

# **H1 2009 FINANCIAL RESULTS**

**ANALYST CONFERENCE**

**JULY 30<sup>th</sup> 2009**



# AGENDA

01

**H1 2009 FINANCIAL RESULTS**

**Thierry MOULONGUET, CFO**

02

**H1 2009 OPERATIONS UPDATE  
2009 ACTION PLAN UPDATE**

**Patrick PÉLATA, COO**

03

**Q&A**

**Patrick PÉLATA, Thierry MOULONGUET**

# H1 2009 FINANCIAL RESULTS

Thierry MOULONGUET

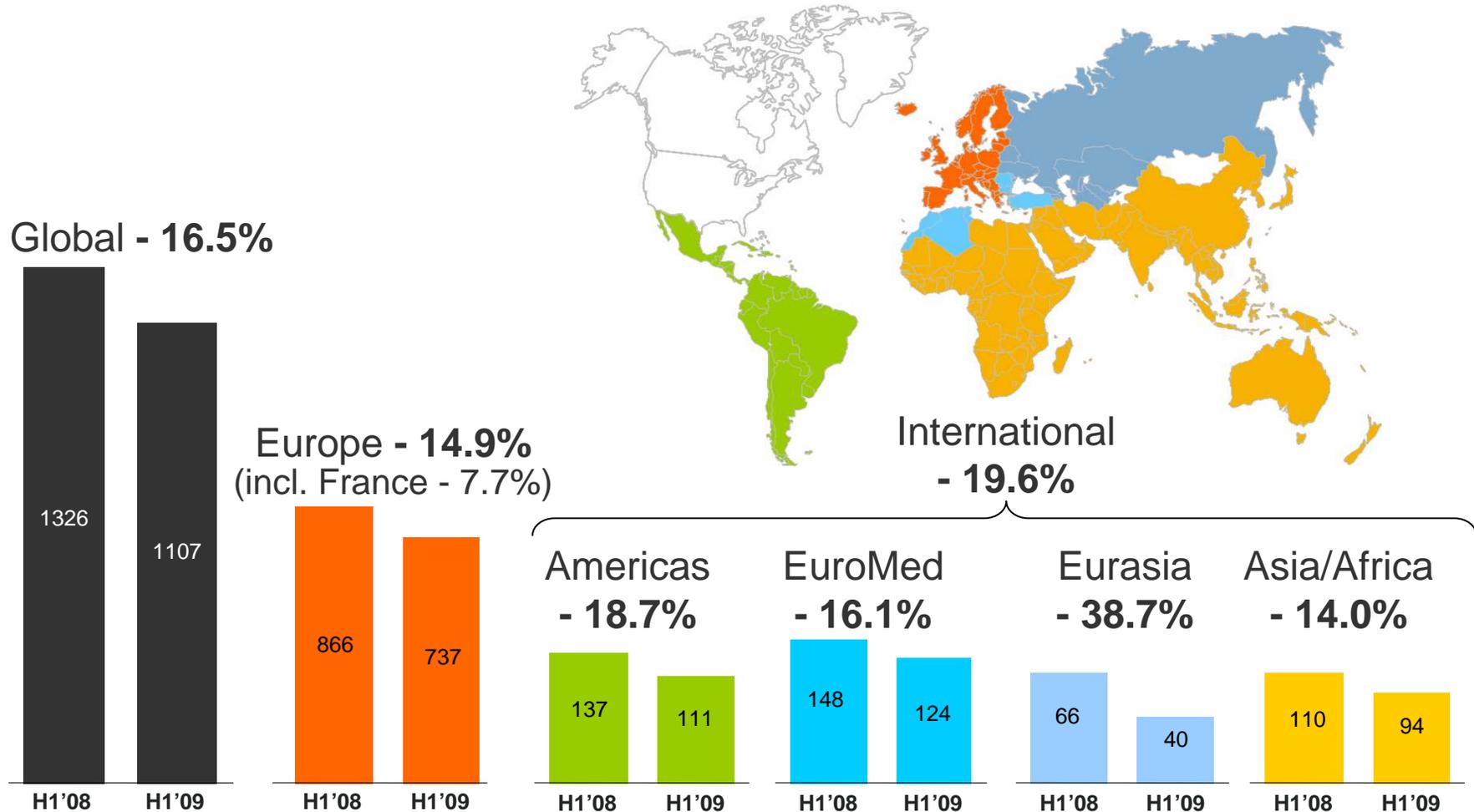
CFO



RENAULT

# H1 2009 COMMERCIAL RESULTS: MARKET SHARE FLAT

Thousand units (PC+LCV)



# H1'09 FINANCIAL RESULTS

(million euros)

	H1 2008	H1 2009	Change
Revenues	20,942	<b>15,991</b>	- 23.7% <sup>(1)</sup>
Operating margin	865	<b>- 620</b>	- 1,485
<i>in % of revenues</i>	4.1%	<b>- 3.9%</b>	- 8.0 pt
Other operating income & expenses	- 20	<b>- 326</b>	- 306
Net financial income & expenses	315	<b>- 181</b>	- 496
Associated companies	729	<b>- 1,584</b>	- 2,313
Current & deferred taxes	- 308	<b>- 1</b>	+ 307
Net income	1,581	<b>- 2,712</b>	- 4,293

(1) On a consistent basis, H1 2008 = €20,961m

# H1'09 GROUP REVENUES DOWN 23.7%

(million euros)

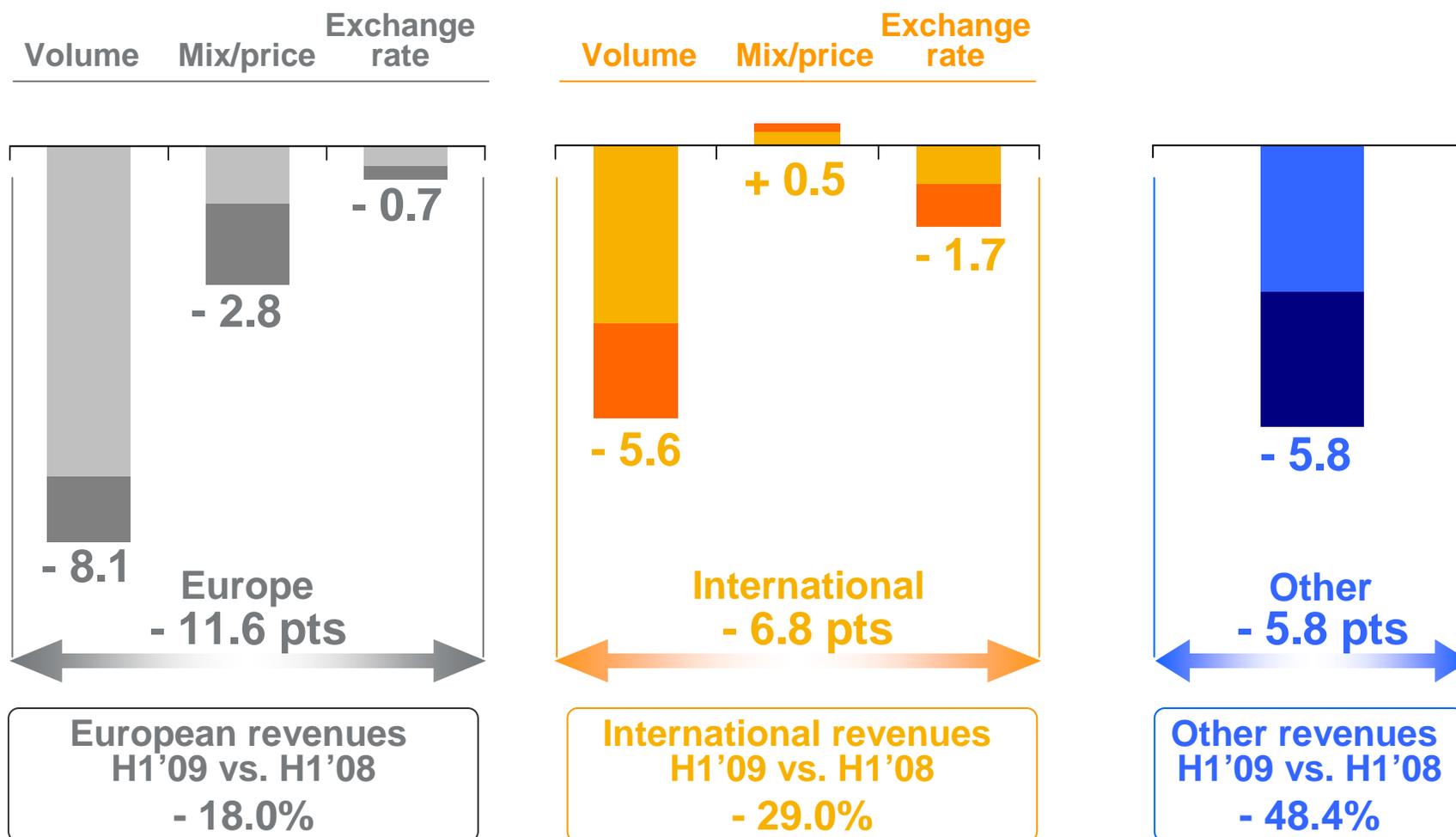
	H1'08 <sup>(1)</sup>	H1'09	Variation
<b>Global sales (units)</b>	1,326,164	<b>1,106,989</b>	<b>- 16.5%</b>
<b>Revenues</b>	20,961	<b>15,991</b>	<b>- 23.7%</b>
<i>of which Automobile</i>	19,918	15,101	- 24.2%
<i>Sales financing</i>	1,043	890	- 14.7%

