



# 2010 ANNUAL REPORT

DRIVE THE CHANGE





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#### **DRIVING THE CHANGE...**

Needs are changing, markets are changing – and Renault is changing with them.

Firmly rooted in France, the company is growing internationally and working towards sustainable mobility for all, relying on a strong tradition of innovation.

Today, Renault vehicles feature the highest levels of quality, and the company is seeking to boost recognition of that achievement. Electric vehicles accessible to all are becoming a reality, strengthening Renault's commitment to protecting the environment, while the company's design renewal promises ever more appeal. In all its activities, the human element remains central to Renault's work as it prepares for the future.

Every day, the company seeks solutions to enhance the collective efforts of its staff, partners and suppliers in order to remain constantly in tune with its customers.



**“REASONABLY AVANT-GARDE,  
AFFORDABLE, LIGHTWEIGHT CARS  
WITH RELIABLE ENGINES THAT MEET  
OUR CUSTOMERS’ EXPECTATIONS.”**

*Renault's vision in 1901*

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 different markets. To meet the major technological challenges of the automobile of the future, Renault is relying on the skills of its teams worldwide and on strategic partnerships. These enable the Group to generate synergies and pool investments with the major players in the industry, including Nissan, within the Alliance created in 1999 and, more recently, AvtoVAZ and Daimler.

# CONVERSATION WITH CARLOS GHOSN CHAIRMAN AND CHIEF EXECUTIVE OFFICER



## What were the highlights for Renault in 2010?

First of all, I would start with the signature of our strategic cooperation agreement with Daimler. In a highly competitive market, this partnership will provide new outlets for our engines and gearboxes and new opportunities to share platforms and production capacity. I can tell you that our projects are progressing well – and that our partners at Mercedes are pleasantly surprised by the quality of our products and the performance of our engineers and manufacturers. Next, the Paris Motor Show highlighted the Renault-Nissan Alliance's headstart on electric vehicles accessible to all. It also gave us the opportunity to reveal our new design identity, which will be a strong feature of future Renault models. Lastly, Renault's improved health was reflected in the early repayment of part of the loan from the French government. With our positive free cash flow and the sale of some of our AB Volvo shares, we were able to substantially pay down our debt.

## How would you sum up Renault's situation at the outset of the strategic plan?

Renault is better balanced and less dependent on a single region or segment. Europe is still our mainstay of profitability, but other regions are now reaching similar profit levels. Product-wise, in 2006 Mégane and Scénic accounted for more than half of the Group's profits. Today we can rely on other key strengths: our range of light commercial vehicles and the M0 range form a stronger and more diverse foundation for performance. We have also put Renault back on track to achieving excellence in quality, which is reflected in the 57% reduction in warranty costs between 2006 and 2010. But while real quality is advancing, we still have to

improve the public's perception of the quality of our vehicles. Last of all, we have become a more frugal company. Our average unit investment cost fell 54% between 2005 and 2010. This has enabled us to reduce the overall investment expense while continuing to develop new projects. So our fundamentals are good, and we can leverage them to implement our new strategic plan, Renault 2016 – Drive the Change.

## Renault 2016 – Drive the Change is a six-year plan with quantified objectives for the next three years. Why was it built like that?

With a six-year plan, we can take a long-term view and make our actions more consistent. This is one of the lessons we learned from Renault Commitment 2009. The new plan sets our strategic priorities for the six years to come. Six years is also the length of a product cycle. By 2016 we will have renewed our passenger car offer. But we also need clear milestones to show us that we are on track for our two main objectives: growing sales volumes and generating sustainable free cash flow. That is why we have planned a mid-term review, with clear, quantified objectives. In 2013 we are aiming for sales of over three million units and aggregate free cash flow of over €2 billion.

## How does Renault intend to meet these objectives?

We will pursue seven courses of action to meet our sales growth and free cash flow objectives. We shall innovate, renew and strengthen our product offer; enhance our brand image; achieve network excellence in customer relations; optimize investments and R&D spend; cut costs; and maintain our positions in Europe while accelerating international growth. These priorities will be our key focus throughout the six years of the plan.

"THE STRATEGIC COOPERATION BETWEEN THE RENAULT-NISSAN ALLIANCE AND DAIMLER WILL GENERATE LASTING VALUE FOR ALL PARTNERS."

Carlos Ghosn



Generating free cash flow is necessary to strengthen our investment capacity and, accordingly, our ability to grow. It is also vital for paying off the remainder of our debt, establishing a minimal protective cushion against future uncertainties, and paying dividends to our shareholders. Note that every year we shall ask the Annual General Meeting to approve a proposal that the dividends received from our associates be paid over in full to Renault shareholders in the following year.

## Renault 2016 – Drive the Change was presented as a "robust" plan. What does that mean?

The figures in Renault 2016 – Drive the Change are based on what we consider to be robust scenarios. We chose them deliberately to ensure that our investments and structures are correctly scaled. That way, we will not be caught unawares by an economic reversal, whether local or global. The main thing is that Renault is able to create value, and hence free cash flow, on a sustainable, long-term basis.

## How does the Alliance fit into the new plan?

The Alliance is not considered a specific lever in the plan since it is present in almost everything we do. Our development in emerging markets, for example, which is key to meeting our growth target, would be harder without the Alliance. The same applies to innovation, with internal-combustion engines and electric vehicles, or to optimizing our R&D and investments by standardizing parts and extending common platforms. The cooperation agreement with Daimler is part of this approach of pooling our R&D efforts and production capacities.

## What role does France play in this plan, considering that most growth is expected on international markets?

There is no contradiction between our international development and our French roots: they constitute two aspects of a single strategy. We want Renault to have strong roots in France and be at ease worldwide. Besides our R&D activities, which will remain mainly in France, our French plants will also benefit from a favorable vehicle allocation plan in the coming years. We will focus our high value-added production in the country, of which our mid- and upper-range vehicles, light commercial vehicles, electric vehicles and motors, and batteries. We will also produce vehicles and powertrain components for our partners, Nissan and Daimler, which will improve capacity utilization at our industrial plants. And production levels at our French plants are also set to rise in the years to come.

# “RENAULT 2016 – DRIVE THE CHANGE”

Renault's strategic plan is based on its aim to make sustainable mobility available to all, as demonstrated by the brand signature “Drive the Change”.

## 2 QUANTIFIED OBJECTIVES FOR 2013

### ■ Increasing Group sales

The plan sets an objective to sell over three million vehicles in 2013, in order to increase revenues. This is equivalent to 400,000 extra vehicles, based essentially on growth outside Europe.

### ■ Generating free cash flow on a lasting basis

The plan targets aggregate free cash flow of €2 billion between now and 2013. This will strengthen Renault's ability to invest – and, hence, its ability to grow- and eliminate remaining debt.

## 1.5 MILLION

THE NUMBER OF ELECTRIC VEHICLES THE ALLIANCE EXPECTS TO HAVE ON THE ROADS BY 2016.

## 80%

OF NEW MODEL LAUNCHES WILL BE BASED ON A COMMON PLATFORM WITH ONE OF THE GROUP'S PARTNERS.

## 30%

LOWER PROGRAM COSTS THANKS TO PARTS STANDARDIZATION.



Concept cars on display at the Geneva Motor Show.

## 7 KEY LEVERS TO MEET THESE TWO OBJECTIVES

### ■ Continue the innovation policy

To meet the planet's environmental and energy objectives, Renault will have to innovate. By mass marketing electric vehicles and making combustion engines more efficient, it aims to significantly reduce CO<sub>2</sub> emissions, from an average 137 g/km for today's European range to 120 g/km in 2013 and less than 100 g/km by 2016, including electric vehicles.

### ■ Renew and strengthen the product offer

Meeting the sales growth and free cash flow objectives will require the renewal and extension of the range. Renault will launch four electric vehicles in 2011 and 2012. New models will round out the zero-emission product offer between 2014 and 2016. The range of internal-combustion vehicles will be broadened and entirely renewed between 2011 and 2016. In 2016 the Renault group will have a portfolio of 48 models, compared with 40 in 2010 and 30 in 2005.

### ■ Consolidate in Europe and grow internationally

Selling more cars means participating in the strong growth in emerging markets while maintaining market share in Europe.

In Europe, Renault's vehicle range is well positioned to take advantage of the shift to smaller cars and affordable technologies, and this will enable it to keep its No. 2 position.

On international markets, Renault's priorities are Brazil, India and Russia.

### ■ Network excellence in customer relations

Because the network is the main contact point between customers and Renault, strengthening the brand requires excellence in customer relations. After-sales services and sales financing through RCI Banque will also help to secure the loyalty of existing customers and attract new ones.

### ■ Control investment and R&D expenditure

Under the plan, Renault will pursue its efforts to optimize investments and R&D, keeping these items below 9% of revenues while increasing market coverage and continuing to innovate. Costs

will be controlled by sharing platforms with partners (Nissan and Daimler) and standardizing parts using modular design.

### ■ Strengthen Renault's brand image

Renault has to renew its appeal and become a stronger brand, better able to win new customers and build the loyalty of existing customers. To that end it is working in three main areas:

■ **Innovation for all:** Renault's goal is to make cars that meet the needs of its customers with useful and affordable technology.

■ **Quality:** the efforts made since 2005 have produced results. All today's multi-brand surveys rank Renault among the very best on quality and reliability, sometimes ahead of specialist carmakers. What the company needs to do now is spread the word on this progress, and raise the brand image to the level of the actual quality of its cars by 2013.

■ **Design:** the DeZir concept car initiated the renewal of Renault design, which will be extended across the range. The first tangible illustrations will come with the new phase of Twingo launched in 2011 and the new Clio in 2012.

### ■ Reduce costs

Renault will continue to work on cutting costs, in particular by reducing the complete vehicle cost to bring direct costs down 12% by 2013, and by optimizing production capacities.

“RENAULT 2016 – DRIVE THE CHANGE IS DESIGNED TO CREATE VALUE, AND THEREFORE GENERATE FREE CASH FLOW ON A LASTING BASIS.”

Carlos Ghosn



# CONVERSATION WITH PATRICK PÉLATA

## CHIEF OPERATING OFFICER



"OUR 2010 RESULTS FORM  
A SOUND FOUNDATION  
FOR THE LAUNCH OF  
THE NEW STRATEGIC PLAN,  
RENAULT 2016 – DRIVE THE CHANGE."  
Patrick Pélata

### 2.6 M

VEHICLES SOLD IN 2010, UP 14% ON 2009.

### €39 BN

IN REVENUES, UP 15% ON 2009.

### €1.67 BN

IN OPERATING FREE CASH FLOW.

successfully tried out at four pilot Group sites in 2010. Monozukuri consists in getting all business functions to work better together to optimize the overall operation of the company. From parts purchasing to delivery, each function seeks global performance throughout the vehicle value chain. By applying this approach company-wide, we are aiming for a 12% reduction in the direct costs of our vehicles by 2013.

#### The electric vehicle venture is a risky one. Does it still make sense in the current context?

Yes, more than ever. When Renault decided to embark on the electric vehicle adventure, we based ourselves on several hypotheses that have since played out. The reality today is even more favorable than our forecasts. The oil price is now over \$100 and the pressure on countries to reduce CO<sub>2</sub> emissions is extremely high. In addition, the world car population is expected to top the two billion mark before 2025 (compared with 1.2 billion today) and lithium-ion batteries and other electric vehicle components are set to improve rapidly. For all these reasons, we think electric vehicles will play a major role in the coming years and we are aiming to lead this sector with Nissan.

#### 2011 is the year that Renault launches the electric vehicle. How will it go?

2011 marks a decisive chapter in our history because the electric vehicle will become a reality, with the launch of the first three electric vehicles 100% designed and produced by Renault: Fluence Z.E., Kangoo Z.E. and Twizy. Fluence Z.E. and Kangoo Z.E. are set for launch in Europe in the autumn and Twizy will be launched at the end of the year. Our electric vehicles are innovative in terms of technology, but also price. They are accessible to all because they are priced similarly to equivalent internal-combustion models. So they will be an economical choice for many buyers. Production began at Bursa and Maubeuge in early 2011.

**How did 2010 go for Renault?**  
2010 was a good year for Renault. Sales were at a record 2.6 million vehicles, 14% more than in 2009. We increased our share of the world market to 3.7% in 2010. All our brands made progress and our performance was based in particular on strong international growth. The share of Group sales outside Europe rose from 34% in 2009 to 37% in 2010 and topped the 40% mark in first-quarter 2011. We remained the European leader in light commercial vehicles for the 13th consecutive year and we are now number two in passenger cars, up from number three in 2009. Our financial results confirm that performance exceeded expectations in 2010. Operating free cash flow came to €1.67 billion. Group revenues (€39 billion) were up 15% on 2009. These results constitute a sound base for the launch of our new strategic plan, Renault 2016 – Drive the Change.

#### Renault has made a strong comeback on quality. Where does it stand today?

The drive to improve quality that was launched in 2002 is producing results. Since 2005 we have made a remarkable leap in product quality, which was recently confirmed again in a multi-brand survey: Renault now ranks top-three on reliability/quality in most markets. That said, while efforts to boost product and service quality continue, we now have to make this progress known so that the perception of Renault's quality corresponds to the actual quality of our cars. When you analyze the progress made on quality with long-term leasing companies in Europe, who are particularly demanding clients, they are very impressed and enthusiastic.

#### A car's design is still a key criterion for customers. What are you doing on this score?

The new design team set up in late 2009 has perfectly integrated the company and has already undertaken fantastic work to renew Renault's design. It's a warmer, more sensual and human design, and one that is attracting real enthusiasm, as seen in the reactions to the DeZir, Captur and R-Space concept cars revealed in Paris and Geneva. Renault's new design look will be reflected in the very near future in mass-produced vehicles, with the launches in 2012 of Twingo phase 2, Clio 4, ZOE and other models.

#### So you are working on Renault's brand image. But where do you stand on cost reduction?

Reducing costs remains a company priority, notably through the Monozukuri project, to be extended in 2011 to all Group plants. Having proven its worth at Nissan, the Japanese approach was

# MANAGEMENT TEAM

GROUP EXECUTIVE COMMITTEE AT MARCH 1, 2011

From left to right standing:  
Katsumi Nakamura  
Gérard Leclercq  
Carlos Ghosn  
Patrick Pélata  
Dominique Thormann  
Laurence Dors

From left to right seated:  
Philippe Klein  
Odile Desforges  
Jérôme Stoll

## CARLOS GHOSN

**CHAIRMAN AND CHIEF EXECUTIVE OFFICER, AGE 56**  
Ecole Polytechnique, Ecole des Mines de Paris. Carlos Ghosn joined Michelin in 1978 as manager of the Le Puy plant in France. He became Chief Operating Officer of Michelin's South American activities based in Brazil before being appointed Chairman and Chief Executive Officer of Michelin North America in 1989. He joined Renault as Executive Vice President in 1996. In addition to supervising Renault activities in Mercosur, he was responsible for research, automobile engineering and development, manufacturing, powertrain operations, and purchasing. Carlos Ghosn joined Nissan Motor as Chief Operating Officer in June 1999 and was named Chief Executive Officer in June 2001. President of Renault since May 2005, he remains President and CEO of Nissan. Carlos Ghosn is also a director of Alcoa and AvtoVAZ. He was appointed Chairman and CEO of Renault on May 6, 2009.

## PATRICK PÉLATA

**CHIEF OPERATING OFFICER, AGE 55**  
École Polytechnique, École Nationale des Ponts et Chaussées, Doctorate from EHESS. Patrick Pélata joined Renault in 1984 as a workshop manager at the Flins plant. From 1985 he contributed to the Twingo project and held a number of different positions in the Engineering Department, before become its Senior Vice President in 1998 and a member of the Renault Management Committee. Just after the signature of the Renault Nissan Alliance in 1999, Patrick Pélata joined Nissan in Tokyo as Executive Vice President of Corporate and Product Planning, Design and Programs, and was made a member of the Executive Committee and the Board of Directors of Nissan. Back at Renault in 2005, he was appointed Executive Vice President of Plan, Product Planning and Programs and joined the Group's Executive Committee. Since October 2008 Patrick Pélata has been Chief Operating Officer for the Renault Group. All operational members of the Executive Committee report to him.

## ODILE DESFORGES

**EXECUTIVE VICE PRESIDENT, ENGINEERING AND QUALITY, AGE 61**  
Ecole Centrale de Paris. Odile Desforges 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 then, in 1994, for the Renault Purchasing Department. In March 1999 she became Executive Vice President of the Renault VI-Mack Group and in 2001 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), at which time she also became a member of the Renault Management Committee. In 2009 she became Executive Vice President, Engineering and Quality, and a member of the Group Executive Committee.

## LAURENCE DORS

**CORPORATE SECRETARY GENERAL OF THE RENAULT GROUP, AGE 54**  
Ecole Normale Supérieure, Ecole National d'Administration. Laurence Dors started her career in 1993 at the French Ministry of Economy and Finance. In 1994 she held a position as advisor on international trade with the French Minister of Economy Edmond Alphandéry and in 1995 joined the cabinet of French Prime Minister Alain Juppé as head of international economics. She was appointed Deputy Director at Direction des Relations Economiques Extérieures in 1997 and in April 1998 joined the International Division of Lagardère Group and Aérospatiale-Matra. She worked as Corporate Secretary for EADS International from 2000 to 2003 and then for EADS Group from 2003. In April 2008 she joined Dassault Systems as Senior Executive Vice President Global Development and Resources.

## GÉRARD LECLERCQ

**EXECUTIVE VICE PRESIDENT, MANUFACTURING AND GROUP SUPPLY CHAIN, AGE 61**  
Ecole Polytechnique, Centre de Perfectionnement aux Affaires (HEC Group). Gérard Leclercq started his career at the IRSID steel research institute, then joined the Usinor group in 1975. He joined Renault in 1989 as deputy head of Manufacturing and in 1993 was appointed General Manager of the Flins plant. In 1999 he was named Vice President of Group Powertrain Manufacturing. He was appointed member of the Renault Management Committee in 2007 in charge of the Group Human Resources Department. In December 2010 he was named Executive Vice President, Manufacturing and Group Supply Chain, and joined the Group Executive Committee.

## JÉRÔME STOLL

**EXECUTIVE VICE PRESIDENT, SALES AND MARKETING AND LIGHT COMMERCIAL VEHICLES, RMC LEADER, EUROPE, AGE 57**  
Ecole Supérieure de Commerce de Paris and Centre de Perfectionnement aux Affaires. He joined Renault V.I. in 1980, then Berliet Nigeria (RV) in 1983 before joining Renault in 1987. He was appointed Finance and Administrative Director at Renault Automation in 1989, Director of Industrial Purchasing in 1995, and Director of Powertrain Purchasing in 1998. Jérôme Stoll became President and CEO of Renault Samsung Motors in 2000. In 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 he was named Executive Vice President Sales and Marketing and Light Commercial Vehicles, RMC Leader, Europe and, in October, CEO of Renault Retail Group.

## KATSUMI NAKAMURA

**EXECUTIVE VICE PRESIDENT, RMC LEADER, ASIA-AFRICA, AGE 57**  
Katsumi Nakamura began his career with Nissan in 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.

## DOMINIQUE THORMANN

**CHIEF FINANCIAL OFFICER, CHAIRMAN AND CEO, RCI BANQUE, AGE 56**  
Johns Hopkins University, JHU School of Advanced Studies and University of Bologna. After working as a credit analyst at Chase Manhattan Bank in New York in 1979, Dominique Thormann joined Renault Credit International in 1989 as international treasurer before taking charge of Investor Relations for Renault in 1994. In 1999 he joined Nissan Motor Co., Ltd. in Tokyo as Deputy General Manager, Investor Relations and Financial Strategy. He went on to become Vice President, Global Communications and Investor Relations, before becoming Senior Vice President in charge of administration and finance for Nissan Europe in 2004, a post based in Paris. He joined Nissan North America in 2006 as Senior Vice President in charge of administration and finance. He was appointed Chairman and CEO of RCI Banque in October 2009 and in 2010 as Chief Financial Officer of Renault Group, retaining his position at RCI Banque.

## PHILIPPE KLEIN

**EXECUTIVE VICE PRESIDENT, PLAN, PRODUCT PLANNING AND PROGRAMS, AGE 53**  
Ecole Supérieure de Physique-Chimie Paris and Ecole Nationale Supérieure des Pétroles et Moteurs. Philippe Klein joined Renault in 1981. He was appointed Executive Secretary to the Chairman in 1992. 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 office. Back at Renault in 2005, he was appointed Vice President, Industrial System Performance Department and then Senior Vice President 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. He was named Executive Vice President, Plan, Product Planning, Programs in 2008.



Group Executive Committee.

# MANAGEMENT COMMITTEE

AT MARCH 1, 2011

**CARLOS GHOSN\***  
Chairman and CEO

**PATRICK PÉLATA\***  
Chief Operating Officer

**BRUNO ANCELIN**  
General Manager of Renault Russia, RMC Leader, Eurasia, Alliance Director of Global Sourcing

**DENIS BARBIER**  
Senior Vice President, RMC Leader, Americas

**BERNARD CAMBIER**  
Senior Vice President, Market Area France

**JACQUES CHAUVET**  
Senior Vice President, RMC Leader, Euromed

**MARIE-FRANÇOISE DAMESIN**  
Senior Vice President, Group Human Resources

**CHRISTIAN DELEPLACE**  
Expert Fellow

**ODILE DESFORGES\***  
Executive Vice President, Engineering and Quality

**LAURENCE DORS\***  
Executive Vice President, Corporate Secretary General of the Renault Group

**MICHEL FAIVRE-DUBOZ**  
Senior Vice President, General Manager, Morocco

**CHRISTIAN HUSSON**  
Senior Vice President, Legal Department

**PHILIPPE KLEIN\***  
Executive Vice President, Plan, Product Planning and Programs

**JEAN-CHRISTOPHE KUGLER**  
Senior Vice President, LCV Division

**NADINE LECLAIR**  
Senior Vice President, Vehicle Engineering

**GÉRARD LECLERCQ\***  
Senior Vice President, Manufacturing and Group Supply Chain

**CHRISTIAN MARDRUS**  
Alliance Managing Director, Global Logistics

**KATSUMI NAKAMURA\***  
Executive Vice President, RMC Leader, Asia-Africa

**STEPHEN NORMAN**  
Senior Vice President, Global Marketing and Communications

**JACQUES PROST**  
Senior Vice President, Powertrain Engineering

**BERNARD REY**  
Senior Vice President, Renault F1 Team

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

**DOMINIQUE THORMANN\***  
Executive Vice President, Chief Financial Officer, Chairman and CEO, RCI Banque

**JEAN-PIERRE VALLAUDE**  
Senior Vice President, Quality

**LAURENS VAN DEN ACKER**  
Senior Vice President, Corporate Design

**CHRISTIAN VANDENHENDE**  
Senior Vice President, Purchasing, Alliance Director of Global Purchasing and RNPO Managing Director

\* Also members of the Group Executive Committee.

# KEY FIGURES RENAULT GROUP IN 2010

## TOTAL INDUSTRY VOLUME PC + LCV REGISTRATIONS

Europe (incl. France)	
<b>2010</b>	<b>15,331,078</b>
2009	15,920,654
2008	16,625,309
2007	18,070,512
2006	17,773,957
Outside Europe	
<b>2010</b>	<b>55,145,135</b>
2009	34,499,528
2008	33,632,186
2007	32,593,925
2006	29,353,333
TOTAL	
<b>2010</b>	<b>70,476,213</b>
2009	63,078,460
2008	50,527,495
2007	50,664,437
2006	47,127,290

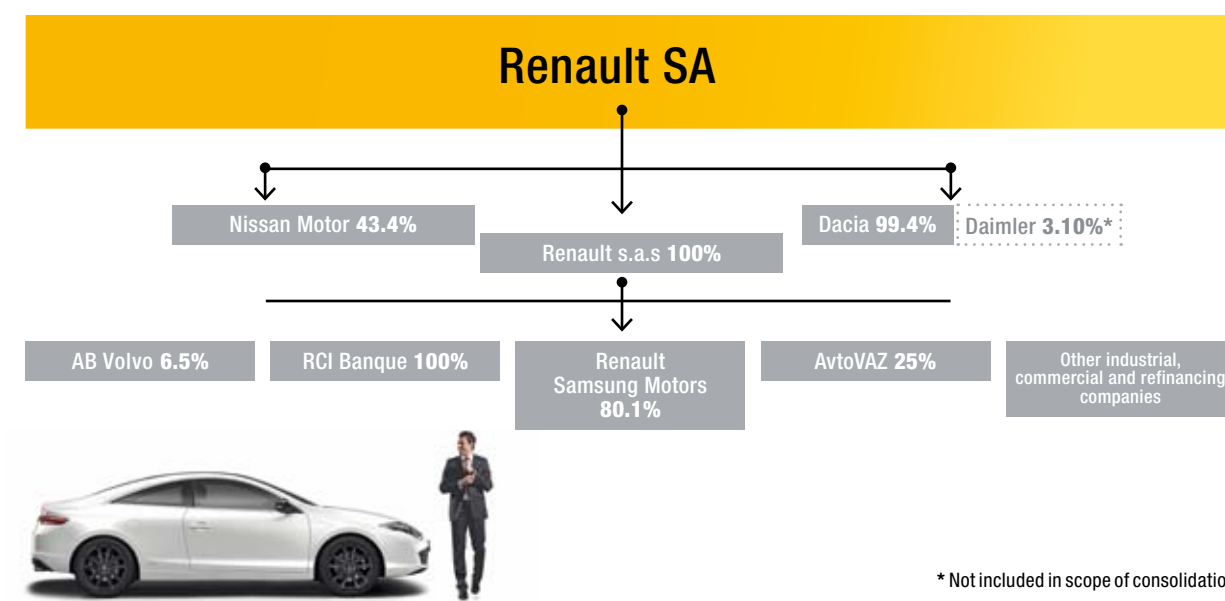
## RENAULT GROUP UNIT SALES – PC + LCV

Europe (incl. France)	
<b>2010</b>	<b>1,642,065</b>
2009	1,530,114
2008	1,507,554
2007	1,624,261
2006	1,692,299
Outside Europe	
<b>2010</b>	<b>983,731</b>
2009	779,820
2008	874,689
2007	860,778
2006	740,710
TOTAL	
<b>2010</b>	<b>2,625,796</b>
2009	2,309,188
2008	2,382,243
2007	2,485,039
2006	2,433,709

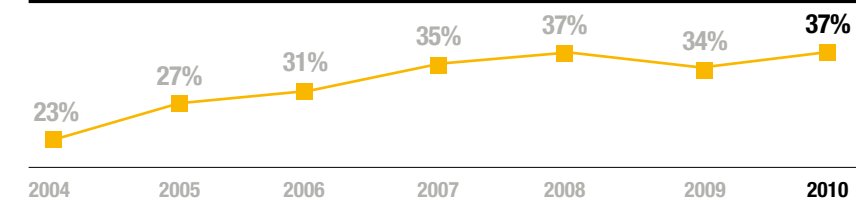
## RENAULT GROUP MARKET SHARE – PC + LCV

Europe (incl. France)	
<b>2010</b>	<b>10.7%</b>
2009	9.5%
2008	9%
2007	8.8%
2006	9.4%
Outside Europe	
<b>2010</b>	<b>2.3%</b>
2009	2.2%
2008	2.6%
2007	2.6%
2006	2.5%
TOTAL	
<b>2010</b>	<b>3.7%</b>
2009	3.7%
2008	4.7%
2007	4.9%
2006	5.1%

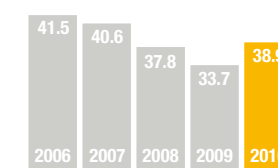
## SIMPLIFIED STRUCTURE OF THE RENAULT GROUP



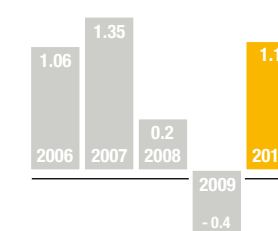
## SHARE OF GROUP SALES OUTSIDE EUROPE As a % of total



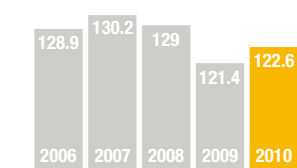
## GROUP REVENUES in € billion



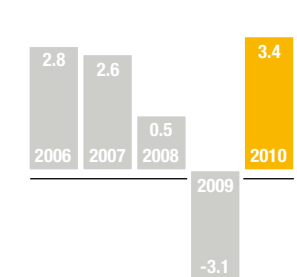
## OPERATING MARGIN in € billion



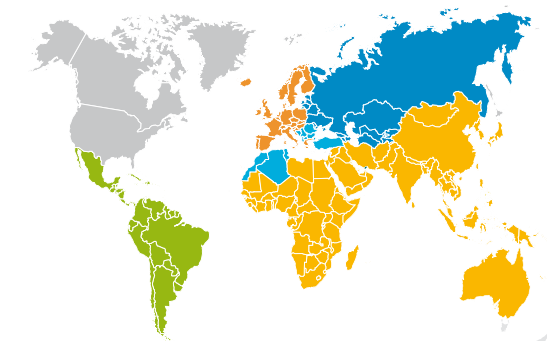
## GROUP WORKFORCE in thousands



## NET INCOME GROUP SHARE in € billion

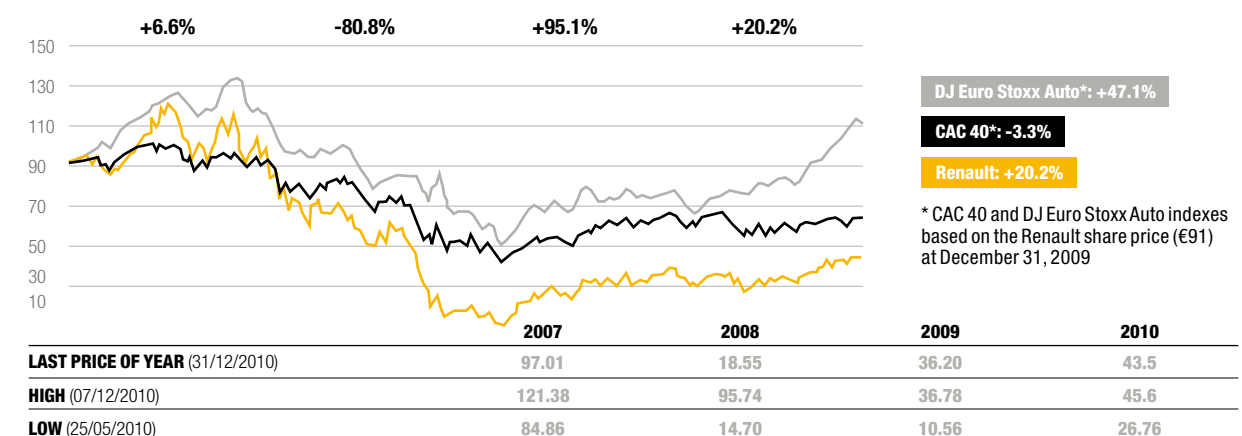


## SALES RESULTS (EXCL. AVTOVAZ) in thousands of PC+LCV units sold



Region	2010	2009
<b>World</b>	<b>2,625,796</b>	<b>2,309,188</b>
<b>Europe (incl. France)</b>	<b>1,642,065</b>	<b>1,530,114</b>
<b>Euromed</b>	<b>272,748</b>	<b>240,500</b>
<b>Eurasia</b>	<b>106,534</b>	<b>80,428</b>
<b>Americas</b>	<b>317,028</b>	<b>227,963</b>
<b>Asia-Africa</b>	<b>287,421</b>	<b>230,760</b>

## RENAULT SHARE PRICE FROM 31/12/2007 TO 31/12/2010 in euros



# HIGHLIGHTS



# 2010 AN EVENTFUL YEAR

## JANUARY NEW DELHI

At the New Delhi Motor Show, Renault confirms its commitment to India by announcing the launch of several models designed for the Indian market.

