SECURITIES REPORT

1. This document is a printed copy, with table of contents and page numbers inserted, of the data of the Securities Report under Article 24, Paragraph 1 of the Financial Instruments and Exchange Law filed on May 23, 2012 through Electronic Disclosure for Investors' Network (EDINET) provided for in Article 27-30-2 of such Law.

2. The documents attached to the Securities Report filed as stated above are not included herein. However, a copy of the audit report is attached at the end hereof.

RENAULT
(E05907)

(TRANSLATION)

Cover Page

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Note (1) Unless otherwise specified herein, the "Company", "Renault" or "Renault S.A." refers to Renault, and the "Group", the "Renault Group" refers to Renault and all of its consolidated subsidiaries.

Note (2) Unless otherwise specified herein, the reference to "Euro", "€" and "EUR" are to the lawful currency of European Union and French Republic. The telegraphic transfer for selling Euro against yen quoted by The Bank of Tokyo-Mitsubishi UFJ, Ltd. as of April 13, 2012 was EUR 1 = JPY108.33**.** Any conversions made herein from the Euro amounts into Japanese yen was made at this exchange rate for conversion convenience purposes only and should not be deemed a representation of future exchange rates.

Note (3) Where figures in tables in this document have been rounded, the totals may not necessarily be the aggregate of the sum of the relevant figures.

PART I CORPORATE INFORMATION

I. SUMMARY OF LAWS AND REGULATIONS IN THE COUNTRY TO WHICH THE COMPANY BELONGS

1. SUMMARY OF CORPORATE SYSTEM, ETC.

(1) CORPORATE SYSTEM IN THE COUNTRY OR STATE TO WHICH RENAULT BELONGS:

One of the more often used forms of limited liability companies are *Société Anonyme* form for larger scale companies and *Société à Responsabilité Limitée* form for smaller scale companies. The legal framework applicable to such companies is the French Commercial Code.

The following is a summary of the major provisions applicable to *Sociétés Anonymes* (hereinafter referred to as an "SA") under the French Commercial Code modified pursuant to a law dated May 15, 2001 titled N.R.E ("*Nouvelles Régulations Economiques*"), and law dated August 1st, 2003 titled "Loi de Sécurité Financière", an ordinance dated June 24, 2004, a law dated July 26, 2005, titled "*Loi pour la confiance et la modernisation de l'économie*, and the law dated August, 4th, 2008 titled LME (*Loi de modernisation de l'économie)* and an Ordinance dated December 9, 2010 transposing the European Directive 2007/36 on the rights of the shareholders of the listed companies.

Upon the incorporation of an SA, the By-laws shall be prepared by the promoter(s) and signed by the initial shareholders. Such By-laws shall be filed with the Secretary of the Commercial Court, at which the SA is registered. The status of a legal entity can be obtained only when a registration certificate is issued by the Secretary of the Commercial Court.

The By-laws is a document which provides for the basic rules governing the SA.

Shareholders

A *société anonyme* is a corporation composed of at least seven shareholders created for a commercial purpose. The shareholders of an SA are subject to liability for the debts of the corporation only to the extent of their capital contributions thereto.

The shareholders are vested the ultimate power over the SA. It is the shareholders who appoint the directors and the Independent Auditor (*commissaire aux comptes*) of the corporation, who declare dividends, who approve the financial statements, who may decide to dissolve the corporation and who authorize any modification of the registered capital, as well as any other amendments of the By-laws.

Capital Stock

Subject to certain exceptions, the registered capital of the SA may not be less than EUR 37,000 for SA not making public offerings of securities and EUR 225,000 for SA making such offerings.

Under the French Law, the capital stock of the S.A. is divided into shares and may comprise, preferred dividend shares, investment certificates (*certificats d'investissement*; hereinafter referred to as the "CI".) and voting rights certificates (certificats de droit de vote; hereinafter referred to as the "Voting Right Certificate") as well as classes of shares. The ordinance of June 24, 2004 has created the "preferred shares" by comparison to the ordinary shares and since has forbidden the issuance of new investments certificates and voting rights certificates that will consequently more and more disappear.

There are no legal restrictions on the par value of a share. Since July 1998, the par value of a share is not required to be provided in the By-laws. Shares may be issued by the SA either in nominative or in bearer form, including, since the ordinance of June 24, 2004, for the SA not listed on a stock exchange. Since October 1, 1982, however, only corporations listed on a stock exchange may issue or have outstanding shares in bearer form. Whether the shares are in nominative form or bearer form, the ownership of such shares is represented by an entry in the account opened with the company (in case of a nominative share) or with a financial institution (in case of a bearer share), instead of a share certificate.

CI are transferable securities deriving from the fractioning of shares, and representing the economic interests granted to the shares (i.e. right to dividend, surplus and residual property after liquidation) and granting a right to the CI holder to request for the same information held by a shareholder. The voting right of CI is represented by the Voting Right Certificate. Therefore, in case CI are issued, the same number of the Voting Right Certificates will also be issued. The issued CI cannot exceed 25% of the issued capital. In the event the CI and the Voting Right Certificate is transferred to the same person, such CI and Voting Right Certificate will be consolidated into one share. The Voting Right Certificate (if there is issued CI) may only be in nominative form. No CI are issued by the Company.

In order to transfer the shares, the shareholders are required to give directions on the transfer to the company or, as the case may be, to the financial institution. Thus, no signature is required on a transfer certificate. The shares may be freely transferred to a third party if no provision requiring approval (generally, approval of the Board of Directors) is provided in the By-laws. Such restricting provisions are not allowed in the By-laws of listed companies.

Form of Capital Investment

The shares are issued upon payment in cash or contribution in kind. The amount paid must be deposited with the bank, notary public or government authorities (*Caisse des Dépôts et Consignations*).

In case the shares are issued in consideration of contribution in cash, at least 25% of the nominal amount of the shares must be paid at the point of issuance. In case the shares are issued with a premium, such premium must be paid in whole at the point of issuance.

When shares are issued in consideration of contribution in cash, the existing shareholders have a preferential right to subscribe for the shares to be issued. The shareholders can waive such preferential right during a shareholders meeting or individually.

In case the shares are issued in consideration of contribution in kind (tangible or intangible assets), a report on the amount of such contribution by an independent appraiser (*commissaire aux apports*) appointed by the Commercial Court will be required. Such report shall be filed with the Secretary of the Commercial Court.

Increase or Decrease of Capital

The capital of an SA may be increased either by an issuance of new shares or an increase in par value of outstanding shares. The authorization to increase the capital is within the sole competence of the shareholders assembled at an Extraordinary General Meeting that can delegate this power or its competence to the Board of Director since the Ordinance of June 24, 2004. Issuance of Shares can be made in consideration of (a) contributions made in cash, (b) contributions made in kind or (c) by capitalization of reserves.

An SA may reduce its capital by the reduction of the par value of its shares or by the reduction in number of its outstanding shares upon approval of the shareholders assembled at an Extraordinary General Meeting. Strict equality among the rights of the shareholders must be respected. Similarly, the corporation may not, by reducing its capital, place its creditors in a less advantageous situation.

Increase or decrease in capital requires filing of notification with the Secretary of the Commercial Court.

Issuance of Bonds or Hybrid Securities

The Board of Directors may decide to issue, by its own, ordinary Bonds, except if this right is reserved to General Meeting of the Shareholders in the By-laws or if the General Meeting has specifically used this right.

The Board of Directors, upon delegation of the shareholders at the Extraordinary General Meeting of the shareholders, may issue securities that grant, within a certain period or on a particular date, the holder of such securities the right to subscribe to shares representing a portion of the share capital of the company by way of conversion, exchange, redemption, presentation of warrants or any other method.

Management

The management of an SA is entrusted (a) either to a Board of Directors and its Chairman and Chief Executive Officer or (b) to a Management Board (*directoire*) acting under the supervision of a Supervisory Board (*conseil de surveillance*).

The management of Renault is entrusted to a Board of Directors – see Section I-1- (2) "Management" below.

At an Extraordinary Shareholders Meeting, the shareholders may decide, upon proposal of the management to change the form of management.

(a) Board of Directors and the Chairman and Chief Executive Officer

In accordance with the law dated May 15, 2001 titled N.R.E., the form of management is entrusted (i) either to its Chairman and Chief Executive Officer or (ii) to its Chief Executive Officer. The law makes a distinction between the function of Chairman and Chief Executive Officer, even though both functions can be vested in a single person:

(i) either a management entrusted to its Chairman and Chief Executive Officer (CEO).

The management is vested in a single person who acts both as Chairman and Chief Executive Officer. Subject to the powers expressly assigned by law to Shareholders' Meetings and subject to the powers specially assigned by law to the Board of Directors, the Chairman and Chief Executive Officer (président-directeur-général) has the broadest powers to act for the company in all circumstances. He provides the general management of the company, which he represents in its dealings with third parties.

(ii) or a management entrusted to its Chief Executive Officer (CEO).

Subject to the powers expressly assigned by law to Shareholders' Meetings and subject to the powers specially assigned by law to the Board of Directors, he has the broadest powers to act for the company in all circumstances. He provides the general management of the company, which he represents in its dealings with third parties. The Board of Directors may elect or resign such CEO without prior Chairman's motion.

In such case, the Chairman directs the work of the Board of Directors and executes its decisions whereas the CEO represents the company.

In both cases, on the CEO's motion, the Board of Directors may elect or resign one or more general managers (directeurs généraux délégués) limited to 5. The general manager(s) shall have the same powers as the CEO in its dealing with third parties.

The Board of Directors (*conseil d'administration*) consists of 3 or more and 18 or less Directors. In the event of a merger or consolidation of companies, the number of Directors may be increased up to 24 for 3 years. A Director may be a French national or a foreigner, or a corporate body, in which case it must designate an individual as its permanent representative. The number of Boards of Directors that an individual can be a member of is limited to five. The number of members of the Board of Directors exceeding the age of 70 cannot exceed one-third of the Board.

The By-laws may require that a director own a certain number of shares. Directors are appointed at the General Meeting of the shareholders with a maximum term of office of 6 years. A Director may be dismissed from its office by the shareholders without prior notice, reason or compensation.

Powers of the Board of Directors have been restricted by the law dated May 15, 2001. Such law makes a clear distinction between the management power of the company conferred upon either the Chairman and CEO or CEO and the power of control of the company which is conferred upon the Board of Directors.

Powers are only restricted by the purposes of the company and powers granted to the General Meeting of the shareholders under law. Resolutions at the Board of Directors are made by a majority vote of the Directors in attendance or represented by proxy. In the event of a tie vote, unless otherwise provided in the By-laws, the Chairman and Chief Executive Officer has the deciding vote. The quorum is half of the total number of Directors.

The Executive Directors may be appointed among the members of the Board of Directors. They must all be individuals.

(b) Management Board and Supervisory Board

Under the French Commercial Code, a SA may be managed by a Management Board (*directoire*) which is under the supervision of the Supervisory Board (*conseil de surveillance*).

The Supervisory Board consists of 3 or more and 18 or less Supervisors (in the case of merger or consolidation of a company, 24 or less for 3 years). A Supervisor may be a French national, a foreigner or corporate body and is appointed by the shareholders for maximum a term of office of 6 years. A Supervisor may be dismissed from its office without being notified of the reason therefor at the Ordinary General Meeting of the shareholders. If a corporate body is a member of the Supervisory Board, such corporate body must designate an individual as its permanent representative. The number of Supervisory Boards that an individual can be a member of is limited to five. The number of members of the Supervisory Board exceeding the age of 70 cannot exceed one-third of the Board. Each member of the Supervisory Board is required to be a shareholder. Most of the provisions relating to the Supervisory Board are the same as those applicable to the Board of Directors; however, the Board of Directors has a management function whereas the Supervisory Board supervises the Management Board.

The Management Board consists of 1 or more and 5 or less members (in the case of a listed company, 7 or less). Its members are required to be individuals and are appointed by the Supervisory Board. The Executive Officer does not need to be a shareholder. An SA of a share capital of less than EUR 150,000 is only required to have one Executive Officer. The Executive Officer in such case is called the Sole Executive Officer. The term of office of the member of the Management Board is 4 years if there are no relevant provisions in the By-laws and 2 years or more and 6 years or less if there is such provision. The Management Board has extensive powers which are restricted by the purposes of the company and the powers granted to the Supervisory Board and to the General Meeting of Shareholders. Restrictions imposed on the powers of the Management Board are binding internally within the company, but cannot be asserted against third parties. Rules regarding management decisions to be made by the Management Board are set forth in the By-laws. The Management Board is a managing body adopting a council system. Any action made individually is considered made collegially by the Management Board. The members of the Management Board can, with the approval of the Supervisory Board, distribute among themselves the tasks to be undertaken. Generally, one member of the Management Board is appointed as the representative of the company by the Supervisory Board. The person thus appointed shall be given the title of Chief Executive Officer. The Chief Executive Officer can be assisted by one or two Executive Officers.

The Management Board submits a quarterly report to the Supervisory Board. Within three months after the end of the financial year, the Management Board must approve the annual corporate accounts and consolidated accounts, if any, and submit them to the control of the Supervisory Board, together with its management report, which will be presented at the annual shareholders meeting approving the accounts. The member of the Management Board cannot at the same time be a member of the Supervisory Board of the same corporation. In order to dismiss a member of the Management Board, it must be approved by the Ordinary General Meeting of the shareholders upon proposal by the Supervisory Board. If a member of the Management Board is dismissed for no reason, it may claim compensation for damages.

Shareholders' Rights

(a) General Meetings of Shareholders

A General Meeting of the Shareholders (*assemblée générale des actionnaires*) must be held at least once a year in order, *inter alia*, to elect the Directors or members of the Supervisory Board, to ratify agreements entered into between Renault and its senior executives or directors, to receive the written report of the board of directors (or Management Board) and the Statutory Auditor on the operations of the corporation for the past fiscal year and to approve the financial statements therefore. Other meetings of the shareholders may be convened from time to time: a meeting of the shareholders is called an Extraordinary General Meeting of the Shareholders (*assemblée générale extraordinaire des actionnaires*) when, due to certain fundamental changes in the structure of the SA, amendment(s) of the By-laws must be approved by the shareholders or modifications of the authorized capital must be authorized. Any other meeting is called an Ordinary General Meeting of the Shareholders (*assemblée générale ordinaire des actionnaires*).

Decisions at Ordinary General Meetings of the Shareholders are adopted by a simple majority of the voting shares present, or represented thereat; at Extraordinary General Meetings of the Shareholders, decisions are adopted by a two-thirds majority of the voting shares present, or represented thereat.

In the event the By-laws provide for various classes of shares, the rights granted to the various classes of shares cannot be changed without approval of the Extraordinary General Meeting of the shareholders duly notified to all shareholders. Such resolution must be approved by a special meeting of shareholders of the relevant class of shares.

(b) Voting Right

As a general rule, each share is entitled to one vote. Certain shares do not have the right to vote, while others may be granted double voting rights. Shareholder's agreements, voting trusts, voting pools, irrevocable proxies or any other mechanism tending to restrict a shareholder's ability to freely vote his shares are generally prohibited but subject to certain exceptions.

Nonetheless, shareholders may grant a proxy, valid for only one shareholders' meeting, empowering either another shareholder or his spouse to vote his shares. Shareholders may hold more than one proxy. Finally, where a shareholder grants a proxy without specifying who is to vote his shares and how they are to be voted, the chairman of the meeting of the shareholders is entitled to vote such shares on behalf of the shareholders provided that he votes same in favor of the resolutions proposed or supported by the Board of Directors or the Management Board and against all other resolutions.

If the shares owned by a shareholder or jointly by shareholders become over or under the criteria of 5%, 10%, 15%, 20%, 25%, 30%, 1/3, 50%, 2/3, 90% or 95% of the share capital or number of voting rights (in the event there is a difference between the number of shares and the number of voting rights), such shareholders must give a notice thereof to the company and the *Autorité des Marchés Financiers*.

(c) Dividends

Dividends must be approved by the shareholders. Dividends may only be declared out of distributable profits of the parent company (*bénéfice distribuable*) which are equal to the net after tax profit *minus* any loss carry-forwards (*reports à nouveau déficitaires*) or allocations to reserves (including as the case may be statutory reserves under French law) *plus* any profit carry-forwards (*reports à nouveau bénéficiaires*) and special reserves created by the By-laws or shareholder resolutions from which dividends may be declared.

Dividends may be declared only after the shareholders have approved the financial statements of the corporation for the past fiscal year and have determined the amount of distributable profits. The only exception to this mandatory chronological sequence of events is the declaration by the corporation of interim dividends (*acomptes sur dividendes*) which may be declared from time to time under certain circumstances during the fiscal year by the Board of Directors or Management Board. All persons who are shareholders as of the date of the declaration of the dividend normally have the right to receive a same amount.

(d) Liquidation

An SA may be dissolved for any of a number of reasons, including the will of the shareholders, the end of its stated period of duration, the accomplishment of its corporate purpose, the satisfaction of a condition precedent contained in the By-laws requiring dissolution, dissolution in conjunction with bankruptcy proceedings or dissolution due to the court-ordered cancellation of the corporate charter.

As soon as the decision to dissolve the SA has been taken, the corporation is in liquidation.

The liquidation is carried out by one or more liquidators appointed either by shareholders representing a majority of the capital of the corporation, or, in the event that the dissolution of the SA is ordered by the Commercial Court, appointed by such court. The liquidator must carry out the formalities of publication, marshal the assets of the corporation and pay all of its outstanding debts.

Once all corporate debts and all shareholders benefiting from social distribution rights have been paid, the liquidator has the authority to distribute corporate assets to the shareholders.

Upon the termination of the liquidation, the liquidator must call a meeting of the shareholders to approve the liquidation and to declare the corporation definitively liquidated. After such meeting, the corporation ceases to exist as a legal entity.

(2) CORPORATE SYSTEM AND ORGANIZATION PROVIDED FOR IN BY-LAWS, ETC. OF RENAULT:

General Matters

Organized as a société anonyme (public limited company) under French law, Renault is governed by the provisions of Book II of the Commercial Code, on commercial undertakings, and the provisions of the Employee Profit Sharing Act No. 94-640 of July 25, 1994. Renault was formed on January 16, 1945 and will cease to exist on December 31, 2088 except in the case of early termination or renewal. The head office is located at 13-15, Quai Le Gallo, Boulogne-Billancourt 92100 -France. Renault is registered with the Registrar of Companies in Nanterre under the number 441 639 465 (APE code 2910 Z; Siret code: 441.639.465.00018). Legal documents such as the By-laws, minutes of Annual General Meetings, auditors' reports and all other documents made available to shareholders in accordance with law may be consulted at the company's head office. Renault's corporate purpose is the design, manufacture, trade, repair, maintenance and leasing of motor vehicles (commercial, light commercial and passenger vehicles, tractors, farm machinery and construction equipment) as well as the design and manufacture of spare parts and accessories used in connection with the manufacture and operation of vehicles. It also encompasses all types of services relative to such operations and, more generally, all industrial, commercial, financial, investment and real estate transactions relating directly or indirectly, in whole or in part to any of the above purposes (see Article 3 of the By-laws). Renault's financial year runs for 12 months from January 1 to December 31.

Shareholders' Rights

(a) Rights and Obligations related to Shares

The shareholders, whose shares are fully paid up, have, in proportion to their shares, a preferential right to subscribe new shares created for a capital increase. Such preferential right shall be exercised in accordance with the terms, conditions and lead time prescribed by applicable law.

The shareholders may individually waive their preferential right.

A shareholders' meeting deciding a share capital increase may abrogate the preferential right. Subject to nullity of the decision, the meeting decides on the basis of a report by the Board of Directors and a report by the auditors made in accordance with legal and regulatory provisions.

Besides the right to vote, each share entitles to a part, equal to the portion of the share capital that it represents, of the ownership of the social assets and the liquidation surplus.

Each time a minimum of shares is required to exercise a right, the shares which are below the amount required shall not grant their owners any right against the company, and the shareholders shall be in charge, in such case, of gathering the necessary amount of shares.

Ownership of a share automatically entails acceptance of the By-laws of Renault and the Shareholders Meeting's resolutions.

The shares are non dividable vis-à-vis the company.

The joint owners of one or several shares shall be represented at the Shareholders' Meetings by one of them or by a single proxy of their choice.

In case of division of ownership of a registered share the entry in the company's book shall mention the name of the usufructuary (*usufruitier*) and of the bare owner(s) (*nu-propriétaire*). The voting right attached to a share shall belong to the usufructuary at all Shareholders'

Meetings.

Every shareholder may vote by mail as provided by law.

At every Shareholders' Meeting each shareholder in attendance has many votes as he holds or represents shares, subject to no limitation other than any resulting from legal provisions and subject to the provisions under the By-laws.

(b) Right to Appoint Directors

Fifteen[1] are chosen by the Annual General Meeting of Shareholders (i) and one represents employee shareholders (ii).

(i) the shareholders have the right to appoint at least 3 and at the most 15 Directors.

(ii) the shareholders have the right to appoint one director representing employee shareholders who shall be appointed by the Ordinary Shareholders' Meeting, after a majority vote by the shareholders present or represented by proxy.

The other three directors are elected by the employees of the Company and of its direct or indirect subsidiaries, having registered office of French territory.

(c) Right to Claim Dividends

Net income is appropriated in compliance with existing legislation.

Distributable income consists of the current year's income, less previous losses and amounts transferred to the legal reserves, plus retained earnings brought forward from previous years. Upon recommendation by the Board of Directors, the General Meeting may then determine portions of this income to be allocated to optional ordinary and special reserves or to be carried over. The balance, if any, is divided among the shares in proportion to their paid-up and unamortized value.

In accordance with legal provisions, the Annual General Meeting has the authority to offer shareholders the option of receiving all or part of the dividend payout in cash or in shares. Requests for the payment of scrip dividends must be submitted within the time period established by the Annual General Meeting without exceeding three months from the date of the Meeting. The Board of Directors may choose to suspend this period for up to three months if the share capital is increased.

Dividends are paid at the places and times set by the Shareholders' Meeting, or failing which, by the Board of Directors.

Dividends not claimed within five years of the date of payability escheat in the conditions prescribed by law.

<u>Holding of Stock and Transfer Thereof</u>

Shares are freely transferable in accordance with legislative and regulatory provisions. Such transfers are made in book entry form.

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[1] Since the Annual Shareholder Meeting of April 30, 2010.

Statutory thresholds

Shares are registered in an account according to the provisions and terms established by law. Fully paid-up shares are in either registered or bearer form, at the discretion of their owner, subject to legislation in force and the By-laws. However, shares that are not fully paid-up must be in registered form. Renault is authorized to make use of the appropriate legal provisions for identifying shareholders having immediate or future voting rights in its own shareholders' meetings. In addition to the statutory requirement to inform the company of shareholdings exceeding a certain fraction of the share capital, any shareholder or management company for an undertaking for collective investment in transferable securities in a fund management organization holding a number of shares or voting rights equal to or greater than 2% of the share capital or a multiple of this percentage which is less than or equal to 5% of the share capital or the voting rights, is obliged to disclose to the company the total number of shares he possesses, by registered letter with acknowledgement of receipt, within a time period provided for in the By-laws. Beyond 5%, the foregoing mandatory disclosure shall apply to any 1% fraction of the share capital or voting rights. For the purposes of determining the thresholds described above, indirectly held shares or shares assimilated to equity held as defined by the provisions of Article L.233-7 of the French Commercial Code will also be taken into account. The declarer must certify that the said declaration includes all shares held or owned within the meaning of the preceding paragraph, and must indicate the acquisition date(s). The declaration requirement applies in the same manner if the holding falls below any of the aforementioned thresholds, 1% or 2 % as applicable.

If the conditions described above are not respected, any shares exceeding the fraction that should have been declared are stripped of voting rights for all shareholders' meetings for a period of two years after the required declarations are made, insofar as this is requested at the meeting by one or more shareholders who together hold at least 1% of share capital.

Management

As a preliminary it is specified that since shareholders meeting dated April 26, 2002, Renault has implemented the provision of the law dated May 15, 2001 titled N.R.E. as referred and further detailed in the above sub-section (1) "Corporate System in the Country or State to which Renault Belongs".

According to the current By-laws, Renault is administered by a Board of Directors comprising:

A/Directors appointed by the Shareholders' General Meeting

These directors shall number at least 3 and at most 15 directors and may be either natural or legal persons. Upon appointment, the latter shall designate a permanent representative which shall be subject to the same obligations and liabilities as if he were a director in its own name, without prejudice to the joint liability of the legal person he represents.

Subject to the requirements to be fulfilled on renewal of directors, the term of office of directors shall be four (4) years, since Shareholders' General Meeting dated April 26, 2002. However, where a director is appointed in the place of another director during his term of office, he shall exercise his functions only during the remainder of the term of office of his predecessor. The directors chosen by the Shareholders' Meeting may be re-eligible subject to statutory provisions more particularly concerning age limits.

Any director's function shall cease at the end of the Ordinary General Meeting called to approve the accounts of the previous fiscal year, and held during the year during which the said director's term of office expires.

In the event of one or several vacancies in the Board of Directors, due to death or resignation, and notwithstanding that the number of directors remains at least equal to the minimum required by the

By-laws, the Board of Directors may, during the period elapsed between two General Meetings, provisionally appoint one or more new directors to replace those who have died or resigned.

B/Directors elected by the employees

There are three such directors, one of them representing the engineers, executives and similar.

They shall be elected by the employees of Renault and its direct or indirect subsidiaries, having registered office on French territory.

Since the Shareholders general meeting of April 29, 2008, their term of office shall be four years (6 years previously). However this shall cease ipso jure where these representatives no longer fulfill the eligibility requirements provided for in article L.225-28 of the French Commercial Code, or again in the event of breach of their employment agreement in accordance with article L.225-32 of the French Commercial Code.

The status and the methods of election of these directors are laid down by the provisions of articles L.225-27 to L.225-34 of the French Commercial Code on commercial companies and by the By-laws.

The three directors representing employees shall be elected by separate electorates :

- Engineers, executives and similar (one seat) comprising electors usually voting in the third electorate (for companies having 3 electorates) for the election to the Workers Council (*Comité d'entreprise*). In companies or establishments not having three electorates or not having a Workers Council, the classification of « Executive », as defined by the Collective Agreements applicable to the companies and establishments under consideration, shall be used.

  This seat shall be filled by a two-round majority vote. Each candidacy shall comprise the name of the candidate plus of his possible replacement.

- Other employees, comprising all the other employees (two seats). Seats shall be filled by a ballot for lists by proportional representation, the list with the greatest number of votes winning, but with no possibility of including a name on one list in another. Each list shall contain twice as many candidates as the number of seats to be filled.

  In the event of a tie, candidates who have worked in Renault longest shall be elected.

Candidates or lists of candidates may be presented either by one or several representatives organizations, in the meaning of article L.2314-8 and L.2122-1 of the French Labor code, or by 100 electors.

To be eligible, candidates must be party to an employment agreement with Renault or one of its direct or indirect subsidiaries, with registered offices on French territory, this for a minimum of two years prior to the date of effect of the term of office for which they have been elected, and corresponding to an effective work.

The number, place and composition of polling stations shall be fixed by Renault's establishments and subsidiaries concerned thereby, in conformity with accepted common practice in force for the elections of employee representatives.

Voting arrangements which are not specified by French Commercial Code or by the By-laws, and the conditions governing the term of office for directors elected by the employees, shall be laid down by senior management after consultation of the unions which are representative at Renault's level.

C/One director representing the employee shareholders:

Appointment procedure for the director representing employee shareholders are laid down by decree n° 95-237 of March 2, 1995, pursuant to the French Commercial Code and by the By-laws.

His term of office shall be 4 years (6 years previously).

However, his term of office shall cease ipso jure and the director representing employee shareholders shall automatically be deemed to have resigned:

- in the event of loss of his employment with Renault or with one of its direct or indirect subsidiaries,

- in the event of loss of his quality as shareholder of Renault, subject to a ratification within three months,

- or in the event that the subsidiary of which he is an employee is no longer controlled by Renault.

In the event of death or resignation, the seat vacated by the director representing the employee shareholders shall be filled with all dispatch, in the same conditions as those governing the appointment of the director vacating the seat. The term of office of the director thus appointed to replace another shall end at the date the term of office of the replaced director would have ended.

Designation of candidate
The calendar for the designation of candidates shall be fixed by the Chairman of the Board of directors. It shall be posted in the companies concerned at least one month prior to the General Meeting called to appoint the director representing the employee shareholders.

The Chairman of the Board of directors shall consult the employee shareholders holding securities with a view to designating their candidates before holding the General Meeting called to appoint the director representing the employee shareholders. Minutes shall be drawn up indicating the number of voting rights polled by each candidate.

The two candidates having polled the greatest number of votes among those with a number of votes at least equal to 5% of the employee shareholders shall be candidates for election by the Ordinary General Meeting.

In the event that no candidate attains the threshold of 5%, the two candidates with the largest number of votes shall be presented for election by the Ordinary General Meeting of Renault shareholders.

Each candidate shall present himself with a substitute who will take the place of the principal candidate in the event that he definitively leaves office as director during the term of office to which he is elected. In that case, the substitute shall replace the principal for the remaining duration of the latter's term of office.

In addition to the voting conditions described above, regulations drawn up on the designation of the director representing the employee shareholders shall describe the practical terms for this vote.

Appointment procedures :

The director representing employee shareholders shall be appointed by the Ordinary Shareholders' Meeting, after a majority vote by the shareholders present or represented by proxy.

Each director, whatever the procedure used for his designation, shall hold at least one registered share. In the event that, on the day of his appointment, a director does not hold the required number of shares, or in the event that, during his term of office, he ceases to own them, he shall be bound to rectify this situation within three months, failing which he shall automatically be deemed to have resigned.

The Board of Directors shall designate a Chairman among its members, who shall be a natural person. The Chairman is re-eligible.

The term of office of the Chairman shall not exceed the term of his office as a director. In any event, the Chairman's function shall cease ipso jure at the end of the Ordinary General Meeting called to approve the accounts of the fiscal year during which he has reached the age of seventy.

Board meetings are chaired by the Chairman. In his absence or in case of impediment, the Board meeting shall be chaired by a director designated by the Chairman for this purpose, or, failing such designation, the Board shall designate a meeting chairman.

The Board appoints a Secretary and may appoint an assistant Secretary, neither of whom need be a director.

On the Chairman's motion, the Board of Directors may decide the setting up of committees which are assigned specific tasks.

The Board of Directors shall meet as often as Renault's interest so requires. It meets on call by its Chairman, or one third of the directors if a Board meeting has not been held in over two months, either at the registered office, or at any other place specified in the notice of meeting.

Notices of meeting may be made by all means, even verbally. The Board of Directors may validly take resolutions, even without notice of meeting, if all members are present or represented.

Resolutions are adopted under quorum and voting rules provided by law; in the event of a tie, the chairman of the meeting has a casting vote, unless the vote is on the appointment or revocation of the Chairman of the Board of Directors.

Any director may, for any meeting, give his proxy in any way to another director to vote in his stead; no director may represent more than one other director. In the event of one or several vacancies for any reason whatsoever in the seats of directors elected by the employees, whom could not be replaced as laid down by the provisions of article L.225-34 of the French Commercial Code, the Board of Directors shall be deemed validly composed with the remaining directors and may validly meet and take resolutions before the election of the new directors representing employees.

Persons invited by the Chairman to attend Board of Directors' meetings shall be bound by the same duty of confidentiality as the directors.

The internal regulations appended to these By-laws shall, pursuant to laws and regulations, determine the conditions for the organisation of meetings of the Board of Directors which may take place through videoconferencing.

Board resolutions are evidenced by minutes signed by the chairman of the meeting and at least one director. If the chairman of the meeting cannot sign, the minutes are signed by at least two directors who took part in the resolution. The minutes are entered on loose-leaf sheets numbered and initialed continuously and bound in a special book, all in accordance with legal and regulatory provisions.

Copies or excerpts from the minutes are validly certified by the Chairman of the Board of Directors, a general manager, the acting chairman or the Secretary of the Board of Directors expressly authorized to do so.

The number of incumbent directors and their presence at a Board meeting, in person or by proxy are sufficiently evidenced by a copy of or an excerpt from the minutes.

Functions of Chairman

The functions of Chairman shall be exercised according to legal and regulatory provisions.

On April 26, 2002, the Board of Directors of Renault has decided that the management will be vested in a single person who will act both as chairman and chief executive officer. Further details are provided in Part I-1-(1) under the heading « management ».

Since a decision of the Board of Directors dated April 29, 2005, the functions of Chairman and CEO were split. The Board of Directors decided in May 6, 2009 that the management will be vested in a single person again, who will act both as Chairman of the Board and Chief Executive Officer.

The Chairman organizes and directs the work of the Board of Directors, accounts for the same to the Shareholders' Meetings and executes its decisions. He ensures the proper working of the corporate decision-making bodies and ensures that the directors are able to fulfill their tasks.

The Chairman of the Board of Directors may delegate to anyone such temporary or standing authority as he sees fit, with or without power of re-delegation in whole or in part. He fills the management positions.

In case the Chairman cannot exercise his functions for any reason whatsoever, the Board may assign them in all or in part to a director, provided such assignment which may be renewed, is made for a limited time.

The Shareholders' Meeting may grant to the directors, as attendance fees, a remuneration which amount, fixed by the Shareholders' Meeting shall be maintained until a new decision.

The Board of Directors allocates such amount among the directors in a manner that it deems fit and in compliance with the law.

Directors may, upon presentation of relevant documents, obtain the reimbursement by Renault of expenses incurred in the exercise of their functions.

Directors shall be liable, individually or jointly as the case may be, vis-à-vis Renault or third parties, for any infringement of the statutory provisions applicable to limited liability companies, and for any infringement of the By-laws.

General Meeting of Shareholders

The General Meeting is comprised of all shareholders whose shares were registered in the name, at the latest three business days before the date of the meeting under the following conditions.

Proof of entitlement to attend General Meetings shall take the form of an accounting record of the shares in the shareholder's name or in the name of the intermediary registered on the shareholder's behalf in accordance with Article L.228-1 of the Commercial Code, on the third business day preceding the General Meeting at midnight, Paris time, either in the registered share accounts kept by the Company or in the bearer share accounts held by the authorized intermediary.

For bearer shares, the registration or the accounting records of shares held in accounts kept by the authorized intermediary shall be recorded in a shareholding certificate issued by said intermediary.

Any shareholder may give his proxy to any other designated person (physical or legal), shareholder or not, to represent him at Shareholders' Meeting. In case of legal proxy, he shall attend the Shareholders' Meeting through its legal representatives or any person designated for that purpose by the latter.

Shareholders' Meetings are convened and vote in accordance with the legal and regulatory provisions.

The agenda of every Shareholders' Meeting is set by the author of the notice.

However, one or more shareholders may, in the conditions prescribed by law, request the entry in the agenda of (i) draft resolutions which will be submitted to vote, and (ii) items, which will be discussed during the Meeting without any vote.

Shareholders' meeting may not vote on a matter which is not entered on the agenda except for the resignation and the replacement of the directors designated by shareholders as provided by the law.

Every Shareholders' Meetings is held at Renault's registered office or any other place specified in the notice.

Resolutions are adopted by Shareholders' Meetings under the legal quorum and voting rules.

The calculation of the quorum and voting majority shall include the shareholders who attend the Meetings through videoconferencing or via means of telecommunications allowing them to be identified, the nature and conditions of which shall be fixed by a Decree enacted in the *Conseil d'État* (French supreme body responsible for administrative law).

Every Shareholders' Meeting is chaired by the Chairman of the Board or, in his absence or in case of unavailability, by the Director delegated by the Board of Directors for this purpose.

The shareholders of the Shareholders' Meeting having the largest number of votes and willing to do so serve(s) as teller(s) *(scrutateur)*.

Said officers appoint the Secretary of the meeting, who do not need to be a shareholder.

An attendance list is kept at every Shareholders' Meeting in accordance with the law.

The officers of the Shareholders' Meeting attach to the attendance list the proxies of the shareholders present by proxy and the ballot received by mail.

The attendance list, duly initiated by the shareholders and proxy agents, is certified by the officers of the meeting.

Every shareholder may vote by mail as provided by law.

At every Shareholders' Meeting each shareholder in attendance has many votes as he holds or represents shares, subject to no limitation other than any resulting from legal provisions and subject to the provisions under the By-laws.

Shareholders' decisions are evidenced by minutes entered on loose-leaf sheets numbered and initialled continuously and bound in a special book, all in accordance with legal and regulatory provisions.

Copies or excerpts from the minutes are validly certified by the Chairman of the Board, a General Manager, or the Secretary of the Shareholders' Meeting.

An Ordinary Shareholders' Meeting is the one called to make all decisions which are not to be taken by the Extraordinary Shareholders' Meeting.

The Board's report on the company's businesses at the Ordinary Shareholders' Meeting. The auditors' report is also reported to the Ordinary Shareholders' Meeting.

The Ordinary Shareholders' Meeting approves or disapproves the balance sheets and accounts or requires correction thereof.

The Ordinary Shareholders' Meeting allocates the profits and declare dividends in accordance with article 34 of the By-laws.

The Ordinary Shareholders' Meeting appoints the auditors.

The Ordinary Shareholders' Meeting fixes the attendance fees granted to the Board of Directors.

The Ordinary Shareholders' Meeting decides on the special auditor's report on conventions authorized by the Board of Directors in accordance with the law.

The Ordinary Shareholders' Meeting may authorize all issues of bonds or other similar securities.

The Extraordinary Shareholders' Meeting may amend the By-laws in all respect authorized by law.

Independent Auditors (Commissaires aux Comptes)

The Independent Auditors were appointed by the ordinary session of the joint general meeting of June 7, 1996, reappointed by the general meeting of April 26, 2002, and reappointed by the general meeting of April 29, 2008, for a six year (renewable) term. The term of the Independent Auditors shall end after the shareholders' meeting called to approve the financial statements for 2013.

The Shareholders' Meeting shall elect at least two Independent Auditors having the audit duties prescribed by law.

Said Independent Auditors must have the qualifications prescribed by law. They are elected for six fiscal years and are re-eligible.

One or more alternate Independent Auditors are elected to replace the regular auditors in the event of death, disability, refusal to act or resignation.

Accounting

The fiscal year is the calendar year. It starts on January 1 and ends on December 31 of each calendar year.

2. FOREIGN EXCHANGE CONTROL SYSTEM: FOREIGN INVESTMENTS IN FRANCE

According to French law (Monetary and Financial Code (the "CMF") (*decret* of 30 December 2005 and *arrêté* of 7 March 2003 (the "***Arrêté***")) foreign investments in France may be subject to administrative declaration (A), statistical declaration (B), and prior authorization (C).

Definitions

Residents: individuals having their main interest in France as well as French or foreign entities domiciled in France.

Non-residents: individuals having their main interest abroad as well as French or foreign entities for their settling abroad.

A-Administrative declaration

1) Content of the administrative declaration

The administrative declaration shall be made at the earlier of the entry into the agreement.
The publication of the offer or the acquisition of an asset constituting a direct investment in France, shall be embodied by a letter containing (i) the name and address of the investor(s) and (ii) the corporate name, K.Bis, business description, turnover and results for the last fiscal year for the target French company.

Following Article 4 of the *Arrêté*, the administrative declaration must contain: information on the individuals or the public entity that, at the end of the process, control the foreign investor (if it is an entity). If the investor is a public listed company, the administrative declaration must indicate the identity of the main shareholders holding a stake higher than 5% together with a list of the board members and their places of residence. If the transaction is made by an investment fund, disclosure of the identity of its managers is mandatory. The administrative declaration must also indicate if the transaction is being made by way of a transfer of funds from a foreign country to France or by another way.

Failure to make such administrative declaration may involve criminal penalties up to Euro 750.

2) Transactions subject to administrative declaration:

Pursuant to article R.152-1 of the CMF and Article 7 of the *Arrêté*, the following investments are submitted to an administrative declaration (to be made to the Ministry of Economy, Direction of the *Trésor*).

a) Direct foreign investments (Articles R.151-1, R.152-1 of the CMF)

- The creation of a new company by a foreign company or by individuals residing outside France;

- The acquisition of all or part of a line of business of a French company by a foreign company or by individuals residing outside France;

- All transactions made in the capital of a French company by a foreign company or by individuals residing outside France provided that, after such transaction, the aggregate amount of share capital or voting rights hold by a foreign company or by individuals residing outside France exceed 33.33% of the share capital or the voting rights of such French company;

- All transactions made by a French company in which a foreign company or individuals residing outside France hold more than 33.33% of the share capital or the voting rights of such French company.

b) Foreign investments

- Transactions such as the granting of loans, significant guarantees, purchase of patent licenses, business contracts or know how that result in a *de facto* control of a French company by a foreign company or by individuals residing outside France.

c) Indirect foreign investments

- Transactions consummated abroad entailing the modification of control of a non-resident company which is itself the holder of a stake or voting rights in a French company in which a foreign company or individuals residing outside France hold more than 33.33% of the share capital or the voting rights of such French company.

3) Exemptions for specific transactions (Article R.152-5 al.2 of the CMF)

Certain direct investments in France are by virtue of the nature of the investment exempt from the administrative declaration requirements, regardless of the investor's place of residence. The exempted investments consist of the following:

- The creation or expansion of activities of an existing French company held directly or indirectly by a foreign company or by individuals residing outside France;

- Increases in the stake of a non-resident (e.g. by share purchase) in a French company held directly or indirectly by a foreign law company or by individuals residing outside France by a foreign investor who already hold more than 50% of the share capital or the voting rights of such company;

- Subscriptions to increase the capital of French companies already held directly or indirectly by a foreign company or by individuals residing outside France, provided the foreign investor does not actually increase its participation at this time;

- Direct investment transactions made between companies belonging to the same group, which means that they are directly or indirectly held, by more than 50%, by the same shareholders;

- Loans, advances, guarantees, consolidation or cancellation of debts, subsidies or allowances/grants to the subsidiaries made available to a French company already held directly or indirectly by a foreign law company or by individuals residing outside France;

- Direct investment transactions in real estate companies, other than those engaged in the construction of buildings for sale or lease;

- Direct investment transactions in French companies relating to handicrafts, retail, hotels, restaurants, or service industries relating to or having the exclusive objective of exploitation of stone quarries and gravel pits, provided the investment does not exceed Euro 1,500,000; and

- The purchase of agricultural land.

B-Transactions subject to a statistical declaration

1) Declaration to the *Banque de France*

The credit institutions, investments companies and other finance related companies have to make monthly statistic declarations related to settlements between residents and non-residents which are made in France and which exceed Euro 12,500 based on elements disclosed to them by such residents.

Companies or groups of companies for which the amount of transactions with foreign countries, exceed, for some services Euro 30,000,000 in a fiscal year have to declare on a monthly basis all transactions made with foreign countries or in France with non-residents.

Residents directly making transactions abroad, from, *inter alia*, accounts opened abroad, or by way of debt set off/compensation, have to declare on a monthly basis to the *Banque de France* if such transactions exceed Euro 1,000,000.

Certain other transactions have to be declared to the *Banque de France* if their amount exceeds Euro 15,000,000 within 20 days following their completion (Article R.152-3 of the CMF):

- Direct foreign investments in France or French investments abroad involving transactions by which non-residents or residents purchase at least 10% of the share capital or the voting rights, or cross the 10% threshold, of respectively a resident or a non-resident company. Transactions between related companies are also involved here (i.e. loans, deposits...) as well as real estate investments;

- Acquisition or sale of non-resident companies by residents;

- Acquisition or sale of real estate abroad by residents, and in France by non-residents.

2) Declaration to the *Direction du Trésor*

For statistical reasons, the following transactions have to be declared to the *Direction du Trésor*[2] (Article R.152-4 of the CMF):

- The creation of a company and real estate acquisitions which exceeds Euro 1,500,000 made by foreign investors in France and liquidation of direct foreign investments in France;

- The creation or expansion of activities of an existing French company held directly or indirectly by a Foreign company or by individuals residing outside France when the amount of those transactions exceed Euro 1,500,000;

- The purchase of agricultural lands for wine making purposes;

- The liquidation of foreign directs investments in France;

- Transactions that have been subject to an authorization from the Minister of Economy (taking into account that the French administration must be informed if an authorized direct investment transaction has not been made or has not been entirely made).

The *Direction du Trésor* must also be informed by French companies (or their liquidator) held directly or indirectly by foreigners for:

- Decrease of the foreign stake in their capital, even if it does not constitute a desinvestment (i.e. by way of a capital increase subscribed by French residents);

- All significant amendments related to their existence or business: closure of business, change of corporate name or address, liquidation;

- All transitions carried out abroad and modifying indirectly the holding of the share capital of a French company (the identity and the control of the new shareholder have to be disclosed).

2 Such declaration should be made following to the information required for the administrative declaration, provided that the names of the main shareholders do not have to be disclosed.

For those statistical declaration purposes, a direct foreign investment in France or French abroad involve transactions by which non-residents or residents purchase at least 10% of the share capital or the voting rights, or cross the 10% threshold, of respectively a resident or a non resident company. Transactions between related companies are also involved here (i.e. loans, deposit) as well as real estate investments.

Failure to make such statistical declarations may involve criminal penalties.

C-Investments subject to prior authorization

Notwithstanding the foregoing, some specific foreign investments are subject to the prior authorization of the Ministry of Economy, *Direction du Trésor* (article R.153-2 of the CMF and Article 7 of the *Arrêté*):

Definition of 'foreign investment' submitted to prior authorization depends on whether the investor is a non-EU or a EU investor. With regard to both non-EU and EU investors, the CMF defines a 'foreign investment' as:

(1) the acquisition of control, within the meaning of Article L.233-3 of the Commercial Code, of a business having its registered office in France;

(2) the direct or indirect acquisition of all or part of a branch activity of business having its registered office in France;

However, if the investor is a non-EU investor, the CMF also defines 'foreign investment' as:

(3) the crossing of 33.33% of direct or indirect holding of the share capital or voting rights in a business having its registered office in France (Article R 153-1 of the CMF).

If the foreign investment falls within one of the three categories above, it will be subject to prior approval by the Minister of Economy if it is also made in one of the strategic business sectors listed below:

- Foreign investments related to public order or public safety (made by a person likely to commit or to facilitate crimes such as drug dealing, money laundering, bribery and terrorism) as well as those related to gambling (casinos, game circles...) or to regulated private security activities;

- Foreign investments related to national defense, weapons and explosives;

- Foreign investments related to cryptology, interception of communication and information system security;

- Foreign investments related to production of antidotes, dual-purpose goods and technologies;

- Foreign investments which may entail significant risks to public health.

Nevertheless, the issuance or the sale of securities (listed or unlisted) in France by OECD non member state companies are no longer submitted to prior authorization.

The Ministry of Economy, when considering requests for authorization from foreign investors, is required to make a decision within two months from the date the application is deemed to have been filed. If no response is received from the Ministry within this period, the direct investment is deemed to be authorized. The Ministry of Economy can also make a favorable decision subject to conditions related to national interest and within the respect of principle of proportionality.

Failure to request such authorization gives rise to an injunction from the Ministry and, in the event of inefficiency of such injunction, penalties amounting to a maximum of twice the amount of the unlawful investment may be declared.

The European Commission has issued a motivated advice to France relating the French regulations of foreign investments subject to prior authorization of the Minister of Economy. According to the European Commission, these regulations do not comply with the European Union rules relating to the free circulation of capital and free establishment.

In any cases, if a foreign investor wishes to practice in France within an economically regulated sector, he is also subject to the particular regulations required by a practice in such regulated sector.

3. TAXATION:

(1) TAXATION IN FRANCE

The following is a general summary of the material French tax consequences of acquiring, owning and disposing of Bonds for a person (i) who is a resident of Japan for the purposes of Japanese tax and the "Convention Between France and Japan for the Avoidance of Double Taxation with Respect to Taxes on Income" dated March 3, 1995 (the "Treaty") and the rider dated January 11, 2007, (ii) who is entitled to the benefits of the Treaty and (iii) whose payments under the Bonds are made on an account opened in its name of or for its benefit in Japan.

This discussion is intended only as a descriptive summary. It does not cover all aspects of French tax laws and of the Treaty which may be relevant to a Bondholder of Bonds with respect to his particular situation.

1) Taxation on Interest on the Bonds

(i) Bonds Issued Before 1 March 2010

Interest and other revenues on Bonds issued prior to 1 March 2010 (or Bonds that are issued after 1 March 2010 and which are to be assimilated and form a single series with such Bonds) are, pursuant to Article 131 quarter of the French Tax Code, exempt from the withholding tax set out under Article 125 A III of the French Tax Code.

As regards Bonds issued through an international bank syndicate ("*syndicat international de banques*") the withholding tax exemption applies, provided that certain additional conditions were met:

1. the Bond issue was not submitted to the French Securities and Exchange Commission ("*Autorité des Marchés Financiers*");

2. the Bond issue was not published in a French legal bulletin of announcements ("*Bulletin des Annonces Légales Obligatoires*");

3. The Bond issue agreement and the memorandum of information have set forth the issuer's and the bank syndicate's commitment not to offer the Bonds to the French public (except for qualified investors defined by French regulations).

(ii) Bonds Issued on or After 1 March 2010

Payments of interest and other revenues made on bonds issued on or after 1 March 2010 are not subject to the withholding tax set out under Article 125 A III of the French *Code Général des Impôts* unless such payments are made outside France in a non-cooperative State or territory ("*Etat ou territoire non cooperative*") within the meaning of Article 238-0 A of the French *Code Général des Impôts*. If such payments under the bonds are made in a non-cooperative State (i.e.,to the benefit of a person incorporated, domiciled, established or acting through a non-cooperative State or on an account opened in the name of or for the benefit of a bondholder, in a non-cooperative State), a 50% withholding tax will generally apply. As Japan is not listed as a non-cooperative State, the payments of interest and other revenues made on Bonds issued on or after March 1, 2010, will be made without deduction or withholding in France.

In any case, a "Déclaration unique annuelle des paiements de revenus mobiliers et opérations sur valeurs mobilières" (Tax Return Form for Payments and Revenue on Security Income or IFU) must be filed with the French tax authorities prior to February 16th of the year following each payment of interest.

2) Taxation of capital gains

Pursuant to the Treaty, a Bondholder will not be subject to French tax on any gain from the sale or disposal of his Bonds.

3) French Estate and Gift Taxes

Since France and Japan have not entered into an estate and gift tax treaty, the transfer of Bonds by gift or by reason of death of the Bondholder will, under French domestic law, be subject to French gift or inheritance taxes. Bondholders should consult their own tax advisor concerning the application of estate and gift tax to their holding of the Bond.

4) Stamp Duty on Transfer of Bonds

The transfer of Bonds issued by a company established in France shall be subject to a fixed tax of EUR 125 but only if such transfer is concluded in an agreement filed voluntarily with the French registry office.

(2) TAXATION IN JAPAN

Any interest on the Bonds and any amount which a Bondholder may receive upon redemption of his Bond in excess of the issue price of such Bond (such amount being hereinafter referred to as "Issue Differential") received by residents of Japan and Japanese corporations will be generally subject to Japanese taxation in accordance with existing Japanese tax laws and regulations. Gains derived from the sale of the Bonds will be added to taxable income if the seller is a corporation, but such gains will not be subject to Japanese taxation if the seller is an individual.

Interest on the Bonds and Issue Differentials received by non-residents of Japan or non-Japanese corporations will, in general, not be subject to Japanese taxation. Gains derived by non-residents of Japan or non-Japanese corporations from the sale of the Bonds within Japan will, in general, not be subject to Japanese taxation unless the seller is a non-Japanese corporation having a permanent establishment within Japan. Applicable tax treaty provisions may further restrict or eliminate this tax liability for such non-Japanese corporations.

4. LEGAL OPINIONS

A legal opinion has been provided by Anne-Sophie Le Lay, General Counsel of Renault, to the effect that:

(i) Renault has been duly incorporated and is validly existing as a corporation in good standing under the laws of the Republic of France;
(ii) to the best of its knowledge, the statements with respect to the matters concerning the laws of the Republic of France in this Securities Report are accurate in all material respects.

II. OUTLINE OF THE COMPANY

1. DEVELOPMENT OF MAJOR MANAGERIAL INDEX, ETC.:

Please read following charts together with the information provided in VI. Financial Condition of this PART I.

1.1 Consolidated Figures

The figures for the years 2007, 2008, 2009, 2010 and 2011 are presented under IFRS**.** In 2007, Renault has reviewed the accounting treatment of certain components of revenue (mainly, operations related to contracts with subcontractors and sales of parts under warranty to customers) and has opted to recognize actuarial gains and losses in equity. Restated comparative information for the year ended December 31, 2007is included in the table below, as published in the 2011 Registration Document.

(Years ended December 31)
(Unit: EUR million, except otherwise indicated)

	Under IFRS				
(Consolidated figures[1])	2007	2008	2009	2010	2011
Revenues	40,682	37,791	33,712	38,971	42,628
Operating margin[2]	1,354	326 [9]	(396)	1,099	1,091
Operating income	1,238	(117)	(955)	635	1,244
Group pre-tax income[5]	2,989	761	(2,920)	3,548	2,647
Group net income	2,734	599	(3,068)	3,490	2,139
Renault net income (f)	2,669	571	(3,125)	3,420	2,092
Average number of shares outstanding [3] (in thousand) (b)	258,621	256,552	257,514	269,292	272,381
Number of shares at December 31 (g)	284,937,118	284,937,118	284,937,118	295,722,284	295,722,284
Share capital	1,086	1,086	1,086	1,127	1,127
Shareholders' equity [6] (a)	22,069	19,416	16,472	22,757	24,567
Total assets (e)	68,198	63,831	63,978	70,107	72,934
Capital adequacy ratio (%) (a)/(e)	32.36	30.42	25.75	32.46	33.68
Shareholders' equity per share [6] (EUR) (a)/(g)	77.45	68.14	57.81	76.95	83.07
Net dividend per share (EUR)(c)	3.80[4]	0[7]	0[8]	0.30[10]	1.16[11]
Earnings per share (EUR) (d)=(f)/(b)	10.32	2.23	(12.14)	12.70	7.68
Cash flows from operating activities	4,650	(446)	6,040	1,970	3,353
Cash flows from investing activities	(2,852)	(3,635)	(2,094)	1,404	(2,334)
Cash flows from financing activities	(2,941)	1,494	1,962	(1,467)	(2,350)
Dividend payout ratio (%) (c)/(d)	36.82	0	0	2.36	15.10
Number of employees at December 31(persons)	130,179	129,068	121,422	122,615	128,322

(*Excluding employees under the early retirement scheme.)					

(1) This information is for reference only and is not always directly comparable year-on-year, since it may include changes in scope and/or accounting standards or methods.
(2) Corresponds to operating income before "other operating income and expenses"
(3) Weighted average number of ordinary shares in circulation during the period, i.e. after neutralization of treasury shares and Renault shares held by Nissan.
(4) The dividend was agreed by the Annual General Meeting of April 29, 2008 and the dividends were paid on May 15, 2008.
(5) Group pre-tax income includes share in net income (loss) of companies accounted for by the equity method.
(6) Under IFRS, non-controlling interests are included in shareholders' equity.
(7) There is no dividend proposal to Combined General Meeting of May 6, 2009.
(8) There is no dividend proposal to Combined General Meeting of April 30, 2010.
(9) The Group has introduced the following change of accounting presentation: since the impairment of fixed assets is an expense that is unusual in frequency and nature, the Renault group has decided to classify it under "Other operating income and expenses", in line with the practices of other members of the automobile sector in Europe. The presentation of the 2008 Financial Statements has been modified accordingly, leading to a €114 million improvement in the operating margin. This change of policy has no impact on 2007 as no impairment was recorded that year.
(10) Dividend proposal to Combined General Meeting of April 29, 2011. Such Dividend has been paid on May 16, 2011
(11) Dividend proposal by the Combined General Meeting of April 27, 2012. Such dividend has been paid on May 15, 2012.

1.2 Non-consolidated Figures

Non consolidated figures have been prepared in accordance with accounting principles generally accepted in France ("French GAAP").

Moves to strengthen the Alliance between Renault and Nissan Motor Co., Ltd. and delegate strategic management to Renault-Nissan b.v. made it necessary to reorganize Renault. This resulted in the formation of a simplified joint-stock company, Renault s.a.s., wholly owned by Renault S.A.

Renault S.A. transferred its operating assets to Renault s.a.s., in accordance with the contribution agreement of February 22, 2002. This transfer was approved by Renault shareholders at the Extraordinary General Meeting of Renault Shareholders of March 28, 2002 and by Renault s.a.s.'s sole shareholder. It took effect on April 1, 2002, with a retroactive effect as at January 1, 2002 for accounting and tax purposes.

After the transfer, in addition to Renault s.a.s. and its subsidiaries, Renault S.A.'s assets primarily consist of the equity interest in Nissan, while its liabilities mainly comprise redeemable shares, financial liabilities and bank borrowings.

Since April 29, 2005, Renault s.a.s. is managed by the President and CEO (Chairman and CEO since May 6, 2009) of Renault S.A and by a Board of Directors composed of the same members as Renault S.A.'s Board of Directors. This reorganization has no effect on Renault's staff or shareholders, or consolidated financial statements.

(Years ended December 31)

(Unit: EUR million, except otherwise indicated)

Non-consolidated	2007	2008	2009	2010	2011
Revenues	0	0	0	0	0
Operating income/(expense)	(20)	(31)	(30)	(37)	(29)
Income before tax and exceptional items	978	(1,040)	208	(479)	113
Pre-tax income	977	(1,040)	(43)	5	113
Net income (f)	1,096	(863)	49	168	277
Number of shares at December 31(g)	284,937,118	284,937,118	284,937,118	295,722,284	295,722,284
Share capital	1,086	1,086	1,086	1,127	1,127
Shareholders’ equity (a)	18,671	15,728	14,536	17,755	17,496
Total assets (e)	25,425	26,196	26,955	30,695	27,642
Capital adequacy ratio (%) (a)/(e)	73.44	60.04	52.93	57.84	63.29
Shareholders’ equity per share(EUR) (a)/(g)	65.53	55.20	51.01	60.04	59.16
Net dividend per share (EUR)(c)	3.80 (4)	0(7)	0(8)	0.30(10)	1.16(11)
Number of employees (persons)	0	0	0	0	0

2. HISTORY:

In 1898, Société Renault Frères was formed to manufacture motor vehicles, taking advantage of patents such as the first direct-drive transmission. Based in the Paris suburb of Billancourt, the company achieved international renown through its success in motor sports, and initially specialized in the construction of passenger cars and taxis. During the First World War, it produced substantial volumes of trucks, light tanks and aircraft engines.

In 1922, having expanded strongly in the passenger car and commercial vehicle markets, Renault became a limited company. Establishing production centers in France and abroad, Renault gradually emerged as the French market leader.

In 1945, the company was nationalized in January, renamed "Régie Nationale des Usines Renault", and concentrated on producing the 4CV.

In 1972, Renault 5 arrived on the market. It remains one of the Group's best-selling models ever.

In the 1980s, through to the mid-1980s, Renault followed a strategy of diversification in the industrial, financial and service sectors, while at the same time growing its industrial and commercial activities internationally. But in 1984, the company ran into financial difficulties. As a result, it concentrated on restructuring and refocusing on its core activities, and returned to profit in 1987.

In 1990, Renault became a limited company once again. In the same year, it signed an agreement for close cooperation with the Volvo group.

In 1991, the two groups linked their automotive and commercial vehicle businesses via cross-shareholdings. This arrangement was unwound after plans to merge the two groups were shelved in late 1993.

On November 17, 1994 the French government opened Renault to outside capital, a first step towards privatization, which took place in July 1996.

In 1998, the year of its centenary, Renault opened the Techno centre in Guyancourt for its design and development teams, and a bodywork/assembly plant in Curitiba, Brazil.

The year 1999 marked the start of a new era in Renault's history with the signing of an Alliance with Nissan, on March 27 in Tokyo. In the same year, Renault acquired a new brand by taking a 51% stake in Romanian carmaker Dacia.

In 2000, Renault raised its stake in Dacia to 80.1% and acquired a new brand – Samsung Motors – in South Korea.

In 2001, Renault and Volvo joined forces to form the world's second-biggest truck manufacturer. Renault became the main shareholder in the Volvo group, with a 20% stake, after selling the Renault V.I./Mack group to Volvo.

In 2002, Renault and Nissan implemented the second stage of their Alliance, aimed at strengthening their equity ties and creating a joint strategic structure. Renault raised its stake in Nissan from 36.8% to 44.4%. At the same time, Nissan took a 15% ownership interest in Renault. The French government's ownership interest was reduced to 25.9% and then to 15.7% in 2003 by selling shares both to company employees and on the market.

The year 2003 was the year of Mégane II. With five body styles (Scénic II, Grand Scénic, Mégane coupé-cabriolet, Mégane 4-door sedan and Mégane Sport Tourer) as well as the two models launched in 2002, a total of seven models were launched in 17 months. Mégane II became Europe's best-selling model.

The year 2004 was marked by two major product launches: Modus and Logan. Modus is Renault's entry-level MPV. It was the first Renault-badged vehicle built on the B platform shared with Nissan, and the first vehicle in its class to score five stars in Euro NCAP crash tests. Logan, developed by Renault and manufactured and marketed by Dacia, offers excellent value for money. It has enjoyed great success since its launch, both on its domestic market of Romania, and on export markets. The car will be the spearhead of Renault's international expansion in the years ahead.

In 2005, at the Annual General Meeting on April 29, Carlos Ghosn was named Chief Executive Officer of Renault. Louis Schweitzer kept his position as Chairman of the Board of Directors. The Group pursued its international expansion with the development of industrial facilities for Logan in Russia, Colombia and Morocco. Renault signed an agreement with Mahindra & Mahindra to manufacture and market Logan in India from 2007. It launched two landmark products: Clio III, the eighth Renault vehicle to obtain five stars in Euro NCAP crash tests and "Car of the Year 2006", and the 2.0 dCi engine, the first diesel powerplant developed by the Renault-Nissan Alliance. Also this year, the Renault F1 Team scored a double win, taking the World Constructors' and Drivers' Championship titles.

On February 9, 2006, Carlos Ghosn announced Renault Commitment 2009, a plan based on three key commitments: quality, profitability and growth. The aim is to position Renault as Europe's most profitable volume auto maker. For the second year running, the Renault F1 Team scored a double win with the new R26, taking the World Constructors' and Drivers' Championship titles. At the Paris Motor Show, Renault unveiled the Twingo Concept show car, and Koleos Concept, the first future cross-over vehicle in the range.

In 2007, the product offensive began with the launch of New Twingo (produced in Slovenia) in May and of New Laguna (produced in France) in October. Both vehicles aim to achieve the highest standards of quality and reliability. In Korea, Renault Samsung Motors began production of QM5, a Koleos-based cross-over vehicle, designed by Renault and developed by Nissan. Half of the total output is scheduled for export. Expanding its international presence, Renault founded new subsidiaries in Ireland and Scandinavia, increased its production capacity in Russia, and signed a memorandum of understanding for a future industrial complex in Morocco. In May, Renault launched the eco^2 label for its most ecological and economical vehicles. Eco^2 vehicles are produced in certified plants and emit less than 140g of CO_2 per km or run on biofuel. They also include at least 5% recycled plastics, and are 95% recyclable.

In 2008, the global economy was hit by a severe financial and economic crisis on an exceptional scale. In July, Renault put in place a new action plan aimed primarily at limiting inventories and cutting costs and investments in order to reflect new market realities. New business locations planned by the Renault-Nissan Alliance in Tangiers (Morocco) and in Chennai (India) were deferred or put on hold. To take advantage of the high growth potential of the Russian market, Renault is relying on its subsidiary Avtoframos, which produces Logan and sells a range of imported Renault vehicles, and also on its strategic partnership with AvtoVAZ. Renault signed several agreements to market electric vehicles, including one in Israel with Project Better Place, one in Denmark and one in Portugal. In October, Patrick Pélata was appointed Chief Operating Officer, reflecting Carlos Ghosn's decision to reinforce operational management through grassroots managerial practices and fast decision-making. All Renault industrial sites are now ISO 14001 certified. The vehicle range is undergoing a renewal with the launches of New Mégane, Kangoo, Koleos and Sandero.

In 2009, Renault pursued its crisis management plan by cutting its costs and operating capital requirements, through its Renault Voluntary Plan and the establishment of a crisis social contract (short time working with no reduction in pay) in order to achieve a positive free cash flow. Carlos Ghosn is appointed Chairman of the Board of Directors, following the departure of Louis Schweitzer. Six new vehicles were launched: Grand Scénic III, Scénic III, Mégane III estate, Mégane Renault

Sport, Fluence and Kangoo be bop. Renault confirmed its long-term vision of the automotive and zero-emission mobility by unveiling its future range of electric vehicles (Twizy Concept, Zoé Concept, Fluence Concept and Kangoo Concept) and its new brand baseline, “Drive the change”, at the Frankfurt Motor Show. An agreement was signed with the French government for the creation of a battery plant at Flins (France). The Renault-Nissan Alliance, which celebrated its 10th anniversary, aims to become the leading volume manufacturer of zero emission vehicles and has already entered partnerships with some 40 governments, local authorities and energy utilities all over the world. The foundations of the Tangiers plant were laid.

In 2010, Vehicle sales (PC+LCV) attained a record level of more than 2,625,000 units, benefiting the Group’s three brands and all the Regions, particularly outside Europe.
New models were presented at the motor shows, including the Mégane CC and Wind convertibles at Geneva, the Latitude sedan at Moscow, the Kangoo Express Z.E. and Maxi, Trafic and Master at Hanover, the complete range of electric vehicles (Fluence Z.E., Twizy, ZOE Preview and Kangoo Z.E.), upper-range models (Latitude, Laguna and Espace) and the DeZir concept car at Paris, giving practical form to the Group’s new strategy in design, based on the life cycle.
In April the Alliance and Daimler signed a long-term strategic cooperation agreement on the future generations of Smart fortwo and Twingo, the pooling of powertrains and collaborative work on light commercial and electric vehicles. The agreement was strengthened by cross shareholdings, with Daimler taking a 3.1% share in Renault and Nissan capital and Renault and Nissan each taking a 1.55% share in Daimler.
Renault paid back ahead of time one billion euros of the loan granted by the French government and sold its B shares in AB Volvo, generating a capital gain of two billion euros.
In Russia, the second phase of the Avtoframos plant was launched and the restructuring and recapitalisation agreement was signed with AvtoVAZ. Sandero was launched on the Russian market.
Carlos Ghosn was re-elected as Chairman and Chief Executive Officer of Renault for a four-year period.

In 2011, The Company faced three major crises in 2011: the earthquake and tsunami in Japan in early March and its strong impact on supplies, the sovereign debt crisis in the euro zone and a case of attempted fraud.
In February, the Group launched its new strategic plan, Renault 2016 – Drive the Change.
Group PC+LCV sales, driven by international markets, totaled a record high of 2.72 million units. The Company met its commitment of €500 million in operational free cash flow, and net debt fell to the same level as in 1998. Renault made early repayment (in two installments of €1 billion) of the loan granted by the French government in April 2009.
At the Frankfurt Motor Show, Renault presented New Twingo and the new range of Energy engines. The first electric vehicles – Kangoo Z.E. and Fluence Z.E. – arrived on the market at the end of the year.
Following the attempted fraud case at the start of the year, Renault reviewed its system of corporate governance. It appointed a new Chief Operating Officer as well as an ethics manager. The Office of the CEO, the Audit, Risk Management and Organization department, and Group Human Resources now report directly to the Chairman and CEO.
Unveiled on February 10, 2011, the Renault 2016 plan – Drive the Change, is built on Renault’s ambition of making mobility accessible to all. This ambition is embodied in the brand signature, Drive the Change.
The Renault group’s strategic plan covers a six-year period, with a midpoint review at the end of 2013. This provides the Group with a strategic outlook, thus ensuring business continuity, while defining specific, quantified priorities for the next three years.
Renault 2016 – Drive the Change is designed to meet two objectives:
- deliver the Group’s growth;
- generate sustainable free cash flow.

Highlight for the period 2011-2013 include the following :
- More than three million vehicle sales in 2013;
- A minimum of €2 billion in cumulative operational free cash flow.

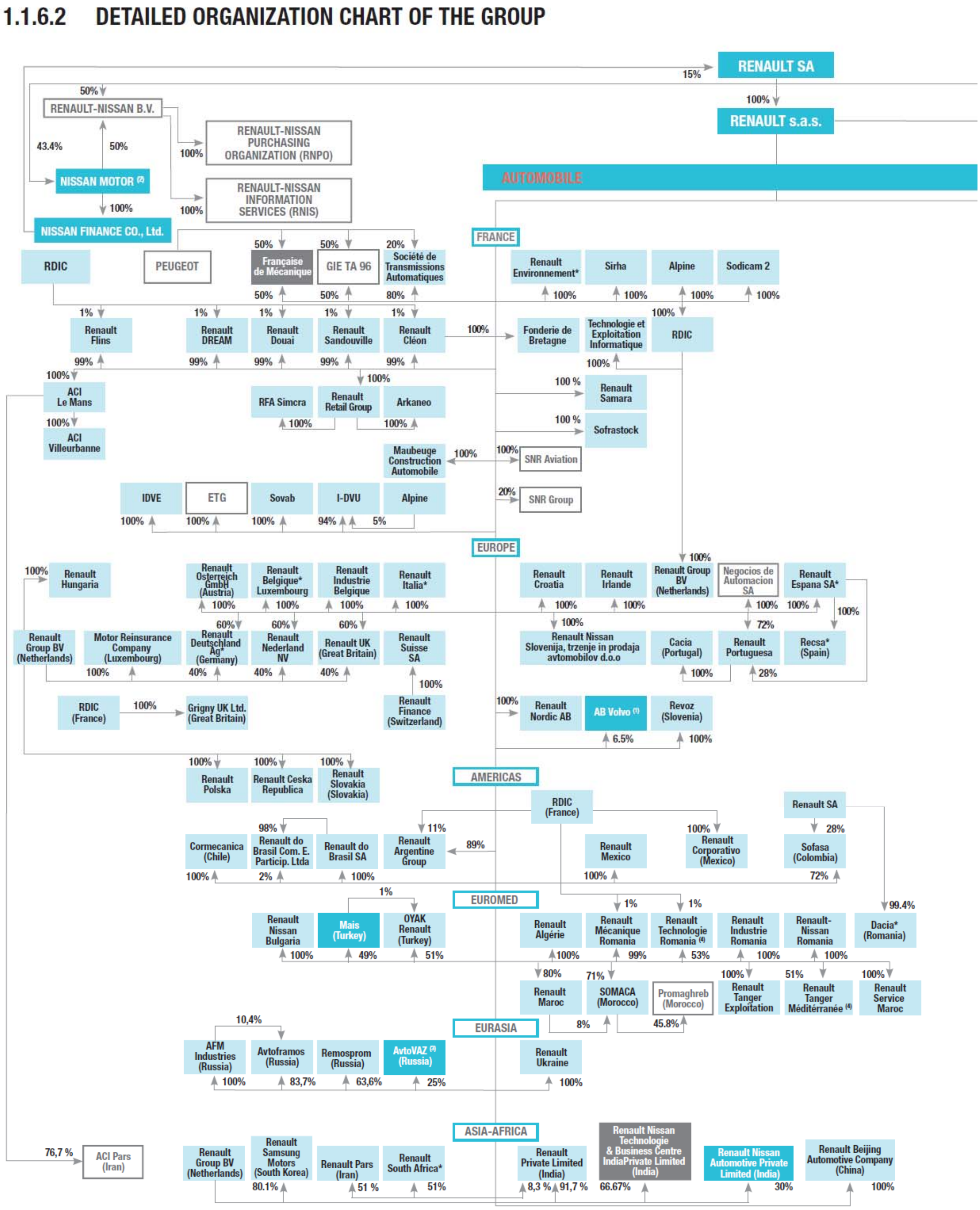
3. CONTENTS OF BUSINESS:

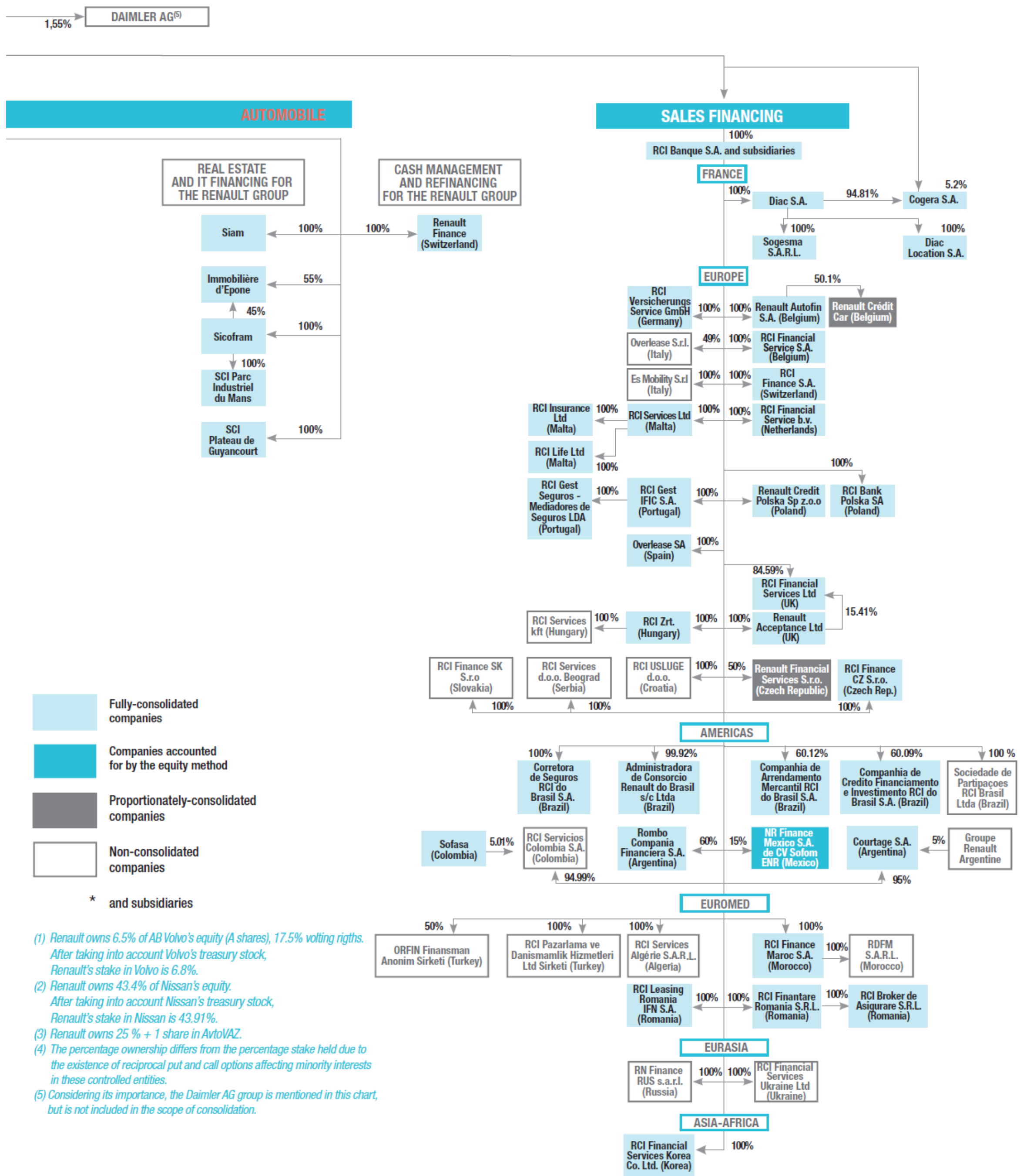
Since January 2, 2001, when a final agreement was signed with Volvo transferring Renault's industrial vehicle activity to Volvo, the Group's activities have been organized into two main business sectors:

- Automotive;
- Sales Financing.

The information contained below regarding the "Detailed organization chart of the group" strictly contains information presented in the Renault Reference Document for the period ending December 31, 2011. For further information on the progression of the organization of the Renault group please refer to "4. Statement of Related Companies."

DETAILED ORGANIZATION CHART OF THE GROUP





(1) Renault owns 6.5% of AB Volvo's equity (A shares), 17.5% volting rigths. After taking into account Volvo's treasury stock, Renault's stake in Volvo is 6.8%.
(2) Renault owns 43.4% of Nissan's equity. After taking into account Nissan's treasury stock, Renault's stake in Nissan is 43.91%.
(3) Renault owns 25 % + 1 share in AvtoVAZ.
(4) The percentage ownership differs from the percentage stake held due to the existence of reciprocal put and call options affecting minority interests in these controlled entities.
(5) Considering its importance, the Daimler AG group is mentioned in this chart, but is not included in the scope of consolidation.

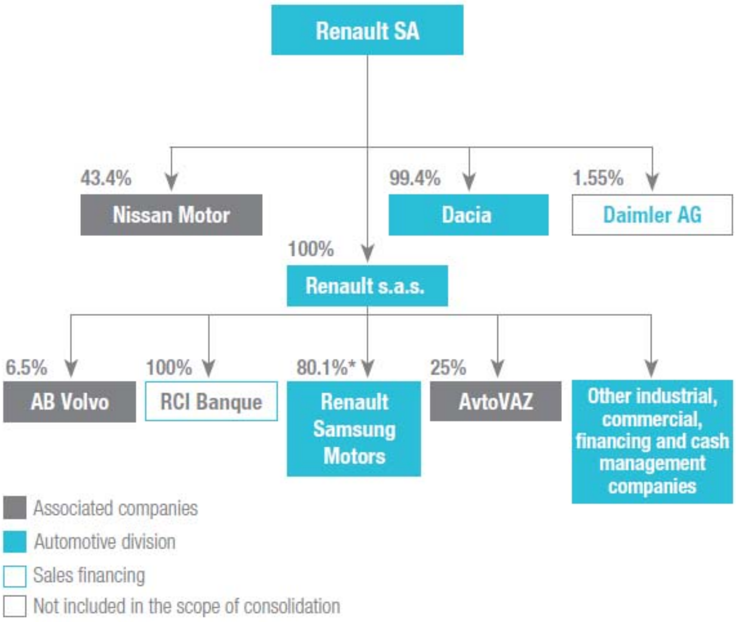
In addition to these two activities, Renault has equity investments in the following three companies:

- AB Volvo;
- Nissan;
- AVTOVAZ.

These holdings are accounted for in the Group's financial statements using the equity method.

Structure of the Renault group

(As of 31/12/2011)



(*) Company indirectly owned by Renault s.a.s.

