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, 2013 through Electronic Disclosure for Investors' Network (EDINET) provided for in Article 27-30-2 of such Law.

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

RENAULT
(E05907)

(TRANSLATION)

Cover Page

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Note (1) Unless otherwise specified herein, the "Company", "Renault", "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 April 2, 2013 was EUR 1 = JPY121.37**.** 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.

Management

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) Management Board and Supervisory Board

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

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

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

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

Shareholders' Rights

(a) General Meetings of Shareholders

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

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

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

(b) Voting Right

As a general rule, each share is entitled to one vote. Certain shares do not have the right to vote, while others may be granted double voting rights. Shareholder's agreements, voting trusts, voting pools, irrevocable proxies or any other mechanism tending to restrict a shareholder's ability to freely vote his shares are generally prohibited but subject to certain exceptions. Nonetheless, shareholders may grant a proxy, valid for only one shareholders' meeting, empowering either another shareholder or his spouse to vote his shares. Shareholders may hold more than one proxy. Finally, where a shareholder grants a proxy without specifying who is to vote his shares and how they are to be voted, the chairman of the meeting of the shareholders is entitled to vote such shares on behalf of the shareholders provided that he votes same in favor of the resolutions proposed or supported by the Board of Directors or the Management Board and against all other resolutions.

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

(c) Dividends

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

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

(d) Liquidation

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

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

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

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

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

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

General Matters

Organized as a société anonyme (public limited company) under French law, Renault is governed by the provisions of Book II of the Commercial Code, on commercial undertakings, and the provisions of the Employee Profit Sharing Act No. 94-640 of July 25, 1994. Renault was formed on January 16, 1945 and will cease to exist on December 31, 2088 except in the case of early termination or renewal. The head office is located at 13-15, Quai Le Gallo, Boulogne-Billancourt 92100 -France. Renault is registered with the Registrar of Companies in Nanterre under the number 441 639 465 (APE code 341 Z; Siret code: 441.639.465.03591). Legal documents such as the By-laws, minutes of Annual General Meetings, auditors' reports and all other documents made available to shareholders in accordance with law may be consulted at the company's head office. Renault's corporate purpose is the design, manufacture, trade, repair, maintenance and leasing of motor vehicles (commercial, light commercial and passenger vehicles, tractors, farm machinery and construction equipment) as well as the design and manufacture of spare parts and accessories used in connection with the manufacture and operation of vehicles. It also encompasses all types of services relative to such operations and, more generally, all industrial, commercial, financial, investment and real estate transactions relating directly or indirectly, in whole or in part to any of the above purposes (see Article 3 of the By-laws). Renault's financial year runs for 12 months from January 1 to December 31.

Shareholders' Rights

(a) Rights and Obligations related to Shares

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

The shareholders may individually waive their preferential right.

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

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

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

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

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

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

In case of division of ownership of a registered share the entry in the company's book shall mention the name of the usufructuary (*usufruitier*) and of the bare owner(s) (*nu-propriétaire*).

The voting right attached to a share shall belong to the usufructuary at all Shareholders' Meetings.

Every shareholder may vote by mail as provided by law.

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

(b) Right to Appoint Directors

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

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

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

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

(c) Right to Claim Dividends

Net income is appropriated in compliance with existing legislation.

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

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

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

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

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

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

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

Statutory thresholds

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

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

<u>Management</u>

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

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

A/Directors appointed by the Shareholders' General Meeting

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

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

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

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

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

B/Directors elected by the employees

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

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

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

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

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

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

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

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

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

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

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

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

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

C/One director representing the employee shareholders:

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

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

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

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

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

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

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

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

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

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

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

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

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

Appointment procedures :

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Functions of Chairman

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

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

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

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

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

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

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

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

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

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

General Meeting of Shareholders

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Every shareholder may vote by mail as provided by law.

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

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

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

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

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

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

The Ordinary Shareholders' Meeting allocates the profits and 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).

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

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

Failure to make such statistical declarations may involve criminal penalties.

C-Investments subject to prior authorization

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

Definition of 'foreign investment' submitted to prior authorization depends on whether the investor is a non-EU or a EU investor (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:

(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 2008, 2009, 2010, 2011 and 2012 are presented under IFRS**.** In 2007, Renault has reviewed the accounting treatment of certain components of revenue (mainly, operations related to contracts with subcontractors and sales of parts under warranty to customers) and has opted to recognize actuarial gains and losses in equity.

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

	Under IFRS				
(Consolidated figures[1])	2008	2009	2010	2011	2012
Revenues	37,791	33,712	38,971	42,628	41,270
Operating margin[2]	326 [8]	(396)	1,099	1,091	729
Operating income	(117)	(955)	635	1,244	122
Group pre-tax income[4]	761	(2,920)	3,548	2,647	2,284
Group net income	599	(3,068)	3,490	2,139	1,735
Renault net income (f)	571	(3,125)	3,420	2,092	1,772
Average number of shares outstanding [3] (in thousand) (b)	256,552	257,514	269,292	272,381	272,256
Number of shares at December 31 (g)	284,937,118	284,937,118	295,722,284	295,722,284	295,722,284
Share capital	1,086	1,086	1,127	1,127	1,127
Shareholders' equity [5] (a)	19,416	16,472	22,757	24,567	24,547
Total assets (e)	63,831	63,978	70,107	72,934	75,414
Capital adequacy ratio (%) (a)/(e)	30.42	25.75	32.46	33.68	32.55
Shareholders' equity per share [5] (EUR) (a)/(g)	68.14	57.81	76.95	83.07	83.01
Net dividend per share (EUR)(c)	0[6]	0[7]	0.30[9]	1.16[10]	1.72[11]
Earnings per share (EUR) (d)=(f)/(b)	2.23	(12.14)	12.70	7.68	6.51
Cash flows from operating activities	(446)	6,040	1,970	3,353	3,876
Cash flows from investing activities	(3,635)	(2,094)	1,404	(2,334)	(1,569)
Cash flows from financing activities	1,494	1,962	(1,467)	(2,350)	509
Dividend payout ratio (%) (c)/(d)	0	0	2.36	15.10	26.43
Number of employees at December 31(persons) (*Excluding employees	129,068	121,422	122,615	128,322	127,086

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 May 6, 2009.
(7) There is no dividend proposal to Combined General Meeting of April 30, 2010.
(8) The Group has introduced the following change of accounting presentation: since the impairment of fixed assets is an expense that is unusual in frequency and nature, the Renault group has decided to classify it under "Other operating income and expenses", in line with the practices of other members of the automobile sector in Europe. The presentation of the 2008 Financial Statements has been modified accordingly, leading to a €114 million improvement in the operating margin. This change of policy has no impact on 2007 as no impairment was recorded that year.
(9) Dividend proposal to Combined General Meeting of April 29, 2011. Such Dividend has been paid on May 16, 2011
(10) Dividend proposal by the Combined General Meeting of April 27, 2012. Such dividend has been paid on May 15, 2012.
(11) Dividend proposal by the Combined General Meeting of April 30, 2013. Such dividend will be paid on May 15, 2013.

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	2008	2009	2010	2011	2012
Revenues	0	0	0	0	0
Operating income/(expense)	(31)	(30)	(37)	(29)	(38)
Income before tax and exceptional items	(1,040)	208	(479)	113	439
Pre-tax income	(1,040)	(43)	5	113	439
Net income (f)	(863)	49	168	277	574
Number of shares at December 31(g)	284,937,118	284,937,118	295,722,284	295,722,284	295,722,284
Share capital	1,086	1,086	1,127	1,127	1,127
Shareholders' equity (a)	15,728	14,536	17,755	17,496	16,309
Total assets (e)	26,196	26,955	30,695	27,642	27,049
Capital adequacy ratio (%) (a)/(e)	60.04	53.93	57.84	63.29	60.29
Shareholders' equity per share(EUR) (a)/(g)	55.20	51.01	60.04	59.16	55.15
Net dividend per share (EUR)(c)	0(7)	0(8)	0.30(10)	1.16(11)	1.72(12)
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 auto maker. For the second year running, the Renault F1 Team scored a double win with the new R26, taking the World Constructors' and Drivers' Championship titles. At the Paris Motor Show, Renault unveiled the Twingo Concept show car, and Koleos Concept, the first future cross-over vehicle in the range.

In 2007, the product offensive began with the launch of New Twingo (produced in Slovenia) in May and of New Laguna (produced in France) in October. Both vehicles aim to achieve the highest standards of quality and reliability. In Korea, Renault Samsung Motors began production of QM5, a Koleos-based 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 one billion euros of the loan granted by the French government and sold its B shares in AB Volvo, generating a capital gain of two billion euros.
In Russia, the second phase of the Avtoframos plant was launched and the restructuring and 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.
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, with a midpoint review at the end of 2013. This provides the Group with a strategic outlook, for business continuity, while enabling it to set specifi c, quantifi ed priorities for the first three years.

Renault 2016 – Drive the Change is designed to meet two objectives:
■ deliver growth for the Group;
■ generate sustainable free cash flow.

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

To achieve these objectives, the Renault group will make 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 expenditure;
■ reduced costs;
■ steady positions in Europe and international expansion.

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 Constructors World Champion 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. At the same time, the Group completed the debt reduction process, in particular with the sale of its remaining shares in AB Volvo.

In 2013, the European market remains uncertain and is expected to contract by at least 3% with a French market down 3 to 5%. The global automotive market (PC+LCV) is expected to grow 3% year on year. This growth will be fueled by positive momentum expected in China, North America, India (+11%), Russia (+5%), and Brazil (+1.5%).

In this context, Renault will pursue its strategy of international development.
In Europe, the Group is targeting market share growth with new product launches (Captur, ZOE, Clio Estate, New Logan) and the full impact of the products launched at the end of 2012 (Clio IV and New Sandero) with a sustainable pricing policy.
Renault group is targeting for 2013 (provided European and French markets are not significantly worse than expected):
■ units sales growth;
■ positive Automotive operating margin;
■ positive Automotive operational free cash flow.

3. CONTENTS OF BUSINESS:

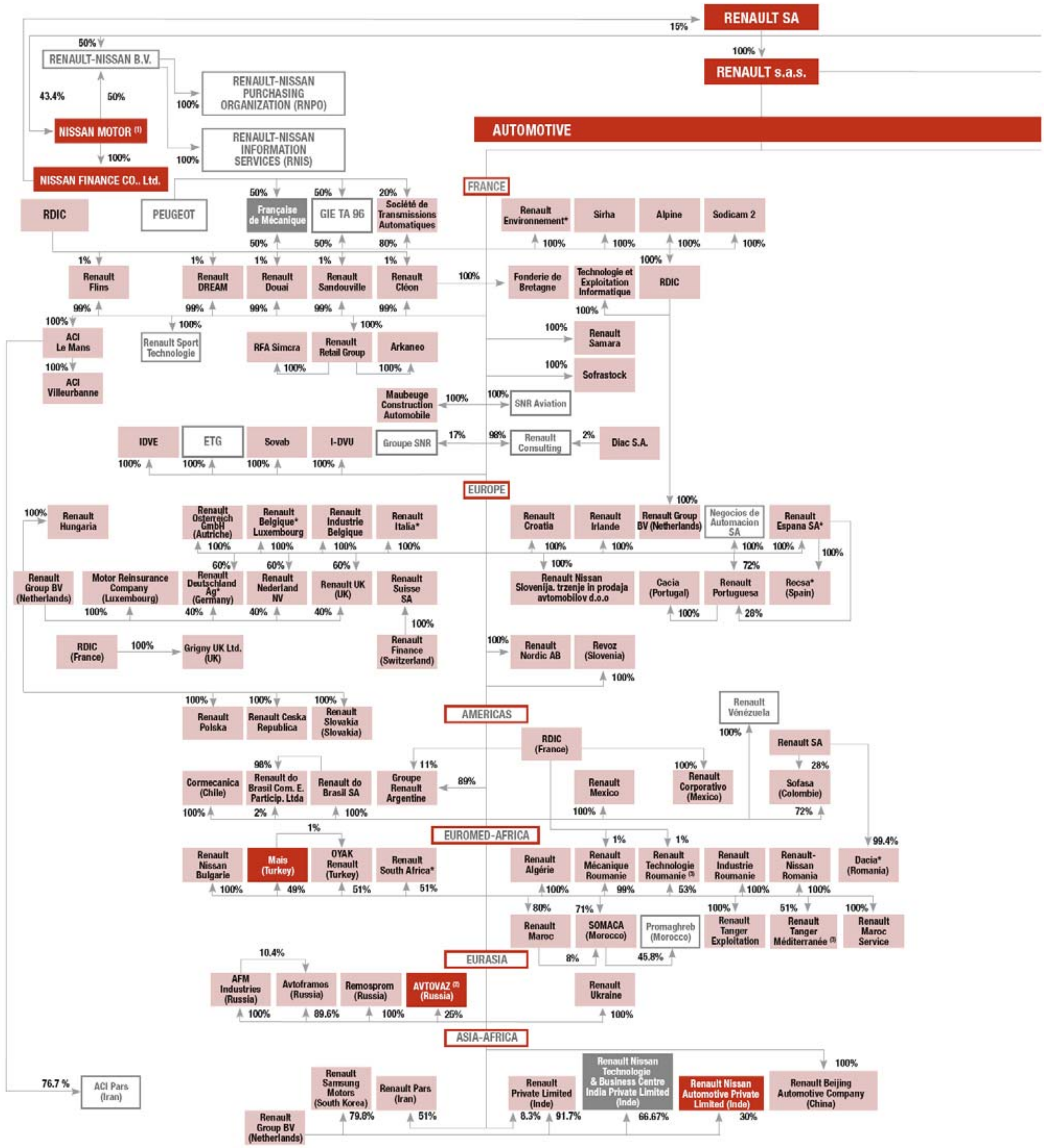
The Group's activities have been organized into two main business sectors, in more than 120 countries:

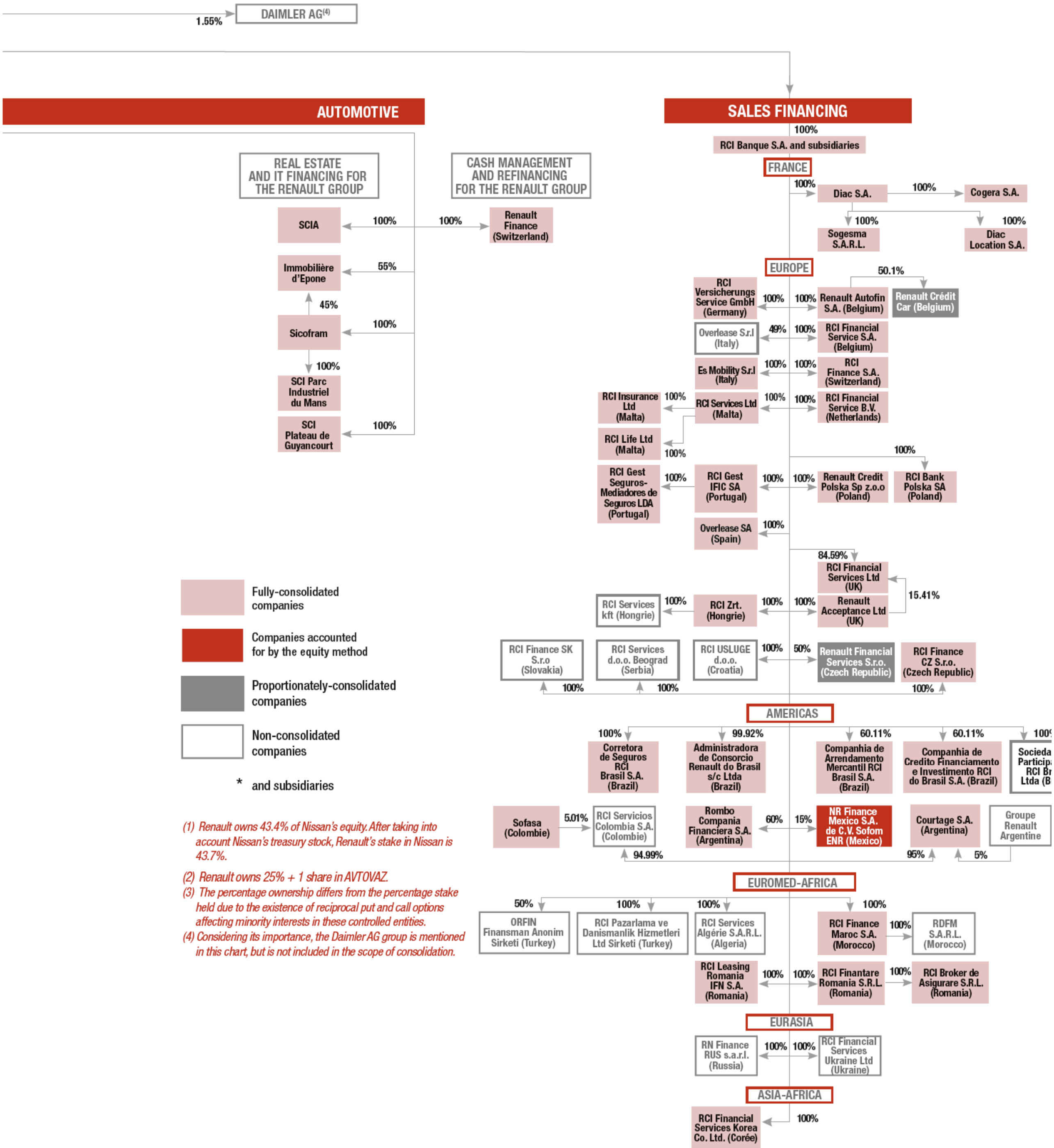
- Automotive;
- Sales Financing.

The information contained below regarding the "DETAILED GROUP ORGANIZATION CHART AT DECEMBER 31, 2012" strictly contains information presented in the Renault Registration Document for the period ending December 31, 2012. For further information on the progression of the organization of the Renault group please refer to "4. Statement of Related Companies."

DETAILED GROUP ORGANIZATION CHART AT DECEMBER 31, 2012

1.1.6.2 DETAILED GROUP ORGANIZATION CHART AT DECEMBER 31, 2012 ✦





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

(2) *Renault owns 25% + 1 share in AVTOVAZ.*

(3) *The percentage ownership differs from the percentage stake held due to the existence of reciprocal put and call options affecting minority interests in these controlled entities.*

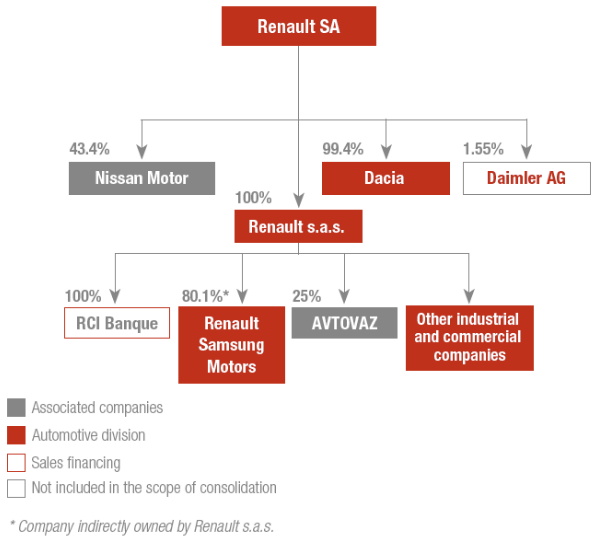
(4) *Considering its importance, the Daimler AG group is mentioned in this chart, but is not included in the scope of consolidation.*

In addition to these two activities, Renault has equity investments in the following three companies:
- Nissan;
- AVTOVAZ;
- AB Volvo.

This equity investment was sold on December 12, 2012 (see (1)-C "ASSOCIATED COMPANIES, PARTNERS AND COLLABORATIVE PROJECTS" below).

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, 2012 (AS A % OF SHARES ISSUED)



(1) ACTIVITIES

A. AUTOMOTIVE

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

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

RENAULT GROUP RANGES

Renault Brand

For 115 years, Renault has been one of the manufacturers writing the history of the car. Although the Company and its workforce are driven by a passion for mechanics, design and technological progress, Renault's vision is expressed first and foremost through its emphasis on people. Renault believes that cars should adapt to people and not the other way around.

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

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

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

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

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

Affordable, roomy and robust, Renault Logan continued to enjoy huge success in 2012 in South America (accounting for almost 13% of sales in this Region) and Russia (almost 33% of sales for this country). Delivering unbeatable value for money, it is particularly attractive to buyers of family vehicles.

Designed in South America, where it still accounts for more than 32% of Group sales, Sandero has extended its international presence. It made successful market debuts in South Africa in 2009 and in Russia in 2010 (20% of sales in 2012), building on its strong points: a modern design, space, reliability and value for money.

In the A segment of city cars, New Twingo 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 colours, an original customization program 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 segment share of 25.8%, and fourth in Europe (7.7%) against a backdrop of fierce competition.

In the B segment, Clio has sold more than 11 million vehicles worldwide since its launch in 1990.

New Clio, launched at the Paris Motor Show in October 2012, starts a new page in the Clio saga. Building on the fundamentals inherited of previous generations, New Clio makes a fresh start with its sensual design and wide range of customized features, a 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 4.3l/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 3.2l/100km.

From March, an RS version with a turbocharged gasoline engine mated to an automatic transmission with the EDC dual-clutch system, will bring a more versatile style to the sports car segment. The Estate variant, with its highly original shooting brake looks, will be launched at the same time.

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, was recently launched in Brazil and Argentina.

Following the renewal of Clio, Renault is continuing its design offensive with the launch of Captur, the first urban cross-over in the range, unveiled in early January, and set to go on show to the general public at the 2013 Geneva Motor Show prior to its launch in April. 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.

The first Renault vehicle manufactured on a Nissan platform, Pulse delivers everything Renault needs to establish itself in the Indian market. A small hatchback ideally suited to conditions in this country – thanks in particular to its diesel engine – it is positioned in a premium segment aimed at young, urban and upwardly mobile customers. The three-box variant, Renault Scala, based on the same platform, sets high standards in comfort with its features and size. It was launched in September 2012.

Modus, the compact minivan with two bodystyle variants, reached the end of its market career in 2012. It will be replaced at the Valladolid plant by the first compact cross-over in the Renault range, which will be presented to the general public at the 2013 Geneva Motor Show.

New Kangoo, launched in 2008, remains the leader on the leisure activity vehicle segment in France and is reporting strong growth elsewhere in Europe. The upgraded and simplified range, which gains new colors and upholstery, will further increase the market appeal of this vehicle. New Kangoo car is built at Maubeuge (France). The previous version of Kangoo is still on the market and continues to be produced in Cordoba (Argentina) and at the Somaca plant (Morocco).

Scénic and Grand Scénic both had an eventful year, with the launch of the 2012 Collection. Alongside their restyling, Scénic and Grand Scénic both gained new technologies (Visio System®, hill-start assist) and, more particularly, two new Energy engines: the Energy dCi 110 diesel and the Energy TCe 115 gasoline, along with the Energy dCi 130 diesel launched in 2011. Drawing on Renault's extensive expertise in F1, these engines combine drivability with fuel efficiency. The Energy dCi 110 sets new records for both fuel consumption and CO2 emissions in its category (105g of CO2/km and 4.1l/100km). Also in 2012, Renault stepped up its partnership with Bose®, launching a new finish bearing the name of this renowned manufacturer of high-quality sound systems. The idea was a success everywhere in Europe, with 20% of sales concerning this finish. Scénic thus held on to the No. 1 position in the European compact minivan market (down by just 2%) with market share of 16.4%.

Scénic and Grand Scénic are also set for a busy year in 2013. The first event will be the launch of a new derived vehicle in March. Scénic Xmod combines the sharp design of a cross-over with all the expertise of Scénic, the benchmark compact minivan. Scénic Xmod features strong exterior styling with a special, highly expressive, grille reflecting Renault's new brand identity, skid plates at front and rear, all-round body protection and roof bars as standard. Inside the car, the driver gains a 'cockpit' style central console with a flat-bottomed steering wheel, and an aluminium gear lever knob and pedal assembly. Incorporating the DNA of Scénic, Scénic Xmod is modular, spacious and welcoming for all the passengers.

However, Scénic and Grand Scénic will not be forgotten. Both are set to gain a new grille in April, expressing Renault's new brand identity. New Scénic and Grand Scénic also expand their engine range, with the new Energy TCe 130 gasoline engine. Compared with its predecessor, the Tce 130, the new engine cuts fuel consumption by 15% while delivering 15 Nm more torque. Like Scénic Xmod, they will be fitted with R-Link, the connected multimedia tablet with a 7'' touch screen.

Fluence is a sedan positioned between the compact family vehicle segment and upper-mid range segment. It is an appealing vehicle, with elegant, sporty and robust looks. With boot capacity of 530 litres and a wide wheelbase, it is practical, comfortable and built for all uses. Built in five countries (Korea, Turkey, Russia, Argentina, India) and sold in more than 80 countries, Fluence is a car with the potential to conquer global markets. In 2012, for example, sales of Fluence rose by 48% in Brazil and by 38% in Russia, compared with 2011.

Revealed at the 2012 Istanbul Motor Show, New Fluence 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 new engines combining fuel efficiency with drivability. The new 1.6 16v 115 CVT X-Tronic increases the horsepower of its predecessor (1.6 16v 110hp) by 5hp and delivers a stronger performance (156Nm of torque at 4,000rpm vs 151Nm at 4,250rpm). New Fluence shaves two seconds off 0-100 kph acceleration (11’’9 vs 13’’7) for all-round stronger pick-up and acceleration. The lower, more stable idle makes for more comfortable urban driving while consuming less fuel. The other main new feature concerns the availability of the 1.6 dCi 130 diesel engine on New Fluence. 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 4.6l/100km over a combined cycle with emissions of just 119g of CO_2/km. It therefore carries the Renault eco^2 signature.

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.

It was an eventful year for Mégane in 2012 with the launch of the 2012 Collection. Mégane gained new technologies (Visio System®, hill-start assist) and, more particularly, three new Energy engines: the Energy dCi 110 diesel, the Energy dCi 130 diesel and the Energy TCe 115 gasoline. With these new Energy engines, Mégane is eligible for the carbon bonus in all the European countries implementing programs of this type. Thanks to the Energy dCi 110 engine, for example, Mégane was the best-selling model in the Netherlands in 2012. The stronger partnership with Bose® also contributed to the success of Mégane, with this finish accounting for 20% of sales.

In 2013, Mégane is expanding its range of engines with the new Energy TCe 130 gasoline engine. Compared with its predecessor, the Tce 130, the new engine cuts fuel consumption by 15% while delivering 15 N.m more torque. Mégane will also be available with R-Link, the connected multimedia tablet with a 7’’ touch screen.

On November 5, 2012, Renault and the Caterham group announced a partnership to design and build sports vehicles. Sharing a similar passion and expertise in the field of sports production and racing vehicles, the two companies decided to join forces on a project to design, develop and build sports vehicles. These vehicles will have specific and distinctive characteristics, expressing the DNA of Alpine and Caterham Cars, the Automotive division of the Caterham group, respectively. They will be built at the Alpine plant in Dieppe, Normandy.

Carlos Ghosn said: “This partnership with the Caterham group marks the start of a new phase, the design of a vehicle that will embody the very essence of Alpine, a vehicle that will rekindle sporting passion once more. The spirit of the Alpine brand is very important for us. For this reason, we have set up a Consultative Committee made up of various personalities, who will provide their experience and vision to ensure that we remain faithful to the history of this brand.” This vehicle will be launched within three or four years.

In 2012, with the success of phase 2, Koleos confirmed its role as the premium-vehicle spearhead of the Renault brand on international markets.

With its more dynamic front end, spacious interior with attention to detail, and well sized engines (the 150 and 175hp 2.0l dCi and 170hp 2.5l), and proven 4x4 technologies borrowed from Nissan, Koleos phase 2 delivers a consistently comfortable ride. Designed to cope with the constraints of urban driving, it also has excellent off-road capabilities with its all-wheel drive.

Sold in more than 200,000 examples since its launch in 2008, Koleos is sold in around forty countries. In 2012, on this particularly competitive SUV segment, Koleos notched up 52,000 sales, of which 73% outside Europe. On some markets, it is Renault’s main model in the higher market segments, accounting for 74% of volumes in Eurasia, 90% in the Americas and 93% in China. In France, where market conditions were particularly difficult in 2012, sales of Koleos rose 17%, exceeding targets by more than 10%.

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 in more than 300,000 examples since its launch in 2007. In 2012, Renault sought to bring customers a homogenous vehicle, a reliable purchase in an unreliable economic environment. To this end, 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 CO2/km for the 1.5 dCi 110 engine and 118g of CO2/km for the 2.0 Energy dCi 130 and 150 engines. Renault's commitment to quality is also visible in the warranty: three years/150,000km.

In 2012, Laguna coupé enhanced its clean, flowing lines with a new front-end LED light signature. Sporty, elegant and efficient, with its 4Control chassis, Laguna coupé is also the most fuel-efficient coupé in its category, with the lowest CO2 emissions (1.5 dCi 110 with 109g of CO2/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 four consecutive years. Over the year, this model notched up almost 30,000 sales in Europe.

In the executive E segment, Espace continues to set the standard in the executive minivan segment as it has done for the past 28 years, with more than 1.2 million vehicles sold. It combines exceptional comfort at both front and rear with a modular layout creating bright, spacious conditions for comfortable and safe travel.

A pioneering minivan, Espace revolutionized the way we see the automotive industry. Today, it is continuing to pursue new improvements in order to continue creating an incomparable onboard experience for customers.

Revealed in mid-2012, Espace IV phase 4 embodies contemporary design and luxury "the French way", with dynamic design lines that showcase the new brand styling identity. The attractive, high-quality interior features Teflon® seat upholstery to protect every fibre 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.

Loyal to its environmental convictions, Renault is engaged in far-reaching studies to cut consumption and CO2 emissions, in order to limit emissions from the 2.0 dCi (manual transmission) to 150g/km, an improvement of 20g. Espace thus has the best power/CO2 ratio in its segment: 175hp for 150g of CO2/km.

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.

Building on these strong points, Espace, No.1 in France, maintained a strong market position in 2012 with market share above 9% in Europe.

Duster, a robust, roomy and affordable 4x4, has been available under the Renault name in Ukraine, the Middle East (Jordan, Syria, Libya and Egypt) and Africa since June 2010. In October 2011, Duster's market was extended to South America (Brazil and Argentina). In these markets, where imported SUVs are often inaccessible to middle-class buyers, Duster is an aspirational vehicle. Renault Duster is manufactured alongside Logan, Sandero and Sandero Stepway at the Curitiba plant (Brazil). In 2012, Duster already accounted for more than 19% of sales volumes in Brazil and more than 16% in Argentina.

In first-quarter 2012, Renault Duster went on sale in Russia. It is built at the Avtoframos plant (Moscow), where it accounts for almost one-quarter of volumes sold for this country. Since early 2012, Renault Duster has also been available in Mexico and Chile, through output from the Colombia plant (Sofasa site).

Renault Duster is now also available as a right-hand drive vehicle: in India from July 2012 (sourced from Chennai) and in the UK and Ireland from January 2013, from the same source.

Light commercial vehicles

Renault has consolidated its position as Europe's leading LCV brand – a position it has held since 1998 – with a European market share of 15.52%. Outside Europe, Renault increased LCV sales by 1% in Euromed-Africa in a market that contracted by 3.4%, and by 33.9% surge in the Americas, in a market that grew by 2.5%.

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

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

Kangoo LCV remains No. 1 in Europe. Available in three sizes (compact, Express, Maxi), it gained further appeal in 2012 with the arrival of the 75 et 90hp Energy engines, undisputed leaders in their category for low carbon emissions and fuel consumption. Kangoo is also available as an electric vehicle (Kangoo Z.E., Kangoo Maxi Z.E. two-seater, and Kangoo Maxi Z.E. five-seater). Voted International Van of the Year 2012, the all-electric Kangoo Z.E. is fully assembled at the Maubeuge plant in France.

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

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

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

In 2012 Renault Trafic took a 14.5% share of the small van and passenger-carrying 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, New Master has a maximum authorized weight of 4.5 metric tons. The range comprises 350 versions. It has gained a new design and a new more comfortable cabin. The new M9T 2.3 dCi (100-150hp) engine reduces fuel consumption by 1l/100km compared with its predecessor and increases the servicing interval to 40,000km/two years. Master is manufactured at the Batilly plant (France).

Master is sold in 30 countries. Sales are growing strongly in Europe, where market share reached a record high of 13.4% (at end-December) of the large van segment (including Renault Trucks sales). Master is also making a real breakthrough in the Euromed-Africa region, with more than 17,122 units sold in 2012, up 34.1% on 2011. Master is consolidating its No. 1 position in the large van segment in Algeria, with segment share of 53.8%, while in Morocco, sales surged by 124% (at end-December) on 2011.

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

Overall, 95,605 Master 2 and New Master vehicles were registered in 2012.

Electric vehicles

In 2012 Renault continued to promote vehicles emitting zero emission in use.

The launch of Twizy in spring 2012, following the arrival of Fluence Z.E. and Kangoo Z.E. at end-2011, and the opening of orders for ZOE at the 2012 Paris Motor Show complete the deployment of the four-vehicle electric range unveiled at the 2009 Frankfurt Motor Show in concept-car form and displayed in their virtually definitive form at the 2010 Paris Motor Show.

This four vehicle range accomplishes the following:

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

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

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

The prices announced for the four vehicles position Renault's offering as a credible economic alternative – or even an equivalent in countries where government incentives are available – to combustion-powered vehicles. They mark a distinct break with the offering of comparable electric vehicles currently on the market.

With almost 17,000 Z.E. vehicles delivered in 2012 (including Twizy), Renault is consolidating its leadership in Europe on the zero-emission market, even before the imminent arrival of ZOE. Virtually one Z.E. vehicle in every two (47%) registered in Europe is a Renault.

Renault is more closely involved than ever in developing charging infrastructure alongside manufacturers as well as energy operators and national and local authorities.

Public charging stations are gradually being rolled out across all European countries as part of public and private initiatives.

At end-2012, more than 20,000 charging stations had been installed across Europe. Development has extended beyond the trial stage but remains uneven and concentrated in a number of countries and regions. In France, the 4,500 Autolib' stations in the Paris region (all accessible to private users) accounted for 90% of the charging stations open to the public across the country.

Further, charging stations have been fitted across the Renault network and are accessible to the public. This already represents more than 1,000 charging points in Europe, including the 400 dealerships in the French primary network.

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 36 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.

For a brand with a strong base, success is not a question of years. In mid-2012 Dacia topped the two million mark for the number of vehicles sold since 2004, of which half in Europe.

In 2012 Dacia reported 360,000 PC+LCV registrations, an increase of 4.8% on 2011.

Dacia has market share of almost 2.3%, up 0.3 points on 2011.

In Europe, Dacia increased market share by 0.1 points to 1.6%. Although the brand grew market share in all the major countries, the rise was particularly noteworthy in Spain, where the brand had market share of 2.3%, up 0.6% on 2011.

In the Euromed-Africa region, Dacia expanded its market share by 0.9 points to 5.2%. The increase was particularly significant in Turkey and Algeria, where the brand had market share of 3.7% (up 1.3 points on 2011) and 9.6% (up 3.1 points) respectively.

Dacia is the leading brand in Romania, with a 26.6% share of the PC+LCV market, and in Morocco, with 20.8%.

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. In 2012 this model won the hearts of more than 131,000 customers. In less than three years on the market, it has sold in more than 360,000 units.

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 warmly welcomed by the network, customers and the press against a backdrop of difficult market conditions for minivan consumer sales in Europe.

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 (6l/100km) and CO2 emissions (135g/km).

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.

Dokker is a practical, versatile five-seater crew van. With its generous boot volume and simple modular design, it is particularly suitable for customers looking for a vehicle to load bulky objects or to carry the whole family in comfort.

Dokker Van, a compact LCV, meets all the needs of business customers. Reliable and robust, it features loading capacities on a par with class-best, innovative modular design and limited fuel consumption.

In the last quarter of 2012, Dacia renewed three emblematic models for the first time, with the new Dacia

Logan, Sandero and Sandero Stepway. 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.

Dacia models are manufactured at the Pitesti plant in Romania, which has undergone radical modernization and restructuring since 1999, as well as by the Somaca plant in Casablanca (Morocco), and by the new plant in Tangiers (Morocco) for Lodgy and Dokker.

Renault Samsung Motors Brand

Renault Samsung Motors (RSM) sells four passenger vehicles (SM3, SM5, SM7 and QM5) in South Korea, covering the Korean M1, M2, S and SUV segments. In 2012 these four segments accounted for 66.5% of passenger car sales in South Korea.

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 since its launch with market share of 7.9% on the M1 segment and 17,331 sales in 2012.

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 32,621 units in 2012, for a market share of 13.7% on the M2 segment and 18% in the last two months of the year, following the launch of SM5 Platinum.

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 5,038 units in South Korea in 2012, for a 3.1% share of the S segment at end-2012.

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 4,936 units en 2012, for a 2% share of its segment.

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

Renault Koleos is the first vehicle in the Renault range to be produced at this plant. A total 49,517 examples of Renault Koleos were exported in 2012. The new SM3, SM5 and SM7 are also exported under the Renault name (Fluence, Latitude and Talisman). In 2012 RSM exported 20,085 SM3, SM5 and SM7 vehicles under the Renault brand name and 9,915 vehicles under the RSM brand name. As part of its Alliance agreements, RSM continues to export SM3 under the Nissan brand name (14,866 units in 2012).

In 2012 RSM sold 69,841 vehicles, of which 59,926 on its domestic market.

RSM has been the leader in sales satisfaction for eleven years running. This was confirmed in a survey by Marketing Insight, which is considered to set the standard in the Korean market.

THE RENAULT POWERTRAIN RANGE

The powertrain activity 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 BtoB activity, both for the sale of powertrain sub-systems to partners, and for purchases relating to Renault's own needs. 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.

The Business to Business powertrain activity

Looking beyond the Alliance with Nissan, underpinning the sharing of a range, industrial system and supplier fabric, the Business to Business activity seeks to: promote and market Renault Powertrain sub-systems through automotive cooperation projects (for example, with Daimler and AVTOVAZ). They enable our partners to take advantage of Renault technology while giving Renault access, where pertinent, to its partners' developments and industrial capacities. This activity also serves as a basis on which to identify and set up one-off cooperation projects.

The 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 11th World Championship title in Formula1. The Constructors title secured in the 2012 season confirms Renault's continued domination in 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.

The 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.

In this respect, further progress was made in 2012, with the opening of a dedicated website (www.powertrain.renault.com), associated with the "Renault Powertrain" signature.

MAIN MANUFACTURING SITES

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

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

Based on a standard figure of 3,760 hours (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 2012 were 83% globally and 62% in Europe.

In 2012 the bulk of production by the three brands making up the Renault group, for both PCs+LCVs and powertrain sub-systems, came primarily from the following plants.

MAIN MANUFACTURING SITES BY BRAND – 2012 PRODUCTION (UNITS)

2012	SITES	PRODUCTION *(units)*	VEHICLES OR COMPONENTS
RENAULT BRAND			
RENAULT SITES			
Europe			
France	Batilly	101,822	Master III (1)
	Choisy-le-Roi	280,209	Reconditioning of engines, transmissions, injection pumps and sub-assemblies; short-run machining
	Cléon	1,190,397	Engines, transmissions. Aluminium foundry: 10,652 metric tons
	Fonderie de Bretagne	25,046	Aluminium foundry (metric tons)
	Dieppe	1,970	Clio III Renault Sport
	Douai	138,613	Mégane III (Coupé-Cabriolet), Scénic III (5- and 7-seater)
	Douvrin (FM – Renault unit)	296,704	Engines
	Flins	115,831	Clio III phase 2, ZOE, Clio IV
	Le Mans/Villeurbanne	5,010,529	Front/rear suspensions, subframes, lower arms
	Maubeuge	133,611	Kangoo Z.E., Kangoo III (2)
	Ruitz	97,138	Automatic transmissions
	Sandouville	40,632	Laguna III (Hatchback, Estate, Coupé), Espace IV
Spain	Palencia	202,399	Mégane III
	Valladolid	83,744	Twizy, Clio III, Modus, X87
		1,092,082	Engines
	Seville	1,011,308	Transmissions
Portugal	Cacia	532,289	Transmissions
Slovenia	Novo Mesto	130,949	Clio II phase 4, Twingo II, Wind
Euromed-Africa			
Morocco	Casablanca	58,393	Logan, Kangoo, Kangoo Express, Sandero
	Tangiers	50,335	Lodgy, Dokker, Dokker Van
Turkey	Bursa	288,604	Symbol, Fluence incl. Z.E., Mégane, Clio III incl. sedan, Clio IV
		1,465,656	Engines, transmissions, front/rear suspensions, subframes
Americas			
Argentina	Cordoba	109,667	Symbol, Clio II, Kangoo, Kangoo Express, Fluence
Brazil	Curitiba	254,237	Mégane II, Duster, Sandero, Logan (Renault), Master II
		357,260	Engines
Colombia	Envigado	70,686	Duster, Sandero, Twingo, Clio II, Logan
Chile	Los Andes	332,446	Transmissions
Asia-Pacific			
Iran	Teheran	98,110	Mégane II, Logan (Renault) (3)
		167,680	Front/rear suspensions
India	Chennai	37,158	Fluence, Koleos, Duster, Pulse, Scala
Eurasia			
Russia	Avtoframos	165,370	Duster, Mégane, Fluence, Logan (Renault), Sandero (Renault)
NISSAN SITES			
Spain	Barcelona	51,805	Trafic II (4)
South Africa	Pretoria	3,437	Sandero
GENERAL MOTORS EUROPE SITE			
UK	Luton	15,644	Trafic II

2012	SITES	PRODUCTION *(units)*	VEHICLES OR COMPONENTS
DACIA BRAND			
Romania	Pitesti	307,832	Duster, Logan (I and II, MCV, Van, Pick-up) Sandero (I and II)
		2,502,913	Engines, transmissions, front/rear suspensions, axles
RENAULT SAMSUNG BRAND			
South Korea	Busan	155,872	SM3, Fluence, Latitude, New SM7, Koleos
		86,259	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 names Citan and Citan Express (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.

THE RENAULT 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;
- 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 commercial ties to a dealer in 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.

	2011		2012	
NUMBER OF RENAULT SITES	**WORLD**	**O/W EUROPE**	**WORLD**	**O/W EUROPE**
Primary network	5,202	3,060	5,157	2,826
o/w RRG dealers and branches	*221*	*186*	*211*	*181*
o/w Pro+ dealerships	*325*	*272*	*416*	*318*
Secondary network	8,132	7,820	7,754	7,427
TOTAL RENAULT SITES	**13,334**	**10,880**	**12,911**	**10,253**

	2011		2012	
NUMBER OF DACIA SITES	**WORLD**	**O/W EUROPE**	**WORLD**	**O/W EUROPE**
Primary network	1,877	1,523	1,900	1,570

Renault Retail Group (RRG)

This wholly-owned subsidiary of Renault s.a.s. is the Group's biggest subsidiary by revenues (nearly €7 billion in 2012) and workforce (11,224 employees at December 31, 2012).

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 bodyshops), short-term rental (Renault Rent), financing and brokerage.

In 2012, RRG sold more than 33% of the new vehicles marketed by Renault in France, and more than 23.5% 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 2012, RRG concentrated on deploying Renault Pro+ dealerships, Renault Sport corners and "Dacia Box" dealerships. With its city centre locations, RRG is also ideally placed to market the Z.E. range of electric vehicles.

RENAULT RETAIL GROUP FIGURES TO END-DECEMBER 2012	**TOTAL FOR 12 EUROPEAN COUNTRIES***	**O/W FRANCE**
New vehicles *(units)*	244,775	144,663
Used vehicles *(units)*	161,175	112,234
Total, new and used vehicles *(units)*	405,950	256,897
Revenues** *(€ million)*	6,947	4,334

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

Renault PRO+ dealerships

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

In a one-stop business-focused environment, Renault Pro+ provides a tailor-made service based on four key components:

- professional expertise, with specialized sales and after-sales staff;
- prominent display of business products in the Renault range, including converted vehicles;
- a proactive, simple approach based on one-stop grouping of all business-related services – sales, financing, servicing contracts, rental, sales and fitting of accessories, etc.;
- a local base thanks to the extensive coverage of the PRO+ network.

In 2012 91 PRO+ sites were opened, bringing the total to 416 sites in 33 countries, including Brazil, which set up its first 25 PRO+ dealerships in the second half of the year. The objective for 2013 is to complete PRO+ coverage in each country, expanding the network where necessary, and to step up the pace significantly in international markets (more than 25 new sites outside Europe).

CASH MANAGEMENT IN THE AUTOMOTIVE ACTIVITY

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

- automate the processing of routine cash inflows and outflows;
- pool surplus cash generated by Group subsidiaries and meet their refinancing requirements;
- centralize the handling of euro-denominated and foreign exchange transactions so as to optimize the

management of currency, liquidity, interest rate, counterparty and country risk while reducing financial and administrative costs;
- centralize virtually all financing operations, including securities issuance, bank loans and credit agreements, at parent company level).

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

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

For the 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, Sweden, Switzerland and the UK). Other foreign currency cash pooling services are currently being developed.

At end-December 2012, parent company net income was €49.8 million (compared with €44.6 million at end-December 2011), and total parent company assets amounted to €8,800 million (compared with €7,709 million at end-December 2011).

B. SALES FINANCING

RCI Banque, Renault's captive financing arm, finances sales of the Renault, Renault Samsung Motors (RSM) and Dacia brands, and, in Europe, the 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, Slovenia, Slovakia, Spain, Sweden, Switzerland, and the UK;
- in the Americas: Argentina, Brazil, Colombia and Mexico;
- in the Euromed Region: Algeria, Morocco, Romania and Turkey;
- in the Eurasia Region: Russia and Ukraine;
- in Asia: South Korea.

At December 31, 2012, the RCI Banque group had total assets of €28,767 million.

The Group employed an average of 2,681 people over the year, of whom 46% in France.

In the countries in which the RCI Banque group operates, Sales Financing accounts for 35% 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. The amounts collected totalled €893 million at December 31, thus limiting the use of market financing.

C. ASSOCIATED COMPANIES, PARTNERS AND COLLABORATIVE PROJECTS

Until December 12, 2012, Renault had three major shareholdings in associated companies.

NISSAN

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

Nissan's market capitalization at December 31, 2012 was ¥3,666 billion, (€32,271 million) based on a closing price of ¥811 per share.

Renault holds 43.4% of Nissan's share capital. At December 31, 2012 the market value of the shares held by Renault totaled €14,006 million, based on a conversion rate of ¥113.6 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.

AB VOLVO

Renault acquired a shareholding in Volvo in 2001, and began its withdrawal on October 6, 2010 when it sold its "B" shares, retaining only 138,604,945 "A" shares representing 6.5% of share capital and 17.2% of voting rights at AB Volvo.

This remaining shareholding was sold in full on December 12, 2012, via a private placement with institutional investors in Sweden and elsewhere in the world, at a price of SEK 92.25 per share, or around €1,476 million.

Renault accounted for its shareholding in AB Volvo using the equity method, until closure of the Volvo accounts on September 30, 2012.

In 2012, Volvo contributed €80 million to Renault's results for the first three quarters of the year, compared with €136 million in 2011. See note 14-A 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 the founding of a joint venture, Alliance Rostec Auto B.V., by the Renault-Nissan Alliance and the state corporation Russian Technologies.

The joint venture will control AVTOVAZ. 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 fast-growing Russian market.

Under the terms of the deal, Renault-Nissan will invest RUB23 billion (US$ 742 million). The investment will give Renault-Nissan a 67.13% share of the joint venture by mid-2014. The joint venture will then hold 74.5% of AVTOVAZ.

Renault, which purchased 25% of AVTOVAZ in 2008, will invest RUB11.3 billion (US$ 366 million) in the joint venture and plans to own 50.1% in the joint venture by June 2014. Nissan which did not previously own a stake in AVTOVAZ, will invest RUB11.7 billion (US$ 376 million) and plans to own 17% in the joint venture by the same date. Also on this date, Russian Technologies will hold 32.87% of the joint venture, following the acquisition by Alliance Rostec Auto. B.V. of all the AVTOVAZ shares held by Troika Dialog Investment Ltd.

As part of the deal, Russian Technologies is restructuring its outstanding loans with AVTOVAZ with an interest-free extension through to 2032 (see note 14-B to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement).

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 greater production capacity for the Renault and Nissan brands, which continued their development in 2012. The deal comes eight months after the opening of a new assembly line in Togliatti, with an annual capacity of 350,000 vehicles. In 2013 five models will be built on this line, badged by the LADA, Renault and Nissan brands. The production capacities of AVTOVAZ and its subsidiary OAG will gradually be modernized with the support of the Renault-Nissan Alliance in order to raise production capacity in Russia to at least 1.7°million vehicles per year from 2016.

The transformation of AVTOVAZ is set to continue in 2013 with Renault and AVTOVAZ engaged in a process of range renewal with an ambitious product plan including the creation of new vehicle ranges tailored to the needs of the Russian automotive market. To meet market needs, the AVTOVAZ range has been rebuilt on the basis of an economic vehicle offering. In the long term, it will concern the B and C segments, for both sedans and SUVs. The new models will be based on platforms developed by AVTOVAZ or the Renault-Nissan Alliance.

AVTOVAZ began a product offensive at end-2011 with the launch of Lada Granta, which replaced Lada Classic in the low-cost vehicle segment. This was followed by the launch in mid-2012 of Lada Largus, based on Logan MCV. Renault will also help AVTOVAZ to put in place the capacities to produce the engines and transmissions developed through the Renault Nissan Alliance. In the first instance, this will involve giving the Togliatti plant the capacity to produce 450,000 engines/year from 2014.

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

PARTNERSHIPS AND COLLABORATIVE PROJECTS

Strategic cooperation between the Renault-Nissan Alliance and Daimler AG

Refer to the paragraph “Strategic cooperation with Daimler” below.

Supplier relations and support

In view of the current economic conditions, it is essential for manufacturers and suppliers to forge close ties. Renault’s objective is to build performance as part of an equitable partnership with suppliers. This is particularly important when we consider that the life cycle of a car – development, service life and after-sales – spans around twenty years. It is therefore in the interest of both manufacturers and suppliers to forge a learning relationship, setting high standards over the long term, in order to create value together.

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

- involving suppliers from the outset of projects, with the aim of meeting price and quality targets and cutting development times;
- sharing best industrial practices (cooperation in the field, regular meetings, delegated experts);
- studying processes in order to help suppliers improve part quality and cut costs without reducing their margins. Identifying and eliminating sources of waste accounts for 50% of performance;
- supporting suppliers in improving quality. Since 2001 Renault has sought to build relations with suppliers by assessing their quality management systems. More than 300 quality experts around the world, of whom 70 in France, 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. At end-2012, more than 5,000 assessments had been carried out, of which 70% were repeat evaluations, following the implementation of a progress plan by the supplier. In 2012 the emphasis was on action plans to avoid recurring defects (PPM rate);
- enabling suppliers to track the development of Renault. Renault’s industrial facilities in other countries (Morocco, Brazil, India, etc.) and the partnerships with AVTOVAZ (Russia) create opportunities for suppliers in high-growth markets. Similarly, the partnership with Daimler gives them access to increased volumes;
- optimizing innovations. Renault shares its strategic objectives with its most innovative suppliers, and implements co-innovation contracts clearly setting out the objectives pursued, the sharing of costs, ownership rights, exclusivity periods, etc. The most senior level of company management is directly involved in tracking these subjects;
- supporting supplier development in CSR, and the application by Renault of Charters governing good practices in customer-supplier relations.

To showcase its suppliers, Renault set up its own Quality Awards in 2007 to reward the performance of exceptional suppliers. In 2012 Renault broadened the scope of the Awards to include innovation and CSR, reflecting the importance of these subjects in purchasing and Group strategy.

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 innovations and developments introduced by the two partners in the Alliance.

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. Unveiled to the general public at the Hanover Motor Show in September 2012, Citan has been sold by Mercedes since fall 2012.

Picking up the pace of international expansion

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

In China

In the People's Republic of China, building on a strong sales recovery from 2009 (24,275 units in 2011 compared with 5,321 in 2009), the Renault group is engaged in discussions with a potential local partner, Dongfeng Motor Group (DFG), already partnering Nissan in China, as part of a project for local production.

The project took a further step forward in 2012. Based on the restructuring of a joint venture [3], the aim is to develop, build and distribute Renault brand vehicles, taking full advantage of synergies with the natural Alliance partner (Nissan) and the local partner Dongfeng.

The Company will seek to bring Chinese customers competitive vehicles, tailored to their tastes and requirements. These vehicles would respect the positioning of the brand in China and consolidate the ambitions of the brand and the Group on a market that became the world's biggest in 2009. As part of the project, two plants are expected to open in the near future (one to build and assemble vehicles, the other to build and assemble engines), along with a Research and Development centre.

[3] A joint venture under Chinese law called SRAC: Sanjiang Renault Automotive company, founded in 1994.

The two partners are in the assessment stage of their project. They plan to submit their project to the local Chinese authorities in the near future, in order to be able to start their activities within the shortest time frame possible.

In Russia

Alongside the partnership with AVTOVAZ (cf. above), the partnership with Moscow City Hall took a different form with the acquisition of the shareholdings held by City Hall in the companies Avtoframos and Remosprom (Moscow plant).

Thanks to the success of Duster and the breakthrough of Renault in the C segment, Renault was No. 3 on the Russian market in 2012, with market share of 6.5%. In order to satisfy demand, the Moscow plant has made investments to increase capacity from 30 to 33 vehicles/hour and has modified its organization (two shifts x six working days per week) to take full advantage of production capacity, which has been increased to 185,000 vehicles/year. A further step forward should be taken in 2013 with the arrival of a Renault vehicle on the AVTOVAZ production lines.

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 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 Iran

Renault is maintaining its presence, while enforcing the legal constraints linked to the international sanctions applicable to this country.

Renault is working primarily with the X90 platform and the vehicle L90 (Logan). The plan is for each of the two main Iranian manufacturers (Iran Khodro and SAIPA/Pars Khodro) to assemble and distribute L90s. Installed capacity is 240,000 vehicles a year, split equally between the two manufacturers. The Renault Pars joint venture established in May 2004, which is owned 51% by Renault and 49% by AIDCo (SAIPA 74% and Iran Khodro 26%), is managing the entire industrial project. The specific roles assigned to Renault Pars mainly cover purchasing, engineering, processes, quality procedures and sales coordination. The partners covered the investments and expenses incurred prior to the launch of the first vehicle through a new equity offering. More than 300,000 Tondar (the local name for Logan) vehicles have been built since production began in March 2007, of which more than 80,000 in 2012.