## FEBRUARY ANNIVERSARY

Clio celebrates its 20<sup>th</sup> birthday.

## INDIA

Renault announces its intention to build an independent distribution network to support new product launches.

## MARCH AVTOFRAMOS

Renault opens the second phase of the Avtoframos plant in Moscow and launches Sandero in Russia.



## GENEVA

Renault chooses the 2010 Geneva Motor Show for the world première of two convertibles – New Renault Mégane Coupé-Cabriolet and Renault Wind – and Dacia Duster, the affordable SUV.

## APRIL DAIMLER

The Renault-Nissan Alliance and Daimler AG announce an extended strategic cooperation agreement on developing future generations of smart fortwo and Renault Twingo, joint production of powertrains, and collaboration on light commercial vehicles.

## MANAGEMENT

Carlos Ghosn is reappointed Chairman and Chief Executive Officer.

## MAY ARGENTINA

Renault upgrades its plant in Córdoba, Argentina, for an investment of more than €27 million. The new production line at the Santa Isabel plant will supply the Latin American market.

## JUNE CEA AGREEMENT

Renault and CEA, France's atomic energy commission, sign a strategic cooperation agreement for research on clean vehicles and affordable sustainable mobility: electric vehicles, new power sources, and cleaner fuel engines.

## ANDALUSIA

The 20-millionth gearbox rolls off the production lines at Renault's plant in Seville.

## JULY DEZIR

In a preview before the Paris Motor Show, Renault unveils the concept car DeZir, ushering in Renault's new design vision.

## FLINS

The 17-millionth vehicle rolls off the production lines of Renault-Flins: a New Renault Clio Dynamique eco<sup>2</sup> designed for the Italian market.

## AVTOVAZ

The shareholders of AvtoVAZ (Russian Technologies, Renault and Troika Dialog) sign the finalized agreement on the restructuring and recapitalization of AvtoVAZ.

## AUGUST MOSCOW



Latitude, the new high-end family sedan, makes its world premiere at the Moscow Motor Show, alongside the presentations of the new models for the Russian market, which will all be manufactured locally in 2010-2011: Duster, New Logan automatic, Sandero automatic, and Sandero Stepway.

## SEPTEMBER ATELIER RENAULT

Renault celebrates 100 years on the Champs-Élysées in Paris with an exhibition at the Atelier Renault on the history of one hundred years of automotive dreams and adventures.

## HANOVER

At the Hanover Motor Show, Renault unveils Kangoo Express Z.E. and its three new models: Kangoo Express Maxi, New Traffic, and New Master.

## TITU

Renault opens a test center in Romania.

## DOUAI

The Renault-Douai plant celebrates its 40<sup>th</sup> birthday.

## SOUTH KOREA

Renault Samsung Motors celebrates 10 years of success in South Korea.

## HAITI



To help the population of Haiti, Renault, in partnership with RCI Banque, supplies seven 19-seater minibuses and three Renault Master ambulances to three Haitian aid organizations and the Red Cross.

## OCTOBER PARIS MOTOR SHOW

At the 2010 Paris Motor Show, Renault unveils:

- its full range of electric vehicles: Fluence Z.E., Kangoo Express Z.E. Twizy, and ZOE Preview, as well as the DeZir concept car,
- the renewed upper segments: Renault Latitude, New Renault Laguna, and New Renault Espace,
- the benchmark minivan,
- the brand new 1.6 dCi 130 diesel engine,
- and new Dacia eco<sup>2</sup> versions: Dacia Duster 4x4, Dacia Logan and Dacia Sandero.

## VOLVO

Renault announces the sale of its B shares in Volvo AB.

## BRGM AGREEMENT

Renault and BRGM, France's public geology and mining research institute, sign a strategic partnership agreement on analyzing the supply of commodities used by Renault worldwide and their environmental impact over their life cycle.

## NOVEMBER CHAMPION



Renault wins the Manufacturers' title of the Formula 1 World Championship with Red Bull Racing. In 2011 Renault will equip Red Bull Racing, Lotus Renault GP and Team Lotus.

## DECEMBER R4

The Renault 4 celebrates its 50<sup>th</sup> birthday. The R4 is the third top-selling model in automotive history. Sold in more than 100 countries, it is also the best-selling French car worldwide, with sales of more than 8 million units!

## WEB 10

Carlos Ghosn opens the seventh edition of Web 10, partnered by Renault, saying: "The electric vehicle will be to cars what the iPhone is to telephones. Our aim is to make the automotive industry modern again".

## F1

Renault announces the creation of Renault Sport F1, the motor sports division that will handle Renault's activities as an engine and technology supplier for Formula One racing.



1. 2. 1. The first Kangoo Z.E. rolls off the line at Maubeuge on September 22, 2010. 2. Inauguration of the test center at Titu in Romania.



# CORPORATE GOVERNANCE

BOARD OF DIRECTORS AT MARCH 1, 2011



From left to right:

- Carlos Ghosn
- Patrick Biau
- Alain J. P. Belda
- Pascale Sourisse
- Marc Ladreit de Lacharrière



From left to right:

- Takeshi Isayama
- Thierry Desmarest
- Alexis Kohler
- Alain Champigneux



From left to right:

- Franck Riboud
- Bernard Delpit
- Luc Rousseau
- Jean-Pierre Garnier
- Hiroto Saikawa



From left to right:

- Philippe Lagayette
- Charles de Croisset
- Dominique de la Garanderie
- Michel Saille
- Yves Audvard

## CARLOS GHOSN

Chairman and CEO  
Renault Document Manager  
President and CEO, Nissan  
Motor Co. Ltd.  
Chairman of the Alliance Board:  
Renault Nissan b.v.  
Member of the Appointments  
and Governance Committee  
Age 56  
205,200 shares  
Date of first term: April 2002  
Current term expires: 2014

## YVES AUDVARD

Advanced Process Design  
Engineer – Renault  
Director elected by employees  
Member of the International  
Strategy Committee  
Member of the Industrial  
Strategy Committee  
Age 57  
6 shares and 200 ESOP units  
Date of first term: November  
2002  
Current term expires:  
November 2012

## ALAIN J. P. BELDA

Managing Director, Warburg  
Pincus  
Member of the Appointments  
and Governance  
Committee  
Member of the International  
Strategy Committee  
Independent director  
Age 67  
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 54  
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 56  
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  
Member of the Industrial  
Strategy Committee  
Age 67  
1,000 shares  
Date of first term: April 2004  
Current term expires: 2012

## BERNARD DELPIT

Chief Financial Officer, Groupe  
La Poste  
Independent director  
Member of the International  
Strategy Committee  
Age 46  
1,000 shares  
Date of first term: April 2010  
Current term expires: 2014

## THIERRY DESMAREST

Chairman of the Board, Total  
Independent director  
Chairman of the International  
Strategy Committee  
Member of the Industrial  
Strategy Committee  
Member of the Remuneration  
Committee  
Age 65  
1,500 shares  
Date of first term: April 2008  
Current term expires: 2012

## JEAN-PIERRE GARNIER

Independent director  
Chairman of the Industrial  
Strategy Committee  
Member of the International  
Strategy Committee  
Member of the Remuneration  
Committee  
Age 63  
1,000 shares  
Date of first term: April 2008

## TAKESHI ISAYAMA

Senior Advisor, Carlyle Japan  
L.L.C.  
Age 67  
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  
Member of the Industrial  
Strategy Committee  
Age 38  
Date of first term: February  
2010  
Current term expires: 2011

## MARC LADREIT DE LACHARRIERE

Chairman and CEO, Fimalac  
Independent director  
Chairman of the Appointments  
and Governance  
Committee  
Member of the Remuneration  
Committee  
Age 70  
1,020 shares  
Date of first term: October  
2002  
Current term expires: 2014

## DOMINIQUE DE LA GARANDERIE

Barrister, Cabinet La  
Garanderie & Associés  
Former chair, Paris Bar  
Association  
Independent director  
Member of the Accounts and  
Audit Committee  
Member of the Appointments  
and Governance Committee  
Age 67  
1,150 shares  
Date of first term: February  
2003  
Current term expires: 2013

## PHILIPPE LAGAYETTE

Chairman, Fondation de France  
Lead director  
Independent director  
Chairman of the Accounts and  
Audit Committee  
Age 48  
1,000 shares  
Date of first term: April 2010  
Current term expires: 2014

## FRANCK RIBOUD

Chairman and CEO, Danone SA  
Independent director  
Chairman of the Remuneration  
Committee  
Age 55  
331 shares  
Date of first term: December  
2000  
Current term expires: 2014

## LUC ROUSSEAU\*

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

## HIROTO SAIKAWA

Executive Vice-President  
Purchasing, Nissan Motor Co.,  
Ltd.  
Member of the International  
Strategy Committee  
Age 57  
100 shares  
Date of first term: May 2006  
Current term expires: 2014

## MICHEL SAILLY

Head of Development for the  
Renault Production Way  
Director elected by employee  
shareholders  
Member of the International  
Strategy Committee  
Member of the Industrial  
Strategy Committee  
Age 61  
266 ESOP units  
Date of first term: April 2009  
Current term expires: 2013

## PASCALLE SOURISSE

Senior Vice-President in  
charge of the C41 Defense and  
Security Systems Division  
Member of the Executive  
Committee, Thales  
Independent director  
Member of the Accounts and  
Audit Committee  
Age 48  
1,000 shares  
Date of first term: April 2010  
Current term expires: 2014

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



# CORPORATE GOVERNANCE

THE BOARD OF DIRECTORS IN 2010



Renault Annual General Meeting, April 2010.

**T**he Board of Directors met twelve times in 2010. 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, the parent company accounts of Renault and the financial statements for first-half 2010. It adopted the 2011 operating and investment budget, and approved the sale of AB Volvo B shares to contribute to reducing Renault's net financial debt. It authorized an amendment to the loan agreement with the French government with a view to early repayment of €1 billion of the €3 billion loaned April 2009. Furthermore, it voted an increase in incentive payments linked to the company's performances in 2009.

## CORPORATE GOVERNANCE

The Board reappointed Carlos Ghosn as Chairman and Chief Executive Officer. On the recommendation of the Appointments and Governance Committee, it formed an Industrial Strategy Committee and amended the Board's rules of procedure. It also merged the functions of Chief Compliance Officer and Compliance Officer. The Board carried out a self-assessment of all its operations. The findings confirmed the positive results obtained from a comprehensive evaluation in 2007.

## GROUP STRATEGY

After having debated Renault's strategic policy settings, notably those concerning electric vehicles, at a special one-day session, the Board approved the three-year plan, Renault 2016 - Drive the Change, presented by senior management. It approved the signing of a final agreement with Russian Technologies and Troika Dialog, shareholders in AvtoVAZ, on the resources needed to ensure AvtoVAZ's future viability.

The Board also approved maintaining the commitment to Formula 1 and creating Renault Sport F1, a sports division that will be responsible for the Group's involvement as a supplier of F1 engines and technology in 2011 and beyond. It examined progress on the Tangiers program, notably arrangements for setting up an industrial complex in the Tangiers Free Zone and the launch of a second production line. The Board confirmed Renault's commitment in India, with the formation of its own distribution network, and approved plans by Mahindra and Renault to restructure their joint venture, Mahindra Renault Pvt Ltd, in order to ensure continuity and build on the positive image of Logan with Indian car buyers.

## THE ALLIANCE AND THE STRATEGIC PARTNERSHIP WITH DAIMLER

The Board examined proposals to strengthen cooperation between Renault and Nissan, and approved a strategic cooperation with Daimler AG together with simultaneous cross-shareholdings. The Board also took note of the report on the decisions and proposals of the Alliance Board.

## SPECIALIZED COMMITTEES OF THE BOARD OF DIRECTORS

The Board has five specialized committees. On the recommendation of the Appointments and Governance Committee, the Board of Directors adopted a proposal to form an Industrial Strategy Committee, in addition to the four existing committees, in order to enhance governance with regard to preparing the Board's agenda. Like the other committees, the Industrial Strategy Committee will play a consultative role, informing the Board's decision-making by giving its opinion on strategic operations submitted by senior management.

### Accounts and audit committee

Philippe Lagayette chairs this committee, whose other members include Alain Champigneux, Charles de Croisset, Dominique de La Garanderie, Alexis Kohler and Pascale Sourisse. Four of the six are independent directors. The committee met six times in 2010, and dealt with the following matters in particular: the Group's consolidated financial statements and Renault SA's parent-company financial statements for 2010 and first-half 2011, as well as the related financial press releases; partial repayment of the loan; the outcome of the 2010 Audit Plan and the 2011 internal audit plan; the risk mapping, analysis and monitoring methods used in the Group; the activity of the Compliance function; compliance of the Audit Committee's activities with AMF recommendations on audit and internal control; and strategic cooperation with Daimler AG on structuring the cross-shareholdings on and valuation methods.

### 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 four times in 2010. Among other things, it addressed the remuneration of the Chairman and CEO and confirmed his entitlement, along with the members of the Executive Committee, to a supplementary pension scheme. The committee reviewed the conditions applicable to the Chairman and CEO's variable remuneration (criteria, weighting, etc.).

### 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 three times in 2010. The main items on its agenda were the membership of the Board and its committees; governance arrangements following the 2010 AGM, notably the reappointment of Carlos Ghosn as Chairman and CEO; the formation of an Industrial Strategy Committee; and the review of the list of independent directors in accordance with AFEF/MEDEF criteria. The committee also examined the findings of the self-assessment carried out by the Board of Directors based on individual interviews with the Directors.

### International strategy committee

Thierry Desmarest chairs this committee, whose other members are Yves Audvard, Alain JP Belda, Patrick Biau, Bernard Delpit, Jean-Pierre Garnier, Luc Rousseau, Hiroto Saikawa and Michel Saily. Four of the nine members are independent directors. The committee met twice in 2010, and the main item on its agenda was Renault's situation in Russia and its new strategy in India. It gave its unqualified approval to the strategic cooperation with Daimler AG.

### Industrial strategy committee

This new committee is chaired by Jean-Pierre Garnier and comprises Yves Audvard, Charles de Croisset, Thierry Desmarest, Alexis Kohler, Luc Rousseau and Michel Saily. Three of the seven members are independent. The committee met three times in 2010 to examine the Group's industrial strategy, in particular:

- the competitiveness of the Sandouville site;
- the roll-out of the Tangiers project, with the launch of a second production line. The success of the entry-level range and its profitability hinge on this industrial project.



# COMMUNICATION WITH SHAREHOLDERS

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



1. Consultative Committee on November 26, 2010. 2. Shareholders visiting the Choisy plant.

## INFORM

### Shareholders' Club

Open to anyone who owns a Renault share, the Club has around 8,000 members. They are invited every year to a variety of events, such as production site, R&D and engineering center tours, theme-based conferences and, since 2010, test drives of electric vehicles.

### Tools available 24/7

Three times a year, Renault sends Club members the Shareholders' Newsletter. Shareholders also benefit from a toll-free number with a voice messaging system, an email address and a dedicated Finance page at the [www.renault.com](http://www.renault.com) website. The Shareholders' Guide, online since 2008, provides current and future shareholders with comprehensive and useful information on the Renault share and share ownership. The site was enhanced in 2009 with a new tool: the Shareholders' Corner. Accessed via [www.renault.com/Finance](http://www.renault.com/Finance), it enables Club members to sign up for events and manage their account on line. Lastly, so that shareholders can share in important events in the financial life of the Group, either live or at their leisure, Renault offers webcasts of its half-year and full-year results announcements and the annual shareholders' meeting on its [www.renault.com](http://www.renault.com) website.



## LISTEN AND DISCUSS

### Consultative Committee

Consisting of nine Renault shareholders (including two employees and two retired employees), the Shareholder Consultative Committee ensures that the information Renault provides to shareholders is clear and understandable. The Committee is consulted several times a year on Renault's communication with shareholders to suggest improvements and innovations in all media.

### Meeting with shareholders across the country

Every year, the Financial Department travels to French cities (Lyon, Marseille and Strasbourg in 2010) to take part in meetings with more than 250 shareholders organized at Renault branches or in partnership with the French Federation of Investment Clubs (FFC).

### Close relations with institutional investors

Renault organizes meetings for financial analysts coinciding with all publications of financial results or announcements of major events. Individual meetings with analysts are also held throughout the year in France and internationally. Members of the Management participate regularly at motor shows and conferences organized in Europe and the USA.

### Socially responsible investors

In 2010 Renault organized a breakfast of socially responsible investors on social issues with the head of Human Resources. SR investors also attended a day-long Environment Workshop where they got to try out innovative internal-combustion technology and electric vehicles.

## AWARD: RENAULT WINS A TRANSPARENCY OF INFORMATION PRIZE

Renault won third prize all categories combined in the ranking by Labrador and Sciences Po of the best practices in the publication of regulated financial information by companies in the SBF 120. Companies are judged on

the accessibility, precision, comparability and availability of information.

## 2011 FINANCIAL CALENDAR

February 10	Full-year 2010 financial results
April 26	First-quarter 2011 revenues
April 29	Annual General Meeting
July 28	First-half 2011 financial results
October 27	Third-quarter 2011 revenues

## RENAULT SHARE INFORMATION

■ **November 17, 1994:** Renault shares are listed on the monthly settlement section of the Paris Bourse. Around 1.1 million investors subscribe 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 stock has been listed on Euronext (Compartment A) and is eligible for the Deferred Settlement Service (SRD).

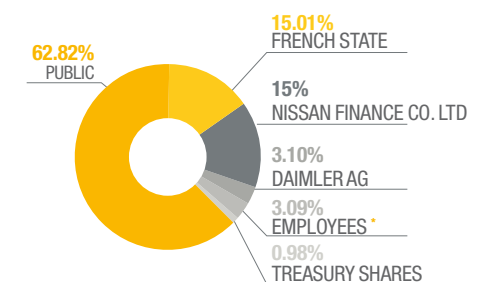
■ **Dividend paid in 2010:** (in respect of 2009) 0 euro per share.

■ **Renault is a part of the following indexes:**

- CAC 40, SBF 120, SBF 250, Dow Jones Euro Stoxx, Dow Jones Stoxx Auto,
- Euronext 100,
- Euronext 150 and Euro Stoxx 50.

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.

## BREAKDOWN OF CAPITAL at Dec.31 2010



\* The employee-owned shares (present and former employees) included in this category are those held in company savings schemes.

## YOUR CONTACTS

### WRITE US

■ **e-mail:** [communication.actionnaires@renault.com](mailto:communication.actionnaires@renault.com)  
 ■ **Renault - Service des relations avec les actionnaires**  
 13-15 quai Le Gallo – QLV15 355  
 92513 Boulogne-Billancourt Cedex  
 France

### CALL 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 FINANCIAL INFORMATION

■ **Website:** [www.renault.com](http://www.renault.com), Finance section.

### TO REGISTER YOUR RENAULT SHARES

■ **BNP Paribas Securities Service**  
 Actionariat Renault  
 9 rue du Débarcadère  
 93761 Pantin Cedex  
 Tel.: 0 892 23 00 00.  
 Overseas number:  
 +33(0)1 40 14 11 16



DRIVING THE CHANGE BY...

# MAKING INNOVATION FOR ALL A CORE PRIORITY

Since it was founded in 1898, Renault has always been a pioneering, innovative and people-centered company, designing and producing vehicles that are ahead of their time. Renault continues to respect its founding principles today by proposing original vehicles that are easy to use and limit CO<sub>2</sub> emissions while remaining accessible to everyone.

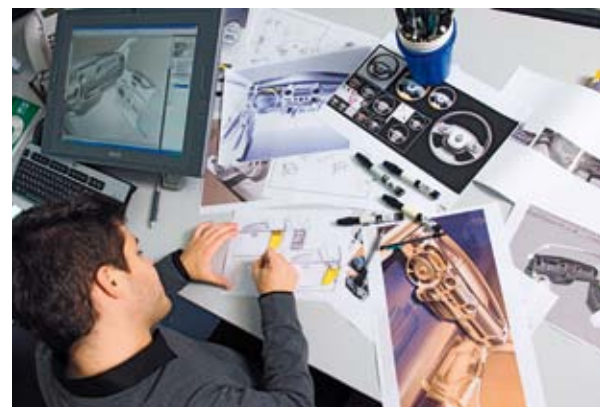
Our challenge for the future is to stay one step ahead.



# INTERVIEW WITH BRUNO MARZLOFF

## A CHANGING AUTOMOTIVE ENVIRONMENT AND NEW MOBILITY NEEDS

Interview with Bruno Marzloff, sociologist and director of Media Mundi. For more than 10 years, he has chaired the Chronos Group, a laboratory studying innovative forms of urban mobility.



1. Guyancourt – Renault Master design study.  
2. The streets of Mumbai, India.

**BRUNO MARZLOFF**  
Sociologist and director of Media Mundi

“The arrival of the electric car on the market will transform constraints into innovations”



**The car has traditionally been our main means of staying mobile. But what about the future ?**

**B. M.** In terms of distances covered, 84% of travel takes place in cars. We have to realize that the car is, and will remain, essential. But we must also realize that the use of cars has to meet other imperatives, such as smooth traffic flows, energy consumption, and pollution control. We have to consider the changes that are currently taking place from this perspective. The Auto-Mobilités\* survey recently published by Chronos and TNS Sofres reveals the sudden awareness among motorists of the changes affecting our automotive habits. A full 55% of the people questioned claim to have modified the way they use their car in towns and cities. Eleven percent even claim that they have stopped using their car, and 22% admit that they have “thought about it”, without actually doing so.

**But you also say that the automobile still has a bright future. The French, in particular, aren't prepared to give up their cars.**

**B. M.** Let's be realistic. Depending on where you live, there may not be many alternatives to the motor car. But given that cars are only used 5% of the time, and that in 80% of car journeys there is only one passenger, it becomes clear that the productivity of the car needs to be improved.

**Improve the productivity of the car... What does that mean?**

**B. M.** We can apply a number of criteria:

\* Auto-Mobilités 2010 TNS Sofres - Chronos / Méthodologie: survey by post of 10,000 representative households, taken from TNS Sofres Panel Métascope, on the same basis as the vehicle questionnaire.

the occupancy rate (passengers per trip), the frequency rate (the number of times the car is used per day, per week, etc.) or the usage rate (length of use/life time of the car). We also need to measure the performance of the different modes of transport (car versus public transport), which contribute to this productivity. But in any case, if the use of the car is to become productive, then it must be collective.

**When you talk about the collective car, do you mean car pooling and car sharing?**

**B. M.** We have to separate the ownership of a car from its use. Car sharing is just one of a range of solutions. But the car sharing business model, which is complex even in towns and cities, becomes far more difficult in areas where the population is less dense. And yet, the demand is there and the solutions are productive. In France, car sharers cover 2,900 km per year less than traditional motorists, and 90% of them no longer own a car.

**Do you think that the car of the future will be a 2.0 car in a 2.0 environment?**

**B. M.** One of the main issues we face today is understanding how we can use technology to help us to travel more intelligently. For example, the car pooling system can benefit greatly from the arrival and the development of remote orders, especially in a situation where cars are only used for 5% of the vehicle's lifetime. A fact that is, I repeat, totally absurd. It's easy to envisage the widespread use of mobile platforms and new functions, with the creation of genuine marketplaces for mobility that would allow every individual to become a contributor to a service and a component in an information machine. Yesterday we were broadcasting, whereas today, we are “egocasting”, in a context where information is organized around each individual and their expectations. Information is becoming more and more customized.

**You hope to see the arrival of the networked car. What does that mean?**

**B. M.** The electric vehicle will transform constraints into innovations. By way of example, topping up the batteries and managing the time spent waiting while the batteries are recharging both demand the development of an extensive network of recharging stations. These stations must service towns and cities, link up entire regions and become part of the everyday routine of mobile inhabitants. There is only a short step between the charging station and the sharing station (car share, car pooling, group taxis, etc.), the “local mobility station” (railway and subway stations, bus stations, etc.), and even stations for everyday travelers, that combine transport and urban resources. This is the spirit behind the agreement between the Leclerc supermarket chain and Renault to host charging stations. The electric car offers an amazing opportunity to revive an urban issue that has been dormant for decades, which consists in reducing the space occupied by cars and revitalizing, densifying, and improving the suburban environment by creating micro-centers.



# THE ENVIRONMENT INCREASINGLY FUEL-EFFICIENT CARS

In this changing world, it has become essential to re-invent the automobile. Not just the product, but also the way we travel. But re-inventing the automobile calls for breakthroughs in the way we design, manufacture and sell.



1. Twingo, the lowest-emissions vehicle at 94 g/km.  
2. Renault Clio Estate phase II.

## RENAULT ELECTRIC VEHICLES SET TO GO!



### Electric vehicles, a new experience...

**T** rue to its convictions, Renault intends to make its electric vehicles accessible to everyone. The Group will achieve this through mass production and by proposing a broad range of products from the outset. The Group's clearly stated ambition is to head the field in the drive towards zero CO<sub>2</sub> emission vehicles (in use and excluding wear parts). And, looking beyond questions of volume, to restore the automobile to its status as an object of desire, especially in the eyes of younger generations. Making a technological breakthrough with electric cars is not enough. We also have to invent the life style that goes with them. First of all, we have to invent onboard comfort systems, such as heating, air conditioning and sound systems, with drastically reduced power consumption.

The electric vehicle, a new experience... What strikes you first is the silence. Driving noiselessly comes as a surprise. And so does the acceleration. This electric car is anything but sluggish. The driving pleasure is still there. Everything is simple. And at the same, it is gentle, soft and almost peaceful. It has changed the way I drive. The

electric vehicle could herald a new approach to driving, which is part of a global trend towards more renewable energies and a radical decrease in CO<sub>2</sub> emissions.

### “TELL ME WHICH RENAULT Z.E YOU DRIVE, AND I’LL TELL YOU WHO YOU ARE”

The Group is launching four electric vehicles – a city car, a compact sedan, a family sedan and an LCV – that will allow every customer to find what they are looking for in the range of Renault's electric Z.E. vehicles. Renault Fluence Z.E. and Renault Kangoo Z.E., both based on internal combustion vehicles, will be launched in the second half of 2011, followed by Renault Twizy and Renault ZOE, which both have all-electric architectures, and will be launched at the end of 2011 and in mid-2012 respectively.

#### Renault's four vehicles meet almost all of the needs of its European customers:

- Renault Fluence Z.E. This prestigious vehicle is intended for consumers or fleet operators looking for a spacious and comfortable car.
- Renault Kangoo Z.E. The first ever series produced electric van, which will meet the needs of professionals. It boasts the same loading capacity as the internal combustion version.
- Renault Twizy. Not so much a car as a highly innovative urban mobility solution. Its design will appeal to active city dwellers who are looking for a fashionable yet practical vehicle that offers easy use. In and around town, Twizy can accelerate like a scooter. And the tandem-mounted occupants benefit from protective fairings and the same road holding and braking performance as a four-wheeled vehicle.

■ Renault ZOE Preview. The same size as a Clio, Renault ZOE Preview offers a glimpse of what Renault's volume electric vehicles will look like. It combines all the Group's know-how: the specifics of a full-electric vehicle (housing for the batteries, efficient range management) and all the features designed to improve the comfort and wellbeing of the occupants, including air conditioning with humidity regulation, toxicity sensor for pure air, active fragrance dispenser and a light therapy function. Renault ZOE Preview meets the expectations of customers looking for a compact hatchback that is maneuverable in the city and reassuring on the open road – the ultimate in driving pleasure.