(1) ACTIVITIES

A. AUTOMOTIVE

Renault designs, develops and sells passenger cars and light commercial vehicles.

Following the acquisition of Romanian carmaker Dacia and Samsung Motors' operating assets in South Korea, Renault has three automotive brands: Renault, Dacia and Samsung.

RENAULT GROUP RANGES

Renault Brand

For more than 110 years, Renault has been one of the manufacturers writing the history of the car. Although the Company and its workforce are driven by a passion for mechanics, design and technological progress, Renault's vision is expressed first and foremost through its emphasis on people. Renault believes that cars should adapt to people and not the other way around.

While Renault is proud of its French roots, the Group is now accelerating its international expansion: Renault's vehicle range is designed to meet local needs as effectively as possible in all locations while expressing the overall consistency of our mission – to make the car into a tool for human advancement by making sustainable mobility accessible to all. This is the meaning of the signature "Drive the Change" (in French, "Changeons de vie, changeons l'automobile").

In concrete terms, this commitment is reflected in the Renault range through the following:

- best-in-market quality, as proved by numerous independent surveys, particularly in Germany (ADAC tests), where customers are so demanding that there is no room for compromise;
- attractive designs, as shown by the shared inspiration behind recent concept cars (DeZir, R-Space, CaptuR and Frendzy), all of which are guided by a common theme: a Renault model for every stage of life; originally embodied in Mégane III, in 2012 this design will be found in the new Twingo II, and subsequently in Clio IV in the fall;
- innovation that simplifies day-to-day life, represented by equipment that is simple but improves users' day-to-day lives, such as keyless vehicles, and by radically innovative concepts like Twizy;
- finally, the desire to be a trailblazer in environmental protection, illustrated – of course – by our range of electric vehicles, but also by the excellence of our diesel engines, which combine performance with outstanding emissions.

Passenger cars

In the small car segment (A and B segments and passenger-carrying vans), Renault offers a wide range of complementary models: Logan, Sandero, Twingo, Clio II and III, Modus, Wind, Symbol and Kangoo.

The Entry-level program is now playing a key role in Renault's international development, primarily through **Sandero**, **Logan** and **Duster**, which are sold outside Europe under the Renault name.

Through broad industrial deployment, Renault is able to produce these vehicles close to their main markets in Russia, Iran, Brazil, Colombia and South Africa.

Affordable, roomy and robust, Renault **Logan** continued to enjoy huge success in 2011 in South America (accounting for almost 20% of the Group's volumes in the Region) and Russia (almost 54% of the Group's regional volumes). Delivering unbeatable value for money, it is particularly attractive to buyers of family vehicles.

Designed in South America, where it still accounts for more than 40% of Group sales, **Sandero** has extended its international presence. It made successful market debuts in South Africa in 2009 and in Russia in 2010 (30% of 2011 volumes), building on its strong points: a modern design, space, reliability and value for money.

In the A segment of city cars, **Twingo** continues to grow sales, despite the end of scrappage premiums. It has consolidated its leading position in France, where it has a segment share of 33.5% – *i.e.* more than the combined total of its three closest contenders, C1, 500 and 107 – and its number three position in Europe, with a segment share of 11%, up 0.5 points on 2010. This growing success can be attributed to Twingo's undisputed quality and modular design, along with engines that are on the cutting edge for low CO_2 emissions (104g for gasoline and 90g for the Euro 5 diesel), and ongoing promotions in the form of limited series. The recent Twingo Miss Sixty and Twingo Gordini RS, each in their own registers, broaden Twingo's territory to reach a trendier customer base.

The recent launch of **New Twingo** was a key event. The first Renault vehicle to incorporate the new design identity, **New Twingo** is built on stronger fundamentals at the same time as being more attractive (with new metallic paints and a brand new personalization program).

The first Renault vehicle manufactured on the Nissan platform, **Pulse** delivers everything Renault needs to establish itself in the Indian market. Ideally suited to conditions in the country – thanks in particular to its diesel engine – this small vehicle is positioned in a premium segment aimed at young, urban and upwardly mobile customers.

In the B segment, since its launch in 1990, **Clio** has set the standard for quality, driving pleasure and comfort, with in excess of 11 million vehicles sold in more than 100 countries. Restyled in April 2009, Clio is the first vehicle in its segment to feature factory-fitted navigation as standard. The range ships with a full line-up of low-carbon emission powerplants (LPG, ethanol, diesel emitting 89g (since November 1, 2011) and gasoline below 120g) and is continuously adjusted to meet the needs of all customers. In 2011, Clio succeeded in increasing its market share in the highly competitive I2 European hatchback segment for the second year running.

Clio Symbol continued to enjoy unflagging market success in 2011: leader in the Turkish and Algerian markets, this sedan is truly economical in use. Its new generation engines are efficient, economical and environmentally friendly. Clio Symbol boasts the lowest consumption levels in its category: just 4.3 l/100km (116g/km of CO_2) with the 85hp 1.5 dCi engine, and 5.9 l/100 (140g/km of CO_2) with the 75hp 1.2 16v gasoline engine.

In a market environment characterized by a sustained high level of competition, **Modus** satisfies users with its comfort, road manners, quality and reliability.

New Kangoo, launched in 2008, remains number one in the leisure activity vehicle segment in France. Kangoo "Generation 2011" made its debut in early 2011. The upgraded and simplified range, which gains new colors and upholstery, will build the market appeal of this vehicle still further. New Kangoo car is built at Maubeuge (France).

The previous version of Kangoo is still on the market and continues to be produced in Cordoba (Argentina) and at the Somaca plant (Morocco).

In the lower mid-range C segment, the biggest segment in the European automotive market by volume, Renault completely renewed its range in 2010 with the launch of **Mégane Coupé Cabriolet.**

There were numerous product events in 2011, boosting the Mégane and Scénic ranges in a segment that has seen increased competition.

For example, having helped write history at some of the greatest Grands Prix in Monaco – a motorsport Mecca – Renault launched its Monaco GP limited series aimed at aesthetically-aware and sophisticated sports enthusiasts. Customers who buy Mégane Coupé Monaco GP and Mégane RS Monaco GP appreciate their classic forms, pure proportions and overall harmony, which highlight the range's sporting pedigree.

Renault has also launched a version of Mégane Renault Sport with a stronger personality: Mégane RS Trophy. With a 265hp engine delivering 360Nm of torque, Mégane RS Trophy offers unrivaled sporting efficiency in its category.

Also in the *executive C segment*, Renault launched the Mégane Coupé-Cabriolet Floride limited series at the Geneva Motor Show. In a nod to the appeal of the 1960s, Mégane Coupé-Cabriolet Floride shows off a style that is both lively and refined. With its sophisticated and exuberant colors – ivory on the outside and red on the inside – it comes with a raft of comfort-enhancing features. On the strength of its success in 2011, Renault is set to launch a new edition Mégane Coupé Cabriolet Floride in 2012.

In engines, Renault successfully launched a new **Energy dCi 130** diesel engine in its Scénic and Grand Scénic ranges. Drawing on Renault's extensive expertise in F1, the Energy dCi 130 engine incorporates technology that is unrivaled in this level of vehicle, as demonstrated by more than 30 patents. It combines driving pleasure with energy efficiency: it is the best performing engine in its category, yet at the same time achieves record fuel consumption and CO_2 emissions. The Energy dCi 130 engine is made at the Cléon site (France), which specializes in manufacturing the Group's high-tech diesel engines. These engines, which deliver 4.4 l/100km and generate 114g of CO_2/km, make Scénic and Grand Scénic the most energy-efficient vehicles in the van market.

This new engine is the first in the Energy range, which marks a new stage in the development of Renault's gasoline and diesel engines. It already powers more than 25% of all Scénic vehicles sold in Europe. In 2012, two new Energy engines will be introduced to the Mégane and Scénic ranges, positioning Renault as one of the market leaders in terms of CO_2 emissions.

Mégane's performance in 2011 was impacted by supply constraints affecting K9K diesel engines and Bose and GT/GT-line versions in the aftermath of the tsunami.

The Mégane range (Hatch, Coupé and Estate) saw increased orders from September onwards, when these constraints were lifted.

It should be noted that Mégane Estate is experiencing stable sales volumes, consistent with the quality of its design, which is very popular throughout Europe. In spite of new competitor models, Mégane has confirmed its number two position in Europe, and continues to be one of the most popular designs in its category.

In spite of being in another segment that has seen many new models (Ford C Max, Peugeot 5008, Touran, etc.), **Scénic** remains the undisputed leader in the van category, with a 19% market share of the M1 van segment in Europe at end-October 2011, rising to almost 22% in the last four months of the year.

The Bose limited series, unveiled at the 2010 Paris Motor Show, has been a sales hit throughout Europe (accounting for 15% of sales, rising to as much as 30% in some demanding markets like Germany and Switzerland). This limited series has boosted both Renault's brand image and the model's profitability. On the back of this success, Bose and Renault are continuing to partner together in 2012 across the entire Renault range, with "Bose" becoming an equipment level in its own right.

Like 2011, 2012 will see a number of key product events involving Mégane and Scénic.

The lower mid-range C segment also saw strong international growth in 2011 thanks to **Fluence**, which spearheaded both volume growth and the development of our brand image.

Following major success in Turkey (where it achieved a 22% share of the C sedan segment in 2011), Fluence is now manufactured in Russia, Mercosur and India. Fluence is actively contributing to Renault's success in these three markets. In Argentina, where it was launched in the presence of the President, Christina Kirchner, more than 9,000 Fluence had already been sold at year-end 2011. Fluence is driving growth in Renault's market share in Brazil and Russia. International business represented 29% of this segment in 2011, up from 23% in 2010, with more than 130,000 vehicles sold.

Koleos, Renault's first crossover vehicle, came back with a vengeance in 2011, entering a new phase and confirming its key role in the brand's international expansion.

Koleos Phase 2 underlines the model's dynamic style with an expressive and stylish new front end, while meticulous finishing touches emphasize its sophisticated interior. The vehicle is fitted with the 2.5 (TR 25) gasoline engine and the 2.0 dCi (M9R) diesel engine, available in two power ratings: 150hp and 175hp. CO_2 emissions have been reduced significantly to 148g of CO_2/km for the dCi 150 4x2. Available in both 4x2 and 4x4 versions, Koleos is an extremely versatile vehicle. Comfortable and easily maneuverable in urban settings, its all-wheel drive also offers genuine off-roading capability and encourages drivers to go off the beaten track.

Koleos is the fruit of the Renault-Nissan Alliance: designed by Renault, it uses Nissan's recognized 4x4 technology. It has successfully established itself as Renault's flagship executive product in many countries, and is now marketed in around 40 countries across all five continents.

In a constantly growing segment and in the face of relentless competition, Koleos has succeeded in carving out a niche. Registrations increased by almost 36% between 2010 and 2011. The vehicle has racked up 150,000 sales (PC+LCV) since its launch in 2008.

In Europe, Koleos has successfully maintained its position and shown off its qualities. European sales grew strongly in 2011, up 23% relative to 2010.

At an international level, Koleos drives sales growth for the Renault brand and strengthens the Group's brand image. This is particularly true in China, the vehicle's number one market, with 23,000 units sold in 2011, and Latin America, where annual sales totaled almost 7,500 vehicles (PC+LCV). Koleos represents more than 90% of the brand's executive sales in China and 84% in Latin America. Since the end of 2011, Koleos has also spearheaded a revival by Renault in India. In total, almost 68% of Koleos sales in 2011 were outside Europe.

Duster, a robust, roomy and affordable 4x4, has been available under the Renault name in Ukraine, the Middle East (Jordan, Syria, Libya and Egypt) and Africa since June 2010. In October 2011, Duster's market was extended to South American markets (Brazil and Argentina). In these markets, where imported SUVs are often inaccessible to middle-class buyers, Duster is an aspirational vehicle. Renault Duster is manufactured alongside Logan, Sandero and Sandero Stepway at the Curutiba plant (Brazil).

From the first quarter of 2012, Renault Duster will be built and marketed in Russia, at the Avtoframos plant (Moscow), and in Colombia, at the Sofasa plant (Envigado). Renault Duster will also be distributed in Mexico and Chile in 2012.

Renault Duster is also sold in the Gulf states, from the Pitesti plant.

Latitude is a large saloon that is both sophisticated and prestigious, as demonstrated by its use as an official car at the 2011 Cannes Film Festival. Aimed at customers who are attentive to quality and comfort in all its forms, it places the emphasis squarely on passenger well-being. In particular, it features an original air purification system with an ionizer for a purifying, relaxing effect, as well as a new massaging driver's seat. With its generous dimensions and comprehensive equipment, Latitude is an invitation to take to the road and enjoy worry-free long distance driving.

Renault Latitude is a pure product of the Alliance, combining technical components from both Renault and Nissan to offer optimum driveability and subtle feedback. It was developed in France and Korea, where it is built alongside Koleos at the Busan plant.

Latitude was launched in more than 50 countries between September 2010 and May 2011, and now rounds off Renault's offering from Europe to Mexico, not forgetting Australia, Russia, China and Turkey. It reflects the brand's desire to move upmarket internationally and enhance its image by targeting new customer groups.

In 2011, Latitude won more than 17,300 customers around the world.

In the D segment, **Laguna III**, launched in the fall of 2007, is spearheading Renault's drive to meet stringent new quality criteria. Since 2010, Laguna III has been among the top three vehicles in its segment for product and service quality. It ships with a three-year/150,000km manufacturer's warranty. Laguna III has sold almost 280,000 units since launch.

In 2011, the vehicle's 2010 ambitions became a reality with the launch of Phase 2. A more expressive design strengthened the vehicle's modern and dynamic positioning. In spite of renewed aggressive competition from the likes of the new C5, Passat and 508, sales performance has been solid.

Particular effort has been focused on improving engine efficiency. Environmental friendliness is now a reality, with the dCi 110 ESM (Energy Smart Management) considerably reducing CO_2 emissions, from 120 to 109g of CO_2/km. The introduction of Stop&Start technology with the dCi130 has helped reduce emissions from 126 to 118g of CO_2/km.

The four-wheel steering 4Control system, the benchmark for safety and driving efficiency at this level of the range, is now available with most engines. It combines driving pleasure with safety in an affordable system.

With the new Carminat Tomtom® Live navigation system, whose functions include real-time traffic information, and the Bose® Sound System, Laguna is now more modern and attractive than ever.

Finally, **Laguna Coupé**, launched at the 2008 Paris Motor Show, features clean, elegant and flowing lines, similar to the concept car presented at Frankfurt. This vehicle's design is eminently appealing, while its road manners clearly position it as a thoroughbred sporting coupé. Equipped with the four-wheel steering 4Control chassis system, it deals impeccably with all situations.

In 2011, Laguna Coupé revisited the positioning of its SL Monaco GP, a label that is both alluring and sporty, extending its appeal to a broader range of customers.

In the executive E segment, **Espace IV**, launched at end-2002, is the fourth generation of a vehicle that launched the minivan concept in Europe and remains a cornerstone of the Renault's brand identity.

For 27 years, Espace has set the standard in the executive minivan segment, with more than 1.2 million vehicles sold. It combines exceptional comfort at both front and rear with a modular layout creating bright, spacious conditions for comfortable and safe travel.

In 2011, Espace continued to stand out from the crowd in Europe, with a 8.8% share of a stable segment at end-2011. This performance, along with its continued leading position in the French market, can be attributed in particular to the special attention paid to interior comfort and quality: the new Initiale, with its overstitched dashboard and new Riviera black or beige leather, was launched in March, and the Alcantara® limited series, which comes with Alcantara® leather seats as standard, was launched in October.

Espace offers a full range of gasoline and diesel engines that comply with the Euro 5 standard and associated strict environmental criteria. CO_2 emissions have thus been reduced by 20g for the 130hp and 150hp 2.0 dCi diesel engines, and the 170hp 2.0 turbo engine has been optimized to limit emissions.

Espace IV is produced at Sandouville (France). As such, it reaps the full benefits of the progress made in terms of quality. On January 1, 2008, Espace gained the same manufacturer's warranty (three years or 150,000km) as New Laguna.

Espace IV also stands out for its service: the Customer Satisfaction Plan launched in 2011 saw a doubling in the overall level of customer satisfaction with after-sales service.

Light commercial vehicles

Renault has consolidated its position as Europe's leading LCV brand – a position it has held since 1998 – with a European market share of 15.6% (Europe of 27 excluding Romania and Bulgaria). Outside Europe, Renault LCV sales largely outpaced the market in the Euromed region and in the Americas region, with volumes up 36% and 31% respectively in markets that grew by 9% and 11%.

Renault has one of the most extensive ranges of light commercial vehicles in Europe. The line-up was expanded with the arrival of New Master and Kangoo Express Maxi in 2010 and Kangoo Z.E. in 2011. Vehicle sizes range from 1.6 to 6.5 metric tons, and from 2 to 22 m3, thus matching the needs of a broad customer base.

Kangoo continues to lead the market in the small van segment (vehicles weighing under 2 metric tons). Still the European bestseller, Kangoo is gaining market share across most of the markets where it is sold, in Europe, Asia and Africa.

Already available in three sizes (compact, Express and Maxi), three new all-electric versions were brought out at the end of 2010 (Kangoo Z.E., Kangoo Maxi Z.E. 2 seats and Kangoo Maxi Z.E. 5 seats). Voted International Van of the Year 2012, Kangoo Z.E., an all-electric vehicle fully assembled at the Maubeuge plant (France), was launched in France in October 2011 before being introduced in Spain, Holland, the UK and Germany. With this vehicle, Renault provides fleet and business customers with an innovative mobility solution with zero CO2 emissions in use excluding wear parts, exceptional driveability, and limited running costs.

The first generation Kangoo is still built in Cordoba (Argentina) for South America and at the Somaca plant (Morocco) for certain European and African markets.

In the van segment (between 2 and 6.5 metric tons), Renault is continuing its offensive with the support of new vehicles that were added to the range in 2010: New Trafic Phase 3 and New Master.

Since its launch at the end of 2001, Trafic has become the benchmark in the compact van segment (between 2.0 and 2.9 metric tons). Developed in partnership with General Motors, Trafic is produced at the GM plant in Luton (UK) and the Nissan plant in Barcelona (Spain). Renault is aiming to develop vans that are both more environmentally friendly and more economical. Trafic Phase 3 gains a particle filter on its new 90 and 115hp 2.0 dCi engines, and boasts improved CO2 emissions of below 180g/100km.

In 2011, Renault Trafic achieved a 15,3% share of the small van and passenger-carrying van segment in Europe (at end-December). This performance is a new all-time record for Trafic.

In the large van segment, Renault continues to develop its New Master range, launched in 2010. Available in front- and rear-wheel drive versions in four lengths and three heights, New Master has a maximum authorized weight of 4.5 metric tons. The range comprises 350 versions. It gains a new design and a new more comfortable cabin. The new M9T 2.3 dCi (100-150hp) engine reduces fuel consumption by 1 l/100km compared with its predecessor and increases the servicing interval to 40,000km/two years. Master is manufactured at the Batilly plant (France).

New Master is sold in 30 countries. Sales grew strongly in Europe, where market share reached a record high of 12.4% (at end-December) of the large light commercial segment (including Renault Trucks sales). New Master is also a success in the Euromed region, with more than 10,900 units sold in 2011, including 7,600 in Turkey.

Master 2 is continuing its career in South America, where it is produced in the Curitiba plant (Brazil). Master 2 is leader in its category in Argentina and number two in Brazil.

Overall, 95,094 Master 2 and New Master vehicles were registered in 2011.

Electric vehicles

In 2011, Renault moved from theory to reality, launching Fluence Z.E. and Kangoo Z.E., two of the four vehicles in the electric range unveiled in the form of concept cars at the 2009 Frankfurt Motor Show before their final design was presented at the 2010 Paris Motor Show.

This four vehicle range accomplishes the following:

- it caters for additional needs:
    - use as a light commercial vehicle with Kangoo Z.E., which is mainly aimed at large fleets, the public sector, tradesmen and retailers,
    - mixed fleet and private use with Fluence Z.E., the first all-electric prestige saloon,
    - innovative new urban mobility solutions with Twizy, and finally, versatile urban and suburban use with Zoé, the first mass market vehicle fully designed to be all electric;
- it makes electric vehicles affordable and reassuring by using a battery hire system.

The electric range is marketed via a packaged offering, the “Z.E. Box”, which includes four key components:

- the vehicle;
- the battery hire agreement, tailored to the customer’s needs and usage;
- support to help customers install their vehicle charging equipment. In 2011 and early 2012, Renault entered into partnerships with large energy companies and infrastructure suppliers in all countries in which the range is sold. These companies include EDF, Schneider Electric, Veolia, RWE, Acciona, A2A, British Gas, ESB, etc.;
- a range of specific services tailored to electric vehicles.

Detailed prices announced immediately after the 2011 Frankfurt Motor Show positioned Renault's offering as a credible economic alternative – or even an equivalent in countries where government incentives are available – to combustion-powered vehicles. They mark a distinct break with the offering of comparable electric vehicles currently on the market.

Finally, Renault is more closely involved than ever in developing charging infrastructure alongside manufacturers as well as energy operators and national and local authorities. Public charging points are gradually being installed in every country in Europe as part of public and private initiatives. Projections suggest that Europe will have 16,700 charging points by end-2011 and 50,000 by end-2012.

Finally, it should be noted that publicly available charging points are currently being installed throughout the Renault network. This already represents more than a thousand charging points in Europe, including the 400 dealerships in the French primary network, all of which have now been fitted with charging equipment.

Dacia Brand

Launched in 2004, Dacia has become a key player on the automotive market in just seven years.

Available in 36 countries from Europe to North Africa and Turkey, the Dacia brand accounted for 343,200 PC+LCV registrations in 2011. In spite of sales being adversely affected by supply constraints in the middle four months of the year, performance was close to 2010 levels, with 116,800 vehicles registered in the final four months of the year.

Dacia is Romania's leading brand, with a 29.1% share of the PC+LCV market; it increased its share of the Moroccan market by 2.5 percentage points to 19.9%.

The brand's Italian market share grew by 0.3 percentage points to 1.4% of the PC+LCV market. Market share grew by 0.5 points to 2.2% in Belgium and by 0.5 points to 2.1% in Poland.

In France, Dacia secured the number five spot for sales to private individuals, with a market share of 5.8%; also, with LPG incentives on Sandero coming to an end, Duster now accounts for almost half of all sales.

Dacia is attracting a new and very diverse customer base, with a large proportion of customers coming from the used vehicle market (all segments and brands).

After the Logan sedan, the Sandero compact sedan, the Logan MCV estate, and the Logan van and Logan pick-up LCVs, Dacia is successfully growing sales with Duster, a robust, spacious, affordable off-roader that is easy to drive.

Since its launch in April 2010, Dacia Duster has enjoyed real success in every country in which it is sold. Duster has already generated a total of 230,000 registrations.

The LPG range has been extended this year by offering an LPG-compatible version of the 105hp 1.6 gasoline engine.

In diesel-powered vehicles, Dacia Duster reduced the consumption of its 4x4 version at the end of 2011 by introducing the dCi 110 diesel engine with a particle filter emitting 137g of CO_2/km. Dacia Duster 4x4 dCi 90 FAP (particle filter) carries the Dacia eco² signature. With Duster, Dacia has shown that it is possible to market an all-terrain vehicle that is functional and affordable as well as being more environmentally friendly than other 4x4 vehicles on the market.

The "go-anywhere" version, Sandero Stepway, which demonstrates the continual improvement of the design and perceived quality of models in the Dacia range, represents a very substantial proportion of total orders of the compact saloon.

Dacia offers unrivaled space for its price point, and customers appreciate the range's simplicity. The brand's reliability is recognized both by our customers and by numerous European surveys.

An example of the innovative new solutions offered by Dacia is the first online sales site for Dacia vehicles in Italy: http://www.dacia.it/dacia-store/.

Dacia models are manufactured at the Pitesti plant in Romania, which has undergone radical modernization and restructuring since 1999. Since the second half of 2005, the Dacia-badged Logan has also been produced at the Somaca site in Casablanca (Morocco). Pitesti also supplies CKDs to all other Group sites producing Logan.

Presented alongside the Lodgy "ice" version, which recently won the 23rd Andros Trophy, the future Dacia Lodgy van will be made at the new Tangiers plant (Morocco), rounding off the range of vehicles available in 2012. Space and versatility are the watchwords of this van, which is available in both five- and seven-seater versions.

Renault Samsung Brand

Renault Samsung Motors (RSM) sells four passenger vehicles (SM3, SM5, SM7 and QM5) in South Korea, covering the Korean M1, M2, S and SUV segments. In 2011, these four segments accounted for 70.8% of passenger car sales in South Korea.

SM3, launched in September 2002, was restyled in July 2009. The new SM3 has enjoyed huge success since launch, with a market share of 13.3% in the M1 segment and 34,581 sales in 2011 in South Korea.

SM5, an executive sedan, has enjoyed continuous success since its launch in 2001. The third generation SM5, launched in January 2010, was an immediate success. It sold 50,000 units in 2011 in South Korea, taking a significant 20% share of the M2 segment.

SM7, launched in November 2004, is a roomy sedan, with a luxurious, comfortable cabin. This executive vehicle, which ships with a V6 engine, incorporates the latest technology from the Renault-Nissan Alliance. The second generation All-New SM7, launched in August 2011, was very warmly received by the market. It has sold 8,628 units since launch. The two generations of SM7 together account for 17,022 sales in South Korea, representing an 8.1% share of the S segment at end-2011.

QM5, launched in December 2007, is the first real crossover vehicle on the Korean market. Phase 2 was successfully brought to market in July 2011. It sold 7,618 units in 2011, taking a 3.5% share of its segment.

The four models in the range are manufactured at the Busan plant in South Korea.

Renault Koleos is the first vehicle in the Renault range to be produced at this plant. It is exported to 40 countries worldwide (52,693 units in 2011). The new SM3 and SM5 are also exported under the Renault name (Fluence and Latitude). In 2011, RSM exported 37,467 SM3 and SM5 vehicles under the Renault brand name and 9,182 vehicles under the RSM brand name. Under its Alliance agreements, RSM continues to export SM3 under the Nissan brand name (38,396 units in 2011).

In 2011, RSM sold 246,959 vehicles, including 109,221 in its domestic market.

RSM has been the leader in product and service quality for ten years running. This was confirmed in a survey by Marketing Insight, which is considered to set the standard in the Korean market.

POWERTRAIN RANGE

Innovation in powertrain performance was showcased in 2011. In line with our strategy of being market leader for CO_2 emissions, 2011 saw the rollout of our new range of Energy engines.

Following the launch of the Energy dCi 130 and 2.0 Energy 150 engines, the Energy family welcomed two new combustion engines: the Energy TCe 115 gasoline engine and a completely overhauled 1.5 dCi engine christened Energy dCi 110.

What all these Energy engines have in common is that they drastically reduce consumption, CO_2 emissions and running costs while offering driving pleasure and all-round high quality. The new generation engines have been downsized – with the addition of the Stop&Start system and energy recovery on braking – and incorporate an unrivaled level of technology for engines of this size.

Renault Laguna emits 118g with the 2.0 Energy dCi 130 and 150 engines

- Performance: 118g of CO_2 and 4.4 l/100km (130 and 150hp), a saving of 18g (12%).
- Among the best in the D segment.
- Unchanged spirit: power and torque total 96-110 kW (130-150hp) and 320-340Nm respectively. Detailed development work has led to improved response times, further highlighting the vehicle's brisk driving performance.
- New technology: Stop&Start with energy recovery on decelerating/braking, variable displacement oil pump, thermal management system and cooled EGR.
- Reduced friction.
- Improved acoustics: even quieter than the old engines they replace.

The new Energy TCe 115 gasoline engine

The new Energy TCe 115 engine was unveiled at the Frankfurt Motor Show. With a capacity of 1.2 l, it delivers 115hp, equating to around 100hp/liter. This is an unrivaled level of power for a 1.2 l gasoline engine (the capacity-to-power ratio is equivalent to that of Clio RS).

It generates maximum torque of 190Nm (a 40Nm increase), available from 2,000 to 4,000rpm and 90% available from 1,500rpm. It also comes with a latest generation turbo, direct injection with variable distribution and double camshaft angle variator.

Its all-aluminum engine block is 10 kg lighter than its predecessor. It also includes a string of technologies such as Stop&Start, energy recovery on braking and reduced friction (variable displacement oil pump and thermal management system).

It also comes with a lifetime warranty on its timing chain, leading to reduced running costs. It will gradually replace the 1.6 l 110hp 16v engine (Mégane range) from early 2012 onwards.

The new generation "Energy" dCi 110

This "overhauled" new version will gradually be introduced into the Group's models, starting with the Mégane family before subsequently being rolled out more widely. The Energy dCi 110 incorporates technology found in its big brother, the Energy dCi 130 (low pressure EGR, variable displacement oil pump, thermal management system and Stop&Start system with energy recovery on braking).

It also has a reverse rotation turbo to boost torque at low engine speeds. The route followed by incoming air has been simplified, improving the output of the turbo and thus boosting performance without increasing fuel consumption. It also incorporates injection nozzles with individualized spray cone angle: this more accurate method of injecting fuel significantly improves combustion (leading to 15% less unburned fuel), directly benefiting both consumption and CO_2 emissions. Individualized spray cone angle technology offsets the natural nozzle decentering found in eight-valve engines (arising from a dissymmetry between intake and exhaust valves). Fuel is injected by seven-hole piezo-electric injectors.

Renault Sport 2.0 turbo engine: delivering even better performance

The Renault Sport 2.0 engine (F4Rt RS type) found in the Mégane RS now offers even greater driveability and flexibility. The air intake has been redesigned to cater for high pressures and temperatures. The supercharging pressure has been increased by 0.2 bars to 2.5 bars, while power has been boosted to 265 horsepower (an increase of 15hp), available across a very wide range of engine speeds (3,000-5,000rpm).

It offers a power-to-weight ratio of 5.09 kg/hp, and a specific power output of 132.5hp/l.

This new, four-cylinder turbocharged Renault Sport 2.0 turbo engine, with its 1,998 cm^3 capacity, set a new record of 8 minutes 8 seconds at the Nurburgring (Germany).

This year, Renault is tightening the eligibility criteria for cars carrying its eco^2 label: from now on, vehicles will only be labeled Renault eco^2 if they emit less than 120g of CO_2 per kilometer and the amount of recycled plastic they contain exceeds 7% of their total plastic by weight.

Electric vehicles: a reality

Fluence Z.E. and Kangoo Z.E. were both launched in 2011. With power ratings of 70 kW (equivalent to 95hp) and 44 kW (60hp) respectively, their synchronous wound rotor electric motors immediately deliver maximum torque of 226Nm. The immediate availability of this maximum torque guarantees increased safety and pleasure every time you accelerate.
Both acceleration and response are sharp, even at low engine speeds… and with no exhaust gas.
The gearbox is replaced by a speed reduction unit that makes for a smooth, jolt-free ride.

MAIN MANUFACTURING SITES

Renault has about 30 manufacturing sites for its automotive business. Under cooperative cost-sharing agreements, the Group also uses facilities operated by its partners, including in particular General Motors Europe's site in the UK.

Also, thanks to its 1999 Alliance with Nissan, Renault can take advantage of its partner's industrial facilities in areas where Nissan already has operations. Renault uses Nissan's plants in Barcelona (Spain) and Pretoria (South Africa) to manufacture Trafic and Sandero respectively.

Based on a standard figure of 3,760 hours[3], production capacity utilization rates in 2011 were 87% globally and 64% in Europe.

In 2011, the bulk of production for the three brands making up the Renault group, for both PCs+LCVs and powertrain sub-systems, was mainly delivered by the following plants.

[3] Harbour standard: one year's production based on two eight-hour shifts a day, five days a week, for 47 weeks a year

MAIN MANUFACTURING SITES BY BRAND – 2011 PRODUCTION (UNITS)

2011	SITES	PRODUCTION *(IN UNITS)*	VEHICLES OR COMPONENTS
RENAULT BRAND			
Renault sites			
France	Flins	147,969	Clio III Phase 2
	Douai	177,030	Mégane III (coupé-cabriolet), Scénic III (5- and 7-seater)
	Sandouville	64,916	Laguna III (hatch, Estate, coupé), Espace IV
	Maubeuge	146,922	Kangoo Z.E., Kangoo III (1)
	Batilly	106,509	Master Z.E., Master III (2)
	Dieppe	2,876	Clio III Renault Sport
	Cléon	1,295,361	Engines, transmissions
	Le Mans/Villeurbanne	2,334,848	Front/rear axles
	Choisy-le-Roi	115,710	Renovation of engines, transmissions, injection pumps and sub-assemblies; end cashing machining.
	Grand-Couronne	N/A	Shipment of CKD kits
Spain	Palencia	239,759	Mégane III, Mégane Renault Sport
		97,794	Twizy, Clio III, Modus
	Valladolid	1,158,155	Engines
	Seville	1,020,081	Transmissions
Portugal	Cacia	506,558	Transmissions, mechanical components
Slovenia	Novo Mesto	174,118	Clio II Phase 4, Twingo II, Wind
Russia	Avtoframos	140,992	Duster, Mégane, Fluence, Logan (Renault)
Turkey		313,299	Fluence, Mégane, Clio III, Clio III sedan
	Bursa	553,627	Engines, transmissions
Morocco	Casablanca	56,872	Logan, Kangoo
Argentina	Cordoba	110,041	Thalia, Clio II, Clio II sedan, Kangoo, Kangoo Express, Fluence
Brazil		210,529	Duster, Mégane II (hatch/sedan), Logan (Renault)
	Curitiba	335,813	Engines
Colombia	Envigado	50,156	Duster, Twingo, Clio II (hatch/sedan), Logan (Renault) (3)
Chile	Los Andes	345,047	Transmissions, mechanical components
Iran		93,856	Mégane II, Logan (Renault) (4)
	Teheran	161,718	Front/rear axles
India	Chennai	2,252	Fluence, Koleos
Nissan sites			
Spain	Barcelona	70,043	Trafic II (5)
South Africa	Pretoria	21,348	Sandero
Site General Motors Europe			
UK	Luton	68,431	Trafic II
DACIA BRAND			
Romania		327,730	Duster, Logan, Logan van, Logan station wagon, Sandero
	Pitesti	1,721,918	Engines, gearboxes, transmissions
RENAULT SAMSUNG BRAND			
South Korea		244,151	SM3 (Fluence), SM5 (Latitude), SM7, QM5 (Koleos)
	Busan	172,636	Engines

(1) The Maubeuge site also builds Kangoo vehicles for Nissan, which are sold under the name Kubistar, a Nissan brand.

(2) Batilly also manufactures Master for General Motors Europe and Nissan. These vehicles are sold under the name Movano for the Opel and Vauxhall brands, and Interstar for the Nissan brand.

(3) Dacia-badged Logan.

(4) In partnership with Iranian companies Pars Khodro and Iran Khodro.

(5) Nissan's Barcelona plant also manufactures compact vans marketed under the names Primastar and Vivaro by Nissan and Opel respectively.

RENAULT'S EUROPEAN DISTRIBUTION NETWORK

Organization of the Renault network

The Renault group distributes vehicles under its brands through both primary and secondary distribution networks.

The primary network is contractually tied to Renault and comprises:

- dealers who can sell and service Renault vehicles;
- branches belonging to the Renault group's distribution business, "Renault Retail Group".

The secondary distribution network is made up of Renault's sub-dealers, generally small businesses with commercial ties to a dealer in the primary network.

	2010		2011	
NUMBER OF SITES	**WORLD**	**O/W EUROPE**	**WORLD**	**O/W EUROPE**
Primary network	4,805	2,822	5,202	3,060
O/w RRG dealers	*224*	*188*	*221*	*186*
Secondary network	7,553	7,308	8,132	7,820
TOTAL RENAULT SITES	**12,358**	**10,130**	**13,334**	**10,880**

The main changes in the Renault group's dealer network are as follows:

- the development of strong capillary networks in growth markets, mainly outside Europe;
- adjustments to cater for the sale of new vehicles, including in particular the electric vehicle range;
- the strengthening of the various brand identities, including in particular increased differentiation between the Dacia and Renault brands.

Renault Retail Group (RRG)

This wholly-owned subsidiary of Renault s.a.s. is the Group's biggest subsidiary by revenues (nearly €8 billion in 2011) and workforce (with 11,808 employees at December 31, 2011).

RENAULT RETAIL GROUP FIGURES TO END-DECEMBER 2011	**TOTAL FOR 12 EUROPEAN COUNTRIES**	**O/W FRANCE**
New vehicles *(units)*	302,876	185,689
Used vehicles *(units)*	159,563	111,736
New and used vehicles *(units)*	462,439	297,425
Revenues* *(€ million)*	7,946	4,999

* *From RRG management statements.*

RRG has more than 210 sales and services outlets in 12 European countries: Austria, Belgium, Czech Republic, France, Germany, Italy, Luxembourg, Poland, Portugal, Spain, Switzerland and the UK.

Its role is to directly distribute, on a profitable basis, Alliance products and services (Renault, Dacia and Nissan). The product range covers new vehicles, used vehicles and spare parts. It also includes services: servicing, powertrains, bodywork, express repairs (Renault Minute and Renault Minute bodyshops), short-term rental (Renault Rent), financing and brokerage.

In 2011, RRG sold more than 35% of the new vehicles marketed by Renault in France, and accounted for more than 17.5% of new vehicles in the other 11 European countries in which RRG operates.

At the same time, RRG manages its commercial presence, primarily in major cities (strategic urban areas). It always seeks to deliver the highest standards in service quality and to build its image. The business has mapped out a strategy to achieve these aims. This strategy is based around three themes, broken down into concrete actions on the ground aimed at achieving volume and profitability targets in line with Renault 2016 – *Drive The Change.*

In 2011, RRG continued to concentrate on deploying the Renault group's trade names, including in particular Renault Pro+ centers, Renault Sport corners and dedicated Dacia showrooms. With its city center locations, RRG is ideally placed to launch the Z.E. range. All RRG dealerships are Z.E.-compatible, and more than 80% have Z.E. experts (sales, maintenance and repairs).

The Dacia network

	2010		2011	
NUMBER OF DACIA SITES	**WORLD**	**O/W EUROPE**	**WORLD**	**O/W EUROPE**
Primary network	1,858	1,540	1,877	1,523

Dacia-badged vehicles have been marketed since 2005 through distribution networks that are organized around existing Renault networks while keeping the two brands separate. The network continues to develop, with a stronger identity for Dacia and an expanded Dacia-specific sales force.

Development of Renault Pro+ brands

A business customer's car is a professional tool. That being the case, the network that services and repairs it has to deliver a very high standard of service.

Renault has developed dedicated services for business customers through a specially targeted program: Renault Pro+.

In a business-oriented environment, Renault Pro+ provides a tailor-made service with five key components:

- professionalism, with specialized sales and after-sales staff;
- prominent display of business products in the Renault range, including converted vehicles;
- a one-stop-shop, with all business-related services – sales, funding, maintenance, rental, etc. – located in a bespoke center;
- fast reception and service, thanks to a flexible organization and facilities that can accommodate vehicles up to 7 metric tons;
- profitability: Renault Pro+ lets customers get on with their business.

In 2009, 66 Renault Pro+ sites were set up in 14 countries, and 2010 saw international development accelerate across Europe, Euromed and the Americas, with 212 sites operating in 18 countries.

In 2011, almost 120 new sites were opened, bringing the total to 330 sites in 23 countries. The aim is to achieve a network of 400 Renault Pro+ sites for Renault's business customers by 2012.

CASH MANAGEMENT IN AUTOMOBILE

For Automotive, the Renault group has established a financial organization whose aims are to:

- automate the processing of routine cash inflows and outflows;
- pool surplus cash generated by Group subsidiaries and meet their refinancing requirements;
- centralize the handling of euro-denominated and foreign exchange transactions so as to optimize the management of currency, liquidity, interest rate, counterparty and country risk while reducing financial and administrative costs;

- centralize virtually all financing operations, including securities issuance, bank loans and credit agreements, at parent company level.

Within this framework, Renault's Financing and Treasury department, which is responsible for cash management and financing for the Group's industrial and commercial activities in Europe, has a specialized entity, Renault Finance, which manages the following:

- capital market trading, after intra-Group netting: forex, fixed income securities and short-term investments;
- foreign currency payments by French and European subsidiaries;
- foreign currency cash pooling for some subsidiaries.

For the eurozone, cash is centralized through a Renault SA IT platform that manages all subsidiaries' euro-denominated transactions and interfaces with the automotive sector's banks. Renault Finance is also involved in cash management arrangements covering foreign currency payments made by French and European subsidiaries.

Outside the eurozone, the cash flows of certain subsidiaries are accounted for centrally in Renault Finance's accounts.

Renault Finance

Renault Finance, a Swiss corporation based in Lausanne, is an active player on the forex and fixed income markets and the market for hedging industrial metals transactions. It operates within a strict risk management framework. Through its arbitraging activities, it can obtain competitive quotes for all financial products. The Company is therefore Renault's natural counterparty for most automotive market transactions. By extending this service to the Nissan group, Renault Finance has become the Alliance's trading floor. It manages spot and forward foreign exchange transactions for both Renault and Nissan, hedging itself in the market accordingly. Renault Finance takes no risks on behalf of any entity in the Nissan or Renault groups.

Aside from financial market transactions, Renault Finance has been offering a number of services since 2008, including commercial and financial foreign currency payments for Renault and Nissan and a foreign currency cash pooling service for a number of Renault entities (Czech Republic, Denmark, Hungary, Sweden, Switzerland and the UK). Other foreign currency cash pooling services are currently being developed.

At end-December 2011, parent company net income was €44.6 million (compared with €44.3 million at end-December 2010), and total parent company assets amounted to €7,709 million (compared with €9,312 million at end-December 2010).

B. SALES FINANCING

RCI Banque, Renault's captive financing arm, finances sales of the Renault, Renault Samsung Motors (RSM), Dacia, and, in Europe, Nissan and Infiniti brands.

The RCI Banque group operates in 38 countries:

- in Europe: France, Austria, Belgium, Bosnia Herzegovina, Croatia, Czech Republic, Denmark, Estonia, Germany, Hungary, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Serbia, Slovenia, Slovakia, Spain, Sweden, Switzerland, and the UK;
- in the Americas: Argentina, Brazil, Colombia and Mexico;
- in the Euromed region: Algeria, Bulgaria, Morocco, Romania and Turkey;
- in the Eurasia Region: Russia and Ukraine;
- in Asia: South Korea.

At December 31, 2011, the RCI Banque group had total assets of €27,105 million.

The Group employed an average of 2,671 people in the year, with 45% of these in France.

In the western European countries in which the RCI Banque group operates, sales financing accounted for 33.6% of new vehicle sales under the Renault and Nissan brands in 2011. In its capacity as a brand financing entity, the Group is tasked with offering a complete range of credit and service solutions:

- customer activity (consumers and professionals):
  - credit for new and used vehicles,
  - leasing with purchase option,
  - hire purchase,
  - long-term rental,
  - associated services, such as maintenance and warranty extension, insurance and assistance, fleet management and credit cards;

- network activities:
  - financing inventories of new and used vehicles and spare parts, and funding dealers' long-term financing operations,
  - managing and controlling risk,
  - securing the network's future by standardizing and regularly monitoring financial procedures,
  - acting as the network's financial partner

C. ASSOCIATED COMPANIES, PARTNERS AND COLLABORATIVE PROJECTS

Renault has three major shareholdings in associated companies.

NISSAN

Renault's shareholding in Nissan is described in detail in (2) THE RENAULT-NISSAN ALLIANCE below.

Nissan's market capitalization at December 31, 2011 was ¥3,128 billion, based on a closing price of ¥692 per share.

Renault holds 43.4% of Nissan's share capital. At December 31, 2011 the market value of the shares held by Renault totaled €13,550 million.

Renault accounts for its shareholding in Nissan using the equity method, as described in note 14 of the notes to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement.

AB VOLVO

After selling its nearly 303 million "B" shares in Volvo in October 2010 and retaining its 138,604,945 "A" shares representing 6.5% of share capital and 17.1% of voting rights (6.8% of interest and 17.7% of voting rights after taking into account Volvo's treasury shares), Renault remains the main shareholder of Europe's premier and one of the world's largest manufacturers of heavy-duty trucks. Renault continues to be represented by a director on Volvo's Board.

In the commercial vehicles sector, the Volvo Group owns the Volvo, Renault Trucks, Mack and UD brands, and two joint ventures in India and China (with Eicher and Dongfeng respectively). The Group is also active in the construction equipment, coach and bus, engines and drive systems for boats, aerospace and financial services sectors. The Volvo Group manufactures its products in 20 countries and sells them on 190 markets. The Group's headcount totals around 100,000 people.

Its range of commercial models stretches from light-duty to heavy-duty trucks, sold through a broad network covering more than 130 countries throughout the world.

2011 was a record year for the Volvo Group in terms of sales, operating income and operating margin. Worldwide deliveries of trucks (238,391 units, compared with 179,989 in 2010) increased significantly in three regions: +45% on 2010 in Europe (with a 26% market share), +75% in North America (nearly 20% market share in the US) and +36% in South America (17.1% market share in Brazil).

The Board of Directors submitted the payment of a 2011 dividend of SEK 3.00 per share for approval by shareholders at the Annual General Meeting held on April 4, 2012.

In 2011, Volvo contributed €136 million to Renault's results, compared with €214 million in 2010, the year during which Renault sold its "B" shares (see note 15-A of the notes to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement).

Based on the share price of SEK 75.95 per "A" share at December 31, 2011, Renault's holding in Volvo AB is valued at €1,181 million. Volvo's market capitalization at the same date was €18,058 million.

For more information about Volvo, go to http://www.volvogroup.com/group/global.

AB VOLVO		**2011**		**2010 PUBLISHED**
(millions)	**SEK**	**EUR**	**SEK**	**EUR**
Net revenues	310,367	34,380*	264,749	27,730
Operating profit	26,899	2,979*	18,000	1,884
Net profit	18,115	2,006*	11,212	1,174
Dividend per share in SEK	2.50	In respect of 2010	0	In respect of 2009
Closing price of Volvo "A" shares on December 31, 2011	75.95	8.52**	115	12.82

* *EUR 1 = SEK 9.03 (average 2011 rate).*
** *EUR 1 = SEK 8.91 (at December 31, 2011).*

AVTOVAZ

Renault holds a 25% stake plus one share in AVTOVAZ – Russia's leading manufacturer – on an equal footing with the public holding company, Russian Technologies, and Troika Dialog bank. The aim is to create a long-term partnership that will accelerate the transformation of AVTOVAZ into a global automotive player with a production capacity of over one million vehicles a year.

Pursuant to the restructuring and recapitalization agreement entered into by AVTOVAZ's shareholders in July 2010, Renault injected an additional €109 million of equity into AVTOVAZ in 2011, with no impact on its percentage shareholding. Renault's entire contribution was allocated to funding technical assistance provided by Renault and property, plant and equipment acquired in connection with the B0 platform (Logan). This platform will be shared between AVTOVAZ, Renault and Nissan and has formed part of a huge transformation project at the Togliatti plant, including the installation of a new production line with a capacity of 350,000 vehicles a year. Production is slated to start in the first half of 2012.

This transformation work will continue in 2012 with Renault and AVTOVAZ's commitment to renew the range through ambitious product plans, including the creation of new ranges of vehicles tailored to the needs of the Russian market.

The AVTOVAZ product offensive kicked off at the end of 2011 with the launch of Lada Granta, which aims to replace Lada Classic in the low cost vehicle segment. This launch will be followed in the first half of 2012 by that of Lada Largus, based on Logan MCV, on the new production line that will use the B0 platform.

At the end of October 2011, AVTOVAZ announced that it had acquired 100% of the share capital of OAG, which bought the assets of Russian vehicle manufacturer IzhAvto in the second half of the year. This new plant, whose production capacity will be boosted to 350,000 vehicles a year, will provide AVTOVAZ with additional production capacity catering both for Lada vehicles (initially Lada Granta) and for Renault and Nissan vehicles.

Renault will also help AVTOVAZ to create new capacity to produce engines and transmissions for the Renault-Nissan Alliance, initially consisting of engine production capacity of 450,000 units a year at the Togliatti plant from 2014 onwards.

The partnerships between Renault, AVTOVAZ and Nissan are intended to cover the main segments in the Russian automotive market, with a target of achieving a market share of 40% by 2016.

Renault accounts for its shareholding in AVTOVAZ using the equity method, as described in note 15-B of the notes to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement.

PARTNERSHIPS AND COLLABORATIVE PROJECTS

<u>Strategic cooperation between the Renault-Nissan Alliance and Daimler AG</u>

On April 7, 2010 the Renault-Nissan Alliance and Daimler announced a strategic cooperation agreement focusing primarily on:

- future generations of Smart fortwo and Renault Twingo, including electric versions, as well as extensions to the Smart and Twingo product families;
- the pooling of powertrains;
- joint development of future projects in the field of passenger cars and LCVs;
- cooperation in the field of electric vehicles.

This strategic cooperation has been strengthened by cross-shareholdings, with Daimler taking a 3.1% share in Renault and Nissan capital and Renault and Nissan each taking a 1.55% share in Daimler.

Cooperation is a means to share project outlay, to access best technologies, to ensure better use of assets (*eg* by building Smart or Mercedes-Benz vehicles in Renault plants) and to generate economies of scale through volume.

The agreement is supervised by a Cooperation Committee representing the parties. Co-chaired by Carlos Ghosn and Dieter Zetsche, the committee is made up of senior executives from the Alliance, Renault, Nissan and Daimler. It met 17 times between April 2010 and December 2011.

The development of Smart and Twingo vehicles is now in the active phase, underpinned by a specific development agreement. The replacement for the existing Smart fortwo, the new 4-seater Smart model and the future Renault Twingo will have strongly differentiated design features reflecting the character of each brand. One of the main characteristics of the new joint architecture is the drive concept based on existing Smart vehicles. The roll-out of these jointly developed models is scheduled to start in 2014. The Smart plant in Hambach (France) will build the two-seater version, while the Renault site in Novo Mesto (Slovenia) will build the four-seater version. Electric versions of these vehicles will also be available from market launch.

At the same time, the adaptation of three-cylinder petrol and four-cylinder diesel engines, along with the associated gearboxes, developed by the Renault-Nissan Alliance for the needs of Daimler, is currently under way. The first market roll-outs are scheduled for end-2012.

Through specific agreements, Renault and Daimler have also confirmed their cooperation in the field of light commercial vehicles. From 2012, Mercedes-Benz Vans will expand its range of light commercial vehicles with the launch of a new entry-level model based on the existing Kangoo. The technology for this LCV will be provided by Renault. The vehicle will be built in the Renault Maubeuge plant (France).

New areas of cooperation should pave the way for further projects.

At the same time, the Renault-Nissan Alliance and Daimler will continue to study opportunities in areas such as joint purchasing, exchanging benchmarks and best practices.

For more details, see the paragraph on 'Strategic cooperation with Daimler' below.

Supplier relations and support

To maintain and enhance its competitive edge, Renault continues to pursue its optimized purchasing policy. It has also worked closely with suppliers to step up efforts in terms of profitability and quality.

Renault has formalized its supplier relations in a joint Charter with Nissan, the Renault-Nissan Purchasing Way. The Charter is based on two key principles:

- achieving a high level of performance in quality, costs and delivery times, following clear processes that are deployed globally;
- sharing the Alliance's values of trust, respect and transparency.

Renault takes a long-term view of supplier relations and pursues a worldwide policy of active support in the following areas:

- product development: Renault works in close cooperation with its suppliers at the very start of projects, with the aim of meeting price and quality targets and cutting development times;
- quality: In its work with suppliers, Renault calls upon almost a hundred quality experts, more than half of whom are outside France. These experts aim to boost quality by implementing strict tools and processes from the very start of each project, during service life, and for after-sales parts;
- competitiveness: Renault assigns experts to supplier development, to boost the competitiveness of both suppliers and their own supply chains;
- logistics: Renault is rolling out Evalog – a tool designed to improve logistics performance – to suppliers;
- innovation: Renault is sharing its strategic priorities and putting in place joint innovation agreements with its most innovative suppliers. These agreements clearly set out desired targets, cost breakdowns, ownership rights, exclusivity periods, etc. The very highest levels of company management are directly involved in these initiatives;
- corporate social responsibility (CSR): Renault and Nissan have formally set out their recommendations in a joint Charter for all Alliance suppliers. Renault is calling on dozens of quality experts to assess its suppliers' social and environmental practices and engage suppliers in an improvement process. With this in mind, supplier CSR ratings have been incorporated into the sourcing process used by Renault-Nissan Purchasing Organization (RNPO).

  In return for the resources supplied by Renault and the prospects of long-term business volumes, suppliers agree to improve their performance to the highest levels and to contribute to Renault's international development. At the same time, Renault expects tier 1 suppliers to pursue similar policies with their own suppliers.

  In France, Renault has agreed to fully apply the Code of Best Practice and Competitive Performance governing customer-supplier relations in the automotive industry, signed on February 9, 2009 by suppliers (CLIFA), manufacturers (CCFA) and the French Government. This code includes a number of general principles on the conduct of inter-company relations, which can be applied across the automotive industry.

  Finally, as part of efforts to strengthen supplier relations, in 2011 Renault and Nissan initiated a joint process for selecting preferred partners, known as Alliance Growth Partners (AGP). These partners have demonstrated their competitiveness and their ability to support innovations and developments introduced by the two partners in the Alliance.

Light commercial vehicles

In light commercial vehicles, Renault and General Motors signed a framework agreement in 1996 that included a commitment to work together. The aim was for the two manufacturers to increase their market presence in Europe and share development.

In compact vans, Renault Trafic and Opel/Vauxhall (GM) Vivaro have been produced at the GM Europe plant in Luton (UK) since 2001 and the Nissan plant in Barcelona (Spain) since 2002. Phase 3 models were launched in 2010. In March 2011, Renault and Opel/Vauxhall announced the locations of production sites for the next generation of Vivaro and Trafic. Opel/Vauxhall confirmed that the next generation Vivaro will be built in Luton. Renault will build the next generation Trafic as well as the upcoming high roof (H2) version of the Opel Vivaro at its Sandouville site. Production is expected to begin at the end of 2013.

The offering in the large vans segment was renewed in 2010, with the launch of the new range of Renault Master and Opel/Vauxhall (GM) Movano, manufactured by Renault at its Batilly plant in France.

Movano is sold to GM as part of a supply agreement entered into at the end of 2007.

Trafic and new Master are also distributed by the Renault Trucks network under the terms of sales agreements entered into in 2009. These agreements are the continuation of agreements covering the distribution by Renault Trucks (AB Volvo Group) of Mascott and the previous generation of Master.

Picking up the pace of international expansion

Various agreements have been entered into with local partners (manufacturers and local authorities).

In Russia, alongside the partnership with AVTOVAZ, Renault has continued its partnership with Moscow City Hall. After doubling production capacity at the Moscow plant to more than 160,000 vehicles a year in 2010, Renault switched to a working pattern of three shifts a day, enabling it to hold onto its position as one of the top three foreign brands. It owes its record 5.8% penetration to the success of Logan and Sandero and the increasing popularity of Fluence and Mégane.

In India:

- in Chennai, the Alliance built its first joint production site as part of a joint venture (JV RNAIPL). Production of Nissan Micra started in 2010 and Renault started production of Fluence and Koleos in 2011; three more vehicles aimed at the Indian market will be launched in 2012;
- in the same region, RNTBCI, a joint venture between Renault and Nissan, has been providing engineering services for Information Systems and Accounting departments since 2008;
- Renault changed the structure of its industrial and commercial partnership with Mahindra & Mahindra in August 2010 by selling its share in the MRPL joint venture to its partner. Renault also granted a license to Mahindra & Mahindra to produce and sell Logan in India under its own brand. The vehicle was restyled in 2011 and is now sold under the "Verito" name.

In Iran, the framework agreement on the Logan project, entered into in October 2003 between Renault and IDRO (Industrial Development and Renovation Organization – a holding company controlled by the Iranian Ministry for Industry and Mining), prepares the way for the Renault brand to be reintroduced in Iran, based initially on the 90 family and the 90 platform (Logan). The plan is for each of the two main Iranian manufacturers (Iran Khodro and SAIPA/Pars Khodro) to assemble and distribute L90s. Installed capacity is 240,000 vehicles a year, split equally between the two manufacturers. The Renault Pars joint venture established in May 2004, which is owned 51% by Renault and 49% by AIDCo (SAIPA 74% and Iran Khodro 26%), is managing the entire industrial project. The specific roles assigned to Renault Pars mainly cover purchasing, engineering, processes, quality procedures and sales coordination. The partners covered the investments and expenses incurred prior to the launch of the first vehicle through a new equity offering. More than 230,000 Tondar (the local name for Logan) vehicles have been built since production began in March 2007, with 83,000 of these built in 2011. At the same time, with the ramp-up in production since 2008, more than 22,000 Mégane vehicles have been assembled in partnership with Pars Khodro, with more than 10,000 of these built in 2011.

In South Africa, following a cooperation agreement entered into in May 2007, the Alliance invested ZAR 1 billion (€88 million) in the local assembly of vehicles from the Logan range (Pick-up and Sandero) at the Nissan plant in Rosslyn, starting in 2009. The pick-up is assembled by Nissan and sold under its own brand name. Sandero, which is also assembled by Nissan, is marketed by the Renault South Africa subsidiary, which has sold almost 24,000 units since production of this vehicle started.

In Morocco, 2011 saw the final phase in the construction and development of the Renault-Nissan Allliance plant in Tangiers. In the first instance, the plant will assemble 200,000 vehicles/year. The facilities have now been assembled and adjusted and the first waves of prototypes produced in line with the initial schedule.

On February 9 2012, King Mohammed VI opened the plant in the presence of Carlos Ghosn, Chairman and CEO of Renault and Nissan. The plant will start by producing two new entry-level models: the Lodgy family car and a small LCV, also available in a passenger car version. This site will make it possible to increase volumes and to expand the M0 range offering, alongside the models built in the Pitesti (Romania) and Somaca (Casablanca, Morocco) plants.

This new Renault-Nissan plant in Tangiers will represent an investment of €1 billion in the long term.

In the first half of 2011, work began on the second tranche, which will have the same capacity as the first.

The environment

Renault Environnement, a wholly-owned subsidiary of Renault s.a.s., was founded in mid-2008. Its role is to develop new business around the themes of sustainable development and the environment, in line with Renault's eco² policy.

Renault Environnement set up a joint venture with SITA Recyclage, a subsidiary of Suez Environnement, which aims to develop the recycling of ELVs (end of life vehicles) and the marketing of re-used materials and parts.

Through its subsidiary GAIA and its equity investment in BCM, Renault Environnement recovers automotive parts (production scrap and end-of-line parts) and metallic waste from Group sites.

Renault Environnement is a shareholder in Key Driving Competences, which aims to develop eco-driving activities across Europe in order to improve driving behaviors (reduced consumption and increased range for electric vehicles).

(2) THE RENAULT-NISSAN ALLIANCE

On March 27, 1999 Renault acquired a 36.8% equity stake in Nissan, as well as Nissan's European finance subsidiaries, for ¥643 billion (approximately €5 billion or $5.4 billion at that time).

The main stages in the construction of the Alliance are described below.

As the result of founding principles chosen to promote the balance within the partnership and to capitalize on the complementary strengths of two groups with a global presence, the Alliance has demonstrated its capacity to improve the individual performance of both partners, while protecting their respective corporate and brand identities.

ALLIANCE OBJECTIVES

VISION – DESTINATION OF THE RENAULT-NISSAN ALLIANCE

Twelve Years of Cooperation and Synergey

Signed on March 27, 1999, the Renault-Nissan Alliance has built a unique business model that has created significant value for both companies. Objectively the most enduring, stable and successful of all the global auto industry partnerships, the Alliance entered its second decade with the same founding principles of trust and the pursuit of strategies aimed at mutual success.

In 2011, the Alliance sold a record 8.03 million units worldwide, up 10.3% from the previous year. The total figure includes sales from the Alliance's five major brands - Renault, Dacia, Renault Samsung, Nissan and Infiniti – as well as Russia's AVTOVAZ Lada.

Alliance Principles

The Alliance is based on trust and mutual respect. Its organization is transparent. It ensures clear decision-making for speed, accountability and a high level of performance. It seeks to maximize efficiency by combining the strengths of both companies and developing synergies through common organizations such as the Renault Nissan Purchasing Organization (RNPO), joint working groups and shared platforms, components and industrial facilities.

Objectives

The Alliance pursues a strategy of profitable growth with three objectives:

- to be recognized by customers as being among the best three automotive groups in terms of the quality and value of its products and services in each region and market segment;
- to be among the best three automotive groups in key technologies, each partner being a leader in specific fields of excellence;
- to consistently generate a total operating profit that is among the top three automotive groups in the world, by maintaining a high operating margin and steady growth.

Strategic management

Renault and Nissan, headquartered in Boulogne-Billancourt, France and Yokohama, Japan, respectively, have separate management structures. The responsibility for managing their activities lies with their respective Executive Committees, which are answerable to the Board of Directors and their own shareholders.

In March 2002, the Alliance set up a strategic management company, incorporated under Dutch law and jointly and equally owned by Renault and Nissan. The aim was to establish a common strategy and manage all synergies. Renault-Nissan b.v. (RNBV) hosts the Alliance Board, chaired by Carlos Ghosn, its Chairman and CEO.

OPERATIONAL STRUCTURE OF THE ALLIANCE

MAIN STAGES IN THE CONSTRUCTION OF THE ALLIANCE

In accordance with the principles set out in the initial agreement signed in March 1999, the Renault-Nissan Alliance entered its second phase in 2002 aimed at strengthening the community of interests between Renault and Nissan. Renault increased its equity stake in Nissan on March 1, 2002, from 36.8% to 44.3% by exercising the warrants it had held since 1999. At the same time, Nissan took a stake in Renault through its wholly-owned subsidiary, Nissan Finance Co, Ltd., which acquired 15% of Renault through two reserved capital increases, on March 29 and May 28, 2002. By acquiring a stake in Renault, Nissan gained a direct interest in its partner's results, as was already the case for Renault with regards to Nissan. Nissan also obtained a second seat on Renault's Board of Directors.

During this phase, the two companies also established Renault-Nissan b.v. and the Alliance Board which was tasked with defining the Alliance's strategy and developing a joint long-term vision.

Since the signing of the Strategic Cooperation with Daimler in April 2010, Renault's stake in Nissan is now 43.4% while Nissan's stake in Renault remains unchanged at 15%.

GOVERNANCE AND OPERATIONAL STRUCTURE

Creation of Renault-Nissan b.v. (RNBV)

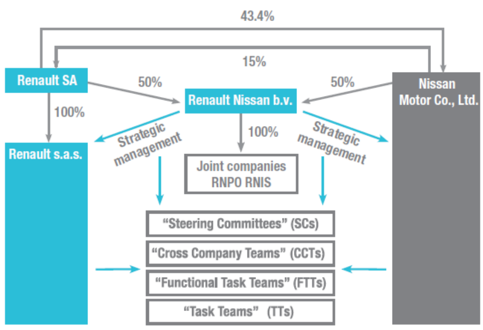
Formed on March 28, 2002, Renault-Nissan b.v. is a joint company, incorporated under Dutch law and equally owned by Renault SA and Nissan Motor Co., Ltd., and responsible for the strategic management of the Alliance.

RNBV decides on medium- and long-term strategy, as described below under "Powers of Renault-Nissan b.v." It bolsters the management of the Renault-Nissan Alliance and coordinates joint activities at a global level, allowing for decisions to be made while respecting the autonomy of each partner and guaranteeing a consensual operating procedure.

RNBV possesses clearly defined powers over both Renault SA and Nissan Motor Co., Ltd.

RNBV holds all the shares of existing and future joint subsidiaries of Renault SA and Nissan Motor Co., Ltd. Examples include Renault-Nissan Purchasing Organization (RNPO), created in April 2001, and Renault-Nissan Information Services (RNIS), a common information systems company created in July 2002. RNPO was originally equally owned by Renault and Nissan until its shares were transferred to RNBV in June 2003.

ALLIANCE STRUCTURE



Powers of Renault-Nissan b.v.

RNBV implements the decisions made by the Alliance Board set up by Renault SA and Nissan Motor Co., Ltd.

RNBV has limited decision-making power with respect to Nissan Motor Co., Ltd. and Renault s.a.s. In order of importance, these are decisions that would be difficult for the two companies to take separately while ensuring that they would be able to pursue global implementation and thus take advantage of economies of scale. This decision-making power is limited to the following areas:

- adoption of three-, five- and ten-year plans (strategic company projects, with quantified data);
- approval of product plans (parts of strategic projects corresponding to the design, development, manufacture and sale of current or future products, vehicles and components);
- decisions concerning the commonization of products and powertrains (such as platforms, vehicles, gearboxes, engines and other components);
- financial policy, including:
  - rates of discount used for ROIC studies and hurdle rates, applicable to future models and investments,
  - risk-management rules and the policy governing them,
  - rules on financing and cash management,
  - debt leverage;

- management of common subsidiaries, and steering of Cross-Company Teams (CCT) and Functional Task Teams (FTT) including TT (Task Teams) creation, modification or disbandment;
- any other subject or project assigned to RNBV on a joint basis by Nissan Motor Co., Ltd., and Renault s.a.s.

RNBV also has the exclusive power to make proposals on a range of decisions by the two operating companies, Nissan Motor Co., Ltd. and Renault s.a.s. These two entities are free to accept or reject these proposals. However, they can implement these decisions only if a proposal has been made by RNBV. The power of initiative of RNBV thus ensures that the two partners harmonize their policies.

The areas covered include:

- creation and scope of joint subsidiaries;
- supplementary financial incentive schemes;
- significant changes in scope, whether geographic or in terms of products, for total amounts of $100 million or more;
- strategic investments, i.e. investments other than product-related investments, amounting to $500 million or more;
- strategic cooperation between Nissan Motor Co., Ltd., or Renault s.a.s. and other companies.

All other aspects relating to Renault SA and Nissan Motor Co., Ltd., whether operational, commercial, financial or labor-related, are managed independently by each company and the corresponding decisions will be taken independently by these companies' respective governing bodies. The two companies retain their autonomy of management, the identity of their respective brands, their employee-representative bodies and their employees. They are also responsible for their own results.

In May 2009, the organization of the Alliance was strengthened by the creation of a small, dedicated team set up to foster deeper, broader cooperation and to maximize the contribution of synergies to the performance of both partners. This new team is focused on the following priority areas: purchasing, industrial sourcing of vehicles and powertrains, common platforms and parts, global logistics, IS/IT, research and advanced technologies, the new zero emission business, as well as the battery business.

This team reports directly to Carlos Ghosn and meets monthly at the Amsterdam offices of RNBV to review projects and make recommendations to the Alliance Board on new areas of synergies and business opportunity.

In addition, there remain more than 30 joint working groups called Cross Company Teams or Functional Task Teams, dedicated to the Alliance. These groups operate in all the main sectors and areas of activity and are tasked with exploring new synergies between the two companies. Team managers report regularly to the Alliance Board on the progress made in their specific area of activity.

Alliance & sustainability: zero emission leadership

Thanks to the Alliance, Renault is able to share development costs for new technologies, including zero-emission vehicles, with partner Nissan. Today, the Alliance is the global automotive leader in sustainable mobility, having committed €4 billion in related projects, the only manufacturer to have invested as massively in this field. Without the Alliance, neither partner would have been able to develop and bring electric vehicles (EVs) to market as quickly as they have.

Strategic cooperation with Daimler

The Alliance prioritizes economies of scale to help offset the costs of rapid expansion in high-growth markets, research and development costs associated with next-generation powertrains, and the imperative of reducing carbon emissions for global fleets. The most efficient way to increase sustainable profits and reduce exposure to individual risks is to provide customers worldwide with a full range of products from ultra-low-cost cars to sedans, commercial vehicles, sports cars, as well as luxury cars.

With that in mind, the Alliance announced a strategic co-operation with Daimler in April 2010 to develop a stable, long-term relationship enabling each party to generate economies of scale, to share new investments and existing production capacities, and to share development costs on new products and new technologies. It is managed by RNBV for the Alliance and through a new Cooperation Committee giving representation to all parties. The two groups exchanged equity in a deal that remains in place today, giving the Renault-Nissan Alliance a 3.1% stake in Daimler and Daimler a 3.1% in Renault and in Nissan.

The Cooperation Committee comprises Senior Executives from the Alliance, Renault, Nissan and Daimler and meets nearly every month. It ensures the implementation of the agreed projects and makes proposals for new ones.

The strategic cooperation originally began with three foundational pillars, which are all proceeding according to the following schedule:

- Joint smart/Twingo architecture: The project is on track for launch in the first quarter of 2014. Two-seater smart vehicles will be produced at Daimler's plant in Hambach, France, and four-seater smart and Renault production are slated for Renault's plant in Novo Mesto, Slovenia;
- All-new entry-level city van project for Mercedes-Benz: The project is on schedule with expected launch in late 2012. Manufacturing will be at Renault's plant in Maubeuge, France;
- Powertrain cross-supply: The Alliance is supplying Daimler with compact three-cylinder gasoline engines to be used in smart and Twingo vehicles and four-cylinder diesel engines to be used in the jointly developed light commercial vehicle and in Mercedes-Benz's next generation of premium compact cars. Daimler will supply Nissan and Infiniti with 4- and 6-cylinder gasoline and diesel engines from the current and future engine portfolio as well as with automatic transmissions.

Since the partnership was founded, the collaboration has been gradually expanded to three areas:

- Platform sharing: Infiniti plans to base a premium compact vehicle on the Mercedes compact-car architecture, starting in 2014;
- Zero-emission vehicles: Daimler will provide batteries from its production facility in Kamenz, Germany, and Renault-Nissan will provide electric motors for the use in electric vehicles (smart and Twingo Z.E.). First releases will occur in 2014;
- North American engine production: Nissan and Daimler will produce Mercedes-Benz 4-cylinder gasoline engines together at Nissan's powertrain assembly plant in Decherd, Tennessee, USA. Production will begin in 2014, with installed capacity of 250,000 units per year once full ramp–up is achieved. The Decherd facility will produce engines for Mercedes-Benz and Infiniti models.

The Alliance Board

Role of the Alliance Board

The Alliance Board (AB) held its first meeting on May 29, 2002. AB is the decision-making body for all issues affecting the Alliance's future, and met nine times in 2011.

Both Renault and Nissan continue to manage their business and perform as two separate companies. The operational management of each group remains in the hands of senior management accountable to their own Board of Directors.

Alliance Board members

As of November 2011, the Board is chaired by Carlos Ghosn, President and CEO of Renault and President and CEO of Nissan. The Alliance Board, who steers medium and long-term strategy, also includes three members from Renault (Odile Desforges, Carlos Tavares and Jérôme Stoll) and three from Nissan (Toshiyuki Shiga, Mitsuhiko Yamashita and Hidetoshi Imazu).

Other members of Renault's and Nissan's Executive Committees attend the Alliance Board. Decisions are officially approved by the Alliance Board at the end of the meetings.

As RNBV is a joint company incorporated under Dutch law, it has no Supervisory Board. Nevertheless, as RNBV is not a parent company but a joint subsidiary set up by Renault SA and Nissan Motor Co., Ltd., the managers of RNBV can be dismissed by the parent companies.

4. STATEMENT OF RELATED COMPANIES (on December 31, 2011):

(1) PARENT COMPANY

Not applicable.

(2) SUBSIDIARIES

The total number of consolidated subsidiaries of the Company at December 31, 2011 was 120.
The significant subsidiaries are set out below:

Renault s.a.s.

13-15 Quai Le Gallo, 92512 Boulogne-Billancourt Cedex, France

- The share capital of Renault s.a.s. is EUR 533,941,113 divided into 35,012,532 voting shares of each EUR 15.240.
- Renault holds directly 100% of the capital of Renault s.a.s. and 100% of its voting rights.
- Business: design, manufacture, sale, repair, maintenance and leasing of motor vehicles (commercial, light commercial and passenger vehicles, tractors, farm machinery and construction equipment) as well as the design and production of spare parts and accessories used in connection with the manufacture and operation of vehicles. Also, all types of services relative to such activities and, more generally, all industrial, commercial, financial, investment and real-estate transactions relating directly or indirectly, in whole or in part, to any of the above purposes (see Article 3 of the articles of incorporation).
- 2011 revenues: EUR 33,494 million (local data to Group standards, external format).
- Workforce at December 31, 2011:36,795.

Renault España

Carretera de Madrid, km 185, 47001 Valladolid, Spain

- The authorised share capital of Renault España is EUR 126,501,414 divided into 21,083,569 voting shares of each EUR 6.
- Renault s.a.s. holds directly 99.78% of the authorised capital of Renault España and 99.78% of its voting rights.
- Business: manufacture and marketing, via its sales subsidiary Recsa, of Renault passenger cars and light commercial vehicles in Spain.
- Plants in Valladolid, Palencia and Seville.

- 2011 revenues: EUR 5,052 million (local data to Group standards, external format).
- Workforce at December 31, 2011:8,711.

Renault Deutschland

Renault-Nissan strasse 6-10, 50321 Brühl, Germany

- The authorised share capital of Renault Nissan Deutschland is EUR 10,655,321.11 divided into 20,840 voting shares of each EUR 511.3.
- Renault s.a.s. holds directly 60% of the authorised capital of Renault Nissan Deutschland and 60% of its voting rights.
- Business: Renault and Nissan joint commercial organization in Germany.
- 2011 revenues: EUR 2,444 million (local data to Group standards, external format).
- Workforce at December 31, 2011: 475.

OYAK-Renault Otomobil Fabrikalari

Barbaros Plaza C blok No145 K/6, 80700, Dikilitas Besiktas, Istanbul, Turkey

- The authorised share capital of OYAK Renault Otomobil Fabrikalari is YTL 323,300,000 divided into 32,330,000,000 voting shares of each YTL 0,010.
- Renault s.a.s. holds directly 51% of the authorised capital of OYAK Renault Otomobil Fabrikalari and 51% of its voting rights.
- Business: Assembly and manufacture of Renault vehicles.
- Plant in Bursa.
- 2011 revenues: TRL 7,201 million (local data to Group standards, external format).
- Workforce at December 31, 2011: 6,116.

Dacia

Calea Floreasca Nr. 133-137, Sector 1, Bucharest, Romania

- The authorised share capital of Dacia is LEI 2,541,719,938.70 divided into 25,417,199,387 voting shares of each LEI 0.100.
- Renault holds directly 99.43% of the authorised capital of Dacia and directly 99.43% of its voting rights.
- Business: Manufacture and marketing of motor vehicles.
- Plant in Pitesti.
- 2011 revenues: ROL 13,075 million (local data to Group standards, external format).

- Workforce at December 31, 2011: 13,684.

Renault Italia

Via Tiburtina 1159, Rome, Italy

- The authorised share capital of Renault Italia is EUR 2,582,500 divided into 250,000 voting shares of each EUR 10.33.
- Renault s.a.s. holds directly 100% of the capital of Renault Italia and 100% of its voting rights.
- Business: Marketing of Renault passenger cars and light commercial vehicles.
- 2011 revenues: EUR 1,646 million (local data to Group standards, external format).
- Workforce at December 31, 2011: 301.

Revoz

Belokranska Cesta 4, 8000 Novo Mesto, Slovenia

- The authorised share capital of Revoz is EUR 55,081,000 divided into 550,810 voting shares of each EUR 100.
- Renault s.a.s holds directly 100% of Revoz share capital and 100% of its voting rights.
- Business: Manufacture of vehicles.
- Plant in Novo Mesto.
- 2011 revenues: EUR 1,128 million (local data to Group standards, external format).
- Workforce at December 31, 2011:2,349.

Renault Finance

48, Avenue de Rhodanie, Case Postale 1002 Lausanne, Switzerland

- The authorised share capital of Renault Finance is CHF 230,600,000 divided into 461,200 voting shares of each CHF 500.
- Renault s.a.s. holds 100% of Renault Finance shares and 100% of its voting rights.
- Business: Capital market transactions (foreign exchange, interest rates, hedging of industrial metals transactions) for Renault and Nissan; interbank dealing for own account.
- Total assets (consolidated) at December 31, 2011*:* EUR 7,709 million.
- Workforce at December 31, 2011: 21.

RCI Banque

14, Avenue du Pavé Neuf, 93168 Noisy-le-Grand Cedex, France

- The authorised share capital of RCI Banque is EUR 100,000,000 divided into 1,000,000 voting shares of each EUR 100.
- Renault s.a.s. holds directly 100% shares of RCI Banque and 100% of its voting rights.
- Business: Holding company for the sales financing and customer services entities of Renault and Nissan. Inventory financing (vehicles and spare parts) for Renault and Nissan Europe.
- Net financings in 2011: EUR 10.1 billion.
- Total assets (consolidated) at December 31, 2011: EUR 27,105 million.
- Workforce at December 31, 2011: 2,858.

Renault Samsung Motors

17th Floor, HSBC Building, 25 Bongrae-Dong 1-Ga, Jung-Gu, Seoul-100-161, South Korea

- The authorised share capital of Renault Samsung Motors is WON 440,000,000,000 divided into 88,000,000 voting shares of each WON 5,000.
- Renault Group b.v. holds directly 80.10% of Renault Samsung Motors share capital and, 80.10% of its voting rights.
- Business: Manufacture and marketing of motor vehicles.
- Plant in Busan.
- 2011 revenues: KRW 4,950 billion (local data to Group standards, external format).
- Workforce at December 31, 2011: 5,677.

Renault UK

The Rivers Office Park, Denham Way Maple Cross, WD3 9YS Rickmansworth, Hertfordshire, United Kingdom

- The authorised share capital of Renault UK Ltd is GBP 2,750,000 divided into 2,750,000 voting shares of each GBP 1.
- Renault group holds directly 100% of the capital of Renault UK Ltd and 100% of its voting rights.
- Business: Marketing of Renault passenger cars and light commercial vehicles.
- 2011 revenues: GBP 977 million (local data to Group standards, external format).
- Workforce at December 31, 2011: 235.

Renault Retail Group (France)

117-199 Avenue Victor Hugo, 92100 Boulogne-Billancourt, France

- The share capital of Renault Retail Group is EUR 304,289,978.16 divided into 19,966,534 voting shares of each EUR 15.24.

- Renault s.a.s. holds directly 100 % of the authorised capital of Renault Retail Group S.A. and 100 % of its voting rights.
- Business: Trade, repair, maintenance and leasing of passenger cars and light commercial vehicles.
- 65 branches in France.
- 2011 revenues: EUR 3,487 million (local data to Group standards, external format).
- Workforce at December 31, 2011: 7,608.

