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2009 REGISTRATION DOCUMENT

DRIVE THE CHANGE

RENAULT

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INCLUDING THE MANAGEMENT REPORT APPROVED BY THE BOARD OF DIRECTORS ON FEBRUARY 10, 2010

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Registration Document is on line on the website www.renault.com (French and English versions). The French version has been filed with the AMF (French financial markets Authority) on March 25, 2010.

1.

RENAULT AND THE GROUP

1.

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1.1 PRESENTATION OF RENAULT AND THE GROUP

1.1.1 KEY FIGURES

THREE-YEAR CONSOLIDATED FIGURES – PUBLISHED DATA(1)

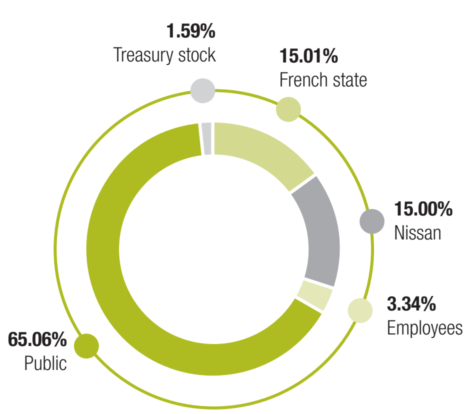
(€ million)	2009	2008	2007
Revenues	33,712	37,791	40,682
Operating margin	(396)	212	1,354
Share in Nissan Motor net income	(902)	345	1,288
Renault net income	(3,125)	571	2,669
Earnings per share (euro)	(12.13)	2.23	10.32
Capital	1,086	1,086	1,086
Shareholders' equity	16,472	19,416	22,069
Total assets	63,978	63,831	68,198
Dividends (euro)	0(2)	0	3.8
Cash-flow	1,467	3,061	4,552
Net financial debt	5,921	7,944	2,088
Total staff at December 31	121,422	129,068	130,179

(1) This information is for reference purposes only and is not always directly comparable year-on-year, since it may include changes in scope and/or accounting practices. See chapter 7 note 3 to the consolidated financial statements.

(2) The dividend proposal to Combined General Meeting of April 30, 2010.

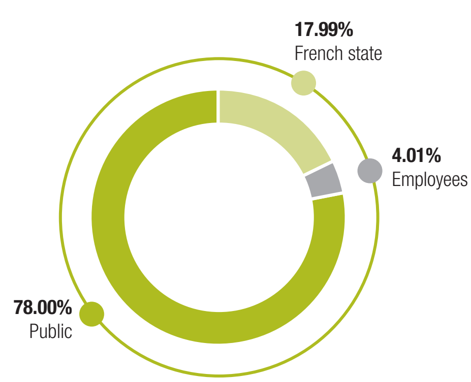
RENAULT SHAREHOLDERS AT DECEMBER 31, 2009

BREAKDOWN OF CAPITAL AS A % OF SHARES



See chapter 5.2.6.

BREAKDOWN OF CAPITAL AS A % OF VOTING RIGHTS



See chapters 5.2.1 to 5.2.5.

1.1.2 BACKGROUND AND HIGHLIGHTS

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.

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.

1945

The company was nationalized in January, renamed "*Régie Nationale des Usines Renault*", and concentrated on producing the 4CV.

1972

Renault 5 arrived on the market. It remains one of the Group's best-selling models ever.

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 refocussing on its core activities, and returned to profit in 1987.

THE 1990s

In 1990, Renault became a limited company once again. In the same year, it signed an agreement for close cooperation with the Volvo group. In 1991, the two groups linked their automobile and commercial vehicle businesses *via* cross-shareholdings. This arrangement was unwound after plans to merge the two groups were shelved in late 1993.

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

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

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

2000

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

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.

2002

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

2003

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

2004

The year 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.

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.

2006

On February 9, 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.

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 eco² label for its most ecological and economical vehicles. Eco² vehicles are produced in certified plants and emit less than 140g of CO_2 per km or run on biofuel. They also include at least 5% recycled plastics, and are 95% recyclable.

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.

2009

Renault pursued its crisis management plan by cutting its costs and operating capital requirements, through its Renault Voluntary Plan and the establishment of a crisis social contract (short time working with no reduction in pay) in order to achieve a positive free cash flow. Carlos Ghosn is appointed Chairman of the Board of Directors, following the departure of Louis Schweitzer. Six new vehicles were launched: Grand Scénic III, Scénic III, Mégane III estate, Mégane Renault Sport, Fluence and Kangoo be bop. Renault confirmed its long-term vision of the automobile and zero-emission mobility by unveiling its future range of electric vehicles (Twizy ZE, Zoé ZE, Fluence ZE and Kangoo ZE) and its new brand baseline, "Drive the change", at the Frankfurt Motor Show. An agreement was signed with the French government for the creation of a battery plant at Flins (France). The Renault-Nissan Alliance, which celebrated its 10th anniversary, aims to become the leading volume manufacturer of zero emission vehicles and has already entered partnerships with some 40 governments, local authorities and energy utilities all over the world. The foundations of the Tangiers plant were laid.

1.1.3 MAIN ACTIVITIES ✦

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

- Automobile;
- Sales financing.

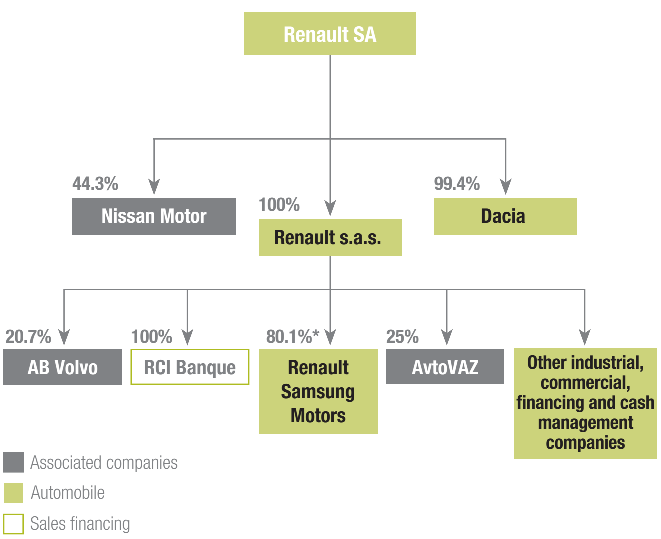
In addition to these two activities, Renault has three stakeholdings:

- 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

SIMPLIFIED ORGANIZATION CHART AT DECEMBER 31, 2009 (AS A % OF SHARES)



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

1.1.3.1 AUTOMOBILE

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

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

RENAULT GROUP RANGES

Renault brand

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

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

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

With the Renault eco^2 and Dacia eco² labels, the Renault group has taken a major step forwards with a commitment to reducing the ecological impact of its vehicles throughout their life cycle: from design and production through to recycling. In 2009 70% of the vehicles sold by Renault in Europe satisfied this ecological commitment, which means that more than one million vehicles and 32% of the Group's sales emit less than 120g CO_2/km.

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

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

Passenger cars

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

Logan is the main driving force behind Renault's international development. At end-2009 it was sold under the Renault brand name in almost 30 countries, including Russia, Colombia, Venezuela, Ecuador, Brazil, Argentina, Iran (under the name Tondar) and India (in partnership with Mahindra). With this broad industrial deployment, Renault is able to produce Logan close to its main markets in Russia, India, Iran, Brazil and Colombia. (Also see the deployment of Logan in chapter 2.1.1.1). An affordable, spacious and robust vehicle offering unbeatable value for money, Logan is a real success.

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

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

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

New Clio is a versatile, consistent vehicle. Available in hatch and estate versions, it has all the qualities of Clio III, as recognized in the title of "Car of the Year 2006": space, comfort and a benchmark ride. Without forgetting high standards of production quality that make it one of the most reliable cars in its segment. New Clio sets the benchmark in its segment with a new design inspired by the dynamic styling cues of the New Mégane, a new GT version making sports performance accessible to Clio buyers and, as a first, a factory-fitted GPS navigation system for less than €500: Carminat TomTom.

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

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

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

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

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

On **the lower mid-range C segment,** the biggest in the European automotive market by volume, Renault renewed its offering at end-2008 with the launch of New Mégane Hatch, then in 2009 with New Mégane coupé, New Grand Scénic, New Scénic and New Mégane Estate. At the end of 2009, the launch of **Fluence** completed the renewal of the Renault range in this segment, pending the arrival of Mégane coupé-cabriolet, scheduled for summer 2010.

From its launch, **New Mégane Hatch** scored a maximum 37/37 for adult protection in Euro NCAP tests, making it the safest car on the market in any category (test carried out in 2008). New Mégane also boasts a range of technological innovations, often from the next segment up, such as the Renault hands free card with automatic locking or the executive navigation system Carminat Bluetooth® DVD.

New Mégane Hatch and coupé, like **New Mégane Estate** launched across Europe from June 2009, ship with a wide choice of engines combining driveability with frugal fuel consumption and respect for the environment. This commitment is reflected by the seven eco² engines available with New Mégane. Renault has taken all measures possible to limit the impact of New Mégane on the environment, from design through to end of life.

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

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

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

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

With seven models in the Mégane family, each with its own strong personality, Renault is able to meet the specific needs of each customer. In 2010 Renault will build on the qualities of this extensively renewed, high-performance, safe and attractive range to establish itself as a leader in the fiercely competitive C segment.

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

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

In the upper mid-range D segment, Laguna III, launched in fall 2007, is reading Renault's drive to meet stringent new quality criteria. The vehicle was designed to rank among the top three in its segment for product and service quality. It ships with a three-year/150,000km manufacturer's warranty. Since its launch, Laguna III has sold 174,581 units at end-December 2009).

Laguna is an eminently drivable vehicle, with high-quality engines including a 1.5 dCi with very low CO_2 emissions and a 2.0 dCi recognized by the trade press as one of the best in its category in terms of driving pleasure and performance.

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

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

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

Laguna coupé, launched at the last Paris Motor Show, features clean, elegant flowing lines, similar to the concept-car presented at Frankfurt. The design of this vehicle is eminently appealing, while its road manners clearly position it as a thoroughbred sporting coupé. Equipped with the 4Control chassis, it is also the first vehicle to ship with the two new V6 engines developed by the Alliance. The 240hp V6 gasoline engine, which develops maximum torque of 330 Nm, already complies with the Euro 5 emission standard. The same is true of the 235hp V6 dCi engine, which strikes an excellent balance between performance, consumption and noise levels. Laguna coupé, Renault's flagship vehicle, features the latest in onboard technology, such as the Bose Sound System, Carminat Bluetooth DVD navigation and a hands-free card.

In the luxury E segment, production of **Vel Satis** ended in December 2009, in line with the product plan. The vehicle had sold almost 62,000 units since 2002, of which 1,200 were in 2009, in a segment dominated by German manufacturers. Its decline was accelerated by the introduction in France of the bonus-penalty system on emissions in 2008. Although Vel Satis was recognized and appreciated by customers throughout its lifetime for its comfort, space and ride, it never enjoyed the expected success. These aspects served as benchmarks for vehicles in the Renault range (e.g. power-assisted parking brake).

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

Launched in June 2009 to mark the 25th anniversary of the launch of the first Espace, this special series features a 7" 16/9 color Navigation screen, a 4x20 mono CD radio with an MP3 player, Bluetooth, rear video with a DVD player, pearlescent black exterior trim, a special body colour, alloy wheels and roof bars. It accounts for almost half of all sales.

In terms of engines, Espace gained a NOx & H2S Trap Euro 5 version of the 175hp 2.0 dCi engine in Germany and Austria from November 2009, and in Italy from January 1, 2010. This technological innovation, for which Renault has filed 36 patents, works with the catalytic converter and particulate filter to cut NOx emissions by between 50% and 80%.

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

Light commercial vehicles

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

In the small van segment (vehicles weighing under 2 tons).

A Maxi version with a load volume of 4m³ will be launched in 2010. This will make **Kangoo** new small van range the only one to offer a choice of three load lengths.

The eco² versions account for 80% of sales with, in particular, a 1.5 dCi version emitting 130g of CO_2/km.

Like the car version, New Kangoo Express is produced at the Maubeuge site (France) and is currently being rolled out internationally.

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

Since its launch at end-2001, **Trafic** has become the benchmark in the *compact van segment* (between 2.7 and 2.9 tons). Developed in partnership with General Motors, Trafic is produced at the GM plant in Luton (UK) and in the Nissan plant in Barcelona (Spain). In 2009 Trafic was impacted by falling sales in its segment. At end-2009, it had market share of 14.1% in its segment in Europe.

With a 10.5% market share in the *passenger-carrying van segment* in France in 2009, Renault is keen to further develop sales to consumers. At the start of 2009 Renault launched a more ecological and more economical version of Trafic Combi. As well as being lighter, Trafic Combi gained the upgraded 90 hp and 115hp 2.0 dCi engines, designed to cut fuel consumption and also CO_2 emissions, which fall below the 200g mark.

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

Although the segment features a completely renewed offering from the competition, Master is holding its own, although it has been impacted by the downward trend on the large van market. At end-2009 Master had a market share of 10.1% in Europe.

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

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

Dacia brand

At end-2009 Dacia brand vehicles were available in 50 countries (Europe, North-West Africa, Turkey, Africa, Asia). The brand's objective is to sell sturdy, modern and roomy vehicles at affordable prices on new automotive markets and in Europe.

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

Dacia is now applying the same environmental standards as Renault with the launch of the Dacia eco^2 label. In 2008 Italy launched an LPG offering of Sandero. In 2009 the ecological offensive continued with the launch of the LPG engine in France and the D4F engine (75hp, 139g CO_2) in Europe on Logan and Sandero. In November 2009 Sweden and France began selling E85-compatible vehicles: Dacia Logan MCV K4M in both countries and Sandero K7M in Sweden.

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

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

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

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

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

Renault Samsung brand

Renault Samsung Motors sells 4 passenger cars in South Korea (SM5, SM3, SM7 and QM5) covering the M1, M2, S and SUV segments. These 4 segments account for more than 77.9% of passenger car sales in South Korea.

SM5, an executive sedan, has enjoyed continued success since 2001. A new version of SM5 was launched in January 2005 and restyled in June 2007. It enjoys high market share of 22.9% in its segment with sales of 61,010 units. L43, the third-generation SM5 vehicle, was launched in January 2010.

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

SM7, launched in November 2004, is a roomy sedan, offering luxury interior comfort and high-end safety features. This executive vehicle, shipping with the 3.5 V6 and 2.3 Neo VQ engines, incorporates the latest technology from the Renault-Nissan Alliance. It has consolidated its position following a major facelift in January 2008. It sold 18,234 units in 2009, taking a 10.9% share of the Large Luxury segment.

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

The 4 models in the range are manufactured at the Busan plant in South Korea.

Renault Koleos is the first vehicle in the Renault range to be produced in this plant. It is exported to more than 40 countries worldwide (20,721 units in 2009). As part of Alliance agreements, RSM is continuing to export SM3 under the Nissan brand (30,670 units in 2009). In July 2008 RSM started exporting SM5 to Gulf markets under the Renault brand (1,549 units in 2009). L38 will be the third vehicle to be exported under the Renault brand name.

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

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

POWERTRAIN RANGE ✦

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

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

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

The new EDC automatic transmission

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

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

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

Electric powertrains

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

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

New V6 dCi 235 engine

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

F4RT RS sports engine: 250hp of pure pleasure

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

It develops 250hp (184kW) at 5,500rpm with torque of 340Nm at 3,000 rpm. This performance can be attributed primarily to optimized turbocharger matching, a variator on the intake camshaft, revised injection mapping, optimized engine mapping, a turbocharger with a wider diameter and a modified exhaust system.

With 80% of maximum torque available from 1,900 rpm, this engine is exceptionally responsive, thanks to its twin scroll type turbo and variator on the intake camshaft.

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

MAIN MANUFACTURING SITES

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

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

In 2009 the bulk of production by the three brands making up the Renault group, for both cars/LCVs and powertrain sub-systems, was managed primarily by the following plants.

✦ Global Reporting Initiative (GRI) Directives

MAIN MANUFACTURING SITES BY BRAND – 2009 PRODUCTION (UNITS)

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

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

RENAULT DISTRIBUTION NETWORK IN EUROPE

Organization of the Renault network in Europe

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

The primary network is contractually linked to Renault and comprises:

- dealers who can sell and service Renault vehicles;
- branches belonging to the Renault group's business distribution unit, "Renault Retail Group";
- partners from the primary network specialized solely in after-sales (approved repairers).

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

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

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

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

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

Renault Retail Group

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

Its role is to directly distribute, on a profitable basis, Alliance products and services (Renault, Nissan and Dacia). The product range covers new vehicles, used vehicles and spare parts. It also includes services: servicing, powertrains, bodywork, express repairs (Renault Minute and Renault Minute bodyshops), short-term rental (Renault Rent), financing and brokerage.

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

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

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

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

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

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

* *From RRG management statements.*

HIGHLIGHTS IN GROUP NETWORK STRATEGY IN 2009

Changes to Dacia network strategy

For the roll-out of Logan in Western Europe in 2005, the distribution networks were structured using the existing Renault networks. The approach adopted keeps the brands separate (different contracts and images).

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

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

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

CASH MANAGEMENT IN AUTOMOBILE

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

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

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

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

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

Renault Finance

Renault Finance, a Swiss corporation based in Lausanne, is an active player on the forex and fixed-income markets and in the market for hedging industrial metals transactions, functioning within a strict framework of risk management rules. Through its arbitraging business, it can obtain competitive quotes for all financial products. The company is therefore Renault's natural counterparty for most of Automobile's capital market transactions. By extending that service to the Nissan group, Renault Finance has become the Alliance's trading floor. It manages spot and forward foreign exchange transactions with Renault and Nissan, and hedges itself in the market accordingly. Renault Finance takes no risks on behalf of any entity in the Nissan or Renault groups.

Aside from financial market transactions, and as part of the reorganization of Automobile's cash-flow management procedures, Renault Finance launched a number of new services in 2008, namely commercial and financial payments in foreign currencies for Renault (and to a lesser extent for Nissan's financial flows), and a forex cash-pooling service for a number of Renault entities (Czech Republic, Denmark, Finland, Hungary, Norway, Sweden, Switzerland and UK). Other foreign currency cash-pooling operations are in progress.

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

1.1.3.2 SALES FINANCING

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

The RCI Banque group operates in 39 countries:

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

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

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

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

- customer activity (consumers and professionals):
  - to propose credit for new and used vehicles, rental with an option to buy, hire purchase, long-term rental and associated services, such as maintenance and warranty extension, insurance and assistance, fleet management and credit cards.
- networks:
  - finance inventories of new and used vehicles and spare parts, and fund dealers' long-term financing operations,
  - manage and control risks,
  - secure the network's future by standardizing financial procedures and monitoring them on a regular basis,
  - act as financial partner to the network.

1.1.3.3 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 chapter 1.2 on the Alliance.

The market capitalization of Nissan at December 31, 2009 was €27.5 billion, based on a closing price of ¥810 per share.

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

Renault accounts for its shareholding in Nissan by the equity method, as described in chapter 7 note 14 of the notes to the consolidated financial statements.

AB VOLVO

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

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

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

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

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

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

No dividends will be submitted for approval by the next Annual General Meeting.

In 2009, Volvo made a negative contribution to Renault's results of -€300 million, compared with €226 million in 2008 (see chapter 7, note 15 of the consolidated Financial Statements).

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

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

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

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

AVTOVAZ

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

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

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

- the Russian government will increase its financial support for AvtoVAZ from 25 to 75 billion roubles (€1.67 billion) to reimburse bank debt and cover the company's short-term cash needs;
- the Samara regional government will take over payroll costs for the 14,600 people to be transferred to two AvtoVAZ subsidiaries;
- AvtoVAZ personnel and installations used for social purposes will be transferred to federal and local authorities;
- Renault will contribute the equivalent of €240 million (10.8 billion roubles) in-kind through the transfer of technologies, machines, equipment and expertise to produce new vehicles on the B0 (Logan) platform. Renault will also help AvtoVAZ create new engine and transmission production capacity and to develop a new low-cost vehicle to replace Lada Classic.

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

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

The definitive agreements should be signed in first half 2010.

Renault accounts for its shareholding in AvtoVAZ by the equity method, as described in chapter 7, note 15-B to the consolidated Financial Statements.

PARTNERSHIPS AND COLLABORATIVE PROJECTS

Supplier relations and support

To maintain and enhance its competitive edge in the automotive industry, Renault is continuing its policy aimed at optimizing purchases. It has also stepped up efforts in terms of profitability and quality, in close relation with suppliers.

Renault has outlined relations with suppliers in a common charter with Nissan called the Renault-Nissan Purchasing Way. The charter is based on two key principles:

- to achieve a high level of performance in quality, costs and delivery times, respecting clear processes that are deployed globally; and
- to share Alliance values of trust, respect and transparency.

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

- product development: Renault works in close cooperation with its suppliers at the very start of projects, with a view to meeting price and quality targets and cutting development times;
- quality: Renault calls upon almost 100 quality experts, half of whom are outside France, in its work with suppliers. These experts aim to boost quality by implementing strict tools and processes from the very start of the project, during service life, and for after-sales parts.
- competitiveness: Renault has seconded 40 experts to supplier development, to improve their competitiveness and that of their own supply chain;
- logistics: Renault is implementing EVALOG – a tool designed to improve logistics performance – with suppliers;
- innovation: Renault is implementing co-innovation contracts with its most innovative suppliers. These contracts clearly set out the objectives pursued, the breakdown of costs, ownership rights, exclusivity periods, etc.

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

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

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

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

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

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

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

- The Renault-Nissan Alliance, the French Atomic Energy Commission (CEA) and the French Strategic Investment Fund (FSI) signed a letter of intent to create a joint-venture to develop and manufacture batteries for electric vehicles in France. Renault, Nissan and the CEA would invest in the project, as well as providing technical expertise and infrastructure support. Consistent with its mission of making long-term investments in French companies in order to boost their competitiveness, the FSI would contribute €125 million to the project. To complete the financing of the project, the European Investment Bank (EIB) is considering a loan of up to 50% of the €280 million debt financing. The joint-venture would focus on advanced research, manufacturing and the recycling of electric vehicle batteries. The joint-venture plans to produce batteries from mid-2012 at the Flins plant, located 30km from Paris. The targeted production capacity is 100,000 batteries/year. The investment value of the first phase of the project is estimated at €600 million. The batteries produced by the joint-venture would be available for sale to all manufacturers. The Renault-Nissan Alliance would use its European battery plants in France, the UK and Portugal to supply electric vehicles produced in Europe. Renault intends to use the batteries produced at Flins for its own range of electric vehicles, primarily the future electric vehicle based on the Zoé Z.E. Concept, which will also be built at Flins. The joint-venture will also develop technologies to recycle batteries on site, as part of a sustainable approach to operations.
- Renault has also signed a number of commercial agreements for the sale of subsystems, notably automatic transmissions (for Chery and its Tiggo and Easter models) and diesel engines (for Suzuki and its Grand Vitara).
- For light commercial vehicles, Renault and General Motors signed a framework agreement in 1996 for a cooperative undertaking. The aim is for the two manufacturers to increase their market presence in Europe and to share development costs. Concerning compact vans, Renault Trafic and Opel/Vauxhall (GM) Vivaro have been produced at the GM Europe plant in Luton (UK) since 2001, and at the Nissan plant in Barcelona (Spain) since 2002. Phase 2 production began in the last quarter of 2006. The large vans, Renault Master and Opel/Vauxhall (GM) Movano have been produced by Renault at its Batilly plant (France) since 2000. The Movano is sold to GM as part of a supply agreement.

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

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

To accelerate the pace of international expansion ✦

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

In Russia, alongside the partnership with AvtoVAZ, Renault and Moscow City Hall implemented their new partnership as part of plans to increase the production capacity of the Moscow plant to more than 160,000 vehicles/year from end-2009. This increased capacity will make it possible to introduce new models in first-half 2010 and to support Logan's success on the Russian market.

In India:

- in Chennai, the Alliance is building its first joint production site as part of a joint-venture (JV RNAIPL). In January 2010 Renault confirmed the launch of several models of its range, manufactured in the Chennai plant, on the Indian market in two years from now;
- in the same region, the joint-venture set up by Renault and Nissan, RNTBCI, started providing services in engineering and information systems in 2008;
- the Renault-Nissan Alliance signed a memorandum of understanding with Bajaj – India's second biggest motorbike producer and leader in the 3-wheeled vehicle segment – to develop, produce and sell an innovative ultra-low cost vehicle (ULC), from 2012. Bajaj will manage the design, engineering, production and purchasing functions, with the support of the Alliance. Marketing and distribution will be managed by the Alliance, with the support of Bajaj;
- with its industrial and commercial partner Mahindra & Mahindra, Renault is continuing to produce and sell Logan sedan. Logan has sold more than 43,200 units since its launch in May 2007 and ranked ninth in its segment in India in 2009.

In Iran, the framework agreement for the Logan project, signed in October 2003 by Renault and IDRO (Industrial Development and Renovation Organization – a holding company linked to the Iranian ministry of industry and mines) makes provision for the redeployment of the Renault brand in Iran, based initially on the 90 family and the 90 platform (Logan). The plan is that each of the two main Iranian manufacturers (Iran Khodro and SAIPA/Pars Khodro) assemble and distribute L90s. The installed capacity is 240,000 vehicles/year split equally between the two manufacturers. The joint-venture Renault Pars founded in May 2004, 51% owned by Renault and 49% by AIDCo (Iran Khodro 26%, SAIPA 26%, IDRO 48%), is managing the industrial project. The specific roles assigned to Renault Pars mainly concern purchasing, engineering, processes, quality procedures and sales coordination. The partners covered the investments and expenses incurred before launching the first vehicle through a capital increase. More than 97,900 Tondar (local name of Logan) vehicles have been built since production started in March 2007, of which more than 32,827 in 2009. At the same time, with the ramp-up in production since 2008, more than 4,700 Mégane vehicles have been assembled in partnership with Pars Khodro.

In South Africa, following a cooperation agreement signed in May 2007, the Alliance invested ZAR1 billion (€88 million) for the local assembly of vehicles from the Logan range (Pick-up and Sandero) at the Nissan plant in Rosslyn, starting in 2009. The Pick-up is assembled by Nissan and sold under its own brand name. Sandero, which is also assembled by Nissan, is sold by the subsidiary Renault South Africa. Nissan purchases CKD parts from Renault and covers all specific investments.

✦ Global Reporting Initiative (GRI) Directives

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

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

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

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

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

In distribution

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

In the environment

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

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

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

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

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

1.1.4 MANAGEMENT BODIES AT MARCH 1, 2010 ✦

STRENGTHENING MANAGEMENT'S OPERATIONAL CAPABILITIES:

Carlos Ghosn, President of Renault, appointed Patrick Pélata as Chief Operating Officer, effective October 13, 2008. The move was motivated by the President's long-standing determination to overhaul Renault's management. It will strengthen the management's operational capabilities, at a time when a close focus is needed on day-to-day business matters.

Patrick Pélata has taken over operations. Most of the members of the Renault executive committee will report to him, as will Regional leaders. It should be noted that Renault formed a Eurasia Region, effective March 1, 2009, to reflect the strategic importance of this zone for the Group.

Carlos Ghosn will continue to have direct responsibility for strategic decision-making, legal issues, finance and public affairs.

Two Committees form Renault's senior management bodies:

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

1.1.4.1 GROUP EXECUTIVE COMMITTEE

The Group Executive Committee comprises eight members:

- Chairman and CEO;
- Chief Operating Officer;
- Executive Vice President, Sales and Marketing, and Light Commercial Vehicles;
- Executive Vice President, Plan, Product Planning and Programs and Management Control;
- Executive Vice President, Manufacturing and Logistics;
- Executive Vice President, Chief Financial Officer, Compliance Officer;
- Executive Vice President, Engineering and Quality;
- RMC Leader, Asia-Africa.

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

1.1.4.2 RENAULT MANAGEMENT COMMITTEE

The Renault Management Committee comprises 30 members and includes the members of the Group Executive Committee.

The Chief Operating Officer, the Executive Vice President, Chief Financial Officer, the Senior Vice President, Legal department and Public Affairs, the Senior Vice President, CEO Office and President of Renault F1 Team report directly to the President and CEO.

The other members of the Renault Management Committee, including members of the Group Executive Committee, with the exception of the Executive Vice President, Chief Financial Officer, report to the Chief Operating Officer.

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

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

ALPHABETIC LIST AT MARCH 1, 2010

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

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

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

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ORGANIZATION CHART AT MARCH 1, 2010

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

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

● RMC: Region Management Committee

1.1.5 MAIN SUBSIDIARIES AND ORGANIZATION CHART

1.1.5.1 MAIN SUBSIDIARIES

RENAULT S.A.S.

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

Wholly-owned subsidiary of Renault.

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

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

Workforce at December 31, 2009: 38,251.

RENAULT ESPAÑA

Carretera de Madrid, km 185
47,001 Valladolid (Spain)

99.78% owned by Renault s.a.s.

Business: manufacture and marketing, *via* its sales subsidiary Recsa, of Renault passenger cars and light commercial vehicles in Spain.

Plants in Valladolid, Palencia and Seville.

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

Workforce at December 31, 2009: 10,005.

RENAULT DEUTSCHLAND

Renault-Nissan strasse 6-10
50321 Brühl (Germany)

60% owned by Renault s.a.s.

Business: Renault Nissan commercial organization in Germany.

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

Workforce at December 31, 2009: 496.

OYAK-RENAULT OTOMOBIL FABRIKALARI

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

51% owned by Renault s.a.s.

Business: assembly and manufacture of Renault vehicles.

Plant in Bursa.

2009 revenues: TRL5,724 million (local data to Group standards, external format).

Workforce at December 31, 2009: 5,914.

DACIA

Calea Floreasca
Nr. 133-137 – Sector 1

Bucaresti (Romania)

99.43% owned by Renault

Business: manufacture and marketing of motor vehicles.

Plant in Pitesti.

2009 revenues: ROL8,940 million (local data to Group standards, external format).

Workforce at December 31, 2009: 12,722.

RENAULT ITALIA

Via Tiburtina 1159
Rome (Italy)

100% owned by Renault s.a.s.

Business: marketing of Renault passenger cars and light commercial vehicles.

2009 revenues: €1,492 million (local data to Group standards, external format).

Workforce at December 31, 2009: 295.

REVOZ

Belokranska Cesta 4
8000 Novo Mesto (Slovenia)

100% owned by Renault s.a.s.

Business: manufacture of vehicles.

Plant at Novo Mesto.

2009 revenues: €1,283 million (local data to Group standards, external format).

Workforce at December 31, 2009: 2,606.

RENAULT FINANCE

48, avenue de Rhodanie
Case postale 1002 Lausanne (Switzerland)

100% owned by Renault s.a.s.

Business: capital market transactions (foreign exchange, interest rates, hedging of industrial metals transactions) for Renault and Nissan; interbank dealing for own account.

Total assets at December 31, 2009: €6,356 million.

Workforce at December 31, 2009: 30.

RCI BANQUE

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

100% owned by Renault s.a.s.

Business: holding company for the sales financing and customer services entities of Renault and Nissan. Inventory financing (vehicles and spare parts) for Renault and Nissan Europe.

Net financings in 2009: €8.4 billion.

Total assets (RCI group) at December 31, 2009: €24,245 million.

Workforce at December 31, 2009: 2,920.

RENAULT SAMSUNG MOTOR

17th FL, HSBC Building
25, Bongrae-Dong 1-Ga, Jung-Gu
Seoul, 100-161 (Korea)

80.10% owned by Renault group b.v.

Business: manufacture and marketing of motor vehicles.

Plant in Busan.

2009 revenues: KRW3,588 billion (local data to Group standards, external format).

Workforce at December 31, 2009: 5,548.

RENAULT UK

The Rivers Office Park
Denham Way Maple Cross
WD3 9YS Rickmansworth, Hertfordshire (UK)

100% owned by Renault group.

Business: marketing of Renault passenger cars and light commercial vehicles.

2009 revenues: GBP856 million (local data to Group standards, external format).

Workforce at December 31, 2009: 297.

RENAULT RETAIL GROUP

117-199, avenue Victor Hugo
92100 Boulogne-Billancourt (France)

100% owned by Renault s.a.s.

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

65 branches in France.

2009 revenues: €4,441 million (local data to Group standards, external format).

Workforce at December 31, 2009: 8,086.

AVTOFRAMOS

35, avenue Vorontsovskaia
109,147 Moscow (Russia)

94.10% owned by Renault group

Business: assembly, import, marketing and sale of Renault vehicles.

2009 revenues: RUB23,052 million (local data to Group standards, external format).

Workforce at December 31, 2009: 2,493.

RENAULT DO BRASIL

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

99.81% owned by Renault group

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

2009 revenues: BRL4,298 million (local data to Group standards, external format).

Workforce at December 31, 2009: 4,703.

RENAULT ARGENTINA

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

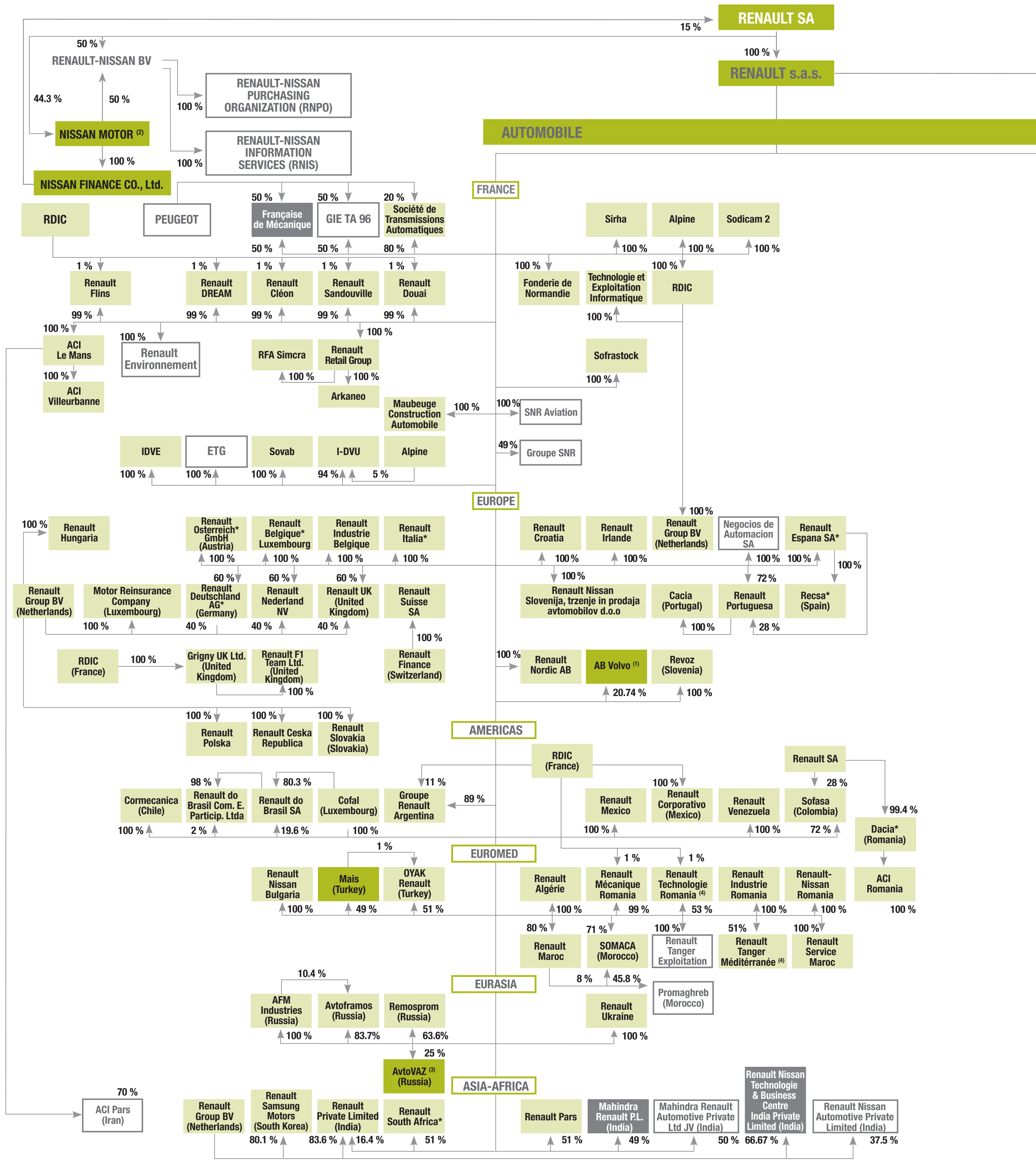
100% owned by Renault group.

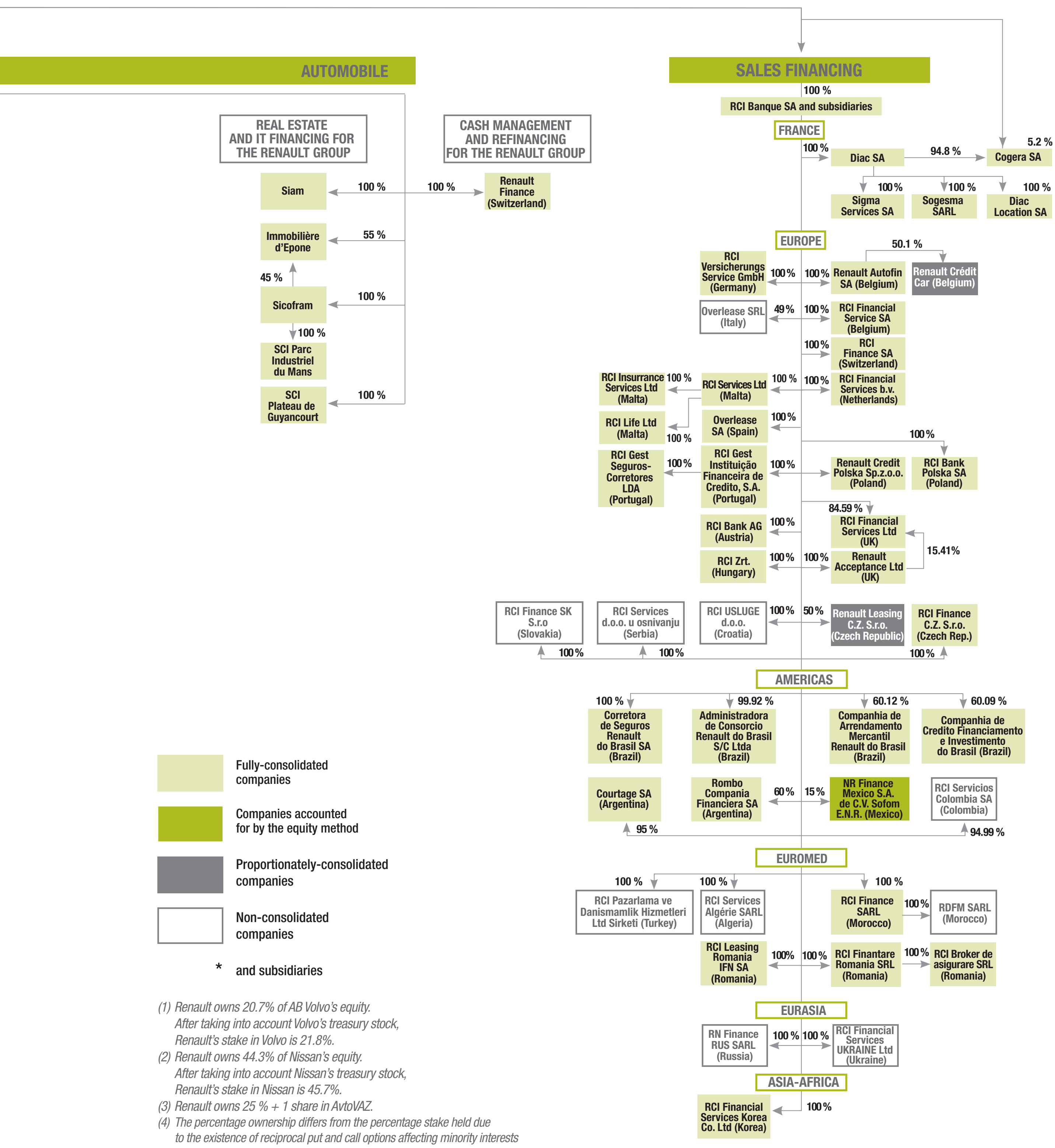
Business: manufacture and marketing of Renault vehicles.

2009 revenues: ARS3,714 million (local data to Group standards, external format).

Workforce at December 31, 2009: 2,201.

1.1.5.2 DETAILED ORGANIZATION CHART OF THE GROUP





(1) Renault owns 20.7% of AB Volvo's equity. After taking into account Volvo's treasury stock, Renault's stake in Volvo is 21.8%.
(2) Renault owns 44.3% of Nissan's equity. After taking into account Nissan's treasury stock, Renault's stake in Nissan is 45.7%.
(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.

1.2 THE RENAULT-NISSAN ALLIANCE

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

Renault now holds 44.3% of Nissan and Nissan owns 15% of Renault.

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

Renault and Nissan sold a combined total of 6,085,058 units in 2009, giving global market share of 9.8% for the Alliance (including for the first time the sales for the AvtoVAZ, Lada brand).

1.2.1 OBJECTIVES OF THE ALLIANCE

1.2.1.1 VISION – DESTINATION OF THE RENAULT-NISSAN ALLIANCE

TEN YEARS OF COOPERATION AND SYNERGY; MANAGING THROUGH THE GLOBAL CRISIS

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

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

PRINCIPLES OF THE ALLIANCE

The Alliance is based on trust and mutual respect. Its organization is transparent. It ensures clear decision-making for speed, accountability and a high level of performance. It seeks to maximize efficiency by combining the strengths of both companies and developing synergies through common organizations such as the Renault Nissan Purchasing Organization (RNPO), joint working groups and shared platforms, components and industrial facilities.

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

OBJECTIVES

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

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

STRATEGIC MANAGEMENT

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

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

1.2.1.2 RENAULT'S MAJOR BENEFITS FROM THE ALLIANCE

IN RESEARCH AND ADVANCED ENGINEERING

Announcements around the world for zero emission

- The Renault-Nissan Alliance is investing €4 billion in projects related to zero-emission mobility, the only manufacturer to be investing massively on this scale in zero emission vehicles. From Tennessee to Israel and Japan, the Alliance had signed partnerships with over 40 public and private entities by end 2009.
- In Israel, for the first time in history, all the conditions necessary for electric vehicles mass-marketing will be brought together in a partnership between the Alliance, Project Better Place and the Israeli government. The target date is 2011. Renault will provide the vehicles and their lithium-ion batteries will be provided by Nissan through its Automotive Energy Supply Company (AESC) joint-venture with NEC (Automotive Energy Supply Company - AESC).
- By the end of 2009, the Alliance had committed to manufacturing at least seven different electric vehicles in plants located in France, Japan, USA, Spain and Turkey. The first of these vehicles – the Nissan Leaf – will go on sale in late 2010 in Japan and the USA.
- Through AESC, the Alliance will make advanced lithium-ion batteries for its electric vehicles in five new dedicated battery production facilities located in France, Japan, USA, UK and Portugal. These batteries will be available for sale to other manufacturers.

Fuel cell vehicles

The Alliance is developing its research on fuel cell-powered electric vehicles (FCV). Two prototypes are currently in an advanced engineering phase:

- Nissan's pioneering X-Trail fuel cell vehicle has been undergoing 'real-world' testing for more than two years, with examples leased to government authorities in Japan;
- Renault's prototype Scénic ZEV H2, based on a Renault Grand Scénic, is a joint Alliance development. It is fitted with fuel cell stack, high-pressure hydrogen storage tank and compact lithium-ion batteries. Renault engineers and technicians prepared the Grand Scénic architecture to accept the different FCV elements under the floor, thus managing to keep ample cabin space for five adults, and to integrate Renault and Nissan electric and electronic systems.

Both vehicles are used at environmental road shows and in real-world testing conditions with fleets and private users.

IN POWERTRAINS

New Alliance V6 diesel engine (V6 dCi)

The Renault-Nissan Alliance unveiled its brand-new V6 dCi diesel engine (V9X type) on Laguna coupé at the Paris Motor Show in 2008. This engine is the first diesel V6 engine developed and produced by the Alliance. It will be fitted in upper-range vehicles to meet the growing worldwide demand for engines that are powerful and yet fuel and CO_2 efficient.

The Alliance cooperation has made it possible for both Renault and Nissan to offer a state-of-the-art premium powertrain to their customers, all around the world. For Renault models, it is already available on Laguna coupé, Laguna Sedan and Laguna Estate. The Infiniti luxury brand will use the engine as part of its expanding powertrain offering in Europe.

2.0 dCi launch in Japan

In the fall of 2008, the first Alliance-developed diesel engine made its debut in Japan on the Nissan X-Trail. Based on the M9R engine, this was the first diesel engine to meet Japan's stringent "Post New Long-term Regulations". The Nissan M9R clean diesel engine was named 2008-2009 Car Technology of the Year by JAHFA, Japan Automobile Hall Of Fame, as the best technology equipped with all domestic/imported passenger vehicles in Japan. The M9R won the award for complying with Japan's stringent Post New Long-term Regulations emission standards, providing high torque and good performance along with quiet operation and low vibration. In 2010, Nissan will offer an automatic with this engine, further expanding its appeal on the Japanese market.

TCe 130 engine and CVT transmission on Mégane

A new Alliance-developed petrol engine, the TCe 130 was added to the Renault Mégane line-up in the spring of 2009. Co-developed within the framework of the Renault-Nissan Alliance, the TCe 130 is a perfect illustration of the expertise that has been acquired in the realm of downsizing. This new, fuel-efficient 1,397cc block packs the power of a 1.8-litre engine (130hp) and the torque of a 2.0 (190Nm), yet its CO_2 emissions are less than those of a 1.6, making it particularly respectful to the environment. Depending on the version, these engines can be mated to 5- or 6-speed manual or automatic transmissions. Among the other engines for the new Mégane is a 2.0-liter 16v 140, available from launch with a 6-speed manual gearbox, but benefiting from Nissan's continuously variable transmission (CVT) at a later date.

IN MANUFACTURING

The Alliance continues to seek opportunities to utilize its global manufacturing facilities to benefit both partners. From the first project in Brazil through to new plants in Morocco and India, the Alliance continues to invest in manufacturing capacity that can benefit the growth of both companies.

In 2009, a new RNBV Alliance Industrial Sourcing operation was created. This was established specifically to identify the best Alliance plants for producing our vehicles in order to reduce the Total Delivery Cost (TDC), to share the existing assets (plants and platforms) in order to minimize the entry ticket, and to allow new business opportunities to one of the partners through cross-manufacturing by the other partner in a new market.

In South Africa, the Alliance partners use Nissan's manufacturing plant at Rosslyn. The project encompasses the adaptation of two cars, the Nissan NP200 half-ton Pickup and the Renault Sandero to the South African market (eg right-hand drive), the preparation of the plant, and the development of the local components and accessories supply chain. The local integration rate was 25% at the start of production and is forecast to increase afterwards. Production (around 16,000 pick-ups and 7,500 Sanderos) will initially be sold in the local market. The Sandero is the first Renault product built in South Africa.

In Brazil, Nissan manufactures the passenger cars, Livina and Grand Livina, at the Renault plant in Curitiba, Brazil. The two models are marketed worldwide in growing markets such as China, Indonesia and South Africa. The Curitiba plant already manufactures three Nissan 4x4 models, Frontier, X-Terra and the New Frontier.

IN SALES & MARKETING

Common media buying in Europe

2009 marked the first year that Renault and Nissan used a single media purchasing agency. Driven through the Renault-Nissan Purchasing Organization, Omnicom-OMD was selected to manage media purchasing across all media in Europe. This accounted for 24 countries for Nissan and 30 countries in greater Europe for Renault. The combined budget is approximately €800 million per year.

IN DIVERSITY

The Alliance partnered with the Women's Forum in France for the fourth year running (originally started as supported by only Renault). Carlos Ghosn, Alliance Chairman and CEO personally attended the event and took part in debates, meetings and interviews covering a wide range of diversity related issues. The Alliance was also a co-sponsor of the "Women for Education" prize which recognizes extraordinary achievements by women around the world.

As a multi-national and cross-cultural organization, the Alliance is often cited as an example of the power of diversity within a corporate environment. Although there is still more progress to be made across the Alliance, progress in diversity continues to be made:

- the French Renault Retail Group (RRG) network has decided as of this year to recruit women and men sales representatives on an equal ratio. This will imply a strong shift towards recruitment campaigns to target women more directly – based on female testimonials advertised on web sites targeting women. Between January and August 2009, RRG achieved the target of recruiting 18 women out of 35 recruitments (8% of women in the sales forces);
- Nissan's ratio of female managers is 5%. In Japan, the average female manager ratio in manufacturing industry is 1.9% and in the automotive industry specifically, it is just 0.6%. As of April 2009, Nissan promoted two female technicians to "Leader" status in its manufacturing plants, which is a first for the Japanese auto industry. The non-Japanese citizen ratio in Nissan Executive Committee is 50% - significantly higher than the majority of Japanese corporations.

1.2.1.3 THE ECONOMIC AND FINANCIAL CRISIS IMPLICATIONS

SHARE VALUES

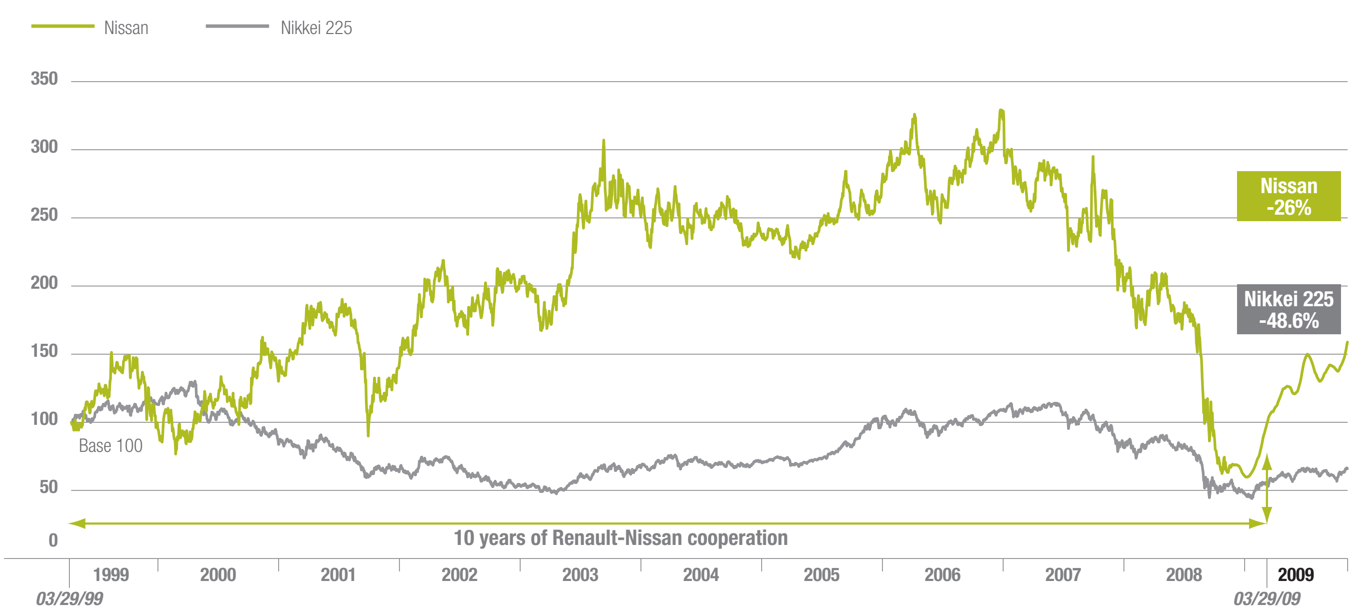
The first eight years of the Alliance saw a period of strong share price growth for both Renault and Nissan. However, since the beginning of the downturn in the US and the onslaught of the worldwide crisis throughout the world Stock markets, the share prices of both Renault and Nissan have fallen sharply along with the rest of the worldwide automotive sector.

At December 31, 2009, Renault's share price has fallen 24% compared to March 29, 1999 (*vs* -22% for the CAC 40 over the same period) and Nissan's share price has fallen 26% (Nikkei -49%). The resulting market capitalization for Renault was €10.3 million and €27.5 million for Nissan (€ = ¥133).

RENAULT SHARE PRICE FROM MARCH 29, 1999 TO END DECEMBER 2009

Source: Reuters.

NISSAN SHARE PRICE FROM MARCH 29, 1999 TO END DECEMBER 2009



Source: Reuters.

AUTOMAKERS MARKET CAPITALIZATION – MARCH 1999 VS DECEMBER 2009

(€ million)	MARCH 29, 1999	RANKING	*(€ million)*	DECEMBER 31, 2009
Toyota	96,736	1	Toyota	100,566
Daimler	81,541	2	Honda	42,895
Ford	59,848	3	Daimler	39,501
GM	52,518	4	Volkswagen	29,633
Honda	39,961	5	**NISSAN**	**27,526**
VW	22,159	6	Ford	23,101
BMW	16,277	7	BMW	20,370
Fiat	13,522	8	Hyundai Motor	17,658
Volvo (A+B)	10,439	9	Volvo AB	12,743
NISSAN	**9,049**	10	Fiat	12,318
RENAULT	**8,393**	11	**RENAULT**	**10,315**
Peugeot	6,615	12	SUZUKI	9,300
Suzuki	6,065	13	Porsche	7,655
Mazda	4,459	14	Peugeot	5,539
Porsche	3,990	15	Mitsubishi Motors	5,329
Fuji Heavy	3,521	16	Mazda	2,837
Mitsubishi	3,043	17	Fuji Heavy	2,648
Hyundai Motor	678	18	GM	n.a.

Source: Reuters.

1.2.2 OPERATIONAL STRUCTURE OF THE ALLIANCE ✦

1.2.2.1 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.

1.2.2.2 GOVERNANCE AND OPERATIONAL STRUCTURE ✦

CREATION OF RENAULT-NISSAN B.V. (RNBV)

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

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

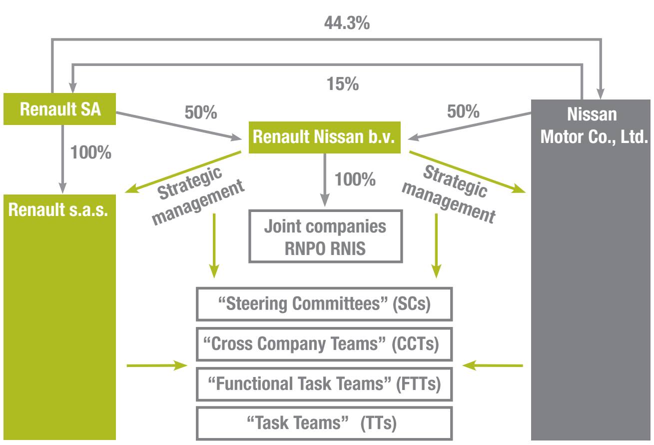
RNBV possesses clearly defined powers over both Renault and Nissan Motor Co., Ltd.

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

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

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

STRUCTURE OF THE ALLIANCE



POWERS OF RENAULT-NISSAN B.V.

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

Renault-Nissan b.v. has limited ***decision-making power*** with respect to Nissan Motor Co., Ltd. and Renault s.a.s. In terms of their level of importance, these decisions are those that it would be difficult for the two companies to take separately while being sure that they would be able to pursue global implementation and thus take advantage of economies of scale. This decision making power is limited to the following areas:

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

RNBV also has the exclusive ***power to make proposals*** on a range of decisions by the two operating companies, Nissan Motor Co., Ltd. and Renault s.a.s. These two entities are free to accept or reject these proposals.

However, they can implement these decisions only if a proposal has been made by RNBV. The power of initiative of RNBV thus ensures that the two partners harmonize their policies.

The areas covered include:

- creation and scope of joint subsidiaries;
- supplementary financial incentive schemes;
- significant changes in scope, whether geographic or in terms of products, for total amounts of $100 million or more;
- strategic investments, *i.e.* investments other than product-related investments, amounting to $500 million or more;
- strategic cooperation between Nissan Motor Co., Ltd. or Renault s.a.s. and other companies.

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

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

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

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

ALLIANCE: STRENGTH THROUGH THE GLOBAL CRISIS

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

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

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

ALLIANCE & SUSTAINABILITY: ZERO EMISSION LEADERSHIP

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

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

THE ALLIANCE BOARD

The role of the Alliance Board

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

Both Renault and Nissan continue to manage their business and perform as two separate companies. The operational management of each group remains in the hands of senior management accountable to their own Board of Directors.

Alliance Board members

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

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

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

A FOUNDATION TO MAINTAIN THE STABILITY OF THE ALLIANCE

A foundation linked to Renault-Nissan b.v. has been set up under Dutch law to ensure that the ownership structure of Renault and Nissan remains stable. Without preventing a takeover bid, the foundation can subscribe for more than 50% of the capital of Renault-Nissan b.v. if a third-party or a group of third-parties acting in concert attempts to acquire control through a creeping takeover or, more specifically, when the threshold of 15% of the capital of Renault or Nissan is breached, other than by a takeover bid. The period during which the foundation may control Renault Nissan b.v. cannot exceed 18 months.

STEERING COMMITTEES (SCS)

The Steering Committees are tasked with defining the Alliance's cross-functional strategic operational priorities, submitting topics to the ABM that may be given priority status in the agenda and coordinating the activities of the Cross-Company Teams (CCTs), Functional Task Teams (FTTs) and Task Teams (TTs) that fall within the scope of the steering committees. They take operational decisions that are not within the scope of the CCTs, report on progress to the ABM and, wherever necessary, seek arbitration on and/or confirmation for decisions.

There are eight SCs, each focusing on a different field, that support the CCTs and FTTs in the implementation of Alliance projects:

1. Planning
2. Product Development and Manufacturing
3. Alliance Global Business Services
4. Sales and Marketing
5. Asia, Africa and Middle East
6. America
7. Europe
8. Russia

CROSS-COMPANY TEAMS (CCTS)

The CCTs are working groups comprising staff and experts from both companies that are tasked with exploring possible areas of cooperation and synergy between Renault and Nissan, defining and concretely specifying projects and then monitoring the implementation of projects approved by the Board. There are 11 teams working in the following areas:

1. Product Planning
2. Light Commercial Vehicle
3. Research & Advanced Engineering
4. Vehicle Engineering
5. Powertrain
6. Process Engineering
7. Manufacturing
8. Parts and Accessories
9. EV
10. Korea
11. South Africa

The CCTs are headed by two co-leaders, one from Renault and one from Nissan.

The 11 CCTs report to the Alliance Board on the state of progress of their work and their results through the SCs.

FUNCTIONAL TASK TEAMS (FTTS)

The FTTs are made up of experts from both Renault and Nissan and provide the CCTs with essential support in terms of benchmarking, the promotion of best practices and the harmonization of tools used in the support functions.

There are 13 FTTs that cover the following key areas:

1. Corporate Planning
2. Product Engineering Performance
3. Quality
4. Industrial Strategy
5. Cost Management & Control
6. Customs, Trade & Global Tax
7. Marketing
8. Service Engineering
9. Sales and Service
10. Legal & Intellectual Property
11. Communications
12. Human Resources
13. External and Government Affairs

TASK TEAMS (TTS)

As soon as a specific issue is identified, a Task Team (TT) is appointed to work on the issue within a certain timeframe.

There are currently six TTs working on the following topics:

1. Small Markets
2. Russia Localization
3. Morocco
4. Mexico
5. Mercosur
6. Middle East

1.2.3 THE STATUS OF SYNERGIES

Since the Alliance agreement was signed in 1999, Renault and Nissan have initiated cooperation programs in a broad range of fields of activity. The synergies generated can be classified into two categories:

- structural cooperation;
- regional cooperation.

1.2.3.1 STRUCTURAL COOPERATION

VEHICLE ENGINEERING

The sharing of platform or engineering architecture and, more significantly, the sharing of major components have been a key element of the Alliance's success. The partners can develop this sharing as they renew their line-ups.

B and C platforms

An initial common platform (a Nissan-led project), the B platform, has been used by Nissan since 2002 with the March (Micra in Europe) and Cube. This was followed in 2004 by the launch of the Tiida and Tiida Latio on the Japanese domestic market and the Nissan Note launched in January 2005. Tiida has subsequently gone on sale in selected global markets, including the US where it is sold as the Versa. Four additional vehicles, the Nissan Wingroad (launched in November 2005), the Bluebird Sylphy (launched in December 2005), the Livina (launched from 2006 to 2008) and the NV200 light commercial vehicle (launched in 2009) are also based on the B platform.

On May 19, 2004, Renault unveiled a new model, Modus, its first vehicle to use the common B platform. It was marketed mainly in Europe from the September of the same year. In September 2005, Renault launched Clio III, also built on this platform.

The common B platform continues to bear fruit for the Alliance. In 2008, Nissan launched the new generation Cube compact and looking ahead, more new cars are planned off this versatile platform in the future.

Launched in September 2004, the Logan, initially marketed under the Dacia and Renault brands, sold as a Nissan in Mexico and as a Mahindra-Renault in India, is based on a derivative of the common B platform.

Logan MCV, Sandero and the 2010 Dacia Duster also use this core model platform with more utilization of the Logan family planned for Nissan in the future.

A second common platform (a Renault-led project), the C platform, was launched by Renault at end-2002 for the production of its new Mégane II. In December 2004, the Lafesta, a new minivan, was launched in Japan as the first model from Nissan to adopt the common C platform. Nissan launched the new Serena minivan in May 2005, and the new Sentra in October 2006 in the United States; both vehicles are also based on this platform. In 2007, the Nissan Qashqai (Dualis in Japan and Australia), the Rogue, the X-Trail and Renault Samsung QM5 and Renault Koleos were launched, based on the same platform. From 2009, the renewed Renault Mégane, Scénic, the new Fluence and Renault Samsung SM3 further expanded the use of this platform.

Interchangeable components

Complementary to the common platform strategy, Renault and Nissan have implemented a new approach to enable the exchange of components across platforms: the interchangeable components policy (ICP). This strategy is based on a functional analysis of customers' needs and goes beyond sharing. ICP consists of using same parts or fittings on different models, across several platforms and segments. Expanding the scope of common platforms by designing components that can be used for different platforms or segments, offers greater scope for vehicle and market differentiation.

This contributes to improving cost efficiency, enhancing manufacturing flexibility and supporting global expansion while preserving the specific identity of each brand and the features of each vehicle.

The result is a variable level of commonality for each component allowing greater flexibility for vehicle differentiation, while aiming for cost reduction and quality improvement.

In 2009 alone, almost €50 million worth of new synergies were created just by the extended use of more common components across the Alliance. Examples included HVAC systems and strut and shock absorbers.

POWERTRAINS (ENGINES AND GEARBOXES)

The Alliance is generating economies of scale for the future. Renault and Nissan are jointly developing new engines and gearboxes that fit in both Renault and Nissan models. Substantial economies of scale are expected, especially in terms of the recovery of development costs, but also in the areas of manufacturing and logistics. This is already the case for the co-developed M1D (diesel) and M1G, S2G (gasoline) engines and a 6-speed manual transmission.

In addition to this, a brand-new commonly developed V6 dCi diesel engine (V9X) made its debut on the Laguna coupé and a new turbo charged petrol engine, TCe 130, was based on the co-developed 1.5-1.6 gasoline engine that will be used in the new Mégane from 2009.

In April 2009, a new organization named Alliance Powertrain Planning Office was created. Its role is to maximize convergence of the powertrain line-ups of Renault and Nissan.

POWERTRAINS DEVELOPED JOINTLY BY RENAULT AND NISSAN

	1.5-LITER – 1.6-LITER GASOLINE ENGINE	1.8-LITER – 2.0-LITER GASOLINE ENGINE	2.0-LITER DIESEL ENGINE	V6 3.0 LITER DIESEL ENGINE	240NM 6-SPEED MANUAL TRANSMISSION
Renault & RSM Models					
Clio III		*no M4R anymore*			*
Laguna III		*(M4R)	*(M9R)	*(V9X)	*
Laguna coupé			*(M9R)	*(V9X)	
Mégane III	*(H4Jt)	*(M4R)	*(M9R)		*
Scenic III	*(H4Jt)	*(M4R)	*(M9R)		*
Fluence/SM3	*(HR16DE)	*(M4R)			*
Koleos/QM5			*(M9R)		
Espace			*(M9R)		
Trafic			*(M9R)		
Modus					*
Nissan Models					
March/Micra	*(HR15DE, HR16DE)				
Cube	*(HR15DE, HR16DE)	*(MR18DE)			*
Tiida/Tiida Latio/Versa	*(HR15DE, HR16DE)	*(MR18DE)			*
Note	*(HR15DE, HR16DE)				*
Wingroad	*(HR15DE)	*(MR18DE)			
Bluebird Sylphy	*(HR15DE, HR16DE)	*(MR20DE)			
AD-Van	*(HR15DE)	*(MR18DE)			
Lafesta		*(MR20DE)			
Serena		*(MR20DE)			
Sentra		*(MR20DE)			*
Livina/Geniss/Grand Livina	*(HR15DE, HR16DE)	*(MR18DE)			*
Qashqai/Dualis	*(HR16DE)	*(MR20DE)	*(M9R)		*
X-Trail		*(MR20DE)	*(M9R)		*
NV200	*(HR15DE, HR16DE)				*

* *Specific engine codes used in each company are mentioned in brackets.*

RESEARCH AND ADVANCED ENGINEERING

Optimizing the allocation of resources

Renault and Nissan are co-operating in strategic fields of research and advanced engineering in which they have common interests. This co-operation aims to optimize the allocation of resources of both groups covering a broader range of potential technical solutions and accelerating work to achieve technology breakthroughs to bring new products to the market.

Renault and Nissan have a technology plan [T] which is composed of four common pillars. These are safety, environment-CO_2, life-on-board and dynamic performance. These four pillars determine the priority areas of investment for key technologies and innovations.

By using their unique strengths, international market knowledge and networks, the two groups are well positioned to increase their technological portfolio and deliver innovative solutions to place the Alliance among the best three automotive groups in key technologies.

Following the decision in 2007 to invest massively in the zero emission business, the Alliance has made the mass-marketing of electric vehicles a cornerstone of its environmental strategy. Without the combined power of the Alliance, neither Renault or Nissan would have been able to move as rapidly and deeply into the battery and electric vehicle business. To date, the Alliance has committed at least €4 billion into engineering and manufacturing batteries and electric vehicles. In late 2010, the first fruits of that investment will go on sale in the US and Japan when the Nissan Leaf is launched.

QUALITY

Alliance Quality Charter ✦

The Charter precisely defines the joint quality directives and procedures; it is applied to all Alliance projects.

The Charter covers all the key quality processes: customer quality surveys, Group quality targets, quality control in the development of new models, production quality assurance, quality assurance of outsourced components, service quality assurance (sales and after-sales), quality of technical progress, and warranty policy and procedures.

The Charter brings Renault and Nissan closer together through the use of common quality tools, such as Alliance Vehicle Evaluation System (AVES), Alliance New Product Quality Procedure (ANPQP), Alliance Supplier Evaluation System (ASES) and the definition of the parts per million (PPM) targets for parts manufactured outside the Group. In particular:

- ANPQP, a quality measurement system developed for suppliers, has been extended to all new projects;
- ASES is used to assess the controls and performance of suppliers and their technical skills in the field of quality.

Exchange of best practices

The Quality FTT has studied best practices in an effort to boost progress in the realm of quality in both companies and to help achieve targets. The best practices are sourced from Renault or Nissan (Japan, the United States, Europe) and are upgraded by both companies if necessary.

Both companies have been contributing to the Renault Quality Plan and the facing Nissan Quality 3-3-3 plan since 2003.

Synergies

Renault and Nissan are improving together by developing common quality synergies:

- AEEP (Alliance Engineer Exchange Program). To contribute to the development of the Renault-Nissan Alliance Strategic Vision, the Quality FTT has set up an Engineer Exchange Program on key topics;
- breakthrough items for a better understanding of customer expectations around the world:
  - white books: gathering and sharing all information on market needs coming from each company,
  - AVES: development of AVES region by region to fit market needs better,
  - “JD Power” survey: improvement of the result prediction method.

PURCHASING

The Alliance has been able to make substantial cost savings by pursuing a joint purchasing strategy and building a network of common suppliers.

Renault-Nissan Purchasing Organization (RNPO)

The Renault-Nissan Purchasing Organization (RNPO) was established in April 2001 as the first Alliance joint-venture company. RNPO initially managed about 30% of Nissan’s and Renault’s global annual purchasing turnover. By November 1, 2006, this percentage had increased to 75% and was 92% by June 2008. From April 1, 2009, RNPO effectively accounted for 100% of all purchasing across the Alliance, bringing to conclusion the natural evolution of this collaborative venture. The geographical scope of RNPO has been extended to all the regions where Renault and Nissan have production activities in an effort to respond to worldwide needs. As a joint Renault and Nissan procurement structure, RNPO helps to improve purchasing efficiency by using a global management system for purchases coming within the scope of the Alliance, while local purchasing departments work increasingly for both companies as a single purchasing organization. A survey shows that suppliers strongly support RNPO as it brings value to the business.

MANUFACTURING

Renault and Nissan have actively exchanged know-how and implemented best practices in the area of manufacturing. Both are now jointly working on new steps for further improvement of the Renault production way/*Système de Production Renault* (SPR) and the Nissan production way (NPW).

Exchange of know-how and implementation of associated best practices in manufacturing processes: Renault has upgraded its SPR by introducing shop floor management with the support of Nissan experts, such as standardization of workstations, implementation of TPM (Total Productive Maintenance), QC (Quality Control), JIT (Just In Time) and sequenced production, etc.

In parallel, Renault’s ideas introduced at Nissan include standards and analysis tools for workstation ergonomics and cost-control methods.

Through the above-mentioned activities, Renault and Nissan found opportunities and jointly worked on activities that directly contribute to the improvement of manufacturing performance based on KPI (key performance indicators) monitoring. Common KPIs have been selected and reported to ABM in order to stimulate progress and accelerate best practices through internal benchmarking activities.

Cross-Production

Thanks to the Alliance, Renault is boosting capacity utilization at its existing production facilities. An Industrial Strategy FTT is organized to maximize production efficiency, minimize investment and production preparation lead time by utilizing both companies’ production sites for both companies’ models so as to maximize the effect of the Alliance by cutting production, purchasing and other costs.

The first joint manufacturing operation in the Alliance was the Renault Scénic at Nissan’s Cuernavaca plant in Mexico from December 2000, and then followed by the Clio built at the Aguascalientes plant from 2001.

The Renault Master, Nissan Frontier and Nissan X-Terra (Frontier/X-Terra also built at Nissan Smyrna, Tennessee) are built at Renault Curitiba LCV plant in Brazil. The plant started production of two new Nissan products, Livina and Grand Livina in 2009.

In Spain, Renault Trafic/Nissan Primastar/Opel (Vauxhall) Vivaro are manufactured in Nissan’s Barcelona plant.

In Nissan’s South Africa plant, the production of the Renault Sandero started from January 2009.

The Renault Samsung plant in Busan, Korea, is producing vehicles for export to Russia and other countries under the Nissan name.

LOGISTICS

The Logistics CCT was created to capitalize on the geographical fit between the Alliance production facilities worldwide. The Logistics CTT is also tasked with forecasting the Alliance's fast-growing international business.

For parts transport, synergies include joint call for tenders since 2001 on container sea freight and the establishment of common logistics platforms in Europe (France and Spain). Studies continue to make cross-use of Renault-Nissan import/export logistics platforms, especially to support the development of new projects and the sourcing of parts in LCC (leading competitive countries).

The implementation of a common approach to the design of new packaging has reduced both costs and development times and has generated new opportunities for synergy through the consolidation of purchased volumes of future common packaging.

Since 2002, for vehicle transport, a sea shuttle between Santander (Spain) and Newcastle (United Kingdom), via Le Havre (France) and Zeebrugge (Belgium), has been transporting Renault vehicles from the plants in Spain and France northwards, and carrying Nissan vehicles manufactured in the Sunderland plant (UK) southwards. Since 2005, Renault-Nissan call for joint tenders on sea freight for overseas vehicles and further studies are ongoing to consolidate vehicles flows in the future, along with the Alliance expansion on new markets.

As of November 1, 2009 the Alliance announced a new operation across Europe called Alliance Logistics Europe (ALE), bringing together under one common organization the logistics engineering and operations for both companies. Looking ahead, Alliance Logistics Europe is targeting synergies of over €30 million in 2010. These savings will come through process benchmarking and best practices implementation, common Logistics and taking advantage of purchasing scale through the greater harmonization of processes and suppliers.

1.2.3.2 TRENDS IN REGIONAL COOPERATION

Renault and Nissan are highly complementary in terms of markets, products and know-how, leveraging their presence in nearly all the major global automotive markets. Each can thus move into new markets at a lower cost, relying either on the other partner's distribution network or manufacturing facilities or both. This close fit also enables the Groups to round out their respective product and service offers. Moreover, Renault and Nissan each benefit from exchanging know-how in research and development, processes and marketing. Generally, the partners will pursue separate sales and marketing strategies but share back-office functions, including finance and consumer credit solutions.

Recent progress was seen in common media buying in Europe (see chapter 1.2.1.2) and an additional common parts warehouse opening in Russia.

1.2.3.3 HUMAN RESOURCES IN THE ALLIANCE ✦

Human resources management in the Alliance covers staff exchanges between the two Groups and the Alliance Business Way Program, a training scheme specially developed to promote mutual understanding and enable staff to work together effectively and efficiently.

STAFF EXCHANGES

Since the beginning of the Alliance, Renault and Nissan have been developing personnel exchanges in order to enhance Alliance performance. Since the formation of the Alliance, hundreds of people have been given the opportunity to work outside of their home markets and home company. Personnel exchanges focus on corporate/functional/regional high potential persons or experts in order to promote the following objectives:

- develop Alliance global leaders with cross-cultural experience;
- share expertise and excellence;
- support regional expansion especially in new developing countries;
- develop knowledge-sharing in critical expertise.

Despite an overall reduction in the global number of foreign service employees in both companies due to the economic climate, as of January 1, 2010, 113 employees are currently participating in Renault-Nissan personnel exchanges. 27 Renault employees are currently at Nissan in Japan, nine Renault employees are at Nissan North America, and one in another Nissan country. In addition, 32 Renault employees have been seconded to Nissan in Europe. In reverse, 21 Nissan employees from Japan and seven employees from other Nissan entities are currently at Renault and 16 others from elsewhere in Nissan to other Renault companies.

The principle of cross-cultural people exchanges is a key competitive strength of the Alliance. More transfers are expected in the future as geographical expansion increases in ASEAN and South America Regions in function of the commercial expansion of the Alliance.

ALLIANCE BUSINESS WAY PROGRAM

The Alliance Business Way Program aims to boost the global success of the Alliance by improving team performance and individual skills. The program strives to build positive win-win relationships inside the Alliance.

The following training programs are on offer:

- "Working with Japanese and French partners": this training course is available at both Renault and Nissan and is designed for the Alliance's key contributors. The purpose of the course is to gain a better understanding of cultural heritage and styles of working by focusing on three topics: communication, project management and problem solving while retaining a positive partnership. To date, 1,213 people have taken this course;

- Team-Working Seminars (TWS) are designed for staff working in the Alliance entities, such as the CCTs and FTTs and common organizations. They aim to:
  - improve team work,
  - strengthen personal bonds and mutual trust,
  - create a team identity,
  - share common team goals;
- Alliance Engineer Exchange Program (AEEP). The AEEP program was launched in 2005. Used to manage joint Renault-Nissan technical projects, it offers promising young engineers the opportunity to become involved in the Alliance.

ALLIANCE TRAINING FOR RENAULT EMPLOYEES IN FRANCE

Between October and December 2009, over 20,000 Renault employees based around Paris took part in a specially developed Alliance training program. Designed to increase the awareness and understanding of Nissan and the Alliance, the training program ensured that employees at all levels of the company could improve their knowledge of the Alliance.

1.2.4 NISSAN'S STRATEGY AND RESULTS IN 2009

Nissan's financial statements are prepared under Japanese accounting standards, which differ from the standards used by Renault. The statements include intermediate operating totals and some Nissan-specific indicators. To measure the contribution to Renault's results, Nissan's financial statements are restated, as described in chapter 7, note 14 to the consolidated financial statements.

Nissan has production facilities in over 40 countries. In fiscal year 2008, Nissan sold 3,411,000 units worldwide. The company operates in Japan, the Americas, Europe, China and other overseas markets.

1.2.4.1 NISSAN'S STRATEGY AND GROWTH

FISCAL YEAR 2009 AFTER NINE MONTHS

On February 9, 2010, Nissan announced financial results for the third quarter of fiscal year 2009, ending March 31, 2010, as well as for the first nine months. In the third quarter, the consolidated net income after taxes totaled 45 billion yen (US $480 million, €340 million). The better-than-expected results were due mainly to additional sales volumes driven by scrapping incentives in major markets, sales volume growth in China and the effective execution of countermeasures put in place following the global financial and economic crisis.

Net revenues increased by 9.9% to 1.9962 trillion yen (US $21.33 billion, €15.01 billion). Operating profit was 134.1 billion yen (US $1.43 billion, €1.01 billion) and operating profit margin came to 6.7%. Ordinary profit was 112.7 billion yen (US $1.20 billion, €850 million).

Nissan sold 882,000 vehicles worldwide in the October-to-December 2009 period, a 20.6% increase.

In the April-to-December 2009 period, net income after tax totaled 54 billion yen (US $580 million, €410 million), up 25%. Net revenue fell 19.5% to 5.3796 trillion yen (US $57.47 billion, €40.45 billion). Operating profit totaled 228.9 billion yen (US $2.45 billion, €1.72 billion), an increase of 147.6%. Operating profit margin came to 4.3%. Ordinary profit amounted to 145.9 billion yen (US $1.56 billion, €1.1 billion), up 62%.

Globally, Nissan sold 2,505,000 vehicles in the first nine months of the fiscal year, down 4.8%.

The company has revised upward its full fiscal year forecast for 2009. Based on foreign-exchange rates of 92 yen/dollar and 132 yen/euro, the revised average rates for the full fiscal year, Nissan filed the following forecast with the Tokyo Stock Exchange for the fiscal year ending March 31, 2010:

- consolidated net revenues of 7.4 trillion yen (US $80.43 billion, €56.06 billion);
- operating profit of 290 billion yen (US $3.15 billion, €2.2 billion);
- net income of 35 billion yen (US $380 million, €270 million);
- R&D expenses of 395 billion yen (US $4.29 billion, €2.99 billion); and
- capital expenditures of 300 billion yen (US $3.26 billion, €2.27 billion).

(Note: Amounts in dollars and euros are translated for the convenience of the reader at the foreign-exchange rates of 93.6 yen/dollar and 133 yen/euro, the average rates for the first nine months of the fiscal year ending March 31, 2010.)

