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PRESS RELEASE

FEBRUARY 08, 2006

Renault announces net income of €2.9 billion and operating margin of 2.56%

- **2006 was a year of transition following the launch of the Renault Commitment 2009 plan.**
- **Global sales decreased 4%. Growth outside Europe continued, accounting for 30% of total sales. Logan MCV, the first of the plan's 26 new models, was successfully launched.**
- **Renault achieved its 2006 operating margin target, generating net income of €2,943 million - a slight 0.8% dip in revenues.**
- **With a ratio of net financial debt to shareholders equity of 11.4% at December 31, 2006, Renault had a healthy balance sheet at end-2006.**

"Thanks to the total commitment of everyone at Renault to reducing costs, improving quality and boosting the international performance of the Group, Renault has achieved its 2006 operating margin in line with the roll-out of Renault Commitment 2009" said Carlos Ghosn President and CEO of Renault.

Operating margin in line with objectives

The Group reported **revenues** of **€41,528 million**, down 0.8% on 2005 on a consistent basis.
The slight downturn is mainly attributed to:
- a lower contribution from the France and Europe Regions (down 4.2% on 2005) where Renault pursued its selective commercial policy pending the product offensive planned to start in second-half 2007,
- a stronger contribution from the other Regions – Euromed, Americas and Asia-Africa – over the same period (up 2.3%) with sales growth driven by the three brands: Renault, Dacia and Samsung.

In 2006 **Group operating margin** totaled **€1,063 million** or **2.56%** of revenues, versus 3.20% in 2005.

Business in 2006 was impacted by:

- lower sales volume in Europe, and the consequent lower absorption of fixed costs,
- a higher-than-expected rise in raw materials prices,
- the cost of transition to the Euro 4 standard, not passed on to sales prices.

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Owing to the continued development of 26 new products, along with environmentally friendly and safety technologies, **Research and Development** expenditure totaled **€2,400 million**, up €136 million on 2005. This increase is due to the acceleration of Renault's investment in innovation to prepare for the future.

Sales Financing contributed €492 million to Renault's operating margin versus €465 million in 2005.

Net income of €2,943 million

The Group reported **operating income** of **€877 million**, compared to € 1,514 million in 2005.

The net financial income totaled **€61 million**, compared to an expense of €327 million in 2005. Efficient management of debt, the net cost of which was €19 million (compared to €57 million in 2005), and the capital gains made on Scania securities in the second half-year are 2 main drivers of 2006 financial income.

Renault reported net profit of **€2,260 million** from its share in the **income of associated companies,** particularly Nissan (€ 1,871 million) and Volvo (€ 384 million).
The tax charge came to € 255 million compared with € 331 million in 2005.
Net income amounted to € 2,943 million. Earnings per share came to €11.17.

At the Annual General Meeting on May 2, 2007 the Board of Directors will recommend **increasing the dividend to € 3.10 per share**, from € 2.40 last year.

A healthy financial situation

The net financial automotive debt totaled **€ 2,414 million** at December 31, 2006, or 11.4% of equity compared with 11.5% in 2005.

Shareholders' equity increased by € 1,540 million to **€ 21,201 million** at December 31, 2006, versus € 19,661 million at end-2005.

2006: A year of transition for Renault

Renault has committed to make and sustain itself as the most profitable European volume car company.
In 2006 the Group made progress in all three areas of the plan: quality, profitability and growth.

Quality
Significant progress has been made in terms of product quality. This improvement is reflected in a 30% year-on-year drop in warranty costs. The future Laguna, which epitomizes Renault's commitment to quality, successfully passed all its design-phase quality tests.

In terms of service quality, significant progress has been made with the implementation of the plan (PER 4). The percentage of very satisfied customers across the network worldwide rose from 71% to 75% in 2006.

Profitability
The first operating margin milestone was met, mainly thanks to reduced costs, increased international profitability, and the strong performance on the light commercial vehicles market in Europe.

Growth
Although not reflected by the 2006 commercial results, growth is in the pipeline.

- Five of the 26 models included in the plan (Logan Van, Twingo, Laguna sedan, Laguna station wagon and Renault's first cross-over) have already been launched in 2007.

- This product offensive will be backed up by technological progress, achieved through the Alliance. Renault is focusing on the environment in order to remain one of Europe's most efficient carmakers in terms of fuel consumption and CO_2 emissions.
- Sales outside Europe, which account for 30% of the total compared with 27% in 2005, continued to grow, driven by the three brands: Renault, Dacia and Samsung. The increase in production capacities announced for India, Romania and Russia, and the launch of new models designed to meet local demand on these fast-growing markets, are the main driving forces behind Renault's growth through to 2009.

Outlook for 2007

Sales will start to grow again in 2007.

- In Europe, where the markets are stable, Renault will pursue its selective commercial policy. However, in the second half of 2007, Renault will progressively benefit from the launches of the future Twingo and Laguna.
- Outside Europe, the launch of Logan in Brazil, Iran and India in spring 2007 will contribute to sales growth. At year's end a cross-over vehicle will be launched in South Korea.

Overall, Renault's global sales will increase slightly in 2007. Most of the growth will occur in the second half-year.

To be on track with the commitment of 6% operating margin in 2009, annual milestones for profitability were set in July 2006. Renault has confirmed the milestone of 3% operating margin in 2007. This figure is the average for what will be a year of contrasts, with the first half lower than 2006 and the second half marked by an increase.

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Consolidated revenues of the Renault group by activity

€ million	2006	2005 restated[1]	2005	Change restated
Automobile	**39,605**	39,923	39,458	**- 0.8%**
Sales financing	**1,923**	1,921	1,880	**+ 0.1%**
Total	**41,528**	41,844	41,338	**- 0.8%**

[1] ***On a like-for-like basis with 2006***

Operating margin by activity

€ million	2006			2005
		HY1	HY2	
Automobile *% of revenues*	**571** *1.4%*	323 *1.6%*	248 *1.3%*	858 *2.2%*
Sales financing *% of revenues*	**492** *25.6%*	269 *27.3%*	223 *23.8%*	465 *24.7%*
Total *% of Renault group revenues*	**1,063** *2.56%*	592 *2.75%*	471 *2.36%*	1,323 *3.20%*

Consolidated results of the Renault group

€ million	2006	2005
Operating margin	1,063	1,323
Operating income	877	1,514
Financial income (expense)	61	(327)
Share in income of associated companies	2,260	2,597
Group pre-tax income	3,198	3,784
Current and deferred tax	(255)	(331)
Group net income	2,943	3,453
Minority interests	(74)	(86)
Renault net income	2,869	3,367