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 30**,** 2011 through Electronic Disclosure for Investors' Network (EDINET) provided for in Article 27-30-2 of such Law.

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

RENAULT

(E05907)

(TRANSLATION)

Cover Page

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Corporate Name:	Renault
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Note (1) Unless otherwise specified herein, the "Company", "Renault" 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 18, 2011 was EUR 1 = JPY117.53**.** 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 1^{st}, 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* <u>*modernisation*</u> *de l'économie*, and the law dated August, 4^{th}, 2008 titled LME (*Loi de modernisation de l'économie)* <u>and an Ordinance dated December 9, 2010 transposing the European Directive 2007/36 on the rights of the shareholders of the listed companies</u>.

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

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

<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 By-laws.

<u>Capital Stock</u>

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

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

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

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

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

Form of Capital Investment

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

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

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

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

Increase or Decrease of Capital

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

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

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

Issuance of Bonds or Hybrid Securities

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

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

Management

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) Management Board and Supervisory Board

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

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

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

The Management Board submits a quarterly report to the Supervisory Board. Within three months after the end of the financial year, the Management Board must approve the annual corporate accounts and consolidated accounts, if any, and submit them to the control of the Supervisory Board, together with its management report, which will be presented at the annual shareholders meeting approving the accounts. The member of the 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 By-laws must be approved by the shareholders or modifications of the authorized capital must be authorized. Any other meeting is called an Ordinary General Meeting of the Shareholders (*assemblée générale ordinaire des actionnaires*).

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

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

(b) Voting Right

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

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

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

(c) Dividends

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

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

(d) Liquidation

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

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

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

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

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

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

General Matters

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

Shareholders' Rights

(a) Rights and Obligations related to Shares

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

The shareholders may individually waive their preferential right.

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

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

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

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

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

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

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

Meetings.

Every shareholder may vote by mail as provided by law.

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

(b) Right to Appoint Directors

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

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

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

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

(c) Right to Claim Dividends

Net income is appropriated in compliance with existing legislation.

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

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

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

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

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

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

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

Statutory thresholds

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

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

Management

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

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

A/Directors appointed by the Shareholders' General Meeting

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

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

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

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

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

B/Directors elected by the employees

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

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

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

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

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

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

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

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

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

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

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

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

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

C/One director representing the employee shareholders:

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

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

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

- in the event of loss of his employment with Renault or with one of its direct or indirect subsidiaries,
- in the event of loss of his quality as shareholder of Renault, <u>subject to a ratification within three months</u>,
- or in the event that the subsidiary of which he is an employee is no longer controlled by Renault.

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

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

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

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

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

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

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

Appointment procedures :

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Functions of Chairman

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

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

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

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

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

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

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

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

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

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

General Meeting of Shareholders

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Every shareholder may vote by mail as provided by law.

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

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

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

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

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

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

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

The Ordinary Shareholders' Meeting appoints the auditors.

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

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

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

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

Independent Auditors (Commissaires aux Comptes)

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

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

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

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

Accounting

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

2. FOREIGN EXCHANGE CONTROL SYSTEM: FOREIGN INVESTMENTS IN FRANCE

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

Definitions

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

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

A-Administrative declaration

1) Content of the administrative declaration

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

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

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

2) Transactions subject to administrative declaration:

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

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

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

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

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

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

b) Foreign investments

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

c) Indirect foreign investments

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

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

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

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

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

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

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

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

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

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

- The purchase of agricultural land.

B-Transactions subject to a statistical declaration

1) Declaration to the *Banque de France*

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

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

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

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

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

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

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

2) Declaration to the *Direction du Trésor*

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

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

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

- The purchase of agricultural lands for wine making purposes;

- The liquidation of foreign directs investments in France;

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

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

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

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

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

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

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

Failure to make such statistical declarations may involve criminal penalties.

C-Investments subject to prior authorization

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

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

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

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

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

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

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

- Foreign investments related to public order or public safety (made by a person likely to commit or to facilitate crimes such as drug dealing, money laundering, bribery and terrorism) as well as those related to gambling (casinos, game circles...) or to regulated private security activities;
- Foreign investments related to national defense, weapons and explosives;
- Foreign investments related to cryptology, interception of communication and information system security;
- Foreign investments related to production of antidotes, dual-purpose goods and technologies;
- Foreign investments which may entail significant risks to public health.

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

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

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

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

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

3. TAXATION:

(1) TAXATION IN FRANCE

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

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

1) Taxation on Interest on the Bonds

(i) Bonds Issued Before 1 March 2010

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

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

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

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

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

(ii) Bonds Issued on or After 1 March 2010

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

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

2) Taxation of capital gains

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

3) French Estate and Gift Taxes

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

4) Stamp Duty on Transfer of Bonds

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

(2) TAXATION IN JAPAN

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

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

4. LEGAL OPINIONS

A legal opinion has been provided by Mouna Sepehri, General Counsel of Renault, to the effect that:

(i) Renault has been duly incorporated and is validly existing as a corporation in good standing under the laws of the Republic of France;

(ii) to the best of its knowledge, the statements with respect to the matters concerning the laws of the Republic of France in this Securities Report are accurate in all material respects.

II. OUTLINE OF THE COMPANY

1. DEVELOPMENT OF MAJOR MANAGERIAL INDEX, ETC.:

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

1.1 Consolidated Figures

The figures for the years 2006, 2007, 2008, 2009 and 2010 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 and the year ended December 31, 2006 is included in the table below, as published in the 2010 Registration Document.

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

	Under IFRS				
(Consolidated figures(1))	2006	2007	2008	2009	2010
Revenues	40,332	40,682	37,791	33,712	38,971
Operating margin(2)	1,063	1,354	326 (9)	(396)	1,099
Operating income	877	1,238	(117)	(955)	635
Group pre-tax income(5)	3,215	2,989	761	(2,920)	3,548
Group net income	2,960	2,734	599	(3,068)	3,490
Renault net income (f)	2,886	2,669	571	(3,125)	3,420
Average number of shares outstanding (3) (in thousand) (b)	256,994	258,621	256,552	257,514	269,292
Number of shares at December 31 (g)	284,937,118	284,937,118	284,937,118	284,937,118	295,722,284
Share capital	1,086	1,086	1,086	1,086	1,127
Shareholders' equity (6) (a)	21,071	22,069	19,416	16,472	22,757
Total assets (e)	68,851	68,198	63,831	63,978	70,107
Capital adequacy ratio (%) (a)/(e)	30.60	32.36	30.42	25.75	32.46
Shareholders' equity per share (6) (EUR) (a)/(g)	73.95	77.45	68.14	57.81	76.95
Net dividend per share (EUR)(c)	3.10	3.80(4)	0(7)	0(8)	0.30(10)
Earnings per share (EUR) (d)=(f)/(b)	11.23	10.32	2.23	(12.14)	12.70
Cash flows from operating activities	2,586	4,650	(446)	6,040	1,970
Cash flows from investing activities	(3,044)	(2,852)	(3,635)	(2,094)	1,404
Cash flows from financing activities	260	(2,941)	1,494	1,962	(1,467)
Dividend payout ratio (%) (c)/(d)	27.60	36.82	0	0	0.02
Number of employees at December 31(persons)	128,893*	130,179	129,068	121,422	122,615

(*Excluding employees under the early retirement scheme.)					

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

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	2006	2007	2008	2009	2010
Revenues	0	0	0	0	0

Operating income/(expense)	(27)	(20)	(31)	(30)	(37)
Income before tax and exceptional items	1,864	978	(1,040)	208	(479)
Pre-tax income	1,863	977	(1,040)	(43)	5
Net income (f)	1,941	1,096	(863)	49	168
Number of shares at December 31(g)	284,937,118	284,937,118	284,937,118	284,937,118	295,722,284
Share capital	1,086	1,086	1,086	1,086	1,126
Shareholders’ equity (a)	17,395	18,671	15,728	14,536	17,755
Total assets (e)	24,657	25,425	26,196	26,955	30,695
Capital adequacy ratio (%) (a)/(e)	70.55	73.44	60.04	52.93	57.84
Shareholders’ equity per share(EUR) (a)/(g)	61.05	65.53	55.20	51.01	60.04
Net dividend per share (EUR)(c)	3.10	3.80 (4)	0(7)	0(8)	0.30(10)
Number of employees (persons)	0	0	0	0	0

2. HISTORY:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In 2007, the product offensive began with the launch of New Twingo (produced in Slovenia) in May and of New Laguna (produced in France) in October. Both vehicles aim to achieve the highest standards of quality and reliability. In Korea, Renault Samsung Motors began production of QM5, a Koleos-based cross-over vehicle, designed by Renault and developed by Nissan. Half of the total output is scheduled for export. Expanding its international presence, Renault founded new subsidiaries in Ireland and Scandinavia, increased its production capacity in Russia, and signed a memorandum of understanding for a future industrial complex in Morocco. In May, Renault launched the eco^2 label for its most ecological and economical vehicles. Eco^2 vehicles are produced in certified plants and emit less than 140g of CO2 per km or run on biofuel. They also include at least 5% recycled plastics, and are 95% recyclable.

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

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

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

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

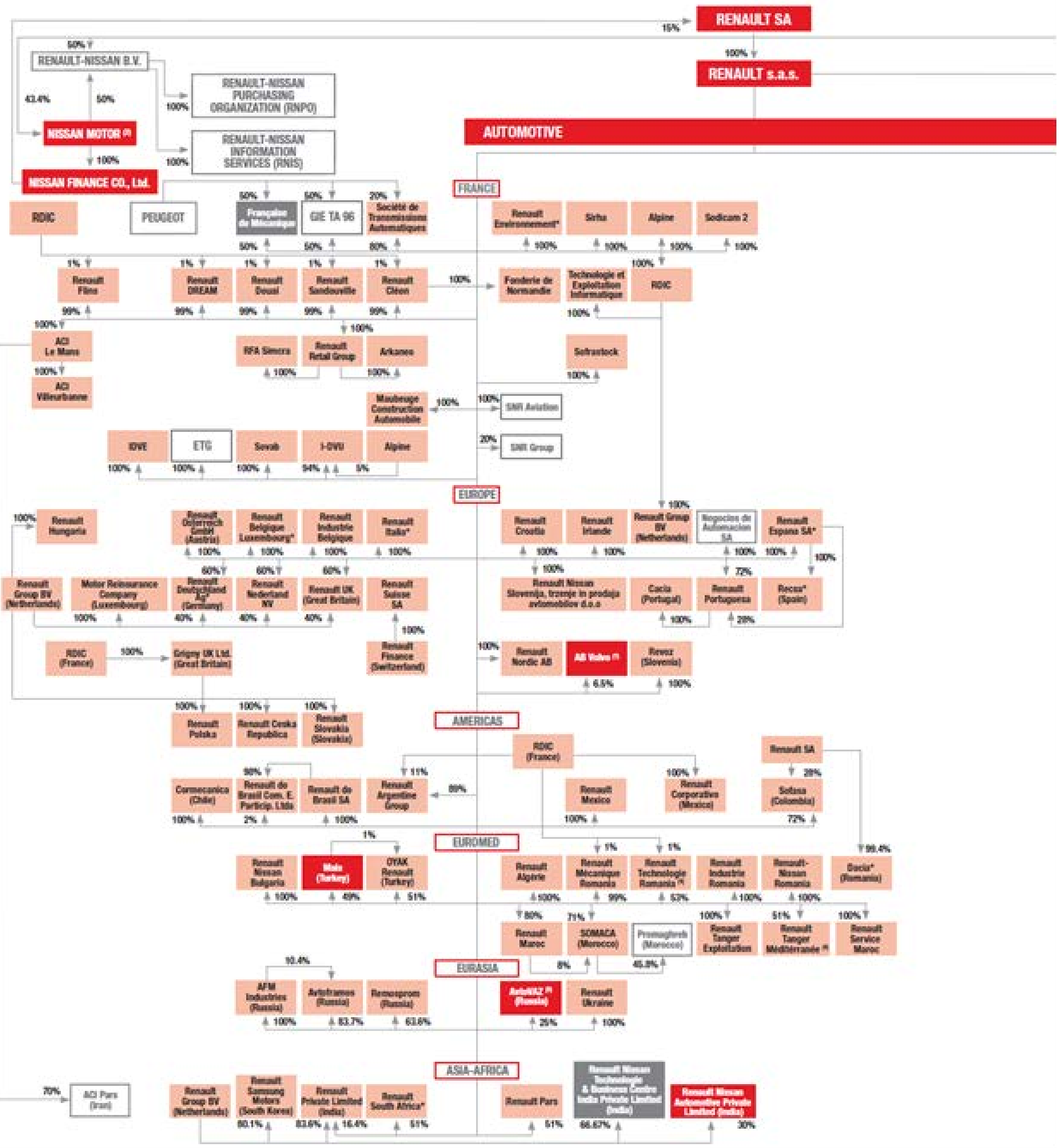
3. CONTENTS OF BUSINESS:

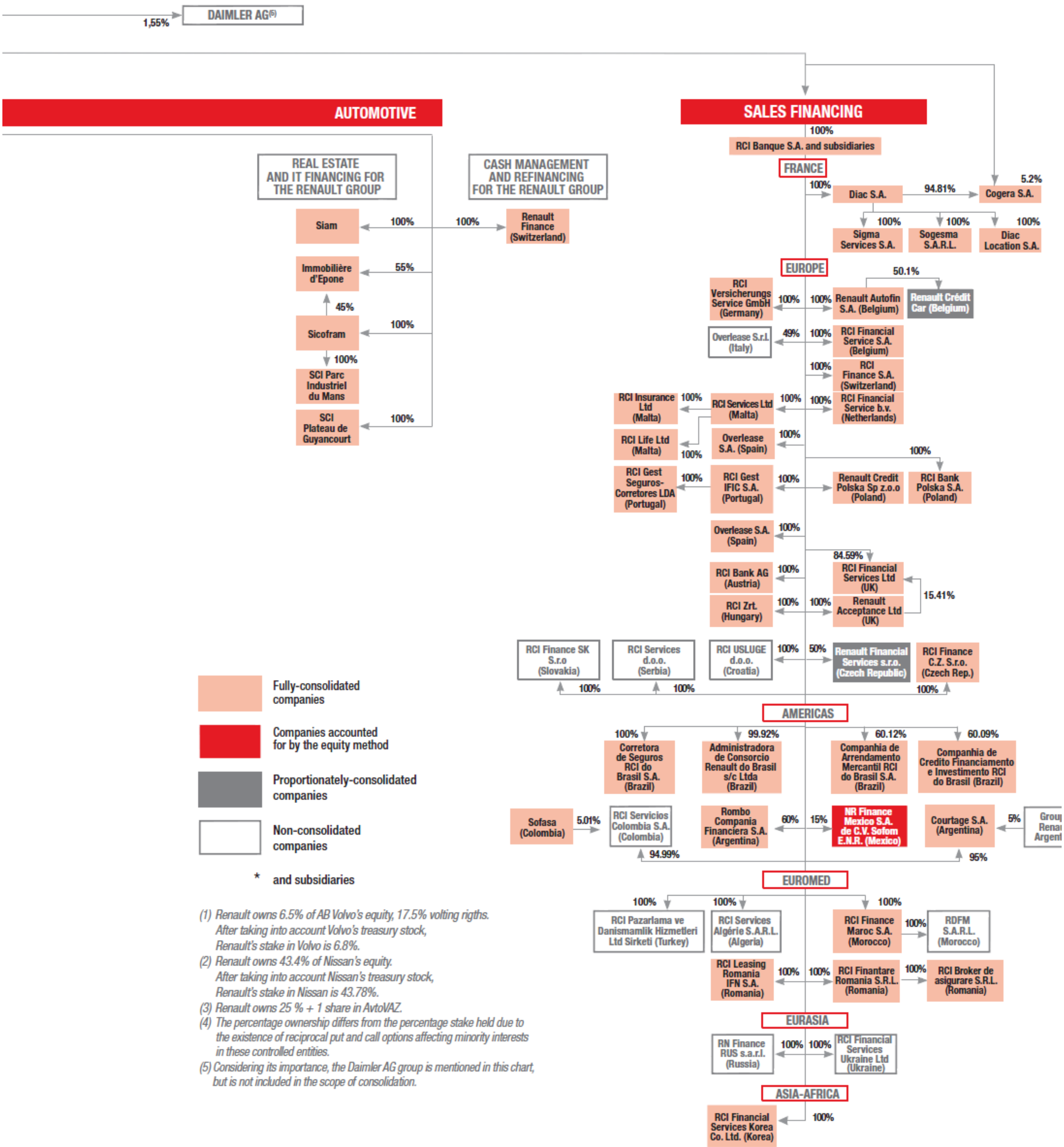
Since a final agreement was signed on January 2, 2001 with Volvo, leading to the contribution to Volvo of Renault's industrial vehicle activity, the Group's activities have been organized into two main business sectors:

• Automotive;
• Sales Financing.

The information contained below regarding the “Detailed organization chart of the group” strictly contains information presented in the Renault Reference Document for the period ending December 31, 2010. For further information on the progression of the organization of the Renault group please refer to “4. Statement of Related Companies.”

DETAILED ORGANIZATION CHART OF THE GROUP





(1) Renault owns 6.5% of AB Volvo's equity, 17.5% volting rigths. After taking into account Volvo's treasury stock, Renault's stake in Volvo is 6.8%.

(2) Renault owns 43.4% of Nissan's equity. After taking into account Nissan's treasury stock, Renault's stake in Nissan is 43.78%.

(3) Renault owns 25 % + 1 share in AvtoVAZ.

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

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

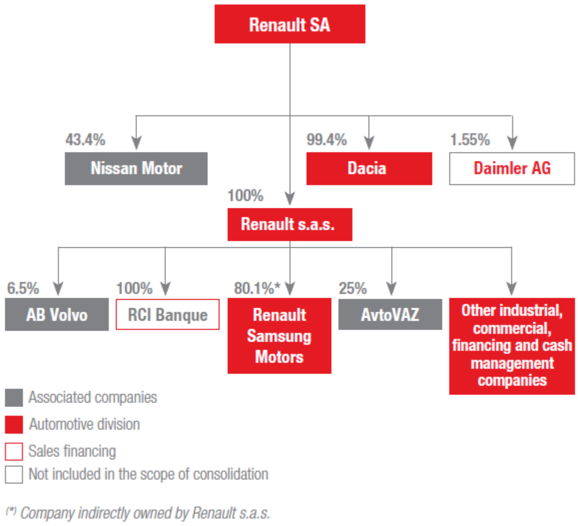
In addition to these two activities, Renault has three stakeholdings:

- 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 31/12/2010)



(*) 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 automotive 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 2010 70% of the vehicles sold by Renault in Europe reflected this commitment, a total of more than one million vehicles. At the same time, 32% of vehicles sold by the Group had CO2 emissions of less than 120 g/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 EuroNCAP crash tests.

With its new signature, "Drive the Change", ("Changeons de vie, changeons l'automobile" in French), Renault is clearly stating its ambition of becoming a key player in sustainability 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, Wind, Symbol and Kangoo.
The Entry-level program is today playing a key role in the international development of Renault, primarily through **Sandero** and **Logan**, which are built and sold outside Europe under the Renault name.

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

Affordable, roomy and robust, **Renault Logan** continued to enjoy huge success in South America in 2010, where it has been joined by a phase 2 vehicle, and also in Russia. Delivering unbeatable value for money, it is particularly attractive to buyers of family vehicles.

Designed in South America, where it accounts for more than 38% of Group sales, **Sandero** has extended its international presence. It made successful market debuts in South Africa in 2009 and in Russia in 2010, building on its strong points: modern design, space, reliability and value for money.

In the *A segment* of city cars, **Twingo** continues to grow sales, despite the end of scrappage bonuses. It has consolidated its leadership in France, where it has a segment share of 33.9%, up 3.4 points on 2009, and its No. 3 position in Europe, with a segment share of 10.5%, up 0.5 points on 2009. This growing success can be attributed to Twingo's undisputed quality and modular design, along with engines that are on the cutting edge for low CO_2 emissions (109 g for gasoline and 94 g for the Euro5 diesel), and ongoing promotions in the form of limited series. The recent **Twingo Miss Sixty** and **Twingo Gordini RS**, each in their own registers, broaden the territory of Twingo to reach a trendier customer base.

In July, Renault launched **Renault Wind**, a new experience in driving pleasure. Aimed at customers looking for a compact vehicle, suitable for day-to-day driving, Renault Wind is a two-seater coupé roadster of 3.83m, slotting in between Twingo and Clio. Renault Wind is an exceptionally versatile car, with an ingenious electric system to pivot the roof open in just twelve seconds. Its boot capacity is identical to that of a Clio, with the roof open or closed. The blue-tinted gaze, sleekly muscled profile and powerful rear end leave nobody indifferent. Renault Wind is a car with its sights set squarely on the future.

In the *B segment*, **Clio** celebrated its 20th anniversary in 2010. Since its launch in 1990, Clio has set the standard in its segment for quality, driving pleasure and comfort, with more than ten million vehicles sold in more than 100 countries. The richly equipped 'XXth anniversary' limited series, launched to coincide with the event, sold in more than 35,000 units. Restyled in April 2009, Clio is the first vehicle in its segment to feature factory-fitted navigation as standard. The range ships with a full line-up of low-carbon emission powerplants (LPG, ethanol, diesel emitting 94 g, gasoline below 120 g) and is continuously adjusted to meet the needs of all customers. The Gordini RS version, launched in June, condenses the expertise of Clio and Renault Sport to satisfy demanding sport chic customers. In 2010, Clio (including the Campus versions) considerably increased its market share in the I2 hatchback/sedan segment as well as achieving a place in the Top four of a fiercely competitive European I2 segment.

Clio Symbol continued to enjoy unflagging market success in 2010: leader on the Turkish and Algerian markets, this sedan is truly economical in use. The new-generation engines are efficient, economical and respect the environment. Clio Symbol boasts the lowest consumption levels in its category: just 4.3 l/100 km (116 g/km of CO_2) with the 85hp 1.5 dCi engine, and 5.9 l/100 (140 g/km of CO_2) with the 75hp 1.2 16v gasoline engine.

In a strongly competitive market environment, with a broadly renewed offering, **Modus** satisfies users with its comfort, road manners, quality and reliability. In 2010, Modus had a 26% share of the small van segment in France.

New Kangoo, launched in 2008, remains No. 1 in the leisure-activity vehicle segment in France, and posted strong growth in Europe. Kangoo "Generation 2011" made its debut in early 2011. The upgraded and simplified range, which gains new colours and upholstery, will build the market appeal of this vehicle still further. New Kangoo car is built at Maubeuge (France).

The preceding version of Kangoo remains on the market and is still produced at Cordoba (Argentina), and at the Somaca plant (Morocco).

In the lower mid-range C segment, the biggest in the European automotive market by volume, Renault has completely renewed its range. New Mégane Hatch was the first to be renewed at end-2008, followed by New Mégane Coupé in early 2009, then New Grand Scénic, New Scénic and new Mégane Estate in the first half of the year. Completing our line-up in this segment, Fluence arrived at end-2009, followed by **New Mégane coupe-cabriolet** in summer 2010.

Right from launch, **New Mégane Hatch** brought a range of innovations to its segment. It was the first car to score a maximum 37/37 for adult protection in EuroNCAP tests (test carried out in 2008) and it was also one of the first to make navigation systems affordable, with the keenly priced Carminat Tomtom system. Aimed at enthusiasts looking for performance, **New Mégane RS** gave a further demonstration of Renault Sport's technological expertise in early 2009. **Mégane GT** and **GT Line** (launched mid-2010) are the missing links between New Mégane RS and the more restrained versions in the range: they combine a sporty design with a sports chassis that promises high standards in efficiency. Desirable and functional, **New Mégane Estate** has claimed a strong position in the estate segment (No. 2 in Europe at end-December 2010) making no trade-offs between space and performance. **Fluence**, the most international of our models, will ultimately be available in more than 75 countries close to its main markets. Three plants are currently building this model: Turkey, South Korea and Argentina. Last to arrive, but second to none, **New Mégane coupe-cabriolet** and its folding glass roof will attract all those who want to enjoy open air driving regardless of the weather conditions.

New Scénic and **New Grand Scénic**, the third generation of this pioneering model, have reclaimed first place in their segment in Europe, with a share of over 21% of the compact van segment in 2010. **New Scénic** received the prestigious "2009 Golden Steering Wheel" award in the van category. The prize was awarded by the German daily *Bild am Sonntag*, and also by more than 250,000 readers of *AutoBild* and its sister magazines in 25 countries across Europe. EDC, a new automatic six-speed twin-clutch transmission mated to the Euro5 dCi 110 engine completed the line-up in summer 2010. It is 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. In October 2010, **New Scénic** gained a premium audio system, Bose Efficient Series, moving Scénic even further towards the top end of the compact van range.

Mégane Scénic ships with a wide choice of engines combining driveability with frugal fuel consumption and respect for the environment. The five eco² engines available with New Mégane reflect this commitment, as illustrated by the highly economical 110hp 1.5 dCi available with Mégane hatch, coupe and estate, and which emits just 106 g CO_2/km. The Mégane family is at the core of Renault's expertise. Mégane has already sold in more than 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 2011, Renault will build on the qualities of this extensively renewed, high-performance, safe and attractive range to play a leading role in the fiercely competitive C segment.

In the SUV/cross-over 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 attractive 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 developing its presence in international markets, such as Mexico, Colombia and also China, which became the biggest market for Koleos in 2010, with more than 14,400 vehicles sold. In 2010, Koleos ranked among China's four most popular SUV imports.

In June 2010, Renault expanded its SUV/cross-over line-up with **Duster**, a spacious, robust and affordable 4x4, marketed under the Renault name in Ukraine, the Middle East (Jordan, Syria, Lebanon, Egypt) and Africa. In these markets, where imported SUVs are often inaccessible to middle-class buyers, Duster is an aspirational vehicle. In 2011, Renault Duster will be present alongside Logan, Sandero and Sandero Stepway in the Curitiba plant (Brazil) and will be distributed in Brazil, Argentina, Mexico and Chile. Renault Duster will subsequently be built in Russia, in the Avtoframos plant (Moscow) and in Colombia, in the Sofasa plant (Envigado). Renault Duster will also be sold in the Gulf states, from the Pitesti plant.

At the Paris Motor Show in October 2010, Renault revealed the European version of **Latitude**, which will join the Renault line-up in the *upper-mid range D segment*. This new sedan places the emphasis squarely on passenger comfort and well-being. Generous dimensions create a spacious, welcoming passenger compartment. Passengers at the rear enjoy the best knee room in the segment. Aimed at customers attentive to quality and comfort in all its forms, Latitude features an original air purification system with an ioniser for a purifying, relaxing effect, as well as a new massage driver's seat.

Renault Latitude reflects Renault's international expansion. Designed in France and Korea, combining technical features from Renault and Nissan, and built in the ultra-modern Renault Samsung Motors plant in Busan, it combines the best expertise of the Renault group and the Alliance.

Concerning the powertrains, all the diesel engines and manual transmissions come from the Renault plant in Cléon (France). Renault Latitude is an invitation to take to the road, with an engine range worthy of a large road car, from the 2.0 dCi 150 eco^2 emitting just 140 g of CO_2/km, to the dCi 240 V6, and a multi-link rear suspension offering the best trade-off between comfort and ride.

Aimed at international markets, Latitude expands Renault's range of international sedans, alongside Thalia/Symbol and Renault Fluence. New SM5/Latitude, badged by Renault Samsung Motors, was already launched in January 2010 in South Korea, the Renault group's third biggest market, and is enjoying real success with more than 77,000 units sold. Following its arrival in Western Europe in January 2011, Renault Latitude will be gradually rolled out in more than 50 countries.

Also in the D segment, **Laguna III**, launched in fall 2007, is spearheading Renault's drive to meet stringent new quality criteria. Laguna III now ranks among the top three in its segment for product and service quality. It ships with a three-year/150,000km manufacturer's warranty. Laguna III has sold 226,000 units since launch.

In 2010, acclaimed by the press for its dynamic qualities, Laguna confirmed its position as a leader in its segment. The last Paris Motor Show unveiled Laguna III phase 2. A vehicle whose new front end expresses a stronger, more attractive, personality, more in keeping with its dynamic performance.

The eco^2 engines show even greater respect for the environment with, in particular, the dCi 110 emitting 120 g of CO_2/km. Particular emphasis has been placed on reducing cost-in-use. In particular, fuel consumption has been cut by 0.5 l on average across the range.

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

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

Laguna Coupé, launched at the 2008 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 four-wheel steering 4Control chassis system, it deals impeccably with all situations.

In 2010, an exceptional limited series of Laguna Coupé was launched as part of the partnership with the Automobile Club de Monaco. It was an undisputed success with its pearlescent white bodywork, black roof, white interior, four-wheel steering 4Control system and Bose® sound system.

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

For 26 years, Espace has set the standard on the executive minivan segment with more than 1.2 million vehicles sold. It combines exceptional comfort at both front and rear with a modular layout creating bright, spacious conditions for comfortable and safe travel.

In 2010, Espace consolidated its third place on the podium in the large van segment in Europe, with a segment share of 11.8% at end-December, up 0.4 points on 2009, in a segment that did not grow. This performance, along with its continued leadership of the French market, can be attributed in particular to the launch of the special series "25th", and to the launch of a new restyled model at end-October.

The restyled model gains a number of exterior upgrades with the introduction of LED position lights for maximum visibility in all conditions, a unique visual signature, and new interior functions such as the new Carminat TomTom® Live navigation system, Arkamys sound across the range, and the introduction of mid-range Teflon-protected upholstery.

In terms of engines, as of October 2010, Espace ships with a full range of gasoline and diesel engines respecting the Euro5 standard with its more stringent environmental criteria. This means a 20 g reduction in CO_2 emissions for the 130 and 150hp 2.0 dCi diesel engines and also for the 170hp 2.0 turbo engine.

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 consolidated its position as Europe's leading LCV brand for the thirteenth consecutive year, with record market share of 16.1% in Western Europe. Outside Europe, Renault LCV sales outpaced the market. Renault increased registrations by 27.5% in Euromed, in a market that grew by 17.5%, and by 22% in the Americas, in a market that grew by 20.5%.

Renault has one of the most extensive ranges of light commercial vehicles in Europe. The line-up was expanded in 2010 with the arrival of New Master and Kangoo Express Maxi. Vehicle sizes range from 1.6 to 6.5 tons, and from 2 to 22 m^3, thus matching the needs of a broad customer base.

In the small van segment (vehicles weighing under 2 tons), Kangoo is Europe's best-selling small van, with a segment share of 17.2%. It is the only small van on the market available in three sizes (Compact, Express and Maxi).

Fall 2011 will see the arrival of **Kangoo ZE**, an all-electric vehicle fully assembled at the Maubeuge plant. With this vehicle, Renault is bringing fleet and business customers an innovative mobility solution with zero CO_2 emissions in use excluding wear parts, exceptional driveability, and limited running costs.

In the van segment (between 2 and 6.5 tons), Renault is continuing to renew its range with the simultaneous launch of New Trafic Phase 3 and New Master.

Since its launch at end-2001, **Trafic** has become the benchmark in the compact van segment (between 2.0 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 2010, Trafic Phase 3 gained a new dashboard and is now available with climate control and Carminat TomTom. Renault is aiming to develop vans that are more ecological and more economical. Trafic Phase 3 gains a particulate filter on the new 90 and 115hp 2.0 dCi engines. It meets the criteria of the Renault eco^2 label with improved CO_2 emissions of below 195 g.

In 2010, Renault Trafic had a 16.6% share of the small van and passenger-carrying van segment in Europe. This performance is a new historic record for Trafic.

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

New Master is sold in 30 countries. It totalled 25,822 registrations in 2010, including Renault Trucks.

Master 2 is continuing its career in South America, where it is produced in the Curitiba plant (Brazil). Master 2 is leader in its category in Argentina and No. 2 in Brazil.

Overall, 70,734 Master 2 and New Master vehicles were registered in 2010.

Electric vehicles

In 2010 Renault showed that it is credible in its ambition to make electric vehicles available to all, with a range of four vehicles designed to meet complementary requirements.

Renault revealed the definitive design of three of the four models in the future ZE range: **Fluence ZE**, a sedan, **Kangoo ZE**, an LCV and **Twizy**, an urban two-seater.

Following the presentation, several thousand vehicles were pre-reserved on the renault-ze.com website. Marketing electric vehicles for all also means making them affordable to the greatest number.

The Paris Motor Show was an opportunity for Renault to spotlight its ability to make its market ambitions a reality. It revealed the purchasing plan for its electric vehicles, as well as the prices for Fluence ZE (€21,300[3] including VAT + €79 including VAT / month for the battery subscription) and Kangoo ZE (€15,000[3] before VAT + €72 before VAT for the battery subscription).

These prices, which include a tax incentive of €5,000 in France, make Renault's offering a credible alternative in terms of price to combustion-powered vehicles. They mark a break with the offering of comparable electric vehicles currently on the market.

Also at the Paris Motor Show, Renault presented **ZOE Preview** to the public for the first time. This vehicle heralds an all-electric compact family vehicle that will be launched in second-half 2012.

[3] Example of prices in France, after deduction of the €5,000 tax incentive

Renault is also even more closely involved in developing charging infrastructure, with manufacturers, as well as energy operators, national authorities and municipalities. The new agreements signed at the Paris Motor Show (with EDF (France's national electric utility), Unibail-Rodamco, Leclerc) and the planned publication of a green paper on charging infrastructure are practical examples on the French market. Renault is also active in the other main European markets. Overall, the Renault-Nissan Alliance will have signed almost 100 agreements with the main public and private energy companies and operators worldwide. In Western Europe, in particular, these commercial partnerships are starting to bring concrete results. For example, German energy company RWE has already installed more than 1,000 charging stations on the street. Acciona and Endessa, our partners in Spain, installed more than 2,000 public charging stations across the country in 2010. In Italy, as part of a pilot operation that started at the end of the year in the Milan region, our partner ENEL started deploying more than 500 charging stations in the cities of Milan and Brescia.

