



## PRESS RELEASE

October 23, 2008

### *Quarterly information, September 30, 2008*

- The Group reported consolidated revenues of 30,091 million euros for the first nine months of the year, up 0.9%.
- The Automobile and Sales Financing activities grew 0.9% and 1.8%, respectively, over the same period.
- Total revenues for third-quarter 2008 were 9,149 million euros, down 2.2% on third-quarter 2007.
- The sharp fall in European markets in the second half-year has lead Renault to revise its 2008 operating margin target of 4.5% for 2008 to between 2.5% and 3%.
- The Renault group has 9.5 billion euros in confirmed lines of credit with top-level banks.
- Amid worsening global financial and economic conditions, the Group is well positioned to weather the crisis. It can rely on a rejuvenated range, growth in international markets, reduced costs and greater operating efficiency, improved working capital requirements and, in the longer term, mass marketed zero-emission vehicles.

At September 30, 2008 Renault's consolidated revenues were 30,091 million euros, compared with 29,820 million euros for the same period in 2007 on a consistent basis. The **Automobile** and **Sales Financing** activities made positive contributions to this result, with respective increases of 0.9% and 1.8%. Excluding negative currency effects of 709 million euros, the Group's consolidated revenues rose 3.3% year-on-year.

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#### **Revenues by activity**

**Automobile** revenues totaled 28,524 million euros in the first nine months of 2008, up 0.9% year-on-year, amid a 2% worldwide sales increase over the same period, despite an unfavorable currency effect of 2.3 points.

- In Europe<sup>1</sup>, in a market down 4.4%, Renault increased its market share 0.2 points to 8.9% through its product offensive. Dacia sales continued to grow, up 38.1%, with the success of Logan MCV strengthened by the launch of Sandero in gasoline and diesel versions. The 6.8%

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1. The Europe Region includes France.

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increase in registrations in France was accompanied by a change in the product mix, with the bonus/penalty measure on CO<sub>2</sub> emissions favoring sales of A/B segment models. The Europe Region's contribution to revenues at end-September 2008 fell 1.1%, with contrasting trends: Europe excluding France declined by 2.7% while France was rose 1.6%

- Outside Europe, the Group grew sales in all three Regions, reflected in a 1.8-point rise in their revenue contribution. Sales in the Americas Region rose 13.5%, buoyed by the dynamic markets of Brazil and Argentina, where Renault reported excellent performances, particularly with Sandero. In the Euromed Region, where sales increased 5.9%, the Group benefited from strong growth in Russia (+24.6%) and maintained its leadership position in Romania. Sales in the Asia-Africa Region increased 17.9%. This Region's contribution has been adversely affected since the start of the year by the depreciation of the South Korean won, which has had a strong impact on the Region's revenues.
- Other activities made a positive contribution of 0.2 point to revenues. These included invoicing AvtoVAZ 165 million euros for manufacturing and sales rights for one model and a number of components.

**Sales Financing** made a 1,567-million-euro contribution to Renault group revenues in the first nine months of 2008, up 1.8% on the same period in 2007. The contribution of RCI Banque fell 2.5% year-on-year in third-quarter 2008 in a particularly tense financial environment.

## **Overview of the financial situation and results in the first nine months of 2008**

### **Liquidity and financing**

To honor its commitments, the Renault group has 9.5 billion euros in confirmed **lines of credit** with top-level banking institutions, of which 5.3 billion for Sales Financing and 4.2 billion for Automobile.

At end-September 2008, the financing operations of **Automobile** in capital markets amounted to 1,686 million euros, net of reimbursements. Changes in the fair value of Renault SA redeemable shares, calculated using the stock market price at September 30, 2008, were reflected in an improved financial result and a 56-million-euro reduction in Automobile's net financial debt between June 30, 2008 and September 30, 2008.

The yen's increase against the euro since July 1, 2008 had a negative impact of 446 million euros on the net debt of Automobile at September 30.

