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 June 26, 2009 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
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(TRANSLATION)

Cover Page

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

Note (2) Unless otherwise specified herein, the reference to "Euro", "€" and "EUR" are to the lawful currency of European Union and French Republic. The telegraphic transfer for selling Euro against yen quoted by The Bank of Tokyo-Mitsubishi UFJ, Ltd. as of May 8, 2009 was EUR 1 = JPY134.26**.** Any conversions made herein from the Euro amounts into Japanese yen was made at this exchange rate for conversion convenience purposes only and should not be deemed a representation of future exchange rates.

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

PART I CORPORATE INFORMATION

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

1. SUMMARY OF CORPORATE SYSTEM, ETC.

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

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

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

Upon the incorporation of an SA, the Articles of Incorporation shall be prepared by the promoter(s) and signed by the initial shareholders. Such Articles of Incorporation 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 Articles of Incorporation is a document which provides for the basic rules governing the SA.

<u>Shareholders</u>

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 Articles of Associations.

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 Articles of Incorporation. 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 Articles of Incorporation. Such restricting provisions are not allowed in the Articles of Incorporation 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 de 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 Articles of Association or if the General Meeting has specifically used this right.

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

<u>Management</u>

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

The management of Renault is entrusted to a Board of Directors – 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 act 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.

A Director is required to be a shareholder and is 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 Articles of Incorporation, 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 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 Articles of Incorporation 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 Articles of Incorporation. 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 Executive Body 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 Articles 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 Articles of Incorporation 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 prohibited. 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%,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* (previously *Commission des Opérations de Bourse)*.

(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 Articles of Incorporation 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 same.

(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 Articles of Incorporation 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 ARTICLES OF INCORPORATION, ETC. OF RENAULT:

General Matters

Organized as a société anonyme (public limited company) under French law, Renault is governed by the provisions of Book II of the Commercial Code, on commercial undertakings, and the provisions of the Employee Profit Sharing Act No. 94-640 of July 25, 1994. Renault was formed on January 16, 1945 and will cease to exist on December 31, 2088 except in the case of early termination or renewal. The head office is located at 13-15, Quai Le Gallo, Boulogne-Billancourt 92100 -France. Renault is registered with the Registrar of Companies in Nanterre under the number 441 639 465 (APE code 2910 Z; Siret code: 441.639.465.00018). Legal documents such as the Articles of Incorporation, 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 articles of incorporation). 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 Articles of Association 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

Fourteen 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 14 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.

Holding of Stock and Transfer Thereof

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

Statutory thresholds

Shares are registered in an account according to the provisions and terms established by law. Fully paid-up shares are in either registered or bearer form, at the discretion of their owner, subject to legislation in force and the articles of incorporation. 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 period as fixed by Decree adopted by the French Conseil d'Etat as of the registration on account of those shares which caused him to attain or exceed said threshold. 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 shall number at least 3 and at most 14 Directors 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. This new length of term shall only apply to the terms of office of directors appointed as of 2002. The terms of office of directors appointed prior to 2002 shall end on completion of the period of six years for which they were appointed. 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 whom shall represent the engineers, executives and similar.

They shall be elected by the employees of Renault and of 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 work contract 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 present 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 Works Council (*Comité d'entreprise*). In companies or establishments not having three electorates or not having a Works 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 that 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, those candidates who have worked in Renault longest shall be elected.

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

To be eligible, candidates must be party to a working contract 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 usage in force for the elections of employee representatives.

Voting arrangements which are not specified by French Commercial Code or by the present 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 present 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 of one of its direct or indirect subsidiaries,

- in the event of loss of his quality as shareholder of Renault, save if he rectifies this within three months,

- or in the event that the subsidiary of which he is an employee were 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 candidates
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 of 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 or 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 Articles of Association 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 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 of Directors, a general manager, the acting chairman or the Secretary of the Board of Directors expressly authorised 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 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 organises 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 clear 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 authorised intermediary.

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

Any shareholder may give his proxy to his spouse or another shareholder to represent him at Shareholders' Meeting. Shareholders who are legal persons attend the Shareholders' Meeting through their 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 Shareholder's Meeting is set by the author of the notice.

However, one or more shareholders may, in the conditions prescribed by law, request the entry of proposed resolutions in the agenda.

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 those 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* (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 affairs at the Ordinary Shareholders' Meeting. The auditors' report is also reported to the Ordinary Shareholders' Meeting.

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

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

The Ordinary Shareholders' Meeting appoints the auditors.

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

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

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

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

<u>Independent Auditors (Commissaires aux Comptes)</u>

The Independent Auditors 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 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.

<u>Accounting</u>

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

2. FOREIGN EXCHANGE CONTROL SYSTEM: FOREIGN INVESTMENTS IN FRANCE

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

<u>Definitions</u>

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 and, the publication of the offer or the acquisition of an asset constituting a direct investment in France, in the form of a letter containing (i) the name and address of the investor(s) and (ii) the corporate name, K.Bis, business description, turnover and results for the last fiscal year for the target French company.

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

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

2) Transactions subject to administrative declaration:

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

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

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

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

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

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

b) Foreign investments

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

c) Indirect foreign investments

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

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

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

- The creation or expansion of activities of an existing French company held directly or indirectly by a foreign company or by individuals residing outside France;
- Increases in the stake of a non-resident (e.g. by share purchase) in a French company held directly or indirectly by a foreign law company or by individuals residing outside France by a foreign investor who already hold more than 50% of the share capital or the voting rights of such company;
- Subscriptions to increase the capital of French companies already held directly or indirectly by a foreign company or by individuals residing outside France, provided the foreign investor does not actually increase its participation at this time;
- Direct investment transactions made between companies belonging to the same group, which means that they are directly or indirectly held, by more than 50%, by the same shareholders;
- Loans, advances, guarantees, consolidation or cancellation of debts, subsidies or allowances/grants to the subsidiaries made available to a French company already held directly or indirectly by a foreign law company or by individuals residing outside France;
- Direct investment transactions in real estate companies, other than those engaged in the construction of buildings for sale or lease;
- Direct investment transactions in French companies relating to handicrafts, retail, hotels, restaurants, or service industries relating to or having the exclusive objective of exploitation of stone quarries and gravel pits, provided the investment does not exceed Euro 1,500,000; and
- The purchase of agricultural land.

B-Transactions subject to a statistical declaration

1) Declaration to the *Banque de France*

The credit institutions, investments companies and other finance related companies have to make monthly statistic declarations related to settlements between residents and non-residents which are made in France and which exceed Euro 12,500 base 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*[1] (Article R.152-4 of the CMF):

- The creation of a company and real estate acquisitions which exceeds Euro 1,500,000 made by foreign investors in France and liquidation of direct foreign investments in France;
- The creation or expansion of activities of an existing French company held directly or indirectly by a Foreign company or by individuals residing outside France when the amount of those transactions exceed Euro 1,500,000;
- The purchase of agricultural lands for wine making purposes;
- The liquidation of foreign directs investments in France;
- Transactions that have been subject to an authorization from the Minister of Economy (taking into account that the French administration must be informed if an authorized direct investment transaction has not been made or has not been entirely made).

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

- Decrease of the foreign stake in their capital, even if it does not constitute a desinvestment (i.e. by way of a capital increase subscribed by French residents);
- All significant amendments related to their existence or business: closure of business, change of corporate name or address, liquidation;

[1] 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.

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

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

  Failure to make such statistical declarations may involve criminal penalties.

C-Investments submitted to prior authorization

Notwithstanding the foregoing, some specific foreign investments are subject to the prior authorization of the Ministry of Economy (article R.153-2 of the CMF):

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

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

(2) the direct or indirect acquisition of all or part of a branch activity of business having its registered office in France;
However, if the investor is a non-EU investor, the CMF also defines 'foreign investment' as:

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

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 of the date the application is deemed to have been filed. If no response in received from the Ministry within this period, the direct investment is deemed to be authorized. The Ministry of Economy can also make a favorable decision subject to conditions related to national interest and within the respect of principle of proportionality.

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

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

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

3. TAXATION:

(1) TAXATION IN FRANCE

The following is a general summary of the material French tax consequences of acquiring, owning and disposing of Bonds for a person (i) who is a resident of Japan for the purposes of Japanese tax and the "Convention Between France and Japan for the Avoidance of Double Taxation with Respect to Taxes on Income" dated March 3, 1995 (the "Treaty") and the rider dated January 11, 2007, (ii) who is entitled to the benefits of the Treaty.

This discussion is intended only as a descriptive summary. It does not address 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

No French tax whether withholding tax or any other tax (i.e."*Prélèvement forfaitaire obligatoire*") shall be due on interest paid on the Bonds as issued by a company established in France in favor of individuals or legal entity residing or established outside of France (e.g. in Japan). To benefit from such exemptions, the Bondholders must establish that he is a resident of Japan.

If the Bonds are issued through an international bank syndicate ("*syndicat international de banques*") the above mentioned exemptions shall also apply, provided that certain additional conditions are met:

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

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

3. The Bond issue agreement and the memorandum of information must 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).

A "Déclaration unique annuelle des paiements de revenus mobiliers et opérations sur valeurs mobilières" (Tax Return Form for Payments and Revenue on Security Income) 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 Christian Husson, General Counsel of Renault, to the effect that:

(i) Renault has been duly incorporated and is validly existing as a corporation in good standing under the laws of the Republic of France;
(ii) 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 2004, 2005, 2006, 2007 and 2008 are presented under IFRS**.** The figures for the year 2004 have not been restated to these standards. In 2007, Renault has reviewed the accounting treatment of certain components of revenue (mainly, operations related to contracts with subcontractors and sales of parts under warranty to customers) and has opted to recognize actuarial gains and losses in equity. Restated comparative information for the year ended December 31, 2007, the year ended December 31, 2006, and December 31, 2005 is included in the table below, as published in the 2008 Registration Document.

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

	Under previous accounting principles	Under IFRS				
(Consolidated figures[(1)])	2004	2004 Not restated	2005	2006	2007	2008
Revenues	40,715	40,292	40,246	40,332	40,682	37,791
Operating margin[(2)]	2,418	2,115	1,323	1,063	1,354	212
Operating income	2,148	1,872	1,514	877	1,238	(117)
Group pre-tax income[(5)]	4,252	3,464	3,793	3,215	2,989	761
Group net income	3,618	2,903	3,462	2,960	2,734	599
Renault net income (f)	3,551	2,836	3,376	2,886	2,669	571
Average number of shares outstanding [(3)] (in thousand) (b)	265,960	254,168	255,177	256,994	258,621	256,552
Number of shares at December 31 (g)	284,937,118	284,937,118	284,937,118	284,937,118	284,937,118	284,937,118
Share capital	1,086	1,086	1,086	1,086	1,086	1,086
Shareholders' equity [(6)] (a)	16,060	15,864	19,492	21,071	22,069	19,416
Total assets (e)	60,942	61,775	68,372	68,851	68,198	63,831
Capital adequacy ratio (%) (a)/(e)	26.35	25.68	28.51	30.60	32.36	30.42
Shareholders' equity per share [(6)] (EUR) (a)/(g)	56.36	55.68	68.41	73.95	77.45	68.14
Net dividend per share (EUR)(c)	1.80	1.80	2.40	3.10	3.80[(4)]	0[(7)]
Earnings per share (EUR) (d)=(f)/(b)	13.35	11.16	13.23	11.23	10.32	2.23
Cash flows from operating activities	4,957	5,275	5,085	2,586	4,745	(243)
Cash flows from investing activities	(3,107)	(3,005)	(3,053)	(3,044)	(2,947)	(3,838)
Cash flows from financing activities	(861)	(1,281)	(1,510)	260	(2,941)	1,494
Dividend payout ratio	13.48	16.13	18.14	27.60	36.82	0

(%) (c)/(d)						
Number of employees at December 31(persons) (*Excluding employees under the early retirement scheme.)	124,277*	124,277*	126,584*	128,893*	130,179	129,068

(1) This information is for reference only and is not always directly comparable year-on-year, since it may include changes in scope and/or accounting standards or methods.
(2) Corresponds to operating income before "other operating income and expenses"
(3) Weighted average number of ordinary shares in circulation during the period, i.e. after neutralization of treasury shares and Renault shares held by Nissan.
(4) The dividend was agreed by the Annual General Meeting of April 29, 2008 and the dividends were paid on May 15, 2008.
(5) Group pre-tax income includes share in net income (loss) of companies accounted for by the equity method.
(6) Shareholders' equity under the previous accounting principles does not include minority interest. Under IFRS, minority interest is included in shareholder's equity.
(7) There is no dividend proposal to Combined General Meeting of May 6, 2009.

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	2004	2005	2006	2007	2008
Revenues	0	0	0	0	0
Operating income/(expense)	(25)	(24)	(27)	(20)	(31)
Income before tax and exceptional items	595	387	1,864	978	(1,040)
Pre-tax income	254	490	1,863	977	(1,040)
Net income (f)	252	581	1,941	1,096	(863)
Number of shares at December 31(g)	284,937,118	284,937,118	284,937,118	284,937,118	284,937,118

Share capital	1,086	1,086	1,086	1,086	1,086
Shareholders' equity (a)	14,193	16,256	17,395	18,671	15,728
Total assets (e)	22,217	24,696	24,657	25,425	26,196
Capital adequacy ratio (%) (a)/(e)	63.88	65.82	70.55	73.44	60.04
Shareholders' equity per share(EUR) (a)/(g)	49.81	57.05	61.05	65.53	55.20
Net dividend per share (EUR)(c)	1.80	2.40	3.10	3.80 (4)	0(7)
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.

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 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 automobile 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.

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) completing the two models launched in 2002, a total of seven models were launched in 17 months. Mégane II became Europe's best-selling model.

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.

In 2006, Carlos Ghosn announced Renault Commitment 2009, a plan based on three key commitments: quality, profitability and growth, on February 9. 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 eco² label for its most ecological and economical vehicles. Eco² vehicles are produced in certified plants and emit less than 140g of CO_2 per km or run on biofuel. They also include at least 5% recycled plastics, and are 95% recyclable.

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

3. CONTENTS OF BUSINESS:

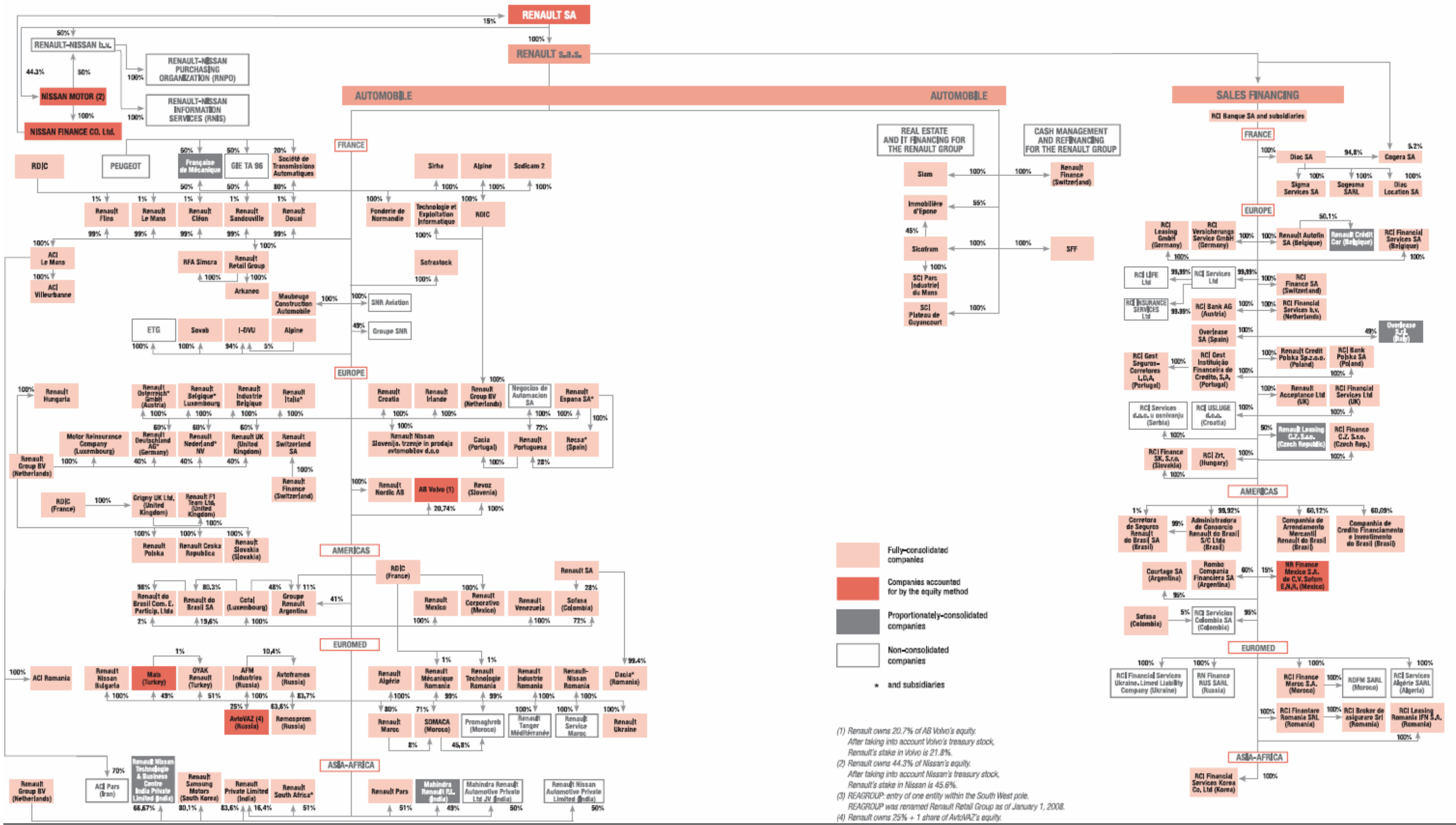
Since the final agreement, signed with Volvo on January 2, 2001, the Group's activities have been divided into two main activities:

- Automobile;

- Sales Financing.

The information contained below regarding the "Detailed organization chart of the group" strictly contains information presented in the Renault Reference Document for the period ending December 31, 2008. For further information on the progression of the organization of the Renault group please refer to "4. Statement of Related Companies."

DETAILED ORGANIZATION CHART OF THE GROUP



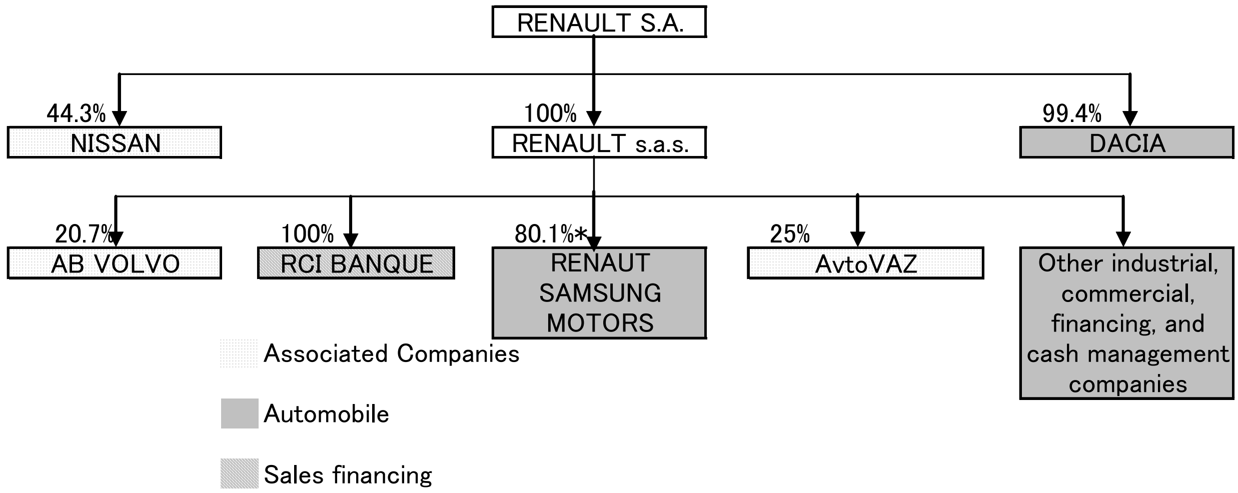
In addition to these two activities, Renault has three strategic investments in associates:

- in AB Volvo;
- in Nissan;
- in AvtoVAZ.

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

Structure of the Renault group

(As of 31/12/2008)



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

(1) ACTIVITIES

A. AUTOMOBILE

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

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

RENAULT GROUP RANGES

Renault Brand

For more than one hundred 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 by an emphasis on people. Renault believes that cars should adapt to people and not the other way round.

Progress is worth little unless it is shared by everybody. For this reason, all Renault vehicles meet criteria in quality, comfort, roadholding, ergonomics, safety and environmental protection. These criteria represent the Renault Standard.

The world is changing and this process of change is a unique opportunity to venture off the beaten track and try out new solutions.

One example is the 'Renault eco²' label. Renault has taken a major step forwards with a commitment to reducing the ecological impact of its vehicles throughout their life cycle: from design and production through to recycling. In 2008 62% of the vehicles sold by Renault in Europe satisfied this ecological commitment.

Passenger cars

In the small-car segment (A and B segments, and passenger-carrying vans), Renault markets six complementary models: Logan, Twingo, Clio II and III, Modus and Kangoo.

Logan is the main driving force behind Renault's international development. At end 2008 it was sold under the Renault brand name in 21 countries, including Russia, Colombia, Venezuela, Ecuador, Brazil, Argentina, Iran (under the name Tondar) and India (in partnership with Mahindra). In 2008 Logan was launched in a number of new countries including Egypt and South Africa. With this broad industrial deployment, Renault is able to produce Logan close to its main markets in Russia, India, Iran, Brazil and Colombia. From 2009 Sandero will be produced in South Africa. An affordable, spacious and robust vehicle, offering unbeatable value for money, Logan is a real success.

In the A segment of city cars, **New Twingo** is a great success. Launched across Europe from mid-2007, it is now pursuing an international career in South Africa and Japan. In Europe it had market share of 9.6% in its segment at end-2008. Twingo II is consolidating its leadership in France where it has a segment share of almost 30% with sales volumes triple that of its main competitor since launch. Twingo II is available in a wide and attractive range of upbeat versions (Dynamique, GT, RS, Initiale) with prices starting at just €7,990. With this full range, Twingo II has successfully expanded its customer base, attracting former Twingo I owners as well as younger buyers and a higher percentage of men (Dynamique and GT versions). The range has been further expanded by a number of limited series (Nokia, Night & Day and Rip Curl), which are particularly popular with customers in the AB social category.

Twingo II is reaping the full benefits of current tax incentives in France and Spain with an engine range including a number of diesels (32% of the mix in France in 2008) including one emitting 104g of CO2 and a 1.2 16V LEV engine emitting 120g of CO2, eligible for a bonus of €700 in France.

Twingo I is still produced and sold in Colombia, while New Twingo is produced at the Novo Mesto site (Slovenia) for all other countries where this model is available.

In the B segment, **Clio III** consolidated its success in 2008 despite a widely renewed offering from the competition. Voted Car of the Year 2006, Clio III is considered as the benchmark in its segment in terms of quality and performance. In 2008 Renault launched a number of limited series models (RipCurl, Exception) with great success. At the start of 2008, the Clio range gained a station wagon version (the "Estate" or "GrandTour"). This attractive new version meets the requirements of customers looking for a car that combines dynamic design with generous load space. After one year on the market, Clio III estate ranks among the leaders in the B-Estate segment.

Most models in the Clio range carry the eco² label, and both the hatchback and estate versions boast CO2 emissions of less than 120 g/km for two of the three diesel engines. With its range of low CO2 engines, Clio is able to take full advantage of the strong tax incentives put in place in most European countries.

Clio III is manufactured at Flins (France), Valladolid (Spain) and Bursa (Turkey). The Renault Sport model is produced in Dieppe (France).

For a wider B-segment offering, Renault elected to continue manufacturing Clio II, renamed Clio **Campus**, with a focus on entry-level versions. Clio II is manufactured at the Novo Mesto site (Slovenia). It is also assembled in Mercosur at the sites in Cordoba (Argentina), Envigado (Colombia), and in Nissan's Aguascalientes plant (Mexico).

Renault is consolidating its presence in the sedan segment with Clio Symbol, the sedan version of Clio II.

This model has enjoyed unflagging success since 2000, with more than 600,000 units sold worldwide. The **New Symbol** was unveiled at the Moscow Motor Show in August 2008. With its modern design and frugal high-performance engines, the New Symbol has all the qualities necessary to attract family-car buyers in Central and Eastern Europe, Russia, Turkey and North-West Africa. Like its predecessor, the New Symbol is produced at the Bursa site in Turkey. In Mercosur the sedan version of Clio II is still produced at the sites in Cordoba (Argentina), Envigado (Colombia), and in Nissan's Aguascalientes plant (Mexico) under the Nissan brand name. The New Symbol is scheduled for launch in Mercosur in first-half 2009.

In 2004, Renault expanded its B-segment range with **Modus**, a subcompact minivan combining exceptional interior space with a remarkably compact size. Modus is the first vehicle in its class to score five stars in Euro NCAP crash tests. The Modus range was renewed in early 2008 with the launch of **New Modus**, a vehicle featuring new design, and, more particularly, **Grand Modus**, a version that is 20 cm longer. This is a highly versatile MPV with a generous boot, sliding, modular rear bench, generous stowage and wide range of practical features such as flipdown trays. Grand Modus boasts real on-road performance and has all the qualities necessary to become the main family car. In Europe Modus and Grand Modus had a 12.9% share of the small MPV segment at end-December 2008. After the Grand Modus launch, sales increased 28.2% between 2007 and 2008. They are both produced at the Valladolid site (Spain).

Launched in late 1997, **Kangoo** car expands Renault's offering in the passenger-carrying vans segment. With the launch of New Kangoo in 2008 on a segment undergoing complete renewal, Renault has regained its position as leader. Kangoo is making strong process in the leisure-activity vehicle segment with sales in Europe surging by 31% on last year. These results highlight Renault's ability to meet customer needs with a vehicle that is more functional and more comfortable than both its predecessor and its competitors.

New Kangoo car is produced in Maubeuge (France), but its predecessor remains on the market. It is still produced at Cordoba (Argentina), as well as at the Somaca plant (Morocco) and Kuala Lumpur (Malaysia).

On the **lower mid-range C segment**, the biggest in the European automotive market by volume, Renault renewed its offering at end-2008 with the launch of New Mégane Hatch. In January 2009, New Mégane Coupé was launched, followed by four other body styles.

From launch, **New Mégane Hatch** scored a maximum 37/37 for adult protection in EuroNCAP tests, making it the safest car on the market in any category. New Mégane also boasts a range of technological innovations, often from the next segment up, such as the Renault hands free card with automatic locking or the executive navigation system Carminat Bluetooth® DVD.

New Mégane Hatch and Coupé ship with a wide choice of engines combining driveability with frugal fuel consumption and respect for the environment. This commitment is reflected by the seven eco² engines available with New Mégane. Renault has taken all measures possible to limit the impact of New Mégane on the environment, from design through to end of life.

The Mégane family is at the core of Renault's expertise. Mégane has sold in 8.5 million units worldwide since its launch in 1995. The Mégane family is also the core range for European customers, since the C-segment accounts for one-third of vehicle sales in Europe.

With six models in the Mégane family, each with its own strong personality, Renault is able to meet the specific needs of each customer. In 2009 Renault will build on the qualities of this extensively renewed, high-performance, safe and attractive range to establish itself as a leader in the fiercely competitive C segment.

In June 2003, Scénic was replaced by **Scénic II**, renewing Renault's offering in the compact minivan segment. Scénic II scored five stars in Euro NCAP crash tests, becoming the safest compact minivan on the market. September 2006 saw the arrival of Scénic phase 2, with the ninth version in the program 1, the five-seater Grand Scénic. In September 2008, Renault streamlined and simplified the Scénic range, while upgrading in-car equipment. Note that the seven-seater Grand Scénic dCi 10, which carries the eco² label, is the only seven-seater MPV to emit just 140g of CO^2. Following the renewal at end-2008 of Mégane Hatch and the launch of Mégane Coupé, second-quarter 2009 will see the arrival of Scénic III. The new vehicle will aim to reclaim its place as Europe's leading compact MPV.

Koleos, Renault's first cross-over, was launched in June 2008 and will be available in more than 40 countries worldwide by the end of first-quarter 2009. This highly versatile vehicle is available in two versions, with two- or four-wheel drive. With Koleos, Renault takes up a position in the coveted SUV/crossover segment, with a model that features the best of both types of vehicle. Koleos combines the comfort of a sedan, with the modular design of a compact MPV and the on-road capacities of a 4WD. Koleos has been acclaimed by the press worldwide. In November 2008 it was named "SUV of the Year" in Australia. Through Koleos, Renault is building its presence on strategic international markets such as Russia, Australia, Mexico, Colombia and South Africa.

In the upper mid-range D segment, **New Laguna** made its debut in 2007. It replaced Laguna II, produced in more than 1,106,000 units during its six-year career, and sold in more than 50 countries.

Launched in fall 2007, Laguna III is spearheading Renault's drive to meet stringent new quality criteria. The vehicle was designed to rank among the top three in its segment for product and service quality. It ships with a three-year/150,000 km manufacturer's warranty. At end-January 2009, Laguna III had sold 122,811 units.

In 2008 Laguna III was launched in countries outside Europe where it is enjoying real success. Renault D-segment volumes have doubled in Morocco and tripled in Turkey.

Available in two versions, hatch and station wagon, Laguna III delivers an enjoyable and relaxing drive, combining top-level safety (five stars in Euro NCAP), unbeatable comfort (driving comfort, excellent acoustics, air conditioning, etc.) and easy use (ergonomics, navigation system, automatic parking brake, easy break function). It is an eminently drivable vehicle, with high-quality engines (including a 1.5 dCi with very low CO2 emissions and a 2.0 dCi recognized by the trade press as one of the best in its category in terms of driving pleasure and performance) mated to 6-speed manual or automatic transmissions, and a precise, responsive chassis.

Laguna GT, launched in first-half 2008, takes drivability one step further and sets new standards in active safety. It is equipped with 4Control, the active drive four-wheel steering system. This allows the rear wheels to move both in parallel and in opposition to the direction of the front wheels, depending on vehicle speed and the angle of the steering wheel. At low speeds, Laguna GT is exceptionally nimble and easy to handle. At higher speeds, the active drive chassis keeps the car on course when sudden changes in direction are made, as in swerving maneuvers. Laguna GT ships with two engines specific to this model: a 2.0 l turbocharged gasoline engine developing 205 hp and 300 Nm. and a 2.0 l dCi engine developing 180 hp and 400 Nm. The press was unanimous in its praise of this GT version. The 4Control system is considered to set the standard at this level of the range in terms of safety and driving efficiency.

Also in 2008 Laguna Coupé was launched at the Paris Motor Show in October, after being unveiled at the Monaco Grand Prix in May. The Coupé features clean, elegant flowing lines, similar to the concept-car presented at Frankfurt. Available with the 4Control chassis, it is also the first vehicle to ship with the two new V6 engines developed by the Alliance. The 240 hp V6 gasoline engine, which develops maximum torque of 330 Nm, already complies with the Euro 5 emission standard. The same is true of the 235 hp V6 dCi engine, which strikes a masterly balance between performance, consumption and noise levels. These two V6 engines ship with the 6-speed automatic gearbox. Laguna Coupé, Renault's flagship vehicle, features the latest in onboard technology, such as the Bose Sound System, Carminat Bluetooth DVD navigation and a hands-free card.

In 2009 Renault will continue to roll out Laguna Coupé across Europe as well as in countries further afield.

In the luxury E segment, Renault launched **Vel Satis** in Europe in 2002. Vel Satis was awarded the maximum five-star rating by Euro NCAP, ranking best in class for safety. Renault launched New Vel Satis in April 2005. In 2006, alongside the 3.0 dCi 180 V6 diesel mated to the 6-speed proactive gearbox, Vel Satis gained two new diesel engines developed through the Alliance: the 2.0 dCi equipped with a particulate filter and available in 150 hp and 175 hp versions. In 2009, the 175 hp 2.0 dCi version will be mated to an automatic gearbox, cutting CO2 emissions from 226 g with the old version (2.2 dCi Automatic) to 199 g.

This year again Vel Satis will be the official fleet vehicle at the Cannes International Film Festival between May 13 and 24.

Vel Satis is produced at Sandouville (France), like New Laguna. It therefore reaps the full benefits of the progress made in terms of quality. On January 1, 2008 Vel Satis gained the same manufacturer's warranty (three years or 150,000 km) as New Laguna.

At end-2002 Renault launched **Espace IV**, the fourth generation of a revolutionary vehicle launched in 1984 in partnership with Matra Automobile. Espace was Europe's first minivan. More than 1.2 million vehicles have been manufactured, across several generations. Espace IV "phase 2" was launched in March 2006. It features the new 2.0 dCi diesel engine developed by the Alliance, available in 150 hp and 175 hp versions, with a particulate filter. A version mated to an automatic transmission was also introduced in 2007. In 2008 Espace remained on the podium in Europe's large MPV segment with market share of 12.5% at end-December in a segment that was down by almost 30%. The Argos special series, which accounts for 20% of total sales, contributed to this result, as did the continued leadership of Espace in France.

In 2009 Renault is simplifying the Espace range. Trim levels Privilège and Dynamique will merge to form a single trim: Exception. In April, a special series called 25th will be launched to celebrate the twenty-fifth anniversary of Espace. This special series will feature a 7" 16/9 color Navigation screen, a 4x20 mono CD radio with an MP3 player, Bluetooth, rear video with a DVD player, pearlescent black exterior trim, a special body colour, alloy wheels and roof bars.

In terms of engines, Espace will gain a NOx & H2S Trap Euro 5 version of the 175 hp 2.0 dCi engine in the second half of the year. This technological innovation, for which Renault has filed 36 patents, works with the catalytic converter and particulate filter to cut NOx emissions by between 50% and 80%.

Espace IV is produced at Sandouville (France). It therefore reaps the full benefits of the progress made in terms of quality. Like Vel Satis, Espace gained the same manufacturer's warranty (three years or 150,000 km) as New Laguna on January 1, 2008. The same terms and conditions thus apply to all Renault's executive vehicles.

Light commercial vehicles

Renault has one of the newest and most extensive ranges of light commercial vehicles in Europe. Vehicle sizes range from 1.6 to 6.5 tons, thus matching the needs of a broad customer base. With the arrival of New Kangoo, Renault consolidated its position as European leader in LCV sales, a position it has held since 1998.

In the small van segment (under 2 tons), Renault took back the European No. 1 spot, which it lost in 2007, with **New Kangoo**. The van version of Kangoo is proving popular with self-employed people and with shopkeepers in a market where competition is fiercer than in previous years and where the number of players has increased. New Kangoo meets customer needs, particularly in terms of fuel consumption, which is among the lowest on the market. At end-2008, Kangoo Express had market share of 17% in Europe.

Like the car version, Kangoo Express is produced and sold on four continents. The proportion of international sales is continuing to increase and now stands at 31% of total Kangoo Express sales.

In the van segment (between 2 and 6.5 tons), Renault renewed its range in 2006 with **New Trafic** and **New Master**. Available with the 2.0 dCi (90 hp and 115 hp) and 2.5 dCi (120 hp and 150 hp) engines, these two vehicles are B30 compatible.

Since its launch at end-2001, **Trafic** has become the benchmark in the compact van segment (between 2.7 and 2.9 tons). Developed in partnership with General Motors, Trafic is produced at GM plant in Luton (UK) and in the Nissan plant in Barcelona (Spain).

In 2008 Trafic was impacted by falling sales in its segment. It had market share of 10.4%, down 0.7% on 2007. At the same time, international sales increased, surging by 26% in the Americas region, 16% in

Euromed and 21% in Asia-Africa.

With a 6.9% market share in the passenger carrying van segment in France, Renault is keen to further develop sales to consumers. At the start of 2009 Renault launched a more ecological and more economical version of Trafic Combi. As well as being lighter, Trafic Combi gained the upgraded 90 hp and 115 hp 2.0 dCi engines, designed to cut both fuel consumption and CO2 emissions, which fall below the 200g mark.

In the large van segment, Renault is selling a full range of Master vehicles in three heights, three lengths and with three gross vehicle weights of between 2.8 and 3.5 tons to meet the needs of professionals carrying goods or people. Master is produced at the Batilly site in France and at the Curitiba site in Brazil.

Although the segment features a completely renewed offering from the competition, Master is holding its own, although it has been impacted by the downward trend on the van market. At end-2008 Master had market share of 5.7% in Europe, down 0.3 points on 2007. However, this fall in sales is relative. Master posted record sales in 2007 of almost 80,000 units.