Mégane is also assembled in Iran by the manufacturer Pars Khodro. More than 36,000 Mégane vehicles have been assembled since the start of cooperation in 2008, of which around 14,000 in 2012.

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 22,000 units since production of this vehicle started.

In Morocco

The Tangiers plant began operation in 2012, building 55,700 entry-level vehicles over the year (44,500 Lodgy, 11,200 Dokker and Dokker van). In 2013 a total €240 million will be invested in the plant in order to complete the second production line, which will have a capacity of 30 vehicles/hour. The site will then have a total production capacity of 107,000 vehicles. Also in 2012, the Somaca plant in Casablanca made preparations to start building the vehicles replacing Logan I and Sandero I (production start-up of Logan II and Sandero II in 2013).

In Algeria

In May 2012, Renault signed an MOU with the Algerian authorities to build an assembly plant in the region of Oran, with a long-term capacity of 75,000 vehicles/year. This plant could start production en 2014. It would rely on CKDs from Romania in the first instance, with a view to gradually increasing local content.

<u>The environment</u>

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

Renault Environnement 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.

In order to develop training services in eco-driving across Europe, Renault Environnement acquired a shareholding in Key Driving Competences (KDC) in 2009. However, following a decision by KDC in 2012 to withdraw from the training market in order to focus on other activities, Renault withdrew from the capital of KDC. At end-2012, it was no longer a shareholder in this company.

(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.

<u>ALLIANCE OBJECTIVES</u>

VISION – DESTINATION OF THE RENAULT-NISSAN ALLIANCE

<u>Thirteen years of cooperation and synergy</u>

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 2012, the Alliance sold a record 8.10 million units worldwide, up about 1% from the previous year. 2012 was the fourth 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 behind Toyota, General Motors and Volkswagen.

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:

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

Strategic management

Renault and Nissan, headquartered in Boulogne-Billancourt, France and Yokohama, Japan, respectively, have separate management structures. The responsibility for managing their activities lies with their respective Executive Committees, which are answerable to 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.
Today, 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. Now Renault and Nissan are the auto industry leaders in sustainable transportation.

Pure electric vehicles

■ The Alliance is the only manufacturer with a wide range of 100% electric vehicles (EVs) on the road. Since sales began in late 2010 to the end of 2012, the Alliance sold about 68,000 zero-emission vehicles globally, including Twizy, Renault's electric two-seater tandem. This is more than all of the other major global automakers combined.

■ 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 EV launched the Kangoo Z.E., the first electric light 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 more than 200km (NEDC).

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 Renault-Nissan Alliance strives to maximize the number of platforms shared across multiple models whenever it makes sense from a cost and branding perspective. In fact, 2011-2012 marked the Alliance's biggest passenger-car platform-sharing project yet with the launch of the Nissan Micra and Renault Pulse in India. This was followed by the Nissan Sunny/ Renault Scala project in 2012 also in India. The Powertrain Cross-Company Team (CCT), supported by the Alliance Powertrain Planning Office, has been leading the effort to increase efficiency at the powertrain level since 2009.
Throughout the Alliance, engineers are focused on reducing powertrain diversity. 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 2012, almost 80% of all powertrains were shared. This represented synergies of €670 million, or 41% of total synergies. 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. Four new powertrains, two of which are labeled "Energy", are financed by the Alliance and developed in 2011 are being fitted on both Renault and Nissan models to respond to tougher environmental regulations.

Renault Energy TCe 90
Renault's first three-cylinder, turbo engine made its debut on New Clio launched this year. This 898-cc turbo unit completes the overhaul of the Group's range of petrol engines by offering the best balance between driving enjoyment and impeccable fuel consumption.

Key features:

■ performance equivalent to that of a normally-aspirated 1.4 litre four cylinder;

■ aluminium block (15kg saving compared with equivalent cast iron block);

■ power: 90hp at 5, 250rpm;

■ 135Nm of max torque available across a wide rev range and from low engine speeds (90% of peak torque available from 1,650rpm) to ensure good pick-up, acceleration, responsiveness and driving enjoyment;

■ new Renault Clio Energy TCe 90 features consumption and CO2 emissions down 20% to 4.4l/100km and 99g/km (eco version).

Renault Energy dCi 90
With this new diesel engine, the new Clio achieves a record NEDC combinedcycle fuel consumption of 3.2 l/100km[4] Thanks to its expertise as an engine manufacturer, Renault demonstrates that an internal combustion engine can achieve the same fuel consumption and CO2 emissions as certain hybrid models thanks to new technologies which uncompromisingly target maximum efficiency.
Peak torque of 220Nm is available from 1,750rpm, which ensures genuine driving enjoyment coupled with strong pick-up from low revs. The entry level model is a dCi 75 model without Stop&Start, developing 75hp and 180Nm.

New Renault TCe 120 EDC
The TCe 120 is the first turbo GDI engine designed by the Alliance for this displacement and is one of the most powerful and most efficient petrol engines in its class. Coupled with a Renault EDC dual clutch gearbox (available from spring 2013), it combines driving enjoyment in all situations and quick, seamless gear changes with no interruption of torque delivery. Coupled to the EDC dual clutch transmission, the Renault TCe 120 enables New Clio to achieve fuel consumption[4] that marks a one-third improvement over the previous 1.6-litre automatic.

Cutting edge technologies:
■ aluminium engine block;
■ an extremely versatile four-cylinder, 120hp, 1.2 litre turbo petrol engine with direct injection which develops 190Nm of torque at low revs, from 2,000rpm equivalent to the performance of a 1.6 litre.

New 1.6T R.S. 200 EDC
Featured on New Clio R.S. 200 EDC, this new 16-valve, four-cylinder turbocharged engine coupled with EDC dual clutch transmission develops 200hp at 6,000rpm. Its high torque of 240Nm (up 25Nm compared with Clio III R.S.) is developed from just 1,750rpm for instantaneous driving enjoyment. This maximum torque is then consistently available at higher revs – up to 5,600rpm – thanks to the turbocharger.
This sporty Alliance engine includes cutting edge technologies, demonstrated by the DLC (Diamond Like Carbon) cam followers developed from Formula One and Variable Valve Timing (VVT). As always with Renault Sport, the exhaust note has been the object of particular attention.

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 Sunny sedan for global export, as well as the Evalia multi-purpose van. It also produces the Renault Koleos premium SUV, Renault Fluence family sedan, the new compact Renault Pulse, the Duster SUV and the Scala sedan, all for the Indian market. The Chennai plant also produces powertrains for the Alliance's vehicles produced in India. Since 2011, the factory has been producing two gasoline engines and one diesel engine. By 2013, the Alliance aims to produce an additional diesel engine and two gear boxes at the plant.
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 also home to the Alliance's fi rst 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 Mumbai-based design studio.
The Alliance also operates a logistics platform in Pune, which manufactures components for Alliance plants worldwide.

Russia

[4] Fuel consumption and emissions homologated in compliance with applicable legislation

Russia is one of the growth pillars for the Alliance in the next half-decade. In December 2012, the Alliance and 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 (US$ 742 million).
The investment will give Renault-Nissan 67.13% of the joint venture by mid- 2014. The joint venture will then hold 74.5% of AVTOVAZ.
The Alliance has four manufacturing bases in Russia: Togliatti, Moscow, St. Petersburg and Izhavto. 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 production line at the Togliatti plant, the largest assembly plant in the world, began in April with the Lada Largus multi-purpose van. Five separate models from the three companies will be produced on the line, reducing costs while preserving the unique characteristics of each brand.

South Korea
In South Korea, the Renault Samsung plant in Busan produces Nissan vehicles – such as 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 that year 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 28 countries in greater Europe and in 24 countries for Nissan. The combined budget was approximately €640 million in 2012.

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. Under this fi rst-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.

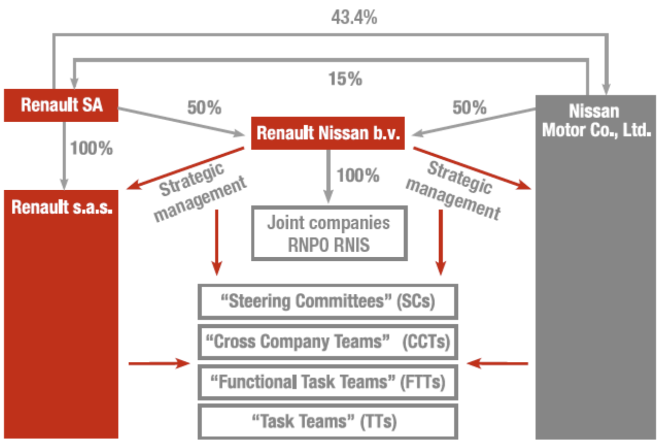
RNBV decides on medium- and long-term strategy, as described below under "Powers of Renault-Nissan b.v." It bolsters the management of the Renault- Nissan Alliance and coordinates joint activities at a global level, allowing for decisions to be made while respecting the autonomy of each partner and guaranteeing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

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. This new team is focused on the following priority areas: purchasing, industrial sourcing of vehicles and powertrains, common platforms and parts, global logistics, IS/IT, research and advanced technologies, the new zero- emission business, as well as the battery business. In 2012, the Alliance also sharpened its focus on development of "sub-entry" vehicles for consumers primarily in emerging markets – so-called A-segment vehicles.

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 cooperation with Daimler

The Alliance seeks out strategic alliances with other partners in order to increase economies of scale to help accelerate growth in new regions, to fund research and development of next-generation powertrains, and build vehicles that meet or exceed tougher environmental requirements for a sustainable future.

With that in mind, the Alliance announced a strategic co-operation with Daimler AG in April 2010. This stable, long-term relationship enables each party to generate economies of scale, to share new investments and existing production capacities, and to share development costs on new products and new technologies.

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.

It 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.

2012 was an important milestone for the cooperation with the first tangible results of the collaboration visible on the road:

- the jointly developed Renault-Daimler 4- cylinder 1.5 liter direct injection turbo diesel engine had its market introduction in the new Mercedes-Benz A-Class;
- Mercedes-Benz Vans expanded its range of light commercial vehicles with the launch of a new entry-level model "Citan" based on the existing Kangoo, which also features the above jointly developed 1.5 liter engine. The vehicle is built in the Renault Maubeuge plant in France.

Among the new projects added to the portfolio:

- Nissan and Daimler announced they would produce Mercedes-Benz 4-cylinder gasoline engines together at Nissan's powertrain assembly plant in Decherd, Tennessee, USA. Production will begin in 2014, with installed capacity of 250,000 units per year once full ramp-up is achieved. The Decherd facility will produce engines for Mercedes-Benz and Infiniti models;
- Renault and Daimler will jointly develop a 4-cylinder, 1.3 liter gasoline engine family. The direct-injection turbocharged engines will feature state-of-the-art technology in a compact package. The engines target a significant improvement in fuel economy as well as low emissions and will debut in Mercedes-Benz, Renault and Nissan vehicles in 2016;
- Daimler and Nissan have entered into a manufacturing and development licence agreement for a new automatic transmission currently being developed by Daimler. Jatco will manufacture the automatic transmission in Mexico for Nissan and Infiniti vehicles starting in 2016;
- the Renault-Nissan Alliance and Daimler announced an agreement in January 2013 with Ford to accelerate the commercialization of fuel-cell electric vehicle technology. See fuel-cell electric vehicles paragraph in "Research and advanced engineering" above.

In addition, the following "pillar projects" originally launched in April 2010 remained on track:

- the smart/Twingo project has an expected launch date of 2014. Two-seater smart production will be in Hambach, France, and four-seater smart and Renault production will be at Renault in Novo Mesto, Slovenia;
- the cross-supply and joint development of powertrains continues. Renault is supplying Daimler with compact three-cylinder gasoline engines and four-cylinder diesel engines to be used in the small-car segment (smart, Twingo). In addition to the jointly developed engine for the Mercedes-Benz Citan van, Renault is also supplying components for the next generation of Mercedes-Benz's premium compact cars. Daimler will supply Nissan and Infiniti with four- and six-cylinder gasoline and diesel engines from the current and future engine portfolio.

In addition to these original "pillar projects" that have been accomplished or are on track, Renault and Daimler are collaborating on new projects, including the development of fuel-efficient powertrains and additional sharing of existing platforms or production plants.

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 joint purchasing, exchanging benchmarks and best practices.

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 2012. The Alliance Board has also convened regular meetings for all top executives at both companies. The most recent meeting was in September 2012, when 350 senior executives met in Paris for a two-day "Alliance Convention" in advance of the Paris Motor Show.

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, Carlos Tavares and Jérôme Stoll) and four from Nissan (Toshiyuki Shiga, Mitsuhiko Yamashita, Hidetoshi Imazu and Greg 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, as RNBV is not a parent company but a joint subsidiary set up by Renault SA and Nissan Motor Co, Ltd. The managers of RNBV can be dismissed by the parent companies.

4. STATEMENT OF RELATED COMPANIES (on December 31, 2012):

(1) PARENT COMPANY

Not applicable.

(2) SUBSIDIARIES

The total number of consolidated subsidiaries of the Company at December 31, 2012 was 117.
The significant subsidiaries are set out below:

RENAULT S.A.S.

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

- The share capital of Renault s.a.s. is EUR 533,941,113 divided into 35,012,532 voting shares of each EUR 15.250.

- 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 spare parts and accessories used in connection with the manufacture and operation of vehicles. Also, all types of services relative to such activities and, more generally, all industrial, commercial, financial, investment and real- estate transactions relating directly or indirectly, in whole or in part, to any of the above purposes (see Article 3 of the articles of incorporation).

- **2012 revenues: €31,459 million (local data to Group standards, external format).**

- Workforce at December 31, 2012: 35,619.

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.
- 2012 revenues: EUR 4,609 million (local data to Group standards, external format).
- Workforce at December 31, 2012: 7,823.

RENAULT DEUTSCHLAND

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

- The authorised share capital of Renault Nissan Deutschland is EUR 10,655,321.11 divided into 20,840 voting shares of each EUR 511.29.
- Renault s.a.s. holds directly 60% of the authorised capital of Renault Nissan Deutschland and 60% of its voting rights, and Renault Groupe B.V. holds directly 40% of the authorised capital of Renault Nissan Deutschland and 40% of its voting rights..
- Business: Renault and Nissan joint commercial organization in Germany.
- 2012 revenues: EUR 2,264 million (local data to Group standards, external format).
- Workforce at December 31, 2012: 449.

OYAK-RENAULT OTOMOBIL FABRIKALARI

Barbaros Plaza C blok No145 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% of the authorised capital of OYAK Renault Otomobil Fabrikalari and 51% of its voting rights.
- Business: Assembly and manufacture of Renault vehicles.
- Plant in Bursa.
- 2012 revenues: TRL 7,124 million (local data to Group standards, external format).
- Workforce at December 31, 2012: 6,199.

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.
- 2012 revenues: ROL 12,631 million (local data to Group standards, external format).
- Workforce at December 31, 2012: 13,757.

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.
- 2012 revenues: EUR 1,344 million (local data to Group standards, external format).
- Workforce at December 31, 2012: 275.

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.
- 2012 revenues: EUR 911million (local data to Group standards, external format).
- Workforce at December 31, 2012: 2,076.

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, 2012*:* EUR 8,800 million.
- Workforce at December 31, 2012: 33.

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 2012: EUR 10.9 billion.
- Total assets (consolidated) at December 31, 2012: EUR 28,767 million.
- Workforce at December 31, 2012: 2,854.

RENAULT SAMSUNG MOTORS

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

- The authorised share capital of Renault Samsung Motors is WON 440,000,000,000 divided into 88,000,000 voting shares of each WON 5,000.
- Renault Group b.v. holds directly 79.73% of Renault Samsung Motors share capital and, 79.73% of its voting rights.
- Business: Manufacture and marketing of motor vehicles.
- Plant in Busan.
- 2012 revenues: KRW 3,634 billion (local data to Group standards, external format).
- Workforce at December 31, 2012: 4,579.

RENAULT UK

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

- The authorised share capital of Renault UK Ltd is GBP 2,750,000 divided into 2,750,000 voting shares of each GBP 1.

- Renault group holds directly 100% of the capital of Renault UK Ltd and 100% of its voting rights.
- Business: Marketing of Renault passenger cars and light commercial vehicles.
- 2012 revenues: GBP 703 million (local data to Group standards, external format).
- Workforce at December 31, 2012: 175.

RENAULT RETAIL GROUP (FRANCE)

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

- The share capital of Renault Retail Group is EUR 304,289,978.16 divided into 19,966,534 voting shares of each EUR 15.24.
- Renault s.a.s. holds directly 100 % of the authorised capital of Renault Retail Group S.A. and 100 % of its voting rights.
- Business: Trade, repair, maintenance and leasing of passenger cars and light commercial vehicles.
- 65 branches in France.
- 2012 revenues: EUR 3,925 million (local data to Group standards, external format).
- Workforce at December 31, 2012: 7,236.

AVTOFRAMOS

35, avenue Vorontsovskaia, 109147 Moscow, Russia

- The share capital of Avtoframos is RUB 6,841,426,980 divided into 3,513,000 voting shares.
- Renault group holds directly 100% of the authorised capital of Avtoframos and 100% of its voting rights.
- Business: Assembly, import, marketing and sale of Renault Vehicles.
- 2012 revenues: RUB 85,134 million (local data to Group standards, external format).
- Workforce at December 31, 2012: 5,235.

RENAULT DO BRASIL

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

- The authorised share capital of Renault do Brasil is BRL 1,255,210,547 divided into 422,669,009,499 voting shares.
- 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.

- 2012 revenues: BRL 9,375 million (local data to Group standards, external format).
- Workforce at December 31, 2012:6,234.

RENAULT ARGENTINA

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

- The authorised share capital of Renault Argentina is ARS 61,310,911.42 divided into 6,310,911 voting shares of each ARS 10.
- Renault group holds indirectly 100% of the authorised capital of Renault Argentina and 100% of its voting rights.
- Business: Manufacture and marketing of Renault vehicles.
- 2012 revenues: ARS 9,887 million (local data to Group standards, external format).
- Workforce at December 31, 2012: 2,871.

RENAULT BELGIUM LUXEMBOURG

21, boulevard de la Plaine 1050 – Brussels, Belgium

- The authorised share capital of EUR 18,630,000 divided into 67,500 voting shares of each EUR 276.
- Wholly owned by Renault s.a.s.
  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.
- 2012 revenues: EUR1,127 million (local data to Group standards, external format).
- Workforce at December 31, 2012: 220.

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
- 2012 revenues: DZD 118,315 million (local data to Group standards, external format)
- Workforce at December 31, 2012: 382.

RENAULT MOROCCO (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 Marocco and 80% of its voting rights.
- Business: Importing and marketing Renault and Dacia brand vehicles
- 2012 revenues: MAD 5,827 million (local data to Group standards, external format)
- Workforce at December 31, 2012: 148.

(3) AFFILIATED COMPANIES[5]

The total number of affiliated companies at December 31, 2012 was 12.
The significant affiliated companies are set out below:

Automobile Division

AB Volvo

This shareholding was sold in full on December 12, 2012, *via* a private placement with institutional investors in Sweden and elsewhere in the world, at a price of SEK 92.25 per share, or around €1,476 million.

NISSAN Motor Co., Ltd.

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

- The number of authorized share is 6,000,000,000 shares. The subscribed capital is capital is 605,813,734,035 JPY divided into 4,520,715,112 voting shares.
- Renault S.A. holds directly 43.4% shares and 43.7% 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 authorised share capital of AVTOVAZ is RUB 9,250,270,100. The subscribed capital is RUB 9,250,270,100 divided into 1,850,054,020 voting shares of each RUB 5.
- Renault s.a.s holds directly 25% shares (splitted into 75.04% of ordinary shares and 24.96% of preferred shares) and 25% of the voting rights.
- Business: AvtoVAZ is a Russian automobile manufacturer. As regards the relationship with Renault,

[5] 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.

please refer to 3.-(1)-C.-"AvtoVAZ" of this Section.

Financial Companies (Affiliates)

RCI Financial Services, sro

Zeletavska 1525/1 140 10 Praha 4, Czeck Republic

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

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

Nissan Renault Finance Mexico

Av. Insurgentes Sur N° 1958, Col. Florida 01030 MEXICO, D.F, Mexico

- The authorised share capital of Nissan Renault Finance Mexico is 885,893,900 MXN divided into 885,893,900 shares of each MXN 1.
- RCI Banque S.A. holds indirectly 15% of the shares of Nissan Renault Finance Mexico and 15% of its voting rights.
- Business: Funding of netwok for Nissan and Renault

5. STATEMENT OF EMPLOYEES:

WORKFORCE

Renault group workforce

At December 31, 2012 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, 2012

	2012	2011	2010	% CHANGE 2012/2011

Automotive	124,232	125,464	119,816	-0,98
Sales financing	2,854	2,858	2,799	-0,14
TOTAL	**127,086**	**128,322**	**122,615**	-0,96

As at December 31, 2012 the Group's workforce (short- and long-term contracts) stood at 127,086 people, broken down as follows:

The breakdown between white-collar and blue-collar workers based on type of employment contract (open-ended/fixed term) is computed across the entire scope of consolidation. By contrast, the male/female breakdown and age pyramid are computed across fully consolidated subsidiaries (97% of total staff). The excluded entities are those controlled by the Group but consolidated proportionally.

Men	82.6%
Women	17.4%

White collar	49.3%
Blue collar	50.7%

<25 y.o.	8.4%
25 y.o. << 35 y.o.	31.8%
35 y.o. << 45 y.o.	29.1%
45 y.o. << 55 y.o.	20.7%
> 50 y.o.	10.0%

Long-term contract	92%
Short-term contract	8%

Group employees work in 38 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	%
GROUP	127,086	100.0%
Europe	71,444	56.2%
o/w France	*53,203*	*41.9%*
Euromed-Africa	30,758	24.2%
Americas	12,252	9.6%
Asia-Pacific	7,307	5.8%
Eurasia	5,325	4.2%

These figures aside, the Renault community is characterized by its openness to multicultural partnerships, commitment and ongoing labor dialogue.

III. STATEMENTS OF BUSINESS

1. OUTLINE OF RESULTS OF OPERATION, ETC.:

(1) SALES PERFORMANCE IN 2012

OVERVIEW

- In 2012, the Group sold **2.5 million vehicles** (-6.3%), for global PC/LCV market share of 3.2% (vs 3.6% in 2011). Market performance was uneven, with the global market growing overall and the European market falling.
- In 2012, **growth in international sales gathered pace.** The Group sold nearly 1.3 million vehicles outside Europe (+9.1% on 2011). For the first time, the Group sold as many vehicles on international markets as it did in Europe (50.2% compared with 43.1% in 2011).
- Growth was particularly strong in **Brazil** and **Russia**, which now rank as the Group's second and third biggest markets respectively.
- The **Renault brand** accounted for 83% of Group sales with 2,124,773 vehicles. Despite growing by a strong 13.9% outside Europe, Renault brand sales fell by 6.0% on 2011. Renault remains No. 1 on the European LCV market (since 1998) with market share of 15.5%.
- The **Dacia brand** saw sales rise 4.8% to 359,822 units, buoyed by the expansion of the range in 2012 with the arrival of Lodgy, Dokker, and the renewal of Sandero.
- The **Renault Samsung Motors brand** saw sales fall 44.4% to 65,691 units. The brand is currently restructuring its sales network and product offering.
- New financing (excluding the card business and personal loans) by **RCI Banque** reached €10.8 billion in 2012, vs €11.1 billion in 2011, down 2.6%. Average loans outstanding at RCI Banque rose to €24.2 billion (+6.2% on 2011).

THE RENAULT GROUP'S TOP FIFTEEN MARKETS

	SALES EXCL. LADA	SALES VOLUMES 2012* *(in units)*	PC/LCV MARKET SHARE 2012 *(%)*	CHANGE IN MARKET SHARE ON 2011 *(point)*
1	France	551,314	24.2	-1.9
2	Brazil	241,594	6.6	1.0
3	Russia	189,852	6.5	0.6
4	Germany	170,303	5.1	-0.2
5	Argentina	118,727	14.8	1.8
6	Turkey	118,169	15.2	-1.1
7	Algeria	113,664	26.0	0.8
8	Iran	100,783	9.8	3.9
9	Italy	96,144	6.3	-0.1
10	Spain + Canary Islands	83,366	10.7	-0.1
11	Belgium + Luxembourg	74,896	12.5	-0.9
12	South Korea	59,926	4.0	-3.0
13	United Kingdom	56,169	2.5	-1.6
14	Netherlands	53,745	9.5	0.3
15	Morocco	47,709	36.6	-0.4

* *Figures at end-December 2012.*

AUTOMOTIVE

GROUP SALES BY REGION

PASSENGER CARS AND LIGHT COMMERCIAL	2012*	2011	CHANGE *(%)*

VEHICLES *(units)*			
EUROPE REGION	**1,270,688**	**1,550,202**	**-18.0**
Renault	1,040,289	1,309,478	-20.6
Dacia	230,399	240,724	-4.3
AMERICAS REGION	**450,916**	**396,927**	**13.6**
Renault	445,151	388,013	14.7
Renault Samsung Motors	5,765	8,914	-35.3
ASIA-PACIFIC REGION	**260,013**	**259,058**	**0.4**
Renault	198,312	147,939	34.0
Dacia	1,775	1,898	-6.5
Renault Samsung Motors	59,926	109,221	-45.1
EUROMED-AFRICA REGION	**360,918**	**345,865**	**4.4**
Renault	233,270	245,010	-4.8
Dacia	127,648	100,855	26.6
EURASIA REGION	**207,751**	**170,831**	**21.6**
Renault	207,751	170,831	21.6
* *Preliminary figures.*			

Europe

In Europe, in a PC+LCV market that contracted by 8.6%, Group sales fell 17.9%. The Renault brand ranks No. 3 in the PC+LCV market. Dacia sales fell 4.3% to 230,399 units. Overall, the Group is suffering the impact of:

- a distorted geographical mix, with the sharp downturn of markets in France and Southern Europe, where the Group has traditionally had high market share;
- the ageing of the range prior to its renewal;
- a price defense policy that places the emphasis on virtuous sales by channel.

In ***France***, the Renault brand remains No. 1 for PC sales, and continues to place Twingo, Clio and Mégane in the top spots in their respective segments, despite a 24.8% fall in sales.

In the ***UK***, where the brand continued to restructure its sales presence as in 2011, Renault had market share of 2.5%, down 1.6 points.

In other countries, the Group reported stable market share. On strongly falling markets like **Spain** "(-14.9%) and **Italy** (-20.9%), the Group reported a fall in volumes with sales down by 15.9% and 21.9% respectively. In **Germany**, the Group saw sales fall 6% to 170,303 units, in a market that contracted by 3.1%.

Outside Europe

With nearly 1.3 million vehicles sold, +9.1% on 2011, the Group set a new sales record and made progress on all Regions. In this way, the Group is confirming its international expansion and potential for growth. The percentage of Renault group vehicles sold outside Europe rose 7.1 points to 50.2% of sales, compared with 43.1% in 2011.

Of the Group's five main markets, three were located outside Europe (Brazil, Russia, Argentina) in 2012.

Americas

Brazil is now the Renault group's second biggest market. Sales rose 24.3% in a market that grew by 6.1%. Growing four times faster than the market, the Group set a new record for both sales and market share. The Group is pursuing its development in both passenger cars and LCVs, with the expansion of the dedicated Renault Pro+ network.

Argentina becomes the Group's fifth biggest market, rising three places. In a market that contracted by 1.9%, Group sales rose 12.0%. The brand's success was driven by Sandero phase 2, and Duster.

Eurasia

Russia becomes the Group's third biggest market, rising one place. In 2012, the Group posted a 22.7% rise in sales, a new record, for market share of 6.5% (+0.6 points) in a market that expanded by 11.3%. The Renault brand ranks No. 3 on the market, following its breakthrough in the C segment (44% rise in sales of Mégane and Fluence) and the success of Duster. Launched in March, this model is already the country's best-selling SUV. The brand is continuing to deploy its sales network with 20 new dealerships, taking the total to 160 at end-2012.

Euromed-Africa

In ***Turkey***, the Group's sixth biggest market, sales dropped 16.1% in a market that contracted by 10.0%, owing primarily to the withdrawal of the Symbol diesel and pending the arrival of Clio IV.

In ***Algeria***, the Group posted record sales of 113,664 units, a rise of 51.5%, topping the 100,000 mark for the first time. In a strongly growing market, the Group had market share of 26%. The Renault brand held on to the No. 1 position, thanks to the success of Clio and Master. Dacia now ranks third, primarily with Logan and Duster.

In ***Morocco***, the Group reached a record level with a 15% rise in sales. The Group had market share of 36.5% with the Renault and Dacia brands once more claiming the top two places.

Asia-Pacific

In ***South Korea***, sales fell 45.1%. Renault Samsung Motors is going through a transition period, with the restructuring of its sales network and product offering but is aiming for a recovery in 2013.

In ***India***, the Group sold 35,157 units, increasing its market share by 1.1 points. In 2012, the Group implemented a policy of conquest, expanding the range to include five products: Fluence, Koleos, Pulse, Duster and Scala. These launches illustrate the Group's determination to be a key player in this market, which is the third plank in its international strategy, alongside Russia and Brazil.

GROUP SALES BY BRAND AND MODEL

PASSENGER CARS AND LIGHT COMMERCIAL *VEHICLES (units)*	**2012***	**2011**	**VAR. *(%)***
Group	2,550,286	2,722,883	-6.3
BY BRAND			
Renault	2,124,773	2,261,271	-6.0
Dacia	359,822	343,477	4.8
Renault Samsung Motors	65,691	118,135	-44.4
BY VEHICLE TYPE			
Passenger cars	2,213,668	2,360,142	-6.2
Light commercial vehicles	336,618	362,741	-7.2

* *Preliminary figures.*

RENAULT BRAND

Passenger cars

Renault reported a 6% drop in sales overall on 2011, despite strong growth of 13.5% outside Europe. With 1,803,065 units sold, the brand accounts for 81% of Group PC sales.

- In the *A segment*, with 92,644 registrations vs 134,200 in 2011, **Twingo** slips to the No. 4 position (-1 place) in its class in Europe. It remains No. 1 in France, with market share of 25.8% on this segment.
- In the *B segment*, a few weeks after its renewal, Clio IV had already taken more than 100,000 orders. Over the year, worldwide sales of **Clio** (Clio II + Clio III + Clio IV) dipped by 10.1% to 337,924 registrations. **Sandero**, sold under the Renault brand name, continued its breakthrough in emerging countries with 205,668 units sold in 2012. Sandero sales in Russia and Brazil rose by 6.4% and 20.4% respectively, to 48,632 and 98,458 units respectively. One year ahead of its renewal, sales of **Logan** fell 13.3% to 220,056 units.
- In the *C segment,* with 395,969 units sold worldwide, the **Mégane** family is suffering from an unfavourable geographic mix. It remains No. 2 on the European market with a 6.8% share of its segment. It remains No. 1 in France, Belgium, Holland, Spain and Portugal. **Scénic** (132,146 registrations) remains best-seller in its category in Europe.
  The Renault brand sold 158,055 **Duster** vehicles worldwide. Following its launch at end-2011 in Brazil (46,904 vehicles sold in 2012), Duster pursued its international deployment with launches in Russia (47,344 vehicles sold) and India (23,731 vehicles sold).
  Fluence saw sales rise on its various markets worldwide to 106,529 vehicles (+4.2%). Fluence ranks No. 3 on its segment in Turkey.
- In the *D* and *E segments*, **Laguna** sales fell significantly to 29,827 units, compared with 50,575 in 2011. Reflecting its appeal in China, **Koleos** reported 49,316 registrations, compared with 49,272 in 2011. Renault **Espace** (12,536 vehicles sold in 2012) remains No. 1 in France, increasing its market share to 33.1% of its segment with 6,081 vehicles sold. **Latitude** totalled 9,219 sales, compared with 14,152 in 2011.

Light commercial vehicles

The downtrend in the LCV market in Europe (-12.8%) had a strong impact on Renault sales, which fell 13.5%. The brand nevertheless remained No. 1 for the fifteenth consecutive year, with market share of 15.5%. With 94,279 units sold outside Europe (+18.6%), in a market that expanded by 5.2%, international sales now account for 29.3% of the brand total. This performance is linked to a rise in sales across all Regions outside Europe. For example, Argentina is now the Group’s second biggest LCV market, and Algeria the fifth biggest.

Sales of **Kangoo** (excluding Kangoo Z.E.) and Renault **Trafic** dropped 12.8% and 14.6% to 108,167 units and 54,223 units respectively. Sales of Renault **Master** rose 0.6% to 95,605 units.

Electric vehicles

Renault markets a range of three electric vehicles. **Twizy**, the compact urban quadricycle launched in early 2012 has notched up 9,020 sales. This vehicle alone symbolizes the innovative nature of this technology developed by Renault. **Kangoo Z.E.,** an electric LCV, totalled 5,688 sales in 2012. **Fluence Z.E.,** an electric vehicle developed for a number of specific markets reported 2,086 sales over the year. With Fluence Z.E. and Kangoo Z.E., Renault is No. 1 on the all electric vehicle market in Europe with market share of 28%.

DACIA BRAND

Sales of the Dacia brand rose 4.8% to 359,822 units, buoyed by the expansion of the range in 2012 and the arrival of **Lodgy** (an MPV) and **Dokker** (an LCV). Market share in Europe remained stable despite an unfavourable geographic mix caused by the downturn in the French market. The Dacia brand has a strong growth in Euromed-Africa.

- In the *B segment,* sales of **Sandero** under the Dacia brand name increased worldwide to 94,180 units (+9.8%). In Europe, on its segment, Sandero continues to win market share despite difficult conditions.
- In the *C segment,* **Duster** was penalized by an unfavourable sales mix by distribution channel. Sales volumes fell 18.5% to 131,205 units, compared with 161,053 in 2011. It nevertheless continues to rank third in sales of cross-over passenger vehicles in Europe, with market share of 8.1% in this category.

RENAULT SAMSUNG MOTORS BRAND

South Korea dropped to twelfth place in the Renault group market rankings. The local brand, Renault Samsung Motors, posted market share of 4.0% (8.3% in 2011). Renault Samsung Motors saw sales drop 45.1% to 59,926 units. The brand is restructuring its sales network and product offering with a view to staging a recovery from end-2013. SM5 phase 2, the first vehicle launched since the roll-out of the revival plan, has made a good start.

SALES FINANCING

PROPORTION OF NEW VEHICLES FINANCED

Continuing the growth plan initiated in 2010-2011, the RCI Banque group turned in a strong sales performance throughout 2012, increasing the overall proportion of new vehicles financed on all markets.

The rise in the proportion of new vehicles financed was particularly strong for the Renault and Dacia brands, with figures rising by 2.2 and 3.5 points to 36.6% and 33.0% respectively.

In the **Europe Region**, the proportion of new vehicles financed by RCI Banque rose slightly to 33.9% (vs 33.0% in 2011). The figure for the Renault brand was 36.9% (vs 35.4% in 2011) and 26.7% for Nissan (vs 26.6% in 2011). This trend can be explained by the competitive sales policy pursued by RCI Banque, with investments and services packages, and also by the efforts made by both brands to use financing operations to build customer loyalty.

In the **Americas Region**, the proportion of new vehicles financed by RCI Banque rose to 37.1% (vs 33.4% in 2011).

In South Korea (the only country in the **Asia-Pacific Region** where RCI is present today), the proportion of new vehicles financed remained stable at 57.3% (vs 56.6% in 2011).

In the **Euromed-Africa Region** (with Romania and Morocco), the proportion of new vehicles financed by RCI Banque rose to 26.3% in 2012 (vs 19.0% in 2011).

RCI BANQUE NEW FINANCING CONTRACTS AND AVERAGE LOANS OUTSTANDING

In connection with the business activity of the vehicle manufacturers, particularly Renault, RCI Banque signed 976,449 new vehicle contracts in 2012, a drop of 4.7%.

New financing contracts fell 2.6% to €10.8 billion, excluding the card business and personal loans (€11.1 billion in 2011). Nevertheless, average loans outstanding rose 6.2% on 2011 to €24.2 billion.

INTERNATIONAL DEVELOPMENT AND NEW ACTIVITIES

As part efforts to support Renault and Nissan in their international development, RCI Banque is pursuing its geographical expansion, in response to the brands' market objectives. The subsidiary set up in Ireland at end-2011 is developing its activity in line with the ambitions set out. The proportion of new vehicles financed was 42.4% at end-December 2012.

In October 2012, RCI also established itself in Turkey, with the launch of a joint-venture banking subsidiary with Oyak. This subsidiary will provide sales financing services for Renault in Turkey. The first results are encouraging, with a 23.4% financing rate for new vehicles at end-December 2012.

At the same time, continuing its strategy to diversify financing sources, RCI Banque launched "Zesto", a consumer savings account, in France on February 16, 2012. Deposits totalled €893 million at end-December 2012.

For the launch of Renault's electric vehicles (Fluence Z.E., Kangoo Z.E., ZOE and Twizy), RCI Banque has developed a special marketing model based on the rental of batteries. These financing products are available in all the European countries where these electric vehicles are sold. More than 15,000 rental contracts had been signed at end-December 2012.

SALES AND PRODUCTION STATISTICS

RENAULT GROUP - WORLDWIDE SALES

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES ***(units)***	**2012***	**2011**	**CHANGE** ***(%)***
Twingo	103,468	147,093	-29.7
Wind	1,663	6,872	-75.8
Clio	366,186	409,775	-10.6
Thalia	61,747	97,798	-36.9
Modus	30,391	48,441	-37.3
Pulse	6,217	-	-
Logan	323,945	351,830	-7.9
Sandero	299,848	282,209	6.3
Lodgy	29,129	-	-
Mégane/Scénic	404,178	472,283	-14.4
Fluence (incl. Z.E.) / SM3 / Scala	137,425	152,241	-9.7
Duster	297,724	179,998	65.4
Laguna	29,938	50,819	-41.1
Latitude / SM5 / Safrane	42,751	66,444	-35.7
Koleos / QM5	56,847	59,462	-4.4
Espace	12,627	15,462	-18.3
SM7 / Talisman	5,546	17,199	-67.8
Kangoo / Kangoo II (incl. Z.E.)	168,666	186,909	-9.8
Dokker	2,924		
Trafic	67,105	77,197	-13.1
Master	89,723	86,208	4.1
Others	12,238	14,643	-16,4
TOTAL WORLDWIDE GROUP SALES PC + LCV	**2,550,286**	**2,722,883**	**-6,3**
* *Preliminary figures.*			
*Twizy***	9,020	-	-
** *As a quadricycle, Twizy is not included into automotive Group sales.*			

RENAULT GROUP - SALES IN THE EUROPE REGION

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES *(UNITS)*	2012*	2011	CHANGE *(%)*
Twingo	97,228	139,200	-30.2
Wind	1,558	6,786	-77.0
Clio	271,059	329,446	-17.7
Thalia	4,568	5,496	-16.9
Modus	30,387	48,431	-37.3
Pulse	-	-	-
Logan	28,965	37,273	-22.3
Sandero	72,450	69,137	4.8
Lodgy	27,383	-	-
Mégane/Scénic	337,917	413,278	-18.2
Fluence (incl. Z.E.) / SM3 / Scala	10,475	13,969	-25.0
Duster	100,363	134,241	-25.2
Laguna	29,485	50,121	-41.2
Latitude / SM5 / Safrane	2,078	7,110	-70.8
Koleos / QM5	15,356	16,817	-8.7
Espace	12,618	15,454	-18.4
SM7	-	-	-
Kangoo / Kangoo II (incl. Z.E.)	98,635	117,510	-16.1
Dokker	1,138		
Trafic	61,024	71,767	-15.0
Master	56,285	60,001	-6.2
Others	11,716	14,165	-17.3
TOTAL EUROPE GROUP SALES PC + LCV	**1,270,688**	**1,550,202**	**-18.0**
* *Preliminary figures.*			
*Twizy***	*9,015*	-	-
** *As a quadricycle, Twizy is not included into automotive Group sales.*			

RENAULT GROUP - INTERNATIONAL SALES

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES *(UNITS)*	2012*	2011	CHANGE (%)
Twingo	6,240	7,893	-20.9
Wind	105	86	22.1
Clio	95,127	80,329	18.4
Thalia	57,179	92,302	-38.1
Modus	4	10	-60.0
Pulse	6,217	-	-
Logan	294,980	314,557	-6.2
Sandero	227,398	213,072	6.7
Lodgy	1,746	-	-
Mégane/Scénic	66,261	59,005	12.3
Fluence (incl. Z.E.) / SM3 / Scala	126,950	138,272	-8.2
Duster	197,361	45,757	331.3
Laguna	453	698	-35.1
Latitude / SM5 / Safrane	40,673	59,334	-31.5
Koleos / QM5	41,491	42,645	-2.7
Espace	9	8	12.5
SM7 / Talisman	5,546	17,199	-67.8
Kangoo II (incl. Z.E.)	70,031	69,399	0.9
Dokker	1,786	-	-
Trafic	6,081	5,430	12.0
Master	33,438	26,207	27.6
Others	522	478	9.2
TOTAL INTERNATIONAL GROUP SALES PC + LCV	**1,279,598**	**1,172,681**	**9.1**
* *Preliminary figures.*			
*Twizy***	*5*	-	-
** *As a quadricycle, Twizy is not included into automotive Group sales.*			

RENAULT GROUP - MODEL PERFORMANCE BY SEGMENT IN THE EUROPE REGION*

PASSENGER CARS	SEGMENT CHANGE (%)	GROUP SHARE OF SEGMENT 2012* (%)	2011 (%)	CHANGE (points)	RANK 2012
A SEGMENT	**-0.7**				
Twingo / Twingo II		7.7	11.0	-3.4	4
Wind		0.1	0.6	-0.4	24
B SEGMENT	**-14.4**				
Clio / Clio III / Clio IV		6.8	7.1	-0.3	5
Thalia / Thalia II		0.1	0.1	0.0	42
Modus		0.8	1.2	-0.3	28
Logan		0.6	0.6	0.0	32
Sandero / Sandero II		2.0	1.6	0.4	16
Kangoo		0.0	0.0	0.0	71
ZOE		-	0.0	0.0	64
C SEGMENT	**-3.8**				
Kangoo/ Kangoo II		0.6	0.7	-0.2	44
Mégane / Mégane II / Mégane III		6.8	8.0	-1.2	2
Fluence / Fluence Z.E.		0.2	0.3	-0.1	61
Duster		2.0	2.6	-0.6	16
Lodgy		0.6	0.0	0.6	43
Dokker		0.0	0.0	0.0	88
D SEGMENT	**-9.7**				
Laguna / Laguna III		1.5	2.4	-0.8	21
Latitude		0.1	0.3	-0.2	50
Koleos		0.8	0.8	0.0	29
Trafic / Trafic II		0.6	0.6	0.0	34
E SEGMENT	**-8.4**				
Espace / Espace IV		1.4	1.6	-0.2	20
Master / Master II / Master III		0.2	0.1	0.1	58

* *Preliminary figures.*

RENAULT GROUP - WORLDWIDE PRODUCTION BY MODEL (1)

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES ***(UNITS)***	**2012***	**2011**	**CHANGE** ***(%)***
Twizy	11,325	-	N/A
Twingo / Wind	101,508	153,426	-33.8
Clio	393,228	408,068	-3.6
Modus	31,193	48,590	-35.8
Thalia	51,779	97,560	-46.9
Sandero	294,339	285,061	3.3
Logan	183,216	215,884	-15.1
Other Logan	46,168	56,606	-18.4
Lodgy	41,455	-	N/A
Mégane / Scénic	377,685	468,324	-19.4
Fluence (incl. Z.E.) / SM3	150,084	194,369	-22.8
Duster	287,953	190,770	50.9
Laguna	27,703	50,241	-44.9
Latitude/SM5	40,162	64,298	-37.5
Koleos	54,957	61,534	-10.7
Espace	12,931	14,675	-11.9
SM7	3,768	19,090	-80.3
Kangoo (incl. Z.E.)	195,072	188,380	3.6
Dokker	8,901	-	N/A
Master	117,190	119,347	-1.8
Other	14,040	388	N/A
GROUP WORLDWIDE PRODUCTION	**2,444,657**	**2,636,611**	**-7.3**
o/w produced for partners:	*42,833*	*85,652*	*-50.0*
Citan for Daimler	14,099	-	N/A
Vehicles for Nissan in Mercosur	28,734	32,759	-12.3
SM3 for Nissan	-	38,247	N/A
Master for GM		16,646	N/A
PRODUCED BY PARTNERS FOR RENAULT	**247,900**	**183,501**	**35.1**
Produced by GM for Renault (Trafic)	16,534	15,074	9.7
Produced by Nissan for Renault (Trafic & Logan)	78,517	62,975	24.7
Other (Iran + India)	152,849	105,452	44.9

* *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, 2012.

Europe

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

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

Americas

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

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

Asia-Pacific

Japan, Hong Kong, South Korea, India, Iran, Saudi Arabia, Gulf States, Iraq, Israel, Jordan, Lebanon, Pakistan.

Asean: Brunei, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, Viet Nam.

Australia, New Caledonia, New Zealand, Tahiti.

China

Euromed-Africa

Eastern Europe: Bulgaria, Moldova, Romania.

Turkey.

Africa: Algeria, Morocco, Tunisia, Egypt, Sub Saharian African countries, South Africa, Madagascar, Libya.

French overseas departments West Indies and Indian Ocean: Guadeloupe, French Guiana, Martinique, Saint Martin, St Pierre and Miquelon, Réunion, Comoro Islands, Seychelles, Mauritius.

Eurasia

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

(2) ALLIANCE COMBINED SALES PERFORMANCE AND FINANCIAL INDICATORS

<u>ALLIANCE COMBINED SALES FOR 2012</u>

The Renault-Nissan Alliance sold a record 8,097,197 vehicles in 2012, representing one in 10 new cars sold worldwide.

Calendar-year sales increased about 1% from 2011, with strong growth in emerging markets and the US, compensating for the protracted European slowdown. 2012 was the fourth straight year of sales growth for the Renault-Nissan Alliance.

Renault group sold 2,550,286 units worldwide in 2012, down 6.3% from 2011. Renault group sales increased 9.1% outside Europe, thanks in part to strong growth in Brazil, Russia, and Algeria. Sales declined 18% in Europe as car sales throughout the continent dropped 8.6%.

Nissan sold 4,940,133 units, up 5.8%, setting a new calendar year record. Nissan has two markets each exceeding 1 million units: China and the United States.

AVTOVAZ sold 606,778 vehicles, down 5.7% from 2011 as a major Russian incentive program came to an end. In December, the Renault-Nissan Alliance created a joint venture to accelerate its market offensive in Russia where the Alliance sells about one in three cars nationwide.

"2012 was a challenging year due to the continued decline in Renault's historic core market of Western Europe and due to political tension in China, Nissan's top market worldwide," said Renault-Nissan Chairman and CEO Carlos Ghosn. "Thanks to the American rebound and strong demand in emerging markets, we maintained our market share and are very well positioned in global growth markets."

RENAULT GROUP HIGHLIGHTS

Refer to III. STATEMENTS OF BUSINESS - 1. OUTLINE OF RESULTS OF OPERATION, ETC.: - (1) SALES PERFORMANCE IN 2012".

NISSAN HIGHLIGHTS

Nissan posted record global sales of 4.94 million units in 2012, up 5.8% from 2011.

In Japan, Nissan's sales rose 11.6% to 659,756 units. The new Note hatchback, NV350 Caravan and Serena minivan contributed to the sales increase. Mini-vehicles grew 5.4% to 153,335 units, a record for a calendar year.

Overseas sales rose 4.9% to a record 4,280,377 units despite a drop in sales in China, Nissan's largest market. During calendar year 2012, Nissan's sales in China totaled 1.18 million units, in line with the revised sales forecast issued in November. While Nissan and all Japanese automakers felt the sales impact of a territorial dispute, Nissan's showroom traffic in China has normalized and is exceeding last year's level.

In the US, Nissan reported record sales of 1,141,656 units for Nissan and Infiniti brand vehicles, up 9.5% compared with 2011. Nissan brand sales increased 8.2% year-on-year to a record 1,021,779 units thanks to strong demand for the new Altima sedan, Rogue crossover and Versa compact car. Nissan's total market share in the US was 7.9%.

In 2012, five out of the top ten vehicles sold in Mexico were Nissan, as the company posted both record sales and market share. Sales climbed 9.3% to 245,634 units while market share reached 24.9%.

In Brazil, where Nissan plans to build its first plant in Resende in 2014, Nissan sold a record 104,711 units, up 56% compared with the previous year. Nissan was Brazil's fastest-growing brand for the third straight year. The company's market share reached 2.9%, up 0.9 percentage points.

In Europe, Nissan posted a record market share thanks to strong sales of the Qashqai and Juke crossovers. Although sales fell 2.4% to 678,697 units amid the overall downturn in the market, Nissan's market share edged up 0.1 percentage point to a record 3.9%.

Sales in the UK rose 10% to a record 118,211 units while market share rose 0.3 percentage points to 5.2%, also a record. In Russia, Nissan's top market in Europe, sales rose 11.7% to 162,956 units. Market share stood at 5.6%.

AVTOVAZ LADA HIGHLIGHTS

The Alliance's partner in Russia, AVTOVAZ, sold 606,778 units globally, down 5.7% from 2011. In Russia alone, AVTOVAZ, owner of the iconic brand Lada, sold 537,625 units, down 7.0% year-on-year following the end of a special national incentive program. With AVTOVAZ, Renault-Nissan already sells about one in three cars in Russia and aims to have a market share of at least 40%.

In December, the Renault-Nissan Alliance created a joint venture and became a controlling shareholder for AVTOVAZ, Russia's largest car company. With ongoing investments in technology and manufacturing complexes throughout Russia, Renault-Nissan and AVTOVAZ will have a Russian capacity of at least 1.7 million cars per year starting in 2016.

The manufacturing complex in Togliatti is now home to one of the largest platform-sharing programs in the Renault-Nissan Alliance. The site – one of the world's largest car plants – already produces the LADA Largus. Production of the new Nissan Almera began last year and will be fully ramped up in 2013. Production will soon span five models across three brands – LADA, Renault and Nissan. 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 2012, global sales of all zero-emission vehicles across the Alliance were 43,829 units, up 83.8% from 2011 as Nissan LEAF sales increased worldwide and Renault launched two more EVs. The Alliance's worldwide zero-emission market share stood at 64%, excluding Twizy, Renault's two-seater urban commuter.

Since sales began in December 2010 to the end of 2012, the Alliance sold 67,723 zero-emission vehicles globally.

The Nissan LEAF hatchback is by far the world's best-selling zero-emission car. In 2012, Nissan sold 26,976 units globally, an increase of 22% from 2011. Cumulative sales of Nissan LEAF reached 49,117 units since its launch in December 2010.

In 2012, Renault sold 16,853 zero-emission vehicles. Since the debut of the Kangoo Z.E. small van in October 2011, Renault has sold 18,606 zero-emission vehicles cumulatively.

In addition to the Kangoo Z.E., named International Van of the Year 2012, and Twizy, Renault also sells the Fluence Z.E., an all-electric sedan, based on the conventional Fluence sedan, and the subcompact zero emission ZOE.

TOP 10 ALLIANCE MARKETS

	TOTAL SALES	MARKET SHARE *(%)*
China	1,211,254	6.6%
US	1,141,656	7.9%
Russia*	890,433	30.3%
Japan	663,228	12.4%
France	626,297	27.6%
Brazil	346,305	9.5%
Mexico	270,664	27.4%
Germany	235,423	7.2%
UK	174,380	8.9%
Italy	150,395	9.9%

*   *Including AVTOVAZ.*

TOP 10 RENAULT MARKETS

	TOTAL SALES	MARKET SHARE *(%)*
France	551,314	24.2%
Brazil	241,594	6.6%
Russia	189,852	6.5%
Germany	170,303	5.1%
Argentina	118,727	14.8%
Turkey	118,169	15.2%
Algeria	113,664	26.0%
Iran	100,783	9.8%
Italy	96,144	6.3%
Spain	83,366	10.7%

TOP 10 NISSAN MARKETS

	TOTAL SALES	MARKET SHARE (%)
China*	1,181,530	6.5%
U.S.	1,141,656	7.9%
Japan	659,756	12.3%
Mexico	245,634	24.9%
Russia	162,956	5.6%
Thailand	123,850	8.6%
UK	118,211	5.2%
Brazil	104,711	2.9%
Canada	82,194	4.9%
Australia	79,872	7.2%

*   *Including Venucia brand.*

PRODUCTION SITES

VALUE OF JOINT OPERATIONS

Renault sales to Nissan and Renault purchases from Nissan in 2012 are estimated at €2.1 billion and €1.9 billion respectively, as mentioned at the end of note 13-J to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement.

FINANCIAL INFORMATION ON THE ALLIANCE

The purpose of the financial data in this section is twofold: to broadly quantify the economic significance of the Renault-Nissan Alliance through key performance indicators, and to make it easier to compare the assets and liabilities of the two groups. The data of both groups comply with the accounting standards applied by Renault in 2012.

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, 2012, 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, 2012 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 2012

(€ million)	**RENAULT**	**NISSAN (1)**	**INTERCOMPANY ELIMINATIONS**	**ALLIANCE**
Sales of goods and services	39,156	86,499	(3,229)	122,426
Sales financing revenues	2,114	4,949	(143)	6,920
REVENUES	**41,270**	**91,448**	**(3,372)**	**129,346**

(1) Converted at the average exchange rate: EUR 1 = JPY 102.6.

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 2012 results.

The **operating margin, the operating income and the net income** of the Alliance in 2012 are as follows:

(€ million)	**OPERATING MARGIN**	**OPERATING INCOME**	**NET INCOME (2)**
Renault	729	122	501
Nissan (1)	4,608	4,553	3,179
ALLIANCE	**5,337**	**4,675**	**3,680**

(1) Converted at the average exchange rate for 2012: EUR 1 = JPY 102.6.
(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 4.1% of revenues.

In 2012, the Alliance's **research and development expenses**, after capitalization and amortization, are as follows:

(€ million)	
Renault	1,915
Nissan (1)	3,957
ALLIANCE	**5,872**

(1) Converted at the average exchange rate for 2012: EUR 1 = JPY 102.6.

