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 15, 2014 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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Corporate Name:	Renault
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Note (1) Unless otherwise specified herein, the "Company", "Renault", "Renault SA" 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 February 21, 2014 was EUR 1 = JPY142.12**.** 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 most 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*"), a 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)*, an Ordinance dated December 9, 2010 transposing the European Directive 2007/36 on the rights of the shareholders of the listed companies and a law dated March 22, 2012 titled *"Loi de simplification du droit et d'allègement des démarches administratives" ("Loi Warsman II")*.

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.

<u>Management</u>

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 <u>and its Chairman and Chief Executive Officer</u> – 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.

<u>Shareholders' Rights</u>

(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 <u>beforehand</u> 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 6420 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 correspondence or give proxy powers according to the terms laid down by law and in regulatory provisions.

On February 12th, 2014, the Board of Directors has decided that the shareholders may, in accordance with the By-laws, take part in the General Meeting via the Internet, under those conditions laid down in applicable regulations at the time such means are used.

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 a dividend in shares 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.

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

Holding of Stock and Transfer Thereof

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

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".

Members of the Board of Directors

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.

Organization of the Board of Directors

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.

Meetings of the Board of Directors

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 or means of telecommunication which guarantee the effective participation of the Directors.

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.

Remuneration of directors – Expenses

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.

Liability

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 correspondence or give proxy powers according to the terms laid down by law and in regulatory provisions.

On February 12th, 2014, the Board of Directors has decided that the shareholders may, in accordance with the By-laws, take part in the General Meeting via the Internet, under those conditions laid down in applicable regulations at the time such means are used. Those shareholders, who use the electronic voting form proposed on the site for this purpose, within the given deadlines, shall be assimilated to shareholders who are present or represented.

The proxy power or the vote which is thereby expressed prior to the General Meeting via such electronic means, as well as the confirmation of receipt which is given, are deemed to be non-revocable writs which may be relied upon against all parties, it being specified that in the event of sales of shares prior to 0:00 hours (Paris time) on the third business day preceding the General Meeting, Renault will consequently invalidate or amend, as applicable, the proxy powers or votes expressed prior to that time and that date.

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 declares 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, decret of 7 may 2012 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 the allocation of shareholding interests in the target company prior to and after the transaction, the aggregate amount of the transaction, and precisely 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.152-5 al.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.152-5 al.1 of the CMF)

- The creation of a new company by a foreign company or by non-resident individuals;

- The acquisition of all or part of a line of business of a French company by a foreign company or by non-resident individuals;

- All transactions made in the capital of a French company by a foreign company or by non-resident individuals provided that, after such transaction, the aggregate amount of share capital or voting rights hold by a foreign company or by non-resident individuals 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 non-resident individuals 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 non-resident individuals.

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 non-resident individuals 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 non-resident individuals;

- 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 non-resident individuals 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 non-resident individuals, 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 non-resident individuals;

- 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 and Article 5 of the *Arrêté*):

- 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 non-resident individuals 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).

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 (investor (Article R.153-2 and R.153-3 of the CMF)). With regard to both non-EU and EU investors, the CMF defines a 'foreign investment' as:

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[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.

(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. Failure to request such authorization may also involve criminal penalties.

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 a non-cooperative State in the name of or for the benefit of a bondholder), a 75% withholding tax will generally apply for payments made on or after January 1, 2013 (55% in 2012). As Japan is not listed as a non-cooperative State, the payments of interest and other revenues made in Japan 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 validly exists 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 2009, 2010, 2011, 2012 and 2013 are presented under IFRS.

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

	Under IFRS				
(Consolidated figures[1])	2009	2010	2011	2012	2013
Revenues	33,712	38,971	42,628	41,270	40,932
Operating margin[2]	(396)	1,099	1,091	729	1,242
Operating income	(955)	635	1,244	122	(34)
Group pre-tax income[4]	(2,920)	3,548	2,647	2,284	1,128
Net income	(3,068)	3,490	2,139	1,735	695
Net income - parent company shareholders' share (f)	(3,125)	3,420	2,092	1,772	586
Comprehensive income	(3,234)	5,914	2,041	414	(945)
Average number of shares outstanding [3] (in thousand) (b)	257,514	269,292	272,381	272,256	272,290
Number of shares at December 31 (g)	284,937,118	295,722,284	295,722,284	295,722,284	295,722,284
Share capital	1,086	1,127	1,127	1,127	1,127
Shareholders' equity [5] (a)	16,472	22,757	24,567	24,547	23,214
Total assets (e)	63,978	70,107	72,934	75,414	74,992
Capital adequacy ratio (%) (a)/(e)	25.75	32.46	33.68	32.55	30.96
Shareholders' equity per share [5] (EUR) (a)/(g)	57.81	76.95	83.07	83.01	78.50
Net dividend per share (EUR)(c)	0[6]	0.30[7]	1.16[8]	1.72[9]	1.72[10]
Earnings per share (EUR) (d)=(f)/(b)	(12.14)	12.70	7.68	6.51	2.15
Cash flows from operating activities	6,040	1,970	3,353	3,876	3,572
Cash flows from investing activities	(2,094)	1,404	(2,334)	(1,569)	(2,724)
Cash flows from financing activities	1,962	(1,467)	(2,350)	509	(12)
Dividend payout ratio (%) (c)/(d)	0	2.36	15.10	26.42	80
Number of employees at December 31(persons) (*Excluding employees	121,422	122,615	128,322	127,086	121,807

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) Group pre-tax income includes share in net income (loss) of companies accounted for by the equity method.
(5) Under IFRS, non-controlling interests are included in shareholders' equity.
(6) There is no dividend proposal to Combined General Meeting of April 30, 2010.
(7) Dividend proposal to Combined General Meeting of April 29, 2011. Such Dividend has been paid on May 16, 2011
(8) Dividend proposal by the Combined General Meeting of April 27, 2012. Such dividend has been paid on May 15, 2012.
(9) Dividend proposal by the Combined General Meeting of April 30, 2013. Such dividend has been paid on May 15, 2013.
(10) Dividend proposal by the Combined General Meeting of April 30, 2014. Such dividend will be paid on May 15, 2014.

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	2009	2010	2011	2012	2013
Revenues	0	0	0	0	0
Operating income/(expense)	(30)	(37)	(29)	(38)	(38)
Income before tax and exceptional items	208	(479)	113	439	1,466
Pre-tax income	(43)	5	113	439	1,475
Net income (f)	49	168	277	574	1,664
Number of shares at	284,937,118	295,722,284	295,722,284	295,722,284	295,722,284

December 31(g)					
Share capital	1,086	1,127	1,127	1,127	1,127
Shareholders' equity (a)	14,536	17,755	17,496	16,309	15,189
Total assets (e)	26,955	30,695	27,642	27,049	25,981
Capital adequacy ratio (%) (a)/(e)	53.93	57.84	63.29	60.29	58.46
Shareholders' equity per share(EUR) (a)/(g)	51.01	60.04	59.16	55.15	51.36
Net dividend per share (EUR)(c)	0[6]	0.30[7]	1.16[8]	1.72[9]	1.72[10]
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 *Technocentre* 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 automaker. 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 crossover 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 crossover 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 CO2 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 decisionmaking. 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, ZOE 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 €1 billion of the loan granted by the French government and sold its B shares in AB Volvo, generating a capital gain of €2 billion.
In Russia, the second phase of the Avtoframos plant was launched and the restructuring and recapitalization 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.

In 2012, The Renault group faced contrasting market conditions in 2012. The global automotive market continued to grow, setting a new record, with almost 80 million vehicles sold, while the European market fell by a significant 8.6%. Against this backdrop, the Group sold 2.5°million vehicles, down 6.3% on 2011. The faster pace of international expansion did not offset weak sales in Europe.
For the first time in its history, the Group sold as many vehicles outside Europe as within Europe. Brazil and Russia are now the Group's second and third biggest markets. In 2012, Renault returned to India, selling a range of vehicles including Duster, which is a real success. The year also saw the production start-up of new vehicles (Lodgy and Dokker) at the Tangiers plant (Morocco), which opened at the start of the year.

In Europe, 2012 marked the start of a process to renew the range, with the launch of Clio IV, spearheading the new brand identity, and New Sandero.
In F1 racing, Renault illustrated its excellence in powertrain engineering with an eleventh World Championship Constructors' title. This expertise is subsequently passed on to the rest of the range.
Also in 2012, Renault strengthened its partnerships, launching a compact LCV – Citan – with Daimler and signing an agreement to take control of AVTOVAZ in Russia. An MOU was signed with the Algerian government to build an assembly plant.
The Group also completed its debt reduction process, in particular with the sale of its remaining shares in AB Volvo.

In 2013, Clio IV was the third biggest selling vehicle in Europe, and the top seller in France. Captur, Renault's urban crossover, was released and wasnumber-one in its category in France and Europe. ZOE, the first affordable full electric car, was also launched. Renault led sales of electric vehicles in Europe. Duster, voted car of the year in India, is the Group's best-selling vehicle since it was launched in 2010.
A contract for a new dynamic of growth and social development at Renault in France was signed in March.
Renault's success in Formula 1 continued, with a 12th Constructors' title.

Renault revealed the new electrified power unit, Renault Energy F1-2014, and uses its F1 know-how to continuously improve the efficiency of its volumemanufactured engines.

The return of the Alpine aux 24h du Mans confirmed the Group's sporting ambition.

The Initiale Paris concept car, which anticipates the model that will replace Espace, was unveiled at the Frankfurt Motor Show.

To support its international operations and optimize synergies with Nissan through the Alliance, Renault signed a partnership with Indomobil to expand its business in Indonesia, while the Renault-Nissan Alliance signed a deal with Mitsubishi Motors to pave the groundwork for extensive international cooperation. Renault presented its joint work with Nissan on the Common Module Family for the future vehicles of the Alliance. This will bring down engineering costs by 30%-40% per model on average.

At the end of the year, Renault and Dong Feng signed an agreement on Renault's manufacturing facilities in China.

The Group sold 2,628,208 vehicles in 2013 against 2,548,622 in 2012.

The Renault 2016 – Drive the Change plan, unveiled on February 10, 2011, is built on Renault's ambition of making sustainable 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.

Renault 2016 – Drive the Change is designed to meet two objectives:

- deliver growth for the Group;
- generate sustainable free cash flow.

With, for the 2011-2013 period:
- more than 3 million vehicle sold in 2013;
- a minimum of €2 billion in cumulative operational free cash flow.

To achieve these objectives, the Renault group makes use of seven key drivers:
- a continuing policy of innovation;
- a robust product plan;
- a strengthened Renault brand;
- the excellence of our network in managing customer relations;
- optimized R&D and investment expenditures;
- reduced costs;
- steady positions in Europe and international expansion.

Midway through the plan, at end-2013, the following results are noteworthy:
- the Renault group surpassed its objective for 2011-2013, with €2.5 billion in cumulative free cash flow.

Success of the new Renault and Dacia vehicles

The renewal of the Renault range is off to a good start. New Clio is No. 1 in France and No. 3 in Europe. Captur is the best-selling crossover in France and No. 1 in its segment in Europe. A pioneer in zero-emissions mobility, Renault has kept its word by bringing to market a complete range of electric vehicles.

A better-balanced geographic mix

On the international front, the Group has increased its penetration of its main markets. The proportion of total sales outside France rose from 38% in 2010 to more than 50% in 2013. Brazil and Russia have become, respectively, the Group's second- and third-largest markets. The unique positioning of the M0 range is paying off, as the popularity of Duster, the Group's best-selling car in 2013, is demonstrating.

Initiatives in 2014-2016

Continuing renewal of the product range
- The Renault group is going to step up the renewal of its range, beginning in the autumn of 2014 with new Twingo and new Trafic, then with the successors to Espace, a new D segment vehicle and the successors to Megane and Scénic. These vehicles will be based on the common Alliance platform with 3 million vehicles for the C and D segments.
- At the same time, the Group is going to increase its market coverage with a comprehensive range of crossovers and an entry range vehicle (A-entry) for India and Latin America as well as new models of light commercial vehicles (pick-ups) for international marketing.

International expansion and fresh ambitions in Europe
- Following a successful start, the Group is aiming for a market share above 8% in Brazil and Russia and above 5% in India.
- China is a priority for the coming years. A plant with a capacity of 150,000 vehicles a year is being set up at Wuhan, and a range of products based on the C and D segment crossovers is planned.
- In Europe, the Renault brand's aim is to reclaim its second-place ranking among full-line manufacturers with a renewed range of connected, user-friendly and environmentally responsible vehicles. Meanwhile, the Dacia brand will seek to reinforce its leadership in its category.

Strengthening competitiveness
- The Renault group is counting, first, on scale effects and a boost in competitiveness from the sharing of platforms and architectures (CMF), which will apply to more than 80% of future launches, and second, on standardized modules, which will make up two-thirds of the value of future vehicles.

- More local sourcing and better use of industrial capacities will round out the strategy aimed at controlling vehicle costs.
- The Group will reap the benefits of the competitiveness plans signed in France and Spain and the additional volumes supplied by its partners.
- Altogether, the Group expects to achieve a 100% utilization rate for its capacities in Europe by the end of the plan (calculated on the basis of the standard definition: two shifts per day).

Synergies in the Alliance
Development of synergies in the Alliance will contribute to the Renault group's profitability. The projects aimed at convergence in purchasing, engineering, manufacturing and logistics as well as human resources are expected to yield at least €4.3 billion from synergies at the end of 2016.

Controlling capital investment
This strategy implemented in the framework of the Alliance and its partnerships increases the number of upstream projects while keeping the ratio of R&D + CAPEX to revenues under 9%.

Two objectives at the end of plan

At the end of the plan, the Renault group is aiming to achieve the following objectives[3]:
- €50 billion[4] in revenues, comprising vehicle sales, related services, and sales to partners, based on a constant scope;
- sustained profitability, with an operating margin exceeding 5% of revenues and positive free cash flow each year.

The Group has set ambitious and realistic objectives to be reached at the end of the Drive the Change plan (measured in 2017):
- revenues of €50 billion[5] ;
- operating margin exceeding 5% of revenues, with a positive free cash flow each year.

"The strategy defined in the first phase of our Drive the Change plan has produced results. Thanks to these gains, the Renault group has all the resources needed to implement an ambitious and realistic second phase," said Renault's Chairman and CEO Carlos Ghosn.

3. CONTENTS OF BUSINESS:

The Group's activities have been organized into two main business sectors, in more than 120 countries:
- Automotive: design, manufacturing and distribution of products through the sales network (including the Renault Retail Group subsidiary):
  - new vehicles, with three ranges – passenger cars, light commercial vehicles and electric vehicles – marketed under three badges: Renault, Dacia and Renault Samsung Motors (except electric vehicles, which are exclusive to Renault). Vehicles manufactured by Dacia and RSM may be sold under the Renault badge in some countries,
  - used vehicles, and spare parts;
  - Renault powertrains, sold B2B,
- Services: sales financing, leasing, maintenance and service contracts.

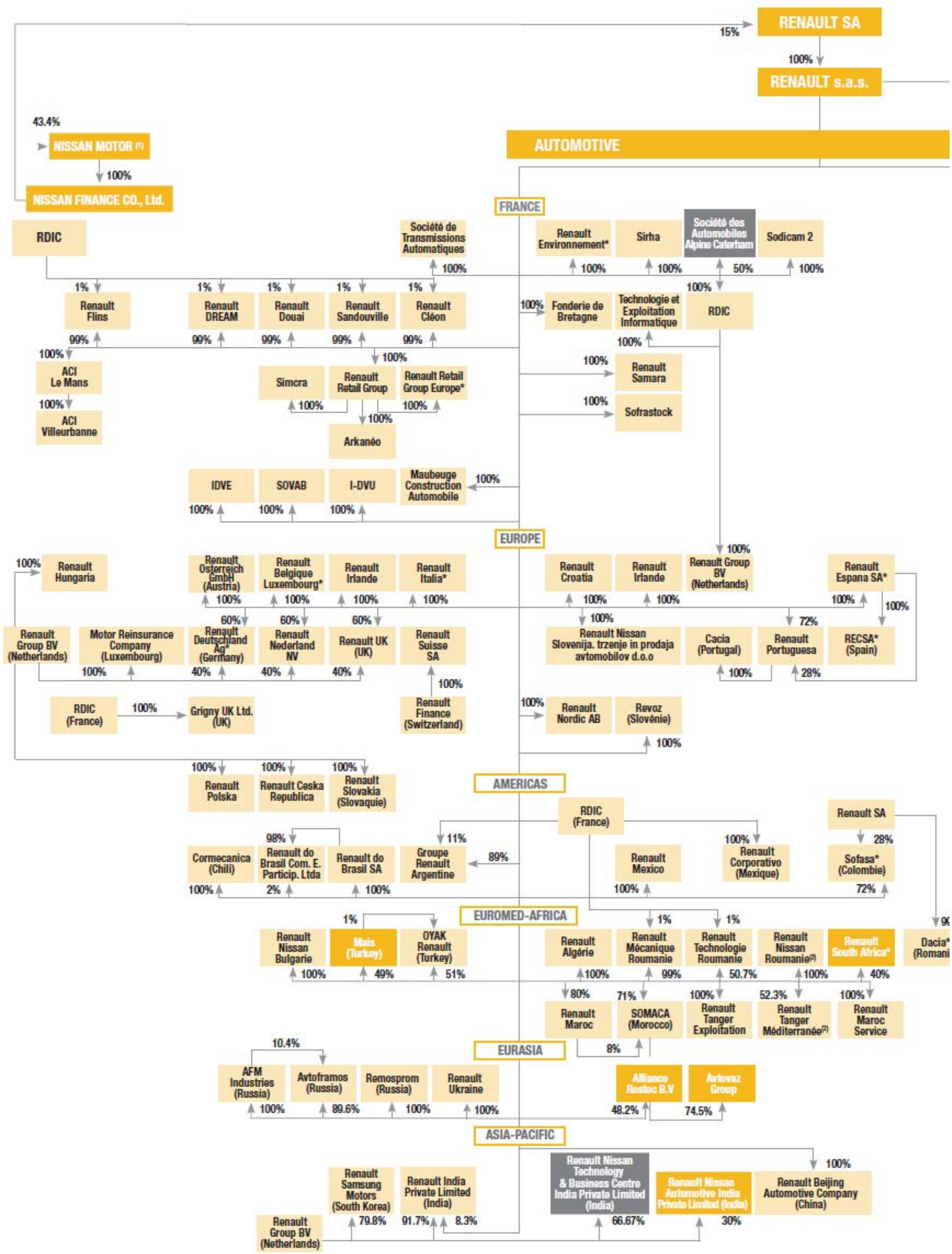
[3] Measured in 2017, the first year of the plan's full effect. Excluding consolidation of AVTOVAZ.

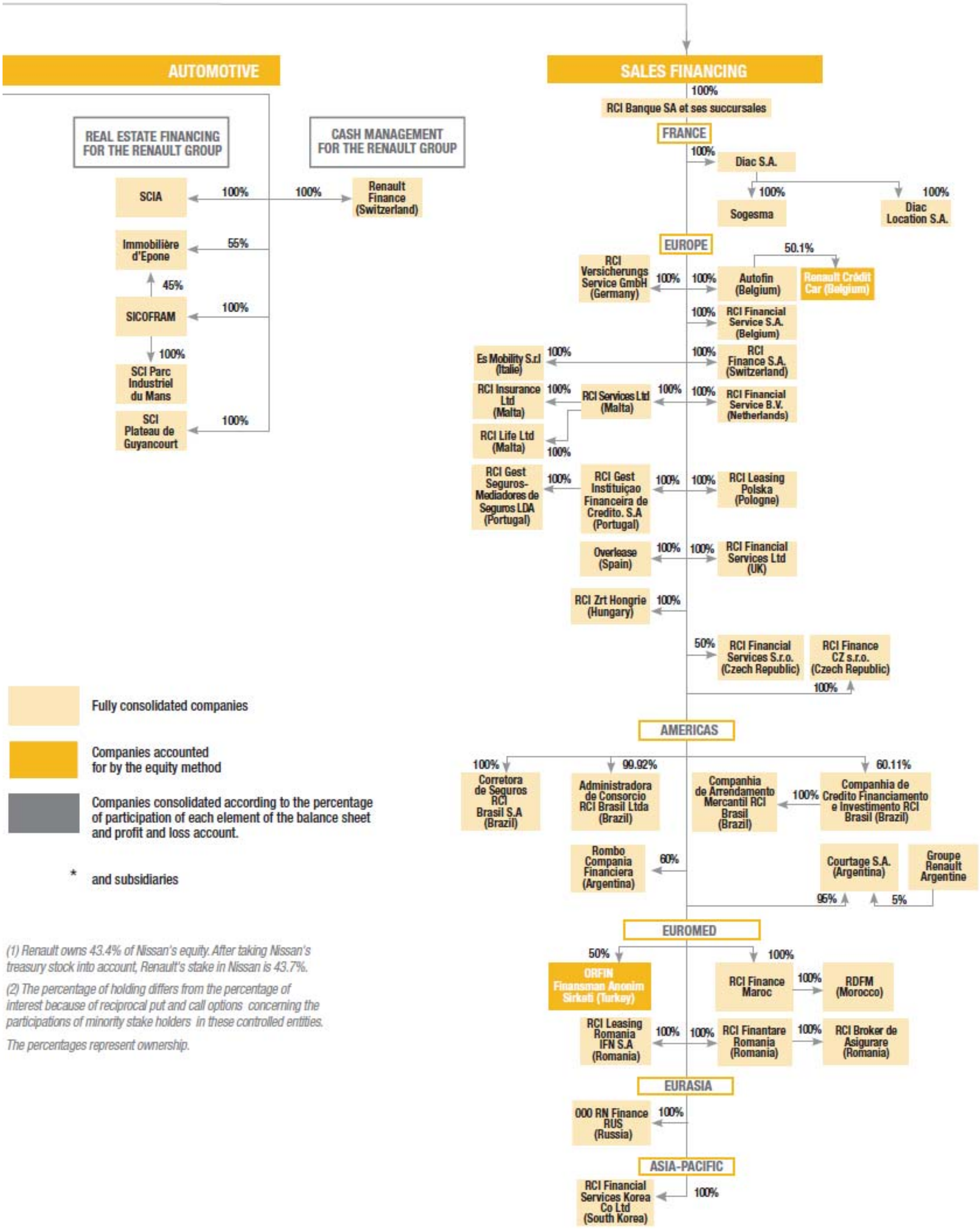
[4] Based on exchange rate assumptions agreed upon by the banks in early 2014.

[5] Based on exchange rate assumptions agreed upon by the banks in early 2014.

The information contained below regarding the "DETAILED GROUP CONSOLIDATED ORGANIZATION CHART AT DECEMBER 31, 2013" strictly contains information presented in the Renault Registration Document for the period ending December 31, 2013. For further information on the progression of the organization of the Renault group please refer to "4. Statement of Related Companies."

DETAILED GROUP CONSOLIDATED ORGANIZATION CHART AT DECEMBER 31, 2013





(1) Renault owns 43.4% of Nissan's equity. After taking Nissan's treasury stock into account, Renault's stake in Nissan is 43.7%.

(2) The percentage of holding differs from the percentage of interest because of reciprocal put and call options concerning the participations of minority stake holders in these controlled entities.

The percentages represent ownership.

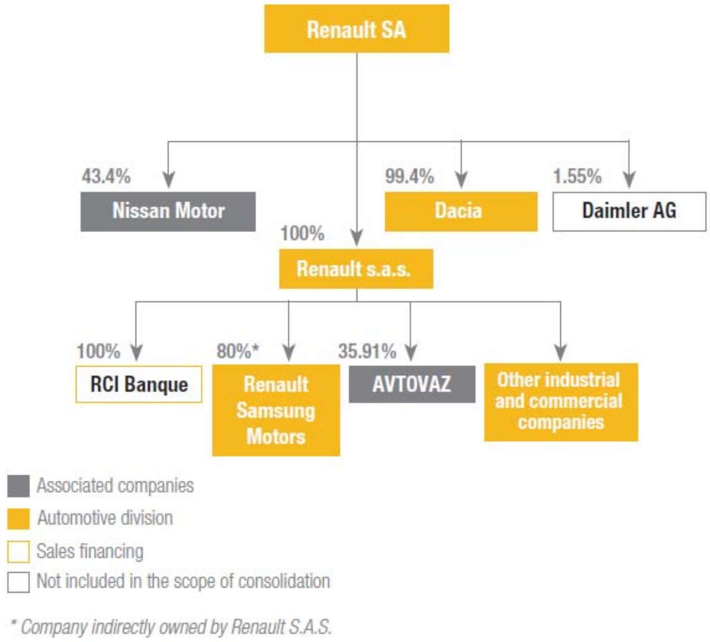
In addition to these two business lines, Renault has equity investments in the following two companies;

- Nissan;
- AVTOVAZ.

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

Structure of the Renault group

Simplified organization chart at December 31, 2013 (as a% of shares issued)



(1) ACTIVITIES

A. AUTOMOTIVE

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

Since 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 115 years, Renault has been one of the manufacturers writing the history of the car. With a continuously renewed passion for mechanics, design and technological progress, over the years Renault has developed a unique personality, close to its customers, vibrant and daring, brilliantly captured in the expression "cars for living", which has stuck in people's minds.

In keeping with its reputation for innovation, Renault continuously renews its automotive product lines. The electric range is an obvious example, as well as equipment that makes everyday life easier, such as the best onboard connectivity in the market, or the glove box reinvented as a magic drawer.

Proud of its French roots, Renault is also accelerating its international expansion: Renault's vehicle range is designed to meet local needs as effectively as possible in all locations: Renault designs cars for every stage of life, to meet everyone's needs, suit everyone's pocket and fulfill everyone's passions.

With an energy demonstrated by the enduring success of its involvement in motor sport, Renault wants everyone to live life to the full: a life full of passion and at the same time, a life where every moment is made simpler and easier.

Passenger cars (PCs)

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, Wind, Symbol, Pulse, Scala** and **Kangoo.**

The entry-level programme 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 badge.

Through broad industrial deployment, Renault is able to produce these vehicles close to their main markets at the Group's plants in Russia, India, South America, **Romania,** North Africa and South Africa.

New **Sandero** and **Logan** are replacing their predecessors, opening the next chapter in the international success story of the two models by keeping the strengths that have made them so popular.

Affordable, roomy and robust, **Renault Logan** continued to enjoy huge success in 2013 in South America (accounting for almost 10% of sales in this Region) and Russia (almost 24% of sales for this country). Delivering unbeatable value for money, it is particularly attractive to buyers of family vehicles.

Sandero, with a modern design, spacious interior, reliability and value for money meets the needs of global customers, from young couples in Brazil to singles in Russia. The model accounts for **45%** of sales in Brazil and 20% of sales in Russia.

In the A segment of city cars, **Twingo II** remains the benchmark on its segment. Launched in January 2012, it was the first vehicle in the range to feature the new brand design identity. Twingo is celebrating its 20th anniversary in 2013 but it still looks as fresh and bold as it did on launch: cheery colors, an original customization programme and unrivalled modular design/functionality. A vehicle of exceptional reliability and flawless quality, with continuously upgraded engines that are on the cutting edge for low CO_2 emissions

(85g for the Euro 5 diesel in January 2013), it remains No. 1 in its segment in France, with a **27.7%** segment share, and fourth in Europe **(6.7%)** in a fiercely competitive environment.

In the B segment, New Clio, launched at the Paris Motor Show in October 2012, has opened a new page in the Clio saga. One year on, **Clio IV** has been highly successful and looks set to keep its place in the top three bestsellers in Europe, taking 7.2% of the segment.

Building on the fundamentals inherited from the previous generations, **Clio IV** makes a fresh start with its sensual design and wide range of customized features, the R-Link multimedia tactile screen interface with a built-in navigation system, a rich array of equipment, and new engines combining dynamic performance with record-breaking fuel efficiency. The new Energy TCe 90 gasoline engine consumes just 4.3 l/100km and emits no more than 99g of CO_2/km, while the latest optimized version of the highly appreciated Energy dCi 90 attains an unequalled 3.2 l/100km.

The station wagon version, with its original shooting-brake styling, was successfully launched in February 2013, taking 31% and second place in the sub-B station wagon segment in Europe. This was followed, in March 2013, by an RS version with a turbocharged gasoline engine mated to an automatic transmission with the EDC dual-clutch system, offering unprecedented versatility in the sports car segment.

At the same time, the older generations of Clio live on, since Clio III Collection and Clio II are still present as Clio entry-level models in Europe and North Africa respectively, while Clio II, restyled to reflect Renault's new design identity, is marketed in Brazil and Argentina.

After the renewal of Clio, Renault continued its design offensive by releasing **Captur,** the first urban crossover in the range, on the market since April 2013. A distinctive vehicle, Captur offers the best of three vehicle styles: the expressive styling and driving position of an SUV, the interior space and modular design of a minivan, and the handling and drivability of a compact hatchback. In just a few months, by July 2013, **Captur** was already leading the B Crossover segment in Europe.

The first Renault vehicle manufactured on a Nissan platform, Renault **Pulse** delivers everything Renault needs to establish itself in the Indian market alongside Renault Duster. A small hatchback ideally suited to Indian conditions, it is positioned in a premium segment aimed at young, upwardly mobile, urban customers. The three-box variant, Renault **Scala,** based on the same platform, sets high standards in comfort with its features and size suited to young families.

The **Kangoo** modular van, launched in 2008, underwent a complete makeover in mid-2013. New Kangoo now has a new front end that expresses Renault's new brand identity. It also features a new central console and new engines – the 1.6 ENERGY 115 bhp diesel engine, and the 1.2 ENERGY 115 gasoline engine – offering some of the best fuel economy in the category. New Kangoo also has new equipment, including the R-Link navigation system. It still comes in two lengths, including Grand Kangoo, with a 5-seater and a 7-seater version, and is manufactured in Maubeuge (France). The previous version of Kangoo is still on the market and continues to be produced in Cordoba (Argentina).

2013 was an eventful year for **Scénic** and **Grand Scénic** with the launch of a new derivative in March: Scénic Xmod, which blends the exciting design of a crossover with the expertise of the benchmark maker of compact MPVs.

With a raised ride height, the Scénic Xmod has an expressive design that speaks the language of a crossover, with distinctive front and rear bumpers, body moldings, and chrome roof bars (on some trim levels).

On the inside, a fixed central console makes the driver feel like a pilot, with a driving position designed like a cockpit. The console, within easy reach, includes the Extended Grip lever and the multi-directional joystick for navigating the multimedia interface. The dash, with the Thin Film Transistor (TFT) digital display and the Renault R-Link connected touchscreen multimedia system, shows all the information the driver needs simply and visibly.

In time for the launch of Scénic Xmod, Scénic and Grand Scénic were also upgraded to feature Renault's new brand identity. Scénic held on to the No. 1 position in the European compact minivan market with a 16% share of the segment at end-December 2013.

Revealed at the Istanbul Motor Show in November 2012 and launched on the market in January 2013, **New Fluence** also features Renault's new design identity, with LED daytime-running lights for a dynamic, modern look.

New Fluence ships with a range of powertrains tailored to the needs of customers in the countries where it is sold, with two engines combining fuel efficiency with drivability, the new 1.6 16v 115 cv X-Tronic, delivering 156Nm of torque at 4,000rpm, and the 1.6 dCi 130 diesel. Designed first and foremost for driving pleasure, the 1.6 dCi 130 is the most powerful diesel engine in its category. It delivers 130hp for cubic capacity of 1,598cc. By combining a low cubic capacity with a range of high-tech innovations, it cuts fuel consumption to just 4.6 l/100km over a combined cycle with emissions of just 119g of CO_2/km. It therefore carries the Renault eco^2 logo.

Fluence is also contributing to the Group's efforts in environmental protection, since it is available as an electric vehicle, **Renault Fluence Z.E.,** launched in Europe in fall 2011.

2013 was also an exciting year for Mégane, which adopted the new brand identity, revealed at the Frankfurt Motor Show, with a new bumper, new elliptical headlights and new daytime running lights that stretch along the side of the bumper. The Mégane range also pioneers the combination of the 130 bhp gasoline engine with the dual clutch EDC automatic gearbox, and has the latest equipment and advanced technology of the brand, such as the Renault R-Link multimedia system. The emblematic sports versions of Mégane have also been restyled with the Renault design identity. Apart from these aesthetic modifications, Mégane R.S. has been enhanced with the R.S. Replay function available on the R.S. Monitor 2.0. The GT trim is now available with the 2.0T Renault Sport 220 engine.

The Renault Group is continuing to invest in the revival of Alpine, its exceptional sports car marque.

Development of the first 21st century Alpine is now at an advanced stage and promises to deliver a highly gratifying driving experience.

Meanwhile the return of the Alpine marque to competition resulted in a maiden title at the 2013 European Le Mans Series.

The outstanding performance of the young Alpine team revived the marque's fame and promoted its image to an international customer base that shares a passion.

Koleos, launched in 2008, confirmed its role as the premium-vehicle spearhead of the Renault brand on international markets. A new Phase 3 was launched in September 2013. With a new front-end design incorporating the new brand identity, a spacious interior with quality finishing, new technology (the Renault R-Link multimedia system, reversing camera, and blind spot warning system), a new 2.0 l 143 bhp engine, and proven 4x4 technologies borrowed from Nissan, the Koleos Phase 3 SUV has been unanimously praised for its comfort, equipment and off-road properties.

With more than 250,000 units sold since the launch in 2008, the model is sold in around 60 countries. In 2013, on this particularly competitive SUV segment, Koleos notched up more than 47,000 sales, of which 82% outside Europe. In Eurasia, Latin America and China, it is Renault's main model in the higher market segments.

Attentive to quality and comfort in all its forms, **Latitude** is a large prestige saloon that places the emphasis squarely on passenger well-being, with its generous dimensions, comprehensive equipment, massaging driver's seat, and an original air treatment system using an ionizer for a purifying, relaxing effect. Latitude is a pure product of the Alliance, combining technical components from both Renault and Nissan to offer optimum drivability and a subtle road feel. It was developed in France and Korea, where it is built alongside

Koleos at the Busan plant. Marketed around the world, Latitude reflects Renault's efforts to move upmarket internationally and enhance its image by targeting new customer groups.

Laguna III has sold more than 330,000 units since its launch in 2007. In 2013, Renault launched the Phase 3 incorporating new features, like R-Link, LED daytime running lights and automatic transmission for the 1.5 dCi engine. Laguna gained the latest automotive technologies developed for comfort and driving pleasure: the 4Control chassis with four-wheel steering, the Carminat TomTom Live navigation system, and the Bose® Sound System. It also ships with efficient engines: on the hatchback, for example, 109g of CO_2/km for the 1.5 dCi 110 engine and 118g of CO_2/km for the 2.0 Energy dCi 130 and 150 engines. Renault's commitment to quality is underscored by a 3-year/150,000km warranty.

Sporty, elegant and efficient, with its 4Control chassis, Laguna coupé is also the most fuel-efficient coupé in its category, with the lowest CO_2 emissions (1.5 dCi 110 with 109g of CO_2/km). As a result of these efforts, Renault remains a key player in this body style segment, particularly in France, where Laguna coupé has been No. 1 for five consecutive years.

In the executive E segment, **Espace** continues to set the standard in the executive minivan segment as it has done for almost 30 years, with more than 1.3 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.

Espace IV phase 4 embodies contemporary design and French luxury, with dynamic design lines that showcase the new brand styling identity. The attractive, high-quality interior features Teflon seat upholstery to protect every fiber without detracting from appearance, as well as liberating technologies fitted as standard on all versions (hands-free card, automatic parking brake, TomTom Live connected navigation system, Bluetooth radio with audio streaming), a new built-in high-definition reversing camera and the biggest panoramic sunroof on the market.

In 2013 New Renault Espace added a new, seamlessly integrated and supremely comfortable video system, with two 7'' (18cm) 16:9 screens. Each high tech screen has a separate video input, compatible with all formats (DivX, MPEG, MP3, etc.) for watching video from a DVD, USB or SD card, and new individual infrared headphones.

Committed to improving its environmental performance, Renault has invested in research to cut fuel consumption and CO_2 emissions, which has reduced emissions from the 2.0 dCi (manual transmission) to 150g/km, an improvement of 20g.

Like Laguna, Espace IV is built in France at Sandouville, the first Renault plant to obtain ISO 14001 certification (in 1998). Reaping the full benefits of the progress made by Renault in quality, the two models gained a manufacturer's warranty of three years/150,000km in 2008.

With more than 854,286 units sold worldwide in little over three years, Duster is the Renault group's bestselling model. Proof of its success, Duster has received 28 honors around the globe, including several "car of the year" awards. Manufactured at five plants and sold in more than 100 countries, Duster is a mainstay of the Renault group's international growth. In 2013, Duster went on sale in six new countries: UK, Ireland, Norway, Denmark, Cyprus and Malta.

Duster is now being restyled (at Pitesti initially) with a new interior and exterior design, building on its intrinsic qualities of roominess, versatility, off-road capabilities, and as always its affordable price tag.
As for technology, Duster has been fitted with the new H5ft 125 bhp gasoline engine, which, mated to a six-speed gearbox, consumes 6.3 l/100km with de CO_2 emissions of 145g. These new features were revealed at the 2013 Frankfurt Motor Show.

Light commercial vehicles (LCVs)

The Renault group continues to develop light commercial vehicles. The range is marketed under the Renault and Dacia badges, and through manufacturing partnerships with General Motors, Nissan, and Renault Trucks and, since late 2012, with Daimler on the Citan small van.

Renault has maintained its position as Europe's leading LCV brand – a position it has held since 1998 – with a European market share of 14.5% (at end-December 2013). Outside Europe, Renault's LCV sales volumes dipped 0.6% in a market that contracted by 1.7%.

Renault strives to satisfy its business customers by expanding the Pro+ specialized LCV network, as well as through agreements with independent coachbuilders to offer a wide array of transformed vehicles. Renault's LCV range comprises vehicles from 1.6 to 6.5 metric tons and from 2 m^3 to 22 m^3, in gasoline, diesel and electric versions (Kangoo Z.E.).

In the small van segment (under 2 metric tons), **Kangoo** is the industry leader, and entered a new phase in 2013. New Kangoo features a new, more robust front end that visually incorporates the new brand identity. The model now offers two new engines, the 1.6 ENERGY 115 bhp diesel and the 1.2 ENERGY 115 bhp gasoline. New Kangoo offers three front seats, and the R-Link navigation system as options. The model still comes in three lengths and has three electric versions (Kangoo Z.E., the 2-seater Kangoo Maxi Z.E. and the 5-seater Kangoo Maxi Z.E.).

First-generation Kangoo is still built in Cordoba (Argentina) for South America.

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: **Trafic Phase 3** and **Master III.**

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 Nissan plant in Barcelona (Spain). Trafic phase 3 comes with a 2.0 dCi 90,115 bhp engine and has cut CO_2 emissions to 180g/100km.

In 2013 Renault Trafic took a 14.8% share of the small van segment in Europe (at end-December).

In the large van segment, Renault continues to develop its **Master** range, launched in 2010. Available in front- and rear-wheel drive versions in four lengths and three heights, Master has a maximum authorized weight of 4.5 metric tons. The range comprises 350 versions and boasts a modern design and very comfortable cabin. In 2013, the M9T 2.3 dCi engine (100-150 bhp) could be fitted with Stop & Start and Electric Smart Management (ESM). Qualifying for the ENERGY label, this engine reduces fuel consumption by 1 l/100km compared with the Euro 5 2012 range. Master is manufactured at the Batilly plant (France).

Master is sold in 30 countries. The model consolidated its No. 3 position in the large van segment, with a segment share of 13% (including Renault Trucks sales). Master continued to make inroads in the Euromed-Africa Region, with more than 15,433 units sold in 2013. This includes confirming its No. 1 position in Algeria, where it took 47% of the large van segment.

Master 3 is also expanding in South America, where it is produced in the Curitiba plant (Brazil). It was released in Brazil in April and in Argentina in May. The model is the leader in its category, with more than 15,600 Master van and passenger-carrying van registered at end-December 2013.

Master 2 and Master 3 clocked up a total of 95,049 new registrations in 2013.

Dokker and **Dokker Van,** launched in late 2012, continued to grow in 2013 in Europe and internationally. Some 90,000 units have already been manufactured.

Dokker is a practical, versatile five-seater crew van. With a generous boot capacity and a simple modular configuration, it is ideally suited to customers looking for a mixed-usage vehicle, which can carry bulky items as well as transport a family in comfort.

Dokker Van, the small van version, caters to all the expectations of business customers. Reliable and robust, it offers among the best loading capacity in the segment, an innovative modular configuration and fuel economy.

Electric vehicles (EVs)

2013 was a key year for Renault in the electric vehicle market, with the release of **ZOE** in Europe. The new model will support an increase in our zero-emissions (Z.E.) sales volumes as well as our leadership of the European market.

At end-December 2013, we had sold more than 37,500 electric vehicles worldwide, including slightly more than **8,857** ZOEs.

Renault is the uncontested leader of the European market. Almost one in two electric vehicles sold in Europe is a Renault.

Worldwide, the Alliance has almost 64% of the electric vehicle market.

EV markets continued to grow strongly everywhere despite slower-than-planned infrastructure development. The global market is now 100,000 units. Electric vehicles are growing 10-20 times faster than hybrid cars in their day. The arrival of major rivals like VW and BMW vindicates our strategy and boosts awareness of electric vehicles.

France is now the third-biggest market for EVs, after the United States and Japan.

Building on its strong European base and uncontested leadership of the European electric vehicle market, in 2013 Renault began to concretize the expansion of its international electric vehicle strategy to all five continents. We need to expand fast in order to consolidate our image as the leader of all markets around the world.

In Latin America, through the subsidiaries and importers, Renault has made contact with numerous customers, including Fedex and national post offices in a majority of countries. The first contracts have been signed, in Colombia, Uruguay and Brazil. For example, Renault signed a partnership with Brazilian-Paraguayan power generator Itaipu, which will soon assemble **Twizy** in Parana State.

Projects are also being set up with governments and city councils, to promote electric vehicles and deploy the ecosystem of electric mobility, starting with recharging infrastructure. Renault and Nissan are partners in an ambitious scheme by the Ecuadorian government.

Renault continued to roll out Z.E. in Asia. After Hong Kong, where **Fluence Z.E.** holds 79% of the EV market, and **Kangoo Z.E.** was awarded a contract with the airport, 2013 saw the start of production and sales of the SM3 Z.E. in South Korea under the Renault Samsung Motors badge (November 1). A total of 398 SM3 Z.E. were sold in 2013, representing 72% market share. In Singapore, Kangoo Z.E. will be launched in 2014. In Japan, a Nissan-badged Twizy is on the road in autoshare schemes in Yokohama and Teshima. In 2014, Twizy will move in Macao and Kangoo Z.E. in Australia.

In **Dubai,** the police have incorporated two Twizy into their fleet. Given the enthusiastic response of Dubai residents, Twizy will be launched on the market in the United Arab Emirates in a few weeks' time.

The power of innovation symbolized by the electric car is a real advantage for the Renault brand in the Euromed Region. After Turkey with Fluence Z.E. phase 2, Romania with Kangoo Z.E. phase 1 and Saint Barthélemy with Twizy in 2012, in 2013 Reunion Island showcased the benefits of Z.E. vehicles in tourist destinations.

As part of the VERT Project, supported by ADEME, France's Environment and Energy Management Agency, Renault has been testing nine electric vehicles (three Fluence Z.E. and six Kangoo Z.E.) in corporate fleets on Reunion Island since 2012. The project tested the suitability of electric vehicles for a tropical island climate as well as the installation and use of charging stations with solar panels and electric storage batteries. That meant that the system for recharging Renault's Z.E. electric vehicles was Z.E. too. Renault's retail network on Reunion started selling Twizy in September 2013, soon to be followed by ZOE.

The Z.E. revolution is underway in Bulgaria too, initiated by our partner Omnicar, a logistics firm, which has just been delivered its first Kangoo Z.E.. Twizy has already dazzled 400 prospective customers at public presentations prior to the official market launch. 2013 ended with the launches of Kangoo Z.E. and Twizy in Morocco.

In 2014, in the Euromed Region, Renault will continue to roll out the Z.E. range by releasing Twizy in Turkey and Romania, ZOE in Morocco, and moving into the French Caribbean: Martinique, Guadeloupe and French Guiana.

In Europe, 2014 will be a year of growth, and Renault expects to reap the rewards of the enormous amount of work in European countries since 2011.

The occasional recharge cable, which will be available for ZOE in March 2014, will enable users to recharge their vehicles by plugging them into a household socket. This occasional charge solution is perfect for customers who want to be able to recharge their vehicles when they are away from their own homes, at a holiday home, hotel or friends'.

Public and private infrastructure projects are now being built and huge progress will be made in 2014, including the development of several motorway corridors in Europe, with fast charge stations.
The record level of satisfaction among our ZOE and Kangoo Z.E. customers is another positive sign, and we will be able to rely more and more on our customers to boost awareness and the image of our Z.E. range.

Dacia brand

Dacia is the Renault group's regional brand, present in Europe and the Mediterranean basin. In just eight years, it has established itself as a key player on the automotive market.

Present in 43 countries, from Europe to North Africa and Turkey, Dacia has experienced stronger growth than any other brand since its launch, multiplying sales by 7 between 2005 and 2012. In 2013 Dacia posted sales growth of 19.2% on 2012

For a brand that fulfills demand, success is not a question of years. In 2013, Dacia topped 2.4 million vehicles sold since 2004.

In 2013, Dacia's market share was almost 2.11% in Europe and 5.37% in Euromed.

In Europe, Dacia increased market share by 0.4 point on 2012. Dacia grew in all the large countries, achieving an exceptional 4% share of the Spanish market, an increase of 1.7 point on 2012.

In the Euromed-Africa Region, Dacia's market share improved by 0.22 point on 2012 to 5.37%. Dacia achieved outstanding results in Turkey, with 4.28% market share (up 0.63 point on 2012) and Algeria with 8.7% market share (down 1 point on 2012).

Dacia is the leading brand in Romania, with a 31.7% share of the PC+LCV market, and in Morocco, with 25.2%.

The success of the Dacia brand is based, among other factors, on unbeatable value for money, on an exact par with the requirements of our customers, and a level of vehicle quality/reliability that has been part of the brand's DNA right from the first models.

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).

Dacia Duster is a real success with its attractive design, space, reliability and off-road capabilities, all at an affordable price. The model has sold 407,575 units in three years on the market.

In early 2012, Dacia expanded its range with **Dacia Lodgy,** a vehicle with the interior space of a large C-segment minivan sold for the price of a B-segment minivan. This vehicle is a response to the needs of families who traditionally buy used vehicles. It was extremely well received by the network, customers and the press against a backdrop of difficult market conditions for minivan consumer sales in Europe.

In mid-2012, Dacia also launched Dokker and Dokker Van, an inexpensive compact LCV and a crew van, expanding the LCV offering of the Renault group.

At the end of the year, Dacia gained the new TCe 115 engine, symbolizing the excellence of the Renault group in powertrain technology. This 1,198cc engine combines drivability with limited fuel consumption (6 l/100km) and CO_2 emissions (135g/km).

Four emblematic Dacia models have received their first restyle, with the new **Dacia Logan, Sandero, Sandero Stepway** and **Duster.** This was a major challenge since the new models aim to combine "more" (equipment, features) and "better" (stronger and more attractive exterior design) qualities for the same price, while respecting the Dacia spirit: essential vehicles, on an exact par with the requirements of our customers.

Renault Samsung Motors brand

Renault Samsung Motors (RSM) sells five passenger cars (QM3, SM3, SM5, SM7 and QM5) in South Korea, covering the local B, C, D, E and SUV segments.

QM3, launched in December 2013, is a B-segment urban crossover derived from Renault Captur and designed exclusively for the South Korean market. The new model extends RSM's range into the B segment. For Renault Samsung Motors, QM3 represents a first in several respects: it is the first model released in the B segment, the first model manufactured outside Korea to be sold in Korea, and the first model with the new brand identity.

SM3, launched in September 2002, was restyled in July 2009. A new phase 2 was launched in September 2012. New SM3 has enjoyed great success, with market share of 19.1% on the M1 segment and 19,200 sales in 2013.

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. A new phase 2 called SM5 Platinum was launched in November 2012. SM5 sold 30,700 units in 2013, for a market share of 13.7% on the M2 segment in South Korea.

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 was launched in August 2011. It sold 3,600 units in South Korea in 2013.

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 5,350 units in 2013, taking a 3.9% share of its segment in South Korea.

SM3, SM5, SM7 and QM5 are manufactured at the Busan plant in South Korea.

In 2013 RSM sold 66,779 vehicles, of which 60,027 on its domestic market.

RENAULT POWERTRAIN RANGE

The powertrain business is one of the main sectors implementing industrial synergies in R&D with Renault's partners (with Nissan as part of the Alliance or outside the Alliance). A dedicated department oversees this B2B business, both for exchanges of powertrain sub-systems with partners, and for related engineering. The aim of these synergies is to pool development costs, to absorb fixed production costs, to generate economies of scale in the industrial activities of Renault and its suppliers, and ultimately, to improve free cash flow at Renault.

Business to business powertrain Activity

Beyond the Alliance with Nissan, which enables the two manufacturers to share a range, manufacturing system and network of suppliers, B2B engineering seeks to: promote and market Renault Powertrain sub-systems through automotive cooperation projects (for example, with Daimler, AVTOVAZ, and General Motors-Opel) and sales to other parties. They enable our partners to benefit from Renault technology and give Renault access, where useful, to its partners' developments and manufacturing capacity. This activity also serves as a basis on which to identify and set up one-off cooperation projects.

Advantages of Renault Powertrain

A modern powertrain range with low carbon emissions: Through its powertrain range, Renault is stating its ambitions to lead the way in reducing the eco-footprint of cars. The qualities of the Energy range have convinced our partners of the advantages of using our engines for their vehicles. Partnerships have been developed for both diesel and gasoline engines as well as for transmissions (more than 30% of Renault's output is delivered to partners).

Renault's image as a strong performer has been further reinforced by its 12th World Championship title in Formula-1. The Constructors' title secured in the 2013 season confirms Renault's continued dominance of Formula-1. The F1 engines are designed by engineering teams who share their expertise with the engineers developing the Energy range, thus ensuring the direct transfer of the best technologies to production vehicles.

Business to business organization

Operating as part of Renault powertrain engineering, this skilled department identifies opportunities, prepares product offerings, negotiates contracts and supports business activities during the development and industrial phases. Dedicated to customers, it liaises with all Renault engineering departments to ensure a fast response.

A dedicated website (www.powertrain.renault.com) promotes Renault's powertrain range.

MAIN MANUFACTURING SITES

Renault has about 30 manufacturing sites for its automotive business. Based on a standard figure of 3,760 hours (one year's production based on two eight-hour shifts a day, five days a week, for 47 weeks a year), production capacity utilization rates in 2013 were 87% globally and 61% in the Europe Region.

The Alliance and Renault's strategic partnerships enable these manufacturers to share manufacturing facilities and therefore costs.

Renault-Nissan vehicles are manufactured at facilities shared with AVTOVAZ in Russia, and Daimler uses the plant in Maubeuge. Renault uses Nissan's plants in Barcelona (Spain) and Rosslyn (South Africa) and Renault-Nissan have a common plant in India.

Main manufacturing sites by brand – 2013 production (units)

2013	SITES	PRODUCTION (UNITS)	VEHICLES OR COMPONENTS
RENAULT BRAND			
RENAULT SITES			
Europe			
France	Batilly	92,811	Master III[1]
	Choisy-le-Roi	190,762	Reconditioning of engines, transmissions, injection pumps and sub-assemblies

2013	SITES	PRODUCTION (UNITS)	VEHICLES OR COMPONENTS
			Short-run machining
	Cléon	1,101,985	Engines, transmissions. Aluminum foundry: 11,900 metric tons
	Fonderie de Bretagne	25,400	Aluminum foundry (metric tons)
	Dieppe	5,217	Clio III Renault Sport
	Douai	115,429	Mégane III (coupé-cabriolet), Scénic III (5- and 7-seater)
	Douvrin (FM – Renault unit)	264,971	Engines
	Flins	129,884	Clio III phase 2, ZOE, Clio IV
	Le Mans/Villeurbanne	5,669,876	Front/rear suspensions, subframes, lower arms Aluminum foundry: 91,141 metric tons
	Maubeuge	137,175	Kangoo Z.E., Kangoo III[2]
	Ruitz	83,066	Automatic transmissions
	Sandouville	25,394	Laguna III (hatch, station wagon, coupé), Espace IV
Spain	Palencia	142,749	Mégane III
	Valladolid	124,944	Twizy, Clio III, Captur
		1,247,579	Engines
	Seville	789,298	Transmissions
Portugal	Cacia	649,169	Transmissions
Slovenia	Novo Mesto	93,733	Clio II phase 4, Twingo II, Wind
Euromed-Africa			
Morocco	Casablanca	66,545	Logan (I and II), Kangoo, Sandero (I and II)
	Tangiers	101,054	Lodgy, Dokker, Dokker Van, Sandero II
Turkey	Bursa	330,546	Symbol, Fluence incl. Z.E., Mégane, Clio IV
		1,611,759	Engines, transmissions, front/rear suspensions, subframes
Americas			
Argentina	Cordoba	117,081	Symbol, Clio II, Kangoo, Kangoo Express, Fluence Aluminum foundry: 4,476 metric tons
Brazil	Curitiba	292,241	Duster, Sandero, Logan (Renault), Master (II and III)[5]
		359,740	Engines
Colombia	Envigado	74,664	Duster, Sandero, Clio II, Logan (I and II)
Chile	Los Andes	352,079	Transmissions
Asia-Pacific			
Iran*	Teheran	33,407	Mégane II, Logan (Renault), Logan Pick-up[3]
		117,263	Front/rear suspensions, subframes and lower arms
India*	Chennai	80,344	Fluence, Koleos, Duster, Pulse, Scala
Eurasia			
Russia	Avtoframos	195,112	Duster, Mégane, Fluence, Logan (Renault), Sandero (Renault)
	AVTOVAZ*	204	Logan II (Renault), Sandero II (Renault)
NISSAN SITES			
Spain	Barcelona	67,517	Trafic II[4]
South Africa	Pretoria	6,401	Sandero
DACIA BRAND			
Romania	Pitesti	343,213	Duster, Logan (I and II, MCV), Sandero (I and II)
		2,934,772	Engines, transmissions, front/rear suspensions, axles, subframes, idler modules. Aluminum foundry: 16,701 metric tons

2013	SITES	PRODUCTION (UNITS)	VEHICLES OR COMPONENTS
RENAULT SAMSUNG BRAND			
South Korea	Busan	132,541	SM3, Fluence, Latitude, SM7, Koleos
		115,542	Engines

(1) 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.
(2) The Maubeuge site also builds Kangoo vehicles for Nissan, sold under the name Kubistar (a Nissan brand) and for Daimler, sold under the name Citan (Daimler brand).
(3) In partnership with the Iranian companies Pars Khodro and Iran Khodro.
(4) Nissan's Barcelona plant also manufactures compact vans marketed under the names Primastar and Vivaro by Nissan and Opel respectively.
(5) Renault's Curitiba plant also makes LCVs for Nissan.
** Partner plants.*

RENAULT GROUP DISTRIBUTION NETWORK

Organization of the distribution networks

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 independent of the Renault group;
- branches belonging to Renault through its subsidiary Renault Retail Group (RRG).

The secondary distribution network is made up of Renault sub-dealers, generally small businesses with contractual ties to the primary network.

The main changes to the Renault group distribution network are as follows:

- developing and raising professional standards in networks on growth markets, primarily outside Europe;
- strengthening of the various brand identities, including in particular increased differentiation between the Dacia and Renault brands;
- adjustments to cater for the sale of new vehicles, including in particular the electric vehicle range.

	2012		2013	
NUMBER OF RENAULT SITES	**WORLD**	**O/W EUROPE**	**WORLD**	**O/W EUROPE**
Primary network	5,157	2,826	5,054	2,697
o/w RRG dealers and branches	*211*	*181*	*187*	*165*
o/w Pro+ dealerships	*416*	*318*	*521*	*390*
Secondary network	7,754	7,427	7,072	6,704
Total Renault sites	**12,911**	**10,253**	**12,126**	**9,401**

	2012		2013	
NUMBER OF DACIA SITES	**WORLD**	**O/W EUROPE**	**WORLD**	**O/W EUROPE**
Primary network	1,900	1,570	**1,967**	**1,629**

Renault Retail Group (RRG)

This wholly-owned subsidiary of Renault s.a.s. is the Group's biggest subsidiary by revenues (€6.8 billion in 2013) and workforce (10,416 employees at December 31, 2013).

Renault Retail Group has more than 220 sales and services outlets in 13 European countries: Austria, Belgium, Czech Republic, France, Germany, Ireland, 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 body shops), short-term rental (Renault Rent), financing and brokerage.

In 2013, RRG sold more than 33.3% of the new vehicles marketed by Renault in France, and more than 22.6% for the other 11 European countries in which RRG operates (excluding RRG Ireland and France). RRG manages the commercial presence of the Renault group in major cities and has put in place a strategy to meet the volume and profitability targets set out in Renault 2016 – Drive the Change.

In 2013, RRG confirmed its exemplary service quality, in France and the rest of Europe. RRG's service quality is based on impeccable treatment of customers across all the interfaces with the network reception, telephone and Internet. RRG focused on rolling out the C@RE concept, initially in France, with more than 40 showrooms upgraded to the Group's new standards.

RENAULT RETAIL GROUP FIGURES TO END-DECEMBER 2013	**TOTAL FOR 12 EUROPEAN COUNTRIES***	**O/W FRANCE**
New vehicles *(units)*	243,934	143,705
Used vehicles *(units)*	165,748	115,952
Total, new and used vehicles *(units)*	409,682	259,657
Revenues** (€ million)	**6,839**	**4,262**

* *Excluding Ireland.*
** *From RRG management statements.*

Renault Pro+ dealerships

Renault has developed dedicated services for business customers under the Renault Pro+ banner.

In a clearly identified environment, Renault Pro+ provides a tailor-made service based on three main components:

- professional expertise, with specialized sales and after-sales teams who can provide all the services that business customers expect at a one-stop shop: sales, including sales of transformed vehicles, financing, maintenance, repairs, rentals, accessory sales; etc.
- displays of vehicles from the Renault range: cars, LCVs and transformed LCVs;
- a local base thanks to the extensive coverage of the Pro+ network.

In 2013, 105 new Pro+ dealerships were opened, bringing the total to 521 Pro+ dealerships in 36 countries.

The Renault Pro+ network continues to expand its coverage in Europe, and is gathering pace in other regions to support growing LCV sales. Now more than one-quarter of Pro+ dealerships are located outside Europe. Brazil opened 50 Pro+ dealerships between mid-2012 and end-2013, and Australia plans to open its first Pro+ sites in early 2014.

CASH MANAGEMENT IN THE AUTOMOTIVE BUSINESS

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

- automate the processing of routine cash inflows and outflows;
- meet the subsidiaries' refinancing requirements and pool surplus cash;

- 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 euro zone, 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 euro zone, 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, Poland, Romania, Sweden, Switzerland and the UK). Other foreign currency cash pooling services are currently being developed.

At end-December 2013, parent company net income was €86.2 million (compared with €49.8 million at end-December 2012), and total parent company assets amounted to €8,999 million (compared with €8,800 million at end-December 2012).

B. SALES FINANCING

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

The RCI Banque group operates in 36 countries:

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

At December 31, 2013, the RCI Banque group had total assets of €29,505 million.

The Group employed an average of 2,848 people over the year, of whom 46.4% in France.

In the countries in which the RCI Banque group operates, Sales Financing accounts for 34.6%[6] of new vehicle sales under the Renault and Nissan brands.

In its capacity as a brand financing entity, the Group is tasked with providing a complete range of financing and service solutions:

- customer activity (consumers and professionals):
  - credit for new and used vehicles,
  - leasing with purchase option,
  - hire purchase,
  - contract hire,
  - 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.

In order to diversify its sources of financing, the RCI Banque group set up a savings plan in February 2012 aimed at the general public in France. This new activity was expanded in 2013, firstly in Germany where a savings passbook account and a term account were introduced at the beginning of the year, and in France, where a term account was introduced in July. The amounts collected totaled €4,333 million at December 31, 2013, limiting the need for market financing.

C. ASSOCIATED COMPANIES, PARTNERSHIPS AND COLLABORATIVE PROJECTS

Nissan

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

Nissan's market capitalization at December 31, 2013 was ¥3,996 billion, (€27,614 million) based on a closing price of ¥884 per share.

Renault holds 43.4% of Nissan's share capital. At December 31, 2013 the market value of the shares held by Renault totaled €11,985 million, based on a conversion rate of ¥144.7 for €1.

Renault accounts for its shareholding in Nissan using the equity method, as described in note 13 of the notes to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement.

AVTOVAZ

The partnership with AVTOVAZ, Russia's leading vehicle manufacturer and owner of the LADA brand, moved on to another level on December 12, 2012, with the announcement of an agreement on increasing Renault and the Renault-Nissan Alliance's stake in AVTOVAZ progressively.

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[6] Turkey and Russia were integrated into the consolidated scope in 2013. On the same scope as 2012, the proportion of new vehicles financed in 2013 was 36.7%, a ten-year high.

Under the terms of the agreement, the Renault-Nissan Alliance and the Russian public holding company Russian Technologies set up a joint venture – Alliance Rostec Auto b.v. – Alliance Rostec Auto b.v. holds 74.5% of AVTOVAZ as of December 31, 2013. By grouping the shareholdings of each partner in AVTOVAZ, it will act as a majority shareholder promoting long-term stability. This organization will make it easier for the three partners to take strategic decisions. It will also contribute to the process initiated by Renault, Nissan and LADA to build synergies and develop new products on the growing Russian market in the coming years.

The Renault-Nissan Alliance will invest RUB23 billion to raise its stake to 67.13% of the shares of Alliance Rostec Auto b.v. eventually (63.64% at end-December 2013).

Renault, which had already acquired 25% in AVTOVAZ in 2008, will invest RUB11.3 billion totally and plans to own 50.1% of Alliance Rostec Auto b.v. in the future.

Transactions relating to the agreement completed in 2013 were:
- all AVTOVAZ shares owned by Russian Technologies, and Renault were transferred to Alliance Rostec Auto b.v. in March 2013;
- Alliance Rostec Auto b.v. bought AVTOVAZ shares held by Troika Dialog Investment Ltd.
- Renault bought some of Alliance Rostec Auto b.v. shares from Russian Technologies in March and June 2013;
- Renault s.a.s. and Nissan International Holding b.v. made a cash subscription for new shares in Alliance Rostec Auto b.v. in March and June 2013;
- Renault had spent RUB8.05 billion (€190 million) and raised its interest to 48.20% of Alliance Rostec Auto b.v. by end-2013.

Alliance Rostec Auto B.V. – Changes to ownership structure:

	RENAULT	NISSAN	RUSSIAN TECHNOLOGIES
At end-March 2013	44.26%	8.40%	47.34%
At end-June 2013	48.20%	15.44%	36.36%
Eventually	50.10%	17.03%	32.87%

The partnership between Renault, Nissan and AVTOVAZ is a first between three groups. It is unique in its ambitions, spanning production, integration and local content in a market set to become Europe's biggest. It will also bring the Renault-Nissan Alliance additional production capacity at a time when Renault sales in Russia are growing strongly. Russian sales rose 10.7% in 2013, with more than 210,000 units sold.

The transformation of AVTOVAZ continued in 2013, with Renault-Nissan Alliance and AVTOVAZ investing in the ramp-up of the B0 line, shared by the three brands, with Almera produced by AVTOVAZ for Nissan and the introduction in late 2013 of New Logan, which will be made for Renault from 2014 onwards. Various other projects were also launched, including the startup of production of a new line for K4 and H4 engines and gearboxes (J gearbox), with an annual capacity of 450,000 engines, for all three brands.

At the same time, the upgrade of the plant in Izhevsk continued, with the ramp-up of LADA Granta and the introduction of a new vehicle, which will be manufactured for Nissan from 2014 onwards.

When this process is complete, the Renault-Nissan Alliance and AVTOVAZ will have an annual production capacity in Russia of at least 1.7 million vehicles by 2016.

This progress supports the range renewal, with an ambitious product plan, including the creation of new LADA vehicle ranges adapted for the Russian car market. AVTOVAZ's product line has been rebuilt, based on economical vehicles, with the launches of LADA Granta in the economical car segment, LADA Largus derived from Logan MCV, and New Kalina in 2013. In the future, there will also be sedans and SUVs for the B and C segments. The new models will be based on AVTOVAZ or Renault-Nissan Alliance platforms.

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

PARTNERSHIPS AND COLLABORATIVE PROJECTS

Strategic cooperation between Renault Nissan Alliance and Daimler AG

Please see Chapter "Cooperation with Daimler" below.

Supplier relations and support

In view of the current economic conditions, it is crucial for manufacturers and suppliers to collaborate closely in order to create value together. Renault's objective is to build performance as part of an equitable, educational, long-term partnership with suppliers.

To this end, Renault has put in place a policy to support suppliers worldwide, which involves:

- working closely with suppliers from the outset of projects, with the aim of meeting price and quality targets and cutting development times;
- sharing best industrial practices (regular meetings, expert assignments);
- optimising processes in order to help suppliers cut costs without reducing their margins;
- assisting suppliers to improve quality. More than 300 quality experts around the world are involved in quality assessments based on a single questionnaire, shared with Nissan. If the supplier's score is deemed inadequate, a quality expert from Renault (or Nissan, depending on location) will help the supplier to reach the required standard and thus become stronger. In 2013, the emphasis was on action plans to reduce the number of vehicle breakdowns attributable to suppliers;
- offering suppliers an opportunity to growth with the group. Renault's manufacturing facilities in other countries (Russia, China, etc.) and partnerships (Nissan, AVTOVAZ, Daimler) create opportunities for suppliers to expand into new markets or increase their volumes;
- cooperating on innovation. Beyond the research and advanced studies conducted internally and with Nissan, Renault works with suppliers on new joint innovations, sharing its strategic aims right from project design;
- raising suppliers' awareness of CSR. Renault has incorporated CSR criteria into its supplier referencing and selection processes, and regularly evaluates its suppliers' CSR performance. Renault also applies charters on best practices in customer-supplier relations.

To show the Group's appreciation of its suppliers, every year Renault presents Supplier Awards. The awards are given to suppliers that achieve highly in any of three priority categories for Renault – quality, innovation and CSR – irrespective of the supplier's size, country of origin or business sector. In 2013, twelve suppliers won awards for their outstanding achievements in one of those areas.

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 are partners who have demonstrated their competitiveness and their ability to support the developments introduced by the two Alliance partners.

Light commercial vehicles

In the field of light commercial vehicles, Renault has several agreements with General Motors Europe, Nissan and Daimler.

Renault and General Motors Europe 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 costs.

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. 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 in the first half of 2014.

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 signed at the end of 2007.

New Master is 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.

Still as part of the Renault-Nissan Alliance, an agreement was signed to develop a van based on the new Renault Master called NV400. This vehicle has been sold by Nissan since end-2011. This project reflected the continuation of agreements implemented by the two companies in 2003 for the distribution by Nissan of Interstar (based on the previous generation of Master and replaced by NV400) and Primastar (a compact van based on Trafic).

As part of the strategic cooperation between the Renault-Nissan Alliance and Daimler announced on April 7, 2010, Renault and Daimler studied the development of a light commercial vehicle to expand the Mercedes range. Citan, the new urban LCV by Mercedes Benz, was developed by Renault on the basis of the Kangoo platform and is built exclusively alongside Kangoo and Kangoo Z.E. at the Renault plant in Maubeuge (France). Citan nevertheless maintains the visible features expressing the identity of the Mercedes brand, in both interior and exterior design. Citan has been sold by Mercedes since fall 2012.

Accelerating international expansion

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

In China

In the People’s Republic of China, Renault strengthened its presence in the imported vehicle market, with more than 30,000 units sold in 2013, driven primarily by the success of Koleos and a range of hatchbacks, from Fluence to Talisman.

On December 16, 2013, Carlos Ghosn and Xu Ping, Chairman of Dongfeng Motor, signed an agreement to set up Dongfeng Renault Automotive Company (DRAC), a car manufacturing joint venture in China. The project was approved by the National Development and Reform Commission (NDRC) on December 2, 2013.

50-50 owned by the two partners, the new company will benefit from a total investment of CNY7.76 billion (€870 million). Under the terms of the deal between Dongfeng and Renault, the future plant will go into production in 2016. Annual capacity will be 150,000 vehicles in phase 1, and is expected to double after that. The plant will be located in Wuhan, capital of Hubei Province, and will cover an area of 95 hectares.

Each partner will contribute its expertise and know-how to ensure a successful collaborative arrangement, a source of major synergies, in research and development as well as in innovation and design. DRAC’s product plan is initially for a new range of crossovers with the first models scheduled for release in 2016. The Group is also expanding its sales network, which is expected to increase from 92 dealerships in 2013 to 120 by 2016.

