



December: Journalists test drive the electric prototypes in Copenhagen.

DECEMBER

- **Fluence Z.E. and Kangoo Express Z.E. at the climate change summit in Copenhagen:** prototypes of these two zero-emission* vehicles prove their appeal and simplicity to the participants at the conference.
- **Renault takes part in the United Nations International Day of Persons with Disabilities**, as the only European manufacturer committed to the design, production and sale of vehicles for the disabled. Through its subsidiary, Renault Tech, Renault markets a wide range of vehicles for consumers or business users, for personal, family or group use: Kangoo, Logan MCV, Trafic and Master.



December: Renault takes part in the International Day of Persons with Disabilities.



CONVERSATION WITH PATRICK PÉLATA

Chief Operating Officer

How did Renault manage the crisis?

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

And the reduction in fixed costs?

Renault succeeded in doing more with less. Compared with 2007 – the year before the crisis – our fixed costs fell by over 2 billion euros, proportionally more than our revenues. These results were achieved without jeopardizing our strategic projects. Our international projects, the renewal of our offering, the optimization of our internal combustion engines, our investments in electric vehicles – we were able to achieve all this while at the same time reducing our expenditure. This frugality is now an integral part of our processes and we will continue to benefit from it, post-crisis period included.

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

Reducing our stocks. Between December 2008 and December 2009, we cut stocks by more than 1.3 billion euros, which is in a decrease of more than 2.6 billion euros compared with June 2008.

To do so, we significantly reviewed our logistics system. We reduced aging stocks, pooled stocks between different countries and better controlled the stock of vehicles for sales. We also reduced our stocks of used vehicles, parts and accessories, and raw materials.

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

We are launching six new models in 2010 (SM5, Duster, Mégane Coupé-Cabriolet, Wind, Master front-wheel drive and Master rear-wheel drive). We will also enjoy a full year of New Scénic, renewed in second-half 2009. This should enable us to pursue our sales offensive and continue to increase market share in our main countries. We will keep our stocks low. And we will also continue to accelerate synergies with Nissan – and reduce our fixed and variable costs. All of these measures will allow us to achieve positive free cash flow in 2010.

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

In the first quarter we found it difficult to respond to the rise in demand following the introduction of scrappage bonuses in the main European markets. We adjusted our production accordingly. Globally we improved our market share in 2009, with an acceleration in the second half.

If you look at Renault's 15 main markets, which account for 85% of our sales, we improved our share in 11 countries. This figure is even better in the second half, with an increase in 13 out of the 15 countries.

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

*in use

RENAULT GROUP IN 2009 KEY FIGURES

TOTAL INDUSTRY VOLUME - PC + LCV REGISTRATIONS (UNITS)

	2005	2006	2007	2008	2009
Europe (incl. France)	17,514,551	17,773,957	18,070,512	16,625,309	15,877,451
Euromed + America + Asia-Africa	27,022,655	29,353,333	32,593,925	33,632,186	34,499,528
Total	44,537,206	47,127,290	50,664,437	50,257,495	50,376,979

RENAULT GROUP - MARKET SHARE - PC + LCV (%)

	2005	2006	2007	2008	2009
Europe (incl. France)	10.4%	9.4%	8.8%	9%	9.5%
Euromed + America + Asia-Africa	2.5%	2.5%	2.6%	2.6%	2.3%

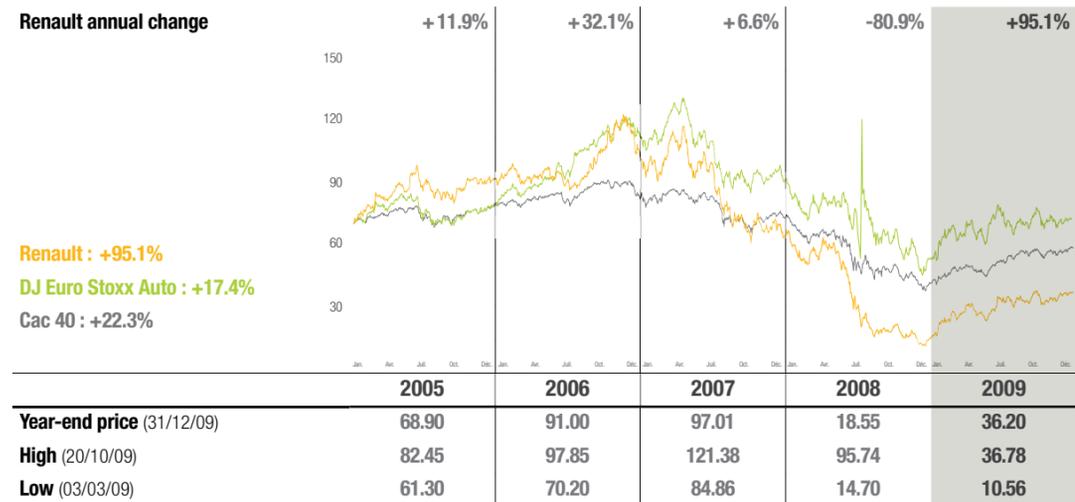
RENAULT GROUP - SALES - PC + LCV (UNITS)

	2005	2006	2007	2008	2009
Europe (incl. France)	1,852,756	1,692,999	1,624,261	1,507,554	1,529,368
Euromed + America + Asia-Africa	682,083	740,710	860,778	874,689	779,820
Total	2,534,839	2,433,709	2,485,039	2,382,243	2,309,188

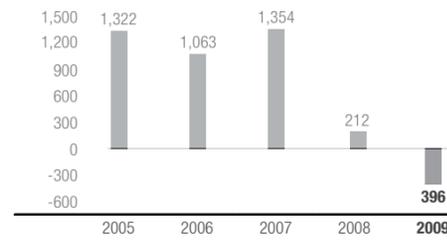
INTERNATIONAL GROUP SALES

	2005	2006	2007	2008	2009
% of total	27.2%	30.8%	35.1%	36.9%	34.0%

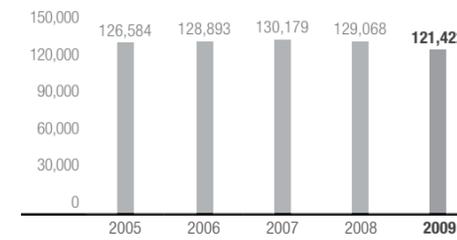
RENAULT SHARE PERFORMANCE FROM DECEMBER 31, 2004 TO DECEMBER 31, 2009 (€) CAC 40 AND DJ EURO STOXX AUTO INDEXED ON RENAULT SHARE PRICE AT DECEMBER 31, 2004 (€61.55)



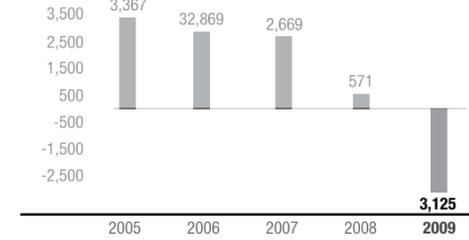
OPERATING MARGIN* (IN MILLION EUROS)



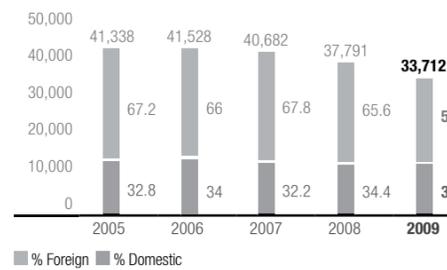
WORKFORCE OF THE RENAULT GROUP* (IN UNITS)



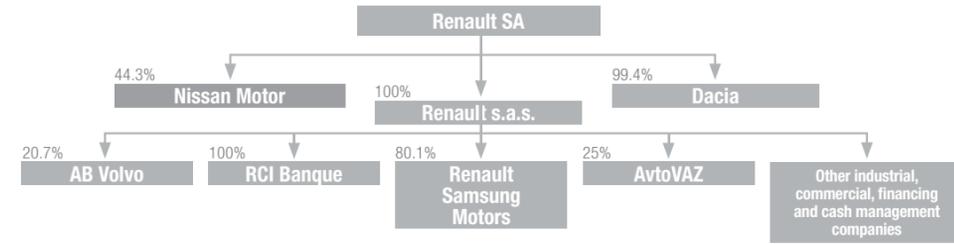
NET INCOME* (IN MILLION EUROS)



GROUP REVENUES* (IN MILLION EUROS)

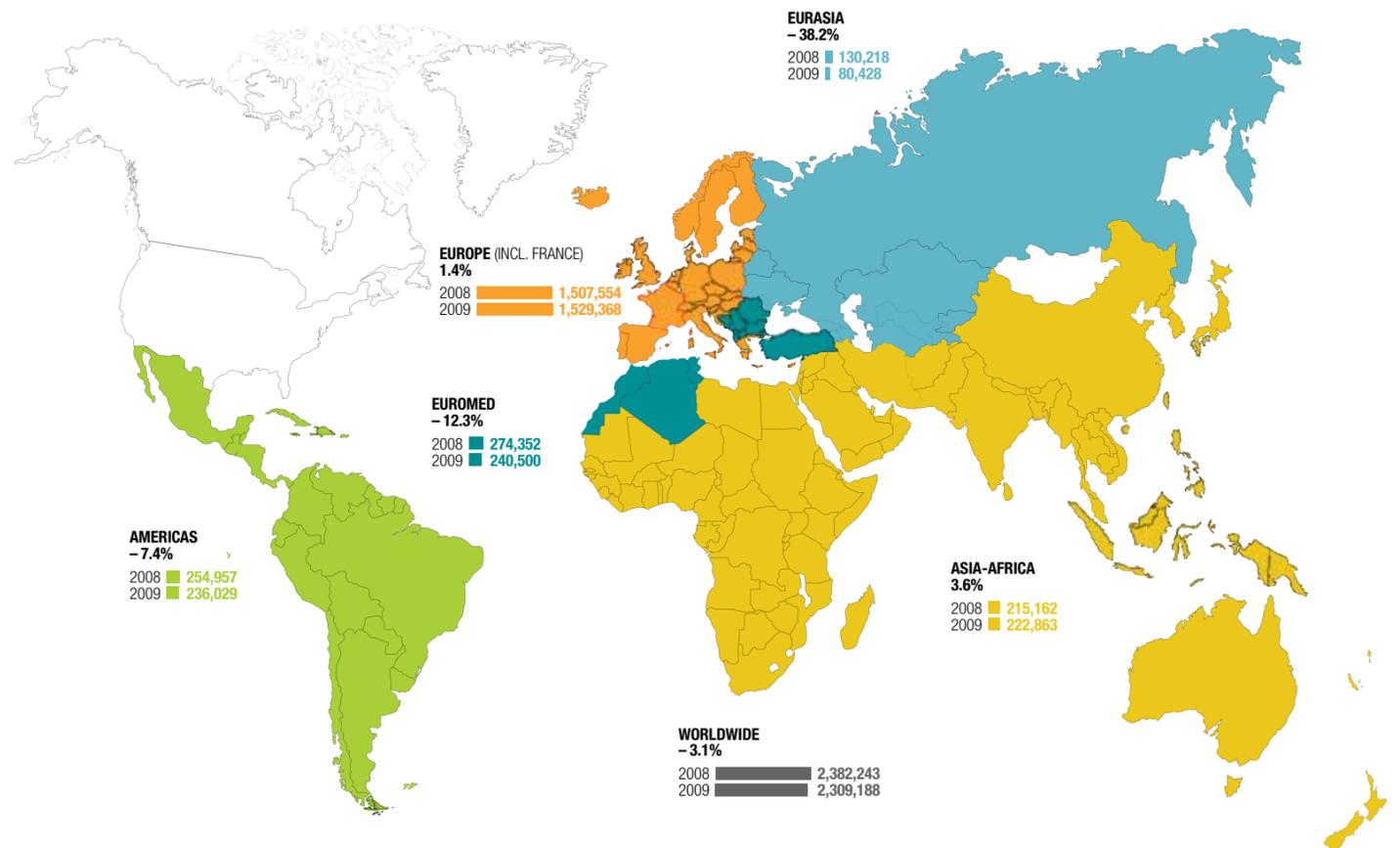


SIMPLIFIED STRUCTURE OF THE RENAULT GROUP AT DECEMBER 31, 2009



* Published figures.

COMMERCIAL RESULTS, BY REGION (EXCLUDING AVTOVAZ) (THOUSAND UNITS - CARS + LCVS)



CORPORATE GOVERNANCE

BOARD OF DIRECTORS AT MARCH 1, 2010



From left to right and from top to bottom: C. Ghosn / T. Desmarest / A. Champigneux / P. Blau / A. Belda / P. Lagayette / C. de Croisset / T. Isayama / H. Saikawa

CARLOS GHOSN

Chairman and CEO
Chairman and CEO, Nissan Motor Co., Ltd.
Chairman of the Alliance Board: Renault Nissan b.v.
Member of the Appointments and Governance Committee
Age 55
205,200 shares
Date of first term: April 2002
Current term expires: 2010

YVES AUDVARD

Advanced Process Design Engineer – Renault
Director elected by employees
Member of the International Strategy Committee
Age 56
6 shares and 200 ESOP units
Date of first term: November 2002
Current term expires: November 2012

ALAIN J.-P. BELDA

Non-Executive Chairman of Alcoa
Member of the Appointments and Governance Committee
Age 66
1,000 shares
Date of first term: May 2009
Current term expires: 2013

PATRICK BIAU

Cost Control, Investments – Renault
Director elected by employees
Member of the International Strategy Committee
Age 53
688 ESOP units
Date of first term: November 2008
Current term expires: 2012

ALAIN CHAMPIGNEUX

Renault Document Manager
Director elected by employees
Member of the Accounts and Audit Committee
Age 55
1,076 ESOP units
Date of first term: November 2002
Current term expires: November 2012

CHARLES DE CROISSET

International Advisor, Goldman Sachs International
Independent director
Member of the Accounts and Audit Committee
Age 66
1,000 shares
Date of first term: April 2004
Current term expires: 2012

THIERRY DESMAREST

Chairman of the Board, Total
Independent director
Member of the Remuneration Committee
Age 64
1,000 shares
Date of first term: April 2008
Current term expires: 2012

JEAN-PIERRE GARNIER

CEO, Pierre Fabre SA
Independent director
Member of the International Strategy Committee
Age 62
1,000 shares
Date of first term: April 2008
Current term expires: 2012

TAKESHI ISAYAMA

Chairman, Carlyle Japan L.L.C.
Age 66
1,000 shares
Date of first term: May 2009
Current term expires: 2013

ALEXIS KOHLER*

Director, Transport and Audiovisual, with the French Government Shareholding Agency, at the Ministry of the Economy, Industry and Employment
Member of the Accounts and Audit Committee
Age 37
Date of first term: February 2010
Current term expires: 2011

MARC LADREIT DE LACHARRIÈRE

Chairman and CEO, Fimalac
Independent director
Chairman of the Appointments and Governance Committee
Member of the Remuneration Committee
Age 69
1,020 shares
Date of first term: October 2002
Current term expires: 2010

DOMINIQUE DE LA GARANDERIE

Barrister, Cabinet La Garanderie & Associés
Former chair, Paris Bar Association
Independent director
Member of the Accounts and Audit Committee and of the Appointments and Governance Committee
Age 66
1,150 shares
Date of first term: February 2003
Current term expires: 2013

PHILIPPE LAGAYETTE

Philippe Lagayette
Senior Independent Director
Independent director
Chairman of the Accounts and Audit Committee
Age 66
1,000 shares
Date of first term: May 2007
Current term expires: 2011

JEAN-CLAUDE PAYE

Retired civil servant
Independent director
Chairman of the International Strategy Committee and Member of the Accounts and Audit Committee
Age 75
200 shares
Date of first term: July 1996
Current term expires: 2010

FRANCK RIBOUD

Chairman and CEO, Danone Group
Independent director
Chairman of the Remuneration Committee
Age 54
331 shares
Date of first term: December 2000
Current term expires: 2010

LUC ROUSSEAU*

Director General of Competitiveness, Industry and Services, Ministry of the Economy, Industry and Employment
Member of the International Strategy Committee
Age 53
Date of first term: February 2010
Current term expires: 2011



From left to right and from top to bottom: Y. Audvard / F. Riboux / D. de la Garanderie / J.C. Paye / L. Rousseau / M. Saily / M. Ladreit de Lacharrière / A. Kohler / J.P. Garnier

HIROTO SAIKAWA

Executive Vice President, Nissan Motor Co., Ltd.
Age 56
100 shares
Date of first term: May 2006
Current term expires: 2010

MICHEL SAILLY

Head of Development for the Renault Production Way
Director elected by employee shareholders
Member of the International Strategy Committee
Age 60
266 ESOP units
Date of first term: April 2009
Current term expires: 2013

** Administrative regulations forbid these directors from owning shares as government representatives.*

THE BOARD OF DIRECTORS IN 2009

The Board of Directors met seven times in 2009. At each of these meetings, management presented a report on the finances, market performance and the industrial and technical activities of the Group in all areas, before taking questions from Board members. The main topics addressed during the year are outlined below.

ACCOUNTS AND BUDGET

The Board approved the Group's consolidated financial statements and first-half financial statements for 2009, set the dividend to be proposed to the AGM, and adopted the 2010 operating and investment budget. It reviewed the action plan to preserve Renault's competitiveness, profitability and financial position in the light of the new economic situation. Given the difficulties in raising new private market financing, the Board authorized the signature of a loan agreement with the government and riders to that agreement consistent with the provisions of Decrees 2009-348 of March 30, 2009 and 2009-445 of April 20, 2009 on "the terms of remuneration of senior executives of companies receiving government assistance or support as a result of the

economic crisis, and of the senior managers of state-owned companies".

CORPORATE GOVERNANCE

The Board combined the functions of Chairman of the Board of Directors and Chief Executive Officer and appointed Mr Ghosn as Chairman and Chief Executive Officer. It also created the function of Senior Independent Director and appointed Philippe Lagayette to this position, upon a proposal by the Appointments and Governance Committee.

The Board appointed Louis Schweitzer as Honorary President, and conducted a simplified self-assessment of its operating methods, which supported the positive results of the detailed assessment carried out in 2007.

GROUP STRATEGY

The Board discussed Renault's strategic guidelines after Renault Commitment 2009, with particular emphasis on the electric vehicle (EV), as part of a day devoted to this issue. It approved the signature of a Memorandum of Understanding with AvtoVAZ shareholders Russian Technologies and Troika Dialog

regarding the means to ensure AvtoVAZ's sustainability. The Board also approved continued engagement in Formula 1 with the support of a new strategic partner.

THE ALLIANCE

Ten years after the Alliance's creation, the Board examined how to step up Renault-Nissan cooperation (identified synergies to contribute €1.5 billion to the free cash flow of the two Alliance partners) and create a dedicated team within RNBV to coordinate the main areas of cooperation between Renault and Nissan. It approved the signature of a letter of intent with Nissan, the French Atomic Energy Commission (CEA) and the French Strategic Investment Fund (FSI) to set up a joint venture company that would develop and manufacture batteries for electric vehicles in France.

The Board also noted the summary of the Alliance Board's decisions and proposals.

CORPORATE GOVERNANCE

SPECIALIZED COMMITTEES OF THE BOARD OF DIRECTORS

The Board has four specialized committees.

ACCOUNTS AND AUDIT COMMITTEE

Philippe Lagayette chairs this committee, whose other members include Alain Champigneux, Charles de Croisset, Dominique de La Garanderie, Jean-Claude Paye and Alexis Kohler. Four of the six are independent directors. The committee met five times in 2009, and dealt with the following matters in particular: the Group's consolidated financial statements and Renault SA's individual financial statements for 2008 and first-half 2009; the dividend to be proposed for FY 2009; the fees paid to the statutory auditors and their network; the 2008 balance sheet and the breakdown of the 2009 and 2010 Internal Audit Plan; risk mapping, analysis and monitoring methods used in the Group; the activity of the Compliance function; and the impact of the Order of December 8, 2008 on the legal auditing of accounts.

REMUNERATION COMMITTEE

The committee has four members, all of whom are independent directors: Franck Riboud in the chair, Thierry Desmarest, Jean-Pierre Garnier and Marc Ladreit de Lacharrière.

The committee met once in 2009. The main items on its agenda were the AFEP/MEDEF recommendations on remuneration, as well as the remuneration of the Chairman and CEO, following the combination of those functions, and of the Executive Committee members.