# RENAULT Z.E. A USER GUIDE

**R**enault fully intends to make electric vehicles accessible to everyone. Mass producing electric vehicles at an affordable price is not enough. So the Group is also proposing innovative purchase options, diversifying battery charging options and continuing to work on improving the vehicle's range. At present, the full-electric vehicle is the only solution that offers zero-emission mobility for all. Renault's comprehensive range of electric vehicles is a genuine breakaway, both in terms of the design and the use of motor cars.

## ORIGINAL FEATURES

### One price tag that is comparable to that of internal combustion vehicles

As already announced, Renault will sell its electric vehicles (excluding the battery) at a similar price to that of a diesel-powered vehicle of an equivalent size and comparable specs (after deduction of any tax incentives available in the country of sale). For example, in France the price tag of Renault Kangoo Express Z.E. will start at €15,000 before tax (after deduction of the €5,000 tax incentive, and excluding the battery, which costs €72 per month before tax), while an equivalent internal combustion model, such as Renault Kangoo Confort dCi 70 hp, costs €14,600 before tax (price in January 2011).

### Two innovative purchase conditions

- **Battery rental** - For the first time, the ownership of the vehicle and of the batteries will be separated. Customers can choose between buying and hiring their vehicle. They will take out a subscription that includes the hire of the high-performance lithium-ion battery and new mobility services that will make life easier.

- **The one-stop shop solution** - The dealer can provide the customer with all the solutions they need: purchase or hire of the vehicle, the hire of the battery, credit solutions, insurance and even the installation of a Wall Box for safe and quick charging at home.



### Three ways of topping up

- **Standard, daily recharge.** Simply plug the car into a household utility socket or a public charging terminal. It takes between 3.5 and 8 hours to fully recharge the battery, depending on the available power and the type of vehicle. At home, there are two possibilities: connect to a Wall Box or to a conventional domestic socket using the EVSE cable (Electric Vehicle Supply Equipment). The Wall Box offers a number of advantages, from ease of use and rapid charging, to optimal costs and compliance with safety regulations.

- **Quick charge: the ideal solution to top up.** Drivers can quick-charge the equivalent of 50 km in less than 10 minutes, or 80% of their total range in 30 minutes. High power quick-charge stations are located in public areas, for example at service stations.

- **The 3-minute Quickdrop system.** Customers can replace a flat battery with a charged battery without even leaving their car. Plans are already afoot to open quick-switch service stations in Israel and Denmark in partnership with Better Place.



1. Renault Fluence Z.E. 2. Zoe 3. An econometer informs drivers of their energy consumption. 4. Kangoo Maxi Z.E.



**Lithium-ion batteries are made of non-toxic substances (lithium, manganese oxide or iron phosphate and graphite). Therefore, they do not constitute an environmental danger, unlike the older nickel-cadmium batteries.**

### ELECTRIC VEHICLES GO FURTHER IN HEAVY CITY TRAFFIC

The range of electric vehicles is determined by speed, journey type, air conditioning and heating use, and driving style (sporty, normal or eco-driving). Economical driving conditions for electric vehicles are very different to those for internal combustion vehicles. Electric vehicles actually consume less energy in heavy city traffic, where the range reaches about 200 km. For greater peace of mind, a number of innovations have been developed using connected services to keep

drivers permanently informed of their battery capacity and to allow them to plan their journey. And, of course, drivers can also increase their range by up to 35 km by simply adopting good eco-driving practices.



## INNOVATION: MANAGING YOUR RANGE

The energy consumption of these four vehicles is limited thanks to a number of innovations derived from the technology plan and engineering research in areas such as aerodynamics, the electric powertrain, energy management, and battery systems. But they are also fitted with a specially developed user interface to help motorists manage the range of their vehicle.

- A gauge indicates the charge level of the battery
- The power economy gauge informs the driver of the power consumption. In the new color code, light blue represents normal use of the vehicle, dark blue corresponds to optimal use and red indicates excessive consumption that will quickly affect the vehicle's range,
- The onboard computer has been adapted to the needs of electric vehicles. It shows the range in kilometers, average and instantaneous consumption, and the remaining kWh.
- The Carminat TomTom® smart navigation system shows the battery range and permanently indicates the location of the nearest battery charging or exchange stations.

1. 2. 3.  
1. Twizy 2. Renault Z.E. range. 3. Quickdrop battery exchange station.



VIEWPOINT  
GUILLAUME POITRINAL  
President of Unibail-Rodamco France

“Unibail-Rodamco will not charge for the recharging service, while a top-up usually costs us between €1 and €3. Shopping malls must stand out through innovation, and we are convinced of the potential of the electric vehicle.”



VIEWPOINT  
MICHEL-ÉDOUARD LECLERC  
President of the E. Leclerc shopping centers

“The millions of consumers who visit our 500 shops come by car and park in our parking lots. Developing responsible consumption also means reducing the environmental impact of transportation. The partnership we have entered into with the Renault-Nissan Alliance is intended to promote the use of electric vehicles in France.”

■ ■ ■  
■ Recovery of braking energy also figures in Renault's Z.E. range program, with a system derived from the KERS (Kinetic Energy Recovery System) used in Formula 1. When the vehicle decelerates, the kinetic energy is recovered and stored in the battery.

### MORE THAN 100 PARTNERSHIP AGREEMENTS SIGNED WORLDWIDE

Renault is working on the development of the charging infrastructures, so that the mass-produced electric vehicle will become part of everyday life. These infrastructures are currently being deployed. The Renault-Nissan Alliance has already entered into partnerships with public authorities, power utilities (including EDF and RWE) and other companies, such as Better Place. In an effort to speed up the development of electric vehicles, the Renault-Nissan Alliance also signed cooperation agreements in October 2010 with two major retailers: E. Leclerc supermarkets and Unibail-Rodamco, Europe's leading shopping center operator (Parly 2, Vélizy 2, Les Quatre Temps, Forum des Halles, Lyon Part-Dieu, etc.). And that's just a start!

■ É. Leclerc has committed to installing charging terminals for electric vehicles on its parking lots. Some 50 É. Leclerc shopping malls will be fitted with charging terminals in 2011, 150 by the end of 2012 and almost 500 by 2015.

■ The partnership between Renault and Unibail-Rodamco covers two initiatives:

- increasing public awareness of electric vehicles by organizing exhibitions of Z.E. range vehicles in the Unibail shopping malls in France and Spain between 2010 and 2012. Almost 8 million visitors will have an exclusive opportunity to test-drive the cars for real. The first exhibition will be held in the Parly 2 shopping mall in Le Chesnay near Paris in October 2010.

- roll-out of the charging infrastructure in the Unibail-Rodamco shopping malls between 2010 and 2012. All of the shopping malls in France (22) and Spain (14) will be equipped with charging terminals by the end of 2012.



### A LIFE-SIZED TEST FLEET

Renault's Z.E. range will take to the road, even before it is launched. The goal is to assess the technical and economic solutions under real driving conditions to prepare for the mass marketing of our electric vehicles.

At the end of 2010 the Group provided its partners with more than 600 prototypes, which will be tested under real-life conditions in 10 countries. These projects will also involve the deployment of the charging infrastructure in the corresponding regions. The pilot tests are being run together with all the stakeholders, from

local government to the energy utilities, equipment suppliers and major fleet accounts. One of the most emblematic pilots will be the SAVE project (Seine Aval Véhicule Electrique), which will take place in the region to the west of Paris.



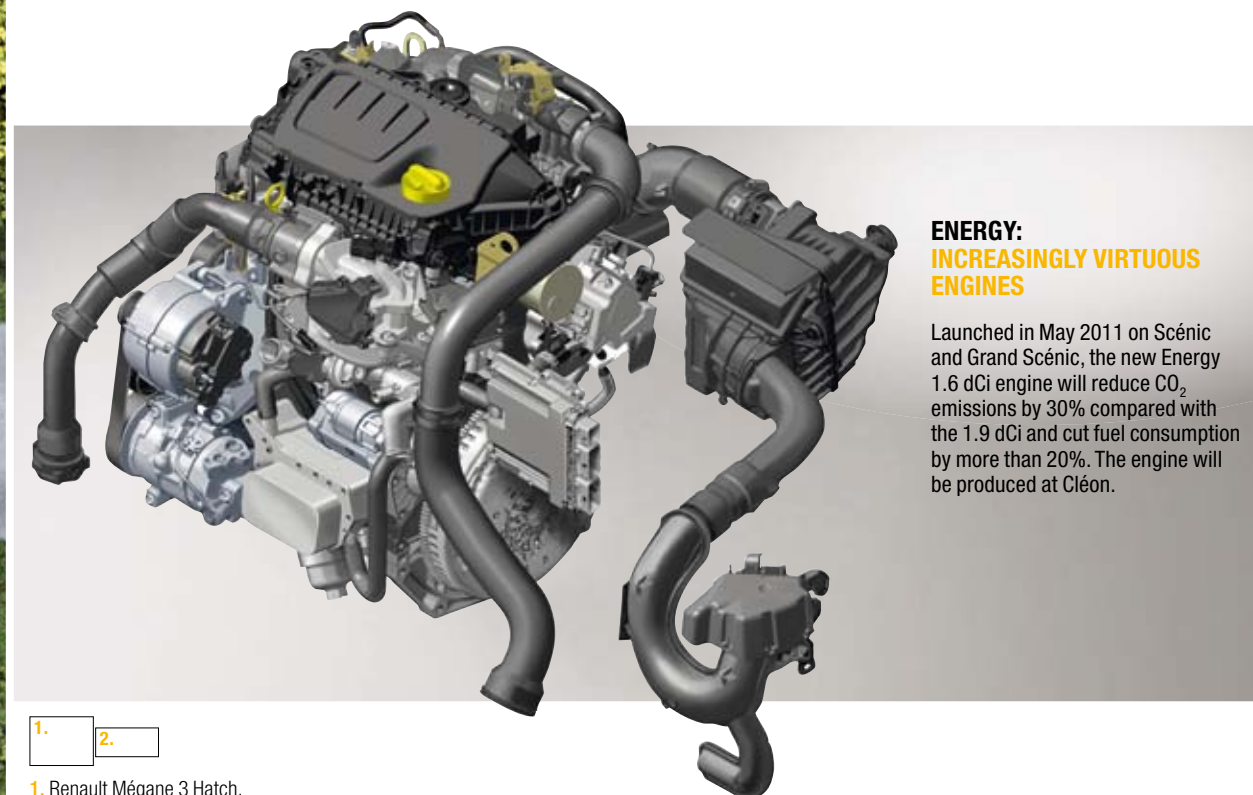
## LIGHTER INTERNAL COMBUSTION VEHICLES

**T**he idea of making vehicles that consume less energy may appear simple. But the means of achieving this are complex and involve a multitude of parameters, ranging from weight and aerodynamics to rolling resistance and electricity consumption. So our teams hunt down every last gram of CO<sub>2</sub>. And every function in the company is involved.

**With vehicles**, weight is a top priority because it is the main criterion impacting emissions. Reducing vehicle weight by 10 kg cuts CO<sub>2</sub> emissions by 1 g/km. Renault's vehicles lose weight every year thanks to the use of new and more environment-friendly materials. Even though it is 10 cm longer, the latest Mégane has lost eight kilos and features more equipment. And even more spectacularly, Laguna Diesel 110 hp shed a full 65 kg, while passenger comfort has been further improved.

**With engines**, our teams have mastered the art of downsizing. The goal is to develop engines with a smaller cubic capacity that are just as powerful, thanks to a more efficient turbocharger. The result is a range of powerful and fuel-efficient engines that are accessible to all.

**"Energy" engines: new-generation downsizing.** With this family of new-generation engines, Renault is making a big step forward in its downsizing strategy. These engines will introduce the latest CO<sub>2</sub> technologies, positioning Renault as a leader in carbon-efficient and frugal vehicles that remain a pleasure to drive. The first engine in this family will be the Energy dCi 130, launched in May 2011 on Scénic and Grand Scénic. It has all the performance of its predecessor, developing 96 kW (130 hp), and more torque (320 Nm) over a broader operating range. It will be the most efficient 1.6 diesel engine on the market. The technologies used – Stop and Start and energy recovery during braking and decelerating, plus variable swirl, thermo-management and a variable capacity oil pump – will reduce the fuel consumption and CO<sub>2</sub> emissions of our models by 20%. Scénic and Grand Scénic will be the first minivans/MPVs in their category to go under the 120 g/km CO<sub>2</sub> mark with fuel consumption of 4.5 l/100 km, down one liter. The Energy dCi 130 engine will be produced at the Cléon site, renowned for its expertise in high-tech diesel engines, such as the M9R and V9X.



1. Renault Mégane 3 Hatch.  
2. The new Energy dCi 130 engine (R9M).

### ENERGY: INCREASINGLY VIRTUOUS ENGINES

Launched in May 2011 on Scénic and Grand Scénic, the new Energy 1.6 dCi engine will reduce CO<sub>2</sub> emissions by 30% compared with the 1.9 dCi and cut fuel consumption by more than 20%. The engine will be produced at Cléon.



#### THE RENAULT ECO<sup>2</sup> CHAMPIONS:

Twingo dCi 85 DPF	94 g CO <sub>2</sub> /km
Clio dCi 90 DPF	94 g CO <sub>2</sub> /km
Mégane Estate dCi 110 DPF	106 g CO <sub>2</sub> /km
Grand Scénic dCi 110 DPF EDC	130 g CO <sub>2</sub> /km
Laguna dCi 110 DPF	120 g CO <sub>2</sub> /km



**In 2012** the Energy family will be extended to the new generation of TCe 3- and 4-cylinder gasoline powerplants, with capacities of 900 cc to 1,200 cc and developing up to 115 hp. Available with direct injection and Stop and Start in the A, B and C segments, these engines will cut CO<sub>2</sub> emissions by 30%. Thus equipped, Mégane will emit 115 g/km of CO<sub>2</sub>, becoming the first gasoline car in the C segment to emit less than 120 g/km.

**EDC: the comfort of an automatic combined with the fuel-efficiency of manual transmission.** The fuel consumption and CO<sub>2</sub> emissions of the new 6-speed EDC (Efficient Dual Clutch) automatic transmission represent a real breakthrough in comparison with traditional automatic gearboxes. Fuel consumption is cut by up to 17%, representing a drop of about 30 g/km of CO<sub>2</sub>. This performance has been obtained by using the unique dry dual clutch, combined with electric actuators and fine-tuning that is controlled for optimal consumption.

**Ever stricter criteria for the Renault eco<sup>2</sup> and Dacia eco<sup>2</sup> labels.** Renault plans to apply even stricter criteria in 2011: for passenger cars, the CO<sub>2</sub> threshold will be cut from 140 g/km to 120 g/km. The proportion of recycled plastic will rise from 5% to 7%. The other criteria required by the eco<sup>2</sup> label remain unchanged: the vehicles must be built in ISO 14001-certified plants, and LCVs must emit no more than 195 g CO<sub>2</sub>/km, or use biofuels. Launched respectively in 2007 and 2008, Renault eco<sup>2</sup> and Dacia eco<sup>2</sup> both apply the same quantified and auditable ecological scoring criteria.



#### LEARN HOW TO ECO-DRIVE.

Media and consumer associations occasionally talk of fuel consumption that is higher than the announced figures. Fuel consumption figures are based on officially approved cycles and ideal driving conditions. By adopting the right eco-driving practices, the risk of excess consumption can be avoided. Renault has opened an interactive educational website to make as many people as possible aware of eco-driving, and the training initially intended for fleet customers will now be made available to

consumers. These training courses, delivered in partnership with the ECF chain of driving schools, have been available in France since the start of 2010, and are gradually being deployed in Europe by the Group subsidiary, Key Driving Competence.

DESIGN

# WE SECOND THAT EMOTION...

Inspired by the brand signature “Drive the Change”, design has received fresh impetus with the arrival of Renault’s new Director of Industrial Design, Laurens van den Acker, one year ago. His philosophy consists in giving emotion its due.

EXPERT INTERVIEW

LAURENS VAN DEN ACKER  
Director of Industrial Design

“I based my new design strategy on the brand’s values: human, reliable and enthusiastic.”



## FROM DESIGN TO DEZIR



Laurens van den Acker quickly understood that the Renault brand is famous for its sense of innovation. But at the same time, in France, Renault is more than just a carmaker. It is part of the nation’s history and culture. “Unlike brands that focus on technology and performance, or on making the world a better place, Renault concentrates on the human factor,” explains the Renault group’s Director of Industrial Design.

**Connecting the brand to its customers and every one of their experiences.** Renault is human-centric. So Laurens van den Acker looked to the human dimension of the brand to build his design strategy based on the cycle of life. He wanted to connect the brand to its customers and every one of their experiences: when they fall in love, discover the world, have a family, work and play, and end up by becoming wiser. For his first creation, DeZir, Laurens van den Acker focused on passion and love at first sight. The following phases of the cycle of life will be represented by the concept cars.

**From concept cars to series-produced vehicles.** In the new design strategy, there is a more direct link between concept cars and series-produced vehicles. The design team that creates the concept car will now also be responsible for the series-produced vehicle that it heralds.

**HIGHLIGHTING THE LOGO**

The design of the front end of a vehicle is essential. The front of DeZir is one of its principal innovations, and heralds the new front end of all the new Renault models. Much bigger

than usual, more vertical and set against a dark background, the chrome-plated logo in the middle of the radiator grille is more visible.

**Plural design, close to our customers.** Sometimes, it is simply a matter of taste and colors, but not always. By way of example, motorists drive differently – and on different sides of the road – in France and in India, and the climate in Brazil is nothing like the climate in Russia. It is vital for an international Group like Renault to understand and take onboard the expectations of its customers on every continent. Which is why, over the last few years, Renault has created a worldwide design network, with centers in Bucharest (Romania), Mumbai (India), Sao Paolo (Brazil) and Seoul (South Korea) that all gravitate around the Technocentre in Guyancourt, France. In addition, the Nissan design team in Japan has been a long-standing ally in understanding the Asian market.



1. Interior design – Guyancourt.  
2. DeZir model – Guyancourt.



## TIME FOR EMOTION

Simple, sensual and warm. The DeZir concept car is a statement of Renault's commitment to a more emotional design. DeZir is the first in a series of concept cars that will illustrate Renault's new vision of design.



Powered by an electric motor, DeZir combines environmental respect with automotive elegance. The concept car's sensual lines and bright red body express passion.



1. Bold and futuristic. The gull wing doors with a reverse opening mechanism provide easy access to the interior. 2. The hollow design and striated treatment of the front air intake guide the air backwards to cool the battery. 3. The sides alternate full and hollow shapes, playing on contrasts in light. 4. The entire width of the front end of DeZir is crossed by an air intake drawn around an enlarged and more vertical diamond. 5. Light. Interior shapes are soft. More than just seats: a cocoon.

## WELL-BEING AND SAFETY

# PLEASURE AND PEACE OF MIND FOR ALL

A pioneer in user interfaces and a fan of practical technologies, Renault applies new technologies to deliver vehicles that are easy to use. But the brand's ambition is also to offer top-performing technologies to everyone at an affordable price and to set the automotive standards of the future.



**T**hroughout the 20th century, the predominant trend was for human beings to adapt to the car. But today, the Group's R&D teams are innovating in every field so that its vehicles adapt to human beings. By way of example, because current social trends indicate that tomorrow's consumers will demand continuity between their living environments, Renault has developed equipment that will enable passengers to maintain their relationships with their environment and enjoy the comforts of home or the workplace when they are on the move.

### TRAVELLING COMFORT: HIGH-END QUALITY RIGHT ACROSS THE RANGE

Renault's human-centric approach means that life on board is an essential component of its long-term vision. The goal is to make traveling by car a pleasant and peaceful experience. As part of this approach, our teams are working to develop systems that reduce all the forms of stress inherent in driving, and increase comfort and well-being on board.

**The cabin as a living environment.** The feeling of spaciousness, a controlled climate (air conditioning), seats offering a smooth ride, the choice of materials, light and the atmosphere all contribute to an enhanced perception of well-being onboard. Synergies with Nissan and the access Nissan provides to Japanese culture, in which the values of well-being are central, are a genuine source of inspiration and new ideas. The same is true of Renault Samsung Motors in Korea, where one of the teams of the materials engineering department is located. This team contributed to work in the field of aromatherapy, which has been applied to Renault Latitude.

**Better connected with Carminat TomTom® LIVE.** In keeping with its ambition to remain accessible to all, Renault is striving to meet the needs of younger and older generations alike, proposing affordable solutions, and making the right choice between ■■■



1. Renault Latitude – massaging seat.
2. Renault Fluence Phase 1.
3. Renault Latitude Phase 1.



### BOSE® SOUND SYSTEM: UNIQUE SOUND FOR ALL THE EMOTION OF A LIVE CONCERT

Renault's premium sound system offer was developed from scratch. Right from the design phase, the engineers from Bose and Renault were able to develop a sound system that is ideally suited to the materials and shapes of a vehicle interior (number, type and position of the speakers), by taking every single component of the cabin into consideration and by taking more than one thousand acoustic measurements. This system is available for Renault Latitude, Renault Laguna, Renault Laguna Coupé and Estate and Renault Koleos.

■ ■ ■  
onboard and offboard technologies. Renault develops systems that can evolve over time by regularly installing upgrades in an effort to bring together the worlds of automobiles and consumer electronics, which do not evolve at the same speed. The latest generation of the Carminat TomTom® onboard navigation system, Carminat TomTom® LIVE, features new functionalities and new services. It is available in all models, from Clio upwards, including LCVs:

- IQ Routes®, (the best route, based on real traffic speed statistics),
- Advanced Lane Guidance®, (advanced views of intersections and carriageways),
- Mapshare®, (map upgrades by the TomTom community),
- HD Traffic®, (real-time traffic information in Europe, mobile radar alerts, local Google searches and weather forecasts).

**“Take Care by Renault” for drivers and passengers.**

This new signature offers a range of unique services to improve the well-being of drivers and passengers alike. For example, the combined pollen and active carbon filter, the toxicity sensor and the ionizer built into the three-zone air conditioning system, keep the air in the cab of Renault Latitude clean and healthy. For an even and comfortable drive, passengers can set the ionizers to relaxation mode and switch on the dual fragrance dispenser. And the driver can relax in the massaging seat that features four types of massage: continuous or random, gentle or energetic.



**SAFETY: GOING FURTHER THAN THE REGULATIONS**

For Renault, safety is fundamental. For the customer, it is a right, an essential aspect of the trust they place in the product when they acquire it. Renault continues to set the standard in the field of safety, going beyond the demands of regulations.

**A strategy covering every aspect of safety.** The five-star performance of Renault vehicles in EuroNCAP crash tests is the result of a long-term strategy. Renault has adopted an integrated approach that covers every aspect of safety, from the technical matters to the human factors. The Group’s policy focuses on five major priorities: **prevent, correct, protect, make aware, and now, rescue.** The idea is not to replace the emergency services, but to help them to intervene more efficiently in the event of an accident. For example, Renault makes its vehicles available free of charge to emergency service training centers, so that rescue teams can learn how to operate more effectively in the event of an accident. The Group also provides technical data, so that rescue teams can gain a better understanding of the vehicles’ architecture. In 2010 Renault started offering a day’s training in safe driving for its fleet customers, in order to improve behavior at the wheel and the use of the driving aids and safety systems.

**Real safety systems from hands-on experience.** Renault has adopted an approach based on accident analysis and real-life safety in order to deliver products suited to actual road conditions. Top priority is given to technologies that can prevent the risk of an accident, correct unexpected situations when driving, and protect the passengers in the event of an impact, and in particular in the

event of side impact, a major cause of road deaths.

- **Renault’s third-generation protection system:** this system offers the best possible protection against “submarining”, in which the hips slide under the safety belt, sometimes causing serious abdominal lesions.
- **Dual impact sensors:** in the event of side impact, the use of two impact sensors instead of one can halve the time required for the airbags to inflate.
- **New dual-chamber thorax and hip airbags:** these airbags are bigger and more efficient. The old thorax airbag has been replaced by a dual-chamber airbag, offering greater protection of the hips, abdomen and thorax, with different pressures in the various zones.
- **Stronger center pillar:** Renault has increased the proportion of steel with a “very, very high elastic limit”, which helps to absorb impacts. Introduced on Laguna III, this device is now fitted in the complete Mégane family.



1. 2. 3.  
1. Dacia Logan. 2. Laguna III GT 4 Control. 3. The LAB, focus on safety.

**THE LAB: WORKING FOR SAFETY FOR 40 YEARS**

The joint Renault and PSA Peugeot Citroën LAB works in two fields:  
 ■ biomechanics (the analysis of the tolerance of the human body to impacts),  
 ■ accident analysis (research into the causes and consequences of accidents and, by extension, into driver behavior).  
 In 40 years the LAB has achieved significant progress in the study and analysis of accidents, but also in the tools and methods to improve safety:  
 ■ for example, it helped to identify the principles applying to protection inside the vehicle cabin. These same principles formed the guidelines for the specifications and the definition of essential innovations for road safety;  
 ■ the LAB has also demonstrated the efficiency of systems such as emergency stop assist and trajectory control.  
 As a result, R&D continually seeks to enhance the convergence between onboard comfort features, the ergonomics

of dedicated systems and safety. Following the significant progress that has been achieved in the field of passive safety, priority is now being given to prevention and correction systems that prevent accidents or limit their consequences. The LAB’s scientific and technical know-how has become renowned on a national and international scale, with 642 scientific publications and eight international awards.





DRIVING THE CHANGE BY...

# ADAPTING OUR PRODUCTS TO ALL CUSTOMERS, IN FRANCE AND WORLDWIDE

The Renault Group is a volume carmaker with three brands – Renault, Dacia and Renault Samsung Motors – that meet the expectations of the greatest number of people on its markets, both in France and worldwide.

# FRENCH ROOTS, INTERNATIONAL VISION

Renault is, and remains, a French group. But given that growth on the worldwide automotive market is being driven by emerging countries, the Group needs to consolidate its international presence and achieve growth on the markets in which it has already invested, such as Russia, Brazil and India.



1. The Technocentre in Guyancourt. 2. Sandero in Brazil. 3. Mégane assembly line in Palencia.

It is a frequently forgotten fact that back in the 1960s and 1970s, Renault was a spearhead for French economic diplomacy. The plants in Slovenia, Spain, Argentina and Turkey were set up during this period. This international outlook is especially necessary today because the worldwide automotive market is fuelled by emerging markets, where more and more people can now afford cars. And to sell vehicles on these markets at competitive prices, we must be present locally. More than 90% of the vehicles sold in China, India or Brazil are produced locally. But France remains our industrial base, at the heart of Renault's development activity.

## WESTERN EUROPE: HIGH VALUE-ADDED PRODUCTION

Renault sets industrial standards to ensure the long-term viability of each site, everywhere in the world. In the constantly declining European market, where sales dropped 20% between 2007 and 2010, Renault is investing in high value-added production. And the Alliance with Nissan and its partnerships are generating extra production in the region.

**Electric vehicle production concentrated in France.** Renault produces most of its cars in France. And it continues to invest massively in its French manufacturing sites. A full 40% of the Group's industrial investments between 2010 and 2013 will be made in France. With Renault ZOE produced at Flins and Renault Kangoo Z.E. at Maubeuge, 80% of the electric vehicles sold internationally by Renault will be built in France in 2015. In addition, the Flins plant will also produce batteries (with a long-term capacity of 100,000 a year) and Cléon will manufacture electric motors starting in 2013.

**Sandouville plant in France to start van production in 2013.** Owing to the strong development of Renault commercial vehicles in Europe and growth in exports, Renault expects production to reach 100,000 units a year. With Sandouville producing the new van, Batilly building Master, and Maubeuge manufacturing Kangoo Express and Kangoo Z.E., the majority of Renault LCVs will be made in France.

## FRANCE. THE RENAULT GROUP'S MAIN LOCATION

- Nearly 24% of Renault group cars are produced in France (in 2010: world, 2,690,000; France, 636,000).
- 40% of the Group's industrial investments made in France from 2010 to 2013.
- 60% of purchasing for French production (up to 70% for ZOE in the long-term) is made with French suppliers.
- 14 out of 38 industrial sites are in France.
- France accounts for 44.3% of the Renault group's total workforce (but 60% of world payroll).
- 86% of engineering expenditure is made in France.
- 33% of Renault revenues are generated in France.
- With a 27.9% share of the French PC+LCV market in 2010, the Renault brand confirmed its number-one position.

**Douai in France producing mid- and upper-range models for Europe.** The Renault brand's future upper-range vehicles, replacing Espace and Laguna, will be produced at the Douai plant on a platform shared with Nissan starting in 2014. The new platform will generate considerable synergies for both companies.

**Exporting excellence in powertrain production.** Two new production projects are to start up at the Cléon plant in France, starting with the new Energy 1.6 dCi engine in 2011 and followed by the electric motor in 2013. The excellence of the engines and gearboxes we produce in France is exported to our partners (Nissan) and other brands (including Opel and Cherry). This trend is set to strengthen with Daimler.

**Electric Dynamic production centers in Europe (outside France).** Spain is the second-largest production country for Renault in Europe. The company has four plants in the country whose future is assured. Valladolid will start production of Twizy, the brand's third electric vehicle, this year. The Valladolid Motores powertrain plant benefits from cooperation agreements with Nissan and Daimler, while Seville remains the Group's largest gearbox plant and Palencia produces Mégane. The Novo mesto site in Slovenia manufactures small Renault vehicles sold in Europe, including Twingo, Wind and Clio Campus. In 2013 it will start producing a four-seater smart model for Daimler.

### KEY INFO

**Renault will invest €5.7 billion in its industrial sites between 2010 and 2013, 40% of which in France.**



Kangoo Z.E. at the Maubeuge plant.