Renault also markets a Master Propulsion (3.5 to 6.5 tons), which ships in van, dumper, double cab and high-volume versions.

After eleven years in production and more than 88 versions, Master continues to enjoy unflagging success. The vehicle will be renewed at year-end 2009.

Dacia Brand

At-end 2008, Dacia brand vehicles were available in fifty countries (Europe, North-West Africa, Turkey, Africa, Asia). The brand's objective is to sell sturdy, modern and roomy vehicles at affordable prices on new automotive markets and in Europe.

In September 2004, Dacia launched **Logan**, developed on the Renault-Nissan Alliance's B platform, used for Nissan Micra and Renault Modus. The Dacia range was expanded with the launch of Dacia Logan MCV end-2006 and Dacia Logan Van (commercial vehicle) in 2007. In 2008 the range was renewed with the launch of Dacia Logan Pick-up in April, Dacia Sandero in June, New Dacia Logan in July and New Logan MCV in November. Dacia vehicles ship with a wide range of Renault powertrains, both gasoline and diesel.

Dacia is now applying the same environmental standards as Renault with the launch of the Dacia eco² label. In 2008 Italy launched an LPG offering on Sandero. In 2009 the ecological offensive is continuing with the launch of the LPG engine in France and the D4F engine (75 hp, 139g C02) in Europe on Logan and Sandero. Finland and Sweden are selling vehicles compatible with E85 (Sandero K7M and Dacia Logan MCV K4M).

Dacia is seeing steady sales growth. In 2008 the brand sold more than 257,800 Logan and Sandero units, a 12% increase on 2007. In Europe in 2008 Dacia grew sales by 39%, on the back of the success of the Dacia Logan MCV and the newly launched Sandero.

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

Renault Samsung Brand

Renault Samsung Motors sells four passenger cars in South Korea (SM5, SM3, SM7 and QM5) covering the M1, M2 S and SUV segments. These four segments account for more than 72% of passenger car sales in South Korea.

- SM5, an executive sedan, has enjoyed continued success since 2001. A new version of SM5 was launched in January 2005 and restyled in June 2007. It enjoys high market share of 26.7% in its segment with sales of 55,640 units;

- SM3, launched in September 2002, was restyled in August 2005. A total 19,246 units were sold in 2008 for market share of 10.2% in its segment;
- SM7, a roomy sedan with a comfortable and luxurious interior and high-end safety features, launched in November 2004. This executive vehicle, shipping with the 3.5 V6 and 2.3 Neo VQ engines, incorporates the latest technology from the Renault-Nissan alliance. It has consolidated its position following a major facelift in January 2008. With 15,263 units sold in 2008, SM7 claimed market share of 9.8% in the "Large and Luxury" segment.
- QM5, a new model launched in December 2007, is the first real crossover on the Korean market. It sold 11,832 units in 2008, taking a 9.6% 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 in this plant. It is exported to more than 40 countries worldwide (45,100 units at end-November 2008). As part of Alliance agreements, RSM is continuing to export SM3 under the Nissan brand (46,132 units in 2008). In July 2008, RSM started exporting SM5 to Gulf markets under the Renault brand (1,559 units in 2008).

At end-November 2008 RSM had sold more than 195,000 vehicles, of which more than 101,980 in South Korea. RSM is fourth on its domestic market.

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

POWERTRAIN RANGE

Renault is constantly pursuing a threefold challenge, aimed at combining respect for the environment with driveability and reliability. The 5,600-strong mechanical engineering team are developing a full range of powertrain sub-systems meeting increasingly high standards of performance. The diesel dCi and gasoline TCe engines combine strength, low fuel consumption, performance and power. They are designed to respond instantly – across all operating ranges – to driver input.

In 2008 Renault expanded the range of dCi diesel engines, already recognized for their performance and low fuel consumption. The new dCi 110 and dCi 130 engines shipping with New Mégane were developed to deliver power from the lowest engine speeds. And with 110 hp and 130 hp for 120 g and 135 g of CO_2 /km respectively, they provide the best balance between driving comfort and fuel consumption on the market.

Another highlight in 2008 was the market debut of the V6 dCi 235 engine. Designed and developed by Renault's mechanical engineering team as part of the Renault-Nissan alliance, it will ship with the executive vehicles of both Renault (Laguna Coupé from early 2009) and Nissan. Developing 235 hp, this diesel engine is the most powerful in the dCi range. It is also the flagship for driveability. Particular emphasis was placed on the acoustics of the engine, which ranks among the quietest on the market. Allying low fuel consumption and low emissions, it also meets the Euro 5 standard, which comes into application at end-2009.

The range of TCe gasoline engines is also expanding. Referred to by the name of TCe (Turbo Control efficiency), these feisty turbocharged gasoline engines deliver performance from the lowest engine speeds, with smooth and easy ramp-up. These engines are designed to deliver power in response to driver needs, across all operating ranges. They are also economical, with running and maintenance costs among the lowest on the market.

After the TCe 100, which made its debut last year on A and B segment vehicles (Twingo, Clio and Modus), the TCe 130 engine, revealed at the Paris Motor Show in October 2008, made its debut in early 2009. Developed as part of the Renault-Nissan alliance, it reflects the synergies between the two manufacturers: the expertise of Nissan in the development of gasoline engines and the experience of Renault in combustion and turbocharging. Based on the normally aspirated engines in the Nissan range, the new TCe 130 engine features an aluminum sump and “single scroll” turbocharger. The profile of the intake ports has been modified compared with the normally aspirated engines. The aim was to create a tumble effect inside the combustion chamber to ensure a more homogeneous blend for better combustion. This technique promotes a more even spread of the flame and thus improves torque at low speeds, without hampering performance at higher engine speeds.

This turbocharged range of gasoline engines satisfies growing market demand for frugal gasoline engines that respect the environment, with the transition to the Euro 5 standard. The TCe range comprises three engines: the TCe 100, TCe 130 and TCe 180.

With the dCi diesel and TCe gasoline engine ranges, almost 70% of the engines shipping with New Mégane carry the Renault eco² label: ecological and economical.

Technologies for air quality: the NOxtrap.

The NOxtrap is part of Renault’s drive to cut pollutant emissions. It traps nitrogen oxides and turns them into neutral gases. Renault has filed 36 patents for this post-treatment technology. In 2008 it was used by private fleets in France and Germany on the Renault Espace with the dCi 175 engine. The NOxtrap rounds out the studies carried out by Renault engineers on improving combustion in order to reduce pollutant emissions.

CVT: greater comfort in use.

Continuously Variable Transmission (CVT) is an innovative technology developed by Nissan and used by Renault through the Alliance. By delivering seamless acceleration on gearshifts, it contributes to smooth, comfortable performance. Based on detailed studies by Alliance engineers, the CVT marketed by Renault ranks among the best in its category in terms of acceleration-ramp-up response. CVT improves engine operation including during transient states. In this way, it contributes to lower fuel consumption and CO_2 emissions on conventional gasoline engines. The 2.0 l 16v (140 hp) engines of New Mégane were the first to benefit from this technology.

MAIN MANUFACTURING SITES

Renault has more than 30 manufacturing sites for its automobile business. Under cooperative cost-sharing agreements, the Group also uses facilities operated by other manufacturers, notably General Motors Europe’s site in the U.K.

Also, thanks to the 1999 Alliance with Nissan, Renault can take advantage of its partner’s industrial facilities in areas where Nissan already has operations, such as Mexico. In Spain, Renault uses Nissan’s Barcelona plant to manufacture Trafic.

In 2008, the bulk of production by the three brands making up the Renault group, for both cars/LCVs and powertrain sub-systems, was managed primarily by the following plants.

MAIN MANUFACTURING SITES BY BRAND – 2008 PRODUCTION (UNITS)

RENAULT BRAND			
Renault sites			
France	Flins	159,618	Clio II, Clio III
	Douai	168,107	Mégane II (hatch, coupé-cabriolet), Scénic II and Scénic III (5- and 7-seater)
	Sandouville	104,810	Laguna III (hatch, Estate, Coupé), Vel Satis, Espace IV
	Maubeuge	178,602	Kangoo Generation 2006, Kangoo III (1)
	Batilly	98,973	Master II (2), Mascott II (3)
	Dieppe	6,581	Clio III Renault Sport, Mégane II Renault Sport (hatch, coupé)
	Cléon	1,222,417	Engines, transmissions
	Le Mans	6,568,303	Front/rear axles, subframes, bottom arms, pedal assemblies
	Choisy-le-Roi	103,714	European center for reconditioned powertrain sub-systems (engines, transmissions, injection pumps, nozzle holders, sub-assemblies), new engines and powertrain components, Twingo rear axles
	Grand-Couronne	n.d.	Shipment of CKD kits
Spain	Palencia	164,794	Mégane II, Mégane III
	Valladolid	93,150	Clio III, Modus
		982,332	Engines
	Seville	805,575	Transmissions
Portugal	Cacia	10,928,942	Transmissions, powertrain components
Slovenia	Novo Mesto	197,843	Clio II, Twingo II
Russia	Avtoframos	73,186	Logan (Renault)
Turkey	Bursa	286,695	Mégane II (4-door hatch), Clio II Thalia, Clio III(sedan)
		992,632	Engines, transmissions
Morocco	Casablanca	34,303	Logan (5), Kangoo Generation 2006
Argentina	Cordoba	74,974	Clio II, Clio II sedan, Clio II Thalia/Symbol, Mégane I (hatch, sedan), Kangoo, Kangoo Express
Brazil	Curitiba	122,404	Scénic I, Mégane II (hatch, sedan), Logan (Renault) (4)
		204,687	Engines
Colombia	Envigado	34,168	Twingo, Clio II (hatch and sedan), Mégane I sedan, Logan (Renault)
Chile	Los Andes	290,416	Transmissions, powertrain components
Iran	Teheran	56,150	Logan (Renault) (6)
		308,616	Front/rear axles, subframes, bottom arms
India	Nashik	18,407	Logan (Renault)
Nissan sites			
Spain	Barcelona	55,996	Trafic II (7)
Mexico	Aguascalientes	8,906	Clio II (8)
General Motors Europe site			
UK	Luton	23,593	Trafic II
DACIA BRAND			
Romania	Pitesti	242,065	Logan, Logan van, Logan station wagon, Sandero
		3,052,932	Engines, transmissions
RENAULT SAMSUNG BRAND			
South Korea	Busan	189,260	SM7, SM5, SM3, QM5 (Koleos)
		136,774	Engines

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

(2) Batilly also manufactures Master for General Motors Europe and Nissan. These vehicles are sold under the name Movano for the Opel and Vauxhall brands, and Interstar for the Nissan brand.
(3) Mascott has been distributed by Renault Trucks (formerly Renault V.I.) since 1999 and, by Renault since January 1, 2003, under the name Master Propulsion.
(4) The Curitiba LCV plant also produces Nissan's Frontier pickup and Xterra.
(5) Dacia-badged Logan.
(6) In partnership with the Iranian companies Pars Khodro and Iran Khodro.
(7) Nissan's Barcelona plant also manufactures compact vans marketed under the names Primastar and Vivaro by Nissan and Opel respectively.
(8) Nissan's Aguascalientes plant in Mexico also makes Platina (Nissan brand) on a Renault Clio Thalia base.

RENAULT DISTRIBUTION NETWORK IN EUROPE

Organization of the Renault network in Europe

The Renault group distributes its vehicles in Europe through a primary and a secondary distribution network.

The primary network is contractually linked to Renault and comprises:

- private dealers who can sell and service Renault vehicles;
- branches belonging to the Renault group's business distribution unit, REAGROUP, which changed its name on January 1, 2008, to become Renault Retail Group;
- partners from the primary network specialized solely in after-sales (approved repairers).

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

Renault's distribution network in Europe complies strictly with regulations (EC 1400/2002):

- in sales, Renault has opted for a selective distribution system, based on qualitative and quantitative factors, which authorizes the Group to choose its distributors and establish the numbers required;
- in after-sales, Renault selects its approved repairers on the basis of qualitative criteria with no restriction on numbers.

The Renault distribution network in Europe (1)

		2008		2007
Number of Renault contracts	**Europe(1)**	**o/w France**	**Europe(1)**	**o/w France**
Branches and subsidiaries	11	1(3)	36	1(2)
Dealerships	1,449(4)	318	1,371	311
Subdealerships	8,058	4,562	8,411	4,698
Total	**9,518**	**4,881**	**9,818**	**5,010**

(1) Europe: includes the ten Western European subsidiaries plus Poland, Hungary, Croatia, the Czech Republic, Slovenia, Slovakia and the four countries of the NORDIC region (not included in 2007).
(2) REAGROUP, wholly owned by Renault SA, had 63 outlets organized into legal entity.
(3) A single Renault Retail Group contract covers 62 outlets.
(4) Including 105 contracts for the NORDIC subsidiary.

Renault Retail Group

This fully owned Renault commercial subsidiary is the Group's biggest in terms of revenues (€7.9 billion in 2008) and workforce (12,845 employees). It distributes products and services for the Renault, Nissan and Dacia brands on around 350 sites in 12 European countries.

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.

The Renault Retail Group Vision 2009 plan is based on three commitments:

- quality: be consistently better than private dealerships;
- profitability: achieve operating margin of 6% on the additional revenues created for Renault;
- volumes: sell 300,000 new vehicles by the end of the plan.

In 2008 Renault Retail Group continued the actions rolled out as part of RRG vision:

- objective 1: improve organization and costs;
- objective 2: satisfy the customer;
- objective 3: build volumes and profitability.

RENAULT RETAIL GROUP FIGURES AT END-DECEMBER 2008	**EUROPE**	**o/w FRANCE**
New vehicles (units)	282,162	170,198
Used vehicles (units)	191,000	127,339
New and used vehicles (units)	473,162	297,537
Consolidated revenues (€ thousands)	7,932,186	4,995,822

Highlights in Group network strategy in 2008

Changes to Dacia network strategy

For the roll-out of Logan in Western Europe, the distribution networks were structured using the existing Renault networks. The approach adopted keeps the brands separate (different contracts and images).

To ensure that sales outlets provided sufficient coverage, and to minimize investments, a number of Dacia corners were set up in Renault showrooms.

The roll-out of the Dacia brand in Western Europe has proved to be a huge success. In France, Dacia ranked twelfth on the market in 2008 with 43,514 car/LCV registrations.

Additional NV display areas are required to underpin the drive to double Dacia's European sales volumes between 2007 and 2009, and support the launch of two new models, alongside the accelerated development of the Renault range. A pragmatic approach has been adopted, through which separate Dacia showrooms will gradually be put in place, according to the potential of local markets.

CASH MANAGEMENT IN AUTOMOBILE

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

- automate the processing of routine cash inflows and outflows, with improved security and reliability;

- pool the surplus cash of Group subsidiaries and meet their refinancing requirements;
- centralize the handling of euro-denominated and foreign-exchange transactions for better management of currency, interest-rate and counterparty risks, while reducing financial and administrative costs;
- centralize all financing operations, including securities issuance, bank loans and credit agreements, at parent-company level.

Within this framework, Renault's Corporate Treasury Department, in charge of cash management and financing for the Group's industrial and commercial activities in France and Europe, has a specialized entity, Renault Finance, to manage:

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

In 2007 Renault's Corporate Treasury Department reviewed its arrangements for centralizing Group cash flows, which will lead to the closure of Société Financière et Foncière in 2009. For the euro zone, cash will be centralized through an IT platform that pools all the euro-denominated transactions of the subsidiaries, and that interfaces with Automobile's banks. The role of Renault Finance in cash-flow management has been broadened to cover foreign currency payments by French and European subsidiaries. Outside the euro zone, the cash flows of certain subsidiaries are centralized in Renault Finance's books.

Renault Finance

Renault Finance, a Swiss corporation based in Lausanne, is an active player on the forex and fixed-income markets and in the market for hedging industrial metals transactions. It respects strict rules on risk management in all its trades. Through its arbitraging business, it can obtain competitive quotes for all financial products. The company is therefore Renault's natural counterparty for most of Automobile's financial market transactions. By extending that service to the Nissan group, Renault Finance has become the Alliance's trading floor. It manages spot and forward foreign exchange transactions with Renault and Nissan, and hedges 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, and as part of the reorganization of Automobile's cash flow management procedures, Renault Finance launched some new services in 2008, namely commercial and financial payments in foreign currencies for Renault (and to a lesser extent for Nissan's financial flows), and a forex cash-pooling service for a number of Renault entities (Switzerland, UK, Czech Republic). Other foreign currency cash-pooling operations will follow.

At end-December 2008, parent-company net income was €54.8 million (against €40.3 million at end-December 2007) and total parent-company assets amounted to €3.870 billion (versus €4.218 billion at end-December 2007).

Société Financière et Foncière

Société Financière et Foncière (SFF) is a fully-fledged bank within the Renault group.

SFF is in charge of virtually all cash flows of Renault as well as the first-tier and second-tier subsidiaries of Automobile in France and Europe.

The system through which SFF centralized cash flows for Renault and its subsidiaries was gradually replaced in 2008 by a cash management platform covering almost 200 Group entities and managed by Renault SA.

The process of decentralizing the flows handled by SFF, including commercial flows for Nissan France, started in 2007 and will be completed in first-half 2009. In all, 80% of operations had been decentralized at December 31, 2008.

In 2008, SFF reported parent-company net income of €4.85 million, compared with €6.15 million in 2007. Total parent-company assets at December 31, 2008 amounted to €180 million (€340 million at December 31, 2007).

B. SALES FINANCING

Sales Financing's activities are handled by RCI Banque[2] and its subsidiaries. RCI Banque is the entity that finances sales and services for the Renault group brands (Renault, Dacia, Samsung) worldwide and for the Nissan brand, mainly in Europe.

The role of the RCI Banque group is to provide a full range of financing solutions and services for its three main customer constituencies:

- consumers and corporate clients, for which RCI Banque provides credit solutions for the acquisition of new and used vehicles, rental with purchase option, leasing and contract hire, as well as the associated services, namely contracts for maintenance, extended warranty, insurance, assistance and fleet management;

- the networks that distribute Renault, Nissan and Dacia brands, for which RCI Banque finances inventories of new and used vehicles and spare parts, as well as their short-term cash flow needs.

At December 31, 2008 the RCI Banque group had total assets of €23.1 billion, and an average workforce of 3,162, of which 43.4% was based in France.

The RCI Banque group operates:

- in France;

- in 24 European countries: Austria, Belgium/Luxembourg, Bosnia Herzogovina, Croatia, Czech Republic, Denmark, Estonia, Finland, Germany, Hungary, Italy, Latvia, Lithuania, the Netherlands, Norway, Poland, Portugal, Serbia, Slovenia, Slovakia, Spain, Sweden, Switzerland, and the UK;

- in the Euromed Region: in Romania, Morocco, Algeria, Russia and Ukraine;

- in the Americas Region: in Argentina, Brazil, Colombia and Mexico;

- in the Africa-Asia Region: in South Korea.

In 2008, RCI Banque financed 32.1% of new vehicles sold by the Renault group and Nissan brands in the Western European countries in which it operates.

CONSUMER MARKET

Consumer-related business accounts for 52.1% of RCI Banque's average loans outstanding, or €11.8 billion.

In this field, RCI Banque plays a three-fold role:

- offer and develop financing solutions to facilitate and accelerate sales of Renault and Nissan vehicles;

- integrate financing solutions and services to encourage car use and build loyalty to Group brands;

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[2] For more information about RCI Banque and its business, visit www.rcibanque.com.

- help automakers organize sales promotions.

CORPORATE CLIENTS

Consumer-related business accounted for 21.7% of RCI Banque's average loans outstanding, or €4.9 billion at end-2008. In this field, RCI Banque has five aims:

- establish RCI Banque's financial and business-services strategy and implement it in the subsidiaries;
- plan the marketing strategy and brand policy for the corporate market;
- implement best practices for business-oriented products and services wherever RCI is present;
- help Renault and Nissan establish international protocols;
- monitor and guide economic performance by ensuring that profitability is in line with Group targets.

NETWORKS

At end-2008, network financing accounted for 26.2% of average loans outstanding, or €5.9 billion, RCI Banque has a four-fold remit in this field:

- finance inventories of new and used vehicles and spare parts, and fund dealers' long-term financing operations;
- manage and control risks;
- secure the network's future by standardizing financial procedures and monitoring them on a regular basis;
- act as financial partner to the network.

C. ASSOCIATED COMPANIES, PARTNERS AND COLLABORATIVE PROJECTS

Renault has three major stakeholdings in associated companies:

NISSAN

Renault's shareholding in Nissan is described in detail in (2) below.

The market capitalization of Nissan at December 31, 2008 was €11.4 billion, based on a closing price of ¥320 per share.

Renault holds 44.3% of the capital of Nissan. At December 31, 2008 the market value of the shares held by Renault totaled €5.1 billion.

Renault accounts for its shareholding in Nissan by 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 is the principal shareholder in Volvo, the leading truck manufacturer in Europe and number two worldwide. It holds 20.7% of the outstanding shares, and 21.8% of voting rights after the inclusion of stock held in treasury by AB Volvo.

Renault is represented on Volvo's Board by Louis Schweitzer, Chairman of Renault's Board of Directors, and by Philippe Klein, Executive Vice President, Plan, Product Planning and Programs.

In the CV sector, the group now comprises four brands: Volvo, Renault Trucks, Mack and Nissan Diesel This range accounts for two-third of Group sales. Other sectors of activity concern worksite vehicles, coaches and buses, engines, aerospace and financial services.

The commercial vehicle offering ranges from light commercial vehicles to heavy trucks, sold through a vast network covering more than 130 countries in Europe, Russia, and North and South America, as well as in Asia, where the Group is increasing its presence.

Worldwide deliveries in 2008 totaled more than 251,000 vehicles (236,356 in 2007), with Nissan Diesel included from April 2007.

The group was impacted by the crisis. In response to falling deliveries (-5% in Europe and -9.4% in North America) and cancelled orders, it was forced to implement a plan to cut costs and to stop production in Europe in order to avoid increasing inventory. In South America and Asia, however, deliveries rose strongly, by 18.5% and 52% respectively.

International expansion continued. After Russia and Turkey in 2007, Volvo decided to invest in India, the world's fourth biggest market, to reinforce its position in this country. A joint-venture has been set up with Eicher, a manufacturer of trucks and buses.

In April 2008, a dividend of SEK 5.5 per share was paid out for 2007. Renault thus received €259 million in dividends in 2008, compared with €477 million in 2007.

An ordinary dividend of SEK 2 per share for 2008 has been be approved by the General Meeting of April,1 2009.

In 2008, Volvo's contribution to Renault's net income was €226 million, compared with €352 million in 2007 (see note 14 in the notes to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement).

	2008			2007	
in millions	SEK	EUR *	change	SEK	EUR **
Net revenues	303,667	31,566	6%	285,405 (1)	30,848
Operating income	15,851	1,648	-29%	22,231	2,403
Net income	10,016	1,041	-33%	15,029	1,624
Dividend per share in SEK	5.5	for fiscal	-78%	25	for fiscal
Super dividend in SEK		year 2007		25	year 2006
Closing at Dec. 31 in SEK (EUR=10.87 SEK)					
Volvo A share	43.7	4.02	-59%	108	
Volvo B share	42.9	3.95	-60%	108.5	

*EUR 1 = SEK 9.62 (1) restated **EUR 1 = SEK 9.25

At December 31, 2008, based on a share price of SEK 43.7 for Volvo A shares and SEK 42.9 for Volvo B shares, Renault's holding in AB Volvo was valued at €1,753 million (€5,067 million at December 31, 2007). The market capitalization of Volvo at this date was €8,450 million.

AVTOVAZ

In first-quarter 2008 in Russia, on a strongly growing automotive market, Renault invested US$ 1 billion in AvtoVAZ – Russia's leading manufacturer – to acquire a 25% stake plus one share, on an equal basis with Russian Technologies. The aim is to create a long-term partnership that will accelerate the transformation of AvtoVAZ into a global automotive player with a production capacity of over one million vehicles/year.

The partnership will seek to accelerate the growth of AvtoVAZ, to renew and expand its vehicle range, and to develop the Lada brand while respecting its identity to enable it to maintain its leading position on the Russian market. The partnership will also exchange technological expertise and share know-how.

In pursuit of these aims, Renault and AvtoVAZ have put in place a Joint Strategic Committee to define strategy and coordinate the joint activities of the two companies. Renault has put forward a number of managers to sit on the AvtoVAZ management committee. At the same time, two major licence agreements worth €220 million were signed in September 2008 to assemble the RF 90 vehicle and produce engines and transmissions.

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

PARTNERSHIPS AND COLLABORATIVE PROJECTS

Supplier relations and support

To maintain and enhance its competitive edge in the automotive industry, Renault is continuing its policy aimed at optimizing purchases. It has also stepped up efforts in terms of profitability and quality, in close relation with suppliers.
Renault has outlined relations with suppliers in a common charter with Nissan called the Renault-Nissan Purchasing Way. The charter is based on two key principles:

- achieve a high level of performance in quality, costs and delivery times, respecting clear processes that are deployed globally;

- share Alliance values of trust, respect and transparency.

Renault views supplier relations over the long term, and is conducting a policy of active support in the following areas:

- product development: Renault works in close cooperation with its suppliers at the very start of projects, with a view to meeting price and quality targets and cutting development times;

- quality: Renault has seconded 120 quality experts, of whom half are outside France, to work with its suppliers. These experts aim to boost quality by implementing strict tools and processes from the very start of the project, during service life, and for after-sales parts;

- competitiveness: Renault has seconded 40 experts to supplier development, to improve their competitiveness and that of their own supply chain;

- logistics: Renault is implementing EVALOG – a tool designed to improve logistics performance – with suppliers;

- innovation: Renault is implementing co-innovation contracts with its most innovative suppliers. These contracts clearly set out the objectives pursued, the breakdown of costs, ownership rights, exclusivity periods, etc.

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

At global level, Global Supply Chain (DSCM) manages and coordinates all strategic and operational aspects of the supply chain, from the suppliers' factory gate through to delivery of the vehicle to the customer. The aim is to ensure reliable delivery times and quality at satisfactory cost, while keeping inventory to a minimum.

Strategic aspects include the management of production and transport capacities, transport organization and planning, and packaging.

Operational aspects cover plant scheduling, parts supplies and vehicle distribution.

In co-design and manufacturing, the main partnerships are as follows:

- Renault has entered into a number of cooperation agreements with PSA Peugeot Citroën. The two groups have worked together since 1966 on developing powertrain components: notably engines at their jointly-owned affiliate, Française de Mécanique, in Douvrin (France), and automatic transmissions at Société de Transmissions Automatiques in Ruitz (France);

- Renault has also signed a number of commercial agreements for the sale of subsystems, notably transmissions and engines for Volvo and MMC and, since January 2004, a diesel engine for Suzuki Jimny;

- for light commercial vehicles, Renault and General Motors signed a framework agreement in 1996 for a cooperative undertaking. The aim is for the two manufacturers to increase their market presence in Europe and to share development costs.
  Concerning compact vans, Renault Trafic and Opel/Vauxhall (GM) Vivaro have been produced at the GM Europe plant in Luton (UK) since 2001, and at the Nissan plant in Barcelona (Spain) since 2002. Phase 2 production began in the last quarter of 2006. The large vans, Renault Master and Opel/Vauxhall (GM) Movano have been produced by Renault at its Batilly plant (France) since 2000. The Movano is sold to GM as part of a supply agreement.

At end-2007, Renault and Opel signed a new commercial contract to supply a new heavy van, the future replacement for Master/Movano.

Master and Master Pro vehicles produced at Batilly are distributed by the Renault Trucks network (Master and Mascott). In December 2007, a letter of intent was signed to supply the future replacement for Master to Renault Trucks.

To accelerate the pace of international expansion

Several agreements were signed with local partners (manufacturers, local authorities).

In Russia, alongside the partnership with AvtoVAZ, Renault and Moscow City Hall implemented their new partnership as part of plans to increase the production capacity of the Moscow plant to more than 160,000 vehicles/year from mid-2009. In the first quarter of 2008 they set up a new joint entity in which Renault holds a majority stake, with the land and buildings necessary for phase 2. This increased capacity will support the success of Logan on the Russian market and make it possible to introduce new models.

In India:

- in Chennai, the Alliance is building its first joint production site as part of a 50/50 joint venture (JV RNAIPL). Renault has put the project on hold for the present;

- in the same region, the joint venture set up by Renault and Nissan, RNTBCI, started providing services in engineering and information systems in 2008;

- in July 2008 Renault and Nissan signed a Memorandum of Understanding (MOU) with Bajaj – India's second biggest motorbike producer and leader in the 3-wheeled vehicle segment – to set up a joint venture (25% Renault, 25% Nissan, 5 % Bajaj) to develop, produce and sell an ultra-low cost vehicle (ULC), from 2011 with prices starting at US$ 2,500. The ULC will be produced at a plant to be built in Chakan (state of Maharashtra), which will have a long-term capacity of 400,000 vehicles/year;

- with its industrial and commercial partner Mahindra & Mahindra, Renault is continuing to produce and sell Logan sedan. Logan now has a 6% share of the C segment with more than 36,000 vehicles sold since launch in May 2007. It ranked 5th on its segment in India in 2008.

In Iran, the framework agreement for the Logan project, signed in October 2003 by Renault and IDRO (Industrial Development and Renovation Organization – a holding company linked to the Iranian ministry of industry and mines) – makes provision for the redeployment of the Renault brand in Iran, based initially on the 90 family and the 90 platform (Logan). The plan is that each of the two main Iranian manufacturers (Iran Khodro and SAIPA/Pars Khodro) assemble and distribute L90s. The installed capacity will be 300,000 vehicles/year split equally between the two manufacturers. The joint venture Renault Pars founded in May 2004, 51% owned by Renault and 49% by AIDCo (Iran Khodro 26%, SAIPA 26%, IDRO 48%), is managing the industrial project. The specific roles assigned to Renault Pars mainly concern purchasing, engineering, processes, quality procedures and sales coordination. The partners have agreed to cover the investments and expenses incurred before launching the first vehicle through a capital increase. More than 72,500 Tondar (local name of Logan) vehicles have been produced since March 2007, of which more than 57,500 in 2008. At the same time, with the ramp-up in production in second-half 2008, 1,767 Mégane vehicles were assembled in partnership with Pars Khodro.

In South Africa, following a cooperation agreement signed in May 2007, the Alliance invested ZAR 1 billion (€88 million) for the local assembly of vehicles from the Logan range (Pick-up and Sandero)at the Nissan plant in Rosslyn, starting in early 2009. The Pick-up will be assembled by Nissan which will sell it under its own brand name. Sandero, which will also be assembled by Nissan, will be sold by the subsidiary Renault South Africa. Nissan will purchase CKD parts from Renault and will cover all specific investments.

In Morocco, Renault signed an agreement with the Kingdom of Morocco at the start of the year to build an industrial complex in the region of Tangiers, using the TangerMed port platform. This industrial complex will use the advanced logistics infrastructure developed by the Kingdom of Morocco in the northern part of the country. Implementation of this project has been put back.

In view of the success of Logan and Kangoo on Moroccan and export markets, Renault decided to double the production capacity of Somaca, 80% owned by the Group, for an investment of €45 million and to start production of a new vehicle – based on the Logan range – from 2009.

In Colombia, the industrial and commercial cooperation agreements between Sofasa and Toyota and the shareholders agreement between Renault Toyota and Mitsui, which hold 60%, 28% and 12% of Sofasa respectively, expired on December 31, 2008.

On December 19, 2008 Renault, Toyota and Mitsui signed a Share Purchase Agreement executed on January 7, 2009. Renault takes a 100% stake in Sofasa to support the development of its activities in the northern part of Latin America.

In distribution

The Mascott van, manufactured at Renault's Batilly plant, has been distributed by the Renault Trucks network since 1999, and also by Renault, since January 2003 under the name Master Propulsion.

In the environment

Renault Environnement, a fully owned subsidiary of Renault sas, was founded in May 2008. The role of this company is to take a number of stakeholdings and form partnerships to develop new business in the environmental sector (vehicle recycling, eco-driving, "green" products, etc.). This objective was confirmed by the Executive Committee (CEG) on October 14 last.

The first operation of this type took place in May 2008 when Renault Environnement took a 40% stake in Indra Investissements, a company with a network of 200 breakers in France, including three wholly owned vehicle dismantling sites. The purpose of the holding is to upgrade the end-of-life vehicle treatment process, starting with France. It was contributed to a 50/50 joint venture, set up with SITA France, Re Sources

Industries Holding, which aims to develop its business in the recycling industry in the broadest sense of the term.

(2) THE RENAULT-NISSAN ALLIANCE

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

Renault now holds 44.3% of Nissan and Nissan owns 15% of Renault. Each company has a direct interest in the results of its partner.
The Alliance has demonstrated its capacity to improve the individual performance of both partners, while protecting their respective corporate and brand identities, as the result of founding principles chosen to promote balance within the partnership and to capitalize on the complementary strengths of two groups with a global presence.

Renault and Nissan sold a combined total of 6,090,304 units in 2008, giving global market share of 9.4% for the Alliance.

<u>OBJECTIVES OF THE ALLIANCE</u>

VISION – DESTINATION OF THE RENAULT-NISSAN ALLIANCE

March 27, 2004 marked the fifth anniversary of the agreement heralding the creation of the Renault-Nissan alliance. Both Renault and Nissan took this opportunity to restate the values and principles underpinning the Alliance and to announce new ambitions for the future in the shape of a common "Alliance Vision–Destination" document.

"Alliance Vision– Destination" was approved by the Alliance Board and has been shared with all employees in both groups.

The Renault-Nissan alliance is a unique partnership of two global companies united for performance and linked by cross-shareholdings. It is based on two founding principles:

- Developing all potential synergies by combining the strengths of both companies through constructive approaches to deliver win-win results;

  - Preserving each company's autonomy and respecting their own corporate and brand identities.

The principles of the Alliance

The Alliance is based on trust and mutual respect. Its organization is transparent. It ensures:

- clear decision-making for speed, accountability and a high level of performance;

- maximum efficiency by combining the strengths of both companies and developing synergies through common organizations, cross-company teams, shared platforms and components.

The Alliance attracts and retains the best talents, provides good working conditions and challenging opportunities: it grows people to have a global and entrepreneurial mindset.

The Alliance implements the best established standards of corporate governance.

The Alliance contributes to global sustainable development.

Three objectives for the future

The Alliance develops and implements a strategy of profitable growth and sets itself the following objectives:

- to be recognized by customers as being among the best three automotive groups in 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 among the top three automotive groups in the world, by maintaining a high operating profit margin and pursuing growth.

The objectives of "Vision – Destination of the Renault-Nissan alliance" were confirmed at the Third Alliance Convention in Tokyo on October 18, 2005, which was attended by some 300 senior executives from Renault and Nissan and other key players in the Alliance. In his opening speech, Carlos Ghosn, President and CEO of Renault and Nissan, repeated that the groups were united in their quest for performance, while each company retained its own identity. Up to now, there has been two Alliance Conventions in 2006 and 2008 to reaffirm these principals and objectives.

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 second stage of the Renault-Nissan alliance was engaged in 2002. This phase strengthened the community of interests between Renault and Nissan, underpinned by stronger equity ties. It involved establishing an Alliance Board tasked with defining Alliance strategy and developing a joint long-term vision.
On March 1, 2002, Renault increased its equity stake in Nissan 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's capital through its wholly-owned subsidiary, Nissan Finance Co, Ltd, which acquired 15% of Renault's capital 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 in Nissan. Nissan also obtained a second seat on Renault's Board of Directors.

The purpose of the second phase of the Alliance in 2002 was to provide the Alliance with a common strategic vision, which resulted in the creation of Renault-Nissan b.v. and a specific corporate governance policy.

GOVERNANCE AND OPERATIONAL STRUCTURE

Creation of Renault-Nissan b.v.

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., responsible for the strategic management of the Alliance.

This structure 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.