Q1	Q2
- 31.8%	- 16.9%

(1) H1'08 restated for 2009 scope and methods

# H1'09 AUTO REVENUE -24.2%

Contribution to the change in revenues (light colour Q1, dark colour Q2)



# H1'09 FINANCIAL RESULTS

(million euros)

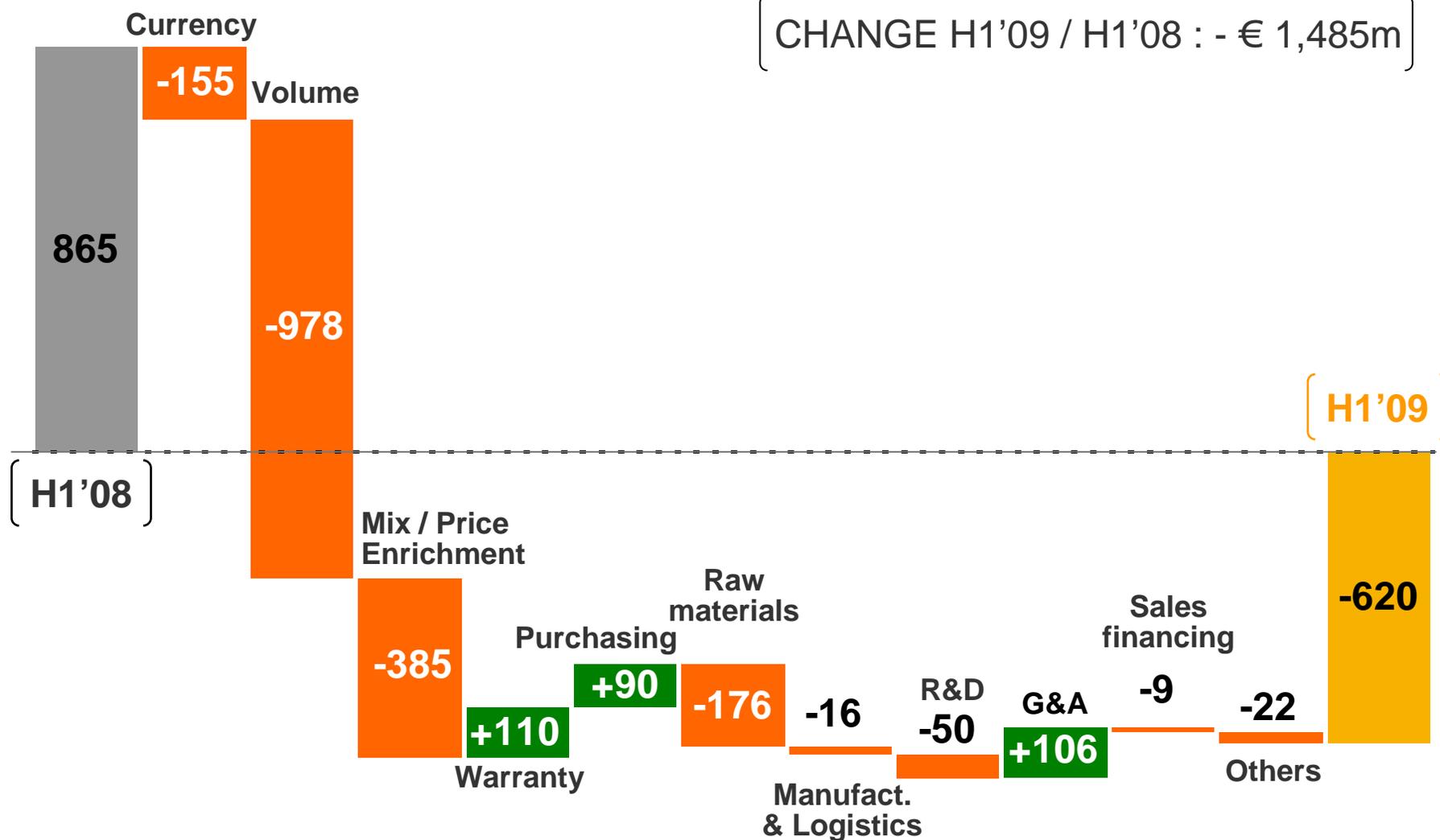
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# OPERATING MARGIN VARIANCE ANALYSIS

(million euros)

[ CHANGE H1'09 / H1'08 : - € 1,485m ]



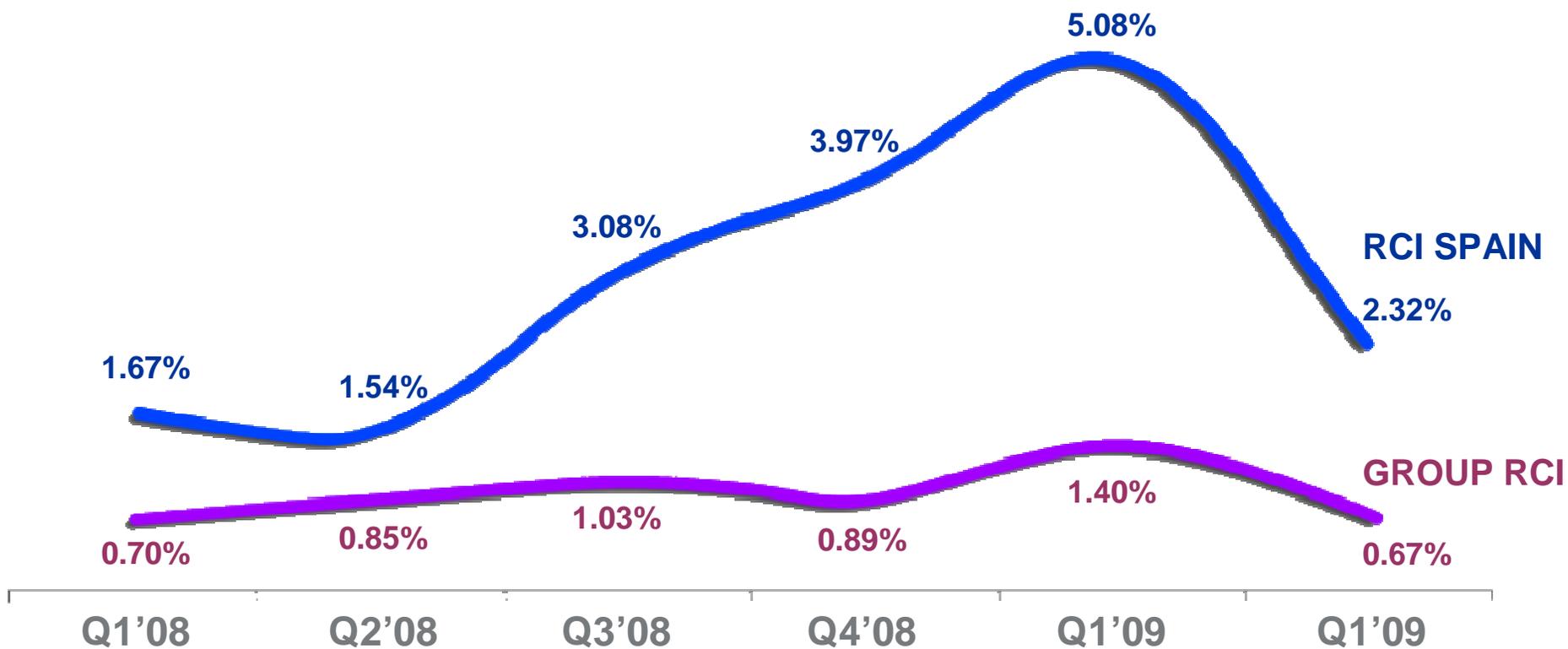
# A ROBUST PERFORMANCE FOR RCI BANQUE

*in % of average loans outstanding*

	H1'08	H1'09
Average loans outstanding ( <i>million euros</i> )	23,145	20,130
Net banking income	4.72%	5.23%
Cost of risk ( <i>customer &amp; dealer</i> )	- 0.77%	- 1.03%
Operating expenses	- 1.63%	- 1.75%
Pretax income	2.32%	2.44%

# RCI – COST OF RISK PROFILE ON TARGET FOR FY 100bp

Customer & dealer cost of risk per quarter  
In % of average outstanding loans



# OTHER OPERATING INCOME & EXPENSES\*

(million euros)

	H1'08	H1'09
<b>Restructuring charges</b>	<b>- 134</b>	<b>- 60</b>
<i>of which cancellation of X96 vehicle project</i>	<i>- 101</i>	
<b>Impairment of capitalized assets</b>		<b>- 297</b>
<b>Profit / loss on asset sales</b>	<b>106</b>	<b>31</b>
<b>Others</b>	<b>8</b>	
<b>Total</b>	<b>- 20</b>	<b>- 326</b>

\*Change in scope in 2009 for impairment of capitalized assets due to their non-recurring nature or amount. These charges were previously classed in operating margin. FY 2008 accounts have been restated accordingly (no impact in H1'08).