Dacia Brand

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

Dacia reported constant growth throughout 2010 (compared to 2009), for total sales volumes of 348,279 units, up 11.9% on the same period in 2009.

In France, Dacia ranks sixth, with market share of 4.6%. Sales volumes were up 71% on the same period in 2009 (passenger car market).

Dacia, Romania's leading brand, increased its market share by 3.0 points to 31.7%.

After the **Logan** sedan, the **Sandero** compact sedan, the **Logan MCV estate**, and the **Logan van** and **Logan pick-up** LCVs, Dacia is continuing to expand its range with **Duster**, a robust, spacious, affordable off-roader that is easy to drive.

Launched in April 2010, Dacia Duster is enjoying real success in all countries of sale. More than 100,000 Duster vehicles were ordered worldwide in 2010.

In summer 2009, the Dacia Sandero gained a new "go-anywhere" version, Sandero Stepway, which has taken more than 34,000 orders since launch. Also, Dacia Sandero, Logan and Logan MCV were launched in a limited series called Blackline in early 2010 in ten European countries, taking more than 20,000 orders up to the end of the year. This reflects the constant improvements in design and perceived quality of the models in the Dacia range.

By making quality vehicles available to all, Dacia has become a true social phenomenon, creating a new form of consumption in the automotive industry. The success of LPG vehicles in France (LPG bonus 2009-2010) and Italy (LPG bonus 2009), along with the scrappage bonuses introduced in a number of European countries such as Germany (2009), have given further impetus to the development of Dacia. Brand market share doubled in Europe between 2008 and 2009 and was up by 1.6 points in France at end-December 2010 compared with the same period in 2009.

Dacia is applying the same environmental standards as Renault with the launch of the Dacia eco^2 label. In 2008, Italy launched an LPG offering on Sandero. In 2009, the ecological offensive continued with the launch of an LPG engine in France and the D4F engine (75hp, 135g CO_2) in Europe on Logan and Sandero. In early 2009, Sweden started selling vehicles compatible with E85: Sandero K7M and Logan MCV K4M. France and Austria (Logan MCV K4M) and Poland (Sandero K7M and Logan MCV K4M) started sales at end-2009. Duster became available in an E85 version in July 2010.

In early December 2010, the 4x4 version of Dacia Duster gained a dCi 90 diesel engine with a particulate filter emitting just 139g CO_2/km for fuel consumption of just 5.3 l/100km. Dacia Duster 4x4 dCi 90 FAP (particulate filter) carries the Dacia eco^2 signature. With Duster, Dacia has shown that it is possible to market a functional, affordable all-terrain vehicle that also shows greater respect for the environment than other 4x4 vehicles on the market.

At end-2010, Dacia brand vehicles were available in more than fifty countries (Europe, North-West Africa, Turkey, Africa, Asia). The brand's objective is to sell sturdy, modern and roomy vehicles at affordable prices on new automotive markets and in Europe.

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 also supplies CKDs to all other Group sites producing Logan.

Renault Samsung Brand

Renault Samsung Motors sells four passenger cars in South Korea (SM3, SM5, SM7 and QM5) covering the M1, M2, S and SUV Korean segments. These four segments account for 76% of passenger car sales in South Korea.

SM3, launched in September 2002, was restyled in July 2009. The new SM3 has enjoyed huge success since launch, with market share of 19.3% on the M1 segment in 2010 (59,498 units sold).

SM5, an executive sedan, has enjoyed continuous success since its launch in 2001. The third-generation SM5, launched in January 2010, was an immediate success. It sold 77,381 units in 2010, taking a significant 24.6% share of the M2 segment.

SM7, launched in November 2004, is a roomy sedan, with a luxurious, comfortable cabin. This executive vehicle, which ships with V6 engines, incorporates the latest technology from the Renault-Nissan Alliance. It sold 13,336 units in 2010, taking an 8.8% share of the S segment.

QM5, launched in December 2007, is the first real cross-over on the Korean market. It sold 5,481 units in 2010, taking a 2.5% share of its segment.

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

Renault Koleos is the first vehicle in the Renault range to be produced at this plant. It is exported to more than 40 countries worldwide (42,692 units in 2010). More recently, the new SM3 and SM5 have also been exported under the Renault name (Fluence and Latitude). In 2010, RSM exported 20,359 SM3 and SM5 vehicles under the Renault brand name, and 7,054 vehicles under the RSM brand name. As part of Alliance agreements, RSM is continuing to export SM3 under the Nissan brand name (45,678 units in 2010).

In 2010, RSM sold more than 271,400 vehicles, of which 155,692 in South Korea. RSM is third on its domestic market. New records were set for both sales volumes and production in 2010.

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

POWERTRAIN RANGE

In 2010, Renault deployed a strategy aimed at making it the leader for low CO_2 emissions by 2015. Renault also reinforced its test facilities, opening a powertrain innovation centre with thirty new-generation tuning benches in Lardy, outside Paris, and a test centre for all engineering departments in Titu (Romania). Renault also developed special test resources for electric motors and batteries at Lardy and at the Guyancourt Technocentre in France.

All the engines of the range made the transition to the Euro5 standard in 2010, which also saw several product launches.

Launch of the new EDC automatic transmission

Combining a dry twin-clutch with electric actuators, 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 EDC transmission was introduced on the New Mégane family in first-quarter 2010 on the dCi 110 particulate filter versions.

Reveal of the new Energy dCi 130

The new Energy dCi 130 engine presented at the Paris Motor Show reflects Renault's efforts to bring to market engines that combine driveability with low CO_2 emissions at an affordable price.

The Energy dCi 130 is as powerful as its predecessor, the 1.9 dCi, but makes breakthrough progress in cubic capacity, which is 16% lower and CO_2 emissions, which are 30% lower. On a seven-seater Scénic, the figures are 117g of CO_2 per km, and 4.5 l/100km.

To achieve these results, this Alliance engine draws upon the latest developments: low-pressure EGR (exhaust gas recirculation), an innovation that Renault is the first full-line manufacturer to use in Europe, a Stop&Start system, energy smart management, better transmission stepping (thanks to 320Nm of torque available from low engine speeds), a variable displacement oil pump, a thermal management system and variable swirl technology. Covered by fifteen patents, this engine will be produced on new lines at the Cléon site in France.

Adaptation of the 3 l dCi engine for the Alliance in a longitudinal version

The 3.0 dCi is a new 3-litre V6 diesel engine with a longitudinal layout, designed for front-wheel drive, rear-wheel drive and four-wheel drive vehicles. Power and torque total 175 kW (238hp) and 550Nm respectively.

Torque of 500Nm is already available to the driver from a speed of barely 1,500rpm. Idle speed is exceptionally low (650rpm). Acceleration is exemplary.

The new 2.3 dCi engine

The 2.3 dCi diesel engine is exclusive to New Master. It is available in three levels of power: 100, 125 and 150hp. Renault is thus pursuing its downsizing strategy, which involves reducing the cubic capacity of its engines – and hence fuel consumption and CO_2 emissions – while maintaining performance. This new engine will help to bring down the running costs of New Master. As well as cutting fuel consumption, the 2.3 dCi diesel has longer servicing intervals and is fitted with a timing chain.

New Master also marks a return to rear-wheel drive vehicles for Renault, mainly thanks to the arrival of the ZF4 transmission.

New 4x4 transmission on Duster

Drawing upon the experience of Nissan in the field of 4x4 vehicles, this transmission has a short first gear (5.79km/h for 1,000rpm). This enables it to drive over rough terrain at low speeds and also improves take-off when heavily loaded or on a steep slope.

Electric powertrains

The electric motor fitted on Kangoo Express ZE, presented at the Paris Motor Show, develops 44 kW (60hp). Maximum motor speed is 10,500 rpm. The electric motor immediately delivers maximum torque of 226Nm. It is supplied by a lithium-ion battery with an energy capacity of 22 kWh. Response and acceleration at low motor speeds are surprising. Silent operation, combined with the absence of vibrations and gear changes, create new driving sensations.

MAIN MANUFACTURING SITES

Renault has about 30 manufacturing sites for its automotive business. Under cooperative cost-sharing agreements, the Group also uses facilities operated by its partners, 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. Renault uses Nissan's plants in Barcelona (Spain) and in Pretoria (South Africa) to manufacture Trafic and Sandero respectively.

Based on a standard 3,760 hours[4], the production capacity utilization rate in 2010 was 83% worldwide and 64% in the Europe Region.

In 2010 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.

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[4] Harbour standard, i.e. a 2 x 8 hours, 5 days a week, 47 weeks year production.

MAIN MANUFACTURING SITES BY BRAND – 2010 PRODUCTION (UNITS)

2010	SITES	PRODUCTION *(IN UNITS)*	VEHICLES OR COMPONENTS
RENAULT BRAND			
Renault sites			
France	Flins	148,537	Clio II phase 4, Clio III
	Douai	194,207	Mégane III (coupé-cabriolet), Scénic III (5- and 7-seater)
	Sandouville	69,160	Laguna III (hatch, Estate, coupé), Espace IV
	Maubeuge	139,261	Kangoo III (1)
	Batilly	80,811	Master II (2), Master III
	Dieppe	4,861	Clio III Renault Sport
	Cléon	1,160,319	Engines, transmissions
	Le Mans/Villeurbanne	2,547,313	Front/rear axles
	Choisy-le-Roi	101,801	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/A	Shipment of CKD kits
Spain	Palencia	262,076	Mégane III, Mégane Renault Sport
	Valladolid	95,103	Clio III, Modus
		1,022,035	Engines
	Seville	932,654	Transmissions
Portugal	Cacia	464,694	Transmissions, mechanical components
Slovenia	Novo Mesto	211,560	Clio II phase 4, Twingo II, Wind
Russia	Avtoframos	87,340	Mégane, Fluence, Logan (Renault)
Turkey	Bursa	307,037	Fluence, Mégane, Clio III, Clio III sedan
		595,592	Engines, transmissions
Morocco	Casablanca	39,979	Logan (5), Kangoo Génération 2006
Argentina	Cordoba	93,391	Thalia, Clio II, Clio II sedan, Kangoo, Kangoo Express
Brazil	Curitiba	161,756	Scénic I, Mégane II (hatch, sedan), Logan (Renault)
		290,931	Engines
Colombia	Envigado	40,180	Twingo, Clio II (hatch and sedan), Logan (Renault) (3)
Chile	Los Andes	337,559	Transmissions, mechanical components
Iran	Teheran	52,628	Mégane II, Logan (Renault) (4)
		84,845	Front/rear axles
India	Nashik	10,611	Logan (Renault)
Nissan sites			
Spain	Barcelona	41,437	Trafic II (5)
South Africa	Pretoria	14,677	Sandero
General Motors Europe site			
UK	Luton	72,263	Trafic II
DACIA BRAND			
Romania	Pitesti	339,653	H79, Logan, Logan van, Logan station wagon, Sandero
		1,686,369	Engines, transmissions
RENAULT SAMSUNG BRAND			
South Korea	Busan	274,502	SM7, SM5, SM3, Fluence, QM5 (Koleos)
		191,859	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) Dacia-badged Logan.
(4) In partnership with the Iranian companies Pars Khodro and Iran Khodro.
(5) Nissan's Barcelona plant also manufactures compact vans marketed under the names Primastar and Vivaro by Nissan and Opel respectively.

RENAULT DISTRIBUTION NETWORK IN EUROPE

Organization of the Renault network

The Renault group distributes vehicles under its brand 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";

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:

- 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, Renault selects approved repairers on the basis of qualitative criteria with no restriction on numbers.

	2009		2010	
NUMBER OF RENAULT CONTRACTS	**WORLD**	**O/W EUROPE**	**WORLD**	**O/W EUROPE**
Primary network	4,956	2,915	4,805	2,822
Secondary network	7,632	7,378	7,553	7,308
TOTAL	**12,588**	**10,293**	**12,358**	**10,130**

Renault Retail Group (RRG)

This fully owned Renault s.a.s. commercial subsidiary is the Group's biggest in terms of revenues (nearly €7.9 billion in 2010) and workforce (12,310 employees).

RENAULT RETAIL GROUP DATA AT END DECEMBER 2010	**EUROPE**	**O/W FRANCE**
New vehicles *(units)*	312,602	192,405
Used vehicles *(units)*	162,010	111,327
New and used vehicles *(units)*	474,612	303,732
Revenues * *(€ thousands)*	7,878,720	4,978,945
* *From RRG management statements.*		

RRG has more than 220 sales and services outlets in 12 European countries: Austria, Belgium, Czech Republic, France, Germany, Italy, Luxembourg, Poland, Portugal, Spain, Switzerland and the UK.

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

In 2010 RRG sold more than one-third of the new vehicles marketed by Renault in France, and accounted for more than 17% of new vehicles in the other 11 European countries where RRG operates.

At the same time RRG 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. To achieve those aims and help the Renault group achieve its own objectives, RRG mapped out its medium-term strategy in 2007. The strategy is adapted continually to changes in the business context.

In 2010 RRG concentrated on deploying the Renault group’s trade names, notably Renault Pro+ centers, Renault Sport corners, and special Dacia showrooms. And in accordance with the Group’s philosophy, it sought to establish a more equitable gender balance in the sales force in order to meet the expectations of both male and female customers. By end 2010 women accounted for nearly one-third of total sales staff in RRG showrooms in France.

The RRG sales network also made preparations in 2010 for the arrival of the electric vehicle. It will continue to prepare in 2011 so that is ready and able to fulfill the key role that has been assigned to it in the major cities of Europe.

Renault Pro+ network

A business customer’s car is a professional tool. So the network that services and repairs it has to deliver a very high standard of service.

Renault has taken that philosophy a stage further by developing even more services for business customers through a specially targeted program Renault Pro+.

In a professional-oriented environment, Renault Pro+ provides a tailor-made service with five key components that address business’ customers needs:

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

In 2009 66 Renault Pro+ sites were set up in 14 countries, and 2010 saw an acceleration in international development across Europe, Euromed and the Americas. All 212 sites are now running. The aim is to achieve a concentrated network of 400 Renault Pro+ sites for Renault's business customers by 2012.

HIGHLIGHTS OF THE GROUP’S NETWORK STRATEGY

Dacia’s network strategy

Dacia-badged vehicles have been marketed in Europe since 2005 through distribution networks that are organized around existing Renault networks while keeping the two brands separate. The network continues to develop, with greater differentiation between Dacia and Renault and an expanded Dacia-specific sales forces.

Dacia continued to make headway in 2010, both in Western Europe and in the other regions where the brand is present. In Western Europe, the market shrank by 3.7% but Dacia saw a 13.9% increase.

Duster was highly successful, with more than 67,000 registrations in 2010.

In France, Dacia benefited from the government's scrappage scheme. It ranked No. 6 in the French market for passenger cars and also in the cars+LCV market, with 110,075 registrations.

CASH MANAGEMENT IN AUTOMOBILE

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

• automate the processing of routine cash inflows and outflows;

• pool 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.

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 Automotive sector's banks. The role of Renault Finance in cash-flow management involves the foreign currency payments of 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 Automotive's 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 Automotive's cash-flow management procedures, Renault Finance launched a number of services in 2008, namely commercial and financial payments in foreign currencies for Renault and Nissan, 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 2010 parent company net income was €44.3 million (against €35.9 million at end-December 2009) and total parent company assets amounted to €9,312 million (vs €6,406 million at end-December 2009).

B. SALES FINANCING

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

The RCI Banque group operates in 37 countries:

- in Europe: France, Austria, Belgium, Bosnia Herzogovina, Croatia, Czech Republic, Denmark, Estonia, Germany, Hungary, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Serbia, Slovenia, Slovakia, Spain, Sweden, Switzerland, and the UK;

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

- in the Euromed Region: Algeria, Bulgaria, Morocco, Romania and Turkey;

- in the Eurasia Region: Russia and Ukraine;

- in the Asia-Africa Region: South Korea.

At December 31, 2010, the RCI Banque group had total assets of €24,110 million.

The group employed an average of 2,842 people during the year, of whom 45.5% were in France.

In the Western European countries where the RCI Banque group is active, sales financing in 2010 accounted for 31.6% of the sales of new vehicles under the Renault and Nissan brands.

In its capacity as a brand financing entity, the group has the task 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, 2010 was ¥34,995 billion, based on a closing price of ¥773 per share.

Renault holds 43.4% of the capital of Nissan. At December 31, 2010 the market value of the shares held by Renault totalled €13,959 million.

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.

VOLVO AB

On October 7, 2010, Renault reduced its shareholding in the capital of Volvo by selling all of its 302,915,940 B shares, representing 14.2% of the capital and 3.8% of voting rights. Renault has kept its 138,604,945 A shares, which represent 6.5% of the capital (17.5% of voting rights) 6.8% of interest, after taking Volvo AB's self-owned shares into account. Renault remains the main shareholder of Europe's premier manufacturer of large trucks and the second largest manufacturer in the world. Renault is still represented on Volvo's Board by two Directors.

The Volvo group possesses five brands in the commercial vehicles sector: Volvo Trucks, Renault Trucks, Mack, UD Trucks Corporation 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 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.

After being hit hard by the crisis in 2009, when Volvo had to cut costs, boost productivity and adjust its stocks, while continuing to invest in R&D in order to guarantee the competitive performance of its future vehicles, the Group experienced a significant increase in worldwide sales in 2010. Worldwide sales totalled 179,989 units, compared with 127,681 in 2009, representing a global increase of 41% over 2009. The recovery varied from one market to another (+33% in Europe, +38% in North America, +71% in South America and +55% in Asia). Orders are growing, resulting in an increase in production.

On April 6, 2011 the Board of Directors will submit the payment of a dividend of SEK2.50 per share for approval by the next Annual General Meeting. No dividends were paid in 2010.

In 2010 Volvo contributed €214 million to Renault's results, compared with a negative contribution of €301 million in 2009 (see note 15-A of the notes to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement).

		2010		**2009 PUBLISHED**
(millions)	**SEK**	**EUR**	**SEK**	**EUR**
Net revenue	264,749	27,730*	218,361	20,561
Operating margin	18,000	1,884*	-17,013	-1,602
Net income	11,212	1,174*	-14,685	-1,383
Dividend per share in SEK	0	For FY 2009	2	For FY 2008
Closure at 31/12 in SEK Volvo A share	115	12.82**	61.00	5.95
Volvo B share	118.5	13.21**	61.45	5.99

* *1 EUR = 9.55 SEK.*
** *1 EUR = 8.97 SEK.*

Based on the stock market value of SEK115.00 per A share at December 31, 2010, Renault's holding in Volvo AB is valued at €1,778 million. On the same date, the market capitalization of Volvo was €27,854 million.

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

AVTOVAZ

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

In 2010 with Russia in the throes of crisis and facing the collapse of its automotive market, the Russian authorities committed to a financial support plan accompanied by cost-cutting efforts and, in particular, the sale of activities with no direct link to the production and sale of vehicles.

According to the terms of the agreements signed in July 2010, Renault will invest the equivalent of €240 million before 2012 by contributing to capital increases that will help to finance technical assistance and the purchase of equipment used to produce new vehicle models based on the Logan platform. Maximum capacity will be 350,000 vehicles per year, 75% of which used by the Renault-Nissan Alliance. Renault will also help AvtoVAZ to create new engine and transmission production capacity and to develop a new low-cost vehicle to replace the Lada Classic.

According to these agreements, Renault will maintain its current shareholding of 25% minimum plus one share throughout the capital increase process.

Renault and AvtoVAZ will prepare for the future by renewing the range with an ambitious product plan, including the creation of new vehicle ranges adapted to the needs of the Russian automotive market.

The target set by the Renault-Nissan Alliance and AvtoVAZ is to corner 40% of the Russian market, which could total 4 million vehicles by 2020.

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

Strategic cooperation between the Renault-Nissan Alliance and Daimler AG

On April 7, 2010 the Renault-Nissan Alliance and Daimler announced a strategic cooperation program, covering:

- the future generations of Smart fortwo and Renault Twingo, including the electric versions, plus the extension of the Smart and Twingo product families;
- the pooling of powertrains;
- the joint development of future passenger car and light commercial vehicle projects;
- collaborative efforts on electric vehicles.

The strategic cooperation program is underpinned by an equity exchange (Daimler holds 3.1% of the capital of Renault and Nissan, and Renault and Nissan hold 1.55% each of the capital of Daimler), which will allow all three carmakers to conduct benchmarks and to generate synergies based on a partnership that will create value in the long term.

The strategic cooperation program is managed by a Cooperation Committee, on which all the parties sit. The Cooperation Committee, co-chaired by Carlos Ghosn and Dieter Zetsche and including senior executives from all three companies, has met seven times since April 2010.

The development of the Smart and Twingo vehicles, governed by a specific development agreement, has now entered the active phase. The successor of the current Smart fortwo, a new four-seater Smart and the future Renault Twingo will be different from one another in terms of design. One of the main characteristics of the new architecture lies in the rear-wheel drive concept, derived from the current Smart vehicles. The jointly developed models are scheduled to be launched starting in 2014. The two-seater models will be built in the Smart factory in Hambach, while the four-seaters will be manufactured in Renault's Novo Mesto plant in Slovenia. Electric versions of these models will be available as soon as they are launched.

The adaptation of the Renault-Nissan Alliance's 3- and 4-cylinder diesel and petrol engines to Daimler's needs has also entered the development phase. The first market launches are expected at the end of 2012.

Renault and Daimler have also entered specific agreements confirming their cooperation in the field of light commercial vehicles. Mercedes-Benz Vans will broaden its range of LCVs in 2012 with the introduction of a new entry-level model based on the current Kangoo. Renault technology will be used in this LCV. It will be built in Renault's plant in Maubeuge, France.

Agreements have also been concluded to develop drivetrains and batteries for electric vehicles.

Nissan and Daimler have entered specific agreements for the adaptation of powertrains for the Infiniti vehicle range.

In addition, the Renault-Nissan Alliance and Daimler continue to review opportunities in other fields, such as joint purchasing or the exchange of benchmarks and best practices between the two groups.

Supplier relations and support

To maintain and enhance its competitive edge, Renault is continuing its policy aimed at optimizing purchasing. 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 worldwide policy of active support in the following areas:

- product development: Renault works in close cooperation with its suppliers at the very start of projects, with a view to meeting price and quality targets and cutting development times;
- quality: Renault calls upon almost 100 quality experts, more than 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 seconds 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 sharing its strategic priorities and 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. The very highest levels of company management are directly involved in these initiatives;

- corporate societal responsibility (CSR): Renault and Nissan have formally set out their recommendations in a joint charter for all Alliance suppliers. Renault is calling on dozens of quality experts to assess the social and environmental practices of its suppliers and to engage them in an initiative for progress.

In return for the resources supplied by Renault and the prospects of long-term business volumes, suppliers agree to improve their performance to the highest levels and to contribute to Renault's international development. At the same time, Renault expects tier-1 suppliers to 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 French government. This code includes a number of general principles on the conduct of inter-company relations, which can be applied across the automotive industry.

The code is applied in a number of ways:

- advanced payment for molds and tools and of certain development costs under specific conditions;
- compensation for expenses incurred by suppliers that are impacted by the freezing of certain vehicle projects;

- participation in the creation of a support platform to implement lean manufacturing practices in suppliers' plants: 10 dedicated Renault experts and a financial contribution of €500,000;

- and finally, a commitment to refrain from demanding a minimum proportion of production in low-cost countries from its suppliers.

On a global level, the Global Supply Chain department (DSCM) directly manages or coordinates all strategic and operational aspects of the supply chain, from the parts suppliers' plant 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 Alternative Energies and Atomic Energy Commission (CEA) and France's FSI strategic investment fund signed a letter of intent in 2009 on the creation of a joint venture to develop and produce batteries for electric vehicles in France. Renault, Nissan and the CEA would invest in the project and contribute their technical expertise and infrastructures. According to the initial project, the joint venture would focus on advanced research on electric vehicle batteries together with their industrial production and recycling. Battery production was planned to start up in mid-2012 at the Flins site, 30 km from Paris, with an output capacity of 100,000 batteries a year. The batteries produced by the joint venture could be sold to any carmaker. The Renault-Nissan Alliance would use its European plants in France, the UK and Portugal to equip its electric vehicles produced in Europe. Renault intends to use the batteries produced at Flins for its own range of electric vehicles, and in particular the future model ZOE, which will also be built at Flins. Also according to the initial project, the joint venture would develop technologies for recycling batteries on site, in respect of sustainable development principles.

  The initial project structure was changed in 2010 to bring it closer into line with other Alliance battery production projects. The definitive structure of project financing and capital are currently being finalized. Renault has confirmed its intention to set up a battery production network in France via a new plan based on the separation of R&D and production, notably with the agreement of the CEA to work on a second generation of batteries. This decision will have no impact on the launch date of ZOE at Flins or on long-term battery output capacity.

Light commercial vehicles

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.

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 3 models were launched in 2010.

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

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

Trafic and the new Master are distributed by the Renault Trucks network under the terms of the commercial agreements signed in 2009. These agreements are the continuation of the agreements for the distribution of Mascott and the previous generation of Master by Renault Trucks (AB Volvo group).

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 continued their partnership by doubling the production capacity of the Moscow plant to more than 160,000 vehicles per year. The new production facilities were inaugurated in March 2010 with the launch of Sandero, which has enabled Renault reach the Top 3 of the best-selling foreign brands in Russia, with over 5% market share.

In India:

- in Chennai, the Alliance built its first joint production site as part of a joint venture (JV RNAIPL). Production of Nissan Micra started in 2010 and Renault will start production of several new models in its range for the Indian market in 2011;

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

- Renault changed the structure of its industrial and commercial partnership with Mahindra & Mahindra in August 2010 by selling its share in the MRPL joint venture to its partner. Renault also granted a license to Mahindra & Mahindra to produce and sell the current version of Logan in India, as well as a new design upgrade to meet customer expectations.

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. Installed capacity is 240,000 vehicles a year, split equally between the two manufacturers. The Renault Pars joint-venture founded in May 2004, 51% owned by Renault and 49% by AIDCo (SAIPA 74% and Iran Khodro 26%), 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 148,000 Tondar (local name of Logan) vehicles have been built since production started in March 2007, of which 45,000 in 2010. At the same time, with the ramp-up in production since 2008, almost 11,000 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 marketed by the subsidiary Renault South Africa, which has sold almost 9,000 units since production of this vehicle started. Nissan purchases CKD parts from Renault and covers all specific investments.

In Morocco, after the agreement signed in 2008 to build an industrial complex in the region of Tangiers with a production capacity of 200,000 vehicles per year to start with, 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 2010 the construction phase of the project was on schedule. Construction of the buildings is progressing, most of the equipment has been ordered and the staff recruitment campaigns are underway.

Production is due to start on schedule in 2012.

In Romania, Renault inaugurated a new test center near the Dacia site. The site will mainly be used for future international development projects.

<u>In the environment</u>

Renault Environnement, a fully owned subsidiary of Renault s.a.s., was founded in mid-2008. Its role is to develop new business in the sectors of sustainable development and the environment, in line with Renault's eco^2 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 control of 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 behavior of car and truck drivers, and provide sustainable mobility services for everyone.

(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).

The main stages in the Alliance construction are described below.

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

OBJECTIVES OF THE ALLIANCE

VISION – DESTINATION OF THE RENAULT-NISSAN ALLIANCE

Eleven years of cooperation and synergy

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

Comprising five brands – Renault, Dacia, Renault Samsung, Nissan and Infiniti – the Alliance sold a combined total, including the sales of the AvtoVAZ Lada, of 7,276,398 units in 2010, giving a global market share of 10.2% for the Alliance and making it the 3rd 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.

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 Boulogne-Billancourt 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.

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.

Since the signing of the Strategic Cooperation with Daimler, Renault has a 43.4% stake while Nissan's stake in Renault remains unchanged at 15%.

GOVERNANCE AND OPERATIONAL STRUCTURE

<u>Creation of Renault-Nissan b.v. (RNBV)</u>

Formed on March 28, 2002 RNBV 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.

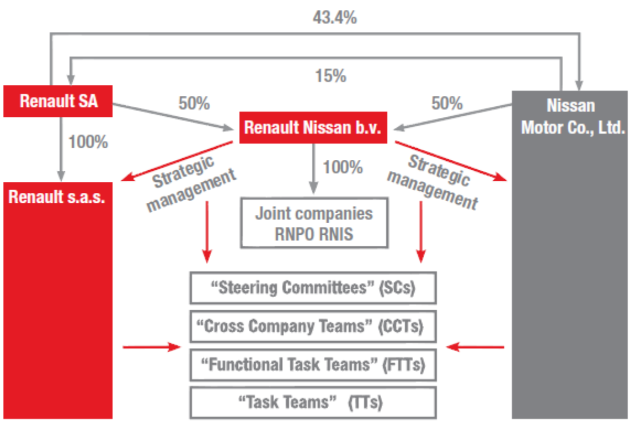
This structure decides on medium- and long-term strategy, as described below under "Powers of Renault-Nissan b.v.". It bolsters the management of the Renault-Nissan Alliance and coordinates joint activities at a global level, allowing for decisions to be made while respecting the autonomy of each partner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



Powers of Renault-Nissan b.v.

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

RNVB 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 automotive 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 in use. 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 – Nissan Leaf – was launched in late 2010 and a further seven 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. When new battery production plants are fully operational, they will give the Alliance 500,000 units of battery production capacity a year.

Strategic cooperation with Daimler

The Alliance believes there is the need to have greater economies of scale to cover all relevant technologies and to cover global markets including emerging markets. Automakers also need scale to cover a full line-up of products from ultra-low-cost cars to sedans, commercial vehicles, sports cars, luxury and four-by-fours.

On April 7, 2010 the Alliance announced a strategic co-operation with Daimler that covers a wide range of projects as well as sharing of best practices.

It is called a strategic co-operation because it is more than cooperation projects, but also stable long-term relationship developping various synergies. It will be managed by RNVB for the Alliance and Daimler through a new Cooperation Committee giving representation to all parties.

The Cooperation Committee comprises Senior Executives from the Alliance, Renault, Nissan and Daimler. They meet every 1.5 month either in France, Japan or Germany. The Cooperation Committee ensures the implementation of the agreed projects and makes proposals for new ones.

Projects driven by the Cooperation Committee include Renault and Daimler working together on next generation small cars: the Renault Twingo and Smart fortwo, including electric versions as well as expanding both model ranges. They also include powertrain sharing and co-development on future projects across both passenger cars and light commercial vehicles.

The two groups also exchanged equity that gives the Renault-Nissan Alliance a 3.1 percent stake in Daimler and Daimler a 3.1 percent in Renault and in Nissan. It created a long-term framework to work closely on future areas of co-operation between Renault, Nissan and Daimler. Opportunities already identified include the study of sharing powertrains between Infiniti and Mercedes-Benz vehicles while regional co-operation in the United States, China and Japan between Nissan, Infiniti and Daimler offers more potential.

The launches of the jointly developed small car models are planned for 2014 onwards. The Smart plant in Hambach, (France) will be the production location for two-seater versions, while the Renault plant in Novo Mesto (Slovenia) will be the production location for the four-seater versions. Future models will also be available with an electric drive from launch. Powertrain sharing will focus on fuel-efficient, diesel and gasoline engines.

Including the small car projects, the Renault-Nissan Alliance will provide 3- and 4-cylinder gasoline and diesel engines to Daimler out of its portfolio. Daimler will provide current 4- and 6-cylinder gasoline and diesel engines to Infiniti.

The Alliance Board

Role of the Alliance Board

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

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

Other members of Renault's and Nissan's Executive Committees attend the Alliance Board who meet up to ten times a year. Decisions are officially approved by the Alliance Board at the end of the meetings.

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

4. STATEMENT OF RELATED COMPANIES (on December 31, 2010):

(1) PARENT COMPANY

Not applicable.

(2) SUBSIDIARIES

The total number of consolidated subsidiaries of the Company at December 31, 2010 was 167.
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).
- 2010 revenues: EUR 31,068 million (local data to Group standards, external format).
- Workforce at December 31, 2010: 36,190.

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.
- 2010 revenues: EUR 5,019 million (local data to Group standards, external format).
- Workforce at December 31, 2010: 8,507.

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.
- 2010 revenues: EUR 2,183 million (local data to Group standards, external format).
- Workforce at December 31, 2010: 476.

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.
- 2010 revenues: TRL 6,398 million (local data to Group standards, external format).
- Workforce at December 31, 2010: 5,810.

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 SA 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.
- 2010 revenues: ROL 11,364 million (local data to Group standards, external format).
- Workforce at December 31, 2010: 13,901.

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.
- 2010 revenues: EUR 1,671 million (local data to Group standards, external format).
- Workforce at December 31, 2010: 305.

Revoz

Belokranska Cesta 4, 8000 Novo Mesto, Slovenia

- The authorised share capital of Revoz is EUR 55,081,000 divided into 550,810 voting shares of each EUR 100.
- Renault s.a.s holds directly 100% of Revoz share capital and 100% of its voting rights.
- Business: Manufacture of vehicles.
- Plant in Novo Mesto.
- 2010 revenues: EUR 1,321 million (local data to Group standards, external format).
- Workforce at December 31, 2010: 2,461.

Renault Finance

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

- The authorised share capital of Renault Finance is CHF 230,600,000 divided into 461,200 voting shares of each CHF 500.
- Renault s.a.s. holds 100% of Renault Finance shares and 100% of its voting rights.
- Business: Capital market transactions (foreign exchange, interest rates, hedging of industrial metals transactions) for Renault and Nissan; interbank dealing for own account.
- Total assets (consolidated) at December 31, 2010*:* EUR 9,312 million.
- Workforce at December 31, 2010: 29.