1. South Korea, where the Group reports strong sales, is a cornerstone market. 2. Plant in Casablanca, Morocco. 3. Plant in Palencia, Spain.

### EMERGING MARKETS: SIGNIFICANT GROWTH POTENTIAL

During the past ten years, Renault has been leading a policy of international growth based on strategic partnerships. To establish closer links with its international customers, the Group has established long-term positions in markets where the growth potential remains high despite the crisis. The car ownership rate in India is just 50 cars per 1,000 inhabitants and in Russia and Brazil around 250 per 1,000 – compared with 800 in the USA and 600 in Europe and Japan. The objective today is clear: grow our market share worldwide.

**Three brands to match customer requirements.** With its three brands – Renault, Dacia and RSM – and their specific positioning, the Group produces vehicles adapted to different types of customers and meeting the needs of citizens in different countries and continents. This is notably the case with Renault Logan and Renault Sandero, which enable the middle classes in Russia, Brazil and Colombia to become car owners.

**Local production to contribute to growth in emerging markets.** Installing production sites in emerging markets is essential to contribute to their strong growth and offset the decline in the European market. Over the past ten years, Renault has forged strong positions in these markets and

increased its international activity, with non-European sales now accounting for 37% of the total compared with 17% in 2000. This share is expected to rise to 43% in 2011. Renault will continue to invest, in particular in Brazil, India and Russia.

**In Morocco,** the Tangiers plant and its first production line, producing 30 vehicles an hour, will come on stream in 2012. In 2013, Renault will as planned launch a second 30-vehicle-an-hour line. This has become a necessity given sales forecasts for the Entry range, not just in Europe but also in Africa, Mexico and the Middle East.

**In India,** Renault has reiterated its commitment by announcing the launch of Fluence and Koleos in 2011 and further new cars in less than two years. A complete range of vehicles will be marketed within the next four years. These vehicles will be manufactured at Chennai, the Alliance's plant in India. The range will cover the key segments of the Indian market and comprise Renault models and vehicles from common Renault-Nissan Alliance platforms, including a crossover. Renault will also set up a distribution network to support the launch of these new products.

### IN 2010 RENAULT SOLD 37% OF ITS VEHICLES OUTSIDE EUROPE

More than 75% of sales of Fluence were in regions outside France/Europe. The largest market for Fluence is Turkey, where it ranks third on its segment with a market share of 10.6%. In Europe, Fluence performed well in Poland, the Czech Republic and Slovakia. Production of Fluence at the Cordoba site in Argentina will start in 2011 and the model will be sold in Brazil and Argentina.

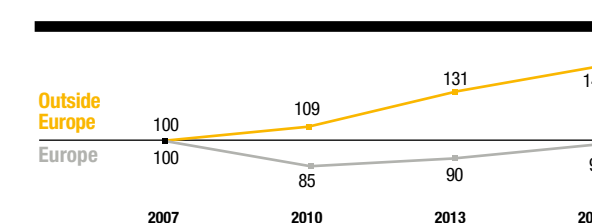
South Korea, where Renault Samsung Motors is No 3, is Renault's third largest market. RSM's worldwide sales more than doubled between 2001 and 2010, which was a record year with almost 162,000 vehicle sales. The SM5 ranks third in its segment and fifth all segments combined. RSM headed the customer satisfaction index, based on input from 90,000 users, for the ninth year in succession.

### AUTOMOTIVE GROWTH DRIVEN BY MARKETS OUTSIDE EUROPE

- Sales in Brazil, Russia, India and China (the BRIC countries) have grown four-fold in ten years and now account for one-third of world car sales.
- In 1990, 82% of new car sales were made in the USA, Europe or Japan. In 2007, this figure had

fallen to 62% and today it is under 50%. ■ Between 2010 and 2016, the non-Europe market is expected to grow by nearly 50%.

### TREND IN AUTOMOTIVE MARKET (PC+LCV) (base 100: 2007 - Source: Renault data)



## €5.7 BILLION

THE AMOUNT RENAULT WILL INVEST IN PRODUCTION SITES BETWEEN 2010 AND 2013, 40% OF WHICH IN FRANCE.





## RUSSIA REINFORCING RENAULT'S PRESENCE

In view of the potential of the local market, Russia has been one of the priorities of Renault's international expansion for several years. Renault sold 96,466 vehicles in the country in 2010, increasing its market share to over 5% and ranking number four since April 2010.

**96,466**  
VEHICLES SOLD IN 2010.  
MARKET SHARE IS GROWING  
AND HAS TOPPED THE 5% MARK.

In 2008 the Russian market was expected to reach a total of 3 million vehicles, but the crisis, credit restrictions and the slump in purchasing power reversed the trend. In 2010 the market made a strong recovery with growth of 30%. The potential of the Russian car market stems from at least three factors: the very low rate of vehicle ownership (230 vehicles for every 1,000 inhabitants, compared with 600 in western Europe), the age of the vehicle population (on average 10 years old) and the Russian people's desire to become car owners in a country where the motor car is a symbol of social success. In 2005, Renault acquired its own production plant (Avtoframos) in order to produce vehicles adapted to the highest-potential segment in the country, and the Renault Logan and Sandero quickly became best-sellers. Renault continues to consolidate its presence in Russia. The Group and its partners, Nissan and AvtoVAZ (with Lada), have set a precise target of cornering 40% of the Russian market by 2015, when total industry volume is expected to reach 3.5 million vehicles.

### THE STRATEGIC IMPORTANCE OF RUSSIA

Renault is now one of the major players in the Russian industry. Established in Moscow (the Avtoframos plant) in partnership with the city authorities since 2005, the Renault group also entered a strategic partnership with AvtoVAZ in 2008. With Renault's Avtoframos plant in Moscow (production capacity of 160,000 vehicles/year), the Nissan plant in Saint Petersburg (50,000 vehicles/year) and the AvtoVAZ plant in Togliatti (900,000 vehicles/year), the three manufacturers will have a total production capacity of 1.1 million units in Russia in 2011. The Alliance Production Way is currently being deployed at the Togliatti plant. A joint production line for vehicles based on the B0 platform (Logan), with a capacity of 350,000 units/year,

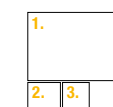
is also in the process of being installed. Each of the three brands will produce their own distinctive vehicles for their respective ranges. Lada will be the first to start producing two vehicles on this line – a station wagon and a van – in 2012. In March 2010 the Renault-Nissan Alliance and AvtoVAZ merged their supplier quality and development teams to quickly improve the quality of the supplier base in Russia. All three partners will benefit from the increase in the quality and quantity of suppliers in Russia, given that local production is one of the key factors of success. The target is to reach a local sourcing rate of 74% for the joint production line in Togliatti.

### HIGH DEMAND FOR LOGAN AND SANDERO

Renault is recognized in Russia as a brand that proposes quality vehicles with the best value for money, thanks to two flagship models: Logan, the best-selling foreign sedan in Russia, and Sandero, launched in Russia in March 2010. Positioned in the economic vehicles segment, which accounts for one-third of the Russian market, these two models currently represent more than 85% of the brand's sales. Renault has sold more than 315,000 Logans since launch in 2005, and more than 19,200 Sanderos since March 2010.

**"We see Russia as the country with the most opportunities for profitable growth for Renault."**

**PATRICK PELATA, Chief Operating Officer**



1. Sandero in Russia. 2. Renault has ranked No. 4 in Russia since April 2010.  
3. AvtoVAZ: 27.21% of the Russian market.

### UNPRECEDENTED LAUNCH OF NEW MODELS IN RUSSIA

- The new version of Renault Logan and the new Renault Sandero urban hatchback are among the very best offers in their segment.
- Automatic transmission versions of Renault Logan and Renault Sandero have been specially developed for Russia.
- The C segment range has been completely renewed, with the Renault Fluence sedan, New Renault Mégane and the Renault Scénic compact minivan, plus Renault Mégane Coupé, released in late 2009. The new version of Clio Renault Sport has also been available since June.
- Two new LCV models were launched at the same time: the new version of Renault Kangoo

and the new version of Renault Trafic.

- The prestigious Renault Latitude sedan was rolled out in November.
- Production of Renault Fluence, Renault Mégane and Renault Duster at the Moscow plant starts in 2011.

#### AVTOVAZ

- **The number-one full-line carmaker in Russia (Lada brand)**
- **545,450 vehicles produced in 2010**
- **27.21% of the Russian market**
- **375 points of sale in Russia**
- **84,183 million rubles in revenue in 2009**
- **70,000 employees**

FOCUS

# PRODUCTION SITES AND SALES VOLUMES IN 2010

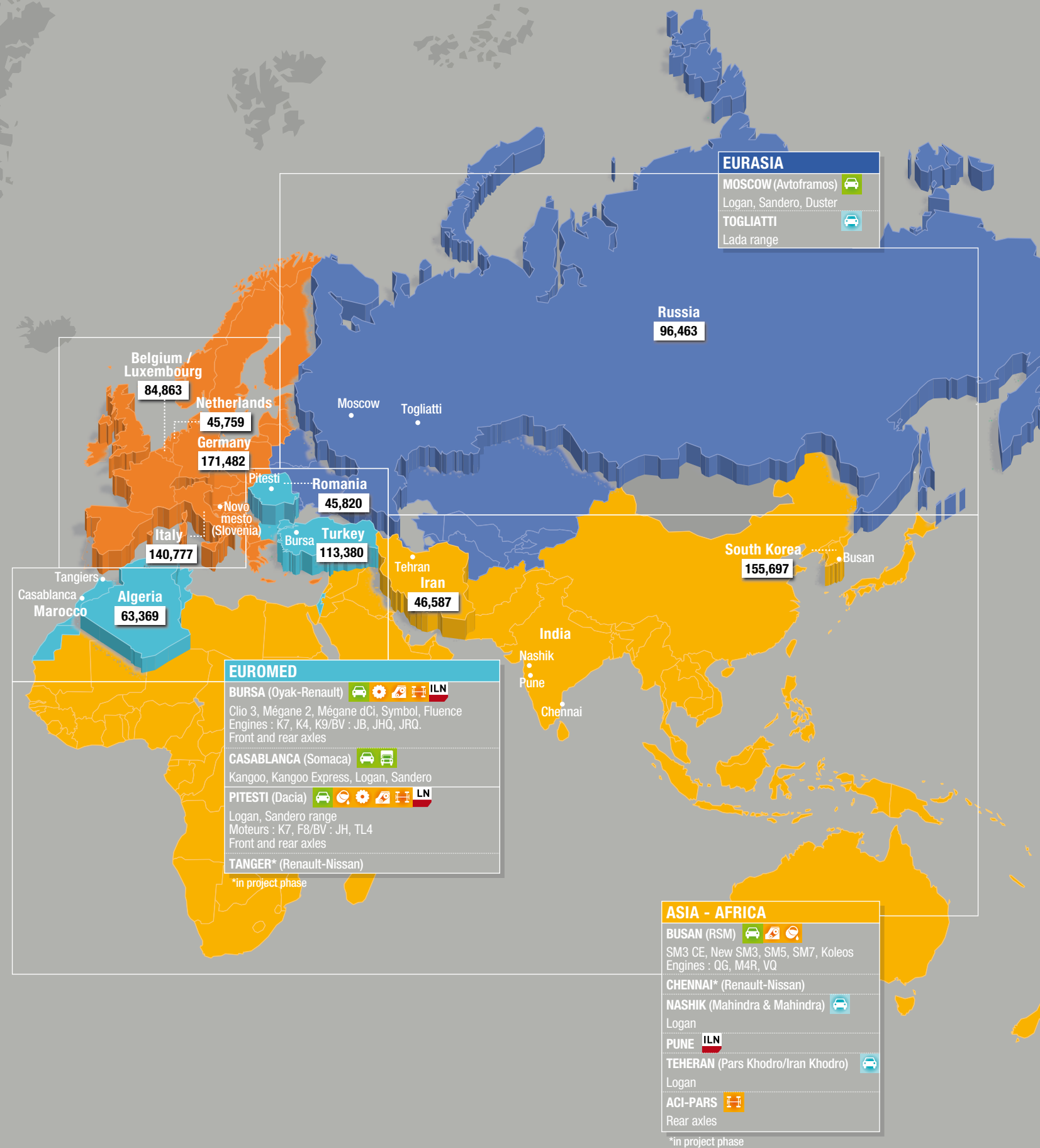
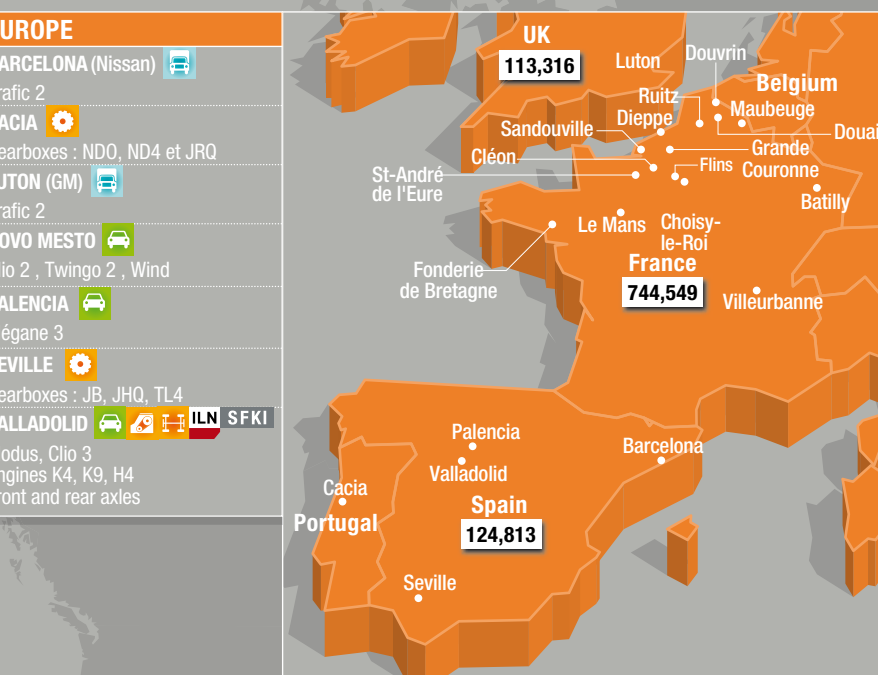
(EXCL. AVTOVAZ)

SALES VOLUMES BY REGION



FRANCE	EUROPE
<b>BATILLY (SOVAB)</b>	<b>BARCELONA (Nissan)</b>
Master 3	Trafic 2
<b>CHOISY-LE-ROI</b>	<b>CACIA</b>
Standard exchange : Engines and gearboxes	Gearboxes : NDO, ND4 et JRQ
Rear axles	<b>LUTON (GM)</b>
<b>CLÉON</b>	Trafic 2
Engines : G9, F4, F9, M9, V9X / Gearboxes : J and P	<b>NOVO MESTO</b>
<b>DIEPPE (Renault Alpine)</b>	Clio 2, Twingo 2, Wind
Clio 3 RS, Mégane 2 RS	<b>PALENCIA</b>
<b>DOUAI</b>	Mégane 3
Mégane 3 coupé-cabriolet, Scénic 3	<b>SEVILLE</b>
<b>DOUVRIN (FM - Pôle Renault)</b>	Gearboxes : JB, JHQ, TL4
Engines : D7, D4	<b>VALLADOLID</b>
<b>FLINS</b>	Modus, Clio 3
Clio 3	Engines K4, K9, H4
<b>FONDERIE DE BRETAGNE</b>	Front and rear axles
<b>GRAND-COURONNE</b>	
Laguna 3, Espace 4	
<b>LE MANS</b>	
Front and rear axles	
<b>MAUBEUGE (MCA)</b>	
Kangoo 2, Kangoo 2 Express	
<b>RUITZ (STA)</b>	
DPO auto gearbox	
<b>SANDOUVILLE</b>	
Laguna 3, Espace 4	
<b>ST-ANDRÉ DE L'EURE</b>	
<b>VILLEURBANNE</b>	
Front and rear axles	

Vehicle plants	Regions
Passenger cars	Europe
Light commercial vehicles	Eurasia
<b>Powertrain plants</b>	Euromed
Chassis	Asia - Africa
Engines	Americas
Gearboxes	
Foundry	
<b>Partner plants</b>	
Passenger cars	
Light commercial vehicles	
Chassis	
<b>Logistics sites</b>	
Sofrastock International	
Logistics platform	



ASIA - AFRICA
<b>BUSAN (RSM)</b>
SM3 CE, New SM3, SM5, SM7, Koleos
Engines : QG, M4R, VQ
<b>CHENNAI* (Renault-Nissan)</b>
Logan
<b>NASHIK (Mahindra &amp; Mahindra)</b>
Logan
<b>PUNE</b>
<b>TEHERAN (Pars Khodro/Iran Khodro)</b>
Logan
<b>ACI-PARS</b>
Rear axles
<small>*in project phase</small>

EUROMED
<b>BURSA (Oyak-Renault)</b>
Clio 3, Mégane 2, Mégane dCi, Symbol, Fluence
Engines : K7, K4, K9/BV : JB, JHQ, JRQ.
Front and rear axles
<b>CASABLANCA (Somaca)</b>
Kangoo, Kangoo Express, Logan, Sandero
<b>PITESTI (Dacia)</b>
Logan, Sandero range
Moteurs : K7, F8/BV : JH, TL4
Front and rear axles
<b>TANGER* (Renault-Nissan)</b>
<small>*in project phase</small>

# CARS FOR ALL

Renault is a brand and a company that serves people. The staff at Renault believes that all vehicle ranges should benefit from innovations and ecological solutions. This is why they develop different ranges of vehicles that are increasingly environment-friendly and adapted to both mature and emerging markets.



1. Logan's success continues. 2. Mégane. 3. The comfort and user-friendliness of LCVs are close to those of cars these days. 4. Twingo RS Gordini.

## CORE RANGE THE RIGHT RANGE AT THE RIGHT TIME

In 2010, Renault reaped the rewards of the renewal of its range of small and medium-sized cars in 2009, which account for two-thirds of the European market. This success applied to mature and emerging markets alike.

The current celebrations for the 50th birthday of the R4 – a concentrate of innovations at the time – are a clear reminder that Renault has always possessed the ability to offer “the right range at the right time”. Prime examples are R5, R19 and Twingo, as well as Clio, which is still going strong some 20 years after its launch. Today this success is assured by Mégane, Scénic and the Dacia range. And new vehicles are coming thick and fast...

**The broadest small-car range.** With no fewer than seven models – Twingo, Clio III, Estate and Campus, Modus and Grand Modus, and Wind – Renault has the broadest product offer in the small-car segment. With its well-known positioning, “The small car with big refinements”, Clio continues to act as a driving force, setting new standards in the segment on comfort and safety with each new generation. Featuring the equipment levels of a higher-category model, it has attracted more than 10 million customers worldwide to date. Twingo is the best-selling city car in France and is also the most carbon-efficient Renault, emitting just 94 g/km of CO<sub>2</sub>. It is renewed regularly with a number of limited edition versions that appeal to an ever broader and younger clientele.

**Young, economical and ever more environmental vehicles.** Competitive, affordable and fuel-efficient, in 2010 the Mégane and Scénic ranges appealed to customers looking for more ecological and economical models. With its long-standing emphasis on making technological advances accessible to all, Renault has equipped these ranges with the Efficient Dual Clutch (EDC) automatic transmission, providing remarkable driving comfort and the fuel consumption and CO<sub>2</sub> emissions of manual gearbox models.

**Dacia confirms its success.** By proposing accessible motoring quality for everyone, Dacia has become a genuine social phenomenon. After breaking new ground in this field, the Renault group remains one step ahead of its competitors. Hot on the heels of the Logan three-box sedan, the Sandero

compact hatchback, Logan MCV station wagon and the Logan van and Logan pick-up, Dacia has extended its range with the compact SUV, Duster. Dacia Duster has scored a storming success in all launch countries since April 2010. By the end of 2010 more than 68,000 Duster vehicles had been sold worldwide. In 2011, Renault-badged Duster will be produced and marketed in three new countries: Russia, Brazil and Colombia.

**Towards a complete vehicle and service offering for the disabled.** Through its Renault TECH entity, Renault is the only European carmaker committed to the design, manufacture and sale of vehicles for people with reduced mobility (PRM). Renault TECH launched New Master PRM in France in June 2010, offering even greater comfort to all occupants and the possibility of transporting up to six people in wheelchairs. A new three-seater version (plus a wheelchair) of European-homologated Kangoo PRM was launched in mid-2010.



The second Big Dacia Picnic was held in September 2010. Around 7,500 Dacia fans from all over France attended the al fresco event. A friendly, family and fun atmosphere. Dacia in a nutshell!

### KEY INFO

**Mégane is number-one in its segment in France, Belgium and Portugal and number-two in Europe. Scénic is number-one in its category in Europe.**

## HIGH-END MODELS “BY RENAULT”

Renault’s range-topping models are available in Europe and internationally. In 2010 Renault renewed three models in its premium range.

The definition of “high-end model” changes significantly from public to public and market to market. This is why our range-topping models possess attributes that underscore their prestige, particularly in terms of comfort, engines and well-being. Our high-end line-up is also extremely varied, carbon-efficient and designed for “better living together”, and as such is highly innovative.

**New Laguna with a new look and 4Control for all!** A bolder front end and Renault eco<sup>2</sup> engines that are even more environmentally friendly, including the dCi 110, which emits just 120 g/km of CO<sub>2</sub>.

New Renault Laguna, launched in November 2010, is now fitted with the 4Control four-wheel steering system on versions with mid-range engines. The agility, safety and dynamic drive of the new model are accessible to the greatest number. With Carminat TomTom® LIVE and the Bose Sound System®, New Laguna boasts outstanding equipment levels and is reputed for its quality and reliability.

**New Espace: still an Espace, but with even lower CO<sub>2</sub> emissions.** Renault Espace spans 26 years and four generations, with more than 1.2 million vehicles sold. But the model’s unique features explain why it remained in strong demand in 2009, both in Europe, with 1% of total industry volume, and in France, where it leads its segment with a 36% share. Its design quality still sets the standard, and many of its features remain unmatched. In addition, CO<sub>2</sub> emissions of the mid-range dCi 130 and 150 engines have been cut drastically by 20 g/km from 190 to 170 g/km over a combined cycle.

New Espace is still the only MPV offering such a comfortable ride and seats with built-in seatbelts for all the rear passengers. The three-panel windscreen with its ultra-thin uprights

(65 mm) provides unrivalled visibility. And the fixed or sliding 2.46 m<sup>2</sup> glass panoramic roof makes for an exceptionally bright interior.

**Renault Latitude: big on the outside, big on the inside. Renault’s international range-topper.** With its silent drive, precise chassis and high-performance engines, Renault’s new large family sedan is based on Renault Samsung Motors’ New SM5, which was recently launched on the South Korean market. After its launch in the fall of 2010 in Asia, Africa, Russia, Turkey, the Gulf States, Australia and Mexico, Renault Latitude was released in Western Europe at the beginning of 2011.

Renault Latitude is designed for the comfort and well-being of its occupants and boasts a range of unique comfort features:

- automatic three-zone air conditioning, with a unique air quality control system by dual-mode ionizer and a dual fragrance dispenser,
- the driver’s seat has a built-in 4-mode massage system.

### FOCUS ON FORMULA ONE

Renault’s engines scored 23 podium finishes in 2010, including a historic 1-2-3 at the Monaco Grand Prix, and they have won three of the last six world championships.

### ENGINES – A NEW START

With 29 seasons and nine constructors’ world championship titles under its belt, the latest of which was in 2010 with Red Bull Racing, Renault has decided to return to its core activity by supplying engines to three teams in 2011,

representing 25% of the grid: Lotus Renault GP, Red Bull Racing Renault, Team Lotus Renault (UK) Ltd.

### A LABORATORY FOR ALL OUR SERIES VEHICLES

The regulations introduced in 2007 imposed a freeze on engine developments. The new regulations expected for the 2013 or 2014 season will build even more bridges between Formula 1 research and series produced vehicles, be it in terms of cutting the CO<sub>2</sub> emissions from internal

combustion engines, or how to improve the development of electric motors. An electric motor runs at 12,500 rpm, almost as fast as an F1 engine, whereas the speed of petrol-fuelled engines is 6,000 rpm.



Laguna



Latitude



Espace



- 1.
- 2.
- 3.

1. Renault Latitude features all-new comfort equipment. 2. Inside Renault Laguna Coupé Monaco GP. 3. New Espace, less CO<sub>2</sub> and a three-part windscreen for unrivalled visibility.

## SPORT AND PASSION PLEASURE FOR ALL

Renault Sport Technologies combines motor sports expertise with industrial experience to develop series-produced sports models.



There is nothing accidental about the applause from the international press for the sporting performances of Renault Sport Technologies (RST). While most competitors favor super-powerful engines, RST prefers to make its car lighter and develop chassis (front and rear suspension) that take full advantage of engine power. The result is true sports cars, easy to drive and affordable, with outstanding road-holding and limited fuel consumption.

### New developments showcased at the 2010 Paris Motor Show

- **Renault Wind:** a coupé that breezes along. The rotary roof opens and closes in just 12 seconds – the fastest in its category! And it takes up no space in the trunk.
- **New Mégane Coupé Cabriolet GT:** star gazer. Available on the series model, the glass roof is the largest in its segment, even bigger than the one on the previous version. Passengers are bathed in natural light all year long, with no detriment to their acoustic or thermal comfort.
- **Renault Mégane RS:** THE sports benchmark.
- **Renault Mégane Trophy:** a racing hatchback entirely designed and developed for motor sport.
- **Renault Laguna Coupé Monaco GP** with a 4Control chassis and engines specially adapted by RST.



Mégane coupé Renault Sport



Twingo Renault Sport



Mégane coupé-cabriolet

**Prizes galore.** At the end of 2009 Renault Sport won *Top Gear's* award for the constructor of the year. Since then, the media has consistently hailed the performance of Renault's sports vehicles. In 2010 the UK magazine *What Car?* voted Twingo RS, Clio RS and Mégane RS as the best sports models of the year in their respective categories. New Mégane RS was again voted best all-comers sports car of the year by *What Car?*, for its design and "incredibly appealing driving experience". In 2010, the RS range (Twingo RS, Clio RS and Mégane RS) led the field in France and ranked top-three on the European high-performance markets.

**The return of the Gordini "French Touch".** Featuring a French-blue color scheme decorated with two white stripes plus a high-performance engine, Twingo Gordini RS and Clio Gordini RS got the race started, followed by Wind Gordini, presented at the Geneva Motor Show in March 2011. Twingo Gordini RS already accounts for 40% of the mix of Twingo RS models in Europe. It has boosted Twingo RS's share of the European market by 6 points to 25.4%. Clio Gordini RS is a Renault Sport version with equipment befitting a range-topping model: hands-free card, Carminat TomTom® navigation system including IQ Routes™, cruise control and speed limiter, plus a host of comfort features such as automatic headlights and wiper activation.

### FRENCH GENDARMERIE CHOOSES MEGANE RS

The French Gendarmerie chooses Mégane Renault Sport for its high-speed vehicle fleet. Renault carried off the call for tender issued by the French Gendarmerie to replace its fleet of high-speed vehicles. Renault

will supply a total of 70 Mégane RS cars, decked out in gendarme colors. The first vehicle will ship at the end of the year.



1. Renault Wind's roof opens and closes in a speedy 12 seconds. 2. Inside Renault Wind. 3. Clio RS, the best sports car of the year in its category for *What Car?* magazine.

# LCVs FROM 2 M<sup>3</sup> TO 22 M<sup>3</sup>, SOMETHING FOR EVERYONE

Renault reinforced its position in 2010 as the leader in LCVs in Western Europe, where the market made a strong recovery. As the only manufacturer of light and heavy vans in France, Renault continues to broaden its range.

**N**ew Master, New Traffic and Kangoo Express Maxi were all launched at the start of 2010, extending Renault's LCV range to cover volumes stretching from 2 to 22 cubic meters and meet all the needs of its professional customers. The range will be further extended in mid-2011 with the arrival of the Kangoo Z.E. electric van, further strengthening Renault's leadership in Europe.

**New Renault Master:** the made-to-measure professional. After 12 years of success, Master has finally made way for New Master. Available in more than 350 versions (front- and rear-wheel drive), New Master has driven orders upwards by more than 20% compared with 2009. New Master's comfortable, practical cab offer is similar to that of a passenger car. Fuel consumption is the best in its segment (1 liter per 100 km less than the previous model). This performance is achieved thanks to the new 2.3 dCi engine, the M9T, developed specially to pull loads of up to 4.4 tons. It also optimizes life-cycle and maintenance costs.

**New Renault Traffic:** easier to use, lower consumption. Renault Traffic set a record with a 16.4% share of the small van segment in Europe at end-2010. It also recorded the strongest increase in its segment, up 1.55%. New Traffic's comfort and usability have been improved. It now features equipment from the passenger car range to make life on

board more comfortable. Features include a built-in Carminat TomTom® navigation system, cruise control and speed limiter, regulated air conditioning, and three radio configurations, including a Bluetooth® option. With its "business look", the limited-edition "Black Edition" model is positioned in the high-end of the range. The 2.0 dCi unit that powers New Renault Traffic consumes 0.8 l/100 km less than the previous version, and is now available with a particulate filter.

**Renault Kangoo Express Maxi: the only van available in three lengths.** The Kangoo Express range was extended at the start of 2010 with the arrival of Kangoo Express Maxi. The vehicle's wheelbase has been lengthened by almost 40 cm. Available in 2- and 5-seater versions, it boasts a useful load volume of up to 4.6 m<sup>3</sup> and a load length of 2.90 m. More modular than its predecessor, it offers excellent road-holding. And the 1.5-liter dCi engine (85, 90, 105 and 110 hp, depending on the country) is even more economical. With this new LCV, Renault is now the only European brand to offer a van in three different lengths, covering the needs of all business customers. As a consequence, Renault continued to lead the market in Europe with a 17.1% share at the end of 2010, up by 0.3 points compared with the end of 2009.