BALANCE SHEET INDICATORS
Condensed Renault and Nissan balance sheets
RENAULT AT DECEMBER 31, 2012

ASSETS *(€ million)*		**SHAREHOLDERS' EQUITY AND LIABILITIES *(€ million)***	
Intangible assets	3,482	Shareholders' equity	24,547
Property, plant and equipment	11,534	Deferred tax liabilities	123

Investments in associates (excluding Alliance)	774	Provisions for pension and other long-term employee benefit obligations	1,649
Deferred tax assets	416	Financial liabilities of the Automotive division	9,456
Inventories	3,864	Financial liabilities of the Sales Financing division and sales financing debts	23,565
Sales financing receivables	23,230	Other liabilities	16,074
Automotive receivables	1,144		
Other assets	5,002		
Cash and cash equivalents	11,180		
TOTAL ASSETS EXCLUDING INVESTMENT IN NISSAN	**60,626**		
Investment in Nissan	14,788		
TOTAL ASSETS	**75,414**	**TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES**	**75,414**

NISSAN AT DECEMBER 31, 2012 (1)

ASSETS *(€ million)*		**SHAREHOLDERS' EQUITY AND LIABILITIES *(€ million)***	
Intangible assets	5,936	Shareholders' equity	36,783
Property, plant and equipment	38,354	Deferred tax liabilities	4,941
Investments in associates (excluding Alliance)	509	Provisions for pension and other long-term employee benefit obligations	2,711
Deferred tax assets	1,392	Financial liabilities of the Automotive division	3,650
Inventories	12,236	Financial liabilities of the Sales Financing division and sales financing debts	40,615
Sales financing receivables	33,693	Other liabilities	26,011
Automotive receivables	5,613		
Other assets	8,240		
Cash and cash equivalents	6,987		
TOTAL ASSETS EXCLUDING INVESTMENT IN RENAULT	**112,960**		
Investment in Renault	1,751		
TOTAL ASSETS	**114,711**	**TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES**	**114,711**

(1) Converted at the closing rate at December 31, 2012: EUR 1 = JPY 113.6.

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 2012, excluding leased vehicles and batteries, amount to:

(€ million)	
Renault	1,945
Nissan (1)	4,833

ALLIANCE	**6,778**

(1) Converted at the average exchange rate for 2012: EUR 1 = JPY 102.6.

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

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

2. STATEMENT OF PRODUCTION, ORDERS ACCEPTED AND SALES:

See 1. above.

3. PROBLEM(S) TO BE COPED WITH:

Key components of the process for controlling financial and accounting disclosures

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

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

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

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

The accounting teams have worked with IT staff to develop a security process to protect the ERP in the event of a major malfunction. A business continuity plan has been introduced at central level as well as at the subsidiaries that use ERP.

4. RISKS IN BUSINESS, ETC.

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

RISK MANAGEMENT

The Renault group makes every effort to control the risks inherent in its 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

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 document.

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 continued to pay down its debt in 2012. It went from net borrowings of €299 million at December 31, 2011 to a 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 para-statal institutions.

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

Under this program, Renault has issued three euro bonds totaling €1,100 million. Renault also completed a two-year offshore yuan issue in two instalments in October and November 2012 totaling 1,250 million yuans, opening up a new market for the refinancing of Renault SA.

Renault also has an issue program under the Shelf Registration scheme on the Japanese market. Renault SA issued two bonds for a total amount of ¥62.4 billion.

Renault received €180 million in additional funding from the EIB.

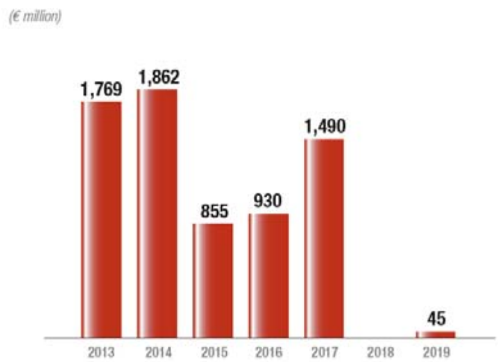
The contractual documentation covering these financing arrangements contains no clauses that could affect the continued supply of credit as a result of changes in either Renault's credit rating or its financial ratios.

Renault also has a commercial paper program for a maximum €2.5 billion. The total outstanding at December 31, 2012 was €158 million.

The graph below shows the maturity schedule for Renault SA bonds and equivalent debt, which account for most of Automotive's long-term financial liabilities. A maturity schedule of Automotive's financial liabilities is included in note 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 2013 will consist of €1,769 million for maturing bond issues and equivalent debt and €158 million for maturing commercial paper.

RENAULT SA – MATURITY SCHEDULE FOR BONDS AND EQUIVALENT DEBT AT DECEMBER 31, 2012 (1)



(1) Nominal amounts valued at December 31, 2012.

Furthermore, Renault has access to a total of €3,485 million in committed renewable bank credit lines, with maturities out to 2017. No credit lines were used in 2012. These committed credit lines provide Automotive with a liquidity reserve.

The contractual documentation covering these committed credit lines contains no clauses that could affect the raising or continued supply of credit as a result of changes in either Renault's credit rating or its financial ratios.

RENAULT SA – LIQUIDITY RESERVE AT DECEMBER 31, 2012

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.

Sales financing

Risk factors

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

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

Management procedures and principles

Liquidity risk is closely monitored on a regular basis. The static liquidity position has always been positive in recent years, indicating an excess of long-term sources over uses. The level is currently similar to that of previous years. Accordingly, RCI Banque grants loans using funds raised several months previously, thus maintaining a stable financial margin.

One of the defining events of 2012 was the eurozone sovereign debt crisis. However, risk aversion eased in the second half of the year in response to intervention by European bodies, resulting in a narrowing in credit spreads.

RCI Banque took advantage of favorable debt market conditions to pursue its strategy of diversifying its sources of funding.

On the bond market, the RCI group raised the equivalent of €3.2 billion by issuing debt in both traditional markets (completing four debt issues in euros and one in Swiss francs) and new currencies (completing public issues in Norwegian krone, Swedish krona and Australian dollars and a private placement in Czech koruna). The group has also been a regular issuer on the bond markets in Argentina, Brazil, and particularly South Korea: after completing an initial issue in 2010, the group has bolstered its access to local liquidity and developed its investor base. In 2012, it completed five bond issues in Korean won with a total equivalent value of €306 million, up 63% relative to 2011.

In the structured finance segment, in response to investors' desire for a more simplified approach, the French securitization program, initiated in 2002 in the form of a single master trust, has been restructured. It is now based around three separate securitization vehicles dedicated to securitization issues self-underwritten by

RCI Banque and eligible for the European Central Bank's (ECB) open market operations, as well as public placements of fixed and floating rate securities totaling €700 million and €750 million respectively.

In Italy, following a €619 million self-underwritten securitization issue in the first half of the year, additional funding of €300 million was raised through conduit financing. In the United Kingdom, growth in the portfolio made it possible to increase funding *via* bank conduits by £90 million.

These long-term funds, together with €4.4 billion in undrawn committed bank credit lines and €1.9 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 new funding sources.

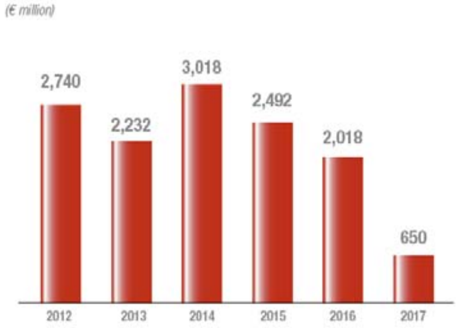
To diversify its sources of funding, in February the group launched a passbook savings account aimed at personal savers in France. Total deposits of €893 million had been collected by the year-end, reducing the Group's reliance on market funding. A similar savings account should be launched in Germany during the first half of 2013.

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.

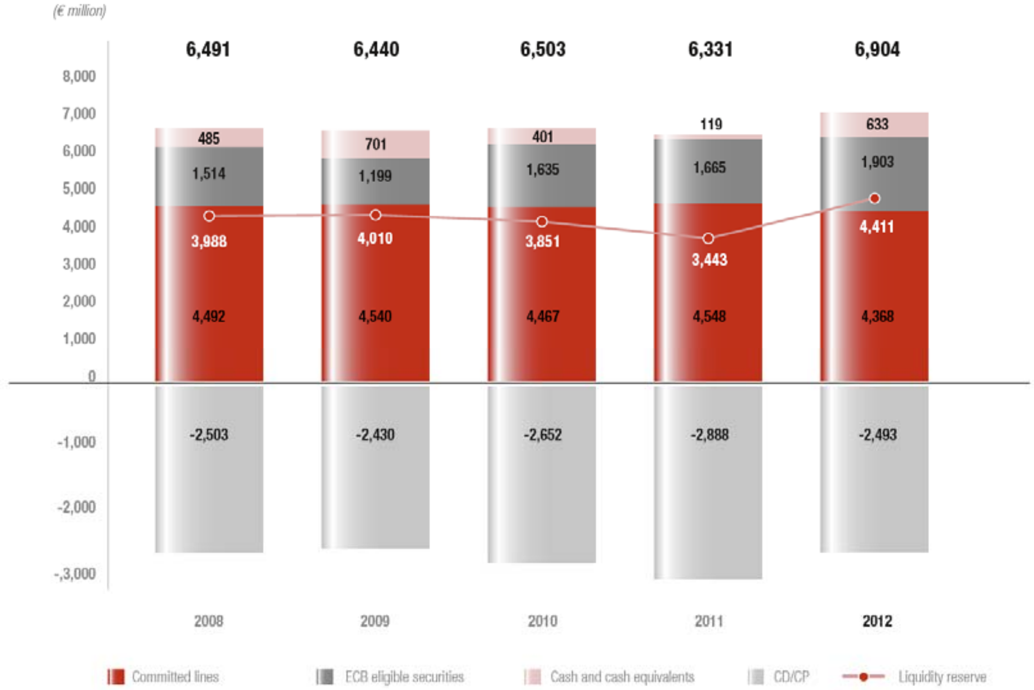
Available liquidity amounts to €6.9 billion (undrawn committed credit lines with a residual maturity of more than three months: €4.4 billion; claims available for use as collateral with central bank: €1.9 billion; cash and cash equivalents: €633 million), more than twice the combined total of commercial paper and certificates of deposit outstanding.

The liquidity reserve stands at €4.4 billion. This represents available liquidity over and above the amount of certificates of deposit and commercial paper outstanding. The group has a duty to maintain alternative sources of liquidity in excess of the amount of its short-term negotiable debt securities.

RCI BANQUE – MATURITY SCHEDULE OF BOND ISSUES AT DECEMBER 31, 2012

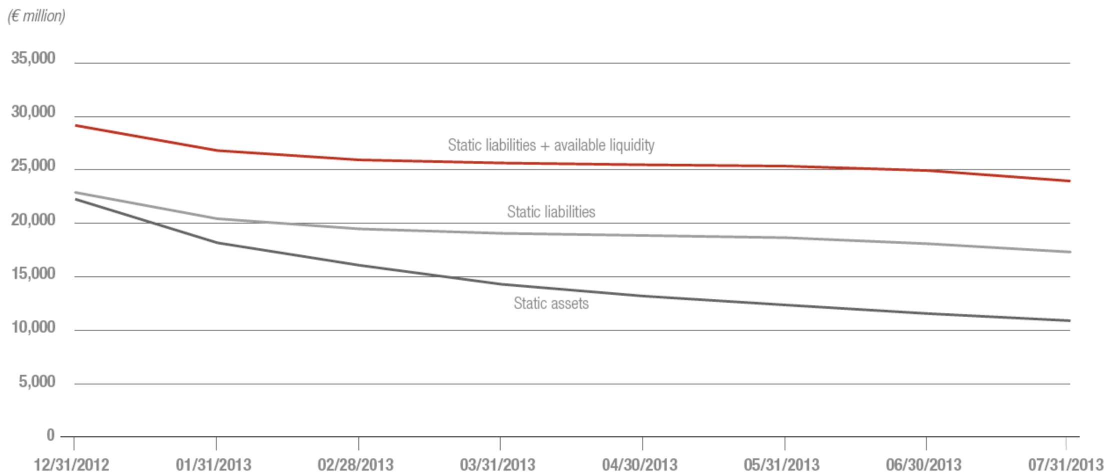


RCI BANQUE GROUP – LIQUIDITY RESERVE AT DECEMBER 31, 2012



Scope of centralized refinancing: Western Europe, Poland, Czech Republic, Romania, Slovenia, Nordic countries, South Korea.

RCI BANQUE GROUP – LIQUIDITY POSITION AT DECEMBER 31, 2012



RENAULT GROUP ISSUANCE PROGRAM AT DECEMBER 31, 2012

ISSUER	PROGRAM	MARKET	AMOUNT
Renault SA	Euro CP	France	€2,500m
Renault SA	Euro EMTN	Euro	€7,000m
Renault SA	Shelf documentation	Japan (Samouraï)	¥150,000m
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	Bonds*	Argentina	ARS 700m

* *Locally rated.*

The RCI Banque group's programs are focused on three issuers (RCI Banque, Diac and Rombo Compania Financiera SA) for a combined total of more than €23 billion.

SECURITIZATION - PUBLIC ISSUES

COUNTRY	**FRANCE**				**ITALY**	**GERMANY**
CEDING ENTITY	**DIAC SA**	**DIAC SA**	**DIAC SA**	**COGERA SA**	**RCI BANQUE SUCCURSALE ITALIANA**	**RCI BANK NIEDERLASSUNG**
Concerned collateral	Auto loans to customers	Auto loans to customers	Auto loans to customers	Receivables independent dealers	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
Start date	May-2012	June-2012	November-2012	April-2010	June-2012	December-2011
Maximum term of fund	August-2030	September-2021	February-2024	October-2015	December-2029	May-2024
Initial puschase of receivables	€715m	€867m	€826m	€1,235m	€777m	€1,793m
Credit enhancement as at the initial date	Cash reserve for 1% Over-collateralization of receivables 15.0%	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 13.6%	Cash reserve for 2% Over-collateralization of receivables 14.5%	Cash reserve for 1.00% Over-collateralization of receivables 12.7%
Receivables purchased as of 31/12/2012	**€250m**	**€610m**	**€793m**	**€1,972m**	**€714m**	**€1,721m**
Notes in issue as at 31/12/2012 (including any units held by the RCI Banque group)	**Class A** rating: AAA €224m	**Class A** rating: AAA €527m	**Class A** rating: AAA €700m	**Séries 2010-1 Class A** rating: AAA €750m	**Class A** rating: AAA €619m	**Class A** rating: AAA €739m
				Series 2005-2 Class A rating: AAA €250m		**Class R** rating: AAA €810m
	Class B Non noté €39m	**Class B** Non noté €102m	**Class B** Non noté €109m	**Séries 2005-1 Class B** Non noté €37m	**Class B** Non noté €137m	**Class B** rating: A €26m
Period	Revolving	Fixed term	Revolving	Revolving	Revolving	Revolving
Transaction's nature	retained	market	market	retained	retained	Class A: market Class R: retained

In 2012, the RCI Banque group carried out a number of securitization transactions (in France and Italy) relating to loans to end customers, using special purpose vehicles. 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 2012, the total amount of financing secured through securitization by conduit was €2,048 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 €8,814 million at December 31, 2012 (compared with €8,739 million at end-December 2011), i.e.:

- retained securitization transactions: €2,936 million;
- securitization transactions placed on the market: €3,124 million;
- private securitization transactions: €2,754 million.

The fair value of these receivables at December 31, 2012 was €8,842 million.

A liability of €3,902 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, 2012 was €3,949 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

	AGENCY	RATING	OUTLOOK	REVISION	PREVIOUS RATING
	Moody's	Ba1/NP	Stable	12/13/2011	Baa1/P2 outlook positive
	S&P	BB+/B	Stable	11/03/2010	BB/B stable
	Fitch	BB+/NR	Stable	10/07/2010	BB/NR stable
	R&I	BBB+	Stable	03/31/2009	A/NR négative
Renault	JCR	A-	Stable	12/09/2011	BBB+/-
	Moody's	Baa3/P3	Stable	01/18/2013	Baa2/P2 stable
	S&P	BBB/A2	Negative	10/25/2012	BBB/A2 stable
RCI Banque	R&I	BBB+/a-2	Stable	12/09/2011	A/a1 négative

Renault's credit rating was unchanged in 2012.

Following the economic downturn in Europe, particularly in France, S&P placed the credit ratings of French banks under review on October 25, 2012. RCI Banque's ratings were confirmed at BBB/A2, and the outlook was lowered from stable to negative.

On January 18, 2013 Moody's a completed a review of auto captive banks it started in October 2012 as part of a broader review of the entire sector, which resulted in an average downgrade of the banking system in 2012. 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 state 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 Central Cash Management and Financing department.

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: exchange rate fluctuations change in operating flows may result in changes in the operating margin. 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 2012, the main hedges put in place by the Group were a currency hedge to partly cover 2012 revenue in sterling, a currency hedge to partly protect against the risk of changes in the value of the Argentinean peso against the US dollar.

Based on the structure of its results and operating cash flows in 2012, the Group estimates that a 1% appreciation in the euro against all other currencies would have a negative impact of €41 million on its annual operating margin, excluding WCR items.

However, the sensitivity of operating flows in 2012 is the result of long and short currency exposures against euro, mainly consisting of incomings in Russian ruble, Argentinean peso, Chinese yuan, sterling and Turkish lira, and outgoings in Korean won, Japanese yen and Romanian leu. Sensitivity in 2012 was focused on the Russian ruble, amounting to a negative impact of around €14 million for every 1% rise in the euro against that currency. But the main impact on the 2012 operating margin came from the Iranian rial, which was devalued by an annual average 36%. This was partially offset by increasing prices in Iran.

Impact on the 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 2012 the Group partially hedged currency risk on the Turkish lira payables of Oyak Renault, whose proprietary currency is the euro.

Currency risk on WCR items had a major impact on the Group's consolidated financial statements as a result of the euro-denominated commercial debt owed by Renault Pars (Iran) to Renault s.a.s. The exceptional devaluation of the rial in 2012 resulted in a €304 million loss, recorded under Other operating income and expenses.

Impact on 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. 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 Group Finance.

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.

Impact on share in the net income of associated companies: on the basis of their contributions to 2012 net income, a 1% rise in the euro against the Japanese yen or the Russian ruble would have decreased Nissan's contribution by €12.3 million and AVTOVAZ's by €1.9 million.

For AVTOVAZ, if the impact of exceptional income, which relates to the subsidy for extending the interest-free loans of Russian Technologies out to 2032, had been restated, then the effect would have been negligible. Moreover, it corresponds 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 AVTOVAZ and Russian Technologies both do a more or less significant level of eurozone business that Renault has no control over.

Impact on shareholders' equity: equity investments in currencies other than the euro are not usually hedged. This may lead to translation adjustments, which the Group recognizes in shareholders' equity. However, the size of the 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 ¥109.8 billion at December 31, 2012 with maturities out to 2015. 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 ¥82.8 billion in yen-denominated bonds issued on the Japanese market.

Impact on net 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 €10 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-B2 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, 2012, exposure to currency risk totaled €3.1 million.

INTEREST RATE RISK

Automotive

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 €9,456 million at December 31, 2012. 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, €966 million is denominated in yen (¥109.8 billion).

Automotive held €10,072 million in cash and cash equivalents at December 31, 2012. 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.

Sales financing

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.

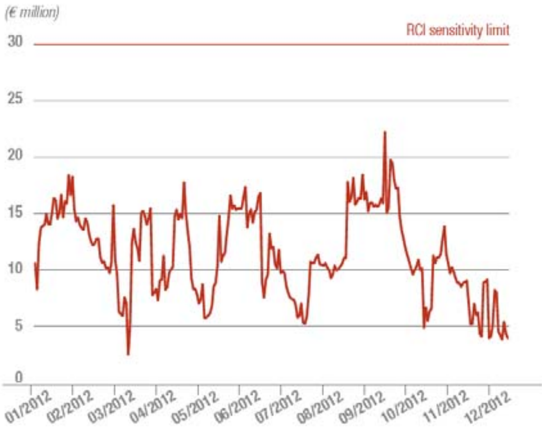
Management procedures and principles

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 2012 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 (2012)



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 2012, RCI Banque's sensitivity to interest rate risk remained below the €30 million limit set by the group.

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

- -€0.15 million in euros;
- +€2.1 million in Swiss francs;
- -€0.03 million in sterling;
- -€0.7 million in BRL;
- +€0.25 million in MAD.

In absolute terms, the total sensitivity of all the currencies used by the group amounts to €3.9 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 which may give rise to counterparty risk.

Management procedures and principles

Management of counterparty risk incurred by Group entities is fully coordinated and uses a 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, 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 with major network banks in order to spread risks and mitigate systemic risk. Furthermore, the deposits are made almost entirely on an overnight basis so that funds can be reallocated swiftly if a counterparty comes under stress. The main exception is Iran.

In 2012, 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

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 twice a month to review all opportunities to reduce the impact of commodities on Renault's earnings. The committee also ensured that the significant fall in market commodity prices in 2012 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.

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 marks all its hedging instruments to market on a daily basis. As the Alliance's dealing room, Renault Finance has extended this trading and monitoring activity to meet the needs of the Nissan group.

These transactions are authorized by senior management, 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 to just 20% for indexed commodities.

In 2012, 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 purchasing prices).

This criticality matrix has helped identify those metals to which the Alliance is most exposed and to 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 commodities 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

Suppliers' parts account for 57% of the total vehicle cost price. For this reason, 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.

Management procedures and principles

Contractual risk

The risk of suppliers failing to honor their contractual undertakings is mainly managed in three ways:

- a "filter" in supplier selection and sourcing processes;
- detection of non-conformity with standards;
- corrective action if a major or critical non-conformity is detected in relation to a supplier (monitored at performance reviews).

Strategic and financial risk

The management of supplier strategic and financial risk is based around two main assessment tools:

- a rating system based on an analysis of suppliers' financial statements;
- a rating of industrial and strategic risk, including a detailed analysis of a number of criteria: management, industrial and supply risk, and strategic and commercial risk, linked in particular to the level of dependence between Renault and its suppliers.

This method is used to assess suppliers before they are added to the base, as well as to appoint suppliers through the sourcing process.

If a supplier in the Renault supplier base is found to represent a major risk, the corresponding risk analysis is presented to the Supplier Risk Committee. The committee then decides on the measures to be adopted to ensure long-term security of supply.

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.

Efforts to prevent and address risk have been stepped up significantly since the 2009 crisis. In this regard, Renault relies on a number of bodies, including those set up following France's national Industry Convention and Automotive Convention.

Renault is an active participant in the work of France's automotive industry platform.

Renault is also a member of the FMEA (fund for the modernization of automotive suppliers), which helps drive consolidation in France's automotive sector.

CSR risk

Alongside requirements in relation to quality, cost and lead times, Renault expects its suppliers to comply with the principles laid down in the Declaration of Fundamental Employee Rights (DDSF), based on those of the International Labor Organization. In particular, these principles include the elimination of child labor and forced labor and a commitment to health, safety, the environment and favorable working conditions. Similarly, Renault requires its suppliers to comply with the above principles, also detailed in the Renault-Nissan CSR Guidelines for Suppliers published in 2010, together with rules on anti-competitive practices, corruption, the protection of confidential information and intellectual property and the non-disclosure of information. The CSR Guidelines also include a section on the environment, focusing on reducing greenhouse gas emissions, preventing pollution of all types, saving resources and reducing waste, and managing chemicals.

Filters are incorporated throughout the purchasing process to ensure compliance with these CSR principles. Before they can be added to the base, new suppliers must:

- accept the general terms and conditions of purchasing, which include a section on CSR;
- sign the DDSF;
- undergo a CSR assessment of the production facility in question, carried out by Renault's purchasing quality experts.

Moreover, suppliers already in the base who wish to be considered for a new project must:

- sign the DDSF and confirm compliance with the Renault-Nissan CSR Guidelines for Suppliers, as well as complying with clauses set out in the general terms and conditions of purchase (particularly with respect to substance conformity). These requirements are set out in requests for quotes (RFQs);
- obtain a sufficient score in CSR assessments or implement an approved action plan to address any major or critical non-conformities. A rating scale with an acceptance threshold has been put in place for each type of assessment.

If a supplier refuses to implement an action plan, penalties may include a freeze on any further orders and a review by the Risk Committee, which may decide to reject that supplier.

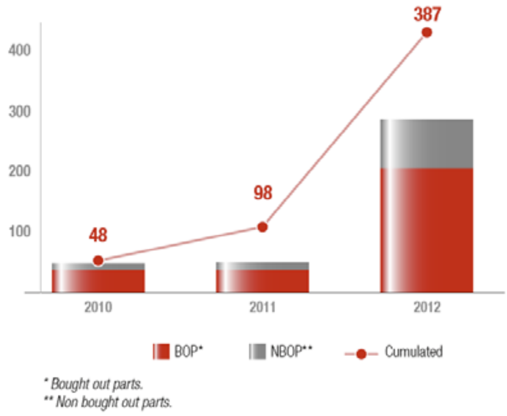
The process for scoring suppliers wishing to be added to the base or be selected for new projects is based on assessments and audits.

There are two types of assessment:

- the first is based on field observation at the relevant production sites. Such assessments are carried out in-house by Renault experts (1,349 had been completed by end-December 2012), and include questions on working conditions and the environment. All sites in countries deemed to be high risk will be assessed before the end of 2013 (94% of such sites had been assessed by September 2012). Similarly, all new supplier sites are systematically assessed;
- the second is based on CSR management of supplier groups by a third party. Groups are selected on the basis of purchasing volumes or the risk arising from their production activities; 387 groups, representing 68% of Renault's 2011 revenue, have already been assessed. The assessment questionnaire includes questions on environmental management, working conditions and human rights, ethics and supply chain management.

ANNUAL SUPPLIER ASSESSMENTS (NUMBER)

ANNUAL GROUP ASSESSMENTS (NUMBER)



Renault's objective is to help its suppliers make progress in order to ensure that they comply with its CSR strategy.

For this reason, an action plan is requested whenever a supplier's score does not meet Renault's requirements, irrespective of the reason. 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. There has been one such case in India; the associated action plan will be fully implemented by the end of 2013.

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. Where a supplier refuses to implement an action plan, that supplier is blacklisted and will no longer be selected as part of the sourcing process.

Since 2010 108 sites in the 132-strong supplier base (82%) that exhibited non-conformities during on-site visits have made progress after adopting practical action plans to make improvements in areas such as safety, fire prevention, and chemical storage. Regarding group assessments, action to introduce action plans was launched in late 2011. To make progress, major changes need to be made in areas such drafting policies, selecting indicators and preparing for certification, and this may take several years. In view of the time lag and the extent of the work to be carried out in order to reach compliance, the groups' results at end-2012 were fairly modest: only six of the 103 groups falling short of requirements had made progress, i.e. 6%.

Furthermore, 12 sites and one group are no longer part of the supplier base. And 57 prospected sites do not have the necessary potential to be used as suppliers.

In all, 91% of the listed sites shown to be non-compliant during an on-site visit were dealt with either through a progress plan (108) or by being removed from the base (12). Likewise, 7% of the groups that proved non-compliant when assessed were dealt with in the same way, with six progress plans and one

removal.

Other risks

Other types of risk (logistical, technological, industrial, etc.) are handled by operational Purchasing departments. In the event of failures, 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, replies 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.

GEOGRAPHICAL RISK

Risk factors

The Group has an industrial and/or commercial presence in many countries, some of which carry various risks: highly volatile GDP, economic and political instability, potential social unrest, regulatory changes, payment collection problems, significant 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 some 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. This approach also enables the Group to use its production capacity more efficiently by exporting to other areas when domestic markets contract and exchange rate changes improve the price competitiveness of products outside the country. 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 associated 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 most payments originating from high-risk countries. Exceptions include sales to Renault subsidiaries and countries where hedging is not available. Among the latter group, the main risk in 2012 was concentrated in Iran. The two main hedging instruments used are bank guarantees (documentary credits and standby letters of credit issued by top-tier banks) and guarantees from credit insurers. Residual country risk is regularly monitored.

In order to centralize its financial risk management activities and implement a single hedging procedure on competitive terms, the Group has designed a radial financing scheme and 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.

RCI BANQUE CUSTOMER AND NETWORK RISK

Risk factors

Risk factors depend on the quality of customer credit.

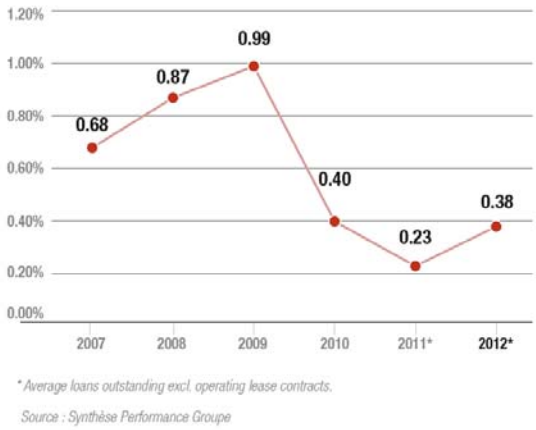
Management procedures and principles

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 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" refers to the average amount of capital (excluding manufacturer and network contributions but including spreadable distribution costs) owed by customers and/or the network over a given period (*e.g.* 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.

Having reached its lowest level (0.23%) in 2011, the cost of risk remains under control at 0.38%, below the historical structural level for the Group.

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 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. Almost 90% of the insured capital within the industrial, engineering and logistical scope covered by the Renault group's general insurance program has received the HPR rating from the Group's insurers, in recognition of efforts made and in line with the HPR program rollout plan.

Risks related to natural disasters such as storms, flooding, typhoons (particularly in South Korea) and earthquakes (in Romania, Chile and Turkey) are incorporated into the 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 (DSIR), 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, Renault's exposure to this risk is set 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. (see "LEGAL RISK" below).

The occurrence of these types of risks can adversely affect the brand image as well as the Group's 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 Program 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 2012 covered the following areas:

- updating 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;
- identifying IT systems hosting confidential data (A-B types) and personal information;
- implementation of a process to ensure a high level of security for cloud computing contracts;
- tightening security at the C3 technical center;
- actions to improve intranet and smartphone security;
- vulnerability testing on around 750 machines supporting Renault applications accessible *via* the Internet;
- extension of the network of RMSSIs to cover all business lines, including in particular the digital factory within the Marketing department;
- creation of the Group's first formal IT security master plan.

INSURING AGAINST OPERATIONAL RISK

Within the Renault group, protection against operational risk has three facets:

- high-impact, low-probability risks are transferred to the insurance and reinsurance markets;
- common risks that are statistically known and whose financial impact can be predicted are provisioned by the Group, unless there is a legal requirement to insure them;
- the Group negotiates global insurance policies that provide Group-wide cover.

The Insurance department conducts negotiations and directly entrusts financially solvent insurers with these worldwide programs. In 2011, two programs were renegotiated and placed jointly with Nissan, thereby becoming Alliance programs ("Property damage and business interruption" and "Transportation and storage"). The Insurance department is directly involved in defining the Group's prevention and protection policy. As such, the nature and scope of cover is determined *via* a preliminary risk analysis of operating entities. This approach is used for the following types of risk:

- "Property damage and business interruption": the Alliance buys a capacity of €1.5 billion per claim in three lines from around ten insurers. Consequential operating losses are assessed at Group-wide level. Deductibles for the Group's manufacturing activities amount to €5 million per claim. Deductibles for commercial activities amount to €8,000 per claim;
- "Civil liability": the Group buys a capacity of €100 million in two lines covering general civil liability and civil liability related to products, the environment and repairs made by Renault Retail Group's sales subsidiaries;
- "Transportation and storage of vehicles in depots": the Alliance buys a capacity of €220 million per claim in three lines from around ten insurers, with deductibles of €100,000 per claim for damage to vehicles in depots and €45,000 per claim involving overland or air shipment.

Renault's insurers partially reinsure these worldwide programs with MRC (Motor Reinsurance Company), a wholly-owned subsidiary of the Group.

MRC mainly operates as follows:

- "Property damage and business interruption": €18 million per incident, subject to a maximum total annual commitment;
- "Civil liability": up to a maximum total annual commitment of €2.3 million;
- "Transportation and storage of vehicles in depots": MRC covers up to €10 million per incident, with a maximum total annual commitment of €25 million. The Group has decided to cover certain depots exposed to natural incidents, such as storms or hail, in particular in Slovenia, Brazil, Spain and Algeria.

Finally, some risks, such as defects covered by manufacturer's warranties and vehicle recall campaigns, are not insured.

The reasons for keeping deductibles high include the Group's consistent policy of prevention, and a desire to make each risk-bearing sector more accountable. No significant changes to the risk transfer policy are planned for 2013.

OTHER RISKS

LEGAL RISK

Risk factors

Legal and arbitration proceedings

In the normal course of its business, the Group is involved in various legal proceedings. Generally speaking, 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.

Joint venture risk

The Group has entered into joint venture agreements with other companies of international standing or state-owned companies. In each of these entities, the Group exercises a predominant or significant influence, and these operations do not involve any particular associated risks.

Regulatory changes

Renault must abide by all laws applicable to companies, and seeks to adopt a faultless attitude. Renault requires its subsidiaries to comply with local regulations in countries in which the Company operates. In order 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 that provides for a five-year transition period. However, the proposal has yet to be adopted by the European Council of Ministers owing to the co-decision process for the adoption of community directives. As such, the transition 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 (see III-6. "RESEARCH AND DEVELOPMENT ACTIVITIES"), 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.

RISK ARISING FROM PENSION LIABILITIES

Renault operates in countries in which, as a rule, pension systems are publicly run. Renault's liabilities in this respect consist primarily of retirement compensation, as specifie in note 20 to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement.

These liabilities may be sensitive to changes in the parameters used to calculate them (funding, labor characteristics, interest rates, etc.).

5. IMPORTANT CONTRACTS RELATING TO MANAGEMENT, ETC.:

Not applicable.

6. RESEARCH AND DEVELOPMENT ACTIVITIES

For Renault, R&D is a source of innovation that sharpens the company's competitive edge. With €1.9 billion invested in R&D, Renault is showing its determination to meet the challenges facing the automotive industry and to converge with major technological and societal trends.

RESEARCH AND DEVELOPMENT EXPENDITURE *

	2012	**2011**	**2010**	**2009**	**2008**
Net R&D expenses (*€ million*)**	1,570	1,637	1,567	1,531	2,085
Group revenues (*€ million*) as published	41,270	42,628	38,971	33,712	37,791
R&D spend ratio	3.8%	3.8%	4.0%	4.5%	5.5%
R&D headcount, Renault group	17,037	17,278	17,854	17,881	17,775
Renault group patents	607	499	304	362	793

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

R&D HIGHLIGHTS IN 2012

The most recent results of R&D can be seen on our latest vehicles and sub-systems:

VEHICLES	**POWERTRAIN SUB-SYSTEMS**
Twizy	Reveal 5A electric motor, Gen2
ZOE	Reveal Energy dCi 90

New Clio	Reveal Energy TCe 90
Lodgy	Range roll-out of Energy TCe 115
Dokker	
Pulse	
Scala	

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

OVERVIEW

(€ million)	**2012**	**2011**	**CHANGE**
Group revenues	**41,270**	**42,628**	**-3.2%**
Operating margin	**729**	**1,091**	**-362**
Operating profit	122	1,244	-1,122
Financial result	-266	-121	-145
Contribution from associated companies	**1,504**	**1,524**	**-20**
o/w Nissan	*1,234*	*1,332*	*-98*
Capital gain on disposal of Class A shares in AB Volvo	924	-	924
Net income	**1,735**	**2,139**	**-404**
Automotive operational free cash flow	**597**	**1,084**	**-487**
Automotive net financial debt	**-1,492**	**299**	**-1,791**
Shareholders' equity	24,547	24,567	-20

COMMENTS ON THE FINANCIAL RESULTS

Consolidated income statement

OPERATING SEGMENT CONTRIBUTION TO GROUP REVENUES

					2012					**2011**
(€ million)	**Q1**	**Q2**	**Q3**	**Q4**	**YEAR**	**Q1**	**Q2**	**Q3**	**Q4**	**YEAR**
Automotive	9,013	10,850	7,928	11,365	39,156	9,965	10,178	9,259	11,277	40,679
Sales Financing	522	550	519	523	2,114	466	492	486	505	1,949
TOTAL	**9,535**	**11,400**	**8,447**	**11,888**	**41,270**	**10,431**	**10,670**	**9,745**	**11,782**	**42,628**

					CHANGE 2011/2010
	Q1	**Q2**	**Q3**	**Q4**	**YEAR**
Automotive	-9.6	6.6	-14.4	0.8	-3.7
Sales Financing	12.0	11.8	6.8	3.6	8.5
TOTAL	-8.6	6.8	-13.3	0.9	-3.2

Group revenues came to €41,270 million, down 3.2% [6] on 2011 (also -2.8% excluding the exchange rate effect).

Automotive's revenue contribution in 2012 was €39,156 million, down 3.7% on 2011. This trend was mainly attributable to:

- a fall in sales in Europe (-18.0%), partly offset by growth in international[7] sales (+9.1%), reflected by a negative volume effect (-5.0 points) and geographic mix (-0.8 points);

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[6] On a consistent basis, 2011 revenues unchanged at €42,628 million.

- an improvement in the product mix which had a positive effect (+1.9 points). This improvement was notably a result of the launch of Duster in South America, Russia and India;
- a sales policy aimed at showcasing products, including in the highly competitive European market, which had a positive impact of 0.8 points;
- other Group activities (including the sale of powertrain components and vehicles to partners) which had a negative impact of 0.2 points;
- the negative exchange rate effect for 0.4 points.

Excluding other businesses and by Region:

- international operations were up sharply and contributed 3.9 points to growth through a volume and mix effect, especially in South America and Eurasia;
- Europe accounted for 7.6 points of the fall in revenues.

OPERATING SEGMENT CONTRIBUTION TO GROUP OPERATING MARGIN

(€ million)	**2012**	**2011**	**CHANGE**
Automotive	-25	330	-355
% of division revenues	*-0.1%*	*0.8%*	*-0.9 pt*
Sales Financing	754	761	-7
TOTAL	**729**	**1,091**	**-362**
% of Group revenues	*1.8%*	*2.6%*	*-0.8 pt*

Automotive's operating margin, which fell by €355 million to a negative €25 million, was still at breakeven in 2012, despite tough sales conditions in Europe, reflected in:

- a strongly negative volume effect of €501 million;
- a negative product mix/price/enhancement effect of €242 million. Despite higher prices, mainly outside Europe, this decrease reflects problems in passing the overall increase in product value through to retail prices in Europe. This trend was strongly mitigated by the sales policy aimed at enhancing the Renault brand's relative price positioning.

The Group partly managed to offset some of the impact of the fiercely competitive environment through €600 million in cost reductions, breaking down as:

- a €528 million reduction in costs through the *Monozukuri* plan (including the €55 million increase in raw materials);
- a €72 million reduction in overheads.

The exchange rate had a negative impact of €184 million.

RENAULT GROUP – R&D EXPENSES*

(€ million)	**2012**	**2011**	**CHANGE**
R&D expenses	1,889	2,064	-175
Capitalized development expenses	-764	-808	44
% of R&D expenses	*-40.4%*	*-39.1%*	*-1.3%*
Amortization	790	771	19
GROSS R&D EXPENSES RECORDED IN THE INCOME STATEMENT	**1,915**	**2,027**	**-112**

* *R&D expenses are fully incurred by Automotive.*

[7] Regions outside Europe: Americas, Asia-Pacific, Euromed-Africa and Eurasia.

As part of a managed investment policy, **Research and Development expenses** decreased by €175 million on 2011 to €1,889 million in 2012. Capitalization development expenses rate rose to 40.4% in 2012 compared with 39.1% in 2011, linked to changes in the product cycle.

Despite the decline in the European car market, **Sales Financing** made a stable contribution of €754 million to Group operating margin, compared with €761 million in 2011. Average loans outstanding grew by 6.2% to €24.2 billion, despite a 2.6% decrease in new financing, on the strength of previous years' growth. The cost of risk rose by 0.15 points to 0.38%, after hitting a low last year. This is still below its average historical level, reflecting the continued high quality of the portfolio despite the economic downturn in Europe.

Other operating income and expenses showed net expense of €607 million, compared with net income of €153 million in 2011. This item was mainly made up of:

- €279 million in asset write-downs relative to several vehicles and powertrain components;
- an expense of €304 million related to the devaluation of the Iranian Rial;
- restructuring provisions amounting to €110 million, notably in South Korea and Spain;
- income of €94 million from the retroactive change in import taxes in Brazil.

After recognizing other operating income and expenses, the Group reported **operating profit** of €122 million, compared with €1,244 million in 2011.

The **net financial result** showed a net charge of €266 million, compared with €121 million in 2011. It reflects a negative impact related to the change in the fair value of the redeemable shares and to the depreciation of our stake in a dedicated fund aiming at helping distressed suppliers (FMEA).

Renault's **share in associated companies** generated a net gain of €1,504 million in 2012 (compared with €1,524 million in 2011), of which notably:

- €1,234 million from Nissan (€1,332 million in 2011);
- €80 million from AB Volvo for the first three quarters (€136 million in FY 2011);
- €186 million from AVTOVAZ (€49 million in 2011). Note that the contribution of AVTOVAZ is mostly impacted by the restatement of loans with subsidized interest rates.

Current and deferred taxes showed a charge of €549 million (compared with a charge of €508 million in 2011), of which a €493 million charge for current taxes.

Net income, which includes a capital gain of €924 million on the disposal of the A shares in AB Volvo in December 2012, came to €1,735 million in 2012, compared with €2,139 million in 2011. Net income, Group share amounted to €1,772 million (€2,092 million in 2011).

Free cash flow and Automotive debt

AUTOMOTIVE FREE CASH FLOW

(€ million)	**2012**	**2011**	**CHANGE**
Cash flow	2,577	2,910	-333
Change in the working capital requirement	922	627	+295
Tangible and intangible investments net of disposals	-2,674	-2,212	-462
Leased vehicles and batteries	-228	-241	+13
OPERATIONAL FREE CASH FLOW	**597**	**1,084**	**-487**

For the fourth year in a row, Automotive reported positive operational free cash flow of €597 million in 2012, resulting from:

- a €333 million fall, to €2,577 million in cash flow due to the decline in operating profit;
- a positive €922 million change in the working capital requirement, achieved through efficient WCR management, despite an increase in inventory;

- tangible and intangible investments net of disposals in the amount of -€2,674 million, a €462 million increase, but in line with the Plan's objective of under 9% of revenues.

Net Investments & R&D expenses

TANGIBLE AND INTANGIBLE INVESTMENTS NET OF DISPOSALS, BY OPERATING SEGMENT

(€ million)	**2012**	**2011***
Tangible investments (excluding capitalized leased vehicles)	1,936	1,564
Intangible investments	900	887
o/w capitalized development R&D expenses	*764*	*808*
Total acquisitions	2,836	2,451
Disposal gains	-162	-239
TOTAL AUTOMOTIVE	**2,674**	**2,212**
TOTAL SALES FINANCING	**11**	**4**
TOTAL GROUP	**2,685**	**2,216**

* *The 2011 figures are restated to take into account expenses billed to third parties and amortized R&D.*

Investment in 2012 was higher than in 2011, together with product cycle. The increase was consistent with the target of keeping the ratio of capex and R&D expenses to 9% or below of Group revenues.

Total gross investment was split 56% Europe and 44% international:

- in Europe: investment was focused 61% on the range, particularly the renewal of the B-segment (Clio IV, Captur), the renewal of light commercial vehicles (new Trafic), electric vehicles (ZOE) and the new fuel and diesel engine range;
- outside Europe: investments mainly concerned Morocco (Tangiers), Romania (renewal of the Logan range), South America (production capacity investment in Brazil) and Turkey.

Consistent with previous years, the non range-related investment policy was focused mainly on quality, working conditions and the environment.

NET CAPEX AND R&D EXPENSES

(€ million)	**2012**	**2011***
Tangible and intangible investments net of disposals (excluding capitalized leased vehicles)	2,685	2,216
Capitalized development expenses	-764	-808
Other	-145	-80
NET INDUSTRIAL AND COMMERCIAL INVESTMENTS (1)	**1,776**	**1,328**
% of Group revenues	*4,3%*	*3.1%*
R&D EXPENSES	**1,889**	**2,064**
o/w billed to third parties	-319	-427
NET R&D EXPENSES (2)	**1,570**	**1,637**
% of Group revenues	*3.8%*	*3.8%*
NET CAPEX AND R&D EXPENSES (1) + (2)	**3,346**	**2,965**
% of Group revenues	*8.1%*	*7.0%*

* *The 2011 figures are restated to take into account expenses billed to third parties and amortized R&D.*

Automotive net financial debt

	DEC. 31, 12	**DEC. 31, 11**
Non-current financial liabilities	6,276	6,066

Current financial liabilities	3,802	3,789
Non-current financial assets - other securities, loans and derivatives on financial operations	-348	-497
Current financial assets	-1,150	-1,441
Cash and cash equivalents	-10,072	-7,618
AUTOMOTIVE NET FINANCIAL DEBT	**-1,492**	**299**

Automotive's positive operational free cash flow, combined with the disposal of the A shares in AB Volvo for €1,476 million in December 2012 has enabled the Group to be completely debt free. For the first time since the beginning of the Alliance with Nissan in 1999, Automotive had a positive net cash position on December 31, 2012, in the amount of €1,492 million (compared with €299 million in net financial debt at end-December 2011).

Cash at December 31, 2012

In 2012, confirming its access to European and Japanese markets, **Renault** contracted more than €2 billion in medium-term loans, refinancing all of its 2012 bond repayments and pre-financing some of its bonds maturing in 2013. This financing activity, combined with the disposal of the A shares in AB Volvo at the end of the year, took Automotive's cash reserves to a historically high €13.6 billion at end-December 2012, breaking down as:

- €10.1 billion in cash and cash equivalents;
- €3.5 billion in undrawn confirmed credit lines.

On December 31, 2012, **RCI Banque** had:

- a liquidity reserve of €4.4 billion, representing available liquidity surplus to the certificates of deposit and commercial paper outstandings;
- available liquidity of €6.9 billion, covering more than two times all outstanding commercial paper and certificates of deposit, including €4.4 billion in undrawn confirmed credit lines, €1.9 billion in central-bank eligible collateral, and €0.6 billion in cash.

IV. STATEMENTS OF FACILITIES

1. OUTLINE OF CAPITAL INVESTMENT, ETC.

Please refer to Section III-7. ANALYSIS OF FINANCIAL CONDITION AND OPERATING RESULTS, "Net capex and R&D expenses".

2. STATEMENT OF PRINCIPAL FACILITIES

Please refer to Section II-3. CONTENTS OF BUSINESS - (1) ACTIVITIES - A. AUTOMOTIVE "MAIN MANUFACTURING SITES."

Our various production plants, both in France and abroad, receive ISO 14001 certification. Renault in association with the World Bank, has undertaken research projects in transport organisation and energy utilisation in developing nations.

3. PLAN FOR CONSTRUCTION, REMOVAL, ETC. OF FACILITIES

Please refer to Section II.-3. CONTENTS OF BUSINESS - (1) - ACTIVITIES - C. ASSOCIATED COMPANIES, PARTNERS AND COLLABORATIVE PROJECTS of this Securities Report.

V. STATEMENTS OF THE COMPANY

1. STATEMENTS OF SHARES, ETC.

(1) AGGREGATE NUMBER OF SHARES, ETC.

(i) Aggregate Number of Shares

As of December 31, 2012

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 2012 (plans able to have a potential impact on the aggregate number of shares):

- plan N°11. September 2005. Option outstanding at 1,446,900
- plan N°12. May 2006. Option outstanding at 1,285,834
- plan N°14. December 2006. Option outstanding at 1,492,906

At December 31, 2012, the stocks subscription options outstanding were at 4,225,640.

(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, 2012)

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 (JPY110,887,581,413)
December 18, 2001 (2)	2,397,983	242,196,550	EUR 9,136,315.23 (JPY1,108,874,579)	EUR 922,768,855.50 (JPY111,996,455,992)
March 29, 2002 (3)	37,799,462	279,996,012	EUR 144,015,950.22 (JPY17,479,215,878)	EUR 1,066,784,805.72 (JPY129,475,671,870)
May 28, 2002 (4)	4,941,106	284,937,118	EUR 18,825,613.86 (JPY2,284,864,754)	EUR 1,085,610,419.58 (JPY131,760,536,624)

April 28, 2010 (5)	1,617,775	286,554,893	EUR 6,163,722.75 (JPY748,091,030)	EUR 1,091,774,142.33 (JPY132,508,627,655.000)
April 28, 2010 (6)	9,167,391	295,722,284	EUR 34,927,759.71 (JPY4,239,182,196)	EUR 1,126,701,902.04 (JPY136,747,809,851)

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

(*) 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 was unchanged at 15.01%.

Nissan Finance Co., Ltd.

The Nissan group, through its wholly-owned subsidiary Nissan Finance Co., Ltd., holds 15% of Renault's capital, the same percentage as at December 31, 2011. 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 2.97% of the capital in the form of shares managed through collective investment schemes.

Treasury stock

The percentage of treasury stock is 1.37%. These shares do not carry voting rights.

General Public

In view of these changes, the free float is now 62.55% of the capital (compared with 62.46% at December 31, 2011).

A survey of the holders of Renault shares was carried out on December 31, 2012 to obtain an estimated breakdown of the public's ownership interest by category of major shareholder. At that date, institutional shareholders owned approximately 51.9% of the capital, with French institutions holding 16.2% and foreign institutions 35.7%. The 10 largest French and foreign institutional investors held approximately 20% of the capital. The remaining capital - 10.65% - is held primarily by individual shareholders.

Share buybacks

At December 31, 2012 Renault SA held 4,059,255 shares of €3.81 par value and a book value of €

148,518,648.

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. The authorization is valid until October 30, 2014.

Renault acquired no shares in 2012 or as part of the share buyback programme approved by the General Meeting of April 27, 2012. The 4,059,255 shares held directly or indirectly by Renault SA at December 31, 2012, are allocated as follows:

- 4,059,255 to cover buy-back options, bonus share plans, and to cover stock option plans in order to offset dilution arising from the exercise of options to subscribe new shares;
- zero shares remitted for the exercise of rights attached to financial securities creating the right to an allotment of Company stock by conversion, exercise, redemption, exchange, or any other method, in accordance with securities regulations;
- zero shares to enable an investment services provider to maintain a secondary market in or ensure the liquidity of Renault shares under a liquidity contract compliant with an AMF-approved code of conduct;
- zero shares retained and subsequently remitted or as consideration for possible acquisitions;
- zero shares cancelled.

Percentage of treasury stock held directly or indirectly at December 31, 2012: 1.37%.
Number of shares cancelled over the 24 months preceding December 31, 2012: zero shares.
Number of shares held in the portfolio at December 31, 2012: 4,059,255 actions.
Book net value of the portfolio at December 31, 2012: €148,518,648.
Portfolio value at December 31,2012*: €165,150,790.
* *Based on a share price of € 40.685 at December 31, 2012.*

OPERATIONS CARRIED OUT BY RENAULT ON ITS OWN SHARES AS PART OF THE PROGRAMMES AUTHORIZED BY THE COMBINED GENERAL MEETINGS OF APRIL 29, 2011 AND APRIL 27, 2012

	TOTAL GROSS FLOWS AT DECEMBER 31, 2012		OPEN INTEREST AT DECEMBER 31, 2012	
	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, 2012

Name or Corporate Name	Address	Number of Shares Held	Percentage to the Aggregate Number of Issued Shares (%)	Voting Rights (%)
French State	France	44,387,915	15.01	17.95
Nissan Finance Co., Ltd.	17-20, Mita 2-chome, Minato-ku, Tokyo	44,358,343	15.00	-
Daimler AG	Mercedesstrasse 137, 70327 Stuttgart, Federal Republic of Germany	9,167,391	3.10	3.71
Employees [(1)]		8,770,185	2.97	3.55

Treasury stock		4,059,255	1.37	-
Public		184,979,195	62.55	74.79
Total	–	**295,722,284**	**100.00**	**100.00**

(1) The employee-owned shares (present and former employees) counted in this category are those held in company savings schemes.

2. POLICY OF PAYMENT OF DIVIDENDS:

Appropriation of net income

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

In accordance with legal provisions, the General Meeting has the authority to offer shareholders the option of receiving all or part of the dividend payout in cash or in shares.

Requests for the payment of scrip dividends must be submitted within the time period established by the General Meeting, without exceeding three months from the date of the meeting. The Board of Directors may choose to suspend this period for up to three months if the share capital is increased.

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	2008	2009	2010	2011	2012
Date of Settlement of Accounts	December 31, 2008	December 31, 2009	December 31, 2010	December 31, 2011	December 31, 2012
Highest Price (JPY)	99.16 (12,035)	37.37 (4,536)	45.97 (5,579)	50.53 (6,133)	43.83 (5,320)
Lowest Price (JPY)	14.40 (1,748)	10.16 (1,234)	26.56 (3,224)	22.07 (2,679)	26.76 (3,248)

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

(Euros per share)

Month	July 2012	August 2012	September 2012	October 2012	November 2012	December 2012
Highest Price (JPY)	36.5 (4,430)	38.66 (4,693)	41.58 (5,047)	37.72 (4,579)	38.91 (4,723)	42 (5,098)
Lowest Price (JPY)	31.16 (3,782)	34.25 (4,158)	35.14 (4,265)	33.69 (4,089)	33.06 (4,013)	37.39 (4,538)

4. STATEMENT OF OFFICERS:

This Section describes the management and administration methods used by Renault SA, a public listed company and parent of the Renault group. The methods also apply to Renault s.a.s., the lead holding company for Renault's automotive and financial businesses.

Further to the Alliance with Nissan, Renault-Nissan b.v. has limited powers with respect to Renault s.a.s., without prejudice to the powers of the Board of Directors and the shareholders. This Alliance-specific management method is described in II-3-(2) “THE RENAULT-NISSAN ALLIANCE - GOVERNANCE AND OPERATIONAL STRUCTURE”.

MANAGEMENT METHODS:

Functions of Chairman of the Board combined with those of Chief Executive Officer

On May 6, 2009, following a proposal by the Appointments and Governance Committee, the Board of Directors of Renault decided to combine the functions of Chairman of the Board and Chief Executive Officer. Mr Ghosn was appointed as Chairman and CEO and reappointed in 2010.

The reason for combining the functions of Chairman of the Board and Chief Executive is to simplify decision-making and responsibilities and to ensure a similar governance structure within the Alliance, with the presence of a Chief Operating Officer at both Renault and Nissan.

The system whereby operational decisions are made under the authority of a Chief Operating Officer was maintained in 2011.

On May 30, 2011, on the recommendation of the Appointments and Governance Committee, Carlos Ghosn appointed Carlos Tavares as Chief Operating Officer of Renault. Mr Tavares took up his duties on July 1, 2011.