# H1'09 FINANCIAL RESULTS

(million euros)

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# ASSOCIATED COMPANIES

(million euros)

	H1'08	H2'08	H1'09
Nissan	509	- 164	- 1,211
Volvo	218	8	- 196
Avtovaz*	-	- 117	- 182
Others	2	- 19	5
<b>Total</b>	<b>729</b>	<b>- 292</b>	<b>- 1,584</b>

Q1	Q2
- 1,151	- 60

\*Avtovaz is consolidated with a 3 month time lag.

# H1'09 FINANCIAL RESULTS

(million euros)

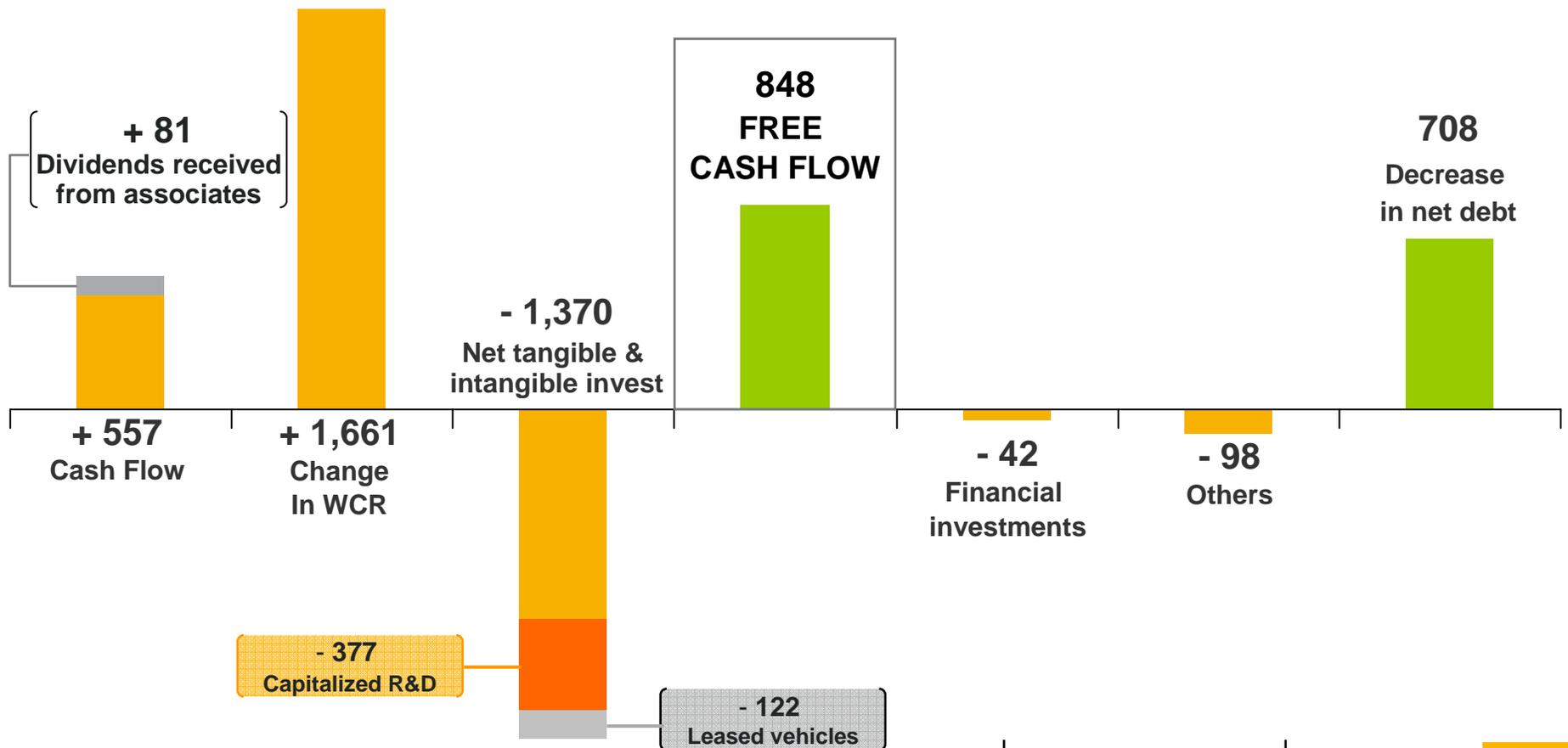
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# CHANGE IN AUTOMOBILE NET FINANCIAL DEBT

Dec 31<sup>st</sup> 2008: € 7,944m

→ Jun 30<sup>th</sup> 2009: € 7,236m



# AUTOMOBILE DIVISION LIQUIDITY

[ END 2008 ]

Liquidity reserves	
Cash	= € 1.1 Bn
Credit lines	= € 4.2 Bn <i>(of which drawn = € 0.5 Bn)</i>
<hr/>	
<b>TOTAL</b>	<b>= € 4.8 Bn</b>



[ END H1'09 ]

Liquidity reserves	
Cash	= € 3.4 Bn
Credit lines	= € 4.2 Bn <i>(of which drawn zero)</i>
<hr/>	
<b>TOTAL</b>	<b>= € 7.6 Bn</b>

- 2009 funding plan complete & reimbursements of €3.3bn made
  - €0.2bn to be reimbursed in H2 2009
- Repayment schedule for long term funding
  - 2010 = €1.2bn
  - 2011 = €0.8bn

# RCI LIQUIDITY

**END 2008**

Liquidity reserves	
Cash	= € 0.5 Bn
ECB eligible	= € 1.5 Bn
Credit lines	= € 5.2 Bn
<i>(of which drawn = € 0.75 Bn)</i>	
<b>Total</b>	<b>= € 6.5 Bn</b>



**END H1'09**

Liquidity reserves	
Cash	= € 0.1 Bn
ECB eligible	= € 0.6 Bn
Credit lines	= € 5.1 Bn
<i>(of which drawn = € 0.5 Bn)</i>	
<b>Total</b>	<b>= € 5.4 Bn</b>

- 3 Bonds issued in H1'09
  - €750m for a duration of 36 months @ 8.25%
  - €500m for a duration of 18 months @ 5.875%
  - €250m for a duration of 18 months @ 4.25%
- The liquidity reserve at end June covers more than twice the total outstandings of short term commercial paper