APPOINTMENTS AND GOVERNANCE COMMITTEE

This committee is chaired by Marc Ladreit de Lacharrière. The other members are Alain Belda, Carlos Ghosn, Philippe Lagayette and Dominique de La Garanderie. Four of the five members are independent directors. The committee met twice in 2009. The main

items on its agenda were the composition of the Board, governance arrangements following the 2009 AGM, and the revision of the list of independent directors in accordance with AFEP/MEDEF criteria. The committee examined the results of the simplified assessment of the Board's operating methods and, in accordance with governance rules, reviewed the succession plan for Renault's directors.

INTERNATIONAL STRATEGY COMMITTEE

Jean-Claude Paye chairs this committee, whose other members are Yves Audvard, Patrick Biau, Luc Rousseau, and Michel Saily. One of the committee's five members is an independent director. The committee met once in 2009, and the main item on its agenda was Renault's Light Commercial Vehicle (LCV) strategy.



Combined Annual General Meeting of Shareholders, May 5, 2009.

MANAGEMENT METHODS

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

The departure of Louis Schweitzer, as he himself had provided for in 2005, led Renault to adjust its governance arrangements, while ensuring ongoing transparency between executive management and the Board of Directors and, more broadly, with regard to shareholders and the market. The 2005 decision to separate the functions had been prompted by the desire to ensure a smooth management transmission.

A change in the governance arrangements was proposed to the Board of Directors following the AGM of May 6, 2009. Carlos Ghosn was appointed Chairman and CEO, taking on the role of Chairman of the Board of Directors in addition to his current duties. Aside from strategic decisions and the monitoring of financial and legal issues and public affairs, which remain the direct responsibility of the Chairman and CEO, operational decisions are under the authority of the Chief Operating Officer.

APPOINTMENT OF A SENIOR INDEPENDENT DIRECTOR

In 2009 the Board of Directors appointed Philippe Lagayette as Senior Independent Director.

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

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



Combined Annual General Meeting of Shareholders, May 5, 2009.

The Senior Independent Director's tasks include:

- advising the Chairman of the Board and the Chairmen of the specialized committees,
- chairing Board meetings where the Chairman and CEO is not present. In particular, the Senior Independent Director chairs discussions intended to assess the performance of the Chairman and CEO with a view to determining his remuneration, having obtained the opinion of the Remuneration Committee. He sits on the Accounts and Audit Committee and the Appointments and Governance Committee. The internal regulations of the Board of Directors, which are posted on www.renault.com, have been revised to reflect the new governance arrangements.

RENAULT SHAREHOLDERS

LISTEN, INFORM AND BE AVAILABLE

As soon as it opened its capital in 1995, Renault started looking for ways to help shareholders get to know the company, the challenges it faces, its products, and the world of the automobile in general.

LISTENING TO INDIVIDUAL SHAREHOLDERS

AN ACTIVELY INVOLVED SHAREHOLDERS' CLUB

Open to anyone who owns a Renault share, the Club has around 8,000 members. In 2009 over 300 shareholders participated in a variety of events, such as tours of production sites, Research and Development and engineering centers, and theme breakfasts.



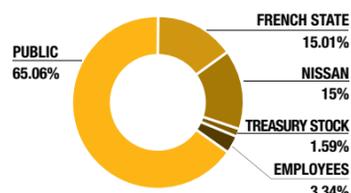
October 20, 2009: tour of the Cléon plant.

A CONSULTATIVE COMMITTEE: REPRESENTING SHAREHOLDERS

The Shareholder Consultative Committee was formed in 1996 to help improve the communications tools intended for individual shareholders.

Composed of nine shareholders, the committee met three times in 2009 to analyze all documents sent to shareholders for the annual general meeting – including the annual report – to improve the Finance section of the website, and to find better ways to manage registered Renault shares directly. The members of the committee are listed on renault.com/finance.

SHAREHOLDER STRUCTURE AT DECEMBER 31, 2009



INFORMING SHAREHOLDERS REGULARLY, DIRECTLY AND TRANSPARENTLY

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

TOOLS AVAILABLE 24/7

To offer shareholders even better service, in 2009, Renault developed a new website tool: the Shareholders' Corner. This section allows Club members to sign up for events online, manage their account, and even find great deals on Renault merchandise. (www.renault.com/Finance).

MAINTAINING CLOSE RELATIONS WITH INVESTORS

INSTITUTIONAL INVESTORS

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

Lastly, shareholders can share in important events in the financial life of the Group, either live or at their leisure, via webcasts of its half-year and full-year results announcements and the annual shareholders' meeting on its website, www.renault.com

MEETING UP WITH SHAREHOLDERS AROUND THE COUNTRY

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

SOCIALLY RESPONSIBLE INVESTORS

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

CONVERSATION WITH



Aldo Sicurani

Member of Renault's Shareholder Consultative Committee
General Secretary of the French Federation of Investment Clubs

What is the Shareholder Consultative Committee (SCC)?

Set up by Renault in 1996, the Committee is composed of around ten volunteers who

are interested in exploring how Renault can communicate most effectively with its individual shareholders.

SCCs have grown tremendously in popularity in recent years, but not every company has created one. At Renault, there is a real sense that the company makes an effort to consult and listen to its shareholders. The teams do take our suggestions into account.

How does the Renault SCC actually work?

We meet three or four times a year to discuss topics proposed by Renault. For example, in 2009 we were asked to analyze and propose improvements to various communications tools: the Shareholders' Letter, the shareholder section of the website, the annual report, etc.

The members of the SCC bring a certain amount of experience to the table and truly feel that they have a stake. They know Renault well. I would even go so far as to say that they care very strongly about Renault.

How would you rate Renault's current shareholder communications?

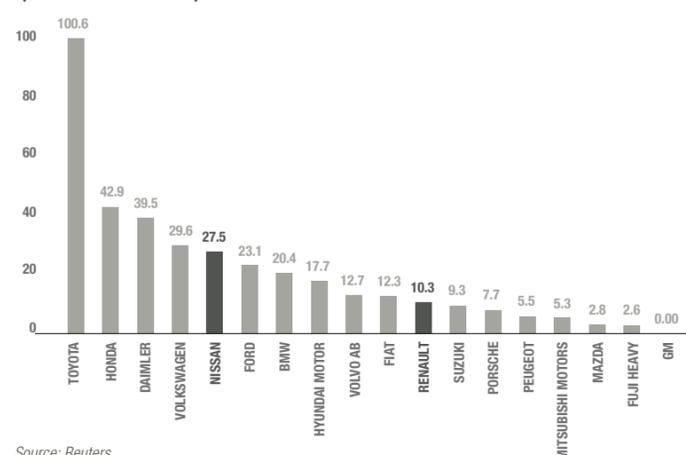
Good. Very good, in fact. Information is available and accessible. The shareholders' area of the website, in particular, exceeds standards. And the interactive shareholder guide is particularly well done. Very clear. I should know because it was one of the topics discussed by the SCC! One would really have to try hard to find fault with the information provided by Renault.

Renault ranks among the large corporations with some of the best financial communications. Implementing the best possible tools for communicating with an extremely diverse population of hundreds of thousands of individual shareholders is no small feat.

Management and top executives are also remarkably involved: we meet with Thierry Moulouguet and with program managers several times a year. We always hold a meeting the day of the AGM, followed by a lunch with Carlos Ghosn.

MARKET CAPITALIZATION AT 12/31/2009 RENAULT HOLDS THE 11TH POSITION AMONG THE GLOBAL CARMAKERS

(IN BILLIONS OF EUROS)



Source: Reuters

RENAULT SHARE DATA

- **November 17, 1994:** Renault shares are listed on the monthly settlement section of the Paris Bourse. Around 1.1 million investors subscribe to the Initial Public Offering. Initial offer price: FRF 165 for individual shareholders (€25.15).
- **February 9, 1995:** Renault is added to the CAC 40 index. Since the creation of Euronext (the leading pan-European stock market), the share has been listed on Euronext (Compartment A) and is eligible for the Deferred Settlement Service (SRD).
- **Dividend paid in 2009** (in respect of 2008): €0 per share.
- **Renault is listed on** the following indices:
 - CAC 40, SBF 120, SBF 250, Dow Jones Euro Stoxx, Dow Jones Stoxx Auto, Euronext 100, Euronext 150.
 - Renault is also rated annually by companies specializing in extra-financial performance measures with respect to risk management, social and environmental responsibility, and governance, and is part of the following indices: Dow Jones Sustainability World Index (DJSI), Aspi Eurozone, Ethical Euro and Ethibel Excellence Sustainability.

CONTACT

WRITE US:

E-mail : communication.actionnaires@renault.com.
Renault – Service des relations avec les actionnaires – 13-15, quai Le Gallo – QLG V15 355 – 92513 Boulogne-Billancourt Cedex France.

PHONE US:

Toll-free: +33 (0) 800 650 650 / +33 (0) 1 76 84 59 99 (voice messaging system).
Renault employee shareholder line: +33 (0) 1 76 84 33 38.

FOR COMPLETE DOCUMENTATION AND LIVE STREAMING OF MAJOR EVENTS (AGM, RESULTS PRESENTATIONS):

Website: www.renault.com, Finance section.

TO REGISTER YOUR RENAULT SHARES:

BNP Paribas – Securities Service – Actionariat Renault – Immeuble Tolbiac – 75450 Paris Cedex 9 – Tel. : 0 892 23 00 00 or +33 (0)1 40 14 11 16.



1.

VISION AND STRATEGY WHAT TODAY'S CUSTOMERS EXPECT

The automobile industry is at a turning point in its history, with challenges ranging from inequalities in safety and mobility to pollution and the vital need to cut CO₂ emissions and preserve natural resources.

By placing people, family and quality of life at the center of its vision, Renault has chosen to create affordable, low-carbon products and services that make life easier.

The goal is to pioneer sustainable mobility for all and to ensure that the automobile becomes a source of progress again. ■■■

WHAT TODAY'S CUSTOMERS EXPECT ENJOYABLE, MODERN, ECONOMICAL VEHICLES

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

THE CRISIS HAS ACCELERATED EXISTING TRENDS

On mature markets such as Europe, the USA and Japan, the crisis has accelerated a deep-seated and lasting change in customers' expectations and hence purchasing habits, as people grapple with uncertainties about purchasing power and oil prices, and the growing realization that the planet's resources are finite and that consumption alone is not a guarantee of happiness. Two contrasting –

though not conflicting – trends are at work. On the one hand, cars are criticized because they emit CO₂ gases, are expensive and increasingly awkward to use about town. On the other, people still really want cars, which many continue to view as ensuring freedom of movement. As a result, for the first time, sales of city cars (vehicles in the A and B segments) have overtaken sales of compacts (C segment) in Europe.

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

DEVELOPING A BROADER VIEW OF MOBILITY

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



Twizy Z.E. Concept

WINNING OVER THE CONSUMERS OF THE FUTURE

The crisis has exacerbated another trend: the proportion of under-35s who buy new vehicles has fallen (from 30% in 1991 to 20% today in France). Unlike previous generations, today's young people do not regard the car as their main means of freedom. They prefer the internet, which allows them to travel virtually and to be constantly connected to their community. But these young people are also the next generation of customers. The challenge is therefore to harness new kinds of technology (such as the electric vehicle) to make the car of tomorrow a fresh, modern tool that more flexible, economical and user friendly.



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

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

(According to a study by the Boston Consulting Group)

WHAT RENAULT CAN OFFER THE EXPERIENCE AND KNOW-HOW OF OUR PEOPLE

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

ANTICIPATING THE NEW ENVIRONMENTAL STANDARDS WITH THE RENAULT ECO² RANGE

Launched in 2007, the eco² signature reflects the Group's determination to reduce the environmental impact of its vehicles at every stage of the lifecycle, from production through on-road use to end-of-life. After years of hard work, Renault is now one of Europe's most efficient carmakers in terms of CO₂ emissions. The Group is aiming

to be the leader in this field by 2015 and is centering its efforts on two fronts:

- new technologies for combustion engines and transmissions,
- an unprecedented commitment to electric engines.



This new version of Clio dCi 85 Renault eco² emits just 98g of CO₂ per km (for consumption of 3.7 liters/100 km over a combined cycle and a theoretical range of 1,486 km). It was introduced at the Brussels Motor Show in January 2010. Reserved for Clio 3- and 5-door models, this version will be added to the existing range in March 2010.

RENAULT ECO² VEHICLES MEET THREE CRITERIA

- manufactured at ISO 14001-certified plants;
- emit less than 140 g/km of CO₂. Some vehicles may also run on bio-fuels;
- contain at least 5% recycled plastic and are designed so that 95% of their mass can be recovered at end-of-life.

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

RENAULT IS A CARMAKER THAT IS :

- modern and popular;
- open and sensitive to the diversity of its customers;
- aware of the speed with which the world is changing;
- ready to take on new economic, social and environmental challenges.



OUR ABILITY TO INNOVATE

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

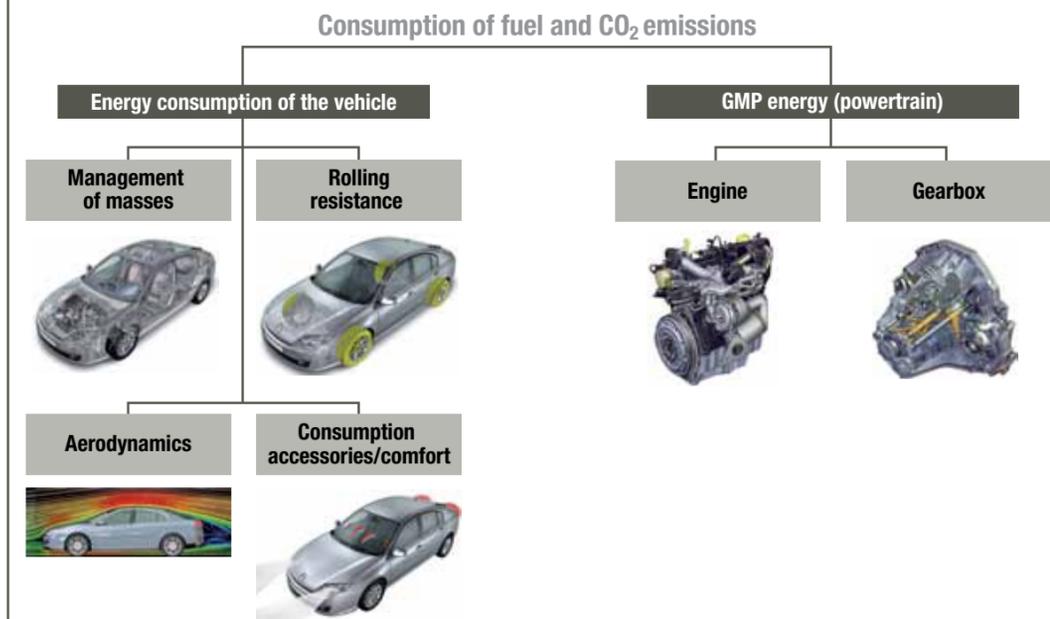
- **downsizing technology:** higher-efficiency turbochargers are used to build more compact engines with greater power, paving the way for a range of economical, feisty, affordable powerplants;
- **new-generation automatic transmissions such as the Efficient Dual Clutch (EDC)** that offer consumption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

- **work on fundamental vehicle design parameters** (mass, aerodynamics, rolling resistance) **and electric and combustion energy management.**



Dashboard of Twizy Z.E. Concept.

LEVERS TO REDUCE CO₂



CO₂ emissions: 1g CO₂/km = 10 kg or 0.020 SCx or 8 Newton or 30 Watt (electricity)

Power consumption: 0.1 l/100 km = 25 kg or 0.030 SCx or 20 Newton or 1000 Watt (electricity)

SERVING PEOPLE WITH OVER 110 YEARS OF INNOVATION

In 1898, Louis Renault designed a car featuring two major innovations for the future of this new means of transportation: **universal joint transmission** and a revolutionary **direct-drive gearbox**.

In 1902, Renault filed a **patent for a supercharge system**, which would lead decades later to the birth of the turbocharger.

The launch of the 4CV in 1946 symbolized a **twofold reconstruction**, that of France and Renault.

Renault created another sensation in 1961 **with the Renault 4**, the first "voiture à vivre" (car for life and living), followed in 1972 by the Renault 5, the first city car.

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

In 1993, **Twingo reinvented the automobile** with an alternative to traditional small cars. Since 2004, **Renault has led the way in a new form of automobile consumption with its Entry range** (Logan and Sandero).

At end-2008, Renault was one of the top-three carmakers in terms of low fuel consumption and CO₂ emissions. **With the Renault eco² signature, Renault addresses all life-cycle phases**, from vehicle production to end-of-life recycling.

2009: **Renault announced the mass production of a complete range of zero emission electric vehicles.**

RENAULT ECO² CHAMPIONS FOR 2010

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

In the Renault eco² range, the CO₂ Champions are **Laguna dCi 110** (122g/km of CO₂), **Mégane dCi 110 EDC** (114g/km of CO₂), **Scenic dCi 95** (125g/km of CO₂), **Clio dCi 85** (98g/km of CO₂) and **Twingo dCi 85** (94g/km of CO₂). The emission reductions are achieved through new engine and vehicle developments.

TWIZY: A NEW KIND OF URBAN MOBILITY

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

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



Twizy Z.E. Concept: A new ultra-compact electric vehicle.

MAKING USEFUL TECHNOLOGY AVAILABLE TO ALL: A RENAULT TRADITION

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

QUALITY: MEETING 2009 TARGETS ... AND STILL IMPROVING

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

- warranty expenses were down 52% relative to 2006;
- 80.6% of customers were fully satisfied (Sept. 2009) with sales and aftersales services (8.5-point increase on end-2005);
- Laguna III was in the top three of its category in France and Germany;
- A and B segment models were rated "excellent" by the German automobile club (ADAC);
- Dacia topped the reliability rankings published by trade magazine Auto Plus on January 12, 2010 and was voted third-most reliable automobile in the annual survey by UFC-Que Choisir, a consumer magazine, with a reliability score of 92.61%;
- Renault Samsung Motors was ranked number-one in South Korea for the seventh year in a row.

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

NEW RENAULT SCÉNIC: PACKED WITH HANDY NEW FEATURES

New Renault Scénics are the first MPVs to be fitted with an audible/visual parking aid combined with a reversing camera. To make parking safer and easier, the reversing camera shows an image of the area behind the vehicle on the navigation screen. A Thin Film Transistor computer screen shows color coded zones on the central display to make it easier to visualize how close objects are.

Like New Mégane Hatchback and Coupé, New Renault Scénics offer a new radio/CD/MP3 player with Bluetooth® connectivity, a Plug & Music multimedia terminal with USB and iPod sockets, and a top-of-the-line 3D Sound by Arkamys® audio system.



To make parking maneuvers easier and safer, the reversing camera projects a picture of the area behind the car onto the navigation screen.

THE FOUR PILLARS OF RENAULT'S QUALITY APPROACH

- **LISTEN:** act on customers' needs and expectations; address areas of dissatisfaction.
- **GUARANTEE:** that required quality standards are applied and obtained to provide vehicles and services with impeccable reliability.
- **ENDURE:** make products that last and age well, according to the use to which they are put.
- **SERVE:** provide services that ensure that customers are confident and comfortable with their vehicles and the brand.

RENAULT IN THE TOP-THREE FOR QUALITY IN SEVERAL EUROPEAN COUNTRIES

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

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

When it comes to occupant protection, Renault is a standard-setter, as reflected by the scores its models have received in crash tests carried out by the independent Euro NCAP organization. Beginning with Laguna II in 2001, 12 Renault vehicles have earned the top score of five stars.

Drawing on its unique expertise in the field of safety, Renault is constantly innovating

to provide its customers with products that offer a response to the realities of everyday driving. Priority goes to technologies that can prevent accident risks, take corrective action in unexpected driving situations and protect occupants in the event of a collision.



Preparing a crash test on Mégane hatch.

SAFETY GOING BEYOND MERELY COMPLYING WITH REGULATORY REQUIREMENTS

To ensure that its products reflect the needs of everyday motoring, Renault bases its safety approach on a scientific understanding of accidents and on real safety. Above all, Renault is continuing to come up with new solutions. Priority goes to technologies that can prevent accident risks, take corrective action in unexpected driving situations and protect occupants in the event of a collision.