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 2010: EUR 10.1 billion.

- Total assets (consolidated) at December 31, 2010: EUR 24,110 million.

- Workforce at December 31, 2010: 2,799.

Renault Samsung Motors

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

- The authorised share capital of Renault Samsung Motors is WON 440,000,000,000 divided into 88,000,000 voting shares of each WON 5,000.

- Renault group b.v. holds directly 80.10% of Renault Samsung Motors share capital and, 80.10% of its voting rights.

- Business: Manufacture and marketing of motor vehicles.

- Plant in Busan.

- 2010 revenues: KRW 5,141 billion (local data to Group standards, external format).

- Workforce at December 31, 2010: 5,606.

Renault UK

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

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

- Renault group UK holds directly 100% of the capital of Renault UK Ltd and 100% of its voting rights.

- Business: Marketing of Renault passenger cars and light commercial vehicles.

- 2010 revenues: GBP 1,182 million (local data to Group standards, external format).

- Workforce at December 31, 2010: 276.

Renault Retail Group (France)

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 directly 100 % of the authorised capital of Renault Retail Group S.A. and 100 % of its voting rights.

- Business: Trade, repair, maintenance and leasing of passenger cars and light commercial vehicles.

- 65 branches in France.

- 2010 revenues: EUR 4,498 million (local data to Group standards, external format).

- Workforce at December 31, 2010: 7,879.

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.
- 2010 revenues: RUB 35,994 million (local data to Group standards, external format).
- Workforce at December 31, 2010: 3,664.

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 422,669,009,499 voting shares.
- Renault group holds directly 99.85% of the authorised capital of Renault do Brasil and 99.85% of its voting rights.
- Business: Vehicle production and assembly, production of equipment, parts and accessories for vehicles.
- 2010 revenues: BRL 5,726 million (local data to Group standards, external format).
- Workforce at December 31, 2010: 5,011.

Renault Argentina

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

- The authorised share capital of Renault Argentina is ARS 61,310,911.42 divided into 6,310,911 voting shares of each ARS 10.
- Renault group holds indirectly 100% of the authorised capital of Renault Argentina and 100% of its voting rights.
- Business: Manufacture and marketing of Renault vehicles.
- 2010 revenues: ARS 5,895 million (local data to Group standards, external format).
- Workforce at December 31, 2010: 2,766.

(3) AFFILIATED COMPANIES[5]

The total number of affiliated companies at December 31, 2010 was 13.
The significant affiliated companies are set out below:

Automobile Division

AB Volvo[6]

Volvo Bergergards Vog. SE-405 08 GOTEBORG. Sweden

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

NISSAN Motor Co., Ltd.

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

- The number of authorized share is 6,000,000,000 shares. The subscribed capital is capital is 605,813,734,035 JPY divided into 4,520,715,112 voting.
- Renault S.A. holds directly 43.78% shares and 43.4% of the voting rights.
- Business: The group NISSAN Motor is a world-wide car manufacturer involved in the design, manufacturing and distribution of car vehicles. As regards the relationship with Renault, please refer to 3.-(2)-“Renault-Nissan Alliance” of this Section.

AVTOVAZ

Yuzhnoye Shosse 36, Togliatti 445024, Russian Federation

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

Financial Companies (Affiliates)

[5] Affiliated companies are i) companies in which the Group exercises material influence and which are included in the financial statements on an equity basis and, ii) joint ventures consolidated on a proportionate basis.
[6] 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.

Renault Leasing CZ sro

Praha 5, Radlická 14/3201, PSČ 150 00, 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, 2010 the breakdown of Renault's workforce was as follows (excluding employees concerned by the CASA early retirement program):

GROUP WORKFORCE BY ACTIVITY AT DECEMBER 31, 2010

	2010	2009	2008	% CHANGE 2010/2009
Automotive	119,816	118,477	125,992	+1.1
Sales Financing	2,799	2,945	3,076	-5.0
TOTAL	**122,615**	**121,422**	**129,068**	**+1.0**

Changes in the scope of consolidation had an overall impact of +24 employees in 2010. These concern:

- *newly consolidated companies: +636 employees;*
- *the withdrawal from the scope of consolidation of: Renault F1 Team, RRG NSN, Renault Venezuela, RRG Zragoza, Mahindra Renault: - 612 employees.*

On a like-for-like basis, Renault's workforce totaled 122,591 at December 31, 2010.

GROUP WORKFORCE BY GEOGRAPHICAL REGION AND PROFILE AT DECEMBER 31, 2010

	HEADCOUNT	% IN THE GROUP	% OF BLUE COLLAR WORKERS	% OF WOMEN
France	54,263	44.3	39.0	16.1
Europe (excluding France)	20,168	16.4	49.6	18.6
Euromed	26,184	21.4	65.5	23.9
Eurasia	3,735	3.0	66.2	24.8
Asia-Africa	7,316	6.0	44.3	8.8
Americas	10,949	8.9	61.1	8.9
TOTAL	**122,615**	**100**	**49.5**	**17.3**

Group turnover in 2010 totaled 6.8%.

This figure is calculated as follows (based on the workforce under permanent contract): (total incoming staff in 2010 + total outgoing staff in 2010) / (2 × 2010 average workforce).

Group headcount increased by nearly 1,200 in 2010.

In order to respond to strong markets outside Europe, the company mobilized the necessary workforce, particularly in the Regions reporting the strongest growth in sales in 2010.

In the Americas Region, the plants in Brazil and Colombia added extra shifts to cope with strong demand in Brazil. In Argentina, the modernization of the Santa Isabel plant in Cordoba and growth in sales demand led the Group to strengthen its workforce throughout the year. In all, the workforce in the Americas Region grew 1,300 in 2010.

In Eurasia, the development of the Russian Avtoframos plant was completed in 2010, and the plant’s headcount grew by around 1,200.

In Morocco, on the Tangiers site, the Renault group started preparing and training almost 500 people for the new plant, in readiness for the start of production in 2012.

In Europe, in a market that contracted in 2010, Group workforce was reduced by 2.3% (excluding the impact of the “sale” of Renault F1 Team), mainly due to natural attrition.

The percentage of women in the Group workforce remained stable overall in 2010. The Asia-Africa Region reported a 3% increase while the Eurasia Region reported a considerable decrease (-6 points), mainly owing to a strong, 10-point rise in blue-collar staff.

The proportion of blue collar workers in the Group decreased by 1 point in 2010.

III. STATEMENTS OF BUSINESS

1. OUTLINE OF RESULTS OF OPERATION, ETC.:

ECONOMIC PERFORMANCE

(1) SALES PERFORMANCE IN 2010

SUMMARY

Automotive

The Renault group set a new sales record, with 2,625,800 vehicles sold in 2010.

All the brands (Renault, Dacia, Renault Samsung Motors) increased sales volumes: Renault brand sales rose 13.6%, while Dacia sales increased 11.8% and Renault Samsung Motors sales grew 18.6%.

All the Regions (Europe, Euromed, Eurasia, Americas, Asia-Africa) also increased sales volumes.

Renault confirmed its number-one ranking in the European light commercial vehicle market for the 13th consecutive year, with a 15.9% share of the market.

In a world market that rose 11.7%, the PC+LCV sales of the Renault group increased 13.7%, for a 3.7% share of the market.

In 2010 Renault relied on a complete range of products adapted to the Group's different markets. The Mégane consolidated its very good performance, with a number-two ranking in the C segment in Europe.

Renault Master sales rose 26.1% on the strength of New Master, reinforcing the Renault brand's leadership in the European light commercial vehicle market.

The Dacia brand benefitted from the strong success of Duster, launched in April, which sold in 67,000 units.

The Group grew market share in 14 of its 15 major markets in 2010.

The Renault group's top 15 markets

		VOLUMES* 2010 *(UNITS)*	MARKET SHARE (PC+LCV) *(%)*	CHANGE IN M/S ON 2009
1	France	744,735	27.9	+1.7
2	Germany	171,411	5.5	-0.5
3	Brazil	160,297	4.8	+0.9
4	South Korea	155,697	10.1	+0.8
5	Italy	140,678	6.6	+1.2
6	Spain + Canary Islands	124,813	11.4	+0.5
7	Turkey	114,111	14.9	+0.2
8	United-Kingdom	113,393	5.0	+1.7
9	Russia	96,466	5.1	+0.1
10	Belgium + Luxembourg	84,876	12.9	+1.8
11	Argentina	82,385	13.0	+0.6
12	Algeria	63,369	28.1	+4.7
13	Iran	46,587	3.1	+0.4
14	Romania	45,820	39.6	+4.0
15	Netherlands	45,759	8.6	+1.0

* *Preliminary figures.*

Europe

In Europe, Group PC+LCV sales rose 7.3% to 1,642,000 units, in a market that contracted 3.7%.

The Group increased its market share by 1.1 points to 10.7%.

Renault became the number-two brand in Europe on the success of the Mégane family, Clio and a steady performance by Twingo.

With a 6.1% increase in sales volumes, the Group reported the strongest growth of any brand in *France*, where the stable market (-0.3%) continued to be bolstered by the scrappage bonus. It increased its market share in the country by 1.7 points to 27.9%.

Following the end of government aid, total industry volume in *Germany* fell 21.7%, with Renault group sales down 28.6% and a 5.5% market share.

In an *Italian* market that fell 8.6%, Group sales grew 12.5% for a 6.6% share of the market.

In the *United-Kingdom*, where the market grew 3.3%, the Group consolidated its market share at 5.0%, up 1.7 points year on year.

In a stable *Spanish* market, up 3.6% on 2009, Group volumes rose 8.3% for a 0.5-point increase in market share to 11.4%.

Outside Europe

The Group continued to grow outside Europe, with volumes up 26.2% in dynamic markets (+19.2%).

Sales outside Europe accounted for 37% of total Group volumes in 2010, up from 34% in 2009.

In *Brazil*, the Group's third-largest market, the Group set a sales record with 160,300 units, up 36.4%.

Driven by the success of Sandero and Logan and the Fluence debut, market share rose to 13% in *Argentina*.

In *South Korea*, where the market increased 7.2%, the strong success of the new SM3 and SM5 enabled Renault Samsung Motors to set a new sales record with 155,692 units, for a 10.1% share of the market.

Renault sales in *Turkey* slightly outperformed the market with a 38.7% increase in volumes compared to the market rise of 37.3%.

In *Romania*, the Group reported a four-point increase in market share to 39.6%, in a market that continued to fall (down 20.4%).

The Group posted strong performances in *Algeria*, increasing market share by 4.7 points to 28.1%. Renault remains the number-one brand in the market, thanks to the continued success of the best-selling Symbol.

The Group took a 33.8% share of the *Moroccan* market, with the Dacia and Renault brands placing first and second.

Renault was the number-four brand in *Russia*, owing to the strong success of Sandero, produced locally since March 2010. Group sales rose 33.5% in a market that grew 30.0%.

<u>Sales financing</u>

After four years of new financing decreases, the RCI Banque group returned to growth in 2010. Average loans outstanding have risen to €21 billion (+4% vs 2009).

The group achieved its best sales performance in five years with 953,000 contracts signed and more than €10 billion in new financing, compared with €8.3 billion in 2009 (+21%).

AUTOMOTIVE

Group sales worldwide (units)

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES	2010*	2009	CHANGE (%)
Group	2,625,796	2,309,749	13.7
By brand			
Renault	2,115,600	1,861,856	13.6
Dacia	348,279	311,426	11.8
Renault Samsung Motors	161,917	136,467	18.6
By vehicle type			
Passenger cars	2,293,768	2,032,595	12.8
Light commercial vehicles	332,028	277,154	19.8
By Region			
Europe	**1,642,065**	**1,530,114**	**7.3**
o/w France	*744,735*	*702,060*	*6.1*
Americas	317,028	227,963	39.1
Asia-Africa	287,421	230,760	24.6
Euromed	272,748	240,484	13.4
Eurasia	106,534	80,428	32.5
Outside Europe	**983,731**	**779,635**	**26.2**

* *Preliminary figures.*

Renault brand

Passenger cars

The Renault brand made a strong contribution to the growth in Group sales, selling 202,405 more units than in 2009.

- In the *A segment*, **Twingo** was the third best-selling vehicle in its category in Europe, with 150,597 registrations.

Twingo kept the number-one spot in France with a 33.9% share of the segment. Twingo also performed well in Germany, where it ranked number three in its segment.

- In the *B segment*, sales of **Sandero** under the Renault brand nearly doubled, up 98.3% to 145,076 worldwide.

Clio (Clio II + Clio III) strengthened its position with 339,692 sales in Europe, up 6.8%. Renault-branded **Logan** continued to advance, with 190,464 units sold in 2010 compared with 150,603 in 2009.

- The **Mégane** family consolidated its success, with the Renault brand increasing its share of the European *C segment* by 1.2 points.

The Mégane family became the second best-selling car in the C segment in Europe with 448,980 registrations. It was the segment leader in France with 155,115 registrations. Mégane is also the segment leader in Belgium and Portugal. In Europe, Mégane Hatch and Coupé continued to perform strongly, with market share having more than doubled from 3.6% in 2008 to 7.3% in 2010. Mégane Estate took a 16.6% share of the C station wagon segment (up 7.4 points) with 88,346 units sold.

Scénic is the top-selling minivan (MPV) in Europe, with 184,719 registrations in 2010.

Fluence got off to a strong start, selling in 59,839 units in a partial year, with half of the sales made in the Euromed Region.

- **Laguna** remains number 2 in the *D segment* in France. Worldwide sales of **Espace** rose 4.9%. It remained the undisputed leader in the minivan (MPV) segment with a 36.0% share of the category in France.

Light commercial vehicles

In a recovering LCV market (+15.9%), Renault increased sales by 19.8%.

Renault led the market in Western Europe for the 13th consecutive year, with 4.7-point lead over its nearest rival, thanks to a renewed range (with the launch of three new models, **New Master**, **New Trafic** and **New Kangoo Express Maxi**).

The launch of New Master was particularly well received. The new model won a number of prizes in Europe, including Best Van of the Year in the Van Fleet World Honours, Light Commercial Vehicle of the Year in the Argus awards in France, Van of the Year 2011 in the UK, Truck of the Year in Lithuania, and Van of the Year in Denmark.

Renault reported a 16.1% share of the market in Western Europe and 32.5% in France.

Dacia brand

The **Dacia** brand sold 348,279 units, up 11.8% on 2009. Europe remained the brand's number-one market, with 246,920 vehicle sales, followed by Euromed, with 95,146 units.

The **Duster** launch has proved particularly successful, with sales of 68,333 units in 2010. At end-2010, in a partial year, Duster was already in the top ten in its segment in Europe.

Dacia-branded **Sandero** continued to perform strongly in Europe, selling in 135,110 units and ranking fourth in its segment in France.

Renault Samsung motors Brand

South Korea was the Renault group's fourth-largest market, with the Renault Samsung Motors brand setting a new sales record of 155,692 units and taking a 10.1% share of the market.

In a South Korean market that rose 7.2%, RSM sales increased 16.5% on successful performances by the new **SM3** and **SM5** models, which respectively took a 15.6% and 15.7% share of the segment.

New SM3 is the second best-selling car in its segment.

New SM5 is the third best-selling vehicle in its segment and the fifth highest-seller in South Korea, all segments combined.

However, sales of **SM7** and **QM5** fell by 26.9% and 35.4% respectively.

Group sales by brand (units)

PASSENGER CARS & LIGHT COMMERCIAL VEHICLES	2010*	2009	CHANGE (%)
Europe Region			
Renault	1,395,145	1,315,592	6.0
Dacia	246,920	214,522	15.1

GROUP	**1,642,065**	**1,530,114**	**7.3**
o/w France			
Renault	*634,660*	*635,513*	*-0.1*
Dacia	*110,075*	*66,547*	*65.4*
GROUP	**744,735**	**702,060**	**6.1**
Americas Region			
Renault	310,808	225,127	38.1
Renault Samsung Motors	6,220	2,836	+++
GROUP	**317,028**	**227,963**	**39.1**
Asia-Africa Region			
Renault	125,511	92,395	35.8
Dacia	6,213	4,734	31.2
Renault Samsung Motors	155,697	133,631	16.5
GROUP	**287,421**	**230,760**	**24.6**
Euromed			
Renault	177,602	151,340	17.4
Dacia	95,146	89,144	6.7
GROUP	**272,748**	**240,484**	**13.4**
Eurasia Region			
Renault	106,534	77,402	37.6
Dacia	-	3,026	-
GROUP	**106,534**	**80,428**	**32.5**
* *Preliminary figures.*			

SALES FINANCING

RCI Banque group activity

After four years of new financing decreases, the RCI Banque group returned to growth in 2010. Average loans outstanding have risen to €21 billion (+4% vs 2009).

The group achieved its best sales performance in five years with 953,000 contracts signed and more than €10 billion in new financing, compared with €8.3 billion in 2009 (+21%).

In **Europe**, the RCI Banque group reported 15% growth in new financing, driven by good sales performances from the manufacturers and an attractive and innovative product offering (success of package products in Spain, Germany, Italy, Switzerland, etc.).

Outside Europe, growth was marked by strong performances by the subsidiaries in Latin America (+85% in new financing) and South Korea (+39%).

Proportion of new vehicles financed

In 2010 the proportion of new Renault, Samsung, Nissan and Dacia vehicle registrations financed by RCI Banque rose 1.6 points to 31.6% (30% in 2009). Growth was particularly strong for the Nissan brand, at 25.8% compared with 20.4% in 2009, and for the Dacia brand, at 25.5% up from 22.9% in 2009.
RCI Banque financed 33% of new Renault vehicle registrations, compared with 32.3% in 2009.

In 2010 the proportion of new Renault, Nissan and Dacia vehicle registrations financed by RCI Banque in the **Europe Region** increased to 31.3%, compared with 29.5% in 2009. For Renault, the proportion was 34% (33% in 2009). The proportion for Nissan rose sharply, from 20.3% in 2009 to 23.9% in 2010, for a 3.6-point increase year on year. This success was achieved notably through the numerous loyalty-building offers implemented between the marketing teams of RCI Banque and Nissan Europe, including for new Nissan launches such as Juke.

The proportion of RCI Banque in the **Americas Region** rose to 31% (28% in 2009), driven by the performance with the Nissan brand, with the proportion up 22.8 points to 39.1%. The proportion of Renault vehicles financed fell slightly, from 29.8% in 2009 to 29.5% in 2010.

The proportion of RCI Banque in **South Korea** fell slightly, from 47.4% in 2009 to 46.1% in 2010. But new financing rose considerably, to €855 million (€613 million in 2009).

Lastly, the proportion of vehicles financed by RCI Banque in the **Euromed Region** (Romania and Morocco) decreased to 13.8% in a scrapping incentives context and a tightening of the underwriting policy following the risk increase.

SALES AND PRODUCTION STATISTICS

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

PASSENGER CAR AND LIGHT COMMERCIAL VEHICLE	2010*	2009	CHANGE (%)
EUROPE REGION	**15,331,078**	**15,920,654**	**-3.7**
o/w:			
France	2,669,282	2,676,401	-0.3
Germany	3,118,697	3,981,805	-21.7
Italy	2,137,345	2,337,193	-8.6
United-Kingdom	2,262,384	2,189,726	+3.3
Spain + Canary Islands	1,098,656	1,060,263	+3.6
Belgium + Luxembourg	656,401	580,877	+13.0
Poland	375,902	363,970	+3.3
AMERICAS REGION**	**5,926,878**	**5,144,825**	**+15.2**
o/w:			
Mexico	818,937	752,561	+8.8
Colombia	238,877	172,676	+38.3
Brazil	3,329,471	3,007,593	+10.7
Argentina	634,268	493,794	+28.4
ASIA-AFRICA REGION	**32,598,607**	**27,180,415**	**+19.9**
o/w:			
South Africa	406,243	337,558	+20.3
South Korea	1,542,979	1,439,546	+7.2
EUROMED REGION	**1,290,710**	**1,129,320**	**+14.3**
o/w:			
Romania	115,825	145,592	-20.4
Turkey	765,044	557,125	+37.3
Algeria	225,432	239,733	-6.0
Morocco	103,436	109,969	-5.9
EURASIA REGION	**2,213,445**	**1,803,943**	**+22.7**
o/w:			
Russia	1,906,119	1,465,922	+30.0
Ukraine	175,375	174,832	+0.3
WORLD (INCLUDING NORTH AMERICA)	**70,476,213**	**63,078,460**	**+11.7**

* *Preliminary figures.*
** *Excluding North America.*

Renault group - registrations (Reg.) and market share (MS)

	2010*			2009
PASSENGER CAR AND LIGHT COMMERCIAL VEHICLE	**REG** *(UNITS)*	**MS** *(%)*	**REG** *(UNITS)*	**MS** *(%)*
EUROPE REGION	**1,640,726**	**10.7**	**1,528,016**	**9.6**
o/w:				
France	743,486	27.9	700,052	26.2
Germany	171,411	5.5	240,037	6.0
Italy	140,678	6.6	125,025	5.3
UK	113,393	5.0	73,465	3.4
Spain + Canary Islands	124,813	11.4	115,214	10.9
Belgium + Luxembourg	84,786	12.9	64,692	11.1
Poland	29,752	7.9	24,140	6.6
AMERICAS REGION**	**317,028**	**5.3**	**227,963**	**4.4**
o/w:				
Mexico	18,046	2.2	11,500	1.5
Colombia	38,009	15.9	27,720	16.1
Brazil	160,297	4.8	117,524	3.9
Argentina	82,385	13.0	61,019	12.4
ASIA-AFRICA REGION	**287,421**	**0.9**	**230,760**	**0.8**
o/w:				
South Africa	10,000	2.5	7,001	2.1
South Korea	155,697	10.1	133,630	9.3
EUROMED REGION	**272,748**	**21.1**	**240,484**	**21.3**
o/w:				
Romania	45,820	39.6	51,793	35.6
Turkey	114,111	14.9	82,261	14.8
Algeria	63,369	28.1	56,094	23.4
Morocco	34,944	33.8	37,106	33.7
EURASIA REGION	**106,534**	**4.8**	**80,428**	**4.5**
o/w:				
Russia	96,466	5.1	72,284	4.9
Ukraine	9,092	5.2	7,128	4.1
OUTSIDE EUROPE	**983,731**	**2.3**	**779,635**	**2.2**
WORLD (INCLUDING NORTH AMERICA)	**2,624,457**	**3.7**	**2,307,651**	**3.7**

* *Preliminary figures.*
** *Excluding North America.*

Renault group - models performance by segment in the Europe region

PASSENGER CARS	CHANGE SEGMENT 2010/2009	GROUP SHARE 2010* *(%)*	2009 *(%)*	CHANGE 2010*/2009 *(POINTS)*	RANK 2010
A Segment	**-18.1**				
Twingo / Twingo II		10.5	10.0	+0.5	3
Wind		0.3	-	+0.3	20
B Entry Segment	**-7.3**				
Clio / Clio II / Clio III		7.7	6.7	+1.0	4
Thalia / Thalia II		0.1	0.2	-0.1	48
Modus		1.1	1.5	-0.4	22
Logan		0.9	1.5	-0.6	26
Sandero		3.1	2.8	+0.3	12
Kangoo		0.0	0.1	-0.1	61
C Segment	**+0.2**				
Kangoo II		0.8	0.8	-0.0	34
Mégane / Mégane II / Mégane III		9.2	7.9	+1.2	2
Fluence		0.3	-	+0.3	49
Duster		1.1	-	+1.1	23
D Segment	**-6.0**				
Laguna / Laguna III		2.5	2.4	+0.1	13
Latitude		0.0	-	+0.0	81
Koleos		0.7	1.0	-0.3	33
Trafic / Trafic II		0.6	0.4	+0.1	36
E Segment	**+9.8**				
Vel Satis		0.0	0.1	-0.1	116
Espace / Espace IV		1.8	2.0	-0.2	13
Master / Master II / Master III		0.2	0.3	-0.1	60

* *Preliminary figures.*

Renault group - models performance by segment in the Europe region

		GROUP SHARE			
LIGHT COMMERCIAL VEHICLES	**CHANGE SEGMENT 2010/2009**	**2010*** ***(%)***	**2009** ***(%)***	**CHANGE 2010*/2009** ***(POINTS)***	**RANK 2010**
Fleet vehicles	**+6.7**				
Twingo / Twingo II		2.1	2.5	-0.4	12
Clio / Clio II / Clio III		18.4	17.7	+0.7	1
Modus		0.1	0.2	-0.1	50
Mégane / Mégane II / Mégane III		9.0	5.6	+3.3	3
Duster		0.1	-	-	45
Laguna / Laguna III		0.7	0.3	+0.4	22
Koleos		0.1	0.1	-0.0	69
Espace / Espace IV		0.5	0.1	+0.4	27
Sandero		0.1	0.0	+0.0	73
Logan		0.1	0.3	-0.2	53
Small vans	**+10.7**				
Kangoo / Kangoo II		17.2	16.3	+0.9	1
Logan		1.7	1.4	+0.2	12
Vans	**+8.6**				
Trafic / Trafic II		6.9	6.0	+0.9	6
Master / Master II / Master III		7.0	6.6	+0.4	5
Mascott** / Maxity** / Master III**		1.1	0.9	+0.2	17
Pick-ups	**-2.3**				
Logan		6.9	6.2	+0.7	6

* *Preliminary figures.*
** *Renault Trucks.*
NB: Change in segmentation
Renault now uses the international vehicle classification system of A, B, C, D and E. Hence vehicles in the Entry range are now classified in their respective segments and car-derived vans are included in the five main segments. The two sub-segments "SUV" and "Non-SUV" have been reclassified, the first in the H body style and the second in other body styles such as B or D.

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

PASSENGER CARS + LIGHT COMMERCIAL VEHICLES	**2010***	**2009**	**CHANGE (%)**
Twingo	163,405	187,470	-12.8
Wind	6,556	-	-
Clio	444,603	411,291	8.1
Thalia	93,247	82,163	13.5
Modus	47,685	69,358	-31.2
Logan+Sandero	551,748	489,750	12.7
Kangoo	187,882	151,196	24.3
Mégane	490,005	459,862	6.6
Fluence	68,539	10,449	++
Duster	86,268	115	++
SM3	124,872	80,488	55.1
Laguna	54,137	46,919	15.4
SM5+Latitude	88,704	64,473	37.6
Koleos	49,424	28,925	70.9
Espace	17,261	15,212	13.5
Master	99,897	59,047	69.2
SM7	13,747	18,143	-24.2
Vel Satis	-	1,179	-
Mascott	-	5,706	-
Others	10,617	-	-
PRODUCTION MONDIALE DU GROUPE	**2,598,597**	**2,181,746**	**19.1**
o/w production for partners			
Master for GM	9,952	5,744	73.3
SM3 for Nissan	45,859	31,855	44.0
Vehicles for Nissan in Mercosur	18,156	18,903	-4.0
PARTNERS' PRODUCTION FOR RENAULT			
GM plant (Trafic)	33,540	27,451	22.2
Nissan plant (Trafic)	11,561	10,932	5.8
Others (Iran+India)	63,239	39,504	60.1

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

Geographical organization of the Renault group by region – countries in each region
At January 1, 2011

Europe

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

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

Americas

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

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

Asia & Africa

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

Middle East and French-speaking Africa : Saudi Arabia, Egypt, Jordan, Lebanon, Gulf States, Syria + French-speaking african countries.

Africa and Indian ocean : South Africa + sub-Saharan African countries, Indian Ocean islands.
China, Hong Kong.

India, Iran, Israël, Korea, Taïwan.

Euromed

Eastern Europe : Bulgaria, Moldova, Romania.

Maghreb : Algeria, Morocco, Tunisia.

Turkey.

Eurasia

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

(2) ALLIANCE COMBINED SALES PERFORMANCE AND FINANCIAL INDICATORS

ALLIANCE COMBINED SALES FOR 2010

The Renault-Nissan Alliance has set a new record with 7,276,398 units sold in 2010, a 19.6% increase over 2009 in a market that expanded by 11.8%.

The Renault-Nissan Alliance captured 10.2%[7] of the global market in 2010.

[7] Total PC + LCV maket sales based on Renault estimates: 70,476,213 units.

Renault and Nissan sold 2,625,796 and 4,080,588[8] vehicles respectively. Sales of Lada accounted for 570,014 units, a 37.6% increase compared to previous year. Renault's worldwide sales increased by 14% and Nissan's by 21.5%.

Renault group highlights

The Renault group has set a new record with sales reaching 2.6 million vehicles, an increase of 14% on 2009. The five Regions of the Group boosted their volumes and market shares except for the Euromed Region where sales decreased by 0.2 point. All the brands contributed to the Group's sales increase: Renault grew by 14%, Dacia by 12% and Renault Samsung Motors by 19%.

In Europe, the Renault group raised the sales volume by 7.4% with 1,642,000 units sold in a market that contracted by 3.7%. The Renault brand moved up one place in the rankings to become number 2 in passenger car (PC) and light commercial vehicle (LCV) sales. In LCV sales, the brand consolidated its number 1 position with a market share of 16%.

Outside Europe, the Group is continuing to progress with sales volumes surging by 26% to almost 983,731 units. Sales of Renault Samsung Motors increased by 16.5% on its domestic PC market, reaching 11.9% of market share in South Korea. With 155,697 units sold, South Korea is Renault group's fourth largest market.

The Renault group sales outside Europe accounted for 37% of total sales, compared with 34% in 2009.

Nissan highlights

Nissan closed the year with record sales of 4,080,588 units, up 21.5% compared to previous year.

China has become Nissan's largest market worldwide with 1,023,638 units sold, a 35.5% increase on 2009. Sales were led by the midsize sedan Sylphy, with 142,367 units sold and the flagship car model Teana, with sales of 140,842 units.

In **the US**, Nissan and Infiniti sales totalled 908,570 units, an 18% increase over 2009. Nissan finished the year 2010 strong with increasing demand in December for models including Rogue (+58.2%) and Versa (+49.8%).

In **Japan**, government subsidies and launches of five new models such as March, Juke and Serena contributed to the 7.7% increase of sales of 645,320 units.

In **Europe**, Nissan reached a 3.1% market share, the highest since 1995. Total sales increased by 13% to 555,924 units. Nissan's main market in Europe was the UK with 96,419 units sold, followed by Russia with 84,288 units. Qashqai remains a strong contributor to Nissan's European performance with 235,462 units sold, an 18% increase on 2009.

In **Mexico**, Nissan toped domestic sales for the second consecutive year with 189,518 units sold. Nissan had four vehicles in Mexico's top ten best-selling cars.

[8] Sales in 2010.

The top 10 Renault-Nissan Alliance markets

COUNTRIES	TOTAL ALLIANCE	MARKET SHARE (%)
China	1,038,343	6.2%
United States	908,570	7.8%
France	803,336	30.1%
Russia*	699,416	36.5%
Japan	647,864	13.2%
Germany	232,661	7.5%
United Kingdom	209,812	9.3%
Mexico	207,564	25.3%
Italy	201,498	9.4%
Brazil	196,073	5.9%

* *Including Lada.*

Top 10 Renault group Markets

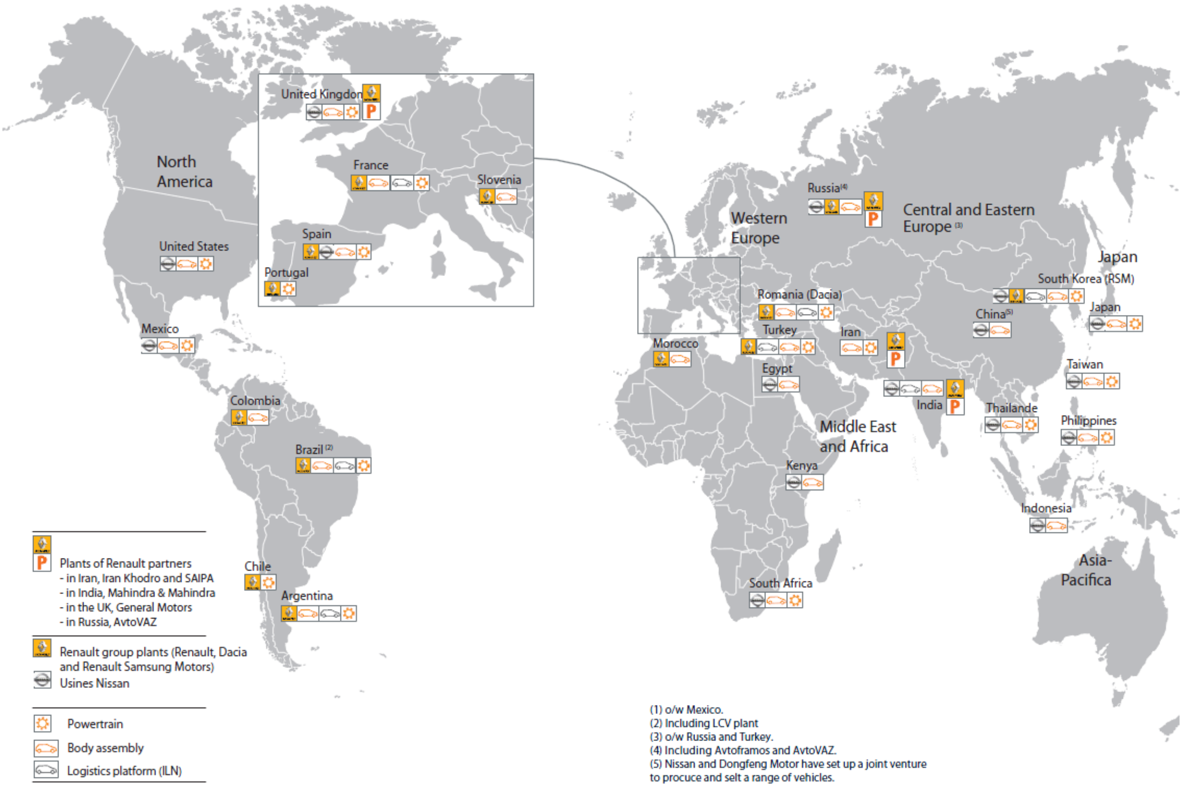
COUNTRIES	TOTAL RENAULT	MARKET SHARE (%)
France	743,486	27.9%
Russia**	615,128	32.3%
Germany	171,411	5.5%
Brazil	160,297	4.8%
South Korea*	155,697	10.1%
Italy	140,678	6.6%
Spain	124,813	11.4%
Turkey	114,111	14.9%
United Kingdom	113,393	5.0%
Belgium + Luxembourg	84,696	12.9%

* *Renault Samsung Motors.*
** *Lada: 518,662 units/Renault: 96,466 units.*

Top 10 Nissan Markets

COUNTRIES	TOTAL NISSAN	MARKET SHARE (%)
China	1,023,638	6.2%
US	908,570	7.8%
Japan	645,320	13.0%
Mexico	189,518	23.1%
United Kingdom	96,419	4.3%
Russia	84,288	4.4%
Canada	83,013	5.3%
Australia	62,670	6.1%
Germany	61,250	2.1%
Italy	60,820	2.9%

PRODUCTION SITES



VALUE OF JOINT OPERATIONS

Renault sales to Nissan and Renault purchases from Nissan in 2010 are estimated at €1.6 billion and €1.4 billion, respectively, as mentioned in note 14-I 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 2010.