**Kangoo Z.E.: electric and accessible to all.** Based on Renault Kangoo Express and intended for environmentally-minded professionals, this electric van offers mobility with zero CO<sub>2</sub>

emissions. It is designed to be both durable and reliable. Measuring 4.21 m long, Renault Kangoo Express Z.E. has a useful load volume of 3 to 3.5 m<sup>3</sup>, a maximum load length of 2.50 m and a payload of 650 kg. Thanks to its centrally located batteries installed under the floor, the vehicle's load capacity is the same as that of the internal combustion version. The asymmetrical rear swing doors and the side sliding door make for easy access to the rear of the van. Kangoo Z.E. will be launched in September 2011. A lengthened version, Kangoo Maxi Z.E., was presented at the Geneva Motor Show and will be launched in late 2011.

KEY INFO  
**Renault: No 1 on the LCV market in Europe since 1998.**



**15.9%**  
THE RENAULT GROUP'S SHARE OF THE LCV MARKET IN EUROPE IN 2010, UP 1.55 POINTS ON END-2009.

**AWARDS**  
NEW MASTER WAS VOTED "VAN OF THE YEAR 2011" BY THE L'ARGUS AND WHAT CAR? MAGAZINES, ADDING TO THE VAN OF THE YEAR 2011 PRIZES IN DENMARK AND LITHUANIA.

1. Renault Kangoo Express Maxi is the only compact van available in 3 different lengths. 2. New Master boasts car-like comfort and user-friendliness. 3. New Traffic, more practical, less fuel consumption.



DRIVING THE CHANGE BY...

# HARNESSING OUR ENERGIES AND EXPERTISE

The future of the car, be it electric or combustion-powered, will demand **advanced technologies** and extensive infrastructure. To secure the skills and resources to pursue its ambitions, Renault is placing the emphasis on long-term **synergies** and **strategic partnerships**. The Renault-Nissan Alliance has demonstrated the relevance of this strategy for more than ten years. Today, the Group is continuing in this direction.



# HIGHLIGHTS

## THE ALLIANCE IN FIVE THEMES

The Renault-Nissan Alliance had an eventful year in 2010. Key events included continued international expansion, the arrival of a new partner, and the launch of the first electric vehicle.



1. At the AvtoVAZ plant, the Alliance partner in Russia.  
2. The first car produced at the Chennai plant is the new Nissan Micra.

### EXPERTISE ALLIANCE SYNERGIES

The Alliance gives Renault and Nissan a unique competitive advantage in the automotive sector. Over the past twelve years, it has played a key role in the strategic choices made by the two companies, and in the tough business conditions of recent years, it has emerged even more clearly as a key competitive advantage.

Each partner contributes its own expertise, thus expanding the field of possibilities and highlighting new opportunities, for example: – entering new markets by taking advantage of the industrial base of the other partner (India, South Africa); – integrating new technologies (e.g. the 4x4, a Nissan strength) on other Alliance models, or diesel engines (a Renault strength) on some ranges. Infiniti reaped the benefits of this approach for the launch of its diesel models in Europe in 2010. Powerful high-performance engines are

essential to success on the premium market so this was a major advantage. Infiniti used a customized version of the Alliance V6 diesel engine, already fitted on Laguna coupé, sedan and station wagon, as well as on other Nissan models.

The Alliance generated €1.9 billion in synergies in 2009, thus contributing to the free cash flow targets of Renault and Nissan. In 2010 a target of €2 billion in synergies was set for the dedicated Alliance team. The 2010 results – including Nissan's contribution – will be confirmed at the end of the Japanese financial year.

### RUSSIA THE ALLIANCE PLAYS A LEADING ROLE

The objective of the Alliance in Russia is to increase market share from 33% to 40% by 2015, in partnership with AvtoVAZ. The Alliance has three plants in Russia, in Togliatti, Moscow and



Saint Petersburg, for a total production capacity of 1.3 million units by 2012. The Alliance Production Way will be deployed at the AvtoVAZ plant in Togliatti. ALR (Alliance Logistics Russia), the joint logistics organization, was set up in 2010 to support the industrial challenges pursued by Renault and Nissan in Russia. It manages logistics flows for Renault, Nissan and their Russian partner AvtoVAZ. ALR works with local suppliers to contribute to developing an efficient supply chain, and will also be responsible for vehicle distribution. It will work in particular with the existing logistics organization of AvtoVAZ to facilitate integration of the Alliance Production Way at the Togliatti plant.

### INDIA A KEY MARKET FOR THE ALLIANCE

The first plant dedicated to the Alliance was opened in Chennai, India in March 2010. The first vehicle produced by the plant is the new Nissan Micra. The car will be sold in India and exported to more than 100 countries in Europe, the Middle East and Africa. From 2011 the plant will build Renault Koleos and Fluence, both for the Indian market. The Chennai plant is the first to apply the Alliance Integrated Manufacturing System (AIMS) and the Alliance Production Way, a system that combines the best practices of Renault and Nissan while seeking to minimize costs. The line can manage four platforms and eight body styles in random production order.



The Renault-Nissan Alliance is also working with Bajaj Auto Ltd on the development of an ultra low-cost vehicle that would be competitive on the Indian market.

### MOBILITY ZERO EMISSIONS

The Renault-Nissan Alliance aims to become a leader in zero emissions mobility. To this end, it has already invested €4 billion



in programs to develop electric vehicles and batteries. The approach adopted by the Alliance is unique in that it is involved in all aspects of the electric experience through partnerships with public or private operators. More than 100 partnerships have been signed worldwide to date – from China to Europe, via Japan, the USA and Australia – to create the conditions necessary for electric vehicles. The geographical synergies developed by the Alliance contribute to optimizing the global infrastructure required for electric vehicles with the support of the authorities. The Renault-Nissan Alliance plans to launch a full range of eight all-electric vehicles. The first is the Nissan Leaf, launched at end-2010 and voted Car of the Year 2011 by a panel of European journalists.

### STRATEGY COOPERATION WITH DAIMLER

The Alliance is continuing to evolve. In April it announced a strategic cooperation plan with Daimler. The plan covers a wide range of projects and makes provision for sharing best practices. These projects include joint studies by Renault and Daimler on the next generation of Renault Twingo and smart fortwo. This will include building electric versions and expanding both vehicle ranges. The agreement also covers the sharing of powertrains and the co-development of future passenger car and light commercial vehicle projects. The two groups also announced an equity exchange that gives the Renault-Nissan Alliance a 3.1% stake in Daimler and Daimler a 3.1% stake in both Renault and Nissan.





FOCUS



## DAIMLER, A NEW ASSET FOR THE ALLIANCE

Five or ten years ago, who would have thought that Renault engines would find their way into Mercedes vehicles? Or that Renault and smart would use the same platform for a passenger car? The announcement on April 7, 2010 of an agreement between the Renault-Nissan Alliance and Germany's Daimler AG was a major event.

**A**fter innovating with the Alliance, Renault and Nissan are continuing to invent another form of cooperation. The agreement signed with Daimler AG, which involves a 3.1% equity exchange between the Alliance and Daimler, is totally unlike the conventional agreements on specific projects that are signed by many manufacturers. The Alliance approach is based on access to the best technologies and shared costs. Above all, it makes clear provision for long-term cooperation.

### A PRAGMATIC APPROACH BASED ON THREE MAIN AREAS OF COOPERATION

**smart-Twingo.** The next generation, scheduled for 2014, will ship in combustion and electric versions. The vehicles will share the same architecture and rear-wheel drive (as on the current smart) but will be totally different in design. The smart plant in Hambach will manufacture the two-seater versions for both brands while the Renault site in Novo mesto, Slovenia will produce the four-seater versions, again for both brands.

**Powertrains.** The objective is to better exploit the production capacities of each partner and to share the development costs of new engines. The Alliance will supply Daimler with 3- and 4-cylinder gasoline and diesel engines from its range. These engines will then be adapted for future Mercedes premium compact cars. At the same time, Daimler will supply Infiniti (Nissan's executive brand) with 4- and 6-cylinder gasoline and diesel engines.



1. The Alliance supplies Daimler with engines from its range. 2. smart will share the same architecture as Twingo.



Carlos Ghosn and Dieter Zetsche.

“When we were approached by the people from Daimler, they were looking to renew their smart car, but estimated volumes were not sufficient to make the project profitable. Given our expertise in small vehicles and the excellent performance of Twingo, they naturally turned to us. That was not sufficient for us. So we held discussions to show them the opportunities that could be gained by taking synergies further.”

CARLOS GHOSN



**Light commercial vehicles.** This third area will boost output at the Maubeuge plant in France, since Mercedes-Benz Vans will be expanding its range in 2012 with a new model based on the existing Kangoo.

### AND MORE TOMORROW...

The strategic cooperation agreement between the Alliance and Daimler is already a reality. In terms of powertrains, Renault engineers were working on a project to deliver a Renault engine for Mercedes vehicles well before the agreement was formally signed. Group staff working on the future Twingo have laid the foundations for a joint project for a small urban vehicle. They worked in close cooperation with their counterparts at smart, who will now be travelling between Stuttgart and Guyancourt, the main development base. But Renault, Nissan and Daimler do not plan to stop there. Studies are already under way on the possible exchange of modules and components between Infiniti and Daimler, regional cooperation between Nissan, Infiniti and Daimler in the USA, China and Japan, and the joint development of technologies for electric vehicles and batteries.



INTERVIEW WITH  
**JACQUES VERDONCK**  
Vice President in charge of coordination with the Daimler group within RNBV

“The agreement between Renault and Daimler provides for cooperation on electric vehicles.

**Will the experience of the Alliance contribute to the success of the cooperation agreement with Daimler?**

**J. V.** Yes. The proof is that, eleven years on, the Alliance is still here, unlike many failed mergers or acquisitions. We have found a working method that respects the independence, identity and fundamental values of each group. Our relations are based on transparency and a respect for commitments, since this is essential for establishing trust. We suggested this way of working to Daimler. If we succeed – and I have to say that we seem to be on the right path – we'll have gone 90% of the way.

**Will this mean that the Alliance loses its lead?**

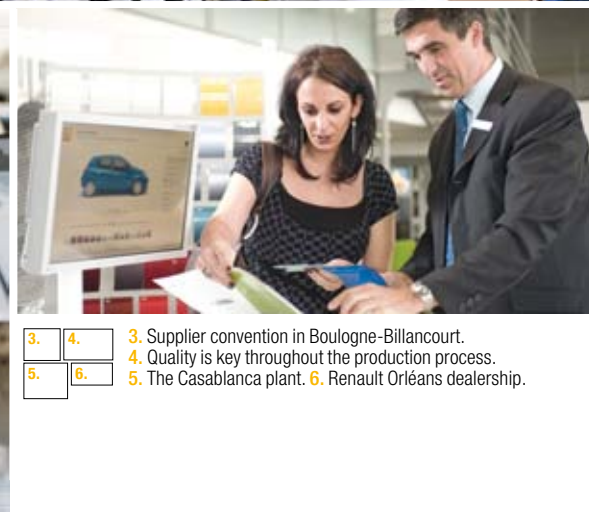
**J. V.** The electric vehicle market, as we see it, is totally dependent on subsidies at the start. At some point, these subsidies will disappear. That means minimizing costs. Cooperating with Daimler is one way to do this as it has invested more heavily in this field than many other global manufacturers. And it is also an opportunity to develop, right from the beginning, the best motor and battery technologies.



**“Innovating means producing something new (methods, objects, services) and bringing it to market.”**

**BERNARD STIEGLER, philosopher**

- 1. Renault Mégane Hatch: electromagnetic compatibility tests at Aubevoye.
- 2. Door opening and shutting tests.



- 3. Supplier convention in Boulogne-Billancourt.
- 4. Quality is key throughout the production process.
- 5. The Casablanca plant.
- 6. Renault Orléans dealership.

# OUR WATCHWORD: CONTINUOUS PROGRESS

Marketing high-quality vehicles that are increasingly economical, appealing and affordable means mobilizing all business functions. Our workforce is united behind a single aim: to pursue continuous progress and make innovation the driving force behind the Group's competitive edge.

## ENGINEERING AND R&D INNOVATION FIRST

At Renault, innovation is worthwhile only if it is useful and affordable to the greatest number. Our organization reflects this requirement.



**F**or Renault, innovating means first and foremost designing and bringing to market products and services that are affordable and that have value for customers, either because they meet a given requirement or because they improve comfort, safety, etc. Innovation does not involve taking part in a technology race simply for the sake of it. But it does mean that all business lines concerned (marketing, engineering, purchasing, etc.) in France and on international markets are mobilized and working together in close cooperation.

**Levers to increase creativity.** The momentum was created in 2009 with the roll-out of an active innovation policy. The ramp-up took place in 2010. To reinforce the innovation process, “market plans” were restructured to focus on four key objectives.

- Better identify trends and consumer requirements, particularly on subjects linked to the mobilities of the future. Our links with South Korea – a country that is particularly eager to embrace high-tech products – provide further input in the way we approach customer perceptions of innovation.
- Drive creativity by bringing together all the players involved in innovation, starting with marketing and engineering.

### TESTS : NEW RESOURCES

■ Aerothermal test bench facilities: a world first at the Powertrain Innovation Center in Lardy. The center, which opened its doors in June 2010, houses around 30 latest-generation engine test benches in a new building of 5,000 m<sup>2</sup>. These new facilities, which are dedicated to combustion engines, consolidate Lardy's position as the Renault group's benchmark powertrain test center worldwide. They also place us among the front-runners for CO<sub>2</sub> emissions. The entire cutting range of Renault engines can be tested at this center.

■ A new test center in Titu, Romania for extreme-condition testing of vehicles and powertrains. This new test center, which opened its doors in September 2010, is located half-way between the Dacia plant in Pitesti and the design offices of Renault Technologie Roumanie (RTR) in Bucharest. An integral part of Renault Technologie Roumanie, it rounds out the Group's industrial base. Facilities include 100 test benches for complete vehicles and their components (shock absorbers, drivetrains, powertrains, etc.).

■ ■ ■

- The Cooperative Laboratory for Innovation is operational, bringing together Design, Product and R&D staff in the same place.
- The Innovation Room hosts two or three exhibitions a year, along with conferences and creativity group meetings.
- The DREAM division (Research, Advanced Studies and Materials) is preparing to roll out a collaborative tool that will expand the circle of employees taking part in innovation, while promoting inter-departmental collaboration and cross-cutting input.

■ **Bring innovations** into the range more quickly through actions and managerial tools centered on innovation and by restructuring priority research areas.

■ **Develop synergies within the Alliance:** the Group is pursuing and developing high-tech partnerships with a number of players, including the French Alternative Energies and Atomic Energy Commission (CEA) and BRGM, a public entity dedicated to earth sciences. The agreement signed with the CEA in June 2010 concerns clean vehicles and sustainable mobility for all. Joint Renault/CEA project teams are grouped at several sites.

**A vision deployed over time.** To make our upstream organization system more coherent, we have adjusted the way in which the various R&D components are linked. Renault now has:

- a 20-year vision, taking account of various hypotheses relating to macro data: population and urbanization, management of natural and energy resources, etc.;
- a research plan based on a timeframe of between 10 and 20 years, tasked with developing the expertise necessary to provide a satisfactory response to the major risks identified today;
- a technology plan, which draws upon the research plan to build on the strategic objectives set out in the vision;
- range plans (vehicles and powertrains), identifying the upgrades for the next three to five years.

**An expertise network for forward planning of skills.** A highly competitive and ambitious approach to innovation demands a dynamic approach to skills management. This is why Renault set up an expertise network in 2010, identifying 49 areas of strategic expertise, 20 of which are priorities owing to their cross-functional nature (environment / CO<sub>2</sub>, energy resources and strategic commodities, aerodynamics and thermal management, logistics).

**“Innovation is at the heart of our corporate vision. And innovation for Renault means innovation that is close to the customer and affordable for everybody. We must therefore step up partnerships in order to accelerate R&D, pool costs, and increase the pace of innovation. Our ambition is to ramp up from three innovations a year today on our vehicles to ten in 2011 and 15 in 2013.”**

**ODILE DESFORGES**, Executive Vice President, Engineering and Quality

## MANUFACTURING THE VIRTUES OF AN AGILE INDUSTRIAL BASE

Following the reorganization, the Group's industrial base adjusted smoothly to the increase in demand in the automotive market in 2010. Standardization of the Renault Production Way made it possible to increase output by more than 12% on average compared with initial forecasts.

**T**o take full advantage of market opportunities, Renault's industrial base showed all its flexibility, making organizational changes in bodywork assembly and powertrain plants, introducing new shifts at Batilly, Novo mesto, Palencia and Avtoframos, and increasing output and weekend work in many plants.

Both the passenger car and LCV markets benefited from this agility. It was particularly visible in the buoyant domestic markets of the Euromed, Eurasia and Americas Regions, with increases of more than 20%. The other Regions grew by more than 10%.

**Solidarity between sites for improved expertise.** This year again, solidarity was the watchword, between the sites needing capacity and skills and others with overcapacity. In France, for example, Batilly welcomed several hundred employees from Douai and Sandouville as part of the inter-site mobility plan, which functions on a voluntary basis.

■ **Global Training Center.** This center, which depends on the production school, teaches both cascade trainers and interns, particularly in skills areas identified as critical.

■ **Global Launching Support.** For the needs of the many start-ups and new international projects (AvtoVAZ, Tangiers, etc.), Renault also seconded experts on a number of occasions to provide training in critical skills for part of the workforce at the sites concerned.



INTERVIEW WITH  
**GÉRARD LECLERCQ**

Senior Vice President,  
Manufacturing  
and Supply Chain



### From progress to performance

**You are the new head of manufacturing. What's your opinion on today's plants?**

**G. L.** Today, we use the same standards in France, Turkey and South America. This is the main strength of the Renault Production Way. In recent years, all our plants have made progress in terms of cost, deadlines and quality. We have moved from a phase of continuous progress to a phase of performance, making sure to continually compare ourselves with the best.

**You are also head of the supply chain. What are some of the major trends in the sector?**

**G. L.** The supply chain and logistics function has seen major changes. It has become a key player in efficient inventory management and the optimization of transports through synergies developed with the Alliance. It is essential in securing our supplies and supporting our suppliers.

### FLINS – THE GLOBAL TRAINING CENTER

With its long industrial tradition, the Flins site is home to the Global Training Center. Created in late 2009 to standardize and develop the Group's technical skills, the new training center welcomed more than 350 executives and technicians this year, including a majority of Moroccan staff tasked with training the teams at the new site in Tangiers starting in January 2011.

- 1.
- 2.

1. Palencia plant, Spain.  
2. Bodyshop at Avtoframos plant.

■ ■ ■  
**A new approach to building performance: *Monozukuri*.**  
 In 2010, all industrial sites continued to make progress in quality. This is reflected in our internal indicators, as well as in results for incidents, respect for deadlines and project start-ups (industrial or capacity). These were delivered on time in almost 90% of cases for more than 800 project lines monitored in 2010, through strict application of the Renault Production Way. The automotive environment is becoming more complex and more difficult, notably with the emergence of new Indian and Chinese manufacturers with very low production costs. We therefore need to make the transition from progress to performance: in other words, to measure ourselves against the best and aim for their level of competitiveness. The year 2010 also saw the launch and rapid deployment of the *Monozukuri* approach, designed to bring down the overall cost of a vehicle or powertrain subsystem by taking account of the entire value chain. It is a cross-functional approach that brings together all the functions concerned: purchasing, engineering, logistics and manufacturing. And all of them work towards a common goal: reducing total vehicle cost.

**WHAT IS MONOZUKURI?**

In Japanese, "*Monozukuri*" comes from "mono" (goods) and "*tsukuru*" (do or manufacture in the broadest sense of the term). In the modern sense, it means optimizing the entire value creation chain in order to improve quality and cut costs: from vehicle design (starting from what the customer really needs) to end-customer delivery, via the detailed design of each component, cooperation with our suppliers (and the suppliers of our suppliers),

packaging, shipment and line-side delivery of components and their assembly on the car, etc. *Monozukuri* is thus an exhaustive approach, designed to bring down overall vehicle cost while improving quality. This method, which has already been used by Nissan for some years, will be used day-to-day by Group staff worldwide.

## THE SUPPLY CHAIN DELIVERING ON TIME

The main remit of the Supply Chain Department is to make deliveries on time and to contribute to overall customer satisfaction. Today, it is present from the first phases of vehicle design and its scope of action is international.

**T**he Supply Chain Department has become a key player at the company since its creation in 2008. Its recommendations are taken into account by all the functions it works with at the Group. To boost efficiency, it has put in place standardized processes: the Renault Logistics Way is now used by all the players involved in the supply chain. By continuously adjusting site output in line with variations in demand, the Supply Chain Department considerably reduced inventory levels during the crisis. When demand picked up again in early 2010, as a result of the scrappage bonus in particular, it contributed to ramping production up again.

**Efficiency through example, across the supply chain.**

The Supply Chain Department works with Purchasing to secure supply and cut transport costs. For example, it reduced sea freight expenses by 12% in 2010. Through its links with manufacturing – and particularly production scheduling at the sites – it has successfully overseen 15 start-ups in two years (a record in Renault history), respecting all requirements in terms of time, cost and quality. By building stronger ties with Sales and Marketing, it is able to supply the network with vehicles already in inventory that meet specific customer requirements and that are available quickly. By creating quick wins (rapid improvements) and reorganizing, the Supply Chain Department has also improved its own performance indicators. It cut its own operating costs by more than 9% between 2006 and 2009, while increasing the reliability of delivery times and reducing quality incidents linked to transport.

**Flexibility on international markets, too.** Through the Alliance, the Supply Chain Department is working with Nissan to develop synergies. As part of this approach, Alliance Logistics Europe (ALE) was set up in November 2009. In 2010 the approach was further expanded with the founding of Alliance Logistics Russia (ALR), a new entity grouping inbound (supply) and outbound (distribution) logistics for Renault and Nissan and coordinating logistics for the plants in Moscow (Avtoframos, i.e. Renault), Saint Petersburg (Nissan) and inbound logistics for Togliatti (AvtoVAZ).



**THE SUPPLY CHAIN CONDUCTING OPERATIONS**

Supply Chain staff have a multifaceted role. They are responsible for:

- planning and scheduling site production while optimizing inventory in line with market demand;
- synchronizing parts flows from suppliers to plants and vehicle flows from plants to dealerships;
- providing each customer with a vehicle that meets Renault quality standards, delivered on time and at best cost.

**PERFORMANCE REDUCING PACKAGING**

Packaging bulk reduced by up to 40% on some components with no trade-off in security or quality of operation. This was achieved by carrying out joint studies with engineering right from the design phase, to improve "stackability" or to carry out some assembly operations in the plant after transport.



**-30%**  
 DECREASE IN LATE DELIVERIES

**-40%**  
 DAMAGE CAUSED BY TRANSPORT

**+€130 M**  
 SYNERGY SAVINGS IN 2010  
 THANKS TO THE ALLIANCE

1. Optimizing stock levels.
2. Ensuring efficiency throughout the supply chain.
3. Delivering on time.

# PURCHASING SUSTAINABLE RELATIONS WITH SUPPLIERS

In 2010 Renault strengthened its working relations with suppliers. The objective is to help them improve their quality performance, costs and logistics and – of course – to develop innovation.

If a part is lacking, the car stays on the production line – and nobody buys it. The strategic role played by the Purchasing Department for Renault is underlined by the fact that purchasing represents almost 60% of Group revenues and between 70% and 80% of vehicle selling costs. It also supports Group growth internationally by setting up local supply and contributes to the brand image of the company through quality and innovation.

**Sharing best practices in industrial performance with suppliers.** The objective is to enable suppliers to cut their expenses (fixed costs, purchasing, R&D, etc.) and to define “lean” specifications for the purchasing of both parts and services. The Group is thus implementing a support policy on a global scale, promoting innovation from the earliest project phases as well as quality and competitive edge, through its networks of dedicated quality experts.

A dedicated team, headed by Odile Desforges, Philippe Klein – both executive committee members – and Christian Vandenhende, has been set up to review all the innovation proposals from our suppliers. Renault signed 10 co-innovation contracts with its suppliers in 2010, and the objective is to increase this number every year.

Renault is extremely attached to its French roots, and its competitiveness hinges on that of its suppliers. The Group contributes to the consolidation of the sector by developing high value-added technology in France – for electric vehicles in particular – and providing financial support to restructuring the industry, notably through the FMEA investment fund.

**In response to changing market conditions, Renault and Nissan are adapting their supplier policy. They are preparing for the emergence of competitive, best-in-class suppliers, which will be preferred partners for the Alliance.**

**Cultivating demanding, “learning” relations with suppliers.**

This is one of the keys to success. The Group is keen to involve suppliers from an early stage. This approach delivers innovations at the best possible cost/value ratio for Renault and generates margins for both the manufacturer and parts supplier.

As part of efforts to build stronger ties with suppliers, Renault and Nissan signed a Charter of Corporate Social Responsibility in May 2010. The Charter formally sets out what Renault and Nissan expect of their suppliers across the supply chain. The objective is also to ensure that suppliers understand Renault and Nissan’s CSR policy and that they use it to reinforce their own CSR policy and management systems. In May, the Corporate Social Responsibility Division published a guide (Renault-Nissan CSR Guidelines), which was sent out to 7,500 suppliers.

**Joint pursuit of improved performance with the new Monozukuri work programs.** To this end, Renault stepped up the rollout of the *Monozukuri* approach with suppliers worldwide in 2010. Two entities have been put in place at the Purchasing Division to oversee activities:

- **Monozukuri Supplier Meetings:** 60 such meetings with suppliers were scheduled in 2010 to share ideas and best practices.
- **Supplier Task Force:** these programs bring the expertise of the Renault Production Way to supplier plants. Some 22 were organized in 2010.

**HOW RENAULT IS SUPPORTING SUPPLIERS**

- Signing and implementing a code of best practices and competitiveness, with practical support measures;
- Signing a Corporate Social Responsibility Charter with Nissan in May 2010 for Alliance suppliers;
- Founding a team of 12 experts dedicated to monitoring suppliers in difficulty,
- Making a €200 million contribution to the FMEA, a €600 million investment fund created as part of France’s support plan for the automotive industry;
- Developing close ties with suppliers on future technologies with greater value added;
- Sharing industrial expertise with some suppliers.



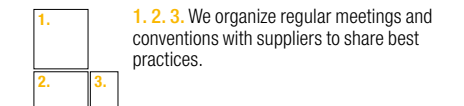
**RNPO\* IN BRIEF**

**100%**  
SHARED PURCHASES SINCE APRIL 1, 2009

**€67 BN**  
THE ESTIMATED VALUE OF SHARED PURCHASES IN 2010

**66%**  
SHARED SUPPLIERS WITHIN THE ALLIANCE

\*The Renault - Nissan purchasing organization



## QUALITY FROM MEASURED QUALITY TO RECOGNIZED QUALITY: EVERYBODY'S OBJECTIVE!

Renault's performance on quality is the result of eight years of systematic effort that has yet to be fully recognized by the general public. Hence the need for the company to maintain this momentum and to gain greater recognition for the progress achieved.

**T**he quality of our vehicles and services is on a par with the best. For example, in France, Germany and Italy, Renault has the lowest number of off-road breakdowns, just behind two Japanese brands. It ranks higher than all other European or US brands, including the German specialist carmakers (multi-manufacturer survey carried out by an independent organization).

**Renault quality on a par with the best.** Back in 2002, Renault initiated a sweeping quality program leading to breakthrough progress three years later: between 2005 and 2010 warranty incidents were cut by two-thirds. All new vehicles launched meet the highest standards in quality and reliability compared with the competition. More than 80% of our customers are "completely satisfied" with the quality of our services (sales and after-sales). These results have nothing to do with chance. They reflect a systematic approach pursued in relation with our partner Nissan. The quality approach is now present across the company. All vehicle projects appoint an expert in perceived quality right from the initial development phase. The slightest incident reported by a basic work unit (BWU) at a site is immediately processed locally. "No defects must go beyond the BWU": this principle is applied to the letter by the production teams in all Group plants. At the same time, Renault has set up a system

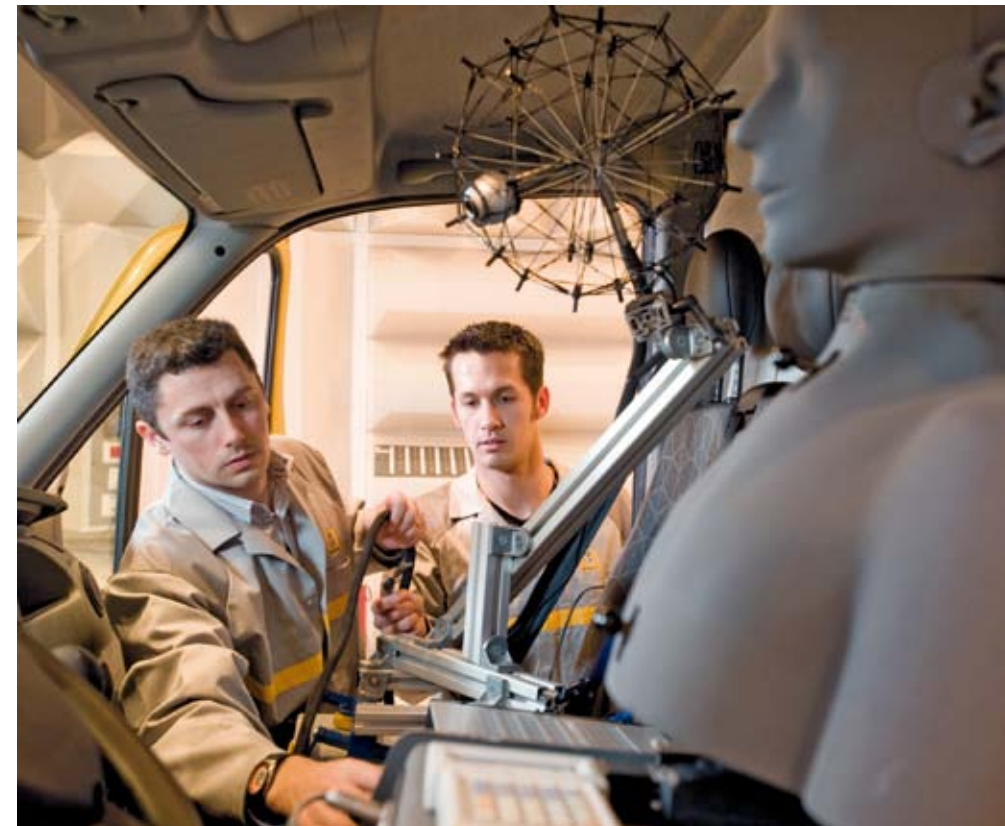
to process incidents escalated by the sales network as soon as they are identified. This virtuous quality loop explains the results obtained with international quality survey organizations such as ADAC and JD Power.