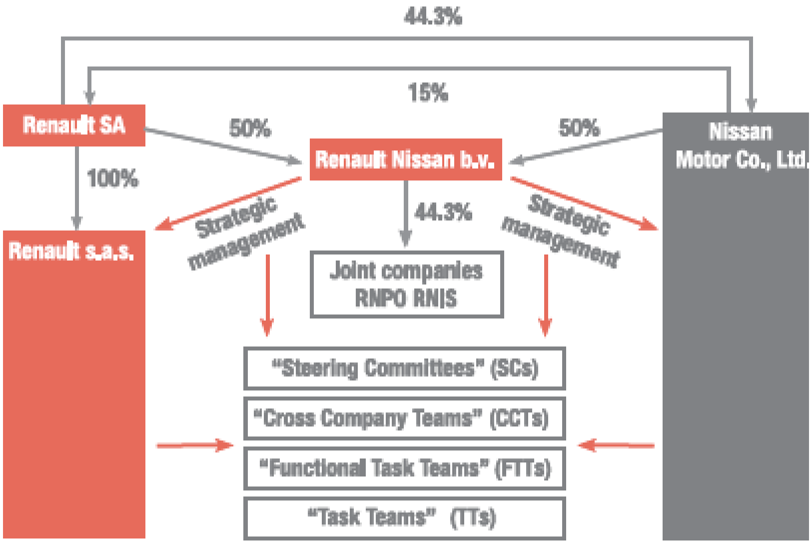
Renault-Nissan b.v. possesses clearly defined assets and powers over both Renault and Nissan Motor Co., Ltd.

Renault-Nissan b.v. holds all the shares of existing and future joint subsidiaries of Renault and Nissan Motor Co., Ltd.

Examples include Renault-Nissan Purchasing Organization (RNPO), which has been equally owned by Renault and Nissan since its creation in April 2001. These shares were transferred to Renault-Nissan b.v., which has owned 100% of RNPO since June 2003.

Renault-Nissan Information Services (RNIS) is a common information systems company, created in July 2002 and wholly owned by Renault-Nissan b.v.

Financial structure of the alliance



Powers of Renault-Nissan b.v.

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

Renault-Nissan b.v. has limited **decision-making power** with respect to Nissan Motor Co., Ltd. and Renault s.a.s. In terms of their level of importance, these decisions are those that it would be difficult for the two companies to take separately while being sure 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 10-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 CCT/FTT/TT (Task Teams) creation, modification or disbandment;

- any other subject or project assigned to Renault-Nissan b.v. on a joint basis by Nissan Motor Co., Ltd., and Renault s.a.s.

Renault-Nissan b.v. 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 Renault-Nissan b.v. The power of initiative of Renault-Nissan b.v. thus ensures that the two partners harmonize their policies.

The areas covered include:

- creation and scope of joint subsidiaries;

- supplementary financial incentive schemes;

- significant changes in scope, whether geographic or in terms of products, for total amounts of $100 million or more;

- strategic investments, i.e. investments other than product-related investments, amounting to $500 million or more;

- strategic cooperation between Nissan Motor Co., Ltd. or Renault s.a.s. and other companies.

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

The Alliance Board

The 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 normally meets eight times a year.

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 February 26, 2009, the Board is presided by Carlos Ghosn, President and CEO of Renault and President and CEO of Nissan. The Alliance Board also includes three other members from Renault (Odile Desforges, Patrick Pélata and Jérôme Stoll) and three from Nissan (Toshiyuki Shiga, Mitsuhiko Yamashita and Hidetoshi Imazu).

The Alliance Board Meeting (ABM) focuses on strategic matters and is attended by all the members of Renault's and Nissan's Executive Committees, the Alliance Board secretary and heads of CEO Offices. Decisions taken at the meetings are officially approved by the Alliance Board.

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

4. STATEMENT OF RELATED COMPANIES (on December 31, 2008):

(1) PARENT COMPANY

Not applicable.

(2) MAIN SUBSIDIARIES

Renault s.a.s.

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

- The share capital of Renault s.a.s. is EUR 533,941,113 divided into 35,012,532 voting shares of each EUR 15.240.
- Renault S.A. 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).
- 2008 revenues: EUR 29,275 million (local data to Group standards, external format).
- Workforce at December 31, 2008: 40,787 (excl. CASA – early retirement plan).

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.
- 2008 revenues: EUR 4,083 million (local data to Group standards, external format).
- Workforce at December 31, 2008: 10,132.

Renault Deutschland A.G.

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

- The authorised share capital of Renault Nissan Deutschland is EUR 10,655,322.80 divided into 20,840 voting shares of each EUR 511.

- Renault s.a.s. holds directly 60% of the authorised capital of Renault Nissan Deutschland and 60% of its voting rights.
- Business: Renault Nissan commercial organization in Germany.
- 2008 revenues: EUR 2,291 million (local data to Group standards, external format).
- Workforce at December 31, 2008: 537.

OYAK-Renault Otomobil Fabrikalari

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

- The authorised share capital of OYAK Renault Otomobil Fabrikalari is YTL 323,300,000 divided into 32,330,000,000 voting shares of each YTL 0,010.
- Renault s.a.s. holds directly 51% of the authorised capital of OYAK Renault Otomobil Fabrikalari and 51% of its voting rights.
- Business: Assembly and manufacture of Renault vehicles.
- Plant in Bursa.
- 2008 revenues: TRL 4,932 million (local data to Group standards, external format).
- Workforce at December 31, 2008: 6,276.

Dacia

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

- The authorised share capital of Dacia is LEI 2,541,719,938.70 divided into 25,417,199,387 voting shares of each LEI 0.100.
- Renault S.A. holds directly 99.43% of the authorised capital of Dacia and directly 99.43% of its voting rights.
- Business: Manufacture and marketing of motor vehicles.
- Plant in Pitesti.
- 2008 revenues: ROL 7,390 million (local data to Group standards, external format).
- Workforce at December 31, 2008: 13,215.

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.
- 2008 revenues: EUR 1,559 million (local data to Group standards, external format).
- Workforce at December 31, 2008: 379.

Revoz

Belokranska Cesta 4, 8000 Novo Mesto, Slovenia

- The authorised share capital of Revoz is SIT 55,081,000,000 divided into 550,810 voting shares of each SIT 2,000.
- 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.
- 2008 revenues: EUR 1,212 million (local data to Group standards, external format).
- Workforce at December 31, 2008: 2,559.

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 (parent company) at December 31, 2008: EUR 3,901 million.
- Workforce at December 31, 2008: 31.

RCI Banque

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

- The authorised share capital of RCI Banque is EUR 100,000,000 divided into 1,000,000 voting shares of each EUR 100.
- Renault s.a.s. holds directly 100% shares of RCI Banque and 100% of its voting rights.
- Business: Holding company for the sales financing and customer services entities of Renault and Nissan. Inventory financing (vehicles and spare parts) for Renault and Nissan Europe.
- Net financings in 2008: EUR 9.0 billion.
- Total assets (RCI group) at December 31, 2008: EUR 23,067 million.

- Workforce at December 31, 2008: 3,047.

Renault Samsung Motors

17th Floor, HSBC Building, 25 Bongrae-Dong 1-Ga, Jung-Gu, Seoul-100-161, 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 s.a.s. holds indirectly 80.10% of Renault Samsung Motors share capital and, 80.10% of its voting rights.
- Business: Manufacture and marketing of motor vehicles.
- Plant in Busan.
- 2008 revenues: KRW 3,652 billion (local data to Group standards, external format).
- Workforce at December 31, 2008: 5,598.

Renault UK Ltd

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 s.a.s. 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.
- 2008 revenues: GBP 1,077 million (local data to Group standards, external format).
- Workforce at December 31, 2008: 353.

Renault Retail Group S.A.

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

- The share capital of REAGROUP is EUR 281,789,977.44 divided into 18,490,156 voting shares of each EUR 15.24.
- Renault s.a.s. holds indirectly 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.
- 62 branches in France.
- 2008 revenues: EUR 4,403 million (local data to Group standards, external format).
- Workforce at December 31, 2008: 8,296.

Avtoframos

35, Vorontsovskaia, 109147 Moscow, Russia

- The share capital of Avtoframos is RUB 6,841,426,980 divided into 3,513,000 voting shares..
- Renault group holds directly 94.10 % of the authorised capital of Avtoframos and 94.10 % of its voting rights.
- Business: Assembly, import marketing and sale of Renault Vehicles.
- 2008 revenues: RUB 34,932 million (local data to Group standards, external format).
- Workforce at December 31, 2008: 2,260.

Renault do Brasil

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

- The authorised share capital of Renault do Brasil is BRL 4,638,236,078.18 divided into 442,669,009,499 voting shares.
- Renault group holds indirectly 99.81% of the authorised capital of Renault do Brasil and 99.81% of its voting rights.
- Business: Vehicle production and assembly, production of equipment, parts and accessories for vehicles.
- 2008 revenues: BRL 4,217 million (local data to Group standards, external format).
- Workforce at December 31, 2008: 4,391.

Renault Argentina

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

- The authorised share capital of Renault Argentina is ARS 61,310,912.42 divided into 6,310,911 voting shares of each ARS 0.010.
- 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.
- 2008 revenues: ARS 4,711 million (local data to Group standards, external format).
- Workforce at December 31, 2008: 1,931.

(3) MAIN AFFILIATED COMPANIES [3]

Automobile Division

AB Volvo[4]

Volvo Bergergards Vog. S-405 08 GOTEGORG. Sweden

- The authorised share capital of AB Volvo is SEK 2,128,420,220 divided into 2,128,420,220 voting shares of each SEK 1.
- Renault s.a.s holds directly 20.74% of the shares capital of AB Volvo and 21.8% of its voting rights, after taking into account the treasury stocks owned by AB Volvo.
- Business: Volvo is a Swedish automobile manufacturer. As regards the relationship with Renault, please refer to 3.-(1)-C.-“AB Volvo” of this Section.

NISSAN Motor Co., Ltd.

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

- The authorised share capital of Nissan Motor Co., Ltd is JPY 300,000,000,000. The subscribed capital is JPY 225,852,187,550 divided into 4,517,043,751 voting shares of each JPY 50.
- Renault S.A. holds directly 44.4% shares and 44.4 % 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.

Financial Companies (Affiliates)

Sygma Finance

14 avenue du Pavé Neuf, 93168 Noisy le Grand Cedex, France

- The authorised share capital of Sygma Finance is EUR 28,965,313.28 divided into 1,900,000 shares of each EUR 15.24.
- Renault S.A. holds indirectly 50% of the shares of Sygma Finance and 0% of its voting rights.
- Business: This French company is dedicated to development of multi-make financing. In 2000, RCI Banque and Cofinoga, its partner in this joint venture, decided to discontinue the operations of Sygma Finance.

RFS Ltd

Chater Place, Vine Street, Uxbridge UB81EY, United Kingdom

- The authorised share capital of RFS Ltd is GBP 6,000,006 divided into 6,000,006 shares of each GBP

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[3] 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.

[4] Since the authorization of the Annual General Meeting dated April 4, 2007, each Volvo share has been split into 6 shares, including one redemption with which have been redeemed at a redemption price in cash of SEK 25 on May 28, 2007.

1.00.

- Renault S.A. holds indirectly 50% of the shares of RFS Ltd and 0% of its voting rights.

- Business: RFS Ltd is a joint venture between RCI Banque and a British bank (Halifax-Bank of Scotland). Its activity consists in the financing of Renault sales to individuals and dealers.

5. STATEMENT OF EMPLOYEES:

WORKFORCE

Renault group workforce

At December 31, 2008, the breakdown of Renault's workforce was as follows (excluding employees concerned by the CASA early retirement program).

GROUP WORKFORCE BY ACTIVITY

	2008	2007	2006	% var 2008 / 2007
Automobile	125,992	127,069	125,827	-1%
Sales Financing	3,076	3,110	3,066	-1%
Total	129,068	130,179	128,893	-1%

Changes in the scope of consolidation had an overall impact of +933 employees in 2008. These concern:
- companies consolidated in 2008: + 1,224 employees
- removal from the scope of consolidation of ETG, Reagroup Budapest KFT, Renault Amsterdam B.V.: -291 employees

On a like-for-like basis on 2007, Renault's workforce totaled 128,135 at December 31, 2008.

GROUP WORKFORCE BY GEOGRAPHICAL REGION AND PROFILE AT DECEMBER 31, 2008

	Workforce	% of Group total	% blue collar	% women
France	60,065	46.6	37.9	15.5
Europe (ex France)	23,647	18.3	51.9	17.2
Euromed	28,643	22.2	67.2	24
Asia-Africa	7,425	5.7	44.3	9
Americas	9,288	7.2	56.6	9.6
TOTAL	129,068	100%	48.7	16.9

For 2008, Group turnover totaled 7%.

This figure is calculated as follows (based on the workforce under permanent contract): (total incoming staff in 2008 + total outgoing staff in 2008) / (2 × average workforce).

On the whole the Group's headcount contracted slightly at the end of 2008, with differing regional patterns marked by growth in Euromed and Asia/Africa and a decline in Europe and France. The share of the French headcount in the total headcount decreased by 2 percentage points year on year in 2008. The proportions for the Europe and Americas regions remained comparable to 2007, while Euromed and Asia-Africa saw an increase.

III. STATEMENTS OF BUSINESS

1. OUTLINE OF RESULTS OF OPERATION, ETC.:

ECONOMIC PERFORMANCE

(1) SALES PERFORMANCE IN 2008

The Renault group's sales were down 4.1% in a world market that shrank by 5.0%. Its market share stabilized at 3.6%, a gain of 0.05 points.

The Group's worldwide sales of passenger cars and light commercial vehicles (PC + LCV) totaled 2,382,230 units.

Nine new models were launched in 2008: Clio Estate, Grand Modus, New Mégane, Laguna Coupé, Kangoo Car and LCV, Kangoo Compact, Logan Pick-up, and Thalia/Symbol.

Europe

In a crisis-plagued European market that contracted by 8.0%, Group sales decreased 7.2% to 1,507,228 units. Group market share edged up 0.15 points, ending the year at 9.0%.

The Renault group reported 1.7% growth in registrations and a market share of 25.4%, a 0.6-point improvement, in a French market (PC + LCV) that contracted by 0.6%.

The Group continued to grow market share in the Netherlands (+1.4 points), Austria (+0.9 points), Ireland (+0.5 points), Belgium (+0.4 points), Germany (+0.3 points) and Switzerland (+0.3 points).

In the sharply contracting markets of Spain (-29.8%), Italy (-12.6%) and the UK (-11.7%), Group sales were down, respectively, 31.7%, 18.4% and 27.7%.

Outside Europe

In the Americas Region, where markets (PC + LCV) went up 1.7%, Renault group sales continued to grow. The 4.1% increase was driven by sales in Brazil, which surged 56.4% to 115,153 units, and in Argentina, where they rose 3.2% to more than 69,100 units.

In the Asia-Africa Region, the Group reported 12.3% growth in sales, a strong improvement that far outstripped the market's 2.2% expansion.

The Renault brand's performance improved a robust 54.0%, with sales of nearly 110,000 vehicles (PC + LCV). In Iran, sales of Tondar (the local name of Logan) increased fivefold to 54,425 units. In South Korea, Renault Samsung Motors (RSM) sales totaled 101,981 units, a 13.0% decline attributable to weaker-than-expected sales of SM5 and QM5. RSM will unveil a new version of its SM3 at the Seoul Motor Show 2009.

In the Euromed Region, Group sales (PC + LCV) were down 4.6% despite the continued success of Logan in Russia and strong performances in North Africa.

Under the partnership agreement signed with the Russian manufacturer AvtoVAZ on February 28, 2008, the Renault group has included Lada vehicles in its sales figures since March 1, 2008. From March to December 2008, 672,379 Lada-branded vehicles were sold, to be added to the worldwide sales mentioned above.

AUTOMOBILE

RENAULT GROUP WORLDWIDE SALES – PC + LCV (EXCL. LADA)

(in units)	2008*	2007	% change
GROUP	2,382,230	2,485,041	**-4.1**

By Region

France	654,142	656,523	-0.4
Europe excl. France	853,086	967,738	-11.8
Europe	**1,507,228**	**1,624,261**	**-7.2**
Euromed	404,715	424,121	-4.6
Americas	254,959	244,926	+4.1
Asia-Africa	215,328	191,733	+12.3
Euromed + Americas + Asia-Africa	**875,002**	**860,780**	**+1.7**
By brand			
Renault	2,019,274	2,134,949	-5.4
Dacia	258,472	230,535	+12.1
Renault Samsung	104,484	119,557	-12.6%
By vehicle type			
Passenger cars	2,017,942	2,081,486	-3.1
Light commercial vehicles	364,288	403,555	-9.7

** Preliminary figures*

LADA SALES

	March to end Dec., 2008
Passenger cars	672,267
Light commercial vehicles	112
PC + LCV	672,379

The year 2008 saw the unfolding of an unprecedented global financial and economic crisis whose impact spread month after month to the worldwide automobile market, which shrank 5.0%. Against this backdrop Renault managed to hold its market share steady at 3.6%, despite a 4.1% fall in sales to 2,382,230 units.

This decline is the result of several trends. First, during the first four months of the year, when only the Spanish and Italian markets showed signs of a slowdown, Group sales were on the rise, lifted by a strong performance in France and the Group's other markets.

Then, when the contraction of European markets worsened and, from October, the crisis spread to the main emerging markets where Renault is present, the Group had to revise its growth targets for 2008. However, it held up well in the downturn, as shown by the fact that its market share remained stable (+0.05 points).

In 2008 Renault brand sales worldwide decreased by 5.4% and those of Renault Samsung Motors were down 12.6%.

The Dacia brand recorded a 12.1% increase in worldwide sales to 258,472 vehicles, with a strong boost from its successful Entry range.

Europe Region

GROUP SALES BY BRAND – PC + LCV

(in units)	2008*	2007	% change
France			
Renault	610,464	623,839	- 2.14
Dacia	43,678	32,684	+33.6
GROUP	654,142	656,523	- 0.36

Europe (excl. France)

Renault	784,652	920,144	-14.7
Dacia	68,434	47,594	+43.7
GROUP	853,086	967,738	-11.84
Total Europe			
Renault	1,395,116	1,543,983	- 9.6
Dacia	112,112	80,278	+39.6
GROUP	1,507,228	1,624,261	-7.2

** Preliminary figures*

In a crisis-afflicted passenger car and light commercial vehicle market that contracted by 1,453,912 units to 16,616,600 units (-8.0%), Group sales decreased by 7.2%. Market share nevertheless increased by 0.15 points to 9.0%.

In **France,** the Renault group reported a 1.7% increase in registrations (PC + LCV) to 637,651 units, despite a 6.3% market decline in the second half-year.

In **Germany,** the Group withstood a 1.7% decline in the market, posting 4.7% growth in sales and a 0.3-point gain in market share.

In the severely depressed markets of **Spain** (-29.8%), **Italy** (-12.6%), and the **UK** (-11.7%), Renault group sales decreased by 31.7%, 18.4% and 27.7%, respectively. UK sales were also hurt by the unfavorable GBP/EUR exchange rate.

Despite the crisis affecting all European countries in the second half, the Group nevertheless continued to expand its market shares in **Belgium and Luxembourg** (+0.4 points to 10.25%), the **Netherlands** (+1.4 points to 8.91%), **Austria** (+0.9 points to 6.8 %), **Switzerland** (+0.3 points to 6.31%) and **Ireland** (+0.5 points to 4.25%).

Renault brand

With 1,378,660 vehicles registered in 2008, the Renault brand ranks third in the passenger car and light commercial vehicle market, with an 8.30% market share, down 0.08 points.

By country

In **France**, Renault consolidated its ranking as the leading brand, with 594,084 registrations (PC + LCV) and a market share of 23.66%, up 0.15 points.

Twingo remained the leader in the city car segment, with 65,333 registrations, or 3.2% of the passenger car market.

Registrations of Modus and Grand Modus (launched in January 2008 in France) increased by 65.6% to 35,034 units.

Clio sales were up 5.0%, totaling 152,578 registrations.

Twingo, Modus and Clio sales put Renault in the lead in the I segment, with a 25.7% share.
Registrations of New Mégane Hatch, launched in November 2008, totaled 7,944.

Laguna is the leader in the family sedan segment, with over 33,000 registrations, up 10.3% compared with 2007; the Estate version accounted for 31.6% of registrations.

In the Europe Region, Renault remained the number one brand in **Portugal** (12.3% market share) and **Slovenia** (16.7%).

The Renault brand's market share grew in the **Netherlands** (+0.9 points), **Ireland** (+0.5 points), **Austria** (+0.3 points), **Poland** (+0.2 points), and **Belgium** and **Luxembourg** (+0.18 points).

<u>By model – passenger cars</u>

The passenger car market in the Europe Region totaled 14,572,858 vehicles, down 7.7% on 2007. The Renault brand held onto its market share, which stood at 7.51%.

Performances by model:

- In the city car segment (A segment), the ever-popular **Twingo** continued its class-leading performance, with 130,892 registrations in 2008. Twingo now has a 9.6% share of the A segment in Europe.

  In France, Twingo is the unchallenged leader in its segment, with a 29.70% share.

  In 2008, this model gained ground in other countries:

  - in Belgium, Twingo is now number one in its segment, with a 14.2% share ;

  - in Germany and the Netherlands, it ranks second, with segment shares of 11.1% and 11.4% respectively ;

  - in Austria it ranks third, with an 11% share of its segment.

  Renault has enhanced its diesel offering for Twingo by introducing the dCi 85. This new Renault Twingo eco² emits only 104 g of CO_2/km.

- With its twin product offering – **Modus** and **Clio/Thalia** – Renault took a 10.37% share of the small *car segment (B segment),* a 0.26-point improvement.

  In January 2008 Renault enhanced its B segment offering by launching **New Modus** and **Grand Modus** (16 cm longer than Modus).

  Registrations of Modus and Grand Modus increased by 28.3% to 76,799 units, giving them a 12.9% share of the mini-MPV segment.

  Sales of **Clio Estate** totaled 51,372. Launched in 2008 and manufactured in the Oyak Renault plant in Turkey, this station wagon broadens the brand's customer base in the B segment.

  The **Clio** offering, which consists of Clio III Hatch, Clio II (renamed Clio Campus), Clio Estate, and a three-box Clio marketed since 2008 as the Symbol or Thalia, ranks third in the B segment, with an 8.3% market share.

  With the strong performance of Modus and Grand Modus supplementing Twingo's success and Clio's excellent results, Renault's sales in the A+B segment (Twingo, Modus, Clio) increased by 2.3% in Europe.

- Launched 10 years ago, **Kangoo Car** was a real success, selling 718,965 units in 2008.

  New Kangoo Car, released in January 2008, rapidly made its mark, with market share of 13.0%, compared with 10.8% in 2007 for the previous version.

  Kangoo Car (Kangoo I/Kangoo II) is No. 2 in the *passenger-carrying van segment.*

- In 2008, 334,305 **Méganes** (II and III) were sold in the Europe Region in the C segment, which contracted by 10.6%, Renault is using the Mégane range to debut its first E85 bioethanol engine in Europe. The new powerplant has been offered in France on Mégane Hatch Sedan and Mégane Estate since late June 2007. The full effect of the Mégane family renewal, which began in November 2008 with New Mégane Hatch, will be felt in 2009 with the launch of other versions.

Also in this segment, sales of **Scénic II** – due to be replaced in six months' time – reached 171,707 units, down 33.5%.

- In the upper midrange D segment, **Laguna**, launched in October 2007, sold 90,813 units in 2008. In France, Laguna has been way out in front in the D segment since its release and now has a 16.2% share.

  The model also got off to an impressive start in Germany, with 12,469 registrations since the beginning of the year. Sales of Laguna Estate totaled 8,877 vehicles since its launch in January, accounting for 71.6% of Laguna III volumes in this country.

- In the MPV S segment (or Large MPV segment), which shrank 29.0%, **Espace IV'**s share of the segment dropped 2.4 points to 12.4%, putting it in third place. Espace led its segment in France (34.1%), and was No. 2 in Croatia (20.5%), the Netherlands (19.8 %), Belgium and Luxembourg (19%) and Slovenia (14.1%).

- **Koleos**, the first 4x4 cross-over in the Renault range, was launched in the first half of 2008 and racked up 17,784 registrations in a market that declined by 8.8% in Europe.

By model – light commercial vehicles

The light commercial vehicle market in the Europe Region totaled 2,043,742 vehicles, down 10.3% on 2007.

Despite an 11.8% decline in LCV registrations, the Renault brand captured 13.92% of the market (down 0.2 points) and held its lead for the eleventh year running. This performance is especially important because the LCV range is one of the most profitable components of Renault's offering.

Renault sales were up substantially in the Netherlands (+13.4%), Austria (+6.5%), Germany (+1.2%) and in most of the other countries in Central Europe (Czech Republic, +10.1%; Hungary, +8.1%; Slovakia, +7.4%; Slovenia, +2.5%, etc.).

- In the small van segment, **New Kangoo** and **Kangoo Express** sold a combined total of 86,076 units, putting Kangoo in first place in the Europe Region, with a 17.0% share of the segment.

- In the car derived van segment, **Clio Van** remained in the lead, with a 14.9% share, up 0.3 points on 2007. Registrations of Mégane Van fell by 15.5%, giving it a 4.8% share of the segment.

- In the van segment, Renault had a market share of 12.1%, down 0.5 points. In this segment, which contracted by 9.2%, registrations of **Trafic** and **Master** fell by 16.3% and 12.4%, respectively.

Dacia brand

Dacia continued to grow in Europe, with 112,000 vehicles registered, a 39.6% increase on 2007. With 244,117 **Logans** sold since its European launch in 2004, Dacia has established itself successfully in this Region. The station wagon version of Logan accounted for 82.3% of Logan family sales.

Sandero, the latest model in the Entry Range, has been on the market since late June 2008 and has already sold 27,258 units.

In 2008, sales of Entry Range vehicles increased to 111,548 units, up 39.4% on 2007.

Euromed Region

GROUP SALES BY BRAND – PC + LCV

(in units)	2008*	2007	% change
Renault	262,560	277,499	-5.4
Dacia	142,155	146,622	-3.0
GROUP	**404,715**	**424,121**	-4.6

** Preliminary figures*

The automobile market in the Euromed Region grew by 8% in 2008, compared with the previous year. Group sales declined by 4.6% to 404,715 vehicles, representing 8.0% of the market and 17.0% of the Renault group's worldwide sales.

Renault brand

In **Russia**, where a still-buoyant market (PC + LCV) grew by 13.4%, the brand's sales increased by 6.8% in 2008 on the continuing success of Logan, sold under the Renault brand.

Logan sold more than 74,300 units in Russia, accounting for 68.8% of the Group's sales in that country, making Russia the biggest market for this model after Romania.

In **Turkey**, sales were down by 22.5% in a market that plunged 16.9% compared with 2007. Renault remained the leader in the passenger car market, with a 15.03% share, 1.76 points lower than in 2007.

In **Romania**, where the market slumped 11.9%, the Renault brand had a 7.17% market share. A sizable tax cut on used vehicles (UV) resulted in a large influx from Western Europe. The Romanian government rectified this situation in December by raising the taxes on used vehicles.

Sales of Clio (not including Thalia) went down by 53%.

Sales of Mégane also decreased, by 47.1%, prior to the release of its replacement.

In **Morocco**, Renault confirmed its leadership, with a 15.90% share of a market that expanded by 17.1%. In 2008, sales of the Renault brand rose 10.2%, boosted by the performance of Kangoo (+18.6%) and Clio (Clio II/Clio III), whose sales were up 9.9%. With a 10.6% market share in 2008, Kangoo remains the second biggest selling model in Morocco after Logan.

In **Algeria**, Renault's sales increased by 32.1% in a dynamic market that grew by 25.4%.

Dacia brand

Dacia sales in the Euromed Region were down 3.0%.

In **Romania**, Dacia sales dropped 16.8% to 84,709 units in a market that went into a steep decline towards year-end. Dacia remained in first place, with a 27.3% share, and sold 75,792 Logans, down 25.5% on 2007.

Logan accounted for 71% of the Group's registrations (PC + LCV) in Romania. The Entry Range was extended, and the Pitesi plant now manufactures five models (Logan, Logan MCV, Logan Van, Logan Pick-up and Sandero). The Logan sales mix breaks down as follows: Logan, 67.5%; Logan MCV, 20.0%; Logan Van, 7.0%; and Logan Pick-up, 5.5%. A total of 8,917 Sanderos were sold since the beginning of the year.

In Morocco, Dacia has a 12.33% market share and ranks second, just behind the Renault brand. Logan is still the top-selling vehicle across all categories in the Moroccan market, with a PC market share of 14.7%. In 2009 the Somaca plant will start producing Sandero under the Dacia name.

Americas Region

GROUP SALES BY BRAND – PC + LCV

(in units)	2008*	2007	% change
Renault	251,643	242,064	+4.0
Dacia	813	509	+59.7
Renault Samsung	2,503	2,353	+6.4
GROUP	**254,959**	**244,926**	+4.1

** Preliminary figures*

The automobile market (PC + LCV) in the Americas Region grew by 1.7%. Boosted by strong demand in Brazil and Argentina, the Renault group's sales continued to improve, expanding 4.1% to 254,959 vehicles. Group sales in this Region accounted for 10.7% of Renault's worldwide sales.

A full 98.7% of the Group's sales in the Americas Region came from the Renault brand, whose volumes grew by 4.0%, giving the brand a 4.59% market share at year-end 2008.

In **Brazil,** where a dynamic market expanded 13.7%, Renault group sales surged 56.4%, reaching a record of 115,153 units. The Group's market share increased by 1.2 points. Renault is now one of the top six brands in the Brazilian market**.**

Logan, which is manufactured locally in the Curitiba plant, made its successful debut with bioethanol engines on the Brazilian market in July 2007. A total of 36,603 Logans were sold in 2008. The Curitiba plant also started producing Sandero (under the Renault brand) in early 2008. A total of 39,634 have been sold since February 2008. These two models now account for 66.2% of Renault do Brasil's sales.

The LCV offering, consisting of Kangoo and Master, also contributed to the growth, with sales gains of 91.7% and 12.0%, respectively, in 2008.

In **Argentina**, the automobile market grew by 7.6% in 2008, while Group sales rose by 3.2%. With 69,100 vehicles sold, Renault's market share remained substantial, at 12.0%.

The launch of Logan in June 2007 and Sandero in January 2008 (under the Renault badge) increased the brand's presence in this market. Sales were, respectively, 4,766 and 4,219 units.

LCVs also turned in strong performances, with 11,414 Kangoos (+3.1%) and 2,910 Masters sold.
In **Colombia**, Renault sales dropped by 30.5% in a market that contracted by 11.3%. Renault sold 27,200 vehicles with a market share of 13.6%.

In **Mexico**, the market has contracted by 7.7% since it became legal to import used vehicles, thus creating stiff competition for vehicles priced under $15,000. Renault's sales fell by 13.7% to 16,063 units, while its market share remained virtually unchanged at 1.6%.

In **Venezuela**, Group sales declined by 65.1% to 9,913 units due to the introduction of import quotas. Logan sales totaled 4,132 units.

Asia-Africa Region

GROUP SALES BY BRAND – PC + LCV

(in units)	2008*	2007	% change
Renault	109,955	71,403	+54.0
Dacia	3,392	3,126	+8.5
Renault Samsung	101,981	117,204	-13.0
GROUP	**215,328**	**191,733**	+12.3

** Preliminary figures*

In the Asia-Africa Region, Group sales grew by 12.3%, faster than the market's 2.2%. With 215,328 vehicles sold, the Group had a market share of 0.9%. Sales in the Asia-Africa Region accounted for 9.0% of Renault's worldwide sales.

Renault Samsung brand

Sales of Renault Samsung Motors in South Korea fell by 13% to 101,981 units. Renault Samsung's share of the passenger car market in this country was 9.99%, down 1.27 points.

QM5, the Group's first cross-over vehicle, was launched in late 2007. Sales totaled 11,832 units, giving it a 1.2% market share. Sales of this product were hurt by its price, considered high in the fiercely competitive SUV segment in South Korea.

SM7 sales grew by 8.0% to 15,263 units in 2008.

SM5 sales totaled 55,640, down 23.8% on 2007.

Sales of **SM3,** launched six years ago, were 19,246 units. RSM will unveil a new version of the car at the Seoul Motor Show 2009.

At year-end 2008, almost 95,043 vehicles had been exported by Renault Samsung Motors, most to be sold by Nissan (through Alliance agreements) and Renault under their own brands.

Renault brand

Renault brand sales increased by 54%, with nearly 110,000 vehicles (PC + LCV) sold.

In **India**, despite a crisis situation in the second half of 2008, almost 19,000 Logans were delivered, an increase of 6.8% on 2007. To boost sales, Renault has revamped the Logan range to make it more appealing to Indian customers.

In **Iran**, despite start-up delays owing to supply problems, sales of Tondar (the local name for Logan) went up fivefold to 54,425 units. Production has increased steadily since September.

Group sales also increased in numerous other countries: **Israel** (+7.7%), **Saudi Arabia** (+43.1%), **French-speaking Africa** (+15.5%), **English-speaking Africa** (+16.2%) and **Lebanon** (+49.5%).

International rollout of the Entry Range – Logan sales

(in units) **Dacia brand**	**2008***	**2007**	**Since Sept. 2004**
Europe	84,290	80,042	244,117
- o/w France	*34,251*	*32,684*	*95,524*
Euromed	130,716	146,622	535,097
- o/w Romania	*75,792*	*101,799*	*382,177*
- o/w Morocco	*14,958*	*12,638*	*42,818*
- o/w Algeria	*11,465*	*9,09*	*31,934*
Americas	666	504	1,749
Asia-Africa	3,357	3,126	10,849
Total Logan under the Dacia brand	**219,029**	**230,294**	**791,812**
Renault brand			
Euromed	74,3	67,844	198,524
- o/w Russia	*74,3*	*67,844*	*198,524*

Americas	56,734	40,466	113,869
- o/w Venezuela	*4,132*	*12,619*	*22,477*
- o/w Colombia	*7,736*	*9,45*	*26,299*
Asia-Africa	75,113	28,432	103,545
- o/w India	*18,976*	*17,771*	*36,747*
- o/w Iran	*54,425*	*10,656*	*65,081*
Total Logan under the Renault brand	**206,147**	**136,742**	**415,938**
TOTAL LOGAN	**425,176**	**367,036**	**1,207,750**

** Preliminary figures*

In 2008 the Group sold 510,385 Entry Range units (Logan + Sandero), a 39.0% increase on 2007. Logan is now sold in 75 markets.

In the Euromed Region, 205,016 Logans (down 4.4% on 2007) and 11,415 Sanderos were sold in 2008.

With 103,931 units sold, the Americas Region accounted for 20.4% of Entry Range sales, an increase of 152.0% on 2007. This performance was driven by the strong growth in Logan sales (+40.1%) since its launch in Brazil and Argentina, and the success of Sandero (46,531 units) since it was released in South America in early 2008.

In Europe, including France, Entry Range sales rose by 39.4%, buoyed by Logan's solid success and the arrival of Sandero.

In Asia-Africa, Logan sold 78,470 units, an increase of 148.7% on 2007, following the release of Logan in India and Iran.

The top ten countries for Logan sales are Romania, Russia, France, Iran, Brazil, Germany, Morocco, India, Turkey and Algeria.

SALES FINANCING

RCI Banque's average loans outstanding dipped 0.7% on a consistent basis to €22.7 billion in 2008.

Proportion of new vehicle registrations financed

In 2008, RCI Banque financed 32.3% of new Renault, Nissan and Dacia registrations in the **Europe Region** (down from 33.1% in 2007). RCI Banque financed 34.9% of Renault registrations (versus 35.4% in 2007) and 23.2% of Nissan registrations (versus 24.1% in 2007).

RCI Banque’s share of registrations decreased in the **Americas Region** (20.5% versus 26.2% in 2007). Figures fell in both Brazil and Argentina.

RCI Banque’s share rose to 36.8% in South Korea, RCI’s only outlet in the **Asia-Africa Region**, from 26.6% in 2007.

RCI Banque’s performance in the **Euromed Region** (Romania and Morocco – a local subsidiary consolidated since April 2008) fell to 28.0% (from 31.4% in 2007).

New financing contracts and average loans outstanding

RCI Banque generated €8.9 billion in new financing contracts excluding “card” business and personal loans in 2008 (versus €9.4 billion in 2007, a drop of 5%), with 858,024 new vehicle contracts in 2008, compared with 898,334 in 2007, (a drop of 4%).

RCI Banque's average loans outstanding slipped slightly to €22.7 billion (down 0.7% on 2007).

International growth

In 2008, RCI Banque's financing business went into operation in the Nordic countries. It started business on January 1, 2008 in Denmark, Sweden, Finland and Norway, with 100% network financing and commercial agreements for customer business.

At the end of January 2008, RCI Banque opened a financing business in Ukraine through a commercial agreement with a local bank, Index Bank, which is a subsidiary of Crédit Agricole group.
RCI Banque also strengthened its presence in the Baltic States, by starting up a network financing business in April 2008.

RCI Banque established a presence in Serbia-Bosnia by signing a commercial agreement with Unicredit and setting up a legal entity in Bosnia.

In the area of services, RCI Banque founded two captive insurance firms in Malta. These firms take over the credit insurance business in Germany, from January 1, 2009, as well as in France, Italy and Spain (over the next few years).