SAFETY FEATURES ON THE MOST POPULAR VEHICLES

- Since 2002, the Renault range has been fitted with the third-generation Renault System for Restraint and Protection, which offers the best possible protection against submarining (when the pelvis slips below the safety belt; submarining can cause serious, even fatal, abdominal injuries).

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

PASSIVE SECURITY

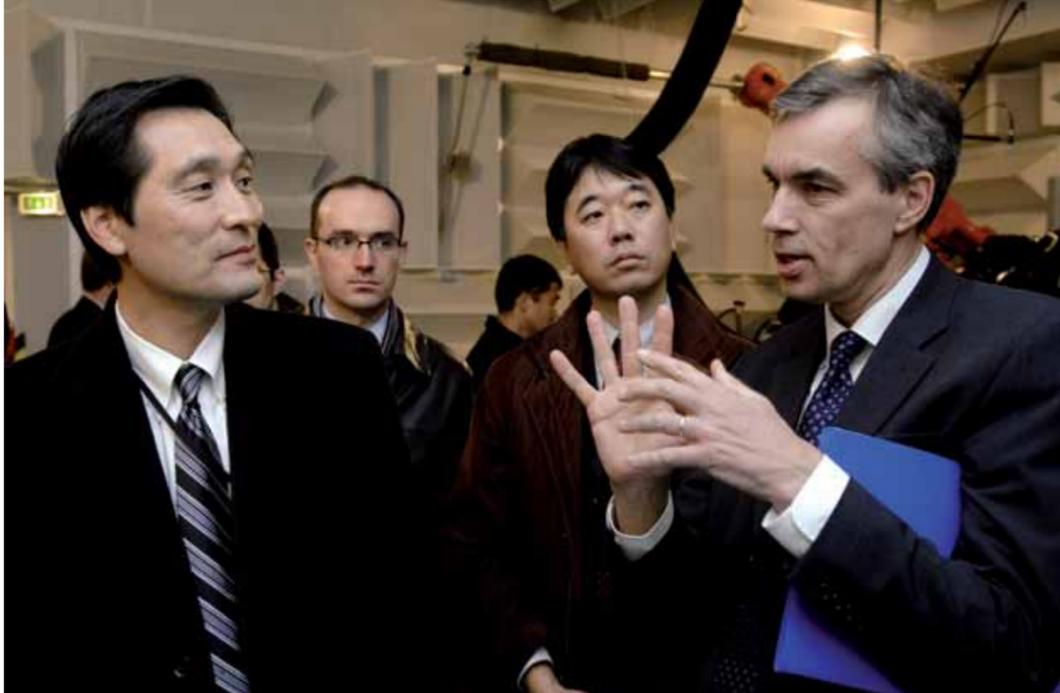
New Mégane Estate comes with the same passive safety features and systems that helped the hatchback obtain the maximum possible score of 37 points (out of 37) in Euro NCAP crash tests, namely a programmed deformation structure combined with the third-generation Renault System for Restraint and Protection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

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

WHAT RENAULT CAN OFFER

THE RENAULT-NISSAN ALLIANCE

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



Alliance Cross Company Team: Tour of the Lardy site.

€1.5 billion in Alliance synergies in 2009 (evenly divided between the two Alliance partners). €1 billion targeted for 2010.

11 YEARS ON, NEW SYNERGIES CONTINUE TO FLOW

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

SHARING MANUFACTURING EXPERTISE AND FACILITIES

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

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

STRENGTH THROUGH THE GLOBAL CRISIS

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

In May 2009, the Alliance announced additional synergy projects to contribute €1.5 billion in free cash flow to Renault and Nissan. To reinforce the deployment of these projects across both companies, a dedicated team was set up (called Renault Nissan BV or 'RNBV') reporting directly to Carlos Ghosn. Its mission is to foster deeper,

broader cooperation between the two partners, not just to meet the short-term objective of delivering additional free cash flow, but as a long-term change to the way in which the Alliance operates. The push to generate synergies focuses primarily on priority areas such as purchasing, industrializing of vehicles and mechanical organs, shared platforms and parts, powertrains, support functions, global logistics, information systems, research and advanced technologies, and zero emission vehicles.

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

LOOKING FURTHER AHEAD

Aiming for zero-emission* leadership

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

An international footprint

Russia, the world's largest country with a big development potential for the car industry, is a strategic market for Renault and the Alliance. By working together with AvtoVaz, the Alliance is helping to create a win-win situation for Renault, Nissan and AvtoVaz. We have a clear, coherent product plan for all three brands, with a shared platform, shared engines and shared production capacity. Simply halving the gap with Western Europe in terms of cars per 1,000 inhabitants would mean putting 25 million more cars on the Russian market. The Alliance's three plants in Russia will have a combined capacity of 1.1 million units per year, ready to meet our commercial objectives.

In India, a growing middle class is shifting demand from the ubiquitous two-wheelers to more comfortable four-wheelers. The Alliance is positioning itself to meet this demand through the launch this year of the new plant in Chennai. At the same time, the development of a new ultra low cost vehicle with Bajaj continues.

In China, the Alliance is principally represented by Nissan, which is continuing to build volume and market share with its partner Dong Feng through the right products and the right monozukuri strategy.

*in use

EXAMPLES OF SYNERGIES

- Renault and Nissan have jointly developed **engines and gearboxes**, including one automatic gearbox (6-speed) and two diesel engines (V6 dCi and 2.0 dCi).
- In R&D, common roadmaps were introduced in 2009 for **strategic technologies**, including advanced safety, interior comfort and the electric vehicle. Renault will benefit from the battery technology that Nissan has developed with NEC, which will lead to significant savings in development costs. There will be savings on the investment side too, following the decision to opt for a shared process – the Quick Drop System – for replacing EV batteries.
- Renault-Nissan Purchasing Organization (RNPO) now handles all **Alliance purchasing**: when it was set up in April 2001, RNPO accounted for 30% of Renault and Nissan purchases. The scope of shared activities and RNPO's geographical coverage have increased steadily since then and now covers 100% of purchases. By combining their media spend under one agency, for example, Renault and Nissan were able to leverage purchasing scale and deliver cost savings for both companies.



The Alliance operates in 190 countries.

NISSAN IN 2009

On February 9, 2010, Nissan announced its financial results for the third quarter and the first nine months of fiscal 2009, ending March 31, 2010. The third-quarter results showed a marked improvement with revenues up 20.6% and consolidated net income after taxes of 45 billion yen (€340 million). The better-than-expected results were due mainly to the rise in sales on major markets due to scrappage incentives, sales volume growth in China and the impact of the measures taken to counter the global financial and economic crisis.

Key figures for the first nine months of fiscal 2009*:

- Net income after tax: ¥54 billion (€410 million), up 25%
- Net revenue: ¥5.3796 trillion (€40.45 billion), down 19.5%
- Operating profit: ¥228.9 billion (€1.72 billion), up 147.6%
- Operating profit margin: 4.3%
- Ordinary profit: ¥145.9 billion (€1.1 billion), up 62%
- Unit sales: 2,505,000 vehicles, down 4.8%

*based on an average foreign-exchange rate for the period of 133 yen/euro.

Revised forecasts for full year 2009 ending March 31, 2010*:

- Consolidated net revenues of ¥7.4 trillion (€56.06 billion)
- Operating profit of ¥290 billion (€2.2 billion)
- Net income of ¥35 billion (€270 million)
- R&D expenses of ¥395 billion (€2.99 billion)
- Capital expenditures of ¥300 billion (€2.27 billion)

*based on a revised average foreign-exchange rate for the full fiscal year of 132 yen/euro.

WHAT RENAULT CAN OFFER

OUR PRESENCE IN FRANCE AND AROUND THE WORLD

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

THE GROWTH REGIONS OF THE FUTURE

EUROPE REGION

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

FRANCE

Even though Renaults are produced in 18 different countries, France remains the industrial heart of Renault, with 14 industrial plants out of a global total of 37. This year, Renault also announced that it would be producing several vehicles in France.

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



Batilly plant: Fitting trim parts on new Master.



Flins plant: Assembling Clio III.

RENAULT IN FRANCE:

- 14 industrial plants (out of a total of 37);
- 1/3 of the industrial workforce;
- 46% of the total Group workforce and 55% of the Renault workforce (excluding Dacia and RSM);
- 25% of the Group's worldwide production;
- 86% of engineering spend;
- 55% of the Group's industrial added value.

SPAIN

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

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



Palencia plant: Building Mégane Hatch.

PORTUGAL

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

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

SLOVENIA

- **Novo mesto:** The plant ramped up output in 2009 to respond to strong demand for Twingo.

EURASIA REGION

RUSSIA

Despite the crisis, Renault continued to win market share this year. The Group was down 33%, but the market tumbled by 50%. The Group doubled capacity at the Avtoframos plant (160,000 units a year) and will launch Sandero in 2010.

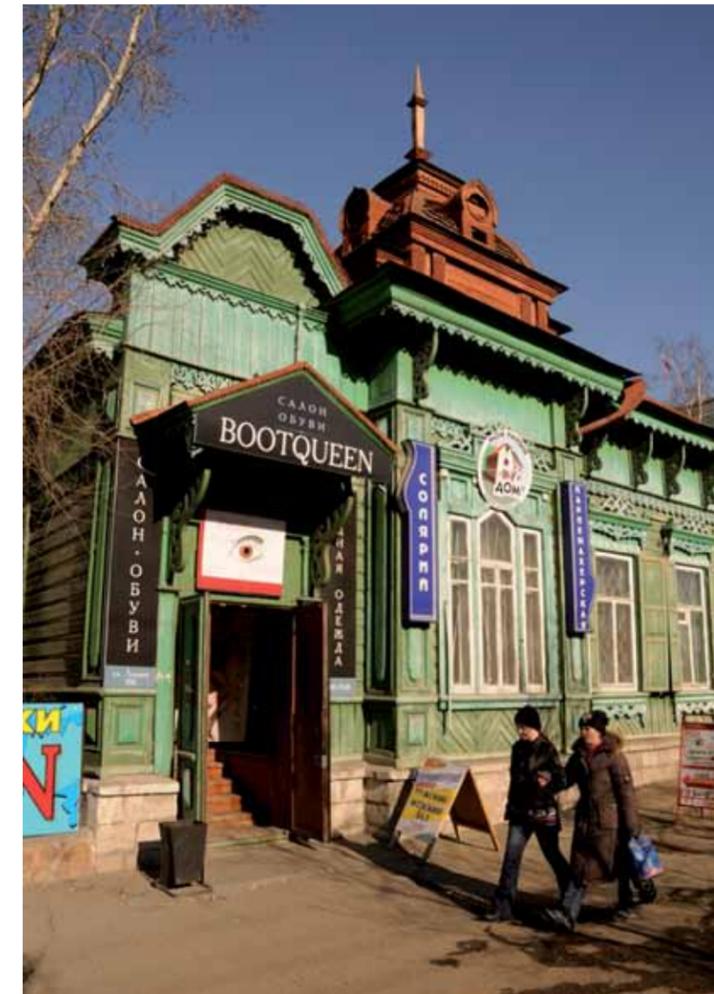
- **AvtoVAZ (Renault 25%):** the crisis helped crystallize awareness of the need for change at AvtoVAZ. The restructuring process is being carried out under difficult conditions, but all the partners share the same desire to make AvtoVAZ a modern, sustainable and profitable company. With this in mind, the Russian government will increase its support for AvtoVAZ from 25 billion to 75 billion rubles (€1.67 billion) with a view to repaying bank loans and covering the company's short-term liquidity requirements. For its part, Renault is providing technical and managerial know-how as part of a package worth the equivalent of €240 million. The Alliance is planning to produce the vehicles of both brands alongside Ladas at AvtoVAZ's Togliatti plant. Vehicles produced under the Lada brand will account for at least 70% of AvtoVAZ's output. All these measures will help AvtoVAZ to rebuild its margins and increase the combined market share and sales of Lada, Renault and Nissan on the Russian market. The final agreements are expected to be signed in late March 2010.

*in use

CAPITALIZING ON INDUSTRIAL AND COMMERCIAL OPERATIONS IN INTERNATIONAL MARKETS

Brazil, Russia, India and China (also known as the "BRIC" countries) and emerging markets in general have certainly witnessed a sharp slowdown because of the crisis. But they still have huge growth potential, because car ownership rates are much lower than on mature markets. In India and North Africa, there are just 50 cars for every 1,000 people. The number is closer to 100 in Iran and 150 in Russia and Brazil, as compared with 800 in the USA and 600 in Europe and Japan.

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



Increasing overall sales of Lada, Renault and Nissan on the Russian market.

Renault (with Nissan and AvtoVaz) is the 4th largest carmaker worldwide with significant potential for economies of scale.

EUROMED REGION

Because they offer a range of vehicles that meet the needs of customers in the region, Renault and Dacia are leaders on virtually all Euromed markets. The Group sold 240,000 vehicles on a market that contracted by 1 million units. The Group has competitive plants in this region, including in Pitesti (Romania), Bursa (Turkey) and Somaca (Morocco), as well as the future Tangiers facility (Morocco).



Sandro in Brazil.

MOROCCO

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

ROMANIA

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

- The **Pitesti** facility is the original production plant for the Logan platform. It plays a crucial part, manufacturing the entire Dacia range (five models), determining manufacturing processes, supplying parts to other Renault plants that make Logans, and assisting in training. Currently, vehicles from the Logan platform are sold in 80 different countries.
- The design offices in **Bucharest** continue to develop vehicle projects to address the specific needs of customers in the Euromed Region.

TURKEY

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

Renault: No. 1 in the Euromed region



Fluence in Turkey.



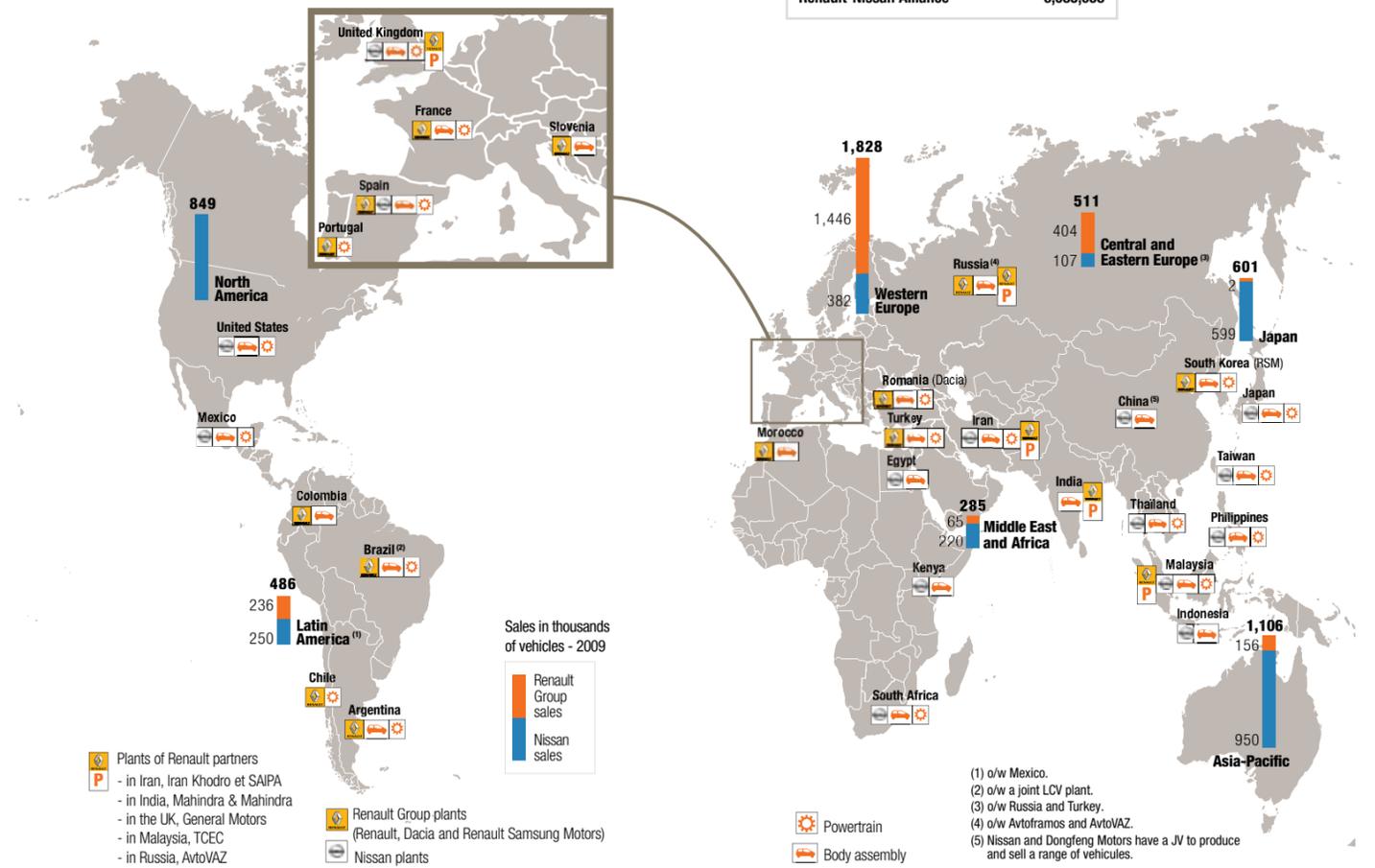
Building Logan Pick-Up at the Pitesti plant.

AMERICAS REGION

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

- **Curitiba:** initially designed for Brazil and manufactured in the Ayrton Senna plant, Sandero continues to gain ground in its home country and Argentina. With Sandero Stepway, launched in 2008, the 2009 sales for the Entry program reached 83,000, making up 71% of Renault's total 117,500 sales. Renault will invest around €400 million on this rapidly-expanding market in the next three years. The company is targeting a 2011 launch for a Brazilian version of Duster, the first 4WD marketed by Renault in Brazil.

WORLDWIDE SALES AND PRODUCTION SITES





2.

MEETING NEW MOBILITY REQUIREMENTS

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

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

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

*in use

PRODUCT LINE-UP / PASSENGER CARS

YOUNG, COMPETITIVE AND AFFORDABLE

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

RENEWING THE CORE RANGE

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

- **Mégane and Scénic:** in the first half of 2009, Renault unveiled three new models in the renewed Mégane family, starting with the 5- and 7-seat New Renault Grand Scénic (after the Hatchback and Coupé at end-2008), followed by New Renault Scénic and New Renault Mégane Estate. In less than a year, Renault has renewed virtually its entire range on the compact car segment, which is the core of the European market. As a result, the Group has one of the youngest ranges on the European car market.
- **Fluence:** launched in Fall 2009, it replaces Mégane II Sedan on the assembly line of the Oyak-Renault plant in Bursa, Turkey, and is capitalizing on existing industrial facilities. Fluence offers an ergonomic

driving position, a welcoming, comfortable cabin, and a top-of-the-line equipment package. All the diesel powerplants offered on Renault Fluence emit 119g of CO₂ per km and qualify for the Renault eco² signature.

- **The Z.E. (for zero emission) range:** the show cars presented at the 2009 Frankfurt Motor Show offer an insight into the range of electric vehicles that Renault will launch beginning in 2011. From the very outset, these vehicles have been designed to be production cars priced on par with combustion-powered vehicles:

- Fluence Z.E., a status-enhancing, environmentally-friendly family car based on its combustion-powered namesake (like Kangoo Z.E.).
- Twizy Z.E. (city car) and Zoe Z.E. (a compact, versatile hatchback), two models that are specifically designed for electric engines.

Fluence Z.E. and Twizy will be sold from 2011 onwards (as will Kangoo Z.E.), followed by Zoe in 2012. Beyond 2012, the range will continue to expand across all segments to meet different customer needs.



Range of Z.E. electric vehicles.

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



The complete Mégane range: Coupé, Estate, Renault Sport Coupé, Hatch, Scénic, Grand Scénic.

KEY FIGURES 2009

- **No.1 in France, Twingo** is one of the top-3 selling vehicles in its category in Europe. It is also No.1 in Belgium in its segment and No.3 in Germany.
- **Clio ranks fifth** in its segment in Europe.
- **The Mégane family ranks third on the European market** and leads its segment on the French market with over 153,000 registrations.
- **The Entry range goes from strength to strength:** sales under the Renault and Dacia brands were up 4.5% to 533,300 units.



New Clio.

Clio ranks fifth on its segment in Europe.