1.2.4.2 NISSAN'S 2009 CONTRIBUTION TO RENAULT'S RESULTS

CONTRIBUTION TO RENAULT' CONSOLIDATED NET INCOME

Nissan's contribution to Renault's earnings in 2009 was a negative €902 million, compared with €345 million in 2008, recorded in the financial statements as a share in net income of companies accounted for by the equity method.

(See chapter 7 note 14 to the consolidated Financial Statements.)

DIVIDEND PAYOUT

Renault did not receive any dividends in 2009 from Nissan, compared with €418 million in 2008.

1.2.5 ALLIANCE COMBINED SALES PERFORMANCE AND FINANCIAL INDICATORS ✦

1.2.5.1 ALLIANCE COMBINED SALES FOR 2009

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

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

RENAULT HIGHLIGHTS

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

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

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

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

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

NISSAN HIGHLIGHTS

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

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

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

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

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

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

** Total PC+LCV market sales based on Renault estimates: 62,208,320 units.*

WORLDWIDE SALES

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

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

WESTERN EUROPE

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

CENTRAL AND EASTERN EUROPE

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

NORTH AMERICA

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

JAPAN

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

LATIN AND SOUTH AMERICA

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

MIDDLE EAST AND AFRICA

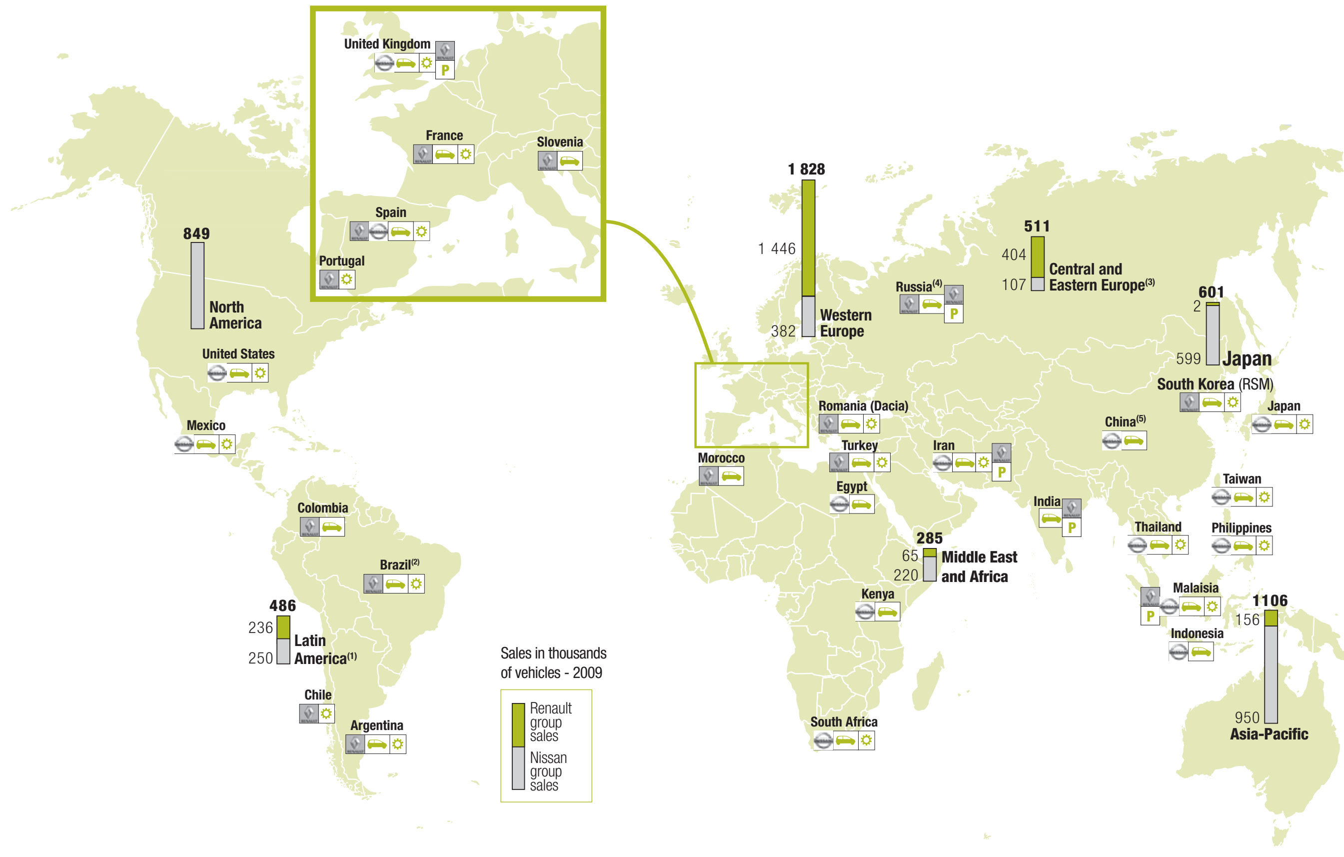
	2009	2008	CHANGE 2009/2008
Renault Group	64,647	78,341	-17.4%
Nissan	220,443	318,011	-30.7%
RENAULT-NISSAN ALLIANCE	**285,090**	**396,352**	**-28.1%**

ASIA AND PACIFIC

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

WORLDWIDE SALES AND PRODUCTION SITES ✦

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



Renault group plants (Renault, Dacia and Renault Samsung Motors)

Nissan plants | Body assembly | Powertrain

Plants of Renault partners
- in Iran, Iran Khodro and SAIPA
- in India, Mahindra & Mahindra
- in the UK, General Motors
- in Malaysia, TCEC
- in Russia, AvtoVAZ

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

1.2.5.2 VALUE OF JOINT OPERATIONS

Renault sales to Nissan and Renault purchases from Nissan in 2009 are estimated at €1.1 billion and €0.8 billion, respectively, as mentioned in chapter 7, note 14-J to the consolidated financial statements.

1.2.5.3 FINANCIAL INFORMATION ON THE ALLIANCE

See chapter 2.1.3.

2.

MANAGEMENT REPORT

2.

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2.1 EARNINGS REPORT

IN BRIEF

KEY FIGURES

		2009	2008	CHANGE
Group sales worldwide	*Million units*	2.31	2.38	-0.07
Group revenues	*euro million*	33,712	37,792*	-4,080
Operating margin	*euro million*	-396	326*	-722
	% of revenues	-1.2%	0.9%	-2.1 pts
Contribution from associated companies	*euro million*	-1,561	437	-1,998
o/w Nissan		*-902*	*345*	*-1,247*
o/w AB Volvo		*-301*	*226*	*-527*
o/w AvtoVAZ		*-370*	*-117*	*-253*
Net income (loss)	*euro million*	-3,068	599	-3,667
Net income (loss), Group share	*euro million*	-3,125	571	-3,696
Net income (loss) per share	*€*	-12.13	2.23	-14.4
Automobile net financial debt	*euro million*	5,921	7,944	-2,023
Debt-to-equity ratio	*%*	35.9%	40.9%	-5 pts
Automobile's free cash flow (1)	*euro million*	2,088	-3,028	+5,116

* *On a consistent basis.*

OVERVIEW

In 2009 the Group achieved its key target of generating positive free cash flow (1).

The Group also increased its market share: in a global market that contracted by 4.5%, the Renault Group lifted its market share by a slight 0.1 points to 3.7%, despite a 3.1% decline in sales. Group sales totalled 2.3 million units.

In 2009 there was a sharp contrast between the first quarter, still severely impacted by the crisis, with world markets down by 20%, and a second half supported by government incentives. That contrast was reflected in Renault group sales, with a 16.5% decline in sales in the first half and strong growth in the second, driven by the launch of six new vehicles: Kangoo be bop, Mégane coupé, Grand Scénic, Scénic, Mégane Estate and SM3/Fluence. In 2009, the Group made market share gains in 11 of its largest 15 markets.

- In Europe, where the market was down by 4.5%, the Group grew sales by 1.4% and gained 0.6 point in market share. The Renault brand returned to the number-three spot in Western Europe with an 8.2% market share (PC + LCV), mainly due to the success of the Mégane family and Twingo. Dacia brand sales expanded by more than 90%, and Dacia entered the Top 10 brands in France.
- Outside Europe, Renault group sales fell 10.8% overall, but with a contrast between the Eurasia Region, where sales contracted by 38.2% and the Asia-Africa Region, where sales grew by 3.6%. Sales fell by 12.3% in the Euromed Region and by 7.4% in the Americas Region.

In a strained environment, consolidated Group revenues came to €33,712 million in 2009, a 10.8% decline on 2008 on a consistent basis.

Group operating margin was a negative €396 million, or -1.2% of revenues, down €722 million on 2008 using consistent methods (2), owing to a negative currency effect, a contraction in volumes and an unfavorable price/mix effect, which were partly offset by the cost-cutting policy. Group operating margin benefited from a €506 million contribution from Sales Financing, up 3.9% on 2008.

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

(1) Free cash flow = cash flow minus tangible and intangible investments net of disposals +/- the change in the working capital requirement.

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

The net result was a negative €3,068 million.

Automobile generated a substantial €2,088 million in free cash flow, which was the priority aim in 2009. Automobile's cash flow amounted to €1,467 million, investments net of disposals (including leased vehicles)(3) totalled €2,302 million, and the working capital requirement was cut by €2,923 million.

In 2009 the Group's adjustment measures and more selective approach to expenditure under the 2009 action plan for free cash flow brought R&D expenses and investments net of disposals down by 26% and 36% respectively compared with 2008. Net Capex and R&D expenses were kept under control, falling from 11.1% to 8.9% of revenues.

The Group also focused on managing and optimizing its working capital requirement. The targets of a structural reduction in inventory and receivables were achieved.

Automobile net financial debt fell by €2,023 million on December 31, 2008 to €5,921 million. The debt-to-equity ratio was reduced from 40.9% to 35.9%.

2010: OUTLOOK

Renault expects economic conditions to remain difficult in 2010 with a European market that could contract by 10% *versus* the total industry volume of 2009. In this context, consistent with 2009, the company's objective is to generate positive free cash flow and thus continue to reduce debt.

To meet this objective, Renault will rely on four key levers in 2010:

- the appeal of its product range, which will continue to be broadened and renewed with six new product roll-outs in 2010 to maintain the market share momentum of second-half 2009;
- enhancing Alliance synergies with Nissan;
- the continuation of the cost reduction policy and a ratio of net Capex and R&D expenses kept at less than 10% of revenues;
- intensified actions to control working capital requirements.

2.1.1 SALES PERFORMANCE

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

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

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

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

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

THE RENAULT GROUP'S 15 BIGGEST MARKETS:

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

* *Preliminary figures.*

EUROPE

- In **Europe**, where the market fell by 4.5%, Group sales rose by 1.4%, enabling the Group to increase its share by 0.6 of a point.
- The Renault brand is now once again the third-ranked brand in **Western Europe**, with a market share of 8.2%, chiefly owing to the success of the Mégane family and Twingo.
- The Renault brand continued to top the LCV market and raised its share by 0.4 of a point. The brand has been the undisputed leader in Western Europe for 12 years.
- In **France**, sales amounted to 701,998 units. The Group's share was up 0.6 of a point on a market supported by scrappage incentives and environmental bonuses.
- In **Germany**, Mégane sales jumped by 42.7%, and Sandero was highly successful thanks to the scrappage bonus scheme. The Group's share of the German market increased by a point relative to 2008.
- In **Spain**, where the market fell by 20.2%, Renault sales declined by 15.3%. The Group's share of the market rose by 0.6 of a point, notably owing to the success of the Mégane family.
- In the **UK**, the Group's share was down 1.1 points, reflecting an adjustment in volumes in the wake of sterling depreciation. In the second half, however, a targeted sales drive saw market share climb by 0.2 of a percentage point relative to the second half of 2008.
- Dacia brand sales rose by more than 90% in **Europe**, and Dacia is now one of the Top-ten selling brands in **France**.
- Entry range sales in Europe made up 40% of the range's total sales, helped by scrappage bonuses, particularly in Germany and France, and LPG incentives in Italy.

OUTSIDE EUROPE

- Renault group sales on international markets declined by 10.8%, although performances varied, with sales falling 38.2% in the **Eurasia** Region and rising 3.6% in the **Asia-Africa** Region.
- In **South Korea**, where the market rose by 20.1%, Renault Samsung Motors (RSM) increased its share by 0.8 of a point to 9.3% as sales increased by 31%. South Korea is now the Group's third-largest market.
- In **Russia**, where the market plummeted by 50%, the Group gained 1.3 points of market share, as Logan became the highest-selling vehicle of any foreign brand.
- In **Romania**, although the market plunged by 53.7%, the Group strengthened its leadership, raising its market share by 1.6 points to 35.9%.
- The Group increased its market share significantly in **North Africa**, by 6.3 points in **Algeria** and 5.5 points in **Morocco**.
- In **India**, however, Logan did not reach the hoped-for volumes, failing to achieve the same success as in other markets.
- In **Iran**, the financial problems of local partners affected performance. Market share was 2.8%, while volumes contracted by 34%.
- In **Brazil**, the Group put in a record performance, selling almost 118,000 units, as sales volumes increased by 2.1%. Even so, the Group did not keep step with the market, which also set a new record of three million units. The Group's market share fell by 0.4 of a point to 3.9%.

2.1.1.1 AUTOMOBILE

GROUP SALES WORLDWIDE (UNITS) – PC + LCVs

PC + LCVs	2009*	2008	CHANGE (%)
GROUP	**2,309,188**	**2,382,243**	**-3.1**
By Region			
Europe	1,529,368	1,507,554	1.4
o/w France	701,998	654,142	7.3
Euromed	240,500	274,352	-12.3
Eurasia	80,428	130,218	-38.2
Americas	236,029	254,957	-7.4
Asia-Africa	222,863	215,162	3.6
Outside Europe	779,820	874,689	-10.8
BY BRAND			
Renault	1,861,389	2,019,369	-7.8
Dacia	311,332	258,372	20.5
Renault Samsung	136,467	104,502	30.6
BY VEHICLE TYPE			
PC	2,032,565	2,018,024	0.7
LCVs	276,623	364,219	-24.1

* *Preliminary figures.*

RENAULT BRAND

Passenger cars

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

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

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

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

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

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

Light commercial vehicles

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

DACIA BRAND

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

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

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

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

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

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

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

RENAULT SAMSUNG MOTORS BRAND

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

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

SM7 sales were also up by 19.4%.

QM5 sales, however, fell by 28.3%.

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GROUP SALES BY BRAND

Europe Region

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

* *Preliminary figures.*

Euromed Region

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

* *Preliminary figures.*

Eurasia Region

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

* *Preliminary figures.*

Asia-Africa Region

	2009*	2008	CHANGE (%)
Renault	85,674	109,847	-22.0
Dacia	3,558	3,334	6.7
Renault Samsung	133,631	101,981	31.0
GROUP	**222,863**	**215,162**	**3.6**

* *Preliminary figures.*

Americas Region

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

* *Preliminary figures.*

DEPLOYMENT OF THE ENTRY RANGE WORLDWIDE BY BRAND (IN UNITS)

LOGAN	2009*	2008	TOTAL SINCE LAUNCH
DACIA			
Europe	81,756	84,364	325,947
Euromed	70,487	115,048	572,275
Eurasia	2,611	15,510	35,762
Asia-Africa	2,828	3,299	13,602
Americas	569	666	2,318
TOTAL DACIA	**158,251**	**218,887**	**949,904**
RENAULT			
Eurasia	55,616	74,300	254,140
Asia-Africa	48,551	74,952	151,935
Americas	46,416	56,807	160,358
TOTAL RENAULT	**150,583**	**206,059**	**566,433**
TOTAL LOGAN	**308,834**	**424,946**	**1,516,337**
SANDERO			
DACIA			
Europe	131,227	27,267	158,494
Euromed	18,231	11,472	29,703
Eurasia	415	-	415
Asia-Africa	730	35	765
Americas	603	147	750
TOTAL DACIA	**151,206**	**38,921**	**190,127**
RENAULT			
Eurasia	333	-	333
Asia-Africa	3,633	-	3,633
Americas	69,296	46,524	116,099
TOTAL RENAULT	**73,262**	**46,524**	**120,065**
TOTAL SANDERO	**224,468**	**85,445**	**310,192**
ENTRY			
DACIA			
Europe	212,983	111,631	484,441
Euromed	88,718	126,520	601,978
Eurasia	3,026	15,510	36,177
Asia-Africa	3,558	3,334	14,367
Americas	1,172	813	3,068
TOTAL DACIA	**309,457**	**257,808**	**1,140,031**
RENAULT			
Eurasia	55,949	74,300	254,473
Asia-Africa	52,184	74,952	155,568
Americas	115,712	103,331	276,457
TOTAL RENAULT	**223,845**	**252,583**	**686,498**
TOTAL ENTRY	**533,302**	**510,391**	**1,826,529**

* *Preliminary figures.*

GROWTH IN ENTRY RANGE SALES

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

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

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

The Entry range is now sold on 86 markets worldwide.

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

2.1.1.2 SALES FINANCING ✦

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

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

PROPORTION OF NEW VEHICLES FINANCED

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

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

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

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

RCI BANQUE'S NEW FINANCING CONTRACTS AND AVERAGE LOANS OUTSTANDING

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

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

INTERNATIONAL DEVELOPMENT

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

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

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

2.1.1.3 SALES AND PRODUCTION STATISTICS ✦

TOTAL INDUSTRY VOLUME – REGISTRATIONS (IN UNITS)

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

* *Preliminary figures.*

** *Outside North America.*

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

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

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

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RENAULT GROUP REGISTRATIONS IN THE EUROPE REGION BY MODEL - PC + LCVs (UNITS)

	2009*	2008	CHANGE (%)
Twingo/Twingo II	179,322	135,213	+32.6
Clio/Clio II/Clio III	346,206	383,419	-9.7
Thalia/Thalia II	9,192	6,587	+39.5
Sandero	131,203	27,259	+++
Modus	71,401	77,297	-7.6
Logan	81,205	84,261	-3.6
Mégane/Mégane II/Mégane III	391,399	345,775	+13.2
Koléos	21,029	17,843	+17.9
Laguna/Laguna II/Laguna III	51,804	91,246	-43.2
Vel Satis	1,165	1,668	-30.2
Espace/Espace IV	15,633	24,204	-35.4
Kangoo/Kangoo II	111,775	139,434	-19.8
Trafic/Trafic II	49,735	74,711	-33.4
Master/Master II/Master Propulsion	46,208	68,362	-32.4
Mascott**/Maxity**	5,755	10,481	-45.1
Miscellaneous	2,205	3,227	-31.7
REGISTRATIONS IN EUROPE	**1,515,237**	**1,490,987**	**+1.6**

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

RENAULT GROUP REGISTRATIONS OUTSIDE EUROPE REGION BY MODEL (EXCL. LADA) - PC + LCVs (IN UNITS)

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

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

RENAULT GROUP SALES PERFORMANCE OF MODELS BY SEGMENT IN EUROPE REGION

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

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

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RENAULT GROUP WORLDWIDE PRODUCTION BY MODEL[1] - PC + LCVs (IN UNITS)

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

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

(2) Trafic production at the GM Europe plant in Luton (UK) and at the Nissan plant in Barcelona (Spain) was not recorded as Renault production.

** Preliminary figures.*

GEOGRAPHICAL ORGANIZATION OF THE RENAULT GROUP BY REGION – BREAKDOWN BY REGION

From March 1, 2009.

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

2.1.2 FINANCIAL RESULTS ✦

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

Operating margin was a negative €396 million, or -1.2% of revenues, down €722 million on 2008 using consistent methods[(4)]. Second-half operating margin was positive at €224 million.

Other Group operating income and expenses showed a net charge of €559 million, compared with a net charge of €443 million in 2008 using consistent methods[(4)].

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

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

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

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

Automobile generated €2,088 million of free cash flow[(5)], which was the priority aim in 2009. Automobile's cash flow amounted to €1,467 million, investments net of disposals totaled €2,302 million and the working capital requirement was reduced by €2,923 million.

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

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

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

(5) Free cash flow = cash flow minus tangible and intangible investments net of disposals +/- the change in the working capital requirement.

2.1.2.1 CONSOLIDATED INCOME STATEMENT ✦

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

Divisional contribution to Group revenues

	2009					2008 RESTATED FOR 2009 SCOPE AND METHODS					2008 REPORTED
(€ million)	Q1	Q2	Q3	Q4	YEAR	Q1	Q2	Q3	Q4	YEAR	YEAR
Automobile	6,634	8,467	7,664	9,186	31,951	9,727	10,191	8,633	7,240	35,791	35,757
Sales Financing	446	444	438	433	1,761	506	537	502	456	2,001	2,034
TOTAL	**7,080**	**8,911**	**8,102**	**9,619**	**33,712**	**10,233**	**10,728**	**9,135**	**7,696**	**37,792**	**37,791**

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

The revenue contribution from **Sales Financing** was down 12.0% on 2008 at €1,761 million, in line with the 11.1% decline in average loans outstanding.

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

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

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

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

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

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

Divisional contribution to Group operating margin

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

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

- increase its margins: net banking income rose to 5.17% of average loans outstanding, up from 4.58% in 2008. In value terms, that increase offsets the decline in average loans outstanding, which totaled €20.2 billion in 2009, compared with €22.7 billion in 2008 (-11%);
- keep risk-related costs under control at 0.99% of average loans outstanding at end-December 2009, compared with 0.87% at end-December 2008. The increase can be attributed to worsening economic conditions in Spain and Romania. Excluding those two countries, risk-related costs were stable on 2008. Improved collection and a stricter approvals policy brought down risk-related costs in the second half of 2009;
- optimize operating costs: restructuring at RCI Banque kept operating costs under control compared with 2008.

In 2009, in a poor business environment, the contribution of **Automobile** to the operating margin fell €741 million, using consistent methods(7), from a negative €161 million in 2008 to a negative €902 million in 2009 (-2.8% of revenues), chiefly because of:

- a negative currency effect of almost €300 million, due mainly to the depreciation of the Russian ruble, the pound sterling and the Polish zloty;
- a negative volume and price mix impact of €746 million:
  - the decline in volumes (including for partners) accounted for €464 million, with the positive impact of the Europe Region failing to offset declines in other markets,
  - a negative mix/price/enhancement/incentives impact of €282 million. The positive impact of the reduction in fixed marketing costs and the renewal of the Mégane range were not enough to compensate for the change in the mix spurred by tax incentives as well as the commercial pressure in all the Group's markets;
- the company-wide cost-cutting policy, stepped up in 2009, made a positive contribution of €496 million:
  - purchasing costs decreased by €253 million excluding raw materials (up €48 million), despite the extra cost of providing assistance to some suppliers in difficulty,
  - G&A and warranty-related costs fell by €105 million and €80 million respectively,
  - manufacturing costs were down by €126 million.

Renault Group – R&D Expenses*

(€ million)	YEAR 2009	YEAR 2008 RESTATED
R&D expenses	1,643	2,235
% of revenues	*4.9%*	*5.9%*
Capitalized development expenses	-587	-1,125
% of revenues	*35.7%*	*50.3%*
Amortization(7)	739	634
R&D EXPENSES RECORDED IN THE INCOME STATEMENT	**1,795**	**1,744**

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

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

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

- capitalized development expenses contracted to €587 million, or 35.7% of the total, down 14.6 points on 2008 (50.3%), mainly because of the product planning cycle;
- amortization expense rose to €739 million compared with €634 million using consistent methods(7);

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

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Other operating income and expenses showed a net charge of €559 million in 2009, compared with €443 million in 2008 using consistent methods[8].

In 2009 this item mainly consisted of:

- €218 million in restructuring and workforce adjustment costs (compared with €489 million in 2008), including a provision for rationalizing the real-estate portfolio in the Paris region;
- a €297 million impairment charge (€114 million in 2008[8]) recorded in the first half, the bulk of which was related to capitalized development expenses for two vehicles in the range whose volume/contribution outlook was adversely affected by the economic crisis. This impairment charge was recorded under operating margin until 2008;
- the consequences of the sale, announced at the end of 2009, of most of the Renault F1 stable for €118 million;
- net capital gains of €102 million on the sale of real-estate, chiefly the sale of a logistics center in Korea.

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

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

- a €43 million loss linked to the negative impact of the fair value change in Renault SA's redeemable shares, compared with a gain of €509 million in 2008;
- an increase in interest expense owing to the rise in Automobile's debt.

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

- -€902 million for Nissan. After a first half heavily impacted by the effects of the crisis, Nissan's situation improved markedly in the second half, with a positive contribution of €309 million;
- -€301 million for AB Volvo;
- -€370 million for AvtoVAZ.

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

2.1.2.2 NET CAPEX AND R&D EXPENSES

Automobile's tangible and intangible investments net of disposals, using consistent methods[9], came to €2,054 million in 2009 (including €589 million in capitalized R&D expenses) compared with €3,232 million in 2008 (including €1,125 million in capitalized R&D expenses).

Tangible and intangible investments net of disposals, by division

(€ million)	2009	YEAR 2008 RESTATED [9]
Tangible investments	1,620	2,309
Intangible investments	670	1,177
of which capitalized R&D expenses	*589**	*1,125*
of which other intangible investments	*81*	*52*
Total acquisitions	2,290	3,486
Disposal gains	-236	-254
TOTAL AUTOMOBILE	**2,054**	**3,232**
TOTAL SALES FINANCING	**19**	**7**
TOTAL GROUP	**2,073**	**3,239**

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

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

- in Europe (59% of total outlays), range-related investments accounted for 79% of total outlays. Funds were allocated mainly to New Mégane and Master;
- investments outside Europe accounted for 41% of total outlays and were primarily allocated to Romania, Korea and Turkey to renew and extend the range, and to Russia to increase capacity at the Moscow plant.

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

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

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

Renault Group – Net capex and R&D expenses

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

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

2.1.2.3 AUTOMOBILE DEBT

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

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

- cash flow of €1,467 million, down by €1,594 million on 2008. This decline was due to the fall in operating margin, as well as the sharp decrease in dividends received from associated companies with only €81 million from AB Volvo in 2009 (compared with €418 million received from Nissan and €259 million from AB Volvo in 2008);
- a €2,923 million decrease in the working capital requirement in 2009 through company-wide action plans focused on this priority target. Inventory was reduced by €1,372 million and customer receivables by €640 million;
- tangible and intangible investments net of disposals (including leased vehicles)[9] of €2,302 million in 2009, down from €3,385 million in 2008 (-32%).

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

Automobile – Net financial debt

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

2.1.2.4 CASH AT DECEMBER 31, 2009

At December 31, 2009 Automobile had:

- €5,408 million in cash and cash equivalents;
- €4,070 million in undrawn confirmed credit lines.

At December 31, 2009 RCI Banque had:

- available liquidity of €6,440 million, covering more than twice all outstanding commercial paper and certificates of deposit and comprising €4,540 million in undrawn confirmed credit lines[10], €1,199 million in central bank eligible collateral, and €701 million in cash;
- a liquidity reserve of €4,010 million at end-2009, representing available liquidity surplus relative to outstanding certificates of deposit and commercial paper.

2.1.2.5 CHANGE IN SHAREHOLDERS' EQUITY

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

(9) The change in capitalised leased vehicles has been reclassified from cash flows from investing activities to cash flows from operating activities in application of changes introduced in the annual improvements to IFRS (note 2-A). 2009 impact 248 million.

(10) Undrawn confirmed credit lines with maturity over 3 months.

2.1.3 CONSOLIDATED FINANCIAL STATEMENTS

Refer to chapter 7, financial statements.

2.1.4 FINANCIAL INFORMATION ON THE ALLIANCE

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

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

Information concerning Renault is based on the consolidated figures released at December 31, 2009, while the information concerning Nissan is based on the restated consolidated figures prepared for the purposes of the Renault consolidation, covering the period from January 1 to December 31, 2009 whereas Nissan's financial year-end is March 31.

2.1.4.1 KEY PERFORMANCE INDICATORS

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

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

Revenues 2009

(€ million)	RENAULT	NISSAN [1]	INTERCOMPANY ELIMINATIONS	ALLIANCE
Sales of goods and services	32,415	50,049	(1,628)	80,836
Sales financing revenues	1,297	4,394	-	5,691
REVENUES	**33,712**	**54,443**	**(1,628)**	**86,527**

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

The Alliance's intercompany business mainly consists of commercial dealings between Renault and Nissan. These items have been eliminated to produce the revenue indicator. Their value is estimated on the basis of Renault's 2009 results.

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

(€ million)	OPERATING MARGIN	OPERATING INCOME	NET INCOME [2]
Renault	(396)	(955)	(2,166)
Nissan [1]	(239)	(477)	(1,908)
ALLIANCE	**(635)**	**(1,432)**	**(4,074)**

(1) Converted at the average exchange rate for FY 2009: EUR 1 = JPY 129.4.
(2) Renault's net income is adjusted to exclude Nissan's contribution and Nissan's net income is similarly adjusted to exclude Renault's contribution.

Intercompany transactions impacting the indicators are minor and have therefore not been eliminated.

For the Alliance, the operating margin is equivalent to -1.9% of revenues.

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

(€ million)	
Renault	1,795
Nissan	2,908
ALLIANCE	**4,703**

2.1.4.2 BALANCE SHEET INDICATORS

CONDENSED RENAULT AND NISSAN BALANCE SHEETS

Renault at December 31, 2009

ASSETS *(€ million)*	
Intangible assets	3,893
Property, plant and equipment	12,294
Investments in associates (excluding Alliance)	1,501
Deferred tax assets	279
Inventories	3,932
Sales Financing receivables	18,243
Automobile receivables	1,097
Other assets	4,133
Cash and cash equivalents	8,023
TOTAL ASSETS EXCLUDING INVESTMENT IN NISSAN	**53,395**
Investment in Nissan	10,583
TOTAL ASSETS	**63,978**

SHAREHOLDERS' EQUITY AND LIABILITIES *(€ million)*	
Shareholders' equity	16,472
Deferred tax liabilities	114
Provisions for pension and other long-term employee benefit obligations	1,153
Financial liabilities of the Automobile division	12,612
Financial liabilities of the Sales financing division and sales financing debts	20,173
Other liabilities	13,454
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**63,978**

Nissan at December 31, 2009[1]

ASSETS *(€ million)*	
Intangible assets	5,384
Property, plant and equipment	31,320
Investments in associates (excluding Alliance)	300
Deferred tax assets	1,117
Inventories	6,388
Sales Financing receivables	20,861
Automobile receivables	3,774
Other assets	6,189
Cash and cash equivalents	5,121
TOTAL ASSETS EXCLUDING INVESTMENT IN RENAULT	**80,454**
Investment in Renault	1,301
TOTAL ASSETS	**81,755**

SHAREHOLDERS' EQUITY AND LIABILITIES *(€ million)*	
Shareholders' equity	25,452
Deferred tax liabilities	3,623
Provisions for pension and other long-term employee benefit obligations	3,330
Financial liabilities of the Automobile division	7,109
Financial liabilities of the Sales financing division and sales financing debts	25,942
Other liabilities	16,299
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**81,755**

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

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

Balance sheet items have been reclassified where necessary to make the data consistent across both Groups.

Nissan's restated balance sheet includes the securitized items presented off-balance sheet in Nissan's financial statements under Japanese GAAP.

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

(€ million)	
Renault	1,623
Nissan	2,039
ALLIANCE	**3,662**

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

- a maximum 5-10% decrease in shareholders' equity - Group share;
- a €15 billion increase in shareholders' equity - minority interests' share.

2.2 RESEARCH AND DEVELOPMENT

Renault's R&D is a source of innovation and sharpens the company's competitive edge. With investments of more than €1.6 billion, Renault has demonstrated its determination to rise to the challenges of the automotive industry and to converge with the current technological and societal trends.

Research and Development expenditure*

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

* *All R&D expenditure is incurred by Automobile.*
** *2009 scope.*

2.2.1 2009 R&D HIGHLIGHTS

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

VEHICLES LAUNCHED IN 2009	POWERTRAIN SYSTEMS LAUNCHED IN 2009
Mégane range • Scénic (2009 Golden Steering Wheel prize in the MPV category awarded by Bild am Sonntag and Autobild – 250,000 readers) • Grand Scénic (the 12th vehicle in the range to score 5 stars in the Euro NCAP tests) • Mégane Estate • Mégane Renault Sport	F4Rt RS sports engine, 250hp. Trading name: 2.0 liter, 16v, 250hp coupled to the PK4 6-speed manual gearbox, with optional limited-slip differential
INNOVATIONS	**INNOVATIONS**
Dashboard with TFT (thin film transistor) color screen New integrated Carminat TomTom navigation system Audio and visual parking assistance with reversing camera Range-topping 3D sound by Arkamys audio system with sound spatialization	EDC double-clutch automatic gearbox, unveiled at the 2009 Frankfurt Motor Show Limited-slip differential (Mégane Renault Sport)

2.2.1.1 STANDARD INNOVATIONS – THE 2009 VINTAGE

NEW SCÉNIC AND NEW GRAND SCÉNIC

A latest-generation dashboard

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

This innovation offers three types of benefits:

- the technology has made it possible to rework the layout and display of information in order of importance;
- some pieces data are not displayed until the driver needs them, for example the tire pressure control system displays information only if pressure is abnormal; and
- motorists can configure their own dashboard according to their individual tastes.

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

Audio and visual parking assistances with reversing camera

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

THE CO_2 CHAMPIONS ✦

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

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

- in the powertrain, the gearbox ratios can be lengthened and friction in the engine and the gearbox can be reduced by working on the geometry and coatings of moving parts and timing system parts;
- at the same time, aerodynamics can be improved *via* spoilers, full hubcaps, improved bumpers and lower ride height, while running friction can be reduced though low fuel-consumption tires.

POWERTRAIN SYSTEMS

The EDC gearbox (Efficient Dual Clutch)

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

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

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

The New Mégane RS engine

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

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

2.2.2 FRESH IMPETUS

The economic situation in 2009 was directly impacted by a number of major events. Renault adopted a resolutely determined approach to the crisis that extended to its upstream activities.

2.2.2.1 A NEW INNOVATION POLICY

The single major aim of the new policy was to breathe new life into our innovation processes. Actions were taken in four areas to achieve this end:

- staying abreast of emerging trends by identifying opportunities for automotive innovation in the major technological developments and regularly analyzing technological trends in fields ranging from materials and electronics to sensors and energy. It also observes social trends by deploying the means to detect the first signs of change in consumers' behavior, tastes and aspirations in the near and more distant future. Renault also prepares itself for contrasting future scenarios. This activity is underpinned by a number of different networks: a network of correspondents in the engineering centers throughout the world (RTx), networks of strategic suppliers and partners and closer ties with Nissan. Another example of this proactive approach is the "innovation community", which brings together representatives from French and international companies and laboratories from outside the automotive industry, such as *Dassault Systèmes*, *Décathlon*, Delphi, Orange, Thales and *Collège de Polytechnique*. Information and analyses are exchanged during seminars and meetings that act as cross-industry think tanks;
- stimulating creativity: the foundations have been laid:
  - the Cooperative Laboratory for Innovation (LCI) brings together representatives from several divisions – design, products, research and advanced engineering (R&AE) – in a single place. The role of the LCI is to facilitate innovation by testing ideas capable of creating customer value on suitable demonstrators,

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- the Innovation Room, located at the heart of the *Technocentre*, is a facility where new ideas are created and distilled. Exhibitions of non-automotive objects form the starting point for creativity meetings or discussion groups. The aim is to nurture new ideas and realize the potential for innovation. This involves taking innovations from outside the automotive sector and attempting to introduce them into our products and processes in order to create new sources of customer value,
- the Call for Ideas to the company's upstream personnel for the 2010 technology plan is another illustration of the efforts being made to boost creativity. This initiative is also a key factor in motivating staff and harnessing their energies;

- speeding up the introduction of innovations from the technology plan into our range. This third initiative has resulted in a number of actions. For example:
  - fine-tuned management of the technology plan, which has been refocused on clearly defined themes that are, in turn, linked to a vision. As a result, the plan now pinpoints projects that are less fragmented and that have higher visibility and greater uniting force,
  - a specific demonstrator plan to create genuine input for discussions and decisions between divisions,
  - identification of projects that push back the frontiers, make real breakthroughs and will form the basis of sustainable mobility in the near and distant future,
  - finally, the creation of a Strategic Innovation Committee (Cosin), which brings downstream customers "into the loop" from the outset of the innovation process. As a consequence, the tricky step from research to development becomes easier to negotiate;
- developing strategic partnerships and synergies. Strategic partnerships for R&AE must meet a number of "eligibility" criteria: scientific and technical excellence, fields of research and multi-disciplinary studies, a substantial proportion of activities that can be shared, etc. Examples include the partnerships with the French Commission for Atomic Energy (CEA) and Paris Tech (see below).

Along similar lines, Renault has entered into co-innovation contracts with certain suppliers.

Moreover, cooperation has been strengthened in the Alliance with Nissan in order to make better use of synergies by sharing R&D costs in certain areas (some engines are developed by Nissan or by Renault, but are made available to both carmakers) and allowing both partners to use the technology developed by one of them.

THE ALLIANCE

The Alliance leverages R&D performance and the engineering departments make sure that their approaches form a close fit and that all possible synergies are exploited. Examples:

- engines and gearboxes: Nissan engineers gasoline engines, while Renault is responsible for diesel powerplants. The future engines resulting from these developments will be installed in both of the brands' vehicles. The same applies to gearboxes. While Nissan is the focal point for automatic transmissions, manual gearboxes are developed by Renault. All of these gearboxes will be installed in both of the brands' vehicles;
- reduction of precious metals in catalytic converters: Renault and Nissan have shared their research into halving the quantity of precious metals in catalytic converters, while keeping the same performance. Their reciprocal contributions have helped to save time and cut development costs;
- finally, the sharing or comparison of methodological approaches to optimization calculations (of parts, for example) has also helped to boost performance and achieve better results.

2.2.2.2 "CHANGE UP"

The new innovation policy is one of the seven initiatives of the Change Up plan, launched in 2009 by Engineering and Quality (DGA IQ).

To achieve our ambition of emerging stronger from the crisis, and in line with the corporate vision and the new brand signature ("Drive the change"), Renault's engineering needs to break from the past. We are moving forward in a united and determined manner, with clear goals for performance (using all resources as efficiently as possible) and for quality and results – namely customer satisfaction.

This deep-seated change is founded on three key ideas:

- a vision: the long-term ambition of Renault's engineering staff is to become a team that "takes pride in developing the most ingenious sustainable mobility solutions for all";
- individual and collective behaviors such as agility, open-mindedness and eco^2 (ecological and economical) should be systematically encouraged;
- an in-depth reworking of processes.

In addition to innovation and partnerships, the Change Up plan includes six more major projects:

- a quality and customer satisfaction project focusing on durability;

- the reworking of the development process, the use of digital tools wherever possible and optimized synchronization and regulation between the different players all aim to make drastic cuts in development costs and cycles;
- standardization and synergies with Nissan in order to speed up a durable process that aims to cut product entry and manufacturing costs, without sacrificing quality. Synergies with Nissan across the board: new technologies, development of new components, shared capacity;
- simplification and delegation of cross-functional processes to the RTx or the Regions;
- dynamic skill management in order to identify those skills that are necessary in the long term, to assign them efficiently, to prepare training programs and provide improved visibility of career management;
- finally, the development of collaborative tools to boost the reactivity and efficiency of the worldwide engineering teams by using new, computerized collaborative tools.

DESIGN PLATFORM

Renault has chosen PLM (Product Life cycle Management) from *Dassault Systèmes* as its worldwide product development platform. Catia V6 and Enovia 6 are in the process of being deployed. Other solutions from the V6 range portfolio will follow. The deployment will cover all of the Group's brands. Renault's engineering processes will be united on a collaborative platform with a single standardized data model and solutions that can be used immediately. It will also be possible to work together in real time with suppliers on new product design programs. When developers everywhere work through a single collaborative interface, gains in efficiency can be made in products and processes throughout the product life cycle (from design to recycling).

2.2.3 THE TECHNOLOGY PLAN

Renault's technology plan organizes the company's advanced research and development actions into quantified, planned and prioritized projects.

These projects fall into four priority groups:

- CO_2 and the environment;
- safety;
- travelling comfort;
- dynamic performance.

2.2.3.1 CO_2 AND THE ENVIRONMENT ✦

Renault's strategic priority is to provide sustainable mobility for all. This goal will be achieved through two major technical developments. On the one hand, by optimizing internal combustion engines and vehicles, which will continue to account for most sales in the foreseeable future. Renault aims to cut emissions by 20% to 30%. And on the other hand, the electric vehicle, which is a breakthrough solution capable of delivering sustainable mobility for all. Renault's ambition is to become the leading manufacturer of zero emission vehicles.

CONTINUING TO MAKE PROGRESS WITH INTERNAL COMBUSTION VEHICLES

Renault's R&D and every one of the company's functions hunt down every last gram of CO_2 in order to cut emissions significantly. Every solution is investigated:

- downsizing internal combustion engines, by developing a smaller engine with a more efficient turbocharger. While this solution has become widespread in gasoline and diesel applications, the potential for the reduction of CO_2 emissions is currently much higher for gasoline engines than for diesel engines:
  - by way of example, a new family of small turbocharged engines is being developed in partnership with Nissan. These modular engines, with capacities ranging from 0.9 l to 1.2 l, will replace normally aspirated engines with capacities of 1.2 l to 1.6 l. They will be available in 3- and 4-cylinder versions and will occupy a power range between 65 kW and 85 kW (90 to 115hp). Renault plans to develop more powerful versions at a later date. The basic design of the engine allows for direct injection and higher outputs. CO_2 emissions will be cut by 30 to 40g/km in comparison with the existing engines that they will replace, achieving, in certain vehicles, CO_2 emissions of less than 100g/km,
  - on the diesel front, Renault plans to develop significantly the dCi technology (turbocharged 4-stroke diesel with Common Rail direct injection) so that the engines meet the future emissions standards and

consume even less (consumption reduced by around 20%). Several applications should emit less than 100g of CO_2/km. For example, the completely new 1.6 dCi 130 engine was developed within the framework of the Renault-Nissan Alliance. Renault filed for 15 patents for this engine;

- more efficient manual and automatic gearboxes. The consumption and emissions of new-generation automatic gearboxes are comparable with those of manual gearboxes. One example is the new EDC (efficient dual clutch) automatic transmission (see above);
- management of electricity (the battery is recharged when braking and accelerating) and heat (thermal management reduces the time taken by the engine to warm-up);
- vehicle fundamentals: weight, aerodynamics, running friction. Every function is looking into ways of progressing. And a number of research projects are investigating even bigger steps forward. This is the case of the Super Light Car project.

Weight reduction: the Super Light Car project

As aerodynamics and engine efficiency improve, weight reduction has become one of the top priorities in the drive towards cutting fuel consumption and, consequently, CO_2 emissions. Reducing the weight of a vehicle by 100kg can potentially cut emissions by 10g of CO_2/km – the equivalent of 0.4 l/100 km.

The purpose of the Super Light Car project, which ran from 2005 till 2009, was to reduce the weight of the bodyshell at a cost that was compatible with use in future series-produced models (less than €5 per kilo saved in a series-produced bodyshell for the materials only, or €7 including assembly). But reducing the weight of the bodyshell also allows for other indirect gains to be made. With a lighter bodyshell, it is possible to use a smaller engine and chassis, less powerful brakes, smaller suspension systems, etc.

The project involved seven European carmakers and some 30 partners from nine countries and was supported by European funding. Renault was tasked with engineering and assembling a multi-material front block.

The bodyshell developed by the project weighs 180kg, which is 35% less than the benchmark bodyshell. The bodyshell is made up of 53% aluminum, 36% steel (much of it high-strength), 7% magnesium and 4% plastic. The economic goals have been achieved. The forming and assembly techniques developed are ready to be used in future series-produced vehicles. These techniques include the hot drawing of high-resistance steel, drawing of tailored aluminum facets and laser or arc welding and brazing.

Second-generation biofuels

New fuels represent another path of progress for internal combustion vehicles. In the medium- or long-term, petroleum-derived fuels will increasingly have to share the market with first- and second-generation biofuels. Renault was a driving force behind the use of first-generation biofuels, and of flex-fuels in particular. So it is only natural that our engineers should also be looking into the second-generation of biofuels.

Research is being conducted in order to better understand the emerging fuels market and to match the properties of these new fuels with the engines and vehicles of the future. Renault is taking part in French and European research projects, along with other carmakers and oil companies. One example is Optfuel, which involves VW, Ford and Renault in a project to look into second-generation biofuels. Second-generation biodiesel, or Biomass to Liquid (BtL), is made from the entire biomass, unlike first-generation biodiesel, which is made from vegetable oil that is transformed by transesterification. This project covers the complete chain, from supply logistics, through the optimization of the industrial workings of a facility producing 15,000 tons of fuel per year, to the formulation of the best mixes in terms of CO_2. The three-year Optfuel project will be completed in 2012.

THE MASS PRODUCED ELECTRIC VEHICLE: A BREAKTHROUGH INITIATIVE

In addition to the technical solutions capable of cutting CO_2 emissions by 10 to 30g/km, Renault has also opted to develop a mobility solution whose CO_2 emissions represent a genuine breakthrough: the 100% electric vehicle, which does not produce in use CO_2, pollutants or excessive noise. The vehicle will be mass produced, in different versions for different types of customer.

Four show cars

Four show cars that are precursors of the future range were revealed at the Frankfurt Motor Show. From a technical perspective, two of these vehicles are derived from internal combustion vehicles, while the other two are designed specifically for electric power.

- Kangoo be bop: for fleets and professionals;
- Fluence ZE Concept: an ecological, family status symbol vehicle;
- Zoe ZE Concept: a compact, multi-functional sedan;
- Twizy ZE Concept: a vehicle intended essentially for city dwellers.

Twizy

Twizy, like the Espace in its time, is an innovative concept. The product is designed for a new era of urban mobility. This ultra-compact vehicle, with a footprint only slightly larger than that of a scooter and a steering radius of just 3m, features two seats, one behind the other, on a four-wheel chassis with all-enclosing bodywork. This nimble and practical vehicle is ideally suited to city driving. Twizy's on-board energy sources are used only to drive the vehicle. With its open bodyshell, there is no need for heating or air conditioning, which both consume large amounts of energy. The design options, combined with a weight of just 420kg with batteries, give Twizy a range of up to 100km.

Technological building blocks

Taking a closer look at these vehicles reveals a number of the technical options selected by Renault, particularly the optimization of energy management, which can be applied to future series-produced vehicles:

- enhanced aerodynamics (retractable wing on Zoe, streamlined rear view mirrors on Fluence), lower ground clearance (Kangoo);
- enclosed underside (Fluence) and full hubcaps;
- low-consumption LED lights;
- navigation aids: driver aids specially adapted to electric vehicles: management of battery range, smart navigation aids that indicate the nearest recharge stations.

In general, the design offices and research centers focus on all the technological building blocks required to develop the various facets of electric vehicles:

- the electric powertrain: the Renault-Nissan Alliance is developing a comprehensive range of electric powertrains, ranging from 15 kW to 80 kW. One of the advantages of electric motors is their high energy efficiency of 90%, which is far superior to that of internal combustion engines;
- batteries: several R&AE projects are currently in progress, including Liber T and Helios (High Energy Lithium-ion Storage solutions). Helios is a European project involving other carmakers (Fiat, PSA, Volvo, etc.), organizations (EDF, ENEA, ZSW, CEA, etc.), research labs and a battery manufacturer (Johnson Controls-Saft). Renault is the project coordinator. Purpose: to study the effects of the materials of the electrodes (characteristics, composition) on the safety and longevity of batteries;
- energy management: optimization of the sizing of the cooling system (exchangers, coolant circuits) and development of thermal management strategies;
- safety: from the design calculations (sizing of the structure, failure simulators, crash calculations) to tests (battery tests, vehicle crash-tests).

Depending on the model, electric vehicles can be recharged in one, two or three ways: i) standard charging lasting 4 to 8 hours from a recharge connection, ii) quick recharge in 20 minutes on special terminals, iii) the Quick Drop, in which batteries are replaced in three minutes in exchange stations.

Renault worked on the Quick Drop concept in cooperation with Project Better Place, and is working with other partners on the optimization of charging systems. An agreement has been signed with EDF for a recharge system enabling communication between recharge terminals and electric vehicles, called “power line communication” (PLC). This technique is derived from developments made by EDF. The system allows for the secure exchange of data between recharge terminals and vehicles, such as the identification of the vehicle, the transmission of billing information, etc. Renault is to conduct integration tests of the system in its future vehicles.

Four demonstrator projects

The future of the electric vehicle lies in the long term. Renault is already preparing the second and the third generations. Work is already underway on programs of demonstrators and demonstrations. In 2009 four programs were confirmed:

- Velroue (a dual-mode electric vehicle with wheel-mounted motors) plans to develop and test a dual-mode concept vehicle, combining internal combustion and electric propulsion. In the dual-mode concept, there is no energy link between the internal combustion and electric modes. The conventional internal combustion engine delivers optimized fuel consumption for driving on the open road and the same range as a traditional vehicle, while in the electric mode, more specifically intended for use in city driving, the vehicle is driven by two wheel-mounted electric motors at the rear. Technical developments focus on the architecture, the transition between modes, running gear and the brakes.

  Consortium: Renault (pilot), Michelin, IFP;
- Velcri (electric vehicle with built-in quick charge). The goal of this project is to develop a demonstrator of an electric vehicle with a built-in charger. Technical developments focus mainly on the sharing of components between the UPS and charger modes, and on communications between the vehicle and the charge terminal. A demonstration platform will be built in Grenoble.

  Consortium: Renault (pilot), Schneider Electric, Johnson Controls-Saft, Valeo, EDF, CEA, CNRS, ENSMA, Institut Telecom;
- Vega-Thop (long-range electric vehicle: development of an optimized thermal management system for the cabin and the drivetrain). The goal of this project is to develop electric vehicles with optimized thermal management of both the batteries and cabin, while offering breakthrough solutions. The objective is to halve the quantity of on-board power required for cabin temperature control, thereby significantly increasing range in both the summer and the winter (+40% in winter, +20% in summer, which represents an average reduction in annual consumption of 20%). Technologies being studied include heat pumps, radiative insulation of the passenger compartment and the efficiency of the thermodynamic system.

  Consortium: Valeo (pilot), Renault, St Gobain, Hutchinson, CNRS, INSA-Lyon;
- Save (“Seine Aval” electric vehicles). Save is a full-scale electric mobility experiment, involving 100 vehicles and a recharging infrastructure, to study the usage and ageing of vehicles and components under real-life conditions.

  Consortium: Renault (pilot), EDF, IFP, Schneider Electric, Total, Better Place, EPAMSA, *Région Île de France*, Yvelines local government.

2.2.3.2 SAFETY ✦

For Renault, safety is fundamental. Renault is one of the standard-setters in the realm of safety and the company’s R&D departments remain resolutely committed to improving safety. Rather than focusing on regulations, Renault concentrates on the field of real-world safety, which takes all the possible factors that contribute to accidents into consideration, including driver behavior.

Renault makes extensive use of accidentology surveys. These studies show how real-world safety is based on three factors that correspond to three chronological phases of accidents:

- the minutes preceding the accident, when it is still possible to help motorists to avoid irreversibly hazardous situations;
- the seconds preceding the potential accident, when the driver requires corrective assistance (speed, trajectory);
- the second before the accident, when both the vehicle's occupants and other road users (pedestrians, cyclists, etc.) must be protected.

These three priorities are covered by preventive awareness actions (road safety education) and assistance in rescuing and caring for victims after the accident.

This approach is summarized by the three key actions - prevent, correct, protect - that qualify our research priorities and to which "rescue" could be added, in reference to the means of helping the emergency services (fire fighters, ambulances, hospitals).

UNDERSTANDING THE REAL CAUSES OF ACCIDENTS

The TRACE project (TRaffic Accident Causation in Europe) was an attempt to assess the expected performance, in terms of road safety, of around 20 safety features of passenger cars. It went about this task by identifying, characterizing and quantifying the risk factors, the vulnerable populations and conflictual driving situations.

This 30-month project was launched in January 2006 as part of the sixth R&D framework plan (FP6) and the Integrated Safety program, initiated by EUCAR. It brought together 22 participants from nine European countries, plus Australia, coordinated by the LAB (the joint Renault - PSA Peugeot-Citroën research organization).

The analysis focused on the appraisal of the potential benefits of existing systems that are already installed in vehicles and the potential benefits of systems currently being developed:

- existing safety systems: the results showed that equipping every vehicle on the road with emergency stop assistance and ESP, plus Euro NCAP 5-star protection, would reduced corporal accidents by 47%, injuries by 68% and serious and/or fatal injuries by 70%, compared with vehicles without emergency stop assistance, ESP and with only 4-star protection;
- future systems: when comparing future generic systems with the systems that already exist, the most significant gains in terms of safety would be achieved by automatic speed control systems, detection systems and collision avoidance systems.

TOWARDS NEW SOLUTIONS

The top priority of current works is to make progress in the prevention of the predominant causes of serious and fatal accidents and to develop the most effective technical solutions in order to avoid them or to limit their effects:

- prevent/correct: efforts are focusing on those primary, or active, safety devices that will improve safety without increasing vehicle weight and consumption. Along similar lines to the ESC system, which drastically reduces loss of control of the vehicle, Renault is now working on lateral guidance and speed adaptation systems to prevent vehicles from drifting out of lane or leaving the road, assistance systems for intersections that provide drivers with an analysis of the situation that is easy to understand, adaptive navigation, etc.;
- protect/rescue: at this point, it is necessary to anticipate the impact with enough precision and to identify the type of impact and/or obstacles, in order to activate the pre-crash side airbags or to prepare the occupant retention devices according to the violence of the expected shock. So-called tertiary safety consists in processing the information sent by the vehicle involved in the accident so that the rescue services can intervene more efficiently (speed, enhancement of the data sent by the vehicle, etc.) and in informing the network operators to avoid further accidents.

Progress will also be made by developing safety applications derived from communications between vehicles and between vehicles and the infrastructure. Renault is taking part in research into the standardization of components, integration into drive stations and the fine-tuning of electromagnetic compatibility as part of cooperative European projects, such as Car2Car.

Examples:

- in 2009, Renault continued its involvement in SafeSpot, a European project that aims to develop cooperative systems based on vehicle-to-vehicle and vehicle-to-infrastructure communications for road safety purposes. Renault made a major contribution to the development of a system to warn motorists of the presence of vehicles that take priority, such as ambulances;
- Renault also took part in the creation of a French collaborative project, Scoref, to test the conditions of deployment of these cooperative systems. Scoref should be launched in 2010, forming the French component of the Drive C2X large-scale, Europe-wide project on the same subject.

Renault's international expansion has involved addressing the same issues of real-world safety on new markets. This expansion consists in setting up an international accident research network, based on Renault's decentralized engineering centers and local experts. But it also has an economic dimension. In developed countries, the number of deaths on the road has dropped significantly in recent years. The solutions provided by carmakers to protect occupants in the event of violent impacts have made a significant contribution to this progress. In new markets, it is therefore necessary to develop equivalent and affordable solutions that give consideration to local factors specific to drivers, road users and authorities. This point is therefore one of Renault's R&D priorities.

MESHING THE TECHNOLOGIES

The integration of protection systems (two-stage airbags, pretensioners, seatbelt warning systems, etc.) has made an important contribution to the progress of safety systems. A further step forward was taken with the adoption and adaptation to the automobile of sensors from other sectors of activity, industrial and military (radars, cameras, etc.), that needed to be optimized in terms of size and cost. Today, research is being made into the combined use of these sensors, with a view to developing smart new systems, and into the development of on-board software, capable of processing complex information in real time. Examples include the software developed as part of the Love project (software for the observation of vulnerable users), which is labelled by the System@tic Paris Region center of excellence and supported by the Mov'eo organization, of which Renault is a member. Love is designed to be used in urban environments. The software can detect pedestrians and cyclists and determine their direction of movement from about 30m and from vehicles travelling at speeds of up to 70kph.

This trend requires new skills and know-how. It demands a more precise command of the sciences and techniques related to the perception of the vehicle's environment and the integration of the human factor into the design of drive station's and their user interfaces.

A DEEPER UNDERSTANDING OF BEHAVIOR

Human error is one of the main causes of accidents. Renault's behavioral research constitutes an attempt to gain a better understanding of actual behavior at the wheel. One example is the Renault-led Matiss project (advanced modelling and interactive simulation techniques for safety), launched under the auspices of the Mov'eo organization.

Developing smart driver interfaces (information and warning systems, active systems) requires assessment methods capable of studying how a driver's behavior changes when he or she has the use of driving aids, in comparison with normal, unaided driving. The project looks into how drivers interact with the driver aids in order to avoid inappropriate reactions that could be detrimental to safety. The purpose of the project is to develop methodologies applying to the use of driving simulators for advanced road safety research, especially in critical situations involving the use of driver aids.

2.2.3.3 TRAVELLING COMFORT

As an innovative company that aspires to make sustainable mobility accessible for all, Renault has placed on-board comfort at the heart of its long-term vision. In terms of R&D, this approach has spawned a two-track strategy:

- reduce all forms of stress that are inherent to driving and travelling;
- enhance all the factors that contribute to comfort and well-being on board, peace of mind and confidence.

R&D focuses on all the functional objects that play a role in travelling comfort: seats, air conditioning, acoustics and the sound system, telematics, controls, screens, etc. It also focuses on new customer needs: from digital radio to the Internet, driver aids designed to manage attention, car sharing and navigation aids adapted to electric vehicles.

All the carmakers are making research into more or less the same major subjects. For any given system, the main difference will lie in the ease of interaction. By way of example, hands-free telephone systems, similar to pedestrian kits, or a system designed specially for in-car use (controls, call management) will contribute to the safety of everyone.

Far from following the trend of technology for technology's sake, Renault is seeking to take advantage of the new possibilities provided by these fast-changing technologies, while favoring simplicity, intuitiveness, affordability and customization that allows every customer to adapt their vehicle to their own tastes and habits.

WELL-BEING ON BOARD

The strategically important subject of travelling comfort spans three avenues of innovation: interactions between the user and the machine, well-being and connectivity.

Projects are focusing on:

- breakthroughs in terms of technology and cost in vehicle architecture, that will make new features for comfort and well-being accessible for all;
- breakthroughs in terms of use, by preparing for the introduction of new forms of interaction between the occupants and the vehicle that are simpler and more intuitive, especially for senior users and networked youngsters, but also in order to support the international growth of the Renault group brands;
- breakthroughs in terms of business models, by combining widespread wireless connectivity with new mobility services.

In this particular field, Renault's R&D departments cooperate with partners whose specific expert know-how is recognized both by the general public and the scientific community: automotive equipment manufacturers (Visteon, Valeo, Continental, Faurecia, Saint Gobain, Hutchinson, etc.) or retailing and service companies (TomTom, Biotherm, Orange, etc.).

The recently unveiled Zoe ZE Concept is fitted with an innovative wellness system designed in partnership with Biotherm. Since the brand was created in 1952, Biotherm's research labs have nurtured their expert know-how in the cell mechanisms of the skin and a renowned scientific expertise in the benefits of aromatherapy. Above and beyond the concept-car, Renault explored the opportunities provided by this expert knowledge to create a sensation of comfort and well-being on board:

- a smart air conditioning system that controls the hygrometry in the cabin: air conditioning systems are usually designed to control the temperature. But the system in the Zoe ZE Concept was completely reworked to avoid dry skin;
- protection against pollution: Zoe ZE Concept features a toxicity sensor, cabin particulate filters and a system that closes the air vents whenever necessary. The atmosphere stays clean without any intervention;
- diffusion of active fragrances: an electric dispenser releases exclusive active fragrances that meet the driver's needs: energizing in the morning, relaxing on the drive home from work and vitalizing when driving at night. These fragrances developed by Biotherm® transform the cabin into a sweet-scented bubble, where the occupants remain attentive at all times.

Finally, the Renault-Nissan Alliance also constitutes a valuable asset for Renault, by confirming its credibility in the realm of travelling comfort. The very genes of Japanese culture are known to contain the fundamentals of well-being. Thanks to the close relations that have been built over the last ten years, Renault now plans to enhance its own range with Nissan's solutions that are so well appreciated on its different markets.

2.2.3.4 DYNAMIC PERFORMANCE

The main paths of progress in terms of dynamic performance are the ground links or the chassis. The 4Control system (four wheel steering) fitted in Laguna GT is one example of the technologies developed by Renault. Renault is also working on other active systems, such as variable anti-roll and damping, and on the coordination of all the systems as part of the Global Chassis Control (GCC) project (see 2008 Registration Document).

But this research activity also aims to make breakthroughs in terms of costs. This point has become all the more important as the company expands internationally and becomes established on emerging markets. Developing systems that are affordable for the greatest number is an end in itself that benefits from three paths of research:

- using of certain functions to enhance other functions, along the lines of the 4Control system;
- cutting the cost of certain systems that originate in higher segments and are introduced into the entire range;
- simplifying the suspension and sharing it between vehicles, which may even be in different segments. The goal is to define and optimize new suspension geometries that use simpler assembly methods (fitting and screwing, rather than the traditional welding methods that are used today).

While the Global Chassis Control forms the core of these R&AE activities, this approach is supplemented by an initiative to achieve functional and economic optimization. It is not Renault's philosophy to install more and more active systems on board. In fact, it is almost the reverse, consisting in designing systems (suspension, chassis components and electro-mechanical actuators) from the very outset that implement functions that are meaningful and useful for the driver and the passengers. And when the vehicle is in use, the aim is to be capable of activating only those components that are necessary to deliver performance (an agile and controlled drive) and to maintain the energy efficiency by only using what is necessary for that performance.

2.2.4 SKILLS, EXPERTISE AND PARTNERSHIPS

2.2.4.1 PERFORMANCE AS AN R&D SUBJECT

Most of the technology plan is end user-oriented: new features and new systems. But part of the R&D activity focuses on aspects that are less visible to end customers, but are equally important. This activity includes projects that are directly intended to improve engineering performance, to cut design cycles or entry ticket (costs) or to simplify and standardize for the sake of higher quality. Here are some examples of quality, cost, time-oriented projects:

- Hyzem: developed using the Matlab software and its graphical interface Simulink, Hyzem is the standard, company-wide pre-project energy simulation platform. Hyzem can be used to quickly pre-size any new powertrain, while producing energy management laws to minimize the associated consumption. Hyzem is used in particular to calculate the range-performance of the future mass-produced electric vehicles;
- battery simulator: Renault's inter-departmental engineering teams defined the tests and measurements, modelled the Li-ion cells and designed a battery simulator that is used in the development of the Battery Management System (BMS) for electric vehicles. This simulator will help with the design of an estimator of battery charge levels and also with the assessment and design of the cell balancing system that is included in and controlled by the BMS;
- Autosar: this standard software architecture for automotive applications was jointly developed by carmakers, including Renault, equipment manufacturers and software publishers from the automotive industry. This architecture will open the way for portable and modular on-board software, rather like the universal mains adapter that we take on holiday. By way of example, manufacturers will be able to send software from one equipment supplier to another for integration in new projects, without having to redevelop the functionality. This standard software architecture represents a significant step forward, especially in view of the growth of on-board electronics;
- Speed (Simulation Platform for Electronics and Electrical Design): this project resulted in the creation of an electric and electronic simulation platform that speeds up developments in vehicle projects and makes them more robust. Launched in 2007, this project has already spawned some concrete applications, because it can be used for the pre-phase simulation of certain electric and electronic applications, with a view to optimizing the electric and electronic system in advance, while reducing the volume of tests. For example, starter systems are now designed using only digital prototyping techniques. This solution significantly reduces the need for long and costly tests in controlled-climate chambers, while guaranteeing that the starter will work, even in extremely cold weather. Based on a horizontal software architecture, the Speed platform can be used for numerous applications (alternator design, LEDs, etc.), while remaining a high-performance digital prototyping tool for development

engineers. Speed has helped to sharpen the competitive edge of Renault engineering in electrics and electronics. An extension of the platform to include the specifics of electric vehicles is currently being investigated;

- EAR (Renault Acoustic Excellence) is a project that federates the acoustic skills and know-how in the pre-project phases around the following five themes:
  - noise from impacts and friction,
  - optimal and robust design,
  - aeroacoustics,
  - acoustic coupling/decoupling phenomena,
  - the study of the frequency limits of models.

  Not only do these actions improve the acoustic performance of our vehicles, but they also provide a stronger command of incidentology and instances of non-quality through a better prediction of dispersions, and help to cut entry ticket and development cycles by taking corrective action as early as possible in the development cycles;
- Optim and OGMP are two research projects – one applied to the vehicle and the other to the powertrain – looking into the use of efficient digital methods, involving the use of massively parallel processing to optimize design on the whole and to reduce weight in particular;
- Flame is a project to model the internal aerodynamics, thermodynamic performance and emissions of pollutants and particles in engine combustion. The project aims to cut the pre-project design cycles and costs of new engines by replacing physical tests with computerized simulations;
- Elise is a project to develop digital tools used to simulate the legibility of dashboard instruments and to predict reflections in the windshield and side windows in the early design phases, before physical prototypes are available. In this way, costly changes to tools in the fine-tuning phases can be anticipated.

2.2.4.2 SCIENTIFIC AND TECHNICAL PARTNERSHIPS

Partnership projects form an integral part of Renault's research activity. For many years, Renault has been working with French, European and international partners as part of contracts lasting one or several years, in order to benefit from highly specific skills and know-how and to share R&D costs. In 2009, 100 cooperative contracts were in progress (22 European contracts and 78 French contracts). Examples: ARI(VA) (Augmented Reality for Vehicle and Virtual Assessment), Mesopti (gasoline engine with optimized CO_2 emissions), etc. On average, these contracts run for 36 months. 87 Cifre agreements are also in force. These agreements boost the efficiency of R&D in terms of ideas and resources. But the new innovation policy has prompted us to go even further.

CENTERS OF EXCELLENCE

Automotive R&D demands skills that are becoming increasingly complex and rare. The skills and know-how of a single company are no longer enough. The creation of the centers of excellence has opened the way for new partnerships, supplementing the existing ones that are part of the programs supported by the ANR (French National Research Agency, basic research), the Ademe (French Agency for the Environment and Energy Management) and the European Union under the R&D Framework Plan.

These cooperative initiatives, which are sometimes funded by the state or local government (the "FUI" fund, the Oseo fund for small businesses, city, local, departmental and regional authorities, etc.) that finance part of the projects certified by the centers, offer a means of amplifying R&D efforts and meshing them with the synergies available in the scientific and economic fabric.

Renault belongs to a number of centers of excellence:

- Mov'eo is one of the 17 poles with a worldwide remit and has become the hub of the different centers dedicated to the automobile. Renault is closely involved in Mov'eo, heading three of the domains of strategic activity and co-leading a fourth. Renault was also one of the driving forces behind the merger between MTA and Mov'eo. Renault is running projects in the fields of mobility solutions, road safety, mecatronics and energy and the environment, which account for more than 50% of the center's projects;
- System@tic Paris Region automotive and transport working group (on-board and electronic systems, design tools and system development working group);
- Ideas for Cars (ID4FAC): process and small series product engineering, vehicle materials and architecture, smart on-board systems, specific applications and customer value;
- Lyon Urban Trucks and Bus (LUTB): engines and the drivetrain, integrated security and safety, architecture and comfort, transport systems, modelling the management of mobility;
- and, depending on the suitability of the projects, i.Trans, Nov@log, Advancity, the Future Vehicle Program, Plastipolis, etc.

A LABORATORY FOR THE BATTERIES OF THE FUTURE

The French Commissariat for Atomic Energy (CEA) plays a leading role in research, development and innovation. This French organization is well established in the European research community and boasts an increasing international presence. Famous for the quality of its fundamental research, the CEA is also renowned for its partnerships with other research organizations and universities and for its links with industry. The CEA specializes in non-greenhouse gas energies and technologies for information. On the strength of their common interests, Renault and the CEA have entered two agreements.

Li-ion batteries

The first agreement is part of the creation, announced by the French government, of a French technological and industrial initiative specializing in batteries for electric vehicles, in the shape of a joint-venture bringing together Renault, Nissan, the CEA and the FSI (Strategic Investment Fund). This initiative will provide support for the technical and economic competitive performance of ZE vehicles and will help to speed up their distribution.

The joint-venture's industrial center will be located at Flins (France). Renault and CEA have decided to set up an R&D center dedicated to second-generation batteries, from design through to production and recycling. Renault is already strongly committed to the development of 100% electric vehicles. The CEA has been conducting extensive R&D into Li-ion batteries for several years and already possesses differentiating technologies that meet the needs of future vehicles.

More precisely, this R&D center is tasked with:

- long-term research into the future electro-chemical materials;
- the development of new electrode, cell and battery technologies for the second generation and beyond;
- the development of prototypes for validations, demonstrations and test fleets (experiments);
- industrialization and preparations for mass production;
- the definition and preparation of the recycleability conditions of the batteries (eco-design).

The center will have its own pilot production facilities in order to look into the new processes to be implemented or to optimize existing processes.

Harnessing synergies

The second agreement is a "180°" research partnership. It opens the way for potential cooperation in all the CEA's fields of research that may be of consequence or offer new opportunities to the carmaker. Three themes have already been identified:

- new energies: thermal exchanges, energy recovery systems, etc.;
- new electric and electronic architectures;
- communicating vehicles and smart roads.

THE INSTITUTE FOR SUSTAINABLE MOBILITY

Sustainable mobility, which respects users and the environment and is economically responsible, remains to be invented. Users' behavior is changing, new infrastructures will be necessary and enterprises will need innovative business models. Renault, which has integrated these changes in its new baseline intends to start a global discussion on the very concept of mobility.

Renault is setting up the Institute for Sustainable Mobility in partnership with the ParisTech center of research and higher education, which includes 12 schools (including *Arts et Métiers*, the *École des Ponts*, the *École Polytechnique*, HEC, etc.) and boasts a strong international presence with more than 90 partnership agreements.

The purpose of this institute is to conduct research and educational programs on the future of transport and electric mobility. In concrete terms, the cooperation between Renault engineers and the researchers and lecturers from ParisTech will aim to:

- promote research into the design of innovative systems, essentially based on electric vehicles;
- train sufficient numbers of skilled, high-level managers and scientists to meet the needs of industrial manufacturers in the transport sector and to take up the scientific technological challenges posed by the long-term development of sustainable transport systems.

2.3 RISK MANAGEMENT ✦

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

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

The organization is two-pronged:

- at corporate level: the Risk Management department provides methods and an overall vision to identify and prevent major risks, in particular by monitoring them with risk-mapping techniques and implementing preventive measures in high-risk areas;
- in all entities involved in business-critical processes, designated experts are capable of identifying and prioritizing risk mitigation solutions and coordinating their implementation.

2.3.1 FINANCIAL RISKS

2.3.1.1 GENERAL FRAMEWORK FOR CONTROLLING FINANCIAL RISK

Market risk management at Automobile mainly concerns the Central Cash Management and Financing department of Renault SA and Renault Finance, the main activities of which are described in chapter 1.1.3.1 of the Registration Document.

Sales Financing (RCI Banque – see chapter 1.1.3.2) manages the market risk on its activities independently of Automobile. Securities trades executed by companies in the RCI Banque group are intended solely to hedge away the risks related to the financing of the sales and inventories of the distribution networks. Most of these transactions are made by the trading room of RCI Banque, which plays a pivotal role in refinancing the RCI Banque group as part of the overall Group-wide governance policy.

Monitoring and control tools exist for each entity and, where necessary, at the consolidated Renault group level. The results of these controls are reported on a monthly basis.

For each entity, financial risks are monitored at three levels:

- first-level control: self-monitoring by line personnel and formalized monitoring by each business-line manager;
- second-level control: carried out by internal auditors under the authority of the chief executive of the entity;
- third-level control: carried out by the control bodies (Renault Internal Audit or external firms commissioned by it). The third-level control organizations make a critical, independent analysis of the quality of the control system. The statutory auditors also contribute an analysis under the terms of their assignment.

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

Information on the analyses carried out to measure the sensitivity of financial instruments can be found in note 26-B to the consolidated financial statements.

2.3.1.2 TYPES OF FINANCIAL RISK

LIQUIDITY RISK

Automobile

Automobile must have sufficient financial resources at all times to finance the day-to-day running of the business and the investments needed for future expansion. In 2009 the net financial debt of Automobile decreased to €5,921 million at December 31, 2009 (compared with €7,944 million at December 31, 2008). Automobile therefore needs to borrow regularly from banks and on capital markets to refinance its debt. This creates a liquidity risk if markets are frozen or credit is hard to access.

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

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

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

Moreover, Renault benefited from a €3 billion loan from the French government with a five-year maturity. Renault has an early repayment option starting in April 2011. Note 24-A of chapter 7 – the Accounts – outlines the characteristics of this contract.

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

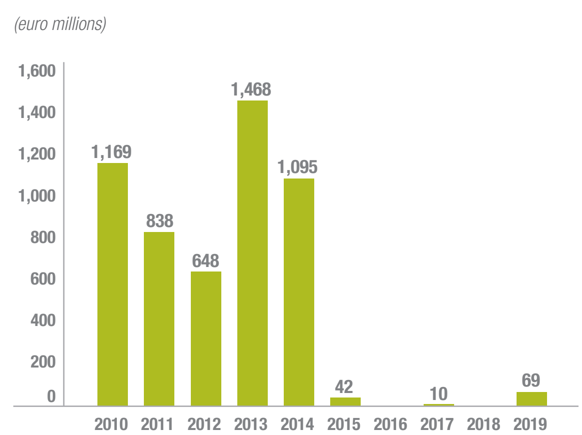
The contractual documentation on this financing contains no clauses that could affect the continued supply of credit following a change in either Renault's rating or its financial ratios. The loan from the French government contains a clause to raise the interest rate if Renault fails to honor its commitments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

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

The graph below shows the maturity schedule for Renault bonds and equivalent debt, which account for the majority of Automobile's financial liabilities, excluding the loan from the French government. A maturity schedule of Automobile's financial liabilities is included in chapter 7, note 24 to the consolidated financial statements.

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

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



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

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

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

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

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

Sales Financing

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

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

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

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

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

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

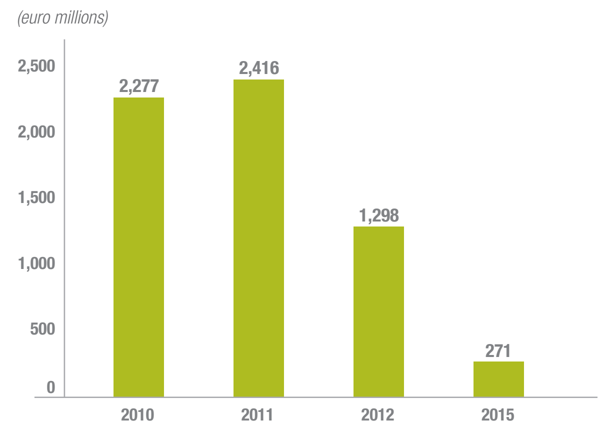
The proceeds from these capital markets were supplemented by:

- £398 million (€448 million) from conduit securitization of the automobile credit portfolio in the United Kingdom;
- €802 million of loans granted by *Société de financement de l'économie française* (SFEF);
- €88 million of zero-rate financing from the Spanish institute ICO,

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

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

MATURITY SCHEDULE FOR RCI BANQUE BONDS AT DECEMBER 31, 2009

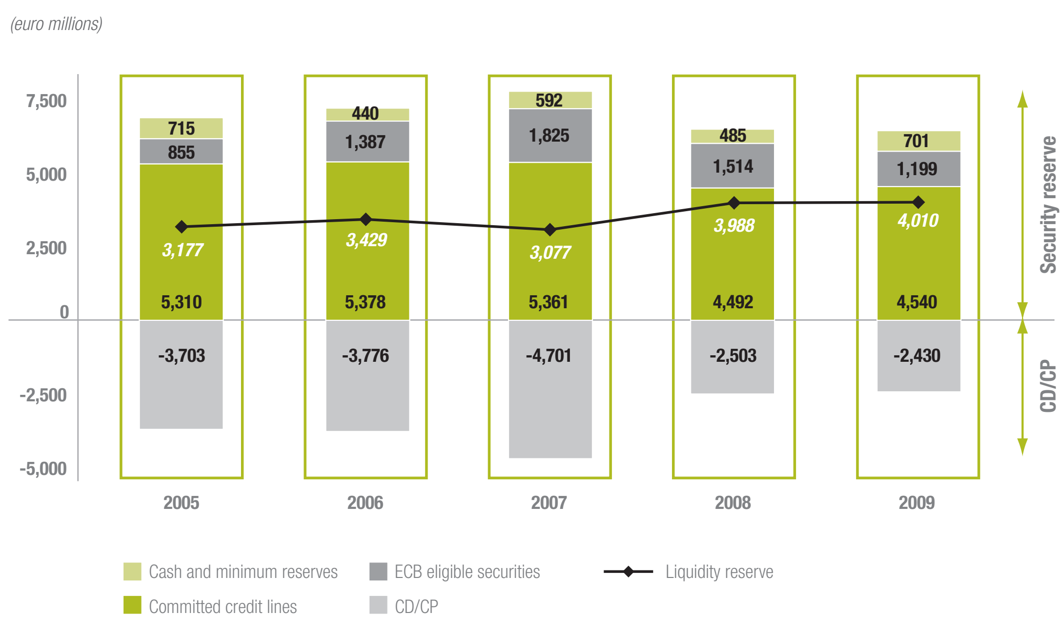


The sharp decline in absolute interest rates (the average two-year swap rate fell from 4.3% in 2008 to 1.9% in 2009) offset the increase in credit spreads. As a result, the absolute cost of new borrowing in 2009 was close to that in prior periods.

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

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

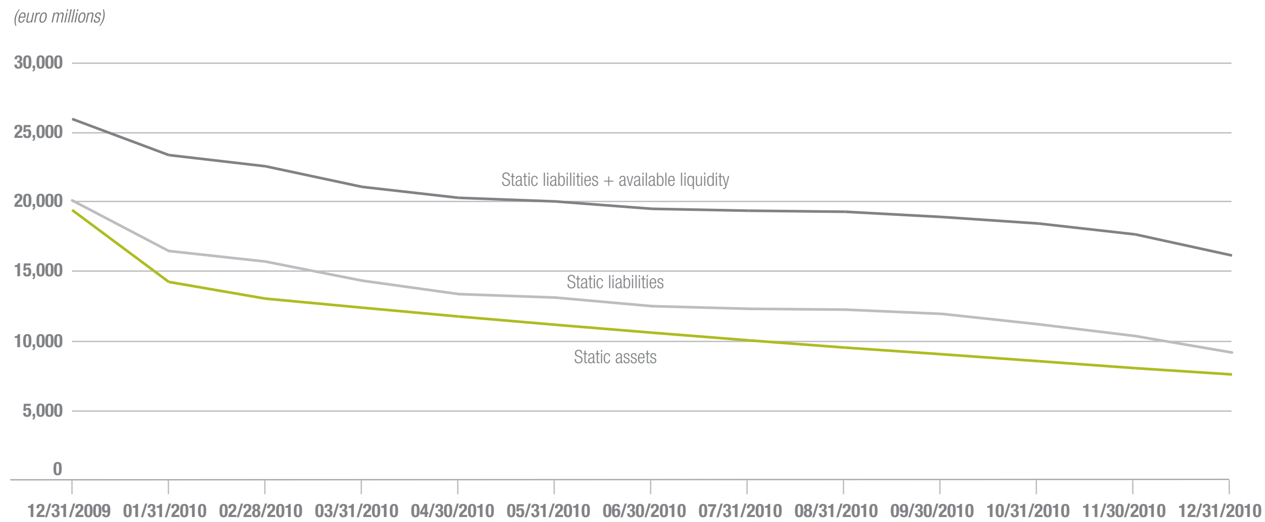
RCI BANQUE – LIQUIDITY RESERVES AT DECEMBER 31, 2009



The liquidity reserve amounts to €4.01 billion, representing the excess of available liquidity reserves over the total outstanding in commercial paper and CDs. The group needs to maintain sources of alternative liquidity that exceed the total outstanding in short-term negotiable debt.

