RENAULT

PRESS RELEASE

February 13, 2014

RENAULT DRIVE THE CHANGE

RENAULT ACHIEVES ITS FREE CASH FLOW OBJECTIVE AND IS READY TO ACCELERATE ITS GROWTH PLAN

- **Renault exceeded its 2011-2013 objective and delivered € 2.5 billion in cumulative free cash flow.**
- **The group has set new ambitious yet realistic targets to be reached by the end of the plan "Drive the Change" to be measured in 2017:**
  - **To generate 50 billion[1] euros in consolidated turnover**
  - **To reach an operating margin greater than 5% of turnover with a positive free cash flow each year**

"Our strategy laid out in the first part of our plan Drive the Change has delivered results. Thanks to these achievements, the Renault group is well prepared to deploy a second ambitious, yet realistic phase of the plan", said Carlos Ghosn, Chairman and CEO of Renault.

2011 – 2013 Achievements

- **Success of new Renault and Dacia models**

▪ The renewal of the Renault model line-up is off to a strong start: New Clio is number 1 in France and number 3 in Europe. Captur is the leading-selling cross-over in France and segment leader in Europe. Pioneering in zero-emission mobility, Renault delivered its commitment to launch a comprehensive range of electric vehicles.

- **A better balanced geographic footprint**

▪ The Renault group increased its market share outside Europe. The mix of non-European sales increased from 38% in 2010 to 50% in 2013. Brazil and Russia became respectively the second and third largest markets for the company. Led by Duster, the company's most-sold vehicle in 2013, the unique M0 range has been the driving force behind the strong growth in emerging markets.

2014 – 2016 action plans

- **A sustained renewal and expansion of the product line-up**

▪ The Renault group is going to accelerate the renewal and expansion of its product line-up starting in the fall of 2014 with the launch of an all-new Twingo and Trafic van. These will be followed by the successors of Espace, Megane, Scenic and a new D sedan which will all share the new alliance 3 million CMF C-D platform.

▪ Simultaneously, the group is going to extend its market coverage with a complete line-up of cross-over vehicles, an A-entry vehicle designed for India and South America as well as new pick-up trucks for emerging markets.

---

[1] *Based on bank consensus FX rates at the beginning of 2014.*

- **International expansion and renewed growth in Europe**

- Following a successful first phase, the group is aiming at capturing more than 8% market share in Brazil and Russia and 5% in India.
  China will become a top priority in the coming years with the construction of a new plant in Wuhan with an initial capacity of 150,000 units, designed to produce C and D segment cross-overs.

- In Europe, Renault is aiming at recapturing second place among the mass-market brands with a renewed line-up of connected, user-friendly and environmentally responsible vehicles. At the same time, the Dacia brand will sustain its undisputed leadership in its category.

- **Improved competitiveness**

- The Renault group will enjoy the benefits of scale and improved competitiveness as a result of sharing alliance platforms and modules (CMF) on which more than 80% of future vehicles will be based. Standardized modules will account for two thirds of the value of future vehicles, up from one third today.

- The localization of parts and components will increase in order to make better use of the company's global manufacturing footprint and contain costs.

- During the period, the company will also benefit from the effects of the competitiveness plans signed in France and Spain as well as manufacturing vehicles for partners.

- By completion of the plan, the group will reach a capacity utilization rate of 100% in Europe (based on 2 shifts/day standard definition).

- **Alliance synergies**

- Increase synergies from the Alliance will contribute to improving Renault's profitability. The convergence projects recently announced in purchasing, engineering, manufacturing and supply chain, and human resources will generate a minimum of € 4.3 billion by the end of 2016.

- **Cost containment**

- The strategy of sharing costs across the Alliance and with partners will allow Renault to sustain a high level of upstream development, while maintaining a ratio of R&D and CAPEX below 9% of group turnover.

Action plans to deliver two critical objectives

By the end of the plan, the Renault group aims to deliver two critical objectives[1]:

- Deliver € 50 billion[2] in consolidated group turnover at the current scope of consolidation. Group turnover includes sales of vehicles and parts, associated services and business with partners.

- Deliver a sustained level of profitability by achieving an operating profit margin of at least 5% of group turnover, while achieving a positive free cash flow each year.

Renault Press Contacts
Hélène Mazier : + 33 1 76 84 39 59
Bruno Moreau : + 33 1 76 84 36 40
www.media.renault.com & www.renault.com
Follow us : @Renault_live

[1] *Measured in 2017, first year with Plan full effect. Without AVTOVAZ consolidation.*
[2] *Based on bank consensus FX rates at the beginning of 2014.*