Further, the balance of powers is ensured by the fact that independent directors are in the majority on the Board and a Senior Independent Director was appointed in July 2009.

The curbs placed by the Board of Directors on the powers of the CEO are described in the Board’s internal regulations. These provide that the Board of Directors will examine the Group’s strategic plan on an annual basis and discuss the Company’s strategic policies, including those connected with the Alliance, put forward by the Chairman and CEO. The Board examines any changes to those policies once yearly. Further, it also gives its opinion before any major decision inconsistent with the Company’s strategy can be made.

The Chairman and CEO must seek permission from the Board of Directors for strategic operations and investments.

The Chairman and CEO must seek permission from the Board of Directors for organic growth operations or acquisitions, and for investments in or divestments from any company, whether existing or to be formed, where the amount exceeds €250 million.

He informs the Board of Directors of the acquisition or disposal of equity holdings worth between €60 million and €250 million.

Appointment of a senior independent director

On April 29, 2011 the Board of Directors reappointed Philippe Lagayette as Senior Independent Director for the duration of his term, on the recommendation of the Appointments and Governance Committee. Mr Lagayette was chosen from among the directors classified as independent.

The Senior Independent Director was appointed after the functions of Chairman and CEO were combined. His role consists in coordinating the activities of the independent directors, and he provides a link between the independent directors and the Chairman and CEO, acting in his capacity as Chairman of the Board.
The Senior Independent Director’s tasks include:

- advising the Chairman of the Board and the chairs of the specialized committees;

- chairing Board meetings where the Chairman and CEO is not present. In particular, the Senior Independent Director chairs discussions intended to assess the performance of the Chairman and CEO with a view to determining his remuneration. The Chairman and CEO does not take part in the discussions.

Mr Lagayette is Chairman of the Audit, Risk and Ethics Committee (CARE), and a member of the Appointments and Governance Committee.

(1) BOARD OF DIRECTORS

At February 13, 2013 the Company was administered by a Board of Directors with 19 members, including three 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 shareholder employees.

On September 26, 2012, David Azéma, commissioner for state holdings, was appointed as director of Renault, on the order of the Minister of the Economy and Finance and the Minister of Industrial Recovery, replacing Alexis Kohler.

On November 8, 2012, following internal company elections, Mrs Mariette Rih, and Mssrs Richard Gentil and Eric Personne were named directors by employees, replacing Mssrs Yves Audvard, Patrick Biau and Alain Champigneux.

On February 12, 2013, Pascal Faure, Director General of Competitiveness, Industry and Services at the Ministry of Industrial Recovery, was appointed as a Renault director on the order of the Minister of the Economy and Finance and the Minister of Industrial Recovery, to replace Luc Rousseau.

Directors have a term of office of four years. Further to the recommendations of the Afep-Medef Code, directorships are renewable on a rotating basis to avoid replacing the entire Board.

Women directors have sat on Renault's Board since 2003.

When directorships come up for renewal, Renault will comply with the provisions of French Act 2011-103 of January 27, 2011, relating to balanced representation of men and women on Boards of Directors and Supervisory Boards and gender equality. Under the provisions of this act, directors elected by employees are not counted when calculating the percentage of women on a Board of Directors.

The Board of Directors appoints one of its members as Chairman. The Chairman, who must be a natural person, can be re-elected.

The Board of Director meets as often as the interests of the Company require. 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 urgent or 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 meeting of the Board.

The internal regulations of the Board of Directors reflects the organization described in this section.

(As of May 15, 2013)

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
Carlos Ghosn March 9, 1954, Age 59	Chairman and CEO	205,200 shares	First appointed in April 2002 and the current term expires in 2014 Member of the Appointments and Governance Committee Chairman and CEO of Renault SA Current offices and functions in other companies: *France:* Chairman: Mobiliz, Renault s.a.s. *Abroad:* President and CEO: Nissan Motor Co., Ltd. Chairman of the Board: Renault-Nissan b.v. Chairman of the Board of Directors: Alliance Rostec Auto BV, Renault do Brasil SA Director: AVTOVAZ Offices or functions in the past five years no longer held: Director: Alcoa
David Azéma November 22, 1960, Age 52	Director	0 (a)	First appointed in October 2012 and the current term expires in 2015. Member of the Audit, Risks and Ethics Committee Member of the Industrial Strategy Committee Commissioner for state holdings – French Government Shareholding Agency, at the Ministry for the Economy Current offices and functions in other companies: Director: Strategic investment fund (FSI), EDF, Air-France KLM Member of the Supervisory Board: Areva Offices or functions in the past five years no longer held: Chairman of the Board: Keolis Group Chief Operating Officer: SNCF Member of the Executive Committee: Vinci SA Chief Executive Officer: Vinci Concessions
Alain J-P Belda* June 23, 1943,	Director	1,000 shares	First appointed in May 6, 2009 and the current term expires in 2017.

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
Age 69			Chairman of the Remuneration Committee Member of the International Strategy Committee Managing Director, Warburg Pincus <u>Current offices and functions in other companies</u>**:** *France:* n.a. *Abroad:* Director: IBM, Omega, Banco Indusval Member of the Business Council <u>Offices or functions in the past five years no longer held:</u> Non-executive Chairman of Alcoa Chairman of the Board and director of Alcoa Chairman and CEO of Alcoa Director of Brown University, Citibank Member of the Board of Trustees of the Conference Board.
Charles de Croisset* September 28, 1943, Age 69	Director	1,000 shares	First appointed in April 2004 and the current term expires in 2016 Member of the Audit, Risk and Ethics Committee Member of the Industrial Strategy Committee International Advisor, Goldman Sachs International <u>Current offices and functions in other companies</u>: *France:* Chairman: Fondation du patrimoine Director: LVMH Member of the Supervisory Board: Euler & Hermès *Abroad*: n.a. <u>Offices or functions in the past five years no longer held</u>: Director: Bouygues, Thales UK, Thales Non-voting director: Galeries Lafayette
Bernard Delpit*	Director	1,000 shares	First appointed on April 30, 2010 and the

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
October 26, 1964 Age 48			current term expires in 2014 Member of the International Strategy Committee Chief Financial Officer, Crédit Agricole SA Current offices and functions in other companies: *France:* Member of Executive Committee: Crédit Agricole SA Director : Crédit Agricole Assurances, LCL *Abroad :* n.a. Offices or functions in the past five years no longer held: Member of the Executive Committee: La Poste Member of Audit Committee: Banque Postale, GeoPost and Poste Immo Director: Sofipost, Geopost, Banque Postale Prévoyance, Poste Immo , Emporiki Member of the Supervisory Board: Banque Postale, Banque Postale Asset Management.
Thierry Desmarest* December 18, 1945, Age 67	Director	1,500 shares	First appointed in April 2008 and the current term expires in 2016 Chairman of the International Strategy Committee Member of the Industrial Strategy Committee Member of the Remuneration Committee Honorary Chairman of Total Current offices and functions in other companies: *France:* Chairman: Fondation Total and Fondation de l'Ecole Polytechnique Director: Total SA, Air Liquide, Sanofi Musée du Louvre École Polytechnique *Abroad:* Member of the Board of Bombardier (Canada) Offices or functions in the past five years no longer held:

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			Chairman of the Board: Total Member of the Supervisory Board: Areva
Jean-Pierre Garnier* October 31, 1947, Age 65	Director	1,000 shares	First appointed in April 2008 and the current term expires in 2016 Chairman of the Industrial Strategy Committee Member of the International Strategy Committee Member of the Remuneration Committee <u>Current offices and functions in other companies:</u> *France*: Chairman: Cerenis (biotech company) *Abroad*: Chairman: Actelion Chairman of the Board of Directors: Actelion Director: United Technology Corp., Paul Newman Foundation <u>Offices or functions in the past five years no longer held</u>: Chairman and CEO: GlaxoSmithKline Beecham p.l.c. Chairman: GlaxoSmithKline p.l.c. Director: GlaxoSmithKline Beecham p.l.c., Biotechnology Industry Organization, Eisenhower Exchange Fellowship Chairman: NormsOxys Corp
Pascal Faure February 1, 1963, Age 50	Director	0 (a)	First appointed in February 2013 and the current terms expires in 2016. Member of the International Strategy Committee Member of the Industrial Strategy Committee Director General of Competitiveness, Industry and Services at the Ministry of Industrial Recovery <u>Current offices and functions in other companies:</u> Government Commissioner: Post Office, National Business Development Commission

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			Member of the Atomic Energy Commission Director and government representative: Fonds Stratégique d'Investissement, Ecole Normale Supérieure, Institut Mines-Télécom, Mines Paris Tech, Ecole Polytechnique, La Francaise des Jeux, France Telecom Member of the Supervisory Board and government representative: Areva SA Attendance at AGM : PMU Membership of the Executive Committee: Fondation Telecom <u>Offices or functions in the past five years no longer held:</u> Chairman, Institut Telecom
Richard Gentil April 29,1968 Age 45	Employee-elected director	1 share	First appointed in November 2012 and the current terms expires in November 2016. Member of the Industrial Strategy Committee Member of the International Strategy Committee Technician, hydraulic mechanical maintenance methods, head of foundry gas - Renault <u>Current offices and functions in other companies:</u> *France*: n.a. *Abroad*: n.a
Yuriko Koike July 15, 1952 Age 60	Director	0	First appointed in April 2013 and the current terms expires in 2017. Member of the House of Representative in Japan Former Minister of Environment and Minister of Defence in Japan
Marc Ladreit de Lacharrière* November 6, 1940, Age 72	Director	1,020 shares	First appointed in October 2002 and the current terms expires in 2014. Chairman of the Appointments and Governance Committee Member of the Remuneration Committee.

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			Chairman and Chief Executive Officer of Fimalac <u>Current offices and functions in other companies:</u> *France:* Member: Institut de France (Académie des Beaux Arts) Chairman of the Board: Agence France Museums Director: Casino, L'Oréal, Gilbert Coullier Productions (SAS), Groupe Lucien Barrière (SAS), Société Fermière du Casino Municipal de Cannes (SFCMC) Chairman of the Management Board: Groupe Marc de Lacharrière Honorary Chairman: Comité National des Conseillers du Commerce Extérieur de la France (National Committee of Foreign Trade Advisors) Main offices held with not-for-profit institutions or associations: Fondation Culture et Diversité, Conseil artistique des musées nationaux, Fondation des sciences politiques, Musée des arts décoratifs, Abbaye de Lubilhac endowment fund. *Abroad:* Chairman of the Board: Fitch Group (USA) Statutory manager: Fimalac Participations Sarl (Luxembourg) <u>Offices or functions in the past five years no longer held:</u> Chairman : Fitch Ratings (USA) Director: Algorithmics (Canada) Statutory manager: Fimalac Participations Member of the not-for-profit association: Fondation Bettencourt Schueller, L'Oréal corporate foundation
Dominique de La Garanderie* July 11, 1943, Age 69	Director	1,150 shares	First appointed in February 2003 and the current term expires in 2017 Member of the Audit, Risk and Ethics Committee Member of the Appointments and Governance Committee Barrister -Cabinet La Garanderie & Associès Former chair: Paris Bar Association

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			Current offices and functions in other companies: *France:* President of the Institut Français d'Experts Juridiques Internationaux (French Institute of International Legal Experts-IFEJI) *Abroad:* n/a Offices or functions in the past five years no longer held: Member of the Supervisory Board and Audit Committee of Holcim France Benelux
Philippe Lagayette* June 16, 1943 Age 69	Senior Independent Director	1,000 shares	First appointed in May 2007 and the current term expires in 2015 Chairman of the Audit, Risk and Ethics Committee Member of the Appointments and Governance Committee. Current offices and functions in other companies: *France:* PL Conseils Vice-Chairman and Senior Advisor: Barclays Capital France Member of the Board: PPR, Fimalac Chairman: Fondation de France Chairman of the Board of Institut des Hautes Études Scientifiques Chairman of the Foundation of Scientific Co-operation for Research on Alzheimer's Disease *Abroad:* n/a Offices or functions in the past five years no longer held: Vice-Chairman of JP Morgan in EMEA Chairman of the Supervisory Board, French American Foundation.
Benoît Ostertag August 2, 1965, Age 47	Director employee shareholders	1,626 ESOP units	First appointed in May 2011 and the current term expires in 2017

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
	representative		Member of the Audit, Risk and Ethics Committee Member of the Industrial Strategy Committee Skills leader for the Quality System, Powertrain engineering and technologies, Renault <u>Current offices and functions in other companies:</u> *France*: n.a. *Abroad*: n.a
Éric Personne October 14,1962, Age 50	Employee-elected director	20 shares	First appointed in November 2012 and the current term expires in November 2016 Member of the International Strategy Committee Head of sales and quality reporting, Renault Retail Group (RRG) <u>Current offices and functions in other companies:</u> *France*: n.a. *Abroad*: n.a
Mariette Rih March 26,1967, Age 46	Employee-elected director	8 shares	First appointed in November 2012 and the current term expires in November 2016 Member of the International Strategy Committee Project leader, demonstration vehicle, Renault <u>Current offices and functions in other companies:</u> *France*: n.a. *Abroad*: n.a
Franck Riboud* November 7, 1955, Age 57	Director	331 shares	First appointed in December 2000 and the current term expires in 2014

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			Chairman and Chief Executive Officer of of Danone <u>Current offices and functions in other companies:</u> *France:* Chairman of the Board: Danone communities (SICAV) *Abroad* Director: Bagley Latinoamerica SA, Danone SA, Rolex SA, Rolex Holding SA Main offices held with associations/foundations: Chairman of the Guidance Committee: Danone pour l'Ecosystème Fund Director: Association Nationale des Industries Agroalimentaires Director: International Advisory Board HEC Member of the Supervisory Board: Fondation ELA Member of the Board: Foundation EPFL PLUS Member of Guidance Board: Livehoods Fund (SICAV) Luxembourg <u>Offices or functions in the past five years no longer held:</u> Director: Accor SA, Lacoste France SA, Ominium Nord Africain (ONA), Wadia BSN India Limited, Fondation Gain
Hiroto Saikawa November 14, 1953, Age 59	Director	100 shares	First appointed in May 2006 and the current term expires in 2014 Member of the International Strategy Committee Executive Vice President for Asia-Pacific Region, Affiliated companies, and Purchasing - Nissan Motor Co., Ltd. <u>Current offices and functions in other companies:</u> *France*: n.a. *Abroad*: n.a
Pascale Sourisse* March 7, 1962	Director	1,000 shares	First appointed in April 30, 2010 and the current term expires in 2014

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
Age 51			Member of the Audit, Risk and Ethics Committee Senior Executive Vice-President, International Development, Thalès Member of the Executive Committee: Thales <u>Current offices and functions in other companies:</u> *France:* President of the Board : Telecom Paris Tech (Ecole Nationale de Supérieure des Télécommunications) Member of the Board: Vinci, Agence Nationale des Fréquences *Abroad:* Chairman of Thales Canada, Inc. Member of the Board of: Thales UK Ltd, Thales Electronics plc, Thales Nederland BV, Thales Australia Holdings pty Ltd, Thales USA Inc. <u>Offices or functions in the past five years no longer held</u> Chairman and CEO, Thales Communications & Security Chairman: Thales Services SAS Member of the Supervisory Board: Thales Alenia Space Member of the Board: Groupe des Industries Françaises Aéronautiques Spatiales (GIFAS) Member of the Board: DCNS, Institut Télécom Chairman, Eurospace, European Space Industry Association Member of the Board: Association of European Aerospace and Defense Industries (ASD)

* *Independent Director.*
(a) See paragraph below.

The average age of incumbent directors is 58 and a half. Each director must own at least one registered share[8]. However, administrative regulations forbid the directors appointed by the French State from owning shares in their capacity as government representatives ((a) above).

To Renault's knowledge, none of its directors or senior executives has been convicted of fraud in the past five years. None of the directors has been involved as an executive in bankruptcy, receivership or liquidation

[8] Share of Renault's capital held by directors: 0.07%.

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.

Expiration of terms of office

CURRENT TERM EXPIRES	DIRECTOR AS OF 15 MAY 2013
2014	Mrs Sourisse Mr Delpit Mr Ghosn Mr Ladreit de Lacharrière Mr Riboud Mr Saïkawa
2015	Mr Azéma Mr Lagayette
2016	Mrs Rih Mr de Croisset Mr Desmarest Mr Faure Mr Garnier Mr Gentil Mr Personne
2017	Mrs de la Garanderie Mr Belda Mrs Yuriko Koike Mr Ostertag

(2) GROUP EXECUTIVE COMMITTEE AND MANAGEMENT COMMITTEE AT MARCH 1, 2013

MANAGEMENT BODIES AT MARCH 1, 2013

STRENGTHENING OPERATIONAL MANAGEMENT

At the proposal of the Appointments and Governance Committee, Carlos Ghosn, Renault's Chairman and Chief ExecutiveOfficer, appointed Carlos Tavares as Renault's Chief Operating Officer on May 30, 2011. Mr Tavares took up his responsibilities in full on July 1, 2011. Carlos Tavares will continue to develop the Group in line with the Renault 2016 – Drive the Change plan, with the emphasis on permanently improving competitiveness and developing the Group's French sites.

Carlos Ghosn has direct responsibility for strategic decisions, together with oversight of financial and legal matters, public affairs, human resources, audit, risk and organizational issues.
Renault's senior management bodies consist of three committees:

- the Group Executive Committee;
- the Operations Committee;
- the Renault Management Committee.

GROUP EXECUTIVE COMMITTEE

The Executive Committee is made up of eleven members:

- the Chairman and CEO;
- the Chief Operating Officer;
- the Executive Vice-President, Office of the CEO;
- the Executive Vice-President, Engineering and Quality;
- the Executive Vice-President, Human Resources;
- the Executive Vice-President, Sales and Marketing, and Light Commercial Vehicles;
- the Executive Vice-President, Plan, Product Planning and Programs;
- the Executive Vice-President, Manufacturing and Supply Chain;
- the Executive Vice-President, Chief Financial Officer;
- the Executive Vice-President, Chairman of France Operations;
- Executive Vice-President, Chairman of Europe Region.

The Renault Executive Committee meets once a month and at seminars held twice a year.

OPERATIONS COMMITTEE

The Operations Committee has 16 members:

- the 10 members of the Group Executive Committee, excluding the Chairman and CEO;
- the Chairmen of the Regions Eurasia, Americas, Euromed-Africa and Asia- Pacific;
- the SVP, Global Marketing and Communication;
- the SVP, Alliance Global Purchasing.

The Operations Committee meets once a month (for a whole day) chaired by the Chief Operating Officer.

RENAULT MANAGEMENT COMMITTEE

The Management Committee has 28 members, including Executive Committee and Operations Committee members.

The Chief Operating Officer, the Executive Vice-President, Office of the CEO, the Executive Vice-President, Finance, the Executive Vice-President, Human Resources, and the Senior Vice-President, managing Global Logistics for the Alliance report directly to the Chairman and Chief Executive Officer.

The other members of the Renault Management Committee, including Group Executive Committee members, report to the Chief Operating Officer.

The Renault Management Committee meets once a month and at seminars held twice a year.

ORGANIZATION CHART AT MARCH 1, 2013

- ■ **Carlos Ghosn:** Chairman and CEO
  - ■ **Marie-Françoise Damesin:** EVP, Human Resources
  - **Christian Mardrus:** SVP, Alliance CEO Office
  - ■ **Mouna Sepehri:** EVP, CEO Office
  - ■ **Carlos Tavares:** Chief Operating Officer
    - **Bruno Ancelin:** SVP, Managing Director Renault in Russia; ♦ Chairman of Eurasia Region
    - **Denis Barbier:** SVP, ♦ Chairman of Americas Region
    - ■ **J. Michel Billig:** EVP, Engineering and Quality
      - **Christian Deleplace:** SVP, Expert Fellow
      - **Nadine Leclair**: SVP, Vehicle Engineering
      - **J.Pierre Vallaude:** SVP, Quality
    - ■ **Thierry Bolloré:** EVP, Manufacturing and Supply Chaine
      - **Jose Vicente de Los Mozos Obispo:** SVP, Body Assembly Manufacturing
    - ■ **Philippe Klein:** EVP, Corporate Planning, Product Planning and Programs
      - **Thomas Lane**: SVP, Product Planning
    - **J.Christophe Kugler:** ♦ Chairman of Euromed Africa Region
      - **Jacques Prost**: General Manager of Renault in Morocco
    - ■ **Gérard Leclercq:** EVP, Head of operations, France
    - ■ **Stefan Mueller:** EVP, ♦ Chairman of Europe Region
      - **Jose Vicente de Los Mozos Obispo:** SVP, Managing Director Renault Group in Spain; Chairman and CEO, Renault Espana
    - **Katsumi Nakamura:** SVP, Head of Chinese business operations
    - **Stephen Norman:** SVP, Global Marketing and Communication
    - **Gilles Normand:** ♦ Chairman of Asia-Pacific Region
    - ■ **Jérôme Stoll:** EVP, Sales, Marketing and LCV
      - **Bernard Cambier:** SVP, Market Area France
      - **Jacques Daniel:** SVP, After sales
    - **Laurens Van Den Acker:** SVP, Corporate Design
    - **Christian Vandenhende:** SVP, Purchasing Renault; Alliance Global Purchasing; Chairman and Managing Director, RNPO
  - ■ **Dominique Thormann:** EVP, Chief Financial Officer; CEO RCI Banque

■ Member of the Group Executive Committee (CEG).

♦ Chairman of Region.

(3) REMUNERATION OF DIRECTORS AND OFFICERS AT JANUARY 1, 2013

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[9] 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 2012, and reiterated the breakdown on February 15, 2012, 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 2012 amounted to €1,131,000 (compared with €870,627 in 2011).

Fees allotted to directors for the year based on attendance at Board and committee meetings

ATTENDANCE RATE, BOARD AND COMMITTEE MEETINGS IN 2012							TOTAL FEES RECEIVED *(in €)* (2)	
DIRECTORS	BOARD	AUDIT, RISK AND ETHICS COMMITTEE	REMUNERATION COMMITTEE	APPOINTMENTS AND GOVERNANCE COMMITTEE	INTERNATIONAL STRATEGY COMMITTEE	INDUSTRIAL STRATEGY COMMITTEE	2011 (3)	2012
Mr Ghosn	100%	-	-	100%	-	-	36,000	48,000
Mr Audvard (4)	100%	-	-	-	100%	100%	46,050	48,230
Mr Azéma (4)(5)	100%	100%	-	-	-	0%	-	22,364
Mr Belda	87.5%	-	100%	100%	50%	-	49,551	75,000
Mr Biau (4)	100%	-	-	-	100%	-	41,025	41,840
Mr Champigneux (4)	100%	100%	-	-	-	-	41,025	41,840
Mr de Croisset	87.5%	100%	-	-	-	100%	42,777	60,000
Mr Delpit	87.5%	-	-	-	100%	-	37,752	52,500
Mr Desmarest	87.5%	-	100%	-	100%	50%	56,100	75,000
Mr Garnier	87.5%	-	75%	-	0%	100%	56,100	75,000
Mr Gentil (4)	100%	-	-	-	-	100%	-	14,770
Mr Isayama (6)	75%	-	-	-	-	-	34,364	42,000
Mr Kohler (4)(5)	75%	33.3%	-	-	-	100%	46,050	37,636
Mr Ladreit de Lacharrière	100%	-	100%	100%	-	-	49,439	70,500

9 The amount of €1,200,000 is consistent with the median of directors' fees paid by other CAC 40 companies.

Mrs de La Garanderie	100%	100%	-	100%	-	-	46,050	63,000
Mr Lagayette	87.5%	100% (7)	-	100%	-	-	61,125	75,000
Mr Ostertag	100%	100% (4)	-	-	100%	100%	23,276	63,000
Mr Personne (4)	100%	-	-	-	-	-	-	13,660
Mr Riboud (6)	50%	-	-	-	-	-	34,367	36,000
Mrs Rih (4)	100%	-	-	-	-	-	-	13,660
M. Rousseau (5)	75%	-	-	-	100%	100%	44,414	57,000
M. Saïkawa	75%	-	-	-	100%	-	39,389	49,500
Mme Sourisse	100%	100%	-	-	-	-	41,025	55,500

(1) For directors whose appointment to the Board or one of the Committees began or ended during 2012, 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) The amounts shown for 2011 are those allotted to directors, minus the refunds they have made, as per chapter 3.3.4.2 of the 2011 Registration Document.
(4) Directors whose appointment to the Board or one of the Committees began or ended during 2012.
(5) Directors representing the French State.
(6) Director not belonging to any Committee.
(7) For 2011, then 2012, the Renault Board awarded double fees to Mr. Lagayette for his work as Chairman of the Audit, Risks and Ethics Committee.

In view of their conditions of office, some directors, particularly those representing the French State, waive their fees and pay them over to either the tax authorities or the trade union they represent.

REMUNERATION OF SENIOR EXECUTIVES AND CORPORATE OFFICERS

PROCEDURE FOR DETERMINING REMUNERATION

Fixed and variable remuneration

Members of the Renault Management Committee receive a consideration comprising a fixed and a variable portion.

For 2012 the variable portion was based on achieving the joint criterion of positive free cash flow, and other individual criteria linked to the performance of the sector of responsibility. At its meeting on February 13, 2013; the Board of Directors noted that the main objective concerning free cash flow had been reached. It was therefore decided that the members of the Renault Management Committee were eligible for variable remuneration based on that criterion. Concerning the Chairman and CEO, the procedure for determining the variable proportion of remuneration in 2012 includes other criteria detailed in "REMUNERATION OF THE EXECUTIVE DIRECTOR - PROCEDURE FOR DETERMINING REMUNERATION" below.

Supplementary pension scheme

Further to the meetings of the Board of Directors on October 28, 2004 and October 31, 2006, the members of the Group Executive Committee benefit from the supplementary pension scheme. This comprises:

- a defined contribution scheme equivalent to 8% (5% paid by the Company and 3% by the beneficiary) of annual remuneration, between eight and sixteen times the upper earnings limit for social security contributions;

- a defined benefit scheme capped at 30% of remuneration, subject to length of service and on condition that the beneficiary serves out the rest of his or her career with the Group.

The remuneration taken as the basis for calculating defined benefit schemes is equivalent to the average of the three highest remunerations earned over the 10 years prior to retirement. In all cases, this base remuneration may not exceed 65 times the social security contributions annual earnings limit.

The combined total of these schemes – basic, complementary and additional – is capped at 50% of remuneration.

Currently, total retirement benefits, including supplementary benefits, to which senior executives, including the Chairman and CEO are entitled, are estimated at between 30% and 45% of their final remuneration, owing to differences in seniority at Renault and on the Group Executive Committee.

REMUNERATION OF RENAULT MANAGEMENT COMMITTEE MEMBERS IN 2012

In 2012, the total remuneration paid to the 27 members of the Renault Management Committee in office at December 31, 2012, amounted to €15,667,420, including a fixed portion of €9,360,825 compared with total remuneration of €12,202,263 paid to the Renault Management Committee, in 2011.

Renault Management Committee members do not receive directors' fees from Group companies in which they hold senior office.

REMUNERATION OF THE EXECUTIVE DIRECTOR

In accordance with the Afep/Medef recommendations and with the position of the French securities regulator, Autorité des marchés financiers, the executive director does not also hold an employment contract with Renault.

PROCEDURE FOR DETERMINING REMUNERATION

Fixed and variable remuneration

The remuneration of the Chairman and CEO comprises a fixed portion and a variable portion.

Note that the Chairman and CEO is not remunerated for his function as Chairman of the Board of Directors.

In late 2011, the Board of Directors established the fixed portion of the Chairman and CEO for 2012 at €1,230,000. It also set out the procedures for determining the variable portion for 2012 to be paid in 2013. It was decided that this portion would total between 0 and 150% of the fixed portion, based on the following criteria:

- ROE – Return on Equity, which counts for up to 15% of the variable portion;
- actual operating margin (up to 25% of the variable portion);
- the free cash flow threshold set by the Board of Directors (up to 50% of the variable portion).
- a qualitative element linked to strategy and management, based on the following criteria: implementation of industrial strategy, particularly in France; progress on electric vehicles, R&D strategy multi-year development, CSR, Daimler, Alliance synergies (to a maximum 60% of the variable portion).

At its meeting on February 13, 2013, acting on the recommendation of the Remuneration Committee, the Board of Directors set this portion at 117% of the fixed portion out of 150% for 2012.

At the proposal of the Chairman and CEO, and subject to the signature of the Competitiveness Agreement now under negotiation, the Board of Directors agreed to postpone payment of 30% of the variable portion and make it conditional on Renault's respect for the open-ended commitments made under this Agreement.

Supplementary pension scheme

The Chairman and CEO also benefits from the supplementary pension scheme set up for members of the Group Executive Committee (see "REMUNERATION OF SENIOR EXECUTIVES AND CORPORATE OFFICERS - PROCEDURE FOR DETERMINING REMUNERATION" above). The policy of the Board of Directors is to treat the senior executive director, whom it appoints, as a corporate officer for the purposes of ancillary remuneration, particularly retirement benefits.

REMUNERATION OF THE SENIOR EXECUTIVE DIRECTOR

The tables below are based on the recommendations of the Afep/Medef and the French securities regulator.

TABLE 1
Summary table of remunerations, stock-options and shares allocated to each executive director

	2011	2012
CARLOS GHOSN – Chairman and CEO		
Remuneration owing in respect of the year (details in table 2)	2,890,104	2,728,356*
Value of options granted during the year (details in table 4)	1,489,000**	750,258**
Value of performance shares granted during the year (details in table 6)	0	0
TOTAL	**4,379,104**	**3,478,614**

* *Subject to the signature of the Competiveness Agreement under negotiation on February 13, 2013, payment of 30% of the variable portion included in this amount will be postponed and made conditional on Renault's respect for the open-ended 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).*

TABLE 2
Summary table of the remunerations received by each executive director

a) The total remuneration of the Chairman and CEO paid by Renault SA and the companies it controls was as follows (in €):

	AMOUNTS 2011		AMOUNTS 2012	
CARLOS GHOSN	**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
Variable remuneration (1)	1,599,000	0 (2)	1,439,100 (3)	1,599,000
Exceptional remuneration	0	0	0	0
Directors' fees	48,000	28,000	48,000	48,000
In-kind benefits	13,104	13,104	11,256	11,256
TOTAL	**2,890,104**	**1,271,104**	**2,728,356**	**2,888,256**

(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) Subject to the signature of the Competiveness Agreement under negotiation on February 13, 2013, payment of 30% of this amount will be postponed and made conditional on Renault's respect for the open-ended commitments made under this Agreement.

b) Remuneration of the President and CEO of Nissan Motors Co., Ltd.

In compliance with the information published by Nissan on June 30, 2011 and June 30, 2012 in its annual financial report, Yukashoken-Houkokusho for the financial years 2010 (April 1, 2010 to March 31, 2011) and 2011 (April 1, 2011 to March 31, 2012), the total remuneration received by Mr Ghosn in his capacity as President and CEO of Nissan Motors Co., Ltd. was ¥982 million for FY 2010 and for FY 2011 as follows in millions of yen:

FINANCIAL YEAR (FROM APRIL 1, 2011 TO MARCH 31, 2012)	REMUNERATION	STOCK-OPTIONS	TOTAL
2011	987*	0	987*

* *Figures published by Nissan in compliance with JGAAP accounting standards.*

For information, the exchange rate at March 31, 2012 was ¥110.5 for €1.

This information is directly accessible, with all updates, on the Renault website at the address: http://www.renault.com/fr/finance/gouvernance/pages/dirigeants.aspx

TABLE 3

Table of directors' fees and other remuneration received by non-executive corporate officers

For the total directors' fees allocated for 2012, see the table in "METHOD OF ALLOTMENT" above.

TABLE 4

Options granted during the year to the senior executive director

	PLAN NO. AND DATE	TYPE OF OPTIONS	VALUE OF OPTIONS BASED ON THE METHODS ADOPTED FOR THE CONSOLIDATED ACCOUNTS(*)	NBR OF OPTIONS GRANTED DURING THE YEAR	STRIKE PRICE	GRANT PERIOD
CARLOS GHOSN	No. 18 04/29/2011	Purchase	931,000	100,000	€38.80	From 04/30/2015 to 04/28/2019
	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 12/13/2016 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 to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement.

TABLE 5

Options exercised by each executive director during the year

	PLAN NO. AND DATE	NBR OF OPTIONS EXERCISED DURING THE YEAR	STRIKE PRICE	GRANT YEAR
CARLOS GHOSN	-	None	-	-

TABLE 6

Performance shares allocated during the year to each executive director

PLAN NO. AND DATE	NUMBER OF SHARES	VALUE OF SHARES (BASED ON THE METHOD ADOPTED FOR THE CONSOLIDATED ACCOUNTS)	DATE OF ACQUISITION	DATE OF AVAILABILITY	TERMS OF PERFORMANCE

CARLOS GHOSN	-	None	-	-	-	-

TABLE 7
Performance shares available to each executive director during the year

	PLAN NO. AND DATE	NBR OF SHARES BECOMING AVAILABLE DURING THE YEAR	TERMS OF ACQUISITION
CARLOS GHOSN	-	None	-

TABLE 8
Stock-option and performance share allocations

Plans 11, 12 and 14 give the right 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, 2012 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 12/31/2012	NBR OF CANCELLED OR LAPSED OPTIONS AT 12/31/2012	OPTIONS OUTSTANDING AT 12/31/2012
AGM authorization granted on April 29, 2003									
Plan 11	09/13/2005	1,631,093	200,000	09/14/2009	09/12/2013	72.98	3,000	181,193	1,446,900
AGM authorization granted on May 4, 2006									
Plan 12	05/04/2006	1,674,700	100,000	05/05/2010	05/03/2014	87.98	3,000	385,866	1,285,834
Plan 14	12/05/2006	1,843,300	200,000	12/06/2010	12/04/2014	93.86	0	350,394	1,492,906
AGM authorization granted on April 29, 2011									
Plan 17*	04/29/2011	176,000	0	04/30/2015	04/28/2019	38.80	0	176,000	0
Plan 18	04/29/2011	490,000	100,000	04/30/2015	04/28/2019	38.80	0	9,444	480,556
Plan 19**	12/08/2011	300,000	100,000	12/09/2015	12/07/2019	26.87	0	0	300,000
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.
**** For this 2012 plan, the grantees were informed in early 2013.*

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 12/31/2012	SHARES OUTSTANDING AT 12/31/2012
Plan 17 b Shares (*)(**)	04/29/2011	544,300	0	04/30/2013*****	04/30/2015	543,500	0
Plan 18 b Shares (*)	04/29/2011	1,233,400	0	04/30/2014*****	04/30/2016	28,255	1,205,145
Plan 19 b Shares (*)(***)	12/08/2011	609,900	0	12/09/2013*****	12/09/2015	6,000	603,900
Plan 20 b Shares (*)(****)	12/13/2012	679,900	0	12/13/2014*****	12/09/2016	0	679,900

* *Acquisition and holding periods are different for grantees from subsidiaries outside France, in order to take account of local fiscal constraints.*

** *The Board of Directors meeting of February 15, 2012 noted that the 2011 target for operating margin was not reached. As a result, all the shares corresponding to Plan 17b have been cancelled.*

*** *For this 2011 plan, the grantees were informed in early 2012. 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.*

**** *For this 2012 plan, the grantees were informed in early 2013.*

***** *French tax residents.*

TABLE 9

Information on the ten employees other than corporate officers

STOCK-OPTIONS GRANTED TO AND EXERCISED BY THE TEN EMPLOYEES, OTHER THAN CORPORATE OFFICERS, RECEIVING THE HIGHEST NUMBER OF OPTIONS	TOTAL OPTIONS GRANTED / SHARES ACQUIRED	EXERCICE PRICE	PLAN 17 *	PLAN 18	PLAN 19 **	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)	650,800	Plan 17 & 18 = €38.80 Plan 19 = €26.87 Plan 20 = €37.43	110,000	240,000	124,000	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 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.*

** *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 17B *	PLAN 18B	PLAN 19B **	PLAN 20B
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)	306,000	50,000	110,000	68,000	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 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.*

** *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 actions corresponding to Plan 19b have been cancelled.*

TABLE 10

Benefits to executive director

EXECUTIVE CORPORATE OFFICERS	EMPLOYMENT CONTRACT	SUPPLEMENTARY PENSION SCHEME*	COMPENSATION OR BENEFITS OWED OR LIKELY TO BE OWED ON TERMINATION OR CHANGE OF FUNCTIONS	BENEFITS RELATING TO NON-COMPETITION CLAUSE
CARLOS GHOSN Chairman and CEO	No	Yes	No	No

* *See V-4-(3) "REMUNERATION OF SENIOR EXECUTIVES AND CORPORATE OFFICERS - PROCEDURE FOR DETERMINING REMUNERATION" above.*

STOCK OPTIONS AND PERFORMANCE SHARES

LEGAL FRAMEWORK

In its eleventh and twelfth resolutions, the Mixed General Meeting of April 29, 2011 authorized the Board of Directors to make one or more grants of stock-options to employees of the Company and its related companies, in conformity with Articles L. 225-177 and L. 225-197-1 of the Commercial Code. These options give holders the right to subscribe for new shares of the Company, issued in connection with a capital increase, or to buy shares of the Company lawfully repurchased by it. The meeting also authorized the Board to make free grants of “performance shares” (existing shares or shares to be issued in the future).

If these options are exercised, the number of shares thus purchased or subscribed shall not exceed 0.48% of the share capital at the date of the meeting.

The total number of performance shares granted shall not exceed 1.04% of the share capital at the date of the meeting.

The meeting made the allocation and/or exercise of stock-options and the allocation of performance shares conditional upon attaining performance levels determined during the budgeting process as regards the annual plans and in the context of the “Renault 2016 – Drive the change” Plan as regards the 2011-2013 period.

The meeting also specified that:

- the executive director would not receive any performance shares;
- salaried senior executives would receive a combination of stock-options and performance shares;
- employees who made a particular contribution to attaining the targets would receive only performance shares.

GENERAL POLICY ON OPTION / SHARE GRANTS UNDER PLANS

REMUNERATION COMMITTEE

The Board of Directors approves the grant plan on the basis of the report of the Remuneration Committee. The committee examines proposals from the Chairman to grant options or shares to certain Group employees, in compliance with the general arrangements set by the Annual General Meeting. The Chairman and CEO does not take part in the committee’s proceedings when the matter under review concerns him personally.

AIMS OF THE STOCK-OPTION / PERFORMANCE SHARE PLAN

The main aim of the plan is to involve Renault executives worldwide, particularly the members of management bodies, in building the value of the Group – and hence Renault’s share price – by allowing them to have an ownership interest in the Company.

The plan also makes it possible to single out those executives who, by their actions, make an especially positive contribution to the Group’s results.

In addition, the plan helps to secure the loyalty of those executives for whom the Group has long-term ambitions, in particular “high-flyers”, i.e. young executives with strong potential. Granting stock-options and performance shares helps to increase the commitment of these staff members and motivate them to work for the Company’s advancement and growth.

The plan reinforces the role of the Group’s responsibility centers in Europe and the rest of the world. In Automotive, it applies in particular to sales subsidiaries, vehicle and powertrain engineering teams, managers of body assembly and powertrain plants, industrial subsidiaries and all the heads of vehicle and sub-system programmes and projects. The plan also applies to Sales Financing, and to the heads of the Group’s major support functions.

GRANT POLICY

Grants of options and shares vary according to the grantee's level of responsibility and contribution to the Company, an appraisal of their performance and results, and, for younger staff members, an assessment of their development potential.

Performance criteria for all members of staff were introduced in 2006.

Whatever the circumstances, if the targets are not achieved, none of the allotted options or shares can be exercised/acquired at the end of the qualified holding or vesting period.

Senior executives and managing executives

At December 31, 2012 the senior executives are the 27 members of the Renault Management Committee, including the 11 members of the Group Executive Committee.

In 2012, members of the Renault Management Committee were awarded a combination of options and performance shares. The Chairman and CEO was not awarded any performance shares.

In principle, the other managing executives, who were awarded only shares in 2012, are granted a variable number of options each year, based on the same criteria as those applicable to senior executives, namely levels of responsibility, performance and results. The quantity of shares granted can vary, depending on individual appraisals. Some managing executives may 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. An array of complementary systems is used to assess and select grantees (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.

Annual performance and development reviews

Annual performance and development reviews are used to make a precise, written review of past performance and to define written goals for the coming year. All managerial staff without exception (i.e. including senior executives and managing executives) undertakes a performance appraisal with their immediate superior and, where appropriate, their staff manager and project manager. The results of the session are reviewed and graded by the next level of management. The annual performance and development review provides the opportunity to precisely measure the interviewee's past inputs and to set objectives for the following year. It is also used to closely analyze each individual's managerial capacity and the progress to be made vis-à-vis benchmarks set by senior management.

Careers Committees

The purpose of Careers Committees is to review all positions of responsibility within the company and to assess the contributions of the incumbents: they ensure greater fairness and a more robust management decision-making process. They also seek to forecast possible changes in the job profile of individual staff members and the persons designated to replace them, either under normal circumstances or immediately should the need arise. The Careers Committees meet monthly in all the Group's major divisions and departments throughout the world. This system makes it possible to permanently update collective assessments of individual staff members and particularly it enables directors to submit the names of possible option grantees to the Chairman with full knowledge of the facts.

A General Careers Committee, chaired by the Chairman and composed of the members of the Group Executive Committee and operational directors, examines nominations for 200 key positions and is responsible for manpower planning for these jobs.

High-flyers

Particular attention is paid to the identification and, above all, the development of high-flyers in order to broaden the diversity of talent.

Three levels of potential make it possible to prepare top-performing employees for the Group's three levels of key posts by means of personalized development plans.

The tasks of identifying potential and appointing people to key posts has been delegated both to the countries and to the Regions for each level of key posts / special potential.

Group Human Resources department

The Group Executive Vice-President, Human Resources oversees the smooth running of the annual performance and development reviews. He or she supervises and makes use of the reviews, prepares and coordinates the meetings of the General Careers Committee, and proposes and keeps the high-flyer lists. He or she also prepares, standardizes and submits requests regarding options and share plans, so that the Chairman can make proposals to the Board's Remuneration Committee. He or she is assisted by the head of executive development and by regional and functional human resources directors whose role, within each Group department, is to oversee the process set up to identify, develop and continuously monitor all the high-flyers/talented employees within their scope of activity. These human resources directors are coordinated centrally on a regular basis. Managers can thus ensure that the Human Resources policy is properly implemented, that the above- mentioned processes are followed and that individual careers are optimally managed, particularly in terms of mobility and training. The head of executive development and regional and functional human resources directors play an important role in summing up the assessments and judgments made by managers. As a result, they are better placed to provide informed advice and to light up the field for senior management when selecting plans' grantees.

ADDITIONAL INFORMATION

Loss of entitlement is governed by regulatory provisions, i.e. total loss in the event of resignation, and individual decision in the event of dismissal, by the Chairman and CEO who informs the Remuneration Committee.

No Group subsidiary operates a stock-option plan for its own shares.

5. STATE OF CORPORATE GOVERNANCE, ETC.

(1) State of Corporate Governance

THE BOARD OF DIRECTORS IN 2012

The Board of Directors met eight times in 2012. One of the meetings was devoted to the strategic shareholding in AVTOVAZ; another to Renault's remaining shareholding in Volvo. Meetings lasted an average of three hours, except for the meeting devoted to strategy. This meeting, held on the premises of RNBV in Amsterdam to discuss about the Alliance, took a whole day. The attendance rate was 90.2% (more details by director in"METHOD OF ALLOTMENT" above).

The Board gave its opinion on all business placed on its agenda pursuant to the legal and regulatory requirements in force in France.

The attendance rate of the directors reflects the commitment of the 19 members of the Board to serving Renault.

On the main matters, in 2012 the Board took the action described below:

Accounts and budget

The Board:

- approved the Group's consolidated financial statements and the individual financial statements of Renault and Renault s.a.s. for 2011 and examined the consolidated financial statements for first-half 2012; it set the appropriation of 2011 income to be proposed to the AGM, which included a dividend payout;
- adopted the 2013 budget;
- assessed the extent to which performance criteria had been reached in the plan to grant stock-options and bonus shares for 2011;
- approved the plans to grant stock options and bonus shares for 2013.

Corporate governance

The Board:

- conducted a assessment of its operating methods and listed the independent directors;
- took official note of the appointment of a new director representing the state, Mr David Azéma, replacing Mr Alexis Kohler; (the Board was also informed at its first meeting of 2013 that Pascal Faure had been appointed to replace Luc Rousseau);
- took official note of the election of three new employee-elected directors, Mrs Mariette Rih, and Mssrs Richard Gentil and Eric Personne, replacing respectively Mssrs Patrick Biau, Yves Audvard and Alain Champigneux;
- revised the composition of its specialized committees, following the appointment of new directors;
- approved the change to the composition of the Supervisory Board of Renault-Nissan b.v., which gains two additional members, representing Renault and Nissan respectively;
- adopted the Chairman's report pursuant to Article L. 225-37 of the Commercial Code;
- analyzed and approved answers to shareholders' questions ahead of the AGM.

Group strategy

The Board:

- reviewed progress of the Renault 2016 – Drive the Change plan, presented by senior management and approved in 2011 by the Board of Directors;
- authorized Renault to raise its holding in AVTOVAZ;
- authorized the sale of A shares in AB Volvo;
- examined in detail four strategic subjects selected by the directors in 2011: industrial strategy in France, partnerships with Daimler and AVTOVAZ, the Renault-Nissan Alliance and human capital.

The Board also took decisions on new issues that are strategic for Renault and will be discussed in Board meetings in 2013.

Regulated agreements

The Board of Directors authorized the signature of an amendment to the Restated Alliance Master Agreement aimed at modifying the membership of the Alliance Board, as described in II-3-(2) "THE RENAULT-NISSAN ALLIANCE - GOVERNANCE AND OPERATIONAL STRUCTURE".

AUDIT 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, its organization and its working. The assessment was carried out by the Appointments and Governance Committee, chaired by Mr Ladreit de Lacharrière. It was based on a questionnaire and individual interviews carried out by Mr Ghosn, Mr Lagayette and Mr Ladreit de Lacharrière himself.

Broadly speaking, the members of the Board expressed satisfaction with the organization, working and composition of the Board and Committees. They noted a genuine improvement in this area.

The members of the Board highlighted the relations of trust that exist between the Board and senior executives.

Attendance by Executive Committee members at Board meetings is considered a best practice that fosters dialogue and effective information. However, the directors requested that the arrangement not be systematic, so that some issues could be discussed in a select group confined to Board members, the Chairman and the Secretary of the Board.

The members of the Board especially appreciated the full day devoted to Renault's strategy and long-term growth. They also said they wanted to resume factory visits, which give them a better understanding of the Group's products.

Board members also expressed their appreciation of the lunches organized after some of the meetings, which provide an opportunity for informal discussions with members of the Executive Committee and some members of the Management Committee.

Another much-appreciated initiative is the presentation at each meeting of a strategic issue selected beforehand by the Board. This initiative, introduced in 2012, will be continued because it allows for in-depth discussion and ensures that the Board's agenda is aligned more closely with the company's development.

The Board members were also pleased that comments made at the 2011 assessment had been taken into account. On this issue, they noted that documents were being made available more quickly ahead of Board meetings. They also noted that the Chairman did not take part in discussions aimed at analyzing his performance or setting his remuneration. Furthermore, they expressed satisfaction at the information supplied between meetings and asked that the practice be stepped up, particularly with regard to company news.

In 2013 the Chairman of the Appointments and Governance Committee will make a wide-ranging assessment of the way that Board committees are organized, notably the number of committees and their purpose, as well as the role played by the Senior Independent Director.

The directors expressed an open opinion or requested improvements on two issues:

- Membership of the Board should better reflect the international dimension of the Alliance. Accordingly, directors asked that when the next seats come up for renewal, candidates be chosen on the basis of where the Group operates internationally and/or its partnerships;
- The Board wants to receive information, such as sector or financial analysis, from third parties.

ASSESSMENT OF DIRECTOR INDEPENDENCE

At its meeting on February 13, 2013, the Board of Directors restated its attachment to the most thorough definition of corporate governance available in France, namely the Afep/Medef Code. According to the report, an independent director is one who, notably, "has no relations of any kind with the company, the Group or its managers likely to compromise his independence of judgment".

In the light of the independence criteria set out by the Afep/Medef Code, the Board of Directors drafted the following list of independent directors: Mmes de La Garanderie and Sourisse, Messrs de Croisset, Belda, Delpit, Desmarest, Garnier, Ladreit de Lacharrière, Lagayette and Riboud (see table on the composition of the Board in V-4-(1) "BOARD OF DIRECTORS" above).

The following are considered as non-independent, in line with the definition above: representatives of the state, directors elected by employees, the director representing the employee shareholders, the Chairman and Chief Executive Officer, and the two directors appointed by Nissan, a company linked to Renault.

The Board stressed, however, that the directors elected by the employees and the representative of employee shareholders, in particular, are not dependent on the company's senior management as far as their presence on the Board is concerned. This is illustrated by the special contribution they make to the Board's proceedings.

SPECIALIZED COMMITTEES OF THE BOARD OF DIRECTORS

Five specialized committees have been set up to permit in-depth examination of specific topics relating to the Board of Directors' role. The chairs of each committee bring the Committee's opinions to the attention of the Board.

The roles of these committees are described in the internal regulations.

Audit, risk and ethics committee (CARE)

CARE has six members: Mr Lagayette in the chair, Mrs de la Garanderie, Mrs Sourisse, Mssrs Azéma (replacing Mr Kohler), de Croisset and Ostertag. Four of the six are independent directors.

The Board of Directors approved the appointment of Mr Ostertag to the CARE, replacing Mr Champigneux, whose term of office as a director expired in November 2012.

The committee met four times in 2012, with an attendance rate of 91.6% (for details, see"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 2011 and first-half 2012, as well as the related financial news releases;
- a review of the 2012 internal audit plan and presentation of the plan for 2013;
- the external audit plan conducted by the auditors as part of their legal auditing task;
- the impact of the European financial crisis on company results;
- tracking financial risks.

Moreover, in line with the reviewed responsibilities of CARE, following the decision of the Board of Directors in April 2011, the Committee exercised new ethics-related tasks in 2012. For example, it twice interviewed the Ethics manager on the activities of his Committee, as described in "ACTIVITIES OF THE ETHICS DEPARTMENT AND THE ETHICS AND COMPLIANCE COMMITTEE" below.

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, as well as the accounting policies used and the main regulatory developments in this area. In addition, the CFO submitted a memo describing the Company's risk exposures and off-balance sheet commitments.

Remuneration committee

This committee has four members, all of whom are independent directors: Mr Belda in the chair, Mssrs Desmarest, Garnier and Ladreit de Lacharrière.

The committee met four times in 2012, with an attendance rate of 93.75% (details in "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 connection with the Renault 2016 – Drive the Change plan;
- the meeting of performance requirements linked to stock-option and bonus share plans for 2011;
- the structure and grant rules for the stock-option and bonus share plan for 2013.

Appointments and governance committee

This committee has five members: Mr Ladreit de Lacharrière in the chair, Mrs de La Garanderie, Mssrs. Ghosn, Lagayette, and Belda. Four of the five members are independent directors.

The committee met twice in 2012, with an attendance rate of 100% (details in "METHOD OF ALLOTMENT" above).

The main items on its agenda were:

- the reappointment of Mssrs Croisset, Desmarest, Garnier and Rousseau as directors;
- implementation of the rules on the proportion of female directors, in the light of forthcoming reappointments to the Board;
- the composition of the Board's specialized committees, following the appointment of new employee-related directors, and specific requests from some directors;
- the annual review of the Board of Directors;
- a review of the list of independent directors pursuant to the criteria set out in the Afep/Medef report;
- changing the Board's internal regulations to enable the Accounts and Audit Committee to become the Audit, Risk and Ethics Committee;
- changing the Board's internal regulations to set precise time frames for sending out documents prior to meetings of the Board and the Committees.

International strategy committee

This committee has nine members: Mr Desmarest in the chair, Mrs Rih, Mssrs Belda, Delpit, Garnier, Gentil, Personne, Rousseau and Saïkawa (effective from his appointment in early 2013, Mr. Faure replaces Mr. Rousseau on this Committee).

Four of the nine committee members are independent.

The committee met twice in 2012, with an attendance rate of 83.3% (details in "METHOD OF ALLOTMENT" above).

The main items on its agenda were:

- the development of Renault's activity in Russia as part of the partnership with AVTOVAZ;
- the development of Renault in the Regions of Asia and Euromed-Africa.

Industrial strategy committee

This committee has seven members: Mr Garnier in the chair, Mssrs Azéma, de Croisset, Desmarest, Gentil, Rousseau and Ostertag (effective from his appointment in early 2013, Mr. Faure replaces Mr. Rousseau on this Committee).

Three of the seven committee members are independent.

The committee met twice in 2012, with an attendance rate of 83.3% (details in "METHOD OF ALLOTMENT" above). It reviewed industrial strategy, with a particular focus on:

- issues relating to the competitiveness of European sites and the adjustment of their production capacity;
- more specifically, competitiveness issues in France.

ACTIVITIES OF THE ETHICS DEPARTMENT AND THE ETHICS AND COMPLIANCE COMMITTEE

On December 8, 2011 the Board of Directors of Renault approved the appointment of Mr Jean-Marc Berlioz, a senior civil servant from France's Ministry of the Interior, as Group Ethics manager. He reports directly to the Chairman and CEO who has given him a road map comprising three main objectives:

- reinforce the Group's body of ethical doctrine, in order to contribute to the application of all legal requirements, regulations, standards and obligations and, in consequence, play an active role in enhancing Group image;
- put in place regulatory and organizational procedures:
  - give new impetus to the whistleblowing procedure, in full compliance with the law, and particularly the requirements of the CNIL (French data protection authority),
  - set up and coordinate the Ethics and Compliance Committee (CEC), enabling it to play a full role in supervision and control;
- represent the Group 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 its fundamental values. Applicable worldwide, it replaces the former Code of good conduct.

This is a global document, aimed at 128,000 employees in 118 countries. The content is deliberately general and concise. It has been translated into 13 languages. Distribution is currently underway, with each employee receiving a paper copy from his or her management. The Charter of Ethics is also available from the company's intranet site.

An information kit has been designed to help managers answer any questions raised when employees receive the document. The objective is to complete distribution before the annual appraisals.

Distribution is one of the indicators that could be tracked to assess the action of this new department.