**The new Customer Satisfaction Plan.** Today, the Group is stepping up this process with its Customer Satisfaction Plan (CSP). The aim is to consolidate advances in vehicle longevity based on how the vehicle ages in terms of looks and functions, and the level of perceived quality over time. The plan is already bringing results. In Germany, for example, the resale value of Mégane after three years is higher than the average in a market dominated by specialist carmakers. The Customer Satisfaction Plan also includes new services to bring customers complete peace of mind in all circumstances. The Plan is also intended to "convince the public". It seeks to manage the Group's e-reputation and to set up communication and marketing initiatives aimed primarily at customers who may have experienced quality problems on vehicles manufactured before the quality breakthrough.

### QUALITY – CONVINCING BY EXAMPLE AT THE PALENCIA SITE

Quality cannot be decreed: it is perceived, felt and demonstrated. And it begins with the most highly technical aspects and the Quality approach implemented across the production chain. On January 3 and 4, 2010, Renault invited a number of contract-hire customers, such as ALD, ARVAL and Lease Plan, along with representatives of valuation organizations

(Eurotax, VAT, etc.) to come and see for themselves the progress made in quality between Mégane 2 and Mégane 3 at the Palencia site in Spain. The initiative was a real success. The guests were unanimous in applauding not only the progress made in quality, but also the professional standards, commitment and enthusiasm of Renault staff in this area.



### AWARDS FOR THE MAJORITY OF VEHICLES

#### ■ According to JD Power VOSS



Grand Modus: 1st in segment in France



Logan: 1st in segment in France and Germany

#### ■ According to the 2010 quality/reliability survey by Automobile Magazine



Twingo: 1st in city cars



Scénic: 1st in minivans



Laguna coupé: 2nd in coupé-cabriolets

#### ■ According to the German ADAC organization



The Méganes produced in 2009 are ranked at the same level or higher than German rivals and are systematically ahead of Japanese competitors.

#### ■ According to Marketing Insight Renault Samsung Motors has been number-one on quality in South Korea for nine years.

1. Acoustic technicians at Villiers St-Frédéric.
2. Quality approaches are implemented throughout the production process at the Palencia plant.
3. Quality cannot be decreed at the Palencia plant.

## SALES OUR PRIORITY: CUSTOMER SATISFACTION

In 2010 the Group reported record results, with sales up for all brands in all regions. In 2011 the main highlights in market activity will be continued international expansion and the launch of the electric vehicle range. Service quality and customer satisfaction, both long-term concerns, remain at the core of our distribution strategy.

**S**ervice Quality has been improving constantly since the launch of the Renault Excellence Plan in 2006, and it remained our priority in 2010. The results of internal satisfaction surveys have improved by more than eight points since 2007, underlining the Quality breakthrough achieved by our networks. Nearly nine in ten customers recommend their dealership for the purchase of a new vehicle.

**Eloquent figures and results.** Global customer recommendation rates stood at 88.7% in sales and 80.3% in after-sales at end-October 2010, an average increase of more than eight points since 2006. This illustrates the contribution of service quality to Group performance.

These excellent results are also reflected in external manufacturer surveys, which provide a basis on which to assess Renault's performance against other leading vehicle manufacturers. In terms of after-sales, Renault ranks among the top three brands in four strategic countries (France, Germany, Spain and Russia), and performance figures are improving in most other countries. In terms of sales, results are up in almost half of countries, with two countries in the top three (Spain and Russia).

**Towards recognized quality of service.** Our ambition in 2011 is to consolidate the progress made and, above all, to make sure that our quality of service is recognized by our customers and by the general public as a whole.

The initiatives set out in the new Customer Satisfaction Plan (CSP3) are aimed exclusively at obtaining directly perceptible customer benefits of high added value:

- inform the customer of our specific commitments in sales and after-sales;
- coordinate all players across the service value chain through effective process control;
- process all reasons for dissatisfaction and all complaints received by our distribution networks on a case-by-case basis.

**The Replacement Parts and Accessories business reports an increase of 4.5%.** With revenue of almost €4.3 billion (excluding warranty), this activity reported a 4.5% increase in 2010, with growth in all its regions.

The sale of Service Contracts has developed in Europe, with growth now running at 35%: one new vehicle in four is now sold with a warranty extension contract or servicing contract, delivering peace of mind for both private and business customers.

### RENAULT RETAIL GROUP: A EUROPEAN SUBSIDIARY

Renault Retail Group (RRG) is the Renault group's automobile distribution subsidiary (products and services). With a 12,300-strong workforce, the RRG business unit operates more than 220 sales and service outlets in 12 European countries: Austria, Belgium, Czech Republic, France, Germany, Italy, Luxembourg, Poland, Portugal, Spain, Switzerland, and the UK. RRG achieved revenues of nearly €7.9 billion in 2010 by selling 312,600 new vehicles and 162,000 used vehicles. Its remit is to directly distribute Alliance products and services (Renault, Nissan and Dacia). The product offer comprises new and used vehicles and spare parts and is rounded out by a range of services, including maintenance, powertrain, bodywork, quick services, short-term car hire and

brokerage. In 2010, RRG focused on rolling out Renault group brands, including Renault Pro+ centers, Renault Sport corners and Dacia-dedicated showrooms. It also concentrated on equal opportunities, with nearly one salesperson in three a woman in RRG showrooms in France in 2010. The RRG sales network has also begun preparing for the arrival of electric vehicles, a sector in which it will play a leading role in the major cities of Europe.

Find out more at: [www.renaultretailgroup@renault.com](http://www.renaultretailgroup@renault.com)



**88.7%**

OF CUSTOMERS WHO HAVE BOUGHT A RENAULT IN THE RENAULT NETWORK SAY THEY WOULD RECOMMEND DOING SO TO A FRIEND (COMPARED WITH 82.5% AT END-2007)

**80.3%**

OF CUSTOMERS HAVING HAD VEHICLE WORK DONE IN THE RENAULT NETWORK (MAINTENANCE, REPAIR, ETC.) SAY THEY WOULD RECOMMEND THE NETWORK TO A FRIEND (COMPARED WITH 71.6% AT END-2007)

1. Renault Orléans dealership.
2. New Spare Parts center in Romania.
3. Renault is pursuing its distribution strategy with professional customers by launching the Renault Pro+ brand in more than 20 countries.

■ ■ ■  
**The Motrio range, complementing genuine parts.** This range of “servicing and wear parts” is aimed at owners of vehicles more than five years old, looking for parts adapted to the age of their car and offering value for money. Like Renault genuine spares, Motrio parts carry a one-year warranty and are available across the Renault network.  
 In 2010 with its new “Motrio tyre” offering, Renault became the first manufacturer to market a range of tires specially developed by a leading European tire supplier. More than 340,000 units have been sold in the eight countries where the range is marketed. The Motrio range also includes flat-rate deals (parts and labor) on oil changes, brakes and exhaust.

**International development of P&A logistics.** The after-sales logistics activity supports the development of worldwide Group-brand vehicle sales by setting up Parts and Accessories warehouses in growing markets. Following the new warehouse opened in Romania in 2010, the thirtieth P&A distribution centre opened its doors in Shanghai, China in early 2011.

KEY INFO

**Renault stabilized its world market share at 3.7%, became the number-two brand in Western Europe (PC+LCV) and consolidated its leadership position in the LCV market in Western Europe.**

**Dacia sales grew 12% to 348,000 units on the success of Sandero and Duster.**

**Renault Samsung Motors reported a 19% sales increase, making South Korea the Group’s number-four market behind Brazil.**

## RCI BANQUE EFFICIENT SALES SUPPORT AND A PROFITABLE BUSINESS

Present in 39 countries, the RCI Banque group is the financing body for customers and dealers of the five Alliance brands: Renault, Dacia, Samsung, Nissan and Infiniti. Once again this year, it made a positive contribution to Group results.

**A**fter the recovery initiated in 2009, RCI Banque confirmed the return to growth in 2010. With the number of financing contracts up 15% to 953,000 and new financing increasing 20.8% to €10 billion, the RCI Banque group enjoyed its best year since 2005. Nearly one-third of all contracts were signed outside Western Europe. Average loans outstanding rose to €21 billion, up 3.9% year on year. RCI thus maintained its strong contribution to Group results.

**Three decisive factors contributed to this result.**

- The Group’s financing rate rose to 31.6%, up 1.6 points on 2009. This increase was achieved through a better performance by all five Alliance brands: Renault, Dacia, Renault Samsung Motors, Nissan and Infiniti.
- A strong rise in international business, with Brazil and South Korea now accounting for 16% of RCI Banque’s loans outstanding.
- A wider range of financing and services.

**Forthcoming issues.** The arrival of electric vehicles and the new forms of access to mobility that will develop around them (rental, leasing, subscriptions) are expected to pave the way for new services in which RCI Banque will be present.

**RENAULT BOX – AN EXAMPLE TO BE COPIED AND DEVELOPED!**

Introduced in Spain, Renault Box is based on a simple but innovative marketing principle in vehicle financing: the more services the customer chooses, the lower the monthly payments. Customers choose their products from a wide array of options ranging from loan insurance (death, disability, unemployment) to servicing contracts via vehicle insurance, protection against financial loss, and warranty extension. Renault Box has proved to be a huge success since its launch in

February 2010: with 14,000 contracts sold, RCI Spain achieved an overall financing rate of 46%, making it the leading captive bank among vehicle brands in Spain, ahead of Fiat, which has a financing rate of 27%. Today, 90% of our financing contracts involve this virtuous product.



THREE QUESTIONS FOR PHILIPPE BUROS  
 Vice President, sales and marketing, RCI Banque

**Back to growth in 2010**

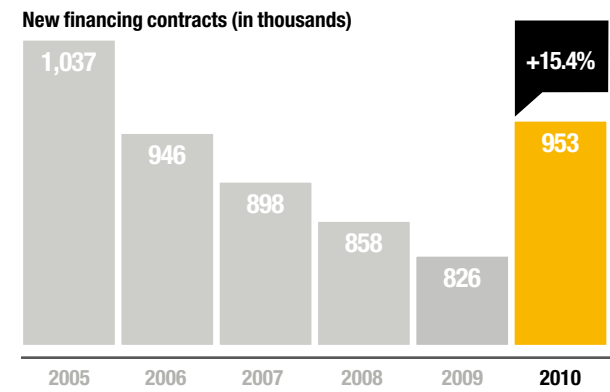
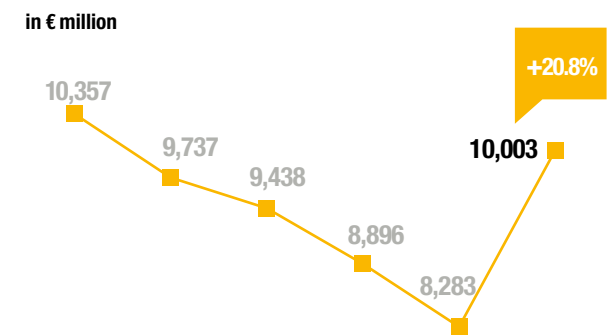
**How would you sum up 2010?**  
**P. B.** Contrary to expectations, 2010 marked a return to growth for our business. The number of financing contracts increased, as did loans outstanding, in almost all the countries where we are present. We also have another reason for satisfaction in that this trend concerns all five of the Alliance brands for which we provide financing.

Renault and Nissan through innovative financing solutions and services, the opening of a subsidiary in Ireland, and the launch of a joint venture in Turkey with our partner Oyak.

**What’s the outlook for 2011?**  
**P. B.** In France and Europe, volumes will no doubt be impacted by the end of the scrappage bonus programs. Nevertheless, the recovery of emerging markets such as Brazil, which has become a major customer for RCI Banque, will help us to offset this downturn. In any case, 2011 will be packed with new projects, including electric vehicles, since we are naturally supporting

**And looking ahead to 2012-2013?**  
**P. B.** We will place the emphasis on developing services and financing in used vehicles and in contract hire for companies in international markets. And since Russia has become a strategic market for the Alliance, we are also working on the launch of our own bank in this country. This is a major project of great complexity that will keep us busy for the duration of the Plan.

NEW FINANCING IN 2010







DRIVING THE CHANGE BY...

# ACTING TODAY FOR A BETTER TOMORROW

**Sustainable development** is a vital issue for society and a key element of the Group's strategy – one that Renault is making a **source of innovation** and value creation for everyone. Under the leadership of senior management, all the Group's business lines and entities are working to **drive sustainable mobility forward** in France and the countries where Renault has operations.



# GROUP INTERVIEW

## A QUESTION OF COMMITMENT...

Renault's commitment to corporate responsibility rests on three, mutually reinforcing pillars: social responsibility, respect for the environment, and social involvement. Here are explanations and examples from Marie-Françoise Damesin, Senior Vice President, Human Resources Group, and member of the Management Committee; Claire Martin, Vice President Corporate Social Responsibility; and Alice de Brauer, Vice President Environmental Policy.



1. 2. 3.

- 1. **MARIE-FRANÇOISE DAMESIN**  
Senior Vice President, Human Resources Group, and member of the Management Committee
- 2. **ALICE DE BRAUER**  
Vice President Environmental Policy
- 3. **CLAIRE MARTIN**  
Vice President Corporate Social Responsibility



**What does “Renault, a responsible company” mean to you? And how is it reflected in terms of organization?**

**Marie - Françoise Damesin:** Renault has a long tradition of innovation as an employer and remains unfailingly attentive to its HR policy and labor-management dialog. We have also supported initiatives on behalf of education for decades now, in France and in the countries where we are present. We work in multiple fields with a cross-company approach. Special departments have therefore been created to manage the initiatives so that they are aligned with the Group's strategies.

**Claire Martin:** Yes, that's right. The Corporate Social Responsibility Department coordinates all initiatives in France and around the world aimed at promoting equal opportunity, education, and diversity. We are the driving force behind Renault's corporate citizen commitment to sustainable mobility for everyone, and we have responsibility for it. To structure this policy, we have introduced a management system for Corporate Social Responsibility that is applied in all the Group's entities. The network of CSR officers works with the experts of the Environment and Working Conditions networks.

**Alice de Brauer:** We have long been aware of environmental challenges. We've been working on them for nearly twenty years. And as an automobile manufacturer, the issue of sustainable mobility for everyone is naturally a challenge that we are tackling. For several years now, Renault teams all over the world have been working to reduce the gas emissions of thermal vehicles over their entire life cycle, that is, from production to utilization. This is also why Renault is developing the means to put electric

**“To declare that we must help solve today's challenges is to acknowledge our social responsibility. This social responsibility goes beyond the CO<sub>2</sub> emitted by our vehicles. It is illustrated by the action that we have always taken on behalf of safety, on behalf of education, on behalf of diversity, and on behalf of the environment.”**

CARLOS GHOSN

vehicles within the reach of as many people as possible by mass-producing them and offering a complete range of cars for zero-emission driving right from the start.

**What are your priorities today?**

**Marie - Françoise Damesin:** For human resources, our priority today is obviously to develop the skills of the Group's employees. As we often repeat, their talents and their experience are our most valuable assets. And that will continue to be the case going forward. Thus, the objective is, first, to maintain our training effort to enable them to do their jobs as well as possible and second, to anticipate technological innovations that will call for new skills and new occupations in the future. This is precisely the goal of the Dynamic Skills Management program. This is a worldwide initiative that in France has led to the signing of the Forward-Looking Management of Jobs and Skills agreement with the trade unions. The idea is to plan ahead for the foreseeable developments in Renault's activities by ensuring that we have the personnel and the skills needed to match them. As a result, we maintain our workers' employability, too.

**Claire Martin:** It was also with these concerns in mind that Renault, through its Foundation, teamed up with ParisTech in 2009 to create the Sustainable Mobility Institute. The objective here is to promote research that can lead to the design of innovative mobility systems, notably based on electric vehicles, and to train high-level managers and scientists whose skills can contribute to the development of sustainable transport systems. In September 2010 we accordingly set up the first Master of Mobility and Electric Vehicles program in response to the rapidly growing requirements in this very technical field. Our overall approach is to address the needs and expectations of the people living in the areas where the Group has operations, in France and abroad. Decisions about our priorities – education, road safety, diversity, and sustainable mobility – are made at Group level. The local teams carry out the initiatives, adapting them to local conditions. The creation this year of the Instituto do Brasil, which will be the center for all of Renault's social, environmental and labor-related actions in Brazil, is an example of this approach.

**Alice de Brauer:** The priority for our environmental policy is to keep making improvements at every stage of the life cycle. One objective of the Renault Plan is to reduce the vehicle's average carbon footprint by 10% between 2010 and 2013,

**Sustainable mobility is crucial for the planet. At Renault, it has also become a model around which our environmental, labor and social policies are structured.**

and then by another 10% between 2013 and 2016. We are the first carmaker to set such a target, and the whole company is pitching in to achieve it. The construction of the Tangiers plant in Morocco is also an excellent illustration of our commitment. It will be a zero-carbon site and discharge no industrial liquids. This performance is the result of the extensive work Renault has done over many years to protect the environment. Many of the solutions chosen for Tangiers are already in use at other Renault plants. But this will be the first time they are all implemented together in a systematic way and on such a scale.



### RECOGNIZED PERFORMANCE

Sustainability rating agencies praise Renault's social and environmental performance. In 2010 Renault obtained the best scores among all the world's car manufacturers in the OEKOM 2009 survey (no questionnaire issued in 2010), in Sustainable Asset Management (the environmental section) and in the Carbon Disclosure Project.

## ENVIRONMENT GOALS... AND RESULTS

Renault is tackling the challenge of reducing the environmental impact of each stage of a vehicle's life with its own, unique policy of life-cycle management.

**R**enault is not content just to design vehicles and services that will reduce the impact of its activities on the planet's resources. Everywhere the Group works, it seeks to mitigate their effects on the local ecosystems.

**A global approach to the life cycle.** At each stage of the development and manufacturing process, our teams measure the consumption of energy and materials and the emissions of pollutants. Increasingly precise data are also available on the other phases of the life cycle such as the supply chain, vehicle utilization, and end-of-life management. Vehicles in the same segment but from different generations are also systematically compared. Launching a new project is an opportunity to introduce improvements that enable us to manufacture more ecological vehicles. And these improvements often turn into technical policies concerning the choice of materials, methods of extracting fluids, the dismantling of vehicles for recycling, pollutant emissions, consumption and CO<sub>2</sub> emissions, and the environment's effects on industrial processes.

**From eco-design to a second life for end-of-life vehicles.** The two are closely related, since eco-design also means thinking ahead about how to dismantle the vehicle. Renault engineering centers are developing in-house eco-design processes to achieve the objective of using 20% recycled plastic in new vehicles by 2015. Since 2008, Renault Environnement has also been working with SITA/Suez Environnement to improve the

systems for recycling end-of-life vehicles (ELVs) in France. In particular, Renault and SITA have developed dismantling processes to extract and recycle materials that will then go into the production of new automotive equipment. These new recycling tools and processes for ELVs are being developed and tested at dismantling sites (including two facilities in central and northern France) and at the Romorantin development center. Renault completed the approval process for its entire range in 2010. All Renault and Dacia models are at least 85% recyclable and at least 95% recoverable.

### The Renault Environment Management System (EMS): concrete action to preserve natural resources... and maintain performance.

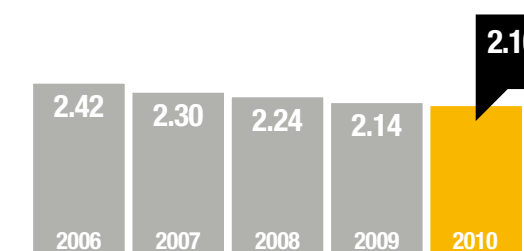
- In 2010 the transportation of containers by barge between Rouen and Le Havre removed 4,300 trucks from the roads and thus decreased CO<sub>2</sub> emissions by 190 tons.
- A like-on-like comparison of our installations shows a 20% decrease in GHG emissions between 2003 and 2010.
- Renault has halved its water consumption in ten years.
- 75% of Renault's production capacity is equipped with painting cabins for applying water-soluble paints.
- Renault completed the approval process for its entire range in 2010. All Renault and Dacia vehicles are at least 85-percent recyclable and 95-percent reusable.

#### KEY INFO

In 2010 Renault conducted the first carbon footprint assessment of its activities and those of its subsidiaries using the Greenhouse Gas Protocol method.

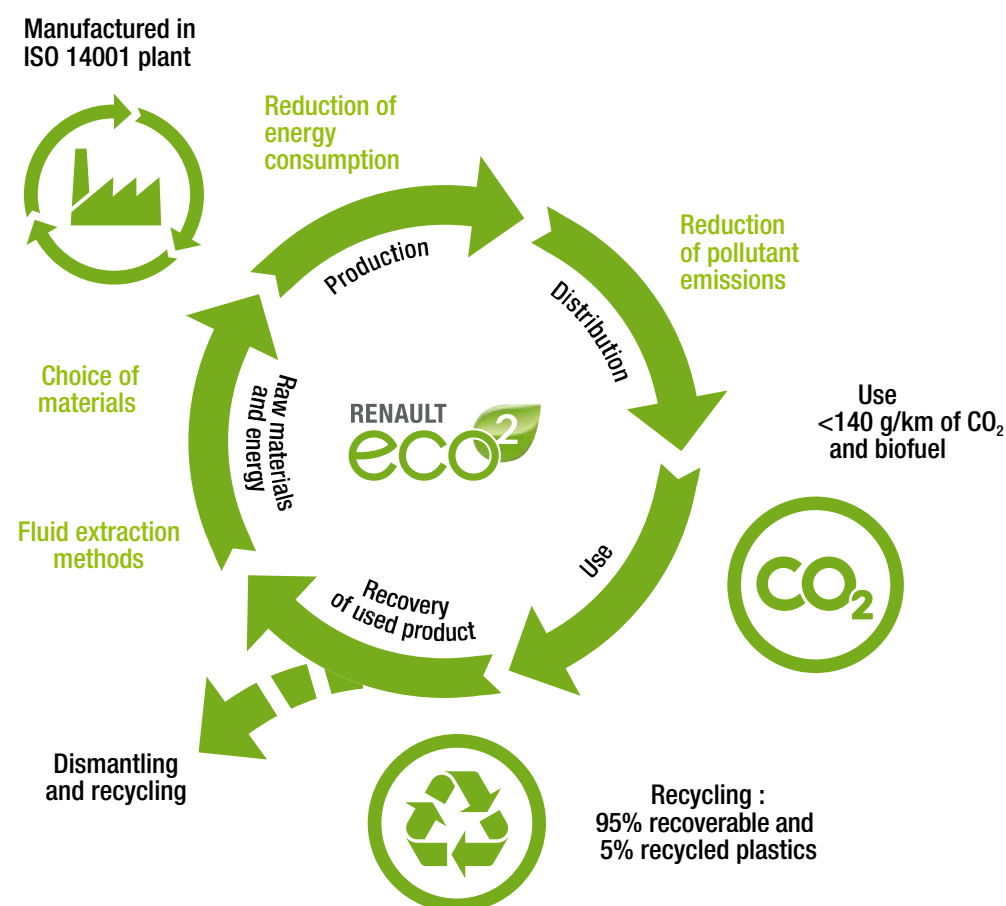
#### ENERGY CONSUMPTION

MWh per vehicle



The industrial reporting scope in 2010 includes production, logistics and engineering sites.

#### DIAGRAM – LIFE CYCLE



#### PLAN AHEAD – FOR REACH RESTRICTIONS

Protecting employees and consumers' health has been a major concern of Renault for many years. In 2008 we set up a Health Environment Plan to ensure comprehensive and coordinated management of efforts to improve the health

and well-being of employees, vehicle occupants, and the general public. Our proactive approach to limiting the use of certain chemicals in anticipation of restrictions in the REACH regulation is one aspect of this policy.

#### FRANCE – SAVING WATER IS A PRIORITY

Roughly one-quarter to one-third of the water used for production at the Maubeuge site in France is stormwater. This result was obtained through an innovative storage and recycling

system. The total is equivalent to 350 Olympic pools\* in 10 years. This best practice is now being implemented at other sites.

\* An Olympic pool: 50 m x 25 m x 2 m = 2,500 m<sup>3</sup>.

**95%**  
OF THE MASS OF A RENAULT VEHICLE IS RECOVERED



FOCUS

# TANGIERS ZERO CARBON, ZERO INDUSTRIAL LIQUID DISCHARGES

The plant that Renault is constructing at Tangiers will eventually have an annual output capacity of 400,000 vehicles. What makes it truly exceptional, however, is its unprecedented environmental performance, the outcome of cooperation between Renault, Veolia Environnement and Morocco.



The Tangiers plant will reduce its thermal energy needs by 35%.

**A**s a new plant, Tangiers provided an extraordinary opportunity for a new kind of design. It is far more difficult to transform an existing plant. To make a zero-carbon plant with zero industrial liquid discharges, a company first has to rethink processes and facilities and make use of innovative technology to significantly reduce consumption. This is how the Tangiers plant will reduce thermal energy requirements by around 35% and its water needs by 70% compared with an equivalent-capacity plant.

**The key to improved performance: a zero-CO<sub>2</sub> thermal energy production system.** The largest portion of energy for the site will be supplied by three boilers heated by biomass composed of olive pits and wood unsuitable for other uses. Electric energy will be produced using wind power or another renewable energy. In the long term, this system will reduce emissions by 98%, thus keeping 135,000 tons of CO<sub>2</sub> out of the atmosphere. The few remaining tons will be offset by the purchase of carbon credits or renewable energy production on site.

**Contributions from all activities.** Constructing a zero-carbon site requires rethinking processes and installations. All the plant's activities (heating, construction, paint, etc.) reviewed new solutions for recovering heat wherever it was emitted by the plant. This was

KEY INFO

The environmental impacts of the Tangiers site will be brought down to levels never before achieved at a body assembly plant.

particularly the case for the Painted Body Assembly Department (DICAP). In fact, the painting process alone accounts for more than half the plant's total consumption. The paint "baking" step has thus been completely redesigned (see inset) and the paint cabins set up in a new way. As a result, 35% less thermal energy will be consumed in the painting process.

**Water consumption cut by two-thirds.** Seventy percent less water will be consumed, the equivalent of 175 Olympic-size swimming pools. And no industrial wastewater will be discharged into the natural environment. Several treatment phases, using cutting-edge technology from Veolia Environnement, are used to transform industrial discharge into purified (or demineralized) water. This water, complying with the quality standards for processes, will be fully recycled and used in vehicle production.

**THE NEW PAINTING PROCESS: A FIRST IN THE AUTOMOTIVE INDUSTRY AND A 35% DECREASE IN THERMAL ENERGY CONSUMPTION**

Instead of gas burners, the heat to bake the paint at a temperature of about 150°C will come from superheated water produced by biomass-fueled boilers. Thus, no greenhouse gases will be given off. The paint cabins will be connected to "thermal wheels" to recover the heat from the extracted air to preheat the fresh air. Meanwhile, heat from the combustion of

pollutants in the gas incinerator in the paint workshop will be recovered to supply heat for the hot water network and to preheat the paint vats. All the proposed modifications will reduce the thermal energy consumption of the painting process by 35%.

# SUSTAINABLE MOBILITY RESEARCH AND QUALIFICATIONS

With the electric vehicle comes a major technological breakthrough. And a technological breakthrough inevitably means the development of the technical, economic and sociological knowledge to go along with it.

In 2009, Renault, the Renault Foundation and ParisTech joined forces to create the Sustainable Mobility Institute. Its objective is to undertake research programs with other companies and French and foreign universities. The institute remains open to other partnerships.

**The Sustainable Mobility Institute: knowledge for the future.**

Research programs are organized into four areas, involving eight schools and ten ParisTech research laboratories:

- the electric mobility system, to understand the interactions between the large-scale use of electric vehicles and the regions as well as the infrastructure required;
- the business model, to define the models that will ensure massive and sustainable development of the electric vehicle industry;
- a worldwide vision, to study from an international perspective the conditions for switching from the current automotive transportation system to electric vehicles;
- battery technologies, to achieve further advances in these technologies, where rapid progress is already being made.

**The first Master of Mobility and Electric Vehicles.** In 2010 the Renault Foundation and ParisTech teamed up to create the first Master of Mobility and Electric Vehicles program.