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

GROUPE RCI BANQUE – LIQUIDITY POSITION AT DECEMBER 31, 2009



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

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

The cautious financial policy pursued by the group in recent years has proved particularly well founded in the current volatile and uncertain context.

It protects the commercial margins of all group entities, while ensuring that they can refinance their business. Established and implemented at consolidated level by RCI Banque, the policy applies to all the group's sales financing subsidiaries.

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

Securitization – public issues

COUNTRY		FRANCE	ITALY		GERMANY
Ceding entity	Diac SA	Cogera SA	RCI Banque Succursale Italiana	RCI Bank Niederlassung	RCI Bank Niederlassung
Start date	October 2006	January 2005	July 2007	October 2007	November 2008
Maximum term of fund	October 2020	January 2012	October 2023	October 2019	April 2023
Issuance vehicle	Cars Alliance Auto Loans France FCC	FCC Alliance DFP France	Alliance Auto Loans Italy SPV Loi 130	Cars Alliance Auto Loans Germany FCC	Cars Alliance Auto Leases Germany FCT
Initial purchase of receivables	€2,323 million automobile loans	€1,372 million independent dealer receivables	€1,402 million automobile loans	€1,628 million automobile loans	€941.7 million customer leasing contracts
Receivables purchase at 12/31/2009	€1,798 million	€1,412 million	€960.8 million	€1,792.8 million	€790 million
Credit enhancement at 12/31/2009	0.10% cash collateral (€2.3 million) 4.5% over-collateralized receivables	4.5% over-collateralized receivables	1.75% over-collateralized receivables	0.20% cash collateral (€3.6 million) 5.5% over-collateralized receivables	0.30% cash collateral (€2.9 million) 25.8% over-collateralized receivables
Swap hedging for interest rate risk	Yes (with guarantee)	No	Yes (mirror swaps)	Yes (with guarantee)	Yes (with guarantee)
Issuance vehicle	Cars Alliance Auto Loans France FCC	Cars Alliance Funding PLC Ireland	Cars Alliance Funding PLC Ireland	Cars Alliance Auto Loans Germany FCC	Cars Alliance Auto Leases Germany FCT
Public issues	Class A	Series 2005-1 Class A	Series 2007-1 Class A	Class A	Class A
Medium-term	rating: AAA	rating: AAA	rating: AAA	rating: AAA	rating: AAA
Outstanding at 12/31/2008	€1,705.7 million	€814 million	€838.5 million	€0 million	€376.7 million
	Class B	Series 2005-1 Class B	Series 2007-1 Class B	Class B	Class B
	rating: A	rating: A	rating: A	rating: A	rating: A
	€94.3 million	€36 million	€35.5 million	€0 million	€48 million
Listed private placement*	Class R	Series 2005-2 Class A		Class R	Class R
Short-term	rating: AAA	rating: AAA		rating: AAA	rating: AAA
Notes in issue at 12/31/2008	€0 million	€856.6 million		€1,583 million	€180.1 million
Weighted average life	April 2012	January 2010	January 2012		November 2011

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

Group issuance programs and ratings at December 31, 2009

ISSUER	PROGRAM(1)	MARKET	CEILING *(in millions)*
Renault SA	CP	French	EUR2,500
Renault SA	EMTN	euro	EUR7,000
Renault SA	Shelf documentation	Yen (samouraï)	JPY150,000
RCI Banque	Euro CP	euro	EUR2,000
RCI Banque	Euro MTN	euro	EUR12,000
RCI Banque	CD	French	EUR4,500
RCI Banque	BMTN	French	EUR2,000
Diac	CD	French	EUR1,000
Diac	BMTN	French	EUR1,500
RCI Banque + Overlease + Renault AutoFin (RCI guarantee)	CP	Belgian	EUR500
Rombo Compania Financiera SA	Bond	Argentinean	ARS400*

** Local ratings (S&P raA-*).*
(1) CP: commercial paper; EMTN: Euro Medium Term Note: CD: Certificate of Deposit; BMTN: Negotiable Medium Term Note.

The RCI Banque group's programs concern three issuers (RCI Banque, Diac and Rombo Compania Financiera S.A.) for a combined total of more than €23.5 billion.

2.

RATING

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

	AGENCY	RATING	OUTLOOK	REVISED ON	PREVIOUS RATING
RENAULT	Moody's	Ba1/NP	stable	02/20/2009	Baa1/P2 outlook stable
	S&P	BB/B	stable	06/22/2009	BBB-/A3 outlook negative
	Fitch	BB/NR	negative	03/25/2009	BBB- outlook negative
	R&I	BBB+/a-2	stable	03/31/2009	A/a1 negative
	JCR	BBB+/-	stable	09/30/2009	A/- negative
RCI BANQUE	Moody's	Baa2/P2	stable	11/24/2009	A3/P2 stable
	S&P	BBB-/A3	stable	06/22/2009	BBB+/A2 negative
	R&I	BBB+/a-2	stable	03/31/2009	A/a1 negative

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

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

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

FOREIGN CURRENCY RISK

Automobile

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

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

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

Impact on operating margin: Operating margin is subject to changes caused by exchange rate fluctuations. Currency hedges must be formally authorized by the Finance department or senior management. Once the hedges have been put in place, reports must be submitted to senior management on the results. No hedges were put in place in 2009.

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

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

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

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

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

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

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

Impact on shareholders' equity: Equity investments in currencies other than the euro are not usually hedged. This may lead to translation adjustments, which are accounted for by the Group as shareholders' equity. However, the size of the Nissan investment was such that Renault's share in yen of Nissan's net worth has been covered by a specific foreign exchange hedge, amounting to ¥256 billion at December 31, 2009 with maturities out to 2014. The nature and amount of each transaction are indicated in note 14-G to the consolidated financial statements. These transactions are made up of bond issues on the EMTN market (a total of ¥100 billion), ¥21 billion private placements, and bonds issued in Yen on the Japanese market for a total of ¥135 billion.

Impact on net financial debt: As above-mentioned, a portion of Renault's financial debt is denominated in Yen so as to cover part of the investment in Nissan. A 1% increase in the euro against the Yen would reduce Automobile's net debt by €19 million.

An analysis carried out to measure the sensitivity of financial instruments to exchange risk can be found in chapter 7, note 26-B-2 to the consolidated financial statements.

Sales Financing

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

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

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

The foreign exchange position on December 31, 2009 was €7.9 million.

INTEREST RATE RISK

Automobile

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

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

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

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

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

Sales Financing

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

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

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

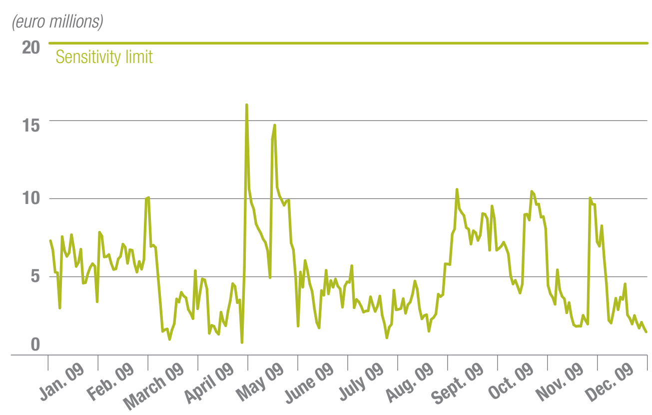
RCI Banque's consolidated exposure to interest rate risk over 2009 shows that sensitivity, *i.e.* the risk of a rise or fall in the Group's results caused by a 100-basis point rise or fall in interest rates, was limited.

RCI Banque group: daily sensitivity to interest rate movements (2009)

(sensitivity to 100bp, absolute terms)

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

2009 SENSITIVITY TO INTEREST RATE MOVEMENTS (IN ABSOLUTE TERMS)



See note 26 to the consolidated financial statements for details of consolidated off-balance sheet commitments in financial instruments and by type of activity.

COUNTERPARTY RISK

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

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

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

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

In 2009 the Group suffered no financial impact arising from the failure of a banking counterparty.

The Group does not trade in the credit derivatives market.

COMMODITY RISK

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

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

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

Renault's direct and indirect exposure to commodity prices is around 65% for steels, 15% for other non-indexed commodities and 30% for indexed metals including precious metals.

At end-December 2009 no hedges were in place.

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

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

2.3.2 OPERATIONAL RISKS

2.3.2.1 SUPPLIER RISK

RISK FACTORS

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

MANAGEMENT PROCEDURES AND PRINCIPLES

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

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

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

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

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

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

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

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

The following points are regularly examined *via* operating performance reviews: engineering excellence, ability to respond to demand in terms of volume, quality, costs and delivery times, and suitability of logistics.

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

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

- a formal commitment by suppliers to the principles of the Renault Declaration of Employees' Fundamental Rights (including elimination of child labor, elimination of forced labor, and commitment to a work, health and safety policy consistent with the Group Working Conditions Policy). Suppliers are required to make this commitment before they can be approved;
- on the management of detected cases of non-conformity, with the implementation and monitoring of corrective action plans;
- on an active participation in the deployment of regulations applying to substances, such as REACH, and regulations covering end-of-life vehicles, such as ELV.

2.3.2.2 GEOGRAPHICAL RISK

RISK FACTORS

The Group has industrial and/or commercial operations in countries outside Europe(11), notably Romania, Russia, Turkey, Morocco, South Africa, Brazil, Argentina, Colombia, Chile, Iran, South Korea and India. Group sales outside Europe account for 24% of revenues.

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

MANAGEMENT PROCEDURES AND PRINCIPLES

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

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

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

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

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

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

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

The Group thus centralizes its financial-risk management activities and can use a single hedging procedure on competitive terms. The Group has designed a radial financial scheme and "hub and spoke" invoicing system. The industrial subsidiaries sell their export production to Renault s.a.s., which sells it on to the importing subsidiaries and independent importers by granting them supplier credit. The parent company manages the risk associated with this credit.

2.3.2.3 RCI BANQUE CUSTOMER AND NETWORK RISK

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

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

Financing is granted to the network on the basis of an internal rating system that takes into account the financial position of dealers. A policy of standardizing the rules for network risk (notably as regards provisioning) has

(11) *"Outside Europe" means in the four Regions - Euromed, Eurasia, Asia-Africa and Americas; from March 1, 2009 a new breakdown of Regions was established as part of the new geographical organization steered by the Regional Management Committees (see the country list end of chapter 2.1.1).*

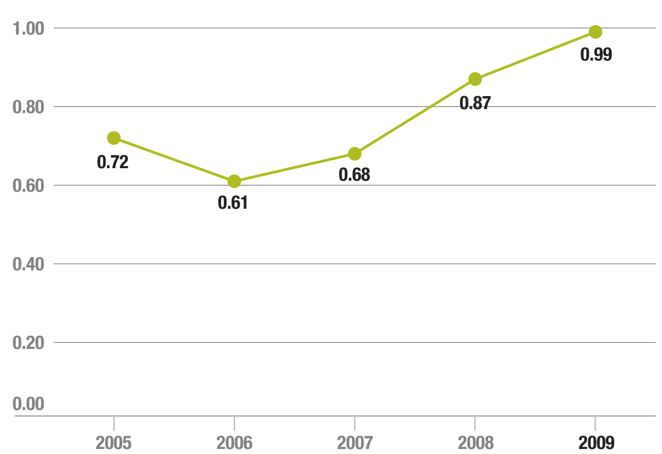
been in place for several years. This has made it possible to strengthen the monitoring and provisioning of risk. Since 2002, the cost of risk has reflected a conservative policy that takes in account the new European regulations on car distribution as well as the deterioration in economic conditions.

Owing to the downturn in the automobile market, and hence in new financing, outstanding customer financing at end-December 2009 was down €290 million relative to December 31, 2008.

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

The cost of customer risk deteriorated further in the second half of 2009, particularly in Spain, continuing a trend that began in the early part of the year. RCI Banque has always pursued a strict policy on acceptance. In an uncertain economic environment, the company constantly adjusted this policy to keep total losses on customer financing at below 1%.

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



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

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

2.3.2.4 DISTRIBUTION RISK

RISK FACTORS

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

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

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

MANAGEMENT PROCEDURES AND PRINCIPLES

Import subsidiaries

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

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

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

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

European distribution subsidiaries (Renault Retail Group)

Internal control at the Group's distribution subsidiaries (Renault Retail Group) is based on a set of standards and procedures. Annual self-assessments carried out using the Internal Control Quality tools have been extended to all countries since end-2006.

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

Dealership network

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

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

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

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

2.3.2.5 INDUSTRIAL RISK

RISK FACTORS

The Group's exposure to industrial risk is potentially significant because its industrial operations are highly concentrated (see table of manufacturing sites, chapter 1.1.3.1) and its plants are interdependent. An active formal prevention policy is applied at all production plants, covering personal safety and the security of property.

MANAGEMENT PROCEDURES AND PRINCIPLES

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

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

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

2.3.2.6 ENVIRONMENTAL RISK

RISK FACTORS

Alongside the systems and policies to reduce the environmental impact of vehicles in the design, manufacture, operation and recycling phases (see chapter 3.3 Environmental Performance), environmental risk at Renault comprises environmental impacts owing to malfunctions in its plants; harm to individuals; and pollution caused by past activities.

MANAGEMENT PROCEDURES AND PRINCIPLES

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

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

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

2.3.2.7 IT RISK

RISK FACTORS

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

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

MANAGEMENT PROCEDURES AND PRINCIPLES

Risks are controlled through:

- an IT Risk Committee, at Group level, organized by the DSIR in conjunction with the Risk Management department, and with representatives of other corporate departments and the Information Control program;
- Security Committees, at DSIR level, that carry out checks at the operational level to verify the effective application of IT security procedures, in line with international best practices (policies and standards such as ISO 27001);
- a security approval structure for the main projects, interconnections and security upgrades;
- audits carried out by the DSIR in partnership with the Internal Audit department or the Group Protection department.

The main security programs in 2009 sought to:

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

2.3.2.8 INSURING OPERATIONAL RISKS

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

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

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

- Material Damage and resulting Operational Losses: the Group buys a capacity of €1.5 billion per claim in two lines from 11 insurers. The resulting operational losses are measured on the scale of Group-wide activities. The deductibles for the Group's manufacturing activities amount to €10 million per claim. Deductibles for commercial activities amount to €12,000 per claim;
- Civil Liability: the Group buys a capacity of €100 million in two lines to cover general civil liability and civil liability related to products, the environment and repairs made by the sales subsidiaries of Renault Retail Group;
- Transportation and storage of vehicles in depots: the Group buys a capacity of €50 million per claim in a single line, with deductibles of €0.1 million per claim, for damage to vehicles in depots.

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

MRC usually intervenes as follows:

- material damage and resulting operational losses: commercial activities are reinsured for €10 million per incident, with an annual block limit of €15 million;
- civil liability: repairs made by Renault's sales subsidiaries are covered to an annual block limit of €2.3 million;
- transportation and storage of vehicles in depots: MRC covers up to €10 million per incident, with an annual block limit of €20 million. MRC reached its block limit in the last financial period due to natural incidents (mainly storms or hail). The Group decided to cover some of the depots exposed to these risks, in particular in Slovenia, Brazil and Argentina.

Some risks, such as defects covered by the manufacturer's warranty and recall campaigns, are not covered by insurance.

The reasons for keeping deductibles high include the Group's consistent policy of prevention, the fact that there have been no major claims in recent years (apart from the natural incidents impacting vehicles stored in depots), and a desire to make each risk-bearing sector more accountable. No major change to Renault's risk transfer policy is planned for 2010.

2.3.3 OTHER RISKS

2.3.3.1 LEGAL AND CONTRACTUAL RISKS

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

LEGAL AND ARBITRATION PROCEEDINGS

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

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

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

RISKS ON JOINTLY OWNED COMPANIES

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

REGULATORY CHANGE

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

- The Group is exposed to the risk of changes in European automobile regulations leading to tighter vehicle emission standards and restrictions on the use of certain substances used to build vehicles (European "REACH" Regulation 1907/2006 of December 18, 2006).
- The European Commission presented on September 14, 2004 a proposal for a Directive amending Directive 98/71 on the legal protection of designs and models. The proposal calls for the abolition of protection of spare parts under design and model law. It was approved by the European Parliament with an amendment providing for a five-year transition period. The draft Directive is now due to be discussed by the Council of Ministers. Sales of copies of spare parts after that date could have a negative impact on the Group's results insofar as some 1.5% of Renault revenues is currently generated by sales of so-called "captive" spare parts protected under design and model law.

GRANTING OF LICENCES FOR INDUSTRIAL PROPERTY RIGHTS

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

Each year, Renault s.a.s. files several hundred patents (see chapter 2.2, Research and Development), some of which are included in fee-paying licenses granted to third parties.

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

2.3.3.2 OFF-BALANCE SHEET COMMITMENTS

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

2.3.3.3 RISKS LINKED TO PENSION COMMITMENTS

Renault operates in countries where, in general, pension systems are publicly run. Renault's commitments in this respect consist primarily of retirement compensation, as specified in note 21 of the notes to the consolidated financial statements. These commitments may be sensitive to changes in the parameters used to calculate them (funding, labor factors, interest rates).

2.4 REMUNERATION OF SENIOR EXECUTIVES AND CORPORATE OFFICERS

2.4.1 REMUNERATION OF SENIOR EXECUTIVES ✦

2.4.1.1 PROCEDURE FOR DETERMINING REMUNERATION

FIXED AND VARIABLE REMUNERATION

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

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

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

SUPPLEMENTARY PENSION SCHEME

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

- a defined contribution scheme equivalent to 8% (5% paid by the company, 3% by the beneficiary) of annual remuneration between eight and 16 times the upper earnings limit for social security contributions;
- a defined benefit scheme capped at 30% of remuneration, subject to length of service and on condition that the beneficiary serves out the rest of his or her career within the Group;
- an additional defined benefit scheme capped at 15% of remuneration. This scheme is mentioned for information only since it applies to just one member of the committee who had fulfilled the condition of being on the Executive Committee at June 30, 2004.

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

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

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

2.4.1.2 REMUNERATION OF RENAULT MANAGEMENT COMMITTEE MEMBERS IN 2009

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

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

2.4.2 REMUNERATION OF CORPORATE OFFICERS

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

2.4.2.1 PROCEDURE FOR DETERMINING REMUNERATION

FIXED AND VARIABLE REMUNERATION

Meeting on May 6, 2009 the Board of Directors voted to combine the functions of Chairman of the Board of Directors and those of the Chief Executive Officer. Note that, with effect from this date, the Chairman and CEO is not remunerated for his function as Chairman of the Board of Directors.

In light of economic conditions and the situation in the automobile industry, the Chairman and CEO will receive no variable remuneration in 2010 for his duties as CEO for the year 2009, in accordance with the decision made by the Board of Directors on February 10, 2010 upon a Remuneration Committee proposal. His fixed remuneration paid in 2009 was the same as the one paid in 2008.

This decision is consistent with the provision of Decree 2009-348 of March 30, 2009 and Decree 2009-445 of April, 20 2009 on "the terms of remuneration of senior executives of State-aided companies or companies receiving State support because of the economic crisis and to heads of state-owned enterprises".

SUPPLEMENTARY PENSION SCHEME

The Chairman and CEO also benefits from the supplementary pension scheme set up for members of the Group Executive Committee (see chapter 2.4.1.1). 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.

2.4.2.2 REMUNERATION OF CORPORATE OFFICERS

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

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

(1) Paid the following year.

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

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

2.4.3 STOCK-OPTIONS GRANTED TO SENIOR EXECUTIVES AND CORPORATE OFFICERS

2.4.3.1 LEGAL FRAMEWORK

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

No resolution will be submitted to the Joint General Meeting of April 30, 2010.

2.4.3.2 GENERAL POLICY ON OPTION GRANTS UNDER EXISTING PLANS

REMUNERATION COMMITTEE

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

AIMS OF THE STOCK-OPTION PLANS

The main aim of the stock-option plan is to involve Renault executives worldwide, particularly the members of management bodies, in building the value of the Group – and hence Renault's share price – by allowing them to have an ownership interest in the company.

The plan also makes it possible to single out those executives who, by their actions, make an especially positive contribution to the Group's results.

In addition, the plan helps to secure the loyalty of those executives for whom the Group has long-term ambitions, in particular "high-flyers", *i.e.* young executives with strong potential. Stock-options help to increase the commitment of these staff members and motivate them to work for the company's advancement and growth.

The plan reinforces the role of the Group's responsibility centers in Europe and the rest of the world. In Automobile it applies in particular to sales subsidiaries, vehicle and powertrain engineering teams, managers of body assembly and powertrain plants, industrial subsidiaries and all the heads of vehicle and powertrain programs and projects. The plan also applies to Sales Financing, and to the heads of the Group's major support functions.

GRANT POLICY

Option grants vary according to the grantee's level of responsibility and contribution to the company, an appraisal of their performance and results, and, for younger staff members, an assessment of their development potential.

Performance criteria for all members of staff were introduced in 2006. They are based on satisfying the collective commitment regarding the company's operating margin (for 50% of the awards) and on individual performance conditions (for the remaining 50%). The individual performance indicators are associated, in quantity and/or quality, with each function or business segment which contributes to performance.

These criteria, deployed within the Group, are also applicable to senior management, it being specified that the 2008 plan (no. 15) included a new indicator associated with the company's net earnings, weighing in for 15%, in addition to the operating margin criterion, which counts for 35%. Senior management's individual performance criteria are very closely connected with the commercial, industrial, financial or economic performance of the Group, and the performance of the Regions for the Regional Leaders.

Whatever the circumstances, if the operating margin target is not achieved, none of the allotted options or shares can be exercised at the end of the qualified holding period.

Senior executives and managing executives

The senior executives are the President and the members of the Renault Management Committee, including the eight members of the Group Executive Committee at December 31, 2009.

In principle, other managing executives are granted options each year, based on the same criteria as those applicable to senior executives, namely levels of responsibility, performance and results. The quantity of options granted can vary significantly depending on individual appraisals. Some managing executives may receive none. The allocation factor ranges from 1 to 4, with a median of 1,500 options in 2007. No options have been granted since 2008.

Other executives benefiting from the plan

The plan's other beneficiaries are generally senior managers and high-flyers with strong professional or managerial potential aged 45 and under. Grants are generally made every one to three years or more, but never more than two years running. An array of complementary systems is used to assess and select grantees (annual performance and development review, Careers committees, personal monitoring for high-flyers, performance-related bonuses). Taken together, these systems form a comprehensive observation platform used to single out the most deserving executives.

Annual performance and development reviews

Annual performance and development reviews are used to make a precise, written review of past performance and to define written goals for the coming year. All managerial staff without exception (*i.e.* including senior executives and managing executives) undertake a performance appraisal with their immediate superior and, where appropriate, their staff manager and project manager. The results of the session are reviewed and graded by the next level of management. The annual performance and development review provides the opportunity to precisely measure the interviewee's past inputs and the importance of his or her future missions. It is also used to closely analyze each individual's managerial capacity and the progress to be made vis-à-vis benchmarks set by senior management.

Careers committees

The purpose of Careers committees is to review all positions of responsibility within the company and to assess the contributions of the incumbents. They also seek to forecast possible changes in the job profile of individual staff members and the persons designated to replace them, either under normal circumstances or immediately should the need arise. The Careers committees meet monthly in all the Group's major divisions and departments throughout the world. This system makes it possible to permanently update collective assessments of individual staff members and it enables senior managers to submit the names of possible option grantees to the Chairman with full knowledge of the facts. A General Careers committee, chaired by the Chairman and composed of the members of the Group Executive Committee, examines nominations for 200 key positions (known as "A Positions") and is responsible for manpower planning for these jobs. With this method, managers at different levels can focus more tightly on future senior executives or managing executives.

High-flyers

Particular attention is paid to the action and development of young high-flyers, who are monitored closely. Each year, the Careers committees meticulously update the P List, comprising young high-flyers with strong professional or managerial potential likely to become senior managers, and the P1 List, composed of executives destined to become managing executives or senior executives. Additions to the P1 List are decided by the General Careers committee.

Since 1999, in an effort to improve transparency, high-flyers (P or P1) have been duly informed of their status by their managers during their annual performance and development review.

Senior Managers and Executives department

The Head of the Senior Managers and Executives department (DCSD) ensures that the annual performance and development review process is functioning properly. He supervises and makes use of the reviews, prepares and coordinates the meetings of the General Careers committee, and proposes and keeps the high-flyer lists. He also prepares, standardizes and submits requests regarding options and share plans, so that the Chairman can make proposals to the Board's Remuneration Committee. He is assisted by the careers and skills development officers (DDCCs) appointed in all major Group divisions and departments. DDCCs are responsible for assessing and permanently monitoring all the executives within his or her scope of activity. DDCCs are coordinated centrally on a regular basis. Managers can thus ensure that the Human Resources policy is properly implemented, that the above-mentioned processes are followed and that individual careers are optimally managed, particularly in terms of mobility assignments and training. DDCCs are important because they marshal and summarize the assessments and judgments made by different managers and are therefore in a better position to select potential stock-option grantees.

2.4.3.3 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.

2.4.3.4 SUMMARY OF PLANS IN PLACE AT DECEMBER 31, 2009

The options granted under Plans 6 to 9 give the right to buy existing shares. The options granted under plans numbered from 10 onwards give the right to subscribe for new issues. Plans 13 and 16 cover allocations of free shares, to which corporate officers are not entitled.

DATE OF GRANT/BOARD MEETING		OPTION START DATE	EXPIRATION DATE	NO. OF GRANTEES	TOTAL OPTIONS GRANTED	O/W MEMBERS OF RENAULT MANAGEMENT COMMITTEE (1) (2) (4)	STRIKE PRICE *(IN €)*	DISCOUNT	OPTIONS EXERCISED AT 12/31/2009	OPTIONS LAPSED AT 12/31/2009	OPTIONS OUTSTANDING AT 12/31/2009 (3)
AGM AUTHORIZATION GRANTED ON JUNE 11, 1998											
Plan 6	09/07/2000 and 10/24/2000	09/08/2005 and 10/25/2005	09/06/2010 and 10/23/2010	638	1,889,300	750,000	49.27 and 49.57	None	1,295,313	129,515	464,472
Plan 7	12/18/2001	12/19/2006	12/17/2011	858	1,861,600	505,000	48.97	None	868,404	72,466	920,730
Plan 8	09/05/2002	09/06/2007	09/04/2012	809	2,009,000	645,000	49.21	None	443,987	49,918	1,515,095
AGM AUTHORIZATION GRANTED ON APRIL 29, 2003											
Plan 9	09/08/2003	09/09/2007	09/07/2011	813	1,922,000	605,000	53.36	None	285,453	50,380	1,586,167
Plan 10	09/14/2004	09/15/2008	09/13/2012	758	2,145,650	695,000	66.03	None	16,000	76,300	2,053,350
Plan 11	09/13/2005	09/14/2009	09/12/2013	639	1,631,093	650,000	72.98	None	3,000	122,793	1,505,300
AGM AUTHORIZATION GRANTED ON MAY 4, 2006											
Plan 12	05/04/2006	05/05/2010	05/03/2014	693	1,674,700	556,000	87.98	None	3,000	315,328	1,356,372
Plan 13(6) Options Committ. 2009	05/04/2006	05/05/2010	05/03/2014	650	2,741,700	1,550,000	87.98	None	2,000	172,400	2,567,300(6)
Plan 13(6) bis Actions Committ. 2009	05/04/2006	05/05/2010	-	549	1,379,000	290,000	0	None	6,500	84,000	1,288,500(6)
Plan 14	12/05/2006	12/06/2010	12/04/2014	710	1,843,300	680,000	93.86	None	0	267,436	1,575,864
Plan 15(5)	12/05/2007	12/06/2011	12/04/2015	743	2,080,000	735,000	96.54	None	0	2,080,000	0
Plan 16(6) Options Compl. Committ. 2009	12/05/2007	12/06/2011	12/04/2015	199	797,787	160,000	96.54	None	0	85,787	712,000(6)
Plan 16(6) bis Shares Compl. Committ. 2009	12/05/2007	12/06/2011	-	199	132,166	60,000	0	None	0	11,266	120,900(6)

(1) The Renault Management Committee at the date on which the stock-options were granted.

(2) Including grants to Mr. Schweitzer of 20,000 stock-options in 1996, 30,000 in 1997, 140,000 in 1998, 200,000 in 1999, 140,000 in 2000, 100,000 in 2001, 130,000 in 2002, 100,000 in 2003 and 200,000 in 2004.

(3) Under Plans 6 to 9, a total of 4,486,464 options were unexercised at December 31, 2009.

(4) Including grants to Mr. Ghosn of 20,000 options in 1997, 70,000 in 1998, 200,000 in 1999, 200,000 in 2005; in 2006: 100,000 under Plan 2006, 1,000,000 under Commitment 2009, 200,000 under Plan 2007 and 200,000 under Plan 2008.

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

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

In 2009:

- no options were granted or exercised;

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

- options exercised by corporate officers were as follows:

Options exercised by corporate officers during the financial year

	PLAN NO. AND DATE	NUMBER OF OPTIONS EXERCISED	STRIKE PRICE	GRANT YEAR
Carlos Ghosn		None		
Louis Schweitzer		None		

2.4.3.5 SUMMARY OF REMUNERATION PAID TO CORPORATE OFFICERS

Summary of remuneration and allocations of options

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

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

Stock-option allocations

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

	PLAN 14	PLAN 15
Louis Schweitzer	-	-
Carlos Ghosn	200,000	200,000**

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

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

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

Benefits to senior executive corporate officers

EXECUTIVE CORPORATE OFFICERS	EMPLOYMENT CONTRACT		SUPPLEMENTARY PENSION SCHEME *		COMPENSATION OR BENEFITS OWED OR LIKELY TO BE OWED ON TERMINATION OR CHANGE OF FUNCTIONS		BENEFITS RELATING TO NON-COMPETITION CLAUSE	
	YES	NO	YES	NO	YES	NO	YES	NO
Chairman and CEO **Carlos Ghosn**	-	No	Yes	-	-	No	-	No
Chairman of the Board of Directors until May 6, 2009 **Louis Schweitzer**	-	No	Yes	-	-	No	-	No

* *See chap. 2.4.1.1.*

2.4.4 DIRECTORS' FEES

The Annual General Meeting may allocate directors' fees, the amount of which remains fixed until otherwise decided.

2.4.4.1 AMOUNT

The Annual General Meeting on April 29, 2003 voted an annual amount of €600,000 (1) to be apportioned among the directors for the current year and subsequent years, until further notice. The Board is responsible for allotting these fees.

(1) The amount of €600,000 is the median of directors' fees paid by other CAC 40 companies.

2.4.4.2 METHOD OF ALLOTMENT

The directors' fees for FY 2009 are apportioned according to the following criteria:

- a fixed portion, linked to the responsibilities arising from Board membership, *i.e.* an amount of up to €14,000 (the sum is calculated on a time-apportioned basis);
- a variable portion, linked to directors' actual attendance, *i.e.* an amount of up to €14,000 (the sum is calculated on a time-apportioned basis).

Two additional payments may also be made:

- one for sitting on one of the Board's committees, *i.e.* up to €4,500 (calculated on a time-apportioned basis);
- one for chairing a committee, *i.e.* up to €4,500 (calculated on a time-apportioned basis).

Total fees allocated to directors in 2009 amounted to €571,336 (€557,475 in 2008).

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

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

(1) Fees allocated on the basis of Board membership, attendance of Board meetings, membership and/or chairmanship of one of the Board's committees.
(2) Fees allocated to overseas directors correspond to the gross amount paid by Renault.
(3) These directors represent the French State.
(4) Directors whose appointment began or ended during the year.

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

3.

SUSTAINABLE DEVELOPMENT

3.

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RENAULT, A RESPONSIBLE COMPANY COMMITTED TO SUSTAINABLE DEVELOPMENT

"Large companies can no longer focus exclusively on business performance without a thought for what is happening around them. It is our responsibility, and it is also in our interest, to be involved in the corporate and social life of the countries where we are present. Our social responsibility is expressed through a variety of initiatives and through support for projects promoting safety, education, diversity and the environment."

Carlos Ghosn, President and CEO of Renault.

Beyond economic performance, without which nothing can be achieved, Renault's commitment to sustainable development as a responsible corporation rests on three main pillars: societal responsibility, social responsibility and respect for the environment.

Concerning the environment, the life-cycle approach introduced in 1995 (ranging from ISO 14001 certification for all production plants to the joint-venture with Sita Recyclage) was reinforced in 2007 with Renault eco².

To date the Renault-Nissan Alliance is the only manufacturer planning to mass market electric vehicles. Renault has an efficient range of internal combustion vehicles and ongoing developments will bring significant improvements, primarily through lower energy consumption and the use of alternative and renewable energies.

Renault has always been on the cutting edge in road safety, with an accident research laboratory set up in 1954. It is the only manufacturer to have 12 vehicles with 5-star Euro NCAP ratings, making it the leader for safety. The "Safety for All" program set up nine years ago has brought road safety education to eleven million children worldwide.

Renault is also pursuing a range of initiatives in education, professional insertion, diversity and equality in the workplace. For example, Renault has supported a remarkable program in South Africa, Valued Citizens, for almost ten years. Some 423,000 young people in 1,575 schools have already taken part.

CODES OF GOOD CONDUCT ✦

INTERNAL STANDARDS

CODE OF GOOD CONDUCT AND RULES OF COMPLIANCE

Since 1998, Renault has applied a Code of good conduct that provides a framework for relationships with all stakeholders, both inside and outside the Group. The Code was given to managerial staff and to suppliers in order to set out clearly defined principles for dealing with complex or unexpected situations.

Given the Group's steady international expansion and the wide variety of risks in the countries where it is present, Renault decided to reinforce its ethical approach by adding a "Compliance" function to the existing Code of good conduct. A new Code of good conduct and Rules of compliance were adopted by the Board of Directors in 2007 and distributed to all employees in 2008.

The Compliance function is an integral part of the Renault group's internal control procedures (see chapter 4.3.3.1).

In 2009 the Global Compliance Committee chaired by the Executive Vice President, Finance, met six times (see chapter 4.1.7, Activity of the Compliance Committee).

To enable employees to play an active role in risk prevention, Renault has set up a whistleblowing system. The aim is to encourage all members of staff to report any irregularities in the areas of accounting, finance and the fight against corruption. This procedure is governed by the terms of the CNIL (France's data protection commission) and guarantees the full confidentiality of the whistleblowing process.

DECLARATION OF EMPLOYEES' FUNDAMENTAL RIGHTS

The Declaration of Employees' Fundamental Rights was signed in 2004 by Renault, the secretary general of the International Metalworkers' Federation (IMF) and the trade unions. Covering all Renault personnel worldwide, the agreement is part of the Group's approach to sustainable development and reflects its international undertakings (see chapter 3.2.3.1 Employee-relations performance).

CODE OF GOOD PRACTICES AND COMPETITIVE PERFORMANCE

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

THE SUSTAINABLE DEVELOPMENT PURCHASING CHARTER

See chapter 3.1.3.2 on suppliers.

REGULATORY INSTRUMENTS

Pursuing the goals of transparency and progress, Renault adheres to international norms and standards established to regulate companies' social relations, employee relations and environmental practices.

Renault joined the UN-sponsored Global Compact in 2001. It is also committed to the guidelines of the Organization for Economic Cooperation and Development (OECD) as well as to the Declaration of the International Labor Organization (ILO) on Fundamental Principles and Rights at Work. Renault complies with the Global Reporting Initiative (GRI), which seeks to develop indicators applicable worldwide to get a clearer picture of the economic, social, and environmental performance of publicly listed companies (see GRI table in chapter 8.4.2).

THE UN GLOBAL COMPACT

Proposed by the then UN Secretary General Kofi Annan in July 2000, the Global Compact brings together major multinational companies, SMEs, UN agencies and non-governmental organizations (NGOs) around ten principles of sustainable and responsible development laid down by the United Nations. The partners are invited to uphold and advance these principles both internally and externally. Renault officially joined the Global Compact in July 2001, meaning that each year it undertakes to submit a "Communication on Progress" and examples of best practices in support of the Global Compact. Renault is also a member of the *Forum des Amis du Pacte Mondial* (Forum of Friends of the Global Compact), which acts as the representative in France of the UN Global Compact Office in New York. The Forum aims to support the application of the Global Compact's ten principles, extend the network of member companies and encourage members to learn from each another and to pool information.

www.unglobalcompact.org; www.pactemondial.org

In France in December 2007 Renault signed the charter drafted by the national association of advertisers, *Union des Annonceurs*, making a commitment to responsible communication across the Group, at both corporate and commercial level.

To promote the UN's Global Compact among small and medium-sized businesses in the Paris area, Renault has joined forces with public administrations and businesses to form the Paris Regional Club for Sustainable Development. Taking part alongside Renault are the Paris region DRIRE (Regional Directorate for Industry, Research and the Environment), the *École Nationale Supérieure des Arts et Métiers* engineering school, industry leaders including LVMH and Veolia Environnement, as well as thirty small and medium-size businesses and four inter-trade federations. At present the association comprises more than 35 small and medium-size businesses and is partnering with the Greater Paris regional office of the French energy management agency, ADEME.

The objectives are to promote multilateral exchanges of experience and good practices through the use of collaborative tools, visits to industrial sites and conference streams, with a view to helping companies make real progress. The goal is to encourage as many companies as possible to sign up to the Global Compact[1].

(1) The objective of the Global Compact, which functions within the framework of the UN, is to promote a set of fundamental values based on ten principles concerning the environment, human rights and the fight against corruption.

3.1 RENAULT'S COMMITMENT TO CORPORATE SOCIAL RESPONSIBILITY (CSR) ✦

Renault has long been aware of its social responsibility towards its employees, customers and the planet and the company has been investing in these areas for many years.

To provide a cross-functional structure for the actions that put Renault's commitment to responsible mobility into practice, in 2009 the Renault group created a Corporate Social Responsibility Division (DRSE), and set four priorities:

- education;
- health and safety;
- diversity;
- sustainable mobility.

The DRSE's scope of action covers all aspects of Renault's corporate citizenship activities and sponsorship policy.

The DRSE is tasked with defining and implementing the company's CSR strategy, as well as structuring and organizing all the actions and initiatives that come under Renault's commitment as a good corporate citizen. The new division is also charged with organizing dialogue with stakeholders and with publicizing what Renault is doing in CSR.

3.1.1 VISION, MISSION AND STRATEGY

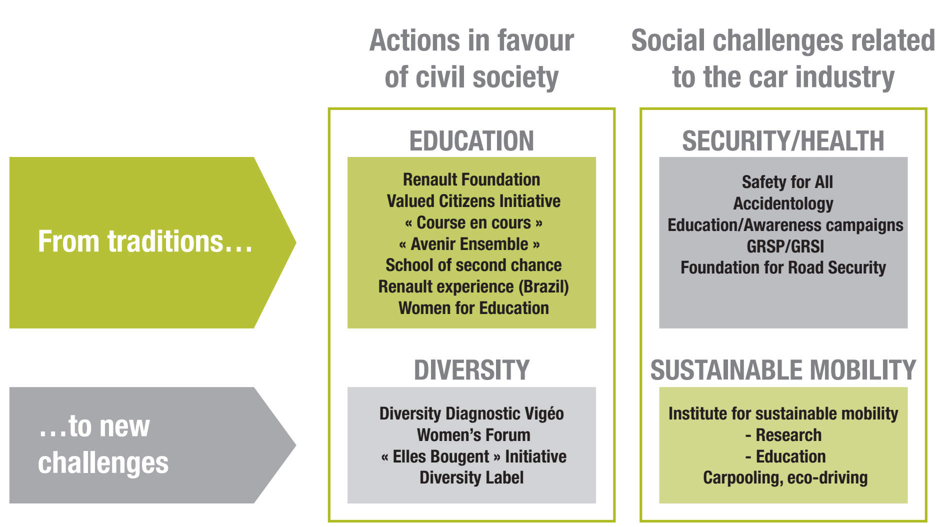
The RSE is a vehicle of progress for society and of performance for the company. It is the driving force and the guarantor of Renault's commitment to responsible mobility.

Its main mission consists in making sure that societal matters are taken into consideration in the actions taken throughout the company.

Its strategy is based on five areas:

- to act in favor of equal opportunities and access to sustainable mobility for all;
- to encourage the responsible and united involvement of employees;
- to support long-term responsible development in the regions where the company is established;
- to inform and share with stakeholders and raise their awareness;
- to develop expertise in social responsibility.

3.1.2 COMMITMENTS AND ACTIONS THROUGH FOUR PRIORITIES



For each of these priorities, some actions come under CSR and others under corporate sponsorship. Within this framework, Renault and its subsidiaries around the world are involved in a wide variety of actions that serve the community through sponsorship. These actions were worth a total of €8 million in 2009. Most are initiatives and projects that benefit the community by demonstrating corporate responsibility in social development, education, solidarity, diversity, road safety and access to sustainable mobility for all, research, environmental protection, humanitarian interventions or culture and heritage.

3.1.2.1 EDUCATION ✦

SUPPORT AND PARTNERSHIP IN EDUCATION AND EQUAL OPPORTUNITY

In France, Renault has signed a business commitment charter to promote equal opportunity in education. It is also supporting various educational initiatives to promote diversity, equal opportunities and success for all.

In 2007 Renault and Renault F1 Team were two of the founding members of the *Course en cours* high school prize.

The *Lycée Henri IV* high school in Paris: Renault sponsors a class over three years through the involvement of company executives.

In 2009 Renault started a new partnership with *Un Avenir Ensemble*, a project to sponsor high-achieving high-school and university students from disadvantaged backgrounds.

More information about the three initiatives in chapter 3.2.2.2.

Internationally, Renault is implementing education projects adapted to the issues and needs of each country in close cooperation with local education authorities. The strongest action is in countries where the Renault group's commitment is supported by foundations or institutes, as in Spain, Argentina and Brazil.

RENAULT'S CORPORATE FOUNDATION: A MEETING OF CULTURES

Established in 2001 Renault's corporate Foundation supports talented young people and helps them to flourish in a multicultural environment. The Foundation's action encourages sharing and understanding between different cultures and supports exchanges between France, Europe and other countries where Renault operates.

The Renault Foundation helps train the managers of tomorrow by organizing and fully funding three degree programs in France, which are taught in French to foreign post-graduate students who hold an undergraduate degree from their own countries:

- the Dauphine Sorbonne Renault MBA, established in partnership with Paris Dauphine University and the Business Administration Institute at Paris I (Panthéon Sorbonne) University;
- the ParisTech/Renault Foundation Masters in Transportation and Sustainable Development with the École des Ponts, École des Mines de Paris and Polytechnique;
- the Renault Majors Cycle, in partnership with the ParisTech schools and Paris I (Panthéon Sorbonne) University.

Every year, the programs accept students pre-selected by the Foundation's partner universities in Japan, South Korea, Brazil, Iran, Romania, Russia, India, Morocco, and most recently Lebanon. The Foundation has already helped to train some 430 students from those nine countries.

The Foundation has also set up a chair in "multicultural management and corporate performance" in partnership with École Polytechnique and HEC. The aim of the chair, fully funded by the Renault Foundation, is to develop the skills of final-year students at HEC and École Polytechnique in understanding and implementing managerial practices adapted to diverse economic realities in terms of national, workplace and organizational cultures. The activities of the chair include a teaching program and a series of research projects conducted in France, India and Japan on managerial issues specific to multinational companies. The results of the research will be published.

In 2009 Renault's corporate Foundation and ParisTech formed a partnership to conduct joint research on the future of passenger transportation through a "Sustainable Mobility Institute". The collaboration between Renault engineers, and ParisTech teacher/researchers and students aims to promote research on the design of innovative mobility systems, based particularly on electric vehicles, and to train sufficient managers and researchers to meet the demands of industry in the transportation sector and the scientific and technological challenges raised by the long-term development of sustainable transportation systems.

With an open stance towards new cooperation, the Sustainable Mobility Institute could open up to other French or international partners that wish to participate in this research.

The Renault Spain Foundation, set up in 1963, funds scholarships for the children of Renault group employees in Spain. In 2009 152 employees' children received scholarships worth approximately €600 per student.

VALUED CITIZENS PROGRAM IN SOUTH AFRICA ✦

Renault has been a key sponsor of the Valued Citizens initiative in South Africa since 2001. The program's aim is to use public schools to develop a sense of responsible citizenship in young people and by doing so, create a culture based on the values and principles established in the South African Constitution.

Programs such as Value in Schools and Growing Leaders, Inspire help primary and secondary teachers build their students' confidence and self-esteem. As a result, they take pride in their school and become aware of their potential, which in turn builds a stronger democratic culture and greater openness to the surrounding world. The idea is to develop an environment conducive to respect for human rights, with the broader objective of fostering a flourishing civil society in South Africa.

To date, the Valued Citizens program has been taught in 1,575 primary and secondary schools in rural and urban areas in the Gauteng, Free State, Kwazulu Natal and Limpopo provinces. These multiracial, multiethnic and multilingual public schools embody the Rainbow Nation. Renault is proud to contribute to expanding the program, which has reached more than 423,000 students and more than 3,500 teachers and school principals since it was started. In 2009, some 8,750 youngsters were trained by around 20 teachers as part of the *Inspire* program.

3.1.2.2 DIVERSITY

SUPPORTING THE DECLARATION OF FUNDAMENTAL SOCIAL RIGHTS

Renault wants the company to benefit from the cultural diversity and wealth of experience of all the components of the markets in which it operates. Diversity enhances employee performance, motivation and commitment of a human, socially responsible company.

Diversity is a decisive competitive advantage: the diverse educational backgrounds, talent and career paths of the workforce is what brings innovation. In a globalized world, it is by reflecting the many aspects of the 118 countries where Renault sells vehicles that the company will understand and best meet the expectations of its customers.

Renault has decided to conduct a diversity diagnostic with the help of an expert in the field. The diagnostic will run from November 2009 until September 2010, covering 18 sites all over the world. The aim is to measure the progress that has already been made and to support sites with their diversity initiatives.

PROMOTING DIVERSITY AND EQUAL OPPORTUNITY

Initiatives to promote diversity include:

Actions for disabled people ✦

In 1995 Renault was one of the first companies in France to sign an agreement with trade unions to promote the social and occupational integration of disabled people. Renewed four times, the agreement includes a wide range of measures relating to employment, career development and provisions facilitating everyday life for disabled people.

Twelve years ago Renault set up a special unit in charge of promoting and raising awareness of these issues among all employees. The disability unit at the Group HR Division monitors the implementation of the various provisions of the agreement. Every Renault s.a.s. site has a "disability officer" who is close to the ground and in charge of implementing the provisions locally.

A work day was held on November 19, 2009 at the Technocentre to evaluate and propose innovations for the range of vehicles adapted for less mobile people by Renault Tech. The opinions and advice given by 25 disabled Renault group employees will contribute actively to the development of new solutions and the improvement of the product range.

On December 3, 2009, United Nations International Day of Persons with Disabilities, Renault reasserted its commitment to diversity in general, and to disabled people in particular. The various awareness-raising actions taken to date among employees and the general public (France) have aimed to:

- promote the mobility solutions for disabled people offered by Renault: a longstanding commitment to disability has enabled the company to develop unique expertise in product planning. To date, Renault is the only European carmaker present in this area and offers a large range of vehicles for the less mobile (Kangoo, Logan, Master and Trafic), as well as driving and transfer aids;
- inform people about the disability agreement: applicable on the scope of Renault s.a.s., the agreement aims to help disabled people find and keep jobs. The agreement covers financial assistance, adapting workstations, and partnerships with organizations in the sheltered sector. Renault Retail Group also signed a corporate agreement in January 2007 to support the disabled employees of the Renault group's retailing subsidiary;
- raise awareness among employees and managers of different types of disabilities so they can factor them in better on a day-to-day basis in the workplace. Because promoting diversity means recognizing all types of talent, which are key to a human, socially responsible company.

Actions introduced include: displays of vehicles from the Transportation for Less Mobile Users range, as well as driving aids and transfer aids; an introductory lesson in sign language; demonstrations of devices to facilitate communication between the hearing, deaf and hard-of-hearing in the workplace; and presentations by specialists from the disability unit, social workers and occupational doctors.

Moreover, the new brochure "Reduced Mobility, Renault Tech working for your independence" ('*Mobilité réduite*, *Renault Tech se mobilise pour votre autonomie*' in French), which replaces "En Route", can be downloaded from the site www.renault-tech.fr. This brochure describes the complete Renault TECH range (Kangoo, Logan MCV, Trafic and Master designed to transport wheelchairs), plus the aids for driving and easier vehicle access.

For several years already, Renault has been an active partner of the Motability car scheme for the disabled in the UK.

Actions for women ✦

Renault works actively for the advancement of women and encourages women's careers in the company. Although women are under-represented at training schools for automotive trades, one-quarter of Renault's annual recruitment is women (who make up one-third of engineers and managers). Through these large-scale recruitments, the percentage of women in the company has been growing every year.

Worldwide, women make up 16.6% of Renault's workforce, with rates of 28% in Russia, 35% in Romania and more than 45% at some European sales subsidiaries.

"Carmakers that want to survive the 21st century have to integrate diversity into the way they run and set the clear target of hiring more women". President Carlos Ghosn, May 2006, Osaka (Japan).

Renault works a long way upstream on women's careers in the automotive industry. The company works with *Elles Bougent*, an association that aims to create opportunities for mentoring between women at partner companies and female high-school and university students.

RENAULT LAUNCHES ACTIONS FOR GENDER DIVERSITY

All through 2009, a top management group of 15 women has worked on setting up a strategy to promote actively gender diversity in the company. Between March and June, their task has consisted in collecting and studying the opinions and suggestions of more than 70 women from all Renault departments. Thanks to their participation and ideas, eight propositions were handed out and accepted. They will be set up concretely by 2010:

- attract more women towards car industry, through a partnership with the French association "Elles Bougent" (Women Move);
- set up a target proportion in the recruitment of women;
- launch a campaign to lead career interviews with women working at Renault;
- set up a strategy to ensure women's presence in the future top management succession plans;
- lead more actions in favor of parenthood and opening or helping to open more daycare centers;
- study a process allowing discrimination facts to be voiced and taken care of;
- offer specific training as to Diversity and Women Leadership;
- make the network of women international.

Renault Retail Group ran a recruitment drive for new car salespeople in June and July 2009, targeting women through messages like, "you don't have to be a man to sell cars" and specific communication channels (Internet sites aufeminin.com and badiliz.com).

A FRENCH WOMEN NETWORK LAUNCHED IN JUNE 2009

In June 2009, Renault France launched a 2.0 web network in partnership with "Elles de L'Auto", a French association aimed at gathering women around automotive business topics. The forum enables 80 women working at Renault France to exchange about their professional experience as women and issues linked to car industry business, in a vivid atmosphere. This action is part of Renault's Actions for Diversity for the Sales and Marketing department.

Renault sponsored the 2009 "Women for Education" prize for the fourth year in a row. The aim of the prize, set up by the Women's Forum and *Elle* magazine, is to provide financial support for a project that promotes girls' education and training for women in developing countries. It is endowed with €100,000 by the Renault-Nissan Alliance. In 2009 the grant was shared by two NGOs – one in Mexico (training weavers) and one in Ethiopia (job training for young mothers) – which were awarded the "Women for Education" prize equally.

This initiative is part of a broader Renault policy aimed at developing training programs and promoting diversity in the company and more generally in the surrounding community. The two carmakers also recognize the need to increase the representation of women in automotive trades and are taking action in this area.

Actions for young people ✦

In addition to the partnership with *Un Avenir Ensemble* described in chapter 3.2.2.2 under an agreement signed in 2008 Renault supports Sciences Po's policy of encouraging diversity.

On February 15, 2008 Renault and some 30 other French companies, signed a "national commitment to integrate young people from the housing projects into the workforce" with the Ministry of the Economy, Finance and Employment. Through the agreement, and as part of its longstanding policy in favor of underskilled youth, Renault is committed to recruiting 420 young people between 2008 and 2010. Over that period, the company will host 720 interns and 450 young people on work/study programs from socially disadvantaged neighborhoods.

For several years Renault has invested in training unskilled young people. On March 24, 2005 Renault and the French Ministry of Employment, Labor and Social Cohesion renewed for the fourth time the framework agreement of 1992 on integrating young people into the workforce. Under the agreement around 200 unqualified young people benefit every year from a training course that leads to a qualification. The program includes an internship of three or four months in industry, followed by a work/study contract of 12 to 24 months, then assistance in finding a job. The trainees earn an official high-school or tertiary diploma recognized across all industries. As a result, more than 3,200 young people, 30% of them girls, have already benefited from the program implemented at five of the Group's plants in France (Douai, Le Mans, Flins, Cléon and Sandouville); 90% were awarded their diploma and 70% found a lasting job in the year after they graduated.

In 2009 Renault participated in the Board of Directors of the *Ecole de la 2e chance*, which retrains young people who have dropped out of education, in Les Yvelines. Renault offers students an opportunity to join the integration program at the Flins plant and earn a qualification through a work/study program.

RENAULT EXPERIENCE IN BRAZIL

Students immersed in Renault's manufacturing environment: this is the "Renault Experience" program, an unprecedented initiative by Renault Brazil launched in 2009, in partnership with the Catholic University of Paraná State (PUCPR), which gave young students an opportunity to learn all about the processes involved in designing, manufacturing and marketing a new vehicle.

The "Renault Experience" meetings are an opportunity for students to learn about the issues, discussions, dilemmas, strategies and approaches involved in launching a new vehicle. The result: 1,200 students registered, 360 minutes of practical examples, 80 students participating in the workshops (on design, marketing and manufacturing), four students (two boys and two girls) awarded the Driver for a Day prize.

Actions of the RRG social and humanitarian aid fund✦

Since it was founded in 2003, the social and humanitarian aid fund of Renault Retail Group (RRG), the Renault group's European distribution subsidiary, has financed more than 60 projects led by not-for-profit organizations (NGOs, associations, etc.).

The continuity and sustainability of the fund have been ensured since 2003 by a corporate agreement with trade unions and sustained by a levy on employee profit sharing matched by an employer contribution.

The fund supports and finances community, solidarity and humanitarian projects conducted primarily in France and interested countries where the Renault group operates.

In 2009 the actions led by the fund covered:

- education, through the ongoing partnership with *Aide et Action;*
- training through sport (*Les enfants de l'ovale* with Philippe Sella);
- food aid missions (Zimbabwe and Mali);
- funding volunteer leave to train mechanics in Mali;
- assisting accident victims to regain their mobility through cooperation and financial aid for rehabilitation centers;
- an environmental operation was launched with *Planète Urgence* to fund a tree per employee. A total of 8,500 trees were planted in Mali.

3.1.2.3 SUSTAINABLE MOBILITY: ESSENTIAL FOR THE PLANET ✦

Reducing environmental impact and contributing to a sustainable development model for the planet is now recognized as essential by most actors involved in the transportation sector.

That awareness encouraged Renault to become involved in developing a full range of electric vehicles, which generate zero carbon emissions in use, and in launching a comprehensive discussion of the future of transportation. Beyond vehicles, it is the whole concept of mobility that is at stake. "Sustainable mobility" that respects users and the environment and is economically responsible has to be invented and Renault has made this its ambition: user behavior is changing, new infrastructure will be required and companies will need innovative economic models.

The major challenge lies in Renault's ability to offer as many people as possible access to technology that can reduce carbon emissions.

That is the idea behind Renault's eco^2 label launched two years ago. Evoking economy and ecology, Renault believes that the environment protection comes from giving everyone the opportunity to be eco-responsible. Renault's strategy is therefore the choice of sustainable mobility for all.

- Sustainable mobility, because we cannot sit back and watch the challenges ahead: climate change, pollution, energy dependence, as well as safety, recyclability and diversity.
- Mobility for all, because innovation only equates to progress if it is accessible to as many people as possible and because Renault has always been a popular brand, offering product ranges accessible to all.

Renault is mobilized to optimize and make technologies that can reduce carbon emissions on fuel engines accessible to as many people as possible.

Given the challenges facing cars, the optimization of existing solutions won't be enough. Therefore, reaffirming its pioneering spirit, Renault has chosen the radical solution of a zero-emissions vehicle: the electric vehicle (EV).

The technological innovation of the EV is matched by a radically new marketing approach. Renault has chosen to pitch the EV as a mass-market vehicle, not a niche vehicle for a privileged few. EVs could account for more than 10% of the global market by 2020.

That ambition is shared with Nissan. We want the Alliance to pioneer a mass-market electric vehicle. Other carmakers are developing 100% electric models, but the Alliance is the only one to invest massively, to have announced battery or vehicle production capacity worldwide and to develop a full range of models.

Aware of the issue of sustainable mobility, Renault set up a sustainable mobility, road safety and health section at the Corporate Social Responsibility Division in September 2009.

To support these principles in a practical way, Renault is launching or joining actions to advance sustainable mobility, both in France and at the European and international levels.

THE SUSTAINABLE MOBILITY INSTITUTE: A COMPREHENSIVE APPROACH

It was from this comprehensive perspective that Renault, the Renault Foundation and ParisTech decided to team up on research and teaching work on the future of passenger transportation by founding a Sustainable Mobility Institute in September 2009.

Concretely, the cooperation between Renault engineers and teacher/researchers and students from ParisTech aims to:

- promote research about the design of innovative systems of mobility, notably based on electric vehicles;
- train sufficient managers and researchers to meet the demands of industry in the transportation sector and the scientific and technological challenges raised by the long-term development of sustainable transportation systems. A Masters program will be offered starting in the 2010 academic year.

The Sustainable Mobility Institute could open up to other French or international partners that wish to participate in this research.

Four work streams: The Sustainable Mobility Institute will oversee research and training programs around four themes, involving eight schools and ten research labs from ParisTech:

- the system of electric mobility, to understand the interactions between mass circulation of electric vehicles and territories, and infrastructure needs;
- business models, to identify the economic models that will enable mass, sustainable development of the electric range;
- a global vision, to study the international conditions of a switch from the current system of automotive transportation to electric vehicles;
- battery technologies, to help improve further this technology that is progressing.

Renault Argentina Foundation: For 50 years, the Renault Argentina Foundation has supported programs in humanitarian aid, education, health, road safety and the environment. The Foundation has a separate legal identity from Renault Argentina (RASA), but the funds are invested and managed by RASA, which sits on the Board of Directors. The initial endowment was provided by proceeds from the sale of Renault shares.

"Environment for All" was an action pioneered in 2009, with the aim of raising environmental awareness in children and teenagers through fun activities in schools with educational material.

Awareness-raising program on eco-driving: The success of the Renault eco^2 program depends on changing people's behavior and giving everyone an opportunity to become an eco-driver. Launched on October 4, 2008 in Paris the operation to raise awareness of eco-driving in the general public was repeated, with Renault offering free eco-driving lessons, test drives on eco-driving simulators, an educational game area for families and an eco-driving family challenge. The operation will also be deployed in other large European cities.

Following on from the success of the operation, Renault decided to broaden its targets. Three actions have been implemented as part of the program:

- an interactive, educational website: www.renault-eco2.com;
- an eco-driving event for the general public held in Hyères (France) in early July 2009 with Ellen MacArthur;
- training offered initially to fleet customers, then to individual customers, in Europe starting in early 2010.

Promoting car-sharing: Renault first put in place an initiative to encourage car pooling among employees in 1996. In July 2007, Renault reviewed and relaunched its car pooling service. Trialed at the Rueil and Lardy sites, the service proved to be a success and was extended to all French sites on June 1, 2008. The idea could now be extended to international facilities. The intranet site makes it possible to form groups based on where employees live, their working hours and whether they wish to be driver or passenger. Recent studies by insurance companies have shown that the practice of car pooling brings down the number of road traffic accidents. Discussion is underway on alternatives to personal vehicles for employees living in towns near the Technocentre. The website - http://www.covoiturage.renault.com/evenement/GetAll/ - was redesigned in 2009 to promote car-sharing for events, conventions, training courses.

International action: 2009 was a year of repositioning for Renault in terms of redeployment and of reconstruction on sustainable mobility issues. Renault was also actively involved in the Mobility for Development report (M4D, WBCSD) on The Sao Paulo Case, published in September 2009.

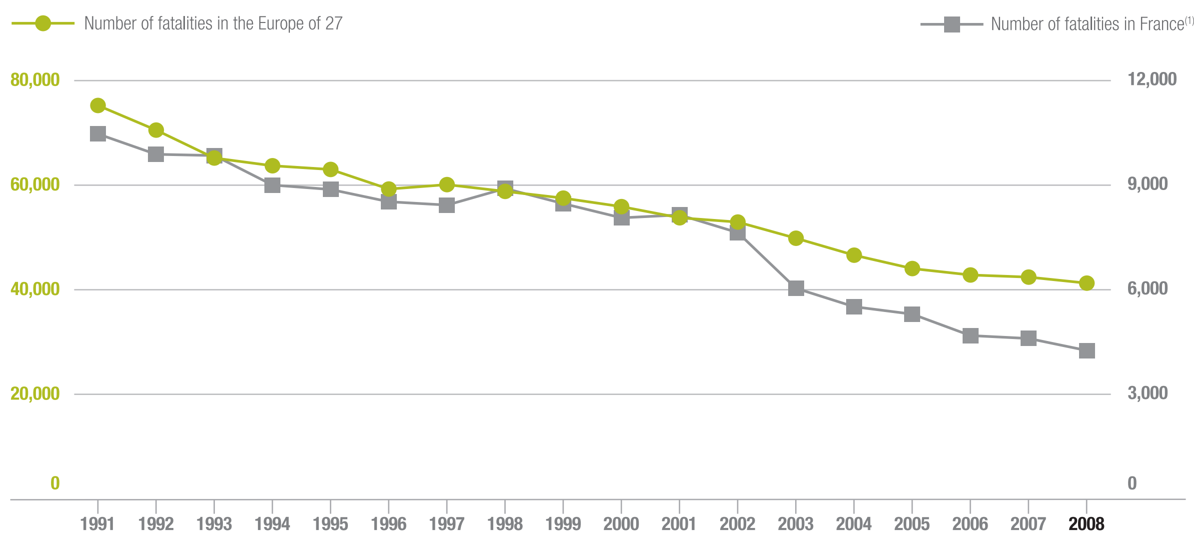
Via the ParisTech Masters in Transportation and Sustainable Development set up by Renault, Indian, Iranian and Brazilian students are working together on issues relating to urban growth and the automobile boom. The idea is to identify favorable conditions and measures to support the growth in motorization.

3.1.2.4 SAFETY: THE IMPLICATIONS OF ROAD SAFETY

Road safety is a global public health issue, which concerns every continent. According to the World Health Organization (WHO), some 1.2 million people are killed and 20 to 50 million injured on the world's roads each year. If current trends continue, those numbers of deaths and injuries due to road accidents could rise.

Promoting a policy of responsible mobility, Renault considers itself a partner of governments throughout the world and it aims to be an active partner in helping to improve road safety. In France and many other European countries, trends are encouraging and the numbers of people killed or injured are going down. In other countries, there is a long way to go. Renault is working on that.

ROAD DEATHS IN EUROPE AND FRANCE – 1991-2009



Note that the definition of a road fatality in France changed in 2005. A traffic accident victim dying within 30 days of the accident is now considered as a road fatality.
Source: EU27 – CARE data 2009

RENAULT'S ROAD SAFETY POLICY ✦

Recognizing the importance of road safety, Renault created a Road Safety Policy department in March 2004. The department's remit is to establish Renault's road safety policy and to coordinate its implementation.

Renault takes a comprehensive approach to road safety. People are central to the vehicle design process, which is based on a scientific understanding of accidents and on real safety. The aim is to develop products adapted to the realities of driving everywhere in the world.

Through its Laboratory for Accidentology, Biomechanics and Study of Human Behavior – Renault – PSA Peugeot-Citroën (LAB), Renault possesses the world's largest accident research database. By providing a vast amount of information on how accidents happen and by evaluating the effectiveness of each safety system in terms of lives saved and injuries avoided, this database helps designers to decide which systems are the most important to install on vehicles to maximize their safety. With more than 50 years' commitment to research and development of technologies to improve the safety of its vehicles, Renault is recognized as an industry leader in automotive safety in Europe.

To adapt its vehicles to emerging markets, Renault is extending the accidentology studies conducted in Europe to regional engineering centers by setting up special teams, transferring knowledge and skills, and working with specialists at local universities.

Renault also supports all initiatives and equipment to promote careful and safe driving such as standardization of speed limits in Europe and driver education programs. The company is an active participant in working groups studying safety factors, contributing its expertise and analyses, and is also involved in an ambitious international educational program.

Renault is a member of the Board of the Road Safety Foundation, which aims to identify, promote, and fund research projects aimed at contributing effectively to road safety. This public-private partnership initiative should enable the working group to share knowledge and results.

RENAULT'S FOUR FOCUSES OF ROAD SAFETY

Prevention

Prevention involves helping drivers to anticipate risks. Part of the solution lies in encouraging more responsible driving. Drivers need to understand the limits beyond which they will be incapable of controlling their vehicles and the situations in which they are putting themselves at risk. Renault runs a course in responsible driving in partnership with ECF.

Correction

Road holding and braking are fundamental vehicle dynamics. They are the basic factors in accident avoidance. Even so, there are situations where technology has to intervene to compensate as far as possible for driver error. This is the aim of driving aids, which are triggered in difficult or emergency situations, but never completely take over from the driver.

Protection

A cornerstone of Renault's safety strategy aims to protect all car occupants by factoring in the severity of potential impact for all passengers, regardless of age, size and position in the vehicle, in small and large cars alike. Striving to go beyond Euro NCAP standards, Renault equips the rear seats of its vehicles with systems to provide optimal passenger protection. The protection of other road users (pedestrians, cyclists, etc.) is also one of its goals.

Renault is currently the only carmaker to market twelve models with a 5-star rating in Euro NCAP tests – the safest range on the European market.

Refer to chapter 2.2.3.2 for these three focuses.

Raising awareness

Renault has been a signatory of a road safety partnership charter with the French government since 2003, confirming the Group's commitment to raising the safety awareness of as many people as possible. Changing behavior over the long term and educating young people to the dangers on the road are important issues in the battle to improve road safety.

Renault has launched a series of road safety campaigns for Group employees in France and abroad, for the sales network, the general public, and children and young people.

ACTIONS IMPLEMENTED ✦

Initiatives targeting Group employees

Renault has also signed a driver's charter for personnel, underlining the company's commitment to raising employees' awareness of the risks of the road. As part of this, Renault has implemented several initiatives at Group level. In 2008, Renault supervised an operation with the French police to raise the awareness of scooter or motorbike-riding employees on the risks of the home-work journeys (see chapter 3.2.3.5). Regular events are organized to inform and train company employees in the basics of road safety (road safety week, preventive driving course, etc.).

Initiatives targeting the sales network

The theme of road safety receives broad coverage in network media, including *Synchro* magazine, Renault TV's *Warm-Up* program, in-service training, POS material, deployment meetings, etc. Vehicles' active and passive safety features are a central sales argument for network personnel.

Renault is also developing educational courses to encourage responsible driving and better knowledge of safety systems and driver aids. The courses will be designed in particular for key account managers and people in contact with customers.

Initiatives targeting suppliers

In 2006 a new selection criterion for logistics suppliers was added to existing considerations: the annual number of hours of training per driver. A working group set up to examine the issue found a strong correlation between the number of road accidents and the number of hours of driver training.

Initiatives targeting fleet customers

A working program was also started to develop a course for our customers to reinforce responsible driving reflexes. The course will include a module familiarizing learners with the safety systems fitted on our vehicles and the correct way to use them.

Initiatives targeting children and young people: the "Safety for All" international road safety program

According to LAB studies, the driver is at fault in 86% of accidents that cause personal injury, even though road or traffic conditions are contributing factors in 58% of cases. As it is important to learn the right habits early, Renault is pursuing its "Safety for All" international road safety program, based on its knowledge and experience in this field.

This educational program is for children, teenagers and young drivers. Launched in 2000, it has already reached more than 11 million young people with 540,000 teaching kits distributed. Currently running in ten countries, it is the biggest road safety awareness campaign ever organized by a carmaker.

In France Renault is a partner with the police, Groupama and Total in another awareness-raising operation targeting 15- and 16-year-olds called *10 de Conduite*. Through their schools, teenagers are given an opportunity to drive a driving-school car on a special track and learn the basics of responsible driving.

The company is working on ways to develop further training for teenagers until they qualify for a driver's license.

RENAULT – INTERNATIONAL ROAD SAFETY ACTION

Renault's massive international expansion naturally involves designing and marketing vehicles that meet the safety needs and expectations of new markets. As the causes of accidents and injuries in these new regions differ from the traditional European market, Renault is expanding its accident research beyond Europe to its decentralized engineering departments, transferring its own know-how and gaining local expertise from local laboratories and universities.

The study of risk factors in host countries used to be used only for the safety specifications of vehicles. Now it will enable Renault to respond to these risks through targeted societal programs. Most of these programs will be run in partnership with governments, private-sector partners and civil society.

GRSP – GRSI ✦

In the action plan drawn up after the Mobility 2030 program initiated by the World Business Council for Sustainable Development (WBCSD), Renault made a commitment to join the battle for road safety in developing countries. These countries are particularly vulnerable, since increased mobility could bring a strong increase in traffic accidents.

The Global Road Safety Initiative (GRSI) is an international road safety program that receives $10 million in funding from seven of the world's largest automotive and oil companies (Renault, Ford, GM, Honda, Toyota, Michelin and Shell). Its aim is to develop road safety initiatives in a number of developing countries, with the agreement of their governments. These initiatives include:

- the publication of safe-driving manuals;
- the opening of regional training centers to allow the transfer of road safety information to these countries;
- financial assistance for locally initiated safety actions.

This initiative is being carried out under the Global Road Safety Partnership (GRSP), a larger-scale road safety program set up by the World Bank and several large corporations, of which Renault is a member.

In 2009 the GRSI continued to develop its activities in ASEAN, China and Brazil. In Brazil, it pursued the successful pro-active partnership strategy (PPS) set up in 2000 to reduce both the number of road accidents and the number of people killed or injured. This approach is based on a partnership between local authorities, large private companies and NGOs. The PPS places particular emphasis on cities of between 100,000 and 600,000 inhabitants. In these cities, the authorities work closely with schools, driving schools, professional drivers and the police. The messages focus on vigilance, improving pedestrian protection and to encouraging calm, responsible driving. The first step is to educate people, and the second is to apply road safety regulations to the letter and to develop appropriate infrastructure. Eighteen cities in five states are currently applying this approach.

At the first UN Ministerial Conference on Global Road Safety, held in Moscow on November 19 and 20, 2009, Renault confirmed its support for the GRSI by renewing its commitment for the next five-year period.

e-Safety, a goal for Europe

The European Commission has set the ambitious target of halving the number of road fatalities between 2000 and 2010.

The Commission launched the e-Safety forum for public and private partners with the aim of accelerating the development, deployment and use of new information and communication technologies to improve road safety in Europe.

The e-Safety forum is organized around 10 working groups chaired by industry representatives and a steering group in which Renault participates.

Renault experts are involved in the different working groups with a special mention for the emergency call (eCall) group, tasked with defining an integrated strategy for a pan-European emergency callout service; the Human-Machine Interaction group, the Traffic and Travel Information group, and the Intelligent Vehicles group, whose purpose is to promote electronic technology that can make vehicles safer, smarter and cleaner. The Electronic Stability Control System (ESC) is probably the most effective piece of safety equipment. It will become compulsory on all vehicles from 2012. Furthermore, already since 2009, carmakers can only score five stars for a model in Euro NCAP tests if at least 85% of vehicles sold (90% in 2010) are fitted with ESC. Renault has scored five stars for 12 of its new models, and is making ESC a priority.

3.1.3 RENAULT AND ITS STAKEHOLDERS: CONTINUOUS, CONSTRUCTIVE DIALOGUE ✦

Through a more comprehensive, formal policy of corporate social responsibility, Renault, concerned about the impact that its activities can have on people and the environment, is taking into account the growing expectations of stakeholders the company interacts with, to ensure that its approach is credible and sustainable. Renault's stakeholders are customers, suppliers, scientific experts, local communities and residents, employees, shareholders, NGOs, international organizations and governments.

3.1.3.1 CUSTOMERS ✦

Renault is reaffirming that people are the center of our concerns. As people bring change, we must design, manufacture and sell products that meet or anticipate the need for change. It is not up to the world to adapt to the automobile; it is up to the automobile to adapt to people. That is Renault's vision.

The company's outlook is "Renault, an innovative, people-centered company, is making sustainable mobility accessible to everyone."

Renault wants to remain an innovative company, but does not want to be a company focused on technology for technology's sake. Renault wants to be a people-centered company, which brings the benefits of technology to as many people as possible.

The Renault group is the only carmaker to come up with a business model that makes electric vehicles competitive for customers compared with traditional vehicles, not only in mature markets but also in developing countries where cars, a means to freedom, are an undeniable symbol of progress.

This attitude is a continuation of:

- the Group's history;
- its changing structure and recent acquisitions;
- its vision of corporate social responsibility.

It is the logical extension of Renault's 112-year history, its heritage, its genetic makeup, that we are an innovative, social, popular company in tune with society.

CUSTOMER SATISFACTION ✦

The key to customer satisfaction lies in the quality of products and services. This is a key requirement for Renault, expressed through a process of continuous improvement.

To constantly build the satisfaction of customers, Renault has deployed the Renault Excellence Plan to guide all the processes aimed at improving customer satisfaction at all times.

The plan consists of 20 essential points throughout the customer experience of sales and after-sales service.

These points are evaluated on a regular basis through mystery customer surveys and internal phone surveys of the network and manufacturer. Renault also pays attention to external multi-make, multi-country surveys. Renault bases its performance on the percentage of "fully satisfied" customers and on the "recommendation rate".

Renault also monitors incidents during the warranty period. All the indicators show progress on quality and reliability.

The Customer Relations department, with about 200 staff, is the permanent interface with customers and handles warranty claims and all sales and after-sales information about Renault products and services.

These two levels of contact ensure that "the customer's voice" is heard at the top levels of the company.

The ISO 9001 certification of the Sales and Marketing Division, France and the distribution network in France is the tangible recognition of the customer satisfaction management system.

An action plan targets the sales force on the Renault France network to improve customer relations at sales outlets through better customer reception and standardization of sales processes.

To take all these aspects of customer demand into account, a policy to increase the percentage of women has been introduced, with a target of 50% female sales personnel in the network within the next three years.

To meet the ISO 9001 standard, the Sales and Marketing Division's quality management system focuses on three areas:

- customer focus – from listening to satisfaction;
- a culture of measuring customer-focused services and their effectiveness;
- the participation and commitment of every employee to continuous improvement and the identified rupture plans.

PRODUCTS OFFER

Environmentally-aware, economical, safe vehicles for the greatest number: see chapter 3.1.2.3 Sustainable Mobility.

COMMITMENT TO RESPONSIBLE ADVERTISING ✦

Renault submits all its advertising projects to France's regulatory authority for advertising (ARPP). In 2009 Renault contributed to drafting the authority's new sustainable development recommendation.

In 2007, Renault signed the responsible advertising charter drafted by the national association of advertisers, *Union des Annonceurs*. Under the charter, Renault has made five commitments:

- to include all its external communications in its responsible advertising code;
- to encourage the audience of its advertising to behave responsibly;
- to use with loyalty private data about end customers in its marketing and sales;
- to set up an internal process to approve communications before they are disseminated externally;
- to integrate environmental impact into the selection criteria for communications media.

To implement the last point, a program to make communications to the network paperless has begun, with web-based communications areas. To economize further on advertising materials, reusable POS advertising materials have been developed to limit the number of disposable items that waste large quantities of paper.

In terms of consumer protection, our manner of management of customer databases strictly respects the criteria laid down by France's data protection agency, CNIL.

ENVIRONMENTALLY-AWARE, ECONOMICAL, SAFE VEHICLES FOR THE GREATEST NUMBER

See chapter 3.1.2.3 Sustainable Mobility.

MOBILITY SOLUTIONS FOR DISABLED PEOPLE

A longstanding commitment to disability has enabled the company to develop unique expertise in product planning. To date, Renault is the only European carmaker present in this area and offers a large range of vehicles for the less mobile (Kangoo, Logan, Master and Trafic), as well as driving and transfer aids.

Renault Tech is the Renault group entity that designs, produces and markets adapted vehicles (driving aids, transfer aids, vehicles to transport groups or individuals, as well as short-term car hire of vehicles that can carry wheelchairs).

Through Renault Tech, Renault is the first carmaker to receive EU marketing approval for a vehicle for less mobile users. The Kangoo TPMR can now be marketed in all 27 countries of the European Union.

All our adaptations comply with Renault group quality standards and the warranty for the adaptations is the same as for the original vehicle. Visit: www.renault-tech.com

Less mobile drivers: Renault has developed a software program to provide dealerships with detailed knowledge about equipment and vehicles adapted for disabled users. Renault invests more broadly in assisting less mobile drivers by publishing a guide containing practical information about disabled access to driving in France and by participating in a mobility scheme for disabled people in the UK (see chapter 3.1.2.2).

3.1.3.2 SUPPLIERS ✦

Suppliers make an essential contribution to Renault's sustainable development action plan.

Renault's supplier strategy is based on a continuous quest to improve performance. By forming long-term relationships in a climate of mutual respect, transparency and trust, Renault develops ongoing dialogue with suppliers. This approach enables each party to respond promptly to the other's requirements. It also encourages fast corrective action when problems relating to sustainable development arise.

Illustrating this relationship, Renault has developed a process for continuous supplier improvement based on products and manufacturing. Structured tools make it possible to continuously build compliance levels in social and environmental areas.

AT PRODUCTION PROCESS LEVEL

To implement this strategy, the Purchasing department has put in place a filter to ensure that the supplier base includes only suppliers formally committed to the principles of the Declaration of Employees' Fundamental Rights, based essentially on ILO international conventions. The priorities are: refusing child labor and forced labor and implementing a continuous health, hygiene and safety policy and risk prevention compatible with that of Renault. Today all key suppliers have made this commitment.

Supplier compliance with these standards is ensured through regular self-assessments (700 in 2008/2009). After discussions with the supplier, action plans are implemented based on the non-conformities observed (ten in 2009).