SALES AND PRODUCTION STATISTICS

TOTAL INDUSTRY VOLUME – REGISTRATIONS – PC + LCV (IN UNITS)

Main Renault group markets	2008*	2007	Var. (%)
France	**2,510,556**	**2,526,005**	**-0.6%**
Europe excl. France	**14,106,044**	**15,544,507**	**-9.3%**
o/w			
Germany	3,319,996	3,376,019	-1.7%
Italy	2,385,264	2,730,611	-12.6%
UK	2,431,290	2,752,184	-11.7%
Spain + Canaries	1,327,937	1,891,508	-29.8%
Belgium + Luxembourg	660,682	648,429	1.9%
Poland	376,877	349,617	7.8%
EUROPE REGION	**16,616,600**	**18,070,512**	**-8.0%**
Euromed	**5,040,837**	**4,669,122**	**8.0%**
o/w			
Romania	310,244	352,052	-11.9%
Russia	2,929,002	2,582,682	13.4%
Turkey	494,023	594,762	-16.9%
Algeria	246,597	196,702	25.4%
Morocco	121,360	103,597	17.1%
Americas Region	**5,483,500**	**5,394,183**	**1.7%**
o/w			
Mexico	1,009,043	1,093,379	-7.7%
Colombia	200,135	225,613	-11.3%
Brazil	2,661,431	2,339,920	13.7%
Argentina	575,000	534,199	7.6%
Asia-Africa	**23,028,890**	**22,530,620**	**2.2%**
o/w			
South Africa and Namibi	459,501	582,412	-21.1%
South Korea	1,200,969	1,252,586	-4.1%
EUROMED+AMERICAS+ASIA-AFRICA**	**33,553,227**	**32,593,925**	2.9%

* *Preliminary figures*

RENAULT GROUP – REGISTRATIONS (REG'S) AND MARKET SHARE (MKT SH.) – PC + LCV

Performance in main markets	2008*		2007	
	Reg's (in units)	Mkt Sh. (%)	Reg's (in units)	Mkt Sh. (%)
France	**637,651**	25.40	**626,705**	24.81
Europe (excl. France)	**853,010**	**6.05**	**967,657**	**6.23**
o/w: Germany	165,475	4.98	157,996	4.68
Italy	117,921	4.94	144,449	5.29
UK	107,711	4.43	148,970	5.41
Spain + Canaries	136,015	10.24	199,110	10.53
Belgium + Luxembourg	67,688	10.25	63,738	9.83
Poland	28,612	7.59	25,807	7.38
EUROPE REGION	**1,490,661**	**8.97**	**1,594,362**	**8.82**
Euromed Region	**404,715**	**8.00**	**424,121**	**9.02**
o/w: Romania	106,951	34.47	134,177	38.11
Russia	108,070	3.69	101,166	3.92
Turkey	73,662	14.91	91,645	15.41
Algeria	43,338	17.57	32,667	16.61
Morocco	34,253	28.22	30,150	29.10
Americas Region	**254,959**	**4.65**	**244,926**	**4.54**
o/w: Mexico	16,063	1.59	18,613	1.70
Colombia	27,123	13.55	39,053	17.31
Brazil	115,153	4.33	73,614	3.15
Argentina	69,100	12.02	66,969	12.54
Asia-Africa Region	**215,328**	**0.94**	**191,733**	**0.85**
o/w: South Africa and Namibia	4,217	0.92	8,407	1.44
South Korea	101,981	8.49	117,204	9.36
EUROMED + AMERICAS + ASIA-AFRICA REGIONS**	**875,002**	**2.60**	**860,780**	**2.63**

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

RENAULT GROUP – REGISTRATIONS IN EUROPE REGION BY MODEL – PC + LCV

(in units)	2008*	2007	% change
Twingo / Twingo II	135,207	88,685	+52.5
Clio II / Clio III	383,359	434,455	-11.8
Thalia / Thalia II	6,586	6,611	-0.4
Sandero	27,250	-	+++
Modus	77,292	62,825	+23.0
Logan	84,187	79,995	+5.2
Mégane / Mégane II / Mégane III	347,894	488,793	-28.8
Koleos	17,839	-	+++
Laguna II / Laguna III	91,227	71,386	+27.8
Vel Satis	1,667	3,045	-45.3
Espace / Espace IV	24,191	40,636	-40.5
Kangoo / Kangoo II	139,495	142,133	-1.9
Trafic / Trafic II	74,594	88,997	-16.2
Master / Master II	67,091	76,490	-12.3
Mascott** / RWD Master / Maxity**	11,698	9,581	+22.1
Other	1,084	730	+48.5
Registrations in Europe Region	**1,490,661**	**1,594,362**	**-6.5**

** Preliminary figures*

*** Mascott and Maxity are distributed by Renault Trucks, a subsidiary of AB Volvo.*

RENAULT GROUP – REGISTRATIONS IN EUROMED, AMERICAS AND ASIA-AFRICA REGIONS BY MODEL – PC + LCV (EXCL. LADA)

(in units)	2008*	2007	% chg
Twingo / Twingo II	8,740	14,309	-38.9
Clio II / Clio III	76,295	97,794	-22.0
Thalia / Thalia II / Symbol	69,793	94,301	-26.0
Sandero	57,951	279	+++
Modus	254	1,441	-82.4
Logan	340,886	286,994	+18.8
Mégane / Mégane II	115,085	149,622	-23.1
Koleos	2,884	-	-
Laguna II/ Laguna III	6,474	4,149	+56.0
Vel Satis	26	65	-60.0
Espace / Espace IV	104	139	-25.2
SM3	21,362	29,448	-27.5
SM5	55,932	73,346	-23.7
SM7	15,358	14,233	+7.9
Safrane II	444	-	-
QM5	11,832	2,518	+++
Kangoo / Kangoo II	68,959	72,255	-4.6
Trafic / Trafic II	4,822	4,077	+18.3
Master / Master II	17,197	15,404	+11.6
Mascott** / RWD Master / Maxity**	499	333	+49.8
Other	105	73	+43.8
Registrations in Euromed + Americas + Asia-Africa Regions	**875,002**	**860,780**	**+1.7**

** Preliminary figures*

*** Mascott and Maxity are distributed by Renault Trucks, a subsidiary of AB Volvo.*

RENAULT GROUP – SALES PERFORMANCE OF MODELS BY SEGMENT IN EUROPE REGION

			Renault's share			Rank
Segment	**% change segment 2008 / 2007**	**Passenger cars**	**2008**	**2007**	**% change 2008 / 2007**	**2008**
A	+14.3	Twingo / Twingo II	9.60%	7.40%	+2.20	3
B	-9.0	Clio II / Clio III	8.30%	8.60%	-0.30	3
		Thalia	0.18%	0.47%	-0.29	34
		Modus	1.90%	1.30%	+0.60	16
		Logan	2.00%	1.80%	+0.20	14
		Sandero	0.70%		+0.70	27
C	-10.6	Mégane / Mégane II	7.60%	9.60%	-2.00	5
D	-5.6	Laguna / Laguna III	4.20%	3.10%	+1.10	7
D OR*	-8.8	Koleos	3.30%		+3.30	12
E1	-21.0	Vel Satis	0.30%	0.50%	-0.20	22
MPV	-29.0	Espace / Espace IV	12.40%	14.8%	-2.40	3
Passenger-carrying van	+7.7	Kangoo / Kangoo II	13.00%	10.8%	+2.20	2
		Trafic / Trafic II	3.30%	4.20%	-0.90	10
		Master / Master II	0.80%	1.20%	-0.40	19
		Light commercial vehicles				
Company cars	-10.2	Twingo	1.5%	0.2%	+1.3	21
		Clio	14.9%	14.6%	+0.3	1
		Modus	0.17%	0.93%	-0.76	30
		Mégane / Mégane II	4.8%	5.1%	-0.3	7
Small vans	-7.2	Kangoo / Kangoo II	16.8%	18.3%	-1.5	1
Vans	-9.2	Trafic / Trafic II	5.8%	6.3%	-0.5	5
		Master / Master II	5.7%	6.0%	-0.3	6
		Mascott / RWD Master	0.69%	0.57%	+0.12	20

** OR: Off-road vehicles*

RENAULT GROUP – WORLDWIDE PRODUCTION BY MODEL AND BY SEGMENT (1) – PC + LCV (IN UNITS)

	2008*	2007	% change
Logan	416,157	420,255	-1%
Sandero	110,832	0	-
Entry segment	**526,989**	**420,255**	**25%**
Twingo	6,353	42,840	-85%
Twingo II	132,203	75,242	76%
Clio II (2)	117,678	181,242	-35%
Clio III	328,530	351,066	-6%
Thalia	63,712	99,259	-36%
New Clio three box (Thalia/Symbol)	21,765	0	
Modus	72,590	67,514	8%
A and B segments	**742,831**	**817,163**	**-9%**
Mégane / Mégane II	398,317	629,612	-37%
Megane III	39,281	0	-
SM3	65,590	82,650	-21%
Koléos / QM5	55,139	5,241	952%
C segment	**558,327**	**717,503**	**-22%**
Laguna II	0	45,128	-100%
Laguna III	81,453	54,384	50%
SM5	53,987	76,363	-29%
SM7	14,433	15,081	-4%
Espace IV	21,672	40,674	-47%
VelSatis	1,685	2,812	-40%
D, E, MPV segments	**173,230**	**234,442**	**-26%**
Kangoo	113,728	220,038	-48%
Nouveau Kangoo	102,902	7,226	1324%
Trafic II (3)	96,225	115,904	-17%
Master II	98,387	119,120	-17%
Mascott	8,399	7,585	11%
Small vans, vans and pick-ups	**419,641**	**469,873**	**- 11%**
Group worldwide production	**2,421,018**	**2,659,236**	**-9%**

(1) Production data concern the number of vehicles leaving the production line.
(2) Including the Clios under the Renault brand name built in Aguascalientes (Nissan plant in Mexico) in 2008.
(3) New Trafic production at the GM Europe plant in Luton (UK) and at the Nissan plant in Barcelona (Spain) was not recorded as Renault production.
**Preliminary figures.*

RENAULT GROUP'S GEOGRAPHICAL ORGANIZATION BY REGION – COUNTRIES IN EACH REGION

From March 1, 2009

Americas	Asie & Africa	Euromed	Europe	Eurasia
NORTHERN LATIN AMERICA	**ASIA - PACIFIC**	**EASTERN EUROPE**	Metropolitan France	Russie
Colombia	Australia	Bulgaria	Austria	Armenia
Costa Rica	Indonesia	Moldova	Germany	Azerbaïdjan
Cuba	Japan	Romania	Belgium-Lux.	Belarus
Ecuador	Malaysia		Bosnia	Georgia
Honduras	New-Caledonia		Chyprus	Kazakhstan
Mexico	New-Zeland		Croatia	Kirghizistan
Nicaragua	Singapore		Denmark	Ouzbakistan
Panama	Tahiti		Spain	Tadjikistan
El Salvador	Thaïland		Finland	Turkmenistan
Venezuela			Greece	Ukraine
Dominican Rep.		**TURKEY**	Hungary	
Guadeloupe	**INDIA**		Irland	
French Guiana		Turkey	Island	
Martinique	**MIDDLE EAST**	Turkish Cyprus	Italy	
	and French speaking Africa		Kosovo	
			Macedonia	
			Malta	
	Saudi Arabia		Montenegro	
SOUTHERN LATIN AMERICA	Egypt		Norway	
	Jordan		Baltic States	
	Lebanon		Netherlands	
Argentina	Libya	**NORTH AFRICA**	Poland	
Brazil	Pakistan		Portugal	
Bolivia	Gulf States	Algeria	Czech Rep.	
Chile	Syria	Morocco	UK	
Paraguay	+ *French-speaking African countries*	Tunisia	Serbia	
Peru			Slovakia	
Uruguay			Slovenia	
	AFRICA & INDIAN OCEAN		Sweden	
			Switzerland	
	South Africa + *sub-saharian African countries* Indian Ocean Islands			
	KOREA			
	IRAN			

	CHINA Hong Kong Taiwan			
	ISRAËL			

(2) COMBINED ALLIANCE SALES PERFORMANCE AND FINANCIAL INDICATORS ALLIANCE COMBINED SALES FOR 2008

In a global market that fell 5%, Renault and Nissan reported a 1.1% drop in sales for 2008. With a total of 6,090,304 vehicles sold in 2008, the Renault Nissan Alliance captured a 9.4%[5]share of the global new vehicle market, up 0.3% points from 2007.

Renault and Nissan sold 2,382,230 and 3,708,074 vehicles respectively. Renault's worldwide sales decreased by 4.1%, while Nissan's rose by 0.9%.

Renault resilient amid a global market crisis

In a global market that fell by 5%, the Renault group reported a 4.1% drop in sales, while market share increased to 3.6%. The Renault Group (Renault, Dacia and Renault Samsung brands) pursued international growth with a 1.5% rise in sales outside Europe to a total of 873,798 units, accounting for almost 37% of all Renault group global sales.

In Europe, in a crisis-struck market that fell 8.1%, the Renault group grew its market share 0.2 points to 9%.

Outside Europe the most significant performances are:

- In Brazil, the Renault group increased sales by 56.4% to a record of 115,000 vehicles. Group market share rose 1.2 points to 4.3% and Renault became one of the top six brands in Brazil. Nearly 40,000 Sanderos and more than 36,500 Logans were sold in Brazil.
- In Russia, Renault group sales increased 6.8%, topping the 100,000 sales mark for the second consecutive year.
- In Morocco, the Group continued to lead the market, with 27.8% market share.

Nine new models were launched in 2008: Clio Estate, Grand Modus, Mégane, Laguna Coupé, Kangoo car and LCV, Kangoo Compact, Logan Pick-Up and Thalia/Symbol. By end-2009, the Renault group will boast the youngest range in Europe with an average age of 2.2 years (compared with 3.8 years in 2005).

Entry range products from Renault and Dacia brands provided strong growth with 510,000 units sold, a 38.7% growth compared to 2007. Renault signed on February 28, 2008 a partnership agreement with the leading Russian carmaker, AvtoVaz, which counts for a total of 669,972 Lada sales between March and December 2008. As they are not representing a full year, they are not incorporated to Renault 2008 total sales.

Nissan, global sales boosted by a strong product line-up

Despite declines in many of its major markets, Nissan (Nissan and Infiniti brands) closed 2008 with global sales rising 0.9% year-on-year to 3,708,074 units. Sales were boosted by the launch of eight all-new products including the Teana, Infiniti FX, Maxima, NP200 pickup, Qashqai+2, KIX mini-SUV, Cube, and 370Z.

In Japan, Nissan sold 678,126 units, down 5.9% year-on-year in a market that saw its lowest volumes since 1980. Market share was down 0.2 percentage points to 13.3% compared to 2007.

[5] Preliminary figure

In the U.S., where the market saw a sharp decline of 18.0% to 13,242,701 vehicles compared to 2007, Nissan sales were down a lesser 10.9%. Combined sales from Nissan and Infiniti totaled 951,350 units. Nissan’s market share in the US stood at a record 7.2%.

European sales (including Russia) reached a new record of 591,139 units, representing an increase of 5.0% versus 2007 (the previous highest sales year). This was largely driven by the popularity of the Qashqai which sold 183,294 units. Russia remained Nissan largest market in Europe, recording sales of 154,340 units, an increase of 26.5% compared with the previous year.

The General Overseas Markets (GOM) ended the year with double digit growth, with sales up 12.7% from the previous year to 1,404,008 units. Sales in China were up 19.1% due to the success of Tiida, Livina series and Sylphy. Sales in the GCC were up 17.1%, due to popularity of the Tiida and Altima.

Worldwide Sales

	2008	2007	Change 2008/2007
Renault Group	2,382,230	2,485,041	-4.1%
Nissan Group	3,708,074	3,675,584	0.9%
Renault-Nissan Alliance	**6,090,304**	**6,160,625**	-1.1%

Western Europe

	2008	2007	Change 2008/2007
Renault Group	1,407,209	1,527,945	-7.9%
Nissan	380,924	391,159	-2.6%
Renault-Nissan Alliance	**1,788,133**	**1,919,104**	-6.8%

Central & Eastern Europe

	2008	2007	Change 2008/2007
Renault Group	504,734	520,437	-3.0%
Nissan	210,215	172,086	22.2%
Renault-Nissan Alliance	**714,949**	**692,523**	3.2%

North America

	2008	2007	Change 2008/2007
Nissan	**1,034,801**	**1,145,021**	-9.6%

Japan

	2008	2007	Change 2008/2007
Renault Group	2,251	2,470	-8.9%
Nissan	678,126	720,975	-5.9%
Renault-Nissan Alliance	**680,377**	**723,445**	-6.0%

Latin and South America

	2008	2007	Change 2008/2007
Renault Group	254,959	244,926	4.1%
Nissan	326,211	320,672	1.7%
Renault-Nissan Alliance	**581,170**	**565,598**	2.8%

Middle East and Africa

	2008	2007	Change 2008/2007
Renault Group	78,502	37,710	108.2%
Nissan	318,040	258,931	22.8%
Renault-Nissan Alliance	**396,542**	**296,641**	33.7%

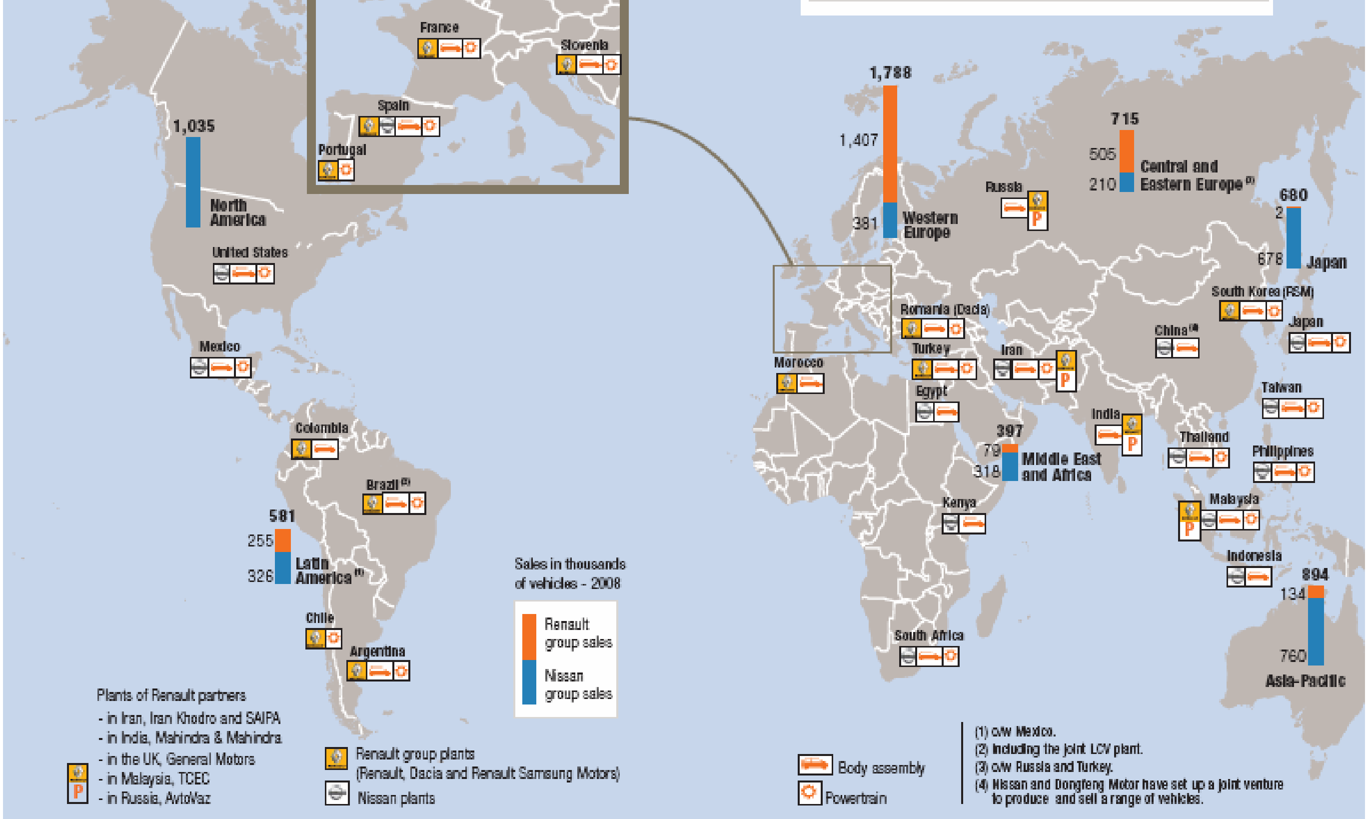
Asia and Pacific

	2008	2007	Change 2008/2007
Renault Group	134,575	151,553	-11.2%
Nissan	759,757	666,740	14.0%
Renault-Nissan Alliance	**894,332**	**818,293**	9.3%

WORLDWIDE SALES AND PRODUCTION SITES

Number of units sold worldwide - 2008

Renault group	2,382,830
Nissan group	3,708,074
Renault-Nissan Alliance	6,090,304
Renault group (including AvtoVAZ)	3,002,034



VALUE OF JOINT OPERATIONS

Renault sales to Nissan and Renault purchases from Nissan in 2008 are estimated at €1.6 billion and €1.4 billion, respectively, as mentioned in note 13–J of the notes 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 2008.

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.

The information concerning Renault is based on the consolidated figures released at December 31, 2008, 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, 2008 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 the following differences from the figures published by Nissan under Japanese accounting standards:

- revenues are presented net of discounts and rebates;
- sales with buy-back commitments have been restated as leases;
- reclassifications have been made when necessary to harmonise the presentation of the main income statement items;
- restatements for harmonisation of accounting standards and adjustments to fair value applied by Renault for acquisitions of 1999 and 2002 are included.

Revenues 2008

€ million	**Renault**	**Nissan** (1)	Intercompany eliminations	**Alliance**
Sales of goods and services	36,241	57,612	(2,678)	91,175
Sales financing revenues	1,550	4,579	-	6,129
Revenues	**37,791**	**62,191**	**(2,678)**	**97,304**

(1) Converted at the average exchange rate for 2008 : EUR 1 = JPY 152.3

The Alliance's intercompany business mainly consists of commercial dealings between Renault and Nissan. These items have been eliminated to produce the revenue indicator. Their value is estimated on the basis of Renault's 2008 results.

The operating margin, the operating income and the net income of the Alliance in 2008 are as follows:

€ million	Operating margin	Operating income	Net income [2]
Renault	212	(117)	254
Nissan [1]	1,414	1,319	999
Alliance	**1,626**	**1,202**	**1,253**

(1) Converted at the average exchange rate for 2008: EUR 1 = JPY 152.3

(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 1.7% of revenues.

In 2008, the Alliance's **research and development expenses**, after capitalization, amortization and impairment, are as follows:

€ million	
Renault	1,858
Nissan	2,380
Alliance	**4,238**

Balance sheet indicators

Condensed Renault and Nissan balance sheets

Renault at December 31, 2008

€ million

ASSETS		SHAREHOLDERS' EQUITY AND	
Intangible assets	4,313	Shareholders' equity	19,416
Property, plant and equipment	12,818	Deferred tax liabilities	132
Investments in associates (excluding Alliance)	2,215	Provisions for pension and other long-term employee benefit obligations	1,056
Deferred tax assets	252	Financial liabilities of the Automobile	10,730
Inventories	5,266	Financial liabilities of the Sales financing division and sales financing	19,212
Sales financing receivables	18,318	Other liabilities	13,285
Automobile receivables	1,752		
Other assets	5,286		
Cash and cash equivalents	2,058		
Total assets excluding investment in Nissan	**52,278**		
Investment in Nissan	11,553		
Total assets	**63,831**	**Total shareholders' equity and liabilities**	**63,831**

Nissan at December 31, 2008

€ million (1)

ASSETS		SHAREHOLDERS' EQUITY AND	
Intangible assets	6,198	Shareholders' equity	28,901
Property, plant and equipment	35,163	Deferred tax liabilities	1,929
Investments in associates (excluding Alliance)	240	Provisions for pension and other long-term employee benefit obligations	3,767
Deferred tax assets	288	Financial liabilities of the Automobile	9,794
Inventories	8,874	Financial liabilities of the Sales financing division and sales financing	30,965
Sales financing receivables	23,628	Other liabilities	16,426
Automobile receivables	4,183		
Other assets	7,006		
Cash and cash equivalents	3,729		
Total assets excluding investment in Renault	**89,309**		
Investment in Renault	2,473		
Total assets	**91,782**	**Total shareholders' equity and liabilities**	**91,782**

(1) Converted at the closing rate for 2008: EUR 1 = JPY 126.1

The values shown for Nissan assets and liabilities reflect restatements for harmonisation of accounting standards and adjustments to fair value applied by Renault for acquisitions made in 1999 and 2002, mainly concerning revaluation of land and other tangible fixed assets, capitalisation 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 securitised items presented off-balance sheet in Nissan's financial statements under Japanese GAAP.

Purchases of property, plant and equipment by both Alliance groups for 2008, excluding leased vehicles, amount to:

€ million	
Renault	2,315
Nissan	2,473
Alliance	**4,788**

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 €17 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:

THE STRUCTURAL ELEMENTS OF THE CONTROL PROCESS

The Renault group's two divisions have to manage the decentralization of business activities into subsidiaries in France and abroad, as well as major international expansion into countries like Romania, Russia, South Korea and India. As a result, Renault is continuing to bolster the internal control process across the board in long-standing entities, recently-acquired ones, as well as companies that are being set up. For this the Group relies on the core strategies already being used to obtain high-quality financial and accounting disclosures and reduce lead times for the preparation of financial statements:

- operational systems upstream of accounting are systematically standardized;
- the introduction of ERP financial and accounting modules into the industrial and/or commercial entities worldwide was pursued. This involved 66 legal entities in 27 countries. The roll-out of ERP in the South Korean subsidiary was launched in 2008 and completed in five subsidiaries;
- the project structure designed for international deployment of the business provides a target architecture combining operational and accounting information systems. The aim is to achieve a high degree of standardization and implement procedures that have already proved themselves in the rest of the Group;
- the consolidation tool has been audited with a view to upgrading its parameters. New users have been trained and a permanent surveillance system is now in service at technical and functional levels.

Renault has matched the essential account headings with the relevant control techniques to ensure the quality of the financial statement preparation process, in line with AMF recommendations on accounting procedures. The control systems in place for operating methods have gradually been strengthened and in 2008 Renault paid particular attention to:

- making systematic reviews of vehicles' useful lives in order to estimate their economic lives more accurately;

- implementing and fully exploiting revised procedures for inventories and fixed assets;

- designing and implementing a new inventory-profit elimination module, directly integrated into the Group's consolidation software, to replace an earlier system, which was cumbersome and inflexible.

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 main risks are outlined below.

Details on how they are managed can be found in "RISK MANAGEMENT" below ("FINANCIAL RISKS"; "OPERATIONAL RISKS").

<u>FINANCIAL RISKS</u>

- The Renault group is exposed to liquidity risk through its industrial and commercial activities and Sales Financing business.

  The net debt of Automobile operations makes it necessary to regularly borrow from banks and on capital markets. Automobile is thus exposed to liquidity risk in the event that these markets are closed and/or if liquidity becomes more expensive.

  The Sales Financing business relies on access to financial resources. Restricted access to banking and financial markets would reduce the supply and/or raise the cost of financing.
  (see note 26-B1 of the notes to the consolidated financial statement in VI. Financial Condition, 1. Financial Statement)

- The Group is noted by rating agencies. A downgrade could restrict and/or raise the cost of access to capital markets;

- Automobile is exposed to foreign exchange risk through its industrial and commercial activities. Exchange rate fluctuations can have an impact at five levels: operating margin, financial income, income of associated companies, shareholders' equity, and net financial debt. The main exposures concern operating margin, which is vulnerable to euro appreciation, and net financial debt, for the portion of the debt denominated in yen.
  (see notes 2-F, 6-E, 8, 19-E, 26-B2 of the consolidated financial statement in VI. Financial Condition, 1. Financial Statement)

- The Renault Group is exposed to interest rate risk through the Sales Financing business of its subsidiary RCI Banque in relation to its portfolio of commercial assets. Subsidiaries engage in systematic hedging to protect their trading margin and limit this risk. Interest rate sensitivity of RCI Banque is €5.5 million per 100 basis points.
  (see note 26-B3 of the notes to the consolidated financial statement in VI. Financial Condition, 1. Financial Statement)

- The Group is exposed to counterparty risk in its financial market and banking transactions, in its management of foreign exchange and interest rate risk, and in the management of payment flows. In 2008, the Group suffered no financial impact arising from the failure of a banking counterparty.
  (see note 26-B6 of the notes to the consolidated financial statement in VI. Financial Condition, 1. Financial Statement)

- The Group is exposed to changes in the price and availability of raw materials. A substantial and lasting rise in supply costs for certain materials could affect the company's profitability. The steel price accounts for two-thirds of the company's direct and indirect exposure in this regard.
  (see note 26-B5 of the notes to the consolidated financial statement in VI. Financial Condition, 1. Financial Statement)

- The Group's 44.3% holding in Nissan Motor Co. Ltd. ("Nissan Motor"), accounted for by the equity method in its consolidated financial statements, has a major impact on its financial results.
  (see note 13 of the notes to the consolidated financial statement in VI. Financial Condition, 1. Financial Statement)

OPERATIONAL RISKS

- The Group is exposed to risk linked to the long-term dependability of its supplier base and supply quality. If certain suppliers experience economic difficulties, the Group could be affected operationally (parts reliability, supply disruption) and/or financially (supplier support).

- The Group has commercial and/or industrial operations in countries outside Europe[6], notably South Korea, Romania, Brazil, Argentina, Turkey, Colombia, Chile, Russia, Morocco, Iran and India. These operations account for 27% of Renault's revenues. Key risks include GDP volatility, economic and political instability, new regulations, payment collection problems, labor unrest, sharp fluctuations in interest and exchange rates, and foreign exchange controls.

- Since the Group generates 47% of its sales in the compact and mid-size vehicle segments (C segment), its financial results depend on the success of these product lines.

- Through the Sales Financing business of its subsidiary RCI Banque, the Group is exposed to risks arising from the creditworthiness of its individual and corporate customers and the financial situation of its dealer networks.

- In terms of product distribution, the type of risks to which Renault is exposed depends on the distribution channel:

  - at the commercial import subsidiaries, the main risks are related to the use of commercial resources allocated to these firms;

  - at its own distribution subsidiaries, organized in Europe under the umbrella of Renault Retail Group, the risks are primarily related to the decentralization and the diversity of the markets in which these entities operate;

  - for networks, the risks arise from the financial situation of the dealerships.

- Risks affecting the quality of its products, which involve a wide variety of complex technologies, mean that quality is a top priority and that special attention is paid to the reliability of mechanisms and equipment providing active and passive safety.

- The Group's exposure to industrial risk is potentially significant because its industrial operations are highly concentrated and its plants are interdependent. It is also dependent on its main suppliers.

- There are three main aspects of environmental risk for Renault:

  - environmental impact of waste and potential malfunctions in its plants;

  - harm to individuals (personnel and people living near the plants);

  - pollution of subsoil and groundwater.

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[6] 'outside Europe' corresponds to the three Regions Euromed, Asia-Africa and Americas. From March 1, 2009 a new distribution of the Regions has been decided for the geographical management organization by the Regions Management Committees (CMR).

- Renault depends on the orderly operation of its IT systems. Most of the Group's functions and processes rely on the software tools and technical infrastructure connecting its sites. The main risks pertain to the disruption of IT services, and the confidentiality and integrity of data.

OTHER RISKS

- The Group is exposed to the risk of changes in European automobile regulations leading to tighter vehicle emission standards and restrictions on the use of certain substances used to build vehicles (European "REACH" Regulation 1907/2006 of December 18, 2006).

- The European Commission has issued recommendations aimed at amending Directive 98/71 on the legal protection of designs and models. These recommendations call for the abolition of protection of spare parts under design and model law. If the amended version of the Directive is adopted, it could have a negative impact on the earnings of the Group.

RISK MANAGEMENT

The Renault group makes every effort to control the risks relating to its activities, namely operational risk, financial risk and legal risk. These have been described above. This section details the main risks and the company's strategies to reduce their likelihood and severity. However, as the Group expands internationally, enters new partnerships, and becomes more IT-dependent – and as new malicious behaviors emerge – existing risks are aggravated and new ones created. These factors can increase the severity of potential crises and the damage they may cause.

Risk management, an inevitability for any global industrial corporation, needs to be reinforced and made proactive. It is therefore an integral part of the Renault group's operational management procedures.

The organization is two-pronged:

- at corporate level: the Risk Management Department provides methods and an overall vision to identify and prevent major risks, in particular by monitoring them with risk-mapping techniques and implementing preventive measures in high-risk areas;

- in all entities involved in business-critical processes, the competencies and experts capable of identifying, prioritizing and supplying risk mitigation solutions are identified.

FINANCIAL RISKS

GENERAL FRAMEWORK FOR CONTROLLING FINANCIAL RISK

Market risk management at Automobile mainly concerns the Central Cash Management and Financing Department of Renault SA and Renault Finance, the main activities of which are described in II-3. "Contents of Business.".

Sales Financing (RCI Banque) manages the market risk on its activities. Securities trades executed by companies in the RCI Banque group are intended solely to hedge away the risks related to the financing of the sales and inventories of the distribution networks. Most of these transactions are made by the trading room of RCI Banque, which plays a pivotal role in refinancing the RCI Banque group.

Monitoring and control tools exist for each entity and, where necessary, at the consolidated Renault group 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: self-monitoring by line personnel and formalized monitoring by each business line manager;

- second-level control: carried out by internal auditors under the authority of the chief executive of the entity;
- third-level control: carried out by the control bodies (Renault Internal Audit or external firms commissioned by it). The third-level control organizations make a critical, independent analysis of the quality of the control system. The Statutory Auditors also contribute an analysis under the terms of their assignment.

Furthermore, 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 banking supervisor.

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

TYPES OF FINANCIAL RISK

LIQUIDITY RISK

Automobile

Automobile must have sufficient financial resources at all times to finance the day-to-day running of the business and the investments needed for future expansion. In 2008 the net financial debt of Automobile increased to €7,944 million at 12/31/2008 (compared with €2,088 million at 12/31/2007). Automobile therefore needs to borrow regularly from banks and on capital markets to refinance its debt. This creates a liquidity risk if markets are frozen or credit is hard to access.

Renault SA raises most of the refinancing for Automobile in the capital markets, mainly through long-term financial instruments (bonds, private placement), or short-term financing, such as commercial paper or bank financing. In 2008 it obtained €1.8 billion in new financing, net of repayments and redemptions (excluding drawings on existing credit lines).

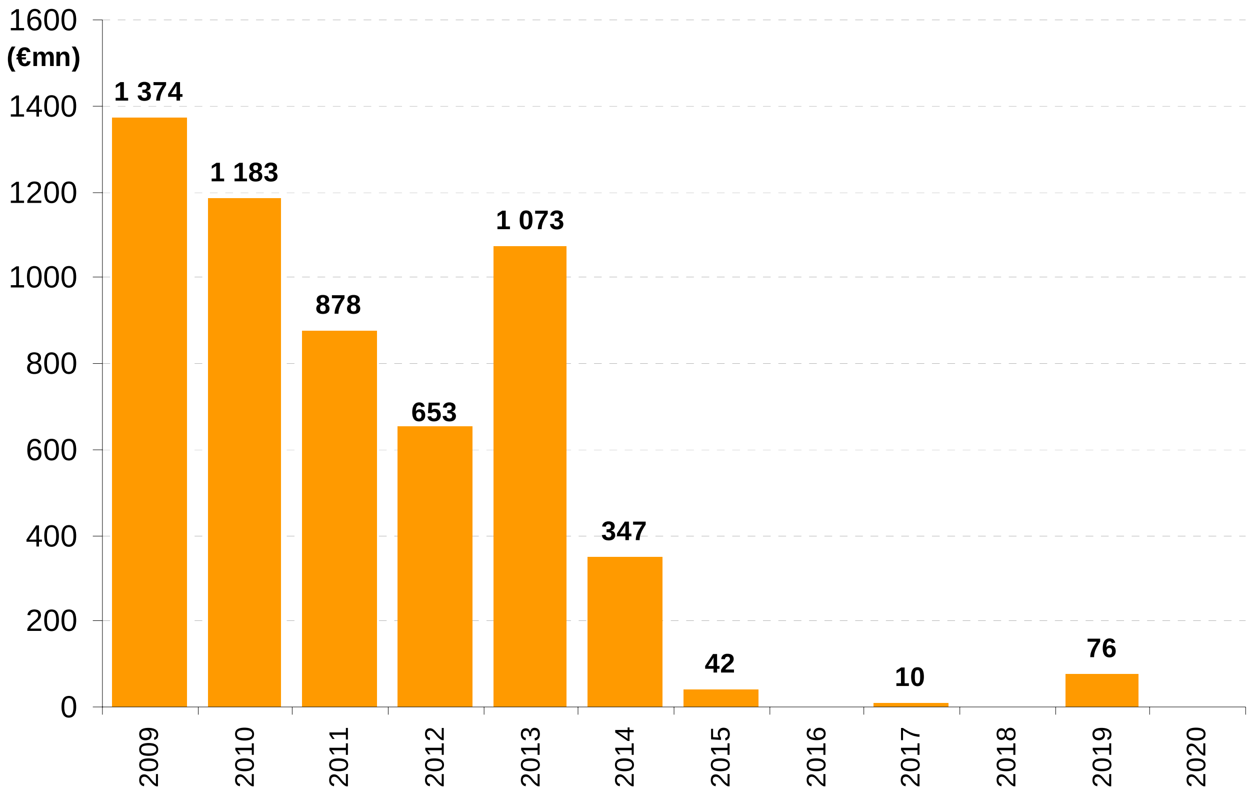
To this end Renault SA has an EMTN program, updated in June 2008, for a maximum €7 billion. A total of €360 million was issued through this program in 2008.