It is being offered at four ParisTech engineering schools (Arts et Métiers, ENSTA, Mines, and Ecole des Ponts). The 16-month degree program is a response to a growing need in the field of high technology. The curriculum includes basic courses on the general principles and functionalities of electric vehicles plus two electives ("Electrical Systems: Supplying Energy to Electric Vehicles" and "Architecture and Design of Electric Vehicles: The Impact of the Transition on Traditional Automotive Activities"). The first group enrolled in the program consists of 26 students, including 13 with grants from the Renault Foundation.



**SECOND SEMINAR OF THE SUSTAINABLE MOBILITY INSTITUTE**

The Sustainable Mobility Institute held its second seminar on October 27, 2010. The 65 researchers from Renault and the ParisTech schools involved in the Institute's program discussed progress in various research areas. Particular attention was given to the work on electric energy and batteries, which is the starting point of

cooperation among those working on the development of this technology, i.e. Renault, the French Atomic Energy Commission (CEA), ParisTech and the Réseau Français de Batteries, whose president, Professor Jean-Marie Tarascon, attended the seminar.



- 1.
- 2.

1. The first Master of Mobility and Electric Vehicles.  
2. Electric vehicles lead to a major technological breakthrough.



## CORE HR STRATEGY UPSKILLING

Now that Renault is a global, multicultural group, its Human Resources Department is working to ensure that uniform, coherent and Group-wide human resource management policies are applied in Renault's operations in all countries.

**T**oday Renault is a global, multicultural group. The Human Resources Department is working to implement uniform, coherent human resource management policies throughout the entire Group, in all countries in which it has operations. And because the automotive industry is evolving, it is also taking steps to see that the skills of its employees around the world are evolving as well. The Group is pursuing its training programs for all employees, regardless of their age, rank or position. The economic performance of the Group depends on the skills of its employees, and this will be increasingly true in the future.

**Occupational training: a key tool in Dynamic Skills Management.** Occupational training enables employees to continue working at their top level in their jobs and acquire new skills to bolster their employability.

- To keep ahead of accelerating technological innovation and remain a leader in its industry, Renault is instituting a system of Dynamic Skills Management worldwide. The aim is to look ahead and develop the resources in people and skills that Renault will need to keep pace with the foreseeable trends in its activities. In France, a Forward-Looking Management of Jobs and Skills agreement concerning this system was signed with the trade unions in January 2011.

- Prior to introducing Dynamic Skills Management, the Human Resources Department conducted studies in 2010 to have a clearer picture of career paths in Renault's main business lines. The results of these studies were posted in September on the Group's intranet ("Career Paths at Renault"). This enables all employees to learn about the system that Renault plans to implement so that everyone can construct a successful career. The system will be extended in 2011 to all business lines and Renault sites worldwide.



**"Improving the Group's performance means discovering and developing the talents that are essential to its performance."**

**Strategic skills, a differentiating factor.** The automotive industry operates against a backdrop of global competition and relies on a range of specific skills and expertise. These skills and expertise are evolving along with technology, innovation, the social and economic environment, regulations and markets. Their development is therefore crucial to Renault's international expansion and a factor that sets it apart from its competitors. The Strategic Skills and Expertise Program (CES) thus provides a means of anticipating developments in the business lines and their future impact on the skills that will be required.

- In 2010 the program's steering committee reviewed the results of action plans set up for the skills that were judged critical in 2009 and designated new critical skills for 2011, which were in the areas of electrical technologies, system reliability, and the marketing of electric vehicles in the network.

**Renault Management Way in all countries.** Recognizing that employee motivation is a key factor in the Group's performance, Renault introduced Renault Management Way in 2009. This is a set of guidelines that increase managers' ability to foster teamwork, set clear and achievable objectives, and ensure that the means are available to attain them. Deployment continued in 2010, as did that of Renault Way, the common code of conduct for everyone in the Group.

- Between 2009 and 2010 a total of 2,500 managers received training: the Renault Management Workshop Program will continue in 2011, with some 9,000 middle managers taking part.

- In September 2010 a management survey of all Group employees was conducted to help implement concrete improvement actions. The results were communicated in early 2011, and action plans are being carried out in all departments to promote the use of best practices and address issues on which progress is needed.



1. Electronic integration validation. 2. Producing Kangoo Z.E. 3. Assembly training at Flins.

### Personal life/professional life: achieving a better balance.

Renault has a variety of initiatives for this purpose. They include:

- a Parental Charter, which was signed in France on February 15. The Group has also concluded a new partnership agreement for the creation of two new day-care centers located less than 5 km from the Technocentre.
- the agreement on homeworking signed in 2007 has been modified. It allows employees whose job permits it to work at home from two to four days a week if they wish. At mid-2010, 515 people were taking advantage of this possibility:
  - 50% men / 50% women
  - 48% managers / 52% support staff and technicians
  - 73%: 2 days at home / 21%: 3 days at home / 6%: 4 days at home

### KEY INFO

**Altogether, the Group added more than 1,200 employees to its workforce (o/w 30% in France) in 2010.**

### CRISIS-PERIOD LABOR DEAL RENEWED IN 2010

The agreement signed with all French trade unions (CFDT, CFE-CGC, CFTC, CGT, FO) on December 17, 2009, was renewed for 2010.



## PROMOTING DIVERSITY

The Group is convinced that diversity boosts performance by motivating all employees and encouraging their commitment. It is therefore acquiring the means to benefit from the cultural wealth and diversity of experience of all its employees in the many markets in which it operates.

**R**enault has joined other companies in France in signing a charter in support of equal opportunity in education and another promoting diversity in companies. It also gives its backing to numerous initiatives in France and abroad on behalf of non-discrimination and diversity. And most important, this represents a long-term commitment. Key events in 2010 included:

**Young people: emphasis on training and entering the workforce.** Renault's Youth Policy has three objectives: to attract, train, and inform students about our businesses; to strengthen ties with the educational system; and to do more to promote equal opportunity.

Outcomes of this policy in 2010 notably included:

- the agreement between Renault and the Employment Ministry in France aimed at bringing young people with limited skills into the workforce was renewed for the fifth time. The program consists of a three- to four-month training course at an industrial site. This is followed by a work-study contract for 12 to 24 months, and then help finding a job. At the end, the young people receive an official occupational diploma. More than 3,300 young people (29% of them women in 2009) have participated in this training program. A total of 90% have received a diploma and 70% have found a stable job within the following year.

- the *Espoir banlieues* plan: Between 2008 and 2010, the Group agreed to hire 420 young people and take on 720 for training and another 450 in a work-study program. These young people all come from disadvantaged neighborhoods. In 2010, 583 young men and women came to Renault in this "Hope in the Suburbs Plan".

- *École de la deuxième chance (E2C)*, the "School for a Second Chance," is another workforce integration initiative. It consists of an educational and training program for young people between the ages of 18 and 25 who have left school without obtaining a diploma or a job skill. In the partnership between Renault and the E2C 78, a link has been created with the integration program at the Flins plant. Nearly 70% of the participants go on to do occupational training or get a job after finishing this program.

**"Automobile manufacturers that want to survive in the 21st century will have to include diversity in the way they work and set a clear objective of hiring more women."**

CARLOS GHOSN

**Employment of women: a core priority.** Women accounted for 17.3% of the Group's workforce in 2010. In the Asia-Africa Region, their share rose by 3%.

- **Women@Renault gathers momentum.** This initiative was begun in early 2010 with the aim of adding more women to the Renault workforce and helping to improve the company's overall performance. It has two components:

- Changes in HR processes: two high-priority issues are equal pay for men and women and the objective of hiring 30% women for technical positions and 50% for commercial positions.

- The network of women in the company: 1,000 women communicate informally with each other in a 2.0 network set up in June 2010. They benefit from special training, notably in leadership, and constitute a community-based network essential to the smooth integration of more women in the workforce and in the Group's management.

- **Two new local Women@Renault networks are created:**

- Set up on September 23, 2010 the Women@Renault Romania network has about 80 members from all the Group's entities and business lines in Romania. Indicators show that there is truly a mixed workforce at Renault Romania, where 32% of employees are women.

- October 30 it was the Brazilians' turn to launch their Women@Renault Brasil network. This initiative should start things moving in this country, where women still make up only 9% of the workforce at Renault Brazil.

**Seniors: valuable experience and know-how.** The agreement in support of seniors that Renault signed in December 2009 is in keeping with the Group's employee policy. One of its key aims is to help seniors feel they have a place in the company and to smooth the transition from work to retirement.

- Career assessment: all employees 45 years old or over may, if they choose, do an assessment of their career to date and the prospects for the future. In 2010, all local HR managers were trained to conduct this type of interview.

- Targeted training: the Group facilitates access to training for seniors and creates programs that will involve them in fulfilling activities outside the company.

- Tutoring: seniors are repositories of valuable experience, so they are encouraged to work with and mentor younger employees and pass along their knowledge and skills.

**Promoting the employment of disabled workers.** Renault continued a policy begun 15 years ago of hiring disabled persons and helping them to keep their jobs and giving them support in their work. At the end of 2010, more than 8% of Renault's employees in France were disabled workers, a larger share than the legally required 6%.



1. Workforce integration and training system for young people. 2. Promoting diversity. 3. Batilly: mastics workshop, sub-body tool trolley for people with reduced mobility, operated by pedal or joystick.



### RENAULT IN FRANCE IN 2010

- 105 out of 217 hires were young people (beginners).
- More than 2,130 trainees and nearly 1,030 young people on work-study contracts taken on this year.
- Young people with work-study contracts at Renault: 90% have obtained their diploma; 70% found a stable job the year after obtaining their diploma.

#### KEY INFO

Renault is committed to doubling the number of apprenticeships and work-study contracts by 2013.

## COMMITMENT TO CORPORATE CITIZENSHIP

As a full-line carmaker, Renault's main challenge lies in making sustainable mobility accessible to the greatest number while pursuing its commitment to road safety and education and responding to the needs of the citizens in the countries in which it operates. As an international group, Renault wants to be a major and lasting player in the countries where it operates, making sure it responds to the needs of its citizens.



**M**aking sustainable mobility accessible to all in a safe environment is a major thrust of the Group's corporate responsibility approach. True to its 50-year policy to reduce road accidents, Renault relies on awareness-building and the communication of best practices to fight effectively against dangers on the road.

### ROAD SAFETY: A PUBLIC HEALTH ISSUE AROUND THE GLOBE

This is a matter of concern on every continent. To promote a policy of responsible mobility, Renault has engaged with governments and civil society across the world.

**The international "Safety For All" program: because the right reflexes are learned from the earliest age.** Currently under way in some fifteen countries, this is the largest road safety awareness program ever carried out by an automobile manufacturer anywhere in the world. Begun in 2000 this educational program is aimed at children, teenagers and young drivers. It has already heightened the safety awareness of more than 12 million young people through the distribution of 580,000 learning tools. For example, "Kids on the Road," a program for primary school children, has been adopted and used in France, Morocco, Bulgaria, Poland, South Korea, Portugal, Greece, and Switzerland.

**Supply vehicles to firefighters to enable them to deal more efficiently with emergencies.** Renault is also providing educational materials to help firefighters rapidly identify a vehicle, its safety equipment, and its cutting and support points. In 2010 the CSR Department published an Electric Vehicles Guide to introduce firefighters to the features of these new types of vehicles: for example, the location of batteries and high-voltage cables and the risks posed by the batteries in the event of a crash.

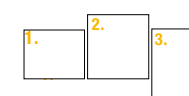
**"Car + Safety": award-winning training.** In partnership with a French driving school chain, ECF, and Overlease, Renault has created a one-day training course in safe and responsible driving for fleet customers. "Car + Safety" makes drivers aware of their own limits and of the benefits of driving with respect for others. It also shows them how to use the safety systems on Renault vehicles. The CAR+ initiative won the Best Service Award for 2010.

**The Global Road Safety Partnership and the Global Road Safety Initiative** are gaining ground. Independently of the safe driving initiatives carried out locally under its own name through its decentralized engineering units and sales subsidiaries around the world, Renault supports and helps fund the Global Road Safety Partnership (GRSP). Governmental agencies, the private sector and civil society are working together in this program to aid certain emerging countries or ones in transition to develop their own road safety capabilities. There are partnerships and projects in over 20 countries. Renault also participates in the Global Road Safety Initiative (GRSI), an international road safety program launched in 2005 and financed by seven of the world's largest automotive and oil companies. Under a commitment made in 2009 Renault is taking part in the second phase (2010-2014) of this program in Brazil, China and the ASEAN countries. Development of GRSI projects for the African continent began in 2010.

### SUSTAINABLE MOBILITY: MAKING ACCESS EASIER FOR ALL

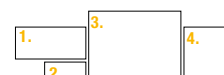
**Providing easier mobility access for the socially excluded.** Renault supports the Ecomobilité 57 association, which operates a transport service for people without driving licenses and a low-priced car-hire service for people with low incomes. This support helps this population reintegrate the job market and society. The initiative is a real-life, innovative example of Renault's ambition to encourage sustainable mobility for all.

**Solidarity in natural catastrophes:** mobility to get through the crisis. Renault donated three ambulances and seven mini-buses in early September to two Haitian Red Cross organizations, a professional and sports training center and an orphanage. With mobility vital to reconstruction, the objectives of Renault and its partner organizations are to enable NGOs to take action in the event of disaster, to access displaced populations as quickly as possible and to help inhabitants get to healthcare infrastructure.



1. Safety for All 2010. 2 and 3. The "Safety for All" program has already raised the awareness of 12 million young people of best practices on the road.





1. Valued Citizens program: 423,000 school children concerned thus far. 2. The 2010 Women for Education prize was awarded to 10 young women in Haiti. 3. World Environment day in South Korea. 4. The Instituto Renault do Brasil groups all the societal actions in the country.



## EDUCATION: A LONG-TERM COMMITMENT

Initiatives to support education in the Renault group come in two complementary forms: cooperation with the educational system and educational sponsorship.

**Renault Foundation: continuing its work.** Created in 2001, the Renault Foundation supports talented young people, encourages interaction between cultures, and develops exchanges between France, Europe and the countries around the world where Renault has operations. A long-term partner of the educational system, the Renault Foundation is opening more and more programs with universities. In this way, it is helping to train international managers and improving their prospects of career advancement in international companies and organizations.

### ■ A raft of diplomas

- On June 29, 2010, 21 students received the Dauphine Sorbonne Fondation Renault MBA degree in International Management.
- On October 6, 2010 the *Prix de la Chaire Renault Polytechnique HEC* for Multicultural Management and Company Performance was awarded to two trios of students for their outstanding work on the possible uses of electric vehicles in Chennai, India, and on sourcing a raw material for an automotive part developed by the Renault-Nissan Alliance.
- On November 24, 2010, 20 students obtained their ParisTech Fondation Renault Master of Transport and Sustainable Development.

### ■ New university partnerships

- In Romania, with the Gheorghe Asachi de Iasi Technical University and the Cluj-Napoca Technical University.
- In Turkey, with Galatasaray University, Bogaziçi University in Istanbul and METU University in Ankara.

### **Course en cours: fourth edition and more participants.**

A prize for middle and high schools approved by the French Ministry of Education, *Course en cours* is a complete educational program connecting three worlds that are usually separate: middle and high school education, university education and the business world. There are three objectives: to inform students about engineering professions; to encourage equal opportunity, with special attention given to students from underprivileged social and cultural backgrounds; and to arouse the interest of students and encourage them to pursue scientific and technical studies. The challenge they are given is to design and build in 3D a model Formula 1 car powered by an electric motor.

On May 26 Renault hosted the final of the fourth edition of *Course en cours* at the Technocentre in Guyancourt, France. This show-down was the culmination of the nationwide competition in which more than 7,500 students at 350 middle and high schools participated with the supervision and assistance of 1,500 teachers and 600 university-level students.

**The Women for Education Award** was given to ten young Haitian women. The ELLE Foundation and the Renault-Nissan Alliance set up the Women for Education Award in 2007 to support education and training for women in developing countries.

Following earlier winners from Afghanistan, India, Ethiopia and Mexico, the two sponsors decided to give the award to women from Haiti, which was struck by an earthquake in 2010. Selected in collaboration with the French Embassy in Haiti, the ten winners each receive a "living grant" funded by the Alliance so that they can continue their education and carry out their projects, which will contribute to the country's reconstruction.

**Programs in the Valued Citizens Initiative.** In South Africa, Renault is the founding partner of the Valued Citizens Initiative NGO and its Values in Schools program, which has been approved by South Africa's national education system since 2001. Conducted in multiracial, multiethnic and multilingual public schools, the Valued Citizens Initiative programs are intended to foster responsible citizenship, openness to the world, and the confidence and self-esteem of students. To date, nearly 1,575 primary schools and high schools in urban and rural areas in the provinces of Gauteng, Free State, Kwazulu Natal and Limpopo – a total of 423,000 students and 3,500 teachers – have benefited from the programs. In 2010 Renault contributed to the launch of a new program in Gauteng Province called Inspire, the main aim of which is to help young girls to be successful.

### **OCTOBER 29, 2010: CREATION OF THE INSTITUTO DO BRASIL**

Present in Brazil since 1998, Renault has set up the Instituto do Brasil to serve as the central office for all its social and environmental initiatives in the country. These initiatives will

initially target the communities where Renault has operations – Sao José dos Pinhais, Sao Paulo and Jundiá – and later on to other regions.

### **SPONSORSHIP – HOW IT WORKS**

Simplified procedures for applying and a democratic selection process. Regularly asked to provide funding or in-kind support for public interest projects, humanitarian assistance, and corporate citizenship initiatives, Renault has set up a standardized procedure for selecting requests based on common criteria, the first one being whether they relate to the priorities of the Group's CSR policy, i.e., education, road safety, diversity and sustainable mobility.

- All requests are taken through the website [www.renault.com](http://www.renault.com). External organizations and Renault employees involved in groups that would like assistance can submit applications at this "front office".

- Those requesting support are asked to provide information about their organization, their specific objectives, and the indicators that will be measured. They must also explain how the activity relates to Renault's CSR policy.

- Short-listed projects are presented to a Selection Committee whose members come from multiple business lines and regions. This Committee met twice in 2010 and chose six projects, such as supplying vehicles to firefighters.



# 2010 COMMERCIAL AND FINANCIAL RESULTS

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“The financial results confirm that Renault’s performance exceeded expectations in 2010. In contrasted markets, Renault showed its ability to seize growth opportunities while strengthening its balance sheet structure. These results provide a robust base for the launch of our new strategic plan.”

Carlos Ghosn, Chairman and Chief Executive Officer of Renault.



# RENAULT GROUP WORLD SALES

**W**ith worldwide sales up 12% to 70 million vehicles, the automotive industry returned to growth in 2010. The trend was contrasted between strong growth in emerging markets and a 4% decline in sales in Europe. Against this backdrop, the Group successfully seized growth opportunities, posted its best sales performance, achieved record sales of 2.6 million vehicles (up 13.7%) and increased its market share in numerous countries. 2010 was also marked by a significant improvement in the Group's financial situation, with results exceeding objectives. Operating free cash flow for the Automotive division came to €1.7 billion, while operating margin returned to positive territory at 2.8% of revenues, up €1.5 billion on 2009. Lastly, debt was reduced considerably from €5.9 billion in 2009 to €1.43 billion in 2010. These results enable Renault to launch its new medium-term strategic plan on robust bases.

## SALES PERFORMANCE

The Renault group set a new sales record, with 2,625,800 vehicles sold in 2010.

All the brands (Renault, Dacia, Renault Samsung Motors) increased sales volumes: Renault brand sales rose 13.6%, while Dacia sales increased 11.8% and Renault Samsung Motors sales grew 18.6%.

All the Regions (Europe, Euromed, Eurasia, Americas, Asia-Africa) also increased sales volumes.

Renault confirmed its number-one ranking in the European light commercial vehicle market for the 13th consecutive year, with a 15.9% share of the market.

In a world market that rose 11.7%, the PC+LCV sales of the Renault group increased 13.7%, for a 3.7% share of the market.

In 2010 Renault relied on a complete range of products adapted to the Group's different markets. The Mégane consolidated its very good performance, with a number-two ranking in the C segment in Europe.

Renault Master sales rose 26.1% on the strength of New Master, reinforcing the Renault brand's leadership in the European light commercial vehicle market.

The Dacia brand benefitted from the strong success of Duster, launched in April, which sold in 67,000 units.

The Group grew market share in 14 of its 15 major markets in 2010.

## THE RENAULT GROUP'S TOP 15 MARKETS

	2010 volumes* (units)	Market share (PC+LCV) (%)	Change in M/S on 2009
1 France	744,735	27.9	+1.7
2 Germany	171,411	5.5	-0.5
3 Brazil	160,297	4.8	+0.9
4 South Korea	155,697	10.1	+0.8
5 Italy	140,678	6.6	+1.2
6 Spain + Canary Islands	124,813	11.4	+0.5
7 Turkey	114,111	14.9	+0.2
8 United Kingdom	113,393	5.0	+1.7
9 Russia	96,466	5.1	+0.1
10 Belgium + Luxembourg	84,876	12.9	+1.8
11 Argentina	82,385	13.0	+0.6
12 Algeria	63,369	28.1	+4.7
13 Iran	46,587	3.1	+0.4
14 Romania	45,820	39.6	+4.0
15 Netherlands	45,759	8.6	+1.0

\* Preliminary figures.

## GROUP SALES WORLDWIDE - PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (IN UNITS)

PC+LCV	2010*	2009	Change (%)
<b>Group</b>	<b>2,625,796</b>	<b>2,309,749</b>	<b>13.7</b>
<b>By brand</b>			
Renault	2,115,600	1,861,856	13.6
Dacia	348,279	311,426	11.8
Renault Samsung Motors	161,917	136,467	18.6
<b>By vehicle type</b>			
Passenger cars	2,293,768	2,032,595	12.8
Light commercial vehicles	332,028	277,154	19.8
<b>By Region</b>			
Europe	1,642,065	1,530,114	7.3
– o/w France	744,735	702,060	6.1
Americas	317,028	227,963	39.1
Asia-Africa	287,421	230,760	24.6
Euromed	272,748	240,484	13.4
Eurasia	106,534	80,428	32.5
<b>Outside Europe</b>	<b>983,731</b>	<b>779,635</b>	<b>26.2</b>

\* Preliminary figures.

## TOTAL INDUSTRY VOLUME – REGISTRATIONS (IN UNITS)

MAIN RENAULT GROUP MARKETS	2010*	2009	Change (%)
<b>Europe Region</b>	<b>15,331,078</b>	<b>15,920,654</b>	<b>-3.7</b>
– o/w:			
France	2,669,282	2,676,401	-0.3
Germany	3,118,697	3,981,805	-21.7
Italy	2,137,345	2,337,193	-8.6
United Kingdom	2,262,384	2,189,726	+3.3
Spain + Canary Islands	1,098,656	1,060,263	+3.6
Belgium + Luxembourg	656,401	580,877	+13.0
Poland	375,902	363,970	+3.3
<b>Americas Region**</b>	<b>5,926,878</b>	<b>5,144,825</b>	<b>+15.2</b>
– o/w:			
Mexico	818,937	752,561	+8.8
Colombia	238,877	172,676	+38.3
Brazil	3,329,471	3,007,593	+10.7
Argentina	634,268	493,794	+28.4
<b>Asia-Africa Region</b>	<b>32,598,607</b>	<b>27,180,415</b>	<b>+19.9</b>
– o/w:			
South Africa	406,243	337,558	+20.3
South Korea	1,542,979	1,439,546	+7.2
<b>Euromed Region</b>	<b>1,290,710</b>	<b>1,129,320</b>	<b>+14.3</b>
– o/w:			
Romania	115,825	145,592	-20.4
Turkey	765,044	557,125	+37.3
Algeria	225,432	239,733	-6.0
Morocco	103,436	109,969	-5.9
<b>Eurasia Region</b>	<b>2,213,445</b>	<b>1,803,943</b>	<b>+22.7</b>
– o/w:			
Russia	1,906,119	1,465,922	+30.0
Ukraine	175,375	174,832	+0.3
<b>World (including North America)</b>	<b>70,476,213</b>	<b>63,078,460</b>	<b>+11.7</b>

\* Preliminary figures.

\*\* Excluding North America.

# COMMENTS ON THE FINANCIAL RESULTS

## CONSOLIDATED INCOME STATEMENT

Group revenues totaled €38,971 million, up 15.6%<sup>(1)</sup> on 2009. Excluding the exchange rate effect, revenues increased by 12.4%.

### OPERATING SEGMENT CONTRIBUTION TO GROUP REVENUES (€ million)

	2010					2009 published				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Automotive division	8,642	10,136	8,268	10,126	37,172	6,634	8,467	7,664	9,186	31,951
Sales Financing	430	460	443	466	1,799	446	444	438	433	1,761
<b>Total</b>	<b>9,072</b>	<b>10,596</b>	<b>8,711</b>	<b>10,592</b>	<b>38,971</b>	<b>7,080</b>	<b>8,911</b>	<b>8,102</b>	<b>9,619</b>	<b>33,712</b>

	2010/2009 published change				
	Q1	Q2	Q3	Q4	Year
Automotive division	30.3%	19.7%	7.9%	10.2%	16.3%
Sales Financing	-3.6%	3.6%	1.1%	7.6%	2.2%
<b>Total</b>	<b>28.1%</b>	<b>18.9%</b>	<b>7.5%</b>	<b>10.1%</b>	<b>15.6%</b>

## KEY FIGURES

	2010	2009	Change	
Worldwide Group sales	(million units)	2.63	2.31	+13.7%
Group revenues	(€ million)	38,971	33,712	+15.6%
Operating margin	(€ million)	1,099	-396	+1,495
	(% of revenues)	+2.8	-1.2	+4.0 pts
Capital gain on disposal of B shares in Volvo AB	(€ million)	2,000	-	+2,000
Contribution from associated companies	(€ million)	1,289	-1,561	+2,850
– o/w Nissan		1,084	-902	+1,986
– o/w AB Volvo		214	-301	+515
– o/w AvtoVAZ		-21	-370	+349
Net income	(€ million)	3,490	-3,068	+6,558
Net income, Group share	(€ million)	3,420	-3,125	+6,545
Net income per share	(euro)	12.70	-12.13	+24.83
Automotive operational free cash flow (1)	(€ million)	1,670	2,007	- 337
Automotive net financial debt	(€ million)	1,435	5,921	-4,486
Debt-to-equity ratio	(%)	6.3	35.9	+29.6pts
Sales Financing average loans outstanding	(€ billion)	21.0	20.2	+3.9%

(1) Up 15.5% on 2009 revenues of €33,733 million on a consistent basis.

(2) Operational free cash flow: self-financing capacity (excluding dividends received from associated companies) less tangible and intangible investments net of disposals +/- variation in the working capital requirement. Dividends received from associated companies come to €88 million.

In 2010 Automotive's revenue contribution was €37,172 million, up 16.3% on 2009. This progression can be attributed to the Group's strong sales momentum, reflected in market share gains and a positive volume effect. Sales volumes accounted for 7.8 points of the increase in revenues, the mix/price for 2.3 points, currencies for 3.4 points and other Group activities (sales of components and vehicles to partners) for 2.8 points.

Excluding other activities and by Region:

■ **Europe accounted for 2.8 points of the increase in revenues.** Despite the gradual dismantling of government-subsidized scrappage incentives introduced by some countries during the crisis, over the year as a whole, the market slowed less sharply than initially forecasted. The product mix, which had been negatively impacted by scrappage schemes in the previous year, improved and was boosted by the renewal of the Mégane range;

■ **International operations<sup>(3)</sup> made the biggest contribution,** accounting for 10.7 points of the increase on a positive volume effect in all Regions, accentuated by favorable currency effects, especially on the Korean won and the Brazilian real.

Group operating margin in 2010 was €1,099 million, or 2.8% of revenues, compared with a negative €396 million (negative 1.2% of revenues) in 2009.

### OPERATING SEGMENT CONTRIBUTION TO GROUP OPERATING MARGIN (€ million)

	2010	2009	Change
Automotive division	396	-902	+1,298
– % of division revenues	1.1	-2.8	+3.9 pts
Sales Financing	703	506	+197
<b>Total</b>	<b>1,099</b>	<b>-396</b>	<b>+1,495</b>
– % of Group revenues	2.8	-1.2	+4.0 pts

Lifted by strong commercial momentum and measures introduced during the crisis, the Automotive division operating margin increased sharply by €1,298 million to €396 million (1.1% of revenues) due to:

■ **a strong commercial performance** by the Renault Group's three brands that contributed to a €698 million increase;

■ **a positive €288 million exchange rate effect** owing chiefly to the euro's slide against the ruble, Brazilian real, Korean won and other European currencies;

■ **a negative overall mix/price impact** of €143 million;

■ **a €148 million increase in raw materials costs** over the year as a whole;

■ **the ongoing cost-cutting policy,** which led to a €579 million reduction in purchasing.

Sales Financing contributed a record €703 million to operating margin, demonstrating both the robustness of the business model and the Renault Group's ability to create value by offering a full range of products and services. Sales Financing posted a record increase in profitability, driven by sales growth, the continued expansion of services and the success of risk management plans introduced during the crisis. Accordingly, the cost of risk (including country risk) fell sharply, to 0.40% of average outstanding loans (down 0.59 of a point relative to 2009).

### RENAULT GROUP R&D EXPENSES\* (€ million)

	2010	2009	Change
R&D expenses	1,728	1,643	+85
Capitalized development expenses	-666	-587	-79
% of R&D expenses	38.5	35.7	+2.8 pts
Amortization	772	739	+33
<b>R&amp;D expenses recorded in the income statement</b>	<b>1,834</b>	<b>1,795</b>	<b>+39</b>

\* R&D expenses are fully incurred by the Automotive division.