In Russia

Avtoframos sales grew by almost 11% in 2013, driven by the success of the vehicles manufactured mainly in Russia at the Moscow plant, which is now operating at full capacity. Avtoframos has been wholly owned by Renault since end-2012, when Renault acquired the shares held by Moscow City Hall.

The partnership with AVTOVAZ will give Avtoframos additional production capacity, including capacity at the plants in Togliatti and Izhevsk reserved for launches scheduled for 2014, including New Logan manufactured in Togliatti.

This extra capacity will enable Renault to continue to grow in Russia on the strength of Duster, Logan and Sandero and Renault's entry into the C segment.

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. In 2011 Renault started production of Fluence and Koleos, and in 2012 Pulse, Scala and Duster, which is currently enjoying great commercial success on the Indian market. In late 2013, Nissan launched the new premiums SUV Terrano, derived from Renault Duster.
- In the same region, RNTBCI, a joint venture between Renault and Nissan, has been providing services in engineering, purchasing and accounting since 2008.
- In August 2010 Renault changed the structure of its industrial and commercial partnership with Mahindra & Mahindra, 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 Indonesia

In September 2013, Renault signed a partnership agreement with Indomobil – Indonesia's second-biggest carmaker, which has partnered Nissan since 1981 – to launch Renault in Indonesia. In this country, which has a population of 250 million, where less than 4% of people own a vehicle, the aim is to become one of the leading brands on the market, with the gradual launch, first of imported vehicles then locally assembled vehicles, covering the core market.

2013 was devoted to the first product launches (Duster, Koleos, Mégane RS) to make Renault known, and to developing a sales network in Jakarta and the rest of the Indonesian archipelago.

In Iran

Renault is maintaining its presence, while enforcing the legal constraints linked to the international sanctions applicable to this country. Production has been sharply reduced after sanctions were toughened in mid-2013, with the White House Executive Order of June 3, 2013.

Renault is working primarily with the X90 platform and the vehicle L90 (Logan). More than 300,000 Tondar (the local name for Logan) vehicles have been built since production began in 2007. Mégane is also assembled in Iran by the manufacturer Pars Khodro. More than 39,000 Mégane vehicles have been assembled since the start of cooperation in 2008.

The Iranian business, which has contracted sharply after the sanctions, was taken out of the Group's consolidated scope. That position will be adjusted in line with political and economic developments in relation to Iran.

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 28,000 units since production of this vehicle started.

In 2013, Renault s.a.s. signed an agreement with its historic South African commercial partner, Imperial Group, to transfer the majority of the shares in their joint subsidiary, Renault South Africa. Since December 1, 2013, Renault s.a.s has owned 40% of the shares in the subsidiary (compared with 51%

previously) and Imperial 60% (compared with 49% before). The aim of this operation is to boost the expansion of the Renault group in this country, where its penetration is low. South Africa is the biggest car market on the African continent with 624,615 units sold.

In Morocco

The first production line of the Tangiers plant went into operation in 2012, producing 55,700 entry-level vehicles: Lodgy, Dokker and Dokker Van. In 2013 the second production line (Sandero II) started up. Production at the plant exceeds 100,000 vehicles in 2013, and come close to 200,000 in 2014. The Somaca plant in Casablanca also successfully started production of Logan II, Sandero II and Symbol made a record volume of 66,500 units.

In Algeria

In December 2012, Renault signed an agreement with the Algerian authorities to build an assembly plant in the region of Oran. Under the agreement, a joint venture, Renault Algérie Production, will be set up in partnership with *Société Nationale des Véhicules Industriels* (SNVI) and the National Investment Fund (FNI). Production at the plant is scheduled to start up in late 2014 with local assembly of New Symbol with the aim of building up to an initial capacity of 25,000 units/year, then gradually increasing local integration. In the future, manufacturing facilities including a sheet metal workshop and painting will be installed to raise capacity to 75,000 vehicles/year.

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 eco^2 policy.

Renault Environnement has a joint venture with SITA Recyclage, a subsidiary of Suez Environnement, 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.

(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 in "MAIN STAGES IN THE CONSTRUCTION OF THE ALLIANCE" below.

ALLIANCE OBJECTIVES

VISION – DESTINATION OF THE RENAULT-NISSAN ALLIANCE

Fourteen years of cooperation and synergy

The Renault-Nissan Alliance is the auto industry's most productive and stable cross-cultural strategic collaboration. This unique partnership is a pragmatic, flexible business tool that can expand to accommodate new projects and partners worldwide. In particular, the Alliance has emerged in the past half-decade as an important buffer to protect partners during regional downturns, and it has accelerated Renault and Nissan's momentum in some of the world's fastest growing economies.

In 2013, the Alliance sold a record 8.26 million units worldwide, up 2.1% from the previous year. 2013 was the fifth straight year of sales growth for the Renault-Nissan Alliance. 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. The Alliance captured about 10% of the global market in 2012, ranking it fourth in volume terms behind Toyota, Volkswagen and General Motors.

Alliance principles

The Alliance is based on trust, respect and transparency among all partners. It strives for "win-win" solutions that benefit partners and consumers. It seeks to maximize economies of scale while preserving the distinct identities of brands and corporate cultures.

Objectives

The Alliance pursues a strategy of profitable growth with three objectives that are meant to be sustainable over the long term:

- 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.

Since sales began in late 2010 to the end of 2013, the Alliance has sold more than 134,000 zero-emission vehicles globally, including Twizy, Renault's electric two-seater tandem. That is more than all of the other major global automakers combined.

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 their individual Boards 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.

RENAULT'S MAJOR BENEFITS FROM THE ALLIANCE

Research and advanced engineering

Thanks to the Alliance, Renault is able to share development costs for new technologies with Nissan. Together, Renault and Nissan have a total research and development budget of about €5 billion.

The Alliance is the global automotive leader in sustainable mobility, having committed €4 billion in related projects since 1992. The Alliance helped accelerate both companies' development of zero-emission vehicles.

Pure electric vehicles

- The Alliance has the widest range of 100% electric vehicles (EVs) on the road.
- The Alliance's first EV – Nissan LEAF – went on sale in December 2010. Nissan LEAF is the world's best-selling EV and has won numerous international accolades, including "World and European Car of the Year 2011", as well as "Japan Car of the Year 2011-2012."
- In October 2011, Renault launched the Kangoo Z.E., the first electric commercial vehicle from the Alliance. Awarded "International Van of the Year 2012", Kangoo Z.E. won a bid for 15,000 units from a

group of 19 French companies, including the French postal service. Renault Fluence Z.E., a family sedan, went on sale in December 2011. Twizy was launched in March 2012. Orders for the compact ZOE began in late 2012. ZOE has a range of 210km (NEDC).

- Nissan will launch its second zero-emission model, the e-NV200 van, in 2014.

Fuel-cell electric vehicles

The Alliance partners are also working on other technologies aimed at reducing CO2 emissions, including hybrids, biofuel and hydrogen powered cars.

In January 2013, the Renault-Nissan Alliance, Daimler AG and Ford Motor Company announced a unique three-way agreement to accelerate the commercialization of fuel-cell electric vehicle technology. Together they will develop a common fuel cell stack and fuel cell system that can be used by each company in the launch of highly differentiated, separately branded FCEVs, which produce no CO2 emissions while driving.

Powertrains

The Powertrain Cross-Company Team (CCT), supported by the Alliance Powertrain Planning Office, has been leading the effort to increase efficiency and reduce diversity at the powertrain level since 2009. In 2011, co-owned and cross-exchanged engines and transmissions represented respectively 58% of total engines and 74% of total transmissions across the Alliance. In 2013, almost 80% of all powertrains were shared. This represented synergies of €670 million. Powertrain sharing also represented €1.8 billion in cross sales.

Increasing efficiency and meeting tough new emissions standards is also an important principle within the Alliance.

In 2013, the Alliance introduced two new co-developed engines: Energy dCi 110 and 130 and Energy TCe 115. The Energy dCi is among the most frugal in its class with fuel consumption of 4.3l/100km and 112g of CO2/km. This diesel engine is fitted on the Renault Mégane and Scénic and the Nissan Qashqai. The Energy TCe 115 delivers enhanced driveability with pull-away and mid-range acceleration responde among the crispest in its class, plus significantly lower combined-cycle fuel consumption and CO2 emissions at 6.1l/100km and from 90g/CO2/km for Renault Mégane and from 99g/CO2/km for Nissan. This gasoline engine is fitted on the same Renault and Nissan models.

Both the Energy dCi 110 and Energy TCe 115 are also fitted on the Daimler Citan city van while the dCi 110 is fitted on the Mercedes Benz A class.

Renault "J" gearbox production in India and China

In 2013, Renault-Nissan Alliance India Private Limited (RNAIPL), the Alliance plant in Chennai, India, as well as Dongfeng Nissan Engine Company (DNEC) in Huadu, China, began production of Renault's best-selling "J" five-speed manual gearbox. The localization of production in India and China helps relieve capacity constraints in Europe and also helps the Alliance minimize its foreign exchange exposure in those markets.

More than 90% of all Renault and Nissan cars sold in India are fitted with the gearbox, while the gearbox is fitted on 30% of Nissan's cars in China. The gearbox will also be fitted on Renault cars when Renault starts production in China in 2016.

Production of the "J" gearbox began in 1981 at the Renault Cleon plant in France. The gearbox, which sold about 2.7 million units in 2013, is fitted on Renault and Nissan vehicles, as well as Mercedes-Benz and LADA cars.

Alliance manufacturing facilities support Renault and Nissan expansion worldwide

Thanks to the Alliance, Renault and Nissan achieve economies of scale by producing vehicles together in seven countries around the world: Brazil, India, France, Russia, Spain, South Africa and South Korea. The RNBV Alliance Industrial Sourcing operation, created in 2009, identifies the best Alliance plants for producing vehicles in order to share existing plants and platforms to minimize costs and reduce the total delivery cost (TdC). The Group also identifies business opportunities for one partner through cross-manufacturing by the other partner in a new market.

India

India is a key pillar of the Alliance's strategic focus on new growth markets. The Chennai plant, inaugurated in 2010, is the first dedicated Alliance plant in the world and is home to the largest platform-sharing project in the Alliance. The plant produces the sub-compact Nissan Micra and Nissan Sunny sedan for global export, the Nissan Evalia multi-purpose van as well as the Nissan premium compact Terrano SUV. It also produces the Renault Koleos premium SUV, the Renault Fluence family sedan, the new compact Renault Pulse, the Duster SUV and the Scala premium sedan, all for the Indian market. The Koleos and the Fluence are completely knocked down (CKD) vehicles, while the rest are built from scratch at the plant. Renault also exports the Duster to other right-hand drive markets in Europe, Asia and Africa The Chennai plant also produces powertrains for the Alliance's vehicles produced in India, including Renault's best-selling "J" manual gearbox. The Alliance aims to make the Chennai workforce best-in-class compared to other Indian manufacturers. To reach this target, Chennai management has adopted the Alliance Integrated Manufacturing System (AIMS) and the Alliance Production Way which combines Renault-Nissan best practices and benchmarking while also helping to keep costs to a minimum.

Chennai is home to the Alliance's first jointly-owned technical center, Renault-Nissan Technology and Business Centre India Private Ltd. (RNTBCI). The center has fully integrated Renault and Nissan's operations, including engineering, purchasing, cost analysis, Human Resources, finance, information systems and administration. The center supports all developments for Indian activities, such as product and process engineering, manufacturing, as well as styling and support to special projects for Renault's design studios in Mumbai and Chennai. Renault was the first European manufacturer to set up a design team in India in order to design vehicles that meet the needs and aspirations of Indian customers.

The Alliance also operates a logistics platform in Pune, which manufactures components for Alliance plants worldwide.

Russia

Russia is one of the growth pillars for the Alliance in the next half-decade. In December 2012, the Alliance and state corporation Rostec (previously known as Russian Technologies) created a joint venture to control AVTOVAZ, Russia's leading automaker. According to the terms of the deal, Renault-Nissan will invest RUB23 billion in the joint venture to help modernize AVTOVAZ. The investment will give Renault-Nissan 67.13% of the joint venture in the future. The joint venture holds 74.5% of AVTOVAZ. The Alliance holds a 63.64% stake in the joint venture at the end of 2013, with Renault s.a.s. owning 48.20% and Nissan International Holding B.V. owning 15.44%.

The Alliance has four manufacturing bases in Russia: Togliatti, Moscow, St. Petersburg and Izhevsk. By 2016, the Alliance expects to have total production capacity of 1.6 million units in Russia, up from 1.1 million units in 2011.

Production at the new common production line at the Togliatti plant, the largest assembly plant in the world, began in April 2012 with the Lada Largus multi-purpose van. Later that year, Nissan Almera sedan rolled off the line. Five separate models from the three companies will soon be produced on the line, reducing costs while preserving the unique characteristics of each brand.

The Alliance is aiming for a market share of 40% in Russia by 2016, up from about 30% in 2013.

South Korea

In South Korea, the Renault Samsung plant in Busan produces Nissan vehicles – such as the previous-generation SM3 – for export to Russia and other countries.

In July 2012, the Renault-Nissan Alliance announced it would invest US$160 million in Korea to meet anticipated demand for the next-generation Nissan Rogue and accelerate growth of Renault Samsung Motors. Production of Nissan Rogue crossover in Busan, Korea, will begin in 2014, with an annual capacity of about 80,000 units.

Next-generation Rogue production in Busan gives more momentum to Renault Samsung Motors, which earlier launched the "RSM 2012 Revival Plan." The plan aims to achieve efficiency and cost competitiveness in Busan, while expanding RSM's vehicle lineup, which today consists of four models.

Sales and Marketing

Joint media buying in Europe

Since 2009, Renault and Nissan have been using the same media purchasing agency in Europe – Omnicom-OMD.

Omnicom-OMD handles media purchasing for Renault in 24 countries in greater Europe and in 20 countries for Nissan. The combined budget was approximately €617 million in 2013.

Joint fleet contract

Thanks to the Alliance's wide product lineup and global sales footprint, Renault and Nissan were able to sign an exclusive fleet contract with the Paris-based nutritional food company Danone in 2012. Under this first-of-its-kind deal for the Alliance, the two companies will together provide 15,000 vehicles to Danone in 25 countries for at least five years.

Danone fleet managers can select vehicles from four brands under the Renault-Nissan Alliance: Renault, Dacia, Nissan and Infiniti. The product range stretches from passenger cars in the A to the E segments and commercial vehicles, including electric models. The highest volumes will be in Russia, Mexico and France.

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.

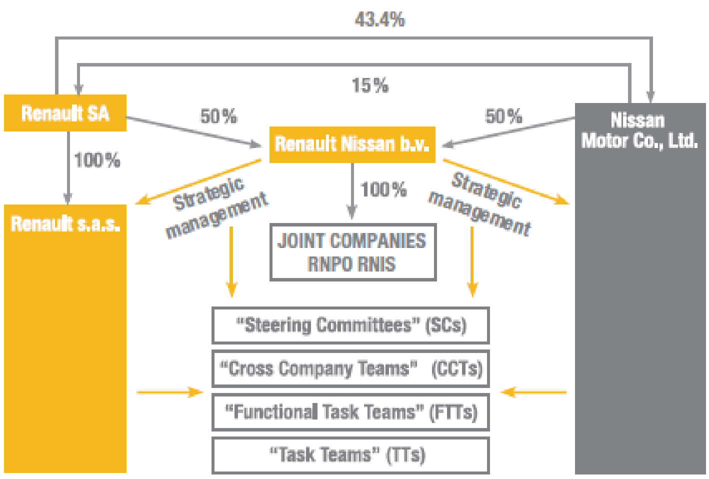
RNBV decides on medium- and long-term strategy, as described below under "Powers of Renault-Nissan b.v." It bolsters the management of the Renault-Nissan Alliance and coordinates joint activities at a global level, allowing for decisions to be made while respecting the autonomy of each partner and guaranteeing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

In January 2014, the Renault-Nissan Alliance announced plans to study further convergence in four key functions: purchasing, manufacturing and logistics, R&D and Human Resources – in order to accelerate synergies and enhance performance. Each project will be headed by one single leader. This major next step in the evolution of the Alliance is expected to generate annualized synergies of 4.3 billion in 2016, up from an estimated €2.8 billion in 2013. The convergence projects are expected to be presented to the appropriate employee representation and corporate decision-making bodies for Renault in France and for Nissan in Japan, and confirmed by the end of the first quarter 2014 for implementation.

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. 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;
- 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 basis by 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 who helps foster deeper, broader cooperation and to maximize the contribution of synergies to the performance of both partners. The team is focused on several priority areas including: purchasing, common platforms and parts, global logistics, IS/IT, the zero-emission business, as well as the battery business, A-segment vehicles and marketing communications.

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.

Alliance & sustainability: Zero-emission leadership

See "RENAULT'S MAJOR BENEFITS FROM THE ALLIANCE" above.

Strategic alliances

The Alliance seeks out strategic alliances with other partners in order to increase economies of scale, to help accelerate growth in new regions and to fund research and development of next-generation powertrains and vehicles, including vehicles that meet or exceed tougher environmental requirements. Today the Alliance operates strategic collaborations with numerous automakers, including Germany's Daimler, China's Dongfeng Motor, and with regional manufacturers such as Ashok Leyland in India.

In 2013, the Alliances announced plans to explore a wide-ranging cooperation with Mitsubishi Motors, including shared products, technologies and manufacturing capacity. The decision to explore various projects together came about thanks to Nissan's existing relationship with Mitsubishi. The two companies have a joint venture co-developing kei or small cars for both brands in Japan.

As part of the agreement, Nissan and Mitsubishi are discussing the co-development of a new small-segment car for the global market, including an electric version. Meanwhile, Renault and Mitsubishi are studying the launch of Mitsubishi-badged sedans for the US market based on Renault vehicles, among other projects.

Cooperation with Daimler

In April 2010, the Alliance announced a strategic cooperation with luxury-car maker Daimler AG. This strategic cooperation is strengthened by cross-shareholdings, with Daimler holding a 3.1% share in Renault and Nissan capital and Renault and Nissan holding a 1.55% share in Daimler.

The partnership is managed by a Cooperation Committee which is co-chaired by Carlos Ghosn and Dieter Zetsche and made up of senior executives from the Alliance, Renault, Nissan and Daimler. The Governance Board, which meets nearly every month, ensures the implementation of the agreed projects and makes proposals for new ones. The cooperation is managed for the Alliance by RNBV.

Cooperation between the two companies has expanded significantly since they joined forces in 2010 and has also become more global in scope.

The first products of the 2010 Daimler and Renault-Nissan strategic cooperation are already on the road: in September 2012, Daimler released its Citan city van, which is based on Renault’s Kangoo. The vehicle is produced in Renault’s plant in Maubeuge, France, where Renault also produces its Kangoo light commercial vehicle.

The Citan, which accounts for about 25% of total production output in Maubeuge, also features a jointly developed Renault-Daimler four-cylinder, 1.5-liter diesel engine. A variant of this engine had its market introduction in the new Mercedes-Benz A-and B-Class models in 2012.

In October 2013, Nissan’s premium brand Infiniti launched the Q50 sports sedan equipped with a jointly developed Nissan-Daimler four-cylinder, 2.2-liter diesel engine. A 2-liter gasoline version for the Q50 was unveiled at the Quangzhou motor show in China later that same year.

In addition, Renault and Daimler are also working on the next-generation Twingo and four-seat Smart production in Novo Mesto, Slovenia. These small cars are now jointly developed on the basis of a shared architecture, but will remain independent products with an unmistakable brand identity. The cars will be launched in the second half of 2014.

Nissan and Daimler are also working on several bi-lateral projects, including joint production of Mercedes-Benz four-cylinder gasoline engines at Nissan’s powertrain assembly plant in Decherd, Tennessee, USA. Production of the engines, which will be fitted on Mercedes-Benz and Infiniti models, will begin in mid-2014, with installed capacity of 250,000 units per year once full ramp-up is achieved. In addition, Nissan, Daimler and Ford Motor Co. are working on the development of a joint fuel-cell stack and system to accelerate the market-readiness of fuel-cell electric vehicles.

All partners are keeping an open mind, looking with fresh eyes at all potential new areas of collaboration. At the same time, the Renault-Nissan Alliance and Daimler will continue to study opportunities in areas such as exchanging benchmarks and best practices.

In 2013, Renault and Daimler received the prestigious Franco-German Business Award for their industrial cooperation. Awarded by the Franco-German Chamber of Commerce and Industry, the prize recognizes French and German companies that are benchmarks for cooperation in four areas: industrial cooperation, the environment, innovation and new technologies, and Human Resources.

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 2013. The Alliance Board also convenes regular meetings for all top executives at both companies. The most recent meeting was in January 2014, when 200 senior executives met in Amsterdam for a two-day "Alliance Convention" where Carlos Ghosn announced plans for four new convergence projects in purchasing, manufacturing and logistics, R&D and Human Resources – in order to accelerate synergies and enhance performance.

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 four members from Renault (Mouna Sepehri, Jean-Michel Billig, Thierry Bolloré and Jérôme Stoll) and four from Nissan (Hiroto Saikawa, Trevor Mann, Andrew Palmer, Gregory Kelly).

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, theRNBV managers can still be dismissed by the parent companies, Renault SA and Nissan Motor Co., Ltd.

2013 activities

With the support of the dedicated Alliance teams, the Alliance Board has formulated strategic recommendations focusing on several key directions:

- acceleration and increase of synergies: RNBV has a key role in optimizing the utilization of Renault and Nissan's manufacturing operations, especially in emerging markets. RNBV is consistently seeking logistic cost reduction opportunities across the Alliance;
- common Alliance projects and organizations: supporting the Alliance's international growth, RNBV drives the creation of common entities. In 2013, the Alliance created a common purchasing organization (CPO) with AVTOVAZ in Russia. RNBV also drives key projects aiming at enhancing the performance of both Renault and Nissan;
- common development organization for CMF-A vehicles: a common development organization for the most affordable category of cars in the Common Module Family, Renault-Nissan's unique, modular system of vehicle architecture, was established in 2012 headed by a dedicated Alliance Managing Director based in India. This marks the first all-new programme developed from the ground up by Renault s.a.s. and Nissan Motor Co., Ltd., teams working side by side from inception. In 2013, the Alliance announced that production from the CMF-A scope will begin in 2015 at the Renault-Nissan Alliance plant in Chennai, India;
- OEM partnerships: RNBV is a driving force for forging new partnership between the Alliance and other OEMs. The Alliance operates strategic collaborations with numerous automakers, including Germany's Daimler, China's Dongfeng, and with regional manufacturers such as Ashok Leyland in India. In 2013, the Alliance announced it was exploring a wide-ranging global product and technology partnership with Mitsubishi Motors;
- communications: RNBV supports the Alliance activities and businesses through targeted initiatives on high-profile events such as the Women's Forum and the World Economic Forum. The Alliance also supports high-visibility environmental conferences. In 2013, the Alliance was a partner of the Vienna conference sponsored by R20, the climate action group founded by former Governor of California Arnold Schwarzenegger. The Alliance communication team is also accelerating internal communications on the Alliance at both companies.

4. STATEMENT OF RELATED COMPANIES (on December 31, 2013):

(1) PARENT COMPANY

Not applicable.

(2) SUBSIDIARIES

The total number of consolidated subsidiaries of the Company at December 31, 2013 was 113.
The significant subsidiaries are set out below*:
(* The individual revenue data are calculated and presented according to the standards used for the consolidated financial statements.)

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 15.250.
- 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 parts and equipment 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 realestate transactions relating directly or indirectly, in whole or in part, to any of the above purposes.
- 2013 revenues: €32,165 million.
- Workforce at December 31, 2013: 33,735.

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.
- 2013 revenues: €4,626 million.
- Workforce at December 31, 2013: 7,875.

RENAULT DEUTSCHLAND

Renault-Nissan strasse 6-10, 50321 Bruhl (Germany)

- The authorised share capital of Renault Deutschland is EUR 10,655,321.11 divided into 20,840 voting shares of each EUR 511.29.

- Renault s.a.s. holds directly 60% of the authorised capital of Renault Deutschland and 60% of its voting rights, and Renault Groupe b.v. holds directly 40% of the authorised capital of Renault Deutschland and 40% of its voting rights.

- Business: Renault and Nissan joint commercial organization in Germany.

- 2013 revenues: €2,120 million.

- Workforce at December 31, 2013: 410.

OYAK-RENAULT OTOMOBIL FABRIKALARI

Barbaros Plaza C blok No 145 K/6, 80 700 Dikilitas Besiktas, Istanbul (Turkey)

- The authorised share capital of OYAK Renault Otomobil Fabrikalari is TRL 323,300,000 divided into 32,330,000,000 voting shares of each TRL 0.010.

- Renault s.a.s. holds directly 51.64% of the authorised capital of OYAK Renault Otomobil Fabrikalari and 51.64% of its voting rights.

- Business: assembly and manufacture of Renault vehicles.

- Plant in Bursa.

- 2013 revenues: €3,262 million.

- Workforce at December 31, 2013: 5,739.

DACIA

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

- The authorised share capital of Dacia is ROL 2,541,719,938.70 divided into 25,417,199,387 voting shares of each ROL 0.100.

- Renault holds directly 99.43% of the authorised capital of Dacia and 99.43% of its voting rights.

- Business: manufacture and marketing of motor vehicles.

- Plant in Pitesti.

- 2013 revenues: €4,131 million.

- Workforce at December 31, 2013: 14,098.

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.
- 2013 revenues: €1,399 million.
- Workforce at December 31, 2013: 255.

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.
- 2013 revenues: €655 million.
- Workforce at December 31, 2013: 2,036.

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, 2013: €9,038 million.
- Workforce at December 31, 2013: 31.

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 2013: €11.4 billion.
- Total assets (consolidated) at December 31, 2013: €29,505 million.
- Workforce at December 31, 2013: 2,823.

RENAULT SAMSUNG MOTORS

RENAULT SAMSUNG MOTORS CO LTD, 11th floor, RSM Tower, 30 Gasan Digital 2-ro, Geumcheon-gu, Seoul 153-802, (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 79.79% of Renault Samsung Motors share capital and, 79.79% of its voting rights.
- Business: manufacture and marketing of motor vehicles.
- Plant in Busan.
- 2013 revenues: €2,279 million.
- Workforce at December 31, 2013: 4,387.

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 UK 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.
- 2013 revenues: €1,043 million.
- Workforce at December 31, 2013: 168.

RENAULT RETAIL GROUP (FRANCE)

2 Avenue Denis Papin, 92140 Clamart (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.

- 2013 revenues: €3,833 million.
- Workforce at December 31, 2013: 6,820.

AVTOFRAMOS

Vorontsovskaya ulitsa, 35, 109147 Moscow (Russia)

- The share capital of Avtoframos is RUB 6,841,426,980 divided into 3,513,000 voting shares of each RUB 1,947.46.
- Renault group holds indirectly 100% of the authorised capital of Avtoframos and 100% of its voting rights**.**.
- Business: assembly, import, marketing and sale of Renault vehicles.
- 2013 revenues: €2,431 million.
- Workforce at December 31, 2013: 4,904.

RENAULT DO BRASIL

1300 av. Renault, Borda do Campo, Estado do Parana, São José dos Pinhais (Brazil)

- The authorised share capital of Renault do Brasil is BRL 1,255,210,580.47 divided into 422,669,009,499 voting shares without nominal value.
- Renault group holds directly 99.85% of the authorised capital of Renault do Brasil and 99.85% of its voting rights.
- Business: vehicle production and assembly, production of equipment, parts and accessories for vehicles.
- 2013 revenues: €3,494 million.
- Workforce at December 31, 2013: 6,603.

RENAULT ARGENTINA

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

- The authorised share capital of Renault Argentina is ARS 191,325,202 divided into 191,325,202 voting shares of each ARS 1.
- 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.
- 2013 revenues: €1,850 million.
- Workforce at December 31, 2013: 2,490.

RENAULT BELGIUM LUXEMBOURG

Boulevard de la Plaine, 21, 1050 – Brussels (Belgium)

- The authorised share capital of EUR 18,630,000 divided into 67,500 voting shares of each EUR 276.
- Renault group holds indirectly 100% of the authorised capital of Renault Belgium Luxembourg and 100% of its voting rights.
- Business: importing vehicles and replacement parts for the Renault and Dacia brands to Belgium and the Grand Duchy of Luxembourg.
- 2013 revenues: €1,083 million.
- Workforce at December 31, 2013: 204.

RENAULT ALGÉRIE SPA

13, route Dar-El-Beida, Zone industrielle Oued Smar 16000 – Algiers (Algeria)

- The authorised share capital of DZD 1,037,001,545 divided into 1,037,001 voting shares.
- Renault s.a.s. holds directly 100 % of the authorised capital of Renault Algérie Spa and 100 % of its voting rights.
- Business: marketing Renault and Dacia brand passenger cars and LCVs.
- 2013 revenues: €1,140 million.
- Workforce at December 31, 2013: 429.

RENAULT MAROC (RENAULT MAROC COMMERCIAL)

44 Boulevard Khalid Ibnou Loualid, Ain Sebaa 20250 – Casablanca (Morocco)

- The authorised share capital of MAD 50,000,000 divided into 312,500 voting shares of each MAD 160.
- Renault s.a.s. holds directly 80% of the authorised capital of Renault Maroc and 80% of its voting rights.
- Business: importing and marketing Renault and Dacia brand vehicles.
- 2013 revenues: €532 million.
- Workforce at December 31, 2013: 160.

(3) AFFILIATED COMPANIES[7]

The total number of affiliated companies at December 31, 2013 was 12.

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[7] 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.

The significant affiliated companies are set out below:

Automobile Division

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 605,813,000,204.581JPY divided into 4,520,715,112 voting shares of each JPY 134.
- Renault S.A. holds directly 43.4% shares and 43.7% 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 share capital of AVTOVAZ is RUB 11,421,137,155 divided into 2,284,227,431 voting shares of each RUB 5.
- The Renault-Nissan Alliance holds directly 63,64% of the shares of Alliance Rostec Auto b.v., which holds 74,51 % of AVTOVAZ.
- Business: AvtoVAZ is a Russian automobile manufacturer. As regards the relationship with Renault, please refer to 3.-(1)-C.-"AvtoVAZ" of this Section.

Financial Companies (Affiliates)

Renault Credit Car

60 / 15, Ravensteinstreet, 1000, Brussels, Belgium

- RCI Banque S.A. holds indirectly 50.1% of the shares of Renault Credit Car and 50.1% of its voting rights.
- Business: credit retail

5. STATEMENT OF EMPLOYEES:

WORKFORCE

Renault group workforce

At December 31, 2013 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, 2013

	2013	2012
Automotive	118,965	124,232

Sales financing	2,842	2,854
TOTAL	**121,807**	**127,086**

THE WORKFORCE: BREAKDOWN AND TRENDS

As of December 31, 2013, the Group's workforce (permanent + fixed-term contracts) totaled 121,807 employees, with 118,965 in the Automotive branch and 2,842 in the finance branch. This is a decline from the total of 127,086 in 2012. The decrease is explained first by a change in the scope of consolidation. No longer included are Française de Mécanique, Indra Investissements SAS, Renault South Africa Ltd., Renault Pars, and 50% of Renault Alpine, while RCI Financial Services s.r.o. and RN Finance Russia (a total of 2,297 people) were newly included at a proportion of 50%. Using the 2013 scope of consolidation, the number of employees at December 31, 2012, would have been 125,670. A second factor in the overall decrease in employees is the cutback in Europe to adjust to the shrinking market (down 1.7% in 2013, following a decline of 8.6% in 2012) and a leveling off in the Group's other regions. In France, where the market decreased by 5.5% in 2013, after contracting 13% in 2012, the workforce decreased by 5.8% likeon-like in 2013. Under the terms of the competitiveness agreement signed on March 13, 2013, Renault is committed to keeping all its manufacturing sites in France open and to adjusting workforce levels without resorting to redundancies or a voluntary departure plan. Additionally, the manufacturing capacity and sales network in Argentina were optimized. Meanwhile, the number of employees increased in Morocco owing to the addition of a second production line at the Tangiers plant, and in Brazil, where production capacity was boosted in response to market demand.

The Group's employees work in 36 countries, organized into five Regions. The "10 major countries" (Argentina, Brazil, France, India, Morocco, Romania, Russia, South Korea, Spain and Turkey) account for 90% of the total workforce.

Workforce by Region:

	2012	2013	SHARE IN 2013
GROUP*	127,086	121,807	
Europe	71,444	66,467	54.6
o/w France	*53,203*	*48,550*	*39.9*
Euromed-Africa	30,758	31,166	25.6
Americas	12,252	12,043	9.9
Asia-Pacific	7,307	7,133	5.8
Eurasia	5,325	4,998	4.1

* Expatriates are counted in their home country.

In 2013, women accounted for 17.6% of the Group's workforce, compared with 17.4% in 2012.

The breakdown by age remains well balanced: 18% of employees are under 30, 60% are between 30 and 50, and 22% are over 50.

Men	82.4%
Women	17.6%

* The men/women breakdown by age is calculated on the basis of fully consolidated companies.

<20 y.o.	0.4%
20 y.o. - 29 y.o.	17.8%
30 y.o. - 39 y.o.	33.7%
40 y.o. - 49 y.o.	25.9%
50 y.o. - 59 y.o.	20.3%
>60 y.o.	1.9%

In 2013, Renault hired 10,986 people (open-ended and fixed-term contracts) from outside the Group to keep pace with the growth in its activities in Morocco, Spain, Brazil and India and in response to the high turnover rate in certain countries such as Russia. In France, Renault hired 1,072 people on fixed-term, apprenticeship contracts. Meanwhile, the number of layoffs (that is, the number of contracts terminated on the employer's initiative) totalled 1,893.

Hiring by Region:

Europe	31.5%
Euromed-Africa	35.1%
Eurasia	14.4%
Americas	12.5%
Asia-Pacific	6.5%

CONTROLLED LABOR COSTS

Group labor costs totaled €5,494 million in 2013, of which €5,278 million were in the Automotive branch. They were lower than in 2012 in absolute value (down €124 million) and in proportion to revenues, coming from 13.8% to 13.4 % of the Group turnover. The 10 major countries (Argentina, Brazil, France, India, Morocco, Romania, Russia, South Korea, Spain and Turkey) accounted for over 90% of the Group's labor costs.

The decline in labor costs in 2013 was due to the revaluation of the euro, control of headcount evolution , implementation of a wage policy aligned with the market and negotiated wherever possible with the labor unions, and the conclusion of multi-year agreements on jobs and wages in Spain (November 2012), France (March 2013) and South Korea (July 2013).

LABOR COSTS BY REGION

	2012*	2013	AVERAGE COST
GROUP	**5,618**	**5,494**	**45**
Europe**	4,220	4,084	61.1
o/w France	*3,409*	*3,240*	*67.7*
Euromed-Africa	503	549	17.7
Americas	466	448	36.7
Asia-Pacific	295	269	38
Eurasia	134	144	27.9

* 2012 restated to take into account the removal of Française de Mécanique and Indra Investissement s.a.s. from the scope of consolidation and net interest on pension commitments.

* * Europe including Renault-Nissan Global Management.

FLEXIBLE WORK ORGANIZATION

In terms of working hours, Renault complies with the legal obligations and collective agreements of the countries where it has operations.

To preserve jobs and adapt to fluctuations in automotive markets, Renault has instituted measures to allow more work-time flexibility. It has sought to find the best possible balance between the Company's interests and the quality of life in the workplace for employees through consultations with employee representatives and labor unions. The measures focus in particular on reorganizing work time, for example, by adding mandatory shifts to meet heavy demand and reducing work time when demand falls, notably by using individual or collective rest days.

At sites in France, for example, the opening period runs from 6:30am to 9pm for workers doing a "normal" 35-hour average workweek during a one-year period. In factories, the principle is two alternating eight-hour shifts and, in the event of spiking demand, a fixed night shift. The teams work on average 35 hours per week worked.

In Spain, the 2014-2016 labor agreement concluded with the three largest labor unions (UGT, CC.OO and CCP) provides a way to deal with the strong demand for Captur by instituting a voluntary, “anti-stress” team. This gives the Company the possibility of working seven days a week, while ensuring, with the help of the medical services, that there is no interference with employees’ biological rhythms.

Renault has also introduced systems locally to achieve a better personal life/work life balance for its employees. In France, the homeworking agreement signed on January 22, 2007, enables employees to work from home between one and four days a week if they wish and if their activity permits. End 2013, 1,408 employees have participated in this program as of end 2013. Homeworkers all say that the scheme improves their personal life/work life balance and makes them more efficient, particularly by reducing their commuting time.

DYNAMIC SKILLS MANAGEMENT

In a continually changing industry, remaining competitive requires regularly improving employees’ skills and anticipating ones that will be needed to design, manufacture and sell cars in the future. This is the aim of Renault’s dynamic skills management policy, which also gives employees the means at the personal level to upgrade the skills used in their jobs and improve their employability.

In practice, this means that each business line receives support from HR in drawing up a worldwide assessment of its skills and precisely identifying:

- “critical” skills – those which the Company increasingly needs and which must be developed through hiring and training;
- “sensitive” skills – those the Company needs less and less and for which plans must be prepared to manage collective and individual retraining and reallocation of resources.

These analyses, viewed along with the real situations and priorities of Renault entities worldwide, provide a basis for establishing a mid-term view, revised annually, of the optimum allocation of resources and the action plans to be deployed in each country concerning:

- recruitment, in partnership with schools and colleges;
- training, guidelines for which are provided by the business line schools;
- career paths, which contribute to the development of skills by broadening the range of experiences;
- the expertise network, which optimizes development and dissemination of knowledge throughout the Company.

For example, this system enabled the Manufacturing business line to reduce the number of critical skills* it required worldwide. According to the mapping for 35 of the Group’s manufacturing facilities completed in May 2013, the average number of critical skills per plant decreased from 25 in 2011 to 19 in 2012 and to 13 in 2013.

THE GPEC IN FRANCE

In the framework of a skills and employment planning agreement (GPEC) signed on February 4, 2011, in France, the Group’s strategic challenges and the resulting changes in skills in each business line have been discussed with the labor unions, notably at the Employment and Skills Observatory held on September 19, 2013. This information has also been passed on to all employees of Renault s.a.s.

Drawing on a comprehensive range of tools, GPEC also aims to supply the “critical” skills required and manage retraining of employees with “sensitive” skills. Since the programme’s launch in 2011 nearly 4,030 employees have signed up for various GPEC initiatives: support for the start-up or takeover of a business, a period of external mobility, or work time arrangements for people in jobs deemed stressful.
Training/retraining programmes have been developed to enable employees to change business lines by teaching them skills both more strategic for the Company and more useful in terms of employability. GPEC also allows employees to be transferred temporarily to another production site to deal with changing patterns of activity. In 2013, 681 people worked at a site other than their own. Since 2011, 1,070 people have been hired from outside in the GPEC programme.

Employment and skills offices were opened at each site to help and advice employees interested in the programme. A dedicated intranet site also offers information about GPEC measures, training courses and feedback from employees regarding their careers.

TRAINING

Renault is committed to training all its employees, regardless of age, rank or position in the Company. The Group's training courses therefore cover all areas, from courses related specifically to each of the Company's business lines to individualized courses designed for personal development, learning foreign languages, or acquiring cross-functional skills.

The top priority of the Group's training policy is the development of critical skills and retraining for sensitive skills. The 12 business line schools responsible for skills development base their worldwide training programmes on the dynamic skills management policy. Training priorities are indicated at mid-year so that training plans can be worked out in each country for the following year. The skills development plans are then implemented by the countries.

In the Manufacturing business line, there are regional training centers in nine geographic regions. After learning new skills at these centers, training instructors can then conduct courses at all Group plants. Pooling of resources in this way and capitalizing on the best practices in the Group's plants are powerful ways of developing business line skills on a global level.

In 2013, the number of hours of training was 2,942,077 (compared with 3,318,733 hours in 2012). The breakdown for the Group's ten major countries (Automotive branch) was the following:

The figures below are for 90% of the scope considered.

TRAINING/COUNTRY	ARGENTINA	BRAZIL	FRANCE	INDIA	MOROCCO	ROMANIA	RUSSIA	SOUTH KOREA	SPAIN	TURKEY
Total hours 2013	50,828	75,938	902,925	183,522	414,795	470,416	152,800	25,667	393,096	272,090
Total hours 2012	81,374	84,067	1,090,967	91,325	458,711	519,797	173,254	32,782	435,709	350,747

The decline in the number of training hours in 2013, compared with 2012, is due partly to:

- a 4% decrease in the workforce in the 10 major countries between 2012 and 2013;
- a focus on training in critical skills development and retraining for sensitive skills. The system of dynamic skills management enables better targeting of training each year in relation to the Group's needs and the employability of employees;
- a reduction in training hours in Morocco following the major training effort in 2012 to support the development of the Tangiers plant.

DEVELOPMENT OF THE EXPERTISE NETWORK

The expertise network was established at the start of 2010 to capitalize better on the Company's knowledge and know-how with the aim of boosting performance and customer satisfaction.

This network consists of 50 areas of strategic expertise in all of Renault's main business lines: product design and development, manufacturing, sales, knowledge of customers and markets, economic performance, and support functions.

There are four levels of expertise in the network:

- one expert fellow, appointed by the Chairman of Renault, who sits on Renault's Management Committee. He is tasked with providing input for decisions to be taken by senior management that require a high level of technical expertise. The expert fellow also oversees the list of fields of strategic expertise and coordinates the community of lead experts with a view to sharing best practices across the various areas of strategic expertise;

- 35 expert leaders, each reporting to a Vice-President. Lead experts have responsibility for a field of strategic expertise. They are tasked with developing expertise, coordinating the internal network of experts, and building an external network to make this knowledge and know-how available to the Company's operational personnel;
- 146 experts, responsible for secondary fields of expertise. They promote standards, file patent applications, carry out benchmarking, and identify relevant partners;
- 390 consultants, responsible for a specific activity. They improve the state of the art by establishing standards and passing on their expertise to the business lines.

Development of the expertise network over the last three years has succeeded in breaking down barriers between fields of knowledge, better capitalizing on them, and disseminating and communicating them throughout the Group.

III. STATEMENTS OF BUSINESS

1. OUTLINE OF RESULTS OF OPERATION, ETC.:

(1) SALES PERFORMANCE IN 2013

OVERVIEW

- In a global automotive market up 3.9% last year, the Group's sales of passenger cars and LCVs reached 2,628,208 vehicles – a rise of 3.1% compared to 2012.
- Market share **outside Europe** remained stable at 50.5%, with 1,326,344 units sold.
- Excluding Iran, where the market was partially closed in July 2013, the Group gained market share in all the Regions, helped by the popularity of its latest models.
- The Group recorded its highest progress in the **European** market, increasing its market share by 0.4 point to 9.5%. With 1,301,864 vehicles sold in Europe, the Group saw a 2.4% rise in sales, even though the European market fell by 1.7%.
- In 2013, the number of new financing contracts by **RCI Banque** rose 19% on 2012, thanks to the pursuit of its international development, the rise in the penetration rate on new vehicles and for the different Alliance brands (apart from RSM) and the increasing volumes of used-vehicle financing contracts.

The Renault group's top fifteen markets

SALES	SALES VOLUMES 2013* *(units)*	PC/LCV MARKET SHARE 2013 *(%)*	CHANGE IN MARKET SHARE ON 2012 *(points)*
1 France	547,693	25.4	+1.2
2 Brazil	236,360	6.6	-0.0
3 Russia	210,099	7.6	+1.1
4 Germany	162,509	5.1	-0.0
5 Turkey	144,706	17.0	+1.8
6 Argentina	141,217	15.4	+0.6
7 Algeria	111,378	26.2	+0.2
8 Italy	101,387	7.2	+0.9
9 Spain	98,024	12.1	+1.4
10 Belgium + Luxembourg	77,353	13.0	+0.5
11 United Kingdom	77,163	3.0	+0.6
12 India	64,368	2.2	+1.1
13 South Korea	60,027	4.0	+0.0
14 Morocco	47,030	38.9	+2.3
15 Netherlands	46,040	9.8	+0.3

* *Figures to end-December 2013.*
Source: Local statistical figures from registration offices and CCFA for France.

AUTOMOTIVE

Group sales worldwide by Region

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES *(units)*	2013*	2012	CHANGE *(%)*
GROUP	**2,628,208**	**2,548,622**	**3.1**
EUROPE REGION	**1,301,864**	**1,271,393**	**2.4**
Renault	1,011,422	1,040,777	-2.8
Dacia	290,442	230,616	25.9
AMERICAS REGION	**466,976**	**450,934**	**3.6**

Renault	460,841	445,169	3.5
Renault Samsung Motors	6,135	5,765	6.4
ASIA-PACIFIC REGION	**238,445**	**257,564**	**-7.4**
Renault	176,464	195,863	-9.9
Dacia	1,851	1,775	4.3
Renault Samsung Motors	60,130	59,926	0.3
EUROMED-AFRICA REGION	**388,922**	**360,923**	**7.8**
Renault	250,888	233,275	7.6
Dacia	137,247	127,648	7.5
Renault Samsung Motors	787	-	-
EURASIA REGION	**232,001**	**207,808**	**11.6**
Renault	231,879	207,808	11.6
Renault Samsung Motors	122	-	-
* *Preliminary figures.*			

Europe

The Group sales rose 2.4% in a market that fell 1.7% and achieved its biggest increase in market share in the Region (up 0.4 point) to 9.5%.

The Renault brand was ranked third in the market for PC/LCV, with 7.4% market share. It retained its leadership of the LCV market for the sixteenth consecutive year, with a market share of 14.5%.

As the first brand to put four electric models on sale, Renault is the European leader with 37.0% market share and 15,074 units sold.

New Clio and Captur enabled Renault to take the top slot in the European B segment.

In ***France*** the Renault brand strengthened its leadership. New Clio is the best-selling vehicle in the country, with 119,367 new registrations, and Captur is the most popular cross-over of the B segment since its launch in 2013. The Group has five vehicles among France's top ten passenger cars.

The brand continued to dominate the LCV market with a share of 31.7% (-0.5 point), despite a 5.8% drop in new registrations.

Dacia was the fifth-largest brand in France, earning another 0.6 point to reach a market share of 4.3% due to the success of New Sandero, which became the third best-selling passenger car of the market.

In the ***UK,*** Group sales rose 37.3%, up 0.6 point, notably thanks to the launch of Dacia in January which recorded 17,146 new registrations and market share has reached 0.7%.

In ***Italy***, ***Spain*** and ***Belgium***, thanks to the success of new vehicles, the Group won market shares respectively 0.9 point, 1.4 point and 0.5 point.

In ***Germany***, Group market share remains stable at 5.1%.

Outside Europe

Americas

The Renault group achieved records in sales, with 466,976 vehicles sold, and market share, which reached 6.7%.

In ***Brazil*****,** in line with the overall market that fell by 1.6%, the Group saw its sales slump by 2.2%. This was partly due to the closure of the Curitiba plant for two months at the start of the year for extension work to increase its capacity. Sandero and Duster continued to sell well.

In ***Argentin*****a,** the Renault brand was ranked second of the market and sales rose by 18.9% to 141,217 units, thanks to the popularity of Clio, Duster and Sandero. Market share stood at 15.4% (+0.6 point).

Asia-Pacific

Having managed to break into the Indian market, Group sales in the Asia-Pacific Region recorded total progress of 28.9% compared to 2012 – except for Iran, where the market was closed since July.

In ***India*****,** in a passenger car market that slumped 7.5%, Renault recorded an 83.1% rise in sales due to the success of Duster (over 51,400 units), which became the best-selling SUV in the C segment. The Renault brand recorded market share of 2.6% – almost double that of 2012. Renault became the top European automaker on the Indian market. The brand continued to deploy the expansion of its dealer network, and had 125 dealerships at the end of 2013.

In ***South Korea*****,** Renault Samsung Motors ended the year by recording seven consecutive months with better sales results than those for 2012. Overall sales stabilised, with 60,027 new registrations, an increase of 0.2%.

In **Iran,** where the market has been closed since July, Renault sold about 64,500 fewer vehicles than in 2012.

Euromed-Africa

With 388,922 vehicles sold, the Renault group set a sales record and increased its market share in most of its markets of the Region.

In ***Turkey*****,** Renault is the brand which increased the most in market share (+1.2 point) reaching 12.7%. It remained the leading brand in the passenger car market, with a share of 14.6% (up 1.5 point), thanks to the success of New Symbol, New Clio, and Fluence, which were all the top sellers in their respective segments. The Dacia brand reached a 4.3% market share (+0,5 point) thanks to the success of Lodgy (leader of its segment) and Dokker.

In ***Algeria*****,** in a market down 2.6% overall, the Group sold more than 100,000 vehicles for the second consecutive year (111,378 units) and reached market share of 26.2%, a rise of 0.2 point. Renault is the second-ranked brand due to the popularity of New Symbol and New Clio, which was the best-selling vehicle in the B segment. Dacia moved up to become the country's third-ranked brand, thanks to the success of Logan and Duster.

Eurasia

The Renault group set a new record, with more than 232,000 vehicles sold, and won over 7.1% market share for the first time.

In ***Russia*****,** the Group's third-biggest market, the Renault brand set records for both sales, with 210,099 vehicles (up 10.7%), and 7.6% market share (up 1.1 point), whereas the market as a whole fell 5.9%. It was the leading foreign brand and the second-ranked brand on the Russian market, behind Lada. One reason was the success of Duster, the most popular SUV in the country in 2013.

Group sales by brand and by type

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES *(units)*	2013*	2012	CHANGE (%)
GROUP	**2,628,208**	**2,548,622**	**3.1**
BY BRAND			
Renault	2,131,494	2,122,892	0.4

Dacia	429,540	360,039	19.3
Renault Samsung Motors	67,174	65,691	2.3
BY VEHICLE TYPE			
Passenger cars	2,293,049	2,211,794	3.7
Light commercial vehicles	335,159	336,828	-0.5
* *Preliminary figures.*			

Sales of the **Renault brand** rose by 0.4% compared to 2012. With 2,131,494 units sold, Renault accounted for 81.1% of Group sales.

Sales of the **Dacia brand** went up by 19.3% to 429,540 units, due in large part to the popularity of Duster and the updated Logan/Sandero range. Dacia offers the youngest range in Europe (less than two years old since Lodgy was launched) and accounted for 16.3% of Group sales.

In 2013, **Renault Samsung Motors** increased its sales by 2.3%. The recovery plan of the dealer network and the product range, launched in South Korea in 2012, is starting to show results. After five difficult months at the start of the year, RSM recorded seven consecutive months with better results than those for 2012.

SALES FINANCING

PENETRATION RATE ON NEW VEHICLES FINANCED AND SERVICES

In 2013, the number of new financing contracts rose 19% on 2012.

The increase resulted from:

- the continued international development of RCI Banque, notably with the consolidation of the Turkish and Russian subsidiaries;
- the rise in the penetration rate on new vehicles financed in numerous countries and for the different Alliance brands (apart from Renault Samsung Motors);
- the strategy on increasing volumes of used-vehicle financing contracts, initiated in 2011. Volumes rose 6% in 2013.

RCI Banque pursued its international development in 2013, in line with the development of the Alliance brands. The share of international business (outside Europe) now accounts for 38% of total new-vehicle financing contracts, compared with 29% in 2012.

RCI Banque financing performance

	2013	2012	CHANGE (%)
Number of financing contracts *(thousands)*	**1,161**	**976**	**+18.9**
• including UV contracts *(thousands)*	189	178	+6.2
New financing contracts *(€ billion)*	**11.4**	**10.8**	**+5.5**
Average loans outstanding *(€ billion)*	**24.2**	**24.2**	**0**

RCI Banque services performance

	2013	2012	CHANGE
Number of services contracts *(thousands)*	1,756	1,311	+34%
Penetration rate on services	**62.7%**	**57.5%**	**+5.2pt**

Developing the sales of services contributes to customer satisfaction, fosters loyalty towards the Alliance brands and increases the profitability of RCI Banque. As such, it is a strategic activity for the Group.

RCI BANQUE NEW FINANCING CONTRACTS AND AVERAGE LOANS OUTSTANDING

In a contracting automotive market, and for the same scope as in 2012, RCI Banque benefitted from the momentum of the Alliance brands. The penetration rate on vehicles financed grew 1.7 point pro-forma on 2012 to 36.7%, the Group's best performance in the last ten years. This rate corresponds to the ratio of the number of RCI financings and the number of cars sold.

With the consolidation in 2013 of the new subsidiaries in Turkey and Russia, whose penetration rate vehicle financing is lower than the Group average, RCI Banque's penetration rate on vehicle financing stood at 34.6%, down 0.4 point on 2012.

Penetration rate on new vehicle registrations financed by RCI Banque, by brand

	2013 *(%)*	**2012** *(%)*	**CHANGE** *(points)*
Renault	35.2	36.6	-1.4**
Dacia	33.5	33.0	+0.6
Renault Samsung Motors	47.5	57.8	-10.3
Nissan	32.5	29.1	+3.4
Infiniti*	33.8	-	+33.8
RCI Banque	**34.6**	**35.0**	**-0.4**

* *Infiniti brand consolidated in 2013.*
** *On a like-for-like basis (excl. Turkey and Russia), a 1.4 point increase for the Renault brand.*

Penetration rate on new vehicle registrations financed by RCI Banque, by Region

	2013 *(%)*	**2012** *(%)*	**CHANGE** *(points)*
Europe	35.1	33.9	+1.2
Americas	42.7	37.1	+5.6
Asia-Pacific	47.4	57.3	-9.9
Euromed-Africa	26.0	26.3	-0.3**
Eurasia*	25.0	-	+25.0
RCI Banque	**34.6**	**35.0**	**-0.4**

* *Eurasia Region (Russia) consolidated in 2013.*
** *On a like-for-like basis (excl. Turkey and Russia), a 1.5 point increase in Euromed-Africa.*

In the **Europe Region,** RCI Banque offset the downturn in the automotive market through the good performance of Alliance registrations, and through an increase in the penetration rate new vehicles financed and a rise in financing contracts for used vehicles. Overall, new financing contracts in Europe increased 4.4% on 2012.

In the **Americas Region** (Brazil, Argentina), marked by a contraction in the Brazilian market and strong growth in Argentina, RCI Banque continued to grow, with a 42.7% penetration rate on vehicles financed. Brazil was confirmed as the number-two contributor in terms of the number of new vehicle financing contracts.

In the **Asia-Pacific Region** (South Korea), despite fierce competition from banking networks in 2013, RCI Banque posted a strong performance with a 47.4% penetration rate on financing.

Bolstered by growth in the Turkish market, the number of RCI Banque new vehicle financing contracts in the **Euromed-Africa Region** (Romania, Morocco and Turkey) nearly tripled, to 58,167. The penetration rate on new vehicles financed was stable at 26.0%. Turkey, consolidated by RCI Banque in 2013, is already the number-eight contributor to new-vehicle financing contracts.

The penetration rate on financing in the **Eurasia Region** (Russia), consolidated by RCI Banque in 2013, came to 25.0%. Russia is already the number-three RCI Banque subsidiary on new-vehicle financing contracts.

INTERNATIONAL DEVELOPMENT AND NEW ACTIVITIES

RCI Banque is pursuing its **international expansion** by supporting the market development of Alliance brands. The share of non-European business continues to increase, now accounting for over one-third of financing contracts (35%, compared with 26% in 2012).

In Turkey, the joint venture between RCI Banque and Oyak completed its first full year of business, with a 25.0% penetration rate on vehicle financing and a total 37,970 contracts financed.

In Russia, the financing bank in partnership with Nissan and Unicredit started up activity in November. It will make a strong contribution to the growth of RCI Banque group by supporting Alliance sales in this strategic market.

Following the successful launch in France of the **ZESTO savings plan** in 2012, RCI Banque continued its policy of diversifying financing sources in 2013, successfully extending its savings deposit business to Germany. At end-December, total deposits amounted to €4.3 billion, of which €784 million in term deposit accounts. RCI Banque has thus positioned the savings business as a major lever for refinancing its automotive loan activity.

RCI Banque has in two years become a services operator for electric-vehicle **battery rental** in 19 countries for the Renault and Nissan brands. At end-2013, the number of batteries in service totaled over 31,000 (with five marketed models: Kangoo Z.E., Fluence Z.E., Twizy, ZOE for Renault and Leaf for Nissan).

SALES AND PRODUCTION STATISTICS

RENAULT GROUP – WORLDWIDE SALES

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES *(units)*	2013*	2012	CHANGE *(%)*
Twingo	84,637	103,502	-18.2
Wind	394	1,663	-76.3
Clio	462,047	366,364	26.1
ZOE	8,857	68	-
Thalia	16,238	61,749	-73.7
Modus	5,114	30,413	-83.2
Captur/QM3	95,014	-	-
Pulse	4,791	6,217	-22.9
Logan	257,540	323,772	-20.5
Sandero	354,961	299,918	18.4
Lodgy	43,506	29,359	48.2
Mégane/Scénic	302,516	403,845	-25.1
Fluence (incl. Z.E.)/SM3/Scala	134,810	135,862	-0.8
Duster	376,672	297,616	26.6
Laguna	18,327	30,074	-39.1
Latitude/SM5/Safrane	38,835	41,879	-7.3
Koleos/QM5	52,862	57,333	-7.8
Espace	8,369	12,695	-34.1
SM7/Talisman	3,844	5,660	-32.1
Kangoo (incl. Z.E.)	146,723	168,700	-13.0
Dokker	51,840	2,910	-

Trafic	61,717	67,155	-8.1
Master	88,814	89,774	-1.1
Other	9,780	12,094	-19.1
TOTAL WORLDWIDE GROUP PC/LCV SALES	**2,628,208**	**2,548,622**	**3.1**
* *Preliminary figures.*			
*Twizy***	*3,025*	*9,016*	*-66.4*
** *Twizy is a quadricycle and therefore not included in Group automotive sales.*			

RENAULT GROUP – EUROPEAN SALES

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES *(units)*	2013*	2012	CHANGE *(%)*
Twingo	82,117	97,262	-15.6
Wind	360	1,557	-76.9
Clio	313,747	271,259	15.7
ZOE	8,846	68	-
Thalia	825	4,557	-81.9
Modus	5,111	30,409	-83.2
Captur/QM3	86,804	-	-
Pulse	-	-	-
Logan	17,667	29,010	-39.1
Sandero	122,036	72,510	68.3
Lodgy	34,481	27,613	24.9
Mégane/Scénic	266,002	337,885	-21.3
Fluence (incl. Z.E.)/SM3/Scala	6,448	10,458	-38.3
Duster	84,693	100,275	-15.5
Laguna	18,049	29,528	-38.9
Latitude/SM5/Safrane	585	2,076	-71.8
Koleos/QM5	8,428	15,386	-45.2
Espace	8,368	12,686	-34.0
SM7/Talisman	-	-	-
Kangoo (incl. Z.E.)	86,859	98,624	-11.9
Dokker	31,507	1,107	-
Trafic	54,848	61,051	-10.2
Master	54,664	56,504	-3.3
Other	9,419	11,568	-18.6
TOTAL EUROPEAN GROUP PC/LCV SALES	**1,301,864**	**1,271,393**	**2.4**
* *Preliminary figures*			
*Twizy***	*2,999*	*9,011*	*-66.7*

*** Twizy is a quadricycle and therefore not included in Group automotive sales.*

RENAULT GROUP – INTERNATIONAL SALES

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES *(units)*	**2013***	**2012**	**CHANGE** *(%)*
Twingo	2,520	6,240	-59.6
Wind	34	106	-67.9
Clio	148,300	95,105	55.9
ZOE	11	-	-
Thalia	15,413	57,192	-73.1
Modus	3	4	-25.0
Captur/QM3	8,210	-	-
Pulse	4,791	6,217	-22.9
Logan	239,873	294,762	-18.6
Sandero	232,925	227,408	2.4
Lodgy	9,025	1,746	-
Mégane/Scénic	36,514	65,960	-44.6
Fluence (yc Z.E.)/SM3/Scala	128,362	125,404	2.4
Duster	291,979	197,341	48.0
Laguna	278	546	-49.1
Latitude/SM5/Safrane	38,250	39,803	-3.9
Koleos/QM5	44,434	41,947	5.9
Espace	1	9	-88.9
SM7/Talisman	3,844	5,660	-32.1
Kangoo (yc Z.E.)	59,864	70,076	-14.6
Dokker	20,333	1,803	-
Trafic	6,869	6,104	12.5
Master	34,150	33,270	2.6
Other	361	526	-31.4
TOTAL INTERNATIONAL GROUP PC/LCV SALES	**1,326,344**	**1,277,229**	**3.8**
* *Preliminary figures.*			
*Twizy***	*26*	*5*	-
** *Twizy is a quadricycle and therefore not included in Group automotive sales.*			

RENAULT GROUP – WORLDWIDE PRODUCTION BY MODEL[(1)]

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES *(units)*	2013*	2012	CHANGE *(%)*
Twizy	*2,288*	*11,325*	*-79.8*
Twingo/Wind	83,875	101,508	-17.4
Clio	458,302	393,228	16.5
ZOE	9,969	446	-
Thalia	10,195	51,779	-80.3
Modus	-	31,193	-
Captur/QM3	117,517	-	-
Logan	212,734	183,216	16.1
Sandero	369,022	294,339	25.4
Other Logan	17,761	46,168	-61.5
Duster	323,299	287,953	12.3
Lodgy	34,254	41,455	-17.4
Dokker	56,705	8,901	-
Mégane/Scénic	278,188	377,685	-26.3
Fluence (incl. Z.E.)/SM3/Scala	120,212	150,084	-19.9
Laguna	17,902	27,703	-35.4
Latitude/SM5	37,550	40,162	28.5
Koleos	51,606	54,957	-6.1
Espace	7,494	12,931	-42.0
SM7/Talisman	3,805	3,768	1.0
Kangoo (incl. Z.E.)	172,316	195,072	-11.7
Master	108,300	117,190	-7.6
Other	27,039	13,594	92.6
GROUP GLOBAL PRODUCTION	**2,518,045**	**2,433,332**	**3.5**
o/w produced for partners:			
GM (Master)	13,834	13,039	6.1
Nissan (Mercosur/Korea)	31,010	43,818	-29.2
Daimler (Citan)	17,687	14,099	25.4
PRODUCED BY PARTNERS FOR RENAULT			
Nissan (incl. India)	154,262	98,228	57.0
Others (GM, Iran, AVTOVAZ)	33,611	113,786	-70.5

* *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, 2013

EUROPE	AMERICAS	ASIA-PACIFIC	EUROMED-AFRICA	EURASIA
Metropolitan France	**Northern Latin America**	Japan	**Eastern Europe**	Russia
Austria	Colombia	South Korea	Bulgaria	Armenia
Germany	Costa Rica	India	Moldova	Azerbaïjan
Belgium-Lux.	Cuba	Iran	Romania	Belarus
Denmark	Ecuador	Saudi Arabia	Turkey	Georgia
Spain	Honduras	Gulf States		Kazakhstan
Finland	Mexico	Iraq	**Africa**	Kyrgyzstan
Greece	Nicaragua	Israel	Algeria	Uzbekistan
Ireland	Panama	Jordan	Morocco	Tajikistan
Iceland	El Salvador	Lebanon	Tunisia	Turkmenistan
Italy	Venezuela	Pakistan	Egypt	Ukraine
Norway	Dominican Rep.		Sub Saharian African countries	
Netherlands		**Asean**	South Africa	
Portugal	**Southern Latin America**	Brunei	Madagascar	
United Kingdom	Argentina	Cambodia	Libya	
Sweden	Brazil	Indonesia		
Switzerland	Bolivia	Laos	**French overseas departments**	
Albania	Chili	Malaysia	**West Indies and Indian Ocean**	
Bosnia	Paraguay	Philippines	Guadeloupe	
Cyprus	Peru	Hong Kong	French Guiana	
Croatia	Uruguay	Singapore	Martinique	
Hungary		Thailand	Saint Martin	
Macedonia		Viet Nam	St Pierre and Miquelon	
Malta		Australia	Réunion	
Montenegro		New Caledonia	Comoro Islands	
Baltic States		New Zealand	Seychelles	
Poland		Tahiti	Mauritius	
Czech Rep.				
Serbia		**China**		
Slovakia				
Slovenia				

(2) ALLIANCE COMBINED SALES PERFORMANCE AND FINANCIAL INDICATORS

ALLIANCE COMBINED SALES FOR 2013

The Renault-Nissan Alliance sold a record 8,264,821 vehicles in 2013, propelled by record sales in the car group’s two largest markets, China and the United States.

Renault-Nissan's 2013 calendar-year sales, which include sales of Russia's AVTOVAZ, increased 2.1% from 2012. This marks the fifth straight year of sales growth. Together, Renault, Nissan and AVTOVAZ account for one in ten cars sold worldwide.

"Strong demand in the world's top markets more than offset anemic growth and declines elsewhere," said Renault-Nissan Chairman and CEO Carlos Ghosn. "We will always experience periods of regional instability, but we remain bullish: The auto industry is a long-term growth story – and the Renault-Nissan Alliance is well positioned to continue to play a major role in all major segments globally."

Renault group sold 2,628,208 units worldwide in 2013, up 3.1% from 2012. Sales in Europe rose 2.4% to 1,301,864 units despite a 1.7% decline in the overall market. Renault's European market share rose 0.4 percentage points to 9.5%, making it the fastest growing automotive group in Europe in 2013.

Renault continued to generate more than 50% of its sales outside of Europe for the second consecutive year with sales outside of the home continent totaling 1,326,344 units, up 3.8% from 2012.

Nissan Motor Corporation sold 5,102,979 units worldwide, up 3.3% – a record for the fourth straight calendar year. Nissan continued to generate more than one million units in its two biggest markets: China and the United States.

AVTOVAZ, owner of the iconic LADA brand, sold 533,634 vehicles globally, down 12.1% from 2012 amid the economic slowdown in Russia. The Renault- Nissan Alliance has a majority stake in AVTOVAZ, Russia's largest automaker, through a joint venture with state corporation RosTech (formerly known as Russia Technologies). Together, the Renault-Nissan Alliance and AVTOVAZ sell about one in three cars in Russia.

RENAULT AND NISSAN HIGHLIGHTS

The Alliance's top ten markets in 2013 were China, US, Russia, Japan, France, Mexico, Brazil, Germany, the UK and Turkey.

In China, the world's largest auto market, Nissan sold a record 1,266,167 units in 2013, up 17.2%. Nissan is the leading Japanese brand in China, with a 5.9% market share. Nissan's sales include Venucia, its local Chinese brand with partner Dongfeng Motor.

In December 2013, Renault announced it had received approval from Chinese authorities to start producing cars in China in 2016 through a joint venture with Dongfeng. The joint venture will establish a plant in Wuhan with production capacity of 150,000 units a year, with the potential to double that figure in the future.

In the United States, Nissan reported sales of 1,248,421 units for Nissan and Infiniti brand vehicles, up 9.4% compared with 2012. Nissan brand sales increased 10.8% to a record 1,131,966 units amid strong demand for several models including the Altima sedan, the Rogue crossover, the Versa compact car and the all-electric Nissan LEAF. Nissan and Infiniti together held a market share of 8.0% in the US in 2013, a 0.1 percentage point increase versus the prior year.

Despite the economic downturn in Russia, Renault's sales increased 10.7% to a record 210,099 units. Russia is Renault's third-largest market after France and Brazil.

Renault was Russia's leading foreign brand and second most popular brand in 2013 after Lada thanks to the popularity of its Duster SUV. Renault's market share stood at record 7.6%, up 1.1 percentage points. Nissan sold 154,996 units in Russia and its market share edged up 0.1 percentage points to 5.6%.

In its home market Japan, Nissan's sales grew 2.9% to 678,824 units, including mini-vehicles. Mini-vehicles jumped 21.3% to 185,929 units, a record for the second straight year. Nissan's market share in Japan was 12.6%, up 0.3 percentage points from 2012.

In France, Renault's home market, Renault's group sales totaled 547,693 units, down 0.7%. Renault had six vehicles among France's top ten passenger cars in 2013, including the compact Clio, the best-selling car in the country, and Captur, the most popular crossover. Renault's market share was 25.4%.

Mexico marked another bright spot for the Alliance in 2013. Nissan remained the number one brand in the country with sales rising 7.6% to 264,463 units, marking an all-time calendar year record. Nissan's market share stood at 24.9%, unchanged from 2012.

In India, a key strategic market for the Alliance in the future and home to its first dedicated Alliance plant, Renault's sales soared 83.1% to 64,368 units despite a 7.5% slump in the passenger car market. Renault's sales were boosted by the success of Duster, making Renault the leading European automaker in the market. Renault's market share in India stood at 2.6%, almost double that of 2012.

AVTOVAZ HIGHLIGHTS

AVTOVAZ, the maker of the iconic Lada brand, sold 456,309 vehicles in Russia in 2013. Together Renault-Nissan and AVTOVAZ sold 821,404 units in Russia in 2013, down 7.8% from 2012 as the overall economy slowed. The Alliance's market share, including AVTOVAZ, stood at 29.6%.

