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 4, 2010 through Electronic Disclosure for Investors' Network (EDINET) provided for in Article 27-30-2 of such Law.

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

RENAULT
(E05907)

(TRANSLATION)

Cover Page

Document Name:	Securities Report
Based on:	Article 24, Paragraph 1 of the Financial Instruments and Exchange Law
Filed with:	The Director General of Kanto Local Finance Bureau
Filing Date:	June 4, 2010
Fiscal Year:	From January 1, 2009 to December 31, 2009
Corporate Name:	Renault
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Place(s) of Public Inspection:	Not applicable

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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 10, 2010 was EUR 1 = JPY120.09**.** 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.

Management

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

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

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

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

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

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

The management is vested in a single person who 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

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

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

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

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

(c) Right to Claim Dividends

Net income is appropriated in compliance with existing legislation.

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

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

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

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

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.

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

Statutory thresholds

Shares are registered in an account according to the provisions and terms established by law. Fully paid-up shares are in either registered or bearer form, at the discretion of their owner, subject to legislation in force and the 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.

Management

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

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

A/Directors appointed by the Shareholders' General Meeting

These shall number at least 3 and at most 15 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.

Independent Auditors (Commissaires aux Comptes)

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.

Accounting

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

2. FOREIGN EXCHANGE CONTROL SYSTEM: FOREIGN INVESTMENTS IN FRANCE

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

Definitions

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

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

A-Administrative declaration

1) Content of the administrative declaration

   The administrative declaration shall be made at the earlier of the entry into the agreement 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*[2] (Article R.152-4 of the CMF):

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

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

- The purchase of agricultural lands for wine making purposes;

- The liquidation of foreign directs investments in France;

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

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

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

- All significant amendments related to their existence or business: closure of business, change of

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

corporate name or address, liquidation;

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

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

Failure to make such statistical declarations may involve criminal penalties.

C-Investments 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 2005, 2006, 2007, 2008 and 2009 are presented under IFRS**.** In 2007, Renault has reviewed the accounting treatment of certain components of revenue (mainly, operations related to contracts with subcontractors and sales of parts under warranty to customers) and has opted to recognize actuarial gains and losses in equity. Restated comparative information for the year ended December 31, 2007, the year ended December 31, 2006, and December 31, 2005 is included in the table below, as published in the 2009 Registration Document.

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

	Under IFRS				
(Consolidated figures[1])	2005	2006	2007	2008	2009
Revenues	40,246	40,332	40,682	37,791	33,712
Operating margin[2]	1,323	1,063	1,354	326 (9)	(396)
Operating income	1,514	877	1,238	(117)	(955)
Group pre-tax income[5]	3,793	3,215	2,989	761	(2,920)
Group net income	3,462	2,960	2,734	599	(3,068)
Renault net income (f)	3,376	2,886	2,669	571	(3,125)
Average number of shares outstanding [3] (in thousand) (b)	255,177	256,994	258,621	256,552	257,514
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 [6] (a)	19,492	21,071	22,069	19,416	16,472
Total assets (e)	68,372	68,851	68,198	63,831	63,978
Capital adequacy ratio (%) (a)/(e)	28.51	30.60	32.36	30.42	25.75
Shareholders' equity per share [6] (EUR) (a)/(g)	68.41	73.95	77.45	68.14	57.81
Net dividend per share (EUR)(c)	2.40	3.10	3.80[4]	0[7]	0[8]
Earnings per share (EUR) (d)=(f)/(b)	13.23	11.23	10.32	2.23	(12.14)
Cash flows from operating activities	5,085	2,586	4,650	(446)	6,040
Cash flows from investing activities	(3,053)	(3,044)	(2,852)	(3,635)	(2,094)
Cash flows from financing activities	(1,510)	260	(2,941)	1,494	1,962
Dividend payout ratio (%) (c)/(d)	18.14	27.60	36.82	0	0
Number of employees at December 31(persons)	126,584*	128,893*	130,179	129,068	121,422

(*Excluding employees under the early retirement scheme.)					

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

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	2005	2006	2007	2008	2009
Revenues	0	0	0	0	0
Operating income/(expense)	(24)	(27)	(20)	(31)	(30)
Income before tax and exceptional items	387	1,864	978	(1,040)	208

Pre-tax income	490	1,863	977	(1,040)	(43)
Net income (f)	581	1,941	1,096	(863)	49
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)	16,256	17,395	18,671	15,728	14,536
Total assets (e)	24,696	24,657	25,425	26,196	26,955
Capital adequacy ratio (%) (a)/(e)	65.82	70.55	73.44	60.04	52.93
Shareholders’ equity per share(EUR) (a)/(g)	57.05	61.05	65.53	55.20	51.01
Net dividend per share (EUR)(c)	2.40	3.10	3.80 (4)	0(7)	0(8)
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 its core activities, and returned to profit in 1987.

In 1990, Renault became a limited company once again. In the same year, it signed an agreement for close cooperation with the Volvo group. In 1991, the two groups linked their 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) as well as the two models launched in 2002, a total of seven models were launched in 17 months. Mégane II became Europe's best-selling model.

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

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

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

In 2007, the product offensive began with the launch of New Twingo (produced in Slovenia) in May and of New Laguna (produced in France) in October. Both vehicles aim to achieve the highest standards of quality and reliability. In Korea, Renault Samsung Motors began production of QM5, a Koleos-based crossover vehicle, designed by Renault and developed by Nissan. Half of the total output is scheduled for export. Expanding its international presence, Renault founded new subsidiaries in Ireland and Scandinavia, increased its production capacity in Russia, and signed a memorandum of understanding for a future industrial complex in Morocco. In May, Renault launched the 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.

In 2009, Renault pursued its crisis management plan by cutting its costs and operating capital requirements, through its Renault Voluntary Plan and the establishment of a crisis social contract (short time working with no reduction in pay) in order to achieve a positive free cash flow. Carlos Ghosn is appointed Chairman of the Board of Directors, following the departure of Louis Schweitzer. Six new vehicles were launched: Grand Scénic III, Scénic III, Mégane III estate, Mégane Renault Sport, Fluence and Kangoo be bop. Renault confirmed its long-term vision of the automobile and zero-emission mobility by unveiling its future range of electric vehicles (Twizy ZE, Zoé ZE, Fluence

ZE and Kangoo ZE) and its new brand baseline, "Drive the change", at the Frankfurt Motor Show. An agreement was signed with the French government for the creation of a battery plant at Flins (France). The Renault-Nissan Alliance, which celebrated its 10th anniversary, aims to become the leading volume manufacturer of zero emission vehicles and has already entered partnerships with some 40 governments, local authorities and energy utilities all over the world. The foundations of the Tangiers plant were laid.

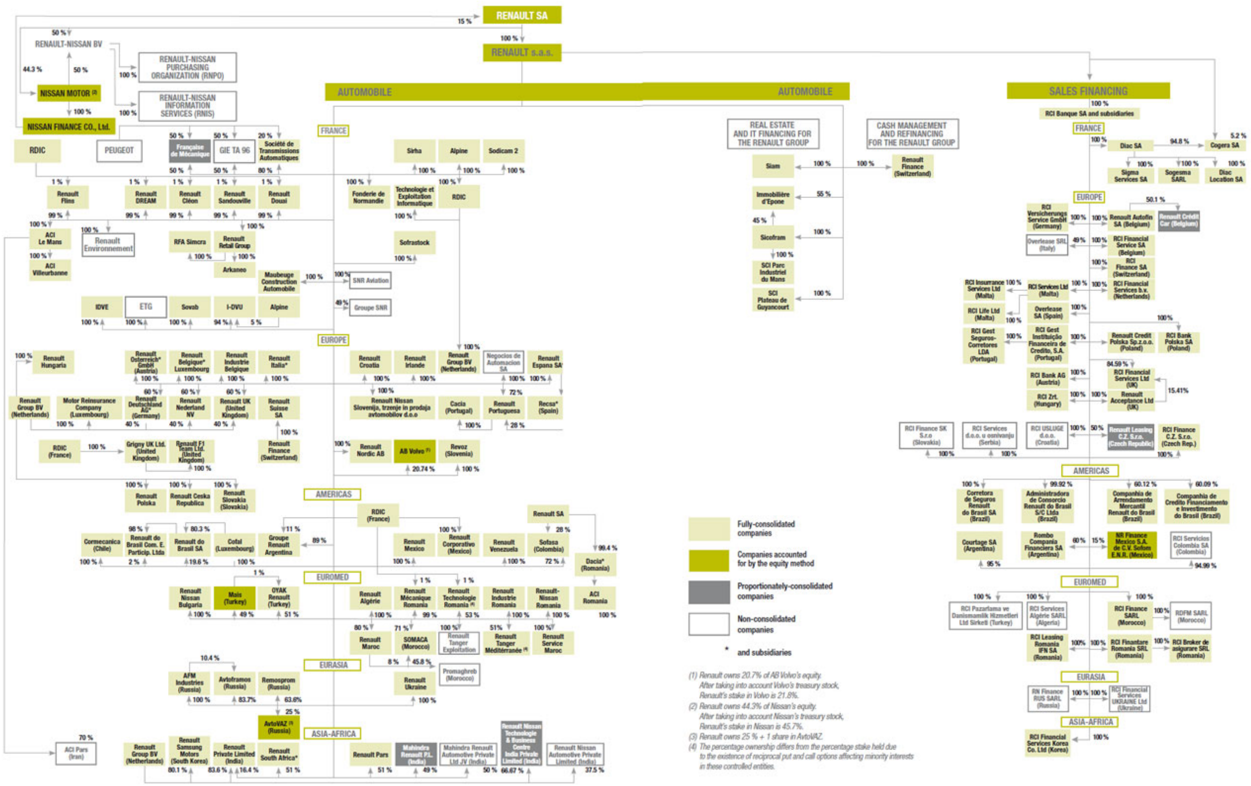
3. CONTENTS OF BUSINESS:

Since 2001 the Group's activities have been organized into two main entities:

- 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, 2009. 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



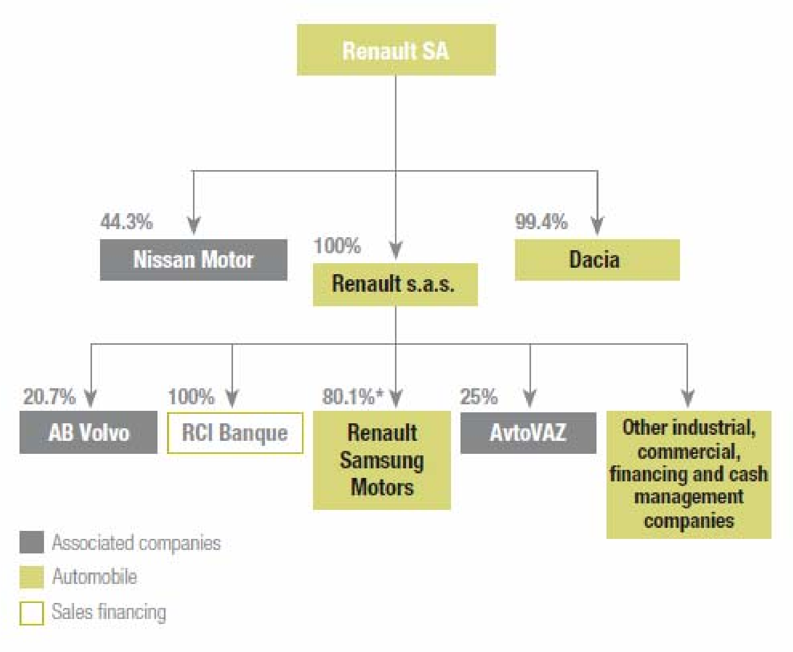
In addition to these two activities, Renault has three stakeholdings:

- 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 31/12/2009)



(*) 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.

With the Renault eco² and Dacia eco² labels, the Renault group 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 2009 70% of the vehicles sold by Renault in Europe satisfied this ecological commitment, which means that more than one million vehicles and 32% of the Group's sales emit less than 120g CO_2/km.

Similarly, at Renault, safety means more than just a list of functions with cryptic names. Our approach is global and tailored to each passenger. This is why Renault is the only manufacturer to have twelve vehicles with the maximum 5-star rating in Euro NCAP crash tests.

With its new baseline, "Drive the Change", ("Changeons de vie, changeons l'automobile" in French), Renault is clearly stating its ambition of becoming a key player in sustainable mobility for all.

Passenger cars

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

Logan is the main driving force behind Renault's international development. At end-2009 it was sold under the Renault brand name in almost 30 countries, including Russia, Colombia, Venezuela, Ecuador, Brazil, Argentina, Iran (under the name Tondar) and India (in partnership with Mahindra). With this broad industrial deployment, Renault is able to produce Logan close to its main markets in Russia, India, Iran, Brazil and Colombia. An affordable, spacious and robust vehicle offering unbeatable value for money, Logan is a real success.

Another vehicle symbolizing the international ambitions of the Entry programme is **Sandero**. Designed and produced under the Renault brand name in South America in the first instance, it has been enjoying large success in regional markets since 2008. A reliable vehicle of modern design, Sandero offers real value for money and is proving to be highly popular with customers. As a result, the Group has strengthened its positions in Colombia, Brazil and Argentina. South Africa started producing and selling Sandero in 2009 and Russia followed suit at the start of 2010.

In the *A segment* of city cars, **New Twingo** is a great success. Launched in mid-2007 it has reaped the benefits of the support measures introduced across Europe for the automotive industry. For its second full year on the market, Twingo II had a market share of 10.1% in Europe at end-2009, up 0.4 of a point in 2008, with record sales of 182,370 units (up 39.2% on 2008). Twingo II is also consolidating its leadership in France where it has a segment share of almost 30.5% with sale volumes nearly three times that of the Citroen C1 in 2009. Twingo II offers a broad and attractive range, with an entry-level price of just €7,990. The premium versions (Dynamique, GT, RS, Initiale) and the numerous limited editions (Night & Day, Rip Curl) also attract higher income groups. Thanks to its range of fuel-economical engines, including a gasoline powerplant that emits 114g/km and a diesel that emits 104g/km, Twingo takes full advantage of the current fiscal incentives in favor of low-emission engines.

In the *B segment*, New Clio made its market debut in April 2009 and opens a new chapter in the saga of Clio, which has enjoyed unflagging success since its launch in 1990, with more than ten million vehicles sold in more than 100 countries.

New Clio is a versatile, consistent vehicle. Available in hatch and estate versions, it has all the qualities of Clio III, as recognized in the title of "Car of the Year 2006": space, comfort and a benchmark ride. Without forgetting high standards of production quality that make it one of the most reliable cars in its segment. New Clio sets the benchmark in its segment with a new design inspired by the dynamic styling cues of the New

Mégane, a new GT version making sports performance accessible to Clio buyers and, as a first, a factory-fitted GPS navigation system for less than €500: Carminat TomTom.

The Clio range respects the environment. Most versions can carry the eco² label with, in particular, a new 99g 1.5 dCi model available from February 2010.

Clio Campus, a reliable, value-for-money vehicle, is the entry-level model in the Clio range. Following a minor restyling in May 2009, Clio Campus has enjoyed a new lease of life, illustrated by the Campus.com model, promoted solely on the Web, and an LPG version selling for €6,990.

New Symbol, produced at the Bursa site (Turkey) since the end of 2008 and launched in Cordoba (Argentina) in first-half 2009, confirmed Renault's success on the small three-box segment in 2009. Named "Autobest 2009", New Symbol has all the qualities necessary to attract family-car buyers in Central and Eastern Europe, Russia, Turkey, North-West Africa and Mercosur, with its modern design and frugal high-performance engines. In 2009 New Symbol was the best-selling car in Algeria, No. 2 in its segment in Turkey, and No. 1 imported vehicle in Romania.

Launched in 2004, Modus benefited from a new design and the introduction of Grand Modus (+20cm) in 2009. Modus is the first B segment MPV to score 5 stars in the Euro NCAP tests and is the most fuel-efficient model in its category. In 2009, Modus was the best-selling vehicle in its segment in France and the third best-selling model in Western Europe, with a 12.9% share of the small MPV segment by the end of 2009). Modus and Grand Modus are produced at the Valladolid site (Spain).

New Kangoo, launched in 2008, remains No. 1 in the leisure-activity vehicle segment in France. New Kangoo VP car is produced in Maubeuge (France). Its predecessor remains on the market and is still produced at Cordoba (Argentina), and at the Somaca plant (Morocco).

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, then in 2009 with New Mégane coupé, New Grand Scénic, New Scénic and New Mégane Estate. At the end of 2009, the launch of **Fluence** completed the renewal of the Renault range in this segment, pending the arrival of Mégane coupé-cabriolet, scheduled for summer 2010.

From its launch, **New Mégane Hatch** scored a maximum 37/37 for adult protection in Euro NCAP tests, making it the safest car on the market in any category (test carried out in 2008). 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, like **New Mégane Estate** launched across Europe from June 2009, 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.

After six years on the market and more than 1.6 million vehicles sold, Scénic II was replaced at end-April 2009 by a third-generation vehicle, 5- and 7-seater **New Grand Scénic**, and from June, by **New Scénic**, thus renewing Renault's offering in the compact minivan segment. A class leader in safety, New Grand Scénic scored five stars in Euro NCAP tests, based on the new 2009 standards, making it the safest compact minivan on the market.

In November 2009 New Scénic also received the prestigious "2009 Golden Steering Wheel" award in the minivan category. The prize was awarded by the German daily newspaper *Bild am Sonntag*, and also by more than 250,000 readers of *AutoBild* and its sister magazines in 25 countries across Europe.

In October 2009 New Scénic reclaimed first place in compact minivan sales across Europe. New Scénic ships with a wide range of engines, of which no fewer than four carry the eco² label. A new automatic six-speed dual clutch transmission mated to the Euro 5 dCi 110 engine will complete the line-up before summer 2010. It will be the first automatic transmission on a mid-range diesel engine to carry the eco² label, thus confirming New Scénic and New Grand Scénic as eco-aware vehicles.

The Mégane family is at the core of Renault's expertise. Mégane has sold in almost nine 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 seven models in the Mégane family, each with its own strong personality, Renault is able to meet the specific needs of each customer. In 2010 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.

Koleos, Renault's first cross-over, was launched in June 2008 and is now available in more than 100 countries worldwide. This highly versatile vehicle is available in two versions, with two- or four-wheel drive. It enables Renault to be present in the highly sought-after *SUV/cross-over segment*, with a model that features the best of each segment. Koleos combines the comfort of a sedan, with the modular design of a compact minivan and the on-road capacities of a 4WD.

Through Koleos, Renault is building its presence on strategic international markets such as Mexico, Colombia, or China, where Koleos – launched in April 2009 – was already voted "Best Car" by the Chinese edition of Top Gear in November 2009.

In the upper mid-range D segment, Laguna III, launched in fall 2007, is leading 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/150,000km manufacturer's warranty. Since its launch, Laguna III has sold 174,581 units at end-December 2009.

Laguna is an eminently drivable vehicle, with high-quality engines including a 1.5 dCi with very low CO_2 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.

With 4Control, the active drive four-wheel steering system, Laguna is exceptionally nimble and easy to handle. This chassis allows the rear wheels to move both in parallel or in opposition to the direction of the front wheels, depending on vehicle speed and the angle of the steering wheel. The press was unanimous in its praise of this technology. The 4Control system is considered to set the standard at this level of the range in terms of safety and driving efficiency.

The line-up was expanded in second-half 2009 with the launch of the 2010 range.

Through the wider availability of 4Control technology, the TomTom navigation system and eco² engines, Laguna is seeking to satisfy a full range of customer requirements.

Laguna coupé, launched at the last Paris Motor Show, features clean, elegant flowing lines, similar to the concept-car presented at Frankfurt. The design of this vehicle is eminently appealing, while its road manners clearly position it as a thoroughbred sporting coupé. Equipped with the 4Control chassis, it is also the first vehicle to ship with the two new V6 engines developed by the Alliance. The 240hp V6 gasoline engine, which develops maximum torque of 330 Nm, already complies with the Euro 5 emission standard. The same is true of the 235hp V6 dCi engine, which strikes an excellent balance between performance, consumption and noise levels. 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 the luxury E segment, production of **Vel Satis** ended in December 2009, in line with the product plan. The vehicle had sold almost 62,000 units since 2002, of which 1,200 were in 2009, in a segment dominated by German manufacturers. Its decline was accelerated by the introduction in France of the bonus-penalty system on emissions in 2008. Although Vel Satis was recognized and appreciated by customers throughout its lifetime for its comfort, space and ride, it never enjoyed the expected success. These aspects served as benchmarks for vehicles in the Renault range (e.g. power-assisted parking brake).

Launched at end-2002 **Espace IV** is the fourth generation of a vehicle that launched the minivan concept in Europe and that remains a cornerstone of the Renault brand's identity. In 2009 Espace took third place in the large minivan rankings in Europe, with a market share of 11.2% at end-December in a segment which, as in 2008, dropped by almost 30%. This performance, along with its continued leadership of the French market, can be attributed in particular to the launch of the special series "25^{th}".

Launched in June 2009 to mark the 25^{th} anniversary of the launch of the first Espace, this special series features 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. It accounts for almost half of all sales.

In terms of engines, Espace gained a NOx & H2S Trap Euro 5 version of the 175hp 2.0 dCi engine in Germany and Austria from November 2009, and in Italy from January 1, 2010. 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. Espace gained the same manufacturer's warranty (three years or 150,000km) 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 most extensive ranges of light commercial vehicles (LCVs) 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 the European leader in LCV sales, a position it has held since 1998.

In the small van segment (vehicles weighing under 2 tons),a Maxi version with a load volume of $4m^3$ will be launched in 2010. This will make **Kangoo** new small van range the only one to offer a choice of three load lengths.

The eco² versions account for 80% of sales with, in particular, a 1.5 dCi version emitting 130g of CO_2/km. Like the car version, New Kangoo Express is produced at the Maubeuge site (France) and is currently being rolled out internationally.

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 (90hp and 115hp) and 2.5 dCi (120hp and 150hp) 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 the GM plant in Luton (UK) and in the Nissan plant in Barcelona (Spain). In 2009 Trafic was impacted by falling sales in its segment. At end-2009, it had market share of 14.1% in its segment in Europe.

With a 10.5% market share in the *passenger-carrying van segment* in France in 2009, 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 115hp 2.0 dCi engines, designed to cut fuel consumption and also CO_2 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 large van market. At end-2009 Master had a market share of 10.1% in Europe.

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

After 12 years in production and more than 88 versions, Master continues to enjoy unflagging success. The vehicle will be renewed in first-half 2010.

Dacia Brand

At end-2009 Dacia brand vehicles were available in 50 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** at 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 eco^2 label. In 2008 Italy launched an LPG offering of Sandero. In 2009 the ecological offensive continued with the launch of the LPG engine in France and the D4F engine (75hp, 139g CO_2) in Europe on Logan and Sandero. In November 2009 Sweden and France began selling E85-compatible vehicles: Dacia Logan MCV K4M in both countries and Sandero K7M in Sweden.

The Dacia brand is growing steadily with sales totaling more than 310,000 units in 2009, an increase of 20% on 2008.

Today more than ever Dacia continues to respond to the changing habits of consumers looking for the essential. The success of LPG vehicles in France and Italy and the scrappage bonuses introduced in a number of European countries such as Germany have given further impetus to the development of Dacia, which has doubled its market share in Europe.

In summer 2009 the five-model range was expanded with the arrival of Dacia **Sandero Stepway**, a “go-anywhere” vehicle boasting all the features that contributed to the success of Sandero, the compact roomy which has sold more than 190,000 units since its launch in June 2008: unbeatable value for money (comfortable seating for 5 tall adults, a 320 dm3 VDA boot) and impeccable reliability, reflected by the three-year or 100,000km warranty.

In spring 2010 the range will expand once more with the arrival of **Duster** 4x4, the first photos of which were published on December 8, 2009. The main features of Duster, which will be unveiled at the Geneva Motor Show, include low CO_2 emissions (less than 140g in 4x2 and less than 150g in 4x4).

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 4 passenger cars in South Korea (SM5, SM3, SM7 and QM5) covering the M1, M2, S and SUV segments. These 4 segments account for more than 77.9% 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 22.9% in its segment with sales of 61,010 units. L43, the third-generation SM5 vehicle, was launched in January 2010.

SM3, launched in September 2002, was restyled in July 2009. The new SM3 has enjoyed huge success since launch, with market share of 18.0% and a portfolio of 8,566 orders awaiting delivery.

SM7, launched in November 2004, is a roomy sedan, offering luxury interior comfort and high-end safety features. 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. It sold 18,234 units in 2009, taking a 10.9% share of the Large Luxury segment.

QM5, a new model launched in December 2007, is the first real cross-over on the Korean market. It sold 8,480 units in 2009, taking a 3.8% share of its segment.

The 4 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 (20,721 units in 2009). As part of Alliance agreements, RSM is continuing to export SM3 under the Nissan brand (30,670 units in 2009). In July 2008 RSM started exporting SM5 to Gulf markets under the Renault brand (1,549 units in 2009). L38 will be the third vehicle to be exported under the Renault brand name.

In 2009 RSM had sold more than 189,810 vehicles, of which 133,630 in South Korea. RSM is third on its domestic market.

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

POWERTRAIN RANGE

For Renault, respecting the environment is the major challenge that the automotive industry needs to address in order to ensure its long-term survival. Renault believes that it is essential to market affordable, high-performance technologies designed to cut CO_2 emissions.

To this end, the Group is committed to developing all-electric motors. All-electric vehicles produce zero CO_2 emissions in operation. At the same time, Renault is working steadily on introducing new technologies for conventional engines and transmissions that will significantly reduce CO_2 emissions.

In 2009 Renault presented EDC, its new dual clutch transmission, and its future range of all-electric motors.

The new EDC automatic transmission

Breaking with conventional automatic transmissions, the new EDC automatic transmission is designed to deliver a relaxed drive while keeping CO_2 emissions and fuel consumption at a level comparable with a conventional transmission.

The low CO_2 emissions can be attributed primarily to the combination of a dry dual clutch and electric actuators (a world first), and a specification calibrated to minimize fuel consumption.

The EDC transmission will make its debut on the New Mégane family in first-quarter 2010, on the mid-range dCi 110 DPF versions, which account for the bulk of sales.

Electric powertrains

Electric vehicles are a breakthrough solution delivering sustainable mobility for all. Renault is aiming to be market leader in zero-emission vehicles in use.

The Renault-Nissan Alliance is developing a full range of all-electric powertrains with output of between 15 kW and 80 kW (20hp and 110hp).

New V6 dCi 235 engine

Designed and built by the Alliance, this new engine meets the worldwide demand for powerful and fuel-efficient powerplants, with low CO_2 emissions. This engine is made at Cléon (France). It outputs 235hp at 3,750rpm, with a torque of 450Nm at 1,500rpm. Both flexible and reactive, this engine is a flagship of Renault's excellence in powertrain engineering.

F4RT RS sports engine: 250hp of pure pleasure

This new 2.0 16v engine mated to the 6-speed PK4 transmission with optional limited slip differential, is available on the New Mégane RS.

It develops 250hp (184kW) at 5,500rpm with torque of 340Nm at 3,000 rpm. This performance can be attributed primarily to optimized turbocharger matching, a variator on the intake camshaft, revised injection mapping, optimized engine mapping, a turbocharger with a wider diameter and a modified exhaust system. With 80% of maximum torque available from 1,900 rpm, this engine is exceptionally responsive, thanks to its twin scroll type turbo and variator on the intake camshaft.