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, 2010, 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, 2010 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 AT DECEMBER 31, 2010

(€ million)	**RENAULT**	**NISSAN [1]**	**INTERCOMPANY ELIMINATIONS**	**ALLIANCE**
Sales of goods and services	37,654	68,324	(2,755)	103,223
Sales financing revenues	1,317	4,321	(72)	5,566
REVENUES	**38,971**	**72,645**	**(2,827)**	**108,789**

(1) Converted at the average exchange rate for 2010: EUR 1 = JPY 116.5.

The Alliance's intercompany business mainly consists of commercial transactions between Renault and Nissan. Those items have been eliminated to produce the revenue indicator. Their value is estimated on the basis of Renault's 2010 results.

The **operating margin**, the **operating income** and the **net income** of the Alliance in 2010 are as follows:

(€ million)	**OPERATING MARGIN**	**OPERATING INCOME**	**NET INCOME [2]**
Renault	1,099	635	2,406
Nissan [1]	4,375	4,169	2,613
ALLIANCE	**5,474**	**4,804**	**5,019**

(1) Converted at the average exchange rate for 2010: EUR 1 = JPY 116.5.
(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 previous indicators are minor and have therefore not been eliminated.

For the Alliance, the operating margin is equivalent to 5.0% of revenues.

In 2010, the Alliance's **research and development expenses**, after capitalization and amortization, are as follows:

(€ million)	
Renault	1,834
Nissan	3,029
ALLIANCE	**4,863**

Balance sheet indicators

Condensed Renault and Nissan balance sheets

RENAULT AT DECEMBER 31, 2010

ASSETS (*€ MILLION)*		**SHAREHOLDERS' EQUITY AND LIABILITIES (*€ MILLION)***	
Intangible assets	3,677	Shareholders' equity	22,757
Property, plant and equipment	11,504	Deferred tax liabilities	125
Investments in associates (excluding Alliance)	854	Provisions for pension and other long-term employee benefit obligations	1,246
Deferred tax assets	705	Financial liabilities of the Automotive division	11,380
Inventories	4,567	Financial liabilities of the Sales financing division and sales financing debts	19,628
Sales Financing receivables	19,276	Other liabilities	14,971
Automotive receivables	1,329		
Other assets	4,825		
Cash and cash equivalents	10,025		
TOTAL ASSETS EXCLUDING INVESTMENT IN NISSAN	**56,762**		
Investment in Nissan	13,345		
TOTAL ASSETS	**70,107**	**TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES**	**70,107**

NISSAN AT DECEMBER 31, 2010 (1)

ASSETS (*€ MILLION)*		**SHAREHOLDERS' EQUITY AND LIABILITIES (*€ MILLION)***	
Intangible assets	6,405	Shareholders' equity	33,299
Property, plant and equipment	35,915	Deferred tax liabilities	5,119
Investments in associates (excluding Alliance)	198	Provisions for pension and other long-term employee benefit obligations	3,195
Deferred tax assets	1,381	Financial liabilities of the Automotive division	6,521
Inventories	9,790	Financial liabilities of the Sales financing division and sales financing debts	30,574
Sales Financing receivables	25,189	Other liabilities	22,764
Automotive receivables	5,483		
Other assets	8,241		
Cash and cash equivalents	7,026		
TOTAL ASSETS EXCLUDING INVESTMENT IN RENAULT	**99,628**		
Investment in Renault	1,844		
TOTAL ASSETS	**101,472**	**TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES**	**101,472**

(1) Converted at the closing rate for 2010 EUR 1 = JPY 108.65.

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 2010, excluding leased vehicles, amount to:

(€ million)	
Renault	1,133
Nissan	1,956
ALLIANCE	**3,089**

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 €20 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 manages the decentralized operations of the subsidiaries in its two business divisions in France and abroad by relying on the following key strategies to obtain high-quality financial and accounting information while reducing the time needed to prepare the financial statements:

- operational systems upstream from accounting are standardized as far as possible;
- ERP financial and accounting modules continue to be introduced at industrial and/or commercial entities worldwide.

This highly structured software enables each entity to apply its own internal control process and ensures that processed data are reliable and consistent. In particular, the definition and monitoring of user profiles help to ensure that the rules of task separation are respected.

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

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

4. RISKS IN BUSINESS, ETC.

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

RISK MANAGEMENT

The Renault group makes every effort to control the risks 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 crisis and the damage they may cause.

Risk management, which is essential 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, experts are appointed to identify and prioritize risk control solutions and to oversee their implementation.

FINANCIAL RISKS

General framework for controlling financial risk

For the Automotive sector, the management of market risk focuses mainly on the Central Cash Management and Financing department of Renault SA and Renault Finance, whose main activities are described in Section II. OUTLINE OF THE COMPANY - 3. CONTENTS OF BUSINESS.

Sales Financing (RCI Banque – see Section II. OUTLINE OF THE COMPANY - 3. CONTENTS OF BUSINESS - (1) ACTIVITIES - B. SALES FINANCING) manages the market risk on its activities independently of Automotive. Securities trades executed by companies in the RCI Banque group are intended solely to hedge the risks related to financing 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 at the consolidated level for the Renault group. 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 engagement.

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

Liquidity risk

Automotive

Risk factors

Automotive 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 2010 the net financial debt of Automotive dropped to €1,435 million at 12/31/2010 (compared with €5,921 million at 12/31/2009). Automotive 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.

Management procedures and principles

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

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

As part of the program, Renault issued three bonds in 2010:

- €500 million in March for a seven-year period;

- €400 million in June for a five-year period, plus a further tap issue of €250 million in September.

Renault has also an issue program under the Shelf Registration scheme on the Japanese market. In December 2010, Renault SA issued a two-year ¥45 billion bond, thus reopening a market that had been closed since January 2008.

In 2009 Renault benefited from a €3 billion loan from the French government with a five-year maturity. Renault SA has an early repayment option starting in 2011. Note 24-A to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement outlines the characteristics of this contract. Further to negotiations with the French government, Renault repaid a nominal €1 billion of this loan in advance in September 2010.

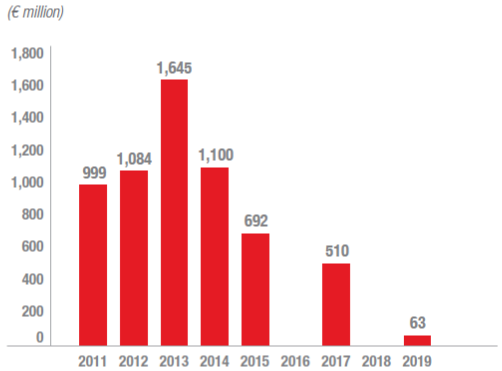
The contractual documentation on this financing contains no clauses that could affect the continued supply of credit following a change in either Renault's credit rating or its financial ratios. The loan from the French government contains a clause to raise the interest rate if Renault fails to honor 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 shareholders' equity and to investment. This covenant includes standard default clauses (repayment default, inaccurate representations, failure to honor contractual obligations, 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 is taken over directly or indirectly without prior agreement.

Moreover Renault has a commercial paper program for a maximum €2.5 billion. The total outstanding at December 31, 2010 was €416 million.

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

With a constant balance sheet structure, the medium-term refinancing requirements in 2011 will be €999 million for maturities of bond issues and equivalent debt and €416 million for maturing commercial paper.

MATURITY SCHEDULE FOR RENAULT SA BONDS AND EQUIVALENT DEBT AT 31 DECEMBER, 2010 (*)

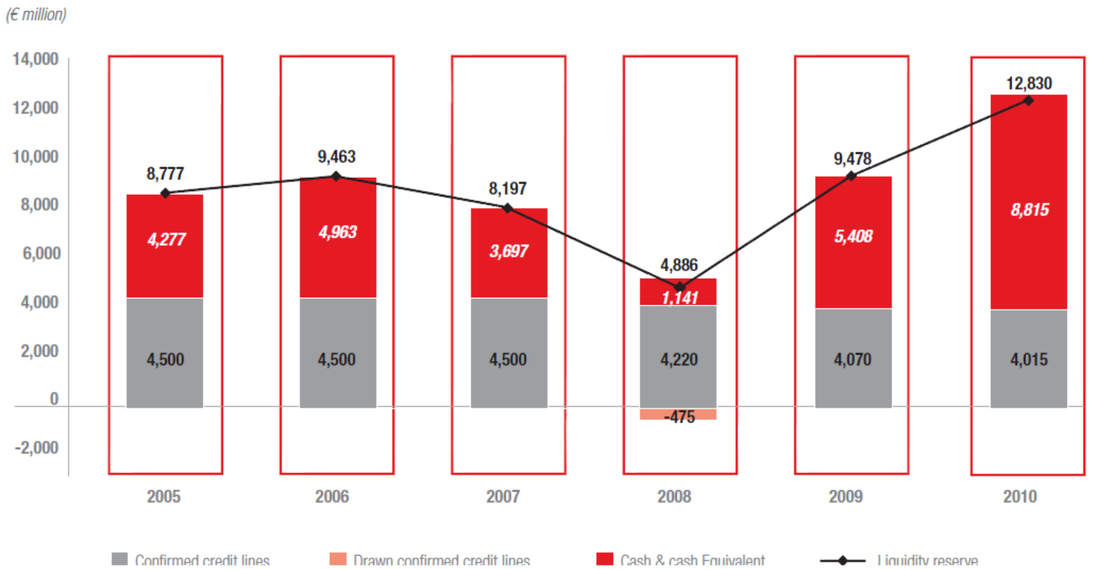


(*) Nominal amounts valued at December 31, 2010.

Furthermore, Renault SA benefits from confirmed renewable credit lines with banking institutions for a total amount of €4,015 million with maturities out to 2015. In 2010 no credit lines had been activated. These confirmed credits provide a liquidity reserve for Automotive and are also partly intended as back-up lines for the issuance of short-term commercial paper.

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

RENAULT SA – LIQUIDITY RESERVE



Renault sold its B shares in Volvo in October 2010, for €3 billion.

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

Sales financing

Risk factors

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

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

Management procedures and principles

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

With €4,994 million of resources at one year and more borrowed in 2010, RCI Banque has strengthened its cash position.

The liquidity reserves have increased to an all-time high of €3,851 million.

Financial requirements resulting from expected commercial activity are covered for 11 months in a stress scenario of total shut-down of access to new sources of cash.

Markets went through two successive periods of risk aversion during the year in response to concerns over Greece’s sovereign debt in the second quarter, and Ireland’s in the fourth. Against this backdrop, RCI Banque adopted a proactive approach, taking advantage of positive market sentiment to launch six public bond issues in euros, plus a tap issue, for a total of €3,575 million. The company also started to diversify its investor base and launched its first public issue in Swiss francs. The Group’s subsidiaries also called on local markets in Argentina and South Korea, where the first won-denominated issue was launched.

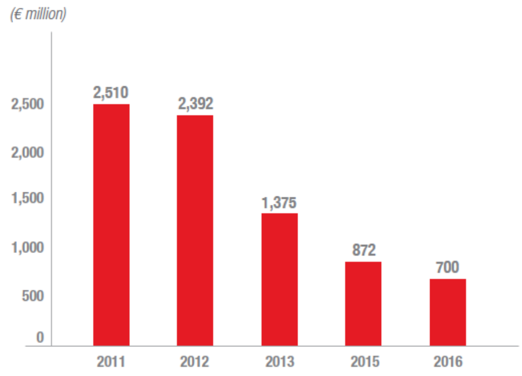
RCI Banque placed a €873 million securitization backed by automotive loans in Germany. The deal, the largest post-crisis automotive securitization, confirms that this source of financing is once again available for this category of assets. Moreover, the conduit financing on the UK portfolio was extended for another year and the financed amount was increased by €102 million.

Consequently, one-year and more sources of funds amount to €4,994 million and exceed the theoretical financing requirements, computed as the sum of long-term resources (€4,430 million) plus the growth in customer assets in countries where refinancing is centralized (around €300 million excluding exchange rate fluctuation).

As a result, loans from the Central Bank have fallen sharply to €450 million.

This ambitious financing plan, together with longer liability maturities (two five-year bond issues for a total of €1.3 billion, which increase the average maturity of debt issues to 3.1 years) and multiple sources of financing, show that the company has returned to a stable and diversified financing base.

MATURITY SCHEDULE FOR RCI BANQUE BONDS AT 31 DECEMBER, 2010



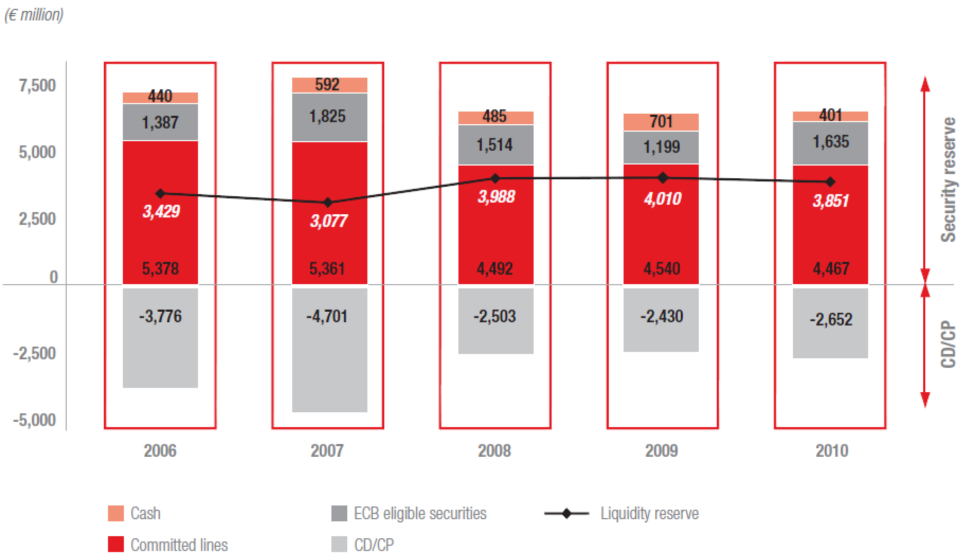
These long-term resources, together with €4,467 million of unused bank credit lines, and €1,635 million of collateral eligible for ECB monetary policy operations, will allow the company to carry on its business for 7 months in a stress scenario in which no new funds are available.

The strength of the company's fundamentals was confirmed when Standard & Poor's raised its credit rating to BBB / A-2 in November.

Absolute interest rates that have continued to fall (the average 2-year swap rate dropped to 1.47% in 2010, compared with 1.87% in 2009) and a squeeze on lending margins have resulted in historically low refinancing costs.

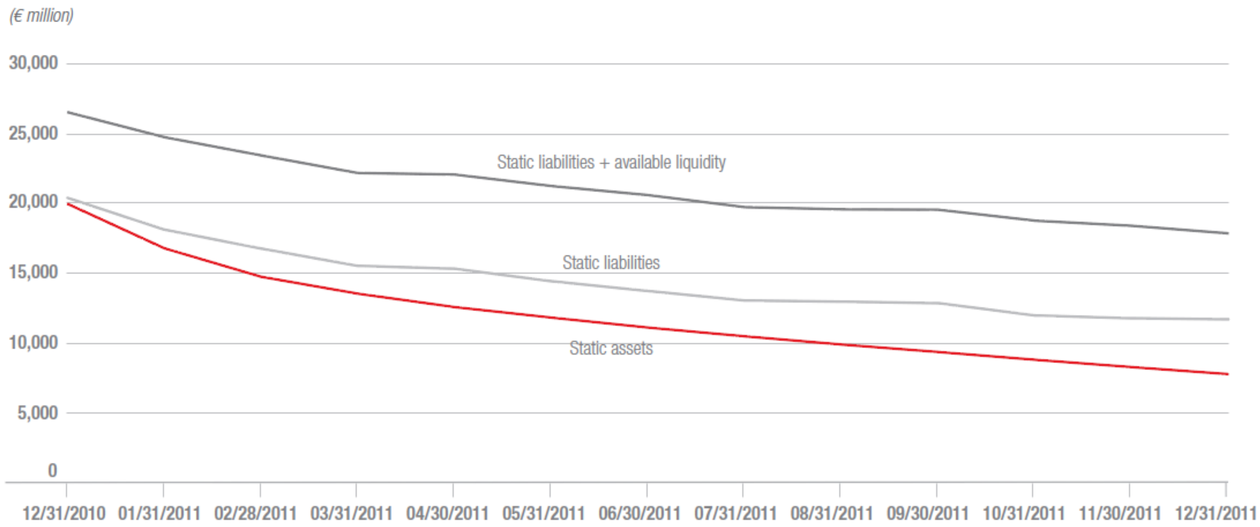
Available liquidity reserves of €6,503 million (€4,467 million in undrawn confirmed credit lines with a residual term of more than three months, €1,635 million in cash eligible for ECB operations, and €401 million of cash and equivalents) cover more than twice the total outstanding in commercial paper and certificates of deposit.

RCI BANQUE GROUP– LIQUIDITY RESERVES AT DECEMBER 31, 2010



The liquidity reserve amounts to €3,851 million, representing the excess of available liquidity reserves over the total outstanding in commercial paper and CDs. The group needs to maintain alternative sources of liquidity that exceed the total outstanding in short-term negotiable debt.

RCI BANQUE GROUP– LIQUIDITY SITUATION AT 31 DECEMBER, 2010



In a still-volatile environment, the cautious financial policy pursued by the Group for several years has proven justified. It protects the commercial margins of each entity, while securing the refinancing needed for its activities. The policy is developed and implemented at consolidated level by RCI Banque and applies to all the group's Sales Financing entities.

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	April 2010	July 2007	July 2010	November 2008
Maximum term of funds	October 2020	October 2015	October 2023	April 2023	April 2023
Issuance vehicle	CARS Alliance Auto Loans France FCC	FCT Cars Alliance DFP France	Alliance Auto Loans Italy SPV Loi 130	CARS Alliance Auto Loans Germany FCT	CARS Alliance Auto Leases Germany FCT
Initial purchase of receivables	€2,323 million automotive loans	€1,235 million independent dealers receivables	€1,402 million automotive loans	€1,793 million automotive loans	€942 million customer leasing contracts
Receivables purchased at 31/12/2010	€1,839 million	€1,256 million	€1,149 million	€1,857 million	€705 million
Credit enhancement at 31/12/2010	Cash reserve for 0.10% Over-collateralization in loans of 4.5%	Cash reserve for 1.0% Over-collateralization in loans of 13.6%	Over-collateralization in loans of 1.75%	Cash reserve for 1.0% Over-collateralization in loans of 12.7%	Cash reserve for 0.30% Over-collateralization in loans of 25.8 %
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
	Class A rating: AAA €1,507.2 million	Series 2010-1 Class A rating: AAA €750 million	Series 2007-1 Class A rating: AAA €838.5 million	Class A rating: AAA €873 million	Class A rating: AAA €376.7 million
Public issues Medium term Outstandings at 31/12/2010	Class B rating: A €94.3 million	Series 2005-1 Class B rating: A €36.5 million	Series 2007-1 Class B rating: A €35.5 million	Class B rating: A €28 million	Class B rating: A €48 million
Listed private placements * Short term Notes issued at 31/12/2010	Class R rating: AAA €129.6 million	Series 2005-2 Class A rating: AAA €70 million	2	Class R rating: AAA €744.3 million	Class R rating: AAA €120.6 million
Weighted average life	April 2012	May 2013	January 2012	October 2011	November 2011

* *Held at December 31, 2010 by RCI Banque, removed from the consolidated accounts.*

GROUP ISSUANCE PROGRAMS AT 31 DECEMBER, 2010

ISSUER	PROGRAM (1)	MARKET	CAP *(millions)*
Renault SA	CP	France	€2,500
Renault SA	EMTN	Euro	€7,000
Renault SA	Shelf documentation	Yen (samurai)	JPY150,000
RCI Banque	Euro CP	Euro	€2,000
RCI Banque	EMTN	Euro	€12,000
RCI Banque	CD	France	€4,500
RCI Banque	BMTN	France	€2,000
Diac	CD	France	€1,000
Diac	BMTN	France	€1,500
RCI Banque + Overlease + Renault AutoFin (RCI warranty)	CP	Belgium	€500
Rombo Compania Financiera S.A.	Bonds	Argentina	ARS400*

* *Local ratings (S&P raA-*).*
(1) *EMTN: Euro Medium Term Note; CP: Commercial Paper; 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 SA) for a combined total of around €23.5 billion.

Rating

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

	AGENCY	RATING	OUTLOOK	REVISION	PREVIOUS RATING
RENAULT	Moody's	Ba1/NP	Positive	02/20/2009	Baa1/P2 outlook stable
	S&P	BB+/B	Stable	11/03/2010	BB/B stable
	Fitch	BB+/NR	Stable	10/07/2010	BB/NR stable
	R&I	BBB+/a-2	Stable	03/31/2009	A/NR negative
	JCR	A-	Stable	11/26/2010	BBB+/-
RCI BANQUE	Moody's	Baa2/P2	Positive	11/24/2009	A3/P2 stable
	S&P	BBB/A2	Stable	11/03/2010	BBB-/A3 stable
	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 rates RCI Banque two notches higher than Renault, and Moody's three notches. The impact of the crisis resulted in Renault being downgraded to non investment grade, while RCI Banque remains rated as investment grade.

However these changes did not prevent Renault and RCI Banque from accessing the financial markets in 2009 and 2010, including the Japanese market.

The rating of Renault was upgrated to BB+ by Fitch in October 2010 and by S&P in November 2010, and to A- by JCR in November 2010.

RCI Banque short term rating was upgrated to A2 by S&P in November 2010.

On February 11, 2011 Moody's raised Renault's and RCI Banque's outlook from « stable » to « positive ». A rating downgrade could limit access to capital markets and/or increase the cost of borrowing.

Currency risk

Automotive

Risk factors

Automotive is naturally exposed to 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.

Management procedures and principles

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. The Group introduced a currency hedge in sterling at the end of 2010, partly covering 2011 revenues.

Based on the structure of its results and operating cashflow in 2010, the Group estimates that a 1% appreciation of the euro against all other currencies has a negative impact of €9 million on annual operating margin.

However, this limited sensitivity in 2010 is the result of long and short exposures in currency against euro that cancel each other out: incomings in sterling, Russian rubble and Turkish lira, and outgoings in Romanian leu and Japanese yen. Sensitivity in 2010 was focused on sterling amounting to around €10 million if the euro drops by 1% against this currency.

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

Investments by Automotive subsidiaries are partly financed through equity contributions. In general, other financing requirements are met by Renault SA in local currency. Financing flows in foreign currencies handled by Renault are hedged in the same currencies, 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 financial markets, involve only very short-term exposures that do not exceed some tens of millions of euros, and are managed so as to avoid material impacts on Renault's consolidated financial statements.

Impact on share in the net income of associated companies: On the basis of their contribution to 2010 net income, a 1% rise in the euro against the Japanese yen, the Swedish krona or the rubble would have decreased Nissan's contribution by €10.8 million, Volvo's by €2.1 million and increased AvtoVAZ's by €0.2 million.

Impact on shareholders' equity: Equity investments in currencies other than the euro are not usually hedged. This may lead to translation adjustments, which the Group recognizes in shareholders' equity. However, the size of the Nissan investment was such that Renault's share of Nissan's net worth has been partially covered by a specific foreign exchange hedge, amounting to ¥148 billion at December 31, 2010 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 private placements worth ¥13 billion, and ¥135 billion of bonds issued in yen on the Japanese market.

Impact on net financial debt: As mentioned above, a portion of Renault financial debt is denominated in yen so as to cover part of the investment in Nissan. A 1% increase in the euro against the yen would reduce Automotive's net debt by €13 million.

An analysis carried out to measure the sensitivity of financial instruments to exchange risk can be found in note 26-B2 to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement.

Sales financing

Risk factors

The consolidated foreign exchange position of RCI Banque has always been very small.

Management procedures and principles

No foreign exchange positions are permitted in connection with refinancing activity: RCI Banque's trading room systematically hedges all 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 31 December, 2010 was €4.8 million.

Interest rate risk

Automotive

Risk factors

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

Management procedures and principles

For Automotive, the interest rate risk management policy is based on two principles: long-term investments are 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.

Automotive's financial liabilities totalled €11,381 million on 31 December, 2010. The maturity schedule for these liabilities is shown in note 24-C to the consolidated financial statements. After stripping out derivatives, €1,362 million of that debt is yen-based (¥148 billion).

Automotive held €8,815 million in cash and cash equivalents at 31 December, 2010. As far as possible, Renault SA centralizes Automotive's available cash. This is then invested in short term bank deposits through Renault Finance.

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

Sales financing

Risk factors

The Renault group's exposure to interest rate risk is concentrated mainly in the Sales Financing business of RCI Banque and its subsidiaries. In this context, the overall interest rate risk represents the impact of a change in rates on the future financial gross margin.

Management procedures and principles

Interest rate risk is monitored on a daily basis by measuring sensitivity 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 so that it exactly matches the structure of customer loans.

RCI Banque's consolidated exposure to interest rate risk over 2010 shows that sensitivity, i.e. the risk of a rise or fall in the Group's results caused by a rise or fall in interest rates of around 100 basis points, was limited.

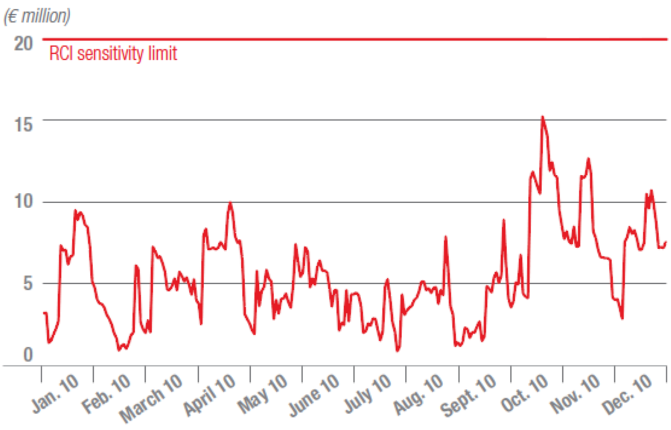
RCI Banque group - Daily sensitivity to interest rate movements (2010)

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

In 2010 the interest rate sensitivity of RCI Banque remained under the €20 million limit stated by the group. At end December, a euro interest rate rise of 1% would have had a negative impact of €4.8 million, a CHF interest rate rise of 1% points a positive impact of €1.7 million and GBP interest rate rise of 1% a negative impact of €0.5 million.

In absolute value the total sensitivity of all the currencies dealt by the group amounts €7.6 million.

SENSITIVITY IN 2010 IN ABSOLUTE VALUE



(100 bp sensitivity, 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 on financial instruments and by type of activity.

Counterparty risk

Risk factors

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

Management procedures and principles

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

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

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

in 2010 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

Risk factors

The main commodity risk exposure is a price risk:

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

Management procedures and principles

The guidelines that buyers apply to price increases and decreases are set by an ad hoc committee, RMCC.

Price rises are subject to a prior authorization process, which either ensures that the guidelines are respected or explicitly authorizes waivers.

Under certain conditions, price indexing contracts may be used to automate increases and decreases according to a mechanism that is defined and shared with suppliers.

Renault's Purchasing department may hedge commodity risk with 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. The Chief Financial Officer and the Senior Vice President of Purchasing agree on the proposed commodity hedges. 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 (i.e. with or without a price indexing contract, respectively) to commodity prices is about 78% for all non-indexed commodities, including steel, and 22% for indexed metals, including precious metals.

No commodity hedges were in place at end-December 2010.

OPERATIONAL RISKS

Supplier risk

Risk factors

These risks are determined mainly by the quality and the durability of supplies, the financial health of suppliers and their respect of Renault's regulations and recommendations, in particular in terms of corporate social responsibility.

Management procedures and principles

The risk of suppliers failing to honor their contractual commitments is managed in three main ways:

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

Supplier financial risk is managed in two ways:

- a rating system based on an analysis of the supplier's financial statements;
- an assessment of the supplier's dependence on Renault.

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, e.g. logistics, technological, industrial and so on. In the event of failure, these departments must implement replacement solutions, sometimes in very short timeframes, using the supplier base to ensure continued supplies.

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.

Corporate social responsibility risk and the risk of suppliers not meeting social and environmental requirements are managed using the following system:

- a formal commitment by suppliers to the principles of the Renault Declaration of Employees' Fundamental Rights (including refusal of child labor, refusal 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;

- preventive training and educational actions taken by Renault with regard to suppliers;

- preventive on-site assessment of environmental and social practices, plus the deployment and tracking of corrective actions;

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

Any supplier receiving a negative score is monitored by the Supplier Risks Committee, which is made up of members of the Purchasing department Management Committee, alongside the Corporate Social Responsibility, Legal, Human Resources, Environment and Public Affairs departments.

Geographical risk

Risk factors

The Group has industrial and/or commercial operations in countries outside Europe [9], notably Romania, Russia, Turkey, Morocco, South Africa, Brazil, Argentina, Colombia, Chile, Iran, South Korea and India. Group sales outside Europe account for 30% 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 is seeking to continually increase local content in its emerging-country production units. The aim is to make these units more competitive in their local markets and to use their capacity more efficiently, exporting to other areas when domestic markets falter and where exchange rate changes improve the price competitiveness of products outside the country.

[9] The non-European Regions are Euromed, Eurasia, Asia-Africa and the Americas. From March 1, 2009 a new Regional breakdown was established as part of the new geographical organization steered by the Regional Management Committees (see "Geographical organization of the Renault group by region – countries in each region").

Renault's industrial and commercial investments outside Europe are geographically diversified, making it possible to pool the portfolio of risks at 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 partially guaranteed by a credit insurer.

In terms of commercial flows, the Group hedges most of its financial payments from emerging countries. The two main hedging instruments used are bank guarantees (stand-by 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.

To centralize its financial-risk management activities and implement 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. that sells it on to the importing subsidiaries and independent importers by granting them supplier credit. The parent-company manages the risk associated with this credit.

RCI Banque customer and network risk

Risk factors

These factors depend on the quality of customer credit.

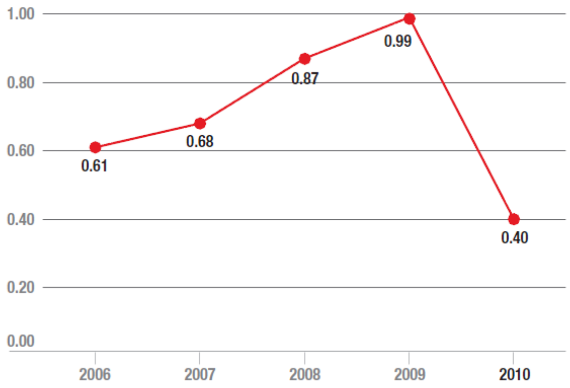
Management procedures and principles

Credit is scored and monitored by type of customer (customers and the network).

The procedures for granting loans to retail and corporate customers are based on credit-scoring systems and searches of external databases. Disputes are managed on a case-by-case basis, in accordance with strict procedures that comply with the regulatory requirements laid down by the supervisory authorities of credit institutions. The aim of these procedures is to recover quickly the outstanding sums or the vehicles, 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 into account the new European regulations on car distribution as well as the downturn in economic conditions.

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 network contributions, but including spreadable distribution costs) owed by customers and/or network over a given period (e.g. one month, one year).

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

Distribution risk

Risk factors

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

- at commercial import subsidiaries, the main risks are related to the use of sales and marketing resources;
- the main risk with importers is their financial health;
- through its network of distribution subsidiaries, grouped in Europe under the umbrella of Renault Retail Group, Renault's risks are primarily related to decentralization and the diversity of these entities;
- the financial situation of dealership networks is also a source of risk.

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

Management procedures and principles

Import subsidiaries

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

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

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

In 2007, the Sales and Marketing department started rolling out a tool for the payment and subsequent control of the commercial support provided to the network.

Importers

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

This hedging may be:

- provided by the importer through the issue of banking instruments (letters of credit, on-demand bank guarantees, Standby Letters of Credit);
- taken out by Renault in the shape of export credit insurance policies.

The hedging instruments are deployed before starting commercial exchanges.