The "Ethics in Practice" guide

This guide is a practical interpretation of the Charter. It aims to demystify ethical issues, notably by showing that the simple fact of asking questions is already part of an ethical approach. It also aims to help answer any questions that may be raised, in as simple a form as possible. This document is also available on the company's intranet site.

The codes of good conduct

Concerning the codes of good conduct dedicated to business functions with major ethical requirements, priority has been given to five codes: safety, information technology, purchasing, sales and governance.

These codes are of a technical nature. Their aim is to explicitly set out what employees must do and – more particularly – what they must not do. They trace a line that must not be crossed. The Code of good conduct for safety was drafted with the active participation of the Prevention and Protection department (D2P) and its director, and is available on the D2P intranet.

The Code of good conduct for information technology was approved in mid-February 2013. A stock market Code of good conduct complementing the list of insiders has been drafted. Also note that two countries have already been working on other versions of the Charter in the form of “national” codes of good conduct: Romania and Morocco.

The body of doctrine of the Renault group constitutes a coherent whole, which will gain new dedicated codes of good conduct in 2013.

All these documents are and will be designed collectively, to ensure that they are accepted by all members of the company.

SECOND OBJECTIVE: Regulatory procedures

The whistleblowing procedure

The whistleblowing procedure is also applicable worldwide. It has been revised to ensure strict compliance with the most recent regulatory requirements. This written procedure, which involves compulsory completion of a number of documents, in order to avoid any mistakes, oversights or shortcomings, was designed with Renault departments and the data protection correspondent, answering to the Ethics department. These documents have been approved by the CNIL.

This new procedure became applicable in July 2012.

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.

The Committee met five times in 2012, four normal meetings and one exceptional. This Committee approves the general guidelines on ethics, and also contributes to creating internal jurisprudence for the processing of ethics-related cases and problems (processing of anonymous letters, submission or referral via the whistleblowing system, requests for assistance and advice within this field of expertise). To avoid overly frequent meetings by this relatively heavy structure, an anti-fraud and corruption Committee made up of a restricted number of members of the CEC (legal, HR, safety and internal control), has been set up to help the Ethics manager analyze alerts and cases to be processed on a day-to-day basis. The Ethics manager has presented his programme, with a progress review of his work, on several occasions: three times in front of the Group Executive Committee, twice in front of the Audit, Risks and Ethics Committee (CARE) and once in front of the Board of Directors.

The compliance-building plan

Furthermore, at the last CEC Meeting, the Compliance manager presented a global plan to strengthen compliance across the company. The objective in the first instance is to review current levels of compliance using an assessment grid currently being tested by two departments: D2P and IT.

THIRD OBJECTIVE: Enhance group image

Concerning efforts to enhance Group image externally, looking beyond the many bilateral contacts with correspondents from the private and public sectors, the Ethics manager has joined the new Club of ethics and compliance specialists, set up by France’s CEA (ethical business circle).

At the same time, in order to publicize the fairly recent concept of a global approach to corporate safety, in close cooperation with the Ethics department, the Ethics manager, frequently takes part in studies, conferences, juries and debates with the Prevention and Protection manager. The aim is to promote an ethical approach to corporate safety to specialists, as a company adopting a new approach to these subjects.

Outlook for the future

The coming months will be dedicated primarily to deploying the Charter, making it part of day-to-day practices, drafting the other dedicated codes of good conduct, and launching the compliance-building plan.

The following actions will also be put in place: developing media for training in ethical practices, a staff awareness campaign supporting the deployment of the Charter of Ethics, and the drafting of fundamental rules for the correct implementation of ethics-related activities in the various countries ("local" CECs, national codes of good conduct, etc.).

PROCEDURES FOR SHAREHOLDERS TO TAKE PART IN GENERAL MEETINGS

In accordance with Article 21 of the Company's articles, General Meetings are open to all shareholders who have registered their shares under their own name at least three clear days before the meeting, under the conditions stipulated below.

Pursuant to Article L. 228-1 of the Commercial Code, General Meetings are open to all shareholders who have registered their shares under their own name or that of a registered intermediary acting on his or her behalf. The entry must be made by midnight (zero hours) CET on the third business day before the meeting, either in the registered share account kept by the Company or in the bearer share account held by an authorized intermediary.

The registration or book entry of bearer shares in the accounts held by the authorized intermediary is evidenced by an attendance certificate issued by said intermediary.

All shareholders are entitled to be represented at a General Meeting by proxy, given to the meeting Chairman, their spouse or civil union partner, another shareholder or any other natural or legal person of their choosing, as set forth in Article L. 225-106 of the Commercial Code. Legal entities holding shares may be represented at the General Meetings by their legal representatives or any person designated by them.

Factors that may be material in the event of a public offering are stipulated in Article L. 225-100-3.

PRINCIPLES AND RULES ADOPTED BY THE BOARD OF DIRECTORS FOR THE REMUNERATION OF SENIOR EXECUTIVES AND CORPORATE OFFICERS

The Board of Directors decided that Renault would adopt the Afep-Medef Code and refer to it when drawing up the report required by Article L. 225-37 of the French Commercial Code.

At its meeting on May 6, 2009 the Board of Directors opted to combine the functions of Chairman of the Board of Directors and CEO.

The remuneration and benefits received by the Chairman and CEO are decided by the Board of Directors acting on the recommendation of the Remuneration Committee.

The remuneration of the Chairman and CEO comprises a fixed portion and a variable portion.

It was stipulated that the Chairman and CEO would receive no remuneration in his capacity as Chairman of the Board of Directors.

On December 8, 2011, the Board of Directors established the fixed portion to be received by the Chairman and CEO for 2012, and also set the procedure for establishing the variable portion for 2012.

The fixed portion for 2012 is the same as in 2011: €1,230, 000.

The variable portion for 2012 to be paid in 2013 totals between 0 and 150% of the fixed portion, based on the following criteria:

- return on equity, which accounts for 15% at most of the variable portion;
- operating margin (25% at most of the variable portion);
- the free cash flow threshold set by the Board of Directors (50% at most of the variable portion);
- a qualitative factor linked to strategy and management and based on the following criteria: implementation of the industrial strategy, progress in the EV sector, development of a multi-year R&D strategy, CSR, Daimler, and Alliance synergies. These aspects account for 60% at most of the variable portion.

At its meeting on February 13, 2013, acting on the recommendation of the Remuneration Committee, the Board of Directors valued the variable portion for 2012 at 117% of the fixed portion for 2012.

At the proposal of the Chairman and CEO, and subject to the signature of the Competitiveness Agreement now under negotiation, the Board of Directors agreed to postpone payment of 30% of the variable portion and make it conditional on Renault's respect for the open-ended commitments made under this Agreement.

Furthermore, at its April 29, 2011 meeting the Board set out the performance criteria for the exercise of stock-options by the Chairman and CEO under the Renault 2016-Drive the Change Plan.

Further to the authorization given by the Extraordinary General Meeting on April 29, 2011 the Board of Directors met on December 13, 2012 and, acting on the recommendation of the Remuneration Committee, awarded 150,000 stock options to the Chairman and CEO of Renault for 2013, with a strike price of €37.43 and no discount.

Exercise of 40% of the options granted will depend on the level of operating margin in 2013, and the remaining 60% on the level of operating free cash flow.

Until he leaves office, the Chairman and CEO will be required to hold a portfolio of registered shares corresponding to 50% of the capital gain (net of tax and mandatory contributions) on the exercise of options granted for 2013.

The Chairman and CEO does not receive bonus shares.

A summary table of remunerations and benefits, including options plans for the executive director, is included in V-4-(3) "REMUNERATION OF THE SENIOR EXECUTIVE DIRECTOR" above.

The Chairman and CEO also benefits from the complementary pension scheme set up for members of the Group Executive Committee (see V-4-(3) "REMUNERATION OF SENIOR EXECUTIVES AND CORPORATE OFFICERS"). It is the policy of the Board of Directors to consider appointed corporate officers as executives, for all aspects relating to remuneration, particularly pensions.

INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

The following covers all fully consolidated Group companies.

GROUP OBJECTIVES AND STANDARDS FOR INTERNAL CONTROL AND RISK MANAGEMENT

Internal control and risk management objectives

The Renault group has adopted 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.

Since Sales Financing is subject to banking and financial regulations, the internal control framework specified by Regulation 97-02 of the Committee on Banking and Financial Regulation is systematically applied by the Board of Directors, executives and personnel of RCI Banque (see "SALES FINANCING: RCI BANQUE" below).

MANAGEMENT OF OPERATIONS AND INTERNAL CONTROL

Role of the executive bodies

Management Committees operating at two levels oversee the Group's operations:

- level 1 committees, whose scope covers the entire Group, include:
  - the Group Executive Committee (GEC), which is in charge of strategic orientations and decisions. Headed by the Chairman and Chief Executive Officer, its members are: the Chief Operating Officer; the Executive Vice- President (EVP), Group Human Resources; the EVP, Group Engineering and Quality; the EVP, Group Corporate Planning, Product Planning and Programmes; the EVP, Group Manufacturing and Supply Chain; the EVP, Group Sales and Marketing and LCV; 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, programmes and corporate functions,
  - the Operations Committee, headed by the Chief Operating Officer, which is responsible for operational decisions. It comprises the same members as the Group Executive Committee's except for the Chairman and CEO,
  - the Renault Management Committee (RMC), which is made up of the GEC members plus the heads of the main departments at Renault,
  - specialized committees (e.g. Project Product Committees) headed by either the Chairman and CEO or the Chief Operating 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; plan, product planning and programmes; manufacturing and logistics; sales and marketing; purchasing, design, legal, CEO Office, etc.) or by Region.

The operating rules and characteristics of these committees – Chairman and membership, frequency, length and agenda of meetings, reporting methods, communication of decisions, and the archiving of minutes – are formally recorded in a standardized catalogue.

There is a Regional Management Committee (RMC) for each Region (Europe, Euromed-Africa, Americas, Asia-Pacific and Eurasia). Each RMC is made up of representatives of the corporate functions and vehicle programmes as well as managers from the main countries in each Region.

There are Programme departments for the automotive segments as well as for the electric vehicle programmes 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 Operating Officer is 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 risk or currency risk, along with general policies, are made following a special review by a committee of experts, which gives an opinion. The final decision is then made by the Chairman and Chief Executive Officer.

Risk management, internal control and ethics system

In 2011 the Group adopted a new organization in governance, ethics, internal control and risk management. This new system:

- expands the role of the Accounts and Audit Committee to include ethical supervision, overseen by the Board of Directors; the committee is now known as the Audit, Risk and Ethics Committee (CARE);
- appoints an independent Ethics manager reporting directly to the Chairman and CEO;
- changes the Compliance Committee into the Ethics and Compliance Committee, whose powers encompass all the regulatory fields applicable to the company;
- changes the Group Risk Committee into the Risk and Internal Control Committee, whose role is to deploy the risk and internal control system across all the Group’s operational activities and entities;
- changes the Group Security department into the Group Prevention and Protection department (D2P), reporting directly to the Executive Vice- President, CEO Office;
- bringing together the Organization department, Risk Management department, Internal Control department and Internal Audit department to form the Audit, Risk Management and Organization department (DAMRO), which reports directly to the Chairman and CEO.

The deployment of this system began in 2012, as part of an ambitious multi- year action plan. In addition to the information set out in paragraph“ACTIVITIES OF THE ETHICS DEPARTMENT AND THE ETHICS AND COMPLIANCE COMMITTEE” above, we should also mention the points below:

- the Ethics and Compliance Committee focused on the following areas in particular:
  - standardizing the organization of corporate governance and the roles of the governance committees responsible for ethics, risk management, internal control and compliance,
  - updating of the system for preventing insider dealing,
  - publication of the rules for using the corporate social network;

- The Risks and Internal Control Committee addressed the following subjects:

- diagnosis of the Risk Management function, specifying operating procedures and giving the function greater prominence with operating staff,
- updating the Group risk map drawn up in 2010,
- launching a project to secure the main company processes (operational security, regulatory compliance).

Further, a formal description was drafted of the activities, rules and operating principles of the Anti-Fraud and Corruption Committee, described in paragraph "ACTIVITIES OF THE ETHICS DEPARTMENT AND THE ETHICS AND COMPLIANCE COMMITTEE" above, together with the professional and ethical rules for conducting efforts to identify or investigate fraud.

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:

- 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 sets internal control principles, rules and techniques pertaining to operational processes as well as accounting and management processes.

Some of the risks identified by the Risk Management department may be dealt with by applying rules and procedures. The routine risks relating to operating activities are among the risks to be managed by the internal control system. The linkage of internal control and risk management has been facilitated by maintaining both departments within the same structure, and by setting up the Risk and Internal Control Committee.

Implementation and first-level control of the internal control system are performed by:

- management, which adapts and applies within its scope of responsibility the internal control rules and methods defined at Group level;
- employees, who are expected to comply with the internal control system established for their work areas and with the Group code of ethics;
- management control, which ensures that all personnel comply with management rules.

Permanent oversight to verify that the system is properly and effectively applied is provided by:

- the Audit, Risk and Ethics Committee (CARE);
- the Internal Audit department at DAMRO, 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 CARE and the GEC. In 2012, as in previous years, the Internal Audit department verified the effectiveness of some of the Company's processes, and the quality of the internal control arrangements for preventing problems and correcting their impact.

The statutory auditors assess the internal control of the preparation and treatment of accounting and financial data as part of their engagement and issue 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 network 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 type of correspondents are chiefly from the management control function, in the case of 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, approved by senior management, 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 2012 the Risk Management department focused on:

- deploying risk maps for the main vehicle development projects, with the Quality department and Engineering Performance and Methods department;
- continuing risk mapping in commercial entities (Renault Ceska Republika, Renault Hungaria, Renault Nordic, Renault Slovensko);
- continuing to train its network of correspondents in the operational process of conducting risk mapping;
- updating the map of major Group risks.

The risk factors to which the Group is exposed are described in III-4 "RISKS IN BUSINESS, ETC."of this Securities Report.

Compliance with laws, regulations and company rules

This control is provided by the Ethics and Compliance Committee. It relies on a Regulatory Compliance department, within the Internal Control department, which is responsible for coordinating the decision-making departments (legal, environmental planning, technical regulations and homologation, corporate social responsibility, human resources, etc.) as well as a network of compliance correspondents. In 2012 the Regulatory Compliance department developed a method to assess existing procedures, approved by the Ethics and Compliance Committee on September 12, 2012. This method will be gradually deployed from end-2012 and in 2013.

Control of operations

Senior management updates and communicates Renault's overall objectives, in line with the multi-year plan and annual budgets, as well as the allocation of resources to the Regions, businesses and programmes. Group Management Control draws up an instruction memorandum for each of the operational sectors, Regions, businesses and programmes. These memorandums include macroeconomic assumptions to be taken into account (exchange rates, interest rates, inflation rates, raw materials prices, etc.), financial and non- financial indicators that will be measured over the course of the following financial year, the calendar, and the segmentation of the activity scope. Each Region sends these instructions to the subsidiaries within its scope of responsibility after adding elements specific to business functions.

The management control function stimulates and measures economic performance at the various levels of the organization (Group, operational sectors, Regions, businesses, programmes).

Management control is decentralized so as to take account of the specifics of each business. Its remit is laid out in instructions prepared periodically by the 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 programmes and, in particular, monitoring free cash flow indicators;
- making an economic analysis of proposed management decisions at every level, checking compliance with standards, plans and budgets, assessing economic relevance, and formulating an opinion and recommendation in each case.

Operating procedures and methods

The development of standard management procedures continued in 2012 with an update of the internal control system. The aim is to provide operational staff with a standard set of procedures.

All the documentation is available to staff in all the Group's entities through the Management Control intranet portal. Documentation includes:

- all standards, rules and instructions, whether they pertain to a specific business or apply Company-wide;
- an economics dictionary to help employees better understand the main concepts and aggregates used to guide the Group's business performance;
- the internal control system, as the review of operating systems progresses.

First- and second-level controls

First-level control of the roll-out of the internal control system established by the Internal Control department is performed during the self-assessments carried out by the entities under their own supervision, using specific questionnaires for each type of activity. These self-assessments provide a basis on which to identify strong points and areas where the entities need to implement action plans as a priority.

Drawing systematically on the results of these assessments makes it possible to identify the areas of the overall internal control system that are most in need of improvement. For the second-level control, the quality of the documentation used by the entities in self-assessments is reviewed by the Internal Control department as part of test campaigns.

Information systems

The risk management and internal control systems of the Renault Information Systems department (RISD) are managed as follows:

- general risks related to financial processes (investments, purchases, profitability measurement, etc.) are monitored by the RISD's Economic Performance department;
- specific risks related to operational IT processes (declining quality or productivity in development activities, operations, support, skills, etc.) are monitored by the IT Planning and Architecture department. This department is responsible for defining and monitoring these processes (project management, operational quality, support, etc.) at Group level. It uses the RISD performance indicators (incidents, results, etc.) and a self- assessment questionnaire concerning RISD procedures that is completed by the sites, subsidiaries and corporate departments;
- risks related to information systems security (interruptions of IT operations, theft of confidential data or destruction of electronic data) are also monitored by the IT Planning and Architecture department through:
    - a Group-level IT Risks Committee set up by the RISD in collaboration with the Risk Management department, and representatives from Company departments and the Information Management Programme,
    - Security Monitoring Committees, which verify the application of IT security procedures at operational level in accordance with best international practice (ISO 27001 policy and approach),
    - an organizational structure for approving the architecture and security levels in projects,

· risk reviews carried out by the RISD, in addition to the controls performed by DAMRO or the Group Prevention and 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 express a strong attachment to the employee training plan of their employees as a way to enhance performance and to better satisfy management expectations.

Concerning the management function, in 2012 the Finance Academy deployed training in the new management information systems across the Group. It also developed an attractive website to encourage employees working in management functions to develop their skills and to provide employees from other functions with information on this area of activity.

In 2012 the Finance Academy organized a training offering on three levels (basic, skilled and expert). Alongside, classroom and e-learning formats, it now offers virtual classes relying on new technologies. It has also set up a risk-management course. The offering will be further expanded in 2013 with training in internal control.

An improvement plan for the internal control system

Key developments in 2012 included:

- the deployment of the new organization of the Internal Control department, in compliance with the Group governance structure defined in 2011. The structure is organized around the development of:
  · a global internal control standard for the Group,
  · appropriate systems of assessment,
  · efforts to ensure that the Group's rules are consistent with its obligations;

- pursuit of the process to assess the internal control of operational processes by developing and deploying new questionnaires in the lead-up to new campaigns. For the first time, specific self-assessment campaigns were organized for the "Receivables Management" and "Vehicle Homologation" processes. In order to standardize initiatives to assess the internal control of processes, the Internal Control department supervised the self-assessment campaign of the Procurement process using the method it had developed. These self-assessments show satisfactory management of operations overall. Nevertheless, progress plans are under way for a number of activities, monitored by the process managers concerned and supervised by the Internal Control department. Self-assessment campaigns for the distribution activities of Renault Retail Group and IT activities were carried out, as is the case every year.

The review of the internal control system continued in 2012 from two angles:

- Automobile's internal control standards were updated to satisfy AMF recommendations. Approved by the statutory auditors, these standards meet recommendations. Corrective actions were put in place, with the process managers concerned and their management controllers, to address any weaknesses identified on the processes concerned by this update;
- in-depth analysis of operational processes continued, with a focus on:
  · managing stocks of aftermarket parts and accessories,
  · cashflow management,
  · purchasing of bought-out parts,
  · supervision of after-sales commercial resources,
  · sales of aftermarket parts and accessories from subsidiaries to the networks.

These initiatives improved the internal control arrangements for the processes under review while delivering an appropriate response to all the objectives set out in the AMF reference framework, with a view to making the processes more efficient.

In 2013 the same initiatives will be carried out, in particular for the following operational processes:

- purchases other than bought-out parts (services, capital goods, etc.);
- production;
- engineering (supervision of research and development activities).

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 ensured that data remain consistent even though they are centralized and consolidated in short timeframes. The administrative and financial directors of the subsidiaries, under the hierarchical authority of the subsidiaries' Chairmen and CEO's and under the functional authority of the Group Accounting department, are responsible for preparing the financial statements.

The Group has a manual setting out presentation and evaluation standards. This manual, added to on an annual basis, is provided to all entities so that financial information is reported in a uniform manner.

Principles applied in the preparation of financial statements

Renault group's consolidated financial statements are prepared under International Financial Reporting Standards (IFRS), published by the International Accounting Standards Board (IASB) and endorsed for application by a regulation published in the Official Journal of the European Union at year-end close.

The Group Accounting department, which 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 about changes and updates to IFRS.

The Renault group, whose activities are divided into two separate operational sectors – Automotive and Sales Financing (RCI Banque) – prepares its consolidated financial statements using a single consolidation system based on an accounting Charter common to all consolidated entities.

The Group publishes half-yearly and annual statements. Preparations for these statements are made by organizing two anticipated close dates on May 31 for end-June and October 31 for end-December. Summary meetings are organized with the statutory auditors and attended by senior management, as part of ongoing process of dialogue with the latter. The Audit, Risk and Ethics Committee is involved at every key stage of the approval process for financial and accounting disclosures.

Key components of the process for controlling financial and accounting disclosures

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

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

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

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

The accounting teams have worked with IT staff to develop a security process to protect the ERP in the event of a major malfunction. A business continuity plan has been introduced at central level as well as at the subsidiaries that use ERP.

Financial communication and investor relations

Given the growing importance of financial communication, its multiple forms, and the vital need to provide a high standard of financial disclosure, the Renault group has turned over all its financial communication to the Financial Relations department at the Financial department and given it the resources to supply the reliable, high-quality information required.

The Financial Relations department is in charge of:

- preparing the Registration document filed with the AMF, as well as the half- yearly and annual financial reports, and quarterly data;
- communicating 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, to ensure that procedures are in place for managing those risks, and to monitor the corrective and preventive measures aimed at mitigating the likelihood of occurrence.

This special framework for credit institutions is described in RCI Banque's Internal Control Charter, which defines the target framework for the entire RCI Banque group. It describes in particular:

- the general arrangements for managing internal control;
- the local arrangements for credit subsidiaries, branches and joint ventures;
- the special arrangements for various functional areas.

The RCI Banque group internal control system has three levels of audit:

- level 1 consists of self-inspection mechanisms for each department and geographical location. These entities are responsible among other things for applying existing procedures and performing all the related controls in their own area of operations. Being primarily operational, first-level control is carried out by process owners in each subsidiary, who have been specially trained for this purpose, and covers all main risks;
- level 2 is directed by the permanent control department and led by local internal controllers, who are independent of operating units and ensure that operations are lawful and compliant;
- level 3 is conducted by independent oversight bodies (supervisory authorities, specially commissioned independent firms, etc.) and by the periodic 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, especially the systems used to measure, supervise and manage risks. The committee meets twice a year and its members are appointed by the Board of Directors from among its members;
- RCI Banque Internal Control Committee, which comprises all the members of the Executive Committee and meets four times a year to assess the quality of the internal control system and the related systems, keep abreast of trends in operational risks, and monitor the compliance mechanism. It provides the Audit and Accounts Committee and the Board of Directors with the information they need to carry out their tasks;
- special purpose committees, composed of members of the Executive Committee, regularly monitor the risk areas covered by Regulation 97-02, i.e. monitoring the Group's exposure to credit risk, analyzing the overall profitability of Group companies as well as the profitability of each type of product, controlling the Group's exposure to financial risks (interest rates, liquidity, currencies, counterparties) and ensuring that operations are compliant in light of the list of authorized products.

A summary of these arrangements is presented to Renault's Audit, Risk and Ethics Committee (CARE), as is the case for the system used at Automotive.

MANAGEMENT BODIES

See 4. - (2) "GROUP EXECUTIVE COMMITTEE AND MANAGEMENT COMMITTEE AT MARCH 1, 2013" above.

AUDITS

STATUTORY AUDITORS' CHARTER

In connection with legal audit, Renault took in 2004 the initiative 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. An update is scheduled for 2013.

AUDITORS

Statutory auditors

Deloitte & Associés
represented by Antoine de Riedmatten and Thierry Benoit
185, avenue Charles-de-Gaulle
92200 Neuilly-sur-Seine - France

Name(s) of certified public accountants ("CPA") in charge: Antoine de Riedmatten and Thierry Benoit

Deloitte & Associates was appointed by the French Finance Ministry on April 25, 1990. It was reappointed by the Joint General Meetings of June 7, 1996, April 26, 2002, and April 29, 2008 for further six-year terms. Its current term will expire at the close of the Annual General Meeting convened to approve the accounts for 2013.

Composition of assistants involved in auditing services: two CPAs and several other professionals participated in the Company's 2010 audit.

Ernst & Young Audit

represented by Jean-François Belorgey and Aymeric de la Morandière
Tour First
1-2 Place des saisons
92400 Courbevoie – Paris La Défense 1
Name(s) of certified public accountants in charge: Jean-François Belorgey and Aymeric de la Morandière

Ernst & Young Audit was appointed by the French Finance Ministry on March 27, 1979. It was reappointed by the Joint General Meetings of June 7, 1996, April 26, 2002, and April 29, 2008 for further six-year terms. Its current term will expire at the close of the Annual General Meeting convened to approve the accounts for 2013.

Composition of assistants involved in auditing services: two CPAs and several other professionals participated in the Company's 2010 audit.

Alternate auditors

BEAS
Alternate for Deloitte & Associés
7-9, Villa Houssay
92200 Neuilly-sur-Seine - France

Auditex SAS (until 2014)
Alternate for Ernst & Young Audit
–Tour First
1 - 2 Place des saisons
Paris La Défense 1
92400 Courbevoie

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 Meetings of April 26, 2002 and April 29, 2008 for further six-year terms. Their terms of office will expire at the close of the Annual General Meeting convened to approve the accounts for 2013.

FEES PAID TO STATUTORY AUDITORS AND THEIR NETWORK

The audit fees for Group's statutory auditors and their networks are set forth in note 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 (Thousand Euros)

Classification	2011				2012			
	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	2,610	316,776	0	0	2,739	332,432	0	0

Consolidated Subsidiary	4,586	556,601	157	19,055	4,645	563,763	125	15,171
Total	7,196	873,379	157	19,055	7,385	896,317	125	15,171

Ernst & Young Audit

Classification	2011				2012			
	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	2,581	313,256	0	0	2,925	35,500	0	0
Consolidated Subsidiary	2,539	308,158	70	8,495	2,766	335,709	83	10,074
Total	5,120	621,414	70	8,495	5,961	723,487	83	10,074

(ii) Contents of Other Fees Which Are Material

Not applicable

(iii) Contents of Non-Audit Services for Filing Company by Foreign Certified Public Accountant, Etc. Certifying Audit

The non-audit services include legal, tax, labo r-related services.

(iv) Policies on Determining Audit Fee

Renaut has no specific policies for the determination of the amount for audit fees.

VI. Financial Condition:
General Explanation

a. The accompanying original consolidated financial statements of Renault SA ("Renault" or the "Company") and its consolidated subsidiaries (hereinafter Renault and its consolidated subsidiaries shall be collectively called "the Group") have been prepared in conformity with the International Financial Reporting Standards ("IFRS") which was adopted by the European Union. In addition, the accompanying original non-consolidated financial statements of Renault have been prepared in conformity with French accounting regulations and generally accepted accounting principles. The provision of Article 129, paragraph 1 of the Regulations Regarding Terminology, Format and Method of Preparation of Financial Statements, etc. (Ministry of Finance Ordinance No. 59 of 1963) is applied to the financial statements of Renault described below. The consolidated financial statements and non-consolidated financial statements in Japanese (hereinafter collectively called the "financial statements in Japanese") are the translations of the original consolidated financial statements and the non-consolidated financial statements (hereinafter collectively called the "original financial statements").

   The major differences in generally accepted accounting and reporting principles between IFRS and Japanese GAAP are described in "4. Differences between IFRS and Japanese GAAP."

b. The original financial statements have been audited by Deloitte & Associés and Ernst & Young Audit, the independent auditors in France.

   The financial statements of Renault and of the Group are not subject to audits by Japanese CPAs or audit corporations based on the provision of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Law. in conformity with the provision of Article 1-2 of the Cabinet Office Ordinance Concerning Audit Certification of Financial Statements (MOF Ordinance No.12, 1957).

c. Japanese yen amounts included in the financial statements in Japanese are the translations for the major Euro amounts stated in the original financial statements. Japanese yen amounts are translated from Euro amounts at the exchange rate of EUR1 = ¥121.37. This exchange rate is the Telegraphic Transfer Spot Selling Exchange Rates vis-a-vis Customers by the Bank of Tokyo-Mitsubishi UFJ, Ltd. at April 2, 2013.

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)	**2012**	**2011**
Revenues (note 4)	**41,270**	**42,628**
Cost of goods and services sold	(34,092)	(34,759)
Research and Development expenses (note 11-A)	(1,915)	(2,027)
Selling, general and administrative expenses	(4,534)	(4,751)
Operating margin (note 5)	**729**	**1,091**
Other operating income and expenses (note 6)	(607)	153
Other operating income	*224*	*384*
Other operating expenses	*(831)*	*(231)*
Operating income	**122**	**1,244**
Net interest income (expenses)	(267)	(219)
Interest income	*184*	*193*
Interest expenses	*(451)*	*(412)*
Other financial income and expenses	1	98
Financial income (note 7)	**(266)**	**(121)**
Gain on sale of AB Volvo shares (note 14)	**924**	**-**
Share in net income (loss) of associates	**1,504**	**1,524**
Nissan (note 13)	*1,234*	*1,332*
Other associates (note 14)	*270*	*192*
Pre-tax income	**2,284**	**2,647**
Current and deferred taxes (note 8)	(549)	(508)
NET INCOME	**1,735**	**2,139**
Net income – non-controlling interests' share	(37)	47
Net income – parent-company shareholders' share	1,772	2,092
Earnings per share (1) *in €* (note 9)	6.51	7.68
Diluted earnings per share (1) *in €* (note 9)	6.50	7.68
Number of shares outstanding *(in thousands)* (note 9)		
For earnings per share	*272,256*	*272,381*
For diluted earnings per share	*272,393*	*272,381*

(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-B.

(€ million)	**2012**	**2011**
NET INCOME	**1,735**	**2,139**
Actuarial gains and losses on defined-benefit pension plans	(268)	(23)
Translation adjustments on foreign activities	(99)	(107)
Partial hedge of the investment in Nissan	35	(142)
Fair value adjustments on cash flow hedging instruments	(20)	(13)
Fair value adjustments on available-for-sale financial assets	132	(257)
Total other components of comprehensive income excluding associates (A)	**(220)**	**(542)**
Actuarial gains and losses on defined-benefit pension plans	10	(107)
Translation adjustments on foreign activities	(1,164)	645
Fair value adjustments on cash flow hedging instruments	(19)	(14)
Fair value adjustments on available-for-sale financial assets	72	(80)
Associates' share of other components of comprehensive income (B)	**(1,101)**	**444**
OTHER COMPONENTS OF COMPREHENSIVE INCOME (A) + (B)	**(1,321)**	**(98)**
COMPREHENSIVE INCOME	**414**	**2,041**
Parent-company shareholders' share	450	1,996
Non-controlling interests' share	(36)	45

Consolidated financial position

(€ million)	DECEMBER 31, 2012	DECEMBER 31, 2011
ASSETS		
Non-current assets		
Intangible assets (note 11-A)	3,482	3,718
Property, plant and equipment (note 11-B)	11,534	11,357
Investments in associates	15,562	15,991
Nissan (note 13)	*14,788*	*14,931*
Other associates (note 14)	*774*	*1,060*
Non-current financial assets (note 22)	1,032	1,068
Deferred tax assets (note 8)	416	566
Other non-current assets (note 18)	821	580
TOTAL NON-CURRENT ASSETS	**32,847**	**33,280**
Current assets		
Inventories (note 15)	3,864	4,429
Sales financing receivables (note 16)	23,230	21,900
Automotive receivables (note 17)	1,144	1,275
Current financial assets (note 22)	989	1,244
Current tax assets	39	66
Other current assets (note 18)	2,121	2,068
Cash and cash equivalents (note 22)	11,180	8,672
TOTAL CURRENT ASSETS	**42,567**	**39,654**
TOTAL ASSETS	**75,414**	**72,934**

(€ million)	**DECEMBER 31, 2012**	**DECEMBER 31, 2011**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	1,127	1,127
Share premium	3,785	3,785
Treasury shares	(201)	(201)
Revaluation of financial instruments	36	(129)
Translation adjustment	(1,386)	(155)
Reserves	19,159	17,567
Net income – parent-company shareholders' share	1,772	2,092
Shareholders' equity – parent-company shareholders' share	**24,292**	**24,086**
Shareholders' equity – non-controlling interests' share	255	481
TOTAL SHAREHOLDERS' EQUITY (NOTE 19)	**24,547**	**24,567**
Non-current liabilities		
Deferred tax liabilities (note 8)	123	135
Provisions – long-term (note 20)	2,496	2,227
Non-current financial liabilities (note 23)	6,622	6,327
Other non-current liabilities (note 21)	844	724
TOTAL NON-CURRENT LIABILITIES	**10,085**	**9,413**
Current liabilities		
Provisions – short-term (note 20)	889	866
Current financial liabilities (note 23)	3,094	3,230
Sales financing debts (note 23)	23,305	21,996
Trade payables	6,558	6,202
Current tax liabilities	131	126
Other current liabilities (note 21)	6,805	6,534
TOTAL CURRENT LIABILITIES	**40,782**	**38,954**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**75,414**	**72,934**

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, 2010	**295,722**	**1,127**	**3,785**	**(145)**	**235**	**(554)**	**14,367**	**3,420**	**22,235**	**522**	**22,757**
2011 net income								2,092	2,092	47	2,139
Other components of comprehensive income [1]					(364)	399	(131)		(96)	(2)	(98)
2011 comprehensive income					***(364)***	***399***	***(131)***	***2,092***	***1,996***	***45***	***2,041***
Allocation of 2010 net income							3,420	(3,420)			
Dividends							(82)		(82)	(74)	(156)
(Acquisitions)/disposals of treasury shares and impact of capital increases				(56)					(56)	3	(53)
Impact of changes in the scope of consolidation with no loss of control [2]							(13)		(13)	(15)	(28)
Cost of stock option plans							6		6		6
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)

(€ 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
(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	**295,722**	**1,127**	**3,785**	**(201)**	**36**	**(1,386)**	**19,159**	**1,772**	**24,292**	**255**	**24,547**

(1) Changes in reserves correspond to actuarial gains and losses on defined-benefit pension funds during the period (€(130) million in 2011 and €(258) million in 2012).

(2) Impacts of changes in the scope of consolidation result from the treatment applied to acquisitions of non-controlling interests and put options for buyouts of non-controlling interests (note 2-J). 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).

Details of changes in consolidated shareholders' equity in 2012 are given in note 19.

Consolidated cash flows

(€ million)	**2012**	**2011**
Net income	**1,735**	**2,139**
Cancellation of dividends received from unconsolidated listed investments (1)	(34)	(22)
Cancellation of income and expenses with no impact on cash		
- Depreciation, amortization and impairment	3,307	2,831
- Share in net (income) loss of associates	(1,504)	(1,524)
- Other income and expenses with no impact on cash (note 26-A)	(788)	(360)
Dividends received from unlisted associates	3	5
Cash flow (2)	**2,719**	**3,069**
Dividends received from listed companies (3)	**507**	**335**
Net change in financing for final customers	(568)	(1,206)
Net change in renewable dealer financing	(896)	(1,449)
Decrease (increase) in sales financing receivables	**(1,464)**	**(2,655)**
Bond issuance by the Sales Financing segment (note 23-A)	3,509	5,160
Bond redemption by the Sales Financing segment (note 23-A)	(2,765)	(2,528)
Net change in other sales financing debts	652	(149)
Net change in other securities and loans of the Sales Financing segment	(69)	107
Net change in sales financing financial assets and debts	**1,327**	**2,590**
Change in capitalized leased assets	**(210)**	**(192)**
Decrease (increase) in working capital (note 26-B)	**997**	**206**
CASH FLOWS FROM OPERATING ACTIVITIES	**3,876**	**3,353**
Capital expenditure (note 26-C)	(2,847)	(2,455)
Disposals of property, plant and equipment and intangibles	162	239
Acquisitions of investments with gain of control, net of cash acquired	(5)	-
Acquisitions of other investments, net of cash acquired	(112)	(156)
Disposals of investments with loss of control, net of cash transferred	-	-
Disposals of other investments, net of cash transferred and other (4)	1,473	-
Net decrease (increase) in other securities and loans of the Automotive segment	(240)	38
CASH FLOWS FROM INVESTING ACTIVITIES	**(1,569)**	**(2,334)**
Transactions with non-controlling interests (5)	(91)	-
Dividends paid to parent-company shareholders (note 19-D)	(338)	(88)
Dividends paid to non-controlling interests	(73)	(66)
(Purchases) sales of treasury shares	-	(56)
Cash flows with shareholders	**(502)**	**(210)**
Bond issuance by the Automotive segment (note 23-A)	1,952	712
Bond redemption by the Automotive segment (note 23-A)	(1,073)	(941)
Net increase (decrease) in other financial liabilities of the Automotive segment	132	(1,911)
Net change in financial liabilities of the Automotive segment	**1,011**	**(2,140)**
CASH FLOWS FROM FINANCING ACTIVITIES	**509**	**(2,350)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**2,816**	**(1,331)**

(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) in 2012. Dividends from Daimler (€22million), AB Volvo (€38 million) and Nissan (€275 million) in 2011.
(4) AB Volvo shares were sold for €1,476 million in 2012.
(5) Via capital increases or capital reductions and acquisitions of additional investments in controlled companies (note 2-J).

(€ million)	**2012**	**2011**
Cash and cash equivalents: opening balance	**8,672**	**10,025**
Increase (decrease) in cash and cash equivalents	2,816	(1,331)
Effect of changes in exchange rate and other changes	(308)	(22)
Cash and cash equivalents: closing balance	**11,180**	**8,672**

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**
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)	0
Revenues by segment	**38,859**	**2,566**	**(155)**	**41,270**
Operating margin (1)	**(15)**	**754**	**(10)**	**729**
Operating income	**(615)**	**749**	**(12)**	**122**
Financial income (2)	**85**	**-**	**(351)**	**(266)**
Gain on sale of AB Volvo shares	**924**	**-**	**-**	**924**
Share in net income (loss) of associates	**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**
2011				
Sales of goods	38,697	-	-	38,697
Sales of services	1,982	1,949	-	3,931
External revenues	**40,679**	**1,949**	**-**	**42,628**
Intersegment sales	(290)	409	(119)	-
Revenues by segment	**40,389**	**2,358**	**(119)**	**42,628**
Operating margin (1)	**328**	**761**	**2**	**1,091**
Operating income	**478**	**764**	**2**	**1,244**
Financial income (2)	**230**	**-**	**(351)**	**(121)**
Share in net income (loss) of associates	**1,519**	**5**	**-**	**1,524**
Pre-tax income	**2,227**	**769**	**(349)**	**2,647**
Current and deferred taxes	(252)	(254)	(2)	(508)
Net income	**1,975**	**515**	**(351)**	**2,139**

(1) Details of amortization and depreciation are provided in the consolidated cash flow statements by operating segment.

(2) Sales financing dividends are included in the Automotive segment's financial income and eliminated as an intersegment transaction.

A2 – Consolidated financial position by operating segment

DECEMBER 31, 2012 *(€ 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	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	**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**

DECEMBER 31, 2011 *(€ million)*	AUTOMOTIVE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
Non-current assets				
Property, plant and equipment and intangible assets	14,956	129	(10)	15,075
Investments in associates	15,955	36	-	15,991
Non-current financial assets – investments in non-controlled entities	3,237	-	(2,538)	699
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segment	497	-	(128)	369
Deferred tax assets and other non-current assets	1,007	189	(50)	1,146
TOTAL NON-CURRENT ASSETS	**35,652**	**354**	**(2,726)**	**33,280**
Current assets				
Inventories	4,409	25	(5)	4,429
Customer receivables	1,354	22,220	(399)	23,175
Current financial assets	1,441	451	(648)	1,244
Current tax assets and other current assets	1,605	2,849	(2,320)	2,134
Cash and cash equivalents	7,618	1,171	(117)	8,672
TOTAL CURRENT ASSETS	**16,427**	**26,716**	**(3,489)**	**39,654**
TOTAL ASSETS	**52,079**	**27,070**	**(6,215)**	**72,934**
Shareholders' equity	**24,450**	**2,540**	**(2,423)**	**24,567**
Non-current liabilities				
Long-term provisions	2,058	169	-	2,227
Non-current financial liabilities	6,066	261	-	6,327
Deferred tax liabilities and other non-current liabilities	340	519	-	859
TOTAL NON-CURRENT LIABILITIES	**8,464**	**949**		**9,413**
Current liabilities				
Short-term provisions	833	33	-	866
Current financial liabilities	3,789	-	(559)	3,230
Trade payables and sales financing debts	6,402	22,774	(978)	28,198
Current tax liabilities and other current liabilities	8,141	774	(2,255)	6,660
TOTAL CURRENT LIABILITIES	**19,165**	**23,581**	**(3,792)**	**38,954**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**52,079**	**27,070**	**(6,215)**	**72,934**

A3 – Consolidated cash flows by operating segment

(€ 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	(1,495)	(9)	-	(1,504)
Other income and expenses with no impact on cash	(772)	(15)	(1)	(788)
Dividends received from unlisted associates	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 sinancing 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 FINANCING ACTIVITIES	**578**	**(360)**	**291**	**509**
INCREASE (DECREASE) IN CASH AND CASH	**2,788**	**164**	**(136)**	**2,816**

EQUIVALENTS

(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.

(€ million)	AUTOMOTIVE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
2011				
Net income	**1,975**	**515**	**(351)**	**2,139**
Cancellation of dividends received from unconsolidated listed investments [1]	(22)	-	-	(22)
Cancellation of income and expenses with no impact on cash				
Depreciation, amortization and impairment	2,820	11	-	2,831
Share in net (income) loss of associates	(1,518)	(6)	-	(1,524)
Other income and expenses with no impact on cash	(350)	(10)	-	(360)
Dividends received from unlisted associates	5	-	-	5
Cash flow [2]	**2,910**	**510**	**(351)**	**3,069**
Dividends received from listed companies [3]	**335**	**-**	**-**	**335**
Decrease (increase) in sales financing receivables	-	(2,610)	(45)	(2,655)
Net change in financial assets and sales financing debts	-	2,681	(91)	2,590
Change in capitalized leased assets	(241)	49	-	(192)
Decrease (increase) in working capital	627	(413)	(8)	206
CASH FLOWS FROM OPERATING ACTIVITIES	**3,631**	**217**	**(495)**	**3,353**
Purchases of intangible assets	(887)	(1)	-	(888)
Purchases of property, plant and equipment	(1,564)	(3)	-	(1,567)
Disposals of property, plant and equipment and intangibles	239	-	-	239
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired/transferred	-	-	-	-
Acquisitions and disposals of other investments and other assets	(156)	-	-	(156)
Net decrease (increase) in other securities and loans of the Automotive segment	(88)	-	126	38
CASH FLOWS FROM INVESTING ACTIVITIES	**(2,456)**	**(4)**	**126**	**(2,334)**
Cash flows with shareholders	(201)	(360)	351	(210)
Net change in financial liabilities of the Automotive segment	(2,164)	-	24	(2,140)
CASH FLOWS FROM FINANCING ACTIVITIES	**(2,365)**	**(360)**	**375**	**(2,350)**
INCREASE (DECREASE) IN CASH AND CASH	**(1,190)**	**(147)**	**6**	**(1,331)**

EQUIVALENTS
(1) Dividends received from Daimler. *(2) Cash flow does not include dividends received from listed companies.* *(3) Dividends from Daimler, AB Volvo and Nissan.*

B – Information by Region

(€ million)	EUROPE [1]	AMERICAS	ASIA-PACIFIC	EUROMED-AFRICA	EURASIA	CONSOLIDATED TOTAL
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
2011						
Revenues	27,720	5,210	4,264	3,754	1,680	42,628
Property, plant and equipment and intangibles	11,192	629	701	2,084	469	15,075

(1) Including France:

(€ million)	**2012**	**2011**
Revenue	*10 894*	*12 431*
Property, plant and equipment and intangibles	*9 180*	*9 643*

The Regions presented correspond to the geographic sectors of the Group's structure.
Renault reorganized its Regions in 2012. Africa has now joined the Euromed Region to form a new Region, Euromed-Africa. The Asia-Africa Region is now the Asia-Pacific Region.
The figures for 2011 relate to the Regions as adopted in 2012.
Consolidated revenues are presented by location of customers.
Property, plant and equipment and intangibles are presented by location of subsidiaries and joint ventures.

I. Accounting policies and scope of consolidation

Note 1 – Approval of the financial statements

The Renault group's consolidated financial statements for 2012 were finalised at the Board of Directors' meeting of February 13, 2013 and will be submitted for approval of the shareholders at the General Shareholders' Meeting.

Note 2 – Accounting policies

In application of regulation 1606/2002 passed on July 19, 2002 by the European Parliament and the Council of Europe, Renault's consolidated financial statements for 2012 are prepared under IFRS (International Financial Reporting Standards) as issued by the lASB (International Accounting Standards Board) at December 31, 2012 and adopted by the European Union at the year-end.

A - Changes in accounting policies

The amendment to IFRS 7, "Financial instruments: disclosures – transfers of financial assets" which was published in the Official Journal of the European Union in November 2011, was applied for the first time in 2012.
The first application of this amendment has no significant impact on the financial statements at December 31, 2012.
The Group has not undertaken early application of the followings standards and amendments which were published in the Official Journal of the European Union at December 31, 2012 but were not mandatory in 2012.

STANDARD		EFFECTIVE DATE
Amendment to IFRS 7	Financial instruments: Disclosure - Offsetting financial assets and financial liabilities	January 1, 2013
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
IFRS 13	Fair Value Measurement	January 1, 2013
Amendment to IAS 1	Presentation of financial statement – 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
IAS 19 (revised)	Employee Benefits	January 1, 2013
Amendment to IAS 28	Investments in Associates and Joint Ventures	January 1, 2014
Amendment to IAS 32	Financial instruments: Presentation - Offsetting of financial assets and financial liabilities	January 1, 2014

The impacts of application of IAS 19 (revised) on the consolidated financial statements are currently being evaluated. The Group does not currently expect its application to have any significant impact.
Similarly, the Group does not currently expect the adoption of the other standards and amendments to have any significant impact.

B – Estimates and judgments

In preparing its financial statements, Renault has to make estimates and assumptions that affect the book value of certain assets and liabilities, income and expense items, and the information disclosed in certain notes. Renault regularly revises its estimates and assessments to take account of past experience and other factors deemed relevant in view of the economic circumstances. If changes in these assumptions or circumstances are not as anticipated, the figures reported in Renault's future financial statements could differ from the estimates established at the time the financial statements were finalised.
The main items in the financial statements that are sensitive to estimates and judgments at December 31, 2012 are the following:
- fixed assets (note 2-L and 12);

- property, plant and equipment related to leased vehicles or inventories related to used vehicles (notes 2-G, 11-B and 15);
- investments in associates (notes 2-L, 13 and 14);
- sales financing receivables (notes 2-G and 16);
- deferred taxes (notes 2-I and 8);
- provisions, particularly vehicle 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 the assets and liabilities of operations in Iran, and the exchange rates used to determine those values (note 6-D1).

C – Consolidation principles

The consolidated financial statements include the financial statements of all companies controlled exclusively, directly or indirectly, by the Group (“subsidiaries”). Jointly controlled companies (“joint ventures”) are proportionately consolidated. Companies in which the Group exercises significant influence (“associates”) are included in the financial statements on an equity basis.

Significant intercompany transactions and unrealized internal profits are eliminated.

Non-consolidated companies, which fulfill these criteria, are recorded as other non-current assets.

None of these companies’ individual contributions to consolidated figures exceeds the following:

- revenues: €20 million;
- inventories: €20 million.

Their consolidation would have a negligible impact on the consolidated financial statements, since they are Group-financed entities whose losses, if any, are recognized via impairment losses, and which:

- acquire almost all their purchases from Group companies, most of these companies being dealership-type establishments; or
- carry out almost all their sales transactions with Group companies.

D – Presentation of the financial statements

<u>Operating income and operating margin</u>

Operating income includes all revenues and costs directly related to the Group’s activities, whether recurrent or resulting from non-recurring decisions or operations, such as restructuring costs.

The operating margin corresponds to the operating income before other operating income and expenses, which cover:

- restructuring costs and costs relating to workforce adjustment;
- gains or losses on partial or total disposal of businesses or operating entities, and other gains and losses relating to changes in the scope of consolidation and direct acquisition costs;
- gains or losses on disposal of property, plant and equipment or intangible assets (except vehicle sales);
- unusual items, i.e. income and charges that are unusual in their frequency, nature or amount, particularly impairment of fixed assets.

<u>Reporting by operating segment</u>

The operating segments used by Renault are:

- the Automotive segment, comprising the production, sales, and distribution subsidiaries for passenger and light commercial vehicles, automobile service subsidiaries, and the subsidiaries in charge of cash management for 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 conditions. Dividends paid by the Sales Financing segment to the Automotive segment are included in the Automotive division’s financial income.

The indicator used to evaluate segment performance is the operating margin.

Apart from taxes and the associates’ share in net income, income and expenses relating to sales financing are recorded as operating items. The tax effect inherent to the French consolidated taxation system is included in the tax expense of the Automotive segment.

Assets and liabilities are specific to each segment. Receivables assigned by the Automotive segment to the sales financing companies are treated as operating assets by the assignee when the risks and benefits are substantially transferred.

Vehicles 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, as they are used in normal business cycle of this operating segment.

For the Automotive segment, in addition to items directly related to the business cycle, all assets and liabilities maturing within one year are classified as current.

E – Translation of the financial statements of foreign companies

The Group's presentation currency is the Euro.

For foreign companies, the functional currency is generally the local currency. In cases where most transactions are carried out in a different currency, that is adopted as the functional currency.

To determine whether a country is in hyperinflation, the Group refers to the list published by the AICPA (American Institute of Certified Public Accountants) Task Force. In 2012, 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 Euro at the closing rate.

When a foreign company is sold, the accumulated translation adjustments on its assets and liabilities are transferred to net income.

F – Translation of foreign currency transactions

Transactions undertaken in a currency other than the functional currency of the entity concerned are initially translated to and recorded in the functional currency, using the rate applicable at the transaction date.

For financial reporting purposes, monetary items in currencies other than the functional currency are translated at the closing rate. All resulting foreign exchange differences are recognized in the income statement, except for foreign exchange gains and losses on debts, receivables, and financial instruments designated as hedges of the net investment in a foreign entity (note 2-V).

The following impacts are therefore recorded in net income:

- translation adjustments related to financial operations by the Automotive segment are included in the net financial income;
- other translation adjustments are included in the operating margin.

Derivatives are measured and recorded as described in note 2-V.

G – Revenues and margin

Revenues comprise all proceeds from sales of the Group's automobile products, services related to these sales, sales of automobile technologies, marketing rights and the various sales financing products marketed by the Group's companies to their customers.

Sales of goods and services and margin recognition

Sales and margin recognition

Sales of 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, lower manufacturer prices). 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 of automobile technologies and marketing rights are recognized when the associated risks and benefits are actually transferred. The timing of this transfer depends on the terms of the sale contracts, taking into consideration factors such as the period covered and the volumes concerned, and the recoverability or otherwise for the purchaser of the amounts paid.

Sales incentive programmes

When based on the volume or price of the products sold, the cost of these programmes is deducted from revenues when the corresponding sales are recorded. Otherwise, the cost is included in selling, general and administrative expenses. If programmes are approved after the sales, a provision is established when the decision is made.
The Group sometimes organizes promotional campaigns offering reduced-interest loans to end-users. The cost of these operations is recognized immediately when the rates offered cannot cover refinancing and administration costs, and charged to sales financing revenues over the duration of the loan otherwise.

Warranty

The estimated or incurred costs relating to product or part warranties not covered by insurance are charged to expenses when the sales are recorded. 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 relating to incidents that come to light after the vehicle has been put on the market, provisions are established to cover the costs involved as soon as the decision to undertake the recall campaign has been made. Amounts claimed from suppliers are deducted from the warranty expense when it is considered practically certain they will be recovered.

Services related to sales of automobile products

Renault offers its customers extended warranty and maintenance contracts, the income and margin on which are recognized over the period covered by the contract.

Sales financing revenues and margin recognition

Sales financing revenues

Sales financing revenues are generated by financing operations for sales of vehicles to dealers and end-users. These financing operations take the form of loans from the Sales Financing segment companies, and are carried in the balance sheet at amortized cost under the effective tax rate method, less any impairment. Income on these contracts is calculated so as to give a constant interest rate over the period, and is included in sales revenues.

Sales financing costs

The costs of sales financing are considered as operating expenses and included in the operating margin. They mainly comprise interest incurred by sales financing companies to refinance their customer transactions, other costs and revenues directly related to administration of this type of refinancing (temporary investments, hedging and management of exchange and interest rate risks), and the cost of risks other than those relating to refinancing of receivables.

Commissions payable to business intermediaries

Commissions are treated as external distribution costs, and therefore deferred as contract acquisition costs, so as to give a constant interest rate over the term of the financing contracts.

Impaired receivables

Impairment for credit risk is recognized to cover the risk of non-recovery of receivables. When there is objective evidence of a loss of value (payments overdue, deterioration in the financial position, litigation procedures, etc.) for an individual receivable, impairment is determined on an individual basis (using a statistical or case-by-case approach). Otherwise, a collectively based provision may be recorded (for example in the event of unfavorable developments in a macro-economic and/or segment indicator associated with otherwise sound receivables).

Impairment for country risk is determined based on assessment of the systemic credit risk to which debtors are exposed in the event of long-term continuous deterioration in the economic and general environment of the countries included in the base.

H – Financial income (expense)

Except for derivatives, interest income and expenses are recognized under the effective interest rate method, whereby interest and transaction costs are spread on an actuarial basis over the duration of the loan or borrowing.

Interest income and expenses include accrued interest on interest rate derivatives used in fair value and cash flow hedging (when this income or expense is transferred from equity). Changes in the fair value of interest rate derivatives, excluding accrued interest, are included in other financial income and expenses.

Other financial income and expenses also include changes in the fair value of Renault SA redeemable shares and dividends from companies that are neither controlled nor under significant influence, which are recognized in the year they are distributed.

I – Income tax

The Group recognizes deferred taxes for all temporary differences between the tax and book values of assets and liabilities in the consolidated balance sheet. Deferred taxes are calculated at the latest tax rate enacted at the closing date applicable to the period when temporary differences are reversed. Each individual fiscal entity (legal entity, establishment or group of entities that pays tax to the tax administration) that is authorized to offset its current tax assets and liabilities reports deferred tax assets and liabilities net. Net deferred tax assets are recognized according to the probability of future recovery.