To ensure performance and reliability, more than 25% of parts are new compared with the 231hp version fitted on Mégane F1 Team R26: new intake ports, a strengthened rotating assembly (pistons and rods), new air/air and water/oil intercoolers, a new coating on the rotational axis of the piston, a new DLC coating on the piston pin (technology used in Formula 1), sodium-cooled valves and a piston ring carrier.

MAIN MANUFACTURING SITES

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

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. Renault uses Nissan's plants in Barcelona (Spain) and in Pretoria (South Africa) to manufacture Trafic and Sandero respectively.

In 2009 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 – 2009 PRODUCTION (UNITS)

2009	SITES	PRODUCTION (IN UNITS)	VEHICLES OR COMPONENTS
Renault brand			
Renault sites			
France	Flins	140,774	Clio II ph4, Clio III
	Douai	165,198	Mégane III (coupé-cabriolet), Scénic II and Scénic III (5- and 7-seater)
	Sandouville	63,310	Laguna III (hatch, Estate, coupé), Vel Satis, Espace IV
	Maubeuge	113,485	Kangoo III(1)
	Batilly	59,503	Master II(2), Master III, Mascott II(3)
	Dieppe	4,021	Clio III Renault Sport, Mégane II Renault Sport (hatch, coupé)
	Cléon	819,064	Engines, transmissions
	Le Mans	2,186,733	Front/rear axles, subframes, bottom arms, pedal assemblies
	Choisy-le-Roi	97,161	European center for reconditioned powertrain sub-systems (engines, transmissions, injection pumps, nozzle holders, cylinder heads, sub-assemblies), new engines and powertrain components, Clio II rear axles, end casing machining
	Grand-Couronne	n.d.	Shipment of CKD kits
Spain	Palencia	255,280	Mégane III
	Valladolid	94,808	Clio III, Modus
		822,913	Engines
	Seville	755,346	Transmissions
Portugal	Cacia	353,425	Transmissions, mechanical components
Slovenia	Novo Mesto	212,679	Clio II phase 4, Twingo II
Russia	Avtoframos	51,393	Logan (Renault)
Turkey	Bursa	277,761	Thalia, Fluence, Mégane, Clio III, Clio III (sedan)
		500,279	Engines, transmissions
Morocco	Casablanca	41,385	Logan (5), Kangoo Generation 2006
Argentina	Cordoba	65,461	Thalia, Clio II, Clio II sedan, Kangoo, Kangoo Express
Brazil	Curitiba	140,541	Scénic I, Mégane II (hatch, sedan), Logan (Renault)
		193,519	Engines
Colombia	Envigado	24,829	Twingo, Clio II (hatch and sedan), Mégane I sedan, Logan (Renault)(4)
Chile	Los Andes	277,881	Transmissions, mechanical components
Iran	Teheran	31,997	Logan (Renault)(5)
		51,598	Front/rear axles
India	Nashik	7,507	Logan (Renault)
Nissan sites			
Spain	Barcelona	24,557	Trafic II(6)
Mexico	Aguascalientes	3,947	Clio II(7)
South Africa	Pretoria	10,932	Sandero
General Motors Europe site			
UK	Luton	53,651	Trafic II
Dacia brand			
Romania	Pitesti	296,110	H79, Logan, Logan van, Logan station wagon, Sandero
		1,654,001	Engines, transmissions, drive lines
Renault Samsung brand			
South Korea	Busan	192,029	SM7, SM5, SM3 (Fluence), QM5 (Koleos)
		161,972	Engines

(1) The Maubeuge site also builds Kangoo vehicles for Nissan, which are sold under the name Kubistar, which is 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) Dacia-badged Logan.
(5) In partnership with the Iranian companies Pars Khodro and Iran Khodro.
(6) Nissan's Barcelona plant also manufactures compact vans marketed under the names Primastar and Vivaro by Nissan and Opel respectively.
(7) 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:

- dealers who can sell and service Renault vehicles;
- branches belonging to the Renault group's business distribution unit, "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 commercial ties to a dealer in the primary network.

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

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

NUMBER OF RENAULT CONTRACTS	2008		2009	
	EUROPE(1)	O/W FRANCE	EUROPE(1)	O/W FRANCE
Branches and subsidiaries	11	1(2)	11	1(2)
Dealers	1,449	318	1,481	296
Sub-dealers	8,058	4,562	8,013	4,543
TOTAL	9,518	4,881	9,505	4,840

(1) Europe: includes the ten Western European subsidiaries plus Poland, Hungary, Croatia, the Czech Republic, Slovenia, Slovakia and the 4 countries of the Nordic region.
(2) A single Renault Retail Group contract covers 58 outlets (compared with 62 in 2008).

Renault Retail Group

This fully owned Renault commercial subsidiary is the Group's biggest in terms of revenues (€7.5 billion in 2009) and workforce (12,561 employees).

Its role is to directly distribute, on a profitable basis, Alliance products and services (Renault, Nissan and Dacia). 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.

At the same time Renault Retail Group manages its commercial presence, primarily in strategic urban areas. It seeks always to deliver the highest standards in service quality and to build its image. The company also assists Renault Regions in the Retail function.

Renault Retail Group is present at around 350 sites in twelve European countries.

The work of Renault Retail Group is organized around three objectives that have structured the group's Vision since 2007 and that are rolled out at all Group countries, centers and sites.

- objective 1: improve organization and costs;

- objective 2: satisfy the customer;
- objective 3: build volumes and profitability.

In 2009 Renault Retail Group continued to implement its Vision, placing the emphasis on free cash flow management.

RENAULT RETAIL GROUP FIGURES AT END-DECEMBER 2009	EUROPE	O/W FRANCE
New vehicles *(units)*	285,977	180,157
Used vehicles *(units)*	179,761	122,034
New and used vehicles *(units)*	465,738	302,191
Revenues* *(€ thousands)*	7,493,627	4,884,421
* *From RRG management statements.*		

Highlights in Group network strategy in 2009

Changes to Dacia network strategy

For the roll-out of Logan in Western Europe in 2005, 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 show rooms.

The roll-out of the Dacia brand in Western Europe has proved to be a huge success. In France, Dacia ranked ninth on the market in 2009 with 65,956 car/LCV registrations at year end, behind Mercedes and ahead of Audi. In Germany Dacia and Renault I segment vehicles have been the main beneficiaries of the scrappage program put in place by the government. As a result, Dacia has taken 14th place on the market with 84,875 car/LCV registrations.

Additional NV display areas were put in place in response to booming European sales volumes, driven primarily by the expanding range. A pragmatic approach was adopted, through which separate Dacia show rooms were gradually put in place, according to the potential of local markets. Dacia after-sales service is still provided in Renault workshops.

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;
- 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 virtually 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 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 of some subsidiaries.

In 2007 Renault's Corporate Treasury department reviewed its arrangements for centralizing Group cash-flows, which led to the closure of its internal bank, *Société Financière et Foncière* (SFF) in 2009. For the euro zone, cash is centralized through an IT platform that manages 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, functioning within a strict framework of risk management rules. 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 capital 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 a number of 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 (Czech Republic, Denmark, Finland, Hungary, Norway, Sweden, Switzerland and UK). Other foreign currency cash-pooling operations are in progress.

At end-December 2009 parent company net income was €35.9 million (against €54.8 million at end-December 2008) and total parent company assets amounted to €6,406 million (*vs* €3,870 million at end-December 2008).

B. SALES FINANCING

RCI is the captive financing branch of the Renault-Nissan Alliance and, as such, finances sales of the Renault, Renault Samsung Motors (RSM), Dacia, Nissan and Infiniti brands.

The RCI Banque group operates in 39 countries:

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

At December 31, 2009 the RCI Banque group had total assets of €24,245 million. The group employed an average of 2,990 people during the year, of whom 44.11% were in France.

In the Western European countries where the RCI Banque group is active, sales financing in 2009 accounted for 30% of the sales of new vehicles of the Renault and Nissan brands.

In its capacity as a brand financing entity, the group has the mission of offering a complete range of credit and service solutions.

- customer activity (consumers and professionals):
    - to propose credit for new and used vehicles, rental with an option to buy, hire purchase, long-term rental and associated services, such as maintenance and warranty extension, insurance and assistance, fleet management and credit cards.
- networks:
    - 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, 2009 was €27.5 billion, based on a closing price of ¥810 per share.

Renault holds 44.3% of the capital of Nissan. At December 31, 2009, the market value of the shares held by Renault totaled €12.2 billion.

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

AB VOLVO

With a share in Volvo's capital of 20.7% of issued shares (and 21.3% of voting rights after taking account of the self-held shares of AB Volvo), Renault is the main shareholder of Europe's premier manufacturer of large trucks and the second largest manufacturer in the world. Since the General Meeting on April 1, 2009, Renault has been represented on Volvo's Board of Directors by Jean Baptiste Duzan, Advisor to the Chairman and CEO of Renault.

The Volvo group possesses five brands in the commercial vehicles sector: Volvo Trucks, Renault Trucks, Mack, UD Trucks Corporation (the new name for Nissan Diesel) and Eicher. The Group is also active in the site vehicles, coach and bus, engines, aerospace and financial services sectors. The Volvo group manufactures its products in 19 countries and sells them on more than 180 markets. The Group's headcount totals more than 90,000.

The range of commercial models stretches from small, light vehicles to high-tonnage trucks, in a broad network covering more than 130 countries throughout Europe, Russia, North and South America and Asia, where the group is strengthening its presence.

Volvo has been hit hard by the crisis and has had to cut costs, boost productivity and adjust its stocks. Nevertheless, the group continues to invest in R&D in order to guarantee the competitive performance of its future vehicles.

In 2009, the demand for vehicles was particularly low, with worldwide deliveries of 127,681 units, compared with 251,150 in 2008, representing a drop of 49%. The slump differed from one market to another (-30% in South America, -42% in North America and Asia and -60% in Europe). However, shipments increased sharply in the fourth quarter on certain markets (+62% in Europe, +49% in South America, +35% in North America and +22% in Asia compared with the third quarter of 2009). Orders also rose, resulting in an increase in production.

A dividend of two Swedish Krona was distributed for FY 2008 in April 2009. Renault therefore received €80.9 million of dividends in the 2009 financial period, compared with €259 million in 2008.

No dividends was submitted for approval by the Combined General Meeting of April 30, 2010.

In 2009, Volvo made a negative contribution to Renault's results of -€300 million, compared with €226 million in 2008 (see note 15 of the consolidated Financial Statements in VI. Financial Condition, 1. Financial Statement).

(millions)		**2009**		**2008**	
		SEK	**EUR**	**SEK**	**EUR ****
Net revenue		218,361	20,561 *	304,642 (1)	31,668
Operating margin		(17,013)	(1,602)	15,851	1,648
Net income		(14,685)	(1,383)	10,016	1,041
Dividend per share in SEK		2	for FY 2008	5.5	for FY 2007
Closure at 12/31 in SEK	Volvo A share	61.00	5.95 **	43.7	4.02 ***
	Volvo B share	61.45	5.99 **	42.9	3.95 ***

** 1 EUR = 10.62 SEK.*
*** 1 EUR = 10.252 SEK.*
**** 1 EUR = 9.62 SEK.*
(1) Using 2009 methods.

Based on the stock market value of SEK61.00 per A share and SEK61.45 per B share, at December 31, 2009 Renault's holding in AB Volvo is valued at €2,640 million, compared with €1,753 million at December 31, 2008. On the same date, the market capitalization of Volvo was €12,519 million.

For more information about Volvo, go to http://www.volvogroup.com/group/global/en-gb/Pages/group_home.aspx.

AVTOVAZ

Renault holds a 25% stake plus one share in AvtoVAZ – Russia's leading manufacturer – 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.

In 2009 with Russia in the throes of crisis and facing the collapse of its automotive market, the Russian authorities and AvtoVAZ committed to a support plan accompanied by cost-cutting efforts. The plan will seek to develop the company through an ambitious product plan that includes the creation of new vehicle ranges tailored to the requirements of the Russian automotive market. The aims are to produce 900,000 vehicles in 2015, to maintain Lada's market share 25% in Russia, and to grow exports.

Signed on November 27, 2009 the memorandum of understanding makes provision for financial support from the Russian government. In return Renault will contribute its technological expertise and Renault and Nissan will use the production capacity of the Togliatti plant to meet the requirements of the Russian market:

- the Russian government will increase its financial support for AvtoVAZ from 25 to 75 billion roubles (€1.67 billion) to reimburse bank debt and cover the company's short-term cash needs;

- the Samara regional government will take over payroll costs for the 14,600 people to be transferred to two AvtoVAZ subsidiaries;

- AvtoVAZ personnel and installations used for social purposes will be transferred to federal and local authorities;

- Renault will contribute the equivalent of €240 million (10.8 billion roubles) in-kind through the transfer of technologies, machines, equipment and expertise to produce new vehicles on the B0 (Logan) platform. Renault will also help AvtoVAZ create new engine and transmission production capacity and to develop a new low-cost vehicle to replace Lada Classic.

Renault and its Alliance partner Nissan are planning to use production capacity available at the Togliatti plant to build vehicles for both brands. Vehicles produced for the Lada brand will account for at least 70% of the total production volume of AvtoVAZ.

All these measures will help AvtoVAZ restore margins and increase the market share of combined sales of Lada, Renault and Nissan vehicles in the Russian market.

The definitive agreements should be signed in first half 2010.

Renault accounts for its shareholding in AvtoVAZ by the equity method, as described in note 15-B 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:

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

- to 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 calls upon almost 100 quality experts, half of whom are outside France, in its work with 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.

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

Moreover, in view of the current economic conditions, Renault has increased support for suppliers in difficulty.

This assistance can take several forms: support during the restructuring period through continued orders and visibility over medium-term revenue; measures based on temporary cash flow support, enabling the supplier to deal with immediate difficulties, or a contribution of equity or quasi equity through the FMEA, a €600 million investment fund in which Renault is an equal partner alongside the French government and PSA.

On a global level, the Global Supply Chain department (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.

- The Renault-Nissan Alliance, the French Atomic Energy Commission (CEA) and the French Strategic Investment Fund (FSI) signed a letter of intent to create a joint-venture to develop and manufacture batteries for electric vehicles in France. Renault, Nissan and the CEA would invest in the project, as well as providing technical expertise and infrastructure support. Consistent with its mission of making long-term investments in French companies in order to boost their competitiveness, the FSI would contribute €125 million to the project. To complete the financing of the project, the European Investment Bank (EIB) is considering a loan of up to 50% of the €280 million debt financing. The joint-venture would focus on advanced research, manufacturing and the recycling of electric vehicle batteries. The joint-venture plans to produce batteries from mid-2012 at the Flins plant, located 30km from Paris. The targeted production capacity is 100,000 batteries/year. The investment value of the first phase of the project is estimated at €600 million. The batteries produced by the joint-venture would be available for sale to all manufacturers. The Renault-Nissan Alliance would use its European battery plants in France, the UK and Portugal to supply electric vehicles produced in Europe. Renault intends to use the batteries produced at Flins for its own range of electric vehicles, primarily the future electric vehicle based on the Zoé Z.E. Concept, which will also be built at Flins. The joint-venture will also develop technologies to recycle batteries on site, as part of a sustainable approach to operations.

- Renault has also signed a number of commercial agreements for the sale of subsystems, notably automatic transmissions (for Chery and its Tiggo and Easter models) and diesel engines (for Suzuki and its Grand Vitara).

- 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 have been 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 end-2009. This increased capacity will make it possible to introduce new models in first-half 2010 and to support Logan's success on the Russian market.

In India:

- in Chennai, the Alliance is building its first joint production site as part of a joint-venture (JV RNAIPL). In January 2010 Renault confirmed the launch of several models of its range, manufactured in the Chennai plant, on the Indian market in two years from now;

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

- the Renault-Nissan Alliance signed a memorandum of understanding with Bajaj – India's second biggest motorbike producer and leader in the 3-wheeled vehicle segment – to develop, produce and sell an innovative ultra-low cost vehicle (ULC), from 2012. Bajaj will manage the design, engineering, production and purchasing functions, with the support of the Alliance. Marketing and distribution will be managed by the Alliance, with the support of Bajaj;

- with its industrial and commercial partner Mahindra & Mahindra, Renault is continuing to produce and sell Logan sedan. Logan has sold more than 43,200 units since its launch in May 2007 and ranked ninth in its segment in India in 2009.

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 is 240,000 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 covered the investments and expenses incurred before launching the first vehicle through a capital increase. More than 97,900 Tondar (local name of Logan) vehicles have been built since production started in March 2007, of which more than 32,827 in 2009. At the same time, with the ramp-up in production since 2008, more than 4,700 Mégane vehicles have been assembled in partnership with Pars Khodro.

In South Africa, following a cooperation agreement signed in May 2007, the Alliance invested ZAR1 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 2009. The Pick-up is assembled by Nissan and sold under its own brand name. Sandero, which is also assembled by Nissan, is sold by the subsidiary Renault South Africa. Nissan purchases CKD parts from Renault and covers all specific investments.

In Morocco, after the agreement signed in 2009 to build an industrial complex in the region of Tangiers, using the TangerMed port platform, the first foundations were laid in 2009. This industrial complex will use the advanced logistics infrastructure developed by the Kingdom of Morocco in the northern part of the country.

In view of the success of Logan and Kangoo on Moroccan and export markets, the production capacity of Somaca, 80% owned by Renault, was doubled, for an investment of €45 million, in 2008 and 2009, and the production of Sandero - vehicle based on the Logan range – started in 2009.

In Romania, Renault confirmed the extension of Renault Technologie Roumanie, with the opening of a test centre near the Dacia site. The site's main role is as the base for future international development projects.

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 s.a.s., was founded in May 2008. Its role is to develop new business in the sectors of sustainable development and the environment, in line with Renault's eco² policy.

The same year Renault Environnement set up a joint-venture (Renault Industrie Holding – RIH) with SITA Recyclage, a subsidiary of Suez Environnement. By taking a stake in Indra, a manager and distributor of ELV vehicles with a network of 350 dismantlers in France, this JV aims to give impetus to the recycling of ELV vehicles and the marketing of re-used materials and parts.

Through its fully owned subsidiary GAIA, Renault Environnement aims to recover production scrap and cancelled parts at Group sites.

In December 2009 Renault Environnement took a stake in the Belgian company Key Driving Competences, to develop eco-driving activities across Europe. The aim is to introduce innovative eco-driving training products, change the behaviour of car and truck drivers, and provide sustainable mobility services for everyone.

In association with its industrial partners and the local authorities, Renault Environnement is also involved in a project to develop an eco-centre at Flins.

(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.

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 the 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 6,085,058 units in 2009, giving global market share of 9.8% for the Alliance (including for the first time the sales for the AvtoVAZ, Lada brand).

OBJECTIVES OF THE ALLIANCE

VISION – DESTINATION OF THE RENAULT-NISSAN ALLIANCE

Ten years of cooperation and synergy; managing through the global crisis

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

Comprising five brands – Renault, Dacia, Renault Samsung, Nissan and Infiniti – the Alliance sold a combined total including the sales of the AvtoVAZ, Lada brand, of 6,085,058 units in 2009, giving a global market share of 9.8% for the Alliance and making it the 4th largest automotive group in the world.

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. It seeks to maximize efficiency by combining the strengths of both companies and developing synergies through common organizations such as the Renault Nissan Purchasing Organization (RNPO), joint working groups and shared platforms, components and industrial facilities.

Operating in 190 countries around the world, the Alliance seeks to attract the best global talent, providing good working conditions and challenging opportunities. It encourages employees to develop a global and entrepreneurial mindset. The Alliance targets attractive returns for the shareholders of each company. It upholds the principles of sustainable development in all areas of its business operations.

Objectives

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

- to be recognized by customers as being among the best three automotive groups in terms of the quality and value of its products and services in each region and market segment;

- to be among the best three automotive groups in key technologies, each partner being a leader in specific fields of excellence;

- to consistently generate a total operating profit among the top three automotive groups in the world, by maintaining a high operating margin and steady growth.

Strategic management

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

In March 2002, the Alliance set up a strategic management company, incorporated under Dutch law and jointly and equally owned by Nissan and Renault. The aim was to establish a common strategy and manage all synergies. Renault-Nissan b.v. (RNBV) hosts the Alliance Board, chaired by Carlos Ghosn, Chairman and CEO of Renault-Nissan Alliance management board. The board steers the Alliance’s medium- and long-term strategy and is made up of three directors from Renault and three directors from Nissan. Other members of the Renault group Executive Committee and the Nissan Executive Committee (the most senior directors in each company) also attend meetings of the Alliance Board, which are held up to ten times a year.

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. (RNBV)

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

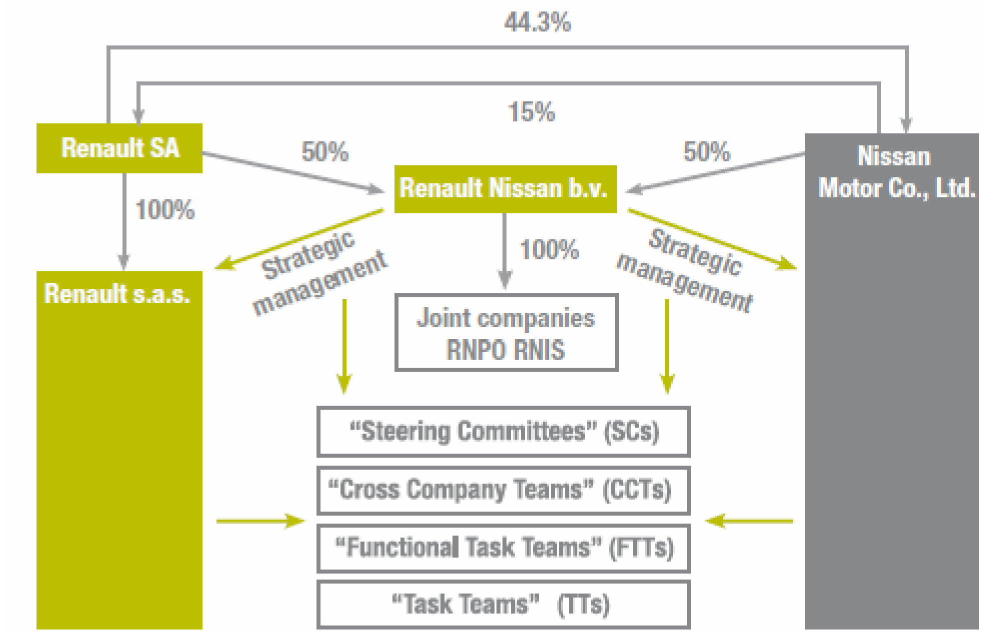
RNBV possesses clearly defined powers over both Renault and Nissan Motor Co., Ltd.

RNBV 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 RNBV, 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 RNBV.

STRUCTURE OF THE ALLIANCE



<u>Powers of Renault-Nissan b.v.</u>

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 ten-year plans (strategic company projects, with quantified data);
- approval of product plans (parts of strategic projects corresponding to the design, development, manufacture and sale of current or future products, vehicles and components);
- decisions concerning the commonization of products and powertrains (such as platforms, vehicles, gearboxes, engines and other components);
- financial policy, including:
  - rates of discount used for ROIC studies and hurdle rates, applicable to future models and investments,
  - risk-management rules and the policy governing them,
  - rules on financing and cash management,
  - debt leverage;
- management of common subsidiaries, and steering of Cross-Company Teams (CCT) and Functional Task Teams (FTT) including CCT/FTT/TT (Task Teams) creation, modification or disbandment;

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

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

The areas covered include:

- creation and scope of joint subsidiaries;

- supplementary financial incentive schemes;

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

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

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

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

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

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

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

Alliance: strength through the global crisis

The global financial and economic crisis created significant threats for the entire global auto industry during 2009. The Alliance faced this challenge head-on and took a series of actions to ensure both the long-term sustainability of each company and to take the level of cooperation to a higher level.

In May, 2009, the Alliance announced additional synergy projects that would contribute €1.5 billion in free cash flow to Renault and Nissan. The RNBV team was established to facilitate those new synergy projects and to reinforce deployment across both companies as a long term change to the way in which the Alliance is operated and managed.

In addition to delivering the additional free cash flow, the RNBV team worked to boost the efforts being made across the two companies in areas such as global expansion and new product programs. For example, in November 2009, an agreement was reached between the Alliance and Indian bike maker, Bajaj Auto, to produce and distribute a new ultra low-cost vehicle. Starting in 2012, this new vehicle would be sold through the Alliance into India and potentially for export.

Alliance & sustainability: zero emission leadership

In 2007, the Alliance declared its intention to be the global leader in the mass marketing of zero emission vehicles. 2009 saw substantial progress towards that objective, driven by the strong alignment and cooperation between the two companies.The Alliance is investing €4 billion into research, engineering, product development and manufacturing. The first electric vehicle – the Nissan Leaf – will be launched in late 2010 and a further six electric vehicles have been confirmed for production across the Renault, Nissan and Infiniti brands.

At the heart of the Alliance leadership strategy in zero emission vehicles is the battery. During 2009, the Alliance confirmed five all-new battery production plants to be built in Japan, France, the United States, the United Kingdom and Portugal. When fully operational, these plants will give the Alliance 500,000 units of battery production capacity a year.

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 meets up to ten 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 chaired by Carlos Ghosn, President and CEO of Renault and President and CEO of Nissan. The Alliance Board also includes three 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, 2009):

(1) PARENT COMPANY

Not applicable.

(2) SUBSIDIARIES

The total number of consolidated subsidiaries of the Company at December 31, 2009 was 130.
The significant subsidiaries are set out below:

Renault s.a.s.

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

- The share capital of Renault s.a.s. is EUR 533,941,113 divided into 35,012,532 voting shares of each EUR 15.240.

- Renault holds directly 100% of the capital of Renault s.a.s. and 100% of its voting rights.

- Business: design, manufacture, sale, repair, maintenance and leasing of motor vehicles (commercial, light commercial and passenger vehicles, tractors, farm machinery and construction equipment) as well as the design and production of spare parts and accessories used in connection with the manufacture and operation of vehicles. Also, all types of services relative to such activities and, more generally, all industrial, commercial, financial, investment and real-estate transactions relating directly or indirectly, in whole or in part, to any of the above purposes (see Article 3 of the articles of incorporation).

- 2009 revenues: EUR 26,145 million (local data to Group standards, external format).

- Workforce at December 31, 2009: 38,251 (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.

- 2009 revenues: EUR 4,621 million (local data to Group standards, external format).

- Workforce at December 31, 2009: 10,005.

Renault Deutschland

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

- The authorised share capital of Renault Nissan Deutschland is EUR 10,655,321.11 divided into 20,840 voting shares of each EUR 511.3.

- Renault s.a.s. holds directly 60% of the authorised capital of Renault Nissan Deutschland and 60% of its voting rights.

- Business: Renault Nissan commercial organization in Germany.

- 2009 revenues: EUR 2,780 million (local data to Group standards, external format).

- Workforce at December 31, 2009: 496.

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.
- 2009 revenues: TRL 5,724 million (local data to Group standards, external format).
- Workforce at December 31, 2009: 5,914.

Dacia

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

- The authorised share capital of Dacia is LEI 2,541,719,938.70 divided into 25,417,199,387 voting shares of each LEI 0.100.
- Renault holds directly 99.43% of the authorised capital of Dacia and directly 99.43% of its voting rights.
- Business: Manufacture and marketing of motor vehicles.
- Plant in Pitesti.
- 2009 revenues: ROL 8,940 million (local data to Group standards, external format).
- Workforce at December 31, 2009: 12,722.