European distribution subsidiaries (Renault Retail Group)

Internal control at the Group's distribution subsidiaries (Renault Retail Group) is based on a set of standards and procedures. Annual self-assessments 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 jointly monitor the financial situation of dealerships in countries where RCI is present. A dealers rating system is used to prevent and limit the risk of default or outstanding accounts. In other countries, Renault sets up a credit monitoring system.

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

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

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

Industrial risk

Risk factors

The Group's exposure to industrial risk is potentially significant because its industrial operations are highly concentrated (see Section II-3. Contents of Business – (1) Activities – A. Automobile – MAIN MANUFACTURING SITES BY BRAND – 2010 PRODUCTION (UNITS)) and its plants are interdependent. An active formal prevention policy is applied at all production plants, covering personal safety and the security of property and operations.

Management procedures and principles

For many years, the Group has endeavored to reduce the risks of fire, explosion and machine breakdown, giving priority in this effort to powertrain and body assembly plants and R&D centers. Most of the existing plants have obtained 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 the Renault Production Way through the management of chemical products and waste at workstations.

A central team of experts coordinates the tasks performed under the system. 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 and a scorecard of impact data that is checked by the statutory auditors.

IT risk

Risk factors

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

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

Management procedures and principles

Risks are controlled through:

- an IT Risk Committee, at Group level, organized by the DSIR in conjunction with the Internal Audit and Risk Management departments, and with representatives of other corporate departments and the information control program;
- Security Committees, at DSIR level, that carry out checks at operational level to verify the effective application of IT security procedures, in line with international best practices (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 (DPG);
- system conformity checks made jointly by the DSIR and the DPG.

The main security programs in 2010 sought to:

- deploy common operational management of security with Nissan;
- strengthen security measures that reflect the new issues raised by the Group's international expansion and partnerships (security training, access management and confidentiality, protection of the Alliance intranet, etc.);
- supplement the emergency resources and procedures in place at the Group's main IT centers.

Hedging of operational risks by insurance programs

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 (usually storms or hail). The Group decided to cover some of the depots exposed to these risks, in particular in Slovenia, Brazil and Algeria.

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 2011.

OTHER RISKS

Legal and contractual risk

Risk factors

Legal procedures and arbitration

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

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

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

The procedures currently under way against Renault as part of the dismissals following the pseudo espionage affair, namely:

- dismissal disputes filed with the Conseil des Prud'hommes employment tribunal;
- the summons from the Tribunal de Police police court for non-public defamation;
- the threat of a complaint for false accusation against persons unknown targeting the writer of the anonymous letter do not seem likely to call into question Renault's statement above.

Joint company risk:

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

Changes to regulations

Renault must abide by all the laws applying to companies and seeks to adopt a faultless attitude. Renault requires its subsidiaries to respect the local regulations in the countries where they operate. Renault is engaged in permanent dialog with the national and regional authorities in charge of specific regulations applying to products in the automotive industry in order to avoid any risks related to changes in regulations.

On September 14, 2004 the European Commission issued recommendations aimed at amending Directive 98/71 concerning the protection of designs and models. These recommendations call for the abrogation of protection of spare parts under design law. This proposal was validated by the European Parliament, with an amendment that provides for a five-year transition period. However, the proposal has yet to be adopted by the European Council of Ministers, owing to the co-decision process for the adoption of community directives. As such, the transition has not yet been made and existing Member State legislation still applies to designs and models. The sale of copies of spare parts after this date could have a negative impact on the earnings of the Group, which currently generates around 1.5% of its revenues from the sale of so-called captive parts, which are protected under design law.

Granting of licenses for industrial property rights

The Group may use patents held by third parties under licensing agreements negotiated with such parties. Each year, Renault s.a.s. files several hundred patents (see Section 6. "RESEARCH AND DEVELOPMENT ACTIVITIES" below), some of which are included in fee-paying licenses granted to third parties.

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

Management procedures and principles

The Renault group is exposed to legal risks in its capacity of an employer, designer and distributor of vehicles, purchaser of components and service provider. These risks are managed through the implementation of preventive policies in the realms of health and safety at work, the industrial environment, the intellectual and industrial property of vehicle safety, the quality of its products or services, and the legal protection of the operations undertaken by the Group.

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

- responsive reporting, which relies on the networking and meshing of the legal function within the Renault group via a dual system of line and staff reporting;

- the precautionary principle, which stems from two factors:

  - each member of the legal function has a highly developed sense of responsibility and is used to working on a collaborative, cross-functional and ethical basis at all times;

  - legal teams are brought in at a very early stage for major cases and play a proactive role in solving subsequent disputes.

Risks linked to pension commitments

Renault operates in countries where, in general, pension systems are publicly run. Renault's commitments in this respect consist primarily of retirement compensation, as specified in note 21 to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement.

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

5. IMPORTANT CONTRACTS RELATING TO MANAGEMENT, ETC.:

Not applicable.

6. RESEARCH AND DEVELOPMENT ACTIVITIES

For Renault, R&D is a source of innovation that sharpens the company's competitive edge. With investments of more than €1.7, Renault is showing its determination to meet the challenges facing the automotive industry and to converge with current technological and societal trends.

RESEARCH AND DEVELOPMENT EXPENDITURE*

	2010	**2009**	**2008**	**2007**
Net R&D expenses *(€ million)*	1,567	1,531	2,085	2,335
Group revenues *(€ million)* as published	38,971	33,712	37,791	40,682

R&D spend ratio	4.0%	4.5%	5.5%	5.7 %
R&D headcount, Renault group	17,854	17,881	17,775	16,219
Renault group patents	304	362	793	998

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

2010 R&D HIGHLIGHTS

The most recent successes of our R&D are demonstrated by our latest vehicles and subsystems.

VEHICLES	POWERTRAIN SUBSYSTEMS
Duster (an economical 4x4) Wind (a roadster coupe) Renault Latitude (an executive sedan) *Reveal* in the electric vehicle range	R9M – Energy dCI 130 engine
INNOVATIONS Massaging seats Air ionizer Sun roof on Wind: an innovative concept Bose® made-to-measure sound Carminat TomTom® Live	INNOVATIONS Electronic Torque Control (a new system to control traction)

Innovations in production – the 2010 collection

Latitude: features to enhance comfort

Renault Latitude is a roomy, comfort-oriented sedan with an array of original features for onboard relaxation.

Massaging seats

Five pneumatic tubes in the cover of the driver's seat provide four different types of massage (continuous or random, and gentle or energetic). The smooth air flow, combined with precise, synchronized movements up and down the driver's back, create a pleasantly relaxing feeling that is much appreciated on long journeys or in traffic jams.

A unique system for air quality in the cabin

The relaxing automatic triple-zone air conditioning system is available in every seat. The air conditioning is combined with a special air treatment system that includes:

- a combined pollen and active carbon filter;
- a toxicity sensor;
- a two-mode air ionizer using negative ions to increase passenger wellbeing and that also has a purifying effect by reducing the concentration of bacteria and allergens that are naturally present in the confined air inside the cabin;
- a scented air freshener using two cartridges fitted in the dash, which can be controlled by the driver or the passenger.

Wind: a roof that opens in just 12 seconds

Wind is a compact roadster coupe with a sun roof that represents a real breakthrough in automotive roof opening technology.

A pivoting design seemed to be the best solution for a roof that is simple, rapid and reliable, and that does not reduce trunk space, whatever its position. The fastest-opening roof in its category takes just 12 seconds to deliver the enjoyment of an open-air drive. The roof pivots around its axis between the uprights of the quarter lights and silently comes to rest on the trunk lid. A sound signal and a message on the dashboard inform the driver that the roof has come to a standstill. For greater reliability, the drive mechanism comprises only a few parts. The roof and drive mechanisms weigh in at just 21.8 kg, which is five times lighter than conventional rigid roofs. A patented trunk lid protects the interior of the roof against dust and soiling when in the open position.

Cross-range technical innovations

Bose® audio systems: superior sound

Bose is famous the world over for the quality and performance of its products. It is working with Renault to develop made-to-measure sound systems that are designed specifically for the acoustic environment of each vehicle. Sharp trebles, a deep and realistic bass, clear tones and a panoramic audio effect all contribute to a natural and balanced sound that is a pleasure to listen to in every seat.

Bose® Sound System, Renault's premium sound system offer, was developed from a blank sheet of paper. Right from the design phase, the engineers from Bose and Renault sought to develop a sound system that is ideally suited to the materials and the shapes of the vehicle's interior (number, type and position of the speakers), by looking at every single cabin component and by taking more than one thousand acoustic measurements. First launched in Koleos, this offer is now available in the other top-segment models (Laguna, Laguna Coupe, and Laguna Estate, Latitude).

Bose® Energy Efficient Series is a new sound system that was inaugurated in Mégane and Scénic. It is 30% more compact, 40% lighter and 50% more energy-efficient, while still delivering Bose® quality sound.

Carminat Tomtom® Live

The latest generation of the Carminat TomTom® onboard navigation system features new functions and new services:

- IQ Routes®: computes the best routes, based on real traffic speed statistics;
- Advanced Lane Guidance®: advanced views of intersections and carriageways;
- Mapshare®: map upgrades by the TomTom community;
- plus the TomTom Live Services, HD Traffic® (real-time traffic information in Europe, alternative route calculation).

A comprehensive range of convenient services for a more relaxed and confident drive.

Reveal: a range of mass-produced electric vehicles

In keeping with its clearly stated electric vehicle strategy, Renault unveiled the first four vehicles to be launched, at the 2010 Paris Motor Show:

- a sedan: Renault Fluence ZE;
- a small LCV: Renault Kangoo Express ZE;
- a new urban mobility concept: Renault Twizy;
- Renault ZOE Preview, which offers a glimpse of what Renault's production electric vehicle will look like.

Renault's ZE range will take to the roads even before the models are launched, because Renault will be making more than 600 prototype vehicles available to its partners that will be tested as part of pilot programs in 10 countries.

Powertrain subsystems

New R9m – Energy dCi 130 engine

This completely new 1.6 liter diesel engine will gradually replace the 1.9 dCi powerplant. By reducing cubic capacity by 16% compared with the 1.9 dCi, and using innovative technological solutions, the new Energy dCi 130 significantly cuts CO_2 emissions (by about 30 g/km compared with the 1.9 dCi) and reduces fuel consumption by more than 20%. As part of its engine downsizing strategy, Renault has introduced a number of engine technologies that are not usually found at this level of the range: Stop & Start, low-pressure EGR, Smart Energy Management and variable swirl. The Energy dCi 130 engine will be launched in the spring of 2011 and will initially be installed in Mégane MPVs. With this new engine, Renault Grand Scénic will consume just 4.5 l/100km and emit 117 g/km of CO_2.

Electronic Torque Control

The ETC (*Electronic Torque Control*) system manages the transfer of traction between the front and rear wheels of the vehicle. ETC is control software specially developed to provide Dacia Duster with the performance of an all-road vehicle at a competitive price. Torque is automatically distributed between the front and rear axles according to road conditions and vehicle speed. ETC optimizes road holding and guarantees the best compromise between consumption, grip and road holding.

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

Overview

- Group revenues totalled €38,971 million in 2010, up 15.6% on 2009, thanks to the Group's strong sales momentum and the expanding global automotive market.

- The Group's operating margin came to €1,099 million in 2010, or 2.8% of revenues, compared with a negative €396 million (-1.2% of revenues) in 2009.

- Other Group operating income and expenses showed a net charge of €464 million, compared with a net charge of €559 million in 2009.

- The financial result showed a net charge of €376 million, compared with a net charge of €404 million in 2009.

- The disposal of B shares in Volvo AB generated a capital gain of €2,000 million.

- Nissan's contribution to Renault's earnings was €1,084 million, compared with a loss of €902 million in 2009. Volvo AB's contribution was €214 million, compared with a loss of €301 million in 2009. AvtoVAZ had a €21 million negative impact on Renault's earnings, compared with a €370 million negative impact in 2009.

- Net income was €3,490 million, compared with a net loss of €3,068 million in 2009. Net income, Group share, was €3,420 million, compared with a net loss of €3,125 million in 2009.

- Automotive division generated operational free cash flow[10] of €1,670 million.

- Automotive division net financial debt fell significantly, declining by €4,486 million compared with December 31, 2009 to €1,435 million.

[10] Operational free cash flow: cash flow (excluding dividends received from associated companies) minus tangible and intangible investments net of disposals +/- change in working capital requirement. Dividends received from associated companies came to €88 million.

- Shareholders' equity stood at €22,757 million at December 31, 2010. The net debt-to-equity ratio fell sharply from 35.9% at December 31, 2009 to 6.3%.

Comments on the financial results

Consolidated income statement

Group **revenues** totalled €38,971 million, up 15.6%[11] on 2009. Excluding the exchange rate effect, revenues increased by 12.4%.

OPERATING SEGMENT CONTRIBUTION TO GROUP REVENUES

(€ million)	2010					2009 PUBLISHED				
	Q1	**Q2**	**Q3**	**Q4**	**YEAR**	**Q1**	**Q2**	**Q3**	**Q4**	**YEAR**
Automotive division	8,642	10,136	8,268	10,126	37,172	6,634	8,467	7,664	9,186	31,951
Sales Financing	430	460	443	466	1,799	446	444	438	433	1,761
TOTAL	**9,072**	**10,596**	**8,711**	**10,592**	**38,971**	**7,080**	**8,911**	**8,102**	**9,619**	**33,712**

	CHANGE 2010/2009 PUBLISHED				
	Q1	**Q2**	**Q3**	**Q4**	**YEAR**
Automotive division	30.3%	19.7%	7.9%	10.2%	16.3%
Sales Financing	-3.6%	3.6%	1.1%	7.6%	2.2%
TOTAL	**28.1%**	**18.9%**	**7.5%**	**10.1%**	**15.6%**

In 2010 Automotive's revenue contribution was €37,172 million, up 16.3% on 2009. This progression can be attributed to the Group's strong sales momentum, reflected in market share gains and a positive volume effect. Sales volumes accounted for 7.8 points of the increase in revenues, the mix/price for 2.3 points, currencies for 3.4 points and other Group activities (sales of components and vehicles to partners) for 2.8 points.

Excluding other activities and by Region:

- Europe accounted for 2.8 points of the increase in revenues. Despite the gradual dismantling of government-subsidized scrappage incentives introduced by some countries during the crisis, over the year as a whole, the market slowed less sharply than initially forecasted. The product mix, which had been negatively impacted by scrappage schemes in the previous year, improved and was boosted by the renewal of the Mégane range;

- International operations[12] made the biggest contribution, accounting for 10.7 points of the increase on a positive volume effect in all Regions, accentuated by favorable currency effects, especially on the Korean won and the Brazilian real.

Group **operating margin** in 2010 was €1,099 million, or 2.8% of revenues, compared with a negative €396 million (negative 1.2% of revenues) in 2009.

OPERATING SEGMENT CONTRIBUTION TO GROUP OPERATING MARGIN

(€ million)	**2010**	**2009**	**CHANGE**
Automotive division	396	-902	+1,298
% of division revenues	*1.1%*	*-2.8%*	*+3.9 pts*
Sales Financing	703	506	+197
TOTAL	**1,099**	**-396**	**+1,495**
% of Group revenues	*2.8%*	*-1.2%*	*+4.0 pt*

[11] Up 15.5% on 2009 revenues of €33,733 million on a consistent basis.
[12] Euromed, Eurasia, Asia-Africa, Americas.

Lifted by strong commercial momentum and measures introduced during the crisis, the **Automotive division** operating margin increased sharply by €1,298 million to €396 million (1.1% of revenues) due to:

- a strong commercial performance by the Renault Group's three brands that contributed to a €698 million increase;
- a positive €288 million exchange rate effect owing chiefly to the euro's slide against the rubble, Brazilian real, Korean won and other European currencies;
- a negative overall mix/price impact of €143 million;
- a €148 million increase in raw materials costs over the year as a whole;
- the ongoing cost-cutting policy, which led to a €579 million reduction in purchasing.

Sales Financing contributed a record €703 million to operating margin, demonstrating both the robustness of the business model and the Renault Group's ability to create value by offering a full range of products and services. Sales Financing posted a record increase in profitability, driven by sales growth, the continued expansion of services and the success of risk management plans introduced during the crisis. Accordingly, the cost of risk (including country risk) fell sharply, to 0.40% of average outstanding loans (down 0.59 of a point relative to 2009).

RENAULT GROUP – R&D EXPENSES*

(€ million)	**2010**	**2009**	**CHANGE**
R&D expenses	1,728	1,643	+85
Capitalized development expenses	-666	-587	-79
% of R&D expenses	*38.5%*	*35.7%*	*+2.8 pts*
Amortization	772	739	+33
R&D EXPENSES RECORDED IN THE INCOME STATEMENT	**1,834**	**1,795**	**+39**

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

Research and Development expenses amounted to €1,728 million in 2010, up 5.2% on 2009. The low level reflects the product cycle and measures taken under the action plans introduced in 2009 to adjust expenditures and improve efficiency.

The ratio of capitalized development expenses rose from 35.7% in 2009 to 38.5%.

Other operating income and expenses showed a net charge of €464 million, as compared with a net charge of €559 million in 2009. This item was mainly made up of:

- a €159 million impairment charge, compared with a charge of €297 million in 2009;
- €449 million in workforce adjustment and restructuring costs;
- property disposals for +€112 million.

After recognizing this item, the Group reported an operating income of €635 million, compared with a loss of €955 million in 2009.

The **net financial result** showed a net charge of €376 million, compared with a net charge of €404 million in 2009. This included a charge of €31 million linked to the negative impact of the fair value change in Renault SA's redeemable shares, compared with a charge of €43 million in 2009.

In 2010 Renault's **share in associated companies** generated a net contribution of €1,289 million (compared with a loss of €1,561 million in 2009), of which:

- €1,084 million from Nissan (compared with a loss of €902 million in 2009);
- €214 million from Volvo AB (compared with a loss of €301 million in 2009);
- a loss of €21 million from AvtoVAZ (compared with a loss of €370 million in 2009).

Current and deferred taxes represented a net charge of €58 million (€148 million in 2009), reflecting increased current taxes for foreign subsidiaries, which were largely offset, particularly in France, by the recognition of a portion of deferred tax assets relative to tax loss carry-forwards, previously unrecognized owing to the absence of forecasted future taxable amounts.

Net income, which included a capital gain of €2,000 million on the disposal in October 2010 of B shares in Volvo AB, came to €3,490 million, compared with a loss of €3,068 million in 2009.

The Group's share of net income was €3,420 million, compared with a negative €3,125 million in 2009.

Net capex and R&D expenses

Automotive's tangible and intangible investments net of disposals (excluding capitalized leased vehicles) came to €1,644 million in 2010 (including €666 million in R&D expenses) compared with €2,054 million (including €587 million in R&D expenses) in 2009.

TANGIBLE AND INTANGIBLE INVESTMENTS NET OF DISPOSALS, BY OPERATING SEGMENT

(€ million)	**2010**	**2009**
Tangible investments (excluding capitalized leased vehicles)	1,130	1,620
Intangible investments	733	670
o/w capitalized R&D expenses	*666*	*587*
Total acquisitions	1,863	2,290
Disposal gains	-219	-236
TOTAL AUTOMOTIVE DIVISION	**1,644**	**2,054**
TOTAL SALES FINANCING	**4**	**19**
TOTAL GROUP	**1,648**	**2,073**

The plan introduced in 2009 to reduce fixed costs, together with the product cycle, led to a significant decrease in tangible and intangible investments excluding R&D in 2009 and 2010.

By Region:

- In Europe (53% of total gross investments), range-related investments accounted for 65% of total outlays. Funds were allocated chiefly to the new Mégane coupé-cabriolet, the Master range, the Wind roadster and the new R9M diesel engine;
- Investments outside Europe accounted for 47% of the total gross spend and were primarily allocated to Morocco (start-up of new facility), Romania, South America and South Korea.

The tangible investments made to develop electric vehicles continued this year, with funds committed both to vehicles and to engines.

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

NET CAPEX AND R&D EXPENSES

(€ million)	**2010**	**2009**
Tangible and intangible investments net of disposals (excluding capitalized leased vehicles)	1,648	2,073
Capitalized development expenses	-666	-587
Others	-17	-2
Net industrial and commercial investments (1)	**965**	**1,484**
% of revenues	*2.5%*	*4.4%*
R&D expenses	**1,728**	**1,643**
R&D expenses billed to third parties and others	-161	-112
Net R&D expenses (2)	**1,567**	**1,531**
% of revenues	*4.0%*	*4.5%*
Net capex and R&D expenses (1) + (2)	**2,532**	**3,015**
% of revenues	*6.5%*	*8.9%*

Automotive debt

As targeted the Automotive division generated positive operational free cash flow of €1,670 million in 2010. That strong performance can be attributed to the sharp improvement in operational performance and the reduction in expenses. The operational free cash flow generated in 2010 comprises:

- cash flow of €3,074 million, up €1,688 million on 2009. This does not include dividends from associated companies, which amounted to €88 million, compared with €81 million in 2009;
- a positive €395 million contribution from the change in working capital requirement;
- tangible and intangible investments net of disposals in the amount of €1,644 million, down €410 million (€2,054 million in 2009);
- a negative €155 million change in capitalized leased vehicles.

Combined with the sale in October of the Group's holdings of B shares in Volvo AB for €3,006 million, this free cash flow enabled **Automotive net financial debt** to be reduced to €1,435 million as at December 31, or 6.3% of equity, compared with €5,921 million (35.9% of equity) on December 31, 2009.

AUTOMOTIVE NET FINANCIAL DEBT

(€ million)	**DEC 31 2010**	**DEC 31 2009**
Non-current financial liabilities	6,835	8,787
Current financial liabilities	5,124	4,455
Non-current financial assets - other securities, loans and derivatives on financial operations	-800	-888
Current financial assets	-910	-1,025
Cash and cash equivalents	-8,814	-5,408
AUTOMOTIVE NET FINANCIAL DEBT	**1,435**	**5,921**

Liquidity at December 31, 2010

As at December 31, 2010 the Automotive division increased its liquidity reserve by €3.3 billion compared with end-December 2009 and had:

- €8.8 billion in cash and cash equivalents;
- €4.0 billion in undrawn confirmed credit lines.

On December 31, 2010, RCI Banque had:

- a liquidity reserve of €3.9 billion, representing available liquidity surplus to outstanding certificates of deposit and commercial paper;

- available liquidity of €6.5 billion, covering more than 2 times all outstanding commercial paper and certificates of deposit, and comprising €4.5 billion in undrawn confirmed credit lines, €1.6 billion in central-bank eligible collateral, and €0.4 billion in cash.

IV. STATEMENTS OF FACILITIES

1. OUTLINE OF CAPITAL INVESTMENT, ETC.

Please refer to Section III-7. ANALYSIS OF FINANCIAL CONDITION AND OPERATING RESULTS, “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 Section II.-3. CONTENTS OF BUSINESS - (1) - ACTIVITIES - C. ASSOCIATED COMPANIES, PARTNERS AND COLLABORATIVE PROJECTS of this Securities Report.

V. STATEMENTS OF THE COMPANY

1. STATEMENTS OF SHARES, ETC.

(1) AGGREGATE NUMBER OF SHARES, ETC.

(i) Aggregate Number of Shares

As of December 31, 2010

Number of Shares Authorized to be Issued	Aggregate Number of Issued Shares	Number of Unissued Shares
Not applicable	295,722,284shares	Not applicable

(Note)(1) In France, there is no concept of authorized shares having the same meaning as used in Japan. However, the general meeting of shareholders may authorize the Board of Directors to decide the issue amount and the period with respect to the issuance of shares or equity securities within a limited scope.

(2) 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 and 2010, 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
Register, par-value EUR 3.81	Ordinary shares	Shares 295,722,284	Euronext Paris	An ordinary share is a share with full voting rights and is a standard share of Renault without any limitation on rights.
Total	–	295,722,284	–	–

(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, unchanged at December 31, 2010. The gross interest on redeemable shares paid on October 25, 2010 in respect of 2009 was €19.15, (€10.29 for the fixed portion and €8.86 for the variable portion). The interest on redeemable shares for FY 2010, payable on October 24, 2011, will be €20.53, comprising €10.29 for the fixed portion and €10.24 for the variable portion based on consolidated revenue of €38,971 million for 2010 and €33,733 million for 2009, on a comparable basis.

(2) DEVELOPMENT OF AGGREGATE NUMBER OF ISSUED SHARES AND CAPITAL (as of December 31, 2010)

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 107,379,232,458)
December 18, 2001 (2)	2,397,983	242,196,550	EUR 9,136,315.23 (JPY 1,073,791,129)	EUR 922,768,855.50 (JPY 108,453,023,587)
March 29, 2002 (3)	37,799,462	279,996,012	EUR 144,015,950.22 (JPY 16,926,194,629)	EUR 1,066,784,805.72 (JPY 125,379,218,216)
May 28, 2002 (4)	4,941,106	284,937,118	EUR 18,825,613.86 (JPY 2,212,574,397)	EUR 1,085,610,419.58 (JPY 127,591,792,613)
April 28, 2010 (5)	1,617,775	286,554,893	EUR 6,163,722.75 (JPY 724,422,335)	EUR 1,091,774,142.33 (JPY 128,316,214,948)
April 28, 2010 (6)	9,167,391	295,722,284	EUR 34,927,759.71 (JPY 4,105,059,599)	EUR 1,126,701,902.04 (JPY 132,421,274,547)

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 (par).
(3) Capital increase reserved for Nissan Finance Co., Ltd.: 37,799,462 shares issued at EUR 50.39 (par: EUR 3.81).
(4) Capital increase reserved for Nissan Finance Co., Ltd.: 4,941,106 shares issued at EUR 52.91 (par: EUR 3.81).
(5) Capital increase reserved for Nissan Finance Co., Ltd.: 1,617,775 shares issued at EUR 37 (par: EUR 3.81)
(6) Capital increase reserved for Daimler AG.: 9,167,391 shares issued at EUR 37 (par: EUR 3.81)

(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, 2009. Nissan Finance Co., Ltd. is not entitled to exercise the voting rights attached to these shares, owing to Renault's ownership interest in Nissan.

Daimler

The Daimler group holds 3.10% (9,167,391 shares).

Employees

Current and former Renault employees hold 3.09% of the capital in the form of shares managed through collective investment schemes.

Treasury stock

The percentage of treasury stock is 0.98%. These shares do not carry voting rights.

General Public

In view of these changes, the free float is now 62.82% of the capital (compared with 65.06% at December 31, 2009).

A survey of the holders of Renault shares was carried out on December 31, 2010 to obtain an estimated breakdown of the public's ownership interest by category of major shareholders. At that date, institutional shareholders owned approximately 55.13% of the capital, with French institutions holding 11.43% and foreign institutions 43.70%. The ten largest French and foreign institutional investors held approximately 21.4% of the capital. Individual shareholders were estimated to own around 7.27% of the capital.

Share buybacks

At December 31, 2010 Renault SA held 2,895,381 shares of €3.81 par value and a book value of €50,840,722.

Pursuant to Article L. 225-209 of the Commercial Code, the sixth resolution of the Combined General Meeting of April 30, 2010 authorized the Company to deal in its own stock in order to make use of the possibilities allowed by law for trading in own shares. The authorization is valid until November 6, 2011, unless the annual general meeting of April 29, 2011 authorizes a new program.

Renault SA did not acquire any of its own shares in 2010. However, as part of this authorization and its share buyback program approved by the Combined General Meeting of April 30, 2010, Renault acquired 1,163,874 shares in February 2011 to cover its stock option plans.

In addition, on April 28, 2010, pursuant to the 2010 strategic cooperation agreement with Daimler AG, Renault SA sold a block of 1,628,344 shares held in treasury stock to the French State to allow the French State to retain its holding without dilution following the share issues for i) Daimler AG for 3.1% of the capital and ii) for Nissan for 0.7% of the capital, in exchange for their shares. The shares sold were originally allocated as coverage for stock subscription option plans considerably out of the money.

The 2,895,381 shares held directly or indirectly by Renault SA at December 31, 2010, are allocated as follows:

- 2,895,381 to cover buy-back options, bonus share plans, and to cover stock option plans in order to offset dilution arising from the exercise of options to subscribe new shares;

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

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

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

- zero shares cancelled.

Percentage of treasury stock held directly or indirectly at December 31, 2010: 0.98%.
Number of shares cancelled over the 24 months preceding December 31, 2010: 10,000* shares.
Number of shares held in the portfolio at December 31, 2010: 2,895,381 shares.
Book value of the portfolio at December 31, 2010: €50,840,722.
Portfolio value at December 31, 2010**: €125,949,073.

*	*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 price of €43.5.*

Trading by Renault in its own shares during 2010 in connection with programs authorized by the combined general meetings on May 6, 2009 and April 30, 2010:

	TOTAL GROSS FLOWS AT DECEMBER 31, 2010		**OPEN INTEREST AT DECEMBER 31, 2010**	
	PURCHASES	**SALES**	**LONG POSITIONS**	**SHORT POSITIONS**
Number of shares	none	1,628,344	none	none
Average sell, buy or strike price	none	€37/share	none	none
Total	none	€60,248,728	none	none

(4) DESCRIPTION OF PRINCIPAL SHAREHOLDERS:

Ownership of shares and voting rights

As of December 31, 2010

Name or Corporate Name	Address	Number of Shares Held	Percentage to the Aggregate Number of Issued Shares (%)	Voting Rights (%)
French State	France	44,387,915	15.01	17.86
Nissan Finance Co., Ltd.	17-20, Mita 2-chome, Minato-ku, Tokyo	44,358,343	15.00	-
Daimler AG	Mercedesstrasse 137, 70327 Stuttgart, Federal Republic of Germany	9,167,391	3.10	3.69
Employees (1)		9,145,220	3.09	3.68
Treasury stock		2,895,381	0.98	-
Public		185,768,034	62.82	74.77
Total	–	**295,722,284**	**100.00**	**100.00**

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

2. POLICY OF PAYMENT OF DIVIDENDS:

Appropriation of net income

Net income is appropriated in compliance with existing legislation.

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

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

3. DEVELOPMENT OF STOCK PRICE:

The following figures are based on the stock price of Renault shares on Euronext Paris.

(1) Average Highest and Lowest Price of Shares for the Recent Five Business Years:

(Euros per share)

Calendar year	2006	2007	2008	2009	2010
Date of Settlement of Accounts	December 31, 2006	December 31, 2007	December 31, 2008	December 31, 2009	December 31, 2010
Highest Price (JPY)	99.40 (11,682)	121.80 (14,315)	99.16 (11,654)	26.76 (3,145)	36.36 (4,273)
Lowest Price (JPY)	68.90 (8,098)	84.30 (9,908)	14.40 (1,692)	25.47 (2,993)	35.19 (4,136)

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

(Euros per share)

Month	July 2010	August 2010	September 2010	October 2010	November 2010	December 2010
Highest Price (JPY)	34.07 (4,004)	33.84 (3,977)	36.48 (4,287)	40.23 (4,728)	42.4 (4,983)	44.63 (5,245)
Lowest Price (JPY)	32.89 (3,866)	32.78 (3,853)	35.48 (4,170)	38.99 (4,582)	41.10 (4,830)	43.52 (5,115)

4. STATEMENT OF OFFICERS:

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

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

In 2010 the Board of Directors decided to maintain a governance system combining the functions of Chairman of the Board and Chief Executive Officer. On the recommendation of the Appointments and Governance Committee, it renewed Mr Ghosn's term as Chairman and CEO.

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

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

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 the Board of Directors will examine the Group's strategic plan on an annual basis and discuss the company's strategic policies, including those connected with the Alliance, put forward by the Chairman and CEO. The Board examines any changes to those policies once yearly. Further, it also gives its opinion before any major decision inconsistent with the company's strategy can be made.

The Board amended its internal regulations in 2010 with a view to supervising decisions on strategic transactions and investments by requiring prior authorization from the Chairman of the Board.

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

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

Every quarter, if applicable, the Chairman and CEO provide the Accounts and Audit Committee with a list of equity investments or disposals worth less than €60 million. Board members can ask the Committee to show them this list.

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

The Senior Independent Director 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 reflect the new governance arrangements.

(1) BOARD OF DIRECTORS

At March 1, 2011 the company was administered by a Board of Directors composed of 19 members:

- 13 directors appointed by the Annual General Meeting of Shareholders (AGM);
- two directors appointed by administrative order, representing the French State;
- three directors elected by employees;
- one director elected by the AGM on the recommendation of employee shareholders.

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

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

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

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

(As of June 30, 2011)

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 57	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 Current offices and functions in other companies: Director: Alcoa, AvtoVAZ President and Chief Executive Officer: Nissan Motor Co., Ltd. Chairman of the Alliance Board: Renault-Nissan b.v. Offices or functions in the past five years no longer held: Director: Sony, IBM
Yves Audvard February 10, 1953, Age 58	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 68	Director	1,000 shares	First appointed in May 6, 2009 and the current term expires in 2013. Member of the Appointments and Governance Committee. Current offices and functions in other companies: Non- executive Chairman, of ALCOA Director: IBM, Citigroup Offices or functions in the past five years no longer held: Non-executive Chairman of Alcoa Chairman and Director of Alcoa Chairman and CEO of Alcoa Director of Brown University Member of the Board of Trustees of the Conference Board.