Other medium-term financings obtained by Renault SA in 2008 totaled €773 billion, for maturity schedules extending out to 2015. In particular, €220 million was raised in the form of “Schuldschein Darlehen” promissory notes from a group of German investors.

To diversify its sources of long-term financing, Renault SA has increased its presence in the domestic Japanese bond market by issuing eight Samurai bonds in yen since 2001, including a ¥50 billion bond in 2008. Renault SA has specific, simplified documentation for domestic Japanese issues (Shelf Registration Statement) with a maximum amount of ¥150 billion available until September 2009. At December 31, 2008 the maturity schedule of these issues ranged from one to five years.

In November 2008 Renault SA increased the ceiling on its commercial paper program to €2.5 billion. The total outstanding at December 31, 2008 was €1,019 million.

MATURITY SCHEDULE FOR RENAULT SA BONDS AND EQUIVALENT DEBT AT DECEMBER 31, 2008 (1)



1) Nominal amounts marked to market at December 31, 2008.

Furthermore, Renault SA benefits from confirmed renewable credit lines with banking institutions for a total amount of €4,220 million with maturities out to 2013. At December 31, 2008 Renault SA had drawn down €518 million on these credit lines. These credits provide a liquidity reserve for Automobile and are also partly intended as back-up lines for the issuance of short-term commercial paper.

The liquidity reserve at December 31, 2008 stood at €3,824 million, after covering the outstanding total in commercial paper.

In 2009, the French government will support Renault with a €3 billion loan with a five year maturity.
The contractual documentation on these confirmed lines of credit contains no clauses that could affect the raising or continued supply of credit following a change in either Renault's rating or its financial ratios. Moreover, Renault has signed no clauses affecting the financial terms or repayment schedules of these contracts. This means that contracts contain none of the following types of clause:

- cross default (stipulating that all borrowings must be repaid if the company or one of the Group entities defaults on a single loan);

- material adverse change (a major negative change in economic conditions);

- negative pledge (prohibiting the borrower from creating security interests on certain assets).

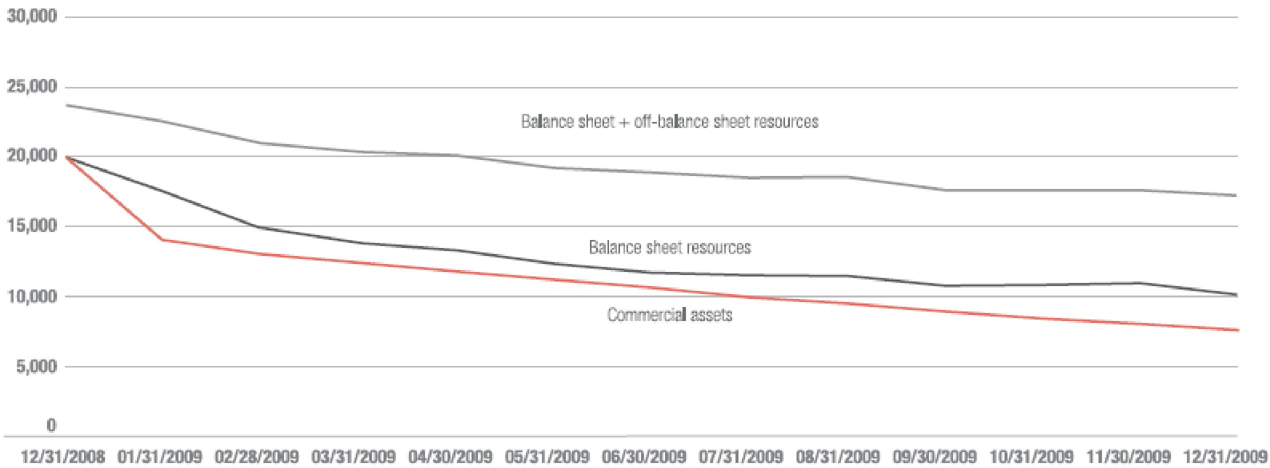
The same policy applies to the confirmed lines of credit taken out by RCI Banque.

Sales financing

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 increase the cost of financing solutions.

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

LIQUIDITY POSITION OF RCI BANQUE GROUP (IN € MILLION)

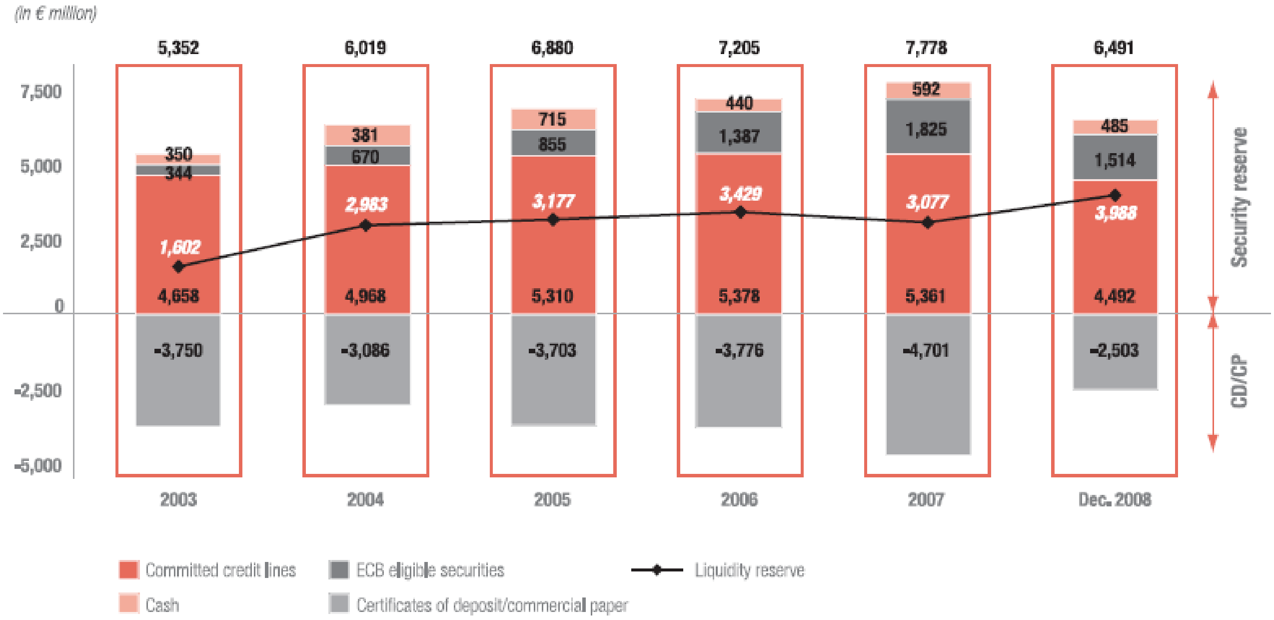


Furthermore, RCI Banque has confirmed renewable credit lines for a total amount of €5,245 million, of which €753 million had been drawn at end-December 2008.

Available sureties of €6,491 million (€4,492 million of undrawn confirmed credit lines, €1,514 million of cash eligible to the European Central Bank, €485 million of cash and equivalents) cover more than two times the total outstanding in commercial paper and certificates of deposit.

The liquidity reserve has risen to €4 billion, representing the excess of available sureties over the total outstanding in commercial paper and CDs. The Group needs to maintain sources of alternative liquidity that exceed the total outstanding in short-term negotiable debt.

RCI BANQUE – LIQUIDITY RESERVES AT DECEMBER 31, 2008



Amid difficult conditions, RCI Banque sought to continuously adjust its refinancing terms and its pricing to the new market environment. It borrowed €3.6 billion at one year or more (of which 25% realized during the first half-year through bank financing at more than one year). This figure should be viewed against long-term redemptions of €4.7 billion and a €1.5 billion contraction in the customer portfolio. RCI Banque has thus covered the financing requirements resulting from its business.

Like all French banks, RCI Banque has access to financial resources provided on attractive terms by Société de Financement de l'Economie Française (SFEF), a state-controlled financing agency. RCI Banque was one of the first companies that is not a SFEF shareholder to receive financing and to benefit from an allocation of €500 million. The unused portion of this allocation, €240 million, will be used in early 2009 once a mechanism has been put in place for using leasing contracts as collateral, via a securitization fund (FCT).

In 2009 the allocation from SFEF to RCI Banque is increased to €1 billion.

RCI Banque has also operated a securitization program since 2002 that enables the entire RCI Banque group to diversify its financial resources, broaden its investor base and increase its access to Central Bank financing. In this program, the assets of French or foreign subsidiaries are transferred to local special-purpose vehicles (SPV) operating as Master Trusts. The entire pool of loans in a business segment meeting eligibility criteria is transferred on a continuous basis to the SPV. The portfolio is then partly financed by medium-term securities subscribed by investors in the European market. The difference between the transferred portfolio and the amount of the medium-term debt securities is financed by short-term private placement. In view of the characteristics of these transactions, and in accordance with the Group's accounting rules, these securitized receivables are still recorded as assets in the consolidated balance sheet.

Eligibility criteria are specific to each structure and are explained in the Offering circular document of each operation. The group sells complete portfolios in each issue and only receivables that meet the issue criteria are selected. The main criteria are:

- legal existence of the receivable;
- no default at the time of the transfer;
- at least one payment date met.

The group holds all the risk and provisions it in accordance with internal rules.

Issued notes are covered by a partial principal repayment mechanism to prevent a phase of early redemption in the event of a sharp decline in the underlying portfolio.

The difference between the amount of receivables transferred and the liability amount corresponds to the credit enhancement required for these issues and to the quota of notes held by RCI Banque, which make up a liquidity reserve.

SECURITIZATION – public issues					
Country	**France**		**Italy**	**Germany**	
Ceding entity	**DIAC SA**	**COGERA SA**	**RCI Banque Succursale Italiana**	**RCI Bank Niederlassung**	**RCI Leasing Gmbh**
Start date	October 2006	January 2005	July 2007	October 2007	November 2008
Maximum term of fund	October 2020	January 2012	October 2023	October 2019	April 2023
Issuance vehicle	CARS Alliance Auto Loans France FCC	FCC Alliance DFP France	Alliance Auto Loans Italy SPV Loi 130	CARS Alliance Auto Loans Germany FCC	CARS Alliance Auto Leases Germany FCT
Initial purchase of receivables	**€2,323 million** automobile loans	**€1,372 million** independent dealer receivables	**€1,402 million** automobile loans	**€1,628 million** automobile loans	**€941.7 million** customer leasing contracts
Receivables purchased as of 12/31/2008	**€1,894 million**	**€1,370 million**	**€997.6 million**	**€1,633 million**	**€956.9 million**
Credit enhancement at 12/31/2008	0.10% cash collateral (€2.3 million) 4.5% over-collateralized receivables	4.5% over-collateralized receivables	1.75% over-collateralized receivables	0.20% cash collateral (€3.3 million) 5.5% over-collateralized receivables	0.30% cash collateral (€2.8 million) 25.8% over-collateralized receivables
Swap hedging for interest rate risk	Yes (with guarantee)	No	Yes (mirror swaps)	Yes (with guarantee)	Yes (with guarantee)
Issuance vehicle	CARS Alliance Auto Loans France FCC	Cars Alliance Funding PLC - Ireland	Cars Alliance Funding PLC - Ireland	CARS Alliance Auto Loans Germany FCC	CARS Alliance Auto Leases Germany FCT
Public issues *Medium term* *Outstanding at 12/31/2008*	**Class A** rating: AAA €1,467.5 million	**Series 2005-1 Class A** rating: AAA €814 million	**Series 2007-1 Class A** rating: AAA €838.5 million	**Class A** rating: AAA €0 million	**Class A** rating: AAA €376.7 million
	Class B rating: A €94.3 million	**Series 2005-1 Class B** rating: A €36 million	**Series 2007-1 Class B** rating: A €35.5 million	**Class B** rating: A €0 million	**Class B** rating: A €48 million
Listed private placement * *Short term* **Notes in issue at 12/31/2008**	**Class R** rating: AAA €11.9 million	**Series 2005-2 Class A** rating: AAA €50 million		**Class R** rating: AAA €1,443.7 million	**Class R** rating: AAA €297.8 million
Weighted average life	**April 2012**	**January 2010**	**January 2012**	**October 2009**	**November 2011**

** held at 12/31/2008 by RCI Banque, eliminated in the consolidated financial statements*

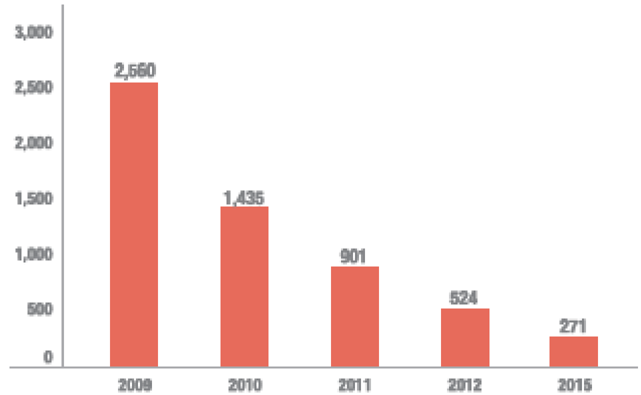
After securitizing the leasing portfolio of its German subsidiary in an FCT, the group increased its ECB eligible collateral by €675 million as it waited for the securitization market to reopen. The mechanism whereby domestic commercial receivables can be declared to the Banque de France and used as collateral resumed operations, thus increasing potential access to Central Bank liquidity by a further €220 million.

Central Bank refinancing, which is much more competitive than other sources of short-term funding, thus rose to €1.2 billion (up €750 million), offsetting the decline in CD and ECP outstandings.

RCI Banque actively pursued its bond financing program over the course of the year. The group took advantage of improved market sentiment in May to launch a €700 million three-year public bond issue. In keeping with previous issues, and in an effort to diversify geographical distribution, the bond was underwritten by a group of five banks including two lead managers and three co-leads. Several EMTN and BMTN private issues were also launched, totaling €1,242 million. New bank borrowing at one year and over totaled €1,364 million.

As the financial crisis deepened and outstanding dealer financing declined, certificates of deposit outstanding fell sharply from €4,701 million at end-June 2008 to €2,671 million in September 2008.

MATURITY SCHEDULE FOR RCI BANQUE BONDS AT 12/31/2008
(in € million)



Group issuance programs and ratings at December 31, 2008

Issuer	Program (1)	Market	Ceiling (in millions)
Renault SA	CP	euro	EUR 2,500
Renault SA	EMTN	euro	EUR 7,000
Renault SA	Shelf documentation	yen	JPY 150,000
RCI Banque	Euro CP	euro	EUR 2,000
RCI Banque	Euro MTN	euro	EUR 12,000
RCI Banque	CD	French	EUR 4,000
RCI Banque	BMTN	French	EUR 2,000
Diac	CD	French	EUR 1,500
Diac	BMTN	French	EUR 1,500
RCI Banque + Overlease + Renault AutoFin (RCI guarantee)	CP	Belgian	EUR 500
Rombo Compania Financiera S.A.	Bond	Argentinean	ARS 200*

* *Local ratings (S&P* raA-*)

(1) CP: commercial paper; EMTN : Euro Medium Term Note ; CD : Certificate of Deposit; BMTN : Negotiable Medium Term Note. The RCI Banque group's programs concern two issuers (RCI Banque and Diac) for a combined total of more than €23.5 billion.

RATING

Group ratings are as follows (long-term/short-term debt):

Agency	*Rating*	*Outlook*	*Revised on*	*Previous rating*

Renault	Moody's	Ba1 / NP	stable	20/02/2009	Baa2 / P2 outlook stable
	S&P	BB / B	stable	19/06/2009	BBB- / A3 outlook negative
	Fitch	BB / -	negative	25/03/2009	BBB- outlook negative
	R&I	BBB +/ a1	stable	31/03/2009	A / a1 outlook stable
	JCR	A- / -	negative	27/02/2009	A negative
RCI Banque	Moody's	A3*/ P2	stable	31/10/2008	outlook stable
	S&P	BBB- / A3	stable	06/03/2009	BBB / A2 outlook stable
	R&I	A / a1	negative	17/10/2008	A / a1 outlook negative

** = under review for a possible downgrade*

A rating downgrade could limit access to capital markets and/or increase the cost of borrowing.

FOREIGN-CURRENCY RISK

Automobile

Automobile is naturally exposed to foreign currency risk in the course of its industrial and commercial activities. Foreign currency risk on these activities is monitored through Renault's Central Cash Management and Financing Department.

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

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

Impact on operating margin: Operating margin is subject to changes caused by exchange rate fluctuations. Currency hedges must be formally authorized by the Finance Department or senior management. Once the hedges have been put in place, reports must be submitted to senior management on the results. No hedges were put in place in 2008.

Based on the structure of its results and operating cash flow in 2008, the Group estimates that a 1% appreciation of the euro against all other currencies has a negative impact of €28 million on annual operating margin. In 2008 the Group was exposed mainly to the pound sterling and the Russian rouble (annual negative impact estimated at €8 million and €6 million if the euro *rises* by 1% against these currencies), as well as the Romanian lei and Korean won (annual negative impact estimated at €9 million and €5 million if the euro *falls* by 1% against these currencies).

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

Investments by Automobile subsidiaries are mainly financed through equity contributions. Where possible, other financing requirements are met by Renault SA in local currency. Financing flows in foreign currencies handled by Renault SA are hedged in the same currencies, ensuring that exchange rate fluctuations do not distort the financial results.

Where local circumstances prevent Renault SA from refinancing, the subsidiary may tap external funding sources. If external financing in non-local currencies is necessary, the parent company oversees the transactions. Cash surpluses recognized in countries not centralized at the parent company level are usually invested in the local currency under the supervision of the Group's Finance Department.

Renault Finance may engage in foreign-exchange transactions for its own account within strictly defined risk limits. Foreign-exchange positions are monitored and marked to market in real time. Such proprietary transactions, intended chiefly to maintain the Group's expertise on the financial markets, involve only very short-term exposures that do not exceed several tens of millions of euros, and are managed so as to avoid material impacts on Renault's consolidated financial statements.

Impact on share in the net income of associated companies: On the basis of their contribution to 2008 results, a 1% rise in the euro against the Japanese yen or the Swedish krona would have lessened Nissan's contribution to Renault's income by €3 million and Volvo's contribution to Renault's income by €2 million, all other things being equal.

Impact on shareholders' equity: Equity investments in currencies other than the euro are not usually hedged. This may lead to translation adjustments, which are accounted for by the Group as shareholders' equity. However, the size of the Nissan investment was such that Renault's share in yen of Nissan's net worth has been covered by a specific foreign exchange hedge, amounting to ¥503 billion at December 31, 2008 with maturities out to 2014. The nature and amount of each transaction are indicated in note 13-G of the notes to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement. These transactions are made up of private loans on the EMTN market (a total of ¥100 billion), bonds issued in yen on the Japanese market (a total of ¥182 billion) and currency swaps totaling ¥221 billion.
Hedging transactions fell by ¥321 billion in 2008.

Impact on net financial debt: As mentioned above, a portion of Renault financial debt is denominated in yen so as to cover part of the investment in Nissan. A 1% increase in the euro against the yen would reduce Automobile's net debt by €40 million.

The appreciation of the yen against the euro in 2008 therefore increased Automobile's net debt by €1,613 million.

Sales financing

The consolidated foreign exchange position of RCI Banque has always been very small. No foreign-exchange positions are permitted in connection with refinancing activity: RCI Banque's trading room systematically hedges all the cash flows concerned.

Sales Financing subsidiaries are required to refinance in their domestic currencies and therefore have no foreign exchange exposure.

However, there may be residual or temporary forex positions related to timing differences in funds flows, which are inevitable when managing a multi-currency cash position. Any such positions are monitored daily and hedged systematically.

The foreign exchange position on December 31, 2008, was €6.4 million.

INTEREST-RATE RISK

Automobile

Interest rate risk can be assessed on the basis of debt and financial investments and the payment terms set out in the indenture (fixed or variable rate). Detailed information on these debts is indicated in note 24 of the notes to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement.

For Automobile, the interest rate risk management policy is based on two principles: long-term investments are financed at fixed interest rates while liquidity reserves are built up at floating rates. Further, yen-denominated financing to hedge Nissan's shareholders' equity is taken out at fixed rates for periods ranging from one month to seven years.

Automobile's financial liabilities totaled €11,216 million on December 31, 2008. The maturity schedule for these liabilities is shown in note 24-C to the consolidated financial statements. After stripping out derivatives, €2,216 million of that debt is yen-based (¥280 billion), consisting either of yen-denominated paper (samurai bonds, EMTNs) or synthetic debt (euro loans swapped for yen). Total fixed rate financings to be rolled over in 2009 amount to €206 billion.
As far as possible, Renault SA centralizes available cash, investing it exclusively in euro. Under its cash investment policy, Automobile held €1,141 million in cash and cash equivalents at December 31, 2008, invested overnight through Renault Finance.

Renault Finance also trades for its own account in interest-rate instruments within strictly defined risk limits. These positions are monitored and marked to market in real time. This activity carries very little risk and has no material impact on the Group's results.

Sales financing

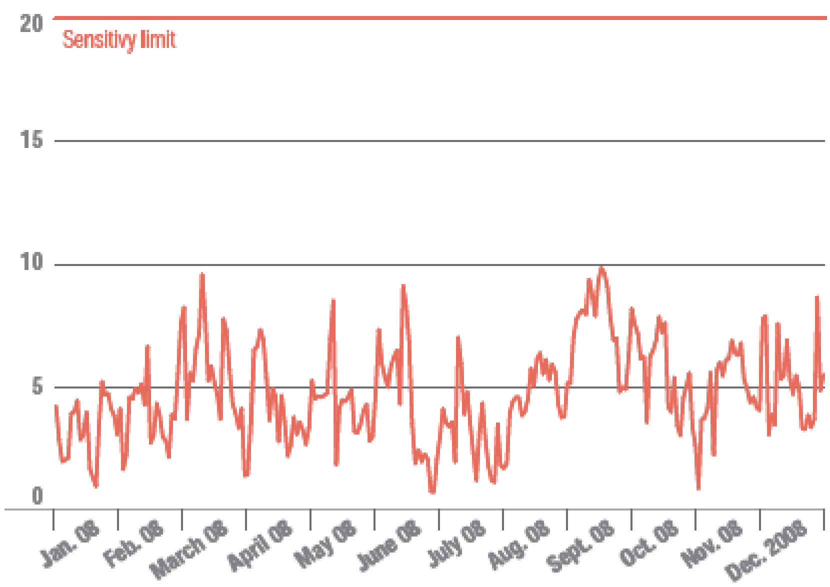
The Renault group's exposure to interest rate risk is concentrated mainly in the Sales Financing business of RCI Banque and its subsidiaries.

Interest rate risk is monitored on a daily basis by measuring sensitivity for each currency, management entity and asset portfolio. The entire RCI Banque group uses a single set of methods to ensure that interest rate risk is measured in a standard manner across the entire scope of consolidation.

The portfolio of commercial assets is monitored daily on the basis of sensitivity and is hedged systematically. Each subsidiary aims to hedge its entire interest rate risk in order to protect its commercial margin. However, a slight degree of latitude is permitted in risk hedging, reflecting the difficulty of adjusting the borrowing structure to exactly match the structure of customer loans.

RCI Banque's consolidated exposure to interest rate risk over 2008 shows that sensitivity, i.e., the risk of a rise or fall in the Group's results caused by a 100-basis point rise or fall in interest rates, was limited.

RCI BANQUE GROUP: DAILY SENSITIVITY TO INTEREST RATE MOVEMENTS (2008)
(sensitivity to 100 bp, absolute terms- in € million)



The interest-rate risk sensitivity of RCI Banque at end-December 2008 was €5.5 million per 100 basis points.

See note 26 of the notes to the Consolidated Financial Statements in VI. Financial Condition, 1. Financial Statement for details of consolidated off-balance-sheet commitments in financial instruments and by type of activity.

COUNTERPARTY RISK

The Group is exposed to counterparty risk in its financial-market and banking transactions, in its management of foreign exchange and interest rate risk, and in the management of payment flows. It works with banking counterparties of the highest caliber and is not subject to any material concentration of risk.

Management of counterparty risk at the Group's entities is closely coordinated and uses a rating system based mainly on counterparties' long-term credit rating and the level of their shareholders' equity. This system is used by all companies of the Renault group that are exposed to counterparty risk.

Some Group companies have significant exposure to counterparty risk owing to the nature of their business. These companies are subject to daily checks to ensure they comply with authorized limits, in accordance with precise internal control procedures.

The Group has introduced a consolidated monthly reporting system that encompasses all its counterparties, organized by credit rating. These reports give a detailed analysis of compliance with limits in terms of amount, term and type, as well as a list of the main exposures.

In 2008 the Group suffered no financial impact arising from the failure of a banking counterparty.

CREDIT RISK

The Group does not trade in the credit derivatives market.

COMMODITY RISK

Renault's Purchasing Department may hedge commodity risk by means of financial instruments. Hedging is limited to purchases by the Purchasing Department of Renault and the Renault-Nissan Purchasing Organization for Renault projects in Europe. These hedges are linked to the physical purchasing operations carried out to meet plant needs.

The Group relies on Renault Finance to execute these hedging transactions in the markets. Renault Finance tracks the metals markets, and it marks all its hedging instruments to market on a daily basis. As the Alliance's dealing room, Renault Finance has extended this trading and monitoring activity to meet the needs of the Nissan group.

These transactions are authorized by senior management, with limits in terms of volume, maturity, and price thresholds. They are covered in monthly reports that detail hedge performance and the performance of hedged items. Commodity hedge decisions are made by an ad hoc steering committee, co-chaired by the Chief Financial Officer and the Senior Vice President, Purchasing, which meets quarterly. These proposals are then submitted to the President, who is the only person with decision-making power in this area.

In 2008 the hedge put in place for aluminum at end-2007 partially offset the average year-on-year price rise. At end-December 2008 no hedges were in place.

Renault's direct and indirect exposure to commodity prices is around 65% for steels, 15% for other non-indexed commodities and 30% for indexed metals including precious metals. In 2008 the main impact on operating margin came from steel prices : they went up between €30 and €90/metric ton depending on type and grade. Oil-linked commodities also had an unfavorable impact, since the oil price was US$40 higher on average than in 2007. The prices of indexed commodities remained steadier than expected through to mid-year, before unexpectedly plunging for the remainder of the year.

OPERATIONAL RISKS

SUPPLIER RISK

RISK FACTORS

The main risk factors are related to the quality and long-term dependability of deliveries, suppliers' financial situation and their compliance with regulations and sustainable development obligations.

MANAGEMENT PROCEDURES AND PRINCIPLES

Supplier failure

Suppliers' financial soundness is reviewed on the basis of two key criteria:

- a rating system based on an analysis of the supplier's annual report;
- dependence on Renault.

If a supplier is rated negatively on any financial criteria, this supplier is monitored at monthly meetings by the Supplier Risks Committee, which is made up of members of the Purchasing Department Management Committee, alongside the Finance, Legal, Human Resources, Logistics and Public Affairs Departments.

Additional measures may be taken and committee meetings held more frequently if special circumstances arise.

Operational Purchasing Departments handle risks of other sorts, e.g. logistics, technological, industrial and so on. In the event of failure, these Departments must respond, sometimes with very little time, by drawing on the supplier base to find replacement solutions to ensure unbroken 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 delivery times, and suitability of logistics.

Suppliers' capacity to deliver the projected volumes of parts to plants is continually audited using the Group's "capacity benchmarking" process.

Non-compliance with sustainable development commitments

Non-compliance risk is controlled mainly by:

- including a "filter" in the supplier selection and sourcing processes;
- identifying non-compliance with standards, through self-assessments, assessments conducted by the Quality Department of the Purchasing Department and external audits;
- taking corrective actions if a major or critical non-compliance is detected at a supplier (performance reviews).

In accordance with Commitment 2009, actions relating to suppliers focused on the following:

- in the area of labor relations, the formal commitment by suppliers to the principles of the Renault Declaration of employees' fundamental rights (including elimination of child labor, elimination of forced labor, and commitment to a work, health and safety policy consistent with the Group Working Conditions Policy). Suppliers are required to make this commitment before they can be approved.

- in the area of the environment, application of the European REACH Regulation on substances sold or produced in the European Community. Actions involved informing buyers and suppliers, notably by preparing a guide for them and by sending out a questionnaire.

- in the area of risk detection (labor and environmental):

  - 700 self-assessments sent to suppliers in 2008;

  - 214 assessments carried out by the Purchasing Quality Department since 2007;

  - 15 or so external audits;

  - development of a labor/environmental management system for suppliers to enable data and ongoing actions to be processed and communicated more effectively, via the suppliers portal.

GEOGRAPHICAL RISK

RISK FACTORS

The Group has industrial and/or commercial operations in countries outside Europe[7], notably South Korea, Romania, Brazil, Argentina, Turkey, Colombia, Chile, Russia, Morocco, Iran, South Africa and India. Group sales outside Europe account for 27% of revenues. The risk monitoring system has been reconfigured to support this increase in vehicle sales.

The Group's activities in these countries carry various risks, most commonly GDP volatility, economic and political instability, new regulations, payment collection problems, labor unrest, sharp fluctuations in interest and exchange rates, and foreign exchange controls.

MANAGEMENT PROCEDURES AND PRINCIPLES

Renault's industrial and commercial investments outside Europe are geographically diversified, making it possible to pool the portfolio of risks at company level, particularly through a worldwide short-term policy with Coface, the French export credit insurance agency. Patterns of GDP growth and solvency vary from one region of activity to another and are often counter-cyclical.

Risk management and the Regional Management Committees

The Regional Management Committees (CMR) are responsible for overall tracking of country risk in their respective regions. The CMR can suggest waivers to the general rule, which must be approved by the Group Executive Committee.

Industrial bases

The decision to set up industrial bases in countries outside Europe was taken as part of a growth strategy that factors the risks of instability into an overall industrial approach.

The Group also seeks to continually increase local content in its emerging-country production units. The aim is to make these units more competitive in their local markets and to use their capacity more efficiently, exporting to other areas when domestic markets falter and where exchange-rate changes improve the price competitiveness of products outside the country.

In Iran, Renault's investments are guaranteed by a credit insurer.

Commercial activities

[7] "Outside Europe" means in the three Regions - Euromed, Asia-Africa and Americas; from March 1, 2009 a new Region is added as part of its new geographical organization steered by the Regional Management Committees.

The Group hedges all financial flows arising from commercial activities in emerging countries. The two main hedging instruments used are bank guarantees (standby letters of credit from leading banks) and short-term export credit guarantees (global/commercial/political cover from Coface).

International projects

Geographical risks are taken into account by demanding a higher rate of return from any new investment project in an emerging country. The risk premium added to the standard rate of return is determined from financial market and macroeconomic indicators.

Short-term liquidity risk, by country

A trend indicator is used to monitor risk, including liquidity risk, in the countries where the Group operates. By tracking this indicator, the Group can adjust the financing policy applied to its subsidiaries in the light of changes to the situation in each country and available macroeconomic data.

Intra-Group financial flows

To support its global growth, the Group has designed a radial financial scheme and “hub and spoke” invoicing system. The industrial subsidiaries sell their export production to Renault s.a.s., which on-sells it to the importing subsidiaries and independent importers by granting them supplier credit. The parent company manages the risk associated with this credit.

The Group thus centralizes its financial-risk management activities and can use a single hedging procedure on competitive terms.

RCI BANQUE CUSTOMER AND NETWORK RISK

Risks linked to customer loan quality are assessed using a scoring system and monitored according to customer segment, i.e. consumer, enterprise or dealer.

The procedures for granting loans to retail and corporate customers are based on credit-scoring systems and searches of external databases. Disputes are managed on a case-by-case basis, in accordance with a strict set of procedures that comply with the regulatory requirements set down by banking supervisors. The aim of these procedures is to recover quickly the outstanding sums or the vehicles, either amicably or through the courts.

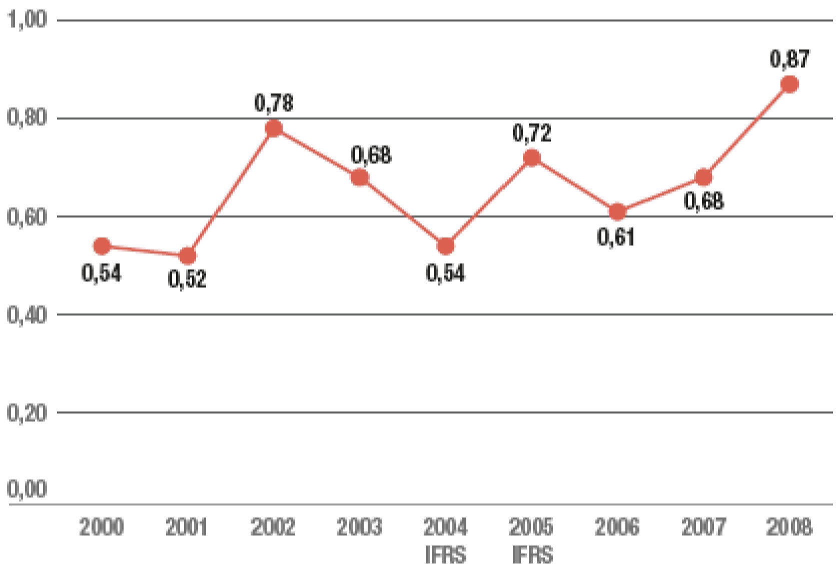
Financing is granted to the network on the basis of an internal rating system that takes into account the financial position of dealers. A policy of standardizing the rules for network risk (notably as regards provisioning) has been in place for several years. This has made it possible to strengthen the monitoring and provisioning of risk. Since 2002, the cost of risk has reflected a conservative policy that takes account of the new European regulations on car distribution as well as the deterioration in economic conditions.

Owing to the downturn in the automobile market, and hence in new financing, outstanding customer financing at end-December 2008 was down €1.5 billion relative to December 31, 2007.

Outstanding dealer financing fell €1 billion over the same period, reflecting careful inventory management by manufacturers and dealers during the crisis.

The cost of customer risk deteriorated further in the second half, particularly in Spain, continuing a trend that began in the early part of the year. RCI Banque has always pursued a strict policy on acceptance. In an uncertain economic environment, the company constantly adjusted this policy to keep total losses on customer financing at below 1%.

RCI BANQUE: TOTAL LOSSES ON CUSTOMER FINANCING (% OF AVERAGE PERFORMING LOANS OUTSTANDING)



"Average loans outstanding" refers to the average amount of capital (excluding manufacturer and dealer contributions, but including spreadable distribution costs) owed by customers and/or dealers over a given period (e.g. one month, one year).

Overdue delinquent loans outstanding and doubtful loans outstanding are excluded from the metric because it concerns interest-generating loans. Delinquent outstandings that are not yet due and non-delinquent outstandings are included.

DISTRIBUTION RISK

RISK FACTORS

The type of risks to which Renault is exposed depends on the type of product distribution channel involved:

- at commercial import subsidiaries, the main risks are related to the use of sales and marketing resources;
- at its own distribution subsidiaries, grouped under the umbrella of Renault Retail Group (formerly REAGROUP), Renault's risks are primarily related to decentralization and the diversity of these entities;
- the financial situation of dealership networks is also a source of risk.