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.
- 2009 revenues: EUR 1,492 million (local data to Group standards, external format).
- Workforce at December 31, 2009: 295.

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 100.

- Renault s.a.s holds directly 100% of Revoz share capital and 100% of its voting rights.
- Business: Manufacture of vehicles.
- Plant in Novo Mesto.
- 2009 revenues: EUR 1,283 million (local data to Group standards, external format).
- Workforce at December 31, 2009: 2,606.

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, 2009: EUR 6,356 million.
- Workforce at December 31, 2009: 30.

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 2009: EUR 8.4 billion.
- Total assets (RCI group) at December 31, 2009: EUR 24,245 million.
- Workforce at December 31, 2009: 2,920.

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 group b.v. 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.
- 2009 revenues: KRW 3,588 billion (local data to Group standards, external format).
- Workforce at December 31, 2009: 5,548.

Renault UK

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

- The authorised share capital of Renault UK Ltd is GBP 2,750,000 divided into 2,750,000 voting shares of each GBP 1.
- Renaultgroup 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.
- 2009 revenues: GBP 856 million (local data to Group standards, external format).
- Workforce at December 31, 2009: 297.

Renault Retail Group

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

- The share capital of REAGROUP is EUR 304,289,978.16 divided into 19,966,534 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.
- 65 branches in France.
- 2009 revenues: EUR 4,441 million (local data to Group standards, external format).
- Workforce at December 31, 2009: 8086.

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.
- 2009 revenues: RUB 23,052 million (local data to Group standards, external format).
- Workforce at December 31, 2009: 2,493.

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 4,649,359,104.49] divided into 442,669,009,499 voting shares.

- Renault group holds indirectly 99.85% of the authorised capital of Renault do Brasil and 99.85% of its voting rights.

- Business: Vehicle production and assembly, production of equipment, parts and accessories for vehicles.

- 2009 revenues: BRL 4,298 million (local data to Group standards, external format).

- Workforce at December 31, 2009: 4,703.

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 10.

- Renault group holds indirectly 100% of the authorised capital of Renault Argentina and 100% of its voting rights.

- Business: Manufacture and marketing of Renault vehicles.

- 2009 revenues: ARS 3,714 million (local data to Group standards, external format).

- Workforce at December 31, 2009: 2,201.

(3) AFFILIATED COMPANIES[3]

The total number of affiliated companies at December 31, 2009 was 13.
The significant affiliated companies are set out below:

Automobile Division

AB Volvo[4]

Volvo Bergergards Vog. S-405 08 GOTEGORG. Sweden

- The authorised share capital of AB Volvo is SEK 2,554,104,264 divided into 2,128,420,220 voting shares of each SEK 1.2.

- Renault s.a.s holds directly 21.8% of the shares capital of AB Volvo and 21.3% of its voting rights,

[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.

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 4,520,715,112 voting shares of each JPY 49.95.
- Renault S.A. holds directly 45.72% shares and 44.3 % of the voting rights.
- Business: The group NISSAN Motor is a world-wide car manufacturer involved in the design, manufacturing and distribution of car vehicles. As regards the relationship with Renault, please refer to 3.-(2)-“Renault-Nissan Alliance” of this Section.

AVTOVAZ

Adress: Yuzhnoye Shosse 36, Togliatti 445024, Russian Federation

- The authorised share capital of AVTOVAZ is RUB 9,250,270,100 The subscribed capital is RUB 9,250,270,100 divided into 1,850,054,020 voting shares of each RUB 5.
- Renault S.A. holds directly 25% shares (splitted into 18,76% of ordinary shares and 6,24% of preferred shares) and 25% of the voting rights.
- Business: AvtoVAZ is a Russian automobile manufacturer. As regards the relationship with Renault, please refer to 3.-(1)-C.-“AvtoVAZ” of this Section.

Financial Companies (Affiliates)

Renault Leasing CZ sro

Praha 5, Janackovo nabrezi 55/140, 150 05, Czeck Republic

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

5. STATEMENT OF EMPLOYEES:

WORKFORCE

Renault group workforce

At December 31, 2009, the breakdown of Renault’s workforce was as follows (excluding employees concerned by the CASA early retirement program).

GROUP WORKFORCE BY ACTIVITY

	2009	2008	2007	% var 2009 / 2008
Automobile	118,477	125,992	127,069	-6.0%
Sales Financing	2,945	3,076	3,110	-4.3%
Total	121,422	129,068	130,179	-5.9%

Changes in the scope of consolidation had an overall impact of +50 employees in 2009. These concern:
- companies consolidated in 2009: +97 employees;
- removal from the scope of consolidation of Dacia Consulting, RCI Finance SK S.R.O., Overlease Italie SRL: -47 employees.

On a like-for-like basis on 2008, Renault's workforce totaled 121,372 at December 31, 2009.

GROUP WORKFORCE BY GEOGRAPHICAL REGION AND PROFILE AT DECEMBER 31, 2009

	HEADCOUNT	% IN THE GROUP	% OF BLUE COLLAR WORKERS	% OF WOMEN
France	55,035	45.30	39.90	16.70
Europe (ex France)	21,598	17.80	53.20	17.40
Euromed	25,538	21.10	67.40	25.10
Eurasia	2,565	2.10	55.70	31.20
Asia-Africa	7,080	5.80	45.20	5.60
Americas	9,606	7.90	61.80	9.20
TOTAL	121,422	100	50.40	17.70

Group turnover in 2009 totaled 6.6%.

This figure is calculated as follows (based on the workforce under permanent contract): (total incoming staff in 2009 + total outgoing staff in 2009) / (2 × average workforce).

Total Group headcount contracted by more than 7,600 employees in 2009, in line with the goals of the program that had been announced to adjust employee numbers in the France and Europe Regions.

The share of women in the Group headcount increased 0.8 points in 2009, more particularly in France +1.2 points, as a higher percentage of men left under the Renault Voluntary Plan.

The blue collars share in the Group grew by 1.7 points, mainly in France (+2 points) due to the decrease of overhead staff (white collars) in 2009.

In americas, because of the increase in production workforce in Brazil, the change is particularly noticeable (+5.2 points).

III. STATEMENTS OF BUSINESS

1. OUTLINE OF RESULTS OF OPERATION, ETC.:

ECONOMIC PERFORMANCE

(1) SALES PERFORMANCE IN 2009

In a global market that fell 4.5%, the Renault group slightly raised its market share by 0.1 point to 3.7%. Sales declined by 3.1%, and the Group sold 2.3 million vehicles.

There was a marked contrast in 2009 between the first quarter, which was still heavily impacted by the crisis, with global markets contracting by 19.4%, and the second half, which benefited from support from government incentives.

Renault group sales were similarly contrasting, down 16.5% in the first half before expanding strongly in the second, lifted by six new vehicle launches: Kangoo be bop, Mégane coupé, Grand Scénic, Scénic, Mégane Estate and SM3/Fluence.

In 2009, the Group won additional market share in 11 of its 15 biggest markets.

The Renault Group's 15 biggest markets:

SALES EXCL. LADA	VOLUME 2009*	PC + LCV MARKET SHARE, 2009	CHANGE IN MARKET SHARE ON 2008
France	701,998	26.0%	+0.6
Germany	240,049	6.0%	+1.0
South Korea	133,630	9.3%	+0.8
Italy	124,258	5.3%	+0.4
Brazil	117,524	3.9%	-0.4
Spain	115,217	10.9%	+0.6
Turkey	82,261	14.8%	-0.1
UK	73,465	3.4%	-1.1
Russia	72,284	5.0%	+1.3
Belgium/Luxembourg	64,805	11.1%	+0.9
Argentina	61,019	12.4%	+0.3
Algeria	56,094	23.9%	+6.3
Romania	51,787	35.9%	+1.6
Iran	37,190	2.8%	-2.0
Morocco	37,106	33.7%	+5.5

* *Preliminary figures.*

Europe

- In **Europe**, where the market fell by 4.5%, Group sales rose by 1.4%, enabling the Group to increase its share by 0.6 of a point.

- The Renault brand is now once again the third-ranked brand in **Western Europe**, with a market share of 8.2%, chiefly owing to the success of the Mégane family and Twingo.

- The Renault brand continued to top the LCV market and raised its share by 0.4 of a point. The brand has been the undisputed leader in Western Europe for 12 years.

- In **France**, sales amounted to 701,998 units. The Group's share was up 0.6 of a point on a market supported by scrappage incentives and environmental bonuses.

- In **Germany**, Mégane sales jumped by 42.7%, and Sandero was highly successful thanks to the scrappage bonus scheme. The Group's share of the German market increased by a point relative to 2008.

- In **Spain**, where the market fell by 20.2%, Renault sales declined by 15.3%. The Group's share of the market rose by 0.6 of a point, notably owing to the success of the Mégane family.

- In the **UK**, the Group's share was down 1.1 points, reflecting an adjustment in volumes in the wake of sterling depreciation. In the second half, however, a targeted sales drive saw market share climb by 0.2 of a percentage point relative to the second half of 2008.

- Dacia brand sales rose by more than 90% in **Europe**, and Dacia is now one of the Top-ten selling brands in **France**.

- Entry range sales in Europe made up 40% of the range's total sales, helped by scrappage bonuses, particularly in Germany and France, and LPG incentives in Italy.

Outside Europe

- Renault group sales on international markets declined by 10.8%, although performances varied, with sales falling 38.2% in the **Eurasia** Region and rising 3.6% in the **Asia-Africa** Region.

- In **South Korea**, where the market rose by 20.1%, Renault Samsung Motors (RSM) increased its share by 0.8 of a point to 9.3% as sales increased by 31%. South Korea is now the Group's third-largest market.

- In **Russia**, where the market plummeted by 50%, the Group gained 1.3 points of market share, as Logan became the highest-selling vehicle of any foreign brand.

- In **Romania**, although the market plunged by 53.7%, the Group strengthened its leadership, raising its market share by 1.6 points to 35.9%.

- The Group increased its market share significantly in **North Africa**, by 6.3 points in **Algeria** and 5.5 points in **Morocco**.

- In **India**, however, Logan did not reach the hoped-for volumes, failing to achieve the same success as in other markets.

- In **Iran**, the financial problems of local partners affected performance. Market share was 2.8%, while volumes contracted by 34%.

- In **Brazil**, the Group put in a record performance, selling almost 118,000 units, as sales volumes increased by 2.1%. Even so, the Group did not keep step with the market, which also set a new record of three million units. The Group's market share fell by 0.4 of a point to 3.9%.

AUTOMOBILE

Group sales worldwide (units) – PC + LCVS

PC + LCVS	2009*	2008	CHANGE (%)
GROUP	**2,309,188**	**2,382,243**	**-3.1**
By Region			
Europe	1,529,368	1,507,554	1.4
o/w France	701,998	654,142	7.3
Euromed	240,500	274,352	-12.3
Eurasia	80,428	130,218	-38.2
Americas	236,029	254,957	-7.4
Asia-Africa	222,863	215,162	3.6
Outside Europe	779,820	874,689	-10.8

BY BRAND			
Renault	1,861,389	2,019,369	-7.8
Dacia	311,332	258,372	20.5
Renault Samsung	136,467	104,502	30.6
BY VEHICLE TYPE			
PC	2,032,565	2,018,024	0.7
LCVs	276,623	364,219	-24.1
* *Preliminary figures.*			

Renault brand

Passenger cars

The renewal of the Renault line-up continued in 2009, with the expansion of the **Mégane** family and the **Clio III phase 2** and **Fluence** launches.

On the *A segment*, **Twingo** is the number-one in France and one of the Top three sellers in its class in Europe. Twingo also benefited from government incentives in Germany, where sales rose by 49.9% to 33,213 units. Within Europe, Twingo registrations climbed 33.6% in 2009. With almost 175,000 registrations in 2009, Twingo reached a 9.9% share of the segment in Europe.

On the *B segment*, **Modus** held up well, with 71,702 units sold worldwide, a decline of 8.6%. **Clio III** sales were stable, edging down by 3.3%. Sales fell off sharply (23.6%) in the first half of 2009, but were stimulated over the rest of the year by Clio III's facelift. **Thalia** sales rose by 15.0% overall.

On the *C segment*, the **Mégane** family ranked number-three on the European market and led its segment on the French market with over 153,400 registrations. Thanks to Mégane, Renault was able to record 15% growth in volumes on a C segment that contracted by 6% in 2009. Mégane was number-one in its segment in France, Belgium and Portugal in 2009. The renewal of the Mégane family took full effect with the **Scénic** and **Grand Scénic** launches. At the end of the year, Scénic was Europe's biggest-selling MPV. Worldwide, with 463,428 units sold, Mégane sales rose by 2.4% on 2008, falling in the first half, but jumping 56% in the second.

On the *D segment*, **Laguna** sales fell by 43.5% in Europe. Relative to H2 2008, Laguna sales grew by 6.3% in France in H2 2009 owing to the success of the Black Edition limited series.

Entry range sales under the Renault brand totaled 223,845 units, or 42% of overall Entry range sales. In Russia, where the market fell by 50.0%, **Logan** sales declined by just 27.5%. Accounting for 39.9% of sales, or 212,983 units, the Europe Region remained the Entry range's largest market, followed by the Americas Region (21.9%), the Euromed Region (16.6%), the Eurasia Region (11.1%) and finally the Asia-Africa Region (10.5%).

Light commercial vehicles

The Renault brand boasts one of the most comprehensive LCV ranges on the market. In 2009, it sold around 196,200 vehicles, consolidating the leadership position that it has held on the Western European LCV market since 1998. In Europe, where the LCV market tumbled by 30.0%, Renault sales declined by 27.6%, with the result that Renault's market share increased by 0.5 of a point. Sales of Master held up well, even though the vehicle is in its end-of-life phase. Sales of Kangoo fell by less than the total LCV market, declining by 19.7%.

Dacia brand

Dacia's sales in 2009 totalled 311,332 units (PC + LCV).

The Dacia brand offering fitted well with government support packages, enabling sales to increase by 20.5%.

Brand sales rose by 91.1% in **Europe** as a result.

In **Germany**, in a market that was galvanized by scrappage bonuses, Dacia sales climbed from 25,624 units in 2008 to 84,875 in 2009, of which 51,423 for Sandero.

In the **Euromed** Region, Dacia recorded a 1.8 point increase in its share of the **Romanian** market, which fell 53.7%.

Dacia sales grew robustly in **Morocco** (21.0%) and **Algeria** (42.0%).

Sandero confirmed its success, becoming Dacia's most popular car, with 151,192 units sold.

Renault Samsung Motors brand

In a Korean market that expanded by 20.1%, **RSM** sales surged by 31.0% to 133,630 units, buoyed by the successful start made by the new **SM3** launched in summer 2009. SM3 sales amounted to 48,340 units, compared with 21,423 in 2008.

SM5 is at the end-of-life phase and is due to be replaced in the first quarter of 2010. Even so, sales were up 9.7%.

SM7 sales were also up by 19.4%.

QM5 sales, however, fell by 28.3%.

Group sales by brand

Europe Region

	2009*	2008	CHANGE (%)
EUROPE			
Renault	1,314,937	1,395,359	-5.8
Dacia	214,431	112,195	91.1
GROUP	**1,529,368**	**1,507,554**	**1.4**
O/W FRANCE			
Renault	635,467	610,464	4.1
Dacia	66,531	43,678	52.3
GROUP	**701,998**	**654,142**	**7.3**
* *Preliminary figures.*			

Euromed Region

	2009*	2008	CHANGE (%)
Renault	151,356	147,832	2.4
Dacia	89,144	126,520	-29.5
GROUP	**240,500**	**274,352**	**-12.3**
* *Preliminary figures.*			

Eurasia Region

	2009*	2008	CHANGE (%)
Renault	77,402	114,708	-32.5
Dacia	3,026	15,510	-80.5
GROUP	**80,428**	**130,218**	**-38.2**
* *Preliminary figures.*			

Asia-Africa Region

	2009*	2008	CHANGE (%)
Renault	85,674	109,847	-22.0

Dacia	3,558	3,334	6.7
Renault Samsung	133,631	101,981	31.0
GROUP	**222,863**	**215,162**	**3.6**
* *Preliminary figures.*			

Americas Region

	2009*	2008	CHANGE (%)
Renault	232,020	251,623	-7.8
Dacia	1,173	813	44.3
Renault Samsung	2,836	2,521	12.5
GROUP	**236,029**	**254,957**	**-7.4**
* *Preliminary figures.*			

Deployment of the Entry range worldwide by brand (in units)

LOGAN	2009*	2008	TOTAL SINCE LAUNCH
DACIA			
Europe	81,756	84,364	325,947
Euromed	70,487	115,048	572,275
Eurasia	2,611	15,510	35,762
Asia-Africa	2,828	3,299	13,602
Americas	569	666	2,318
TOTAL DACIA	**158,251**	**218,887**	**949,904**
RENAULT			
Eurasia	55,616	74,300	254,140
Asia-Africa	48,551	74,952	151,935
Americas	46,416	56,807	160,358
TOTAL RENAULT	**150,583**	**206,059**	**566,433**
TOTAL LOGAN	**308,834**	**424,946**	**1,516,337**
SANDERO			
DACIA			
Europe	131,227	27,267	158,494
Euromed	18,231	11,472	29,703
Eurasia	415	-	415
Asia-Africa	730	35	765
Americas	603	147	750
TOTAL DACIA	**151,206**	**38,921**	**190,127**
RENAULT			
Eurasia	333	-	333
Asia-Africa	3,633	-	3,633
Americas	69,296	46,524	116,099
TOTAL RENAULT	**73,262**	**46,524**	**120,065**
TOTAL SANDERO	**224,468**	**85,445**	**310,192**
ENTRY			
DACIA			
Europe	212,983	111,631	484,441
Euromed	88,718	126,520	601,978
Eurasia	3,026	15,510	36,177
Asia-Africa	3,558	3,334	14,367
Americas	1,172	813	3,068
TOTAL DACIA	**309,457**	**257,808**	**1,140,031**
RENAULT			
Eurasia	55,949	74,300	254,473

Asia-Africa	52,184	74,952	155,568
Americas	115,712	103,331	276,457
TOTAL RENAULT	**223,845**	**252,583**	**686,498**
TOTAL ENTRY	**533,302**	**510,391**	**1,826,529**

* *Preliminary figures.*

Growth in Entry range sales

Overall, Entry range sales rose by 4.5% to 533,302 units.

The Renault brand accounted for 42% of sales and the Dacia brand for 58%.

In 2009, scrappage bonus schemes affected the geographical distribution of sales. In decreasing order, the five biggest markets for the Entry program were Germany, Brazil, France, Russia and Romania.

The Entry range is now sold on 86 markets worldwide.

With 224,468 units sold worldwide, Sandero is building on its success, particularly in Europe and the Americas Region.

SALES FINANCING

In 2009 RCI Banque financed 29.5% of sales of Renault, Nissan and Dacia vehicles in the Europe Region, down from 32.3% in 2008.

RCI Banque's average loans outstanding fell 11% on 2008 to €20.2 billion.

Proportion of new vehicles financed

In 2009 RCI Banque financed 29.5% of sales of Renault, Nissan and Dacia vehicles in the **Europe** Region, down from 32.3% in 2008. RCI Banque financed 33.0% of Renault sales (compared with 34.9% in 2008) and 20.3% of Nissan sales (compared with 23.2% in 2008). The change can be attributed chiefly to the introduction of tax breaks in many countries and a lower mix, both of which reduced demand for financing.

In the **Americas** Region RCI Banque's share of vehicle sales financing grew substantially to 28.0% (up from 20.5% in 2008), on the strength of Brazil alone.

RCI Banque's share of vehicle sales financing in South Korea (currently the only country in the **Asia-Africa** Region where RCI operates) rose to 47.4% (up from 36.8% in 2008).

RCI Banque's share of sales financing in the **Euromed** Region (consisting of Romania and Morocco, a subsidiary that has been consolidated since April 2008) fell sharply to 18.6% from 28.0% in 2008, mainly due to the economic crisis in Romania, which led to stricter loan approval criteria.

RCI Banque's new financing contracts and average loans outstanding

RCI Banque generated €8.3 billion in new financing contracts, excluding card business and personal loans in 2009 compared with €8.9 billion in 2008 (down 7%), with 826,154 new vehicle contracts in 2009, compared with 858,024 in 2008 (down 4%).

RCI Banque's average loans outstanding fell 11% on 2008 to €20.2 billion.

International development

In 2009 RCI Banque started operations in Turkey, after a commercial agreement was signed with Cetelem, and launched a financing range in Bulgaria.

In South Korea, the finalisation of negotiations between Samsung and the Renault group enabled RCI Korea to offer financing across the whole Renault Samsung Motors network.

In the area of services, RCI Banque launched its insurance operations in Malta, after taking over the credit insurance business in Germany from January 1, 2009, and in France from January 1, 2010.

SALES AND PRODUCTION STATISTICS

Total industry volume – registrations (in units)

MAIN RENAULT GROUP MARKETS	2009*	2008	CHANGE (%)
EUROPE REGION	**15,877,451**	**16,625,309**	**-4.5**
o/w:			
France	2,642,659	2,510,556	+5.3
Germany	3,981,634	3,320,059	+19.9
Italy	2,329,501	2,387,409	-2.4
UK	2,189,721	2,431,300	-9.9
Spain + Canary Islands	1,059,927	1,328,219	-20.2
Belgium + Luxembourg	580,781	660,773	-12.1
Poland	363,742	381,261	-4.6
EUROMED REGION	**1,117,412**	**1,279,657**	**-12.7**
o/w:			
Romania	144,432	311,871	-53.7
Turkey	557,126	494,023	+12.8
Algeria	234,397	246,296	-4.8
Morocco	109,969	121,360	-9.4
EURASIA REGION	**1,790,743**	**3,744,909**	**-52.2**
o/w:			
Russia	1,454,338	2,907,857	-50.0
Ukraine	174,832	661,996	-73.6
AMERICAS REGION**	**5,202,187**	**5,529,092**	**-5.9**
o/w:			
Mexico	752,743	1,020,513	-26.2
Colombia	172,624	200,171	-13.8
Brazil	3,007,593	2,660,928	+13.0
Argentina	493,794	574,864	-14.1
ASIA-AFRICA REGION	**26,389,186**	**23,078,528**	**+14.3**
o/w:			
South Africa	337,498	459,493	-26.5
South Korea	1,441,260	1,200,283	+20.1
OUTSIDE EUROPE	**34,499,528**	**33,632,186**	**+2.6**

* *Preliminary figures.*
** *Outside North America.*

Renault Group registrations (reg's) and market share (mkt sh.) – PC + LCVs

SALES PERFORMANCE ON MAIN MARKETS	2009*		2008	
	REG'S *(in units)*	MKT SH. *(as a %)*	REG'S *(in units)*	MKT SH. *(as a %)*
EUROPE REGION	**1,515,237**	**9.5**	**1,490,987**	**9.0**
o/w:				
France	687,957	26.0	637,651	25.4
Germany	240,049	6.0	165,553	5.0
Italy	124,258	5.3	118,009	4.9
UK	73,465	3.4	107,711	4.4
Spain + Canary Islands	115,217	10.9	136,053	10.2
Belgium + Luxembourg	64,715	11.1	67,646	10.2
Poland	24,165	6.6	28,618	7.5
EUROMED REGION	**240,500**	**21.5**	**274,352**	**21.4**
o/w:				
Romania	51,787	35.9	106,958	34.3
Turkey	82,261	14.8	73,662	14.9
Algeria	56,094	23.9	43,338	17.6
Morocco	37,106	33.7	34,253	28.2
EURASIA REGION	**80,428**	**4.5**	**130,218**	**3.5**
o/w:				
Russia	72,284	5.0	108,070	3.7
Ukraine	7,128	4.1	20,142	3.0
AMERICAS REGION**	**236,029**	**4.5**	**254,957**	**4.6**
o/w:				
Mexico	11,500	1.5	16,063	1.6
Colombia	27,720	16.1	27,128	13.6
Brazil	117,524	3.9	115,153	4.3
Argentina	61,019	12.4	69,127	12.0
ASIA-AFRICA REGION	**222,863**	**0.8**	**215,162**	**0.9**
o/w:				
South Africa	7,050	2.1	4,216	0.9
South Korea	133,630	9.3	101,981	8.5
OUTSIDE EUROPE	**779,820**	**2.3**	**874,689**	**2.6**

* *Preliminary figures.*
** *Outside North America.*

Renault Group Registrations in the Europe Region by model - PC + LCVs (units)

	2009*	2008	CHANGE (%)
Twingo/Twingo II	179,322	135,213	+32.6
Clio/Clio II/Clio III	346,206	383,419	-9.7
Thalia/Thalia II	9,192	6,587	+39.5
Sandero	131,203	27,259	+++
Modus	71,401	77,297	-7.6
Logan	81,205	84,261	-3.6
Mégane/Mégane II/Mégane III	391,399	345,775	+13.2
Koléos	21,029	17,843	+17.9
Laguna/Laguna II/Laguna III	51,804	91,246	-43.2
Vel Satis	1,165	1,668	-30.2
Espace/Espace IV	15,633	24,204	-35.4
Kangoo/Kangoo II	111,775	139,434	-19.8
Trafic/Trafic II	49,735	74,711	-33.4
Master/Master II/Master Propulsion	46,208	68,362	-32.4
Mascott**/Maxity**	5,755	10,481	-45.1

Miscellaneous	2,205	3,227	-31.7
REGISTRATIONS IN EUROPE	**1,515,237**	**1,490,987**	**+1.6**

* *Preliminary figures.*
** *Mascott and Maxity are distributed through the Renault Trucks network, a subsidiary of AB Volvo.*

Renault Group Registrations outside Europe Region by model (excl. Lada) - PC + LCVs (in units)

	2009*	**2008**	**CHANGE (%)**
Twingo/Twingo II	7,604	8,812	-13.7
Clio/Clio II/Clio III	61,371	76,226	-19.5
Thalia/Thalia II	78,498	69,669	+12.7
Sandero	93,241	58,178	+60.3
Modus	167	255	-34.5
Logan	227,078	340,582	-33.3
Fluence	4,312	-	-
Mégane/Mégane II/Mégane III	75,108	114,991	-34.7
Koléos	15,971	2,883	+++
Laguna/Laguna II/Laguna III	4,941	6,471	-23.6
Vel Satis	8	26	-69.2
Espace/Espace IV	37	104	-64.4
SM3	48,340	21,423	+++
SM5	61,319	55,901	+9.7
SM7	18,319	15,346	+19.4
Safrane II	2,145	444	-
QM5	8,487	11,832	-28.3
Kangoo/Kangoo II	55,733	68,978	-19.2
Trafic/Trafic II	3,504	4,824	-27.4
Master/Master II/Master Propulsion	12,875	17,195	-25.1
Mascott**/Maxity**	269	505	-46.7
Miscellaneous	493	44	+++
REGISTRATIONS OUTSIDE EUROPE	**779,820**	**874,689**	**-10.8**

* *Preliminary figures.*
** *Mascott and Maxity are distributed through the Renault Trucks network, a subsidiary of AB Volvo.*

Renault Group Sales performance of models by segment in Europe Region

	SEGMENT CHANGE 2009/2008 (%)	RENAULT'S SHARE 2009 (1)	2008	CHANGE 2009/2008 (pts)
PASSENGER CARS				
A segment	**+29.7**			
Twingo/Twingo II		9.9	9.6	+0.3
B segment	**+8.6**			
Clio/Clio II/Clio III		7.1	8.3	-1.2
Thalia/Thalia II		0.2	0.2	0.0
Modus		1.6	1.9	-0.3
Logan		1.6	2.0	-0.5
Sandero		3.0	0.7	+2.3
C segment	**-5.8**			
Mégane/Mégane II/Mégane III		9.6	7.6	+2.0
D segment	**-15.8**			
Laguna/Laguna II/Laguna III		2.8	4.2	-1.4
D OR* segment	**0**			
Koléos		3.8	3.3	+0.6
E1 segment	**-16.2**			
Vel Satis		0.3	0.3	-0.1
MPV segment	**-28.2**			
Espace/Espace IV		11.1	12.4	-1.2
Car-derived vans segment	**+4.3**			
Kangoo/Kangoo II		10.0	13.0	-3.0
Trafic/Trafic II		2.2	3.3	-1.1
Master/Master II		0.6	0.9	-0.3
LIGHT COMMERCIAL VEHICLES				
Fleet vehicles	**-35.3**			
Twingo/Twingo II		2.4	1.5	+0.9
Clio/Clio II/Clio III		16.8	14.9	+1.9
Modus		0.2	0.2	0
Mégane/Mégane II/Mégane III		5.4	4.8	+0.6
Logan		0.3	-	-
Small vans	**-18.0**			
Kangoo/Kangoo II		16.5	16.8	-0.4
Vans	**-33.7**			
Trafic/Trafic II		5.8	5.8	0
Master/Master II		6.0	5.8	+0.3
Mascott**/Maxity**		0.8	1.0	-0.2

** OR Off-road.*
*** Mascott and Maxity are distributed through the Renault Trucks network, a subsidiary of AB Volvo.*
(1) Preliminary figures.