Research and Development expenses amounted to €1,728 million in 2010, up 5.2% on 2009. The low level reflects the product cycle and measures taken under the action plans introduced in 2009 to adjust expenditures and improve efficiency.

The ratio of capitalized development expenses rose from 35.7% in 2009 to 38.5%.

Other operating income and expenses showed a net charge of €464 million, as compared with a net charge of €559 million in 2009. This item was mainly made up of:

■ **a €159 million impairment charge,** compared with a charge of €297 million in 2009;

■ **€449 million in workforce adjustment and restructuring costs;**

■ **property disposals for +€112 million.**

After recognizing this item, the Group reported operating income of €635 million, compared with a loss of €955 million in 2009. The net financial result showed a net charge of €376 million, compared with a net charge of €404 million in 2009. This included a charge of €31 million linked to the negative impact of the fair value change in Renault SA's redeemable shares, compared with a charge of €43 million in 2009.

In 2010 Renault's share in associated companies generated a net contribution of

€1,289 million (compared with a loss of €1,561 million in 2009), of which:

■ **€1,084 million from Nissan** (compared with a loss of €902 million in 2009);

■ **€214 million from Volvo AB** (compared with a loss of €301 million in 2009);

■ **a loss of €21 million from AvtoVAZ** (compared with a loss of €370 million in 2009).

Current and deferred taxes represented a net charge of €58 million (€148 million in 2009), reflecting increased current taxes for foreign subsidiaries, which were largely offset, particularly in France, by the recognition of a portion of deferred tax assets relative to tax loss carry-forwards, previously unrecognized owing to the absence of forecasted future taxable amounts.

Net income, which included a capital gain of €2,000 million on the disposal in October 2010 of B shares in AB Volvo, came to €3,490 million, compared with a loss of €3,068 million in 2009. The Group's share of net income was €3,420 million, compared with a negative €3,125 million in 2009.

(3) Euromed, Eurasia, Asia-Africa, Americas.

## NET CAPEX AND R&D EXPENSES

Automotive's tangible and intangible investments net of disposals (excluding capitalized leased vehicles) came to €1,644 million in 2010 (including €666 million in R&D expenses) compared with €2,054 million (including €587 million in R&D expenses) in 2009.

### TANGIBLE AND INTANGIBLE INVESTMENTS NET OF DISPOSALS, BY OPERATING SEGMENT (€ million)

	2010	2009
Tangible investments (excluding capitalized leased vehicles)	1,130	1,620
Intangible investments	733	670
– o/w capitalized R&D expenses	666	587
Total acquisitions	1,863	2,290
Disposal gains	-219	-236
<b>Total Automotive division</b>	<b>1,644</b>	<b>2,054</b>
<b>Total Sales Financing</b>	<b>4</b>	<b>19</b>
<b>TOTAL GROUP</b>	<b>1,648</b>	<b>2,073</b>

The plan introduced in 2009 to reduce fixed costs, together with the product cycle, led to a significant decrease in tangible and intangible investments excluding R&D in 2009 and 2010.

By Region:

- **In Europe** (53% of total gross investments), range-related investments accounted for 65% of total outlays. Funds were allocated chiefly to the new Mégane coupé-cabriolet, the Master range, the Wind roadster and the new R9M diesel engine;

- **Investments outside Europe** accounted for 47% of the total gross spend and were primarily allocated to Morocco (start-up of new facility), Romania, South America and South Korea.

The tangible investments made to develop electric vehicles continued this year, with funds committed both to vehicles and to motors.

Consistent with previous years, the non range-related investment policy was focused mainly on quality, working conditions and the environment.

## NET CAPEX

	2010	2009
Tangible and intangible investments net of disposals (excluding capitalized leased vehicles)	1,648	2,073
Capitalized development expenses	-666	-587
Others	-17	-2
<b>Net industrial and commercial investments (1)<sup>(1)</sup></b>	<b>965</b>	<b>1,484</b>
– % of revenues	2.5	4.4

## NET R&D EXPENSES

	2010	2009
R&D expenses	1,728	1,643
R&D expenses billed to third parties and others	-161	-112
<b>Net R&amp;D expenses (2)</b>	<b>1,567</b>	<b>1,531</b>
– % of revenues	4.0	4.5

## NET CAPEX AND R&D EXPENSES

	2010	2009
<b>Net capex and R&amp;D expenses (1) + (2)</b>	<b>2,532</b>	<b>3,015</b>
– % of revenues	6.5	8.9

## AUTOMOTIVE DEBT

As targeted, the Automotive division generated positive operational free cash flow of €1,670 million in 2010. That strong performance can be attributed to the sharp improvement in operational performance and the reduction in expenses. The operational free cash flow generated in 2010 comprises:

- **cash flow of €3,074 million**, up €1,688 million on 2009. This does not include dividends from associated companies, which amounted to €88 million, compared with €81 million in 2009;

- **a positive €395 million contribution from the change in working capital requirement;**

- **tangible and intangible investments net of disposals in the amount of €1,644 million**, down €410 million (€2,054 million in 2009);

- **a negative €155 million change in capitalized leased vehicles.**

Combined with the sale in October of the Group's holdings of B shares in AB Volvo for €3,006 million, this free cash flow enabled Automotive net financial debt to be reduced to €1,435 million as at December 31, or 6.3% of equity, compared with €5,921 million (35.9% of equity) on December 31, 2009.

### AUTOMOTIVE NET FINANCIAL DEBT (€ million)

	Dec 31, 2010	Dec 31, 2009
Non-current financial liabilities	6,835	8,787
Current financial liabilities	5,124	4,455
Non-current financial assets - other securities, loans and derivatives on financial operations	-800	-888
Current financial assets	-910	-1,025
Cash and cash equivalents	-8,814	-5,408
<b>Automotive net financial debt</b>	<b>1,435</b>	<b>5,921</b>

## LIQUIDITY AT DECEMBER 31, 2010

At December 31, 2010 the Automotive division had increased its liquidity reserve by €3.3 billion compared with end-December 2009 and had:

- **€8.8 billion in cash and cash equivalents;**
- **€4.0 billion in undrawn confirmed credit lines.**

On December 31, 2010, RCI Banque had:

- **a liquidity reserve of €3.9 billion**, representing available liquidity surplus to outstanding certificates of deposit and commercial paper;
- **available liquidity of €6.5 billion**, covering more than 2 times all outstanding commercial paper and certificates of deposit, and comprising €4.5 billion in undrawn confirmed credit lines, €1.6 billion in central-bank eligible collateral, and €0.4 billion in cash.

## OUTLOOK 2011

The global automotive market (PC+LCV) should grow by 6% compared with 2010. Trends by Region will continue to be contrasted. Markets outside Europe will remain dynamic while the European market should pursue consolidation (0% to -2%), notably with a decline in the French market of around -8%. In this context, with the appeal of its internal-combustion vehicle range and the launch of a range of electric vehicles, unit sales and revenues in 2011 should be higher than in 2010. The Group is targeting an automotive operational free cash flow above €500 million with a ratio of Capex + R&D at 9% of revenues.

## CONSOLIDATED INCOME STATEMENT (€ million)

	2010	2009
Sales of goods and services	37,654	32,415
Sales financing revenues	1,317	1,297
<b>Revenues (note 4)</b>	<b>38,971</b>	<b>33,712</b>
Cost of goods and services sold	(30,620)	(26,978)
Cost of sales financing (note 5)	(813)	(953)
Research and development expenses (note 12-A)	(1,834)	(1,795)
Selling, general and administrative expenses	(4,605)	(4,382)
<b>Operating margin (note 6)</b>	<b>1,099</b>	<b>(396)</b>
Other operating income and expenses (note 7)	(464)	(559)
– Other operating income	197	137
– Other operating expenses	(661)	(696)
<b>Operating income</b>	<b>635</b>	<b>(955)</b>
Net interest income (expenses)	(354)	(353)
– Interest income	146	118
– Interest expenses	(500)	(471)
Other financial income and expenses	(22)	(51)
<b>Financial income (note 8)</b>	<b>(376)</b>	<b>(404)</b>
Gain on sale of B shares in Volvo AB	2,000	-
<b>Share in net income (loss) of associates</b>	<b>1,289</b>	<b>(1,561)</b>
– Nissan (note 14)	1,084	(902)
– Other associates (note 15)	205	(659)
<b>Pre-tax income</b>	<b>3,548</b>	<b>(2,920)</b>
Current and deferred taxes (note 9)	(58)	(148)
<b>Net income</b>	<b>3,490</b>	<b>(3,068)</b>
Net income – non-controlling interests' share	70	57
Net income – parent company shareholders' share	3,420	(3,125)
Earnings per share <sup>(1)</sup> in € (note 10)	12.70	(12.13)
Diluted earnings per share <sup>(1)</sup> in € (note 10)	12.70	(12.13)
Number of shares outstanding (in thousands) (note 10)		
– for earnings per share	269,292	257,514
– for diluted earnings per share	269,292	257,514

(1) Net income – parent company shareholders' share divided by number of shares stated.

NB: The notes mentioned in this section refer to the Notes to the consolidated financial statement 2010 presented in chapter 4 of the 2010 Registration Document.

**CONSOLIDATED FINANCIAL POSITION** (€ million)

<b>Assets</b>	<b>Dec. 31, 2010</b>	<b>Dec. 31, 2009</b>
<b>Non-current assets</b>		
Intangible assets (note 12-A)	3,677	3,893
Property, plant and equipment (note 12-B)	11,504	12,294
Investments in associates	14,199	12,084
– Nissan (note 14)	13,345	10,583
– Other associates (note 15)	854	1,501
Non-current financial assets (note 23)	1,728	1,026
Deferred tax assets (note 9)	705	279
Other non-current assets (note 19)	435	424
<b>Total non-current assets</b>	<b>32,248</b>	<b>30,000</b>
<b>Current assets</b>		
Inventories (note 16)	4,567	3,932
Sales financing receivables (note 17)	19,276	18,243
Automobile receivables (note 18)	1,329	1,097
Current financial assets (note 23)	799	787
Current tax assets	178	195
Other current assets (note 19)	1,685	1,636
Cash and cash equivalents (note 23)	10,025	8,023
<b>Total current assets</b>	<b>37,859</b>	<b>33,913</b>
<b>Assets held for sale (note 7-B)</b>	<b>-</b>	<b>65</b>
<b>Total assets</b>	<b>70,107</b>	<b>63,978</b>
<b>Shareholders' equity and liabilities</b> (€ million)	<b>Dec. 31, 2010</b>	<b>Dec. 31, 2009</b>
<b>Shareholders' equity</b>		
Share capital	1,127	1,086
Share premium	3,785	3,453
Treasury shares	(145)	(229)
Revaluation of financial instruments	235	(109)
Translation adjustment	(554)	(2,568)
Reserves	14,367	17,474
<b>Net income – parent company shareholders' share</b>	<b>3,420</b>	<b>(3,125)</b>
Shareholders' equity – parent company shareholders' share	22,235	15,982
Shareholders' equity – non-controlling interests' share	522	490
<b>Total shareholders' equity (note 20)</b>	<b>22,757</b>	<b>16,472</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities (note 9)	125	114
Provisions – long-term (note 21)	2,243	1,829
Non-current financial liabilities (note 24)	7,096	9,048
Other non-current liabilities (note 22)	734	660
<b>Total non-current liabilities</b>	<b>10,198</b>	<b>11,651</b>
<b>Current liabilities</b>		
Provisions – short-term (note 21)	965	914
Current financial liabilities (note 24)	4,546	3,825
Sales financing debts (note 24)	19,366	19,912
Trade payables	6,348	5,911
Current tax liabilities	106	54
Other current liabilities (note 22)	5,821	5,179
<b>Total current liabilities</b>	<b>37,152</b>	<b>35,795</b>
<b>Liabilities associated with assets held for sale (note 7-B)</b>	<b>-</b>	<b>60</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>70,107</b>	<b>63,978</b>

**CHANGES IN SHAREHOLDERS' EQUITY** (€ million)

	Number of shares (thousand)	Share capital	Share premium	Treasury shares	Revaluation of financial instruments	Translation adjustment	Reserves	Net income (parent company shareholders' share)	Shareholders' equity (parent company shareholders' share)	Shareholders' equity (non-controlling entities' share)	Total shareholders' equity
<b>Balance at December 31, 2008</b>	<b>284,937</b>	<b>1,086</b>	<b>3,453</b>	<b>(612)</b>	<b>(223)</b>	<b>(2,241)</b>	<b>16,925</b>	<b>571</b>	<b>18,959</b>	<b>457</b>	<b>19,416</b>
2009 Net income	-	-	-	-	-	-	-	(3,125)	(3,125)	57	(3,068)
Other components of comprehensive income	-	-	-	-	114	(327)	38	-	(175)	9	(166)
2009 comprehensive income	-	-	-	-	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 increases	-	-	-	-	-	-	-	-	-	15	15
Impact of changes in the scope of consolidation with no loss of control <sup>(1)</sup>	-	-	-	-	-	-	-	-	-	(14)	(14)
Other changes	-	-	-	-	-	-	180	-	180	-	180
<b>Balance at December 31, 2009</b>	<b>284,937</b>	<b>1,086</b>	<b>3,453</b>	<b>(229)</b>	<b>(109)</b>	<b>(2,568)</b>	<b>17,474</b>	<b>(3,125)</b>	<b>15,982</b>	<b>490</b>	<b>16,472</b>
2010 net income	-	-	-	-	-	-	-	3,420	3,420	70	3,490
Other components of comprehensive income	-	-	-	-	344	2,014	48	-	2,406	18	2,424
2010 comprehensive income	-	-	-	-	344	2,014	48	3,420	5,826	88	5,914
Allocation of 2009 net income	-	-	-	-	-	-	(3,125)	3,125	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	(40)	(40)
Cost of stock option plans	-	-	-	-	-	-	7	-	7	-	7
(Acquisitions) / disposals of treasury shares	-	-	-	84	-	-	(24)	-	60	-	60
Impact of capital increases	10,785	41	332	-	-	-	-	-	373	-	373
Impact of changes in the scope of consolidation with no loss of control <sup>(1)</sup>	-	-	-	-	-	-	(3)	-	(3)	(16)	(19)
Other changes	-	-	-	-	-	-	(10)	-	(10)	-	(10)
<b>Balance at December 31, 2010</b>	<b>295,722</b>	<b>1,127</b>	<b>3,785</b>	<b>(145)</b>	<b>235</b>	<b>(554)</b>	<b>14,367</b>	<b>3,420</b>	<b>22,235</b>	<b>522</b>	<b>22,757</b>

(1) The impact of changes in the scope of consolidation results from the treatment applied to acquisitions of non-controlling interests and put options for buyouts of non-controlling entities (note 2-J).

Details of changes in consolidated shareholders' equity in 2010 are given in note 20.

**CONSOLIDATED CASH FLOWS**

(€ million)

	2010	2009
<b>Net income</b>	<b>3,490</b>	<b>(3,068)</b>
Cancellation of unrealized income and expenses		
– Amortization and impairment	3,069	3,146
– Share in net (income) loss of associates	(1,289)	1,561
– Other unrealized income and expenses (note 27-A)	(2,087)	(5)
<b>Cash flow <sup>(1)</sup></b>	<b>3,183</b>	<b>1,634</b>
<b>Dividends received from associates</b>	<b>88</b>	<b>81</b>
Net change in financing for final customers	(448)	377
Net change in renewable dealer financing	(146)	(126)
<b>Decrease (increase) in sales financing receivables</b>	<b>(594)</b>	<b>251</b>
Bond issuance by the Sales Financing segment (note 24-A)	3,929	3,149
Bond redemption by the Sales Financing segment (note 24-A)	(2,308)	(2,795)
Net change in other Sales Financing debts	(2,354)	871
Net change in other securities and loans of the Sales Financing segment	(129)	152
<b>Net change in Sales Financing financial assets and debts</b>	<b>(862)</b>	<b>1,377</b>
<b>Change in capitalized leased vehicles</b>	<b>(109)</b>	<b>(256)</b>
<b>Decrease (increase) in working capital (note 27-B)</b>	<b>264</b>	<b>2,953</b>
<b>Cash flows from operating activities</b>	<b>1,970</b>	<b>6,040</b>
Capital expenditure (note 27-C)	(1,867)	(2,309)
Disposals of property, plant and equipment and intangibles	219	236
Acquisitions of investments with gain of control, net of cash acquired	-	-
Acquisitions of other investments, net of cash acquired	(39)	(86)
Disposals of investments with loss of control, net of cash transferred	7	-
Disposals of other investments, net of cash transferred and other (2)	3,114	-
Net decrease (increase) in other securities and loans of the Automotive segment	(30)	65
<b>Cash flows from investing activities</b>	<b>1,404</b>	<b>(2,094)</b>
Transactions with non-controlling interests (3)	-	-
Dividends paid to parent company shareholders (note 20-D)	-	-
Dividends paid to non-controlling interests	(77)	(22)
(Purchases) sales of treasury shares	60	127
<b>Cash flows with shareholders</b>	<b>(17)</b>	<b>105</b>
Bond issuance by the Automotive segment (note 24-A)	1,696	750
Bond redemption by the Automotive segment (note 24-A)	(1,164)	(1,271)
Net increase (decrease) in other financial liabilities of the Automotive segment	(1,982)	2,378
<b>Net change in financial liabilities of the Automotive segment</b>	<b>(1,450)</b>	<b>1,857</b>
<b>Cash flows from financing activities</b>	<b>(1,467)</b>	<b>1,962</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,907</b>	<b>5,908</b>
<b>Cash and cash equivalents: opening balance</b>	<b>8,023</b>	<b>2,058</b>
Increase (decrease)	1,907	5,908
Effect of changes in exchange rate and other changes	95	57
<b>Cash and cash equivalents: closing balance</b>	<b>10,025</b>	<b>8,023</b>

(1) Cash flow does not include dividends received from associates.

(2) Including the sale of B shares in AB Volvo for €3,006 million (operation described in "Significant events").

(3) Via capital increases or capital reductions and acquisitions of additional investments in controlled companies (note 2-J).

Details of interest received and paid by the Automotive segment are given in note 27-D.

Current taxes paid by the Group are reported in note 9-A.

**INFORMATION BY REGION**

(€ million)

	Europe <sup>(1)</sup>	Euromed	Eurasia	Asia-Africa	Americas	Consolidated total
<b>2010</b>						
Revenues	27,171	2,996	1,044	3,869	3,891	38,971
Property, plant and equipment and intangibles	11,612	1,644	431	810	684	15,181
<b>2009</b>						
Revenues	25,714	2,428	598	2,393	2,579	33,712
Property, plant and equipment and intangibles	12,784	1,583	376	809	635	16,187

(1) Including France

The Regions presented correspond to the geographic sectors of the Group's structure.

Consolidated revenues are presented by location of customers.

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

**CONSOLIDATED INCOME STATEMENT BY OPERATING SEGMENT**

(€ million)

	Automotive	Sales Financing	Intersegment transactions	Consolidated total
<b>2010</b>				
Sales of goods and services	37,172	482	-	37,654
Sales financing revenues		1,317	-	1,317
<b>External sales (note 4)</b>	<b>37,172</b>	<b>1,799</b>	<b>-</b>	<b>38,971</b>
Intersegment sales	(283)	376	(93)	-
<b>Sales by segment</b>	<b>36,889</b>	<b>2,175</b>	<b>(93)</b>	<b>38,971</b>
<b>Operating margin <sup>(1)</sup></b>	<b>381</b>	<b>703</b>	<b>15</b>	<b>1,099</b>
<b>Operating income</b>	<b>(78)</b>	<b>698</b>	<b>15</b>	<b>635</b>
<b>Financial income <sup>(2)</sup></b>	<b>26</b>	<b>-</b>	<b>(402)</b>	<b>(376)</b>
<b>Gain on sale of Volvo Series B shares</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>2,000</b>
<b>Share in net income (loss) of associates</b>	<b>1,287</b>	<b>2</b>	<b>-</b>	<b>1,289</b>
<b>Pre-tax income</b>	<b>3,235</b>	<b>700</b>	<b>(387)</b>	<b>3,548</b>
Current and deferred taxes	157	(211)	(4)	(58)
<b>Net income</b>	<b>3,392</b>	<b>489</b>	<b>(391)</b>	<b>3,490</b>
<b>2009</b>				
Sales of goods and services	31,951	464	-	32,415
Sales financing revenues	-	1,297	-	1,297
<b>External sales (note 4)</b>	<b>31,951</b>	<b>1,761</b>	<b>-</b>	<b>33,712</b>
Intersegment sales	(317)	342	(25)	-
<b>Sales by segment</b>	<b>31,634</b>	<b>2,103</b>	<b>(25)</b>	<b>33,712</b>
<b>Operating margin <sup>(1)</sup></b>	<b>(915)</b>	<b>506</b>	<b>13</b>	<b>(396)</b>
<b>Operating income</b>	<b>(1,457)</b>	<b>489</b>	<b>13</b>	<b>(955)</b>
<b>Financial income <sup>(2)</sup></b>	<b>(102)</b>	<b>-</b>	<b>(302)</b>	<b>(404)</b>
<b>Share in net income (loss) of associates</b>	<b>(1,566)</b>	<b>5</b>	<b>-</b>	<b>(1,561)</b>
<b>Pre-tax income</b>	<b>(3,125)</b>	<b>494</b>	<b>(289)</b>	<b>(2,920)</b>
Current and deferred taxes	14	(157)	(5)	(148)
<b>Net income</b>	<b>(3,111)</b>	<b>337</b>	<b>(294)</b>	<b>(3,068)</b>

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

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

**CONSOLIDATED FINANCIAL POSITION BY OPERATING SEGMENT – DECEMBER 31, 2010**  
 (€ million)

<b>Assets</b>				
	Automotive	Sales Financing	Intersegment transactions	Consolidated total
<b>Non-current assets</b>				
Property, plant and equipment and intangible assets	15,003	188	(10)	15,181
Investments in associates	14,165	34	-	14,199
Non-current financial assets – investments in non-controlled entities	3,359	-	(2,431)	928
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segment	800	-	-	800
Deferred tax assets and other non-current assets	1,044	145	(49)	1,140
<b>Total non-current assets</b>	<b>34,371</b>	<b>367</b>	<b>(2,490)</b>	<b>32,248</b>
<b>Current assets</b>				
Inventories	4,563	4	-	4,567
Customer receivables	1,414	19,642	(451)	20,605
Current financial assets	910	520	(631)	799
Other current assets and current tax assets	1,587	2,222	(1,946)	1,863
Cash and cash equivalents	8,814	1,342	(131)	10,025
<b>Total current assets</b>	<b>17,288</b>	<b>23,730</b>	<b>(3,159)</b>	<b>37,859</b>
Assets held for sale	-	-	-	-
<b>TOTAL ASSETS</b>	<b>51,659</b>	<b>24,097</b>	<b>(5,649)</b>	<b>70,107</b>
<b>Shareholders' equity and liabilities</b>				
	Automotive	Sales Financing	Intersegment transactions	Consolidated total
<b>Shareholders' equity</b>	<b>22,638</b>	<b>2,435</b>	<b>(2,316)</b>	<b>22,757</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities and long-term provisions	1,977	391	-	2,368
Non-current financial liabilities	6,835	261	-	7,096
Other non-current liabilities	544	190	-	734
<b>Total non-current liabilities</b>	<b>9,356</b>	<b>842</b>	<b>-</b>	<b>10,198</b>
<b>Current liabilities</b>				
Short-term provisions	921	44	-	965
Current financial liabilities	5,124	-	(578)	4,546
Trade payables and sales financing debts	6,407	20,058	(751)	25,714
Other current liabilities and current tax liabilities	7,213	718	(2,004)	5,927
<b>Total current liabilities</b>	<b>19,665</b>	<b>20,820</b>	<b>(3,333)</b>	<b>37,152</b>
Liabilities associated with assets held for sale	-	-	-	-
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>51,659</b>	<b>24,097</b>	<b>(5,649)</b>	<b>70,107</b>

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

<b>Assets</b>				
	Automotive	Sales Financing	Intersegment transactions	Consolidated total
<b>Non-current assets</b>				
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 Automotive segment	888	-	-	888
Deferred tax assets and other non-current assets	553	145	5	703
<b>Total non-current assets</b>	<b>31,844</b>	<b>416</b>	<b>(2,260)</b>	<b>30,000</b>
<b>Current assets</b>				
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
<b>Total current assets</b>	<b>13,071</b>	<b>23,824</b>	<b>(2,982)</b>	<b>33,913</b>
Assets held for sale	65	-	-	65
<b>TOTAL ASSETS</b>	<b>44,980</b>	<b>24,240</b>	<b>(5,242)</b>	<b>63,978</b>
<b>Shareholders' equity and liabilities</b>				
	Automotive	Sales Financing	Intersegment transactions	Consolidated total
<b>Shareholders' equity</b>	<b>16,363</b>	<b>2,259</b>	<b>(2,150)</b>	<b>16,472</b>
<b>Non-current liabilities</b>				
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
<b>Total non-current liabilities</b>	<b>10,881</b>	<b>721</b>	<b>49</b>	<b>11,651</b>
<b>Current liabilities</b>				
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 liabilities	6,418	614	(1,799)	5,233
<b>Total current liabilities</b>	<b>17,676</b>	<b>21,260</b>	<b>(3,141)</b>	<b>35,795</b>
Liabilities associated with assets held for sale	60	-	-	60
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>44,980</b>	<b>24,240</b>	<b>(5,242)</b>	<b>63,978</b>

# COMMERCIAL AND FINANCIAL RESULTS

## CONSOLIDATED CASH FLOWS BY OPERATING SEGMENT

(€ million)

2010				
	Automotive	Sales Financing	Intersegment transactions	Consolidated total
<b>Net income</b>	<b>3,392</b>	<b>489</b>	<b>(391)</b>	<b>3,490</b>
Cancellation of unrealized income and expenses				
– Amortization and impairment	3,045	24	-	3,069
– Share in net (income) loss of associates	(1,287)	(2)	-	(1,289)
– Other unrealized income and expenses	(2,076)	(14)	3	(2,087)
<b>Cash flow <sup>(1)</sup></b>	<b>3,074</b>	<b>497</b>	<b>(388)</b>	<b>3,183</b>
<b>Dividends received from associates</b>	<b>88</b>	<b>-</b>	<b>-</b>	<b>88</b>
Decrease (increase) in sales financing receivables	-	(563)	(31)	(594)
Net change in financial assets and Sales Financing debts	-	(867)	5	(862)
Change in capitalized leased vehicles	(155)	48	(2)	(109)
Decrease (increase) in working capital	395	(105)	(26)	264
<b>Cash flows from operating activities</b>	<b>3,402</b>	<b>(990)</b>	<b>(442)</b>	<b>1,970</b>
Purchases of intangible assets	(733)	(1)	-	(734)
Purchases of property, plant and equipment	(1,130)	(3)	-	(1,133)
Disposals of property, plant and equipment and intangibles	219	-	-	219
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired/transferred	7	-	-	7
Acquisitions and disposals of other investments and other assets(2)	3,075	-	-	3,075
Net decrease (increase) in other securities and loans of the Automotive segment	(30)	-	-	(30)
<b>Cash flows from investing activities</b>	<b>1,408</b>	<b>(4)</b>	<b>-</b>	<b>1,404</b>
Cash flows with shareholders	(12)	(407)	402	(17)
Net change in financial liabilities of the Automotive segment	(1,493)	-	43	(1,450)
<b>Cash flows from financing activities</b>	<b>(1,505)</b>	<b>(407)</b>	<b>445</b>	<b>(1,467)</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>3,305</b>	<b>(1,401)</b>	<b>3</b>	<b>1,907</b>

(1) Cash flow does not include dividends received from associates.

(2) Including the sale of B shares in Volvo AB for €3,006 million (operation described in "Significant events").

2009				
<b>Net income</b>	<b>(3,111)</b>	<b>337</b>	<b>(294)</b>	<b>(3,068)</b>
Cancellation of unrealized income and expenses				
– Amortization and impairment	3,124	30	(8)	3,146
– Share in net (income) loss of associates	1,566	(5)	-	1,561
– Other unrealized income and expenses	(193)	183	5	(5)
<b>Cash flow <sup>(1)</sup></b>	<b>1,386</b>	<b>545</b>	<b>(297)</b>	<b>1,634</b>
<b>Dividends received from associates</b>	<b>81</b>	<b>-</b>	<b>-</b>	<b>81</b>
Decrease (increase) in sales financing receivables	-	76	175	251
Net change in financial assets and Sales Financing debts	-	1,366	11	1,377
Change in capitalized leased vehicles	(248)	(9)	1	(256)
Decrease (increase) in working capital	2,923	33	(3)	2,953
<b>Cash flows from operating activities</b>	<b>4,142</b>	<b>2,011</b>	<b>(113)</b>	<b>6,040</b>
Purchases of intangible assets	(670)	(16)	-	(686)
Purchases of property, plant and equipment	(1,620)	(3)	-	(1,623)
Disposals of property, plant and equipment and intangibles	236	-	-	236
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired/transferred	-	-	-	-
Acquisitions and disposals of other investments and other assets	(86)	-	-	(86)
Net decrease (increase) in other securities and loans of the Automotive segment	81	-	(16)	65
<b>Cash flows from investing activities</b>	<b>(2,059)</b>	<b>(19)</b>	<b>(16)</b>	<b>(2,094)</b>
Cash flows with shareholders	105	(302)	302	105
Net change in financial liabilities of the Automotive segment	2,017	-	(160)	1,857
<b>Cash flows from financing activities</b>	<b>2,122</b>	<b>(302)</b>	<b>142</b>	<b>1,962</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>4,205</b>	<b>1,690</b>	<b>13</b>	<b>5,908</b>

(1) Cash flow does not include dividends received from associates.

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