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

MANAGEMENT PROCEDURES AND PRINCIPLES

Import subsidiaries

Central and local systems and procedures have been set up to enable the Group's import subsidiaries to control costs and the financial assistance paid to the network.

Independent auditors perform inspections in some countries to ensure that dealerships can substantiate the assistance they receive.

In 2006, an annual self-assessment on internal control was set up with a standard format designed jointly with the Group Audit Department.

In 2007, the Sales and Marketing Department gradually rolled out a tool for the payment and subsequent control of the commercial support provided to the network.

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 carried out using the Internal Control Quality tools have been extended to all countries since end-2006.

These tools were developed in collaboration with the Audit Department. Use of the self-assessments is checked regularly by auditors from the Audit Department or by specialized audit firms from outside the Group.

Dealership network

Renault and RCI Banque (RCI) jointly monitor the financial situation of dealerships in countries where RCI is present. A rating system is used to prevent and limit the risk of default or outstanding accounts. In other countries, Renault sets up a credit monitoring system.

Risk committees meet each month in countries where RCI Banque operates. In other countries, particularly in Central Europe, a Risk Supervision committee meets at head office every four months to examine monthly operating reports on the network's financial situation and on payment receivables.

Default risk is transferred to RCI Banque in geographical regions where it relies on ad hoc bodies to bear risk from the network and individual customers. If RCI cannot cover this risk, Renault bears it directly.

In 2007 the Credit Management structure put in place a reporting system with indicators to monitor the debt of Automobile's customers. These tools improve the monitoring and management of payment periods and help to manage customer risk more effectively.

Parts and Accessories Department

The Group Parts and Accessories Department, which is responsible for the commercial management of the distribution of spare parts and accessories to all Renault entities, set up an action program based on the risk maps drawn up in 2004 and updated in 2007. The action plans are focused on the risk of a disruption in supply caused by supplier, logistics or IT failure. A special risk committee monitors these actions regularly.

PRODUCT QUALITY RISK

RISK FACTORS

As it evolves, the automotive industry constantly develops new kinds of equipment to enhance the safety and comfort of drivers, who broadly welcome these advances.

Owing to these developments, the modern automobile boasts an ever-more sophisticated array of systems, from power steering to braking and restraint systems.

MANAGEMENT PROCEDURES AND PRINCIPLES

When a new vehicle is designed, Renault sets up a system to identify, assess and control risks created by the equipment it installs:

- this system includes
  - a specific organization for managing risks,
  - defining and ensuring compliance with design standards, and methods and tools for operational safety,

- monitoring adverse customer incidents and reasonably foreseeable practices (involving both physical components and logical systems) that could expose vehicle users to danger;

• it extends to the phases of manufacturing, vehicle delivery, maintenance-repair and end-of-life.

Renault has set up a system to detect, analyze and process customer incidents. The aim is to reduce the number of vehicles likely to be affected by an incident, to assess the seriousness and safety aspect of incidents, and to address the risk as swiftly as possible, notably through recall campaigns where necessary:

• in addition to information provided by the network, Renault uses various indicators, including a media watch, a customer platform and customer satisfaction surveys, to detect customer incidents rapidly;

• after documentation, a technical analysis of incidents is performed to decide on a preventive or a corrective response, and standards are upgraded so that the information can benefit future projects;

• assistance is also provided to the network in the event of difficulties in diagnosing or resolving an incident.

The "Vigilance Committee", chaired by the Quality Department, sees that measures for detecting, preventing and handling incidents are properly carried out.

Meanwhile, the organization with regard to regulations ensures the following at global level:

• identification of new regulations that must be taken into account right from the design phase;

• product compliance with regulations.

Further to discussions that began in 2006 with other carmakers, government authorities and standard-setters on common standards for defining and assessing risk, Renault has introduced new quality and operational safety initiatives for its products. These include:

• preparing an annual update of undesirable customer incidents likely to endanger users and identifying reasonably foreseeable uses that could expose users to danger;

• continuing efforts begun in 2007 to deploy awareness-raising and training programs in general product safety and operational safety throughout the company;

• taking part in ISO standard-setting working groups on functional security of onboard electric/electronic systems;

• working within the Federation of Vehicle Equipment Industries to define the content of safety files that suppliers must provide to demonstrate risk control for purchased products.

In addition to measures to reduce customer incidents, regular customer satisfaction surveys are conducted. The survey findings are taken into account in the continuous process of product improvement.

PRODUCTION RISKS

RISK FACTORS

The Group's exposure to industrial risk is potentially significant because its industrial operations are highly concentrated and its plants are interdependent. An active formal prevention policy is applied at all production plants, covering personal safety and the security of property.

MANAGEMENT PROCEDURES AND PRINCIPLES

For many years, the Group has endeavored to reduce the risks of fire, explosion and machine breakdown, giving priority in this effort to powertrain and body assembly plants. Most of the existing plants have obtained the Highly Protected Risk rating, an international standard for risk prevention, awarded by insurance companies that verify the application of prevention and protection rules every year.

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

The prevention policy is supported by a team of experts at headquarters who set the standards for worldwide application and take part in all projects to modernize or extend existing plants or to open new ones. The experts at headquarters are supported at each plant by local teams organized in a network.

ENVIRONMENTAL RISK

RISK FACTORS

Alongside the systems and policies to reduce the environmental impact of vehicles in the design, manufacture, operation and recycling phases, environmental risk at Renault comprises environmental impacts owing to malfunctions in its plants; harm to individuals; and pollution caused by past activities.

MANAGEMENT PROCEDURES AND PRINCIPLES

Renault has no high-risk facilities. Nevertheless, it has put in place a management system to prevent environmental risks. This system is ISO 14001 certified and since 2005 it has been integrated into the Renault Production Way through the management of chemical products and waste at workstations and more generally in each site's environment and risk management plan.

A central team of experts coordinates the tasks performed under the system. Techniques and structures for identifying risks, quantifying their impact, organizing prevention and protection and defining control and management methods are implemented at all sites.

Methods and tools have been defined for every stage of environmental risk management: risk identification, choice of prevention and/or protection solutions, management and training procedures, questionnaire to self-assess risks at body assembly and powertrain manufacturing plants.

IT RISK

RISK FACTORS

The Renault Group's business depends in part on the orderly operation of Group IT systems. These are under the responsibility of the Information Systems Department (DSIR), which has put in place a security policy, technical frameworks and processes to combat risks associated with:

- interruption of IT services, regardless of the cause;
- theft and destruction of computer data (confidentiality, integrity).

MANAGEMENT PROCEDURES AND PRINCIPLES
Risks are controlled through:

- at Group level, an IT Risk Committee, organized by the Information Systems Department in conjunction with the Internal Audit and Risk Management Departments, and with representatives of other corporate departments;
- at DSIR level, Security Committees that carry out checks at operational level to verify the effective application of IT security procedures, in line with international best practices (policies and standards such as ISO 27001);

- a security approval structure for the main projects, interconnections and security upgrades;
- audits carried out by the Information Systems Department in partnership with the Internal Audit Department.

The main security programs in 2008 sought to:

- strengthen deployment of the security policy defined in association with Nissan;
- deploy security measures that reflect the new issues raised by the Group's international expansion and partnerships (access management and confidentiality);
- reinforce the emergency resources and procedures in place at the Group's main IT centers.

INSURING OPERATIONAL RISKS

At the Renault group, insurance for operational risks has three facets:

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

The majority of the Group's entities are covered by these global insurance policies. In accordance with the risk transfer policy, their ceilings are high – up to €1.5 billion. Deductibles, which must be paid by the Group before the insurance companies pay for any loss, are also high. The highest deductible amount is €24 million per claim. Some risks, such as defects covered by the manufacturer's warranty and recall campaigns, are not covered by insurance.

The reasons for keeping deductibles high include the Group's consistent policy of prevention, the fact that there have been no major claims in recent years, and a desire to make each risk-bearing sector more accountable. No major change to Renault's risk transfer policy is planned for 2009.

OTHER RISKS

LEGAL RISK

DESCRIPTION OF THE INTERNAL CONTROL PROCESS

From the legal standpoint, internal control is based on two main guidelines:

- responsive reporting, which relies on the networking and meshing of the legal function within the Renault Group via a dual system of line and staff reporting. Attorneys are selected on the basis of qualitative criteria and cost/delivery ratios. The enforcement of these selection criteria is reviewed annually;
- 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 collaborative, 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.

GRANTING OF LICENSES FOR INDUSTRIAL PROPERTY RIGHTS

The Group may use patents held by third parties under licensing agreements negotiated with such parties.

Each year, Renault s.a.s. files several hundred patents (see III-6. “Research and Development Activities”), some of which are included in fee-paying licenses granted to third parties.

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

Furthermore, under an agreement signed on August 5, 2000 Samsung granted Renault Samsung Motors a worldwide non-exclusive license to use the Samsung brand name on the vehicles that it assembles and manufactures in South Korea. This license initially runs until 2010, but may be renewed by an amendment.

On September 14, 2004 the European Commission issued recommendations aimed at amending Directive 98/71 concerning the protection of designs and models. These recommendations call for the abrogation of protection of spare parts under design law. This proposal has been approved by the European Parliament with an amendment providing for a five-year transition period, and it must now be discussed by the European Council of Ministers. The sale of copies of spare parts after this date could have a negative impact on the earnings of the Group, which currently generates around 1.5% of its revenues from the sale of so-called captive parts, which are protected under design law.

OFF-BALANCE-SHEET COMMITMENTS

The main commitments concern guarantees and endorsements granted by the Group in the normal course of business, as well as savings plans in Argentina. Off-balance-sheet commitments are discussed in notes to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement (of which note 29). To the knowledge of senior management, no material off-balance-sheet commitments have been omitted.

RISKS LINKED TO PENSION COMMITMENTS

Renault operates in countries where, in general, pension systems are publicly run. Renault’s commitments in this respect consist primarily of retirement compensation, as specified in note 20 of the notes to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement. These commitments may be sensitive to changes in the parameters used to calculate them (funding, labor factors, interest rates).

TAX AND CUSTOMS RISKS

The Group is regularly subject to tax inspections in the countries in which it carries on its business. Valid demands for tax arrears are booked via provisions. Disputed demands are taken into account on a case-by-case basis according to estimates that build in the risk that the disputed demands may not be overturned even though the Group’s actions and appeals are well founded.

DISPUTES

In general, all known legal disputes in which Renault or Group companies are involved are examined at year-end. After seeking the opinion of the appropriate advisors, the Group sets up the provisions deemed necessary to cover the estimated risk.

In the normal course of its business, the Group is involved in various legal proceedings connected with the use of its products. At present, Renault estimates that none of these actions is likely to materially affect its assets, financial position, activities or earnings.

In the last twelve months, there has been no governmental, court or arbitration procedure (including any procedure that the issuer knows is pending or possible) that could have or has recently had a material impact on the financial situation or profitability of the issuer and/or Group.

5. IMPORTANT CONTRACTS RELATING TO MANAGEMENT, ETC.:

Not applicable.

6. RESEARCH AND DEVELOPMENT ACTIVITIES

Renault's R&D is a source of innovation and sharpens the company's competitive edge. With investments of more than €2.2 billion, Renault has demonstrated its determination to rise to the challenges of the automotive industry and to converge with major technological and social trends.

Research and Development expenditure *

Under IFRS	**2008**	**2007****	**2006**	**2005**
R&D expenditure (€ million)	2,235	2,462	2,400	2,264
Group revenues (€ million)	37,791	40,620**	39,969	41,338
R&D spend ratio	5.9%	6.1 %	6.0 %	5.5 %
R&D headcount, Renault group	17,775	16,219	15,658	12,939
Renault group patents	793	998	933	895

**All R&D expenditure is incurred by Automobile.*

***2008 scope.*

These figures conceal multi-faceted yet convergent situations that can be analyzed from different viewpoints**.**

The most recent successes of Renault R&D are demonstrated by the latest models.

Laguna	Megane	Powertrain systems
4Control Improved protection against side impacts	*3D Sound by Arkamys* Navigation system in partnership with TomTom Horned subframe CVT (continuously variable transmission) 5 EuroNCAP stars – score: 37/37 2 to 10 g/km of CO_2 gained 22 kg of recycled plastics, 12 kg of renewable materials New Megane features numerous accessories usually found in higher segments	TCe 130 CVT NOx-Trap

STANDARD Innovations – THE 2008 VINTAGE

Laguna CoupE AND GT

4Control: a chassis fitted with four steering wheels. The rear wheel can turn by more or less 3.5 in the same direction as the front wheels or in the opposite direction. Drivers benefit from improved maneuverability and comfort, resulting in greater safety and driving pleasure. This technology was jointly developed by Renault and Renault Sport Technologies.

Special attention has been paid to side impacts, which result in a high number of road deaths. Laguna III has a unique system, comprising two sensors in the front door and the center pillar, that is capable of detecting and reacting up to two times faster than previous systems. A special algorithm adapts the processing time to the violence of the impact and controls a latest-generation double-chamber side airbag (thorax + pelvis).

NEW Mégane

New Megane sets the standard for safety. It reached the maximum score of 37/37 and was awarded five stars in the EuroNCAP tests for passive safety. Active safety systems include devices that guarantee perfect control of the vehicle and help to correct the trajectory in emergencies.

Weighing in at 15 kg less than Laguna II, New Megane hatch and coupe are 8 kilos lighter than their predecessors with the same engine and equipment, and they are bigger.

Renault opted for a completely renewed range of gasoline and diesel engines for this vehicle that are both efficient and ecological. The four diesel units emit between 118 and 120 g/km.

At end of life, 95% by weight of the components of New Megane can be recycled and almost 12% of the plastics used to build the vehicle are recycled.

In partnership with Arkamys, a company specialized in sound processing, in particular for movie post-production, Renault has developed the "3D Sound by Arkamys" system, which is unique on the automotive market. This digital processing software is built into the car radio and delivers three-dimensional sound.

New Megane is fitted with a new horned cradle that restricts sideways movements of the cradle in relation to the chassis in order to guarantee perfectly precise steering.

As part of the partnership with TomTom, Renault offers fully integrated navigation systems on several models at highly competitive prices (less than €500).

EngineS

TCe 130: this new engine was developed under the Renault-Nissan Alliance. It illustrates the expertise that has been acquired in the realm of downsizing. The performance of this engine puts it in the forefront of its category, with the power of a 1.8-liter powerplant, plus the torque of a 2.0-liter engine and fuel consumption of 6.5 l/100 km.

CVT (continuously variable transmission): this transmission, developed by the Renault-Nissan Alliance, has been inaugurated in New Megane. By doing away with gear shifts, and the lulls in acceleration that they cause, this new system makes for a much smoother drive. It also optimizes engine performance, delivering gains in terms of consumption, emissions and noise levels. Fuel consumption is lower than with a conventional automatic transmission.

NOx-Trap: this system captures nitrogen oxides and converts them into neutral gases. Completely transparent for the user, it cuts nitrogen oxide emissions by between 50% and 80%, depending on the vehicle's mileage.

7. ANALYSIS OF FINANCIAL CONDITION AND OPERATING RESULTS

The Group's consolidated revenues, heavily impacted by the slowdown in activity, came to €37,791 million in 2008, down 7.0% on 2007 on a consistent basis[8].

Operating margin was €212 million, or 0.6% of revenues, down €1,142 million on 2007.

Other Group operating income and expenses showed a net charge of €329 million, compared with a net charge of €116 million in 2007.

The financial result showed a positive net balance of €441 million, compared with €76 million in 2007.

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[8] The changes relate to scope only with the exclusion of SNR in 2007.

Nissan's contribution to Renault group results was €345 million, compared with €1,288 million in 2007. AB Volvo's contribution was €226 million, compared with €352 million in 2007.

Net income for the year totaled €599 million, vs €2,734 million in 2007.

Net income per share equaled €2.23 (€10.32 in 2007).

The Automobile generated a cash flow of €3,061 million. Investments net of disposals amounted to €3,385 million. The working capital requirement increased by €2,704 million.

Automobile's free cash flow[9] was a negative €3,028 million. Net financial Automobile debt increased by €5,856 million compared with December 31, 2007 to €7,944 million.

Group shareholders' equity stood at €19,416 million at December 31, 2008. The debt-to-equity ratio was 40.9% (9.5% at end-December 2007).

CONSOLIDATED INCOME STATEMENTS

Group **revenues** reached €37,791 million, down 7.0% on 2007 on a consistent basis.

DIVISION CONTRIBUTION TO GROUP REVENUES

€ million	2008 reported					2007 restated for 2008 scope and methods[1]					2007 reported
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Year
Automobile	9,697	10,19	8,637	7,233	35,757	9,306	10,145	8,83	10,327	38,608	38,679
Sales Financing	506	549	512	467	2,034	487	527	525	473	2,012	2,003
Total	10,203	10,739	9,149	7,7	37,791	9,793	10,672	9,355	10,8	40,62	40,682

(1) *The charges relate to scope only with exclusion of SNR in 2007.*

	Change 2008/2007				
	Q1	Q2	Q3	Q4	Year
Automobile	+4.2%	+0.4%	-2.2%	-30.0%	-7.4%
Sales Financing	+3.9%	+4.2%	-2.5%	-1.3%	+1.1%
Total	+4.2%	+0.6%	-2.2%	-28.7%	-7.0%

The revenue contribution from **Sales Financing** rose 1.1% on 2007 to €2,034 million.

Automobile was heavily impacted in 2008 by the unprecedented global economic crisis. The sudden dramatic downturn in automotive markets worldwide caused a significant decline in Automobile's revenues, particularly in the fourth quarter. Automobile's total contribution fell 7.4% on a consistent basis to €35,757 million.

That trend resulted from the slowdown in the automotive market, which occurred as early as the second quarter in some European countries and in the final quarter in emerging countries:

- the Europe Region accounted for 6.0 points of the decline, in a market that was hard hit by shrinking volumes and fierce competition;

[9] Free cash flow = cash flow less investments in property, plant, equipment and intangibles net of disposals +/- change in the working capital requirement.

- only 0.4 points of the decline was attributable to international operations, i.e. in Euromed, Americas and Asia-Africa Regions, although trends varied in each region. Despite a sharp drop in sales in the final quarter, the Euromed and Americas Regions made a positive contribution to annual revenues through continuous improvements in the product mix throughout the year, especially in Euromed. By contrast, positive developments in the product mix in the Asia-Africa Region were not enough to offset the negative currency effects caused by the depreciation of the Korean won;

- lower sales of powertrains and vehicles to partners, also affected by the crisis, took 1 point off revenues.

The Group's **operating margin** fell by 2.7 points to €212 million in 2008, or 0.6% of revenues, compared with €1,354 million, or 3.3% of revenues in 2007.

DIVISIONAL CONTRIBUTION TO GROUP OPERATING MARGIN

€ million	H1 2008	H2 2008	2008	2007	Change
Automobile	598	-873	-275	882	-1,157
% of revenues	*3.0%*	*-5.5%*	*-0.8%*	*2.3%*	
Sales Financing	267	220	487	472	15
% of revenues	*25.3%*	*22.5%*	*23.9%*	*23.6%*	
Total	**865**	**-653**	**212**	**1,354**	**-1,142**
% of revenues	*4.1%*	*-3.9%*	*0.6%*	*3.3%*	

In a tough environment in 2008, **Automobile**'s operating margin fell by €1,157 million to a negative €275 million, or -0.8% of revenues. The decline can be attributed to a combination of:

- a fall in volumes and a steep reduction in production, in excess of the market decline, undertaken in a determined effort to reduce inventories; this had a negative impact of €504 million;

- fierce competitive pressures, compounded by commercial aids for dealers to help them reduce inventories of new and used vehicles, and an increase in provisions for a decline in the residual value of vehicles, producing a combined negative impact of €816 million;

- a €271 million rise in the cost of raw materials;

- a negative exchange-rate effect of €174 million, attributable mainly to the depreciation of sterling.

Amid these extremely difficult economic conditions, cost-cutting efforts were stepped up at every level of the company:

- excluding the impact of raw materials and compensations paid to suppliers, savings on purchases amounted to €353 million;

- G&A expense declined by €121 million.

The sale of licenses to AvtoVAZ made a positive contribution of €165 million.

In an environment of rising refinancing costs**,** RCI Banque managed to maintain its margins. The contribution of **Sales Financing** to Group operating margin was €487 million, up 3.2% on 2007.

The main components of that evolution include:

- a 1% increase in net banking income in 2008 compared with 2007. Careful management of margins, amid rising refinancing costs, offset the impact of the decline in average loans outstanding;

- total risk-related costs (including country risk) rose from 0.68% of average outstandings in 2007 to 0.87% in 2008, due to the negative impact of Spain. Risk-related costs in other countries were stable;

- a 13% improvement in operating expenses compared with 2007, resulting from ongoing actions to improve the Group's organizational structures.

RENAULT GROUP – R&D EXPENSES*

€ million	H1 2008	H2 2008	Year 2008	Year 2007
R&D expenses	1,218	1,017	2,235	2,462
% of revenues	*5.8%*	*6.0%*	*5.9%*	*6.1%*
Capitalized development expenses	-619	-506	-1,125	-1,287
% of R&D expenses	*50.8%*	*49.9 %*	*50.3%*	*52.3%*
Amortization and depreciation	321	427	748	675
o/w impairment	*0*	*114*	*114*	*0*
Gross R&D expenses recorded in the income statement	**920**	**938**	**1,858**	**1,850**

** R&D expenses are fully incurred by Automobile*

Research and Development expenses totaled €2,235 million in 2008, 9.2% less than in 2007. Expenditures to develop the vehicle range under Renault Commitment 2009 started to decline in 2008, since most of them had been committed in previous years, in line with progress on the product plan. Furthermore, the measures taken by the Group to cope with the crisis began to pay off at the end of the year.

Capitalized development expenses amounted to €1,125 million, or 50.3% of the total in 2008, compared with 52.3% in 2007, in line with the program development cycle.

Amortization and depreciation expense amounted to €748 million. This item includes €114 million of impairment on intangible assets in light of the expected impact of the financial crisis on future volumes for two models.

Total R&D expenses recorded in the income statement amounted to €1,858 million, or 4.9% of Renault group revenues, compared with €1,850 million, or 4.5%, in 2007.

Other operating income and expenses showed a net charge of €329 million in 2008, compared with a net charge of €116 million in 2007.

In 2008 this item essentially comprised:

- €489 million in costs and provisions for restructuring and workforce adjustment, including the voluntary departure plan in France, as well as range restructuring expenses. This compares with €143 million in 2007;

- net capital gains on real estate for €150 million, mainly relating to the sale of land in France, compared with €86 million in 2007.

After recognizing this item, the Group posted an **operating loss** of €117 million, compared with income of €1,238 million in 2007.

Net financial result showed income of €441 million in 2008, up €365 million on 2007. The main components of this item were:

- a €509 million positive impact resulting from the fair value change in Renault SA's redeemable shares (€53 million in 2007);

- a decrease in interest income due to a decline in the Group's cash balance and lower interest rates;

- an increase in the interest expense caused by the rise in the Group's indebtedness.

In 2008 Renault's share in **associated companies** generated a profit of €437 million, of which:

- €345 million from Nissan;
- €226 million from AB Volvo.
- -€117 million from AvtoVAZ of which €84 million of goodwill impairment.

Current and deferred taxes resulted in a net charge of €162 million, and the effective tax rate was 50% in 2008. Given the lack of visibility on short- and medium-term tax results, and regardless of the fact that tax losses can be carried forward indefinitely, the deferred tax assets from French tax consolidation were not recorded in the Group's income statement in 2008, resulting in a negative impact of €96 million on the year's tax charge. Restated for that item, the effective tax rate would have been 20% in 2008, compared with 19% in 2007.

Net income totaled €599 million, compared with €2,734 million in 2007. Excluding Renault shares owned by Nissan and treasury stock, net income per share worked out at €2.23, compared with €10.32 in 2007.

INVESTMENTS AND FUTURE-RELATED COSTS

Automobile's tangible and intangible investments net of disposals came to €3,385 million in 2008 (including €1,125 million in capitalized R&D expenses) compared with €3,565 million in 2007 (including €1,287 million in capitalized R&D expenses).

TANGIBLE AND INTANGIBLE INVESTMENTS NET OF DISPOSALS, BY DIVISION

€ million	2008	2007
Tangible investments	3,043	3,160
Intangible investments	1,177	1,347
o/w capitalized R&D	*1,125*	*1,287*
o/w other intangible investments	*52*	*60*
Total acquisitions	4,220	4,507
Disposal gains	(835)	(942)
Total – Automobile	**3,385**	**3,565**
Total – Sales Financing	**57**	**-7**
TOTAL – GROUP	3,442	3,558

In 2008 Automobile capital expenditure was directed primarily at renewing product ranges and components and upgrading facilities:

- in Europe, range-related investments accounted for 74% of total gross outlays. Funds were allocated chiefly to New Mégane and the future Master;
- investments outside Europe accounted for 36% of the total gross spend and were allocated primarily to Korea, Turkey and Romania to renew and extend the range.

Continuing on from 2007 the non-range related investment policy was focused chiefly on quality, working conditions and the environment.

RENAULT GROUP – FUTURE-RELATED COSTS

€ million	2008	2007*
Investments net of disposals	3,442	3,558
Capitalized development expenses	(1,125)	(1,287)
Leased vehicles (net of disposals)	-203	-95
Net industrial and commercial investments (1)	2,114	2,176

% of revenues	*5.6%*	*5.3%*
R&D expenses (2)	2,235	2,462
o/w billed to third parties (3)	*150*	*127*
R&D expenses for the Groupe (2)- (3) % of revenues	*5.5%*	*5.7%*
Future-related costs (1) + (2) – (3)	4,197	4,511
% of revenues	*11.1%*	*11.1%*

* *for restated revenues*

AUTOMOBILE DEBT

At December 31, 2008 **Automobile's net financial debt** rose to €7,944 million, or 40.9 % of shareholders' equity, compared with 9.5% of shareholders' equity at December 31, 2007.

The €5,856 million increase in net debt can be attributed to:

- cash flow of €3,061 million, a decline of €1,491 million on 2007. The decrease is attributable to falls in operating margin and dividends from associated companies, breaking down as:
  - €418 million from Nissan, down from €456 million in 2007,
  - €258 million from AB Volvo, down from €477 million in 2007;
- a €2,704 million increase in the working capital requirement in 2008: despite a significant €583 million fall in inventory, the increase in the working capital requirement was mainly due to a significant decline in accounts payable to suppliers, as a result of the steep reduction in the Group's industrial activity at the end of the year, and for a lesser extent fiscal and social debts;
- €662 million in equity investments, mainly related to the acquisition of 25% of the capital plus one share of AvtoVAZ;
- €1,600 million in negative foreign exchange differences, almost all of which are related to the impact of yen appreciation (€1,613 million) on the hedge against the Group's share in Nissan.

At end-2008 Automobile's free cash flow was negative at €3,028 million.

The Group paid €1,076 million in dividends, compared with €913 million in 2007 of which €1,049 million paid by Renault SA.

AUTOMOBILE – NET FINANCIAL DEBT

€ million	December 31, 2008	December 31, 2007
Non-current financial liabilities	5,511	5,141
Current financial liabilities including derivatives on financial operations	5,705	2,413
Non-current financial assets – other securities, loans and derivatives on financial operations	(964)	(585)
Current financial assets	(1,167)	(1,184)
Cash and cash equivalents	(1,141)	(3,697)
Net financial debt	**7,944**	**2,088**

CASH AT DECEMBER 31, 2008

At December 31, 2008 Automobile had:

- €1,141 million in cash and cash equivalents;

- and €3,702 million in undrawn confirmed credit lines.

At December 31, 2008 RCI Banque had:

- a liquidity reserve of €3,988 million. This represents available liquidity surplus to the certificates of deposit and commercial paper outstandings.

- available gross liquidity amounts to €6,491 million, which covers more than twice all outstanding commercial paper and certificates of deposit. They include €4,992 million in undrawn confirmed credit lines, €1,514 million in Central Bank eligible collateral, and €485 million in cash and cash equivalents.

SHAREHOLDERS' EQUITY

At December 31, 2008, **shareholders' equity** had decreased by €2,653 million to €19,416 million, compared with €22,069 million at December 31, 2007.

The main reasons for this change are:

- recognition of €599 million in net income in 2008;

- a dividend payout by Renault of €975 million, or €3.80 per share, for 2007, adjusted for Renault's equity interest in Nissan and treasury stock;

- a €1,319 million decrease in translation adjustments, including the indirect impact from Nissan, net of yen hedging;

- a €113 million increase in treasury stock compared since December 31, 2007. This is the result of shares purchased in the first half of 2008 to cover employee stock-option schemes;

- a €291 million decline in the financial instrument revaluation reserve (cash flow hedges and available-for-sale financial instruments).

IV. STATEMENTS OF FACILITIES

1. OUTLINE OF CAPITAL INVESTMENT, ETC.

Please see Section III-7. ANALYSIS OF FINANCIAL CONDITION AND OPERATING RESULTS, "INVESTMENTS AND FUTURE-RELATED COSTS".

2. STATEMENT OF PRINCIPAL FACILITIES

As of December 31, 2008, Renault Group has over 30 manufacturing sites worldwide of which 15 are in France. The remaining facilities are located principally in Argentina, Chile, Korea, Brazil, Turkey, Morocco, Slovenia, Spain, Portugal and Romania.

The following table sets forth information as of December 31, 2008 with respect to Renault's principal facilities (facilities which have a production capacity of more 100,000 vehicles per year) and other facilities, all of which belong to the Automobile Division (manufacturing passenger cars and light commercial vehicles) and owned by Renault or its subsidiaries.

Facilities or Subsidiaries Names	Locations	Principal Products
SNC DOUAI	France, Douai	Mégane II (hatch, coupe-cabriolet), Scénic II

Facilities or Subsidiaries Names	Locations	Principal Products
		(five-and seven-seater), Scénic III (5-and7-seater)
SNC FLINS	France, Flins	Clio II, Clio III
SNC Sandouville	France, Sandouville	Laguna III (hatch, estate, coupé), Vel Satis, Espace IV
Maubeuge Construction Automobile	France, Maubeuge	Kangoo III(1), Kangoo Generation 2006
SOVAB	France, Batilly	Master II(2), Mascott II(3)
Dieppe	France, Dieppe	Clio III Renault Sport, Mégane II Renault Sport (hatch, coupe)
SNC CLEON Mécanical components	France, Cléon	Engines, transmissions
ACI	France, Le Mans	Front and rear axles, subframes, bottom arms, pedal assemblies
Choisy-le-Roy	France, Choisy-le-Roy	European center for reconditioned powertrain components (engine, transmissions, injection pumps, nozzle holders, sub-assemblies), new engines and powertrain components, Twingo rear axles
Grand-Courrone	France, Grand-Couronne	Shipment of CKD kits
RESA	Spain, Valladolid	Clio III, Modus, engines
RESA	Spain, Palencia	Mégane II
RESA	Spain, Seville	Transmissions
Renault Portuguesa	Portugal, Cacia	Transmissions, powertrain components
REVOZ	Slovenia, Novo Mesto	Clio II, Twingo II
SOMACA	Morocco, Casablanca	Logan (Dacia)(4), Kangoo Generation 2006
Dacia	Romania, Pitesti	, Logan, Logan Van, Logan station wagon, Sandero, engines and transmissions
Avtoframos	Russia, Moscow	Logan (Renault)
OYAK Renault	Turkey, Bursa	Mégane II (four-door hatch), Clio II Thalia/Symbol, Clio III (Sedan), engines, transmissions
Renault Samsung Motors	Korea, Busan	SM7, SM5, SM3, QM5 Koleos, engines
RASA	Argentina, Cordoba	Clio II, Clio II sedan, Clio II Thalia/Symbol, Mégane I (hatch, sedan), Kangoo, Kangoo Express
Renault Do Brasil	Brazil, Curitiba	Scénic I, Mégane II (hatch, sedan, Logan (Renault)(5), engines
Cormecanica	Chile, Los Andes	Transmissions, powertrain components
SOFASA	Colombia, Envigado	Clio II (hatch and sedan),

Facilities or Subsidiaries Names	Locations	Principal Products
		Logan (Renault), Mégane I sedan, Twingo
Teheran	Iran, Teheran	Logan (Renault) (6), front/rear axles, subframes, bottom arms
India	Nashik	Logan (Renault)

(1) Maubeuge also produces Kangoo vehicles for Nissan, sold under the Kubistar name (Nissan brand).
(2) Batilly also manufactures Master vehicles for General Motors Europe and Nissan. They are sold under the Movano name for the Opel and Vauxhall brands, and Interstar for the Nissan brand.
(3) Mascott has been distributed by Renault Trucks (formerly Renault V.I.) since 1999, and by Renault since January 1, 2003 under the name Master RWD.
(4) Dacia-badged Logan
(5) The LCV plant in Curitiba also manufactures Nissan's Xterra and Frontier pickup.
(6) In partnership with the Iranian companies Pars Khodro and Iran Khodro.

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 paragraph **II.-3.-(1)-C 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, 2008

Number of Shares Authorized to be Issued	Aggregate Number of Issued Shares	Number of Unissued Shares
Not applicable	284,937,118 shares	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) In December 2007, the board has awarded 2,080,000 stock options to a part of the employees exercisable from December 2011 until December 2015 and representing a total number of 2,080,000 new shares if exercised. In December 2007, the board also awarded 797,787 stock options under Options Complementary Commitment 2009 to a part of the employees exercisable from December 2011 until December 2015 and representing a total number of 797,787 new shares if exercised, and awarded 132,166 stock options under Shares Complementary Commitment 2009 to a part of the employees exercisable from December 2011 and representing 132,166 new shares if exercised. In 2008, no new stock option were granted nor were any share granted free of consideration.

(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 284,937,118	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	–	284,937,118	–	–

(Note) In October 1983 and October 1984, Renault has issued a total of 2 million redeemable shares, with a par value of FRF 1,000/EUR 152.45 in two offers: 1,000,000 in October 1983 and 1,000,000 in October 1984. Renault redeemable shares are listed on Euronext Paris under ISIN Code FR0000140014. Between March and April 2004 Renault made a public buyback offer for its redeemable shares at EUR 450 per share. In all, 1,202,341 shares, or 60.12% of the total, were bought back and cancelled. The number of redeemable shares outstanding after the buyback was 797,659. At December 31, 2008 a total of 797,659 redeemable shares issued by Renault were outstanding. The interest on redeemable shares, paid on October 24, 2008 in respect of 2007, was EUR 20.96 per share (EUR 10.29 for the fixed portion, EUR 10.67 for the variable portion). The interest on redeemable shares for 2008, payable on October 26, 2009, will be EUR 20.22 per share, breaking down as EUR 10.29 for the fixed portion, EUR 9.93 for the variable portion (based on consolidated revenues of EUR 37,791 million for 2008 and 40,620 million for 2007 on a consistent basis).

(2) DEVELOPMENT OF AGGREGATE NUMBER OF ISSUED SHARES AND CAPITAL

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 (JPY 122,664,304,857
December 18, 2001 (2)	2,397,983	242,196,550	EUR 9,136,315.23 (JPY 1,226,641,683)	EUR 922,768,855.50 (JPY 123,890,946,539)
March 29, 2002 (3)	37,799,462	279,996,012	EUR 144,015,950.22 (JPY 19,335,581,477)	EUR 1,066,784,805.72 (JPY 143,226,528,016)
May 28, 2002 (4)	4,941,106	284,937,118	EUR 18,825,613.86 (JPY 2,527,526,917)	EUR 1,085,610,419.58 (JPY 145,754,054,933)

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

(*) Par value: EUR 3.81
(1) Conversion of the share capital to euro.
(2) Capital increase reserved for employees: 2,397,983 shares issued at EUR 3.81 (nominal value).
(3) Capital increase reserved for Nissan Finance Co., Ltd.: 37,799,462 shares issued at EUR 50.39 (nominal value: EUR 3.81).
(4) Capital increase reserved for Nissan Finance Co., Ltd.: 4,941,106 shares issued at EUR 52.91 (nominal value: EUR 3.81).

Pursuant to Article L. 225-178 of the Commercial Code, the Board of Directors, at its meeting on February 11, 2009, noted the capital increase resulting from the creation of 10,000 new shares after the early exercise of 10,000 stock options during FY 2008. The Board of Directors then cancelled 10,000 treasury shares which were no longer allotted to a specific allocation and reduced the share capital accordingly. Following these two transactions, the share capital and the number of shares remained unchanged and the articles of incorporation were not amended.

(3) 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, 2007. Nissan Finance Co., Ltd. is not entitled to exercise the voting rights attached to these shares, owing to Renault's ownership interest in Nissan.

Employees

Current and former Renault employees hold 3.34% of the capital in the form of shares managed through collective investment schemes.