Renault Group Worldwide production by model(1) - PC + LCVs (in units)

	2009*	2008	CHANGE (%)
Logan + Sandero	489,865	526,989	-7.0
Twingo/Twingo II	187,470	138,556	35.3
Clio II	75,155	117,678	-36.1
Clio III	334,054	328,530	1.7
Thalia/Symbol	82,163	85,477	-3.9
Modus	69,358	72,590	-4.5
Mégane/Mégane II	85,462	398,317	-78.5
Mégane III	374,400	39,281	853.1
SM3/Fluence	90,937	65,590	38.6
Koléos/QM5	28,925	55,139	-47.5
Laguna III	46,919	81,453	-42.4
SM5	64,473	53,987	19.4
SM7	18,143	14,433	25.7
Espace IV	15,212	21,672	-29.8
Vel Satis	1,179	1,685	-30.0
Kangoo/New Kangoo	151,196	216,630	-30.2
Trafic [(2)]	-	-	-
Master	58,482	98,387	-40.6
New Master	565	-	-
Mascott	5,706	8,399	-32.1
Vehicles for Nissan in Mercosur	18,903	n.a.	-
GROUP WORLDWIDE PRODUCTION	**2,198,567**	**2,324,793**	**-5.4**

(1) Production data concern the number of vehicles leaving the production line.
(2) 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.*

Geographical Organization of the Renault Group by Region – Breakdown by Region
From March 1, 2009.

AMERICAS	
Northern Latin America	Colombia, Costa Rica, Cuba, Ecuador, Honduras, Mexico, Nicaragua, Panama, El Salvador, Venezuela, Dominican Republic, Guadeloupe, French Guiana, Martinique
Southern Latin America	Argentina, Brazil, Bolivia, Chile, Paraguay, Peru, Uruguay
ASIA - AFRICA	
Asia-Pacific	Australia, Brunei, Indonesia, Japan, Malaysia, New-Caledonia, New-Zealand, Singapore, Tahiti, Thailand
India	
Middle East and French-speaking Africa	Saudi Arabia, Egypt, Jordan, Lebanon, Libya, Pakistan, Gulf States, Syria + French-speaking African countries
Africa & Indian Ocean	South Africa + sub-saharian African countries, Indian Ocean Islands
Korea	
Iran	
China	Hong Kong, Taiwan
Israel	
EUROMED	
Eastern Europe	Bulgaria, Moldova, Romania
Turkey	Turkey, Turkish Cyprus
North Africa	Algeria, Morocco, Tunisia
EUROPE	
Metropolitan France, Albania, Austria, Germany, Belgium-Luxembourg, Bosnia, Cyprus, Croatia, Denmark, Spain, Finland, Greece, Hungary, Ireland, Iceland, Italy, Kosovo, Macedonia, Malta, Montenegro, Norway, Baltic States, Netherlands, Poland, Portugal, Czech Republic, UK, Serbia, Slovakia, Slovenia, Sweden, Switzerland	
EURASIA	

Russia, Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kirghizistan, Ouzbakistan, Tadjikistan, Turkmenistan, Ukraine

(2) COMBINED ALLIANCE SALES PERFORMANCE AND FINANCIAL INDICATORS

ALLIANCE COMBINED SALES FOR 2009

In a global market that contracted 4.5%, the Renault Nissan Alliance, including for the first time the sales of the AvtoVAZ Lada brand, captured 9.8%* of the global market in 2009. In 2008, the Alliance without Lada had a share of 9.4%.

Renault and Nissan sold 2,309,188 and 3,358,413 vehicles respectively. Sales of Lada accounted for 417,457 units. Renault's worldwide sales decreased by 3.1% and Nissan's by 9.4%.

Renault highlights

The Renault Group's market share increased to 3.7% in spite of declining sales (-3.1%). Of the Group's 15 biggest markets, 11 reported a market share increase.

In Western Europe, Renault reclaimed the position of third-ranked brand, mainly owing to the success of the Megane family and Twingo. In the LCV market, the Group's market share rose 1.2 points to 15.6%. The Renault LCV brand maintained its number one position. Dacia sales rose 91% and reached 1.3% of the European market.

In France, Renault group sales increased by 7.3% to 701,998 units. Renault remains France's best selling brand with a 23.5% market share (PC + LCV) and in 2009, Dacia became one of the top ten best-selling brands in that market with 2.5% of market share (PC+LCV).

Renault Samsung Motors increased its market share by 0.8 percentage points to 9.3% and by 31% in terms of volume, making South Korea the Group's third-largest market with 133,630 units sold.

Renault Group's sales volume outside Europe stood at 34% of total sales.

Nissan highlights

Nissan closed the year with a total sales of 3,358,413 units, down 9.4% compared to previous year. Nissan's global market share was 5.4%.

In the US, Nissan and Infiniti sales totaled 770,103 vehicles, resulting in a record market share of 7.4%. In 2009, Rogue set a record of 77,222 sales, a 5.7% increase over last year. Sales of Maxima and the 370Z sports car saw increases of 13.3% and 26.9% respectively compared with 2008.

In China, now Nissan's second largest global market, the company's passenger car sales increased 38.7% to 755,518 units. Sales were led by the Teana flagship model, which saw a significant increase in demand of 149.2% to 108,504 units. The Sylphy model also saw large gains (81.4%) to 96,174 units.

In Japan, Nissan sold 599,396 vehicles, down 11.6% compared to 2008. The Serena minivan maintained its position as the minivan segment leader for three years in a row with sales of 78,836 units.

In Europe Nissan sold 498,027 units representing a 17.2% decrease over 2008. The compact crossover Qashqai remained Nissan's most popular model in Europe with 202,823 units sold. The UK was Nissan's biggest market with 84,441 units sold. Germany saw gains of 32% to 64,092 units.

In other markets, sales were 498,863 units, a 21.5% decline.

Worldwide sales

	2009	2008	CHANGE 2009/2008
Renault Group	2,309,188	2,382,243	-3.1%
Nissan Group	3,358,413	3,708,077	-9.4%
Lada*	417,457		
RENAULT-NISSAN ALLIANCE	**6,085,058**	**6,090,320**	**- 0.09%**

* *Lada sales have been consolidated in the Alliance figures for 2009 as it represents the first full year of sales since the acquisition of the AvtoVAZ stake by Renault in Feb. 2008.*

Western Europe

	2009	2008	CHANGE 2009/2008
Renault Group	1,445,879	1,407,434	2.7%
Nissan	382,438	380,924	0.4%
RENAULT-NISSAN ALLIANCE	**1,828,317**	**1,788,358**	**2.2%**

Central and Eastern Europe

	2009	2008	CHANGE 2009/2008
Renault Group	404,417	504,690	-19.9%
Nissan	107,048	210,215	-49.1%
RENAULT-NISSAN ALLIANCE	**511,465**	**714,905**	**-28.5%**

North America

	2009	2008	CHANGE 2009/2008
Nissan	849,120	1,034,801	-17.9%

Japan

	2009	2008	CHANGE 2009/2008
Renault Group	1,754	2,251	-22.1%
Nissan	599,396	678,126	-11.6%
RENAULT-NISSAN ALLIANCE	**601,150**	**680,377**	**-11.6%**

Latin and South America

	2009	2008	CHANGE 2009/2008
Renault Group	236,029	254,957	-7.4%
Nissan	250,322	326,244	-23.3%
RENAULT-NISSAN ALLIANCE	**486,351**	**581,201**	**-16.3%**

Middle East and Africa

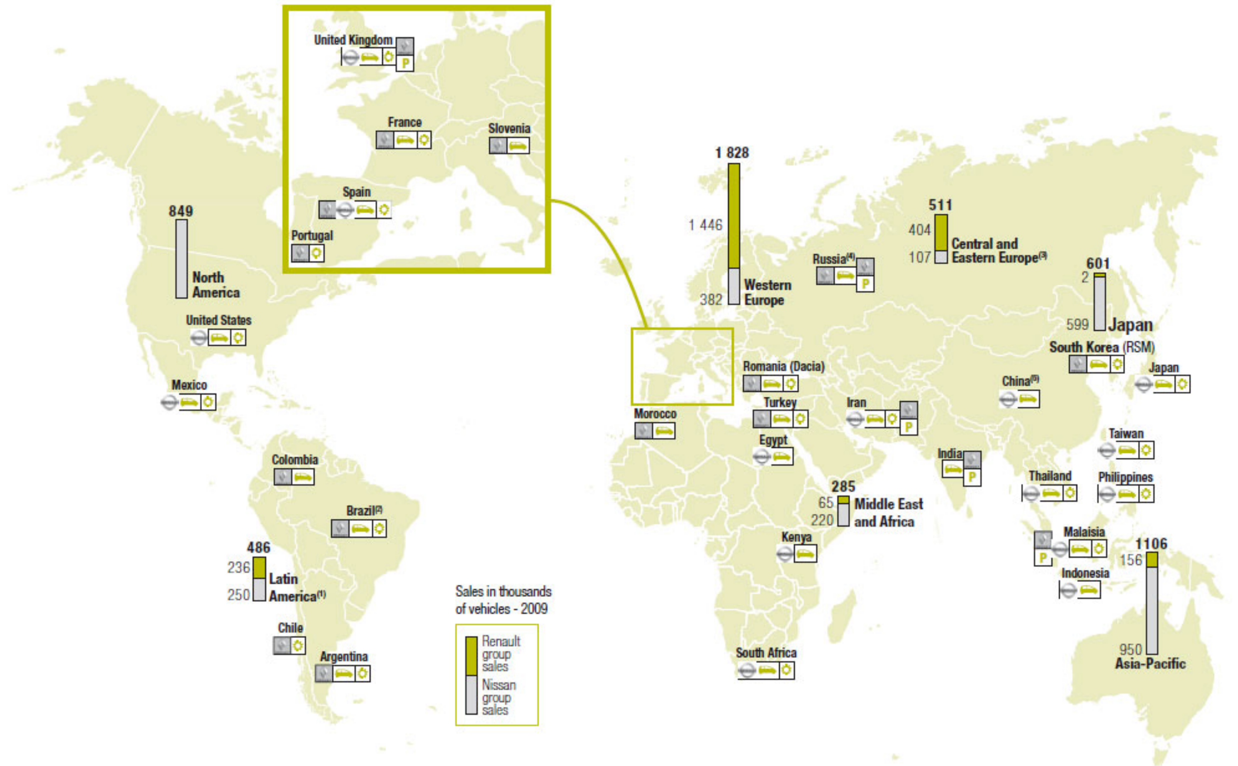
	2009	2008	CHANGE 2009/2008
Renault Group	64,647	78,341	-17.4%
Nissan	220,443	318,011	-30.7%
RENAULT-NISSAN ALLIANCE	**285,090**	**396,352**	**-28.1%**

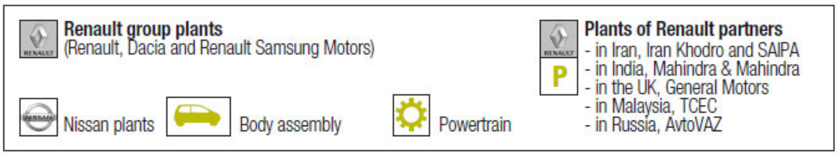
Asia and Pacific

	2009	2008	CHANGE 2009/2008
Renault Group	156,462	134,570	16.3%
Nissan	949,646	759,757	25%
RENAULT-NISSAN ALLIANCE	**1,106,108**	**894,327**	**23.7%**

WORLDWIDE SALES AND PRODUCTION SITES

Number of units sold worldwide - 2009	
Renault group	2,309,188
Nissan group	3,358,413
Renault-Nissan Alliance	5,667,601
Renault group (including AvtoVAZ)	2,726,645





(1) o/w Mexico.
(2) Including the joint LCV plant.
(3) o/w Russia and Turkey.
(4) Including Avtoframos and AvtoVAZ.
(5) Nissan and Dongfeng Motor have set up a joint-venture to produce and sell a range of vehicles.

VALUE OF JOINT OPERATIONS

Renault sales to Nissan and Renault purchases from Nissan in 2009 are estimated at €1.1 billion and €0.8 billion, respectively, as mentioned in note 14-J to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement.

FINANCIAL INFORMATION ON THE ALLIANCE

The purpose of the financial data in this section is twofold: to broadly quantify the economic significance of the Renault-Nissan Alliance through key performance indicators and to make it easier to compare the assets and liabilities of the two Groups. The data of both Groups comply with the accounting standards applied by Renault in 2009.

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

Information concerning Renault is based on the consolidated figures released at December 31, 2009, 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, 2009 whereas Nissan's financial year-end is March 31.

Key performance indicators

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

- reclassifications have been made when necessary to harmonize the presentation of the main income statement items;
- restatements for harmonization of accounting standards and adjustments to fair value applied by Renault for acquisitions of 1999 and 2002 are included.

Revenues 2009

€ million	**Renault**	**Nissan** [1]	**Intercompany eliminations**	**Alliance**
Sales of goods and services	32,415	50,049	(1,628)	80,836
Sales financing revenues	1,297	4,394	-	5,691
Revenues	**33,712**	**54,443**	**(1,628)**	**86,527**

(1) Converted at the average exchange rate for FY 2009: EUR 1 = JPY 129.4.

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 2009 results.

The operating margin, the operating income and the net income of the Alliance in 2009 are as follows:

€ million	**Operating margin**	**Operating income**	**Net income** [2]
Renault	(396)	(955)	(2,166)
Nissan [1]	(239)	(477)	(1,908)
Alliance	**(635)**	**(1,432)**	**(4,074)**

(1) Converted at the average exchange rate for FY 2009: EUR 1 = JPY 129.4.

(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 -1.9% of revenues.

In 2009, the Alliance's research and development expenses, after capitalization, amortization and impairment, are as follows:

€ million	
Renault	1,795
Nissan	2,908
Alliance	**4,703**

Balance sheet indicators

Condensed Renault and Nissan balance sheets

Renault at December 31, 2009

ASSETS *(€ million)*		**SHAREHOLDERS' EQUITY AND LIABILITIES** *(€ million)*	
Intangible assets	3,893	Shareholders' equity	16,472
Property, plant and equipment	12,294	Deferred tax liabilities	114
Investments in associates (excluding Alliance)	1,501	Provisions for pension and other long-term employee benefit obligations	1,153
Deferred tax assets	279	Financial liabilities of the Automobile division	12,612
Inventories	3,932	Financial liabilities of the Sales financing division and sales financing debts	20,173
Sales Financing receivables	18,243	Other liabilities	13,454
Automobile receivables	1,097		
Other assets	4,133		
Cash and cash equivalents	8,023		
TOTAL ASSETS EXCLUDING INVESTMENT IN NISSAN	**53,395**		
Investment in Nissan	10,583		
TOTAL ASSETS	**63,978**	**TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES**	**63,978**

Nissan at December 31, 2009

ASSETS *(€ million)*		**SHAREHOLDERS' EQUITY AND LIABILITIES** *(€ million)*	
Intangible assets	5,384	Shareholders' equity	25,452
Property, plant and equipment	31,320	Deferred tax liabilities	3,623
Investments in associates (excluding Alliance)	300	Provisions for pension and other long-term employee benefit obligations	3,330
Deferred tax assets	1,117	Financial liabilities of the Automobile division	7,109
Inventories	6,388	Financial liabilities of the Sales financing division and sales financing debts	25,942
Sales Financing receivables	20,861	Other liabilities	16,299
Automobile receivables	3,774		
Other assets	6,189		
Cash and cash equivalents	5,121		
TOTAL ASSETS EXCLUDING INVESTMENT IN RENAULT	**80,454**		
Investment in Renault	1,301		
TOTAL ASSETS	**81,755**	**TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES**	**81,755**

(1) Converted at the closing rate for 2009: EUR 1 = JPY 133.16.

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

Balance sheet items have been reclassified where necessary to make the data consistent across both Groups. Nissan's restated balance sheet includes the securitized items presented off-balance sheet in Nissan's financial statements under Japanese GAAP.

Purchases of property, plant and equipment by both Alliance groups for 2009, excluding leased vehicles, amount to:

€ million	
Renault	1,623
Nissan	2,039
Alliance	**3,662**

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 €15 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:

<u>THE STRUCTURAL ELEMENTS OF THE CONTROL PROCESS</u>

The Renault group's two divisions have to manage the decentralization of business activities across subsidiaries in France and abroad, as well as a major international expansion into countries like Romania, Russia, South Korea and India. As a result, Renault is continuing to bolster the internal control process in long-standing and recently-acquired entities, as well as in 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;

· ERP financial and accounting modules continue to be introduced at industrial and/or commercial entities worldwide. Around 70 legal entities in 30 or so countries now have these modules.

The use of this highly structured software will enable each entity to apply its own internal control approach and ensure that processed information is both reliable and consistent. The definition and monitoring of user profiles make it possible to comply with task-separation rules. Logical security measures are currently being reinforced. In 2009, following on from a 2008 decision, steps were taken to build a profile control and task separation module into the ERP application. This process is almost complete and will be finalized in the first quarter of 2010.

In each major business line, this system is supplemented by management systems and relational, multidimensional databases fed directly with information from the operational and accounting systems. These standard systems are being implemented worldwide to harmonize and improve the management of the Group's global activities.

Control of basic transactions processed by operational systems, which exercise the first level of control, is key to ensuring reliable accounting and financial information. The operational systems feed data to the auxiliary accounting systems via a number of interfaces. These interfaces are constantly monitored to ensure they capture all economic events for each process and then centralize and send these data regularly to the accounting system. Financial and accounting teams carefully control transfers between non-integrated operational systems and accounting systems.

Furthermore, the accounting teams have developed a process in collaboration with IT personnel to protect the ERP application in the event of a major malfunction. A business continuity plan was introduced at central level and also at subsidiaries that use ERP.

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. As part of this, the control systems in place for operating methods have gradually been strengthened.

4. RISKS IN BUSINESS, ETC.

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

RISK MANAGEMENT

The Renault group makes every effort to control the risks relating to its activities, namely operational risk, financial risk and legal risk. 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, designated experts are capable of identifying and prioritizing risk mitigation solutions and coordinating their implementation.

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 independently of Automobile. 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 as part of the overall Group-wide governance policy.

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 to 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 2009 the net financial debt of Automobile decreased to €5,921 million at December 31, 2009 (compared with €7,944 million at December 31, 2008). 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.

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

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

Within the framework of this program, Renault launched a five-year bond issue of €750 million in October 2009.

Moreover, Renault benefited from a €3 billion loan from the French government with a five-year maturity. Renault has an early repayment option starting in April 2011. The interest rate applicable comprises a fixed portion of 6% and a variable portion indexed on the Group's operating margin rate, between a lower and upper limit set respectively at 6% and 9%.

Finally, the European Investment Bank provided Renault with a four-year loan of €400 million.

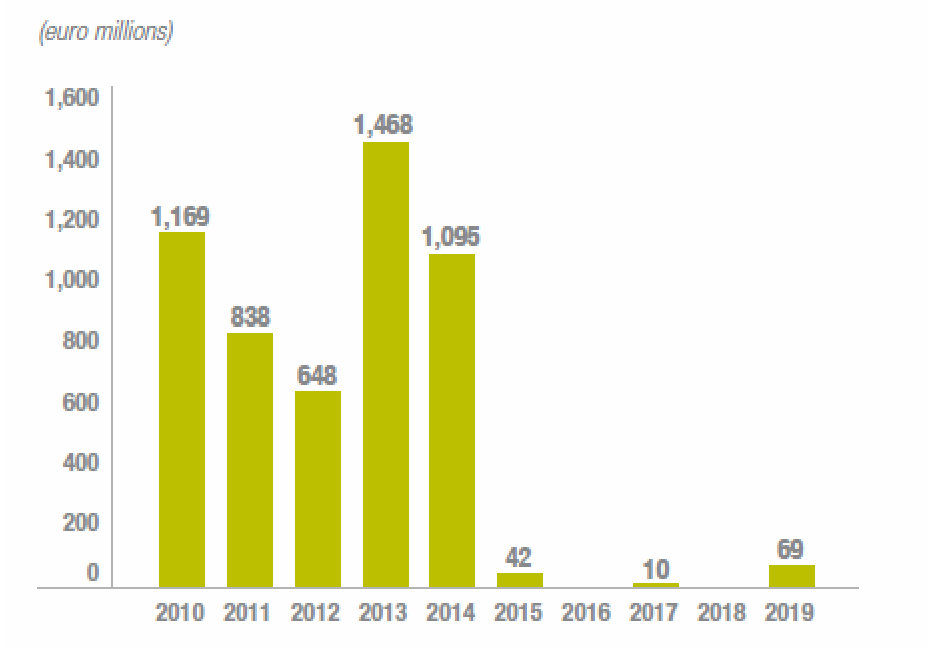
The contractual documentation on this financing contains no clauses that could affect the continued supply of credit following a change in either Renault's rating or its financial ratios. The loan from the French government contains a clause to raise the interest rate if Renault fails to honor its commitments to develop, in France, systems and technologies for clean vehicles, to establish partnership-based relations with its suppliers and to allocate the company's results to strengthening its shareholder equity and to investment. This loan agreement includes standard accelerated payment clauses (repayment default, inaccurate representations and warranties, nonperformance, collective proceedings, etc.), and the possibility for the lender to demand repayment of the loan within three months if more than 50% of the capital or the voting rights of the company are directly or indirectly taken over without prior agreement.

Moreover, Renault has had a commercial paper program with a ceiling of €2.5 billion since November 2008. At December 31, 2009 the outstanding total stood at €697 million.

The graph below shows the maturity schedule for Renault bonds and equivalent debt, which account for the majority of Automobile's financial liabilities, excluding the loan from the French government. A maturity schedule of Automobile's financial liabilities is included in note 24 to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement.

With a constant balance sheet structure, the medium-term refinancing requirements in 2010 will be €1,169 million for maturities of bond issues and equivalent debt and €697 million for commercial paper maturities.

MATURITY SCHEDULE FOR RENAULT SA BONDS AND EQUIVALENT DEBT AT DECEMBER 31, 2009 (1)



1) Nominal amounts marked to market at December 31, 2009.

Furthermore, Renault benefits from confirmed renewable credit lines with banking institutions for a total amount of €4,070 million with maturities out to 2014. At December 31, 2009 no credit lines were activated. These confirmed credits provide a liquidity reserve for Automobile and are also partly intended as back-up lines for the issuance of short-term commercial paper.

Automobile's liquidity reserve at December 31, 2009 stood at €9,478 million (confirmed credit lines + cash and cash equivalents).

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

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.

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 the funds it raised several months earlier to grant loans, thus holding its financial margin steady.

With €4.4 billion of funds with a term of one year or more borrowed in 2009, RCI Banque has strengthened its cash position.

The liquidity reserve remains at a historically high level of €4 billion.

The financing requirements resulting from the expected level of commercial activity are covered for 11 months under a stress scenario of total shut-down of access to new sources of cash.

After three months of severe risk aversion at the beginning of 2009, investor sentiment took a positive turn from the second quarter. Activity on fixed income markets was buoyant, and RCI Banque issued five publicly offered bonds for a total of €2,750 million. The terms of issuance improved continuously, with coupon rates dropping from 8.125% in May to 3.125% in November. At the same time, heavy over-subscription to the publicly offered issues substantially reduced the amounts allocated to investors, prompting RCI Banque to make four long-term private placements worth a total of €89 million.

The proceeds from these capital markets were supplemented by:

- £398 million (€448 million) from conduit securitization of the automobile credit portfolio in the United Kingdom;

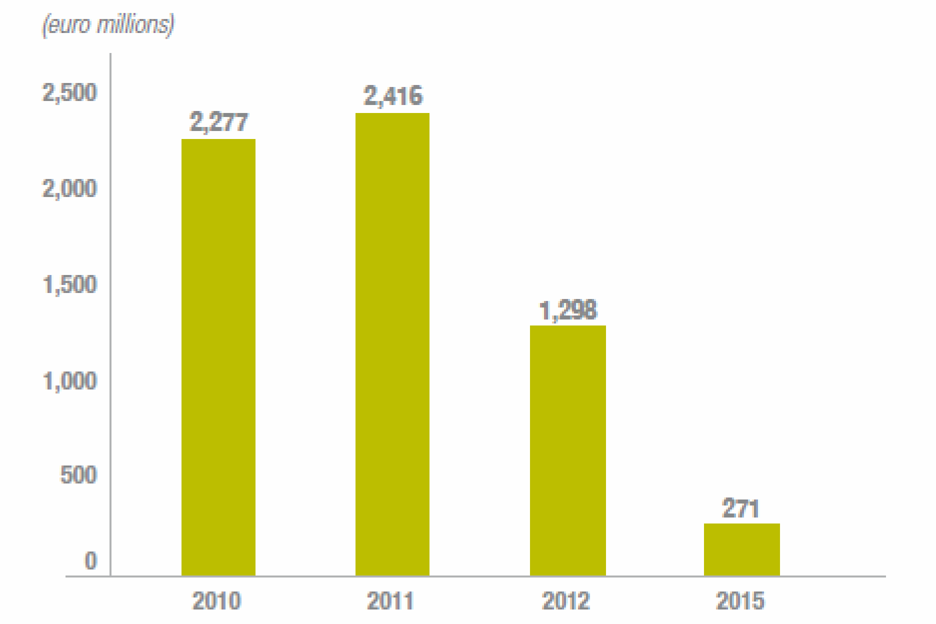
- €802 million of loans granted by *Société de financement de l'économie française* (SFEF);

- €88 million of zero-rate financing from the Spanish institute ICO,

which increased the amount of long-term resources raised in 2009 to €4.4 billion.

Moreover refinancing conditions improved towards the end of the year, allowing RCI Banque to extend the maturity of its refinancing during the first days of 2010 with the launch of a five year €600 million bond in January.