THE ENTRY RANGE: DELIVERING THE ESSENTIALS AT THE RIGHT PRICE

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

Dacia, setting the standard for a new approach to cars. Since Logan's launch in 2004, Dacia has become the brand for customers looking for vehicles that are reliable, robust, comfortable, affordable and environmentally-friendly. All the models in the Dacia line-up include Dacia eco² versions fitted with gasoline, diesel, LPG and E85 engines emitting less than 140g of CO₂ per km. The dCi 70 and dCi 85 engines available with Dacia Logan and Dacia Sandero emit just 120 g/km of CO₂.

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

Winning new customers on mature markets. Initially developed to meet the needs of customers in emerging countries, the Entry range is also proving increasingly successful on mature markets among people who usually buy second-hand, but also among pragmatically-minded customers who only want the essentials. Sandero, Dacia Logan MCV: LPG versions were launched initially in Romania (Dacia Logan and Dacia Logan MCV) and Italy in

2008 (Dacia Sandero, Dacia Logan MCV), followed by France in Spring 2009 (Sandero, then Dacia Logan), and Germany (Dacia Sandero, Dacia Logan MCV) and the Netherlands (Dacia Sandero) in Fall 2009. Consistent with its positioning, Dacia will continue to fill out the range with a new 4WD model in 2010.

Entry range vehicles are manufactured in eight countries and marketed in 86 countries under the Renault and Dacia brands.



Entry-level range: Duster, Sandero, Dacia Logan MCV, Dacia Logan.

LIMITING THE ENVIRONMENTAL IMPACT OF OUR VEHICLES

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

CONTINUING TO IMPROVE COMBUSTION-POWERED VEHICLES

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

- **Downsizing combustion engines.** The idea is to make a smaller engine that is boosted by a high-efficiency turbo-charger. This approach is being applied to gas and diesel versions, although gasoline engines currently offer much greater potential for cutting emissions.
- **Gasoline:** a new family of small turbo engines has been developed in partnership with Nissan. In 2012, these modular engines, with a cubic capa-

city ranging from 0.9 to 1.2 liters, will replace normally-aspirated engines in the 1.2- to 1.6-liter bracket. They will be offered in 3- and 4-cylinder versions and will focus on power outputs of between 65kW and 85 kW (90 to 115 hp). Renault will go on to develop more powerful versions.

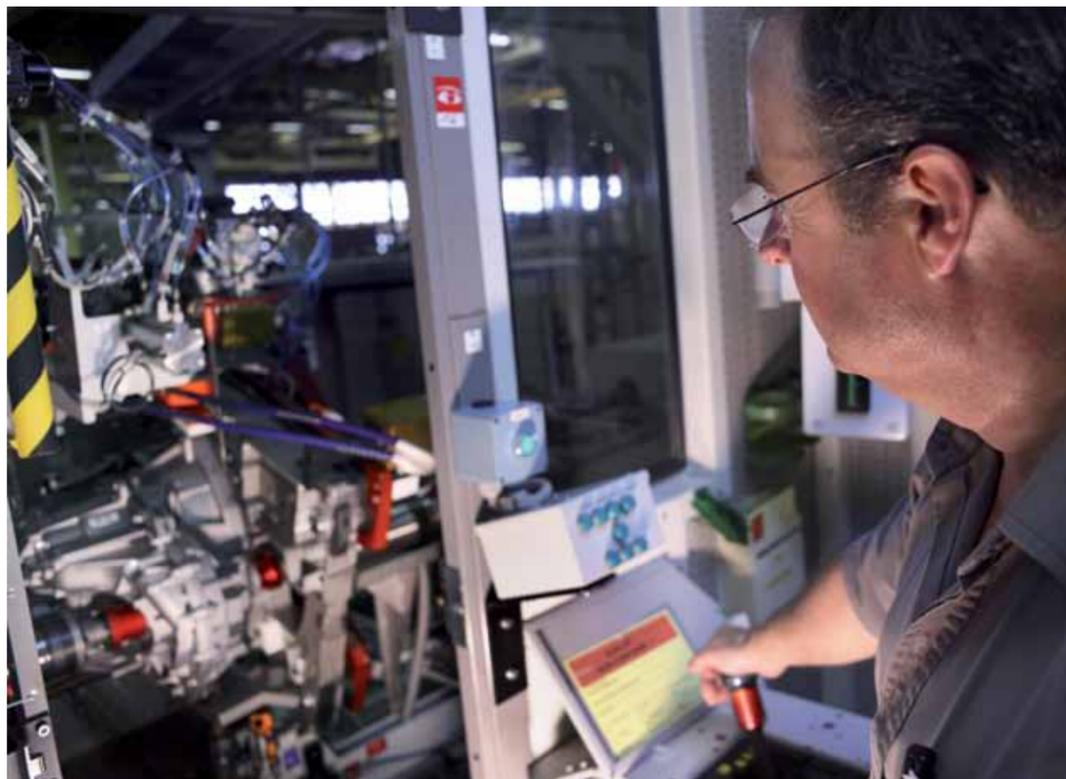
- **Diesel:** Renault plans to make maximum use of dCi technology (turbo-charged four-stroke diesel engines equipped with common rail direct fuel injection) by introducing major changes so that engines comply with future emissions standards and consume even less fuel (reduction of around 20%). Several engines should

come under the 100g/km mark, including the future 1.6 dCi 130, a completely new engine developed as part of the Renault-Nissan Alliance. Renault has filed 15 patents for this engine.

- **More efficient manual and automatic gearboxes.** The consumption and emissions performances of the new-generation automatic transmissions equal those of manual gearboxes. The new EDC double clutch transmission is a case in point.
- **Optimized design fundamentals: mass, aerodynamics, rolling resistance.** Making more efficient engines and gearboxes and improving aerodynamics are key ways to reduce consumption and hence CO₂ emissions. A number of research programs are investigating promising avenues of progress. One example is the Super Light Car program: if the vehicle body is lighter, the engine and chassis can be smaller, the brakes less powerful and suspension can be reduced. And less weight also means less consumption.
- **4Control system, for a dynamic and economical performance.** The Laguna GT's 4Control system exemplifies the kind of technology that Renault has developed in the area of dynamic performance. For customers, benefits include enhanced safety and a vehicle that handles well and is enjoyable to drive.

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

- introducing new technologies in combustion engines and transmissions,
- making an unprecedented commitment to all-electric vehicles.



Engine test.

Renault brings its expertise to all parts of the vehicle in order to limit the environmental impact.

CO₂ REDUCTION = CONSUMPTION REDUCTION

- 1 Exhaust gas recirculation (EGR)
- 2 Combustion optimization
- 3 Engine friction
- 4 Materials
- 5 Air intake system
- 6 Engine aerodynamic intake
- 7 Turbocharger
- 8 Electronic management
- 9 Optimized alternator
- 10 Air conditioning compressor with clutch
- 11 Electric power steering
- 12 Disk brake with drag reduction
- 13 Vehicle aerodynamics
- 14 Low rolling resistance tyres

RENEWABLE OR RECYCLED MATERIALS

- 15 Tyres
- 16 Central deflector
- 17 Engine skidplate
- 18 Absorbers + technical support
- 19 Upper radiator cover
- 20 Style cover
- 21 Upper shock absorber cup protector
- 22 Drip rail support
- 23 Seat lining (leather version)
- 24 Steering wheel lining (leather version)
- 25 Gear knob lining (leather version)
- 26 Trunk carpet
- 27 Door absorber
- 28 Rear skirt trim
- 29 Rear axle fairing
- 30 Toolbox
- 31 Spare wheel fairing
- 32 Wheel arch shields
- 33 Bumper depressors
- 34 Rear beam



NOISE

- 35 Driving
- 36 Soundproofing and carpets
- 37 Powertrain
- 38 Twin-mass damping flywheel
- 39 Engine mountings
- 40 Air intake and engine compartment cooling
- 41 Exhaust tailpipe
- 42 Aerodynamics

EMISSION CONTROL

- 43 Catalytic converter
- 44 Soot filter with filter regeneration injector

ADVANCED LITHIUM-ION BATTERIES: TOUGH, COMPACT AND RECYCLABLE

Renault production EVs will be fitted with lithium-ion batteries manufactured by Automotive Electric Supply Corporation (a Nissan-NEC joint venture) that give a real-world range of 160 km. Offering better range, reliability and safety than older-generation nickel-metal-hydride batteries, they are maintenance-free and should deliver between 80% and 100% of their original capacity for approximately six years on average. They may be recharged for short periods with no adverse effect on capacity, and they are recyclable. The Alliance is working on recycling processes and systems for car batteries. For example:

- **The lithium-ion batteries are made of non-toxic materials (lithium, manganese oxide or iron phosphate, and graphite) and thus present no danger to the environment (unlike the old nickel cadmium batteries).**
- **The Alliance's battery pack weighs 250 kg and contains just 3 kg of lithium.** According to mining companies Chemetall and SQM, the world's lithium reserves are currently estimated at between 14 and 17 million tons.

MASS PRODUCE ELECTRIC VEHICLES AFFORDABLE FOR EVERYONE

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

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

▪ **Electric Vehicles (EV), a vehicle program like any other, with scale economies and standardized components.** From the very outset, the EV program has been developed to help Renault meet its profitability targets. To generate economies

of scale, Renault and Nissan are pooling and standardizing essential components, with each brand proposing a range of solutions. More than 1,000 people at Renault, and the same again at Nissan, are working on the Z.E. program, whose vehicles will be produced at existing Renault plants. Renault and Nissan are also working with governments and companies to mass-market a complete range of EVs by 2012. The Alliance has already signed around 40 global agreements with partners. For example, Renault is committed to supplying 100,000 Fluences to its partner, Better Place, in Israel and Denmark by 2016.

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

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

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

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

*in use



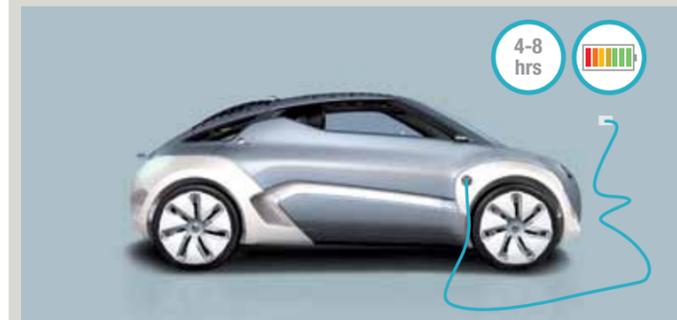
Fluence Z.E. Concept.

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

Carlos Ghosn, 2009 Frankfurt Motor Show

THREE WAYS TO "FILL UP" ...

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



1. **Standard charge in four to eight hours** by plugging into a socket installed at home, in private parking lots or supermarkets.



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



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

... AND NUMEROUS PARTNERSHIPS TO OPTIMIZE RECHARGING SYSTEMS

Renault is also working with other partners to optimize recharging systems. In particular, the Group has signed cooperation agreements with:

- EDF, to build a Power Line Communication (PLC) system to enable EVs to communicate directly with recharging points.
- RWE, a German power utility, in September 2009 aimed at creating a massive public and individual transportation system. RWE is in the process of setting up a vast recharging system in the main German cities that will be gradually rolled out nationwide.

“We want to make a production vehicle, not a niche vehicle. The worldwide EV market could make up as much as 10% of the car industry by 2020. The Renault-Nissan Alliance is going to invest around €4 billion in EVs.”

Carlos Ghosn, 2009 Frankfurt Motor Show

THE EVS WILL BE PRODUCED IN

- **Flins (France)** for the city car Zoe Z.E. Concept;
- **Maubeuge (France)** for Kangoo Z.E. Concept, aimed at professionals;
- **Valladolid (Espagne)** for Twizy Z.E. Concept;
- **Bursa (Turquie)** for Fluence Z.E. Concept.



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

MAKING USEFUL TECHNOLOGY AVAILABLE: TOP-OF-THE-LINE FEATURES FOR EVERYONE

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

TECHNOLOGICAL INNOVATIONS THAT IMPROVE SAFETY AND MAKE LIFE EASIER

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

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

background) is 30 times superior to that of current technology, while screen reflections and transparency are automatically corrected.

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

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

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

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



Mégane Coupé Renault Sport.



Carminat TomTom® covers 40 countries across Western and Eastern Europe, plus Scandinavia, Turkey and South Africa.

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

BENEFITS OF A BUILT-IN NAVIGATION SYSTEM: FOCUS ON NEW RENAULT CLIO

Positioned high up on New Renault Clio's instrument panel, the large 5.8-inch (over 14 cm) color screen is close to the driver's line of sight, allowing him or her to stay focused on the road. A bespoke exterior aerial ensures optimal GPS signal reception, while using the loudspeakers of the car's own audio system guarantees clear sound. Integrated systems offer greater protection from theft, too, and are safer in an accident. Carminat TomTom® is operated by a user-friendly Bluetooth® remote control.



Built-in GPS on New Clio.

PRODUCT LINE-UP / LCVs

STILL MEETING NEEDS, BUT NOW MORE ENVIRONMENTALLY FRIENDLY

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

A YOUNG, COMPREHENSIVE RANGE OF WINNING VEHICLES

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



Trafic Maxi.

KANGOO: A PROVEN COMMERCIAL SUCCESS

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

REDUCED CO₂ EMISSIONS FOR RENAULT TRAFIC

Still in the top-three of its segment, with 53,573 units sold worldwide, Trafic

received a number of modifications in 2009. Notably, following the inclusion of new solenoid injectors on the 2.0 dCi engine, Renault was able to launch a Renault Trafic Passenger in France with CO₂ emissions of just 195g/km (i.e. a consumption saving of 0.4 liters/100 km, which reduced the vehicle's environmental penalty payment from €1,600 to €750). Renault Trafic LCVs are getting the same engine upgrades, so the 2.0 dCi engine's consumption over a combi-

ned cycle has been cut by an average of 0.25 liters/100 km.

ADDED LENGTH FOR TRAFIC PASSENGER PRIVILEGE

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

NEW RENAULT MASTER: A BENCHMARK FOR COMFORT AND FUEL EFFICIENCY

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



New Master.

enhanced visibility and the availability of a raft of comfort-enhancing features normally associated with passenger cars.

New Master offers class-topping combined-cycle fuel consumption as low as 7.1 litres/100km (187g of CO₂/km). Servicing costs have been slashed by 40 % compared with the previous model and figure among the market's lowest.

The new rear-wheel drive versions, developed entirely by Renault, feature a mono-coque construction for improved on-road performance and extra payload. The range has been extended to include an additional length option (L4, offering a carrying capacity of up to 17m³). Also new are 3.5 and 4.5 tonne versions (with twin rear wheels), as well features that give coachbuilders greater scope for conversions.

New Renault Master is powered by the new 2.3 litre dCi engine which was developed to take on board the specific requirements of commercial vehicle users. The range includes three power outputs (dCi 100, dCi 125 and dCi 150) and is identical for both the front-wheel drive (transversally mounted) and rear-wheel drive versions (longitudinal).

New Renault Master will be manufactured at Renault's wholly-owned SOVAB* plant in Batilly, France. It will go on sale in April 2010.

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

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

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

The electric vehicle will be built on the same production line as combustion-powered versions. Kangoo Z.E. will benefit from the know-how, supplier system and logistics network of the current Kangoo. Specializing in LCVs for almost twenty years, the Maubeuge plant, which produces Kangoo, Kangoo Express and Kangoo Be Bop, has shown its ability to

continuously adjust to the diverse needs of this kind of vehicle (short or long versions, with or without lateral windows, etc.)



Kangoo Z.E. Concept

Renault: leading the European LCV market for 12 years.



Kangoo (three body styles).

PRODUCT LINE-UP / LCVs

FOCUS ON RENAULT TECH

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

MOBILITY SOLUTIONS FOR DISABLED PEOPLE

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

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

Several models are offered to meet customer needs: Kangoo, Logan MCV, Traffic and Master.

Kangoo, the best-seller, is the only vehicle of any brand to be approved for the entire European Union, independent of national legislation.

TAILORED SERVICES, DEDICATED TEAMS

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



Renault Traffic, stretched model.



Scenic – special dashboard for disabled drivers.



Renault Master 9-seater combi with access ramp.



Logan MCV tailored to persons of reduced mobility: A simple, functional and economical transport solution.



In the field of vehicles for people with reduced mobility, Kangoo is the only one to be approved for the entire European Union.

ASSISTING DISABLED DRIVERS

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



Clio 3, 5-door hatch.

Renault Tech has a 60% share of the French market. The range is sold in the main European countries in partnership with local specialists. A Kangoo specially designed for the UK market recently gained Motability accreditation.

PRODUCT LINE-UP

VEHICLE RANGE



TWINGO
(GT version also available)



TWINGO RENAULT SPORT



SANDERO
(also as Sandero Stepway)



LOGAN



CLIO CAMPUS



THALIA/SYMBOL



CLIO 5-DOOR
(3-door version also available)



CLIO ESTATE



CLIO RENAULT SPORT



MODUS AND GRAND MODUS



WIND



FLUENCE



MÉGANE HATCH AND COUPÉ



MÉGANE ESTATE



MÉGANE COUPÉ-CABRIOLET



MÉGANE RENAULT SPORT



SCÉNIC AND GRAND SCÉNIC



LAGUNA
(GT version also available)



LAGUNA ESTATE
(GT version also available)



LAGUNA COUPÉ



KOLEOS



ESPACE AND GRAND ESPACE



KANGOO
(Kangoo Be Bop also available)



TRAFIC PASSENGER



KANGOO EXPRESS COMPACT



KANGOO EXPRESS



KANGOO EXPRESS MAXI



TRAFIC



NEW MASTER



NEW MASTER PROPULSION



LOGAN



LOGAN MCV



SANDERO AND SANDERO STEPWAY



DUSTER



LOGAN VAN



LOGAN PICK-UP



SM3 CLASSIC EDITION



SM3



SM5



QM5



SM7

RESOURCES

UNDER THE BANNER OF THE ALLIANCE

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

ENGINEERING

PROMOTING A MORE OPEN AND FLEXIBLE APPROACH

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

CHANGE UP: SEVEN FOCUS AREAS

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

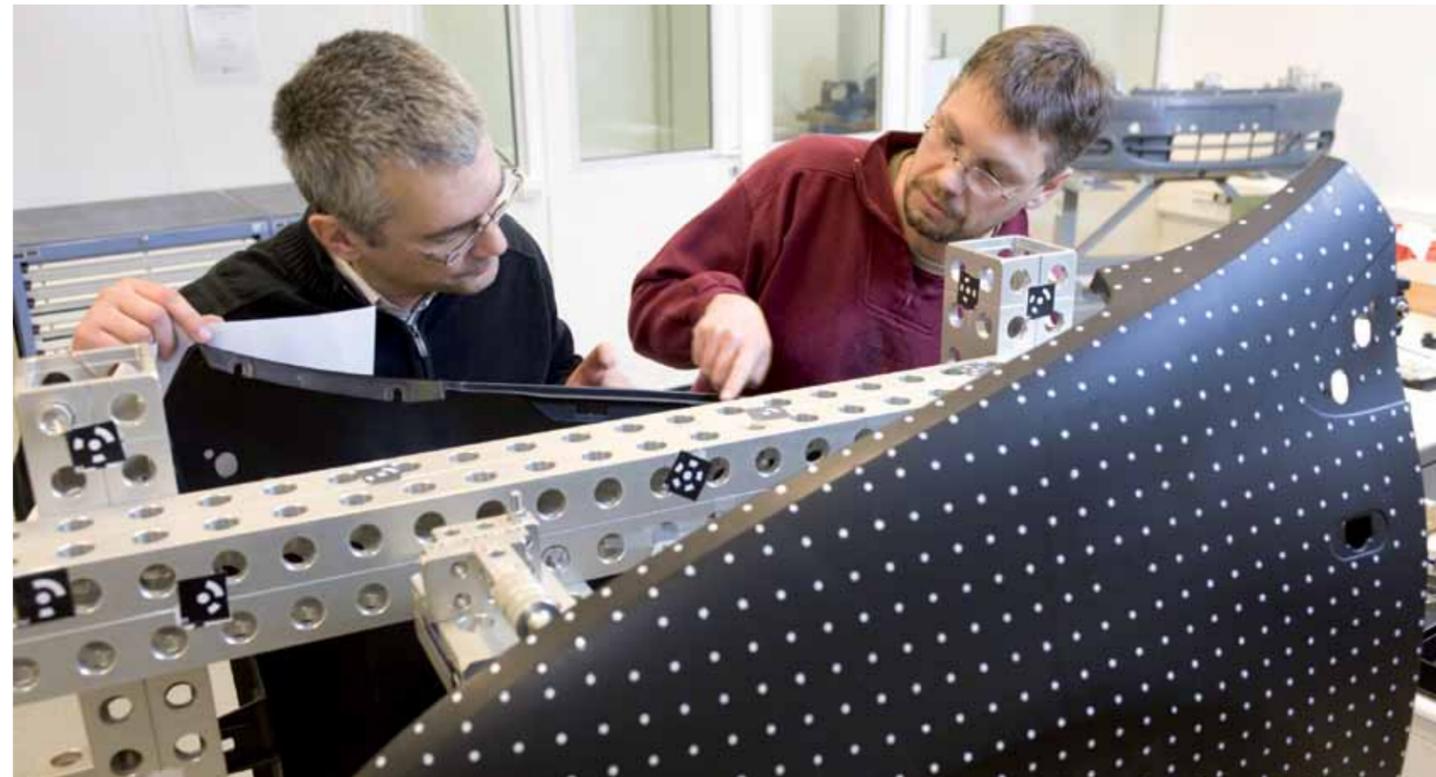
- **Pursue an innovation policy** that focuses on openness and partnerships inside and outside the automotive world to stimulate creativity.
- **Work on quality and customer satisfaction**, with the emphasis on sustainability;
- **Overhaul the development approach**: maximize use of digital tools and opti-

mize synchronization and regulation to drastically reduce costs and development leadtimes.