In December 2012, the Renault-Nissan Alliance created a joint venture with state corporation RosTech to take control of AVTOVAZ. Renault-Nissan will invest RUB23 billion in the joint venture to help modernize AVTOVAZ. The investment will give Renault-Nissan 67.13% of the joint venture in the future.

By 2016, the Alliance and AVTOVAZ are expected to have a production capacity of at least 1.7 million cars per year in Russia. Today their joint manufacturing complex in Togliatti is home to one of the largest platformsharing programmes in the Renault-Nissan Alliance. The site – one of the world's largest car plants – already produces the LADA Largus and the Nissan Almera. Production will soon span five models across four brands – LADA, Renault, Nissan and Datsun.

Investments in this project will total about €400 million.

ZERO-EMISSION HIGHLIGHTS

The Renault-Nissan Alliance is the only automaker with a wide range of 100% electric vehicles (EVs) which can be charged with purely renewable energy.

In 2013, the Alliance sold 66,809 electric vehicles worldwide, up 52% from the previous year. Sales of the Nissan LEAF rose 77% to 47,716 units, while sales of Renault's four electric vehicle models – Kangoo Z.E., Fluence Z.E., ZOE and Twizy – grew 13% to 19,093 units.

In France alone, the Kangoo Z.E. small van sold 4,174 units, up 46% from 2012, representing about 12% of all Kangoo light commercial vehicles sales. The Alliance's worldwide zero-emission market share in 2013 stood at 63%, including Twizy, Renault's two-seater urban commuter. LEAF was the world's best-selling EV with a market share of 45% in 2013. In Europe, Renault was the leader with a 38.6% share.

The Alliance sold a cumulative 134,383 zero-emission vehicles globally from December 2010 – when Nissan LEAF went on sale – until the end of 2013, more than all major automakers combined.

Nissan LEAF sold a cumulative 96,847 units during that period. On January 20, 2014, Nissan celebrated the sale of its 100,000th LEAF to a customer in the U.K.

Since the debut of Renault's first EV – the Kangoo Z.E. – in October 2011 until the end of 2013, the French automaker sold 37,536 zero-emission vehicles cumulatively.

Top 10 Alliance markets

	TOTAL SALES	**MARKET SHARE *(%)***
China	1,300,324	6.1%

US	1,248,421	8.0%
Russia*	821,404	29.6%
Japan	682,592	12.7%
France	612,885	28.4%
Brazil	314,158	8.8%
Mexico	285,650	26.9%
Germany	218,693	6.9%
UK	205,334	8.1%
Turkey	164,001	19.3%

* *Including AVTOVAZ.*

Top 10 Renault markets

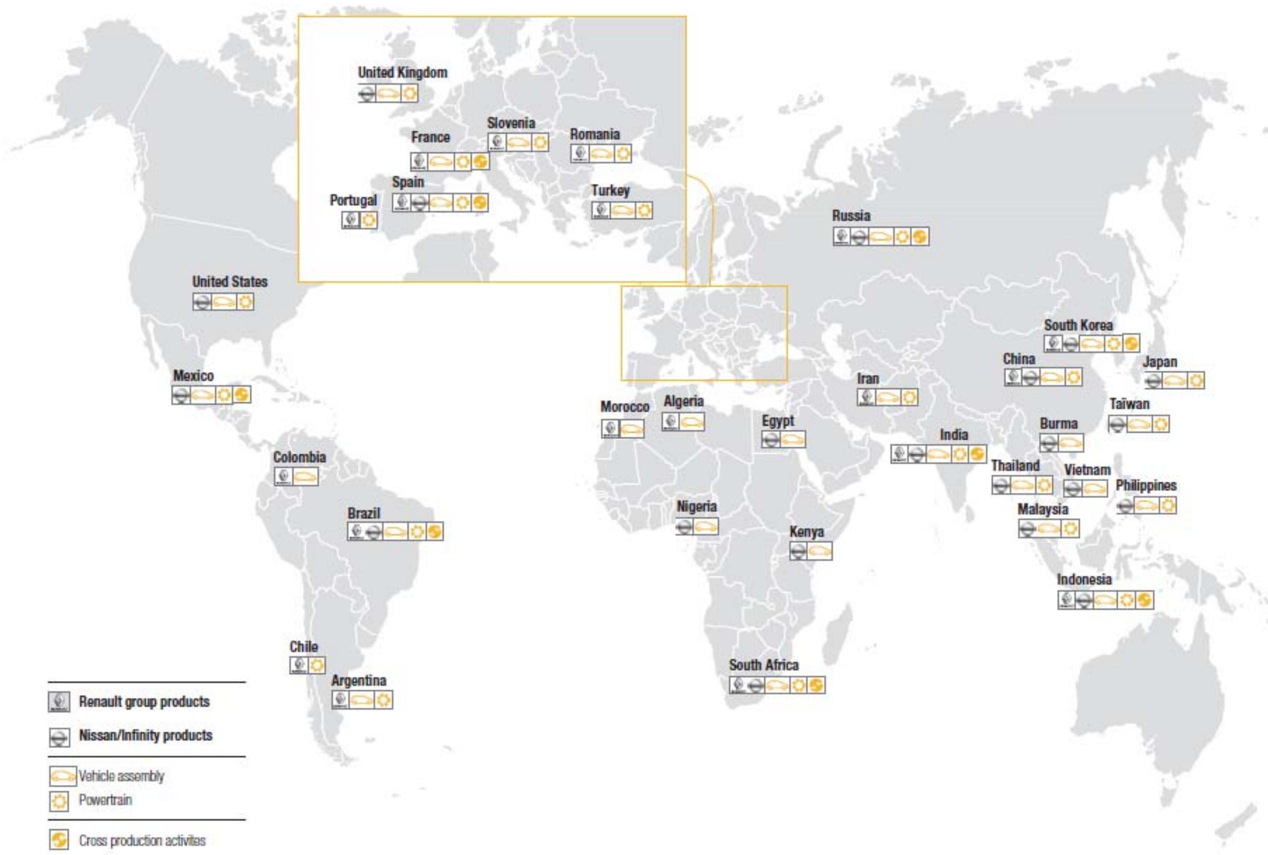
	TOTAL SALES	MARKET SHARE *(%)*
France	547,693	25.4%
Brazil	236,360	6.6%
Russia	210,099	7.6%
Germany	162,509	5.1%
Turkey	144,706	17.0%
Argentina	141,217	15.4%
Algeria	111,378	26.2%
Italy	101,387	7.2%
Spain	98,024	12.1%
Belgium & Luxembourg	77,353	13.0%

Top 10 Nissan Markets

	TOTAL SALES	MARKET SHARE (%*)*
China*	1,266,167	5.9%
U.S.	1,248,421	8.0%
Japan	678,824	12.6%
Mexico	264,463	24.9%
Russia	154,996	5.6%
Thailand	128,171	5.1%
UK	98,187	7.4%
Brazil	91,551	5.3%
Canada	77,798	2.2%
Australia	76,869	6.8%

* *Including Venucia brand.*

Production sites



VALUE OF JOINT OPERATIONS

Total sales by Renault to Nissan and purchases by Renault from Nissan amounted to an estimated €2,100 million and €2,200 million respectively as mentioned in the consolidated financial statements (NOTE 13 J) 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 2013.

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, 2013, 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 1 to December 31, 2013 whereas Nissan's financial year-end is March 31.

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 2013

(€ million)	**RENAULT**	**NISSAN[(1)]**	**INTERCOMPANY ELIMINATIONS**	**ALLIANCE**
Sales of goods and services of the Automotive segment	38,775	70,912	(3,246)	106,441
Sales Financing revenues	2,157	4,987	(149)	6,995
REVENUES	**40,932**	**75,899**	**(3,395)**	**113,436**

(1) Converted at the average exchange rate: EUR 1 = JPY 129.7.

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 2013 results.

The **operating margin, the operating income and the net income** of the Alliance in 2013 are as follows:

(€ million)	**OPERATING MARGIN**	**OPERATING INCOME**	**NET INCOME[(2)]**
Renault	1,242	(34)	(803)
Nissan[(1)]	3,748	3,794	3,623
ALLIANCE	**4,990**	**3,760**	**2,820**

(1) Converted at the average exchange rate for 2013: EUR 1 = JPY 129.7.
(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 4.4% of revenues.

In 2013, the Alliance's **research and development expenses,** after capitalization and amortization, are as follows:

(€ million)	
Renault	1,812
Nissan[(1)]	3,042
ALLIANCE	**4,854**

(1) Converted at the average exchange rate for 2013: EUR 1 = JPY 129.7.

BALANCE SHEET INDICATORS
Condensed Renault and Nissan balance sheets

RENAULT AT DECEMBER 31, 2013

ASSETS *(€ million)*		**SHAREHOLDERS' EQUITY AND LIABILITIES** *(€ million)*	
Intangible assets	3,282	Shareholders' equity	23,214
Property, plant and equipment	10,973	Deferred tax liabilities	121
Investments in associates (excluding Alliance)	806	Provisions for pension and other long-term employee benefit obligations	1,558

Deferred tax assets	396	Financial liabilities of the Automotive segment	9,761
Inventories	3,162	Financial liabilities of the Sales Financing segment and sales financing debts	24,017
Sales financing receivables	23,650	Other liabilities	16,321
Automotive receivables	970		
Other assets	6,024		
Cash and cash equivalents	11,661		
TOTAL ASSETS EXCLUDING INVESTMENT IN NISSAN	**60,924**		
Investment in Nissan	14,068		
TOTAL ASSETS	**74,992**	**TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES**	**74,992**

NISSAN AT DECEMBER 31, 2013 (1)

ASSETS *(€ million)*		**SHAREHOLDERS' EQUITY AND LIABILITIES** *(€ million)*	
Intangible assets	4,636	Shareholders' equity	35,153
Property, plant and equipment	34,803	Deferred tax liabilities	4,694
Investments in associates (excluding Alliance)	2,918	Provisions for pension and other long-term employee benefit obligations	1,775
Deferred tax assets	810	Financial liabilities of the Automotive segment	402
Inventories	9,657	Financial liabilities of the Sales Financing division and sales financing debts	41,851
Sales financing receivables	35,219	Other liabilities	21,834
Automotive receivables	3,532		
Other assets	7,458		
Cash and cash equivalents	5,059		
TOTAL ASSETS EXCLUDING INVESTMENT IN RENAULT	**104,092**		
Investment in Renault	1,617		
TOTAL ASSETS	**105,709**	**TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES**	**105,709**

(1) Converted at the closing rate at December 31, 2013: EUR 1 = JPY 144.7.

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 2013, excluding leased vehicles and batteries, amount to:

(€ million)	
Renault	1,918
Nissan(1)	4,076
ALLIANCE	**5,994**

(1) Converted at the average exchange rate for 2013: EUR 1 = JPY 129.7.

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 €21 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 that 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 package ensures that processed data are reliable and consistent. In particular, the definition and monitoring of user profiles helps 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.

4. RISKS IN BUSINESS, ETC.

This section contains forward-looking statements, which are based on the judgment as of December 31, 2013.

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 various 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 into 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 manufacturing Company, needs to be reinforced and made proactive. It is therefore an integral part of the Group's operational management procedures.

The Group adopts a three-pronged approach to risk management:

- at Group level, the Risk Management department (DMR) provides methods and an overall view of major risks and how they should be prevented and handled. It does this, in particular, by monitoring them using risk-mapping techniques and implementing preventive measures in high-risk areas;
- at a cross-functional level, the Group's Prevention and Protection department is responsible for identifying and handling 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, Internal Control and Risk Management departments provide advice, methods and coordinating expertise for the management of operational processes and risks with other Group departments;
- in all entities involved in business-critical processes, experts are appointed to identify and prioritize risk control solutions and oversee their implementation.

FINANCIAL RISK

GROUP'S OVERALL 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 Report.

Securities trades executed by companies in the RCI Banque group are intended solely to hedge risks related to sales financing and inventories held by the Company's distribution networks. Most of these trades are made by the RCI Banque trading room, which plays a pivotal role in refinancing the RCI Banque group under the overall Group-wide governance policy.

Monitoring and control tools exist both for each individual entity and at 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 entity's Chief Executive;
- third-level control: carried out by control bodies (Renault Internal Audit or external firms commissioned by it). These third-level control organizations carry out a critical, independent analysis of the quality of the control system. The statutory auditors also contribute to this 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 25-B to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement.

LIQUIDITY RISK

Automotive

Risk factors

Automotive must have sufficient financial resources to finance the day-to-day running of the business and the investment needed for its expansion. The Group was a net lender at December 31, 2013 to the amount of €1,761 million (net lending position of €1,492 million at December 31, 2012). Automotive needs to borrow regularly from banks and on capital markets to refinance its gross debt and ensure liquidity. This creates a liquidity risk if markets are frozen during a long period or credit is hard to access.

Management procedures and principles

Under its centralization policy, Renault raises most of the refinancing for Automotive in the capital markets, mainly through long-term financial instruments (bonds and private placements), short-term financing such as commercial paper, or in the form of financing obtained from public or parastatal institutions.

To this end, Renault has an EMTN bond programme for a maximum of €7 billion.

Under this programme, Renault has issued one euro bond in 2 blocks totaling €900 million. Renault also completed a three-year offshore yuan issue in April 2013, totaling 750 million, strengthening its presence in this new refinancing market for Renault.

Renault also has an issue programme under the Shelf Registration scheme on the Japanese market.
Renault SA issued two bonds for a total amount of ¥87.6 billion in June and November 2013.

Renault received €400 million in additional funding from the EIB.

The contractual documentation covering these financing arrangements, including bank finance, contains no clauses that could affect the continued supply of credit as a result of changes in either Renault's credit rating or its financial ratios. Some types of financing, particularly market financing, are covered by standard market clauses (*pari passu*, negative pledge, cross default).

Renault also has a commercial paper programme for a maximum €2.5 billion. The total outstanding at December 31, 2013 was €64 million.

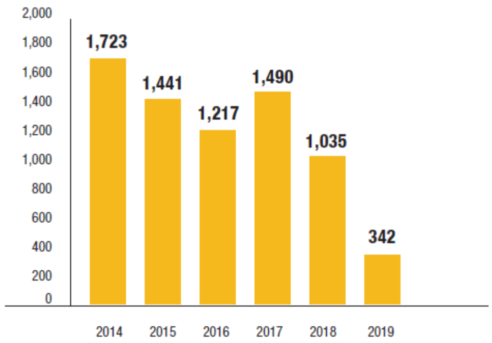
RENAULT SA ISSUANCE PROGRAMME AT DECEMBER 31, 2013

ISSUER	PROGRAMME	MARKET	AMOUNT
Renault SA	Euro CP	France	€2,500 m
Renault SA	Euro EMTN	Euro	€7,000 m
Renault SA	*Shelf documentation*	Japan (Samurai)	¥150,000 m

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 23-C to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement.

Assuming a constant balance sheet structure, medium-term refinancing requirements in 2014 will consist of €1,723 million for maturing bond issues and equivalent debt and €64 million for maturing commercial paper

RENAULT SA – MATURITY SCHEDULE FOR BONDS AND EQUIVALENT DEBT AT DECEMBER 31, 2013 (1)

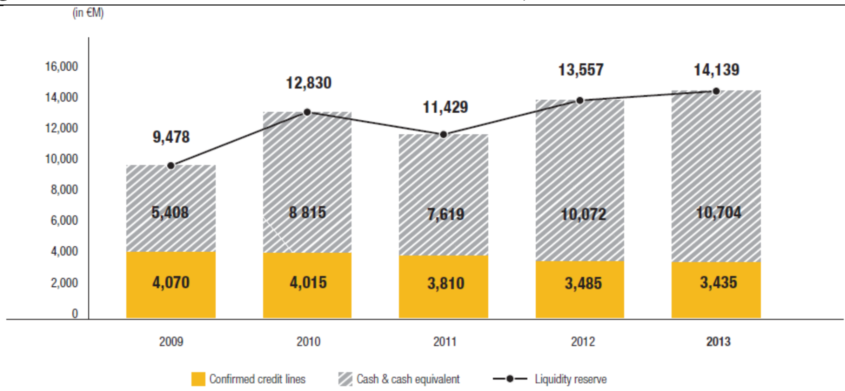


(€ million)
(1) Nominal amounts valued at December 31, 2013.

Renault also has confirmed credit lines opened with banks worth €3,435 million, maturing at various times up to 2018. None of these credit lines was used in 2013. These confirmed credit lines form a liquidity reserve for the Automotive segment.

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.

RENAULT – LIQUIDITY RESERVE AT DECEMBER 31, 2013



In view of its available cash and committed credit lines not drawn at the reporting date, Automotive has sufficient financial resources to honor its commitments for the next 12 months.

<u>Sales financing</u>

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 arrangements.

At all times, and especially during challenging periods, RCI Banque must have sufficient financial resources at its disposal to support the expansion of its business. 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. Accordingly, RCI Banque grants loans using funds raised several months previously, thus maintaining a stable financial margin.

After launching ZESTO, a savings passbook account aimed at personal savers, in France in 2012, the Group pursued its strategy of accessing household savings and started under the Renault Bank Direkt brand an activity in deposit-collection in Germany, now offering a passbook savings account and term accounts. Deposits collected in France and Germany over the year rose by €3.4 billion (of which almost €0.8 billion in term deposits) to a total of €4.3 billion, generating 52% of new financing in Europe. This diversification has reduced the Group's reliance on market funding, which totaled €3.1 billion, down sharply on the previous year (€5.0 billion in 2012).

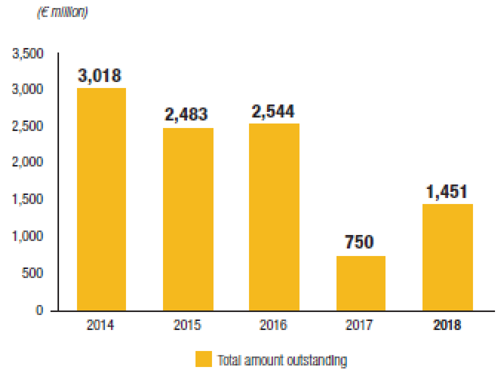
On the bond market, while pursuing its strategy of diversifying its sources of funding, the RCI group raised the equivalent of €2.1billion by issuing debt in both traditional markets (two debt issues and one tap in euro and one debt issue in Swiss francs), and less common markets. After seven years' absence, RCI Banque returned to the sterling market, issuing GBP300 million of debt, as well as issuing debt in US dollars for the second time (USD600 million). The Group's subsidiaries have also regularly issued debt on their domestic markets in Argentina, South Korea and most of all Brazil: after the first debt issue in 2011, the Brazilian subsidiary confirmed its capacity to access local liquidity, increased its investor base, and issued the equivalent of €1,4billion BRL.

In the structured finance segment, in response to investors' desire for a more simplified approach, RCI Banque restructured its German securitization programme. The single master trust set up in 2007 was replaced by two separate securitization vehicles. One vehicle placed €800 million in floating-rate securities with investors, while the other vehicle was used for issues self-underwritten by RCI Banque, and eligible as collateral for the European Central Bank's (ECB) open market operations. The German securitization programme thus replicates the structure implemented in France in 2012.

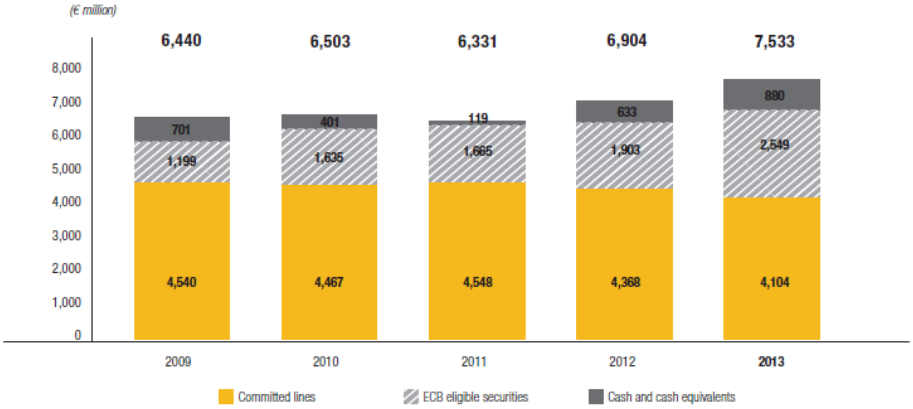
These long-term funds, together with €4.1 billion in undrawn committed bank credit lines and €2.5 billion in collateral eligible for the ECB's open market operations, secure the continuity of RCI Banque's commercial activity for almost 12 months without outside funding sources.

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

RCI BANQUE GROUP – MATURITY SCHEDULE OF BOND ISSUES AT DECEMBER 31, 2013

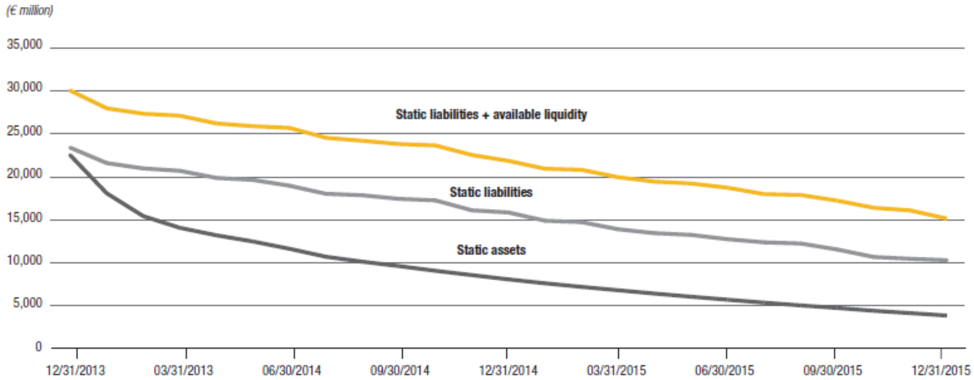


RCI BANQUE GROUP – SECURITIES AVAILABLE FOR SALE AT DECEMBER 31, 2013



* *Centralized refinancing scope: Western Europe + Poland + Czech Republic + Romania + Slovenia + Nordic Countries + South Korea.*

RCI BANQUE GROUP – LIQUIDITY POSITION AT DECEMBER 31, 2013



Static assets and liabilities: lending and borrowing transactions that take place on the assumption they will not be renewed.

RCI BANQUE ISSUANCE PROGRAMME AT DECEMBER 31, 2013

ISSUER	PROGRAMME	MARKET	AMOUNT
RCI Banque	Euro CP	Euro	€2,000m
RCI Banque	Euro MTN	Euro	€12,000m
RCI Banque	CD	France	€4,500m
RCI Banque	BMTN	France	€2,000m
Diac	CD	France	€1,000m
Diac	BMTN	France	€1,500m
Rombo Compania Financiera SA	Bond Programme *	Argentina	ARS 1000m
RCI Financial Services Korea Co. Ltd.	Bond Issues *	South Korea	KRW 865bn
CFI RCI Brasil	Bond Issues *	Brazil	BRL 1700m

* *Locally rated.*

The RCI Banque group’s programmes are focused on five issuers: RCI Banque, Diac, Rombo Compania Financiera (Argentina), RCI FS K (South Korea) and CFI RCI Brazil.

RCI BANQUE

	SECURITIZATION – PUBLIC ISSUES						
COUNTRY	**FRANCE**				**ITALY**	**GERMANY**	
CEDING ENTITY	**DIAC SA**	**DIAC SA**	**DIAC SA**	**DIAC SA**	**RCI BANQUE SUCCURSALE ITALIANA**	**RCI BANK NIEDERLASSUNG**	**RCI BANK NIEDERLASSUNG**
Collateral concerned	Auto loans to customers	Auto loans to customers	Auto loans to customers	Receivables independent dealers	Auto loans to customers	Auto loans to customers	Auto loans to customers
Asset SPV	CARS Alliance Auto Loans France FCT Master	CARS Alliance Auto Loans France F 2012-1	CARS Alliance Auto Loans France V 2012-1	FCT Cars Alliance DFP France	Cars Alliance Warehouse Italy SRL	CARS Alliance Auto Loans Germany FCT	CARS Alliance Auto Loans Germany V2013-1
Start date	May-2012	June-2012	November-2012	July-2013	June-2012	December-2011	December-2013
Maximum term of fund	August-2030	September-2021	February-2024	July-2023	December-2029	May-2024	December-2024
Initial purchase of receivables	€715m	€867m	€826m	€1,020m	€777m	€1,793m	€977
Credit enhancement as of the initial date	Cash reserve for 1% Over-collateralization of receivables 15%	Cash reserve for 1% Over-collateralization of receivables 13%	Cash reserve for 1% Over-collateralization of receivables 13.5%	Cash reserve for 1% Over-collateralization of receivables 20.35%	Cash reserve for 2% Over-collateralization of receivables 14.5%	Cash reserve for 1% Over-collateralization of receivables 12.7%	Cash reserve for 1% Over-collateralization of receivables 12%
Receivables purchased as of 12/31/2013	**€615m**	**€281m**	**€756m**	**€1,041m**	**€709m**	**€607m**	**€911m**
Notes in issue (including any units held by RCI Banque group)	**Class A**	**Class A**	**Class A**	**Class A**	**Class A**	**Class R**	**Class A**
	rating: AAA	rating: AAA	rating: AAA	rating: AAA	rating: AAA	rating: AAA	rating: AAA
	€516m	€190m	€656m	€750m	€619m	€547m	€800m
	Class B	**Class B**	**Class B**		**Class B**	**Class S**	**Class B**
	Not rated	Not rated	Not rated		Not rated	Not rated	rating: A
	€92m	€102m	€109m		€137m	€18m	€57m
						Class T	**Class C**
						Not rated	Not rated
						€62m	€52m
Period	Revolving	Fixed Term	Fixed Term	Revolving	Revolving	Revolving	Revolving
Nature of transaction	retained	market	market	retained	retained	retained	market

In 2013, the RCI Banque group carried out a number of securitization transactions using special purpose vehicles, relating to dealer receivables in France and to loans to end customers in Germany. Some of these transactions were underwritten by RCI Banque SA, making the resulting securities eligible as collateral with the ECB.

All the Group’s securitization transactions meet the 5% economic capital requirement referred to in Article 122a of European Directive 2006/48/EC.

In addition, and as part of the Group’s efforts to diversify its refinancing, some transactions were completed by conduit. Since these issues were private, their terms and conditions are not disclosed in the above table. Securitization transactions were completed in relation to customer loans in the United Kingdom and Italy as well as leasing receivables and dealer receivables in Germany. At end-December 2013, the total amount of financing secured through securitization by conduit was €2,007 million.

Receivables assigned under these transactions were not moved off the balance sheet. Accordingly, the amount of sales financing receivables maintained on the balance sheet was €7,680 million December 31, 2013 (€8,814 million at end-December 2012), i.e.,:

- securitization transactions placed on the market: €1,948 million;
- retained securitization transactions: €2,972 million;
- private securitization transactions: €2,760 million.

The fair value of these receivables at December 31, 2013 was €7,792 million.

A liability of €3,602 million has been recognized under "Other debt evidenced by certificates", corresponding to securities issued as part of these securitization transactions. The fair value of this liability at December 31, 2013 was €3,643 million.

The difference between the amount of receivables assigned and the amount of the aforementioned liability corresponds to the required credit enhancement in respect of these transactions and the share of securities retained by RCI Banque group, which constitute a liquidity reserve.

Rating Renault group

	AGENCY	RATING	OUTLOOK	REVISION	PREVIOUS RATING
	Moody's	Ba1/NP	Stable	12/13/2011	Baa1/P2 perspective positive
	S&P	BB+/B	Stable	11/03/2010	BB/B stable
	Fitch	BB+/NR	Positive	09/18/2013	BB+/NR stable
	R&I	BBB+	Stable	03/31/2009	A/NR negative
Renault	JCR	A-	Stable	12/09/2011	BBB+
	Moody's	Baa3/P3	Stable	01/18/2013	Baa2/P2 negative
	S&P	BBB/A2	Negative	10/25/2012	BBB/A2 stable
RCI Banque	R&I	BBB+/a-2	Stable	12/09/2011	A/a1 negative

Renault SA's credit rating was changed in September 2013 by Fitch from 'stable' to' positive'.

Following the economic downturn in Europe, particularly in France, S&P placed the credit ratings of French banks under review in October 2012. RCI Banque's ratings were confirmed at BBB/A2, and the outlook was lowered from stable to negative.

In January 2013, Moody's completed a review of European automotive captive banks it started in late 2012 as part of a broader review of the entire sector, which resulted in an average downgrade of the banking system. RCI Banque's intrinsic rating was lowered from "C-/baa2" to "D+/baa3", and the long-term and short-term ratings were cut from "Baa2/P2" to "Baa3/P3". All the outlooks were stable.

For the first time Moody's raised the possibility of systemic support from the French government should the need arise. The agency's statement offered assurance that RCI Banque's long-term rating would remain at Investment Grade well into the future.

Any downgrade in these ratings could limit and 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 arising on these activities is monitored through Renault's Cash Management and Financing department from the automotive branche.

Management procedures and principles

Foreign currency transactions are carried out by Renault Finance on currencies tradable on global markets. Exchange rate fluctuations may have an impact in six areas:

- operating margin;
- working capital requirement (WCR);
- net financial income;
- share in the net income of associated companies;
- shareholders' equity;
- net financial debt.

Impact on operating margin: the Automotive segment's main exposure to currency risk is operating margin. The exposures shown below represent yearly flows with the net result of inflows and outflows in the same currency. Operating margin may be affected by exchange-rate fluctuations in operating flows. Currency hedges must be formally authorized by the Finance department or senior management. Once such hedges have been put in place, their results must be reported to senior management. In 2013, the Group set up a currency hedge to partly cover Renault Samsung Motors' purchases in yen, and a currency hedge to partly protect Renault Argentina against the risk of increase in US dollar against the Argentine peso. The Group estimates that a 1% appreciation in the euro against all other currencies would have a negative impact of €68 million on its annual operating margin for 2013, excluding WCR items.

Renault – Operational yearly net flows in currency at December 31, 2013 and impact on operating margin

Main exposure in 2013 was focused on the Russian ruble, amounting to a sensitivity of around €16 million for every 1% rise in the euro. The main exposures and sensitivities are shown in the table below, in millions of euros: with a minimum of 5 million.

CURRENCY		IMPACT OF 1% EURO APPRECIATION
Russian rouble	RUB	(16)
Algerian dinar	DZD	(9)
Pound sterling	GBP	(9)
Argentinian peso	ARS	(9)
Chinese yuan	CNY	(5)

Working capital requirement: like the operating margin, the WCR is sensitive to exchange rate fluctuations. Currency hedges must be formally authorized by the Finance department or senior management. Once hedges have been put in place, reports must be submitted to senior management on the results. In 2013, the Group partially hedged currency risk on the Turkish lira payables of Oyak-Renault, whose proprietary currency is the euro.

Net financial income: the key principle of the Group's management policy is to minimize the impact of currency risk on net financial income. All Group currency risk exposures affecting net financial income are aggregated and monitored by the Central Cash Management and Financing department and reported on a monthly basis to the Chief Financial Officer.

Investments by Automotive subsidiaries are partly financed through equity injections. Other financing requirements are usually met by Renault SA in local currency. Foreign currency funding provided by Renault is hedged in the relevant currencies, thereby ensuring that exchange rate fluctuations do not distort net financial income.

When local circumstances prevent Renault from refinancing a subsidiary under reasonable conditions, that subsidiary may call on external sources of funding, under the control of the Renault's Central Cash Management. Where external financing in non-local currencies is necessary, it is closely monitored by the parent company. Cash surpluses recognized in countries not pooled at parent company level are usually invested in local currency under the supervision of Central Cash Management.

Renault Finance may also engage in foreign exchange transactions for its own account within strictly defined risk limits. Its 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 not exceeding a few tens of millions of euros, and are managed in such a way as to avoid material impacts on Renault's consolidated financial statements.

Share in the net income of associated companies: on the basis of their contributions to 2013 net income, a 1% rise in the euro against the Japanese yen or the Russian ruble would have decreased Nissan's contribution by€15 million and AVTOVAZ's by €0.3 million.

These impacts correspond only to the impact of euro fluctuation on the contribution these entities make to Renault relative to their operating currency; it excludes the inherent impact of euro fluctuations on the entities' own financial statements, given that those two groups both do a more or less significant level of eurozone business that Renault has no control over.

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 investment in Nissan is such that Renault's share of Nissan's net worth has been partially covered by a specific foreign exchange hedge for an amount of ¥111.8 billion at December 31, 2013, with maturities out to 2016. The nature and amount of each transaction are indicated in note 13-G to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement. These transactions consist of ¥27 billion in private placements and ¥84.8 billion in yen-denominated bonds issued on the Japanese market.

Financial debt: as stated above, a portion of Renault's financial debt is denominated in yen in order to cover part of the Company's investment in Nissan. A 1% increase in the value of the euro against the yen would reduce Automotive's net debt by €8 million. Moreover, Automotive net financial debt may be affected by currency fluctuations on subsidiaries' financial assets and liabilities denominated in their home currency. An analysis carried out to measure the sensitivity of financial instruments to currency risk can be found in note 25-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 refinancing activity: RCI Banque's trading room systematically hedges all relevant cash flows.

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 flows of funds; such positions are inevitable when managing cash in multiple currencies. Any such positions are monitored daily and systematically hedged.

At December 31, 2013, RCI Banque group's consolidated foreign currency position totaled €0.7 million.

Group consolidated FX position K€ 31 December, 2013

CURRENCY		
Swiss franc	CHF	62

Pound sterling	GBP	184
Hungarian forint	HUF	41
Polish złoty	PLN	115
Moroccan dirham	MAD	24
Turkish lira	TRY	19
Romanian leu	RON	169
Other		21
RCI, TOTAL (SUM OF ABSOLUTE VALUES)		**635**

INTEREST RATE RISK

<u>Automotive</u>

Risk factors

Interest rate risk can be assessed in respect of debt and financial investments and the payment terms set out in the relevant indenture (*i.e*. fixed or variable rate). Detailed information on these debts is set out in note 23 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 underpinned by 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.

Automotive's financial liabilities totaled €10,283 million at December 31, 2013. A maturity schedule of Automotive's financial liabilities can be found in note 23-C to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement. Of these liabilities, €772 million is denominated in yen (¥111.8 billion).

Automotive held €10,704 million in cash and cash equivalents at December 31, 2013. As far as possible, Automotive's available cash is pooled centrally by Renault SA. It is then invested in short-term bank deposits through Renault Finance.

Finally, Renault Finance also trades for its own account in interest rate instruments within strictly defined risk limits. The resulting 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.

Financial assets and liabilities by maturity and type of rate at December 31, 2013

		LESS THAN 1 YEAR	MORE THAN 1 YEAR	TOTAL
	Fixed rate	59	173	232
Financial Assets	Floating rate	11,368	64	11,432
		11,427	**237**	**11,664**
	Fixed rate	1,776	6,157	7,933
Financial liabilities before hedging	Floating rate	1,246	680	1,925
		3,022	**6,837**	**9,858**
	Fixed rate/Floating	391	3,862	4,253
Hedgings	Floating rate/Fixed	293	0	293
		684	**3,862**	**4,546**
	Fixed rate	1,333	2,305	3,638
Financial liabilities after hedging	Floating rate	1,689	4,532	6,220

	3,022	**6,837**	**9,858**

Sensitivity to interest rate risk at December 31, 2013

	IMPACT ON FINANCIAL INCOME BEFORE TAXES *in €M*	**IMPACT ON SHAREHOLDERS' EQUITY BEFORE TAXES** *in €M*
Impact of a 100bp rise in interest rates	**+55.1**	**+1.3**
Impact of a 100bp fall in interest rates	**(55.1)**	**(1.4)**

<u>**Sales financing**</u>

Risk factors

The Renault group's exposure to interest rate risk mainly arises on sales financing activities carried out by RCI Banque and its subsidiaries. In this context, the aggregate interest rate risk represents the impact of a change in interest rates on the future gross financial margin.

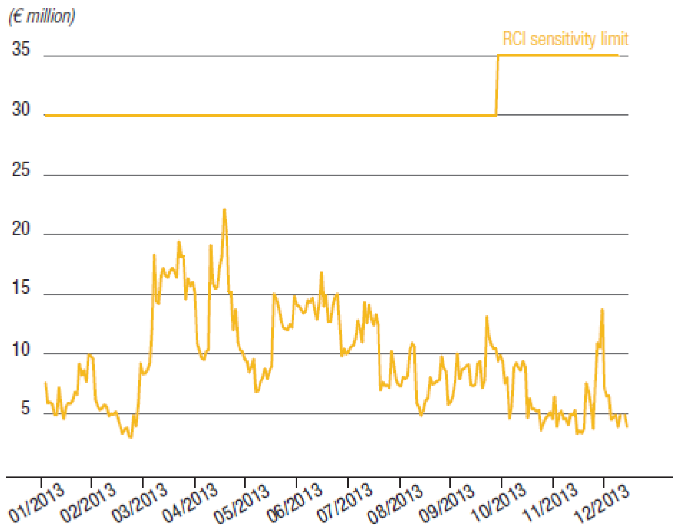
Management procedures and principles

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 consistent manner across the entire scope of consolidation.

The sensitivity of the commercial asset portfolio is monitored daily and systematically hedged. 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 financing to customers.

Movements in RCI Banque's consolidated exposure to interest rate risk over 2013 show that sensitivity to interest rate risk, measured by the impact of a 100-basis point rise or fall in interest rates on the Group's results, was limited.

RCI BANQUE GROUP – DAILY SENSITIVITY TO INTEREST RATE MOVEMENTS (2013)



The solidity of the balance sheet can also be measured in terms of market risks (interest rate, exchange rate and counterparty risk), which are very low and monitored daily on a consolidated basis.

In 2013, RCI Banque's sensitivity to interest rate risk remained below the €30 million limit set by the Group till 10/15/2013 and €35 million since.

At end-December, an interest rate rise of 100 basis points would have had the following impact:

- -€0.7million in euros;
- +€0.6 million in Swiss francs;
- +€0.5 million in sterling;
- +€0.4 million in BRL;
- +€0.7 million in MAD.

In absolute terms, the total sensitivity of all the currencies amounts to €3.87 million.

COUNTERPARTY RISK

Risk Factors

In managing currency risk, interest rate risk and payment flows, the Group enters into transactions on the financial and banking markets for the placement of its liquidity which may give rise to counterparty risk.

Management procedures and principles

Management of counterparty risk incurred by Group entities is fully coordinated and uses an internal rating system based mainly on counterparties' long-term credit ratings and equity. This system is used by all Renault group companies exposed to counterparty risk.

Some Group companies have significant exposure to counterparty risk owing to the nature of their business. These companies are monitored daily to ensure that they comply with authorized limits by counterparties, in accordance with specific internal control procedures.

The Group produces a consolidated monthly report that encompasses all its bank counterparties, organized by credit rating. This report provides a detailed analysis of compliance with limits in terms of amount, term and type, as well as a list of the main exposures.

Special attention is paid to deposit counterparties, unless this is impossible. Deposits are made essentially with major network banks in order to spread risks and mitigate systemic risk. Furthermore, the deposits are made on an overnight basis or on very short term so that funds can be reallocated swiftly if a counterparty comes under stress.

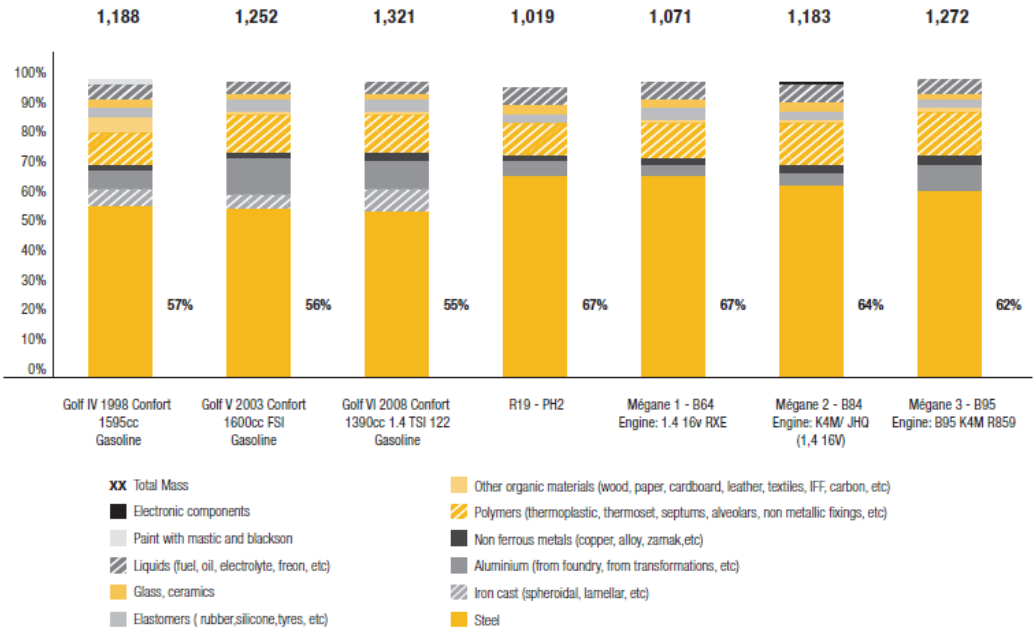
In 2013, the Group suffered no financial loss as a result of the failure of a banking counterparty.

The Group does not trade in the credit derivatives market.

COMMODITY RISK

Renault uses a wide variety of materials in its vehicles, mainly consisting of organic materials (including in part elastomers and polymers), ferrous metals, non-ferrous metals and glass.

The following chart shows how the weight distribution of various categories of material has evolved over different generations of vehicles in the same range (R19 and Mégane I, II and III).



Risk factors

Commodity risk is first and foremost a form of price risk. The Group's aim in managing this risk is to:

- accept price rises only if they are economically justified;
- take advantage of all economically justified price falls.

Supply risk in respect of commodities, and in particular certain metals and rare earths, platinum group metals, etc., 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). Furthermore, an Operational Material Committee was formed by the Senior Vice-President, Purchasing of the Renault-Nissan Purchasing Organization (RNPO) at the end of 2010. The committee meets once a month to review all opportunities to reduce the impact of commodities on Renault's earnings. The committee also ensured that the fall in market commodity prices in 2013 was reflected in falls in the purchase price of commodities.

Price rises and cuts are subject to a prior authorization process, which either ensures that the guidelines are observed or explicitly authorizes waivers following a detailed review.

Under certain conditions, price indexing agreements 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 RNPO for Renault projects throughout the world. Hedges are linked to physical purchases to meet the needs of the relevant production sites.

The Group relies on Renault Finance to execute these hedging transactions in the markets. Renault Finance tracks the metals markets and monitors market values on a daily basis. It uses over-the-counter cash-settled swaps to hedge commodities. 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, subject to limits in terms of volume, maturity and price thresholds. They are covered by monthly reports detailing the performance of hedges and hedged items. Proposals to hedge commodities are discussed by the Chief Financial Officer and the Senior Vice-President of Purchasing before being submitted to the Chairman and CEO, who is the only person with decision-making powers in this area.

Non-indexed commodities (for example steel, rubber and plastic) account for around 80% of the materials used in vehicle manufacture, compared with just 20% for indexed commodities.

In 2013, Renault Finance hedged purchases of aluminum, lead, copper, palladium and platinum on behalf of RNPO. These hedges covered a maximum of 70% of monthly volumes and were put in place from January onwards whenever financial market prices fell below thresholds approved by the Chairman and CEO.

The RMCC also implements a methodology developed by Renault since 2010 to objectively establish the criticality of mineral commodities based on the following:

- supply risks and cost variations;
- importance and impact for Renault (depending on the volumes consumed and purchase prices).

This criticality matrix has helped identify those metals to which the Alliance is most exposed and develop strategies to reduce their use and recycle and/or replace them. Renault is also jointly tracking a list of ten critical metals with Nissan under the aegis of the Raw Material Cross Company Team.

Moreover, 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 industry-wide working group to identify and assess the needs of French industries for strategic commodities. All industry sectors now have access to a tool for self-diagnosing exposure to commodity risk. This tool can form the basis of an overall approach to risk management, with public authorities providing support in respect of any priority areas for action that might be identified.

OPERATIONAL RISK

SUPPLIER RISK

Risk factors

Parts from suppliers account for 57% of the total vehicle cost price. As such, the technical, logistical and financial performance of Renault's suppliers is critical to the Group's business. Any failure on the part of suppliers, whether in relation to the quality of parts delivered, logistical problems, deteriorating financial health or reputational loss, has a considerable impact on both production at Renault plants and the smooth running of projects.

Volumes purchased from key suppliers across the entire Group are weighted as follows:

- TOP 1: 5%;

- TOP 5: 16%;
- TOP 10: 25%.

Methodology

Risk is mainly managed in four ways:

- by drawing up and issuing standards that serve as a benchmark;
- by detecting non-conformity with standards;
- by applying a "filter" to sourcing processes to help buyers identify non-compliant suppliers;
- by taking corrective action if a major or critical non-conformity is detected in relation to a supplier.

Standards and detection of non-conformity

Operational and financial risk

Financial analysis is undertaken by a worldwide network of Renault Nissan analysts using a matrix of criteria shared by Renault and Nissan.

Such analyses are completed annually for suppliers considered strategic using a list of criteria including, in particular, the risk of supply shortages. They are also completed whenever new purchases are made from non-strategic suppliers.

Buyers rate parts suppliers for operational and strategic risk annually using a grid that includes criteria linked to company management, competitiveness and investment capacity, future-proofing of technology and dependence on Renault.

Risk of natural disaster: Business Continuity Plan

Renault and Nissan learned lessons from efficient intervention by teams tasked with restarting the supply chain for Group production sites following the natural disasters that occurred in Japan and Thailand in 2011.

As a result of this learning, all suppliers considered for a given project are reviewed to assess their back-up solutions in the event of a natural disaster. Suppliers located in high-risk areas must undertake to have at their disposal two sites in different countries or propose an alternative that will enable them to resume supplies in less than four weeks. They must also ensure that their own supply chain meets this requirement.

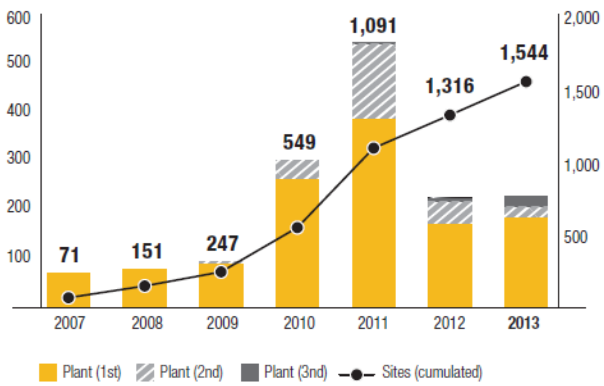
CSR risk

Renault has established a number of CSR standards for its suppliers, which serve as a reference framework for the Group's CSR assessments.

The Group carries out two complementary types of assessment. Priority is given to assessing suppliers using a risk mapping based on an evaluation of risks arising from the manufacturing process (safety, working conditions and the environment) combined with country risk information (on respect for human rights, corruption, environmental risk, political risk, etc.) supplied by the agency OEKOM :

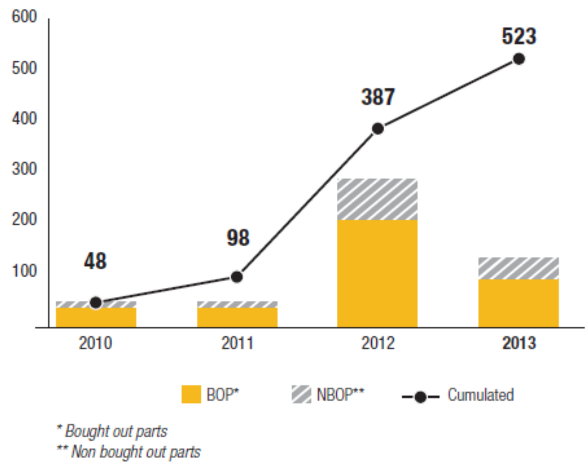
- the first type of assessment is based on field observation at production sites. Such assessments are carried out in-house by Renault experts (1,544 had been completed by end December 2013), and include questions on working conditions and the environment;
- the second type of assessment is based on CSR management at supplier groups and carried out by a third party. Groups are selected on the basis of purchasing volumes or the risk arising from their production activities; 523 groups, representing 74.5% of Renault's 2013 revenue, have already been assessed. The assessment questionnaire includes questions on environmental management, working conditions and human rights, ethics and supply chain management. While Renault has outsourced analysis of the questionnaire to an external specialist, the Group accepts all official rankings proposed by suppliers. An equivalence scale has been established to facilitate the use of this information.

ANNUAL ASSESSMENTS OF SUPPLIER SITES (BY NUMBER) AT 31 DECEMBER 2013



Suppliers are regularly assessed, as Renault wants to have the most recent data. Those who obtained insufficient results will be reevaluated following their action plan. In both cases of re-evaluation, the result only counts once: the year of the last evaluation. That's why values from former years can change over time.

ANNUAL ASSESSMENTS OF GROUPS (BY NUMBER)



At end December 2013, 95% of high-risk suppliers (based on a combination of process and country risk) had been assessed and all necessary action plans were either in progress or had been completed.

All information arising from these assessments is made available to the Group's buyers via an online platform.

An action plan is requested whenever a supplier's score does not meet Renault's requirements, irrespective of the reason. Furthermore, where a critical non-conformity is suspected or confirmed during an internal assessment, an external audit may be required, along with an action plan to address the non-conformity.

The Purchasing Sustainable Development department carries out monitoring to ensure that action plans are properly rolled out and requests practical proof of implementation. Once an action plan has been completed, the relevant site or group is reassessed.

The opinion of the Purchasing Sustainable Development department is communicated to buyers in the form of a "Go/No go" decision. If a buyer wishes to use a supplier with a poor CSR ranking, he/she must obtain an action plan against which the supplier will be monitored until the minimum acceptable CSR score is achieved.

Quality risk

Suppliers' quality management systems are assessed by more than 300 quality experts worldwide via a shared audit with Nissan based on the ISO TS 16 949 standard. All new suppliers are assessed before being accepted, as are all suppliers responsible for a mass production quality defect.

All suppliers failing to achieve the required minimum rating are supported by quality experts until they reach this level. All suppliers must have a positive quality rating before they can be accepted.

At end 2013, 230 assessments had been completed, 30% of which involved re-rating a supplier after an improvement plan had been put in place.

Capacity risk

Other types of risk (capacity risk, logistical risk, etc.) are handled by operational purchasing departments. In the event of an established failure, these departments implement replacement solutions, sometimes within very short timescales, 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 appropriate logistical capability.

Suppliers' ability to deliver projected volumes of parts to Group production sites is continually audited using the "capacity benchmarking" process.

The capacity benchmarking process is the Renault group's standard process for managing its capacity over a two-year time horizon.

Capacity requirements are calculated down to individual component level on the basis of weekly volumes to be met by the industrial system (encompassing both suppliers and production sites).

The scope and frequency of capacity surveys may vary in line with capacity risks and opportunities identified by the Renault group.

After being assessed by the Renault group, responses to the capacity survey from suppliers and production sites are used to validate the capacity benchmarking process.

The capacity survey is carried out via a global information system (DCP@Renault).

Every year, almost 10,000 parts are examined in this way.

FILTERING AND RESPONDING TO NON-CONFORMITIES

Information on supplier risk is made available to buyers via computer systems and used for sourcing purposes. Risk ratings are incorporated into supplier comparison and selection tools (the Alliance Sourcing Committee Sheet). This ensures that any non-conformities are immediately visible to buyers.

Including in particular financial and strategic ratings, undertakings to resume production following a natural disaster, quality ratings, CSR commitments (signature of the Declaration of Fundamental Employee Rights/DDSF, the agreement on CSR guidelines, etc.) and CSR scores obtained via assessments.

Suppliers identified as being at risk are presented at bimonthly Risk Committee Meetings. The committee, which has a wide-ranging remit, is chaired by the Purchasing department and brings together all affected functions: finance, legal, financial control, logistics, communication, public affairs and HR. It decides on the measures to be adopted to ensure long-term security of supply.

GEOGRAPHICAL RISK

Risk factors

The Group has an industrial and/or commercial presence in many countries, some of which carry various risks: GDP volatility, economic and political instability, social unrest, regulatory changes, payment collection problems, fluctuations in interest and exchange rates, lack of foreign currency liquidity, and foreign exchange controls. For example, Renault faces difficulties in repatriating funds from Iran, and has noted a hardening of regulations in Argentina resulting in delays in intra-group transfers.

Management procedures and principles

All decisions to set up manufacturing operations form part of an overall Group growth strategy that factors the risk of instability into an overall industrial approach.

The Group also seeks to continually increase local integration at its production facilities so as to make them more competitive in the local market. The geographical distribution of Renault's industrial and commercial investments outside Europe helps diversify the Group's risk, since GDP and solvency trends vary from region to region.

With regard to industrial investment, to which the Group does not hedge its exposure as a rule, the cost of risk is taken into account when calculating the expected return on investment. An exception is Iran, where Renault's investments are partially guaranteed by a credit insurer.

With regard to trading flows, the Group hedges against the risk of non-payment for most payments originating from high-risk countries. The main exceptions are sales to Renault subsidiaries and countries where hedging is not available; in the latter category, the risk is chiefly concentrated in Iran (arrangements for provisioning this risk are detailed in Note 6-E to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement. The two main hedging instruments used are bank guarantees (documentary credits, standby letters of credit and first-demand guarantees issued by top-tier banks) and guarantees from credit insurers. Residual country risk is regularly monitored.

In order to centrally manage the risk of non-payment and put in place hedges on competitive terms, the Group has designed a "hub and spoke" invoicing system. Manufacturing subsidiaries sell their export production to Renault s.a.s., which sells it on to trading subsidiaries and independent importers, granting them supplier credit. The associated risk is managed by the parent company. Some sales between countries covered by customs agreements do not use this system. In such cases, the exporting subsidiary is responsible for managing its risks, with business support provided by the parent company.

RISKS ARISING FROM ECONOMIC CONDITIONS

Risk factors

Europe: the Group's activities are still heavily dependent on this market (in terms of volumes, revenue and profit). The Company has therefore put in place the following arrangements to safeguard against any additional market risk.

Furthermore, the Russian, Brazilian and Argentinian markets represented sales of 210,000, 236,360 and 141,217 in 2013, respectively 8%, 9% and 5,4% of total Renault sales.

Management procedures and principles

Europe

In anticipation of long-term stagnation in the European market, the Renault group has:

- created a Europe Region, managed by a Regional Management Committee consisting of representatives of all business functions and chaired by an Operations Director and member of the Group Executive Committee. The region has its own business plan to ensure that it contributes to Group profitability;
- defined ambitious strategic objectives to regain market share in the European market, with a focus on customers and profit;
- adjusted the organizational structure of the Europe Region (particularly as regards sales and manufacturing) to foster increased sharing and pooling of resources;
- implemented the French competitiveness plan ("Contract for Renault's renewed growth and employee development in France" dated March 13, 2013), which aims to dramatically improve the competitiveness and output of French manufacturing sites between now and 2016;
- carried out coordinated joint action to control the full distribution cost of vehicles.

As part of its international development strategy, the Group is also expanding its activities in other markets (principally in the emerging BRIC markets) to offset any unfavorable trends in its core European markets.

Brazil and Argentina

The Company has phased in the following arrangements to safeguard against market risk and, in particular, foreign exchange risk:

- the Americas Region, created several years ago, is managed by a Regional Management Committee consisting of representatives of all business functions and chaired by an Operations Director and member of the Renault Management Committee. The region has its own business plan to ensure that it contributes to Group profitability;
- all vehicles sold in Brazil and more than 95% of those sold in Argentina are produced in Mercosur countries with high integration rates so as to reduce the impact of exchange rates on the cost of sales;
- with the same aim in mind, efforts are made to balance trade across production and sales between Brazil and Argentina, and inventory is kept to a minimum;
- in Argentina, purchases in US dollars are partially hedged against foreign exchange risk for periods up to one year.

RCI BANQUE CUSTOMER AND NETWORK RISK

Risk factors

Risk factors depend on the quality of customer credit.

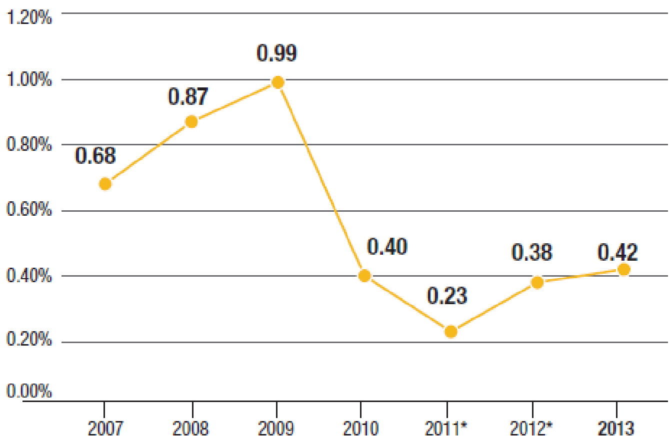
Management procedures and principles

Credit is scored and monitored by customer type (Customers and Network).

Procedures for granting loans to retail and corporate customers are based on credit scoring systems and external database searches. Disputes are managed on a case-by-case basis, in accordance with strict procedures that comply with regulatory requirements laid down by credit institutions' supervisory authorities. The aim of these procedures is to quickly recover outstanding amounts or repossess the vehicles, either 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 has been in place for several years. This has made it possible to strengthen risk monitoring and provisioning. Since 2002, the cost of risk has reflected a conservative policy that takes into account new European regulations on vehicle distribution as well as the downturn in economic conditions.

RCI BANQUE: TOTAL COST OF RISK (% OF TOTAL AVERAGE LOANS OUTSTANDING) INCLUDING COUNTRY RISK



* *Average loans outstanding excluding operating lease contracts.*

"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 (eg a month or a year).

Overdue delinquent loans outstanding and doubtful loans outstanding are excluded from the metric, since it covers only loans on which interest is currently being charged. Delinquent outstandings that are not yet due and non-delinquent outstandings are included.

After reaching a historic low of 0.38% in 2012, the cost of risk remained under control, at 0.42%, in 2013, below the historical structural level for the Group.

This cost of risk correspond to provisions for non-recoverable outstanding and doubtful loans as well as abandoned outstanding loans and provisions for country risks.

This is translated into the account for a charge of 101,6 MEUR en 2013, corresponding to 0.42% of total average loans outstanding.

DISTRIBUTION RISK

Risk factors

The types of risk to which Renault is exposed depends on the type of distribution channel involved:

- at commercial import subsidiaries, the main risks relate to the use of sales and marketing resources;
- at importers, the main risk relates to their financial health;
- within the network of proprietary distribution subsidiaries, which in Europe are grouped together under the umbrella of Renault Retail Group, Renault's risks primarily relate to decentralization and the diversity of these entities;
- the financial health of dealer networks is also a source of risk.

Another risk related to the Group's commercial activities is the risk of customer default.

Management procedures and principles

Import subsidiaries

Central and local systems and procedures have been put in place to enable the Group's import subsidiaries to control financial assistance paid to the network and monitor its cost.

In some countries, independent auditors carry out inspections to ensure that subsidiaries can substantiate the assistance they receive.

Furthermore, an annual internal control self-assessment has been put in place using a tool designed in conjunction with the Internal Control department.

In 2007, the Sales and Marketing department began rolling out a tool for the payment and monitoring of financial assistance provided to the network (Planet).

Importers

Hedging of commercial risks is included in the contracts that Renault signs with importers.

Such hedging may be:

- undertaken by the importer by issuing banking instruments (documentary credits, first demand guarantees and standby letters of credit);
- taken out by Renault in the form of export credit insurance policies.

Hedging instruments must be put in place before trading activity with importers begins.

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 internal control quality tools developed by RRG Internal Control in conjunction with the Internal Audit department, which carries out regular audits to verify that the system is operating effectively.

Dealer network

Renault and RCI Banque jointly monitor the financial position of dealerships in countries in which RCI Banque operates. A dealer rating system is used to prevent and limit the risk of default. In other countries, Renault puts in place a credit monitoring system.

Risk Committee Meetings are held monthly in countries in which RCI Banque operates. For Central Europe, a Risk Supervision Committee meets at head office every four months to review monthly operating reports on the network's financial position and the status of receivables.

Default risk is transferred to RCI Banque in those geographical regions in which RCI has special purpose vehicles to carry risk arising on the network and personal customers. If RCI Banque cannot handle this risk, Renault either carries it directly or transfers all or part of the risk to local banks.

In 2007, a reporting system was introduced as part of the credit management system, including indicators for monitoring Automotive's trade receivables. These tools improve the monitoring and management of payment terms and help manage customer risk and portfolio quality more effectively.

INDUSTRIAL RISK

Risk factors

The Group's exposure to industrial risk is potentially significant as a result of the production of certain models and components being concentrated at one or two sites (see the table of manufacturing sites in II-3-(1)-A "AUTOMOTIVE") and the interdependence of its production facilities. For the past 20 years, in consultation with its insurers, the Company has therefore adopted an ambitious and rigorous prevention policy which is now applied at all production sites. This policy covers personal safety as well as property security and business continuity.

Management procedures and principles

For many years, the Group has endeavored to reduce the risk of fire, explosion and machine breakdown, giving priority in this effort to production sites, as well as engineering and testing centers and the most strategically important logistics platforms. Most existing plants have achieved a high level of prevention and protection, recognized via the "Highly Protected Risk" (HPR) rating, an international standard awarded by insurance companies that verify the application of prevention and protection rules every year (and systematically for all new projects) across more than 50 sites. More than 90% of the insured capital within the industrial, engineering and logistical scope covered by the Renault group's general insurance programme has received the "Highly Protected Risk" rating from the Group's insurers, in recognition of efforts made and in line with the HPR programme rollout plan. This high degree of control over risks, which is recognized by insurers, has a direct positive impact on the terms at which the Group is able to buy insurance cover.

Risks related to natural disasters such as storms, flooding, typhoons (mainly in South Korea) and earthquakes (particularly in Romania, Chile, Turkey and Maroco) are incorporated into the Group's prevention policy.

The prevention policy is supported, in particular, by a specialized central team that works with the Group's insurers to define and update standards for worldwide application, as well as taking part in all projects to modernize or extend existing plants or open new ones. This France-based central team is supported by regional hubs in Spain, Romania and South America, as well as a network of field teams at each production site.

ENVIRONMENTAL RISK

Risk factors

Alongside the systems and policies put in place to reduce the environmental impact of vehicles in the design, manufacture, operation and recycling phases, environmental risk at Renault also covers environmental impacts arising from malfunctioning facilities, harm to individuals, and pollution caused by past activities.

Management procedures and principles

Although Renault has no high environmental risk facilities, it has put in place a management system to guard against environmental risk. This system is ISO 14001 certified and has, since 2005, been integrated into the Renault Production Way in the form of instructions on the management of chemical products and waste at workstations.

A team of business specialists coordinates the tasks performed by the system. These specialists are supported at each production site by a network of local teams. Techniques and structures for identifying risks, quantifying their impact, organizing prevention and protection, and defining controls are implemented at all the Group's manufacturing sites.

Methods and tools have been defined for every stage of the environmental risk management process: 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.

IT RISK

Risk factors

The Renault group's business depends in part on the smooth running of the Group's IT systems. These are under the responsibility of the Information Systems department (DI-R), which has put in place a security policy, technical architecture and processes to combat risks associated with the following:

- partial destruction of the Group's data center, which hosts around 3,000 IT applications. Redundancy is built into the 11 applications that support strategic business processes so that they can restart in less than a week in the event of an incident. It would take several months to restart all the Group's IT applications;
- cyber crime: computerized attacks on Renault, for example in response to events widely reported in the media such as site closures, or simply with the aim of deriving benefit (through the resale of information, blackmail, etc.). Such attacks aim to steal or corrupt sensitive data (i.e. confidential or personal information), crash applications or the Group's entire intranet network, and deface web sites. All companies, including those in the manufacturing sector, are targeted by such attacks. Furthermore, the Renault group's exposure to such threats is likely to increase with the development of connected vehicles, with attacks targeting in-vehicle systems (both Renault and partner applications);
- industrial espionage targeting sensitive data;
- non-compliance with legislation governing IT-related activities: protection of personal data, professional secrecy, the Act on confidence in the digital economy, etc.

The occurrence of these types of risks can adversely affect the Group's brand image as well as its financial position and/or competitive advantage.

Management procedures and principles

Risks are controlled, in particular, through the following:

- the IT Risk Committee, which is chaired by a member of the Renault Management Committee and coordinated by Group IT Security, under Renault's Information Systems department (DSIR), in conjunction with the Information Management Programme department. This committee consists of representatives from the business lines (business information systems security managers – RMSSIs) and Risk Management department;
- management of data security within each business by the designated RMSSI;
- committees coordinated by Renault Group IT Security, which carry out checks at operational level to verify the effective application of IT security procedures, in line with the information systems security policy and best practice;
- a process for defining security requirements, which must be able to adapt as technologies evolve (an example being the development of cloud-based offerings). This process is used within IT projects, depending on the criticality of the applications and data used;
- a high level of protection for the Group's IT network, such that resources can safely be used not only by suppliers and partners but also by entities based in high-risk countries;
- awareness-raising activities;
- compliance checks carried out jointly by Renault's Information Systems department and Prevention and Protection department (D2P).

Key IT security projects carried out in 2013 covered the following areas:

- maintaining the inventory of applications supporting strategic Group processes, to ensure that those applications can be restarted as a priority in the event of an incident;
- maintaining the inventory of systems hosting confidential data (types A and B) and personal information;
- security support for strategic international partnership projects (Russia, China, Algeria, etc.);
- project support in drawing up contracts with suppliers for the purchase of "cloud" services;
- actions to improve intranet and mobile handset security;
- work to detect advanced attacks on sensitive areas of the Company;
- intrusion testing on systems installed in connected vehicles;
- periodic vulnerability testing on around 750 machines supporting Renault applications accessible via the Internet;
- coordination of the Group's network of security correspondents within its various business lines;
- tooling and training to support a new process for integrating security into projects.

OTHER RISKS

LEGAL AND FISCAL RISKS

Risk factors

Legal and arbitration proceedings

In the normal course of its business, the Group is involved in various legal proceedings. Generally, all known legal disputes in which Renault or Group companies are involved are reviewed at the year-end. After seeking the opinion of the appropriate advisers, the Group sets aside any provisions deemed necessary to cover the estimated risk.

In the last twelve months, there have been no government, court or arbitration proceedings (including any pending or potential proceedings of which the issuer is aware) that could have or have recently had a material impact on the financial position, the activities or the results of the Group.

Regulatory changes

Renault has to abide by all laws applicable to companies, and seeks to adopt a faultless attitude. It requires subsidiaries to comply with local regulations in countries in which the Company operates. To safeguard against risks arising from regulatory changes, Renault is engaged in ongoing dialog with national and regional authorities responsible for specific regulations applicable to products in the automotive industry.

On September 14, 2004, the European Commission issued a proposed directive amending Directive 98/71 on the protection of designs and models. The proposal calls for the abrogation of protection of spare parts under design law. This proposal was approved by the European Parliament, with an amendment providing 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 EU directives. As such, the transition period has not yet begun 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 Group earnings, given that around 1.5% of Renault's revenue arises 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 those parties. Every year, Renault s.a.s. files several hundred patents some of which are covered by fee-paying licenses granted to third parties.

As part of the sale of Renault V.I. to Volvo, Renault granted the Volvo group a license to use the Renault brand name in an agreement signed on January 2, 2001 for commercial vehicles (3.5 tonnes and over). This is a perpetual worldwide license and is used by the Volvo group at its own risk.

Management procedures and principles

The risks identified above are controlled by implementing prevention policies in the realms of health and safety at work, the industrial environment, intellectual and industrial property rights in relation to vehicle safety, the quality of the Group's products and services, and legal protection for the Group's operations.

From a legal standpoint, internal control in respect of these risks is based on two main guidelines:

- reporting, which relies on the networking of the legal function within the Renault group via a dual system of both hierarchical and functional reporting;
- the precautionary principle, which stems from two factors:
    - each member of the legal function has a highly developed sense of responsibility and is used to working on a cross-functional and ethical basis at all times,
    - legal teams are brought in at a very early stage for major cases and play a proactive role in solving subsequent disputes.

5. IMPORTANT CONTRACTS RELATING TO MANAGEMENT, ETC.:

Not applicable.

6. RESEARCH AND DEVELOPMENT ACTIVITIES

At Renault, R&D is a source of innovation that contributes to the competitiveness and long-term strategy of the company. With more than €1,5 billion invested in 2013, Renault is showing its determination to meet automotive industry challenges and to converge with major technological and social trends.