# **H1 2009 FINANCIAL RESULTS**

## **2009 ACTION PLAN UPDATE**

Patrick PÉLATA

COO



RENAULT

# 2009 ACTION PLAN - PRESENTED FEB'09

## 8 MEASURES & 2 LEVERS TO FACE THE CRISIS

### AIMING FOR A POSITIVE FREE CASH FLOW

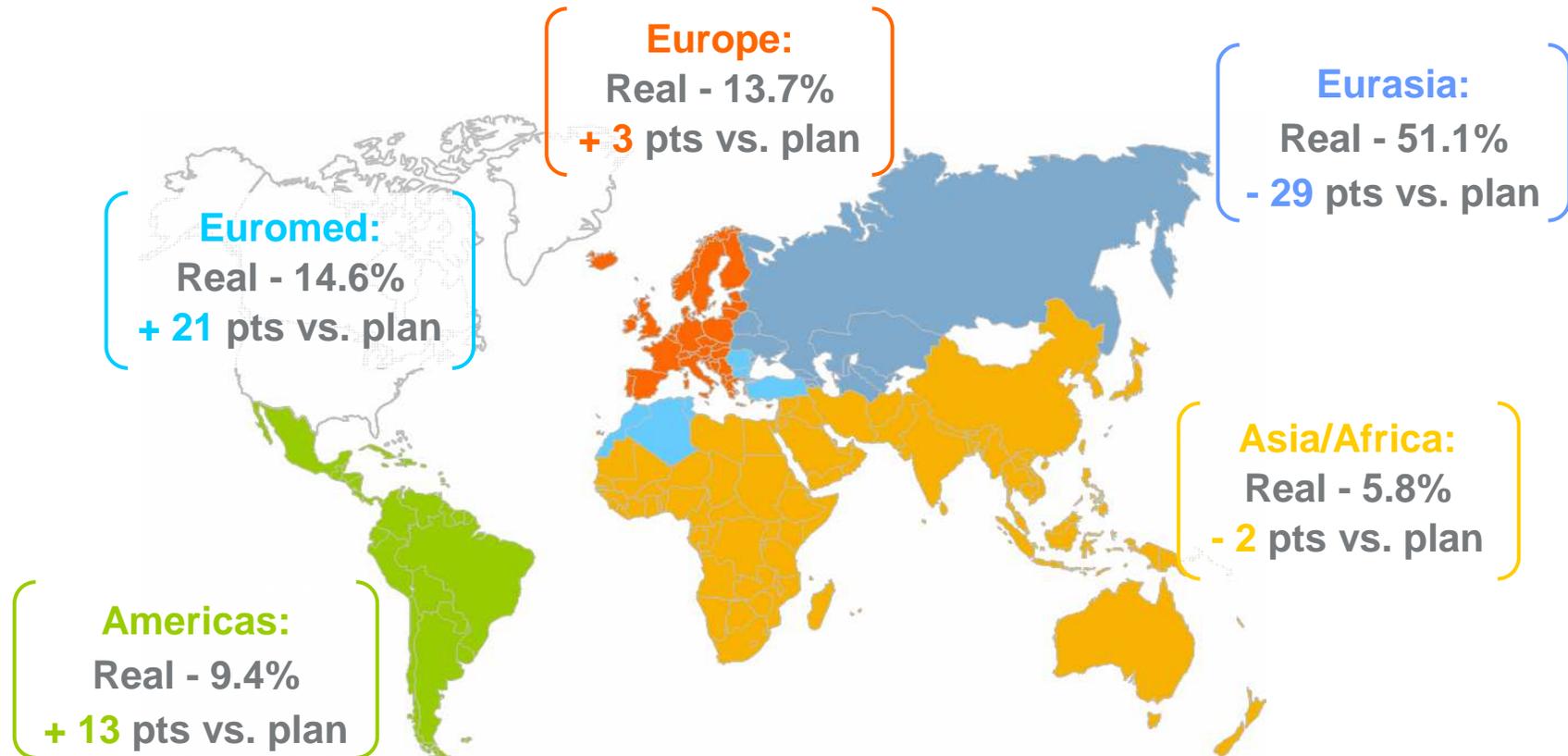
1. *Increase market shares*
2. *Reduce R&D expenses*
3. *Decrease G&A and overheads*
4. *Reduce inventories and reorganize the distribution system*
5. *Adapt our production level*
6. *Cash in customer receivables*
7. *Cut investments*
8. *Carry out real estate divestments*

- LEVERS**
- Reinforce the Renault Nissan Alliance synergies
  - Work conjointly with governments in France & in Europe



# TIV H1'09 vs. FORECAST BY REGION

*Evolution of Total Industry Volumes vs. H1'08 & vs. Plan by region*



# RENAULT GROUP: GLOBAL MARKET SHARE FLAT AT 3.7%

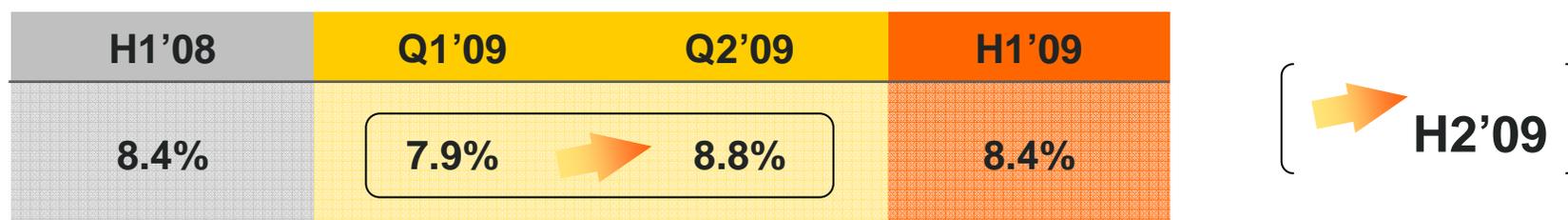
*Detail of the Group's top 15 markets*

	Volumes H1'09	Market Share H1'09	Change in market share vs. H1'08
 France	339 124	25.1%	- 0.9
 Germany	122 026	5.7%	+ 0.7
 Italy	56 665	4.7%	- 0.5
 South Korea	53 612	8.4%	+ 0.2
 Spain	51 144	10.5%	+ 0.3
 Brazil	51 036	3.7%	- 0.7
 Turkey	39 113	14.3%	- 0.6
 Belgium + Lux.	37 014	11.1%	+ 0.9
 Russia	36 610	4.7%	+ 1.0
 Argentina	32 628	12.3%	- 0.2
 Algeria	31 642	22.3%	+ 4.6
 Roumania	28 826	37.0%	+ 2.3
 UK	28 644	2.8%	- 2.2
 Morocco	19 676	34.0%	+ 5.4
 Iran	19 444	3.0%	- 1.2

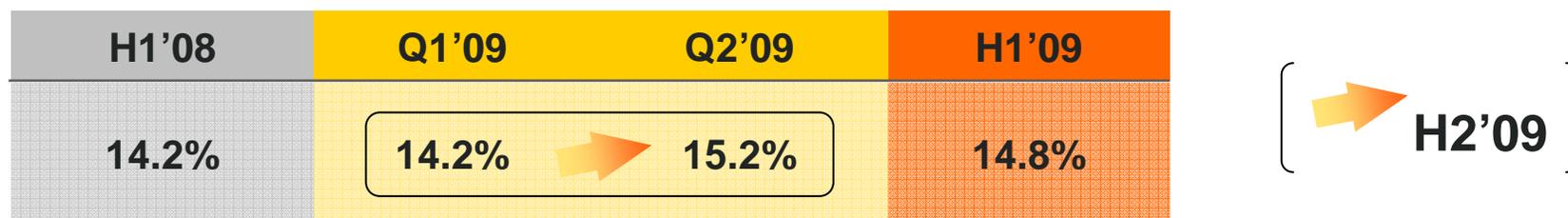
# ZOOM EUROPE: MARKET SHARE INCREASES Q2 vs. Q1

(in PC & in LCV)