For fully consolidated companies, a deferred tax liability is recorded in respect of dividend distributions likely to be made by the Group.

For joint ventures and associates, a deferred tax liability on dividend distributions is booked for all differences between the book value and fiscal value of shares held.

Tax credits that can only be used against a taxable profit are recorded as a deduction from the income tax payable. Tax credits that are recoverable regardless of whether the company makes a taxable profit are set against the relevant nature of expense.

J – Intangible assets

Goodwill

Non-controlling interests (formerly called "minority interests") are carried at fair value (the full goodwill method) or at their share in the fair value of assets acquired and liabilities transferred (the partial goodwill method). To date Renault has only recognized goodwill valued under the partial goodwill. The choice of which method to use will be made for each individual case.

Goodwill is not amortized, but impairment tests are carried out at least annually or whenever there is evidence of loss of value. After initial recognition, goodwill is stated at cost less accumulated impairment.

Goodwill relating to associates is included in the statement of financial position, in the asset "investments in associates". In the event of impairment, an impairment loss is booked and included in the consolidated income statement via the share in net income (loss) of associates.

Acquisitions of additional investments and put options on non-controlling interests in companies controlled by the Group are treated as equity transactions. The positive or negative difference between the cost of acquiring shares and the book value of the non-controlling interests acquired is recorded in shareholders' equity. The non-controlling interests concerned by put options are stated at fair value and reclassified as liabilities in the consolidated financial position.

Research and development expenses

Development expenses incurred between the approval of the decision to begin development and implement production facilities for a new vehicle or part (e.g. engine or gearbox) and the subsequent approval of the design for mass production are capitalized as intangible assets. They are amortized on a straight-line basis from the date of approval for production, over the expected market life of the vehicle or part, up to a maximum period of seven years. Capitalized development expenses mainly comprise the cost of prototypes, the cost of studies invoiced by external firms, the cost of personnel assigned to the project and a share of overheads dedicated exclusively to development activities.

They also include financing costs for projects that began on or since January 1, 2009. The capitalization rate for borrowing costs is equal to the weighted average interest rate on non-dedicated borrowings of the year, with a limit such that capitalized borrowing costs do not exceed the total borrowing costs borne during the year. When a project is financed through a specific borrowing, the capitalization rate is equal to the interest rate on the borrowing.

Expenses incurred before the formal approval of product development are recorded as costs in the period they are incurred, in the same way as research expenses. Expenses incurred after the start of mass production are treated as production costs.

K – Property, plant and equipment

The gross value of property, plant and equipment corresponds to historical acquisition or production cost. Design and preparation expenses are included in the asset's production cost.

Production cost also includes financing costs borne during the construction phase of property, plant and equipment when construction began on or after January 1, 2009. The capitalization rate applied is the same as the rate used for intangible assets.

Investment subsidies received are deducted from the gross value of the assets concerned.

Subsequent expenses for property, plant and equipment, except those incurred to increase productivity or prolong the life of an asset, are charged to expenses as incurred.

Assets used by the Group under finance leases are treated as assets financed by credit.

Fixed assets leased to customers are vehicles and batteries under lease from a Group finance company, for which the Group has a repurchase commitment, or vehicles sold under an agreement including a buy-back clause covering more than one year (note 2-G).

Depreciation

Depreciation is calculated on a straight-line basis over the following estimated useful lives:

Buildings (1)	15 to 30 years
Specific tools	2 to 7 years
Machinery and other tools (other than press lines)	5 to 15 years
Press lines	20 to 30 years
Other tangible assets (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 of assets

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, specific tools and supplier tools. Impairment tests are carried out by comparing the net book value of the assets with the recoverable value, calculated based on discounted future cash flows related to the vehicle or component.

- At the level of cash-generating units

A cash-generating unit is defined as the smallest identifiable group of assets that generates largely independent cash flows. Fixed assets related to cash-generating units include goodwill, specific assets and capacity assets. Impairment tests are carried out on cash-generating units by comparing the net book value with the recoverable value. Recoverable value is defined as the higher of value in use or fair value less selling costs.

Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset. Future cash flows derive from the business plan drawn up and validated by the Management, plus a terminal value based on discounted normative cash flows after application of a growth rate to infinity. They also include the dividends paid by the Sales Financing segment to the Automotive segment; these dividends represent, in cash form, the Sales Financing segment's contribution as taken into consideration in internal assessments of project profitability. The assumptions underlying the business plan include estimates of market developments in countries in which the Group operates and its share of those markets, changes in the sale price of products and the prices of purchased components and commodities. The pre-tax discount rate used is the weighted average cost of capital as determined by the company.

When the recoverable value is lower than the net book value, impairment equivalent to the difference is recorded against the assets concerned.

For the Sales Financing segment, an impairment test is carried out at least once a year or whenever as there is an indication of loss of value, by comparing the book value and recoverable value of assets. Recoverable value is defined as the higher of fair value (less selling costs) and value in use. Value in use is the present value of future cash flows as determined in the most recent 5-year forecasts for each cash-generating unit, consisting of legal entities or groups of legal entities in a given country. The same discount rate is used for all cash-generating units tested: a risk-free 10-year rate increased by the average risk premium for the sector in which the cash-generating units operate.

Impairment of investments in associates

Impairment tests of the value of investments in associates are carried out as soon as there is any indication of a loss of value, essentially significant adverse changes in the markets in which the company operates, or a major or long-term decline in stock market value.

Impairment tests are carried out in compliance with IAS 28 and IAS 36, by comparing the book value of the investment in the associate with the share of the present value of future estimated cash flows expected from the associate.

When the recoverable value is lower than the book value, impairment equivalent to the difference is recorded against the relevant investment in an associate.

M – Non-current assets or groups of assets held for sale

Assets held for sale are non-current assets or groups of assets that are available for sale (and do not require significant work to prepare them for sale) and very likely to be sold.

Non-current assets or groups of assets considered to be held for sale are measured and recorded at the lower of net book value or fair value less selling costs. No further impairment or amortization is recorded once an asset is classified as held for sale (or included in a group of assets held for sale). These assets are reported on a specific line of the 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, as allowed under IAS 19.
The net expense for the year, corresponding to the sum of the current period service costs, the discount cost less the expected return on fund assets and a portion of deferred past service costs, is charged in full to the operating margin.

Restructuring measures/Termination benefits

The estimated cost of restructuring and the cost of workforce adjustment measures are recognized as soon as a detailed plan has been defined and is either announced or in progress.

S – Financial assets

The Group recognizes a financial asset when it becomes a party to the contractual provisions of the instrument. Financial assets comprise investments in non-controlled companies in which Renault does not exercise significant influence, 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 qualified as "available-for-sale" assets. The fair values of financial assets are determined in priority by reference to the market price. If this is not possible, the Group uses a valuation method that is not based on market data. Changes in the fair value of "available-for-sale" assets are included in other components of comprehensive income. If there is a significant or prolonged decrease in the fair value such that it falls below the acquisition price, impairment is recorded in the income statement.

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 that occurred 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 and sales financing debts

The Group recognizes a financial liability (for the Automotive segment) or a sales financing debt when it becomes a party to the contractual provisions of the instrument.
Financial liabilities and sales financing debts comprise redeemable shares, bonds, other debts represented by a certificate, borrowings from credit institutions, other interest-bearing borrowings and derivative liabilities related to financial transactions (note 2-V).

Redeemable shares

In accordance with IAS 39, the Group considers that the variable interest on redeemable shares is an embedded derivative which cannot be valued separately. Consequently, the Group has stated all its redeemable shares at fair value. For these shares, fair value is equal to market value.

Changes in the fair value of Automotive segment redeemable shares are recorded in financial income and expenses, while changes in the fair value of Sales Financing segment redeemable shares are recorded in the operating margin.

Bonds, other debts represented by a certificate, borrowings from credit institutions and other interest-bearing borrowings

Bonds, other debts represented by a certificate, borrowings from credit institutions and other interest-bearing borrowings are initially 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 current interest rates and the quality of the counterparty to each contract at the closing date. This fair value includes accrued interest;
- the fair value of commodity derivatives is based on market conditions.

The Automotive segment's derivatives are reported in the 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 equity is transferred to the income statement when the hedged item has an impact on net income;
- Hedge of a net investment in a foreign operation: the hedging instrument is adjusted to fair value. Following this adjustment, the effective portion of the change in fair value attributable to the hedged exchange risk is recorded, net of taxes, in other components of comprehensive income, while the ineffective portion is included in net income. The cumulative amount included in equity is transferred to net income at the date of liquidation or sale of the investment. The interest rate component of financial instruments used to hedge the investment in Nissan (forward sales and fixed/fixed cross-currency swaps) is treated as an ineffective portion and consequently recorded directly in financial income and expenses.

Derivatives not designated as hedges
Changes in the fair value of derivatives not designated as hedges are recognized directly in financial income, except in the case of derivatives entered into exclusively for reasons closely related to business operations. In this case, changes in the fair value of derivatives are included in the operating margin.

Note 3 – Changes in the scope of consolidation

	AUTOMOTIVE	SALES FINANCING	TOTAL
Number of companies consolidated at December 31, 2011	**129**	**36**	**165**
Newly consolidated companies (acquisitions, formations, etc.)	-	1	1
Deconsolidated companies (disposals, mergers, liquidations, etc.)	(4)	-	(4)
Number of companies consolidated at December 31, 2012	**125**	**37**	**162**

The main changes in the scope of consolidation were as follows:
- 2012

ES Mobillity srl is a company formed in 2011 to lease batteries for electric vehicles in Italy. It is fully consolidated since January 1, 2012.
In December 2012 Renault sold all its A shares in the AB Volvo group, which has been deconsolidated as a result from October 1,2012, (note 14-A).
- 2011

The subsidiary Renault Beijing Automotive Company, which sells imported vehicles on Chinese territory, has been fully consolidated since January 1, 2011.
Fonderie de Bretagne has also been fully consolidated since January 1, 2011. This entity results from Renault's takeover of SBFM under a receivership procedure.

II. Income statement and comprehensive income

Note 4 – Revenues

A – 2011 revenues applying 2012 Group structure and methods
The consolidated revenues for 2012 and 2011 are calculated under identical Group structure and methods.

B – Breakdown of revenues

(€ million)	**2012**	**2011**
Sales of goods	**37,227**	**38,697**
Rental income on leased assets (1)	446	548
Interest income on sales financing receivables	1,519	1,436
Sales of other services	2,078	1,947
Sales of services	**4,043**	**3,931**
REVENUES	**41,270**	**42,628**

(1) Rental income recorded by the Group in connection with vehicle sales with a buy-back commitment or fixed asset rentals.

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

	2012	**2011**
Personnel expenses (€ *million)*	5,801	5,857
Workforce at December 31	127,086	128,322

Details of pensions and other long-term benefit expenses are presented in note 20-C.

C – Share-based payments
Share-based payments concern stock-options and free shares granted to personnel, and amounted to a personnel expense of €14 million for 2012 (€6 million in 2011).
The plan valuation method is presented in note 19-H.

D – Rental expenses
Rents amounted to approximately €249 million in 2012 (€238 million in 2011).

E – Foreign exchange gains/losses
In 2012, the operating margin included a net foreign exchange loss of €63 million comprising €34 million on business activities in Iran for the eight months period prior to devaluation of the rial (compared to a foreign exchange loss of €12 million in 2011 which included a gain of €1 million in Iran).

Note 6 – Other operating income and expenses

(€ million)	**2012**	**2011**
Restructuring and workforce adjustment costs	(110)	71
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	-	-
Gains and losses on disposal of property, plant and equipment and intangible assets (except leased assets sales)	18	133
Impairment of fixed assets	(279)	(61)
Other unusual items	(236)	10
TOTAL	**(607)**	**153**

A – Restructuring and workforce adjustment costs

Restructuring costs were mainly incurred for workforce adjustment measures in Europe in 2012 and 2011, and in Korea in 2012.

In 2012, they include a net amount of €40 million reversed from provisions (€48 million in 2011) after the provision for workforce adjustment measures in France was updated to reflect the terms of departures that took place in 2012. In 2011, restructuring costs also comprised a reversal of €50 million from provisions, resulting from the Group's decision to discontinue the plan to reorganize its establishments in the Paris area.

B – Gains and losses on disposal of property, plant and equipment and intangible assets (except leased assets sales)

Most of the gain on disposal of property, plant and equipment and intangible assets (except leased assets sales) results from sales of land and buildings located in Europe in 2012 and 2011, and in Korea in 2012.

C – Impairment of fixed assets

In 2012, impairment was booked on intangible assets (€243 million) and tangible assets (€36 million) in respect of five vehicles in the range and mechanical adaptations.

In 2011, an amount of €88 million was reversed from impairment previously booked on intangible assets, to reflect the improved cash flow prospects for three vehicles in the range, and impairment of €149 million was recorded in respect of intangible and tangible assets associated with three other vehicles in the range (note 11).

D – Other unusual items

D1 – 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 transit through Renault Pars, a fully-consolidated subsidiary owned 51% by Renault and 49% by its partners.

Due to the economic sanctions imposed on Iran, settlements of commercial and financial debts in foreign currencies are at a very low level.

At Renault Pars, assets in rials mainly consist of receivables on partners (€138 million) and financial assets (€231 million), and Renault Pars has a commercial debt towards other Group entities denominated in euros (€569 million at December 31, 2012 and €358 million at December 31, 2011).

This situation is reflected as follows in the Group's consolidated financial statements:

- a foreign exchange loss of €304 million has been recorded in the income statement, corresponding to the effect of the rial's devaluation (from IRR 14 407 = €1 in 2011 to IRR 33 000 = €1 in 2012) on the Group's Iranian entities' debts denominated in euros to Renault sas and its subsidiaries. This loss is of an exceptional amount and nature, and is included in unusual items in other operating income and expenses;
- the balance of cash available in the subsidiary (€158 million at December 31, 2012) has been reclassified as current financial assets (note 22-A2), as the Group is currently unable to use this cash for anything other than settlement of local debts and it is impossible to predict how long this situation will last;
- the subsidiary's shareholders' equity is negative at €185 million (compared to a positive €58 million at December 31, 2011). In compliance with accounting standards, the minority interests' share is still recognised, representing a negative amount of €91 million at December 31, 2012 (positive amount of €29 million at December 31, 2011).

D2 – 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. These unusual items also include an expense of €11 million following the decrease in Renault's percentage of interest in Nissan (note 13-C).

Note 7 – Financial income

The net interest expense for 2012 amounts to €267 million (€219 million in 2011).

Other financial income and expenses comprise:

(€ million)	**2012**	**2011**
Change in fair value of redeemable shares (note 23-A)	(18)	31
Foreign exchange gains and losses on financial operations	29	27
Other	(10)	40
TOTAL	**1**	**98**

Other financial income includes dividends received from Daimler at their gross value of €36 million in 2012 (€30 million 2011). It also includes an impairment expense of €46 million 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)	**2012**	**2011**
Current income taxes	(493)	(408)
Deferred taxes revenue (expenses)	(56)	(100)
CURRENT AND DEFERRED TAXES	**(549)**	**(508)**

In 2012, €413 million of current income taxes were generated by foreign entities (€350 million in 2011). Current income taxes paid by the Group during 2012 totalled €345 million (€273 million in 2011).

B – Breakdown of the tax charge

(€ million)	**2012**	**2011**
Income before taxes and share in net income of associates	**780**	**1,123**
Statutory income tax rate applicable in France	36.1%	36.1%
Theoretical tax income (charge)	**(282)**	**(405)**
Effect of differences between local rate and the French rate	93	114
Tax credits	39	31
Distribution taxes	(60)	(61)
Change in unrecognized deferred tax assets	(679)	(215)
Other impacts (1)	340	28
Current and deferred tax income (charge)	**(549)**	**(508)**

(1) Other impacts are primarily the following: permanent differences, income subject to reduced tax rates, the cost of tax reassessments, and prior year adjustments.

As there was no prospect of reporting taxable income, the Group has not recognized the net deferred tax assets of the French tax consolidation group at December 31, 2012. In the second half of 2012, the net deferred tax assets of the French tax group recognized at December 31, 2011 amounting to €215 million were written down (€138 million charged to expenses and €77 million to equity).
In 2012, other impacts on the current and deferred tax charge primarily include the effect of partial tax-exemption of the gain on sale of shares in AB Volvo (note 14).
For the foreign companies, the effective tax rate was 29% at December 31, 2012 (31% at December 31, 2011). The decrease compared to 2011 principally results from improved income levels and prospects of future profits in Argentina and Colombia, and a tax-free subsidy received in Brazil. These favourable effects are mitigated by the impact of the foreign exchange loss caused by devaluation of the Iranian rial for which no deferred tax assets were recognized.

C – Breakdown of net deferred taxes

C1 – Change in deferred tax assets and liabilities

(€ million)	**2012**	**2011**
Deferred tax assets	566	705
Deferred tax liabilities	(135)	(125)
Net deferred tax assets (liabilities) at January 1	**431**	**580**
Deferred tax income (expense) for the period	(56)	(100)
Deferred tax income (expense) included in equity	-	(42)
Translation adjustments	(81)	(10)
Change in scope of consolidation and other	(1)	3
Net deferred tax assets (liabilities) at December 31	**293**	**431**
- deferred tax assets	*416*	*566*
- deferred tax liabilities	*(123)*	*(135)*

C2 - Breakdown of net deferred tax assets by nature

(€ million)	**DECEMBER 31, 2012**	**DECEMBER 31, 2011**
Deferred taxes on:		
Investments in associates (1)	(141)	(147)
Fixed assets	(1,732)	(1,844)
Provisions and other expenses or valuation allowances deductible upon utilization	1,047	1,014
Loss carryforwards	4,060	3,744
Other	349	250
Net deferred tax assets (liabilities)	**3,583**	**3,017**
Unrecognized deferred tax assets (note 8-C3)	(3,290)	(2,586)
NET DEFERRED TAX ASSETS (LIABILITIES) REPORTED	**293**	**431**
(1) Including tax on future dividend distributions.		

The residual unrecognized net deferred tax assets of entities included in the French tax consolidation amounted to €2,600 million at December 31, 2012. €783 million of these unrecognized assets arose on items booked through equity (chiefly the effects of the partial hedge of the investment in Nissan, revaluation of financial instruments, and actuarial gains and losses), and €1,817 million on items affecting the income statement. Outside France, unrecognized deferred tax assets totaled €690 million, essentially relating to tax loss carryforwards generated by the Group in Brazil and South Korea.

C3 - Breakdown of unrecognized net deferred tax assets, by expiry

(€ million)	**DECEMBER 31, 2012**	**DECEMBER 31, 2011**
Net deferred tax assets that can be carried forward indefinitely (1)	3,159	2,504
Other net deferred tax assets expiring in more than 5 years	119	71

Other net deferred tax assets expiring between 1 and 5 years	10	9
Other net deferred tax assets expiring within 1 year	2	2
TOTAL UNRECOGNIZED NET DEFERRED TAX ASSETS	**3,290**	**2,586**

(1) Including €2,600 million at December 31, 2012 (€1,888 million at December 31, 2011) corresponding to unrecognized net deferred tax assets of entities included in the French tax consolidation (note 8-C2), mainly corresponding to tax loss carryforwards.

Note 9 – Basic and diluted earnings per share

(In thousands of shares)	**2012**	**2011**
Shares in circulation	295,722	295,722
Treasury shares	(4,059)	(3,914)
Shares held by Nissan x Renault's share in Nissan	(19,407)	(19,427)
Number of shares used to calculate basic earnings per share	**272,256**	**272,381**

The number of shares used to calculate the basic earnings per share is the weighted average number of ordinary shares in circulation during the period, i.e. after neutralization of treasury shares and Renault shares held by Nissan.

(In thousands of shares)	**2012**	**2011**
Number of shares used to calculate basic earnings per share	272,256	272,381
Dilutive effect of stock-options and free share attribution rights	137	-
Number of shares used to calculate diluted earnings per share	**272,393**	**272,381**

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

A – Breakdown of other components of comprehensive income

(€ million)	**2012**	**2011**
Actuarial gains and losses on defined benefit pension plans	**(268)**	**(23)**
Translation adjustments on foreign activities		
Gains/(losses) for the period	(99)	(107)
Reclassification under net income	-	-
TOTAL TRANSLATION ADJUSTMENTS ON FOREIGN ACTIVITIES	**(99)**	**(107)**
Partial hedge of the investment in Nissan		
Gains/(losses) for the period	35	(142)
Reclassification under net income	-	-
TOTAL PARTIAL HEDGE OF THE INVESTMENT IN NISSAN	**35**	**(142)**
Cash flow hedges		
Gains/(losses) for the period	(51)	(24)
Reclassification under net income	31	11
TOTAL CASH FLOW HEDGES	**(20)**	**(13)**
Available-for-sale financial assets		
Gains/(losses) for the period	132	(257)
Reclassification under net income	-	-
TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS	**132**	**(257)**
Associates' share of other components of comprehensive income	**(1,101)**	**444**

OTHER COMPONENTS OF COMPREHENSIVE INCOME	(1,321)	(98)

B – Tax effects of other components of comprehensive income

	OTHER COMPONENTS OF COMPREHENSIVE INCOME					
	2012			2011		
(€ million)	BEFORE TAX	TAX	AFTER TAX	BEFORE TAX	TAX	AFTER TAX
Actuarial gains and losses on defined benefit pension plans	(271)	3	(268)	(24)	1	(23)
Translation adjustments on foreign activities	(99)	-	(99)	(107)	-	(107)
Partial hedge of the investment in Nissan	110	(75)	35	(84)	(58)	(142)
Cash flow hedges	(18)	(2)	(20)	(8)	(5)	(13)
Available-for-sale financial assets	135	(3)	132	(274)	17	(257)
Associates' share of other components of comprehensive income	(1,107)	6	(1,101)	441	3	444
TOTAL	**(1,250)**	**(71)**[(1)]	**(1,321)**	**(56)**	**(42)**[(1)]	**(98)**

(1) Including an expense of €77 million in 2012 (expense of €40 million in 2011) 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, 2012	DECEMBER 31, 2011
Capitalized development expenses	8,362	7,800
Goodwill	243	246
Other intangible assets	557	437
Intangible assets, gross	**9,162**	**8,483**
Capitalized development expenses	(5,329)	(4,466)
Other intangible assets	(351)	(299)
Amortization and impairment	**(5,680)**	**(4,765)**
INTANGIBLE ASSETS, NET	**3,482**	**3,718**

Most goodwill are in Europe.

A2 - Changes during the year

(€ million)	GROSS VALUE	AMORTIZATION AND IMPAIRMENT	NET VALUE
Value at December 31, 2010	**7,792**	**(4,115)**	**3,677**
Acquisitions (note 26-C)/(amortization)	874	(829)	45
(Disposals)/reversals	(174)	174	-
Translation adjustment	(8)	4	(4)
Change in scope of consolidation and other	(1)	1	-
Value at December 31, 2011	**8,483**	**(4,765)**	**3,718**
Acquisitions (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 of intangible assets in 2012 comprise €764 million of self-produced assets and €133 million of purchased assets (respectively €825 million and €49 million in 2011). They do not include capitalized borrowing costs in 2012 because of a net liquidity position (in 2011 they included €16 million of capitalized borrowing costs, corresponding to a capitalization rate of 2.47% for such costs).
Amortization and impairment in 2012 include €243 million of impairment of capitalized development expenses relating to five vehicles in the range and in mechanical adaptations (note 6-C).
Amortization and impairment in 2011 included cancellation of €88 million of impairment previously recorded on capitalized development expenses for three vehicles in the range, and €84 million of impairment recorded on one other vehicle (note 6-C).

A3 - Research and development expenses included in income

(€ million)	**2012**	**2011**
Research and development expenses	(1,889)	(2,064)
Capitalized development expenses	764	808
Amortization of capitalized development expenses	(790)	(771)
TOTAL REPORTED IN INCOME STATEMENT	**(1,915)**	**(2,027)**

B – Property, plant and equipment

B1 - Property, plant and equipment at December 31

(€ million)	**DECEMBER 31, 2012**	**DECEMBER 31, 2011**
Land	593	598
Buildings	6,113	5,942
Specific tools	13,359	12,569
Machinery and other tools	10,007	9,656
Fixed assets leased to customers	2,040	2,139
Other tangibles	852	857
Construction in progress	1,653	1,545
Property, plant and equipment, gross	**34,617**	**33,306**
Land and buildings	(3,272)	(3,090)
Specific tools	(10,956)	(10,319)
Machinery and other tools	(7,421)	(7,154)
Fixed assets leased to customers	(690)	(608)
Other tangibles	(744)	(778)
Depreciation and impairment	**(23,083)**	**(21,949)**
PROPERTY, PLANT AND EQUIPMENT, NET	**11,534**	**11,357**

Depreciation and impairment in 2012 include impairment of €36 million on two vehicles in the range (note 6-C), compared to €65million of impairment in 2011 on three vehicles in the range.

B2 - Changes during the year

Changes during 2012 in property, plant and equipment were as follows:

(€ million)	**DECEMBER 31, 2011**	**ACQUISITIONS/ (DEPRECIATION AND IMPAIRMENT)**	**(DISPOSALS)/ REVERSALS**	**TRANSLATION ADJUSTMENTS**	**CHANGE IN SCOPE OF CONSOLIDATION AND OTHER**	**DECEMBER 31, 2012**
Land	598	10	(23)	7	1	593
Buildings	5,942	248	(67)	(19)	9	6,113
Specific tools	12,569	1,094	(279)	(78)	53	13,359

(€ million)	DECEMBER 31, 2011	ACQUISITIONS/ (DEPRECIATION AND IMPAIRMENT)	(DISPOSALS)/ REVERSALS	TRANSLATION ADJUSTMENTS	CHANGE IN SCOPE OF CONSOLIDATION AND OTHER	DECEMBER 31, 2012
Machinery and other tools	9,656	643	(248)	(54)	10	10,007
Fixed assets leased to customers	2,139	661	(782)	2	20	2,040
Other tangibles	857	58	(66)	(3)	6	852
Construction in progress (1)	1,545	221	(25)	(8)	(80)	1,653
Property, plant and equipment, gross (2)	**33,306**	**2,935**	**(1,490)**	**(153)**	**19**	**34,617**
Land	-	-	-	-	-	-
Buildings	(3,090)	(239)	47	11	(1)	(3,272)
Specific tools	(10,319)	(964)	272	59	(4)	(10,956)
Machinery and other tools	(7,154)	(544)	228	42	7	(7,421)
Fixed assets leased to customers (3)	(608)	(412)	330	(1)	1	(690)
Other tangibles	(778)	(30)	64	3	(3)	(744)
Construction in progress	-	-	-	-	-	-
Depreciation and impairment	**(21,949)**	**(2,189)**	**941**	**114**	**-**	**(23,083)**
Land	598	10	(23)	7	1	593
Buildings	2,852	9	(20)	(8)	8	2,841
Specific tools	2,250	130	(7)	(19)	49	2,403
Machinery and other tools	2,502	99	(20)	(12)	17	2,586
Fixed assets leased to customers	1,531	249	(452)	1	21	1,350
Other tangibles	79	28	(2)	-	3	108
Construction in progress (1)	1,545	221	(25)	(8)	(80)	1,653
Property, plant and equipment, net	**11,357**	**746**	**(549)**	**(39)**	**19**	**11,534**

(1) Items classified as "construction in progress" are transferred to completed asset categories via the "acquisitions/(depreciation and impairment)" column.

(2) Acquisitions do not include capitalized borrowing costs in 2012 because of a net liquidity position (in 2011 they

(€ million)	DECEMBER 31, 2011	ACQUISITIONS/ (DEPRECIATION AND IMPAIRMENT)	(DISPOSALS)/ REVERSALS	TRANSLATION ADJUSTMENTS	CHANGE IN SCOPE OF CONSOLIDATION AND OTHER	DECEMBER 31, 2012

included €26 million of capitalized borrowing costs, corresponding to a capitalization rate of 2.47% for such costs).
(3) Depreciation of assets leased to customers amounts to €248 million at December 31, 2012 (€163 million at December 31, 2011).

Changes during 2011 in property, plant and equipment were as follows:

(€ million)	GROSS VALUE	DEPRECIATION AND IMPAIRMENT	NET VALUE
Value at December 31, 2010	**32,246**	**(20,742)**	**11,504**
Acquisitions/(depreciation and impairment)	2,610	(2,002)	608
(Disposals)/reversals	(1,361)	716	(645)
Translation adjustments	(166)	98	(68)
Change in scope of consolidation and other	(23)	(19)	(42)
Value at December 31, 2011	**33,306**	**(21,949)**	**11,357**

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 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 €279 million was booked during 2012 (€149 million at December 31, 2011), in respect of five models in the range and mechanical adaptations. This impairment is allocated in priority to capitalized development expenses.
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 cash-generating units – Automotive segment
In 2012, only the Korea cash-generating unit was subjected to an impairment test, as there were no indications of impairment in the Group's other geographically determined cash-generating units.
The recoverable value used for the purposes of the impairment tests for Korea is the value in use, determined under the discounted future cash flow method on the basis of the following assumptions:

KOREA	2012	2011
Business plan duration	6 years	6 years
Growth rate to infinity	1.75%	2.7%
After-tax discount rate	8.8%	8.5%

In 2012 as in 2011, no impairment was recognized on assets included in the cash-generating units subjected to impairment tests.
An impairment test was also carried out on the Automotive segment as a cash-generating unit, following the same procedure as for tests of other cash-generating units.
The assumptions used for the Automotive segment are as follows:

	2012	2011
Business plan duration	6 years	6 years
Forecast sales volumes over the projected horizon *(units)*	3,432,000	3,350,000
Growth rate to infinity	1.8%	1.8%
After-tax discount rate	8.8%	8.5%

In 2012 as in 2011, no impairment was recognized on assets included in the Automotive segment as a result of the impairment tests.

Changes in the assumptions underlying the calculations show that to cover the assets, for each factor considered individually:

- the projected volume reduction must not exceed 300,000 units;
- the after-tax discount rate must not exceed 13%.

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 Nissan have chosen to develop a unique type of alliance between two distinct companies with common interests, uniting forces to achieve optimum performance. The Alliance is organized so as to preserve individual brand identities and respect each company's corporate culture.

Consequently:

- Renault does not hold the majority of Nissan voting rights;
- the terms of the Renault-Nissan agreements do not entitle Renault to appoint the majority of Nissan directors, nor to hold the majority of voting rights at meetings of Nissan's Board of Directors; at December 31, 2012, Renault supplied three of the total nine members of Nissan's Board of Directors (four of the total nine members at December 31, 2011);
- Renault Nissan BV, owned 50% by Renault and 50% by Nissan, is the Alliance's joint decision-making body for strategic issues concerning either group individually. Its decisions are applicable to both Renault and Nissan. This entity does not enable Renault to direct Nissan's financial and operating strategies, and cannot therefore be considered to represent contractual control by Renault over Nissan. The matters examined by Renault Nissan BV since it was formed have remained strictly within this contractual framework, and are not an indication that Renault exercises control over Nissan;
- Renault can neither use nor influence the use of Nissan's assets in the same way as its own assets;
- Renault provides no guarantees in respect of Nissan's debt.

In view of this situation, Renault is considered to exercise significant influence in Nissan, and therefore uses the equity method to include its investment in Nissan in the consolidation.

B – Nissan consolidated financial statements included under the equity method in the Renault consolidation

The Nissan accounts included under the equity method in Renault's financial statements are Nissan's consolidated accounts published in compliance with Japanese accounting standards (as Nissan is listed on the Tokyo stock exchange), after adjustments for the requirements of the Renault consolidation.

Nissan publishes consolidated financial statements quarterly, and annually at March 31. For the purposes of the Renault consolidation, Nissan results are included in line with the Renault calendar (the results for the period January to December are consolidated in Renault's annual financial statements).

Nissan held 0.68% of treasury shares at December 31, 2012 (1.15% at December 31, 2011). Consequently, Renault's percentage interest in Nissan was 43.7% at December 31, 2012 (43.9% at December 31, 2011).

C – Changes in the investment in Nissan as shown in Renault's statement of financial position

	SHARE IN NET ASSETS			NET GOODWILL	TOTAL
(€ million)	BEFORE NEUTRALIZATION	NEUTRALIZATION PROPORTIONAL TO NISSAN'S INVESTMENT IN RENAULT [1]	NET		
At December 31, 2011	**14,953**	**(975)**	**13,978**	**953**	**14,931**
2012 net income	1,234	-	1,234	-	1,234
Dividend distributed	(427)	-	(427)	-	(427)
Translation adjustment	(993)	-	(993)	(110)	(1,103)
Acquisitions of non-controlling interests [2]	90	-	90	-	90
Treasury share transactions [3]	6	-	6	(28)	(22)
Other changes [4]	85	-	85	-	85
At December 31, 2012	**14,948**	**(975)**	**13,973**	**815**	**14,788**

(1) Nissan has held 15% of Renault since the acquisition in 2002, excluding the subsequent impacts of Renault's purchases of its treasury shares.

(2) After adjustment of the "Restatements for Renault group requirements" and application of the equity share ratio, the negative goodwill on Nissan's acquisition of all non-controlling interests in Aichi Kikai is reflected in a €90 million movement in "Reserves". Nissan provides details of this operation in its published financial statements at March 31, 2012.

(3) Nissan acquired the non-controlling interests in Aichi Kikai from its former shareholders in exchange for Nissan treasury shares. After reversal of the related goodwill, this operation resulted in a loss of €22 million. Once the translation adjustment was transferred to the income statement, this loss led to recognition of an €11 million expense under "Other operating income and expenses" (note 6).

(4) Other changes include Renault dividends received by Nissan, the change in actuarial gains and losses on pension obligations, the change in the financial instrument revaluation reserve.

D – Changes in Nissan equity restated for the purposes of the Renault consolidation

(in billions of yen)	DECEMBER 31, 2011	2012 NET INCOME	DIVIDENDS	TRANSLATION ADJUSTMENT	ACQUISITIONS OF NON-CONTROLLING INTERESTS	TREASURY SHARES	OTHER CHANGES [1]	DECEMBER 31, 2012
Shareholders' equity – Nissan share under Japanese GAAP	**2,909**	**308**	**(94)**	**220**	**-**	**19**	**6**	**3,368**
Restatements for Renault group requirements:								
Restatement of fixed assets	348	(1)	-	-	-	-	-	347
Provision for pension and other long-term employee benefit obligations [2]	(165)	21	-	(8)	-	-	15	(137)
Capitalization of development expenses	526	(5)	-	1	-	-	-	522
Effect of changes in the scope of consolidation with no loss of control [3]	-	(24)	-	-	24	-	-	-
Deferred taxes and other restatements [4]	(206)	(12)	(7)	14	(3)	-	-	(214)
NET ASSETS RESTATED FOR RENAULT GROUP REQUIREMENTS	**3,412**	**287**	**(101)**	**227**	**21**	**19**	**21**	**3,886**
(€ million)								
Net assets restated for Renault group requirements	**34,054**	**2,822**	**(976)**	**(2,274)**	**205**	**181**	**194**	**34,206**
Renault's share	43.9%							43.7%
(before the dilution and neutralization effect described below)	14,953	1,234	(427)	(993)	90	81	85	15,023
Dilutive effect	-	-	-	-	-	(75)	-	(75)
Neutralization of Nissan's	(975)	-	-	-	-	-	-	(975)

(in billions of yen)	**DECEMBER 31, 2011**	**2012 NET INCOME**	**DIVIDENDS**	**TRANSLATION ADJUSTMENT**	**ACQUISITIONS OF NON-CONTROLLING INTERESTS**	**TREASURY SHARES**	**OTHER CHANGES [1]**	**DECEMBER 31, 2012**
investment in Renault [5]								
Renault's share in the net assets of Nissan	**13,978**	**1,234**	**(427)**	**(993)**	**90**	**6**	**85**	**13,973**

(1) Other changes include the effect of Renault dividends received by Nissan, the change in the actuarial gains and losses on pension obligations and the change in the financial instruments revaluation reserve.

(2) Including actuarial gains and losses recognized in equity.

(3) The acquisition of non-controlling interests in Aichi Kikai is considered as an equity transaction under IFRS. Under Japanese GAAP, the corresponding gain is included in the profit and loss account.

(4) Including elimination of Nissan's investment in Renault, accounted for under the equity method.

(5) Nissan has held 15% of Renault since the acquisition in 2002, excluding the subsequent impacts of Renault's purchase of its treasury shares.

E – Nissan net income under Japanese GAAP

Since Nissan's financial year ends at March 31, the Nissan net income included in the 2012 Renault consolidation is the sum of Nissan's net income for the final quarter of its 2011 financial year and the first three quarters of its 2012 financial year.

	JANUARY TO MARCH 2012		APRIL TO JUNE 2012		JULY TO SEPTEMBER 2012		OCTOBER TO DECEMBER 2012		JANUARY TO DECEMBER 2012	
	FOURTH QUARTER OF NISSAN'S 2011 FINANCIAL YEAR		FIRST QUARTER OF NISSAN'S 2012 FINANCIAL YEAR		SECOND QUARTER OF NISSAN'S 2012 FINANCIAL YEAR		THIRD QUARTER OF NISSAN'S 2012 FINANCIAL YEAR		REFERENCE PERIOD FOR RENAULT'S 2012 CONSOLIDATED FINANCIAL STATEMENTS	
	(in billions of yen)	*(€ million)* (1)	*(in billions of yen)*	*(€ million)* (1)	*(in billions of yen)*	*(€ million)* (1)	*(in billions of yen)*	*(€ million)* (1)	*(in billions of yen)*	*(€ million)* (1)
Net income – parent-company shareholders' share	75	724	73	704	106	1,077	54	513	308	3,018

(1) Converted at the average 2012 exchange rate for each quarter.

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, 2012. The restatements include adjustments for harmonization of accounting standards and the adjustments to fair value of assets and liabilities applied by Renault at the time of acquisitions in 1999 and 2002.

	(in billions of yen)	*(€ million)* (1)
2012 revenues	9,384	91,448
2012 net income (2)	326	3,181
Shareholders' equity at December 31, 2012	4,179	36,783
Financial position total at December 31, 2012	13,033	114,715

(1) 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.

(2) The net income reported does not include Renault's contribution to Nissan net income.

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, 2012, the corresponding hedging operations totalled 110 billion yen (€966 million), comprising 27 billion yen (€238 million) of private placements on the EMTN market and 83 billion yen (€728 million) in bonds issued directly in yen on the Japanese Samurai bond market.
During 2012, these operations generated favourable foreign exchange differences of €110 million (€84 million unfavourable in 2011). After depreciation of deferred taxes, the year's net favourable effect of €35 million was 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, 2012 of JPY 811 per share, Renault's investment in Nissan is valued at €14,006 million (€13,550 million at December 31, 2011 based on the price of JPY 692 per share).

I – Impairment test of the investment in Nissan
At December 31, 2012, the stock market value of the investment was 5.3% 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 10% and a growth rate to infinity of 2.7% 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 2012.
A 1% increase in the discount rate associated with a 1% decrease in the growth rate to infinity or a 2% decrease in the operating margin would have no impact on the book value of the investment in Nissan. Also, impairment is considered to be indicated by a stock market price of below 840 yen per share, and the Nissan share price has been above 900 yen since January 29, 2013.

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 2012 principally takes the following forms:
Joint investments
Renault and Nissan share development costs and investments for gearbox and engine production.
The two Groups have made joint investments since 2007 for production of Logan vehicles. This type of cooperation now also exists in South Africa, where the Nissan group has manufactured the Sandero since 2009.
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. 31,770 vehicles were assembled during 2012.
Renault Samsung Motors produced 15,250 Nissan-badged SM3 vehicles in 2012, purchased by Nissan for sale through its own network (mainly in Russia and the Middle East).
Since 2011, the Chennai plant has provided assembly services for the Fluence and Koleos vehicles sold on the Indian market by Renault dealers. These services were extended in 2012 to include the Duster and Scala. Renault collected 36,000 vehicles from this plant in 2012.
Concerning light commercial vehicles, Nissan produced 56,700 Trafic vans over the year at its Barcelona plant in Spain in 2012. 8.1% of these are sold through the Nissan network. Renault, meanwhile, produced 3,600 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. These parts are used in Nissan's Micra and Tiida.
In total Renault supplied 969,500 gearboxes and 388,100 engines during 2012.
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.
Since 2011, batteries and battery components produced by the Nissan/NEC joint venture AESC in Japan have been used to produce the zero-emission Fluence and Kangoo electric cars at Bursa in Turkey and Maubeuge in France. 9,900 units were produced in 2012.
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 and Clio. Nissan supplies rear axles for the Dacia Duster.

Sales
In Europe, Renault also markets Nissan vehicles in Bulgaria, Croatia, Romania, Serbia and Slovenia.
Conversely, Nissan markets Renault vehicles in Japan, Australia and the Gulf countries.

Finance
From trading rooms in Lausanne and Singapore, Renault Finance acts as the Nissan group's counterparty in financial instruments trading to hedge foreign exchange, interest rate and commodity risks, in addition to its business for Renault. On the foreign exchange markets during 2012, Renault Finance undertook foreign exchange transactions totalling approximately €23.8 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 2012, the consolidated RCI Banque subgroup recorded €143 million of income in the form of commission and interest received from Nissan.

Total figures for 2012
Total sales by Renault to Nissan and purchases by Renault from Nissan amounted to an estimated €2,100 million and €1,900 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
Details of investments in other associates are as follows:
- value in the Group's statement of financial position: €774 million at December 31, 2012 (€1,060 million at December 31, 2011);
- Renault's share in the net income of other associates: €270 million for 2012 (€192 million for 2011).

At December 31, 2011, most of these amounts related to the investments in AB Volvo and AVTOVAZ, accounted for under the equity method. The investment in AB Volvo was sold in December 2012 as described below. Renault's interest in AVTOVAZ is now its largest investment in other associates.

A – AB Volvo
AB Volvo's financial year-end is December 31.

A1 – Sale of the investment in AB Volvo
In December 2012, the Group sold all of the A shares it still held in AB Volvo (138,605 thousands shares representing 6.5% of the capital) via a placement with institutional investors for the price of SEK 92.25 per share giving a total of €1,476 million.
The sale of the AB Volvo shares generated a profit of €924 million. This income is reported on a specific line of the Group's consolidated income statement due to its significant, non-recurrent nature.
This sale completes the Group's withdrawal from the capital of AB Volvo, which began in 2010 when the Group sold all its B shares (14.2% of the share capital).

A2 – Changes in the value of Renault's investment in AB Volvo as shown in Renault's statement of

financial position

(€ million)	SHARE IN NET ASSETS	NET GOODWILL	TOTAL
At December 31, 2011	**570**	**13**	**583**
Net income for the period January 1 to September 30, 2012	80	-	80
Dividend distributed	(47)	-	(47)
Translation adjustment, actuarial gains and losses and revaluation of financial instruments	-	-	-
Effect of the sale of AB VOLVO shares	(603)	(13)	(616)
At December 31, 2012	**-**	**-**	**-**

The share in the net income of AB Volvo was calculated by applying a 6.8% percentage interest to net income for the first three quarters of 2012. AB Volvo's contribution for the fourth quarter of 2012 is not included in the Renault Group's financial statements, since there was no operation with a significant impact on AB Volvo's net income between October 1, 2012 and the date at which the shares were sold in December 2012.

A3 – Changes in AB Volvo equity restated for the purposes of the Renault consolidation

(€ million)	DECEMBER 31, 2011	NET INCOME FROM JANUARY 1 UNTIL SEPTEMBER 30, 2012	DIVIDENDS	OTHER CHANGES	SEPTEMBER 30, 2012
Shareholders' equity –parent company shareholders' share	9,491	1,173	(683)	50	10,031
Restatements for Renault group requirements	(1,152)	-	-	(60)	(1,212)
Net assets restated for Renault group requirements	8,339	1,173	(683)	(10)	8,819
Renault's share in the net assets of AB Volvo	**570**	**80**	**(47)**	**-**	**603**

The restatements applied for Renault group requirements mainly concern cancellation of goodwill booked in AB Volvo's accounts when AB Volvo was acquired by Renault and recognition of actuarial gains and losses in equity.

A4 – AB Volvo financial information under IFRS

AB Volvo financial information for the period January 1 to September 30, 2012 established under IFRS, as published by AB Volvo, is summarized as follows:

	(in millions of SEK)	*(€ million)* (1)
Revenues for the period January 1 to September 30, 2012	231,853	26,546
Net income for the period January 1 to September 30, 2012	10,417	1,193

(1) Converted at the average exchange rate from January 1 to September 30,2012 i.e. SEK 8.73 = €1 for income statement items.

A5 – Operations between the Renault group and the AB Volvo group

There were no significant joint operations by the Renault group and the AB Volvo group in 2012.

B – AVTOVAZ

AVTOVAZ's financial year-end is December 31. For the purposes of the Renault consolidation, given the existing time constraints for production of financial information, the accounts of AVTOVAZ are consolidated with a 3-months time-lag. Consequently, the AVTOVAZ net income included in Renault's 2012 consolidated financial statements is the sum of AVTOVAZ's net income for the final quarter of its 2011 financial year and the first three quarters of its 2012 financial year.

B1 – Changes in the value of Renault's investment in AVTOVAZ as shown in Renault's statement of financial position

(€ million)	**SHARE IN NET ASSETS**
At September 30, 2011	**230**
Net income for the period October 1, 2011 to September 30, 2012	186
Capital increases	-
Translation adjustment, actuarial gains and losses and revaluation of financial instruments	13
At September 30, 2012	**429**

Renault's percentage interest in AVTOVAZ at December 31, 2012 is unchanged from December 31, 2011 at 25%.
In December 2012, a new partnership agreement was signed between the Renault-Nissan Alliance and the public holding company Russian Technologies to form a joint venture, Alliance Rostec Auto B.V. This joint venture will control AVTOVAZ, combining the investments in AVTOVAZ held by the Renault-Nissan Alliance and Russian Technologies to play the role of majority shareholder.
Under this agreement, the Renault-Nissan Alliance will contribute 23 billion rubles entitling it to a 67.13% share in the joint venture, which will hold 74.5% of AVTOVAZ, by mid-2014. Renault will invest 11.3 billion rubles, with the objective of holding 50.1% of the joint venture in June 2014.
In parallel to this agreement, AVTOVAZ's debt was restructured, and 52 billion rubles of loans from Russian Technologies were rescheduled until 2032 free of interest. Most of AVTOVAZ's net income for 2012 results from discounting of this interest-free debt.

B2 – Changes in AVTOVAZ equity restated for the purposes of the Renault consolidation

(€ million)	**OCTOBER 1, 2011**	**NET INCOME FOR THE PERIOD OCTOBER 1, 2011 – SEPTEMBER 30, 2012**	**CAPITAL INCREASE**	**OTHER CHANGES**	**SEPTEMBER 30, 2012**
Shareholders' equity – parent company shareholders' share	884	738	-	49	1,671
Restatements for Renault group requirements	37	8	-	(2)	43
Net assets restated for Renault group requirements	921	746	-	47	1,714
Renault's share in the net assets of AVTOVAZ	**230**	**186**	**-**	**13**	**429**

Restatements for Renault group requirements mainly concern valuation of intangibles (the Lada brand) and fair value measurement of financial liabilities.

B3 – AVTOVAZ financial information under IFRS

AVTOVAZ's published financial information under IFRS for 2011 (year ended December 31) and the first three quarters of the year 2012 are summarized below:

2011	*(millions of roubles)*	*(€ million)* (1)
2011 revenues	175,073	4,283
2011 net income	6,677	163
Shareholders' equity at December 31, 2011	38,514	922
Financial position total at December 31, 2011	128,577	3,079

(1) Converted at the average exchange rate for 2011 i.e. 40.88 RUB = 1 EUR for income statement items and the exchange rate at December 31, 2011 i.e 41.76 RUB = 1 EUR for balance sheet items.

JANUARY TO SEPTEMBER 2012	*(millions of roubles)*	*(€ million)* [(1)]
Revenues, January – September 2012	140,490	3,530
Net income, January – September 2012 [(2)]	29,557	740
Shareholders' equity at September 30, 2012	67,950	1,693
Financial position total at September 30, 2012	140,092	3,490

(1) Converted at the average exchange rate for January to September 2012, i.e. 39.80 RUB = 1 EUR for income statement items and the exchange rate at September 30, 2012, i.e 40.14 RUB = 1 EUR for balance sheet items.

(2) Rescheduling of loans from Russian Technologies had an impact of 28.6 billion rubles.

B4 – Valuation of Renault's investment in AVTOVAZ at stock market prices

Based on AVTOVAZ's stock market share price, Renault's investment in AVTOVAZ is valued at €198 million at December 31, 2012, (€237 million at December 31,2011).

B5 – Impairment test of the investment in AVTOVAZ

At December 31, 2012, the stock market value of the investment was 54% lower than the value of AVTOVAZ in Renault's balance sheet. In view of this, an impairment test was carried out in application of the approach presented in the note on accounting policies (note 2-L to the annual financial statements). An after-tax discount rate of 14.6% and a growth rate to infinity of 2.5% were used to calculate value in use. The terminal value was calculated under balanced profitability assumptions and medium-term prospects. The test results at December 31, 2012 did not lead to recognition of any impairment on the investment in AVTOVAZ.

B6 - Operations between the Renault group and the AVTOVAZ group

The Renault group continued to provide technical assistance to AVTOVAZ for several 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 2012, Renault invoiced €35 million to AVTOVAZ for this technical assistance.

Following the start of production on the Lada "Largus" minivan using the B0 platform, Renault started supplying AVTOVAZ with parts required for assembly, for a total amount of €94 million in 2012.

Renault's share in the B0 platform investment is recorded in tangible assets at the amount of €112 million at December 31, 2012.

In 2012, Renault paid AVTOVAZ €74 million in the form of 10-year loans.

Note 15 – Inventories

	DECEMBER 31, 2012			DECEMBER 31, 2011		
(€ million)	GROSS VALUE	IMPAIRMENT	NET VALUE	GROSS VALUE	IMPAIRMENT	NET VALUE
Raw materials and supplies	1,161	(208)	953	1,322	(190)	1,132
Work in progress	232	-	232	261	-	261
Used vehicles	1,079	(130)	949	1,087	(122)	965
Finished products and spare parts	1,860	(130)	1,730	2,208	(137)	2,071
TOTAL	**4,332**	**(468)**	**3,864**	**4,878**	**(449)**	**4,429**

Note 16 – Sales financing receivables

A – Sales financing receivables by nature

(€ million)	DECEMBER 31, 2012	DECEMBER 31, 2011
Dealership receivables	6,736	5,934
Financing for end-customers	12,516	12,407
Leasing and similar operations	4,776	4,420
Gross value	**24,028**	**22,761**
Impairment	(798)	(861)
NET VALUE	**23,230**	**21,900**
FAIR VALUE	**23,412**	**21,979**

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.

B – Assignments and assets pledged as guarantees for management of the liquidity reserve
B1 –Assignments of sales financing assets

(€ million)	DECEMBER 31, 2012	DECEMBER 31, 2011
Assigned receivables carried in the balance sheet	8,814	8,739
Associated liabilities	3,902	3,704

The Sales Financing segment undertook several securitization operations through special purpose vehicles and conduit financing operations (in France, Italy, Germany and the United Kingdom) involving loans to final customers and receivables on the dealership network. This did not lead to derecognition of the receivables assigned, as all risks were retained by the Group. The associated liabilities correspond to securities resulting from the securitization operations, recognized in other debts represented by certificate.
The difference between the receivables assigned and the amount of the liability corresponds to the higher credit necessary for these operations, and the share of securities retained by RCI Banque to form a liquidity reserve.
Securitized assets can no longer be assigned or pledged. Subscribers to debt securities only have claims on the assets assigned.
At December 31, 2012, the fair value of sales financing receivables assigned still reported in the balance sheet was €8,842 million, and the associated liabilities amounted to €3,949 million.

B2 –Assets pledged as guarantees for management of the liquidity reserve
For management of the liquidity reserve, RCI Banque had provided guarantees of €2,933 million (€2,601 million in December, 2011) to the European Central Bank: €2,773 million in the form of shares in securitization vehicles and €160 million in sales financing receivables (€2,429 million and €172 million at December 31, 2011). RCI Banque had used €400 million of this liquidity reserve at December 31, 2012 (€350 million at December 31, 2011), classified as borrowings from credit institutions in sales financing debts (note 23).
At December 31, 2012, RCI Banque also provided guarantees to the *Société de Financement de l'Économie Française* (SFEF) in the form of receivables with book value of €341 million (€1,225 million at December 31,

2011), in return for financing of €210 million (€785 million at December 31, 2011) recorded in borrowings from credit institutions in debts of the Sales Financing segment (note 23).

C – Sales financing receivables by maturity

(€ million)	**DECEMBER 31, 2012**	**DECEMBER 31, 2011**
-1 year	13,964	12,851
1 to 5 years	9,162	8,987
+5 years	104	62
TOTAL SALES FINANCING RECEIVABLES, NET	**23,230**	**21,900**

D – Breakdown of overdue sales financing receivables (gross values)

(€ million)	**DECEMBER 31, 2012**	**DECEMBER 31, 2011**
Receivables for which impairment has been recognized [(1)]: overdue by	**577**	**643**
0 to 30 days	14	12
30 to 90 days	53	53
90 to 180 days	57	54
More than 180 days	453	524
Receivables for which no impairment has been recognized: overdue by	**16**	**17**
0 to 30 days	16	17
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 €538 million at December 31, 2012 (€537 million at December 31, 2011).
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, 2011	**(861)**
Impairment recorded during the year	(385)
Reversals for application	275
Reversals of unused residual amounts	174
Translation adjustment and other	(1)
Impairment at December 31, 2012	**(798)**

Net credit losses amounted to €61 million in 2012 (€25 million in 2011).

Note 17 – Automotive receivables

(€ million)	**DECEMBER 31, 2012**	**DECEMBER 31, 2011**
Gross value	1,226	1,354
Impairment	(82)	(79)

AUTOMOTIVE RECEIVABLES, NET	1,144	1,275

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, 2012.
There is no significant concentration of risks within the Automotive customer base, and no single non-Group customer accounts for more than 10% of the Group's total sales revenues.
The fair value of Automotive receivables is equal to their net book value due to their short-term maturities.