- **Accelerate standardization and efforts to identify synergies** with Nissan to cut development costs for new products and processes in all areas, including new technologies, new components and shared capacity.
- **Simplify and delegate responsibility for cross-cutting processes** in the Regions.
- **Manage skills dynamically** to ensure

that people are assigned more efficiently, prepare training paths and provide a clearer picture for career management.

- **Develop collaborative tools** to make engineering teams around the world more responsive and efficient.



Central metrology laboratory.

STRENGTHENING THE INNOVATION POLICY

Renault is introducing an aggressive, new, four-pronged innovation policy:

- **Capture technological and societal trends more effectively** by being attuned to technological trends in a variety of areas (materials, electronics, sensors, types of energy, etc.) and by leading an "innovation community" made up of representatives from companies and R&D centers from outside the automobile industry, such as Dassault Systèmes, Décathlon, Delphi, Orange, Thales and Collège de Polytechnique.
- **Stimulate creativity and generate new sources of customer value** by bringing together people from different departments (design, product, research and advanced technologies) and by creating an "innovation room" within the Technocentre.
- **Get innovations from the Technology**

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

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

Renault has invested over €1,643 million in R&D – evidence of its determination to take on the challenges of the automobile industry and to keep step with changes in technology and society.

CONVERSATION WITH



Odile Desforges

Executive Vice President, Engineering and Quality

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

Very well, especially given that 2009 was a fairly unusual year, because of the economic crisis, of course, but also because it marked the end of the Renault Commitment 2009 Action Plan. I can say with some pride that Group engineering demonstrated its reliability and outstanding expertise. We managed to get all the new models out on time, while achieving superb quality levels (as shown by the ADAC and JD Power ratings) and lowering development costs, by 30% between Mégane 2 and Mégane 3 for example. The 2009 outcomes, especially the €300 million reduction in fixed costs, are truly the result of collective efforts by all our teams worldwide, at every level and every area, from development to support functions.

"Teams worldwide": in other words, engineering is becoming more international?

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

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

Lots of course, now more than ever. At the end of 2009, we endeavored to translate the Group's vision into our activities. Our vision of engineering is of a team that is proud to develop the most ingenious sustainable mobility solutions for everyone. Every one of these words carries importance. But I want to stress above all the notion that we are a proud team. The world "team" is synonymous with shared support and efficiency. Together we are strong, as everyone knows. Which is why I believe it

is vital for every sector and department in every country to share this vision. And we are "proud", because developing ingenious solutions is a powerful motivating force. Being ingenious means much more than just innovating. It means devising essential solutions that deliver the right value to customers; it means capitalizing on what we do well and reusing our assets as much as possible to make new products.

What are your targets for 2010?

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

will continue to carry over existing platforms.

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

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

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

QUALITY

A SHARED CULTURE AND AN APPROACH BASED ON CONTINUOUS PROGRESS

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

LAGUNA'S RESULTS OFFER PROOF

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

PROGRESS ACROSS THE RANGE

The rest of the range enjoyed significant progress too. Off-road breakdowns after a year on the road fell 30% for the entire range between 2007 and 2009, yielding €600 million in savings on warranty expenses in 2009 compared with 2006.

ROLLING OUT THE CUSTOMER SATISFACTION PLAN

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

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

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

- **MOBILIZE** - Make sure that all our employees are committed to fully satisfying customers and providing them with the quality that they expect. Make our employees the front-line ambassadors for the quality of our brands.

Objective: to continually do more to satisfy customers and to promote recognition of Renault quality.

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



New Laguna Coupé.



Design center, Guyancourt, France.

CONVERSATION WITH



Laurens van den Acker

Senior Vice President, Group Corporate Design

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

You took up your new position in Fall 2009. What made you decide to come to Renault?

You don't pass up an opportunity to work for Renault! The brand is famed and respected all over the world. Renault has

had a huge influence on the design of cars today. To be part of that tradition of innovation is a great privilege. And I am arriving at a very exciting time. The world of the automobile is changing, and Renault has shown that it is determined to rewrite the rule book. Drive the Change, our new baseline, is both a promise and a great source of inspiration.

How is the new baseline a source of inspiration?

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

Does the same go for Dacia?

Of course! Dacia is another big responsibility. The brand has created a new customer base. It is opening new markets. It is supposed to be a brand for everyone, and the cars we make have to reflect that purpose. Our job now is to strengthen the brand's design and the way it is given expression, and find a way to help it mature and tie it

more closely to an ethos of sustainable development. It's a great challenge!

In general, in a group as international as Renault, the trick is to respect the Group's identity while defining strategies for the individual brands, including Renault Samsung Motors.

When can we expect to see the first models designed by Laurens van den Acker?

The automobile industry works to long timeframes, although I am aware that speed is of the essence. We plan to unveil concept cars at the 2010 Paris Motor Show and release the first production models in 2012.

After so many years spent abroad, do you feel out of place?

Renault has given me an incredibly warm welcome. And the design team is not only gifted – our young designers come from 28 different countries. So I don't feel completely out of place. I am delighted to come back to Europe, and especially to France. I believe that French culture and design feed off each other. France is a great place for big, beautiful achievements. Just look at Paris!

MANUFACTURING ADJUSTING ORGANIZATIONS TO REFLECT ACTIVITY AND IMPROVING PERFORMANCE

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

CALIBRATING THE ORGANIZATION TO REFLECT DEMAND

Demand for cars was sustained thanks to the introduction by many European countries of measures, such as scrappage bonuses, to encourage people to renew their vehicles. However, the impact varied from segment to segment.

Plants manufacturing small cars (Twingo, Clio, Dacia) had to ramp up production and maximize use of installed capacity to keep up with heavy commercial demand.

By contrast, activity levels were low at other Group plants, particularly in Europe and Russia. These facilities had to make extensive use of short-time working arrangements. In France, a crisis-period labor deal was introduced to manage these shut-downs by establishing new, burden-sharing rules that made the arrangements easier to accept. Manufacturing used the contrasting situations at different plants to manage overstaffing during some production lulls by loaning personnel to plants that were experiencing heavy demand.



Sandero in Brazil.

KEEPING OUR COMMITMENTS ON QUALITY AND DELIVERY TIMES

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

OPTIMIZING COSTS AT EVERY LEVEL

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

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

RENAULT PRODUCTION WAY CELEBRATES ITS TENTH ANNIVERSARY

The Renault Production Way (RPW) is an industrial management approach that is specific to Renault. It has a twofold purpose: to ensure that the Group's industrial system performs in line with the best in the world; and to support Renault's international expansion. It provides a reference framework to be applied in a standardized manner in all Group plants. Its key characteristic is that it places the workstation at the heart of the system. Created in 1999, the RPW is the result of numerous, fruitful exchanges held within the Alliance aimed at harnessing the best practices and industrial experience of Renault and Nissan.

Ten years since it was launched, the RPW has comfortably achieved its goals: industrial performance has improved markedly in terms of quality (powertrain and body/assembly), the ability to manage the huge step-up in product launches with the same resources while shortening manufacturing times, better personnel protection and improved work safety.



Performance diagnostic, door assembly unit, Flins, France.

GLOBAL ALLIANCE LOGISTICS OUTSTANDING PERFORMANCES

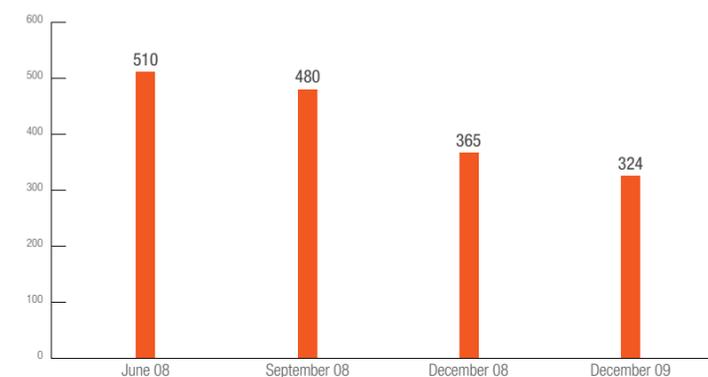
Launched in 2009, the Renault Logistics System is based on simple processes and standards that are shared within the Alliance. The supply chain plays a huge role in the Group's performance and image worldwide. Delivering the right products to customers on time and at the best possible price remains the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

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

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

Logistics performances were in line with commitments (i.e. logistics costs were reduced by 9% between 2005 and 2009). These performances are expected to continue with the introduction of Alliance Logistics, which seeks to pool Renault and Nissan logistics organizations and resources. Introduced in 2009, the new arrangements should, from 2010 onwards, generate €100 million in synergies globally on supply chain operations.

RESPONDING TO THE CRISIS, RENAULT HAS ACHIEVED BREAKTHROUGH PROGRESS IN MANAGING CUTS IN NEW VEHICLE INVENTORY IN 2009 (MILLIONS OF UNITS)



In 2009, stocks were reduced by over €1.3 billion, i.e. a decrease of €2.6 billion vs. June 2008.

A NEW WAY TO MOVE AROUND EUROPE

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

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



Preparation workshop in Rognac.

PURCHASING SUPPORT OUR SUPPLIERS TO MAKE THEM COMPETITIVE PARTNERS IN THE LONG RUN

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

SHARE BEST PRACTICES WITH SUPPLIERS IN THE AREA OF INDUSTRIAL PERFORMANCE

The challenge is to enable suppliers to reduce spending (fixed costs, purchasing, R&D, etc.) and to define specifications for parts purchasing and services that cover only what is needed. In other words, the Group is pursuing a global supplier support policy that encompasses:

- innovation and product development from the earliest stage;
- quality (110 Renault quality experts have been seconded to suppliers);
- competitiveness (40 experts help suppliers to improve their competitiveness).

FOSTER A DEMANDING, LEARNING RELATIONSHIP WITH SUPPLIERS

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

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

PURCHASING IS INVOLVED AT THREE LEVELS:

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



Fitting windscreens on Mégane 3 at the Palencia site.

CONVERSATION WITH



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

How has the crisis affected Purchasing?

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

Has the crisis changed relations with suppliers?

Of course. The priority in 2009 was to secure supplies and aid suppliers who were weakened by the crisis. Some of them were experiencing difficulties that threatened our supplies. One missing part will prevent vehicles from getting off the production line. Now, our priority is to provide support to ensure unbroken supply. I meet with the bosses of equip-

ment suppliers, from the largest to the smallest, on a regular basis, for a review of the situation.

But aside from the cyclical difficulties, the crisis has been the catalyst for a fundamental strategic shift in our relations with suppliers. The key notion is that profitability comes from efforts to unlock value, and hence from the emergence of suppliers that are competitive in the long run.

How did you help weakened suppliers?

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

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

In 2009, you were appointed Alliance Director of Global Purchasing. Can you give us an update on synergies?

The goal is to foster the emergence of suppliers that are competitive in the long run. We plan to act on three main fronts.

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

Do you also expect suppliers to innovate?

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

*Fund for the modernisation of equipment makers.

RNPO IS THE JOINT PURCHASING STRUCTURE OF THE ALLIANCE

- 100% of shared purchasing since April 1, 2009.
- Estimated value of shared purchases in 2009: €55 billion in RNPO.
- 66% of shared suppliers.
- Seven countries have shared purchasing organizations: South Africa, India, Morocco, Spain, Argentina, Mexico and Russia.
- Around 1,800 Renault employees, of which 40% are abroad.

SERVICES

CLOSE TO OUR CUSTOMERS

Customer satisfaction is obviously a priority. Group employees are doing everything they can to meet this objective, while using resources as efficiently as possible.

SALES AND MARKETING

NEVER LET UP ON EFFORTS TO IMPROVE CUSTOMER SATISFACTION

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

IMPROVED QUALITY OF SERVICE

Deployment of the sales and marketing component of the Renault Excellence Plan continued in 2009. Quality processes in the networks were further standardized, while commercial and business performances were enhanced.

The percentage of customers who said they were "fully satisfied" with sales and after-sales services provided by our networks worldwide rose further to 81% (just over our target of 80.2%).

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

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

THE RIGHT VEHICLES IN THE RIGHT PLACE

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

COMPETITIVE AFTERSALES PRICES FOR OLDER VEHICLES

As vehicles age, owners are less likely to take them to the brand network for maintenance, often preferring to use independent garages or car repair centers who offer prices sized to the age of vehicles. As a result, revenues from genuine spares decline as vehicles get older. To address

this situation, Parts and Accessories is working to win back owners of vehicles that are more than five years old. The Motrio parts range and special packages combine with the genuine spares offering to cover a wider spectrum of the aftersales market and customer needs. After successful regional trials in France, this project is being introduced in many countries.

IN 2009:

- The Renault brand is now once again the third-ranked brand in Western Europe, chiefly owing to the success of the Mégane family and Twingo.
- Renault maintained its leadership position (held since 1998) on the Western European LCV market.
- Dacia increased sales by 91% to 214,500 units in Europe and recorded market share of 1.4%. Dacia is now one of the top-ten selling brands in France.
- Renault Samsung Motors increased its market share by 0.8 and grew volumes by 30.6%, making South Korea the Group's third-largest market in 2009.



Renault Orléans dealership.

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

CONVERSATION WITH



Jérôme Stoll

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

What can you tell us about sales and marketing at Renault in 2009?

Like our competitors, we were affected by the economic crisis, which severely impacted automobile markets. But we distinguished ourselves by increasing our global market share to 3.7% by the end of the year. If we look at the Group's 15 biggest markets, which account for 85% of our global sales, we gained market share in 11 of those countries and held onto our share in another country. All that is very heartening.

How do you explain the growth?

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

What are your main sales and marketing objectives for 2010?

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

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

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



MOTRIO, AN ALTERNATIVE TO GENUINE PARTS

This package is aimed at people who own vehicles that are more than five years old and who are looking for a value-for-money solution that suits the age of their vehicle. Like genuine Renault parts, Motrio parts come with a one-year warranty and are available throughout the Renault network. Special Motrio parts and labor offers are also available for oil changes, brakes and exhaust systems.

RENAULT RETAIL GROUP (RRG)

Renault Retail Group (RRG) is a Renault group subsidiary specializing in automobile distribution (products and services). Operating in 12 European countries (Germany, Austria, Belgium, Spain, France, Italy, Luxembourg, Poland, Portugal, Czech Republic, UK and Switzerland), this business unit has more than 12,000 employees spread over 238 locations.

In 2009, RRG reported revenues of around €7.5 billion, selling 286,000 new vehicles and 180,000 used ones. RRG thus accounted for around 25% of Renault's sales in Europe and over 33% in France.

RRG is the second-ranked automobile distribution group in Europe. Its chairman is Jérôme Stoll, Renault's Executive Vice President, Sales and Marketing, and RMC Leader, Europe. For more information: www.renaultretailgroup.com

SALES FINANCING SUPPORTING CARMAKER AND NETWORK SALES WORLDWIDE

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

A SOLID BUSINESS MODEL

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

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

EXTENDING REGIONAL COVERAGE WITH THE ALLIANCE

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

The creation of RCI Financial Services Korea in 2003 made it possible to grow financing for the Renault Samsung Motors brand and subsequently to offer financing to Infiniti customers. Financing is now being provided to Nissan customers as well.

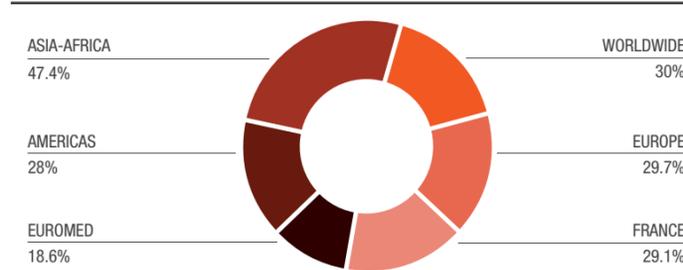
In Mexico, Nissan Renault Finance Mexico (NRFM) has provided customer and network

financing for the two brands since January 2004.

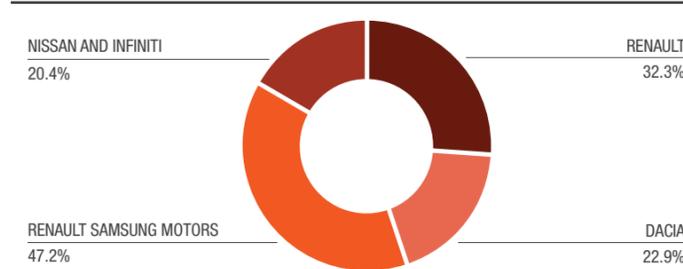
Since that time, RCI and Nissan's captive finance companies have divided regional coverage according to the geographical growth and sales of the carmakers, with a view to meeting the customer and network financing needs of the Alliance brands.

Example of financing, including services.

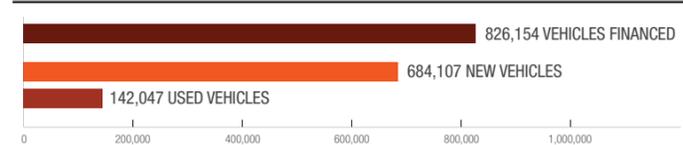
SHARE OF FINANCING IN 2009, BY REGION



SHARE OF FINANCING IN 2009, BY BRAND



NEW FINANCING CONTRACTS IN 2009 PER UNIT



NEW FINANCING CONTRACTS IN 2009

€ 8,283 MILLION



Online request for financing using the web.

CONVERSATION WITH



Dominique Thormann
RCI Banque

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

So many things have changed! From being a mostly French company, Renault is now thoroughly international, and RCI provides sales financing for the five Alliance brands in 39 countries: few captive finance companies can draw on that kind of potential. My own path –

ten years at Renault and ten at Nissan in Japan, Europe and the USA – is an accurate reflection of the changes within the Group. In that sense, I myself am a "product" of the Alliance and it is this experience that I now want to bring to RCI.

How would you assess 2009?

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

How did the year actually play out?

The first half of 2009 was very difficult, with production and outstandings falling. Fortunately, from the spring onwards, action by central banks took effect and this, combined with government support measures, enabled us to access satisfactory refinancing (from the SFEF* in France, through Spain's Vive Plan, etc.) and issue bonds worth €2.75 billion at attractive terms on the medium-term market. We also managed to control the slippage in risk-related costs by introducing customer support and collection tools. From September onwards, demand took over, boosted by special schemes, such as incentives to run more environmentally-friendly cars and scrappage bonuses, introduced by national governments.

What is the outlook for 2010?

We have to capitalize on the strong commercial momentum of second-half

2009 and develop services linked to car use. Obviously, the economic situation remains uncertain and the scrappage bonus schemes are ending across Europe, where car sales forecasts are down for the most part. But the same is not true everywhere. The prospects are bright in Brazil and South Korea. RCI's other strength is that it can finance all of the Alliance's brands, including Dacia, for example, which is experiencing robust growth on mature and emerging markets alike. This is creating lots of opportunities.