- Passenger cars in Europe

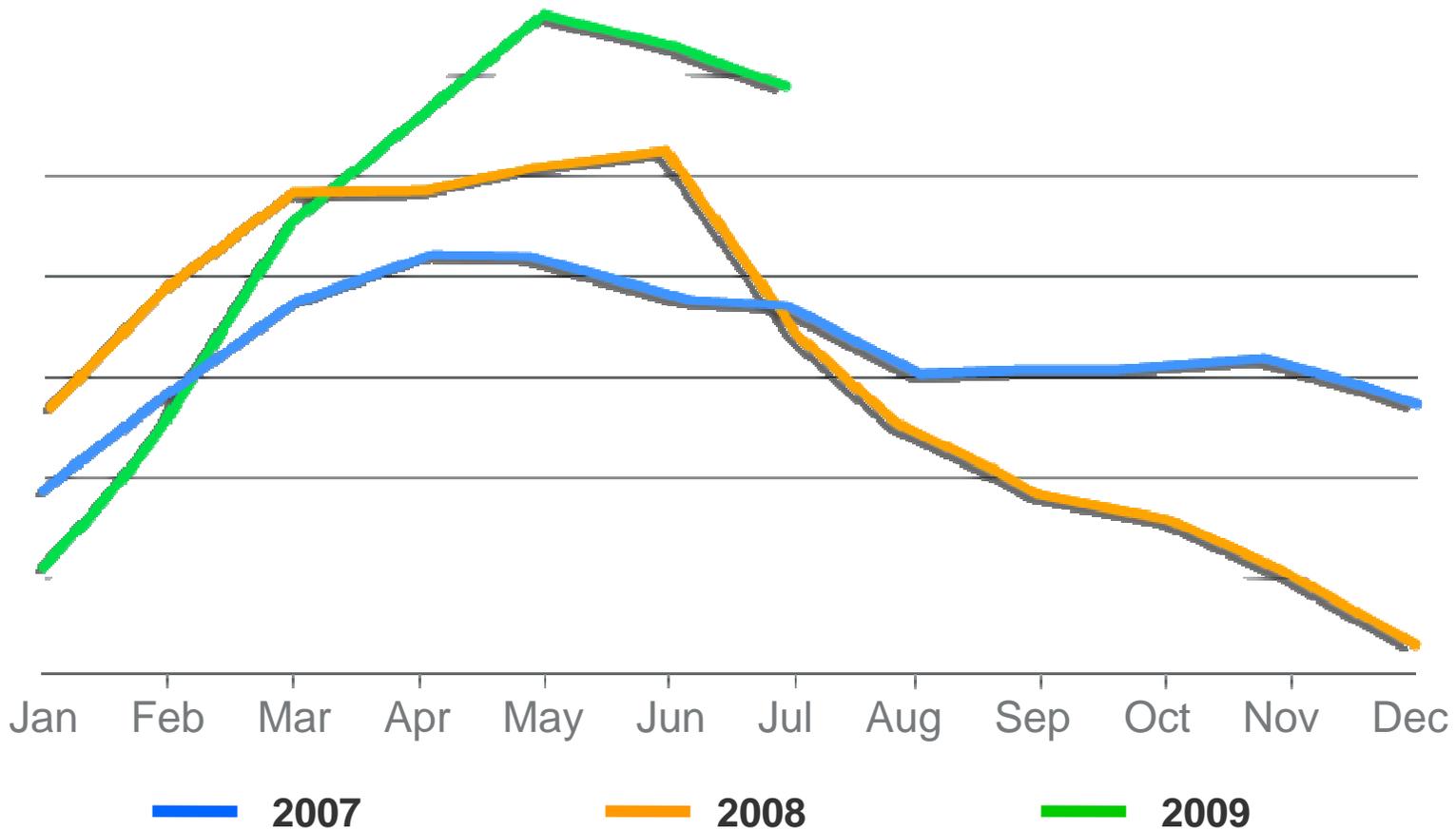


- Light commercial vehicles in Europe



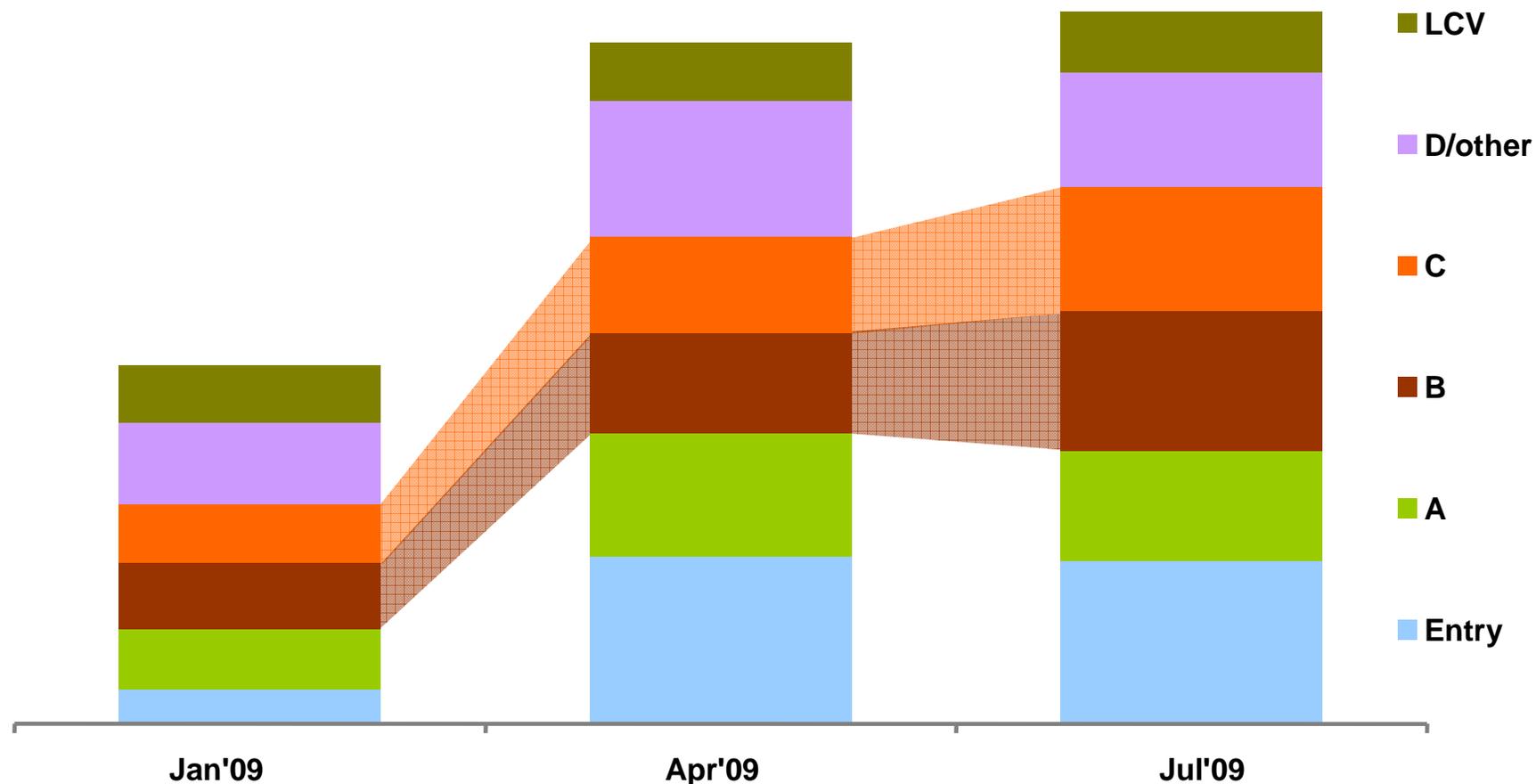
# 2009 EUROPE ORDER BANK ABOVE 2008 - SCRAPPING INCENTIVES STIMULATING DEMAND

*Europe Orderbank PC+LCV  
(At the start of each month)*



# ORDERBANK: AN INCREASING MIX OF B&C SEGMENTS

Europe Orderbank PC+LCV by segment  
(At the start of each month)



# NEW MEGANE AND NEW SCENIC: SUCCESSFUL LAUNCHES IN THE C SEGMENT

- **Mégane (hatch & coupé)**



Mégane II

Share of sub-segment  
**H1 08 : 3.7%**



Mégane III

Share of sub-segment  
**H1 09 : 7.3%**

- **Scénic**



Scenic II

Share of sub-segment  
**Q1 09 : 11.9%**



Scenic III

Share of sub-segment  
**Q2 09 : 13.9%**  
**June 09 : 14.7%**

# 2009 ACTION PLAN - PRESENTED FEB'09

## 8 MEASURES & 2 LEVERS TO FACE THE CRISIS

### ➔ AIMING FOR A POSITIVE FREE CASH FLOW

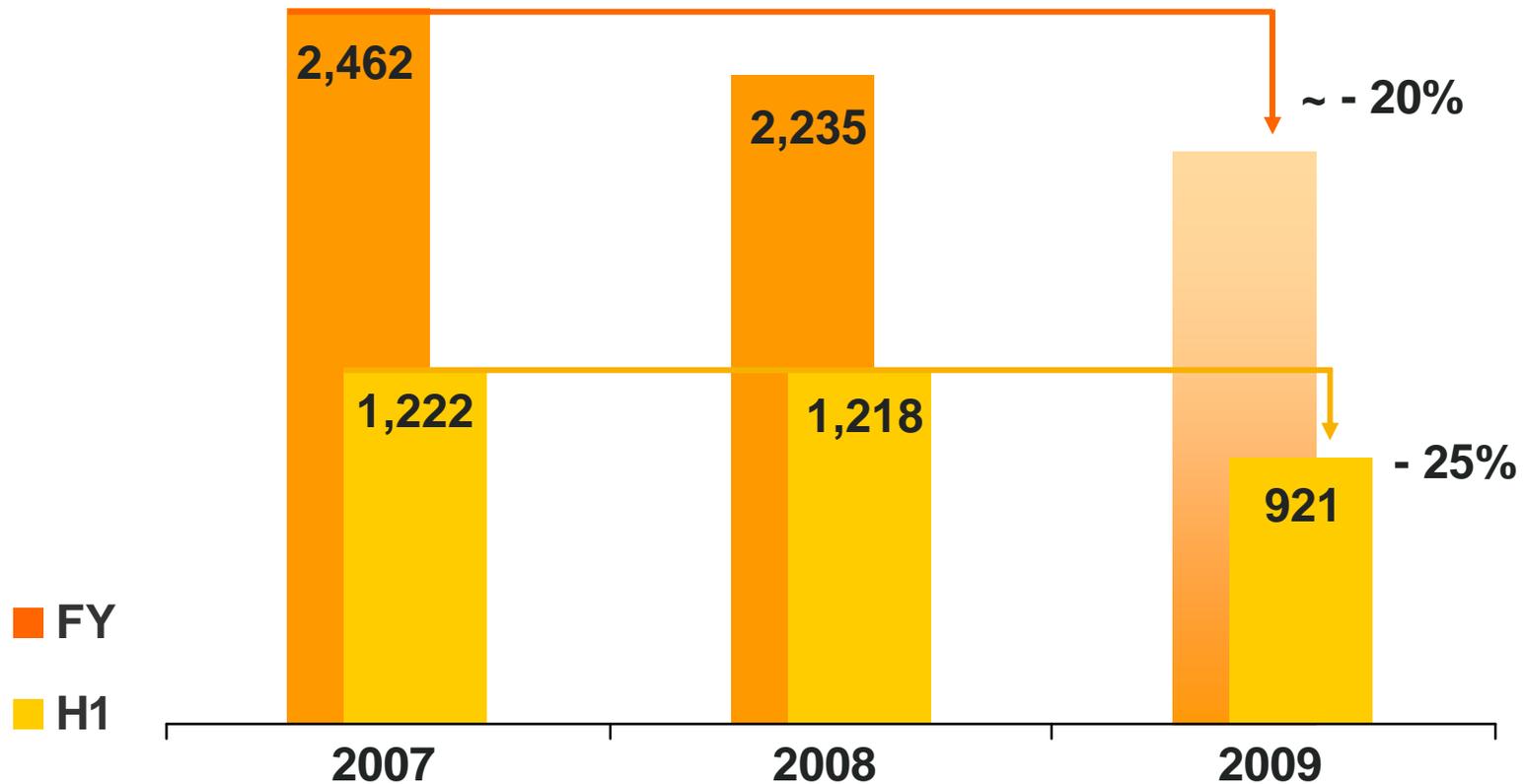
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# REDUCTION IN R&D AHEAD OF PLAN INITIAL TARGET - 15%