Supplier sites are also assessed on working conditions and the environment (320 since 2007) by personnel from Renault's Quality Division. Here again, action plans agreed with suppliers are put in place for any major non-conformity.

External audits are also carried out on supplier sites in the event of a critical non-conformity.

AT PRODUCT LEVEL

Renault asks suppliers joining the base to commit to complying with applicable environmental standards.

Standards on "substances and recycling" (00 10 040, 00 10 050 and 00 10 060) help suppliers stay one step ahead of changes to legislation; this benefits not only the suppliers themselves, but also Renault and the environment.

The International Material Data System (IMDS) is used to declare substances in the parts delivered by suppliers. Lists of substances attached to tender invitations ask suppliers explicitly to document substitute solutions before any regulations prohibit existing substances.

Renault also put considerable effort into informing buyers and suppliers about the Registration, Evaluation and Authorization of CHemicals (REACH) regulation and the amendments to the end-of-life vehicles directive, in particular the exemption of lead in 2008 and 2009. Suppliers were informed as part of the quarterly IFR (Renault Supplier Information) meetings, and through an amphitheatre event bringing together 250 key suppliers. Among other actions, Renault distributed guides to help suppliers deploy REACH.

These efforts to drive the sustainable development process forward are reflected in the Purchasing process of RNPO (Renault-Nissan Purchasing Organization) and in the general terms and conditions of purchasing.

Renault's results in this area can be attributed to the sustainable development action plan approved in November 2004 by the Purchasing Management Committee. After the compliance phase, Renault's Purchasing department has entered a social and environmental performance phase, which will run over a number of years. The long-term aim is to reach the last phase of maturity: governance.

3.1.3.3 EMPLOYEES

See Social chapter 3.2.3.3.

3.1.3.4 SHAREHOLDERS

As a responsible company, Renault is committed to a trust-based relationship with shareholders through transparent dialogue and long-term communication.

See chapter 5.4.

3.1.3.5 INSTITUTIONS AND ASSOCIATIONS ✦

A quality partnership between Renault and an institution or association is only possible when both parties maintain their identities, values and independence and commit to a lasting relationship.

Renault's Corporate Social Responsibility Division ensures that institutions and projects supported from 2010 onwards meet certain criteria, such as:

- institutions that have proven legitimacy and credibility (competence, know-how, etc.) that comply with codes of conduct (including financial transparency and good governance), report and optimize their cost/impact ratio;
- projects that fit into the four key areas of the company's CSR policy.

Renault is a member of:

- World Economic Forum (WEF): founded in 1971, the Geneva-based WEF is an independent international organization that works to improve economic and social conditions around the world. Its members, drawn from all business sectors, work with universities, governments, religious organizations, NGOs, and artists;
- Global Road Safety Partnership (GRSP): see chapter 3.1.2.4;
- European Round Table of Industrialists (ERT): a forum of 45 leading European industrial firms that promotes economic competitiveness and growth in Europe. Since its inception in 1983, ERT has contributed significantly to improving dialogue between industry and governments at both national and European levels. Renault is involved in most of the ERT's working groups;
- *Entreprises pour l'Environnement* (EPE): founded in 1992, EPE is a French association consisting of around 50 large companies operating in diverse industrial sectors – steel, food, aluminum, automobiles, chemicals, cement, energy, industrial gas, healthcare, public works and glass – as well as in service sectors such as insurance, banking, transportation, water and waster treatment and telecommunications.

  EPE is a discussion forum on environmental and sustainable development issues; Renault is an active participant in the working groups set up by this association in the areas of health, climate change and transport. Renault is a founding member and sits on the EPE executive committee;
- *Observatoire sur la Responsabilité Sociétale des Entreprises* (ORSE): an association of companies, trade unions, investors, audit firms, and NGOs. A forum for discussion and proposals, ORSE seeks to promote sustainable development and the rating of companies' social performance. Renault has taken part in a number of working groups on diversity and employee rights, and is a particularly active member of the ORSE purchasing group set up to share good social and environmental practices in the purchasing function;
- *Institut de Mécénat de Solidarité – Entreprendre pour la Cité* (IMS): an association that encourages member companies to develop new ways of working with local communities by integrating innovative social practices into their sustainable development policies;

- *Association pour le Développement du Mécénat Industriel et Commercial* (Admical): since 1979, Admical has been a discussion and meeting forum for corporate sponsors, a unique observation platform of corporate sponsorship in France and a productive interface for companies, project developers and government. As a member, Renault draws on Admical's expertise and participates in group meetings to discuss and work together with other member companies;
- French Automobile Manufacturers' Committee (CCFA): Renault is also represented by the CCFA in Airparif (an association certified by the Ministry of the Environment, tasked with monitoring the air quality in the Greater Paris region) and Bruitparif (which monitors noise pollution in the Greater Paris region).

3.1.3.6 INCLUSION IN SOCIALLY RESPONSIBLE INDEXES

See chapter 3.4.2.

3.1.4 CORPORATE SOCIAL RESPONSIBILITY DIVISION: AN ORGANISATION, A DECISION-MAKING PROCESS AND INFORMATION AND AWARENESS-RAISING TOOLS ✦

The performance of the Corporate Social Responsibility Division is underpinned by:

- shared processes, which Renault has set up to work more efficiently and provide traceability;
- a central division and a network (in France and worldwide) to roll out the company's strategy and contribute ideas through local initiatives.

After getting Renault's CSR strategy approved by the Group Executive Committee (CEG), the DRSE implemented resources to reach a wider audience:

- a presentation was given to the members of the Management Committee and the company's Vice Presidents;
- a CSR network of around 100 employees who will act as local CSR officers was set up in October 2009. These employees, who work in Human Resources, Public Affairs or their local Communications department, are present on all five continents and in every entity. They will operate under corporate coordination by the DRSE and will be able to rely on the DRSE for actions with corresponding budgets;
- decision-making/governance process:
  - mandate from the CEG,
  - cross-functional decision-making entity: a steering committee and DRSE which meet three times a year,
  - report to the CEG and the AGM.

Raising awareness, informing and involving employees are of strategic importance to Renault. Chairman and CEO Carlos Ghosn described CSR as a lever for transforming the company at the Open Forum on September 14, 2009 when he addressed 80,000 Renault employees.

Resources implemented: a rollout kit, a communications kit, an e-learning module on diversity and CSR, a presentation kit, the reformatted renault.com website, a CSR portal on the intranet, presentations at the AGM and the Open Forum, newsletter, etc.

3.2 EMPLOYEE-RELATIONS PERFORMANCE

The commitment and expertise of Renault employees are the key assets that guarantee the success of the company. And a development-centered Human Ressources policy plays an essential role in its sustainable performance. The policy is focused on three key objectives:

- **to develop employees' commitment** by bringing the HR function closer to them, fostering high-quality management and a clear and efficient system that rewards individual performance;
- **to contribute to the Group's performance** by preparing for future skill requirements and enhancing competitiveness;
- **to promote a social strategy** which contributes to cohesion and solidarity in a worldwide, multicultural enterprise.

The Group's HR function is organized on the basis of two simple principles:

- to give the HR function strong presence alongside all employees. Local HR Officers work at the grassroots level to support managers and listen to staff;
- to increase the role of HR in skills management through a global and international approach. This is the task of the Careers and Skills Development Advisors in each of the global functions.

These local and global aspects are both directly linked to the central corporate HR department grouping expertise in HR activities and which relies on HR departments in each Region to deploy the Human Resources policy worldwide.

This organizational structure is designed to support the three priorities set for the Group's HR function:

- make sure the HR function meets world-class standards in terms of costs and added value. HR is working to improve the efficiency and quality of the services it provides to its customers and thus to become one of the most effective functions;
- promote excellence, because management quality is a key factor both in employee commitment and in Group performance. HR's action is focused on the implementation of the Renault Management Way, a group-wide system that started in 2009 and on the development of motivation and training systems;
- put in place a homogenous, coherent and cross-functional system of HR management at global level through Group-wide policies and standards This is the role of the HR departments set up in each Region in 2007. The departments ensure that Group HR policies are applied uniformly in all entities and that they meet the needs for functional skills.

Renault is ranked among the leaders in this field by sustainability rating agencies (see chapter 3.4). The HR activity makes a strong contribution to these results.

3.2.1 DEVELOPING EMPLOYEE COMMITMENT

Employee motivation depends on the management's ability to bring staff together, to set clear achievable individual targets that can be monitored and that contribute to the Group's success, and to support them. Recognizing employee performance is another key factor.

In the crisis situation that reigned in 2009, local HR, which is present in the field, played an essential role by supporting and guiding managers and encouraging dialogue with the employees. Moreover, HR's action concentrated on continuing to improve the quality of management through deployment of the Renault Management Way.

3.2.1.1 PAYING CLOSER ATTENTION TO EACH AND EVERY EMPLOYEE

Group HR, assisted by the local HR Officers in each affiliate or subsidiary, has stepped up its efforts since 2007 to support managers and listen to staff. The aim is to ensure that each and every employee feels valued, both on a daily basis and in the development of their career. Another aim is to help managers with the routine administration of their teams. Firstly by informing them about the Group's HR rules, tools and methods (e.g. the annual performance and development review, promotion plans) and secondly by ensuring that employees are treated fairly and in accordance with prevailing regulations and statutes. The local HR Officers report to the HR director of the affiliate or subsidiary and act as grassroots counselors for all HR-related issues, including career management, job mobility, training, and working conditions.

In 2009 the internal Voice of Customers survey, which measured employee satisfaction with the HR function, revealed a rise in satisfaction with local presence (52%, +14 points on 2008) and reactivity (57%, +12 points on 2008).

3.2.1.2 IMPROVE MANAGEMENT QUALITY ✦

MANAGEMENT AND INTEGRATION TRAINING

In 2009 the Group continued to organize a range of management training courses in two modes:

- corporate: these general purpose courses are chiefly intended to develop managerial skills;
- business-line: these courses are aimed at developing the technical skills needed in each of the Group's business areas.

These programs are supplemented by training courses for senior managers and executives.

In parallel, a major effort was made to provide all Group managers with the resources to understand and carry out their duties throughout their career.

In 2009 Renault deployed two types of Group-wide procedures:

Integration training: 1stSteps@RenaultGroup

The purpose of this program, known as 1stSteps@RenaultGroup, is to encourage the integration of new white collar staff into the Group, to build a common corporate culture and a genuine feeling of belonging. The program takes place over three separate days:

- Welcome Day: discovering Renault and its role in the global auto industry;
- Business-Line Project: discovering Renault's functional skills and how they contribute to the design and production of a vehicle;
- Issues and Strategy: find out about the key issues that Renault will have to address in the coming years.

Note that all Renault facilities have their own formal integration process for manual workers. Some of them may extend the Welcome Day to blue collar workers.

Management training

The Renault Management Workshop Program introduced the entire managerial staff to the Renault group's management standard, the Renault Management Way.

The Keys for New Managers training program is aimed at recently promoted junior managers.

The guidelines of the Management Training programs are underpinned by a set of core skills common to all business lines, which serve as a foundation for country- or activity-specific skills:

- support for line and staff managers, depending on their level of operational responsibility;
- teaching materials and methods based on interactivity and example-setting;
- encouragement for cross-functional approaches and greater networking;
- action-based teaching that makes greater use of e-tools;
- delayed assessment by trainees and their managers;
- program architecture designed for worldwide deployment.

The Renault Management Workshop Program

In 2009 the Executive Committee drew up a new management standard called the Renault Management Way. The aim of this standard is to improve the standard of management and raise employee commitment with a view to enhancing performance. It includes a number of shared values and good managerial practices that each and every manager must apply every day throughout the Renault group.

The Renault Management Workshop Program is a two and a half day residential course that introduces and promotes the Renault Management Way. All line and staff managers are given the resources to perform their duties as:

- a leader, for the deployment of company strategy;
- a coach, for assisting and supporting co-workers;
- a pathfinder, guiding co-workers towards the future and progress.

In 2009 the Renault Management Workshop Program was rolled out for all GEC, GEC-1 and many GEC-2 level managers throughout the Renault group. Deployment will continue in 2010 to cover greater numbers of lower-level managers.

Keys for New Managers

2009 also saw the deployment of a training program for employees promoted to the rank of manager for the first time. The program combines one day of classroom training and five e-learning modules. The course aims to assist managers in the execution of their new duties. The first part of the inhouse classroom session is taught by a departmental manager, while an HR manager teaches the second part. The course identifies just what is expected from managers in their roles as team leaders, budget managers and people managers.

MANAGEMENT TEAMS

Against a backdrop of tight budget restrictions, the training and development programs for management teams focused on the following priorities:

- international growth:
  - an increase in the number of non-French trainees following the various programs. A full 25% of the trainees attending the training seminar for new senior managers were from Regions outside France,
  - organization of a system to detect and develop local potential with the directors of career and skills development;

- support for new executives in their new jobs: development of an individual work plan with an external coach based on an inhouse diagnosis;
- diversity:
  - increased numbers of local participants with high potential in the corporate training courses and business school programs,
  - participation of women with high potential in specific leadership development programs,
  - preparation of a training program for future senior managers in the management of diversity (deployment planned in 2010);
- value management: a new program dedicated to value management was developed in 2009 for high-potential employees.

Using revised basic tools designed to track and measure economic performance, the course aims to provide the trainees with a systemic vision of value creation. Participants benefit from individual coaching by a senior management controller.

COACHING

To help improve management practices, individual and group coaching sessions have been organized for management committees keen to develop their managerial qualities. The issues of developing cooperation skills and managing complex situations are addressed in management workshops.

3.2.1.3 IMPLEMENT A PERFORMANCE RECOGNITION SYSTEM

ASSESSMENT: THE ANNUAL PERFORMANCE AND DEVELOPMENT REVIEW

Renault's annual performance and development review is a unique opportunity for employees and their immediate managers to communicate together. It is an important managerial task that serves to review the past year, discuss the employee's career opportunities and ambitions, set clear targets for the year to come, explain how employees contribute to the company's performance and make formal requests for training.

This exercise makes it possible to address the contribution made by each member of staff to the Group's priorities and to focus the annual review on clear and measurable objectives.

The assessment of each employee's performance is based on a factual review. It looks at whether the employee has achieved their targets and in what way (i.e. professional skills, workplace behavior, and for executive-level staff, managerial qualities).

If results fall short of expectations, a program of improvement is implemented by the manager and employee, in order to give fresh impetus to individual performance.

The link between this performance assessment and the promotion plan (changes in job position or coefficient, revision of fixed remuneration/basic salary, bonuses where applicable) is coherent. The promotion plan looks not only at whether objectives were achieved but also how.

Every year HR organizes a series of individual assessments for managers and supplies a practical guide setting out all aspects of the annual performance and development review in detail. Hands-on training in the conduct of the annual performance and development review is also made available.

In 2009 a detailed analysis of the quality of the annual review made it possible to further improve the process and the materials made available to managers. A "review quality" score was computed for all Group divisions.

REMUNERATION

Pay settlements

Operating below capacity in 2009, Renault placed the priority on securing jobs and protecting employees against loss of income due to short-time working.

Renault s.a.s. did not award an overall pay rise in 2009.

Nevertheless, 0.5% of payroll was set aside for individual measures, and in particular for promotions in all staff categories.

In all, 97% of production employees and 49% of non-managerial staff benefited from individual pay awards and seniority-related rises.

The Crisis-Period Labor Deal (see box in chapter 3.2.2.2), founded on principles of unity and equity, saved the equivalent of 5,000 jobs by offering each employee the possibility of maintaining their net pay on short-time working days.

Pay policies outside France were also adjusted to cope with the economic situation in each country and the business outlook of each entity.

The subject of senior executives' pay is addressed in chapter 2.4 on corporate governance.

Performance bonuses

The system of corporate bonuses is directly linked to managers' success in meeting collective and individual annual targets. The system applies to all Group managers, up to three tiers below the Executive Committee.

The Group targets defined at the beginning of 2008 were not achieved, due to the economic situation. As a consequence, no payments were made in 2009 for the 2008 financial year.

3.

3.2.1.4 SHARING THE BENEFITS OF GROUP PERFORMANCE ✦

INCENTIVE SCHEMES

Renault operates an incentive scheme that includes the redistribution of profits. This can also take the form of bonus payments for local performance.

Four trade unions (CFE-CGC, CFDT, FO, CFTC) signed an agreement on December 18, 2007. Most of the Group's French facilities have signed up to the agreement, which includes:

- maintaining local incentive schemes, based on the facilities' performance;
- basing a portion of the bonus on the Group's financial results.

The agreement came into effect on January 1, 2008.

The financial results for 2008 resulted in a sharp drop in incentive and performance-related bonuses paid in 2009. The Board of Directors decided to award supplementary incentive payments.

On the other hand, the results of local incentive agreements based on the performance of the facilities remained stable in 2009.

Over the past three years, incentive and performance-related bonuses at Renault s.a.s. have totaled the following amounts:

Year	AGGREGATE AMOUNT *(€ million)*
2007	206.99
2008	186.8
2009	56.1

EMPLOYEE STOCK OWNERSHIP AND SAVING

The Economic Modernization Act passed on August 4, 2008 called on employers operating employee savings schemes to add one of a selection of shared-return funds to their investment options by December 31, 2009. The Natixis Interepargne "Impact ISR rendement solidaire" fund, selected in agreement with employee representatives, was introduced into the savings scheme by amendment on October 14, 2009.

In France Renault operates a voluntary company savings plan open to all subsidiaries that are more than 50% owned. The plan consists of five employee savings funds invested in accordance with Socially Responsible Investment (SRI) standards and endorsed by the trade union assessment body *Comité Intersyndical de l'Épargne Salariale*, and a profit-sharing fund invested in the company's shares (Renault share, ISIN code FR0000131906). The securities held in the SRI portfolios are selected on the basis of the issuer's employment policies, working conditions, corporate governance, and compliance with environmental standards. Employees can make top-up payments into all six funds throughout the year.

In 2009 total payments into Renault's company savings scheme totaled €4.45 million (down 90% on 2008), of which 66.5% in the form of discretionary bonus transfers. The total value of the company savings plan at December 31, 2009 was €496.2 million.

The following data relate to the Group:

	COMPOSITION OF THE EMPLOYEE SAVINGS FUND	NUMBER OF SUBSCRIBERS ON 12/31/09	ASSETS *(€ million)*	2009 PERFORMANCE *(%)*
Actions Renault fund[(1) (4)]	Almost 100% Renault shares	44,551	239.60	+95.40
Renault shares fund[(2)]	Almost 100% Renault shares	13,115	4.30	+95.50
Renault Italia fund[(3)]	Almost 100% Renault shares	155	0.60	+96.50
Impact ISR performance[(4)]	100% European shares	5,796	27.20	+27.77
Impact ISR équilibre[(4)]	50% diversified shares 50% bonds	12,553	126.70	+18.98
Impact ISR rendement solidaire[(4)]	30% diversified shares 30% bonds 30% cash 10% shared return	1	Created at December 1, 2009	+10.10
Expansorcompartiment 3[(4)]	95% diversified shares	10,435	83.10	+6.90
Fructi ISR sécurité[(4)]	100% cash	4,276	19.60	+0.78

(1) Actions Renault fund for French fiscal residents.
(2) Renault shares fund for fiscal residents outside France and Italy.
(3) Renault Italia fund for Italian fiscal residents.
(4) Fund open for payments throughout the year.

COLLABORATIVE INNOVATION

Involving all personnel in a process of collaborative innovation has been part of Renault's corporate culture for more than twenty years. For the Group, this is more than simply a tool.

The Practical Suggestions for Improvement (PSI) initiative was developed through a full-fledged idea-management approach based on an organization structure, an innovation-led culture, and a system of recognition and status-enhancement.

The approach is based on Group-wide fundamentals, thus ensuring overall cohesion while leaving sufficient leeway to take into account the diversity of cultures, laws and rules in each country.

By asking employees for suggestions, involving them in Renault's strategy and enhancing their status by acknowledging their contributions, the collaborative innovation process has several beneficial impacts:

- making performance sustainable;
- strengthening employees' commitment;
- improving management quality.

Renault pursued this process in 2009, consolidating its deployment in Russia, Argentina, Romania and Korea.

Data for Renault in 2009 are as follows (data for 89,780 people compared with 87,000 in 2008):

- a participation rate of 62% (58% in 2008);
- PSIs processed in 2.2 months on average (1.7 months in 2008);
- savings of €128 million, an average of €1,427 per person (€107 million, or €1,252 on average per person in 2008);
- four PSIs per person in 2008 (3.7 in 2008).

In 2010 Renault plans to continue harmonizing the collaborative innovation plan in every region of the world where it is deployed.

3.

3.2.2 CONTRIBUTING TO GROUP PERFORMANCE ✦

Contributing to Group performance involves discovering and developing the talents that are essential to Renault's performance. In 2009 the HR function pursued policies designed to sharpen the Group's competitive edge. It also sought to improve its own performance through increased standardization and best-of-breed comparison.

3.2.2.1 DEVELOPING STRATEGIC SKILLS

INTERNATIONAL EXPANSION AND ANTICIPATION

The automotive industry operates against a backdrop of global competition and requires a range of specific skills and expertise.

The Renault group has identified skills management as being key to its international growth and a factor that sets it apart from the competition.

Business lines and competencies evolve because of factors such as technological change, innovation, the social and economic environment, regulations, and markets.

The Renault Skills Program has generated sustainable momentum to anticipate changes in business lines and their impact on skills.

SKILLS REQUIREMENTS AND ASSOCIATED ACTION PLANS

Managing competencies under the Renault Skills Program is guided by an integrated approach that is calibrated to the company's strategy. It consists in:

- finding and incorporating new skills in the right place at the right time;
- training for development, by aligning training programs on the strategy and needs of the business lines and making e-learning a top priority;
- making career paths visible;
- enhancing the value of expertise by identifying strategic areas of know-how and incorporating them into the career management process.

The Renault Skills Program provides solid and cohesive support for the Group's growth and international development by identifying business-critical skills within the framework of global functions and implementing the necessary competencies wherever Renault operates.

The program fosters a close alliance between the HR function and line managers, which work together to tailor skills.

A total of 48 Skills Leaders coordinate their skill sets on a cross-functional basis at global level. Appointed by the CEO, they are assisted by a business-line advisor and a careers and skills development advisor.

Together, they identify the strategic and business-critical skills to be managed, as well as any new skills that need to be developed in order to support the company's international growth.

✦ Global Reporting Initiative (GRI) Directives

Seven years after its launch, while still relying on the network of 48 Skills Leaders and conserving the methodological learnings and tried and tested analysis processes, the Renault skills and strategic expertise (CES) Program underwent a number of adjustments:

- the creation of a Program Steering Committee, which analyzes and decides on the criticality of the skills escalated by the network of Skills Leaders. The steering committee approves the action plans for the most critical skills and monitors their operational execution. The CES Program plays an organizational and methodological support role;
- the traditional interim report stage has been supplemented with an in-depth analysis of the risks and importance of "weak or missing" skills. Definition of action plans for highly critical (KO) skills and monitoring of the plan by a mentor from the steering committee.

  Examples of some of the subjects selected in April 2009:

  - develop electro-technical skills,
  - develop system reliability skills,
  - develop sales and marketing skills in the network for electric vehicles.

  The levers used to raise skill criticality are four-dimensional:

  - training: to build skills internally in the workplace,
  - career paths: to dynamically build skills internally through experience,
  - recruitment: to build skills using external sources, and through partnerships with educational establishments in particular,
  - business-line lever: to build skills through benchmarking, standardization, the deployment of processes, etc.;
- definition, launch and construction of an "expert incubator" based on the map of strategic fields of expertise, derived from Nissan's map, that was validated by the Nomination Advisory Council on June 10, 2009. Fifty-seven strategic fields of expertise have now been created, of which 15 are top priority in 2010.

  Examples of priority strategic fields of expertise:

  - Catalyst Engineering,
  - CO_2 and Environmental Vehicle Technology,
  - Electric Powertrain System Technology.

  The first wave of 13 lead experts was appointed in January 2010.

3.2.2.2 CONDUCTING AN EMPLOYMENT POLICY ✦

RENAULT GROUP WORKFORCE

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

Group workforce by activity

	2009	2008	2007	% VAR. 2009/2008
Automotive	118,477	125,992	127,069	-6.0
Sales Finance	2,945	3,076	3,110	-4.3
TOTAL	**121,422**	**129,068**	**130,179**	**-5.9**

Changes in the scope of consolidation had an overall impact of +50 employees in 2009. These concern:

- *companies consolidated in 2009: +97 employees;*
- *removal from the scope of consolidation of Dacia Consulting, RCI Finance SK S.R.O., Overlease Italie SRL: -47 employees.*

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

Group workforce by geographical region and profile at December 31, 2009

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

Group turnover in 2009 totaled 6.6%.

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

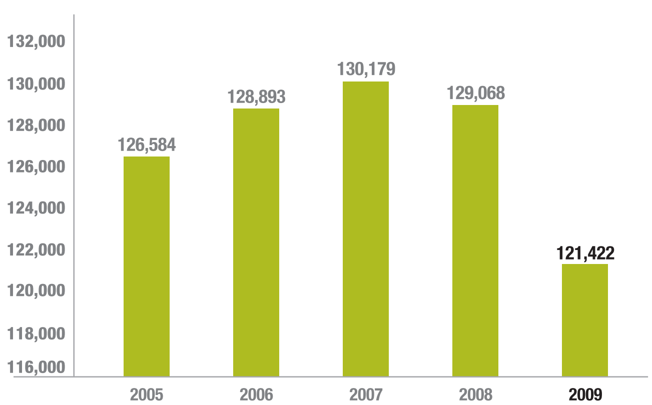
Total Group headcount contracted by more than 7,600 employees in 2009, in line with the goals of the program that had been announced to adjust employee numbers in the France and Europe Regions.

The share of women in the Group headcount increased 0.8 points in 2009, more particularly in France +12 points, as a higher percentage of men left under the Renault Voluntary Plan.

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

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

RENAULT GROUP WORKFORCE EVOLUTION



SHARPENING THE COMPETITIVE EDGE

In 2009 the continued global economic downturn forced Renault to adjust its production activities and employment policy so as to maintain competitiveness and long-term development capability.

The employment section of the action plan deployed by Renault includes:

- structural measures:
  - contributing to a 10% reduction in overheads, in particular through a voluntary departure program in Europe (October 2008 – June 2009);
- cyclical measures:
  - continuing the hiring freeze introduced in Europe at the end of 2008,
  - reorganizing the production sites to keep pace with market changes, introducing a single shift in the Sandouville factory at the end of 2008 following the drop in sales of D segment sedans in Europe, and adjusting the activity of Renault Industrie Belgique in 2009,
  - introducing short-time working days in most Regions (Europe, Euromed, Asia-Africa and Amercicas in early 2009) to meet local demand and the Crisis-Period Labor Deal in France to protect jobs and skills,
  - concluding the Pact for Jobs with Spanish employee representatives (UGT, CCOO and CCP) at Renault Espana. The agreement will protect manufacturing jobs for four years (2010-2013) as part of industrial manufacturing programs, in return for moderate pay claims and increased flexibility in terms of working hours.

The program to rightsize the headcount, launched in the fourth quarter of 2008 following discussions with staff representatives, continued as planned to the end of June 2009 (April in France). The aim is to meet the Renault group's need for structural adjustment, in view of the situation of the worldwide automotive industry.

Covering almost all the Group's entities, the plan was aimed solely at overhead staff (ie employees not directly linked to production, and white-collar workers directly linked to inplant manufacturing).

The plan was also opened to employees at Sandouville in order to ensure that the transition to single-shift working at the plant could take place under the best possible conditions for the workforce.

More than 7,000 people left the Group, including 4,450 who opted for the Renault Voluntary Plan in France.

Moreover, the economic climate forced the Renault group to continue the hiring freeze, launched at the end of 2008, in 2009.

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The low level of activity resulted in an average forecast of 44 non-work days, including 32 short-time working days, on all the production sites in France, and 19 short-time working days on the tertiary sites. On April 1, 2009 Renault concluded the Crisis-Period Labor Deal with staff representatives to limit the loss of income caused by short-time working. Based on principles of unity and equity, the Crisis-Period Labor Deal allowed every employee category to maintain up to 100% of his or her net compensation.

The Crisis-Period Labor Deal covered 80% of non-work days and about 31,000 people benefited from the plan for at least one non-work day.

In addition to these measures, actions to balance workforce numbers between sites were pursued in 2009 to limit the impact of idling at some plants and, in particular, short-time working. In France a total of 2,000 employees were loaned to facilities that expressed staffing requirements during the year.

An estimated total of about 5,000 jobs were saved in France in 2009 as a result of these measures.

THE RENAULT VOLUNTARY DEPARTURE PLAN AT RENAULT S.A.S.

As part of the overhead reduction plan, the Renault Voluntary Plan (PRV) was set up to provide individual support and financial assistance for employees wishing to leave the company in order to pursue a professional or personal project. As the name suggests, the Renault Voluntary Plan was based solely on voluntary participation.

A total of nearly 4,600 employees from Renault s.a.s. opted for the Renault Voluntary Plan, including 1,300 from the Sandouville factory.

Two types of measure:

- Support measures for persons wishing to depart the company to:
  - pursue a personal or professional project,
  - take voluntary retirement,
  - take redeployment leave,
  - return to the home country,
  - plus different types of assistance for business creation;
- Measures aimed at reorganizing personal worktime, taking a long-term leave of absence or encouraging employees to relocate.

Close professional support

Advice Areas in each facility, a dedicated website and toll-free number gave access to information on the various measures and to appointments with advisors (mixed teams of advisors from external companies and internal Renault advisors).

Measures specific to Sandouville

The PRV measures were enhanced (increased compensation, greater assistance for relocation, etc.) and a principle of solidarity was established to encourage employees to relocate from Sandouville to other plants.

The solidarity principle made it easier to redeploy Sandouville employees to other sites where the direct labor force was not concerned by the PRV. Consequently, voluntary departure measures were extended to employees directly linked to manufacturing at other plants, on condition that they are replaced by a Sandouville production employee.

A total of 1,300 employees from Sandouville signed up for the PRV, 420 of whom relocated from Sandouville to another production site in France.

PROTECTING JOBS: THE CRISIS-PERIOD LABOR DEAL (RENAULT S.A.S.)

Renault s.a.s. had to resort to short-time working as a result of the economic climate in 2009: An average of 32 short-time working days on manufacturing sites and 19 days on tertiary sites.

Renault concluded the Crisis-Period Labor Deal with the staff representatives in order to limit the loss of income caused by short-time working. The Deal, which was signed by four trades unions (FO, CFE-CGC, CFDT, CFTC), came into effect on April 1, 2009 as part of an agreement with the French government.

Under the Crisis-Period Labor Deal, employees can keep 100% of their compensation on short-time working days. It is based on principles of unity and equity:

- unity: all staff categories work short hours and the contribution made by managers and non-managerial staff members on fixed monthly salaries is used to maintain the compensation of production personnel and non-managerial employees who are not on fixed monthly salaries;
- equity: every category contributes to maintaining their compensation in the same manner, by forfeiting or buying back one day of their individual time capital for every five non-work days (one for ten since the amendment on July 1, 2009).

In concrete terms, with this deal, the government, Renault and the employee each pay one third of the short-time working offset.

In return for the government's increased contribution to short-time working compensation, Renault has made a commitment to maintain the jobs concerned throughout the period stipulated in the agreement with the French State.

…/…

…/…

Contribution by employees:

- managers and non-managerial staff on fixed salaries, and whose net value of the fixed part of salary is maintained by agreement at 100%, pay into a crisis fund by forfeiting one day of their individual "time capital" for every five non-work day;
- production personnel and non-managers who are not on fixed monthly salaries can also continue to receive 100% of their net monthly income, thanks to, on the one hand, the supplement paid in from the crisis fund that is financed by the "time capital" of managers and non-managers on fixed monthly salaries, and, on the other, by voluntarily buying back one day of individual "time capital" for every non-work day.

An agreement was reached between the government and the unemployment benefit agency, UNEDIC, in June 2009 that increases the share paid by the government and allows UNEDIC to contribute to the short-time working offset scheme. Together with the trades unions, Renault made an amendment to the Crisis-Period Labor Deal that increased the contribution made by Renault and the government to compensation for short-time working offsets and cut the contribution made by employees from one day of individual "time capital" for every five non-work days, to one day of individual "time capital" for every 10 non-work days. This amendment came into effect on July 1, 2009.

The non-work periods were used to train employees and maintain and develop staff skills. In this way, Renault was able to intensify its 2009 training plan by offering courses on non-work days.

For example, all of the employees in the Paris region followed three days of training as part of the Renault Autumn University (see chapter 3.2.2.4).

THE CRISIS-PERIOD LABOR DEAL EXTENDED INTO 2010

Since the outlook for activity in France in 2010 remains at a similar level to that of 2009, the Crisis-Period Labor Deal has been extended into 2010. This new agreement was signed by all the trades unions (CFDT, CFE-CGC, CFTC, CGT, FO) on December 17, 2009.

SUPPORTING INTERNATIONAL GROWTH

The worldwide economic crisis in 2009 saw a sharp decrease in staff movements in the other worldwide regions. New hires in Euromed, Eurasia, the Americas and Asia-Africa dropped and staff turnover also slowed. On balance, the headcount in these regions remained stable between the end of 2008 and the end of 2009, with very slight variations between the regions.

Renault is supporting recruitment through a dedicated team of recruiters. The company establishes partnerships with international schools and universities, awards study grants to foreign students, and organizes internships for foreign trainees (37% of trainee engineers and managers at Renault s.a.s.). It also operates International Corporate Volunteer schemes (49 in 14 countries).

Renault's corporate website, http://www.renault.com, offers a regularly updated range of vacancies. Candidates can also submit their applications online and learn about the professional skills needed by the Group. More than 1,250 job and internship offers were published in France in 2009, receiving nearly 9,500 applications. In addition a single platform for collating and processing applications by means of a new computer application was set up in mid-2008. This has enhanced the performance of recruiters in terms of cost, quality and lead times, while improving the service provided to internal customers, such as managers and HR, and also to job applicants and external recruitment partners.

Web users can also consult the local job offers published on the HR sites in each country.

COOPERATION WITH THE FRENCH EDUCATION AUTHORITIES TO BUILD THE PROFESSIONAL SKILLS OF YOUNG PEOPLE

Paving the way for the recruitment process, Renault is putting in place a series of initiatives that seek to match training programs with the skills needed by the Group and the professional expertise of young people.

Renault is working actively with national and regional educational authorities to encourage training programs that develop the skills needed by the Group. In several instances, this educational cooperation has resulted in the introduction of special training courses for the staff of the national education system, including state school inspectors, directors of educational establishments, careers guidance counselors/psychologists, head teachers and technology instructors at high schools and universities.

Renault also maintains close ties with a large number of engineering and management schools and universities on a wide range of partnership activities. This involves end-of-study internships, apprenticeship contracts for students with five years in higher education, and sponsoring of course options. Other activities include the Phénix program, participation in administrative and/or teaching committees, research projects, in-house training and involvement in academic chairs and foundations. (see chapter 3.1.2.1).

Renault also paid €10.6 million in apprenticeship tax in 2009 to more than 500 French schools.

Welcoming young people

In 2009 Renault conducted a dynamic vocational training policy for young people, demonstrating its ambition to welcome as many of them as possible in an equal opportunities environment. The aim of this open-door policy is to continue raising awareness of the company's business lines.

Informing young people about automotive professions

Providing information on the wide variety of careers available in the automotive industry is another way to attract young people and to encourage them to undertake scientific and technical studies.

In France, Renault has signed a business commitment charter to promote equal opportunity in education. It is also supporting initiatives to promote its activities, particularly through:

- since 2007, the "*Course en Cours*" high school prize. This teaching project is based on an original approach in which high schools, universities and companies are involved in a single project. The challenge is to get high school pupils – both boys and girls – from the least privileged social and cultural backgrounds to design, validate, manufacture and promote a mini Formula 1 car. Students from higher education act as tutors for their project. They encourage the young participants to plan their future careers and build a personal project;
- in 2008 the prestigious *Lycée Henri IV* high school in Paris opened a special class, giving scholarship students the best possible chance of passing the entry exams for the most selective business and engineering schools. *Lycée Henri IV* has given Renault the opportunity to sponsor a class over a period of three years. Managers from the company will act as tutors and bring young people the benefits of their enthusiasm and assistance through site visits, study support, and so on;
- in 2009 Renault entered a new partnership with "*Un Avenir Ensemble*". This project, which was launched by General Kelch, the Grand Chancellor of the Legion of Honor, sponsors promising young high school and university students from disadvantaged backgrounds. "Un Avenir Ensemble" offers support from employees of major corporations for these promising youngsters as they work through school. Applicants are jointly selected by the association and the national education authority according to two criteria: their academic results, behavior and motivation and their social situation (limited financial resources, limited social and cultural opportunities). Thirteen Renault employees have been appointed mentors for 13 youngsters. Their mission is to listen, to inform and advise the students in the choice of their options and the achievement of their goals, to support them, to help them to progress, to make up for their lack of knowledge and understanding of the outside world and to analyze their difficulties. This mission is accomplished outside the usual mentoring environment, in close cooperation with the student's family and an educational consultant appointed by the school.

In 2009 the Group took part in various forums worldwide and particularly in 15 forums for leading business, engineering and educational establishments in France.

More information about Renault's commitment to training underskilled young people is available in chapter 3.1.2.2 Social Performance.

3.2.2.3 GREATER SUPPORT FOR INTERNAL MOBILITY

CAREER PATHS AND DEVELOPMENT

Against a constantly changing backdrop, career paths provide the basis to build and develop skills over time, through the gradual accumulation of experience.

Through its policy of professional advancement, the Renault group aims to always have the skills it needs and to motivate employees by providing attractive career prospects. Renault therefore places strong emphasis on internal mobility, which takes priority over external recruitment, in a process driven by management and HR.

Enhanced management of internal mobility was set up in January 2009 in an effort to fill vacancies more quickly and strengthen the employee advice and support role played by the HR function.

This mobility policy aims to balance the company's needs, while taking employee aspirations into consideration in a process that is controlled and known to all. Proactive support from HR that guarantees equity is one of the key aspects of the implementation of this policy.

The annual performance and development review is another key part of internal mobility. If the internal move is imminent, the review is supplemented by a professional and mobility guidance interview between the employee and local HR, in which employees discuss their aspirations and career opportunities with their HR officer. The Careers Committee then starts the mobility process, which is controlled by HR until the employee is installed in the new job.

Employees can use a range of tools available on the Group's intranet to build their career path:

- Careers@Renault describes the main job positions available in France in the company's key business lines, from design to support functions, through production, sales, and Sales Financing. It also illustrates the wide diversity of career paths available, both within and between business lines. More than 1,000 benchmark positions (jobs representing key career development stages within a business line) and bridging positions (jobs that make it possible to move from one business line to another) have been described and published;
- JobInfo is a source of information on the different positions that the Careers Committee has decided to fill by internal transfer. It is available in five languages.

At the same time, Renault s.a.s. has reviewed a significant part of the rules applying to the management of staff categories through a range of company agreements. These agreements concern:

- production staff. A new skills acquisition program promotes the professional advancement of all production staff. International deployment is continuing across all Group manufacturing sites. The objective is to provide common skills standards and training programs in order to guarantee the best production conditions for product quality, regardless of geographical location, and to maximize the sharing of resources and expertise;
- non-managerial staff. Three agreements specify the terms of integration for new non-managerial staff (recruited with a higher technical diploma), career paths for team supervisors and shop foremen, and the career management rules for non-managerial staff with promotion potential;

- access of non-managerial staff to managerial status through internal promotion. Promotions to managerial status within Renault s.a.s and Renault's French subsidiaries (excluding Renault Retail Group and RCI Banque) are governed by a company agreement, which plays a key role in internal promotions. It concerns between 100 and 120 employees a year across all business lines. Managers promoted through this plan now make up more than 20% of the total. Tools were developed in 2008 to improve the monitoring of applicants, from the moment they are spotted until their promotion to manager.

3.2.2.4 SUPPORT THROUGH TRAINING ✦

Vocational training is key to the skills development process. For the company, training underpins technological change and the implementation of strategy. For employees, training is a way to maintain the highest level in the exercise of their duties and to acquire new skills that will protect their employability.

Renault committed to step up its training effort in 2009 as part of the Crisis-Period Labor Deal and the agreement signed with the French government. Every site in France organized specific training events during the short-time working days.

The production sites held mainly specialized trade-oriented courses and training in fundamentals, such as the Renault Production Way, quality, safety, etc.

In the Paris region and the decentralized engineering units, a series of specific sessions, known as the Renault Autumn University, focusing on the theme of improving everyday efficiency, was rolled out.

TRAINING FOR EVERYBODY

Renault is committed to training all its employees, regardless of age, status or position in the Group.

Training is organized for professional skills, foreign languages, management and office automation systems and collaborative tools. The programs are either designed internally or sourced from an external provider.

The development of skills schools continues. Following in the footsteps of Manufacturing, Logistics, Engineering, Purchasing and Management-Finance, the IT and Design divisions have also set up a school.

E-learning is now widely used: 225,456 hours of courses were followed in 2009. This teaching method, whether combined with face-to-face tuition or used in an individual training environment with online tutoring, allows employees to acquire theoretical and fundamental knowledge at their own pace according to their needs.

Renault e-learning programs cover corporate topics such as management, personal and managerial efficiency, math, French, English and office tools. They are regularly expanded to incorporate business-line content, including finance, administration, engineering, purchasing, manufacturing, quality, parts and accessories, marketing, and IT. E-learning has become an indispensable tool for responding effectively to the ever-growing need for skilling throughout the Group.

With the adoption and roll-out of its unique platform, Renault is now able to implement distance training around the world and to support the Group's international development strategy.

Classroom training provides richer interaction and is dedicated more to case studies and role playing.

The Group has restated its language policy. The working language for the Renault group is French, while the Renault-Nissan Alliance works in English.

EFFICIENT TRAINING

The 2009 training plan reflects efforts to contribute to the company's aims, in terms of training efficiency and cost management. To this end, Renault is pursuing several objectives:

- match training plans with the needs expressed by skills development leaders. Training courses are developed at the request of business lines;
- standardize the training offering Group-wide and optimize deployment;
- publish the available courses on the corporate intranet and provide regular updates. The Training Guide lists the courses on offer, while the skills schools provide employees of each business line with the training they need to do their job and to meet their objectives;
- assess the quality of training: the quality of training, as perceived by the trainees, is systematically assessed by on-the-spot questionnaires, issued at the end of each session. The role of these questionnaires is to ensure that training courses meet objectives. In the case of major programs, surveys of employees and their managers are organized a few months after the event to assess the efficiency of training;
- optimize costs: with the help of the Purchasing function, cut the cost of training purchases, particularly by working on the supplier base. A number of other initiatives have been set up at the same time to cut the costs of training and the associated logistics. They concern:
  - developing the policy of inhouse facilitators,
  - cutting the operating costs of training (accommodation, rental of premises, organization, etc.),
  - standardizing and rationalizing the supply of training programs and courses,
  - placing greater emphasis on the use of e-learning,
  - monitoring attendance on a regular basis.

MANAGED TRAINING

Common indicators are used to keep track of the implementation of the training policy in all countries and to measure:

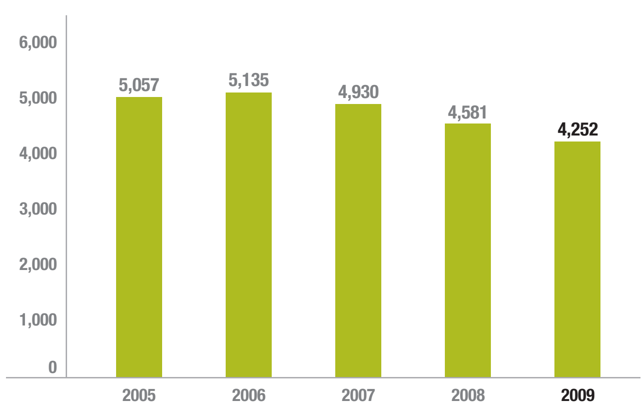
- access to training: across the Group as a whole, an average of more than four out of every five employees attend one training course each year, representing a training access rate of 88%;

- total training expenditure as a percentage of payroll: at Group level, the investment was €142 million or 4.5% of the payroll;
- average number of training hours per person: the Group provided 35 million hours of training or 4.3 hours per employee.

The training hours of the Renault group can be broken down as follows:

	2009	PART RELATIVE
Business	2,867,881	67.5%
Personnel development	1,114,668	26.2%
Management	269,082	6.3%

HOURS OF TRAINING ORGANIZED IN THE RENAULT GROUP



The change in the number of training hours between 2008 and 2009 is consistent with trends in the Group's workforce. By contrast, the average training time per employee remained stable at 35 hours and access to training was still in excess of 85%.

3.2.2.5 STANDARDIZE TOOLS AND CAPITALIZE ON BEST PRACTICES

INFORMATION SYSTEM

In terms of performance, the HR function depends on the efficiency of its information system. This is the reason why the HR and IT functions developed an HR information system master plan in 2008, which was applied for the first full year in 2009.

The heart of the system is still the Group-wide personnel database called BPU (short for *Base de personnel unique*), set up to manage HR on an international scale. In time, the system will be able to manage the Group's entire workforce.

BPU consists of a common core of HR information, including data on Group organization and individual employee data. The organizational data can be read by all the Group's companies in different countries. Access to individual employee data is governed by confidentiality rules.

BPU also covers HR management functionalities such as administration, worktime management, pay and the promotion plan, which are only deployed in certain countries according to local needs. BPU is designed for HR experts, but also for managers to help them address the HR requirements of their work teams in terms of career and training management, skills development, work time management, and so on.

BPU is now in use in 122 Group companies (compared with 129 in 2007 following the legal reorganization of several Group entities) in 22 countries (France, Spain, Belgium, Switzerland, Italy, Brazil, UK, Slovakia, Austria, Netherlands, Poland, Czech Republic, Germany, Portugal, Croatia, Slovenia, Argentina, Chile, Hungary, Korea, Romania, Serbia). It thus totals several thousand users and more than 105,000 employees managed.

The project to re-integrate worktime and payroll administration for the Romanian affiliates was launched in 2009. Due for completion by end-2010, the project will simplify the installed base of applications and standardize the organization of business lines and processes.

In 2009 the findings of the exploratory study in Morocco to identify the HR information system solution that is best suited to local conditions were documented. A decision should be made in first half 2010.

THE ALLIANCE WITH NISSAN

The HR function has its own Functional Task Team to provide stronger support for the Alliance's activities through staff exchanges and joint training, including the Alliance Business Way Program. It has also conducted a series of benchmarking exercises to facilitate the transfer of best practices between the two groups (see chapter 1.2.3.3).

Staff exchanges

Since the inception of the Alliance, Renault and Nissan have developed a number of staff exchanges to forge closer links between the two companies. More than 100 employees are involved in these exchanges, which focus on staff with particularly strong potential or on business-line experts. The objectives are fourfold:

- develop global leaders with cross-cultural experience within the Alliance;
- develop international expertise;
- support expansion in countries with strong development potential;
- develop rare skills.

Training programs

The Alliance Business Way Program aims to boost the global achievements of the Alliance by improving team performance and individual skills.

- Work Better Together: designed for key employees, this training course is available both at Renault and Nissan. The aim is to help trainees understand differences arising from culture, communications and project management practices.

- Team seminars: a variety of sessions are organized to boost teamwork efficiency and share common goals.
- Engineer Exchange Program: the AEEP program was launched in 2005 to manage joint Renault-Nissan technical projects with promising young engineers who may ultimately join the Alliance.

3.2.3 PROMOTING A SOCIAL STRATEGY ✦

Renault has become a global and multicultural company. For that reason it is essential to promote and share the Group's social strategy, which contributes to cohesion and solidarity. That strategy is based on global principles and rules that are written into the Declaration of Employees' Fundamental Rights and that encompass diversity, non-discrimination, social dialogue at all levels of the company, and a continuous focus on conditions in the workplace.

3.2.3.1 UPHOLDING THE DECLARATION OF EMPLOYEES' FUNDAMENTAL RIGHTS

For Renault, a sense of social responsibility is key to its long-term success. It is therefore natural for the Group to make social responsibility one of the values applied at all its sites worldwide.

To this end, the Renault group's Declaration of Employees' Fundamental Rights was signed on October 12, 2004 by Renault, the International Metalworkers' Federation, the Renault group Works council (CGR) and the trade union organizations that signed the agreement of April 4, 2003 relating to the CGR (FGTB, CFDT, CFTC, CGT, CCOO, CSC, FO, UGT, CFE-CGC). This Declaration is based on International Labor Organization standards and on the human rights set out in the Global Compact created by the United Nations, and adopted by Renault on July 26, 2001.

The Declaration concerns all Renault group employees worldwide. Suppliers to the Group are also involved.

As part of this Declaration, Renault has committed "to respecting company employees worldwide and helping them prosper, fostering freedom, ensuring the full transparency of information, applying the principle of fairness and complying with the Renault Code of good conduct" (see chapter 4.1.7).

The Declaration implements global rules and principles, including Renault's commitment in the fields of health, safety and working conditions and the refusal to use child labor and forced labor. The commitment made by suppliers in this area will be a selection criterion. The Declaration also restates the Group's commitment to equal opportunities at work, the right to training for employees and fair remuneration.

Driven by this conviction, Renault also set up a Company Social Responsibility department in 2009 to harness all the initiatives taken in this field (see chapter 3.1).

3.2.3.2 FOSTERING DIVERSITY AND ENSURING EQUAL OPPORTUNITIES

For all matters relating to diversity, refer to chapter 3.1.2.2 Societal diversity.

3.2.3.3 MANAGEMENT-LABOR DIALOGUE

Renault aims to maintain a continuous and responsible dialogue between management and labor at all levels of the company. This dialogue proceeds in parallel with the technical, economic and social changes stemming from the implementation of corporate strategy. The company encourages negotiation to promote decision-making at grassroots level and to prepare and manage change by seeking a balance and a convergence of interests between the company and its employees.

In October 2005 a Group-wide policy for relations with staff representatives was defined to make sure that Renault assumes this social responsibility in every country where it does business. The policy reflects the Declaration of Employees' Fundamental Rights signed on October 12, 2004 and confirms the Group's commitment to staff representation.

In 2000 the Renault group Works Council became the only employee representative body spanning the entire Group. Its role is to establish a transnational dialogue between management and labor on the situation and strategy of the Group and on major developments. Following the renewal of the agreement on the Renault Works Council on April 26, 2007, two new full members, Romania and Poland, have joined, along with a Russian observer. The Council now comprises 34 representatives from 19 countries, working for Renault's majority-owned subsidiaries in the European Union and worldwide (Brazil, Argentina, Korea, Turkey, Russia). Two additional European deputy secretaries, Slovenia and Romania, have joined the Select Committee.

In 2009 the Works Council met once in plenary session and the Select Committee, composed of ten members (including six European secretaries excluding France), met seven times.

The Works Council of Renault s.a.s is regularly informed and/or consulted on the general operation of the company and its subsidiaries, addressing matters such as the formation of subsidiaries outside France, and the Renault Voluntary Plan. The Works Council met 13 times in 2009, its "bureau" 14 times. The economic commission met 11 times and the central training commission 4 times.

In 2009 thirteen collective agreements were signed at Renault s.a.s. These agreements concerned:

- 2009 wage negotiations (notice of disagreement on 03/23/2009);
- the Crisis-Period Labor Deal and its implanting agreement (agreements signed on 03/27/2009, followed by the amendment on 06/19/2009);
- the long-term employment of disabled people (amendment to the agreement of 05/24/2006 signed on 04/27/2009);
- the 2009 allocation rules for the Renault incentive scheme agreement signed on 12/18/2007 (amendment signed on 06/30/2009);
- electronic voting for the professional elections of the Works Councils and staff representatives in Renault s.a.s. establishments (framework agreement signed on 04/9/2009);
- portability of welfare rights during periods of unemployment (amendment to the social coverage agreement of 05/7/1991 signed on 11/18/2009);
- flexibility of career paths throughout employees' working lives (Seniors agreement on 12/9/2009);
- promotion of employee initiative and creativity (amendment to the agreement of 11/27/2006 signed on 12/9/2009;
- the social crisis contract (signed on 12/17/2009);
- 2010 wage negotiations (notice of disagreement on 12/17/2009);
- additional performance-related bonuses (amendment to the Profit Sharing Agreement of 12/18/2007, signed on 12/31/2009).

Meetings and discussions were organized to inform the trades unions of Renault's situation in 2009, the Group's annual and half-year results, the electric vehicle project, psychosocial risks, the Group activity contingency plan in the event of a H1N1 flu pandemic, the new brand identity, and the analysis of the diversity situation.

Management and employee representatives collaborated in 2008 in order to put together the Renault Voluntary Plan. In addition employee representative bodies monitored the implementation of these measures, both in France and at European level, until the scheme came to a close in 2009.

3.2.3.4 PROVIDING INTERNAL INFORMATION

Renault communicates with its employees on a continuous basis about the company's situation, strategy and objectives in all areas. Topics include the Renault-Nissan Alliance, new products, industrial and commercial activity, motor racing, financial results, and human resources policy.

The main internal print medium is an international magazine called "Global" (between eight and ten issues per year printed in more than 100,000 copies in French/English, plus four local editions: Spain, Mexico, Russia, Turkey).

The company's dual-language (French and English) intranet portal, Déclic, which has some 60,000 terminals connected worldwide, is used continuously to publish information about the company and inhouse news bulletins that are updated every day. Videostreaming is also used to broadcast videos over the intranet. Renault One Voice (ROV) e-mails containing news features about the Group are sent to the network of communications officers, which covers every business line and country in the Renault group, in order to distribute information to the entire workforce quickly.

Finally, communication kits are produced for management so they can keep employees informed of events within the company and issues relating to Group strategy.

3.2.3.5 PROTECT EMPLOYEE HEALTH AND WORKING CONDITIONS ✦

The policy on health, safety and working conditions is founded on the Group's Declaration of Employees' Fundamental Rights. The policy applies to the employees of the three brands in the Renault group – Renault, Dacia and Renault Samsung Motors – throughout the world. The implementation of this policy contributes to the company's global and durable performance and does not admit any exceptions.

Based on risk prevention, the policy aims to protect employees' health and to offer motivating working conditions. The actions and decisions of every company employee must take account of the policy at all times.

The deployment of Renault's health, safety and working conditions policy relies on:

- a management system that covers every establishment in every country;
- an international network of specialists in healthcare, safety and working conditions (engineers, technicians, ergonomics consultants, physicians, nurses, social workers, managers of affairs for the disabled);
- an assessment of risks from the standpoint of safety and ergonomics;
- the commitment of management and personnel in this area;
- a proactive approach to human factors, particularly in new projects and in countries that have recently joined the Group.

To measure implementation of the occupational welfare policy, assessments based on a management standard are carried out in the various Group entities, both by internal experts and an outside body. If conditions are met, the "Renault Management System for Safety and Working Conditions" accreditation is awarded for a renewable three-year period.

Since the initiative was launched in 2000, Renault has organized audits at its industrial, support, engineering and commercial sites.

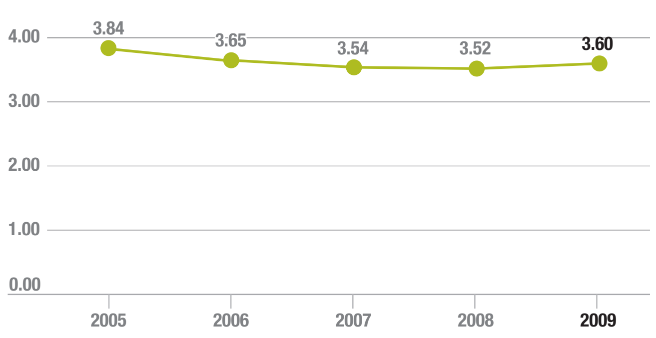
- 98% of industrial, support and engineering sites have obtained accreditation, which has already been renewed in some cases. The sites that have not yet been accredited are those have been consolidated only recently (new business locations, sites recently purchased by Renault, etc.).
- 85% of sales sites in France have been accredited since the initiative was launched in 2005.

In 2010 Renault plans to:

- enhance and deploy its international working conditions policy;
- conduct another 18 audits for industrial, support and engineering sites and around 30 for commercial sites. The purpose in most cases will be to renew the sites' accreditation;
- support efforts to deploy the accreditation process in new sites;
- reduce the number of accidents and occupational illnesses on a continual basis;
- improve living conditions in the workplace;
- continue encouraging managers to be proactive on occupational welfare issues;
- systematically take part in new projects (electric vehicle, Tangiers project, etc.);
- nurture synergies on the topic of working conditions within the Alliance.

NUMBER OF LOST-TIME OCCUPATIONAL ACCIDENTS: FREQUENCY

(Per million hours worked)



NUMBER OF DAYS LOST THROUGH OCCUPATIONAL ACCIDENTS: SEVERITY

(Per million hours worked)

Group figures on occupational accidents concern 98.2% of the total workforce.

In 2009 Renault introduced its new F1 international indicator for occupational accidents. This indicator reflects the number of accidents requiring care outside the company. F1 is tracked on a monthly basis and by facility.

The F1 frequency of occupational accidents in 2009 was 7.19 accidents per million worked hours.

ERGONOMICS

Renault applies an ergonomic analysis method to its workstations. The third version of this proprietary system, developed in 2001, aims to protect the health of production operators, particularly by reducing musculoskeletal complaints, and thus to improve performance. Used in all Renault production plants worldwide, the method has also been extended to other companies. At the same time, Renault has developed a simplified safety and ergonomics data sheet to help unit managers analyze the risks inherent in the workstations for which they are responsible and to improve working conditions on an ongoing basis. Giving due consideration to ergonomics involves matching workstations to workers, while paying special attention to the age of the employees. This process involves conducting an ergonomic analysis of workstations, emphasizing ergonomics in projects (see below), doing away with job positions classed as "difficult" on the ergonomic analysis scale, and improving skills in this area.

A system of monthly reports makes it possible to track changes in workstation geography in all industrial plants.

New tools introduced in 2009 optimized the processes used to match workstations to employees, especially for people with restricted aptitudes. A standardized employability initiative and regulated individual files helped managers and medics to transfer persons suffering from restrictions to more suitable positions.

An initiative to limit and prevent occupational illness is currently in the process of being validated. Under this initiative, the workstation will be analyzed and adapted as soon as an employee complains of pain.

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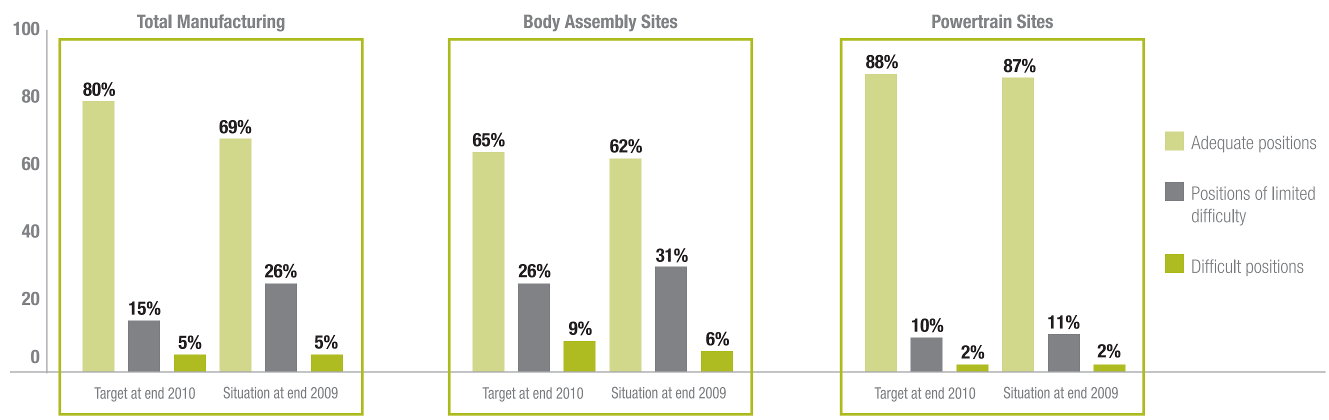
For each major industrial project, such as vehicle replacement, the project team now systematically appoints a socio-technical project manager whose role is to:

- ensure that projects put greater stress on ergonomics;
- handle questions relating to occupational health and safety as well as to design ergonomics (new production facilities, product upgrades, etc.).

Each project thus provides an opportunity to aim for progress targets set jointly by the engineering departments and production plants.



Renault plans to extend these initiatives in 2010 to:

- ensuring employability;
- the prevention of occupational illnesses and of musculoskeletal complaints in particular, by renewing the ergonomic analysis tools in order to detect high-risk workstations more efficiently.

HEALTH

The Group's health, safety and working conditions policy aims to prevent employees' physical and mental health.

Regular medical checkups allow for preventive action, early detection of diseases and a career-long medical follow-up. Renault also organizes information and training campaigns on themes including ergonomics, smoking, alcohol, drugs, healthy eating, obesity, the dangers of sunburn, etc.

The medical departments and occupational welfare departments work hand in hand to make sure that workers permanently benefit from a healthy workplace, using techniques such as risk assessment, workstation ratings and environmental sampling.

In 2009 Renault:

- continued its actions to combat psychosocial risks (training in the detection of persons in difficulty, permanent availability of psychologists, etc.);
- trained physicians and nurses in the prevention of post-traumatic stress;
- set up help-lines for occupational physicians (in France) dealing with mental health in the workplace;
- renewed its prevention campaigns in areas such as sleep, alertness and addiction (tobacco, alcohol, etc.);
- called in experts to deal with complex problems (risk of suicide, electromagnetic waves, etc.);
- step up the harmonization of international medical teams' practices in five areas: longer working lives, management of disabled workers, musculoskeletal disorders, psychosocial risk, physical and mental health indicators.

In 2010 Renault plans to:

- pay closer attention to aspects of health and employability in the management system's audits of health, safety and working conditions;
- support focus groups dealing with changes in the area of occupational healthcare;
- optimize the traceability of occupational exposure.

PSYCHOSOCIAL RISKS AND WORK-RELATED STRESS ✦

The Group's health, safety and working conditions policy also includes actions to prevent stress factors. The risk of stress is covered by the "single document".

Risk assessors and occupational health officers take preventive actions and steps to detect hyperstress.

As part of the *Observatoire Médical du Stress, de l'Anxiété et de la Dépression* (OMSAD), a unit set up in 1998 to deal with stress, anxiety and depression, the occupational health services ask employees to take a voluntary, individual pre-diagnostic test in the areas of stress, anxiety, and depression. OMSAD carried out more than 81,000 tests in 2009 in connection with employees' annual physical examination.

A collective survey was conducted by the Guyancourt health, safety and working conditions committee and Technologia in 2007. This assessment of stress factors resulted in an action plan in each division present on the site. In June 2009 a second survey was launched in the engineering divisions in order to measure the progress and performance of these action plans.

In June 2009 the Renault group and the consultancy Stimulus also decided to launch a survey to measure stress factors and their impact on the populations, initially in four facilities that are representative of Renault's main business lines. The findings of this dual measurement of stress factors have already been put to use in countries such as Canada, where stress prevention is well advanced.

These findings will be used to engage corporate, facility and business-line action plans in the first quarter of 2010.

Moreover, a number of collective indicators, including the Group-wide survey of management quality and employee commitment, absenteeism and accident levels, are also used.

Preventive action at both individual and collective levels has already been taken in parallel with these initiatives:

- stress management training for managers and non-managerial staff;
- stress awareness activities;
- training all members of staff involved in risk prevention to assess psychosocial risks;
- training to develop the ability of HR personnel to identify persons in difficulty;
- training occupational health staff in the prevention of post-traumatic stress so that they can react immediately to prevent psychological shock;
- relaxation training for employees;
- posting of information on the "medical intranet";
- ongoing action to improve health, safety, ergonomics and working conditions in all Group entities;
- action plans to prevent specific risks and improve working conditions plans in Group facilities.

Naturally, the HR function in general and managers in particular support the actions taken in each entity.

Disability

For 14 years Renault has been helping disabled people to find and keep jobs. It also operates a support policy for handicapped employees.

The 2006-2008 Renault agreement in favor of disabled persons has been amended to include 2009.

At the end of 2009, Renault s.a.s employed 2,659 disabled persons, representing an overall proportion of 8.2%.

In 2009 it pursued its efforts to:

- include disabled young people in internships and work experience programs (participation in the experimental SALTO project);
- strengthen its partnership with the organization specialized in labor market integration for the disabled;
- raise awareness of disability issues among Renault employees and managers and to inform them about the company-wide agreement in this respect;
- redesign workstations so that disabled workers can keep their jobs;
- provide financial assistance to disabled workers and their families.

A survey started at end-2008 revealed the communication problems experienced by employees who are hard of hearing. In 2009 Renault launched an experiment with some ten employees in the Paris region involving the use of tool that enables employees with hearing difficulties to hold a telephone conversation with people who can hear normally. This service should be made available to employees in 2010.

On the International Day of Disabled Persons on December 3, 2009 Renault confirmed its commitment to the disabled by organizing forums on a number of sites.

Renault has also decided to included specific operations for the disabled in its initiative for young persons in 2010 in order to make a nationwide contribution to solving the problems experienced by disabled persons in finding employment because they do not have the training or qualifications that correspond to their disability.

Homeworking

To help employees achieve a healthy work-life balance, Renault allows employees to take advantage of a homeworking agreement on a voluntary basis. Applicable to Renault s.a.s., the agreement offers between two and four days homeworking per week. It has been taken up by 341 people since it was first signed on January 22, 2007.

ROAD RISK PREVENTION

In 2009 further to the commitments made to the authorities and the publication of the Renault Driver's Charter, the Group:

- promoted practical training sessions to increase awareness of accident risks;
- organized awareness forums (braking tests, personal vehicle safety checks, reflex testing, etc.) via its sites and subsidiaries;
- continued to train employees via the driving simulator;
- in June 2009 organized awareness operations to prevent road risks in a number of facilities.

(For more details, see chapter 3.1.2.4, Social performance).

The action taken by Renault on a regular basis helps to reduce the number of lost-time accidents on the home/work commute, although the decline has been less pronounced in recent years.

For 2009 Renault reported 2.26 lost-time accidents on the home/work commute for 1,000 employees. The breakdown of these accidents is as follows:

2009	AUTOMOBILES	TWO-WHEELERS	PEDESTRIANS	OTHER
Number of lost-time road accidents	33%	33%	31%	3%
Number of lost days	27%	50%	20%	3%

The number of lost-days accidents occurring during work-related journeys was just as low as it is every year.

Renault has also opened a car pooling website accessible to all employees of French sites. By end-December, a total of 2,900 journeys had been logged (see chapter 3.1.2.3). Plans are afoot to deploy the site internationally.

3.3 ENVIRONMENTAL PERFORMANCE

3.3.1 ENVIRONMENTAL CHALLENGES ✦

The survival of the natural environment depends on maintaining the fragile balance between fauna, flora and mankind. This balance is threatened today by human activities and their impact on the environment: population growth, economic expansion and consumer trends. Increasing global consumption of water, fossil resources (oil, gas, coal) and other non-renewable raw materials (metals, rare earths, etc.) is dangerously reducing the natural resources that will be available to future generations, since these resources cannot be renewed in the same proportions.

Greenhouse gases (GHG), including CO_2, are contributing to climate change. Chemical substances released into the atmosphere contribute to phenomena such as acid rain and the formation of tropospheric ozone. When these substances are discharged to water, eutrophication can occur. This encourages the proliferation of algae, which may asphyxiate other aquatic organisms.

Renault's environmental policy addresses the major environmental challenges that are specifically related to the automotive industry:

- the manufacture and use of vehicles consume natural resources and produce waste;
- carbon dioxide, a greenhouse gas, is given off during vehicle production or during operation as part of combustion;
- the sulfur dioxide and nitrogen oxides emitted by vehicles contribute to acid rain and acid soil;
- vehicle use increases environmental noise levels.

Renault has defined five priorities for its environmental policy:

- preserve natural resources;
- eliminate or mitigate environmental impacts;
- develop products and services that are compatible with environmental protection;
- implement environmental management across the company and throughout the product life-cycle;
- organize communication on environmental issues.

At Renault, actively protecting the environment means creating a range of vehicles and services that will maintain the ecological balance, not just in the local ecosystem but also at the global level, by factoring in the environmental and economic situations in each market.

For many years Renault has relied on the life-cycle approach when making trade-offs between different environmental impacts, without forgetting other vital factors such as selling prices, safety, comfort, and the cost per ton of CO_2 abated. This approach captures all the environmental impacts generated by a vehicle, from design to decommissioning. The roll-out of the Renault eco^2 and Dacia eco^2 labels were an opportunity to step up the dialogue with customers on the life-cycle approach. That dialogue was further promoted by the measures taken as part of a government-sponsored environmental protection plan to encourage people to purchase vehicles with lower CO_2 emissions.

For a number of years Renault has been making precise measurements of environmental flows during the phases of vehicle production and use. It is also gradually gaining a clearer picture of flows in other life-cycle phases such as the supplier chain and the treatment of end-of-life vehicles (ELVs). Comparisons are being made systematically between vehicles of different generations in the same segment.

Through this comprehensive vision of the full life-cycle, Renault and the Renault-Nissan Alliance are able to work more efficiently, from an environmental standpoint, on a broad range of technologies (electric vehicles, hybrids, fuel cells) as well as on the potential of alternative fuels, including liquefied petroleum gas (LPG), with the roll-out of an LPG offering by Dacia in 2009, compressed natural gas (CNG), and biofuels (both existing and future varieties). These solutions will be applied to Renault's vehicles when there is market demand for them, taking local resources into consideration.

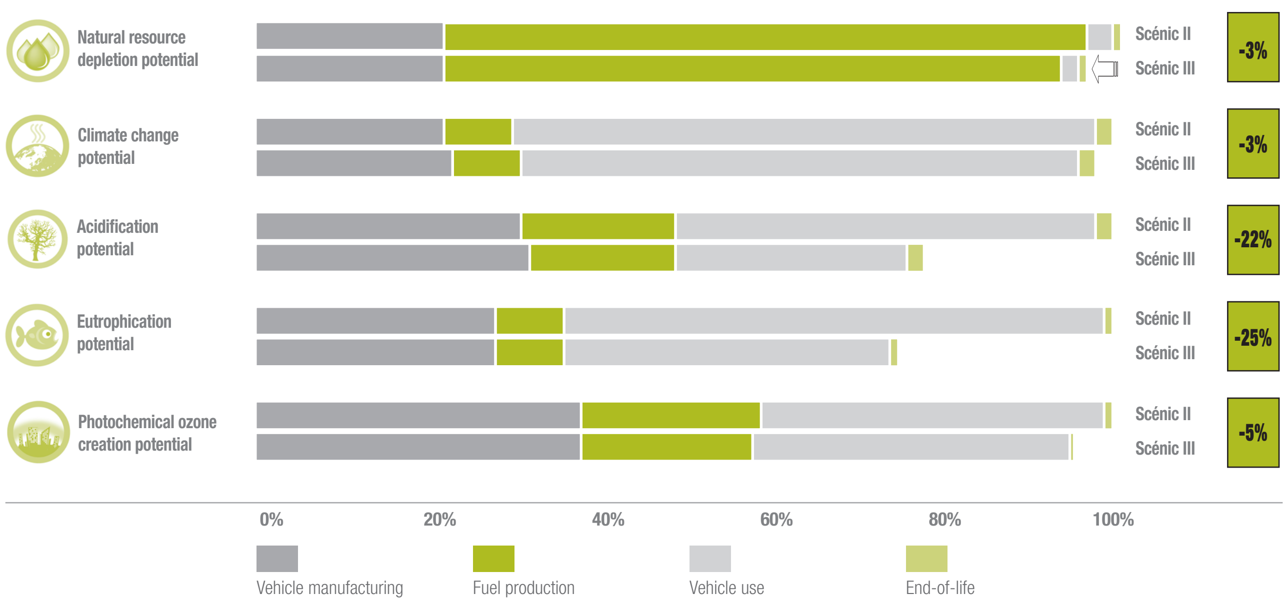
In 2009 the Renault-Nissan Alliance continued to sign partnership agreements with various countries, regions and organizations to pave the way for the international mass marketing of electric vehicles in these countries from 2011.

3.3.2 ENVIRONMENTAL INDICATORS ✦

For several years Renault has used environmental indicators based on quantifiable and reliable data for products and operations at its sites. An analysis of supplier chain impacts is now being carried out through external databases. It will take several years to inventory the life-cycle of suppliers' processes. The environmental impact of ELV recycling is starting to be evaluated with the introduction of processing networks.

After Scénic II, finalized in 2004, Renault conducted life-cycle inventories on Modus, Clio II and Clio III in 2005, Clio II flexfuel, Twingo and New Twingo in 2006, Laguna II and New Laguna in 2007, and Kangoo II, the Dacia range, Mégane II, New Mégane and Koleos in 2008 and Scénic III and Fluence in 2009.

COMPARISON OF SCÉNIC II AND SCÉNIC III (DIESEL VERSION)



Since 2008 the focus for the environmental performance of industrial plants has been placed on the competitive reduction of environmental impacts using the 4R method: Reduce, Re-use, Recycle, and Recover Energy. Sites have identified and exchanged best practices in these areas in order to mitigate or even cancel out their residual impacts. Managed at central level, this initiative concerns the major impacts of manufacturing and contributes to the sustainable development of production plants.

3.3.2.1 ENERGY RESOURCES AND CO_2 EMISSIONS ✦

MANUFACTURING

Logistics activities

Environmental indicators are being progressively integrated into the purchasing process to see how improvements can be made in the supply and distribution chain. This includes taking into account the regulatory pollutant emission levels for vehicles on the road. Greenhouse gas emissions have been lowered by reducing the amount of fuel used for transportation through route optimization, staff training in eco-driving, and so on. However, Renault wants to collect better quantitative data by assembling an array of indicators for physical flows.

In 2009 by transporting containers by river barge between the ports of Rouen and Le Havre, Renault was able to cut by 4,300 the number of trucks on the road, thus to cut CO_2 emissions by 190 tons.

Energy consumption

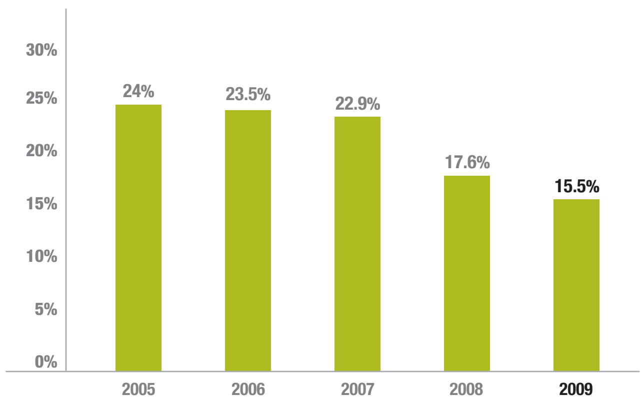
To safeguard natural resources and limit global warming, a strategy of saving energy and using renewable energies is being piloted in sites throughout the world. This strategy comprises several strands:

- manage energy consumption outside production periods;
- manage convergence towards the best practices identified in techniques and management;
- increase the energy efficiency of resources;
- develop renewable energies;

- optimize energy supply contracts.

The economic crisis had a major impact on plant output in 2009. Significant variations in production had an impact on energy consumption. This impact was offset by the efforts made in past years to manage energy consumption outside production periods and to optimize energy supply contracts.

EXAMPLE OF REDUCTIONS IN ELECTRICITY CONSUMPTION ON MANUFACTURING SITES*



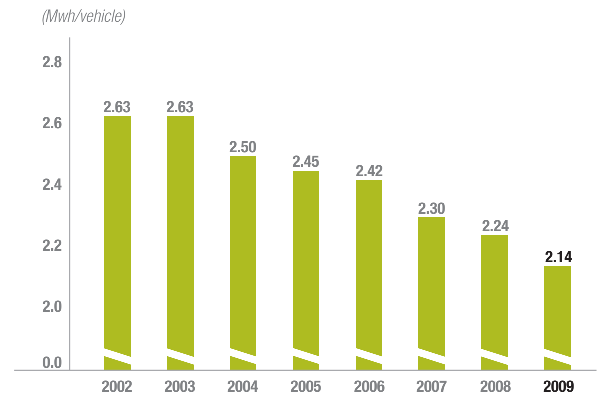
Minimum consumption – the indicator selected by Renault to drive cuts in energy consumption outside production periods – fell sharply in 2008, as shown in the graph above. Efforts continued in 2009, offsetting the negative impact of falling output by industrial sites.

These performance initiatives, which are part of a medium-term plan, have provided the basis for a breakthrough plan, based on practical initiatives:

- to increase energy efficiency, particularly when replacing boilers, prior to the definition of new CO_2 quotas as part of the European Emissions Trading Scheme (EU ETS) for 2012;
- to install solar panels at delivery centers in France and on the roofs of buildings in Spain;
- to implement technical solutions contributing to sustainable development as part of the Tangiers project.

The results of these efforts can be seen in a 17% reduction in energy consumption per vehicle between 2002 and 2009 on a like-for-like basis.

ENERGY CONSUMPTION BETWEEN 2002 AND 2009



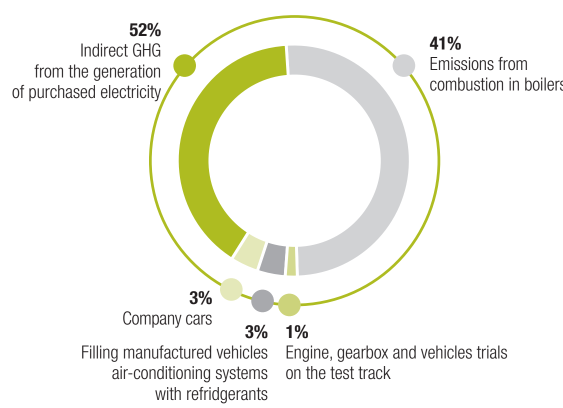
Greenhouse gases ✦

In 2003, recognizing the impact of its activities on anthropogenic greenhouse gas emissions, Renault made an inventory of GHG sources at all production, logistics and office sites included in the scope of environmental reporting and reviewed its reporting system with the assistance of an independent organization. Renault's reporting system is compliant with the French EPE (*Entreprises pour l'environnement*) standard for GHG inventories and also with the Greenhouse Gas Protocol, thus guaranteeing the reliability of the results.

Renault has been metering direct greenhouse gas emissions since 2003 and indirect emissions related to purchased electricity since 2009. Direct emissions are caused by the combustion of fossil fuels on site and losses of refrigerant fluids (Scope 1). Indirect emissions include greenhouse gas emissions due to the generation of purchased electricity (Scope 2). In 2009, the Group's direct and indirect greenhouse gas emissions totaled 1,191ktCO_2eq (kilotons CO_2 equivalent).

Renault tallies its direct GHG emissions arising from the on-site combustion of fossil fuels (Scope 1), as well as indirect emissions relating to the electric power it purchases (Scope 2). Since 2008 GHG linked to the fossil fuels burned by company vehicles have also been included. This concerns emissions by service vehicles, fleet vehicles, shuttles and handling machinery. This accounting process also allows Renault to be totally consistent with Scope 1 of the Greenhouse Gas Protocol.