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

* Société de Financement de l'Économie Française, a special financing agency created by the French government.

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



3.

RENAULT, A RESPONSIBLE, COMMITTED PLAYER

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

Carlos Ghosn

What is the best way to combine economic, ecological and civic responsibility?

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

SOCIAL RESPONSIBILITY

PROMOTING SOLIDARITY IN INNOVATION

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

EDUCATION

PROMOTING EDUCATION AND ENCOURAGING EQUAL OPPORTUNITIES

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

Outside France, Renault is implementing education projects tailored to the issues and needs of each country, in close cooperation with local education authorities. This

is particularly true in countries where the Group's commitment is taken further by local foundations or institutes, as in France, Spain, Argentina and Brazil.

an industrial site, followed by a work-study contract for 12 to 24 months, followed by help in finding a job. At the end of the program, participants receive an occupational certificate or diploma recognized in many sectors.

DIPLOMA COURSE FOR LOW-SKILLED YOUNG PEOPLE

Renault regularly renews the framework agreement signed in 1992 with France's Ministry of Employment, Labor and Social Cohesion, to promote the professional insertion of young people. The agreement gives 600 unskilled, young people the opportunity to follow a diploma course. The program includes three to four months of training at

PLAN ESPOIR BANLIEUE

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

"We promote social progress and business performance. We drive Renault's commitment to responsible mobility."
 Claire Martin - Vice President, Corporate Social Responsibility

DIALOGUE WITH STAKEHOLDERS, A CORE FEATURE OF CSR

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

(To find out more www.renault.com)

CSR INITIATIVES BY RENAULT

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

FROM TRADITIONS...

... TO NEW CHALLENGES

Actions in favour of civil society

EDUCATION

- Renault Foundation
- Valued Citizens Initiative
- "Course en cours"
- "Avenir Ensemble"
- School of second chance
- Renault experience (Brazil)
- Women for Education

DIVERSITY

- Diversity Diagnostic Vigéo
- Women's Forum
- "Elles Bougent" Initiative
- Diversity Label

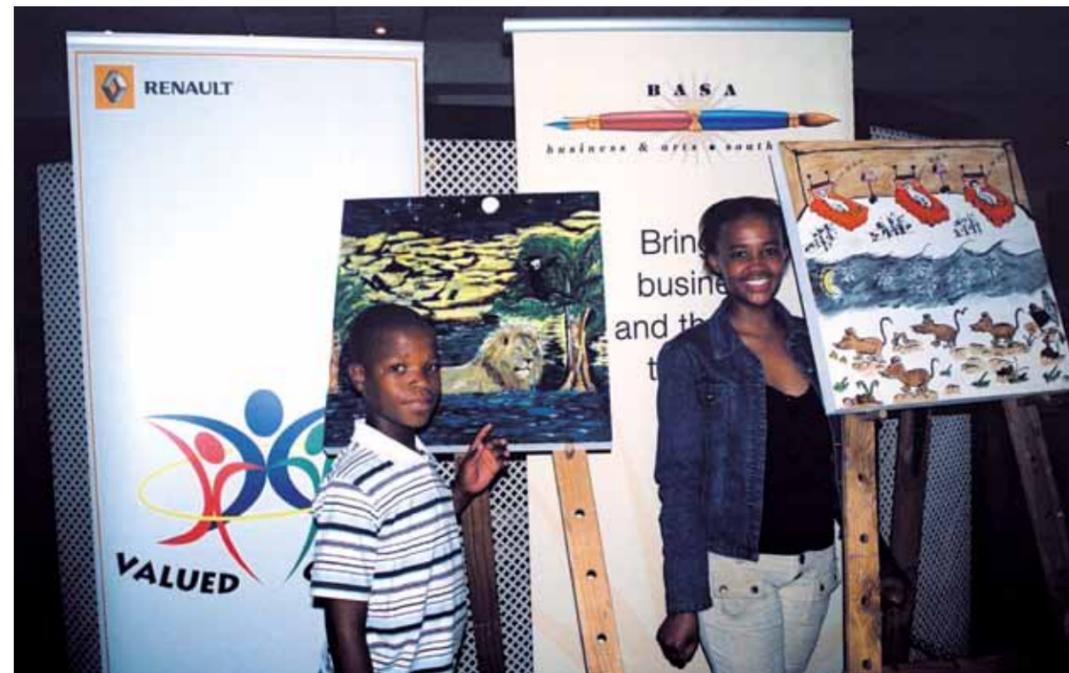
Social challenges related to the car industry

SECURITY/HEALTH

- Safety for All
- Accidentology
- Education/Awareness campaigns
- GRSP/GRSI
- Foundation for Road Security

SUSTAINABLE MOBILITY

- Sustainable Mobility Institute
- Research/Education
- Eco-driving
- Car-sharing



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

VALUED CITIZENS INITIATIVE

In South Africa, Renault was a founding partner in the NGO Valued Citizens Initiative in 2001. Deployed in state multiracial, multiethnic and multilingual schools, the program aims to develop a sense of responsible citizenship in children, encourage them to be open to the world, and build their confi-

dence and self-esteem.

To date, almost 1,575 primary and high-schools in urban and rural areas have taken part in this program, a total of 423,000 pupils and 3,500 teachers in the provinces of Gauteng, Free State, Kwazulu Natal and Limpopo.

MENTORING OF SCHOOL AND UNIVERSITY STUDENTS FROM DISADVANTAGED BACKGROUNDS

- With Henri IV School in Paris, Renault is helping a class of grant students to prepare for competitive entry exams at France's selective business and engineering schools over a period of three years. A number of company managers are involved as tutors.
- The Group has also made a commitment to the Paris Institute of Political Science (Sciences Po) to recruit pupils from disadvantaged areas to high-level jobs.
- As part of this approach, Renault also became part of the project "Un Avenir Ensemble" in 2009.



5,000 children from high schools across France are taking part in "Course en Cours".

"COURSE EN COURS"

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



French champion in the World Skills Competition – work/study training.

WORK/STUDY PROGRAMS

- More than 3,000 young people, one-third of them women, have already taken part in these programs, implemented at five Group sites in France: Douai, Le Mans, Flins, Cléon, Sandouville.
- 90% have obtained a diploma.
- 70% have found a job.

EDUCATION PROMOTING A MEETING OF CULTURES THROUGH RENAULT'S CORPORATE FOUNDATION

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

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

FOR STUDENTS FROM OUTSIDE FRANCE
The Foundation organizes and funds three degree programs in France for foreign post-graduate students who hold an undergra-

duate degree from their own countries:

- the Dauphine-Sorbonne-Renault MBA, established in partnership with Paris Dauphine University and the Business Administration Institute at Paris I (Panthéon Sorbonne) University;
- the Renault Foundation ParisTech Master's in transportation and sustainable development, with the École des Ponts, Ecole des Mines de Paris, and École Polytechnique;
- the Renault Majors Cycle, in partnership with the ParisTech schools and Paris I (Panthéon Sorbonne) University.

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

FOR STUDENTS FROM FRANCE'S LEADING BUSINESS AND ENGINEERING SCHOOLS

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



Ceremony for the Renault-HEC-Polytechnique Chair.

RENAULT RETAIL GROUP'S HUMANITARIAN AND SOCIAL ASSISTANCE FUND

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

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



Renault Retail Group provides help in Africa.

DIVERSITY ACTING TO PROMOTE DIVERSITY

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

Renault is keen to take advantage of the cultural diversity and wealth of experience of all components of the markets in which it operates.

DIVERSITY AUDIT

To measure progress made and support sites in their efforts, Renault has also decided to conduct a diversity audit with the assistance of Vigeo. The audit, which covers 18 sites worldwide, started in November 2009 and will continue through to September 2010.

ACTING FOR WOMEN

Renault works a long way upstream on women's careers in the automotive industry. The company works with Elles Bougent, an association that aims to create opportunities for mentoring between women at partner companies, education establishments and female school and university students.

Given that 60% of cars are purchased directly or indirectly by women, Renault decided to increase the percentage of women in its sales forces by actively attracting applications from women. Renault Retail Group ran a recruitment drive for new car salespeople in June and July 2009, targeting women through messages like, "you don't have to be a man to sell cars" and specific communications channels (site@aufeminin.com and badiliz.com).

ACTING FOR THE DISABLED

Since signing its first agreement in 1995, Renault has introduced a wide range of provisions to facilitate everyday life for employees who are disabled or who have a disabled family member (assistance for converting their personal vehicle and home, medical equipment, educational grants, etc.).

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

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

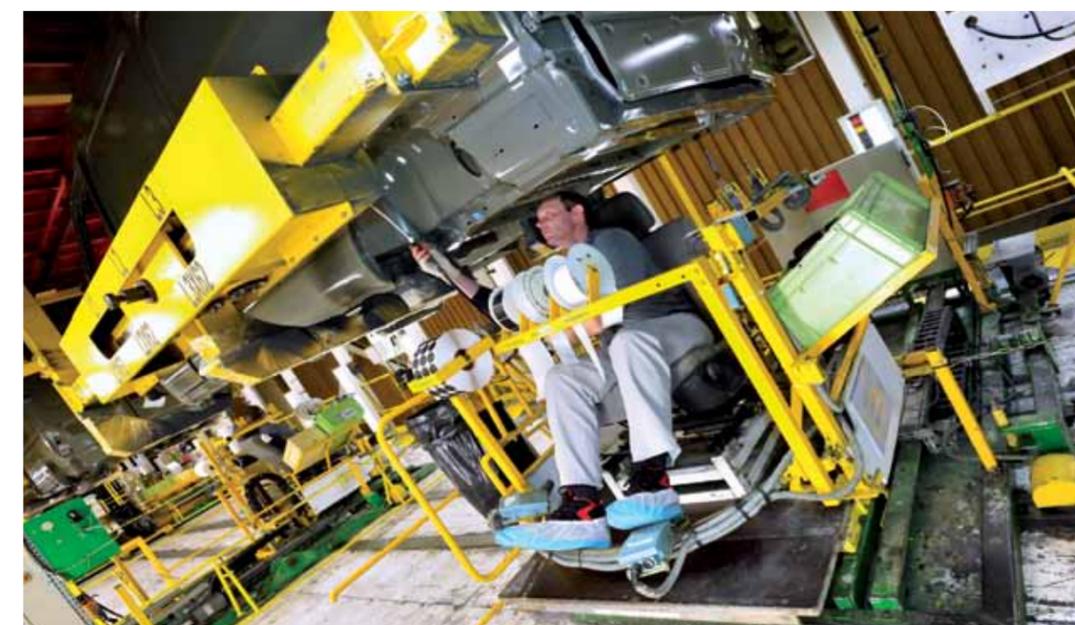
WOMEN FOR EDUCATION : PROMOTING WOMEN'S EDUCATION AND DIVERSITY

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



Aude de Messières, sales advisor at RRG.

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



Sovab Batilly - Mastics workshop- underbody tool trolley for person of reduced mobility. Pedal or joystick control.

SUSTAINABLE MOBILITY RENAULT ARCHITECT OF SUSTAINABLE MOBILITY

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

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

DEVELOPING INNOVATIVE MOBILITY SERVICES AT RENAULT

Renault first put in place an initiative to encourage car pooling among employees in 1996. In 2008 it was extended to all sites in France.

Renault has also put in place employee transport plans at the new Equinove offices in Plessis Robinson, near Paris, and the Technocentre, in Guyancourt, outside Paris.

HELPING TO EDUCATE THE GENERAL PUBLIC ON ECO-DRIVING AND BRING ABOUT A CHANGE OF BEHAVIOR

To be a success, the Renault eco² program needs to bring about a change in behavior and to encourage people to adopt environmentally responsible driving practices. In 2008 Renault set up an educational operation on eco-driving for the general public. The program includes free eco-driving lessons, along with trials on eco-driving simulators, educational games for

families and an eco-driving family challenge. Following on from the success of this operation, Renault has decided to broaden its targets. It has opened an interactive, educational website: www.renault-eco2.com, and set up training, initially for fleet customers but subsequently to be extended to consumers, in France. The training program started in early 2010 in partnership with *École de Conduite Française* (ECF), then in other countries with Key Driving Competencies (KDC).



Family eco-driving challenge.

THE "SAFETY FOR ALL" INTERNATIONAL PROGRAM FOR CHILDREN AND YOUNG PEOPLE IN 20 COUNTRIES

This educational program is aimed at children, teenagers and young drivers. Launched in 2000, it has already reached more than 10 million young people, (540,000 teaching kits handed out). Currently deployed in 20 countries, it is the biggest road safety operation ever organized by a vehicle manufacturer.



The Safety for All program – France 2009.

HEALTH/SAFETY ROAD SAFETY: WORKING ACTIVELY WITH THE AUTHORITIES

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

PREVENTION, CORRECTION, PROTECTION AND EDUCATION

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

SHARING KNOWLEDGE

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

TAKING PART IN INTERNATIONAL INITIATIVES TO PROMOTE SUSTAINABLE MOBILITY

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

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

RENAULT STANDARDS

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



The Safety for All program – Poland 2009.

CORPORATE RESPONSIBILITY

PREPARING FOR THE FUTURE

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

THE PRIORITY: PROTECTING JOBS AND WAGES

In France, owing to economic conditions in 2009, Renault s.a.s. was forced to adopt short-term working: 45 days on average at industrial sites, and 19 days at office sites. Renault s.a.s. paid out no performance bonuses in 2009.

THE CRISIS-PERIOD LABOR DEAL

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

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

ADJUSTMENTS IN PAY POLICY

Renault s.a.s. did not award an overall pay rise. However, 97% of production employees and 49% of non-managerial staff benefited from individual pay awards or seniority-related rises. Outside France, the pay policy respects local market standards.

PROTECTING THE GROUP'S DEVELOPMENT CAPACITY OVER THE LONG TERM

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

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

THE RENAULT VOLUNTARY DEPARTURE PLAN

As the name suggests, the plan was based solely on voluntary participation. In France, support measures were put in place for employees leaving the company, to help them pursue a personal or professional project (business creation, redeployment leave, return to the home country, etc.) or to reorganize personal worktime, take long-term leave of absence or relocate. Advice Areas were opened for employees in each facility.

GENDER PARITY IS PROGRESSING!

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

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



The crisis-period labor deal, founded on principles of solidarity and equity, saved the equivalent of 5,000 jobs and enabled employees to maintain their net pay while on short-time working.

DEVELOPING THE TALENTS OF ALL EMPLOYEES

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

TRAINING FOR ALL

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

IN FRANCE, NON-WORK PERIODS WERE USED TO TRAIN EMPLOYEES AND MAINTAIN AND DEVELOP STAFF SKILLS

For example, all employees in the Paris region followed three days of training as part of the Renault Autumn University. The production sites held mainly specialized trade-oriented courses and training in fundamentals, such as the Renault Production Way, quality, safety, etc.

CONTINUING TO DEVELOP SKILLS SCHOOLS

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



PREVENTING PSYCHOSOCIAL RISKS AND WORK-RELATED STRESS

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

HR ORGANIZATION BASED ON A COLLEGIAL STRUCTURE AND LOCAL PRESENCE

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

INDICATORS AND FIELD SURVEYS

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

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

PREVENTION INITIATIVES AT INDIVIDUAL AND COLLECTIVE LEVEL

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



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

A/H1N1 FLU – HEALTH MEASURES AND BUSINESS CONTINUITY PLAN

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

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

ENVIRONMENTAL RESPONSIBILITY

LIMITING THE IMPACT OF OUR PRODUCTS AND ACTIVITIES

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

OPTING FOR A GLOBAL APPROACH: THE LIFE CYCLE

This approach, adopted by Renault some years ago, captures all the environmental impacts generated by a vehicle, from design to decommissioning.

INTEGRATING THE ENVIRONMENT IN THE DESIGN AND DEVELOPMENT PROCESS

To effectively reduce the pollutants generated at different stages of the life-cycle, it is important to take action from the design stage, i.e. between three to five years before the vehicle is brought to market. Renault therefore adopted, some years ago, an approach based on eco-design, for both its products and industrial processes.

into general application in the longer term: choice of materials, fluid extractability, dismantling operations for recycling, pollutant emissions, fuel consumption, CO₂ emissions, environmental impacts on product industrial processes.

GIVING A SECOND LEASE OF LIFE TO END-OF-LIFE (ELV) VEHICLES

In 2008 the subsidiary Renault Environnement joined forces with the group SITA/Suez Environnement to develop end-of-life vehicle recycling in France. The Group subsidiary took a majority stake in Indra, a vehicle distribution/management firm working with 350 dismantlers around France. In 2009, more than 450,000 vehicles were processed.

Renault and SITA have developed dismantling processes to extract and recycle

materials that will subsequently be used to produce new automotive parts. These new ELV recycling tools and processes are developed and tested at dismantling sites, including one in the Sologne region and one in northern France, and at the development centre in Romorantin. The combined efforts of the three companies and their partners will make it possible to meet the vehicle recovery target of 95% in 2015.

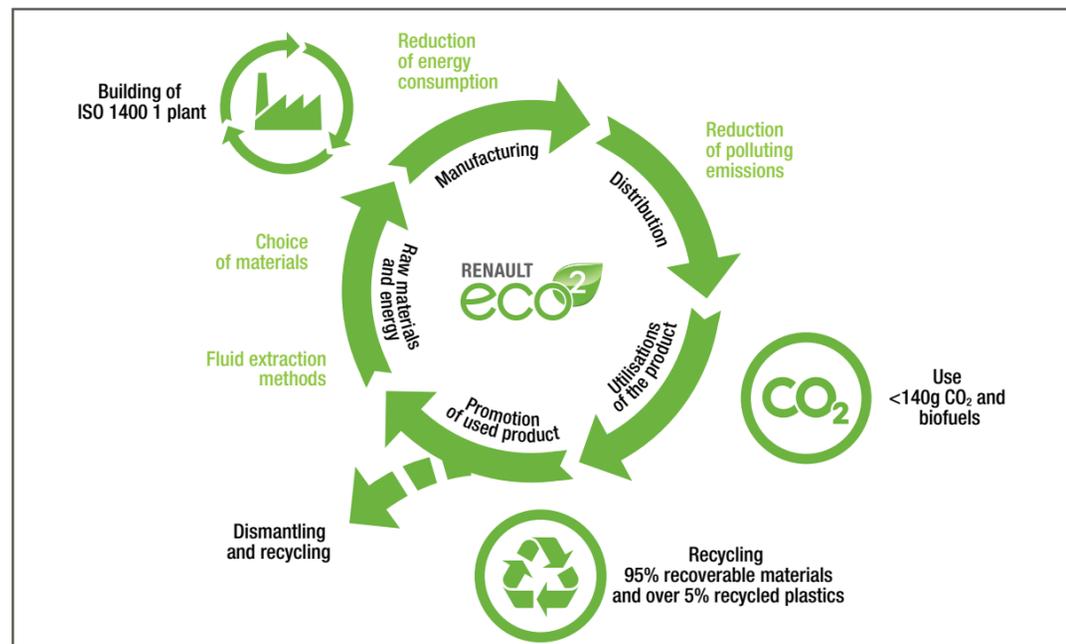
At the same time, Renault's engineering centres are developing in-house eco-design processes. Renault aims to include 20% of recycled plastic in all new vehicles by 2015.

Today, 95% of a Renault scrap car is recoverable

New environmental advances are introduced with each project launch, and some technological innovations can be brought

THE "4R" APPROACH

- **Reduce (R1)**, means limiting waste production at source.
- **Reuse (R2)**, means recovering materials for a similar use, e.g. through reincorporation in the production process.
- **Recycle (R3)**, means recovering materials and using them as an alternative raw material that can be reintegrated in an industrial process.
- **Recovering energy (R4)**, means using waste as an alternative fuel or recovering the energy produced by incineration.



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

REDUCING ENVIRONMENTAL IMPACTS AT PRODUCTION SITES: A PROCESS OF CONTINUOUS IMPROVEMENT

Rather than teaching environmental experts about production processes, Renault has decided to teach its employees about ecology.

Through the environmental management system put in place in 1995, Renault obtained ISO 14001 certification for its 37 industrial and design sites and subsidiaries in 2008.

IMPROVING PERFORMANCE THROUGH A CROSS-CUTTING APPROACH

The Group has adopted a network structure covering all Renault's industrial sites and all production activities (around 300 people in 14 countries and 47 sites and subsidiaries).