MATURITY SCHEDULE FOR RCI BANQUE BONDS AT DECEMBER 31, 2009



The sharp decline in absolute interest rates (the average two-year swap rate fell from 4.3% in 2008 to 1.9% in 2009) offset the increase in credit spreads. As a result, the absolute cost of new borrowing in 2009 was close to that in prior periods.

With these long-term resources, plus €4,540 million in undrawn confirmed lines of bank credit and a further €1,199 million of collateral eligible for ECB monetary policy operations, the company is able to carry on its business for 11 months under a stress scenario in which no new funds are available.

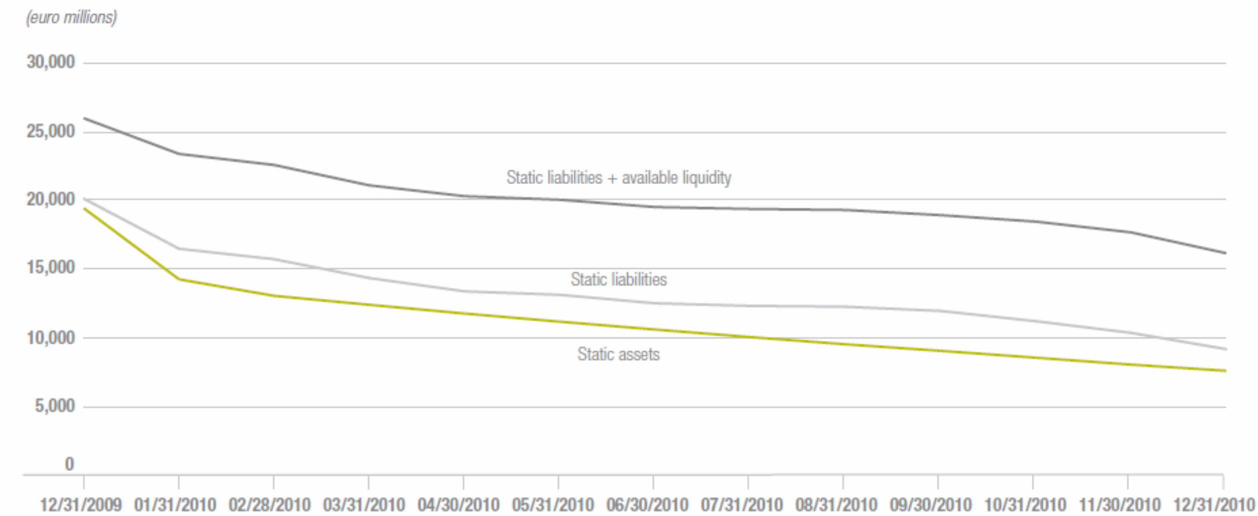
Available liquidity reserves of €6,440 million (€4,540 million of undrawn confirmed credit lines, with a residual term of more than three months, €1,199 million of cash eligible for ECB operations, €701 million of cash and equivalents) cover more than twice the total outstanding in commercial paper and certificates of deposit.

RCI BANQUE – LIQUIDITY RESERVES AT DECEMBER 31, 2009

The liquidity reserve amounts to €4.01 billion, representing the excess of available liquidity reserves 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.

The liquidity reserve now stands at the end-2008 level and well above the levels of the pre-crisis years. This shows the RCI group's strengthening of its cash position.

GROUPE RCI BANQUE – LIQUIDITY POSITION AT DECEMBER 31, 2009



Amounts outstanding under short-term debt programs remained at December 2008 levels.

Central bank refinancing, granted in full for all the requested amounts during the year, totaled €2 billion, of which €900 million borrowed at one year. A significant proportion of these resources went to finance the temporary accumulation of cash under the management rules of Cars Alliance DFP France FCC (a securitization fund for dealer receivables launched in 2005) in preparation for €850 million in redemptions from the fund on January 20, 2010.

The cautious financial policy pursued by the group in recent years has proved particularly well founded in the current volatile and uncertain context. It protects the commercial margins of all group entities, while ensuring that they can refinance their business. Established and implemented at consolidated level by RCI Banque, the policy applies to all the group’s sales financing subsidiaries.

Other metrics of balance sheet strength include market risks (interest and exchange rates, counterparty risk), which are very low and monitored daily on a consolidated basis, the quality of financial ratios, and the large amounts available in confirmed credit lines, thus ensuring diversified access to different financial markets.

Securitization – public issues

COUNTRY		**FRANCE**	**ITALY**		**GERMANY**
Ceding entity	Diac SA	Cogera SA	RCI Banque Succursale Italiana	RCI Bank Niederlassung	RCI Bank Niederlassung
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 purchase at 12/31/2009	€1,798 million	€1,412 million	€960.8 million	€1,792.8 million	€790 million
Credit enhancement at 12/31/2009	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 (€3.6 million) 5.5% over-collateralized receivables	0.30% cash collateral (€2.9 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	Series 2005-1 Class A	Series 2007-1 Class A	Class A	Class A
	rating: AAA	rating: AAA	rating: AAA	rating: AAA	rating: AAA
	€1,705.7 million	€814 million	€838.5 million	€0 million	€376.7 million
	Class B	Series 2005-1 Class B	Series 2007-1 Class B	Class B	Class B
	rating: A	rating: A	rating: A	rating: A	rating: A
	€94.3 million	€36 million	€35.5 million	€0 million	€48 million
Listed private placement*	Class R	Series 2005-2 Class A		Class R	Class R
Short-term	rating: AAA	rating: AAA		rating: AAA	rating: AAA
Notes in issue at 12/31/2008	€0 million	€856.6 million		€1,583 million	€180.1 million
Weighted average life	April 2012	January 2010	January 2012		November 2011

** Held at December 31, 2009 by RCI Banque, eliminated in the consolidated financial statements.*
Furthermore and for funding diversification purpose, some deals have been made through conduit:
- in 2006, €630 million of German floorplan receivables;
- in 2009, £ 543 million of UK retail receivables.

Group issuance programs and ratings at December 31, 2009

ISSUER	**PROGRAM**[(1)]	**MARKET**	**CEILING** *(in millions)*
Renault SA	CP	French	EUR2,500

Renault SA	EMTN	euro	EUR7,000
Renault SA	Shelf documentation	Yen (samuraï)	JPY150,000
RCI Banque	Euro CP	euro	EUR2,000
RCI Banque	Euro MTN	euro	EUR12,000
RCI Banque	CD	French	EUR4,500
RCI Banque	BMTN	French	EUR2,000
Diac	CD	French	EUR1,000
Diac	BMTN	French	EUR1,500
RCI Banque + Overlease + Renault AutoFin (RCI guarantee)	CP	Belgian	EUR500
Rombo Compania Financiera SA	Bond	Argentinean	ARS400*

* *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 three issuers (RCI Banque, Diac and Rombo Compania Financiera S.A.) 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	02/20/2009	Baa1/P2 outlook stable
	S&P	BB/B	stable	06/22/2009	BBB-/A3 outlook negative
	Fitch	BB/NR	negative	03/25/2009	BBB- outlook negative
	R&I	BBB+/a-2	stable	03/31/2009	A/a1 negative
	JCR	BBB+/-	stable	09/30/2009	A/- negative
RCI BANQUE	Moody's	Baa2/P2	stable	11/24/2009	A3/P2 stable
	S&P	BBB-/A3	stable	06/22/2009	BBB+/A2 negative
	R&I	BBB+/a-2	stable	03/31/2009	A/a1 negative

In 2009, the ratings of both Renault and RCI Banque were lowered. Note that S&P rate RCI Banque two notches higher than Renault, and Moody's three notches. Owing to the effects of the crisis, Renault's rating was downgraded to non-investment grade, while RCI Banque retained its investment grade rating.

But these developments did not prevent Renault and RCI Banque from gaining access to financial markets in 2009.

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 2009.

Based on the structure of its results and operating cash flow in 2009, the Group estimates that a 1% appreciation of the euro against all other currencies has a negative impact of €3 million on annual operating margin.

However the limited degree of sensitivity in 2009 resulted from exposures that offset one other, namely inflows in sterling, US dollars, and Turkish liras, versus outflows in Romanian lei, and Japanese yen. The main source of sensitivity is the leu and is equivalent to €17 million in the event of a 1% decline in the euro against the RON.

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 to the Chief Financial Officer.

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

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

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

Impact on share in the net income of associated companies: Based on their negative contributions to 2009 results, a 1% rise in the euro against the yen, the Swedish krona and the ruble would have increased Nissan's contribution by €0.9 million, Volvo's by €0.3 million, and AvtoVAZ's by €0.4 million.

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 ¥256 billion at December 31, 2009 with maturities out to 2014. The nature and amount of each transaction are indicated in note 14-G to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement. These transactions are made up of bond issues on the EMTN market (a total of ¥100 billion), ¥21 billion private placements, and bonds issued in Yen on the Japanese market for a total of ¥135 billion.

Impact on net financial debt: As above-mentioned, a portion of Renault's 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 €19 million.

An analysis carried out to measure the sensitivity of financial instruments to exchange risk can be found in note 26-B-2 to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement.

Sales financing

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 cashflows concerned.

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

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

The foreign exchange position on December 31, 2009 was €7.9 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 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, generally at floating rates. Further, Yen-denominated financing to hedge Nissan's shareholders' equity is taken out at fixed rates for periods ranging up to seven years.

Automobile's financial liabilities totaled €12,612 million on December 31, 2009. The maturity schedule for these liabilities is shown in note 24-C to the consolidated financial statements. After stripping out derivatives, €1,922 million of that debt is Yen-based (¥256 billion), consisting either of Yen-denominated paper (samuraï bonds, EMTNs) or synthetic debt (euro loans swapped for Yen).

Automobile held €5,408 million in cash and cash equivalents at December 31, 2009. As far as possible, Renault SA centralizes Automobile available cash. It is then invested exclusively in euros, essentially 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.

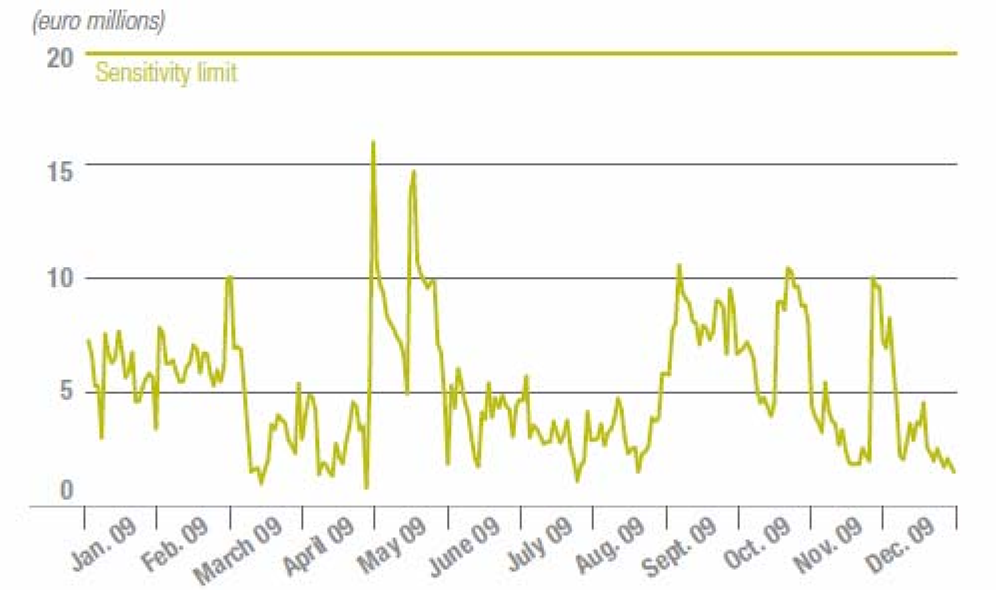
The portfolio of commercial assets is monitored daily on the basis of sensitivity and is hedged systematically. Each subsidiary aims to hedge its entire interest rate risk in order to protect its commercial margin. However, a slight degree of latitude is permitted in risk hedging, reflecting the difficulty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

RCI Banque's consolidated exposure to interest rate risk over 2009 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.

<u>RCI BANQUE GROUP: DAILY SENSITIVITY TO INTEREST RATE MOVEMENTS (2009)</u>
(sensitivity to 100 bp, absolute terms)

The interest rate risk sensitivity of RCI Banque at end-December 2009 was €1.5 million per 100 basis points.

2009 SENSITIVITY TO INTEREST RATE MOVEMENTS (IN ABSOLUTE TERMS)



See note 26 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 2009 the Group suffered no financial impact arising from the failure of a banking counterparty.
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 Chairman and CEO, who is the only person with decision-making power in this area.

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.

At end-December 2009 no hedges were in place.

After falling 50% between the middle- and end-2008, indexed commodity prices rose around 70% on average weighted basis in 2009.

The contracts for flat steel negotiated in 2008 offset the sharp increases at the beginning of 2009, when production was relatively low, and benefited the Group when prices fell in mid-2009 to below early-2008 levels. In this way, costs were smoothed very favorably with regard to steelmaker demand and market prices.

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.

MANAGEMENT PROCEDURES AND PRINCIPLES

The risk of suppliers failing to honor their commitments is managed using three main criteria:

- including a "filter" in the supplier selection and sourcing processes;
- the detection of non-conformity with standards;
- taking corrective actions if a major or critical non-compliance is detected at a supplier (performance reviews).

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.

In the light of supplier difficulties prompted by the financial crisis, procedures are being reviewed in order to reduce the Group's exposure to sourcing risk.

Operational Purchasing departments handle risks of other sorts, eg 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.

Finally, the risk of failure to meet social and environmental demands (sustainable development) is countered by taking action with regards to suppliers in the fields of labor relations and the environment:

- a 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;

- on the management of detected cases of non-conformity, with the implementation and monitoring of corrective action plans;

- on an active participation in the deployment of regulations applying to substances, such as REACH, and regulations covering end-of-life vehicles, such as ELV.

GEOGRAPHICAL RISK

RISK FACTORS

The Group has industrial and/or commercial operations in countries outside Europe[5], notably Romania, Russia, Turkey, Morocco, South Africa, Brazil, Argentina, Colombia, Chile, Iran, South Korea and India. Group sales outside Europe account for 24% of revenues.

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

MANAGEMENT PROCEDURES AND PRINCIPLES

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

The Group 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

[5] "Outside Europe" means in the four Regions - Euromed, Eurasia, Asia-Africa and Americas; from March 1, 2009 a new breakdown of Regions was established as part of the new geographical organization steered by the Regional Management Committees.

to other areas when domestic markets falter and where exchange rate changes improve the price competitiveness of products outside the country.

Renault’s industrial and commercial investments outside Europe are geographically diversified, making it possible to pool the portfolio of risks at the company level. Patterns of GDP growth and solvency vary from one region of activity to another and are often counter-cyclical.

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

In terms of financial flows, the Group hedges financial payments from 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).

The Regional Management Committees (CMR) are responsible for overall tracking of country risk in their respective regions.

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.

The Group thus centralizes its financial-risk management activities and can use a single hedging procedure on competitive terms. 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 sells it on to the importing subsidiaries and independent importers by granting them supplier credit. The parent company manages the risk associated with this credit.

RCI BANQUE CUSTOMER AND NETWORK RISK

Risks linked to customer loan quality are assessed using a scoring system and monitored according to customer segment, *i.e.* customers or network.

The procedures for granting loans to customers (retail and corporate) 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.

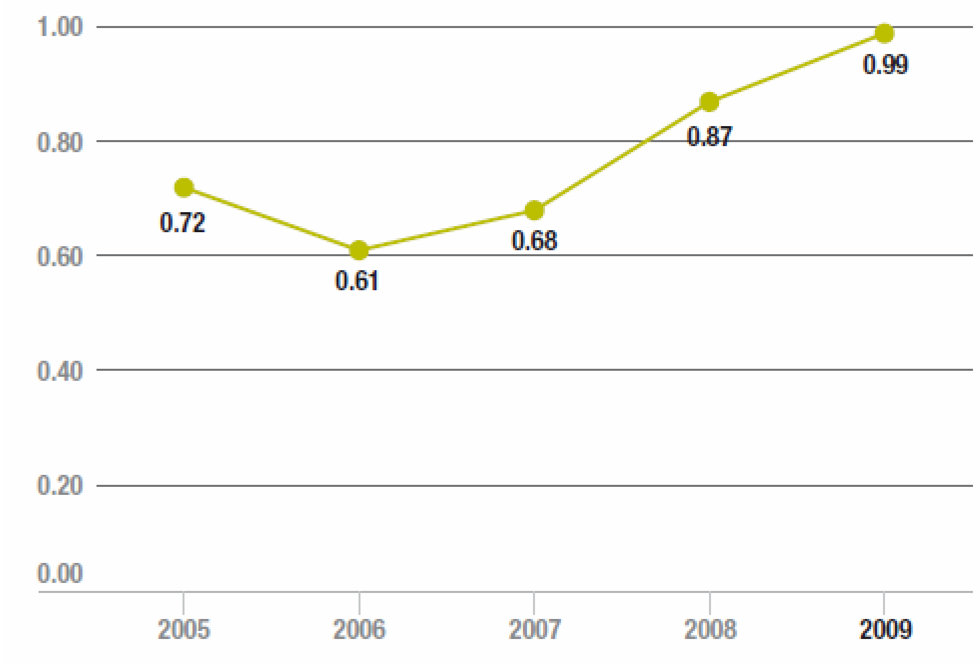
Financing is granted to the network on the basis of an internal rating system that takes into account the financial position of dealers. A policy of standardizing the rules for network risk (notably as regards provisioning) has been in place for several years. This has made it possible to strengthen the monitoring and provisioning of risk. Since 2002, the cost of risk has reflected a conservative policy that takes in account 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 2009 was down €290 million relative to December 31, 2008.

Outstanding dealer financing increased €269 million over the same period.

The cost of customer risk deteriorated further in the second half of 2009, 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, INCLUDING COUNTRY RISK)



"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 (eg 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 in Europe, 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

<u>Import subsidiaries</u>

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 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 the 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 or transfers all or part of the risk to local banking institutions.

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

INDUSTRIAL RISK

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 and R&D centers. 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 environmental-risk facilities. Nevertheless, it has put in place a management system to prevent environmental risks. This system is ISO 14001 certified and since 2005 has been integrated into Renault Production Way through the management of chemical products and waste at workstations.

A central team of experts coordinates the tasks performed under the system. The experts at headquarters are supported at each plant by local teams organized in a network. Techniques and structures for identifying risks, quantifying their impact, organizing prevention and protection and defining control and management methods are implemented at all industrial sites.

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

IT RISK

RISK FACTORS

The Renault group’s business depends in part on the orderly operation of its 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:

- an IT Risk Committee, at Group level, organized by the DSIR in conjunction with the Risk Management department, and with representatives of other corporate departments and the Information Control program;
- Security Committees, at DSIR level, that carry out checks at the 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 DSIR in partnership with the Internal Audit department or the Group Protection department.

The main security programs in 2009 sought to:

- finalize the definition of a joint security program with Nissan;
- strengthen security measures that reflect the new issues raised by the Group’s international expansion and partnerships (access management and confidentiality, protection of the Alliance intranet, etc.);

- supplement 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 Insurance department negotiates and directly entrusts financially solvent insurers with these worldwide programs. It contributes directly to the definition of the Group prevention and protection policy. The nature and scope of the guarantees are determined by a preliminary risk analysis of the operational organizations. The following risks are covered in this way:

- Material Damage and resulting Operational Losses: the Group buys a capacity of €1.5 billion per claim in two lines from 11 insurers. The resulting operational losses are measured on the scale of Group-wide activities. The deductibles for the Group’s manufacturing activities amount to €10 million per claim. Deductibles for commercial activities amount to €12,000 per claim;

- Civil Liability: the Group buys a capacity of €100 million in two lines to cover general civil liability and civil liability related to products, the environment and repairs made by the sales subsidiaries of Renault Retail Group;

- Transportation and storage of vehicles in depots: the Group buys a capacity of €50 million per claim in a single line, with deductibles of €0.1 million per claim, for damage to vehicles in depots.

Renault’s insurers partially reinsure these worldwide programs with MRC (Motor Reinsurance Company), a 100% Group-owned subsidiary.

MRC usually intervenes as follows:

- material damage and resulting operational losses: commercial activities are reinsured for €10 million per incident, with an annual block limit of €15 million;

- civil liability: repairs made by Renault’s sales subsidiaries are covered to an annual block limit of €2.3 million;

- transportation and storage of vehicles in depots: MRC covers up to €10 million per incident, with an annual block limit of €20 million. MRC reached its block limit in the last financial period due to natural incidents (mainly storms or hail). The Group decided to cover some of the depots exposed to these risks, in particular in Slovenia, Brazil and Argentina.

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 (apart from the natural incidents impacting vehicles stored in depots), and a desire to make each risk-bearing sector more accountable. No major change to Renault’s risk transfer policy is planned for 2010.

OTHER RISKS

LEGAL RISK AND CONTRACTUAL RISKS

The Renault group is exposed to legal risks arising from its situation as an employer, vehicle designer and distributor, and purchaser of components and services. It controls these risks by implementing prevention policies in the areas of workplace hygiene and safety, the industrial environment, intellectual and industrial property, vehicle safety, and product and service quality. It also ensures the legal certainty of its operations.

Legal and arbitration proceedings

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.

Risks on jointly owned companies

The Group has entered into joint-company agreements with global firms and state-owned enterprises. It exercises dominant or significant influence in each of these entities, whose operations therefore entail no particular risks.

Regulatory change

Renault, like all companies, is subject to clean-hands legislation. It requires subsidiaries to comply with the regulations of the countries in which it operates. Renault engages in ongoing dialogue with national or regional authorities in charge of special regulations governing automobile products in order to prevent risks arising from regulatory change.

- 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 presented on September 14, 2004 a proposal for a Directive amending Directive 98/71 on the legal protection of designs and models. The proposal calls for the abolition of protection of spare parts under design and model law. It was approved by the European Parliament with an amendment providing for a five-year transition period. The draft Directive is now due to be discussed by the Council of Ministers. Sales of copies of spare parts after that date could have a negative impact on the Group’s results insofar as some 1.5% of Renault revenues is currently generated by sales of so-called “captive” spare parts protected under design and model law.

Granting of licences 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, 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 licence 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 licence used by the Volvo group at its own risk.

OFF-BALANCE-SHEET COMMITMENTS

The main commitments concern guarantees and endorsements granted by the Group in the normal course of business. 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 21 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).

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 €1.6 billion, Renault has demonstrated its determination to rise to the challenges of the automotive industry and to converge with the current technological and societal trends.

Research and Development expenditure *

Under IFRS	2009	2008	2007	2006
R&D expenditure (€ million)	1,643	2,235	2,462	2,400
Group revenues (€ million)	33,712	37,792**	40,620	39,969
R&D spend ratio (% of Group revenues)	4.9%	5.9%	6.1%	6.0%
R&D headcount, Renault group	17,881	17,775	16,219	15,658
Renault group patents	362	793	998	933

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

***2009 scope.*

2009 R&D HIGHLIGHTS

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

VEHICLES LAUNCHED IN 2009	POWERTRAIN SYSTEMS LAUNCHED IN 2009
Mégane range • Scénic (2009 Golden Steering Wheel prize in the MPV category awarded by Bild am Sonntag and Autobild – 250,000 readers) • Grand Scénic (the 12th vehicle in the range to score 5 stars in the Euro NCAP tests) • Mégane Estate • Mégane Renault Sport	F4Rt RS sports engine, 250hp. Trading name: 2.0 liter, 16v, 250hp coupled to the PK4 6-speed manual gearbox, with optional limited-slip differential
INNOVATIONS	**INNOVATIONS**
Dashboard with TFT (thin film transistor) color screen New integrated Carminat TomTom navigation system Audio and visual parking assistance with reversing camera	EDC double-clutch automatic gearbox, unveiled at the 2009 Frankfurt Motor Show Limited-slip differential (Mégane Renault Sport)

Range-topping 3D sound by Arkamys audio system with sound spatialization

STANDARD INNOVATIONS – THE 2009 VINTAGE

NEW SCÉNIC AND NEW GRAND SCÉNIC

A latest-generation dashboard
The new dashboard uses thin film transistor (TFT) technology – the only dashboard in this range to feature this option. Renault is the first volume carmaker to replace traditional dashboards with flat-screen dashboards that are similar to computer screens. Although similar to computer screens, these new dashboards meet the far more demanding requirements specific to automotive applications, such as cabin temperatures, humidity, vibrations, bright light and high contrast levels.

This innovation offers three types of benefits:

- the technology has made it possible to rework the layout and display of information in order of importance;

- some pieces data are not displayed until the driver needs them, for example the tire pressure control system displays information only if pressure is abnormal; and

- motorists can configure their own dashboard according to their individual tastes.

Renault delivers the right information at the right time by offering access to technology that is usually found only in higher segments.

Audio and visual parking assistances with reversing camera
The camera projects the image of the space behind the vehicle onto the navigation screen. Color gauges are used to inform the driver of the ideal direction and path for easier and safer maneuvers. New Grand Scénic is the first MPV to be fitted with a system of this kind.

THE CO_2 CHAMPIONS +

A CO_2 champion is a version of a model that produces CO_2 emissions placing it amongst the best vehicles in its category. Renault's CO_2 champions include Laguna dCi 110 (125g of CO_2/km), Mégane Hatch dCi 90/110 (119g of CO_2/km), Scénic dCi 90 (125g of CO_2/km), Clio dCi 90 (98g of CO_2/km) and Twingo dCi 90 (94g of CO_2/km).

Emissions have been reduced through a number of developments made on the engine and the vehicle:

- in the powertrain, the gearbox ratios can be lengthened and friction in the engine and the gearbox can be reduced by working on the geometry and coatings of moving parts and timing system parts;

- at the same time, aerodynamics can be improved *via* spoilers, full hubcaps, improved bumpers and lower ride height, while running friction can be reduced though low fuel-consumption tires.

POWERTRAIN SYSTEMS

The EDC gearbox (Efficient Dual Clutch)
Renault developed this gearbox for two reasons: to offer better mechanical performance than conventional automatic gearboxes by using technologies derived from manual transmissions and to exploit the full potential of automatic gearboxes to keep the engine within its ranges of highest energy yield. The result is a gearbox that consumes the same quantity of fuel as a manual gearbox.

The new EDC automatic gearbox represents a clear breakaway from traditional automatic transmissions, offering a smooth drive as well as CO_2 emissions and fuel consumption that are comparable to those of a manual transmission vehicle.

This performance is mostly due to the dry double clutch - the two clutches alternate back and forth for each gear change - which is associated with electric actuators in a ground-breaking combination. The gear shift patterns have been optimized for faster upshifts and reduced fuel consumption and CO_2 emissions. The EDC gearbox will be inaugurated in the first quarter of 2010 in the best-selling dCi 110 particulate filter versions of New Mégane, which represent the heart of the range.

The New Mégane RS engine

The latest-generation 2.0 16v turbocharged powerplant (F4Rt) outputs 250hp (184 kW) at 5,500rpm and generates 340Nm of torque at 3,000rpm.

With 80% of the maximum torque available at 1,900rpm, this engine is both punchy and smooth, thanks to two high-technology components: the twin-scroll type turbo and the continuous angle variator on the inlet camshaft.

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

In an environment still impacted by the crisis, the Group's consolidated revenues came to €33,712 million in 2009, down 10.8% on 2008 on a consistent basis but up 25% in the fourth quarter.