Research and development expenditure *

	2013 ***	2012	2011	2010	2009
Net R&D expenses (€ million) **	1,516	1,570	1,637	1,567	1,531
Group revenues (€ million) as published	40,932	41,270	42,628	38,971	33,712
R&D spend ratio	3.7%	3.8%	3.8%	4.0%	4.5%

R&D headcount, Renault group	16,426	17,037	17,278	17,854	17,881
Renault group patents	620	607	499	304	362

** All R&D expenditure is incurred by Automotive.*
*** = R&D expenses – R&D expenses billed to third parties and others.*
**** Group Turnover in restated value.*

R&D HIGHLIGHTS IN 2013

The most recent R&D results can be seen on our latest vehicles and subsystems:

VEHICLES	POWERTRAIN COMPONENTS
CAPTUR	TCe 130 engine
SCÉNIC XMOD fitted with Extended Grip traction control	
QM3 in South Korea (Korean version of Captur)	
SM3 Z.E. in South Korea	

7. ANALYSIS OF FINANCIAL CONDITION, OPERATING RESULTS AND STATE OF CASH FLOW

Any forward-looking statements contained in this section are based on the judgment as of December 31, 2013.

OVERVIEW

(€ million)	2013	2012 RESTATED*	CHANGE	2012 PUBLISHED
Group revenues	**40,932**	**40,720**	0.5%	**41,270**
Operating profit	**1,242**	**782**	460	**729**
Operating income	(34)	183	(217)	122
Financial result	(282)	(321)	39	(266)
Contribution from associated companies	**1,444**	**1,475**	(31)	**1,504**
o/w Nissan	*1,498*	*1,213*	*285*	*1,234*
Gain from the disposal of AB Volvo A shares	-	924	(924)	924
Net income	**695**	**1,712**	(1,017)	**1,735**
Automotive operational free cash flow	**827**	**609**	218	**597**
Automotive net cash position	**1,761**	**1,532**	229	**1,492**
Shareholders' equity	23,214	24,564	(1,350)	24,547

* *Restated to reflect the retroactive application of the IFRS 11 "Joint Arrangements" and revised IAS 19 "employee benefits" standards.*

COMMENTS ON THE FINANCIAL RESULTS

<u>Consolidated income statement</u>

OPERATING SEGMENT CONTRIBUTON TO GROUP REVENUES

	2013					2012 RESTATED*				
(€ million)	Q1	Q2	Q3	Q4	YEAR	Q1	Q2	Q3	Q4	YEAR
Automotive	7,736	11,647	7,483	11,909	38,775	8,852	10,701	7,804	11,255	38,612
Sales Financing	529	529	515	584	2,157	519	550	513	526	2,108
TOTAL	**8,265**	**12,176**	**7,998**	**12,493**	**40,932**	**9,371**	**11,251**	**8,317**	**11,781**	**40,720**

(%)	CHANGE 2013/2012 RESTATED* Q1	Q2	Q3	Q4	YEAR
Automotive	-12.6	8.8	-4.1	5.8	0.4
Sales Financing	1.9	-3.8	0.4	11.0	2.3
TOTAL	**-11.8**	**8.2**	**-3.8**	**6.0**	**0.5**

* *Restated to reflect the retroactive application of the IFRS 11 "Joint Arrangements" and revised IAS 19 "employee benefits" standards.*

The **Automotive division's contribution** to revenues was €38,775 million, up 0.4%, despite a negative exchange rate effect of 4.1 points, reflecting the substantial devaluation of a basket of currencies and in particular the Argentine peso, the Brazilian real, the Iranian rial, the Russian ruble, and the Indian rupee. This trend was mainly attributable to:

- increased new vehicles sales, resulting in a positive volume effect of 1.6 point;
- a positive geographic mix of 0.7 point and a neutral product mix;
- a positive price effect of 1.3 point, reflecting the pricing policy instituted by the Group to enhance the value of the Renault brand and offset the weakness of certain currencies;
- other Group sales (including powertrain components and vehicles to partners), which had a positive impact of 1.1 point.

By Region (excluding other businesses):

- Europe accounted for 0.3 point of the decrease in revenues;
- International[8] operations contributed 0.5 point, despite the negative exchange rate effect.

OPERATING SEGMENT CONTRIBUTION TO GROUP OPERATING PROFIT

(€ million)	2013	2012 (RESTATED*)	CHANGE	2012 (PUBLISHED)
Automotive division	**495**	**34**	**461**	**-25**
% of division revenues	*1.3%*	*0.1%*	*1.2pt*	*-0.1%*
Sales Financing	**747**	**748**	**-1**	**754**
TOTAL	**1,242**	**782**	**460**	**729**
% of Group revenues	*3.0%*	*1.9%*	*1.1 pt*	*1.8%*

* *Restated to reflect the retroactive application of the IFRS 11 "Joint Arrangements" and revised IAS 19 "employee benefits" standards.*

The **Automotive division's** operating profit increased by €461 million to €495 million (1.3% of its revenues), owing mainly to:

- the *Monozukuri* plan, which reduced costs by €714 million (including the €86 million decrease in raw materials costs);
- the positive mix/price/enhancement effect of €276 million. Combining to produce this result were a virtuous pricing policy in Europe linked to sales performance of new models, and higher prices in international[9] markets aimed at offsetting the negative exchange rate effects of certain currencies;
- an increase in volumes, which had a positive impact of €121 million;
- an €18 million reduction in overheads.

8 Restated to reflect the retroactive application of the IFRS 11 "Joint Arrangements" and revised IAS 19 "employee benefits" standards.

9 Regions excluding Europe: Americas, Asia-Pacific, Euromed-Africa and Eurasia.

These positive effects made up for a negative exchange rate effect of €619 million, stemming mainly from the devaluation of the Argentine peso, the Russian ruble, and the Iranian rial.

RENAULT GROUP – RESEARCH AND DEVELOPMENT EXPENSES*

(€ million)	**2013**	**2012 (RESTATED*)**	**CHANGE**	**2012 (PUBLISHED)**
R&D expenses	1,793	1,863	70	1,889
Capitalized development expenses	-732	-764	32	-764
% of R&D expenses	*-40.8%*	*-41.0%*	*0.2%*	*-40.4%*
Amortization	751	790	39	790
GROSS R&D EXPENSES RECORDED IN THE INCOME STATEMENT	**1,812**	**1,889**	**77**	**1,915**

* *Restated to reflect the retroactive application of the IFRS 11 "Joint Arrangements" and revised IAS 19 "employee benefits" standards.*

The contribution of **Sales Financing** to the Group operating profit was €747 million, compared with €748 million in 2012[8]. This stability was notably related to the €31 million negative exchange rate effect stemming from the devaluation of the Brazilian real and the Argentine peso. The cost of risk (including country risk) remained under control, at 0.42% of the average outstanding loans, compared with 0.38% in 2012. A cost of risk remaining below the structural threshold is a reflection of the sound approval policy initiated in 2009 and efficient collection management.

Other operating income and expenses showed a net expense of €1,276 million, compared with an expense of €607 million in 2012. This net expense consisted mainly of:

- a complementary provision of €514 million registered in the first-half to cover all exposure in Iran;
- depreciation of assets amounting to €488 million for various vehicle programmes;
- restructuring charges amounting to €423 million, related mainly to the competitiveness agreement signed in France;
- €153 million in capital gains on disposals.

After recognizing other **operating income** and expenses, the Group reported negative operating income of €34 million, compared with positive operating income of €183 million in 2012[8].

The net financial result showed a net charge of €282 million, compared with a net charge of €321 million in 2012[8].

Renault's **share in associated companies** generated a gain of €1,444 million, including:

- €1,498 million from Nissan (compared with €1,213 million in 2012[8]);
- -€34 million from AVTOVAZ (compared with €186 million in 2012).

Current and deferred taxes showed a charge of €433 million (compared with €549 million in 2012[8]), including a charge of €443 million for current taxes and €10 million in net income from deferred tax assets.

Net income came to €695 million, compared with €1,712 million in 2012[8]. Net income, Group share, amounted to €586 million (compared with €1,749 million in 2012[8]).

Shareholders' equity fell down €1,350 million to €23,214 million, impacted by translation adjustments, notably on the yen.

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[8] Restated to reflect the retroactive application of the IFRS 11 "Joint Arrangements" and revised IAS 19 "employee benefits" standards.

Automotive free cash flow and net cash position

AUTOMOTIVE FREE CASH FLOW

(€ million)	2013	2012 (RESTATED)*	CHANGE	2012 (PUBLISHED)
Cash flow	2,914	2,573	342	2,577
Change in the working capital requirement	790	918	(128)	922
Tangible and intangible investments net of disposals	(2,543)	(2,654)	111	(2,674)
Leased vehicles and batteries	(334)	(228)	(107)	(228)
OPERATIONAL FREE CASH FLOW	**827**	**609**	**218**	**597**

* *Restated to reflect the retroactive application of the IFRS 11 "Joint Arrangements" and revised IAS 19 "employee benefits" standards.*

In 2013, the Automotive division reported positive **free cash flow** of €827 million, resulting from:

- cash flow of €2,914 million;
- a negative change in the working capital requirement of €790 million;
- tangible and intangible investments net of disposals of -€2,543 million, stable compared with 2012 (-€2,654 million) and in line with the Plan's objective of under 9% of revenues;
- a €334 million increase in leased vehicles and batteries.

This free cash flow net of dividend payments (-€105 million) and diverse transactions such as the increase in the Group's equity interest in AVTOVAZ through the Alliance Rostec Auto B.V. accounted for the €269 million increase in **the Automotive division's net cash position,** which stood at €1,761 million on December 31, 2013.

TANGIBLE AND INTANGIBLE INVESTMENTS NET OF DISPOSALS BY OPERATING SEGMENT

(€ million)	2013	2012 (RESTATED*)	2012 (PUBLISHED)
Tangible investments (excluding capitalized leased vehicles and batteries)	1,914	1,916	1,936
Intangible investments	827	900	900
o/w capitalized R&D	*732*	*764*	*764*
Total acquisitions	2,741	2,816	2,836
Disposal gains	(198)	(162)	(162)
TOTAL AUTOMOTIVE DIVISION	**2,543**	**2,654**	**2,674**
TOTAL SALES FINANCING	**8**	**11**	**11**
TOTAL GROUP	**2,551**	**2,665**	**2,685**

* *Restated to reflect the retroactive application of IFRS 11 "Joint Arrangements" and revised IAS 19 "employee benefits" standards.*

Total gross investment was down slightly in 2013, compared with 2012; the breakdown was 60% in Europe and 40% in the rest of the world:

- in Europe: investment went mainly to the development and the adaptation of the industrial equipment linked to the renewal of the B range (Captur), the C range (Scénic Xmod, new brand identity), the D range (New Espace), the future Twingo project and the renewal of the LCV range (New Trafic);
- outside Europe: investments mainly concerned the Entry range (Morocco, Romania, Russia and South America), modernization and capacity increases (mechanical components and vehicles).

NET CAPEX AND R&D EXPENSES

(€ million)	**2013**	**2012 (RESTATED*)**	**2012 (PUBLISHED)**
Tangible and intangible investments net of disposals (excluding capitalized leased vehicles and batteries)	2,551	2,665	2,685
Capitalized development expenses	(732)	(764)	(764)
Other	(272)	(145)	(145)
NET INDUSTRIAL AND COMMERCIAL INVESTMENTS(1)	**1,547**	**1,756**	**1,776**
% of Group revenues	3.8%	4.3%	4.3%
R&D expenses	**1,793**	**1,863**	**1,889**
o/w billed to third parties	(277)	(313)	(319)
NET R&D EXPENSES(2)	**1,516**	**1,550**	**1,570**
% of Group revenues	3.7%	3.8%	3.8%
NET CAPEX AND R&D EXPENSES (1) + (2)	**3,063**	**3,306**	**3,346**
% of Group revenues	*7.5%*	*8.2%*	*8.1%*

* *Restated to reflect the retroactive application of the IFRS 11 "Joint Arrangements" and the revised IAS 19 "employee benefits" standards.*

AUTOMOTIVE DIVISION NET CASH POSITION

	12/31/2013	**12/31/2012 (RESTATED*)**	**12/31/2012 (PUBLISHED)**
Non-current financial liabilities	(6,837)	(6,355)	(6,276)
Current financial liabilities	(3,449)	(3,680)	(3,802)
Non-current financial assets – other securities, loans and derivatives on financial operations	368	348	348
Current financial assets	975	1,150	1,150
Cash and cash equivalents	10,704	10,069	10,072
NET CASH POSITION	**1,761**	**1,532**	**1,492**

* *Restated to reflect the retroactive application of the IFRS 11 "Joint Arrangements" and revised IAS 19 "employee benefits" standards.*

Cash position at December 31, 2013

In 2013, the **Automotive** contracted nearly €2.4 billion in medium-term loans and has thus refinanced its 2013 bond repayments as well as part of those falling due in 2014. In 2013, Renault once again confirmed its access to the euro, yen (Samurai bond) and yuan (Dim Sum bond) markets. The Automotive division's cash reserves stood at €14.1 billion at end-December 2013. These reserves consisted of:

- €10.7 billion in cash and cash equivalents;
- €3.4 billion in undrawn confirmed lines of credit.

At December 31, 2013, RCI Banque had available liquidity of €7.5 billion, consisting of:

- €4.1 billion in undrawn confirmed lines of credit;
- €2.5 billion in central-bank eligible collateral;
- €0.9 billion in cash.

IV. STATEMENTS OF FACILITIES

1. OUTLINE OF CAPITAL INVESTMENT, ETC.

Please refer to Section III-7. ANALYSIS OF FINANCIAL CONDITION, OPERATING RESULTS AND STATE OF CASH FLOW, “NET CAPEX AND R&D EXPENSES” of this Securities Report.

2. STATEMENT OF PRINCIPAL FACILITIES

Please refer to Section II-3. CONTENTS OF BUSINESS - (1) ACTIVITIES - A. AUTOMOTIVE “MAIN MANUFACTURING SITES” of this Securities Report.

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, PARTNERSHIPS 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, 2013

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 2013 (plans able to have a potential impact on the aggregate number of shares):

- plan N°12. May 2006. Option outstanding at 1,280,553
- plan N°14. December 2006. Option outstanding at 1,486,806

At December 31, 2013, the stocks subscription options outstanding were at 2,767,359.

(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, 2013)

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 (JPY129,845,456,623)
December 18, 2001 (2)	2,397,983	242,196,550	EUR 9,136,315.23 (JPY1,298,453,120)	EUR 922,768,855.50 (JPY131,143,909,744)
March 29, 2002 (3)	37,799,462	279,996,012	EUR 144,015,950.22 (JPY20,467,546,845)	EUR 1,066,784,805.72 (JPY151,611,456,589)
May 28, 2002 (4)	4,941,106	284,937,118	EUR 18,825,613.86 (JPY2,675,496,242)	EUR 1,085,610,419.58 (JPY154,286,952,831)
April 28, 2010 (5)	1,617,775	286,554,893	EUR 6,163,722.75 (JPY875,988,277)	EUR 1,091,774,142.33 (JPY155,162,941,108)
April 28, 2010 (6)	9,167,391	295,722,284	EUR 34,927,759.71 (JPY4,963,933,210)	EUR 1,126,701,902.04 (JPY160,126,874,318)

Note: No changes in the share capital in FY 2000, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2011, 2012 and 2013.

(*) Shares at 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 is 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, 2012). 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 2.61% of the capital in the form of shares managed through collective investment schemes.

Treasury stock

The percentage of treasury stock is 1.28%. These shares do not carry voting rights.

General Public

in view of these changes, the free float is now 63.00% of the capital (compared with 62.55% at December, 31 2012).

A survey of the holders of Renault bearer shares was carried out on December 31, 2013 to obtain an estimated breakdown of the public's ownership interest by category of major shareholder. At that date, institutional shareholders owned approximately 53% of the capital, with French institutions holding 9.84% and foreign institutions 43.16%. The 10 largest French and foreign institutional investors held approximately 18.6% of the capital. The remaining capital - 10% - is held primarily by individual shareholders.

Share buybacks

At December 31, 2013 Renault SA held 3,784,305 shares of €3.81 par value and a book value of €144,880,436. Pursuant to Article L. 225-209 of the Commercial Code, the thirteenth resolution of the Combined General Meeting of April 30, 2013, 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. This authorization has been renewed at the General Meeting of Shareholders on April 30th 2014 for a maximum period of eighteen months.

Renault acquired no shares in 2013 or as part of the share buyback programme approved by the General Meeting of April 30, 2013. The 3,784,305 shares held directly or indirectly by Renault SA at December 31, 2013, are allocated as follows:

- 3,784,305 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, 2013: 1.28%.
Number of shares cancelled over the 24 months preceding December 31, 2013: zero shares.
Number of shares held in the portfolio at December 31, 2013: 3,784,305 shares .
Book net value of the portfolio at December 31, 2013: €144,880,436.
Portfolio value at December 31, 2013*: €221,192,627.

* *Based on a share price of €58.45 at December 31, 2013.*

OPERATIONS CARRIED OUT BY RENAULT ON ITS OWN SHARES AS PART OF THE PROGRAMMES AUTHORIZED BY THE COMBINED GENERAL MEETINGS OF APRIL 27, 2012 AND APRIL 30, 2013

	TOTAL GROSS FLOWS AT DECEMBER 31, 2013		OPEN INTEREST AT DECEMBER 31, 2013	
	PURCHASES	SALES	LONG POSITIONS	SHORT POSITIONS
Number of shares	none	none	none	none

Average sell, buy or strike price	none	none	none	none
Total	none	none	none	none

(5) DESCRIPTION OF PRINCIPAL SHAREHOLDERS:

Ownership of shares and voting rights

As of December 31, 2013

Name or Corporate Name	Address	Number of Shares Held	Percentage to the Aggregate Number of Issued Shares (%)	Voting Rights (%)
French State[(2)]	France	44,387,915	15.01	17.93
Nissan Finance Co., Ltd.	1-1-1, Takashima, Nishi-ku, Yokohama-shi, Kanagawa	44,358,343	15.00	-
Daimler AG[(2)]	Mercedesstrasse 137, 70327 Stuttgart, Federal Republic of Germany	9,167,391	3.10	3.70
Employees [(1)]		7,720,720	2.61	3.12
Treasury stock		3,784,305	1.28	-
Public		186,303,610	63.00	75.25
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) The number of shares and voting rights hold by the French state and Daimler AG remains unchanged versus 2012. The variation of their % of voting rights is only explained by the variation of the total number of exercisable voting rights.

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.

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	2009	2010	2011	2012	2013

Date of Settlement of Accounts	December 31, 2009	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013
Highest Price (JPY)	37.37 (5,311)	45.97 (6,533)	50.53 (7,181)	43.83 (6,229)	69 (9,806)
Lowest Price (JPY)	10.16 (1,444)	26.56 (3,775)	22.07 (3,137)	26.76 (3,803)	39.11 (5,558)

(2) Highest and Lowest Price of Shares for the Latest Six Months in this Business Year (at the closing):

(Euros per share)

Month	July 2013	August 2013	September 2013	October 2013	November 2013	December 2013
Highest Price (JPY)	62.88 (8,937)	62.9 (8,939)	61.96 (8,806)	69 (9,806)	65.82 (9,354)	65.48 (9,306)
Lowest Price (JPY)	51.48 (7,316)	53.87 (7,656)	51.58 (7,331)	58.69 (8,341)	58.75 (8,350)	56.45 (8,023)

4. STATEMENT OF OFFICERS:

This Section describes the management and administration methods used by Renault SA, a publicly 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.

(1) BOARD OF DIRECTORS

Members of the Board of Directors

The Renault Board of Directors chooses its members with an eye to balance, competency and high ethical standards. It therefore takes the following into consideration in assessing each candidate:

- the ownership structure and any changes to it;
- independence;
- the balance between women and men;
- the need for diverse and complementary competencies relevant to Renault's strategy and development;
- diversity of nationalities;
- knowledge of the markets in which Renault operates or wishes to do so.

The term of the directors is four years. In accordance with the recommendations of the Afep-Medef Code, terms are renewed on a rotating basis to avoid renewing all of them at the same time.

The process for selecting directors is described in greater detail in the internal regulations.

The Company is administered by a Board of Directors with 19 members, including four 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.

In 2013, the new directors elected internally by employees in 2012, Ms Mariette Rih and Messrs. Richard Gentil and Eric Personne, as well as the director representing employee shareholders, Mr Benoit Ostertag, received training so they could rapidly acquire the specific skills they will need to fully perform their roles and missions as corporate directors. In addition, their professional careers and their labor union activities in the Group give them a good understanding of the Group's organization and operations (their biographies are found in "Terms or functions of the directors as of May 15, 2014" below).

Women directors have sat on Renault's Board since 2003. On April 30, 2013, the Annual General Meeting appointed a new woman director, Ms Yuriko Koike, who replaces Mr Takeshi Isayama as the representative of Nissan.

When directorships come up for renewal, Renault will comply with the provisions of Act 2011-103 of January 27, 2011, relating to gender equality and balanced representation of men and women on Boards of Directors and Supervisory Boards.

EXPIRATION OF THE TERMS OF BOARD MEMBERS AS OF MAY 15, 2014

CURRENT TERM EXPIRES	DIRECTOR
2015	Mr Azéma Mr Lagayette
2016	Ms Rih Mr de Croisset Mr Desmarest Mr Faure Mr Garnier Mr Gentil Mr Personne
2017	Ms de La Garanderie Mr Belda Ms Koike Mr Ostertag
2018	Mr Ghosn Mr Ladreit de Lacharrière Mr Riboud Mr Saïkawa Ms Sourisse Mr Thomas

Terms or functions of the directors as of May 15, 2014

The Directors' titles, names, dates of birth, principal brief personal histories, terms of office and class and number of Renault shares owned are as follows:

DIRECTORS PROPOSED FOR RE-ELECTION

<table>
<tr><td rowspan="2"></td><td colspan="2">CARLOS GHOSN</td></tr>
<tr><td>Chairman of the Board of Directors
Birth date: 03/09/1954 (60 years old)
Nationality: French-Brazilian</td><td>Date of first appointment: april 2002
Current term expires: 2018 GM
Number of registered shares held: 255,200</td></tr>
<tr><td colspan="3">Biography - Professional experience</td></tr>
<tr><td colspan="3">Carlos Ghosn was born in 1954 in Porto Vehlo, Brazil. Upon his arrival in Paris, he began his studies at the École des Mines and then went on to the École Polytechnique de Paris. Carlos Ghosn joined Michelin in 1978 to head up the plant in Puy (France). He then managed Michelin's business in South America, based in Brazil.
In 1989, he was appointed Chairman and Chief Executive Officer of Michelin North America. Carlos Ghosn joined Renault in 1996 as Deputy Chief Executive Officer. In addition to managing Renault's operations in the Mercosur Region, he was also head of automotive research, engineering and development, production, mechanical activities and purchasing.
He joined Nissan Motors as Managing Director in 1999, and was appointed Chairman and Chief Executive Officer in 2001.
Mr. Ghosn has been Chairman of Renault since May 2005, and remains the Chairman and Chief Executive Officer of Nissan Motor. He was appointed Chairman and Chief Executive Officer of Renault on May 6, 2009.</td></tr>
<tr><td colspan="3">Offices and other functions in French and international companies</td></tr>
</table>

CURRENT OFFICES	***OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD:***	**Term of offices expired**
Listed companies: Chairman and Chief Executive Officer of Renault SA (France) Chairman and Chief Executive Officer of Nissan Motor Co. Ltd., (Japan) Chairman of the Board of Directors of AvtoVAZ (Russia) **Non listed companies:** Chairman of Renault s.a.s. (France) Chairman of the Board of Directors of Renault-Nissan b.v. (Netherlands) Chairman of the Board of Directors of Alliance Rostec Auto BV (Netherlands) **Other legal entities:** N/A	Director of Alcoa (Brazil)	2011

MARC LADREIT DE LACHARRIÈRE	
Director **Birth date:** 11/6/1940 (73 years old) **Nationality:** French **Chairman of the Appointments and Governance Committee** **Member of the Compensation Committee**	**Date of first appointment:** october 2002 **Current term expires:** 2018 GM **Number of registered shares held:** 1,020

Biography - Professional experience

Marc Ladreit de Lacharrière studied economics in Paris, and then graduated from the *École Nationale d'Administration (ENA)* in the "Robespierre" class (January 1968 to May 1970). He joined Banque Indosuez where he occupied a number of different management positions until 1976, before moving to the L'Oreal group where he was appointed Executive Vice-President, a position he held from 1984 to 1991. At the same time, he was a Director of Synthélabo (1986-1991), Crédit Lyonnais, Air France, France Télécom, and the *musée du Louvre*. In 1991, Marc Ladreit founded his own company, Financière Marc de Lacharrière (Fimalac), which made equity interests in a number of companies, notably in the culture and media sectors. Fimalac currently holds the financial ratings agency, Fitch Ratings, and previously held Algorithmics. Marc Ladreit de Lacharrière is co-founder of the French foundation to combat exclusion, Fondation Agir contre l'exclusion. He is a Director of Casino group, of L'Oréal, of Renault since 2000, and a member of the Advisory Committee of the Banque de France (since 1997). Marc Ladreit de Lacharrière is Chairman of the French intellectual journal, *La Revue des Deux Mondes*. He was elected to the *Académie des Beaux-Arts* in 2006 to the Gérald Van der Kemp Chair (free members section). That same year, he founded and finances the Fondation Culture & Diversité to assist young people from disadvantaged schools. In 2007, he was appointed Chairman of the Board of Directors of the *Agence internationale des musées de France* (France Museums), the agency with responsibility, notably, for the Louvre Abu Dhabi project. On December 31, 2010, he was awarded the honor of the Grand Cross of the French Legion of Honor (*Grand-Croix de la Légion d'honneur*).

Offices and other functions in French and international companies

CURRENT OFFICES	*OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD:*	**Term of offices expired**
Listed companies: Chairman and Chief Executive Officer of Fimalac (France) Director of Casino Group (France) Director of L'Oréal (France) **Non listed companies:** Chairman of the Board of Directors of Groupe Marc de Lacharrière (France) Chairman of the Board of Directors of Agence France Museums (France) Chairman of the Board of Directors of Fitch Group (USA) Director of Fermière du Casino Municipal de Cannes (France) Director of Lucien Barrière SAS Group (France) Director of Gilbert Coullier Productions SAS (France) Manager of Fimalac Participations Sarl (Luxembourg) **Other legal entities:** Member of the Institut *Académie des*	Chairman of the Board of Directors of Fitch Ratings (USA) Director of Algorithmics (Canada)	2012 2009

Beaux-Arts Honorary Chairman of the French national committee of foreign trade advisors (Comité national des Conseillers du Commerce extérieur de la France) Chairman of the Fondation Culture et Diversité Member of general interest associations: Conseil artistique des musées nationaux - Fondation des sciences politiques - Musée des arts décoratifs - Fond de dotation Abbaye de Lubilhac		

FRANCK RIBOUD

Director **Birth date:** 11/07/1955 (58 years old) **Nationality:** French	**Date of first appointment: december 2000** **Current term expires:** 2018 GM **Number of registered shares held:** 331

Biography - Professional experience

Franck Riboud is a graduate of the *École Polytechnique Fédérale de Lausanne*. He joined the Danone Group in 1981, where he held a number of positions in Management Control, Marketing and Sales until 1989. After having served as Sales Director at Heudebert, in September 1989, he was appointed Head of the department responsible for the integration and development of new companies in the Biscuits branch. He took part in the largest acquisition made by a French company in the United States, namely, BSN's acquisition of Nabisco's European activities. In July 1990, he was appointed Chief Executive Officer of Eaux Minérales d'Evian. Franck Riboud took up the position of Director of Danone Group Development in 1992, at which point Danone launched its international expansion plan, accelerating the pace of development in Asia and Latin America, and creating an Export division. BSN changed its name to Danone in 1994 to position itself as a global brand. He was appointed Chairman and CEO of Danone on May 2, 1996. Since 2008, Mr. Riboud has been Chairman of the Board of Directors of the danone.communities mutual fund (SICAV), a financing entity aimed at promoting the development of profitable companies whose primary goal is to maximize socially responsible objectives as opposed to profit. He has also been Chairman of the Steering Committee of the Danone ecosystem fund, *Fonds Danone pour l'Écosystème since 2009*, and is a member of the Livelihoods fund Steering Committee since December 2011.

Offices and other functions in French and international companies

CURRENT OFFICES	***OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD:***	**Term of offices expired**
Listed companies: Chief Executive Officer of Danone SA (France) **Non listed companies:** Director of Bagley Latinoamerica SA (Argentina) Chairman of the Steering Committee of Danone.Communities (mutual fund - SICAV) (France) Director of Danone Espagne SA (Spain) Director of Renault SAS (France) Director of Rolex SA (Switzerland) Director of Rolex Holding SA (Switzerland) **Other legal entities:** Chairman of the Steering Committee of Fonds Danone pour l'Écosystème Director of the French national agri-foods industry association *(Association Nationale des Industries Agroalimentaires)* Director of the HEC International Advisory Board Member of the Supervisory Board of the Fondation ELA Member of the Board of the Fondation EPFL Plus Member of the Steering Committee of the Livehoods Fund (mutual fund - SICAV)	Director of Accor SA Director of Lacoste SA Director of Omnium Nord Africain (ONA) Director of Wadia BSN India Ltd. Director of the GAIN Foundation (Global Alliance for Improved Nutrition)	2012 2012 2010 2009 2009

<table>
<tr><td rowspan="2"></td><td colspan="2">HIROTO SAIKAWA</td></tr>
<tr><td>Director elected on proposal of Nissan
Birth date: 11/14/1953 (60 years old)
Nationality: Japanese
Member of the International Strategy Committee</td><td>Date of first appointment: December 2006
Current term expires: 2018 GM
Number of registered shares held: 100</td></tr>
<tr><td colspan="3">Biography - Professional experience</td></tr>
<tr><td colspan="3">Hiroto Saikawa was born on November 14, 1953. He graduated from Tokyo University in 1977 with a degree in economics and joined Nissan Motor Co. Ltd. the same year. In 1999, he moved to Nissan Europe N.V., where he was appointed General Manager of Purchasing Strategy Department, then General Manager of Purchasing Strategy Department in 2000 of Nissan Motor Co Ltd. In 2001, he assumed the position of Executive General Manager of the Renault Nissan Purchasing Organization, before being appointed Senior Vice-President of Nissan Motor Co. Ltd. in 2003. Hiroto Saikawa became Executive Vice-President of Nissan Motor Co. Ltd in April 2005, and was also appointed as a member of the Board of Directors in June of that year. He was Representative Director and Executive Vice President in June 2011, and has been named as Chief Competitive Officer of Nissan Motor Co. Ltd since April 2013.</td></tr>
<tr><td colspan="3">Offices and other functions in French and international companies</td></tr>
<tr><td>CURRENT OFFICES</td><td>OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD:</td><td>Term of offices expired</td></tr>
<tr><td>Listed companies:
Chief Competitive Officer and Representative Director of Nissan Motor Limited (Japan)
Non listed companies:
Independent Director of NMKV Co., Ltd.
Director of Dongfeng Motor Co., Ltd
Other legal entities:
N/A</td><td>N/A</td><td></td></tr>
</table>

<table>
<tr><td rowspan="2"></td><td colspan="2">PASCALE SOURISSE</td></tr>
<tr><td>Director
Birth date: 03/07/1962 (52 years old)
Nationality: French
Member of the Audit, Risk and Ethics Committee</td><td>Date of first appointment: april 2010
Current term expires: 2018 GM
Number of registered shares held: 1,000</td></tr>
<tr><td colspan="3">Biography - Professional experience</td></tr>
<tr><td colspan="3">Pascale Sourisse is a graduate of École Polytechnique and École Nationale Supérieure des Télécommunications (ENST). She began her career holding management positions within France Telecom, Jeumont-Schneider and Compagnie Générale des Eaux, as well as with the French Ministry of Industry, and then at Alcatel from 1995 to 2007. In 2007, Pascale Sourisse was appointed Senior Vice-President of Thalès, a member of the Executive Committee with responsibility for the Space Division, and Chairperson and CEO of Thalès Alenia Space. In 2008, she was appointed Senior Vice-President, Managing Director of the Land & Joint Systems Division, and in February 2010, became Senior Vice-President, Managing Director of Defense & Security C41 Systems. Pascale Sourisse was also Chairperson and CEO of Thalès Communications & Security and Chairperson of Thalès Services. She was appointed Senior Executive Vice-President of International Development within the Thalès Group in February 2013. She is also Chairperson of Thales International. Pascale Sourisse is an Officer of the French Legion of Honor (Officier de la Légion d'Honneur) and Commander of the French Order of Merit (Commandeur de l'Ordre du Mérite).</td></tr>
<tr><td colspan="3">Offices and other functions in French and international companies</td></tr>
</table>

CURRENT OFFICES	***OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD:***	**Term of offices expired**
Listed companies: Director of Vinci (France) **Non listed companies:** Director of Thalès International SAS (France) Chairperson of Thalès Europe SAS (France) Director of the l'Agence Nationale des Fréquences (France) Permanent representative and Director of SOFRESA (France) Permanent representative and Director of ODAS (France) **Other legal entities:** Chairperson of the Board of École de Télécom Paris Tech Permanent representative and Director of SOFRESA (France) Permanent representative and Director of ODAS (France)	As a Director of the Thalès Group, Mrs. Sourisse has held many offices in the Group's subsidiaries. In the interests of clarity and legibility, all of these offices are not listed separately here. This information is available on Renault.com.	

PATRICK THOMAS

Proposed for appointment as Director by the General Meeting **Birth date:** 06/16/1947 (66 years old) **Nationality:** French	**Date of first appointment:** April 2014 **Current term expires:** 2018 GM **Number of registered shares held:** N/A

Biography - Professional experience

Patrick Thomas is a graduate of the *École Supérieure de Commerce de Paris (ESCP)*. He was Chairman of the Lancaster Group from 1997 to 2000 before being appointed Chairman and Chief Executive Officer of the British company William Grant & Sons from 2000 to 2003. As an outsider to the Hermès family, Patrick was appointed Chief Executive Officer of Hermès International, a position he held from 1989 to 1997. He returned to the Hermès Group on July 15, 2003 as Chief Executive Officer of Hermès International before being appointed Manager on September 15, 2004, until January 31, 2014.

Offices and other functions in French and international companies

CURRENT OFFICES	***OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD:***	**Term of offices expired**
Listed companies: Member of the Supervisory Board of Laurent Perrier (France) Director of Rémy Cointreau (France) **Non listed companies:** Member of the Supervisory Board of Leica Camera AG (Germany) Member of the Supervisory Board of Ardian Holding (France) Member of the Supervisory Board of Massily Holding (France) Manager of SCI Les Choseaux (France) Offices in the Hermès Group: Director of John Lobb Japan (Japan) Director of La Montre Hermès (Switzerland) Chairman of the Board and Director of Shang Xia Trading (Shanghai) Permanent representative of Hermès international sas, and of Hermès Sellier (France) Director of Faubourg Italia (Italy) Chairman and Director of Full More Group (Hong Kong) Chairman and Director of Hermès Asia Pacific (Hong Kong) Permanent representative of Hermès International, Manager of SCI Honossy (France) Permanent representative of Hermès International, Manager of SCI Auger -Hoche (France) Permanent representative of Hermès International, Manager of SCI Boissy Nontron (France)	As a director in the Hermès Group, Mr. Thomas has held numerous corporate offices in the Group's subsidiaries. In the interests of clarity and legibility, all of these offices are not listed here. This information is available on renault.com. Director of Lacoste (France) Vice-Chairman and member of the Supervisory Board of Gaulme (France) Director of Wally Yachts (Luxembourg) Member of the Supervisory Board of Banque Neulfize OBC(France)	2012 2012 2009 2008

Permanent representative of Hermès International, Manager of SCI Edouard VII (France) Permanent representative of Hermès International, Manager of SCI Les Capucines (France) **Other legal entities:** N/A		

OTHER DIRECTORS WHO HOLD OFFICE AS of MAY 15 2014

DAVID AZÉMA

Director appointed by the French State **Birth date:** 11/22/1960 (53 years old) **Nationality:** French **Member of the Audit, Risk and Ethics Committee** **Member of the Industrial Strategy Committee** **Member of the Appointments and Governance Committee**	**Date of first appointment:** october 2012 **Current term expires:** N/A **Number of registered shares held:** N/A

Biography - Professional experience

David Azéma is a graduate of the Institut d'Études Politiques in Paris and of the *École Nationale d'Administration (ENA)*. He began his career in 1987 in the Cour des Comptes as an auditor, before becoming chief adviser. From 1991 to 1993, he worked at the General Directorate of the National Police and then held several positions in the Office of Martine Aubry, Minister for Labor, Employment and Vocational Training. In 1993, he joined SNCF, the French railway company, where he served in the Strategy Division, before moving on to become Adviser to the Chairman and Group Director of SNCF Group's Subsidiaries and Equity Holdings. David Azéma left for the United Kingdom in 1998 to take up the position of Chairman of Intercontinental and Regional Rail Ltd., which won the tender for the management of Eurostar UK. He was then appointed Chairman and CEO of Eurostar Group Ltd., jointly owned by SNCF, SNCB Belgian Railways and Eurostar UK, in charge of managing the Eurostar high-speed rail service. In 2002, he joined the Vinci Group as Chief Executive Officer of Vinci Concessions, and became a member of the Vinci Group Executive Committee in 2006.
In June 2008, David Azéma returned to SNCF as Executive Vice-President of Strategy and Finance before being appointed Deputy CEO of the SNCF Group in October 2011.
In June 2012, while remaining a member of the SNCF Group Executive Committee, he took up the position of Chief Executive Officer of Keolis, a subsidiary of SNCF specializing in passenger public transport in France, Europe and worldwide (EUR 4.4 billion in revenue, EUR 274 million in EBITDA and more than 50,000 employees at the end of 2011). On September 1, 2012, he was appointed Commissioner for the French state investment agency (APE) at the Ministry of Economy and Finance.
He is a Director of BPI-Groupe, Bpifrance Participations – Bpifrance Investissement, EDF, Renault and Thalès.

Offices and other functions in French and international companies

CURRENT OFFICES	*OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD:*	**Term of offices expired**
Listed companies: Director of EDF (France) Director of Air France KLM (France) Member of the Supervisory Board of Aréva (France) Director of Thalès (France) **Non listed companies:** Director of BPI France (PBI Groupe - formerly FSI) (France) Director of Bpifrance Participations (France) Director of Bpifrance Investissement (France) **Other legal entities:** N/A	Chairman of the Board of Keolis Group Deputy Chief Executive Officer of SNCF Group Chairman of the Supervisory Board of Seafrance Chairman and Chief Executive Officer of SNCF Participation	2012 2012 2012 2012

<table>
<tr><td rowspan="2"></td><td colspan="2">ALAIN J.P BELDA</td></tr>
<tr><td>Director
Birth date: 06/23/1943 (70 years old)
Nationality: American
Chairman of the Compensation Committee
Member of the Appointments and Governance Committee
Member of the International Strategy Committee</td><td>Date of first appointment: may 2009
Current term expires: 2017 GM
Number of registered shares held: 1,000</td></tr>
<tr><td colspan="3">Biography - Professional experience</td></tr>
<tr><td colspan="3">Based in São Paulo, Alain J.P. Belda joined Warburg Pincus in 2009. He leads the Group’s investment decisions in Latin America and provides strategic counsel for the Group’s entire portfolio. Mr. Belda is also a member of executive management of Warburg Pincus. He retired from Alcoa in 2008, after having served as President and Chief Executive Officer from 1999 and as Chairman of the Board of Directors from 2001. Alain J.P. Belda spent 40 years of his career at Alcoa, having first joined the organization’s Brazilian affiliate, Alcoa Aluminio in 1969.</td></tr>
<tr><td colspan="3">Offices and other functions in French and international companies</td></tr>
</table>

CURRENT OFFICES	*OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD:*	**Term of offices expired**
Listed companies: Director of IBM (USA) Director of Pet Center Marginal (Brazil) Director of Dudalina (Brazil) **Non listed companies:** Executive Director of Warburg Pincus (USA) Director of Oméga Energia Renovavel SA (Brazil) Director of Banco Indusval & Partners (Brazil) **Other legal entities:** Member of the Business Council	Director of Citibank Director of Alcoa	2012 2010

<table>
<tr><td rowspan="2"></td><td colspan="2">CHARLES DE CROISSET</td></tr>
<tr><td>Director
Birth date: 09/28/1943 (70 years old)
Nationality: French
Member of the Audit, Risk and Ethics Committee
Member of the Industrial Strategy Committee</td><td>Date of first appointment: april 2004
Current term expires: 2016 GM
Number of registered shares held: 1,000</td></tr>
<tr><td colspan="3">Biography - Professional experience</td></tr>
<tr><td colspan="3">Born on September 28, 1943 in New York (USA), Charles de Croisset is a graduate of the Institut d’Études Politiques in Paris and of the École Nationale d’Administration (ENA). He was appointed Inspecteur des Finances in 1968. In 1972, he was Special Advisor to the Secretariat General of the French President (Georges Pompidou). He served as Adviser and then Chief of Staff to a number of different Ministries from 1974 to 1980 (Ministry of the Economy and Finance, Ministry of Public Works, Development and Transport, Ministry of Industry). From 1987 to 1988 Charles de Croisset was Chief of Staff to the Minister of the Economy, Finance and Privatization.
In 1980, he joined Crédit Commercial de France (CCF) as Secretary General before being appointed</td></tr>
</table>

Chairman and Chief Executive Officer of HSBC Holding plc and Director of HSBC Bank plc. Since 2004, he has been an International Advisor at Goldman Sachs International. Charles de Croisset has also been Chairman of the Fondation du Patrimoine since 2006. He is a Commander of the French Order of Merit (*Commandeur de l'Ordre du Mérite*) and is in the French Legion of Honor. In 2004, he was elevated to the rank of Commander of the Order of the British Empire.		
Offices and other functions in French and international companies		
CURRENT OFFICES	***OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD:***	**Term of offices expired**
Listed companies: Director of LVMH (France)	Member of the Supervisory Board of Euler & Hermès (France)	2013
Non listed companies:	Director of Bouygues	2010
Other legal entities:	Director of Thalès	2009
Chairman of the Fondation du Patrimoine	Director of Thalès (UK)	2009
	Non-voting Director of Galeries Lafayette	2012

DOMINIQUE DE LA GARANDERIE

Director **Birth date:** 7/10/1943 (70 years old) **Nationality:** French **Member of the Appointments and Governance Committee** **Member of the Audit, Risk and Ethics Committee**	**Date of first appointment:** February 2003 **Current term expires:** 2017 GM **Number of registered shares held:** 1,150

Biography - Professional experience

Dominique de La Garanderie is a founding partner of La Garanderie & Associés, a law firm specializing in labor relations and employment law, corporate governance and social responsibility. She was the first female President of the Paris Bar (*Bâtonnier de l'Ordre des Avocats de Paris*) from 1998 to 2000. She served as Vice-Chairperson of the OECD Business Sector Advisory Group on corporate governance principles (2005 - 2006). She was a member of the French National Consultative Commission on Human Rights. Dominique de La Garanderie is an Officer of the French Legion of Honor (*Officier de la Légion d'Honneur*) and Commander of the French Order of Merit (*Commandeur de l'Ordre du Mérite*). She is currently a member of the AFEP-MEDEF Senior Committee for Corporate Governance.

Offices and other functions in French and international companies

CURRENT OFFICES	***OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD:***	**Term of offices expired**
Listed companies: N/A **Non listed companies:** N/A **Other legal entities:** Member of the Senior Council of Transparency International - France Dean of the Economics Division of the École Nationale de la Magistrature. Honorary President and founder of the Association Française des Femmes Juristes (AFFJ - French Women Lawyers' Association).	Director of Holcim France Bénélux	2012

THIERRY DESMAREST

Director **Birth date:** 12/18/1945 (68 years old) **Nationality:** french **Chairman of the International Strategy Committee** **Member of the Compensation Committee** **Member of the Industrial Strategy Committe**	**Date of first appointment:** april 2008 **Current term expires:** 2016 GM **Number of registered shares held:** 1,500

Biography - Professional experience

Born in 1945, Thierry Desmarest is a graduate of *École Polytechnique*, and an Engineer of the French *Corps des Mines*. He started his career in 1971 as an engineer in the Mines Department of New Caledonia before taking up the position of technical adviser to the Offices of the Minister for Industry (1975 to 1978) and the Minister for the Economy (1978 to 1980). Thierry Desmarest joined Total in 1981 to head up Total Algeria. He held a range of management positions within Total Exploration Production and became Chief Operating Officer of Total and a member of its Executive Committee in July 1989. In June 1995, he became Chairman and CEO of Total. Following the merger of Total and Petrofina in June 1999, he became Chairman and CEO of TotalFina. In March 2000, Thierry Desmarest was appointed Chairman and CEO of TotalFinaElf, and on May 6, 2003, Chairman and CEO of Total. He served as Chairman of the Board of Directors of Total from February 2007 to May 2010.

On May 21, 2010, Mr. Desmarest was appointed Honorary Chairman and remains a Director of TOTAL and Chairman of the TOTAL Foundation.

Offices and other functions in French and international companies

CURRENT OFFICES	***OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD:***	**Term of offices expired**
Listed companies: Honorary Chairman and Director of Total S.A. Director of Air Liquide (France) Director of Sanofi (France) Director of Bombardier (Canada) **Non listed companies:** N/A **Other legal entities:** Chairman of the Total Foundation Chairman of the Fondation de l'École Polytechnique Director of the Musée du Louvre Director of the École Polytechnique	Member of the Supervisory Board of Areva Chairman of the Board of Directors of Total S.A	2010 2010

	**PASCAL FAURE**	
	Director appointed by the State **Birth date:** 02/01/1963 (51 years old) **Nationality:** French **Member of the Industrial Strategy Committee** **Member of the International Strategy Committee**	**Date of first appointment:** February 2013 **Current term expires:** N/A **Number of registered shares held:** N/A

Biography - Professional experience

Born on February 1, 1963 in Nice (France). Pascal Faure is an engineering graduate from the École des Mines, and also holds degrees from the *École polytechnique* (1983) and the *École nationale supérieure des télécommunications de Paris* (1988). He started his career in R&D in Bell Labs (Pennsylvania, USA), and at Apple Computer (California, USA), before moving to the French National Telecommunications Research Center (France Télécom/CNET) as project leader in communication security and cryptology. From 1992 to 1995, he worked in the French Finance Ministry, specifically on administrative IT policy credits. He was then appointed Technical Advisor with responsibility for budget, fiscal, employment and development affairs in the Office of the Minister of Tourism, before moving to the office of the Minister of Regional Development, Urban Affairs and Integration. Pascal Faure served as Director of Development and Finance, and as Deputy Director of the Institut TELECOM from 1997 to 2001, before being appointed Deputy Technical Director at the Ministry of Defense. Concurrent offices during this time included his position as Chairman of the French Association of Telecommunications Engineers, from 2001 to 2006. From 2007 to 2012, Pascal FAURE was appointed Vice President of the French information technologies general council (CGTI - *Conseil Général des Technologies de l'Information*), Vice President of the general council for industry, energy and technologies (CGIET - *Conseil général de l'industrie, de l'énergie et des technologies*), and Vice President of the general council for the economy, industry, energy and technologies (CGEIET - *Conseil Général de l'Economie, de l'Industrie, de l'Energie et des Technologies*). On December 5, 2012, he was appointed to the position of Director General of competitiveness, industry and services. He is co-founder of the collection, Territoires de l'information; co-editor of *Nouvelles technologies, nouvel état* (1999), *Éthique et société de l'information* (2000) and *Media@media* (2001). Pascale Faure was awarded the French Legion of Honor (*Chevalier de la Légion d'Honneur*), the French Order of Merit (*Officier de l'Ordre National du Mérite*), and the French Academic Palms (*Officier des Palmes Académiques*).

Offices and other functions in French and international companies

CURRENT OFFICES	***OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD:***	**Term of offices expired**
Listed companies: Government Representative on the Board of La Poste (France)	Director representing the French State at the *École Polytechnique*	2013
Member of the Supervisory Board of Aréva representing the French State (France)	Director representing the French State at Française des Jeux	2013
Non listed companies:	Director representing the French State at *École Normale Supérieure*	2013
Director representing the French State at Bpifrance Participations	Director representing the French State at the *Institut Mines-Télécom*	2013
Director representing the French State at Bpifrance Investissement	Director representing the French State at France Télécom	2013
Other legal entities: Government Representative on the *Commission Nationale d'Aménagement Commercial* Member of the Atomic Energy Commission Government Representative at GIP Guichet enterprises Director representing the French State at		

Mines Paris Tech Director representing the French State at the French Research Agency		

JEAN-PIERRE GARNIER	
Director **Birth date: 10/31/1947 (66 years old)** Nationality: French, American Chairman of the Industrial Strategy Committee Member of the Compensation Committee Member of the International Strategy Committee	**Date of first appointment: april 2008** Current term expires: 2016 GM Number of registered shares held: 1,000

Biography - Professional experience

Jean-Pierre Garner holds a PhD in Pharmacology and a Masters in Pharmaceutical Sciences from the University Louis-Pasteur of Strasbourg. He earned an MBA from Stanford University (California) in 1974. Jean-Pierre Garnier joined the American pharmaceutical firm Schering-Plough where he held positions in Switzerland, Denmark and Portugal. In 1983, he was appointed Vice President, Marketing, before becoming Senior Vice-President and Chief Executive Officer of the over-the-counter drugs business line, and General Manager of Sales and Marketing for Schering-Plough's US business. He then served as President of Schering-Plough. In 1990 he joined SmithKline Beecham as President of its North American Pharmaceuticals division. He was appointed President of Pharmaceuticals in 1994 and Chief Operating Officer the following year. He was elected Chairman and CEO of SmithKline Beecham in December 1999 and, in December 2000, headed up the new merged group, GlaxoSmithKline (GSK). July 2008 saw Jean-Pierre Garnier move to Laboratoires Pierre Fabre as Director of Pierre Fabre Participations. At the end of August 2008, he was appointed Chief Executive Officer of Laboratoires Pierre Fabre and in 2011 he became Chairman and CEO of Actélion. He is an Operating Partner of Advent International (USA).
Mr. Garnier is an Officer of the French Legion of Honor (*Officier de la Légion d'honneur*) and a Knight Commander of the Order of the British Empire.

Offices and other functions in French and international companies

CURRENT OFFICES	***OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD:***	**Term of offices expired**
Listed companies: Chairman of the Board of Directors of Actélion (Switzerland) Director of United Technology Corp (USA) **Non listed companies:** Chairman of the Board of Directors of Cérénis (France) **Other legal entities:** Director of the Paul Newman Foundation (USA) Director of the Max Planck Institute (Germany)	Director of Pierre Fabre Participations	2010

RICHARD GENTIL	
Director elected by employees **Birth date:** 04/29/1968 (46 years old) **Nationality:** French **Member of the Industrial Strategy Committee** **Member of the International Strategy Committee**	**Date of first appointment:** november 2012 **Current term expires:** november 2016 **Number of registered shares held:** 1

Biography - Professional experience

A maintenance technician, Richard Gentil started at Renault in 1988 at the foundry, and is a hydraulics, pneumatics and gas specialist. He holds BEP/CAP electro-technical and electro-mechanical professional qualifications and a Baccalaureate in Automated Mechanical Systems Maintenance. He speaks and writes fluent English. Richard Gentil is a member of the Solidarity Committee of the Renault Cléon Works Council.		
Offices and other functions in French and international companies		
CURRENT OFFICES	***OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD:***	**Term of offices expired**
Listed companies: N/A **Non listed companies:** N/A **Other legal entities:** N/A	N/A	

YURIKO KOIKE		
Director proposed for election by Nissan **Birth date:** 15/07/1952 (61 years old) **Nationality:** Japanese	**Date of first appointment:** april 2013 **Current term expires:** 2017 GM **Number of registered shares held:** 100	

Biography - Professional experience

Yuriko Koike and is currently a member of the Japanese House of Representatives, having served as Japanese Minister of the Environment from 2003 to 2006. She successfully promoted a new business model, known as “Cool Biz”, as well as a number of other policies aimed at changing the mindset of the general public and countering global warming. Mrs. Koike subsequently occupied two other ministerial posts. She was appointed Special Advisor to the Prime Minister on national security in 2006, before becoming the first female Minister of Defense in July 2007. She was also the first woman to put forward her candidacy to lead the ruling party in Japan, positions that automatically open up the possibility of a run for Prime Minister. Mrs. Koike began her career as a television personality and an expert on affairs in the Arab world. She has authored several books and articles on Japanese policies, international affairs and women’s professional networks.

Offices and other functions in French and international companies

CURRENT OFFICES	*OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD:*	**Term of offices expired**
Listed companies: N/A **Non listed companies:** N/A **Other legal entities:** N/A	N/A	

PHILIPPE LAGAYETTE		
Lead Independent Director **Birth date:** 06/16/1943 (70 years old) **Nationality:** French **Chairman of the Audit, Risk and Ethics Committee** **Member of the Appointments and Governance Committee**	**Date of first appointment:** may 2007 **Current term expires:** 2015 GM **Number of registered shares held:** 1,000	

Biography - Professional experience

Philippe Lagayette is a graduate of the *École Polytechnique* and the *École Nationale d’Administration (ENA)*. He began his career in 1970 in the General Inspectorate of Finance. In 1974, he joined the Treasury department at the French Ministry of Economy and Finance, and was promoted to Deputy Director in 1980. He was appointed Chief of Staff at the Ministry of Economy and Finance in 1981, before moving to the Banque de France as Deputy Governor in 1984. In 1992, Philippe Lagayette was appointed Chief Executive Officer of Caisse des Depots et Consignations, a post he held until December 1997. He headed up JP Morgan’s activities in France from 1998 to August 2008. He is currently Barclays’ Senior Advisor in France. Mr. Lagayette is a Commander of the French Legion of Honor (*Commandeur de la Légion d’Honneur*) and Commander of the French Order of Merit (*Commandeur de l’Ordre du Mérite*).

Offices and other functions in French and international companies

CURRENT OFFICES	*OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD:*	**Term of offices expired**
Listed companies: Director of Kering (formerly PPR) (France) Director of Fimalac (France) **Non listed companies:**	Vice-Chairman of JP Morgan for the EMEA Region Chairman of the French American Foundation	2010 2010

Chairman of PL Conseils (France) **Other legal entities:** Chairman of the *Fondation de France* Chairman of the scientific research foundation, the *Fondation Plan Alzheimer* Chairman of the *Institut des Hautes Études Scientifiques*		

BENOÎT OSTERTAG

Director elected on proposal of the employee shareholders **Birth date:** 08/02/1965 (48 years old) **Nationality:** French **Member of the Audit, Risk and Ethics Committee** **Member of the Industrial Strategy Committee**	**Date of first appointment:** may 2011 **Current term expires:** 2017 GM **Number of registered shares held:** 90 company mutual fund (FCPE) units

Biography - Professional experience

Engineering graduate from the *École Centrale de Paris*. Benoît Ostertag has worked at Renault for the past 23 years in mechanical engineering at the Lardy (91) and Rueil (92) plants in France, designing test benches, engine cooling systems and thermal measurements. He was a team leader until 2011, and currently manages processes in the Quality department. He was the elected CFDT representative on the Renault SAS Central Works Council from 2006 to 2011. Mr. Ostertag has represented employee shareholders on the Renault Group's Board of Directors since May 2011.

Offices and other functions in French and international companies

CURRENT OFFICES	***OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD:***	**Term of offices expired**
Listed companies: N/A **Non listed companies:** N/A **Other legal entities:** N/A		

ERIC PERSONNE

Director elected by employees **Birth date:** 10/14/1962 (51 years old) **Nationality:** French **Member of the International Strategy Committee** **Member of the Compensation Committee**	**Date of first appointment:** november 2012 **Current term expires:** november 2016 **Number of registered shares held:** 20

Biography - Professional experience

Eric Personne began his career as a photographer, before becoming a Renault employee in 1988. In 2002, he joined the Renault Retail Group, where he held a number of positions, including: head of after-sales development and head of ISO Certification. Since 2007, Eric Personne has been Manager of Sales and Quality Reporting at RRG. He has a track record of more than 30 years in employer or employee collective action in his professional domain.

Offices and other functions in French and international companies

CURRENT OFFICES	***OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD:***	**Term of offices expired**
Listed companies: N/A **Non listed companies:** N/A **Other legal entities:** N/A		

<table>
<tr><td rowspan="2"></td><td colspan="2">MARIETTE RIH</td></tr>
<tr><td>Director elected by employees
Birth date: 6/23/1967 (46 years old)
Nationality: French
Member of the International Strategy Committee
Member of the Industrial Strategy Committee</td><td>Date of first appointment: november 2012
Current term expires: november 2016
Number of registered shares held:
8 company mutual fund (FCPE) units</td></tr>
<tr><td colspan="3">Biography - Professional experience</td></tr>
<tr><td colspan="3">Having obtained a BTS vocational training certificate as a trilingual secretary, Mariette Rih joined Renault Automation in 1990 as an assistant in the Export department. In December 1999, she joined the Renault-Nissan Alliance coordination office and then took up a position with the Nissan Europe Communication CEO, which she held until 2005. From 2005 to 2007, Mariete Rih returned to Renault, to L'Atelier, before taking over management of Renault Square Com. exhibitions. Since 2009, she has held the position of Project Manager for demonstrators and communication technology tools at Renault's Brand Division.</td></tr>
<tr><td colspan="3">Offices and other functions in French and international companies</td></tr>
<tr><td>CURRENT OFFICES

Listed companies:
N/A
Non listed companies:
N/A
Other legal entities:
N/A</td><td>OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD:</td><td>Term of offices expired</td></tr>
</table>

The average age of incumbent directors is 58. The company's by-laws require that each director own at least one registered share[10]. The Board's internal regulations, amended with reference to the revised Afep-Medef Code, recommend, however, that directors own a significant number of shares in view of the director's fees paid to them, except for those directors who do not receive fees personally. However, administrative regulations forbid directors appointed by the French State from owning shares. Likewise, the directors representing the staff or the shareholder employees who do not personally receive director's fees (which are paid directly to their trades unions) are not required to held significant number of shares.

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 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.

PREPARATION OF THE BOARD'S WORK

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[10] Percentage of Renault's capital owned by the directors: 0.09%.

The Board of Directors appoints one of its members as Chairman. The Chairman, who must be a natural person, may be re-elected.

The Board of Directors meets as often as the interests of the Company requires. Meetings are convened at least five days in advance by the Chairman. Deliberations are based on papers sent out with the notification to attend. Exceptionally, documents may be sent out at a later date, if the matter is urgent, it is impossible to do otherwise, or if the documents are to be examined by a committee meeting after the notification was sent out.

The minutes of the Board meetings are made available to directors within a reasonable period of time before being approved at the next Board meeting.

(2) MANAGEMENT BODIES AT MARCH 1, 2014

STRENGTHENING OPERATIONAL MANAGEMENT

In September 2013, the Chairman and Chief Executive Officer and the Board of Directors adapted the organization of the Renault group by creating two new departments:

- a Competitiveness department, headed by the Chief Competitiveness Officer, tasked with facilitating the development of an attractive product range, enhancing the competitiveness of the product lines, optimizing costs, improving quality and boosting the profitability of the programmes;
- a Performance department, headed by the Chief Performance Officer, responsible for increasing market share and profitability of sales.

The CEO, 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 Operations Review Committee.

GROUP EXECUTIVE COMMITTEE

The Group Executive Committee (GEC) is responsible for the design and implementation of strategic policies and decisions.

These are reflected in the budget and Renault Plan, product planning, major investments, and plans for new strategic sites.

The Executive Committee has ten members:

- the Chairman and CEO;
- the Chief Performance Officer, and Sales and Marketing Director;
- the Chief Competitiveness Officer;
- the Executive Vice-President, Office of the CEO;
- the Executive Vice-President, Engineering, Quality and IS/IT Group;
- the Executive Vice-President, Human Resources;
- the Executive Vice-President, Product Planning, Programmes and LCV;
- the Executive Vice-President, Manufacturing and Supply Chain;
- the Chief Financial Officer;
- the Executive Vice-President, Chairman of Europe Region.

The Renault Executive Committee meets once a month and at seminars held twice a year.

RENAULT OPERATIONS REVIEW COMMITTEE

The Operations Review Committee is in charge of operational decisions and reviewing:

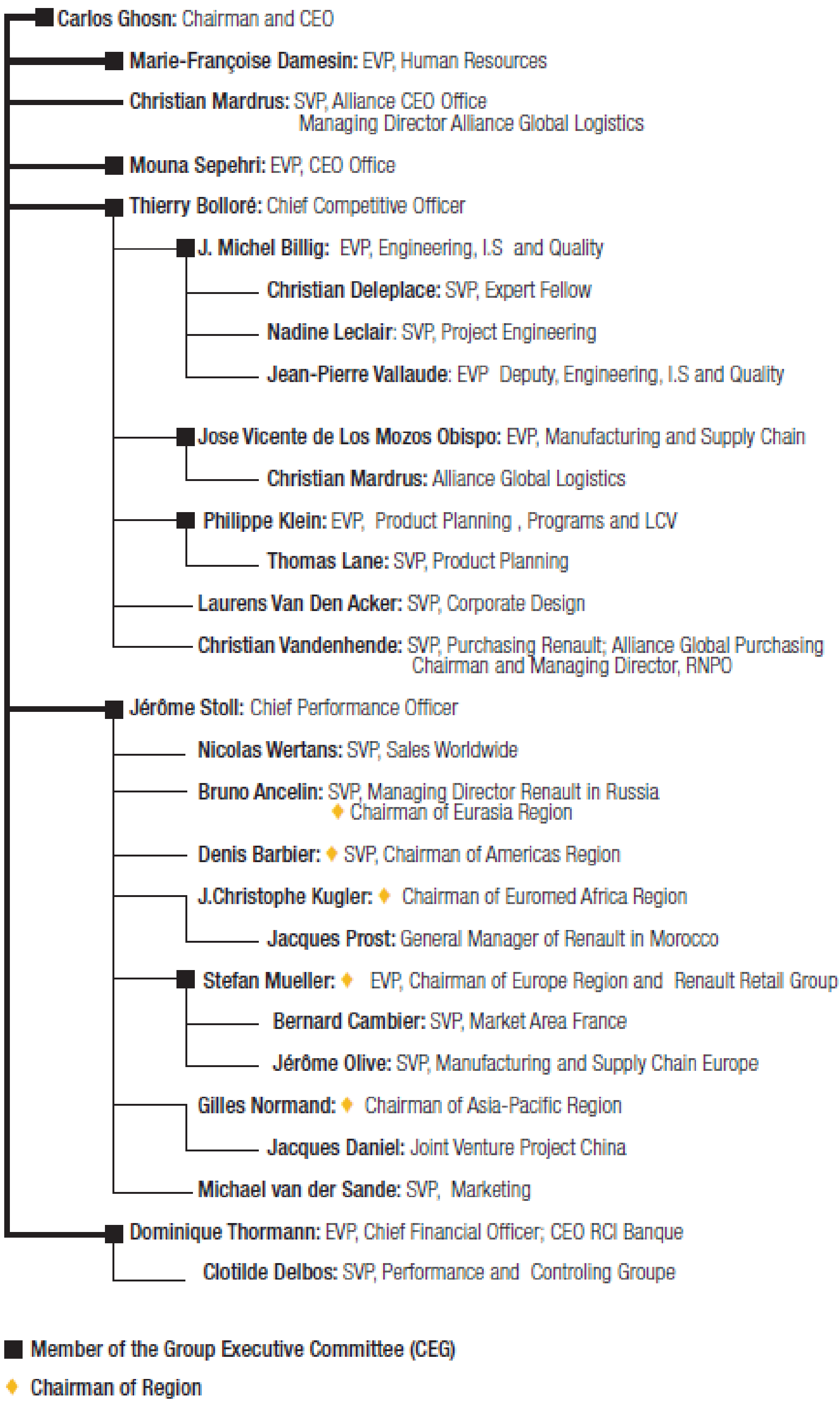
- business KPIs;
- free cash flow;
- profitability, programmes and planning;
- various reports: quality, electric vehicles, fixed costs, etc.

The Operations Review Committee has 16 permanent members:

- the 10 members of the Group Executive Committee;
- the Chairmen of the Eurasia, Americas, Euromed-Africa and Asia-Pacific Regions;
- the SVP, Group Control;
- the SVP, Purchasing.

The Operations Review Committee meets once a month for a whole day.

ORGANIZATION CHART AT MARCH 1, 2014



(3) REMUNERATION OF DIRECTORS AND OFFICERS AT JANUARY 1, 2014

REMUNERATION OF THE EXECUTIVE DIRECTOR

In accordance with the Afep-Medef recommendations and with the position of the French securities regulator, *Autorité des marchés financiers* (AMF), the executive director does not also hold an employment contract with Renault.

COMPONENTS OF REMUNERATION

The components of the remuneration due or attributed to the executive director in respect of 2013, which was submitted for a consultative opinion to the shareholders at the General Meeting held on April 30, 2014, are set forth in this Section.

<u>Fixed and variable remuneration</u>

It should be noted that the executive director is not remunerated for his function as Chairman of the Board of Directors.

Acting on a proposal from the Remuneration Committee, the Board of Directors chose the following principles to guide the remuneration of Mr Ghosn in his capacity as Chief Executive Officer.

The Remuneration Committee worked with a specialized consultancy on the basis of an analysis of remuneration practice at comparable French blue chip companies and in foreign corporations operating in the same sector.

This remuneration comprises:
- a fixed portion;
- and a variable portion, representing a percentage of the fixed portion, whose amount is set depending on performance criteria. The Board of Directors sets performance targets and assesses their implementation.

The variable portion can total up to 150% of the fixed portion if all the performance targets are reached. In exceptional cases, if all the targets were to be exceeded, the variable portion could represent up to 180% of the fixed portion.

The performance criteria set by the Board of Directors are as follows:

- ROE – Return on Equity (up to 15% of the variable portion);
- operating margin (up to 25% of the variable portion);
- free cash flow (up to 50% of the variable portion);
- a qualitative element linked to management and strategy (up to 60% of the variable portion), based on the following themes:
    - implementation of industrial strategy: allocation of vehicle and powertrain projects, application of competitiveness agreements in France, industrial performance (manufacturing performance and sourcing strategy),
    - environmental leadership: vehicle carbon emissions in Europe, Renault's carbon footprint,
    - R&D strategy multi-year development: Common big Modules Families (CMF) approach and continued implementation of the module policy, rollout of the Research and Advanced Engineering Plan,
    - CSR: verification of extra-financial data, visibility, social impact,
    - Daimler: manufacturing, co-development, new cooperation agreements,
    - Alliance synergies: increase the value of synergies.

Each of the six themes above is worth 10% of the qualitative element.

For reasons of confidentiality, Renault is not disclosing the target figures for each of the criteria listed above. However, Renault will publish the percentage achievement of these criteria.

The variable portion is paid in the following manner:

- 25% of the variable portion is paid in cash;
- the remainder is paid in shares, on a deferred basis, as follows.

The shares granted as part of the deferred variable portion will not be acquired until 2018, and subject to the following conditions:

- the executive director is still at Renault in 2018;
- performance conditions based on the financial criteria for the variable portion of the remuneration of the Chairman and CEO, which are assessed for the years 2014, 2015 and 2016.

The number of shares acquired by the Chairman and CEO will be determined on the basis of the amount of the deferred variable portion, of the risk of non-payment of this deferred variable portion and of the Group's performance over the period from 2014 through 2016.

In respect of 2013, the Board of Directors meeting of February 12, 2014, acting on a proposal from the Remuneration Committee, decided that the extent to which the financial criteria had been achieved represented 60.6% of the fixed portion and the extent to which the qualitative element had been fulfilled represented 52% of the fixed portion.

Therefore, in respect of 2013, the Board of Directors set the variable portion of the remuneration of the Chairman and CEO at 112.6% of the fixed portion, which was €1,384,980 (compared with 117% of the fixed portion, or €1,439,100 for 2012).

The Board of Directors meeting of February 12, 2014, acting on a proposal from the Remuneration Committee, approved the payment of the variable portion on the following terms:

- variable portion paid in cash (25% of the variable portion): €346,245;
- variable portion paid in shares on a deferred basis (75% of the variable portion): €1,038,735.

Multi-year variable remuneration

The executive director is not paid any multi-year variable remuneration.

Exceptional variable remuneration

The executive director was not paid any exceptional variable remuneration in 2013.

Long-term remuneration

Starting in 2013, the Renault group decided not longer to implement stock-option plans, but only performance share plans.

The executive director thus benefits from stock options in accordance with the authorization granted by the General Meeting of April 29, 2011 and performance shares in accordance with the authorization granted by the General Meeting of April 29, 2013. The terms of these plans are described in "REMUNERATION OF SENIOR EXECUTIVES: PERFORMANCE SHARES" below.