Note 18 – Other current and non current assets

	DECEMBER 31, 2012			DECEMBER 31, 2011		
(€ million)	**NON-CURRENT**	**CURRENT**	**TOTAL**	**NON-CURRENT**	**CURRENT**	**TOTAL**
Prepaid expenses	90	194	284	56	182	238
Tax receivables (excluding current taxes)	21	996	1,017	15	867	882
Other receivables	591	599	1,190	396	709	1,105
Investments in controlled unconsolidated entities	119	-	119	113	-	113
Derivatives on operating transactions of the Automotive segment	-	-	-	-	-	-
Derivatives assets on financing transactions of the Sales Financing segment	-	332	332	-	310	310
TOTAL	**821**	**2,121**	**2,942**	**580**	**2,068**	**2,648**
Gross value	*959*	*2,193*	*3,152*	*735*	*2,098*	*2,833*
Impairment	*(138)*	*(72)*	*(210)*	*(155)*	*(30)*	*(185)*

Note 19 – Shareholders' equity

A – Share capital
The total number of ordinary shares issued and fully paid-up at December 31, 2012 was 295,722 thousand, with par value of €3.81 per share (unchanged from December 31, 2011).
Treasury shares do not bear dividends. They accounted for 1.37% of Renault's share capital at December 31, 2012 (unchanged from December 31, 2011).
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 management objectives, policies and procedures are unchanged from 2011.
The Group's objectives are monitored in different ways in the different operating segments.
The Group manages the Automotive segment's capital with reference to a ratio equal to the segment's net indebtedness divided by the sum of shareholders' equity (net indebtedness includes all non-operating interest-bearing financial liabilities and commitments less cash and cash equivalents and other non-operating

financial assets such as marketable securities or the segment's loans, shareholders' equity is as reported in the Group's financial position). The Group had a net liquidity position at December 31, 2012 (debt ratio equal to 1.2% at December 31, 2011).
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 (without floor Bâle I) solvency ratio was 13.7% at December 31, 2012 (13.6% at December 31, 2011).
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, 2012	DECEMBER 31, 2011
Total value of treasury shares *(€ million)*	201	201
Total number of treasury shares	4,059,255	4,059,255

D – Distributions
At the General and Extraordinary Shareholders' Meeting of April 27, 2012, it was decided to distribute a dividend of €1.16 per share or a total of €338 million (€0.30 per share in 2011). This dividend was paid during May.

E – Translation adjustment
The change in translation adjustment over the year is as follows:

(€ million)	**2012**	**2011**
Change in translation adjustment on the value of the investment in Nissan	(1,120)	694
Impact, net of tax, of partial hedging of the investment in Nissan (note 13-H)	35	(142)
Total change in translation adjustment related to Nissan	**(1,085)**	**552**
Other changes in translation adjustment	(143)	(156)
TOTAL CHANGE IN TRANSLATION ADJUSTMENT	**(1,228)**	**396**

In 2012, other changes in the translation adjustment mostly resulted from movements in the Brazilian real, the Argentinian peso, the Iranian rial and the Korean won against the Euro. In 2011, the main currencies concerned were the Brazilian real, the Russian rouble and the Turkish lira.

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, 2011 (1)	**(78)**	**(51) (3)**	**(129)**
Changes in fair value recorded in shareholders' equity	(80)	213	133
Transfer from shareholders' equity to the income statement (2)	41	(9)	32
At December 31, 2012 (1)	**(117)**	**153(3)**	**36**

(1) For the schedule of transfers of amounts related to cash flow hedges transferred to shareholders' equity, see note F-3 below.
(2) For a breakdown of the amounts related to cash flow hedges transferred to shareholders' equity, see note F-2 below.
(3) The revaluation reserve partly relates to Daimler shares (note 22-A).

F2 – Breakdown of the amounts related to cash flow hedges transferred from the financial instrument revaluation reserve to the income statement

(€ million)	**2012**	**2011**
Operating margin	31	12
Other operating income and expenses	-	-
Net financial income (expense)	-	(1)
Share in net income of associates	10	-
Current and deferred taxes	-	-
TOTAL TRANSFERRED TO THE INCOME STATEMENT FOR CASH FLOW HEDGES	**41**	**11**

F3 – Schedule of amounts related to cash flow hedges transferred from the financial instruments revaluation reserve to the income statement

(€ million)	**DECEMBER 31, 2012**	**DECEMBER 31, 2011**
Within one year	(12)	2
After one year	(57)	(47)
Revaluation reserve for cash flow hedges excluding associates	**(69)**	**(45)**
Revaluation reserve for cash flow hedges - associates	(48)	(33)
TOTAL REVALUATION RESERVE FOR CASH FLOW HEDGES	**(117)**	**(78)**

This schedule is based on contractual maturities of hedged cash flows.

G – Stock-option and free share attribution plans

Since October 1996, the Board of Directors has periodically granted stock-options to Group executives and managers, with prices and exercise periods specific to each plan.

2 new stock-option or free share plans were introduced in 2012. 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

	2012			**2011**		
	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	**8,595,407**	**70**	**-**	**10,387,702**	**68**	**-**
Granted	350,000 (1)	31	33	766,000	37	35
Exercised	-	-	-	-	-	-
Expired	(3,789,211)	59	N/A	(2,558,295)	52	N/A
Outstanding at December 31	**5,156,196**	**76**	**-**	**8,595,407**	**70**	**-**

(1) These stock option allocations correspond to the part of plan 19 dating from December 8, 2011, which was announced to the beneficiaries in 2012 and the options allocated under plan 20 to the Chairman and CEO at December 13, 2012.

G2 – Options and free share attribution rights yet to be exercised at December 31, 2012

PLAN	**TYPE OF PLAN**	**GRANT DATE**	**EXERCISE PRICE (€)**	**OUTSTANDING**	**EXERCISE PERIOD**
Plan 11	Stock subscription	September 13,	72.98	1,446,900	September 14, 2009 –

	options	2005			September 12, 2013
Plan 12	Stock subscription options	May 4, 2006	87.98	1,285,834	May 5, 2010 – May 5, 2014
Plan 14	Stock subscription options	December 5, 2006	93.86	1,492,906	December 6, 2010 – December 4, 2014
Plan 18	Stock purchase options	April 29, 2011	38.80	480,556	April 30, 2015 – April 28, 2019
Plan 18 bis	Attribution of free shares	April 29, 2011	-	1,110,345 94,800	April 30, 2014 – April 30, 2016 April 30, 2015
Plan 19	Stock purchase options	December 8, 2011	26.87	300,000	December 9, 2015 – December 7, 2019
Plan 19 bis	Attribution of free shares	December 8, 2011	-	550,700 53,200	December 8, 2013 – December 8, 2015 December 8, 2015
Plan 20	Stock purchase options (1)	December 13, 2012	37.43	447,800	December 13, 2016 – December 12, 2020
Plan 20 bis	Attribution of free shares (1)	December 13, 2012	-	593,100 86,800	December 13, 2014 – December 12, 2016 December 13, 2016

(1) Beneficiaries of these plans decided in 2012 were informed of the allocation in early 2013, except for the Chairman and CEO who was allocated 150,000 stock purchase options on December 13, 2012.

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 11 to 20. For stock-option plans, the exercise period then covers four years for plans 11 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 valuation method follows a suitable binomial mathematical model, with exercise of the options anticipated and spread over the exercise period on a straight-line basis. The volatility factor applied is implicit volatility at the grant date. The dividend used is determined by reference to the dividend payout schedule at the time each plan is valued.

The plans have been valued as follows:

N° PLAN	INITIAL VALUE *(thousand of €)*	UNIT FAIR VALUE	EXPENSE FOR 2012 *(€ million)*	EXPENSE FOR 2011 *(€ million)*	SHARE PRICE AT GRANT DATE *(€)*	VOLATILITY	INTEREST RATE	EXERCISE PRICE *(€)*	DURATION OF OPTION	DIVIDEND PER SHARE *(€)*
Plan 11	22,480	14.65	-	-	72.45	23.5%	2.68%	72.98	4-8 years	1.80
Plan 12 (1)	17,324	16.20	-	-	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	(1)	(1)	36.70	37.28%	2.28%	38.80	4-8 years	0.30 – 1.16
Plan 18 bis	28,711	31.04	(9)	(5)	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	26.17	(4)	-	34.18	N/A	1.68%	N/A	2-4 years	1.17 – 1,73
Total	**115,577**		**(14)**	**(6)**						

(1) For these plans, options or free share attribution rights have been awarded at different dates within the stated period. The information reported may correspond to weighted averages based on quantities awarded per grant date.

Note 20 – Provisions

A – Provisions at December 31

(€ million)	**DECEMBER**	**DECEMBER**

	31, 2012	31, 2011
Provisions (other than provisions for pension and other long-term employee obligations)	**1,736**	**1,743**
Provisions for restructuring and workforce adjustment costs	258	368
Provisions for warranty costs	688	675
Provisions for tax risks and litigation	336	284
Provisions related to insurance activities	161	124
Other provisions	293	292
Provisions for pension and other long-term employee benefit obligations	**1,649**	**1,350**
TOTAL PROVISIONS	**3,385**	**3,093**
Provisions – long-term	*2,496*	*2,227*
Provision – short-term	*889*	*866*

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 LITIGATION PROVISIONS	AND INSURANCE ACTIVITIES [1]	OTHER PROVISIONS	TOTAL
At December 31, 2011	**368**	**675**	**284**	**124**	**292**	**1,743**
Increases	68	387	116	56	58	685
Reversals of provisions for application	(131)	(345)	(32)	(19)	(31)	(558)
Reversals of unused balance of provisions	(50)	(24)	(17)	-	(26)	(117)
Changes in scope of consolidation	-	-	-	-	-	-
Translation adjustments and other changes	3	(5)	(15)	-	-	(17)
At December 31, 2012	**258**	**688**	**336**	**161**	**293**	**1,736**

(1) It's mainly about technical reserves of the insurance companies of the sales financing activity.

In 2012, increases to restructuring provisions essentially comprise the effect of workforce adjustment measures in Europe (note 6-A).

Most of the reversals of unused provisions for restructuring relate to the updating of the provision for workforce adjustment measures in France to reflect the terms of departures that took place in 2012 (note 6-A).

At December 31, 2012, other provisions included €28 million of provisions established in application of environmental regulations (€35 million at December 31, 2011). These provisions include expenses related to the EU directive on end-of-life vehicles (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).

As greenhouse gas emissions were lower than the Group's allocated quotas, no associated provisions were booked at December 31, 2012.

C – Provisions for pensions and other long-term employee benefit obligations

C1 – Pension and benefit plans

Pensions and other long-term employee benefit obligations essentially concern current employees. These benefits are covered either by contributions to defined-contribution plans or by defined-benefit plans.

Defined-contribution plans

The Group makes earnings-related payments, in accordance with local custom, to the national organizations responsible for paying pensions and similar financial benefits. There is no actuarial liability concerning these pension arrangements.

The total expense for defined-contribution plans is approximately €578 million in 2012 (€576 million in 2011).

Defined-benefit plans

Provisions are established for this type of plan, mainly concerning indemnities payable upon retirement, but also covering:

- other payments upon retirement and supplementary pensions;
- other long-term benefits, chiefly long-service awards and flexible holiday entitlements;
- healthcare expense coverage.

Defined-benefit plans are sometimes covered by funds which are valued annually based on market value. The value of fund assets, if any, is deducted from the corresponding liability. In view of the amounts involved, the Group's exposure to risk resulting from changes in these fund asset values is low (see note 20-C6).

C2 – Actuarial assumptions

The main actuarial assumptions used for the companies in France, the country accounting for most of the Group's obligations, are the following:

Retirement age	60 to 65 years
Salary increase	3%
Discount rate (1)	2.6%

(1) The rate most frequently used to value the Group's obligations in France is 2.6% in 2012 (4.3% in 2011) However, the rate varies between companies depending on the maturities of obligations.

The weighted average rate of return expected for the Group's principal funds is 4.5% in 2012 (4.9% in 2011). In the UK, where a significant portion of the group's pension funds are invested, the expected rate of return is 5% (5.9% in 2011).

This return is determined based on past returns for each category of assets included in the portfolios.

C3 – Net expense for the year

(€ million)	**2012**	**2011**
Current service cost	93	95
Amortization of past service cost	(3)	(2)
Effect of plan curtailments	(7)	-
Interest cost	75	65
Expected return on fund assets	(18)	(18)
Effects of workforce adjustment measures	-	-
Net expense (income) for the year	**140**	**140**

C4 – Provisions at December 31

(€ million)	**DECEMBER 31, 2012**	**DECEMBER 31, 2011**
French companies	1,416	1,131
Foreign companies	233	219
TOTAL	**1,649**	**1,350**

C5 – Changes in obligations, fund assets and provision

(€ million)	**OBLIGATIONS**	**FUND ASSETS**	**OBLIGATIONS NET OF FUND ASSETS**	**UNRECORDED PAST SERVICE COSTS**	**BALANCE SHEET PROVISION**

Balance at December 31, 2011	**1,752**	**(406)**	**1,346**	**4**	**1,350**
Net expense for the year 2012 (note 20-C3)	160	(18)	142	(2)	140
Benefits paid out	(120)	20	(100)	-	(100)
Contributions to funds	-	(8)	(8)	-	(8)
Actuarial gains (losses)	290	(19)	271	-	271
Translation adjustments	10	(6)	4	-	4
Change in scope of consolidation and other	(8)	-	(8)	-	(8)
Balance at December 31, 2012	**2,084**	**(437)**	**1,647**	**2**	**1,649**

C6 – Breakdown of fund assets

(€ million)	**DECEMBER 31, 2012**	**DECEMBER 31, 2011**
Equities	96	90
Bonds	293	271
Other	48	45
TOTAL FUND ASSETS	**437**	**406**

The weighted average real rate of return expected for the Group's principal funds is 8.1% in 2012. In the UK, where a significant portion of the Group's pension funds are invested, the expected real rate of return for 2012 is 11.5%.
The current best estimate for contributions payable in 2013 is close to €10 million.

C7 – Historical data

(€ million)	**DECEMBER 31, 2012**	**DECEMBER 31, 2011**	**DECEMBER 31, 2010**	**DECEMBER 31, 2009**	**DECEMBER 31, 2008**
Obligations not covered by funds	1,487	1,206	1,119	1,045	977
Obligations covered by funds	597	546	513	447	376
Total obligations (A)	2,084	1,752	1,632	1,492	1,353
Value of fund assets (B)	437	406	392	347	307
Funding status (B) – (A)	**(1,647)**	**(1,346)**	**(1,240)**	**(1,145)**	**(1,046)**
Actuarial gains and losses on obligations recorded in equity during the year (before tax)	**(290)**	**(23)**	**(38)**	**(66)**	**44**
Actuarial gains and losses on fund assets recorded in equity during the year (before tax)	**19**	**(1)**	**19**	**12**	**(47)**

The cumulative actuarial net-of-tax gains and losses (excluding the associates' share) included in Other components of comprehensive income is a loss of €546 million at December 31, 2012 (loss of €278 million at December 31, 2011).

Note 21 – Other current and non current liabilities

	DECEMBER 31, 2012			**DECEMBER 31, 2011**		
(€ million)	**NON-CURRENT**	**CURRENT**	**TOTAL**	**NON-CURRENT**	**CURRENT**	**TOTAL**
Tax liabilities (excluding current taxes)	170	855	1,025	308	819	1,127
Social liabilities	17	1,555	1,572	15	1,599	1,614
Other liabilities	262	3,846	4,108	255	3,555	3,810
Deferred income	395	545	940	146	559	705
Derivatives on operating	-	4	4	-	2	2

transactions of the Automotive segment						
TOTAL	**844**	**6,805**	**7,649**	**724**	**6,534**	**7,258**

Other liabilities mainly correspond to deferred income recorded in connection with sales contracts including a buy-back commitment.

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

	DECEMBER 31, 2012			DECEMBER 31, 2011		
(€ million)	**NON-CURRENT**	**CURRENT**	**TOTAL**	**NON-CURRENT**	**CURRENT**	**TOTAL**
Investments in non-controlled entities	788	-	788	699	-	699
Marketable securities and negotiable debt instruments	-	171	171	-	88	88
Loans	68	622	690	89	329	418
Derivative assets on financing operations by the Automotive segment	176	196	372	280	827	1,107
TOTAL FINANCIAL ASSETS	**1,032**	**989**	**2,021**	**1,068**	**1,244**	**2,312**
Gross value	*1,033*	*1,002*	*2,035*	*1,069*	*1,257*	*2,326*
Impairment	*(1)*	*(13)*	*(14)*	*(1)*	*(13)*	*(14)*
Cash equivalents	-	3,647	3,647	-	118	118
Cash on hand and bank deposits	-	7,533	7,533	-	8,554	8,554
TOTAL CASH AND CASH EQUIVALENTS	**-**	**11,180**	**11,180**	**-**	**8,672**	**8,672**

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 €680 million (€558 million at December 31, 2011) 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, 2012, the stock market price (41.32 euros per share) was higher than the acquisition price (35.52 euros per share). The corresponding increase in value, amounting to €122 million, is recorded in other components of comprehensive income of 2012.
Investments in non-controlled entities also include €69 million at December 31,2012 (€103 million at December 31, 2011) paid to the Modernization Fund for Automotive Equipment Manufacturers (*Fonds de Modernisation des Équipementiers Automobiles* - FMEA), as part of the support plan for these suppliers introduced by the French authorities and automakers. 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 2012, the decline in their fair value was considered durable, and was recognized in other financial expenses in the amount of €46 million at December 31, 2012.

A2 – Non-available cash and cash equivalents

The Group has liquidities in countries where repatriation of funds can be complex for regulatory or political reasons. In most of these countries, such funds are used locally for industrial purposes.

As a result of repatriation difficulties linked to foreign exchange controls in Iran, the cash and cash equivalents of Renault Pars were reclassified as current financial assets at December 31, 2012 (€158 million at December 31, 2012 compared to €196 million at December 31, 2011) (note 6-D1).

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	-	-	788	788	-	788
Marketable securities and negotiable debt instruments	-	-	171	171	-	171
Loans	-	-	-	-	690	690
Derivative assets 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**
Investments in non-controlled entities	-	-	699	699	-	699
Marketable securities and negotiable debt instruments	-	-	88	88	-	88
Loans	-	-	-	-	418	418
Derivative assets on financing operations by the Automotive segment	991	116	-	1,107	-	1,107
TOTAL FINANCIAL ASSETS AT DECEMBER 31, 2011	**991**	**116**	**787**	**1,894**	**418**	**2,312**
Cash equivalents	82	-	36	118	-	118
Cash	-	-	-	-	8,554	8,554
TOTAL CASH AND CASH EQUIVALENTS AT DECEMBER 31, 2011	**82**	**-**	**36**	**118**	**8,554**	**8,672**

(1) Including derivatives not designated as hedges for accounting purposes.

No financial assets were reclassified between categories in 2012 (or 2011).

The fair value of loans is €707 million at December 31, 2012 (€431 million at December 31, 2011). For loans with original maturity of less than three months and floating-rate loans, the value recorded in the assets in the statement of financial position is considered to be the fair value. Other fixed-rate loans have been measured by discounting future cash flows using the rates offered to Renault at December 31, 2012 and December 31, 2011 for loans with similar conditions and maturities.

The fair value of cash is equal to its net book value, due to its short-term maturity.

Note 23 – Financial liabilities and sales financing debts

A – Current/non-current breakdown

	DECEMBER 31, 2012			DECEMBER 31, 2011		
(€ million)	NON-CURRENT	CURRENT	TOTAL	NON-CURRENT	CURRENT	TOTAL
Renault SA redeemable shares	249	-	249	231	-	231
Bonds	4,525	1,249	5,774	3,895	1,131	5,026
Other debts represented by a certificate	-	158	158	-	200	200
Borrowings from credit institutions (at amortized cost)	787	1,455	2,242	1,049	1,029	2,078
Borrowings from credit institutions (at fair value)	220	-	220	222	-	222
Other interest-bearing borrowings	521	53	574	512	72	584
Financial liabilities of the Automotive segment (excluding derivatives)	**6,302**	**2,915**	**9,217**	**5,909**	**2,432**	**8,341**
Derivative liabilities on financing operations of the Automotive segment	60	179	239	157	798	955
Total financial liabilities of the Automotive segment	**6,362**	**3,094**	**9,456**	**6,066**	**3,230**	**9,296**
DIAC redeemable shares	9	-	9	10	-	10
Bonds	-	11,513	11,513	-	10,767	10,767
Other debts represented by a certificate	251	6,785	7,036	251	6,918	7,169
Borrowings from credit institutions	-	3,930	3,930	-	4,133	4,133
Other interest-bearing borrowings	-	973	973	-	87	87
Total financial liabilities and debts of the Sales Financing segment (excluding derivatives)	**260**	**23,201**	**23,461**	**261**	**21,905**	**22,166**
Derivative liabilities on financing operations of the Sales Financing segment	-	104	104	-	91	91
Financial liabilities and debts of the Sales Financing segment	**260**	**23,305**	**23,565**	**261**	**21,996**	**22,257**
TOTAL FINANCIAL LIABILITIES AND SALES FINANCING DEBTS	**6,622**	**26,399**	**33,021**	**6,327**	**25,226**	**31,553**

Redeemable shares

The redeemable shares issued in October 1983 and April 1984 by Renault SA are subordinated perpetual shares. They earn a minimum annual return of 9% comprising a fixed portion 6.75% and a variable portion that depends on consolidated revenues and is calculated based on identical Group structure and methods. The return on redeemable shares, amounting to €17 million for 2012 (€17 million for 2011), is included in interest expenses.

These shares are listed on the Paris Stock Exchange, and traded for €290 at December 31, 2011 and €312 at December 31, 2012 for par value of €153, leading to a corresponding €18 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 2012, Renault SA redeemed bonds issued between 2005 and 2010 for a total of €1,073 million, and undertook new bonds issues totalling €1,952 million with maturities between 2013 and 2017.
RCI Banque also redeemed bonds for a total of €2,765 million in 2012, and issued new bonds totalling €3,509 million and maturing between 2013 and 2017.

€180 million loan from the European Investment Bank

In 2012, the European Investment Bank granted Renault a new four-year loan of €180 million.

Credit lines

At December 31, 2012, Renault SA had confirmed credit lines opened with banks worth €3,485 million (€3,810 million at December 31, 2011). The short-term portion amounted to €355 million at December 31, 2012 (€880 million at December 31, 2011). These credit lines had not been used at December 31, 2012 (or in 2011).
Sales financing's confirmed credit lines opened in several currencies with banks amounted to €4,696 million (€4,589 million at December 31, 2011). The short-term portion amounted to €657 million at December 31, 2012 (€507 million at December 31, 2011). These credit lines were unused at December 31, 2012 (or in 2011).
The contractual documentation for financial liabilities and confirmed credit lines contains no clause that could affect the continued supply of credit in the event of any change in Renault's credit rating or financial ratio compliance.

B – Breakdown by category of financial instrument and fair value

	INSTRUMENTS STATED AT FAIR VALUE				INSTRUMENTS STATED AT AMORTIZED COST[(2)]		
DECEMBER 31, 2012 *(€ million)*	**INSTRUMENTS HELD FOR TRADING [(1)]**	**HEDGING DERIVATIVES**	**INSTRUMENTS DESIGNATED FROM INITIAL RECOGNITION AS AT FAIR VALUE**	**TOTAL INSTRUMENTS STATED AT FAIR VALUE**	**BALANCE SHEET VALUE**	**FAIR VALUE**	**BALANCE SHEET VALUE**
Renault SA redeemable shares	-	-	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
Derivative liabilities 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	6,828	7,036
Borrowings from	-	-	-	-	3,930	3,984	3,930

credit institutions							
Other interest-bearing borrowings	-	-	-	-	973	973	973
Derivative liabilities 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**	**23,467**	**23,565**

(1) Including derivatives not classified as hedges for accounting purposes.
(2) Including financial liabilities subject to fair value hedges.

DECEMBER 31, 2011 *(€ million)*	INSTRUMENTS STATED AT FAIR VALUE				INSTRUMENTS STATED AT AMORTIZED COST[(2)]		
	INSTRUMENTS HELD FOR TRADING [(1)]	HEDGING DERIVATIVES	INSTRUMENTS DESIGNATED FROM INITIAL RECOGNITION AS AT FAIR VALUE	TOTAL INSTRUMENTS STATED AT FAIR VALUE	BALANCE SHEET VALUE	FAIR VALUE	BALANCE SHEET VALUE
Renault SA redeemable shares	-	-	231	231	-	-	231
Bonds	-	-	-	-	5,026	5,057	5,026
Other debts represented by a certificate	-	-	-	-	200	200	200
Borrowings from credit institutions	-	-	222	222	2,078	2,082	2,300
Other interest-bearing borrowings	-	-	-	-	584	584	584
Derivative liabilities on financing operations of the Automotive segment	950	5	-	955	-	-	955
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENT	**950**	**5**	**453**	**1,408**	**7,888**	**7,923**	**9,296**
DIAC redeemable shares	-	-	10	10	-	-	10
Bonds	-	-	-	-	10,767	10,600	10,767
Other debts represented by a certificate	-	-	-	-	7,169	7,197	7,169
Borrowings from credit institutions	-	-	-	-	4,133	4,112	4,133
Other interest-bearing borrowings	-	-	-	-	87	87	87
Derivative liabilities on financing operations of the Sales Financing segment	42	49	-	91	-	-	91
FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT	**42**	**49**	**10**	**101**	**22,156**	**21,996**	**22,257**

(1) Including derivatives not classified as hedges for accounting purposes.
(2) Including financial liabilities subject to fair value hedges.

The fair value of financial liabilities and debts of the Sales Financing segment stated at amortized cost is essentially determined by discounting future cash flows at rates offered to Renault at December 31, 2012 and 2011 for loans with similar conditions and maturities.

C – Breakdown by maturity

For financial liabilities including derivatives, contractual flows are similar to the expected flows and correspond to the amounts to be paid.

For floating-rate financial instruments, interest is calculated using interest rates as at December 31, 2012.

No contractual flows are reported for Renault and Diac redeemable shares as they have no fixed redemption date.

C1 – Financial liabilities of the Automotive segment

	DECEMBER 31, 2012							
(€ million)	BALANCE SHEET VALUE	TOTAL CONTRACTUAL FLOWS	-1 YR	1 - 2 YRS	2 - 3 YRS	3 - 4 YRS	4 - 5 YRS	+5 YRS
Bonds issued by Renault SA (by issue date)								
2003	41	41	-	41	-	-	-	-
2006	539	528	500	28	-	-	-	-
2007	66	66	-	56	-	-	10	-
2008	406	406	406	-	-	-	-	-
2009	747	750	-	750	-	-	-	-
2010	1,282	1,292	142	-	650	-	500	-
2011	733	698	136	62	-	500	-	-
2012	1,908	1,892	-	704	88	250	850	-
Accrued interest, expenses and premiums	52	57	57	-	-	-	-	-
Total bonds	**5,774**	**5,730**	**1,241**	**1,641**	**738**	**750**	**1,360**	**-**
Other debts represented by a certificate	158	158	158	-	-	-	-	-
Borrowings from credit institutions	2,462	2,458	1,454	256	201	220	236	91
Other interest-bearing borrowings	574	780	84	26	16	9	309	336
Total other financial liabilities	**3,194**	**3,396**	**1,696**	**282**	**217**	**229**	**545**	**427**
Future interest on bonds and other financial liabilities	**-**	**719**	**172**	**193**	**109**	**63**	**141**	**41**
Redeemable shares	**249**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Derivative liabilities on financing operations	**239**	**235**	**178**	**6**	**11**	**37**	**3**	**-**
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENT	**9,456**	**10,080**	**3,287**	**2,122**	**1,075**	**1,079**	**2,049**	**468**

The portion of financial liabilities of the Automotive segment maturing within one year breaks down as follows:

	DECEMBER 31, 2012			
(€ million)	CONTRACTUAL FLOWS MATURING WITHIN 1 YEAR	-1 MONTH	1-3 MONTHS	3 MONTHS – 1 YEAR
Bonds	1,241	46	85	1,110
Other financial liabilities	1,696	370	586	740
Future interest on bonds and other financial liabilities	172	3	34	135
Derivative liabilities on financing operations	178	81	36	61
TOTAL FINANCIAL LIABILITIES MATURING WITHIN 1 YEAR	**3,287**	**500**	**741**	**2,046**

C2 – Financial liabilities and debts of the Sales Financing segment

(€ million)								DECEMBER 31, 2012
	BALANCE SHEET VALUE	TOTAL CONTRACTUAL FLOWS	-1 YR	1 - 2 YRS	2 - 3 YRS	3 - 4 YRS	4 - 5 YRS	+5 YRS
Bonds issued by RCI Banque (year of issue)								
2005	10	10	-	-	10	-	-	-
2006	13	11	-	-	11	-	-	-
2010	2,803	2,751	1,406	-	618	727	-	-
2011	4,977	4,815	485	2,491	618	1,221	-	-
2012	3,505	3,481	369	934	1,221	223	734	-
Accrued interest, expenses and premiums	205	241	241	-	-	-	-	-
Total bonds	**11,513**	**11,309**	**2,501**	**3,425**	**2,478**	**2,171**	**734**	**-**
Other debts represented by a certificate	7,036	7,036	4,660	965	882	3	526	-
Borrowings from credit institutions	3,930	3,923	1,959	994	746	216	8	-
Other interest-bearing borrowings	973	973	973	-	-	-	-	-
Total other financial liabilities	**11,939**	**11,932**	**7,592**	**1,959**	**1,628**	**219**	**534**	**-**
Future interest on bonds and other financial liabilities	**-**	**1,323**	**494**	**410**	**270**	**110**	**39**	**-**
Redeemable shares	**9**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Derivative liabilities on financing operations	**104**	**96**	**69**	**20**	**6**	**1**	**-**	**-**
TOTAL FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT	**23,565**	**24,660**	**10,656**	**5,814**	**4,382**	**2,501**	**1,307**	**-**

The portion of financial liabilities and debts of the Sales Financing segment maturing within one year breaks down as follows:

				DECEMBER 31, 2012
(€ million)	CONTRACTUAL FLOWS MATURING WITHIN 1 YEAR	-1 MONTH	1-3 MONTHS	3 MONTHS – 1 YEAR
Bonds	2,501	604	68	1,829
Other financial liabilities	7,592	4,049	1,277	2,266
Future interest on bonds and other financial liabilities	494	14	32	448
Derivative liabilities on financing operations	69	11	10	48
TOTAL FINANCIAL LIABILITIES MATURING WITHIN 1 YEAR	**10,656**	**4,678**	**1,387**	**4,591**

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 a listed price in an active market;
- level 2: instruments whose fair values are derived from observable market prices and are not included in Level 1;
- level 3: instruments whose fair values are derived from data not observable on the market.

	DECEMBER 31, 2012			
(€ million)	**FAIR VALUE IN BALANCE SHEET**	**LEVEL 1**	**LEVEL 2**	**LEVEL 3**
Investments in non-controlled entities	788	680	-	108
Marketable securities and negotiable debt instruments	171	60	111	-
Derivative assets on financing operations by the Automotive segment	372	-	372	-
Derivative assets on transactions undertaken for operating purposes by the Automotive segment	1	-	1	-
Derivative assets on financing operations by the Sales Financing segment	332	-	332	-
Cash equivalents	132	132	-	-
Financial instruments stated at fair value in the balance sheet assets	**1,796**	**872**	**816**	**108**
Renault SA redeemable shares	249	249	-	-
Borrowings from credit institutions by the Automotive segment	220	-	220	-
Derivative liabilities on transactions undertaken for financing purposes by the Automotive segment	239	-	239	-
Derivative liabilities on transactions undertaken for operating purposes by the Automotive segment	4	-	4	-
DIAC redeemable shares	9	9	-	-
Derivative liabilities on financing operations of the Sales Financing segment	104	-	104	-
Financial instruments stated at fair value in the balance sheet liabilities	**825**	**258**	**567**	**-**

Estimated fair values are based on information available on the markets and arrived at using valuation methods appropriate to the types of instrument in question. However, the methods and assumptions used are by nature theoretical, and judgment plays a major role in interpreting market data.
Fair values have been determined on the basis of information available at the end of the year and do not therefore take account of subsequent movements.
In general, the valuation methods for each level are as follows:
- level 1: fair value is identical to the most recent listed price;
- level 2: fair value is generally determined by recognized valuation models that use observable market data;
- level 3: the fair value of investments in non-controlled companies is based on the share of net assets.

In 2012 no financial instruments were transferred between Level 1 and Level 2, or into or out of Level 3.

B – Changes in Level 3 financial instruments
Level 3 financial instruments amounted to €108 million at December 31, 2012. They decreased by €33 million over the year, essentially due to impairment of €46 million on shares in the Modernization Fund for Automotive Equipment Manufacturers (*Fonds de Modernisation des Équipementiers Automobiles* - FMEA) (note 22-A1).

C – Impact of financial instrument on net income

2012 *(€ MILLION)*	FINANCIAL ASSETS OTHER THAN DERIVATIVES INSTRUMENTS HELD FOR TRADING	AVAILABLE-FOR-SALE INSTRUMENTS	LOANS AND RECEIVABLES	FINANCIAL LIABILITIES OTHER THAN DERIVATIVES INSTRUMENTS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT AND LOSS	INSTRUMENTS STATED AT AMORTIZED COST [(1)]	DERIVATIVES	TOTAL IMPACT ON NET INCOME
Interest income	-	-	147	-	-	37	184
Interest expenses	-	-	-	(17)	(423)	(11)	(451)
Change in fair value	-	(45)	5	(18)	2	12	(44)
Impairment	-	-	1	-	-	-	1
Dividends	-	39	-	-	-	-	39
Gains (losses) on sale	-	-	2	-	-	-	2
Net foreign exchange gains and losses	25	-	(2)	-	(347)	-	(324)
TOTAL IMPACT ON NET INCOME - AUTOMOTIVE SEGMENT	**25**	**(6)**	**153**	**(35)**	**(768)**	**38**	**(593)**
Including:							
operating margin	-	-	*42*	-	*(103)*	*(3)*	*(64)*
other operating income and expenses	-	-	*(47)*	-	*(243)*	-	*(290)*
net financial income (expense)	*25*	*(6)*	*158*	*(35)*	*(422)*	*41*	*(239)*
Interest income	-	1	1,612	-	-	112	1,725
Interest expenses	-	-	-	-	(1,127)	(90)	(1,217)
Change in fair value	-	-	-	-	(66)	64	(2)
Impairment	-	(2)	(59)	-	-	-	(61)
Dividends	-	-	-	-	-	-	-
Gains (losses) on sale	-	-	-	-	-	-	-

Net foreign exchange gains and losses	-	-	-	-	-	-	-
TOTAL IMPACT ON NET INCOME - SALES FINANCING SEGMENT	**-**	**(1)**	**1,553**		**(1,193)**	**86**	**445**
Including :							
operating margin	-	*(1)*	*1,553*	-	*(1,193)*	*86*	*445*
other operating income and expenses	-	-	-	-	-	-	-
net financial income (expense)	-	-	-	-	-	-	-
TOTAL GAINS AND LOSSES WITH IMPACT ON NET INCOME	**25**	**(7)**	**1,706**	**(35)**	**(1,961)**	**124**	**(148)**

(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)	**2012**	**2011**
Change in fair value of the hedging instrument	51	212
Change in fair value of the hedged item	(22)	(211)
Net impact on net income of fair value hedges	**29**	**1**

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 – Fair value of derivatives

The fair value of derivatives corresponds to their balance sheet value.

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**

DECEMBER 31,	**FINANCIAL ASSETS**	**OTHER**	**FINANCIAL LIABILITIES**	**OTHER**

2011 *(€ million)*			ASSETS	AND SALES FINANCING	DEBTS	LIABILITIES
	NON-CURRENT	CURRENT	CURRENT	NON-CURRENT	CURRENT	CURRENT
Cash flow hedges	-	-	-	-	1	2
Fair value hedges	-	5	124	-	(4)	-
Hedge of the net investment in Nissan	-	-	-	-	-	-
Derivatives not classified as hedges and derivatives held for trading	-	426	26	-	489	-
TOTAL FOREIGN EXCHANGE RISK	**-**	**431**	**150**	**-**	**486**	**2**
Cash flow hedges	6	-	64	3	52	-
Fair value hedges	87	18	96	-	1	-
Derivatives not classified as hedges and derivatives held for trading	187	378	-	154	350	-
TOTAL INTEREST RATE RISK	**280**	**396**	**160**	**157**	**403**	**-**
Cash flow hedges	-	-	-	-	-	-
Fair value hedges	-	-	-	-	-	-
Derivatives not classified as hedges and derivatives held for trading	-	-	-	-	-	-
TOTAL COMMODITY RISK	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**280**	**827**	**310**	**157**	**889**	**2**

The Renault Group's specialist subsidiary Renault Finance handles the Automotive segment's short-term interbank investments. It is also Nissan's counterparty in derivatives trading to hedge exchange, interest rate and commodity risks.
The fair values of derivatives reported in the Group's consolidated financial position assets and liabilities mainly relate to Renault Finance's business conducted on its own behalf and its transactions with Renault and Nissan subsidiaries.

B – Management of financial risks
The Group is exposed to the following financial risks:
- liquidity risks;
- market risks (foreign exchange, interest rate, equity and commodity risks);
- counterparty risks;
- credit risks (notes 16 and 17).

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 centralised cash management policy, Renault SA handles most refinancing for the Automotive segment through long-term resources via the capital markets (bond issues and private placements), short-term financing such as treasury notes, or project financing via the banking sector or semi-public bodies.

Medium-term refinancing for the Automotive segment in 2012 was mostly provided by a 5-year bond totalling €1,355 million as part of Renault SA's EMTN programme (including €1,100 million of issues in euros) and 2-year "Shelf documentation" issues on the Japanese market for an amount of 62.4 billion yen.

The European Investment Bank approved a new loan of €180 million to Renault.

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.

Renault also has confirmed credit lines opened with banks worth €3,485 million, maturing at various times up to 2017. None of these credit lines was used in 2012. These confirmed credit lines form a liquidity reserve for the Automotive segment, and act partly as backup lines of credit for short-term commercial paper issues.

The contractual documentation for these confirmed bank credit facilities contains no clause that might adversely affect credit availability or continuation as a result of a change in Renault's credit rating or financial ratio compliance.

Given its available cash reserves (€10.1 billion) and confirmed credit lines unused at year-end (€3.5 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 2012, despite the sovereign debt crisis in the Euro zone and intervention by the European authorities, risk aversion declined in the second half of the year, leading to tighter credit spreads.

RCI Banque took advantage of favourable conditions on the debt market to continue its diversification strategy for sources of financing.

On the bond market, the Group raised the equivalent of €3.2 billion through its traditional markets (four bonds issues in euros and one in Swiss francs), and also in new currencies (public issues in Norwegian kroner, Swedish kronor and Australian dollars, and a private placement in Czech crowns). The Group also made regular issues on the bond markets in Argentina, Brazil and particularly Korea, where it issued several bonds in Won in 2012 amounting to a total of €300 million.

On the structured financing segment, the French securitization programme comprises three separate securitization funds dedicated respectively to securitization issues self-subscribed by RCI Banque, which are eligible for ECB monetary policy operations, and issues of fixed-rate and floating-rate bonds in public placements, totalling €750 million and €700 million respectively.

In Italy, after a self-underwritten securitization issue of €619 million in the first half-year, a further €300 million was raised by conduit financing.

These long-term resources, plus the €4.4 billion of undrawn confirmed credit lines and €1.9 billion of available liquid receivables that can be redeemed at European Central Bank, are sufficient to fund ongoing commercial business for 12 months assuming a total lack of new exterior resources.

To diversify its sources of financing, the Group launched a savings account in February 2012 intended for the general public in France. Savings collected amounted to €893 million at December 31, 2012, thus reducing the extent of market financing.

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 or centralised by Renault's Cash and Financing department.

It is Renault's general policy not to hedge operating future cash flows in foreign currencies. As a result, the Group's operating margin is exposed to foreign exchange risks. The main exceptions authorized by the General Management in 2012 concerned a foreign exchange hedge that partly hedges sales revenues in pounds sterling, a foreign exchange hedge that partly hedges the risk of the Argentinian peso against the US dollar, and a partial hedge of purchases in Turkish lira.

The foreign exchange risk on working capital had a significant impact on the Group's consolidated financial statements via Renault Pars (Iran)'s commercial debt in euros to Renault sas. The exceptional devaluation of the rial in 2012 resulted in a foreign exchange loss of €304 million, which was recorded in other operating income and expenses (note 6).
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 110 billion yen at December 31, 2012 (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 2012, RCI Banque's consolidated foreign exchange position reached €3 million.
The Group made no major changes to its foreign exchange risk management policy in 2012.

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 €10 million at December 31, 2012, chiefly resulting from yen bond issues associated with the partial hedge of the investment in Nissan. This impact is offset by the opposite variation in the translation adjustment on the value of the investment in Nissan (note 19). The estimated impact on net income at December 31, 2012 is not significant.

Currency derivatives

	DECEMBER 31, 2012				DECEMBER 31, 2011			
(€ million)	NOMINAL	-1 YR	1 - 5 YRS	+5 YRS	NOMINAL	-1 YR	1 - 5 YRS	+5 YRS
Currency swaps – purchases	1,855	896	959	-	2,887	1,687	1,200	-
Currency swaps - sales	1,842	852	990	-	2,669	1,601	1,068	-
Forward purchases	15,106	15,106	-	-	20,771	20,771	-	-
Forward sales	15,103	15,103	-	-	20,794	20,794	-	-
Forward purchases – Future cash flows	-	-	-	-	100	100	-	-
Forward sales – Future cash flows	-	-	-	-	202	202	-	-

B3 – Interest rate risk

Interest rate risk management

The Renault group's exposure to interest rate risk mainly concerns the sales financing business of RCI Banque and its subsidiaries. Customer loans are generally issued at fixed interest rates, for durations of between 12 and 72 months. Dealer credit is issued at floating rates for durations of less than 12 months.
Interest rate risk is monitored using a methodology common to the entire RCI group, to allow overall management of interest rate risks at consolidated group level. Exposure is assessed daily and hedging is systematic, using swaps to convert floating-rate liabilities to fixed-rate liabilities (cash flow hedges). The objective for each subsidiary is to hedge all risks in order to protect the sales margin.

The Automotive segment's interest rate risk management policy applies two 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 2012.

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 this 100 base point rise in interest rates over a one-year period to financial instruments reported in the closing balance sheet.
The impact on equity corresponds to the change in fair value of available-for-sale fixed-rate financial assets and cash flow hedges after a 100 base point rise in interest rates. All other impacts affect net income
Calculation of the individual segments' sensitivity to interest rates includes intersegment loans and borrowings.
For the Automotive segment, the impact on net income and shareholders' equity (before taxes) of a 100 base point rise in interest rates applied to financial instruments exposed to interest rate risks would be positive by €59 million and €2 million respectively at December 31, 2012.
For the Sales Financing segment, the impact on net income and equity (before taxes) of a 100 base point rise in interest rates applied to financial instruments exposed to interest rate risks would be a negative €39 million and a positive €31 million respectively at December 31, 2012. 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, 2012**	**DECEMBER 31, 2011**
Fixed rate	19,085	17,615
Floating rate	13,593	12,892
TOTAL FINANCIAL LIABILITIES AND SALES FINANCING DEBTS (EXCLUDING DERIVATIVES)	**32,678**	**30,507**

Interest rate derivatives

	DECEMBER 31, 2012				**DECEMBER 31, 2011**			
(€ million)	**NOMINAL**	**-1 YR**	**1-5 YEARS**	**+5 YRS**	**NOMINAL**	**-1 YR**	**1-5 YEARS**	**+5 YRS**
Interest rate swaps	20,260	9,515	10,745	-	32,994	16,150	16,816	28
FRAs	-	-	-	-	1	1	-	-
Other interest rate hedging instruments	-	-	-	-	10	-	10	-

B4 – Equity risks

Management of equity risks

The Group's exposure to equity risks essentially concerns the Daimler shares acquired in connection with the cooperation agreements, and marketable securities indexed to share prices. The Group does not use equity derivatives to hedge this risk.
The Group made no major changes to its equity risk management policy in 2012.

Analysis of sensitivity of financial instruments to equity risks

The sensitivity to equity risks resulting from application of a 10% decrease in share prices to the financial assets concerned at year-end would have an unfavourable impact of €70 million on shareholders' equity. The impact on net income is not significant at December 31, 2012.

B5 – Commodity risks

Management of commodity risks

Renault's Purchases department may hedge part of its commodity risks using financial instruments such as forward purchase contracts, purchase options and tunnel contracts. These hedges concern physical purchasing operations required by the factories, and are subject to volume and time constraints.

There were no commodity hedges outstanding at December 31, 2012 for the Automotive segment business.

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 main exception is Iran.

The Group is not subject to any significant risk concentration for its operations on the financial and banking markets.

No losses were recorded in 2012 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)	**2012**	**2011**
Net allocation to provisions	82	(193)
Net effects of sales financing credit losses	(63)	(86)
Net (gain) loss on asset disposals [1]	(928)	(136)
Change in fair value of redeemable shares	18	(32)
Change in fair value of other financial instruments	30	(10)
Deferred taxes	55	100
Other	18	(3)
OTHER INCOME AND EXPENSES WITH NO IMPACT ON CASH	**(788)**	**(360)**

(1) Including the €924 million gain on sale of the AB Volvo shares in 2012.

B – Change in working capital

(€ million)	**2012**	**2011**
Decrease (increase) in net inventories	495	152
Decrease (increase) in Automotive net receivables	(10)	22
Decrease (increase) in other assets	(406)	(258)
Increase (decrease) in trade payables	451	(181)
Increase (decrease) in other liabilities	467	471
INCREASE (DECREASE) IN WORKING CAPITAL	**997**	**206**

C – Capital expenditure

(€ million)	**2012**	**2011**
Purchases of intangible assets	(902)	(888)
Purchases of property, plant and equipment (other than assets leased to customers)	(2,274)	(1,898)
Total purchases for the period	**(3,176)**	**(2,786)**
Deferred payments	329	331
TOTAL CAPITAL EXPENDITURE	**(2,847)**	**(2,455)**

D – Interest received and paid by the Automotive segment

(€ million)	**2012**	**2011**
Interest received	178	193
Interest paid	(391)	(501)
INTEREST RECEIVED AND PAID	**(213)**	**(308)**

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)	**2012**	**2011**
Basic salary	1.2	1.2
Performance-related remuneration	1.0	1.6

Employer's social security charges	0.8	1.0
Complementary pension	0.5	0.5
Other components of remuneration	0.1	0.1
Total remuneration excluding stock-options	**3.6**	**4.4**
Stock-option plans	0.3	0.1
Stock-option plans – effect of cancellations	-	-
Total remuneration under stock-option plans	**0.3**	**0.1**
Chairman and Chief Executive Officer	**3.9**	**4.5**

Directors' fees amounted to €1,131,000 in 2012 (€870,629 in 2011), of which €48,000 were paid for the Chairman's functions (€36,000 in 2011).

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)	**2012**	**2011**
Basic salary	4.0	3.8
Retirement indemnities	1.0	-
Performance-related salary	2.6	1.2
Employer's social security charges	3.1	2.4
Complementary pension	2.0	0.7
Other	0.5	0.2
Total remuneration excluding stock-options	**13.2**	**8.3**
Stock-option plans	1.6	0.8
Stock-option plans – effect of cancellations	-	-
Total remuneration under stock-option plans	**1.6**	**0.8**
Executive Committee members (other than the Chairman and CEO)	**14.8**	**9.1**

B – Renault's investments in associates

Details of Renault's investments in Nissan, AB Volvo and AVTOVAZ are provided respectively in notes 13, 14-A and 14-B.

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 personnel benefits, litigations, etc.). Details of off-balance sheet commitments and contingencies 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, 2012**	**DECEMBER 31, 2011**
Sureties, endorsements and guarantees given (1)	229	220
Financing commitments in favor of customers (2)	1,465	1,627
Firm investment orders	612	784
Lease commitments	396	229
Assets pledged, provided as guarantees or mortgaged and other commitments (3)	124	126

(1) Including €10 million of financial guarantees at December 31, 2012 which could be called in immediately after the year-end.
(2) Confirmed credit lines opened for customers by the Sales Financing segment lead to a maximum payment of this amount within 12 months after the year-end.
(3) Assets pledged, provided as guarantees or mortgaged mainly concern guarantees of financial liabilities, provided by Renault Samsung Motors when it was acquired by Renault in 2000.

Lease commitments include rent from non-cancellable leases. The breakdown is as follows:

(€ million)	**DECEMBER 31, 2012**	**DECEMBER 31, 2011**
Less than 1 year	26	42
Between 1 and 5 years	212	142
More than 5 years	158	45
TOTAL	**396**	**229**

A2 – Special operations

End-of-life vehicles

Under EC Directive 2000/53/EC concerning end-of-life vehicles, published in September 2000, EU member states will be obliged to take measures to ensure that:

- vehicles at the end of their useful life can be transferred to an approved processing centre free of charge to the last owner;
- specific progressive targets are met concerning the re-use rate for vehicle components, with priority given to recycling, and the value of components that can be re-used.

Since January 1, 2007, this Directive has concerned all vehicles on the road.
The Group establishes provisions in relation to the corresponding cost on a country-by-country basis, as the Directive is incorporated into national laws and when the procedures for recycling operations are defined. These provisions are regularly reviewed to ensure they take account of changes in each country's situation.
For countries where the legislation is not yet complete, until the laws are in existence, it is impossible to accurately determine whether the Group will have to bear a residual cost.

Used batteries

In all countries where electric vehicles are sold, Renault generally applies a recycling policy for Lithium-Ion traction batteries. This policy includes the obligations laid down in the Battery Directive 2006/66/EC, and Renault ensures that a network exists to collect and process electric vehicle batteries, free of charge to the last owner of the batteries.
The professionals involved in this network must provide proof that they apply best practices as regards environmental protection and health and safety for local populations.
No provision has been established for battery recycling as the Group cannot currently reliably determine whether it would have to bear any residual cost.

Other commitments

Disposals of subsidiaries or businesses by the Group generally include representations and warranties in the buyer's favor. At December 31, 2012, 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. Exercising 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. Tax adjustments are recorded as provisions in the financial statements. Contested tax adjustments are recognized on a case-by-case basis, taking into account the risk that the proceedings or appeal may be unsuccessful.

B – Off-balance sheet commitments received and contingent assets

(€ million	**DECEMBER 31, 2012**	**DECEMBER 31, 2011**
Sureties, endorsements and guarantees given	1,872	1,360
Assets pledged or mortgaged (1)	2,290	2,127
Buy-back commitments (2)	1,791	1,656
Other commitments	31	57

(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 €2,248 million at December 31, 2012 (€2,078 million at December 31, 2011).

(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 audit fees for Group's statutory auditors and their networks were as follows:

Ernst & Young network

	2012		2011		2012/2011	
(€ thousands)	**AMOUNT EXCLUDING VAT**	**%**	**AMOUNT EXCLUDIN G VAT**	**%**	**AMO UNT**	**%**
Audit						
Statutory audit, certification, review of individual and consolidated accounts						
- Issuer (1)	2,687	46.6%	2,288	44.1 %	399	17.4 %
- Fully consolidated subsidiaries	2,386	41.3%	2,451	47.2 %	(65)	-2.7 %
Other inspections and services directly linked to the statutory auditor's mission						
- Issuer (1)	238	4.1%	293	5.6%	(55)	-18.8 %
- Fully consolidated subsidiaries	380	6.6%	88	1.7%	292	331.8 %
SUBTOTAL : AUDIT	**5,691**	**98.6%**	**5,120**	**98.6%**	**571**	**11.1%**
Other network services for the fully consolidated subsidiaries						
- Legal, tax, labour-related	83	1.4%	70	1.4%	13	18.6 %
- Other	-	-	-	-	-	-
SUBTOTAL : OTHER SERVICES	**83**	**1.4%**	**70**	**1.4%**	**13**	**18.6%**
TOTAL FEES	**5,774**	**100%**	**5,190**	**100%**	**584**	**11.2%**

(1) Renault SA and Renault s.a.s.

Deloitte network

	2012		2011		2012/2011	
(€ thousands)	**AMOUNT EXCLUDING VAT**	**%**	**AMOUNT EXCLUDING VAT**	**%**	**AMOUNT**	**%**
Audit						
Statutory audit, certification, review of individual and consolidated accounts						
- Issuer (1)	2,570	34.2%	2,610	35.5%	(40)	-1.5%
- Fully consolidated subsidiaries	4,270	56.9%	4,405	59.9%	(134)	-3.0%
Other inspections and services directly linked to the statutory auditor's mission						
- Issuer (1)	169	2.2%	-	-	169	-
- Fully consolidated subsidiaries	375	5.0%	181	2.5%	194	107.2%
SUBTOTAL : AUDIT	**7,385**	**98.3%**	**7,196**	**97.9%**	**189**	**2.6%**
Other network services for the fully consolidated subsidiaries						
- Legal, tax, labour-related	125	1.7%	157	2.1%	(32)	-20.4%
- Other	-	-	-	-	-	-
SUBTOTAL: OTHER SERVICES	**125**	**1.7%**	**157**	**2.1%**	**(32)**	**-20.4%**

TOTAL FEES	7,510	100%	7,353	100%	157	2.1%
(1) Renault SA and Renault s.a.s.						