Operating margin was a negative €396 million, or -1.2% of revenues, down €722 million on 2008 using consistent methods[6]. Second-half operating margin was positive at €224 million.

Other Group operating income and expenses showed a net charge of €559 million, compared with a net charge of €443 million in 2008 using consistent methods[6].

The financial result showed a net loss of €404 million, compared with a positive net balance of €441 million in 2008 (o/w the variation includes a negative change of €552 million related to fair value measurement of redeemable shares).

Nissan's contribution to Renault's earnings was a negative €902 million, compared with a positive €345 million in 2008. AB Volvo's contribution was a negative €301 million, compared with a positive €226 million in 2008. AvtoVAZ made a negative contribution of €370 million (after a negative €117 million in 2008).

The net income was a negative €3,068 million, compared with a positive €599 million in 2008.

Earnings per share was a negative €12.13 (compared with a positive €2.23 in 2008).

Automobile generated €2,088 million of free cash flow[7], which was the priority aim in 2009. Automobile's cash flow amounted to €1,467 million, investments net of disposals totaled €2,302 million and the working capital requirement was reduced by €2,923 million.

As a result, Automobile's net financial debt fell by €2,023 million compared with December 31, 2008 to €5,921 million.

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[6] In 2009, impairment for loss of value on fixed assets (charges that are unusual in terms of their nature, frequency or amount) was recognized in other operating income and expenses. Accordingly, the income statement reported in 2008 was restated (operating margin in the amount of €114 million taken to other operating income and expenses).

[7] Free cash flow = cash flow minus tangible and intangible investments net of disposals +/- the change in the working capital requirement.

Group shareholders' equity stood at €16,472 million at December 31, 2009. The Group's debt-to-equity ratio fell to 35.9% (from 40.9% at end-December 2008).

CONSOLIDATED INCOME STATEMENTS

Group revenues stood at €33,712 million, down 10.8% on 2008 on a consistent basis.

DIVISION CONTRIBUTION TO GROUP REVENUES

€ million	2009					2008 restated for 2009 scope and methods					2008 reported
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Year
Automobile	6,634	8,467	7,664	9,186	31,951	9,727	10,191	8,633	7,240	35,791	35,757
Sales Financing	446	444	438	433	1,761	506	537	502	456	2,001	2,034
Total	**7,080**	**8,911**	**8,102**	**9,619**	**33,712**	**10,233**	**10,728**	**9,135**	**7,696**	**37,792**	**37,791**

	VARIATION 2009/2008 (%)				
	Q1	Q2	Q3	Q4	Year
Automobile	-31.8	-16.9	-11.2	26.9	-10.7
Sales Financing	-11.9	-17.3	-12.7	-5.0	-12.0
Total	**-30.8**	**-16.9**	**-11.3**	**25.0**	**-10.8**

The revenue contribution from **Sales Financing** was down 12.0% on 2009 at €1,761 million, in line with the 11.1% decline in average loans outstanding.

Automotive markets were extremely volatile and varied in 2009. After a first quarter severely impacted by the global economic crisis, the rest of the year was less unfavorable, owing to:

- growth in some markets, driven by government stimulus plans and scrappage bonuses in many countries; and
- market share gains for Renault on the back of range renewal.

Automobile's revenue contribution declined to €31,951 million in 2009, from €35,791 million in 2008 on a consistent basis. The 10.7% decline was due to:

- a contraction in volumes, accounting for -0.6 points. The decline was limited, however, by positive performances in the second half, driven by strong sales of new products and the impact of tax incentives;
- a negative price/mix effect, accounting for -2.8 points: the product mix was skewed towards the lower end of the range by government incentives, a negative impact that was only partly offset by the strong sales of Mégane;
- a negative currency effect, accounting for -2.5 points, due to depreciation against the euro on several group markets, especially the Korean won, the pound sterling, the Russian ruble, and the Romanian leu;
- a decline in sales of components and built-up vehicles to partners, also impacted by the crisis, which accounted for -4.8 points of the downturn in revenues.

In 2009 using consistent methods[6], the Group's **operating margin** was a negative €396 million, or 1.2% of revenues, compared with €326 million and 0.9% of revenues in 2008.

DIVISIONAL CONTRIBUTION TO GROUP OPERATING MARGIN

€ million	H1 2009	H2 2009	YEAR 2009	YEAR 2008 RESTATED (7)	CHANGE
Automobile	-869	-33	-902	-161	-741
% of revenues	*-5.8%*	*-0.2%*	*-2.8%*	*-0.4%*	
Sales Financing	249	257	506	487	19
% of revenues	*28.0%*	*29.5%*	*28.7%*	*24.3%*	
Total	**-620**	**224**	**-396**	**326**	**-722**
% of revenues	*-3.9%*	*1.3%*	*-1.2%*	*0.9%*	

Sales Financing contributed €506 million to operating margin, up 3.9% on 2008. This result demonstrates the solidity of RCI Banque's business model in a strained economic and financial environment. Amid rising refinancing costs, RCI Banque managed to:

- increase its margins: net banking income rose to 5.17% of average loans outstanding, up from 4.58% in 2008. In value terms, that increase offsets the decline in average loans outstanding, which totaled €20.2 billion in 2009, compared with €22.7 billion in 2008 (-11%);

- keep risk-related costs under control at 0.99% of average loans outstanding at end-December 2009, compared with 0.87% at end-December 2008. The increase can be attributed to worsening economic conditions in Spain and Romania. Excluding those two countries, risk-related costs were stable on 2008. Improved collection and a stricter approvals policy brought down risk-related costs in the second half of 2009;

- optimize operating costs: restructuring at RCI Banque kept operating costs under control compared with 2008.

In 2009, in a poor business environment, the contribution of **Automobile** to the operating margin fell €741 million, using consistent methods[6], from a negative €161 million in 2008 to a negative €902 million in 2009 (-2.8% of revenues), chiefly because of:

- a negative currency effect of almost €300 million, due mainly to the depreciation of the Russian ruble, the pound sterling and the Polish zloty;

- a negative volume and price mix impact of €746 million:

  - the decline in volumes (including for partners) accounted for €464 million, with the positive impact of the Europe Region failing to offset declines in other markets,

  - a negative mix/price/enhancement/incentives impact of €282 million. The positive impact of the reduction in fixed marketing costs and the renewal of the Mégane range were not enough to compensate for the change in the mix spurred by tax incentives as well as the commercial pressure in all the Group's markets;

- the company-wide cost-cutting policy, stepped up in 2009, made a positive contribution of €496 million:

  - purchasing costs decreased by €253 million excluding raw materials (up €48 million), despite the extra cost of providing assistance to some suppliers in difficulty,

  - G&A and warranty-related costs fell by €105 million and €80 million respectively,

  - manufacturing costs were down by €126 million.

RENAULT GROUP – R&D EXPENSES*

€ million	YEAR 2009	YEAR 2008 RESTATED
R&D expenses	1,643	2,235

% of revenues	*4.9%*	*5.9%*
Capitalized development expenses	-587	-1,125
% of revenues	*35.7%*	*50.3%*
Amortization(7)	739	634
R&D expenses recorded in the income statement	**1,795**	**1,744**

** R&D expenses are fully incurred by Automobile*

R&D expenses amounted to €1,643 million in 2009, 26% lower than in 2008. This reduction was enabled by the Group's adjustment measures and a more selective approach to expenditure under the 2009 action plan.

Despite the steep reduction, R&D expenses recorded in the income statement were stable at €1,795 million in 2009 compared with €1,744 million in 2008, amounting to 5.3% of Renault group revenues, up from 4.6% in 2008. The change can be attributed to two factors:

- capitalized development expenses contracted to €587 million, or 35.7% of the total, down 14.6 points on 2008 (50.3%), mainly because of the product planning cycle;

- amortization expense rose to €739 million compared with €634 million using consistent methods[6];

Other operating income and expenses showed a net charge of €559 million in 2009, compared with €443 million in 2008 using consistent methods[6].

In 2009 this item mainly consisted of:

- €218 million in restructuring and workforce adjustment costs (compared with €489 million in 2008), including a provision for rationalizing the real-estate portfolio in the Paris region;

- a €297 million impairment charge (€114 million in 2008[6]) recorded in the first half, the bulk of which was related to capitalized development expenses for two vehicles in the range whose volume/contribution outlook was adversely affected by the economic crisis. This impairment charge was recorded under operating margin until 2008;

- the consequences of the sale, announced at the end of 2009, of most of the Renault F1 stable for €118 million;

- net capital gains of €102 million on the sale of real-estate, chiefly the sale of a logistics center in Korea.

After recognizing other operating income and expenses, the Group posted an **operating loss** of €955 million, compared with a loss of €117 million in 2008.

Net financial income showed a net charge of €404 million in 2009, compared with income of €441 million in 2008. This was the result of:

- a €43 million loss linked to the negative impact of the fair value change in Renault SA's redeemable shares, compared with a gain of €509 million in 2008;

- an increase in interest expense owing to the rise in Automobile's debt.

In 2009 Renault's **share in associated companies** generated a loss of €1,561 million, of which:

- -€902 million for Nissan. After a first half heavily impacted by the effects of the crisis, Nissan's situation improved markedly in the second half, with a positive contribution of €309 million;

- -€301 million for AB Volvo;

- -€370 million for AvtoVAZ.

The **net result** was a negative €3,068 million (€599 million in 2008). Excluding Renault shares owned by Nissan and treasury stock, earnings per share was negative by €12.13, compared with a gain of €2.23 in 2008.

NET CAPEX AND R&D EXPENSES

Automobile's tangible and intangible investments net of disposals, using consistent methods[6], came to €2,054 million in 2009 (including €589 million in capitalized R&D expenses) compared with €3,232 million in 2008 (including €1,125 million in capitalized R&D expenses).

TANGIBLE AND INTANGIBLE INVESTMENTS NET OF DISPOSALS, BY DIVISION

€ million	2009	YEAR 2008 RESTATED [9]
Tangible investments	1,620	2,309
Intangible investments	670	1,177
o/w capitalized R&D expenses	*589**	*1,125*
o/w other intangible investments	*81*	*52*
Total acquisitions	2,290	3,486
Disposal gains	-236	-254
Total – Automobile	**2,054**	**3,232**
Total – Sales Financing	**19**	**7**
TOTAL – GROUP	**2,073**	**3,239**

* *Of which €2 million in 2009 in capitalized borrowing costs (IAS 23).*

In 2009 Automobile's tangible investments were directed primarily at renewing products and components, and at upgrading facilities:

- in Europe (59% of total outlays), range-related investments accounted for 79% of total outlays. Funds were allocated mainly to New Mégane and Master;

- investments outside Europe accounted for 41% of total outlays and were primarily allocated to Romania, Korea and Turkey to renew and extend the range, and to Russia to increase capacity at the Moscow plant.

As in previous years, Renault continued to invest in quality, working conditions and the environment.

RENAULT GROUP – NET CAPEX AND R&D EXPENSES

€ million	2009	2008
Investments net of disposals (excluding leased vehicles)	2,073	3,239
Capitalized R&D expenses	-589*	-1,125
Net industrial and commercial investments (1)	**1,484**	**2,114**
% of revenues	*4.4%*	*5.6%*
R&D expenses (2)	**1,643**	**2,235**
o/w R&D expenses billed to third parties (3)	*-114*	*-150*
R&D expenses for the Groupe (2) + (3) % of revenues	*4.5%*	*5.5%*
Net capex and R&D expenses (1) + (2) + (3)	**3,013**	**4,199**
% of revenues	*8.9%*	*11.1%*

* *Of which €2 million in 2009 in capitalized borrowing costs (IAS 23).*

AUTOMOBILE DEBT

At December 31, 2009 **Automobile's net financial debt** totaled €5,921 million, or 35.9% of shareholders' equity, down from 40.9% of shareholders' equity at December 31, 2008.

The €2,023 million decrease in net debt resulted from the combination of:

- cash flow of €1,467 million, down by €1,594 million on 2008. This decline was due to the fall in operating margin, as well as the sharp decrease in dividends received from associated companies with only €81 million from AB Volvo in 2009 (compared with €418 million received from Nissan and €259 million from AB Volvo in 2008);

- a €2,923 million decrease in the working capital requirement in 2009 through company-wide action plans focused on this priority target. Inventory was reduced by €1,372 million and customer receivables by €640 million;

- tangible and intangible investments net of disposals (including leased vehicles)[8] of €2,302 million in 2009, down from €3,385 million in 2008 (-32%).

Automobile generated a substantial €2,088 million in free cash flow in 2009.

AUTOMOBILE – NET FINANCIAL DEBT

	DEC. 31, 2009	**DEC. 31, 2008**
Non-current financial liabilities	8,787	5,511
Current financial liabilities, including derivatives on financial operations	4,455	5,705
Non-current financial assets – other securities, loans and derivatives on financial operations	-888	-964
Current financial assets	-1,025	-1,167
Cash and cash equivalents	-5,408	-1,141
Net financial debt	**5,921**	**7,944**

CASH AT DECEMBER 31, 2009

At December 31, 2009 Automobile had:

- €5,408 million in cash and cash equivalents;

- €4,070 million in undrawn confirmed credit lines.

At December 31, 2009 RCI Banque had:

- available liquidity of €6,440 million, covering more than twice all outstanding commercial paper and certificates of deposit and comprising €4,540 million in undrawn confirmed credit lines[9], €1,199 million in central bank eligible collateral, and €701 million in cash;

- a liquidity reserve of €4,010 million at end-2009, representing available liquidity surplus relative to outstanding certificates of deposit and commercial paper.

CHANGE IN SHAREHOLDERS' EQUITY

At December 31, 2009 **shareholders' equity** was down €2,944 million to €16,472 million (€19,416 million at December 31, 2008), mainly because of the loss recorded in 2009.

8 The change in capitalised leased vehicles has been reclassified from cash flow s from investing activities to cash flows from operating activities in application of changes introduced in the annual improvements to IFRS (note 2-A).

9 Undrawn confirmed credit lines with maturity over 3 months.

IV. STATEMENTS OF FACILITIES

1. OUTLINE OF CAPITAL INVESTMENT, ETC.

Please refer to Section III-7. ANALYSIS OF FINANCIAL CONDITION AND OPERATING RESULTS, “INVESTMENTS AND FUTURE-RELATED COSTS”.

2. STATEMENT OF PRINCIPAL FACILITIES

Please refer to Section II-3. CONTENTS OF BUSINESS (1) ACTIVITIES A. AUTOMOBILE “MAIN MANUFACTURING SITES.”

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

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

Please refer to 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, 2009

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. In 2009, no options were granted or exercised.

(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

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, 2009 a total of 797,659 redeemable shares issued by Renault were outstanding. The interest on redeemable shares, paid on October 26, 2009 in respect of FY 2008, was EUR 20.22 per share (EUR 10.29 for the fixed portion, EUR 9.93 for the variable portion). The interest on redeemable shares for FY 2009, payable on October 25, 2010, will be EUR 19.15 per share, comparing EUR 10.29 for the fixed portion, EUR 8.86 for the variable portion (based on consolidated revenues of EUR 33,712 million for 2009 and 37,792 million for 2008 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 109,718,131,761)
December 18, 2001 (2)	2,397,983	242,196,550	EUR 9,136,315.23 (JPY 1,097,180,096)	EUR 922,768,855.50 (JPY 110,815,311,857)
March 29, 2002 (3)	37,799,462	279,996,012	EUR 144,015,950.22 (JPY 17,294,875,462)	EUR 1,066,784,805.72 (JPY 128,110,187,319)
May 28, 2002 (4)	4,941,106	284,937,118	EUR 18,825,613.86 (JPY 2,260,767,968)	EUR 1,085,610,419.58 (JPY 130,370,955,287)

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

(*) 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, since the shares of treasury stock initially earmarked for the option plan were used.

(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, 2008. 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 1.59%. These shares do not carry voting rights.

General Public

In view of these changes, the free float is now 65.06% of the capital compared with 63.57% at December 31, 2008.

A survey of the holders of Renault shares was carried out on December 31, 2009 to obtain an estimated breakdown of the public's ownership interest by category of major shareholders. At that date, institutional shareholders owned approximately 57.36%, with French institutions holding 14.05% and foreign institutions 43.31%. The ten largest French and foreign institutional investors held approximately 21% of the capital. Individual shareholders were estimated to own around 4.95% of the capital.

Share buyback

At December 31, 2009 Renault SA held 4,523,725 shares of €3.81 par value and a book value of €229,445,525.

Pursuant to Article L. 225-209 of the Commercial Code, the eleventh resolution of the Combined General Meeting of May 6, 2009 authorized the Company to deal in its own stock in order to make use of the possibilities allowed for by law, for trading in its own shares. A new authorization has been granted by the Combined General Meeting of April 30, 2010 which is valid until October 30, 2011.

Renault SA did not purchase any of its own shares under this authorization or through the buyback program approved by the General Meeting of May 6, 2009.

However Renault SA sold over the counter a block of 4,239,973 own shares in October 2009. These shares were initially assigned to cover (i) stock-option plans, that reached expiration and (ii) stock-option subscription plans, that are deeply out of the money.

The 4,523,725 shares held directly or indirectly by Renault SA at December 31, 2009 are allocated as follows:

- 4,523,725 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;

- zero shares remitted for the exercise of rights attached to financial securities creating the right to an allotment of company stock by conversion, exercise, redemption, exchange or any other method, in accordance with securities regulations;

- zero shares to enable an investment services provider to maintain a secondary market in or ensure the liquidity of Renault shares under a liquidity contract compliant with an AMF-approved code of conduct;

- zero shares retained and subsequently remitted in exchange or as consideration for possible acquisitions;

- zero shares for cancellation.

Percentage of directly and indirectly held treasury stock at December 31, 2009: 1.59%.

Number of shares cancelled over the 24 months preceding December 31, 2009: 21,000*.

Number of shares held in the portfolio at December 31, 2009: 4,523,725.

Book value of the portfolio at December 31, 2009: €229,445,525.

Portfolio value at December 31, 2009**: €163,758,845.

* *On February 12, 2008 the Board of Directors of Renault SA 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 SA 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.

*** Based on a share closing price of €36.20.*

Trading by Renault in its own shares during FY 2009 in connection with programs authorized by the general meetings on April 29, 2008 and May 6, 2009

	TOTAL GROSS FLOWS AT DECEMBER 31, 2009		OPEN POSITIONS AT DECEMBER 31, 2009	
	PURCHASES	SALES	LONG POSITIONS	SHORT POSITIONS
Number of shares	none	4,239,973 shares	none	none
Average price	none	€29.74/share	none	none
Total	none	€126,096,797	none	none

(4) DESCRIPTION OF PRINCIPAL SHAREHOLDERS:

Ownership of shares and voting rights

As of December 31, 2009

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	17.99
Nissan Finance Co., Ltd.		42,740,568	15.00	-
Employees (1)		9,529,250	3.34	4.01
Treasury stock		4,523,725	1.59	-
Public		185,384,004	65.06	78.00
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	2005	2006	2007	2008	2009
Date of Settlement of Accounts	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008	December 31, 2009
Highest Price (JPY)	82.45 (9,901)	99.40 (11,937)	121.80 (14,627)	99.16 (11,908)	26.76 (3,214)
Lowest Price (JPY)	61.30 (7,362)	68.90 (8,274)	84.30 (10,124)	14.40 (1,729)	25.47 (3,059)

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

(Euros per share)

Month	July 2009	August 2009	September 2009	October 2009	November 2009	December 2009
Highest Price (JPY)	26.45 (3,176)	33.37 (4,007)	32.61 (3,916)	34.44 (4,136)	32.74 (3,932)	35.63 (4,279)
Lowest Price (JPY)	25.24 (3,031)	31.88 (3,828)	31.26 (3,754)	33.05 (3,969)	31.59 (3,794)	34.81 (4,180)

4. STATEMENT OF OFFICERS:

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

Further to the Alliance with Nissan, Renault-Nissan b.v has limited powers with respect to Renault, without prejudice to the powers of the Board of Directors and the shareholders. This Alliance-specific management method is described in II-3.

As provided in 2005 the departure of Louis Schweitzer led 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. The 2005 decision to separate the functions had been prompted by the desire to ensure a smooth management transmission.

A change in the governance arrangements was proposed to the Board of Directors following the AGM of May 6, 2009. Carlos Ghosn was appointed Chairman and CEO, taking on the role of Chairman of the Board of Directors in addition to his current duties.

Aside from strategic decisions and the monitoring of financial and legal issues and public affairs, which remain the direct responsibility of the Chairman and CEO, operational decisions are under the authority of the Chief Operating Officer.

The curbs placed by the Board of Directors on the powers of the CEO are described in the Board's internal regulations. These provide that, in addition to its legal and regulatory powers, the Board of Directors discusses the strategic policies of the company, including in connection with the Alliance, and examines any changes to those policies once yearly. Further, it also gives its opinion before any major decision inconsistent with the company's strategy can be made.

In 2009 the Board of Directors appointed Philippe Lagayette as Senior Independent Director.

The Senior Independent Director is there to ensure a proper balance of powers and was appointed after the functions of Chairman and CEO were combined. The Senior Independent Director, whose role consists in coordinating the activities of the independent directors, provides a link between the independent directors and the Chairman and CEO, acting in his capacity as Chairman of the Board of Directors.

The Board appoints the Senior Independent Director from among the eligible independent directors, upon a proposal by the Appointments and Governance Committee. The Senior Independent Director is appointed for the term of his directorship.

The Senior Independent Director's tasks include:

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

- chairing Board meetings where the Chairman and CEO is not present. In particular, the Senior Independent Director chairs discussions intended to assess the performance of the Chairman and CEO with a view to determining his remuneration, having obtained the opinion of the Remuneration Committee.

He sits on the Accounts and Audit Committee and the Appointments and Governance Committee.

The internal regulations of the Board of Directors have been revised to reflect the new governance arrangements.

(1) BOARD OF DIRECTORS

At March 5, 2010 the company was administered by a Board of Directors composed of 18 members:

- 12 directors appointed by the Annual General Meeting of Shareholders (AGM);

- two directors appointed by administrative order, representing the French State;

- three directors elected by employees;

- one director elected by the AGM on the recommendation of employee shareholders.

The term of office of directors elected by the AGM is four years.

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

The Board of Directors meets as often as the interests of the company require. Meetings are convened at least eight days in advance by the Chairman. Meeting papers that cannot be disseminated ahead of time are made available to directors before the beginning of each meeting.

The minutes of the Board meetings are made available within four weeks of each meeting.

(As of June 4, 2010)

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 56	Chairman and CEO	205,200 shares	First appointed in April 2002 and the current term expires in 2014 Appointed as Chairman of the Board since May 6th, 2009. Member of the Appointments and Governance Committee

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			<u>Current offices and functions in other companies:</u> Director: Alcoa, AvtoVAZ President and Chief Executive Officer: Nissan Motor Co., Ltd. Chairman of the Alliance Board: Renault-Nissan b.v. <u>Offices or functions in the past five years no longer held:</u> Director: Sony, IBM
Yves Audvard February 10, 1953, Age 57	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*
Alain J-P Belda June 23, 1943, Age 67	Director	1,000 shares	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: IBM, Citigroup <u>Offices or functions in the past five years no longer held:</u> Chairman and Director of Alcoa Chairman and CEO of Alcoa Director of Brown University Member of the Board of Trustees of the Conference Board. Member of the Business Council.
Patrick Biau February 5, 1956, Age 54	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 *Director elected by employees*
Alain Champigneux January 1, 1954, Age 56	Director	1,076 ESOP units	First appointed in November 2002 and the current term expires in November 2012 Member of the Accounts and Audit Committee Renault Document Manager *Director elected by employees*

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
Charles de Croisset* September 28, 1943, Age 66	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: the Fondation du Patrimoine Director: Bouygues, LVMH Member of the Supervisory Board: Euler & Hermès Non-voting director: Galeries Lafayette *Abroad*: International Advisor, Goldman Sachs International <u>Offices or functions in the past five years no longer held</u>: Director: Thales UK, Thales
Thierry Desmarest* December 18, 1945, Age 64	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 Chairman and Chief Executive Officer of Elf Aquitaine
Jean-Pierre Garnier* October 31, 1947, Age 62	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*:

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			Director: United Technology Corp. Chairman: NormsOxys Inc. Offices or functions in the past five years no longer held: Chairman and Chief Executive Officer of Glaxo Smithkline Beecham plc Chairman of GlaxoSmithKline plc Director: GlaxoSmithKline Beecham p.l.c., Biotechnology Industry Organization, Eisenhower Exchange Fellowship
Takeshi Isayama March 8, 1943, Age 67	Director	1,000 shares	First appointed in 2009 and the current terms expires in 2013. Current offices and functions in other companies: Chairman, The Carlyle Japan L.L.P Director: Dainippon Screen Mfg Co., Ltd, Terumo Corp, The Japan Fund Adviser: National Institute of Advanced Industrial Science and Technology. Visiting Scholar: Tokyo University of Agriculture and Technology. Offices or functions in the past five years no longer held: Director: Seiyu GK (Wal-Mart subsidiary) Vice- Chairman: Nissan Motor Co. Ltd.
Marc Ladreit de Lacharrière* November 6, 1940, Age 69	Director	1,020 shares	First appointed in October 2002 and the current terms expires in 2014. Chairman of the Appointments and Governance Committee and member of the Remuneration Committee. Current offices and functions in other companies: *France:* Member: Institut de France (Académie des Beaux Arts) Chairman of the Board: Agence France Museums Director: Casino, L'Oréal, Gilbert Coullier Productions (SAS) 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)

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			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 <u>Offices or functions in the past five years no longer held:</u> Chairman : Fitch Group Holdings Director: Algorithmics, Cassina, Établissement Public du Musée du Louvre Member: Conseil Stratégique pour l'Attractivité de la France
Dominique de la Garanderie***** July 11, 1943, Age 66	Director	1,150 shares	First appointed in February 2003 and the current term expires in 2013 Member of the Accounts and Audit Committee and the Appointments and Governance Committee Barrister ((Cabinet La Garanderie & Associès) Former chair: Paris Bar Association <u>Current offices and functions in other companies:</u> *France:* President of the Institut Français d'Experts Juridiques Internationaux (French Institute of International Legal Experts-IFEJI) Member of the Supervisory Board and Audit Committee of Holcim Western Europe *Abroad:* n/a <u>Offices or functions in the past five years no longer held:</u> n/a
Philippe Lagayette***** July 16, 1943 Age 66	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. Senior Independent Director Chairman of the Accounts and Audit

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			Committee Current offices and functions in other companies: *France:* Member of the Board: PPR Member of the Board: Fimalac *Abroad:* n/a Offices or functions in the past five years no longer held: Member of the Board:La Poste
Pascale Sourisse March 7, 1962 Age 48	Director	(a)	First appointed in April 30, 2010 and the current term expires in 2014 Member of the Thales Executive Committee General Manager of the Land Systems and Joint Systems Division Current offices and functions in other companies: President of the Board of Telecom ParisTech (École Nationale Supérieure des Télécommunications). Member of the Board of Directors: Vinci, Agence Nationale des Fréquences. Member of the Supervisory Board of Directors of Thales Alenia Space.
Bernard Delpit October 26, 1964 Age 45	Director	(a)	First appointed on April 30, 2010 and the current term expires in 2014 Chief Operating Officer Chief Financial Officer of Groupe La Poste Current offices and functions in other companies: 1st Class Inspector of Public Finances. Member of the Executive Committee of La Poste. Director: Sofipost, Geopost, La Banque Postale Prévoyance, Poste Immo. Member of the Supervisory Board: La Banque Postale, La Banque Postale Asset Management.
Franck Riboud* November 7, 1955, Age 54	Director	331 shares	First appointed in December 2000 and the current term expires in 2014 Chairman of the Remuneration Committee Chairman and CEO, Chairman of the

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			Executive Committee of Danone Group Current offices and functions in other companies: *France:* Chairman of the Board: Danone Communities Chairman of the Guidance Committee: Fonds Danone pour l'Ecosystème Director: Association Nationale des Industries Agroalimentaires, Lacoste France SA, International Advisory Board HEC, Danone SA, ACCOR SA. Member representing Danone Group: Conseil National du Développement Durable Member of the Sponsorship Committee: Fonds de Dotation Aide pour l'Entreprenariat Populaire *Abroad* Director: Bagley Latinoamerica SA, Danone SA (Spain), Ona, Fondation GAIN (Global Alliance For Improved Nutrition) Offices or functions in the past five years no longer held: Chairman and Director: Danone Asia Pte Limited Chairman: Compagnie Gervais Danone SA, Générale Biscuit SA Director: ANSA, Danone Finance, L'Oréal SA, Sofina, Quiksilver, Wadia BSN India Limited Member of the Supervisory Board: Accor, Eurazeo SA Commissioner: P.T. Tirta Investama.
Luc Rousseau March 16, 1957, Age 53	Director	(a)	First appointed in February 2010 and the current term expires in 2012. Member of the International Strategy Committee Director General of Competitiveness, Industry and Services, Ministry of the Economy, Industry and Employment Current offices and functions in other companies: Member of the Supervisory Board of Areva Member of the Board of Directors: FSI (strategic investment fund), CEA (atomic energy commission) and the ANR (national research agency), Government commissioner for the Board of Directors of La Poste, of FT1CI

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			Government representative: Board of Directors of the AFII (Invest in France Agency), of OSEO, of Palais de la Découverte and La Cité des Sciences et de l'Industrie. <u>Offices or functions in the past five years no longer held:</u> Government commissioner: AII (agency for industrial innovation), OSEO Innovation
Alexis Kohler November 16, 1972 Age: 37	Director	(a)	First appointed in February 2010 and the current term expires in 2011 Division Director - Transports and Media - French government shareholding agency Ministry for the Economy, Industry and Employement <u>Current offices and functions in other companies:</u> Director as representative of the State: TSA, GIAT Industries, STX France Cruise, Société de valorisation foncière et immobilière (SOFAVIM), *La Monnaie de Paris.*
Hiroto Saikawa November 14, 1953, Age 56	Director	100 shares	First appointed in May 2006 and the current term expires in 2014 Executive Vice President for Asia-Pacific Region, Affiliated companies and Purchasing, Nissan Motor Co., Ltd.
Michel Sailly October 8, 1949, Age 59	Director	266 ESOP units	First appointed in May 6th, 2009 and the current term expires in 2013. Member of the International Strategy Committee. Renault production way (SPR) development Manager *Director elected by employees*

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

The mean age of incumbent directors is 58. Each director must own at least one registered share[10]. However, administrative regulations forbid the directors appointed by the French State [(a)] from owning shares as government representatives.