Avtoframos

35, avenue Vorontsovskaia, 109147 Moscow, Russia

- The share capital of Avtoframos is RUB 6,841,426,980 divided into 3,513,000 voting shares.
- Renault group holds directly 94.10 % of the authorised capital of Avtoframos and 94.10 % of its voting rights.
- Business: Assembly, import marketing and sale of Renault Vehicles.
- 2011 revenues: RUB 61,641 million (local data to Group standards, external format).
- Workforce at December 31, 2011: 4,887.

Renault do Brasil

1300 av. Renault, Borda do Campo State of Parana Sao Jose dos pinhais, Brazil

- The authorised share capital of Renault do Brasil is BRL 4,649,359,104.49 divided into 422,669,009,499 voting shares.
- Renault group holds directly 99.81% of the authorised capital of Renault do Brasil and99.81% of its voting rights.
- Business: Vehicle production and assembly, production of equipment, parts and accessories for vehicles.
- 2011 revenues: BRL 7,431 million (local data to Group standards, external format).
- Workforce at December 31, 2011: 5,943.

Renault Argentina

Fray Justo Santa Maria de Oro 1744, 1414 Buenos Aires, Argentina

- The authorised share capital of Renault Argentina is ARS 61,310,911.42 divided into 6,310,911 voting shares of each ARS 10.
- Renault group holds indirectly 100% of the authorised capital of Renault Argentina and 100% of its voting rights.

- Business: Manufacture and marketing of Renault vehicles.
- 2011 revenues: ARS 9,208 million (local data to Group standards, external format).
- Workforce at December 31, 2011: 2,920.

(3) AFFILIATED COMPANIES[4]

The total number of affiliated companies at December 31, 2011 was 12.
The significant affiliated companies are set out below:

Automobile Division

AB Volvo

Volvo Bergergards Vog. SE-405 08 GOTEBORG. Sweden

- The authorised share capital of AB Volvo is SEK 2,554,104,264 divided into 2,128,420,220 voting shares of each SEK 1.2.
- Renault s.a.s holds directly 6.8% of the shares capital of AB Volvo and 17.5% of its voting rights, after taking into account the treasury stocks owned by AB Volvo.
- Business: Volvo is a Swedish automobile manufacturer. As regards the relationship with Renault, please refer to 3.-(1)-C.-“AB Volvo” of this Section.

NISSAN Motor Co., Ltd.

2, Takara-Cho, Kanagawa-ku, Yokohama-Shi, Kanagawa-ken (Japan).

- The number of authorized share is 6,000,000,000 shares. The subscribed capital is capital is 605,813,734,035 JPY divided into 4,520,715,112 voting shares.
- Renault S.A. holds directly 43.4% shares and 43.91% of the voting rights.
- Business: The group NISSAN Motor is a world-wide car manufacturer involved in the design, manufacturing and distribution of car vehicles. As regards the relationship with Renault, please refer to 3.-(2)-“Renault-Nissan Alliance” of this Section.

AVTOVAZ

Yuzhnoye Shosse 36, Togliatti 445024, Russian Federation

- The authorised share capital of AVTOVAZ is RUB 9,250,270,100. The subscribed capital is RUB 9,250,270,100 divided into 1,850,054,020 voting shares of each RUB 5.
- Renault s.a.s holds directly 25% shares (splitted into 75.04% of ordinary shares and 24.96% of preferred shares) and 25% of the voting rights.
- Business: AvtoVAZ is a Russian automobile manufacturer. As regards the relationship with Renault, please refer to 3.-(1)-C.-“AvtoVAZ” of this Section.

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[4] Affiliated companies are i) companies in which the Group exercises material influence and which are included in the financial statements on an equity basis and, ii) joint ventures consolidated on a proportionate basis.

Financial Companies (Affiliates)

Renault Financial Services, sro

Praha 5, Radlická 14/3201, PSČ 150 00, Czeck Republic

- The authorised share capital of Renault Financial Services, sro is CZK 70 000 000 divided into CZK 700 000 shares of each CZK 100.
- Renault s.a.s holds indirectly 50% of the shares of Renault Financial Services, sro and 50% of its voting rights.
- Business: Financial Leasing

5. STATEMENT OF EMPLOYEES:

WORKFORCE

Renault group workforce

At December 31, 2011 the breakdown of Renault's workforce was as follows (excluding employees concerned by the CASA early retirement program):

Group workforce per division at December 31, 2011

	2011	2010	2009	% CHANGE 2011/2010
Automotive	125,464	119,816	118,477	+4.7
Sales financing	2,858	2,799	2,945	+2.1
TOTAL	**128,322**	**122,615**	**121,422**	**+4.7**

Changes in the scope of consolidation had an overall impact of +556 employees. They concern newly consolidated companies.
On a like-for-like basis compared with 2010, the workforce at December 31, 2011 totaled 127,766 people.

Group workforce by geographical region and profile at December 31, 2011

	HEADCOUNT	% IN THE GROUP	% OF BLUE COLLAR WORKERS	% OF WOMEN
France	54,823	42.7	39.5	16.5
Europe (excl. France)	19,946	15.5	53.4	19.2
Euromed	28,458	22.2	63.6	22.8
Eurasia	4,974	3.9	69.3	21.1
Americas	12,142	9.5	60.7	8.9
Asia-Africa	7,979	6.2	40.1	9.6
TOTAL	**128,322**	**100**	**50,2**	**17,3**

Group turnover in 2011 totaled 6.9%.

This figure is calculated as follows (based on the workforce under permanent contract): (total incoming staff in 2011 + total outgoing staff in 2011)/(2 × average workforce).

Group headcount increased by more than 5,700 people overall in 2011.

With 2.7 million vehicles sold in 2011, the Renault group increased sales by 3.6% on 2010, based on strong growth outside Europe (19.2%). Manufacturing output increased at the same time.

In the Americas, strong market demand across all the countries in the region led to a rise in the workforce, which increased by almost 1,200 in 2011.

At the same time, the increase in the sales and output of the Avtoframos plant in Russia went hand-in-hand with a rise of more than 1,200 in the headcount for the Eurasia region.

In Morocco, at the Tangiers site, the Renault group continued preparing and training site personnel. As a result, 1,900 people were added to the headcount in 2011. At the same time, owing to increased activity at the Bursa (Oyak-Renault in Turkey), and Pitesti (Dacia in Romania) sites, more than 2,270 people were added to the headcount in the Euromed region over the year.

In Asia-Africa, 2011 saw the start-up of production at the Chennai site in India, through the Alliance, and growing sales in India, China, Iran and South Africa.

The percentage of women in the workforce remained stable in 2011. The Eurasia region reported an increase of 3.7%, owing primarily to an increase in the proportion of blue collar workers in the region.

The proportion of blue collar workers across the Group remained stable overall (+0.7 points) in 2011.

III. STATEMENTS OF BUSINESS

1. OUTLINE OF RESULTS OF OPERATION, ETC.:

ECONOMIC PERFORMANCE

(1) SALES PERFORMANCE IN 2011

SUMMARY

Automotive

- The Renault group set a new sales record in 2011 with 2.7 million vehicles (+3.6%) for global PC+LCV market share of 3.6%.

- International sales gathered pace over the year, accounting for 43.1% of the mix, or 1.2 million vehicles, compared with 37.0% in 2010. The increase was particularly strong in two Regions that are key to Renault's future development: Eurasia (+60.1%) and the Americas (+25.2%).

- The Renault brand is the driving force behind this growth, with a 6.8% increase in sales worldwide. Outside Europe, the Renault brand increases by 32.1%. In Europe, it remains the No. 2 PC+LCV brand, with 8.6% of the market. The Renault brand remains No. 1 in the European LCV market, a position it has held since 1998, with market share of 15.6%.

- Dacia sales dipped by 1.8% in 2011. The success of Duster partly offset lower sales of Sandero and Logan in Europe, where the brand maintains market share of 1.6%.

- In South Korea, in fiercely competitive market conditions, the sales of the Renault Samsung Motors brand fell by 27.0%.

- Renault has set its sights on the future with the launch at end-2011 of two Zero Emission vehicles: Fluence Z.E. and Kangoo Z.E. This electric van was recently named "International Van of the Year 2012", and has been chosen by 19 leading French firms (15,600 vehicles).

The Renault Group's top 15 markets

	SALES EXCL. LADA	SALES VOLUMES 2011* *(UNITS)*	PC+LCV MARKET SHARE 2011 *(%)*	CHANGE IN MARKET SHARE ON 2010 *(POINTS)*
1	France	689,022	26.1	-1.7
2	Brazil	194,300	5.7	0.9
3	Germany	181,176	5.3	-0.2
4	Russia	154,734	5.8	0.7
5	Turkey	140,827	16.3	1.3
6	Italy	122,920	6.4	-0.2
7	South Korea	109,221	7.0	-3.1
8	Argentina	106,040	13.0	-0.0
9	Spain	99,092	10.8	-0.5
10	Iran	93,578	5.9	2.8
11	Belgium+Luxembourg	92,438	13.4	-0.5
12	United Kingdom	88,540	4.0	-1.0
13	Algeria	75,042	25.3	-2.8
14	Netherlands	56,525	9.2	0.7
15	Colombia	46,820	15.7	-0.2

* *Preliminary figures.*

Europe

In Europe, where the PC+LCV market contracted by 0.5%, Group sales fell by 5.7%. Renault maintained its position as Europe's second-ranked brand.

In France, the Group sold 689,022 vehicles, down 7.5% on 2010. After difficulties in the first half of the year, linked to supply issues, notably after the tsunami, deliveries increased from the end of the third-quarter on the back of a strong order book, enabling the Group to post excellent results for the last part of the year and to stabilize its market share for 2011 as a whole to 26.1% (-1.8 points).

In Germany, Group sales rose by 5.7% to 181,176 units, in a market that expanded by 9.4%.

In strongly falling markets, such as Spain (-16.9%) and Italy (-10.4%), the Group focused on retail sales channels. It saw market share fall in both countries, with sales down by 20.6% and 13.5% respectively.

In the UK, where the market contracted by 2.4%, Group sales were hit, mainly by the depreciation of the pound, falling by 21.9%.

Outside Europe

Outside Europe, the Group demonstrated its growth potential and reported a faster pace of global expansion with 1.2 million vehicles sold, a rise of 19.2% on 2010. The share of Renault group vehicles sold outside Europe increased by 6 points to 43% of sales, compared with 37% in 2010.

Of the Group's five largest markets, three were outside Europe (Brazil, Russia, Turkey) in 2011. The Group reported record sales in the Regions outside Europe.

- Americas: Brazil is now the Group's second biggest market, rising one place on 2010. The Group increased its sales by 21.2% in a market that grew by 2.9%, reflecting the success enjoyed by Renault products in this Region (Sandero phase 2, launched in spring 2011, was developed exclusively for these markets). The Group had market share of 5.7%, a rise of 0.9 points. Duster received a warm welcome on its launch in October 2011.
- Eurasia: Russia became the Group's fourth largest market, rising 5 places on 2010, with sales surging by 60.4% in a market that was still supported by scrappage bonuses over part of the year, and which expanded by 40.0%. The Group had market share of 5.8% (up 0.7 points) thanks to the success of Sandero and Logan.
- Euromed: In Turkey, the Group's fifth-largest market, sales volumes rose by 23.4% in a market that grew by 13.4%. This result is linked to the success of Fluence (+21.9%) and Symbol (marketed in the Euromed Region under the name of Thalia), which is market No. 1, all categories.
- In Algeria and Morocco, the Group continued to expand, posting growth of 18.4% and 18.8% respectively, in markets that were up 31.7% and 8.4%.
- Asia-Africa: In Iran, sales volumes doubled to 93,578 units on 2010, partly offsetting the 29.9% fall in Group sales in South Korea, on a fiercely competitive market. In India, 2011 saw the launch of Fluence and Koleos. In 2012, the range will gain three more vehicles, including Pulse and Duster. These launches illustrate the brand's ambitions to become a leading player on this market, which is the third cornerstone of its international strategy, alongside Russia and Brazil.

<u>Sales financing</u>

- RCI Banque originated a record €11.1 billion in new financing in 2011, excluding card business and personal loans (up 11.0%).
- RCI Banque's average loans outstanding totaled €22.8 billion, up 8.8% on 2010.

AUTOMOTIVE

Group Sales Worldwide (units)

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES	2011*	2010	CHANGE (%)
GROUP	**2,722,062**	**2,627,365**	**3.6**
BY BRAND			
Renault	2,260,694	2,115,880	6.8
Dacia	343,233	349,568	-1.8
Renault Samsung Motors	118,135	161,917	-27.0
BY VEHICLE TYPE			
Passenger cars	2,359,314	2,294,805	2.8
Light commercial vehicles	362,748	332,560	9.1
BY REGION			
Europe	**1,549,376**	**1,643,683**	**-5.7**
o/w France	*689,022*	*744,735*	*-7.5*
Americas	396,933	317,028	25.2
Asia-Africa	296,314	287,202	3.2
Euromed	308,631	272,758	13.2
Eurasia	170,808	106,694	60.1
Total outside Europe	**1,172,686**	**983,682**	**19.2**

* *Preliminary figures.*

Renault brand

Passenger cars

The Renault brand is the driving force behind Group growth. Sales rose by 6.1% in 2011, with 1,918,212 vehicles sold.

- On the A segment, Twingo, a model that is more or less exclusively European, held onto its position as one of the top-three sellers in its category, with 134,200 registrations. Twingo remains the leader in France, with 33.5% of its segment. It also put in a strong showing in Germany, where it held onto second place.
- On the B segment, sales of Sandero and Logan, marketed under the Renault brand name outside Europe, totalled 196,428 units (+35.2%) and 253,698 units (+33.6%) respectively. These two M0 platform vehicles fit well with demand in growing markets such as Russia and Brazil. In Brazil, Sandero phase 2, a vehicle developed solely for this Region, is enjoying huge success.

Pending its renewal in 2012, Clio (Clio II+Clio III) saw sales fall to 375,714 units in 2011.

- On the C segment, the Mégane family consolidated its No. 2 position on the European market, with 401,305 registrations, despite supply issues in the first half of the year. Mégane is No. 1 on its segment in France, Belgium and Portugal. Mégane Coupé (31,073 registrations) and Scenic (156,562 registrations) are the biggest-selling vehicles in their category in Europe.

Fluence continues to gain ground on markets around the world, with 102,154 vehicles sold (+69.9%). It ranks second in its segment in Turkey.

Duster was launched in Brazil and Argentina in late 2011 with sales of 9,391 and 4,898 units respectively.

- On the D and E segments, Laguna sales dipped slightly to 50,498 units, but it held onto the No. 3 position in its segment in France. Sales of Koleos rose significantly to 49,220 units, and Renault Espace remains

No. 1 on the MPV market in France, 15,418 units and with a segment share of 31.4%. Rounding out the Renault offering in these segments, Latitude sold 14,925 vehicles in 2011.

Light commercial vehicles

With the pick-up in the LCV market in Europe (+7.3%) and worldwide (+6.5%), Renault reported a 11.1% increase in worldwide sales, driven in particular by the recent renewal of the range and its international growth. Turkey became Renault's No. 2 LCV market with a rise of 31.5% of its sales voumes.

Sales of Kangoo rose by 9.1% to 125,048 units, Renault Trafic gained 18.3% to sell 63,446 vehicles, and Renault Master sold 84,835 sales units (+22.7%).

Dacia brand

The Dacia brand reported contrasting results for sales of its various models in Europe. On the B segment, sales of Sandero fell by 48.9% to 68,979 units. The fall was particularly sharp in France (-59.8%) with the end of the scrappage bonuses and LPG incentives.

Conversely, on the C segment, Duster reported excellent results for its first full year on the market, increasing sales by +129.9%, with 132,287 vehicles sold. It remains No. 2 for sales of crossovers in Europe, with a 12.4% share of this segment.

Overall, the Dacia brand saw sales dip by 1.8% in 2011. The success of Duster partly offsets falling sales of Sandero and Logan in Europe, where the brand maintains market share of 1.6%.

Renault Samsung motors Brand

South Korea fell seventh in the Group markets, whose local brand, Renault Samsung Motors, holds 8.3% of the market. In 2011 Renault Samsung Motors PC sales in South Korea fell by 29.9% to 109,221 units, as a result of fierce competition.

Group Sales by Brand (units)

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES	2011*	2010	CHANGE (%)
EUROPE REGION			
Renault	1,308,906	1,395,298	-6.2
Dacia	240,470	248,385	-3.2
Group	**1,549,376**	**1,643,683**	**-5.7**
o/w France			
Renault	*594,655*	*634,660*	*-6.3*
Dacia	*94,367*	*110,075*	*-14.3*
Group	***689,022***	***744,735***	***-7.5***
AMERICAS REGION			
Renault	388,019	310,808	24.8
Renault Samsung Motors	8,914	6,220	43.3
Group	**396,933**	**317,028**	**25.2**
ASIA-AFRICA REGION			
Renault	181,640	125,468	44.8
Dacia	5,453	6,037	-9.7
Renault Samsung Motors	109,221	155,697	-29.9
Group	**296,314**	**287,202**	**-3.2**
EUROMED REGION			
Renault	211,321	177,613	19.0
Dacia	97,310	95,145	2.3

Group	**308,631**	**272,758**	**13.2**
EURASIA REGION			
Renault	170,808	106,693	60.1
Dacia	-	1	
Group	**170,808**	**106,693**	**60.1**

* *Preliminary figures*

SALES FINANCING

Proportion of new vehicles financed

Continuing the growth plan initiated in 2010, the RCI Banque generated strong sales momentum throughout 2011. The proportion of new vehicles financed was up at virtually all subsidiaries.

The increase in the proportion of new vehicles financed was particularly marked for the Nissan and Dacia brands, rising by 3 and 3.9 points respectively to 28.7% and 29.5%.

The proportion of new vehicle registrations financed by RCI Banque in the **Europe Region** rose to 33.0% (compared with 31.3% in 2010). The proportion was 35.4% for Renault vehicles (compared with 34.0% in 2010) and 26.6% for Nissan (compared with 23.9% in 2010). This improvement can be explained by the continuation of RCI's competitive commercial policy, particularly the package deals combining financing and services, and by the efforts made through the brands to use financing operations as a way to build customer loyalty.

The proportion of new vehicles financed by RCI Banque in the **Americas Region** rose to 33.4%, up from 31.0% in 2010.

In South Korea, RCI Banque's proportion of new vehicles financed surged to 56.6%, up from 46.1% in 2010. It is now the only country in the **Asia-Africa Region** where RCI operates.

In the **Euromed Region** (including Romania and Morocco), the proportion of new vehicles financed by RCI Banque jumped to 19.0% in 2011 from 13.8% in 2010.

RCI Banque's new financing contracts and average loans outstanding

RCI Banque originated €11.1 billion in new financing in 2011, excluding card business and personal loans, up from €10 billion in 2010, an increase of 11.0%. The number of new vehicle financing contracts totaled 1,024,771 in 2011, compared with 953,110 vehicle contracts in 2010, a 7.5% increase.

RCI Banque's average loans outstanding totaled €22.8 billion, up 8.8% on 2010.

International development and new activities

While supporting the Renault and Nissan brands in their international development, RCI Banque is pursuing its own geographical expansion, responding to brand market requirements.

In September 2011, RCI Banque set up an activity in Ireland through a fully owned subsidiary. The subsidiary provides financing for consumers as well as for the local Renault network.

Moreover, marking the launch of Renault electric vehicles in fourth-quarter 2011, RCI Banque has developed a special marketing model based on the rental of batteries for Renault electric vehicles (Fluence Z.E. and Kangoo Z.E.). These financing products are available in all the European countries where Renault electric vehicles are sold (France, Germany, Italy, Spain, UK, Switzerland, Austria, the Netherlands, Belgium, Portugal) and will be developed throughout 2012.

SALES AND PRODUCTION STATISTICS

Total industry volume – registrations (units) main Renault group markets

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES	2011*	2010	CHANGE (%)
EUROPE REGION	**15,265,641**	**15,343,968**	**-0.5**
o/w:			
France	2,633,483	2,669,282	-1.3
Germany	3,413,013	3,118,705	+9.4
Italy	1,916,614	2,139,303	-10.4
United Kingdom	2,208,172	2,262,385	-2.4
Spain + Canary Islands	913,102	1,098,785	-16.9
Belgium + Luxembourg	690,692	656,363	+5.2
Poland	344,750	376,342	-8.4
AMERICAS REGION **	**6,503,169**	**5,935,189**	**+9.6**
o/w:			
Mexico	904,586	818,778	+10.5
Colombia	298,743	238,877	+25.1
Brazil	3,425,652	3,329,471	+2.9
Argentina	818,305	634,268	+29.0
ASIA-AFRICA REGION	**34,137,697**	**33,087,010**	**+3.2**
o/w:			
South Africa	469,117	406,406	+15.4
South Korea	1,556,703	1,541,433	+1.0
China	17,348,514	16,385,832	+5.9
Iran	1,590,000	1,493,000	+6.5
EUROMED REGION	**1,449,954**	**1,288,881**	**+12.5**
o/w:			
Romania	106,187	116,737	-9.0
Turkey	862,943	760,913	+13.4
Algeria	296,950	225,431	+31.7
Morocco	112,103	103,436	+8.4
EURASIA REGION	**3,071,902**	**2,222,744**	**+38.2**
o/w:			
Russia	2,680,000	1,914,323	+40.0
Ukraine	240,349	175,417	+37.0
WORLD (INCL. NORTH AMERICA)	**74,793,857**	**71,025,253**	**+ 5.3**

* *Preliminary figures*
** *excl. North America*

Renault group - registrations (Registr.) and market share (MKT SH.)

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES	2011*		2010	
	REG'S (*UNITS*)	MKT SH. (%)	REG'S (*UNITS*)	MKT SH. (%)
EUROPE REGION	**1,546,942**	**10.1**	**1,642,344**	**10.7**
o/w:				
France	687,343	26.1	743,486	27.9
Germany	181,176	5.3	171,368	5.5
Italy	122,920	6.4	142,174	6.6
United Kingdom	88,540	4.0	113,393	5.0
Spain+Canary, Islands	99,092	10.9	124,828	11.4
Belgium+Luxembourg	92,319	13.4	84,730	12.9
Poland	30,747	8.9	29,900	7.9
AMERICAS REGION**	**396,933**	**6.1**	**317,028**	**5.3**
o/w:				
Mexico	23,132	2.6	18,046	2.2
Colombia	46,820	15.7	38,009	15.9
Brazil	194,300	5.7	160,297	4.8
Argentina	106,040	13.0	82,385	13.0
ASIA-AFRICA REGION	**296,314**	**0.9**	**287,202**	**0.9**
o/w:				
South Africa	10,492	2.2	18,046	2.2
South Korea	109,221	7.0	155,697	10.1
EUROMED REGION	**308,631**	**21.3**	**272,758**	**21.2**
o/w:				
Romania	39,592	37.3	45,821	39.3
Turkey	140,827	16.3	114,111	15.0
Algeria	75,042	25.3	63,368	28.1
Morocco	41,501	37.0	34,944	33.8
EURASIA REGION	**170,808**	**5.6**	**106,694**	**4.8**
o/w:				
Russia	154,734	5.8	96,466	5.0
Ukraine	13,895	5.8	9,252	5.3
WORLD, INCL. NORTH AMERICA	**2,719,628**	**3.6**	**2,626,026**	**3.7**

* *Preliminary figures*
** *Excl. North America*

Renault group - performance of models by segment in the Europe region*

PASSENGER CARS	SEGMENT CHANGE 2011* / 2010 *(%)*	GROUP SHARE OF SEGMENT 2011* *(%)*	2010 *(%)*	CHANGE 2011* / 2010 *(POINTS)*	RANK 2011
A Segment	**-14.9**				
Twingo / Twingo II		11.0	10.5	+0.5	3
Wind		0.6	0.3	+0.3	18
B Segment	**-4.9**				
Clio / Clio III		7.1	7.7	-0.7	5
Thalia / Thalia II		0.1	0.1	+0.0	46
Modus		1.2	1.1	+0.0	23
Logan		0.6	0.9	-0.3	32
Sandero		1.7	3.1	-1.4	19
Kangoo		0.0	0.0	-0.0	77
C Segment	**+2.0**				
Kangoo II		0.7	0.8	-0.1	35
Mégane / Mégane II / Mégane III		8.0	9.1	-1.1	2
Fluence		0.3	0.3	-0.0	55
Duster		2.6	1.2	+1.5	10
D Segment	**+4.5**				
Laguna / Laguna III		2.4	2.5	-0.1	15
Latitude		0.3	0.0	+0.3	44
Koleos		0.8	0.7	+0.1	27
Trafic / Trafic II		0.6	0.6	+0.1	33
E Segment	**+8.6**				
Espace / Espace IV		1.6	1.8	-0.2	20
Master / Master II / Master III		0.1	0.2	-0.1	66

* *Preliminary figures.*

Renault group – performance of models by segment in the Europe region*

LIGHT COMMERCIAL VEHICLES	SEGMENT CHANGE 2011*/2010 *(%)*	GROUP SHARE OF SEGMENT 2011* *(%)*	2010 *(%)*	CHANGE 2011*/2010 *(POINTS)*	RANK 2011
Fleet vehicles	**-0.4**				
Twingo/Twingo II		2.8	2.2	+0.6	11
Clio/Clio III		18.5	19.0	-0.5	1
Modus		0.1	0.1	-0.0	50
Mégane/Mégane II/Mégane III		5.4	9.0	-3.6	7
Laguna/Laguna III		0.1	0.7	-0.6	43
Espace/Espace IV		0.1	0.5	-0.4	58
Sandero		0.5	0.1	+0.4	20
Logan		0.1	0.1	-0.0	51
Small vans	**+1.9**				
Kangoo/Kangoo II		16.9	17.1	-0.2	1
Logan		1.3	1.6	-0.4	12
Vans	**+11.8**				
Trafic / Trafic II		6.9	6.7	+0.2	5
Master/Master II/Master III		6.9	6.7	+0.2	6
Mascott**/Maxity**/Master III**		1.7	1.1	+0.6	17
Pick up	**+21.3**				
Logan		3.3	6.8	-3.5	7

* *Preliminary figures.*

** *Renault Trucks.*

NB: Change in segmentation: Renault now uses the international vehicle classification system of A, B, C, D and E. Hence vehicles in the Entry range are now classified in their respective segments and car-derived vans are included in the five main segments.

Renault group - worldwide production by model[1] (units)

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES	2011*	2010	CHANGE 2011*/2010 (%)
Twingo	147,814	163,405	-10
Wind	5,612	6,556	-14
Clio	408,068	444,603	-8
Thalia	97,560	93,247	5
Modus	48,590	47,685	2
Logan+Sandero	557,551	551,748	1
Kangoo	188,380	187,882	0
Mégane	468,324	490,005	-4
Fluence	142,194	127,791	11
Duster	190,770	86,268	121
SM3	52,175	65,620	-20
Laguna	50,241	54,137	-7
SM5+Latitude	64,298	88,704	-28
Koleos	61,534	49,424	25
Espace	14,675	17,261	-15
Master	119,347	99,897	19
SM7	19,090	13,747	39
Other	388	10,617	-96
GROUP WORLDWIDE PRODUCTION	**2,636,611**	**2,598,597**	**1**
o/w produced for partners:			
Master for GM	14,646	9,952	47
SM3 for Nissan	38,247	45,859	-17
Vehicles for Nissan in Mercosur	32,759	18,156	80
PRODUCED BY PARTNERS FOR RENAULT			
Produced by GM for Renault (Trafic)	15,074	33,540	-55
Produced by Nissan for Renault (Trafic)	62,975	35,149	79
Other (Iran + India)	105,452	63,239	67

* *Preliminary figures.*
(1) Production data concern the number of vehicles leaving the production line.

Geographical organization of the Renault group by region – countries in each region

At December 31, 2011.

Europe

Western Europe: Metropolitan France, Austria, Germany, Belgium-Lux., Denmark, Spain, Finland, Greece, Ireland, Iceland, Italy, Norway, Netherlands, Portugal, United Kingdom, Sweden, Switzerland.

Albania, Bosnia, Cyprus, Croatia, Hungary, Macedonia, Malta, Montenegro, Baltic States, Poland, Czech Republic, Serbia, Slovakia, Slovenia.

Americas

Northern Latin America: Colombia, Costa Rica, Cuba, Ecuador, Honduras, Mexico, Nicaragua, Panama, El Salvador, Venezuela, Dominican Republic.

Southern Latin America: Argentina, Brazil, Bolivia, Chile, Paraguay, Peru, Uruguay.

Asia-Africa

Asia – Pacific: Australia, Brunei, Indonesia, Japan, Malaysia, New Caledonia, New Zealand, Singapore, Tahiti, Thailand, Guadeloupe, French Guiana, Martinique.

Middle East & French-Speaking Africa: Saudi Arabia, Egypt, Jordan, Lebanon, Libya, Pakistan, Gulf States, French-speaking African countries.

Other Africa & Indian Ocean: South Africa + sub-Saharan African countries, Indian Ocean Islands.

South Korea.

Iran.

India.

China, Hong Kong.

Israel.

Euromed

Eastern Europe: Bulgaria, Moldova, Romania.

Turkey: Turkey, Turkish Cyprus.

North Africa: Algeria, Morocco, Tunisia.

Eurasia

Russia, Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan, Turkmenistan, Ukraine.

(2) ALLIANCE COMBINED SALES PERFORMANCE AND FINANCIAL INDICATORS

ALLIANCE COMBINED SALES FOR 2011

The Renault-Nissan Alliance sold a record 8,029,222 units in 2011, a 10.3% increase from 2010, fuelled by robust sales in emerging markets and the United States.

Sales rose for the third consecutive year. Renault sold 2,722,062 units worldwide, up 3.6% from 2010. Nissan sold 4,669,981 units, up 14.4%. AVTOVAZ Lada accounted for 637,179 units, a 11.8 % increase compared to the previous year.

As a result, the Renault-Nissan Alliance captured 10.7%[5] of the global market in 2011, up from 10.3% the previous year.

"The Alliance capitalized on the resurgence of the US economy and gained significant market share in the regions that will drive growth in the 21st century," said Renault-Nissan Alliance CEO Carlos Ghosn. "Double-digit sales growth is solid progress – particularly during a year in which we faced Japan's earthquake and tsunami, the abnormal strength of the yen, and financial turmoil in Europe."

Renault group highlights

In 2011, Renault posted record global sales of 2.7 million units, up 3.6% compared with a year ago, with 43% of those sales generated outside Europe. Sales outside Europe totaled a record 1,172,686 units, up 19.2%, driven by fast-expanding markets such as Russia (+40%), Turkey (+13%) and Latin America (+10%).

In terms of sales by brand, Renault led with 2,260,694 units sold, up 6.8% compared with a year ago, and accounting for 83% of the Group's sales. Sales of Dacia fell 1.8% due to supply constraints caused by the tsunami in Japan. Renault Samsung Motors fell 27%.

In 2011, six out of the Group's top ten markets were located outside Europe with Brazil replacing Germany as Renault's second-biggest market after France. Renault's sales in Brazil, where it plans to expand capacity in 2013, grew 21% to a record 194,300 units in a market that expanded 3%. Its market share stood at 5.7%, up 0.9 percentage points from 2010 led by demand for models such as the Sandero hatchback, as well as the Logan and Clio small cars.

In Russia, Renault posted both record sales and market share. Sales jumped 60% to 154,734 units, making it Renault's fastest-growing market. Market share rose to 5.8%, up 0.7 percentage points from the previous year. Sales were led by the Logan, the Sandero and the Fluence luxury sedan.

Despite economic uncertainty and waning consumer confidence in Europe, Renault remained the No. 2 brand, taking an 8.6% share of the passenger car and light commercial vehicle (LCV) market. Its top-selling passenger cars in Europe were the medium-sized Megane, the Clio and the Twingo mini vehicle. Renault was also Europe's light commercial vehicle leader for the fourteenth consecutive year with a 15.6% market share.

Nissan highlights

Nissan posted record global sales of 4.67 million units in 2011, up 14.4% compared to 2010.

In China, Nissan's largest market, the company posted record sales of 1,247,738 units, a 21.9% increase over 2010, led by strong sales of the Sunny and Teana sedans.

In the Americas, Nissan reported record sales of 1,561,230 units for Nissan and Infiniti brand vehicles throughout the region encompassing North, Central and South America, up 17.2% compared with the previous year. The Nissan brand alone gained a market share of 7.5%, up 0.6 percentage points, becoming the No. 2 Asian automotive brand in the region.

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[5] Total passenger car and light commercial vehicle sales based on Renault's estimate of 74,793,900 units in 2011.

The U.S., Mexico and Brazil posted the largest single-country gains. Sales in the US totaled a record 1,042,534 units, up 14.7% compared with 2010 led by the Versa compact car and the Rogue crossover. The Nissan Altima sedan also had a robust sales year and continues to rank among the best-selling vehicles in the country. Market share in the US grew to 8.2%.

In Mexico, where Nissan will open a third plant in 2013 to support its rapid growth across the Americas, sales grew 18.6% while its market share grew to a record 24.8%.

In Brazil, where Nissan plans to build its first plant in Resende in 2014, Nissan's sales nearly doubled to 67,097 units. Nissan was Brazil's fastest-growing automotive brand in 2011.

In Japan, Nissan reported sales of 591,312 units, down 8.4% year-on-year in a market that shrank 15%. Nissan's market share climbed one percentage point to 14%. Nissan Serena was the best-selling minivan in country with 84,359 units sold.

In Europe, Nissan posted record sales of 695,703 units, up 25.4% year-on-year thanks to booming demand for its Qashqai and Juke crossovers. Its market share rose to a record 3.7%, up from 3.1% in 2010. In Russia, its top market in Europe, sales jumped by 73.1%, or nearly 60,000 units.

AvtoVAZ Lada highlights

Russia's number one automaker AvtoVAZ sold 637,179 units in 2011, up 10.9% compared with the previous year.

Sales in Russia amounted to 578,387 units, up 10.6% compared with 2010. Its global market share stood at 0.9%, and its share in Russia amounted to 21.6%.

Zero-emission highlights

In October, Renault began sales of the Kangoo Z.E. small van, named International Van of the Year 2012. Corporate clients have so far ordered more than 15,000 Kangoo Z.E. for fleet use. In December, Renault began sale of the Fluence Z.E., an all-electric luxury car based on the conventional Fluence sedan.

Renault will launch the Twizy zero-emission urban commuter vehicle in spring of 2012 and the Zoé zero-emission subcompact in the second half of the year.

Nissan sold more than 22,000 Nissan LEAF family hatchbacks in 2011, making it the best-selling electric vehicle ever. Nissan began selling the car in December 2010. In 2011, the Nissan LEAF won the World Car of the Year, Japan Car of the Year and European Car of the Year awards.

More than 80 percent of Nissan LEAF owners in the United States had never previously owned a Nissan. Nissan is expanding LEAF availability to all 50 American states and more European countries in 2012.

The Alliance is the only automaker with a full family of zero-emission cars that can be charged with purely renewable energy. The Alliance plans to sell a cumulative 1.5 million zero-emission cars by 2016 across all brands.

Top 10 Alliance Markets

	TOTAL SALES	MARKET SHARE (%)
China	1,272,013	7.4%
US	1,042,534	8.2%
Russia*	878,990	32.9%
France	767,263	29.2%
Japan	594,368	14.1%
Brazil	261,568	7.7%
Germany	254,425	7.5%
Mexico	247,872	27.4%
UK	196,003	8.9%
Italy	193,375	10.1.%

* *Including Lada*

Top 10 Renault Markets

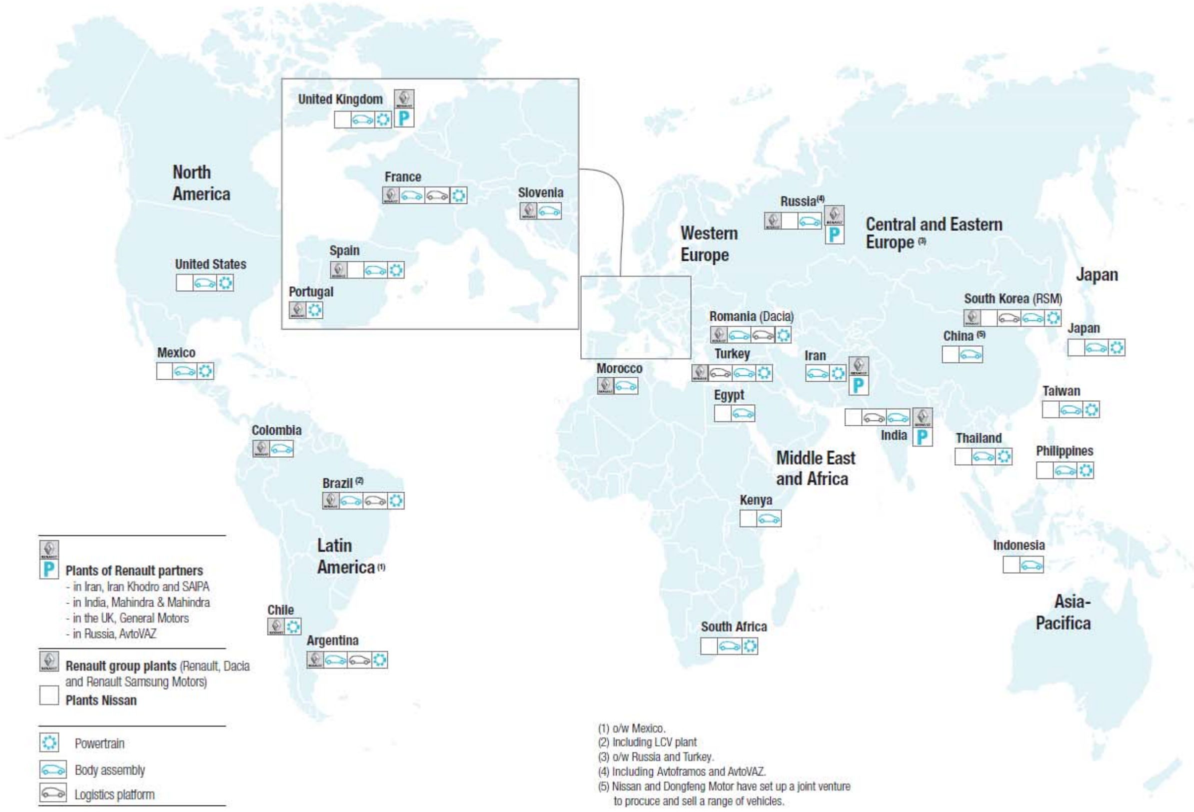
	TOTAL SALES	MARKET SHARE (%)
Russia*	733,121	27.4%
France	689,022	26.1%
Brazil	194,300	5.7%
Germany	181,176	5.3%
Turkey	140,827	16.3%
Italy	122,920	6.4%
South Korea**	109,221	7.0%
Argentina	106,040	13.0%
Spain	99,092	10.9%
Iran	93,578	5.9%

* *Renault: 154,734 units; Lada: 578,387 units.*
** *Renault Samsung Motors.*

Top 10 Nissan Markets

	TOTAL SALES	MARKET SHARE (%)
China	1,247,738	7.3%
US	1,042,534	8.2%
Japan	591,312	14.0%
Mexico	224,740	24.8%
Russia	145,869	5.5%
UK	107,463	4.9%
Canada	84,665	5.3%
France	78,241	3.1%
Germany	73,249	2.2%
Italy	70,455	3.7%

PRODUCTION SITES



VALUE OF JOINT OPERATIONS

Renault sales to Nissan and Renault purchases from Nissan in 2011 are estimated at €2.1 billion and €1.8 billion respectively, as mentioned at the end of note 14-K to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement.

FINANCIAL INFORMATION ON THE ALLIANCE

The purpose of the financial data in this section is twofold: to broadly quantify the economic significance of the Renault-Nissan Alliance through key performance indicators, and to make it easier to compare the assets and liabilities of the two Groups. The data of both Groups comply with the accounting standards applied by Renault in 2011.

The characteristics of the Alliance mean, among other things, that Renault and Nissan's assets and liabilities cannot be combined. Consequently, these data do not correspond to a consolidation as defined by generally accepted accounting principles and are not certified by the statutory auditors.

Information concerning Renault is based on the consolidated figures released at December 31, 2011, while the information concerning Nissan is based on the restated consolidated figures prepared for the purposes of the Renault consolidation, covering the period from January 1st to December 31st, 2011 whereas Nissan's financial year-end is March 31st.

Key performance indicators

The preparation of the key performance indicators under Renault accounting policies takes into account restatement of figures published by Nissan under Japanese Accounting Standards into IFRS. Additionally, the following treatments have been performed:

- reclassifications have been made when necessary to harmonize the presentation of the main income statement items;

- restatements for harmonization of accounting standards and adjustments to fair value applied by Renault for acquisitions of 1999 and 2002 are included.

REVENUES AT DECEMBER 31, 2011

€ million	RENAULT	NISSAN (1)	INTERCOMPANY ELIMINATIONS	ALLIANCE
Sales of goods and services	41,192	76,415	(3,509)	114,098
Sales financing revenues	1,436	4,309	(122)	5,623
REVENUES	**42,628**	**80,724**	**(3,631)**	**119,721**

(1) Converted at the average exchange rate: €1 = ¥111.0.

The Alliance's intercompany business mainly consists of commercial transactions between Renault and Nissan. Those items have been eliminated to produce the revenue indicator. Their value is estimated on the basis of Renault's 2011 results.

The operating margin, the operating income and the net income of the Alliance in 2011 are as follows:

€ million	OPERATING MARGIN	OPERATING INCOME	NET INCOME (2)
Renault	1,091	1,244	807
Nissan (1)	4,477	3,942	3,288
ALLIANCE	**5,568**	**5,186**	**4,095**

(1) Converted at the average exchange rate for 2011: €1 = ¥111.0.
(2) Renault's net income is adjusted to exclude Nissan's contribution and Nissan's net income is similarly adjusted to exclude Renault's contribution.

Intercompany transactions impacting the indicators are minor and have therefore not been eliminated.
For the Alliance, the operating margin is equivalent to 4.7% of revenues.

In Nissan retreated financial indicators shown above, combined costs effects of tsunami disaster in Japan and floods in Thailand corresponds to approximatively €500 million, which constitute almost the variance between operating margin and operating income.

In 2011, the Alliance's research and development expenses, after capitalization and amortization, are as follows:

€ million	
Renault	2,027
Nissan (1)	3,300
ALLIANCE	**5,327**

(1) Converted at the average exchange rate for 2011: €1 = ¥111.0.

BALANCE SHEET INDICATORS

Condensed Renault and Nissan balance sheets

RENAULT AT DECEMBER 31, 2011

ASSETS *(€ MILLION)*		**SHAREHOLDERS' EQUITY AND LIABILITIES *(€ MILLION)***	
Intangible assets	3,718	Shareholders' equity	24,567
Property, plant and equipment	11,357	Deferred tax liabilities	135
Investments in associates (excluding Alliance)	1,060	Provisions for pension and other long-term employee benefit obligations	1,350
Deferred tax assets	566	Financial liabilities of the Automotive division	9,296
Inventories	4,429	Financial liabilities of the Sales Financing division and sales financing debts	22,257
Sales financing receivables	21,900	Other liabilities	15,329
Automotive receivables	1,275		
Other assets	5,026		
Cash and cash equivalents	8,672		
TOTAL ASSETS EXCLUDING INVESTMENT IN NISSAN	**58,003**		
Investment in Nissan	14,931		
TOTAL ASSETS	**72,934**	**TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES**	**72,934**

NISSAN AT DECEMBER 31, 2011 [(1)]

ASSETS *(€ MILLION)*		**SHAREHOLDERS' EQUITY AND LIABILITIES *(€ MILLION)***	
Intangible assets	6,776	Shareholders' equity	36,930
Property, plant and equipment	38,055	Deferred tax liabilities	4,946
Investments in associates (excluding Alliance)	253	Provisions for pension and other long-term employee benefit obligations	3,170
Deferred tax assets	1,507	Financial liabilities of the Automotive division	3,597
Inventories	11,545	Financial liabilities of the Sales Financing division and sales financing debts	36,364
Sales financing receivables	30,086	Other liabilities	27,343
Automotive receivables	6,408		
Other assets	8,073		
Cash and cash equivalents	7,637		
TOTAL ASSETS EXCLUDING INVESTMENT IN RENAULT	**110,340**		
Investment in Renault	2,010		
TOTAL ASSETS	**112,350**	**TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES**	**112,350**

(1) Converted at the closing rate at December 31, 2011: €1 = ¥100.2.

The values shown for Nissan assets and liabilities reflect restatements for harmonization of accounting standards and adjustments to fair value applied by Renault for acquisitions made in 1999 and 2002, mainly concerning revaluation of land, capitalization of development expenses, and pension-related provisions.

Balance sheet items have been reclassified where necessary to make the data consistent across both Groups.

Nissan's restated balance sheet includes the securitized items presented off-balance sheet in Nissan's financial statements under Japanese GAAP.

Purchases of property, plant and equipment by both Alliance groups for 2011, excluding leased vehicles, amount to:

€ million	
Renault	1,898
Nissan (1)	3,083
ALLIANCE	**4,981**

(1) Converted at the average exchange rate for 2011: €1 = ¥111.0.

Based on the best available information, Renault estimates that the impact of full consolidation of Nissan on its shareholders' equity calculated under current accounting policies would result in:

- a maximum 5-10% decrease in shareholders' equity - Group share;
- a €22 billion increase in shareholders' equity – minority interests' share.

2. STATEMENT OF PRODUCTION, ORDERS ACCEPTED AND SALES:

See 1. above.

3. PROBLEM(S) TO BE COPED WITH:

Key components of the process for controlling financial and accounting disclosures

The Renault group manages the decentralized operations of the subsidiaries in its two business divisions in France and abroad by relying on two key strategies, which deliver high-quality accounting and financial information while reducing the time needed to prepare the financial statements:

- operational systems upstream from accounting are standardized as far as possible;
- ERP financial and accounting modules chosen by the Group are introduced at industrial and/or commercial entities worldwide.

This highly structured software ensures that processed data are reliable and consistent. In particular, the definition and monitoring of user profiles help to ensure that the rules of task separation are respected.

Control of basic transactions handled by operational systems, where the initial control takes place, is key to ensuring that accounting and financial data are reliable. The operational systems feed data to the auxiliary accounting systems through a number of interfaces. These interfaces, which are continually monitored to ensure they capture all economic events for each upstream process, then rapidly and regularly send these data to the centralized accounting system.

The accounting teams have worked with IT staff to develop a security process to protect the ERP in the event of a major malfunction. A business continuity plan has been introduced at central level as well as at the subsidiaries that use ERP. At the functional level, the plan was successfully tested during the last four months of 2011 and a progress plan was drawn up for the testing procedure. At the technical level, an exercise was conducted to test the recovery of ERP data following a serious hardware malfunction.

4. RISKS IN BUSINESS, ETC.

In the course of its business, the Renault Group is exposed to a number of risks that can affect its assets, liabilities and financial performance. The outline of the main risks and the details on how they are managed can be found in “RISK MANAGEMENT” below.

RISK MANAGEMENT

The Renault group makes every effort to control the risks inherent in its activities, namely financial risk, operational risk and legal risk. This Section details the main risks, together with the procedures put in place by the company to reduce their likelihood and severity. However, as the Group expands internationally, enters new partnerships, and becomes more IT-dependent – and as new malicious behaviors emerge – existing risks are aggravated and new ones created. These factors can increase the severity of potential crises and the damage they may cause.

Risk management, which is essential for any global industry corporation, needs to be reinforced and made proactive. It is therefore an integral part of the Group’s operational management procedures.

The organization is three-pronged:

· at Group level, the Risk Management department (DMR) provides methods and an overall vision to identify and handle major risks. It does this, in particular, by monitoring them with risk-mapping techniques and implementing preventive measures in high-risk areas;
· at a cross-cutting level, the Group Protection and Prevention department is responsible for identifying and processing risks linked to the protection of assets, sensitive Group information and corporate personnel based outside France. It is also responsible for implementing crisis management procedures, in liaison with Corporate Communication. The Quality Department and Internal Control Department provide advice, methods and coordinating expertise for the management and processing of risks with other Group departments;
· in all entities involved in business-critical processes, experts are appointed to identify and prioritize risk control solutions and to oversee their implementation.

FINANCIAL RISKS

General framework for controlling financial risk

For the Automotive sector, the management of market risk focuses mainly on the Central Cash Management and Financing department of Renault and Renault Finance, whose main activities are described at the end of II-3-(1)-(A) “AUTOMOTIVE”of this document.

Sales Financing (RCI Banque – see II-3-(1)-(B) “SALES FINANCING”) manages the market risk on its activities independently of Automotive. Securities trades executed by companies in the RCI Banque group are intended solely to hedge the risks related to the financing of sales and the inventories of the distribution networks. Most of these trades are made by the trading room of RCI Banque, which plays a pivotal role in refinancing the RCI Banque group, as part of the overall Group-wide governance policy.

Monitoring and control tools exist for each entity and at the consolidated level. The results of these controls are reported on a monthly basis.

For each entity, financial risks are monitored at three levels:

· first-level control: carried out by line personnel through self-monitoring and by each business-line manager through formalized monitoring;
· second-level control: carried out by internal auditors under the authority of the chief executive of the entity;

- third-level control: carried out by the control bodies (Renault Internal Audit or external firms commissioned by it). The third-level control organizations make a critical, independent analysis of the quality of the control system. The statutory auditors also contribute an analysis under the terms of their engagement.

Because RCI Banque is chartered as a credit institution, it is required to implement a special internal control system that meets the requirements of the French prudential Supervisor.

Information on the analyses carried out to measure the sensitivity of financial instruments can be found in note 26-B to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement.

<u>**Liquidity risk**</u>

Automotive

Risk factors

Automotive must have sufficient financial resources to finance the day-to-day running of the business and the investments needed for future expansion. The net financial debt of Automotive continued to drop in 2011, falling to €299 million at December 31, 2011, compared with €1,435 million at December 31, 2010. Automotive needs to borrow regularly from banks and on capital markets to refinance its debt and ensure liquidity. This creates a liquidity risk if markets are frozen or credit is hard to access, which could also affect the final customers.

Management procedures and principles

As part of its centralization policy, Renault raises most of the refinancing for Automotive in the capital markets, mainly through long-term financial instruments (bonds, private placement), short-term financing, such as commercial paper, or in the shape of financing obtained from public or para-statal institutions.

To this end Renault has an EMTN program for a maximum of €7 billion.

As part of this program, Renault issued €500 million bonds in May 2011 for a five year period.

Renault also has an issue program under the Shelf Registration scheme on the Japanese market. In December 2011 Renault SA issued a two-year ¥15.4 billion bond.

The contractual documentation on this financing contains no clauses that could affect the continued supply of credit following a change in either Renault's credit rating or its financial ratios.

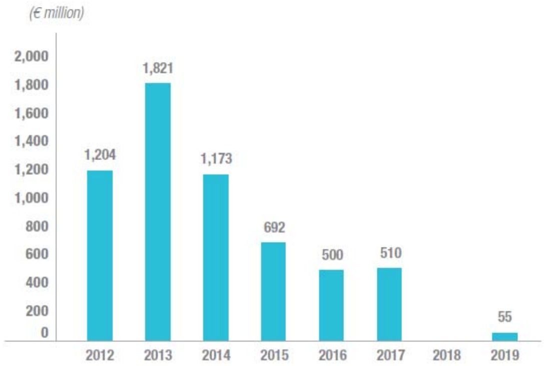
In 2009 Renault benefited from a €3 billion loan from the French government with a five-year maturity. Renault SA had an early repayment option starting in 2011. Further to negotiations with the French government, Renault repaid this loan in three installments of €1 billion: in September 2010, February 2011 and April 2011.

Moreover, Renault has a commercial paper program for a maximum €2.5 billion. The total outstanding at December 31, 2011 was €200 million.

The graph below shows the maturity schedule for Renault SA bonds and equivalent debt, which account for most of Automotive's long-term financial liabilities. A maturity schedule of Automotive's financial liabilities is included in note 24-C to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement.

With a constant balance sheet structure, the medium-term refinancing requirements in 2012 will be €1,204 million for maturities of bond issues and equivalent debt, and €200 million for maturing commercial paper.

MATURITY SCHEDULE FOR RENAULT SA BONDS AND EQUIVALENT DEBT AT 31 DECEMBER, 2011 (*)

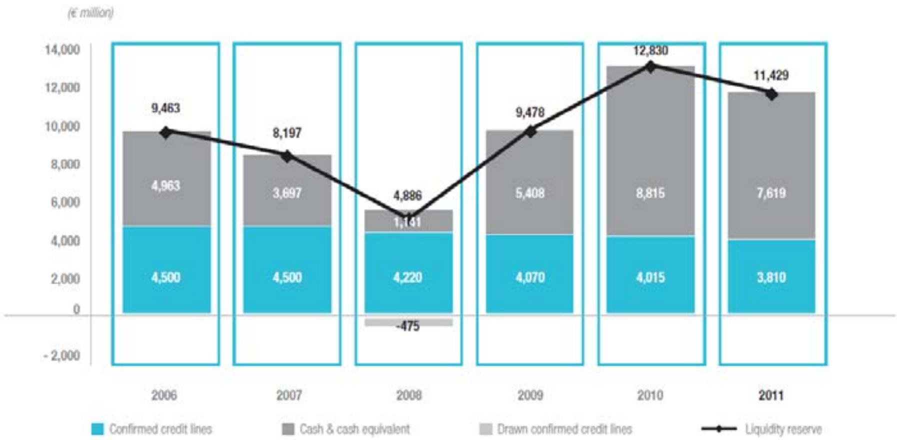


(*) Nominal amounts valued at December 31, 2011.

Furthermore, Renault benefits from confirmed renewable credit lines with banking institutions for a total amount of €3,810 million with maturities out to 2016. In 2011 no credit lines had been activated. These confirmed credits provide a liquidity reserve for Automotive and are also partly intended as back-up lines for the issuance of short-term commercial paper.

The contractual documentation on these confirmed lines of credit contains no clauses that could affect the raising or continued supply of credit following a change in either Renault's credit rating or its financial ratios.

AUTOMOTIVE – LIQUIDITY RESERVE



In view of its available cash and confirmed credit lines that were not in use when the accounts were closed, Automotive has sufficient financial resources to honor its commitments for 12 months.

Sales financing

Risk factors

Sales Financing depends on access to financial resources for its business activities. Restricted access to banking and financial markets would force it to scale down its financing activities and/or lead to an increase in the cost of financing solutions.

At all times, and especially in difficult periods, RCI Banque must have sufficient financial resources to support the development of its activity. To this end, RCI Banque applies strict internal standards.

Management procedures and principles

Liquidity risk is closely monitored on a regular basis. The static liquidity position has always been positive in recent years, indicating an excess of long-term sources over uses. The level is currently similar to that of previous years. As a result, RCI Banque has used the funds it raised several months earlier to grant loans, thus holding its financial margin steady.

In this tough environment, RCI Banque, which saw strong growth in its business activity, carried out the biggest financing plan of its history. The group borrowed over €7 billion resources with a maturity of one year or more, of which €3.35 billion on the bond markets in euros and €1.8 billion in securitizations. RCI Banque continued and accelerated the process of diversifying its investor base initiated in 2010 and issued for the first time in 2011 a private placement in US dollars for an amount equivalent to €0.9 billion, a second bond in Swiss francs, a bond dedicated to the Belgian retail market and a public issue of Letras Financeiras (financial bill) in Brazil, following the recent creation of this new financial instrument by the Brazilian Monetary Council (CMN). The group was also active on the market for private placements in euros and on the Korean and Argentine bond markets.

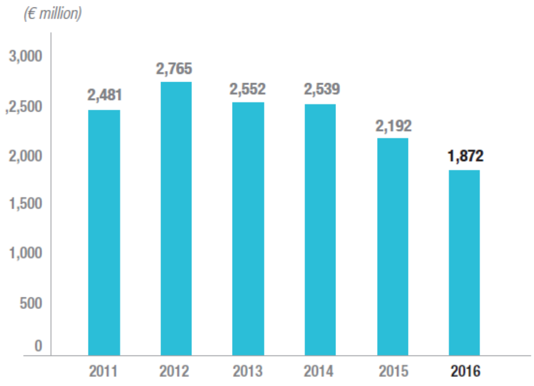
The amounts borrowed and the many different sources of access to liquidity demonstrate that RCI Banque has a stable and diversified funding base.

These long-term resources, to which should be added €4,523 million of undrawn committed credit lines and €1,665 million of collateral eligible to the European Central Bank's (ECB) open market operations, secure the continuity of RCI Banque's commercial business activity for more than eight months under a stress scenario characterized by a total lack of new funding sources.

In a complex and volatile environment, the conservative financial policy implemented by the group in recent years proved especially justified. This policy protects the commercial margin of each entity while securing the refinancing for its business activities. It is defined and implemented at a consolidated level by RCI Banque and applies to all sales financing entities within the group.

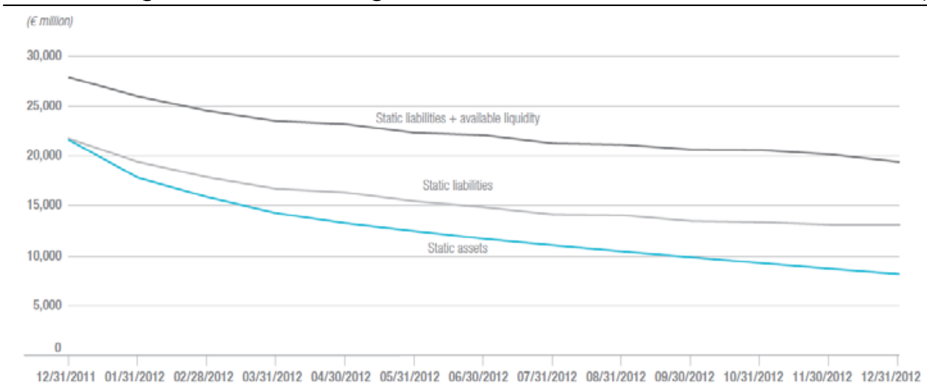
- Available liquidity amounted to €6,331 million (undrawn committed credit lines €4,548 million, available receivables assignable at the central bank: €1,665 million, cash and cash equivalents: €119 million), more than twice the combined total of commercial papers and certificates of deposit outstanding.
- The liquidity reserve amounted to €3,443 million. This represents available liquidity surplus to the certificates of deposit and commercial papers outstanding. The group has to maintain sources of alternative liquidity above the level of its short-term negotiable debt securities.

MATURITY SCHEDULE FOR RCI BANQUE BONDS AT 31 DECEMBER, 2011



RCI BANQUE GROUP– LIQUIDITY RESERVES AT DECEMBER 31, 2011*

RCI BANQUE GROUP– LIQUIDITY SITUATION AT 31 DECEMBER, 2011



The RCI Banque group carried out a number of securitization transactions (France, Italy and Germany) securitizing amounts receivable from the distribution network and final customer credits, by means of special purpose vehicles.

These securitization transactions were not intended to result in derecognition of the receivables transferred, as the whole of the risk is kept by the group. At December 31, 2011, the amount of the sales financing receivables thus maintained on the balance sheet was €8,739 million (€7,247 million at December 31, 2010). Liabilities of €3,704 million have been booked under 'Other debt evidenced by certificates', corresponding to the securities issued during these securitization transactions. The difference between the amount of receivables purchased and the amount of the afore mentioned liabilities corresponds to the credit enhancement needed for these transactions and to the share of securities kept by RCI Banque, serving as a liquidity reserve.

In accordance with the rules of consolidation, any residual units and short-term units held by RCI Banque have been eliminated from the consolidated financial statements.

In addition, and as part of its efforts to diversify its refinancing, certain transactions are secured in 2011 by conduit:

- €630 million of dealer receivables in Germany;
- €680 million of customer leasing contracts in Germany;
- £799.5 million of customer receivables in the United Kingdom.

As these issues were private, their terms and conditions are not disclosed in the above table.

All securitized receivables, including accrued interest not yet due, remain on the asset side of the balance sheet.

SECURITIZATIONS – PUBLIC ISSUES

€ million					SECURITIZATION - PUBLIC ISSUES
COUNTRY		**FRANCE**	**ITALY**		**GERMANY**
Ceding entity	Diac SA	Cogera SA	RCI Banque Succursale Italiana		RCI Bank Niederlassung
Start date	October 2006	April 2010	July 2007	July 2010	December 2011
Maximum term of fund	October 2020	October 2015	October 2023	April 2023	April 2023
Asset SPV	Cars Alliance Auto Loans France FCC	FCT Cars Alliance DFP France	Alliance Auto Loans Italy SPV Loi 130		Cars Alliance Auto Loans Germany FCT
Initial purchase of receivables	2,323	1,235	1,402		1,793
Kind of purchased receivables	Auto loans to customers	Receivables independent dealers	Auto loans to customers		Auto loans to customers
Receivables purchased as of 12/31/2011	1,830	1,545	1,239		1,925
Credit enhancement as at 12/31/2011	Cash reserve for 0.10% Over-collateralization of receivables 16.4%	Cash reserve for 1% Over-collateralization of receivables 13.6%	Over-collateralization of receivables 4.61%	Cash reserve for 1% Over-collateralization of receivables 15.8%	Cash reserve for 1% Over-collateralization of receivables 12.7%
Issuing SPV	Cars Alliance Auto Loans France FCC	FCT Cars Alliance DFP France	Cars Alliance Funding PLC Irlande		Cars Alliance Auto Loans Germany FCT
Public issues Medium-term Notes in issue as at 12/31/2011 (including any units held by the RCI Banque group)	Class A Rating AAA 337.6	Séries 2010-1 Class A Rating AAA 750.0	Séries 2007-1 Class A Rating AAA 288.7	Class A Rating AAA 679.0	Class A Rating AAA 800.0
	Class B Rating A 94.3	Séries 2005-1 Class B No Rated 36.5	Séries 2007-1 Class B Rating A 35.5	Class B Rating A 28.0	Class B Rating A 25.7
Period	Depreciation	Revolving	Depreciation	Depreciation	Revolving
Listed private placement	Class R	Séries 2005-2 Class A			Class R
Short term	Rating AAA	Rating AAA			Rating AAA
Notes in issue as at 12/31/2011	1,136.5	250.0			176.8

GROUP ISSUANCE PROGRAMS AT 31 DECEMBER, 2011

ISSUER	PROGRAM	MARKET	CAP (MILLION)
Renault SA	Euro CP	France	2,500 M€
Renault SA	Euro EMTN	Euro	7,000 M€
Renault SA	Shelf documentation	Samouraï	150,000 MJPY
RCI Banque	Euro CP	Euro	2,000 M€
RCI Banque	Euro MTN	Euro	12,000 M€
RCI Banque	CD	France	4,500 M€
RCI Banque	BMTN	France	2,000 M€
Diac	CD	France	1,000 M€
Diac	BMTN	France	1,500 M€
Rombo Compania Financiera S.A.	Bonds	Argentina	700 MARS
* *Local ratings.*			

The RCI Banque group's programs concern three issuers (RCI Banque, Diac and Rombo Compania Financiera SA) for a combined total of more than €24 billion.

Rating

	AGENCY	RATING	OUTLOOK	REVISION	PREVIOUS RATING
	Moody's	Ba1/NP	Stable	12/13/2011	Baa1/P2 outlook positive
	S&P	BB+/B	Stable	11/03/2010	BB/B stable
	Fitch	BB+/NR	Stable	10/07/2010	BB/NR stable
	R&I	BBB+/-	Stable	03/31/2009	A/NR négative
Renault	JCR	A-	Stable	11/26/2010	BBB+/-
	Moody's	Baa2/P2	Stable	12/15/2011	A3/P2 positive
	S&P	BBB/A2	Stable	11/03/2010	BBB-/A3 stable
RCI banque	R&I	BBB+/a-2	Stable	03/31/2009	A/a1 négative

The ratings of Renault and RCI Banque remained stable in 2011. In contrast to the action taken in February, following the publication of the annual results, Moody's reviewed the ratings outlook for Renault and RCI Banque from "positive" to "stable" in December, owing to lower forecasts for the European market in 2012.

Note that the rating of RCI Banque with S&P and Moody's is two notches higher than Renault's.

Any downgrading of ratings could limit and/or increase the cost of access to capital markets.

Currency risk

Automotive

Risk factors

Automotive is naturally exposed to currency risk through its industrial and commercial activities. Currency risk on these activities is monitored through Renault's Central Cash Management and Financing department.

Management procedures and principles

Almost all foreign currency transactions are executed by Renault Finance. Exchange rate fluctuations may have an impact in five areas:

- operating margin;
- financial results;
- share in the net income of associated companies;
- shareholders' equity;
- net financial debt.

Impact on operating margin: Operating margin is subject to changes caused by exchange rate fluctuations. Currency hedges must be formally authorized by the Finance department or senior management. Once the hedges have been put in place, reports must be submitted to senior management on the results. In 2011 the Group's main transactions were a currency hedge to partly cover 2012 revenue in sterling, and a partial hedge for purchases in Turkish lira.

Based on the structure of its results and operating cash flows in 2011, the Group estimates that a 1% appreciation of the euro against all other currencies has a negative impact of €41 million on annual operating margin.

However, this limited sensitivity in 2011 is the result of long and short exposures in currency against euro that cancel each other out: incomings in Russian rubble, sterling, Argentina peso and Turkish lira, and outgoings in Korean won, Japanese yen and Romanian leu. Sensitivity in 2011 was focused on Russian rubble, amounting to around -€9 million if the euro rises by 1% against this currency.

Impact on financial results: the key principle of Group management policy is to minimize the impact of currency risk on financial results. All Group currency risk exposures are aggregated and controlled by the Central Cash Management and Financing department, and are reported on a monthly basis to the Chief Financial Officer.

Investments by Automotive subsidiaries are partly financed through equity contributions. In general, other financing requirements are met by Renault SA in local currency. Financing flows in foreign currencies handled by Renault are hedged in the same currencies, thereby ensuring that exchange rate fluctuations do not distort the financial results.

When local circumstances prevent Renault from refinancing reasonably, the subsidiary may tap external funding sources. If external financing in non-local currencies is necessary, the parent company oversees the transactions. Cash surpluses recognized in countries not centralized at the parent company level are usually invested in the local currency under the supervision of the Group's Finance department.

Renault Finance may engage in foreign exchange transactions for its own account within strictly defined risk limits. Foreign exchange positions are monitored and marked to market in real time. Such proprietary transactions, intended chiefly to maintain the Group's expertise on financial markets, involve only very short-term exposures that do not exceed some tens of millions of euros, and are managed so as to avoid material impacts on Renault's consolidated financial statements.

Impact on share in the net income of associated companies: on the basis of their contributions to 2011 net income, a 1% rise in the euro against the Japanese yen, the Swedish krona, or the Russian rubble would have decreased Nissan's contribution by €13.3 million, Volvo's by €1.4 million and AVTOVAZ's by €0.5 million.

Impact on shareholders' equity: equity investments in currencies other than the euro are not usually hedged. This may lead to translation adjustments, which the Group recognizes in shareholders' equity. However, the size of the Nissan investment was such that Renault's share of Nissan's net worth has been partially covered by a specific foreign exchange hedge, in an amount of ¥95.4 billion at December 31, 2011 with maturities out to 2014. The nature and amount of each transaction are indicated in note 14-H to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement. These transactions are made up of private placements worth ¥20 billion and ¥75.4 billion of bonds issued in yen on the Japanese market.

Impact on net financial debt: as mentioned above, a portion of Renault financial debt is denominated in yen so as to cover part of the investment in Nissan. A 1% increase in the euro against the yen would reduce Automotive's net debt by €9 million.

An analysis carried out to measure the sensitivity of financial instruments to exchange risk can be found in note 26-B-2 to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement.

Sales financing

Risk factors

The consolidated foreign exchange position of RCI Banque has always been very small.

Management procedures and principles

No foreign exchange positions are permitted in connection with the refinancing activity: RCI Banque's trading room systematically hedges all the cashflows concerned.

Sales Financing subsidiaries are required to refinance in their domestic currencies and therefore have no foreign exchange exposure.

However, there may be residual or temporary forex positions related to timing differences in funds flows, which are inevitable when managing a multi-currency cash position. Any such positions are monitored daily and hedged systematically.

At December 31, 2011, exposure to exchange rate risk was €8.4 million.

Interest rate risk

Automotive

Risk factors

Interest rate risk can be assessed on the basis of debt and financial investments and the payment terms set out in the indenture (fixed or variable rate). Detailed information on these debts is indicated in note 24 to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement.

Management procedures and principles

For Automotive, the interest rate risk management policy is based on two principles: long-term investments are generally financed at fixed interest rates, while liquidity reserves are generally built up at floating rates. Further, yen-denominated financing to hedge Nissan's net worth is taken out at fixed rates for periods ranging up to seven years.

Automotive's financial liabilities totalled €9,296 million at December 31, 2011. A maturity schedule of Automotive's financial liabilities is included in note 24-C to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement. After stripping out derivatives, €952 million of that debit is yen-based (¥95.4 billion).

Automotive held €7,619 million in cash and cash equivalents at December 31, 2011. As far as possible, Renault SA centralizes Automotive's available cash. This is then invested in short-term bank deposits through Renault Finance.

Renault Finance also trades for its own account in interest-rate instruments within strictly defined risk limits. These positions are monitored and marked to market in real time. This activity carries very little risk and has no material impact on the Group's results.

Sales financing

Risk factors

The Renault group's exposure to interest rate risk is concentrated mainly in the Sales Financing business of RCI Banque and its subsidiaries. In this context, the overall interest rate risk represents the impact of a change in rates on the future financial gross margin.

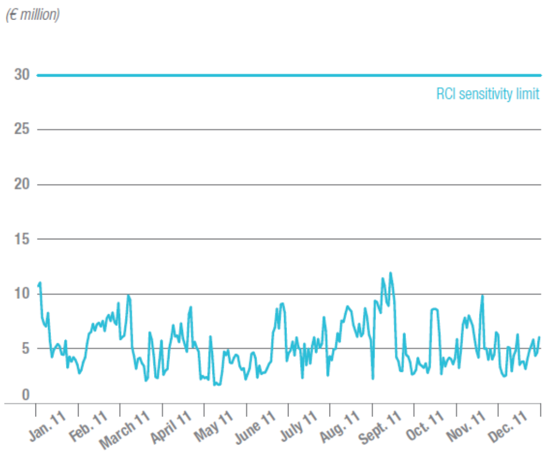
Management procedures and principles

Interest rate risk is monitored on a daily basis by measuring sensitivity to each currency, management entity and asset portfolio. A single set of methods is used by the entire RCI Banque group to ensure that interest rate risk is measured in a standard manner across the entire scope of consolidation.

The portfolio of commercial assets is monitored daily on the basis of sensitivity and is hedged systematically. Each subsidiary aims to hedge its entire interest rate risk in order to protect its commercial margin. However, a slight degree of latitude is permitted in risk hedging, reflecting the difficulty of adjusting the borrowing structure so that it exactly matches the structure of customer loans.

RCI Banque's consolidated exposure to interest rate risk over 2010 shows that sensitivity, i.e. the risk of a rise or fall in the group's results caused by a rise or fall in interest rates of around 100 basis points, was limited.

RCI BANQUE GROUP: DAILY SENSITIVITY TO INTEREST RATE MOVEMENTS (2011)



The solidity of the balance sheet can also be measured in terms of market risks (interest and exchange rate risk, counterparty risk), which are very low and monitored daily on a consolidated basis.

In 2011 the interest rate sensitivity of RCI Banque remained under the €30 million limit stated by the group.

At end-December, an interest rate rise of 1% would have had the following impact on the main currencies used by RCI Banque:

- a negative impact of €4.5 million in EUR;
- a positive impact of €0.5 million in CHF;
- a negative impact of €0.1 million in GBP;
- a negative impact of €0.2 million in USD.

In absolute value, the total sensitivity of all the currencies dealt with by the group amounts to €6 million.

Counterparty risk

Risk factors

The Group is exposed to counterparty risk in its financial-market and banking transactions, in its management of foreign exchange and interest rate risk, and in the management of payment flows. It works with banking counterparties of the highest caliber and is not subject to any material concentration of risk.

Management procedures and principles

Management of counterparty risk at the Group's entities is closely coordinated and uses a rating system based mainly on counterparties' long-term credit rating and the level of their shareholders' equity. This system is used by all companies of the Renault group that are exposed to counterparty risk.

Some Group companies have significant exposure to counterparty risk owing to the nature of their business. These companies are subject to daily checks to ensure they comply with authorized limits, in accordance with precise internal control procedures.

The Group has introduced a consolidated monthly reporting system that encompasses all its bank counterparties, organized by credit rating. These reports give a detailed analysis of compliance with limits in terms of amount, term and type, as well as a list of the main exposures.

In 2011 the Group suffered no financial impact arising from the failure of a banking counterparty.

The Group does not trade in the credit derivatives market.

Payment flows with Group's partners were analysed. In Iran, subject to international sanctions, the resulting restrictions can make operation with our partners in the country difficult.

Commodity risk

Risk factors

The commodity risk exposure is first of all a price risk:

- accept price rises only if they are economically justified;
- take advantage of all economically justified price declines.

Supply risk for commodities, particularly some metals and rare earths, is a strategic issue for the Alliance.

Management procedures and principles

The guidelines that buyers apply to price increases and decreases are set by an ad hoc committee, the Raw Material and Currencies Committee (RMCC).

Price rises are subject to a prior authorization process, which either ensures that the guidelines are respected or explicitly authorizes waivers.

Under certain conditions, price indexing contracts may be used to automate increases and decreases according to a mechanism that is defined and shared with suppliers.

Renault's Purchasing department can use derivatives to hedge risk on indexed commodities. Hedging is limited to purchases by the Purchasing department of Renault and the Renault Nissan Purchasing Organization for Renault projects in Europe. These hedges are linked to the physical purchasing operations carried out to meet plant needs.

The Group relies on Renault Finance to execute these hedging transactions in the markets. Renault Finance tracks the metals markets, and it marks all its hedging instruments to market on a daily basis. As the Alliance's dealing room, Renault Finance has extended this trading and monitoring activity to meet the needs of the Nissan group.

These transactions are authorized by senior management, with limits in terms of volume, maturity and price thresholds. They are covered in monthly reports that detail hedge performance and the performance of hedged items. The Chief Financial Officer and the Senior Vice President of Purchasing agree on the proposed commodity hedges. These proposals are then submitted to the President and CEO, who is the only person with decision-making powers in this area.

Non-indexed commodities (for example, steel, rubber plastic) account for around 80% of the materials used in vehicle manufacture, compared to just 20% for indexed commodities.

In 2011 Renault Finance hedged purchases of aluminum, lead, copper, palladium and platinum on behalf of RNPO. These transactions covered a maximum 80% of monthly quantities and were put in place from June onwards whenever financial market prices fell below the budgeted figures.

The RMCC also implements the methodology developed by Renault in 2010 to objectively establish the criticality of mineral commodities based on:

- supply risks and cost variations;
- the importance and impact for Renault (depending on the volumes consumed and purchasing price).

This criticality matrix helped identify the metals to which the Alliance is most exposed and to develop strategies for reducing their use, for recycling and/or for replacement. Renault is also jointly tracking a list of ten critical metals with Nissan.

Morevoer, the criticality analysis method developed by Renault is becoming a benchmark. In September 2011, France's Interministerial Committee for Strategic Metals (COMES) asked Renault to oversee an interprofessional working group to identify and assess the needs of French industries in strategic commodities.

OPERATIONAL RISKS

Supplier risk

Risk factors

Suppliers account for 70% of the total vehicle cost price. For this reason, any failure on the part of suppliers, whether it concerns the quality of parts delivered, a logistics problem, deteriorating financial health or a loss of reputation, has a considerable impact on both the production of Renault plants and on the smooth running of projects.

Management procedures and principles

Contractual risks

The risk of suppliers failing to honour their contractual commitments is managed in three main ways:

- a "filter" in the supplier selection and sourcing processes;
- detection of non-conformity with standards;
- corrective action if a major or critical non-compliance is detected from a supplier (performance reviews).

Strategic and financial risk

Supplier strategic and financial risk is managed in two ways:

- a rating system based on an analysis of the suppliers' financial statements;
- a rating of industrial and strategic risk, including a detailed analysis of a number of criteria: management, industrial and supply risk, strategic and commercial risk, linked in particular to the level of dependence between Renault and its suppliers.

This method is used to assess suppliers before including them in the base, and also in making appointments through the sourcing process.

If a supplier on the Renault supplier base is found to represent a major risk, the corresponding risk analysis is presented to the Supplier Risk Committee. The Committee then decides on the measures to be taken to ensure long-term security of supply.

The Committee is a multi-skilled body chaired by the Purchasing department, and bringing together all the functions impacted: finance, legal, management control, logistics, communication, public affairs and HR.

Efforts to prevent and address risk have been stepped up significantly since the crisis of 2009. To this end, Renault relies on a number of bodies, including those set up following France's national Industry Convention and Automotive Convention.

Renault is an active participant in the work of France's automotive industry platform.

Renault is also a member of the FMEA (fund for the modernization of automotive suppliers), which is contributing to the consolidation of the French automotive sector.

CSR risk

Alongside requirements on quality, cost and lead times, Renault expects its suppliers to respect the principles laid down in the Declaration of Fundamental Employee Rights (DDSF), based on those of the International Labour Organization. In particular, these principles ban child labour and forced labour, and encourage companies to commit to policies in the fields of hygiene, safety and the environment, and to promote good working conditions.

To remove CSR risk, filters must be included in the purchasing process.

New suppliers joining the base must:

- accept the general terms and conditions of purchasing, which include a chapter on CSR;
- sign the DDSF.

Suppliers already on the base and who wish to be considered in the sourcing process must:

- sign the DDSF or indicate compliance with the Renault-Nissan CSR Guidelines for Suppliers published in 2010, and enforce the clauses set out in the general terms and conditions of purchasing (particularly with respect to substance conformity). These requirements are set out in requests for quotes (RFQ);
- obtain a sufficient score in CSR assessments or implement an approved action plan to address any major or critical non-conformities. A scoring scale with an acceptance threshold has been put in place for each type of assessment.