BREAKDOWN OF GREENHOUSE GAS EMISSIONS IN 2009 BY SOURCE TYPE*



* 2009 reporting scope on GHG includes manufacturing, logistics and engineering sites (see chapter 8.3.2). Company cars include individually assigned vehicles, pool vehicles, shuttles, manufacturing related vehicles, trolleys using LPG or propane.

Renault is implementing a four-pronged strategy for cutting GHG from its industrial activities:

- increase energy efficiency;
- reduce energy consumption;
- change fuels;
- develop renewable energies.

These actions are included in site management plans so that targets can be set for future vehicle projects.

Total direct GHG emissions have fallen from 755ktCO_2eq (kilotons CO_2 equivalent) in 2003 to 577ktCO_2eq in 2009, based on a larger number of sites and including company vehicles. On a like-for-like basis with 2003, GHG emissions in 2009 totaled 508kCO_2eq, a drop of 32%.

Renault is also involved with the European CO_2 Emissions Trading Scheme (ETS), the first phase of which came into effect in 2005. A total of 13 Renault group industrial sites (seven in France, four in Spain, one in Slovenia and one in Romania) are now part of the scheme.

Renault has opted to manage all its emissions allowances with a single broker in order to increase efficiency and prepare joint action for progress at all its industrial sites around the world.

During the first phase of the ETS (2005/2007), the sites concerned cut their CO_2 emissions by 13.8% per year or 46,452 tons of CO_2, for the period.

CO_2 emissions from ETS-liable facilities declined by more than 17% compared with the average of the first period (2005-2007).

For the second phase (2008/2012) Renault has an annual allowance of 450 kilotons of CO_2 for all the sites involved in the scheme. Viewed against the European market total(1) of 369,315 kilotons, this figure shows that the Group accounts for just a modest share of emissions on the trading market.

Renault also takes account of the financial impact of its GHG emissions. Alongside its legislation watch, the company carries out simulations to forecast the quantity and cost of emission quotas to be purchased, as well as the impact of higher energy prices. By monetizing the impacts of rising energy costs and GHG regulatory requirements, Renault aims to provide input for investment decisions in terms of energy efficiency and renewable energies.

CAR USE

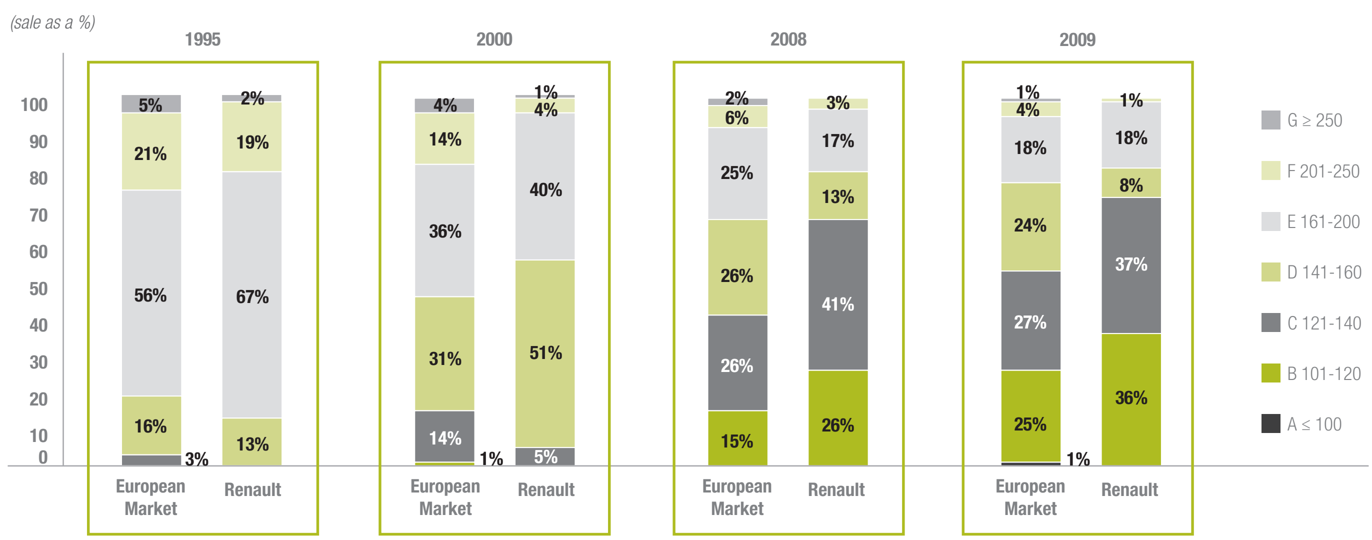
In 2009 Renault honored its commitment to "as of 2008, sell one million vehicles emitting less than 140g of CO_2 per km, with one-third of them emitting less than 120g", despite the global economic crisis, which led to a significant drop in sales volumes.

Renault achieved its objective of developing ecological and economical solutions that can be widely implemented for an immediate and significant impact on the environment. This was reflected in a shift in sales towards low-CO_2 emitting cars, and a broader range of vehicles running on alternative energies.

Gasoline and diesel

In the 15-member EU, according to a monitoring study by the *Association auxiliaire automobile* (AAA) 883,013 cars sold by Renault in 2009 emitted 140g or less of CO_2 per km, and 434,687 of them emitted 120g or less of CO_2 per km. The graph below shows the progress made by Renault in this segment compared with the overall market, according to the CO_2 labeling system applied in France.

EUROPEAN SALES BETWEEN 1995 AND 2009 BASED ON FRANCE'S CO_2 LABELLING STANDARD



(1) Quotas allocated to the European countries where Renault is present and which are subject to quotas (France + Spain + Slovenia + Romania).

Internal analyses conducted by Renault for the 27-member EU indicate that 1,002,988 vehicles (cars and LCVs) sold in 2009 emit 140g or less of CO_2 per km, with 47% emitting 120g or less of CO_2 per km.

To obtain these results, Renault continued optimizing all vehicle parameters that have an effect on fuel consumption and CO_2 emissions (see chapter 3.3.3.2. on eco-design).

Alternative energies

Biofuels

On February 9, 2006 Renault announced that it would progressively bring two types of biofuel vehicles to the European market by 2009:

- 50% of gasoline-powered vehicles will be able to run on a mixture of gasoline and ethanol, up to a maximum content of 85% ethanol;
- 100% of diesel-powered vehicles will be able to run on a mixture of diesel fuel and biodiesel (up to a maximum of 30%).

Despite the economic crisis, Renault has virtually achieved this aim. The percentage stands at 30% for the gasoline range compared with a target of 50% and 97% for the diesel range, for a target of 100%.

These vehicles join those already on sale in Brazil and pave the way for the emergence of these two new energies elsewhere in the world, pending the arrival of second-generation biofuels. All biofuels will be required to meet the sustainability (life-cycle) criteria laid down in the new European directive 2009/28/EC.

Liquefied petroleum gas (LPG) and compressed natural gas for vehicles (CNG)

Two gas fuels are currently available on the market: LPG and CNG. These two fuels meet two challenges: they increase independence from conventional fuels, 98% of which are oil-based; and they reduce the environmental impact of fuels by cutting emissions (CO_2 and pollutant exhaust gases).

In 2009 the Renault group sold 42,832 dual-fuel (gas and gasoline) vehicles in Europe (13,108 in 2008), mainly as a result of the success of the Dacia LPG range (Sandero and Logan).

LPG and CNG versions of Kangoo, Clio and Scénic are also marketed in Europe, along with vehicles tailored to the requirements of local markets seeking to take full advantage of their resources.

“Zero-emission” battery-powered electric vehicle

Renault has adopted a clear policy in this field, with plans to mass-market this type of car, which combines zero CO_2 emissions, zero pollutant emissions and zero noise. The four electric concept-cars presented in Frankfurt herald the range of vehicles that Renault will be marketing from 2011.

Twizy Z.E. Concept is an innovative solution to the challenge of urban mobility. It is an all-electric means of transport for two occupants – driver and passenger – seated one behind the other.

The wraparound bodywork provides effective protection for both occupants.

Zoe Z.E. Concept shows that all-electric vehicles can also be stylish and appealing. The roof of Zoe ZE Concept optimizes the management of the climate control system in order to extend vehicle range. The climate control system steps beyond its conventional role, with new hydrating, “detox” and active scent functions, to enhance passenger comfort. With a choice of three battery charging techniques, Zoe Z.E. Concept delivers a new experience in mobility.

Fluence Z.E. Concept is a real all-electric family vehicle with a range of 160km and a choice of three-battery charging options: a “standard” charge, taking between four and eight hours, a “quick” charge in 20 minutes, or a “lightning” charge in three minutes, with the exclusive Quickdrop battery exchange station. Fluence Z.E. Concept heralds the future electric version of Renault Fluence.

Kangoo Z.E. Concept, a vehicle aimed at business users, features a wide range of information functions for simple, efficient and interactive use.

Fuel cell electric vehicle

In 2008 the Renault-Nissan Alliance broke fresh ground with its work on prototype electric vehicles powered by fuel cells, with Scénic ZEV H2. This prototype is a real car in terms of both onboard comfort and driveability. The fuel cell generates electricity for the motor, which gives off only water. This vehicle was tested in several countries in 2008 and 2009. Nevertheless, the currently prohibitive price of fuel cells prevents mass marketing.

3.3.2.2 AIR QUALITY

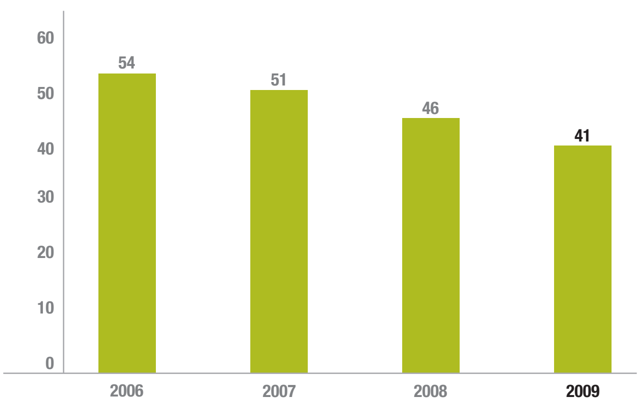
MANUFACTURING SITES

Volatile organic compounds (VOC)

In 2009 VOC emissions from solvents used in paint shops fell by 10% compared with 2008. As a result of this improvement, 41g/m² was reached in 2009. This good performance was achieved through investments in the latest clean technologies combined with continuous improvement initiatives.

COV EMISSIONS

(in g/m²)



Industrial reporting scope

Today, 75% of Renault's production facilities are equipped with booths using water-based paint, and LCV-producing sites are equipped with air treatment systems. Cross-cutting coordination of paint shops is supervised by the Painters Club, which is responsible for deploying best practices day by day: improving recovery of used solvents, for example, or developing a color batch system based on flow organization.

Combustion emissions of SO_2 and NOx ✦

Renault is continuing its program to change the fuel used in its plants, by replacing fuel-oil by natural gas. The aim is to cut sulfur dioxide (SO_2) and nitrogen oxide (NOx) emissions. The percentage of fuel-oil and coal in the thermal energy consumed by Renault fell from 14% in 1999 to 1% in 2009. As part of the next stage of the progress plan, Renault is installing boilers with low-NOx burners.

Since 2003 SO_2 and NOx emissions have been evaluated by taking into account all types of combustion. Between 2003 and 2009 SO_2 emissions were reduced by 86% and NOx emissions by 29% on a like-for-like basis.

VEHICLES IN USE

Most passenger cars and light commercial vehicles sold in Europe as at end-2009 complied with the Euro 5 standard. For its other markets Renault is adapting the technical specifications of its powertrains to suit local conditions (fuel quality, climate, dust, etc.). In general, Renault is well within local regulatory requirements, since most of the versions it sells are Euro 3 or Euro 4-compliant.

Efforts are continuing, particularly with the gradual introduction to the range of vehicles equipped with new technologies, such as the catalytic particulate filter, new-generation Common Rail injection systems and NOx traps. From launch, both New Laguna and New Mégane 2.0 dCi respected the pollutant emission limits set by the Euro 5 standard which became applicable in September 2009 for new models. Renault's determination to cut pollution emissions is epitomized in its NOx Trap, a chemical system that captures harmful nitrogen oxides and converts them to neutral gases. This after-treatment system, which will probably be mandatory for Euro 6, became available to consumers in 2009 on some Renault Espace vehicles equipped with the 2.0 dCi. In addition to processing NOx, this catalytic converter helps oxidize hydrocarbons and carbon monoxide produced by partial combustion.

3.3.2.3 SUBSTANCE MANAGEMENT

Europe has decided to organize European industry in order to improve the protection of health and the environment.

To achieve this, it is working through the REACH directive (Registration, Evaluation, Authorization and restriction of CHemicals), which came into force on June 1, 2007. REACH comprises three main strands:

- updated and shared information on the impact of 30,000 substances on health and the environment, to be filed by chemical engineers working with the ECHA (*European CHemical Agency*, Helsinki), creating an extensive database of chemical risk;
- an obligation of complete transparency on risk prevention measures across the supply chain and through to the consumer, based on the forms of communication set out in the text;
- the option for the European Parliament to gradually increase restrictions on the use of the most toxic chemicals, right up to a complete ban.

Like all firms in industry, Renault is impacted by this text, with respect to its diverse activities. In line with the company's environmental and safety policies, a REACH substance management project team has been set up at the Group level.

The project team works with a network of around 50 correspondents across Europe and also maintains a dialogue with counterparts inside and outside the Alliance. Its brief is to identify and supervise the work necessary to achieve the compliance of the 98 legal entities of Renault concerned and also to anticipate the risks of failure ahead of the supply chain and to develop ideas for turning a regulatory constraint into an economic and competitive opportunity.

3.3.2.4 NOISE

MANUFACTURING

For the comfort of residents living near its production sites, Renault is making active efforts to limit and reduce noise nuisance by working on noise management at both existing facilities and new facilities.

For more than a year, Renault has been developing internal expertise on this complex subject, which involves a wide range of factors (weather, topography, type and power of noise sources by octave band, directivity, attenuation, impact of buildings, etc.).

USE

Several years ago Renault set a highly ambitious target of 71dB (A) of external noise for its gasoline engines and 72 dB (A) for its diesel engines, and undertook a number of major initiatives to reach it.

New Clio and Koléos have joined the club of vehicles with noise levels that are 3dBA lower than the regulatory requirement, alongside Vel Satis, Espace, Twingo and Modus.

The number of New Mégane and New Laguna models reaching the -3dB target is limited because of environmental and cost-related trade-offs, notably with regard to lower fuel consumption targets.

3.3.2.5 WASTE ✦

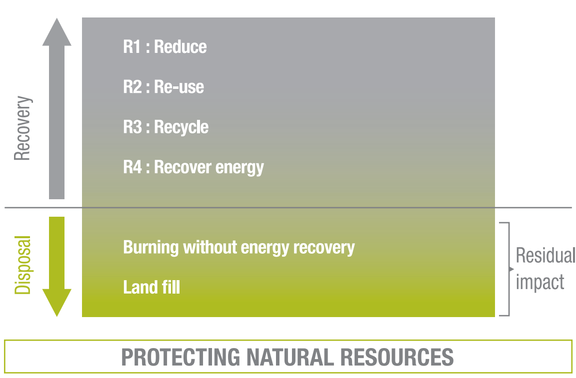
MANUFACTURING

Renault aims to reduce or eliminate waste competitively. In 2008 it launched the 4R approach (Reduce, Re-use, Recycle and Recover Energy). It has also adopted ambitious targets for 2015 to reduce the residual impact of Renault plants and cut the quantity of waste sent to landfill.

The waste management process is broken down into four ranked stages:

- R1 (Reduce), means mitigating impacts at source. One example consists in reducing the volume of paint sludge through more efficient application that would reduce the amount lost to sludge;
- R2 (Re-use), means recovering materials and putting them to similar use. For example the Douai plant in France recovers 100% of its waste wax and re-uses it in the industrial process, thus generating environmental gains and cost savings;
- R3 (Recycle), consists in recovering the materials from a component or consumable and using it as an alternative raw material for a different purpose. The waste recovery rate is set at 60% for the plants in the 2010 industry reporting scope, partly because of optimized recycling of plastic parts;
- R4 (Recover Energy), means using waste as an alternative fuel or recovering the energy produced by incineration. One example is the use of waste oil and evaporation concentrates from powertrain plants to replace fossil fuels such as petroleum coke, coal and heavy fuel-oil. The raw minerals used to manufacture cement are sintered at 1,450°C. This very high temperature makes it possible to incinerate waste and destroy almost all the heavy metal content.

THE 4R AND THE RANKING OF WASTE MANAGEMENT



The world of tomorrow is a society of sustainable development with zero residual impact

To ensure Group-wide coherence, Renault has drafted a waste table (a codified list of waste produced by the sites). This makes it possible to standardize the approach to hazardous and non-hazardous waste internationally.

USE ✦

Use-phase waste is generated by the commercial activities of vehicle maintenance and repair. Renault cannot quantify this waste single-handedly, but is involved in local and regional actions to establish quantitative indicators.

In France the Sales and Marketing department assists the network by providing a panel of national service providers for waste collection and treatment. Renault has selected Autoeco.com to help the network to monitor the volume and traceability of its waste. Renault is also partnering the CNPA (National Council of Motor Industry Professionals) in the “Environment Challenge” and ADEME (Environment and Energy Management Agency) in the “Clean Oil Operation”. These national-level actions are part of the policy of global waste management and continuous improvement.

Initiatives such as these exist in several European countries and are conducted through a network of recycling correspondents in each country.

END-OF-LIFE VEHICLES

In 2008 the subsidiary Renault Environnement joined forces with the group SITA/Suez Environnement to develop end-of-life vehicle recycling in France, by taking a majority stake in a vehicle distribution/management firm. This company, Indra, processed more than 350,000 vehicles in 2009.

Indra has more than 20 years experience in vehicle dismantling. It has a network of 350 approved vehicle dismantlers around France and works with them to meet new regulatory and environmental requirements as part of a progress-oriented approach.

This commitment is reflected in the design of new tools and processes for recycling end-of-life vehicles. These solutions are developed and tested at four dismantling sites, of which two in the Sologne region and in northern France, and at its development centre in Romorantin. The combined efforts of Renault Environnement, SITA, Indra and its network of dismantlers will make it possible to meet the vehicle recovery target of 95% in 2015. Research projects financed by ADEME and local authorities are under way with a view to putting the appropriate processes in place (recovery of glass, plastics such as polyamide and noryl, copper and steel).

To share the expertise acquired, plans have been made to set up a web portal hosted by the association “ProRecyclage” for manufacturers, recyclers and web users. Access to this site will make it easier to circulate information as part of a logical approach. This innovative approach should encourage materials recovery.

ProRecyclage could serve as a showcase and means of communication with other players in the sector in liaison with our public partners (ADEME, regional councils and the council of the Yvelines department outside Paris).

This experience will be carried over to other countries, where Renault is a key player on the automotive market (Romania, Turkey, Russia, etc.).

At the same time, Renault’s engineering centres are developing inhouse eco-design processes. Renault aims to include 50kg of recycled plastic in its cars by 2015, i.e. 20% of the average quantity used. Results will improve from generation to generation, as sources of recycled plastic increase with the development of the plastics recycling industry. The following figures are true for all Renault vehicles: 95% recoverable by weight, with vehicles in the Renault eco^2 range using more than 5% of recycled plastics.

3.3.2.6 PROTECTING THE ENVIRONMENT: SOIL AND WATER TABLES

Pollution from past activities can potentially come into contact with humans and the natural environment through the soil and water tables. Renault has therefore implemented a policy to prevent pollution of the soil and water tables and decides on specific management strategies when there is suspicion of past pollution. In cases where environmental or health hazards are identified, remediation of pollution is decided. Management of past pollution of the subsoil is based on an assessment of the state of the environment and aims to match impacts with uses. The sustainable development section of Renault's website contains a description of the approach used and explains the rehabilitation of two major worksites: Boulogne-Billancourt (France) and Pitesti/Dacia (Romania). All of the sites in which Renault has a majority interest are now managed through this approach. In 2009 work continued at Gennevilliers (France) to rehabilitate the land on which the former ETG production plant stood. Local residents are kept informed. Renault's know-how in the field is recognized nationally: a specialist from Renault was appointed by the French Ministry for the Environment and Sustainable Development to the group of French experts on site and soil pollution.

Renault's prevention strategy is based on a detailed environmental assessment of potentially hazardous facilities and sites. It aims to identify and organize by order of priority the upgrades to be included in management plans. To date, this approach has been deployed in 70% of plants.

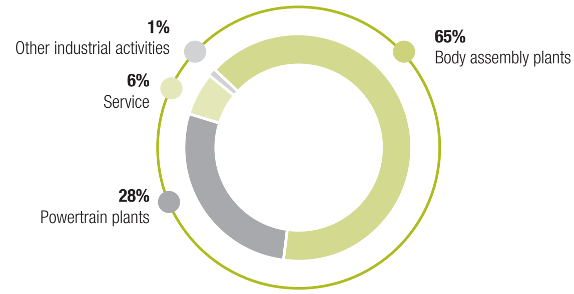
3.3.2.7 WATER RESOURCES ✦

MANUFACTURING

Water: a resource necessary to produce vehicles but that must be protected

In 2009 Renault consumed 10.7 million cubic meters of water, an average 4.85 cubic meters per vehicle produced.

BREAKDOWN OF WATER CONSUMPTION BY ACTIVITY IN 2009



Around 80% of the Group's water requirements concern industrial processes, while the remaining 20% concern domestic use (toilets, showers, canteens, etc.) at industrial and office sites.

Wastewater figures correspond to the quantity of water consumed minus the water evaporated in industrial processes (cooling towers, paint booths, etc.).

Despite the significant progress and efforts made over the past ten years, the quantity of water consumed per vehicle remains significant. Protecting water resources is thus an ongoing concern for Renault, which is aiming to reduce the impact of its activities by minimizing withdrawals from natural resources and by managing and cutting wastewater through five goals:

- goal 1 (priority, "R1"): cut water consumption and wastewater at source through appropriate processes and management. In the surface treatment of vehicle bodies, for example, using cascade rinsing, slaving rinse water throughput to the presence of a vehicle body, or installing rinse manifolds between stages, contribute to cutting water requirements and also wastewater;
- goal 2 ("R2"): reuse water as much as possible for the same process: closed loops, longer bath life, etc.;
- goal 3 ("R3"): recycle water for other compatible uses, with or without additional treatment. For example, the Sofasa plant in Colombia recycles saline concentrates from reverse osmosis water production for flushing toilets and for paint pits, thus consuming less water and also producing less wastewater. Another example, already implemented by several industrial and office sites, is the recycling of stormwater for process use or for watering garden areas;
- goal 4: minimize the impact of residual waste on the environment through efficient and strictly controlled treatment processes;
- goal 5: control the risk of any accidental pollution of water resources by installing resources to confine accidental spillage and fire extinction water.

✦ Global Reporting Initiative (GRI) Directives

POWERTRAIN PLANTS: AIMING FOR ZERO LIQUID DISCHARGES ✦

Powertrain plants are a good illustration of how the principles described above are put into practice to achieve "zero discharges". The principle of zero liquid effluents at powertrain sites is based on the following objectives:

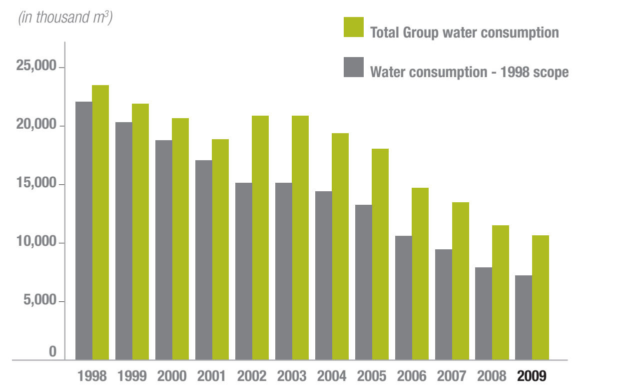
- minimizing water consumption and wastewater production in processes (application of principles R1 and R2):
  - minimizing wastewater at source: drips from swarf, changes of machining and cleaning fluids, liquid carried by parts, leaking pumps and valves, system cleaning operations,
  - extending the life of baths for cutting and cleaning fluids: implementing treatment at source, chemical monitoring of baths, automatic top-ups, etc.,
  - controlling discharge volumes: reducing the diversity of chemicals used, reducing drips from swarf with a return system, reducing carry from parts and swarf, optimizing the number of cleaning facilities, and using "cascade" cleaning,
  - centralizing machines,
  - using water of adequate quality to minimize water consumption;
- processing residual effluents using a vacuum evaporation system with treated waste being recycled for processes (R3). To date:
  - six Renault powertrain plants out of 14 have reached the "zero discharge" target and four have partially reached the target. For example, a new evaporation facility was installed at the Cléon site in 2009;
  - all new powertrain projects satisfy the commitment on zero discharge.

BODY ASSEMBLY PLANTS

In the same way as the powertrain sites, Renault body assembly plants are seeking to reduce the impact of wastewater at source by promoting the use of "clean" technologies solutions close to processes (R1 and R2), by studying possible recycling in other industrial processes (R3) and by continuing to improve and upgrade internal facilities for treating effluent and managing accidental pollution (goals 4 and 5). For example, the Maubeuge plant introduced a system in 2009 to recycle part of its liquid effluent, after treatment, to top-up paint pits. This same plant is also setting the standard in the recycling of stormwater for industrial processes: 33% of the water used on-site in 2009 was recycled stormwater. Renault is also studying the possibility of applying zero discharge standards to some bodywork/assembly plants, in the same way as for powertrain plants.

RESULTS AND PROSPECTS

The Group cut its water consumption by roughly three between 1998 and 2009 on a like-for-like basis, and halved it on an extended scope, for total withdrawals of 10.7 million cubic meters in 2009.

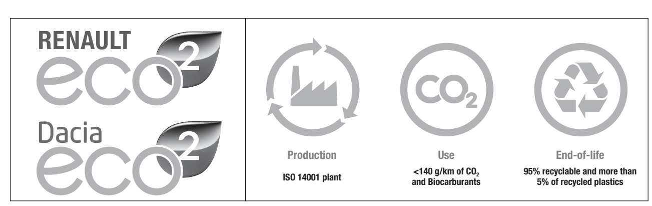


Residual waste, particularly organic matter, suspended solids and metals, has also been divided by three in ten years on a like-for-like basis.

By gradually deploying R1, R2 and R3 best practices and by minimizing the impact of residual waste, the Group will be able to reduce water withdrawals from natural resources by a further 15% by 2012 compared with 2007 (base year).

3.3.2.8 ECO² BRANDS, AN ENVIRONMENTAL INDICATOR FOR THE GENERAL PUBLIC

In May 2007 Renault launched the eco² label. This label provides the basis for a dialogue between Renault and the public on the three main stages in a car's life-cycle: production, use and recycling. In October 2008 the Dacia brand launched its own label, Dacia eco², based on the same environmental scoring criteria as the Renault brand. For the Renault group, environmental results must be identical for all brands and on all segments. A number of quantifiable and auditable criteria have been determined and will gradually be tightened up.



The approach harnesses the cross-company management of the environment and the efforts of manufacturers, engineers, purchasing staff, and sales teams to achieve a single objective: bring customers a more environment-friendly and economical range of vehicles.

3.3.3 CROSS-COMPANY MANAGEMENT OF ENVIRONMENTAL ISSUES ✦

The following key events illustrate how these issues were managed in 2009 across the vehicle life-cycle:

Supplier chain	Life-cycle analysis method applied to biomaterials	Presentation of four *ZE concept* cars illustrating Renault's ambition of producing and marketing from 2011 a range of affordable zero-emission electric vehicles that cost no more to run than conventional vehicles.
Manufacturing		
Transport	Creation of a team dedicated to the environment. Benchmark method applied to all logistics flows in order to calculate environmental impacts.	
Use	Renault Environnement teamed up with Key *Driving Competences* (see chapter 3.3.3.2. Educating consumers in eco-driving) Introduction of a system to manage CO_2/consumption expertise Cross-functional management of consumption-cutting efforts by a project manager	
End-of-life	Creation of a vehicle dismantling plant (11,000 ELVs/year) at the Agora site (Noyelle Godault/France) Life-cycle analysis method applied to recycled materials	

For environmental management purposes, all Renault business areas are now involved in decision-making processes. And the process of organizing the logistics and sales functions to this end is being finalized.

3.3.3.1 ENVIRONMENTAL ORGANIZATION

The focal areas of Renault's environmental policy, included since 2002 in the broader commitment to sustainable development, are debated and decided by the Group Executive Committee. The Strategic Environmental Planning department then implements this policy in the different sectors of the company.

The Vice President, Strategic Environmental Planning, reports directly to the Executive Vice President, Plan, Product Planning and Programs and Management Committee. This organization involves direct reporting to the Group Executive Committee and highlights the cross-cutting importance of environmental issues.

The Strategic Environmental Planning department has nine members responsible for setting strategic targets, implementing environmental policy in different plant sections, consolidating problems and managing communication. It is supported by a network organization to incorporate environmental protection in all the functions relating to the environment. In 2007, more than 420 "network heads" and around 2,000 managers coordinated knowledge of environmental issues. Expertise in several areas (energy, water, fuel, recycling, air quality) was identified and expanded with the aim of supporting the environment network. This expertise is expressed either through cross-functional expertise programs or technical policies. Renault's policy stresses shared collective guidelines for its business lines. Authority for implementing and managing environmental policy for the Group as whole and responsibility for operational management, which is shared between all the environment managers and every business, lies with the Executive Vice President, Plan, Product Planning and Programs and Management Committee.

The Vice President, Strategic Environmental Planning presents the company's strategy and action plan to the Group Executive Committee so that decisions are taken at the highest level.

The Vice President, Strategic Environmental Planning, is also President of the subsidiary Renault Environnement, set up in 2008 to develop partnerships and stakeholdings in the area of the environment and sustainable development. In 2009, this subsidiary covered the activities of ELV recycling (through its joint-venture with SITA), and waste from industrial plants sales network (through its subsidiary GAIA). In 2010, Renault Environnement will address the marketing of used parts and materials, the eco-driving training market and mobility services.

3.3.3.2 ENVIRONMENTAL MANAGEMENT DURING THE LIFE-CYCLE

ENVIRONMENTAL MANAGEMENT IN THE DESIGN PHASE

To effectively reduce pollutants generated in the different stages of the life-cycle, it is important to take action from the design and development stage. This takes place three to five years – depending on the innovations – before the car is released on the market.

In its development process, each new project better integrates choices of materials, fluid extractability, dismantling operations for recycling, pollutant emissions, fuel consumption, CO_2 emissions, outside noise and the environmental impact of product choices on industrial processes, while making plant workstations more ergonomic and improving occupant and pedestrian safety and vehicle affordability.

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Eco-design of industrial processes

Projects are managed through function-based industrial production contracts and, depending on the project, a quality assurance contract, with input from the support functions on issues such as energy, logistics and the environment, as well as social and technical aspects. Contractual and approval documents ensure the visibility and traceability of projects: policy circulars, industrial pre-contracts and final contracts for each business-line (the latter containing industrial production and "profitability indicators"), and technical agreements running until the required level of performance is reached.

Eco-design of products

Eco-design is a major development that involves not only Renault's own designers, but also the designers working for component and materials suppliers. This complex approach relies on a broad network of external experts, with particular emphasis on specialists who take part in the drafting of future standards, in exchange platforms for methodologies, in the construction of databases and in ranking environmental impacts.

Renault's logic is to integrate the environment into the usual development process. With each project launch, environmental advances fitted on one vehicle can be applied to others. Some of these technical solutions can become technical policies.

As with New Mégane, New Scénic illustrates Renault's commitment to further reducing fuel consumption by including this concern right from the design and development phase.

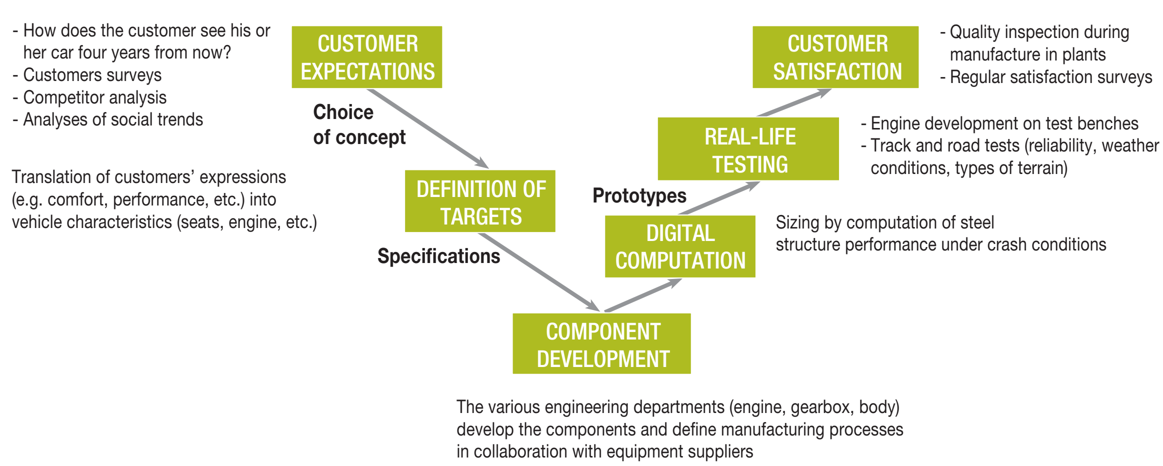
Although the vehicle is more complex than its predecessor, and despite changes to legislation, fuel savings total up to 0.5 l/100km for the diesel version, or the equivalent of 14g of CO_2 per km. For the petrol version, fuel savings can reach up to 0.9l/100 km or 24g of CO_2 per km.

These savings are of two types:

- reducing the amount of energy required by vehicles, by working on weight, aerodynamics, rolling resistance and consumption by accessories;
- improving the efficiency of powertrains: engines and transmissions.

New Scénic reflects Renault's efforts to address the issue of end-of-life processing right from the design stage. The quantity of recycled plastics has more than doubled to 34kg, compared with 16kg for the previous generation, making up 14% of the total quantity of plastic used for the car. Like New Mégane in 2008, New Scénic received approval for its end-of-life processing in 2009, ahead of new regulatory requirements.

VEHICLE DESIGN AND DEVELOPMENT PROCESS



Supplier reports on the materials and substances used in parts delivered are checked in several ways:

- the Quality Assurance process implemented by Renault and Nissan;
- indicators on the quantitative monitoring of responses using a computer program that locates reports in the parts documentation system;
- two checks of a more qualitative nature when designers receive the parts and when the part plans are signed.

ENVIRONMENTAL MANAGEMENT IN THE PRODUCTION PHASE

Rather than teaching environmental experts about production processes, Renault has decided to teach its departments and employees about ecology through an industrial network covering all the company's industrial sites and production departments, and comprising around 300 people in 13 countries and 44 sites and subsidiaries.

This management approach is original because it is based on a cross-functional drive to improve the exchange of information and skills between members of the network. In consequence, Renault is able to implement actions and technologies that allow all those involved in environmental issues to move forward together.

Cross-functional tools

The environmental progress and risk prevention policy is supported by cross-functional tools:

- management of French and international environmental regulations, including in the sales network;
- Ecorisques – an expert system that identifies the most significant environmental impacts and the danger potential of installations to be addressed as a priority in each plant's environmental action plan;
- CHIMRISK – the Renault group's sole chemical risk management database, for both health and the environment, which is now available in Slovenian, Russian, Turkish, Romanian and Brazilian. It is associated with the www.quickfds.fr server to provide safety data. To date 6,720 products have been documented;
- an organizational structure and internal network compliant with the REACH regulation (Registration, Evaluation, Authorization and Restriction of CHemicals) and active mobilization of suppliers to ensure continuous supply;
- a documentation base containing standards of best environmental practice and risk prevention, accessible to all members of the hygiene, environmental and risk prevention network. Since 2008, this base – approved by experts from each function – has included information on 4R best practices (Reduce, Re-use, Recycle, Recover Energy), for all impacts identified by sites.

Integrating the environment in projects

The process of incorporating environmental management issues into projects covers 20 functions spanning all aspects of industrial projects, from beginning to end. In powertrain activities, a process has been rolled out in the Powertrain Engineering department to ensure that environmental issues are taken on board, in terms of risk prevention and industrial hygiene, in order to ensure regulatory compliance and to reduce the environmental impacts of the Group's industrial activity. This approach is applied to all the projects undertaken at industrial sites. Each site makes a commitment to reaching a level of environmental performance comparable to that of a target plant within ten years.

In the area of bodywork assembly, a similar process has been operational since 2008 on engineering projects in body painting. Requirements relating to risk prevention and environmental protection are entered in the industrial project evaluation tool (RPES) and their presence is validated with each project milestone.

For vehicle projects, these requirements are now included in the Group's start-up standards.

Environmental management at the plants

Setting up continuous improvement processes based on ISO 14001

Since 1999 Renault has pursued a process of continuous improvement to achieve regulatory compliance and reduce its environmental impacts. Since 2008 Renault has had ISO 14001 certification for all its industrial activities, ie 37 industrial or design sites or subsidiaries, excluding the recent acquisitions or in process of being acquired, for which an action plan and compliance recovery are under way. 94% employees of the Renault group in the environment reporting scope work at an ISO 14001 site.

The Renault eco^2 and Dacia eco^2 labels, which span the entire vehicle life-cycle, use ISO 14001 certification to show that the vehicles concerned were produced in plants that respect the environment.

Bringing the environment closer to the field through the Renault Production Way

Renault decided in 2004 to include its environmental standards in the Renault production way (SPR). Reflecting this objective, each worker implements environmental requirements day by day at his or her workstation through the SPR process.

Defining the environmental requirements of each workstation is a three-stage process:

- engineering teams identify requirements relating to chemicals management and waste treatment;
- the site includes these requirements in the documentation for each workstation;
- operators are trained to perform the actions set out in these documents.

Looking ahead with the environmental management plan

The environmental management and risk prevention plan launched in 2002 describes how the environment of each site is liable to evolve over the next ten years, in line with its ecological sensitivity. The documents associated with each industrial site cover continuous progress and the start-up of new vehicle or sub-system projects, as well as major changes to facilities. The plan contributes to the dialogue between engineers, building planners and plants, by defining targets for reducing environmental impact at the earliest stage of project development. Plans are updated regularly. This plan was first introduced at production sites in Western Europe. Since then it has gradually been extended to other sites, including Busan (South Korea) and Curitiba (Brazil) in 2006, and Pitesti (Romania) and Envigado (Colombia) in 2007. Today, 27 industrial sites use this tool (15 body assembly and 12 powertrain sites).

The data produced by the management plans are used to set medium- and long-term targets for the function teams responsible for selecting manufacturing processes. This method provides decision-support for sites to help them identify their technical and managerial priorities, specify the expected results in collaboration with function teams, and establish performance levels in relation to the competition. The potential for reducing impacts is based on the widespread application of best practices implemented by the most efficient sites, as well as on technological breakthroughs developed by engineering departments.

The environmental results of industrial sites, along with any changes in the course taken to meet the objectives and targets set out in the management plans, are monitored in monthly or quarterly coordination meetings.

Inspection

Renault has developed its own audit standards. The ISO 14001 standard stipulates that sites should conduct internal audits to assess progress. The environmental network did not want to limit this process to the ISO 14001 standard alone, but to use it to pursue the progress made at sites over the long term, to exchange information and to organize the Group's management. The audit serves in particular to inform plant managers about their performance, and about the state of their program and its implementation. It also guides the input provided by other functions to put appropriate measures into place. In 2008 Renault introduced a new auditing method based on an in-depth analysis of the Group's technical policies and standards and emphasizing the business-line expertise of internal auditors.

The management system is assessed by internal audits known as "network audits". Performed at all sites by members of the network, these audits make it possible to conduct cross-audits between several sites. These audits seek to promote dialogue between site managers and to encourage consultation between different functions in order to identify solutions and improve performance. Today, the network has 24 audit managers and 29 internal auditors trained by Renault.

ENVIRONMENTAL MANAGEMENT IN THE VEHICLE USE PHASE

Numerous life-cycle analysis studies show that around 80% of greenhouse gases emitted during the life of a vehicle concern the vehicle use phase. Renault can take action in a number of areas to reduce this figure, including eco-design, driver behavior and sound ecological practices implemented by the sales network for sales and services activities.

Educating consumers in eco-driving

Renault is studying two possible lines of progress to promote eco-driving. The first is to design vehicles that help drivers cut fuel consumption, through onboard computers that provide real-time information on average consumption and create a relaxing atmosphere (comfort, acoustics), as well as through safety features such as a tire pressure monitor (preventing under-inflation). The second is to provide access to training in eco-driving. From 2007 New Laguna brought customers a new way to boost fuel economy: two arrows, pointing up or down, show the right time to change gears in order to consume less fuel. Since then Renault has stepped up efforts to cut fuel consumption by making this gear-change indicator available on new vehicles (New Mégane, New Scénic) and by developing an eco-driving simulator to educate the public about Renault models. More than 6,000 people have been able to find out more about eco-driving at a range of special events and promotional activities (in 2009, open days in Hyères, France, and in Poland, Dacia picnic in France, trade shows, Renault World Series, etc.). Three new Renault vehicle profiles were entered into simulators, giving trainees a choice of four vehicles: Clio 1.5 dci 6-speed manual, Kangoo 1.5 dCi 5-speed manual, Mégane III 1.5 Dci and TCE 130.

The press and consumer associations sometimes talk about vehicles using more fuel than announced in the sales literature. Fuel consumption figures are based on approved driving cycles and the best driving conditions, so the average driver may see differences of up to 20%. For this reason, it is important to show that eco-driving techniques can remedy this frequent occurrence by bringing down excess consumption.

The eco-driving simulator aims to teach a new style of driving. It shows drivers the scope for improving their skills at the wheel, illustrates the basic techniques, and provides three key pieces of advice:

- change gears as appropriate;
- anticipate road conditions to minimize fuel use;
- drive at the optimum constant speed.

In 2009 Renault Environnement joined forces with the Belgian company Key Driving Competences (KDC) to deploy innovative eco-driving training projects and the services associated with sustainable mobility for all.

Since 2005 KDC has provided more than 50,000 hours of training, bringing about a real change in attitude in the daily driving practices of 10,000 drivers, both business users and consumers.

With Renault Environnement, KDC will quickly become the benchmark in Europe for eco-driving and mobility services, providing businesses, government offices and consumers with efficient methods and tools (simulator, onboard telematics, on-line support – www.mon.keydriving.com - etc.) to monitor their progress on a daily basis. The method ensures standardized quality services for customers with international subsidiaries. By changing the behavior of each driver, significant and lasting gains will be achieved.

A greater role for environmental management in the sales function ✦

The Renault eco[2] label is the commercial facet of Renault's commitment to environmental protection. All the company's business-lines are concerned by this approach.

The sales network provides the first contact between the manufacturer and customers in terms of products, values and brand identity. The primary sales network, comprising more than 700 sites in France, has made a strong commitment to environmental management. Through active efforts to maintain the value of its assets and protect Renault's brand image, it illustrates the commitments to sustainable development.

Since 2007 to meet environmental management targets Renault has supported the efforts of its sales network in several ways:

- appointing an environmental coordinator in each network branch or dealership, with special training in the management of environmental risks;
- holding meetings and field inspections with site management, and discussions on the environment in dealerships;
- including the environment as a theme for one of the commissions of the "Groupement des Concessionnaires" Renault dealers group;
- extending the environmental network of Renault Retail Group to Europe from 2008;
- developing a range of environmental management tools to deploy and build on good environmental practices, to be used by the sales network.

ENVIRONMENTAL MANAGEMENT IN THE VEHICLE END-OF-LIFE PHASE ✦

In line with its long-standing commitment to recycling, Renault has set up a industrial system involving a wide range of European players and able to meet the regulatory targets on the recycling of ELV vehicles – 85% from 2006 and 95% by 2015 – at moderate cost.

A network of approved collection and processing centers has been set up for Renault vehicles wherever necessary across Europe. Information on this network is sent to the last owners of end-of-life vehicles and the vehicles are taken back from them free of charge.

Recyclers and energy recovery firms can obtain information on methods of decontamination, disassembly and recycling on the www.idis2.com site.

At the same time Renault is actively contributing to the economic and regulatory performance of dismantling processes through its leadership in the market for renovated and reconditioned parts and the use of recycled materials. Renault Environnement, founded in 2008, is the key entity in this area (see chapter 3.3.2.5).

3.3.3.3 ENVIRONMENT-RELATED COMMUNICATION ✦

In the space of a few years, environment-related communication has become a corporate and social issue. Companies want to inform stakeholders about the quality of their products or their environmental progress but they may run into media debates about the scientific rationality of particular solutions. And, given the high-media profile of environmental issues, they may also lay themselves open to accusations of greenwashing.

COMMUNICATING ON ENVIRONMENTAL IMPACTS

One of the fundamental principles of Renault's sustainable development policy is regular progress in improving the quality of information and making it available to all constituencies. Sustainability data have been included in Renault's Registration Document since FY 2002.

Since 1999 environmental data from Automobile's industrial, design and logistics sites, collated in chapter 8.3.2, have been verified by the Renault group's statutory auditors. For 2009 the auditors issued a statement of "reasonable assurance" concerning data for Group sites, the highest level of assurance that the auditors can give.

Environmental information relating to automobile products is governed by standards or regulations, stipulated in the approvals required for releasing a product. These cover such aspects as fuel consumption, CO_2 emissions, pollutant emissions, noise, safety requirements, and – from 2008 – vehicle recyclability by weight. This information is set out in chapter 8.3.3.

In 2007 Renault developed a cross-functional communication and marketing plan. The aim is twofold: to improve Renault's image as an environmentally-aware company and to boost sales of vehicles, particularly those emitting less than 140g of CO_2. Through Renault eco^2 and Dacia eco^2, customers are able to identify the most environment-friendly models in the range of each brand, based on three shared criteria, and thus to make their own contribution to ecological progress through Renault's affordable solutions.

COMMUNICATING WITH EMPLOYEES AND THEIR REPRESENTATIVES

A range of environment-related product events, conferences, articles, blogs and chatrooms provide the basis for a direct dialogue between personnel and the departments in charge of environmental issues.

An inhouse blog was set up in early 2008 to give the environment network a more interactive basis and to promote sharing of environmental best practices. Regular publications in the blog and in Renault's house communication media highlight the active commitment of the workforce to implementing the sustainable development approach.

COMMUNICATING ON LOCAL AND REGIONAL ACTIONS AT THE PLANTS

The information on sustainable development posted on the web attests to Renault's commitment, but cannot answer all environmental questions concerning individual sites. The sites have therefore undertaken to publish information sheets on the Internet. These sheets provide clear information on the actions and results of each site and act as a useful basis for dialogue between sites, personnel and local stakeholders: residents, local councils, associations and government bodies, etc.

All Renault sites took part in World Environment Day on June 5 for the third year running. Open days, press conferences and other events were organized both inside and outside the company. In 2009 this day was an opportunity to showcase good site performance.

✦ Global Reporting Initiative (GRI) Directives

COMMUNICATING WITH CUSTOMERS

In 2005 the marketing function helped set up an organizational structure to meet the needs of key account customers for their vehicle fleets. This included a sales brochure explaining Renault's eco² policy with the deployment of a wide range of energy solutions. In January 2009 Renault presented the Dacia range including gasoline, diesel, biofuel and LPG vehicles. In June 2009 it presented Twizy, Fluence and Kangoo ZE to key account customers, based on the size of vehicle fleets. An eco-diagnosis method with progress scenarios has been developed for fleet vehicles. Set up in 2008, it was remodelled in 2009 to be included in the Key Driving Competences offering from 2010. The aim is to help large companies match the objectives of their environmental policies to their vehicle fleets.

SHARING RENAULT'S KNOW-HOW WITH OUTSIDE PARTNERS

CREER (Cluster Research Excellence in Ecodesign & Recycling) is an organization composed of seven companies from a wide range of sectors: Cetim, SEB, Veolia Environnement, Plastic Omnium, Areva T&D, Steelcase, and Renault. The objective is to pool knowledge and expertise in eco-design and recycling in partnership with the *Ecole Nationale Supérieure des Arts et Métiers* in Chambéry (France). CREER's ambition is to expand the working group to include at least 200 new companies.

Renault and Sita are combining their fields of expertise – in vehicles and dismantling for Renault and in materials recovery for Sita – in order to achieve more efficient recovery of recycled materials.

3.4 SUSTAINABILITY RATINGS AND INDEXES

Sustainability rating agencies and specialized departments of financial institutions assess companies on their commitments, policies and performance in terms of labor relations, environmental protection and corporate governance. Using analytical and scoring techniques, these assessments are designed to meet demand from socially responsible investors, who use the findings to select the companies in which they invest [3].

Methods vary from agency to agency. Some agencies are specialized by investment region (Europe, world, OECD, etc.) or asset class (large caps, small caps), have a sector focus or base their analyses on a basket of weighted criteria, which can vary significantly depending on their targets.

Some of these rating agencies, usually working in partnership with providers of equity indexes, have developed special benchmarks composed of the top-rated companies for labor relations, environmental protection and corporate governance.

In 2009 Renault's performance received excellent ratings from the key sustainability ratings agencies.

3.4.1 RENAULT'S RATINGS IN 2009

SAM (SUSTAINABLE ASSET MANAGEMENT)

SAM is an independent asset management company founded in 1995 and based in Switzerland. It specializes in setting up investment strategies based on economic, environmental and social criteria, analyzed in terms of long-term value creation.

In 1999, together with Dow Jones & Company, SAM launched the Dow Jones Sustainability World index (DJSI World), a global index based on extra-financial criteria. The DJSI is comprised of 300 leading companies in terms of social responsibility as assessed by SAM, from among the 2,500 largest companies in the Dow Jones World index. A European index was launched in October 2001, the Dow Jones Sustainability STOXX index, containing 20% of the 600 companies in the Dow Jones STOXX SM 600 Index.

Each year SAM analyses the companies covered by the two indexes. The results are used to determine the component stocks.

Results in 2009: for the third year running, Renault was included in the Dow Jones Sustainability World Index, which is highly regarded in the financial markets. The Group improved its score significantly on 2008, and ranked first in the environmental dimension.

	RENAULT'S SCORE	LOWEST SCORE DJSI WORLD	INDUSTRY AVERAGE [2]
Total score [1]	89	89	72
Economic dimension	86	86	69
Environmental dimension	97	91	77
Social dimension	85	85	69

(1) Score out of 100.
(2) Automotive industry.

Renault awarded "Gold Class" in the SAM Sustainability Yearbook 2010 ✦

The SAM Sustainability Yearbook recognizes the best sustainable growth performances by companies in every sector. This year, for the second time in a row, Renault has been awarded Gold Class status, meaning a score within 5% of the sector leader.

The next ratings are due in September 2010.

OEKOM

Oekom, one of Germany's leading rating agencies, analyses 750 large and medium-sized companies and more than 100 small enterprises within a geographical area that spans the OECD, new EU member states, Russia and the leading Asian markets. The agency thus covers 80% of MSCI World index, which measures stock market performance in developed countries.

Results in 2006: Renault scored a B rating overall and the Group was ranked first out of the 17 automakers analyzed.

RATING SCALE A+ TO D-	OEKOM RATING	RANKING OUT OF 17 AUTOMAKERS
Social Cultural	B	1
Environmental	B	1
TOTAL SCORE	**B**	**1**

Oekom will publish its sector review in March 2010, too late to be included into this document.

(3) Socially responsible investments (SRI) are based on both the financial performance of the stocks tracked and factors such as the company's attitude towards its economic, environmental and social environment.

In 2007 Oekom created the Global Challenges index, a listing of 50 companies around the world that make substantial efforts to address major planetary issues such as climate change, drinking water availability, deforestation, biodiversity, poverty, and global governance. Renault has been included in this index from the start. More information on www.gcindex.com.

VIGEO

Vigeo is an independent rating agency founded in July 2002. The major shareholder, Caisse des Dépôts et Consignations, contributed the assets of Arese, which pioneered social and environmental rating in France. Vigeo is owned by some 50 shareholders, organized into three sub-groups: institutional investors, European trade unions, and multinational corporations. Vigeo's unique model is aimed both at investors, with investor-solicited ratings of Euro STOXX 600 companies and corporations, with corporate-solicited ratings.

Results for January 2010: Renault is still rated by Vigeo, but, for business reasons, we have stopped publishing this rating this year. For more details, please contact Vigeo directly.

Next review: January 2011.

CARBON DISCLOSURE PROJECT

The Carbon Disclosure Project (CDP), founded in 2000, is mandated by a group of institutional investors to enhance understanding of the potential impacts of climate change on the value of the assets managed by its signatories.

Since 2002, the CDP has regularly been sending single-format requests for information to companies about their greenhouse gas emissions and their policy to combat climate change.

In 2009, the CDP organized its ratings on a regional basis by market capitalization. Renault figures in the Europe 300 and SBF120 (France) analyses.

Renault's results for 2009: on the strength of its answers to the questionnaire CDP7, which are available on the web site www.cdproject.net, Renault achieved a score of 80/100, compared with a sector average of 70/100 and remains in the CDLI index.

Note:

- Scope 1 concerns direct greenhouse gas emissions from sources owned or controlled by the company (boilers, furnaces, turbines, incinerators, engines, etc.), fuel combustion as part of transportation operations by or for the company (cars, commercial vehicles, aircraft, boats, trains, etc.) and physical or chemical processes (e.g. in manufacturing cement, cracking in petrochemical processing, aluminum smelting, etc.);
- Scope 2 concerns greenhouse gas emissions from the generation by another party of electricity, heat, cooling or steam that is purchased and consumed by the company. This is often described as "purchased electricity" as it represents the main source of Scope 2 emissions;
- Scope 3 covers all other indirect emissions that occur from GHG sources that are not owned or controlled by the company.

Next review: the next CDP questionnaire, CDP8, will be sent out to companies in February 2010.

3.4.2 INCLUSION IN SOCIALLY RESPONSIBLE INDEXES ✦

Renault is included in the following socially responsible investment indexes:

- the Dow Jones Sustainability World index (DJSI World) and Dow Jones Sustainability STOXX Index, based on the ratings of Swiss asset manager SAM;
- ASPI Eurozone (Advanced Sustainable Performance Indices), which tracks the performance of 120 European companies selected on the basis of Vigeo's ratings;
- *ESI Excellence Europe, set up by the Ethibel agency, recently acquired by Vigeo. This index lists pioneering companies as well as those whose performance is average for their sector but that satisfy the financial criteria set out in the screening methodology;*
- ECPI E. Capital Partners Indices, developed by the investment advisory firm E. Capital Partners, which contains 150 of the most socially responsible of companies among Europe's largest in terms of market capitalization;
- the Global Challenges Index, set up in 2007 by the German agency Oekom Research, lists 50 companies worldwide recognized for their contribution to sustainable development through their products and services and for initiatives related to the development of their businesses.

Note: because of Renault's implicit involvement in military activities through its 21.8% interest in AB Volvo, the Group is not included in the FTSE4Good index, developed by the Eiris rating agency in partnership with FTSE.

3.5 SOCIAL, ENVIRONMENTAL AND SOCIETAL OBJECTIVES ✦

3.5.1 SOCIETAL OBJECTIVES

KEY OBJECTIVES	DATE OBJECTIVE SET	DUE DATE	STATUS AT END-2009
COMPLIANCE & GOVERNANCE			
Adopt the main recommendations in reports on improving corporate governance.	2003	annual	Ongoing process
Continue distribution of the Code of conduct through the e-learning modules *of* the *Compliance* program (per function).	2008	2011	Begun
Set up a division dedicated to corporate social responsibility with the aim of rolling out and overseeing the company's CSR policy and strategy.	2009	2009	Completed
Set up an international network of CSR officers in countries and at entities.	2009	2009	Completed
PURCHASING POLICY			
Incorporate the Group's sustainable development approach into purchasing policy.	2004	annual	Ongoing process
Obtain a formal commitment from suppliers to comply with the principles laid down in the Declaration of Employees' Fundamental Rights.	2004	annual	Ongoing process
Introduce the Group's social and environmental standards into the purchasing process and update them.	2005	annual	Ongoing process
Prepare for the external CSR inspections at supplier sites.	2006	annual	Ongoing process
Launch an e-learning course in *sustainable* development for buyers.	2007	2009	Completed
Put in place a sustainable development management system for purchasing (suppliers/auditors/quality controllers/reporting).	2008	2009	Completed
Launch a sustainable development charter for purchasing.	2008	2009	Completed
Prepare for phasing out lead in electrical and electronic products.	2008	2010	Underway
Launch a third wave of social and environmental self-assessments by suppliers.	2009	2010	Underway
SAFETY			
Deploy the "Safety for All" educational road safety program for children.	2000	annual	Ongoing process
Design actions to improve road safety in developing countries. GRSI.	2004	2014	Begun
Assist in transferring road safety know-how to developing countries.	2004	annual	Ongoing process
MOBILITY			
Develop innovative mobility services for company employees and society.	1998	_	Ongoing process
Promote sustainable mobility solutions in developing countries.	2004	_	Ongoing process
Establish the Renault/ParisTech Sustainable Mobility Institute.	2009	2009	Completed
Design a training course for fleet customers in partnership with ECF.	2009	2009	Completed

KEY OBJECTIVES	DATE OBJECTIVE SET	DUE DATE	STATUS AT END-2009
DIVERSITY			
Promote diversity by applying the diversity charter.	2004	ongoing	Promotion of diversity through an internal Diversity Day on May 28, 2008
Set up a dedicated organization ("Cross-Functional Team" tasked with coordinating diversity and performance)	2009	2009	Completed
Implement a diversity analysis to measure progress achieved and support the sites in their diversity policies.	2009	annual	Ongoing process
Design a guide on disabled access to driving, available from dealerships or downloadable.	2009	2009	Completed
CORPORATE CITIZENSHIP AND STAKEHOLDER RELATIONS			
Produce one example of a practical application of Global Compact principles *each year.*	2002	annual	Ongoing process
Develop Renault's relations with NGOs involved in sustainable development and corporate social responsibility.	2004	_	Ongoing process
Roll out a "Citizen Values" program in the five regions where Renault operates.	2009	2011	Underway
Set up a selection process for community projects involving employees.	2009	2011	Underway
Set up appropriate bodies (endowment fund, country foundations or institutes, etc.) to implement community actions that reflect societal issues in the main regions and countries where the Group operates.	2009	2011	Underway
Conduct a survey *of* opinion leaders and stakeholders in Morocco	2009	2011	Underway
Implement selection criteria for institutions and NGOs.	2009	2009	Completed
INFORMATION, AWARENESS-RAISING & COMMUNICATION			
Design a roll-out kit, a communications kit and a presentation kit.	2009	2010	Underway
Design an e-learning course in CSR.	2009	2010	Underway
Reformat the renault.com website.	2009	2010	Underway
Create an intranet portal dedicated to the CSR Division.	2009	2010	Underway
Design a *newsletter.*	2009	2010	Underway
TRACEABILITY & REPORTING			
Set up an e-DOA (Delegation of Authority) process to supervise CSR budgets and ensure transparent reporting through traceable project funding.	2009	2010	Underway

3.5.2 SOCIAL OBJECTIVES

MAIN HR OBJECTIVES	DATE WHEN THE OBJECTIVE WAS SET	DEADLINE	SITUATION AT END-2008
DEVELOPING EMPLOYEE COMMITMENT			
Deploy corporate managerial training	–	Continuous	Deployment of 1stSteps and Keys for new managers
Improve management quality and employees' commitment	–	Continuous	Renault Management way
Application of an incentive, shareholding and employee savings scheme	2007	Continuous	€54.3 million paid in incentives and bonuses €4.45 million paid in the Group savings plan
Encourage permanent progress through collaborative innovation initiatives	1990	Continuous	Staff participation level: 62% Savings made: €128 million
CONTRIBUTING TO GROUP PERFORMANCE			
Make the necessary skills available to the company to achieve its strategic ambitions	2002	Continuous	48 Skills Leaders
Cooperation with the education system	–	Continuous	Apprenticeship tax payments: €10.6 million
Support career paths and development	2006	Continuous	The JobInfo (job opportunities marketplace) available in five languages careers@renault offers more than 1,000 benchmark positions
Improve the quality of HR services while cutting operating overheads	2006	2009	Headcount: 121,422 Training expenses: €142 million Average number of training hours per employee: 35 Number of e-learning hours: 225,456 Rate of access to training: 88%
Increase the coverage of the BPU HR database, which will eventually cover all employees	1998	Continuous	Long-term management of all the Group employees
Strengthen the Alliance with Nissan	1999	Continuous	Staff exchanges More than 100 employees have been exchanged.
PROMOTING A SOCIAL STRATEGY			
Continue international management-labor dialogue	–	Continuous	1 plenary meeting of the Group Committee 7 meetings of the Restricted Committee
Broadly distribute internal information	–	Continuous	More than 100,000 copies of the in-house newsletter distributed in French and English, plus four local editions Intranet sites: about 60,000 connected workstations
Deploy the Health and Working Conditions policy	– 2007	Continuous Continuous	More than 81,000 tests conducted by the (OMSAD), a unit set up to deal with stress, anxiety and depression, resulting in specific actions Launch of Stimulus survey to measure stress factors in four premises for action plan in 2010 Reduction in the number of occupational accidents: • Group F2 rate: 3.60 • Group F1 rate : 7.19 • Group G rate: 0.19 98% of manufacturing, tertiary and engineering sites are accredited
Deploy operations to raise awareness of road risks	–	Continuous	Practical training in road risks prevention

3.5.3 ENVIRONMENTAL OBJECTIVES

KEY ENVIRONMENTAL OBJECTIVES		DATE TARGET WAS SET	DATE FOR ACHIEVEMENT	SITUATION AT END 2009 (same scope as date target set)
CLIMATE CHANGE & ALTERNATIVE ENERGIES				
Manufacturing	Cut CO_2 emissions from fixed sources burning fossil fuel by 10% annually	2007	2012	-16% versus 2007
Manufacturing	Reach a percentage of 20% in the use of renewable energies (direct and indirect) by sites in the industrial base	2008	2020	10%
Manufacturing	Develop a zero-carbon vehicle assembly plant	2009	2012	Underway
Product	Develop a range of vehicles producing zero emissions in operation (four vehicles)	2009	2012	Underway
Product	Reduce CO_2 emissions from internal combustion vehicles to an average of 130g CO_2/km	2009	2012	138.9g CO_2/km
Product	Develop a two-pronged biofuel offering: - 100% of diesel engines able to run on B30 biodiesel, - 50% of petrol engines able to run on E85 bioethanol.	2009	2020	B30 compatibility = 97% E85 compatibility = 30% (adaptation to market trends)
Product	Expand the CNG and LPG vehicle range	2006	2009	56,301 LPG and 757 CNG vehicles manufactured (worldwide)
	Develop a range of alternative vehicles to meet the 10% European target for the use of renewable fuels for transportation	2005	Continuous	In progress
Product & Services	Market product and service offerings to cut the carbon footprint of customers' business fleets by 10%	2009	2012	Launch of Key Driving Competence
ENVIRONMENT & HEALTH				
Manufacturing	Cut VOC emissions by 10% through continuous progress following the breakthrough of "water-based paints"	2007	2012	-10% vs. 2007
Manufacturing & product	Replace potentially toxic chemical substances	2009	2012	Underway
Product	Apply the Euro 5 standard across the entire range.	2007	2009/2010	New types. All types Underway
REDUCE NOISE				
Product	Bring external noise levels on new vehicles down to 71dB (A) for gasoline models and 72dB (A) for diesel models	1998	Continuous	Diesel: Clio II, Clio III, Koléos, Modus, Thalia, Twingo II Gasoline: Espace III, Clio II, Modus
ENVIRONMENTAL REMEDIATION				
Manage remediation studies when future risks have been identified		2001	Continuous	Boulogne Billancourt, Dacia
PROTECT WATER RESOURCES				
Manufacturing	Cut water withdrawals from natural resources by 15%	2007	2012	-20% vs. 2007
Manufacturing	New plant: zero industrial water discharges and a 70% cut in biological discharges	2009	2012	Underway

KEY ENVIRONMENTAL OBJECTIVES		DATE TARGET WAS SET	DATE FOR ACHIEVEMENT	SITUATION AT END 2009 *(same scope as date target set)*
REDUCE AND RECYCLE WASTE				
Logistics	For European plants: reduce packaging weight to 5kg for new vehicles at the final assembly stage	2000	2009	Modus: 6kg Clio III: 9kg Twingo II: 7kg Laguna III: 10kg Mégane III: 9kg
Manufacturing	Waste: Six production sites will have no landfill waste from 2012.	2007	2015	Three plants
Product	Use 20% recycled plastics for all new vehicles.	2004	2015	Scénic II: 8.1% Modus: 8.9% Clio III: 10% Twingo II: 9% Laguna III: 12.6% Mégane III > 11%
End-of-life	Achieve an effective recovery rate of 95% for materials from the vehicle recycling industry.	Depends on country	2015	Country records available
DEVELOP CONTINUOUS ENVIRONMENTAL MANAGEMENT				
Audit all manufacturing and logistics sites every year on the environment and risk prevention.		2003	Continuous	Completed
Achieve a 100% rate in supplier self-assessment on sustainable development		2009	2015	No supplier self-assessment in 2009 (the last campaign in 2008 covered about 800 suppliers)
Sustainable development audit for 100% of suppliers		2009	Continuous	Average 2009 coverage rate: 50%
Following environmental training between 2000 and 2008, pursue training in sustainable development		2009	2012	Survey of WW buyers in 2009
Publish life-cycle analyses for the electric vehicle range with critical reviews from external experts		2009	2012	Underway
Reduce impacts based on a life-cycle analysis from the car replaced to its replacement		2005	Continuous	Clio III/Clio II Laguna III/Laguna II Mégane III/Mégane II Scénic III/Scénic II

3.

4.

CHAIRMAN'S REPORT

4.

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Pursuant to Article L. 225-37 of the French Commercial Code, the Chairman of the Board of Directors is required to submit an additional report, appended to the management report.

This report was drawn up under the responsibility of the Chairman of the Board of Directors, on the basis of information supplied by the Group's senior management, which is responsible for organization and internal control.

The report is based on the work of a multi-disciplinary group composed of representatives from the Group Finance, Management Control and Legal departments.

This report was ratified by the Board of Directors at its meeting on March 5, 2010.

Renault also carefully and continually analyzes the best corporate governance practices described in the Afep/Medef report (modified by the Afep/Medef recommendations dated October 6, 2008 on the compensations of senior executives of listed companies), making every effort to incorporate these recommendations into its internal regulations.

Accordingly, the Board decided that the company would refer to the amended Afep/Medef corporate governance code when preparing the report provided for in Article L. 225-37 of the French Commercial Code.

4.1 PREPARATION AND ORGANIZATION OF THE WORK OF THE BOARD OF DIRECTORS

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

Further to the Alliance with Nissan, Renault-Nissan b.v has limited powers with respect to Renault, without prejudice to the powers of the Board of Directors and the shareholders. This Alliance-specific management method is described in chapter 1.3.2.2.

4.1.1 MANAGEMENT METHODS

4.1.1.1 FUNCTIONS OF CHAIRMAN OF THE BOARD COMBINED WITH THOSE OF CHIEF EXECUTIVE OFFICER

As provided in 2005 the departure of Louis Schweitzer led Renault to adjust its governance arrangements, while ensuring ongoing transparency between executive management and the Board of Directors and, more broadly, with regard to shareholders and the market. The 2005 decision to separate the functions had been prompted by the desire to ensure a smooth management transmission.

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

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

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

4.1.1.2 APPOINTMENT OF A SENIOR INDEPENDENT DIRECTOR

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

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

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

The Senior Independent Director's tasks include:

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

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

The internal regulations of the Board of Directors, which are given in chapter 4.5, have been revised to reflect the new governance arrangements.

4.1.2 COMPOSITION OF THE BOARD OF DIRECTORS ✦

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

- 12 directors appointed by the Annual General Meeting of Shareholders (AGM);
- two directors appointed by administrative order, representing the French State;
- three directors elected by employees;
- one director elected by the AGM on the recommendation of employee shareholders.

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

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

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

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

4.1.2.1 BOARD OF DIRECTORS

DIRECTORS	OFFICES/FUNCTIONS
Carlos Ghosn Member of the Appointments and Gouvernance Committee Number of shares: 205,200 Born on March 09, 1954 Date of first term: April 2002 Current term expires (AGM): 2010	**Chairman and CEO** Current offices and functions in other companies: *France:* *n.a.* *Abroad:* Director: Alcoa, AvtoVAZ President and CEO: 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 Director elected by employees Member of the International Strategy Committee Number of shares: 6 shares and 200 ESOP units Born on February 10, 1953 Date of first term: November 2002 Current term expires: November 2012	**Advanced Process Design Engineer, Renault**

DIRECTORS	OFFICES/FUNCTIONS
Alain J.P. Belda Member of the Appointments and Governance Committee Number of shares: 1,000 Born on June 23, 1943 Date of first term: May 2009 Current term expires: (AGM) 2013	**Non-Executive Chairman of Alcoa** Current offices and functions in other companies: *France:* n.a. *Abroad:* Director: IBM, Citigroup Offices or functions in the past five years no longer held: Chairman and Director of Alcoa Chairman and CEO of Alcoa Director of Brown University Member of the Board of Trustees of the Conference Board Member of the Business Council
Patrick Biau Director elected by employees Member of the International Strategy Committee Number of shares: 688 ESOP units Born on February 5, 1956 Date of first term: November 2008 Current term expires: November 2012	**Cost Control, Investments, Renault**
Alain Champigneux Director elected by employees Member of the Accounts and Audit Committee Number of shares: 1,076 ESOP units Born on January 1, 1954 Date of first term: November 2002 Current term expires: November 2012	**Renault Document Manager**
Charles de Croisset* Member of the Accounts and Audit Committee Number of shares: 1,000 Born on September 28, 1943 Date of first term: April 2004 Current term expires (AGM): 2012	**International Advisor, Goldman Sachs International** Current offices and functions in other companies: *France:* Chairman: Fondation du Patrimoine Director: Bouygues, 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: Thales UK, Thales
Thierry Desmarest* Member of the Remuneration Committee Number of shares: 1,500 Born on December 18, 1945 Date of first term: April 2008 Current term expires (AGM): 2012	**Chairman of the Board of Total** Current offices and functions in other companies: *France:* Chairman: Fondation Total and Fondation de l'École Polytechnique Director: Air Liquide, Sanofi-Aventis, Musée du Louvre Member of the Supervisory Board of Areva Member of the Board: AFEP and École Polytechnique *Abroad:* Member of the Board, Bombardier (Canada) Offices or functions in the past five years no longer held: CEO of Total SA Chairman and CEO of Elf Aquitaine
Jean-Pierre Garnier* Member of the Remuneration Committee Number of shares: 1,000 Born on October 31, 1947 Date of first term: April 2008 Current term expires: (AGM) 2012	**CEO and Chairman of the Management Board of Pierre Fabre SA** Current offices and functions in other companies: *France:* n.a. *Abroad:* Director: United Technology Corp. Chairman: NormsOxys Corp. Offices or functions in the past five years no longer held: Chairman and CEO of GlaxoSmithKline Beecham p.l.c. Chairman of GlaxoSmithKline p.l.c. Director: GlaxoSmithKline Beecham p.l.c., Biotechnology Industry Organization, Eisenhower Exchange Fellowship

DIRECTORS	OFFICES/FUNCTIONS
Takeshi Isayama Number of shares: 1,000 Born on March 8, 1943 Date of first term: May 2009 Current term expires (AGM): 2013	**Chairman, Carlyle Japan L.L.C.** Current offices and functions in other companies: Director: Dainippon Screen Mfg Co., Ltd., Terumo Corp, The Japan Fund Advisor: National Institute of Advanced Industrial Science and Technology Visiting Scholar: Tokyo University of Agriculture and Technology Offices or functions in the past five years no longer held: Director: Seiyu GK (Wal-Mart subsidiary) Vice-Chairman: Nissan Motor Co., Ltd.
Alexis Kohler Member of the Accounts and Audit Committee Number of shares: (a) Born on November 16, 1972 Date of first term: February 2010 Current term expires (AGM): 2011	**Division Director, Transports and Media, French Government Shareholding Agency, at the Ministry of the Economy, Industry and Employment** Current offices and functions in other companies: Director (government representative): TSA, GIAT Industries, STX France Cruise, Société de valorisation foncière et immobilière (SOFAVIM), La Monnaie de Paris.
Marc Ladreit de Lacharrière* Chairman of the Appointments and Governance Committee Member of the Remuneration Committee Number of shares: 1,020 Born in November 6, 1940 Date of first term: October 2002 Current term expires (AGM): 2010	**Chairman and Chief Executive Officer of Fimalac** 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* Member of the Accounts and Audit Committee Member of the Appointments and Governance Committee Number of shares: 1,150 Born on July 11, 1943 Date of first term: February 2003 Current term expires (AGM): 2013	**Barrister (Cabinet La Garanderie & Associés)** **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) 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* Senior Independent Director Chairman of the Accounts and Audit Committee Member of the Appointments and Governance Committee Number of shares: 1,000 Born on June 16, 1943 Date of first term: May 2007 Current term expires (AGM): 2011	Current offices and functions in other companies: *France:* Member of the Board: PPR Member of the Board: Fimalac *Abroad:* n.a. Offices or functions in the past five years no longer held: Member of the Board: La Poste
Jean-Claude Paye* Chairman of the International Strategy Committee Member of the Accounts and Audit Committee Number of shares: 200 Born on August 26, 1934 Date of first term: July 1996 Current term expires (AGM): 2010	**Retired civil servant** Current offices and functions in other companies: n.a. Offices or functions in the past five years no longer held: n.a.

DIRECTORS	OFFICES/FUNCTIONS
Franck Riboud* Chairman of the Remuneration Committee Number of shares: 331 Born on November 7, 1955 Date of first term: December 2000 Current term expires (AGM): 2010	**Chairman and Chief Executive Officer, 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 Durable Member of the Sponsorship Committee: Fonds de Dotation Aide pour l'Entreprenariat Populaire *Abroad:* Director: Bagley Latinoamerica SA, Danone SA (Spain), Ona, Fondation GAIN (Global Alliance For Improved Nutrition) Offices or functions in the past five years no longer held: Chairman and Director: Danone Asia Pte Limited Chairman: Compagnie Gervais Danone SA, Générale Biscuit SA Director: ANSA, Danone Finance, L'Oréal SA, Sofina, Quiksilver, Wadia BSN India Limited Member of the Supervisory Board: Accor, Eurazeo SA Commissioner: P.T. Tirta Investama
Luc Rousseau Member of the International Strategy Committee Number of shares: [a] Born on March 16, 1957 Date of first term: February 2010 Current term expires (AGM): 2012	**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), of OSEO, of 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 Number of shares: 100 Born on November 14, 1953 Date of first term: May 2006 Current term expires (AGM): 2010	**Executive Vice President for Asia-Pacific Region, Affiliated companies and Purchasing, Nissan Motor Co., Ltd.**
Michel Sailly Director elected by employee shareholders Member of the International Strategy Committee Number of shares: 266 ESOP units Age: 60 Date of first term: May 2009 Current term expires (AGM): 2013	**Renault production way (SPR) development Manager.**

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

The mean age of incumbent directors is 60.5. Each director must own at least one registered share[1]. However, administrative regulations forbid the directors appointed by the French State [a] from owning shares as government representatives.

4.1.2.2 OTHER DISCLOSURES REFERRED TO IN ANNEX 1 OF EUROPEAN REGULATION 809/2004

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.

(1) Percentage of Renault's capital held by directors: 0.07%.

4.1.2.3 EXPIRATION OF TERMS OF OFFICE

CURRENT TERM EXPIRES	DIRECTOR
	Mr. Ghosn
	Mr. Ladreit de Lacharrière
	Mr. Paye
	Mr. Riboud
2010	Mr. Saikawa
	Mr. Kohler
2011	Mr. Lagayette
	Mr. Audvard
	Mr. Biau
	Mr. Champigneux
	Mr. de Croisset
	Mr. Desmarest
	Mr. Garnier
2012	Mr. Rousseau
	Mrs de La Garanderie
	Mr. Isayama
	Mr. Belda
2013	Mr. Sailly

4.1.3 THE BOARD OF DIRECTORS IN 2009

The Board of Directors met seven times in 2009.

Meetings lasted an average of three hours, with the exception of the meeting devoted to strategy, which lasted a whole day. The attendance rate was 86.5%.

The Board gave its opinion on all business placed on its agenda pursuant to the legal and regulatory requirements in force in France. On the main matters, the Board took the action described below:

4.1.3.1 ACCOUNTS AND BUDGET

The Board:

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

4.1.3.2 CORPORATE GOVERNANCE ✦

The Board:

- combined the functions of Chairman of the Board of Directors and CEO and appointed Mr. Ghosn as Chairman and CEO;
- created the function of Senior Independent Director and appointed Philippe Lagayette to this position, upon a proposal by the Appointments and Governance Committee;
- appointed Louis Schweitzer as Honorary President;
- noted the succession plan for Renault's directors, in accordance with good governance practices;
- conducted a simplified self-assessment of its operating methods and decided on the definition of independent director;
- adopted the Chairman's report pursuant to Article L. 225-37;

✦ Global Reporting Initiative (GRI) Directives

- reviewed the sponsorship activities of Renault and its subsidiaries;
- analyzed and approved the answers to shareholders' questions ahead of the AGM.

4.1.3.3 GROUP STRATEGY

The Board:

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

4.1.3.4 THE ALLIANCE

The Board:

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

4.1.3.5 REGULATED AGREEMENTS

The Board authorized the following agreements:

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

4.1.4 AUDIT OF THE BOARD OF DIRECTORS ✦

In accordance with market practice and the recommendations of the Afep/Medef report, the Board of Directors conducted a simplified audit of its membership, organization and operating procedures, based on a questionnaire that uses the simplified format of the Spencer Stuart survey. The audit was carried out by the Appointments and Governance Committee, on personal interviews by Mr. Ghosn and Mr. Lagayette.

All the Board members wholeheartedly stress their positive view of the Board's operating procedures.

The Board expressed its satisfaction about the inclusion of working managers with strong industrial and international experience, who will ensure that the Board has the broad range of skills needed to address issues facing the company in the future.

The work of the committees was considered satisfactory.

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

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

The Board expressed an open opinion or requested improvements on the following points:

- closer monitoring of the company between Board meetings, particularly during times of upheaval;
- the need to provide certain documents further in advance of Board meetings;
- improved information for the Board on risk management, monitoring of significant risks for the company and the evolution of the Renault-Nissan Alliance.

The Chairman of the Board of Directors and the committees concerned will endeavor to give due consideration to the directors' requests on these points.

Furthermore, the informal lunch after the Board meeting was repeated and will be held again in the future. It gives directors an opportunity to exchange views with members of the Renault Management Committee.