Stock options (authorization granted by the General Meeting of April 29, 2011)

Under the authorization granted by the Extraordinary General Meeting of April 29, 2011, the Board of Directors meeting of December 13, 2012, acting on a proposal from the Remuneration Committee, allocated 150,000 stock options to the Chairman and CEO for 2013.

That allocation represented 0.05% of the registered share capital. The exercise of the options is subject to the following performance conditions:

- free cash flow, for 80% of the options;
- operating margin, for 20% of the options.

On February 12, 2014, acting on a proposal from the Remuneration Committee, the Board of Directors decided that 88.48% of the 150,000 stock options allocated were exercisable, given the partial achievement of the performance criteria above, namely 132,720 options.

These options can be exercised over a period of four years from their allocation, following a lock-in period of the same length, *i.e.* from December 13, 2016 to December 12, 2020.

Under the authorization granted by the General Meeting of April 29, 2011, the Board of Directors of April 29, 2011, acting on a proposal from the Remuneration Committee, granted 100,000 stock options to the CEO for the 2011-2013 period[11]. The exercise of these options was subject to a free cash flow performance criterion.

On February 12, 2014, the Board of Directors, acting on a proposal from the Remuneration Committee, decided that 100% of the 100,000 stock options allocated for the period 2011-2013 would be exercisable since the performance criteria had been achieved.

These options can be exercised over a period of four years from their allocation, following a lock-in period of the same length, *i.e.* from April 30, 2015 until April 28, 2019.

For the record, the CEO is obliged to hold shares equivalent to 50% of the net capital gain (net of tax and mandatory contributions) made on exercise of the options for 2013 plan and the plan for the period 2011-2013 until such time as he leaves his position.

Performance shares (authorization granted by the General Meeting of April 29, 2013)

The executive director was not granted any performance shares in 2013.

As a consequence of Renault decision to discontinue stock-option plans from 2013, the executive director has been granted performance shares for 2014, on the same terms as other senior executives, with an additional performance criterion reflecting his position as a corporate officer.

As authorized by the Extraordinary General Meeting of April 30, 2013, on February 12, 2014, the Board of Directors, acting on a proposal from the Remuneration Committee, granted the CEO 100,000 performance shares for 2014.

For whatever purpose it may serve, we list below the ceilings that apply to the performance shares granted under the aforementioned authorization:

- the total number of performance shares allocated cannot exceed 1.5% of the share capital over three years, *i.e.* on average 0.5% of the share capital per annum;
- the Chairman and CEO cannot receive more than 15% of the total number of performance shares allocated.

The number of shares vested will depend on the following performance criteria, evaluated over the period 2014, 2015 and 2016:

- free cash flow for one-third of the shares;
- the percentage variation in the auto operating margin compared to a sample group of auto manufactures with the same geographical and sector drivers, for a third of the shares (PSA auto, Fiat auto EMEA, VW Brand et Skoda Brand);
- an external criterion based on the total share return (TSR), in line with CAC 40 practices, for a third of the shares.

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[11] On April 29, 2011, the Board of Directors enacted the decision of the Chairman and CEO to refuse 50,000 stock options of the 150,000 initially proposed by the Board of Directors.

With the exception of the last criterion (TSR), which applies only to the CEO, the same criteria will apply to all recipients of performance shares.

For reasons of confidentiality, Renault is not disclosing the target figures for each of the criteria listed above. However, Renault will publish the percentage achievement of these criteria.

The CEO is obliged to retain 25% of the performance shares vested at the end of the acquisition period for as long as he remains in his current position.

Directors' fees

The method of allotment of directors' fees is reiterated in in section "GENERAL POLICY ON PERFORMANCE SHARE PLANS" below. As a member of the Board of Directors, Mr Ghosn received €48,000 gross for 2013.

Compensation for termination of office and non-compete indemnity

Mr Ghosn is not entitled to any compensation for termination of office or non-compete indemnity.

Supplementary pension plan

Mr Ghosn benefits from the collective supplementary pension scheme set up for members of the Group Executive Committee.

This plan was approved by the Board of Directors meetings of October 28, 2004 and October 31, 2006 and by the General Meeting of April 30, 2010 (tenth resolution). The scheme was confirmed by the Board of Directors meeting of February 12, 2014 and by the General Meeting of April 30, 2014 (seventh resolution).

The supplementary pension plan for the benefit of the Chairman and CEO comprises:

- a defined contribution scheme equivalent to 8% (5% paid by the Company, 3% by the beneficiary) of the annual remuneration falling between eight and sixteen times the upper earnings limit for social security contributions;
- a supplementary scheme with defined benefits.

Eligibility for this scheme is subject to a minimum length of service of five years and at least two years as a GEC member.

The annual amount is equal to 10% of the reference compensation, plus 1.40% per year of service beyond five years as a member of the GEC and 0.40% per year outside GEC if the length of service at Renault exceeds five years.

This amount is capped at 30% of the reference compensation.

The reference earnings used for calculating the amount of the pension benefits under the defined-benefit plan is equal to the average of the three highest annual earnings in the last ten years before retirement. The reference earnings are capped at 65 times the annual social security ceiling. The total amount of the Chairman and CEO's pension is less than or equal to 45% of his reference earnings.

SUMMARY TABLES

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 Mr Ghosn

	2011	2012	2013
CARLOS GHOSN – Chairman and CEO			
Remuneration owing in respect of the year (details in table 2)	2,890,104	2,728,356*	2,291,532

Value of options granted during the year (details in table 4)	1,489,000**	750,258**	0***
Value of performance shares granted during the year (details in table 6)	0	0	0
TOTAL	**4,379,104**	**3,478,614**	**2,291,532**

* *Following the signing of the Competiveness Agreement, payment of 30% of the variable portion included in this amount is postponed and made conditional on Renault's fulfillment of all the fixed-term commitments made under this Agreement.*

** *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 19-H of the notes to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement).*

*** *No options have been granted during the year 2013. Those granted for Fy 2013 have been executed on 12/13/2012. See table 4 hereafter.*

Table 2

Summary table of the remuneration of Mr Ghosn

a) The total remuneration of the Chairman and CEO paid by Renault SA and the companies it controls was as follows *(in €)*:

	AMOUNTS 2011		**AMOUNTS 2012**		**AMOUNTS 2013**	
CARLOS GHOSN	**OWING FOR THE YEAR**	**PAID DURING THE YEAR**	**OWING FOR THE YEAR**	**PAID DURING THE YEAR**	**OWING FOR THE YEAR**	**PAID DURING THE YEAR**
Fixed remuneration	1,230,000	1,230,000	1,230,000	1,230,000	1,230,000	1,230,000
Variable remuneration (1)	1,599,000	0 (2)	1,439,100 (3)	1,599,000	1,439,100	1,007,370
Exceptional remuneration	0	0	0	0	0	0
Directors' fees	48,000	28,000	48,000	48,000	48,000	48,000
In-kind benefits	13,104	13,104	11,256	11,256	6,162	6,162
TOTAL	**2,890,104**	**1,271,104**	**2,728,356**	**2,888,256**	**2,723,262**	**2,291,532**

(1) Paid the following year.

(2) 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.

(3) Following the signing of the Competiveness Agreement, payment of 30% of the variable portion included in this amount is postponed and made conditional on Renault's fulfillment of all the fixed-term commitments made under this Agreement.

b) Remuneration of Mr Ghosn in his capacity as President and CEO of Nissan Motors Co., Ltd.

In compliance with the information published by Nissan on June 30, 2012 and June 30, 2013 in its annual financial report, Yukashoken-Houkokusho for the financial years 2011 (April 1, 2011 to March 31, 2012) and 2012 (April 1, 2012 to March 31, 2013), the total remuneration received by Mr Ghosn in his capacity as President and CEO of Nissan Motors Co., Ltd. was ¥987 million for FY 2011 and ¥988 million for FY 2012.

FINANCIAL YEAR (FROM APRIL 1, 2012 TO MARCH 31, 2013)	**REMUNERATION**	**STOCK OPTIONS**	**TOTAL**
2012	988 million*	0	988 million*

* *Figures published by Nissan in compliance with JGAAP accounting standards.*

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

c) Remuneration of Mr Ghosn in his capacity as a director of AVTOVAZ.

In his capacity as a director of AVTOVAZ, Mr Ghosn receives directors' fees.

The directors' fees due in respect of 2013 were not known at the time of writing. For reference, the directors' fees due in respect of 2012 and paid in 2013, totaled RBL1,894,910.

Table 3
Summary table of benefits paid to the Chief Executive

CHIEF EXECUTIVE	EMPLOYMENT CONTRACT	SUPPLEMENTARY PENSION PLAN*	COMPENSATION FOR TERMINATION OF OFFICE	NON-COMPETE INDEMNITY
CARLOS GHOSN Chairman and CEO	No	Yes	No	No

* *See chapter "COMPONENTS OF REMUNERATION" above.*

Table 4
Options granted during the year to the Chief Executive

	PLAN NO. AND DATE	TYPE OF THE OPTIONS	VALUE OF OPTIONS BASED ON THE METHODS ADOPTED FOR CONSOLIDATED ACCOUNTS*	NBR OF OPTIONS GRANTED DURING THE YEAR	EXERCISE PRICE	EXERCISE PERIOD
CARLOS GHOSN	No. 18 04/29/2011	PURCHASE	931,000	100,000***	€38.80	From 04/30/2015 to 04/28/2019
	No. 19 12/08/2011	PURCHASE	558,000	100,000**	€26.87	From 12/09/2015 to 12/07/2019
	No. 20 12/13/2012	PURCHASE	750,258	150,000****	€37.43	From 13/12/2016 to 12/12/2020

* *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 19-H of the notes to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement).*
** *50,000 after calculation of the achievement of the performance conditions.*
*** *100,000 after calculation of the achievement of the performance conditions.*
**** *132,720 after calculation of the achievement of the performance conditions.*

Table 5
Options exercised during the year by Mr Ghosn

	PLAN NO. AND DATE	NBR OF OPTIONS EXERCISED DURING THE YEAR	EXERCISE PRICE	GRANT YEAR
CARLOS GHOSN	-	None	-	-

Table 6
Performance shares allocated during the year to Mr Ghosn

	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	PERFORMANCE CONDITIONS
CARLOS GHOSN	-	None	-	-	-	-

Table 7
Performance shares available to Mr Ghosn during the year

	PLAN NO. AND DATE	NBR OF SHARES BECOMING AVAILABLE DURING THE YEAR	TERMS OF ACQUISITION

CARLOS GHOSN	-	None	-

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[12] 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 2013, and reiterated the breakdown on February 12, 2014, according to the following criteria:

- a fixed portion, linked to the responsibilities arising from Board membership, of up to €24,000;

- a variable portion, linked to directors' actual attendance at the Board meetings, of up to €24,000.

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;
- one payment, of up to €7,500, for chairing a committee.

The above amounts are calculated on a time-apportioned basis depending on the length of the director's term of office, over a 365-day basis.

Total fees allocated to directors in 2013 amounted to €1,099,825[12] (compared with €1,131,000 in 2012). The Board of Directors has decided to review the method of allotment of directors' fees in 2014. In accordance with the Afep-Medef Code, the Board would like the variable portion, paid for actual attendance of Board and committee meetings, to be the larger portion of directors' fees.

Table 8
Fees allotted to directors for the year based on attendance at Board and committee meetings

ATTENDANCE RATE, BOARD AND COMMITTEE MEETINGS IN 2013[1]							TOTAL GROSS FEES RECEIVED *(in €)*[2]	
DIRECTORS	**BOARD**	**AUDIT, RISK AND ETHICS COMMITTEE**	**REMUNERATION COMMITTEE**	**APPOINTMENTS AND GOVERNANCE COMMITTEE**	**INTERNATIONAL STRATEGY COMMITTEE**	**INDUSTRIAL STRATEGY COMMITTEE**	**2012**	**2013**
Mr Ghosn	100%	-	-	100%	-	-	48,000	48,000
Mr Azéma[3]	87.5%	100%	-	-	-	100%	22,364	60,000
Mr Belda	75%	-	100%	50%	100%	-	75,000	72,000
Mr de Croisset	100%	83.3%	-	-	-	100%	60,000	63,000
Mr Delpit	87.5%	-	-	-	0%	-	52,500	52,500
Mr Desmarest	75%	-	100%	-	100%	100%	75,000	72,000
Mr Faure[3][4]	75%				100%	100%		52,512

[12] The amount of €1,200,000 is consistent with the median of directors' fees paid by other CAC 40 companies.

Mr Garnier	87.5%	-	100%	-	100%	100%	75,000	75,000
Mr Gentil	100%	-	-	-	100%	100%	14,770	63,000
Mr Isayama(4)	100%	-	-	-	-	-	42,000	10,825
Miss Koike(4)(5)	50%	-	-	-	-	-	-	-
Mr Ladreit de Lacharrière	100%	-	100%	100%	-	-	70,500	70,500
Mrs. de La Garanderie	87.5%	100%	-	50%	-	-	63,000	60,000
Mr Lagayette(6)	87.5%	100%	-	100%	-	-	75,000	75,000
Mr Ostertag	100%	100%	-	-	-	100%	63,000	63,000
Mr Personne	100%	-	-	-	100%	-	13,660	55,500
Mr Riboud	87.5%	-	-	-	-	-	36,000	45,000
Mrs Rih	100%	-	-	-	100%	-	13,660	55,500
Mr Rousseau(3)(4)	100%	-	-	-	-	-	57,000	7,488
Mr Saikawa	75%	-	-	-	100%	-	49,500	49,500
Mrs Sourisse	75%	66.6%	-	-	-	-	55,500	49,500

(1) For directors whose appointment to the Board or one of the committees began or ended during 2013, the attendance rate is calculated on the duration of their term of office, not the calendar year.

(2) Fees allocated for Board membership, attendance at Board meetings, membership and/or chairmanship of one of the Board Committees.

(3) Directors representing the French State.

(4) Directors whose appointment to the Board or one of the committees began or ended during 2014.

(5) Miss Koike expressed her wish to waive the fees due to her for 2013, the year in which she was appointed as a director. The Board of Directors meeting of February 12, 2014 took note of this waiver.

(6) For 2013, the Renault Board awarded double fees to Mr Lagayette for his work as Chairman of the Audit, Risks and Ethics Committee.

REMUNERATION OF SENIOR EXECUTIVES: PERFORMANCE SHARES

LEGAL FRAMEWORK

In its fifteenth resolution, the Mixed General Meeting of April 30, 2013, authorized the Board of Directors to make one or more free grants of "performance shares" (existing shares or shares to be issued in the future) to the Chief Executive and some employees of the Company and its related companies, on the terms set forth in Article L. 225-197-1 of the French Commercial Code.

It is to be noted that performance shares granted under the abovementioned authorization are capped as follows:

- the total number of performance shares granted shall not exceed 1.5% of the share capital over three years, *i.e.* on average 0.5% of the share capital per annum;
- the Chairman and CEO cannot receive more than 15% of the total number of performance shares allocated;
- the members of the Executive Committee cannot receive more than 30% of the total number of performance shares allocated, including those allocated to the Chairman and CEO.

The meeting made the allocation of performance shares conditional on achieving the performance criteria set during the budgeting process.

The allocation of performance shares pursuant to the fifteenth resolution of the Mixed General Meeting of April 30, 2013 does not dilute the shares owned by shareholders, since the performance shares are allocated from treasury stock.

GENERAL POLICY ON PERFORMANCE SHARE PLANS

Remuneration Committee

The Board of Directors approves plans to allocate performance shares on the basis of the report and recommendations of the Remuneration Committee. The committee examines proposals from the Chairman to allocate shares to certain Group employees, in compliance with the general arrangements set by the Annual General Meeting.

Aims of performance share plans

The main aim of allocations of performance shares is to involve Renault executives worldwide, particularly the members of management bodies, in building the value of the Group by allowing them to have an ownership interest in the Company.

The plan is also a way to reward 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 programs and projects. The plan also applies to Sales Financing, and to the heads of the Group's major support functions.

Allocation policy

Allocations of shares vary according to the beneficiaries' 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.

Beneficiaries are divided into three categories.

Senior executives

At March 1, 2013, the senior executives are the 28 members of the Renault Management Committee, including the 10 members of the Group Executive Committee.

The Chairman and CEO cannot receive more than 15% and the members of the Executive Committee cannot receive more than 30% of the total number of performance shares allocated.

Managing executives

Managing executives are granted a variable number of performance shares 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 not be eligible for an award.

Other executives benefiting from the plan

The plan's other beneficiaries are generally senior managers and high-flyers with strong professional or managerial potential or expertise. An array of complementary systems is used to assess and select beneficiaries (annual performance and development review, Careers Committees, personal monitoring for high-flyers, job-related variable remuneration). Taken together, these systems form a comprehensive observation platform used to single out the most deserving executives.

Altogether the three categories represent roughly 900 executives annually. The total number of beneficiaries was 849 under the 2011 plan, 892 under the 2012 plan, and 861 under the 2013 plan.

SUMMARY TABLES OF THE PLANS

Table 9
Stock-option and performance-share allocations
Plans 12 and 14 entitle the holder to subscribe for new issues, while Plans 17, 18, 19 and 20 give the right to buy existing shares.

Plans 17 b, 18 b, 19 b and 20 b cover allocations of free shares to which corporate officers are not entitled. The total volume of plans underway at December 31, 2013 is equivalent to 2.69% 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 12/31/2013	NBR OF CANCELLED OR LAPSED OPTIONS AT 12/31/2013	OPTIONS OUTSTANDING AT 12/31/2013
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	391,147	1,280,553
Plan 14	12/05/2006	1,843,300	200,000	12/06/2010	12/04/2014	93.86	0	356,494	1,486,806
AGM authorization granted on April 29, 2011									
Plan 17*	04/29/2011	176,000	0	04/30/2015	04/28/2019	38.80	0	176,000	0
Plan 18	04/29/2011	490,000	100,000	04/30/2015	04/28/2019	38.80	0	11,388	478,612
Plan 19**	12/08/2011	300,000	100,000	12/09/2015	12/07/2019	26.87	0	150,000	150,000
Plan 20	12/13/2012	447,800	150,000	12/13/2016	12/12/2020	37.43	0	0	447,800

(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. The Board of Directors meeting of February 13, 2013 noted that the 2012 target for operational margin was not reached. As a result, 50% of the stock options corresponding to Plan n°19 have been cancelled.*

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 12/31/2013	SHARES OUTSTANDING AT 12/31/2013
Plan 17 b Shares* **	04/29/2011	544,300	0	04/30/2013****	04/30/2015	544,300	0
Plan 18 b Shares*	04/29/2011	1,233,400	0	04/30/2014****	04/30/2016	43,255	1,190,145
Plan 19 b Shares * ***	12/08/2011	609,900	0	12/09/2013****	12/09/2015	310,750	299,150
Plan 20 b Shares*	12/13/2012	679,900	0	12/13/2014****	12/12/2016	8,700	671,200

* *Acquisition and holding periods are different for French tax residents and foreign tax residents, in order to take account of local tax regulations.*

** *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. The Board of Directors meeting of February 13, 2013 noted that the 2012 target for operational margin was not reached. As a result, 50% of the shares corresponding to Plan n°19b have been cancelled.*

**** *French tax residents.*

Table 10
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	EXERCISE PRICE	PLAN 18	PLAN 19*	PLAN 20
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)	478,800	Plan 18 = €38.80 Plan 19 = €26.87 Plan 20 = €37.43	240,000	62,000	176,800
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 13, 2013 noted that the 2012 target for operating margin was not reached. As a result, 50% of the stock options corresponding to Plan 19 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 18 B	PLAN 19 B*	PLAN 20 B
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)	222,000	110,000	34,000	78,000
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 13, 2013 noted that the 2012 target for operating margin was not reached. As a result, 50% of the stock options corresponding to Plan 19 have been cancelled.*

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

5. STATE OF CORPORATE GOVERNANCE, ETC.

(1) State of Corporate Governance

THE BOARD OF DIRECTORS IN 2013

The Board of Directors met eight times in 2013. Two of the meetings were devoted to the Group’s organization and governance following the departure of the Chief Operating Officer and the appointment of a Chief Competitive Officer and a Chief Performance Officer.

Meetings lasted an average of two hours, except for the meeting devoted to strategy, which took place over an entire day. During this meeting, the directors visited the Renault test center, where they had a much-appreciated opportunity to try out a large part of the vehicle range.

The attendance rate was 88% (more details by director in 4-(3)-"METHOD OF ALLOTMENT" above).

During the year, the Board gave its opinion on all business placed on its agenda pursuant to legal and regulatory requirements in France.

On the main matters, the Board took the action described below:

Accounts and budget

In particular, the Board:

- approved the Group's consolidated financial statements and the individual financial statements of Renault and Renault s.a.s. for 2012;
- set the appropriation of 2012 income to be proposed to the AGM, which included a dividend payout;
- examined the consolidated financial statements for first-half 2013;
- approved the budget for 2014.

Group strategy

In particular, the Board:

- reviewed progress in the Renault 2016 – Drive the Change plan, presented by senior management and approved in 2011 by the Board of Directors;
- discussed Renault's strategy in China in relation to the creation of the Renault-Dongfeng joint venture, and the strategy in South Korea;
- reviewed the development of activities in Russia;
- discussed the strategy for research, development and innovation as well as issues related to top-of-the-range vehicles;
- determined strategic issues to be examined in 2014.

Corporate governance

In particular, the Board:

- conducted an assessment of its operating methods in 2013 and put a discussion of this subject on its agenda for early 2014 (the conclusions of this discussion are found in "ASSESSMENT OF THE BOARD OF DIRECTORS" below);
- drew up the list of independent directors (see "MANAGEMENT METHODS" below);
- took official note of the appointment of a new director representing the State, Mr Pascal Faure, replacing Mr Luc Rousseau;
- revised the composition of its specialized committees following the renewal of the terms of some directors, the appointment of a new director, and the revision of the Afep-Medef Code in 2013;
- discussed the number and missions of its specialized committees having led to a modification of its internal regulations;
- approved the change in the Group's organization following the departure of the Chief Operating Officer;
- determined the remuneration of the Chairman and Chief Executive Officer;
- assessed the achievement of performance criteria specified in the stock-options and bonus shares plan for 2012;
- adopted the Chairman's report pursuant to Article L. 225-37 of the Commercial Code;
- examined and approved answers to shareholders' questions ahead of the AGM.

Regulated agreements

On April 6, 2010, Renault SA, Nissan, Daimler and RNBV concluded the Master Cooperation Agreement, which sets forth the terms and conditions of cooperation among these companies (see "C. ASSOCIATED COMPANIES, PARTNERSHIPS AND COLLABORATIVE PROJECTS" above). On December 13, 2013, the Board of Directors authorized the signing of an amendment to the Master Cooperation Agreement expanding the scope of cooperation.

SPECIALIZED COMMITTEES OF THE BOARD OF DIRECTORS

Five specialized committees have been set up to conduct in-depth examinations of specific topics relating to the Board of Directors' role. The Board is informed of the committees' opinions in reports made by their respective Chairmen at Board meetings.

Audit, Risk and Ethics Committee (CARE)

CARE has six members: Mr Lagayette in the chair, Ms de la Garanderie, Ms Sourisse, Messrs. Azéma (replacing Mr Kohler), de Croisset and Ostertag.

Four of the six are independent directors.

The composition of CARE was reviewed to ensure that all its members have the financial or accounting knowledge or professional background needed to deal with these subjects (see the directors' biographies in "Terms or functions of the directors as of May 15, 2014" above).

Mr Lagayette, the Committee's Chairman, has spent his career in the economics and finance sector, working both in government and the private sector.

Ms de La Garanderie, former President of the Paris Bar, is a lawyer whose experience enables her to take an active part in the discussions of accounting and financial matters in this committee. Her involvement with ethical issues during her career makes her membership of this committee particularly appropriate.

Ms Sourisse has held executive positions in several major companies in France and abroad. Her experience enables her to participate actively in all the committee's discussions.

Mr Azéma, the director representing the State, began his career at the Government Accounting Office. He is currently Commissioner for State Investments.

Mr de Croisset has worked as an auditor at the Treasury and the Ministry of Finance. He has also held management positions and served as an officer in several credit institutions. He is currently the International Advisor at Goldman Sachs.

Mr Ostertag is a director representing the employee shareholders. Like the employee directors, he receives special training to serve as a director, including in the accounting and financial aspects of corporate management. Owing to his excellent knowledge of the company, he is able to easily grasp and actively participate in this committee's work.

CARE met six times in 2013, with an attendance rate of 91.6% (details in the table in 4-(3)-"METHOD OF ALLOTMENT" above).

In compliance with French legal and regulatory requirements and the Afep-Medef Code, the Audit, Risk and Ethics Committee dealt with the following matters in particular:

- the Group's consolidated financial statements and Renault's individual financial statements for 2012 and first-half 2013, as well as the related financial news releases;
- a review of the 2013 internal audit plan and presentation of the plan for 2014;
- the external audit plan conducted by the auditors as part of their legal auditing task;
- the independence and renewal of the appointment of the statutory auditors;
- the monitoring of financial risks and notably the situation in Iran;
- the work of the Ethics department;
- the status of the main legal matters being dealt with by the Legal department.

One of the responsibilities of CARE is to review the efficiency of internal control and risk management systems, as set out in "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 key points of their work and their conclusions regarding 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.

CARE also heard a report from the company's statutory auditors without the company's senior executives being present.

Remuneration Committee

This committee has four members, all of whom are independent directors: Mr Belda in the chair, Messrs. Desmarest, Garnier and Ladreit de Lacharrière.

In accordance with the Afep-Medef Code, as revised in 2013, this committee's membership has been changed so as to include a director representing the employees. Mr Eric Personne has thus been a member of this committee since February 12, 2014.

This committee met three times in 2013, with an attendance rate of 100% (details in 4-(3)-"METHOD OF ALLOTMENT" above).

The main items on its agenda were:

- the remuneration of the Chairman and CEO;
- the performance requirements for the variable remuneration of the Chairman and CEO in relation to the Renault 2016 – Drive the Change plan;
- the achievement of performance requirements related to stock-option and bonus share plans for 2012 for all benificiaries.

Appointments and Governance Committee

This committee had five members in 2013: Mr Ladreit de Lacharrière in the chair, Ms de La Garanderie, Messrs. Lagayette, Belda, and Ghosn.

In compliance with the Afep-Medef Code, as revised in 2013, Mr Ghosn has not been a member of the committee since February 12, 2014.

Mr Azéma became a member of the committee on February 12, 2014.

Four of the committee's five members are independent directors.

The committee met twice in 2013. The attendance rate was 80% (for details, see 4-(3)-"METHOD OF ALLOTMENT" above).

The main items on its agenda were:

- the reappointment of Ms La Garanderie and Messrs. Belda and Ostertag;
- the appointment of a new director, Ms Koike, replacing Mr Isayama;
- application of the rules on the proportion of female directors in light of the forthcoming reappointments to the Board;
- the annual review of the Board of Directors;
- review of the list of independent directors pursuant to the criteria set out in the Afep-Medef report;
- strengthening the powers of the Senior Independent Director;
- revision of the Board's internal regulations, in particular with regard to the revised Afep-Medef Code.

<u>International Strategy Committee</u>

At February 12, 2014, this committee has nine members: Mr Desmarest in the chair, Ms Rih, Messrs. Belda, Delpit , Faure, Garnier, Gentil, Personne and Saïkawa.

Four of the nine committee members are independent directors.

The committee met twice in 2013. The attendance rate was 88.8% (for details, see 4-(3)-"METHOD OF ALLOTMENT" above).

The main items on its agenda were:

- the development of Renault's activity in Russia in the AVTOVAZ partnership;
- Renault's activities in China and South Korea;
- Renault's development in Brazil.

<u>Industrial Strategy Committee</u>

The committee had seven members in 2013: Mr Garnier in the chair, Messrs. Azéma, de Croisset, Desmarest, Faure, Gentil and Ostertag.

Ms Rih joined the committee on February 12, 2014.

Three of the eight members of this committee are now independent directors.

The committee met twice in 2013, with an attendance rate of 100% (details in 4-(3)-"METHOD OF ALLOTMENT" above). It reviewed industrial strategy, with a particular focus on:

- the impact of economic conditions on manufacturing in Europe;
- competitiveness agreements in France.

ASSESSMENT OF THE BOARD OF DIRECTORS

In accordance with common practices and the recommendations of the Afep-Medef Code, the Board carried out a self-assessment concerning its composition, organization and functioning at its meeting on February 12, 2014. This assessment was performed by the Appointments and Governance Committee, chaired by Mr Ladreit de Lacharrière.

Broadly speaking, the members of the Board expressed satisfaction with the organization, functioning and composition of the Board and committees. They noted continued improvement since 2011 and commended the directors' freedom of expression.

The directors noted that the suggestions for changes they had made in the 2012 assessment had been acted on. In particular, they praised the efforts to keep the Board informed between meetings when events so warranted.

In the discussion of Renault's governance, the Board of Directors, on the recommendation of the Appointments and Governance Committee, decided that as of 2014, the Board assessment would be done regularly every three years with the assistance of an outside consulting firm. The aim will be to gain new perspectives on the Board's functioning and governance best practices.

MANAGEMENT METHODS

<u>Functions of Chairman of the Board combined with those of Chief Executive Officer</u>

On May 6, 2009, acting on a proposal from the Appointments and Governance Committee, the Renault Board of Directors combined the functions of Chairman of the Board and Chief Executive Officer. Mr Ghosn was appointed Chairman and CEO and reappointed in 2010.

Limitations on the powers of the Chief Executive Officer

The balance of power is ensured in particular by:

- the presence of a majority of independent directors on the Board of Directors;
- the presence since July 2009 of a Senior Independent Director, chosen from among the independent directors, whose role is described hereafter;
- limitations on the powers of the Chief Executive Officer, specified in the internal regulation of the Board of Directors.

Independence of the Board of Directors

At its meeting on February 12, 2014, the Board of Directors reaffirmed its commitment to complying with the Afep-Medef Code, which is the fullest statement of corporate governance principles.

The Board of Directors assesses the independence of each director on the basis of the following criteria set for in the code. Thus, a director may not:

1) be an employee or officer of the Company, an employee or director of the parent company or of a company within its scope of consolidation, or have been any of these within the preceding five years;
2) be an officer of a company in which the Company sits directly or indirectly on the Board of Directors, or of which an employee designated as such or a Company officer (serving currently or within the past five years) is a director;
3) be a significant customer, supplier, merchant banker, investment banker:
   - of the Company or its group,
   - or for which the Company or its group represents a significant portion of its business;

4) have close family ties with a Company officer;
5) have been an auditor of the Company within the past five years;
6) have been a director for more than twelve years[13]; in addition,
7) the independence of directors representing major shareholders of the Company (10% or more of the capital or voting rights) must be assessed on a case-by-case basis.

Acting on a proposal of the Appointments and Governance Committee, the Board of Directors has drawn up the following list of directors who qualify as independent: Ms de La Garanderie and Ms Sourisse, Messrs. de Croisset, Belda, Delpit, Desmarest, Garnier, Ladreit de Lacharrière, Lagayette and Riboud.

The Board of Directors has closely examined the situations of Messrs. Ladreit de Lacharrière and Riboud, whose terms are up for renewal by the General Meeting of April 30, 2014, in relation to the Afep-Medef Code's recommendation that a person should not serve as a director for more than twelve years.

In accordance with the "Comply or Explain" rule, the Board has decided not to follow this recommendation in the case of these two directors and to explain the reasons for this decision in the table for the non-application of Afep-Medef Code recommendations in in section entitled "THE COMPLY OR EXPLAIN RULE" below.

In particular, the Board of Directors has made its decision in view of the Board's independence rate. Under the rules of the Afep-Medef Code, the Board's independence rate is 66.6% (10 directors out of 15). It will be recalled that Article 9.2 of the Afep-Medef Code specifies that directors representing the employees and

[13] According to this recommendation, the director ceases to qualify as an independent director on the expiration of the term during which the 12-year limit is exceeded.

employee shareholders, of which there are four on the Renault Board of Directors, are not counted in the calculation of this percentage.

Senior Independent Director

Mr Lagayette has served as the Senior Independent Director since April 29, 2011, and will do so for the duration of his term.

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 providing a link between the independent directors and the Chairman and CEO in his capacity as Chairman of the Board.

The Senior Independent Director's tasks were broadened following the Board's review in 2013 of policies concerning the balance of powers. On February 12, 2014, the Board modified its internal regulations so as to assign new tasks to the Senior Independent Director. His role henceforth includes:

- advising the Chairman of the Board and the Chairmen of the specialized committees;
- seeing that the directors are able to perform their role under the best possible conditions and in particular that they are well informed before Board meetings;
- managing and preventing conflicts of interest;
- making decisions concerning the proposed agenda of Board meetings;
- chairing Board meetings where the Chairman and CEO is not present. In particular, the Senior Independent Director chairs discussions of the performance of the Chairman and CEO in order to determine his remuneration;
- convening the Board of Directors in exceptional circumstances after obtaining the opinions of all committee Chairmen.

The current Senior Independent Director, Mr Lagayette, is the Chairman of the Audit, Risk and Ethics Committee (CARE) and a member of the Appointments and Governance Committee.

Limitations set forth in the internal regulations of the Board of Directors

The Board's internal regulations provide that the Board of Directors will examine annually the Group's strategic policies put forward by the Chairman and CEO, including those related to the Alliance. The Board reviews any changes to those policies and gives its opinion before any major decision inconsistent with the Company's strategy is made.

The Chairman and CEO must obtain authorization from the Board of Directors for any external growth operations involving acquisitions and for the disposal of holdings in any company, whether existing or to be formed, when the amount exceeds €250 million and informs the Board when the amount exceeds €60 million.

THE "COMPLY OR EXPLAIN" RULE

In exercising the "Comply or Explain" rule provided for by Article L. 225-37 of the Commercial Code and Article 25.1 of the Afep-Medef Code, Renault is following the recommendations of the Afep-Medef Code for corporate governance of publicly listed companies. The recommendations of this code that have been disregarded and the reasons for doing so are summarized in the following table.

RECOMMENDATION OF THE AFEP-MEDEF CODE	COMMENT
Independence of Directors: Art. 8.4: Criteria for determining director independence: Among the criteria, the code recommends *"not being a Director for more than twelve years."*	At its meeting on February 12, 2014, the Board of Directors reviewed the situations of Messrs. Ladreit de Lacharrière and Riboud with regard to the director independence criteria of the Afep-Medef Code. The Board noted that Messrs. Ladreit de Lacharrière and Riboud meet all of the code's criteria except the one relating to the duration of their terms. Specifically, these directors exercise no functions in the Group and have no particular interests or special relationships linking them to Renault. To ensure the independence of directors, Afep-Medef Code recommends limiting the

	period a director may sit on the Board to twelve years. The Board concluded, however, that if this twelve-year limit were to be exceeded by Messrs. Ladreit de Lacharrière and Riboud, it would not call into question their independence. This is because the automotive industry has very long business and investment cycles. Approximately twelve-year vehicle life cycles, decisions concerning advanced research (the choice of energies, connected vehicles, self-driving vehicles) and capital investments, in particular for the construction of new plants, must be considered from a very-long-term point of view (between 12 and 14 years). As a consequence, the Board judged that it would be valuable to keep two directors who had sufficiently broad vision to put the Group's major strategic decisions in perspective. In addition, Messrs. Ladreit de Lacharrière and Riboud have been involved since the beginning in the creation and development of the Alliance, which has become a key element of the Group's strategy. At a time when Renault and Nissan are seeking more convergence and synergies, the Board considered it crucial to keep directors who have detailed knowledge of the Alliance's history and development, its structures and its workings, and also fully appreciate the cultural sensitivity that has made the Alliance a success. Mr Ladreit de Lacharrière is a prominent business leader who has worked in major multinational groups (eg, L'Oréal, Casino, France Telecom, and Air France). Owing to the various directorships he has held, he has an overall perspective that enables him to make an extremely valuable contribution to the discussions of Renault's Board of Directors. His detailed knowledge of how Boards of Directors function and his experience in corporate governance ensure independence in his thinking and opinions. Mr Riboud's experience as a corporate officer at Danone is a guarantee of his business expertise and his capacity to make a significant contribution to the Board's discussions. His experience in international development, particularly in Asia, is a major asset for Renault's expansion. His experience and natural authority also allow Mr Riboud to speak and express his opinions freely. This authority and freedom have not been diminished by the years he has served as a director, but are, on the contrary, a guarantee of independence. Considering these two directorss profiles and their work on the Board, the Board deems that the limitation on a director's term is not relevant to Messrs. Ladreit de Lacharrière and Riboud and has decided not to apply this recommendation.
Audit Committee: **Art. 16.1: Membership:** *"The members of the Audit Committee should have financial or accounting competencies."*	Out of a concern for balance, the Board of Directors has decided to have the director representing employee shareholders sit on the Audit, Risk and Ethics Committee. This director did not have any particular accounting or financial competencies when he joined the Audit, Risks and Ethics Committee in December 2012. However, since taking a seat on the Board, this director has regularly received specific training related to his role on the Board, notably with regard to accounting and finance. In addition, because of his thorough knowledge of Renault, he is able to easily grasp the issues and participate actively in this committee's work.

PROCEDURES FOR SHAREHOLDERS TO TAKE PART IN GENERAL MEETINGS

Article 21 of the Company's Articles of Association sets forth the procedures for shareholders to take part in General Meetings. These procedures are summarized in "ADDITIONAL INFORMATION - GENERAL MEETINGS OF SHAREHOLDERS" below.

Factors that may be material in the event of a public offering, as stipulated in Article L. 225-100-3, are described in "ADDITIONAL INFORMATION - SHAREHOLDER AGREEMENTS ON SHARES MAKING UP THE AUTHORIZED CAPITAL" below.

PRINCIPLES AND RULES ADOPTED BY THE BOARD OF DIRECTORS FOR THE REMUNERATION OF SENIOR EXECUTIVES AND CORPORATE OFFICERS

Acting on a proposal of the Remunerations Committee, the Board of Directors has laid down the rules for the remuneration of Mr Carlos Ghosn.

The Remunerations Committee carried out this task with the assistance of a specialized consulting firm, using as a reference remunerations in comparable companies in the CAC40 and in foreign companies working in the same sector.

This remuneration is made up of:

- a fixed portion;
- a variable portion equivalent to a percentage of the fixed portion, whose amount will be calculated in relation to performance criteria. The Board of Directors determines the performance criteria and assesses their achievement.

The variable portion may be up to 150% of the fixed portion if all the performance objectives are achieved. If all the objectives were to be exceeded, the variable portion could be 180% of the fixed portion.

The performance criteria set by the Board of Directors are:

- return on equity;
- operating margin;
- free cash flow;
- managerial performance, assessed qualitatively.

Twenty-five percent of the variable portion is paid in cash. The balance (the "deferred variable portion") is paid in shares according to the terms and conditions described below.

The shares received as the deferred variable portion may not be acquired until four years after they are granted and on condition that:

- Mr Ghosn is still employed by Renault;
- performance criteria, assessed for a period of three years from the time the shares are granted, are met.

The number of shares acquired by Mr Ghosn is determined by the amount of the deferred variable portion, the risk of the non-payment of this deferred variable portion, and the degree to which the performance criteria have been achieved.

All detailed information concerning the remuneration of the Chairman and Chief Executive Officer is found in "REMUNERATION OF THE EXECUTIVE DIRECTOR" above.

ETHICS: RULES, PROCEDURES AND ORGANIZATION

The Group ethics manager, who was appointed in late 2011, reports directly to the Chairman and CEO. He also informs the Board of Directors and the Audit, Risk and Ethics Committee (CARE) of actions taken under his authority.

His three main objective are to:

- reinforce the Group's body of ethical doctrine in order to contribute to the application of all legal requirements, regulations, standards and obligations;
- put in place regulatory and organizational procedures:
  - set up and coordinate the Ethics and Compliance Committee (CEC),
  - manage through the personal data protection correspondent (*Correspondant informatique et liberté* – CIL) issues related to the regulations and recommendations of the French data protection authority (*Commission nationale de l'informatique et des libertés* – CNIL),
  - set up a whistleblowing procedure in compliance with regulatory requirements, including those of the CNIL,
  - create and support an ethics correspondents network in the countries;

- implement the ethics policy and represent Renault with official entities and in meetings and seminars relating to ethical issues in order to affirm the Group's presence in this field, both inside and outside the company.

FIRST OBJECTIVE: the body of doctrine

The Charter of Ethics

The Charter of Ethics sets out the Group's key principles and fundamental values and is applicable worldwide.

It is intended for all 121,000 employees in the more than 120 countries where the Group is present.

It has been translated into 14 languages and is distributed to each employee by his or her management. The Charter of Ethics is also available from the company's intranet site in the Ethics section and from the Renault Web portal. Employees must indicate that they are familiar with this Charter during their annual performance appraisal.

The "Ethics in Practice" guide

This guide is a practical interpretation of the Charter. Available in the Ethics section of the company's intranet site, it helps answer any questions that may arise regarding ethical issues in one's work.

One specific feature of this guide is that it can be adapted according to new ethical issues reported by operational staff.

The codes of good conduct

Six codes of good conduct have been drawn up for business functions with major ethical requirements: safety, information technology, governance, purchasing, stock exchange and sales. Their aim is to explicitly set out what employees must do and, more particularly, what they must not do. They are available in the Ethics section on the intranet.

The code of good conduct for Safety comprises nine technical sheets that set forth the regulatory and ethical framework, related procedures, and the codes of good conduct in the safety functions.

The code of good conduct for Information Technologies is intended for everyone who works in the information technologies area and consists of four technical sheets.

The code of good conduct for Governance, which exists in eleven languages, is intended for the company's top management. The Chairman and CEO has formally stated its purpose: to set forth the values to which Renault executives are to adhere. This code of good conduct has been given individually to 150 members of the company's top management.

The code of good conduct for Purchasing has been prepared for employees who do purchasing for Renault. It goes along with the recommendations in the Renault-Nissan CSR Guidelines for Suppliers.

The code of good conduct for the stock market, which pertains to the Renault group's financial communications policy and the prevention of insider trading, is systematically given to everyone who may be privy to inside information.

New codes of good conduct will be added to the body of doctrine of the Renault group in 2014.
For example, the **code of good conduction for Sales and Marketing** is to be validated by the end of the first quarter of 2014.

SECOND OBJECTIVE: regulatory and organizational procedures

In 2013, the Ethics manager met regularly with the Chairman and CEO to report on the progress in his work and on proposed actions. He also gave a report on two occasions to the Board of Directors and six times to the Chairman of the Audit, Risk and Ethics Committee (CARE), including twice with the full committee present.

The Ethics and Compliance Committee (CEC)

The Ethics and Compliance Committee is made up of representatives from the following functions and departments: auditing, risk management and organization, legal, human resources, corporate social responsibility, environment, Group prevention and protection, finance, technical regulations and homologation. It met four times in 2013.

This committee contributes to creating internal jurisprudence for the processing of ethics-related cases and responds to all requests for assistance and advice within this field of expertise. Over the past two years, it has dealt with 65 ethics-related cases.

The Fraud and Corruption Prevention Committee (CAFC)

The Fraud and Corruption Prevention Committee is chaired by the Ethics manager and composed of the following CEC members: legal, human resources, safety and internal control. It met six times in 2013. In particular, it monitored progress in a project begun in 2013 concerning the prevention of fraud and corruption. The Ethics manager reported on the work of the CAFC at the CEC meetings.

Data protection correspondent (CIL)

The CIL, who reports to the Ethics department, is responsible for seeing that the company meets its legal obligations and for supporting Renault's commitment to respecting the private lives and personal data of its employees and customers. This involves heightening employees' awareness of these issues, instituting procedures, leading a network of internal correspondents, serving as a liaison to the CNIL, exchanging best practices with Nissan, participating in working groups focused on new regulations, and preparing professional codes and guidelines.

The whistleblowing procedure

The whistleblowing procedure, which is applicable worldwide, strictly complies with the most recent regulatory requirements. It is combined with a procedure involving the compulsory completion of a number of documents to avoid any errors, oversights or shortcomings. These documents have been approved by the CNIL. A description of this procedure is available to all employees in the Ethics section of the intranet.

Network of country ethics correspondents

Ethics correspondents approved by the Renault Ethics manager are being progressively appointed in the countries. They will lead local Ethics and Compliance Committees, which will ensure that laws and regulations specific to the countries in which the Renault group operates are taken into account. These committees will see to the implementation of the missions and prerogatives of the Group Ethics and Compliance Committee, with the agreement and support of the Ethics manager as the final authority. Five country ethics correspondents were appointed in 2013, in Romania, Algeria, Morocco, Colombia and India.

THIRD OBJECTIVE: deployment of the policy and enhancement of the Group image

Internally: The Ethics department has developed materials for training in ethical practices and the prevention of fraud and corruption. Some of these materials have been prepared in cooperation with the NGO Transparency International France.

Communicating the ethics policies to all employees calls first for enlisting the involvement of top management through sessions to build awareness in the Group's governance bodies (regional management committees, executive committees, etc.).

The business functions are progressively introducing the recommendations of the codes of good conduct drawn up specifically for their employees. As part of this process, the Group Prevention and Protection department (D2P) held an internal convention during which the Group Safety Code was presented and explained.

Externally: To enhance the Group's image externally, the Ethics manager is a member of the Board of Directors of the Cercle éthique des affaires, an association of ethics and compliance professionals in France.

The Renault Ethics department is a member of the Ethics Commission of the Institut français des administrateurs (IFA), whose role is to develop recommendations for ethics best practices for corporate governance bodies.

The Ethics department has presented Renault's ethics policy at conferences and roundtables organized by universities, leading engineering and business schools, public and semi-public organizations, and the press. In its 2012 evaluation submitted to the Prime Minister and the Minister of Justice, the Corporate Corruption Prevention department (SCPC) ranked Renault among the top eight corporations in the CAC 40 for its corruption prevention reporting.

Actions in 2014

In 2014, the emphasis will be placed on communicating and firmly anchoring ethics policies to reinforce an approach to ethics shared by everyone. The creation of structures (CECP) to promote these policies at the local level will be continued.

"Training packs" have been provided to the business functions and the country ethics correspondents to aid in the dissemination of best practices at the local level. Directives and recommendations related to the prevention of fraud and corruption will be formalized and personnel informed of them.

In 2014, the CIL will be deploying the Group policy. This will include broad promotion of a culture of personal data protection, the creation of a special section on the intranet, the development of a network of country correspondents, and support for Renault's implementation of the European regulation currently in preparation.

INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

GROUP OBJECTIVES AND STANDARDS FOR INTERNAL CONTROL AND RISK MANAGEMENT

Internal control and risk management objectives

The Renault group has adopted organizational 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.

In its sales financing activity, RCI Banque is subject to banking and financial regulations. It accordingly applies the internal control framework specified by Regulation 97-02, as discussed in "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 covers the entire Group, include (see "MANAGEMENT BODIES AT MARCH 1, 2014" above):
  - 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 Competitive Officer; the Chief Performance Officer; the Executive Vice-President (EVP), Group Sales and Marketing; Executive Vice-President (EVP), Group Human Resources; the EVP, Group Engineering, Quality and Information Technologies; the EVP, Group Product, Programs and Light Commercial Vehicles; the EVP, Group Manufacturing and Supply Chain; the EVP, Chairman of Europe Region operations; the EVP, Chairman of France operations; the Group Chief Financial Officer and Chairman and CEO of RCI Banque; and the EVP, 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 and strategic objectives as well as policies and operations in the Regions, programs and corporate functions,
  - the monthly "Operational Review" committee, headed by the Chairman and Chief Executive Officer, is responsible for operational decisions. It has the same members as the Group Executive Committee, with the Chairmen of regional operations, the EVP, Purchasing, and the EVP, Group Performance and Control,
  - specialized committees (eg, Project Product Committees) headed by either the Chairman and CEO or, by delegation, the Chief Competitive Officer. They make decisions at Group level as well as in the Group's cooperative undertakings within 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, planning, products, programs, manufacturing and logistics, sales and marketing, purchasing, design, legal, Office of the CEO, 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, Euromed-Africa, Americas, Asia-Pacific and Eurasia). Each RMC is made up of representatives of the corporate functions and vehicle programs 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 programs and the development of new mobility offerings. 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 command-line structures, the Group has set up a staff reporting system so that support function managers can provide leadership for their function correspondents throughout the Group.

Strategic decision-making, supervision of financial and legal matters, human resources, and the Audit, Risk Management and Organization department (DAMRO) are under the direct managerial authority of the Chairman and CEO. The Chief Competitive Officer and the Chief Performance Officer are directly responsible for operational decisions.

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 decision is required, 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 and currency risks, 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.

Risk management, internal control and ethics system

In 2011 the Group adopted a new organization for governance, ethics, internal control and risk management. It is part of the ethics system described in paragraph "ETHICS: RULES, PROCEDURES AND ORGANIZATION" above and supplemented by the following:

- a Risk and Internal Control Committee (CRCI), whose role is to deploy the risk and internal control system across all the Group's operational activities and entities;
- an Audit, Risk Management and Organization department (DAMRO), reporting directly to the Chairman and CEO and comprising the Organization department, the Risk Management department, the Internal Control department and the Internal Audit department.

In addition to the information set out in paragraph "ETHICS: RULES, PROCEDURES AND ORGANIZATION" above above, the following points should be mentioned with regard to the multi-year action plan for the deployment of this system:

- the Ethics and Compliance Committee focused on the following areas in 2013:
  - the setting of policies and deployment of the system for fighting fraud and corruption,
  - the validation of regulatory compliance procedures in 16 areas;
- the Risks and Internal Control Committee addressed the following subjects:
  - diagnosis by risk owners of the level of control of risks identified in the risk mapping done in 2012,
  - validation of additional plans proposed by risk owners to improve the level of control,
  - validation of the multi-year project to secure the main company processes.

Last, the means for combatting fraud and corruption were strengthened during the year. In addition to the work described in paragraph "ETHICS: RULES, PROCEDURES AND ORGANIZATION" above, risks and categories were mapped, and the roles and responsibilities of those involved were clarified.

Management of internal control

In compliance with the AMF's general rules for internal control, and respecting the principle of the separation of tasks, Renault's internal control system is based on:

- the senior management, which determines the Group's objectives in agreement with the Board of Directors and its specialized committees. It decides on the operating rules and procedures as well as the quantified performance objectives;
- within DAMRO, the Internal Control department, which defines and prescribes internal control principles, rules and techniques pertaining to operational processes as well as accounting and management processes.

Implementation and management 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 Internal Control department, using internal control questionnaires in self-assessment programs. It also sees that action plans are carried out if any shortcomings are observed;
- the Risk and Internal Control Committee (CRCI), which assesses the effectiveness of the risk control system;
- the Internal Audit department in DAMRO, which 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 the Audit, Risk and Ethics Committee (CARE) and the GEC;
- the CARE , whose missions are defined in "ADDITIONAL INFORMATION - AUDIT, RISKS AND ETHICS COMMITTEE ("CARE")" below.

As part of their mission, the statutory auditors assess the internal control of the preparation and treatment of accounting and financial data and, when necessary, issue reports and recommendations.

INTERNAL CONTROL OBJECTIVES

Identifying and managing risks

The global risk management system has been formally set out by the Risk Management department (DMR) 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. This method applies to the Group, entities and projects.
To carry out its duties, the Risk Management department relies on two networks:

- one is made up of experts who manage a specific area of risks. These may be risks common to any company or specific to Renault's sector of activity. These experts are the consultants for the standardized risk management plans in their area of expertise;
- the other network is made up of correspondents, chiefly from the management control function for the entities and from the quality function for projects. They liaise with the DMR in the operational implementation of risk management approaches in entities and projects.

To draw up the audit plan for the Company's major risks, which is validated by senior management and approved by the CARE, the Internal Audit department uses risk maps to identify the most pertinent audit themes and assess risk coverage. Through its auditing task, the Internal Audit department provides the DMR with insight on the effective level of management of major risks.
In 2013 the Risk Management department focused on:

- deploying risk maps for the main vehicle development projects;
- updating methodological standards to take into account feedback from the deployment of risk management procedures in the Group's operational entities;
- strengthening processes to improve the management of major risks identified in the mapping in 2012.

The risk factors to which the Group is exposed are described in III-4 "RISKS IN BUSINESS, ETC.- RISK MANAGEMENT" of this Securities Report.

Compliance with laws, regulations and company rules

Compliance with laws and regulations is a major objective of internal control, which must see that the means for assuring regulatory compliance are available. This control is provided by the Ethics and Compliance

Committee (CEC). Within the Internal Control department, the Regulatory Compliance department is responsible for working with the decision-making departments (technical regulations, legal, human resources, environmental, etc.) to see that reliable procedures are in place to guarantee regulatory compliance.

In 2012, the Regulatory Compliance department developed a method to assess existing procedures, approved by the CEC. This method will be gradually deployed in all areas subject to regulation to regularly assess the level of control.

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 programs. Group Management Control draws up an instruction memorandum for each of the operational sectors, Regions, businesses and programs. 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 business functions.

The management control function stimulates and measures economic performance at the various levels of the organization (Group, operational sectors, Regions, businesses, programs).

Management control is decentralized so as to take account of the specifics of each business. Its mission is laid out in instructions prepared periodically by the Corporate Control and Reporting department.

In the Group's management model, its role consists in:

- adjusting the Company's economic objectives and budget;
- coordinating the Group by measuring the performance of its entities, Regions, businesses and vehicle programs and, in particular, monitoring free cash flow indicators;
- coordinate the internal control system in the entities;
- 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 recommendation.

Operating procedures and methods

The Group provides operational staff with a set of standard management procedures for use in determining accounting and financial data.

All the documentation is available to staff in all the Group's entities through the intranet portal for the management, internal control and risk management functions. Documentation includes:
- all standards, rules and instructions, whether they pertain to a specific business or apply across the entire Group;
- an economics dictionary to help employees better understand the main concepts and aggregates used to guide the Group's business performance;
- internal control and risk management.

Information systems

The risk management and internal control systems of the Renault Information Systems department (RID) are managed as follows:

- general risks related to financial processes (investments, purchases, profitability measurement, etc.) are monitored by the Economic Performance department of the DI-R;

- specific risks related to operational IT processes (declining quality or productivity in development activities, operations, support, skills, etc.) are monitored by the Renault Information Systems – Organization department (DI-RO). This department is responsible for defining and monitoring these processes (project management, operational quality, support, etc.) at Group level. It uses the DI-R performance indicators (incidents, results, etc.) and a self-assessment questionnaire concerning DI-R procedures that is completed by the sites, subsidiaries and Corporate departments;
- risks related to information systems security (interruptions of IT operations due to malevolence, theft of confidential data or destruction of electronic data) are also monitored by the Renault Information Security department (DI-RS) through:
  - a Group-level IT Risks Committee set up by the DI-R in collaboration with the Protection and Prevention department (D2P), the Risk Management department, and representatives of the main operational departments and the Information Management Program,
  - Security Monitoring Committees, which verify the application of IT security procedures at operational level in accordance with our Information Systems Security Policy (PSSI) and international best practice (ISO 27001 policy and approach),
  - an organizational structure for approving the architecture and security levels in projects,
  - compliance reviews carried out by the DI-RS in addition to the controls performed by DAMRO or the Group Prevention and Protection department (D2P).

A training system to adapt skills

The main corporate business lines and functions have set up schools to raise the professional standards of their staff. These schools reflect their strong belief in employee training as a way to enhance performance and to better satisfy management expectations.

Work on the internal control system

Key developments in 2013 included:

- completion of the development of the general internal control system begun in 2012 specifying the structure and scope of the self-assessment questionnaires at the Group level;
- review of the questionnaires on the distribution activities of Renault Retail Group following organizational changes and the simplification of the information systems questionnaire;
- continuation of a multi-year, Group-wide project aimed at bringing together everyone involved in the company's risk control processes. This approach focusing on operational risks is crucial to securing processes and performance.

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 updated in 2010. 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 ensures that data remain consistent even though they are centralized and consolidated in short timeframes. The administrative and financial directors of the subsidiaries, under the operational authority of the subsidiaries' Chairmen and CEOs and the functional authority of the director of Group Accounting (DCgr), are responsible for preparing the financial statements. The Group has a manual setting out presentation and evaluation standards. This manual is updated annually and provided to all entities so that financial information is reported in a uniform manner.

Principles applied in preparing the financial statements

The 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 is 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 of 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. These statements are prepared on the basis of two closing dates: May 31 for the end-June statement and October 31 for end-December statement. Summary meetings are organized with the statutory auditors and attended by senior management as part of an ongoing process of dialogue with the latter. The CARE 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

Please refer to Part I- III "STATEMENTS OF BUSINESS" – 3. "PROBLEM(S) TO BE COPED WITH. "

Financial communication

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 in the Financial department and given it the resources to supply the reliable, high-quality information required.

The Financial Relations department is in charge of:

- the preparation of the half-yearly and annual financial reports and quarterly data as well as the filing of the RD with the AMF;
- 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 identify and analyze the main risks that may compromise the Company's objectives; ensure that procedures are in place for managing those risks; and monitor the corrective and preventive measures aimed at mitigating the likelihood of their 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 for, among other things, applying existing procedures and performing all 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. It covers all main risks;
- **level 2** is directed by the Permanent Control department and led by local internal controllers independent of operating units, who 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 Control 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 and especially the systems used to measure, supervise and manage risks. It examines the draft company and consolidated financial statements and ensures that the methods used to prepare them comply with standards. It reviews the statutory auditors' summary report, gives its opinion of the statutory auditors' work, and sees that the rules guaranteeing their independence are adhered to. 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, stays abreast of trends in operational risks and monitors 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.,* they monitor the Group's exposure to credit risk, analyze the overall profitability of Group companies as well as the profitability of each type of product; control the Group's exposure to financial risks (interest rates, liquidity, currencies, counterparties), and ensure that operations are compliant in light of the list of authorized products.

MANAGEMENT BODIES

See 4. - (2) "MANAGEMENT BODIES AT MARCH 1, 2014" above.

ADDITIONAL INFORMATION

GENERAL MEETINGS OF SHAREHOLDERS

General Meetings are convened in accordance with legal and regulatory provisions. The meetings are open to all shareholders who have registered their shares under their own name at least three clear days before the meeting. The right to attend the meeting is evidenced by a book entry in the name of the shareholder or the registered intermediary acting on his or her behalf, pursuant to Article L. 228-1 of the French Commercial Code. The entry must be made by midnight (zero hours) CET on the third business day before the General Meeting, either in the registered share account kept by the Company or in the bearer share accounts held by an authorized intermediary. 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.

SHAREHOLDER AGREEMENTS ON SHARES MAKING UP THE AUTHORIZED CAPITAL

RESTRICTIONS ON THE TRANSFER OF SHARES AND THE EXERCISE OF VOTING RIGHTS

As part of the Master Cooperation Agreement on long-term strategic cooperation signed on April 7, 2010 by Renault SA, Nissan Motor Co., Ltd., Renault-Nissan b.v., and Daimler AG, the Parties made the following commitments in accordance with Article L. 225-100-3 of French Commercial Code:

- lock-up commitment: for a five-year period beginning on the date of the Master Cooperation Agreement signature, Daimler commits to not transfer its holding in Renault without the prior agreement of the other parties. However, providing the transfer concerns all Renault shares and that the beneficiary is not a competitor of Renault, the lock-up commitment does not apply to the following cases: (i) transfer to a subsidiary, (ii) a public offer for Renault shares recommended by Renault's Board of Directors, (iii) a change in control of Renault. The commitment will end prematurely if the Master Cooperation Agreement is terminated before the end of the five-year period;
- right of first offer: if Daimler wants to transfer its Renault shares (either at the end of the lock-up commitment or during that period providing it has transfer authorization), Renault benefits from the right of first offer, allowing it to acquire those shares. If Renault chooses not to exercise its right, Daimler may sell its shares to third parties that are not competitors of Renault or sell them in the market;
- commitment in the event of a hostile takeover bid: after the end of the lock-up commitment, Daimler agrees to not tender its shares to a takeover bid for Renault that has not received approval from Renault's Board of Directors. This commitment will end on termination of the Master Cooperation Agreement.

ACTION IN CONCERT BETWEEN THE PARTIES

Renault and Daimler have represented and warranted that they are not acting in concert, directly or indirectly, as defined in Article L. 233-10 of the Commercial Code. To the best knowledge of the Company, and as at the end of the year 2013, there are no shareholder pacts governing relations between the Company's shareholders, and no actions in concert.

AUDIT, RISKS AND ETHICS COMMITTEE ("CARE")

A) COMPOSITION

The composition of the CARE is as follows:

- at least two-thirds (2/3rds) of independent directors, excluding employee directors or those representing employee shareholders;
- directors having accounting or financial skills;
- a committee Chairman is chosen with particular care from among the independent directors;
- the Chief Executive Officer may not be a member of this committee.

The members of the CARE shall, upon their appointment, be informed of the company's specific accounting, financial and operating features. Furthermore, each director may, where he/she considers it necessary, receive additional training in the company's specific features, its business lines and the automotive industry. Directors representing employees or employee shareholders shall receive appropriate training to enable them to discharge their duties.

B) MISSIONS

The following are the missions of the CARE:

- monitoring the processes for generating financial information, supervising the methods adopted for drawing up financial statements, drawn up in compliance with prevailing standards and in accordance with the IFRS accounting system;
- examining and analyzing the financial statements as prepared by the company's directors, and reporting on its findings in this respect to the members of the Board of Directors;
- monitoring the effectiveness of schemes for risk control, internal control and regulatory and operational compliance;
- ensuring compliance with ethical rules, particularly business ethics;
- ensuring the company has a good level of commitment to social and environmental responsibility (SER).

As such, the CARE:

- examines – as part of its analysis of the financial statements – the memorandum of the statutory auditors highlighting the salient points in the results, the accounting options adopted, and a memorandum from the Financial Director describing the risk exposure, and the off-balance-sheet commitments of the business;
- proposes to the Board the procedure for selecting the statutory auditors, manages the selection procedure, issues an opinion on the quality of those auditors' work and ensures compliance with the rules safeguarding their independence; within this framework, it issues a recommendation regarding the statutory auditors proposed for appointment by the Shareholders' General Meeting;
- regularly interviews the statutory auditors, who must submit their general programme of work and the tests and samplings they have undertaken;
- is informed of the existence of a system for identifying and assessing the Group's risks and ensures that the system's effectiveness is duly monitored;
- ensures that an internal control system exists, and monitors its effectiveness;
- supervises the audit plan, monitors its execution and checks that the recommendations are implemented;
- supervises the proper implementation and assesses the effectiveness of the ethical scheme, and monitors the enforcement of the Group Code of Conduct together with its related procedures;
- receives, from the Ethics Director, the company's annual activity report on ethics and compliance, together with the actions undertaken; this committee examines and issues its opinion on the action programme for the following year, and monitors the developments in it;
- interviews the Ethics Director and, if it considers it necessary, the Chairmen of the Ethics and Compliance Committee and the Risks and Internal Control Committee;
- examines relations with stakeholders regarding any issue relating to ethics and to social and environmental responsibility;
- interviews the company's Social Responsibility Director once a year on the actions conducted in this area;
- examines the section of the report by the Chairman of the Board of Directors referred to in Article L. 225-37 of the French Commercial Code relating to internal control and risk management procedures;
- formulates any recommendation to the Board of Directors or the company's management bodies in the areas within its remit.

Within the scope of its authority, the CARE regularly interviews representatives of the following entities:
- the Audit, Risk Control and Organisation department;
- the Group Protection and Risk Prevention department;
- the Ethics department;
- the Group Finance department;
- the statutory auditors.

AUDITS

STATUTORY AUDITORS' CHARTER

In connection with legal audit, Renault took the initiative in 2004 of drafting a Charter concerning the engagements and independence of the statutory auditors and signing it with them. This Charter governs the relationship between the Renault group (the parent company and the fully consolidated French and foreign subsidiaries) and its statutory auditors. To renew the appointment of the statutory auditors, a request for proposals was made in 2013. The Charter will be updated in 2014.

AUDITORS

Statutory auditors

Deloitte & Associés
Represented by Thierry Benoit and Antoine de Riedmatten
185, avenue Charles-de-Gaulle

92200 Neuilly-sur-Seine
FRANCE

Name(s) of certified public accountants ("CPA") in charge: Thierry Benoit and Antoine de Riedmatten

Deloitte & Associés was appointed by the French Finance Ministry on April 25, 1990. It was reappointed by the Joint General Meeting of June 7, 1996, April 26, 2002 and April 29, 2008 for a period of six years. This term has expired at the close of the Annual General Meeting convened to approve the accounts for 2013.

During the General Meeting held on 30th April 2014, the fifteenth resolution has been accepted. This resolution has appointed KPMG SA and KPMG Audit ID s.a.s (3, cours du Triangle – 92939 Paris La Défense Cedex), as new principal and alternate statutory auditors respectively, in replacement of Deloitte & Associés and BEAS which terms of office have expired, for a period of six financial years, i.e. until the end of the General Meeting deciding on the accounts for the financial year ending on December 31, 2019.

Composition of assistants involved in auditing services: two CPAs and several other professionals participated in the Company's 2013 audit.

Ernst & Young Audit
Represented by Mrs Jean-François Bélorgey and Bernard Heller
Tour First
1-2 Place des saisons
92400 Courbevoie – Paris La Défense 1
France

Name(s) of certified public accountants in charge: Mrs Jean-François Belorgey and Bernard Heller

Ernst & Young Audit was appointed by the French Finance Ministry on March 27, 1979. It was reappointed by the Joint General Meeting of June 7, 1996, April 26, 2002 and April 29, 2008 for a period of six years. This term has expired at the close of the Annual General Meeting convened to approve the accounts for 2013.

During the General Meeting held on 30th April 2014, the fourteenth resolution has been accepted. This resolution proposed to renew the term of office of Ernst & Young Audit and Auditex (1-2, place des Saisons Paris La Défense 1 – 92400 Courbevoie), as principal and alternate statutory auditors respectively for a new period of six financial years, i.e. until the end of the general meeting deciding on the accounts for the financial year ending on December 31, 2019.

Composition of assistants involved in auditing services: two CPAs and several other professionals participated in the Company's 2013 audit.

During the General Meeting held on 30th April 2014, the **fifteenth resolution has been accepted. This resolution proposed** that the General Meeting appoints KPMG SA and KPMG Audit ID s.a.s (3, cours du Triangle – 92939 Paris La Défense Cedex), as new principal and alternate statutory auditors respectively, in replacement of Deloitte & Associés and BEAS which terms of office have expired, for a period of six financial years, i.e. until the end of the General Meeting deciding on the accounts for the financial year ending on December 31, 2019.

Alternate auditors

BEAS
Alternate for Deloitte & Associés
7-9, Villa Houssay
92200 Neuilly-sur-Seine
FRANCE

Auditex
Alternate for Ernst & Young Audit
Tour First
1 - 2 Place des saisons
92400 Courbevoie – Paris La Défense 1
FRANCE

Mr Gabriel Galet , appointed by the General Meeting of April 29, 2008, was unable to continue his functions due to his retirement. The General Meeting of April 30, 2013, appointed the company Auditex SAS as a new substitute Statutory Auditor, for the remainder of the latter's term of office, until 2014.

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 Meeting of June 7, 1996, April 26, 2002 and April 29, 2008 for a period of six years. This term has expired at the close of the Annual General Meeting convened to approve the accounts for 2013.

During the General Meeting held on 30th April 2014, the fourteenth resolution has been accepted. This resolution proposed to renew the term of office of Ernst & Young Audit and Auditex (1-2, place des Saisons Paris La Défense 1 – 92400 Courbevoie), as principal and alternate statutory auditors respectively for a new period of six financial years, i.e. until the end of the general meeting deciding on the accounts for the financial year ending on December 31, 2019.

FEES PAID TO STATUTORY AUDITORS AND THEIR NETWORK

The audit fees for Group's statutory auditors and their networks are set forth in note 29 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

Classification	2012				2013			
	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	2,739	389,267	0	0	2,598	369,228	0	0
Consolidated Subsidiary	4,646	660,290	125	17,765	4,486	637,550	235	33,398
Total	7,385	1,049,556	125	17,765	7,084	1,006,778	235	33,398

Ernst & Young Audit

Classification	2012				2013			
	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	2,925	415,701	0	0	3,836	545,172	0	0
Consolidated	2,766	393,104	83	11,796	3,358	477,239	63	8,954

Subsidiary								
Total	5,691	808,805	83	11,796	7,193	1,022,411	63	8,954

(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. 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 2013 are prepared under IFRS (International Financial Reporting Standards) as issued by the IASB (International Accounting Standards Board) at December 31, 2013 and adopted by the European Union at the year-end. 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 provision of Article 131, 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 = ¥142.12. This exchange rate is the Telegraphic Transfer Spot Selling Exchange Rates vis-a-vis Customers by the Bank of Tokyo-Mitsubishi UFJ, Ltd. at February 21, 2014.