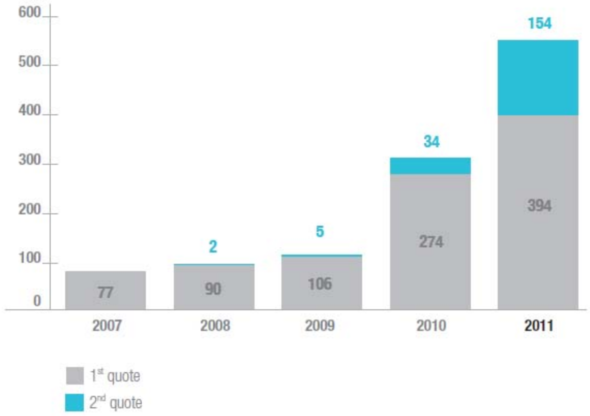
If suppliers refuse to implement an action plan, penalties may include putting them on business hold.

The score to be obtained by suppliers wishing to join the base or be selected in the sourcing process is based on assessments and audits.

Two types of assessment exist:

- the first is based on field observation of the sites making our parts. It is carried out in-house by Renault experts (1,136 carried out in 2011). All the sites in countries deemed to be high risk will be assessed before end 2012 (86% coverage at end-2011);
- the second is based on CSR management of supplier groups by a third party. Ninety-eight groups, selected on the basis of purchasing volumes or the risk arising from their production activity, have already been assessed.

SUPPLIERS' ASSESSMENT PER YEAR



Renault's objective is to help its suppliers make progress in order to ensure compliance with its CSR strategy.

An action plan is requested systematically in the event of a score that does not comply with Renault requirements. In the event of a critical non-conformity, suspected or verified during an internal assessment, an external audit may be requested, along with the action plan to address non-conformities.

The purchasing sustainable development department monitors the effective roll-out of the action plan and requests practical proof of implementation. When the action plan is complete, the site or group is reassessed.

Sixty five suppliers made progress following the implementation of action plans in 2010 and 2011.

Other risks

Other types of risk (logistics, technology, industrial, etc.) are handled by the operational purchasing departments. In the event of failure, these departments implement replacement solutions, sometimes in very short timeframes, using the supplier base to ensure continuity of supply.

The following points are regularly examined via operating performance reviews: engineering excellence, ability to respond to demand in terms of volume, quality, costs and lead times, and suitability of logistics. The suppliers' capacity to deliver the projected volumes of parts to Group plants is continually audited using the "capacity benchmarking" process.

Development of the capacity benchmarking process is the standard process for managing the capacity of the Renault group over the next two years.

The capacities to be installed are calculated for part numbers, and the weekly output to be satisfied by the industrial system (suppliers and plants).

The scope and frequency of the capacity survey may vary, in line with the capacity risks and opportunities identified by the Renault group.
The replies obtained from suppliers and plants as part of the capacity survey will provide the basis, following the decision o the Renault group, for approval of the capacity benchmarking process.

The capacity survey is carried out through a global information system (DCP@Renault).

Every year, almost 10,000 parts are examined.

Geographical risk

Risk factors

The Group has industrial and/or commercial operations in countries outside the Europe region[6], notably Romania, Russia, Turkey, Morocco, South Africa, Brazil, Argentina, Colombia, Chile, Iran, China, South Korea and India. Group sales outside Europe account for 43% of volumes in 2011.

The Group's activities in these countries carry various risks, most commonly GDP volatility, economic and political instability, labour unrest, new regulations, payment collection problems, sharp fluctuations in interest and exchange rates, lack of foreign currency liquidity, and foreign exchange controls, for example in Iran where Renault faces repatriation difficulties.

Management procedures and principles

The decision to set up industrial bases in countries outside Europe was taken as part of a growth strategy that factors the risks of instability into an overall industrial approach.

The Group is seeking to continually increase local content in its emerging-country production units. The aim is to make these units more competitive in their local markets and to use their capacity more efficiently, exporting to other areas when domestic markets falter and where exchange rate changes improve the price competitiveness of products outside the country.

The geographical distribution of Renault's industrial and commercial investments contributes to risk diversification, since patterns of GDP growth and solvency vary from one region of activity to another.

In principle, the country risk is not hedged for commercial industrial investments. The exception is Iran, where Renault's investments are partially guaranteed by a credit insurer.

In terms of commercial flows, the Group hedges most of its financial payments from emerging countries. This excludes some sales to Renault subsidiaries, and countries that have no hedging system. The two main hedging instruments used are bank guarantees (letters of credit and stand-by letters of credit from leading banks) and guarantees from credit-insurers.

To centralize its financial risk management activities and implement a single hedging procedure on competitive terms, the Group has designed a radial financing scheme and "hub and spoke" invoicing system. The industrial subsidiaries sell their export production to Renault s.a.s., which sells it on to the importing subsidiaries and independent importers by granting them supplier credit. The parent-company manages the risk associated with this credit.

RCI Banque customer and network risk

Risk factors

These factors depend on the quality of customer credit.

Management procedures and principles

Credit is scored and monitored by type of customer (customers and the network).

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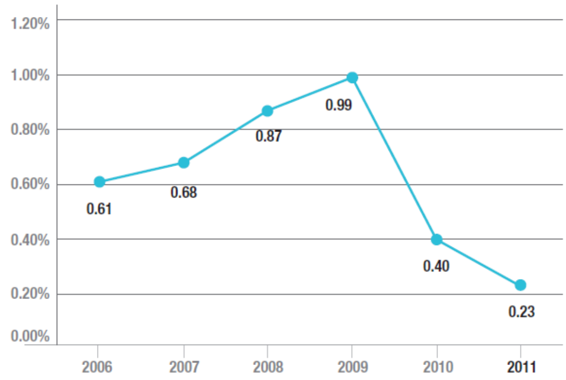
[6] The non European Regions are Euromed, Eurasia, Asia-Africa and Americas (see "GEOGRAPHICAL ORGANIZATION OF THE RENAULT GROUP BY REGION – COUNTRIES IN EACH REGION" above.).

The procedures for granting loans to retail and corporate customers are based on credit-scoring systems and searches of external databases. Disputes are managed on a case-by-case basis, in accordance with strict procedures that comply with the regulatory requirements laid down by the supervisory authorities of credit institutions. The aim of these procedures is to recover quickly the outstanding sums or the vehicles, amicably or through the courts.

Financing is granted to the network on the basis of an internal rating system that takes into account the financial position of dealers. A policy of standardizing the rules for network risk (notably as regards provisioning) has been in place for several years. This has made it possible to strengthen the monitoring and provisioning of risk. Since 2002 the cost of risk has reflected a conservative policy that takes into account new European regulations on car distribution as well as the downturn in economic conditions.

RCI BANQUE: TOTAL LOSSES ON CUSTOMER FINANCINGS
(% OF TOTAL AVERAGE LOANS OUTSTANDING) INCLUDING COUNTRY RISK



Source : Synthèse Performance Groupe

"Average loans outstanding" refers to the average amount of capital (excluding manufacturer and network contributions, but including spreadable distribution costs) owed by customers and/or the network over a given period (e.g. one month, one year).

Overdue delinquent loans outstanding and doubtful loans outstanding are excluded from the metric because it concerns interest-generating loans. Delinquent outstandings that are not yet due and non-delinquent outstandings are included.

The cost of risk is equal to 0.23% of average loans outstanding, compared with 0.40% in 2010. This figure is significantly lower than the structural historic level of RCI Banque, which is around 0.60%. This figure is linked in particular to the improvement in the risk situation in Spain and Romania, and to the reversal of provisions for Network risk, following an upturn in the financial situation of dealers, particularly in Europe.

Distribution risk

Risk factors

The type of risks to which Renault is exposed depends on the type of product distribution channel involved:

- at commercial import subsidiaries, the main risks are related to the use of sales and marketing resources;
- the main risk with importers is their financial health;
- through its own network of distribution subsidiaries, grouped in Europe under the umbrella of Renault Retail Group, Renault's risks are primarily related to decentralization and the diversity of these entities;
- the financial situation of dealership networks is also a source of risk.

Another risk related to the Group's commercial activities is customer default.

Management procedures and principles

Import subsidiaries

Central and local systems and procedures have been set up to enable the Group's import subsidiaries to control costs and the financial assistance paid to the network.

Independent auditors perform inspections in some countries to ensure that subsidiaries can substantiate the assistance they receive.

Moreover an annual self-assessment on internal control was set up with a tool designed jointly with the Internal Control department.

In 2007 the Sales and Marketing department started rolling out a tool for the payment and subsequent control of the commercial support provided to the network (PLANET).

Importers

Hedging of commercial risks with importers is included in the contracts that Renault signs with them.
This hedging may be:

- provided by the importer through the issue of banking instruments (letters of credit, on-demand bank guarantees, stand-by letters of credit);
- taken out by Renault in the shape of export credit insurance policies.

The hedging instruments are deployed before starting commercial exchanges.

European distribution subsidiaries (Renault Retail Group)

Internal control at the Group's distribution subsidiaries (Renault Retail Group) is based on a set of standards and procedures. Annual self-assessments are carried out using the Internal Control Quality tools developed by the Internal Control of RRG in collaboration with the Internal Audit department. This department carries out regular audits to ensure the effectiveness of the system.

Dealership network

Renault and RCI Banque jointly monitor the financial situation of dealerships in countries where RCI Banque is present. A dealers' rating system is used to prevent and limit the risk of default. In other countries, Renault sets up a credit monitoring system.

Risk committees meet each month in countries where RCI Banque operates. In Central Europe, a Risk Supervision committee meets at head office every four months to examine monthly operating reports on the network's financial situation and on payment receivables.

Default risk is transferred to RCI Banque in geographical regions where it relies on ad hoc bodies to bear risk from the network and individual customers. If RCI Banque cannot cover this risk, Renault bears it directly or transfers all or part of the risk to local banking institutions.

In 2007 the Credit Management structure put in place a reporting system with indicators to monitor the debt of Automotive's customers. These tools improve the monitoring and management of payment periods and help to manage customer risk and portfolio quality more effectively.

<u>Industrial risk</u>

Risk factors

The Group's exposure to industrial risk is potentially significant because its industrial operations are highly concentrated (see table of manufacturing sites, II-3-(1)-(A) "AUTOMOTIVE") and its plants are interdependent. An active formal prevention policy is applied at all production plants, covering personal safety and the security of property and operations.

Management procedures and principles

For many years, the Group has endeavored to reduce the risks of fire, explosion and machine breakdown, giving priority in this effort to powertrain and body assembly plants and R&D centers. Most of the existing plants have obtained a high level of active and passive prevention and protection, illustrated by the Highly Protected Risk rating, an international standard awarded by insurance companies that verify the application of prevention and protection rules every year. Almost 80% of the insured capital has received the Highly Protected Risk rating, in recognition of the efforts made.

Risks related to natural disasters such as storms, flooding, typhoons (particularly in South Korea) and earthquakes (Romania, Chile and Turkey) are incorporated into the prevention policy.

The prevention policy is supported by a team of experts at headquarters who set the standards for worldwide application and take part in all projects to modernize or extend existing plants or to open new ones. The experts at headquarters are supported at each plant by local teams organized in a network.

<u>Environmental risk</u>

Risk factors

Alongside the systems and policies implemented to reduce the environmental impact of vehicles in the design, manufacture, operation and recycling phases, environmental risk at Renault also covers environmental impacts caused by malfunctioning facilities, harm to individuals, and pollution caused by past activities.

Management procedures and principles

Renault has no high environmental-risk facilities. Nevertheless, it has put in place a management system to prevent environmental risk. This system is ISO 14001 certified and since 2005 has been integrated into the Renault Production Way through the management of chemical products and waste at workstations.

A central team of experts coordinates the tasks performed under the system. They are supported at each plant by local teams organized in a network. Techniques and structures for identifying risks, quantifying their impact, organizing prevention and protection, and defining control and management methods are implemented on all the Group's industrial sites.

Methods and tools have been defined for every stage of environmental risk management: risk identification, choice of prevention and/or protection solutions, management and training procedures, and a scorecard of impact data that is checked by the statutory auditors.

<u>IT risk</u>

Risk factors

The Renault group's business depends in part on the smooth running of Group IT systems. These are under the responsibility of the Information Systems department (DSIR), which has put in place a security policy, technical frameworks and processes to combat the risks associated with:

- interruption of IT services, regardless of the cause;
- theft and destruction of computer data (confidentiality, integrity).

Management procedures and principles

Risks are controlled through:

- an IT Risk Committee at Group level, organized by the DSIR in conjunction with the Risk Management department, representatives of other corporate departments and the information control program;
- Security Committees at DSIR level, that carry out checks at operational level to verify the effective application of IT security procedures, in line with international best practices;
- a security approval structure for the main projects, interconnections and security upgrades;
- audits carried out by the DSIR in partnership with the Internal Audit department or the Group Protection and Prevention department (D2P);
- system conformity checks made jointly by the DSIR and D2P.

The main IT security projects in 2011 sought to:

- strengthen safety measures that reflect the new issues raised by the Group's international expansion and partnerships (security training, access management and confidentiality, protection of the Alliance intranet, etc.);
- supplement the emergency resources and procedures in place at the Group's main IT centres;
- step up the deployment of the IS security policy across user business lines; appoint IS security business line managers who are actively involved in the main actions approved by the IT risk Committee: management of access rights to business line applications, continuity of service on strategic applications, confidentiality of IS.

Hedging of operational risks by insurance programs

At the Renault group, insurance for operational risk has three facets:

- high-impact low-probability risks are transferred to the insurance and reinsurance markets;
- common risks that are statistically known and financially coverable are provisioned by the Group, unless there is a legal requirement to insure them;
- the Group negotiates global insurance policies that provide Group-wide cover.

The Insurance department negotiates and directly entrusts financially solvent insurers with these worldwide programs. In 2011 two programs were renegotiated and placed jointly with Nissan, thereby becoming Alliance programs, "Property damage and business interruption" and "Transportation and storage". The Insurance department contributes directly to the definition of the Group prevention and protection policy. The nature and scope of the guarantees are determined by a preliminary risk analysis of the operational organizations. The following risks are covered in this way:

- "Property damage and business interruption": the Alliance buys a capacity of €1.5 billion per claim in three lines from around ten insurers. The resulting business interruption is measured on the scale of Group-wide activities. The deductibles for the Group's manufacturing activities amount to €5 million per claim. Deductibles for commercial activities amount to €8,000 per claim;
- "Civil liability": the Group buys a capacity of €100 million in two lines to cover general civil liability and civil liability related to products, the environment and repairs made by the sales subsidiaries of the Renault Retail Group;
- "Transportation and storage of vehicles in depots": the Alliance buys a capacity of €220 million per claim in three lines from around ten insurers, with deductibles of €100,000 per claim for damage to vehicles in depots and €45,000 per claim involving overland or air shipment.

Renault insurers partially reinsure these worldwide programs with MRC (Motor Reinsurance Company), a fully-owned Group subsidiary.

MRC usually takes action as follows:

- "Property damage and business interruption": €18 million per incident with an annual block limit;
- "Civil liability": annual block limit of €2.3 million;

- “Transportation and storage of vehicles in depots”: MRC covers up to €10 million per incident, with an annual block limit of €25 million. The Group decided to cover some depots exposed to natural incidents, such as storms or hail, in particular in Slovenia, Brazil, Spain and Algeria.

Some risks, such as the defects covered by the manufacturer’s warranty and recall campaigns, are not covered by insurance.

The reasons for keeping deductibles high include the Group’s consistent policy of prevention, and a desire to make each risk-bearing sector more accountable. No significant changes to the risk transfer policy are planned for 2012.

OTHER RISKS

Legal and contractual risk

Risk factors

Legal procedures and arbitration

In general, all known legal disputes in which Renault or Group companies are involved are examined at year-end. After seeking the opinion of the appropriate advisors, the Group sets up the provisions deemed necessary to cover the estimated risk.

In the normal course of its business, the Group is involved in various legal proceedings connected with the use of its products. At present, Renault estimates that none of these actions is likely to materially affect its assets, financial position, activities or earnings.

In the last twelve months, there has been no governmental, court or arbitration procedure (including any procedure that the issuer knows is pending or possible) that could have or has recently had a material impact on the financial situation or profitability of the issuer and /or Group.

The procedures currently underway against Renault as part of the dismissals following the case of attempted fraud, namely:

- dismissal disputes filed with the “Conseil des Prud’hommes” employment tribunal;
- the summons from the “Tribunal de Police” police court for non-public defamation;
- the threat of a complaint for false accusation against persons unknown targeting the writer of the anonymous letter;

do not seem likely to call into question Renault’s statement above.

Joint company risk:

The Group has entered into joint venture contracts with other companies of international standing or state-owned companies. In each of these entities, the Group exercises a predominant or significant influence and these operations do not involve any particular associated risks.

Changes to regulations

Renault must abide by all the laws applying to companies and seeks to adopt a faultless attitude. Renault requires its subsidiaries to respect local regulations in countries where the company operates. Renault is engaged in a permanent dialog with the national and regional authorities in charge of specific regulations applying to products in the automotive industry in order to avoid any risks related to changes in regulations.

On September 14, 2004 the European Commission issued recommendations aimed at amending Directive 98/71 concerning the protection of designs and models. These recommendations call for the abrogation of protection of spare parts under design law. This proposal was validated by the European Parliament, with an amendment that provides for a five-year transition period. However, the proposal has yet to be adopted by the European Council of Ministers owing to the co-decision process for the adoption of community directives. As such, the transition has not yet been made and existing Member State legislation still applies to designs and models. The sale of copies of spare parts after this date could have a negative impact on the earnings of the Group, which currently generates around 1.5% of its revenues from the sale of so-called captive parts, which are protected under design law.

Granting of licenses for industrial property rights

The Group may use patents held by third parties under licensing agreements negotiated with such parties.

Each year, Renault s.a.s. files several hundred patents (see 6. "RESEARCH AND DEVELOPMENT ACTIVITIES" below), some of which are included in the fee-paying licenses granted to third parties.

As part of the sale of Renault V.I. to Volvo, Renault granted a license to use the Renault brand name to the Volvo group in a contract signed on January 2, 2001 regarding commercial vehicles (3.5 tons and over). This is a perpetual worldwide license and is used by the Volvo group at its own risk.

Management procedures and principles

The Renault group is exposed to legal risks in its capacity as an employer, designer and distributor of vehicles, purchaser of components and service provider. These risks are managed through the implementation of preventive policies in the realms of health and safety at work, the industrial environment, intellectual and industrial property of vehicle safety, the quality of its products or services, and the legal protection of the operations undertaken by the Group.

From the legal standpoint, internal control of these risks is based on two main guidelines:

- responsive reporting, which relies on the networking and meshing of the legal function within the Renault group via a dual system of line and staff reporting;
- the precautionary principle stems from two factors:
  - each member of the legal function has a highly developed sense of responsibility and is used to working on a collaborative, cross-functional and ethical basis at all times,
  - legal teams are brought in at a very early stage for of major cases and play a proactive role in solving subsequent disputes.

Risks linked to pension commitments

Renault operates in countries where, in general, pension systems are publicly run. Renault's commitments in this respect consist primarily of retirement compensation, as specified in Note 21 to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement.

These commitments may be sensitive to changes in the parameters used to calculate them (funding, labor factors, interest rates).

5. IMPORTANT CONTRACTS RELATING TO MANAGEMENT, ETC.:

Not applicable.

6. RESEARCH AND DEVELOPMENT ACTIVITIES

For Renault, R&D is a source of innovation that sharpens the company's competitive edge. With R&D expenses of more than €2 billion in 2011, Renault is showing its determination to meet the challenges facing the automotive industry and to converge with major technological and societal trends.

RESEARCH AND DEVELOPMENT EXPENDITURE*

	2011	2010	2009	2008	2007
Net R&D expenses *(€ million)***	1,791	1,567	1,531	2,085	2,335
Group revenues *(€ million)* as published	42,628	38,971	33,712	37,791	40,682
R&D spend ratio	4.2%	4.0%	4.5%	5.5%	5.7%
R&D headcount, Renault group	17,278	17,854	17,881	17,775	16,219
Renault group patents	499	304	362	793	998

* *All R&D expenditure is incurred by Automotive.*
** *= R&D expenses – R&D expenses billed to third parties and others.*

R&D HIGHLIGHTS IN 2011*

The most recent results of R&D can be seen on our latest vehicles and sub-systems:

VEHICLES	POWERTRAIN SUB-SYSTEMS
Kangoo Z.E.	Reveal Energy TCe 115
Fluence Z.E.	Reveal Energy dCi 110
Koleos phase 2	
Scénic phase 2	
SM7	

7. ANALYSIS OF FINANCIAL CONDITION, OPERATING RESULTS AND STATE OF CASH FLOW

Overview

- Driven by growth on international markets, Group consolidated revenues came to €42,628 million in 2011, up 9.4% on 2010.
- Group operating margin was €1,091 million, or 2.6% of revenues, compared with €1,099 million and 2.8% of revenues in 2010.
- Other operating income and expenses showed net income of €153 million, compared with a net charge of €464 million in 2010.
- The financial result showed a net charge of €121 million compared with €376 million in 2010.
- Nissan's contribution to Renault's earnings amounted to €1,332 million, compared with €1,084 million in 2010. AB Volvo contributed €136 million, compared with €214 million in 2010. AvtoVAZ contributed €49 million compared with negative €21 million in 2010.
- Net income was €2,139 million, compared with €3,490 million in 2010, which included capital gains of €2 billion on the sale of B shares in AB Volvo. Net income, Group share, was €2,092 million, compared with €3,420 million in 2010.
- Automotive's operational free cash flow was €1,084 million, of which €627 million was attributable to the improvement in the working capital requirement.
- Automotive's net financial debt fell by €1,136 million compared with December 31, 2010 to €299 million.
- Shareholders' equity stood at €24,567 million at December 31, 2011. The debt-to-equity ratio improved by five points, from 6.3% at December 31, 2010 to 1.2% at the end of 2011.

Comments on the financial results

Consolidated income statement

Group revenues totaled €42,628 million, up 9.4% [7] on 2010. Excluding the exchange rate effect, revenues rose 10.4%.

OPERATING SEGMENT CONTRIBUTION TO GROUP REVENUES

	2011					2010				
(€ million)	**Q1**	**Q2**	**Q3**	**Q4**	**YEAR**	**Q1**	**Q2**	**Q3**	**Q4**	**YEAR**
Automotive	9,965	10,178	9,259	11,277	40,679	8,642	10,136	8,268	10,126	37,172
Sales Financing	466	492	486	505	1,949	430	460	443	466	1,799
TOTAL	**10,431**	**10,670**	**9,745**	**11,782**	**42,628**	**9,072**	**10,596**	**8,711**	**10,592**	**38,971**

	CHANGE 2011/2010				
	Q1	**Q2**	**Q3**	**Q4**	**YEAR**
Automotive	15.3%	0.4%	12.0%	11.4%	9.4%
Sales Financing	8.4%	7.0%	9.7%	8.4%	8.3%
TOTAL	**15.0%**	**0.7%**	**11.9%**	**11.2%**	**9.4%**

Automotive's revenue contribution in 2011 was €40,679 million, up 9.4% on 2010. This increase was mainly attributable to:

- a positive volume effect (5.2 points) linked to international sales growth;
- the product line-up, particularly Duster, and the end of the scrappage bonus scheme, which generated a positive mix effect of 3.0 points;
- other Group businesses (sales of components and vehicles to partners), which had a positive impact of 2.9 points:
- a slightly favorable price effect (0.4 of a point); pressure on prices in Europe was offset by raising international prices to mitigate the negative exchange rate effect (1.1 points).

By Region (excluding other businesses):

- international[8] operations were up sharply and contributed 6.7 points to growth owing to a strong volume effect, despite Renault Samsung Motors difficulties in South Korea;
- Europe was up slightly and had a 0.7 point impact on revenue growth, as the improved mix offset the decline in volumes.

Group operating margin came to €1,091 million in 2011, or 2.6% of revenues, compared with €1,099 million and 2.8% of revenues in 2010.

OPERATING SEGMENT CONTRIBUTION TO GROUP OPERATING MARGIN

(€ million)	**2011**	**2010**	**CHANGE**
Automotive	330	396	-66
% of segment revenues	*0.8%*	*1.1%*	*-0.3 pt*
Sales Financing	761	703	58
TOTAL	**1,091**	**1,099**	**-8**
% of Group revenues	*2.6%*	*2.8%*	*-0.2 pt*

Automotive's operating margin fell by €66 million, to €330 million (0.8% of revenues). This is due to:

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7 *Up 9.4% on 2010 revenues of €38,961 million on a consistent basis.*

8 Regions outside Europe: Euromed, Eurasia, Asia-Africa, Americas.

- €500 million in cost structure reductions under the monozukuri plan;
- €455 million from volume growth, related directly to commercial performances and changes in the geographical mix.

which did not entirely offset the impact of negative factors, mainly externalities such as:

- the €509 million increase in raw materials costs;
- a negative €199 million exchange rate effect linked to a basket of currencies that was mainly affected by movements against euro in the Argentine peso and the Iranian rial;
- a negative mix/price impact of €245 million, as the effects of product enhancements and mix distortions linked to supply problems outweighed the positive revenue impact;
- other elements for €68 million of which €19 million due to the G&A increase.

Overall, supply issues resulting from the tsunami in Japan had an estimated negative impact of €200 million on Automotive's operating margin in 2011. The problems primarily affected production, marketing offers and logistics.

Sales Financing made a €761 million contribution to the Group's operating margin, an 8.2% increase on 2010. With an 8.8% increase in average loans outstanding relative to 2010, this financial performance confirms the sales growth strategy. The cost of risk reached a record 0.23% of average loans outstanding, well below RCI group's historical trend of around 0.60%. This was achieved through an improved risk situation in Spain and Romania and reversals of network-related provisions as dealerships returned to better financial health, especially in Europe.

RENAULT GROUP – R&D EXPENSES*

(€ million)	**2011**	**2010**	**CHANGE**
R&D expenses	2,064	1,728	336
Capitalized development expenses	-808	-666	-142
% of R&D expenses	*39.1%*	*38.5%*	*0.6%*
Amortization	771	772	-1
GROSS R&D EXPENSES RECORDED IN THE INCOME STATEMENT	**2,027**	**1,834**	**193**

* *R&D expenses are fully incurred by Automotive.*

After reaching a very low level in 2010 in connection with the product cycle, Research and Development expenses rose €193 million compared with 2010 to €2,027 million in 2011, in line with what was announced in the Renault 2016 – Drive the Change Plan.

Capitalized development expenses came to 39.1% of the total spend in 2011, after 38.5% in 2010.

Other operating income and expenses showed net income of €153 million, compared with a net charge of €464 million in 2010. This item was mainly made up of:

- €133 million in capital gains on property disposals;
- €71 million from the reversal of restructuring provisions;
- €61 million charge from recognition of depreciation for three vehicles in the range and recoveries on previously impaired assets (to reflect improved cash flow prospects for vehicles in the range).

After recognizing other operating income and expenses, the Group reported operating profit of €1,244 million, compared with €635 million in 2010.

The financial result showed a net charge of €121 million, compared with €376 million in 2010, reflecting the reduction in debt and early repayment of €2 billion to settle the loan granted by the French government in 2009.

Renault's share in associated companies generated a net gain of €1,524 million in 2011 (compared with €1,289 million in 2010), of which:

- €1,332 million from Nissan (compared with €1,084 million in 2010);
- €136 million from AB Volvo (compared with €214 million in 2010, but with an ownership stake of 21.8% until October 2010, compared with 6.8% in 2011);
- €49 million from AVTOVAZ (compared with a loss of €21 million in 2010).

Current and deferred taxes represented a charge of €508 million (compared with €58 million in 2010), i.e. €408 million in current tax (compared with €340 million in 2010) and €100 million for impairment of net deferred tax assets calculated on French tax Group tax losses carried forward (compared with €238 million of deferred tax assets recognized in 2010). This is due to the combined effects of amendments to the Budget Act in France and updated assumptions for recognition of these tax losses.

Net income amounted to €2,139 million, compared with €3,490 million in 2010 (including €2,000 million in capital gains from the disposal in October 2010 of B shares in AB Volvo).

The Group's share of net income totaled €2,092 million (€3,420 million in 2010).

Net capex and R&D expenses

Automotive's tangible and intangible investments net of disposals (excluding capitalized leased vehicles) came to €2,212 million in 2011 (including €808 million in R&D expenses) compared with €1,644 million in 2010 (including €666 million in R&D expenses).

TANGIBLE AND INTANGIBLE INVESTMENTS NET OF DISPOSALS, BY OPERATING SEGMENT

(€ million)	**2011**	**2010**
Tangible investments (excluding capitalized leased vehicles)	1,564	1,130
Intangible investments	887	733
o/w capitalized R&D expenses	*808*	*666*
Total acquisitions	2,451	1,863
Disposal gains	-239	-219
TOTAL AUTOMOTIVE	**2,212**	**1,644**
TOTAL SALES FINANCING	**4**	**4**
TOTAL GROUP	**2,216**	**1,648**

Investment increased in 2011 compared with 2010, which was a low-spend year owing to the product cycle. The increase was consistent with the target of keeping the ratio of capex and R&D expenses below or equal to 9% of Group revenues.

Europe received 49% of total gross investment, while 51% went to the rest of the world:

- in Europe: range-related investment accounted for 60% of the outlay, with a particular focus on electric vehicles (Zoé, Twizy and Kangoo), gasoline and diesel engines, and New Clio;
- outside Europe: spending was allocated primarily to Morocco (new Tangiers industrial facility), Romania, South America, Russia, Turkey and South Korea.

Consistent with previous years, the non range-related investment policy was focused mainly on quality, working conditions and the environment.

NET CAPEX AND R&D EXPENSES

(€ million)	**2011**	**2010**
Tangible and intangible investments net of disposals (excluding capitalized	2,216	1,648

leased vehicles)		
Capitalized R&D expenses	-808	-666
Other	-20	-17
Net industrial and commercial investments (1)	**1,388**	**965**
% of Group revenues	*3.3%*	*2.5%*
R&D expenses	**2,064**	**1,728**
R&D expenses billed to third parties	-273	-161
Net R&D expenses (2)	**1,791**	**1,567**
% of Group revenues	*4.2%*	*4.0%*
Net capex and R&D expenses (1) + (2)	**3,179**	**2,532**
% of Group revenues	*7.5%*	*6.5%*

Automotive debt

In line with the target set in the Renault 2016 - Drive the Change Plan, Automotive generated operational free cash flow of €1,084 million in 2011, comprising:

- cash flow of €2,910 million;
- a €627 million change in the working capital requirement through active management of receivables and inventory;
- tangible and intangible investments net of disposals in the amount of €2,212 million, up €568 million (€1,644 million in 2010), but still in line with the Plan's target of keeping the ratio to below 9% of revenues;
- a negative €241 million change in capitalized leased vehicles.

These performances helped reduce Automotive's net financial debt for the third year running. Net debt was cut by €1,136 million to the record low of €299 million at December 31, 2011.

In accordance with the policy announced in the mid¬term plan, Renault 2016 - Drive the Change, a dividend of €1.16 per share, representing the dividends received by the Group for its interest in listed companies in 2011, will be proposed for approval of shareholders at the upcoming annual general meeting.

AUTOMOTIVE NET FINANCIAL DEBT

(€ million)	**DEC. 31, 2011**	**DEC. 31, 2010**
Non current financial liabilities	6,066	6,835
Current financial liabilities	3,789	5,124
Non-current financial assets - other securities, loans and derivatives on financial operations	-497	-800
Current financial assets	-1,441	-910
Cash and cash equivalents	-7,618	-8,814
AUTOMOTIVE NET FINANCIAL DEBT	**299**	**1,435**

Liquidity at December 31, 2011

In 2011, the Group pursued a policy aimed at reducing Automotive's gross debt through early repayment of the €2 billion still owing on the loan from the French government, while maintaining Automotive's cash high levels. On December 31, 2011, Automotive's liquidity reserve amounted to €11.4 billion, comprising:

- €7.6 billion in cash and cash equivalents;
- €3.8 billion in undrawn confirmed credit lines.

On December 31, 2011, RCI Banque had:

- a liquidity reserve of €3.4 billion, representing available liquidity surplus to the certificates of deposit and commercial paper outstanding;
- available liquidity of €6.3 billion, covering more than two times all outstanding commercial paper and certificates of deposit, including €4.5 billion in undrawn confirmed credit lines, €1.7 billion in Central Bank eligible collateral, and €0.1 billion in cash.

IV. STATEMENTS OF FACILITIES

1. OUTLINE OF CAPITAL INVESTMENT, ETC.

Please refer to Section III-7. ANALYSIS OF FINANCIAL CONDITION AND OPERATING RESULTS, “Net capex and R&D expenses”.

2. STATEMENT OF PRINCIPAL FACILITIES

Please refer to Section II-3. CONTENTS OF BUSINESS - (1) ACTIVITIES - A. AUTOMOTIVE “MAIN MANUFACTURING SITES.”

Our various production plants, both in France and abroad, receive ISO 14001 certification. Renault in association with the World Bank, has undertaken research projects in transport organisation and energy utilisation in developing nations.

3. PLAN FOR CONSTRUCTION, REMOVAL, ETC. OF FACILITIES

Please refer to Section II.-3. CONTENTS OF BUSINESS - (1) - ACTIVITIES - C. ASSOCIATED COMPANIES, PARTNERS AND COLLABORATIVE PROJECTS of this Securities Report.

V. STATEMENTS OF THE COMPANY

1. STATEMENTS OF SHARES, ETC.

(1) AGGREGATE NUMBER OF SHARES, ETC.

(i) Aggregate Number of Shares

As of December 31, 2011

Number of Shares Authorized to be Issued	Aggregate Number of Issued Shares	Number of Unissued Shares
Not applicable	295,722,284shares	Not applicable

(Note) (1) In France, there is no concept of authorized shares having the same meaning as used in Japan. However, the general meeting of shareholders may authorize the Board of Directors to decide the issue amount and the period with respect to the issuance of shares or equity securities within a limited scope.

(2) Stocks subscription options plans in life at 31 December 2011 (plans able to have a potential impact on the aggregate number of shares):

- plan N°10. September 2004. Option outstanding at 2,012,850
- plan N°11. September 2005. Option outstanding at 1,477,900
- plan N°12. May 2006. Option outstanding at 1,316,834
- plan N°14. December 2006. Option outstanding at 1,537,156

At December 31, 2011, the stocks subscription options outstanding were at 6,344,740.

(ii) Issued Shares

Bearer or Register, Par-value or Non-par-value	Type	Number of Issued Shares	Name of Listing Stock Exchange or Registered Securities Dealers' Association	Details
Register, par-value EUR 3.81	Ordinary shares	Shares 295,722,284	Euronext Paris	An ordinary share is a share with full voting rights and is a standard share of Renault without any limitation on rights.
Total	–	295,722,284	–	–

(2) Exercise, etc. of Corporate Bond Certificates, etc. with Share Acquisition Rights Having Exercise Price Adjustment Provisions

Not applicable.

(3) DEVELOPMENT OF AGGREGATE NUMBER OF ISSUED SHARES AND CAPITAL (as of December 31, 2011)

Date	Aggregate Number of Issued Shares(*)		Capital	
	Number of Increase/ Decrease	Outstanding	Amount of Increase/ Decrease	Outstanding
January 1, 2001 (1)		239,798,567		EUR 913,632,540.27 (JPY98,973,813,087)
December 18, 2001 (2)	2,397,983	242,196,550	EUR 9,136,315.23 (JPY989,737,029)	EUR 922,768,855.50 (JPY99,963,550,116)
March 29, 2002 (3)	37,799,462	279,996,012	EUR 144,015,950.22 (JPY15,601,247,887)	EUR 1,066,784,805.72 (JPY115,564,798,004)
May 28, 2002 (4)	4,941,106	284,937,118	EUR 18,825,613.86 (JPY2,039,378,749)	EUR 1,085,610,419.58 (JPY117,604,176,753)
April 28, 2010 (5)	1,617,775	286,554,893	EUR 6,163,722.75 (JPY667,716,086)	EUR 1,091,774,142.33 (JPY118,271,892,839)
April 28, 2010 (6)	9,167,391	295,722,284	EUR 34,927,759.71 (JPY3,783,724,209)	EUR 1,126,701,902.04 (JPY122,055,617,048)

Note: No changes in share capital in FY 2000, 2003, 2004, 2005, 2006, 2007, 2008, 2009 and 2011.

(*) Par value: EUR 3.81
(1) Conversion of share capital to euro.
(2) Capital increase reserved for employees: 2,397,983 shares issued at EUR 3.81 (par).
(3) Capital increase reserved for Nissan Finance Co., Ltd.: 37,799,462 shares issued at EUR 50.39 (par: EUR 3.81).
(4) Capital increase reserved for Nissan Finance Co., Ltd.: 4,941,106 shares issued at EUR 52.91 (par: EUR 3.81).
(5) Capital increase reserved for Nissan Finance Co., Ltd.: 1,617,775 shares issued at EUR 37 (par: EUR 3.81)
(6) Capital increase reserved for Daimler AG.: 9,167,391 shares issued at EUR 37 (par: EUR 3.81)

(4) DISTRIBUTION OF SHARES BY TYPE OF SHAREHOLDERS:

French State

The French State's holding was unchanged at 15.01%.

Nissan Finance Co., Ltd.

The Nissan group, through its wholly-owned subsidiary Nissan Finance Co., Ltd., holds 15% of Renault's capital, the same percentage as at December 31, 2010. Nissan Finance Co., Ltd. is not entitled to exercise the voting rights attached to these shares, owing to Renault's ownership interest in Nissan.

Daimler

The Daimler group holds 3.10% (9,167,391 shares).

Employees

Current and former Renault employees hold 3.06% of the capital in the form of shares managed through collective investment schemes.

Treasury stock

The percentage of treasury stock is 1.37%. These shares do not carry voting rights.

General Public

In view of these changes, the free float is now 62.46% of the capital (compared with 62.82% at December 31, 2010).

A survey of the holders of Renault shares was carried out on December 31, 2011 to obtain an estimated breakdown of the public's ownership interest by category of major shareholders. At that date, institutional shareholders owned approximately 53.40% of the capital, with French institutions holding 8.47% and foreign institutions 44.93%. The ten largest French and foreign institutional investors held approximately 19.7% of the capital. Individual shareholders were estimated to own around 9.06% of the capital.

Share buybacks

At December 31, 2011 Renault SA held 4,059,255 shares of €3.81 par value and a book value of €200,464,164.01.

Pursuant to Article L. 225-209 of the Commercial Code, the ninth resolution of the Combined General Meeting of April 29, 2011, authorized the Company to deal in its own stock in order to make use of the possibilities allowed by law for trading in own shares. The authorization was valid until the date the General Meeting of April 27, 2012, which authorizes a new programme for duration 18 months..

Renault SA acquired 1,163,874 of its own shares in February 2011 to cover its stock option plans.
However, Renault has acquired no shares in the share buyback programme approved by the Combined General Meeting of April 29, 2011. The 4,059,255 shares held directly or indirectly by Renault SA at December 31, 2011, are allocated as follows:

- 4,059,255 to cover buy-back options, bonus share plans, and to cover stock option plans in order to offset dilution arising from the exercise of options to subscribe new shares;
- zero shares remitted for the exercise of rights attached to financial securities creating the right to an allotment of company stock by conversion, exercise, redemption, exchange, or any other method, in accordance with securities regulations;
- zero shares to enable an investment services provider to maintain a secondary market in or ensure the liquidity of Renault shares under a liquidity contract compliant with an AMF-approved code of conduct;
- zero shares retained and subsequently remitted or as consideration for possible acquisitions;
- zero shares cancelled.

Percentage of treasury stock held directly or indirectly at December 31, 2011: 1.37%.

Number of shares cancelled over the 24 months preceding December 31, 2011: zero shares. Number of shares held in the portfolio at December 31, 2011: 4,059,255 shares. Book value of the portfolio at December 31, 2011: €200,464,164.01 Portfolio value at December 31, 2011*: €108,788,034 * *Based on a share price of €26.80 at December 31, 2011.*

Trading by Renault in its own shares during 2011 in connection with programs authorized by the combined general meetings on April 30, 2010 and April 29, 2011:

	TOTAL GROSS FLOWS AT DECEMBER 31, 2011		OPEN INTEREST AT DECEMBER 31, 2011	
	PURCHASES	SALES	LONG POSITIONS*	SHORT POSITIONS
Number of shares	1,163,874 shares	none	none	none
Average sell, buy or strike price	€46.488/share	none	none	none
Total	€54,105,846	none	none	none

* *On June 1, 2011, Renault acquired 2,355,433 call options on Renault shares, of which 1,558,826 options expired on September 7, 2011, and 796,607 options expired on December 16, 2011.*

(5) DESCRIPTION OF PRINCIPAL SHAREHOLDERS:

Ownership of shares and voting rights

As of December 31, 2011

Name or Corporate Name	Address	Number of Shares Held	Percentage to the Aggregate Number of Issued Shares (%)	Voting Rights (%)
French State	France	44,387,915	15.01	17.95
Nissan Finance Co., Ltd.	17-20, Mita 2-chome, Minato-ku, Tokyo	44,358,343	15.00	-
Daimler AG	Mercedesstrasse 137, 70327 Stuttgart, Federal Republic of Germany	9,167,391	3.10	3.71
Employees (1)		9,038,110	3.06	3.65
Treasury stock		4,059,255	1.37	-
Public		184,711,270	62.46	74.69
Total	–	**295,722,284**	**100.00**	**100.00**

(1) The employee-owned shares (present and former employees) counted in this category are those held in company savings schemes.

2. POLICY OF PAYMENT OF DIVIDENDS:

Appropriation of net income

Net income is appropriated in compliance with existing legislation.

Distributable income consists of the current year's income, less previous losses and amounts transferred to the legal reserves, plus retained earnings brought forward from previous years as specified by law. Upon recommendation by the Board of Directors, the General Meeting may then determine portions of this income to be allocated to optional ordinary and special reserves or to be carried over. The balance, if any, is divided among the shares in proportion to their paid-up and unamortized value.

In accordance with legal provisions, the General Meeting has the authority to offer shareholders the option of receiving all or part of the dividend payout in cash or in shares. Requests for the payment of scrip dividends must be submitted within the time period established by the General Meeting, without exceeding three months from the date of the meeting. The Board of Directors may choose to suspend this period for up to three months if the share capital is increased.

In accordance with the policy announced in the midterm plan, Renault 2016 - Drive the Change, a dividend of €1.16 per share, representing the dividends received by the Group for its interest in listed companies in 2011, has been approved by the Combined General Meeting of April 27, 2012. Such dividend has been paid on May 15, 2012.

3. DEVELOPMENT OF STOCK PRICE:

The following figures are based on the stock price of Renault shares on Euronext Paris.

(1) Average Highest and Lowest Price of Shares for the Recent Five Business Years:

(Euros per share)

Calendar year	2007	2008	2009	2010	2011
Date of Settlement of Accounts	December 31, 2007	December 31, 2008	December 31, 2009	December 31, 2010	December 31, 2011
Highest Price (JPY)	121.80 (13,195)	99.16 (10,742)	37.37 (4,048)	45.97 (4,980)	50.53 (5,474)
Lowest Price (JPY)	84.30 (9,132)	14.40 (1,560)	10.16 (1,101)	26.56 (2,877)	22.07 (2,391)

(2) Highest and Lowest Price of Shares for the Latest Six Months in this Business Year (at the closing):

(Euros per share)

Month	July 2011	August 2011	September 2011	October 2011	November 2011	December 2011
Highest Price (JPY)	41.585 (4,505)	38.225 (4,141)	28.505 (3,088)	32.375 (3,507)	30.5 (3,304)	30.235 (3,275)
Lowest Price (JPY)	35.4 (3,835)	24.34 (2,637)	23.04 (2,496)	22.07 (2,391)	23.34 (2,528)	25.01 (2,709)

4. STATEMENT OF OFFICERS:

This Section describes the management and administration methods used by Renault SA, a public listed company and parent of the Renault group. The methods also apply to Renault s.a.s., the lead holding company for Renault's automotive and financial businesses.

Further to the Alliance with Nissan, Renault-Nissan b.v. has limited powers with respect to Renault s.a.s., without prejudice to the powers of the Board of Directors and the shareholders. This Alliance-specific management method is described in II-3-(2) "THE RENAULT-NISSAN ALLIANCE - GOVERNANCE AND OPERATIONAL STRUCTURE".

Renault has opted for a governance system combining the functions of Chairman of the Board and Chief Executive Officer. On the recommendation of the Appointments and Governance Committee, it reappointed Mr Ghosn as Chairman and CEO in 2010.

The reason for deciding to combine the functions of Chairman of the Board and Chief Executive is to simplify decision-making and responsibilities and to ensure a similar governance structure within the Alliance, with the presence of a Chief Operating Officer at Renault and Nissan.

Further, the balance of powers is ensured by the fact that independent directors are in the majority on the Board and a Senior Independent Director was appointed in July 2009.

The system whereby operational decisions are made under the authority of a Chief Operating Officer was kept in place. Carlos Tavares was appointed on the recommendation of the Appointments and Governance Committee by Carlos Ghosn on May 30, 2011, to head up a refocused Corporate Operations department. Mr Tavares took up his full duties on July 1, 2011.

The curbs placed by the Board of Directors on the powers of the CEO are described in the Board's internal regulations. These provide that the Board of Directors will examine the Group's strategic plan on an annual basis and discuss the Company's strategic policies, including those connected with the Alliance, put forward by the Chairman and CEO. The Board examines any changes to those policies once yearly. Further, it also gives its opinion before any major decision inconsistent with the Company's strategy can be made.

In that capacity, the Board of Directors approved on February 9, 2011 the three-year plan (2011, 2012, 2013) for the Renault 2016–Drive the Change Plan.

Since 2010 the Board has supervised all decisions on strategic transactions and investments by requiring prior authorization from the Board to the Chairman.

The Chairman and CEO must seek permission from the Board of Directors for organic growth operations or acquisitions, and for investments in or divestments from any company, whether existing or to be formed, where the amount exceeds €250 million.

He informs the Board of Directors about the acquisition or disposal of equity holdings worth between €60 million and €250 million.

On April 29, 2011 the Board of Directors reappointed Philippe Lagayette as Senior Independent Director for the duration of his term, on the recommendation of the Appointments and Governance Committee. Mr Lagayette was chosen from among the directors classified as independent.

The Senior Independent Director was appointed after the functions of Chairman and CEO were combined. His role consists in coordinating the activities of the independent directors, and he provides a link between the independent directors and the Chairman and CEO, acting in his capacity as Chairman of the Board.
The Senior Independent Director's tasks include:

- advising the Chairman of the Board and the chairs of the specialized committees;
- chairing Board meetings where the Chairman and CEO is not present. In particular, the Senior Independent Director chairs discussions intended to assess the performance of the Chairman and CEO with a view to determining his remuneration, having sought the opinion of the Remuneration Committee.

Mr Lagayette is Chairman of the new Audit, Risk and Ethics Committee (CARE), which replaces the former Accounts and Audit Committee. He is also a member of the Appointments and Governance Committee.

In light of the attempted intelligence fraud perpetrated at Renault in early 2011, Mr Lagayette has devoted much of his efforts to the Audit, Risk and Ethics Committee, with a view to recommending ways of addressing the deficiencies brought to light by that incident. The new organizational structure put in place following the discovery of the attempted fraud is presented in "MANAGEMENT OF OPERATIONS AND INTERNAL CONTROL" below.

The internal regulations of the Board of Directors reflect the governance arrangements referred to in this section.

(1) BOARD OF DIRECTORS

At February 15, 2012 the Company was administered by a Board of Directors with 19 members, including two women:

- 13 directors appointed by the Annual General Meeting of Shareholders (AGM);

- two directors appointed by administrative order, representing the French State;
- three directors elected by employees;
- one director elected by the AGM on the recommendation of employee shareholders.

The term of office of directors elected by the AGM is four years.

Further to the recommendations of the Afep-Medef Code, directorships are renewable on a rotating basis to avoid replacing the entire Board.

Women directors have sat on Renault's Board ever since 2003.

When directorships come up for renewal in future, Renault will comply with the provisions of French Act 2011-103 of January 27, 2011, relating to balanced representation of men and women on Boards of Directors and Supervisory Boards and gender equality. Under the provisions of this act, employee-elected directors are not counted when calculating the percentage of women on a Board of Directors.

The Board of Directors appoints one of its members as Chairman. The Chairman, who must be a natural person, can be re-elected.

The Board of Directors meets as often as the interests of the Company require. Meetings are convened at least eight days in advance by the Chairman. Meeting papers that cannot be disseminated ahead of time are made available to directors before the beginning of the meeting.

The minutes of the Board meetings are made available to directors within a reasonable period of time before being approved at the next following meeting of the Board.

(As of May 23, 2012)

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
Carlos Ghosn March 9, 1954, Age 58	Chairman and CEO	205,200 shares	First appointed in April 2002 and the current term expires in 2014 Member of the Appointments and Governance Committee <u>Current offices and functions in other companies:</u> *France:* n.a. *Abroad:* Director: AvtoVAZ President and CEO: Nissan Motor Co., Ltd. Chairman of the Board: Renault-Nissan b.v. <u>Offices or functions in the past five years no longer held:</u> Director: Sony, IBM, Alcoa
Yves Audvard February 10, 1953, Age 59	Director *(elected by employees)*	6 shares and 200 ESOP units	First appointed in November 2002 and the current term expires in November 2012 Member of the International Strategy Committee Member of the Industrial Strategy Committee

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			Advanced Process Design Engineer, Renault
Alain J-P Belda* June 23, 1943, Age 68	Director	1,000 shares	First appointed in May 6, 2009 and the current term expires in 2013. Chairman of the Remuneration Committee Member of the International Strategy Committee CEO, Warburg Pincus <u>Current offices and functions in other companies</u>***:*** *France:* n.a. *Abroad:* Director: IBM, Citigroup, Omega, Banco Indusval <u>Offices or functions in the past five years no longer held:</u> Non-executive Chairman of Alcoa Chairman and director of Alcoa Chairman and CEO of Alcoa Director of Brown University Member of the Board of Trustees of the Conference Board. Member of the Business Council.
Patrick Biau February 5, 1956, Age 56	Director *(elected by employees)*	688 ESOP units	First appointed in November 2008 and the current term expires in November 2012 Member of the International Strategy Committee Cost Control, Investments, Renault
Alain Champigneux January 1, 1954, Age 58	Director *(elected by employees)*	1,154 ESOP units	First appointed in November 2002 and the current term expires in November 2012 Member of the Audit, Risk and Ethics Committee Renault Document Manager
Charles de Croisset* September 28, 1943, Age 68	Director	1,000 shares	First appointed in April 2004 and the current term expires in 2016 Member of the Audit, Risk and Ethics Committee Member of the Industrial Strategy Committee International Advisor, Goldman Sachs International<u>Current offices and functions in other companies</u>: *France:*

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			Chairman: Fondation du Patrimoine Director: LVMH Member of the Supervisory Board: Euler & Hermès Non-voting director: Galeries Lafayette *Abroad*: International Advisor, Goldman Sachs International Offices or functions in the past five years no longer held: Director: Bouygues, Thales UK, Thales
Bernard Delpit* October 26, 1964 Age 47	Director	1,000 shares	First appointed on April 30, 2010 and the current term expires in 2014 Member of the International Strategy Committee Chief Financial Officer, Crédit Agricole SA_ Current offices and functions in other companies: *France:* Member of Executive Committee: Crédit Agricole SA Director : Crédit Agricole Assurances *Abroad :* Director : Emporiki Offices or functions in the past five years no longer held: Member of the Executive Committee: La Poste. Member of Audit Committee: Banque Postale, GeoPost and Poste Immo Director: Sofipost, Geopost, Banque Postale Prévoyance, Poste Immo. Member of the Supervisory Board: Banque Postale, Banque Postale Asset Management.
Thierry Desmarest* December 18, 1945, Age 66	Director	1,500 shares	First appointed in April 2008 and the current term expires in 2016 Chairman of the International Strategy Committee Member of the Industrial Strategy Committee Member of the Remuneration Committee. Honorary Chairman of Total Current offices and functions in other companies: *France:* Chairman: Fondation Total and Fondation de l'Ecole Polytechnique Director: Total SA, Air Liquide,

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			Sanofi-Aventis, Musée du Louvre Member of the Board: École Polytechnique *Abroad:* Member of the Board of Bombardier (Canada) Offices or functions in the past five years no longer held: Chairman and CEO of Elf Aquitaine Chairman of the Board of Total Chairman and Chief Executive, Total SA Member of the Supervisory Board, Areva
Jean-Pierre Garnier* October 31, 1947, Age 64	Director	1,000 shares	First appointed in April 2008 and the current term expires in 2016 Chairman of the Industrial Strategy Committee Member of the International Strategy Committee Member of the Remuneration Committee Current offices and functions in other companies: *France*: Director: Cerenis (biotech company) *Abroad*: Chairman of the Board of Directors, Actelion Director: United Technology Corp., Paul Newman Foundation Chairman: NormsOxys Corp. Offices or functions in the past five years no longer held: Chairman and CEO of Glaxo Smithkline Beecham plc Chairman of GlaxoSmithKline plc Director: GlaxoSmithKline Beecham p.l.c., Biotechnology Industry Organization, Eisenhower Exchange Fellowship
Takeshi Isayama March 8, 1943, Age 69	Director	1,000 shares	First appointed in May 2009 and the current terms expires in 2013. Senior Advisor Carlyle Japan L.L.C. Current offices and functions in other companies: Director: Dainippon Screen Mfg Co., Ltd, Terumo Corp, Fidelity International Limited Adviser: BitAuto Offices or functions in the past five years no longer held:

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			Advisor: National Institute of Advanced Industrial Science and Technology Director: Seiyu GK (Wal-Mart subsidiary), the Japan Fund Vice- Chairman: Nissan Motor Co. Ltd.
Alexis Kohler November 16, 1972 Age: 39	Director	(a)	First appointed in February 2010 and the current term expires in 2015 Member of the Audit, Risk and Ethics Committee Member of the Industrial Strategy Committee Division director - Transports and Media, French Government Shareholding Agency, at the Ministry for the Economy, Finance and Industry Current offices and functions in other companies: Director (government representative): Aéroport de Paris, RATP, Grand Port Maritime du Havre, France Télévision, Société Audiovisuel Extérieur de la France, STX France. Offices or functions in the past five years no longer held: TSA, GIAT Industries, La Monnaie de Paris, Société de valorisation foncière et immobilière (SOFAVIM)
Marc Ladreit de Lacharrière* November 6, 1940, Age 71	Director	1,020 shares	First appointed in October 2002 and the current terms expires in 2014. Chairman of the Appointments and Governance Committee Member of the Remuneration Committee. Chairman and Chief Executive Officer of Fimalac Current offices and functions in other companies: *France:* Member: Institut de France (Académie des Beaux Arts) Chairman of the Board: Agence France Museums Director: Casino, L'Oréal, Gilbert Coullier Productions (SAS), Groupe Lucien Barrière (SAS) Chairman of the Management Board: Groupe Marc de Lacharrière Honorary Chairman: Comité National des Conseillers du Commerce Extérieur de la France (National Committee of Foreign

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			Trade Advisors) Main offices held with public-interest institutions or associations: Fondation Culture et Diversité, Fondation d'entreprise L'Oréal, Conseil Artistique des Musées Nationaux, Fondation des Sciences Politiques, Musée des Arts Décoratifs, Abbaye de Lubilhac endowment fund. *Abroad:* Chairman of the Board: Fitch Group, Fitch Ratings Statutory manager, Fimalac Participations Sarl (Luxembourg) Offices or functions in the past five years no longer held: Chairman : Fitch Group Holdings Director: Algorithmics Statutory manager, Fimalac Participations Public interest association: Fondation Bettencourt Schueller Member: Conseil Stratégique pour l'Attractivité de la France
Dominique de la Garanderie* July 11, 1943, Age 68	Director	1,150 shares	First appointed in February 2003 and the current term expires in 2013 Member of the Audit, Risk and Ethics Committee Member of the Appointments and Governance Committee Barrister (Cabinet La Garanderie & Associès) Former chair: Paris Bar Association Current offices and functions in other companies: *France:* President of the Institut Français d'Experts Juridiques Internationaux (French Institute of International Legal Experts-IFEJI) Member of the Supervisory Board and Audit Committee of Holcim Western Europe *Abroad:* n/a Offices or functions in the past five years no longer held: n/a
Philippe Lagayette* June 16, 1943 Age 68	Senior Independent Director	1,000 shares	First appointed in May 2007 and the current term expires in 2015 Chairman of theAudit, Risk and Ethics Committee

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			Member of the Appointments and Governance Committee. Current offices and functions in other companies: *France:* President Philippe Lagayette Conseils Vice Chairman and Senior Advisor, Barclays Capital France Member of the Board: PPR, Fimalac Chairman of Fondation de France Chairman of the Board of Institut des Hautes Études Scientifiques, and Foundation of Scientific Co-operation for Research on Alzheimer's Disease *Abroad:* n/a Offices or functions in the past five years no longer held: Vice-Chairman of JP Morgan in EMEA. Chairman of the Supervisory Board, French American Foundation.
Benoit Ostertag August 2, 1965, Age 46	Director *(elected by employee shareholders)*	1,489 ESOP units	First appointed in May 2011 and the current term expires in 2013 Member of the International Strategy Committee Member of the Industrial Strategy Committee Skills Leader for the Quality System, Powertrain engineering and technologies, Renault
Franck Riboud* November 7, 1955, Age 56	Director	331 shares	First appointed in December 2000 and the current term expires in 2014 Chairman and Chief Executive Officer of of Danone Current offices and functions in other companies: *France:* Chairman of the Board: Danone Communities (SICAV) Director: Accor SA, Lacoste France SA *Abroad* Director: Bagley Latinoamerica SA, Rolex SA, Rolex Holding SA Main offices held with associations/foundations: Chairman of the Guidance Committee: Fonds Danone pour l'Ecosystème Director: Association Nationale des Industries Agroalimentaires

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			Director: International Advisory Board HEC Member of the Supervisory Board: Fondation ELA Member of the Board: Foundation EPFL PLUS Member of Guidance Board: Livehoods Fund (SICAV) Luxembourg <u>Offices or functions in the past five years no longer held:</u> Director: L'Oréal SA, Ominium Nord Africain (ONA), Wadia BSN India Limited, Fondation Gain Chairman of the Remuneration Committee of Renault SA Durable (Association)
Luc Rousseau March 16, 1957, Age 55	Director	(a)	First appointed in February 2010 and the current term expires in 2016. Member of the International Strategy Committee Member of the Industrial Strategy Committee Director general of Competitiveness, Industry and Services at Ministry for the Economy, Finance and Industry <u>Current offices and functions in other companies:</u> Member of the Supervisory Board of Areva Member of the Board of Directors: Fonds Stratégique d'Investissement, Agence Nationale de la Recherche, Government commissioner for the Board of Directors of La Poste, FT1CI Government representative: Board of Directors of the AFII (Invest in France Agency), Palais de la Découverte and La Cité des Sciences et de l'Industrie. <u>Offices or functions in the past five years no longer held:</u> Government commissioner: AII (agency for industrial innovation), OSEO Innovation Member of the Board of Directors, Oseo
Hiroto Saikawa November 14, 1953, Age 58	Director	100 shares	First appointed in May 2006 and the current term expires in 2014 Member of the International Strategy Committee Executive Vice President for Asia-Pacific Region, Affiliated companies, and Purchasing, Nissan Motor Co., Ltd.

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
Pascale Sourisse* March 7, 1962 Age 50	Director	1,000 shares	First appointed in April 30, 2010 and the current term expires in 2014 Member of the Audit, Risk and Ethics Committee Director general of the Division des Systems C41 de Défense et Sécurité Member of the Executive Committee: Thales <u>Current offices and functions in other companies:</u> *France:* Chairman and CEO, Thales Communications & Security Chairman: Thales Services President of the Board : Telecom Paris Tech (Ecole Nationale de Télécommunications) Member of the Board: Vinci, Agence Nationale des Fréquences, DCNS, Institut Télécom. Member of the Supervisory Board of Directors of Thales Alenia Space. Member of the Board, Groupe des Industries Françaises Aéronautiques Spatiales (GIFAS) *Abroad:* n.a. <u>Offices or functions in the past five years no longer held</u> Chairman and CEO: Thales Alenia Space (TAS) Chairman and CEO: Alcatel Alenia Space Chairman, Eurospace, European Space Industry Association Member of the Board: Association européenne des Industries aéronautiques spatiales et de défense (ASD)

* *Independent Director.*
(a) See paragraph below.

The average age of incumbent directors is 60. Each director must own at least one registered share[9]. However, administrative regulations forbid the directors appointed by the French State from owning shares in their capacity as government representatives, (“a”above).

To Renault’s knowledge, none of its directors or senior executives has been convicted of fraud in the past five years. None of the directors has been involved as an executive in bankruptcy, receivership or liquidation proceedings in the past five years and none has been charged or punished by a statutory or regulatory

[9] Share of Renault’s capital held by directors: 0.07%.

authority. None of the directors has been barred by a court from serving as a member of the Board of Directors, Management Board or Supervisory Board of a securities issuer or from serving as a manager or officer of an issuer in the past five years.

To Renault's knowledge, there are no conflicts of interest between the directors' private interests and their duties to the Company.

The directors are not related by family ties.

Corporate officers are not bound to Renault or any of its subsidiaries by service agreements that provide for benefits at expiration.

Expiration of terms of office

Current term expires	**Director not renewed as of 23 May 2012**
2012	Mr. Audvard
	Mr. Biau
	Mr. Champigneux
2013	Mrs de La Garanderie
	Mr Isayama
	Mr Belda
	Mr Ostertag
2014	Mr Ghosn
	Mr Ladreit de Lacharrière
	Mr Delpit
	Mr Riboud
	Mr Saïkawa
	Mrs Sourisse
2015	Mr. Kohler
	Mr. Lagayette
2016	Mr. de Croisset
	Mr. Desmarest
	Mr. Garnier
	Mr. Rousseau

(2) GROUP EXECUTIVE COMMITTEE AND MANAGEMENT COMMITTEE AT MARCH 1, 2012

MANAGEMENT BODIES AT MARCH 1, 2012

STRENGTHENING OPERATIONAL MANAGEMENT

At the proposal of the Appointments and Governance Committee, Carlos Ghosn, Renault's Chairman and Chief Executive Officer, appointed Carlos Tavares as Renault's Chief Operating Officer on May 30, 2011. Mr Tavares took up his responsibilities in full on July 1, 2011.

Carlos Tavares will continue to develop the Group in line with the Renault 2016 – Drive the Change plan, with the emphasis on permanently improving competitiveness and developing the Group's French sites.

Carlos Ghosn has direct responsibility for strategic decisions, together with oversight of financial and legal matters, public affairs, human resources, audit, risk and organizational issues.
Renault's senior management bodies consist of two committees:
- the Group Executive Committee;
- the Renault Management Committee.

GROUP EXECUTIVE COMMITTEE

The Group Executive Committee has ten members:
- the Chairman and CEO;
- the Chief Operating Officer;
- the Executive Vice-President, Office of the CEO;
- the Executive Vice-President, Engineering and Quality;
- the Executive Vice-President, Human Resources;
- the Executive Vice-President, Sales and Marketing, and light commercial vehicles;
- the Executive Vice-President, Plan, Product Planning and Programs;
- the Executive Vice-President, Manufacturing and Supply Chain;
- the Executive Vice-President, Chief Financial Officer;
- the Executive Vice-President, Chairman of the Asia-Africa Region.

The Renault Executive Committee meets once a month and at seminars held twice a year.

RENAULT MANAGEMENT COMMITTEE

The Renault Management Committee comprises 24 members and includes the members of the Group Executive Committee.
The Chief Operating Officer, the Executive Vice-President, Office of the CEO, the Executive Vice-President, Finance, the Executive Vice-President, Human Resources, the Senior Vice-President, Alliance managing director of Global Logistics and the President of Renault Sport report directly to the Chairman and Chief Executive Officer.

The other members of the Renault Management Committee, including Group Executive Committee members, report to the Chief Operating Officer.
The Renault Management Committee meets once a month and at seminars held twice a year.

ORGANIZATION CHART AT MARCH 1, 2012

- ■ **Carlos Ghosn:** Chairman and CEO
  - ■ **Marie-Françoise Damesin:** EVP, Human Resources
  - **Christian Mardrus:** SVP, Alliance CEO Office
  - ■ **Mouna Sepehri:** EVP, CEO Office
  - ■ **Carlos Tavares:** Chief Operating Officer
    - **Bruno Ancellin:** SVP, Managing Director Renault Russia; ♦ Chairman of Eurasia Region
    - **Denis Barbier:** SVP, ♦ Chairman of Americas Region
    - ■ **Odile Desforges**(1): EVP, Engineering and Quality
      - **Christian Deleplace:** Expert Fellow
      - **Nadine Leclair:** SVP, Vehicle Engineering
      - **Jacques Prost:** SVP, Powertrain Engineering
      - **J. Pierre Vallaude:** SVP, Quality
    - ■ **Philippe Klein:** EVP, Corporate Planning, Product Planning and Programs
    - **J. Christophe Kugler:** SVP, ♦ Chairman of Euromed Region
      - **Michel Faivre-Duboz:** General Manager of Renault in Morocco
    - ■ **Gérard Leclercq:** EVP, Manufacturing and Supply Chain
    - ■ **Katsumi Nakamura**(2): EVP, ♦ Chairman of Asia-Africa Region
    - **Stephen Norman:** SVP, Global Marketing and Communications
    - ■ **Jérôme Stoll:** EVP, Sales, Marketing and LCV, ♦ Chairman of Europe Region
      - **Bernard Cambier:** SVP, Market Area France
      - **Jacques Daniel:** SVP, Parts and Accessories
    - **Laurens Van Den Acker:** SVP, Corporate Design
    - **Christian Vandenhende:** SVP, Purchasing Renault, Alliance Global Purchasing, and CEO RNPO
  - ■ **Dominique Thormann:** EVP, Chief Financial Officer; CEO RCI Banque

■ Member of the Group Executive Committee (CEG)

♦ Chairman of Region

(1) As of July 1, 2012, Odile Desforges will be replaced by Jean-Michel Billig, who will be member of the Group Executive Committee.

(2) As of April 1, 2012, Gilles Normand was replaced Katsumi Nakamura and is member of the Renault Management Commitee.
Katsumi Nakamura is appointed EVP, Head of China Business Operations and member of the Renault Management Committee.
As of the same date, Africa is part of Euromed Region.

(3) REMUNERATION OF DIRECTORS AND OFFICERS AT JANUARY 1, 2012

DIRECTORS' FEES

The Annual General Meeting may allocate directors' fees, the amount of which remains fixed until otherwise decided.

AMOUNT

The Mixed General Meeting on April 29, 2011 voted an annual amount of €1,200,000[10] to be apportioned among the directors for the current year and subsequent years, until further notice. The Board is responsible for allotting these fees.

METHOD OF ALLOTMENT

The Board of Directors meeting of April 29, 2011, apportioned the directors' fees for FY 2011 according to the following criteria:

- a fixed portion, linked to the responsibilities arising from Board membership, of up to €24,000 (the sum is calculated on a time-apportioned basis);
- a variable portion, linked to directors' actual attendance, of up to €24,000 (the sum is calculated on a time-apportioned basis).

Two additional payments may also be made:

- one payment, of up to €7,500 per committee, for sitting on one of the Board's committees (calculated on a time-apportioned basis);
- one payment, of up to €7,500, for chairing a committee (calculated on a time-apportioned basis).

Total fees allocated to directors in 2011 amounted to €1,173,136 (€599,311 in 2010).

This allocation fell outside the limits of the average intermediate level of €47,000 per director approved by the directors for FY 2011. As a result, reimbursements will be made in 2012.

However, the above allocation will become applicable once more, as initially agreed, from 2012.

Fees allotted to directors for the year depending on attendance at Board and committee meetings

	ATTENDANCE RATE, BOARD AND COMMITTEE MEETINGS IN 2011						TOTAL FEES RECEIVED *(in €)* [(1)]	
DIRECTORS	**BOARD**	**RISK AND ETHICS AUDIT COMMITTEE**	**REMUNERATION COMMITTEE**	**APPOINTMENTS AND GOVERNANCE COMMITTEE**	**INTERNATIONAL STRATEGY COMMITTEE**	**INDUSTRIAL STRATEGY COMMITTEE**	**2011**	**2010**
Mr Ghosn	100%			100%			48,000	28,000
Mr Audvard	100%				100%	100%	65,700	32,821
Mr Belda	81.8%		25% [(5)]	100%	100%		68,746	28,521
Mr Biau	100%				100%		58,200	29,800
Mr Champigneux	100%	100%					58,200	29,800
Mr de Croisset	81.8%	100%				100%	58,636	34,454
Mr Delpit	81.8%				100%		51,136	18,251
Mr Desmarest	100%		100%		100%	100%	78,000	39,228
Mr Garnier	100%		100%		100%	100%	80,700	34,195
Mr Isayama [(6)]	90.9%						45,818	26,833
Mr Kohler [(3)]	100%	100%				100%	65,700	29,677
Mr Ladreit de Lacharrière	90.9%		100%	100%			71,018	37,633
Mrs de La Garanderie	100%	100%		100%			65,700	34,300
Mr Lagayette	100%	100%		100%			70,500	41,500
Mr Ostertag [(4)]	27.2%				50% [(5)]	50% [(5)]	32,082	---
Mr Riboud	72.7%		75% [(5)]				46,345	25,333
Mr Rousseau [(3)]	90.9%				100%	100%	63,518	25,366
Mr Saikawa	90.9%				100%		53,318	31,021
Mr Sailly [(4)]	72.7%				50%[(5)]	50%[(5)]	33,618	32,821

10 The amount of €1,200,000 is consistent with the median of directors' fees paid by other CAC 40 companies.

Mrs Sourisse	100%	100%	58,200	15,551

(1) *Fees allocated on the basis of Board membership, attendance of Board meetings, membership and/or chairmanship of one of the Board's committees.These figures do not take into account of the reimbursement mentioned in "METHOD OF ALLOTMENT" in this section.*
(2) *Fees allocated to overseas directors correspond to the gross amount paid by Renault.*
(3) *These directors represent the French State.*
(4) *Directors whose appointment to the Board began or ended during the year.*
(5) *Director whose appointment to a committee began or ended during the year.*
(6) *Director who does not sit on any committee.*

In view of their conditions of office, some directors, particularly those representing the French State, waive their fees and pay them over to either the tax authorities or the trade union they represent.

REMUNERATION OF SENIOR EXECUTIVES AND CORPORATE OFFICERS

Procedure for determining remuneration

Fixed and variable remuneration

Members of the Renault Management Committee receive a consideration comprising a fixed and a variable portion.

For 2011, the variable portion was based on achieving the joint criterion of positive free cash flow, and other individual criteria linked to the performance of the sector of responsibility. At its meeting on February 15, 2012, the Board of Directors noted that the main objective concerning free cash flow had been reached. It was therefore decided that the members of the Renault Management Committee were eligible for variable remuneration based on that criterion. Concerning the Chairman and CEO, the procedure for determining the variable proportion of remuneration in 2011 includes other criteria detailed in "REMUNERATION OF THE EXECUTIVE DIRECTOR – Procedure for determining remuneration" below.

Supplementary pension scheme

Further to the meetings of the Board of Directors on October 28, 2004 and October 31, 2006, the members of the Group Executive Committee benefit from the supplementary pension scheme. This comprises:

- a defined contribution scheme equivalent to 8% (5% paid by the Company and 3% by the beneficiary) of annual remuneration, between eight and sixteen times the upper earnings limit for social security contributions;

- a defined benefit scheme capped at 30% of remuneration, subject to length of service and on condition that the beneficiary serves out the rest of his or her career with the Group.

The remuneration taken as the basis for calculating defined benefit schemes is equivalent to the average of the three highest remunerations earned over the 10 years prior to retirement. In all cases, this base remuneration may not exceed 65 times the social security contributions annual earnings limit.

The combined total of these schemes – basic, complementary and additional – is capped at 50% of remuneration.

Currently, total retirement benefits, including supplementary benefits, to which senior executives, including the Chairman and CEO are entitled, are estimated at between 30% and 45% of their final remuneration, owing to differences in seniority at Renault and on the Group Executive Committee.

Remuneration of Renault Management Committee Members in 2011[11]

In 2011, the total remuneration paid to the 23 members of the Renault Management Committee in office at December 31, 2011, amounted to €12,202,263, including a fixed portion of €8,089,011 (of which €6,568,284

[11] The fixed portion concerns 2011. The variable portion concerns 2010 and was paid in 2011.

for the ten members of the Group Executive Committee including a fixed portion of €4,678,103), compared with total remuneration of €10,618,213 paid to the Renault Management Committee, of which €4,899,747 for the members of the Group Executive Committee in 2010.

Renault Management Committee members do not receive directors' fees from Group companies in which they hold senior office.

REMUNERATION OF THE EXECUTIVE DIRECTOR

In accordance with the December 2008 version of the Afep/Medef recommendations and with the position of the French securities regulator, Autorité des marchés financiers, the executive director does not also hold an employment contract with Renault.

Procedure for determining remuneration

Fixed and variable remuneration

The remuneration of the Chairman and CEO comprises a fixed portion and a variable portion.

Note that the Chairman and CEO is not remunerated for his function as Chairman of the Board of Directors.

In early 2011, the Board of Directors established the fixed portion of the Chairman and CEO for 2011 at €1,230,000. It also set out the procedures for determining the variable portion for 2011 to be paid in 2012. It was decided that this portion would total between 0 and 150% of the fixed portion, based on the following criteria:

- ROE – Return On Equity;
- the difference between the actual operating margin and the budget provision;
- the free cash flow threshold set by the Board of Directors.

A further criterion linked to strategy and management was added. It is based in the following criteria: Plan quality, Alliance synergies, Daimler, the industrial Plan, electric vehicles and R&D strategy (to a maximum 60% of the variable portion).

At its meeting on February 15, 2012, acting on the recommendation of the Remuneration Committee, the Board of Directors set this portion at 130% of the fixed portion out of 150% for 2011.

Supplementary pension scheme

The Chairman and CEO also benefits from the supplementary pension scheme set up for members of the Group Executive Committee (see "REMUNERATION OF SENIOR EXECUTIVES AND CORPORATE OFFICERS-Procedure for determining remuneration" above). The policy of the Board of Directors is to treat the senior executive director, whom it appoints, as a corporate officer for the purposes of ancillary remuneration, particularly retirement benefits.

Remuneration of the senior executive director

The tables below are based on the recommendations of the Afep/Medef and the French securities regulator.

TABLE 1
Summary table of remunerations, stock-options and shares allocated to each executive director

	2010	2011
CARLOS GHOSN – Chairman and CEO		
Remuneration owing in respect of the year *(details in table 2)*	1,242,655*	2,890,104
Value of options granted during the year *(details in table 4)*	0	1,489,000**
Value of performance shares granted during the year *(details in table 6)*	0	0

TOTAL	1,242,655	4,379,104

* *At the meeting of the Board of Directors on March 14, 2011, Mr Ghosn waived his variable remuneration for 2010, i.e. €1,658,880.*
** *The valuation method adopted in the consolidated accounts follows a suitable binomial mathematical model, with exercise of the options anticipated and spread over the exercise period on a straight-line basis. The value of the options in this column corresponds to the total expenses that will be accounted for over the four-year period of exercise. See note 20-G of the notes to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement.*

Table 2
Summary table of the remunerations received by each executive director

a) The total remuneration of the Chairman and CEO paid by Renault SA and the companies it controls was as follows (in €):

CARLOS GHOSN	AMOUNTS 2010 OWING FOR THE YEAR	AMOUNTS 2010 PAID DURING THE YEAR	AMOUNTS 2011 OWING FOR THE YEAR	AMOUNTS 2011 PAID DURING THE YEAR
Fixed remuneration	1,200,000	1,200,000	1,230,000	1,230,000
Variable remuneration (1)	0*	0	1,599,000	0*
Exceptional remuneration	0	0	0	0
Directors' fees	28,000	28,000	48,000	28,000
In-kind benefits	14,655	14,655	13,104	13,104
TOTAL	**1,242,655**	**1,242,655**	**2,890,104**	**1,271,104**

(1) Paid the following year.
* *At the meeting of the Board of Directors on March 14, 2011, Mr Ghosn waived his variable remuneration for 2010, i.e. €1,658,880.*

b) Remuneration of the President and CEO of Nissan Motors Co., Ltd.
In compliance with the information published by Nissan on June 30, 2010 and June 30, 2011 in its annual financial report, *Yukashoken-Houkokusho*, for the 2009 financial year (from April 1, 2009 to March 31, 2010) and the 2010 financial year (from April 1, 2010 to March 31, 2011), the total remuneration received by Mr Ghosn in his capacity as President and CEO of Nissan Motors Co., Ltd. was ¥891 million for 2009, and for 2010 (in ¥ millions):

FINANCIAL YEAR (FROM APRIL 1, 2010 TO MARCH 31, 2011)	REMUNERATION	STOCK-OPTIONS	TOTAL
2010	982*	0	982*

* *Figures published by Nissan in compliance with JGAAP accounting standards.*

For information, the exchange rate at June 30, 2011 was ¥116.4 for €1.
This information is directly accessible, with all updates, on the Renault website at the address:
http://www.renault.com/fr/finance/gouvernance/pages/dirigeants.aspx

Table 3
Table of directors' fees and other remuneration received by non-executive corporate officers
For the total directors' fees allocated for 2011, see the table in "METHOD OF ALLOTMENT" above.

Table 4
Options granted during the year to the senior executive director

	PLAN NO. AND DATE	TYPE OF OPTIONS	VALUE OF OPTIONS BASED ON THE METHODS ADOPTED FOR THE CONSOLIDATED ACCOUNTS(*)	NBR OF OPTIONS GRANTED DURING THE YEAR	STRIKE PRICE	GRANT PERIOD
CARLOS GHOSN	No. 18 04/29/2011	PURCHASE	931,000	100,000	€38.80	From 04/30/2015

						to 04/28/2019
CARLOS GHOSN	No. 19 12/08/2011	PURCHASE	558,000	100,000	€26.87	From 12/09/2015 to 12/07/2019

(*) The valuation method adopted in the consolidated accounts follows a suitable binomial mathematical model, with exercise of the options anticipated and spread over the exercise period on a straight-line basis. The value of the options in this column corresponds to the total expenses that will be accounted for over the four-year period of exercise. See note 20-G of the notes to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement.