Treasury stock

The percentage of treasury stock is 3.08%. These shares do not carry voting rights.

General Public

In view of these changes, the free float is now 63.57% of the capital compared with 64.23% at December 31,

2007. One shareholder (Alliance Bernstein) declared on April 7, 2008 to have exceeded the level of 5% of the capital and voting rights (as per article 233-7 and 233-9 of the commercial code).

A survey of the holders of Renault shares was carried out on September 30, 2008 to obtain an estimated breakdown of the public's ownership interest. At that date, French and foreign institutions held approximately 58.44% of the capital, with French institutions holding 12.92% and foreign institutions 45.52%. The 10 largest French and foreign institutional investors held approximately 28.7% of the capital. Individual shareholders were estimated to own around 4.1% of the capital.

Share buyback

At December 31, 2008, Renault S.A. held 8,773,698 shares of €3.81 par value and a book value of €613,329,005.

Pursuant to Article L. 225-209 of the commercial code, the tenth resolution of the Combined General Meeting of April 29, 2008 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.

Renault S.A did not purchase any of its own shares under this authorization or through the buyback program approved by the General Meeting of April 29, 2008.

The 8,763,698 shares held directly or indirectly by Renault S.A. at February 28, 2009, are allocated as follows:

- 8,763,698 shares to cover stock option plans for new and existing shares, and bonus share grants, in order to offset dilution arising from the exercise of options to subscribe for new shares;
- 0 shares remitted for the exercise of rights attaching to securities creating the right to an allotment of company stock by conversion, exercise, redemption, exchange or any other method, in accordance with securities regulations;
- 0 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;
- 0 shares retained and subsequently remitted in exchange or as consideration for possible acquisitions;
- 0 shares cancelled.

Percentage of directly and indirectly held treasury stock at February 28, 2009: 3.07%.
Number of shares cancelled over the 24 months preceding February 28, 2009: 21 000*.
Number of shares held in the portfolio at February 28, 2009: 8,763,698.
Book value at February 28, 2009: €612,243,305.
Portfolio value at February 28, 2009: €100,957,801.
**On February 12, 2008, the Board of Directors of Renault S.A. noted the creation of 11,000 new shares resulting from the early exercise of 11,000 stock subscription options, and cancelled 11,000 treasury shares with no specific allocation.*
On February 11, 2009, the Board of Directors of Renault S.A. noted the creation of 10,000 new shares resulting from the early exercise of 10,000 stock subscription options, and cancelled 10,000 treasury shares with no specific allocation.

Sale, purchase and transfer transactions and open positions of purchase or sale by Renault of its own stock from April 1, 2008 to February 28, 2009:

Period from April 1, 2008 to February 28, 2009	Total gross flow	Positions open at February 28, 2009

	Purchase	Sale/ Transfer (1)	Positions open on purchases	Positions open on sales
Number of shares	none	237,101 shares	none	none
Average exercise price	none	€39.82/share		
Total	none	€9,441,777		

(1) Following the exercise of 234,101 stock purchase options by employees and/or managers and an anticipated 3,000 free shares grant.

(4) DESCRIPTION OF PRINCIPAL SHAREHOLDERS:

Ownership of shares and voting rights

As of December 31, 2008

Name or Corporate Name	Address	Number of Shares Held	Percentage to the Aggregate Number of Issued Shares (%)	Voting Rights (%)
French State	France	42,759,571	15.01	18.32
Nissan Finance Co., Ltd.		42,740,568	15.00	-
Employees (1)		9,530,004	3.34	4.08
Treasury stock		8,773,698	3.08	-
Public		181,133,277	63.57	77.60
Total	–	284,937,118	100	100

(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	2004	2005	2006	2007	2008

Date of Settlement of Accounts	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
Highest Price (JPY)	70.40 (9,452)	82.45 (11,070)	99.40 (13,345)	121.80 (16,353)	99.16 (13,313)
Lowest Price (JPY)	51.71 (6,943)	61.30 (8,230)	68.90 (9,251)	84.30 (11,318)	14.40 (1,933)

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

(Euros per share)

Month	July 2008	August 2008	September 2008	October 2008	November 2008	December 2008
Highest Price (JPY)	61.99 (8,323)	62.85 (8,438)	61.565 (8,266)	45.25 (6,075)	26.49 (3,557)	19.30 (2,591)
Lowest Price (JPY)	47.96 (6,439)	51.09 (6,859)	42.5 (5,706)	18.52 (2,486)	14.4 (1,933)	15.25 (2,047)

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, the senior management of Renault s.a.s. has transferred some of its powers to the Alliance Board, without prejudice to the powers of the Board of Directors and the shareholders.

This Alliance-specific management method is described in II-3.

Renault has carefully and continually analyzed the best corporate governance practices described in the AFEP/MEDEF report, making every effort to incorporate the report's recommendations into its internal regulations.

At its meeting on December 10, 2008, the Board of Directors examined the AFEP/MEDEF recommendations dated October 6, 2008 concerning the compensation of executive directors of listed companies. The Board considered that these recommendations were in line with the company's corporate governance approach.

Accordingly, the Board decided that the company would refer to the amended AFEP/MEDEF corporate governance code as from the current financial year when preparing the report provided for in Article L225-37 of the French Commercial Code.

The internal regulations define the role of the Board of Directors, who together represent the company's shareholders.

The internal regulations are accompanied by a charter that establishes the rights and duties of members of the Board of Directors.

(1) BOARD OF DIRECTORS

At June 26, 2009 the company is administered by a Board of Directors composed of 18 members:

- fourteen directors appointed by the Annual General Meeting of Shareholders (AGM);
- three directors elected by employees;

- one director elected by the Annual General Meeting of Shareholders on the recommendation of employee shareholders.

The term of office of directors elected by the AGM is four years. The AGM of April 29, 2008 reduced the terms of office of employee-elected directors and of the director appointed by the AGM on the recommendation of employee shareholders, from six to four years.

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

Since Mr. Schweitzer said that he will not seek a new term, a change in the governance arrangements has been proposed to the Board of Directors following the General Meeting of May 6, 2009. Carlos Ghosn has been appointed Chairman and CEO, taking on the role of Chairman of the Board of Directors in addition to his current duties. The 2005 decision to separate the functions had been prompted by the desire to ensure a smooth management transmission. As provided in 2005 the departure of Louis Schweitzer would lead Renault to adjust its governance arrangements, while ensuring ongoing transparency between executive management and the Board of Directors, and, more broadly, with regard to shareholders and the market.

(As of June 26, 2009)

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 55	Chairman of the Board and CEO	205,200 shares	First appointed in April 2002 and the current term expires in 2010 Appointed as Chairman of the Board since May 6th, 2009. Member of the Appointments and Governance Committee Current offices and functions in other companies: President of the European Automobile Manufacturers' Association (ACEA) Director: Alcoa, AvtoVAZ President and Chief Executive Officer: Nissan Motor Co., Ltd. Chairman of the Alliance Board: Renault-Nissan b.v. Offices or functions in the past five years no longer held: Director: Sony, IBM
Yves Audvard February 10, 1953, Age 56	Director	6 shares and 200 ESOP units	First appointed in November 2002 and the current term expires in November 2012 Member of the International Strategy Committee Advanced Process Design Engineer, Renault *Director elected by employees*
Patrick Biau February 5, 1956, Age 53	Director	688 ESOP units	First appointed in November 2008 and the current term expires in November 2012 Member of the International Strategy Committee Cost Control, Investments, Renault

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			Director elected by employees
Alain J-P Belda June 23, 1943, Age 66	Director	NA	First appointed in May 6, 2009 and the current term expires in 2013. Member of the Appointments and Governance Committee. <u>Current offices and functions in other companies</u>***:*** Non- executive Chairman, of ALCOA Director: Citigroup Inc, Brown University. Member of the Board of Trustees of the Conference Board. Member of the Business Council.
Catherine Bréchignac June 12, 1946, Age 63	Director	(a)	First appointed in December 2006[10] and the current term expires in 2012 President of the CNRS (National Center for Scientific Research) Member of the International Strategy Committee <u>Current offices and functions in other companies:</u> *France:* Member: Institut de France Chair of the Board of Directors: Palais de la Découverte President: ICSU Member: Académie des Technologies <u>Offices or functions in the past five years no longer held:</u> President of the Institut Optique (Optical Institute) Member of the Conseil Scientifique de l'Association Franco-Israélienne pour la Recherche Scientifique et Technologique (Scientific Council of the Franco-Israeli Association for Scientific Research and Technology, AFIRST) Member of the Conseil Scientifique (Scientific Board) of the Cité des Sciences et de l'Industrie Member of the "Identification Committee" for the European Research Council Distinguished Visiting Scholar Professorship at Georgia Tech University
Alain Champigneux January 1, 1954, Age 55	Director	1,036 ESOP units	First appointed in November 2002 and the current term expires in November 2012 Member of the Accounts and Audit Committee

10 Appointed by administrative order, December 21, 2006; co-opted at the Board meeting, February 7, 2007.

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			Renault Quality Document Manager *Director elected by employees*
Charles de Croisset* September 28, 1943, Age 65	Director	1,000 shares	First appointed in April 2004 and the current term expires in 2012 Member of the Accounts and Audit Committee International Advisor, Goldman Sachs International <u>Current offices and functions in other companies</u>: *France:* Chairman of the Fondation du Patrimoine Director: Bouygues, Thalès, LVMH Member of the Supervisory Board: Euler & Hermès, Non-voting director: Galeries Lafayette *Abroad*: Director: Thalès UK <u>Offices or functions in the past five years no longer held</u>: Chairman and CEO, CCF Chairman of the Supervisory Committee: Nobel Executive Director: HSBC Holdings plc Director: HSBC Bank plc, HSBC CCF Asset Management Group Board member: HSBC Guyerzeller Bank SA, HSBC Private Holding SA (Switzerland) Permanent representative of SRRE Luxembourg (HSBC group): Somarel company
Thierry Desmarest* December 10, 1945, Age 63	Director	1,500 shares	First appointed in April 2008 and the current term expires in 2012 Member of the Remuneration Committee. Chairman of the Board of Total <u>Current offices and functions in other companies:</u> *France:* Chairman: Fondation Total and Fondation de l'Ecole Polytechnique Director: Air Liquide, Sanofi-Aventis, Musée du Louvre Member of the Supervisory Board of Areva Member of the Board: AFEP and Ecole Polytechnique Abroad: n/a <u>Offices or functions in the past five years no longer held:</u> Chief Executive Officer of Total SA

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 Elf Aquitaine
Jean-Pierre Garnier* October 31, 1947, Age 61	Director	1,000 shares	First appointed in April 2008 and the current term expires in 2012 Member of the Remuneration Committee Chief Executive Officer and Chairman of the Management Board of Pierre Fabre SA <u>Current offices and functions in other companies:</u> *France*: n/a *Abroad*: Director: United Technology Corp. Dubai Sovereign's Fund Adviser Chairman: NormsOxys Inc. <u>Offices or functions in the past five years no longer held</u>: Chairman and Chief Executive Officer of Glaxo Smithkline Beecham plc Chairman of GlaxoSmithKline plc Director: Glaxo Smithkline plc., Biotechnology Industry Ass, Eisenhower Exchange Fellowship
Takeshi Isayama March 8, 1943, Age 66	Director	NA	First appointed in 2009 and the current terms expires in 2013. <u>Current offices and functions in other companies:</u> Chairman, The Carlyle Japan L.L.P Director: Dainippon Screen Mfg Co., Ltd (semiconductor equipment manufacturing), The Japan Fund (US Mutual Fund). Adviser, National Institute of Advanced Industrial Science and Technology. Visiting Scholar, Tokyo University of Agriculture and Technology. <u>Offices or functions in the past five years no longer held:</u> Director, the Seiyu, Ltd (as subsidiary of Wal- Mart). Vice- Chairman, Nissan Motor Company Co. Ltd. Visiting Scholar, Stanford University A/PARC (Asia/Pacific Research Centre). Adviser, Mitsui Marine & Fire Insurance Co. Ltd.
Marc Ladreit de	Director	1,020 shares	First appointed in October 2002. Renewal

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
Lacharrière* November 6, 1940, Age 68			in 2009 and the current terms expires in 2013. Chairman of the Appointments and Governance Committee and member of the Remuneration Committee. <u>Current offices and functions in other companies:</u> *France:* Member: Institut de France (Académie des Beaux Arts) Director: Casino, L'Oréal Manager: Fimalac Participations 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) Member of the Consultative Committee: Banque de France Main offices held with public-interest institutions or associations: Fondation Culture et Diversité, Fondation d'entreprise L'Oréal, Conseil Artistique des Musées Nationaux, Fondation Bettencourt Schueller, Fondation des Sciences Politiques, Musée des Arts Décoratifs. *Abroad:* Chairman of the Board: Fitch Group, Fitch Ratings Director: Algorithmics <u>Offices or functions in the past five years no longer held:</u> Chairman : Fitch Group Holdings Manager: Sibmar Director: Cassina, Établissement Public du Musée du Louvre Member: Conseil Stratégique pour l'Attractivité de la France
Dominique de la Garanderie* July 11, 1943, Age 65	Director	150 shares	First appointed in February 2003 and the current term expires in 2009 Member of the Accounts and Audit Committee and the Appointments and Governance Committee Barrister (La Granderie & Associès) <u>Current offices and functions in other companies:</u> *France:* President of the Institut Français d'Experts Juridiques Internationaux (French

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			Institute of International Legal Experts-IFEJI) Member of the Supervisory Board and Audit Committee of Holcim Western Europe *Abroad:* n/a <u>Offices or functions in the past five years no longer held:</u> Former chair: Paris Bar Association Former member: French Bar Council Former member: French Bar Association
Philippe Lagayette* July 16, 1943 Age 65	Director	1,000 shares	First appointed in May 2007 and the current term expires in 2011 Chairman of the Account and Audit Committee and member of the Appointments and Governance Committee. Vice-Chairman JPMorgan in EMEA (Europe, Middle East and Africa) <u>Current offices and functions in other companies:</u> *France:* Board member of Pinault Printemps Redoute Board member of Fimalac *Abroad:* n/a <u>Offices or functions in the past five years no longer held:</u> Board member of La Poste Board member of Eurotunnel Member of the Supervisory Board of Club Mediterranée.
Jean-Claude Paye* August 26, 1934, Age 74	Director	200 shares	First appointed in July 1996 and the current term expires in 2010 Member of the Accounts and Audit Committee and Chairman of the International Strategy Committee Attorney (Legal Advisor, Gide Loyrette Nouel) <u>Current offices and functions in other companies:</u> n/a <u>Offices or functions in the past five years no longer held:</u> n/a
Franck Riboud* November 7, 1955, Age 53	Director	331 shares	First appointed in December 2000 and the current term expires in 2010 Chairman 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 CEO, Chairman of the Executive Committee of Danone Group <u>Current offices and functions in other companies:</u> *France:* Chairman: Danone Communities Director: Association Nationale des Industries Agroalimentaires, Lacoste France SA, International Advisory Board HEC Business School Member of the Supervisory Board: Accor Member representing Danone Group: Conseil National du Développement Durable *Abroad* Director: Bagley Latinoamerica SA, Danone SA, Wadia BSN India Limited, Ona, Fondation GAIN (Global Alliance For Improved Nutrition) <u>Offices or functions in the past five years no longer held:</u> Chairman and Director: Danone Asia Pte Limited Chairman and CEO: Compagnie Gervais Danone, Générale Biscuit Chairman of the Board: Compagnie Gervais Danone, Générale Biscuit Director: Abi Holdings Limited, ABIL, ANSA, Danone Finance, L'Oréal SA, Sofina, Quiksilver, Scottish & Newcastle plc Member of the Consultative Committee: Banque de France Member of the Supervisory Board: Eurazeo Permanent representative of Générale Biscuit: Groupe Danone, LU France Commissioner: P.T. Tirta Investama.
Rémi Rioux June 26, 1969, Age 40	Director	[(a)]	First appointed in February 2007 and the current term expires in 2011 Member of the Accounts and Audit Committee Reporter at the Cour des Comptes (Audit Office), Director of Shareholdings, Shareholding Agency, Ministry of the Economy, Finance, Industry and Employment <u>Current offices and functions in other companies:</u> *France:* Director: Aéroports de Paris, RATP, SNCF, France Télévisions, ARTE G.E.I.E., AEF

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			(Sté Audiovisuel Extérieur de la France) Offices or functions in the past five years no longer held: Head clerk, Directorate General of the Treasury and Economic Policy(DGTPE) Director: Franc Zone Central Banks and French Development Agency Member of the Cour des Comptes
Hiroto Saikawa November 14, 1953, Age 55	Director	100 shares	First appointed in May 2006 and the current term expires in 2010 Executive Vice-President Purchasing, Nissan Motor Co., Ltd
Michel Sailly October 8, 1949, Age 59	Director	266 units in the FCPE (in-house investment fund)	First appointed in May 6th, 2009.Member of the International strategy committee. Head of Sociotechnics UET (Ergonomics and working conditions). *Director elected by employees*

* *Independent Director.*
(a) *Administrative regulations forbid these directors from owning shares as government representatives.*

The mean age of incumbent directors is 60.5. Each director must own at least one registered share [11]. However, administrative regulations forbid the directors appointed by the French state from owning shares as government representatives.

The directors are not related by family ties.

To Renault's knowledge, none of its directors or senior managers (Chairman of the Board of Directors, President and Chief Executive Officer) has been convicted of fraud in the past five years. None of the directors has been involved as an executive in bankruptcy, receivership or liquidation proceedings in the past five years, and none has been charged or sanctioned 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 or of the 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 towards the Company.

There are no service agreements binding the members of administrative or management bodies to the group or any of its subsidiaries providing for benefits at the expiration of such agreement.

Expiration of terms of office

Current term expires	Officer
2009	Mrs. de La Garanderie
	Mr. Schweitzer

[11] Percentage of Renault's capital held by directors: 0.17%.

2010	Mr. Ghosn
	Mr. Ladreit de Lacharrière
	Mr. Paye
	Mr. Riboud
	Mr. Saikawa
2011	Mr. Lagayette
	Mr. Rioux
2012	Mr Audvard(1)
	Mr Biau(1)
	Ms. Brechignac
	Mr. de Croisset
	Mr. Desmaret
	Mr. Garnier
2013	Mr. Alain J-P Belda
	Mr. Takeshi Isayama
	Mr. Michel Sailly

(1) Directors appointed by employees were chosen in elections by the appropriate colleges in October 2008. Following these elections, Mr Biau was appointed to replace Mr Barbier, while Mr Audvard's and Mr Champigneux's directorships were both renewed for four years.

(2) GROUP EXECUTIVE COMMITTEE AND MANAGEMENT COMMITTEE AT MARCH 1, 2009

Alphabetic list at March 1, 2009

Carlos Ghosn *	President and CEO
Bruno Ancelin	Senior Vice President, C-Segment Program
Michel Balthazard	Senior Vice President, Pre-Engineering, Projects and Requirements
Bernard Cambier	Senior Vice President, Market area France
Jacques Chauvet	RMC Leader, Euromed
Marie-Françoise Damesin	Senior Vice President, Corporate Communications
Odile Desforges *	Executive Vice President, Engineering and Quality
Christian Estève	RMC Leader, Eurasia, Chairman Avtoframos
Michel Faivre Duboz	Senior Vice President, Global Supply Chain
Philippe Gamba	Chairman and CEO, RCI Banque
Michel Gornet *	Executive Vice President, Manufacturing and Logistics
Christian Husson	Senior Vice President, Legal Department
Philippe Klein*	Executive Vice President, Plan, Product Planning and Programs
Nadine Leclair	Senior Vice President, Vehicle Engineering
Gérard Leclercq	Senior Vice President, Group Human Resources
Patrick Le Quement	Senior Vice President, Corporate Design
Christian Mardrus	Senior Vice President, Information Systems
Luc-Alexandre Ménard	Senior Vice President, Public Affairs
Thierry Moulonguet *	Executive Vice President, Chief Financial Officer, Chief Compliance Officer
Katsumi Nakamura*	RMC Leader, Asia-Africa

Stephen Norman	Senior Vice President, Global Marketing
Patrick Pélata *	Chief Operating Officer, RMC Leader, Americas
Jacques Prost	Senior Vice President, Powertrain Engineering
Bernard Rey	Senior Vice President, CEO Office and Senior Vice President, Renault F1 Team
Jérôme Stoll *	Executive Vice President, Sales and Marketing and LCV Division, RMC Leader Europe (France + Europe)

* *Members of the Group Executive Committee (C.E.G).*

(3) REMUNERATION OF DIRECTORS AND OFFICERS AT JANUARY 1, 2009

DIRECTORS' FEES

The Annual General Meeting may allocate directors' fees, the amount of which remains fixed until otherwise decided.

AMOUNT

The Annual General Meeting on April 29, 2003 voted an annual amount of €600,000[12] to be apportioned among the directors for the current year and subsequent years, until further notice. The Board is responsible for allotting these fees.

METHOD OF ALLOTMENT

The directors' fees for FY 2008 are apportioned according to the following criteria:

- a fixed portion, linked to the responsibilities arising from Board membership, i.e., an amount of up to €14,000 (the sum is calculated on a time-apportioned basis);

- a variable portion, linked to directors' actual attendance, i.e., an amount of up to €14,000 (the sum is calculated on a time apportioned basis).

Two additional payments may also be made:

- one for sitting on one of the Board's Committees, i.e., up to €4,500 (calculated on a time-apportioned basis);

- one for chairing a Committee, i.e., up to €4,500 (calculated on a time-apportioned basis).

Total fees allocated to directors in 2008 amounted to €557,475 (€557,770 in 2007).

Fees allotted to Directors for the year, depending on attendance at Board and Committee meetings

DIRECTORS	ATTENDANCE IN 2008	TOTAL FEES RECEIVED IN € (1)	
		2008	2007
Mr. Schweitzer	7/7	28,000	28,000
Mr. Ghosn	7/7	28,000	28,000
Mr. Audvard	7/7	32,500	32,500
Mr. Barbier (4)	5/7	25,770	32,500
Mr. Biau (4)	1/7	4,730	/
Mrs. Bréchignac (3)	6/7	30,500	27,864
Mr. Champigneux	7/7	32,500	32,500

12 The amount of €600,000 is the median of directors' fees paid by other CAC 40 companies.

Mr. de Combret [(4)]	1/7	9,541	30,500
Mr. de Croisset	6/7	30,500 [(2)]	32,500 [(2)]
Mr. Desmarest [(4)]	4/7	20,434	/
Mr. Garnier [(4)]	3/7	18,434	/
Mr. Koeda	3/7	20,000 [(2)]	18,000 [(2)]
Mr. Ladreit de Lacharrière	7/7	37,000	35,000
Mrs. de La Garanderie	6/7	35,000	37,000
Mr. Lagayette	7/7	37,000	24,867
Mr. Martre [(4)]	2/7	11,541	37,000
Mr. Paye	7/7	40,025	37,000
Mr. Riboud	3/7	29,000	28,600
Mr. Rioux [(3)]	7/7	32,500	27,814
Mr. Saikawa	5/7	24,000 [(2)]	22,000 [(2)]
Mr. Stcherbatcheff	6/7	30,500	32,500

(1) Fees allocated on the basis of Board membership, attendance of Board meetings, membership and/or chairmanship of one of the Board's Committees.
(2) Fees allocated to overseas directors correspond to the gross amount paid by Renault.
(3) These directors represent the French State.
(4) Directors whose appointment began or ended during the year.

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

Procedure for determining remuneration

Members of the Renault Management Committee receive a consideration comprising a fixed and a variable portion. The variable portion is based on the company's economic performance in the previous year. It comprises five factors: (i) the difference between budgeted and actual operating margin, (ii) maximizing the items between operating margin and net income excluding equity income from Nissan and Volvo, (iii) the results achieved in terms of reducing warranty expenses, (iv) the reduction in general, commercial and administrative expenses, and (v) an individual criterion related to the performance of the sector for which the member in question is responsible.

Remuneration paid in 2008

In 2008 the total consideration paid to the 28 members of the Renault Management Committee amounted to €17,301,290 of which €9,450,350 for the fixed portion (of which €7,253,174 including €3,580,111 for the fixed portion for the 7 members of the Group Executive Committee), compared with €12,696,891 and €8,084,853 respectively in 2007. For the record, there were 22 members in 2007. Pursuant to Law of February 8, 2008, this total consideration includes compensation relating to flexible holiday entitlements in an amount of €2,190,144.

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

REMUNERATION OF CORPORATE OFFICERS

This document has been updated to reflect the AFEP/ MEDEF recommendations of October 2008.

The criteria for calculating the variable remuneration of the President and CEO were set by the Board of Directors in February, 2008, on the recommendation of the Appointments and Remuneration Committee.

They are consistent with the criteria applied to the members of the Group Executive Committee and the Renault Management Committee:

- return on equity;
- difference between budgeted and actual operating margin.

There is an additional, qualitative criterion linked to strategy and management.

On February 11, 2009 the Board of Directors, upon President and CEO's request, decided that the amount of his variable remuneration be set at zero.

The total remuneration of the President and CEO was as follows (in €):

President and CEO	2007		2008	
	owing for 2007	paid	owing for 2008	paid
Fixed remuneration	1,200,000	1,200,000	1,200,000	1,200,000
Variable remuneration (1)	1,392,000	1,392,000	0	1,392,000
Exceptional remuneration	0	0	0	0
Directors' fees (1)	28,000	28,000	28,000	28,000
In-kind benefits	14,429	14,429	10,014	10,014
TOTAL	2,634,429	2,634,429	1,238,014	2,630,014

(1) paid the following year

The total remuneration of the Chairman of the Board of Directors was as follows (in €):

Chairman of the Board of Directors	2007		2008	
	owing for 2007	paid	owing for 2008	paid
Fixed remuneration	200,000	200,000	200,000	200,000
Variable remuneration (1)	0	0	0	0
Exceptional remuneration	0	0	0	0
Directors' fees (1)	28,000	28,000	28,000	28,000
In-kind benefits	5,334	5,334	4,785	4,785
TOTAL	233,334	233,334	232,785	232,785

(1) paid the following year

The President and CEO and the Chairman of the Board of Directors also have a supplementary pension scheme.

Further to the meeting of the Board of Directors on October 28, 2004, both the President and CEO and the Chairman are entitled to benefit from the supplementary pension scheme set up for members of the Group Executive Committee. This comprises:

- a defined contribution scheme equivalent to 8% of annual remuneration, paid for by the company and the beneficiary;
- a defined benefit scheme capped at 30% of remuneration;
- an additional defined benefit scheme capped at 15% of remuneration (with a specific requirement on length of tenure).

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

Currently, total retirement benefits, including supplementary benefits, to which senior executives, including the President 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.

STOCK OPTIONS GRANTED TO SENIOR EXECUTIVES AND CORPORATE OFFICERS

LEGAL FRAMEWORK

In its 13th resolution, the Joint General Meeting of April 29, 2008 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 Article L. 225-180 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.

If these options are exercised, the number of shares thus purchased or subscribed shall not exceed 0.80% of the share capital at the date of the Meeting.

The General Meeting rules on the allocation and/or exercise of stock options according to criteria of individual and collective performance in terms of completion of the company's medium-term plan.
In 2008 no stock options were granted, nor were any shares granted free of consideration.

GENERAL GRANT POLICY

Appointments and Remuneration Committee

The Board of Directors approves the stock option plan on the basis of the report of the Appointments and Remuneration Committee. The Committee examines proposals from the President and CEO, to grant options to Group employees, in compliance with the general arrangements set by the Annual General Meeting. The President and CEO does not take part in the Committee's proceedings when the matter under review concerns him personally.

Aims of the stock option plan

The main aim of the stock option 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. Stock options help to increase the commitment of these staff members and motivate them to work for the company's advancement and growth.

The plan buttresses the role of the Group's responsibility centers in Europe and the rest of the world. In Automobile 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 powertrain programs and projects. The plan also applies to Sales Financing, and to the heads of the Group's major support functions.

Grant policy

Option grants 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. They are are based on satisfying the collective commitment regarding the company's operating margin (for 50% of the awards), and on individual performance conditions (for the remaining 50%). The individual performance indicators are associated, in quantity and/or quality, with each function or business segment which contributes to performance.

These criteria, deployed within the Group, are also applicable to senior management, it being specified that the 2008 plan (no. 15) included a new indicator associated with the company's net earnings, weighing in for 15%, in addition to the operating margin criterion, which counts for 35%. Senior management's individual performance criteria are very closely connected with the commercial, industrial, financial or economic performance of the Group, and the performance of the Regions for the Regional Leaders.

Whatever the circumstances, if the operating margin target is not achieved, none of the allotted options or shares can be exercised at the end of the qualified holding period.

Senior executives and managing executives

The senior executives are the President and CEO and the members of the Renault Management Committee, including the seven members of the Group Executive Committee.

In principle, other managing executives are granted options each year, based on the same criteria as those applicable to senior executives, namely levels of responsibility, performance and results. The quantity of options granted can vary significantly depending on individual appraisals. Some managing executives may receive none. The allocation factor ranges from 1 to 4, with a median of 1,500 options in 2007.

Other executives benefiting from the plan

The plan's other beneficiaries are generally senior managers and high-flyers with strong professional or managerial potential aged 45 and under. Grants are generally made every one to three years or more, but never more than two years running. An array of complementary systems is used to assess and select grantees (annual performance and development review, Careers Committees, personal monitoring for high-flyers, performance-related bonuses). Taken together, these systems form a comprehensive observation platform used to single out the most deserving executives.

Annual performance and development reviews

Annual performance and development reviews are used to make a precise, written review of past performance and to define written goals for the coming year. All managerial staff without exception (i.e. including senior executives and managing executives) undertake a performance appraisal with their immediate superior, and, where appropriate, their staff manager and project manager. The results of the session are reviewed and graded by the next level of management. The annual performance and development review provides the opportunity to precisely measure the interviewee's past inputs and the importance of his or her future missions. It is also used to closely analyze each individual's managerial capacity and the progress to be made vis-à-vis benchmarks set by senior management.

Careers Committees

The purpose of Careers Committees is to review all positions of responsibility within the company and to assess the contributions of the incumbents. They also seek to forecast possible changes in the job profile of individual staff members and the persons designated to replace them, either under normal circumstances or immediately should the need arise. The Careers Committees meet monthly in all the Group's major divisions and departments throughout the world. This system makes it possible to permanently update collective assessments of individual staff members and it enables senior managers to submit the names of possible option grantees to the President and CEO with full knowledge of the facts. A General Careers Committee, chaired by the President and CEO and composed of the members of the Group Executive Committee, examines nominations for 200 key positions (known as "A Positions") and is responsible for manpower planning for these jobs. With this method, managers at different levels can focus more tightly on future senior executives or managing executives.

High-flyers

Particular attention is paid to the action and development of young high-flyers, who are monitored closely. Each year, the Careers Committees meticulously update the P List, comprising young high-flyers with strong professional or managerial potential likely to become senior managers, and the P1 List, composed of executives destined to become managing executives or senior executives. Additions to the P1 List are decided by the General Careers Committee.

Since 1999, in an effort to improve transparency, high-flyers (P or P1) have been duly informed of their status by their managers during their annual performance and development review.

Senior Managers and Executives Department

The Head of the Senior Managers and Executives Department (DCSG) ensures that the annual performance and development review process is functioning properly. He 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 also prepares, standardizes and submits requests regarding options and share plans, so that the President can make proposals to the Board's Appointments and Remuneration Committee. He is assisted by the Careers and Skills Development Officers (DDCCs) appointed in all major Group divisions and departments. DDCCs are responsible for assessing and permanently monitoring all the executives within his or her scope of activity. DDCCs 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 assignments and training. DDCCs are important because they marshal and summarize the assessments and judgments made by different managers and are therefore in a better position to select potential stock option grantees.

Summary of plans

The options granted under Plans 1 to 9 give the right to buy existing shares. The options granted under plans numbered from 10 onwards give the right to subscribe for new issues. Plans 13 and 16 cover allocations of free shares, to which corporate officers are not entitled.

DATE OF GRANT/BOARD MEETING		OPTION START DATE	EXPIRATION DATE	NO OF GRANTEES	TOTAL OPTIONS GRANTED	O/W MEMBERS OF RENAULT MANAGEMENT COMMITTEE (1) (2) (4)	STRIKE PRICE (€)	DISCOUNT	OPTIONS EXERCISED AT 31/12/2008	OPTIONS LAPSED AT 31/12/2008	OPTIONS OUTSTANDING AT 31/12/2008 (3)
AGM AUTHORIZATION GRANTED ON JUNE 7, 1996											
Plan no. 1	Oct. 22, 1996	Oct. 23, 1999	Oct. 21, 2006	273	446,250	128,000	17.57	5%	426,950	19,300	0
Plan no. 2	Oct. 28, 1997	Oct. 29, 2002	Oct. 27, 2007	310	553,750	163,000	24.89	5%	535,350	18,400	0
AGM AUTHORIZATION GRANTED ON JUNE 11, 1998											
Plan no. 3	Oct. 27, 1998	Oct. 28, 2003	Oct. 26, 2008	410	1,912,500	670,000	32.13	None	1,747,507	164,993	0
Plan no. 4	Mar. 16, 1999	Mar. 17, 2004	Mar. 15, 2009	4	300,000	280,000	40.82	None	270,000	30,000	0
Plan no. 5	Oct. 19, 1999	Oct. 20, 2004	Oct. 18, 2009	384	1,825,900	830,000	50.94	None	1,361,838	122,500	341,562
Plan no. 6	Sept. 7, 2000 and Oct. 24, 2000	Sept. 8, 2005 and Oct. 25, 2005	Sept. 6, 2010 and Oct. 23, 2010	638	1,889,300	750,000	49.27 and 49.57	None	1,295,313	125,450	468,537
Plan no. 7	Dec. 18, 2001	Dec. 19, 2006	Dec. 17, 2011	858	1,861,600	505,000	48.97	None	868,404	55,000	938,196
Plan no. 8	Sept. 5, 2002	Sept. 6, 2007	Sept. 4, 2012	809	2,009,000	645,000	49.21	None	443,987	32,800	1,532,213
AGM AUTHORIZATION GRANTED ON APRIL 29, 2003											
Plan no. 9	Sept. 8, 2003	Sept. 9, 2007	Sept. 7, 2011	813	1,922,000	605,000	53.36	None	285,453	15,500	1,621,047
Plan no. 10	Sept. 14, 2004	Sept. 15, 2008	Sept. 13, 2012	758	2,145,650	695,000	66.03	None	16,000	16,500	2,113,150
Plan no. 11	Sept. 13, 2005	Sept. 14, 2009	Sept. 12, 2013	639	1,631,093	650,000	72.98	None	3,000	17,700	1,610,393

AGM AUTHORIZATION GRANTED ON MAY 4, 2006											
Plan no. 12	May 4, 2006	May 5, 2010	May 3, 2014	693	1,674,700	556,000	87.98	None	3,000	231,048	1,440,652
Plan no. 13 Options Commitment 2009	May 4, 2006	May 5, 2010	May 3, 2014	650	2,741,700	1,550,000	87.98	None	2,000	19,000	2,720,700
Plan no. 13 bis Shares Commitment 2009	May 4, 2006	May 5, 2010	-	549	1,379,000	290,000	0	None	6,500	9,500	1,363,000
Plan no. 14	Dec. 5, 2006	Dec. 6, 2010	Dec. 4, 2014	710	1,843,300	680,000	93.86	None	0	205,435	1,637,865
Plan no. 15 (5)	Dec. 5, 2007	Dec. 6, 2011	Dec. 4, 2015	743	2,080,000	735,000	96.54	None	0	0	2,080,000
Plan no. 16 Options Complementary. Commitment 2009	Dec. 5, 2007	Dec. 6, 2011	Dec. 4, 2015	199	797,787	160,000	96.54	None	0	35,287	762,500
Plan no. 16 bis Shares Complementary. Commitment 2009/ Plan no. 15	Dec. 5, 2007	Dec. 6, 2011	-	199	132,166	60,000	0	None	0	2,466	129,700

(1) The Renault Management Committee at the date on which the stock options were granted.
(2) Including grants to Mr Schweitzer of 20,000 stock options in 1996, 30,000 in 1997, 140,000 in 1998, 200,000 in 1999, 140,000 in 2000, 100,000 in 2001, 130,000 in 2002, 100,000 in 2003 and 200,000 in 2004.
(3) Under Plans 1 to 9, a total of 4,901,555 options were unexercised at December 31, 2008.
(4) Including grants to Mr Ghosn of 20,000 options in 1997, 70,000 in 1998, 200,000 in 1999, 200,000 in 2005; in 2006: 100,000 under Plan 2006, 1,000,000 under Commitment 2009, 200,000 under Plan 2007 and 200,000 under Plan 2008.
(5) All the options of this plan are lost as the operating margin target has not been achieved (Board Meeting February 11, 2009).