The cross-cutting approach serves to improve the exchange of information and skills between members of the network, and to implement technologies that allow all those involved in environmental issues to move forward together.

PROTECTING NATURAL RESOURCES AND CONTRIBUTING TO EFFORTS TO LIMIT GLOBAL WARMING

Cutting energy consumption

All Group sites worldwide are contributing to a strategy of saving energy and using renewable energies. In 2009 significant variations in production brought

down energy consumption. This reduction can be attributed to the efforts made over many years to optimize installations and energy supply contracts.

Cutting greenhouse gas emissions

Renault is pursuing four main objectives in this area to:

- increase energy efficiency;
- reduce energy consumption;
- change fuels;
- develop renewable energies.

Total direct GHG emissions fell from 755ktCO₂eq in 2003 to 577ktCO₂eq in 2009, based on a larger number of sites and including company vehicles. On a like-for-like basis with 2003, GHG emissions in 2009 totaled 508ktCO₂eq, a drop of 32%.

Limiting emissions of volatile organic compounds (VOC)

The volatile organic compounds (VOCs) released by solvents used in paint shops are the major source of atmospheric emissions generated by Renault's activities. Reducing VOC emissions is a top priority for bodywork assembly plants.

In 2009 VOC emissions fell by 10% on the previous year. As a result, the target of 419g/m² set for 2012 was reached in 2009.

Cutting production waste, and pursuing efforts to "Reduce, Reuse, Recycle and Recover"

Renault has adopted a global approach to waste management. The "4R" approach introduced in 2008 sets ambitious targets to reduce the residual impact of Renault plants and cut the quantity of waste sent to landfill by 2015.

The plant waste recovery rate rose by 20% in 2009 compared with 2003, largely through the improved recycling of plastic parts.

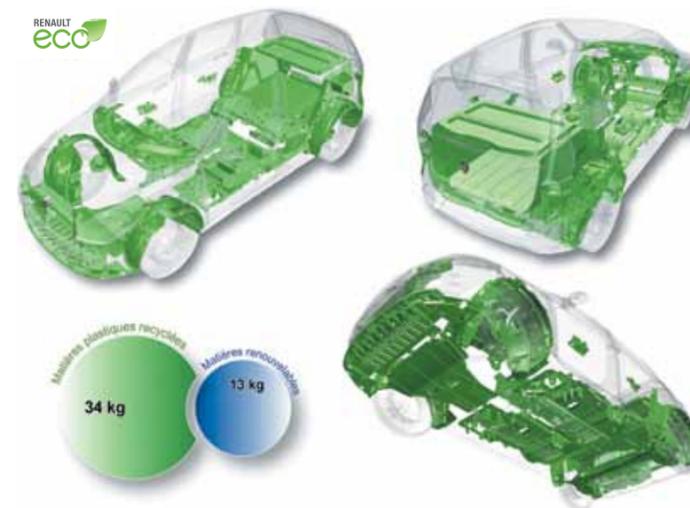
Protecting water resources

On a like-for-like basis, the Group has halved its water consumption over the past ten years. Withdrawals totaled 10.6 million m³ in 2009. Residual waste (organic matter, suspended solids and metals) has also been halved in ten years on a like-for-like basis.

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

ECOLOGICAL PERFORMANCE OF NEW MÉGANE

- 0.4 l/100 km, or the equivalent of 10g of CO₂ per km achieved through:
 - an 8kg reduction in vehicle weight;
 - a more efficient powertrain;
 - better aerodynamics;
 - electric power steering;
- 95% recovery potential at end-of-life;
- built with 22kg of recycled plastics.



In 2009, New Scenic used 34 kg of recycled plastic, or 14% of the total plastics content.

ALL THE INDUSTRIAL ACTIVITIES OF THE RENAULT GROUP ARE ISO 14001 CERTIFIED

The Renault eco² and Dacia eco² labels, which span the entire vehicle life-cycle, use ISO 14001 certification to show that the vehicles concerned were produced in plants that respect the environment.

*except for those recently included in the industrial area or excluded from this area.



4.

SALES PERFORMANCE AND FINANCIAL RESULTS

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

RESULTS

SALES PERFORMANCE

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

2009 WORLD SALES RESULTS*

The Renault Group achieved its objective to increase its world market share.

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

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

In the PC market, the Renault group reported market share of 4.3%, up 0.2 points: in a world

market that declined 4.2%, the Group increased sales 0.7% to 2,032,565 million vehicles.

The Renault brand reclaimed the position of third-ranked brand in Western Europe mainly owing to the success of the Megane family and Twingo.

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

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

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

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

*Based on provisional figures as at 4 January 2010.

TOP 15 RESULTS

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

At end-2009, 11 of these 15 markets reported market share gains (compared with eight

at end-June), while one was stable and three were down.

TOP 15

	2009 VOLUMES	2009 MARKET SHARE PC + LCV	CHANGE IN MARKET SHARE	
			09 VS 08	H209 VS H208
FRANCE	702,083	26.0%	+0.6	+2.3
GERMANY	240,153	6.0%	+1.0	+1.4
SOUTH KOREA	133,630	9.3%	+0.8	+1.1
ITALY	124,271	5.3%	+0.4	+1.5
BRAZIL	117,524	3.9%	-0.4	-0.1
SPAIN	115,217	10.9%	+0.6	+0.9
TURKEY	82,224	14.9%	=	+0.6
UNITED KINGDOM	73,428	3.4%	-1.1	+0.2
RUSSIA	72,284	5.0%	+1.3	+1.6
BELGIUM/LUXEMBOURG	64,799	11.1%	+0.9	+1.0
ARGENTINA	61,009	12.4%	+0.4	+1.1
ALGERIA	56,094	24.0%	+6.4	+8.3
ROMANIA	51,787	35.9%	+1.6	+0.6
MOROCCO	37,145	34.1%	+5.9	+6.6
IRAN	37,106	2.7%	-2.0	-2.7

GROUP SALES WORLDWIDE - PC + LCVs (UNITS)

PC + LCVs	2009*	2008	CHANGE (%)
GROUP	2,309,188	2,382,243	-3.1
BY REGION			
EUROPE	1,529,368	1,507,554	1.4
O/W FRANCE	701,998	654,142	7.3
EUROMED	240,500	274,352	-12.3
EURASIA	80,428	130,218	-38.2
AMERICAS	236,029	254,957	-7.4
ASIA-AFRICA	222,863	215,162	3.6
OUTSIDE EUROPE	779,820	874,689	-10.8
BY BRAND			
RENAULT	1,861,389	2,019,369	-7.8
DACIA	311,332	258,372	20.5
RENAULT SAMSUNG MOTORS	136,467	104,502	30.6
BY VEHICLE TYPE			
PC	2,032,565	2,018,024	0.7
LCV	276,623	364,219	-24.1

* Preliminary figures.

TOTAL INDUSTRY VOLUME - REGISTRATIONS (UNITS)

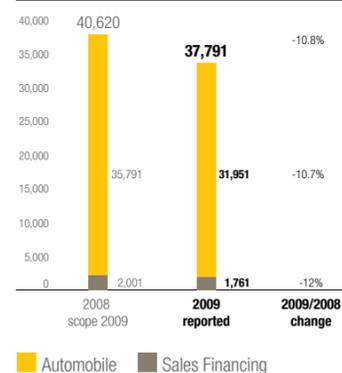
MAIN RENAULT GROUP MARKETS	2009*	2008	CHANGE (%)
EUROPE REGION	15,877,451	16,625,309	-4.5
<i>a/w</i> FRANCE	2,642,659	2,510,556	+5.3
GERMANY	3,981,634	3,320,059	+19.9
ITALY	2,329,501	2,387,409	-2.4
UK	2,189,721	2,431,300	-9.9
SPAIN + CANARY ISLAND	1,059,927	1,328,219	-20.2
BELGIUM + LUXEMBOURG	580,781	660,773	-12.1
POLAND	363,742	381,261	-4.6
EUROMED REGION	1,117,412	1,279,657	-12.7
<i>a/w</i> ROMANIA	144,432	311,871	-53.7
TURKEY	557,126	494,023	+12.8
ALGERIA	234,397	246,296	-4.8
MOROCCO	109,969	121,360	-9.4
EURASIA REGION	1,790,743	3,744,909	-52.2
<i>a/w</i> RUSSIA	1,454,338	2,907,857	-50.0
UKRAINE	174,832	661,996	-73.6
AMERICAS REGION**	5,202,187	5,529,092	-5.9
<i>a/w</i> MEXICO	752,743	1,020,513	-26.2
COLOMBIA	172,624	200,171	-13.8
BRAZIL	3,007,593	2,660,928	+13.0
ARGENTINA	493,794	574,864	-14.1
ASIA-AFRICA REGION	26,389,186	23,078,528	+14.3
<i>a/w</i> SOUTH AFRICA	337,498	459,493	-26.5
SOUTH KOREA	1,441,260	1,200,283	+20.1
OUTSIDE EUROPE	34,499,528	33,632,186	+2.6

* Preliminary figures. ** Outside North America.

RESULTS

FINANCIAL PERFORMANCE

DIVISIONAL CONTRIBUTION TO GROUP REVENUES (€ MILLIONS)



CONSOLIDATED INCOME STATEMENT

Group revenues stood at €33,712 million, down 10.8% on 2008 on a consistent basis.

The revenue contribution from Sales Financing was down 12.0% on 2008 to €1,761 million, in line with the 11.1% decline in average loans outstanding.

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

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

OPERATING MARGIN

In 2009 using consistent methods⁽¹⁾, the Group's operating margin was a negative €396 million, or 1.2% of revenues, compared with €326 million and 0.9% of revenues in 2008.

Sales Financing contributed €506 million to operating margin, up 3.9% on 2008. This result demonstrates the solidity of RCI Banque's business model in a strained economic and financial environment. Amid rising refinancing costs, RCI Banque managed to:

- increase its margins: net banking income rose to 5.17% of average loans outstanding, up from 4.58% in 2008. In value terms, that increase offsets the decline in average loans outstanding, which totaled €20.2 billion in 2009, compared with €22.7 billion in 2008 (-11%);
- keep risk-related costs under control at 0.99% of average loans outstanding at end-December 2009, compared with 0.87% at end-December 2008. The increase can be attributed to worsening economic conditions in Spain and Romania. Excluding those two countries, risk-related costs were stable on 2008. Improved collection and a stricter

Automobile's revenue contribution declined to €31,951 million in 2009, from €35,791 million in 2008 on a consistent basis. The 10.7% decline was due to:

- a contraction in volumes, accounting for -0.6 points. The decline was limited, however, by positive performances in the second half, driven by strong sales of new products and the impact of tax incentives;
- a negative price/mix effect, accounting for -2.8 points: the product mix was skewed towards the lower end of the range by government incentives, a negative impact that was only partly offset by the strong sales of Mégane;
- a negative currency effect, accounting for -2.5 points, due to depreciation against the euro on several Group markets, espe-

cially the Korean won, the pound sterling, the Russian ruble, and the Romanian leu;

- a decline in sales of components and built-up vehicles to partners, also impacted by the crisis, which accounted for -4.8 points of the downturn in revenues.

approvals policy brought down risk-related costs in the second half of 2009;

- optimize operating costs: restructuring at RCI Banque kept operating costs under control compared with 2008.

In 2009, in a poor business environment, the contribution of Automobile to operating margin fell €741 million, using consistent methods (1), from a negative €161 million in 2008 to a negative €902 million in 2009 (-2.8% of revenues), chiefly because of:

- a negative currency effect of almost €300 million, due mainly to the depreciation of the Russian ruble, the pound sterling and the Polish zloty;
- a negative volume and price mix impact of €746 million:
 - the decline in volumes (including for partners) accounted for €464 million, with the positive impact of the Europe Region failing to offset declines in other markets,
 - a negative mix/price/enhancement/incentives impact of €282 million. The positive impact of the reduction in fixed

marketing costs and the renewal of the Mégane range were not enough to compensate for the change in the mix spurred by tax incentives as well as the commercial pressure in all the Group's markets;

- the company-wide cost-cutting policy, stepped up in 2009, made a positive contribution of €496 million:
 - purchasing costs decreased by €253 million excluding raw materials (up €48 million), despite the extra cost of providing assistance to some suppliers in difficulty,
 - G&A and warranty-related costs fell by €105 million and €80 million respectively,
 - manufacturing costs were down by €126 million.

R&D EXPENSES

These amounted to €1,643 million in 2009, 26% lower than in 2008. This reduction was enabled by the Group's adjustment measures and a more selective approach to expenditure under the 2009 action plan. Despite the steep reduction, R&D expenses recorded in the income statement were

stable at €1,795 million in 2009 compared with €1,744 million in 2008, amounting to 5.3% of Renault group revenues, up from 4.6% in 2008. The change can be attributed to two factors:

- capitalized development expenses contracted to €587 million, or 35.7% of the total, down 14.6 points on 2008 (50.3%),

mainly because of the product planning cycle;

- amortization expense rose to €739 million compared with €634 million using consistent methods (1).

NET INCOME

Other operating income and expenses showed a net charge of €559 million in 2009, compared with €443 million in 2008 using consistent methods⁽¹⁾. In 2009 this item mainly consisted of:

- €218 million in restructuring and work-force adjustment costs (compared with €489 million in 2008), including a provision for rationalizing the real-estate portfolio in the Paris region;
- a €297 million impairment charge (€114 million in 2008⁽¹⁾) recorded in the first half, the bulk of which was related to capitalized development expenses for two vehicles in the range whose volume/contribution outlook was adversely affected by the economic crisis. This impairment charge was recorded under operating margin until 2008;
- the consequences of the sale, announced at the end of 2009, of most of the Renault F1 stable for €118 million;

net capital gains of €102 million on the sale of real-estate, chiefly the sale of a logistics center in Korea. After recognizing other operating income and expenses, the Group posted an operating loss of €955 million, compared with a loss of €117 million in 2008.

Net financial income showed a net charge of €404 million in 2009, compared with income of €441 million in 2008. This was the result of:

- a €43 million loss linked to the negative impact of the fair value change in Renault SA's redeemable shares, compared with a gain of €509 million in 2008;
- an increase in interest expense owing to the rise in Automobile's debt.

In 2009 Renault's share in associated companies generated a loss of €1,561 million, of which:

- -€902 million for Nissan. After a first half heavily impacted by the effects of the crisis, Nissan's situation improved markedly in the second half, with a positive contribution of €309 million;
- -€301 million for AB Volvo;
- -€370 million for AvtoVAZ.

The net result was a negative €3,068 million (€599 million in 2008). Excluding Renault shares owned by Nissan and treasury stock, earnings per share was negative by €12.13, compared with a gain of €2.23 in 2008.

CHANGES IN FINANCIAL STRUCTURE

At December 31, 2009 Automobile's net financial debt totaled €5,921 million, or 35.9% of shareholders' equity, down from 40.9% of shareholders' equity at December 31, 2008.

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

- cash flow of €1,467 million, down by €1,594 million on 2008. This decline was due to the fall in operating margin, as well as the sharp decrease in divi-

dends received from associated companies, with only €81 million from AB Volvo in 2009 (compared with €418 million received from Nissan and €259 million from AB Volvo in 2008);

- a €2,923 million decrease in the working capital requirement in 2009 through company-wide action plans focused on this priority target. Inventory was reduced by €1,372 million and customer receivables by €640 million;
- tangible and intangible investments net

of disposals (including leased vehicles)⁽²⁾ of €2,302 million in 2009, down from €3,385 million in 2008 (-32%). Automobile generated a substantial €2,088 million in free cash flow in 2009.

2010 OUTLOOK

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

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

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

- The continuation of the cost reduction policy and a ratio of net CAPEX and R&D expenses kept at less than 10% of revenues.
- Intensified actions to control working capital requirements.

(1) In 2009, impairment for loss of value on fixed assets (charges that are unusual in terms of their nature, frequency or amount) was recognized in other operating income and expenses. Accordingly, the income statement reported in 2008 was restated (operating margin in the amount of €114 million taken to other operating income and expenses).

(2) The change in capitalised leased vehicles has been reclassified from cash flows from investing activities to cash flows from operating activities in application of changes introduced in the annual improvements to IFRS (note 2-A). 2009 impact Euros 248 million.

CONSOLIDATED INCOME STATEMENT (€ MILLION)

	2009	2008	2007
SALES OF GOODS AND SERVICES	32,415	36,241	39,190
SALES FINANCING REVENUES	1,297	1,550	1,492
REVENUES	33,712	37,791	40,682
COST OF GOODS AND SERVICES SOLD	(26,978)	(29,659)	(31,408)
COST OF SALES FINANCING	(953)	(1,292)	(1,121)
RESEARCH AND DEVELOPMENT EXPENSES ⁽¹⁾	(1,795)	(1,744)	(1,850)
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	(4,382)	(4,770)	(4,949)
OPERATING MARGIN	(396)	326	1,354
OTHER OPERATING INCOME AND EXPENSES ⁽¹⁾	(559)	(443)	(116)
<i>Other operating income</i>	137	206	124
<i>Other operating expenses</i>	(696)	(649)	(240)
OPERATING INCOME	(955)	(117)	1238
NET INTEREST INCOME (EXPENSES)	(353)	(216)	(101)
<i>Interest income</i>	118	157	274
<i>Interest expenses</i>	(471)	(373)	(375)
OTHER FINANCIAL INCOME AND EXPENSES	(51)	657	177
FINANCIAL INCOME	(404)	441	76
SHARE IN NET INCOME (LOSS) OF ASSOCIATES	(1,561)	437	1675
NISSAN	(902)	345	1,288
OTHER ASSOCIATES	(659)	92	387
PRE-TAX INCOME	(2,920)	761	2,989
CURRENT AND DEFERRED TAXES	(148)	(162)	(255)
NET INCOME	(3,068)	599	2,734
NET INCOME - MINORITY INTERESTS' SHARE	57	28	65
NET INCOME - RENAULT SHARE	(3,125)	571	2,669
EARNINGS PER SHARE ⁽²⁾ IN €	(12.13)	2.23	10.32
DILUTED EARNINGS PER SHARE ⁽²⁾ IN €	(12.13)	2.22	10.17
NUMBER OF SHARES OUTSTANDING (IN THOUSANDS)			
For earnings per share	257,514	256,552	258,621
For diluted earnings per share	257,514	256,813	262,362

(1) In 2009, impairment of fixed assets is classified under "Other operating income and expenses". The corresponding comparative information for 2008 and 2007 has been restated.

(2) Net income – Renault share divided by number of shares stated.

KEY FIGURES

	2009	2008	CHANGE
GROUP SALES WORLDWIDE (MILLION UNITS)	2,31	2,38	-0,07
GROUP REVENUES (€ MILLION)	33,712	37,792*	-4,080
OPERATING MARGIN (€ MILLION)	-396	326*	-722
OPERATING MARGIN (% OF REVENUES)	-1.2 %	0.9 %	-2.1 PTS
CONTRIBUTION FROM ASSOCIATED COMPANIES (€ MILLION)	-1,561	437	-1,998
<i>o/w Nissan</i>	-902	345	-1,247
<i>o/w AB Volvo</i>	-301	226	-527
<i>o/w AvtoVAZ</i>	-370	-117	-253
NET INCOME (LOSS) (€ MILLION)	-3,068	599	-3,667
NET INCOME (LOSS), GROUP SHARE (€ MILLION)	-3,125	571	-3,696
NET INCOME (LOSS) PER SHARE (IN €)	-12.13	2.23	-14.4
AUTOMOBILE NET FINANCIAL DEBT (€ MILLION)	5,921	7,944	-2,023
DEBT-TO-EQUITY RATIO (IN %)	35.9 %	40.9 %	-5 PTS
AUTOMOBILE'S FREE CASH FLOW ⁽²⁾ (€ MILLION)	2,088	-3,028	5,116

* On a consistent basis.

(2) Free cash flow = cash flow minus tangible and intangible investments net of disposals +/- the change in the working capital requirement.