Table 5
Options exercised by each executive director during the year

	PLAN NO. AND DATE	NBR OF OPTIONS EXERCISED DURING THE YEAR	STRIKE PRICE	GRANT YEAR
CARLOS GHOSN	-	None	-	-

Table 6
Performance shares allocated during the year to each executive director

	PLAN NO. AND DATE	NUMBER OF SHARES	VALUE OF SHARES (BASED ON THE METHOD ADOPTED FOR THE CONSOLIDATED ACCOUNTS)	DATE OF ACQUISITION	DATE OF AVAILABILITY	TERMS OF PERFORMANCE
CARLOS GHOSN	-	None	-	-	-	-

Table 7
Performance shares available to each executive director during the year

	PLAN NO. AND DATE	NBR OF SHARES BECOMING AVAILABLE DURING THE YEAR	TERMS OF ACQUISITION
CARLOS GHOSN	-	None	-

Table 8
Stock-option and performance share allocations

Plans 10, 11, 12 and 14 give the right to subscribe for new issues, while Plans 17, 18 and 19 give the right to buy existing shares. Plans 17 b, 18 b and 19 b cover allocations of free shares to which corporate officers are not entitled.

The total volume of plans underway at December 31, 2011 is equivalent to 3.78% of the number of shares making up the share capital.

Stock-option plans

DATE OF GRANT/BOARD MEETING		TOTAL NBR OF SHARES THAT MAY BE GRANTED OR ACQUIRED	O/W FOR EXEC. DIRECTOR CARLOS GHOSN	OPTION START DATE	EXPIRY DATE	SUBSCRIPTION /PURCHASE PRICE (1)	NBR OF SHARES SUBSCRIBED AT 12/31/2011	NBR OF CANCELLED OR LAPSED OPTIONS AT 12/31/2011	OPTIONS OUTSTANDING AT 12/31/2011
AGM authorization granted on June 11, 1998									
Plan 7	12/18/2001	1,861,600		12/19/2006	12/17/2011	48.97	868,404	993,196	0
Plan 8	09/05/2002	2,009,000	25,000	09/06/2007	09/04/2012	49.21	443,987	80,346	1,484,667
AGM authorization granted on April 29, 2003									
Plan 9	09/08/2003	1,922,000	25,000	09/09/2007	09/07/2011	53.36	285,453	1,636,547	0
Plan 10	09/14/2004	2,145,650	200,000	09/15/2008	09/13/2012	66.03	16,000	116,800	2,012,850
Plan 11	09/13/2005	1,631,093	200,000	09/14/2009	09/12/2013	72.98	3,000	150,193	1,477,900
AGM authorization granted on May 4, 2006									
Plan 12	05/04/2006	1,674,700	100,000	05/05/2010	05/03/2014	87.98	3,000	354,866	1,316,834
Plan 14	12/05/2006	1,843,300	200,000	12/06/2010	12/04/2014	93.86	0	286,394	1,556,906
AGM authorization granted on April 29, 2011									
Plan 17(*)	04/29/2011	176,000	0	04/30/2015	04/28/2019	38.80	0	0	176,000
Plan 18	04/29/2011	490,000	100,000	04/30/2015	04/28/2019	38.80	0	0	490,000
Plan 19(**)	12/08/2011	300,000	100,000	12/09/2015	12/07/2019	26.87	0	0	300,000

(1) The subscription/purchase price is equal to the average share price quoted during the twenty trading days prior to the Board of Directors meeting.
(*) The Board of Directors meeting of February 15, 2012 noted that the 2011 target for operating margin was not reached. As a result, all the stock options corresponding to Plan 17 have been cancelled.
(**)For this 2011 plan, the grantees were informed in early 2012, except the Chairman and CEO who was granted 100,000 purchase options on December 8, 2011.

Performance share plans

DATE OF GRANT/BOARD MEETING		TOTAL NBR OF SHARES GRANTED	O/W FOR EXEC. DIRECTOR CARLOS GHOSN	FINAL ACQUISITION DATE	HOLDING PERIOD ENDS	SHARES CANCELLED AT 12/31/2011	SHARES OUTSTANDING AT 12/31/2011
Plan 17 b Shares(*) (**)	04/29/2011	544,300	0	04/30/2013	04/30/2015	800	543,500
Plan 18 b Shares(*)	04/29/2011	1,233,400	0	04/30/2014	04/30/2016	2,800	1,230,600
Plan 19 b Shares(*) (***)	12/08/2011	609,900	0	12/09/2013	12/09/2015	0	609,900

(*) Acquisition and holding periods are different for grantees from subsidiaries outside France, in order to take account of local fiscal constraints.

(**) The Board of Directors meeting of February 15, 2012 noted that the 2011 target for operating margin was not reached. As a result, all the shares corresponding to Plan 17b have been cancelled.

(***) For this 2011 plan, the grantees were informed in early 2012.

Table 9

Information on the ten employees other than corporate officers

STOCK-OPTIONS GRANTED TO AND EXERCISED BY THE TEN EMPLOYEES, OTHER THAN CORPORATE OFFICERS, RECEIVING THE HIGHEST NUMBER OF OPTIONS	TOTAL OPTIONS GRANTED / SHARES ACQUIRED	EXERCICE PRICE	PLAN 17(*)	PLAN 18	PLAN 19
Options granted during the year by the issuer, or any option-granting company to the ten employees of this issuer or any company within this scope, receiving the highest number of options (aggregate information)	474,000	Plan 17 & 18 = €38.80 Plan 19 = €26.87	110,000	240,000	124,000
Options on the shares of the issuer or the aforementioned companies exercised during the year by the ten persons of the issuer and these companies, acquiring or subscribing the largest number of options (aggregate information)	none				

(*) The Board of Directors meeting of February 15, 2012 noted that the 2011 target for operating margin was not reached. As a result, all the stock options corresponding to Plan 17 have been cancelled.

PERFORMANCE SHARES GRANTED TO THE TEN EMPLOYEES OTHER THAN CORPORATE OFFICERS AND SHARES DEFINITIVELY ACQUIRED BY THESE EMPLOYEES	TOTAL SHARES GRANTED	PLAN 17B(*)	PLAN 18B	PLAN 19B
Shares granted during the year by the issuer, or any option-granting company to the ten employees of this issuer or any company within this scope, receiving the highest number of shares (aggregate information)	228,000	50,000	110,000	68,000
Shares held on the issuer or the aforementioned companies, and acquired during the year, by the ten persons of the issuer and these companies, acquiring the largest number of shares (aggregate information)	None			

(*) The Board of Directors meeting of February 15, 2012 noted that the 2011 target for operating margin was not reached. As a result, all the shares corresponding to Plan 17b have been cancelled.

Table 10
Benefits to executive director

EXECUTIVE CORPORATE OFFICERS	EMPLOYMENT CONTRACT	SUPPLEMENTARY PENSION SCHEME*	COMPENSATION OR BENEFITS OWED OR LIKELY TO BE OWED ON TERMINATION OR CHANGE OF FUNCTIONS	BENEFITS RELATING TO NON-COMPETITION CLAUSE
CARLOS GHOSN Chairman and CEO	No	Yes	No	No

* *See V-4-(3) "REMUNERATION OF SENIOR EXECUTIVES AND CORPORATE OFFICERS-Procedure for determining remuneration" above.*

STOCK OPTIONS AND PERFORMANCE SHARES

LEGAL FRAMEWORK

In its eleventh and twelfth resolutions, the Mixed General Meeting of April 29, 2011 authorized the Board of Directors to make one or more grants of stock-options to employees of the Company and its related companies, in conformity with Articles L. 225-177 and L. 225-197-1 of the Commercial Code. These options give holders the right to subscribe for new shares of the Company, issued in connection with a capital increase, or to buy shares of the Company lawfully repurchased by it. The meeting also authorized the Board to make free grants of "performance shares" (existing shares or shares to be issued in the future).

If these options are exercised, the number of shares thus purchased or subscribed shall not exceed 0.48% of the share capital at the date of the meeting.

The total number of performance shares granted shall not exceed 1.04% of the share capital at the date of the meeting.

The meeting made the allocation and/or exercise of stock-options and the allocation of performance shares conditional upon attaining performance levels determined during the budgeting process as regards the annual plans and in the context of the "Renault 2016 – Drive the change" Plan as regards the 2011-2013 period.

The meeting also specified that:

- the executive director would not receive any performance shares;
- salaried senior executives would receive a combination of stock-options and performance shares;
- employees who made a particular contribution to attaining the targets would receive only performance shares.

GENERAL POLICY ON OPTION / SHARE GRANTS UNDER PLANS

REMUNERATION COMMITTEE

The Board of Directors approves the grant plan on the basis of the report of the Remuneration Committee. The committee examines proposals from the Chairman to grant options or shares to certain Group employees, in compliance with the general arrangements set by the Annual General Meeting. The Chairman and CEO does not take part in the committee's proceedings when the matter under review concerns him personally.

AIMS OF THE STOCK-OPTION PLANS

The main aim of the plan is to involve Renault executives worldwide, particularly the members of management bodies, in building the value of the Group – and hence Renault's share price – by allowing them to have an ownership interest in the Company.

The plan also makes it possible to single out those executives who, by their actions, make an especially positive contribution to the Group's results.

In addition, the plan helps to secure the loyalty of those executives for whom the Group has long-term ambitions, in particular "high-flyers", i.e. young executives with strong potential. Granting stock-options and performance shares helps to increase the commitment of these staff members and motivate them to work for the Company's advancement and growth.

The plan reinforces the role of the Group's responsibility centers in Europe and the rest of the world. In Automotive, it applies in particular to sales subsidiaries, vehicle and powertrain engineering teams, managers of body assembly and powertrain plants, industrial subsidiaries and all the heads of vehicle and sub-system programmes and projects. The plan also applies to Sales Financing, and to the heads of the Group's major support functions.

GRANT POLICY

Grants of options and shares vary according to the grantee's level of responsibility and contribution to the Company, an appraisal of their performance and results, and, for younger staff members, an assessment of their development potential.

Performance criteria for all members of staff were introduced in 2006.

Whatever the circumstances, if the targets are not achieved, none of the allotted options or shares can be exercised/acquired at the end of the qualified holding or vesting period.

Senior executives and managing executives

The senior executives are the Chairman and CEO and the 23 members of the Renault Management Committee, including the 10 members of the Group Executive Committee at December 31, 2011.

In 2011, members of the Renault Management Committee received a combination of options and performance shares. The Chairman and CEO received options only.

In principle, the other managing executives, who received only shares in 2011, are granted a variable number of options each year, based on the same criteria as those applicable to senior executives, namely levels of responsibility, performance and results. The quantity of shares granted can vary, depending on individual appraisals. Some managing executives may receive none.

Other executives benefiting from the plan

The plan's other beneficiaries are generally senior managers and high-flyers with strong professional or managerial potential aged 45 and under. Grants are generally made every one to three years or more. An array of complementary systems is used to assess and select grantees (annual performance and development review, Careers Committees, personal monitoring for high-flyers, performance-related variable remuneration). Taken together, these systems form a comprehensive observation platform used to single out the most deserving executives.

Annual performance and development reviews

Annual performance and development reviews are used to make a precise, written review of past performance and to define written goals for the coming year. All managerial staff without exception (i.e. including senior executives and managing executives) undertake a performance appraisal with their immediate superior and, where appropriate, their staff manager and project manager. The results of the session are reviewed and graded by the next level of management. The annual performance and development review provides the opportunity to precisely measure the interviewee's past inputs and the importance of his or her future missions. It is also used to closely analyze each individual's managerial capacity and the progress to be made vis-à-vis benchmarks set by senior management.

Careers Committees

The purpose of Careers Committees is to review all positions of responsibility within the company and to assess the contributions of the incumbents. They also seek to forecast possible changes in the job profile of individual staff members and the persons designated to replace them, either under normal circumstances or immediately should the need arise. The Careers Committees meet monthly in all the Group's major divisions and departments throughout the world. This system makes it possible to permanently update collective assessments of individual staff members and it enables directors to submit the names of possible option grantees to the Chairman with full knowledge of the facts. A General Careers Committee, chaired by the Chairman and composed of the members of the Group Executive Committee and operational directors, examines nominations for 200 key positions and is responsible for manpower planning for these jobs.

High-flyers

Particular attention is paid to the action and development of young high-flyers. Each year, the Careers Committees meticulously update the P List, comprising young high-flyers with strong professional or managerial potential likely to become senior managers, and the P1 List, composed of executives destined to become managing executives or senior executives. Additions to the P1 List are decided by the General Careers Committee.

Group Human Resources Department

The Group Executive Vice-President, Human Resources oversees the smooth running of the annual performance and development reviews. He or she supervises and makes use of the reviews, prepares and coordinates the meetings of the General Careers Committee, and proposes and keeps the high-flyer lists. He or she also prepares, standardizes and submits requests regarding options and share plans, so that the Chairman can make proposals to the Board's Remuneration Committee. He or she is assisted by the head of executive development and by regional and functional human resources directors whose role, within each Group department, is to oversee the process set up to identify, develop and continuously monitor all the high-flyers/talented employees within their scope of activity. These human resources directors are coordinated centrally on a regular basis. Managers can thus ensure that the Human Resources policy is properly implemented, that the above-mentioned processes are followed and that individual careers are optimally managed, particularly in terms of mobility and training. The head of executive development and regional and functional human resources directors play an important role in summing up the assessments and judgments made by managers. As a result, they are better placed to provide informed advice and to light up the field for senior management when selecting plans' grantees.

ADDITIONAL INFORMATION

Loss of entitlement is governed by regulatory provisions, i.e. total loss in the event of resignation, and individual decision in the event of dismissal, by the Chairman and CEO who informs the Remuneration Committee.

No Group subsidiary operates a stock-option plan for its own shares.

5. STATE OF CORPORATE GOVERNANCE, ETC.

(1) State of Corporate Governance

<u>THE BOARD OF DIRECTORS IN 2011</u>

The Board of Directors met 11 times in 2011. Four exceptional meetings in the early part of the year were devoted to the handling of the attempted intelligence fraud.

Meetings lasted an average of two hours, except for the meeting devoted to strategy, which took a whole day. The attendance rate was 94%. (more details by director in V-4-(3) “METHOD OF ALLOTMENT” above).

The Board gave its opinion on all business placed on its agenda pursuant to the legal and regulatory requirements in force in France.

The workload of the directors and the efforts required of them in early 2011, a period that was both delicate and decisive for Renault, reflect the commitment of all 19 of them to serving the Company.

On the main matters, the Board took the action described below:

ACCOUNTS AND BUDGET

The Board:

- approved the Group’s consolidated financial statements and the individual financial statements of Renault and Renault s.a.s. for 2010 and approved the consolidated financial statements for first-half 2011; it set the appropriation of 2010 income to be proposed to the AGM, which included a dividend payout;

- adopted the 2012 budget;

- voted additional performance-related bonuses in respect of FY 2010;

- approved a conditional plan to grant stock-options and bonus shares in respect of 2011 and 2012 and also for 2013 under the Renault 2016–Drive the Change Plan.

CORPORATE GOVERNANCE

After the events that occurred at the beginning of the year, the Board approved, on the recommendation of the Accounts and Audit Committee, the reform of the ethics and risk management system presented by the Chairman and CEO (see “MANAGEMENT OF OPERATIONS AND INTERNAL CONTROL” below).

In addition, the Board:

- conducted a simplified self-assessment of its operating methods and decided on the definition of independent director;

- took official note of the appointment of a new Chief Operating Officer, Carlos Tavares;

- adopted new arrangements for distributing directors’ fees, on the recommendation of the Appointments and Governance Committee and having regard to the allocation voted by the AGM on April 29, 2011;

- adopted the Chairman’s report pursuant to Article L. 225-37 of the Commercial Code;

- analyzed and approved answers to shareholders’ questions ahead of the AGM.

Group strategy

The Board:

- approved the Renault 2016–Drive the Change Plan presented by senior management;

- was informed of the strategy adopted to cope with the problems cause by the tsunami;

- heard the conclusions of the Chairman of the International Strategy Committee concerning Renault's strategy in Russia and South Korea, and discussed strategic guidelines for products ranges and brands at the full-day strategy meeting;

- was informed of Renault's strategy in the Asia-Africa Region;

- was informed of plans for the expansion of Renault's manufacturing capacity and for Nissan to set up operations in Brazil.

The Board also took decisions on issues that are strategic for Renault and will be presented in greater detail during 2012.

REGULATED AGREEMENTS

No regulated agreements were submitted to the Board for authorization in 2011.

AUDIT OF THE BOARD OF DIRECTORS

In accordance with common practices and the recommendations of the Afep/Medef report, the Board carried out a self-assessment concerning its composition, its organization and its working, based on a questionnaire. The assessment was carried out by the Appointments and Governance Committee, chaired by Mr Ladreit de Lacharrière. It was based on individual interviews carried out by Mr Ghosn, Mr Lagayette and Mr Ladreit de Lacharrière himself.

Broadly speaking, the members of the Board expressed satisfaction with the organization, working and composition of the Board and Committees.

The members of the Board highlighted the relations of trust that exist between the Board and senior executives.

The day dedicated to Renault's strategy and long-term development was greatly appreciated, as was the visit to Design and the electric vehicle tests in September 2011. This initiative placed the directors at the heart of corporate strategy.

The addition of a strategic question by members of the Board to the agenda of each Board meeting in 2012, paves the way for real dialogue as well as aligning the Board's schedule with corporate strategy more effectively.

Specifically regarding the increase in the number of women on the Board of Directors, the directors are keen for Renault to be exemplary in applying the law in this area. In particular, they would like to see a woman in each category of directorship.

For better governance, some directors would like subjects that are of direct concern for the Chairman and CEO to be discussed out of his presence (e.g.: remuneration). In addition, Board members do not believe that all the members of the Executive Committee should be present at each Board meeting.

Proposals were also made for merging the International Strategy and Industrial Strategy Committees.

Concerning the case of attempted fraud, the work carried out by the Board and by the company was deemed to be satisfactory. It provided the basis, through work carried out jointly with the Accounts and Audit Committee to implement organizational reforms.

The points on which the Board expressed open positions or requested improvements are as follows:

- provide documents intended for Board members;
- provide the Board with more information on the risks facing Renault, e.g. once a year;
- ensure better representation of the company's Design and Marketing functions.

The practice of informal lunches after Board meetings, during which directors can talk to members of the Management Committee, will be continued.

ASSESSMENT OF DIRECTOR INDEPENDENCE

AFEP/MEDEF RECOMMENDATIONS:

At its meeting of February 15, 2012, the Board of Directors restated its attachment to the most thorough definition of corporate governance available in France, namely the Afep/Medef report. According to the report, an independent director is one who, notably, "has no relations of any kind with the company, the Group or its managers likely to compromise his independence of judgment".

In the light of the independence criteria set out by the Afep/Medef Code, the Board of Directors drafted the following list of independent directors: Mmes de La Garanderie and Sourisse, Messrs de Croisset, Belda, Delpit, Desmarest, Garnier, Ladreit de Lacharrière, Lagayette and Riboud (see table on the composition of the Board in V-4-(1) "BOARD OF DIRECTORS" above).

The following are considered as non-independent, in line with the definition above: representatives of the state, directors elected by employees, the director elected by employee shareholders, the Chairman and Chief Executive Officer, and the two directors appointed by Nissan, a company linked to Renault.

The Board stressed, however, that the directors elected by the employees and employee shareholders, in particular, are not dependent on the company's senior management as far as their presence on the Board is concerned. This is illustrated by the special contribution they make to the Board's proceedings.

SPECIALIZED COMMITTEES OF THE BOARD OF DIRECTORS

Five specialized committees have been set up to permit in-depth examination of specific topics relating to the Board of Directors' role. The chairs of each committee bring the committee's opinions to the attention of the Board.

The roles of these committees are described in the internal regulations.

AUDIT, RISK AND ETHICS COMMITTEE

Based on the findings of reports by the Accounts and Audit Committee and the consultancy BearingPoint, in relation to the attempted intelligence fraud, the Board of Directors approved in April 2011 a proposal to change the Accounts and Audit Committee into the Audit, Risk and Ethics Committee (CARE). The new committee's remit was extended to include enforcement of ethics-related rules.

CARE has six members: Mr Lagayette in the chair, Mr Champigneux, Mr Charles de Croisset, Mrs de La Garanderie, Mr Kohler and Mrs Sourisse. Four of the six are independent directors.

The committee held eight meetings in 2011, five of them to identify the shortcomings in governance and organization connected with the attempted intelligence fraud, and to propose corrective action. The attendance rate was 100% (details in V-4-(3) "METHOD OF ALLOTMENT" above).

In compliance with French legal and regulatory requirements, CARE dealt with the following matters in particular:

- the pre-announcement of the 2010 financial results;
- the Group's consolidated financial statements and Renault's individual financial statements for 2010 and first-half 2011, as well as the related financial news releases;
- a review of the results of the 2011 Audit Plan and the analysis of the 2012 Plan;
- the accounting procedures used for the marketing and sale of the electric vehicle;
- financial risks.

CARE's responsibilities concern "INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES" below. On this point, the committee's examination of the financial statements, in the presence of the Chief Financial Officer, was accompanied by a presentation from the auditors describing the highlights of their engagement and their conclusions, as well as the accounting policies used and the main regulatory developments in this area. In addition, the CFO submitted a memo describing the Company's risk exposures and off-balance sheet commitments.

Action and recommendations of the Accounts and Audit Committee relating to the handling of the attempted intelligence fraud

The Accounts and Audit Committee meet five times between March 14 and April 8, 2011.

It dealt solely with matters relating to the functioning of the Company; it did not address any issues relating to the legal inquiry.

First, along with the Chairman of the Board of Directors, it tasked the Senior Vice-President, Internal Audit to draw up a report on the series of events relating to the case and occurring between August 17, 2010 and March 14, 2011.

On that basis, the committee commissioned BearingPoint, a consultancy, to prepare a report on the main deficiencies affecting the Company and to submit recommendations for remedying them.

On April 5 and 8 the committee discussed BearingPoint's report and presented its findings to the Board of Directors, referring to the main deficiencies and shortcomings, especially in connection with the supervision and monitoring of the Group's Security department.

The Board of Directors took the committee's recommendations into account. The implementation of those recommendations is discussed in "MANAGEMENT OF OPERATIONS AND INTERNAL CONTROL" below.

REMUNERATION COMMITTEE

The committee has four members, all of whom are independent directors: Mr Belda in the chair, Mssrs Desmarest, Garnier and Ladreit de Lacharrière. The committee met four times in 2011, with an attendance rate of 100% (details in V-4-(3) "METHOD OF ALLOTMENT" above). The main items on its agenda were:

- the remuneration of the Chairman and CEO and members of the Executive Committee;
- the performance requirements for awarding the Chairman and CEO variable remuneration in connection with the Plan;
- the structure and grant rules for the annual (2011, 2012, 2013) and three-year stock-option and bonus share plan;
- the waiver by the Chairman and CEO of his variable remuneration for 2010 and his stock-options for 2011.

APPOINTMENTS AND GOVERNANCE COMMITTEE

This committee has five members: Mr Ladreit de Lacharrière in the chair, Mrs de La Garanderie, Mssrs. Ghosn, Lagayette, and Belda. Four of the five members are independent directors.

The committee met four times in 2011, with an attendance rate of 100% (details in V-4-(3) "METHOD OF ALLOTMENT" above). The main items on its agenda were:

- reappointment of Mr Lagayette and Mr Kholer as directors;
- new rules on the proportion of female directors, in light of forthcoming reappointments to the Board;
- selection and appointment of the Chief Operating Officer;

- the composition of the Board of Directors and its committees and the simplified assessment of its operation;
- a review of the list of independent directors pursuant to the criteria set out in the Afep/Medef report;
- the amount and allotment procedures for directors' fees further to the allocation voted by the AGM;
- changing the Accounts and Audit Committee to the Audit, Risk and Ethics Committee.

INTERNATIONAL STRATEGY COMMITTEE

This committee has nine members: Mr Desmarest in the chair, Mssrs Audvard, Biau, Belda, Delpit, Garnier, Rousseau, Saikawa, and Ostertag.

Four of the nine committee members are independent.

The committee met twice in 2011, with a 100% attendance rate (details in V-4-(3) "METHOD OF ALLOTMENT" above).

As part of a presentation on Group strategy, the committee examined:

- Renault's activities and development in the Asia-Africa Region;
- the situation in Russia and South Korea.

INDUSTRIAL STRATEGY COMMITTEE

This committee has seven members: Mr Garnier in the chair, Mssrs Audvard, de Croisset, Desmarest, Kohler, Rousseau, and Ostertag.

Three of the seven committee members are independent.

The committee met twice in 2011, with a 100% attendance rate (details in V-4-(3) "METHOD OF ALLOTMENT" above). It reviewed industrial strategy, with a particular focus on:

- issues relating to the competitiveness of European sites and the adjustment of their production capacity;
- planned production at the Group's various sites.

Activities of the Compliance Committee and formation of an Ethics and Compliance Committee

The Compliance Committee met on January 6, 2011 to decide whether to start legal proceedings against person or persons unknown for industrial espionage, corruption, theft, receiving stolen goods, and conspiracy.

However, the report from the BearingPoint consultancy revealed that the rules and role of the Compliance Committee had been ignored until after the three accused employees had been suspended.

Consequently, in accordance with the conclusions of the Audit, Risk and Ethics Committee, it was decided that the Compliance Committee should be replaced by an Ethics and Compliance Committee, which was up and running at the end of 2011.

The committee is chaired by an Ethics manager, whose appointment is approved by the Board of Directors, reporting directly to the Chairman and CEO. His brief includes presenting a report on ethics and compliance to the CARE Committee, which may also interview him.

The committee has extensive powers over all areas of regulation applicable to the Company. It is composed of the main senior executives, including the compliance manager, who play a decision-making role in matters of ethics and compliance, with a remit to enforce the policies, procedures and standards that ensure conformity with the Group's values and the regulations to which it is subject. One of the committee's first duties will be to review the Code of good conduct and the whistleblowing procedure.

Procedures for shareholders to take part in General Meetings

In accordance with Article 21 of the Company's articles, General Meetings are open to all shareholders who have registered their shares under their own name at least three clear days before the meeting, under the conditions stipulated below.

Pursuant to Article L. 228-1 of the Commercial Code, General Meetings are open to all shareholders who have registered their shares under their own name or that of a registered intermediary acting on his or her behalf. The entry must be made by midnight (zero hours) CET on the third business day before the meeting, either in the registered share account kept by the Company or in the bearer share account held by an authorized intermediary.

The registration or book entry of bearer shares in the accounts held by the authorized intermediary is evidenced by an attendance certificate issued by said intermediary.

All shareholders are entitled to be represented at a General Meeting by proxy, given to the meeting Chairman, their spouse or civil union partner, another shareholder or any other natural or legal person of their choosing, as set forth in Article L. 225-106 of the Commercial Code. Legal entities holding shares may be represented at the General Meetings by their legal representatives or any person designated by them.

Factors that may be material in the event of a public offering, as stipulated in Article L. 225-100-3, are described in II-3-(2) "THE RENAULT-NISSAN ALLIANCE - GOVERNANCE AND OPERATIONAL STRUCTURE."

PRINCIPLES AND RULES ADOPTED BY THE BOARD OF DIRECTORS FOR THE REMUNERATION OF SENIOR EXECUTIVES AND CORPORATE OFFICERS

The Board of Directors decided that Renault would adopt the Afep-Medef Code and refer to it when drawing up the report required by Article L. 225-37 of the French Commercial Code.

Copies of the Afep-Medef Code are available at head office.

At its meeting on May 6, 2009 the Board of Directors opted to combine the functions of Chairman of the Board of Directors and CEO.

The remuneration and benefits received by the Chairman and CEO are decided by the Board of Directors acting on the recommendation of the Remuneration Committee.

The remuneration of the Chairman and CEO comprises a fixed portion and a variable portion.

It was stipulated that, from this date, the Chairman and CEO would receive no remuneration in his capacity as Chairman of the Board of Directors.

In early 2011 the Board of Directors established the fixed portion to be received by the Chairman for 2011 at €1,230,000. It also set out the procedure for establishing the variable portion for 2011 to be paid in 2012. It was decided that this portion would be equal to between 0% and 150% of the fixed portion and that it would be based on the following criteria:

- return on equity, which accounts for 15% at most of the variable portion;
- operating margin (25% at most of the variable portion);
- the free cash flow threshold set by the Board of Directors (50% at most of the variable portion);
- a qualitative factor linked to strategy and management and based on the following criteria: the quality of the Plan, Alliance synergies, Daimler, the industrial plan, the electric vehicle and the R&D strategy (60% at most of the variable portion).

At its meeting on February 15, 2012, acting on the recommendation of the Remuneration Committee, the Board of Directors set the variable portion for 2011 at 130% of the fixed portion for 2011.

Furthermore, at its April 29, 2011 meeting the Board set out the performance criteria for the exercise of stock-options by the Chairman and CEO under the 2011 annual plan and the Renault 2016-Drive the Change Plan.

Thus for the period 2011-2013 of the Renault 2016-Drive the Change Plan, the conditions are as follows:
- no options may be exercised if aggregate operating free cash flow between 2011 and 2013 is below €2 billion;
- 50% of the options may be exercised if aggregate operating free cash flow between 2011 and 2013 reaches or exceeds €2 billion;
- 100% of the options may be exercised if aggregate operating free cash flow between 2011 and 2013 reaches €3 billion, with grants being made on a straight-line basis between €2 billion and €3 billion.

It should be noted that the Chairman and CEO waived his stock-option entitlements for 2011, both the 2011 annual plan and the part of the stock-option linked to the Renault 2016-Drive the Change Plan corresponding to FY 2011.

The Chairman and CEO does not receive bonus shares.

A summary table of remunerations and benefits, including options plans for the executive director, is included in V-4-(3)-"Remuneration of the senior executive director" above.

The Chairman and CEO also benefits from the complementary pension scheme set up for members of the Group Executive Committee (see V-4-(3) "REMUNERATION OF SENIOR EXECUTIVES AND CORPORATE OFFICERS" above). It is the policy of the Board of Directors to consider appointed corporate officers as executives, for all aspects relating to remuneration, particularly pensions.

INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

The following covers all fully-consolidated Group companies.

GROUP OBJECTIVES AND STANDARDS FOR INTERNAL CONTROL AND RISK MANAGEMENT

INTERNAL CONTROL AND RISK MANAGEMENT OBJECTIVES

The Renault group has adopted structures and procedures to contain the risks inherent in its activities and to limit their negative impact. This internal control system is implemented in all the Company's businesses and activities. Its primary objectives are to:

- identify and manage risks to which the Company is exposed;
- ensure compliance with laws, regulations and the Company's by-laws;
- control quality, cost and delivery times in its activities;
- ensure that financial, accounting and management disclosures are reliable, relevant and of a high standard.

These structures and procedures cannot, however, offer an absolute guarantee that internal control objectives will be achieved.

REGULATORY FRAMEWORK FOR INTERNAL CONTROL

Since 2007 the Renault group has applied the reference framework and implementation guidelines of the French securities regulator, AMF, which were updated in July 2010, and the recommendations of the Audit Committee working group published in July 2010.

Since Sales Financing is subject to banking and financial regulations, the internal control framework specified by Regulation 97–02 of the Committee on Banking and Financial Regulation is systematically applied by the Board of Directors, executives and personnel of RCI Banque (see "Sales Financing: RCI Banque" below).

MANAGEMENT OF OPERATIONS AND INTERNAL CONTROL

ROLE OF THE EXECUTIVE BODIES

Management Committees operating at two levels oversee the Group's operations:

- level 1 committees, whose scope is the entire Group, include:
- the Group Executive Committee (GEC), which is in charge of strategic orientations and decisions. Headed by the Chairman and Chief Executive Officer, its members are: the Chief Operating Officer; the Executive Vice-President, Group Human Resources; the Executive Vice-President, Engineering and Quality; the Executive Vice-President, Corporate Planning, Product Planning and Programmes; the Executive Vice-President, Manufacturing and Supply Chain; Chairman of Asia-Africa Region; the Executive Vice-President, Sales and Marketing and LCV and Chairman of Europe Region; the Group Chief Financial Officer and Chairman and CEO of RCI Banque; and the Executive Vice-President, CEO Office. Its decisions are submitted to the Board of Directors for approval when they fall under the Board's authority, following the recommendation, if need be, of the International Strategy Committee and Industrial Strategy Committee. The Chairman and CEO reports to the Board of Directors on their implementation. The Group Executive Committee oversees operations and controls the execution of directives by monitoring budget commitments as well as policies and operations in the Regions, programmes and corporate functions,
- the Operations Committee, headed by the Chief Operating Officer, which is responsible for operational decisions. Its members are the same as the Group Executive Committee's except for the Chairman and CEO,
- the Renault Management Committee (RMC), which is made up of the GEC members plus the heads of the main departments at Renault,
- specialized committees (eg Project Product Committees) headed by either the Chairman and CEO or the Chief Operating Officer. They make decisions at the Group level as well as in the Group's cooperative undertakings in the Renault-Nissan Alliance (including with AVTOVAZ and Daimler);
- level 2 committees, which are specialized by general management area or by function (for example, engineering and quality; plan, product planning and programmes; manufacturing and logistics; sales and marketing; purchasing, design, legal, CEO Office, etc.) or by Region.

The operating rules and characteristics of these committees – Chairman and membership, frequency, length and agenda of meetings, reporting methods, communication of decisions, and the archiving of minutes – are formally recorded in a standardized catalogue.

There is a Regional Management Committee (RMC) for each Region (Europe, Americas, Asia-Africa, Euromed and Eurasia). Each RMC is made up of representatives of the corporate functions and vehicle programmes as well as managers from the main countries in each Region.

There are Programme departments for the automotive segments as well as for the electric vehicle programmes, the new mobility offer, and the cross-division projects. The Programme departments are assigned long-term profitability objectives for the life cycles of the products they develop, manufacture and market. They receive support from the Regions and corporate functions.

In addition to operational reporting structures, the Group has set up a staff reporting system so that support function managers can provide leadership for their function throughout the Group.

The Chief Operating Officer is directly responsible for operational decisions, except in the areas of strategic decision-making, supervision of financial and legal matters, human resources, audit, risk management, internal control, and organization, which are under the direct managerial authority of the Chairman and CEO.

The decision-making process is based on a system of internal delegation that determines in which areas and at which levels operational managers may make decisions. All the rules for delegating decision-making authority are communicated to the personnel over the intranet. When a strategic or financial decision is called for, a workflow chart specifies the persons involved, in accordance with internal control procedures.

Decisions concerning certain transactions, and notably those related to the capital of the subsidiaries, disposals/acquisitions, partnerships, cooperation, and the hedging of raw materials risk or currency risk, along with general policies, are made following a special review by a committee of experts, which gives an opinion. The final decision is then made by the Chairman and Chief Executive Officer.

CHANGES TO THE RISK MANAGEMENT, INTERNAL CONTROL AND ETHICS SYSTEM

Following the serious deficiencies that became manifest at the beginning of the year and the recommendations submitted by the Accounts and Audit Committee to the Board of Directors on April 11, 2011, the Company adopted a new organizational structure with a view to:

- restoring the credibility of the business ethics system;
- repairing the corporate image of the Company and thereby re-motivating the workforce;
- ensuring a better balance of powers and more effective controls;
- taking advantage of the new organizational structure to provide operational staff with tools, processes and services to help them manage their activities more efficiently and reach their performance targets.

The following initiatives have been taken in the areas governance, ethics, internal control and risk management:

- changing the Accounts and Audit Committee to the Audit, Risk and Ethics Committee (CARE) to strengthen the role and supervisory responsibilities of the Board of Directors in terms of ethics, risks, compliance and internal control;
- designating a prominent personality from outside the Group as an independent Ethics manager. The appointed was approved by the meeting of the Board of Directors of December 8, 2011. The Ethics manager reports directly to the Chairman and CEO. His brief includes presenting a report on ethics and compliance to the CARE Committee, which may also interview him on this subject;
- setting up a managerial-level committee, the Ethics and Compliance Committee, chaired by the Ethics manager, to replace the former Compliance Committee. The new committee has extensive powers over all areas of regulation applicable to the Company. It is composed of the main senior executives, including the compliance manager, who play a decision-making role in matters of ethics and compliance, with a remit to enforce the policies, procedures and standards that ensure conformity with the Group's values and the regulations to which it is subject. One of the committee's first duties will be to review the Code of good conduct and the whistleblowing procedure, under the supervision of the compliance manager;
- setting up another managerial-level committee, the Risk and Internal Control Committee (formerly Group Risk Committee), tasked with ensuring that risk management and internal control procedures are implemented across all the Group's business activities and entities. Chaired by Chief Operating Officer, the new committee comprises representatives of the Group's main operating and support functions. Regional and Programme divisions report periodically to the Risk and Internal Control Committee on implementation of risk management and internal control procedures within their scope of responsibility;
- changing the Group's Security department to the Group Protection and Prevention department (D2P) which now reports directly to the Executive Vice-President, CEO Office;
- bringing the following units together in the Audit, Risk Management and Organization department (DAMRO), which reports directly to the Chairman and CEO:
  - the internal Control department and Risk Management department, previously under the authority of the Management Control department,
  - the Organization department, previously under the authority of the Executive Vice-President, CEO Office.

DAMRO is responsible for analyzing, defining and implementing Renault group's internal control and risk management system.

The following measures have been taken to ensure that the Group Audit department has the independence needed to carry out its duties:

- the Senior Vice-President, DAMRO has the right to appeal to the CARE Chairman;
- likewise, the Senior Vice-President, Audit has direct access to the CARE Chairman and to the Chairman and CEO.

In addition, a specialized department will be set up at Internal Control department to prevent, detect and remedy deficiencies in terms of ethics, compliance, fraud and corruption. It will have the following priorities:

- diagnose the Group's vulnerabilities;
- propose a permanent system of supervision;
- establish compliance monitoring programmes and methods;
- determine and suggest the organizational arrangements and resources needed to carry out the programme.

The Senior Vice-President, DAMRO will submit an interim report on the programme in Spring 2012.

MANAGEMENT OF INTERNAL CONTROL

The Internal Control, Audit and Risk Management Charter complies with the international standards published by Institut français de l'audit et du contrôle internes (IFACI), which is affiliated with the Institute of Internal Auditors. The Charter sets forth the roles and responsibilities of the internal control staff.

The internal control system conforms to the AMF's general rules for internal control and strictly adheres to the principle of the separation of tasks, and is based on:

- senior management, which determines the Group's objectives, in agreement with the Board of Directors. It decides on the operating rules and procedures as well as the quantified performance objectives;
- at DAMRO, the Internal Control department, which defines and sets internal control principles, rules and techniques pertaining to operational processes as well as accounting and management processes.

Some of the risks identified by the Risk Management department may be dealt with by applying rules and procedures. The routine risks relating to operating activities are among the risks to be managed by the internal control system. The linkage of internal control and risk management has been facilitated by maintaining both departments within the same structure, i.e. DAMRO, and by setting up the Risk and Internal Control Committee.

Implementation and first-level control of the internal control system are performed by:

- management, which adapts and applies within its scope of responsibility the internal control rules and methods defined at Group level;
- employees, who are expected to comply with the internal control system established for their work areas and with the Group code of ethics;
- management control, which ensures that all personnel comply with management rules.

Permanent oversight to verify that the system is properly and effectively applied is provided by:
- the Audit, Risk and Ethics Committee (CARE);
- the Internal Audit department at DAMRO makes independent and objective assessments of the degree of control over operational performance, gives advice and recommends improvements to the control system, gives senior management reasonable assurance of the degree of control over operations via a summary report presented to CARE and the GEC. In 2011, as in previous years, the Internal Audit department verified the effectiveness of some of the Company's processes, and the quality of the internal control arrangements for preventing problems and correcting their impact;
- the statutory auditors, who assess the internal control of the preparation and treatment of accounting and financial data as part of their engagement and who issue recommendations.

INTERNAL CONTROL OBJECTIVES

IDENTIFYING AND MANAGING RISKS

With the Internal Control, Audit and Risk Management Charter, the Risk Management department has formalized the global risk management system in a document that informs everyone of the organization and methods used by the Company.

The Group applies a risk management method based partly on identifying a wide range of risks, which are then mapped, and partly on carrying out action plans to deal with risks by eliminating, preventing, guarding against or transferring them. Risk Committees are being set up in the operational entities to approve entities' maps and action plans.

To carry out its duties, the Risk Management department relies on two networks:

- one network is made up of experts who manage a specific area of risk. These may be risks common to any company or, in the following cases, specific to a business sector:
  - risks related to international expansion, operational security and product quality, suppliers, manufacturing and environmental impact, and information systems,
  - financial and legal risks;
- the second network is made up of correspondents, chiefly from the management control function, who work in all the Group's entities and liaise with the Risk Management department.

To draw up the audit plan for the Company's major risks, which is approved by senior management, the Internal Audit department uses risk maps to identify critical audit themes and assess risk coverage. The audit results are then used to update the maps.

In 2011 the Risk Management department focused on:

- preparing a comprehensive procedure for identifying, assessing and dealing with major risks relating to vehicle projects, in association with Quality department and the Performance and Engineering Methods department;
- continuing to map risks in industrial and commercial entities;
- training the network of correspondents to conduct risk mapping.

A description of the risk factors to which the Group is exposed is given in a separate section of this Securities Report (see III-4 "RISKS IN BUSINESS, ETC.").

COMPLIANCE WITH LAWS, REGULATIONS AND COMPANY RULES

Chaired by the Ethics manager, the Ethics and Compliance Committee has extensive powers over all areas of regulation applicable to the Company. It is composed of the main senior executives who play a decision-making role in matters of ethics and compliance: audit, risk management and organization; internal control; quality; legal affairs; human resources; environment; corporate social responsibility; protection of the Company's assets.

The executives' contributions and commitment to performing their duties are assessed each year by the Ethics manager.

The remit of the Ethics and Compliance Committee is to enforce the policies, procedures and standards that ensure conformity with the Group's values and the regulations to which it is subject. The committee relies on the Compliance department, part of the Internal Control department, which is responsible for coordinating the abovementioned decision-making departments as well as its own network of compliance correspondents.

CONTROL OF OPERATIONS

Senior management updates and communicates Renault's overall objectives, in line with the multi-year plan and annual budgets, as well as the allocation of resources to the Regions, businesses and programmes. Group Management Control draws up an instruction memorandum for each of the operational sectors, Regions, businesses and programmes. These memorandums include macroeconomic assumptions to be taken into account (exchange rates, interest rates, inflation rates, raw materials prices, etc.), financial and non-financial indicators that will be measured over the course of the following financial year, the calendar, and the segmentation of the activity scope. Each Region sends these instructions to the subsidiaries within its scope of responsibility after adding elements specific to the businesses.

The Management Control function stimulates and measures economic performance at the various levels of the organization (Group, operational sectors, Regions, businesses, programmes).

Management control is decentralized so as to take account of the specifics of each business. Its remit is laid out in instructions prepared periodically by the Management Control department.

In the Group's management model, its role consists in:

- adjusting the Company's economic objectives and budget;
- measuring the performance of the Group's entities, Regions, businesses and vehicle programmes and, in particular, monitoring free cash flow indicators;
- making an economic analysis of proposed management decisions at every level, checking compliance with standards, plans and budgets, assessing economic relevance, and formulating an opinion and recommendation in each case.

Operating procedures and methods

Development of standard management procedures continued in 2011 with major updates, based in part on a review of the internal control system. The aim is to provide line managers with a standard set of procedures.

All the documentation is available to staff in all the Group's entities through the Management Control intranet portal. This documentation includes:

- all standards, rules and instructions, whether they pertain to a specific business or apply Company-wide;
- an economics dictionary to help employees better understand the main concepts and aggregates used to guide the Group's business performance;
- the internal control system, as the review of operating systems progresses.

First level controls

First-level control of the roll-out of the internal control system established by the Internal Control department is performed during the self-assessments carried out by the entities under their own supervision, using specific questionnaires for each type of activity. Once the self-assessments are complete, strong points and areas where the entities need to implement action plans are identified. Drawing systematically on the results of these assessments makes it possible to identify the structural areas of the overall internal control system that are most in need of improvement.

Information systems

The risk management and internal control systems of the Renault Information Systems department (RISD) are managed as follows:

- general risks related to financial processes (investments, purchases, profitability measurement, etc.) are monitored by the RISD's Economic Performance department;
- specific risks related to operational IT processes (declining quality or productivity in development activities, operations, support, skills, etc.) are monitored by the IT Planning and Architecture department. This department is responsible for defining and monitoring these processes (project management, operational quality, support, etc.) at Group level. It uses the RISD performance indicators (incidents,

results, etc.) and a self-assessment questionnaire concerning RISD procedures that is completed by the sites, subsidiaries and corporate departments;
- risks related to information systems security (interruptions of IT operations, theft of confidential data or destruction of electronic data) are also monitored by the IT Planning and Architecture department through:
  - a Group-level IT Risks Committee set up by the RISD in collaboration with the Risk Management department, and representatives from Company departments and the Information Management Programme,
  - Security Monitoring Committees, which verify the application of IT security procedures at operational level in accordance with best international practice (ISO 27001 policy and approach),
  - an organizational structure for approving the architecture and security levels in projects,
  - risk reviews carried out by the RISD, in addition to the controls performed by DAMRO or the Group Prevention and Security department.

A training system to adapt skills

The main corporate business lines and functions have developed online schools to raise the professional standards of their staff. These schools express a strong attachment to the employee training plan of their employees as a way to enhance performance. It seeks to meet better the management expectations.

Concerning the management-finance function, the training plan must also be part of the multi-year plan to transform this function.

The Management and Finance Academy provides training (both e-learning and classroom courses), educational materials, an economics dictionary for management control and finance staff and employees in general. It continued to broaden and develop these materials in 2011.

Individual and collective skills assessments was carried out in the management function in Spring 2011 to work out individual improvement plans and measure team performance.

An improvement plan for the internal control system

Key developments in 2011 included:
- the reorganization and strengthening of the Internal Control department, in line with the Group's governance structure (see above). The department's organization is based on developing:
  - a global set of internal control standards for the Group,
  - regular monitoring of the proper enforcement of Group rules,
  - suitable assessment systems,
  - making sure the Group's rules are consistent with its obligations,
  - appropriate communication and training;
- developing approaches and methods for assessing internal control of operational processes by drawing up new questionnaires, distributing them and conducting new assessment campaigns.

  A self-assessment campaign covering commercial subsidiaries' internal control arrangements was carried out at worldwide level for the first time. The campaign showed that, by and large, operations were under control. But some activities (purchasing, management control, legal, tax, fleet sales) are subject to an ongoing progress plan, which is monitored by regional management controllers and supervised by the Internal Control department. New questionnaires are being developed for regional industrial activities and engineering centers.

  Lastly, self-assessment campaigns for the distribution activities of Renault Retail Group, as well as purchasing and IT activities, were carried out, as is the case every year.

The review of internal control system continued in 2011 from two angles:

- Automobile's internal control standards were updated to satisfy AMF recommendations. Approved by the statutory auditors, these standards cover nearly 80% of the recommendations. To improve the situation, a

variety of improvement initiatives were set in motion; they are monitored in collaboration with the persons in charge of the processes concerned and their management controllers;
- in-depth analysis of operational processes continued in 2011, with a focus on:
  - managing entry tickets (i.e. initial outlays) for engineering,
  - managing inventories of aftermarket spare part and accessories.

These initiatives improved the internal control arrangements for the processes under review while delivering an appropriate response to all the objectives set out in the AMF reference framework, with a view to making the processes more efficient.

In 2012 the same initiatives will be carried out, in particular for the following operational processes:

- purchasing of aftermarket parts and accessories;
- purchasing of services;
- sales of aftermarket parts and accessories by subsidiaries to dealers.

QUALITY, RELIABILITY AND RELEVANCE OF ACCOUNTING, FINANCIAL AND MANAGEMENT INFORMATION

The internal control system for accounting and financial data is based on the AMF reference framework. It covers not only the processes for preparing financial data for the accounts, forecasting and financial reporting, but also the operational processes upstream that go into the production of this information.

The Group's information systems enable it to simultaneously produce accounts according to local accounting rules and those of the Group. This mechanism ensure that data remain consistent even though they are centralized and consolidated in short timeframes. The management controllers and the administrative and financial directors of the subsidiaries, under the hierarchical supervision of the subsidiaries' Chairmen and CEO's and under the functional authority of the Group Accounting department, are responsible for preparing the financial statements.

A manual setting out the Group's presentation and evaluation standards (currently being revised) is provided to all entities so that financial information is reported in a uniform manner.

Principles used in the preparation of financial statements

Renault group's consolidated financial statements are prepared under International Financial Reporting Standards (IFRS), published by the International Accounting Standards Board (IASB) and endorsed for application by a regulation published in the Official Journal of the European Union at year-end close.

The Group Accounting department, which previously reported to Management Control and is now under the direct authority of the Group's Chief Financial Officer, has an "Accounting Standards and Rules" unit. The department has the authority to enforce prevailing accounting rules. Company employees are regularly informed about changes and updates to IFRS.

The Renault group, whose activities are divided into two separate operational sectors – Automotive and Sales Financing (RCI Banque) – prepares its consolidated financial statements using a single consolidation system based on an accounting Charter common to all consolidated entities.

The Group publishes half-yearly and annual statements. Preparations for these statements are made by organizing two anticipated close dates on May 31 for end-June and October 31 for end-December. Summary meetings are organized with the statutory auditors and attended by senior management. The Audit, Risk and Ethics Committee is involved at every key stage of the approval process for financial and accounting disclosures.

Key components of the process for controlling financial and accounting disclosures

The Renault group manages the decentralized operations of the subsidiaries in its two business divisions in France and abroad by relying on two key strategies, which deliver high-quality accounting and financial information while reducing the time needed to prepare the financial statements:

- operational systems upstream from accounting are standardized as far as possible;
- ERP financial and accounting modules chosen by the Group are introduced at industrial and/or commercial entities worldwide.

This highly structured software ensures that processed data are reliable and consistent. In particular, the definition and monitoring of user profiles help to ensure that the rules of task separation are respected.

Control of basic transactions handled by operational systems, where the initial control takes place, is key to ensuring that accounting and financial data are reliable. The operational systems feed data to the auxiliary accounting systems through a number of interfaces. These interfaces, which are continually monitored to ensure they capture all economic events for each upstream process, then rapidly and regularly send these data to the centralized accounting system.

The accounting teams have worked with IT staff to develop a security process to protect the ERP in the event of a major malfunction. A business continuity plan has been introduced at central level as well as at the subsidiaries that use ERP. At the functional level, the plan was successfully tested during the last four months of 2011 and a progress plan was drawn up for the testing procedure. At the technical level, an exercise was conducted to test the recovery of ERP data following a serious hardware malfunction.

Financial communication and investor relations

Given the growing importance of financial communication, its multiple forms, and the vital need to provide a high standard of financial disclosure, the Renault group has turned over all its financial communication to the Financial Relations department at the Financial department and given it the resources to supply the reliable, high-quality information required.

The Financial Relations department is in charge of:

- preparation of the Registration document filed with the AMF, as well as the half-yearly and annual financial reports, and quarterly data;
- communication with financial markets;
- relations with analysts and investors specialized in socially responsible investments;
- relations with investors and individual shareholders;
- relations with the regulatory authority (AMF).

SALES FINANCING: RCI BANQUE

In compliance with Regulation 97-02 on internal control at credit institutions, RCI Banque has set up an internal control system that also seeks to identity and analyze the main risks that may compromise the Company's objectives, to ensure that procedures are in place for managing those risks, and to monitor the corrective and preventive measures aimed at mitigating the likelihood of occurrence.

This special framework for credit institutions is described in RCI Banque's Internal Control Charter, which defines the target framework for the entire RCI Banque group. It describes in particular:

- the general arrangements for managing internal control;
- the local arrangements for credit subsidiaries, branches and joint ventures;
- the special arrangements for various functional areas.

The RCI Banque group internal control system has three levels of audit:

- level 1 consists of self-inspection mechanisms for each department and geographical location. These entities are responsible among other things for applying existing procedures and performing all the related controls in their own area of operations. Being primarily operational, first-level control is carried out by process owners in each subsidiary, who have been specially trained for this purpose, and covers all main risks;
- level 2 is directed by the Permanent Control department and led by local internal controllers, who are independent of operating units and ensure that operations are lawful and compliant;
- level 3 is conducted by independent oversight bodies (supervisory authorities, specially commissioned independent firms, etc.) and by the periodic controls department. In this respect, Renault's Internal Audit department supplies RCI Banque with additional resources, under an external service provider agreement, to carry out its Level 3 audits either as part of an annual audit plan approved by the Audit and Accounts Committee, or at the request of the Chairman and CEO of RCI Banque.

These arrangements are directed by:

- the RCI Banque Board of Directors, whose role is to implement internal control. The Board devotes at least one meeting a year to a full review of the internal control system in order to sign off on the annual report on internal control, which is based on the work of the Audit and Accounts Committee and submitted to the French Banking Authorities (Banque de France);
- RCI Banque Audit and Accounts Committee, which operates under the authority of the Board of Directors and is responsible for assessing the standard of internal control, especially the systems used to measure, supervise and manage risks. The committee meets twice a year and its members are appointed by the Board of Directors from among its members;
- RCI Banque Internal Control Committee, which comprises all the members of the Executive Committee and meets four times a year to assess the quality of the internal control system and the related systems, keep abreast of trends in operational risks, and monitor the compliance mechanism. It provides the Audit and Accounts Committee and the Board of Directors with the information they need to carry out their tasks;
- special purpose committees, composed of members of the Executive Committee, regularly monitor the risk areas covered by Regulation 97-02, i.e. monitoring the Group's exposure to credit risk, analyzing the overall profitability of Group companies as well as the profitability of each type of product, controlling the Group's exposure to financial risks (interest rates, liquidity, currencies, counterparties) and ensuring that operations are compliant in light of the list of authorized products.

A summary of these arrangements is presented to Renault's Audit, Risk and Ethics Committee (CARE), as is the case for the system used at Automotive.

MANAGEMENT BODIES

See 4. - (2) "GROUP EXECUTIVE COMMITTEE AND MANAGEMENT COMMITTEE AT MARCH 1, 2012" above.

AUDITS

STATUTORY AUDITORS CHARTER

In 2004, Renault, together with the statutory auditors and under the authority of the Chairman and Chief Executive Officer, took the initiative of drafting a Charter concerning the engagements and independence of the statutory auditors and signing it with them. The Charter defines the scope of application, addresses the separation of tasks by specifying those inherent in the statutory auditors' function, which are thus authorized automatically, and those incompatible with their terms of reference. It also specifies the additional or complementary engagements that may be performed by the statutory auditors and their networks and how those engagements are to be authorized and supervised. Further, in accordance with law, the Charter also includes a commitment to the independence of signatory partners.

This Statutory Auditors Charter governs the relationship between the Renault group (the parent company and the fully consolidated French and foreign subsidiaries) and its statutory auditors. The auditors are responsible for seeing that the Charter is applied by members of their network acting as external auditors for fully consolidated subsidiaries and for ensuring compliance with the regulations in force in countries where Group companies are located.

AUDITORS

Statutory auditors

Deloitte & Associés
represented by Antoine de Riedmatten and Thierry Benoit
185, avenue Charles-de-Gaulle
92200 Neuilly-sur-Seine - France

Name(s) of certified public accountants ("CPA") in charge: Antoine de Riedmatten and Thierry Benoit

Deloitte & Associates was appointed by the French Finance Ministry on April 25, 1990. It was reappointed by the Joint General Meetings of June 7, 1996, April 26, 2002, and April 29, 2008 for further six-year terms. Its current term will expire at the close of the Annual General Meeting convened to approve the accounts for 2013.

Composition of assistants involved in auditing services: two CPAs and several other professionals participated in the Company's 2010 audit.

Ernst & Young Audit
represented by Jean-François Belorgey and Aymeric de la Morandière
Faubourg de l'Arche
11, allée de l'Arche
92400 Courbevoie - France

Name(s) of certified public accountants in charge: Jean-François Belorgey and Aymeric de la Morandière

Ernst & Young Audit was appointed by the French Finance Ministry on March 27, 1979. It was reappointed by the Joint General Meetings of June 7, 1996, April 26, 2002, and April 29, 2008 for further six-year terms. Its current term will expire at the close of the Annual General Meeting convened to approve the accounts for 2013.

Composition of assistants involved in auditing services: two CPAs and several other professionals participated in the Company's 2010 audit.

Alternate auditors

BEAS
Alternate for Deloitte & Associés
7-9, Villa Houssay
92200 Neuilly-sur-Seine - France

Gabriel Galet
Alternate for Ernst & Young Audit
11, allée de l'Arche
92400 Courbevoie - France

The alternate auditors were appointed by the Joint General Meeting of June 7, 1996 for a six-year term. They were reappointed by the Joint General Meetings of April 26, 2002 and April 29, 2008 for further six-year terms. Their terms of office will expire at the close of the Annual General Meeting convened to approve the accounts for 2013.

FEES PAID TO STATUTORY AUDITORS AND THEIR NETWORK

The audit fees for Group's statutory auditors and their networks are set forth in note 30 of the notes to the consolidated financial statement in VI. Financial Condition, 1. Financial Statement.

(2) Contents, Etc. of Audit Fee

(i) Contents of Fees for Foreign Certified Public Accountant, Etc. Certifying Audit

Deloitte & Associés (Thousand Euros)

Classification	2010				2011			
	Fees for Services Related to Audit Certification		Fees for Non-Audit Services		Fees for Services Related to Audit Certification		Fees for Non-Audit Services	
	Euro in thousands	Yen in thousands	Euro in thousands	Yen in thousands	Euro in thousands	Yen in thousands	Euro in thousands	Yen in thousands
Filing Company	2,646	286,641	0	0	2,610	282,741	0	0
Consolidated Subsidiary	4,323	468,311	193	20,908	4,586	496,801	157	17,008
Total	6,969	754,952	193	20,908	7,196	779,543	157	17,008

Ernst & Young Audit

Classification	2010				2011			
	Fees for Services Related to Audit Certification		Fees for Non-Audit Services		Fees for Services Related to Audit Certification		Fees for Non-Audit Services	
	Euro in thousands	Yen in thousands	Euro in thousands	Yen in thousands	Euro in thousands	Yen in thousands	Euro in thousands	Yen in thousands
Filing Company	2,351	254,684	0	0	2,581	279,600	0	0
Consolidated Subsidiary	2,478	268,442	80	8,666	2,539	275,050	70	7,583
Total	4,829	523,126	80	8,666	5,120	554,650	70	7,583

(ii) Contents of Other Fees Which Are Material
Not applicable

(iii) Contents of Non-Audit Services for Filing Company by Foreign Certified Public Accountant, Etc. Certifying Audit

The non-audit services include legal, tax, labo r-related services.

(iv) Policies on Determining Audit Fee

Renaut has no specific policies for the determination of the amount for audit fees.

VI. Financial Condition:
General Explanation

a. The accompanying original consolidated financial statements of Renault SA ("Renault" or the "Company") and its consolidated subsidiaries (hereinafter Renault and its consolidated subsidiaries shall be collectively called "the Group") have been prepared in conformity with the International Financial Reporting Standards ("IFRS") which was adopted by the European Union. In addition, the accompanying original non-consolidated financial statements of Renault have been prepared in conformity with French accounting regulations and generally accepted accounting principles. The provision of Article 129, paragraph 1 of the Regulations Regarding Terminology, Format and Method of Preparation of Financial Statements, etc. (Ministry of Finance Ordinance No. 59 of 1963) is applied to the financial statements of Renault described below. The consolidated financial statements and non-consolidated financial statements in Japanese (hereinafter collectively called the "financial statements in Japanese") are the translations of the original consolidated financial statements and the non-consolidated financial statements (hereinafter collectively called the "original financial statements").

   The major differences in generally accepted accounting and reporting principles between IFRS and Japanese GAAP are described in "4. Differences between IFRS and Japanese GAAP."

b. The original financial statements have been audited by Deloitte & Associés and Ernst & Young Audit, the independent auditors in France.

   The financial statements of Renault and of the Group are not subject to audits by Japanese CPAs or audit corporations based on the provision of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Law. in conformity with the provision of Article 1-2 of the Cabinet Office Ordinance Concerning Audit Certification of Financial Statements (MOF Ordinance No.12, 1957).

c. Japanese yen amounts included in the financial statements in Japanese are the translations for the major Euro amounts stated in the original financial statements. Japanese yen amounts are translated from Euro amounts at the exchange rate of EUR1 = ¥108.33. This exchange rate is the Telegraphic Transfer Spot Selling Exchange Rates vis-a-vis Customers by the Bank of Tokyo-Mitsubishi UFJ, Ltd. at April 13, 2012.

d. The Japanese yen amounts and items 3. "Other" and 4. "Differences between IFRS and Japanese GAAP" are not included in the original financial statements and, except for the references to the original financial statements, were not subject to the audit mentioned in b. above.

1. Financial Statements

(1) Comptes consolidés (Consolidated Financial Statements)

Comptes de résultats consolidés
Bilans consolidés au 31 décembre
Variation des capitaux propres consolidés
Tableaux de flux de trésorerie consolidés
Informations sectorielles
Annexe aux comptes consolidés

[Japanese translation and French original of the above are included in this section of the Securities Report in Japanese.]

<English translation of the Consolidated Financial Statements>

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT *

(€ million)	**2011**	**2010**
Sales of goods and services	41,192	37,654
Sales financing revenues	1,436	1,317
Revenues (note 4)	**42,628**	**38,971**
Cost of goods and services sold	(33,848)	(30,620)
Cost of sales financing (note 5)	(911)	(813)
Research and development expenses (note 12-A)	(2,027)	(1,834)
Selling, general and administrative expenses	(4,751)	(4,605)
Operating margin (note 6)	**1,091**	**1,099**
Other operating income and expenses (note 7)	153	(464)
Other operating income	*384*	*197*
Other operating expenses	*(231)*	*(661)*
Operating income	**1,244**	**635**
Net interest income (expenses)	(219)	(354)
Interest income	*193*	*146*
Interest expenses	*(412)*	*(500)*
Other financial income and expenses	98	(22)
Financial income (note 8)	**(121)**	**(376)**
Gain on sale of AB Volvo Series B shares	**-**	**2,000**
Share in net income (loss) of associates	**1,524**	**1,289**
Nissan (note 14)	*1,332*	*1,084*
Other associates (note 15)	*192*	*205*
Pre-tax income	**2,647**	**3,548**
Current and deferred taxes (note 9)	(508)	(58)
NET INCOME	**2,139**	**3,490**
Net income – non-controlling interests’ share	47	70

Net income – parent company shareholders' share	2,092	3,420
Earnings per share [(1)] *in €* (note 10)	7.68	12.70
Diluted earnings per share [(1)] *in €* (note 10)	7.68	12.70
Number of shares outstanding *(in thousands)* (note 10)		
For earnings per share	*272,381*	*269,292*
For diluted earnings per share	*272,381*	*269,292*

(1) Net income – parent company shareholders' share divided by number of shares stated.

CONSOLIDATED COMPREHENSIVE INCOME

Other components of comprehensive income are reported net of tax effects, which are presented in note 11-B.

(€ million)	**2011**	**2010**
NET INCOME	**2,139**	**3,490**
Actuarial gains and losses on defined-benefit pension plans	(23)	(14)
Translation adjustments on foreign activities	(107)	258
Partial hedge of the investment in Nissan	(142)	(242)
Fair value adjustments on cash flow hedging instruments	(13)	80
Fair value adjustments on available-for-sale financial assets	(257)	232
Total other components of comprehensive income excluding associates (A)	**(542)**	**314**
Actuarial gains and losses on defined-benefit pension plans	(107)	59
Translation adjustments on foreign activities	645	2,019
Fair value adjustments on cash flow hedging instruments	(14)	8
Fair value adjustments on available-for-sale financial assets	(80)	24
Associates' share of other components of comprehensive income (B)	**444**	**2,110**
OTHER COMPONENTS OF COMPREHENSIVE INCOME (A) + (B)	**(98)**	**2,424**
COMPREHENSIVE INCOME	**2,041**	**5,914**
Parent company shareholders' share	1,996	5,826
Non-controlling interests' share	45	88

CONSOLIDATED FINANCIAL POSITION

(€ million)	**DECEMBER 31, 2011**	**DECEMBER 31, 2010**
ASSETS		
Non-current assets		
Intangible assets (note 12-A)	3,718	3,677
Property, plant and equipment (note 12-B)	11,357	11,504
Investments in associates	15,991	14,199
Nissan (note 14)	*14,931*	*13,345*
Other associates (note 15)	*1,060*	*854*
Non-current financial assets (note 23)	1,068	1,728
Deferred tax assets (note 9)	566	705
Other non-current assets (note 19)	580	435
TOTAL NON-CURRENT ASSETS	**33,280**	**32,248**
Current assets		
Inventories (note 16)	4,429	4,567
Sales financing receivables (note 17)	21,900	19,276
Automotive receivables (note 18)	1,275	1,329
Current financial assets (note 23)	1,244	799
Current tax assets	66	178
Other current assets (note 19)	2,068	1,685
Cash and cash equivalents (note 23)	8,672	10,025
TOTAL CURRENT ASSETS	**39,654**	**37,859**
TOTAL ASSETS	**72,934**	**70,107**

(€ million)	**DECEMBER 31, 2011**	**DECEMBER 31, 2010**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	1,127	1,127
Share premium	3,785	3,785
Treasury shares	(201)	(145)
Revaluation of financial instruments	(129)	235

Translation adjustment	(155)	(554)
Reserves	17,567	14,367
Net income – parent company shareholders' share	2,092	3,420
Shareholders' equity – parent company shareholders' share	**24,086**	**22,235**
Shareholders' equity – non-controlling interests' share	481	522
TOTAL SHAREHOLDERS' EQUITY (NOTE 20)	**24,567**	**22,757**
Non-current liabilities		
Deferred tax liabilities (note 9)	135	125
Provisions – long-term (note 21)	2,227	2,243
Non-current financial liabilities (note 24)	6,327	7,096
Other non-current liabilities (note 22)	724	734
TOTAL NON-CURRENT LIABILITIES	**9,413**	**10,198**
Current liabilities		
Provisions – short-term (note 21)	866	965
Current financial liabilities (note 24)	3,230	4,546
Sales financing debts (note 24)	21,996	19,366
Trade payables	6,202	6,348
Current tax liabilities	126	106
Other current liabilities (note 22)	6,534	5,821
TOTAL CURRENT LIABILITIES	**38,954**	**37,152**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**72,934**	**70,107**

CHANGES IN SHAREHOLDERS' EQUITY

(€ million)	NUMBER OF SHARES (THOUSAND)	SHARE CAPITAL	SHARE PREMIUM	TREASURY SHARES	REVALUATION OF FINANCIAL INSTRUMENTS	TRANSLATION ADJUSTMENT	RESERVES	NET INCOME (PARENT COMPANY SHARE-HOLDERS' SHARE)	SHARE-HOLDERS' EQUITY (PARENT COMPANY SHARE-HOLDERS' SHARE)	SHARE-HOLDERS' EQUITY (NON-CONTROLLING ENTITIES' SHARE)	TOTAL SHARE-HOLDERS' EQUITY
BALANCE AT DECEMBER 31, 2009	**284,937**	**1,086**	**3,453**	**(229)**	**(109)**	**(2,568)**	**17,474**	**(3,125)**	**15,982**	**490**	**16,472**
2010 net income								3,420	3,420	70	3,490
Other components of comprehensive income [(1)]					344	2,014	48		2,406	18	2,424
2010 comprehensive income					***344***	***2,014***	***48***	***3,420***	***5,826***	***88***	***5,914***
Allocation of 2009 net income							(3,125)	3,125			
Dividends										(40)	(40)
Cost of stock-option							7		7		7

(€ million)	NUMBER OF SHARES *(THOUSAND)*	SHARE CAPITAL	SHARE PREMIUM	TREASURY SHARES	REVALUATION OF FINANCIAL INSTRUMENTS	TRANSLATION ADJUSTMENT	RESERVES	NET INCOME (PARENT COMPANY SHARE-HOLDERS' SHARE)	SHARE-HOLDERS' EQUITY (PARENT COMPANY SHARE-HOLDERS' SHARE)	SHARE-HOLDERS' EQUITY (NON-CONTROLLING ENTITIES' SHARE)	TOTAL SHARE-HOLDERS' EQUITY
plans											
(Acquisitions) / disposals of treasury shares and impact of capital increases	10,785	41	332	84			(24)		433		433
Impact of changes in the scope of consolidation with no loss of control (2)							(3)		(3)	(16)	(19)
Other changes							(10)		(10)		(10)

(€ million)	NUMBER OF SHARES (THOUSAND)	SHARE CAPITAL	SHARE PREMIUM	TREASURY SHARES	REVALUATION OF FINANCIAL INSTRUMENTS	TRANSLATION ADJUSTMENT	RESERVES	NET INCOME (PARENT COMPANY SHARE-HOLDERS' SHARE)	SHARE-HOLDERS' EQUITY (PARENT COMPANY SHARE-HOLDERS' SHARE)	SHARE-HOLDERS' EQUITY (NON-CONTROLLING ENTITIES' SHARE)	TOTAL SHARE-HOLDERS' EQUITY
BALANCE AT DECEMBER 31, 2010	**295,722**	**1,127**	**3,785**	**(145)**	**235**	**(554)**	**14,367**	**3,420**	**22,235**	**522**	**22,757**
2011 net income								2,092	2,092	47	2,139
Other components of comprehensive income [(1)]					(364)	399	(131)		(96)	(2)	(98)
2011 comprehensive income					***(364)***	***399***	***(131)***	***2,092***	***1,996***	***45***	***2,041***
Allocation of 2010 net income							3,420	(3,420)			
Dividends							(82)		(82)	(74)	(156)
Cost of stock-option plans							6		6		6
(Acquisitions) / disposals				(56)					(56)	3	(53)

(€ million)	NUMBER OF SHARES (THOUSAND)	SHARE CAPITAL	SHARE PREMIUM	TREASURY SHARES	REVALUATION OF FINANCIAL INSTRUMENTS	TRANSLATION ADJUSTMENT	RESERVES	NET INCOME (PARENT COMPANY SHARE-HOLDERS' SHARE)	SHARE-HOLDERS' EQUITY (PARENT COMPANY SHARE-HOLDERS' SHARE)	SHARE-HOLDERS' EQUITY (NON-CONTROLLING ENTITIES' SHARE)	TOTAL SHARE-HOLDERS' EQUITY
of treasury shares and impact of capital increases											
Impact of changes in the scope of consolidation with no loss of control (2)							(13)		(13)	(15)	(28)
Other changes											
BALANCE AT DECEMBER 31, 2011	**295,722**	**1,127**	**3,785**	**(201)**	**(129)**	**(155)**	**17,567**	**2,092**	**24,086**	**481**	**24,567**

(1) The change in reserves reflects actuarial gains and losses on defined-benefit pension plans recorded during the period (€48 million in 2010 and €(131) million in 2011).

(2) The impact of changes in the scope of consolidation results from the treatment applied to acquisitions of non-controlling interests and put options for buyouts of non-controlling entities (note 2-J).

Details of changes in consolidated shareholders' equity in 2011 are given in note 20.

CONSOLIDATED CASH FLOWS

(€ million)	**2011**	**2010**
Net income	**2,139**	**3,490**
Cancellation of dividends received from unconsolidated listed investments [1]	(22)	-
Cancellation of income and expenses with no impact on cash		
Depreciation, amortization and impairment	2,831	3,069
Share in net (income) loss of associates	(1,524)	(1,289)
Other income and expenses with no impact on cash (note 27-A)	(360)	(2,087)
Dividends received from unlisted associates	5	-
Cash flow [2]	**3,069**	**3,183**
Dividends received from listed companies [3]	**335**	**88**
Net change in financing for final customers	(1,206)	(448)
Net change in renewable dealer financing	(1,449)	(146)
Decrease (increase) in sales financing receivables	**(2,655)**	**(594)**
Bond issuance by the Sales Financing segment (note 24-A)	5,160	3,929
Bond redemption by the Sales Financing segment (note 24-A)	(2,528)	(2,308)
Net change in other sales financing debts	(149)	(2,354)
Net change in other securities and loans of the sales financing segment	107	(129)
Net change in sales financing financial assets and debts	**2,590**	**(862)**
Change in capitalized leased vehicles	**(192)**	**(109)**
Decrease (increase) in working capital (note 27-B)	**206**	**264**
CASH FLOWS FROM OPERATING ACTIVITIES	**3,353**	**1,970**
Capital expenditure (note 27-C)	(2,455)	(1,867)
Disposals of property, plant and equipment and intangibles	239	219
Acquisitions of investments with gain of control, net of cash acquired	-	-
Acquisitions of other investments, net of cash acquired	(156)	(39)
Disposals of investments with loss of control, net of cash transferred	-	7
Disposals of other investments, net of cash transferred and other [4]	-	3,114
Net decrease (increase) in other securities and loans of the Automotive segment	38	(30)
CASH FLOWS FROM INVESTING ACTIVITIES	**(2,334)**	**1,404**
Transactions with non-controlling interests [5]	-	-

Dividends paid to parent company shareholders (note 20-D)	(88)	-
Dividends paid to non-controlling interests	(66)	(77)
(Purchases) sales of treasury shares	(56)	60
Cash flows with shareholders	**(210)**	**(17)**
Bond issuance by the Automotive segment (note 24-A)	712	1,696
Bond redemption by the Automotive segment (note 24-A)	(941)	(1,164)
Net increase (decrease) in other financial liabilities of the Automotive segment	(1,911)	(1,982)
Net change in financial liabilities of the Automotive segment	**(2,140)**	**(1,450)**
CASH FLOWS FROM FINANCING ACTIVITIES	**(2,350)**	**(1,467)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(1,331)**	**1,907**

(1) Dividends received from Daimler in 2011 (none were received in 2010).

(2) Cash flow does not include dividends received from listed companies.

(3) Dividends from Daimler (€22 million), AB Volvo (€38 million) and Nissan (€275 million) in 2011.

(4) Including the sales of AB Volvo Series B shares for €3,006 million in 2010.

(5) Via capital increases or capital reductions and acquisitions of additional investments in controlled companies (note 2-J).

(€ million)	**2011**	**2010**
Cash and cash equivalents: opening balance	**10,025**	**8,023**
Increase (decrease) in cash and cash equivalents	(1,331)	1,907
Effect of changes in exchange rate and other changes	(22)	95
Cash and cash equivalents: closing balance	**8,672**	**10,025**

Details of interest received and paid by the Automotive segment are given in note 27-D.

Current taxes paid by the Group are reported in note 9-A.

SEGMENT REPORTING

A – INFORMATION BY OPERATING SEGMENT

A1 – CONSOLIDATED INCOME STATEMENT BY OPERATING SEGMENT

(€ million)	**AUTOMOTIVE**	**SALES FINANCING**	**INTERSEGMENT TRANSACTIONS**	**CONSOLIDATED TOTAL**
2011				
Sales of goods and services	40,679	513	-	41,192
Sales financing revenues	-	1,436	-	1,436

External sales (note 4)	**40,679**	**1,949**	**-**	**42,628**
Intersegment sales	(290)	409	(119)	-
Sales by segment	**40,389**	**2,358**	**(119)**	**42,628**
Operating margin (1)	**328**	**761**	**2**	**1,091**
Operating income	**478**	**764**	**2**	**1,244**
Financial income (2)	**230**	**-**	**(351)**	**(121)**
Share in net income (loss) of associates	**1,519**	**5**	**-**	**1,524**
Pre-tax income	**2,227**	**769**	**(349)**	**2,647**
Current and deferred taxes	(252)	(254)	(2)	(508)
Net income	**1,975**	**515**	**(351)**	**2,139**
2010				
Sales of goods and services	37,172	482	-	37,654
Sales financing revenues	-	1,317	-	1,317
External sales (note 4)	**37,172**	**1,799**	**-**	**38,971**
Intersegment sales	(283)	376	(93)	-
Sales by segment	**36,889**	**2,175**	**(93)**	**38,971**
Operating margin (1)	**381**	**703**	**15**	**1,099**
Operating income	**(78)**	**698**	**15**	**635**
Financial income (2)	**26**	**-**	**(402)**	**(376)**
Gain on sale of AB Volvo Series B shares	**2,000**	**-**	**-**	**2,000**
Share in net income (loss) of associates	**1,287**	**2**	**-**	**1,289**
Pre-tax income	**3,235**	**700**	**(387)**	**3,548**
Current and deferred taxes	157	(211)	(4)	(58)
Net income	**3,392**	**489**	**(391)**	**3,490**

(1) Details of amortization and depreciation are provided in the consolidated cash flow statements by operating segment.

(2) Sales financing dividends are included in the Automotive segment's financial income and eliminated as an intersegment transaction.