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			Member of the Business Council.
Patrick Biau February 5, 1956, Age 55	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 57	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*
Charles de Croisset***** September 28, 1943, Age 67	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 Current offices and functions in other companies: *France:* Chairman: the Fondation du Patrimoine Director: LVMH Member of the Supervisory Board: Euler & Hermès Non-voting director: Galeries Lafayette *Abroad*: International Advisor, Goldman Sachs International Offices or functions in the past five years no longer held: Director: Bouygues, Thales UK, Thales
Bernard Delpit* October 26, 1964 Age 46	Director	1,000 shares	First appointed on April 30, 2010 and the current term expires in 2014 Member of the International Strategy Committee Chief Financial Officer, La Poste Groupe Current offices and functions in other companies: Member of the Executive Committee: La Poste. Member of Audit Committee: Banque Postale, GeoPost and Poste Immo Director: Sofipost, Geopost, Banque Postale Prévoyance, Poste Immo. Member of the Supervisory Board: La

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			Banque Postale, La Banque Postale Asset Management.
Thierry Desmarest* December 18, 1945, Age 65	Director	1,500 shares	First appointed in April 2008 and the current term expires in 2012 Chairman of the International Strategy Committee Member of the Industrial Strategy Committee* Member of the Remuneration Committee. Honorary Chairman of Total <u>Current offices and functions in other companies:</u> *France:* Chairman: Fondation Total and Fondation de l'Ecole Polytechnique Director: Total SA, Air Liquide, Sanofi-Aventis Member of the Supervisory Board: École Polytechnique *Abroad:* Member of the Board of Bombardier (Canada) <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 Chairman of the Board of Total
Jean-Pierre Garnier** October 31, 1947, Age 63	Director	1,000 shares	First appointed in April 2008 and the current term expires in 2012 Chairman of the Industrial Strategy Committee Member of the International Strategy Committee Member of the Remuneration Committee <u>Current offices and functions in other companies:</u> *France***:** Director: Cerenis (biotech company) *Abroad*: Director: United Technology Corp. Chairman: NormsOxys Corp. <u>Offices or functions in the past five years no longer held</u>: Chairman and Chief Executive Officer of Glaxo Smithkline Beecham plc Chairman of GlaxoSmithKline plc Director: GlaxoSmithKline Beecham p.l.c., Biotechnology Industry Organization, Eisenhower Exchange

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			Fellowship
Takeshi Isayama March 8, 1943, Age 68	Director	1,000 shares	First appointed in May 2009 and the current terms expires in 2013. Senior Advisor, Carlyle Japan L.L.C. <u>Current offices and functions in other companies:</u> Director: Dainippon Screen Mfg Co., Ltd, Terumo Corp, The Japan Fund Adviser: Tokyo University of Agriculture and Technology. <u>Offices or functions in the past five years no longer held:</u> Advisor: National Institute of Advanced Industrial Science and Technology ("Visiting Scholar") Director: Seiyu GK (Wal-Mart subsidiary) Vice- Chairman: Nissan Motor Co. Ltd.
Alexis Kohler November 16, 1972 Age: 38	Director	(a)	First appointed in February 2010 and the current term expires in 2015 Member of the Accounts and Audit Committee Member of the Industrial Strategy Committee Division Director - Transports and Media - French government shareholding Agency, at the Ministry for the Economy, Industry and Employement <u>Current offices and functions in other companies:</u> Director (government representative): Aéroport de Paris, RATP, Grand Port Maritime du Havre, France Télévision, Société Audiovisuel Extérieur de la France, STX France. <u>Offices or functions in the past five years no longer held</u>: TSA, GIAT Industries, La Monnaie de Paris, Société de valorisation foncière et immobilière (SOFAVIM)
Marc Ladreit de Lacharrière***** November 6, 1940, Age 70	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. Chairman and Chief Executive Officer of Fimalac

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			Current offices and functions in other companies: *France:* 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) 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 Offices or functions in the past five years no longer held: 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 67	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 Current offices and functions in other companies: *France:* President of the Institut Français d'Experts Juridiques Internationaux (French Institute of International Legal Experts-IFEJI)

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			Member of the Supervisory Board and Audit Committee of Holcim Western Europe *Abroad:* n/a Offices or functions in the past five years no longer held: n/a
Philippe Lagayette***** July 16, 1943 Age 67	Director	1,000 shares	First appointed in May 2007 and the current term expires in 2015 Chairman of the Account and Audit Committee and member of the Appointments and Governance Committee. Senior Independent Director Chairman of the Fondation de France Current offices and functions in other companies: *France:* President Philippe Lagayette Conseils Vice Chairman Barclays Capital Member of the Board: PPR, Fimalac Chairman of the Board of Institut des Hautes Études Scientifiques, and Foundation of Scientific Co-operation for Research on Alzheimer's Disease *Abroad:* n/a Offices or functions in the past five years no longer held: Member of the Board:La Poste Vice-Chairman of JP Morgan in EMEA.
Franck Riboud***** November 7, 1955, Age 55	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 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

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			Durable Member of the Supervisory Board: Fondation ELA *Abroad* Director: Bagley Latinoamerica SA, Danone SA (Spain), Rolex SA, Rolex Holding SA Offices or functions in the past five years no longer held: Chairman and Director: Danone Asia Pte Limited Chairman of the Board: Compagnie Gervais Danone SA, Générale Biscuit SA Director: L'Oréal SA, Sofina, Quiksilver, Wadia BSN India Limited, Fondation Gain (Global Alliance for Improved Nutrition), Ominium Nord Africain (ONA) Member of the Supervisory Board: Accor,
Luc Rousseau March 16, 1957, Age 54	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 Government representative: Board of Directors of the AFII (Invest in France Agency), OSEO, Palais de la Découverte and La Cité des Sciences et de l'Industrie. Offices or functions in the past five years no longer held: Government commissioner: AII (agency for industrial innovation), OSEO Innovation
Hiroto Saikawa November 14, 1953, Age 57	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.

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
Michel Sailly October 8, 1949, Age 60	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 employee shareholders*
Pascale Sourisse March 7, 1962 Age 49	Director	1,000 shares	First appointed in April 30, 2010 and the current term expires in 2014 Member of the Accounts and Audit Committee General Manager, C4I Defense and Security Systems division Member of the Executive Committee of Thales <u>Current offices and functions in other companies:</u> Chair and CEO: Thales Communications Chair: Thales Solutions de Sécurité et Services Chair: Thales Services President of the Board of Telecom ParisTech (École Nationale Supérieure des Télécommunications). Member of the Board: Vinci, Agence Nationale des Fréquences, DCNS, Institut Télécom. Member of the Supervisory Board of Directors of Thales Alenia Space. <u>Offices or functions in the past five years no longer held</u> Chair and CEO: Thales Alenia Space (TAS) Chair and CEO: Alcatel Alenia Space Chair: Eurospace, European Space Industry Association Member of the Board: Groupe des Industries Françaises Aéronautiques et Spatiales (GIFAS) Member of the Board: Association Européenne des Industries Aéronautiques Spatiales et de Défense (ASD)

* *Independent Director.*

(a) *See paragraph below.*

The mean age of incumbent directors is 59. Each director must own at least one registered share[13]. However, administrative regulations forbid the directors appointed by the French State 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 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
2012	Mr. Audvard
	Mr. Biau
	Mr. Champigneux
	Mr. de Croisset
	Mr. Desmaret
	Mr. Garnier
	Mr. Rousseau
2013	Mr. Belda
	Mrs. de La Garanderie
	Mr. Isayama
	Mr. Sailly
2014	Mr. Delpit
	Mr. Ghosn
	Mr. Ladreit de Lacharrière
	Mr. Riboud
	Mr. Saikawa
	Mrs. Sourisse
2015	Mr. Kohler
	Mr. Lagayette

13 Share of Renault's capital held by directors: 0.07%.

(2) GROUP EXECUTIVE COMMITTEE AND MANAGEMENT COMMITTEE AT MARCH 1, 2011

Alphabetic list at March 1, 2011	
Carlos Ghosn*	Chairman and C.E.O.
Bruno Ancelin	Senior Vice President, Alliance Industrial Sourcing, GM Renault Russia, • RMC Leader Eurasia
Denis Barbier	• RMC Leader, Americas
Bernard Cambier	Senior Vice President, Market Area France
Jacques Chauvet	• RMC Leader, Euromed
Marie-Françoise Damesin	Senior Vice President, Group Human Resources
Christian Deleplace	Expert Fellow
Odile Desforges*	Executive Vice President, Engineering and Quality
Laurence Dors*	Corporate Secretary General for the Renault Group
Michel Faivre-Duboz	General Manager of Renault in Morocco
Christian Husson	Senior Vice President, Legal Department, Compliance Officer
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
Gérard Leclercq*	Senior Vice President, Manufacturing and Supply Chain
Christian Mardrus	Managing Director, Alliance Global Logistics
Katsumi Nakamura*	• RMC Leader, Asia-Africa
Stephen Norman	Chief, Global Marketing and Communications Officer
Patrick Pélata*	Chief Operating Officer
Jacques Prost	Senior Vice President, Powertrain Engineering
Bernard Rey	President of Renault F1 Team
Jérôme Stoll*	Executive Vice President, Sales and Marketing and LCV division, • RMC Leader, Europe
Dominique Thormann*	Group Chief Financial Officer, 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, Purchasing Renault, Alliance Global Purchasing, and GM RNPO

* *Members of the Group executive committee (CEG).*
• *RMC: Region Management Committee*

Note:

The Board of Directors on 11 April 2011 examined the conclusions of the two audits requested by Mr Carlos Ghosn, Chairman and CEO of Renault, and by Mr Philippe Lagayette, Chairman of the Accounting and Audit Committee. Mr. Patrick Pélata, Chief Operating Officer of Renault, asked to be relieved from his duties after acquainting himself with the audit report. This request was accepted. Mr. Husson, head of the Legal Department and Ms. Desforges, General Secretary, have been relieved of their duties pending discussions concerning their future in April 2011. Ms. Sepehri has been appointed Delegate Director to the Chairman and CEO Office of Renault and will supervise the functions which were reporting to the General Secretariat, as well as the Legal Department. Moreover, she will carry out a study of the teachings to be derived from this crisis in terms of communications. She becomes a member of the Executive Committee of the Renault group. Ms. Marie-Françoise Damesin, Director of Human Resources, becomes a member of the Executive Committee of the Renault group.

Please refer to the section “Recent Developments” below.

(3) REMUNERATION OF DIRECTORS AND OFFICERS AT JANUARY 1, 2011

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 [14] 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 2010 are apportioned according to the following criteria:

- a fixed portion, linked to the responsibilities arising from Board membership, i.e. an amount of up to €14,000 (the sum is calculated on a time-apportioned basis);
- a variable portion, linked to directors’ actual attendance, i.e. an amount of up to €14,000 (the sum is calculated on a time-apportioned basis).

Two additional payments may also be made:

- one for sitting on one of the Board’s committees, i.e. up to €4,500 (calculated on a time-apportioned basis);
- one for chairing a committee, i.e. up to €4,500 (calculated on a time-apportioned basis).

Total fees allocated to directors in 2010 amounted to €599,311 (€571,336 in 2009).

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

	TOTAL FEES RECEIVED IN € (1)	
Directors	**2010**	**2009**
Mr Ghosn	28,000	28,000
Mr Audvard	32,821	32,500
Mr Belda	28,521	18,164
Mr Biau	29,800	32,500
Mrs Bréchignac (3) (4)	5,121	28,500
Mr Champigneux	29,800	32,500
Mr de Croisset	34,454	32,500 (2)
Mr Delpit (4)	18,251	-
Mr Desmarest	39,228	28,500
Mr Garnier	34,195	30,500
Mr Isayama	26,833	17,205 (2)
Mr Kohler (3) (4)	29,677	-

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

Mr Ladreit de Lacharrière	37,633	38,418
Mrs de La Garanderie	34,300	35,000
Mr Lagayette	41,500	39,959
Mr Paye(4)	17,208	41,500
Mr Riboud	25,333	33,000
Mr Rioux (3) (4)	1,977	32,500
Mr Saikawa	25,366	-
Mr Sailly	31,021	22,000 (2)
Mr Rousseau (3) (4)	32,821	20,164
Mrs Sourisse (4)	15,551	-

(1) Fees allocated on the basis of Board membership, attendance of Board meetings, membership and/or chairmanship of one of the Board's committees.
(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.

For 2010, the variable portion was based on achieving the joint criterion of positive free cash flow, and other individual criteria linked to the performance of the sector of responsibility. At its meeting on February 9, 2010 the Board of Directors noted that the main objective concerning free cash flow had been reached. It was therefore decided that the members of the Renault Management Committee were eligible for variable remuneration based on that criterion. Concerning the Chairman and CEO, the procedure for determining the variable portion of remuneration in 2010 includes other criteria detailed in "REMUNERATION OF THE EXECUTIVE DIRECTOR" – "Procedure for determining remuneration" below.

However, further to the proposal made by Mr Ghosn to the Board of Directors on March 14, 2011, the senior executives involved in the crisis that recently affected the company will not receive their variable remuneration for 2010.

Supplementary pension scheme

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

- a defined contribution scheme equivalent to 8% (5% paid by the company and 3% by the beneficiary) of annual remuneration between eight and 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;

- a 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 average of 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 2010

In 2010, the total remuneration paid to the 27 members of the Renault Management Committee in office at December 31, 2010 amounted to €10,618,213, including a fixed portion of €8,560,275 (of which, for the nine members of the Group Executive Committee, €4,899,747 including a fixed portion of €4,106,085), compared with total remuneration of €7,508,519 paid to the Renault Management Committee, of which €3,909,089 for the members of the Group Executive Committee, in 2009. No variable portion was paid to members of the Renault Management Committee in 2009 for 2008.

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

REMUNERATION OF THE EXECUTIVE DIRECTOR

In accordance with the December 2008 version of the Afep/Medef recommendations and with the position of the French securities regulator, *Autorité des marchés financiers*, the executive director does not also hold an employment contract with Renault.

Procedure for determining remuneration

Fixed and variable remuneration

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

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

In 2010, the Board of Directors established the procedures for determining the variable portion for 2010. It was decided that this portion would total between 0 and 150% of the fixed portion, based on the following criteria:

- ROE – return on equity;
- the difference between the actual operating margin and the budget provision;
- the free cash flow threshold set by the Board of Directors.

Alongside these criteria, the Board also integrates a factor of quality linked to strategy and management.

At its meeting on February 9, 2011, acting on the recommendation of the Remuneration Committee, the Board of Directors set this portion at 138.24% for 2010.

However, drawing the appropriate conclusions from the crisis that recently affected the company, Mr Ghosn informed the Board of Directors on March 14, 2011 that he had decided to waive the variable portion of his remuneration for 2010. The Board took note of the decision.

Supplementary pension scheme

The Chairman and CEO also benefits from the supplementary pension scheme set up for members of the Group Executive Committee (see “REMUNERATION OF SENIOR EXECUTIVES” – “Procedure for determining remuneration”). 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 the senior executive director

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

	2009		2010	
CARLOS GHOSN	**OWING FOR 2009**	**PAID IN 2009**	**OWING FOR 2010**	**PAID IN 2010**
Fixed remuneration	1,200,000	1,200,000	1,200,000	1,200,000
Variable remuneration (1)	0	0	0*	0
In-kind benefits	12,809	12,809	14,655	14,655
Total as CEO	1,212,809	1,212,809	1,214,655	1,214,655
Directors’ fees (1)	28,000	28,000	28,000	28,000
TOTAL	**1,240,809**	**1,240,809**	**1,242,655**	**1,242,655**

(1) Paid the following year.

* *At the meeting of the Board of Directors on March 14, 2011, Mr Ghosn waived his variable remuneration for 2010, i.e. €1,658,880.*

STOCK OPTIONS GRANTED TO SENIOR EXECUTIVES AND CORPORATE OFFICERS

LEGAL FRAMEWORK

No free stock options have been granted since 2008.
Two financial resolutions on grants of options and bonus shares have been submitted and approved by the Annual General Meeting of April 29, 2011.

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 certain Group employees, in compliance with the general arrangements set by the Annual General Meeting. The Chairman and CEO does not take part in the committee’s proceedings when the matter under review concerns him personally.

AIMS OF THE STOCK-OPTION PLANS

The main aim of the 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 Automotive it applies in particular to sales subsidiaries, vehicle and powertrain engineering teams, managers of body assembly and powertrain plants, industrial subsidiaries and all the heads of vehicle and sub-system programs and projects. The plan also applies to Sales Financing, and to the heads of the Group's major support functions.

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 and economic performance of the Group, and the performance of the Regions for the Regional Leaders.

Whatever the circumstances, if the operating margin target is not achieved, none of the allotted options or shares can be exercised at the end of the qualified holding period.

Senior executives and managing executives

The senior executives are the President and the members of the Renault Management Committee, including the eight members of the Group Executive Committee at December 31, 2010.

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 one to four, 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.

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 PLANS IN PLACE AT December 31, 2010

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.

The total volume of plans underway at December 31, 2010 is equivalent to 3.51% of the number of shares making up the share capital.

date of grant/board meeting		OPTION START DATE	EXPIRY DATE	NUMBER OF GRANTEES	TOTAL OPTIONS GRANTED	O/W/ MEMBERS OF RENAULT MANAGEMENT COMMITTEE [1] [3]	STRIKE PRICE *(IN €)*	DISCOUNT	OPTIONS EXERCISED AT 12/31/2010	OPTIONS LAPSED AT 12/31/2010	OPTIONS OUTSTANDING AT 12/31/2010 [2]
AGM AUTHORIZATION GRANTED ON JUNE 11, 1998											
Plan 6	07/09/2000 and 24/10/2000	08/09/2005 et 25/10/2005	06/09/2010 and 23/10/2010	638	1,889,300	750,000	49.27 and 49.57	None	1,295,313	593,987	0
Plan 7	18/12/2001	19/12/2006	17/12/2011	858	1,861,600	505,000	48.97	None	868,404	80,476	912,720
Plan 8	05/09/2002	06/09/2007	04/09/2012	809	2,009,000	645,000	49.21	None	443,987	67,327	1,497,686
AGM AUTHORIZATION GRANTED ON APRIL 29, 2003											
Plan 9	08/09/2003	09/09/2007	07/09/2011	813	1,922,000	605,000	53.36	None	285,453	69,491	1,567,056
Plan 10	14/09/2004	15/09/2008	13/09/2012	758	2,145,650	695,000	66.03	None	16,000	98,300	2,031,350
Plan 11	13/09/2005	14/09/2009	12/09/2013	639	1,631,093	650,000	72.98	None	3,000	138,193	1,489,900
AGM AUTHORIZATION GRANTED ON MAY 4, 2006											
Plan 12	04/05/2006	05/05/2010	03/05/2014	693	1,674,700	556,000	87.98	None	3,000	339,616	1,332,084
Plan 13 [5] Options Committ. 2009	04/05/2006	05/05/2010	03/05/2014	650	2,741,700	1,550,000	87.98	None	2,000	2,739,700	0
Plan 13 bis [5] Shares Committ. 2009	04/05/2006	05/05/2010	-	549	1,379,000	290,000	0	None	6,500	1,372,500	0
Plan 14	05/12/2006	06/12/2010	04/12/2014	710	1,843,300	680,000	93.86	None	0	286,394	1,556,906
Plan 15 [4]	05/12/2007	06/12/2011	04/12/2015	743	2,080,000	735,000	96.54	None	0	2,080,000	0
Plan 16 [5] Options Compl. Committ. 2009	05/12/2007	06/12/2011	04/12/2015	199	797,787	160,000	96.54	None	0	797,787	0
Plan 16 bis [5] Shares Compl. Committ. 2009	05/12/2007	06/12/2011	-	199	132,166	60,000	0	None	0	132,166	0

(1) The Renault Management Committee at the date on which the stock-options were granted.
(2)) Under Plans 6 to 9, a total of 3,977,462 options were unexercised at December 31, 2010.
(3) Including grants to Mr Ghosn of 200,000 options in 2005; 100,000 under Plan 2006, and 200,000 under Plan 2007.
(4) All options under this plan were lost since the operating margin target was not achieved (Board meeting February 11, 2009).

(5) 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 2010:
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 this issuer or 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:

Options exercised by corporate officers during the year

	PLAN NO. AND DATE	**NUMBER OF OPTIONS**	**STRIKE PRICE**	**GRANT YEAR**
Carlos Ghosn		NONE		

SUMMARY OF REMUNERATION PAID TO CORPORATE OFFICERS

Summary of remuneration and allocations of options

CHAIRMAN AND CEO	2009	2010
Remuneration owing in respect of the year	1,240,809	1,242,655
Value of options granted during the year	0	0
Value of performance shares granted during the year	0	0
TOTAL	**1,240,809**	**1,242,655***

* *At the meeting of the Board of Directors on March 14, 2011, Mr Ghosn waived his variable remuneration for 2010, i.e. €1,658,880.*

Stock-option allocations

The stock-option plans still active to date are plans 7, 8, 9, 10, 11, 12 and 14.

	PLAN 7	PLAN 8	PLAN 9	PLAN 10	PLAN 11	PLAN 12	PLAN 13
Carlos Ghosn	-	-	25,000*	25,000**	200,000*	200,000	100,000	1,000,000***

	PLAN 14	PLAN 15
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 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 officer

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	
Chairman and CEO **Carlos Ghosn**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
	-	X	X	-	-	X	-	X

* *See "REMUNERATION OF SENIOR EXECUTIVES" – "Procedure for determining remuneration."*

5. STATE OF CORPORATE GOVERNANCE, ETC.

(1) State of Corporate Governance

THE BOARD OF DIRECTORS IN 2010

The Board of Directors met 12 times in 2010.

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 88%.

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 2009, approved the consolidated financial statements for first-half 2010 and set the appropriation of 2009 income to be proposed to the AGM;

- adopted the 2011 operating and investment budget;

- approved the sale of B shares held in Volvo AB with a view to reducing Renault's net financial debt;

- voted on additional performance-related bonuses in respect of FY 2009.

CORPORATE GOVERNANCE

The Board:

- reappointed Carlos Ghosn as Chairman and CEO;

- restricted the powers of the CEO by requiring decisions on strategic operations and investments to receive prior Board authorization;

- created an Industrial Strategy Committee, upon a proposal by the Appointments and Governance Committee, and amended the Board's internal regulations;

- conducted a full self-assessment of its operating methods and decided on the definition of independent director;

- appointed the Senior Vice President, Legal Department/Chief Compliance Officer as the new Compliance Officer, thus combining the functions;

- adopted the Chairman's report pursuant to Article L. 225-37 of the Commercial Code;

- 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:

- approved the "Renault 2016 Plan – Drive the change" put forward by senior management;

- discussed Renault's strategic guidelines, with particular emphasis on the electric vehicle, as part of a day devoted to this issue;

- approved continued engagement in Formula 1 and the creation of Renault Sport F1, a motorsports division that will oversee Renault's involvement in Formula 1 both on the racing side and as a supplier of technology for 2011 and beyond;

- reviewed progress in the Tangiers program, looking at the procedures for building an industrial complex in the Tangiers area with the launch of a second manufacturing line;

- affirmed Renault's commitment in India through the creation of its own distribution network and approved the restructuring by Mahindra and Renault of the Mahindra Renault Pvt Ltd joint-venture to ensure continuity and to capitalize on Logan's positive image among Indian consumers;

- approved the signature of a final agreement with AvtoVAZ shareholders, Russian Technologies and Troika Dialog, regarding the means to restructure AvtoVAZ.

The Alliance and the strategic partnership with DAIMLER

The Board:

- approved strategic cooperation with Daimler AG and the one-time cross-shareholdings;

- noted the summary of the Alliance Board's decisions and proposals.

REGULATED AGREEMENTS

The Board authorized the following agreements:

- a rider to the loan agreement with the government and riders consistent with the provisions of decrees 2009-348 of March 30, 2009 and 2009-445 of April 20, 2009, with a view to modifying the procedures for early payment, in particular to make early repayment of €1 billion of the €3 billion loan initially granted by the government in April 2009;

- in connection with regulations on the control of major risks to which RCI Banque is subject as a credit institution, a €550 million cash pledge agreement with RCI Banque to reduce its credit exposure to Renault Retail Group, the captive sales network.

As part of the strategic cooperation with Daimler AG:

- Master Cooperation Agreement with Daimler AG, Nissan Motor Co. Ltd. and Renault-Nissan b.v.;

- share contribution agreement with Nissan Motor Co. Ltd.;

- share disposal agreement with the French State, *via* the sale of 1,628,344 shares of Treasury stock to the French State.

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, chaired by Mr Ladreit de Lacharrière, and was based on personal interviews by Mr Ghosn and Mr Lagayette.

All the Board members wholeheartedly stress their positive view of the Board's operating procedures.

Broadly speaking, a relation of trust exists between the Board and the senior executives. This trust has been built up by introducing a more transparent and more exhaustive approach to discussion. The efforts made in terms of content, with the meeting dedicated to strategy, and in terms of form, with the more relaxed atmosphere and freedom of expression, contribute to building trust and creating a sense of team.

The work of the committees was considered satisfactory, even though some directors feel that the role of these committees is to review issues that are frequently of great technical complexity, not necessarily within the remit of the Board, which should focus on more strategic decisions.

The directors would like less details of operational, accounting or financial aspects, and more strategic discussion on fundamental issues.

All the directors would like to see more in-depth, sectoral discussions from time to time, particularly on Renault markets, brand models, the competition, and corporate social responsibility.

The creation of a communication unit is seen as a significant improvement in the way the Board of Directors works, although a number of criticisms can still be made, particularly on the lack of information in the event of a crisis.

The Board expressed an open opinion or requested improvements on the following points:

- the formal organization of Board executive sessions, as in English-speaking countries, reserved for a restricted number of directors;

- more women on the Board;

- the need to provide certain documents further in advance of Board meetings.

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 INDEPENDENCE

At its meeting on February 9, 2011 the Board of Directors restated its intention to comply with the most thorough definition of corporate governance available in France, namely the Afep/Medef report. According to the report, an independent director is one who, notably, "has no relations of any kind with the company, the Group or its managers likely to compromise his independence of judgment".

The Board also repeated the qualities that it expects from a director: experience of the company and the automotive industry, a personal commitment to the work of the Board and its committees, a sound grasp of business and finance, the courage to express minority opinions, international vision, integrity, and loyalty.

At February 9, 2011 Renault had ten independent directors on its Board: Dominique de La Garanderie, Pascale Sourisse, Charles de Croisset, Alain Belda, Bernard Delpit, Thierry Desmarest, Jean-Pierre Garnier, Marc Ladreit de Lacharrière, Philippe Lagayette, and Franck Riboud (see table in 4. STATEMENT OF OFFICERS – (1) BOARD OF DIRECTORS above).

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.

On a proposal by the Appointments and Governance Committee, the Board created in addition to the four existing committees an Industrial Strategy Committee, which will strengthen Renault's governance in terms of preparing the Board's work. Like the other committees, the new Industrial Strategy Committee will play a consultative role and will endeavor to aid the Board and the Chairman in taking decisions by providing opinions on the strategic operations and investments presented by senior management to 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, Alexis Kohler and Pascale Sourisse. Four of the six are independent directors.

The committee met six times in 2010, 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 2009 and first-half 2010, as well as all financial news releases;
- early repayment of part of the loan from the French government;
- the review of the results of the 2010 Audit Plan and the analysis of the 2011 Plan;
- risk mapping, analysis and monitoring methods used in the Group;
- management of risks, notably financial risks, that the Group may face;
- the activity of the compliance function;
- compliance of the activity of the Renault Accounts and Audit Committee with AMF recommendations on audit and internal control;
- the strategic cooperation with Daimler AG as regards the structuring of cross-shareholdings and valuation methods.

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 four times in 2010, and the attendance rate was 100%. The main items on its agenda were:

- the remuneration of the Chairman and CEO and members of the Executive Committee and the Chairman and CEO’s complementary pension scheme;
- the performance requirements for awarding the Chairman and CEO variable remuneration, linked to the Plan;
- the obsolescence of KPIs linked to stock options and free shares under the Renault Commitment 2009 Plan.

APPOINTMENTS AND GOVERNANCE COMMITTEE

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

The committee met three times in 2010, and the attendance rate was 100%. The main items on its agenda were:

- the reappointment of Mr Ghosn as Chairman of the Board for the duration of his directorship;
- the creation of an Industrial Strategy Committee and the related amendments to the internal regulations;
- the composition of the Board and its committees and the simplified assessment of its operation;
- a revision of the list of independent directors in accordance with Afep/Medef criteria;
- the amendment to Renault’s articles of association to increase the number of directors appointed by the AGM from 14 to 15.

INTERNATIONAL STRATEGY COMMITTEE

This committee has nine members: Thierry Desmarest in the chair, Yves Audvard, Patrick Biau, Alain J.P. Belda, Bernard Delpit, Jean-Pierre Garnier, Luc Rousseau, Hiroto Saikawa and Michel Sailly.

Four of the nine committee members are independent.

The committee met twice in 2010, and the attendance rate was 100%.

As part of a presentation on Group strategy, the committee examined:

- the situation in Russia and the new strategy in India;
- without reserves, the strategic cooperation with Daimler AG.

INDUSTRIAL STRATEGY COMMITTEE

This committee has seven members: Jean-Pierre Garnier in the chair, Yves Audvard, Charles de Croisset, Thierry Desmarest, Alexis Kohler, Luc Rousseau and Michel Sailly.

Three of the seven committee members are independent.

The committee met three times in 2010, and the attendance rate was 100%. It reviewed industrial strategy, with a particular focus on:

- competitive issues in relation to the Sandouville facility;

- the deployment of the Tangiers project, with the launch of a second manufacturing line. This industrial project has a vital bearing on the success of the Entry range and Renault's profitability.

COMPLIANCE COMMITTEE

The Compliance Committee met three times in 2010, 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 Group Chief Financial Officer and the Senior Vice President, Corporate Social Responsibility.

The Board of Directors appointed the Senior Vice President of the Legal Department to the position of Compliance Officer in July 2010. The functions of Chief Compliance Officer and Compliance Officer were merged.

Committee meetings lasted an average of two 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 (see "MANAGEMENT OF OPERATIONS AND INTERNAL CONTROL" below).

Accordingly, the Committee examined:

- the impact, from an ethical standpoint, of social media and collaborative development tools within the Group;

- progress made in internal control mapping and the 2010 action plan;

- the overall approach in application to prevent breaches of insider regulations, following the publication by the AMF of a draft code of good conduct to prevent insider dealing;

- the introduction of a system of governance for Group subsidiaries and stakeholdings under the authority of a Stakeholding Supervisory Board;

- the introduction of a Group Corporate Defense unit, following penal reform in Spain and Italy;

- activity reports by the departments in charge of Group protection and IT security;

- main findings of internal 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 2010 the Compliance Officer:

- as in previous years, published memoranda in the form of instructions, 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.

INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

The following covers all fully-consolidated Group companies.

GROUP OBJECTIVES AND STANDARDS FOR INTERNAL CONTROL AND RISK MANAGEMENT

INTERNAL CONTROL AND RISK MANAGEMENT OBJECTIVES

To deal with the risks inherent in its activities, the Renault group has put in place structures and procedures to control them and to limit their negative impact. The internal control system is implemented in all the company's businesses and activities. Its primary objectives are to:

- identify and manage risks to which the company is exposed;

- ensure compliance with laws, regulations and the company's by-laws;

- control quality, cost and delivery times in its activities;

- ensure the quality, reliability and relevance of financial, accounting and management disclosures;
- reduce exposure to fraud risk.

Internal control cannot, however, offer an absolute guarantee that internal control objectives will be achieved.

APPLICATION of AMF STANDARDS

Since 2007, the Renault group has applied the standards and application guidelines of the French securities regulator, AMF, which were updated in July 2010, and the recommendations of the Audit Committee working group, published in July 2010.

Since Sales Financing is subject to banking and financial regulations, the internal control framework specified by Regulation no. 97–02 is systematically applied by the Board of Directors, the executives and the personnel of RCI Banque.

MANAGEMENT OF OPERATIONS AND INTERNAL CONTROL

MANAGEMENT OF OPERATIONS

Role of the executive bodies

Management committees operating at two levels oversee the Group's operations:

- level 1 committees, whose scope is the entire Group, include:
  - the Group Executive Committee (GEC), which is in charge of strategic orientations and decisions. Headed by the Chairman and Chief Executive Officer, its members are the Chief Operating Officer, the Executive Vice Presidents, the Corporate Secretary General, the Chief Financial Officer, the Executive Vice-President, Manufacturing and Supply Chain, and the head of the Asia-Africa Region. Its decisions are submitted to the Board of Directors for approval when they fall under the Board's authority, following the recommendation, if need be, of the International Strategy Committee and Industrial Strategy Committee. The Chairman and Chief Executive Officer reports to the Board of Directors on their implementation. The Group Executive Committee oversees operations and controls the execution of directives by monitoring budget commitments as well as policies and operations in the Regions, programs and corporate functions,
  - the Operations Committee, headed by the Chief Operating Officer, which is responsible for operational decisions. Its members are the same as the Group Executive Committee's except for the Chairman and Chief Executive Officer,
  - the Renault Management Committee (RMC), which is made up of the GEC members plus the heads of the main departments at Renault,
  - specialized committees headed by either the Chairman and Chief Executive Officer or the Chief Operating Officer. They make decisions at the Group level as well as in the Group's cooperative undertakings in the Renault-Nissan Alliance and with the Daimler group;
- level 2 committees, which are specialized by general management area or by function (for example, engineering and quality; plan, product planning and programs, and management control; manufacturing and logistics; sales and marketing; purchasing, design, legal, management delegated to the Chairman, etc.) or by Region.

The operating rules and characteristics of these committees – chairman and membership, frequency, length and agenda of meetings, reporting methods, communication of decisions, and the archiving of minutes – are formalized.

There is a Regional Management Committee (RMC) for each Region (Europe, Americas, Asia-Africa, Euromed and Eurasia). Each RMC is made up of representatives of the corporate functions and vehicle programs as well as managers from the main countries in each Region.