R&D expenses in €M

➡ A new target: - 20%

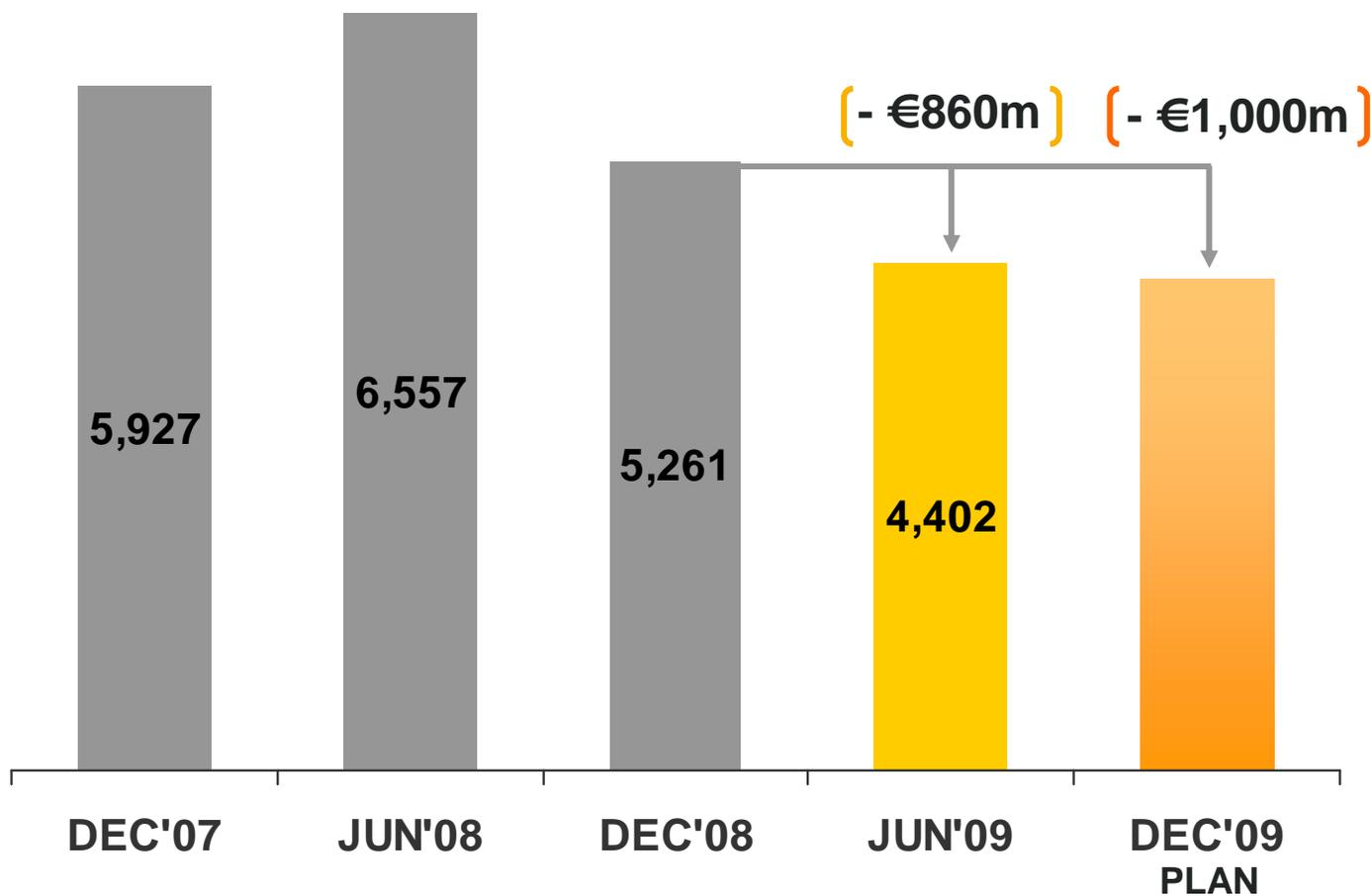


# G&A AND WORKFORCE

	H1'09 vs H1'07	2009 vs 2007
Labor costs	On track for FY - 20%	
G&A	- 12%	- 19%

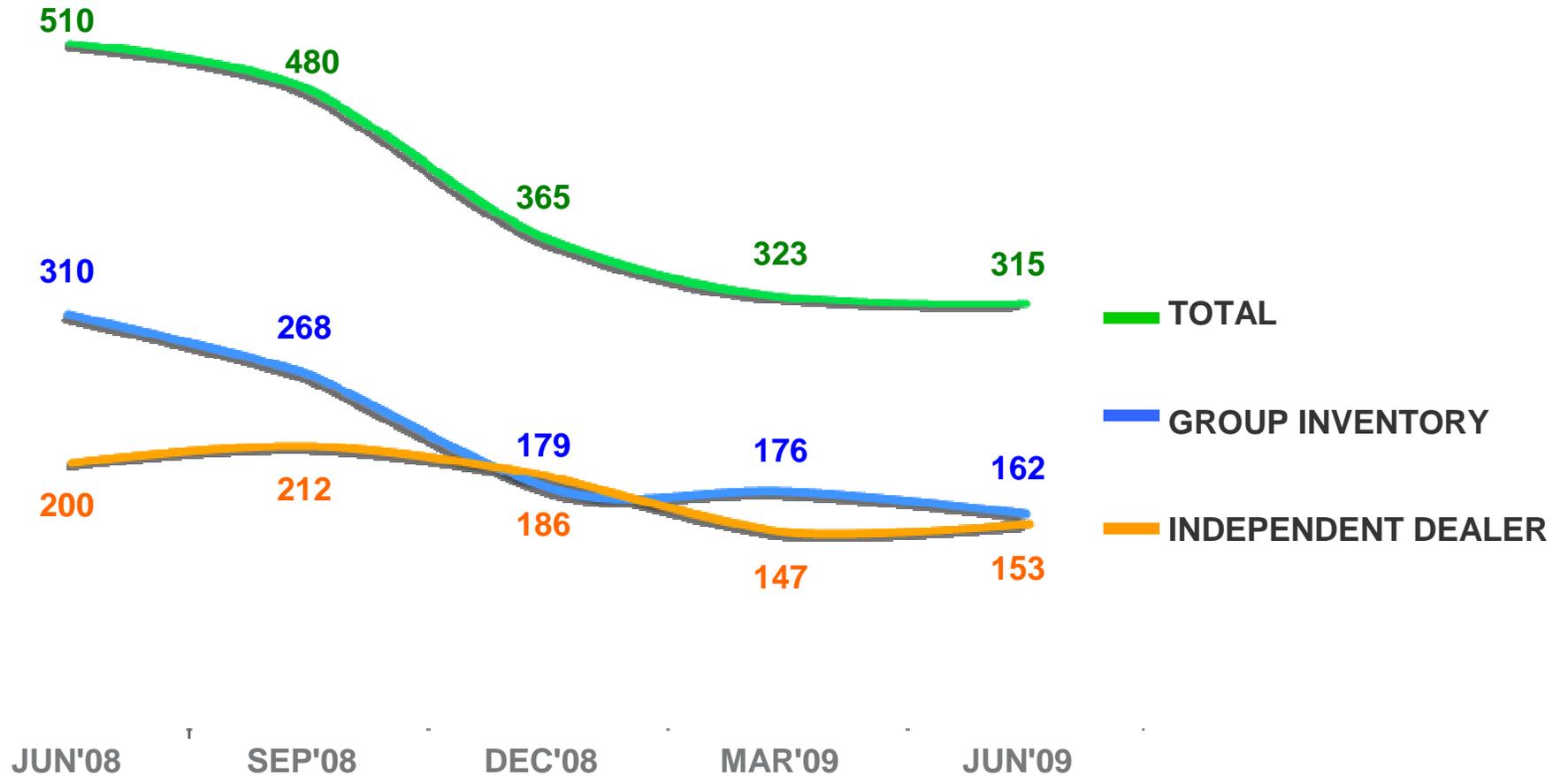
# INVENTORY REDUCTION: IN ADVANCE FOR FY - €1bn