A2 – CONSOLIDATED FINANCIAL POSITION BY OPERATING SEGMENT

DECEMBER 31, 2011 *(€ MILLION)*	AUTOMOTIVE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
Non-current assets				
Property, plant and equipment and intangible assets	14,956	129	(10)	15,075
Investments in associates	15,955	36	-	15,991
Non-current financial assets – investments in non-controlled entities	3,237	-	(2,538)	699
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segment	497	-	(128)	369
Deferred tax assets and other non-current assets	1,007	189	(50)	1,146
TOTAL NON-CURRENT ASSETS	**35,652**	**354**	**(2,726)**	**33,280**
Current assets				
Inventories	4,409	25	(5)	4,429
Customer receivables	1,354	22,220	(399)	23,175
Current financial assets	1,441	451	(648)	1,244
Other current assets and current tax assets	1,605	2,849	(2,320)	2,134
Cash and cash equivalents	7,618	1,171	(117)	8,672
TOTAL CURRENT ASSETS	**16,427**	**26,716**	**(3,489)**	**39,654**
TOTAL ASSETS	**52,079**	**27,070**	**(6,215)**	**72,934**
Shareholders' equity	**24,450**	**2,540**	**(2,423)**	**24,567**
Non-current liabilities				
Deferred tax liabilities and long-term provisions	2,058	169	-	2,227
Non-current financial liabilities	6,066	261	-	6,327
Other non-current liabilities	340	519	-	859
TOTAL NON-CURRENT LIABILITIES	**8,464**	**949**	**-**	**9,413**
Current liabilities				
Short-term provisions	833	33	-	866
Current financial liabilities	3,789	-	(559)	3,230
Trade payables and sales financing debts	6,402	22,774	(978)	28,198
Other current liabilities and current tax liabilities	8,141	774	(2,255)	6,660

TOTAL CURRENT LIABILITIES	**19,165**	**23,581**	**(3,792)**	**38,954**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**52,079**	**27,070**	**(6,215)**	**72,934**

DECEMBER 31, 2010 *(€ MILLION)*	AUTOMOTIVE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
Non-current assets				
Property, plant and equipment and intangible assets	15,003	188	(10)	15,181
Investments in associates	14,165	34	-	14,199
Non-current financial assets – investments in non-controlled entities	3,359	-	(2,431)	928
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segment	800	-	-	800
Deferred tax assets and other non-current assets	1,044	145	(49)	1,140
TOTAL NON-CURRENT ASSETS	**34,371**	**367**	**(2,490)**	**32,248**
Current assets				
Inventories	4,563	4	-	4,567
Customer receivables	1,414	19,642	(451)	20,605
Current financial assets	910	520	(631)	799
Other current assets and current tax assets	1,587	2,222	(1,946)	1,863
Cash and cash equivalents	8,814	1,342	(131)	10,025
Total current assets	**17,288**	**23,730**	**(3,159)**	**37,859**
TOTAL ASSETS	**51,659**	**24,097**	**(5,649)**	**70,107**
Shareholders' equity	**22,638**	**2,435**	**(2,316)**	**22,757**
Non-current liabilities				
Long-term provisions	2,127	116	-	2,243
Non-current financial liabilities	6,835	261	-	7,096
Other non-current liabilities and deferred tax liabilities	394	465	-	859
TOTAL NON-CURRENT LIABILITIES	**9,356**	**842**	**-**	**10,198**
Current liabilities				
Short-term provisions	921	44	-	965
Current financial liabilities	5,124	-	(578)	4,546
Trade payables and sales financing debts	6,407	20,058	(751)	25,714

Other current liabilities and current tax liabilities	7,213	718	(2,004)	5,927
TOTAL CURRENT LIABILITIES	**19,665**	**20,820**	**(3,333)**	**37,152**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**51,659**	**24,097**	**(5,649)**	**70,107**

A3 – CONSOLIDATED CASH FLOWS BY OPERATING SEGMENT

(€ million)	AUTOMOTIVE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
2011				
Net income	**1,975**	**515**	**(351)**	**2,139**
Cancellation of dividends received from unconsolidated listed investments [(1)]	(22)	-	-	(22)
Cancellation of income and expenses with no impact on cash				
Depreciation, amortization and impairment	2,820	11	-	2,831
Share in net (income) loss of associates	(1,518)	(6)	-	(1,524)
Other income and expenses with no impact on cash	(350)	(10)	-	(360)
Dividends received from unlisted associates	5	-	-	5
Cash flow [(2)]	**2,910**	**510**	**(351)**	**3,069**
Dividends received from listed companies [(3)]	**335**	**-**	**-**	**335**
Decrease (increase) in sales financing receivables	-	(2,610)	(45)	(2,655)
Net change in financial assets and sales financing debts	-	2,681	(91)	2,590
Change in capitalized leased vehicles	(241)	49	-	(192)
Decrease (increase) in working capital	627	(413)	(8)	206
CASH FLOWS FROM OPERATING ACTIVITIES	**3,631**	**217**	**(495)**	**3,353**
Purchases of intangible assets	(887)	(1)	-	(888)
Purchases of property, plant and equipment	(1,564)	(3)	-	(1,567)
Disposals of property, plant and equipment and intangibles	239	-	-	239
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired/transferred	-	-	-	-
Acquisitions and disposals of other investments and other assets	(156)	-	-	(156)
Net decrease (increase) in other securities and loans of the Automotive segment	(88)	-	126	38

CASH FLOWS FROM INVESTING ACTIVITIES	**(2,456)**	**(4)**	**126**	**(2,334)**
Cash flows with shareholders	(201)	(360)	351	(210)
Net change in financial liabilities of the Automotive segment	(2,164)	-	24	(2,140)
CASH FLOWS FROM FINANCING ACTIVITIES	**(2,365)**	**(360)**	**375**	**(2,350)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(1,190)**	**(147)**	**6**	**(1,331)**

(1) Dividends received from Daimler.

(2) Cash flow does not include dividends received from listed companies.

(3) Dividends from Daimler (€22 million), AB Volvo (€38 million) and Nissan (€275 million).

(€ million)	AUTOMOTIVE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
2010				
Net income	**3,392**	**489**	**(391)**	**3,490**
Cancellation of dividends received from unconsolidated listed investments	-	-	-	-
Cancellation of income and expenses with no impact on cash				
- Depreciation, amortization and impairment	3,045	24	-	3,069
- Share in net (income) loss of associates	(1,287)	(2)	-	(1,289)
- Other income and expenses with no impact on cash	(2,076)	(14)	3	(2,087)
Cash flow (1)	**3,074**	**497**	**(388)**	**3,183**
Dividends received from listed companies	**88**	**-**	**-**	**88**
Decrease (increase) in sales financing receivables	-	(563)	(31)	(594)
Net change in financial assets and sales financing debts	-	(867)	5	(862)
Change in capitalized leased vehicles	(155)	48	(2)	(109)
Decrease (increase) in working capital	395	(105)	(26)	264
CASH FLOWS FROM OPERATING ACTIVITIES	**3,402**	**(990)**	**(442)**	**1,970**
Purchases of intangible assets	(733)	(1)	-	(734)
Purchases of property, plant and equipment	(1,130)	(3)	-	(1,133)
Disposals of property, plant and equipment and intangibles	219	-	-	219
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired/transferred	7	-	-	7
Acquisitions and disposals of other investments and other assets (2)	3,075	-	-	3,075
Net decrease (increase) in other securities and loans of the Automotive segment	(30)	-	-	(30)
CASH FLOWS FROM INVESTING ACTIVITIES	**1,408**	**(4)**	**-**	**1,404**
Cash flows with shareholders	(12)	(407)	402	(17)
Net change in financial liabilities of the Automotive segment	(1,493)	-	43	(1,450)
CASH FLOWS FROM FINANCING ACTIVITIES	**(1,505)**	**(407)**	**445**	**(1,467)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**3,305**	**(1,401)**	**3**	**1,907**

(1) Cash flow does not include dividends received from listed companies.

(2) Including the sales of AB Volvo Series B shares for €3,006 million in the second half of 2010.

B – INFORMATION BY REGION

(€ million)	EUROPE [1]	EUROMED	EURASIA	ASIA-AFRICA	AMERICAS	CONSOLIDATED TOTAL
2011						
Revenues	27,408	3,270	1,680	5,060	5,210	42,628
Property, plant and equipment and intangibles	11,192	2,073	469	712	629	15,075
2010						
Revenues	27,171	2,996	1,044	3,869	3,891	38,971
Property, plant and equipment and intangibles	11,612	1,644	431	810	684	15,181

(1) Including France:

(€ million)	2011	2010
Revenues	*12,119*	*12,697*
Property, plant and equipment and intangibles	*9,643*	*9,918*

The Regions presented correspond to the geographic sectors of the Group's structure.

Consolidated revenues are presented by location of customers.

Property, plant and equipment and intangibles are presented by location of subsidiaries and joint ventures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ACCOUNTING POLICIES AND SCOPE OF CONSOLIDATION

NOTE 1 – APPROVAL OF THE FINANCIAL STATEMENTS

The Renault group's consolidated financial statements for 2011 were finalised at the Board of Directors' meeting of February 15, 2012 and will be submitted for approval of the shareholders at the General Shareholders' Meeting.

NOTE 2 – ACCOUNTING POLICIES

In application of regulation 1606/2002 passed on July 19, 2002 by the European Parliament and the Council of Europe, Renault's consolidated financial statements for 2011 are prepared under IFRS (International Financial Reporting Standards) as issued by the IASB (International Accounting Standards Board) at December 31, 2011 and adopted by the European Union at the year-end.

A – Changes in accounting policies

The following standards, interpretations and amendments were published in the Official Journal of the European Union at December 31, 2011 and were applied for the first time in 2011:

STANDARD / INTERPRETATION	
IAS 24 (revised)	Related party disclosures
Various improvements	2010 annual improvements to IFRSs
Amendment to IAS 32	Financial instruments: presentation - Classification of rights issues
IFRIC 19	Extinguishing financial liabilities with equity instruments
Amendment to IFRIC 14	IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction - Prepayments of a minimum funding requirement

The first application of these standards, interpretations and amendments has no significant impact on the financial statements at December 31, 2011.

The Group has not undertaken early application of the amendment to IFRS 7, "Financial instruments: disclosures – transfers of financial assets" which was published in the Official Journal of the European Union at December 31, 2011 but will not be mandatory until January 1, 2013. The Group does not currently expect adoption of this amendment to have a significant impact on the consolidated financial statements.

IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint Arrangements" were released by the IASB in 2011. Since they had not been adopted by the European Union at December 31, 2011, early application of these standards was not possible at that date. The Group does not currently expect their application to have a significant impact.

B – Estimates and judgments

In preparing its financial statements, Renault has to make estimates and assumptions that affect the book value of certain assets and liabilities, income and expense items, and the information disclosed in certain notes. Renault regularly revises its estimates and assessments to take account of past experience and other factors deemed relevant in view of the economic circumstances. If changes in these assumptions or circumstances are not as anticipated, the figures reported in Renault's future financial statements could differ from the estimates established at the time the financial statements were finalised.

The main items in the financial statements that are sensitive to estimates and judgments at December 31, 2011 are the following:

- fixed assets (note 2-L and 13);
- property, plant and equipment related to leased vehicles or inventories related to used vehicles (notes 2-G, 12-B and 16);

- investments in associates (notes 2-L, 14 and 15);
- sales financing receivables (notes 2-G and 17);
- deferred taxes (notes 2-I and 9);
- provisions, particularly vehicle warranty provisions (note 2-G), provisions for pensions and other long-term employee benefit obligations (note 21-C) and provisions for workforce adjustment measures (note 7-A).

C – Consolidation principles

The consolidated financial statements include the financial statements of all companies controlled exclusively, directly or indirectly, by the Group ("subsidiaries"). Jointly controlled companies ("joint ventures") are proportionately consolidated. Companies in which the Group exercises significant influence ("associates") are included in the financial statements on an equity basis.

Significant intercompany transactions and unrealized internal profits are eliminated.

Non-consolidated companies, which fulfil these criteria, are recorded as other non-current assets.

None of these companies' individual contributions to consolidated figures exceeds the following:

- revenues: €20 million ;
- inventories: €20 million.

Their consolidation would have a negligible impact on the consolidated financial statements, since they are Group-financed entities whose losses, if any, are recognized via impairment losses, and which:

- acquire almost all their purchases from Group companies, most of these companies being dealership-type establishments; or
- carry out almost all their sales transactions with Group companies.

D – Presentation of the financial statements

Operating income and operating margin

Operating income includes all revenues and costs directly related to the Group's activities, whether recurrent or resulting from non-recurring decisions or operations, such as restructuring costs.

The operating margin corresponds to the operating income before other operating income and expenses, which cover:

- restructuring costs and costs relating to workforce adjustment;
- gains or losses on partial or total disposal of businesses or operating entities, and other gains and losses relating to changes in the scope of consolidation and direct acquisition costs;
- gains or losses on disposal of property, plant and equipment or intangible assets (except vehicle sales);
- unusual items, i.e. income and charges that are unusual in their frequency, nature or amount, particularly impairment of fixed assets.

Reporting by operating segment

The operating segments used by Renault are:

- the Automotive segment, comprising the production, sales, and distribution subsidiaries for passenger and light commercial vehicles, automobile service subsidiaries, and the subsidiaries in charge of cash management for these companies;
- the Sales Financing segment, which the Group considers as an operating activity, carried out by RCI Banque and its subsidiaries for the distribution network and final customers.

The information by operating segment is based on internal reporting to the Group Executive Committee, identified as the "Chief Operating Decision-Maker". This information is prepared under the IFRSs applicable to the consolidated financial statements. All Group financial data are assigned to the operating segments. The "Intersegment transactions" column is reserved for transactions between the two segments, which are carried out on near-market conditions. Dividends paid by the Sales Financing segment to the Automotive segment are included in the Automotive division's financial income.

The indicator used to evaluate segment performance is the operating margin.

Apart from taxes and the associates' share in net income, income and expenses relating to sales financing are recorded as operating items. The tax effect inherent to the French consolidated taxation system is included in the tax expense of the Automotive segment.

Assets and liabilities are specific to each segment. Receivables assigned by the Automotive segment to the sales financing companies are treated as operating assets by the assignee when the risks and benefits are substantially transferred.

Vehicles for which the Automotive segment has a repurchase commitment are included in the segment's assets. When these vehicles are financed by the Sales Financing segment, the Sales Financing segment recognises a receivable on the Automotive segment.

Current and non-current assets and liabilities

Sales financing receivables, other securities, derivatives, loans and financial liabilities of the Sales Financing segment (other than redeemable shares and subordinated loans) are considered as current assets and liabilities, as they are used in normal business cycle of this operating segment.

For the Automotive segment, in addition to items directly related to the business cycle, all assets and liabilities maturing within one year are classified as current.

E – Translation of the financial statements of foreign companies

The Group's presentation currency is the Euro.

For foreign companies, the functional currency is generally the local currency. In cases where most transactions are carried out in a different currency, that is adopted as the functional currency.

To determine whether a country is in hyperinflation, the Group refers to the list published by the AICPA (American Institute of Certified Public Accountants) Task Force. In 2011, this list included none of the countries where Renault has significant business activity.

Foreign companies' accounts are established in their functional currency, and subsequently translated into the Group's presentation currency as follows:

- balance sheet items other than components of shareholders' equity, which are stated at historical value, are translated at the closing rate of exchange;
- income statement items are translated at the average exchange rate for the period;
- the translation adjustment is one of the other components of comprehensive income, and therefore has no impact on net income.

Goodwill and valuation adjustments generated by a business combination with a foreign company are treated as an asset or liability of the entity acquired, as appropriate. They are therefore expressed in the relevant entity's functional currency, and translated into Euro at the closing rate.

When a foreign company is sold, the accumulated translation adjustments on its assets and liabilities are transferred to net income.

F – Translation of foreign currency transactions

Transactions undertaken in a currency other than the functional currency of the entity concerned are initially translated to and recorded in the functional currency, using the rate applicable at the transaction date.

For financial reporting purposes, monetary items in currencies other than the functional currency are translated at the closing rate. All resulting foreign exchange differences are recognized in the income statement, except for foreign exchange gains and losses on debts, receivables, and financial instruments designated as hedges of the net investment in a foreign entity (note 2-V).

The following impacts are therefore recorded in net income:

- translation adjustments related to financial operations by the Automotive segment are included in the net financial income;
- other translation adjustments are included in the operating margin.

Derivatives are measured and recorded as described in note 2-V.

G – Revenues and margin

Revenues comprise all proceeds from sales of the Group's automobile products, services related to these sales, sales of automobile technologies, marketing rights and the various sales financing products marketed by the Group's companies to their customers.

Sales of goods and services and margin recognition

SALES AND MARGIN RECOGNITION

Sales of goods are recognized when vehicles are made available to the distribution network in the case of non-Group dealers, or upon delivery to the end-user in the case of direct sales. The margin on sales is recognized immediately for normal sales by the Automotive segment, including sales with associated financing contracts that can be considered as finance leases (long-term or with a purchase option). However, no sale is recognized when the vehicle is covered by an operating lease from a Group finance company or the Group has made a buy-back commitment with a high probability of application, when the term of the contract covers an insufficient portion of the vehicle's useful life.

In such cases, the transactions are recorded as operating leases and included in sales of services. The difference between the price paid by the customer and the buy-back price is treated as rental income, and spread over the period the vehicle is at the customer's disposal. The production cost for the new vehicle concerned is recorded in inventories for contracts of less than one year, or included in property, plant and equipment under vehicles leased to customers when the contracts exceed one year. The sale of the vehicle as second-hand at the end of the lease gives rise to recognition of sales revenue and the related margin. The forecast resale value takes account of recent known developments on the second-hand vehicle market but also future anticipated developments over the period in which the vehicles will be sold, which may be influenced by factors both external (economic situation, taxation) and internal (changes in the range, lower manufacturer prices). As soon as a loss is expected on the resale, a provision (if the vehicle is in inventories) or additional depreciation (if the vehicle is included in property, plant and equipment) is recognized to cover the loss. When the overall position of the lease contract (rental income and income on resale) shows a loss, an additional provision is also recorded immediately to cover the future loss.

Sales of automobile technologies and marketing rights are recognized when the associated risks and benefits are actually transferred. The timing of this transfer depends on the terms of the sale contracts, taking into consideration factors such as the period covered and the volumes concerned, and the recoverability or otherwise for the purchaser of the amounts paid.

SALES INCENTIVE PROGRAMMES

When based on the volume or price of the products sold, the cost of these programmes is deducted from revenues when the corresponding sales are recorded. Otherwise, the cost is included in selling, general and administrative expenses. If programmes are approved after the sales, a provision is established when the decision is made.

The Group sometimes organizes promotional campaigns offering reduced-interest loans to end-users. The cost of these operations is recognized immediately when the rates offered cannot cover refinancing and administration costs, and charged to sales financing revenues over the duration of the loan otherwise.

WARRANTY

The estimated or incurred costs relating to product or part warranties not covered by insurance are charged to expenses when the sales are recorded. In the event of product recalls relating to incidents that come to light after the vehicle has been put on the market, provisions are established to cover the costs involved as soon as the decision to undertake the recall campaign has been made. Amounts claimed from suppliers are deducted from the warranty expense when it is considered practically certain they will be recovered, and included in Automotive segment customer receivables in the consolidated balance sheet.

SERVICES RELATED TO SALES OF AUTOMOBILE PRODUCTS

Renault offers its customers extended warranty and maintenance contracts, the income and margin on which are recognized over the period covered by the contract.

Sales financing revenues and margin recognition

SALES FINANCING REVENUES

Sales financing revenues are generated by financing operations for sales of vehicles to dealers and end-users. These financing operations take the form of loans from the Sales Financing segment companies, and are carried in the balance sheet at amortized cost under the effective tax rate method, less any impairment. Income on these contracts is calculated so as to give a constant interest rate over the period, and is included in sales revenues.

SALES FINANCING COSTS

The costs of sales financing are considered as operating expenses and included in the operating margin. They mainly comprise interest incurred by sales financing companies to refinance their customer transactions, other costs and revenues directly related to administration of this type of refinancing (temporary investments, hedging and management of exchange and interest rate risks), and the cost of risks other than those relating to refinancing of receivables.

COMMISSIONS PAYABLE TO BUSINESS INTERMEDIARIES

Commissions are treated as external distribution costs, and therefore deferred as contract acquisition costs, so as to give a constant interest rate over the term of the financing contracts.

IMPAIRED RECEIVABLES

Impairment for credit risk is recognized to cover the risk of non-recovery of receivables. When there is objective evidence of a loss of value (payments overdue, deterioration in the financial position, litigation procedures, etc) for an individual receivable, impairment is determined on an individual basis (using a statistical or case-by-case approach). Otherwise, a collectively based provision may be recorded (for example in the event of unfavorable developments in a macro-economic and/or segment indicator associated with otherwise sound receivables).

Impairment for country risk is determined based on assessment of the systemic credit risk to which debtors are exposed in the event of long-term continuous deterioration in the economic and general environment of the countries included in the base.

H – Financial income (expense)

Except for derivatives, interest income and expenses are recognized under the effective interest rate method, whereby interest and transaction costs are spread on an actuarial basis over the duration of the loan or borrowing.

Interest income and expenses include accrued interest on interest rate derivatives used in fair value and cash flow hedging (when this income or expense is transferred from equity). Changes in the fair value of interest rate derivatives, excluding accrued interest, are included in other financial income and expenses.

Other financial income and expenses also include changes in the fair value of Renault SA redeemable shares and dividends from companies that are neither controlled nor under significant influence, which are recognized in the year they are distributed.

I – Income tax

The Group recognizes deferred taxes for all temporary differences between the tax and book values of assets and liabilities in the consolidated balance sheet. Deferred taxes are calculated at the latest tax rate enacted at the closing date applicable to the period when temporary differences are reversed. Each individual fiscal entity (legal entity, establishment or group of entities that pays tax to the tax administration) that is authorized to offset its current tax assets and liabilities reports deferred tax assets and liabilities net. Net deferred tax assets are recognized according to the probability of future recovery.

For fully consolidated companies, a deferred tax liability is recorded in respect of dividend distributions likely to be made by the Group.

For joint ventures and associates, a deferred tax liability on dividend distributions is booked for all differences between the book value and fiscal value of shares held.

Tax credits that can only be used against a taxable profit are recorded as a deduction from the income tax payable. Tax credits that are recoverable regardless of whether the Company makes a taxable profit are set against the relevant nature of expense.

J – Intangible assets

Goodwill

Non-controlling interests (formerly called “minority interests”) are carried at fair value (the full goodwill method) or at their share in the fair value of assets acquired and liabilities transferred (the partial goodwill method). To date Renault has only recognized goodwill valued under the partial goodwill. The choice of which method to use will be made for each individual case.

Goodwill is not amortized, but impairment tests are carried out at least annually or whenever there is evidence of loss of value. After initial recognition, goodwill is stated at cost less accumulated impairment.

Goodwill relating to associates is included in the balance sheet line “investments in associates”. In the event of impairment, an impairment loss is booked and included in the consolidated income statement via the share in net income (loss) of associates.

Acquisitions of additional investments and put options on non-controlling interests in companies controlled by the Group are treated as equity transactions. The positive or negative difference between the cost of acquiring shares and the book value of the non-controlling interests acquired is recorded in shareholders’ equity. The non-controlling interests concerned by put options are stated at fair value and reclassified as liabilities in the balance sheet.

Research and development expenses

Development expenses incurred between the approval of the decision to begin development and implement production facilities for a new vehicle or part (eg engine or gearbox) and the subsequent approval of the design for mass production are capitalized as intangible assets. They are amortized on a straight-line basis from the date of approval for production, over the expected market life of the vehicle or part, up to a maximum period of seven years. Capitalized development expenses mainly comprise the cost of prototypes, the cost of studies invoiced by external firms, the cost of personnel assigned to the project and a share of overheads dedicated exclusively to development activities.

They also include financing costs for projects that began on or since January 1, 2009. The capitalization rate for borrowing costs is equal to the weighted average interest rate on non-dedicated borrowings of the year, with a limit such that capitalized borrowing costs do not exceed the total borrowing costs borne during the year. When a project is financed through a specific borrowing, the capitalization rate is equal to the interest rate on the borrowing.

Expenses incurred before the formal approval of product development are recorded as costs in the period they are incurred, in the same way as research expenses. Expenses incurred after the start of mass production are treated as production costs.

K – Property, plant and equipment

The gross value of property, plant and equipment corresponds to historical acquisition or production cost.

Design and preparation expenses are included in the asset’s production cost.

Production cost also includes financing costs borne during the construction phase of property, plant and equipment when construction began on or after January 1, 2009. The capitalization rate applied is the same as the rate used for intangible assets.

Investment subsidies received are deducted from the gross value of the assets concerned.

Subsequent expenses for property, plant and equipment, except those incurred to increase productivity or prolong the life of an asset, are charged to expenses as incurred.

Assets used by the Group under finance leases are treated as assets financed by credit.

Vehicles leased to customers are vehicles under lease from a Group finance company, for which the Group has a repurchase commitment, or vehicles sold under an agreement including a buy-back clause covering more than one year (note 2-G).

Depreciation

Depreciation is calculated on a straight-line basis over the following estimated useful lives:

Buildings [1]	15 to 30 years
Specific tools	2 to 7 years
Machinery and other tools (other than press lines)	5 to 15 years
Press lines	20 to 30 years
Other tangible assets	4 to 6 years

(1) Buildings in use before 1987 are depreciated over a period of up to 40 years.

Useful lives are regularly reviewed, and accelerated depreciation is recorded when an asset's useful life becomes shorter than the initially expected period of use, particularly when it is decided to withdraw a vehicle or part from the market.

L – Impairment of assets

Impairment of fixed assets (other than leased vehicles)

Fixed assets are subjected to impairment tests as soon as there is any indication of a loss of value, such as significant adverse changes in the market in which the Company operates, or changes affecting the circumstances and manner of use of the assets.

For the **Automotive segment**, impairment tests are carried out at two levels:

- At the level of vehicle-specific and component-specific assets

Vehicle-specific and component-specific assets are capitalized development expenses, specific tools and supplier tools. Impairment tests are carried out by comparing the net book value of the assets with the recoverable value, calculated based on discounted future cash flows related to the vehicle or component.

- At the level of cash-generating units

A cash-generating unit is defined as the smallest identifiable group of assets that generates largely independent cash flows. Fixed assets related to cash-generating units include goodwill, specific assets and capacity assets.

Impairment tests are carried out on cash-generating units by comparing the net book value with the recoverable value. Recoverable value is defined as the higher of value in use or fair value less selling costs.

Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset. Future cash flows derive from the business plan drawn up and validated by the Management, plus a terminal value based on discounted normative cash flows after application of a growth rate to infinity. They also include the dividends paid by the Sales Financing segment to the Automotive segment; these dividends represent, in cash form, the Sales Financing segment's contribution as taken into consideration in internal assessments of project profitability. The assumptions underlying the business plan include estimates of market developments in countries in which the Group operates and its share of those markets, changes in the sale price of products and the prices of purchased components and commodities. The pre-tax discount rate used is the weighted average cost of capital as determined by the Company.

When the recoverable value is lower than the net book value, impairment equivalent to the difference is recorded against the assets concerned.

For the Sales Financing segment, an impairment test is carried out at least once a year or whenever as there is an indication of loss of value, by comparing the book value and recoverable value of assets. Recoverable value is defined as the higher of fair value (less selling costs) and value in use. Value in use is the present value of future cash flows as determined in the most recent 5-year forecasts for each cash-generating unit, consisting of legal entities or groups of legal entities in a given country. The same discount rate is used for all cash-generating units tested: a risk-free 10-year rate increased by the average risk premium for the sector in which the cash-generating units operate.

Impairment of investments in associates

Impairment tests of the value of investments in associates are carried out as soon as there is any indication of a loss of value, essentially significant adverse changes in the markets in which the Company operates, or a major or long-term decline in stock market value.

Impairment tests are carried out in compliance with IAS 28 and IAS 36, by comparing the book value of the investment in the associate with the share of the present value of future estimated cash flows expected from the associate.

When the recoverable value is lower than the book value, impairment equivalent to the difference is recorded against the relevant investment in an associate.

M – Non-current assets or groups of assets held for sale

Assets held for sale are non-current assets or groups of assets that are available for sale (and do not require significant work to prepare them for sale) and very likely to be sold.

Non-current assets or groups of assets considered to be held for sale are measured and recorded at the lower of net book value or fair value less selling costs. No further impairment or amortization is recorded once an asset is classified as held for sale (or included in a group of assets held for sale). These assets are reported on a specific line of the balance sheet.

N – Inventories

Inventories are stated at the lower of cost or net realisable value. Cost corresponds to acquisition cost or production cost, which includes direct and indirect production expenses, and a share of manufacturing overheads based on a normal level of activity. The normal level of activity is assessed site by site, in order to determine the share of fixed costs to be excluded in the event of below-normal activity.

Inventories are valued under the FIFO (First In First Out) method.

When the net realisable value is lower than the balance sheet value, impairment equal to the difference is recorded.

O – Assignment of receivables

Receivables assigned to third parties (through securitization or discounting) are removed from Group assets when the associated risks and benefits are also substantially transferred to the third parties in question.

The same treatment applies to assignments between the Automotive and Sales Financing segments. The resulting receivables and liabilities are recorded as operating items.

P – Treasury shares

Treasury shares are shares held for the purposes of stock-option plans and free share plans awarded to Group managers and Executives. They are recorded at acquisition cost and deducted from Group shareholders' equity until the date of sale.

When these shares are sold, the sale price is directly included in consolidated shareholders' equity. Consequently, no gain or loss on treasury shares is included in the net income for the period.

Q – Stock-option plans / Free share attribution plans

The Group awards stock-option plans (purchase and subscription options) and share attribution plans, all for Renault shares. The grant date is the date at which beneficiaries are informed of the decision to grant these options or shares, and the terms of the relevant plans. For plans subject to performance conditions, an estimate of achievement of those conditions is taken into account in determining the number of options or free shares attributed. This estimate is reviewed annually based on changes in the probability of performance condition achievement. The final fair value of services rendered in return for attribution of options or free shares is measured by reference to the fair value of those options or shares at their grant date, using a binomial mathematical model. Entitlements to attribution of free shares are valued based on the share value at grant date less dividends expected during the vesting period. Where relevant, a discount is applied to reflect the fact that the shares must be held for a certain period.

The fair value is spread on a straight-line basis over the vesting period for the relevant plan. The cost is included in personnel expenses, with a corresponding adjustment to consolidated reserves. When the option is exercised, the cash amount received by the Group in settlement of the exercise price is booked in cash and cash equivalents, with a corresponding adjustment to consolidated reserves.

In compliance with IFRS 2's transitional measures, only plans beginning after November 7, 2002 concerning options unvested at January 1, 2005 have been valued and recorded as described above.

R – Provisions

Pensions and other long-term employee benefit obligations

The Group's payments for defined-contribution benefit plans are recorded as expenses for the relevant period.

For defined-benefit plans concerning post-employment benefits, the Group uses the Projected Unit Credit Method to determine the present value of its obligations. Under this method, benefits are attributed to periods of service according to the plan's benefit formula, principally on a straight-line basis over the years of service.

The future payments for employee benefits are measured on the basis of future salary increases, retirement age, mortality and length of employment with the Company, and are discounted at a rate determined by reference to yields on long-term high quality corporate bonds of a duration corresponding to the estimated average duration of the benefit plan concerned.

The actuarial gains and losses resulting from revisions of the underlying assumptions and experience-based adjustments are included in other components of comprehensive income, as allowed under IAS 19.

The net expense for the year, corresponding to the sum of the current period service costs, the discount cost less the expected return on fund assets and a portion of deferred past service costs, is charged in full to the operating margin.

Restructuring measures / Termination benefits

The estimated cost of restructuring and the cost of workforce adjustment measures is recognized as soon as a detailed plan has been defined and is either announced or in progress.

S – Financial assets

The Group recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

Financial assets comprise investments in non-controlled companies in which Renault does not exercise significant influence, other securities i.e. short-term investments undertaken for management of cash surpluses, loans, and derivative assets related to financial transactions (note 2-V).

These instruments are presented as non-current assets, apart from those maturing within 12 months of the closing date, which are classified as current assets.

Investments in non-controlled companies in which Renault does not have significant influence, and other securities

Investments in non-controlled companies in which Renault does not have significant influence are considered as "available-for-sale" assets. Other securities are analysed on a case-by-case basis: they are classified as "assets stated at fair value through profit and loss" if the Group intends to sell them in the short term, and as "available-for-sale assets" otherwise.

The fair values of financial assets are determined in priority by reference to the market price. If this is not possible, the Group uses a valuation method that is not based on market data.

Changes in the fair value of "available-for-sale" assets are included in other components of comprehensive income. If there is a significant or prolonged decrease in the fair value such that it falls below the acquisition price, impairment is recorded in the income statement.

Loans

Loans essentially include interbank loans for investment of cash surpluses.

They are initially recognized at fair value, plus directly attributable transaction costs.

Loans are valued at amortized cost. Impairment is recognized in the income statement when there is objective evidence of depreciation in value caused by an event that occurred after the initial recognition of the asset.

T – Cash and cash equivalents

Cash includes cash on hand and bank deposits, with the exception of bank overdrafts, which are included in financial liabilities. These instruments are stated at amortized cost.

Cash equivalents are investments held for the purpose of meeting short-term cash commitments. For an investment to qualify as a cash equivalent, it must be readily convertible for a known amount of cash and be subject to an insignificant risk of change in value. These instruments are stated at fair value.

U – Financial liabilities and sales financing debts

The Group recognizes a financial liability (for the Automotive segment) or a sales financing debt when it becomes a party to the contractual provisions of the instrument.

Financial liabilities and sales financing debts comprise redeemable shares, bonds, other debts represented by a certificate, borrowings from credit institutions, other interest-bearing borrowings and derivative liabilities related to financial transactions (note 2-V).

Redeemable shares

In accordance with IAS 39, the Group considers that the variable interest on redeemable shares is an embedded derivative which cannot be valued separately. Consequently, the Group has stated all its redeemable shares at fair value. For these shares, fair value is equal to market value.

Changes in the fair value of Automotive segment redeemable shares are recorded in financial income and expenses, while changes in the fair value of Sales Financing segment redeemable shares are recorded in the operating margin.

Bonds, other debts represented by a certificate, borrowings from credit institutions and other interest-bearing borrowings

Bonds, other debts represented by a certificate, borrowings from credit institutions and other interest-bearing borrowings are initially recorded at fair value, less any directly attributable transaction costs.

At each reporting date, apart from specific hedge accounting methods (note 2-V), these financial liabilities are generally restated at amortized cost using the effective interest rate method. The financial expense calculated in this way includes issuance expenses and issuance or redemption premiums, together with the impact of debt renegotiations when the old and new terms are not substantially different.

Renegotiations of the terms of borrowings and similar operations are recorded as an extinction of the former liability with recognition of a new liability only if there are substantial differences between the old and new terms. When this is the case, the costs borne for renegotiation are included in the financial expenses for the period during which the negotiation takes place.

V – Derivatives and hedge accounting

Measurement and presentation

Derivatives are initially recognized at fair value. This fair value is subsequently reviewed at each closing date.

- The fair value of forward exchange contracts is based on market conditions. The fair value of currency swaps is determined by discounting future cash flows, using closing-date market rates (exchange and interest rates).
- The fair value of interest rate derivatives is the amount the Group would receive (or pay) to settle outstanding contracts at the closing date, taking into account any unrealized gains or losses based on current interest rates and the quality of the counterparty to each contract at the closing date. This fair value includes accrued interest.
- The fair value of commodity derivatives is based on market conditions.

The Automotive segment's derivatives are reported in the balance sheet as current if they mature within 12 months and non-current otherwise. All Sales Financing segment derivatives are reported in the balance sheet as current.

Hedge accounting

The treatment of derivatives designated as hedging instruments depends on the type of hedging relationship:

- fair value hedge;
- cash flow hedge;
- hedge of a net investment in a foreign operation.

The Group identifies the hedging instrument and the hedged item as soon as the hedge is set up, and documents the hedging relationship, stating the hedging strategy, the risk hedged and the method used to assess the hedge's effectiveness. This documentation is subsequently updated, such that the effectiveness of the designated hedge can be demonstrated.

Hedge accounting uses specific measurement and recognition methods for each category of hedge.

- Fair value hedges: the hedged item is adjusted to fair value in view of the risk hedged and the hedging instrument is recorded at fair value. As changes in these items are recorded in the income statement simultaneously, only the ineffective portion of the hedge has an impact on net income. It is recorded in the same income statement item as changes in the fair value of the hedged item and the hedging instrument.
- Cash flow hedges: no adjustment is made to the value of the hedged item; only the hedging instrument is adjusted to fair value. Following this adjustment, the effective portion of the change in fair value attributable to the hedged risk is recorded, net of taxes, in other components of comprehensive income, while the ineffective portion is included in net income. The cumulative amount included in equity is transferred to the income statement when the hedged item has an impact on net income.
- Hedge of a net investment in a foreign operation: the hedging instrument is adjusted to fair value. Following this adjustment, the effective portion of the change in fair value attributable to the hedged exchange risk is recorded, net of taxes, in other components of comprehensive income, while the ineffective portion is included in net income. The cumulative amount included in equity is transferred to net income at the date of liquidation or sale of the investment. The interest rate component of financial instruments used to hedge the investment in Nissan (forward sales and fixed/fixed cross-currency swaps) is treated as an ineffective portion and consequently recorded directly in financial income and expenses.

Derivatives not designated as hedges

Changes in the fair value of derivatives not designated as hedges are recognized directly in financial income, except in the case of derivatives entered into exclusively for reasons closely related to business operations. In this case, changes in the fair value of derivatives are included in the operating margin.

NOTE 3 – CHANGES IN THE SCOPE OF CONSOLIDATION

	AUTOMOTIVE	SALES FINANCING	TOTAL
Number of companies consolidated at December 31, 2010	**129**	**38**	**167**
Newly consolidated companies (acquisitions, formations, etc)	4	-	4
Deconsolidated companies (disposals, mergers, liquidations, etc)	(4)	(2)	(6)
Number of companies consolidated at December 31, 2011	**129**	**36**	**165**

The main changes in the scope of consolidation were as follows:

- 2011

The subsidiary Renault Beijing Automotive Company, which sells imported vehicles on Chinese territory, has been fully consolidated since January 1, 2011.

Fonderie de Bretagne has also been fully consolidated since January 1, 2011. This entity results from Renault's takeover of SBFM under a receivership procedure.

- 2010

Renault F1 team was deconsolidated as of January 1, 2010. This deconsolidation had no impact on the 2010 financial statements since all the sale transactions were recorded by the end of 2009.

Since 2008, through formation of the holding company Renault Environnement, the Group has worked with the SITA / Suez Environnement group to modernise end-of-life vehicle recycling operations in France. Renault Environnement and its subsidiaries Indra Investissements and Boone Comenor, both jointly-owned with SITA, are all included in the Group's scope of consolidation, since January 1, 2010.

The Group made some changes during 2010 to the partnership initiated in 2005 with the Indian group Mahindra & Mahindra, which bought out Renault's shares in the joint venture Mahindra Renault Ltd. The Group is continuing to do business in India through sale of a Logan licence and as the supplier of several components, and the Renault-Nissan Alliance also inaugurated the Chennai plant in March 2010. The joint venture Renault Nissan Automotive India Private Limited has been accounted for by the equity method since January 1, 2010.

The Group deconsolidated Renault Venezuela from July 1, 2010 as this subsidiary was not material.

INCOME STATEMENT AND COMPREHENSIVE INCOME

NOTE 4 – REVENUES

A – 2010 revenues applying 2011 Group structure and methods

(€ million)	AUTOMOTIVE	SALES FINANCING	TOTAL
2010 revenues	**37,172**	**1,799**	**38,971**
Changes in the scope of consolidation and other	(10)	-	(10)
2010 revenues applying 2011 Group structure and methods	**37,162**	**1,799**	**38,961**

2011 REVENUES	**40,679**	**1,949**	**42,628**

B – Breakdown of revenues

(€ million)	**2011**	**2010**
Sales of goods	38,697	35,528
Sales of services [(1)]	2,495	2,126
Sales of goods and services	**41,192**	**37,654**
Income on customer financing	981	895
Income on leasing and similar operations	455	422
Sales financing revenues	**1,436**	**1,317**
REVENUES	**42,628**	**38,971**

(1) Including €513 million for sales financing in 2011 (€482 million in 2010).

Rental income recorded by the Group in connection with vehicle sales with a repurchase commitment or vehicle rentals totalled €548 million in 2011 (€538 million in 2010). This income is included in sales of services.

NOTE 5 – COST OF SALES FINANCING

(€ million)	**2011**	**2010**
Income on cash investments	196	180
Refinancing expenses	(1,082)	(944)
Net financing costs	**(886)**	**(764)**
Net credit losses	**(25)**	**(49)**
COST OF SALES FINANCING	**(911)**	**(813)**

NOTE 6 – OPERATING MARGIN: DETAILS OF INCOME AND EXPENSES BY NATURE

A – Cost of goods and services sold

The Group's information systems are designed to present income statements by function, and cannot therefore supply the value of purchases consumed.

B – Personnel expenses

	2011	**2010**
Personnel expenses *(€ million)*	5,857	5,603
Workforce at December 31	128,322	122,615

Details of pensions and other long-term benefit expenses are presented in note 21-C.

The profit-sharing bonus introduced in 2011 generated an expense of €6 million in 2011, i.e. a unit allocation of €150 per employee.

C – Share-based payments

Share-based payments concern stock-options and free shares granted to personnel, and amounted to a personnel expense of €6 million for 2011 (€8 million in 2010).

The plan valuation method is presented in note 20-H.

D – Rental expenses

Rents amounted to approximately €238 million in 2011 (€242 million in 2010).

E – Foreign exchange gains/losses

In 2011, the operating margin included a net foreign exchange loss of €12 million (compared to a net foreign exchange gain of €15 million in 2010).

NOTE 7 – OTHER OPERATING INCOME AND EXPENSES

(€ million)	**2011**	**2010**
Restructuring and workforce adjustment costs	71	(449)
Gains and losses on total or partial disposal of businesses or operating entities, and other gains and losses related to changes in the scope of consolidation	-	39
Gains and losses on disposal of property, plant and equipment and intangible assets (except vehicle sales)	133	112
Impairment of fixed assets	(61)	(159)
Other unusual items	10	(7)
TOTAL	**153**	**(464)**

A – Restructuring and workforce adjustment costs

In 2011, the effects of restructuring include a net amount of €98 million reversed from provisions. This comprises €51 million resulting from the Group's decision in 2011 to discontinue the plan to reorganize its establishments in the Paris area, and €47 million resulting from updating the provision for workforce adjustment measures in France following the options chosen in 2011 by employees eligible for these measures (note 21-B).

The other effects essentially correspond to workforce adjustment measures in other European countries.

Restructuring costs recorded in 2010 were mainly incurred for the introduction of workforce adjustment measures in France, Spain and Turkey. In France, these costs include the effect of measures proposed to respond to the hardship of work for older employees.

B – Gains and losses on total or partial disposal of businesses or operating entities, and other gains and losses related to changes in the scope of consolidation

The Group did not record any disposals of businesses or operating entities in 2011.

The net gain recorded in 2010 essentially reflected the profit on sale of Nissan shares as part of the cooperation agreement with the Daimler group.

C – Gains and losses on disposal of property, plant and equipment and intangible assets (except vehicle sales)

Most of the gain on disposal of property, plant and equipment and intangible assets (except vehicle sales) results from sales of land and buildings located in Europe in 2011 and 2010, and in Korea in 2010.

D – Impairment of fixed assets

In 2011, an amount of €88 million was reversed from impairment previously booked on intangible assets, to reflect the improved cash flow prospects for three vehicles in the range, and impairment of €149 million was recorded in respect of intangible and tangible assets associated with three other vehicles in the range (note 13-A).

In 2010, impairment of assets amounted to €159 million, essentially concerning capitalized development expenses for two vehicles and one powertrain component in the range.

NOTE 8 – FINANCIAL INCOME

The net interest expense for 2011 amounting to €219 million (€354 million in 2010) includes interest on the loans received from the French government and the European Investment Bank during the first half of 2009.

Other financial income and expenses comprise:

(€ million)	**2011**	**2010**
Change in fair value of redeemable shares (note 24-A)	31	(31)
Other	67	9
TOTAL	**98**	**(22)**

Other financial income includes dividends received from Daimler in 2011, at their gross value of €30 million.

Foreign exchange gains and losses included under “Other” represent a gain of €27 million in 2011 (compared to a gain of €5 million in 2010).

NOTE 9 – CURRENT AND DEFERRED TAXES

As Renault SA elected to determine French income taxes under the domestic tax consolidation regime when it was formed, this is the regime applicable to the Group in which Renault SA is taxed in France.

The Renault group also applies other optional tax consolidation systems in Germany, Italy, Spain, and the UK.

A – Current and deferred tax expense

Breakdown of the tax charge

(€ million)	**2011**	**2010**
Current income taxes	(408)	(340)
Deferred taxes revenue (expenses)	(100)	282
CURRENT AND DEFERRED TAXES	**(508)**	**(58)**

In 2011, €350 million of current income taxes were generated by foreign entities (€274 million in 2010).

Current taxes paid by the Group during 2011 totalled €273 million (€186 million in 2010).

B – Breakdown of the tax charge

(€ million)	**2011**	**2010**
Income before taxes and share in net income of associates	**1,123**	**2,259**
Statutory income tax rate applicable in France	36.1%	34.43%
Theoretical tax income (charge)	**(405)**	**(778)**
Effect of differences between local rate and the French rate	114	102
Tax credits	31	33

Distribution taxes	(61)	(68)
Change in unrecognized deferred tax assets	(215)	(136)
Other impacts [1]	28	789
Current and deferred tax income (charge)	**(508)**	**(58)**

(1) Other impacts are primarily the following: permanent differences, income subject to reduced tax rates, the cost of tax reassessments, and prior year adjustments. In 2010 this amount includes the favorable €650 million effect of reduced-rate taxation of the gain on sale of AB Volvo Series B shares.

Until December 31, 2009, as there was no prospect of reporting taxable income, the Group did not recognize the net deferred tax assets of the French tax consolidation group.

Since 2010, the forecast results coming from the 2011/2016 Plan have led the Group to recognize partially the French tax group's net deferred tax assets. Due to the combined effects of the new 2011 French Finance Law limiting yearly utilization of tax loss carryforwards, and the updated business plan, the amount of tax assets recognized has been reduced by €140 million, with an impact of €100 million in income and €40 million in shareholders' equity. As a result, net recognized deferred tax assets amount to €215 million.

Restated of the partial recognition of French tax group deferred taxes, the Renault group's effective tax rate (before the share in net income of associates) was 30% at December 31, 2011, largely thanks to favourable differences between local rates and the rates applicable in France.

C – Breakdown of net deferred taxes

C1 – Change in deferred tax assets and liabilities

(€ million)	**2011**	**2010**
Deferred tax assets	705	279
Deferred tax liabilities	(125)	(114)
Net deferred tax assets (liabilities) at January 1	**580**	**165**
Deferred tax income (expense) for the period	(100)	282
Deferred tax income (expense) included in equity	(42)	122
Translation adjustments	(10)	11
Change in scope of consolidation and other	3	-
Net deferred tax assets (liabilities) at December 31	**431**	**580**
- deferred tax assets	*566*	*705*
- deferred tax liabilities	*(135)*	*(125)*

C2 – Breakdown of net deferred tax assets by nature

(€ million)	**DECEMBER 31, 2011**	**DECEMBER 31, 2010**
Deferred taxes on:		
Investments in associates [1]	(147)	(116)
Fixed assets	(1,844)	(1,759)

Provisions and other expenses or valuation allowances deductible upon utilization	1,014	864
Loss carryforwards	3,744	3,590
Other	250	249
Net deferred tax assets (liabilities)	**3,017**	**2,828**
Unrecognized deferred tax assets (note 9-C3)	(2,586)	(2,248)
NET DEFERRED TAX ASSETS (LIABILITIES) REPORTED	**431**	**580**

(1) Includng tax on future dividend distributions.

The residual unrecognized net deferred tax assets of entities included in the French tax consolidation amounted to €1,888 million at December 31, 2011. €680 million of these unrecognized assets arose on items booked through equity (chiefly the effects of the partial hedge of the investment in Nissan, revaluation of financial instruments, and actuarial gains and losses), and €1,208 million on items affecting the income statement.

Outside France, unrecognized deferred tax assets totalled €698 million, essentially relating to tax loss carryforwards generated by the Group in South America.

C3 – Breakdown of unrecognized net deferred tax assets, by expiry

(€ million)	**2011**	**2010**
Net deferred tax assets that can be carried forward indefinitely [(1)]	2,504	2,159
Other net deferred tax assets expiring in more than 5 years	71	23
Other net deferred tax assets expiring between 1 and 5 years	9	50
Other net deferred tax assets expiring within 1 year	2	16
TOTAL UNRECOGNIZED NET DEFERRED TAX ASSETS	**2,586**	**2,248**

(1) Including €1,888 million at December 31, 2011 (€1,549 million at December 31, 2010) corresponding to unrecognized net deferred tax assets of entities included in the French tax consolidation (note 9-C2), mainly corresponding to tax loss carryforwards.

NOTE 10 – BASIC AND DILUTED EARNINGS PER SHARE

(In thousands of shares)	**2011**	**2010**
Shares in circulation	295,722	292,127
Treasury shares	(3,914)	(3,438)
Shares held by Nissan x Renault’s share in Nissan	(19,427)	(19,397)
Number of shares used to calculate basic earnings per share	**272,381**	**269,292**

The number of shares used to calculate the basic earnings per share is the weighted average number of ordinary shares in circulation during the period, i.e. after neutralization of treasury shares and Renault shares held by Nissan.

(In thousands of shares)	**2011**	**2010**
Number of shares used to calculate basic earnings per share	272,381	269,292

Dilutive effect of stock-options and free share attribution rights	-	-
Number of shares used to calculate diluted earnings per share	**272,381**	**269,292**

The number of shares used to calculate the diluted earnings per share is the weighted average number of ordinary shares potentially in circulation during the period, i.e. the number of shares used to calculate the basic earnings per share plus the number of stock-options and rights to free share attribution, that have a dilutive effect and fulfil the performance conditions at the year-end when issuance is conditional.

NOTE 11 – OTHER COMPONENTS OF COMPREHENSIVE INCOME

A – Breakdown of other components of comprehensive income

(€ million)	**2011**	**2010**
Actuarial gains and losses on defined benefit pension plans	**(23)**	**(14)**
Translation adjustments on foreign activities		
Gains / (losses) for the period	(107)	234
Reclassification under net income	-	24
TOTAL TRANSLATION ADJUSTMENTS ON FOREIGN ACTIVITIES	**(107)**	**258**
Partial hedge of the investment in Nissan		
Gains / (losses) for the period	(142)	(280)
Reclassification under net income	-	38
TOTAL PARTIAL HEDGE OF THE INVESTMENT IN NISSAN	**(142)**	**(242)**
Cash flow hedges		
Gains / (losses) for the period	(24)	(28)
Reclassification under net income	11	108
TOTAL CASH FLOW HEDGES	**(13)**	**80**
Available-for-sale financial assets		
Gains / (losses) for the period	(257)	232
Reclassification under net income	-	-
TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS	**(257)**	**232**
Associates' share of other components of comprehensive income	**444**	**2,110**
OTHER COMPONENTS OF COMPREHENSIVE INCOME	**(98)**	**2,424**

B – Tax effects of other components of comprehensive income

	OTHER COMPONENTS OF COMPREHENSIVE INCOME					
	2011			**2010**		
(€ million)	**BEFORE**	**TAX**	**AFTER**	**BEFORE**	**TAX**	**AFTER**

	TAX		TAX	TAX		TAX
Actuarial gains and losses on defined benefit pension plans	(24)	1	(23)	(19)	5	(14)
Translation adjustments on foreign activities	(107)	-	(107)	258	-	258
Partial hedge of the investment in Nissan	(84)	(58)	(142)	(375)	133	(242)
Cash flow hedges	(8)	(5)	(13)	73	7	80
Available-for-sale financial assets	(274)	17	(257)	249	(17)	232
Associates' share of other components of comprehensive income	441	3	444	2,116	(6)	2,110
TOTAL	**(56)**	**(42)** [(1)]	**(98)**	**2,302**	**122** [(1)]	**2,424**

(1) Including an expense of €40 million in 2011 (income of €112 million in 2010) related to partial recognition of the French tax group's net deferred tax assets (note 9-B).

OPERATING ASSETS AND LIABILITIES, SHAREHOLDERS' EQUITY

NOTE 12 – INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

A – Intangible assets

A1 – Intangible assets at December 31

(€ million)	DECEMBER 31, 2011	DECEMBER 31, 2010
Capitalized development expenses	7,800	7,099
Goodwill	246	250
Other intangible assets	437	443
Intangible assets, gross	**8,483**	**7,792**
Capitalized development expenses	(4,466)	(3,821)
Other intangible assets	(299)	(294)
Amortization and impairment	**(4,765)**	**(4,115)**
INTANGIBLE ASSETS, NET	**3,718**	**3,677**

Most goodwill are in Europe.

A2 – Changes during the year

(€ million)	GROSS VALUE	AMORTIZATION AND IMPAIRMENT	NET VALUE

Value at December 31, 2009	**7,648**	**(3,755)**	**3,893**
Acquisitions (note 27-C)/(amortization)	751	(987)	(236)
(Disposals)/reversals	(640)	639	(1)
Translation adjustment	30	(20)	10
Change in scope of consolidation and other	3	8	11
Value at December 31, 2010	**7,792**	**(4,115)**	**3,677**
Acquisitions (note 27-C)/(amortization)	874	(829)	45
(Disposals)/reversals	(174)	174	-
Translation adjustment	(8)	4	(4)
Change in scope of consolidation and other	(1)	1	-
Value at December 31, 2011	**8,483**	**(4,765)**	**3,718**

Acquisitions of intangible assets in 2011 comprise €825 million of self-produced assets and €49 million of purchased assets (respectively €676 million and €75 million in 2010). They also include €16 million of capitalized borrowing costs. The capitalization rate for borrowing costs in 2011 is 2.47%.

Amortization and impairment in 2011 include cancellation of €88 million of impairment previously recorded on capitalized development expenses for three vehicles in the range, and €84 million of impairment recorded on one other vehicle (note 7-D).

In 2010, impairment on assets amounted to €144 million and essentially concerned capitalized development expenses for two vehicles and one component in the range.

A3 – Research and development expenses included in income

(€ million)	**2011**	**2010**
Research and development expenses	(2,064)	(1,728)
Capitalized development expenses	808	666
Amortization of capitalized development expenses	(771)	(772)
TOTAL REPORTED IN INCOME STATEMENT	**(2,027)**	**(1,834)**

B – Property, plant and equipment

B1 – Property, plant and equipment at December 31

(€ million)	DECEMBER 31, 2011	DECEMBER 31, 2010
Land	598	594
Buildings	5,942	5,877
Specific tools	12,569	12,109
Machinery and other tools	9,656	9,879
Vehicles leased to customers	2,139	2,123
Other tangibles	857	871
Construction in progress	1,545	793
Property, plant and equipment, gross	**33,306**	**32,246**
Land and buildings	(3,090)	(2,923)
Specific tools	(10,319)	(9,407)
Machinery and other tools	(7,154)	(7,055)
Vehicles leased to customers	(608)	(581)
Other tangibles	(778)	(776)
Depreciation and impairment	**(21,949)**	**(20,742)**
PROPERTY, PLANT AND EQUIPMENT, NET	**11,357**	**11,504**

Depreciation and impairment in 2011 include impairment of €65 million on three vehicles in the range (note 7-D), compared to €13 million of impairment in 2010.

B2 – Changes during the year

Changes during 2011 in property, plant and equipment were as follows:

(€ million)	DECEMBER 31, 2010	ACQUISITIONS / (DEPRECIATION AND IMPAIRMENT)	(DISPOSALS)/ REVERSALS	TRANSLATION ADJUSTMENTS	CHANGE IN SCOPE OF CONSOLIDATION AND OTHER	DECEMBER 31, 2011
Land	594	20	(34)	-	18	598
Buildings	5,877	231	(103)	(32)	(31)	5,942
Specific tools	12,109	399	(169)	(60)	290	12,569
Machinery and other tools	9,879	335	(301)	(63)	(194)	9,656
Vehicles leased to customers	2,123	723	(716)	2	7	2,139
Other tangibles	871	57	(38)	(6)	(27)	857
Construction in progress [(1)]	793	845	-	(7)	(86)	1,545
Property, plant and equipment, gross [(2)]	**32,246**	**2,610**	**(1,361)**	**(166)**	**(23)**	**33,306**
Land	-	-	-	-	-	-
Buildings	(2,923)	(228)	51	12	(2)	(3,090)
Specific tools	(9,407)	(962)	165	40	(155)	(10,319)
Machinery and other tools	(7,055)	(575)	284	43	149	(7,154)
Vehicles leased to customers [(3)]	(581)	(196)	182	(1)	(12)	(608)
Other tangibles	(776)	(41)	34	4	1	(778)
Construction in progress	-	-	-	-	-	-
Depreciation and impairment	**(20,742)**	**(2,002)**	**716**	**98**	**(19)**	**(21,949)**
Land	594	20	(34)	-	18	598
Buildings	2,954	3	(52)	(20)	(33)	2,852
Specific tools	2,702	(563)	(4)	(20)	135	2,250

Machinery and other tools	2,824	(240)	(17)	(20)	(45)	2,502
Vehicles leased to customers	1,542	527	(534)	1	(5)	1,531
Other tangibles	95	16	(4)	(2)	(26)	79
Construction in progress [(1)]	793	845	-	(7)	(86)	1,545
Property, plant and equipment, net	**11,504**	**608**	**(645)**	**(68)**	**(42)**	**11,357**

(1) Items classified as "construction in progress" are transferred to completed asset categories via the "acquisitions / (depreciation and impairment)" column.

(2) Acquisitions during 2011 include €26 million of borrowing costs capitalized over the year. The capitalization rate for borrowing costs in 2011 is 2.47%.

(3) Impairment of vehicles leased to customers amounts to €163 million at December 31, 2011 (€154 million at December 31, 2010).

Changes during 2010 in property, plant and equipment were as follows:

(€ million)	**GROSS VALUE**	**DEPRECIATION AND IMPAIRMENT**	**NET VALUE**
Value at December 31, 2009	**31,463**	**(19,169)**	**12,294**
Acquisitions/(depreciation and impairment)	1,825	(2,084)	(259)
(Disposals)/reversals	(1,418)	689	(729)
Translation adjustment	368	(183)	185
Change in scope of consolidation and other	8	5	13
Value at December 31, 2010	**32,246**	**(20,742)**	**11,504**

NOTE 13 – IMPAIRMENT TESTS ON FIXED ASSETS (OTHER THAN LEASED VEHICLES)

The Group carried out impairment tests on its fixed assets under the approach described in the accounting policies (note 2-L).

A – Impairment tests on vehicle-specific and component-specific assets

Following impairment tests of assets dedicated to specific vehicles or components, impairment of €149 million was booked during 2011 (€159 million at December 31, 2010), in respect of three models in the range. This impairment is allocated in priority to capitalized development expenses. €88 million of impairment previously recognized on intangible assets was also cancelled, reflecting the improvement in cash flow prospects associated with three vehicles in the range.

Valuation of specific assets during impairment tests is sensitive to the assumptions applied concerning changes in volumes and margin levels. For vehicles presenting the greatest risk, a further 20-35% decrease in any of the assumptions used would bring the value in use to the same level as the book value.

B – Impairment tests on cash-generating units – Automotive segment

In 2011, only the Korea cash-generating unit was subjected to an impairment test, as there were no indications of impairment in the Group's other geographically determined cash-generating units.

The recoverable value used for the purposes of the impairment tests for Korea is the value in use, determined under the discounted future cash flow method on the basis of the following assumptions:

KOREA	2011	2010
Business plan duration	6 years	N / A
Growth rate to infinity	2.7%	N / A
After-tax discount rate	8.5%	N / A

In 2011 as in 2010, no impairment was recognized on assets included in the cash-generating units subjected to impairment tests.

An impairment test was also carried out on the Automotive segment as a cash-generating unit, following the same procedure as for tests of other cash-generating units.

The assumptions used for the Automotive segment are as follows:

	2011	2010
Business plan duration	6 years	6 years
Forecast sales volumes over the projected horizon *(units)*	3,350,000	3,052,000
Growth rate to infinity	1.8%	1.5%
After-tax discount rate	8.5%	8.2%

In 2011 as in 2010, no impairment was recognized on assets included in the Automotive segment as a result of the impairment tests.

Changes in the assumptions underlying the calculations show that to cover the assets, for each factor considered individually:

- the projected volume reduction must not exceed 300,000 units;
- the after-tax discount rate must not exceed 11.8%.

With a growth rate to infinity close to zero, the conclusions of the test are unaffected.

NOTE 14 – INVESTMENT IN NISSAN

A – Nissan consolidation method

Renault and Nissan have chosen to develop a unique type of alliance between two distinct companies with common interests, uniting forces to achieve optimum performance. The Alliance is organized so as to preserve individual brand identities and respect each company's corporate culture.

Consequently:

- Renault does not hold the majority of Nissan voting rights;
- the terms of the Renault-Nissan agreements do not entitle Renault to appoint the majority of Nissan directors, nor to hold the majority of voting rights at meetings of Nissan's Board of Directors; at December 31, 2011 as in 2010, Renault supplied four of the total nine members of Nissan's Board of Directors;
- Renault Nissan b.v., owned 50% by Renault and 50% by Nissan, is the Alliance's joint decision-making body for strategic issues concerning either group individually. Its decisions are applicable to both Renault and Nissan. This entity does not enable Renault to direct Nissan's financial and operating strategies, and cannot therefore be considered to represent contractual control by Renault over Nissan. The matters examined by Renault Nissan b.v. since it was formed have remained strictly within this contractual framework, and are not an indication that Renault exercises control over Nissan;
- Renault can neither use nor influence the use of Nissan's assets in the same way as its own assets;
- Renault provides no guarantees in respect of Nissan's debt.

In view of this situation, Renault is considered to exercise significant influence in Nissan, and therefore uses the equity method to include its investment in Nissan in the consolidation.

B – Nissan consolidated financial statements included under the equity method in the Renault consolidation

The Nissan accounts included under the equity method in Renault's financial statements are Nissan's consolidated accounts published in compliance with Japanese accounting standards (as Nissan is listed on the Tokyo stock exchange), after adjustments for the requirements of the Renault consolidation.

Nissan publishes consolidated financial statements quarterly, and annually at March 31. For the purposes of the Renault consolidation, Nissan results are included in line with the Renault calendar (the results for the period January to December are consolidated in Renault's annual financial statements).

Nissan held 1.15% of treasury shares at December 31, 2011 (0.9% at December 31, 2010). Consequently, Renault's percentage interest in Nissan was 43.9% at December 31, 2011 (43.8% at December 31, 2010).

C – Changes in the investment in Nissan as shown in Renault's balance sheet

	SHARE IN NET ASSETS			NET GOODWILL	TOTAL
(€ million)	BEFORE NEUTRALIZATION	NEUTRALIZATION PROPORTIONAL TO NISSAN'S INVESTMENT IN RENAULT (1)	NET		
At December 31, 2010	**13,442**	**(975)**	**12,467**	**878**	**13,345**
2011 net income	1,332		1,332		1,332
Dividend distributed	(275)		(275)		(275)
Translation adjustment	617		617	75	692
Other changes (2)	(163)		(163)		(163)
At December 31, 2011	**14,953**	**(975)**	**13,978**	**953**	**14,931**

(1) Nissan has held 15% of Renault since the acquisition in 2002, excluding the subsequent impacts of Renault's purchases of its treasury shares.

(2) Other changes include Renault dividends received by Nissan, the change in actuarial gains and losses on pension obligations, the change in the financial instrument revaluation reserve and changes in Nissan treasury shares.

D – Changes in Nissan equity restated for the purposes of the Renault consolidation

(in billions of yen)	DECEMBER 31, 2010	2011 NET INCOME	DIVIDENDS	TRANSLATION ADJUSTMENT	OTHER CHANGES (1)	DECEMBER 31, 2011
Shareholders' equity – Nissan share under Japanese GAAP	**2,858**	**297**	**(63)**	**(153)**	**(30)**	**2,909**
Restatements for Renault group requirements :						
• Restatement of fixed assets	352	(4)				348
• Provision for pension and other long term employee benefit obligations (2)	(174)	37		3	(31)	(165)
• Capitalization of development expenses	540	(14)				526
• Deferred taxes and other restatements (3)	(239)	18	(4)	10	9	(206)
Net assets restated for Renault group requirements	**3,337**	**334**	**(67)**	**(140)**	**(52)**	**3,412**
(€ million)						
Net assets restated for Renault group requirements	**30,704**	**3,042**	**(628)**	**1,410**	**(474)**	**34,054**
Renault's percentage	43.8%					43,9%
Renault's share (before neutralization described below)	13,442	1,332	(275)	617	(163)	14,953
Neutralization proportional to Nissan's investment in Renault (4)	(975)					(975)
Renault's share in the net assets of Nissan	**12,467**	**1,332**	**(275)**	**617**	**(163)**	**13,978**

(1) Other changes mainly include the change in actuarial gains and losses on pension obligations, the change in the financial instrument revaluation reserve, and changes in Nissan treasury shares.

(2) Including actuarial gains and losses recognized in equity.

(3) Including elimination of Nissan's investment in Renault, accounted by the equity method.

(4) Nissan has held 15% of Renault since the acquisition in 2002, excluding the subsequent impacts of Renault's purchases of treasury shares.

E – Nissan net income under Japanese GAAP

Since Nissan's financial year ends at March 31, the Nissan net income included in the 2011 Renault consolidation is the sum of Nissan's net income for the final quarter of its 2010 financial year and the first three quarters of its 2011 financial year.

	JANUARY TO MARCH 2011		APRIL TO JUNE 2011		JULY TO SEPTEMBER 2011		OCTOBER TO DECEMBER 2011		JANUARY TO DECEMBER 2011	
	FOURTH QUARTER OF NISSAN'S 2010 FINANCIAL YEAR		**FIRST QUARTER OF NISSAN'S 2011 FINANCIAL YEAR**		**SECOND QUARTER OF NISSAN'S 2011 FINANCIAL YEAR**		**THIRD QUARTER OF NISSAN'S 2011 FINANCIAL YEAR**		**REFERENCE PERIOD FOR RENAULT'S 2011 CONSOLIDATED FINANCIAL STATEMENTS**	
	(in billions of yen)	*(€ million) (1)*	*(in billions of yen)*	*(€ million) (1)*	*(in billions of yen)*	*(€ million) (1)*	*(in billions of yen)*	*(€ million) (1)*	*(in billions of yen)*	*(€ million) (1)*
Net income – parent company shareholders' share	31	274	85	723	98	896	83	793	297	2,686

(1) Converted at the average 2011 exchange rate for each quarter.

F – Impacts of the Japanese earthquake and tsunami disaster on Nissan's 2011 contribution

Nissan describes the impacts of the earthquake and tsunami in Japan in its official publications for the financial year ended March 31, 2011 and the first three quarters of its 2011/2012 financial year.

G – Nissan financial information under IFRS

The table below presents Nissan financial information, restated for the purposes of the Renault consolidation, for the period January 1 – December 31, 2011. The restatements include adjustments for harmonization of accounting standards and the adjustments to fair value of assets and liabilities applied by Renault at the time of acquisitions in 1999 and 2002.

	(in billions of yen)	*(€ million) (1)*
2011 revenues	8,962	80,724
2011 net income (2)	365	3,288
Shareholders' equity at December 31, 2011	3,700	36,930
BALANCE SHEET TOTAL AT DECEMBER 31, 2011	**11,257**	**112,350**

(1) Converted at the average exchange rate for 2011 i.e.111.0 JPY = 1 EUR for income statement items, and at the December 31, 2011 rate i.e. 100.2 JPY = 1 EUR for balance sheet items.

(2) The net income reported does not include Renault's contribution to Nissan net income. It includes a favourable impact of ¥39 billion (€376 million) resulting from restatements for the purposes of the Renault consolidation during the final quarter of 2011, relating to pension plans and the reduction in the Japanese income tax rate.

H – Hedging of the investment in Nissan

The Group has partially hedged the Yen/Euro exchange risk on its investment in Nissan since 1999.

At December 31, 2011, the corresponding hedging operations totalled ¥95 billion (€952 million), comprising ¥20 billion (€200 million) of private placements on the EMTN market and ¥75 billion (€752 million) in bonds issued directly in yen on the Japanese Samurai bond market.

During 2011, these operations generated unfavourable foreign exchange differences of €84 million (€413 million in 2010). After deduction of deferred taxes, the net unfavourable effect of €(142) million was included in the Group's consolidated reserves (note 20-E).

I – Valuation of Renault's investment in Nissan at stock market prices

Based on the quoted price at December 31, 2011 of JPY 692 per share, Renault's investment in Nissan is valued at €13,550 million (€13,959 million at December 31, 2010 based on the price of JPY 773 per share).

J – Impairment test of the investment in Nissan

At December 31, 2011, the stock market value of the investment was 9% lower than its book value in Renault's balance sheet. In view of this, an impairment test was carried out in application of the approach presented in the note on accounting policies (2-L).

As this investment is strategic, in compliance with IAS 36 the recoverable value was determined based on the higher of stock market value, representing "fair value", and value in use, estimated on the basis of discounted cash flows defined in the business plan drawn up by Nissan management. An after-tax discount rate of 7% and a growth rate to infinity of 3% were used to calculate value in use. The terminal value was calculated under profitability assumptions consistent with Nissan's past data and balanced medium-term prospects.

The test results did not lead to recognition of any impairment on the investment in Nissan in 2011.

A 1% increase in the discount rate associated with a 1% decrease in the growth rate to infinity or a 2% decrease in the operating margin would have no impact on the book value of the investment in Nissan.

K – Operations between the Renault group and the Nissan group

Renault and Nissan follow joint strategies for vehicle and part development, purchasing, and production and distribution resources.

The cooperation between the two groups in 2011 principally takes the following forms:

Joint investments

Renault and Nissan share development costs and investments for gearbox and engine production.

The two Groups have made joint investments since 2007 for production of Logan vehicles. This type of cooperation now also exists in South Africa, where the Nissan group has manufactured the Sandero since 2009.

In 2011, the Alliance's Chennai plant in India began production of the "cross-badged" Renault Pulse, an adaptation of the Nissan Micra.

Vehicle manufacturing

In Brazil, Renault supplies Nissan with assembly services for its Frontier pick-up and Livina models at the Curitiba plant. 32,600 vehicles were assembled during the year.

Renault Samsung Motors produced 43,800 Nissan-badged SM3 vehicles in 2011, purchased by Nissan for sale through its own network (mainly in Russia and the Middle East).

Since 2011, the Chennai plant has provided assembly services for the Fluence and Koleos vehicles sold on the Indian market by Renault dealers.

Concerning light commercial vehicles, Nissan produced 70,000 Trafic vans over the year at its Barcelona plant in Spain. 7.6% of these are sold through the Nissan network. Renault, meanwhile, produced 2,800 Interstars (Nissan-badged Masters), which are purchased by Nissan for sale through its own network. The increase in sales of this model to Nissan is explained by the launch in September 2011 of the new Master, which is manufactured at Batilly in France.

Part sales

In Europe, the Renault group produces engines common to the Alliance at its Cléon plant in France, for use by Nissan's Japanese and UK plants in the Nissan Qashqai and X-Trail vehicles. In 2011 Nissan began assembly of the Alliance's third engine (a 1.6 dCi diesel engine) for the Qashqai at its Sunderland plant in the UK.

Renault also supplies gearboxes and engines manufactured at the plants in Cacia in Portugal, Valladolid and Seville in Spain, Cléon in France and Pitesti in Romania to Nissan's plants in Sunderland in the UK, Barcelona in Spain, and Saint Petersburg in

Russia. The Cléon plant also produces and supplies V6 3-litre diesel engines for Infiniti vehicles assembled by Nissan at its Tochigi plant in Japan.

In South America, Renault supplies gearboxes made by Cormecanica to Nissan plants located mostly in Mexico, South Africa and Brazil. These parts are used in Nissan's Micra, Note and Qashqai. Starting in 2011, Nissan's Aguascalientes plant in Mexico is supplied with gearboxes produced by Cormecanica in Chile and engines produced by Renault do Brasil for assembly of the Nissan Micra.

In total Renault supplied 1,025,000 gearboxes and 348,000 engines during 2011.

In South Korea, Nissan supplies Renault Samsung Motors with parts used in production of the SM3 (Fluence), the SM5 (Latitude), the new SM7 and the Koleos.

Renault also uses Nissan's V6 3.5 litre petrol engine for the Laguna III, Nissan pinions for the Mégane range, and automatic gearboxes, with continuous variable transmissions for the Mégane and the Espace. Renault also uses a 2.0 litre engine developed jointly with Nissan for the Laguna and Clio. In 2011, Nissan began to supply rear axles for the Dacia Duster. Starting in 2011, batteries and battery components produced by the Nissan/NEC joint venture AESC in Japan are used to produce the zero-emission Fluence and Kangoo electric cars at Bursa in Turkey and Maubeuge in France.

Sales

In Europe, Renault also markets Nissan vehicles in Bulgaria, Croatia, Romania, Serbia and Slovenia. In South America, Renault markets Nissan vehicles in Argentina.

Conversely, Nissan markets Renault vehicles in Japan, Australia and the Gulf countries.

Finance

From trading rooms in Lausanne and Singapore, Renault Finance acts as the Nissan group's counterparty in financial instruments trading to hedge foreign exchange, interest rate and commodity risks, in addition to its business for Renault. On the foreign exchange markets during 2011, Renault Finance undertook foreign exchange transactions totalling approximately €22.3 billion on behalf of Nissan. Foreign exchange, interest rate and commodity derivative transactions, undertaken for Nissan, are recorded at market price and included in the positions managed by Renault Finance.

Relations with the Sales Financing segment

The Sales Financing segment helps to attract customers and build loyalty to the Nissan brands through a range of financing products and services incorporated into its sales policy, principally in Europe. In 2011, the consolidated RCI subgroup recorded €122 million of income in the form of commission and interest received from Nissan.

Total figures for 2011

Total sales by Renault to Nissan and purchases by Renault from Nissan during 2011 amounted to an estimated €2,100 million and €1,800 million respectively.

The joint policies for purchasing and other administrative functions such as information systems departments are reflected directly in the Renault and Nissan financial statements, and therefore generate no financial exchanges between the two Groups.

NOTE 15 – INVESTMENTS IN OTHER ASSOCIATES

Details of investments in other associates are as follows:

- balance sheet value: €1,060 million at December 31, 2011 (€854 million at December 31, 2010);
- Renault's share in the net income of other associates: €192 million for 2011 (€205 million for 2010).

Most of these amounts relate to the investments in AB Volvo and in AVTOVAZ, accounted under the equity method.

<u>A – AB Volvo</u>

AB Volvo's financial year-end is December 31.

A1 – Changes in the value of Renault's investment in AB Volvo as shown in Renault's balance sheet

(€ million)	SHARE IN NET ASSETS	NET GOODWILL	TOTAL
At December 31, 2010	**505**	**13**	**518**
2011 net income	136	-	136

Dividend distributed	(38)	-	(38)
Purchase of AB Volvo treasury shares	-	-	-
Translation adjustment, actuarial gains and losses and revaluation of financial instruments	(33)	0	(33)
At December 31, 2011	**570**	**13**	**583**

AB Volvo's share capital comprises two types of shares, Series A and Series B shares. Series B shares carry only one tenth of the voting rights. After the disposal of shares in October 2010, the Renault group now holds only Series A shares. At the request of certain shareholders, in 2011 AB Volvo converted 14,107,000 Series A shares into Series B shares. This had no material impact on the Group's level of control in AB Volvo, which stands at 17.7% at December 31, 2011 compared to 17.5% at December 31, 2010.

The Renault group is represented on AB Volvo's Board of Directors by one person appointed for the purpose.

Renault's percentage interest in AB Volvo is 6.8%, unchanged from December 31, 2010.

Based on AB Volvo's stock market share price of SEK 76 per A share at December 31, 2011, Renault's investment in AB Volvo is valued at €1,181 million.

A2 – Changes in AB Volvo equity restated for the purposes of the Renault consolidation

(€ million)	**DECEMBER 31, 2010**	**NET INCOME 2011**	**DIVIDENDS**	**OTHER CHANGES**	**DECEMBER 31, 2011**
Shareholders' equity – AB Volvo share	8,155	1,966	(558)	(72)	9,491
Restatements for Renault group requirements	(770)	30	-	(412)	(1,152)
Net assets restated for Renault group requirements	7,385	1,996	(558)	(484)	8,339
Renault's share in the net assets of AB Volvo	505	136	(38)	(33)	570

The restatements applied for Renault group requirements mainly concern cancellation of goodwill booked in AB Volvo's accounts when AB Volvo was acquired by Renault and recognition of actuarial gains and losses in equity.

A3 – AB Volvo financial information under IFRS

AB Volvo financial information for 2011 established under IFRS, as published by AB Volvo, is summarized as follows:

	(in millions of SEK)	*(€ million)* (1)
2011 revenues	310,367	34,380
2011 net income	18,115	2,007
Shareholders' equity at December 31, 2011	85,681	9,614
BALANCE SHEET TOTAL AT DECEMBER 31, 2011	**353,244**	**39,646**

(1) Converted at the average exchange rate for 2011 i.e. SEK 9.03 = €1 for income statement items, and at the December 31, 2011 rate i.e. SEK 8.91 = €1 for balance sheet items.

A4 – Operations between the Renault group and the AB Volvo group

There were no significant joint operations by the Renault group and the AB Volvo group in 2011.

B – AVTOVAZ

AVTOVAZ's financial year-end is December 31. For the purposes of the Renault consolidation, given the existing time constraints for production of financial information, the accounts of AVTOVAZ are consolidated with a 3-months time-lag. Consequently, the AVTOVAZ net income included in Renault's 2011 consolidated financial statements is the sum of AVTOVAZ's net income for the final quarter of its 2010 financial year and the first three quarters of its 2011 financial year.

B1 – Changes in the value of Renault's investment in AVTOVAZ as shown in Renault's balance sheet

(€ million)	**SHARE IN NET ASSETS**
At September 30, 2010	**91**
Net income for the period October 1, 2010 to September 30, 2011	49
Capital increases	109
Repurchase of AvtoVAZ treasury shares	-
Translation adjustment, actuarial gains and losses and revaluation of financial instruments	(19)
At September 30, 2011	**230**

In application of the restructuring and recapitalization agreement signed in July 2010 by the shareholders of AVTOVAZ (Renault, Russian Technologies and Troïka Dialog), Renault subscribed to a capital increase for the amount of €109 million. The capital increase was paid quarterly and is recorded in AVTOVAZ's financial statements at December 31, 2011. After this operation, Renault retains its 25% investment plus one share in AVTOVAZ.

Although the accounts of AVTOVAZ are consolidated with a 3-months time-lag, to avoid any mismatch between the Renault group's investments and the value of the AVTOVAZ group as reported in its accounts, the total value of this capital increase has been included in the Renault consolidation, including the last payment that took place during the final quarter of 2011 (€14 million). Renault's contribution to the capital increase was fully allocated to financing the technical assistance supplied by Renault, and tangible assets of the B0 platform (for the Logan). This platform will be shared by AVTOVAZ and the Alliance, and is due to start operations in the first half of 2012.

In late October 2011 AVTOVAZ announced that it was to purchase 100% of the capital of OAG, which during the second half of 2011 purchased the assets of the Russian automaker IzhAvto. Details of this acquisition are still under finalization, and the Renault group does not expect it to have any material impact on AVTOVAZ's future contributions.

Based on the stock market price of the AVTOVAZ share at December 31, 2011, Renault's investment in AVTOVAZ is valued at €237 million, which is higher than the value of AVTOVAZ in Renault's financial statements (€230 million).

