

## DEFINITIVE FINANCIAL RESULTS, 2010

Renault reports Group operating margin of €1,099 million in 2010 and confirms positive automotive operational free cash flow<sup>[1]</sup> of €1.67 billion.

- **Group revenues totaled €38,971 million, up 15.6% on 2009.**
- **Group operating margin came to €1,099 million, or 2.8% of revenues, compared with -€396 million, or -1.2% in 2009.**
- **Group operating income was €635 million, compared to -€995 million in 2009.**
- **A capital gain of €2 billion was recorded from the sale of the B shares in Volvo AB.**
- **Associated companies contributed €1,289 million.**
- **Net income was €3,490 million, compared with -€3,068 million in 2009.**
- **Automotive operational free cash flow was positive at €1,670 million, resulting from improved operational performance and lower investments.**
- **Automotive net financial debt was €1,435 million, a decrease of €4,486 million compared with December 31, 2009.**

Carlos Ghosn, Chairman and CEO of Renault, said: "The publication of the final financial results confirms that Renault's performance was higher than expected. In contrasted markets, Renault showed its ability to seize growth opportunities while strengthening its balance sheet structure. These results constitute a solid base for the launch of our new strategic plan."

The Group reported a significant improvement in earnings. Revenues came to €38,971 million, up 15.6%. Driven by a strong commercial performance in growing car markets, resulting in higher market shares, **the Automotive division** contributed €37,172 million to revenues. The year-on-year increase of 16.3% was mainly attributable to the positive volume effect.

Group **operating margin** totaled €1,099 million, or 2.8% of revenues, compared with -€396 million and -1.2% in 2009.

**Automotive** operating margin rose €1,298 million to €396 million, or 1.1% of revenues. This performance can be attributed notably to:

- **a favorable volume effect for €698 million, a direct result of the good sales performance of the Group's three brands and across all the Regions;**
- **a positive exchange-rate impact of €288 million;**
- **continued cost control, with purchasing costs reduced by €579 million excluding the impact of raw materials which impacted negatively for the full year.**

**Sales Financing** contributed a record €703 million to Group operating margin, up €197 million on higher margins and lower cost of risk.

**Other operating income and expenses** resulted in a net charge of €464 million, due mainly to restructuring expenses and impairment of assets. Taking into account the other operating income and expenses, **operating income** totaled €635 million, compared to -€995 million in 2009.

The contribution of **associated companies** significantly improved. Renault reported a positive contribution of €1,289 million in 2010 from associated companies, mainly from Nissan and Volvo AB.

**Net income**, including a capital gain of €2,000 million recorded from the sale of the B shares in Volvo AB in October 2010, came to €3,490 million, with the Group's share of net income totaling €3,420 million (€12.70 per share).

The automotive **operational free cash** flow was positive at €1,670 million, higher than initially expected, benefiting mainly from the improvement in operational performance, a more stable working capital requirement and lower investments.

This performance, together with the sale of Renault's B shares in Volvo AB in the second half of the year for €3 billion, contributed to a significant reduction in the **automotive net financial debt** of €4,486 million, ending at €1,435 on December 31, 2010. The net debt-to-equity ratio was 6.3% at end-2010 compared with 35.9% at end-2009. The Automotive **division liquidity reserves**<sup>[2]</sup> totaled €12.8 billion at end-December 2010 (€3.3 billion higher than end 2009). This historically high level of liquidity will serve to pay back ahead of schedule the remaining €2 billion of the French government loan, as authorized in the contract.

The global automotive market (PC+LCV) should grow by 6% compared to 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 above 2010. The Group targets an automotive operational free cash flow above €500 million with a ratio of Capex+R&D at 9% of revenues.

\* The Group has in parallel announced a new strategic plan for 2011 to 2016, presented in a separate press release.

€ million	2010	2009
Revenues	38,971	33,712
Operating margin	1,099	-396
% of revenues	2.8%	-1.2%
o/w Automobile	396	-902
% of division revenues	1.1%	-2.8%
o/w Sales Financing (RCI Banque)	703	506
Operating income	635	-955
Net financial income and expenses	-376	-404
Capital gain from sale of B shares in Volvo AB	2	na
Contribution from associated companies	1,289	-1,561
o/w Nissan	1,084	-902
o/w Volvo	214	-301
Current and deferred taxes	-58	-148
Net income	3,49	-3,068
Net income, Group share	3,42	-3,125

[1] Operational free cash flow: cash flow (excluding dividends received from associated companies) minus tangible and intangible investments +/- change in working capital requirement. Dividends received from associated companies in 2010 came to €88 million.

[2] Automotive liquidity reserves: cash and cash equivalents (€8.8 billion) + confirmed credit lines (€4 billion).

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