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

[10] Percentage of Renault's capital held by directors: 0.07%.

Directors, Management Board or Supervisory Board of a securities issuer or from serving as a manager or officer of an issuer in the past five years.

To Renault's knowledge, there are no conflicts of interest between the directors' private interests and their duties towards the company.

The directors are not related by family ties.

Corporate officers are not bound to Renault or any of its subsidiaries by service agreements that provide for benefits at expiration.

Expiration of terms of office

Current term expires	Officer
2011	Mr. Kohler
	Mr. Lagayette
2012	Mr Audvard
	Mr Biau
	Mr. Champigneux
	Mr. de Croisset
	Mr. Desmaret
	Mr. Garnier
	Mr. Rousseau
2013	Mrs de La Garanderie
	Mr. Isayama
	Mr. Belda
	Mr. Sailly
2014	Mr.Delpit
	Mrs Sourisse
	Mr. Ghosn
	Mr. Ladreit de Lacharrière
	Mr. Riboud
	Mr. Saikawa

(2) GROUP EXECUTIVE COMMITTEE AND MANAGEMENT COMMITTEE AT MARCH 1, 2010

Alphabetic list at March 1, 2010

Carlos Ghosn*	Chairman and CEO
Bruno Ancelin	Senior Vice President, Alliance Industrial Sourcing
Michel Balthazard	Senior Vice President, Pre-Engineering, Projects and Requirements
Denis Barbier	RMC Leader, Americas
Bernard Cambier	Senior Vice President, Market Area France
Jacques Chauvet	RMC Leader, Euromed
Marie-Françoise Damesin	Senior Vice President, Corporate Communications
Christian Deleplace	Expert "Fellow"

Odile Desforges*	Executive Vice President, Engineering and Quality
Christian Estève	RMC Leader, Eurasia, Chairman Avtoframos
Michel Faivre Duboz	Senior Vice President, Global supply chain
Michel Gornet*	Executive Vice President, Manufacturing and Logistics
Christian Husson	Senior Vice President, Legal department and Public Affairs
Philippe Klein*	Executive Vice President, Plan, Product Planning and Programs
J. Christophe Kugler	Senior Vice President, LCV division
Nadine Leclair	Senior Vice President, Vehicle Engineering Development
Gérard Leclercq	Senior Vice President, Group Human Resources
Christian Mardrus	Managing Director, Alliance Global Logistics
Thierry Moulonguet*	Executive Vice President, Chief Financial Officer, *Chief Compliance Officer*
Katsumi Nakamura*	Executive Vice President, RMC Leader, Asia-Africa
Eric Nicolas	Senior Vice President, Corporate Controller
Stephen Norman	Senior Vice President, Global Marketing
Patrick Pélata*	Chief Operating Officer
Jacques Prost	Senior Vice President, Powertrain Engineering
Bernard Rey	Senior Vice President, CEO Office and President of Renault Sport and Renault F1 Team
Jérôme Stoll*	Executive Vice President, Sales and Marketing and LCV division, RMC Leader Europe (France + Europe)
Dominique Thormann	Chairman and CEO, RCI Banque
J. Pierre Vallaude	Senior Vice President, Quality
Laurens Van Den Acker	Senior Vice President, Corporate Design
Christian Vandenhende	Senior Vice President, Alliance 'global purchasing', Purchasing, CEO RNPO

* *Members of the Group Executive Committee (CEG).*

(1) *On July 1, 2010, Laurence Dors who joined the company on March 1, 2010, will take seat at the Renault Executive Committee.*

(3) REMUNERATION OF DIRECTORS AND OFFICERS AT JANUARY 1, 2010

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[11] 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 2009 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).

[11] The amount of €600,000 is the median of directors' fees paid by other CAC 40 companies.

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 2009 amounted to €571,336 (€557,475 in 2008).

Fees allotted to Directors for the year, depending on attendance at Board and Committee meetings

DIRECTORS	ATTENDANCE IN 2009	TOTAL FEES RECEIVED IN € (1)	
		2009	2008
Mr. Ghosn	7/7	28,000	28,000
Mr. Audvard	7/7	32,500	32,500
Mr. Belda (4)	3/7	18,164	-
Mr. Biau (4)	7/7	32,500	4,730
Mrs Bréchignac (3)	5/7	28,500	30,500
Mr. Champigneux	7/7	32,500	32,500
Mr. de Croisset	7/7	32,500	30,500 (2)
Mr. Desmarest	5/7	28,500	20,434
Mr. Garnier	6/7	30,500	18,434
Mr. Koeda (4)	0/7	4,795	20,000 (2)
Mr. Isayama (4)	4/7	17,205	-
Mr. Ladreit de Lacharrière	7/7	38,418	37,000
Mrs de La Garanderie	6/7	35,000	35,000
Mr. Lagayette	7/7	39,959	37,000
Mr. Paye	7/7	41,500	40,025
Mr. Riboud	5/7	33,000	29,000
Mr. Rioux (3)	7/7	32,500	32,500
Mr. Saikawa	4/7	22,000	24,000 (2)
Mr. Sailly (4)	4/7	20,164	-
Mr. Schweitzer (4)	3/7	10,795	28,000
Mr. Stcherbatcheff (4)	3/7	12,336	30,500

(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

Fixed and variable remuneration

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

No variable remuneration was awarded for FY 2008 because of economic conditions and the situation in the automobile industry.

In 2009 Renault concentrated its energies on its recovery plan. In particular, it succeeded in generating positive free cash flow. At its meeting on February 10, 2010 the Board of Directors noted that the main objective sought by the entire company had been reached. It was therefore decided that the members of the Renault Management Committee, with the exception of the Chairman and CEO, were eligible for variable remuneration based on that criterion.

Supplementary pension scheme

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

- a defined contribution scheme equivalent to 8% (5% paid by the company, 3% by the beneficiary) of annual remuneration between eight and 16 times the upper earnings limit for social security contributions;

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

- an additional defined benefit scheme capped at 15% of remuneration. This scheme is mentioned for information only since it applies to just one member of the committee who had fulfilled the condition of being on the Executive Committee at June 30, 2004.

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

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 Chairman and CEO are entitled, are estimated at between 30% and 45% of their final remuneration, owing to differences in seniority at Renault and on the Group Executive Committee.

Remuneration of Renault Management Committee members in 2009

In 2009 the total remuneration paid to the 22 members of the Renault Management Committee in office at December 31, 2009 amounted to €7,508,519, including €3,909,089 of total remuneration paid to the eight Group executive Committee members, compared with respectively €17,301,290 of total remuneration paid to the Renault Management Committee members and €7,253,174 to the Group Executive Committee in 2008.

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

REMUNERATION OF CORPORATE OFFICERS

In accordance with the December 2008 version of the Afep/Medef recommendations and with the position of the French securities regulator, Autorité des marchés financiers, corporate office-holders do not also hold an employment contract with Renault.

Procedure for determining remuneration

Fixed and variable remuneration

Meeting on May 6, 2009 the Board of Directors voted to combine the functions of Chairman of the Board of Directors and those of the Chief Executive Officer. Note that, with effect from this date, the Chairman and CEO is not remunerated for his function as Chairman of the Board of Directors.
In light of economic conditions and the situation in the automobile industry, the Chairman and CEO will receive no variable remuneration in 2010 for his duties as CEO for the year 2009, in accordance with the

decision made by the Board of Directors on February 10, 2010 upon a Remuneration Committee proposal. His fixed remuneration paid in 2009 was the same as the one paid in 2008.
This decision is consistent with the provision of Decree 2009-348 of March 30, 2009 and Decree 2009-445 of April, 20 2009 on “the terms of remuneration of senior executives of State-aided companies or companies receiving State support because of the economic crisis and to heads of state owned enterprises”.

Supplementary pension scheme

The Chairman and CEO also benefits from the supplementary pension scheme set up for members of the Group Executive Committee. The policy of the Board of Directors is to treat corporate officers, which it appoints, as senior executives for the purposes of ancillary remuneration, particularly retirement benefits.

Remuneration of corporate officers

The total remuneration of the Chairman and CEO was as follows (in €):

CARLOS GHOSN	2008		2009	
	OWING FOR 2008	PAID IN 2008	OWING FOR 2009	PAID IN 2009
Fixed remuneration	1,200,000	1,200,000	1,200,000	1,200,000
Variable remuneration(1)	0	1,392,000	0	0
In-kind benefits	10,014	10,014	12,809	12,809
Total as CEO	1,210,014	2,602,014	1,212,809	1,212,809
Directors’ fees(1)	28,000	28,000	28,000	28,000
TOTAL	1,238,014	2,630,014	1,240,809	1,240,809
(1) Paid the following year.				

Until May 6, 2009 the total remuneration of the Chairman of the Board of Directors was as follows (in €):

LOUIS SCHWEITZER	2008		2009	
	OWING FOR 2008	PAID IN 2008	OWING FOR 2009	PAID IN 2009
Fixed remuneration	200,000	200,000	69,871	69,871
Variable remuneration	0	0	0	0
Directors’ fees	28,000	28,000	10,795	28,000
In-kind benefits	4,785	4,785	2,364	2,364
TOTAL	232,785	232,785	83,030	100,235

STOCK OPTIONS GRANTED TO SENIOR EXECUTIVES AND CORPORATE OFFICERS

LEGAL FRAMEWORK

The authorization issued by the Joint General Meeting of April 29, 2008 expired without being used.

No resolution has been submitted to the Joint General Meeting of April 30, 2010.

GENERAL POLICY ON OPTION GRANTS UNDER EXISTING PLANS

Remuneration committee

The Board of Directors approves the stock-option plan on the basis of the report of the Remuneration Committee. The Committee examines proposals from the Chairman to grant options to Group employees, in compliance with the general arrangements set by the Annual General Meeting. The Chairman and CEO does not take part in the committee’s proceedings when the matter under review concerns him personally.

Aims of the stock-option plans

The main aim of the 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 reinforces 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 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 Chairman and the members of the Renault Management Committee, including the eight members of the Group Executive Committee at December 31, 2009.

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. No options have been granted since 2008.

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 Chairman with full knowledge of the facts. A General Careers committee, chaired by the Chairman and composed of the members of the Group Executive Committee, 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 (DCSD) 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 Chairman can make proposals to the Board's 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 IN PLACE AT DECEMBER 31, 2009

The options granted under Plans 6 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 *(in €)*	DISCOUNT	OPTIONS EXERCISED AT 12/31/2009	OPTIONS LAPSED AT 12/31/2009	OPTIONS OUTSTANDING AT 12/31/2009 (3)
AGM AUTHORIZATION GRANTED ON JUNE 11, 1998											
Plan 6	09/07/2000 and 10/24/2000	09/08/2005 and 10/25/2005	09/06/2010 and 10/23/2010	638	1,889,300	750,000	49.27 and 49.57	None	1,295,313	129,515	464,472
Plan 7	12/18/2001	12/19/2006	12/17/2011	858	1,861,600	505,000	48.97	None	868,404	72,466	920,730
Plan 8	09/05/2002	09/06/2007	09/04/2012	809	2,009,000	645,000	49.21	None	443,987	49,918	1,515,095
AGM AUTHORIZATION GRANTED ON APRIL 29, 2003											
Plan 9	09/08/2003	09/09/2007	09/07/2011	813	1,922,000	605,000	53.36	None	285,453	50,380	1,586,167
Plan 10	09/14/2004	09/15/2008	09/13/2012	758	2,145,650	695,000	66.03	None	16,000	76,300	2,053,350
Plan 11	09/13/2005	09/14/2009	09/12/2013	639	1,631,093	650,000	72.98	None	3,000	122,793	1,505,300
AGM AUTHORIZATION GRANTED ON MAY 4, 2006											
Plan 12	05/04/2006	05/05/2010	05/03/2014	693	1,674,700	556,000	87.98	None	3,000	315,328	1,356,372
Plan 13(6) Options Committ. 2009	05/04/2006	05/05/2010	05/03/2014	650	2,741,700	1,550,000	87.98	None	2,000	172,400	2,567,300(6)
Plan 13(6) bis Actions Committ. 2009	05/04/2006	05/05/2010	-	549	1,379,000	290,000	0	None	6,500	84,000	1,288,500(6)
Plan 14	12/05/2006	12/06/2010	12/04/2014	710	1,843,300	680,000	93.86	None	0	267,436	1,575,864
Plan 15(5)	12/05/2007	12/06/2011	12/04/2015	743	2,080,000	735,000	96.54	None	0	2,080,000	0
Plan 16(6) Options	12/05/2007	12/06/2011	12/04/2015	199	797,787	160,000	96.54	None	0	85,787	712,000(6)

Compl. Committ. 2009											
Plan 16[6] bis Shares Compl. Committ. 2009	12/05/2007	12/06/2011	-	199	132,166	60,000	0	None	0	11,266	120,900[6]

(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 6 to 9, a total of 4,486,464 options were unexercised at December 31, 2009.
(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 options under this plan were lost since the operating margin target was not been achieved (Board meeting February 11, 2009).
(6) All options under these plans, as well as bonus shares, are lost since the operating margin target of Commitment 2009 was not achieved (Board meeting February 10, 2010).

In 2009:

- no options were granted or exercised;

STOCK-OPTIONS GRANTED TO AND EXERCISED BY THE TEN EMPLOYEES, OTHER THAN CORPORATE OFFICERS, RECEIVING THE HIGHEST NUMBER OF OPTIONS	TOTAL OPTIONS GRANTED/SHARES ACQUIRED	WEIGHTED AVERAGE PRICE	PLAN NO.	PLAN NO.
Options granted during the year by the issuer or any option-granting company to the ten employees of the issuer and any company within this scope, receiving the highest number of options (aggregate information)	N/A			
Options on the shares of the issuer or the aforementioned companies exercised during the year by the ten persons of the issuer and these companies, acquiring or subscribing the largest number of options (aggregate information)	N/A			

- options exercised by corporate officers were as follows:

<u>Options exercised by corporate officers during the financial year</u>

	PLAN NO. AND DATE	NUMBER OF OPTIONS EXERCISED	STRIKE PRICE	GRANT YEAR

Carlos Ghosn	None
Louis Schweitzer	None

ADDITIONAL INFORMATION

Loss of entitlement is governed by regulatory provisions, i.e. total loss in the event of resignation, and individual decision in the event of dismissal, by the Chairman and CEO who informs the Remuneration Committee.

No Group subsidiary operates a stock-option plan for its own shares.

SUMMARY OF REMUNERATION PAID TO CORPORATE OFFICERS

Summary of remuneration and allocations of options

CHAIRMAN AND CEO	2008	2009
Remuneration owing in respect of the year	1,238,014	1,240,809
Value of options granted during the year	0	0
Value of performance shares granted during the year	0	0
TOTAL	**1,238,014**	**1,240,809**

CHAIRMAN OF THE BOARD OF DIRECTORS UNTIL MAY 6, 2009	2008	2009
Remuneration owing in respect of the year	232,785	83,030
Value of options granted during the year	0	0
Value of performance shares granted during the year	0	0
TOTAL	**232,785**	**83,030**

Stock-option allocations

	PLAN 6	PLAN 7	PLAN 8	PLAN 9	PLAN 10	PLAN 11	PLAN 12	PLAN 13
Louis Schweitzer	140,000	100,000	130,000	100,000	200,000	-	-	-
Carlos Ghosn	-	-	25,000*	25,000*	200,000*	200,000	100,000	1,000,000***
	PLAN 14	**PLAN 15**						
Louis Schweitzer	-	-						
Carlos Ghosn	200,000	200,000**						

* *Was not a member of the Renault Management Committee.*

** *All options under this plan were lost since the operating margin target was not been achieved (Board meeting February 11, 2009).*

*** *All options under these plans, as well as bonus shares, are lost since the operating margin target of Commitment 2009 was not achieved (Board meeting February 10, 2010).*

Benefits to senior executive corporate officers

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
Chairman and CEO **Carlos Ghosn**	-	No	Yes	-	-	No	-	No
Chairman of the								

Board of Directors until May 6, 2009 **Louis Schweitzer**	-	No	Yes	-	-	No	-	No

5. STATE OF CORPORATE GOVERNANCE, ETC.

(1) State of Corporate Governance

THE BOARD OF DIRECTORS IN 2009

The Board of Directors met seven times in 2009.

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 action described below:

Accounts and Budget:

The Board:

- approved the Group's consolidated financial statements and the individual financial statements of Renault and Renault s.a.s. for 2008, approved the consolidated financial statements for first-half 2009 and set the dividend to be proposed to the AGM;
- adopted the 2010 operating and investment budget;
- reviewed the action plan to preserve Renault's competitiveness, profitability and financial position (Crisis-Period Labor Deal, free cash flow) in the light of the new economic situation;
- given the difficulties in raising new private market financing, authorized the Chairman and CEO to sign a loan agreement with the government and riders to that agreement consistent with the provisions of Decrees 2009-348 of March 30, 2009 and 2009-445 of April 20, 2009 on "the terms of remuneration of senior executives of companies receiving government assistance or support as a result of the economic crisis, and of the senior managers of state-owned companies".

Corporate Governance:

The Board:

- combined the functions of Chairman of the Board of Directors and CEO and appointed Mr. Ghosn as Chairman and CEO;
- created the function of Senior Independent Director and appointed Philippe Lagayette to this position, upon a proposal by the Appointments and Governance Committee;
- appointed Louis Schweitzer as Honorary President;
- noted the succession plan for Renault's directors, in accordance with good governance practices;
- conducted a simplified self-assessment of its operating methods and decided on the definition of independent director;

- adopted the Chairman’s report pursuant to Article L. 225-37;
- reviewed the sponsorship activities of Renault and its subsidiaries;
- analyzed and approved the answers to shareholders’ questions ahead of the AGM.

Group Strategy:

The Board:

- discussed Renault’s strategic guidelines after Renault Commitment 2009, with particular emphasis on the electric vehicle, as part of a day devoted to this issue;
- approved the signature of a Memorandum of Understanding with AvtoVAZ shareholders, Russian Technologies and Troika Dialog, regarding the means to ensure AvtoVAZ’s sustainability through debt restructuring, a new product plan and an investment plan;
- approved continued engagement in Formula 1 with the support of a new strategic partner.

The Alliance:

The Board:

- ten years on from the Alliance’s creation, looked at stepping up Renault/Nissan cooperation (identified synergies to contribute €1.5 billion to the free cash flow of the two Alliance partners) and considered creating a dedicated team within RNBV to coordinate the main areas of cooperation between Renault and Nissan, including purchasing, logistics, information systems, advanced research, platforms, engines and electric vehicles;
- approved the signature of a letter of intent with Nissan, the French Atomic Energy Commission (CEA) and the French Strategic Investment Fund (FSI) to set up a joint venture company that would develop and manufacture batteries for electric vehicles in France;
- noted the summary of the Alliance Board’s decisions and proposals.

Regulated Agreements:

The Board authorized the following agreements:

- a €3 billion loan agreement with the government and riders to that agreement consistent with the provisions of Decrees 2009-348 of March 30, 2009 and 2009-445 of April 20, 2009 on “the terms of remuneration of senior executives of companies receiving government assistance or support as a result of the economic crisis and of the senior managers of state-owned companies”;
- an agreement on a €100 million loan from the government to produce a range of electric vehicles as part of the “loans for non-polluting vehicles” project launched by the government.

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, based on a questionnaire that uses the simplified format of the Spencer Stuart survey. The audit was carried out by the Appointments and Governance Committee, on personal interviews by Mr. Ghosn and Mr. Lagayette.

All the Board members wholeheartedly stress their positive view of the Board's operating procedures. The Board expressed its satisfaction about the inclusion of working managers with strong industrial and international experience, who will ensure that the Board has the broad range of skills needed to address issues facing the company in the future.

The work of the committees was considered satisfactory.

The decision to dedicate a day in 2009 to the company's strategy was praised and the exercise will be repeated in 2010.

The majority of directors welcomed the appointment of a Senior Independent Director, whose role is to coordinate the activities of independent directors; however, directors said that the Senior Independent Director should be available to support all members of the Board.

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, monitoring of significant risks for the company and the evolution of the Renault-Nissan Alliance.

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 was repeated and will be held again 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 judgement".

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 March 5, 2010 Renault had nine independent directors on its Board: Dominique de La Garanderie, Charles de Croisset, Alain Belda, Thierry Desmarest, Jean-Pierre Garnier, Marc Ladreit de Lacharrière, Philippe Lagayette, Jean-Claude Paye and Franck Riboud.

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 and CEO, 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 management as far as their presence on the

Board is concerned. This is illustrated by the special contribution they make to the Board's proceedings.

SPECIALIZED COMMITTEES OF THE BOARD OF DIRECTORS

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.

The roles of these committees are described in the internal regulations.

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 five times in 2009, 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 2008 and first-half 2009;
- the dividend to be proposed for FY 2009;
- the examination of the fees paid to the statutory auditors and their network and their compliance with the Auditors' Charter which governs their work;
- the 2008 balance sheet and the breakdown of the 2009 and 2010 Internal Audit Plan;
- risk mapping, analysis and monitoring methods used in the Group;
- management of risks that the Group may face;
- 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 four members, all of whom are independent directors: Franck Riboud in the chair, Thierry Desmarest, Jean-Pierre Garnier and Marc Ladreit de Lacharrière.

The committee met once in 2009 and was attended by all the members. 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 and CEO and members of the Executive Committee.

APPOINTMENTS AND GOVERNANCE COMMITTEE

This committee has five members: Marc Ladreit de Lacharrière in the chair, Dominique de La Garanderie, Carlos Ghosn, Alain Belda and Philippe Lagayette. Four of the five members are independent directors.

The committee met twice in 2009 and the attendance rate was 100%. The main items on its agenda were:

- the composition of the Board and the simplified assessment of its operation;
- 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.

INTERNATIONAL STRATEGY COMMITTEE

This committee has five members: Jean-Claude Paye in the chair, Yves Audvard, Patrick Biau, Catherine Bréchignac and Michel Sailly.

One of the five committee's members is an independent director.

The committee met once in 2009, and was attended by four of its five members. The main item on its agenda was the Light Commercial Vehicle (LCV) strategy.

Compliance Committee

The Compliance Committee met six times in 2009, 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, HR the Senior Vice President, Internal Control and Risk Management, the Senior Vice President, Legal department/Financial Compliance Officer and the Senior Vice President, Corporate Social Responsibility, from 2010.

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.

Accordingly, the committee took decisions on the following points:

- activity reports by the departments in charge of Group protection and IT security;
- main findings of audits and associated action plans;

- report by the Senior Vice President, Internal Audit, on frauds detected within the Group.

The Compliance Officer operates within the framework of the Compliance function.

In 2009 the Compliance Officer:

- 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, 2010

Strengthening management's operational capabilities:

Carlos Ghosn, President 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 the 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. Most of the members of the Renault executive committee will report to him, as will Regional leaders. It should be noted that Renault formed a Eurasia Region, effective March 1, 2009, 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.

Two Committees form Renault's senior management bodies:

- the Group Executive Committee;

- the Renault Management Committee.

GROUP EXECUTIVE COMMITTEE

The Group Executive Committee comprises eight members:

- Chairman and CEO;

- Chief Operating Officer;

- Executive Vice President, Sales and Marketing, and Light Commercial Vehicles;

- Executive Vice President, Plan, Product Planning and Programs and Management Control;

- Executive Vice President, Manufacturing and Logistics;

- Executive Vice President, Chief Financial Officer, Compliance Officer;

- Executive Vice President, Engineering and Quality;

- RMC Leader, Asia-Africa.