B2 – Changes in AVTOVAZ equity restated for the purposes of the Renault consolidation

(€ million)	**OCTOBER 1, 2010**	**NET INCOME FOR THE PERIOD OCTOBER 1, 2010 – SEPTEMBER 30, 2011**	**CAPITAL INCREASE**	**OTHER CHANGES**	**SEPTEMBER 30, 2011**
Shareholders' equity – AVTOVAZ share	334	186	437	(73)	884
Restatements for Renault group requirements	30	9	-	(2)	37
Net assets restated for Renault group requirements	364	195	437	(75)	921
Renault's share in the net assets of	**91**	**49**	**109**	**(19)**	**230**

AVTOVAZ

Restatements for Renault group requirements mainly concern valuation of intangibles (the Lada brand) and fair value measurement of financial liabilities.

B3 – AVTOVAZ financial information under IFRS

AVTOVAZ's published financial information under IFRS for 2010 (year ended December 31) and the first three quarters of the year 2011 are summarised below:

2010	*(millions of roubles)*	*(€ million)* (1)
2010 revenues	137,630	3,372
2010 net income	3,567	87
Shareholders' equity at December 31, 2010	15,244	378
BALANCE SHEET TOTAL AT DECEMBER 31, 2010	**120,046**	**2,980**

(1) Converted at the average exchange rate for 2010 i.e. 40.82 RUB = 1 EUR for income statement items and the exchange rate at December 31, 2010 i.e 40.28 RUB = 1 EUR for balance sheet items.

JANUARY TO SEPTEMBER 2011	*(millions of roubles)*	*(€ million)* (1)
Revenues, January – September 2011	128,174	3,166
Net income, January – September 2011	6,848	169
Shareholders' equity at September 30, 2011	36,393	840
BALANCE SHEET TOTAL AT SEPTEMBER 30, 2011	**128,975**	**2,975**

(1) Converted at the average exchange rate for January to September 2011, i.e. 40.48 RUB = 1 EUR for income statement items and the exchange rate at September 30, 2011, i.e 43.35 RUB = 1 EUR for balance sheet items

B4 – Operations between the Renault group and the AvtoVAZ group

In application of the agreement of July 2010, the Renault group began to provide technical assistance for assembly of the B0 platform shared by the Alliance and AvtoVAZ, and consulting services in areas such as purchases, quality and IT. During 2011 the Renault group invoiced €55 million to AvtoVAZ for these services.

NOTE 16 – INVENTORIES

(€ million)	**DECEMBER 31, 2011**	**DECEMBER 31, 2010**
Raw materials and supplies	1,132	1,058
Work-in-progress	261	263
Finished products	3,036	3,246
INVENTORIES, NET	**4,429**	**4,567**
Inventories, gross (1)	*4,878*	*5,049*
Impairment (2)	*(449)*	*(482)*

(1) *Including gross value of used vehicles: €1,087 million at December 31, 2011 (€1,005 million at December 31, 2010).*

(2) *Including impairment of used vehicles: €122 million at December 31, 2011 (€143 million at December 31, 2010).*

NOTE 17 – SALES FINANCING RECEIVABLES

A – Sales financing receivables by nature

(€ million)	**DECEMBER 31, 2011**	**DECEMBER 31, 2010**
Dealership receivables	5,934	4,535
Financing for end-customers	12,407	11,665
Leasing and similar operations	4,420	4,017
Gross value	**22,761**	**20,217**
Impairment	(861)	(941)
NET VALUE	**21,900**	**19,276**

The Sales Financing segment undertook several securitization operations through special purpose vehicles (in France, Italy, Germany and the United Kingdom) involving receivables on the dealership network and loans to final customers. This did not lead to derecognition of the receivables assigned, as all risks were retained by the Group. Sales financing receivables in the balance sheet thus amounted to €8,739 million at December 31, 2011 (€7,247 million at December 31, 2010). A liability of €3,704 million was recognized at December 31, 2011 (€3,775 million at December 31, 2010) in other debts represented by a certificate, corresponding to issues resulting from the securitization operations. The difference between the receivables assigned and the amount of the liability corresponds to the higher credit necessary for these operations, and the share of securities retained by RCI Banque to form a liquidity reserve. The increase in credit concerns securities subscribed by subsidiaries which assign receivables in order to optimise the credit rating of the securities issued. Some securities subscribed by RCI Banque can be redeemed at the European Central Bank and therefore form a liquidity reserve. At December 31, 2011, RCI Banque had provided guarantees of €2,601 million (€2,832 million in 2010) to the European Central Bank: €2,429 million in the form of shares in securitization vehicles and €172 million in sales financing receivables (€2,749 million and €83 million at December 31, 2010). RCI Banque had used €350 million of this liquidity reserve at December 31, 2011 (€450 million at December 31, 2010), classified as borrowings from credit institutions in sales financing debts (note 24).

At December 31, 2011, RCI Banque also provided guarantees to the Société de Financement de l'Economie Française (SFEF) in the form of receivables with book value of €1,225 million (€1,658 million at December 31, 2010), in return for financing of €785 million (€824 million at December 31, 2010) recorded in borrowings from credit institutions in debts of the Sales Financing segment (note 24).

The fair value of sales financing receivables is €21,979 million at December 31, 2011 (€19,448 million at December 31, 2010). This value is estimated by discounting future cash flows at rates that would be applicable to similar loans (conditions, maturity and debtor quality) at the year-end.

B – Sales financing receivables by maturity

(€ million)	**DECEMBER 31, 2011**	**DECEMBER 31, 2010**
-1 year	12,851	11,052
1 to 5 years	8,987	8,190
+5 years	62	34
TOTAL SALES FINANCING RECEIVABLES, NET	**21,900**	**19,276**

C – Breakdown of overdue sales financing receivables (gross values)

(€ million)	DECEMBER 31, 2011	DECEMBER 31, 2010
Receivables for which impairment has been recognized [(1)]: overdue by	**643**	**702**
0 to 30 days	12	21
30 to 90 days	53	52
90 to 180 days	54	56
More than 180 days	524	573
Receivables for which no impairment has been recognized: overdue by	**17**	**16**
0 to 30 days	17	16
30 to 90 days	-	-
90 to 180 days	-	-
More than 180 days	-	-

(1) This only includes sales financing receivables partly or totally written off through impairment on an individual basis.

The maximum exposure to credit risk for the sales financing activity is represented by the net book value of sales financing receivables plus the amount of financing commitments for customers reported under off-balance sheet commitments given (note 29-A).

This risk is reduced by guarantees provided by customers, as reported in off-balance sheet commitments received (note 29-B). In particular, guarantees held in connection with overdue or impaired sales financing receivables amounted to €537 million at December 31, 2011 (€462 million at December 31, 2010).

There is no indication at the year-end that the quality of sales financing receivables not yet due or unimpaired has been adversely affected, nor is there any significant concentration of risks within the sales financing customer base.

D – Changes in impairment of sales financing receivables

(€ million)	
Impairment at December 31, 2010	**(941)**
Impairment recorded during the year	(302)
Reversals for application	241
Reversals of unused residual amounts	147
Translation adjustment and other	(6)
Impairment at December 31, 2011	**(861)**

NOTE 18 – AUTOMOTIVE RECEIVABLES

(€ million)	DECEMBER 31, 2011	DECEMBER 31, 2010
Gross value	1,354	1,432
Impairment	(79)	(103)

AUTOMOTIVE RECEIVABLES, NET	**1,275**	**1,329**

These receivables do not include accounts receivable assigned to the Group's sales financing companies in France and certain other European countries when substantially all the risks and benefits associated with ownership of the receivables are transferred: such receivables are included in sales financing receivables. When substantially all the risks and benefits are not transferred, although receivables have been assigned from a legal point of view, they remain in Automotive receivables and a corresponding financial liability is recorded (in other interest-bearing borrowings). This rule also applies to receivables assigned outside the Group, for example through discounting or factoring. The amount of assigned Automotive receivables reported in the balance sheet is not significant for the periods presented.

There is no significant concentration of risks within the Automotive customer base, and no single non-Group customer accounts for more than 10% of the Group's total sales revenues.

The fair value of Automotive receivables is equal to their net book value due to their short-term maturities.

NOTE 19 – OTHER CURRENT AND NON CURRENT ASSETS

	DECEMBER 31, 2011			DECEMBER 31, 2010		
(€ million)	**NON-CURRENT**	**CURRENT**	**TOTAL**	**NON-CURRENT**	**CURRENT**	**TOTAL**
Prepaid expenses	56	182	238	59	183	242
Tax receivables (excluding current taxes)	15	867	882	8	852	860
Other receivables	396	709	1,105	262	561	823
Investments in controlled unconsolidated entities	113	-	113	106	-	106
Derivatives on operating transactions of the Automotive segment	-	-	-	-	8	8
Derivatives assets on financing transactions of the Sales Financing segment	-	310	310	-	81	81
TOTAL	**580**	**2,068**	**2,648**	**435**	**1,685**	**2,120**
Gross value	*735*	*2,098*	*2,833*	*584*	*1,725*	*2,309*
Impairment	*(155)*	*(30)*	*(185)*	*(149)*	*(40)*	*(189)*

NOTE 20 – SHAREHOLDERS' EQUITY

A – Share capital

The total number of ordinary shares issued and fully paid-up at December 31, 2011 was 295,722 thousand, with par value of €3.81 per share (unchanged from December 31, 2010).

Treasury shares do not bear dividends. They accounted for 1.37% of Renault's share capital at December 31, 2011 (0.98% at December 31, 2010).

The Nissan group holds 15% of Renault through its wholly-owned subsidiary Nissan Finance Co., Ltd. (the voting rights attached to these shares cannot be exercised).

B – Capital management

In managing its capital, the Group's objective is to guarantee continuity of business in order to provide returns for shareholders and benefits for other stakeholders, and to maintain optimum capital structure in order to optimise its cost.

The Group actively manages its capital structure, making adjustments in view of developments in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payments to shareholders, redeem some of the capital or issue new shares. The management objectives, policies and procedures are unchanged from 2010.

The Group's objectives are monitored in different ways in the different operating segments.

The Group manages the Automotive segment's capital with reference to a ratio equal to the segment's net indebtedness divided by the sum of shareholders' equity (net indebtedness includes all non-operating interest-bearing financial liabilities and commitments less cash and cash equivalents and other non-operating financial assets such as marketable securities or the segment's loans, shareholders' equity is as reported in the Group's balance sheet). This ratio stood at 1.2% at December 31, 2011 (6.3% at December 31, 2010).

The Sales Financing segment must comply with regulatory ratios specific to banking operations. The minimum solvency ratio (shareholders' equity including subordinated loans to total risk-weighted assets) is 8%. RCI Banque's overall solvency ratio was 11.23% at December 31, 2011 (11.86% at December 31, 2010).

The Group also partially hedges its investment in Nissan (note 14-H).

C – Renault treasury shares

In accordance with decisions approved at General Shareholders' Meetings, the Board of Directors decided to allocate all Renault treasury shares to current stock-option plans awarded to Group managers and executives.

	DECEMBER 31, 2011	DECEMBER 31, 2010
Total value of treasury shares (€ *million)*	200	145
Total number of treasury shares	4,059,255	2,895,381

D – Distributions

At the General and Extraordinary Shareholders' Meeting of April 29, 2011, it was decided to distribute a dividend of €0.30 per share or a total of €88 million (no dividends were distributed in 2010). This dividend was paid during May.

E – Translation adjustment

The change in translation adjustment over the year is as follows:

(€ million)	2011	2010
Change in translation adjustment on the value of the investment in Nissan	694	1,923
Impact, net of tax, of partial hedging of the investment in Nissan (note 14-H)	(142)	(242)
Total change in translation adjustment related to Nissan	**552**	**1,681**
Other changes in translation adjustment	(156)	354
TOTAL CHANGE IN TRANSLATION ADJUSTMENT	**396**	**2,035**

In 2011, other changes in the translation adjustment mostly resulted from movements in the Brazilian real, the Russian rouble and the Turkish lira against the Euro. In 2010, the main currencies concerned were the Swedish krona and the Korean won.

F – Financial instrument revaluation reserve

F1 – Change in the financial instrument revaluation reserve

The figures below are reported net of tax effects.

(€ million)	CASH FLOW HEDGES	AVAILABLE-FOR-SALE FINANCIAL ASSETS	TOTAL
At December 31, 2010 [(1)]	**(51)**	**286**	**235**
Changes in fair value recorded in shareholders' equity	(38)	(335)	(373)
Transfer from shareholders' equity to the income statement [(2)]	11	(2)	9
At December 31, 2011 [(1)]	**(78)**	**(51) [(3)]**	**(129)**

(1) For the schedule of transfers of amounts related to cash flow hedges transferred to shareholders' equity, see note F-3 below.

(2) For a breakdown of the amounts related to cash flow hedges transferred to shareholders' equity, see note F-2 below.

(3) The revaluation reserve partly relates to Daimler shares (note 23-A).

F2 – Breakdown of the amounts related to cash flow hedges transferred from the financial instrument revaluation reserve to the income statement

(€ million)	2011	2010
Operating margin	12	108
Other operating income and expenses	-	-
Net financial income (expense)	(1)	-
Share in net income of associates	-	25
Current and deferred taxes	-	-

TOTAL TRANSFERRED TO THE INCOME STATEMENT FOR CASH FLOW HEDGES	**11**	**133**

F3 – Schedule of amounts related to cash flow hedges transferred from the financial instruments revaluation reserve to the income statement

(€ million)	**DECEMBER 31, 2011**	**DECEMBER 31, 2010**
Within one year	2	2
After one year	(47)	(36)
Revaluation reserve for cash flow hedges excluding associates	***(45)***	***(34)***
Revaluation reserve for cash flow hedges - associates	(33)	(17)
TOTAL REVALUATION RESERVE FOR CASH FLOW HEDGES	**(78)**	**(51)**

This schedule is based on contractual maturities of hedged cash flows.

G – Stock-option and free share attribution plans

Since October 1996, the Board of Directors has periodically granted stock-options to Group executives and managers, with prices and exercise periods specific to each plan.

Six new stock-option or free share plans were introduced in 2011. All plans introduced since 2006 include performance conditions which determine the number of options or shares granted to beneficiaries.

G1 – Changes in the number of stock-options held by personnel

			2011			**2010**
	QUANTITY	**WEIGHTED AVERAGE EXERCISE PRICE *(€)***	**WEIGHTED AVERAGE SHARE PRICE AT GRANT AND EXERCISE DATES *(€)***	**QUANTITY**	**WEIGHTED AVERAGE EXERCISE PRICE *(€)***	**WEIGHTED AVERAGE SHARE PRICE AT GRANT AND EXERCISE DATES *(€)***
Outstanding at January 1	**10,387,702**	**68**		**10,977,350**	**67**	
Granted	766,000	37	-	-		-
Exercised	-		-	-		-
Expired	(2,558,295)	52	N/A	(589,648)	54	N/A
Outstanding at December 31	**8,595,407**	**70**		**10,387,702**	**68**	

G2 – Options and free share attribution rights yet to be exercised at December 31, 2011

PLAN	TYPE OF PLAN	GRANT DATE	EXERCISE PRICE *(€)*	OUTSTANDING	EXERCISE PERIOD
Plan 8	Stock purchase options	September 5, 2002	49.21	1,484,667	September 6, 2007 - September 4, 2012
Plan 10	Stock subscription options	September 14, 2004	66.03	2,012,850	September 15, 2008 - September 13, 2012
Plan 11	Stock subscription options	September 13, 2005	72.98	1,477,900	September 14, 2009 - September 12, 2013
Plan 12	Stock subscription options	May 4, 2006	87.98	1,316,834	May 5, 2010 – May 5, 2014
Plan 14	Stock subscription options	December 5, 2006	93.86	1,537,156	December 6, 2010 – December 4, 2014
Plan 17	Stock purchase options	April 29, 2011	38.80	176,000	April 30, 2015 – April 28, 2019
				502,500	April 30, 2013 – April 30, 2015
Plan 17 *bis*	Attribution of free shares	April 29, 2011		41,800	April 30, 2015
Plan 18	Stock purchase options	April 29, 2011	38.80	490,000	April 30, 2015 – April 28, 2019
				1,138,600	April 30, 2014 – April 30, 2016
Plan 18 *bis*	Attribution of free shares	April 29, 2011		94,800	April 30, 2015
Plan 19	Stock purchase options (1)	December 8, 2011	26.87	300,000	December 9, 2015– December 7, 2019
				556,700	December 8, 2013 – December 8, 2015
Plan 19 *bis*	Attribution of free shares (1)	December 8, 2011		53,200	December 8, 2015

(1) Beneficiaries of these plans decided in 2011 were informed of the allocation in early 2012, except for the Chairman and CEO who was allocated 100,000 stock-options on December 8, 2011.

H – Share-based payments

Share-based payments exclusively concern stock-options and free shares awarded to personnel.

Plan values

The options awarded under these plans only become vested after a period of five years for plan 8, and four years for plans 10 to 18. For stock-option plans, the exercise period then covers five years for plan 8 and four years for plans 10 to 18. Loss of the benefit of these options follows the applicable regulations: all options are forfeited in the event of resignation, and a decision is made for each individual case when an employee leaves at the Company's instigation.

The valuation method follows a suitable binomial mathematical model, with exercise of the options anticipated and spread over the exercise period on a straight-line basis. The volatility factor applied is implicit volatility at the grant date. The dividend used is determined by reference to the dividend payout schedule at the time each plan is valued.

The plans have been valued as follows:

N° PLAN	INITIAL VALUE *(€ THOUSAND)*	UNIT FAIR VALUE	EXPENSE FOR 2011 *(€ MILLION)*	EXPENSE FOR 2010 *(€ MILLION)*	SHARE PRICE AT GRANT DATE *(€)*	VOLATILITY	INTEREST RATE	EXERCISE PRICE *(€)*	DURATION OF OPTION	DIVIDEND PER SHARE *(€)*
Plan 10	39,870	19.75	-	-	69.05	27.0%	3.71%	66.03	4-8 years	1.40
Plan 11	22,480	14.65	-	-	72.45	23.5%	2.68%	72.98	4-8 years	1.80
Plan 12 (1)	17,324	16.20	-	(2)	87.05	28.1%	3.90%	87.98	4-8 years	2.40 – 4.50
Plan 14 (1)	26,066	15.00	-	(6)	92.65	26.7%	3.88%	93.86	4-8 years	2.40 – 4.50
Plan 17	1,229	9.31	-	-	36.70	37.28%	2.28%	38.80	4-8 years	0.30 – 1.16
Plan 17 *bis*	13,267	32.50	-	-	36.70	N/A	2.28%	N/A	2-4 years	0.30 – 1.16
Plan 18	3,422	9.31	(1)	-	36.70	37.28%	2.28%	38.80	4-8 years	0.30 – 1.16
Plan 18 *bis*	28,711	31.04	(5)	-	36.70	N/A	2.28%	N/A	3-5 years	0.30 – 1.16
Total	152,369		(6)	(8)						

(1) For these plans, options or free share attribution rights have been awarded at different dates within the stated period. The information reported may correspond to weighted averages based on quantities awarded per grant date.

NOTE 21 – PROVISIONS

A – Provisions at December 31

(€ million)	DECEMBER 31, 2011	DECEMBER 31, 2010
Provisions (other than provisions for pension and other long-term employee obligations)	**1,743**	**1,962**
Provisions for restructuring and workforce adjustment costs	368	544
Provisions for warranty costs	675	728
Provisions for tax risks and litigation	284	311
Other provisions	416	379
Provisions for pension and other long-term employee benefit obligations	**1,350**	**1,246**

TOTAL PROVISIONS	**3,093**	**3,208**
Provisions – long-term	*2,227*	*2,243*
Provision – short-term	*866*	*965*

All known litigation in which Renault or Group companies are involved is examined at each closing. After seeking the opinion of legal advisors, any provisions deemed necessary are set aside to cover the estimated risk.

B – Changes in provisions (other than provisions for pension and other long-term employee obligations)

(€ million)	**RESTRUCTURING PROVISIONS**	**WARRANTY PROVISIONS**	**TAX RISKS AND LITIGATION PROVISIONS**	**OTHER PROVISIONS**	**TOTAL**
At December 31, 2010	**544**	**728**	**311**	**379**	**1,962**
Increases	26	410	64	126	626
Reversals of provisions for application	(85)	(363)	(60)	(37)	(545)
Reversals of unused balance of provisions	(117)	(94)	(22)	(54)	(287)
Changes in scope of consolidation	-	-	-	2	2
Translation adjustments and other changes	-	(6)	(9)	-	(15)
At December 31, 2011	**368**	**675**	**284**	**416**	**1,743**

In 2011, increases to restructuring provisions essentially comprise the effect of workforce adjustment measures in Europe (note 7-A).

Most of the reversals of unused provisions for restructuring reflect the discontinuation in 2011 of the Group's plan to reorganize its establishments in the Paris area, and the updating of the provision for workforce adjustment measures in France, reflecting the options chosen in 2011 by employees eligible for these measures (note 7-A).

At December 31, 2011, other provisions included €35 million of provisions established in application of environmental regulations (€40 million at December 31, 2010). These provisions include environmental compliance costs for industrial land that the Group intends to sell (particularly on the Boulogne-Billancourt site) and expenses related to the EU directive on end-of-life vehicles (note 29-A2). They also include technical provisions established by the Sales Financing segment's insurance companies, amounting to €105 million (€52 million at December 31, 2010).

As greenhouse gas emissions were lower than the Group's allocated quotas, no associated provisions were booked at December 31, 2011.

C – Provisions for pensions and other long-term employee benefit obligations

C1 – Pension and benefit plans

Pensions and other long-term employee benefit obligations essentially concern current employees. These benefits are covered either by contributions to defined-contribution plans or by defined-benefit plans.

DEFINED-CONTRIBUTION PLANS

The Group makes earnings-related payments, in accordance with local custom, to the national organizations responsible for paying pensions and similar financial benefits. There is no actuarial liability concerning these pension arrangements.

The total expense for defined-contribution plans is approximately €576 million in 2011.

DEFINED-BENEFIT PLANS

Provisions are established for this type of plan, mainly concerning indemnities payable upon retirement, but also covering:

- other payments upon retirement and supplementary pensions;
- other long-term benefits, chiefly long-service awards and flexible holiday entitlements;
- healthcare expense coverage.

Defined-benefit plans are sometimes covered by funds which are valued annually based on market value. The value of fund assets, if any, is deducted from the corresponding liability. In view of the amounts involved, the Group's exposure to risk resulting from changes in these fund asset values is low (see note 21-C6).

C2 – Actuarial assumptions

The main actuarial assumptions used for the companies in France, the country accounting for most of the Group's obligations, are the following:

Retirement age	60 to 65
Salary increase	3%
Discount rate (1)	4.3%

(1) The rate most frequently used to value the Group's obligations in France is 4.3% (4.5% in 2010) However, the rate varies between companies depending on the maturities of obligations.

The weighted average rate of return expected for the Group's principal funds is 4.9% in 2011. In the UK, where a significant portion of the Group's pension funds are invested, the expected rate of return is 5.9%.

This return is determined based on past returns for each category of assets included in the portfolios.

C3 – Net expense for the year

(€ million)	**2011**	**2010**
Current service cost	95	83
Amortization of past service cost	(2)	(2)
Interest cost	65	65
Expected return on fund assets	(18)	(18)
Effects of workforce adjustment measures	-	(1)
Net expense (income) for the year	**140**	**127**

C4 – Provisions at December 31

(€ million)	**DECEMBER 31, 2011**	**DECEMBER 31, 2010**
French companies	1,131	1,039
Foreign companies	219	207
TOTAL	**1,350**	**1,246**

C5 – Changes in obligations, fund assets and provision

(€ million)	OBLIGATIONS	FUND ASSETS	OBLIGATIONS NET OF FUND ASSETS	UNRECORDED PAST SERVICE COSTS	BALANCE SHEET PROVISION
Balance at December 31, 2010	**1,632**	**(392)**	**1,240**	**6**	**1,246**
Net expense for the year 2011 (note 21-C3)	160	(18)	142	(2)	140
Benefits paid out	(71)	18	(53)	-	(53)
Contributions to funds	-	(10)	(10)	-	(10)
Actuarial gains (losses)	22	1	23	-	23
Translation adjustments	8	(7)	1	-	1
Change in scope of consolidation and other	1	2	3	-	3
Balance at December 31, 2011	**1,752**	**(406)**	**1,346**	**4**	**1,350**

C6 – Breakdown of fund assets

(€ million)	DECEMBER 31, 2011	DECEMBER 31, 2010
Equities	90	92
Bonds	271	254
Other	45	46
TOTAL FUND ASSETS	**406**	**392**

The weighted average real rate of return expected for the Group's principal funds is 3.7% in 2011. In the UK, where a significant portion of the Group's pension funds are invested, the expected real rate of return for 2011 is 5.7%.

The current best estimate for contributions payable in 2012 is close to €10 million.

C7 – Historical data

(€ million)	DECEMBER 31, 2011	DECEMBER 31, 2010	DECEMBER 31, 2009	DECEMBER 31, 2008	DECEMBER 31, 2007
Obligations not covered by funds	1,206	1,119	1,045	977	1,130
Obligations covered by funds	546	513	447	376	450
Total obligations (A)	1,752	1,632	1,492	1,353	1,580
Value of fund assets (B)	406	392	347	307	388
Funding status (B) – (A)	**(1,346)**	**(1,240)**	**(1,145)**	**(1,046)**	**(1,192)**

Actuarial gains and losses on obligations recorded in equity during the year (before tax)	**(23)**	**(38)**	**(66)**	**44**	**(93)**
Actuarial gains and losses on fund assets recorded in equity during the year (before tax)	**(1)**	**19**	**12**	**(47)**	**10**

The cumulative actuarial net-of-tax gains and losses (excluding the associates' share) included in Other components of comprehensive income is €(278) million at December 31, 2011 (€(255) million at December 31, 2010).

NOTE 22 – OTHER CURRENT AND NON-CURRENT LIABILITIES

	DECEMBER 31, 2011			**DECEMBER 31, 2010**		
(€ million)	**NON-CURRENT**	**CURRENT**	**TOTAL**	**NON-CURRENT**	**CURRENT**	**TOTAL**
Tax liabilities (excluding current taxes)	308	819	1,127	350	670	1,020
Social liabilities	15	1,599	1,614	13	1,543	1,556
Other liabilities	255	3,555	3,810	244	3,171	3,415
Deferred income	146	559	705	127	436	563
Derivatives on operating transactions of the Automotive segment	-	2	2	-	1	1
TOTAL	**724**	**6,534**	**7,258**	**734**	**5,821**	**6,555**

Other liabilities mainly correspond to deferred income recorded in connection with sales contracts including a buy-back commitment.

FINANCIAL ASSETS AND LIABILITIES, FAIR VALUE AND MANAGEMENT OF FINANCIAL RISKS

NOTE 23 – FINANCIAL ASSETS – CASH AND CASH EQUIVALENTS

A – Current/non-current breakdown

	DECEMBER 31, 2011			**DECEMBER 31, 2010**		
(€ million)	**NON-CURRENT**	**CURRENT**	**TOTAL**	**NON-CURRENT**	**CURRENT**	**TOTAL**
Investments in non-controlled entities	699	-	699	928	-	928
Other securities	-	88	88	-	56	56
Loans	89	329	418	89	485	574
Derivative assets on financing operations by the Automotive segment	280	827	1,107	711	258	969

Total financial assets	**1,068**	**1,244**	**2,312**	**1,728**	**799**	**2,527**
Gross value	*1,069*	*1,257*	*2,326*	*1,729*	*811*	*2,540*
Impairment	*(1)*	*(13)*	*(14)*	*(1)*	*(12)*	*(13)*
Cash equivalents	-	118	118	-	96	96
Cash on hand and bank deposits	-	8,554	8,554	-	9,929	9,929
TOTAL CASH AND CASH EQUIVALENTS	**-**	**8,672**	**8,672**	**-**	**10,025**	**10,025**

Investments in non-controlled entities include €558 million (€834 million at December 31, 2010) for the Daimler shares purchased under the strategic partnership agreement. These shares are classified as available-for-sale financial assets and their fair value is determined by reference to the market price at December 31, 2011. The corresponding decline in value, amounting to €276 million for 2011, is recorded in other components of comprehensive income. Since the stock market price was close to the acquisition price at December 31, 2011, no loss has been recognized in the income statement.

Investments in non-controlled entities also include €103 million (€58 million at December 31, 2010) paid to the Modernization Fund for Automotive Equipment Manufacturers (Fonds de Modernisation des Equipementiers Automobiles - FMEA), as part of the support plan for these suppliers introduced by the French authorities and automakers. Renault has undertaken a commitment to pay a total of €200 million as funds are called.

The current portion of other securities corresponds to securities that cannot be classified as cash equivalents.

The Group has liquidities in countries where repatriation of funds can be complex for regulatory or political reasons. In most of these countries, such funds are used locally for industrial purposes. At December 31, 2011, repatriation difficulties linked to foreign exchange controls in Iran concern funds amounting to €196 million.

B – Breakdown by category of financial instruments and fair value

(€ million)	INSTRUMENTS HELD FOR TRADING [1]	HEDGING DERIVATIVES	AVAILABLE-FOR-SALE INSTRUMENTS	TOTAL INSTRUMENTS CARRIED AT FAIR VALUE	LOANS AND RECEIVABLES	TOTAL
Investments in non-controlled entities	-	-	699	699	-	699
Other securities	-	-	88	88	-	88
Loans	-	-	-	-	418	418
Derivative assets on financing operations by the Automotive segment	991	116	-	1,107	-	1,107
Total financial assets at December 31, 2011	**991**	**116**	**787**	**1,894**	**418**	**2,312**
Cash equivalents	82	-	36	118	-	118
Cash on hand and bank deposits	-	-	-	-	8,554	8,554
TOTAL CASH AND CASH EQUIVALENTS AT DECEMBER 31, 2011	**82**	**-**	**36**	**118**	**8,554**	**8,672**
Investments in non-controlled entities	-	-	928	928	-	928
Other securities	1	-	55	56	-	56
Loans	-	-	-	-	574	574
Derivative assets on financing operations by the Automotive segment	882	87	-	969	-	969
Total financial assets at December 31, 2010	**883**	**87**	**983**	**1,953**	**574**	**2,527**
Cash equivalents	67	-	29	96	-	96
Cash on hand and bank deposits	-	-	-	-	9,929	9,929

TOTAL CASH AND CASH EQUIVALENTS AT DECEMBER 31, 2010	**67**	**-**	**29**	**96**	**9,929**	**10,025**

(1) Including derivatives not designated as hedges for accounting purposes.

No financial assets were reclassified in 2011 (nor 2010).

The fair value of loans is €431 million at December 31, 2011 (€595 million at December 31, 2010). For loans with original maturity of less than three months and floating-rate loans, the value recorded in the balance sheet is considered to be the fair value. Other fixed-rate loans have been measured by discounting future cash flows using the rates offered to Renault at December 31, 2011 and December 31, 2010 for loans with similar conditions and maturities.

The fair value of cash on hand and bank deposits is equal to their net book value, due to their short-term maturity.

NOTE 24 – FINANCIAL LIABILITIES AND SALES FINANCING DEBTS

A – Current/non-current breakdown

	DECEMBER 31, 2011			DECEMBER 31, 2010		
(€ million)	NON-CURRENT	CURRENT	TOTAL	NON-CURRENT	CURRENT	TOTAL
Renault SA redeemable shares	231	-	231	262	-	262
Bonds	3,895	1,131	5,026	4,180	968	5,148
Other debts represented by a certificate	-	200	200	-	416	416
Borrowings from credit institutions (at amortized cost)	1,049	1,029	2,078	1,142	749	1,891
Borrowings from credit institutions (at fair value)	222	-	222	223	-	223
Other interest-bearing borrowings	512	72	584	425	2,165	2,590
Financial liabilities of the Automotive segment (excluding derivatives)	**5,909**	**2,432**	**8,341**	**6,232**	**4,298**	**10,530**
Derivative liabilities on financing operations of the Automotive segment	157	798	955	602	248	850
Total financial liabilities of the Automotive segment	**6,066**	**3,230**	**9,296**	**6,834**	**4,546**	**11,380**
DIAC redeemable shares	10	-	10	11	-	11
Bonds	-	10,767	10,767	-	7,808	7,808
Other debts represented by a certificate	251	6,918	7,169	251	7,315	7,566
Borrowings from credit institutions	-	4,133	4,133	-	4,007	4,007
Other interest-bearing borrowings	-	87	87	-	99	99
Total financial liabilities and debts of the Sales Financing segment (excluding derivatives)	**261**	**21,905**	**22,166**	**262**	**19,229**	**19,491**
Derivative liabilities on financing operations of the Sales Financing segment	-	91	91	-	137	137
Financial liabilities and debts of the Sales Financing segment	**261**	**21,996**	**22,257**	**262**	**19,366**	**19,628**
TOTAL FINANCIAL LIABILITIES AND SALES FINANCING DEBTS	**6,327**	**25,226**	**31,553**	**7,096**	**23,912**	**31,008**

Redeemable shares

The redeemable shares issued in October 1983 and April 1984 by Renault SA are subordinated perpetual shares. They earn a minimum annual return of 9% comprising a fixed portion (6.75%) and a variable portion that depends on consolidated revenues and is calculated based on identical Group structure and methods. The return on redeemable shares, amounting to €17 million for 2011 (€14 million for 2010), is included in interest expenses. These shares are listed on the Paris Stock Exchange, and traded for €328 at December 31, 2010 and €290 at December 31, 2011 for par value of €153, leading to a corresponding €31 million adjustment to the fair value of redeemable shares recorded in other financial income (note 8).

The return on Diac redeemable shares issued in 1985 comprises a fixed portion equal to the Annual Monetary Rate, and a variable portion calculated by multiplying an amount equal to 40% of the Annual Monetary Rate by the rate of increase in net consolidated profit of the Diac sub-group compared to the prior year.

Changes in bonds

In 2011, Renault SA redeemed bonds issued between 2004 and 2008 for a total of €941 million, and undertook new bond issues totalling €712 million with maturities between 2013 and 2016.

RCI Banque also redeemed bonds for a total of €2,528 million in 2011, and issued new bonds totalling €5,160 million and maturing between 2012 and 2016.

€3 billion loan from the French government in 2009

In 2011 the Group undertook early repayment of €2 billion, thus completing repayment of the €3 billion loan received from the French government in April 2009.

€400 million loan from the European Investment Bank

In 2009 the European Investment Bank approved a four year loan of €400 million to help the Group in the transition to cleaner technologies with lower fuel consumption. The applicable interest rate of 4.4% is lower than the rate the Group could have negotiated on the market, and the favourable differential is treated as a subsidy calculated at €35 million. In accordance with Renault group accounting policies, this subsidy is charged to intangible assets or deducted from the research and development expenses financed by the loan.

Credit lines

At December 31, 2011, Renault SA had confirmed credit lines opened with banks worth €3,810 million (€4,015 million at December 31, 2010). The short-term portion amounted to €880 million at December 31, 2011 (€755 million at December 31, 2010). These credit lines had not been used at December 31, 2011 (or in 2010).

Sales financing’s confirmed credit lines opened in several currencies with banks amounted to €4,589 million (€4,570 million at December 31, 2010). The short-term portion amounted to €507 million at December 31, 2011 (€1,377 million at December 31, 2010). These credit lines were unused at December 31, 2011 (they were used to the extent of €3 million at December 31, 2010).

The contractual documentation for financial liabilities and confirmed credit lines contains no clause that could affect the continued supply of credit in the event of any change in Renault’s credit rating or financial ratio compliance.

B – Breakdown by category of financial instrument and fair value

	INSTRUMENTS STATED AT FAIR VALUE				INSTRUMENTS STATED AT AMORTIZED COST [2]		
(€ million) DECEMBER 31, 2011	INSTRUMENTS HELD FOR TRADING [1]	HEDGING DERIVATIVES	INSTRUMENTS DESIGNATED FROM INITIAL RECOGNITION AS AT FAIR VALUE	TOTAL INSTRUMENTS STATED AT FAIR VALUE	BALANCE SHEET VALUE	FAIR VALUE	BALANCE SHEET VALUE
Renault SA redeemable shares	-	-	231	231	-	-	231

Bonds	-	-	-	-	5,026	5,057	5,026
Other debts represented by a certificate	-	-	-	-	200	200	200
Borrowings from credit institutions	-	-	222	222	2,078	2,082	2,300
Other interest-bearing borrowings	-	-	-	-	584	584	584
Derivative liabilities on financing operations of the Automotive segment	950	5	-	955	-	-	955
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENT	**950**	**5**	**453**	**1,408**	**7,888**	**7,923**	**9,296**
Diac redeemable shares	-	-	10	10	-	-	10
Bonds	-	-	-	-	10,767	10,600	10,767
Other debts represented by a certificate	-	-	-	-	7,169	7,197	7,169
Borrowings from credit institutions	-	-	-	-	4,133	4,112	4,133
Other interest-bearing borrowings	-	-	-	-	87	87	87
Derivative liabilities on financing operations of the Sales Financing segment	42	49	-	91	-	-	91
FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT	**42**	**49**	**10**	**101**	**22,156**	**21,996**	**22,257**

(1) Including derivatives not classified as hedges for accounting purposes.

(2) Including financial liabilities subject to fair value hedges.

(€ million) DECEMBER 31, 2010	INSTRUMENTS STATED AT FAIR VALUE: INSTRUMENTS HELD FOR TRADING [1]	HEDGING DERIVATIVES	INSTRUMENTS DESIGNATED FROM INITIAL RECOGNITION AS AT FAIR VALUE	TOTAL INSTRUMENTS STATED AT FAIR VALUE	INSTRUMENTS STATED AT AMORTIZED COST [2]: BALANCE SHEET VALUE	FAIR VALUE	BALANCE SHEET VALUE
Renault SA redeemable shares	-	-	262	262	-	-	262
Bonds	-	-	-	-	5,148	5,318	5,148
Other debts represented by a certificate	-	-	-	-	416	416	416
Borrowings from credit institutions	-	-	223	223	1,891	1,877	2,114
Other interest-bearing borrowings	-	-	-		2,590	2,645	2,590
Derivative liabilities on financing operations of the Automotive segment	847	3	-	850	-	-	850
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENT	**847**	**3**	**485**	**1,335**	**10,045**	**10,256**	**11,380**
DIAC redeemable shares	-	-	11	11	-	-	11
Bonds	-	-	-	-	7,808	8,178	7,808
Other debts represented by a certificate	-	-	-	-	7,566	7,553	7,566
Borrowings from credit institutions	-	-	-	-	4,007	3,966	4,007
Other interest-bearing borrowings	-	-	-	-	99	99	99
Derivative liabilities on financing operations of the	83	54	-	137	-	-	137

Sales Financing segment							
FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT	**83**	**54**	**11**	**148**	**19,480**	**19,796**	**19,628**

(1) Including derivatives not classified as hedges for accounting purposes.

(2) Including financial liabilities subject to fair value hedges.

The fair value of financial liabilities and debts of the Sales Financing segment stated at amortized cost is essentially determined by discounting future cash flows at rates offered to Renault at December 31, 2011 and 2010 for loans with similar conditions and maturities.

C – Breakdown by maturity

For financial liabilities including derivatives, contractual flows are similar to the expected flows and correspond to the amounts to be paid.

For floating-rate financial instruments, interest is calculated using interest rates as at December 31.

No contractual flows are reported for Renault and Diac redeemable shares as they have no fixed redemption date.

C1 – Financial liabilities of the Automotive segment

	DECEMBER 31, 2011							
(€ million)	BALANCE SHEET VALUE	TOTAL CONTRACTUAL FLOWS	-1 YEAR	1 – 2 YEARS	2 – 3 YEARS	3 – 4 YEARS	4 – 5 YEARS	+5 YEARS
Bonds issued by Renault SA (by issue date)								
2003	41	41	-	-	41	-	-	-
2005	100	100	100	-	-	-	-	-
2006	555	555	-	527	28	-	-	-
2007	610	610	541	-	59	-	-	10
2008	420	420	-	420	-	-	-	-
2009	750	750	-	-	750	-	-	-
2010	1,764	1,764	449	170	-	645	-	500
2011	758	758	-	154	70	-	534	-
Accrued interest, expenses and premiums	28	50	50	-	-	-	-	-
Total bonds	**5,026**	**5,048**	**1,140**	**1,271**	**948**	**645**	**534**	**510**
Other debts represented by a certificate	200	200	200	-	-	-	-	-
Borrowings from credit institutions	2,300	2,313	1,029	854	262	92	19	57
Other interest-bearing borrowings	584	771	66	27	30	18	10	620
Total other financial liabilities	**3,084**	**3,284**	**1,295**	**881**	**292**	**110**	**29**	**677**
Future interest on bonds and other financial liabilities	**-**	**813**	**146**	**177**	**136**	**80**	**41**	**233**
Redeemable shares	**231**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Derivative liabilities on financing operations	**955**	**955**	**798**	**104**	**13**	**10**	**30**	**-**
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENT	**9,296**	**10,100**	**3,379**	**2,433**	**1,389**	**845**	**634**	**1,420**

The portion of financial liabilities of the Automotive segment maturing within one year breaks down as follows:

	DECEMBER 31, 2011			
(€ million)	CONTRACTUAL FLOWS MATURING WITHIN 1 YEAR	-1 MONTH	1-3 MONTHS	3 MONTHS - 1 YEAR

Bonds	1,140	3	35	1,102
Other financial liabilities	1,295	441	239	615
Future interest on bonds and other financial liabilities	146	-	19	127
Redeemable shares	-	-	-	-
Derivative liabilities on financing operations	798	203	355	240
TOTAL FINANCIAL LIABILITIES MATURING WITHIN 1 YEAR	**3,379**	**647**	**648**	**2,084**

C2 – Financial liabilities and debts of the Sales Financing segment

(€ million)	BALANCE SHEET VALUE	TOTAL CONTRACTUAL FLOWS	-1 YEAR	1 – 2 YEARS	2 – 3 YEARS	3 – 4 YEARS	4 – 5 YEARS	+5 YEARS
	DECEMBER 31, 2011							
Bonds issued by RCI Banque (year of issue)								
2005	33	33	23	-	-	10	-	-
2006	14	14	-	-	-	14	-	-
2007	500	500	500	-	-	-	-	-
2009	756	756	756	-	-	-	-	-
2010	3,888	3,859	1,084	1,446	-	618	711	-
2011	5,385	5,261	269	628	2,515	603	1,246	-
Accrued interest, expenses and premiums	191	228	228	-	-	-	-	-
Total bonds	**10,767**	**10,651**	**2,860**	**2,074**	**2,515**	**1,245**	**1,957**	**-**
Other debts represented by a certificate	7,169	7,169	5,012	1,052	639	466	-	-
Borrowings from credit institutions	4,133	4,126	2,899	343	610	204	60	10
Other interest-bearing borrowings	87	87	87	-	-	-	-	-
Total other financial liabilities	**11,389**	**11,382**	**7,998**	**1,395**	**1,249**	**670**	**60**	**10**
Future interest on bonds and other financial liabilities	**-**	**1,365**	**403**	**395**	**298**	**191**	**69**	**9**
Redeemable shares	**10**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Derivative liabilities on financing operations	**91**	**394**	**169**	**124**	**53**	**37**	**11**	**-**
TOTAL FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT	**22,257**	**23,792**	**11,430**	**3,988**	**4,115**	**2,143**	**2,097**	**19**

The portion of financial liabilities and debts of the Sales Financing segment maturing within one year breaks down as follows:

(€ million)	CONTRACTUAL FLOWS MATURING WITHIN 1 YEAR	-1 MONTH	1-3 MONTHS	3 MONTHS – 1 YEAR
	DECEMBER 31, 2011			
Bonds	2,860	604	33	2,223
Other financial liabilities	7,998	2,592	3,313	2,093

Future interest on bonds and other financial liabilities	403	11	29	363
Redeemable shares	-	-	-	-
Derivative liabilities on financing operations	169	23	32	114
TOTAL FINANCIAL LIABILITIES MATURING WITHIN 1 YEAR	**11,430**	**3,230**	**3,407**	**4,793**

NOTE 25 – FAIR VALUE OF FINANCIAL INSTRUMENTS AND IMPACT ON NET INCOME

A – Fair value of financial instruments by level

The following breakdown by level is presented for financial instruments carried in the balance sheet at fair value:

- level 1: instruments whose fair values are derived from a listed price in an active market;
- level 2: instruments whose fair values are derived from observable market prices and are not included in level 1;
- level 3: instruments whose fair values are derived from data not observable on the market.

	DECEMBER 31, 2011			
(€ million)	**FAIR VALUE IN BALANCE SHEET**	**LEVEL 1**	**LEVEL 2**	**LEVEL 3**
Investments in non-controlled entities	699	558	-	141
Other securities	88	34	54	-
Derivative assets on financing operations by the Automotive segment	1,107	-	1,107	-
Derivative assets on transactions undertaken for operating purposes by the Automotive segment	-	-	-	-
Derivative assets on financing operations by the Sales Financing segment	310	-	310	-
Cash equivalents	118	115	3	-
Financial instruments stated at fair value in the balance sheet assets	**2,322**	**707**	**1,474**	**141**
Renault SA redeemable shares	231	231	-	-
Borrowings from credit institutions by the Automotive segment	222	-	222	-
Derivative liabilities on transactions undertaken for financing purposes by the Automotive segment	955	-	955	-
Derivative liabilities on transactions undertaken for operating purposes by the Automotive segment	2	-	2	-
DIAC redeemable shares	10	10	-	-
Derivative liabilities on financing operations of the Sales Financing segment	91	-	91	-
Financial instruments stated at fair value in the balance sheet liabilities	**1,511**	**241**	**1,270**	**-**

Estimated fair values are based on information available on the markets and arrived at using valuation methods appropriate to the types of instrument in question. However, the methods and assumptions used are by nature theoretical, and judgment plays a major role in interpreting market data.

Fair values have been determined on the basis of information available at the end of the year and do not therefore take account of subsequent movements.

In general, the valuation methods for each level are as follows:

- level 1: fair value is identical to the most recent listed price;
- level 2: fair value is generally determined by recognized valuation models that use observable market data;
- level 3: the fair value of investments in non-controlled companies is based on the share of net assets.

In 2011 no financial instruments were transferred between level 1 and level 2, or into or out of level 3.

B – Changes in level 3 financial instruments

Level 3 financial instruments amounted to €141 million at December 31, 2011. They increased by €47 million over the year, essentially due to payments made in 2011 to the Modernization Fund for Automotive Equipment Manufacturers (Fonds de Modernisation des Équipementiers Automobiles - FMEA), as part of the support plan for these suppliers introduced by the French authorities and automakers.

C – Impact of financial instrument on net income

(€ million) 2011	FINANCIAL ASSETS OTHER THAN DERIVATIVES			FINANCIAL LIABILITIES OTHER THAN DERIVATIVES			
	INSTRUMENTS HELD FOR TRADING	**AVAILABLE-FOR-SALE INSTRUMENTS**	**LOANS AND RECEIVABLES**	**INSTRUMENTS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT AND LOSS**	**INSTRUMENTS STATED AT AMORTIZED COST [1]**	**DERIVATIVES**	**TOTAL IMPACT ON NET INCOME**
Interest income	2	-	204	-	-	29	235
Interest expenses	-	-	-	(16)	(427)	(11)	(454)
Change in fair value	-	1	(2)	32	1	26	58
Impairment	-	-	23	-	-	-	23
Dividends	-	33	-	-	-	-	33
Gains (losses) on sale	-	-	-	-	-	-	-
Net foreign exchange gains and losses	18	-	97	-	(100)	-	15
TOTAL IMPACT ON NET INCOME - AUTOMOTIVE SEGMENT	**20**	**34**	**322**	**16**	**(526)**	**44**	**(90)**
Including:							
- operating margin	*-*	*-*	*80*	*-*	*(85)*	*13*	*8*
- other operating	*-*	*-*	*-*	*-*	*-*	*-*	*-*

income and expenses							
- net financial income (expense)	*20*	*34*	*242*	*16*	*(441)*	*31*	*(98)*
Interest income	-	3	1,511	-	-	118	1,632
Interest expenses	-	-	-	-	(984)	(104)	(1,088)
Change in fair value	-	-	-	3	(182)	247	68
Impairment	-	-	(25)	-	-	-	(25)
Dividends	-	4	-	-	-	-	4
Gains (losses) on sale	-	-	-	-	-	-	-
Net foreign exchange gains and losses	-	-	-	-	(66)	-	(66)
TOTAL IMPACT ON NET INCOME - SALES FINANCING SEGMENT	**-**	**7**	**1,486**	**3**	**(1,232)**	**261**	**525**
Including:							
- operating margin	-	*7*	*1,486*	*3*	*(1,232)*	*261*	*525*
- other operating income and expenses	-	-	-	-	-	-	-
- net financial	-	-	-	-	-	-	-

income (expense)							
TOTAL GAINS AND LOSSES WITH IMPACT ON NET INCOME	**20**	**41**	**1,808**	**19**	**(1,758)**	**305**	**435**

(1) Including financial liabilities subject to fair value hedges.

For the Automotive segment, the impact of financial instruments on net income mainly corresponds to foreign exchange gains and losses on operating transactions, and impairment of operating receivables.

D – Fair value hedges

(€ million)	**2011**	**2010**
Change in fair value of the hedging instrument	212	(23)
Change in fair value of the hedged item	(211)	29
Net impact on net income of fair value hedges	**1**	**6**

This net impact of fair value hedges on net income corresponds to the ineffective portion of hedges. Hedge accounting methods are described in note 2-V.

NOTE 26 – DERIVATIVES AND MANAGEMENT OF FINANCIAL RISKS

A – Fair value of derivatives

The fair value of derivatives corresponds to their balance sheet value.

(€ million)	**FINANCIAL ASSETS**		**OTHER ASSETS**	**FINANCIAL LIABILITIES AND SALES FINANCING DEBTS**		**OTHER LIABILITIES**
DECEMBER 31, 2011	**NON-CURRENT**	**CURRENT**	**CURRENT**	**NON-CURRENT**	**CURRENT**	**CURRENT**
Cash flow hedges	-	-	-	-	1	2
Fair value hedges	-	5	124	-	(4)	-
Hedge of the net investment in Nissan	-	-	-	-	-	-
Derivatives not classified as hedges and derivatives held for trading	-	426	26	-	489	-
TOTAL FOREIGN EXCHANGE RISK	**-**	**431**	**150**	**-**	**486**	**2**
Cash flow hedges	6	-	64	3	52	-
Fair value hedges	87	18	96	-	1	-

Derivatives not classified as hedges and derivatives held for trading	187	378	-	154	350	-
TOTAL INTEREST RATE RISK	**280**	**396**	**160**	**157**	**403**	**-**
Cash flow hedges	-	-	-	-	-	-
Fair value hedges	-	-	-	-	-	-
Derivatives not classified as hedges and derivatives held for trading	-	-	-	-	-	-
TOTAL COMMODITY RISK	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**280**	**827**	**310**	**157**	**889**	**2**

(€ million)	**FINANCIAL ASSETS**		**OTHER ASSETS**	**FINANCIAL LIABILITIES AND SALES FINANCING DEBTS**		**OTHER LIABILITIES**
DECEMBER 31, 2010	**NON-CURRENT**	**CURRENT**	**CURRENT**	**NON-CURRENT**	**CURRENT**	**CURRENT**
Cash flow hedges	-	-	7	-	-	-
Fair value hedges	-	-	39	-	-	-
Hedge of the net investment in Nissan	-	-	-	-	-	-
Derivatives not classified as hedges and derivatives held for trading	-	115	2	-	195	1
TOTAL FOREIGN EXCHANGE RISK	**-**	**115**	**48**	**-**	**195**	**1**
Cash flow hedges	9	-	22	3	38	-
Fair value hedges	78	-	19	-	15	-
Derivatives not classified as hedges and derivatives held for trading	624	143	-	599	137	-
TOTAL INTEREST RATE RISK	**711**	**143**	**41**	**602**	**190**	**-**
Cash flow hedges	-	-	-	-	-	-
Fair value hedges	-	-	-	-	-	-
Derivatives not classified as hedges and derivatives held for trading	-	-	-	-	-	-
TOTAL COMMODITY RISK	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**711**	**258**	**89**	**602**	**385**	**1**

The Renault group's specialist subsidiary Renault Finance handles the Automotive segment's short-term interbank investments. It is also Nissan's counterparty in derivatives trading to hedge exchange, interest rate and commodity risks.

The fair values of derivatives reported in the Group's consolidated balance sheet assets and liabilities mainly relate to Renault Finance's business conducted on its own behalf and its transactions with Renault and Nissan subsidiaries.

B – Management of financial risks

The Group is exposed to the following financial risks:

- liquidity risks;
- market risks (foreign exchange, interest rate, equity and commodity risks);
- counterparty risks;
- credit risks (notes 17 and 18).

B1 – Liquidity risk

The Group is financed via the capital markets, through:

- long-term resources (bond issues, private placements, project financing, etc);
- short-term bank loans or commercial paper issues;
- securitization of receivables by RCI Banque.

The Automotive segment needs sufficient financial resources to finance its day-to-day business and the investments necessary for future growth. It therefore regularly borrows on the banking and capital markets to refinance its debt and guarantee liquidity for the Automotive segment, and this exposes it to liquidity risk in the event of market closures or tensions over credit availability. As part of its centralised cash management policy, Renault SA handles most refinancing for the Automotive segment through long-term resources via the capital markets (bond issues and private placements), short-term financing such as treasury notes, or project financing via the banking sector or semi-public bodies.

Medium-term refinancing for the Automotive segment in 2011 was mostly provided by a 5-year bond totalling €500 million issued as part of Renault SA's EMTN programme. The contractual documentation for this financing contains no clause that could affect the continued supply of credit in the event of any change in Renault's credit rating or financial ratio compliance.

In 2009 Renault received a 5-year €3 billion loan from the French government. After renegotiation with the government, Renault undertook early repayment of this loan in three instalments of €1 billion each, paid in September 2010, February 2011 and April 2011.

Renault also has confirmed credit lines opened with banks worth €3,810 million, maturing at various times up to 2016. None of these credit lines was used in 2011. These confirmed credit lines form a liquidity reserve for the Automotive segment, and act partly as backup lines of credit for short-term commercial paper issues.

The contractual documentation for these confirmed bank credit facilities contains no clause that might adversely affect credit availability or continuation as a result of a change in Renault's credit rating or financial ratio compliance.

Given its available cash reserves (€7.6 billion) and confirmed credit lines unused at year-end (€3.8 billion), the Automotive segment has sufficient financial resources to cover its commitments over a 12-month horizon.

Confirmed credit lines open but unused are described in note 24-A.

The Sales Financing segment's business depends on reliable access to financial resources: any restriction on access to banking and financial markets would lead to downscaling of its financing activity and/or raise the cost of the financing negotiated. The liquidity risk is closely monitored on a regular basis. The static liquidity position, which has been constantly positive over the last few years, reflecting surplus long-term resources compared to applications, remains positive. RCI Banque therefore distributes loans from resources raised several months previously, enabling the segment to maintain a stable financial margin.

The markets saw greatly contrasting developments in 2011. In the first half-year, the significant involvement of bond investors led to a steady tightening in credit spreads. Anxieties over the national debt of southern European countries reappeared towards the end of the half-year, resulting in a high level of risk aversion during the summer that was visible in all asset classes. In contrast to the situation in 2008, the bond market nonetheless remained open to corporate debt.

In this difficult environment RCI Banque registered strong growth in its commercial business and issued its highest ever volume of financing. The group borrowed more than €7 billion repayable in more than one year, including €3.35 billion on the euro bond market and €1.8 billion in securitizations. RCI Banque stepped up its ongoing diversification strategy begun in 2010, issuing its first private placement in US dollars for an amount equivalent to €0.9 billion. RCI Banque also issued bonds on international markets (Argentina, Belgium, Brazil and Korea).

The amounts borrowed and the variety of sources of access to liquidity demonstrate that RCI Banque has stable, diversified access to financing.

These long-term resources, plus the €6.3 billion of available guarantees (consisting mainly of undrawn confirmed credit lines of €4.5 billion and €1.7 billion of available liquid receivables that can be redeemed at Central Banks), are sufficient to fund ongoing commercial business for eight months in a "stress scenario" assuming a total lack of new resources.

B2 – Foreign exchange risks

MANAGEMENT OF FOREIGN EXCHANGE RISKS

The Automotive segment is exposed to foreign exchange risks in the course of its industrial and commercial business. These risks are monitored and centralised by Renault's Cash and Financing department.

It is Renault's general policy not to hedge operating future cash flows in foreign currencies. As a result, the Group's operating margin is exposed to foreign exchange risks. The principal exception authorized by the General Management in 2011 concerned a foreign exchange hedge that partly hedges sales revenues in pounds sterling.

Subsidiaries' financing and investing cash flows in foreign currencies are usually hedged in the same currencies.

Most financial liabilities and debts of Sales Financing are in euros.

Equity investments are not hedged, apart from the investment in Nissan, totalling ¥95 billion at December 31, 2011 (note 14-H).

Renault Finance undertakes operations unrelated to operating cash flows on its own behalf. These operations are controlled daily and strict risk limits apply. They have no significant impact on Renault's consolidated results.

The Sales Financing segment has low exposure to foreign exchange risks since its policy is to provide refinancing for subsidiaries in their own currencies. In exceptional cases, limits are assigned to certain countries (particularly Russia: €8 million and Romania: €2.5 million).

The Group made no major changes to its foreign exchange risk management policy in 2011.

ANALYSIS OF THE SENSITIVITY OF FINANCIAL INSTRUMENTS TO FOREIGN EXCHANGE RISKS

This analysis concerns the sensitivity to foreign exchange risks of monetary assets and liabilities (including intercompany balances) and derivatives in a currency other than the currency of the entity that holds them. However, it does not take into account items covered by fair value hedges (hedged assets or liabilities and derivatives), for which changes in fair value of the hedged item and the hedging instrument almost totally offset each other in the income statement.

The Group has financial instruments denominated in Japanese yen, held for the purposes of the policy to partially hedge its investment in Nissan (note 14H).

Impacts are estimated solely on the basis of instant conversion of the financial assets and liabilities concerned at year-end after application of the 1% variation in the Euro exchange rate.

The impact on equity concerns the 1% variation in the Euro against other currencies applied to available-for-sale financial assets, cash flow hedges and the partial hedge of the investment in Nissan. All other impacts affect net income.

For the Automotive segment, the impact on shareholders' equity (before taxes) of a 1% rise in the Euro against the principal currencies, applied to financial instruments exposed to foreign exchange risks, would have an unfavourable effect of €9 million at December 31, 2011, chiefly resulting from yen bond issues associated with the partial hedge of the investment in Nissan. This impact is offset by the opposite variation in the translation adjustment on the value of the investment in Nissan (note 20-E). The estimated impact on net income at December 31, 2011 is not significant.

CURRENCY DERIVATIVES

	DECEMBER 31, 2011				DECEMBER 31, 2010			
(€ million)	NOMINAL	-1 YEAR	1 – 5 YEARS	+5 YEARS	NOMINAL	-1 YEAR	1 – 5 YEARS	+5 YEARS
Currency swaps – purchases	2,887	1,687	1,200	-	2,662	848	1,814	-
Currency swaps - sales	2,669	1,601	1,068	-	2,929	1,077	1,852	-
Forward purchases	20,771	20,771	-	-	12,004	11,887	117	-
Forward sales	20,794	20,794	-	-	12,026	11,909	117	-
Forward purchases – Future cash flows	100	100	-	-	275	275	-	-
Forward sales – Future cash flows	202	202	-	-	268	268	-	-

B3 – Interest rate risk

INTEREST RATE RISK MANAGEMENT

The Renault group's exposure to interest rate risk mainly concerns the sales financing business of RCI Banque and its subsidiaries. Customer loans are generally issued at fixed interest rates, for durations of between 12 and 72 months. Dealer credit is issued at floating rates for durations of less than 12 months.

Interest rate risk is monitored using a methodology common to the entire RCI group, to allow overall management of interest rate risks at consolidated group level. Exposure is assessed daily and hedging is systematic, using swaps to convert floating-rate liabilities to fixed-rate liabilities (cash flow hedges). The objective for each subsidiary is to hedge all risks in order to protect the sales margin.

The Automotive segment's interest rate risk management policy applies two basic principles: long-term investments use fixed-rate financing, and investments for cash reserves use floating-rate financing. In addition, the financing in yen undertaken as part of the partial hedge of Nissan equity is fixed-rate.

Finally, Renault Finance carries out interest rate transactions on its own behalf, within strictly defined risk limits. This arbitrage activity has no significant impact on Renault's consolidated net income.

The Group made no major changes to its interest rate risk management policy in 2011.

ANALYSIS OF THE SENSITIVITY OF FINANCIAL INSTRUMENTS TO INTEREST RATE RISKS

The Group is exposed to the following interest rate risks:

- variations in the interest flows on floating-rate financial instruments stated at amortized cost, and variations in the fair value of financial instruments stated at fair value (including fixed-rate instruments swapped to floating rate, and structured products);
- variations in the fair value of the fixed-rate financial instruments stated at fair value;
- variations in the fair value of derivatives (hedging derivatives and other derivatives).

Impacts are estimated by applying this 100 base point rise in interest rates over a one-year period to financial instruments reported in the closing balance sheet.

The impact on equity corresponds to the change in fair value of available-for-sale fixed-rate financial assets and cash flow hedges after a 100 base point rise in interest rates. All other impacts affect net income.

Calculation of the individual segments' sensitivity to interest rates includes intersegment loans and borrowings.

For the Automotive segment, the impact on net income and shareholders' equity (before taxes) of a 100 base point rise in interest rates applied to financial instruments exposed to interest rate risks would be €6 million and €3 million respectively at December 31, 2011.

For the Sales Financing segment, the impact on net income and equity (before taxes) of a 100 base point rise in interest rates applied to financial instruments exposed to interest rate risks would be €(53) million and €39 million respectively at December 31, 2011. The impact on equity results mainly from the change in the fair value of swaps undertaken to hedge future cash flows. The Sales Financing segment's sensitivity to interest rate risks is stable in comparison to 2010.

FIXED RATE/FLOATING RATE BREAKDOWN OF FINANCIAL LIABILITIES AND SALES FINANCING DEBTS, AFTER THE EFFECT OF DERIVATIVES (EXCLUDING DERIVATIVES)

(€ million)	**DECEMBER 31, 2011**	**DECEMBER 31, 2010**
Fixed rate	17,615	24,279
Floating rate	12,892	5,743
TOTAL FINANCIAL LIABILITIES, SALES FINANCING DEBTS (EXCLUDING DERIVATIVES)	**30,507**	**30,022**

INTEREST RATE DERIVATIVES

	DECEMBER 31, 2011				**DECEMBER 31, 2010**			
(€ million)	**NOMINAL**	**-1 YEAR**	**1-5 YEARS**	**+5 YEARS**	**NOMINAL**	**-1 YEAR**	**1-5 YEARS**	**+5 YEARS**
Interest rate swaps	32,994	16,150	16,816	28	35,603	13,797	21,165	641
FRAs	1	1	-	-	1,100	1,100		
Other interest rate hedging instruments	10	-	10	-	-	-	-	-

B4 – Equity risks

MANAGEMENT OF EQUITY RISKS

The Group's exposure to equity risks essentially concerns the Daimler shares acquired in connection with the cooperation agreements, and marketable securities indexed to share prices. The Group does not use equity derivatives to hedge this risk.

The Group made no major changes to its equity risk management policy in 2011.

ANALYSIS OF SENSITIVITY OF FINANCIAL INSTRUMENTS TO EQUITY RISKS

The sensitivity to equity risks resulting from application of a 10% decrease in share prices to the financial assets concerned at year-end would have an unfavourable impact of €57 million on shareholders' equity. The impact on net income is not significant at December 31, 2011.

B5 – Commodity risks

MANAGEMENT OF COMMODITY RISKS

Renault's Purchases department may hedge part of its commodity risks using financial instruments such as forward purchase contracts, purchase options and tunnel contracts. These hedges concern physical purchasing operations required by the factories, and are subject to volume and time constraints.

There were no commodity hedges outstanding at December 31, 2011 for the Automotive segment business.

B6 – Counterparty risk

The Group only does business on the financial and banking markets with quality counterparties, and is not subject to any significant risk concentration.

All Group entities use a fully-coordinated counterparty risk management procedure involving a scoring system, based principally on the counterparties' long-term credit rating and equity level. For Group companies with significant exposure, compliance with authorized limits is monitored on a daily basis under strict internal control procedures.

Heightened vigilance over counterparty risk continued in 2011. No losses were recorded in 2011 due to default by a banking counterparty.

The Group has done business for several years with two partners in Iran, which is subject to international sanctions. Although the restrictions in force do not directly concern the automotive industry, the resulting international tensions can make operations in the country difficult. After analysis of payment flows with the Group's partners, no impairment has been recognized in respect of receivables.

CASH FLOWS AND OTHER INFORMATION

NOTE 27 – CASH FLOWS

A – Other income and expenses with no impact on cash

(€ million)	**2011**	**2010**
Net allocation to provisions	(193)	420
Net effects of sales financing credit losses	(86)	(88)
Net (gain) loss on asset disposals (1)	(136)	(2,146)
Change in fair value of redeemable shares	(32)	31
Change in fair value of other financial instruments	(10)	(29)
Deferred taxes	100	(282)
Other	(3)	7
OTHER INCOME AND EXPENSES WITH NO IMPACT ON CASH	**(360)**	**(2,087)**

(1) Including the €2,000 million gain on sale of the AB Volvo shares in 2010.

B – Change in working capital

(€ million)	**2011**	**2010**
Decrease (increase) in net inventories	152	(587)
Decrease (increase) in Automotive net receivables	22	(200)
Decrease (increase) in other assets	(258)	(21)
Increase (decrease) in trade payables	(181)	344
Increase (decrease) in other liabilities	471	728
INCREASE (DECREASE) IN WORKING CAPITAL	**206**	**264**

C – Capital expenditure

(€ million)	**2011**	**2010**
Purchases of intangible assets	(888)	(734)
Purchases of property, plant and equipment (other than leased vehicles)	(1,898)	(1,134)
Total purchases for the period	(2,786)	(1,868)
Deferred payments	331	1
TOTAL CAPITAL EXPENDITURE	**(2,455)**	**(1,867)**

D – Interest received and paid by the Automotive segment

(€ million)	**2011**	**2010**
Interest received	193	125
Interest paid	(501)	(507)
INTEREST RECEIVED AND PAID	**(308)**	**(382)**

NOTE 28 – RELATED PARTIES

A – Remuneration of directors and Executives and Executive Committee members

A1 – Remuneration of directors and Executives

The Board of Directors has combined the functions of Chairman of the Board of Directors and Chief Executive Officer. The Chairman and CEO receives no remuneration for his duties as Chairman of the Board.

The table below reports the remuneration paid, pro rata to the periods in which the functions were occupied:

(€ million)	**2011**	**2010**
Basic salary	1.2	1.2
Performance-related remuneration	1.6	-
Employer's social security charges	1.0	0.4
Complementary pension	0.5	0.7
Total remuneration excluding stock-options	4.3	2.3
Stock-option plans	0.1	0.7
Stock-option plans – effect of cancellations	-	-
Total remuneration under stock-option plans	0.1	0.7
Other components of remuneration	0.1	-
Chairman and Chief Executive Officer	**4.5**	**3.0**

Directors' fees amounted to €1,173,136 in 2011 (€599,311 in 2010), of which €48,000 were paid for the Chairman's functions (€28,000 in 2010).

A2 – Remuneration of Executive Committee members (other than the Chairman and Chief Executive Officer)

The consideration and related benefits of members of the Executive Committee (other than the Chairman and Chief Executive Officer), were recognized in expenses as follows:

(€ million)	**2011**	**2010**
Basic salary	3.8	3.2
Performance-related salary	1.2	1.0
Employer's social security charges	2.4	1.8
Complementary pension	0.7	1.4
Other	0.2	0.7
Total remuneration excluding stock-options	8.3	8.1
Stock-option plans	0.8	0.5
Stock-option plans – effect of cancellations	-	-
Total remuneration under stock-option plans	0.8	0.5

Executive Committee members (other than the Chairman and CEO)	**9.1**	**8.6**

B – Renault's investments in associates

Details of Renault's investments in Nissan, AB Volvo and AvtoVaz are provided respectively in notes 14, 15-A and 15-B.

NOTE 29 – OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

Renault enters into a certain number of commitments in the course of its business. When these commitments qualify as liabilities, they are covered by provisions (eg retirement and other personnel benefits, litigations, etc.). Details of off-balance sheet commitments and contingencies are provided below (note 29-A).

Renault also receives commitments from customers (deposits, mortgages, etc.) and may benefit from credit lines with credit institutions (note 29-B).

A – Off-balance sheet commitments given and contingent liabilities

A1 – Ordinary operations

The Group is committed for the following amounts:

(€ million)	DECEMBER 31, 2011	DECEMBER 31, 2010
Other guarantees given (1)	220	317
Financing commitments in favor of customers (2)	1,627	2,004
Firm investment orders	784	610
Lease commitments	229	219
Assets pledged, provided as guarantees or mortgaged and other commitments (3)	126	136

(1) Including €40 million of financial guarantees at December 31, 2011 which could be called in immediately after the year-end.

(2) Confirmed credit lines opened for customers by the Sales Financing segment lead to a maximum payment of this amount within 12 months after the year-end.

(3) Assets pledged, provided as guarantees or mortgaged mainly concern guarantees of financial liabilities, provided by Renault Samsung Motors when it was acquired by Renault in 2000.

Lease commitments include rent from non-cancellable leases. The breakdown is as follows:

(€ million)	DECEMBER 31, 2011	DECEMBER 31, 2010
Less than 1 year	42	46
Between 1 and 5 years	142	123
More than 5 years	45	50
LEASE COMMITMENTS	**229**	**219**

A2 – Special operations

END-OF-LIFE VEHICLES

Under EC Directive 2000/53/EC concerning end-of-life vehicles, published in September 2000, EU member states will be obliged to take measures to ensure that:

- vehicles at the end of their useful life can be transferred to an approved processing centre free of charge to the last owner;
- specific progressive targets are met concerning the re-use rate for vehicle components, with priority given to recycling, and the value of components that can be re-used.

Since January 1, 2007, this Directive has concerned all vehicles on the road.

The Group establishes provisions in relation to the corresponding cost on a country-by-country basis, as the Directive is incorporated into national laws and when the procedures for recycling operations are defined. These provisions are regularly reviewed to ensure they take account of changes in each country's situation.

For countries where the legislation is not yet complete, until the laws are in existence, it is impossible to accurately determine whether the Group will have to bear a residual cost.

OTHER COMMITMENTS

Disposals of subsidiaries or businesses by the Group generally include representations and warranties in the buyer's favor. At December 31, 2011, Renault had not identified any significant risks in connection with these operations.

For five years from 2012, Renault has a unilateral option to sell its 18% investment in SNR (Société Nouvelle de Roulements). If this option is not exercised by the end of the five-year period, NTN will have a purchase option on the residual investment.

Group companies are periodically subject to tax inspections in the countries in which they operate. Tax adjustments are recorded as provisions in the financial statements. Contested tax adjustments are recognized on a case-by-case basis, taking into account the risk that the proceedings or appeal may be unsuccessful.

B – Off-balance sheet commitments received and contingent assets

(€ million)	**DECEMBER 31, 2011**	**DECEMBER 31, 2010**
Other guarantees received (1)	3,016	2,782
Assets pledged or mortgaged (2)	2,127	1,361
Other commitments	57	136

(1) Including €1,656 million in 2011 for commitments received by the Sales Financing segment for sale to a third party of rental vehicles at the end of the rental contract.

(2) The Sales Financing segment receives guarantees from its customers in the course of sales financing for new or used vehicles. Guarantees received from customers amount to €2,078 million at December 31, 2011.

Off balance sheet commitments received concerning confirmed opened credit lines are presented in note 24-A.

NOTE 30 – FEES PAID TO STATUTORY AUDITORS AND THEIR NETWORK

The audit fees for Group's statutory auditors and their networks were as follows:

Ernst & Young network

(€ thousands)	2011 AMOUNT EXCLUDING VAT	2011 %	2010 AMOUNT EXCLUDING VAT	2010 %	2011/2010 AMOUNT	2011/2010 CHANGE
Audit						
Statutory audit, certification, review of individual and consolidated accounts						
- Issuer [(1)]	2,288	44.1%	2,288	46.6%	0	0%
- Fully consolidated subsidiaries	2,451	47.2%	2,376	48.4%	75	3.2%
Other inspections and services directly linked to the statutory auditor's mission						
- Issuer [(1)]	293	5.6%	63	1.3%	230	365.1%
- Fully consolidated subsidiaries	88	1.7%	102	2.1%	(14)	-13.7%
SUBTOTAL: AUDIT	**5,120**	**98.6%**	**4,829**	**98.4%**	**291**	**6.0%**
Other network services for the fully consolidated subsidiaries						
- Legal, tax, labour-related	70	1.4%	80	1.6%	(10)	-12.5%
- Other	-	-	-	-	-	-
SUBTOTAL: OTHER SERVICES	**70**	**1.4%**	**80**	**1.6%**	**(10)**	**-12.5%**
TOTAL FEES	**5,190**	**100%**	**4,909**	**100%**	**281**	**5.7%**

(1) Renault SA and Renault s.a.s.

Deloitte network

(€ thousands)	2011 AMOUNT EXCLUDING VAT	2011 %	2010 AMOUNT EXCLUDING VAT	2010 %	2011/2010 AMOUNT	2011/2010 CHANGE
Audit						
Statutory audit, certification, review of individual and consolidated accounts						

- Issuer (1)	2,610	35.5%	2,634	36.8%	(24)	-0.9%
- Fully consolidated subsidiaries	4,405	59.9%	4,291	59.9%	114	2.7%
Other inspections and services directly linked to the statutory auditor's mission						
- Issuer (1)	-	-	12	0.2%	(12)	-100%
- Fully consolidated subsidiaries	181	2.5%	32	0.4%	149	465.6%
SUBTOTAL: AUDIT	**7,196**	**97.9%**	**6,969**	**97.3%**	**227**	**3.3%**
Other network services for the fully consolidated subsidiaries						
- Legal, tax, labour-related	157	2.1%	193	2.7%	(36)	-18.7%
- Other	-	-	-	-	-	-
SUBTOTAL: OTHER SERVICES	**157**	**2.1%**	**193**	**2.7%**	**(36)**	**-18.7%**
TOTAL FEES	**7,353**	**100%**	**7,162**	**100%**	**191**	**2.7%**

(1) Renault SA and Renault s.a.s.

NOTE 31 – SUBSEQUENT EVENTS

No significant events have occurred since the year-end.