There are Program departments for the automotive segments as well as for the electric vehicle programs, the new mobility offer, and the cross-division projects. The Program departments are assigned long-term profitability objectives for the life cycles of the products they develop, manufacture and market. They receive support from the Regions and corporate functions.

In addition to operational reporting structures, the Group has set up a staff reporting system so that support function managers can provide leadership for their function throughout the Group.

Strategic decisions and the supervision of financial and legal matters are the Chairman and Chief Executive Officer's direct responsibility, while operational decisions are made by the Chief Operating Officer.

The decision-making process is based on a system of delegation that determines in which areas and at which levels operational managers may make decisions. All the rules for delegating decision-making authority are communicated to the personnel over the intranet. When a strategic or financial decision is called for, a workflow chart specifies the persons involved, in accordance with internal control procedures.

Decisions concerning certain transactions, and notably those related to the capital of the subsidiaries, disposals/acquisitions, partnerships, cooperation, and the hedging of raw materials risk, are made following a specific review by a committee of experts, which gives an opinion. The final decision is then made by the Chairman and Chief Executive Officer.

Ethics and compliance procedure

Code of good conduct and compliance rules

The Renault group's Code of good conduct and compliance rules are communicated to the personnel, and all employees are expected to abide by them. Employees' familiarity with the Code is checked during their annual performance assessment.

The Renault Management Way program, whose deployment continued in 2010, also emphasizes the Group's values and the importance of respecting them.

Compliance Committee

The Compliance Committee's tasks include:

- ensuring that the rules of governance are respected;
- ensuring that the code of good conduct and financial compliance rules are respected;
- developing action plans to ensure that internal control procedures are in line with AMF standards and application guidelines;
- reviewing the risk management system;
- analyzing and assessing irregularities identified by the Internal Audit Department, and monitoring action plans to improve internal control.

The Compliance Committee is chaired by the Senior Vice President, Legal Department. Its members include the Chief Financial Officer, the Senior Vice Presidents, Management Control, Internal Audit, Human Resources, Internal Control and Risk Management, and the Corporate Social Responsibility Officer (see "COMPLIANCE COMMITTEE" above).

Whistleblowing

The Group has instituted a whistleblowing system to enable any member of the personnel to report irregularities in the specific areas of accounting, finance, banking, and anti-corruption.

INTERNAL CONTROL SUPERVISION

The Management Control Department does the preliminary studies and then defines and sets up the Renault group’s internal control and risk management system.

Internal Control, Audit and Risk Management Charter

The Internal Control, Audit and Risk Management Charter complies with the international standards published by *Institut Français de l’Audit et du Contrôle Internes* (IFACI), which is affiliated with the Institute of Internal Auditors. This Charter sets forth the roles and responsibilities of the internal control staff.

The internal control system conforms to the AMF’s general rules for internal control and strictly adheres to the principle of the separation of tasks, with:

- personnel responsible for determining and setting the rules;
- personnel responsible for their day-to-day implementation;
- personnel responsible for seeing that the internal control system is properly applied.

The internal control rules are defined and set by:

- senior management, which determines, in agreement with the Board of Directors, the Group’s objectives. It decides the operating rules and procedures as well as the quantified performance objectives;
- the Management Control Department, acting through the Internal Control and Risk Management Department, which defines and sets internal control principles, rules and techniques pertaining to accounting and management processes as well as operational processes.

Some of the risks identified by the Risk Management Department may be dealt with by applying rules and procedures; as such they enter the scope of the internal control system. The linkage of internal control and risk management is facilitated by bringing these two activities together in the same department.

Implementation and first-level control of the internal control system are performed by:

- management, which adapts and applies the defined internal control rules and methods in its area of responsibility;
- employees, who are expected to comply with the internal control system in their work areas;
- management control, which ensures that management rules are followed by all personnel.

Permanent oversight to verify that the system is properly and effectively applied is provided by:

- the Internal Audit Department, within the Financial Department. It makes independent and objective assessments of the level and quality of internal control, advises and recommends improvements to the system, and gives senior management reasonable assurance of the degree of control over operations. In 2010, as in previous years, the Internal Audit Department verified the compliance of operations with Group management rules, the effectiveness of certain processes in the company, and the quality of the internal control system applied to prevent problems and correct their impact;
- the Compliance Committee, which ensures that the internal control system is correctly applied based on periodic assessments submitted to it by the Internal Control and Risk Management Department and the Internal Audit Department;

- the statutory auditors, who assess the internal control of the preparation and treatment of accounting and financial data as part of their mission and issue recommendations;

- the Accounts and Audit Committee, one of the committees of the Board of Directors (see 5. STATE OF CORPORATE GOVERNANCE, ETC. – (1) State of Corporate Governance – "SPECIALIZED COMMITTEES OF THE BOARD OF DIRECTORS" above), whose membership, authority and missions are set forth in the final report on the Audit Committee of July 2010. It monitors the effectiveness of the internal control and risk management systems as well as the independence of the statutory auditors. The audit plan is presented for approval to this committee as well as to the previously cited Group Executive Committee.

INTERNAL CONTROL OBJECTIVES

RISK MANAGEMENT

A Group Risk Committee, chaired by the Executive Vice President, Plan, Product Planning, Programs, defines the risk management policy, validates the risk mapping for the Group, and monitors progress in action plans to deal with major risks to the Group.

With the Internal Control, Audit and Risk Management Charter, the Risk Management Department has formalized the global risk management system in a document that informs everyone of the organization and methods used by the company.

The Group applies a risk management method based partly on identifying a wide range of risks, which are then mapped, and partly on carrying out action plans to deal with risks by eliminating, preventing, guarding against or transferring them. Risk Committees are being set up in the operational entities to validate entities' mappings and action plans. The Insurance Department is closely involved in this process.

To carry out its mission, the Risk Management Department relies on two networks.

- one is made up of experts who manage a specific area of risk. These may be risks common to any company or, in the following cases, specific to a business sector:

  - risks related to internationalization, operational security and product quality, suppliers, manufacturing and environmental impact, and information systems,

  - financial and legal risks;

- the second network is made up of correspondents in the management function who work in all the Group's entities and serve as liaisons with the Risk Management Department.

To draw up the audit plan for the company's major risks, the Internal Audit Department uses the risk mappings to identify critical audit themes and assess risk coverage. The audit results are then used to update the risk mapping.

The Compliance Committee and the Accounts and Audit Committee periodically examine the system and how it is functioning.

In 2010, the Risk Management Department carried out and started new projects:

- a mapping of major risks to the Group, which was presented to the Accounts and Audit Committee on December 1, 2010;

- inclusion of the major risks mapping in the development of the medium-term plan. This allows the proposed plans for dealing with risks to be integrated in the medium-term plan and clarifies their possible financial impact;

- inclusion of the risk mapping methodology in the planning of international development projects.

A description of the risk factors to which the Group is exposed is dealt with in Section III. STATEMENTS OF BUSINESS – 4. RISKS IN BUSINESS, ETC. – “RISK MANAGEMENT”.

legal and regulatory compliance

Reporting to the Chairman and CEO, the Legal Department ensures that the Group complies with the legal and regulatory requirements applicable in the countries in which it operates.

The application of legal and regulatory requirements is the responsibility of each operating sector or each functional department in its area of expertise, in collaboration with the Legal Department. Internal control objectives relating to legal and regulatory requirements are implemented at each level of Group management, in cooperation with the Financial Department and Management Control Department. Nevertheless, owing to the specific importance of applying a standard of rules for the Group at international level, a number of cross-cutting compliance objectives are managed by the central departments concerned, which ensure local, national or international deployment in line with applicable rules and regulations. Particular emphasis is placed on respecting rules relating to competition, labour and employment, safety and environmental protection.

The Compliance Committee ensures the regulatory compliance of internal procedures.

CONTROL AND OPTIMIZATION OF OPERATIONS

Senior management updates and communicates Renault’s overall objectives as well as the allocation of resources to the Regions, businesses and programs. Group Management Control draws up an instruction memorandum for each of the operational sectors, Regions, businesses and programs. These memorandums include macroeconomic hypotheses to be taken into account (exchange rates, interest rates, inflation rates, raw materials prices, etc.), financial and non-financial indicators that will be measured over the course of the following financial year, the calendar, and the segmentation of the activity scope. Each Region transmits these instructions to the subsidiaries located in it after adding elements specific to the businesses.

The Management Control function stimulates and measures economic performance at the various levels of the organization (Group, operational sectors, Regions, businesses, programs).

Management control is decentralized so as to take account of the specifics of each business. Its mission is laid out in instructions prepared periodically by the Management Control Department.

In the Group’s management model, its role consists in:

- adjusting the company’s economic objectives and budget;

- measuring the performance of the Group’s entities, Regions, businesses and vehicle programs and monitoring free cash flow indicators;

- making an economic analysis of proposed management decisions at every level, checking compliance with standards, plans and budgets, assessing economic relevance, and formulating an opinion and recommendation in each case.

To accomplish these tasks, it uses the following resources:

Operating procedures and methods

Development of standard management procedures continued in 2010 with major updates, based in part on a review of the internal control system. The aim is to provide line managers with a standard set of procedures.

All the documentation is available to staff in all the Group's entities through the Management Control intranet portal. This documentation includes:

- all standards, rules and instructions, whether they pertain to a specific business or apply in a general manner across the entire company;

- an economics dictionary to help employees better understand the main concepts and aggregates used to guide the Group's business performance;

- the internal control system, as the review of operating systems progresses.

A key player in internal control, the Management Control function has the further mission, in accordance with the Internal Control Charter, of auditing and managing risk, of defining the internal control system, and of deploying it and performing first-level control. (see "MANAGEMENT OF OPERATIONS AND INTERNAL CONTROL" above). This control is done during the period of self-assessments in the entities and carried out by them using specific questionnaires for each type of activity. At the conclusion of the self-assessments, strong points and areas where the entities need to implement action plans are identified. The results of the self-assessments are communicated to the Internal Audit Department, which may decide to conduct an audit. By systematically reviewing the results of these audits, it is possible to identify the structural areas of the overall internal control system that are most in need of improvement.

Sales Financing also defines its control system in accordance with the banking regulations specifically applicable to it. It has a tool to centralize and verify procedures. In all subsidiaries, the employees concerned have access to their entity's procedures as well as to those of the Group *via* a single tool. The main Sales Financing processes (e.g., approval of loans and investments, collection/disputes, refinancing, system security, physical assets security, risk monitoring, and accounting) are covered by procedures based on the principle of separation of authority. These procedures introduce approval and validation processes, ensure that decisions are made at the appropriate level, and include checks to ensure proper implementation.

Sales Financing has a framework procedure laying out the compliance system, which is managed by the subsidiaries through quarterly Compliance Committee meetings. Key issues are then taken up at RCI Banque's Compliance Committee meetings.

Information systems

The risk management and internal control systems of the Renault Information Systems Department (RISD) are managed as follows:

- general risks related to financial processes (investments, purchases, profitability, etc.) are monitored by the RISD's Economic Performance Department;

- specific risks related to operational IT processes (declining quality or productivity in development activities, operations, support, skills, etc.) are monitored by the Quality Department. This department is responsible for defining and monitoring these processes (project management, operational quality, support, etc.) at the Group level. It uses the RISD performance indicators (incidents, results, etc.) and a 280-point self-assessment questionnaire concerning RISD procedures that is completed by the sites, subsidiaries and corporate departments;

- risks related to information systems security (interruptions of IT operations, theft of confidential data or destruction of electronic data) are monitored by the Architectures, Methods and Technologies Department through:

  - a Group-level IT risks Committee set up by the RISD in collaboration with the Risk Management Department, with representatives from company departments and the Information Management Program,

  - Security Monitoring Committees, which verify the application of IT security procedures at operational level in accordance with best international practice (ISO 27001 policy and approach),

  - a structure for validating the architecture and security levels in projects,

  - risk reviews carried out by the RISD, in addition to the audits done by the Internal Audit or Group Protection Departments.

A training system to develop required skills

The Management Control Department actively supports the management employees training program as a way to enhance performance. This program is a tool in the multi-annual plan for transforming the management function and helping to better meet the needs of senior management.

The Management-Finance Academy provides training (both e-learning and classroom courses), educational materials, an economics dictionary for management control and finance staff and employees in general. It continued to broaden and develop these materials in 2010.

Individual and collective skills assessments are planned in the management function for Spring 2011 to work out individual improvement plans and to measure staff performance.

An improvement plan for the internal control system

Key developments in 2010 included:

- the reorganization of the management function in the Group with the creation of an office tasked with standardizing processes, their supporting materials, and their key internal control points, including operational aspects;

- revision of the IT master plan for the management function in application of the new orientations of the management function and its organization;

- a contribution to projects aimed at simplifying processes at Renault, while ensuring that essential elements of internal control are retained;

- development of the system of delegation of authority, including the creation of an archiving system;

- alignment of quality certification procedures for operational processes with the internal control procedures;

- the drawing up of a Renault-Nissan Alliance Charter for suppliers, to encourage them to adopt socially responsible policies in their activities and relations with their own suppliers.

The review of Renault’s internal control system continued in 2010 from two angles:

- development of a guide for applying the AMF internal control standards in a way adapted specifically to Renault based on a comprehensive inventory of the procedural framework at Renault (management and internal control rules). This inventory revealed that the Group’s internal control standards were, on the whole, in line with AMF recommendations. Action plans to formalize certain rules and processes are being prepared and will be periodically monitored in 2011 by the Compliance Committee.

  Some processes that were deemed insufficient in relation to AMF recommendations are being further examined in order to bring them into line with these recommendations and to improve their operational effectiveness;

- an in-depth analysis of operational processes considered high-priority because of their direct impact on the Group’s cash flow. These processes included:

  - the management of new vehicle inventories and the logistics for importing vehicles manufactured outside Europe,

  - the management of warranty expenses on the sales of new vehicles,

  - the payroll process.

The review of these processes made it possible to improve the internal control system by formalizing the internal control methods and bringing them into line with AMF standards and improving their effectiveness.

Improvements were also made to the internal control self-assessment procedure in 2010 with the preparation of new questionnaires, which were sent out prior to the carrying out of new self-assessments.

The multi-year program of analyzing high-priority processes in detail will continue in 2011, notably with in-depth reviews of the following:

- purchasing of externally manufactured parts;

- engineering costs in Automotive projects;

- parts inventory management.

Meanwhile, the overall procedural framework will be updated to take into account the revised standards and application guidelines published by the AMF in July 2010.

RELIABILITY OF ACCOUNTING AND FINANCIAL DATA

The internal control system for accounting and financial data is based on the AMF standards. It covers not only the processes for preparing financial data for the accounts, forecasting and financial reporting, but also the operational processes upstream that go into the production of this information.

Consistency between the management data and published accounting data is the key element in the process of preparing this information.

The Group’s information systems enable it to simultaneously produce accounts according to local accounting rules and those of the Group, ensuring the consistency of data in a centralized system where data are consolidated in short periods of time. The management controllers and the Administrative and Financial Directors of the subsidiaries, under the supervision of the Chairmen and Chief Executive Officers of these same subsidiaries, are responsible for the preparation of the financial statements.

A manual setting out the Group's presentation and evaluation standards (currently being revised) is provided to all entities so that financial information is reported in a uniform manner.

Principles used in the preparation of financial statements

Renault group's consolidated financial statements are prepared in conformity with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) on December 31 of the year and endorsed for application by a regulation published in the Official Journal of the European Union at year-end close.

The Group Accounting Department has an "Accounting Standards and Rules" office that is authorized to impose the application of the accounting rules in force. Company employees are informed through regular communications about changes and updates to the standards.

The Renault group, whose activities are divided into two distinct operational sectors – Automotive and Sales Financing (RCI Banque) – prepares its consolidated financial statements using a single consolidation system based on an accounting charter common to all consolidated entities.

The Group publishes half-yearly and annual statements. Preparations for these statements are made by organizing two anticipated close dates on May 31 for end-June and October 31 for end-December. Summary meetings are organized with the statutory auditors and attended by senior management. The Accounts and Audit Committee is involved at every key stage of the approval process for financial and accounting disclosures.

Structural elements of the control process

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

- operational systems upstream from accounting are standardized as far as possible;

- ERP financial and accounting modules continue to be introduced at industrial and/or commercial entities worldwide.

This highly structured software enables each entity to apply its own internal control process and ensures that processed data are reliable and consistent. In particular, the definition and monitoring of user profiles help to ensure that the rules of task separation are respected.

Control of basic transactions handled by operational systems, where the initial control takes place, is key to ensuring that accounting and financial data are reliable. The operational systems feed data to the auxiliary accounting systems through a number of interfaces. These interfaces, which are continually monitored to ensure they capture all economic events for each process, then rapidly and regularly send these data to the centralized accounting system. Financial and accounting staff pay particular attention to controlling transfers between non-integrated systems and accounting systems. The accounting teams have worked with IT staff to develop a security process to protect the ERP in the event of a major malfunction. A business continuity plan has been introduced at central level as well as at the subsidiaries that use ERP.

MANAGEMENT BODIES AT MARCH 1, 2011

Strengthening management's operational capabilities:

Carlos Ghosn, Chairman of Renault, appointed Patrick Pélata as Chief Operating Officer, effective October 13, 2008. The move was motivated by the Chairman'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[15] 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, and for monitoring 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 nine members:

- Chairman and CEO;
- Chief Operating Officer;
- Renault group Corporate Secretary General;
- Executive Vice President, Sales and Marketing, and Light Commercial Vehicles ;
- Executive Vice President, Plan, Product Planning and Programs;
- Senior Vice President, Manufacturing and Logistics;
- Senior Vice President, Group Chief Financial 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 26 members and includes the members of the Group Executive Committee.

[15] Patrick Pélata has been replaced by Mr. Carlos Tavares in May 30, 2011. Please see after section "Recent Developments" below.

The Chief Operating Officer, the Corporate Secretary General, the Group Chief Financial Officer, the Senior Vice President, Legal department and the President of Renault F1 Team report directly to the President and CEO.

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

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

Organization chart at March 1, 2011

- ■Carlos Ghosn: Chairman and C.E.O.
  - ■Patrick Pélata: Chief Operating Officer
    - Denis Barbier ◆RMC Leader, Americas
    - Jacques Chauvet ◆RMC Leader, Euromed
    - Marie-Françoise Damesin: Senior Vice President, Group Human Resources
    - ■Odile Desforges: Executive Vice President, Engineering and Quality
      - Christian Deleplace: Expert Fellow
      - Nadine Leclair: Senior Vice President, Vehicle Engineering
      - Jacques Prost: Senior Vice President, Powertrain Engineering
      - Jean-Pierre Vallaude: Senior Vice President, Quality
    - Michel Faivre-Duboz: General Manager of Renault in Morocco
    - ■Philippe Klein: Executive Vice President, Plan, Product Planning and Programs
    - ■Gérard Leclercq: Senior Vice President, Manufacturing and Group Supply Chain
    - ■Katsumi Nakamura ◆RMC Leader, Asia-Africa
    - Stephen Norman: Chief Marketing and Communications Officer
    - ■Jérôme Stoll: Executive Vice President, Sales and Marketing and LCV division, ◆RMC Leader, Europe
      - Bernard Cambier: Senior Vice President, Market Area France
      - Jean-Christophe Kugler: Senior Vice President, LCV division
    - Laurens Van Den Acker: Senior Vice President, Corporate Design
    - Christian Vandenhende: Senior Vice President, Purchasing Renault, Alliance 'global purchasing', GM RNPO
  - ■Laurence Dors: Corporate Secretary General for the Renault Group
  - Christian Husson: Senior Vice President, Legal Department, Compliance Officer
  - Bernard Rey: President of Renault F1 Team
  - ■Dominique Thormann: Group Chief Financial Officer, Chairman and CEO, RCI Banque
  - *Directoire de l'Alliance*
    - Bruno Ancelin: Senior Vice President, Alliance Industrial Sourcing, General Manager in Russia, ◆RMC Leader Eurasia
    - Christian Mardrus: Managing Director, Alliance Global Logistics

■ Members of the Group Executive Committee (GEC).
◆ RMC: Region Management Committee.

AUDITS

STATUTORY AUDITORS CHARTER

In 2004, Renault, together with the statutory auditors and under the authority of the Chairman and Chief Executive Officer, took the initiative of drafting a Charter concerning the missions and independence of the statutory auditors and signing it with them. It defines the scope of application, addresses the separation of missions by specifying those inherent in the statutory auditors' function, which are thus authorized automatically, and those incompatible with their mandate. It also specifies the additional or complementary missions that may be performed by the statutory auditors and their networks and how those missions are to be authorized and supervised. Further, in accordance with law, the Charter also includes a commitment to independence and lays down the rules for the rotation of signatory partners. This Charter is consistent with the code of ethics of the profession of statutory auditor.

This Charter governs the relationship between the Renault group (the parent company and the fully consolidated French and foreign subsidiaries) and its statutory auditors. The auditors are responsible for seeing that the Charter is applied by members of their network acting as external auditors for fully consolidated subsidiaries and for ensuring compliance with the regulations in force in countries where Group companies are located.

AUDITORS

Statutory auditors

Deloitte & Associés
represented by Antoine de Riedmatten and Thierry Benoit
185, avenue Charles-de-Gaulle
92524 Neuilly-sur-Seine - France

Name(s) of certified public accountants ("CPA") in charge: Antoine de Riedmatten and Thierry Benoit

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

Composition of assistants involved in auditing services: two CPAs and several other professionals participated in the Company's 2010 audit.

Ernst & Young Audit
represented by Jean-François Belorgey and Aymeric de la Morandière
Faubourg de l'Arche
11, allée de l'Arche
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 2010 audit.

Alternate auditors

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

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

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

FEES PAID TO STATUTORY AUDITORS AND THEIR NETWORK

The audit fees recognized 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 in note 30 of the notes to the consolidated financial statement in VI. Financial Condition, 1. Financial Statement.

(2) Contents, Etc. of Audit Fee

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

Deloitte & Associés (Thousand Euros)

Classification	2009				2010			
	Fees for Services Related to Audit Certification		Fees for Non-Audit Services		Fees for Services Related to Audit Certification		Fees for Non-Audit Services	
	Euro in thousands	Yen in thousands	Euro in thousands	Yen in thousands	Euro in thousands	Yen in thousands	Euro in thousands	Yen in thousands
Filing Company	2,616	314,155	0	0	2,646	310,984	0	0
Consolidated Subsidiary	4,161	499,694	296	35,547	4,323	508,082	193	22,683
Total	6,777	813,850	296	35,547	6,969	819,067	193	22,683

Ernst & Young Audit

Classification	2009				2010			
	Fees for Services Related to Audit Certification		Fees for Non-Audit Services		Fees for Services Related to Audit Certification		Fees for Non-Audit Services	
	Euro in thousands	Yen in thousands	Euro in thousands	Yen in thousands	Euro in thousands	Yen in thousands	Euro in thousands	Yen in thousands

Filing Company	2,283	274,165	0	0	2,351	276,313	0	0
Consolidated Subsidiary	2,699	324,123	94	11,288	2,478	291,239	80	9,402
Total	4,982	598,288	94	11,288	4,829	567,552	80	9,402

(ii) Contents of Other Fees Which Are Material

Not applicable

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

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

(iv) Policies on Determining Audit Fee

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

VI. Financial Condition:
General Explanation

a. The accompanying original consolidated financial statements of Renault SA (“Renault” or the “Company”) and its consolidated subsidiaries (hereinafter Renault and its consolidated subsidiaries shall be collectively called “the Group”) have been prepared in conformity with the International Financial Reporting Standards (“IFRS”) which was adopted by the European Union. In addition, the accompanying original non-consolidated financial statements of Renault have been prepared in conformity with French accounting regulations and generally accepted accounting principles. The provision of Article 129, paragraph 1 of the Regulations Regarding Terminology, Format and Method of Preparation of Financial Statements, etc. (Ministry of Finance Ordinance No. 59 of 1963) is applied to the financial statements of Renault described below. The consolidated financial statements and non-consolidated financial statements in Japanese (hereinafter collectively called the “financial statements in Japanese”) are the translations of the original consolidated financial statements and the non-consolidated financial statements (hereinafter collectively called the “original financial statements”).

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

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

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

c. Japanese yen amounts included in the financial statements in Japanese are the translations for the major Euro amounts stated in the original financial statements. Japanese yen amounts are translated from Euro amounts at the exchange rate of EUR1 = ¥117.53. 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 18, 2011.

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 2010 Consolidated financial statements) *

Auditors' Report (relating to 2010 Parent Company financial statements) *

Auditors' Report (relating to 2009 Consolidated financial statements) *

Auditors' Report (relating to 2009 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

1- February 10, 2011 - Renault 2016 – Drive the change

- Renault 2016 – Drive the Change is founded on Renault's ambition to make sustainable mobility accessible to all, expressed in the brand tagline, "Drive the Change".
- This strategic plan covers a six-year period with a mid-term review at the end of 2013. This will allow us to build a long-term strategic outlook to ensure continuity in operations and to establish precise, quantified priorities for the three years to come.
- Renault 2016 – Drive the Change has been built to meet two objectives:
    - ensure the Group's growth,
    - generate free cash flow on a lasting basis,

with the following aims for the 2011-2013 period:

- sales of over 3 million vehicles in 2013,
- at least €2 billion in aggregate free cash flow.
- The Renault group will work on seven key levers to meet these objectives:
    - pursue the innovation policy,
    - strengthen the product offer,
    - reinforce the image of the Renault brand,
    - ensure the excellence of the distribution network in customer relations,
    - control investment and R&D expenditure,
    - reduce costs,
    - maintain positions in Europe and pursue growth internationally.

Commenting, Carlos Ghosn, Chairman and Chief Executive Officer of Renault, said: "The success of Renault 2016 - Drive the Change relies on the mobilization and engagement of the men and women of Renault throughout the world. They are the key to the company's future. It is their commitment that will contribute to building day after day the Renault of tomorrow. A more competitive Renault meeting stakeholders' expectations. A strong Renault with a powerful brand image and a benchmark level of quality and services that will make all our employees proud. A Renault established in its French roots and at ease all over the world, making mobility affordable for all everywhere. A sustainable Renault in line with the energy and environmental challenges of the 21st century."

Renault weathered the crisis by being less reliant on the European market and the Mégane family. The Group's performance today also relies on light commercial vehicles (a segment in which the Renault brand has been the European leader for 13 years) and the range based on the M0 platform, with the successes of Duster and Sandero in particular. The Group has returned to the path of quality excellence with warranty costs falling 57% between 2006 and 2010.

With these strengths, Renault is aiming for sustained growth, namely sales of over three million vehicles and aggregate automotive operational free cash flow of at least €2 billion in 2013. The Group's operating margin objective is to exceed 5% of revenues in 2013.

A new policy of dividend payments will be proposed to Renault's Board of Directors, which will submit each year a resolution to the Annual Shareholders' Meeting. The policy will consist of two components:

- dividends received from associated companies will be paid systematically the following year to Renault shareholders,
- an additional dividend on the basis of automotive operational free cash flow may be added to that sum based on the economic environment and Renault's financial situation.

SEVEN LEVERS FOR MEETING THE OBJECTIVES OF THE PLAN

1. Innovation to reduce the environmental impact of vehicles

Renault is innovating with electric vehicles

With its partner Nissan it aims to become the leader in zero-emission mobility, namely the first automaker to sell a complete range of electric passenger cars and light commercial vehicles at an affordable price for the greatest number. This year will be a decisive chapter in Renault history with the launch of three electric models, Fluence Z.E., Kangoo Z.E. and Twizy, followed by ZOE in 2012.

Renault is innovating with a new generation of combustion engines, "Energy"

The all-new 1.6 engine – "Energy dCi 130" – will be the most powerful engine on the market with this capacity and offer the best emissions/power ratio in its class. Fitted on Scénic and Grand Scénic from May 2011, it will reduce CO_2 emissions by 20% compared with the previous generation.

Renault's new Energy TCe gasoline engines will cut CO_2 emissions for vehicles in the A, B and C segments by around 30% (or 40 g/km of CO_2 and one liter less fuel per 100 km).

These innovations will help reduce CO_2 emissions significantly. From 137 g/km today, Renault's range in Europe will emit on average less than 120 g by 2013 and less than 100 g by 2016 with the electric vehicle.

2. A robust product plan

Mass marketing a complete EV range

With four electric vehicles by 2012 and further new models to follow from 2014 to 2016, Renault's Z.E. range allied with Nissan's should enable the Alliance to put a cumulative 1.5 million EVs on the road worldwide by 2016. From 2015 the Alliance will have a production capacity of 500,000 vehicles a year.

A broader and entirely renewed combustion-powered range between 2011 and 2016

Renault group brands will have 44 models in 2013 and 48 in 2016, compared with 40 in 2010 and 30 in 2005.

- In Europe, alongside the EV range, leading new models will be launched, such as Twingo phase 2 in 2011, new Clio in 2012 and, under the Dacia brand, a new family car and a small light commercial vehicle in 2012;

- Looking beyond Europe, we shall see a product range that is fully adapted to the needs of international markets. This is particularly true in the high-end range with Fluence, Latitude and SM7. Duster will also play a key role in sales growth outside Europe.

3. A stronger Renault brand

Renault aims to strengthen its image by relying on its distinctive advantages in the fields of innovation for all, quality and design.

Innovation for all

Renault history has been marked by innovations that are accessible to the greatest number, most recently with built-in navigation for less than €500 with Carminat TomTom. Electric vehicles are a perfect illustration of innovation for all, with a price tag and running costs equal to those of an equivalent diesel car.

Quality, a force to be recognized

Strengthening the brand is also based on Renault's return to quality. All of today's multi-brand surveys place Renault products among the best on quality, sometimes ahead of specialist carmakers. Renault is also in the top three on reliability. The Group's objective is to make this better known and to rank among full-line manufacturers in terms of quality image by the end of 2013.

New Renault design

The DeZir concept car unveiled at the Paris Motor Show initiates Renault's new design direction. The story continues with a series of concept cars, including the CAPTUR revealed today. The new phase of Twingo and new Clio will be the first range illustrations, all of them featuring the brand's new styling focuses and cues, with an emphasis on warmth and sensuality.

4. Network excellence in customer relations

Renault is recognized in numerous countries (such as France and Spain) for its service quality. This quality now has to be extended worldwide and to all services, in sales, after-sales and sales financing. Starting this year Renault will also be launching network-wide the "Customer Promise", which formalizes eight commitments including information on order status right through to delivery and guaranteed test drives of any range vehicle.

5. Optimizing investment and R&D expenditure

The Plan aims to maintain investment and R&D spend below 9% of revenues while increasing the Group's geographical coverage and pursuing its innovation policy.

Shared platforms for more volume per platform and enhanced performance

- A new C/D platform will be shared with Nissan for mid- and upper-range models, leading to the production of 1.5 million vehicles a year.
- Renault and Daimler are to share the A platform to build future Twingo and Smart models.
- Renault's light commercial vehicle platforms will benefit from agreements with Nissan and Daimler.

80% of the models launched between 2014 and 2016 will be based on a platform shared with a partner.

Parts standardized through modules

Renault is launching a new standardization approach based on the use of modules, consisting in designing parts from the start to be fitted on several different vehicles. The new policy will be applied first on the new M0 (Entry), B and C/D platforms.

6. Reduced costs to produce more competitive vehicles

Using monozukuri to reduce the direct cost of our vehicles by 4% a year

Renault launched the monozukuri approach in 2010 at four pilot sites and has now extended it to all Group plants. Introduced at Renault thanks to Nissan, monozukuri consists in working on the entire value creation chain, from design through to delivery to end customers, rather than function by function (purchasing, manufacturing, logistics, delivery). The method will lead to a 12% cut in direct costs between now and 2013.

Making better use of our production sites

Renault is adjusting capacity in Europe and increasing production internationally. Renault's industrial sites will benefit from the Alliance and the strategic cooperation agreement with Daimler. These factors will by end-2013 bring about a 20-point increase in production capacity use at plants and improve the capacity use rate to over 100% worldwide.

7. Staying strong in Europe and growing internationally

Renault, No 2 brand in Europe

In a market with weak growth where household car budgets shrank by one quarter between 2000 and 2010, Renault intends to continue benefitting from the market shift to small cars and affordable technologies, and so maintain its positions in Europe.

Three international priorities: Brazil, India and Russia

By 2013 Brazil is expected to become Renault's second-largest market, Russia its fourth – up five places and number one including Lada sales – and India its eleventh, up 20 places.

- Brazil: market share to remain above 5% on a lasting basis and three new models in 2011: Sandero phase 2, Fluence and Duster;
- Russia: market share set to reach 6% in 2013 (excluding Lada) with a broader range: Duster launched in 2012, plus a new M0 platform model in 2013 produced at Togliatti;
- India: launch of two new models, Koleos and Fluence, in 2011; an SUV in 2012; six new models localized in India in 2013.

OUTLOOK 2011

The global automotive market (PC+LCV) should grow by 6% compared to 2010. Trends by Region will continue to be contrasted. Markets outside Europe will remain dynamic while the European market should pursue consolidation (0% to -2%), notably with a decline in the French market of around -8%.

In this context, with the appeal of its internal-combustion vehicle range and the launch of a range of electric vehicles, unit sales and revenues in 2011 should be above 2010. The Group targets an automotive operational free cash flow above €500 million with a ratio of Capex + R&D at 9% of revenues.

2- March 07, 2011 - Renault proposes a dividend of 0.30 € per share for 2010

The notice of invitation to Renault's annual general meeting on April 29, 2011 was published on the morning of March 7, 2011 in the official legal journal in France[16]. The notice includes a proposed resolution related to the payment of a €0.30 per share dividend for 2010.

[16] BALO

The proposed dividend is in line with the Group's new dividend policy announced as part of the strategic plan, Renault 2016 – Drive the Change. If the resolution is approved by shareholders during the annual general meeting on April 29th, the proposed dividend for 2010 of €0.30 per share[17] will be paid on May 16, 2011.