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>

(1) CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

(€ million)	**2013**	**2012**
Revenues (note 4)	**40,932**	**41,270**
Cost of goods and services sold	(33,611)	(34,092)
Research and development expenses (note 11-A)	(1,812)	(1,915)
Selling, general and administrative expenses	(4,267)	(4,534)
Operating margin (note 5)	**1,242**	**729**
Other operating income and expenses (note 6)	(1,276)	(607)
Other operating income	*222*	*224*
Other operating expenses	*(1,498)*	*(831)*
Operating income (loss)	**(34)**	**122**
Net interest income (expenses)	(267)	(267)
Interest income	*183*	*184*
Interest expenses	*(450)*	*(451)*
Other financial income and expenses	(15)	1
Financial income (expenses) (note 7)	**(282)**	**(266)**
Gain on sale of AB Volvo shares (note 14)	**-**	**924**
Share in net income (loss) of associates and joint ventures	**1,444**	**1,504**
Nissan (note 13)	*1,498*	*1,234*
Other associates and joint ventures (note 14)	*(54)*	*270*
Pre-tax income	**1,128**	**2,284**
Current and deferred taxes (note 8)	(433)	(549)
NET INCOME	**695**	**1,735**
Net income – non-controlling interests' share	109	(37)
Net income – parent company shareholders' share	586	1,772
Basic earnings per share [(1)] (in €) (note 9)	2.15	6.51
Diluted earnings per share [(1)] (in €) (note 9)	2.14	6.50
Number of shares outstanding (in thousands) (note 9)		
For basic earnings per share	*272,290*	*272,256*
For diluted earnings per share	*274,096*	*272,393*

(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 10.

(€ million)	**2013**	**2012**
NET INCOME	**695**	**1,735**
Items that will not be reclassified subsequently to profit or loss	***68***	***(268)***
Actuarial gains and losses on defined-benefit pension plans	68	(268)
Items that have been or will be reclassified subsequently to profit or loss	***215***	***48***
Translation adjustments on foreign activities (1)	(383)	(99)
Partial hedge of the investment in Nissan (2)	209	35
Fair value adjustments on cash flow hedging instruments (3)	34	(20)
Fair value adjustments on available-for-sale financial assets (2)	355	132
Total other components of comprehensive income excluding associates and joint ventures (A)	**283**	**(220)**
Items that will not be reclassified subsequently to profit or loss	***42***	***10***
Actuarial gains and losses on defined-benefit pension plans	42	10
Items that have been or will be reclassified subsequently to profit or loss (4)	***(1,965)***	***(1,111)***
Translation adjustments on foreign activities	(2,112)	(1,164)
Fair value adjustments on cash flow hedging instruments	5	(19)
Fair value adjustments on available-for-sale financial assets	142	72
Share of associates and joint ventures in other components of comprehensive income (B)	**(1,923)**	**(1,101)**
OTHER COMPONENTS OF COMPREHENSIVE INCOME (A) + (B)	**(1,640)**	**(1,321)**
COMPREHENSIVE INCOME	**(945)**	**414**
Parent company shareholders' share	(1,055)	450
Non-controlling interests' share	110	(36)

(1) Including €9 million reclassified to profit or loss in 2013 (nil in 2012).
(2) There were no reclassifications to profit or loss for this item in 2013 or 2012.
(3) Including €25 million reclassified to profit or loss in 2013 (€31 million in 2012).
(4) Including €(19) million reclassified to profit or loss in 2013 (€(39) million in 2012).

Consolidated financial position

(€ million)	**DECEMBER 31, 2013**	**DECEMBER 31, 2012**
ASSETS		
Non-current assets		
Intangible assets (note 11-A)	3,282	3,482
Property, plant and equipment (note 11-B)	10,973	11,534
Investments in associates and joint ventures	14,874	15,562
Nissan (note 13)	*14,068*	*14,788*
Other associates and joint ventures (note 14)	*806*	*774*
Non-current financial assets (note 22)	1,530	1,032
Deferred tax assets (note 8)	396	416
Other non-current assets (note 18)	1,076	821
TOTAL NON-CURRENT ASSETS	**32,131**	**32,847**
Current assets		
Inventories (note 15)	3,162	3,864
Sales financing receivables (note 16)	23,650	23,230
Automotive receivables (note 17)	970	1,144
Current financial assets (note 22)	1,098	989
Current tax assets	64	39
Other current assets (note 18)	2,256	2,121
Cash and cash equivalents (note 22)	11,661	11,180
TOTAL CURRENT ASSETS	**42,861**	**42,567**
TOTAL ASSETS	**74,992**	**75,414**

(€ million)	**DECEMBER 31, 2013**	**DECEMBER 31, 2012**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	1,127	1,127
Share premium	3,785	3,785
Treasury shares	(187)	(201)
Revaluation of financial instruments	571	36
Translation adjustment	(3,674)	(1,386)
Reserves	20,629	19,159
Net income – parent company shareholders' share	586	1,772
Shareholders' equity – parent company shareholders' share	**22,837**	**24,292**
Shareholders' equity – non-controlling interests' share	377	255
TOTAL SHAREHOLDERS' EQUITY (NOTE 19)	**23,214**	**24,547**
Non-current liabilities		
Deferred tax liabilities (note 8)	121	123
Provisions – long-term (note 20)	2,544	2,496
Non-current financial liabilities (note 23)	7,100	6,622
Other non-current liabilities (note 21)	1,119	844
TOTAL NON-CURRENT LIABILITIES	**10,884**	**10,085**
Current liabilities		
Provisions – short-term (note 20)	1,095	889
Current financial liabilities (note 23)	2,921	3,094
Sales financing debts (note 23)	23,757	23,305
Trade payables	6,171	6,558
Current tax liabilities	126	131
Other current liabilities (note 21)	6,824	6,805
TOTAL CURRENT LIABILITIES	**40,894**	**40,782**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**74,992**	**75,414**

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, 2011	**295,722**	**1,127**	**3,785**	**(201)**	**(129)**	**(155)**	**17,567**	**2,092**	**24,086**	**481**	**24,567**
2012 net income								1,772	1,772	(37)	1,735
Other components of comprehensive income (1)					165	(1,231)	(256)		(1,322)	1	(1,321)
2012 comprehensive income					***165***	***(1,231)***	***(256)***	***1,772***	***450***	***(36)***	***414***
Allocation of 2011 net income							2,092	(2,092)			
Dividends							(316)		(316)	(68)	(384)
(Acquisitions)/disposals of treasury shares and impact of capital increases											
Impact of changes in the scope of consolidation with no loss of control (2)							57		57	(122)	(65)
Cost of stock option plans							15		15		15
BALANCE AT DECEMBER 31, 2012 AS PUBLISHED	**295,722**	**1,127**	**3,785**	**(201)**	**36**	**(1,386)**	**19,159**	**1,772**	**24,292**	**255**	**24,547**
Restatements for application of IFRS 11 and IAS 19 (revised) (3)						(2)	42	(23)	17		17
RESTATED BALANCE AT	**295,722**	**1,127**	**3,785**	**(201)**	**36**	**(1,388)**	**19,201**	**1,749**	**24,309**	**255**	**24,564**

(€ 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**
DECEMBER 31, 2012											
2013 net income								586	586	109	695
Other components of comprehensive income [(1)]					535	(2,286)	110		(1,641)	1	(1,640)
2013 comprehensive income					***535***	***(2,286)***	***110***	***586***	***(1,055)***	***110***	***(945)***
Allocation of 2012 net income							1,749	(1,749)			
Dividends							(469)		(469)	(56)	(525)
(Acquisitions)/disposals of treasury shares and impact of capital increases				14					14		14
Impact of changes in the scope of consolidation with or without loss of control [(2)]							19		19	68	87
Cost of stock option plans							19		19		19
BALANCE AT DECEMBER 31, 2013	**295,722**	**1,127**	**3,785**	**(187)**	**571**	**(3,674)**	**20,629**	**586**	**22,837**	**377**	**23,214**

(1) Changes in reserves correspond to actuarial gains and losses on defined-benefit pension funds during the period (€(258) million in 2012 and €110 million in 2013).
(2) Impacts of changes in the scope of consolidation comprise the treatment applied to acquisitions of non-controlling interests and put options for buyouts of non-controlling interests (note 2-C). In 2013, they also included the effects of Renault Pars deconsolidation (note 6-E) and transfer of control over Renault South Africa to the partner (note 6-B). In 2012, the main changes in the scope of consolidation concern Renault's acquisitions of non-controlling interests in Avtoframos and Remosprom in Russia and Nissan's acquisition of non-controlling interests in Aichi Kikai in Japan (note 13).
(3) The restatements resulting from retrospective application of IFRS 11 "Joint Arrangements" and IAS 19 (revised) "Employee benefits" are presented in note 2-A2.

Details of changes in consolidated shareholders' equity in 2013 are given in note 19.

Consolidated cash flows

(€ million)	2013	2012
Net income	**695**	**1,735**
Cancellation of dividends received from unconsolidated listed investments [(1)]	(27)	(34)
Cancellation of income and expenses with no impact on cash		
Depreciation, amortization and impairment	3,169	3,307
Share in net (income) loss of associates and joint ventures	(1,444)	(1,504)
Other income and expenses with no impact on cash (note 26-A)	815	(788)
Dividends received from unlisted associates and joint ventures	6	3
Cash flow [(2)]	**3,214**	**2,719**
Dividends received from listed companies [(3)]	**433**	**507**
Net change in financing for final customers	(534)	(568)
Net change in renewable dealer financing	(781)	(896)
Decrease (increase) in sales financing receivables	**(1,315)**	**(1,464)**
Bond issuance by the Sales Financing segment (note 23-A)	2,958	3,509
Bond redemption by the Sales Financing segment (note 23-A)	(2,465)	(2,765)
Net change in other sales financing debts	917	652
Net change in other securities and loans of the Sales Financing segment	(365)	(69)
Net change in financial assets and debts of the Sales Financing segment	**1,045**	**1,327**
Change in capitalized leased assets	**(333)**	**(210)**
Decrease (increase) in working capital (note 26-B)	**528**	**997**
CASH FLOWS FROM OPERATING ACTIVITIES	**3,572**	**3,876**
Capital expenditure (note 26-C)	(2,749)	(2,847)
Disposals of property, plant and equipment and intangibles	198	162
Acquisitions of investments involving gain of control, net of cash acquired	(5)	(5)
Acquisitions of other investments, net of cash acquired	(273)	(112)
Disposals of investments involving loss of control, net of cash transferred	26	-
Disposals of other investments, net of cash transferred and other [(4)]	91	1,473
Net decrease (increase) in other securities and loans of the Automotive segment	(12)	(240)
CASH FLOWS FROM INVESTING ACTIVITIES	**(2,724)**	**(1,569)**
Transactions with non-controlling interests [(5)]	(2)	(91)
Dividends paid to parent company shareholders (note 19-D)	(502)	(338)
Dividends paid to non-controlling interests	(48)	(73)
(Acquisitions) sales of treasury shares	-	-
Cash flows with shareholders	**(552)**	**(502)**
Bond issuance by the Automotive segment (note 23-A)	1,716	1,952
Bond redemption by the Automotive segment (note 23-A)	(1,152)	(1,073)
Net increase (decrease) in other financial liabilities of the Automotive segment	(24)	132
Net change in financial liabilities of the Automotive segment	**540**	**1,011**
CASH FLOWS FROM FINANCING ACTIVITIES	**(12)**	**509**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**836**	**2,816**

(1) Dividends received from Daimler.
(2) Cash flow does not include dividends received from listed companies.
(3) Dividends from Daimler (€27 million) and Nissan (€406 million) in 2013. Dividends from Daimler (€34 million), AB Volvo (€47 million) and Nissan (€426 million) in 2012.
(4) AB Volvo shares were sold for €1,476 million in 2012.

(5) Acquisitions of additional investments in controlled companies (note 2-J).

(€ million)	**2013**	**2012**
Cash and cash equivalents: opening balance	**11,180**	**8,672**
Increase (decrease) in cash and cash equivalents	836	2,816
Effect of changes in exchange rate and other changes	(355)	(308)
Cash and cash equivalents: closing balance	**11,661**	**11,180**

Details of interest received and paid by the Automotive segment are given in note 26-D.
Current taxes paid by the Group are reported in note 8-A.

Segment reporting

A – Information by operating segment

A1 Consolidated income statement by operating segment

(€ million)	**AUTOMOTIVE**	**SALES FINANCING**	**INTERSEGMENT TRANSACTIONS**	**CONSOLIDATED TOTAL**
2013				
Sales of goods	36,964	33		36,997
Sales of services	1,811	2,124		3,935
External revenues	**38,775**	**2,157**		**40,932**
Intersegment sales	(361)	400	(39)	-
Sales by segment	**38,414**	**2,557**	**(39)**	**40,932**
Operating margin (1)	**521**	**747**	**(26)**	**1,242**
Operating income (loss)	**(744)**	**736**	**(26)**	**(34)**
Financial income (expenses) (2)	**(107)**	**-**	**(175)**	**(282)**
Share in net income (loss) of associates and joint ventures	**1,430**	**14**	**-**	**1,444**
Pre-tax income	**579**	**750**	**(201)**	**1,128**
Current and deferred taxes	(203)	(238)	8	(433)
Net income	**376**	**512**	**(193)**	**695**
2012				
Sales of goods	37,227	-	-	37,227
Sales of services	1,929	2,114	-	4,043
External revenues	**39,156**	**2,114**	**-**	**41,270**
Intersegment sales	(297)	452	(155)	-
Sales by segment	**38,859**	**2,566**	**(155)**	**41,270**
Operating margin (1)	**(15)**	**754**	**(10)**	**729**
Operating income (loss)	**(615)**	**749**	**(12)**	**122**
Financial income (expenses) (2)	**85**	**-**	**(351)**	**(266)**
Gain on sale of AB Volvo shares	**924**	**-**	**-**	**924**
Share in net income (loss) of associates and joint ventures	**1,495**	**9**	**-**	**1,504**
Pre-tax income	**1,889**	**758**	**(363)**	**2,284**
Current and deferred taxes	(313)	(239)	3	(549)
Net income	**1,576**	**519**	**(360)**	**1,735**

(1) Details of amortization, depreciation and impairment 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, 2013 ASSETS *(€ million)*	AUTOMOTIVE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
Non-current assets				
Property, plant and equipment and intangible assets	14,146	119	(10)	14,255
Investments in associates and joint ventures	14,859	15		14,874
Non-current financial assets – investments in non-controlled entities	4,036	55	(2,895)	1,196
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segment	368		(34)	334
Deferred tax assets and other non-current assets	1,301	206	(35)	1,472
TOTAL NON-CURRENT ASSETS	**34,710**	**395**	**(2,974)**	**32,131**
Current assets				
Inventories	3,121	48	(7)	3,162
Customer receivables	1,031	23,997	(408)	24,620
Current financial assets	975	925	(802)	1,098
Current tax assets and other current assets	1,604	2,900	(2,184)	2,320
Cash and cash equivalents	10,704	1,201	(244)	11,661
TOTAL CURRENT ASSETS	**17,435**	**29,071**	**(3,645)**	**42,861**
TOTAL ASSETS	**52,145**	**29,466**	**(6,619)**	**74,992**
Shareholders' equity	**23,127**	**2,899**	**(2,812)**	**23,214**
Non-current liabilities				
Long-term provisions	2,277	267		2,544
Non-current financial liabilities	6,837	263		7,100
Deferred tax liabilities and other non-current liabilities	691	549		1,240
TOTAL NON-CURRENT LIABILITIES	**9,805**	**1,079**		**10,884**
Current liabilities				
Short-term provisions	1,067	28		1,095
Current financial liabilities	3,449		(528)	2,921
Trade payables and sales financing debts	6,349	24,657	(1,078)	29,928
Current tax liabilities and other current liabilities	8,348	803	(2,201)	6,950
TOTAL CURRENT LIABILITIES	**19,213**	**25,488**	**(3,807)**	**40,894**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**52,145**	**29,466**	**(6,619)**	**74,992**

DECEMBER 31, 2012 ASSETS *(€ million)*	AUTOMOTIVE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
Non-current assets				
Property, plant and equipment and intangible assets	14,910	116	(10)	15,016
Investments in associates and joint ventures	15,514	48	-	15,562
Non-current financial assets – investments in non-controlled entities	3,433	-	(2,645)	788
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segment	348	-	(104)	244
Deferred tax assets and other non-current assets	1,047	238	(48)	1,237
TOTAL NON-CURRENT ASSETS	**35,252**	**402**	**(2,807)**	**32,847**
Current assets				
Inventories	3,825	42	(3)	3,864
Customer receivables	1,195	23,649	(470)	24,374
Current financial assets	1,150	514	(675)	989
Current tax assets and other current assets	1,583	2,774	(2,197)	2,160
Cash and cash equivalents	10,072	1,338	(230)	11,180
TOTAL CURRENT ASSETS	**17,825**	**28,317**	**(3,575)**	**42,567**
TOTAL ASSETS	**53,077**	**28,719**	**(6,382)**	**75,414**
SHAREHOLDERS' EQUITY AND LIABILITIES *(€ million)*				
Shareholders' equity	**24,437**	**2,650**	**(2,540)**	**24,547**
Non-current liabilities				
Long-term provisions	2,262	234	-	2,496
Non-current financial liabilities	6,362	260	-	6,622
Deferred tax liabilities and other non-current liabilities	424	543	-	967
TOTAL NON-CURRENT LIABILITIES	**9,048**	**1,037**	**-**	**10,085**
Current liabilities				
Short-term provisions	857	32	-	889
Current financial liabilities	3,716	-	(622)	3,094
Trade payables and sales financing debts	6,663	24,199	(999)	29,863
Current tax liabilities and other current liabilities	8,356	801	(2,221)	6,936
TOTAL CURRENT LIABILITIES	**19,592**	**25,032**	**(3,842)**	**40,782**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**53,077**	**28,719**	**(6,382)**	**75,414**

A3 Consolidated cash flows by operating segment

(€ million)	AUTOMOTIVE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
2013				
Net income	**376**	**512**	**(193)**	**695**
Cancellation of dividends received from unconsolidated listed investments [1]	(27)	-	-	(27)
Cancellation of income and expenses with no impact on cash				
Depreciation, amortization and impairment	3,164	5	-	3,169
Share in net (income) loss of associates and joint ventures	(1,430)	(14)	-	(1,444)
Other income and expenses with no impact on cash	825	(2)	(8)	815
Dividends received from unlisted associates and joint ventures	6	-	-	6
Cash flow [2]	**2,914**	**501**	**(201)**	**3,214**
Dividends received from listed companies [3]	**433**	-	-	**433**
Decrease (increase) in sales financing receivables	-	(1,240)	(75)	(1,315)
Net change in financial assets and sales financing debts	-	1,063	(18)	1,045
Change in capitalized leased assets	(334)	1	-	(333)
Decrease (increase) in working capital	790	(198)	(64)	528
CASH FLOWS FROM OPERATING ACTIVITIES	**3,803**	**127**	**(358)**	**3,572**
Purchases of intangible assets	(827)	(4)	-	(831)
Purchases of property, plant and equipment	(1,914)	(4)	-	(1,918)
Disposals of property, plant and equipment and intangibles	198	-	-	198
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired/transferred	24	(3)	-	21
Acquisitions and disposals of other investments and other assets	(183)	1	-	(182)
Net decrease (increase) in other securities and loans of the Automotive segment	(20)	-	8	(12)
CASH FLOWS FROM INVESTING ACTIVITIES	**(2,722)**	**(10)**	**8**	**(2,724)**
Cash flows with shareholders	(539)	(188)	175	(552)
Net change in financial liabilities of the Automotive segment	461	-	79	540
CASH FLOWS FROM FINANCING ACTIVITIES	**(78)**	**(188)**	**254**	**(12)**
INCREASE (DECREASE) IN	**1,003**	**(71)**	**(96)**	**836**

CASH AND CASH EQUIVALENTS [(4)]				

(1) Dividends received from Daimler.
(2) Cash flow does not include dividends received from listed companies.
(3) Dividends received from Daimler (€27 million) and Nissan (€406 million).
(4) Excluding the impact on cash of changes in exchange rate and other changes.

(€ million)	**AUTOMOTIVE**	**SALES FINANCING**	**INTERSEGMENT TRANSACTIONS**	**CONSOLIDATED TOTAL**
2013				
CASH AND CASH EQUIVALENTS: OPENING BALANCE	**10,072**	**1,338**	**(230)**	**11,180**
Increase (decrease) in cash and cash equivalents	1,003	(71)	(96)	836
Effect of changes in exchange rate and other changes	(371)	(66)	82	(355)
CASH AND CASH EQUIVALENTS: CLOSING BALANCE	**10,704**	**1,201**	**(244)**	**11,661**

(€ million)	AUTOMOTIVE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
2012				
Net income	**1,576**	**519**	**(360)**	**1,735**
Cancellation of dividends received from unconsolidated listed investments [1]	(34)	-	-	(34)
Cancellation of income and expenses with no impact on cash				
Depreciation, amortization and impairment	3,299	8	-	3,307
Share in net (income) loss of associates and joint ventures	(1,495)	(9)	-	(1,504)
Other income and expenses with no impact on cash	(772)	(15)	(1)	(788)
Dividends received from unlisted associates and joint ventures	3	-	-	3
Cash flow [2]	**2,577**	**503**	**(361)**	**2,719**
Dividends received from listed companies [3]	**507**	**-**	**-**	**507**
Decrease (increase) in sales financing receivables	-	(1,562)	98	(1,464)
Net change in financial assets and sales financing debts	-	1,483	(156)	1,327
Change in capitalized leased assets	(228)	18	-	(210)
Decrease (increase) in working capital	922	95	(20)	997
CASH FLOWS FROM OPERATING ACTIVITIES	**3,778**	**537**	**(439)**	**3,876**
Purchases of intangible assets	(900)	(2)	-	(902)
Purchases of property, plant and equipment	(1,936)	(9)	-	(1,945)
Disposals of property, plant and equipment and intangibles	162	-	-	162
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired/transferred	(5)	-	-	(5)
Acquisitions and disposals of other investments and other assets [4]	1,363	(2)	-	1,361
Net decrease (increase) in other securities and loans of the Automotive segment	(252)	-	12	(240)
CASH FLOWS FROM INVESTING ACTIVITIES	**(1,568)**	**(13)**	**12**	**(1,569)**
Cash flows with shareholders	(493)	(360)	351	(502)
Net change in financial liabilities of the Automotive segment	1,071	-	(60)	1,011
CASH FLOWS FROM	**578**	**(360)**	**291**	**509**

FINANCING ACTIVITIES				
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS [(5)]	**2,788**	**164**	**(136)**	**2,816**

(1) Dividends received from Daimler.
(2) Cash flow does not include dividends received from listed companies.
(3) Dividends from Daimler (€34 million), AB Volvo (€47 million) and Nissan (€426 million).
(4) AB Volvo shares were sold for €1,476 million in 2012.
(5) Excluding the effects on cash of changes in exchange rate and other changes.

(€ million)	**AUTOMOTIVE**	**SALES FINANCING**	**INTERSEGMENT TRANSACTIONS**	**CONSOLIDATED TOTAL**
2012				
CASH AND CASH EQUIVALENTS: OPENING BALANCE	**7,618**	**1,171**	**(117)**	**8,672**
Increase (decrease) in cash and cash equivalents	2,787	165	(136)	2,816
Effect of changes in exchange rate and other changes	(333)	2	23	(308)
CASH AND CASH EQUIVALENTS: CLOSING BALANCE	**10,072**	**1,338**	**(230)**	**11,180**

B – Information by Region

The Regions presented correspond to the geographic divisions used for Group management.
Consolidated revenues are presented by location of customers.
Property, plant and equipment and intangibles are presented by location of subsidiaries and joint operations.

(€ million)	**EUROPE [1]**	**AMERICAS**	**ASIA-PACIFIC**	**EUROMED-AFRICA**	**EURASIA**	**CONSOLIDATED TOTAL**
2013						
Revenues	23,803	5,933	3,753	4,446	2,997	40,932
Property, plant and equipment and intangibles	10,285	639	475	2,214	642	14,255
2012						
Revenues	24,661	6,141	4,010	3,992	2,466	41,270
Property, plant and equipment and intangibles	10,777	686	616	2,321	616	15,016

(1) Including the following for France:

(€ million)	**2013**	**2012**
Revenues	*10,004*	*10,894*
Property, plant and equipment and intangibles	*8,613*	*9,180*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

I. Accounting policies and scope of consolidation

Note 1 – Approval of the financial statements

The Renault group's consolidated financial statements for 2013 were finalized at the Board of Directors' meeting of February 12, 2014 and will be submitted for approval by 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 2013 are prepared under IFRS (International Financial Reporting Standards) as issued by the lASB (International Accounting Standards Board) at December 31, 2013 and adopted by the European Union at the year-end.

A – CHANGES IN ACCOUNTING POLICIES

A1 Changes in 2013

At December 31, 2013 the Group applies the new standards and amendments shown below, which were published in the Official Journal of the European Union and mandatory at the closing date.

STANDARD		EFFECTIVE DATE
IFRS 13	Fair Value Measurement	January 1, 2013
IAS 19 (revised)	Employee Benefits	January 1, 2013
Improvements to several standards	Annual improvements – 2009-2011 cycle	January 1, 2013
Amendment to IFRS 7	Financial instruments: Disclosure – Offsetting financial assets and financial liabilities	January 1, 2013
Amendment to IAS 1	Presentation of financial statements – Presentation of other components of comprehensive income	January 1, 2013
Amendment to IAS 12	Income Taxes – Deferred Tax: Recovery of Underlying Assets	January 1, 2013

The amendment to IAS 1 requires other components of comprehensive income to be presented in two separate categories: items that will be reclassified to profit and loss in the future, and other items.

IAS 19 (revised) "Employee benefits" is applied retrospectively. The impact of its first application is not significant at Group level, as shown in the tables of restatements of 2012 figures presented in note 2-A2.

IFRS 13 "Fair Value Measurement" is applied prospectively. Its application has no significant impact on book values.

The Group also opted for early application of the following standards and amendments, which were published in the Official Journal of the European Union but were not mandatory at the closing date.

STANDARD		EFFECTIVE DATE
IFRS 10	Consolidated financial statements	January 1, 2014
IFRS 11	Joint arrangements	January 1, 2014
IFRS 12	Disclosure of interests in other entities	January 1, 2014
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance	January 1, 2014
Amendment to IAS 28	Investments in Associates and Joint Ventures	January 1, 2014

IFRS 11 "Joint Arrangements", which is applied retrospectively, has an impact on the Group's consolidated financial statements, but this impact is non-significant, as shown in the tables of restatements of 2012 figures presented in note 2-A2. IFRS 12 has an impact on the disclosures provided in the notes to the financial statements.

The Group has not undertaken early application of the following amendments, which have been published in the Official Journal of the European Union but are not mandatory at January 1, 2013.

STANDARD		EFFECTIVE DATE
Amendment to IAS 32	Financial instruments: Presentation – Offsetting of financial assets and financial liabilities	January 1, 2014
Amendment to IFRS 10, IFRS 12 and IAS 27	Investment entities	January 1, 2014
Amendment to IAS 36	Recoverable amount disclosures for non-financial assets	January 1, 2014
Amendment to IAS 39	Novation of derivatives and continuation of hedge accounting	January 1, 2014

The Group does not currently expect adoption of these amendments to have any significant impact on the consolidated accounts.

A2 First application of IFRS 11 and IAS 19 (revised)

Application of IFRS 11 "Joint arrangements"

IFRS 11 replaces IAS 31 "Interests in joint ventures" and interpretation SIC 13 "Jointly-controlled entities – Non-monetary contributions by venturers".

IFRS 11 no longer allows the proportionate consolidation method for jointly-controlled entities. The equity method must now be applied to joint arrangements classified as joint ventures, and joint arrangements classified as joint operations must be consolidated on the basis of the percentage share specific to each balance sheet and income statement item.

The following Renault group companies have been classified as joint ventures: Française de Mécanique, Indra Investissements, RCI Financial Services s.r.o. and Renault Credit Car. These companies were proportionately consolidated until December 31, 2012 and are accounted for under the equity method from January 1, 2013. Française de Mécanique was deconsolidated at December 31, 2013 after Renault's investment was sold. RCI Financial Services s.r.o. has been fully consolidated since October 2013 after the Group acquired control.

RNTBCI has been classified as a joint operation, and is therefore consolidated on the basis of the percentage share specific to each balance sheet and income statement item in 2013.

The Group's investments in joint ventures are presented on a specific line in the consolidated statement of financial position, "Investments in associates and joint ventures". The share in the net income of these entities is reported in the consolidated income statement as "Share in net income (loss) of associates and joint ventures".

Application of IAS 19 (revised) "Employee benefits"

The main changes introduced by revision of IAS 19 were as follows:

- all actuarial gains and losses must be immediately recognized in other components of comprehensive income; since the Group opted for this accounting method in 2007, this change has no impact on the consolidated financial statements at December 31, 2013;
- the past service cost resulting from an amendment or curtailment of a plan must be recognized immediately in full in the income statement; before revision of the standard, the past service cost was recorded in the income statement on a straight-line basis over the average vesting period for benefit entitlements;
- the expected return on plan assets must now be valued using the same rate as the discount rate applied to the obligations.

The Group also modified the income statement presentation of the financial component of employee benefits in 2013. The net interest on the net liability (or asset) corresponds to the cost of unwinding the present value of the obligation, and the expected return on plan assets. It is now included in financial income, whereas it was previously included in the operating margin.

Restatement of the 2012 consolidated financial statements following application of IFRS 11 and IAS 19 (revised)

IFRS 11 and IAS 19 (revised) must be applied retrospectively. The impacts of the restatements resulting from application of these standards on the key items published in the consolidated financial statements for 2012 are as follows:

Restatements of the consolidated income statement for 2012

(€ million)	YEAR 2012 AS PUBLISHED	IFRS 11 RESTATEMENT	IAS 19 R RESTATEMENT	YEAR 2012 RESTATED
Revenues	**41,270**	**(550)**		**40,720**
Automotive	*39,156*	*(544)*		*38,612*
Sales Financing	*2,114*	*(6)*		*2,108*
Operating margin	**729**	**(1)**	**54**	**782**
Automotive	*(25)*	*5*	*54*	*34*
Sales Financing	*754*	*(6)*		*748*
Other operating income and expenses	(607)	8		(599)
Operating income (loss)	**122**	**7**	**54**	**183**
Financial income (expenses)	**(266)**	**1**	**(56)**	**(321)**
Gain on sale of AB Volvo shares	**924**			**924**
Share in net income (loss) of associates and joint ventures	**1,504**	**(8)**	**(21)**	**1,475**
Nissan	*1,234*		*(21)*	*1,213*
Other associates and joint ventures	*270*	*(8)*		*262*
PRE-TAX INCOME	**2,284**		**(23)**	**2,261**
Net income	1,735		(23)	1,712
Net income – parent company shareholders' share	1,772		(23)	1,749
Basic earnings per share (in €)	6.51		(0.08)	6.43

Restatements of the consolidated statement of financial position at December 31, 2012

(€ million)	DECEMBER 31, 2012 AS PUBLISHED	IFRS 11 RESTATEMENT	IAS 19 R RESTATEMENT	DECEMBER 31, 2012 RESTATED
Non-current assets				
Investments in associates and joint ventures	15,562	36	15	15,613
Nissan	*14,788*		*15*	*14,803*
Other associates and joint ventures	*774*	*36*		*810*
Other non-current assets	17,285	(85)		17,200
Total non-current assets	**32,847**	**(49)**	**15**	**32,813**
Current assets				
Sales financing receivables	23,230	(291)		22,939
Other current assets	19,337	(77)		19,260
Total current assets	**42,567**	**(368)**		**42,199**
TOTAL ASSETS	**75,414**	**(417)**	**15**	**75,012**

(€ million)	DECEMBER 31, 2012 AS PUBLISHED	IFRS 11 RESTATEMENT	IAS 19 R RESTATEMENT	DECEMBER 31, 2012 RESTATED
Total shareholders' equity	**24,547**		**17**	**24,564**
Non-current liabilities	**10,085**	**(21)**		**10,064**
Current liabilities				

Sales financing debts	23,305	(254)		23,051
Other current liabilities	17,477	(142)	(2)	17,333
Current liabilities	**40,782**	**(396)**	**(2)**	**40,384**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**75,414**	**(417)**	**15**	**75,012**

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 finalized.

The main items in the financial statements that are sensitive to estimates and judgments at December 31, 2013 are the following:

- fixed assets (note 2-L and 12);
- property, plant and equipment (leased vehicles) and inventories related to used vehicles (notes 2-G, 11-B and 15);
- investments in associates, notably Nissan and AVTOVAZ (notes 2-L, 13 and 14);
- sales financing receivables (notes 2-G and 16);
- deferred taxes (notes 2-I and 8);
- provisions, particularly vehicle and battery warranty provisions (note 2-G), provisions for pensions and other long-term employee benefit obligations (note 20-C) and provisions for workforce adjustment measures (note 6-A);
- the value of assets in Iran, mainly comprising shares, a shareholder loan and commercial receivables (note 6-E).

C – CONSOLIDATION PRINCIPLES

The consolidated financial statements include the financial statements of all companies controlled exclusively by the Group either directly or indirectly (subsidiaries). Jointly controlled companies are accounted for under the equity method when they are classified as joint ventures and consolidated on the basis of the percentage share specific to each balance sheet and income statement item when they are classified as joint operations.

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 are recorded as other non-current assets even when they fulfil the above criteria.

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.

Put options on non-controlling interests are carried at fair value and classified in liabilities in the consolidated financial position, with a corresponding adjustment to equity.

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, 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 the Automotive segment's cash management for the Group;
- 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 terms. 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. These receivables are mostly receivables on the dealership network.

Vehicles and batteries for which the Automotive segment has a repurchase commitment are included in the segment's assets. When these assets 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, because they are used in this operating segment's normal business cycle.

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 2013, 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:

- financial position 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 Euros 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 financial instruments designated as hedges of a 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 automotive goods, services related to these sales, 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 automotive goods are recognized when the goods 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 an automotive item (vehicle or electric car battery) 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, if the term of the contract covers an insufficient portion of the item'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 automotive item is at the customer's disposal. The production cost for the new automotive item concerned is recorded in inventories for contracts of less than one year, or included in property, plant and equipment under fixed assets leased to customers when the contracts exceed one year. The sale of the automotive item 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 automotive market but also future anticipated developments over the period in which the automotive goods will be sold, which may be influenced by factors both external (economic situation, taxation) and internal (changes in the range or the manufacturer's pricing strategy). As soon as a loss is expected on the resale, a provision (if the automotive item is in inventories) or additional depreciation (if the automotive item 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 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 manufacturer's product or part warranties not covered by insurance are charged to expenses when the sales are recorded. Provisions for costs to be borne by Renault are valued on the basis of observed data by model and engine, *i.e.* the level of costs, and their distribution over the periods covered by the manufacturer's warranty. In the event of product recalls following 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.

Services related to sales of automotive 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 interest 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 as appropriate). Otherwise, a collectively based provision may be recorded (for example in the event of unfavourable 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 decline in the economic and general environment of the countries included in the base.

H – FINANCIAL INCOME (EXPENSES)

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.

Other 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 shareholders' 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, the net interest expense on provisions for pensions, 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 statement of financial postion. 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. Recognition of deferred tax assets depends on 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 tax 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 method. The choice of which method to use is 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 any accumulated impairment.

Goodwill relating to associates is included in the "investments in associates" asset in the statement of financial position. 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 concerning 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.

Research and development expenses

Development expenses incurred between 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, which is initially no longer than seven years. Market lives are regularly reviewed and subsequently adjusted if there is a significant difference from the initial estimate. 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.

Borrowing costs directly attributable to the development of a project requiring at least 12 months of preparation before commissioning are included in the gross value of the asset, which is a "qualifying asset". The capitalization rate for borrowing costs is limited 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 decision to begin 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.

The production cost for property, plant and equipment also includes financing costs borne during the construction phase, under the same method as for intangible assets. When a project is financed through a specific borrowing, the capitalization rate is equal to the interest rate on the borrowing.

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.

Fixed assets leased to customers are vehicles and batteries under a lease of more than one year from a Group finance company, for which the Group has a repurchase commitment, or vehicles sold under an agreement including a buy-back clause (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 [2]	4 to 6 years

(1) Buildings in use before 1987 are depreciated over a period of up to 40 years.
(2) Except for leased batteries, which are depreciated over periods of 8 to 10 years depending on the models.

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

Impairment of fixed assets (other than leased assets)

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 and 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 other cash-generating units
  A cash-generating unit is defined as a coherent subset that generates largely independent cash flows. Other cash-generating units may represent an economic entity (plant or subsidiary) or the whole Automotive segment. Fixed assets related to cash-generating units comprise goodwill, specific assets and capacity assets.

For each of the two levels, impairment tests are carried out 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 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 group, 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 immediate sale and have a high probability of being 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 consolidated financial position.

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 financial position 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.

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.

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.

The net expense for the year, corresponding to the current period service cost plus the past service cost where relevant, is charged to the operating margin. The interest expense on the net defined-benefit liability (asset) is recorded in the net financial income and expenses.

Restructuring measures/Termination benefits

The estimated cost of restructuring measures that are considered as an employee benefit is covered by a provision over the estimated residual employment period of the employees concerned.

The estimated cost of termination indemnities is recognized as soon as a detailed plan has either been announced or is 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, marketable securities, negotiable debt instruments, 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

Investments in non-controlled companies in which Renault does not have significant influence are classified as "available-for-sale" assets. The fair values of such 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. A decrease is considered significant if it exceeds 40% of the amount and prolonged if it is observed in more than four successive published financial reports.

Marketable securities and negotiable debt instruments

Short-term investments in the form of marketable securities and negotiable debt instruments are undertaken for the management of cash surpluses, but do not meet the requirements to qualify as cash equivalents.

These instruments are classified as "available-for-sale" assets and carried at fair value.

Loans

Loans essentially include interbank loans for investment of cash surpluses and loans to associates.

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 arising after the initial recognition of the asset.

T – CASH AND CASH EQUIVALENTS

Cash includes cash on hand, current accounts and other demand 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. Fixed or variable-income instruments that are not listed on an active market are stated at amortized cost. Other instruments are carried at fair value.

U – FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENT 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 states all its redeemable shares at fair value, which 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 stated 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 stated 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 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 financial position as current if they mature within 12 months and non-current otherwise. All Sales Financing segment derivatives are reported in the financial position 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 shareholders' 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 shareholders' 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, 2012	**127**	**37**	**164**
Newly consolidated companies (acquisitions, formations, etc)	2	3	5
Deconsolidated companies (disposals, mergers, liquidations, etc)	(6)	(4)	(10)
Number of companies consolidated at December 31, 2013	**123**	**36**	**159**

The main changes in the scope of consolidation were as follows:

- **2013**

The following sales financing companies founded by the Group were first included in the scope of consolidation in 2013:

- the Moroccan insurance brokerage subsidiary RDFM and the Russian business agent subsidiary OOO RN FINANCE RUS are fully consolidated;
- the Turkish customer credit associate company Orfin Finansman Anonim Sirketi is accounted for under the equity method.

Renault's investments in the associates Française de Mécanique (a manufacturer of automotive parts) and Nissan Renault Finance Mexico (a sales financing company) were sold in 2013.

Société des Automobiles Alpine Caterham, which makes vehicles in France, is consolidated based on the percentage in each balance sheet and income statement item following the sale of a 50% stake to a new partner in June 2013. It was fully consolidated in the first half-year of 2013.

Renault South Africa, an automobile importer in South Africa, was fully consolidated until November 30, 2013, at which date the Group transferred control to its partner. Renault South Africa has been accounted for under the equity method since December 2013.

- **2012**

ES Mobillity srl, a company formed in 2011 to lease batteries for electric vehicles in Italy, has been fully consolidated since January 1, 2012.
In December 2012 Renault sold all the shares it held in the AB Volvo group, which was consequently deconsolidated from October 1, 2012 onwards.

II. Income statement and comprehensive income

Note 4 – Revenues

A – 2012 REVENUES APPLYING 2013 GROUP STRUCTURE AND METHODS

The consolidated revenues for 2013 and 2012 are calculated under identical Group structure and methods.

(€ million)	**AUTOMOTIVE**	**SALES FINANCING**	**TOTAL**
2012 revenues as published	**39,156**	**2,114**	**41,270**
Restatement for application of IFRS 11 (1)	(544)	(6)	(550)
2012 revenues, restated	**38,612**	**2,108**	**40,720**
Changes in scope of consolidation	(172)	(5)	(177)
2012 revenues applying 2013 Group structure and methods	**38,440**	**2,103**	**40,543**
2013 REVENUES	**38,775**	**2,157**	**40,932**

(1) As a result of the IFRS 11 restatement, joint arrangements that qualify as joint ventures are accounted for under the equity method (previously, joint ventures were proportionately consolidated) (note 2-A2).

B – BREAKDOWN OF REVENUES

(€ million)	**2013**	**2012**
Sales of goods – Automotive segment	**36,964**	**37,227**
Rental income on leased assets (1)	372	429
Interest income on sales financing receivables	-	-
Sales of other services	1,439	1,500
Sales of services – Automotive segment	**1,811**	**1,929**
Sales of goods – Sales Financing segment	**33**	**-**
Rental income on leased assets (1)	20	17
Interest income on sales financing receivables	1,496	1,519
Sales of other services (2)	608	578
Sales of services – Sales Financing segment	**2,124**	**2,114**
TOTAL REVENUES	**40,932**	**41,270**

(1) Rental income recorded by the Group on vehicle sales with a buy-back commitment or fixed asset rentals.
(2) Mainly income on services comprising insurance, maintenance, and replacement vehicles under a financing contract or otherwise.

Note 5 – 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

	2013	2012
Personnel expenses (€ million)	5,494	5,801
Workforce at December 31	121,807	127,086

Details of pensions and other long-term employee benefit expenses are presented in note 20-C.
The income recorded in 2013 in respect of the French "CICE" Tax Credit for Competitivity and Employment amounted to €36 million.

C – SHARE-BASED PAYMENTS

Share-based payments concern stock options and free shares granted to personnel, and amounted to a personnel expense of €33 million for 2013 (€14 million in 2012).
The plan valuation method is presented in note 19-H.

D – RENTAL EXPENSES

Rents amounted to €234 million in 2013 (€291 million in 2012).

E – FOREIGN EXCHANGE GAINS/LOSSES

In 2013, the operating margin includes a net foreign exchange loss of €120 million, partly related to movements in the Argentinian peso and the Russian rouble against the Euro (compared to a net foreign exchange loss of €63 million in 2012, notably related to movements in the Iranian rial).

Note 6 – Other operating income and expenses

(€ million)	2013	2012
Restructuring and workforce adjustment costs	(423)	(110)
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	13	-
Gains and losses on disposal of property, plant and equipment and intangible assets (except leased asset sales)	140	18
Impairment of fixed assets	(488)	(279)
Provisions related to operations in Iran	(514)	(304)
Other unusual items	(4)	68
Total	(1,276)	(607)

A – RESTRUCTURING AND WORKFORCE ADJUSTMENT COSTS

Restructuring costs and workforce adjustment measures mainly relate to Europe in 2013 and in 2012, and Korea in 2012.
The costs for 2013 particularly include €327 million for the "Contract for Renault's new growth and labour development in France" agreement signed in March 2013. This agreement is designed to roll out a set of balanced measures which generates competitivity gains. One of the measures adopted broadens the career-end work exemption arrangements. Under IAS 19 (revised), this is considered as an employee benefit and the cost must be covered by a provision established over the residual forecast working life of the employees concerned. The expense recorded for 2013 therefore covers the total cost for employees who have already stopped working at December 31, 2013 and a share of the discounted cost for the population likely to sign up to this arrangement between January 1, 2014 and January 1, 2017.

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

In 2013, this item corresponds to the profits generated by the sale of shares in Société des Automobiles Alpine Caterham and Renault South Africa which the Group no longer controls.

C – GAINS AND LOSSES ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (EXCEPT LEASED ASSET SALES)

Most of the gain on disposal of property, plant and equipment and intangible assets (except leased asset sales) results from sales of land and buildings located in Europe in 2013 and 2012 and Korea in 2012.

D – IMPAIRMENT OF FIXED ASSETS

Impairment was booked on intangible assets (€153 million) and tangible assets (€197 million) in 2013 (note 11), mainly following impairment tests on electric and internal-combustion engine vehicles. A provision of €119 million was also recorded in respect of the electric vehicle range, corresponding to the estimated amount of indemnities payable for failure to meet expected minimum purchase volumes.

In 2012, impairment of €243 million was booked in respect of intangible assets and €36 million on tangible assets relating to the electric and internal-combustion vehicle range.

E – PROVISIONS RELATED TO OPERATIONS IN IRAN

In Iran, Renault works with two local industrial partners, Iran Khodro and Pars Khodro, which make the Logan and the Mégane using certain parts supplied by Group entities. Parts for the Logan mainly transit through Renault Pars, a fully-consolidated subsidiary owned 51% by Renault.

Due to the economic sanctions imposed on Iran, settlements of commercial and financial debts in foreign currencies remained at a very low level in 2013. The sanctions were extended in June 2013 and now specifically cover the automobile sector. The gradual lifting of some of these sanctions under the agreement reached in Geneva in November 2013 will not begin until 2014.

This situation is reflected as follows in the Group's consolidated financial statements for 2013:

- the subsidiary Renault Pars is now non-significant and is deconsolidated as of June 30, 2013;
- the Group did not recognize any operating margin, financial income or free cash flow on operations in Iran for the first half of 2013. In the second half of 2013, the Group limited recognition of operating margin and free cash flow to operations completed and settled during the half-year;
- the Group's exposure to risks on business in Iran is materialized by all the assets held (securities, shareholder loan and trade receivables). The overall gross exposure at December 31, 2013 was €833 million (including €729 million of receivables);
- given the tightening of economic sanctions, this exposure is fully covered by provisions, leading to recognition of additional provision of €514 million in 2013, recorded in other operating income and expenses.

In 2012, a foreign exchange loss of €304 million was recorded in other income and expenses to reflect the effect of the rial's devaluation on the Group's Iranian entities' debts denominated in Euros to Renault s.a.s. and its subsidiaries.

F – OTHER UNUSUAL REVENUES AND EXPENSES

In 2012, other unusual items of operating income and expenses include an operating tax credit amounting to €94 million, which resulted from signature in March 2012 of an agreement with a Brazilian local authority for a change in the tax option regarding prior years' import taxes.

Note 7 – Financial income

The net interest expense for 2013 amounts to €267 million (€267 million in 2012).

Other financial income and expenses comprise:

(€ million)	2013	2012 RESTATED	2012
Change in fair value of redeemable shares (note 23-A)	(65)	(18)	(18)
Foreign exchange gains and losses on financial operations	30	29	29
Net interest expense on the net defined-benefit liability (asset) corresponding to pension and other long-term employee benefit obligations	(42)	(56)	-
Other	62	(10)	(10)
TOTAL	**(15)**	**(55)**	**1**

From 2013, other financial income and expenses include the net interest expense on the net defined-benefit liability (asset) corresponding to pension and other long-term employee benefit obligations (note 20-C3), which was previously recorded in the operating margin. This net expense amounted to €42 million for 2013 (€56 million in 2012). This change of presentation is described in note 2-A2.

Other items of financial income and expenses include dividends received from Daimler at their gross value of €37 million in 2013 (€36 million in 2012). They also include an impairment expense of €11 million (€46 million in 2012) on the shares in the Modernization Fund for Automotive Equipment Manufacturers (*Fonds de Modernisation des Équipementiers Automobiles* – FMEA) (note 22-A1).

Note 8 – 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)	2013	2012
Current income taxes	(443)	(493)
Deferred taxes income (expenses)	10	(56)
CURRENT AND DEFERRED TAXES	**(433)**	**(549)**

In 2013, €365 million of current income taxes were generated by foreign entities (€413 million in 2012).

Current income taxes paid by the Group during 2013 totalled €356 million (€345 million in 2012).

B – BREAKDOWN OF THE TAX CHARGE

(€ million)	**2013**	**2012**
Income before taxes and share in net income of associates and joint ventures	**(316)**	**780**
Statutory income tax rate in France, including the additional contribution [(1)]	38.0%	36.1%
Theoretical tax income (charge)	**120**	**(282)**
Effect of differences between local rates and the French rate [(2)]	222	93
Tax credits	53	39
Distribution taxes	(209)	(60)
Change in unrecognized deferred tax assets	(486)	(679)
Other impacts [(3)]	(133)	340
Current and deferred tax income (charge)	**(433)**	**(549)**

(1) In France, the Group is liable for an exceptional 10% contribution in 2013 (5% in 2012) applicable until the end of the 2014 financial year. The theoretical tax rate including this exceptional contribution stands at 38.0% in 2013 compared to 36.1% in 2012.

(2) The main countries contributing to the tax rate differential in 2013 are Romania, Russia, Switzerland, and Turkey.

(3) Other impacts are primarily permanent differences, income subject to reduced tax rates, the cost of tax reassessments, and prior year adjustments. They also include the effect of the differential between the income tax rate including the exceptional contribution applicable in France (38.0%) used for the tax breakdown between theoretical and actual taxes, and the 34.43% tax rate used to calculate deferred taxes for the French tax consolidation group (unfavourable effect of €76 million for 2013 and €28 million for 2012). In 2012, other impacts included the effect of partial tax-exemption of the gain on sale of shares in Volvo that took place in December 2012 (favourable effect of €290 million).

As there was no prospect of reporting taxable income in the foreseeable future, the Group has not recognized the net deferred tax assets of the French tax consolidation group at December 31, 2013 or December 31, 2012. In the second half of 2012, the Group stopped recognizing net deferred tax assets of the French tax group that were previously recognized at December 31, 2011, amounting to €215 million; this resulted in a negative impact of €138 million on net income and €77 million on shareholders' equity.
The effective tax rate across all foreign entities was 24% at December 31, 2013 (29% at December 31, 2012). The decrease compared to 2012 principally results from the favourable impact of differences between local rates and the rates in force in France, and changes in recognition of deferred taxes due to the improved results of the year and prospects for profits in South Korea.

C – BREAKDOWN OF NET DEFERRED TAXES

C1 Change in deferred tax assets and liabilities

(€ million)	**2013**	**2012**
Deferred tax assets	416	566
Deferred tax liabilities	(123)	(135)
Net deferred tax assets (liabilities) at January 1	**293**	**431**
Deferred tax income (expense) for the period	10	(56)
Deferred tax income (expense) included in shareholders' equity	(10)	-
Translation adjustments	(25)	(81)
Change in scope of consolidation and other	7	(1)
Net deferred tax assets (liabilities) at December 31	**275**	**293**
deferred tax assets	*396*	*416*
deferred tax liabilities	*(121)*	*(123)*

C2 Breakdown of net deferred tax assets by nature

(€ million)	**DECEMBER 31, 2013**	**DECEMBER 31, 2012**
Deferred taxes on:		
Investments in associates and joint ventures (1)	(136)	(141)
Fixed assets	(1,577)	(1,732)
Provisions and other expenses or valuation allowances deductible upon utilization	847	1,047
Loss carryforwards (2)	4,190	4,060
Other	387	349
Net deferred tax assets (liabilities)	**3,711**	**3,583**
Unrecognized deferred tax assets (note 8-C3)	(3,436)	(3,290)
NET DEFERRED TAX ASSETS (LIABILITIES) REPORTED	**275**	**293**

(1) Including tax on future dividend distributions.
(2) Including €3,656 million for the French tax consolidation entities and €534 million for other entities at December 31, 2013 (respectively €3,451 million and €609 million December 31, 2012).

The residual unrecognized net deferred tax assets of entities included in the French tax consolidation group amounted to €2,839 million at December 31, 2013 (€2,600 million at December 31, 2012). €589 million of these unrecognized assets arose on items booked through shareholders' equity (chiefly the effects of the partial hedge of the investment in Nissan, revaluation of financial instruments, and actuarial gains and losses), and €2,250 million arose on items affecting the income statement (respectively €783 million and €1,817 million at December 31, 2012).
Excluding the French tax consolidation group, unrecognized deferred tax assets totalled €597 million (€690 million in 2012), and essentially related to tax loss carryforwards generated by the Group in Brazil, and to a lesser extent in South Korea.

C3 Breakdown of unrecognized net deferred tax assets, by expiry date

(€ million)	**DECEMBER 31, 2013**	**DECEMBER 31, 2012**
Net deferred tax assets that can be carried forward indefinitely (1)	3,286	3,159
Other net deferred tax assets expiring in more than 5 years	85	119
Other net deferred tax assets expiring between 1 and 5 years	43	10
Other net deferred tax assets expiring within 1 year	22	2
TOTAL UNRECOGNIZED NET DEFERRED TAX ASSETS	**3,436**	**3,290**

(1) Including €2,839 million at December 31, 2013 (€2,600 million at December 31, 2012) corresponding to unrecognized net deferred tax assets of entities included in the French tax consolidation group (note 8-C2), mainly corresponding to tax loss carryforwards.

Note 9 – Basic and diluted earnings per share

(In thousands of shares)	**2013**	**2012**
Shares in circulation	295,722	295,722
Treasury shares	(4,048)	(4,059)
Shares held by Nissan x Renault's share in Nissan	(19,384)	(19,407)
Number of shares used to calculate basic earnings per share	**272,290**	**272,256**

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 average number of treasury shares and Renault shares held by Nissan.

(In thousands of shares)	**2013**	**2012**

Number of shares used to calculate basic earnings per share	272,290	272,256
Dilutive effect of stock options and free share attribution rights	1,806	137
Number of shares used to calculate diluted earnings per share	**274,096**	**272,393**

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 10 – Other components of comprehensive income
Tax effects of other components of comprehensive income

(€ million)	OTHER COMPONENTS OF COMPREHENSIVE INCOME 2013 BEFORE TAX	2013 TAX	2013 AFTER TAX	2012 BEFORE TAX	2012 TAX[(1)]	2012 AFTER TAX
Items that will not be reclassified subsequently to profit or loss, excluding the share of associates and joint ventures	***73***	***(5)***	***68***	***(271)***	***3***	***(268)***
Actuarial gains and losses on defined-benefit pension plans	73	(5)	68	(271)	3	(268)
Items that have been or will be reclassified subsequently to profit or loss, excluding the share of associates and joint ventures	***220***	***(5)***	***215***	***128***	***(80)***	***48***
Translation adjustments on foreign activities	(383)	-	(383)	(99)	-	(99)
Partial hedge of the investment in Nissan	209	-	209	110	(75)	35
Cash flow hedges	39	(5)	34	(18)	(2)	(20)
Available-for-sale financial assets	355	-	355	135	(3)	132
TOTAL OTHER COMPONENTS OF COMPREHENSIVE INCOME EXCLUDING ASSOCIATES AND JOINT VENTURES (A)	**293**	**(10)**	**283**	**(143)**	**(77)**	**(220)**
SHARE OF ASSOCIATES AND JOINT VENTURES IN OTHER COMPONENTS OF COMPREHENSIVE INCOME (B)	**(1,923)**	**-**	**(1,923)**	**(1,107)**	**6**	**(1,101)**
Other components of comprehensive income (A)+(B)	**(1,630)**	**(10)**	**(1,640)**	**(1,250)**	**(71)**	**(1,321)**

(1) Including an expense of €77 million in 2012 related to the non-recognition of the French tax group's net deferred tax assets (note 8-B).

III. Operating assets and liabilities, shareholders' equity
Note 11 – Intangible assets and property, plant and equipment
A – INTANGIBLE ASSETS
A1 Intangible assets at December 31

(€ million)	DECEMBER 31, 2013	DECEMBER 31, 2012
Capitalized development expenses	8,657	8,362
Goodwill	222	243
Other intangible assets	596	557
Intangible assets, gross	**9,475**	**9,162**
Capitalized development expenses	(5,781)	(5,329)
Other intangible assets	(412)	(351)
Amortization and impairment	**(6,193)**	**(5,680)**
INTANGIBLE ASSETS, NET	**3,282**	**3,482**

Most goodwill is in Europe.

A2 Changes during the year

(€ million)	GROSS VALUE	AMORTIZATION AND IMPAIRMENT	NET VALUE
Value at December 31, 2011	**8,483**	**(4,765)**	**3,718**
Acquisitions (note 26-C)/(amortization)	897	(1,118)	(221)
(Disposals)/reversals	(216)	203	(13)
Translation adjustment	(2)	-	(2)
Change in scope of consolidation and other	-	-	-
Value at December 31, 2012	**9,162**	**(5,680)**	**3 ,482**
Acquisitions (note 26-C)/(amortization)	833	(1,005)	(172)
(Disposals)/reversals	(467)	466	(1)
Translation adjustment	(25)	11	(14)
Change in scope of consolidation and other	(28)	15	(13)
Value at December 31, 2013	**9,475**	**(6,193)**	**3,282**

Acquisitions of intangible assets in 2013 comprise €745 million of self-produced assets and €88 million of purchased assets (respectively €764 million and €133 million in 2012).
Amortization and impairment in 2013 include €153 million of impairment of capitalized development expenses relating to electric and internal-combustion vehicles (note 6-D), compared to €243 million of impairment in 2012.

A3 Research and development expenses included in income

(€ million)	2013	2012
Research and development expenses	(1,793)	(1,889)
Capitalized development expenses	732	764
Amortization of capitalized development expenses	(751)	(790)
TOTAL REPORTED IN INCOME STATEMENT	**(1,812)**	**(1,915)**

B – PROPERTY, PLANT AND EQUIPMENT

B1 Property, plant and equipment at December 31

(€ million)	DECEMBER 31, 2013	DECEMBER 31, 2012
Land	565	593
Buildings	6,053	6,113
Specific tools	13,479	13,359
Machinery and other tools	10,046	10,007
Fixed assets leased to customers	2,090	2,040
Other tangibles	772	852
Construction in progress	1,625	1,653
Property, plant and equipment, gross	**34,630**	**34,617**
Land and buildings	(3,320)	(3,272)
Specific tools	(11,433)	(10,956)
Machinery and other tools	(7,492)	(7,421)
Fixed assets leased to customers	(718)	(690)
Other tangibles	(694)	(744)
Depreciation and impairment	**(23,657)**	**(23,083)**
PROPERTY, PLANT AND EQUIPMENT, NET	**10,973**	**11,534**

Depreciation and impairment in 2013 include impairment of €197 million on electric and internal-combustion vehicles (note 6-D), compared to €36 million of impairment in 2012.

B2 Changes during the year

Changes during 2013 in property, plant and equipment were as follows:

(€ million)	DECEMBER 31, 2012	ACQUISITIONS/ (DEPRECIATION AND IMPAIRMENT)	(DISPOSALS)/ REVERSALS	TRANSLATION ADJUSTMENTS	CHANGE IN SCOPE OF CONSOLIDATION AND OTHER [(1)]	DECEMBER 31, 2013
Land	593	9	(25)	(7)	(5)	565
Buildings	6,113	263	(113)	(101)	(109)	6,053
Specific tools	13,359	663	(273)	(175)	(95)	13,479
Machinery and other tools	10,007	620	(288)	(170)	(123)	10,046
Fixed assets leased to customers	2,040	622	(572)	(1)	1	2,090
Other tangibles	852	39	(67)	(17)	(35)	772
Construction in progress [(2)]	1,653	85	(34)	(26)	(53)	1,625
Gross values	**34,617**	**2,301**	**(1,372)**	**(497)**	**(419)**	**34,630**
Land	-	-	-	-	-	-
Buildings	(3,272)	(234)	86	35	65	(3,320)
Specific tools	(10,956)	(1,009)	287	128	117	(11,433)
Machinery and other tools	(7,421)	(570)	279	106	114	(7,492)
Fixed assets leased to customers [(3)]	(690)	(307)	281	1	(3)	(718)
Other tangibles	(744)	(52)	61	12	29	(694)
Construction in progress	-	-	-	-	-	-
Depreciation and impairment	**(23,083)**	**(2,172)**	**994**	**282**	**322**	**(23,657)**
Land	593	9	(25)	(7)	(5)	565
Buildings	2,841	29	(27)	(66)	(44)	2,733
Specific tools	2,403	(346)	14	(47)	22	2,046
Machinery and other tools	2,586	50	(9)	(64)	(9)	2,554
Fixed assets leased to customers	1,350	315	(291)	-	(2)	1,372
Other tangibles	108	(13)	(6)	(5)	(6)	78
Construction in progress [(2)]	1,653	85	(34)	(26)	(53)	1,625
Net values	**11,534**	**129**	**(378)**	**(215)**	**(97)**	**10,973**

(1) Including a €90 million decrease in net value resulting from retrospective application of IFRS 11 "Joint Arrangements" (see note 2-A2).

(2) Items classified as "construction in progress" are transferred to completed asset categories via the "acquisitions/(depreciation and impairment)" column.
(3) Depreciation of assets leased to customers amounts to €227 million at December 31, 2013 (€248 million at December 31, 2012).

Changes during 2012 in property, plant and equipment were as follows:

(€ million)	**GROSS VALUE**	**DEPRECIATION AND IMPAIRMENT**	**NET VALUE**
Value at December 31, 2011	**33,306**	**(21,949)**	**11,357**
Acquisitions/(depreciation and impairment)	2,935	(2,189)	746
(Disposals)/reversals	(1,490)	941	(549)
Translation adjustments	(153)	114	(39)
Change in scope of consolidation and other	19	-	19
Value at December 31, 2012	**34,617**	**(23,083)**	**11,534**

Note 12 – Impairment tests on fixed assets (other than leased assets)
The Group carried out impairment tests on its fixed assets under the approach described in the section on 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 €350 million was booked during 2013 (€279 million at December 31, 2012). This impairment concerns electric and internal-combustion engine vehicles and was primarily recorded against capitalized development expenses. A provision of €119 million was also recorded in respect of electric vehicles, corresponding to the estimated amount of indemnities payable for failure to meet expected minimum purchase volumes.
Apart from vehicles for which impairment has been recorded, other vehicles tested in previous half-years no longer display any evidence of impairment.

B – Impairment tests on other cash-generating units of the Automotive segment
In 2013, 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-based 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	2013	2012
Business plan duration	6 years	6 years
Growth rate to infinity	1.75%	1.75%
After-tax discount rate	8.8%	8.8%

In 2013 as in 2012, no impairment was recognized on assets included in this cash-generating unit as a result of the 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 geographically-based cash-generating units.
The assumptions used for the Automotive segment are as follows:

	2013	2012
Business plan duration	6 years	6 years
Forecast sales volumes over the projected horizon (units)	3,344,000	3,432,000
Growth rate to infinity	1.8%	1.8%
After-tax discount rate	8.8%	8.8%

In 2013 as in 2012, 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 volume reduction over the projected horizon must not exceed 275,000 units (300,000 units in 2012);
- the after-tax discount rate must not exceed 14% (13% in 2012).

With a growth rate to infinity close to zero, the conclusions of the test are unaffected.

Note 13 – Investment in Nissan

A – Nissan consolidation method

Renault and the Japanese automaker 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 is not assured of holding the majority of voting rights in Nissan's Shareholders' Meeting;
- 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; Renault cannot unilaterally appoint the President of Nissan; at December 31, 2013, Renault occupies one of the nine seats on Nissan's Board of Directors (compared to three at December 31, 2012)*;
- 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 decision-making power was conferred on Renault-Nissan b.v. to generate synergies and bring both automakers worldwide economies of scale. This entity does not enable Renault to direct Nissan's financial and operating strategies, which are governed by Nissan's Board of Directors 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 over Nissan, and therefore uses the equity method to include its investment in Nissan in the consolidation. The Group's early application of the new standard IFRS 10, "Consolidated financial statements", as of January 1, 2013, has not affected the conclusion that Renault has significant influence over Nissan.

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 0.68% of treasury shares at December 31, 2013 (0.68% at December 31, 2012). Consequently, Renault's percentage interest in Nissan was 43.7% at December 31, 2013 (43.7% at December 31, 2012). Renault held 43.4% of voting rights in Nissan at December 31, 2013 (43.4% at December 31, 2012).

* *Erratum : At December 31, 2013, Renault occupies two, and not only one, of the nine seats on Nissan's Board of Directors (compared to three at December 31, 2012).*

C – Changes in the investment in Nissan as shown in Renault's statement of financial position

(€ million)	SHARE IN NET ASSETS: BEFORE NEUTRALIZATION	SHARE IN NET ASSETS: NEUTRALIZATION PROPORTIONAL TO NISSAN'S INVESTMENT IN RENAULT (1)	SHARE IN NET ASSETS: NET	NET GOODWILL	TOTAL
At December 31, 2012	**14,948**	**(975)**	**13,973**	**815**	**14,788**
2013 net income	1,498		1,498		1,498
Dividend distributed	(405)		(405)		(405)
Translation adjustment	(1,885)		(1,885)	(175)	(2,060)
Other changes (2)	247		247		247
At December 31, 2013	**14,403**	**(975)**	**13,428**	**640**	**14,068**

(1) Nissan has held 15% of Renault since the acquisition in 2002, excluding the subsequent impacts of Renault's treasury share repurchases.

(2) Other changes include the effect of Renault dividends received by Nissan, the change in actuarial gains and losses on pension obligations, the change in the financial instruments revaluation reserve, the change in Nissan treasury shares and a €15 million increase resulting from retrospective application of IAS 19 (revised) "Employee benefits" (see note 2-A2). Application of IFRS 11 "Joint arrangements" has no impact on Nissan net assets or net income restated for the purposes of the Renault consolidation.

D – Changes in Nissan equity restated for the purposes of the Renault consolidation

(¥ billion)	DECEMBER 31, 2012	2013 NET INCOME	DIVIDENDS	TRANSLATION ADJUSTMENT	OTHER CHANGES (1)	DECEMBER 31, 2013
Shareholders' equity – Nissan share under Japanese GAAP	**3,368**	**384**	**(115)**	**529**	**55**	**4,221**
Restatements for compliance with IFRS:						
Provision for pension and other long-term employee benefit obligations (2)	(137)	24		(11)	28	(96)
Capitalization of development expenses	522	31		1		554
Deferred taxes and other restatements	(105)	(23)		26	(12)	(114)
Net assets restated for compliance with IFRS	**3,648**	**416**	**(115)**	**545**	**71**	**4,565**
Restatements for Renault	238	26	(8)	(54)	3	205

group requirements (3)						
Net assets restated for renault group requirements	**3,886**	**442**	**(123)**	**491**	**74**	**4,770**
(€ million)						
Net assets restated for Renault group requirements	**34,206**	**3,428**	**(927)**	**(4,311)**	**564**	**32,960**
Renault's share	43.7%					43.7%
(before neutralization effect described below)	14,948	1,498	(405)	(1,885)	247	14,403
Neutralization of Nissan's investment in Renault (4)	(975)					(975)
Renault's share in the net assets of nissan	**13,973**	**1,498**	**(405)**	**(1,885)**	**247**	**13,428**

(1) Other changes include the effect of Renault dividends received by Nissan, the change in the actuarial gains and losses on pension obligations, the change in the financial instruments revaluation reserve, the change in Nissan treasury shares and the effect of retrospective application of IAS 19 (revised) "Employee benefits"(see note 2-A2). Application of IFRS 11 "Joint arrangements" has no impact on Nissan net assets or net income restated for the purposes of the Renault consolidation.

(2) Including actuarial gains and losses recognized in equity.

(3) Restatements for Renault group requirements essentially correspond to revaluation of fixed assets by Renault for the acquisitions undertaken between 1999 and 2002, and elimination of Nissan's investment in Renault accounted for by the equity method.

(4) Nissan has held 15% of Renault since the acquisition in 2002, excluding the subsequent impacts of Renault's treasury share repurchases.

E – Nissan net income under Japanese GAAP

Since Nissan's financial year ends at March 31, the Nissan net income included in the 2013 Renault consolidation is the sum of Nissan's net income for the final quarter of its 2012 financial year and the first three quarters of its 2013 financial year.

	JANUARY TO MARCH 2013		APRIL TO JUNE 2013		JULY TO SEPTEMBER 2013		OCTOBER TO DECEMBER 2013		JANUARY TO DECEMBER 2013	
	FOURTH QUARTER OF NISSAN'S 2012 FINANCIAL YEAR		FIRST QUARTER OF NISSAN'S 2013 FINANCIAL YEAR		SECOND QUARTER OF NISSAN'S 2013 FINANCIAL YEAR		THIRD QUARTER OF NISSAN'S 2013 FINANCIAL YEAR		REFERENCE PERIOD FOR RENAULT'S 2013 CONSOLIDATED FINANCIAL STATEMENTS	
	(¥ billion)	*(€ million)* (1)	*(¥ billion)*	*(€ million)* (1)	*(¥ billion)*	*(€ million)* (1)	*(¥ billion)*	*(€ million)* (1)	*(¥ billion)*	*(€ million)* (1)
Net income –parent company shareholders' share	110	903	82	636	108	823	84	617	384	2,979

(1) Converted at the average exchange rate for each quarter of 2013.