4.1.5 ASSESSMENT OF DIRECTOR INDEPENDENCE ✦

At its meeting on December 10, 2008 the Board of Directors restated its intention to comply with the most thorough definition of corporate governance available in France, namely the Afep/Medef report. According to the report, an independent director is one who, notably, "has no relations of any kind with the company, the Group or its managers likely to compromise his independence of judgement".

The Board also repeated the qualities that it expects from a director: experience of the company and the automotive industry, a personal commitment to the work of the Board and its committees, a sound grasp of business and finance, the courage to express minority opinions, international vision, integrity, and loyalty.

At March 5, 2010 Renault had nine independent directors on its Board: Dominique de La Garanderie, Charles de Croisset, Alain Belda, Thierry Desmarest, Jean-Pierre Garnier, Marc Ladreit de Lacharrière, Philippe Lagayette, Jean-Claude Paye and Franck Riboud (see table, chapter 4.1.2.1, above).

The fact that Mr. Paye has been on the Board for more than 12 years does not call into question his independence.

Representatives of the French State, employee-elected directors, the director elected by employee shareholders, the Chairman and CEO, as well as the two directors appointed by Nissan, which is linked to Renault, are all excluded from the list in accordance with the principle of director independence stated above.

The Board stressed, however, that the directors elected by employees and employee shareholders, in particular, are not dependent on the company's senior management as far as their presence on the Board is concerned. This is illustrated by the special contribution they make to the Board's proceedings.

4.1.6 SPECIALIZED COMMITTEES OF THE BOARD OF DIRECTORS ✦

Four specialized committees have been set up to permit in-depth examination of specific topics relating to the Board of Directors' role. The Chairs of each committee bring the committee's opinions to the attention of the Board.

The roles of these committees are described in the internal regulations in chapter 4.5.1.4.

4.1.6.1 ACCOUNTS AND AUDIT COMMITTEE

This committee has six members: Philippe Lagayette in the chair, Alain Champigneux, Charles de Croisset, Dominique de La Garanderie, Jean-Claude Paye and Rémy Rioux. Four of the six are independent directors.

The committee met five times in 2009, and the attendance rate was 100%.

In compliance with French legal and regulatory requirements, the Accounts and Audit committee dealt with the following matters in particular:

- the Group's consolidated financial statements and Renault SA's individual financial statements for 2008 and first-half 2009;
- the dividend to be proposed for FY 2009;
- the examination of the fees paid to the statutory auditors and their network and their compliance with the Auditors' Charter which governs their work;
- the 2008 balance sheet and the breakdown of the 2009 and 2010 Internal Audit Plan;
- risk mapping, analysis and monitoring methods used in the Group;
- management of risks that the Group may face;
- the activity of the Compliance function;
- the impact of the Order of December 8, 2008 on the legal auditing of accounts.

The committee's examination of the financial statements was accompanied by a presentation from the auditors describing the highlights of their engagement and their conclusions, as well as the accounting policies used and the main regulatory developments in this area. In addition, the Chief Financial Officer submitted a memo describing the company's risk exposures and off-balance sheet commitments.

4.1.6.2 REMUNERATION COMMITTEE

The committee has four members, all of whom are independent directors: Franck Riboud in the chair, Thierry Desmarest, Jean-Pierre Garnier and Marc Ladreit de Lacharrière.

The committee met once in 2009 and was attended by all the members. The main items on its agenda were:

- the Afep/Medef recommendations dated October 6, 2008 concerning the compensation of executive directors of listed companies;
- the remuneration of the Chairman and CEO and members of the Executive Committee.

4.1.6.3 APPOINTMENTS AND GOVERNANCE COMMITTEE

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

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

- the composition of the Board and the simplified assessment of its operation;
- a revision of the list of independent directors in accordance with Afep/Medef criteria;
- Renault governance arrangements following the 2009 AGM;
- a succession plan for Renault's directors.

4.1.6.4 INTERNATIONAL STRATEGY COMMITTEE

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

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

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

4.1.7 COMPLIANCE COMMITTEE

The Compliance Committee met six times in 2009, under the chairmanship of the Chief Compliance Officer. Meetings were attended by the Senior Vice President, Legal department, the Senior Vice President, Corporate Controller, the Senior Vice President, Internal Audit, the Senior Vice President, HR the Senior Vice President, Internal Control and Risk Management, the Senior Vice President, Legal department/Financial Compliance Officer and the Senior Vice President, Corporate Social Responsibility, from 2010.

Committee meetings lasted an average of one and a half hours.

The committee's duties and responsibilities are set out in the Code of good conduct and compliance rules approved by the Board of Directors on December 5, 2007 (see chapter 4.3.3.1).

Accordingly, the committee took decisions on the following points:

- activity reports by the departments in charge of Group protection and IT security;
- main findings of audits and associated action plans;
- report by the Senior Vice President, Internal Audit, on frauds detected within the Group.

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

In 2009 the Compliance Officer:

- published memoranda, as in previous years, setting out the periods during which the persons named on the insider list are prohibited from trading in the Group's securities;
- answered all queries from employees regarding stock-option exercises (for which no shortcomings were observed).

The Compliance Officer also responded to requests from the Internal Control Function regarding improvements to control processes, notably with regard to compliance risk or fraud risk.

4.1.8 PROCEDURES FOR SHAREHOLDERS TO ATTEND GENERAL MEETINGS

In accordance with Article 21 of the company's articles, general meetings are open to all shareholders who have registered their shares under their own name at least three clear days before the meeting, under the conditions stipulated below.

Pursuant to Article L. 228-1 of the Commercial Code, general meetings are open to all shareholders who have registered their shares under their own name or that of a registered intermediary acting on his or her behalf. The entry must be made by midnight (zero hours) CET on the third business day before the meeting, either in the registered share account kept by the company or in the bearer share account held by an authorized intermediary.

The registration or book entry of bearer shares in the accounts held by the authorized intermediary is evidenced by an attendance certificate issued by said intermediary.

All shareholders are entitled to be represented at a general meeting by proxy, given either to another shareholder or their spouse. All legal shareholding entities may be represented at the general meetings by their legal representatives or any person designated by them.

Factors that may be material in the event of a public offering, as stipulated in Article L. 225-100-3, are described in chapter 1.2.2.2 (foundation).

4.2 PRINCIPLES AND RULES ADOPTED BY THE BOARD OF DIRECTORS FOR THE REMUNERATION OF SENIOR EXECUTIVES AND CORPORATE OFFICERS

At its meeting of December 10, 2008 Renault's Board of Directors took note of the Afep/Medef recommendations of October 6, 2008 on the compensation of corporate officers of listed companies. The Board considers that these recommendations are in line with the Group's corporate governance system.

The Board of Directors decided that Renault would adopt the Afep/Medef code, as amended by these recommendations, and would refer to it when drawing up the report required by Article L. 225-37 of the French Commercial Code.

Copies of the code are available at corporate head office.

The remuneration and benefits received by the Chairman and CEO are decided by the Board of Directors acting on the recommendation of the Remuneration Committee.

At its meeting on May 6, 2009, the Board of Directors opted to combine the functions of Chairman of the Board of Directors and CEO. It was stipulated that, from this date, the Chairman and CEO would receive no remuneration in his capacity as President of the Board of Directors.

The Chairman and CEO, in his capacity as CEO, will receive no variable portion of remuneration for the year 2009. His fixed remuneration paid in 2009 was equal to that paid in 2008.

This decision, which was made by the Board of Directors on March 5, 2010, complies with the provisions of implementing decrees No. 2009-348 of March 30, 2009 and No. 2009-45 of April 20, 2009 concerning the terms of "executive remuneration in companies that have received State support as a result of the economic crisis, and also in public companies".

A summary table of remunerations and benefits paid to corporate officers, including stock option plans, is included in chapter 2.4.3.5.

The Chairman and CEO also benefits from the complementary pension scheme set up for members of the Group Executive Committee (see chapter 2.4.1.1). It is the policy of the Board of Directors to consider appointed corporate officers as executives, for all aspects relating to remuneration, and particularly pensions.

4.3 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

This report covers all fully-consolidated Group companies.

4.3.1 INTERNAL CONTROL SYSTEM OBJECTIVES ✦

The Renault group is exposed to a variety of risks in the regular course of its business activities. It has therefore put in place an organized structure and procedures to control these risks as far as possible and reduce their negative impact.

The internal control system encompasses all of the company's businesses and every area of activity. Its priorities are to:

- ensure compliance with legal and regulatory requirements and the company's by-laws;
- control quality, cost and delivery times in all activities;
- ensure the quality, reliability and relevance of all financial, accounting and management disclosures;
- control any risks the company might engender for its partners and stakeholders in running the business;
- reduce exposure to fraud risk;
- implement recommendations by the Internal Audit and Risk Management Departments.

4.3.2 APPLICATION OF AMF STANDARDS

A review of Renault's internal control system, overseen by the Executive Vice President, Chief Financial Officer, and the Senior Vice President, Corporate Controller, was begun in 2007 and continued in 2009. The review had two main thrusts:

- draw up an overall inventory of Renault's procedural framework (management or internal control rules) with regard to AMF standards;
- conduct an in-depth analysis of operating processes deemed to have priority importance because of their direct impact on Group cash flow, including new vehicle sales, management of capital expenditure, fixed assets and capital goods purchases. These efforts made it possible to improve the internal control arrangements for the reviewed processes by individually formalizing the internal control techniques needed to meet the objectives of AMF standards.

This multi-year review program for key processes will continue in 2010, when it will be chiefly focused on sales of parts and accessories, inventories, and purchases of services. Meanwhile, the overall inventory of the procedural framework will be updated to reflect organisational and regulatory changes affecting activities.

Sales Financing is subject to banking and financial regulations and therefore applies the internal control measures laid down in Regulation 97-02 of the banking and finance regulator.

4.3.3 INTERNAL CONTROL SYSTEM COMPONENTS ✦

4.3.3.1 SHARED CORPORATE VALUES AND PRACTICES

CODE OF GOOD CONDUCT AND COMPLIANCE RULES

The Renault group has a Code of good conduct and compliance rules that have been disseminated to all staff members. All employees are required to comply with the code and the rules. In 2009 employees were asked during their individual year-end assessments whether they were familiar with the code.

COMPLIANCE COMMITTEE

In response to the changing regulatory environment, the Renault group strengthened its Compliance Committee in 2009 by organizing its activity around the following key areas:

- observance of the Code of good conduct and financial compliance rules;
- monitoring of the project to update internal control procedures as part of applying AMF recommendations;
- review of the risk management arrangements;
- analysis and assessment of shortcomings identified by Internal Audit, control of implementation of action plans to enhance the level of internal control;
- compliance with governance rules.

The Compliance Committee has the powers to propose initiatives in all the areas for which it has responsibility under the Code of good conduct. In the course of its duties, it has the authority to interview all Renault employees and be informed about all documents, including internal or external audits, and the minutes of Management Committee and Board meetings.

The Chairman of the Compliance Committee has direct access to the Chairman of the Accounts and Audit committee, and the Group's auditors.

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

WHISTLEBLOWING

The Group has a whistleblowing system that allows any member of staff to report irregularities arising in specific areas, namely accounting, finance, banking and the fight against corruption.

INTERNAL CONTROL, AUDIT AND RISK MANAGEMENT CHARTER ✦

The Internal Control, Audit and Risk Management Charter describes the roles and responsibilities of all those involved in internal control. The internal control system strictly observes the principle of task separation, with different parties responsible for setting and imposing the rules, for implementing the rules day-to-day, and for ensuring that the system is properly applied.

Accordingly, the internal control rules are set and imposed by:

- senior management, which determines the Group's objectives, with the agreement of the Board. It sets the operating rules and principles, as well as the values needed to achieve these objectives;
- the Management Control department, which sets and imposes the principles, rules and methods of internal control for accounting, management and operating processes. In some cases, the Group performs regular self-assessments;
- some risks identified by the Risk Management department may be addressed through the introduction of rules and procedures. These risks are then included in the list of risks that internal control seeks to manage.

Implementation and first-level control of the internal control system are provided by:

- management, which adapts and deploys internal control principles and methods within its area of responsibility;
- employees, who are required to comply with the internal control system for their area of activity;
- management control, which ensures that all company employees apply the management rules.

The system is constantly monitored to ensure that it is effective and properly applied. Monitoring is done:

- internally by:
  - the Compliance Committee, which ensures compliance with the rules as defined in AMF standards,
  - Internal Audit, which carries out an independent assessment of the level and quality of internal control within the company and provides advice and recommendations on improving the system;
- externally by:
  - the Accounts and Audit Committee, which notes the internal control system put in place by the Group,
  - the statutory auditors, who issue recommendation reports.

4.

✦ Global Reporting Initiative (GRI) Directives

4.3.3.2 MANAGEMENT OF ACTIVITIES

Strategic policies and decisions are examined firstly by the Group Executive Committee, composed of the Chairman and CEO, the Chief Operating Officer and the six Executive Vice Presidents. Decisions are discussed by the Board of Directors, which considers them, seeking the opinion of the International Strategy Committee should the need arise. The Chairman and CEO informs the Board about the enforcement of such decisions.

The Renault Management Committee is composed of the Group Executive Committee and the heads of Renault's main departments. Its members, working in conjunction with the management committees of the main operating departments, ensure that decisions are implemented in compliance with the Legal requirements of the countries where the Group operates. The Executive Committee keeps track of operations by monitoring budget outturns relative to the original budget. The Board regularly receives an update on the Group's commercial and financial position.

The Group is organized around a matrix-based system so as to coordinate the activities of the Regions, the Vehicles Program and Global Function departments (engineering, purchasing, manufacturing and marketing). Each Region (Europe, americas, Asia-Africa, Euromed and, since March 1, 2009, Eurasia) is managed by a Regional Management Committee (CMR). CMRs are composed of representatives of Global Functions, the Vehicles Programs and the managers of the major countries in the Region.

In addition to management reporting lines, the Group has also introduced a system of staff reporting lines enabling support departments to conduct their activities on a cross-functional basis.

Since 2008, Management Control has had responsibility for assessing the Group's internal control system.

4.3.3.3 FOUNDATIONS OF THE INTERNAL CONTROL SYSTEM

CLEARLY DEFINED RESPONSIBILITIES AND POWERS

With the exception of strategic decisions and the monitoring of financial and legal issues and public affairs, which remain under the direct responsibility of the Chairman and CEO, the Chief Operating Officer is in charge of all operational decisions.

The decision-making process is based on a system of delegation of responsibilities that specifies the areas in which operating personnel are entitled to make decisions and the authorized levels for such decisions. Staff can consult the delegation rules on the intranet.

However, some decisions are not delegated. These include decisions on equity transactions for subsidiaries, sales and acquisitions of companies or businesses, partnerships and cooperation agreements and Hedging of raw material or exchange rate risks. Such proposed operations are examined by an expert committee, which gives its opinion. The Chairman and CEO has the final say.

A TRAINING SYSTEM TO BUILD THE RIGHT SKILLS

The Management-Finance Academy provides training courses (e-learning and face-to-face tuition) in the areas of economics and finance, as well as educational materials and an economics dictionary for management and finance staff and employees generally. In 2009 training programs were updated to include methods for optimizing free cash flow, and modules to build awareness about internal control, risk management, and economic fundamentals (especially among new managers).

OPERATING METHODS AND PROCEDURES

Work begun in 2004 on consolidating management procedures continued in 2009, with some major updates in part prompted by the review of the internal control system. The aim is to provide line managers with a standard set of procedures.

All of the documentation is available to staff in all Group entities through the management control intranet portal, including:

- all standards, rules and instructions, whether they pertain to a specific business or apply in a standardized manner across the company;
- an economics dictionary, to enable employees to gain a better understanding of the main concepts and aggregates used to steer the Group's business performance;
- the internal control system, as the review of operating processes advances.

Regular communications ensure that company employees are informed about updates.

In addition, the Group's Accounting department has an Accounting Standards and Policies Section and the authority to ensure that applicable accounting policies are properly applied. Department personnel who are directly involved in preparing financial and accounting disclosures have access to all the information they need to carry out their duties. In 2009 additional training programs were organized to familiarize employees in the central departments and subsidiaries with changes to IFRS.

Sales Financing has a tool to centralize and verify the exhaustiveness of procedures. In all subsidiaries, affected employees have access to all their subsidiary's procedures as well as those of the Group via this single tool. The main Sales Financing processes (e.g. acceptance, collection/disputes, refinancing, system security, physical asset security, risk monitoring and accounting) are covered by procedures based on the principle of segregated powers. These procedures introduce approval and validation arrangements, make sure that decisions are taken at an appropriate level and include checks to ensure proper implementation.

Sales Financing has a framework procedure describing the compliance arrangements, which are managed on a quarterly basis by subsidiaries via compliance committees. Key points are addressed at Group Compliance Committee meetings.

4.3.4 RISK MANAGEMENT

The Group created a Risk Management Committee in 2009. Chaired by a member of the Group Executive Committee, the committee is tasked with determining the risk management policy, approving the Group risk map, and monitoring progress in action plans on key Group risks.

In particular, the Group Risk Management Committee updated the Group risk map to reflect the impact of the crisis. The update was presented to the Accounts and Audit Committee.

As part of the Internal Control, the Audit and Risk Management Charter, the Risk Management department has formalized the global risk management system in a document that describes Renault's organisational principles and methods.

The Risk Management department has two networks:

- one made up of experts who manage specific risk areas, risks which may be common to all companies or specific to a particular sector of activity as regards risks related to international expansion, product reliability and quality, suppliers, production and the environment, information systems, as well as financial and legal risk;
- the other composed of Risk Management department correspondents belonging to the Management function and present in all the Group's entities.

Renault applies a risk control method based on identifying and mapping all types of risk and on preparing action plans to eliminate, prevent, protect against or transfer those risks. Risk Management Committees are being set up in the operating entities to validate risk maps and action plans. The Insurance department is closely involved in this process.

The Compliance Committee and the Accounts and Audit Committee regularly monitor the system and its operation.

Risk management is described in a separate chapter included in the 2009 Registration Document (chapter 2.3).

4.3.5 INFORMATION SYSTEMS

4.3.5.1 ORGANIZATION OF THE IT FUNCTION

The Renault Information Systems department (DSIR) supports the international expansion and goals of the Renault group by developing, deploying and maintaining innovative and standardized application solutions to meet the needs of the Group's businesses around the world.

Global coverage is provided by:

- the Corporate Department (DSIR);
- Regional Shared Services Centers;
- Local Information System Entities, which operate close to end users.

4.3.5.2 IS POLICY

At the central level, four Information Systems departments (Sales, Engineering-Quality & Purchasing, Manufacturing & Supply Chain, Support Functions – General Resources Management) are in charge of aligning information systems with business needs. They prepare annually updated IS master plans for each major functional area.

Consistency across the functional areas is enhanced through:

- a single mapping system for all applications and centralized configuration management;
- company data master files;
- a single datawarehouse.

4.3.5.3 IT POLICY

Central IT resources are operated by a secure global system of data centers (Group Data Center in France plus local data centers) linked through the One Network, a single set of IT networks shared with Nissan.

An IT catalog shared with Nissan records all approved software and hardware components.

Workstations and associated services are highly standardized and protected.

Technical policies are defined, formalized and published (Security, Networks and Telecommunications, Data Center, Infrastructures, Application Architecture, etc.).

4.3.5.4 SOURCING

Partnerships with a select number of suppliers (development, operation, workstations) strengthen overall consistency and control.

An offshore internal development center has been set up in Chennai (India) to maintain control over strategic applications while obtaining the best business conditions.

Furthermore, many applications are based on market-leading software packages (SAP, Catia, Siebel and others).

4.3.5.5 ALLIANCE SYNERGIES

Studies are carried out at application level (IS) and technical level (IT) in an effort to identify synergies with Nissan. A single person is in charge of Renault's and Nissan's IT departments.

4.3.5.6 INTERNAL CONTROL AND MONITORING SYSTEMS

GENERAL PRINCIPLES

The Business Performance, Quality, and Architectures, Methods and Technologies departments manage DSIR's risk management and internal control systems:

- the Business Performance department monitors general risks related to financial processes (investments, purchasing, profitability, etc.);
- the Quality department monitors specific risks related to IT operating processes (loss of quality or productivity in development, operation, support, skills, etc.);
- the Architectures, Methods and Technologies department monitors risks related to IS security (IT interruptions, theft of confidential data or destruction of digitized data).

GENERAL RISKS RELATED TO FINANCIAL PROCESSES

The Business Performance department, supervised by Management Control in accordance with Group standards, implements:

- investment process controls for new IS or technical infrastructure projects (IT project agreements, IT project agreement committees, etc.);
- budget and purchasing management controls (SAER, etc.).

SPECIFIC RISKS RELATED TO IT OPERATING PROCESSES

The Quality department has cross-functional responsibility for defining and monitoring these processes (project management, operational quality, support, etc.). It supervises them using the DSIR performance chart, which includes the main incident, performance and other indicators.

It also sends a 280-point self-assessment questionnaire on DSIR procedures to its various locations, subsidiaries and central departments.

In 2009 eight pilot sites carried out self-assessments. Corrective action plans were introduced for areas where controls showed shortcomings, and DSIR experts were alerted where necessary.

The self-assessment approach is currently being deployed worldwide.

RISKS RELATED TO INFORMATION SYSTEMS

Risk management is provided:

- at the Group level, through an IT Risk Management Committee organized by the DSIR in conjunction with the Risk Management department, with representatives from company departments and the Information Management Program;
- through Security Monitoring Committees, which check the effective application of IT security procedures at operational level, in accordance with best international practice (ISO 27001 type policy and approach); in 2009, these committees were set up in the DSIR's central departments, the main subsidiaries (RCI Banque, RRG) and the Shared Services Centers worldwide;
- through an organisational structure for validating the architecture and security levels implemented as part of projects;
- through internal risk reviews carried out by the DSIR, in addition to audits by the Internal Audit or Group Protection departments.

Work done in the area of security in 2009 led to the following:

- the updated IS Security Policy was published as part of the Economic and Financial Handbook and the final touches were put to the shared security policy with Nissan;
- security measures were bolstered to reflect the new challenges associated with the Group's international expansion and partnerships (management of access and confidentiality, protection of the Alliance intranet, etc.);
- recovery resources and procedures for the Group's main data centers were strengthened (testing of recovery plans, deployment of procedures in main plants).

4.3.6 CONTROL ACTIVITIES AND PARTICIPANTS

4.3.6.1 CONTROLS PERFORMED BY THE MANAGEMENT CONTROL FUNCTION

The Management Control Function coordinates and measures economic performance at various levels of the organization (Group, business area, operations).

Within the Group's management model, the Function's role consists in:

- supervising the Group through:
  - organized and consistent adaptation of performance measurement through operating margin data for each entity, Region and vehicles program,
  - key performance indicators that allow standardized measurement of business-line results,
  - use of indicators to monitor free cash flow;
- setting the company's economic targets and budget and delivering operating reports;
- 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 a recommendation in each case;
- implementing and controlling the management of transfer pricing in line with OECD guidelines.

A key element of the internal control system, the Management Control Function is also in charge, in accordance with the Internal Control, Audit and Risk Management Charter, of defining and deploying the internal control system and for performing first-level controls on the system (see chapter 4.3.3).

Sales Financing carries out first-level controls that are standardized for all the Group's key activities. Dedicated personnel are also charged with second-level permanent control missions, in line with banking regulations. Furthermore, the Group performed accounting controls of subsidiaries in 2009 that enhanced the quality and reliability of financial disclosures.

4.3.6.2 INTERNAL AUDIT CONTROLS

Renault has a centralized, independent Internal Audit Function that assesses the internal control system, gives management recommendations on improvements and provides senior management with reasonable assurance as to the level of control of operations. As part of the Compliance Committee, the Internal Audit Function warns of any behavior that goes against the Code of good conduct and, in broader terms, warns senior management about situations where control is insufficient.

The function has jurisdiction over the entire Group. An annual audit plan designed to cover the major risks is drawn up and presented to the Accounts and Audit Committee and to the Group Executive Committee, which approves it.

After every assignment, the Internal Audit Function provides the Chairman and CEO, the Chief Operating Officer and the relevant members of the Group Executive Committee with a summary report outlining the level and quality of internal controls, as well as the main strengths and weaknesses noted, and sets out its main recommendations with a list of commitments made by the entities in their action plan. An annual internal audit report is presented to the Group Executive Committee and the Accounts and Audit Committee.

In 2009, as in previous years, internal audit controls covered:

- compliance of operations with Group management rules; in particular, in addition to periodic audits of recurring operations, the audit plan concentrated on items relating to free cash flow;
- the effectiveness of certain business processes, with a particular focus in the audit plan on cross-company processes;
- the effectiveness of the internal control system in preventing malfunctions and correcting their impact.

Line managers are tasked with implementing post-audit recommendations. The Internal Audit Function keeps a precise track of the action plans relating to key recommendations, working closely with the Group's network of management controllers. A status report is presented half-yearly to the Group Executive Committee and to the Accounts and Audit Committee, to help ensure that progress is effective across the company. Audits classified as red or orange because of the seriousness of the problems detected are covered in special follow-up meetings attended by the Group CFO.

4.3.7 ORGANIZATION OF PROCEDURES FOR PREPARING FINANCIAL AND ACCOUNTING INFORMATION

The Renault group's activities are divided into two separate arms, Automobile and Sales Financing (RCI Banque). The consolidated financial statements are prepared for publication using a single consolidation tool, organized according to an accounting charter common to all entities within the scope of consolidation.

The Group's information systems support the simultaneous generation of financial statements under local accounting rules to guarantee data consistency at a time when lead times for centralizing and consolidating information are being shortened.

4.3.7.1 PRINCIPLES USED IN PREPARING THE FINANCIAL STATEMENTS

Renault SA, the consolidating company, gives definitions for, coordinates and supervises the preparation of financial and accounting disclosures, notably by drawing up and disseminating consolidation instructions to subsidiaries at each period close. Working under the chairmen and chief executives of the subsidiaries, management controllers and administrative and finance directors are responsible for preparing the parent company's financial statements and the restated accounts used in the consolidated statements.

A manual setting out the Group's presentation and evaluation standards (currently being updated) is supplied to all entities so that financial information is reported in a uniform manner.

Efficient linkages between the financial reporting mechanisms and the Group's operational systems lie at the heart of the procedures used to prepare financial and accounting information. The company relies on powerful and well-managed information systems that can: cope with the large amounts of information to be processed, supply processed data to the necessary high standard, and meet the ever shorter deadlines required for the preparation of financial reports, which allow senior management to react.

4.3.7.2 GROUP FINANCIAL STATEMENTS PUBLISHED UNDER IFRS

Pursuant to Regulation 1606/2002 passed on July 19, 2002 by the European Parliament and the Council, Renault's consolidated financial statements for 2009 were prepared under the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) at December 31, 2009 and endorsed for application by a European Commission regulation published in the Official Journal of the European Union at year-end close.

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 participates in all the key stages of the approval process for financial and accounting disclosures.

4.3.7.3 STRUCTURAL ELEMENTS OF THE CONTROL PROCESS

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

- operational systems upstream of accounting are systematically standardized;
- ERP financial and accounting modules continue to be introduced at industrial and/or commercial entities worldwide. Around 70 legal entities in 30 or so countries now have these modules.

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

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

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

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

Renault has matched the essential account headings with the relevant control techniques to ensure the quality of the financial statement preparation process, in line with AMF recommendations on accounting procedures. As part of this, the control systems in place for operating methods have gradually been strengthened.

4.3.7.4 AUDITS

AUDITORS' CHARTER

The Financial Security Act, Title III, contains provisions on the legal auditing of accounts, particularly Article 104 on auditors' independence. Pursuant to those provisions, in 2004 Renault, together with the statutory auditors and under the Chairman's authority, took the initiative of drafting a Charter on Auditor engagements and independence and cosigning it with them. In addition to defining the scope of application, the Charter addresses the separation of engagements by specifying those inherent to the statutory auditors' function and therefore authorized automatically and those that cannot be performed by statutory auditors and their network because they are incompatible with the auditors' mandate. Further, it specifies the additional or complementary assignments that may be performed by the statutory auditors and their network and how those assignments are to be authorized and supervised. The Charter also includes the undertaking of independence and sets the rules for partner rotation.

The Charter governs the relationship between the Renault group (the parent company and the fully-consolidated French and international subsidiaries) and its statutory auditors. The auditors are responsible for ensuring that the Charter is applied by members of their network acting as external auditors for fully-consolidated subsidiaries and also for policing compliance with the regulations in force in countries where Group companies are established.

4.4 STATUTORY AUDITORS' REPORT ON THE REPORT OF THE CHAIRMAN ✦

Renault

Year ended December 31, 2009

Statutory Auditors' report, prepared in accordance with Article L. 225-235 of French company law (*Code de commerce*), on the report prepared by the Chairman of the Board of Directors of the company

This is a free translation into English of the statutory auditors' report issued in French prepared in accordance with Article L. 225-235 of French company law on the report prepared by the Chairman of the Board of Directors on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information issued in French and is provided solely for the convenience of English speaking users.

This report should be read in conjunction and construed in accordance with French law and professional standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Renault and in accordance with Article L. 225-235 of French company law (*Code de commerce*), we hereby report on the report prepared by the Chairman of your company in accordance with Article L. 225-37 of French Company Law (*Code de commerce*) for the year ended December 31, 2009.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by Article L. 225-37 of French Company Law (*Code de commerce*), particularly in terms of corporate governance.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information; and
- to attest that this report contains the other disclosures required by Article L. 225-37 of French company law (*Code de commerce*), it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with Article L. 225-37 of French company law (*Code de commerce*).

Other disclosures

We hereby attest that the Chairman's report includes the other disclosures required by Article L. 225-37 of French company law (*Code de commerce*).

Neuilly-sur-Seine and Paris-La Défense, March 8, 2010

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIES — ERNST & YOUNG Audit

4.5 ADDITIONAL INFORMATION: INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS

Internal regulations of the Board of Directors, Director's Charter and Procedure concerning the use and/or the communication of insider information.

Adopted by the Board during its meeting of September 10, 1996 and amended during its meetings of June 8, 2000, October 23, 2001, July 25, 2002, December 17, 2002, February 22, 2005 and July 29, 2009.

The purpose of these regulations is to define the rules, terms and methods of working of the Board of Directors and its committees, as amended by the meeting of the Board of Directors of July 29, 2009, which decided to adapt its corporate governance arrangement by opting for the concentration of the powers of Chairman of the Board of Directors and of the CEO. The internal regulations are supplemented with a Director's Charter specifying his rights and duties.

4.5.1 INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS

4.5.1.1 THE BOARD OF DIRECTORS

Renault's Board of Directors, a collegiate body, is obliged to act in all circumstances in the company interest. The Board collectively represents all of the shareholders and takes into account any stakeholders' expectations.

The Board of Directors elects the Chairman of the Board of Directors and the CEO. As the Board has opted for the concentration of the powers arising under these positions, the person holding them shall take the title of Chairman and CEO. Thus, by way of simplification, these regulations shall refer exclusively to the title of Chairman and CEO, it being specified that he shall act as the case may be under his responsibilities as Chairman of the Board of Directors or as CEO.

As a continuation of this decision to concentrate these positions, the Board of Directors shall appoint a "Senior Independent Director" from among the members of the Board, for the purpose of guaranteeing the respect of the collegial decision making-process and the expression of any standpoints.

The Board shall determine, on the proposal of the Chairman and CEO acting under his responsibilities as CEO, Renault's strategy; it supervises the management of the company and ensures the quality of information provided to the shareholders and to markets, through the financial statements or at time of very substantial operations. It makes public its opinion as to the conditions of operations concerning the company's shares whenever the nature of such operations so requires.

The Board of Directors discusses the strategic orientations of the enterprise, including with respect to the Alliance, as proposed by the Chairman and CEO; it examines, once per year, the possible changes with respect to these orientations. It votes, in advance, on any important decision which is not in line with the strategy of the enterprise.

The Board of Directors discusses and determines, on the report of the Chairman and CEO, the decisions which the single member of Renault s.a.s. may be led to make, as well as those that may be called upon by the Restated Master Alliance Agreement as listed in an appendix hereto.

It examines Renault's medium term plan, operating budget and investment budget annually.

At each of its meetings, it shall be informed of developments in the results of the enterprise with reference to the income statement, the balance sheet and cash flow, and twice per year with reference to its off-balance sheet commitments.

It approves the report drawn up by the Chairman and CEO, acting under his responsibilities as Chairman of the Board of Directors, reporting on the conditions for the preparation and organization of work of the Board of Directors, as well as the procedures for internal control and risk management.

It shall be alerted by the Chairman and CEO, promptly, as to any external event or internal development which has a major impact on the prospects of the enterprise or the forecasts which have been presented to the Board of Directors.

Renault's Board of Directors proceeds whenever necessary with an examination of its make-up, its organization and its working once per year; it informs the shareholders of the positions or arrangements that it adopts in this respect.

The Board of Directors may, on a proposal by the Chairman and CEO, appoint a former corporate officer as Honorary Chairman, due in particular to his past contribution to the development and success of the enterprise.

Meetings of the Board of Directors may proceed using any technical means, provided that such means guarantee the effective participation of the Directors. Directors who participate in meetings of the Board using such means shall therefore be deemed present for the calculation of quorum and majority, except for proceedings concerning the drafting of the company financial statements or consolidated financial statements, and proceedings concerning the appointment or removal from office of the Chairman of the Board of Directors, the CEO or the deputy chief executives, for which the physical presence of the Directors is required.

4.5.1.2 THE CHAIRMAN AND CEO

The Chairman and CEO shall, under his responsibilities and by virtue of the powers vested in him as Chairman of the Board of Directors, carry out the tasks described below.

He organizes and directs the work of the Board and reports on this to the General Meeting. He ensures the proper working of the company's decision-making bodies and, especially, the Board's committees. In particular, he ensures, with the Senior Independent Director, that the Directors are in a position to be able to fulfil their tasks, notably within the committees to which they contribute.

He ensures that principles of corporate governance are set out and implemented to the highest level.

He alone may act and express himself in the name of said body.

The Chairman and CEO represents the group in its high-level relations, notably with public authorities, at the national and international level.

He ensures that the Board dedicates the necessary time to questions concerning the future of the Group and especially its strategy, notably with respect to the Alliance.

He submits the strategic orientations of the enterprise, including those pertaining to the Alliance and the decisions that the sole member of Renault s.a.s may be led to take, to the Board of Directors. He informs the Board of measures taken in the implementation of the Restated Master Alliance Agreement, and reports to it on the decisions that the Board may take in the implementation of the Restated Master Alliance Agreement.

He may hear the Statutory Auditors.

He may attend, in a consultative capacity, meetings of the Board's committees which he is not a member of and may consult them on any question falling within their powers.

4.5.1.3 APPOINTMENT OF A REFERENCE DIRECTOR OR "SENIOR INDEPENDENT DIRECTOR".

The "Senior Independent Director", whose designation forms part of the extension of the concentration of powers of the Chairman of the Board of Directors and the CEO, constitutes a guarantee as to the balance of powers. The Senior Independent Director, whose role shall consist in coordinating the activities of the independent directors, may act as liaison between the Chairman and CEO, acting under his responsibilities as Chairman of the Board of Directors, and the independent directors.

The Senior Independent Director, upon the proposal of the Appointment and Governance Committee, is appointed by the Board from among the directors classed as independent, for the duration of his term of office as director, on the recommendation of the Appointments and Governance Committee.

He is the member of the Accounts and Audit Committee and of the Appointments and Governance Committee of the enterprise.

His tasks shall include, in particular:

- advising the Chairman of the Board, and the Chairmen of each of the specialized committees;
- chairing meetings of the Board of Directors in the absence of the Chairman and CEO. In particular, he shall chair proceedings concerning the assessment of performance with a view to fixing the remuneration of the Chairman and CEO after the advice of the Remuneration Committee.

4.5.1.4 THE BOARD'S COMMITTEES

In order to favor the performance of its tasks and the attainment of the objectives it sets itself, Renault's Board of Directors has four study committees:

- an Accounts and Audit Committee;
- a Remunerations Committee;
- an Appointments and Governance Committee;
- an International Strategy Committee.

The Chairmen of the various committees report on the work and opinions of the Committees which they chair at meetings of the Board of Directors.

A. COMPOSITION, TASKS AND METHOD OF WORKING OF THE ACCOUNTS AND AUDIT COMMITTEE:

1. Composition

The Accounts and Audit Committee is made up of Directors chosen by the Board of Directors. It shall contain a majority of independent Directors, with in particular some competency in financial or accounting matters. The Chairman and CEO cannot be a member of this committee.

It shall not include any Director or permanent representative of a Director who holds office within a company in which a Director or permanent representative of Renault reciprocally sits on the Audit Committee or Accounts Committee.

The Chairman of the Committee is chosen by the Board of Directors.

2. Tasks and powers

The tasks of the Accounts and Audit Committee are, notably at the time of drafting the company or consolidated accounts drawn up on both a half-yearly and annual basis (hereinafter referred to as the "Financial Statements"), and on the preparation of any decision which is submitted to the vote of the Board of Directors in this respect:

- to analyze the Financial Statements as prepared by the Company's departments and Divisions. The examination of the Financial Statements by the Committee must be accompanied by a memorandum from the Statutory Auditors underlining the essential points in the results, the accounting choices made, and a memorandum from the Chief Financial Officer describing risk exposure and the off-balance-sheet commitments of the enterprise. With respect to internal audit and risk control, the Committee must examine the significant off-balance-sheet commitments and risks, hear the head of internal audit, give its opinion on the organization of this department and be informed of its work program. It must be an addressee of the detailed internal audit reports or a periodical summary of these reports in order to allow the detection of significant risks;
- to ensure that the methods adopted for the drafting of the Financial Statements comply with applicable standards, and to analyze the changes made to these methods, where applicable;
- to examine with the Statutory Auditors the nature, extent and results of their inspection of the Financial Statements; to raise with them in particular any remarks which they may wish to make on the Financial Statements at the end of their review work;
- to give its opinion on the appointment or renewal of the Statutory Auditors and on the quality of their work. The Committee is thus called upon to prepare the selection of external auditors, putting forward the one making the best offer. It shall issue a recommendation on the Statutory Auditors nominated for appointment by the General Meeting and, in a general manner, it ensures compliance with rules guaranteeing the independence of the Statutory Auditors;
- to follow the effectiveness of internal control and risk management systems, to verify the relevance of the internal control methods;
- to examine the extent of group consolidation and the reasons why certain companies, as the case may be, are not included within the consolidated scope of the group;
- to make any recommendations to the Board in the fields described above.

It may be consulted by the Chairman and CEO on any question falling within the scope of its tasks.

3. Method of working

The Committee meets each time it considers it necessary and in any event prior to meetings of the Board, where the Board's agenda includes the closing of or examination of the Financial Statements or any decision concerning the Financial Statements.

For the fulfilment of its tasks, the Committee shall have the possibility of meeting the Statutory Auditors while excluding the presence of the company executives and persons involved in the drafting of the Financial Statements and may request that they produce any document or information necessary for the fulfilment of their tasks.

Its secretariat is provided by the secretariat of the Board of Directors.

B. COMPOSITION, TASKS AND METHOD OF WORKING OF THE REMUNERATIONS COMMITTEE.

1. Composition

The Remunerations Committee is made up of directors chosen by the Board, the majority of whom shall be independent. The Chairman of the Board of Directors and the CEO may not be member of this committee.

It shall not include any Director or permanent representative of a Director who holds office within a company in which a director or permanent representative of Renault reciprocally sits on the Remunerations Committee.

The Chairman of the Committee is chosen by the Board of Directors.

2. Tasks and powers

It has the following tasks:

- to propose to the Board the amount of the variable part of remuneration for corporate officers and the rules for fixing this variable part, ensuring the coherency of these rules with the annual assessment of the performance of the interested parties as well as with the enterprise's medium term strategy, and supervising the annual application of these rules;
- to make any recommendation to the Board concerning the remuneration, perks and pension of the Chairman of the Board of Directors, the CEO and any other senior executive or corporate officer;
- to assess all of the remuneration and perks received by the senior executives and by members of the Executive Committee, including, as the case may be, from other companies in the Group;
- to examine the general policy for the attribution of options and comparable perks and make proposals to the Board of Directors both in matters of policy and with respect to the attribution of stock-options and comparable perks.

It may be consulted by the Chairman and the CEO on any question falling within the scope of its tasks and on any question connected to the fixing of the remuneration of members of the Group Executive Committee.

3. Method of working

The Remunerations Committee meets at least once per year and, in any event, prior to Board meetings where the Board's agenda includes questions falling within the scope of its tasks. Whenever necessary, it may have external bodies proceed with such research and surveys as it thinks fit, at the expense of the enterprise.

Its secretariat is provided by the secretariat of the Board of Directors.

C. COMPOSITION, TASKS AND METHOD OF WORKING OF THE APPOINTMENTS AND GOVERNANCE COMMITTEE

1. Composition

The Appointments and Governance Committee is chaired by a director appointed by the Board and its members shall comprise directors chosen by the Board, with the majority of them to be independent.

It shall not include any Director or permanent representative of a Director who holds office within a company in which a Director or permanent representative of Renault reciprocally sits on the Appointments Committee.

2. Tasks and powers

It has the following tasks:

- to make all proposals to the Board concerning the appointment of the Chairman of the Board of Directors, the CEO and the corporate officers, in conformity with procedure, as it has determined in advance, intended in particular to select the Directors, and to proceed with studies concerning potential candidates;
- to assess whether it is opportune to renew expiring terms of office, while taking account in particular of the changes and developments in the Company's shareholders and the necessity of maintaining a suitable proportion of independent Directors;
- to be in a position to provide the Board with proposed solutions for succession in the event of an unforeseeable vacancy;
- to make all proposals concerning the chairmanship and concerning the composition and tasks of the various Board committees;
- to follow up on questions of corporate governance;
- to draft, each year, an overview of the working of the Board, and where necessary to propose changes.

3. Method of working

The Appointments and Governance Committee meets at least once per year and, in any event, prior to Board meetings where the Board's agenda includes questions falling within the scope of its tasks. Whenever necessary, it may have external bodies proceed with such research and surveys as it thinks fit, at the expense of the enterprise.

Its secretariat is provided by the secretariat of the Board of Directors.

D. COMPOSITION, TASKS AND METHOD OF WORKING OF THE INTERNATIONAL STRATEGY COMMITTEE

1. Composition

The International Strategy Committee is made up of Directors chosen by the Board of Directors.

The Chairman of the Committee is chosen by the Board of Directors.

2. Tasks and powers

Its work concerns the activity of the Company outside France.

It has the following tasks:

- to study strategic orientation proposed by the Chairman and CEO concerning the international development of the Company and the Alliance;
- to analyze and examine the Company's international projects for the Board, and to issue an opinion on these projects;
- to proceed with the follow-up of the Company's international projects and to draft reports on the request of the Board.

It may be consulted by the Chairman and CEO on any question falling within the scope of its tasks.

3. Method of working

This Committee meets at least twice each year and each time it considers it necessary, and prior to Board meetings where the Board's agenda includes the examination of international projects.

For the fulfilment of its tasks, the Committee may meet the concerned departments and Divisions of the Company and those persons who contribute directly to the drafting of these projects, and request that they produce any document or information necessary for the fulfilment of their tasks.

Its secretariat is provided by the secretariat of the Board of Directors.

4.5.2 THE DIRECTOR'S CHARTER

The Board has laid down the terms of a Director's Charter which specifies a Director's rights and duties.

4.5.2.1 KNOWLEDGE OF THE LEGAL FRAMEWORK GOVERNING *SOCIÉTÉS ANONYMES* [≈ PUBLIC LIMITED COMPANIES] AND THE ARTICLES OF ASSOCIATION OF THE COMPANY

Each Director, at the time that he takes up office, must have informed himself of the general and specific duties attaching to his office. In particular he must have informed himself as to laws and regulations concerning the working of *sociétés anonymes* [≈ public limited companies], Renault's Articles of Association, a copy of which will have been given to him, these internal regulations and any addition or amendment as may later be made thereto.

4.5.2.2 HOLDING SHARES IN THE COMPANY

Pursuant to Article 11.2 of the Articles of Association, each Director must be able to prove that he personally holds at least one share, or any greater number of shares that he considers he should hold; this share, or these shares, must be registered shares.

It is recalled that the law also obliges directors' spouses to ensure that their shares are registered shares or deposit them in a bank or financial establishment which is authorized to receive deposits of shares from the general public or with a stock market company. Moreover, as the company is obliged to communicate to the AMF all transactions made by the Directors and by persons who are closely connected to them concerning the shares – acquisitions, subscriptions, exchanges, etc. – each Director undertakes to inform the Group Professional Ethics Office within 24 hours of undertaking such a transaction.

4.5.2.3 REPRESENTING THE SHAREHOLDERS

Each Director must act in all circumstances in Renault's company interest, and represents all of the shareholders.

4.5.2.4 DUTY OF HONESTY AND FAIRNESS

Each Director is obliged to inform the Board of any situation or risk of a conflict of interests with Renault or any company in its Group and must abstain from the vote for the corresponding decision(s).

4.5.2.5 DUTY OF DILIGENCE

Each Director must dedicate the time and attention necessary for the performance of his tasks. He must be assiduous and must attend all meetings of the Board and of the Committees which he is a member of, except in the event of true impossibility.

4.5.2.6 RIGHT TO OBTAIN COMMUNICATION AND DUTY TO INFORM

Each Director has the duty to inform himself. He must request from the Chairman of the Board of Directors, at appropriate times, the information that he considers necessary in order to fulfil his tasks and in order to participate with respect to the points recorded on the agenda for meetings of the Board. In addition, the Board's Secretariat shall remain at the Directors' disposal at all times in order to document this information.

4.5.2.7 PROFESSIONAL SECRECY

Each Director must, in addition to the duty of discretion provided for by Article 225-37 of the Commercial Code, consider himself to be bound by professional secrecy for all non-public information which he may become aware of in the context of his tasks as Director.

4.5.2.8 INSIDER INFORMATION

Each Director undertakes, as any senior manager in the Group, to comply with Renault's internal procedure concerning the use and/or communication of insider information concerning Renault and/or Nissan, as well as any applicable legislative or regulatory provisions.

4.5.2.9 REIMBURSEMENT OF EXPENSES

Each Director is entitled to reimbursement, on presentation of substantiating documents or receipts, of his travelling expenses as well as other expenses which he incurs in the interest of the company.

4.5.3 PROCEDURE CONCERNING THE USE AND/OR COMMUNICATION OF INSIDER INFORMATION

Furthermore, the Board of Directors has adopted the following provisions as internal procedure applicable to the whole group, concerning the prevention of the use or communication of insider information.

Since the opening up of Renault's share capital in 1994 and the listing of its shares on the Paris financial market, the Company is more than ever exposed to the risk of use and/or communication of insider information. In addition to civil, administrative and criminal law sanctions that Renault directors, senior executives, corporate officers and employees face if they are found guilty of committing, aiding and abetting or receiving the benefit of offences in this field, the credit of the Company itself with respect to the general public may find itself enduringly affected in the event of proven misconduct.

Therefore, in order to avoid any use and/or communication of information which may turn out to be harmful to the Company, this procedure is intended to define:

- the nature of this information;
- the conditions for its use and/or communication;
- the application of these rules to the attribution of stock-options.

4.5.3.1 NATURE OF THE INSIDER INFORMATION

Insider information shall mean any information concerning Renault and/or Nissan, whether favorable or unfavorable, which could have an effect on the stock market price of Renault and/or Nissan shares were it to be made public (hereinafter referred to as "Insider Information"). Insider Information may concern, but shall not be limited to, the current situation or prospects of Renault and/or Nissan and the companies of their Group, as well as the prospects for the development of Renault and/or Nissan shares.

More generally, any information that has not been released to the market through a press release etc. shall remain non-public. It is only the publication of information through media which broadcast or circulate widely which will confer a public nature on insider information.

4.5.3.2 USE AND/OR COMMUNICATION OF INSIDER INFORMATION

Any and all directors, senior executives, corporate officers and employees of Renault and the companies of its Group who hold Insider Information whether permanently or on occasion (hereinafter referred to as an "Insider") must, whatever their degree of responsibility, refrain from undertaking any transaction on the market, whether undertaken directly or through the intermediary of a third party, concerning Renault and/or Nissan shares, until such time as said information is made public.

Directors, senior executives, corporate officers or employees of Renault whose position or office makes them liable to permanently hold Insider Information must not, as a general rule, undertake any transaction concerning Renault and/or Nissan shares (including shares in FCPE Actions Renault ["Renault Shares" inhouse investment fund]) during the following periods:

- from January 1 to the announcement of Renault's annual results and Nissan's quarterly results (i.e. approximately the beginning of February);
- from April 1 to the announcement of Nissan's annual results (i.e. approximately mid-May);
- from July 1 until the announcement of Renault's half-yearly results and Nissan's quarterly results (i.e. approximately the end of July);
- from October 1 until the announcement of Nissan's quarterly results (i.e. approximately mid-November).

Furthermore, any and all Insiders must not disclose any Insider Information within Renault or outside Renault other than in the normal context of their duties, that is to say for purposes or for an activity other than those for which or in respect to which said information is held and must take all appropriate steps for this purpose.

Generally, Insiders must act with the greatest caution, and the fact of holding such information shall necessarily lead them to refrain from proceeding with any transaction concerning Renault and/or Nissan shares even where said transaction was planned prior to becoming aware of the information in question.

4.5.3.3 THE APPLICATION TO THE ATTRIBUTION OF STOCK-OPTIONS

Without prejudice to the above, the Board of Directors undertakes not to grant stock-options:

- within a period of ten stock market business days prior to and following the date on which the consolidated Financial Statements, or in their absence the company Financial Statements, are made public;
- within the period beginning on the date on which the corporate decision-making bodies become aware of information concerning Renault and/or Nissan which could have a significant effect on the stock market price of Renault shares were it to be made public, and the date following ten stock market business days after the date on which said information was made public.

The importance of this procedure to the Company is obvious. To ensure that it is properly understood and enforced, on July 26, 2001 the Board appointed a Compliance Officer. He must be consulted on any question concerning the interpretation and application of the procedure.

5.

RENAULT AND ITS SHAREHOLDERS 5.

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5.1 GENERAL INFORMATION

5.1.1 OVERVIEW

5.1.1.1 BUSINESS NAME AND REGISTERED OFFICE ✦

Business name: Renault

Registered office: 13-15 quai Le Gallo, 92100 Boulogne-Billancourt – France

Tel.: +33 (0)1 76 84 04 04.

5.1.1.2 LEGAL FORM ✦

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.

5.1.1.3 DATE OF FORMATION AND DURATION OF THE COMPANY

The company was formed on January 16, 1945 and will cease to exist on December 31, 2088 except in the case of early termination or renewal.

5.1.1.4 PURPOSE

The company's corporate purpose includes the design, manufacture, trade, repair, maintenance and leasing of motor vehicles (commercial, light commercial and passenger vehicles, tractors, farm machinery and construction equipment) as well as the design and manufacture of spare parts and accessories used in connection with the manufacture and operation of vehicles. It also encompasses all types of services relative to such operations and, more generally, all industrial, commercial, financial, investment and real estate transactions relating directly or indirectly, in whole or in part, to any of the above purposes (see Article 3 of the articles of incorporation).

5.1.1.5 COMPANY REGISTRATION NUMBER

Renault is registered with the Registrar of Companies in Nanterre under the number 441 639 465 (APE code 341 Z).

Siret code: 441 639 465 03591.

5.1.1.6 ACCESS TO LEGAL DOCUMENTS

Legal documents such as the articles of incorporation, minutes of Annual General Meetings, auditors' reports and all other documents made available to shareholders in accordance with law are available at the company's head office.

5.1.1.7 FISCAL YEAR

The company's fiscal year runs for 12 months from January 1 to December 31.

5.1.2 SPECIAL PROVISIONS OF THE ARTICLES OF INCORPORATION

5.1.2.1 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, in accordance with legal provisions.

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.

5.1.2.2 GENERAL MEETINGS OF SHAREHOLDERS

General Meetings are convened in accordance with legal and regulatory provisions. The Meetings are open to all shareholders who have registered their shares under their own name at least three clear days before the meeting. The right to attend the Meeting is evidenced by a book entry in the name of the shareholder or the registered intermediary acting on his or her behalf, pursuant to Article L. 228-1 of the French Commercial Code. The entry must be made by midnight (zero hours) CET on the third business day before the General Meeting, either in the registered share account kept by the company or in the bearer share accounts held by an authorized intermediary. Registration or book entry of bearer shares in the accounts held by the authorized intermediary is evidenced by an attendance certificate issued by said intermediary.

5.1.2.3 SHARES AND VOTING RIGHTS

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. However, shares that are not fully paid-up must be in registered form.

Shares entitle the holder to vote, within the limits of French regulations.

5.1.2.4 IDENTIFIABLE BEARER SHARES

The company is authorized to make use of the appropriate legal provisions for identifying shareholders having immediate or future voting rights in its own shareholders' meetings.

5.1.2.5 SHAREHOLDING DISCLOSURE

In addition to the legal requirement that shareholders inform the company if they hold certain percentages of its share capital or voting rights, every shareholder or fund management company that comes into possession of a number of shares greater than 2% of the share capital or voting rights, or a multiple of this percentage less than or equal to 5% of the share capital or voting rights, shall inform the company of the total number of shares held. That disclosure shall be made by registered letter with return-receipt within a time period set forth in a *Conseil d'État* decree, starting from the date of registration of the shares that took the shareholder's interest up to or beyond the threshold. In excess of 5%, the aforementioned disclosure requirement applies to 1% fractions of the share capital or voting rights. For the purposes of determining the thresholds described above, indirectly held shares or equity equivalents held as defined by the provisions of Articles L. 233-7 and L. 233-9 of the 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 disclosure requirement applies in the same manner if the holding falls below any of the aforementioned thresholds, 2% or 1% 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 disclosures are made, insofar as this is requested at the meeting by one or more shareholders who together hold at least 1% of share capital.

5.2 GENERAL INFORMATION ABOUT RENAULT'S SHARE CAPITAL

5.2.1 CAPITAL AND VOTING RIGHTS

At December 31, 2009 the share capital amounted to €1,085,610,419.58 (one billion, eighty-five million, six hundred and ten thousand, four hundred and nineteen euros and fifty-eight cents) consisting of 284,937,118 shares with a par value of €3.81. The shares are fully subscribed and paid in.

In view of the 4,523,725 shares of treasury stock and the 42,740,568 held by Nissan Finance Co., Ltd., the total number of voting rights at that date was 237,672,825.

5.2.2 CHANGE IN SHARE CAPITAL

The Extraordinary General Meeting may, as specified by law, increase or reduce the share capital and authorize the Board of Directors to carry out such transactions, with the possibility of delegating them in accordance with the law.

The most recent changes in the share capital occurred in 2002. For the second stage of the Alliance, the Extraordinary General Meeting of March 28, 2002 endorsed a capital increase reserved for Nissan Finance Co., Ltd.[1].

This took place in two stages:

- March 29, 2002 on the decision of the Board of Directors meeting of March 28, 2002;
- May 28, 2002 on the decision of the Board of Directors meeting of May 24, 2002.

5.2.3 CHANGES IN CAPITAL OWNERSHIP

		RESULTING CAPITAL	
DATE	TRANSACTION	*in euros*	*no. of shares**
01/2001	Conversion of share capital to euros	913,632,540.27	239,798,567
12/2001	Capital increase reserved for employees: 2,397,983 shares issued at €3.81 (par)	922,768,855.50	242,196,550
03/2002	Capital increase reserved for Nissan Finance Co., Ltd.: 37,799,462 shares issued at €50.39 (par: €3.81)	1,066,784,805.72	279,996,012
05/2002	Capital increase reserved for Nissan Finance Co., Ltd.: 4,941,106 shares issued at €52.91 (par: €3.81)	1,085,610,419.58	284,937,118

N.B.: No changes in the share capital in FY 2000, 2003, 2004, 2005, 2006, 2007, 2008 and 2009.
** Par value: €3.81.*

Pursuant to Article L. 225-178 of the Commercial Code, the Board of Directors, at its meeting on February 11, 2009, noted the capital increase resulting from the creation of 10,000 new shares after the early exercise of 10,000 stock-options during FY 2008. The Board of Directors then cancelled 10,000 treasury shares which were no longer allotted to a specific allocation and reduced the share capital accordingly. Following these two transactions, the share capital and the number of shares remained unchanged and the articles of incorporation were not amended, since the shares of treasury stock initially earmarked for the option plan were used.

(1) A prospectus registered with the French securities regulator (the then Commission des Opérations de Bourse) on March 26, 2002 under no. 02-275 describes the arrangements for this issue. The document is available (in French only) online at www.renault.com > Finance and also on the website of the regulator, now called Autorité des marchés financiers (AMF) at www.amf-france.org.

5.2.4 UNISSUED AUTHORIZED CAPITAL

5.2.4.1 OVERALL AUTHORIZATIONS

The General Meeting of Shareholders of May 6, 2009 gave the Board of Directors an authorization for a maximum period of 26 months to proceed at its own discretion with miscellaneous financial transactions to increase the company's share capital, with or without preferential subscription rights.

At this writing, these authorizations have not been used.

5.2.4.2 TABLE OF CAPITAL INCREASE AUTHORIZATIONS

The following table summarizes the capital increase authorizations given by the General Meeting to the Board of Directors and that are currently in force:

	DESCRIPTION OF AUTHORIZATION GIVEN TO THE BOARD OF DIRECTORS	UTILIZATION
13th resolution* GM 2009	Issue with preemptive rights of shares or securities granting access to the company's capital. Valid for 26 months until the GM called to approve the 2010 financial statements	n.a.
15th resolution GM 2009	Issue without preemptive rights of shares as consideration for cash contributions. Valid for 26 months until the GM called to approve the 2010 financial statements.	n.a.
17th resolution GM 2009	Capital increase through capitalization of reserves, income or issuance or share premiums. Valid for 26 months until the GM called to approve the 2010 financial statements. Capped at a nominal value of €1 billion.	n.a.
20th resolution GM 2009	Capital increase through issuance of shares reserved for employees. Valid for 26 months until the GM called to approve the 2010 financial statements. Capped at 3% of the share capital.	n.a.

* *Overall ceiling: the maximum nominal amount of the capital increases that may be made, either immediately or in future, pursuant to the thirteenth and fifteenth resolutions is set in the sixteenth resolution at €500 million by the Combined General Meeting of May 6, 2009.*

5.2.5 POTENTIAL CAPITAL

5.2.5.1 OPTIONS

The authorization granted by the Combined General Meeting of April 29, 2008 has expired and no resolutions will be submitted to the Combined General Meeting of April 30, 2010.

For details of grants and outstanding options, see chapter 2.4.3 of this Registration Document.

5.2.5.2 BONUS SHARES

The authorization granted by the Combined General Meeting of May 4, 2006 has expired and no resolutions will be submitted to the Combined General Meeting on April 30, 2010.

For details of grants under the above authorizations, see chapter 2.4.3 of this Registration Document.

5.2.5.3 SHARE BUYBACKS(1)

1) TRADING BY RENAULT IN ITS OWN SHARES IN 2009 AND ALLOCATION OF TREASURY STOCK

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

Pursuant to Article L. 225-209 of the Commercial Code, the eleventh resolution of the Combined General Meeting of May 6, 2009 authorized the Company to deal in its own stock in order to make use of the possibilities allowed for by law, for trading in its own shares. The authorization is valid until November 6, 2010 unless the Annual General Meeting of April 30, 2010 authorizes a new program, as described in paragraph 2) below.

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

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

(1) This paragraph includes the information to be described in the share buy-back programme pursuant to Article 241-2 of the French financial markets Authority's General Regulations and Article L. 225-211 of the Commercial Code.

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

- 4,523,725 shares to cover stock-option plans for new and existing shares, and bonus share grants, in order to offset dilution arising from the exercise of options to subscribe for new shares;
- zero shares remitted for the exercise of rights attached to financial securities creating the right to an allotment of company stock by conversion, exercise, redemption, exchange or any other method, in accordance with securities regulations;
- zero shares to enable an investment services provider to maintain a secondary market in or ensure the liquidity of Renault shares under a liquidity contract compliant with an AMF-approved code of conduct;
- zero shares retained and subsequently remitted in exchange or as consideration for possible acquisitions;
- zero shares for cancellation.

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

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

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

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

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

* *On February 12, 2008 the Board of Directors of Renault SA noted the creation of 11,000 new shares resulting from the early exercise of 11,000 stock subscription options and cancelled 11,000 treasury shares with no specific allocation.*
On February 11, 2009 the Board of Directors of Renault SA noted the creation of 10,000 new shares resulting from the early exercise of 10,000 stock subscription options and cancelled 10,000 treasury shares with no specific allocation.

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

TRADING BY RENAULT IN ITS OWN SHARES DURING FY 2009 IN CONNECTION WITH PROGRAMS AUTHORIZED BY THE GENERAL MEETINGS ON APRIL 29, 2008 AND MAY 6, 2009

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

2) DESCRIPTION OF THE SHARE BUYBACK PROGRAM SUBMITTED FOR APPROVAL TO THE AGM ON APRIL 30, 2010

Pursuant to Articles 241-1 to 242-7 of the AMF General Regulation and Article L. 451-3 of the Monetary and Financial Code, this section describes the purpose of and arrangements for the new treasury stock buyback program organized by Renault SA ("the Company"), which will be submitted for approval to the Combined General Meeting of shareholders on April 30, 2010.

The aims of the program are to:

- use some or all of the shares to cover stock-option plans for new and existing shares, and bonus share grants, in order to offset dilution arising from the exercise of options to subscribe for new shares; or to cover all other types of allocation intended for the employees and senior executives of the Company and its Group, in accordance with law;
- cancel the shares, subject to the adoption of the seventh resolution by the Combined General Meeting;
- remit the shares 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;
- 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;
- retain some or all of the shares and remit them subsequently in exchange or as consideration for possible acquisitions.

The maximum purchase price shall be €75 per share (ISIN code: FR0000131906), and the number of shares eligible for acquisition shall be no more than 5% of the share capital, i.e. theoretically 14,246,856 shares. It should be noted that: (A) this limit applies to a capital amount that, where necessary, will be adjusted to reflect any transactions carried out subsequent to the General Meeting of April 30, 2010; and that (B) where the shares are purchased to promote liquidity, in accordance with the AMF General Regulation, the number taken into account to calculate the aforementioned 5% limit shall be the number of shares purchased less the number resold during the authorized period.

The total amount that the Company may spend to buy back its own stock shall not exceed €1,068,521,700.

The number of shares acquired by the Company for retention or exchange as part of a merger, partial merger or demerger shall not exceed 5% of the share capital.

Once approved by the General Meeting on April 30, 2010, this program shall be valid for a period that expires at the next Annual General Meeting called to approve the 2010 financial statements and shall be no longer than 18 months, i.e. until October 30, 2011.

5.2.6 RENAULT SHARE OWNERSHIP

5.2.6.1 RENAULT SHAREHOLDERS AT DECEMBER 31, 2009

OWNERSHIP OF SHARES AND VOTING RIGHTS FOR THE LAST THREE FISCAL YEARS

	DECEMBER 31, 2009			DECEMBER 31, 2008			DECEMBER 31, 2007		
	NO. OF SHARES	% OF CAPITAL	% OF VOTING RIGHTS	NO. OF SHARES	% OF CAPITAL	% OF VOTING RIGHTS	NO. OF SHARES	% OF CAPITAL	% OF VOTING RIGHTS
French State	42,759,571	15.01	17.99	42,759,571	15.01	18.32	42,759,571	15.01	18.22
Nissan Finance. Co, Ltd.	42,740,568	15.00	-	42,740,568	15.00	-	42,740,568	15.00	-
Employees(1)	9,529,250	3.34	4.01	9,530,004	3.34	4.08	8,873,624	3.11	3.78
Treasury stock	4,523,725	1.59	-	8,773,698	3.08	-	7,555,139	2.65	-
Public	185,384,004	65.06	78.00	181,133,277	63.57	77.60	183,008,216	64.23	77.99
TOTAL	**284,937,118**	**100**	**100**	**284,937,118**	**100**	**100**	**284,937,118**	**100**	**100**

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

Some of the major shareholdings changed slightly in 2009:

- the French State's holding was unchanged at 15.01%;
- the Nissan group, through its wholly-owned subsidiary Nissan Finance Co., Ltd., holds 15% of Renault's capital, the same percentage as at December 31, 2008. Nissan Finance Co., Ltd. is not entitled to exercise the voting rights attached to these shares, owing to Renault's ownership interest in Nissan;
- current and former Renault employees hold 3.34% of the capital in the form of shares managed through collective investment schemes;
- the percentage of treasury stock is 1.59%. These shares do not carry voting rights;
- in view of these changes, the free float is now 65.06% of the capital compared with 63.57% at December 31, 2008.

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

5.3 MARKET FOR RENAULT SHARES

5.3.1 RENAULT SHARES

5.3.1.1 LISTING EXCHANGE AND STOCK INDEXES

Renault is listed on Euronext Paris (formerly the *Paris Bourse*) since November 17, 1994, when the company was partially privatized. The issue price was FRF165 (€25.15). Renault was added to the CAC 40 index on February 9, 1995.

Renault shares (ISIN code FR0000131906, Symbol: RNO) are listed on Euronext – compartment A and qualify for the deferred-settlement account system (SRD) and for inclusion in French equity savings plans.

The share is also a component of the SBF 120 and SBF 250 indexes, as well as the Euronext 100, Euronext 150 and Euro Stoxx Auto indexes.

Furthermore, Renault receives annual ratings from sustainability agencies for its performance in spheres such as risk management, labor relations and environmental protection. It is included in the Dow Jones Sustainability World Index (SAM), Aspi eurozone, Ethical euro and Ethibel Excellence Sustainability indexes (see chapter 3.4).

5.3.1.2 SHARE PRICE PERFORMANCE SINCE NOVEMBER 17, 1994

5.3.1.3 SHARE PRICE AND TRADING VOLUMES OVER THE PAST 18 MONTHS ✦

		CLOSING PRICE (€)		
	NO. SHARES TRADED	LAST	LOW	HIGH
Sept. 08	57,606,696	44.56	44.02	60.07
Oct. 08	88,531,105	23.86	19.40	42.98
Nov. 08	67,720,614	17.22	14.71	26.07
Dec. 08	58,685,224	18.55	15.98	18.89
Jan. 09	73,201,775	15.16	14.10	20.76
Feb. 09	72,950,905	11.53	11.29	17.82
Mar. 09	82,918,216	15.49	10.57	16.92
Apr. 09	92,168,951	24.57	16.79	24.57
May 09	52,832,382	27.06	22.75	27.06
June 09	45,308,139	26.17	24.80	30.76
July 09	47,876,300	29.92	22.40	29.92
Aug. 09	47,913,916	31.40	31.00	34.11
Sept. 09	66,591,305	31.87	28.80	34.32
Oct. 09	66,823,125	30.60	30.07	36.78
Nov. 09	56,092,448	32.20	30.13	33.65
Dec. 09	39,392,798	36.20	33.49	36.20
Jan. 10	55,029,465	34.26	33.86	39.70
Feb. 10	76,862,189	30.20	29.42	35.32

Source: Reuters.

Renault's share price almost doubled in 2009, gaining 95% against a background of economic and financial crisis. The lowest close was €10.57 on March 3, 2009 and the highest close was €36.78 on October 20, 2009.

In terms of market capitalization at December 31, 2009 Renault was 11th in the automotive industry rankings, with a capitalization of €10,315 million.

Renault's share performance in 2009

RENAULT					INDEXES	
					CHANGE SINCE 12/31/2008	
CLOSING PRICE AT 12/31/2009	MARKET CAPITALIZATION AT 12/31/2009 *(€ millions)*	CLOSING PRICE 2009 HIGH (OCT. 20)	CLOSING PRICE 2009 LOW (MARCH 3)	CHANGE SINCE 12/31/2008	CAC 40	DJES AUTO
€36.20	10,315	€36.78	€10.57	+95.1%	+22.3%	+17.4%

Source: Reuters.

5.3.2 RENAULT AND DIAC REDEEMABLE SHARES ✦

5.3.2.1 RENAULT REDEEMABLE SHARES

CHARACTERISTICS

Renault has issued a total of 2,000,000 redeemable shares with a par value FRF1,000/€152.45, in two fungible issues of 1,000,000, in October 1983 and October 1984.

Renault redeemable shares are listed on Euronext Paris under ISIN code FR0000140014.

The issue prospectus (in French) can be downloaded from the Finance section of the renault.com site or obtained on request from the Investor Relations department (toll-free number +33 (0)800 650 650).

Between March and April 2004 Renault made a public buyback offer for its redeemable shares at €450 per share. In all, 1,202,341 shares, or 60.12% of the total, were bought back and cancelled. The number of shares outstanding after the buyback was 797,659, still outstanding at December 31, 2009.

PAYOUT

The gross interest on redeemable shares paid on October 26, 2009 in respect of FY 2008 was €20.22 (€10.29 for the fixed portion and €9.93 for the variable portion).

The interest on redeemable shares for FY 2009, payable on October 25, 2010, will be €19.15, comprising €10.29 for the fixed portion and €8.86 for the variable portion (based on consolidated revenues of €33,712 million for 2009 and €37,792 million for 2008, on a consistent basis).

TRADING VOLUMES AND PRICES OF RENAULT REDEEMABLE SHARES OVER THE PAST 18 MONTHS

		CLOSING PRICE *(€)*		
	NO. SHARES TRADED	LAST	HIGH	LOW
Sept. 08	28,460	379.50	379.50	398.00
Oct. 08	29,382	292.49	280.00	378.44
Nov. 08	15,560	260.00	248.00	287.90
Dec. 08	19,840	236.00	233.00	257.40
Jan 09	28,967	249.00	247.10	295.95
Feb. 09	12,408	218.11	211.20	249.00
Mar. 09	11,488	252.20	216.00	252.20
Apr. 09	11,430	264.50	252.28	270.00
May 09	14,969	272.38	252.00	272.38
June 09	5,501	272.01	272.01	279.00
July 09	6,955	287.05	270.53	289.90
Aug. 09	19,530	299.30	289.00	307.20
Sept. 09	9,468	310.00	293.05	310.00
Oct. 09	9,725	279.00	279.00	311.00
Nov. 09	13,622	280.00	277.95	283.90
Dec. 09	43,351	290.00	275.20	291.25
Jan. 10	27,988	308.70	290.00	309.85
Feb. 10	8,446	311.50	307.80	317.00

Source: Reuters.

5.3.2.2 DIAC REDEEMABLE SHARES

Diac, the French credit subsidiary of RCI Banque, issued 500,000 redeemable shares with a par value of FRF1,000/€152.45 in 1985.

Diac redeemable shares are listed on Euronext Paris under ISIN code FR0000047821.

At December 31, 2009 the number of redeemable shares issued by Diac in 1985 and still outstanding was 69,269. At the closing price of €149.98, they were worth a total of €10,388,964.62 (€10,560,059.05 at the par value of €152.45).

In the course of 2009 the share price fluctuated between €119.00 at the beginning of the year and €149.98 at the last traded price in 2009.

5.3.3 DIVIDENDS ✦

Meeting on March 5, 2010, the Board of Directors proposed not to pay a dividend for the FY 2009. This will be put to a vote at the Annual General Meeting on April 30, 2010.

5.3.3.1 FIVE-YEAR DIVIDEND RECORD

Dividends are paid out at the times and places specified either by the Annual General Meeting or, failing this, by the Board of Directors.

	NO. SHARES IN AUTHORIZED CAPITAL	DIVIDEND PER SHARE (€)	PAYABLE DATE
2005	284,937,118	2.4	May 15/2006
2006	284,937,118	3.1	May 15/2007
2007	284,937,118	3.8	May 15/2008
2008	284,937,118	0	-
2009[1]	284,937,118	0	-

(1) In accordance with the proposal of the Board of Directors subject to the decision of the Combined General Meeting of April 30, 2010.

5.3.3.2 UNCLAIMED DIVIDENDS

Dividends remaining unclaimed after the five-year validity period shall lapse, as specified by law. Unclaimed dividends are paid over to the French Treasury.

5.4 INVESTOR RELATIONS POLICY ✦

Since it floated in November 1994 Renault has endeavored to provide all its institutional and individual investors with the same level of understandable and transparent information on a regular basis.

5.4.1 INDIVIDUAL SHAREHOLDERS

To meet shareholder requirements, the Group continued to introduce innovative services: a dedicated web page, a toll-free number with a voice server, an e-mail address for shareholder questions (communication.actionnaires@renault.com), a special e-mail address for written questions ahead of the Annual General Meeting (ag.renault@renault.com) and an online web function to manage Renault registered shares.

In May 1995 Renault set up a shareholders' Club, open to anyone holding at least one share, to provide investors with information on the Group's news, sites and products. Members are invited to themed breakfast events. They also receive the shareholders' newsletter and all the documents relating to the Annual General Meeting, even if they hold bearer shares.

Renault organized more than 15 events for the shareholders' Club in 2009. Some of these involved a lucky draw that gave the winners VIP access to a number of Renault-sponsored festivals in France.

Renault also allows shareholders to follow live webcasts of key events in the Group's financial calendar, such as the press conferences on the half-yearly and annual results and the Annual General Meeting, on www.renault.com.

To encourage dialog with the shareholders in the provinces, Renault's management attends meetings organized by the federation of investment clubs, FFCI. In 2009 it took part in events in Lille and Nice.

A nine-member shareholder consultative Committee formed in 1996 helps to improve the communication media designed for individual shareholders. The committee met three times in 2009 with an agenda that included an analysis of shareholder literature (including the annual report), an overhaul of the financial pages of the Renault website, arrangements for direct management of registered Renault shares and market benchmarks.

For more information about arrangements for individual shareholders and the consultative Committee, visit the Finance section of the website.

5.4.2 INSTITUTIONAL INVESTORS/SOCIALLY RESPONSIBLE INVESTORS

The Group organizes analysts' meetings to coincide with the release of its financial results or the announcement of exceptional events. It also holds individual meetings with investors throughout the year, both in France and abroad, and Renault managers give presentations at industry conferences and major motor shows.

To secure investor support over the long term, Renault maintains close links with analysts and investors in the socially responsible investment (SRI) community. This involves individual meetings and topical conferences organized by specialized intermediaries in Europe and the USA. Renault managers regularly speak out on social and environmental issues for SRI analysts and investors.

5.4.3 2010 FINANCIAL CALENDAR

February 11 (before opening)	2009 annual results
April 29 (after close)	Q1 2010 revenues
April 30 (afternoon)	Annual General Meeting
July 30 (before opening)	2010 half-year results
October 27 (after close)	2010 9-month revenues

5.4.4 CONTACTS ✦

INVESTOR RELATIONS DEPARTMENT

E-mail: communication.actionnaires@renault.com

Toll-free voicemail: +33 (0)800 650 650

Shareholder hotline: + 33 (0)1 76 84 59 99

Fax: +33 (0)1 76 89 13 30

Phone information for employee shareholders: +33 (0)1 76 84 33 38

Website: www.renault.com > Finance

Contact:
Duncan Minto
Renault Investor Relations Director
Tel.: +33 (0) 1 76 84 53 09 – Fax: +33 (0) 1 76 89 13 30

Renault shares can be registered with:
BNP Paribas Securities Service – Actionnariat Renault
Immeuble Tolbiac
75450 Paris Cedex 09 – France
Tel.: 0892 23 00 00 in France
+33 (0) 1 40 14 11 16 from abroad
Fax: +33 (0)1 55 77 34 17

5.4.5 DOCUMENTS ON DISPLAY

The following documents are available in the Finance section of the website at www.renault.com:

- the articles of incorporation of the Company;
- financial press releases;
- the regulated information that is disseminated fully and effectively by electronic means (including on the website of the Autorité des Marchés Financiers, AMF), in accordance with the Transparency Directive, through a primary information provider named on a list published by the AMF. This information includes the Registration Documents for 2009, 2008 and 2007, all filed with the AMF.

5.4.6 ANNUAL INFORMATION DOCUMENT

Information published or publicly disclosed over the past 12 months pursuant to Article L. 451-1-1 of the Monetary and Financial Code and Article 221-1-1 of the AMF General Regulation.

ANNUAL INFORMATION DOCUMENT (MARCH 1, 2009 – FEBRUARY 28, 2010)

DATE	DOCUMENT
	PERIODIC AND OCCASIONAL INFORMATION AVAILABLE ON WWW.AMF-FRANCE.ORG AND WWW.RENAULT.COM
	REGISTRATION DOCUMENT 2008
March 12, 09	Filing date: March 11, 2009
	PRESS RELEASES
March 31, 09	Annual information document
April 29, 09	Financial information, Q1 2009
May 06, 09	RCI Banque issues a €750 million bond
May 06, 09	Description of share buyback program
May 07, 09	Carlos Ghosn appointed as Chairman and CEO
May 14, 09	Nissan contribution to Renault's Q1 2009 results
May 29, 09	Renault Nissan: a new stage for the Alliance
July 17, 09	Commercial results, H1 2009
July 30, 09	First-half results, 2009
July 31, 09	Release of H1 2009 earnings report
Oct 29, 09	Quarterly financial information at September 30, 2009
Nov. 04, 09	Nissan contribution to Renault's Q3 results
Dec. 17, 09	Statement by P. Pelata, December 17, 2009
Feb. 11, 10	2009 annual results
	TREASURY SHARES DEAL REPORT
	Posted online: May 19, 2009
	INFORMATION PUBLISHED IN THE LEGAL GAZETTE (BALO) AND AN OFFICIAL JOURNAL
Feb 20, 09	Shareholders' General Meeting Notice, May 6, 2009
Mar 23, 09	First call, Shareholders' General Meeting Notice, May 6, 2009
Apr 07, 09	First call for the meeting of holders of redeemable shares (April 24, 2009) in the BALO and Journal Spécial des Sociétés
Apr 15, 09	Amended notice, Shareholders' General Meeting Notice, May 6, 2009
June 5, 09	Annual financial statements
	INFORMATION FILED WITH KANTO LOCAL FINANCE (JAPAN) AND PUBLISHED ON EDINET
June 26, 09	Annual Securities Report at December 31, 2008
June 26, 09	Amendment to the Shelf-Registration Statement
Sep 24, 09	Semi-Annual Securities Report at June 30, 2009
Sep 24, 09	Amendment to the Shelf Registration Statement
	INFORMATION FILED WITH THE LUXEMBOURG STOCK EXCHANGE AND PUBLISHED ON ITS WEBSITE
May 15, 09	4th Supplement to the Base Prospectus, June 18, 2008
June 22, 09	Base Prospectus for the EMTN Program
Aug 13, 09	1st Supplement to the Base Prospectus, June 22, 2009 (interim financial statements at June 30, 2009)
Nov 6, 09	2nd Supplement to the Base Prospectus, June 22, 2009
March 1, 10	3rd Supplement to the Base Prospectus, June 22, 2009

6.

MIXED GENERAL MEETING APRIL 30, 2010 - PRESENTATION OF THE RESOLUTIONS

6.

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Eighteen resolutions are being submitted to the Mixed General Meeting which will be convened on april 30, 2010.