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, 2012	DECEMBER 31, 2011
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 Renault	France	100	100
Sofrastock International	France	100	100
Société de Transmissions Automatiques	France	80	80
Société de Véhicules Automobiles de Batilly (SOVAB)	France	100	100
Société Immobilière de Construction Française pour l'Automobile et la Mécanique (SICOFRAM) and subsidiaries	France	100	100
Société Immobilière Renault Habitation (SIRHA)	France	100	100
Société Immobilière d'Epone	France	100	100
Société Immobilière pour l'Automobile et la Mécanique (SIAM)	France	100	100
SODICAM 2	France	100	100
Technologie et Exploitation Informatique (TEI)	France	100	100
Europe			
Renault Österreich and subsidiaries	Austria	100	100
Renault Belgique Luxembourg and subsidiaries	Belgium	100	100

RENAULT GROUP'S INTEREST (%)	COUNTRY	DECEMBER 31, 2012	DECEMBER 31, 2011
Renault Industrie Belgique (RIB)	Belgium	100	100
Renault Croatia	Croatia	100	100
Renault Ceska Republica and subsidiaries	Czech Republic	100	100
Renault Deutsche AG and subsidiaries	Germany	100	100
Renault 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 Slovakia	Slovakia	100	100
Renault Nissan Slovenia d.o.o.	Slovenia	100	100
Revoz	Slovenia	100	100
Renault Espana Comercial SA (RECSA) and subsidiaries	Spain	100	100
Renault Espana SA and subsidiaries	Spain	100	100
Renault Nordic	Sweden	100	100
Renault Finance	Switzerland	100	100
Renault Suisse SA and subsidiaries	Switzerland	100	100
Grigny Ltd.	United Kingdom	100	100
Renault Retail Group U.K. Ltd.	United Kingdom	100	100
Renault U.K.	United Kingdom	100	100
America			
Groupe Renault Argentina	Argentina	100	100
Renault do Brasil LTDA	Brazil	100	100
Renault do Brasil SA	Brazil	100	100
Sociedad de Fabricacion de Automotores (Sofasa) and subsidiaries	Colombia	100	100
Renault Corporativo SA de C.V.	Mexico	100	100
Renault Mexico	Mexico	100	100
Asia-Pacific			
Renault Beijing Automotive Company	China	100	100
Renault Private Ltd.	India	100	100
Renault Pars	Iran	51	51
Renault Samsung Motors	South Korea	80	80
Euromed-Africa			
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 GROUP’S INTEREST (%)	COUNTRY	DECEMBER 31, 2012	DECEMBER 31, 2011
Renault Tanger Méditerranée	Morocco	100	100
Société marocaine de construction automobile (Somaca)	Morocco	77	77
Dacia and subsidiaries	Romania	99	99
Renault Industrie Roumanie	Romania	99	100
Renault Mécanique Roumanie	Romania	100	100
Renault Nissan Roumanie	Romania	100	100
Renault Technologie Roumanie	Romania	100	100
Renault South Africa and subsidiaries	South Africa	51	51
Oyak-Renault Otomobil Fabrikalari	Turkey	52	52
Eurasia			
AFM Industrie	Russia	100	100
Avtoframos	Russia	100	94
Remosprom	Russia	100	64
Renault Ukraine	Ukraine	100	100
SALES FINANCING			
France			
Compagnie de Gestion Rationnelle (COGERA)	France	100	100
Diac	France	100	100
Diac Location	France	100	100
RCI Banque and branches	France	100	100
Société de Gestion, d’Exploitation de Services en Moyens Administratifs (SOGESMA)	France	100	100
Europe			
RCI Financial Services Belgique	Belgium	100	100
Renault Autofin SA Belgique	Belgium	100	100
RCI Finance CZ sro	Czech Republic	100	100
ES Mobility srl	Italy	100	-
RCI Versicherungs Service GmbH	Germany	100	100
RCI Zrt Hongrie	Hungary	100	100
RCI Insurance Services Ltd.	Malta	100	100
RCI Life Ltd.	Malta	100	100
RCI Services Ltd.	Malta	100	100
RCI Financial Services BV	Netherlands	100	100
RCI Bank Polska	Poland	100	100
Renault Credit Polska	Poland	100	100
RCI Gest IFIC and subsidiary	Portugal	100	100
RCI Gest Seguros	Portugal	100	100
Overlease Espagne	Spain	100	100
RCI Finance SA	Switzerland	100	100
RCI Financial Services Ltd.	United Kingdom	100	100
Renault Acceptance Ltd.	United Kingdom	100	100
America			
Courtage SA	Argentina	100	100
ROMBO Compania Financiera	Argentina	60	60

RENAULT GROUP'S INTEREST (%)	COUNTRY	DECEMBER 31, 2012	DECEMBER 31, 2011
CAM RCI Brasil	Brazil	60	60
CFI Renault do Brasil	Brazil	60	60
Consorcio Renault do Brasil	Brazil	100	100
Renault do Brasil S/A Corr. de Seguros	Brazil	100	100
Asia-Pacific			
RCI Korea	South Korea	100	100
Euromed-Africa			
RCI Finance Maroc	Morocco	100	100
RCI Broker de Assigurare	Romania	100	100
RCI Finantare Romania	Romania	100	100
RCI Leasing Romania	Romania	100	100

B – Proportionately consolidated companies (joint ventures)

RENAULT GROUP'S INTEREST (%)	COUNTRY	DECEMBER 31, 2012	DECEMBER 31, 2011
AUTOMOTIVE			
Française de Mécanique	France	50	50
Indra Investissements	France	50	50
Renault Nissan Technology and Business Centre India Private Limited (RNTBCI)	India	67	67
SALES FINANCING			
Renault Credit Car	Belgium	50	50
Renault Leasing CZ sro	Czech Republic	50	50

C - Companies accounted for by the equity method (associates)

RENAULT GROUP'S INTEREST (%)	COUNTRY	DECEMBER 31, 2012	DECEMBER 31, 2011
AUTOMOTIVE			
Boone Comenor	France	33	24
Renault Nissan Automotive India Private Limited	India	30	30
Groupe Nissan	Japan	43.7	43.9
Groupe AVTOVAZ	Russia	25	25
Groupe AB Volvo	Sweden	-	6.8
MAIS	Turkey	49	49
SALES FINANCING			
Nissan Renault Finance Mexico	Mexico	15	15

(2) Comptes annuels (Parent Company Financial Statements)

Comptes de résultat simplifies de Renault S.A.
Bilan simplifié
Tableau de flux de trésorerie
Annexe aux comptes sociaux

[Japanese translation and French original of the above are included in this section of the Securities Report in Japanese.]

<English translation of the Parent Company Financial Statements>

(2) Parent-company financial statements
Income statement

(€ million)	**2012**	**2011**
Operating expenses	(28)	(24)
Increases to provisions	(10)	(5)
NET OPERATING EXPENSE	**(38)**	**(29)**
Investment income	683	580
Increases to provisions related to investments	0	(4)
INVESTMENT INCOME AND EXPENSES (NOTE 2)	**683**	**576**
Foreign exchange gains	1	
Foreign exchange losses	(83)	(268)
Reversals from provisions for exchange risks	114	181
FOREIGN EXCHANGE GAINS AND LOSSES (NOTE 3)	**32**	**(87)**
Interest and equivalent income	4	4
Interest and equivalent expenses	(292)	(343)
Reversals of provisions and transfers of charges	56	6
Net gains on sales of marketable securities	0	-
Depreciation and provisions	(6)	(14)
OTHER FINANCIAL INCOME AND EXPENSES (NOTE 4)	**(238)**	**(347)**
NET FINANCIAL INCOME	**477**	**142**
PRE-TAX INCOME BEFORE EXCEPTIONAL ITEMS	**439**	**113**
Exceptional income on capital transactions		
Exceptional expenses on capital transactions		
NET EXCEPTIONAL ITEMS	**0**	**0**
INCOME TAX (NOTE 5)	**135**	**164**
NET INCOME	**574**	**277**

Balance sheet

ASSETS (*€ MILLION*)	GROSS	DEPRECIATION, AMORTISATION & PROVISIONS	2012 NET	2011 NET
Investments stated at equity	9,153		9,153	10,576
Other investments (note 6)	7,231	14	7,217	7,214
Advances to subsidiaries and affiliates (note 7)	10,058	15	10,043	9,325
FINANCIAL ASSETS	**26,442**	**29**	**26,413**	**27,115**
TOTAL FIXED ASSETS	**26,442**	**29**	**26,413**	**27,115**
RECEIVABLES (NOTE 9)	**385**	**7**	**378**	**192**
MARKETABLE SECURITIES (NOTE 8)	**164**	**15**	**149**	**98**
CASH AND CASH EQUIVALENTS	**38**		**38**	**25**
OTHER ASSETS (NOTE 9)	**71**		**71**	**212**
TOTAL ASSETS	**27,100**	**51**	**27,049**	**27,642**

SHAREHOLDERS' EQUITY AND LIABILITIES (*€ MILLION*)	2012	2011
Share capital	1,127	1,127
Share premium	4,783	4,783
Revaluation surplus	9	9
Equity valuation difference	3,337	4,760
Legal and tax basis reserves	112	112
Retained earnings	6,367	6,428
Net income	574	277
SHAREHOLDERS' EQUITY (NOTE 10)	**16,309**	**17,496**
REDEEMABLE SHARES (NOTE 11)	**129**	**129**
PROVISIONS FOR RISKS AND LIABILITIES (NOTE 12)	**122**	**183**
Bonds	5,728	4,957
Borrowings from credit institutions	1,364	1,245
Other loans and financial debts	2,875	3,348
FINANCIAL LOANS AND BORROWINGS (NOTE 13)	**9,967**	**9,550**
OTHER LIABILITIES (NOTE 14)	**428**	**245**
DEFERRED INCOME (NOTE 15)	**94**	**39**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**27,049**	**27,642**

Statement of changes in cash

(€ million)	**2012**	**2011**
Cash flow (note 19)	468	131
Change in working capital requirements	0	55
CASH FLOW FROM OPERATING ACTIVITIES	**468**	**186**
Net decrease/(increase) in other investments	(3)	
Net decrease/(increase) in loans	(718)	2,487
Net decrease/(increase) in marketable securities	-	(56)
Net decrease/(increase) in other financial assets	-	
CASH FLOW FROM INVESTING ACTIVITIES	**(721)**	**2,431**
Bond issues	1,951	712
Bond redemptions	(993)	(671)
Net increase/(decrease) in other interest-bearing borrowings	(359)	(2,559)
Dividends paid to shareholders	(338)	(87)
Bond issuance expenses and redemption premiums	(6)	(5)
CASH FLOW FROM FINANCING ACTIVITIES	**255**	**(2,610)**
CASH AND CASH EQUIVALENTS: OPENING BALANCE	**9**	**2**
Increase/(decrease) in cash and cash equivalents	2	7
CASH AND CASH EQUIVALENTS: CLOSING BALANCE	**11**	**9**

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. A provision is recorded when the exercise price of the option is lower 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) and each term.

F - Provisions for risks and liabilities
Provisions for risks and liabilities are defined in accordance with CRC regulation 2000-06. They are established for probable payment obligations existing at the year-end. 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)	**2012**	**2011**
Dividends received from Nissan Motor Co Ltd	426	275
Other dividends received	94	93
Interest on loans	163	212
Increases to provisions related to subsidiaries and affiliates	0	(4)
TOTAL	**683**	**576**

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 2012 mainly comprise the following:
- a foreign exchange loss of €24 million on redemption of the bond issued on December 15, 2005 (nominal value 10 billion yen);

- a foreign exchange loss of €8 million on redemption of the bond issued on June 8, 2007 (nominal value 2 billion yen);
- a foreign exchange loss of €4 million on redemption of the bond issued on June 14, 2007 (nominal value 1 billion yen);
- a foreign exchange loss of €45 million on redemption of the bond issued on December 10, 2010 (nominal value 45 billion yen);
- a provision of €26 million for unrealised foreign exchange losses concerning diverse loans in yens and an amount of €140 million reversed from provisions booked in 2011.

Foreign exchange gains and losses in 2011 included a net loss of €268 million.

4 Other financial income and expenses

Other financial income and expenses generated a net loss of €238 million in 2012 (compared to a loss of €347 million in 2011) and mainly comprise net interest payments of €292 million on Renault borrowings after swaps and €51 million reversed from impairment recorded in respect of treasury shares

Details of interest paid and other similar expenses are as follows:

(€ million)	**2012**	**2011**
Net accrued interest after *swaps* on bonds *	(193)	(182)
Net accrued interest after *swaps* on borrowings from credit institutions	(40)	(38)
Accrued interest on termination of borrowings from subsidiaries	(7)	(31)
Accrued interest on redeemable shares	(17)	(17)
Accrued interest on government bonds	0	(34)
Other financial expenses	0	(9)
Other (treasury notes and brokers commissions)	(35)	(32)
TOTAL	**(292)**	**(343)**

* *The net interest on bonds comprises accrued and paid interest amounting to €292 million (€270 million in 2011), and accrued and received interest on swaps amounting to €99 million (€88 million in 2011).*

In 2012, the €193 million of interest received and paid mainly comprise:
- €45 million on the bond issued on October 13, 2009;
- €28 million on the bond issued on March 22, 2010;
- €19 million on the bond issued on June 30, 2010;
- €14 million on the bond issued on September 20, 2010;
- €13 million on the bond issued on April 16, 2008;
- €14 million on the bond issued on May 25, 2011;
- €18 million on the bond issued on March 31, 2009.

The net interest receivable on the swapped portion of bonds and borrowings from credit institutions amounted to €36 million: €113 million on the paying leg and €77 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.

The French rules for carrying forward tax losses were changed by the 2nd amended Finance Law for 2011. Tax losses can now only be carried forward against taxable income up to the amount of €1 million plus 60% of the taxable income above that amount. This rate was decreased to 50% by section 24 of the Finance Law for 2013. 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 €969 million (€376 million less than in 2011).

The 4th amended Finance Law for 2011 also introduced an exceptional contribution of 5% of the amount of income tax due for 2011 and 2012 by entities with sales revenues of over €250 million. Section 30 of the Finance Law for 2013 proposes to renew this measure for a further two years. 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 2012 was €135 million, mainly comprising €133 million resulting from the domestic tax consolidation.

Details of the tax income for the year are as follows:

		TAXES				NET	NET INCOME	
(€ million)	**PRE-TAX INCOME**	**THEORETICAL**	**NETTING**	**CREDIT GENERATED**	**TAX CREDIT**	**TAX DUE**	**THEORETICAL**	**AS BOOKED**
Current income subject to normal rate	439	(16)		16			455	439
Tax consolidation						133		133
Other						2		2
TOTAL	**439**	**(16)**	**0**	**16**	**0**	**135**	**455**	**574**

Details of Renault SA's future tax position are as follows:

	2012		2011		VARIATIONS	
(€ million)	**ASSETS (1)**	**LIABILITIES (2)**	**ASSETS (1)**	**LIABILITIES (2)**	**ASSETS**	**LIABILITIES**
Temporarily non-deductible expenses						
Provisions for risks and liabilities	44		65		(21)	
Expenses deducted (or taxed income)		16				
not yet recognised for accounting purposes	30	13	48	61	(18)	(48)
TOTAL	**74**	**29**	**113**	**61**	**(39)**	**(48)**

(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	8	3	11
Investment in Daimler	584		584
Other investments	13		13
Impairment	(13)		(13)
TOTAL	**7,214**	**3**	**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
Loans	9,335	1,887	(1,169)	10,053
Total before provisions [(1)]	**9,340**	**1,887**	**(1,169)**	**10,058**
Provisions	(15)			(15)
TOTAL, NET	**9,325**	**1,887**	**(1,169)**	**10,043**
(1) Current portion (less than one year)	9,263			9,988
Long-term portion (over 1 year)	77			70

Loans include:

- €6,106 million in short-term investments with Renault Finance (€4,409 million in 2011);
- €25 million in long-term loans to Renault s.a.s. (identical to 2011);
- €3,922 million in current accounts resulting from centralised cash management agreements with Group subsidiaries (€4,901 million in 2011).

All loans relate to Group subsidiaries.

8 Marketable securities

Marketable securities primarily include €163 million for Renault SA's treasury shares, against which impairment of €14 million has been booked.

Changes in treasury shares were as follows:

	AT START OF YEAR	OPTIONS EXERCISED	SHARES PURCHASED	TRANSFERS TO OTHER FINANCIAL ASSETS	IMPAIRMENT (REVERSALS)	AT YEAR-END
Number of shares	4,059,255					4,059,255
Gross value (€ million)	201	0	0	-38	0	163
Impairment	(103)	0	0	38	51	(14)
TOTAL	**98**	**0**	**0**	**0**	**51**	**149**

9 Receivables and other assets

Receivables mainly comprise:

- tax receivables amounting to €332 million (term between 1 and 4 years) against €192 million at December 31, 2011;
- an unbilled receivable of €46 million for stock options, under the reinvoicing agreement between Renault SA and Renault s.a.s. introduced in 2012.

The major components of Other Assets are:

- a €15 million payment (€17 million at December 31, 2011) for the purposes of the 1%-rate housing loan financing operation introduced in 2004, when Renault contracted a loan with nominal value of €112 million, bearing interest at the floating rate of 6-month Euribor +0.67%, terminating on December 31, 2019. An interest rate swap was undertaken to convert this to a fixed rate of approximately 0.13%, and Renault SA also paid a sum of €33 million corresponding to the discounted interest differential recorded over the duration of the operation. This payment is spread over the duration of the loan (15 years) following the same pattern as the interest paid on the debt;
- issuance expenses of €8 million concerning several long-term bonds (5 to 7 years);
- redemption premiums amounting to €9 million, mainly on several long-term bonds (5 to 7 years);
- €38 million of translation adjustments essentially resulting from unrealised foreign exchange losses, covered by provision, on bonds issued in or swapped to yen.

10 Shareholders' equity

Changes in shareholders' equity were as follows:

(€ million)	BALANCE AT START OF YEAR	ALLOCATION OF 2011 NET INCOME	DIVIDENDS	2012 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	4,760				(1,423)	3,337
Legal and tax basis reserves	112					112
Retained earnings	6,428	277	(338)			6,367
Net income	277	(277)		574		574
TOTAL	**17,496**	**0**	**(338)**	**574**	**(1,423)**	**16,309**

Non-distributable reserves amounted to €3,458 million at December 31, 2012.

Renault SA's shareholding structure was as follows at December 31, 2012:

	OWNERSHIP STRUCTURE		VOTING RIGHTS	
	NUMBER OF SHARES HELD	% OF CAPITAL	NUMBER	%
French state	44,387,915	15,01%	44,387,915	17,95%
Employees	8,770,185	2,97%	8,770,185	3,55%
Treasury shares	4,059,255	1,37%		
Nissan	44,358,343	15,00%		
Daimler	9,167,391	3,10%	9,167,391	3,71%
Other	184,979,195	62,55%	184,979,195	74,80%
TOTAL	**295,722,284**	**100%**	**247,304,686**	**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.

Five new stock option or free share plans were introduced in 2012. 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

	2012			2011		
	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	**8,595,407**	**70**		**10,387,702**	**68**	
Granted	350,000 (1)	31	33	766,000	37	35
Exercised	-	-	-	-	-	-
Expired	(3,789,211)	59	N/A	(2,558,295)	52	N/A
Outstanding at December 31	**5,156,196**	**76**		**8,595,407**	**70**	

(1) These stock options correspond to the part of plan 19 granted on December 8, 2011 and announced to the beneficiaries in 2012 and to the options of plan 20 awarded to the Chairman and CEO on December

13,2012.

B – Options and free share attribution rights yet to be exercised at December 31, 2012

PLAN	TYPE OF PLAN	GRANT DATE	EXERCISE PRICE (€)	OUTSTANDING	EXERCISE PERIOD
Plan 11	Stock subscription options	September 13, 2005	72.98	1,446,900	September 14, 2009 - September 12, 2013
Plan 12	Stock subscription options	May 4, 2006	87.98	1,285,834	May 5, 2010 – May 5, 2014
Plan 14	Stock subscription options	December 5, 2006	93.86	1,492,906	December 6, 2010 – December 4, 2014
Plan 18	Stock purchase options	April 29, 2011	38.80	480,556	April 30, 2015 – April 28, 2019
Plan 18 bis	Attribution of free shares	April 29, 2011		1,110,345 94,800	April 30, 2014 – April 30, 2016 April 30, 2015
Plan 19	Stock purchase options	December 8, 2011	26.87	300,000	December 9, 2015 – December 7, 2019
Plan 19 bis	Attribution of free shares	December 8, 2011		550,700 53,200	December 8, 2013 – December 8, 2015 December 8, 2015
Plan 20	Stock purchase options (1)	December 13, 2012	37.43	447,800	December 13, 2016 – December 12, 2020
Plan 20 bis	Attribution of free shares (1)	December 13, 2012		593,100 86,800	December 13, 2014– December 12, 2016 December 13, 2016

(1) For these plans introduced in 2012, beneficiaries were informed of the attribution at the beginning of the year 2013, except for the Chairman and CEO who was allocated 150,000 stock options on December 13, 2012.

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, 2012, 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 €312.05 at December 31, 2012 (€290.05 at December 31, 2011).

The 2012 return on redeemable shares, amounting to €17 million (€17 million in 2011) is included in interest and equivalent expenses.

12 Provisions for risks and liabilities

Provisions for risks and liabilities break down as follows:

(€ million)	**2011**	**INCREASES**	**REVERSALS**	**2012**
Foreign exchange losses	140	26	(140)	26
Provisions for expenses (1)		54		54
Other provisions for risks (2)	43	1	(2)	42
TOTAL	**183**	**81**	**(142)**	**122**
Current (less than 1 year)	*29*			*59*
Long-term (over 1 year)	*154*			*63*

(1) A provision of €54 million was booked in 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 €46 million share of this provision is considered as an unbilled receivable on the subsidiary Renault s.a.s.

(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 €5,728 million at December 31, 2012 (€4,957 million at December 31, 2011).
The principal changes in bonds over 2012 were as follows:

- issuance on March 19, 2012 of a 4-year bond with total nominal value of €250 million, at the fixed rate of 4.625% (swapped to a floating rate of 3-month Euribor +3.24%);
- issuance on June 15, 2012 of a 2-year bond with total nominal value of 32.3 billion yen, at the fixed rate of 3.20%;
- issuance on June 29, 2012 of a 3-year bond with total nominal value of 10 billion yen, at the fixed rate of 3.3%;
- issuance on September 18, 2012 of a 5-year bond with total nominal value of €600 million, at the fixed rate of 4.625% (swapped to a floating rate of Eonia +4.031%);
- issuance on October 10, 2012 of a 2-year bond with total nominal value of 750 billion Yuan, at the fixed rate of 5.625% (swapped to Euros at the fixed rate of 2.375%);
- issuance on November 19, 2012 of a 2-year bond with total nominal value of 500 billion Yuan, at the fixed rate of 5.625% (swapped to Euros at the fixed rate of 1.42%);
- issuance on December 18, 2012 of a 2-year bond with total nominal value of 30.1 billion yen, at the fixed rate of 2.77%;
- issuance on December 5, 2012 of a 5-year bond with total nominal value of €250 million, at the fixed rate of 4.625%;
- redemption of the April 16, 2007 5-year bond totalling €500 million at the fixed rate of 4.50%, swapped to the floating rate of 3-month Euribor +0.3948%;
- redemption of the June 8, 2007 5-year bond totalling 2 billion yen at the fixed rate of 1.7555%;
- redemption of the June 14, 2007 5-year bond totalling 1 billion yen at the fixed rate of 1.774%;
- redemption of the December 10, 2010 2-year bond totalling 45 billion yen at the fixed rate of 1.95%;
- redemption of the December 15, 2005 7-year bond totalling 10 billion yen at the fixed rate of 1.48%.

Breakdown by maturity

	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**

	DECEMBER 31, 2011						
(€ million)	**TOTAL**	**-1 YR**	**1 TO 2 YRS**	**2 TO 3 YRS**	**3 TO 4 YRS**	**4 TO 5 YRS**	**+5 ANS**
Nominal value	4,901	1,078	1,215	948	650	500	510
Accrued interest	56	56					
TOTAL	**4,957**	**1,134**	**1,215**	**948**	**650**	**500**	**510**

Breakdown by currency

	DECEMBER 31, 2012		DECEMBER 31, 2011	
(€ million)	**BEFORE DERIVATIVES**	**AFTER DERIVATIVES**	**BEFORE DERIVATIVES**	**AFTER DERIVATIVES**
Euro	4,461	4,760	3,860	4,003
Yen	1,111	968	1,097	954
CNY	156	0		
TOTAL	**5,728**	**5,728**	**4,957**	**4,957**

Breakdown by interest rate type

(€ million)	DECEMBER 31, 2012 AFTER DERIVATIVES	DECEMBER 31, 2011 AFTER DERIVATIVES
Fixed rate	3,284	2,856
Floating rate	2,444	2,101
TOTAL	**5,728**	**4,957**

B - Borrowings from credit institutions

Borrowings from credit institutions stood at €1,364 million at December 31, 2012 (€1,245 million at December 31, 2011) and are mainly contracted on the market.

The principal changes in bonds over 2012 were as follows:

- subscription on January 16, 2012 of a 4-year bond with total nominal value of €180 million at the fixed rate of 3.525%, swapped to the floating rate of 6-month Euribor +2.066%;
- subscription on May 15, 2012 of a 5-year bond with total nominal value of €50 million at the floating rate of Euribor +300 bp;
- subscription on July 3, 2012 of a 5-year bond with total nominal value of €80 million at the floating rate of 3-month Euribor +275 bp;
- subscription on August 10, 2012 of a 3-year bond with total nominal value of €50 million at the floating rate of 3-month Euribor +285 bp;
- redemption on June 29, 2012 of a 1-year bond with total nominal value of €75 million at the floating rate of 3-month Euribor +70 bp;
- redemption on July 30, 2012 of a 2-year bond with total nominal value of €77 million, at the floating rate of 3-month Euribor +136.5 bp;
- redemption on November 9, 2012 of a 2-year bond with total nominal value of €68 million, at the floating rate of 3-month Euribor +192.5 bp;
- redemption on December 17, 2012 of a 4-year bond with total nominal value of €50 million, at the fixed rate of 4.62%.

Breakdown by maturity

	DECEMBER 31, 2012						
(€ million)	TOTAL	-1 YR	1 TO 2 YRS	2 TO 3 YRS	3 TO 4 YRS	4 TO 5 YRS	+5 ANS
Nominal value	1,353	659	230	122	193	137	12
Accrued interest	11	11					
TOTAL	**1,364**	**670**	**230**	**122**	**193**	**137**	**12**

	DECEMBER 31, 2011						
(€ million)	TOTAL	-1 YR	1 TO 2 YRS	2 TO 3 YRS	3 TO 4 YRS	4 TO 5 YRS	+5 ANS
Nominal value	1,236	296	632	230	47	13	18
Accrued interest	9	9					
TOTAL	**1,245**	**305**	**632**	**230**	**47**	**13**	**18**

Breakdown by currency

	DECEMBER 31, 2012		DECEMBER 31, 2011	
(€ million)	BEFORE DERIVATIVES	AFTER DERIVATIVES	BEFORE DERIVATIVES	AFTER DERIVATIVES
Euro	1314	1364	1126	1245
Other currencies	50		119	
TOTAL	**1,364**	**1,364**	**1,245**	**1,245**

Breakdown by interest rate type

(€ million)	DECEMBER 31, 2012 AFTER DERIVATIVES	DECEMBER 31, 2011 AFTER DERIVATIVES
Fixed rate	450	510
Floating rate	914	735
TOTAL	**1,364**	**1,245**

Borrowings from credit institutions maturing within one year include €27 million in bank credit balances.

C - Other loans and financial debts

Other loans and financial debts amounted to €2,875 million at December 31, 2012 (€3,348 million in 2011), and principally comprise:

- borrowings from Group subsidiaries with surplus cash;
- treasury notes amounting to €209 million.

No loans or financial debts are secured.

D – Liquidity risk

The Group's Automobile division needs sufficient financial resources to finance its day-to-day business and the investments necessary for future growth. It therefore regularly borrows on the banking and capital markets 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 for the Automobile division 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)	2012	2011	VARIATION 2012/2011
Tax liabilities	422	239	183
Liabilities related to other assets	5	5	0
Other liabilities	1	1	0
TOTAL	**428**	**245**	**183**

The €183 million change in tax liabilities results from a €10 million decrease in tax liabilities and a €193 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 €87 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

	2012		2011	
(€ million)	TOTAL	RELATED	TOTAL	RELATED

		COMPANIES		COMPANIES
Interest on loans	163	162	212	211
Interest and equivalent expenses	(292)	(24)	(343)	(8)
Reversals of provisions and transfers of charges	205		335	

Balance sheet

	2012		2011	
(€ million)	**TOTAL**	**RELATED COMPANIES**	**TOTAL**	**RELATED COMPANIES**
Loans	10,058	9,993	9,335	9,282
Receivables	385	46	205	
Cash and cash equivalents	38		25	
Borrowings from credit institutions	1,364		1,245	195
Loans and financial debts	2,875	2,645	3,348	3,026
Other liabilities	428	398	245	229

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)*	**2012**	**2011**
FOREIGN EXCHANGE RISKS		
CURRENCY SWAPS		
Purchases	297	142
with Renault Finance	*297*	*142*
Sales	302	170
with Renault Finance	*302*	*170*
OTHER FORWARD EXCHANGE CONTRACTS AND OPTIONS		
Purchases	85	277
with Renault Finance	*85*	*277*
Sales	85	273
with Renault Finance	*85*	*273*
INTEREST RATE RISKS		
INTEREST RATE SWAPS	**2,653**	**2,288**
with Renault Finance	*2,567*	*2,192*

Transactions undertaken to manage exchange rate exposure principally comprise currency swaps and forward currency operations to hedge financing contracted in foreign currencies, apart from financing in yen.
Renault SA also carries out forward currency sales to hedge loans to subsidiaries denominated in foreign currencies.
Renault SA carries most of the Group's indebtedness. Its interest rate risk management policy applies two basic principles: long-term investments use fixed-rate financing, and investments for liquidity reserves use floating-rate financing. The financing in yen undertaken as part of the hedge of Nissan equity is essentially 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:

AT DECEMBER 31 *(€ million)*	**2012**		**2011**	
	BALANCE SHEET VALUE	**FAIR VALUE**	**BALANCE SHEET VALUE**	**FAIR VALUE**
ASSETS				
Marketable securities, gross (1)	164	165	202	109
Loans	10,053	10,071	9,335	9,348
Cash and cash equivalents	38	38	25	25
LIABILITIES				
Redeemable shares	129	249	129	231
Bonds	5,728	6,015	4,957	5,056
Other interest-bearing borrowings (2)	4,239	4,189	4,593	4,568

(1) including treasury shares.
(2) excluding redeemable shares.

C - Estimated fair value of off-balance sheet financial instruments

AT DECEMBER 31 *(€ million)*	**2012**		**2011**	
	ASSETS	**LIABILITIES**	**ASSETS**	**LIABILITIES**
Forward exchange contracts	102	(103)	28	(24)
with Renault Finance	*102*	*(103)*	*28*	*(24)*
Currency swaps	362	(351)	310	(269)
with Renault Finance	*362*	*(351)*	*310*	*(269)*
Interest rate swaps	134	(3)	111	(4)
with Renault Finance	*131*	*0*	*105*	

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, 2012 and December 31, 2011 for loans with similar conditions and maturities.
- **Liabilities:** the fair value of financial liabilities is determined by discounting future cash flows at risk-free rates at December 31, 2012 and December 31, 2011 for borrowings with similar conditions and maturities. The fair value of redeemable shares is based on their year-end stock market value;
- **Off-balance sheet foreign exchange instruments:** the fair value of forward contracts is estimated on the basis of prevailing market conditions. The fair value of currency swaps is determined by discounting cash flows using exchange rates and interest rates prevailing at December 31, 2012 and December 31, 2011 for the contracts' residual terms;
- **Off-balance sheet interest rate instruments:** the fair value of interest rate swaps represents the amount Renault SA would receive (or pay) if it settled outstanding contracts at the end of the year. Unrealised capital gains or losses, determined on the basis of prevailing interest rates and the quality of the counterparty to each contract, are taken into account at December 31, 2012 and December 31, 2011.

18 Other commitments and contingencies

Off-balance-sheet commitments are as follows:

	2012		2011	
(€ million)	**TOTAL**	**CONCERNING RELATED COMPANIES**	**TOTAL**	**CONCERNING RELATED COMPANIES**
Commitments received				
Unused credit lines	3,485		3,810	
TOTAL	**3,485**	**0**	**3,810**	**0**
Commitments given				
Guarantees and deposits	782	712	778	712
TOTAL	**782**	**712**	**778**	**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 (€55 million at December 31, 2012).

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)	**2012**	**2011**
Net income	574	277
Increases to provisions and deferred charges	11	11
Net increase to provisions for risks and liabilities	(61)	(179)
Net increases to impairment	(56)	22
Loss on sale of treasury shares		
Gain on disposals of investments		
TOTAL	**468**	**131**

20 Workforce

Renault SA has no employees.

21 Directors' fees

Directors' fees amounted to €1,131,000 in 2012 (€870,629 paid for 2011), of which €48,000 were for the function of Chairman (€36,000 in 2011).

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	4,269	100%	8,354
Dacia [1]	572	166	99.43%	774
Sofasa [2]	1	112	23.71%	25
TOTAL INVESTMENTS				**9,153**

(1) The exchange rate used for Dacia is 4.445 Romanian lei = 1 euro.
(2) The exchange rate used for Sofasa is 2,329 Colombian pesos = 1 euro.

Other information – investments stated at equity (€ million)

COMPANIES	OUTSTANDING LOANS AND ADVANCES FROM RENAULT SA	SALES REVENUES EXCLUDING TAXES 2012	NET INCOME (LOSS), PRIOR YEAR	DIVIDENDS RECEIVED BY RENAULT SA IN 2012
INVESTMENTS				
Renault s.a.s.	1,395	33,075	1,082	
Dacia [3]		2,860	62	57
Sofasa [4]		934	47	

(3) The exchange rate used for Dacia is 4.556 Romanian lei = 1 euro.
(4) The exchange rate used for Sofasa is 2,323.5 Colombian pesos = 1 euro.

Acquisition of investments

See note 6.

Five-year financial highlights

(€ million)	2008	2009	2010	2011	2012
YEAR-END FINANCIAL POSITION					
Share capital	1,086	1,086	1,127	1,127	1,127
Number of shares and investment certificates outstanding	284,937,118	284,937,118	295,722,284	295,722,284	295,722,284
OVERALL INCOME FROM OPERATIONS					
Revenues net of taxes					
Income before tax, amortisation, depreciation and provisions [1]	377	(1,179)	143	(51)	288
Income tax	177	92	163	164	135
Income after tax, amortisation, depreciation and provisions	(863)	49	168	277	574
Dividends paid			87	339	
EARNINGS PER SHARE IN EUROS					
Earnings before tax, amortisation, depreciation and provisions [1]	1.32	(4.14)	0.48	(0.17)	0.97
Earnings after tax, amortisation, depreciation and provisions	(3.03)	0.17	0.57	0.94	1.94
Net dividend per share			0.30	1.16	
PERSONNEL					
Number of employees [2]					

Payroll
Benefit contributions (social security, benefit plans, etc.)
(1) Provisions are those recorded during the year, less reversals and applications. *(2) At 31 December.*

2. Details of Major Assets and Liabilities

See the accompanying Notes to the Accounts.

3. Other

(1) RECENT DEVELOPMENTS

a- 13 MARCH 2013 – SIGNATURE OF THE AGREEMENT ENTITLED “CONTRACT FOR A NEW DYNAMIC OF RENAULT GROWTH AND SOCIAL DEVELOPEMENT IN FRANCE”

RENAULT AGREEMENT SIGNED
‘Contract for a new dynamic of Renault growth and social development in France’

- On March 13, 2013, Renault Chairman and President Carlos Ghosn and representatives of France’s CFDT, CFE-CGC and FO unions signed the Renault Agreement, termed as ‘Contract for a new dynamic of Renault growth and social development in France’.

- The Renault Agreement was submitted the previous day to the Group and Subsidiary Works Councils for consultation.

- This agreement, which is the fruit of a particularly rich dialogue with the social partners, is decisive in providing a fresh boost to growth in France.

Within the framework of the Renault Agreement, the different measures negotiated with the unions have enabled the company to make a certain number of key commitments that will ensure continued activity and employment in France in the future.

Renault has committed to producing at least 710,000 vehicles in France by 2016, compared with just over 530,000 vehicles in 2012. This will take the overall utilization rate of the facilities in France to more than 85 percent and permits long-term visibility for the activity of the company’s French sites until 2016, and furthermore up to 2020. This level of activity will also be beneficial to all the French mechanical component plants that produce parts for suspension systems, engines and transmission, as well as to the logistics platforms.

Through the terms of today’s agreement, Renault has also committed to maintaining activity at all its production sites in France, as well as at its engineering, sales and marketing, and tertiary services departments.

This agreement is the fruit of almost nine months of discussions and negotiations with the unions and has collectively resulted in finding structural and sustainable solutions to face a changing European automotive market. Thanks to this accord, the company will be able to consolidate its French base while at the same time growing on the international front with a view to adapting to today’s worldwide automobile industry.

This year, a watchdog committee will be set up to make sure that the terms of the agreement are met. The mission of this committee – which will be made up of three representatives from each of the unions that signed the agreement, along with representatives of the company’s senior management – will be to monitor the introduction of the measures specified in the agreement. It will focus notably on four areas: the utilisation rate of manufacturing capacity, the agreement’s social measures, research and innovation, and the automotive industry.

The agreement will apply to all Renault sas's automobile-based establishments, as well as to its MCA, SOVAB, STA, RST, ACI Villeurbanne, Sofrastock international and Fonderie de Bretagne manufacturing subsidiaries.

Following the official signature, **Carlos Ghosn** declared: "I would like to hail the work that has been undertaken over the past several months with a view to producing such an exemplary agreement. I would also like to thank all the unions who fully assumed their role as partners. Thanks to their engagement, as well to our mutual determination to concert and look ahead to the future, we have been able to rise successfully to the challenge of producing an agreement which not only complied with the rules of collective bargaining, but which is also just for the workforce and which provides solid foundations for the company's sustainable growth. This agreement is excellent news for Renault and for those businesses involved in the automotive industry in France. Indeed, it provides proof that an approach based on a spirit of social innovation and responsibility can open up new and promising horizons."

b- QUARTERLY INFORMATION, MARCH 31, 2013 (Press release dated 24 April 2013)

Registrations and revenues fell as conditions in Europe were tougher than expected. However, the Group strengthened its positions on its main markets and continued to expand internationally, buoyed by the success of new products.

- **Registrations fell 4.7% compared with the first quarter of 2012 to 608,455 units.**
- **The Group gained market share in four of its five top markets: France (+0.8 points), Russia (+1.4 points), Germany (+0.2 points) and Argentina (+0.3 points).**
- **Renault group revenues totaled €8,265 million in first-quarter 2013, down 11.8%(1) year on year.**
- **Automotive revenues were down 12.6% to €7,736 million.**

(1) On a consistent basis, Q1 2012 revenues were €9,371 million.

Commercial results: Q1 2013 highlights

In a global automotive market that grew 0.7%, Renault group registrations amounted to 608,455 units, down 4.7%, reflecting the continued slide of the European market. The Group continued to expand outside Europe (50% of registrations compared with 46% in the first quarter of 2012), achieving a 3.5% increase in volumes despite a five-week production stoppage in Brazil because of work to expand capacity at the Curitiba plant.
New Clio and New Sandero, launched at end-2012, enjoyed continued commercial success. Duster, which is spearheading Renault's international expansion drive, is now the Group's biggest-selling model worldwide.

In **Europe**, where the market was tougher than expected (-10.0 %), particularly in France (-13.9 %), registrations declined 11.6 %. The Group's market share fell 0.2 points to 8.9%, impacted in part by the restructuring of the product line-up in the UK. The Group actually regained market share in France, Germany and Spain.
The Renault brand is ranked third in Europe, taking 7.1% (-0.5 points) of the passenger cars (PC) and light commercial vehicles (LCV) market. It maintained its leadership in LCVs with market share of 14.3% (down 2.2 points).
New Clio is off to a strong start, becoming the biggest-selling model on the French market only a few months after launch.
The Dacia brand reported a 1.8% share of the PC+LCV market, up 0.4 points compared with 2012. New Sandero has got off to a good start, with 70,000 orders.

In the **Americas** Region, registrations were down 8.0% in markets that grew 1.6%. This expected decline followed the shut-down at the Brazilian plant in Curitiba to conduct work to expand the facility's annual capacity from 280,000 to 380,000 units. As a result, registrations in Brazil fell 18.6%, ahead of an expected recovery in Q2. In Argentina, they increased by 1.6% in a market that contracted 0.4%.

In the **Eurasia** Region, the Group got confirmation of its successful strategy as registrations jumped 20.8% on markets that expanded just 1.3%. In Russia, the Group's number-two market in the first quarter, Renault was the country's second-ranked brand, after Lada, and increased its penetration 1.4 points to 7.8%.

In the **Euromed-Africa** Region, registrations climbed 9.1% in markets that expanded by a strong 14.3%. While expecting the launch of New Symbol in March, the Group's market share fell by 1.7 points in Algeria and 1.2 points in Turkey. New Clio was also successfully launched in both markets and is segment leader in Turkey.

In the **Asia-Pacific** Region, Group registrations rose 3.8% in markets that grew 2.0%. Renault continues to benefit from Duster's success in India, now the Group's 11th largest market after a 2.2 point increase in market share to 2.4%. In South Korea, Renault Samsung Motors registrations stabilized in March, for the first time since October 2011.

Q1 revenues by operating segment

In Q1 2013, **Group revenues** were €8,265 million, down 11.8%(1) (-9.0% excluding currency effects and on a consistent basis).

Automotive revenues decreased 12.6% to €7,736 million. The fall in registrations compared with Q1 2012 combined with inventory reductions in the independent dealer network accounted for 11.0 points of the decline. The Group's international expansion and its effect on the geographical sales mix had a negative impact of 1.0 points. The mix/price impact was a positive 2.8 points. Currency effects were a negative 2.8 points. The remaining -0.4 points came from other activities, including sales of built-up vehicles, parts and powertrain components to partners.

Sales Financing (RCI Banque) contributed €529 million to Group revenues, up 1.9% on the same period in 2012. Average loans outstanding rose 1.4% to €24.3 billion in Q1 2013. There was a 4.0% decrease to 229,000 over the quarter in the production of new financing contracts.

(1) On a consistent basis, Q1 2012 revenues were €9,371 million.

2013 outlook

After a weaker than expected Q1 2013, the European and the French markets remain uncertain and we expect them to contract by 5% this year, with a weaker H1 than H2 .The global automotive market (PC+LCV) is expected to grow 3% year on year.

In this context, Renault reaffirms its strategy of international development. In Europe, the Group is targeting market share growth with new product launches (Captur, ZOE, Clio Estate, New Logan) and the full impact of the products launched at the end of 2012 (New Clio and New Sandero) with a sustainable pricing policy.

Renault Group is still targeting for 2013 (provided European and French do not worsen from our expectation):
· higher Group registrations,

· positive Automotive operating margin,
· positive Automotive operational free cash flow.

Renault group consolidated revenues

(€ million)	*2013*	*2012 pro forma*	*Change 2013/2012*
1st quarter			
Automotive	7,736	8,852	-12.6%
Sales financing	529	519	+1.9%
Total	**8,265**	9,371	**-11.8%**

c- THE DIVIDEND PROPOSAL OF 1.72 EUROS PER SHARE HAS BEEN APPROVED BY THE COMBINED GENERAL MEETING OF 30 APRIL 2013. SUCH DIVIDEND WILL BE PAID ON 15 MAY 2013.

d- NISSAN CONTRIBUTES € 433 MILLIONS FOR FIRST QUARTER 2013 TO RENAULT EARNINGS (Press release dated 13 may 2013)

Nissan has released its results for fiscal year 2012/2013 (April 1, 2012 to March 31, 2013).

After restatement, the result reported by Nissan under JGAAP for the fourth quarter of fiscal year 2012/2013 (January 1 to March 31, 2013) will have a positive contribution to Renault first-half 2013 income estimated to € 433 millions[(2)].

(2) Based on an average exchange rate of 121.9 yen/euro for the period under review

(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- Actuarial gains and losses of defined benefit plans recognized in other comprehensive income
3- Capitalization and amortization of intangible assets arising from development phases.
4- Reevaluations of investment properties, and property, plant and equipment, and intangible assets
5- Retrospective application when accounting policies are changed *
6- Presentation of net income before attribution to Group share and minority interest (or non-controlling interest).

Effective April 1, 2008, Practical Guideline application (PITF18) was limited to foreign entities consolidated under full-consolidation method leaving equity method foreign subsidiaries reporting in their local GAAP. Effective April 1, 2010, Practical Guideline application (PITF18) has been extended to equity method companies.

* Effective from annual periods beginning on or after 1 April 2011, accounting standard for prior period adjustment and error correction has been revised so that to converge to IAS8. In response, requirement for "retrospective application when accounting policies are changed" has been eliminated from the adjustment items and retrospective application effect charged to opening net equity is now allowed under Japanese GAAP.

b. Translation of the financial statements of foreign subsidiaries

Under IFRS, each individual entity is required to determine its functional currency and to measure its operating results and financial position in that currency. This functional currency may be the local currency or a different currency in case where most transactions are carried out in a different currency for instance.

Although Japanese GAAP is silent about the functional currency, the local currency is treated as the functional currency in practice under Japanese GAAP.

c. Method of consolidation

Until 2012, equity method and proportionate were authorized under 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 joint controlled entity whereas in a Joint-Operation arrangement specific rights of partners exist on Assets and Liabilities of the controlled entity. 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 under a method close to Proportionate consolidation.Despite EC has postponed to January 1 2014 mandatory first application, Renault is to perform an early adoption from January 1, 2013.

Under Japanese GAAP, no distinction between Joint Venture and Joint Operation arrangements is performed. Consolidation on a proportionate basis is not permitted, subject to the effect, if any, of acceptance by local GAAP those accepted for Japanese GAAP consolidated 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, while other leases, under the allowed alternative method, are permitted to be accounted for as operating lease transactions if certain “as if capitalized” information is disclosed in the notes to the lessee’s financial statements.

However, effective April 1, 2008, the allowed alternative method has been eliminated and all financial leases are to be accounted for as such.

4) Impairment of assets

Under IFRS, impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount determined as the higher of an asset’s or cash-generating unit’s fair value less costs to sell and its value in use.
The value in use of an asset under IFRS amounts to the present value of the future cash flow. Under IFRS, the best evidence of an asset’s fair value is i) a price in a binding sale agreement, ii) the market price, iii) the best information available to reflect the amount that an entity could obtain, at the balance sheet date, from the disposal of the asset in an arm’s length transaction between knowledgeable and willing parties.

Under Japanese GAAP, an impairment loss is recognized if the carrying amount of assets exceeds the sum of the undiscounted future cash flows expected to be generated from the continued use and potential disposal of the assets. In the situation where an impairment loss is recognized, this loss will be assessed as the difference between the carrying value of the assets and the present value of the future cash flows expected to be generated from these assets. The reversal of an impairment loss is not permitted under JGAAP whereas it is under IFRS.

5) Financial instrument

The analysis of the differences between Japanese GAAP and IFRS is conducted by the Committee of European Security Regulators (the “CESR”). The key differences are the following:

a. Redeemable shares

Under IFRS, and based on the current understanding of IAS 39 on that matter, the redeemable shares with embedded derivative which cannot be evaluated separately, are recognized as a debt and accounted for at fair value.

Under Japanese GAAP, redeemable shares are initially recorded 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. Effective April 1, 2008 the lower of cost or market value method is required to be applied. Effective April 1, 2010, the last-in first-out method is no longer acceptable.

7) Goodwill

a Translation of goodwill

Under IFRS, goodwill generated by a combination with a foreign company is recorded in the functional currency of the entity acquired and subsequently translated to the Group's presentation currency using the closing rate.

Under Japanese GAAP, goodwill had been translated and carried in the currency of the acquiring entity at the rate applicable at the date of acquisition. Effective April 1 2010, goodwill generated by a combination with a foreign company is translated to the Group's presentation currency using the closing rate.

b Amortization of goodwill

Under IFRS, goodwill are not amortized but impaired when required.

Japanese GAAP requires amortization of goodwill on a straight-line basis over a period not exceeding 20 years. Impairment is also recognized when required although the reversal of impairment loss is not permitted.

c Negative goodwill

IFRS states that all negative goodwill need to be recognized immediately in income.

Under Japanese GAAP, negative goodwill had been recognized as a liability and amortized on a straight-line basis over a period not exceeding 20 years. Effective April 1 2010, all negative goodwill is recognized immediately in income.

8) Employee benefits

a. Pension liability

Under IFRS, the whole amount of the vested benefits is accrued in the financial statement.

Under Japanese GAAP, the accounting standard for accruing pension has been issued and became effective in 2000. As a result of the first application of this new regulation, most Japanese companies chose the option of amortizing the cost related to the service prior to the effective date over a period not exceeding 15 years.

b. Actuarial differences on pension accrual

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 adopted a policy of recognizing the actuarial gains and losses in the period in which they occur and directly in other comprehensive income. From January 1, 2013, Revised IAS19R does not allowed anymore "corridor approach".

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 ,2013 as stipulated by ASBJ Statement No26 published on May 17, 2012. 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 been recycled to P&L and IAS19R has stipulated that amortization on expected average remaining working lives of unvested Past Service cost is not anymore accepted and those should be recognized immediately similarly to 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 23, 2012
(2) SHELF REGISTRATION STATEMENT	MAY 23, 2012
(3) AMENDMENT TO SHELF REGISTRATION STATEMENT	MAY 24, 2012
(4) SUPPLEMENTAL DOCUMENT TO SHELF REGISTRATION STATEMENT AND ATTACHMENTS THERETO	JUNE 8, 2012
(5) SEMI-ANNUAL SECURITIES REPORT AND ATTACHMENTS THERETO	SEPTEMBER 28, 2012

(6) AMENDMENT TO SHELF REGISTRATION STATEMENT	SEPTEMBER 28, 2012
(7) SUPPLEMENTAL DOCUMENT TO SHELF REGISTRATION STATEMENT AND ATTACHMENTS THERETO	DECEMBER 11, 2012

PART IIINFORMATION CONCERNING GUARANTOR, ETC. OF THE COMPANY

Not applicable.

AUDITORS' REPORT

Auditors' Report (relating to 2012 Consolidated financial statements) *

Auditors' Report (relating to 2012 Parent Company financial statements) *

Auditors' Report (relating to 2011 Consolidated financial statements) *

Auditors' Report (relating to 2011 Parent Company financial statements) *

* Free Japanese translation and a photocopy of French original are included respectively in this section of the Securities Report in Japanese.

<Auditors' Report (relating to 2012 Consolidated financial statements) >
(English Translation)

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 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, 2012
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, 2012, 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, 2012 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. Justification of our assessments
In accordance with the requirements of article L. 823-9 of the French commercial code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:
- for the purpose of preparing the consolidated financial statements, Renault group makes certain estimates and assumptions concerning, in particular, the value of certain asset, liability, income and expense accounts, the main items of which are summarized in note 2-B to the consolidated financial statements. For all these items, we assessed the appropriateness of the accounting rules and methods applied and disclosures provided in the notes to the financial statements. We also reviewed the consistency of the underlying assumptions, the quantified impact thereof and the available documentation and assessed on this basis the reasonableness of estimates made;
- as disclosed in note 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 notes 8-B and 10-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 et Paris-La Défense, February 15, 2013

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIÉS   ERNST & YOUNG Audit

<Auditors' Report (relating to 2012 Parent Company financial statements) >
(English Translation)

Statutory auditors' report on the financial statements

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.
The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.
This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.
This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Renault
Year ended December 31, 2012
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, 2012, on:

- the audit of the accompanying financial statements of Renault;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the financial statements
We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2012 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. Justification of our assessments
In accordance with the requirements of article L. 823-9 of the French commercial code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:
As disclosed in note 1.A to the financial statements and in accordance with the 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 2012 fiscal year.
These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the board of directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French commercial code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine et Paris-La Défense, February 15, 2013

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIÉS　　　　ERNST & YOUNG Audit

<Auditors’ Report (relating to 2011 Consolidated financial statements) >
(English Translation)

DELOITTE & ASSOCIES

ERNST & YOUNG Audit

This is a free translation into English of the statutory auditors’ report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.
The statutory auditors’ report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors’ assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.
This report also includes information relating to the specific verification of information given in the group’s management report.
This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Renault

Year ended December 31, 2011

Statutory auditors’ report
on the consolidated financial statements

DELOITTE & ASSOCIES
185, avenue Charles de Gaulle
92524 Neuilly-sur-Seine Cedex
S.A. au capital de € 1.723.040

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

ERNST & YOUNG Audit
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S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

Renault

Year ended December 31, 2011

Statutory auditors' report on the consolidated financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended December 31, 2011, on:

the audit of the accompanying consolidated financial statements of Renault;

the justification of our assessments;

the specific verification required by law.

These consolidated financial statements have been approved by the board of directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2011 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French commercial code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

for the purpose of preparing the consolidated financial statements, Renault group makes certain estimates and assumptions concerning, in particular, the value of certain asset, liability, income and expense accounts, the main items of which are summarized in note 2-B to the consolidated financial statements. For all these items, we assessed the appropriateness of the accounting rules and methods applied and disclosures provided in the notes to the financial statements. We also reviewed the consistency of the underlying assumptions, the quantified impact thereof and the available documentation and assessed on this basis the reasonableness of estimates made;

as disclosed in note 14-A to the consolidated financial statements, the group accounts for its investment in Nissan by the equity method; our audit of the scope of consolidation included a review of the factual and legal aspects of the Alliance which serve as the underlying basis for this accounting policy;

as part of our assessment of the accounting policies applied by the group, we have reviewed the methodology adopted for the capitalization of development costs as intangible assets, their amortization and the verification of their recoverable amount and we verified that these methods were properly disclosed in notes 2-J and 12-A3;

as disclosed in notes 9-B and 11-B to the consolidated financial statements, the group has recognized part of the net deferred tax assets of French tax group; we have reviewed the consistency of the underlying assumptions for the forecasted taxable incomes and associated consumptions of losses carried forward, the quantified impact thereof and the available documentation and assessed on this basis the reasonableness of estimates made.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine et Paris-La Défense, February 17, 2012

The statutory auditors
French original signed by

DELOITTE & ASSOCIES	ERNST & YOUNG Audit

<Auditors' Report (relating to 2011 Parent Company financial statements) >
(English Translation)

DELOITTE & ASSOCIES

ERNST & YOUNG Audit

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.
The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.
This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.
This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Renault

Year ended December 31, 2011

Statutory auditors' report
on the financial statements

DELOITTE & ASSOCIES
185, avenue Charles de Gaulle
92524 Neuilly-sur-Seine Cedex
S.A. au capital de € 1.723.040

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

ERNST & YOUNG Audit
1/2, place des Saisons
92400 Courbevoie - Paris-La Défense 1
S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

Renault

Year ended December 31, 2011

Statutory auditors' report on the financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended December 31, 2011, on:

the audit of the accompanying financial statements of Renault;

the justification of our assessments;

the specific verifications and information required by law.

These financial statements have been approved by the board of directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at December 31, 2011 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French commercial code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

as disclosed in note 1.A to the financial statements, and in accordance with the Conseil national de la comptabilité (French National Accounting Body) Recommendation no. 34, your company has elected to use the equity method to value its investments in subsidiaries over which it exercises exclusive control. The equity value of these investments is determined in accordance with the accounting rules and methods used to draw up the consolidated financial statements of the group. Our assessment of this equity value is based on the result of the procedures performed to audit the financial statements of the group for the 2011 fiscal year.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the board of directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French commercial code *(Code de commerce)* relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine et Paris-La Défense, February 17, 2012

The statutory auditors
French original signed by

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