F – 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 of 2013 and 2012. The restatements do not include the fair value adjustments of assets and liabilities applied by Renault at the time of the acquisitions in 1999 and 2002, or the elimination of Nissan's investment in Renault accounted for by the equity method.

	2013		2012 (2)	
	(¥ billion)	*(€ million)* (1)	*(¥ billion)*	*(€ million)* (3)
Revenues	9,841	75,899	8,469	82,527
Net income				
Parent company shareholders' share	416	3,209	297	2,894
Non-controlling interests' share	29	223	34	331
Other components of comprehensive income				
Parent company shareholders' share	538	4,149	227	2,212
Non-controlling interests' share	18	139	10	98
Comprehensive income				
Parent company shareholders' share	954	7,358	524	5,106
Non-controlling interests' share	47	362	44	429
Dividends received from Nissan	54	406	44	426

	DECEMBER 31, 2013		DECEMBER 31, 2012	
	(¥ billion)	*(€ million)* (1)	*(¥ billion)*	*(€ million)* (3)
Non-current assets	6,684	46,186	5,590	49,203
Current assets	8,284	57,241	6,631	58,367
Total assets	**14,968**	**103,427**	**12,221**	**107,570**
Shareholders' equity				
Parent company shareholders' share	4,565	31,544	3,648	32,110
Non-controlling interests' share	318	2,197	288	2,535
Non-current liabilities	5,123	35,399	3,870	34,064
Current liabilities	4,962	34,287	4,415	38,861
TOTAL SHAREHOLDERS' EQUITY	**14,968**	**103,427**	**12,221**	**107,570**

AND LIABILITIES

(1) Converted at the average exchange rate for 2013 i.e. 129.7 JPY = 1 EUR for income statement items, and at the December 31, 2013 rate i.e. 144.7 JPY = 1 EUR for financial position items.
(2) Financial information for 2012 and December 31, 2012 is restated following application of IFRS 11 "Joint arrangements".
(3) Converted at the average exchange rate for 2012, i.e. 102.6 JPY = 1 EUR for income statement items, and at the December 31, 2012 rate i.e. 113.6 JPY = 1 EUR for financial position items.

G – 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, 2013, the corresponding hedging operations totalled ¥112 billion (€773 million), comprising ¥27 billion (€187 million) of private placements on the EMTN market and ¥85 billion (€586 million) in bonds issued directly in yen on the Japanese Samurai bond market.
During 2013, these operations generated favourable net-of-tax foreign exchange differences of €209 million (favourable net-of-tax difference of €35 million in 2012), which were included in the Group's translation adjustment reserves (note 19-E).

H – VALUATION OF RENAULT'S INVESTMENT IN NISSAN AT STOCK MARKET PRICES

Based on the quoted price at December 31, 2013 of JPY 884 per share, Renault's investment in Nissan is valued at €11,985 million (€14,006 million at December 31, 2012 based on the price of JPY 811 per share).

I – IMPAIRMENT TEST OF THE INVESTMENT IN NISSAN

At December 31, 2013, the stock market value of the investment was 14.8% lower than its book value in the assets of Renault's statement of financial position. In view of this, an impairment test was carried out in application of the approach presented in the note on accounting policies (note 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 7.9% and a growth rate to infinity of 3.1% 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 2013.
A 200 base point increase in the discount rate associated with a 40 base point decrease in the growth rate to infinity or a 100 base point decrease in the operating margin would have no impact on the book value of the investment in Nissan.

J – 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 2013 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 exists in South Africa, where the Nissan group has manufactured the Sandero since 2009.
Since 2011, the Alliance's Chennai plant in India has produced the first cross-badged Renault Pulse, an adaptation of the Nissan Micra using a 1.5 dCi diesel engine made at the Cleon plant in France.

Vehicle manufacturing

In Brazil, Renault supplies Nissan with assembly services for its Frontier pick-up and Livina models at the Curitiba plant. 27,200 vehicles were assembled during 2013.
Renault Samsung Motors produced 1,770 Nissan-badged SM3 vehicles in 2013, purchased by Nissan for sale through its own network (mainly in Russia and the Middle East).
The Chennai plant has provided assembly services for the Fluence, Koleos, Duster, Pulse and Scala vehicles sold on the Indian market by Renault dealers. In 2013, the volume of assembled vehicles totalled 88,580 units.
Concerning light commercial vehicles, Nissan produced 67,970 Trafic vans over the year at its Barcelona plant in Spain in 2013. 8.2% of these are sold through the Nissan network. Renault, meanwhile, produced 3,610 Interstars (Nissan-badged Masters), which are purchased by Nissan for sale through its own network.

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.

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, Saint Petersburg in Russia and Chennai in India.

In South America, Renault supplies gearboxes made by Cormecanica to Nissan plants located mostly in Mexico and Brazil.

In total Renault supplied 717,450 gearboxes and 305,130 engines during 2013.

In South Korea, Nissan supplies Renault Samsung Motors with parts used in production of the SM3 (Fluence), the SM5 (Latitude), the SM7 and the Koleos.

Renault also uses Nissan's 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. Nissan supplies rear axles for the Dacia Duster.

Sales

In Europe, Renault markets Nissan vehicles in Bulgaria, Croatia, Romania, Serbia and Slovenia.

Conversely, Nissan markets Renault vehicles in Japan and Australia.

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 2013, Renault Finance undertook foreign exchange transactions totalling approximately €20.3 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 2013, the consolidated RCI Banque subgroup recorded €149 million of income in the form of commission and interest received from Nissan.

Total figures for 2013

Total sales by Renault to Nissan and purchases by Renault from Nissan amounted to an estimated €2,100 million and €2,200 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. The same applies to sales of powertrain parts by the Alliance to partners such as Daimler and AVTOVAZ.

Note 14 – Investments in other associates and joint ventures

Details of investments in other associates and joint ventures are as follows:

- value in the Group's statement of consolidated financial position was €806 million at December 31, 2013 (€774 million at December 31, 2012);
- Renault's share in the net income of other associates and joint ventures was a loss of €54 million for 2013, including a negative €34 million for AVTOVAZ's contribution in 2013 (€270 million for 2012, including €186 million from AVTOVAZ and €80 million from AB Volvo).

The investment in AB Volvo was sold in December 2012. This sale generated a profit of €924 million, which is reported on a specific line of the Group's consolidated income statement due to its significant, non-recurrent nature.

AVTOVAZ is now the most significant investment in other associates and joint ventures.

A – AVTOVAZ

The Russian automaker 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-month time-lag. Consequently, the AVTOVAZ net income included in Renault's 2013 consolidated financial statements is the sum of AVTOVAZ's net income for the final quarter of its 2012 financial year and the first three quarters of its 2013 financial year.

A1 Changes in the value of Renault's investment in AVTOVAZ as shown in Renault's statement of financial position

Renault's percentage interest in AVTOVAZ, through the entity Alliance Rostec Auto B.V., is 35.91% at December 31, 2013 compared to 25% at December 31, 2012. The increase results from application of the partnership agreement signed in December 2012.

This agreement created a joint venture named Alliance Rostec Auto B.V. between Renault, Nissan and the public Russian holding company Russian Technologies. This joint venture was formed to hold all the interests in AVTOVAZ owned by Renault, Nissan and Russian Technologies. Following the equity operations undertaken during the first half of 2013, Alliance Rostec Auto B.V. now holds 74.51% of the capital and the voting rights in the Shareholders' Meeting of AVTOVAZ.

In the first half of 2013, the Group undertook the following operations in connection with this venture:

- contribution of its 25% stake in AVTOVAZ to Alliance Rostec Auto B.V.;
- subscription to a capital increase by Alliance Rostec Auto B.V. for €113 million;
- acquisition of shares in Alliance Rostec Auto B.V. from Russian Technologies for €77 million.

Since the end of the first half-year of 2013, Renault has held 48.2% of the capital and the voting rights at the Shareholders' Meeting and on the Board of Directors of Alliance Rostec Auto B.V..

AVTOVAZ's Board of Directors consists of eight members nominated by Renault and Nissan and seven members nominated by Russian Technologies. On June 27, 2013, the Chairman and CEO of Renault and President of Nissan was elected Chairman of the Board of AVTOVAZ. As of December 31, 2013, Renault occupies three seats.

The Renault group does not control Alliance Rostec Auto B.V. or AVTOVAZ, because it does not hold the majority of voting rights in the governing bodies of Alliance Rostec Auto B.V. or the Board of Directors of AVTOVAZ. All major strategic and operating decisions must be approved by a majority shareholder vote.

Alliance Rostec Auto B.V. and AVTOVAZ are accounted for by the equity method in the Group financial statements. The table below reports consolidated figures for Alliance Rostec Auto B.V. and the AVTOVAZ group.

	SHARE IN NET ASSETS			NET GOODWILL	TOTAL
(€ million)	**BEFORE NEUTRALIZATION**	**NEUTRALIZATION OF RENAULT'S SHARE IN THE DEBT OF ALLIANCE ROSTEC AUTO B.V. (1)**	**NET**		
At September 30, 2012	**429**	**-**	**429**	**-**	**429**
Net income for the period October 1, 2012 to September 30, 2013 (2)	(34)	-	(34)	-	(34)
Effects of the investment in Alliance Rostec Auto B.V. (3)	185	(58)	127	63	190
Translation adjustment, actuarial gains and losses and revaluation of financial instruments	(49)	13	(36)	-	(36)
At September 30, 2013	**531**	**(45)**	**486**	**63**	**549**

(1) During the first half of 2013, Alliance Rostec Auto B.V. acquired the shares in AVTOVAZ held by Troika Dialog, which agreed to defer payment by the joint venture to June 2014.

(2) The share in net income of AVTOVAZ has been calculated by applying a 25% interest to the net income for the first two quarters of the period, and the rates of 32.98% and 35.91% for the final two quarters of the period.

(3) Renault invested €190 million during the first half of 2013 in equity securities of Alliance Rostec Auto B.V.,

raising its percentage interest in AVTOVAZ. This operation generated goodwill of 2,772 million roubles (€63 million at September 30, 2013). Renault's contribution to Alliance Rostec Auto B.V. of its 25% stake in AVTOVAZ is considered as an ownership restructuring, with no impact on the value of the investment.

A2 Changes in AVTOVAZ and Alliance Rostec Auto B.V. shareholders' equity restated for the purposes of the Renault consolidation

(€ million)	OCTOBER 1, 2012	NET INCOME FOR THE PERIOD OCTOBER 1, 2012 – SEPTEMBER 30, 2013	CONTRIBUTION OF AVTOVAZ SHARES TO ALLIANCE ROSTEC AUTO B.V.	EFFECTS OF THE INVESTMENT IN ALLIANCE ROSTEC AUTO B.V. (1)	TRANSLATION ADJUSTMENT AND OTHER CHANGES	SEPTEMBER 30, 2013
Shareholders' equity – parent company shareholders' share	1,671	(113)	-	-	(125)	1,433
Restatements for Renault group requirements (2)	43	2	-	-	1	46
Net assets restated for Renault group requirements	**1,714**	**(111)**	**-**	**-**	**(124)**	**1,479**
Contribution of AVTOVAZ shares to Alliance Rostec Auto B.V. (A)	**429**	**-**	**(429)**	**-**	**-**	**-**
Share in AVTOVAZ held by Alliance Auto Rostec B.V. (74.51%)	-	(70)	977	289	(94)	1,102
Net debt of Alliance Rostec Auto B.V. (3)	-	-	(88)	(26)	20	(94)
Restated net assets of Alliance Rostec Auto B.V.	-	(70)	889	263	(74)	1,008
Share in Alliance Rostec Auto B.V. held by Renault (48.2%) (B)	**-**	**(34)**	**429**	**127**	**(36)**	**486**
Goodwill on acquisitions of shares in AVTOVAZ and Alliance Rostec Auto B.V. (C)	**-**	**-**	**-**	**63**	**-**	**63**
RENAULT'S	**429**	**(34)**	**-**	**190**	**(36)**	**549**

SHARE IN THE NET ASSETS OF AVTOVAZ (A) + (B) + (C)	

(1) Renault invested €190 million during the first half of 2013 in equity securities of Alliance Rostec Auto B.V., raising its percentage interest in AVTOVAZ. Renault's contribution to Alliance Rostec Auto B.V. of its 25% stake in AVTOVAZ is considered as an ownership restructuring, with no impact on the value of the investment.
(2) Restatements for Renault group requirements essentially correspond to valuation of intangible assets (the Lada brand) and fair value measurement of financial assets.
(3) During the first half of 2013, Alliance Rostec Auto B.V. acquired the shares in AVTOVAZ held by Troika Dialog, which agreed to defer payment by the joint venture to June 2014.

A3 AVTOVAZ financial information under IFRS

AVTOVAZ's published financial information under IFRS for 2012 (year ended December 31) and the first three quarters of the year 2013, is summarized below:

	FROM JANUARY TO SEPTEMBER 2013		2012	
	(in millions of roubles)	*(€ million)* (1)	*(in millions of roubles)*	*(€ million)* (2)
Revenues	132,047	3,170	190,061	4,761
Net income (3)				
Parent company shareholders' share	(4,272)	(103)	29,110	729
Non-controlling interests' share	(34)	(1)	70	2
Other components of comprehensive income				
Parent company shareholders' share	87	2	(169)	(4)
Non-controlling interests' share	-	-	-	-
Comprehensive income				
Parent company shareholders' share	(4,185)	(101)	28,941	725
Non-controlling interests' share	(34)	(1)	70	2
Dividends received from AVTOVAZ	-	-	-	-

	SEPTEMBER 30, 2013		DECEMBER 31, 2012	
	(in millions of roubles)	*(€ million)* (1)	*(in millions of roubles)*	*(€ million)* (2)
Non-current assets	92,543	2,112	90,193	2,236
Current assets (including assets held for sale)	50,932	1,162	51,585	1,279
Total assets	**143,475**	**3,274**	**141,778**	**3,515**
Shareholders' equity				
Parent company shareholders' share	62,806	1,433	66,991	1,661
Non-controlling interests' share	481	11	515	13
Non-current liabilities	32,398	739	33,881	840
Current liabilities (including liabilities related to assets held for sale)	47,790	1,091	40,391	1,001
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**143,475**	**3,274**	**141,778**	**3,515**

(1) Converted at the average exchange rate for January to September 2013, i.e. 41.66 RUB = 1 EUR for income statement items and the exchange rate at September 30, 2013, i.e. 43,82 RUB = 1 EUR for balance sheet items.

(2) Converted at the average exchange rate for 2012 i.e. 39.92 RUB = 1 EUR for income statement items and the exchange rate at December 31, 2012 i.e. 40.33 RUB = 1 EUR for balance sheet items.

(3) Rescheduling of loans from Russian Technologies generated a gain of 28.6 billion roubles (€718 million) for 2012.

A4 Valuation of Renault's investment in AVTOVAZ at stock market prices

Based on AVTOVAZ's stock market share price, Renault's 35.91% investment in AVTOVAZ is valued at €179 million at December 31, 2013, (€198 million for 25% of the capital at December 31, 2012).

A5 Impairment test of the investment in AVTOVAZ

At December 31, 2013, the stock market value of the investment was 67% lower than the value of AVTOVAZ in Renault's statement of financial position (54% lower at December 31, 2012).

The price paid for transactions during 2013 between the various parties in the partnership agreement, who are all independent, is approximately 40 roubles per share. This is higher than the average value of the shares in the portfolio which are valued at 32 roubles per share at December 31, 2013. The price calculation was based on prospects for change in production volumes and profitability that are coherent with the most recent updates to the Company's business plan.

In application of the approach presented in the note on accounting policies (note 2-L), an impairment test was carried out. An after-tax discount rate of 14.5% and a growth rate to infinity of 3.4% were used to calculate value in use. The terminal value was calculated under reasonable profitability and medium-term prospects assumptions. If one of these assumptions is varied while the other remains stable, with a growth rate to infinity of 2% or an after-tax rate discount rate of 15.3%, the recoverable value will still be higher than the book value.

The test results at December 31, 2013 did not indicate any loss of value in the investment in AVTOVAZ, and no impairment was recognized.

A6 Operations between the Renault group and the AVTOVAZ group

The Renault group continued to provide technical assistance to AVTOVAZ for vehicle, engine and gearbox projects implemented by the Renault-Nissan Alliance and AVTOVAZ, and for assembly of the B0 platform shared by AVTOVAZ and the Alliance. Consulting services are also provided by Renault in areas such as purchases, quality and IT. During 2013, Renault invoiced €54 million to AVTOVAZ for this technical assistance.

Following the start of production on the Lada "Largus" minivan using the B0 platform in 2012, in 2013 Renault supplied AVTOVAZ with parts required for assembly for a total amount of €356 million.

Renault's share in the B0 platform investment is recorded in tangible assets at the amount of €174 million at December 31, 2013.

In 2013, Renault paid AVTOVAZ €52 million in the form of 10-year loans. The total amount of loans by the Group to AVTOVAZ at December 31, 2013 is €123 million.

B – ASSOCIATES AND JOINT VENTURES ACCOUNTED FOR UNDER THE EQUITY METHOD, OTHER THAN NISSAN AND AVTOVAZ

B1 Information on other associates and joint ventures accounted for under the equity method

NAME	COUNTRY OF LOCATION	MAIN ACTIVITY	PERCENTAGE OWNERSHIP AND VOTING RIGHTS HELD THE GROUP DECEMBER 31, 2013	DECEMBER 31, 2012
Entities under significant influence				
Automotive				
Boone Comenor	France	Metal trading	33	33
Maïs	Turkey	Automotive sales	49	49
Renault-Nissan Automotive India Private Limited (RNAIPL)	India	Automaker	30	30
Renault South Africa	South Africa	Automotive import	40 (1)	51 (1)
Sales Financing				
Nissan Renault Finance Mexico	Mexico	Automotive sales financing	- (2)	15
Joint ventures (3)				
Automotive				
Francaise de Mécanique	France	Production of automotive parts	- (2)	50
Indra Investissements	France	Dismantling of end-of-life vehicles	50	50
Sales Financing				
Renault Credit Car	Belgium	Automotive sales financing	50	50
RCI Financial Services s.r.o.	Czech Republic	Automotive sales financing	50 (4)	50
Orfin Finansman Anonim Sirketi	Turkey	Automotive sales financing	50 (5)	-

(1) Renault South Africa was fully consolidated until November 30, 2013, at which date the Group transferred control to its partner.
(2) Investments sold in the final quarter of 2013.
(3) Partnerships classified as joint ventures were proportionately consolidated in 2012 prior to application of IFRS 11, “Joint arrangements” (see note 2-A2).
(4) The Group took control of RCI Financial Services s.r.o. on October 1, 2013 following signature of a new partnership agreement, and it is fully consolidated as of that date.
(5) First consolidated in 2013.

B2 Cumulative financial information on associates accounted for under the equity method

(€ million)	DECEMBER 31, 2013	DECEMBER 31, 2012
Investments in associates	243	346
Share in income (loss) of associates	(21)	3
Share of associates in other components of comprehensive income	(11)	(13)
Share of associates in comprehensive income	(31)	(10)

B3 Cumulative financial information on joint ventures accounted for under the equity method

(€ million)	DECEMBER 31,

	2013
Investments in joint ventures	15
Share in income (loss) of joint ventures	1
Share of joint ventures in other components of comprehensive income	(6)
Share of joint ventures in comprehensive income	(5)

In application of IFRS 11, "Joint arrangements", joint ventures previously proportionately consolidated are accounted for under the equity method in 2013 (note 2-A2).

Note 15 – Inventories

	DECEMBER 31, 2013			DECEMBER 31, 2012		
(€ million)	GROSS VALUE	IMPAIRMENT	NET VALUE	GROSS VALUE	IMPAIRMENT	NET VALUE
Raw materials and supplies	989	(214)	775	1,161	(208)	953
Work in progress	146	(1)	145	232	-	232
Used vehicles	926	(95)	831	1,079	(130)	949
Finished products and spare parts	1,540	(129)	1,411	1,860	(130)	1,730
TOTAL	**3,601**	**(439)**	**3,162**	**4,332**	**(468)**	**3,864**

Note 16 – Sales financing receivables

A – SALES FINANCING RECEIVABLES BY NATURE

(€ million)	DECEMBER 31, 2013	DECEMBER 31, 2012
Dealership receivables	7,277	6,736
Financing for end-customers	12,536	12,516
Leasing and similar operations	4,569	4,776
Gross value	**24,382**	**24,028**
Impairment	(732)	(798)
NET VALUE	**23,650**	**23,230**
FAIR VALUE	**23,745**	**23,412**

The fair 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. Receivables with a term of less than one year are not discounted, as their fair value does not differ significantly from their net book value. This is a level 3 fair value, as it uses recognized models for which certain significant data, such as the credit risk associated with the portfolio of receivables, are not based on observable market data.

B – ASSIGNMENTS AND ASSETS PLEDGED AS GUARANTEES FOR MANAGEMENT OF THE LIQUIDITY RESERVE

B1 Assignments of sales financing assets

	DECEMBER 31, 2013		DECEMBER 31, 2012	
(€ million)	BALANCE SHEET VALUE	FAIR VALUE	BALANCE SHEET VALUE	FAIR VALUE
Assigned receivables carried in the balance sheet	7,680	7,792	8,814	8,842
Associated liabilities	3,602	3,643	3,902	3,949

The Sales Financing segment has undertaken several securitization operations through special purpose vehicles and conduit financing operations (in Germany, France, Italy and the United Kingdom) involving loans to final customers and receivables on the dealership network. This does not lead to derecognition of the receivables assigned, as all risks are retained by the Group. The associated liabilities correspond to securities resulting from the securitization operations, recognized in other debts represented by a certificate.

The difference between the receivables assigned and the amount of the associated liabilities corresponds to the higher credit necessary for these operations, and the share of securities retained by RCI Banque to form a liquidity reserve.
Securitized assets can no longer be assigned or pledged. Subscribers to debt securities only have claims on the assets assigned.

B2 Assets pledged as guarantees for management of the liquidity reserve

For management of its liquidity reserve, RCI Banque provided guarantees of €3,394 million in 2013 (€2,933 million in 2012) to the Banque de France: €2,479 million in the form of shares in securitization vehicles, and €565 million in sales financing receivables (€2,773 million and €160 million at December 31, 2012) and €350 million in short-term loans from the Banque de France. This liquidity reserve was unused at December 31, 2013 (it was used to the extent of €400 million at December 31, 2012, classified as borrowings from credit institutions in sales financing debts).

At December 31, 2013, RCI Banque had also provided guarantees to the *Société de Financement de l'Économie Française* (SFEF) in the form of receivables with book value of €380 million (€341 million at December 31, 2012), in return for financing of €210 million (€210 million at December 31, 2012) recorded in borrowings from credit institutions in debts of the Sales Financing segment (note 23).

C – SALES FINANCING RECEIVABLES BY MATURITY

(€ million)	**DECEMBER 31, 2013**	**DECEMBER 31, 2012**
-1 year	13,884	13,964
1 to 5 years	9,665	9,162
+5 years	101	104
TOTAL SALES FINANCING RECEIVABLES, NET	**23,650**	**23,230**

D – BREAKDOWN OF OVERDUE SALES FINANCING RECEIVABLES (GROSS VALUES)

(€ million)	**DECEMBER 31, 2013**	**DECEMBER 31, 2012**
Receivables for which impairment has been recognized (1): overdue by	**503**	**577**
0 to 30 days	14	14
30 to 90 days	53	53
90 to 180 days	61	57
More than 180 days	375	453
Receivables for which no impairment has been recognized: overdue by	**14**	**16**
0 to 30 days	14	16
More than 30 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 28-A).

This risk is reduced by guarantees provided by customers, as reported in off-balance sheet commitments received (note 28-B). In particular, guarantees held in connection with overdue or impaired sales financing receivables amounted to €655 million at December 31, 2013 (€538 million at December 31, 2012).

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.

E – CHANGES IN IMPAIRMENT OF SALES FINANCING RECEIVABLES

(€ million)	
Impairment at December 31, 2012	**(798)**
Impairment recorded during the year	(326)
Reversals for use of impairment	209
Reversals of unused residual amounts	174
Translation adjustment and other (1)	9

Impairment at December 31, 2013	**(732)**

Net credit losses amounted to €65 million in 2013 (€61 million in 2012).

Note 17 – automotive receivables

(€ million)	**DECEMBER 31, 2013**	**DECEMBER 31, 2012**
Gross value	1,736	1,226
Impairment	(766) (1)	(82)
AUTOMOTIVE RECEIVABLES, NET	**970**	**1,144**

(1) Of which €(729) million related to Iran at December 31, 2013 as disclosed in note 6-E.

These receivables do not include accounts receivable assigned to the Group's sales financing companies or other non-Group entities when substantially all the risks and benefits associated with ownership of the receivables are transferred. The risk of dilution (essentially the risks of non-settlement after a commercial dispute) is retained by the Group, but is considered negligible. Receivables assigned in this way to Group sales financing companies are included in sales financing receivables, principally dealership receivables.

When substantially all the risks and benefits are not transferred, although from a legal standpoint receivables have been assigned to Group sales financing companies or other non-Group entities, they remain in Automotive receivables and a corresponding financial liability is recorded (in other interest-bearing borrowings). The amount of assigned Automotive receivables that remain in the balance sheet because the Group retains the credit risk or risk of late settlement is not significant at December 31, 2013.

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. This is a level 3 fair value, as it involves assessment of the credit risk associated with the portfolio of receivables that is not based on observable market data.

Note 18 – Other current and non-current assets

	DECEMBER 31, 2013			**DECEMBER 31, 2012**		
(€ million)	**NON-CURRENT**	**CURRENT**	**TOTAL**	**NON-CURRENT**	**CURRENT**	**TOTAL**
Prepaid expenses	120	224	344	90	194	284
Tax receivables (excluding current taxes)	412	906	1,318	274	996	1,270
Other receivables	473	925	1,398	338	599	937
Investments in controlled unconsolidated entities	71	-	71	119	-	119
Derivatives on operating transactions of the Automotive segment	-	-	-	-	-	-
Derivatives on financing transactions of the Sales Financing segment	-	201	201	-	332	332
TOTAL	**1,076**	**2,256**	**3,332**	**821**	**2,121**	**2,942**
Gross value	*1,183*	*2,309*	*3,492*	*959*	*2,193*	*3,152*
Impairment	*(107)*	*(53)*	*(160)*	*(138)*	*(72)*	*(210)*

Note 19 – Shareholders' equity

A – SHARE CAPITAL

The total number of ordinary shares issued and fully paid-up at December 31, 2013 was 295,722 thousand, with par value of €3.81 per share (unchanged from December 31, 2012).
Treasury shares do not bear dividends. They accounted for 1.28% of Renault's share capital at December 31, 2013 (1.37% at December 31, 2012).
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 optimize 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 Group's objectives are monitored in different ways in the different operating segments.
The Group manages the Automotive segment's capital by 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 financial position. The Group had a net liquidity position at December 31, 2013 (net liquidity position at December 31, 2012).
The Sales Financing segment must comply with regulatory ratios specific to banking operations. The minimum solvency ratio (shareholders' equity including subordinated loans to total weighted risks) is 8%. RCI Banque's Core Tier 1 solvency ratio (excluding the Basel I floor effect) was 14.2% at December 31, 2013 (13.7% at December 31, 2012).
The Group also partially hedges its investment in Nissan (note 13-G).

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, 2013	**DECEMBER 31, 2012**
Total value of treasury shares *(€ million)*	187	201
Total number of treasury shares	3,784,305	4,059,255

D – DISTRIBUTIONS

At the General and Extraordinary Shareholders' Meeting of April 30, 2013, it was decided to distribute a dividend of €1.72 per share representing a total amount of €502 million (€1.16 per share or a total of €338 million in 2012). This dividend was paid during May.

E – TRANSLATION ADJUSTMENT

The change in translation adjustment over the year is analysed as follows:

(€ million)	**2013**	**2012**
Change in translation adjustment on the value of the investment in Nissan	(2,060)	(1,120)
Impact, net of tax, of partial hedging of the investment in Nissan (note 13-H)	209	35
Total change in translation adjustment related to Nissan	**(1,851)**	**(1,085)**
Other changes in translation adjustment	(435)	(143)
TOTAL CHANGE IN TRANSLATION ADJUSTMENT	**(2,286)**	**(1,228)**

In 2013, other changes in the translation adjustment mostly resulted from movements in the Argentinian peso, the Brazilian real, the Russian rouble and the Korean won against the Euro. In 2012, they mostly resulted from movements in the Brazilian real, the Argentinian peso, the Iranian rial and the Korean won against the Euro.

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, 2012 (1)	**(117)**	**153 (3)**	**36**
Changes in fair value recorded in shareholders' equity	10	524	534
Transfer from shareholders' equity to the income statement (2)	28	(27)	1
At December 31, 2013 (1)	**(79)**	**650 (3)**	**571**

(1) For the schedule 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 22-A).

F2 Breakdown of the amounts related to cash flow hedges transferred from the financial instrument revaluation reserve to the income statement

(€ million)	2013	2012
Operating margin	24	31
Other operating income and expenses	3	-
Net financial income (expense)	1	-
Share in net income of associates and joint ventures	-	10
Current and deferred taxes	-	-
TOTAL TRANSFERRED TO THE INCOME STATEMENT FOR CASH FLOW HEDGES	**28**	**41**

F3 Schedule of amounts related to cash flow hedges transferred from the financial instruments revaluation reserve to the income statement

(€ million)	DECEMBER 31, 2013	DECEMBER 31, 2012
Within one year	3	(12)
After one year	(34)	(57)
Revaluation reserve for cash flow hedges excluding associates and joint ventures	**(31)**	**(69)**
Revaluation reserve for cash flow hedges – associates and joint ventures	(48)	(48)
TOTAL REVALUATION RESERVE FOR CASH FLOW HEDGES	**(79)**	**(117)**

This schedule is based on the 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.
No new stock-option or free share plans were introduced in 2013. 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

	2013			2012		
	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	**5,156,196**	**76**	**-**	**8,595,407**	**70**	**-**
Granted (1)	297,800	37	40	350,000 (1)	31	33
Exercised	-	-	-	-	-	-
Expired	(1,610,225)	69	N/A	(3,789,211)	59	N/A
Outstanding at December 31	**3,843,771**	**76**	**-**	**5,156,196**	**76**	**-**

(1) These stock option allocations correspond to plan 20 dating from December 13, 2012, which was announced to the beneficiaries in 2013.

G2 Options and free share attribution rights outstanding at December 31, 2013

PLAN	TYPE OF PLAN	GRANT DATE	EXERCISE PRICE (€)	OUTSTANDING	EXERCISE PERIOD
Plan 12	Stock subscription options	May 4, 2006	87.98	1,280,553	May 5, 2010 – May 5, 2014
Plan 14	Stock subscription options	December 5, 2006	93.86	1,486,806	December 6, 2010 – December 4, 2014
Plan 18	Stock purchase options	April 29, 2011	38.80	478,612	April 30, 2015 – April 28, 2019
Plan 18 bis	Attribution of free shares	April 29, 2011	-	1,092,545	April 30, 2014 – April 30, 2016
				94,800	April 30, 2015
Plan 19	Stock purchase options	December 8, 2011	26.87	150,000	December 9, 2015 – December 7, 2019
Plan 19 bis	Attribution of free shares	December 8, 2011	-	27,000	December 8, 2013 – December 8, 2015
Plan 20	Stock purchase options	December 13, 2012	37.43	447,800	December 13, 2016 – December 12, 2020
Plan 20 bis	Attribution of free shares	December 13, 2012	-	584,400	December 13, 2014 – December 12, 2016
				86,800	December 13, 2016

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 four years for plans 12 to 20. For stock option plans, the exercise period then covers four years for plans 12 to 20. 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 plans have been valued as follows:

PLAN	INITIAL VALUE *(thousand of €)*	UNIT FAIR VALUE	EXPENSE FOR 2013 *(€ million)*	*Expense for 2012 (€ million)*	*Share price at grant date (€)*	VOLATILITY	INTEREST RATE	EXERCISE PRICE *(€)*	DURATION OF OPTION	DIVIDEND PER SHARE *(€)*
Plan 12 [(1)]	17,324	16.20	-	-	87.05	28.1%	3.90%	87.98	4-8 years	2.40 – 4.50
Plan 14 [(1)]	26,066	15.00	-	-	92.65	26.7%	3.88%	93.86	4-8 years	2.40 – 4.50
Plan 18	3,422	9.31	(2)	(1)	36.70	37.28%	2.28%	38.80	4-8 years	0.30 – 1.16
Plan 18 bis	28,711	31.04	(17)	(9)	36.70	N/A	2.28%	N/A	3-5 years	0.30 – 1.16
Plan 19	1,608	5.36	-	-	27.50	42.24%	1.99%	26.87	4-8 years	1.19 – 1.72
Plan 19 bis	15,966	26.18	(4)	(4)	34.18	N/A	1.68%	N/A	2-4 years	1.17 – 1.73
Plan 20	2,708	6.87	(1)	-	40.39	35%	0.71%	37.43	4-8 years	1.57 – 2.19
Plan 20 bis	21,767	36.38	(9)	-	43.15	N/A	0.87%	N/A	2-4 years	1.57 – 1.97
TOTAL	**117,572**		**(33)**	**(14)**						

(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.

I – SHARE OF NON-CONTROLLING INTERESTS

ENTITY	COUNTRY OF LOCATION	PERCENTAGE OF OWNERSHIP AND VOTING RIGHTS HELD BY NON-CONTROLLING INTERESTS DECEMBER 31, 2013	DECEMBER 31, 2012	NET INCOME – NON-CONTROLLING INTERESTS' SHARE *(€ million)* 2013	2012	SHAREHOLDERS' EQUITY – NON-CONTROLLING INTERESTS' SHARE *(€ million)* DECEMBER 31, 2013	DECEMBER 31, 2012	DIVIDENDS PAID TO NON-CONTROLLING INTERESTS (MINORITY SHAREHOLDERS) *(€ million)* 2013	2012
Automotive									
Renault Samsung Motors	Korea	20%	20%	4	(31)	102	102	-	-
Renault Pars [(1)]	Iran	N/A ([1)]	49%	1	(102)	N/A	(91)	-	-
Oyak Renault Otomobil Fabrikalari	Turkey	49%	49%	54	47	230	216	(39)	(51)
Other	N/A	N/A	N/A	13	15	29	28	(5)	(7)
TOTAL – AUTOMOTIVE				**72**	**(71)**	**361**	**255**	**(44)**	**(58)**

Sales Financing									
Companhia de Arrendamento Mercantil RCI do Brasil [(2)]	Brazil	40%	40%	11	12	-	-	-	(7)
Companhia de Credito, Financiamento e Investimento RCI do Brasil [(2)]	Brazil	40%	40%	17	15	-	-	(12)	(3)
Rombo Compania Financiera [(2)]	Argentina	40%	40%	8	7	-	-	-	-
Other	N/A	N/A	N/A	1	-	16	-	-	-
TOTAL – SALES FINANCING				**37**	**34**	**16**	**-**	**(12)**	**(10)**
Total				109	(37)	377	255	(56)	(68)

(1) Renault Pars is deconsolidated as of June 30, 2013 (note 6-E).

(2) The Group has granted minority shareholders in these companies put options to sell their investments. A liability corresponding to these put options is included in other liabilities, amounting to €182 million for the two Brazilian subsidiaries and €22 million for the Argentinean subsidiary at December 31, 2013 (€181 million and €23 million respectively at December 31, 2012). A corresponding charge is made to shareholders' equity, allocated in priority to the non-controlling interests' share with any residual amount allocated to the parent company shareholders' share. The liability is stated at fair value. Fair value is determined by estimating the potential purchase price, taking into account future results of the financing portfolio as it exists at the closing date and the provisions of the partnership contracts. This is a level 3 fair value, as it uses recognized models but their significant data are not based on observable market data.

There are no significant restrictions on the Group's capacity to access or use its assets and settle its liabilities, other than restrictions that result from the regulatory framework in which the subsidiaries operate. The local supervisory authorities may require banking subsidiaries to keep a certain level of capital and liquidities, limit their exposure to other Group parties, and comply with other ratios.

J – JOINT OPERATIONS

ENTITY	COUNTRY OF LOCATION	MAIN ACTIVITY	PERCENTAGE OF OWNERSHIP HELD BY THE GROUP DECEMBER 31, 2013	DECEMBER 31, 2012
Automotive				
Société des Automobiles Alpine Caterham [1]	France	Automaker	50	100
Renault-Nissan Technology and Business Centre India Private Limited (RNTBCI) [2]	India	Shared service centre	67	67

(1) Société des Automobiles Alpine Caterham was previously controlled and fully consolidated until June 30, 2013.The percentage of voting rights is identical to the percentage of ownership.

(2) The Group holds 50% of voting rights in Renault-Nissan Technology and Business Center India Private Limited.

Note 20 – Provisions

A – PROVISIONS AT DECEMBER 31

(€ million)	DECEMBER 31, 2013	DECEMBER 31, 2012
Provisions for pension and other long-term employee benefit obligations [1]	**1,558**	**1,649**
Provisions (other than provisions for pension and other long-term employee obligations)		
Provisions for restructuring and workforce adjustment costs	443	258
Provisions for warranty costs	702	688
Provisions for tax risks and litigation	366	336
Provisions related to insurance activities	191	161
Other provisions	379	293
Total provisions (other than provisions for pension and other long-term employee obligations)	**2,081**	**1,736**
TOTAL PROVISIONS	**3,639**	**3,385**
Provisions – long-term	*2,544*	*2,496*
Provision – short-term	*1,095*	*889*

(1) The impacts of application of IAS 19 (revised) "Employee benefits" are presented in note 2-A2.

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	INSURANCE ACTIVITIES [1]	OTHER PROVISIONS	TOTAL
At December 31, 2012	**258**	**688**	**336**	**161**	**293**	**1,736**
Increases	331	435	119	44	178	1,107
Reversals of	(121)	(380)	(34)	(14)	(37)	(586)

provisions for application						
Reversals of unused balance of provisions	(21)	(17)	(28)	-	(47)	(113)
Changes in scope of consolidation	(3)	(3)	(1)	-	(1)	(8)
Translation adjustments and other changes	(1)	(21)	(26)	-	(7)	(55)
At December 31, 2013	**443**	**702**	**366**	**191**	**379**	**2,081**

(1) Mainly technical reserves established by the sales financing activity's insurance companies.

Increases to restructuring provisions essentially comprise the effect of workforce adjustment measures in Europe (note 6-A). Increases to other provisions include the cost corresponding to the estimated amount of indemnities payable for failure to meet expected minimum purchase volumes for certain electric vehicles (note 6-D).

At December 31, 2013, the "other provisions" item included €30 million of provisions established in application of environmental regulations (€28 million at December 31, 2012). They include provisions to cover recycling obligations for end-of-life vehicles and used batteries (note 28-A2), and environmental compliance costs for industrial land that the Group intends to sell (particularly on the Boulogne-Billancourt site). They also include €4 million for depollution of commercial land belonging to Renault Retail Group (RRG) (€4 million at December 31, 2012).

As greenhouse gases emissions were lower than the Group's allocated quotas, no associated provisions were booked at December 31, 2013.

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 active employees. These benefits are covered either by defined-contribution plans or 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 was €579 million in 2013 (€578 million in 2012).

Defined-benefit plans

The accounting treatment of defined-benefit plans is described in note 2-R, and involves establishment of provisions. These plans concern:

- indemnities payable upon retirement or departure, in application of legislation or agreements in certain countries such as France, Korea and Turkey;
- supplementary pensions providing employees with contractual income; the countries applying this type of plan are in Europe (*eg* United Kingdom, Germany, France, Netherlands, Switzerland);
- other long-term benefits, chiefly long-service awards, flexible holiday entitlements, and additional career-end leave in France.

Defined-benefit supplementary pension plans are generally covered by contracts with pension funds or insurance companies. In such cases, the obligations and assets are valued separately. The difference between the obligation and the fair value of the assets held to fund may indicate underfunding or overfunding. In the event of underfunding, a provision is booked. In the event of overfunding, an asset is recognized subject to certain conditions.

Principal defined-benefit plans of the Group

In France, the Group's retirement indemnities result from agreements negotiated with each French entity and employee representatives. They are based on employees' salaries and length of service; payment is conditional on being in the Company's employment at the time of retirement. Retirement benefit obligations are entirely covered by provisions, and account for most of the Group's liabilities for retirement and termination indemnities.

The Group's most significant supplementary pension plan is in the United Kingdom, where two defined-benefit pension plans are managed as part of a dedicated pension fund comprising two compartments: one concerns Automotive subsidiaries, the other RCI Financial Services Ltd. This plan has been closed to new beneficiaries since 2004, and concerns approximately 1,900 people.

This pension fund (a trust) is a legal entity in its own right. It is administered by a Board of Trustees with equal representation for the participating companies and their current and former employees. The fund is governed by local regulations, which set the minimum funding requirements that can lead to additional contributions being made by the Group. The asset investment policy is defined for each section of the fund by a supervisory body which examines the performance of investments quarterly. The risks associated with these plans are the usual risks (lower future returns on fund assets, a decline in the equities markets, longer life expectancy for beneficiaries, etc).

The fund compartment dedicated to the Automotive segment is underfunded and the Group has made a commitment to cover the shortfall by 2022 through payments amounting to £3 million maximum per year. The deficit is valued at £15 million at September 30, 2013.

C2 Main actuarial assumptions used to calculate provisions and other data for the most significant plans

MAIN ACTUARIAL ASSUMPTIONS AND ACTUAL DATA FOR THE GROUP'S RETIREMENT INDEMNITIES IN FRANCE	DECEMBER 31, 2013	DECEMBER 31, 2012
Retirement age	60 to 65	60 to 65
Discount rate (1)	2.8% – 3.2%	2.6% – 3.3%
Salary increase rate	2.2% – 3%	2.7% – 3%
Duration of plan	12 to 20 years	12 to 20 years
Gross obligation	€1,137 million	€1,225 million

(1) The rate most frequently used to value the Group's obligations in France is 2.9% in 2013 (2.6% in 2012) However, the rate varies between companies depending on the maturities of obligations. The benchmark for the discount rate is the zero-coupon rate plus the average spread curve for issuers rated AA as published by Reuters at December 31, 2013 and 2012.

MAIN ACTUARIAL ASSUMPTIONS AND ACTUAL DATA FOR THE GROUP'S SUPPLEMENTARY PENSIONS IN THE UK	DECEMBER 31, 2013	DECEMBER 31, 2012
Financial discount rate	4.7% – 4.8%	4.5% – 4.7%
Salary increase rate	2% – 3.3%	2% – 3%
Duration of plan	20 – 27 years	20 – 27 years
Actual return on fund assets	6.8% – 7.6%	11.2% – 14.3%
Gross obligation	€258 million	€248 million
Fair value of assets invested vi*a p*ension funds	€238 million	€229 million

C3 Net expense for the year

(€ million)	**2013**	**2012**
Current service cost	109	93
Past service cost and gain/loss on settlement	-	(7)
Net interest on the net liability (asset)	42	57
Effects of workforce adjustment measures	(1)	-
Amortization of past service cost	-	(3)
Net expense (income) for the year recorded in the income statement	**150**	**140**

C4 Breakdown of the balance sheet provision

(€ million)	DECEMBER 31, 2013 PRESENT VALUE OF THE OBLIGATION	 FAIR VALUE OF FUND ASSETS	 NET DEFINED-BENEFIT LIABILITY (ASSET)
Retirement and termination indemnities			
France	1,137	-	1,137
Europe (excluding France and the UK)	18	(1)	17
Americas	2	-	2
Asia-Pacific (1)	77	(16)	61
Euromed-Africa (2)	47	-	47
TOTAL RETIREMENT AND TERMINATION INDEMNITIES	**1,281**	**(17)**	**1,264**
Supplementary pensions			
France	77	(44)	33
United Kingdom	258	(238)	20
Europe (excluding France and the UK) (3)	216	(154)	62
Americas	6	-	6
TOTAL SUPPLEMENTARY PENSIONS	**557**	**(436)**	**121**
Other long-term benefits			
France (4)	171	-	171
Europe (excluding France and the UK)	2	-	2
TOTAL OTHER LONG-TERM BENEFITS	**173**	**-**	**173**
TOTAL	**2,011**	**(453)**	**1,558**

(1) Korea.
(2) Essentially Romania and Turkey.
(3) Essentially Germany, the Netherlands and Switzerland.
(4) Flexible holiday entitlements, additional career-end leave and long-service awards.

C5 Changes in obligations, fund assets and the provision

(€ million)	**PRESENT VALUE OF THE OBLIGATION (A)**	**FAIR VALUE OF PLAN ASSETS (B)**	**ASSET CEILING AND OTHER (C)**	**NET DEFINED-BENEFIT LIABILITY (ASSET) (A)+(B)+(C)**
Balanced at December 31, 2012 [(1)]	**2,084**	**(437)**	**2**	**1,649 [(1)]**
Current service cost	109	-	-	109
Past service cost and gain/loss on settlement	-	-	-	-
Net interest on the net liability (asset)	58	(16)	-	42
Effects of workforce adjustment measures	(1)	-	-	(1)
Net expense (income) for 2013 recorded in the income statement (note 20-C3)	**166**	**(16)**	**-**	**150**
Actuarial gains and losses on the obligation resulting from changes in demographic assumptions	(3)	-	-	(3)
Actuarial gains and losses on the obligation resulting from changes in financial assumptions	(43)	-	-	(43)
Actuarial gains and losses on the obligation resulting from experience effects	(10)	-	-	(10)
Net return on fund assets (not included in net interest above)	-	(12)	-	(12)
Change in asset ceiling (not included in net interest above)	-	-	-	-
Net expense (income) for 2013 recorded in other components of comprehensive income	**(56)**	**(12)**	**-**	**(68)**
Employer's contributions to funds	-	(9)	-	(9)
Employees' contributions to funds	-	(2)	-	(2)
Benefits paid under the plan	(130)	17	-	(113)
Effect of changes in exchange rates	(18)	6	-	(12)
Effect of changes in scope of consolidation	(35)	-	(2)	(37)
Balance at December 31, 2013	**2,011**	**(453)**	**-**	**1,558**

(1) After restatement for retrospective application of IAS 19 (revised), the balance of the provision at December 31, 2012 amounts to €1,647 million (compared to €1,649 million before application of the revised standard). The restatement consists of immediate recognition of past service costs that were previously spread over the vesting period for benefit entitlements (note 2-A2).

Accumulated actuarial gains and losses, net of tax (excluding the associates' share) recorded in other components of comprehensive income amounted to an expense of €481 million at December 31, 2013 (€(546) million at December 31, 2012).
A 50 base point decrease in discount rates used for each plan would result in a €115 million increase in the amount of obligations at December 31, 2013.
The weighted average duration of plans is 14 years at December 31, 2013.

C6 Fair value of plan assets

Details of the assets invested *via* pension funds and insurance companies are as follows:

	DECEMBER 31, 2013		
(€ million)	LISTED ON ACTIVE MARKETS	UNLISTED	TOTAL
Pension funds			
Cash and cash equivalents	-	-	-
Shares	72	-	72
Bonds	149	-	149
Real estate property	-	-	-
Shares in mutual funds and other	19	3	22
TOTAL – PENSION FUNDS	**240**	**3**	**243**
Insurance companies			
Cash and cash equivalents	19	-	19
Shares	9	-	9
Bonds	134	19	153
Real estate property	18	2	20
Shares in mutual funds and other	9	-	9
TOTAL – INSURANCE COMPANIES	**189**	**21**	**210**
TOTAL	**429**	**24**	**453**

Pension fund plan assets mainly relate to plans located in the United Kingdom (52.8%). Insurance contracts principally concern Germany (5.5%), Korea (3.5%), France (9.8%), the Netherlands (18%) and Switzerland (9.4%). The actual returns on plan assets in the United Kingdom are shown in note 20-C2.
The weighted average actual rate of return on the Group's main funds is 6.4% in 2013 (8.1% in 2012).
At the date of this report, the best estimate of contributions that will be payable to the funds in 2014 is approximately €11 million.
The Group's pension funds plan assets do not include Renault group financial instruments. Real estate investments do not include real estate properties occupied by the Group.

Note 21 – Other current and non-current liabilities

	DECEMBER 31, 2013			DECEMBER 31, 2012		
(€ million)	NON-CURRENT	CURRENT	TOTAL	NON-CURRENT	CURRENT	TOTAL
Tax liabilities (excluding current taxes)	140	923	1,063	170	855	1,025
Social liabilities	19	1,470	1,489	17	1,555	1,572
Other liabilities	268	3,837	4,105	262	3,846	4,108
Deferred income	692	594	1,286	395	545	940
Derivatives on operating transactions of the Automotive segment	-	-	-	-	4	4
TOTAL	**1,119**	**6,824**	**7,943**	**844**	**6,805**	**7,649**

Other liabilities mainly correspond to deferred income recorded in connection with sales contracts including a buy-back commitment (€531 million at December 31, 2013 and €535 million at December 31, 2012).

IV. Financial assets and liabilities, fair value and management of financial risks

Note 22 – Financial assets – cash and cash equivalents

A – CURRENT/NON-CURRENT BREAKDOWN

(€ million)	DECEMBER 31, 2013	DECEMBER 31, 2012

	NON-CURRENT	CURRENT	TOTAL	NON-CURRENT	CURRENT	TOTAL
Investments in non-controlled entities	1,196	-	1,196	788	-	788
Marketable securities and negotiable debt instruments	-	135	135	-	171	171
Loans	190	707	897	68	622	690
Derivatives on financing operations by the Automotive segment	144	256	400	176	196	372
TOTAL FINANCIAL ASSETS	**1,530**	**1,098**	**2,628**	**1,032**	**989**	**2,021**
Gross value	*1,531*	*1,102*	*2,633*	*1,033*	*1,002*	*2,035*
Impairment	*(1)*	*(4)*	*(5)*	*(1)*	*(13)*	*(14)*
Cash equivalents	-	3,732	3,732	-	3,647	3,647
Cash on hand and bank deposits	-	7,929	7,929	-	7,533	7,533
TOTAL CASH AND CASH EQUIVALENTS	**-**	**11,661**	**11,661**	**-**	**11,180**	**11,180**

Information on the counterparty risks associated with financial assets and cash and cash equivalents is provided in note 25-B6.

A1 Investments in non-controlled entities

Investments in non-controlled entities include €1,035 million (€680 million at December 31, 2012) 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, 2013, the stock market price (€62.90 per share) was higher than the acquisition price (€35.52 per share). The corresponding increase in value, amounting to €355 million, is recorded in other components of comprehensive income for 2013.

Investments in non-controlled entities also include €59 million at December 31,2013 (€69 million at December 31, 2012) 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 fair value of these securities is determined by reference to the most recent net asset value reported by the FMEA's management company, after adjustment for any relevant information that becomes known afterwards. In 2013, the decline in their fair value was considered durable, and was recognized in other financial expenses in the amount of €11 million at December 31, 2013.

A2 Non-available cash

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 or sales financing purposes, and so this cash is available to the Group.

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	-	-	1,196	1,196	-	1,196
Marketable securities and negotiable debt instruments	-	-	135	135	-	135
Loans	-	-	-	-	897	897
Derivatives on financing operations by the Automotive segment	305	95	-	400	-	400
TOTAL FINANCIAL ASSETS AT DECEMBER 31, 2013	**305**	**95**	**1,331**	**1,731**	**897**	**2,628**
Cash equivalents	-	-	84	84	3,648	3,732
Cash	-	-	-	-	7,929	7,929
TOTAL CASH AND CASH EQUIVALENTS AT DECEMBER 31, 2013	**-**	**-**	**84**	**84**	**11,577**	**11,661**
Investments in non-controlled entities	-	-	788	788	-	788
Marketable securities and negotiable debt instruments	-	-	171	171	-	171
Loans	-	-	-	-	690	690
Derivatives on financing operations by the Automotive segment	233	139	-	372	-	372
TOTAL FINANCIAL ASSETS AT DECEMBER 31, 2012	**233**	**139**	**959**	**1,331**	**690**	**2,021**
Cash equivalents	-	-	132	132	3,515	3,647
Cash	-	-	-	-	7,533	7,533
TOTAL CASH AND CASH EQUIVALENTS AT DECEMBER 31, 2012	**-**	**-**	**132**	**132**	**11,048**	**11,180**

(1) Including derivatives not designated as hedges for accounting purposes.

No financial assets were reclassified between categories in 2013 (or 2012).

Note 23 – Financial liabilities and sales financing debts

A – Current/non-current breakdown

(€ million)	DECEMBER 31, 2013 NON-CURRENT	CURRENT	TOTAL	DECEMBER 31, 2012 NON-CURRENT	CURRENT	TOTAL
Renault SA redeemable shares	313	-	313	249	-	249
Bonds	4,506	1,538	6,044	4,525	1,249	5,774
Other debts represented by a certificate	-	63	63	-	158	158
Borrowings from credit institutions (at amortized cost)	1,524	670	2,194	787	1,455	2,242
Borrowings from credit institutions (at fair value)	-	218	218	220	-	220
Other interest-bearing borrowings	458	174	632	521	53	574
Financial liabilities of the Automotive segment (excluding derivatives)	**6,801**	**2,663**	**9,464**	**6,302**	**2,915**	**9,217**
Derivatives on financing operations of the Automotive segment	39	258	297	60	179	239
Total financial liabilities of the Automotive segment	**6,840**	**2,921**	**9,761**	**6,362**	**3,094**	**9,456**
Diac redeemable shares	10	-	10	9	-	9
Bonds	-	11,643	11,643	-	11,513	11,513
Other debts represented by a certificate	250	4,315	4,565	251	6,785	7,036
Borrowings from credit institutions	-	3,227	3,227	-	3,930	3,930
Other interest-bearing borrowings	-	4,442	4,442	-	973	973
Total financial liabilities and debts of the Sales Financing segment (excluding derivatives)	**260**	**23,627**	**23,887**	**260**	**23,201**	**23,461**
Derivatives on financing operations of the Sales Financing segment	-	130	130	-	104	104
Financial liabilities and debts of the Sales Financing segment	**260**	**23,757**	**24,017**	**260**	**23,305**	**23,565**
TOTAL FINANCIAL LIABILITIES AND SALES FINANCING DEBTS	**7,100**	**26,678**	**33,778**	**6,622**	**26,399**	**33,021**

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 6.75% fixed portion 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 2013 (€17 million for 2012), is included in interest expenses. These shares are listed on the Paris Stock Exchange, and traded for €312 at December 31, 2012 and €392 at

December 31, 2013 for par value of €153, leading to a corresponding €65 million adjustment to the fair value of redeemable shares recorded in other financial expenses (note 7).

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 2013, Renault SA redeemed bonds issued between 2006 and 2011 for a total of €1,152 million, and undertook new bond totalling €1,716 million and maturing between 2015 and 2018, including €695 million on the Chinese and Japanese markets.

RCI Banque also redeemed bonds for a total of €2,465 million in 2013 and issued new bonds totalling €2,958 million and maturing between 2014 and 2018.

Loans from the European Investment Bank

During the first half of 2013, Renault SA redeemed the €400 million loan issued by the European Investment Bank (EIB) in 2009 and issued two new EIB loans with terms of 6 years and 3.5 years respectively, for a combined total of €400 million.

Credit lines

At December 31, 2013, Renault SA had confirmed credit lines opened with banks worth €3,435 million (€3,485 million at December 31, 2012). The short-term portion amounted to €555 million at December 31, 2013 (€355 million at December 31, 2012). These credit lines were unused at December 31, 2013 (and December 31, 2012).

Sales Financing's confirmed credit lines opened in several currencies with banks amounted to €4,661 million at December 31, 2013 (€4,696 million at December 31, 2012). The short-term portion amounted to €874 million at December 31, 2013 (€657 million at December 31, 2012). These credit lines were unused at December 31, 2013 (and December 31, 2012).

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 MEASURED AT FAIR VALUE				INSTRUMENTS MEASURED AT AMORTIZED COST [2]		
DECEMBER 31,2013 *(€ million)*	**INSTRUMENTS HELD FOR TRADING [1]**	**HEDGING DERIVATIVES**	**INSTRUMENTS DESIGNATED AS MEASURED AT FAIR VALUE FROM INITIAL RECOGNITION**	**TOTAL INSTRUMENTS MEASURED AT FAIR VALUE**	**BALANCE SHEET VALUE**	**FAIR VALUE**	**BALANCE SHEET VALUE**
Renault SA redeemable shares	-	-	313	313	-	-	313
Bonds	-	-	-	-	6,044	6,406	6,044
Other debts represented by a certificate	-	-	-	-	63	63	63
Borrowings from credit institutions	-	-	218	218	2,194	2,147	2,412
Other interest-bearing borrowings	-	-	-	-	632	646	632
Derivatives on financing operations of the Automotive segment	293	4	-	297	-	-	297
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENT	**293**	**4**	**531**	**828**	**8,933**	**9,262**	**9,761**
Diac redeemable shares	-	-	10	10	-	-	10
Bonds	-	-	-	-	11,643	11,924	11,643
Other debts represented by	-	-	-	-	4,565	4,607	4,565

a certificate							
Borrowings from credit institutions	-	-	-	-	3,227	3,268	3,227
Other interest-bearing borrowings	-	-	-	-	4,442	4,442	4,442
Derivatives on financing operations of the Sales Financing segment	37	93	-	130	-	-	130
FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT	**37**	**93**	**10**	**140**	**23,877**	**24,241**	**24,017**

(1) Including derivatives not classified as hedges for accounting purposes.
(2) Including financial liabilities subject to fair value hedges.

DECEMBER 31,2012 *(€ million)*	INSTRUMENTS MEASURED AT FAIR VALUE: INSTRUMENTS HELD FOR TRADING (1)	HEDGING DERIVATIVES	INSTRUMENTS DESIGNATED AS MEASURED AT FAIR VALUE FROM INITIAL RECOGNITION	TOTAL INSTRUMENTS MEASURED AT FAIR VALUE	INSTRUMENTS MEASURED AT AMORTIZED COST (2): BALANCE SHEET VALUE	FAIR VALUE	BALANCE SHEET VALUE
Renault SA redeemable shares	-	-	249	249	-	-	249
Bonds	-	-	-	-	5,774	6,015	5,774
Other debts represented by a certificate	-	-	-	-	158	158	158
Borrowings from credit institutions	-	-	220	220	2,242	2,194	2,462
Other interest-bearing borrowings	-	-	-	-	574	605	574
Derivatives on financing operations of the Automotive segment	236	3	-	239	-	-	239
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENT	**236**	**3**	**469**	**708**	**8,748**	**8,972**	**9,456**
Diac redeemable shares	-	-	9	9	-	-	9
Bonds	-	-	-	-	11,513	11,682	11,513
Other debts represented by a certificate	-	-	-	-	7,036	7,074	7,036
Borrowings from credit institutions	-	-	-	-	3,930	3,984	3,930
Other interest-bearing borrowings	-	-	-	-	973	973	973
Derivatives on financing operations of the Sales Financing segment	50	54	-	104	-	-	104
FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT	**50**	**54**	**9**	**113**	**23,452**	**23,713**	**23,565**

(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 measured at amortized cost is essentially determined by discounting future cash flows at rates offered to Renault at December 31, 2013 and 2012 for loans with similar conditions and maturities. The rates proposed to Renault result from observable market data such as zero-coupon interest rate curves and secondary market prices for bonds issued by the Group, and consequently this is a level 2 fair value.

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, 2013.

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

(€ million)	BALANCE SHEET VALUE	TOTAL CONTRACTUAL FLOWS	-1 YR	1 – 2 YRS	2 – 3 YRS	3 – 4 YRS	4 – 5 YRS	+5 YRS
	DECEMBER 31, 2013							
Bonds issued by Renault SA (by issue date)								
2003	41	41	41	-	-	-	-	-
2006	28	28	28	-	-	-	-	-
2007	60	60	50	-	-	10	-	-
2009	749	750	750	-	-	-	-	-
2010	1,119	1,150	-	650	-	500	-	-
2011	569	548	48	-	500	-	-	-
2012	1,577	1,600	431	69	250	850	-	-
2013	1,855	1,848	246	605	97	-	900	-
Accrued interest, expenses and premiums	46	57	57	-	-	-	-	-
Total bonds	**6,044**	**6,082**	**1,651**	**1,324**	**847**	**1,360**	**900**	**-**
Other debts represented by a certificate	63	63	63	-	-	-	-	-
Borrowings from credit institutions	2,412	2,413	889	345	438	219	160	362
Other interest-bearing borrowings	632	784	92	34	15	16	16	611
Total other financial liabilities	**3,107**	**3,260**	**1,044**	**379**	**453**	**235**	**176**	**973**
Future interest on bonds and other financial liabilities	**-**	**902**	**229**	**209**	**152**	**115**	**51**	**146**
Redeemable shares	**313**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Derivatives on financing operations	**297**	**297**	**258**	**6**	**27**	**2**	**2**	**2**
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENT	**9,761**	**10,541**	**3,182**	**1,918**	**1,479**	**1,712**	**1,129**	**1,121**

The portion of financial liabilities of the Automotive 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, 2013			
Bonds	1,651	-	-	1,651
Other financial liabilities	1,044	168	453	423
Future interest on bonds and other financial liabilities	229	7	28	194
Derivatives on financing operations	258	43	17	198
TOTAL FINANCIAL LIABILITIES MATURING WITHIN 1 YEAR	**3,182**	**218**	**498**	**2,466**

C2 Financial liabilities and debts of the Sales Financing segment

(€ million)	BALANCE SHEET VALUE	TOTAL CONTRACTUAL FLOWS	-1 YR	1 – 2 YRS	2 – 3 YRS	3 – 4 YRS	4 – 5 YRS	+5 YRS
	DECEMBER 31, 2013							
Bonds issued by RCI Banque (year of issue)								
2005	10	10	-	10	-	-	-	-
2006	12	12	-	12	-	-	-	-
2010	1,327	1,300	-	600	700	-	-	-
2011	4,220	4,136	2,349	610	1,177	-	-	-
2012	3,019	3,039	947	1,176	195	721	-	-
2013	2,833	2,883	68	163	1,133	113	1,406	-
Accrued interest, expenses and premiums	222	246	246	-	-	-	-	-
TOTAL BONDS	**11,643**	**11,626**	**3,610**	**2,571**	**3,205**	**834**	**1,406**	**-**
Other debts represented by a certificate	4,565	4,568	1,370	1,713	686	-	799	-
Borrowings from credit institutions	3,227	3,225	2,260	601	343	15	6	-
Other interest-bearing borrowings	4,442	4,441	3,798	223	186	143	91	-
Total other financial liabilities	**12,234**	**12,234**	**7,428**	**2,537**	**1,215**	**158**	**896**	**-**
Future interest on bonds and other financial liabilities	**-**	**1,286**	**300**	**526**	**328**	**87**	**39**	**6**
Redeemable shares	**10**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Derivative liabilities on financing operations	**130**	**95**	**16**	**12**	**4**	**20**	**6**	**37**
TOTAL FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT	**24,017**	**25,241**	**11,354**	**5,646**	**4,752**	**1,099**	**2,347**	**43**

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, 2013			
Bonds	3,610	920	114	2,576
Other financial liabilities	7,428	4,256	1,024	2,148
Future interest on bonds and other financial liabilities	300	13	29	258
Derivative liabilities on financing operations	16	9	2	5
TOTAL FINANCIAL LIABILITIES MATURING WITHIN 1 YEAR	**11,354**	**5,198**	**1,169**	**4,987**

Note 24 – 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 quoted prices 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 unobservable inputs on the market.

	DECEMBER 31, 2013			
(€ million)	**FAIR VALUE IN BALANCE SHEET**	**LEVEL 1**	**LEVEL 2**	**LEVEL 3**
Investments in non-controlled entities	1,196	1,035	-	161
Marketable securities and negotiable debt instruments	135	77	58	-
Derivative assets on financing operations by the Automotive segment	400	-	400	-
Derivative assets on transactions undertaken for operating purposes by the Automotive segment	-	-	-	-
Derivative assets on financing operations by the Sales Financing segment	201	-	201	-
Cash equivalents	84	84	-	-
Financial instruments stated at fair value in the balance sheet assets	**2,016**	**1,196**	**659**	**161**
Renault SA redeemable shares	313	313	-	-
Borrowings from credit institutions by the Automotive segment	218	-	218	-
Derivative liabilities on transactions undertaken for financing purposes by the Automotive segment	297	-	297	-
Derivative liabilities on transactions undertaken for operating purposes by the Automotive segment	-	-	-	-
Diac redeemable shares	10	10	-	-
Derivative liabilities on financing operations of the Sales Financing segment	130	-	130	-
Financial instruments stated at fair value in the balance sheet liabilities	**968**	**323**	**645**	**-**

Estimated fair values are based on information available on the markets and determined 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 quoted price;
- level 2: fair value is generally determined by recognized valuation models that use observable market data, such as zero-coupon interest rate curves and secondary market listed prices for securities issued by the Group;
- level 3: the fair value of investments in non-controlled companies is based on the share of net assets.

In 2013 no financial instruments were transferred between Level 1 and Level 2, or into or out of Level 3.

The Group's financial statements carry no assets or liabilities measured at fair value on a non-recurring basis in the balance sheet.

B – CHANGES IN LEVEL 3 FINANCIAL INSTRUMENTS

Level 3 financial instruments amounted to €161 million at December 31, 2013 (€108 million at December 31, 2012). They increased by €53 million over the year, essentially due to subscription of €51 million of shares for the capital increase by the unconsolidated company RN SF BV, the holding company for the future bank that will handle sales financing for the Alliance in Russia. These companies will be consolidated in 2014.

C – IMPACT OF FINANCIAL INSTRUMENTS ON NET INCOME

2013 (€ million)	INSTRUMENTS HELD FOR TRADING	FINANCIAL ASSETS OTHER THAN DERIVATIVES: AVAILABLE-FOR-SALE INSTRUMENTS	FINANCIAL ASSETS OTHER THAN DERIVATIVES: LOANS AND RECEIVABLES	FINANCIAL LIABILITIES OTHER THAN DERIVATIVES: INSTRUMENTS DESIGNATED AS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS	FINANCIAL LIABILITIES OTHER THAN DERIVATIVES: INSTRUMENTS MEASURED AT AMORTIZED COST [(1)]	DERIVATIVES	TOTAL IMPACT ON NET INCOME
Interest income	1	-	142	-	-	40	183
Interest expenses	-	-	-	(17)	(414)	(19)	(450)
Change in fair value	-	(2)	24	(62)	81	(55)	(14)
Impairment	-	(11)	(540)	-	-	-	(551)
Dividends	-	38	-	-	-	-	38
Gains (losses) on sale	-	-	2	-	-	-	2
Net foreign exchange gains and losses	29	-	3	-	(124)	-	(92)
TOTAL IMPACT ON NET INCOME - AUTOMOTIVE SEGMENT	**30**	**25**	**(369)**	**(79)**	**(457)**	**(34)**	**(884)**
Including:							
- operating margin	*1*	-	*(26)*	-	*(118)*	-	*(143)*
- other operating income and expenses	-	-	*(514)*	-	-	-	*(514)*
- net financial income (expenses)	*29*	*25*	*171*	*(79)*	*(339)*	*(34)*	*(227)*
Interest income	-	-	1,567	-	-	107	1,674
Interest expenses	-	-	-	-	(1,124)	(38)	(1,162)
Change in fair value	-	-	-	-	182	(184)	(2)
Impairment	-	-	(65)	-	-	-	(65)
Dividends	-	-	-	-	-	-	-
Gains (losses) on sale	-	-	-	-	-	-	-
Net foreign exchange gains and losses	-	-	-	-	-	-	-

TOTAL IMPACT ON NET INCOME - SALES FINANCING SEGMENT IN OPERATING MARGIN	**-**	**-**	**1,502**	**-**	**(942)**	**(115)**	**445**
TOTAL GAINS AND LOSSES WITH IMPACT ON NET INCOME	**30**	**25**	**1,133**	**(79)**	**(1,399)**	**(149)**	**(439)**

(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)	**2013**	**2012**
Change in fair value of the hedging instrument	307	51
Change in fair value of the hedged item	(236)	(22)
Net impact on net income of fair value hedges	**71**	**29**

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 25 – Derivatives and management of financial risks

A – DERIVATIVES

A1 Fair value of derivatives

The fair value of derivatives corresponds to their balance sheet value.