*Automobile inventory in €m*



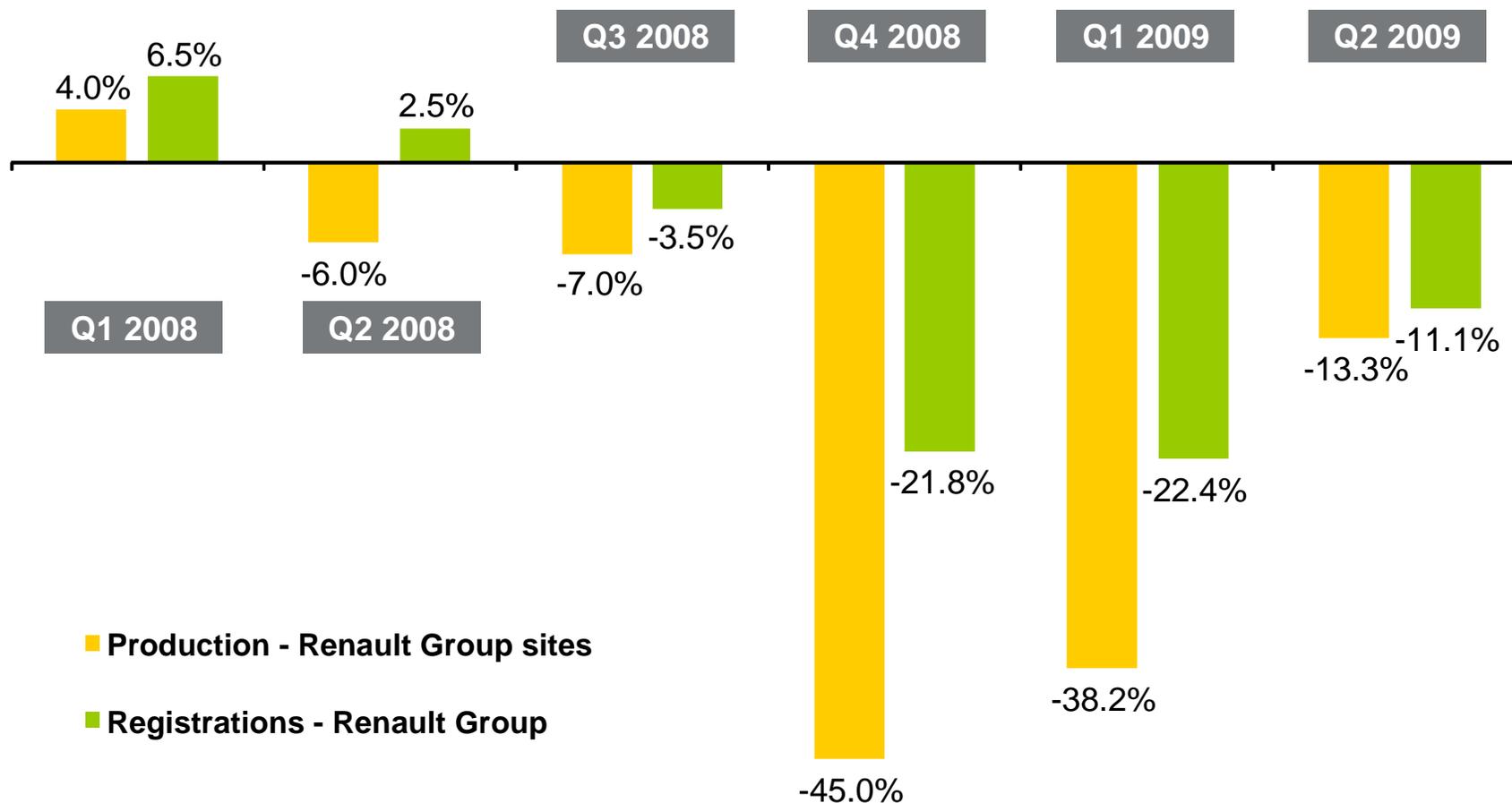
# DISTRIBUTION STOCK: - 38% vs. JUNE '08

*New vehicle physical distribution stock in K units*



# PRODUCTION & REGISTRATIONS: CLOSING THE GAP

*Evolution in volume vs. Y-1*

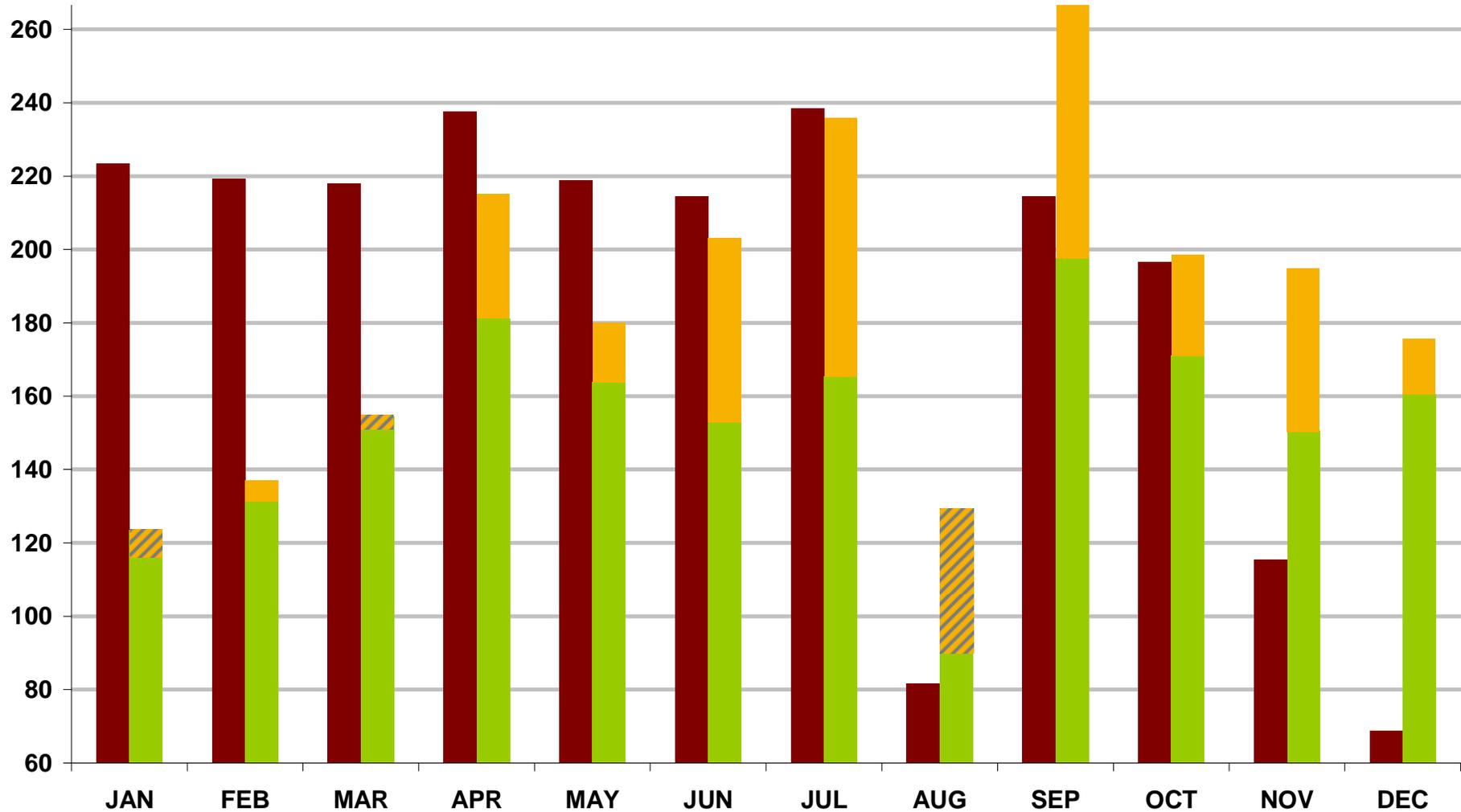


# PRODUCTION PLAN 2009

(in K units)