CONSOLIDATED FINANCIAL POSITION (€ MILLION)

ASSETS	DEC. 31, 2009	DEC. 31, 2008	DEC. 31, 2007
NON-CURRENT ASSETS			
INTANGIBLE ASSETS	3,893	4,313	4,056
PROPERTY, PLANT AND EQUIPMENT	12,294	12,818	13,055
INVESTMENTS IN ASSOCIATES	12,084	13,768	12,977
<i>Nissan</i>	<i>10,583</i>	<i>11,553</i>	<i>10,966</i>
<i>Other associates</i>	<i>1,501</i>	<i>2,215</i>	<i>2,011</i>
NON-CURRENT FINANCIAL ASSETS	1,026	982	606
DEFERRED TAX ASSETS	279	252	220
OTHER NON-CURRENT ASSETS	424	420	504
TOTAL NON-CURRENT ASSETS	30,000	32,553	31,418
CURRENT ASSETS			
INVENTORIES	3,932	5,266	5,932
SALES FINANCING RECEIVABLES	18,243	18,318	20,430
AUTOMOBILE RECEIVABLES	1,097	1,752	2,083
CURRENT FINANCIAL ASSETS	787	1,036	1,239
CURRENT TAX ASSETS	195	197	55
OTHER CURRENT ASSETS	1,636	2,651	2,320
CASH AND CASH EQUIVALENTS	8,023	2,058	4,721
TOTAL CURRENT ASSETS	33,913	31,278	36,780
ASSETS HELD FOR SALE	65	-	-
TOTAL ASSETS	63,978	63,831	68,198
SHAREHOLDERS' EQUITY AND LIABILITIES	31 DEC. 2009	31 DEC. 2008	31 DEC. 2007
SHAREHOLDERS' EQUITY			
SHARE CAPITAL	1,086	1,086	1,086
SHARE PREMIUM	3,453	3,453	3,453
TREASURY SHARES	(229)	(612)	(499)
REVALUATION OF FINANCIAL INSTRUMENTS	(109)	(223)	68
TRANSLATION ADJUSTMENT	(2,568)	(2,241)	(982)
RESERVES	17,474	16,925	15,782
NET INCOME – RENAULT SHARE	(3,125)	571	2,669
SHAREHOLDERS' EQUITY – RENAULT SHARE	16,472	19,416	21,577
SHAREHOLDERS' EQUITY – MINORITY INTERESTS' SHARE	490	457	492
TOTAL SHAREHOLDERS' EQUITY	16,472	19,416	22,069
NON-CURRENT LIABILITIES			
DEFERRED TAX LIABILITIES	114	132	118
PROVISIONS – LONG-TERM	1,829	1,543	1,765
NON-CURRENT FINANCIAL LIABILITIES	9,048	5,773	5,413
OTHER NON-CURRENT LIABILITIES	660	548	523
TOTAL NON-CURRENT LIABILITIES	11,651	7,996	7,819
CURRENT LIABILITIES			
PROVISIONS – SHORT-TERM	914	1,264	954
CURRENT FINANCIAL LIABILITIES	3,825	5,219	1,517
SALES FINANCING DEBTS	19,912	18,950	21,196
TRADE PAYABLES	5,911	5,420	8,224
CURRENT TAX LIABILITIES	54	55	166
OTHER CURRENT LIABILITIES	5,179	5,511	6,253
TOTAL CURRENT LIABILITIES	35,795	36,419	38,310
LIABILITIES ASSOCIATED TO ASSETS HELD FOR SALE	60	-	-
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	63,978	63,831	68,198

CHANGE IN SHAREHOLDER'S EQUITY (€ MILLION)

	Number of shares (thousand)	Share capital	Share premium	Treasury shares	Revaluation of financial instruments	Translation adjustment	Reserves	Net income - Renault share	Shareholders' equity (Renault share)	Shareholders' equity (minority interests)	TOTAL SHAREHOLDERS' EQUITY
BALANCE AT DEC. 31, 2007	284,937	1,086	3,453	(499)	68	(982)	15,782	2,669	21,577	492	22,069
COMPREHENSIVE INCOME YEAR 2008	-	-	-	-	(291)	(1,259)	(516)	571	(1,495)	(32)	(1,527)
ALLOCATION OF 2007 NET INCOME	-	-	-	-	-	-	2,669	(2,669)	-	-	-
DIVIDENDS	-	-	-	-	-	-	(975)	-	(975)	(48)	(1,023)
COST OF STOCK OPTION PLANS	-	-	-	-	-	-	(16)	-	(16)	-	(16)
(ACQUISITIONS) / DISPOSALS OF TREASURY SHARES	-	-	-	(113)	-	-	-	-	(113)	-	(113)
IMPACT OF CAPITAL INCREASE	-	-	-	-	-	-	-	-	-	134	134
IMPACT OF CHANGES IN THE SCOPE OF CONSOLIDATION ⁽¹⁾	-	-	-	-	-	-	(19)	-	(19)	(89)	(108)
BALANCE AT DEC. 31, 2008	284,937	1,086	3,453	(612)	(223)	(2,241)	16,925	571	18,959	457	19,416
COMPREHENSIVE INCOME YEAR 2009	-	-	-	-	114	(327)	38	(3,125)	(3,300)	66	(3,234)
ALLOCATION OF 2008 NET INCOME	-	-	-	-	-	-	571	(571)	-	-	-
DIVIDENDS	-	-	-	-	-	-	-	-	-	(34)	(34)
COST OF STOCK OPTION PLANS	-	-	-	-	-	-	(16)	-	(16)	-	(16)
(ACQUISITIONS) / DISPOSALS OF TREASURY SHARES	-	-	-	(383)	-	-	(256)	-	127	-	127
IMPACT OF CAPITAL INCREASE	-	-	-	-	-	-	-	-	-	15	15
IMPACT OF CHANGES IN THE SCOPE OF CONSOLIDATION ⁽¹⁾	-	-	-	-	-	-	-	-	-	(14)	(14)
OTHER CHANGES	-	-	-	-	-	-	180	-	180	-	180
BALANCE AT DEC. 31, 2009	284,937	1,086	3,453	(229)	(109)	(2,568)	17,474	(3,125)	15,982	490	16,472

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

INFORMATION BY REGION (€ MILLION)

	EUROPE ⁽¹⁾	EUROMED	EURASIA	ASIA-AFRICA	AMERICAS	CONSOLIDATED TOTAL
2009						
REVENUES	25,714	2,428	598	2,393	2,579	33,172
PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLES	12,784	1,583	376	809	635	16,187
2008						
REVENUES	27,653	3,062	1,360	2,628	3,088	37,791
PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLES	13,997	1,555	283	726	570	17,131
2007						
REVENUES	30,447	3,102	1,208	2,757	3,168	40,682
PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLES	13,922	1,521	230	756	682	17,111

(1) Including France.

The Regions presented correspond to the geographic sectors of the Group's structure. In 2009, the Euromed Region was split into two Regions, Euromed and Eurasia, which principally covers Russia and the Ukraine.

Consolidated revenues are presented by location of customers. Property, plant and equipment and intangibles are presented by location of subsidiaries and joint ventures.

CONSOLIDATED CASH FLOWS (€ MILLION)

	2009	2008	2007
NET INCOME	(3,068)	599	2,734
CANCELLATION OF UNREALISED INCOME AND EXPENSES			
Amortisation and impairment	3,146	2,943	2,865
Share in net (income) loss of associates	1561	(437)	(1,675)
Dividends received from associates	81	688	936
Other unrealised income and expenses	(5)	(496)	(114)
CASH FLOW	1,715	3,297	4,746
NET CHANGE IN FINANCING FOR FINAL CUSTOMERS	377	872	594
NET CHANGE IN RENEWABLE DEALER FINANCING	(126)	427	(37)
DECREASE (INCREASE) IN SALES FINANCING RECEIVABLES	251	1,299	557
BOND ISSUANCE BY THE SALES FINANCING SEGMENT	3,149	1,299	2,022
BOND REDEMPTION BY THE SALES FINANCING SEGMENT	(2,795)	(3,455)	(3,139)
NET CHANGE IN OTHER SALES FINANCING DEBTS	871	48	1,265
NET CHANGE IN OTHER SECURITIES AND LOANS OF THE SALES FINANCING SEGMENT	152	102	(359)
NET CHANGE IN SALES FINANCING FINANCIAL ASSETS AND DEBTS	1377	(2,006)	(211)
CHANGE IN CAPITALISED LEASED VEHICLES ⁽¹⁾	(256)	(203)	(95)
DECREASE (INCREASE) IN WORKING CAPITAL	2,953	(2,833)	(347)
CASH FLOWS FROM OPERATING ACTIVITIES	6,040	(446)	4,650
CAPITAL EXPENDITURE ⁽¹⁾	(2,309)	(3,493)	(3,638)
ACQUISITIONS OF INVESTMENTS, NET OF CASH ACQUIRED ⁽²⁾	(86)	(662)	(67)
DISPOSALS OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLES ⁽¹⁾	236	254	175
DISPOSALS OF INVESTMENTS, NET OF CASH TRANSFERRED, AND OTHER	-	74	63
NET DECREASE (INCREASE) IN OTHER SECURITIES AND LOANS OF THE AUTOMOBILE SEGMENT	65	192	615
CASH FLOWS FROM INVESTING ACTIVITIES	(2,094)	(3,635)	(2,852)
TRANSACTIONS WITH MINORITY SHAREHOLDERS ⁽³⁾	-	88	26
DIVIDENDS PAID TO PARENT COMPANY SHAREHOLDERS	-	(1,049)	(863)
DIVIDENDS PAID TO MINORITY SHAREHOLDERS	(22)	(28)	(50)
(PURCHASES) SALES OF TREASURY SHARES	127	(113)	(126)
CASH FLOWS WITH SHAREHOLDERS	105	(1,102)	(1,013)
BOND ISSUANCE BY THE AUTOMOBILE SEGMENT	750	682	588
BOND REDEMPTION BY THE AUTOMOBILE SEGMENT	(1,271)	(426)	(451)
NET INCREASE (DECREASE) IN OTHER FINANCIAL LIABILITIES OF THE AUTOMOBILE SEGMENT	2,378	2,340	(2,065)
NET CHANGE IN FINANCIAL LIABILITIES OF THE AUTOMOBILE SEGMENT	1,857	2,596	(1,928)
CASH FLOWS FROM FINANCING ACTIVITIES	1,962	1,494	(2,941)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,908	(2,587)	(1,143)
CASH AND CASH EQUIVALENTS: OPENING BALANCE	2,058	4,721	6,010
INCREASE (DECREASE)	5,908	(2,587)	(1,143)
EFFECT OF CHANGES IN EXCHANGE RATE AND OTHER CHANGES	57	(76)	(146)
CASH AND CASH EQUIVALENTS: CLOSING BALANCE	8,023	2,058	4,721

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

(2) Corresponding to payment for the shares in AvtoVAZ for the year 2008.

(3) Via capital increases or capital reductions and acquisitions of additional investments in controlled companies.

INFORMATION BY OPERATING SEGMENT - CONSOLIDATED INCOME STATEMENT BY OPERATING SEGMENT (€ MILLION)

	AUTOMOBILE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
2009				
SALES OF GOODS AND SERVICES	31,951	464	-	32,415
SALES FINANCING REVENUES	-	1,297	-	1,297
EXTERNAL SALES	31,951	1,761	-	33,712
INTERSEGMENT SALES	(317)	342	(25)	-
SALES BY SEGMENT	31,634	2,103	(25)	33,712
OPERATING MARGIN ⁽¹⁾	(915)	506	13	(396)
OPERATING INCOME	(1,457)	489	13	(955)
FINANCIAL INCOME ⁽²⁾	(102)	-	(302)	(404)
SHARE IN NET INCOME (LOSS) OF ASSOCIATES	(1,566)	5	-	(1,561)
PRE-TAX INCOME	(3,125)	494	(289)	(2,920)
CURRENT AND DEFERRED TAXES	14	(157)	(5)	(148)
NET INCOME	(3111)	337	(294)	(3,068)
2008				
SALES OF GOODS AND SERVICES	35,757	484	-	36,241
SALES FINANCING REVENUES	-	1,550	-	1,550
EXTERNAL SALES	35,757	2,034	-	37,791
INTERSEGMENT SALES	(230)	372	(142)	-
SALES BY SEGMENT	35,527	2,406	(142)	37,791
OPERATING MARGIN ⁽¹⁾	(174)	487	13	326
OPERATING INCOME	(608)	478	13	(117)
FINANCIAL INCOME ⁽²⁾	742	-	(301)	441
SHARE IN NET INCOME (LOSS) OF ASSOCIATES	431	6	-	437
PRE-TAX INCOME	565	484	(288)	761
CURRENT AND DEFERRED TAXES	(6)	(157)	1	(162)
NET INCOME	559	327	(287)	599
2007				
SALES OF GOODS AND SERVICES	38,679	511	-	39,190
SALES FINANCING REVENUES	-	1,492	-	1,492
EXTERNAL SALES	38,403	2,003	-	40,682
INTERSEGMENT SALES	(276)	327	(51)	-
SALES BY SEGMENT	38,403	2,330	(51)	40,682
OPERATING MARGIN ⁽¹⁾	858	472	24	1,354
OPERATING INCOME	767	457	14	1,238
FINANCIAL INCOME ⁽²⁾	328	-	(252)	72
SHARE IN NET INCOME (LOSS) OF ASSOCIATES	1,668	7	-	1,675
PRE-TAX INCOME	2,763	464	(238)	2,989
CURRENT AND DEFERRED TAXES	(109)	(141)	(5)	(255)
NET INCOME	2,654	323	(243)	2,734

(1) Details of amortisation and depreciation are provided in the consolidated cash flow statements by operating segment.

(2) Sales financing dividends are included in the Automobile segment's financial income and eliminated as an intersegment transaction.

CONSOLIDATED FINANCIAL POSITION BY OPERATING SEGMENT - DECEMBER 31, 2009 (€ MILLION)

	AUTOMOBILE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
ASSETS				
NON-CURRENT ASSETS				
PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	15,953	245	(11)	16,187
INVESTMENTS IN ASSOCIATES	12,058	26	-	12,084
NON-CURRENT FINANCIAL ASSETS – INVESTMENTS IN NON-CONTROLLED ENTITIES	2,392	-	(2,254)	138
NON-CURRENT FINANCIAL ASSETS – OTHER SECURITIES, LOANS AND DERIVATIVES ON FINANCING OPERATIONS OF THE AUTOMOBILE SEGMENT	888	-	-	888
DEFERRED TAX ASSETS AND OTHER NON-CURRENT ASSETS	553	145	5	703
TOTAL NON-CURRENT ASSETS	31,844	416	(2,260)	30,000
CURRENT ASSETS				
INVENTORIES	3,927	5	-	3,932
CUSTOMER RECEIVABLES	1,179	18,660	(499)	19,340
CURRENT FINANCIAL ASSETS	1,025	380	(618)	787
OTHER CURRENT ASSETS AND CURRENT TAX ASSETS	1,532	2,041	(1,742)	1,831
CASH AND CASH EQUIVALENTS	5,408	2,738	(123)	8,023
TOTAL CURRENT ASSETS	13,071	23,824	(2,982)	33,913
ASSETS HELD FOR SALE	65	-	-	65
TOTAL ASSETS	31,844	416	(2,260)	30,000
SHAREHOLDERS' EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY	16,363	2,259	(2,150)	16,472
NON-CURRENT LIABILITIES				
DEFERRED TAX LIABILITIES AND LONG-TERM PROVISIONS	1,585	309	49	1,943
NON-CURRENT FINANCIAL LIABILITIES	8,787	261	-	9,048
OTHER NON-CURRENT LIABILITIES	509	151	-	660
TOTAL NON-CURRENT LIABILITIES	10,881	721	49	11,651
CURRENT LIABILITIES				
SHORT-TERM PROVISIONS	865	49	-	914
CURRENT FINANCIAL LIABILITIES	4,455	4	(634)	3,825
TRADE PAYABLES AND SALES FINANCING DEBTS	5,938	20,593	(708)	25,823
OTHER CURRENT LIABILITIES AND CURRENT TAX LIABILITY	6,418	614	(1,799)	5,233
TOTAL CURRENT LIABILITIES	17,676	21,260	(3,141)	35,795
LIABILITIES ASSOCIATED TO ASSETS HELD FOR SALE	60	-	-	60
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	44,980	24,240	(5,242)	63,978

CONSOLIDATED CASH FLOWS BY OPERATING SEGMENT (€ MILLION)

	AUTOMOBILE	SALES FINANCING	INTERSEGMENT TRANSACTIONS ⁽¹⁾	CONSOLIDATED TOTAL
2009				
NET INCOME	(3,111)	337	(294)	(3,068)
CANCELLATION OF UNREALISED INCOME AND EXPENSES				
<i>Amortisation and impairment</i>	3,124	30	(8)	3,146
<i>Share in net (income) loss of associates</i>	1,566	(5)	-	1,561
<i>Dividends received from associates</i>	81	-	-	81
<i>Other unrealised income and expenses</i>	(193)	183	5	(5)
CASH FLOW	1,467	545	(297)	1,715
DECREASE (INCREASE) IN SALES FINANCING RECEIVABLES	-	76	175	251
NET CHANGE IN SALES FINANCING FINANCIAL ASSETS AND DEBTS	-	1,366	11	1,377
CHANGE IN CAPITALISED LEASED VEHICLES ⁽¹⁾	(248)	(9)	1	(256)
DECREASE (INCREASE) IN WORKING CAPITAL	2,923	33	(3)	2,953
CASH FLOWS FROM OPERATING ACTIVITIES	4,142	2,011	(113)	6,040
PURCHASES OF INTANGIBLE ASSETS	(670)	(16)	-	(686)
PURCHASES OF PROPERTY, PLANT AND EQUIPMENT ⁽¹⁾	(1,620)	(3)	-	(1,623)
DISPOSALS OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLES ⁽¹⁾	236	-	-	236
ACQUISITION OF INVESTMENTS, NET OF DISPOSALS AND OTHER	(86)	-	-	(86)
NET DECREASE (INCREASE) IN OTHER SECURITIES AND LOANS OF THE AUTOMOBILE SEGMENT	81	-	(16)	65
CASH FLOWS FROM INVESTING ACTIVITIES	(2,059)	(19)	(16)	(2,094)
CASH FLOWS WITH SHAREHOLDERS	105	(302)	302	105
NET CHANGE IN FINANCIAL LIABILITIES OF THE AUTOMOBILE SEGMENT	2,017	-	(160)	1,857
CASH FLOWS FROM FINANCING ACTIVITIES	2,122	(302)	142	1,962
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,205	1,690	13	5,908
2008				
NET INCOME	556	325	(282)	599
CANCELLATION OF UNREALISED INCOME AND EXPENSES				
<i>Amortisation and impairment</i>	2,892	67	(16)	2,943
<i>Share in net (income) loss of associates</i>	(431)	(6)	-	(437)
<i>Dividends received from associates</i>	688	-	-	688
<i>Other unrealised income and expenses</i>	(644)	154	(6)	(496)
CASH FLOW	3,061	540	(304)	3,297
DECREASE (INCREASE) IN SALES FINANCING RECEIVABLES	-	1,740	(441)	1,299
NET CHANGE IN SALES FINANCING FINANCIAL ASSETS AND DEBTS	-	(2,092)	86	(2,006)
CHANGE IN CAPITALISED LEASED VEHICLES ⁽¹⁾	(153)	(54)	4	(203)
DECREASE (INCREASE) IN WORKING CAPITAL	(2,704)	(147)	18	(2,833)
CASH FLOWS FROM OPERATING ACTIVITIES	204	(13)	(637)	(446)
PURCHASES OF INTANGIBLE ASSETS	(1,177)	(1)	-	(1,178)
PURCHASES OF PROPERTY, PLANT AND EQUIPMENT ⁽¹⁾	(2,309)	(6)	-	(2,315)
DISPOSALS OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLES ⁽¹⁾	254	-	-	254
ACQUISITION OF INVESTMENTS, NET OF DISPOSALS AND OTHER	(587)	(1)	-	(588)
NET DECREASE (INCREASE) IN OTHER SECURITIES AND LOANS OF THE AUTOMOBILE SEGMENT	97	-	95	192
CASH FLOWS FROM INVESTING ACTIVITIES	(3,722)	(8)	95	(3,635)
CASH FLOWS WITH SHAREHOLDERS	(1,167)	(236)	301	(1,102)
NET CHANGE IN FINANCIAL LIABILITIES OF THE AUTOMOBILE SEGMENT	2,172	-	424	2,596
CASH FLOWS FROM FINANCING ACTIVITIES	1,005	(257)	183	(2,587)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,513)	(257)	183	(2,587)

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

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2009 RENAULT ANNUAL REPORT