Regarding the **Sales Financing** activity, financing for one year and more made by RCI Banque in the last nine months totaled 3.5 billion euros, or 107% of total long-term financing needs for 2008, revised in line with new business forecasts.

## Implementing the action plan

The macro-economic situation since the beginning of the year has been marked by the downturn in the main European automotive markets, the financial crisis (which makes financing more expensive and less accessible for businesses and households), an unfavorable trend in currency effects and extremely volatile oil and commodities prices.

To maintain its competitiveness and profitability, Renault decided to act fast, implementing an action plan on July 24 that involved:

- increasing selling prices an average 1.5%, starting from mid-year, to absorb the rise in commodity prices,
- lightening and simplifying the product plan,
- strengthening the cost cutting plan and cash-driven management, with special actions to reduce investments and inventories, while maintaining the operating conditions of the network and respecting customer delivery times,
- reducing the workforce at the Sandouville plant to one shift and the structural workforce at Renault SAS through a voluntary departure plan launched on October 15. The plan is in the deployment phase in Europe.

## Outlook

- The evolution of the European car market has worsened considerably in the third quarter. The market could end 2008 down 8% compared with 2007. In addition, some emerging markets are beginning to show signs of slowing growth. In this environment, Renault is showing its competitiveness by increasing market share in Europe and internationally.
- For full year 2008, and without further deterioration in car markets, Group volumes should slightly exceed 2007 levels and Renault should achieve a consolidated operating margin between 2.5% and 3%.
- The outlook for 2009 will be issued at the 2008 annual results release in February 2009. The group is currently assessing the consequences in the deterioration of market conditions.

## Renault group strengths

- **A rejuvenated range:** In 2009, the average age of the Renault line-up will be 2.2 years. Renault is pursuing the product offensive in fourth-quarter 2008 with the European launch of Laguna Coupé, Kangoo Be Bop and New Mégane, three new models that caught the eye of the public and press at the Paris Motor Show. Last-quarter 2008 will also see the launch of the new Renault Symbol in the Euromed region and then in Europe.

- **Recognized quality:** multi-brand surveys rank the models launched since Clio III – New Twingo, New Laguna and New Kangoo – among the top three in several European countries.

- **Stronger response capacity in a changing environment:** On October 10, Carlos Ghosn, President of Renault and President of Nissan, appointed Patrick Pélata as Chief Operating Officer, to reinforce the operational management of the company, give it a stronger local focus, and ensure extremely rapid decision making.

- **A long-term strategic vision:** In a profoundly changing industry, the Group is positioning itself in growth markets and high-potential segments, with strategic partnerships paving the way for international expansion. The ultra-low cost car project with Bajaj in India responds to the need for affordable mobility. Renault is also pursuing its policy of socially responsible innovations, reducing CO<sub>2</sub> emissions and mass marketing zero-emission vehicles.



## PRESS RELEASE

### Group Renault consolidated revenues

Millions of euros	2007	2008	2008/2007 change
<b>1st quarter</b>			
Automobile	9,306	9,697	+ 4.2%
Sales Financing	487	506	+ 3.9%
<b>Total</b>	<b>9,793</b>	<b>10,203</b>	<b>+ 4.2%</b>
<b>2<sup>nd</sup> quarter</b>			
Automobile	10,145	10,190	+ 0.4%
Sales Financing	527	549	+ 4.2%
<b>Total</b>	<b>10,672</b>	<b>10,739</b>	<b>+ 0.6%</b>
<b>3rd quarter</b>			
Automobile	8,830	8,637	- 2.2%
Sales Financing	525	512	- 2.5%
<b>Total</b>	<b>9,355</b>	<b>9,149</b>	<b>- 2.2%</b>
<b>9 months</b>			
Automobile	28,281	28,524	+ 0.9%
Sales Financing	1,539	1,567	+ 1.8%
<b>Total</b>	<b>29,820</b>	<b>30,091</b>	<b>+ 0.9%</b>

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