In FY 2008:

- no options were granted;
- options exercised by corporate officers included the following:

Options exercised by corporate officers during the financial year				
	Plan no. and date	Number of options exercised	Exercise price	Grant year
Carlos Ghosn	8 05/09/2002	25,000	49.21	2002
Carlos Ghosn	9 08/09/2003	25,000	53.36	2003

- *the ten largest lots exercised in 2008 (excluding options exercised by corporate officers) comprised* 119,700 options at an average price of €43.70, i.e.:

36,000 options exercised	at €32.13 Octobrer1998 plan,
20,000	at €40.82 March 1999 plan,
5,000	at €48.97 December 2001 plan,
28,700	at €49.21 September 2002 plan,
30,000	at €53.36 September 2003 plan.

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 President and CEO who informs the Remuneration Committee.

No Group subsidiary operates a stock option plan for its own shares

SUMMARY OF REMUNERATION PAID TO CORPORATE OFFICERS (as of December 31, 2008)

SUMMARY OF REMUNERATION AND ALLOCATIONS OF OPTIONS

-

President and CEO	2007	2008
Remuneration owing in respect of the year	2,634,429	1,238,014
Value of options granted during the year (1)	4,272,000	0
Value of performance shares granted during the year	0	0
TOTAL	6,906,429	1,238,014

- (1) All options of this plan are lost as the operating margin target has not been achieved (Board Meeting February 11, 2009).

Chairman of the Board of Directors	2007	2008
Remuneration owing in respect of the year	233,334	232,785
Value of options granted during the year	0	0
Value of performance shares granted during the year	0	0
TOTAL	233,334	232,785

STOCK OPTION ALLOCATIONS

	Plan 1	Plan 2	Plan 3	Plan 4	Plan 5	Plan 6	Plan 7	Plan 8
Louis Schweitzer	20,000	30,000	140,000	-	200,000	140,000	100,000	130,000
Carlos Ghosn	-	20,000	70,000	200,000	-	-	-	25,000 *
	Plan 9	**Plan 10**	**Plan 11**	**Plan 12**	**Plan 13**	**Plan 14**	**Plan 15**	**Plan 16**
Louis Schweitzer	100,000	200,000	-	-	-	-	-	-
Carlos Ghosn	25,000 *	200,000 *	200,000	100,000	1,000,000	200,000	200,000	-

**was not a member of the Renault Management Committee.*

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	
	Yes	No	Yes	No	Yes	No	Yes	No
President and CEO Carlos Ghosn	-	No	Yes	-	-	No	-	No
Chairman of the Board of Directors Louis Schweitzer	-	No	Yes	-	-	No	-	No

* See “REMUNERATION OF CORPORATE OFFICERS” above.

5. STATEMENT OF CORPORATE GOVERNANCE

THE BOARD OF DIRECTORS IN 2008

The Board of Directors met seven times in 2008.

Meetings lasted an average of three hours, with the exception of the meeting devoted to strategy, which lasted a whole day. The attendance rate was 86.5%.

The Board gave its opinion on all business placed on its agenda pursuant to the legal and regulatory requirements in force in France. On the main matters, the Board took the following action:

Accounts and Budget:

- approved the Group's consolidated financial statements and the individual financial statements of Renault SA and Renault s.a.s. for 2007, approved the consolidated financial statements for first-half 2008, and set the dividend to be proposed to the Annual General Meeting (AGM);

- adopted the 2009 operating and investment budget;

- reviewed the action plan to preserve Renault's competitiveness and profitability in the light of the new economic situation.

Corporate Governance:

- began preparing for the change in governance following Mr Schweitzer's decision not to seek a new term of office following the 2009 AGM;

- noted Mr Pélata's appointment as Chief Operating Officer;

- noted the succession plan for Renault's directors, in accordance with good governance practices;

- noted the AFEP/MEDEF recommendations dated October 6, 2008 concerning the compensation of executive directors of listed companies and decided that Renault would apply the amended AFEP/MEDEF corporate governance code and refer to it as from the current financial year when preparing the report provided for in Article L225-37 of the French Commercial Code;

- conducted a simplified self-assessment of its operating methods and decided on the definition of independent director;

- adopted the Chairman's report on internal control procedures;

- reviewed the sponsorship activities of Renault and its subsidiaries;

- analyzed and approved the answers to shareholders' questions ahead of the AGM.

Group Strategy:

- discussed Renault's strategic guidelines after Renault Commitment 2009 as part of a day devoted to this issue;

- approved the signature of agreements confirming the strategic partnership between AvtoVAZ and Renault;

- approved the signature of a Memorandum of Understanding between the Renault-Nissan Alliance and Project Better Place, aimed at achieving a breakthrough for electric vehicles on the Israeli market.

The Alliance:

- took knowledge of the summary of the Alliance Board's decisions and proposals.

Regulated Agreements:

- no regulated agreements were submitted for Board approval.

The preparations for the Board meetings are described in the Chairman's report on the work of the Board, as per Article L. 225-37 of the Commercial Code.

AUDIT OF THE BOARD OF DIRECTORS

In accordance with market practice and the recommendations of the AFEP/MEDEF report, the Board of Directors conducted a simplified audit of its membership, organization and operating procedures. The audit confirmed the positive results of the detailed assessment conducted in 2007.

All the Board members wholeheartedly stress the strong trust between the Board and the CEO.

The Board expressed its satisfaction about the inclusion in the Board, of working managers with strong industrial and international experience who would ensure that the Board had the broad range of skills needed to address the issues facing the company in the future. This was an area that was flagged for action during the last assessment.

The work of the Committees was considered to be highly positive and satisfactory.

The decision to dedicate a day in 2008 to the company's strategy after Renault Commitment 2009 was praised, and the exercise will be repeated in 2009.

The Board expressed an open opinion or requested improvements on the following points:

- closer monitoring of the company between Board meetings, particularly during times of upheaval;

- the need to provide certain documents further in advance of Board meetings;

- improved information for the Board on risk management and the evolution of the Renault-Nissan alliance;

- the need for a more thorough examination of acquisitions and investments, as well as Human Resources policy;

- directors' fees are considered on the whole lower than those of other similarly-sized CAC 40 companies, but conditions are not conducive to a revision of these fees.

The Chairman of the Board of Directors and the Committees concerned will endeavor to give due consideration to the directors' requests on these points.

Furthermore, the informal lunch after the Board meeting, initiated in 2003, was repeated and will be pursued in the future. It gives directors an opportunity to exchange views with members of the Renault Management Committee.

ASSESSMENT OF DIRECTOR'S INDEPENDENCE

At its meeting on December 10, 2008 the Board of Directors restated its intention to comply with the most thorough definition of corporate governance available in France, namely the AFEP/MEDEF report. According to the report, an independent director is one who, notably, "has no relations of any kind with the company, the Group or its managers likely to compromise his independence of judgment"

The Board also repeated the qualities that it expects from a director: experience of the company and the automotive industry, a personal commitment to the work of the Board and its Committees, a sound grasp of business and finance, the courage to express minority opinions, international vision, integrity, and loyalty.

At December 31, 2008 Renault had eight independent directors on its Board: Dominique de La Garanderie, Charles de Croisset, Thierry Desmarest, Jean-Pierre Garnier, Marc Ladreit de Lacharrière, Philippe Lagayette, Jean-Claude Paye and Franck Riboud.

In particular, the fact that Mr. Paye has been on the board for more than 12 years does not call into question his independence.

Representatives of the French state, employee-elected directors, the director elected by employee shareholders, the Chairman of the Board and the President and Chief Executive Officer (as corporate officers), as well as the two directors appointed by Nissan, which is linked to Renault, are all excluded from the list in accordance with the principle of director independence stated above.

The Board stressed, however, that the directors elected by employees and employee shareholders, in particular, are not dependent on the company's senior executives 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 (May 6th, 2009)

Four 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.

ACCOUNTS AND AUDIT COMMITTEE

This Committee has six members: Philippe Lagayette in the chair, Alain Champigneux, Charles de Croisset, Dominique de La Garanderie, Jean-Claude Paye and Rémy Rioux. Four of the six are independent directors.

The Committee met three times in 2008 and the attendance rate was 100%.

In compliance with French legal and regulatory requirements, the Accounts and Audit Committee dealt with the following matters in particular:

- the Group's consolidated financial statements and Renault SA's individual financial statements for 2007 and first-half 2008;
- the dividend to be proposed for FY 2008;
- the examination of the fees paid to the Statutory Auditors and their network, the renewal of their appointment, and their compliance with the Auditors' Charter, which governs their work;
- the 2007 balance sheet and the breakdown of the 2008 and 2009 Internal Audit Plan;
- risk mapping and analysis methods used in the Group;
- financial risk management;
- the activity of the Compliance function;
- the impact of the Order of December 8, 2008 on the legal auditing of accounts.

The Committee's examination of the financial statements was accompanied by a presentation from the Auditors describing the highlights of their engagement and their conclusions, as well as the accounting policies used and the main regulatory developments in this area. In addition, the Chief Financial Officer submitted a memo describing the company's risk exposures and off-balance sheet commitments.

REMUNERATION COMMITTEE

The Committee has three members, all of whom are independent directors: Franck Riboud in the chair, Thierry Desmarest, Jean- Pierre Garnier and Marc Ladreit de Lacharrière.

Mr Desmarest was appointed to replace François de Combret on the Remuneration Committee at the Board meeting of April 29, 2008.

The Committee met twice in 2008 and the attendance rate was 100%. The main items on its agenda were

- the AFEP/MEDEF recommendations dated October 6, 2008 concerning the compensation of executive directors of listed companies;
- the remuneration of the Chairman, President and CEO, and members of the Executive Committee;
- the 2009 performance indicators.

APPOINTMENTS AND GOVERNANCE COMMITTEE

This Committee has five members: Marc Ladreit de Lacharrière in the chair, Alain J-P Belda, Mr Carlos Ghosn, Philippe Lagayette and Dominique de La Garanderie. Two of the three members are independent directors.

The Committee met twice in 2008 and the attendance rate was 100%. The main items on its agenda were:

- the composition of the Board and a simplified assessment of its functioning;
- a revision of the list of independent directors in accordance with AFEP/MEDEF criteria;
- Renault governance arrangements following the 2009 AGM;
- a succession plan for Renault's directors;
- a proposal to set a maximum age of 80 for directors.

INTERNATIONAL STRATEGY COMMITTEE

This Committee has six members: Jean-Claude Paye in the chair, Yves Audvard, Patrick Biau, Catherine Bréchignac, Jean-Pierre Garnier and Michel Sailly.

Mr Paye was appointed to replace Henri Martre as Chairman of the International Strategy Committee at the Board meeting of April 29, 2008.

Mr Garnier was appointed to replace Mr Martre on the International Strategy Committee at the Board meeting of April 29, 2008. Mr Biau was appointed to replace Michel Barbier on the International Strategy Committee at the Board meeting of December 10, 2008.

Two of the six members are independent directors.

The Committee met twice in 2008 and the attendance rate was 100%. The main items on its agenda were:

- Renault's electric vehicle strategy;
- Logan's success, profitability and future challenges.

Compliance Committee

The Compliance Committee met four times in 2008, under the chairmanship of the Chief Compliance Officer. Meetings were attended by the Senior Vice President, Legal Department, the Senior Vice President, Corporate Controller, the Senior Vice President, Internal Audit, the Senior Vice President, Human Resources, and the Compliance Officer.

Committee meetings lasted an average of one and a half hours.

The Committee's duties and responsibilities are set out in the Code of Good Conduct and compliance rules approved by the Board of Directors on December 5, 2007.

An integral part of the internal control system, the Compliance Committee has the following core tasks:

- ensure compliance with the compliance rules set out in the code;
- run the whistleblowing system and examine cases reported through the warning system;
- make sure that the company's internal control system is effective and properly applied.

Accordingly, the Committee took decisions on the following points:

- distributing the Code of Good Conduct to Group employees and deploying the warning system. One case was reported through the whistleblowing system and brought before the Committee;
- preparing and circulating the Internal Control, Audit and Risk Management Charter in the first half of 2008 (revision to the previous Internal Control and Audit Charter);
- implementing and deploying the internal control system, to bring the Automobile internal control system into line with the AMF's reference framework;
- post-audit action plans (overall revision of procurement and expenditure procedures);
- reporting to the Senior Vice President, Internal Audit, on frauds detected within the Group;
- updating insider lists in accordance with AMF recommendations.

To reflect the increase in its activities in 2008, the Committee decided to meet more often in 2009 (six meetings).

The Compliance Officer operates within the framework of the Compliance function.

In 2008 the Compliance Officer:

- updated the list of company employees holding inside information, and reiterated the rules governing securities trading;

- published memoranda, as in previous years, setting out the periods during which the persons named on the insider list are prohibited from trading in the Group's securities;

- answered all queries from employees regarding stock option exercises (for which no shortcomings were observed).

The Compliance Officer also responded to requests from the Internal Control function regarding improvements to control processes, notably with regard to compliance risk or fraud risk.

MANAGEMENT BODIES AT MARCH 1, 2009

Strengthening management's operational capabilities: Carlos Ghosn, President and CEO of Renault, appointed Patrick Pélata as Chief Operating Officer, effective October 13, 2008. The move was motivated by the President's long-standing determination to overhaul Renault's management. It will strengthen management's operational capabilities, at a time when a close focus is needed on day-to-day business matters.

Patrick Pélata has taken over operations. All members of the Renault Executive Committee will report to him, as will Regions leaders. It should be noted that, effective March 1, 2009, Renault has formed a Eurasia Region to reflect the strategic importance of this zone for the Group.

Carlos Ghosn will continue to have direct responsibility for strategic decision-making, legal issues, finance and public affairs.

Renault's senior management bodies are composed of two Committees:

- the Group Executive Committee;

- the Renault Management Committee.

GROUP EXECUTIVE COMMITTEE

The Group Executive Committee comprises eight members:

- President and CEO;

- Chief Operating Officer;

- Executive Vice President, Sales and Marketing, and Light Commercial Vehicles;

- Executive Vice President, Plan, Product Planning and Programs;

- Executive Vice President, Manufacturing and Logistics;

- Executive Vice President, Chief Financial Officer, Compliance Officer;

- Executive Vice President, Engineering and Quality;

- RMC Leader, Asia-Africa.

It meets once a month and at seminars held twice a year.

RENAULT MANAGEMENT COMMITTEE

The Renault Management Committee comprises 25 members, and includes the members of the Group Executive Committee.

The Chief Operating Officer, the Executive Vice President, Chief Financial Officer, the Senior Vice President, Legal Department, the Senior Vice President, Public Affairs, the Senior Vice President, CEO Office and Senior Vice President, Renault F1 team, and a special advisor report directly to the President and CEO.

The other members of the Renault Management Committee, including members of the Group Executive Committee with the exception of the Executive Vice President, Chief Financial Officer, 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, 2009

♦ **Carlos Ghosn :President** and CEO

- ♦ **Patrick Pélata** : Chief Operating Officer ● RMC Leader, Americas
  - **Jacques Chauvet** : ● RMC Leader, Euromed
- **Marie-Françoise Damesin** : Senior Vice President, Corporate Communications
- ♦ **Odile Desforges :** Excutive Vice President, Engineering and Quality
  - **Michel Balthazard** : Senior Vice President, Pre-Engineering, Projects and Requirements
  - **Nadine Leclair** : Senior Vice President, Vehicle Engineering
  - **Christian Mardrus** :Senior Vice President, Information Systems
  - **Jacques Prost** : Senior Vice President, Powertrain Engineering
- **Christian Esteve** : ● RMC Leader, Eurasia, Chairman Avtoframos
- ♦ **Michel Gornet** : Executive Vice President, Manufacturing and Logistics
  - **Michel Faivre-Duboz** : Executive Vice President, Global Supply Chain
  - **Gérard Leclercq** : Senior Vice President, Group Human Resources
- ♦ **Philippe Klein** : Executive Vice President, Plan, Product Planning and Programs
  - **Bruno Ancelin** : Senior Vice President, C-Segment Program
- **Patrick Le Quement** : Senior Vice President, Corporate Design
- ♦ **Katsumi Nakamura** : ● RMC Leader, Asia-Africa
- ♦ **Jérôme Stoll** : Executive Vice President, Sales and Marketing & LCV Division
● RMC Leader, Europe (France + Europe)
  - **Bernard Cambier** : Senior Vice President, Market area France
  - **Stephen Norman** : Senior Vice President, Global Marketing
- **Christian Husson :** Senior Vice President, Legal Department
- **Luc-Alexandre Ménard** : Senior Vice President, Public Affairs
- ♦ **Thierry Moulonguet** :Executive Vice President, Chief Financial Officer, Chief Compliance Officer
  - **Philippe Gamba** : Chairman and CEO, RCI Banque
- **Bernard Rey** : Senior Vice President, CEO Office and Senior Vice President, Renault F1 Team

♦ *Members of the Group Executive Committee*

● *RMC : Région Management Committee*

AUDITS

AUDITORS' CHARTER

The Financial Security Act, Title III, contains provisions on the legal auditing of accounts, particularly, Article 104, on Auditors' independence. Pursuant to those provisions, in 2004 Renault, together with the Statutory Auditors and under the Chairman's authority, took the initiative of drafting a Charter on Auditor engagements and independence and cosigning it with them. In addition to defining the scope of application, the charter addresses the separation of engagements by specifying those inherent to the Statutory Auditors' function and therefore authorized automatically, and those that cannot be performed by Statutory Auditors and their network because they are incompatible with the Auditors' mandate. Further, it specifies the additional or complementary assignments that may be performed by the Statutory Auditors and their network, and how those assignments are to be authorized and supervised. The charter also includes the undertaking of independence and sets the rules for partner rotation.

The Charter governs the relationship between the Renault group (the parent company and the fully-consolidated French and international subsidiaries) and its Statutory Auditors. The Auditors are responsible for ensuring that the charter is applied by members of their network acting as external auditors for fully-consolidated subsidiaries and also for policing compliance with the regulations in force in countries where Group companies are established.

AUDITORS

Statutory auditors

Deloitte & Associés
represented by Pascale Chastaing-Doblin and Amadou Raimi
185, avenue Charles-de-Gaulle
92200 Neuilly-sur-Seine - France

Ernst & Young Audit
represented by Daniel Mary-Dauphin and Aymeric de la Morandière
11, allée de l'Arche
92400 Courbevoie - France

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.

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.

Alternate auditors

BEAS
Alternate for Deloitte & Associés
7-9, Villa Houssay
92200 Neuilly-sur-Seine - France

Gabriel Galet
Alternate for Ernst & Young Audit

11, allée de l'Arche
92400 Courbevoie - France

The alternate auditors were appointed by the Joint General Meeting of June 7, 1996 for a six-year term. They were reappointed by the Joint General Meetings of April 26, 2002 and April 29, 2008 for further six-year terms. Their terms of office will expire at the close of the Annual General Meeting convened to approve the accounts for 2013.

FEES PAID TO STATUTORY AUDITORS AND THEIR NETWORK

The audit fees recognized in 2008 by Renault SA and its fully-consolidated subsidiaries for the engagements and assignments performed by the Statutory Auditors and their networks can be found in note 30 of the notes to the consolidated financial statement in VI. Financial Condition, 1. Financial Statement.

For both networks, tax services mainly cover the Group's foreign subsidiaries.

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”) for 2007 and 2008 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 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 1-3 of the Cabinet Office Ordinance Concerning Audit Certification of Financial Statements (MOF Ordinance No.12, 1957) based on the provision of Article 35 of the Financial Instruments and Exchange Law Enforcement Order (Cabinet Order No. 321, 1965).

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 = ¥134.26. This exchange rate is the Telegraphic Transfer Spot Selling Exchange Rates vis-a-vis Customers by the Bank of Tokyo-Mitsubishi UFJ, Ltd. at May 8, 2009.

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.

Auditors’ Report (relating to 2008 Consolidated financial statements) *

Auditors’ Report (relating to 2008 Parent Company financial statements) *

Auditors’ Report (relating to 2007 Consolidated financial statements) *

Auditors’ Report (relating to 2007 Parent Company financial statements) *

* Free Japanese translation and a photocopy of French original are included respectively in this section.

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.]

(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.]

2. Details of Major Assets and Liabilities

See the accompanying Notes to the Accounts.

3. Other

(1) RECENT DEVELOPMENTS

QUARTERLY FINANCIAL INFORMATION AT MARCH 31, 2009

In first-quarter 2009, Automobile reported revenues of €6,634 million, down 31.8% on a comparable basis in an automotive market that was strongly impacted by the crisis and by the further reduction of inventory in the distribution network.
In Europe, which accounted for more than one-half of the fall in Automobile revenues, the Renault group reported a 22% fall in sales in a market that shrank 19% on first quarter 2008. In Germany, the only European market to have grown in the first three months of the year, (+15%), Group sales rose 3.4%, buoyed by a scrapping bonus and the doubling of Dacia sales. In Europe, scrapping schemes boosted the small car and Entry segments: Dacia reported growth of more than 29% and New Twingo sold 40,635 units, an increase of more than 15%.
After just a few months on the market, New Mégane hatch and coupé are already No. 1 in France and Spain on the compact mid-range vehicle segment. The five-door and coupé versions have received a warm welcome from markets across Europe, rising from twelfth to fourth position in their segment.

Outside Europe, the other regions accounted for more than one-quarter of the fall in revenues.
- In the Americas region, in a market that contracted 9.6%, Group sales fell by 17.8%.
- In the Eurasia[13] region, in a market that shrank by 44.8%, sales were down 40.3% allowing the Group to claim an additional 0.7 points in market share. In Russia, the Group increased its market share by 0.7 points, with sales down 38.2% in a market that fell by 40.6%.
- In the Euromed region, in a market that fell by 21.7%, Renault group sales were down 23.8%. In Algeria, where the market expanded by 12.4%, Group sales surged by 41.7%, for a rise in market share of more than 3.9 points. In Morocco, sales were up 11% for a 3-point increase in market share.
- In the Asia-Africa region, in a market that contracted by 12.7%, Group sales were down 20.2%. Sales of engines and built-up vehicles to partners are down, including LCVs which were hit by the 35% drop in the LCV market in Europe. Overall, these activities accounted for just under one-quarter of the fall in Automobile revenues.

The Sales financing subsidiary RCI Banque contributed €446 million to Group revenues, down 11.9% on the same period in 2008. This fall can be attributed mainly to a 13.1% drop in average outstanding loans, particularly in Spain, the UK and France.

General description of the financial situation and results in first-quarter 2009

- Financing operations and net financial debt of Automobile

Renault has received a €400 million loan from the European Investment Bank, enabling it to maintain its strategic investments, particularly for new technologies. The Group has also signed a contract with the French government for a loan of €3 billion, and the funds were made available on April 24, 2009.
In an extremely tense economic and financial environment, Automobile is focused on managing its net financial debt. This grew by less than 10% in the first quarter, after the impact of new legislation on supplier payment times in France.

Outlook for 2009

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[13] The Eurasia region comprises 11 countries: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kirghizstan, Uzbekistan, Russia, Tajikistan, Turkmenistan and Ukraine.

In conditions that remain highly volatile, Renault still expects the global market to total 55 million units in 2009. The 2009 action plan is on track and Renault maintains the priority set at the beginning of the year: to aim for positive free cash flow.

2009 action plan progress report

Following the successful launches of New Mégane hatch and coupe, the next few months will see the market debuts of New Grand Scénic, New Scénic and New Mégane Estate. In less than a year, Renault will have renewed nearly all of its offering in the C-segment, Europe's biggest, and will have the youngest range on the market. In the small-vehicle segment (Dacia and Twingo), Renault will fulfill the orders placed in the first quarter and reap the benefits of the launch of Clio phase 2. The year will end with the market debuts of SM3 and SM5 for Renault Samsung Motors.
Adjusting production levels has made it possible to continue reducing distribution inventory (manufacturer and independent network), which has fallen by 34% for new vehicles compared with end-March 2008.
The voluntary departure plan, which comes to an end on April 30, has exceeded initial targets. Renault has also put in place a crisis-period labour deal to adjust levels of activity to falling demand. This deal provides for the generalization of short-time working for all employees of Renault s.a.s., while maintaining jobs and pay. Stepping up the direct aid provided by Renault to its suppliers, the Group has agreed to contribute €200 million to the Support Fund set up to promote sector restructuring. The activities of companies in the automotive sector are interdependent and it is essential for manufacturers to contribute to the strength of the supplier base.
All of these measures should make it possible for Renault to weather the crisis while preparing for the future.

Renault group consolidated revenues by division

In € million	Q1 2009	Q1 2008 Pro forma *	Change (%)
Automobile	6,634	9,727	- 31.8%
Sales financing	446	506	- 11.9%
Total	7,080	10,233	- 30.8%

* For comparison purposes, data for 2008 have been restated on a comparable basis with 2009.

NISSAN CONTRIBUTES A NEGATIVE €1,151 MILLION TO RENAULT'S FIRST QUARTER 2009 EARNINGS

Nissan released its results for fiscal 2008/2009 (April 1, 2008 to March 31, 2009) on May 12, 2009. After restatement, the loss reported by Nissan for the fourth quarter of its fiscal year 2008/2009 (January 1 to March 31, 2009) will result in a negative contribution estimated at €1,151 million[14] to Renault's first-half 2009 net income.

A NEW STEP FORWARD FOR THE ALLIANCE

- Ten years into the Alliance, Renault and Nissan are taking cooperation to a higher level.
- In 2009, identified synergies will contribute €1.5 billion (¥180 billion)[15] in free cash flow to the Alliance partners.
- A small, dedicated team has been set up to foster deeper, broader cooperation and to maximize the contribution of synergies to the performance of both partners.

14 based on an average exchange rate of 121.9 yen/euro for the period under review

15 Exchange rate : ¥120/euro

"Over the last decade, we used the Alliance to develop win-win synergies between Renault and Nissan, and that approach worked well when both were profitable and growing," says Carlos Ghosn, Chairman and CEO of the Renault-Nissan Alliance. *"Today, we have to move faster. Seeking synergies is no longer optional, but mandatory. We have assigned a group of experts to focus on building greater synergies to get us through the crisis and position us competitively for the future."*
Since 1999, Renault and Nissan have achieved and developed an alliance that has created significant value for the two companies. The achievements include shared platforms and powertrains, cooperation on advanced technologies, standardization of manufacturing methods, the expansion of the product line-ups and the extension of the global footprint of each partner. Combined vehicle sales have increased from 4.9 million units in 1999 to
6.9 million in 2008 (including AvtoVAZ), making the Renault-Nissan Alliance the world's third largest automotive group.

In the current economic environment, cooperation between the two companies will accelerate.
The target set for 2009 is €1.5 billion in synergies evenly divided between the two Alliance partners. These synergies can be analyzed as follows:
- Manufacturing and logistics are expected to account for €363 million of total synergies.
The Alliance partners will continue to share manufacturing facilities to benefit from local industrial opportunities, manufacture in local currencies and optimize existing plant capacity.
In 2009, for example, Renault's plant in Brazil will produce two additional Nissan vehicles while Nissan's plant in South Africa builds two additional Renault vehicles. By the end of 2009, a total of 11 vehicles will be cross-manufactured. In logistics, further savings will be generated in both inbound and outbound logistics by sharing additional CKD centers and standardizing logistics flows, particularly in Europe.
- Powertrains will generate €289 million of total synergies. The Alliance partners will boost cooperation from the exchange of engines to the co-ownership of engine families, generating savings on development, purchasing and manufacturing costs. One example is the development by Renault of new small, turbo-charged gasoline engines from Nissan's engine base. So far, some 50% of powertrain components are shared.
- Vehicle engineering represents €279 million of total synergies through the use of common platforms and interchangeable components. Common and shared platforms currently account for 70% of the Alliance's production volume. For example, Renault and Nissan plan to use a common platform for an entry-level project in India. The use of interchangeable components on Renault and Nissan vehicles is a growing source of savings. For instance, a single core component in air conditioning systems will be used on 24 body variants on the B and C platforms.
- Purchasing synergies will generate savings of €157 million. Since April 2009, the Renault-Nissan Purchasing Organization has handled 100% of the Alliance's purchasing requirements. To date, the focus has been on parts and raw materials, but the scope is being expanded to purchased services. Synergy examples include brake sourcing opportunities and increasing Nissan's sourcing in Korea to leverage the Renault/Samsung supplier network.
Further savings are expected as the two companies reduce the diversity of their parts range.
- Sales and marketing synergies represent €147 million of total synergies. In media buying, for example, a single company now handles both Renault's and Nissan's accounts in Europe.
- Research and advanced technology is expected to bring cost savings of €115 million, as the two companies coordinate efforts to avoid overlaps and improve resource allocation. For example, both Renault and Nissan's electric vehicles will be equipped with jointly developed batteries. Renault's fuel cell vehicle, presented last year, uses Nissan's fuel cell technology. The two companies will also pool their efforts in technologies related to CO_2 emissions, life on board, safety and dynamic performance.
- Light commercial vehicles account for €102 million of identified synergies. For example, the two partners recently agreed to move to one common platform in Europe to build two differentiated light commercial vehicles.
- Information systems and support functions account for €48 million of identified synergies. In Europe, the two partners will intensify the use of available common internal resources in IS/IT. The two partners will further consolidate their data network infrastructure.

Today, the Alliance gives Renault and Nissan a unique competitive advantage in a sector hit by the global economic crisis. To maximize the know-how gained from 10 years of crosscultural management and shared experience, the Alliance has set up a small dedicated team of six persons from Nissan and five from Renault. Beginning June 1, they will apply their indepth understanding of both companies to foster synergies at all levels and push for greater commonization and standardization, not just in 2009 but well into the future.
This dedicated Alliance team will focus on the following areas identified as priorities:
Purchasing, Global Sourcing, Common Platforms and Parts, Powertrains, Support Functions, Global Logistics, IS/IT, Research and Advanced Technologies, and Zero Emission Business.
The Alliance has been a tool for better performance, based on the trust and confidence gained through 10 years of working together. Accelerating synergies and supporting them with a dedicated organization will help both companies weather the current crisis and emerge as stronger and more competitive global companies.

(2) LITIGATION CASES

Refer to "Disputes" in Part I- III – 4. "Risks in Business, etc."

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.

Until the fiscal year ended March 31, 2008, under Japanese GAAP, the consolidated accounts may aggregate foreign subsidiaries' accounts prepared in accordance with related countries' local GAAP as far as such differences do not lead to unreasonable consequences.

In May 2006 under Japanese GAAP, a new accounting rule for the practical guideline on unification of accounting policies of foreign subsidiaries for consolidated financial statements was issued. Under the practical guideline which becomes effective April 1, 2008, 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, for the meantime, these financial statements may be used for consolidation purposes, except for the following items:

- Amortization of goodwill, goodwill may need to be amortized over a period of less than 20 years
- Actuarial gains and losses of defined benefit plans recognized outside profit or loss
- Capitalization of intangible assets arising from development phases
- Fair value measurement of investment properties, and revaluation model for property, plant and equipment, and intangible assets
- Retrospective application when accounting policies are changed voluntarily
- Accounting for net income attributable to a minority interest

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.

Japanese GAAP is silent about the functional currency. The local currency is treated as the functional currency in practice under Japanese GAAP.

c. Method of consolidation

The equity method is one of the two methods allowed by IFRS for companies not fully controlled (along with proportionate consolidation). Companies in which material influence is exercised are consolidated under the equity method. Companies jointly controlled are usually consolidated on a proportionate basis but may be consolidated using the equity method.

Under Japanese GAAP, joint ventures are accounted for by the equity method. Consolidation on a proportional basis is not permitted, subject to the effect, if any, of other treatment allowed by local GAAP accepted for Japanese GAAP consolidation purposes (see §a).

d. Accounting for Business Combination

Under IFRS, accounting for business combination allows the purchase method only.

Under Japanese GAAP, the pooling of interest method is also allowed if certain conditions have been met.

2) Presentation of the balance sheet and income statement

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 balance sheet 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 balance sheet 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 those 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. Classification of commercial rebates and discounts

Commercial rebates and discounts are deducted from sales under IFRS.

Under Japanese GAAP, they may be presented not only as a reduction of revenues, but as expenses. They are specifically disclosed as a separate line item in the income statement when material to the financial statements.

3) Leases

Under IFRS, leases for which all risks and rewards incidental to the ownership of the assets 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, were 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 is 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 such 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.

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 IFRS, the position taken by Renault may be subject to a different interpretation from the professional or standard-setting bodies that could lead Renault to apply the amortized cost method rather than the fair value.

Under Japanese GAAP, redeemable shares are initially recorded at their issuance cost. No specific standards govern subsequent measurement.

b. Hedging

Under IFRS, hedging instruments, along with the hedged items when qualified for hedge accounting, are accounted for at fair value.

Under Japanese GAAP, all derivatives are carried at their fair value and unrealized gain and loss arising from those derivatives are charged to the income statement except when certain criteria for hedge accounting are met. In that case, those unrealized gain and loss are deferred and included in the net assets. 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 can also be applied. Effective April 1, 2008 the lower of cost or market value method is required to be applied, and also 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 foreign company and subsequently translated to the Group's presentation currency using the closing rate. From April 1, 2010, goodwill generated by a combination with a foreign company will be translated to the consolidated Renault group's presentation currency using the closing rate.

Under Japanese GAAP, goodwill is translated and carried in the currency of the acquiring entity at the rate applicable at the date of acquisition.

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 is recognized as a liability and amortized on a straight-line basis over a period not exceeding 20 years. From April 1, 2010, all negative goodwill will be recognized immediately in income.

8) Employee benefits

a. Pension liability

Under IFRS, the whole amount of the vested benefits is accrued in the financial statement.

Under Japanese GAAP, the accounting standard for accruing pension has been issued and became effective in 2000. As a result of the first application of this new regulation, most Japanese companies chose the option of amortizing the cost related to the service prior to the effective date over a period not exceeding 15 years.

b. Actuarial differences on pension accrual

IFRS allows entities to elect between two options for the recognition of actuarial differences:

- Recognizing them as a liability as incurred, counterpart in shareholder equity.
- Amortizing them through a “corridor approach”.

Renault opted to recognize the actuarial differences in the period in which they occur and outside profit and loss.
Under Japanese GAAP, all unrecognized actuarial gains and/or losses are subject to amortization after consideration of materiality.

c. Accrual for compensated absence

Under Japanese GAAP, accrual for compensated absence is not required while such liability should be recognized under IFRS.

9) Stock option plans granted to employees

Under IFRS, the cost of stock option plans granted by the Group to the employees is measured by reference to the fair value of those options. The expense is recognized, together with the corresponding increase in equity, over the specified period of service (the vesting period).

If option is exercised, price difference with underlying new shares is charged to equity.
If the instruments are forfeited or the options are not exercised, previous expense is not reversed.

Under Japanese GAAP, Accounting Standard for Stock Option is applicable to stock options granted after enforcement of the Company Law (May 1, 2006). However, 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. Nissan is applying IFRS rule for the recognition of stock appreciation rights.

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 matures, previous expense is offset through extraordinary revenue.

10) Research and development expenses

In compliance with IFRS, the development expenses incurred between the approval of the project that includes the decision to implement production facilities and the approval of the design for mass production are capitalized. 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) 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
d. Sales with buy-back commitments
e. Liabilities for pension
f.Retrospective application of IAS 38

VII. MOVEMENT OF FOREIGN EXCHANGE QUOTATION

To exchange quotation of the currencies (Euro) used in the financial documents of Renault against Japanese yen has been reported for the recent five business years and for the recent six months in not less than two daily newspapers reporting on general affairs published in Japan.

VIII. OUTLINE OF HANDLING OF SHARES, ETC. OF THE COMPANY IN JAPAN

Not applicable.

IX. REFERENCE INFORMATION RELATING TO THE COMPANY

1. Information of Parent Company, etc. of Filing Company

Not applicable

2. Other Reference Information

The following documents were filed with the Director General of the Kanto Local Finance Bureau during the period from the beginning of the relevant fiscal year to the date of filing of this report:

NAME OF DOCUMENTS	FILING DATE
(1) SECURITIES REPORT AND ATTACHMENTS THERETO	JUNE 16, 2008
(2) AMENDMENT TO SHELF REGISTRATION STATEMENT	JUNE 16, 2008
(3) SEMI-ANNUAL SECURITIES REPORT AND ATTACHMENTS THERETO	SEPTEMBER 19, 2008
(4) AMENDMENT TO SHELF REGISTRATION STATEMENT	SEPTEMBER 19, 2008

PART II INFORMATION CONCERNING GUARANTOR, ETC. OF THE COMPANY

Not applicable.