3- April 11, 2011 - Renault announces major changes

The Board of Directors on 11 April examined the conclusions of the two audits requested by Mr Carlos Ghosn, Chairman and CEO of Renault, and by Mr Philippe Lagayette, Chairman of the Accounting and Audit Committee.

These audits were conducted by the internal audit Department and by Bearing Point within Renault between 14 March and 8 April 2011. The two audits carried out a precise analysis of the sequence of events leading to the unjustified incrimination of three Renault executives. The audits thus evidenced the chain of failings and dysfunctions within the company, particularly as regards the supervision and control of the Group Security Department.

The Accounting and Audit Committee discussed Bearing Point's report. Philippe Lagayette set forth the recommendations of the Accounting and Audit Committee for the benefit of the Board. A summary of those recommendations is attached to the press release dated April 11, 2011.

Carlos Ghosn once again stated before the Board how much he regrets this dysfunctioning, as well as his firm intention of drawing all the appropriate consequences for the proper running of the Company. First of all, he updated the Board regarding the progress of the negotiations with the executives who were unjustly dismissed, as regards their being compensated for the damage suffered.

Compensation for the employees

The Board of Directors reviewed the findings of Professor Nicolas Molfessis, Professor of Law at the University of Panthéon-Sorbonne, and the recommendations of Mr. Jean-Claude Magendie, former Chief Judge of the Paris Court of Appeals, as regards the valuation of the moral damage.

Renault has arrived at an agreement in principle with Messrs Michel Balthazard, Matthieu Tenenbaum and Bertrand Rochette. As agreed at the Board Meeting held on 14 March 2011, each agreement was presented to the Board in detail. The Board is pleased that the outcome of the negotiations is positive and unanimously approves the final settlement.

Moreover, Renault has arrived at an agreement with Mr Philippe Clogenson regarding the damage suffered by him in connection with his dismissal in 2009. Mr Clogenson will be back at Renault starting on May 2, 2011, as Director of Business Development of Renault Consulting.

Changes inside Renault

On the basis of the findings of the audit report, the Chairman informed the Board of Directors of the decisions concerning the changes in the organization of the company.

As regards Mr. Rémi Pagnie, Director of Group Security, as well as his two co-workers, Messrs. Dominique Gevrey and Marc Tixador, procedures in view of their leaving the company will be implemented.

Mr. Jean-Yves Coudriou, Senior Executive Staff Manager, Mr. Christian Husson, Head of the Legal Department are relieved of their duties pending discussions concerning their future.

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[17] Corresponding to the €88 million of dividends received in 2010 from associated companies

The same applies to Ms. Laurence Dors, General Secretary, due to the changes contemplated in the General Secretariat.

Mr. Patrick Pélata, Chief Operating Officer of Renault, asked to be relieved from his duties after acquainting himself with the audit report. This request was accepted. He will continue to manage current operations until he leaves Renault. He will then be offered other duties inside the group formed by the Renault-Nissan alliance. Mr. Carlos Ghosn stresses that Patrick Pélata's skills remain valuable and are an asset for the group.

Ms. Mouna Sepehri is appointed Delegate Director to the Chairman and CEO Office of Renault and shall supervise the functions which presently report to the General Secretariat, as well as the Legal Department. Moreover, she will carry out a study of the teachings to be derived from this crisis in terms of communications. She becomes a member of the Executive Committee of the Renault group.

Ms. Marie-Françoise Damesin, Director of Human Resources, becomes a member of the Executive Committee of the Renault group.

Moreover, in accordance with the recommendations of the Accounting and Audit Committee, the following measures are contemplated:

- an in-depth reform of ethics and risk management policies, involving in particular the upcoming appointment of an Ethics Manager reporting to the Chairman, who will chair the Ethics Committee to be substituted for the present Compliance Committee.

- the transformation of the Board of Directors' Accounting and Audit Committee into a Risk and Ethics Audit Committee. Its assignment will be extended to the supervision of the Ethics Committee, in coordination with the Chairman of the Appointments and Governance Committee.

- the creation of an Audit and Risk Control Department, which shall include all the entities that take part in dealing with risk.

Group Security Department

The findings of the audit make the reorganization of the Security Department a priority. The crisis offers Renault the opportunity of creating an Information Security Department which will be exemplary for a manufacturing group. For this purpose, the Chairman informed the Board of Directors of his decision to entrust Alain Bauer, Professor of Criminology at the Conservatoire National des Arts et Métiers, and Alain Juillet, Senior Advisor in the firm of Orrick Rambaud Martel, assisted by Eric Delbecque, director of the Economic Security Department of INHESJ, with an assignment aiming at preparing, following an in-depth dialogue with the main persons in charge of those matters and with the relevant government agencies and their heads, the draft reorganization of the tools required for the protection of the assets of the company.

The Board of Directors approves this initiative and appreciates the fact that it will be conducted in cooperation with government agencies.

The Board of Directors thanks Mr. Philippe Lagayette for the exemplary care and diligence which he evidenced in conducting this audit. It highly appreciates the Chairman's commitment to implement the recommendations of the audit report promptly and assures him of its full support. It will follow the various stages of this implementation with great interest.

At the outcome of the Board meeting, Carlos Ghosn stated: "This extraordinary meeting of the Board of Directors has turned a painful leaf in the history of Renault. Beyond the executives involved, all the employees of Renault have suffered from this crisis. This is the reason for which major changes have been made in order to restore trust in the company. Patrick Pélata will leave Renault without leaving the group. I thank him for his action at the service of Renault and of the Alliance. His skills remain an asset for the Group."

Appendix 1: Recommendations of the Accounting and Audit Committee to the Board Meeting held on 11 April 2011

The Accounting and Audit Committee met five times between 14 March and 8 April 2011.

These meetings dealt with the operation of the Company and in no way with matters under investigation by the courts.

First of all, the Committee, together with the Chairman of the Board of Directors, requested the Director of the Internal Audit Department to prepare a report concerning the chronology of the events which took place between 17 August 2010 and 14 March 2011 in relation to the matter at hand.

On this basis, the Committee requested the Bearing Point consultancy firm to prepare a report identifying the main dysfunctions which took place within the company and to present recommendations aimed at remedying them.

The Audit Committee discussed the consultant's report on 5 and 8 April and here presents his findings to the Board.

The main dysfunctions may be summarized as follows:

- Failure to comply with regulations in connection with an ethical alert and with fraud.

The regulations and the role of the Compliance Committee were ignored until after the 3 suspensions had taken place.

The actual way in which the matter was investigated was deliberately concealed from the Board of Directors and from the Audit Committee, who were told in writing that "beginning on 30 August the anonymous letter of denunciation was dealt with under the internal procedures of the Compliance Committee relating to an ethical alert".

- The matter was not referred to the Internal Audit Department, whereas it should have been, since fraud was involved.

- Failure by the Group Security Department to supervise the investigation.

The Group Security Department referred the matter to itself and its Director failed to control the progress of the investigation, as did their line managers.

The very succinct notes reflecting the results of the investigation were not subjected to a truly critical review, whether as regards their contents or their source, by the persons mainly responsible for the suspensions and later for the terminations.

Decisions were made informally by only a few individuals, without any organised two-party consultation with experts in risk management, law and HR.

The payment of over €200,000 to poorly known companies for unspecified services was able to occur without being prevented by the internal regulations of the Company.

These dysfunctions gave rise to the three main errors made by the company during that period:

- Keeping the official departments responsible in the dark, whereas espionage was involved

- Termination of employees on the basis of unsupported accusations which they were unable to answer

- Internal and external communications leaving no room for doubt over a period of several weeks

In order to avoid, to the extent that this is possible, the reiteration of such events, damaging as they are to the persons incriminated and to the company, the audit committee makes the following recommendations:

1 – The corporate management of the company must be able to enter the period now beginning without being handicapped by the remains of this collective failure.

Consequently, the persons who have played a leading role in investigating the matter and/or in reinforcing the conviction that corruption was involved must not keep their positions.

The two audit reports do not lead to the conclusion that the Chairman of the Company belongs in this category.

The decisions relating to the top executives are the responsibility of the head of the Company.

2 – The recommendations of Bearing Point should be largely implemented, insisting on the following points:

- As regards the spirit of the management, ethical values and respect for persons, as well as engaging a dialogue prior to any decision, should be first and foremost and their principle should be reinforced

- As regards procedures, the policies to be followed should be rewritten in a simpler and clearer form in many areas; this includes eliminating any contradictions resulting from their chronological accumulation. This applies in particular to provisions dealing with fraud, risk control, asset protection, crisis management and control of purchasing.

- As regards organisation:

  - The committee supports the decision (which has already been made) to reunify the HR Department and has it report directly to the CEO
  - At the same level, directly reporting to the CEO, would be Operations, as well as the Finance Department and the General Secretariat, bringing together all the support functions, including the Legal Department but excluding audit and control.
  - An Audit and Risk Control Department would report directly to the CEO, together with an Ethics Director who would have to be a person respected for his/her skills and seniority.
  - Two committees, i.e. Risk and Internal Control and Ethics, would ensure that the decisions in those areas would be made with the support of all the required experience and skills.

* Alain BAUER

Professor of Criminology at the Conservatoire National des Arts et Métiers. Senior Research Fellow at John Jay College of Criminal Justice (NY) and at the University of Beijing. Consultant at the NYPD (New York), the LASD (Los Angeles) and the Criminal Investigation Department of Quebec. Chairman of the Higher Council for Strategic Training and Research. Chairman of the Orientation Board of the National Observatory of Crime and Criminal Sanctions. Chairman of the Police File Control Group. Former Chairman of the task force for court files. Former Chairman of the task force for customs files.Former member of the Board of HALDE. Former member of the National Consultative Committee for Human Rights. Member of the honorary Committee of the International League against Racism and Anti-Semitism (LICRA). Auditor at IHESI.

** Alain JUILLET

Born in 1942, Alain Juillet is a graduate of the Centre de Perfectionnement aux Affaires (CPA) of the Higher Business School of Paris (HEC) and of Stanford University. After serving as an officer in the 1st RCP and later in the SDECE task force, he left the military with the rank of colonel, subsequently holding positions as a manager and later a general manager in many French and foreign companies such as Pernod Ricard (1969-1985), Jacobs Suchard (1986-88), l'Union Laitière Normande (1988-92), Générale Ultra frais (Groupe Andros, 1992-98), France Champignon (1998-2000) and Marks and Spencer France, whose chairman he was in 2001-2002. Simultaneously, between 1978 and 2002, Alain Juillet was adviser to the French Department of Foreign Trade. He became a consultant in international corporate development and crisis management (2002), and later Director of Intelligence at the General Department of Foreign Security (DGSE) (2002-03). He was appointed Head of Economic Intelligence at the General Secretariat of National Defense under the Prime Minister in 2004. Alain Juillet taught as Associate Professor of Corporate Strategy at the CPA (1988-2002), and as a Lecturer at the Institute of Political Science in Paris. He also teaches economic intelligence at the National School of Administration and at the National College of the Judiciary. He was lecturer at the Higher Institute of Defense Studies (IHEDN) (1987-88) and at the Higher Institute of Domestic Security (Ihesi) (1989-90). For the past seven years he has headed the Opéra Eclaté Theater Company. He is presently a Senior Adviser with the firm of Orrick Rambaud Martel, where he is responsible both domestically and internationally for contracts, mergers and acquisitions, reorganizations and crisis management. Alain Juillet is a Higher Officer of the Legion of Honor, a Knight of the National Order of Merit, of Academic Merit and of Arts and Letters, as well as an Officer of Agricultural Merit.

4- April 26, 2011 – 2010 Financial Results

THE RENAULT GROUP REPORTS 15% INCREASE IN REVENUES AND RECORD SALES IN THE FIRST QUARTER

- Renault Group revenues totaled €10,431 million in the first quarter, up 15.0% on the same period in 2010.
- The Group posted record sales in the first quarter, selling 692,607 units, or 5.8% more than in the first quarter of 2010, on the back of growth in markets outside Europe, particularly Brazil, Turkey and Russia.
- Group sales outside Europe climbed 26.6%, reaching an unprecedented 259,308 units. Market share was up in the Eurasia and Americas Regions.
- Automotive revenues rose 15.3%, on strong sales and an improved product mix.
- As announced, the remaining amount on the loan provided by the French government in April 2009 was repaid early in two installments in February and April.
- The target of Automotive operational free cash flow[18] above €500 million in 2011 has been confirmed.

Commenting on the results, Carlos Ghosn, Renault Chairman and CEO, said, *"The first-quarter results are good, lifted by stronger markets and our good international sales performance. In this environment, we are in a position to absorb the forecasted impact of potential supply constraints and confirm the operational free cash flow target for 2011"*.

Commercial results: First-quarter 2011 highlights

Buoyed by growth in international markets, Renault Group sales amounted to 692,607 units in the first quarter, rising 5.8% in a global market that expanded by 7.2%. The Group increased its market share outside Europe in two key regions, the Americas and Eurasia.

In Europe, in a passenger car and light commercial vehicle market that fell slightly (1.0%), Group sales were down 3.7%, owing mainly to supply constraints in the first quarter. In France, these

[18] Operational free cash flow: cash flow (excluding dividends received from listed companies) minus tangible and intangible investments net of disposals + /- change in working capital requirement.

constraints were compounded by the last deliveries made under the scrappage bonus, leading to a 0.5% drop in sales in a market that rose by a strong 8.8%.

The Renault brand was number two in Europe, with 8.9% of the passenger car and light commercial vehicle market (down 0.3 points on the first quarter of 2010), moving up one place compared with last year.
In the light commercial vehicle market, Renault brand sales surged 12% in a recovering market (8.6%).
Commanding a 15.4% share of the market, the Renault brand consolidated its position as leader, with a substantial 3.2-point lead over its nearest rival (compared with 0.9 point in the first quarter of 2010).

Outside Europe, buoyed by robust markets, Group sales rose 26.6% in the first quarter to a record 259,308 units, accounting for 37% of the Group's total sales (six points higher than in Q1 2010).

In the **Eurasia** Region, sales rose 88.2% in markets that grew 66.4%, thanks to the success of new products, in particular Sandero. The Group had a 6.0% share of the Russian market, up 0.5 point compared with Q1 2010.

In the **Euromed** Region, where markets grew 37.0%, sales were up 33.0% amid contrasting country performances. The Group did well in Turkey, reporting a 120% increase in sales and raising its market share by 3.3 points owing in particular to the success of Mégane and Fluence. Sales in Romania, meanwhile, fell 27.1% in a market that was down 15.0%.

In the **Americas** Region, sales hit records for both volume and market share. Sales climbed 35.3% in markets that rose 12.6%, while market share advanced by one point compared with Q1 2010 to 6.0%. Brazil was the Group's third-largest market in the first quarter of 2011.

In the **Asia-Africa** Region, Group sales declined 2.3% in markets that were up 3.5%. Renault Samsung Motors in Korea had to contend with an unfavorable comparison basis and a major offensive by competitors.

First-quarter revenues by activity

Group revenues increased 15.0% to €10,431 million in the first quarter of 2011.

Automotive revenues rose 15.3% (14.0% excluding currency effects). The increase relative to Q1 2010 was mainly attributable to:
· increased sales of new vehicles, for 4.3 points (including a negative one-point impact from the geographical mix),
· an improved product mix, for 5.9 points, far exceeding the negative impact of price erosion (-0.7 point),
· increased business with partners, for 1.9 points (sales of vehicles, components and powertrains).
Sales Financing revenues rose 8.4% in first-quarter 2011. The number of new contracts for RCI Banque (253,109) rose 11.3% compared with the first quarter of 2010, and average loans outstanding amounted to €22.0 billion, up 7.3% on first-quarter 2010.

Overview of the Group's financial situation

In the first quarter, the Group's financing activity continued through RCI Banque, which raised €2 billion on the markets by making two bond issues (€1.5 billion) and securitizing a German auto leasing portfolio (€0.5 billion). In April, RCI Banque also made its firstever bond issue in the USA, a Rule 144A / Regulation S private placement worth $1.25 billion.
As announced, Renault made an early repayment in two installments (February and April) of the remaining €2 billion on the loan provided by the French government in April 2009.

At March 31, 2011:
- Automotive had €4 billion in undrawn confirmed credit lines with top-rated banking institutions;
- RCI Banque's available securities (undrawn confirmed credit lines, European Central Bank eligible assets and cash) amounted to €6.5 billion, covering more than two times total outstandings of commercial paper and certificates of deposit.

Outlook

The Group's results for Q1 2011 are ahead of plan compared to guidance given at the start of the year. With the supply of certain parts already under strain in the first quarter, the tsunami in Japan has increased the pressure on the global automotive industry's logistics chain and could result in slower production in the coming months.
At this stage, the Group's targets for full-year 2011[19] are unaffected by the expected temporary impact of this slowdown. In 2011, Renault is expecting to post higher sales volumes and revenues than in 2010, with global industry volumes lower than initial expectations. The Group is targeting Automotive operational free cash flow of over €500 million with a ratio of capital expenditure and R&D close to 9% of revenues.

5- May 12, 2011 - Nissan contributes €93 million for the first-quarter 2011 to Renault's earnings

Nissan released its results for the full fiscal year 2010/2011 (April 1, 2010 to March 31, 2011) today. After restatements, the result reported by Nissan, in Japanese GAAP, for the fourth quarter of fiscal year 2010/2011 (January 1st to March 31st 2011) will have a positive contribution to Renault's first half 2011 net income estimated at €93 million[20].

6- May 30, 2011 – Carlos Tavares appointed Chief Operating Officer at Renault

Following a proposal by the Appointments and Governance Committee, Carlos Ghosn, Chairman and Chief Executive Officer, has appointed Carlos Tavares as Chief Operating Officer for Renault.

Under the leadership of Carlos Ghosn and working with the Group Executive Committee which is evolving, Carlos Tavares will oversee the implementation of the Renault 2016 - Drive the Change programme, which will ensure that the group accelerates its growth in all international markets and increases its presence in new technologies, particularly electric vehicles. Permanent improvement in competitiveness and the development of sites in France will be a priority. Carlos Tavares will gradually assume his responsibilities from May 30, 2011, and will have fully assumed his responsibilities by 1 July 2011.

Carlos Tavares is a graduate of Ecole Centrale de Paris. He has spent most of his working life with Renault, where he held a wide range of posts in France, in the Engineering and Programmes division. He joined Nissan in 2004 as Programme Director and then as Vice President, Product Strategy and Product Planning. In 2005 he was appointed Executive Vice President at Nissan, joining the Board of Directors. In 2009 he assumed responsibility for operations at Nissan Americas.

For Carlos Ghosn, "*the appointment of Carlos Tavares is a first step in strengthening Renault's management. Carlos Tavares knows the automotive industry in all its dimensions: design, engineering, production, marketing, sales and international deployment. His talent and experience will be key strengths for Renault and for all its employees as we go into the first year of our Renault 2016 - Drive*

[19] Renault owns 43.4% of Nissan, taken as equity associated earnings in the accounts. Any potential impact occurring from the natural disaster in Japan on Nissan's operations shall be communicated by Nissan.
[20] Based on an average exchange rate of 112.52 yen/euro for the period under review.

the Change programme. For my part, I am fully committed to the development of Renault and the management of the Alliance."

(2) LITIGATION CASES

Refer to Part I- III – 4. Risks in Business, etc. - Legal procedures and arbitration.

4. Differences between IFRS and Japanese GAAP

The accompanying financial statements have been prepared in conformity with IFRS as adopted by the European Union. Such accounting principles differ in certain respects from those prevailing in Japan. The major differences relating to the financial statements presented in the last period are summarized below.

1) Consolidated accounts

a. Foreign accounting standards

Under IFRS, the consolidated accounts are prepared on the basis of uniform accounting policies.

Under Japanese GAAP, and the practical guideline on unification of accounting policies of foreign subsidiaries for consolidated financial statements, in preparing consolidated financial statements, accounting policies and procedures adopted by the parent company and its subsidiaries must be unified for transactions of the same nature which occur under identical circumstances. On the other hand, the practical guideline permits, as a tentative treatment, if the financial statements of overseas subsidiaries have been prepared in accordance with IFRS or U.S. GAAP, to use these financial statements for consolidation purposes, except for the following items:

- 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 and amortization of intangible assets arising from development phases.
- Reevaluations of investment properties, and property, plant and equipment, and intangible assets
- Retrospective application when accounting policies are changed
- Presentation of net income before attribution to Group share and minority interest (or non-controlling interest).

Effective April 1, 2008, practical guideline application was limited to foreign entities consolidated under full-consolidation method leaving equity method foreign subsidiaries reporting in their local GAAP. Effective April 1, 2010, practical guideline application has been extended to equity method companies.

b. Translation of the financial statements of foreign subsidiaries

Under IFRS, each individual entity is required to determine its functional currency and to measure its operating results and financial position in that currency. This functional currency may be the local currency or a different currency in case where most transactions are carried out in a different currency for instance.

Although Japanese GAAP is silent about the functional currency, the local currency is treated as the functional currency in practice under Japanese GAAP.

c. Method of consolidation

The equity method is one of the two methods allowed by IFRS for companies not fully controlled (along with proportionate consolidation). Companies in which significant influence is exercised are accounted for under the equity method. Companies jointly controlled are usually consolidated on a proportionate basis but may be consolidated using the equity method.

Under Japanese GAAP, joint ventures are accounted for by the equity method. Consolidation on a proportional basis is not permitted, subject to the effect, if any, of other treatment allowed by local GAAP accepted for Japanese GAAP consolidation purposes (see §a).

d. Accounting for business combination

Under IFRS, accounting for business combination allows the purchase method only. Effective April 1, 2010, pooling of interest is disallowed under JGAAP, hence convergence to IFRS on this matter is now almost perfect.

2) Presentation of statement of financial position and statement of comprehensive income

The major differences identified relate to the following items;

a. Current and non-current assets and liabilities

Under IAS 1.51, "an entity shall present current and non-current assets and current and non-current liabilities, as separate classifications on the face of its statement of financial position except when a presentation based on liquidity provides information that is reliable and is more relevant".

Under Japanese GAAP, a presentation based on liquidity is generally adopted.

b. Asset-backed securities

The recording of asset-backed securities could differ between IFRS and Japanese GAAP. Even though there is no impact on the shareholders' equity, the statement of financial position presentation can be affected, including the valuation of current / non-current assets and/or liabilities.

Under IFRS, financial assets shall be derecognized mainly based on risk-and-reward approach, and financial component approach, where legal isolation is not always required.

Under Japanese GAAP, financial assets shall be derecognized based on financial component approach, where legal isolation is always required.

c. Classification of extraordinary items

Under IFRS, the concept of extraordinary items is eliminated and the presentation of items of income and expense as extraordinary is prohibited.

Under Japanese GAAP, extraordinary items are defined as items unusual in nature and significant in amount. Those include, but are not limited to, gains or losses on disposal of property, plant and equipment and investment securities other than those classified as trading, losses from disasters and so on.

d. Comprehensive income

Under IFRS, comprehensive income for the period attributable to owners of the parent and non-controlling interests are disclosed on the statement of comprehensive income. Effective from March 31, 2011 year-end closing, this requirement has been extended to JGAAP. Perfect convergence with IFRS will be completed on March 31, 2012 with efforcement of disclosure on “amounts reclassifified to net income in the period that were recognized in other comprehensive income in current or previous periods” (recycling effects).

3) Leases

Under IFRS, leases for which all risks and rewards incidental to the ownership of the assets are substantially transferred to the lessee are recorded as finance leases in the consolidated financial statements of the lessee.

Under Japanese GAAP, leases that deem to transfer ownership of the leased property to the lessee are to be capitalized by the lessee, while other leases, under the allowed alternative method, are permitted to be accounted for as operating lease transactions if certain “as if capitalized” information is disclosed in the notes to the lessee’s financial statements.

However, effective April 1, 2008, the allowed alternative method has been eliminated and all financial leases are to be accounted for as such.

4) Impairment of assets

Under IFRS, impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount determined as the higher of an asset’s or cash-generating unit’s fair value less costs to sell and its value in use.
The value in use of an asset under IFRS amounts to the present value of the future cash flow. Under IFRS, the best evidence of an asset’s fair value is i) a price in a binding sale agreement, ii) the market price, iii) the best information available to reflect the amount that an entity could obtain, at the balance sheet date, from the disposal of the asset in an arm’s length transaction between knowledgeable and willing parties.

Under Japanese GAAP, an impairment loss is recognized if the carrying amount of assets exceeds the sum of the undiscounted future cash flows expected to be generated from the continued use and potential disposal of the assets. In the situation where an impairment loss is recognized, this loss will be assessed as the difference between the carrying value of the assets and the present value of the future cash flows expected to be generated from these assets. The reversal of an impairment loss is not permitted under JGAAP.

5) Financial instrument

The analysis of the differences between Japanese GAAP and IFRS is conducted by the Committee of European Security Regulators (the “CESR”). The key differences are the following:

a. Redeemable shares

Under IFRS, and based on the current understanding of IAS 39 on that matter, the redeemable shares with embedded derivative which cannot be evaluated separately, are recognized as a debt and accounted for at fair value.

Under Japanese GAAP, redeemable shares are initially recorded at their issuance cost. No specific standards govern subsequent measurement.

b. Hedging

Under IFRS, hedging instruments, along with the hedged items when qualified for hedge accounting, are accounted for at fair value.

Under Japanese GAAP, all derivatives are carried at their fair value and unrealized gain and loss arising from those derivatives are charged to the income statement except when certain criteria for hedge accounting are met. In that case, those unrealized gain and loss are deferred and included in equity. Certain synthetic method is allowed for hedge accounting by using interest rate swap or foreign exchange forward contracts.

c. Impairment of sales finance receivables

Under IFRS, a valuation allowance on sales finance receivables should be recorded when the underlying receivables are subject to impairment. The recognition and measurement of such provision is subject to the existence of objective evidence, including documentation of a triggering event and supporting evidence of the corresponding depreciation rates and patterns by category of receivables.

Under Japanese GAAP, a valuation allowance is recorded for the whole portfolio, based on the past experience, even in the absence of a delinquency triggering event. In addition, a specific allowance is provided for doubtful receivables based on the relevant factors such as financial condition of debtors and the fair value of collateral, if any.

6) Valuation of inventories

Under IFRS, costs in inventory are assigned by using the first-in, first-out method or the weighted average cost method.

Under Japanese GAAP, the last purchase cost method and last-in first-out method had also been applied. Effective April 1, 2008 the lower of cost or market value method is required to be applied. Effective April 1, 2010, the last-in first-out method is no longer acceptable.

7) Goodwill

a Translation of goodwill

Under IFRS, goodwill generated by a combination with a foreign company is recorded in the functional currency of the entity acquired and subsequently translated to the Group's presentation currency using the closing rate.

Under Japanese GAAP, goodwill had been translated and carried in the currency of the acquiring entity at the rate applicable at the date of acquisition. Effective April 1 2010, goodwill generated by a combination with a foreign company is translated to the Group's presentation currency using the closing rate.

b Amortization of goodwill

Under IFRS, goodwill are not amortized but impaired when required.

Japanese GAAP requires amortization of goodwill on a straight-line basis over a period not exceeding 20 years. Impairment is also recognized when required although the reversal of impairment loss is not permitted.

c Negative goodwill

IFRS states that all negative goodwill need to be recognized immediately in income.

Under Japanese GAAP, negative goodwill had been recognized as a liability and amortized on a straight-line basis over a period not exceeding 20 years. Effective April 1 2010, all negative goodwill is recognized immediately in income.

8) Employee benefits

a. Pension liability

Under IFRS, the whole amount of the vested benefits is accrued in the financial statement.

Under Japanese GAAP, the accounting standard for accruing pension has been issued and became effective in 2000. As a result of the first application of this new regulation, most Japanese companies chose the option of amortizing the cost related to the service prior to the effective date over a period not exceeding 15 years.

b. Actuarial differences on pension accrual

IFRS allows entities to elect between two options for the recognition of actuarial differences:

- Recognizing them as a liability as incurred, counterpart in shareholder equity.
- Amortizing them through a “corridor approach”.

Renault has adopted a policy of recognizing the actuarial gains and losses in the period in which they occur and directly in other comprehensive income.

Under Japanese GAAP, all unrecognized actuarial gains and/or losses are subject to amortization after consideration of materiality.

c. Accrual for compensated absence

Under Japanese GAAP, accrual for compensated absence is not required while such liability should be recognized under IFRS.

9) Stock option plans granted to employees

Under IFRS, the cost of stock option plans granted by the Group to the employees is measured by reference to the fair value of those options. The expense is recognized, together with the corresponding increase in equity, over the specified period of service (the vesting period).

If option is exercised, price difference with underlying new shares is charged to equity.
If the instruments are forfeited or the options are not exercised, previous expense is not reversed.

Under Japanese GAAP, Accounting Standard for Stock Option is applicable to stock options granted after enforcement of the New Company Law (May 1, 2006). Stock option category addressed is limited to equity settled share-based payment transactions and no clear guidelines is given for cash-settled share-based payment transactions.

Alike IFRS, under the Japanese GAAP rule for equity-settled plans, the cost of stock option plans granted by the Group to the employees is measured by reference to the fair value of those options. Fair-value is fixed upon stock option attribution date, and corresponding expense is recognized, together with the corresponding increase in equity, over the vesting period. When option expires, previous expense is offset through extraordinary income.

10) Research and development expenses

In compliance with IFRS, the development expenses incurred after the approval of the project that includes the decision to implement production facilities and the approval of the design for mass production are capitalized until the start of production. They are amortized on a straight-line basis over the expected market life of the vehicle or part, up to a maximum period of 7 years.
Expenses incurred before the formal approval of the product development are recorded as costs in the period they are incurred, in the same way as research expenses.

Under Japanese GAAP, any research and development expenditure is to be recognized as an expense when incurred.

11) Assets Retirement Cost Obligation

Until March 31, 2010, JGAAP did not stipulate the obligation to recognize Assets Retirement Cost obligation as a liability. From April 1, 2010, Asset Retirement Oblogation or similar removal costs of tangible assets are considered incurred when fixed assets are acquired, constructed, developped or used in ordinary way. First time application impact should be charged to extraordinary loss. Obligation is valorized as discounted amount of cash-flow requested to remove fixed asset. This JGAAP accounting change (ASBJ Statement 18 and Guidance 21 dated March 31 2008) is consistent with IAS16.

12) Impact of the first application (for the year ended on December 31, 2005) of IFRS

Further to the recurrent GAAP differences described above, the following items have generated some significant one shot differences in equity as a result of the first time adoption of IFRS. The most significant differences are in relation with:

a. Treasury shares
b. Financial instruments
c. Research and development expenses and retrospective application of IAS 38
d. Sales with buy-back commitments
e. Pension liabilities

13) Borrowing costs capitalizations:

Under IAS 23 effective from January 1, 2009, borrowing costs that are directly attributed to the acquisition, construction or production of a qualifying assets shall be capitalised as part of the cost of that asset. Under Japanese GAAP, borrowing costs are generally recognised as incurred, rather than capitalised.

VII. MOVEMENT OF FOREIGN EXCHANGE QUOTATION

To exchange quotation of the currencies (Euro) used in the financial documents of Renault against Japanese yen has been reported for the recent five business years and for the recent six months in not less than two daily newspapers reporting on general affairs published in Japan.

VIII. OUTLINE OF HANDLING OF SHARES, ETC. OF THE COMPANY IN JAPAN

Not applicable.

IX. REFERENCE INFORMATION RELATING TO THE COMPANY

1. Information of Parent Company, etc. of Filing Company

Not applicable

2. Other Reference Information

The following documents were filed with the Director General of the Kanto Local Finance Bureau during the period from the beginning of the relevant fiscal year to the date of filing of this report:

NAME OF DOCUMENTS	FILING DATE
(1) 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
(2) 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
(3) SECURITIES REPORT AND ATTACHMENTS THERETO	JUNE 4, 2010
(4) SHELF REGISTRATION STATEMENT	JUNE 4, 2010
(5) SEMI-ANNUAL SECURITIES REPORT AND ATTACHMENTS THERETO	SEPTEMBER 30, 2010

(6) AMENDMENT TO SHELF REGISTRATION STATEMENT (AMENDMENT TO THE STATEMENT DESCRIBED IN (4) ABOVE)	**SEPTEMBER 30, 2010**
(7) AMENDMENT TO SECURITIES REPORT (AMENDMENT TO THE REPORT DESCRIBED IN (3) ABOVE)	**NOVEMBER 30, 2010**
(8) AMENDMENT TO SEMI-ANNUAL SECURITIES REPORT (AMENDMENT TO THE REPORT DESCRIBED IN (5) ABOVE)	**NOVEMBER 30, 2010**
(9) AMENDMENT TO SHELF REGISTRATION STATEMENT (AMENDMENT TO THE STATEMENT DESCRIBED IN (4) ABOVE) AND ATTACHMENTS THERETO	**NOVEMBER 30, 2010**
(10) AMENDMENT TO SEMI-ANNUAL SECURITIES REPORT (AMENDMENT TO THE REPORT DESCRIBED IN (5) ABOVE)	**DECEMBER 2, 2010**
(11) AMENDMENT TO SHELF REGISTRATION STATEMENT (AMENDMENT TO THE STATEMENT DESCRIBED IN (4) ABOVE)	**DECEMBER 2, 2010**
(12) SUPPLEMENTAL DOCUMENT TO SHELF REGISTRATION STATEMENT (SUPPLEMENTAL DOCUMENT TO THE STATEMENT DESCRIBED IN (4) ABOVE)	**DECEMBER 3, 2010**

PART IIINFORMATION CONCERNING GUARANTOR, ETC. OF THE COMPANY

Not applicable.