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

RENAULT MANAGEMENT COMMITTEE

The Renault Management Committee comprises 30 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 and Public Affairs, the Senior Vice President, CEO Office and President of Renault F1 Team report directly to the Chairman 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, 2010

- **Carlos Ghosn** ♦ Chairman and CEO
  - **Patrick Pélata** ♦ Chief Operating Officer
    - **Denis Barbier:** RMC Leader, Americas ●
    - **Jacques Chauvet:** RMC Leader, Euromed ●
    - **Marie-Françoise Damesin:** Senior Vice President, Corporate Communications
    - **Christian Esteve:** RMC Leader, Eurasia, Chairman Avtoframos ●
    - **Laurens Van Den Acker:** Senior Vice President, Corporate Design
    - **Christian Vandenhende:** Senior Vice President, Alliance 'global purchasing', Purchasing, CEO RNPO
    - **Odile Desforges** ♦ Executive Vice President, Engineering and Quality
      - **Michel Balthazard:** Senior Vice President, Pre-Engineering, Projects and Requirements
      - **Christian Deleplace:** Expert Fellow
      - **Nadine Leclair:** Senior Vice President, Vehicle Engineering Development
      - **Jacques Prost:** Senior Vice President, Powertrain Engineering
      - **J.Pierre Vallaude:** Senior Vice President, Quality
    - **Michel Gornet** ♦ Executive Vice President, Manufacturing and Logistics
      - **Michel Faivre-Duboz:** Senior Vice President, Global supply chain
      - **Gérard Leclercq:** Senior Vice President, Group Human Resources
    - **Philippe Klein** ♦ Executive Vice President, Plan, Product Planning and Programs
      - **Eric Nicolas:** Senior Vice President, Corporate Controller
    - **Katsumi Nakamura** ♦ Executive Vice President, RMC Leader, Asia-Africa ●
    - **Jérôme Stoll** ♦ Executive Vice President, Sales and Marketing and LCV division, RMC Leader Europe (France + Europe)
      - **Bernard Cambier:** Senior Vice President, Market Area France
      - **J. Christophe Kugler:** Senior Vice President, LCV division
      - **Stephen Norman:** Senior Vice President, Global Marketing
  - **Christian Husson:** Senior Vice President, Legal department and Public Affairs
  - **Thierry Moulonguet** ♦ Executive Vice President, Chief Financial Officer, Chief Compliance Officer
    - **Dominique Thormann:** Chairman and CEO, RCI Banque
  - **Bernard Rey:** Senior Vice President, CEO Office and President of Renault F1 Team
  - ***Alliance Board***
    - **Bruno Ancelin:** Senior Vice President, Alliance Industrial Sourcing
    - **Christian Mardrus:** Managing Director, Alliance Global Logistics

♦ **Members of the Group Executive Committee (CEG)**

● RMC: Region 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 Thierry Benoit
185, avenue Charles-de-Gaulle
92524 Neuilly-sur-Seine - France

Name(s) of certified public accountants ("CPA") in charge: Pascale Chastaing-Doblin and Thierry Benoit

Deloitte & Associates was appointed by the French Finance Ministry on April 25, 1990. It was reappointed by the Joint General Meetings of June 7, 1996, April 26, 2002, and April 29, 2008 for further six-year terms. Its current term will expire at the close of the Annual General Meeting convened to approve the accounts for 2013.

Composition of assistants involved in auditing services: two CPAs and several other professionals participated in the Company's 2009 audit.

Ernst & Young Audit
represented by Jean-François Belorgey and Aymeric de la Morandière
Faubourg de l'Arche
11, allée de l'Arche
92037 Paris La Défense Cedex - France

Name(s) of certified public accountants in charge: Jean-François Belorgey and Aymeric de la Morandière

Ernst & Young Audit was appointed by the French Finance Ministry on March 27, 1979. It was reappointed by the Joint General Meetings of June 7, 1996, April 26, 2002, and April 29, 2008 for further six-year terms. Its current term will expire at the close of the Annual General Meeting convened to approve the accounts for 2013.

Composition of assistants involved in auditing services: two CPAs and several other professionals participated in the Company's 2009 audit.

Alternate auditors

BEAS
Alternate for Deloitte & Associés
7-9, Villa Houssay
92200 Neuilly-sur-Seine - France

Gabriel Galet
Alternate for Ernst & Young Audit
11, allée de l'Arche
92400 Courbevoie - France

The alternate auditors were appointed by the Joint General Meeting of June 7, 1996 for a six-year term. They were reappointed by the Joint General Meetings of April 26, 2002 and April 29, 2008 for further six-year terms. Their terms of office will expire at the close of the Annual General Meeting convened to approve the accounts for 2013.

FEES PAID TO STATUTORY AUDITORS AND THEIR NETWORK

The audit fees recognized in 2009 by Renault SA and its fully consolidated subsidiaries for the engagements and assignments performed by the Statutory Auditors and their networks can be broken down note 30 of the notes to the consolidated financial statement in VI. Financial Condition, 1. Financial Statement.

(2) Contents, Etc. of Audit Fee

(i) Contents of Fees for Foreign Certified Public Accountant, Etc. Certifying Audit

Deloitte & Associés (Thousand Euros)

Classification	2008				2009			
	Fees for Services Related to Audit Certification		Fees for Non-Audit Services		Fees for Services Related to Audit Certification		Fees for Non-Audit Services	
	Euro in thousands	Yen	Euro in thousands	Yen	Euro in thousands	Yen	Euro in thousands	Yen
Filing Company	3692	443,372	0	0	2616	314,155	0	0
Consolidated Subsidiary	4343	521,551	740	88,867	4161	499,694	296	35,547
Total	8035	964,923	740	88,867	6777	813,850	296	35,547

Ernst & Young Audit

Classification	2008		2009	
	Fees for Services Related to Audit Certification	Fees for Non-Audit Services	Fees for Services Related to Audit Certification	Fees for Non-Audit Services

	Euro in thousands	Yen	Euro in thousands	Yen	Euro in thousands	Yen	Euro in thousands	Yen
Filing Company	2323	278,969	0	0	2283	274,165	0	0
Consolidated Subsidiary	2774	333,130	74	8,887	2699	324,123	94	11,288
Total	5097	612,099	74	8,887	4982	598,288	94	11,288

(ii) Contents of Other Fees Which Are Material

Not applicable

(iii) Contents of Non-Audit Services for Filing Company by Foreign Certified Public Accountant, Etc. Certifying Audit

The non-audit services include legal, tax, labo r-related services.

(iv) Policies on Determining Audit Fee

Renaut has no specific policies for the determination of the amount for audit fees.

VI. Financial Condition:
General Explanation

a. The accompanying original consolidated financial statements of Renault SA (“Renault” or the “Company”) and its consolidated subsidiaries (hereinafter Renault and its consolidated subsidiaries shall be collectively called “the Group”) have been prepared in conformity with the International Financial Reporting Standards (“IFRS”) which was adopted by the European Union. In addition, the accompanying original non-consolidated financial statements of Renault have been prepared in conformity with French accounting regulations and generally accepted accounting principles. The consolidated financial statements and non-consolidated financial statements in Japanese (hereinafter collectively called the “financial statements in Japanese”) are the translations of the original consolidated financial statements and the non-consolidated financial statements (hereinafter collectively called the “original financial statements”).

   The major differences in generally accepted accounting and reporting principles between IFRS and Japanese GAAP are described in “4. Differences between IFRS and Japanese GAAP.”

b. The original financial statements have been audited by Deloitte & Associés and Ernst & Young Audit, the independent auditors in France.

   The financial statements of Renault and of the Group are not subject to audits by Japanese CPAs or audit corporations based on the provision of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Law**.** in conformity with the provision of Article 1-2 of the Cabinet Office Ordinance Concerning Audit Certification of Financial Statements (MOF Ordinance No.12, 1957).

c. Japanese yen amounts included in the financial statements in Japanese are the translations for the major Euro amounts stated in the original financial statements. Japanese yen amounts are translated from Euro amounts at the exchange rate of EUR1 = ¥120.09. 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 10, 2010.

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 2009 Consolidated financial statements) *

Auditors' Report (relating to 2009 Parent Company financial statements) *

Auditors' Report (relating to 2008 Consolidated financial statements) *

Auditors' Report (relating to 2008 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 information at March 31, 2010

- Renault reports Group revenues of €9,072 million up, 28.4%[12] vs. first quarter 2009.
- Global market share increased by 0.37pts as sales outpaced the market in each Region.
- Continued strong momentum in Europe: Renault group market share (PC+LCV) registered the strongest increase of the market, gaining 2.2pts to 10.8%.
- Ongoing strong performance of the Mégane family and the Entry range.
- Strategic cooperation agreement signed between the Renault-Nissan Alliance and Daimler AG.

Commercial results highlights

In Europe, Group sales (PC+LCV) grew by 37.7% (including a 32.7% rise in France) in a market that rose by 9.7%. Market share increased by 2.2pts (1.6pts for the Renault brand and 0.6pts for Dacia) to a total of 10.8%. The Renault brand is once again No. 3 in Europe in the passenger car segment and No. 1 in the LCV segment, while Dacia was the best-selling imported brand in France in March, thanks to Sandero. The Group made inroads in its three largest European markets, with market penetration (PC+LCV) rising 3.8pts in France to 29.1%, 3.1pts in Italy to 7.5%, and 0.6pts in Germany to 5.3%. These results are in large part attributable to the successful renewal of the Mégane family, which saw volumes increase by 58.5% vs. first-quarter 2009 with the ramp-up of the hatch and Scenic/Estate models. Scenic, in particular, has regained its No. 1 position in Europe in the C MPV segment.

Outside Europe, sales were up 20.9%.

The Asia/Africa Region reported very strong growth in sales volumes of 40.8%. In South Korea, the Group's third-largest market, volumes surged 75.9% to 41,515 units. Over 40,000 orders have already been taken since the launch of SM5 at the beginning of the year, and SM3 accounts for 29% of sales in its segment.

The Americas Region turned in a very good performance as well, with a 27.4% hike in volumes and 5.03% market share, boosted by the popular Sandero Stepway and Clio.

In the Eurasia Region, Group volumes rose 6.5%. In Russia, where the market contracted by 25%, Renault's market share rose 1.7pts to 5.5% on the back of a 7% increase in sales versus first-quarter 2009. Logan sales increased by 30%, and the vehicle is the top-selling foreign car in Russia. This strong momentum should be supported by the introduction of a scrappage scheme in March 2010 and by the success of the newly launched Sandero.

In the Euromed Region, volumes remained stable in a market that fell by 11.7%, giving the Group a 23.1% share of the market (+2.6pts on first-quarter 2009). In a dynamic Turkish market (+6.8% growth), Group sales climbed 9.8% and the market share increased 0.4pt to 13.3%.

[12] On a consistent basis.

Overall, the Group gained market share in 13 of its top 15 global markets that together account for 86% of total sales.

Revenues

Renault group's first-quarter 2010 revenues rose 28.4% to €9,072 million compared with €7,068 million in first-quarter 2009, buoyed by market share gains in a global market that grew by 19.3%.

The Automobile division generated revenues of €8,642 million, up 30.3% year-on-year on a comparable basis. Higher volumes accounted for the majority of the increase with 25.3 points, product mix and price accounted for -0.7pts, and currency for +2.5pts. Other activities, including the sales of vehicles and components to partners, accounted for the remaining 3.2pts of the total change.

The Sales Financing division, RCI Banque, contributed €430 million to Group revenues, a slight 1.4% decline on the same period last year. The number of new customer loans in the quarter rose by 27.3% (227,400 new contracts) compared with first-quarter 2009, and overall average outstanding loans amounted to €20.5 billion (+1.5%).

Overview of the financial situation

Renault's 2010 funding activity to date includes three bond issues from RCI Banque amounting to €1,700 million (maturities of 2, 3 and 5 years), and one bond issue from Renault SA for €500 million (7 year maturity and a 5.625% coupon).

As of March 31, 2010:

-Automobile had €4.1 billion of undrawn confirmed credit lines with top-rated banking institutions;

-RCI Banque's available securities (undrawn confirmed credit lines, European Central Bank eligible assets, cash and cash equivalents) totalled €6.8 billion, covering two and a half times the total outstanding commercial paper and certificates of deposit.

On April 7, 2010 the Renault-Nissan Alliance announced a strategic cooperation with Daimler AG, including a cross shareholding of 3.1% of each partner's share capital. In order to complete the share transaction with Nissan and Daimler AG, Renault issued 10.78 million new shares[13]. At the same time, Renault sold 0.55% of the total new capital, sourced from treasury shares, to the French State. The closing for the transaction was completed on April 28, 2010, following which Renault has a 43.4% holding in Nissan and a 1.55% holding in Daimler, and globally cashed in €150 million from the transactions.

Outlook for 2010

Renault expects the economic environment to remain difficult in 2010 with a European market that could decline by 10% on the total industry volume of 2009.

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[13] The closing of the operation falls after the record date for Renault's AGM on April 30, 2010, and has therefore not affected the voting rights.

The Group is on track to meet its objectives for 2010: to generate positive free cash flow and increase market share.

Renault group consolidated revenues by activity

In € million	Q1 2010	Q1 2009 Pro forma *	% Change
Automobile	8,642	6,632	+ 30.3%
Sales financing	430	436	- 1.4%
Total	9,072	7,068	+ 28.4%

* For comparison purposes, data for 2009 have been restated on a comparable basis with 2010.

Nissan contributes €70 million for the first-quarter 2010 to Renault's earnings

Nissan released its results for fiscal year 2009/2010 (April 1, 2009 to March 31, 2010) on April 12, 2010.
After restatement, the result reported by Nissan, in JGAAP, for the fourth quarter of fiscal 2009/2010 (January 1 to March 31, 2010) will have a positive contribution to Renault's first-half 2010 income estimated at €70 million[14]. The total contribution for the first half, including Nissan's first-quarter 2010/2011 earnings (April 1, 2010- June 30, 2010) will be released at the announcement of Renault' first half results.

Strategic Cooperation with Daimler and cross-shareholding

Renault announces that the cross-shareholdings among Renault SA (Renault), Daimler AG (Daimler) and Nissan Motor Co., Ltd. (Nissan) as stated in the Master Cooperation Agreement signed on the 6th and 7th of April 2010 have been completed on April 28, 2010 ("the Closing Date").

The Board of Directors, acting pursuant to the 15th resolution of the shareholders' meeting of Renault held on May 6, 2009 in accordance with the provisions of article L. 225-147 of the French Commercial Code, after review of the appraisal reports, approved:

- the share capital increase of Renault as remuneration of a contribution in kind of 9,549,366 Daimler treasury shares representing 0.90% of the share capital of Daimler, by the issuance of 9,167,391 new Renault ordinary shares with a nominal value of 3.81 euros, fully attributed to Daimler; and

- the share capital increase of Renault, as remuneration of a contribution in kind by Nissan Finance (a wholly-owned subsidiary of Nissan) of a bond giving right to shares of Nissan representing 0.2% of the share capital of Nissan, by the issuance of 1,617,775 new Renault ordinary shares, with a nominal value of 3.81 euros, fully attributed to Nissan Finance.

The contribution in kind of Daimler shares and the convertible bond giving right to Nissan shares have been valuated at 339,193,467 euros and 59,857,675 euros, respectively, based on the exchange

[14] Based on an average exchange rate of 125.61 yen/euro for the period under review.

ratios stated in the Master Cooperation Agreement (the valuation of Renault and Daimler has been calculated on the basis of the opening share price on April 6, 2010 and the valuation of Nissan has been calculated based on the closing share price of Nissan on April 6, 2010). The 10,785,166 new Renault shares, as of their issuance, are freely transferable and negotiable, assimilated with the existing Renault shares and shall have the same rights and bear the same obligations as the existing shares of Renault (including the right to receive any dividend declared or paid after their issuance). The admission to trading of the new Renault shares on the Euronext Paris market of NYSE-Euronext has been requested and the new Renault shares will be admitted to trading on the same quotation line as the existing shares (ISIN code : FR0000131906).

As a result of such share capital increases, the share capital of Renault amounts to 1,126,701,902.04 euros divided into 295,722,284 shares of the same category with a nominal value of 3.81 euros each.

The contribution appraiser, M. Thierry Bellot, designated by order dated April 2, 2010 of the President of the Commercial Court of Nanterre, as modified by order dated April 20, 2010 has delivered appraisal reports to the Board of Directors assessing, on the one hand, the valuations of the contributions to be made and, on the other hand, the fairness of the remuneration of these contributions for the existing shareholders of Renault. These reports confirm that, in respect of both the contribution of Daimler shares and the bond giving access to Nissan shares, the contributions have not been overvalued and that the remuneration of these contributions is fair for the existing shareholders of Renault.

In addition, the following operations took place on the Closing Date:

(i) the transfer by Renault to Daimler of Nissan shares representing 3.1% of the share capital of Nissan in exchange for treasury shares representing 2.2% of the share capital of Daimler along with a cash payment of 90,102,604 euros by Daimler; and

(ii) the transfer by Renault of 1.55% the share capital of Daimler to Nissan in exchange for treasury shares of Nissan representing 1.97% of the share capital of Nissan.

Therefore, in compliance with the provisions of the Master Cooperation Agreement, each of Renault and Nissan now holds 1.55% of the share capital of Daimler, and Daimler holds 3.1% of the share capital of Nissan and 3.1% of the share capital of Renault.

As a result of the conversion by Renault into shares of Nissan of the bond contributed by Nissan Finance, Renault now holds 43.4% of the share capital of Nissan.

Renault also sold 1,628,344 treasury shares to the French State on April 28, 2010.

As a result of these operations, the share capital of Renault is as follows:

French State	15.01%
Nissan	15.00%
Daimler AG	3.10%
Treasury shares	0.98%
Public	65.91%

The closing of these operations falls after the record date for Renault's AGM held on April 30, 2010, and has therefore not affected the voting rights for such AGM.

(2) LITIGATION CASES

Refer to 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.

Under Japanese GAAP, and the practical guideline on unification of accounting policies of foreign subsidiaries for consolidated financial statements, in preparing consolidated financial statements, accounting policies and procedures adopted by the parent company and its subsidiaries must be unified for transactions of the same nature which occur under identical circumstances. On the other hand, the practical guideline permits, as a tentative treatment, if the financial statements of overseas subsidiaries have been prepared in accordance with IFRS or U.S. GAAP, to use these financial statements for consolidation purposes, except for the following items:

- Goodwill should be amortized over a period of less than 20 years
- Actuarial gains and losses of defined benefit plans recognized in other comprehensive income
- 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
- Presentation of net income before attribution to Group share and 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 significant influence is exercised are accounted for under the equity method. Companies jointly controlled are usually consolidated on a proportionate basis but may be consolidated using the equity method.

Under Japanese GAAP, joint ventures are accounted for by the equity method. Consolidation on a proportional basis is not permitted, subject to the effect, if any, of other treatment allowed by local GAAP accepted for Japanese GAAP consolidation purposes (see §a).

d. Accounting for Business Combination

Under IFRS, accounting for business combination allows the purchase method only.

Under Japanese GAAP, the pooling of interest method is also allowed if certain conditions have been met.

2) Presentation of statement of financial position and statement of comprehensive income

The major differences identified relate to the following items;

a. Current and non-current assets and liabilities

Under IAS 1.51, “an entity shall present current and non-current assets and current and non-current liabilities, as separate classifications on the face of its statement of financial position except when a presentation based on liquidity provides information that is reliable and is more relevant”.

Under Japanese GAAP, a presentation based on liquidity is generally adopted.

b. Asset-backed securities

The recording of asset-backed securities could differ between IFRS and Japanese GAAP. Even though there is no impact on the shareholders’ equity, the statement of financial position presentation can be affected, including the valuation of current / non-current assets and/or liabilities.

Under IFRS, financial assets shall be derecognized mainly based on risk-and-reward approach, and financial component approach, where legal isolation is not always required.

Under Japanese GAAP, financial assets shall be derecognized based on financial component approach, where legal isolation is always required.

c. Classification of extraordinary items

Under IFRS, the concept of extraordinary items is eliminated and the presentation of items of income and expense as extraordinary is prohibited.

Under Japanese GAAP, extraordinary items are defined as items unusual in nature and significant in amount. Those include, but are not limited to, gains or losses on disposal of property, plant and equipment and investment securities other than those classified as trading, losses from disasters and so on.

d. Classification of commercial rebates and discounts

Commercial rebates and discounts are deducted from sales under IFRS.

Under Japanese GAAP, they may not be presented 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.

e. Comprehensive income

Under IFRS, comprehensive income for the period attributable to owners of the parent and non-controlling interests are disclosed on the statement of comprehensive income.

Under Japanese GAAP, no specific presentation is required for comprehensive income.

3) Leases

Under IFRS, leases for which all risks and rewards incidental to the ownership of the assets are substantially transferred to the lessee are recorded as finance leases in the consolidated financial statements of the lessee.

Under Japanese GAAP, leases that deem to transfer ownership of the leased property to the lessee are to be capitalized by the lessee, while other leases, under the allowed alternative method, are permitted to be accounted for as operating lease transactions if certain “as if capitalized” information is disclosed in the notes to the lessee’s financial statements.

However, effective April 1, 2008, the allowed alternative method has been eliminated and all financial leases are to be accounted for as such.

4) Impairment of Assets

Under IFRS, impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount determined as the higher of an asset’s or cash-generating unit’s fair value less costs to sell and its value in use.
The value in use of an asset under IFRS amounts to the present value of the future cash flow. Under IFRS, the best evidence of an asset’s fair value is i) a price in a binding sale agreement, ii) the market price, iii) the best information available to reflect the amount that an entity could obtain, at the balance sheet date, from the disposal of the asset in an arm’s length transaction between knowledgeable and willing parties.

Under Japanese GAAP, an impairment loss is recognized if the carrying amount of assets exceeds the sum of the undiscounted future cash flows expected to be generated from the continued use and potential disposal of the assets. In the situation where an impairment loss is recognized, this loss will be assessed as the difference between the carrying value of the assets and the present value of the future cash flows expected to be generated from these assets. The reversal of an impairment loss is not permitted under JGAAP.

5) Financial instrument

The analysis of the differences between Japanese GAAP and IFRS is conducted by the Committee of European Security Regulators (the “CESR”). The key differences are the following:

a. Redeemable shares

Under IFRS, and based on the current understanding of IAS 39 on that matter, the redeemable shares with embedded derivative which cannot be evaluated separately, are recognized as a debt and accounted for at fair value.

Under Japanese GAAP, redeemable shares are initially recorded at their issuance cost. No specific standards govern subsequent measurement.

b. Hedging

Under IFRS, hedging instruments, along with the hedged items when qualified for hedge accounting, are accounted for at fair value.

Under Japanese GAAP, all derivatives are carried at their fair value and unrealized gain and loss arising from those derivatives are charged to the income statement except when certain criteria for hedge accounting are met. In that case, those unrealized gain and loss are deferred and included in equity. Certain synthetic method is allowed for hedge accounting by using interest rate swap or foreign exchange forward contracts.

c. Impairment of sales finance receivables

Under IFRS, a valuation allowance on sales finance receivables should be recorded when the underlying receivables are subject to impairment. The recognition and measurement of such provision is subject to the existence of objective evidence, including documentation of a triggering event and supporting evidence of the corresponding depreciation rates and patterns by category of receivables.

Under Japanese GAAP, a valuation allowance is recorded for the whole portfolio, based on the past experience, even in the absence of a delinquency triggering event. In addition, a specific allowance is provided for doubtful receivables based on the relevant factors such as financial condition of debtors and the fair value of collateral, if any.

6) Valuation of inventories

Under IFRS, costs in inventory are assigned by using the first-in, first-out method or the weighted average cost method.

Under Japanese GAAP, the last purchase cost method and last-in first-out method can also be applied. Effective April 1, 2008 the lower of cost or market value method is required to be applied. Effective April 1, 2010, the last-in first-out method is no longer acceptable.

7) Goodwill

a Translation of goodwill

Under IFRS, goodwill generated by a combination with a foreign company is recorded in the functional currency of the entity acquired and subsequently translated to the Group's presentation currency using the closing rate.

Under Japanese GAAP, goodwill is translated and carried in the currency of the acquiring entity at the rate applicable at the date of acquisition. Effective April 1 2010, goodwill generated by a combination with a foreign company will be translated to the Group's presentation currency using the closing rate.

b Amortization of goodwill

Under IFRS, goodwill are not amortized but impaired when required.

Japanese GAAP requires amortization of goodwill on a straight-line basis over a period not exceeding 20 years. Impairment is also recognized when required although the reversal of impairment loss is not permitted.

c Negative goodwill

IFRS states that all negative goodwill need to be recognized immediately in income.

Under Japanese GAAP, negative goodwill is recognized as a liability and amortized on a straight-line basis over a period not exceeding 20 years. Effective April 1 2010, all negative goodwill 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 has adopted a policy of recognizing the actuarial gains and losses in the period in which they occur and directly in other comprehensive income.

Under Japanese GAAP, all unrecognized actuarial gains and/or losses are subject to amortization after consideration of materiality.

c. Accrual for compensated absence

Under Japanese GAAP, accrual for compensated absence is not required while such liability should be recognized under IFRS.

9) Stock option plans granted to employees

Under IFRS, the cost of stock option plans granted by the Group to the employees is measured by reference to the fair value of those options. The expense is recognized, together with the corresponding increase in equity, over the specified period of service (the vesting period).

If option is exercised, price difference with underlying new shares is charged to equity.
If the instruments are forfeited or the options are not exercised, previous expense is not reversed.

Under Japanese GAAP, Accounting Standard for Stock Option is applicable to stock options granted after enforcement of the New Company Law (May 1, 2006). Stock option category addressed is limited to equity settled share-based payment transactions and no clear guidelines is given for cash-settled share-based payment transactions.

Alike IFRS, under the Japanese GAAP rule for equity-settled plans, the cost of stock option plans granted by the Group to the employees is measured by reference to the fair value of those options. Fair-value is fixed upon stock option attribution date, and corresponding expense is recognized, together with the corresponding increase in equity, over the vesting period. When option expires, previous expense is offset through extraordinary income.

10) Research and development expenses

In compliance with IFRS, the development expenses incurred after the approval of the project that includes the decision to implement production facilities and the approval of the design for mass production are capitalized until the start of production. They are amortized on a straight-line basis over the expected market life of the vehicle or part, up to a maximum period of 7 years.
Expenses incurred before the formal approval of the product development are recorded as costs in the period they are incurred, in the same way as research expenses.

Under Japanese GAAP, any research and development expenditure is to be recognized as an expense when incurred.

11) Impact of the first application (for the year ended on December 31, 2005) of IFRS

Further to the recurrent GAAP differences described above, the following items have generated some significant one shot differences in equity as a result of the first time adoption of IFRS. The most significant differences are in relation with:

a. Treasury shares
b. Financial instruments
c. Research and development expenses and retrospective application of IAS 38
d. Sales with buy-back commitments
e. Pension liabilities

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:

<u>NAME OF DOCUMENTS</u> <u>FILING DATE</u>

(1)	SECURITIES REPORT AND ATTACHMENTS THERETO	JUNE 26, 2009
(2)	AMENDMENT TO SHELF REGISTRATION STATEMENT	JUNE 26, 2009
(3)	SEMI-ANNUAL SECURITIES REPORT AND ATTACHMENTS THERETO	SEPTEMBER 30, 2009
(4)	AMENDMENT TO SHELF REGISTRATION STATEMENT	SEPTEMBER 30, 2009
(5)	EXTRAORDINARY REPORT AND ATTACHMENTS THERETO (BASED ON ARTICLE 19, PARAGRAPH 1 AND ARTICLE 19, PARAGRAPH 2, ITEM 2 OF THE CABINET OFFICE ORDINANCE RELATING TO DISCLOSURE OF DETAILS OF CORPORATIONS, ETC)	MAY 6, 2010
(6)	EXTRAORDINARY REPORT AND ATTACHMENTS THERETO (BASED ON ARTICLE 19, PARAGRAPH 1 AND ARTICLE 19, PARAGRAPH 2, ITEM 2 OF THE CABINET OFFICE ORDINANCE RELATING TO DISCLOSURE OF DETAILS OF CORPORATIONS, ETC)	MAY 6, 2010

PART II INFORMATION CONCERNING GUARANTOR, ETC. OF THE COMPANY

Not applicable.