DECEMBER 31, 2013	**FINANCIAL ASSETS**		**OTHER ASSETS**	**FINANCIAL LIABILITIES AND SALES FINANCING DEBTS**		**OTHER LIABILITIES**
(€ million)	**NON-CURRENT**	**CURRENT**	**CURRENT**	**NON-CURRENT**	**CURRENT**	**CURRENT**
Cash flow hedges	-	-	-	-	-	-
Fair value hedges	-	-	24	-	74	-
Hedge of the net investment in Nissan	-	-	-	-	-	-
Derivatives not classified as hedges and derivatives held for trading	6	252	3	-	263	-
TOTAL FOREIGN EXCHANGE RISK	**6**	**252**	**27**	**-**	**337**	**-**
Cash flow hedges	2	-	77	-	13	-
Fair value hedges	92	-	94	2	8	-
Derivatives not classified as hedges and derivatives held for trading	44	4	-	37	30	-
TOTAL INTEREST RATE RISK	**138**	**4**	**171**	**39**	**51**	**-**
Cash flow hedges	-	-	3	-	-	-
Fair value hedges	-	-	-	-	-	-
Derivatives not classified as hedges and derivatives held for trading	-	-	-	-	-	-
TOTAL COMMODITY RISK	**-**	**-**	**3**	**-**	**-**	**-**
TOTAL	**144**	**256**	**201**	**39**	**388**	**-**

DECEMBER 31, 2012	**FINANCIAL ASSETS**		**OTHER ASSETS**	**FINANCIAL LIABILITIES AND SALES FINANCING DEBTS**		**OTHER LIABILITIES**
(€ million)	**NON-CURRENT**	**CURRENT**	**CURRENT**	**NON-CURRENT**	**CURRENT**	**CURRENT**
Cash flow hedges	-	-	-	-	-	4
Fair value hedges	-		70	-	(1)	-
Hedge of the net investment in Nissan	-	-	-	-	-	-

Derivatives not classified as hedges and derivatives held for trading	-	109	15	-	175	-
TOTAL FOREIGN EXCHANGE RISK	**-**	**109**	**85**	**-**	**174**	**4**
Cash flow hedges	3	-	70	3	55	-
Fair value hedges	116	20	177	-	-	-
Derivatives not classified as hedges and derivatives held for trading	57	67	-	57	54	-
TOTAL INTEREST RATE RISK	**176**	**87**	**247**	**60**	**109**	**-**
Cash flow hedges	-	-	-	-	-	-
Fair value hedges	-	-	-	-	-	-
Derivatives not classified as hedges and derivatives held for trading	-	-	-	-	-	-
TOTAL COMMODITY RISK	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**176**	**196**	**332**	**60**	**283**	**4**

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 as financial assets and liabilities in the Group's consolidated financial position mainly relate to Renault Finance's business conducted on its own behalf and its transactions with Renault and Nissan subsidiaries.

A2 Framework agreements for derivatives and similar agreements

The Group negotiates its derivatives contracts in accordance with the framework agreements issued by the International Swaps and Derivatives Association (ISDA) and the FBF (*Fédération Bancaire Française*).

In the event of default, the non-defaulting party has the right to suspend execution of its payment obligations and to demand payment or transfer of a termination balance for all terminated transactions.

The ISDA and FBF framework agreements do not meet the requirements for netting in the financial statements. The Group currently has no legally enforceable right to net the reported amounts, except in the case of default or a credit event.

DECEMBER 31, 2013 *(€ million)*	**AMOUNTS IN THE STATEMENT OF FINANCIAL POSITION**	**AMOUNTS NOT NETTED IN THE STATEMENT OF FINANCIAL POSITION FINANCIAL INSTRUMENTS**	**NET AMOUNTS**
Assets/liabilities			
ASSETS			
Derivatives on financing operations of the Automotive segment	275	(147)	128
Derivatives on financing operations of the Sales Financing segment	203	(81)	122
TOTAL ASSETS	478	(228)	250
LIABILITIES			
Derivatives on financing operations of the Automotive segment	281	(147)	134
Derivatives on financing operations of the Sales Financing segment	130	(81)	49
TOTAL LIABILITIES	**411**	**(228)**	**183**

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.

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 gross debt and guarantee liquidity for the Automotive segment, and this exposes it to liquidity risk in the event of extended market closures or tensions over credit availability. As part of its centralized 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 2013 was mostly provided by a 5-year bond totalling €1,105 million as part of Renault SA's EMTN programme (including €900 million of issues in euros) and 2-year "Shelf documentation" issues on the Japanese market for an amount of 87.6 billion yen.

In 2013 Renault issued a new loan of €400 million from the EIB, and redeemed the matured loan of €400 million issued in 2009.

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. However, certain types of financing, particularly market financing, contain standard clauses (*pari passu*, negative pledge and cross-default clauses).
The Automotive segment also has confirmed credit lines opened with banks worth €3,435 million, maturing at various times up to 2018. None of these credit lines was used in 2013. These confirmed credit facilities 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 (€10.7 billion) and confirmed credit lines unused at year-end (€3.4 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 23-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.
In 2013, the Sales Financing segment made new issues equivalent to €2.8 billion on the bond market. RCI Banque raised the equivalent of €2.1 billion through its traditional markets (four new bonds and additional issues in euros, and one issue in Swiss francs), undertook borrowings in pounds sterling (£300 million) and issues in US dollars ($600 million). The Group's subsidiaries also undertook issues on their home markets in Argentina, Korea and particularly Brazil (1.4 billion Brazilian reals).
A new French securitization fund placed €800 million of debt securities with investors. RCI continues to issue self-subscribed securities which are eligible as collateral for European Central Bank monetary policy operations.
After the launch in 2012 of a savings account intended for the general public in France, the Group pursued this strategy in Germany. Savings collected thus increased by €3.4 billion (€0.8 billion of which are term deposits).
In addition to these resources, the Sales Financing segment has €4.7 billion in undrawn confirmed credit lines (€4.1 billion for RCI Banque) and €2.5 billion of available liquid receivables that can be redeemed at the Banque de France (this amount is after application of discounts and excludes receivables already redeemed at the year-end). RCI Banque is thus able to fund ongoing commercial business for nearly 12 months assuming a total lack of external 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 centralized 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 main exceptions authorized by the General Management in 2013 concerned a foreign exchange hedge that partly hedges the risk of the Argentinian peso against the US dollar, a partial hedge of purchases in Turkish lira, and a partial hedge of purchases in yen against the won.
Subsidiaries' financing and investing cash flows in foreign currencies are usually hedged in the same currencies.
Most financial liabilities and debts of Sales Financing, after hedges, are in Euros.
Equity investments are not hedged, apart from the investment in Nissan, totalling 112 billion yen at December 31, 2013 (note 13-G).
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. At 31 December 2013, RCI Banque's consolidated foreign exchange position reached 1 million.
The Group made no major changes to its foreign exchange risk management policy in 2013.

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 13-G).
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 €7 million at December 31, 2013, chiefly resulting from yen bond issues associated with the partial hedge of the investment in Nissan. This impact should be offset by a symetrical, opposite variation in the translation adjustment on the value of the investment in Nissan (note 19). The estimated impact on net income at December 31, 2013 is expected be unfavourable at €58 million.

Currency derivatives

	DECEMBER 31, 2013				DECEMBER 31, 2012			
(€ million)	**NOMINAL**	**-1 YR**	**1 – 5 YRS**	**+5 YRS**	**NOMINAL**	**-1 YR**	**1 – 5 YRS**	**+5 YRS**
Currency swaps – purchases	2,116	866	1,250	-	1,855	896	959	-
Currency swaps – sales	2,002	727	1,275	-	1,842	852	990	-
Forward purchases	17,970	17,970	-	-	15,106	15,106	-	-
Forward sales	17,979	17,979	-	-	15,103	15,103	-	-

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 Banque 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 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 2013.

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 (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.

Impacts are estimated by applying a 100 base point rise in interest rates over a one-year period to financial instruments reported in the closing statement of financial position.
The impact on shareholders' 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 a positive €55 million and €1 million respectively at December 31, 2013.
For the Sales Financing 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 a negative €51 million and a positive €33 million respectively at December 31, 2013. The impact on equity results mainly from the change in the fair value of swaps undertaken to hedge future cash flows.

Fixed rate/floating rate breakdown of financial liabilities and sales financing debts, after the effect of derivatives (excluding derivatives)

(€ million)	**DECEMBER 31, 2013**	**DECEMBER 31, 2012**
Fixed rate	16,895	19,085
Floating rate	16,456	13,593
TOTAL FINANCIAL LIABILITIES AND SALES FINANCING DEBTS (EXCLUDING DERIVATIVES)	**33,351**	**32,678**

Interest rate derivatives

	DECEMBER 31, 2013				**DECEMBER 31, 2012**			
(€ million)	**NOMINAL**	**-1 YR**	**1 - 5 YRS**	**+5 YRS**	**NOMINAL**	**-1 YR**	**1 - 5 YRS**	**+5 YRS**
Interest rate swaps	15,626	3,484	11,797	345	20,260	9,515	10,745	-
Other interest rate hedging instruments	-	-	-	-	-	-	-	-

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 2013.

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 the year-end would have an unfavourable impact of €104 million on shareholders' equity. The impact on net income is not significant at December 31, 2013.

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 are subject to volume, duration and price limits.

Commodity hedging transactions in progress at December 31, 2013 include forward purchases of aluminium, lead, copper, platinum and palladium. These transactions are classified for accounting purposes as cash flow hedges, and accordingly changes in their fair value are included in shareholders' equity. The Group had no outstanding commodity hedges at December 31, 2012.

Analysis of financial instruments' sensitivity to commodity risks

Financial instruments' accounting sensitivity to commodity risks results from derivatives used to hedge the Group's economic exposure to that risk.

A 10% increase in commodity prices for derivatives classified as hedging derivatives would have a positive impact of €6 million on shareholders' equity at December 31, 2013.

Commodity derivatives

	DECEMBER 31, 2013				**DECEMBER 31, 2012**			
(€ million)	**NOMINAL**	**-1 YR**	**1 – 5 YRS**	**+5 YRS**	**NOMINAL**	**-1 YR**	**1 – 5 YRS**	**+5 YRS**
Purchases of swaps	62	57	5	-	-	-	-	-

B6 Counterparty risk
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.
The counterparties for deposits are subject to special monitoring, unless this is impossible. Most deposits are with large network banks, as this allows a good spread of the risk and lowers the systemic risk. They are almost all overnight deposits, such that assets can be reallocated rapidly if there is stress on any counterparty.
The Group is not subject to any significant risk concentration for its operations on the financial and banking markets.
No losses were recorded in 2013 due to default by a banking counterparty.

V. Cash flows and other information

Note 26 – Cash flows

A – OTHER INCOME AND EXPENSES WITH NO IMPACT ON CASH

(€ million)	**2013**	**2012**
Net allocation to provisions	964	82
Net effects of sales financing credit losses	(57)	(63)
Net (gain) loss on asset disposals [1]	(153)	(928)
Change in fair value of redeemable shares	65	18
Change in fair value of other financial instruments	(61)	30
Deferred taxes	(10)	55
Other	67	18
OTHER INCOME AND EXPENSES WITH NO IMPACT ON CASH	**815**	**(788)**

(1) Including the €924 million gain on sale of the AB Volvo shares in 2012.

B – CHANGE IN WORKING CAPITAL

(€ million)	**2013**	**2012**
Decrease (increase) in net inventories	477	495
Decrease (increase) in Automotive net receivables	(92)	(10)
Decrease (increase) in other assets	(727)	(406)
Increase (decrease) in trade payables	18	451
Increase (decrease) in other liabilities	852	467
INCREASE (DECREASE) IN WORKING CAPITAL	**528**	**997**

C – CAPITAL EXPENDITURE

(€ million)	**2013**	**2012**
Purchases of intangible assets	(829)	(902)
Purchases of property, plant and equipment (other than assets leased to customers)	(1,681)	(2,274)
Total purchases for the period	**(2,510)**	**(3,176)**
Deferred payments	(239)	329
TOTAL CAPITAL EXPENDITURE	**(2,749)**	**(2,847)**

D – INTEREST RECEIVED AND PAID BY THE AUTOMOTIVE SEGMENT

(€ million)	**2013**	**2012**
Interest received	193	178
Interest paid	(443)	(391)
INTEREST RECEIVED AND PAID	**(250)**	**(213)**

Note 27 – 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)	**2013**	**2012**
Basic salary	1.2	1.2
Performance-related salary	1.4	1.0
Employer's social security charges	0.7	0.8
Complementary pension	1.0	0.5
Other components of remuneration	0.2	0.1
Total remuneration excluding stock options	**4.5**	**3.6**
Stock-option plans	0.5	0.3
Stock-option plans – effect of cancellations	-	-
Total stock option plans	**0.5**	**0.3**
Chairman and Chief Executive Officer	**5.0**	**3.9**

Directors' fees amounted to €1,099,825 in 2013 (€1,131,000 in 2012), of which €48,000 were paid for the Chairman and CEO's functions (€48,000 in 2012).

A2 Remuneration of Executive Committee members (other than the Chairman and Chief Executive Officer)

The remuneration and related benefits of members of the Executive Committee (other than the Chairman and Chief Executive Officer), were recognized in expenses as follows:

(€ million)	**2013**	**2012**
Basic salary	4.3	4.0
Retirement indemnities	0.0	1.0
Performance-related salary	4.0	2.6
Employer's social security charges	3.6	3.1
Complementary pension	3.8	2.0
Other	1.0	0.5
Total remuneration excluding stock options	**16.7**	**13.2**
Stock option plans	2.6	1.6
Stock option plans – effect of cancellations	-	-
Total stock option plans	**2.6**	**1.6**
Executive Committee members (other than the Chairman and CEO)	**19.3**	**14.8**

B – RENAULT'S INVESTMENTS IN ASSOCIATES

Details of Renault's investments in Nissan and AVTOVAZ are provided in notes 13 and 14-A respectively.

Note 28 – 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 (e.g. retirement and other employee benefits, litigations, etc.). Details of off-balance sheet commitments and contingent liabilities are provided below (note 28-A).
Renault also receives commitments from customers (deposits, mortgages, etc.) and may benefit from credit lines with credit institutions (note 28-B).

A – OFF-BALANCE SHEET COMMITMENTS GIVEN AND CONTINGENT LIABILITIES

A1 Ordinary operations

The Group is committed for the following amounts:

(€ million)	**DECEMBER 31, 2013**	**DECEMBER 31, 2012**
Sureties, endorsements and guarantees given	318	229
Financing commitments in favour of customers (1)	1,493	1,465
Firm investment orders	483	612
Lease commitments	369	396
Assets pledged, provided as guarantees or mortgaged, and other commitments (2)	110	124

(1) 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.
(2) 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, 2013**	**DECEMBER 31, 2012**
Less than 1 year	35	26
Between 1 and 5 years	199	212
More than 5 years	135	158
TOTAL	**369**	**396**

A2 Specific operations

End-of-life vehicles

The Group establishes provisions for its recycling obligations on a country-by-country basis, in accordance with regulatory requirements, as 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 favour. At December 31, 2013, Renault had not identified any significant risk in connection with these operations.
Following partial sales of subsidiaries in previous years, Renault holds put options covering some or all of the residual investment retained. The exercise of these options would not have a significant impact on the Group's financial statements.
Group companies are periodically subject to tax inspections in the countries in which they operate. Accepted 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 appeals undertaken may be unsuccessful.

B – OFF-BALANCE SHEET COMMITMENTS RECEIVED AND CONTINGENT ASSETS

(€ million)	**DECEMBER 31, 2013**	**DECEMBER 31, 2012**
Sureties, endorsements and guarantees received	2,088	1,872
Assets pledged or mortgaged (1)	2,636	2,290
Buy-back commitments (2)	1,759	1,791
Other commitments	16	31

(1) 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 €2,609 million at December 31, 2013 (€2,248 million at December 31, 2012).

(2) Commitments received by the Sales Financing segment for sale to a third party of rental vehicles at the end of the rental contract.

Off-balance sheet commitments received concerning confirmed opened credit lines are presented in note 23-A.

Note 29 – Fees paid to statutory auditors and their network

The fees paid to the Group's statutory auditors and their networks were as follows:

	E&Y NETWORK				DELOITTE NETWORK			
	AMOUNT		%		AMOUNT		%	
(€ thousands)	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Audit								
Statutory audit, certification, review of individual and consolidated accounts	**6,785**	**5,073**	**93.5%**	**87.9%**	**6,708**	**6,841**	**91.7%**	**91.1%**
• Renault SA and Renault s.a.s.	3,737	2,687	51.5%	46.6%	2,551	2,570	34.9%	34.2%
• Fully consolidated subsidiaries	3,048	2,386	42.0%	41.3%	4,157	4,271	56.8%	56.9%
Other work and services directly linked to the statutory auditor's mission	**409**	**618**	**5.6%**	**10.7%**	**376**	**544**	**5.1%**	**7.2%**
• Renault SA and Renault s.a.s.	99	238	1.3%	4.1%	47	169	0.6%	2.2%
• Fully consolidated subsidiaries	310	380	4.3%	6.6%	329	375	4.5%	5.0%
SUBTOTAL	**7,193**	**5,691**	**99.1%**	**98.6%**	**7,084**	**7,385**	**96.8%**	**98.3%**
Other services								
• Legal, tax, labour-related	63	83	0.9%	1.4%	209	125	2.9%	1.7%
• Other	-	-	-	-	26	-	0.3%	-
SUBTOTAL	**63**	**83**	**0.9%**	**1.4%**	**235**	**125**	**3.2%**	**1.7%**
TOTAL	**7,256**	**5,774**	**100%**	**100%**	**7,319**	**7,510**	**100%**	**100%**

Note 30 – Subsequent events

No significant events have occurred since the year-end.

Note 31 – Consolidated companies

A – FULLY CONSOLIDATED COMPANIES (SUBSIDIARIES)

RENAULT GROUP'S INTEREST (%)	COUNTRY	DECEMBER 31, 2013	DECEMBER 31, 2012
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 Bretagne	France	100	100
IDVU	France	100	100
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	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 Caterham (1)	France	-	100
Sofrastock International	France	100	100
Société de Transmissions Automatiques	France	100	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 (SCIA)	France	100	100
SODICAM 2	France	100	100
Technologie et Exploitation Informatique (TEI)	France	100	100
Europe			
Renault Deutsche AG and subsidiaries	Germany	100	100
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 Espana Comercial SA (RECSA) and subsidiaries	Spain	100	100
Renault Espana SA and subsidiaries	Spain	100	100

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.	Netherlands	100	100
Renault Nederland	Netherlands	100	100
Renault Polska	Poland	100	100
Cacia	Portugal	100	100
Renault Portuguesa and subsidiaries	Portugal	100	100
Renault Ceska Republica and subsidiaries	Czech Republic	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
Renault Slovakia	Slovakia	100	100
Renault-Nissan Slovenia d.o.o.	Slovenia	100	100
Revoz	Slovenia	100	100
Renault Nordic	Sweden	100	100
Renault Finance	Switzerland	100	100
Renault Suisse SA and subsidiaries	Switzerland	100	100
Americas			
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–Pacific			
Renault Beijing Automotive Company	China	100	100
Renault Samsung Motors	South Korea	80	80
Renault Private Ltd	India	100	100
Renault Pars	Iran	-	51
Euromed–Africa			
Renault South Africa and subsidiaries (2)	South Africa	-	51
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 (3)	Romania	-	99
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	100	100
Remosprom	Russia	100	100
Renault Ukraine	Ukraine	100	100
SALES FINANCING			
France			
Cogéra [(3)]	France	-	100
Diac	France	100	100
Diac Location	France	100	100
RCI Banque and branches	France	100	100
Sogesma	France	100	100
Europe			
RCI Versicherungs Service GmbH	Germany	100	100
RCI Financial Services S.A.	Belgium	100	100
Renault AutoFin S.A.	Belgium	100	100
Overlease	Spain	100	100
ES Mobility SRL	Italy	100	100
RCI Zrt Hongrie	Hungary	100	100
RCI Insurance Ltd	Malta	100	100
RCI Life Ltd	Malta	100	100
RCI Services Ltd	Malta	100	100
RCI Financial Services B.V.	Netherlands	100	100
RCI Bank Polska	Poland	-	100
Renault Credit Polska Sp. Z.o.o.	Poland	100	100
RCI Gest Instituiçao Financiora de Credito SA.	Portugal	100	100
RCI Gest Seguros – Mediadores de Seguros	Portugal	100	100
RCI Finance CZ s.r.o.	Czech Republic	100	100
RCI Financial Services s.r.o. [(4)]	Czech Republic	50	-
RCI Financial Services Ltd	United Kingdom	100	100
Renault Acceptance Ltd [(3)]	United Kingdom	-	100
RCI Finance S.A.	Switzerland	100	100
Americas			
Courtage S.A.	Argentina	100	100
Rombo Compania Financiera	Argentina	60	60
Companhia de Arrendamento Mercantil RCI do Brasil	Brazil	60	60
Companhia de Crédito, Financiamento e Investimento RCI do Brasil	Brazil	60	60
Administradora de Consorcio Renault do Brasil	Brazil	100	100
Corretora de Seguros RCI do Brasil	Brazil	100	100
Asia–Pacific			
RCI Financial Services Korea	South Korea	100	100

Euromed–Africa			
RCI Finance Maroc	Morocco	100	100
RDFM	Morocco	100	-
RCI Broker De Asigurare	Romania	100	100
RCI Finantare Romania	Romania	100	100
RCI Leasing Romania IFN	Romania	100	100
Eurasie			
OOO RN FINANCE RUS	Russia	100	-

B – COMPANIES CONSOLIDATED BASED ON THE PERCENTAGE SHARE SPECIFIC TO EACH BALANCE SHEET AND INCOME STATEMENT ITEM (JOINT OPERATIONS) [5]

RENAULT GROUP'S INTEREST (%)	COUNTRY	DECEMBER 31, 2013	DECEMBER 31, 2012
AUTOMOTIVE			
Société des Automobiles Alpine Caterham [1]	France	50	-
Renault-Nissan Technology and Business Centre India Private Limited (RNTBCI)	India	67	67

C – COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD (ASSOCIATES AND JOINT VENTURES) [5]

RENAULT GROUP'S INTEREST (%)	COUNTRY	DECEMBER 31, 2013	DECEMBER 31, 2012
AUTOMOTIVE			
Boone Comenor	France	33	33
Française de Mécanique [5] [6]	France	-	-
Indra Investissements [5]	France	50	-
Renault-Nissan Automotive India Private Limited	India	30	30
Nissan group	Japan	43,7	43,7
Alliance Rostec Auto B.V.	Russia	48,2	-
AVTOVAZ group	Russia	35,9	25
MAIS	Turkey	49	49
Renault South Africa and subsidiaries [2]	South Africa	40	-
SALES FINANCING			
Renault Credit Car [5]	Belgium	50	-
Nissan Renault Finance Mexico. [6]	Mexico	-	15
Orfin Finansman Anonim Sirketi	Turkey	50	-

(1) Société des Automobiles Alpine Caterham: joint venture consolidated based on the percentage share specific to each balance sheet and income statement item since the sale of a 50% stake to the new partner in June 2013.

(2) Renault South Africa: associate accounted for under the equity method since transfer of control to Renault's partner in December 2013.

(3) Cogera, Renault Acceptance Ltd and Renault Industrie Roumanie: subsidiaries absorbed in 2013 by fully consolidated companies.

(4) RCI Financial Services s.r.o.: fully consolidated since acquisition of control in October 2013.

(5) Française de Mécanique, Indra Investissements, and Renault Credit Car: in application of IFRS 11 "Joint Arrangements", these joint ventures are accounted for under the equity method in 2013. They were proportionately consolidated in the 2012 financial statements (note 2-A2).

(6) Française de Mécanique and Nissan Renault Finance Mexico: these investments were sold in 2013.

(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>

(2) FINANCIAL STATEMENTS
Income statement

(€ million)	**2013**	**2012**
Operating expenses	(35)	(28)
Increases to provisions	(3)	(10)
NET OPERATING EXPENSE	**(38)**	**(38)**
Investment income	1,741	683
Increases to provisions related to investments	19	
INVESTMENT INCOME AND EXPENSES (NOTE 2)	**1,760**	**683**
Foreign exchange gains	40	1
Foreign exchange losses	(29)	(83)
Reversals from provisions for exchange risks	24	114
FOREIGN EXCHANGE GAINS AND LOSSES (NOTE 3)	**35**	**32**
Interest and equivalent income	8	4
Interest and equivalent expenses	(303)	(292)
Reversals of provisions and transfers of charges	21	56
Expenses on sales of marketable securities	(9)	
Depreciation and provisions	(8)	(6)
OTHER FINANCIAL INCOME AND EXPENSES (NOTE 4)	**(291)**	**(238)**
NET FINANCIAL INCOME	**1,504**	**477**
PRE-TAX INCOME BEFORE EXCEPTIONAL ITEMS	**1,466**	**439**
Exceptional income on capital transactions	9	
NET EXCEPTIONAL ITEMS	**9**	
INCOME TAX (NOTE 5)	**189**	**135**
NET INCOME	**1,664**	**574**

BALANCE SHEET

			2013	2012
ASSETS (*€ million)*	**GROSS**	**DEPRECIATION, AMORTISATION & PROVISIONS**	**NET**	**NET**
Investments stated at equity	6,880		6,880	9,153
Other investments (Note 6)	7,255	38	7,217	7,217
Advances to subsidiaries and affiliates (Note 7)	11,287	2	11,285	10,043
FINANCIAL ASSETS	**25,422**	**40**	**25,382**	**26,413**
TOTAL FIXED ASSETS	**25,422**	**40**	**25,382**	**26,413**
RECEIVABLES (Note 9)	**387**	**11**	**376**	**378**
MARKETABLE SECURITIES (Note 8)	**146**	**1**	**145**	**149**
CASH AND CASH EQUIVALENTS	**41**		**41**	**38**
OTHER ASSETS (NOTE 9)	**37**		**37**	**71**
TOTAL ASSETS	**26,033**	**52**	**25,981**	**27,049**

SHAREHOLDERS' EQUITY AND LIABILITIES (*€ million)*	**2013**	**2012**
Share capital	1,127	1,127
Share premium	4,783	4,783
Revaluation surplus		9
Equity valuation difference	1,064	3,337
Legal and tax basis reserves	112	112
Retained earnings	6,439	6,367
Net income	1,664	574
SHAREHOLDERS' EQUITY (NOTE 10)	**15,189**	**16,309**
REDEEMABLE SHARES (NOTE 11)	**129**	**129**
PROVISIONS FOR RISKS AND LIABILITIES (NOTE 12)	**92**	**122**
Bonds	6,082	5,728
Borrowings from credit institutions	1,276	1,364
Other loans and financial debts	2,424	2,875
FINANCIAL LOANS AND BORROWINGS (NOTE 13)	**9,782**	**9,967**
OTHER LIABILITIES (NOTE 14)	**487**	**428**
DEFERRED INCOME (NOTE 15)	**302**	**94**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**25,981**	**27,049**

STATEMENT OF CHANGES IN CASH

(€ million)	**2013**	**2012**
Cash flow (Note 19)	1,652	468
Change in working capital requirements	74	
CASH FLOW FROM OPERATING ACTIVITIES	**1,726**	**468**
Net decrease/(increase) in other investments	(33)	(3)
Net decrease/(increase) in loans	(1,227)	(718)
Net decrease/(increase) in marketable securities	9	
CASH FLOW FROM INVESTING ACTIVITIES	**(1,251)**	**(721)**
Bond issues	1,756	1,951
Bond redemptions	(1,183)	(993)
Net increase/(decrease) in other interest-bearing borrowings	(547)	(359)
Dividends paid to shareholders	(502)	(338)
Bond issuance expenses and redemption premiums	(5)	(6)
CASH FLOW FROM FINANCING ACTIVITIES	**(481)**	**255**
CASH AND CASH EQUIVALENTS: OPENING BALANCE	**11**	**9**
Increase/(decrease) in cash and cash equivalents	(6)	2
CASH AND CASH EQUIVALENTS: CLOSING BALANCE	**5**	**11**

NOTES TO THE FINANCIAL STATEMENTS

1 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. These shares are subject to a provision for expenses, corresponding to the difference between the value of shares (acquisition or net worth on the date of reassignment price) and the exercice price of the options for beneficiaries, therefore the exercice price of the option is less than the acquisition cost.

Treasury shares not allocated to a specific plan are also included in marketable securities. Impairment is recorded if the stock market price falls below the book value.

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).

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. A contingent liability, in contrast, 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.

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.

2 INVESTMENT INCOME AND EXPENSES

Details are as follows:

(€ million)	**2013**	**2012**
Dividends received from Renault s.a.s.	1,095	
Dividends received from Nissan Motor Co Ltd	405	426
Other dividends received	102	94
Interest on loans	139	163
Increases to provisions related to subsidiaries and affiliates	19	
TOTAL	**1,760**	**683**

All interest on loans concerns Group subsidiaries.

3 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 2013 mainly comprise the following:

- a foreign exchange loss of €10 million on redemption of the bond issued on January 23, 2008 (nominal value 5 billion yen);
- a foreign exchange gains of €34 million on redemption of the bond issued on December 20, 2011 (nominal value 15.4 billion yen);
- a foreign exchange gains of €3 million on redemption of the bond issued on December 09, 2010 (nominal value 7 billion yen);
- a foreign exchange loss of €13 million on redemption of swap related to the bond issued in Renminbi Yuan for €3 million and issued in yen for €10 million;
- a foreign exchange loss of €3 million on dividend payments in RON (Romanian Leu) and COP (Colombian peso New);
- a provision of €2 million for unrealised foreign exchange losses concerning diverse loans in yens and an amount of €26 million reversed from provisions booked in 2012.

Foreign exchange gains and losses in 2012 included a net loss of €82 million.

4 OTHER FINANCIAL INCOME AND EXPENSES

Other financial income and expenses generated a net loss of €291 million in 2013 (compared to a loss of €238 million in 2012) and mainly comprise net interest payments of €303 million on Renault borrowings after swaps and €8 million reversed from impairment recorded in respect of treasury shares.

Details of interest paid and other similar expenses are as follows:

(€ million)	**2013**	**2012**
Net accrued interest after swaps on bonds *	(217)	(193)
Net accrued interest after swaps on borrowings from credit institutions	(27)	(40)
Accrued interest on termination of borrowings from subsidiaries	(2)	(7)
Accrued interest on redeemable shares	(17)	(17)
Other financial expenses	(6)	
Other (treasury notes and brokers commissions)	(34)	(35)
TOTAL	**(303)**	**(292)**

* *The net interest on bonds comprises accrued and paid interest amounting to €331 million (€292 million in 2012), and accrued and received interest on swaps amounting to €114 million (€99 million in 2012).*

In 2013, the €217 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 23, 2010;
- €25 million on the bond issued on September 18, 2012;
- €17 million on the bond issued on June 30, 2010;
- €16 million on the bond issued on May 25, 2011;
- €14 million on the bond issued on September 20, 2010;
- €12 million on the bond issued on December 05, 2012.

The net interest receivable on the swapped portion of bonds and borrowings from credit institutions amounted to €34 million: €132 million on the paying leg and €98 million on the receiving leg.

5 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, the 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.

Tax losses can now only be carried forward against taxable income up to the amount of €1 million plus 50% 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 to all losses existing, whatever their origin.

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 €759 million (€210 million decrease than in 2012).

Section 16 of the Finance Law for 2014 raises the rate of exceptional contribution to 10.7% of the amount of income tax by entities with sales revenues of over €250 million. This measure is effective for periods ending on or after December 31, 2013 until December 30, 2015. 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 2013 was €189 million including the income tax proceeds paid by the subsidiaries of Renault SA as if they were imposed separately for an amount of €195 million for the domestic tax consolidation. Note that if the Renault SA was imposed separately, it would have paid an amount of €28 million, an overall tax expense of €223 million before deducting losses of the Group.

So, the income tax can be analyzed as follows:

		TAXES					NET INCOME	
(€ million)	**PRE-TAX INCOME**	**THEORETICAL**	**NETTING**	**CREDIT GENERATED**	**NET TAX CREDIT**	**TAX DUE**	**THEORETICAL**	**AS BOOKED**
Current income subject to normal rate	1,475	28				(28)	1,447	1,447
Tax consolidation						223		223
Impairment						(9)		(9)
Other						3		3
TOTAL	**1,475**	**28**	0	0	0	**189**	**1,447**	**1,664**

The deferred taxes Renault SA are as follows:

(€ million)	**2013**		**2012**		**VARIATIONS**	
	ASSETS (1)	**LIABILITIES** (2)	**ASSETS** (1)	**LIABILITIES** (2)	**ASSETS**	**LIABILITIES**
Temporarily non-deductible expenses						
Provisions for risks and liabilities	32		44		(12)	
Expenses deducted (or taxed income)		28		16		12
Not yet recognised for accounting purposes	95	9	30	13	65	(4)
TOTAL	**127**	**37**	**74**	**29**	**53**	**8**

(1) i.e. future tax credit.
(2) i.e. future tax charge.

6 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	11		11
Investment in Daimler	584		584
Other investments	13	25	38
TOTAL BEFORE PROVISIONS	**7,230**	**25**	**7,255**
Impairment	(13)	(25)	(38)
TOTAL NET	**7,217**		**7,217**

7 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)	
Dividends receivable		1		1
Loans	10,053	2,820	(1,587)	11,286
TOTAL BEFORE PROVISIONS (1)	**10,058**	**2,821**	**(1,592)**	**11,287**
Impairment	(15)		13	(2)
TOTAL NET	**10,043**	**2,821**	**(1,579)**	**11,285**
(1) Current portion (less than one year).	9,988			11,231
Long-term portion (over 1 year).	70			56

Loans include:
- €6,128 million in short-term investments with Renault Finance (€6,106 million in 2012);
- €25 million in long-term loans to Renault s.a.s. (identical to 2012);
- €5,133 million in current accounts resulting from centralised cash management agreements with Group subsidiaries (€3,922 million in 2012).

All loans relate to Group subsidiaries.

8 MARKETABLE SECURITIES

Marketable securities primarily include €145 million for Renault SA's treasury shares.

Changes in treasury shares were as follows:

	AT START OF YEAR	OPTIONS EXERCISED AND AWARDS	SHARES PURCHASED	TRANSFERS TO OTHER FINANCIAL ASSETS	IMPAIRMENT (REVERSALS)	AT YEAR-END
Number of shares	4,059,255	274,950				3,784,305
Shares allocated	76	(9)		46		113
Shares not allocated	87			(55)		32
Gross value (€ million)	**163**	**(9)**		**(9)**		**145**
Impairment (€ million)	**(14)**			**9**	**5**	
TOTAL	**149**	**(9)**			**5**	**145**

9 RECEIVABLES AND OTHER ASSETS

Receivables mainly comprise:

- an unbilled receivable of €63 million for stock options (€46 million in 2012), under the reinvoicing agreement between Renault SA and Renault s.a.s. introduced in 2012;
- tax receivables:

(€ million)	AT START OF YEAR	INCREASES	DECREASES	AT YEAR-END
RECEIVABLES TAX				
Deposit: Income tax	10		(10)	
CIR: Research tax credit	314	137	(188)	263
CICE: Competitive employment tax credit		36		36
Other receivables tax	15	10		25
TOTAL BEFORE PROVISIONS	**339**	**183**	**(198)**	**324**
IMPAIRMENT				
CIR: Research tax credit	(7)	(7)	5	(9)
CICE: Competitive employment tax credit		(2)		(2)
	(7)	**(9)**	**5**	(11)
TOTAL NET	**332**	**174**	**(193)**	**313**

The decreases consist mainly of the partial assignment of the debt CIR (Research Tax Credit) for the years 2011 and 2012 to a value of €188 million.

The major components of Other Assets are:

(€ million)	AT START OF YEAR	INCREASES	DECREASES	AT YEAR-END
OTHER ASSETS				
Deferred charges	23	5	(5)	23
Redemption premiums amounting	10		(5)	5
Unrealized losses	38	9	(38)	9
TOTAL	**71**	**14**	**(48)**	**37**

- deferred charges consist of final payments and issuance expenses on various loans;
- redemption premiums, mainly on several long-term bonds (5 to 7 years);
- translation adjustments essentially resulting from unrealised foreign exchange losses, covered by provision, on bonds swapped to yen.

10 SHAREHOLDERS' EQUITY

Changes in shareholders' equity were as follows:

(€ million)	BALANCE AT START OF YEAR	ALLOCATION OF 2012 NET INCOME	DIVIDENDS	2013 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	3,337				(2,273)	1,064
Legal and tax basis reserves	112					112
Retained earnings	6,367	574	(502)			6,439
Net income	574	(574)		1,664		1,664
TOTAL	**16,309**		**(502)**	**1,664**	**(2,282)**	**15,189**

Non-distributable reserves amounted to €1,176 million at December 31, 2013.

Renault SA's shareholding structure was as follows at December 31, 2013:

	OWNERSHIP STRUCTURE		VOTING RIGHTS	
	NUMBER OF SHARES HELD	% OF CAPITAL	NUMBER	%
French state	44,387,915	15.01%	44,387,915	17.93%
Employees	7,720,720	2.61%	7,720,720	3.12%
Treasury shares	3,784,305	1.28%		
Nissan	44,358,343	15.00%		
Daimler	9,167,391	3.10%	9,167,391	3.70%
Other	186,303,610	63.00%	186,303,610	75.25%
TOTAL	**295,722,284**	**100%**	**247,579,636**	**100%**

The par value of the 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.

During 2013, no new stock option plan or bonus share has been established. 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

	2013			2012		
	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	**5,156,196**	**76**		**8,595,407**	**70**	
Granted	297,800	37	40	350,000	31	33
Exercised	-	-	-	-	-	-

Expired	(1,610,225)	69	N/A	(3,789,211)	59	N/A
OUTSTANDING AT DECEMBER 31	**3,843,771**	**76**		**5,156,196**	**76**	

B - Options and free share attribution rights yet to be exercised at December 31, 2013

PLAN	TYPE OF PLAN	GRANT DATE	EXERCISE PRICE (€)	OUTSTANDING	EXERCISE PERIOD
Plan 12	Stock subscription options	May 4, 2006	87.98	1,280,553	May 5, 2010 – May 5, 2014
Plan 14	Stock subscription options	December 5, 2006	93.86	1,486,806	December 6, 2010 – December 4, 2014
Plan 18	Stock purchase options	April 29, 2011	38.80	478,612	April 30, 2015 – April 28, 2019
Plan 18 bis	Attribution of free shares	April 29, 2011		1,092,545 94,800	April 30, 2014 – April 30, 2016 April 30, 2015
Plan 19	Stock purchase options	December 8, 2011	26.87	150,000	December 9, 2015 – December 7, 2019
Plan 19 bis	Attribution of free shares	December 8, 2011		27,000	December 8, 2015
Plan 20	Stock purchase options	December 13, 2012	37.43	447,800	December 13, 2016 – December 12, 2020
Plan 20 bis	Attribution of free shares	December 13, 2012		584,400 86,800	December 13, 2014 – December 12, 2016 December 13, 2016

11 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 to 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, 2013, 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 €392.00 at December 31, 2013 (€312.05 at December 31, 2012).
The 2013 return on redeemable shares, amounting to €17 million (€17 million in 2012) is included in interest and equivalent expenses.

12 PROVISIONS FOR RISKS AND LIABILITIES

Provisions for risks and liabilities break down as follows:

(€ million)	**2012**	**INCREASES**	**REVERSALS**	**2013**
Foreign exchange losses	26	3	(26)	3
Provisions for expenses (1)	54	31	(10)	75
Other provisions for risks (2)	42		(28)	14
TOTAL	**122**	**34**	**(64)**	**92**
Current (less than 1 year)	*59*			*8*
Long-term (over 1 year)	*63*			*84*

(1) A provision of €75 million was booked at December 31, 2013 (€54 at December 31, 2012) after it was decided to allocate free shares and stock options. Under a reinvoicing agreement introduced between Renault SA and Renault s.a.s., a €63 million share of this provision is considered as an unbilled receivable on the subsidiary Renault s.a.s (€46 million in 2012).
(2) Other provisions mainly consist of provisions for risks related to investments.

Each known 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.

13 FINANCIAL LOANS AND BORROWINGS

A - Bonds

Bonds amounted to €6,082 million at December 31, 2013 (€5,728 million at December 31, 2012).

The principal changes in bonds over 2013 were as follows:

- issuance on April 04, 2013 of a 3-year bond with total nominal value of 7 billion yen, at the fixed rate of 2.15%;
- issuance on April 11, 2013 of a 3-year bond with total nominal value of 750 billion Renminbi Yuan, at the fixed rate of 4.65% (swapped to Euros at the fixed rate of 3.17%);
- issuance on June 12, 2013 of a 2-year bond with total nominal value of 38 billion yen, at the fixed rate of 1.92%;
- issuance on September 19, 2013 of a 5-year bond with total nominal value of €600 million, at the fixed rate of 3.625% (swapped to a floating rate of Eonia +2.6465%);
- issuance on October 30, 2013 of a 3-year bond with total nominal value of 7 billion yen, at the fixed rate of 1.78%;
- issuance on November 15, 2013 of a 5-year bond with total nominal value of €300 million, at the fixed rate of 3.625% (swapped to a floating rate of 3-month Euribor +271.6 bp);
- issuance on November 28, 2013 of a 2-year bond with total nominal value of 49.6 billion yen, at the fixed rate of 1.37%;
- redemption of the January 23, 2008 5-year bond totalling 5 billion yen at the fixed rate of 2.09%;
- redemption of the February 4, 2010 3-year bond totalling 10 billion yen at the fixed rate of 2.53%, swapped to Euros at the fixed rate of 4.28%;
- redemption of the April 16, 2008 5-year bond totalling €300 million at the fixed rate of 4.375%;
- redemption of the May 24, 2006 7-year bond totalling €500 million at the fixed rate of 4.375%, swapped to a floating rate of 3-month Euribor +0.4744;
- redemption of the June 25, 2010 3-year bond totalling 7 billion yen at the fixed rate of 2.76%, swapped to a floating rate of 3-month Euribor +257.5 bp;
- redemption of the December 09, 2008 5-year bond totalling 7 billion yen at the floating rate of 3-month Libor +3.2%;
- redemption of the December 20, 2011 2-year bond totalling 15.4 billion yen at the fixed rate of 3.43%.

Breakdown by maturity

	DECEMBER 31, 2013						
(€ million)	**TOTAL**	**- 1 YR**	**1 TO 2 YRS**	**2 TO 3 YRS**	**3 TO 4 YRS**	**4 TO 5 YRS**	**+5 YRS**
Nominal value	6,025	1,504	1,324	937	1,360	900	0
Accrued interest	57	57					
TOTAL	**6,082**	**1,561**	**1,324**	**937**	**1,360**	**900**	0

	DECEMBER 31, 2012						
(€ million)	**TOTAL**	**- 1 YR**	**1 TO 2 YRS**	**2 TO 3 YRS**	**3 TO 4 YRS**	**4 TO 5 YRS**	**+5 YRS**
Nominal value	5,671	1,183	1,640	738	750	1,360	0
Accrued interest	57	57					
TOTAL	**5,728**	**1,240**	**1,640**	**738**	**750**	**1,360**	0

Breakdown by currency

(€ million)	DECEMBER 31, 2013 BEFORE DERIVATIVES	DECEMBER 31, 2013 AFTER DERIVATIVES	DECEMBER 31, 2012 BEFORE DERIVATIVES	DECEMBER 31, 2012 AFTER DERIVATIVES
Euro	4,561	4,809	4,461	4,760
Yen	1,273	1,273	1,111	968
CNY	248		156	
TOTAL	**6,082**	**6,082**	**5,728**	**5,728**

Breakdown by interest rate type

(€ million)	DECEMBER 31, 2013 AFTER DERIVATIVES	DECEMBER 31, 2012 AFTER DERIVATIVES
Fixed rate	3,656	3,284
Floating rate	2,426	2,444
TOTAL	**6,082**	**5,728**

B - Borrowings from credit institutions

Borrowings from credit institutions stood at €1,276 million at December 31, 2013 (€1,364 million at December 31, 2012) and are mainly contracted on the market.

The principal changes in bonds over 2013 were as follows:

- subscription on March 28, 2013 of a 5-year bond with total nominal value of €50 million at the fixed rate of 3.597%, swapped to the floating rate Eonia +306.6 bp;
- subscription on April 19, 2013 of a 5-year bond with total nominal value of €35 million at the floating rate of 3-month Euribor +270 bp;
- subscription on May 30, 2013 of a 6-year bond with total nominal value of €300 million at the fixed rate of 2.156%, swapped to the floating rate Eonia +171.5833 bp;
- subscription on May 30, 2013 of a 3-year bond with total nominal value of €100 million at the fixed rate of 1.864%, swapped to the floating rate Eonia +164.2 bp;
- subscription on August 30, 2013 of a 5-year bond with total nominal value of €50 million at the floating rate of 3-month Euribor +240 bp;
- redemption on March 31, 2013 of a 4-year bond with total nominal value of €400 million, at the fixed rate of 4.397%;
- redemption on June 19, 2013 of a 5-year bond with total nominal value of €178 million, at the floating rate of 3-month Euribor +1.10%;
- redemption on November 22, 2013 of a 3-year bond with total nominal value of $68 million, at the fixed rate of 3.04%, swapped to the floating rate 3-month Euribor +185 bp.

Breakdown by maturity

	DECEMBER 31, 2013						
(€ million)	TOTAL	- 1 YR	1 TO 2 YRS	2 TO 3 YRS	3 TO 4 YRS	4 TO 5 YRS	+ 5 YRS
Nominal value	1,265	266	122	293	137	141	306
Accrued interest	11	11					
TOTAL	**1,276**	**277**	**122**	**293**	**137**	**141**	**306**

	DECEMBER 31, 2012						
(€ million)	TOTAL	- 1 YR	1 TO 2 YRS	2 TO 3 YRS	3 TO 4 YRS	4 TO 5 YRS	+ 5 YRS
Nominal value	1,353	659	230	122	193	137	12
Accrued interest	11	11					
TOTAL	**1,364**	**670**	**230**	**122**	**193**	**137**	**12**

Breakdown by currency

(€ million)	DECEMBER 31, 2013 BEFORE DERIVATIVES	DECEMBER 31, 2013 AFTER DERIVATIVES	DECEMBER 31, 2012 BEFORE DERIVATIVES	DECEMBER 31, 2012 AFTER DERIVATIVES
Euro	1,276	1,276	1,314	1,364
Other currencies			50	
TOTAL	**1,276**	**1,276**	**1,364**	**1,364**

Breakdown by interest rate type

(€ million)	DECEMBER 31, 2013 AFTER DERIVATIVES	DECEMBER 31, 2012 AFTER DERIVATIVES
Fixed rate	41	450
Floating rate	1,235	914
TOTAL	**1,276**	**1,364**

Borrowings from credit institutions maturing within one year include €36 million in bank credit balances.

C - Other loans and financial debts

Other loans and financial debts amounted to €2,424 million at December 31, 2013 (€2,875 million in 2012), and principally comprise:

- borrowings from Group subsidiaries with surplus cash;
- treasury notes amounting to €64 million.

No loans or financial debts are secured.

D – Liquidity risk

The automotive operating 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 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 automotive operating segment through long-term resources via the capital markets (bond issues, private placements), bank financing, or short-term financing such as treasury notes.

Renault SA also has confirmed credit agreements with banking establishments (see note 18).

The contractual documentation for these financing arrangements and credit agreements contains no clause that might adversely affect credit availability as a result of a change in Renault's credit rating or financial ratio compliance.

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.

14 OTHER LIABILITIES

Changes in other liabilities were as follows:

(€ million)	2013	2012	VARIATION 2013/2012
Tax liabilities	480	422	58
Liabilities related to other assets	5	5	
Other liabilities	2	1	1
TOTAL	**487**	**428**	**59**

The €58 million change in tax liabilities results from a €23 million decrease in tax liabilities and a €81 million increase in the liability for tax liabilities payable to subsidiaries under the French domestic tax consolidation system.

15 DEFERRED INCOME

Deferred income mainly comprises unrealised foreign exchange gains on borrowings issued in yen or swapped to yen, totalling €277 million.

16 INFORMATION CONCERNING RELATED COMPANIES

"Related companies" are all entities consolidated in the Group's financial statements, whatever is the consolidation method.

Income statement

	2013		2012	
(€ million)	**TOTAL**	**RELATED COMPANIES**	**TOTAL**	**RELATED COMPANIES**
Interest on loans	139	126	163	162
Interest and equivalent expenses	(303)	45	(292)	24
Reversals of provisions and transfers of charges	91		205	

Balance sheet

	2013		2012	
(€ million)	**TOTAL**	**RELATED COMPANIES**	**TOTAL**	**RELATED COMPANIES**
Loans	11,286	11,196	10,058	9,993
Receivables	387	63	385	46
Cash and cash equivalents	41		38	
Borrowings from credit institutions	1,276		1,364	
Loans and financial debts	2,424	2,336	2,875	2,645
Other liabilities	487	479	428	398

17 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)***	**2013**	**2012**
FOREIGN EXCHANGE RISKS		
CURRENCY SWAPS		
Purchases	246	297
with Renault Finance	*246*	*297*
Sales	240	302
with Renault Finance	*240*	*302*
OTHER FORWARD EXCHANGE CONTRACTS AND OPTIONS		
Purchases	515	85
with Renault Finance	*515*	*85*
Sales	541	85
with Renault Finance	*541*	*85*
INTEREST RATE RISKS		
Interest rate swaps	3,679	2,653
with Renault Finance	*3,099*	*2,567*

Currency risk:

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.

Rate risk:
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 undertaken via 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:

	2013		2012	
AT DECEMBER 31 (*€ million*)	**BALANCE SHEET VALUE**	**FAIR VALUE**	**BALANCE SHEET VALUE**	**FAIR VALUE**
ASSETS				
Other gross financial fixed assets(1)				
Marketable securities, gross (1)	146	221	164	165
Loans	11,286	11,307	10,053	10,071
Cash and cash equivalents	41	41	38	38
LIABILITIES				
Redeemable shares	129	313	129	249
Bonds	6,082	6,359	5,728	6,015
Other interest-bearing borrowings (2)	3,700	3,604	4,239	4,189

(1) Including treasury shares.
(2) Excluding redeemable shares.

C - Estimated fair value of off-balance sheet financial instruments

	2013		2012	
AT DECEMBER 31 (€ MILLION)	**ASSETS**	**LIABILITIES**	**ASSETS**	**LIABILITIES**
Forward exchange contracts	539	(514)	102	(103)
with Renault Finance	*539*	*(514)*	*102*	*(103)*
Currency swaps	246	(249)	362	(351)
with Renault Finance	*246*	*(249)*	*362*	*(351)*
Interest rate swaps	76	(4)	134	(3)
with Renault Finance	*76*	*(4)*	*131*	

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, 2013 and December 31, 2012 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 plus the credit spread of the borrower at December 31, 2013 and December 31, 2012 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 and of currency swaps is determined by discounting future cash flows, using market curves (exchange and interest risk free rate) respectively on December 31, 2013 and December 31, 2012 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 to each contract, are taken into account at December 31, 2013 and December 31, 2012.

18 OTHER COMMITMENTS AND CONTINGENCIES

Off-balance-sheet commitments are as follows:

	2013		2012	
(€ million)	**TOTAL**	**CONCERNING RELATED COMPANIES**	**TOTAL**	**CONCERNING RELATED COMPANIES**
COMMITMENTS RECEIVED				
Unused credit lines	3,435		3,485	
TOTAL	**3,435**		**3,485**	
COMMITMENTS GIVEN				
Guarantees and deposits	786	712	782	712
TOTAL	**786**	**712**	**782**	**712**

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 (€59 million at December 31, 2013).
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).

19 CASH FLOW

Cash flow is determined as follows:

(€ million)	**2013**	**2012**
Net income	1,664	574
Increases to provisions and deferred charges	9	11
Net increase to provisions for risks and liabilities	(30)	(61)
Net increases to impairment	9	(56)
TOTAL	**1,652**	**468**

20 WORKFORCE
Renault SA has no employees.

21 DIRECTORS' FEES
Directors' fees amounted to €1,099,825 in 2013 (€1,070,563 paid for 2012), of which €48,000 were for the function of Chairman (€48,000 in 2012).

22 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	4,223	100%	6,073
Dacia (1)	568	169	99.43%	783
Sofasa (2)	1	126	23.71%	24
TOTAL INVESTMENTS				**6,880**

(1) The exchange rate used for Dacia is 4,471 Romanian lei = 1 euro.
(2) The exchange rate used for Sofasa is 2,658 Colombian pesos = 1 euro.

OTHER INFORMATION – INVESTMENTS STATED AT EQUITY *(€ MILLION)*

COMPANIES	OUTSTANDING LOANS AND ADVANCES FROM RENAULT SA	SALES REVENUES EXCLUDING TAXES 2013	NET INCOME (LOSS), PRIOR YEAR	DIVIDENDS RECEIVED BY RENAULT SA IN 2013
INVESTMENTS				
Renault s.a.s.	2,479	33,590	(1,228)	1,095
Dacia (3)		4,164	75	58
Sofasa (4)		934	35	4

(3) The exchange rate used for Dacia is 4.4193 Romanian lei = 1 euro.
(4) The exchange rate used for Sofasa is 2,482.99 Colombian pesos = 1 euro.

ACQUISITION OF INVESTMENTS

See note 6.

Five-year financial highlights

(€ million)	**2009**	**2010**	**2011**	**2012**	**2013**
YEAR-END FINANCIAL POSITION					
Share capital	1,086	1,127	1,127	1,127	1,127
Number of shares and investment certificates outstanding	284,937,118	295,722,284	295,722,284	295,722,284	295,722,284
OVERALL INCOME FROM OPERATIONS					
Income before tax, amortisation, depreciation and provisions (1)	(1,179)	143	(51)	288	1,429
Income tax	92	163	164	135	189
Income after tax, amortisation, depreciation and provisions	49	168	277	574	1,664
Dividends paid		87	339	502	
EARNINGS PER SHARE IN EUROS					
Earnings before tax, amortisation, depreciation and provisions (1)	(4.14)	0.48	(0.17)	0.97	4.83
Earnings after tax, amortisation, depreciation and provisions	0.17	0.57	0.94	1.94	5.63
Net dividend per share		0.30	1.16	1.72	
EMPLOYEES (2)					

(1) Provisions are those recorded during the year, less reversals and applications.
(2) No employees.

2. Details of Major Assets and Liabilities

See the accompanying Notes to the Accounts.

3. Other

(1) RECENT DEVELOPMENTS

(i) QUARTERLY INFORMATION, MARCH 31, 2014 (press release dated April 24, 2014)

The Renault group reported a 5.1% increase in registrations in the first quarter of 2014, thanks to an improvement in European markets and to the success of its new models. Revenues remained flat despite negative impact of currency devaluations.

- **5.1% increase in registrations to 636,239 units versus the first-quarter 2013.**
- **Market share up 0.8 points in Europe.**
- **Renault group revenues of €8,257 million in first-quarter 2014, stable compared with the same period in 2013 (+ 5.1% on a like-for-like basis excluding currency effects).**
- **Automotive revenues stable at €7,727 million.**

<u>**Sales results: highlights of Q1 2014**</u>

In a global automotive market that grew 4.7%, Renault group registrations rose 5.1% to 636,239 units. In Europe, Group sales grew 17.7%, in a market that expanded 8.2%. Clio, Captur and Sandero drove market share gains.

Outside Europe, the downward trend in its main international markets led Group registrations down 7.9%; they now account for 43% of total sales, compared with 49% in first-quarter 2013.

Duster remains the Group's best-selling vehicle globally, with 97,280 units sold.

- In **Europe**: in a market that grew 8.2%, driven primarily by Southern Europe, the Group increased registrations 17.7%, bringing its market share in passenger cars (PC) and light commercial vehicles (LCV) to 9.7%, an increase of 0.8 points. The strongest increases came from France (+ 8.2%), Italy (+ 37.4%), Spain (+ 21.4%) and the UK (+ 100.1%). The success of the new Renault products and the Dacia brand, which posted the strongest registration increase in the market, explain the strong performance in the UK.

The **Renault** brand ranked No. 3 in the PC + LCV market with a share of 7.2%, up 0.1 points. It remains leader on the LCV market, with market share of 13.7%.

Dacia was the fastest growing brand in the market. Sales increased 46.1% giving a market share of 2.5% (+ 0.6 points), driven primarily by strong momentum in the UK.

The Group's three best-sellers in Europe were Clio with close to 76,000 vehicles, Captur with 41,500 units and Sandero with 39,000 units. With the success of these vehicles, the Group maintained its No. 1 position on the B segment in Europe.

- In the **Americas** region, Group sales rose 8.9% in a market that contracted by 3.5%. In Brazil, registrations increased 21.8% in a market that fell 1.8%. In the wake of the disruptions caused by the closure of the Curitiba plant in early 2013. Group market share rose back to 6.7%, up 1.3 points. In Argentina, registrations fell 7.7% in a market that dropped 13.0%. Group market share came to 15.1% (+ 0.9 points).

 In the **Eurasia** region, sales were down 1.0% in a market that contracted 2.0%. In Russia, Group market share remained steady at 7.7% with registrations down 3.7%. The Renault brand continued to rank No. 2 in Russia behind Lada.

 In the **Euromed-Africa** region, registrations fell 14.9% in a market that was down 10.8%. After a period of strong growth, the Algerian market entered a downward phase, with a drop of 28.3% in the quarter. Following strong sales at the end of 2013, the Group, which remains market leader in Algeria with a 23% share (- 2.2 points), saw registrations fall 34.5%.

Turkey reported an 18.1% fall in sales in a market that was down 24.5%. The Group achieved market share of 18.7%, a rise of 1.4 points.

 In the **Asia-Pacific** region, Group registrations fell 30.0% due to the situation in Iran (- 12.6% excluding Iran) and the downturn on the Indian market. In South Korea, Renault Samsung Motors saw volumes increase 16.9% with market share of 4.0%, up 0.3 points.

Q1 revenues by operating division

In the first-quarter 2014, **Group revenues** came to €8,257 million, stable compared to the same period last year (+ 5.1% on a like-for-like basis excluding currency effects).

Automotive revenues totaled €7,727 million (- 0.1%).

The drop in the main emerging country currencies versus the Euro (Argentinean peso, Russian ruble, etc.) had a negative impact of 5.3 points, partially offset by a positive price effect of 1.3 points.

The increase in sales to partners (vehicles and components) made a positive contribution of 3.1 points.

Sales Financing (RCI Banque) reported revenues of €530 million, stable (+ 0.2%) versus 2013.

As a result of Renault group's strong momentum in Europe, the number of new financing contracts rose 9.8% to 280,455 in first-quarter 2014. Average loans outstanding increased despite a negative currency impact, particularly in the Americas region, by 2.3% to €24.7 billion.

Outlook 2014

In the first quarter, trends in key markets were contrasted. While main emerging markets were slowing down with poor visibility, the European market recovery appeared stronger than foreseen. In this uncertain environment, the Group expects slightly declining Russian and Brazilian markets. However, the European market should grow by 2% to 3% in 2014.

In this context Renault aims to:
 increase registrations and Group revenues (at constant exchange rates),
 improve Group operating profit and that of the Automotive division,
 achieve positive Automotive operational free cash flow.

Renault group consolidated revenues

(in € million)	*2014*	*2013*	*Change 2014/2013*
First quarter			
Automotive	7,727	7,736	-0.1%
Sales financing	530	529	+0.2%
Total	**8,257**	**8,265**	**-0.1%**

(ii) THE DIVIDEND PROPOSAL OF 1.72 EUROS PER SHARE HAS BEEN APPROVED BY THE COMBINED GENERAL MEETING OF 30 APRIL 2014. SUCH DIVIDEND WILL BE PAID ON 15 MAY 2014.

(iii) NISSAN CONTRIBUTES € 415 MILLION FOR FIRST QUARTER 2014 TO RENAULT'S EARNINGS (Press release dated from 12 May 2014)

Nissan has released today its results for fiscal year 2013/2014 (April 1, 2013 to March 31, 2014).

Nissan's results, published in JGAAP, for the fourth quarter of fiscal year 2013/2014 (January 1 to March 31, 2014) will have a positive contribution to Renault's first-half 2014 net income estimated, after restatements, at € 415 million(*).

(*) Based on an average exchange rate of 141 yen/euro for the period under review.

(iv) RENAULT AND NISSAN TO CONVERGE FOUR MAJOR ALLIANCE FUNCTIONS 1 APRIL (press release dated from 17 march 2014)

- **To achieve a minimum €4.3 billion annual synergy goal, the Alliance is implementing convergence plans in four key areas: Engineering, Manufacturing & Supply Chain Management, Purchasing, and Human Resources.**
- **Converged business functions become official 1 April and are expected to have an immediate positive effect on operational performance.**
- **Newly appointed Alliance Executive Vice Presidents will take charge of increasing integration in each function.**

AMSTERDAM, NETHERLANDS (March 17, 2014) – The RenaultNissan Alliancetoday announced it will begin implementing convergence initiatives in four key operational areas starting 1 April, with the goal of achieving at least €4.3 billion in annualized synergies by 2016.

Management teams and the boards of Renault and Nissan finalized the convergence plans following consultations with employee representatives. The Alliance initially launched convergence study projects in late January in four key areas: Engineering, Manufacturing & Supply Chain Management, Purchasing, and Human Resources.

Under the plan, these functions will be jointly managed by Renault and Nissan, with a newly appointed Alliance Executive Vice President leading each function, and a new management committee to oversee implementation.

"*Convergence within these four key business functions will result in an immediate increase in efficiency and leverage our size to achieve competitive economies of scale*," said RenaultNissan Chairman and CEO Carlos Ghosn.
"*The synergies will then enable us to deliver highervalue vehicles to customers and stay at the leading edge of innovation*."

Four Converged Alliance Functions with New Leaders

Engineering: Renault and Nissan will combine Common Module Family engineering, advanced research, powertrain development (including electric vehicles), systems engineering and testing facilities and services. **Tsuyoshi Yamaguchi**, Alliance Director of Platforms and Parts, is appointed Alliance Executive Vice President, Alliance Technology Development, for the new converged Alliance function.

Manufacturing Engineering & Supply Chain Management: The new Alliance converged manufacturing function will cover global industrial strategy (including sourcing), production process engineering, production control and supply chain management. **Shohei Kimura**, Nissan Corporate Vice President for Vehicle Production Engineering, is appointed Alliance Executive Vice President, Manufacturing Engineering and Supply Chain Management.

Purchasing: Renault and Nissan have enjoyed an integrated purchasing organization for more than a decade. But convergence of major engineering and manufacturing activities will drive greater purchasing synergies and more economies of scale. **Christian Vandenhende**, Managing Director of the RenaultNissan Purchasing Organization, is appointed Alliance Executive Vice President, Alliance Purchasing.

Human Resources: Renault and Nissan teams will implement common HR processes throughout the Alliance, including the creation of a unified "talent management" policy across the companies' global operations. **MarieFrancoise Damesin**, Renault executive vice president for Human Resources, is appointed Alliance Executive Vice President, Alliance Human Resources. In addition, **Greg Kelly**, Nissan Senior Vice President of the CEO Office and Global Human Resources, is appointed Alliance Executive Vice President, Alliance Talent Management.

To assist with the deployment and ongoing development of the new organizational structure, a new Management Committee Alliance will be established, headed by **Carlos Ghosn**. In addition, **Christian Mardrus**, Senior Vice President and Managing Director for the Alliance CEO Office and Global Logistics, will become Alliance Executive Vice President for RenaultNissan BV and the Alliance CEO Office.

Together, Stronger for 15 Years

Convergence in four key business functions is the latest step in the 15year evolution of the RenaultNissan Alliance, which was formed on 27 March 1999.

Since then, the Alliance has become the longest lasting and most productive crosscultural collaboration in the auto industry. The companies have already integrated several functions, including information technology, logistics, customs and trade, and purchasing.

The Alliance has expanded significantly since its founding and now ranks among the world's four largest automotive groups by sales volume. The Alliance has partnerships and joint ventures with Daimler, Mitsubishi, AvtoVAZ, Ashok Leyland and Dongfeng.

(2) LITIGATION CASES

Refer to Part I- III – 4. Risks in Business, etc. - Legal and arbitration proceedings.

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- Regarding actuarial gains and losses of defined benefit plans recognized in other comprehensive income, the differences between IFRS and Japaneese Gaaps should disappear upon application ASBJ N°26 except for actuarial differences and past service cost that should be recognized in P&L over a certain period under JGAAP whereas under IFRS, actuarial differences can never be recycled to P&L (cf .8b).
3- Capitalization and amortization of intangible assets arising from development phases.
4- Reevaluations of investment properties, 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

Under IFRS, until 2012, equity method and proportionate method were authorized by IAS31 to consolidate jointly controlled entities. From January 1 2013, IAS31 has been replaced by IFRS11 which requires dinstinction for joint controlled arrangement between Joint-Venture and Joint-Operation arrangements. In a Joint-Venture arrangement, partners limit their rights to Net asset of the jointly controlled entity whereas in a Joint-Operation arrangement specific rights for partners exist on Assets and Liabilities of the controlled entity. The consequence in terms of consolidation method is that Joint-Venture arrangement for a jointly controlled entity should be consolidated under Equity method and Joint-Operation arrangement should be consolidated on the basis of the percentage share specific to each balance sheet and income statement item . Despite EC has postponed to January 1 2014 mandatory first application, Renault has performed an early adoption from January 1, 2013.

Under Japanese GAAP, Joint Ventures are accounted for by equity method and no distinction between Joint Venture and Joint Operation arrangements is performed. So :

- until 2012, consolidation of joint ventures on a proportional basis was not permitted in Japanese consolidated accounts, unless it was allowed by local GAAP accepted for Japanese GAAP consolidation purposes, in this case IFRS (see §a),
- from 2013, consolidation of joint operations on the basis of the percentage share specific to each balance sheet and income statement item, newly permitted in IFRS accounts, is not allowed in Japanese consolidated accounts, unless it is authorized 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 has been completed on March 31, 2012 with efforcement of disclosure on “amounts reclassified 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.

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 as equity 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. 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

Until 2012, IFRS has allowed entities to elect between two options for the recognition of actuarial differences:

- Recognizing them as a liability as incurred, counterpart in shareholder equity (other comprehensive income).
- Amortizing them through a "corridor approach".

Renault has chosen to recognize the actuarial gains and losses in the period in which they occur and directly in other comprehensive income. From January 1, 2013, IAS19R does not allowed "corridor approach" anymore.

Under Japanese GAAP, all unrecognized actuarial gains and/or losses are subject to amortization after consideration of materiality.
Japanese GAAP is to converge to IFRS by end of Fiscal Year beginning on or after April 1 ,2014 as stipulated by ASBJ Statement No26 published on May 17, 2012 with a possibility of early adoption on April 1, 2013. Under this Accounting Standard, actuarial gains and losses that are yet to be recognized in profit or loss would be recognized within the net asset section (accumulated other comprehensive income), after adjusting for tax effects, and the

deficit or surplus would be recognized as a liability (liability for retirement benefits) or asset (asset for retirement benefits) without any adjustments. The only difference with IFRS will remain on P&L where JGAAP stipulates that actuarial differences and past service cost should be recognized in P&L account over a certain period no longer than the expected average remaining working lives of employees. Under IFRS, actuarial differences can never be recycled to P&L and IAS19R stipulates that amortization on expected average remaining working lives of unvested Past Service cost is not accepted anymore and that unvested Past Service cost should be recognized immediately like vested ones.

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 Obligation 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	MAY 15, 2013
(2) AMENDMENT TO SHELF REGISTRATION STATEMENT	MAY 15, 2013
(3) SUPPLEMENTAL DOCUMENT TO SHELF REGISTRATION STATEMENT AND ATTACHMENTS THERETO	JUNE 5, 2013
(4) SEMI-ANNUAL SECURITIES REPORT AND ATTACHMENTS THERETO	SEPTEMBER 27, 2013
(5) AMENDMENT TO SHELF REGISTRATION STATEMENT	SEPTEMBER 27, 2013

(6) AMENDMENT TO SHELF REGISTRATION STATEMENT AND ATTACHMENT THERETO — **NOVEMBER 8, 2013**

(7) SUPPLEMENTAL DOCUMENT TO SHELF REGISTRATION STATEMENT AND ATTACHMENTS THERETO — **NOVEMBER 22, 2013**

(8) SHELF REGISTRATION STATEMENT AND ATTACHMENTS THERETO — **FEBRUARY 5, 2014**

PART II INFORMATION CONCERNING GUARANTOR, ETC. OF THE COMPANY

Not applicable.

AUDITORS' REPORT
Auditors' Report (relating to 2013 Consolidated financial statements) *

Auditors' Report (relating to 2013 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.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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 captions or on information taken of outside of the finacial statements.
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, 2013

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, 2013, 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, 2013 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 company Law (*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 13-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 your company, 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 the notes 2-J and 11-A3;
- as disclosed in the note 8-B to the consolidated financial statements, the group decided not to maintain 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 and Paris-La Défense, February 19, 2014

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIÉS ERNST & YOUNG Audit

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

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, 2013

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, 2013, on:
- the audit of the accompanying financial statements of Renault;
- the justification of our assessments;
- the specific verification 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, 2013 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 company Law (*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 recommendation no. 34 of the French national accounting body (*Conseil national de la comptabilité*), 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 Renault Group for the 2013 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 procedures and disclosures

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 company Law (*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, the cross-shareholdings 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, February 19, 2014

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIÉS   ERNST & YOUNG Audit