



PRESS RELEASE

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Renault to reduce its inventory level

In view of the rapid decline of automotive markets, Renault will reduce its production volumes to bring end-2008 inventories down to the levels of end-2007.

In a worldwide automotive market hit by the crisis, Renault's October 2008 sales dipped by 14.1 % vs Oct 2007. The slowdown in the European market intensified in October. In Europe, Group sales fell 16% in October, in line with the market decrease of 15%. The main emerging markets where the Renault group is present (Russia, Brazil, Romania, Turkey) fell off dramatically. The used car market worsened further, particularly in Europe. The financial crisis became more acute with a strong impact on the sales network. In this environment, Renault continues to place the priority on sales to retail customers and company fleets, as well as on reducing inventories of new and used vehicles, both at the manufacturer and sales network level.

In this context, Renault's manufacturing program must be adjusted to ensure a close fit between inventory levels and market demand. Renault will help its dealers, under heavy financial pressure, to reduce their inventory and thus their fixed financial assets. To this aim, Renault has set up a marketing plan to help to reduce inventory in the network; for example, in France, the used vehicle promotion "Occasions Renault at Argus price". Another example is Renault's paying for the cost of transportation of new vehicles exchanged between dealers.

« The production reduction we are engaging is our answer to the rough decline of the automotive market to adjust our inventory level to the expected sales volume. Our aim is to come back, at the end of 2008, at the same level as end of 2007 » says Michel Faivre-Duboz, SVP, Supply Chain Worldwide.

This week, the scheduling of Days Not Worked (DNWs) has been announced in several production sites in France and Europe: in Romania, the Dacia Pitesti plant will temporarily close from Nov 20th to Dec 7th ; in France, the Flins plant will temporarily close from Nov 20th to Dec 3rd, and STA Ruiz will close from Dec 10th to Jan 3rd ; in Spain, the Valladolid assembly plant will stop production for 11 days, and the Palencia plant will stop production for 7 days in November and 7 days in December.

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Company committee meetings concerned have been informed of these new production programs.

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