THE BOARD FIRST OF ALL PROPOSES THE ADOPTION OF SIX RESOLUTIONS BY THE ORDINARY GENERAL MEETING

APPROVAL OF THE FINANCIAL STATEMENTS AND APPROPRIATION OF THE RESULTS

The **first two resolutions** deal with the approval of the consolidated Financial Statements and Renault's Financial Statements for the 2009 financial year.

The presented accounts have been drawn up in accordance with regulations in force, using IFRS (International Financial Reporting Standards) for the consolidated Financial Statements and in compliance with French statutory and regulatory provisions for the Company's own annual Financial Statements.

The **third resolution** deals with the appropriation of the Company's results for the 2009 financial year and the payment of dividends.

Renault expects economic conditions to remain difficult in 2010. In this context, consistent with 2009, the Company's objective is to generate positive free cash flow and thus continue to reduce debt. This objective does not allow distributing dividends for the financial year. To preserve the interests of Renault and its shareholders, without abandoning its competitive dividend policy on a long-term basis, the Group will again give priority this year on the reinforcement of the equity capital.

REGULATED AGREEMENTS

In the **fourth resolution**, you are asked to approve the Company's regulated conventions – agreements which are concluded by Renault with its senior executives or directors, or with another company having the same senior executives or directors – which have given rise to a report drafted by the Statutory Auditors.

The following regulated agreements were concluded over the 2009 financial year.

AGREEMENTS AND COMMITMENTS AUTHORIZED DURING THE YEAR AND UP TO MARCH 5, 2010

LOAN AGREEMENTS

During its Meeting of February 11, 2009, your Board of Directors has authorized a five-year loan agreement of €3 billion between the French State and your Company. The applicable interest rate comprises a fixed portion of 6% and a variable portion indexed on the Group operating margin rate, between a lower and an upper limit set respectively at 6% and 9%. The loan is to be reimbursed at maturity in 2014, with an early repayment clause applicable from the loan anniversary date in 2011. The loan agreement stipulates that the interest rate will be raised if Renault fails to honor its commitments regarding development of clean vehicle systems and technologies in France, introduction of partnership arrangements with suppliers and using profits to reinforce, by priority, shareholders' equity and make investments.

During its Meetings of April 10 and May 6, 2009, your Board of Directors has amended this agreement in order to comply with decrees no.2009-348 of March 30, 2009 and no.2009-445 of April 20, 2009 concerning "the conditions of compensation of executives in a company helped by the State or benefiting from the support of the State because of the economic crisis and of executives in public companies".

During its Meeting of December 10, 2009, your Board of Directors has authorized to contract a ten-year loan agreement of €100 million with a rate that would set up between 3.75% and 5%. This loan, finally granted with a rate of 4.35%, which was authorized by the State within the framework of a proposal called "*prêt véhicules décarbonés*", lies within the scope of the investment plan of your Company aimed at producing a range of electric vehicles.

SUPPLEMENTARY PENSION SCHEME OF THE CHAIRMAN AND CEO:

During its Meetings of October 28, 2004 and October 31, 2006, your Board of Directors has authorized the agreement under which an additional retirement benefit scheme is granted for senior executives including corporate officers. This benefit scheme aims at maintaining the annual pensions for the senior executives at an estimated level of 30% to 45% of their compensation base, capped at 50% of the annual activity compensation, with a specific requirement on length of tenure.

For your Chairman and CEO, this pension scheme consists of:

- a defined contribution scheme equivalent to 8% (5% paid by the Company, 3% by the beneficiary) of annual remuneration between eight and 16 times the upper earnings limit for social security contributions;
- a defined benefit scheme capped at 30% of remuneration, subject to length of service and the condition that the beneficiary serves out the rest of his or her career within the Group;

As part of renewing the Director's mandate of Mr. Carlos Ghosn, which will be presented to the vote of the Shareholders' Meeting on April 30, 2010 in compliance with Article 225-42-1 of the French Commercial Code, the Board of Directors confirmed that Mr. Carlos Ghosn benefited from the pension scheme set up for members of the Group Executive Committee, which had been voted upon during the Board of Directors meeting held on October 28, 2004 and October 31, 2006.

You are asked, in a separate resolution, (**Tenth resolution**), to approve Mr. Carlos Ghosn's pension benefit.

STATUTORY AUDITORS' REPORT ON REDEEMABLE SHARES

The **fifth resolution** proposes that the General Meeting take formal note of the Statutory Auditors' report on elements used to determine the remuneration of redeemable shares, including in particular its variable part tied to the development of Renault's consolidated turnover on a consistent basis.

The coupon which will be paid to bearers of Renault equity loans on October 25, 2010 will amount to €19.15, comprising a fixed part of €10.29 and a variable part of €8.86.

AUTHORIZATION FOR THE BOARD TO PURCHASE THE COMPANY'S OWN SHARES

Over 2009, your Company has not acquired shares pursuant to the authorization granted by the General Meeting of May 6, 2009. Nevertheless, Renault has sold in an over the counter sale 4,239,973 treasury shares. These shares were initially assigned to cover i) stock options plans that are now closed and ii) stock options subscription plans that are deeply out of the money.

As at December 31, 2009, the portfolio contained 4,523,725 shares; this holding of treasury stock was equivalent to 1.59% of the Company's share capital. Shares held as treasury stocks are not entitled to dividends or voting rights.

In the **sixth resolution**, you are asked to authorise the Board of Directors to put a programme into place for the acquisition of the Company's own shares under those conditions and with those objectives laid down by law. This authorization is given for a maximum period of 18 months as of this General Meeting and will substitute itself for the authorization given at the last General Meeting. This resolution provides that share acquisitions cannot be made during a takeover bid, except with strict compliance with the conditions defined by the General Regulations of the *Autorité des marchés financiers* (AMF) and solely in order to allow the Company to perform its prior commitments.

The presented resolution provides for a maximum purchase price of €75 per share, plus acquisition costs.

While this is a customary resolution, the maximum number of shares that may be acquired is limited, with regard to the current economic context, to 5% of the share capital (as in 2009) and the maximum amount of funds that may be invested in the purchase of treasury stock is €1,068,494,950.

A document entitled "programme description", describing the terms of these purchases can be consulted on the renault.com website under the "Finance" and "Regulatory Information" tabs.

An overview of these operations will be presented to the General Meeting called to decide on the accounts for the 2010 financial year.

NEXT, TWO OTHER RESOLUTIONS ARE WITHIN THE POWERS OF THE EXTRAORDINARY GENERAL MEETING

AUTHORIZATION GIVEN TO THE BOARD TO REDUCE THE SHARE CAPITAL BY CANCELING SHARES

In the **seventh resolution**, it is proposed that the General Meeting authorize the Board, for a period of 18 months, to reduce the registered capital by canceling shares acquired in the programme for purchase of the Company's own shares. The terms for these acquisitions are those defined in the sixth resolution.

Canceling shares causes a change in the amount of the registered capital, and consequently a change in the terms of the Articles of Association, which can only be authorized by the Extraordinary General Meeting. The purpose of this resolution is therefore to delegate such powers to the Board.

This authorization will cause any prior authorization of the same nature to lapse, with respect to any unused amounts thereunder.

This authorization has not been used in 2009.

AMENDMENT OF THE ARTICLES OF INCORPORATION

It is proposed, in the **eighth resolution**, to amend the Articles of Association of Renault in order to increase the number of directors appointed by the General Meeting of Shareholders from 14 to 15.

It is reminded that, according to law, the Directors elected by employees and the Director elected by employee shareholders are not counted in the legal threshold to determine the number of directors appointed by the General Meeting. In that respect, with 15 members, your Board of Directors is in line with the recommendations of French governance.

NEXT, TEN RESOLUTIONS ARE WITHIN THE POWERS OF THE ORDINARY GENERAL MEETING

RENEWAL OF THE TERM OF OFFICE OF FOUR DIRECTORS

The **ninth resolution** asks you to approve the renewal of the term of office of Mr. Carlos Ghosn for a new term of four years. This term of office will expire at the end of the General Meeting which votes on the accounts of the financial year ending on December 31, 2013.

Mr. Carlos Ghosn, 55 years old, is Chairman and CEO of your Company; he is a member of the Appointments and Governance Committee.

Further to the Shareholders' Meeting, it shall be proposed that the Board of Directors renew Mr. Carlos Ghosn as Chairman and CEO of your Company.

The decision to combine the functions of Chairman of the Board and CEO aims at simplifying the decision making process and responsibility and ensuring, with the presence of a Chief Operating Officer dedicated to operations both in Renault and Nissan, identical governance within the Alliance.

Moreover, the balance of powers is guaranteed by a majority of independent directors and the appointment since July 2009 of a Senior Independent Director.

In addition, the internal regulations of the Board of Directors contain a certain number of limitations to the powers of the CEO. The Board of Directors discusses the strategic orientations of the company, including with respect to the Alliance, as proposed by the Chairman and CEO. It examines, once per year, the possible changes with respect to these orientations.

Mr. Carlos Ghosn does not meet the independence criteria set out in the Afep/Medef report as he is a corporate officer of your Company.

The **tenth resolution** asks you to approve Mr. Carlos Ghosn's pension benefit, pursuant to Article L.225-42-1 paragraph 6 of the French Commercial Code, as described in the fourth resolution relating to the Company's regulated agreements.

The **eleventh resolution** asks you to approve the renewal of the term of office of Mr. Marc Ladreit de Lacharrière for a new term of four years. This term of office will expire at the end of the General Meeting which votes on the accounts of the financial year ending on December 31, 2013.

Mr. Marc Ladreit de Lacharrière, 69 years old, is Chairman and CEO of Fimalac; he is the Chairman of the Appointments and Corporate Governance Committee and is a member of the Remuneration Committee.

Mr. Marc Ladreit de Lacharrière meets the independence criteria set out in the Afep/Medef report, as he has no ties with Renault.

The **twelfth resolution** asks you to approve the renewal of the term of office of Mr. Franck Riboud for a new term of four years. This term of office will expire at the end of the General Meeting which votes on the accounts of the financial year ending on December 31, 2013.

Mr. Franck Riboud, 54 years old, is Chairman and CEO - Chairman of the Executive Commitee of Danone; he is the Chairman of the Remuneration Committee.

Mr. Franck Riboud meets the independence criteria set out in the Afep/Medef report, as he has no ties with Renault.

The **thirteenth resolution** asks you to approve the renewal of the term of office of Mr. Hiroto Saikawa for a new term of four years. This term of office will expire at the end of the General Meeting which votes on the accounts of the financial year ending on December 31, 2013.

Mr. Hiroto Saikawa, 56 years old, is Executive-Vice President for Asia Pacific Region, Affiliated Companies and Purchasing of Nissan Motor. He is appointed as Nissan representative and consequently does not meet the independence criteria set out in the Afep/Medef report.

APPOINTMENT OF TWO DIRECTORS REPRESENTING THE FRENCH STATE

The **fourteenth and fifteenth resolutions** ask you to:

- acknowledge the nomination of Mr. Alexis Kohler, designated as a State representative in the *Official Journal* order dated of February 25, 2010 to replace Mr. Rémy Rioux for his remaining term which will expire at the end of the General Meeting which votes on the accounts of the financial year ending December 31, 2010.

  Mr. Alexis Kohler, 37 years old, is Division Director -Transports and Media- in the French Government Shareholding Agency in the Ministry for the Economy, Industry and Employment;

- acknowledge the nomination of Mr. Luc Rousseau, designated as a State representative in the *Official Journal* order dated of February 25, to replace Mrs. Catherine Bréchignac for her remaining term, which will expire at the end of the General Meeting which votes on the accounts of the financial year ending December 31, 2011.

  Mr. Luc Rousseau, 53 years old, is General Director for Competitiveness, Industry and Services in the Ministry for the Economy, Industry and Employment.

Mr. Alexis Kohler and Mr. Luc Rousseau are appointed as representatives of the French State and consequently do not meet the independence criteria set out in the Afep/Medef report.

APPOINTMENT OF TWO DIRECTORS

The **sixteenth resolution** asks you to appoint Mr. Bernard Delpit to replace Mr. Jean-Claude Paye, who does not wish to be reappointed, for a term of four years which will expire at the end of the General Meeting which votes on the accounts of the financial year ending December 31, 2013.

Mr. Bernard Delpit, 45 years old, Chief Operating Officer, Chief Financial Officer of Group La Poste.

The **seventeenth resolution** asks you to appoint Mrs. Pascale Sourisse for a term of four years which will expire at the end of the General Meeting which votes on the accounts of the financial year ending December 31, 2013, further to the vote of the eighth resolution.

Mrs. Pascale Sourisse, 48 years old, is member of the Thales Executive Committee and General Manager of the Land Systems and Joint Systems Division.

The appointments of Mr. Delpit and Mrs. Sourisse, who meet the individual qualities which Renault expects of a director, will make it possible to increase the proportion of independent directors with industrial and experience, with a view to adjusting skills to the future concerns of the enterprise. The competency, personality and experience of these persons will constitute a precious contribution to Renault's Board.

Additional information about the positions held by the Directors is presented on pages 21 of the call notice and is taken up in chapter 4, part 1 of the Registration Document. Moreover, the website www.renault.com Finance section allows you to find all of the information concerning the General Meeting.

POWERS FOR FORMALITIES

The **eighteenth resolution** is a standard resolution granting powers necessary to proceed with publication and other formalities.

7.

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7.1 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS ✦

Renault

Year ended December 31, 2009

Statutory auditors' report on the consolidated financial statements

This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements issued in the French language and is provided solely for the convenience of English speaking users. The Statutory Auditors' report on the consolidated financial statements includes information specifically required by French law in all audit reports, whether modified or not. This information presents below the opinion on the consolidated financial statements and includes explanatory paragraphs discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report on the consolidated financial statements should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In accordance with our appointment as statutory auditors at your Annual General Meeting, we hereby report to you for the year ended December 31, 2009 on:

- the audit of the accompanying consolidated financial statements of Renault;
- the justification of our assessments;
- the specific verification required by law.

The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements, based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2009 and of the results of its operations for the year then ended in accordance with the IFRSs as adopted by the European Union.

Without qualifying the opinion expressed above, we draw your attention to the matters set out in note 2-A to the consolidated financial statements concerning the changes in accounting policies.

II. JUSTIFICATION OF ASSESSMENTS

In accordance with the requirements of article L. 823-9 of French Company Law (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- for the purpose of preparing the consolidated financial statements, Renault management makes certain estimates and assumptions concerning, in particular, the value of certain asset, liability, income and expense accounts, the main items of which are summarized in note 2-B to the consolidated financial statements. For all these items, we assessed the appropriateness of the accounting rules and methods applied and disclosures provided in the notes to the financial statements. We also reviewed the consistency of the underlying assumptions, the quantified impact thereof and the available documentation and assessed on this basis the reasonableness of estimates made;
- as disclosed in note 14-A to the consolidated financial statements, the Group accounts for its investment in Nissan by the equity method; our audit of the scope of consolidation included a review of the factual and legal aspects of the Alliance which serve as the underlying basis for this accounting policy;
- based on procedures performed and information communicated, we believe that note 26-B1 provides appropriate disclosures on the Group's liquidity;
- as part of our assessment of the accounting policies applied by the Group, we have reviewed the methodology adopted for the capitalization of development costs as intangible assets, their amortization and the verification of their recoverable amount and we satisfied ourselves that these methods were properly disclosed in notes 2-J and 12-A3.

Such assessments were performed as part of our audit approach for the consolidated financial statements taken as a whole and contributed to the expression of our unqualified opinion in the first part of this report.

III. SPECIFIC VERIFICATION

In accordance with professional standards applicable in France, we also verified the information presented in the Group management report.

We have no matters to report regarding its fair presentation and consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, February 11, 2010

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIES

ERNST & YOUNG Audit

7.2 CONSOLIDATED FINANCIAL STATEMENTS

7.2.1 CONSOLIDATED INCOME STATEMENT

(€ million)	2009	2008	2007
Sales of goods and services	32,415	36,241	39,190
Sales financing revenues	1,297	1,550	1,492
Revenues (note 4)	**33,712**	**37,791**	**40,682**
Cost of goods and services sold	(26,978)	(29,659)	(31,408)
Cost of sales financing (note 5)	(953)	(1,292)	(1,121)
Research and development expenses (note 12-A)[1]	(1,795)	(1,744)	(1,850)
Selling, general and administrative expenses	(4,382)	(4,770)	(4,949)
Operating margin (note 6)	**(396)**	**326**	**1,354**
Other operating income and expenses (note 7)[1]	(559)	(443)	(116)
Other operating income	*137*	*206*	*124*
Other operating expenses	*(696)*	*(649)*	*(240)*
Operating income	**(955)**	**(117)**	**1,238**
Net interest income (expenses)	(353)	(216)	(101)
Interest income	*118*	*157*	*274*
Interest expenses	*(471)*	*(373)*	*(375)*
Other financial income and expenses	(51)	657	177
Financial income (note 8)	**(404)**	**441**	**76**
Share in net income (loss) of associates	**(1,561)**	**437**	**1,675**
Nissan (note 14)	*(902)*	*345*	*1,288*
Other associates (note 15)	*(659)*	*92*	*387*
Pre-tax income	**(2,920)**	**761**	**2,989**
Current and deferred taxes (note 9)	(148)	(162)	(255)
NET INCOME	**(3,068)**	**599**	**2,734**
Net income - minority interests' share	57	28	65
Net income - Renault share	(3,125)	571	2,669
Earnings per share[2] in € (note 10)	(12.13)	2.23	10.32
Diluted earnings per share[2] in € (note 10)	(12.13)	2.22	10.17
Number of shares outstanding (in thousands) (note 10)			
for earnings per share	*257,514*	*256,552*	*258,621*
for diluted earnings per share	*257,514*	*256,813*	*262,362*

(1) In 2009, impairment of fixed assets is classified under "Other operating income and expenses". The corresponding comparative information for 2008 and 2007 has been restated (note 2-A).
(2) Net income – Renault share divided by number of shares stated.

7.2.2 COMPREHENSIVE INCOME

Other components of comprehensive income are reported net of tax effects, which are presented in note 11-B.

(€ million)	2009	2008	2007
Net income	**(3,068)**	**599**	**2,734**
Actuarial gains and losses on defined-benefit pension plans	(45)	(3)	(48)
Translation adjustments on foreign activities	112	(637)	(229)
Partial hedge of the investment in Nissan	(43)	(1,613)	153
Fair value adjustments on cash flow hedging instruments	32	(199)	(20)
Fair value adjustments on available-for-sale financial assets	6	14	1
Total other components of comprehensive income excluding associates (A)	**62**	**(2,438)**	**(143)**
Actuarial gains and losses on defined-benefit pension plans	83	(513)	(12)
Translation adjustments on foreign activities	(387)	931	(662)
Fair value adjustments on cash flow hedging instruments	59	(77)	(18)
Fair value adjustments on available-for-sale financial assets	17	(29)	-
Associates' share of other components of comprehensive income (B)	**(228)**	**312**	**(692)**
OTHER COMPONENTS OF COMPREHENSIVE INCOME (A) + (B)	**(166)**	**(2,126)**	**(835)**
Comprehensive income	**(3,234)**	**(1,527)**	**1,899**
Renault share	(3,300)	(1,495)	1,862
Minority interests' share	66	(32)	37

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7.2.3 CONSOLIDATED FINANCIAL POSITION ✦

(€ million)	DECEMBER 31, 2009	DECEMBER 31, 2008	DECEMBER 31, 2007
ASSETS			
Non-current assets			
Intangible assets (note 12-A)	3,893	4,313	4,056
Property, plant and equipment (note 12-B)	12,294	12,818	13,055
Investments in associates	12,084	13,768	12,977
Nissan (note 14)	*10,583*	*11,553*	*10,966*
Other associates (note 15)	*1,501*	*2,215*	*2,011*
Non-current financial assets (note 23)	1,026	982	606
Deferred tax assets (note 9)	279	252	220
Other non-current assets (note 19)	424	420	504
TOTAL NON-CURRENT ASSETS	**30,000**	**32,553**	**31,418**
Current assets			
Inventories (note 16)	3,932	5,266	5,932
Sales financing receivables (note 17)	18,243	18,318	20,430
Automobile receivables (note 18)	1,097	1,752	2,083
Current financial assets (note 23)	787	1,036	1,239
Current tax assets	195	197	55
Other current assets (note 19)	1,636	2,651	2,320
Cash and cash equivalents (note 23)	8,023	2,058	4,721
TOTAL CURRENT ASSETS	**33,913**	**31,278**	**36,780**
Assets held for sale (note 7-B)	**65**	**-**	**-**
TOTAL ASSETS	**63,978**	**63,831**	**68,198**

(€ million)	DECEMBER 31, 2009	DECEMBER 31, 2008	DECEMBER 31, 2007
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	1,086	1,086	1,086
Share premium	3,453	3,453	3,453
Treasury shares	(229)	(612)	(499)
Revaluation of financial instruments	(109)	(223)	68
Translation adjustment	(2,568)	(2,241)	(982)
Reserves	17,474	16,925	15,782
Net income – Renault share	(3,125)	571	2,669
Shareholders' equity – Renault share	**15,982**	**18,959**	**21,577**
Shareholders' equity – minority interests' share	490	457	492
TOTAL SHAREHOLDERS' EQUITY (note 20)	**16,472**	**19,416**	**22,069**
Non-current liabilities			
Deferred tax liabilities (note 9)	114	132	118
Provisions – long-term (note 21)	1,829	1,543	1,765
Non-current financial liabilities (note 24)	9,048	5,773	5,413
Other non-current liabilities (note 22)	660	548	523
TOTAL NON-CURRENT LIABILITIES	**11,651**	**7,996**	**7,819**
Current liabilities			
Provisions – short-term (note 21)	914	1,264	954
Current financial liabilities (note 24)	3,825	5,219	1,517
Sales financing debts (note 24)	19,912	18,950	21,196
Trade payables	5,911	5,420	8,224
Current tax liabilities	54	55	166
Other current liabilities (note 22)	5,179	5,511	6,253
TOTAL CURRENT LIABILITIES	**35,795**	**36,419**	**38,310**
Liabilities associated to assets held for sale (note 7-B)	**60**	**-**	**-**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**63,978**	**63,831**	**68,198**

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7.2.4 CHANGES IN SHAREHOLDERS' EQUITY

(€ million)	NUMBER OF SHARES *(thousand)*	SHARE CAPITAL	SHARE PREMIUM	TREASURY SHARES	REEVALUATION OF FINANCIAL INSTRUMENTS	TRANSLATION ADJUSTMENT	RESERVES	NET INCOME - RENAULT SHARE	SHARE-HOLDERS' EQUITY (RENAULT SHARE)	SHARE-HOLDERS' EQUITY (MINORITY INTERESTS)	TOTAL SHARE-HOLDERS' EQUITY
BALANCE AT DECEMBER 31, 2007	**284,937**	**1,086**	**3,453**	**(499)**	**68**	**(982)**	**15,782**	**2,669**	**21,577**	**492**	**22,069**
Comprehensive income year 2008					***(291)***	***(1,259)***	***(516)***	***571***	***(1,495)***	***(32)***	***(1,527)***
Allocation of 2007 net income							2,669	(2,669)	**-**	-	**-**
Dividends							(975)		**(975)**	(48)	**(1,023)**
Cost of stock-option plans							(16)		**(16)**	-	**(16)**
(Acquisitions)/disposals of treasury shares				(113)					**(113)**	-	**(113)**
Impact of capital increase										134	**134**
Impact of changes in the scope of consolidation[(1)]							(19)		**(19)**	(89)	**(108)**
BALANCE AT DECEMBER 31, 2008	**284,937**	**1,086**	**3,453**	**(612)**	**(223)**	**(2,241)**	**16,925**	**571**	**18,959**	**457**	**19,416**
Comprehensive income year 2009					***114***	***(327)***	***38***	***(3,125)***	***(3,300)***	***66***	***(3,234)***
Allocation of 2008 net income							571	(571)	**-**	-	**-**
Dividends										(34)	**(34)**
Cost of stock-option plans							16		**16**		**16**
(Acquisitions)/disposals of treasury shares				383			(256)		**127**		**127**
Impact of capital increase										15	**15**
Impact of changes in the scope of consolidation[(1)]										(14)	**(14)**
Other changes							180		**180**		**180**
BALANCE AT DECEMBER 31, 2009	**284,937**	**1,086**	**3,453**	**(229)**	**(109)**	**(2,568)**	**17,474**	**(3,125)**	**15,982**	**490**	**16,472**

(1) The impact of changes in the scope of consolidation results from the treatment applied to acquisitions of minority interests and put options for buyouts of minority shareholdings in controlled companies (note 2-J).

Details of changes in consolidated shareholders' equity in 2009 are given in note 20.

7.2.5 CONSOLIDATED CASH FLOWS

(€ million)	2009	2008	2007
Net income	**(3,068)**	**599**	**2,734**
Cancelation of unrealized income and expenses			
Amortization and impairment	3,146	2,943	2,865
Share in net (income) loss of associates	1,561	(437)	(1,675)
Dividends received from associates	81	688	936
Other unrealized income and expenses (note 27-A)	(5)	(496)	(114)
Cash flow	**1,715**	**3,297**	**4,746**
Net change in financing for final customers	377	872	594
Net change in renewable dealer financing	(126)	427	(37)
Decrease (increase) in sales financing receivables	**251**	**1,299**	**557**
Bond issuance by the Sales financing segment (note 24-A)	3,149	1,299	2,022
Bond redemption by the Sales financing segment (note 24-A)	(2,795)	(3,455)	(3,139)
Net change in other Sales financing debts	871	48	1,265
Net change in other securities and loans of the Sales financing segment	152	102	(359)
Net change in sales financing financial assets and debts	**1,377**	**(2,006)**	**(211)**
Change in capitalized leased vehicles[(1)]	**(256)**	**(203)**	**(95)**
Decrease (increase) in working capital (note 27-B)	**2,953**	**(2,833)**	**(347)**
CASH FLOWS FROM OPERATING ACTIVITIES	**6,040**	**(446)**	**4,650**
Capital expenditure (note 27-C)[(1)]	(2,309)	(3,493)	(3,638)
Acquisitions of investments, net of cash acquired[(2)]	(86)	(662)	(67)
Disposals of property, plant and equipment and intangibles[(1)]	236	254	175
Disposals of investments, net of cash transferred, and other	-	74	63
Net decrease (increase) in other securities and loans of the Automobile segment	65	192	615
CASH FLOWS FROM INVESTING ACTIVITIES	**(2,094)**	**(3,635)**	**(2,852)**
Transactions with minority shareholders[(3)]	-	88	26
Dividends paid to parent company shareholders (note 20-D)	-	(1,049)	(863)
Dividends paid to minority shareholders	(22)	(28)	(50)
(Purchases) sales of treasury shares	127	(113)	(126)
Cash flows with shareholders	**105**	**(1,102)**	**(1,013)**
Bond issuance by the Automobile segment (note 24-A)	750	682	588
Bond redemption by the Automobile segment (note 24-A)	(1,271)	(426)	(451)
Net increase (decrease) in other financial liabilities of the Automobile segment	2,378	2,340	(2,065)
Net change in financial liabilities of the Automobile segment	**1,857**	**2,596**	**(1,928)**
CASH FLOWS FROM FINANCING ACTIVITIES	**1,962**	**1,494**	**(2,941)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**5,908**	**(2,587)**	**(1,143)**

(1) The change in capitalized leased vehicles has been reclassified from cash flows from investing activities to cash flows from operating activities in application of changes introduced in the annual improvements to IFRS (note 2-A).
(2) Corresponding to payment for the shares in AvtoVAZ for the year 2008.
(3) Via capital increases or capital reductions and acquisitions of additional investments in controlled companies (note 2-J).

(€ million)	2009	2008	2007
Cash and cash equivalents: opening balance	**2,058**	**4,721**	**6,010**
Increase (decrease)	5,908	(2,587)	(1,143)
Effect of changes in exchange rate and other changes	57	(76)	(146)
Cash and cash equivalents: closing balance	**8,023**	**2,058**	**4,721**

Details of interest received and paid by the Automobile segment are given in note 27-D.

Current taxes paid by the Group are reported in note 9-A.

7.2.6 SEGMENT REPORTING

A – INFORMATION BY OPERATING SEGMENT

A1 – CONSOLIDATED INCOME STATEMENT BY OPERATING SEGMENT

(€ million)	AUTOMOBILE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
2009				
Sales of goods and services	31,951	464	-	32,415
Sales financing revenues	-	1,297	-	1,297
External sales (note 4)	**31,951**	**1,761**	**-**	**33,712**
Intersegment sales	(317)	342	(25)	-
Sales by segment	**31,634**	**2,103**	**(25)**	**33,712**
Operating margin(1)	**(915)**	**506**	**13**	**(396)**
Operating income	**(1,457)**	**489**	**13**	**(955)**
Financial income(2)	**(102)**	**-**	**(302)**	**(404)**
Share in net income (loss) of associates	**(1,566)**	**5**	**-**	**(1,561)**
Pre-tax income	**(3,125)**	**494**	**(289)**	**(2,920)**
Current and deferred taxes	14	(157)	(5)	(148)
Net income	**(3,111)**	**337**	**(294)**	**(3,068)**
2008				
Sales of goods and services	35,757	484	-	36,241
Sales financing revenues	-	1,550	-	1,550
External sales (note 4)	**35,757**	**2,034**	**-**	**37,791**
Intersegment sales	(230)	372	(142)	-
Sales by segment	**35,527**	**2,406**	**(142)**	**37,791**
Operating margin(1)	**(174)**	**487**	**13**	**326**
Operating income	**(608)**	**478**	**13**	**(117)**
Financial income(2)	**742**	**-**	**(301)**	**441**
Share in net income (loss) of associates	**431**	**6**	**-**	**437**
Pre-tax income	**565**	**484**	**(288)**	**761**
Current and deferred taxes	(6)	(157)	1	(162)
Net income	**559**	**327**	**(287)**	**599**
2007				
Sales of goods and services	38,679	511	-	39,190
Sales financing revenues	-	1,492	-	1,492
External sales (note 4)	**38,679**	**2,003**	**-**	**40,682**
Intersegment sales	(276)	327	(51)	-
Sales by segment	**38,403**	**2,330**	**(51)**	**40,682**
Operating margin(1)	**858**	**472**	**24**	**1,354**
Operating income	**767**	**457**	**14**	**1,238**
Financial income(2)	**328**	**-**	**(252)**	**76**
Share in net income (loss) of associates	**1,668**	**7**	**-**	**1,675**
Pre-tax income	**2,763**	**464**	**(238)**	**2,989**
Current and deferred taxes	(109)	(141)	(5)	(255)
Net income	**2,654**	**323**	**(243)**	**2,734**

(1) Details of amortization and depreciation are provided in the consolidated cash flow statements by operating segment.
(2) Sales financing dividends are included in the Automobile segment's financial income and eliminated as an intersegment transaction.

A2 – CONSOLIDATED FINANCIAL POSITION BY OPERATING SEGMENT

DECEMBER 31, 2009 *(€ million)*	AUTOMOBILE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
Non-current assets				
Property, plant and equipment and intangible assets	15,953	245	(11)	16,187
Investments in associates	12,058	26	-	12,084
Non-current financial assets – investments in non-controlled entities	2,392	-	(2,254)	138
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automobile segment	888	-	-	888
Deferred tax assets and other non-current assets	553	145	5	703
TOTAL NON-CURRENT ASSETS	**31,844**	**416**	**(2,260)**	**30,000**
Current assets				
Inventories	3,927	5	-	3,932
Customer receivables	1,179	18,660	(499)	19,340
Current financial assets	1,025	380	(618)	787
Other current assets and current tax assets	1,532	2,041	(1,742)	1,831
Cash and cash equivalents	5,408	2,738	(123)	8,023
TOTAL CURRENT ASSETS	**13,071**	**23,824**	**(2,982)**	**33,913**
Assets held for sale	**65**	**-**	**-**	**65**
TOTAL ASSETS	**44,980**	**24,240**	**(5,242)**	**63,978**
Shareholders' equity	**16,363**	**2,259**	**(2,150)**	**16,472**
Non-current liabilities				
Deferred tax liabilities and long-term provisions	1,585	309	49	1,943
Non-current financial liabilities	8,787	261	-	9,048
Other non-current liabilities	509	151	-	660
TOTAL NON-CURRENT LIABILITIES	**10,881**	**721**	**49**	**11,651**
Current liabilities				
Short-term provisions	865	49	-	914
Current financial liabilities	4,455	4	(634)	3,825
Trade payables and sales financing debts	5,938	20,593	(708)	25,823
Other current liabilities and current tax liabilities	6,418	614	(1,799)	5,233
TOTAL CURRENT LIABILITIES	**17,676**	**21,260**	**(3,141)**	**35,795**
Liabilities associated to assets held for sale	**60**	**-**	**-**	**60**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**44,980**	**24,240**	**(5,242)**	**63,978**

DECEMBER 31, 2008 *(€ million)*	AUTOMOBILE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
Non-current assets				
Property, plant and equipment and intangible assets	16,862	288	(19)	17,131
Investments in associates	13,745	23	-	13,768
Non-current financial assets – investments in non-controlled entities	2,186	1	(2,153)	34
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automobile segment	964	-	(16)	948
Deferred tax assets and other non-current assets	523	140	9	672
TOTAL NON-CURRENT ASSETS	**34,280**	**452**	**(2,179)**	**32,553**
Current assets				
Inventories	5,261	5	-	5,266
Customer receivables	1,846	18,563	(339)	20,070
Current financial assets	1,167	515	(646)	1,036
Other current assets and current tax assets	2,106	2,473	(1,731)	2,848
Cash and cash equivalents	1,141	1,045	(128)	2,058
TOTAL CURRENT ASSETS	**11,521**	**22,601**	**(2,844)**	**31,278**
Assets held for sale	**-**	**-**	**-**	**-**
TOTAL ASSETS	**45,801**	**23,053**	**(5,023)**	**63,831**
Shareholders' equity	**19,316**	**2,158**	**(2,058)**	**19,416**
Non-current liabilities				
Deferred tax liabilities and long-term provisions	1,390	238	47	1,675
Non-current financial liabilities	5,511	262	-	5,773
Other non-current liabilities	437	111	-	548
TOTAL NON-CURRENT LIABILITIES	**7,338**	**611**	**47**	**7,996**
Current liabilities				
Short-term provisions	1,221	43	-	1,264
Current financial liabilities	5,705	-	(486)	5,219
Trade payables and sales financing debts	5,468	19,654	(752)	24,370
Other current liabilities and current tax liabilities	6,753	587	(1,774)	5,566
TOTAL CURRENT LIABILITIES	**19,147**	**20,284**	**(3,012)**	**36,419**
Liabilities associated to assets held for sale	**-**	**-**	**-**	**-**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**45,801**	**23,053**	**(5,023)**	**63,831**

DECEMBER 31, 2007 (€ million)	AUTOMOBILE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
Non-current assets				
Property, plant and equipment and intangible assets	16,788	343	(20)	17,111
Investments in associates	12,956	21	-	12,977
Non-current financial assets – investments in non-controlled entities	2,423	10	(2,395)	38
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automobile segment	585	-	(17)	568
Deferred tax assets and other non-current assets	603	111	10	724
TOTAL NON-CURRENT ASSETS	**33,355**	**485**	**(2,422)**	**31,418**
Current assets				
Inventories	5,927	5	-	5,932
Customer receivables	2,177	21,104	(768)	22,513
Current financial assets	1,184	608	(553)	1,239
Other current assets and current tax assets	1,839	2,124	(1,588)	2,375
Cash and cash equivalents	3,697	1,319	(295)	4,721
TOTAL CURRENT ASSETS	**14,824**	**25,160**	**(3,204)**	**36,780**
Assets held for sale	**-**	**-**	**-**	**-**
TOTAL ASSETS	**48,179**	**25,645**	**(5,626)**	**68,198**
Shareholders' equity	**21,987**	**2,385**	**(2,303)**	**22,069**
Non-current liabilities				
Deferred tax liabilities and long-term provisions	1,582	248	53	1,883
Non-current financial liabilities	5,141	272	-	5,413
Other non-current liabilities	459	64	-	523
TOTAL NON-CURRENT LIABILITIES	**7,182**	**584**	**53**	**7,819**
Current liabilities				
Short-term provisions	902	52	-	954
Current financial liabilities	2,413	-	(896)	1,517
Trade payables and sales financing debts	8,347	21,964	(891)	29,420
Other current liabilities and current tax liabilities	7,348	660	(1,589)	6,419
TOTAL CURRENT LIABILITIES	**19,010**	**22,676**	**(3,376)**	**38,310**
Liabilities associated to assets held for sale	**-**	**-**	**-**	**-**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**48,179**	**25,645**	**(5,626)**	**68,198**

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A3 – CONSOLIDATED CASH FLOWS BY OPERATING SEGMENT

(€ million)	AUTOMOBILE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
2009				
Net income	**(3,111)**	**337**	**(294)**	**(3,068)**
Cancelation of unrealized income and expenses				
Amortization and impairment	3,124	30	(8)	3,146
Share in net (income) loss of associates	1,566	(5)	-	1,561
Dividends received from associates	81	-	-	81
Other unrealized income and expenses	(193)	183	5	(5)
Cash flow	**1,467**	**545**	**(297)**	**1,715**
Decrease (increase) in sales financing receivables	-	76	175	251
Net change in financial assets and Sales Financing debts	-	1,366	11	1,377
Change in capitalized leased vehicles[1]	(248)	(9)	1	(256)
Decrease (increase) in working capital	2,923	33	(3)	2,953
CASH FLOWS FROM OPERATING ACTIVITIES	**4,142**	**2,011**	**(113)**	**6,040**
Purchases of intangible assets	(670)	(16)	-	(686)
Purchases of property, plant and equipment[1]	(1,620)	(3)	-	(1,623)
Disposals of property, plant and equipment and intangibles[1]	236	-	-	236
Acquisition of investments, net of disposals and other	(86)	-	-	(86)
Net decrease (increase) in other securities and loans of the Automobile segment	81	-	(16)	65
CASH FLOWS FROM INVESTING ACTIVITIES	**(2,059)**	**(19)**	**(16)**	**(2,094)**
Cash flows with shareholders	105	(302)	302	105
Net change in financial liabilities of the Automobile segment	2,017	-	(160)	1,857
CASH FLOWS FROM FINANCING ACTIVITIES	**2,122**	**(302)**	**142**	**1,962**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**4,205**	**1,690**	**13**	**5,908**

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

(€ million)	AUTOMOBILE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
2008				
Net income	**556**	**325**	**(282)**	**599**
Cancelation of unrealized income and expenses				
Amortization and impairment	2,892	67	(16)	2,943
Share in net (income) loss of associates	(431)	(6)	-	(437)
Dividends received from associates	688	-	-	688
Other unrealized income and expenses	(644)	154	(6)	(496)
Cash flow	**3,061**	**540**	**(304)**	**3,297**
Decrease (increase) in sales financing receivables	-	1,740	(441)	1,299
Net change in financial assets and Sales Financing debts	-	(2,092)	86	(2,006)
Change in capitalized leased vehicles[1]	(153)	(54)	4	(203)
Decrease (increase) in working capital	(2,704)	(147)	18	(2,833)
CASH FLOWS FROM OPERATING ACTIVITIES	**204**	**(13)**	**(637)**	**(446)**
Purchases of intangible assets	(1,177)	(1)	-	(1,178)
Purchases of property, plant and equipment[1]	(2,309)	(6)	-	(2,315)
Disposals of property, plant and equipment and intangibles[1]	254	-	-	254
Acquisition of investments, net of disposals and other	(587)	(1)	-	(588)
Net decrease (increase) in other securities and loans of the Automobile segment	97	-	95	192
CASH FLOWS FROM INVESTING ACTIVITIES	**(3,722)**	**(8)**	**95**	**(3,635)**
Cash flows with shareholders	(1,167)	(236)	301	(1,102)
Net change in financial liabilities of the Automobile segment	2,172	-	424	2,596
CASH FLOWS FROM FINANCING ACTIVITIES	**1,005**	**(236)**	**725**	**1,494**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(2,513)**	**(257)**	**183**	**(2,587)**

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

(€ million)	AUTOMOBILE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
2007				
Net income	**2,654**	**323**	**(243)**	**2,734**
Cancelation of unrealized income and expenses				
Amortization and impairment	2,815	87	(37)	2,865
Share in net (income) loss of associates	(1,668)	(7)	-	(1,675)
Dividends received from associates	936	-	-	936
Other unrealized income and expenses	(185)	55	16	(114)
Cash flow	**4,552**	**458**	**(264)**	**4,746**
Decrease (increase) in sales financing receivables	-	413	144	557
Net change in financial assets and Sales Financing debts	-	13	(224)	(211)
Change in capitalized leased vehicles[1]	(109)	2	12	(95)
Decrease (increase) in working capital	(26)	(336)	15	(347)
CASH FLOWS FROM OPERATING ACTIVITIES	**4,417**	**550**	**(317)**	**4,650**
Purchases of intangible assets	(1,347)	(1)	-	(1,348)
Purchases of property, plant and equipment[1]	(2,284)	(6)	-	(2,290)
Disposals of property, plant and equipment and intangibles[1]	175	-	-	175
Acquisition of investments, net of disposals and other	41	(45)	-	(4)
Net decrease (increase) in other securities and loans of the Automobile segment	652	-	(37)	615
CASH FLOWS FROM INVESTING ACTIVITIES	**(2,763)**	**(52)**	**(37)**	**(2,852)**
Cash flows with shareholders	(1,017)	(248)	252	(1,013)
Net change in financial liabilities of the Automobile segment	(1,765)	-	(163)	(1,928)
CASH FLOWS FROM FINANCING ACTIVITIES	**(2,782)**	**(248)**	**89**	**(2,941)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(1,128)**	**250**	**(265)**	**(1,143)**

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

B – INFORMATION BY REGION

(€ million)	EUROPE[1]	EUROMED	EURASIA	ASIA-AFRICA	AMERICAS	CONSOLIDATED TOTAL
2009						
Revenues	25,714	2,428	598	2,393	2,579	**33,712**
Property, plant and equipment and intangibles	12,784	1,583	376	809	635	**16,187**
2008						
Revenues	27,653	3,062	1,360	2,628	3,088	**37,791**
Property, plant and equipment and intangibles	13,997	1,555	283	726	570	**17,131**
2007						
Revenues	30,447	3,102	1,208	2,757	3,168	**40,682**
Property, plant and equipment and intangibles	13,922	1,521	230	756	682	**17,111**

(1) Including France:

(€ million)	2009	2008	2007
Revenues	*12,517*	*13,001*	*13,105*
Property, plant and equipment and intangibles	*10,840*	*11,664*	*11,363*

The Regions presented correspond to the geographic sectors of the Group's structure. In 2009, the Euromed Region was split into two Regions, Euromed and Eurasia, which principally covers Russia and the Ukraine.

Consolidated revenues are presented by location of customers.

Property, plant and equipment and intangibles are presented by location of subsidiaries and joint-ventures.

7.2.7 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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7.2.7.1 ACCOUNTING POLICIES AND SCOPE OF CONSOLIDATION

NOTE 1 – APPROVAL OF THE FINANCIAL STATEMENTS

The Renault group's consolidated Financial Statements for 2009 were finalized at the Board of Directors' meeting of February 10, 2010 and will be submitted for approval by the shareholders at the General Shareholders' Meeting to be held on April 30, 2010.

NOTE 2 – ACCOUNTING POLICIES

In application of regulation 1606/2002 passed on July 19, 2002 by the European Parliament and the Council of Europe, Renault's consolidated Financial Statements for 2009 are prepared under IFRS (International Financial Reporting Standards) as issued by the IASB (International Accounting Standards Board) at December 31, 2009 and adopted by the European Union at the year-end.

A - Changes in accounting policies

The following standards, interpretations and amendments were published in the Official Journal of the European Union at December 31, 2009 and were applied for the first time in 2009:

- IFRS 8, "Operating segments" which replaces IAS 14, "Segment reporting";
- IAS 1, "Presentation of Financial Statements" (revised 2007);
- IAS 23, "Borrowing Costs" (revised 2007);
- 2008 annual improvements to IFRS, with the exception of the amendment to IFRS 5, "Non-current assets held for sale and discontinued activities", which is applicable to financial years beginning on or after January 1, 2010;
- the amendment to IFRS 2, "Share-based payments" on vesting conditions and cancelations;
- amendments to IFRS 7, "Financial instruments: disclosures" and IFRS 4, "Insurance contracts" on enhancing disclosures about fair value and liquidity risks associated with financial instruments;
- the amendment to IAS 32, "Financial instruments: presentation" and IAS 1, "Presentation of the Financial Statements" on Puttable financial instruments and obligations arising on liquidation;
- amendments to IAS 39, "Financial instruments: recognition and measurement" and IFRS 7, "Financial instruments: disclosures" on reclassification of financial assets (application date and transition);
- IFRIC 13, "Customer Loyalty Programmes";
- IFRIC 14, "IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction";
- amendments to IFRIC 9, "Reassessment of embedded derivatives" and IAS 39, "Financial instruments: recognition and measurement" on recognition of embedded derivatives contained in contracts when a hybrid financial asset is reclassified out of the category of instruments carried at fair value through profit and loss.

Neither the first application of these standards and interpretations nor the subsequent amendments had any significant impact on the Financial Statements at December 31, 2009.

The Group has undertaken no early application of any standard, interpretation or amendment, particularly the following standards, interpretations and amendments published in the Official Journal of the European Union at December 31, 2009:

- IFRS 3, "Business combinations" (revised 2008), mandatory for financial years beginning on or after January 1, 2010;
- IAS 27, "Consolidated and separate Financial Statements" (revised 2008), mandatory for financial years beginning on or after January 1, 2010;
- the amendment to IAS 32, "Financial instruments: presentation", on classification of rights issues, mandatory for financial years beginning on or after January 1, 2011;
- the amendment to IAS 39, "Financial instruments: recognition and measurement" for eligible hedged items, mandatory for financial years beginning on or after January 1, 2010;
- IFRIC 15, "Agreements for the construction of real estate", mandatory for financial years beginning on or after January 1, 2010;
- IFRIC 16, "Hedges of a net investment in a foreign operation", mandatory for financial years beginning on or after January 1, 2010;
- IFRIC 17, "Distributions of Non-cash Assets to Owners", mandatory for financial years beginning on or after January 1, 2010;
- IFRIC 18, "Transfers of Assets from Customers", mandatory for financial years beginning on or after January 1, 2010.

The Group does not currently expect adoption of these new standards, interpretations and amendments to have a significant impact on the consolidated Financial Statements.

The Group has also 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.

B – Estimates and judgments

In preparing its Financial Statements, Renault has to make estimates and assumptions that affect the book value of certain assets and liabilities, income and expense items and the information disclosed in certain notes. Renault regularly revises its estimates and assessments to take account of past experience and other factors deemed relevant in view of the economic circumstances. If changes in these assumptions or circumstances are not as anticipated, the figures reported in Renault's future Financial Statements could differ from the estimates established at the time the Financial Statements were finalized.

The main items in the Financial Statements that are sensitive to estimates and judgments at December 31, 2009 are the following:

- fixed assets – estimation of recoverable value (note 2-L and 13);
- property, plant and equipment related to leased vehicles or inventories related to used vehicles - estimation of recoverable value (notes 2-G, 12-B and 16);
- investments in associates - estimation of recoverable value (notes 2-L, 14 and 15);
- sales financing receivables - estimation of recoverable value (notes 2-G and 17);
- deferred taxes (notes 2-I and 9);
- provisions, particularly vehicle warranty provisions (note 2-G), provisions for pensions and other long-term employee benefit obligations (note 21-C) and provisions for workforce adjustment measures (note 7-A).

C – Consolidation principles

The consolidated Financial Statements include the Financial Statements of all companies controlled exclusively, directly or indirectly, by the Group ("subsidiaries"). Jointly controlled companies ("joint-ventures") are proportionately consolidated. Companies in which the Group exercises significant influence ("associates") are included in the Financial Statements on an equity basis.

Significant intercompany transactions and unrealized internal profits are eliminated.

Non-consolidated companies, which fulfil these criteria, are recorded as other non-current assets.

None of these companies' individual contributions to consolidated figures exceeds the following:

- revenues €20 million
- inventories €20 million

Their consolidation would have a negligible impact on the consolidated Financial Statements, since they are Group-financed entities whose losses, if any, are recognized via impairment losses, and which:

- acquire almost all their purchases from Group companies, most of these companies being dealership-type establishments; or
- carry out almost all their sales transactions with Group companies, the principal company concerned being Renault Sport.

D – Presentation of the Financial Statements

Operating income and operating margin

Operating income includes all revenues and costs directly related to the Group's activities, whether recurrent or resulting from non-recurring decisions or operations, such as restructuring costs.

The operating margin corresponds to the operating income before other operating income and expenses, which cover:

- restructuring costs and costs relating to workforce adjustment;
- gains or losses on disposal of businesses or operating entities;
- gains or losses on disposal of property, plant and equipment or intangible assets (except vehicle sales);
- unusual items, ie income and charges that are unusual in their frequency, nature or amount, particularly impairment of fixed assets.

Reporting by operating segment

Segment information is presented for the first time in accordance with IFRS 8, "Operating segments", which replaced IAS 14, "Segment reporting" as of January 1, 2009.

The operating segments under IFRS 8 criteria are identical to those used previously for reporting under IAS 14:

- the Automobile segment, comprising the production, sales, and distribution subsidiaries for passenger and light commercial vehicles, automobile service subsidiaries, and the subsidiaries in charge of cash management for these companies;
- the Sales financing segment, which the Group considers as an operating activity, carried out by RCI Banque and its subsidiaries for the distribution network and final customers.

The information by operating segment is based on internal reporting to the Group Executive Committee, identified as the "Chief Operating Decision-Maker" as defined by IFRS 8. This information is prepared under the IFRS applicable to the consolidated Financial Statements. All Group financial data are assigned to the operating segments. The "Intersegment transactions" column is reserved for transactions between the two segments, which are carried out on near-market conditions. Dividends paid by the Sales financing segment to the Automobile segment are included in the Automobile division's financial income. The indicator used to evaluate segment performance is the operating margin.

Apart from taxes and the associates' share in net income, income and expenses relating to sales financing are recorded as operating items. The tax effect inherent to the French consolidated taxation system is included in the tax expense of the Automobile segment.

Assets and liabilities are specific to each segment. Receivables assigned by the Automobile segment to the sales financing companies are treated as operating assets by the assignee when the risks and benefits are substantially transferred.

Vehicles for which the Automobile segment has a repurchase commitment are included in the segment's assets. When these vehicles are financed by the Sales financing segment, the Sales financing segment recognizes a receivable on the Automobile segment.

Current and non-current assets and liabilities

Sales financing receivables, other securities, derivatives, loans and financial liabilities of the Sales financing segment (other than redeemable shares and subordinated loans) are considered as current assets and liabilities, as they are used in the normal business cycle of this operating segment.

For the Automobile segment, in addition to items directly related to the business cycle, all assets and liabilities maturing within one year are classified as current.

E – Translation of the Financial Statements of foreign companies

The Group's presentation currency is the euro.

For foreign companies, the functional currency is generally the local currency. In cases where most transactions are carried out in a different currency, that currency is adopted as the functional currency.

To determine whether a country is in hyperinflation, the Group refers to the list published by the AICPA (American Institute of Certified Public Accountants) Task Force. In 2009, this list included none of the countries where Renault has significant business activity.

Foreign companies' accounts are established in their functional currency, and subsequently translated into the Group's presentation currency as follows:

- balance sheet items other than components of shareholders' equity, which are stated at historical value, are translated at the closing rate of exchange;
- income statement items are translated at the average exchange rate for the period;
- the translation adjustment is included in consolidated shareholders' equity and has no impact on net income.

Goodwill and valuation adjustments generated by a business combination with a foreign company are treated as an asset or liability of the entity acquired, as appropriate.

When a foreign company is sold, the translation adjustments recorded in shareholder's equity in respect of its assets and liabilities are taken as income.

F – Translation of foreign currency transactions

Transactions undertaken in a currency other than the functional currency of the entity concerned are initially translated to and recorded in the functional currency, using the rate applicable at the transaction date.

For financial reporting purposes, monetary items in currencies other than the functional currency are translated at the closing rate. All resulting foreign exchange differences are recognized in the income statement, except for foreign exchange gains and losses on debts, receivables, and financial instruments designated as hedges of the net investment in a foreign entity (note 2-V).

The following impacts are therefore recorded in net income:

- translation adjustments related to financial operations by the Automobile segment are included in the net financial income;
- other translation adjustments are included in the operating margin.

Derivatives are measured and recorded as described in note 2-V.

G – Revenues and margin

Revenues comprise all proceeds from sales of the Group's automobile products, services related to these sales, sales of automobile technologies, marketing rights and the various sales financing products marketed by the Group's companies to their customers.

Sales of goods and services and margin recognition

Sales and margin recognition

Sales of goods are recognized when vehicles are made available to the distribution network in the case of non-Group dealers or upon delivery to the end-user in the case of direct sales. The margin on sales is recognized immediately for normal sales by the Automobile segment, including sales with associated financing contracts that can be considered as finance leases (long-term or with a purchase option). However, no sale is recognized when the vehicle is covered by an operating lease from a Group finance company or the Group has made a buy-back commitment with a high probability of application, when the term of the contract covers an insufficient portion of the vehicle's useful life.

In such cases, the transactions are recorded as operating leases and included in sales of services. The difference between the price paid by the customer and the buy-back price is treated as rental income, and spread over the period that the vehicle is at the customer's disposal. The production cost for the new vehicle concerned is recorded in inventories for contracts of less than one year, or included in property, plant and equipment under vehicles leased to customers when the contracts exceed one year. The sale of the vehicle as second-hand at the end of the lease gives rise to recognition of sales revenue and the related margin. The forecast resale value takes account of recent known developments on the second-hand vehicle market but also future anticipated developments over the period in which the vehicles will be sold, which may be influenced by factors both external (economic situation, taxation) and internal (changes in the range, lower manufacturer prices). As soon as a loss is expected on the resale, a provision (if the vehicle is in inventories) or additional depreciation (if the vehicle is included in property, plant and equipment) is recognized to cover the loss. When the overall position of the lease contract (rental income and income on resale) shows a loss, an additional provision is also recorded immediately to cover the future loss.

Sales of automobile technologies and marketing rights are recognized when the associated risks and benefits are actually transferred. The timing of this transfer depends on the terms of the sale contracts, taking into consideration factors such as the period covered and the volumes concerned, and the recoverability or otherwise for the purchaser of the amounts paid.

Sales incentive programmes

When based on the volume or price of the products sold, the cost of these programmes is deducted from revenues when the corresponding sales are recorded. Otherwise, the cost is included in selling, general and administrative expenses. If programmes are approved after the sales, a provision is established when the decision is made.

The Group sometimes organizes promotional campaigns offering reduced-interest loans to end-users. The cost of these operations is recognized immediately when the rates offered cannot cover refinancing and administration costs, and charged to sales financing revenues over the duration of the loan otherwise.

Warranty

The estimated or incurred costs relating to product or part warranties not covered by insurance are charged to expenses when the sales are recorded. In the event of product recalls relating to incidents that come to light after the vehicle has been put on the market, provisions are established to cover the costs involved as soon as the decision to undertake the recall campaign has been made. Amounts claimed from suppliers are deducted from the warranty expense when it is considered practically certain they will be recovered and included in Automobile segment customer receivables in the consolidated balance sheet.

Services related to sales of automobile products

Renault offers its customers extended warranty and maintenance contracts, the income and margin on which are recognized over the period covered by the contract.

Sales financing revenues and margin recognition

Sales financing revenues

Sales financing revenues are generated by financing operations for sales of vehicles to dealers and end-users. These financing operations take the form of loans from the Sales financing segment companies and are carried in the balance sheet at amortized cost under the effective tax rate method, less any impairment. Income on these contracts is calculated so as to give a constant interest rate over the period, and is included in sales revenues.

Sales financing costs

The costs of sales financing are considered as operating expenses and included in the operating margin. They mainly comprise interest incurred by sales financing companies to refinance their customer transactions, other costs and revenues directly related to administration of this type of refinancing (temporary investments, hedging and management of exchange and interest rate risks) and the cost of risks other than those relating to refinancing of receivables.

Commissions payable to business intermediaries

Commissions are treated as external distribution costs and are therefore deferred as contract acquisition costs, so as to give a constant interest rate over the term of the financing contracts.

Impaired receivables

Impairment for credit risk is recognized to cover the risk of non-recovery of receivables. When there is objective evidence of a loss of value (payments overdue, deterioration in the financial position, litigation procedures, etc.) for an individual receivable, impairment is determined on an individual basis (using a statistical or case-by-case approach). Otherwise, a collectively based provision may be recorded (for example in the event of unfavorable developments in a macro-economic and/or segment indicator associated with otherwise sound receivables).

Impairment for country risk is determined based on assessment of:

- the transfer risk related to the future solvency of each country in the base affected by the impairment;
- the systemic credit risk to which debtors are exposed in the event of long-term continuous deterioration in the economic and general environment of the countries included in the base.

H – Financial income (expense)

Interest income and expenses are recognized under the effective interest rate method, whereby interest and transaction costs are spread on an actuarial basis over the duration of the loan or borrowing.

Interest income and expenses include accrued interest on interest rate derivatives used in fair value and cash flow hedging (when this income or expense is transferred from equity). Changes in the fair value of interest rate derivatives, excluding accrued interest, are included in other financial income and expenses.

Other financial income and expenses also include changes in the fair value of Renault SA redeemable shares.

I – Income tax

The Group recognizes deferred taxes for all temporary differences between the tax and book values of assets and liabilities in the consolidated balance sheet. Using the liability method, deferred taxes are calculated at the latest tax rate enacted at the closing date applicable to the period when temporary differences are reversed. Each individual fiscal entity (legal entity, establishment or group of entities that pays tax to the tax administration) that is authorized to offset its current tax assets and liabilities reports deferred tax assets and liabilities net. Net deferred tax assets are recognized according to the probability of future recovery.

For fully consolidated companies, a deferred tax liability is recorded in respect of dividend distributions likely to be made by the Group.

For joint-ventures and associates, a deferred tax liability on dividend distributions is booked for all differences between the book value and fiscal value of shares held.

Tax credits that can only be used against a taxable profit are recorded as a deduction from the income tax payable. Tax credits that are recoverable regardless of whether the company makes a taxable profit are set against the relevant nature of expense.

J – Intangible assets

Goodwill

Goodwill recorded on business combinations corresponds to the difference at the acquisition date between the purchase price of the shares (including acquisition expenses) and the share in the fair value of assets and liabilities acquired.

Goodwill is not amortized, but impairment tests are carried out at least annually or whenever there is evidence of loss of value. After initial recognition, goodwill is stated at cost less accumulated impairment.

Goodwill relating to associates is included in the balance sheet line "investments in associates". In the event of impairment, an impairment loss is booked and included in the consolidated income statement via the share in net income (loss) of associates.

Acquisitions of additional investments in controlled companies and put options to buy out minority interests are treated as equity transactions. The positive or negative difference between the cost of acquiring shares (including acquisition expenses) and the book value of the minority interests acquired is recorded in shareholders' equity. The minority interests concerned by the put options are stated at fair value and reclassified as liabilities in the balance sheet.

Research and development expenses

Development expenses incurred between the approval of the decision to begin development and implement production facilities for a new vehicle or part (e.g. engine or gearbox) and the subsequent approval of the design for mass production are capitalized as intangible assets. They are amortized on a straight-line basis from the date of approval for production, over the expected market life of the vehicle or part, up to a maximum period of seven years. Capitalized development expenses mainly comprise the cost of prototypes, the cost of studies invoiced by external firms, the cost of personnel assigned to the project and a share of overheads dedicated exclusively to development activities.

They also include financing costs for projects that began on or since January 1, 2009. The capitalization rate for borrowing costs is equal to the weighted average interest rate on non-dedicated borrowings of the year, with a limit such that capitalized borrowing costs do not exceed the total borrowing costs borne during the year. When a project is financed through a specific borrowing, the capitalization rate is equal to the interest rate on the borrowing.

Expenses incurred before the formal approval of product development are recorded as costs in the period they are incurred, in the same way as research expenses. Expenses incurred after the start of mass production are treated as production costs.

K – Property, plant and equipment

The gross value of property, plant and equipment corresponds to historical acquisition or production cost.

Design and preparation expenses are included in the asset's production cost.

Production cost also includes financing costs borne during the construction phase of property, plant and equipment when construction began on or after January 1, 2009. The capitalization rate applied is the same as the rate used for intangible assets.

Investment subsidies received are deducted from the gross value of the assets concerned.

Subsequent expenses for property, plant and equipment, except those incurred to increase productivity or prolong the life of an asset, are charged to expenses as incurred.

Assets used by the Group under finance leases are treated as assets financed by credit.

Vehicles leased to customers are vehicles under lease from a Group finance company, for which the Group has a repurchase commitment, or vehicles sold under an agreement including a buy-back clause covering more than one year (note 2-G).

Amortization

Amortization is calculated on a straight-line basis over the following estimated useful lives:

Buildings[1]	15 to 30 years
Specific tools	2 to 7 years
Machinery and other tools (other than press lines)	5 to 15 years
Press lines	20 to 30 years
Other tangible assets	4 to 6 years

(1) Buildings in use before 1987 are depreciated over a period of up to 40 years.

Useful lives are regularly reviewed, and accelerated amortization is recorded when an asset's useful life becomes shorter than the initially expected period of use, particularly when it is decided to withdraw a vehicle or part from the market.

L – Impairment of assets

Impairment of fixed assets (other than leased vehicles)

Fixed assets are subjected to impairment tests as soon as there is any indication of a loss of value, such as significant adverse changes in the market in which the company operates, or changes affecting the circumstances and manner of use of the assets.

For the Automobile segment, impairment tests are carried out at two levels:

- At the level of vehicle-specific assets

  Vehicle-specific assets are capitalized development expenses, specific tools and supplier tools. Impairment tests are carried out by comparing the net book value of the assets with the recoverable value, calculated based on discounted future cash flows related to the vehicle.

- At the level of cash-generating units

  A cash-generating unit is defined as the smallest identifiable group of assets that generates largely independent cash flows. Fixed assets related to cash-generating units include goodwill, specific assets and capacity assets.

  Impairment tests are carried out on cash-generating units by comparing the net book value with the recoverable value. Recoverable value is defined as the higher of either the value in use or the fair value less selling costs.

  Value in use is the present value of the estimated future cash flows expected to arise from the continuing use of an asset. Future cash flows derive from a 5-year business plan drawn up and validated by the Management, plus a terminal value based on discounted normative cash flows after application of a growth rate to infinity. They also include the dividends paid by the Sales financing segment to the Automobile segment; these dividends represent, in cash form, the Sales financing segment's contribution as taken into consideration in internal assessments of project profitability. The assumptions underlying the business plan include estimates of market developments in countries in which the Group operates and its share of those markets, changes in the sale price of products and the prices of purchased components and commodities. The pre-tax discount rate used is the weighted average cost of capital as determined by the company.

When the recoverable value is lower than the net book value, impairment equivalent to the difference is recorded against the assets concerned.

For the Sales financing segment, an impairment test is carried out at least once a year or whenever as there is an indication of loss of value, by comparing the book value and recoverable value of assets. Recoverable value is defined as the higher of fair value (less selling costs) and value in use. Value in use is the present value of future cash flows as determined in the most recent five year forecasts for each cash-generating unit, consisting of legal entities or groups of legal entities in a given country. The same discount rate is used for all cash-generating units tested: a risk-free ten year rate increased by the average risk premium for the sector in which the cash-generating units operate.

Impairment of investments in associates

Impairment tests of the value of investments in associates are carried out as soon as there is any indication of a loss of value, essentially significant adverse changes in the markets in which the company operates or a major or long-term decline in stock market value.

Impairment tests are carried out in compliance with IAS 28 and IAS 36, by comparing the book value of the investment in the associate with the share of the present value of future estimated cash flows expected from the associate.

When the recoverable value is lower than the book value, impairment equivalent to the difference is recorded against the relevant investment in an associate.

M – Non-current assets or groups of assets held for sale

Assets held for sale are non-current assets or groups of assets that are available for sale (and do not require significant work to prepare them for sale) and very likely to be sold.

Non-current assets or groups of assets considered to be held for sale are measured and recorded at the lower of net book value or fair value less selling costs. No further impairment or amortization is recorded once an asset is classified as held for sale (or included in a group of assets held for sale). These assets are reported on a specific line of the balance sheet.

N – Inventories

Inventories are stated at the lower of cost or net realizable value. Cost corresponds to acquisition cost or production cost, which includes direct and indirect production expenses and a share of manufacturing overheads based on a normal level of activity. The normal level of activity is assessed site by site in order to determine the share of fixed costs to be excluded in the event of below-normal activity.

Inventories are valued under the FIFO (First In First Out) method.

When the net realizable value is lower than the value under the FIFO method, impairment equal to the difference is recorded.

O – Assignment of receivables

Receivables assigned to third parties (through securitization or discounting) are removed from Group assets when the associated risks and benefits are also substantially transferred to the third parties in question.

The same treatment applies to assignments between the Automobile and Sales financing segments. The resulting receivables and liabilities are recorded as operating items.

P – Treasury shares

Treasury shares are shares held for the purposes of stock-option plans awarded to Group managers and Executives. They are recorded at the acquisition cost and deducted from the Group shareholders' equity until the date of sale.

When these shares are sold, the sale price is directly included in consolidated shareholders' equity, and transferred to cash and cash equivalents once payment has been received. Consequently, no gain or loss on treasury shares is included in the net income for the period.

Q – Stock-option plans/free share attribution plans

The Group awards stock-option plans (purchase and subscription options) and share attribution plans, all for Renault shares. The grant date is the date at which beneficiaries are informed of the decision to grant these options or shares and the terms of the relevant plans. For plans subject to performance conditions, an estimate of achievement of those conditions is taken into account in determining the number of options or free shares attributed. This estimate is reviewed annually based on changes in the probability of performance condition achievement. The final fair value of services rendered in return for attribution of options or free shares is measured by reference to the fair value of those options or shares at their grant date, using a binomial mathematical model. Entitlements to attribution of free shares are valued based on the share value at grant date less dividends expected during the vesting period.

The fair value is spread on a straight-line basis over the vesting period for the relevant plan. The cost is included in personnel expenses, with a corresponding adjustment to consolidated reserves. When the option is exercised, the cash amount received by the Group in settlement of the exercise price is booked in cash and cash equivalents, with a corresponding adjustment to consolidated reserves.

In compliance with IFRS 2's transitional measures, only plans beginning after November 7, 2002 concerning options unvested at January 1, 2005 have been valued and recorded as described above.

R – Provisions

Pensions and other long-term employee benefit obligations

The Group's payments for defined-contribution benefit plans are recorded as expenses for the relevant period.

For defined-benefit plans concerning post-employment benefits, the Group uses the Projected Unit Credit Method to determine the present value of its obligations. Under this method, benefits are attributed to periods of service according to the plan's benefit formula, principally on a straight-line basis over the years of service.

The future payments for employee benefits are measured on the basis of future salary increases, retirement age, mortality and length of employment with the company, and are discounted at a rate determined by reference to yields on long-term high quality corporate bonds of a duration corresponding to the estimated average duration of the benefit plan concerned.

The actuarial gains and losses resulting from revisions of the underlying assumptions and experience-based adjustments are included in equity, as allowed under IAS 19.

The net expense for the year, corresponding to the sum of the current period service costs, the discount cost less the expected return on fund assets and a portion of deferred past service costs, is charged in full to the operating margin.

Restructuring measures/termination benefits

The estimated cost of restructuring and the cost of workforce adjustment measures is recognized as soon as a detailed plan has been defined and is either announced or in progress.

S – Financial assets

The Group recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

Financial assets comprise investments in non-controlled companies in which Renault does not exercise significant influence, securities, loans, and derivative assets related to financial transactions (note 2-V).

These instruments are presented as non-current assets, apart from those maturing within 12 months of the closing date, which are classified as current assets or cash equivalents as appropriate.

Securities: investments in non-controlled companies in which Renault does not have significant influence

Dividends from such companies are recorded in the year of distribution.

These investments are considered to be "available for sale" and are accordingly stated at their fair value at the financial reporting date, with any changes in fair value included directly in consolidated reserves. The amounts recorded in consolidated reserves are transferred to the income statement upon disposal when the investment is sold or written off.

Impairment is recognized in the income statement when there is objective evidence that these investments are impaired. One indicator providing objective evidence of impairment is a significant or prolonged fall in the fair value of investments below their acquisition cost.

The fair values of such investments are mainly determined by reference to the market price. If this is not possible, valuation methods not based on market data are used.

Securities that do not represent a share in another entity's capital

These securities are short-term investments undertaken as part of the Group's cash surplus management policy and are initially stated at fair value.

The valuation methods and subsequent accounting treatment vary according to whether such securities are considered "available for sale" or designated from the outset as "assets stated at fair value through profit or loss". The relevant category is determined on a case-by-case basis and depends on the underlying management strategy. Securities intended for sale in the short term are classified as "assets stated at fair value through profit or loss"; all other securities are classified as "available for sale".

Securities intended for sale in the short term are stated at fair value at the reporting date, with changes in fair value taken to income.

Available-for-sale securities are stated at fair value at the reporting date and changes in this fair value are recorded directly in equity. The amounts included in equity are taken to income upon derecognition of the asset. Impairment losses are recorded in the income statement when there is objective evidence of depreciation in value.

Fair values of securities are mainly determined by reference to the market price.

Loans

Loans essentially include interbank loans for investment of cash surpluses.

Loans are initially recognized at fair value, plus directly attributable transaction costs.

At each closing date, loans are valued at amortized cost. Impairment is recognized in the income statement when there is objective evidence of depreciation in value caused by an event that occurred after the initial recognition of the asset.

T – Cash and cash equivalents

Cash includes cash on hand and bank deposits, with the exception of bank overdrafts, which are included in financial liabilities. These instruments are stated at amortized cost.

Cash equivalents are investments held for the purpose of meeting short-term cash commitments. For an investment to qualify as a cash equivalent, it must be readily convertible for a known amount of cash and be subject to an insignificant risk of change in value. These instruments are stated at fair value.

U – Financial liabilities and sales financing debts

The Group recognizes a financial liability (for the Automobile segment) or a sales financing debt when it becomes a party to the contractual provisions of the instrument.

Financial liabilities and sales financing debts comprise redeemable shares, bonds, other debts represented by a certificate, borrowings from credit institutions, other interest-bearing borrowings and derivative liabilities related to financial transactions (note 2-V).

Redeemable shares

In accordance with IAS 39, the Group considers that the variable interest on redeemable shares is an embedded derivative which cannot be valued separately. Consequently, the Group has stated all its redeemable shares at fair value. For these shares, fair value is equal to market value.

Changes in the fair value of Automobile segment redeemable shares are recorded in financial income and expenses, while changes in the fair value of Sales financing segment redeemable shares are recorded in the operating margin.

Bonds, other debts represented by a certificate, borrowings from credit institutions and other interest-bearing borrowings

Bonds, other debts represented by a certificate, borrowings from credit institutions and other interest-bearing borrowings are initially recorded at fair value, less any directly attributable transaction costs.

At each reporting date, apart from specific hedge accounting methods (note 2-V), these financial liabilities are generally restated at amortized cost using the effective interest rate method. The financial expense calculated in this way includes issuance expenses and issuance or redemption premiums, together with the impact of debt renegotiations when the old and new terms are not substantially different.

Renegotiations of the terms of borrowings and similar operations are recorded as an extinction of the former liability with recognition of a new liability only if there are substantial differences between the old and new terms. When this is the case, the costs borne for renegotiation are included in the financial expenses for the period during which the negotiation takes place.

V – Derivatives and hedge accounting

Measurement and presentation

Derivatives are initially recognized at fair value. This fair value is subsequently reviewed at each closing date.

- The fair value of forward exchange contracts is based on market conditions. The fair value of currency swaps is determined by discounting future cash flows, using closing-date market rates (exchange and interest rates).
- The fair value of interest rate derivatives is the amount the Group would receive (or pay) to settle outstanding contracts at the closing date, taking into account any unrealized gains or losses based on current interest rates and the quality of the counterparty to each contract at the closing date. This fair value includes accrued interest.
- The fair value of commodity derivatives is based on market conditions.

The Automobile segment's derivatives are reported in the balance sheet as current if they mature within 12 months and non-current otherwise. All Sales financing segment derivatives are reported in the balance sheet as current.

Hedge accounting

The treatment of derivatives designated as hedging instruments depends on the type of hedging relationship:

- fair value hedge;
- cash flow hedge;
- hedge of a net investment in a foreign operation.

The Group identifies the hedging instrument and the hedged item as soon as the hedge is set up, and documents the hedging relationship, stating the hedging strategy, the risk hedged and the method used to assess the hedge's effectiveness. This documentation is subsequently updated, such that the effectiveness of the designated hedge can be demonstrated.

Hedge accounting uses specific measurement and recognition methods for each category of hedge.

- Fair value hedges: the hedged item is adjusted to fair value in view of the risk hedged and the hedging instrument is recorded at fair value. As changes in these items are recorded in the income statement simultaneously, only the ineffective portion of the hedge has an impact on net income. It is recorded in the same income statement item as changes in the fair value of the hedged item and the hedging instrument.
- Cash flow hedges: no adjustment is made to the value of the hedged item; only the hedging instrument is adjusted to fair value. Following this adjustment, the effective portion of the change in fair value attributable to the hedged risk is recorded, net of taxes, in equity, while the ineffective portion is included in the income statement. The cumulative amount included in equity is transferred to the income statement when the hedged item has an impact on net income.
- Hedge of a net investment in a foreign operation: the hedging instrument is adjusted to fair value. Following this adjustment, the effective portion of the change in fair value attributable to the hedged exchange risk is recorded, net of taxes, in equity, while the ineffective portion is included in the income statement. The cumulative amount included in equity is transferred to the income statement at the date of liquidation or sale of the investment. The interest rate component of financial instruments used to hedge the investment in Nissan (forward sales and fixed/fixed cross-currency swaps) is treated as an ineffective portion and consequently recorded directly in financial income and expenses.

Derivatives not designated as hedges

Changes in the fair value of derivatives not designated as hedges are recognized directly in financial income, except in the case of derivatives entered into exclusively for reasons closely related to business operations. In this case, changes in the fair value of derivatives are included in the operating margin.

NOTE 3 – CHANGES IN THE SCOPE OF CONSOLIDATION

	AUTOMOBILE	SALES FINANCING	TOTAL
Number of companies consolidated at December 31, 2007	**149**	**42**	**191**
Newly consolidated companies (acquisitions, formations, etc.)	8	2	10
Deconsolidated companies (disposals, mergers, liquidations, etc.)	(17)	(4)	(21)
Number of companies consolidated at December 31, 2008	**140**	**40**	**180**
Newly consolidated companies (acquisitions, formations, etc.)	4	3	7
Deconsolidated companies (disposals, mergers, liquidations, etc.)	(8)	(5)	(13)
Number of companies consolidated at December 31, 2009	**136**	**38**	**174**

The main changes in the scope of consolidation were as follows:

- 2009

Renault set up a new entity named Renault Tanger Méditerranée in Morocco. The company is fully consolidated over the second half-2009. Renault Tanger Méditerranée carries out industrial investments for the production site in the Tanger Méditerranée Special Development Zone.

- 2008

Renault and AvtoVAZ confirmed their strategic partnership with the signature of agreements on February 29, 2008. Renault invested USD1 billion to acquire 25% plus 1 share in AvtoVAZ. Renault's investment in the AvtoVAZ group is accounted for by the equity method in the Group's consolidated Financial Statements from March 1, 2008. Details are given in note 15-B.

The minority interests in the Colombian company SOFASA were acquired at the end-2008, raising Renault's percentage ownership of SOFASA from 60% to 100%.

7.2.7.2 INCOME STATEMENT AND COMPREHENSIVE INCOME

NOTE 4 – REVENUES

A – 2008 revenues applying 2009 Group structure and methods

(€ million)	AUTOMOBILE	SALES FINANCING	TOTAL
2008 revenues	**35,757**	**2,034**	**37,791**
Changes in the scope of consolidation	34	(33)	1
2008 revenues applying 2009 Group structure and methods	**35,791**	**2,001**	**37,792**
2009 REVENUES	**31,951**	**1,761**	**33,712**

B – Breakdown of revenues

(€ million)	2009	2008	2007
Sales of goods	30,499	33,949	37,104
Sales of services[1][2]	1,916	2,292	2,086
Sales of goods and services	**32,415**	**36,241**	**39,190**
Income on customer financing	865	1,087	1,053
Income on leasing and similar operations	432	463	439
Sales financing revenues	**1,297**	**1,550**	**1,492**
REVENUES	**33,712**	**37,791**	**40,682**

(1) Including €464 million generated by the Sales Financing segment in 2009 (€485 million in 2008 and €511 million in 2007).

(2) Including €165 million of sales of automobile technologies and marketing rights to AvtoVAZ in 2008.

Rental income recorded by the Group in connection with vehicle sales with a repurchase commitment or vehicle rentals totaled €517 million in 2009 (€609 million in 2008 and €638 million in 2007). This income is included in sales of services.

NOTE 5 – COST OF SALES FINANCING

(€ million)	2009	2008	2007
Income on cash investments	174	261	294
Refinancing expenses	(954)	(1,357)	(1,261)
Net financing costs	**(780)**	**(1,096)**	**(967)**
Net credit losses	**(173)**	**(196)**	**(154)**
COST OF SALES FINANCING	**(953)**	**(1,292)**	**(1,121)**

NOTE 6 – OPERATING MARGIN: DETAILS OF INCOME AND EXPENSES BY NATURE

A – Cost of goods and services sold

The Group's information systems are designed to present income statements by function and cannot therefore supply the value of purchases consumed.

B – Personnel expenses

	2009	2008	2007
Personnel expenses (€ million)	5,140	5,417	5,962
Workforce at December 31	124,307	130,985	133,854

Personnel expenses include €108 million for pensions and other long-term benefits paid out to employees in 2009 (€120 million in 2008 and €113 million in 2007).

C – Share-based payments

Share-based payments concern stock-options and free shares granted to personnel and amounted to a personnel expense of €14 million for 2009.

In 2008, income of €19 million was recorded as a reduction in personnel expenses, due to revision of the number of options and free shares attributed under plans containing performance conditions. In 2007, a personnel expense of €62 million was recognized.

The plans valuation method is presented in note 20-H.

D – Rental expenses

Rents amounted to approximately €255 million in 2009 (stable compared to 2008 and 2007).

E – Other expenses

Other expenses in France include business tax (*Taxe professionnelle*). This tax is due to be replaced in 2010 by the *Contribution économique territoriale* (CET). Both components of this local contribution, corporate real property tax (CFE) and a contribution based on value added (CVAE), are classified in the same category of expenses.

F – Foreign exchange gains/losses

In 2009, the operating margin included a net foreign exchange loss of €4 million (compared to a net foreign exchange loss of €68 million in 2008 and €56 million in 2007).