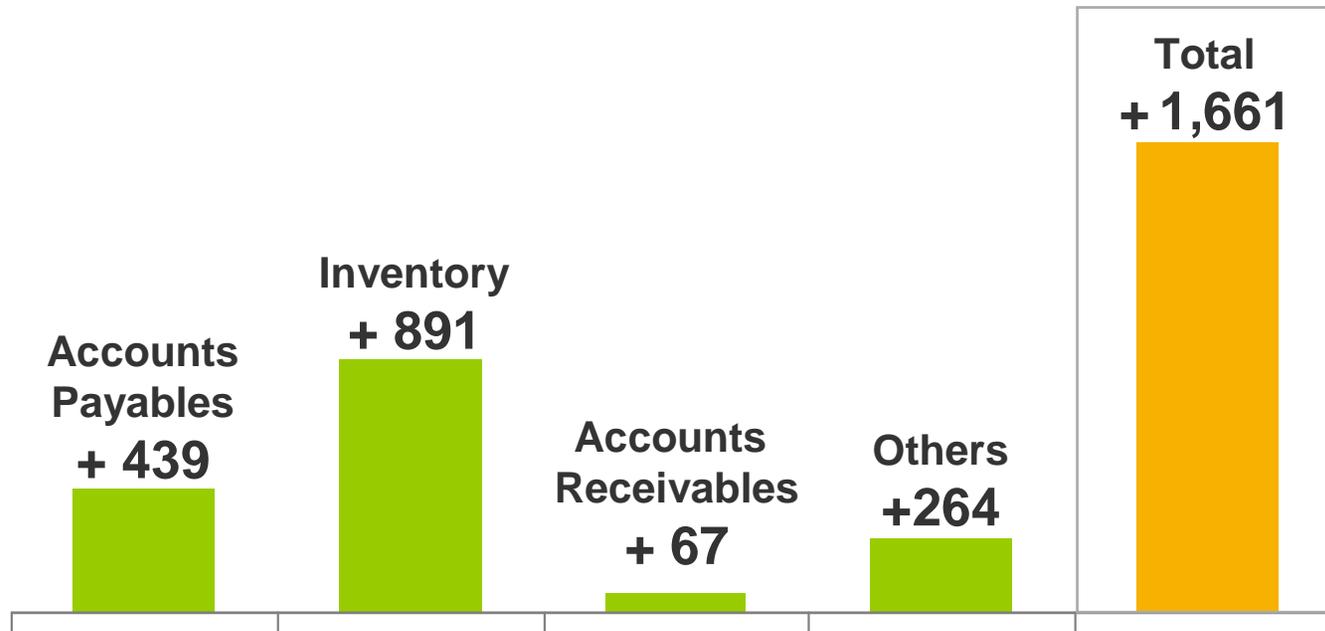
■ 2008 | Renault global industrial output  
■ 2009 | Production forecast – Feb'09

■ 2009 | More than plan  
▨ 2009 | Less than plan



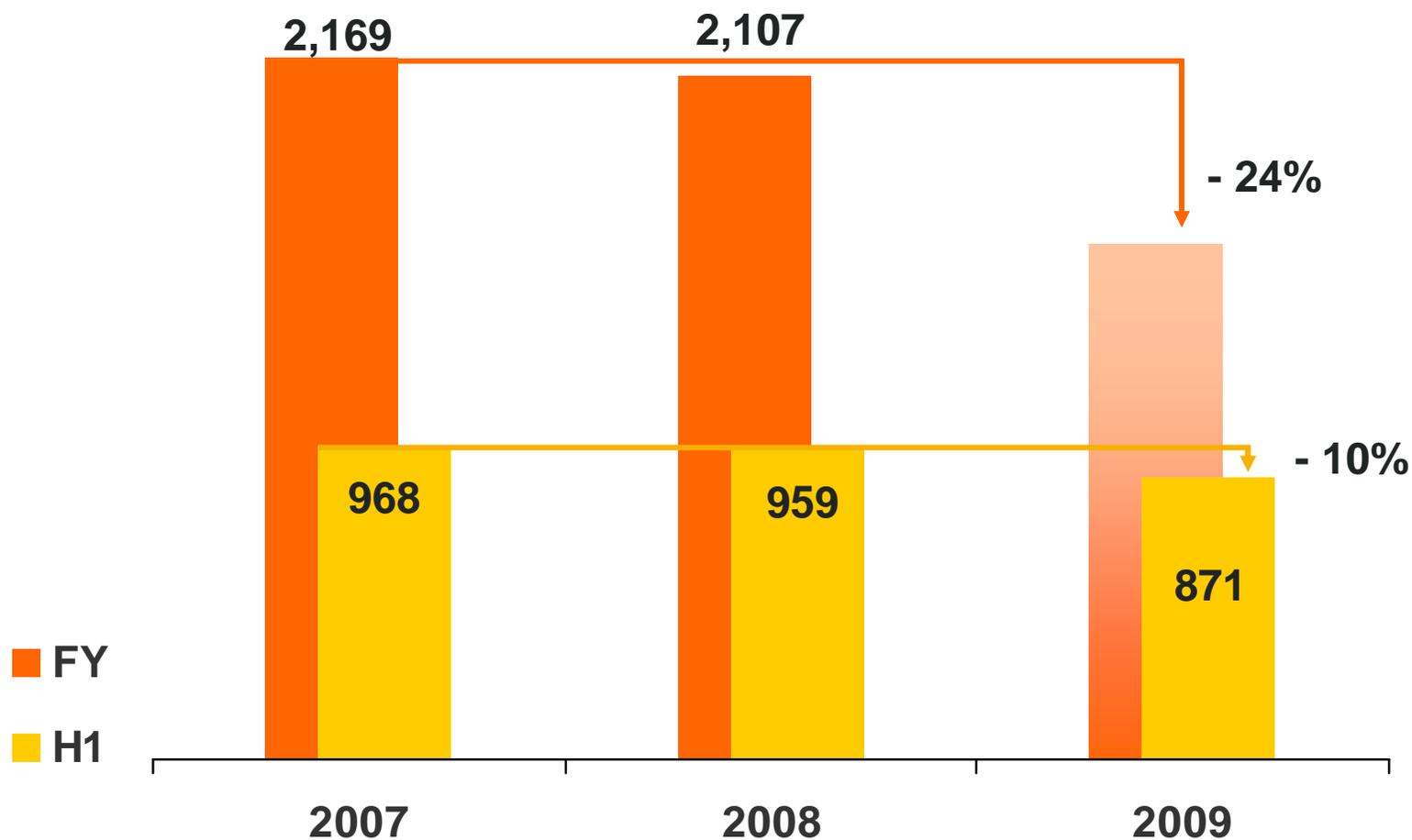
# WCR VARIATION H1'09

(million euros)



# CAPEX REDUCTION IN LINE WITH FY PLAN OF - 24%

Net CAPEX auto in €M excluding leased vehicles



# FIXED COSTS REDUCTION

	H1'09 vs. H1'07
Automobile revenues	- 23%
	<b>2009 vs. 2007 Estimates</b>
<i>Labor costs</i>	- 20%
R&D	- 20%
G&A	- 19%
Manufacturing fixed costs	- 9%
Net Capex	- 24%
Fixed marketing expenses	Stable
<b>TOTAL FIXED COSTS</b>	<b>- 15%</b>

# WHAT WAS BETTER / WORSE THAN EXPECTED IN H1?

( + )

- TIV
- FCF Management
- Fixed costs reduction
- RCI financial performance
- Logan / Sandero
- New Mégane
- Funding & liquidity plan

( - )

- Market share
- Model mix in Europe
- Mix/Price impact on Automobile Operating Margin

# OUTLOOK 2009

- **Global Market volume forecast increased to 57m units (prev. 55m)**
  - Europe market area at - 8% vs. 2008 (previously - 11%)
- **Improving market share in H2'09**
- **Benefit from full roll out of new Mégane, new Scénic & Clio 3ph2**
- **Fixed cost absorption improving (production in line with sales)**
- **In line with the guidance:**

 **A POSITIVE FREE CASH FLOW**

# H1 2009 FINANCIAL RESULTS

Q&A



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