NOTE 32 – CONSOLIDATED COMPANIES

A – Fully consolidated companies (subsidiaries)

RENAULT GROUP'S INTEREST (%)	COUNTRY	DECEMBER 31, 2011	DECEMBER 31, 2010
Renault SA	France	Consolidating company	Consolidating company
AUTOMOTIVE			
FRANCE			
Renault s.a.s.	France	100	100
Arkanéo	France	100	100
Auto Châssis International (ACI) Le Mans	France	100	100
Auto Châssis International (ACI) Villeurbanne	France	100	100
Fonderie de Normandie	France	-	100
Fonderie de Bretagne	France	100	-
IDVU	France	100	100

RENAULT GROUP’S INTEREST (%)	COUNTRY	DECEMBER 31, 2011	DECEMBER 31, 2010
IDVE	France	100	100
Maubeuge Construction Automobile (MCA)	France	100	100
Renault Environnement	France	100	100
Renault Développement Industriel et Commercial (RDIC)	France	100	100
Renault Retail Group SA and subsidiaries	France	100	100
Renault Samara	France	100	-
RDREAM	France	100	100
SCI parc industriel du Mans	France	100	100
SCI Plateau de Guyancourt	France	100	100
SNC Renault Cléon	France	100	100
SNC Renault Douai	France	100	100
SNC Renault Flins	France	100	100
SNC Renault Sandouville	France	100	100
Société des automobiles Alpine Renault	France	100	100
Sofrastock International	France	100	100
Société de transmissions automatiques	France	80	80
Société de véhicules automobiles de Batilly (SOVAB)	France	100	100
Société Immobilière de Construction Française pour l’Automobile et la Mécanique (SICOFRAM) and subsidiaries	France	100	100
Société Immobilière Renault Habitation (SIRHA)	France	100	100
Société Immobilière d’Epone	France	100	100
Société Immobilière pour l’Automobile et la Mécanique (SIAM)	France	100	100
SODICAM 2	France	100	100
Technologie et Exploitation Informatique (TEI)	France	100	100
EUROPE			
Renault Österreich and subsidiaries	Austria	100	100
Renault Belgique Luxembourg and subsidiaries	Belgium	100	100
Renault Industrie Belgique (RIB)	Belgium	100	100
Renault Croatia	Croatia	100	100
Renault Ceska Republica and subsidiaries	Czech Republic	100	100
Renault Deutsche AG and subsidiaries	Germany	100	100

RENAULT GROUP'S INTEREST (%)	COUNTRY	DECEMBER 31, 2011	DECEMBER 31, 2010
Renault Hungaria and subsidiaries	Hungary	100	100
Renault Irlande	Ireland	100	100
Renault Italia and subsidiaries	Italy	100	100
Motor Reinsurance Company	Luxembourg	100	100
Renault Group b.v.	Nederland	100	100
Renault Nederland	Nederland	100	100
Renault Polska	Poland	100	100
Cacia	Portugal	100	100
Renault Portuguesa and subsidiaries	Portugal	100	100
Renault Slovakia	Slovakia	100	100
Renault Nissan Slovenia d.o.o.	Slovenia	100	100
Revoz	Slovenia	100	100
Renault Espana Comercial SA (RECSA) and subsidiaries	Spain	100	100
Renault Espana SA and subsidiaries	Spain	100	100
Renault Nordic	Sweden	100	100
Renault Finance	Switzerland	100	100
Renault Suisse SA and subsidiaries	Switzerland	100	100
Grigny Ltd.	United Kingdom	100	100
Renault Retail Group U.K. Ltd.	United Kingdom	100	100
Renault U.K.	United Kingdom	100	100
EUROMED			
Renault Algérie	Algeria	100	100
Renault Nissan Bulgarie	Bulgaria	100	100
Renault Maroc	Morocco	80	80
Renault Maroc Service	Morocco	100	100
Renault Tanger Exploitation	Morocco	100	100
Renault Tanger Méditerranée	Morocco	100	100
Société marocaine de construction automobile (Somaca)	Morocco	77	77
Dacia and subsidiaries	Romania	99	99
Renault Industrie Roumanie	Romania	100	100

RENAULT GROUP'S INTEREST (%)	COUNTRY	DECEMBER 31, 2011	DECEMBER 31, 2010
Renault Mécanique Roumanie	Romania	100	100
Renault Nissan Roumanie	Romania	100	100
Renault Technologie Roumanie	Romania	100	100
Oyak-Renault Otomobil Fabrikalari	Turkey	52	52
EURASIA			
AFM Industrie	Russia	100	100
Avtoframos	Russia	94	94
Remosprom	Russia	64	64
Renault Ukraine	Ukraine	100	100
AMERICA			
Groupe Renault Argentina	Argentina	100	100
Renault do Brasil LTDA	Brazil	100	100
Renault do Brasil SA	Brazil	100	100
Sociedad de Fabricacion de Automotores (Sofasa) and subsidiaries	Colombia	100	100
Renault Corporativo SA de C.V.	Mexico	100	100
Renault Mexico	Mexico	100	100
ASIA - AFRICA			
Renault Beijing Automotive Company	China	100	-
Renault Private Ltd.	India	100	100
Renault Pars	Iran	51	51
Renault South Africa and subsidiaries	South Africa	51	51
Renault Samsung Motors	South Korea	80	80
SALES FINANCING			
FRANCE			
Compagnie de Gestion Rationnelle (COGERA)	France	100	100
Diac	France	100	100
Diac Location	France	100	100
RCI Banque and branches	France	100	100
Société de Gestion, d'Exploitation de Services en Moyens Administratifs (SOGESMA)	France	100	100
Société Internationale de Gestion et de Maintenance Automobile	France	-	100

RENAULT GROUP'S INTEREST (%)	COUNTRY	DECEMBER 31, 2011	DECEMBER 31, 2010
(SIGMA)			
EUROPE			
RCI Bank AG	Austria	-	100
RCI Financial Services Belgique	Belgium	100	100
Renault Autofin SA Belgique	Belgium	100	100
RCI Finance CZ sro	Czech Republic	100	100
RCI Versicherungs Service GmbH	Germany	100	100
RCI Zrt Hongrie	Hungary	100	100
RCI Insurance Services Ltd.	Malta	100	100
RCI Life Ltd.	Malta	100	100
RCI Services Ltd.	Malta	100	100
RCI Financial Services b.v.	Nederland	100	100
RCI Bank Polska	Poland	100	100
Renault Credit Polska	Poland	100	100
RCI Gest IFIC and subsidiary	Portugal	100	100
RCI Gest Seguros	Portugal	100	100
Overlease Espagne	Spain	100	100
RCI Finance SA	Switzerland	100	100
RCI Financial Services Ltd.	United Kingdom	100	100
Renault Acceptance Ltd.	United Kingdom	100	100
EUROMED			
RCI Finance Maroc	Morocco	100	100
RCI Broker de Assigurare	Romania	100	100
RCI Finantare Romania	Romania	100	100
RCI Leasing Romania	Romania	100	100
AMERICA			
Courtage SA	Argentina	100	100
ROMBO Compania Financiera	Argentina	60	60
CAM RCI Brasil	Brazil	60	60
CFI Renault do Brasil	Brazil	60	60

RENAULT GROUP'S INTEREST (%)	COUNTRY	DECEMBER 31, 2011	DECEMBER 31, 2010
Consorcio Renault do Brasil	Brazil	100	100
Renault do Brasil S/A Corr. de Seguros	Brazil	100	100
ASIA - AFRICA			
RCI Korea	South Korea	100	100

B – Proportionately consolidated companies (joint ventures)

RENAULT GROUP'S INTEREST (%)	COUNTRY	DECEMBER 31, 2011	DECEMBER 31, 2010
AUTOMOTIVE			
Française de Mécanique	France	50	50
Indra Investissements	France	50	50
Renault Nissan Technology and Business Centre India Private Limited (RNTBCI)	India	67	67
SALES FINANCING			
Renault Credit Car	Belgium	50	50
Renault Leasing CZ sro	Czech Republic	50	50

C – Companies accounted for by the equity method (associates)

RENAULT GROUP'S INTEREST (%)	COUNTRY	DECEMBER 31, 2011	DECEMBER 31, 2010
AUTOMOTIVE			
Boone Comenor	France	24	12
Renault Nissan Automotive India Private Limited	India	30	30
Groupe Nissan	Japan	43,9	43,8
Groupe AvtoVAZ	Russia	25	25
Groupe AB Volvo	Sweden	6,8	6,8
MAIS	Turkey	49	49
SALES FINANCING			
Nissan Renault Finance Mexico	Mexico	15	15

(2) Comptes annuels (Parent Company Financial Statements)

Comptes de résultat simplifies de Renault S.A.
Bilan simplifié
Tableau de flux de trésorerie
Annexe aux comptes sociaux

[Japanese translation and French original of the above are included in this section of the Securities Report in Japanese.]

<English translation of the Parent Company Financial Statements>

RENAULT SA PARENT-COMPANY FINANCIAL STATEMENT

FINANCIAL STATEMENTS

INCOME STATEMENT

(€ million)	**2011**	**2010**
Operating expenses	(24)	(32)
Increases to operating provisions	(5)	(5)
NET OPERATING EXPENSE	**(29)**	**(37)**
Investment income	580	363
Increases to provisions related to investments	(4)	(5)
INVESTMENT INCOME AND EXPENSES (NOTE 2)	**576**	**358**
Foreign exchange losses	(268)	(212)
Increases to and reversals from provisions for exchange risks	181	(192)
FOREIGN EXCHANGE GAINS AND LOSSES (NOTE 3)	**(87)**	**(404)**
Interest and equivalent income	4	2
Interest and equivalent expenses	(343)	(438)
Reversals of provisions and transfers of charges	6	69
Net gains on sales of marketable securities	-	(24)
Depreciation and provisions	(14)	(5)
OTHER FINANCIAL INCOME AND EXPENSES (NOTE 4)	**(347)**	**(396)**
NET FINANCIAL INCOME	**142**	**(442)**
PRE-TAX INCOME BEFORE EXCEPTIONAL ITEMS	**113**	**(479)**
Exceptional income on capital transactions	-	1,504
Exceptional expenses on capital transactions	-	(1,020)
NET EXCEPTIONAL ITEMS	**-**	**484**
INCOME TAX (NOTE 5)	**164**	**163**
NET INCOME	**277**	**168**

BALANCE SHEET

ASSETS *(€ MILLION)*	GROSS	DEPRECIATION, AMORTISATION & PROVISIONS	2011 NET	2010 NET
Investments stated at equity	10,576		10,576	11,025
Other investments (note 6)	7,228	14	7,214	7,214
Advances to subsidiaries and affiliates (note 7)	9,340	15	9,325	11,813
FINANCIAL ASSETS	**27,144**	**29**	**27,115**	**30,052**
TOTAL FIXED ASSETS	**27,144**	**29**	**27,115**	**30,052**
RECEIVABLES	**205**	**13**	**192**	**189**
MARKETABLE SECURITIES (NOTE 8)	**202**	**104**	**98**	**51**
CASH AND CASH EQUIVALENTS	**25**		**25**	**13**
OTHER ASSETS (NOTE 9)	**212**		**212**	**390**
TOTAL ASSETS	**27,788**	**146**	**27,642**	**30,695**

SHAREHOLDERS' EQUITY AND LIABILITIES *(€ MILLION)*	2011	2010
Share capital	1,127	1,127
Share premium	4,783	4,783
Revaluation surplus	9	9
Equity valuation difference	4,760	5,209
Legal and tax basis reserves	112	108
Retained earnings	6,428	6,351
Net income	277	168
SHAREHOLDERS' EQUITY (NOTE 10)	**17,496**	**17,755**
REDEEMABLE SHARES (NOTE 11)	**129**	**129**
PROVISIONS FOR RISKS AND LIABILITIES (NOTE 12)	**183**	**362**
Bonds	4,957	5,101
Borrowings from credit institutions	1,245	1,248
Other loans and financial debts	3,348	5,893
FINANCIAL LOANS AND BORROWINGS (NOTE 13)	**9,550**	**12,242**
OTHER LIABILITIES (NOTE 14)	**245**	**174**

DEFERRED INCOME (NOTE 15)	**39**	**33**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**27,642**	**30,695**

STATEMENT OF CHANGES IN CASH

(€ million)	**2011**	**2010**
Cash flow (note 19)	131	(141)
Change in working capital requirements	55	(68)
CASH FLOW FROM OPERATING ACTIVITIES	**186**	**(209)**
Net decrease (increase) in other investments	-	(317)
Net decrease (increase) in loans	2,487	81
Net decrease (increase) in marketable securities	(56)	60
Net decrease (increase) in other financial assets	-	5
CASH FLOW FROM INVESTING ACTIVITIES	**2,431**	**(171)**
Bond issues	712	1,696
Bond redemptions	(671)	(958)
Net increase (decrease) in other interest-bearing borrowings	(2,559)	(742)
Capital increase	-	399
Dividends paid to shareholders	(87)	
Bond issuance expenses and redemption premiums	(5)	(12)
CASH FLOW FROM FINANCING ACTIVITIES	**(2,610)**	**383**
CASH AND CASH EQUIVALENTS: OPENING BALANCE	**2**	**(1)**
Increase (decrease) in cash and cash equivalents	7	3
CASH AND CASH EQUIVALENTS: CLOSING BALANCE	**9**	**2**

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES

Renault SA draws up its annual financial statements in accordance with French law and accounting regulations as defined by the French chart of accounts 99-03 of April 29, 1999, amended by CRC *(Comité de la Règlementation Comptable)* and ANC *(Autorité des Normes Comptables)* regulations.

The following methods were applied in valuing balance sheet and income statement items:

A - Investments

As allowed by CNC *(Conseil National de la Comptabilité)* avis N°34 (July 1988), as an alternative to the standard valuation method for investments carried in the balance sheet, Renault SA has opted to state investments in wholly-controlled companies at equity:

- this method is applied to all companies that are fully consolidated in the Group's financial statements;
- the shareholders' equity of these companies is determined under the accounting policies applied in the consolidated financial statements; as this is a valuation method, intercompany eliminations are not taken into account;
- in valuing a subsidiary, its holdings in companies wholly controlled by the Group are valued in the same way;
- the change during the year in the overall percentage of shareholders' equity corresponding to these interests is not an income or loss item; it is included in shareholders' equity under "Equity valuation difference". This amount cannot be distributed or used to offset losses. When it is negative, a provision for general depreciation is established as a charge against income.

Investments in companies not wholly controlled by Renault SA are valued at acquisition cost, less related expenses, or at their book value if this is lower. The book value takes account of the share of net assets, profitability prospects and commercial outlets. Provisions are established when the book value of the investments is lower than the gross value.

B - Advances to subsidiaries and affiliates

Loans to related companies and advances to subsidiaries and affiliates are recorded at historical cost. Impairment is recognised when there is a risk that these loans will not be recovered.

C – Marketable securities

Marketable securities are valued at acquisition cost, excluding related expenses and accrued interest for bonds, or at market value if this is lower.

Treasury shares held for the purposes of free share plans and stock option plans are included in marketable securities. A provision is recorded when the exercice price of the option is lower than the acquisition cost.

D – Loan costs and issuance expenses

Loan costs, including issuance expenses, and bond redemption premiums, which are recorded in Other Assets, are amortised on a straight-line basis over the corresponding duration.

E - Translation of foreign currency receivables and liabilities

Receivables and liabilities denominated in foreign currencies are translated as follows:

- all receivables and liabilities in foreign currencies are converted at the year-end exchange rate;
- exchange differences arising between the date of transactions and December 31 are recorded in Other assets and Deferred income (translation adjustment);
- a provision for risk equal to the unrealised exchange losses is established after determining an overall foreign exchange position for each currency (including derivatives) and each term.

F - Provisions for risks and liabilities

Provisions for risks and liabilities are defined in accordance with CRC regulation 2000-06. They are established for probable payment obligations existing at the year-end. On the contrary, a contingent liability is an obligation that is neither probable nor definite at the date the financial statements are established, or a probable obligation that cannot be reliably estimated. Provisions are not established for contingent liabilities, but an off-balance sheet commitment is reported where relevant.

G - Derivatives

Gains and losses on derivatives designated as hedges are recorded in the income statement in the same way as the revenues and expenses relating to the hedged item.

Derivatives not designated as hedges are adjusted to fair value at each closing date. Any resulting unrealised loss is recognised in the income statement, while unrealised gains are not recognised in income.

The fair value of forward exchange contracts is based on market conditions. The fair value of currency swaps is determined by discounting future cash flows, using closing-date market rates (exchange and interest rates). The fair value of interest rate derivatives is the amount the Group would receive (or pay) to settle outstanding contracts at the closing date, taking year-end market conditions into consideration. The market value of derivatives is not recognised in the balance sheet in the individual financial statements.

H - Net exceptional items

Exceptional items are revenues and expenses resulting from events or transactions that are clearly distinct from the company's normal business operations, and are not expected to recur on a frequent or regular basis.

INVESTMENT INCOME AND EXPENSES

Details are as follows:

(€ million)	**2011**	**2010**
Dividends received from Nissan Motor Co Ltd	275	88
Other dividends received	93	37
Interest on loans	212	238
Increases to provisions related to subsidiaries and affiliates	(4)	(5)
TOTAL	**576**	**358**

All interest on loans concerns Group subsidiaries.

FOREIGN EXCHANGE GAINS AND LOSSES

The net foreign exchange loss is chiefly attributable to operations in yen undertaken by Renault SA. Since these operations are not classified as part of the hedge of the net assets of Nissan in Renault SA's individual financial statements, they are included in financial income and expenses in the income statement.

Foreign exchange gains and losses in 2011 mainly comprise the following:

- a foreign exchange loss of €32 million on redemption of the bond issued on January 23, 2008 (nominal value 12.5 billion yen);
- a foreign exchange loss of €82 million on redemption of the bond issued on January 23, 2008 (nominal value 32.5 billion yen);
- a foreign exchange loss of €150 million on redemption of the bond issued on December 14, 2006 (nominal value 50 billion yen);
- a foreign exchange loss of €3 million on termination of the swap issued on December 13, 2011 (nominal value 15.4 billion yen);
- a provision of €140 million for unrealised foreign exchange losses and an amount of €321 million reversed from provisions booked in 2010.

Foreign exchange gains and losses in 2010 included a net loss of €212 million.

OTHER FINANCIAL INCOME AND EXPENSES

Other financial income and expenses generated a net loss of €347 million in 2011 (compared to a loss of €396 million in 2010) and mainly comprise net interest payments of €343 million on Renault borrowings after swaps and €9 million of impairment recorded in respect of treasury shares.

Details of interest paid and other similar expenses are as follows:

(€ million)	**2011**	**2010**
Net accrued interest after *swaps* on bonds*	(182)	(143)
Net accrued interest after *swaps* on borrowings from credit institutions	(38)	(35)
Accrued interest on termination of borrowings from subsidiaries	(31)	(20)

Accrued interest on redeemable shares	(17)	(14)
Accrued interest on the loan from the French government	(34)	(192)
Other financial expenses	(9)	(1)
Other (treasury notes and commitment commissions)	(32)	(33)
TOTAL	**(343)**	**(438)**

* *The net interest on bonds comprises accrued and paid interest amounting to €270 million (€219 million in 2010), and accrued and received interest on swaps amounting to €88 million (€76 million in 2010).*

In 2011, the €182 million of interest received and paid mainly comprise:

- €45 million on the bond issued on October 13, 2009;
- €28 million on the bond issued on March 22, 2010;
- €21 million on the bond issued on June 30, 2010;
- €14 million on the bond issued on September 20, 2010;
- €13 million on the bond issued on April 16, 2008;
- €11 million on the bond issued on May 25, 2011;
- €9 million on the bond issued on May 24, 2006.

The net interest receivable on the swapped portion of bonds and borrowings from credit institutions amounted to €30 million: €98 million on the paying leg and €68 million on the receiving leg.

INCOME TAX

As Renault SA elected to determine French income taxes under the domestic tax consolidation regime when it was formed, this regime has applied to the group in which Renault SA is taxed in France since January 1, 2004. French subsidiaries that are more than 95% owned by Renault SA pay their income taxes directly to the company under this regime. Each entity included in the domestic tax consolidation records its theoretical taxes as if it was taxed separately. The tax saving generated by this system is treated as income for, Renault SA, company heading the group of entities concerned. The parent company is not obliged to reimburse the subsidiaries for the tax savings resulting from utilisation of their tax losses when the subsidiaries return to profit or leave the tax consolidated group.

The French rules for carrying forward tax losses were changed by the 2nd amended Finance Law for 2011. Tax losses can now only be carried forward against taxable income up to the amount of €1 million plus 60% of the taxable income above that amount.

This rule is applicable:

- for determining the income/loss of the tax consolidation group;
- by convention, for determining the income/loss of each company included in the tax consolidation.

The new rules on tax loss carryforwards apply not only to the loss for the year ended December 31, 2011 but also to losses carried forward from previous years.

In practice, although the new rules will have an impact on determination of certain subsidiaries' taxable income, they will have no immediate impact on the taxable income of the group as a whole, which continues to report a tax loss, amounting to €588 million (€179 million less than in 2010).

The 4th amended Finance Law for 2011 also introduced an exceptional contribution of 5% of the amount of income tax due for 2011 and 2012 by entities with sales revenues of over €250 million. This contribution is due:

- on income tax at the normal rate or reduced rate payable by the tax consolidation group;
- by convention, on income tax at the normal rate or reduced rate payable by the companies included in the tax consolidation group to Renault SA.

The income generated by income taxes for 2011 was €164 million, mainly comprising €177 million resulting from the domestic tax consolidation.

Details of the tax income for the year are as follows:

	PRE-TAX	TAXES		CREDIT	TAX	NET TAX	NET INCOME	
(€ million)	INCOME	THEORETICAL	NETTING	GENERATED	CREDIT	DUE	THEORETICAL	AS

						BOOKED
Current income subject to normal rate	113	(71)	71	0	184	113
Tax consolidation				(177)		177
Other				13		(13)
TOTAL	**113**	**(71)**	**71**	**(164)**	**184**	**277**

Details of Renault SA's future tax position are as follows:

	2011		2010		VARIATIONS	
(€ million)	ASSETS (1)	LIABILITIES (2)	ASSETS (1)	LIABILITIES (2)	ASSETS	LIABILITIES
Temporarily non-deductible expenses						
Provisions for risks and liabilities	65		127		(62)	
Expenses deducted (or taxed income)not yet recognized for accounting purposes	48	61	35	113	13	(52)
TOTAL	**113**	**61**	**162**	**113**	**(49)**	**(52)**

(1) i.e. future tax credit.

(2) i.e. future tax charge.

INVESTMENTS

Changes during the year were as follows:

(€ million)	AT START OF YEAR	CHANGE OVER THE YEAR	AT YEAR-END
Investment in Nissan Motor Co. Ltd.	6,622		6,622
Investment in RNBV	8		8
Investment in Daimler	584		584
Other investments	13		13
Impairment	(13)		(13)
TOTAL	**7,214**	**0**	**7,214**

In April 2010 the Renault-Nissan Alliance and Daimler AG signed a strategic cooperation agreement designed to bring rapid benefits for all three groups from a certain number of defined projects and the sharing of best practices. The agreement principally concerned a new common architecture for small vehicles, widespread powertrain sharing and joint development for light commercial vehicles.

ADVANCES TO SUBSIDIARIES AND AFFILIATES

Changes during the year were as follows:

(€ million)	AT START OF YEAR	INCREASES	DECREASES	AT YEAR-END
Capitalisable advances	5			5
Loans	11,823	325	(2,813)	9,335
TOTAL BEFORE PROVISIONS [(1)]	**11,828**	**325**	**(2,813)**	**9,340**
Provisions	(15)			(15)
TOTAL, NET	**11,813**	**325**	**(2,813)**	**9,325**
(1) Current portion (less than one year)	11,741	325	(2,803)	9,263
Long-term portion (over 1 year)	87		(10)	77

Loans include:

- €4,409 million in short-term investments with Renault Finance (€6,301 million in 2010);
- €25 million in long-term loans to Renault s.a.s (identical to 2010);
- €4,901 million in current accounts resulting from centralised cash management agreements with Group subsidiaries (€5,497 million in 2010).

All loans relate to Group subsidiaries.

MARKETABLE SECURITIES

Marketable securities include €202 million for Renault SA's treasury shares, against which impairment of €104 million has been booked.

Changes in treasury shares were as follows:

	AT START OF YEAR	OPTIONS EXERCISED	SHARES PURCHASED	AT YEAR-END
Number of shares	2,895,381	-	1,163,874	4,059,255
Value (€ million)	146	-	56	202
Impairment	(95)	-	(9)	(104)
TOTAL	**51**	**-**	**47**	**98**

OTHER ASSETS

The major components of Other Assets are:

- a €17 million payment (€19 million at December 31, 2010) for the purposes of the 1%-rate housing loan financing operation introduced in 2004, when Renault contracted a loan with nominal value of €112 million, bearing interest at the floating rate of 6-month Euribor + 0.67%, terminating on December 31, 2019. An interest rate swap was undertaken to convert this to a fixed rate of approximately 0.13%, and Renault SA also paid a sum of €33 million corresponding to the discounted interest differential recorded over the duration of the operation. This payment is spread over the duration of the loan (15 years) following the same pattern as the interest paid on the debt;
- issuance expenses of €8 million concerning several long-term bond (5 to 7 years);
- redemption premiums amounting to €13 million, mainly comprising €5 million for the 5-year bond issued on April 16, 2008 with nominal value of €300 million;

- €174 million of translation adjustments essentially resulting from unrealised foreign exchange losses, covered by provision, on bonds issued in or swapped to yen.

SHAREHOLDERS' EQUITY

Changes in shareholders' equity were as follows:

(€ million)	BALANCE AT START OF YEAR	ALLOCATION OF 2010 NET INCOME	DIVIDENDS	2011 NET INCOME	OTHER	BALANCE AT YEAR-END
Share capital	1,127					1,127
Share premium	4,783					4,783
Revaluation surplus	9					9
Equity valuation difference	5,209				(449)	4,760
Legal and tax basis reserves	108	4				112
Retained earnings	6,351	164	(87)			6,428
Net income	168	(168)		277		277
TOTAL	**17,755**	**0**	**(87)**	**277**	**(449)**	**17,496**

Non-distributable reserves amounted to €4,881 million at December 31, 2011.

Renault SA's shareholding structure was as follows at December 31, 2011:

	OWNERSHIP STRUCTURE		VOTING RIGHTS	
	NUMBER OF SHARES HELD	% OF CAPITAL	NUMBER	%
French state	44,387,915	15,01%	44,387,915	17,95%
Employees	9,038,110	3,06%	9,038,110	3,65%
Treasury shares	4,059,255	1,37%		
Nissan	44,358,343	15,00%		
Daimler	9,167,391	3,10%	9,167,391	3,71%
Other	184,711,270	62,46%	184,711,270	74,69%
TOTAL	**295,722,284**	**100%**	**247,304,686**	**100%**

The par value of a Renault SA share is €3.81.

STOCK OPTION AND FREE SHARE ATTRIBUTION PLANS

Since October 1996, the Board of Directors has periodically granted stock options to Group executives and managers, with prices and exercise periods specific to each plan.

Six new stock option or free share plans were introduced in 2011. All plans introduced since 2006 include performance conditions which determine the number of options or shares granted to beneficiaries.

A – Changes in the number of stock options held by personnel

	2011			2010		
	QUANTITY	**WEIGHTED AVERAGE EXERCISE PRICE *(€)***	**WEIGHTED AVERAGE SHARE PRICE AT GRANT AND EXERCISE DATES *(€)***	**QUANTITY**	**WEIGHTED AVERAGE EXERCISE PRICE *(€)***	**WEIGHTED AVERAGE SHARE PRICE AT GRANT AND EXERCISE DATES *(€)***
OUTSTANDING AT JANUARY 1ST	**10,387,702**	**68**		**10,977,350**	**67**	
Granted	766,000	37		-	-	-
Exercised	-	-	-	-	-	-
Expired	(2,558,295)	52	N/A	(589,648)	54	N/A
OUTSTANDING AT DECEMBER 31	**8,595,407**	**70**		**10,387,702**	**68**	

B – Options and free share attribution rights yet to be exercised at December 31, 2011

Plan	TYPE OF PLAN	GRANT DATE	EXERCISE PRICE *(€)*	OUTSTANDING	EXERCISE PERIOD
Plan 8	Stock purchase options	September 5, 2002	49.21	1,484,667	September 6, 2007 - September 4, 2012
Plan 10	Stock subscription options	September 14, 2004	66.03	2,012,850	September 15, 2008 - September 13, 2012
Plan 11	Stock subscription options	September 13, 2005	72.98	1,477,900	September 14, 2009 - September 12, 2013
Plan 12	Stock subscription options	May 4, 2006	87.98	1,316,834	May 5, 2010 – May 5, 2014
Plan 14	Stock subscription options	December 5, 2006	93.86	1,537,156	December 6, 2010 – December 4, 2014
Plan 17	Stock purchase options	April 29, 2011	38.80	176,000	April 30, 2015 – April 28, 2019
Plan 17 bis	Attribution of free shares	April 29, 2011		502,500 41,800	April 30, 2013 – April 30, 2015 April 30, 2015
Plan 18	Stock purchase options	April 29, 2011	38.80	490,000	April 30, 2015 – April 28, 2019
Plan 18 bis	Attribution of free shares	April 29, 2011		1,138,600 94,800	April 30, 2014 – April 30, 2016 April 30, 2015
Plan 19	Stock purchase options [(1)]	December 8, 2011	26.87	300,000	December 9, 2015– December 7, 2019
Plan 19 bis	Attribution of free shares [(1)]	December 8, 2011		556,700 53,200	December 8, 2013 – December 8, 2015 December 8, 2015

(1) For these plans introduced in 2011, beneficiaries were informed about the attribution at the beginning of the year 2012, except for the Chairman and CEO who was allocated100 000 stock-options on Décember 8, 2011.

REDEEMABLE SHARES

These shares, issued in October 1983 and April 1984 by Renault SA, can be redeemed with a premium on the sole initiative of Renault SA. They earn a minimum annual return of 9% comprising a fixed portion (6.75%) and a variable portion, equal at least 2.25%, that depends on consolidated revenues and is calculated based on identical structure and methods.

797,659 redeemable shares remained on the market at December 31, 2011, for a total of €129 million including accrued interest. These shares are listed on the Paris Bourse. The market price for redeemable shares with par value of €153 was €290.05 at December 31, 2011 (€328 at December 31, 2010).

The 2011 return on redeemable shares, amounting to €17 million (€14 million in 2010) is included in interest and equivalent expenses.

PROVISIONS FOR RISKS AND LIABILITIES

Provisions for risks and liabilities break down as follows:

(€ million)	**2010**	**INCREASES**	**REVERSALS**	**2011**
Foreign exchange losses	321		(181)	140
Other provisions for risks	41	3	(1)	43
TOTAL	**362**	**3**	**(182)**	**183**
Current (less than 1 year)	*26*	*3*		*29*
Long-term (over 1 year)	*336*		*(182)*	*154*

(1) Other provisions are mainly constituted by provisions for risks related to investments.

Each litigation in which Renault SA is involved is examined at year-end. After seeking the opinion of legal and tax advisors, the provisions deemed necessary are, where appropriate, established to cover the estimated risk.

FINANCIAL LOANS AND BORROWINGS

A – BONDS

Bonds stood at €4,957 million at December 31, 2011 (€5,101 million at December 31, 2010).

The principal changes in bonds over 2011 were as follows:

- issuance on May 25, 2011 of a 5-year bond with total nominal value of €500 million, at the fixed rate of 4.625% (swapped to a floating rate of 3-month Euribor +1.999%);
- issuance on June 3, 2011 of a 3-year bond with total nominal value of 7 billion yen, at the fixed rate of 1.90%;
- issuance on December 20, 2011 of a 2-year bond with total nominal value of 15.4 billion yen, at the fixed rate of 3.43%;
- redemption of the January 23, 2008 3-year bond totalling 12.5 billion yen at the floating rate of 6-month Libor + 80bp;
- redemption of the January 23, 2008 3-year bond totalling 32.5 billion yen at the fixed rate of 1.70%;
- redemption of the June 17, 2004 7-year bond totalling €50 million at the floating rate of 3-month Euribor + 52 bp;
- redemption of the December 14, 2006 5-year bond totalling 50 billion yen at the fixed rate of 1.77%.

Breakdown by maturity

	DECEMBER 31, 2011						
(€ million)	**TOTAL**	**-1 YR**	**1 TO 2 YRS**	**2 TO 3 YRS**	**3 TO 4 YRS**	**4 TO 5 YRS**	**+ 5 YRS**
Nominal value	4,901	1,078	1,215	948	650	500	510
Accrued interest	56	56					
TOTAL	**4,957**	**1,134**	**1,215**	**948**	**650**	**500**	**510**

(€ million)	**DECEMBER 31, 2010**

	TOTAL	-1 YR	1 TO 2 YRS	2 TO 3 YRS	3 TO 4 YRS	4 TO 5 YRS	+ 5 YRS
Nominal value	5,045	924	1,034	1,052	875	650	510
Accrued interest	56	56					
TOTAL	**5,101**	**980**	**1,034**	**1,052**	**875**	**650**	**510**

Breakdown by currency

	DECEMBER 31, 2011		DECEMBER 31, 2010	
(€ million)	BEFORE DERIVATIVES	AFTER DERIVATIVES	BEFORE DERIVATIVES	AFTER DERIVATIVES
Euro	3,860	4,003	3,408	3,551
Yen	1,097	954	1,693	1,550
TOTAL	**4,957**	**4,957**	**5,101**	**5,101**

Breakdown by interest rate type

	DECEMBER 31, 2011	DECEMBER 31, 2010
(€ million)	AFTER DERIVATIVES	AFTER DERIVATIVES
Fixed rate	2,856	3,340
Floating rate	2,101	1,761
TOTAL	**4,957**	**5,101**

B – Borrowings from credit institutions

Borrowings from credit institutions stood at €1,245 million at December 31, 2011 (€1,248 million at December 31, 2010) and are mainly contracted on the market.

The principal changes in bonds over 2011 were as follows:

- issuance on June 29, 2011 of a 1-year bond with total nominal value of €75 million at the floating rate of 3-month Euribor +70 bp;
- redemption on September 19, 2011 of the 3-year bond totalling €75 million, at the floating rate of 3-month Euribor +100 bp.

Breakdown by maturity

	DECEMBER 31, 2011						
(€ million)	TOTAL	-1 YR	1 TO 2 YRS	2 TO 3 YRS	3 TO 4 YRS	4 TO 5 YRS	+ 5 YRS
Nominal value	1,236	296	632	230	47	13	18
Accrued interest	9	9					
TOTAL	**1,245**	**305**	**632**	**230**	**47**	**13**	**18**

	DECEMBER 31, 2010						
(€ million)	TOTAL	-1 YR	1 TO 2 YRS	2 TO 3 YRS	3 TO 4 YRS	4 TO 5 YRS	+ 5 YRS
Nominal value	1,240	95	205	632	230	47	31
Accrued interest	8	8					
TOTAL	**1,248**	**103**	**205**	**632**	**230**	**47**	**31**

Breakdown by currency

	DECEMBER 31, 2011		DECEMBER 31, 2010	
(€ million)	BEFORE DERIVATIVES	AFTER DERIVATIVES	BEFORE DERIVATIVES	AFTER DERIVATIVES
Euro	1,126	1,245	1,130	1,248
Other currencies	119		118	
TOTAL	**1,245**	**1,245**	**1,248**	**1,248**

Breakdown by interest rate type

	DECEMBER 31, 2011	DECEMBER 31, 2010
(€ million)	AFTER DERIVATIVES	AFTER DERIVATIVES
Fixed rate	510	518
Floating rate	735	730
TOTAL	**1,245**	**1,248**

Borrowings from credit institutions maturing within one year include €16 million in bank credit balances.

C – Other loans and financial debts

Other loans and financial debts amounted to €3,348 million at December 31, 2011 (€5,893 million in 2010), and principally comprise:

- borrowings from Group subsidiaries with surplus cash;

- treasury notes amounting to €297 million.

In 2009 Renault received a loan of €3 billion from the French government, initially for a 5-year term but repayable in part or in full from April 2011. An amendment was signed to allow early repayment of €1 billion in September 2010. The balance of this loan was fully repaid during 2011, through two payments of €1 billion in February and April 2011.

No loans or financial debts are secured.

D – Liquidity risk

The Group's Automobile division needs sufficient financial resources to finance its day-to-day business and the investments necessary for future growth. It therefore regularly borrows on the banking and capital markets, and this exposes it to a liquidity risk in the event of market closure or tensions over credit availability. As part of its centralised cash management policy, Renault SA handles most refinancing for the Automobile division through long-term resources via the capital markets (bond issues, private placements), short-term financing such as treasury notes, or bank financing.

These credit lines contain no clause that might adversely affect credit availability as a result of a change in Renault's credit rating or financial ratio compliance.

Short-term financing is also secured by confirmed credit agreements (see Note 18).

Given the available cash reserves, confirmed credit lines unused at the year-end, and the prospects for renewal of short-term financing, Renault SA has sufficient financial resources to cover its commitments over a 12-month horizon.

OTHER LIABILITIES

Changes in other liabilities were as follows:

(€ million)	**2011**	**2010**	**VARIATION 2011 / 2010**
Tax liabilities	239	168	71
Liabilities related to other assets	5	5	0
Other liabilities	1	1	0
TOTAL	**245**	**174**	**71**

The €71 million change in tax liabilities results from a €3 million decrease in tax liabilities and a €68 million increase in the liability for taxes payable to subsidiaries under the French domestic tax consolidation system.

DEFERRED INCOME

Deferred income mainly comprises unrealised foreign exchange gains on borrowings issued in yen or swapped to yen, totalling €29 million.

INFORMATION CONCERNING RELATED COMPANIES

"Related companies" are all entities consolidated in the Group's financial statements.

INCOME STATEMENT

	2011		**2010**	
(€ million)	**TOTAL**	**RELATED COMPANIES**	**TOTAL**	**RELATED COMPANIES**
Interest on loans	212	211	238	237
Interest and equivalent expenses	(343)	(8)	(438)	(16)
Reversals of provisions and transfers of charges	335		205	

BALANCE SHEET

	2011		2010	
		RELATED		RELATED
(€ million)	TOTAL	COMPANIES	TOTAL	COMPANIES
Loans	9,335	9,282	11,823	11,788
Receivables	205		189	
Cash and cash equivalents	25		13	
Borrowings from credit institutions	1,245	195	1,248	195
Loans and financial debts	3,348	3,026	5,893	3,187
Other liabilities	245	229	174	141

FINANCIAL INSTRUMENTS

A - Management of exchange and interest rate risk

The corresponding commitments, expressed in terms of notional amount where appropriate, are shown below:

AT DECEMBER 31 ***(€ MILLION)***	**2011**	**2010**
FOREIGN EXCHANGE RISKS		
Currency swaps		
Purchases	142	142
with Renault Finance	*142*	*142*
Sales	170	156
with Renault Finance	*170*	*156*
Other forward exchange contracts and options		
Purchases	277	432
with Renault Finance	*277*	*432*
Sales	273	431
with Renault Finance	*273*	*431*
INTEREST RATE RISKS		
Interest rate swaps	**2,288**	**1,796**
with Renault Finance	*2,192*	*1,692*

Transactions undertaken to manage exchange rate exposure principally comprise currency swaps and forward currency operations to hedge financing contracted in foreign currencies, apart from financing in yen.

Renault SA also carries out forward currency sales to hedge loans to subsidiaries denominated in foreign currencies.

Renault SA carries most of the Group's indebtedness. Its interest rate risk management policy applies two basic principles: long-term investments use fixed-rate financing, and investments for liquidity reserves use floating-rate financing. The financing in yen undertaken as part of the hedge of Nissan equity is fixed-rate.

Renault SA uses derivatives to implement the above interest rate and exchange risk management policies. Most of its operations on the financial instrument markets are with Renault Finance, a wholly-owned Group subsidiary.

B - Fair value of financial instruments

The carrying amounts in the balance sheet and the estimated fair values of Renault SA's financial instruments are as follows:

		2011		**2010**
AT DECEMBER 31 ***(€ MILLION)***	**BALANCE SHEET VALUE**	**FAIR VALUE**	**BALANCE SHEET VALUE**	**FAIR VALUE**
ASSETS				
Marketable securities, gross [(1)]	202	109	146	126

Loans	9,335	9,348	11,823	11,972
Cash and cash equivalents	25	25	13	13
LIABILITIES				
Redeemable shares	129	231	129	262
Bonds	4,957	5,056	5,101	3,956
Other interest-bearing borrowings (2)	4,593	4,568	7,141	7,169

(1) Including treasury shares.

(2) Excluding redeemable shares.

C - Estimated fair value of off-balance sheet financial instruments

		2011		**2010**
AT DECEMBER 31 *(€ MILLION)*	**ASSETS**	**LIABILITIES**	**ASSETS**	**LIABILITIES**
Forward exchange contracts	28	(24)	735	(726)
with Renault Finance	*28*	*(24)*	*735*	*(726)*
Currency swaps	310	(269)	294	(275)
with Renault Finance	*310*	*(269)*	*294*	*(275)*
Interest rate swaps	111	(4)	89	(3)
with Renault Finance	105		79	

Assumptions and methods adopted

Estimated fair values are based on information available on the markets and arrived at using valuation methods appropriate to the types of instrument in question.

When the financial instrument is listed on an active and liquid market, the last listed price is used to calculate the market value. For unlisted instruments, market value is determined based on recognised valuation models that refer to observable market parameters. If Renault SA has no valuation tools, particularly for complex products, valuation is carried out by quality financial institutions.

The main assumptions and valuation methods are as follows:

- **financial assets:**
  - **marketable securities:** the fair value of securities is determined mainly by reference to market prices,
  - **loans and advances to subsidiaries and affiliates:** for loans with original maturity of less than three months, floating-rate loans and advances to subsidiaries and affiliates, the value recorded In the balance sheet is considered to be the fair value. Other fixed-rate loans have been measured by discounting future cash flows using the risk-free rates offered to Renault SA at December 31, 2011 and December 31, 2010 for loans with similar conditions and maturities;
- **liabilities:** the fair value of financial liabilities is determined by discounting future cash flows at risk-free rates at December 31, 2011 and December 31, 2010 for borrowings with similar conditions and maturities. The fair value of redeemable shares is based on their year-end stock market value;
- **off-balance sheet foreign exchange instruments:** the fair value of forward contracts is estimated on the basis of prevailing market conditions. The fair value of currency swaps is determined by discounting cash flows using exchange rates and interest rates prevailing at December 31, 2011 and December 31, 2010 for the contracts' residual terms;
- **off-balance sheet interest rate instruments:** the fair value of interest rate swaps represents the amount Renault SA would receive (or pay) if it settled outstanding contracts at the end of the year. Unrealised capital gains or losses, determined on the basis of prevailing interest rates and the quality of the counterparty to each contract, are taken into account at December 31, 2011 and December 31, 2010.

OTHER COMMITMENTS AND CONTINGENCIES

Off-balance-sheet commitments are as follows:

	2011		2010	
(€ million)	TOTAL	CONCERNING RELATED COMPANIES	TOTAL	CONCERNING RELATED COMPANIES
Commitments received				
Unused credit lines	3,810		4,215	200
TOTAL	**3,810**	**0**	**4,215**	**200**
Commitments given				
Guarantees and deposits	778	712	613	550
TOTAL	**778**	**712**	**613**	**550**

As part of the management of RCI Banque's major risk ratio, Renault SA entered into a pledging agreement in 2010 for a deposit of €550 million by Renault SA with RCI Banque.

In 2011, Renault SA acted as guarantor, with joint and several liability, against default by Renault Tanger Exploitation (the debtor) and undertook a commitment to pay Renault Tanger Méditerranée (the beneficiary) all the amounts due under the sublease, i.e. rents and charges for one year (€81 million) and any penalties due for late delivery of the production unit (€81 million).

When the European Bank for Reconstruction and Development (EBRD) subscribed to the capital increase at Renault Technologie Romania SRL, Renault s.a.s., Renault SA and the EBRD signed a put and call option on the shares as relevant. In the event Renault s.a.s defaults on payment or fails to comply with obligations, Renault SA would be obliged to repurchase the shares in Renault Technologie Romania held by the EBRD (€51 million at December 31, 2011).

There are no restrictive clauses on credit lines opened but unused.

The forward sales and swaps undertaken by Renault SA are described above (note 17.A - Management of exchange and interest rate risk).

CASH FLOW

Cash flow is determined as follows:

(€ million)	**2011**	**2010**
Net income	277	168
Increases to provisions and deferred charges	11	10
Net increase to provisions for risks and liabilities	(179)	196
Net increases to impairment	22	(55)
Loss on sale of treasury shares	-	24
Gain on disposals of investments	-	(484)
TOTAL	**131**	**(141)**

WORKFORCE

Renault SA has no employees.

DIRECTORS' FEES

Directors' fees amounted to €1,173,136 in 2011 (€599,311 in 2010), of which €48,000 were for the function of Chairman (€28,000 in 2010).

SUBSEQUENT EVENTS

No significant events have occurred since the year-end.

OTHER INFORMATION – INVESTMENTS STATED AT EQUITY *(€ million)*

COMPANIES	**SHARE CAPITAL**	**RESERVES AND RETAINED EARNINGS**	**% OF CAPITAL HELD**	**BOOK VALUE OF SHARES OWNED**
INVESTMENTS				
Renault s.a.s.	534	3,741	100,00	9,780
Dacia [(1)]	588	166	99,43	791
Sofasa [(2)]	1	117	23,71	5
TOTAL INVESTMENTS				**10,576**

(1) The exchange rate used for Dacia is 4.3233 Romanian lei = 1 euro.

(2) The exchange rate used for Sofasa is 2,504 Colombian peso = 1 euro.

OTHER INFORMATION – INVESTMENTS STATED AT EQUITY *(€ million)*

COMPANIES	OUTSTANDING LOANS AND ADVANCES FROM RENAULT SA	SALES REVENUES EXCLUDING TAXES 2011	NET INCOME (LOSS), PRIOR YEAR	DIVIDENDS RECEIVED BY RENAULT SA IN 2011
INVESTMENTS				
Renault s.a.s.	2,088	34,507	643	
Dacia (3)		3,109	64	63
Sofasa (4)		546	(17)	

(3) The exchange rate used for Dacia is 4.238 Romanian lei = 1 euro.

(4) The exchange rate used for Sofasa is 2,592.92 Colombian peso = 1 euro.

ACQUISITION OF INVESTMENTS

See Note 6.

FIVE-YEAR FINANCIAL HIGHLIGHTS

(€ million)	**2007**	**2008**	**2009**	**2010**	**2011**
Year-end financial position					
Share capital	1,086	1,086	1,086	1,127	1,127
Number of shares and investment certificates outstanding	284,937,118	284,937,118	284,937,118	295,722,284	295,722,284
Overall income from operations					
Revenues net of taxes					
Income before tax, amortisation, depreciation and provisions (1)	975	377	(1,179)	143	(51)
Income tax	119	177	92	163	164
Income after tax, amortisation, depreciation and provisions	1,096	(863)	49	168	277
Dividends paid	1,049			87	
Earnings per share in Euros					
Earnings before tax, amortisation, depreciation and provisions (1)	3,42	1,32	(4,14)	0,48	(0,17)
Earnings after tax, amortisation, depreciation and provisions	3,85	(3,03)	0,17	0,57	0,94
Net dividend per share	3,80			0,30	
Personnel					
Number of employees (2)					
Payroll					
Benefit contributions (social security, benefit plans, etc)					

(1) Provisions are those recorded during the year, less reversals and applications.

(2) At December 31.

2. Details of Major Assets and Liabilities

See the accompanying Notes to the Accounts.

3. Other

(1) RECENT DEVELOPMENTS

***a/* Nissan contributes € 230 million for first quarter 2012 to Renault's earnings. (Press release dated 11 May 2012)**

Nissan released, on May 11, 2012, its results for Fiscal Year 2011/2012 (April 1, 2011 to March 31, 2012).

Nissan's results, published in JGAAP, for the fourth quarter fiscal year 2011/2012 (January 1 to March 31, 2012) will have a positive contribution to Renault's first-half 2012 net income estimated, after restatements, at € 230 millions[12].

This contribution integrates a reclassification, between JGAAP and International Accounting Standards (IFRS), of the capital gain resulting from the acquisition of minority interests during the period. This capital gain for Renault is recognized directly in shareholders' equity in Renault's accounts, and corresponded to an impact of €100 million.

***b/* Renault-Nissan Alliance and Russian Technologies agree to create joint venture to acquire a majority stake in AVTOVAZ (Press release dated 3 May 2012)**

• Renault-Nissan and state corporation Russian Technologies will form joint venture to accelerate product launches and technology transfer to AVTOVAZ, Russia's largest carmaker.
• Renault-Nissan will invest about US$750 million, and Russian Technologies will favorably restructure debt as they form the joint venture.
• Renault-Nissan will get a majority stake in the joint venture, which will control AVTOVAZ; transaction is expected to be complete in 2014.

PARIS – May 3, 2012 -- The Renault-Nissan Alliance and state corporation Russian Technologies have agreed to create a joint venture and give the Renault-Nissan Alliance an indirect majority stake in AVTOVAZ, according to a new memorandum of understanding.

The Renault-Nissan Alliance, AVTOVAZ, Russian Technologies and Troika Dialog signed the non-binding agreement on May 3, 2012 in Paris. According to the memorandum, the Renault-Nissan Alliance and Russian Technologies will contribute their respective stakes in AVTOVAZ to a joint venture that will control AVTOVAZ, Russia's largest car company and maker of the iconic Lada brand.

Renault-Nissan plans to invest about US$750 million, which will give the French- Japanese car group 67.13% of the joint venture in mid-2014. The joint venture will then hold 74.5% of AVTOVAZ. The transaction is expected to be complete by 2014.

Renault, which purchased 25% of AVTOVAZ in 2008 and then helped AVTOVAZ pilot an aggressive turnaround, will invest about US$300 million in the joint venture. Nissan, which does not currently own a stake in AVTOVAZ, will invest about US$450 million. Renault and Nissan will make periodic payments through 2014.

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[12] Based on an average exchange rate of 103.99 yen/euro for the period under review.

Russian Technologies has agreed to restructure its outstanding loans with AVTOVAZ with approximately RUB7 billion (US$238 million) proceeds from the anticipated sale of AVTOVAZ's non-core assets being used to repay part of Russian Technologies' loans.
The remainder of circa RUB46 billion (US$1.56 billion) of interest-free debt is being extended well beyond its current maturity date. This gives AVTOVAZ a strong balance sheet with no liquidity constraints.

"Today's memorandum is the latest step in an expanding collaboration that helps modernize the leader of Russia's auto industry," said Renault-Nissan Alliance Chairman and CEO Carlos Ghosn. "Just as Renault and Nissan will continue their technology transfer to AVTOVAZ plants, our AVTOVAZ colleagues will contribute more and more to the Alliance's multicultural management bench."

"We are very pleased to allow AVTOVAZ to further strengthen its ties with the Renault- Nissan Alliance and to welcome Nissan as a new strategic partner in AVTOVAZ," said Sergey Chemezov, Russian Technologies General Director and Chairman of the Board of AVTOVAZ. "The joint venture between Russian Technologies and the Alliance is another testimony to our remarkable progress in implementing our shared vision for AVTOVAZ and the Lada brand."

The Renault-Nissan Alliance will perform financial, legal and environmental due diligence over the coming months. The parties expect to sign definitive agreements and close the transaction by the end of 2012, subject to customary regulatory approvals.

The joint venture will acquire Russian investment company Troika Dialog's entire stake in AVTOVAZ by 2014.

Ruben Vardanian, President of Troika Dialog, said "Troika Dialog is proud to have played an active role in fostering one of the most successful strategic turnarounds in Russia's industrial sector. AVTOVAZ is a compelling example of how a company can benefit from the collective efforts of some of the leading names in the industry globally to provide a model for future competitiveness and underline the automobile industry's contribution as a thriving sector to the Russian economy."

Collaboration remains on fast track

The memorandum comes a month after Russian Prime Minister Vladimir Putin inaugurated a US$525 million assembly complex in AVTOVAZ's Togliatti factory, adding capacity of up to 350,000 cars per year. With the new facilities, the factory has a capacity of almost 1.0 million cars per year.

Renault, Nissan and Lada are launching a product offensive that will update all core Lada models and launch new cars across all three brands – including five models from the newly inaugurated facility. The three brands operate additional plants in, Moscow, St. Petersburg and Izhevsk.

"AVTOVAZ welcomes this agreement between our core shareholders. The company believes the Renault-Nissan Alliance and Russian Technologies shared vision for AVTOVAZ is a key enabler of our future success," said AVTOVAZ CEO Igor Komarov.
"Both core shareholders will continue to bring the support the company needs as it undergoes its biggest transformation plan ever. The AVTOVAZ management team and our partners within the Alliance will continue to accelerate our integration and joint projects."

Russia is the fastest growing economy in Europe and should remain in the forefront for several decades, thanks to the surge in upper- and middle-class consumers. More than 10 million Russian households already earn more than US$50,000 per year.

Total industry volume in Russia last year was 2.65 million vehicles, including light commercial vehicles. Volume in 2012 is expected to be 2.9 million units.

The Alliance sold 878,990 cars in Russia last year – including 578,387 Ladas. With a market share of nearly 33 percent, Russia is the Alliance's third largest market after China and the United States.

HSBC is an advisor to Renault-Nissan in this transaction.

Information for editors:
ABOUT RENAULT-NISSAN ALLIANCE:
The Renault-Nissan Alliance is a strategic partnership between Paris-based Renault and Yokohama, Japan-based Nissan, which, together with AVTOVAZ, sell one in 10 cars worldwide. Renault and Nissan have been strategic partners since 1999 and sold 8.03 million cars in nearly 200 countries in 2011. The Alliance operates strategic collaborations with numerous automakers, including Germany's Daimler, China's Dong Feng and regional manufacturers such as Ashok Leyland in India.
http://blog.alliance-renault-nissan.com/

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ABOUT RUSSIAN TECHNOLOGIES:
Russian Technologies State Corporation was founded in 2007 in accordance with a Federal Law of the Russian Federation. The purpose of State Corporation Russian Technologies is cooperation in the development, production and export of high-tech industrial goods by providing support for Russian companies involved in the development and production of high tech industrial goods on the internal and external markets and attracting investment to organizations in various industrial sectors.
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ABOUT AVTOVAZ:
AVTOVAZ, maker of Lada branded vehicles, is the most important automaker in Russia. The company operates one of the world's largest car factories in Togliatti and acquired the Izhavto plant during 2011. AVTOVAZ is targeting nearly 1.4 million of total vehicle assembly in Russia by 2015.
For further information, please contact:
AVTOVAZ Press Center
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www.lada-auto.ru

ABOUT TROIKA DIALOG:
Troika Dialog is a subsidiary company of Sberbank of Russia, and is one of the leading investment companies operating in the CIS. The key business areas of Troika Dialog, founded in 1991, are securities sales and trading, investment banking, private wealth and asset management, direct and venture investments, as well as personal investment and finance. Troika Dialog's operations are located in 21 cities across Russia plus offices in New York, London, Nicosia, Kyiv and Almaty.
http://www.troika.ru
For further information please contact:
Anna Primakova, Troika Dialog Press Service, tel.: +7 (495) 258 0519,

pressa@troika.ru

c/ THE DIVIDEND PROPOSAL OF 1.16 EUROS PER SHARE HAS BEEN APPROVED BY THE COMBINED GENERAL MEETING OF APRIL 27, 2012. SUCH DIVIDEND HAS BEEN PAID ON MAY 15, 2012.

d/ Quarterly information, March 31, 2012 (Press release dated 25 April 2012)

Renault group revenues came to €9,535 million in the first quarter 2012, down 8.6% year on year.

- Automotive revenues fell 9.6%.
- The Group sold 638,498 units, down 7.9% on the first quarter 2011.
- Group sales outside Europe, particularly in Brazil and Russia, rose 12.3% to 291,177 units, representing 46% of the total Group sales. Market share increased in three of the four Regions outside Europe.
- Group market share came to 9.1% in Europe, in a market that fell 8.1% year on year, including the French market down 19.4%.
- The Group confirms its full-year objective to generate a positive Automotive operational free cash flow[13].

Commercial results: Q1 2012 highlights

Renault group sales fell 7.9% to 638,498 units in the first quarter 2012 due to a very unfavorable European market. In a global automotive market up 4.6%, the Group continued its momentum outside Europe with share gains in the Americas, Eurasia and Euromed-Africa regions.
In Europe, where the market fell 8.1%, Group sales decreased 20.0%, taking market share to 9.1%. The drop in sales was amplified by a French market that contracted 19.4% in the first quarter 2012. In the prior year, the first quarter had seen a surge in deliveries due to the phase out of scrappage incentives.
Ahead of the renewal of its range, the Renault brand ranked third in Europe with a 7.6% share of the passenger car (PC) and light commercial vehicle (LCV) market. It maintained its leadership in LCVs with a 16.6% share of the market.
The Dacia brand reported a 1.5% share of the PC + LCV market, down slightly (-0.1 points) on 2011.
Outside Europe, the Group confirmed its momentum with a 12.3% rise in sales in the first quarter. The mix of sales outside Europe reached 46%, up 8 points on the first quarter 2011.
In the **Eurasia** Region, sales increased 27.5% in a market that rose 17.7%. Russia confirmed its position as the Group's number-four market.
In the **Americas** Region, Group sales rose 14.9% despite a slowdown in the growth of the market, which increased by 2.4%. Both Brazil and Argentina are in the Group's top-five markets. In Brazil, where the market was almost flat, Renault's sales increased 36.5%, reaching a market share of 6.8%.
In the **Euromed-Africa** Region, sales increased 7.6% in a stable market (-0.1%), with a sharp 25.4% fall in the Turkish market offset by rises of 39.5% and 13.5% respectively in the Algerian and Moroccan markets.
In the **Asia-Pacific** Region, Group sales rose 5.4% in a market that grew 7.2%.

Q1 revenues by operating segment
In the first quarter 2012 Group revenues reached € 9,535 million[14] down 8.6%, or 8.4% excluding the impact of currency.

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[13] Operational free cash flow: cash flow (excluding dividends received from listed companies) minus tangible and intangible investments net of disposals + /- change in working capital requirement.

[14] On a consistent basis, Q1 2011 is unchanged.

Automotive revenues decreased 9.6% to € 9,013 million due to lower sales. The year-on-year fall in Group sales, and the reduction in dealer network stock, accounted for 10.1 points of this decrease including a change in geographical mix of -1.2 points. Despite competitive trading conditions in Europe, the mix/price impact was a positive 2.2 points. Currency effects were practically neutral at -0.2 points. The remaining -1.5 points came from other activities, including sales of built-up vehicles, parts and powertrain components to partners for -0.8 points.
Sales Financing (RCI Banque) contributed € 522 million to Group revenues, up 12.0% on the first quarter 2011. Average loans outstanding rose 9.2% to € 24.0 billion despite a 5.8% year on year decrease in the production of new financing contracts at 238,500.

Overview of the Group's financial situation
In the first quarter 2012 the Group's re-financing activity continued with three bond issues by RCI Banque for a total €1.2 billion (two on the euro market and one on the Swiss franc market). Furthermore for the automotive division the Group issued a € 250 million bond and secured a medium term loan of € 180 million from the European Investment Bank.

At March 31, 2012:
- Automotive division had €3.7 billion in undrawn confirmed credit lines with top-rated banking institutions;
- RCI Banque's available securities (undrawn confirmed credit lines, European Central Bank eligible assets and cash) amounted to €6.4 billion, covering more than two times total outstandings of commercial paper and certificates of deposit.

Outlook
The contrasting trend in automotive markets worldwide and Group activity in the first quarter are in line with expectations. However, the European market, and the French market in particular, was weaker than expected. The fall in the European market is expected to slow in the second quarter in line with macroeconomic trends and a more favorable comparison base. The Group expects 4% growth for the global automotive market (PC + LCV) in 2012, with a 3% to 4% decrease of the European market and a 7% to 8% fall for the French market.
The Group confirms its full year objective of generating a positive Automotive operational free cash flow in 2012, with a ratio of capital expenditures and R&D below 9% of Group revenues.

Renault group consolidated revenues

(€ million)	*2011*	*2012*	*Change 2012/2011*
1st quarter			
Automotive	9,965	9,013	- 9.6%
Sales Financing	466	522	+ 12.0%
Total	**10,431**	9,535	**- 8.6%**

(2) LITIGATION CASES

Refer to Part I- III – 4. Risks in Business, etc. - Legal procedures and arbitration.

4. Differences between IFRS and Japanese GAAP

The accompanying financial statements have been prepared in conformity with IFRS as adopted by the European Union. Such accounting principles differ in certain respects from those prevailing in Japan. The major differences relating to the financial statements presented in the last period are summarized below.

1) Consolidated accounts

a. Foreign accounting standards

Under IFRS, the consolidated accounts are prepared on the basis of uniform accounting policies.

Under Japanese GAAP, and the practical guideline on unification of accounting policies of foreign subsidiaries for consolidated financial statements, in preparing consolidated financial statements, accounting policies and procedures adopted by the parent company and its subsidiaries must be unified for transactions of the same nature which occur under identical circumstances. On the other hand, the practical guideline permits, as a tentative treatment, if the financial statements of overseas subsidiaries have been prepared in accordance with IFRS or U.S. GAAP, to use these financial statements for consolidation purposes, except for the following items:

1- Goodwill should be amortized over a period of less than 20 years
2- Actuarial gains and losses of defined benefit plans recognized in other comprehensive income
3- Capitalization and amortization of intangible assets arising from development phases.
4- Reevaluations of investment properties, and property, plant and equipment, and intangible assets
5- Retrospective application when accounting policies are changed *
6- Presentation of net income before attribution to Group share and minority interest (or non-controlling interest).

Effective April 1, 2008, Practical Guideline application (PITF18) was limited to foreign entities consolidated under full-consolidation method leaving equity method foreign subsidiaries reporting in their local GAAP. Effective April 1, 2010, Practical Guideline application (PITF18) has been extended to equity method companies.

* Effective from annual periods beginning on or after 1 April 2011, accounting standard for prior period adjustment and error correction has been revised so that to converge to IAS8. In response, requirement for "retrospective application when accounting policies are changed" has been eliminated from the adjustment items and retrospective application effect charged to opening net equity is now allowed under Japanese GAAP.

b. Translation of the financial statements of foreign subsidiaries

Under IFRS, each individual entity is required to determine its functional currency and to measure its operating results and financial position in that currency. This functional currency may be the local currency or a different currency in case where most transactions are carried out in a different currency for instance.

Although Japanese GAAP is silent about the functional currency, the local currency is treated as the functional currency in practice under Japanese GAAP.

c. Method of consolidation

The equity method is one of the two methods allowed by IFRS for companies not fully controlled (along with proportionate consolidation). Companies in which significant influence is exercised are accounted for under the equity method. Companies jointly controlled are usually consolidated on a proportionate basis but may be consolidated using the equity method.

Under Japanese GAAP, joint ventures are accounted for by the equity method. Consolidation on a proportional basis is not permitted, subject to the effect, if any, of other treatment allowed by local GAAP accepted for Japanese GAAP consolidation purposes (see §a).

d. Accounting for business combination

Under IFRS, accounting for business combination allows the purchase method only. Effective April 1, 2010, pooling of interest is disallowed under JGAAP, hence convergence to IFRS on this matter is now almost perfect.

2) Presentation of statement of financial position and statement of comprehensive income

The major differences identified relate to the following items;

a. Current and non-current assets and liabilities

Under IAS 1.51, "an entity shall present current and non-current assets and current and non-current liabilities, as separate classifications on the face of its statement of financial position except when a presentation based on liquidity provides information that is reliable and is more relevant".

Under Japanese GAAP, a presentation based on liquidity is generally adopted.

b. Asset-backed securities

The recording of asset-backed securities could differ between IFRS and Japanese GAAP. Even though there is no impact on the shareholders' equity, the statement of financial position presentation can be affected, including the valuation of current / non-current assets and/or liabilities.

Under IFRS, financial assets shall be derecognized mainly based on risk-and-reward approach, and financial component approach, where legal isolation is not always required.

Under Japanese GAAP, financial assets shall be derecognized based on financial component approach, where legal isolation is always required.

c. Classification of extraordinary items

Under IFRS, the concept of extraordinary items is eliminated and the presentation of items of income and expense as extraordinary is prohibited.

Under Japanese GAAP, extraordinary items are defined as items unusual in nature and significant in amount. Those include, but are not limited to, gains or losses on disposal of property, plant and equipment and investment securities other than those classified as trading, losses from disasters and so on.

d. Comprehensive income

Under IFRS, comprehensive income for the period attributable to owners of the parent and non-controlling interests are disclosed on the statement of comprehensive income. Effective from March 31, 2011 year-end closing, this requirement has been extended to JGAAP. Perfect convergence with IFRS will be completed on March 31, 2012 with efforcement of disclosure on "amounts reclassifified to net income in the period that were recognized in other comprehensive income in current or previous periods" (recycling effects).

3) Leases

Under IFRS, leases for which all risks and rewards incidental to the ownership of the assets are substantially transferred to the lessee are recorded as finance leases in the consolidated financial statements of the lessee.

Under Japanese GAAP, leases that deem to transfer ownership of the leased property to the lessee are to be capitalized by the lessee, while other leases, under the allowed alternative method, are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the notes to the lessee's financial statements.

However, effective April 1, 2008, the allowed alternative method has been eliminated and all financial leases are to be accounted for as such.

4) Impairment of assets

Under IFRS, impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount determined as the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use.
The value in use of an asset under IFRS amounts to the present value of the future cash flow. Under IFRS, the best evidence of an asset's fair value is i) a price in a binding sale agreement, ii) the market price, iii) the best information available to reflect the amount that an entity could obtain, at the balance sheet date, from the disposal of the asset in an arm's length transaction between knowledgeable and willing parties.

Under Japanese GAAP, an impairment loss is recognized if the carrying amount of assets exceeds the sum of the undiscounted future cash flows expected to be generated from the continued use and potential disposal of the assets. In the situation where an impairment loss is recognized, this loss will be assessed as the difference between the carrying value of the assets and the present value of the future cash flows expected to be generated from these assets. The reversal of an impairment loss is not permitted under JGAAP whereas it is under IFRS.

5) Financial instrument

The analysis of the differences between Japanese GAAP and IFRS is conducted by the Committee of European Security Regulators (the "CESR"). The key differences are the following:

a. Redeemable shares

Under IFRS, and based on the current understanding of IAS 39 on that matter, the redeemable shares with embedded derivative which cannot be evaluated separately, are recognized as a debt and accounted for at fair value.

Under Japanese GAAP, redeemable shares are initially recorded at their issuance cost. No specific standards govern subsequent measurement.

b. Hedging

Under IFRS, hedging instruments, along with the hedged items when qualified for hedge accounting, are accounted for at fair value.

Under Japanese GAAP, all derivatives are carried at their fair value and unrealized gain and loss arising from those derivatives are charged to the income statement except when certain criteria for hedge accounting are met. In that case, those unrealized gain and loss are deferred and included in equity. Certain synthetic method is allowed for hedge accounting by using interest rate swap or foreign exchange forward contracts.

c. Impairment of sales finance receivables

Under IFRS, a valuation allowance on sales finance receivables should be recorded when the underlying receivables are subject to impairment. The recognition and measurement of such provision is subject to the existence of objective evidence, including documentation of a triggering event and supporting evidence of the corresponding depreciation rates and patterns by category of receivables.

Under Japanese GAAP, a valuation allowance is recorded for the whole portfolio, based on the past experience, even in the absence of a delinquency triggering event. In addition, a specific allowance is provided for doubtful receivables based on the relevant factors such as financial condition of debtors and the fair value of collateral, if any.

6) Valuation of inventories

Under IFRS, costs in inventory are assigned by using the first-in, first-out method or the weighted average cost method.

Under Japanese GAAP, the last purchase cost method and last-in first-out method had also been applied. Effective April 1, 2008 the lower of cost or market value method is required to be applied. Effective April 1, 2010, the last-in first-out method is no longer acceptable.

7) Goodwill

a Translation of goodwill

Under IFRS, goodwill generated by a combination with a foreign company is recorded in the functional currency of the entity acquired and subsequently translated to the Group's presentation currency using the closing rate.

Under Japanese GAAP, goodwill had been translated and carried in the currency of the acquiring entity at the rate applicable at the date of acquisition. Effective April 1 2010, goodwill generated by a combination with a foreign company is translated to the Group's presentation currency using the closing rate.

b Amortization of goodwill

Under IFRS, goodwill are not amortized but impaired when required.

Japanese GAAP requires amortization of goodwill on a straight-line basis over a period not exceeding 20 years. Impairment is also recognized when required although the reversal of impairment loss is not permitted.

c Negative goodwill

IFRS states that all negative goodwill need to be recognized immediately in income.

Under Japanese GAAP, negative goodwill had been recognized as a liability and amortized on a straight-line basis over a period not exceeding 20 years. Effective April 1 2010, all negative goodwill is recognized immediately in income.

8) Employee benefits

a. Pension liability

Under IFRS, the whole amount of the vested benefits is accrued in the financial statement.

Under Japanese GAAP, the accounting standard for accruing pension has been issued and became effective in 2000. As a result of the first application of this new regulation, most Japanese companies chose the option of amortizing the cost related to the service prior to the effective date over a period not exceeding 15 years.

b. Actuarial differences on pension accrual

IFRS allows entities to elect between two options for the recognition of actuarial differences:

- Recognizing them as a liability as incurred, counterpart in shareholder equity.
- Amortizing them through a “corridor approach”.

Renault has adopted a policy of recognizing the actuarial gains and losses in the period in which they occur and directly in other comprehensive income.

Under Japanese GAAP, all unrecognized actuarial gains and/or losses are subject to amortization after consideration of materiality.

c. Accrual for compensated absence

Under Japanese GAAP, accrual for compensated absence is not required while such liability should be recognized under IFRS.

9) Stock option plans granted to employees

Under IFRS, the cost of stock option plans granted by the Group to the employees is measured by reference to the fair value of those options. The expense is recognized, together with the corresponding increase in equity, over the specified period of service (the vesting period).

If option is exercised, price difference with underlying new shares is charged to equity.
If the instruments are forfeited or the options are not exercised, previous expense is not reversed.

Under Japanese GAAP, Accounting Standard for Stock Option is applicable to stock options granted after enforcement of the New Company Law (May 1, 2006). Stock option category addressed is limited to equity settled share-based payment transactions and no clear guidelines is given for cash-settled share-based payment transactions.

Alike IFRS, under the Japanese GAAP rule for equity-settled plans, the cost of stock option plans granted by the Group to the employees is measured by reference to the fair value of those options. Fair-value is fixed upon stock option attribution date, and corresponding expense is recognized, together with the corresponding increase in equity, over the vesting period. When option expires, previous expense is offset through extraordinary income. This is currently the only one difference remaining with IFRS.

10) Research and development expenses

In compliance with IFRS, the development expenses incurred after the approval of the project that includes the decision to implement production facilities and the approval of the design for mass production are capitalized until the start of production. They are amortized on a straight-line basis over the expected market life of the vehicle or part, up to a maximum period of 7 years.
Expenses incurred before the formal approval of the product development are recorded as costs in the period they are incurred, in the same way as research expenses.

Under Japanese GAAP, any research and development expenditure is to be recognized as an expense when incurred.

11) Assets Retirement Cost Obligation

Until March 31, 2010, JGAAP did not stipulate the obligation to recognize Assets Retirement Cost obligation as a liability. From April 1, 2010, Asset Retirement Oblogation or similar removal costs of tangible assets are considered incurred when fixed assets are acquired, constructed, developped or used in ordinary way. First time application impact should be charged to extraordinary loss. Obligation is valorized as discounted amount of cash-flow requested to remove fixed asset. This JGAAP accounting change (ASBJ Statement 18 and Guidance 21 dated March 31 2008) is consistent with IAS16.

12) Impact of the first application (for the year ended on December 31, 2005) of IFRS

Further to the recurrent GAAP differences described above, the following items have generated some significant one shot differences in equity as a result of the first time adoption of IFRS. The most significant differences are in relation with:

a. Treasury shares
b. Financial instruments
c. Research and development expenses and retrospective application of IAS 38
d. Sales with buy-back commitments
e. Pension liabilities

13) Borrowing costs capitalizations:

Under IAS 23 effective from January 1, 2009, borrowing costs that are directly attributed to the acquisition, construction or production of a qualifying assets shall be capitalised as part of the cost of that asset. Under Japanese GAAP, borrowing costs are generally recognised as incurred, rather than capitalised.

VII. MOVEMENT OF FOREIGN EXCHANGE QUOTATION

To exchange quotation of the currencies (Euro) used in the financial documents of Renault against Japanese yen has been reported for the recent five business years and for the recent six months in not less than two daily newspapers reporting on general affairs published in Japan.

VIII. OUTLINE OF HANDLING OF SHARES, ETC. OF THE COMPANY IN JAPAN

Not applicable.

IX. REFERENCE INFORMATION RELATING TO THE COMPANY

1. Information of Parent Company, etc. of Filing Company

Not applicable

2. Other Reference Information

The following documents were filed with the Director General of the Kanto Local Finance Bureau during the period from the beginning of the relevant fiscal year to the date of filing of this report:

NAME OF DOCUMENTS	FILING DATE
(1) SECURITIES REPORT AND ATTACHMENTS THERETO	JUNE 30, 2011
(2) AMENDMENT TO SHELF REGISTRATION STATEMENT	JUNE 30, 2011
(3) SEMI-ANNUAL SECURITIES REPORT AND ATTACHMENTS THERETO	SEPTEMBER 30, 2011
(4) AMENDMENT TO SHELF REGISTRATION STATEMENT	SEPTEMBER 30, 2011
(5) AMENDMENT TO SECURITIES REPORT (AMENDMENT TO THE REPORT DESCRIBED IN (1) ABOVE)	DECEMBER 12, 2011
(6) AMENDMENT TO SEMI-ANNUAL SECURITIES REPORT (AMENDMENT TO THE REPORT DESCRIBED IN (3) ABOVE)	DECEMBER 12, 2011
(7) AMENDMENT TO SHELF REGISTRATION	DECEMBER 12, 2011

STATEMENT

(8) SUPPLEMENTAL DOCUMENT TO SHELF REGISTRATION STATEMENT AND ATTACHMENTS THERETO	DECEMBER 13, 2012

PART II INFORMATION CONCERNING GUARANTOR, ETC. OF THE COMPANY

Not applicable.

AUDITORS' REPORT

Auditors' Report (relating to 2011 Consolidated financial statements) *

Auditors' Report (relating to 2011 Parent Company financial statements) *

Auditors' Report (relating to 2010 Consolidated financial statements) *

Auditors' Report (relating to 2010 Parent Company financial statements) *

* Free Japanese translation and a photocopy of French original are included respectively in this section of the Securities Report in Japanese.

<Auditors’ Report (relating to 2011 Consolidated financial statements) >
(English Translation)

DELOITTE & ASSOCIES

ERNST & YOUNG Audit

This is a free translation into English of the statutory auditors’ report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.
The statutory auditors’ report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors’ assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.
This report also includes information relating to the specific verification of information given in the group’s management report.
This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Renault

Year ended December 31, 2011

Statutory auditors’ report
on the consolidated financial statements

DELOITTE & ASSOCIES
185, avenue Charles de Gaulle
92524 Neuilly-sur-Seine Cedex
S.A. au capital de € 1.723.040

Commissaire aux Comptes
Membre de la compagnie
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S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

Renault

Year ended December 31, 2011

Statutory auditors' report on the consolidated financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended December 31, 2011, on:

the audit of the accompanying consolidated financial statements of Renault;

the justification of our assessments;

the specific verification required by law.

These consolidated financial statements have been approved by the board of directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2011 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French commercial code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

for the purpose of preparing the consolidated financial statements, Renault group makes certain estimates and assumptions concerning, in particular, the value of certain asset, liability, income and expense accounts, the main items of which are summarized in note 2-B to the consolidated financial statements. For all these items, we assessed the appropriateness of the accounting rules and methods applied and disclosures provided in the notes to the financial statements. We also reviewed the consistency of the underlying assumptions, the quantified impact thereof and the available documentation and assessed on this basis the reasonableness of estimates made;

as disclosed in note 14-A to the consolidated financial statements, the group accounts for its investment in Nissan by the equity method; our audit of the scope of consolidation included a review of the factual and legal aspects of the Alliance which serve as the underlying basis for this accounting policy;

as part of our assessment of the accounting policies applied by the group, we have reviewed the methodology adopted for the capitalization of development costs as intangible assets, their amortization and the verification of their recoverable amount and we verified that these methods were properly disclosed in notes 2-J and 12-A3;

as disclosed in notes 9-B and 11-B to the consolidated financial statements, the group has recognized part of the net deferred tax assets of French tax group; we have reviewed the consistency of the underlying assumptions for the forecasted taxable incomes and associated consumptions of losses carried forward, the quantified impact thereof and the available documentation and assessed on this basis the reasonableness of estimates made.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine et Paris-La Défense, February 17, 2012

The statutory auditors
French original signed by

DELOITTE & ASSOCIES	ERNST & YOUNG Audit

<Auditors’ Report (relating to 2011 Parent Company financial statements) >
(English Translation)

DELOITTE & ASSOCIES

ERNST & YOUNG Audit

This is a free translation into English of the statutory auditors’ report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.
The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors’ assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.
This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.
This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Renault

Year ended December 31, 2011

Statutory auditors’ report on the financial statements

DELOITTE & ASSOCIES
185, avenue Charles de Gaulle
92524 Neuilly-sur-Seine Cedex
S.A. au capital de € 1.723.040

Commissaire aux Comptes
Membre de la compagnie
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S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

Renault

Year ended December 31, 2011

Statutory auditors' report on the financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended December 31, 2011, on:

the audit of the accompanying financial statements of Renault;

the justification of our assessments;

the specific verifications and information required by law.

These financial statements have been approved by the board of directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at December 31, 2011 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French commercial code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

as disclosed in note 1.A to the financial statements, and in accordance with the Conseil national de la comptabilité (French National Accounting Body) Recommendation no. 34, your company has elected to use the equity method to value its investments in subsidiaries over which it exercises exclusive control. The equity value of these investments is determined in accordance with the accounting rules and methods used to draw up the consolidated financial statements of the group. Our assessment of this equity value is based on the result of the procedures performed to audit the financial statements of the group for the 2011 fiscal year.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the board of directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French commercial code *(Code de commerce)* relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine et Paris-La Défense, February 17, 2012

The statutory auditors
French original signed by

DELOITTE & ASSOCIES | ERNST & YOUNG Audit

<Auditors' Report (relating to 2010 Consolidated financial statements) >
(English Translation)

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Renault

Year ended December 31, 2010

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the Group's management report.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General meeting, we hereby report to you, for the year ended December 31, 2010, on:

- the audit of the accompanying consolidated financial statements of Renault;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2010 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- for the purpose of preparing the consolidated financial statements, Renault management makes certain estimates and assumptions concerning, in particular, the value of certain asset, liability, income and expense accounts, the main items of which are summarized in note 2-B to the consolidated financial statements. For all these items, we assessed the appropriateness of the accounting rules and methods applied and disclosures provided in the notes to the financial statements. We also reviewed the consistency of the underlying assumptions, the quantified impact thereof and the available documentation and assessed on this basis the reasonableness of estimates made;
- as disclosed in note 14-A to the consolidated financial statements, the Group accounts for its investment in Nissan by the equity method; our audit of the scope of consolidation included a review of the factual and legal aspects of the Alliance which serve as the underlying basis for this accounting policy;
- as part of our assessment of the accounting policies applied by the Group, we have reviewed the methodology adopted for the capitalization of development costs as intangible assets, their amortization and the verification of their recoverable amount and we satisfied ourselves that these methods were properly disclosed in notes 2-J and 12-A3;
- as disclosed in notes 9-B and 11-B to the consolidated financial statements, the Group has recognized part of the net deferred tax assets of French tax group; we have reviewed the consistency of the underlying assumptions for the computation of FY 2011-2016 taxable income, the quantified impact thereof and the available documentation and assessed on this basis the reasonableness of estimates made;
- we have reviewed the terms of the strategic cooperation agreement signed between the Renault Nissan Alliance and Daimler AG in April 2010 and which is described in note 4.2.7.2 to the consolidated financial statements, and have assessed the appropriateness of the accounting treatment of this operation.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATION

As required by law we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, February 14, 2011

The statutory auditors

DELOITTE & ASSOCIES ERNST & YOUNG Audit

<Auditors’ Report (relating to 2010 Parent Company financial statements) >
(English Translation)

STATUTORY AUDITORS’ REPORT

ON THE ANNUAL FINANCIAL STATEMENTS

Renault

Year ended December 31, 2010

This is a free translation into English of the statutory auditors’ report issued in the French language and is provided solely for the convenience of English-speaking users. This report includes information specifically required by French law in such reports, whether modified or not. This information is presented after the opinion on the financial statements and includes (an) explanatory paragraph(s) discussing the auditors’ assessment(s) of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside the financial statements.

This report should be read in conjunction with, and is construed in accordance with French law and professional auditing standards applicable in France.

To the shareholders,

In compliance with the assignment entrusted to us by your Annual General meeting, we hereby report to you, for the year ended December 31, 2010, on:

- the audit of the accompanying annual financial statements of Renault;
- the justification of our assessments;
- the specific verifications and information required by French law.

These annual financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2010 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. JUSTIFICATION OF ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- as disclosed in the note 1.A to the financial statements, and in accordance with the French National Accounting Body (*Conseil national de la comptabilité)* Recommendation n°. 34, your company has elected to use the equity method to account for its investments in subsidiaries over which it exercises exclusive control. The equity value of these investments is determined in accordance with the accounting rules and methods used to draw up the Group’s consolidated financial statements. Our assessment of this equity value is based on the result of the procedures performed to audit the Group’s financial statements for the 2010 fiscal year.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris-La Défense, March 24, 2011

The statutory auditors

DELOITTE & ASSOCIES

ERNST & YOUNG Audit