NOTE 7 – OTHER OPERATING INCOME AND EXPENSES

(€ million)	2009	2008	2007
Restructuring and workforce adjustment costs and provisions	(218)	(489)	(143)
Gains and losses on disposal of businesses or operating entities	(118)	8	(63)
Gains and losses on disposal of property, plant and equipment and intangible assets (except vehicle sales)	102	150	86
Impairment of fixed assets	(297)	(114)	-
Other unusual items	(28)	2	4
TOTAL	**(559)**	**(443)**	**(116)**

A – Restructuring and workforce adjustment costs and provisions

2009 restructuring costs include a €22 million reversal from provisions following final computation of the costs of the "*Projet Renault Volontariat*" voluntary termination plan introduced in October 2008 for Renault s.a.s. employees. More than 4,500 employees signed up to the plan, which closed in April 2009. After these departures the Group decided to progressively reorganize its establishments in the Paris area between 2009 and 2012. The restructuring costs thus include a €66 million expense for rental commitments on temporarily vacant premises.

Other restructuring costs mainly relate to restructuring action for certain businesses and workforce adjustment measures, particularly in Spain.

In 2008, restructuring costs included a €200 million expense corresponding to the estimated costs of the "*Projet Renault Volontariat*" plan and a €150 million expense associated with the discontinuation of a project as part of a reorganisation of the range (mainly concerning impairment of intangible assets).

B – Gains and losses on disposal of businesses or operating entities

After signing a letter of intent in December 2009, on February 5, 2010, Renault signed a strategic partnership agreement for its future involvement in Formula 1 racing. Renault transferred 75% of its shares in the subsidiary Renault F1 Team Ltd. A provision of €118 million was booked to cover the effect of this disposal (mainly goodwill).

C – Gains and losses on disposal of property, plant and equipment and intangible assets (except vehicle sales)

Most of the gain on the disposal of property, plant and equipment and intangible assets results from sales of land (in France, Spain, and Korea) in 2009, 2008 and 2007.

D – Impairment of fixed assets

As a result of impairment tests on fixed assets, a €297 million expense was recognized in 2009, essentially corresponding to capitalized development expenses for two vehicles in the range (notes 12-A and 12-B).

In 2008, impairment amounting to a €114 million expense also corresponded to write-downs of development expenses associated with two vehicles in the range (note 12-A).

NOTE 8 – FINANCIAL INCOME

Other financial income and expenses comprise:

(€ million)	2009	2008	2007
Change in fair value of redeemable shares (note 24-A)	(43)	509	53
Other	(8)	148	124
TOTAL	**(51)**	**657**	**177**

Foreign exchange gains and losses included under "Other" represented a loss of €1 million in 2009 (compared to a gain of €14 million in 2008 and a loss of €4 million in 2007).

NOTE 9 – CURRENT AND DEFERRED TAXES

As Renault SA elected to determine French income taxes under the domestic tax consolidation regime when it was formed, this is the regime applicable to the Group in which Renault SA is taxed in France.

The Renault group also applies other optional tax consolidation systems in Germany, Italy, Spain and the UK.

A – Current and deferred tax expense

Breakdown of the tax charge

(€ million)	2009	2008	2007
Current income taxes	(172)	(188)	(313)
Deferred tax credits (charges)	24	26	58
CURRENT AND DEFERRED TAXES	**(148)**	**(162)**	**(255)**

In 2009, €156 million of current income taxes were generated by foreign entities (€176 million in 2008 and €323 million in 2007).

The amount of deferred taxes reported in the income statement includes income of €1 million resulting from tax rate changes during 2009 (tax rate changes generated income of €2 million in 2008 and an expense of €12 million in 2007).

Current taxes paid by the Group during 2009 totalled €192 million (€350 million in 2008 and €243 million in 2007).

B – Breakdown of the tax charge

(€ million)	2009	2008	2007
Income before taxes and share in net income of associates	**(1,359)**	**324**	**1,314**
Income tax rate applicable in France	34.43%	34.43%	34.43%
Theoretical tax income (charge)	**468**	**(112)**	**(453)**
Effect of differences between local rate and the French rate	62	61	76
Tax credits	55	49	87
Distribution taxes	63	(30)	(25)
Change in unrecognized deferred tax assets	(865)	(93)	(17)
Other impacts(1)	69	(37)	77
Current and deferred tax income (charge)	**(148)**	**(162)**	**(255)**

(1) Other impacts are primarily the following: permanent differences, income subject to reduced tax rates, the cost of tax reassessments and prior year adjustments.

In 2009 as in 2008, due to a lack of visibility over short-term and medium-term taxable income, independently of the indefinite validity for utilization of tax losses carried forward, deferred tax assets on the tax loss carryforwards of the French tax group were recognized to the extent of the net balance of deferred tax assets and liabilities on temporary differences (note 9-C2). This has a negative effect of €771 million on the Group's tax proof, reported as "Change in unrecognized deferred tax assets".

C – Breakdown of net deferred taxes

C1 – Change in deferred tax assets and liabilities

(€ million)	2009	2008	2007
Deferred tax assets	252	220	313
Deferred tax liabilities	(132)	(118)	(251)
Net deferred tax assets (liabilities) at January 1	**120**	**102**	**62**
Deferred tax income (expense) for the period	24	26	58
Change in deferred taxes included in equity(1)	3	(10)	(30)
Translation adjustments	10	(23)	(5)
Change in scope of consolidation and other	8	25	17
Net deferred tax assets (liabilities) at December 31	**165**	**120**	**102**
Including deferred tax assets	*279*	*252*	*220*
Including deferred tax liabilities	*(114)*	*(132)*	*(118)*

(1) Mainly related to changes in the financial instruments revaluation reserve, actuarial gains and losses and the effect of the partial hedge of the investment in Nissan.

C2 - Breakdown of net deferred tax assets by nature

(€ million)	December 31, 2009	December 31, 2008	December 31, 2007
Deferred taxes on:			
Investments in associates	(39)	(107)	(84)
Fixed assets	(1,741)	(1,825)	(1,577)
Provisions and other expenses or valuation allowances deductible upon utilization	778	848	762
Loss carryforwards	3,152	2,382	1,195
Other	205	40	457
Net deferred tax assets (liabilities)	**2,355**	**1,338**	**753**
Unrecognized deferred tax assets (note 9-C3)	(2,190)	(1,218)	(651)
NET DEFERRED TAX ASSETS (LIABILITIES) REPORTED	**165**	**120**	**102**

Deferred tax assets amounting to €791 million reported by entities included in the French tax consolidation were not recognized in 2009 due to a lack of visibility over short-term and medium-term taxable income. €20 million of these unrecognized assets arose during the year on items included in equity (chiefly the effects of the partial hedge of the investment in Nissan and actuarial gains and losses) and €771 million on items affecting the income statement.

C3 - Breakdown of unrecognized net deferred tax assets, by expiry

(€ million)	December 31, 2009	December 31, 2008	December 31, 2007
Net deferred tax assets that can be carried forward indefinitely	2,129	1,151	509
Other net deferred tax assets expiring in more than 5 years	14	7	12
Other net deferred tax assets expiring between 1 and 5 years	17	12	54
Other net deferred tax assets expiring within 1 year	30	48	76
TOTAL UNRECOGNIZED NET DEFERRED TAX ASSETS(1)	**2,190**	**1,218**	**651**
Including deferred taxes on tax loss carryforwards	*2,119*	*1,133*	*547*
Including other deferred taxes	*71*	*85*	*104*

(1) Including €1,505 million at December 31, 2009 (€714 million at December 31, 2008) following non-recognition of deferred tax assets of entities included in the French tax consolidation (note 9-C2).

NOTE 10 – BASIC AND DILUTED EARNINGS PER SHARE

(In thousands of shares)	2009	2008	2007
Shares in circulation	284,937	284,937	284,937
Treasury shares	(7,882)	(8,852)	(6,897)
Shares held by Nissan x Renault's share in Nissan	(19,541)	(19,533)	(19,419)
Number of shares used to calculate basic earnings per share	**257,514**	**256,552**	**258,621**

The number of shares used to calculate the basic earnings per share is the weighted average number of ordinary shares in circulation during the period, ie after neutralization of treasury shares and Renault shares held by Nissan.

(In thousands of shares)	2009	2008	2007
Number of shares used to calculate basic earnings per share	257,514	256,552	258,621
Dilutive effect of stock-options and free share attribution rights	-	261	3,741
Number of shares used to calculate diluted earnings per share	**257,514**	**256,813**	**262,362**

The number of shares used to calculate the diluted earnings per share is the weighted average number of ordinary shares potentially in circulation during the period, ie the number of shares used to calculate the basic earnings per share plus the number of stock-options and rights to free share attribution with a dilutive effect.

In 2009, as a net loss was recorded for the year, all stock-options and free share attribution rights were excluded in calculating the diluted earnings per share.

In 2008, 11,443,000 stock-options and free share attribution rights (13,917,000 in 2007) were excluded in calculating the diluted earnings per share due to their anti-dilutive effect.

NOTE 11 – OTHER COMPONENTS OF COMPREHENSIVE INCOME

A – Breakdown of other components of comprehensive income

(€ million)	2009	2008	2007
Actuarial gains and losses on defined benefit pension plans	**(45)**	**(3)**	**(48)**
Translation adjustments on foreign activities			
Gains/(losses) for the period	112	(637)	(229)
Reclassification under net income	-	-	-
TOTAL TRANSLATION ADJUSTMENTS ON FOREIGN ACTIVITIES	**112**	**(637)**	**(229)**
Partial hedge of the investment in Nissan			
Gains/(losses) for the period	(43)	(1,613)	153
Reclassification under net income	-	-	-
TOTAL PARTIAL HEDGE OF THE INVESTMENT IN NISSAN	**(43)**	**(1,613)**	**153**
Cash flow hedges			
Gains/(losses) for the period	(91)	(78)	42
Reclassification under net income	123	(121)	(62)
Total cash flow hedges	**32**	**(199)**	**(20)**
Available-for-sale financial assets			
Gains/(losses) for the period	6	5	2
Reclassification under net income	-	9	(1)
TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS	**6**	**14**	**1**
Associates' share of other components of comprehensive income	**(228)**	**312**	**(692)**
Other components of comprehensive income	**(166)**	**(2,126)**	**(835)**

B – Tax effects of other components of comprehensive income

	OTHER COMPONENTS OF COMPREHENSIVE INCOME								
	2009			2008			2007		
(€ million)	Before tax	Tax	After tax	Before tax	Tax	After tax	Before tax	Tax	After tax
Actuarial gains and losses on defined benefit pension plans	(54)	9	(45)	(3)	-	(3)	(83)	35	(48)
Translation adjustments on foreign activities	112	-	112	(637)	-	(637)	(229)	-	(229)
Partial hedge of the investment in Nissan	(43)	-	(43)	(1,613)	-	(1,613)	233	(80)	153
Cash flow hedges	32	-	32	(199)	-	(199)	(29)	9	(20)
Available-for-sale financial assets	9	(3)	6	11	3	14	-	1	1
Associates' share of other components of comprehensive income	(228)	-	(228)	312	-	312	(692)	-	(692)
TOTAL	**(172)**	**6**	**(166)**	**(2,129)**	**3**	**(2,126)**	**(800)**	**(35)**	**(835)**

7.2.7.3 OPERATING ASSETS AND LIABILITIES, SHAREHOLDERS' EQUITY

NOTE 12 – INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

A - Intangible assets

A1 - Intangible assets at December 31

(€ million)	DECEMBER 31, 2009	DECEMBER 31, 2008	DECEMBER 31, 2007
Capitalized development expenses	7,021	6,723	6,301
Goodwill	232	274	300
Other intangible assets	395	318	300
Intangible assets, gross	**7,648**	**7,315**	**6,901**
Capitalized development expenses	(3,516)	(2,781)	(2,641)
Other intangible assets	(239)	(221)	(204)
Amortization and impairment	**(3,755)**	**(3,002)**	**(2,845)**
INTANGIBLE ASSETS, NET	**3,893**	**4,313**	**4,056**

Most goodwill is in Europe.

A2 - Changes during the year

(€ million)	GROSS VALUE	AMORTIZATION AND IMPAIRMENT	NET VALUE
Value at December 31, 2007	**6,901**	**(2,845)**	**4,056**
Acquisitions (note 27-C)/(amortization)	1,178	(887)	291
(Disposals)/reversals	(693)	689	(4)
Translation adjustment	(91)	36	(55)
Change in scope of consolidation and other	20	5	25
Value at December 31, 2008	**7,315**	**(3,002)**	**4,313**
Acquisitions (note 27-C)/(amortization)	720	(1,080)	(360)
(Disposals)/reversals	(342)	342	-
Translation adjustment	23	(15)	8
Change in scope of consolidation and other	(68)	-	(68)
Value at December 31, 2009	**7,648**	**(3,755)**	**3,893**

Acquisitions of intangible assets in 2009 comprise €585 million of self-produced assets and €133 million of purchased assets (respectively €1,056 million and €122 million in 2008 and €1,237 million and €111 million in 2007). They also include €2 million of capitalized borrowing costs. The capitalization rate for borrowing costs in 2009 is 3.5%.

Amortization and impairment in 2009 include €281 million of impairment of capitalized development expenses relating mainly to two vehicles in the range (note 7-D).

Amortization and impairment in 2008 include impairment totaling €197 million, comprising €83 million for development expenses written off when a project was discontinued as part of a range restructuring (note 7-A) and €114 million in respect of two models in the range following the results of impairment tests (note 7-D).

A3 - Research and development expenses included in income

(€ million)	2009	2008	2007
Research and development expenses	(1,643)	(2,235)	(2,462)
Capitalized development expenses	587	1,125	1,287
Amortization of capitalized development expenses	(739)	(634)	(675)
TOTAL REPORTED IN INCOME STATEMENT[1]	**(1,795)**	**(1,744)**	**(1,850)**

(1) Impairment of fixed assets totaling €(114) million in 2008 has been reclassified under "other operating income and expenses" (notes 2-A and 7-D).

B – Property, plant and equipment

B1 - Property, plant and equipment at December 31

(€ million)	DECEMBER 31, 2009	DECEMBER 31, 2008	DECEMBER 31, 2007
Land	596	611	613
Buildings	5,706	5,562	5,571
Specific tools	8,949	8,363	8,143
Machinery and other tools	12,495	12,169	11,938
Vehicles leased to customers	2,113	2,099	2,246
Other tangibles	613	646	718
Construction in progress	991	1,141	1,232
Property, plant and equipment, gross	**31,463**	**30,591**	**30,461**
Land and buildings	(2,749)	(2,582)	(2,430)
Specific tools	(6,517)	(5,765)	(5,947)
Machinery and other tools	(8,753)	(8,278)	(7,867)
Vehicles leased to customers	(540)	(555)	(578)
Other tangibles	(610)	(593)	(584)
Depreciation and impairment	**(19,169)**	**(17,773)**	**(17,406)**
PROPERTY, PLANT AND EQUIPMENT, NET	**12,294**	**12,818**	**13,055**

Depreciation and impairment in 2009 include impairment of €16 million (see note 7-D).

B2 - Changes during the year

Changes during 2009 in property, plant and equipment were as follows:

(€ million)	December 31, 2008	Acquisitions/ (depreciation and impairment)	(Disposals)/ reversals	Translation adjustments	Change in scope of consolidation and other	December 31, 2009
Land	611	32	(13)	3	(37)	596
Buildings	5,562	168	(98)	43	31	5,706
Specific tools	8,363	846	(130)	89	(219)	8,949
Machinery and other tools	12,169	434	(333)	129	96	12,495
Vehicles leased to customers	2,099	795	(707)	14	(88)	2,113
Other tangibles	646	32	(53)	10	(22)	613
Construction in progress[1]	1,141	(194)	(24)	(2)	70	991
Property, plant and equipment, gross[2]	**30,591**	**2,113**	**(1,358)**	**286**	**(169)**	**31,463**
Land	-	-	-	-	-	-
Buildings	(2,582)	(234)	80	(16)	3	(2,749)
Specific tools	(5,765)	(772)	129	(51)	(58)	(6,517)
Machinery and other tools	(8,278)	(838)	317	(83)	129	(8,753)
Vehicles leased to customers[3]	(555)	(182)	168	(4)	33	(540)
Other tangibles	(593)	(39)	45	(6)	(17)	(610)
Construction in progress	-	-	-	-	-	-
Depreciation and impairment	**(17,773)**	**(2,065)**	**739**	**(160)**	**90**	**(19,169)**
Land	611	32	(13)	3	(37)	596
Buildings	2,980	(66)	(18)	27	34	2,957
Specific tools	2,598	74	(1)	38	(277)	2,432
Machinery and other tools	3,891	(404)	(16)	46	225	3,742
Vehicles leased to customers	1,544	613	(539)	10	(55)	1,573
Other tangibles	53	(7)	(8)	4	(39)	3
Construction in progress[1]	1,141	(194)	(24)	(2)	70	991
Property, plant and equipment net	**12,818**	**48**	**(619)**	**126**	**(79)**	**12,294**

(1) Construction in progress is reported in the "acquisitions/(depreciation and impairment)" column.
(2) Acquisitions during 2009 include €8 million of borrowing costs capitalized over the year. The capitalization rate for borrowing costs in 2009 is 3.5%.
(3) Impairment of leased vehicles amounts to €155 million at December 31, 2009 (€154 million at December 31, 2008 and €89 million at December 31, 2007).

Changes during 2008 in property, plant and equipment were as follows:

(€ million)	Gross value	Depreciation and impairment	Net value
Value at December 31, 2007	**30,461**	**(17,406)**	**13,055**
Acquisitions/(depreciation and impairment)	3,150	(2,069)	1,081
(Disposals)/reversals	(2,164)	1,357	(807)
Translation adjustment	(759)	309	(450)
Change in scope of consolidation and other	(97)	36	(61)
Value at December 31, 2008	**30,591**	**(17,773)**	**12,818**

NOTE 13 – IMPAIRMENT TESTS ON FIXED ASSETS (OTHER THAN LEASED VEHICLES)

The Group carried out impairment tests on its fixed assets under the approach described in the accounting policies (note 2-L).

A – Impairment tests on vehicle-specific assets

Following impairment tests of assets dedicated to specific vehicles, impairment of €297 million in 2009 (€114 million at December 31 2008, 0 at December 31, 2007) was booked during the first half-year, mainly in respect of two models in the range, allocated in priority to capitalized development expenses.

Valuation of specific assets during impairment tests is sensitive to the assumptions applied concerning changes in volumes and margin levels. For vehicles presenting the greatest risk, in the event of a further 10% decrease in the assumptions used, the value in use would be equivalent to the specific assets.

B – Impairment tests on cash-generating units – Automobile segment

In 2009, only the Europe cash-generating unit was subjected to an impairment test, as there were no indications of impairment in Brazil and Korea (impairment tests were applied to these generating units in 2008 but no impairment was booked). Europe is considered as a single cash-generating unit since its industrial plant and product range form one coherent unit. This coherence results from the Group's management of its business within this geographical area: high interpenetration in industrial exchanges, optimization of production capacity use, centralized research and development activities and a large number of sales outlets across several countries for spare parts and vehicles.

The recoverable value used for the purposes of the impairment tests for each cash-generating unit was the value in use, determined under the discounted future cash flow method on the basis of the following assumptions:

	2009			2008		
	Europe	Brazil	Korea	Europe	Brazil	Korea
Business plan duration	5 years	n.a.	n.a.	5 years	5 years	5 years
Growth rate to infinity	1.5%	n.a.	n.a.	1.5%	2.8%	2.0%
After-tax discount rate	8.2%	n.a.	n.a.	8.2%	9.3%	12.3%

In 2009 as in 2008, no impairment was recognized on assets included in the cash-generating units subjected to impairment tests.

An impairment test was also carried out on the Automobile segment as a cash-generating unit, following the same procedure as for tests of other cash-generating units.

The assumptions used for the Automobile segment are as follows:

	2009	2008
Five year forecast sales volumes (units)	2,868,000	2,700,000
Growth rate to infinity	1.5%	1.5%
After-tax discount rate	8.2%	8.2%

In 2009 as in 2008, no impairment was recognized on assets included in the Automobile segment as a result of the impairment tests.

Changes in the assumptions underlying the calculations show that to cover the assets, for each factor considered individually:

- the volume reduction by 2014 must not exceed 300,000 units;
- the after-tax discount rate must not exceed 11.2%.

With a growth rate to infinity close to zero, the conclusions of the test are unaffected.

NOTE 14 – INVESTMENT IN NISSAN

A – Nissan consolidation method

Renault holds 44.3% ownership in Nissan. Renault and Nissan have chosen to develop a unique type of alliance between two distinct companies with common interests, uniting forces to achieve optimum performance. The Alliance is organized so as to preserve individual brand identities and respect each company's corporate culture.

Consequently:

- Renault does not hold the majority of Nissan voting rights;
- the terms of the Renault-Nissan agreements do not entitle Renault to appoint the majority of Nissan directors, nor to hold the majority of voting rights at meetings of Nissan's Board of Directors; at December 31, 2009 as in 2008 and 2007, Renault supplied four of the total nine members of Nissan's Board of Directors;
- Renault-Nissan BV, own Renault can neither use nor influence the use of Nissan's assets in the same way as its own assets;
- Renault provides no guarantees in respect of Nissan's debt.

In view of this situation, Renault is considered to exercise significant influence in Nissan and therefore uses the equity method to include its investment in Nissan in the consolidation.

B – Nissan's consolidated Financial Statements included under the equity method in the Renault consolidation

The Nissan accounts included under the equity method in Renault's Financial Statements are Nissan's consolidated accounts published in compliance with Japanese accounting standards (as Nissan is listed on the Tokyo stock exchange), after adjustments for the requirements of the Renault consolidation.

Nissan publishes consolidated Financial Statements quarterly and annually at March 31. For the purposes of the Renault consolidation, Nissan's results are included in line with the Renault calendar (the results for the period January to December are consolidated in Renault's annual Financial Statements). The three month difference in Nissan's consolidation of certain entities in its Group (mainly in Europe and Mexico) has been absorbed over 2007.

Following Nissan's equity transactions, Nissan held 3.0% of its own shares at December 31, 2009, compared to 3.0% at December 31, 2008 and 2.7% at December 31, 2007. Consequently, Renault's percentage interest in Nissan was 45.7% at December 31, 2009, compared to 45.7% at December 31, 2008 and 45.6% at December 31, 2007.

C – Changes in the investment in Nissan

	SHARE IN NET ASSETS			NET GOODWILL	TOTAL
(€ million)	BEFORE NEUTRALIZATION	NEUTRALIZATION OF 44.3% OF NISSAN'S INVESTMENT IN RENAULT(1)	NET		
At December 31, 2007	**11,337**	**(962)**	**10,375**	**591**	**10,966**
2008 net income	345	-	345	-	345
Dividend distributed	(418)	-	(418)	-	(418)
Translation adjustment	876	-	876	181	1,057
Other changes(2)	(394)	-	(394)	(3)	(397)
At December 31, 2008	**11,746**	**(962)**	**10,784**	**769**	**11,553**
2009 net income	(902)	-	(902)	-	(902)
Dividend distributed	-	-	-	-	-
Translation adjustment	(322)	-	(322)	(41)	(363)
Other changes(2)	295	-	295	-	295
At December 31, 2009	**10,817**	**(962)**	**9,855**	**728**	**10,583**

(1) Nissan has held 15% of Renault since the acquisition in 2002, excluding the subsequent impacts of Renault's repurchases of its treasury shares.
(2) Other changes include Renault dividends received by Nissan (if any), the change in actuarial gains and losses on pension obligations, the change in the financial instruments revaluation reserve and changes in Nissan treasury shares.

D – Changes in Nissan equity restated for the purposes of the Renault consolidation

(in billions of yen)	DECEMBER 31, 2008	2009 NET INCOME	DIVIDENDS	TRANSLATION ADJUSTMENT	OTHER CHANGES(1)	DECEMBER 31, 2009
Shareholders' equity – Nissan share under Japanese GAAP	**2,911**	**(223)**	**-**	**(1)**	**3**	**2,690**
Restatements for Renault group requirements:						
Restatement of fixed assets	364	(10)				354
Provision for pension and other long term employee benefit obligations(2)	(306)	23		1	48	(234)
Capitalization of development expenses	585	(19)		(1)		565
Deferred taxes and other restatements(3)	(313)	(56)		29	115	(225)
Net assets restated for Renault group requirements	**3,241**	**(285)**	**-**	**28**	**166**	**3,150**
(€ million)						
Net assets restated for Renault group requirements	**25,691**	**(1,974)**	**-**	**(703)**	**646**	**23,660**
Renault's share	45.7%					45.7%
(before neutralization described below)	11,746	(902)	-	(322)	295	10,817
Neutralization of 44.3% of Nissan's investment in Renault(4)	(962)	-	-	-	-	(962)
Renault's share in the net assets of Nissan	**10,784**	**(902)**	**-**	**(322)**	**295**	**9,855**

(1) "Other changes" includes: the change in actuarial gains and losses on pension obligations; the change in the financial instruments reevaluation reserve; and changes in Nissan treasury shares.
(2) Including actuarial gains and losses recognized in equity.
(3) Including elimination of Nissan's investment in Renault, accounted for by the equity method.
(4) Nissan has held 15% of Renault since the acquisition in 2002, excluding the subsequent impacts of Renault's repurchases of its treasury shares.

E – Nissan net income under Japanese GAAP

Since Nissan's financial year ends at March 31, the Nissan net income included in the 2009 Renault consolidation is the sum of Nissan's net income for the final quarter of its 2008 financial year and the first three quarters of its 2009 financial year.

	JANUARY TO MARCH 2009		APRIL TO JUNE 2009		JULY TO SEPTEMBER 2009		OCTOBER TO DECEMBER 2009		JANUARY TO DECEMBER 2009	
	FOURTH QUARTER OF NISSAN'S 2008 FINANCIAL YEAR		FIRST QUARTER OF NISSAN'S 2009 FINANCIAL YEAR		SECOND QUARTER OF NISSAN'S 2009 FINANCIAL YEAR		THIRD QUARTER OF NISSAN'S 2009 FINANCIAL YEAR		REFERENCE PERIOD FOR RENAULT'S 2009 CONSOLIDATED FINANCIAL STATEMENTS	
	(in billions of yen)	*(€ million)*(1)	*(in billions of yen)*	*(€ million)*(1)	*(in billions of yen)*	*(€ million)*(1)	*(in billions of yen)*	*(€ million)*(1)	*(in billions of yen)*	*(€ million)*(1)
Net income – Nissan share	(277)	(2,272)	(16)	(125)	25	191	45	345	(223)	(1,861)

(1) Converted at the average 2009 exchange rate for each quarter.

F – Nissan's financial information under IFRS

The table below presents Nissan's financial information, restated for the purposes of the Renault consolidation, for the period January 1 – December 31, 2009. The restatements include adjustments for harmonization of accounting standards and the adjustments to fair value of assets and liabilities applied by Renault at the time of acquisitions in 1999 and 2002.

	(in billions of yen)	*(€ million)*(1)
2009 revenues	7,047	54,443
2009 net income(2)	(247)	(1,906)
Shareholders' equity at December 31, 2009	3,389	25,453
BALANCE SHEET TOTAL AT DECEMBER 31, 2009	**10,820**	**81,255**

(1) Converted at the average exchange rate for 2009 ie 129 JPY = 1 EUR for income statement items and at the December 31, 2009 rate ie 133 JPY = 1 EUR for balance sheet items.

(2) The net income reported does not include Renault's contribution to Nissan net income.

G – Hedging of the investment in Nissan

The Group has partially hedged the Yen/Euro exchange risk on its investment in Nissan since 1999.

At December 31, 2009, the corresponding hedging operations totaled ¥256 billion (€1,925 million), comprising ¥156 billion (€1,173 million) of private placements on the EMTN market, bonds issued directly in Yen and a loan in Euro for ¥100 billion (€752 million) swap in Yen currency).

During 2009, these operations generated a net of tax unfavorable foreign exchange differences of €43 million (€1,613 million in 2008 and a positive difference of €153 million in 2007), which were included in the Group's consolidated reserves (note 20-E).

H – Valuation of Renault's investment in Nissan at stock market prices

Based on the quoted price at December 31, 2009 of ¥810 per share, Renault's investment in Nissan is valued at €12,190 million (€5,084 million at December 31, 2008 based on the price of ¥320 per share, €14,945 million at December 31, 2007 based on the price of ¥1,230 per share).

I – Impairment test of the investment in Nissan

At December 31, 2009, the stock market value of the investment in Nissan was 15% higher than its value in the Renault Financial Statements (at December 31, 2008 it was 56% lower, but following the impairment test Renault did not record any impairment on this investment).

No impairment test was necessary in 2009 as there was no indication of impairment.

J – Renault - Nissan cooperation

Renault and Nissan follow joint strategies for vehicle and part development, purchasing and production and distribution resources.

The cooperation between the two groups in 2009 principally takes the following forms:

Joint investments

Renault and Nissan share development costs and investments for gearbox and engine production.

In March 2007, the common V6 diesel engine was put into production at the Cléon plant.

In 2008 production began in Korea for the first SUV-type vehicle based on a Nissan vehicle.

Since 2007, the two Groups have invested jointly in manufacturing the Logan in Brazil. This type of cooperation has been extended to South Africa, where the Nissan group began manufacturing the Sandero (from the Logan range) in January 2009.

Vehicle manufacturing

In Mexico, Nissan supplies Renault with assembly services for the Clio and also assembles the Platina model (Nissan-badged Clio sedans). Production totaled 6,000 units in 2009.

In Brazil, Renault launched production of the Aprio (Nissan-badged Logan) at the Curitiba plant in 2007 for sale on the Mexican market. The total output for the year was 6,000 units. Renault also supplies Nissan with assembly services for its Frontier pick-up models and starting this year, the Livina (19,000 units in 2009).

Renault Samsung Motors produced 31,000 Nissan-badged SM3 vehicles in 2009, purchased by Nissan for sale through its own network (mainly in Russia and the Middle East).

Concerning light commercial vehicles, Nissan produced 24,000 Trafic vans at its Barcelona plant over the year. 14% of these are sold through the Nissan network. Renault, meanwhile, produced 2,000 Interstars (Nissan-badged Masters) purchased by Nissan for sale through its own network. The highly significant fall-off in volumes compared to 2008 is explained by the particularly difficult economic environment for light commercial vehicles in 2009.

Part sales

In Europe, 2007 saw the Renault group begin production of engines common to the Alliance at its Cléon plant for use by Nissan's Japanese and UK plants in the Nissan Qashqai and X-Trail vehicles. Renault also supplies gearboxes and engines produced at the plants in Cacia in Portugal, Valladolid in Spain, Cléon in France and Pitesti in Romania to Nissan's Sunderland plant in the UK and Barcelona plant in Spain, and since 2009, the Saint Petersburg plant in Russia.

In South America, Renault supplies gearboxes made by its subsidiary Cormecanica to Nissan plants located mostly in Mexico, but also in China. These parts are used in Nissan's Micra, Note and Qashqai. Renault also supplies gearboxes to Nissan for use in production at its plants in Japan, China, South Africa, Indonesia, Vietnam and Thailand. In Mexico, Renault supplies engines and gearboxes to Nissan for the Clio, Platina, Tilda and Versa.

In total Renault supplied 546,000 gearboxes and 152,000 engines during 2009.

In South Korea, Nissan supplies Renault Samsung Motors with parts and engines used in the SM3, SM5, SM7 and the Koleos.

Renault also uses Nissan's V6 3.5 liter petrol engine for the Vel Satis and the Espace, Nissan pinions for the Mégane range, and automatic gearboxes, continuous variable transmissions for the Mégane, Espace and Vel Satis. Renault also uses a 2.0 liter engine developed jointly with Nissan for the Laguna and Clio.

Sales

Group offices, run by Renault, have been set up at European level to facilitate exchanges of best practices for after-sales documentation and marketing studies.

On a local level, local joint Group Offices, run by Renault, have been set up in four European countries: France, the UK, Spain and Italy. Front-office operations remain separate for the two groups.

Renault also markets Nissan vehicles in some countries in Europe (essentially in the former Yugoslavia) and in South America (Argentina).

Conversely, Nissan markets Renault vehicles in Japan, Australia and the Gulf countries.

Finance

From trading rooms in Lausanne and Singapore, Renault Finance acts as the Nissan group's counterparty in financial instruments trading to hedge foreign exchange, interest rate and commodity risks, in addition to its business for Renault. On the foreign exchange markets during 2009, Renault Finance undertook foreign exchange transactions totaling approximately €12 billion on behalf of Nissan. Foreign exchange, interest rate and commodity derivative transactions undertaken for Nissan are recorded at market price and included in the positions managed by Renault Finance.

Relations with the Sales Financing division

The Sales financing division helps to attract customers and build loyalty to the Nissan brands through a range of financing products and services incorporated into its sales policy, principally in Europe. In 2009, the consolidated RCI subgroup recorded €55 million of income in the form of commission and interest received from Nissan.

Total figures for 2009

Total sales by Renault to Nissan and purchases by Renault from Nissan during 2009 amounted to an estimated €1,100 million and €800 million respectively.

The joint policies for purchasing and other administrative functions such as information systems departments are reflected directly in the Renault and Nissan Financial Statements and therefore generate no financial exchanges between the two Groups.

NOTE 15 – INVESTMENTS IN OTHER ASSOCIATES

Details of other investments in other associates are as follows:

- balance sheet value: €1,501 million at December 31, 2009 (€2,215 million at December 31, 2008 and €2,011 million at December 31, 2007);
- Renault's share in the net income of other associates: -€659 million for 2009 (€92 million for 2008 and €387 million for 2007).

Most of these amounts relate to the investments in AB Volvo and in AvtoVAZ, accounted for under the equity method.

A – AB Volvo

AB Volvo's financial year-end is December 31.

A1 – Changes in the value of Renault's investment in AB Volvo

(€ million)	SHARE IN NET ASSETS	NET GOODWILL	TOTAL
At December 31, 2007	**1,794**	**41**	**1,835**
2008 net income	226	-	226
Dividend distributed	(259)	-	(259)
Repurchase of AB Volvo treasury shares	-	-	-
Translation adjustment, actuarial gains and losses and revaluation of financial instruments	(245)	(6)	(251)
At December 31, 2008	**1,516**	**35**	**1,551**
2009 net income	(300)	(1)	(301)
Dividend distributed	(81)	-	(81)
Repurchase of AB Volvo treasury shares	-	-	-
Translation adjustment, actuarial gains and losses and revaluation of financial instruments	90	1	91
At December 31, 2009	**1,225**	**35**	**1,260**

AB Volvo owned 4.8% of its own shares at December 31, 2009 (unchanged from 2008 and 2007). Renault's percentage interest in AB Volvo thus stood at 21.8% at December 31, 2009, unchanged from December 31, 2008 and December 31, 2007.

Based on AB Volvo's stock market share price of SEK 61 per A share and SEK 61.45 per B share at December 31, 2009, Renault's investment in AB Volvo is valued at €2,640 million (€1,753 million at December 31, 2008 based on a price of SEK 43.7 per A share and SEK 42.9 per B share).

A2 – Changes in AB Volvo equity restated for the purposes of the Renault consolidation

(€ million)	DECEMBER 31, 2008	NET INCOME 2009	DIVIDENDS	OTHER CHANGES	DECEMBER 31, 2009
Shareholders' equity – AB Volvo share	7,728	(1,381)	(371)	501	6,477
Restatements for Renault group requirements	(772)	5	-	(89)	(856)
Net assets restated for Renault group requirements	6,956	(1,376)	(371)	412	5,621
Renault's share in the net assets of AB Volvo	**1,516**	**(300)**	**(81)**	**90**	**1,225**

The restatements applied for Renault group requirements mainly concern cancelation of goodwill booked in AB Volvo's accounts when AB Volvo was acquired by Renault and recognition of actuarial gains and losses in equity.

A3 – AB Volvo financial information under IFRS

AB Volvo financial information for 2009 established under IFRS, as published by AB Volvo, is summarized as follows:

	(in millions of SEK)	*(€ million)*[1]
2009 revenues	218,361	20,561
2009 net income	(14,685)	(1,383)
Shareholders' equity at December 31, 2009	67,034	6,539
BALANCE SHEET TOTAL AT DECEMBER 31, 2009	**332,102**	**32,394**

(1) Converted at the average exchange rate for 2009 ie 10.62 SEK = 1 EUR for income statement items and at the December 31, 2009 rate ie SEK 10.25 = 1 EUR for balance sheet items.

A4 – Operations between the Renault group and the AB Volvo group

There were no significant joint operations by the Renault group and the AB Volvo group in 2009.

B – AvtoVAZ

AvtoVAZ's financial year-end is December 31. For the purposes of the Renault consolidation, given the existing time constraints for production of financial information, the accounts of AvtoVAZ are consolidated with a three month time-lag. Consequently, the AvtoVAZ net income included in Renault's 2009 consolidated Financial Statements is the sum of AvtoVAZ's net income for the final quarter of its 2008 financial year and the first three quarters of its 2009 financial year.

B1 – Changes in the value of Renault's investment in AvtoVAZ

(€ million)	SHARE IN NET ASSETS
At September 30, 2008	**550**
Net income for the period October 1, 2008 to September 30, 2009	(370)
Dividend distributed	-
Repurchase of AvtoVAZ treasury shares	-
Translation adjustment, actuarial gains and losses and revaluation of financial instruments	(61)
At September 30, 2009	**119**

Renault's percentage interest in AvtoVAZ was 25.0% at December 31, 2009, unchanged from December 31, 2008.

The operating loss reported by the AvtoVaz group results from a significant decline in volumes and the economic situation in the Russian market. The net income for the period includes €120 million of impairment in respect of property, plant and equipment.

On November 27, 2009, Renault signed an agreement with the principal shareholders to ensure the sustainability of AvtoVAZ. The agreement has the support of the Russian government, which will provide funding (in the form of a loan) to reimburse bank debt and cover the company's short-term cash needs. The Renault group will contribute to the industrial restructuring through transfers of technologies, equipment and know-how. The final agreements should be signed before June 30, 2010.

Based on AvtoVAZ stock market share price of RUB 14.7 per ordinary share and RUB 3 per preferred share at September 30, 2009, Renault's investment in AvtoVAZ is valued at €124 million (€129 million at September 30, 2008 based on the price of RUB 11.7 per ordinary share and RUB 5.4 per preferred share).

At December 31, 2009, the stock market valuation (€125 million) is 5% higher than the value of AvtoVAZ in Renault's Financial Statements. The Group has not recorded any impairment.

B2 – Changes in AvtoVAZ equity restated for the purposes of the Renault consolidation

(€ million)	OCTOBER 1, 2008	NET INCOME FOR THE PERIOD OCTOBER 1, 2008 – SEPTEMBER 30, 2009	DIVIDENDS	OTHER CHANGES	SEPTEMBER 30, 2009
Shareholders' equity – AvtoVAZ share	2,182	(1,492)	-	(246)	444
Restatements for Renault group requirements	18	12	-	-	30
Net assets restated for Renault group requirements	2,200	(1,480)	-	(246)	474
Renault's share in the net assets of AvtoVAZ	**550**	**(370)**	**-**	**(61)**	**119**

Restatements for Renault group requirements mainly concern valuation of intangibles (the Lada brand) and fair value measurement of financial liabilities.

B3 – AvtoVAZ financial information under IFRS

AvtoVAZ's published financial information under IFRS for 2008 (year ended December 31) and the first three quarters of the year 2009 is summarised below:

2008	*(millions of roubles)*	*(€ million)*(1)
2008 revenues	192,068	5,273
2008 net income	(24,662)	(677)
Shareholders' equity at December 31, 2008	62,157	1,506
BALANCE SHEET TOTAL AT DECEMBER 31, 2008	**182,954**	**4,432**

(1) Converted at the average exchange rate for 2008 ie 36.42 RUB = 1 EUR for income statement items and the exchange rate at December 31, 2008 ie 41.28 RUB = 1 EUR for balance sheet items.

JANUARY TO SEPTEMBER 2009	*(millions of roubles)*	*(€ million)*(1)
Sales, January – September 2009	78,167	1,764
Net income, January – September 2009	(42,188)	(952)
Shareholders' equity at September 30, 2009	20,228	460
BALANCE SHEET TOTAL AT SEPTEMBER 30, 2009	**128,629**	**2,925**

(1) Converted at the average exchange rate for January to September 2009, ie 44.3 RUB = 1 EUR for income statement items and the exchange rate at September 30, 2009, ie 43.98 RUB = 1 EUR for balance sheet items.

B4 – Operations between the Renault group and the AvtoVAZ group

There were no significant joint operations by the Renault group and AvtoVAZ in 2009.

NOTE 16 – INVENTORIES

(€ million)	DECEMBER 31, 2009	DECEMBER 31, 2008	DECEMBER 31, 2007
Raw materials and supplies	916	1,091	1,185
Work-in-progress	237	301	340
Finished products	2,779	3,874	4,407
INVENTORIES, NET	**3,932**	**5,266**	**5,932**
Inventories, gross(1)	4,450	5,945	*6,428*
Impairment(2)	(518)	(679)	*(496)*

(1) Including gross value of used vehicles: €929 million at December 31, 2009 (€1,549 million at December 31, 2008 and € 1,239 million at December 31, 2007).

(2) Including impairment of used vehicles: €129 million at December 31, 2009 (€281 million at December 31, 2008 and €77 million at December 31, 2007).

NOTE 17 – SALES FINANCING RECEIVABLES

A – Sales financing receivables by nature

(€ million)	DECEMBER 31, 2009	DECEMBER 31, 2008	DECEMBER 31, 2007
Dealership receivables	4,326	4,133	4,678
Financing for end-users	11,118	10,909	12,184
Leasing and similar operations	3,811	4,166	4,315
Gross value	**19,255**	**19,208**	**21,177**
Impairment	(1,012)	(890)	(747)
NET VALUE	**18,243**	**18,318**	**20,430**

The Sales financing segment undertook several securitization operations through special purpose vehicles (in France, Italy and Germany) involving receivables on the dealership network and loans to final customers. This did not lead to derecognition of the receivables assigned as all risks were retained by the Group. Sales financing receivables on the balance sheet thus amounted to €7,441 million at December 31, 2009 (€7,026 million at December 31, 2008 and €6,776 million at December 31, 2007). A liability of €3,812 million was recognized at December 31, 2009 (€3,493 million at December 31, 2008 and €3,533 million at December 31, 2007) in other debts represented by a certificate, corresponding to issues resulting from the securitization operations. The difference between the receivables assigned and the amount of the liability corresponds to the higher credit necessary for these operations and the share of securities retained by RCI Banque to form a liquidity reserve. The increase in credit concerns securities subscribed by subsidiaries which assign receivables in order to optimize the credit rating of the securities issued. Some securities subscribed by RCI Banque can be redeemed at the European Central Bank and therefore form a liquidity reserve. At December 31, 2009, RCI Banque had provided guarantees of €3,892 million (€2,662 million in 2008) to the European Central Bank: €3,611 million in the form of shares in securitization vehicles and €281 million in Sales financing receivables (€2,418 million and €244 million at December 31, 2008). RCI Banque has used €2,000 million of this liquidity reserve at December 31, 2009 (€1,150 million at December 31, 2008) classified as borrowings from credit institutions in Sales financing receivables (note 24).

At December 31, 2009, the Sales financing segment also assigned €287 million of trade receivables in Italy, in return for the financing of €230 million included in borrowings from credit institutions (note 24). As the risk was not transferred, these receivables remain in the balance sheet.

At December 31, 2009, RCI Banque also provided guarantees to the *Société de financement de l'économie française* (SFEF) in the form of receivables with book value of €1,978 million (€492 million at December 31, 2008), in return for the financing of €1,084 million (€282 million at December 31, 2008), recorded in borrowings from credit institutions in debts of the Sales financing segment (note 24).

The fair value of sales financing receivables is €18,333 million at December 31, 2009 (€18,143 million at December 31, 2008 and €20,317 million at December 31, 2007). This value is estimated by discounting future cash flows at rates that would be applicable to similar loans (conditions, maturity and debtor quality) at December 31, 2009, 2008 and 2007.

B – Sales financing receivables by maturity

(€ million)	DECEMBER 31, 2009	DECEMBER 31, 2008	DECEMBER 31, 2007
-1 year	10,507	10,030	11,064
1 to 5 years	7,692	8,192	9,272
+5 years	44	96	94
TOTAL SALES FINANCING RECEIVABLES, NET	**18,243**	**18,318**	**20,430**

C – Breakdown of overdue sales financing receivables (gross values)

(€ million)	DECEMBER 31, 2009	DECEMBER 31, 2008	DECEMBER 31, 2007
Receivables for which impairment has been recognized(1): overdue by	**800**	**679**	**526**
0 to 30 days	31	49	24
30 to 90 days	59	57	56
90 to 180 days	80	97	110
More than 180 days	630	476	336
Receivables for which no impairment has been recognized: overdue by	**14**	**85**	**117**
0 to 30 days	2	3	28
30 to 90 days	10	63	40
90 to 180 days	1	15	49
More than 180 days	1	4	-

(1) This only includes sales financing receivables partly or totally written off through impairment on an individual basis.

The maximum exposure to credit risk for the sales financing activity is represented by the net book value of sales financing receivables plus the amount of financing commitments for customers reported under off-balance sheet commitments given (note 29-A).

This risk is reduced by guarantees provided by customers, as reported in off-balance sheet commitments received (note 29-B). In particular, guarantees held in connection with overdue or impaired sales financing receivables amounted to €607 million at December 31, 2009 (€715 million at December 31, 2008 and €409 million at December 31, 2007).

There is no indication at the year-end that the quality of sales financing receivables not yet due or unimpaired has been adversely affected, nor is there any significant concentration of risks within the Sales financing customer base.

D – Changes in impairment of sales financing receivables

(€ million)	
Impairment at December 31, 2007	**(747)**
Impairment recorded during the year	(516)
Reversals for application	220
Reversals of unused residual amounts	141
Translation adjustment and other	12
Impairment at December 31, 2008	**(890)**
Impairment recorded during the year	(549)
Reversals for application	252
Reversals of unused residual amounts	187
Translation adjustment and other	(12)
Impairment at December 31, 2009	**(1,012)**

NOTE 18 – AUTOMOBILE RECEIVABLES

(€ million)	DECEMBER 31, 2009	DECEMBER 31, 2008	DECEMBER 31, 2007
Gross value	1,234	1,867	2,180
Impairment	(137)	(115)	(97)
AUTOMOBILE RECEIVABLES, NET	**1,097**	**1,752**	**2,083**

These receivables do not include accounts receivable from dealers in France and certain other European countries when they are assigned to the Group's sales financing companies together with the risk of non-recovery. Receivables transferred in this way are included in sales financing receivables. If the risk is not transferred, although the receivables have been assigned from a legal point of view, these items remain in Automobile receivables and a corresponding financial liability is recorded (in other interest-bearing borrowings). This rule also applies to receivables assigned outside the Group, for example through discounting or factoring. The amount of assigned Automobile receivables reported in the balance sheet is not significant for the periods presented.

There is no significant concentration of risks within the Automobile customer base and no single non-Group customer accounts for more than 10% of the Group's total sales revenues.

The fair value of Automobile receivables is equal to their net book value due to their short-term maturities.

NOTE 19 – OTHER CURRENT AND NON CURRENT ASSETS

	DECEMBER 31, 2009			DECEMBER 31, 2008			DECEMBER 31, 2007		
(€ million)	NON-CURRENT	CURRENT	TOTAL	NON-CURRENT	CURRENT	TOTAL	NON-CURRENT	CURRENT	TOTAL
Prepaid expenses	68	218	286	45	184	229	38	259	297
Tax receivables (excluding current taxes)	14	846	860	29	893	922	83	845	928
Other receivables	206	477	683	153	1,005	1,158	156	892	1,048
Investments in controlled unconsolidated entities	136	-	136	193	-	193	227	-	227
Derivatives on operating transactions of the Automobile segment	-	-	-	-	71	71	-	148	148
Derivatives assets on financing transactions of the Sales financing segment	-	95	95	-	498	498	-	176	176
TOTAL	**424**	**1,636**	**2,060**	**420**	**2,651**	**3,071**	**504**	**2,320**	**2,824**
Gross value	*573*	*1,672*	*2,245*	*539*	*2,682*	*3,221*	*605*	*2,354*	*2,959*
Impairment	*(149)*	*(36)*	*(185)*	*(119)*	*(31)*	*(150)*	*(101)*	*(34)*	*(135)*

NOTE 20 – SHAREHOLDERS' EQUITY

A – Share capital

The total number of ordinary shares issued and fully paid-up at December 31, 2009 was 284,937 thousand, with par value of €3.81 per share (the total number and par value are unchanged from December 31, 2008 and from December 31, 2007).

Treasury shares do not bear dividends. They accounted for 1.59% of Renault's share capital at December 31, 2009 (3.08% at December 31, 2008 and 2.65% at December 31, 2007).

The Nissan group holds 15% of Renault through its wholly-owned subsidiary Nissan Finance Co., Ltd. (the voting rights attached to these shares cannot be exercised).

B – Capital management

In managing its capital, the Group's objective is to guarantee continuity of business in order to provide returns for shareholders and benefits for other stakeholders, and to maintain optimum capital structure in order to optimize its cost.

The Group actively manages its capital structure, making adjustments in view of developments in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payments to shareholders, redeem some of the capital or issue new shares. The management objectives, policies and procedures are unchanged from 2008.

The Group's objectives are monitored in different ways in the different segments.

The Group manages the Automobile segment's capital with reference to a ratio equal to the segment's net indebtedness divided by the sum of shareholders' equity (net indebtedness includes all non-operating interest-bearing financial liabilities and commitments less cash and cash equivalents and other non-operating financial assets such as marketable securities or the segment's loans, shareholders' equity is as reported in the Group's balance sheet). This ratio stood at 35.9% at December 31, 2009 (40.9% at December 31, 2008 and 9.5% at December 31, 2007).

The Sales financing segment must comply with regulatory ratios specific to banking operations. The minimum solvency ratio (shareholders' equity including subordinated loans to total risk-weighted assets) is 8%.

The Group also partially hedges its investment in Nissan (note 14-G).

C – Renault treasury shares

In accordance with decisions approved at General Shareholders' Meetings, the Board of Directors decided to allocate all Renault treasury shares to current stock-option plans awarded to Group managers and executives.

	DECEMBER 31, 2009	DECEMBER 31, 2008	DECEMBER 31, 2007
Total value of treasury shares *(€ million)*	229	612	499
Total number of treasury shares	4,523,725	8,773,698	7,555,139

Over 2009 Renault sold more than 4 million treasury shares, generating a loss of -€256 million. The sale price of €127 million is recorded in shareholders' equity.

D – Distributions

At the General and Extraordinary Shareholders' Meeting of May 6, 2009, it was decided that no dividend would be distributed (compared to a distribution of €3.80 per share or a total of €1,049 million in 2008).

In 2008, after elimination of dividends received by Nissan in proportion to Renault's interest in Nissan, the dividend distribution recorded in shareholders' equity amounted to €975 million (€803 million in 2007).

The proposal will be put to the General and Extraordinary Shareholders' Meeting of April 30, 2010 that no dividends should be paid.

E – Translation adjustment

The change in translation adjustment over the year is as follows:

(€ million)	2009	2008	2007
Change in translation adjustment on the value of the investment in Nissan (note 14-C)	(365)	1,057	(618)
Impact, net of tax, of partial hedging of the investment in Nissan (note 14-G)	(43)	(1,613)	153
Total change in translation adjustment related to Nissan	**(408)**	**(556)**	**(465)**
Other changes in translation adjustment	81	(703)	(248)
TOTAL CHANGE IN TRANSLATION ADJUSTMENT	**(327)**	**(1,259)**	**(713)**

Other changes in the translation adjustment mostly resulted from movements in the Swedish krona and the Korean won against the Euro.

F – Financial instrument revaluation reserve

F1 – Change in the financial instrument revaluation reserve

The figures below are reported net of tax effects.

(€ million)	CASH FLOW HEDGES	AVAILABLE-FOR-SALE FINANCIAL ASSETS	TOTAL
At December 31, 2007[1]	**46**	**22**	**68**
Changes in fair value recorded in shareholders' equity	(155)	(24)	(179)
Transfer from shareholders' equity to the income statement[2]	(121)	9	(112)
At December 31, 2008[1]	**(230)**	**7**	**(223)**
Changes in fair value recorded in shareholders' equity	(92)	26	(66)
Transfer from shareholders' equity to the income statement[2]	183	(3)	180
At December 31, 2009[1]	**(139)**	**30**	**(109)**

(1) For the schedule of transfers of amounts related to cash flow hedges transferred to shareholders' equity, see note F-3 below.

(2) For a breakdown of the amounts related to cash flow hedges transferred to shareholders' equity, see note F-2 below.

F2 – Breakdown of the amounts related to cash flow hedges transferred from the financial instrument revaluation reserve to the income statement

(€ million)	2009	2008	2007
Operating margin	189	(76)	(81)
Other operating income and expenses	-	-	-
Net financial income (expense)	(1)	(2)	(7)
Share in net income of associates	60	(43)	(4)
Current and deferred taxes	(65)	-	30
TOTAL TRANSFERRED TO THE INCOME STATEMENT FOR CASH FLOW HEDGES	**183**	**(121)**	**(62)**

F3 – Schedule of amounts related to cash flow hedges transferred from the financial instruments revaluation reserve to the income statement

(€ million)	DECEMBER 31, 2009	DECEMBER 31, 2008	DECEMBER 31, 2007
Within one year	(44)	(82)	44
After one year	(70)	(65)	9
Reevaluation reserve for cash flow hedges excluding associates	***(114)***	***(147)***	***53***
Reevaluation reserve for cash flow hedges - associates	(25)	(83)	(7)
TOTAL REEVALUATION RESERVE FOR CASH FLOW HEDGES	**(139)**	**(230)**	**46**

This schedule is based on contractual maturities of hedged cash flows.

G – Stock-option and free share attribution plans

Since October 1996, the Board of Directors has periodically granted stock-options to Group executives and managers, with prices and exercise periods specific to each plan.

No new stock-option or free share plans were introduced in 2009 or 2008. All plans introduced since 2006 include performance conditions which determine the number of options or shares awarded to beneficiaries.

G1 – Changes in the number of stock-options held by personnel

	2009			2008		
	QUANTITY	WEIGHTED AVERAGE EXERCISE PRICE (€)	WEIGHTED AVERAGE SHARE PRICE AT GRANT AND EXERCISE DATES (€)	QUANTITY	WEIGHTED AVERAGE EXERCISE PRICE (€)	WEIGHTED AVERAGE SHARE PRICE AT GRANT AND EXERCISE DATES (€)
Outstanding at January 1	**11,703,615**	**67**		**16, 222,932**	**72**	
Granted	-	-	-	2,022,787	97	77
Exercised	-	-	-	(395,441)	43	63
Expired	(726,265)	63	N/A	(6,146,663)	91	N/A
Outstanding at December 31	**10,977,350**	**67**		**11,703,615**	**67**	

Based on the estimated achievement of performance conditions in 2008, it was considered that a large number of free shares have been forfeited over the year (particularly under plans related to the Renault Commitment 2009 plan and the year 2008).

G2 – Options and free share attribution rights yet to be exercised at December 31, 2009

N° PLAN	TYPE OF PLAN	GRANT DATE	EXERCISE PRICE (€)	OUTSTANDING	EXERCISE PERIOD
Plan 6	Stock purchase options	September 7, 2000 and October 24, 2000	49.27 49.57	464,472	September 6, 2005 – September 6, 2010 October 25, 2005 - October 23, 2010
Plan 7	Stock purchase options	December 18, 2001	48.97	920,730	December 19, 2006 - December 17, 2011
Plan 8	Stock purchase options	September 5, 2002	49.21	1,515,095	September 6, 2007 - September 4, 2012
Plan 9	Stock purchase options	September 8, 2003	53.36	1,586,167	September 9, 2007 - September 7, 2011
Plan 10	Stock subscription options	September 14, 2004	66.03	2,053,350	September 15, 2008 - September 13, 2012
Plan 11	Stock subscription options	September 13, 2005	72.98	1,505,300	September 14, 2009 - September 12, 2013
Plan 12	Stock subscription options	May 4, 2006 and May 12, 2006 and June 30, 2006	87.98	1,356,372	May 5, 2010 – May 5, 2014
Plan 13	Stock subscription options	May 4, 2006 and May 12, 2006 and July 17, 2006	87.98	-	May 5, 2010 – May 5, 2014
Plan 13 bis	Attribution of free shares	May 12, 2006 and July 17, 2006	-	-	May 5, 2012[1]
Plan 14	Stock subscription options	December 5, 2006 and February 19, 2007	93.86	1,575,864	December 6, 2010 – December 4, 2014
Plan 15	Stock subscription options	December 5, 2007 and January 25, 2008	96.54	-	December 6, 2011 – December 5, 2015
Plan 16	Stock subscription options	December 5, 2007 and January 25, 2008	96.54	-	December 6, 2011 – December 5, 2015
Plan 16 bis	Attribution of free shares	December 5, 2007 and January 25, 2008	-	-	December 6, 2013[1]

(1) To benefit from free share plans, the employee must be in the company at this date.

H – Share-based payments

Share-based payments exclusively concern stock-options and free shares awarded to personnel.

Plan values

The options awarded under these plans only become vested after a period of five years for plans 6 to 8, and four years for plans 9 to 16. For stock-option plans, the exercise period then covers five years for plans 6 to 8 and four years for plans 9 to 16. Loss of the benefit of these options follows the applicable regulations: all options are forfeited in the event of resignation and a decision is made for each individual case when an employee leaves at the company's instigation.

The valuation method follows a suitable binomial mathematical model, with exercise of the options anticipated and spread over the exercise period on a straight-line basis. The volatility factor applied is implicit volatility at the grant date. The dividend used is determined by reference to the dividend payout schedule at the time each plan is valued.

The plans have been valued as follows:

N° PLAN	INITIAL VALUE (thousand of €)	UNIT FAIR VALUE	EXPENSE FOR 2009 (€ million)	EXPENSE FOR 2008[1] (€ million)	EXPENSE FOR 2007 (€ million)	SHARE PRICE AT GRANT DATE (€)	VOLATILITY	INTEREST RATE	EXERCISE PRICE (€)	DURATION OF OPTION	DIVIDEND PER SHARE (€)
Plan 9	32,820	18.15	-	-	(6)	55.40	33.0%	3.79%	53.36	4-8 years	1.15
Plan 10	39,870	19.75	-	(7)	(9)	69.05	27.0%	3.71%	66.03	4-8 years	1.40
Plan 11	22,480	14.65	(4)	(6)	(6)	72.45	23.5%	2.68%	72.98	4-8 years	1.80
Plan 12[2]	17,324	16.20	(4)	(5)	(5)	87.05	28.1%	3.90%	87.98	4-8 years	2.40 – 4.50
Plan 13[2]	36,634	15.86	-	14	(9)	87.82	27.2%	3.85%	87.98	4-8 years	2.40 – 4.50
Plan 13 bis[2]	74,666	72.60	-	28	(20)	83.71	N/A	3.83%	N/A	N/A	2.40 – 4.50
Plan 14[2]	26,066	15.00	(6)	(6)	(6)	92.65	26.7%	3.88%	93.86	4-8 years	2.40 – 4.50
Plan 15[2]	29,747	15.19	-	1	(1)	84.68	36.0%	3.79%	96.54	4-8 years	2.40 – 4.50
Plan 16[2]	10,279	13.68	-	-	-	81.79	36.4%	3.77%	96.54	4-8 years	2.40 – 4.50
Plan 16 bis[2]	9,040	71.15	-	-	-	87.28	N/A	3.81%	N/A	N/A	2.40 – 4.50
TOTAL	**298,926**		**(14)**	**19**	**(62)**						

(1) The expense for 2008 includes income of €83 million resulting from revision of the number of options and free shares attributed under plans containing performance conditions.

(2) For these plans, options or free share attribution rights have been awarded at different dates within the stated period. The information reported may correspond to weighted averages based on quantities awarded per grant date.

NOTE 21 – PROVISIONS

A – Provisions at December 31

(€ million)	DECEMBER 31, 2009	DECEMBER 31, 2008	DECEMBER 31, 2007
Provisions (other than provisions for pension and other long-term employee obligations)	**1,590**	**1,751**	**1,516**
Provisions for restructuring and workforce adjustment costs	*296*	*513*	*253*
Provisions for warranty costs	*753*	*807*	*819*
Provisions for tax risks and litigation	*266*	*198*	*173*
Other provisions	*275*	*233*	*271*
Provisions for pension and other long-term employee benefit obligations	**1,153**	**1,056**	**1,203**
TOTAL PROVISIONS	**2,743**	**2,807**	**2,719**
Provisions – long-term	*1,829*	*1,543*	*1,765*
Provision – short-term	*914*	*1,264*	*954*

All known litigation in which Renault or Group companies are involved is examined at each closing. After seeking the opinion of legal advisors, any provisions deemed necessary are set aside to cover the estimated risk.

B – Changes in provisions (other than provisions for pension and other long-term employee obligations)

(€ million)	RESTRUCTURING PROVISIONS	WARRANTY PROVISIONS	TAX RISKS AND LITIGATION PROVISIONS	OTHER PROVISIONS	TOTAL
At December 31, 2007	**253**	**819**	**173**	**271**	**1,516**
Increases	408	427	80	104	1,019
Reversals of provisions for application	(165)	(395)	(21)	(79)	(660)
Reversals of unused balance of provisions	(18)	(15)	(38)	(37)	(108)
Changes in scope of consolidation	1	1	1	-	3
Translation adjustments and other changes	34	(30)	3	(26)	(19)
At December 31, 2008	**513**	**807**	**198**	**233**	**1,751**
Increases	196	355	110	154	815
Reversals of provisions for application	(389)	(378)	(26)	(97)	(890)
Reversals of unused balance of provisions	(32)	(31)	(27)	(16)	(106)
Changes in scope of consolidation	1	-	-	-	1
Translation adjustments and other changes	7	-	11	1	19
At December 31, 2009	**296**	**753**	**266**	**275**	**1,590**

Reversal of unused balances of provisions mainly result from changes in the assumptions used to estimate the original provision.

At December 31, 2009, other provisions included €43 million of provisions established in application of environmental regulations (€42 million at December 31, 2008, €50 million at December 31, 2007). These provisions principally concern environmental compliance costs for industrial land that the Group intends to sell (particularly at the Boulogne-Billancourt site) and expenses related to the EU directive on end-of-life vehicles (note 29-A2).

As greenhouse gas emissions were lower than the Group's allocated quotas, no associated provisions were booked at December 31, 2009.

C – Provisions for pensions and other long-term employee benefit obligations

C1 – Pension and benefit plans

Pensions and other long-term employee benefit obligations essentially concern current employees. These benefits are covered either by contributions to defined contribution plans or by defined benefit plans.

Defined contribution plans

The Group makes earnings-related payments, in accordance with local custom, to the national organizations responsible for paying pensions and similar financial benefits. There is no actuarial liability concerning these pension arrangements.

The total expense for defined contribution plans is approximately €410 million in 2009 (€450 million in 2008 and 2007).

Defined benefit plans

Provisions are established for this type of plan, mainly concerning indemnities payable upon retirement, but also covering:

- other payments upon retirement and supplementary pensions;
- other long-term benefits, chiefly long-service awards and flexible holiday entitlements;
- Healthcare expense coverage.

Defined benefit plans are sometimes covered by funds which are valued annually based on market value. The value of fund assets, if any, is deducted from the corresponding liability. In view of the amounts involved, the Group's exposure to risk resulting from changes in these fund asset values is low (see note 21-C6).

C2 – Actuarial assumptions

The main actuarial assumptions used for the companies in France, the country accounting for most of the Group's obligations, are the following:

Retirement age	60 to 65
Salary increase	3%
Discount rate[1]	4.6%

(1) *The rate most frequently used to value the Group's obligations in France is 4.6% (5.3% in 2008 and in 2007). However, the rate varies between companies depending on the maturities of obligations.*

The weighted average rate of return expected for the Group's principal funds is 3.93% in 2009. In the UK, where a significant portion of the Group's pension funds are invested, the expected rate of return is 6.1%.

This return is determined based on past returns for each category of assets included in the portfolios.

C3 – Net expense for the year

(€ million)	2009	2008	2007
Current service cost	77	86	90
Amortization of past service cost	(2)	(2)	(2)
Cost of unwinding the discount	49	51	46
Expected return on fund assets	(16)	(15)	(21)
Effects of workforce adjustment measures	(1)	(161)	-
Net expense (income) for the year	**107**	**(41)**	**113**

The effects of workforce adjustment measures in 2008 relate to Renault s.a.s.' voluntary termination plan "*Projet Renault Volontariat*" and are directly deducted from the expense included in other operating income and expenses (note 7-A).

C4 – Provisions at December 31

(€ million)	DECEMBER 31, 2009	DECEMBER 31, 2008	DECEMBER 31, 2007
French companies	976	917	1,064
Foreign companies	177	139	139
TOTAL	**1,153**	**1,056**	**1,203**

C5 – Changes in obligations, fund assets and provision

(€ million)	OBLIGATIONS	FUND ASSETS	OBLIGATIONS NET OF FUND ASSETS	UNRECORDED PAST SERVICE COSTS	BALANCE SHEET PROVISION
Balance at December 31, 2007	**1,580**	**(388)**	**1,192**	**11**	**1,203**
Net expense for the year 2008 (note 21-C3)	(24)	(15)	(39)	(2)	(41)
Benefits paid out	(99)	9	(90)	-	(90)
Contributions to funds	-	(8)	(8)	-	(8)
Actuarial gains (losses)	(44)	47	3	-	3
Translation adjustments	(57)	49	(8)	-	(8)
Change in scope of consolidation and others	(3)	(1)	(4)	1	(3)
Balance at December 31, 2008	**1,353**	**(307)**	**1,046**	**10**	**1,056**
Net expense for the year 2009 (note 21-C3)	125	(16)	109	(2)	107
Benefits paid out	(63)	10	(53)	-	(53)
Contributions to funds	-	(8)	(8)	-	(8)
Actuarial gains (losses)	66	(12)	54	-	54
Translation adjustments	15	(13)	2	-	2
Change in scope of consolidation and others	(4)	(1)	(5)	-	(5)
Balance at December 31, 2009	**1,492**	**(347)**	**1,145**	**8**	**1,153**

C6 – Breakdown of fund assets

(€ million)	DECEMBER 31, 2009	DECEMBER 31, 2008	DECEMBER 31, 2007
Equities	95	80	143
Bonds	209	192	212
Other	43	35	33
TOTAL FUND ASSETS	347	307	388

The weighted average real rate of return expected for the Group's principal funds is 6.75% in 2009. In the UK, where a significant portion of the Group's pension funds are invested, the expected real rate of return for 2009 is 13%.

The current best estimate for contributions payable in 2010 is €8 million.

C7 – Historical data

(€ million)	DECEMBER 31, 2009	DECEMBER 31, 2008	DECEMBER 31, 2007	DECEMBER 31, 2006	DECEMBER 31, 2005
Obligations not covered by funds	1,054	977	1,130	1,021	944
Obligations covered by funds	438	376	450	486	343
Total obligations (A)	1,492	1,353	1,580	1,507	1,287
Value of fund assets (B)	347	307	388	363	247
Funding status (B) – (A)	**(1,145)**	**(1,046)**	**(1,192)**	**(1,144)**	**(1,040)**
Actuarial gains and losses on obligations recorded in equity during the year (before tax)	**(66)**	**44**	**(93)**	**(104)**	**(108)**
ACTUARIAL GAINS AND LOSSES ON FUND ASSETS RECORDED IN EQUITY DURING THE YEAR (BEFORE TAX)	12	(47)	10	19	8

The cumulative actuarial net-of-tax gains and losses (excluding the associates' share) included in Other components of comprehensive income is -€241 million in 2009 -€196 million at December 31, 2008 and -€193 million at December 31, 2007).

NOTE 22 – OTHER CURRENT AND NON CURRENT LIABILITIES

	DECEMBER 31, 2009			DECEMBER 31, 2008			DECEMBER 31, 2007		
(€ million)	NON-CURRENT	CURRENT	TOTAL	NON- URRENT	CURRENT	TOTAL	NON-CURRENT	CURRENT	TOTAL
Tax liabilities (excluding current taxes)	323	574	897	250	340	590	309	455	764
Social liabilities	11	1,279	1,290	8	1,202	1,210	8	1,616	1,624
Other liabilities	206	2,915	3,121	166	3,465	3,631	46	3,571	3,617
Deferred income	120	411	531	124	433	557	160	446	606
Derivatives on operating transactions of the Automobile segment	-	-	-	-	71	71	-	165	165
TOTAL	660	5,179	5,839	548	5,511	6,059	523	6,253	6,776

Other liabilities mainly correspond to deferred income recorded in connection with sales contracts including a buy-back commitment.

7.

7.2.7.4 FINANCIAL ASSETS AND LIABILITIES, FAIR VALUE AND MANAGEMENT OF FINANCIAL RISKS

NOTE 23 – FINANCIAL ASSETS – CASH AND CASH EQUIVALENTS

A – Current/non-current breakdown

	DECEMBER 31, 2009			DECEMBER 31, 2008			DECEMBER 31, 2007		
(€ million)	NON-CURRENT	CURRENT	TOTAL	NON-CURRENT	CURRENT	TOTAL	NON-CURRENT	CURRENT	TOTAL
Investments in non-controlled entities	138	-	138	34	-	34	38		38
Other securities	-	68	68	-	122	122	-	204	204
Loans	68	327	395	68	437	505	72	669	741
Derivative assets on financing operations by the Automobile segment	820	392	1,212	880	477	1,357	496	366	862
Total financial assets	**1,026**	**787**	**1,813**	**982**	**1,036**	**2,018**	**606**	**1,239**	**1,845**
Gross value	*1,027*	*795*	*1,822*	*983*	*1,044*	*2,027*	*607*	*1,240*	*1,847*
Impairment	*(1)*	*(8)*	*(9)*	*(1)*	*(8)*	*(9)*	*(1)*	*(1)*	*(2)*
Cash equivalents	-	47	47	-	8	8	-	1,058	1,058
Cash in hand and bank deposits	-	7,976	7,976	-	2,050	2,050	-	3,663	3,663
TOTAL CASH AND CASH EQUIVALENTS	**-**	**8,023**	**8,023**	**-**	**2,058**	**2,058**	**-**	**4,721**	**4,721**

Investments in non-controlled entities include €57 million paid to the Modernization Fund for Automobile Equipment Suppliers (*Fonds de Modernisation des Équipementiers Automobile* – FMEA), as part of the support plan for these suppliers introduced by the French authorities and automakers. Renault has undertaken a commitment to pay a total of €200 million as funds are called.

The current portion of other securities corresponds to securities that cannot be classified as cash equivalents.

B – Breakdown by category of financial instruments and fair value

(€ million)	INSTRUMENTS HELD FOR TRADING[(1)]	HEDGING DERIVATIVES	AVAILABLE-FOR-SALE INSTRUMENTS	TOTAL INSTRUMENTS CARRIED AT FAIR VALUE	LOANS AND RECEIVABLES	TOTAL
Investments in non-controlled entities			138	**138**		**138**
Other securities	10		58	**68**		**68**
Loans					395	**395**
Derivative assets on financing operations by the Automobile segment	1,118	94		**1,212**		**1,212**
Total financial assets at December 31, 2009	**1,128**	**94**	**196**	**1,418**	**395**	**1,813**
Cash equivalents	15		32	**47**		**47**
Cash in hand and bank deposits					7,976	**7,976**
TOTAL CASH AND CASH EQUIVALENTS AT DECEMBER 31, 2009	**15**		**32**	**47**	**7,976**	**8,023**
Investments in non-controlled entities			34	**34**		**34**
Other securities	69		53	**122**		**122**
Loans					505	**505**
Derivative assets on financing operations by the Automobile segment	1,245	112		**1,357**		**1,357**
Total financial assets at December 31, 2008	**1,314**	**112**	**87**	**1,513**	**505**	**2,018**
Cash equivalents	5		3	**8**		**8**
Cash in hand and bank deposits					2,050	**2,050**
TOTAL CASH AND CASH EQUIVALENTS AT DECEMBER 31, 2008	**5**		**3**	**8**	**2,050**	**2,058**
Investments in non-controlled entities			38	**38**		**38**
Other securities	102		102	**204**		**204**
Loans					741	**741**
Derivative assets on financing operations by the Automobile segment	558	304		**862**		**862**
Total financial assets at December 31, 2007	**660**	**304**	**140**	**1,104**	**741**	**1,845**
Cash equivalents	1,041		17	**1,058**		**1,058**
Cash in hand and bank deposits					3,663	**3,663**
TOTAL CASH AND CASH EQUIVALENTS AT DECEMBER 31, 2007	**1,041**		**17**	**1,058**	**3,663**	**4,721**

(1) Including derivatives not designated as hedges for accounting purposes.

No financial assets were reclassified in 2009 (or 2008 or 2007).

The fair value of loans is €409 million at December 31, 2009 (€507 million at December 31, 2008 and €748 million at December 31, 2007). For loans with original maturity of less than three months and floating-rate loans, the value recorded in the balance sheet is considered to be the fair value. Other fixed-rate loans have been measured by discounting future cash flows using the rates offered to Renault at December 31, 2009, December 31, 2008, and December 31, 2007 for loans with similar conditions and maturities.

The fair value of cash in hand and bank deposits is equal to their net book value, due their short-term maturity.

NOTE 24 – FINANCIAL LIABILITIES AND SALES FINANCING DEBTS

A – Current/non-current breakdown

	DECEMBER 31, 2009			DECEMBER 31, 2008			DECEMBER 31, 2007		
(€ million)	NON-CURRENT	CURRENT	TOTAL	NON-CURRENT	CURRENT	TOTAL	NON-CURRENT	CURRENT	TOTAL
Renault SA redeemable shares	231	-	231	188	-	188	697	-	697
Bonds	3,192	1,009	4,201	3,465	1,342	4,807	3,728	416	4,144
Other debts represented by a certificate	-	617	617	-	1,018	1,018	-	-	-
Borrowings from credit institutions (at amortized cost)	1,174	595	1,769	637	520	1,157	179	275	454
Borrowings from credit institutions (at fair value)	230	-	230	233	-	233	-	-	-
Other interest-bearing borrowings	3,247	1,259	4,506	186	1,195	1,381	244	598	842
Financial liabilities of the Automobile segment (excluding derivatives)	**8,074**	**3,480**	**11,554**	**4,709**	**4,075**	**8,784**	**4,848**	**1,289**	**6,137**
Derivative liabilities on financing operations of the Automobile segment	713	345	1,058	802	1,144	1,946	293	228	521
Total financial liabilities of the Automobile segment	**8,787**	**3,825**	**12,612**	**5,511**	**5,219**	**10,730**	**5,141**	**1,517**	**6,658**
Diac redeemable shares	10	-	10	9	-	9	19	-	19
Bonds	-	6,113	6,113	-	5,758	5,758	-	7,847	7,847
Other debts represented by a certificate	251	6,851	7,102	253	7,122	7,375	253	9,142	9,395
Borrowings from credit institutions	-	6,651	6,651	-	5,658	5,658	-	3,989	3,989
Other interest-bearing borrowings	-	115	115	-	134	134	-	62	62
Total financial liabilities and debts of the Sales financing segment (excluding derivatives)	**261**	**19,730**	**19,991**	**262**	**18,672**	**18,934**	**272**	**21,040**	**21,312**
Derivative liabilities on financing operations of the Sales financing segment	-	182	182	-	278	278	-	156	156
Financial liabilities and debts of the Sales financing segment	**261**	**19,912**	**20,173**	**262**	**18,950**	**19,212**	**272**	**21,196**	**21,468**
TOTAL FINANCIAL LIABILITIES AND SALES FINANCING DEBTS	**9,048**	**23,737**	**32,785**	**5,773**	**24,169**	**29,942**	**5,413**	**22,713**	**28,126**

Redeemable shares

The redeemable shares issued in October 1983 and April 1984 by Renault SA are subordinated perpetual shares. They earn a minimum annual return of 9% comprising a fixed portion (6.75%) and a variable portion that depends on consolidated revenues and is calculated based on identical Group structure and methods. The return on redeemable shares, amounting to €16 million for 2009 (€17 million for 2008 and 2007), is included in interest expenses. These shares are listed on the Paris Stock Exchange, and traded for €290 at December 31, 2009 and €236 at December 31, 2008 for par value of €153, leading to a corresponding €43 million adjustment to the fair value of redeemable shares recorded in other financial expenses (note 8).

The return on Diac redeemable shares issued in 1985 comprises a fixed portion equal to the Annual Monetary Rate, and a variable portion calculated by multiplying an amount equal to 40% of the Annual Monetary Rate by the rate of increase in net consolidated profit of the Diac sub-group compared to the prior year.

Changes in bonds

In 2009, Renault SA redeemed bonds issued between 2002 and 2004 for a total of €1,271 million and undertook new bond issue totaling €750 million and maturing in 2014.

RCI Bank also redeemed bonds for a total of €2,795 million in 2009 and issued new bonds totaling €3,149 million and maturing between 2010 and 2012.

€3 billion loan from the French government

During 2009 the Group received a loan of €3 billion from the French government. This loan is repayable at term in 2014, although early repayment in part or in full is authorized from 2011.

The interest rate applicable comprises a fixed portion of 6% and a variable portion indexed on the Group's operating margin rate, between a lower and upper limit set respectively at 6% and 9%.

The loan agreement stipulates that the interest rate will be raised if Renault fails to honor its commitments regarding development of clean vehicle systems and technologies in France, introduction of partnership arrangements with suppliers and using profits to reinforce shareholders' equity and make investments. The agreement includes standard accelerated payment clauses (in the event of default on repayments, inaccurate declarations, failure to comply with contractual obligations, insolvency proceedings, etc.) and entitles the French State to demand full repayment within three months if direct or indirect control over more than 50% of the capital or voting rights is transferred without prior approval.

This loan is recorded at amortized cost.

€400 million loan from the European Investment Bank

In 2009 the European Investment Bank approved a four-year loan of €400 million to help the Group in the transition to cleaner technologies with lower fuel consumption. The applicable interest rate of 4.4% is lower than the rate the Group could have negotiated on the market and the favorable differential is treated as a subsidy calculated at €35 million. In accordance with Renault group accounting policies, this subsidy is charged to intangible assets or deducted from the R&D expenses financed by the loan.

Credit lines

At December 31, 2009, Renault SA confirmed credit lines opened with banks worth €4,070 million (€4,220 million at December 31, 2008 and €4,480 million at December 31, 2007). The short-term portion amounted to €860 million at December 31, 2009 (€910 million at December 31, 2008 and €1,260 million at December 31, 2007). These credit lines had not been used at December 31, 2009 (they were used to the extent of €518 million at December 31, 2008 and €8 million at December 31, 2007).

Sales financing's confirmed credit lines opened with banks amounted to €4,725 million (€5,245 million at December 31, 2008 and €5,361 million at December 31, 2007). The short-term portion amounted to €1,526 million at December 31, 2009 (€650 million at December 31, 2008 and €481 million at December 31, 2007). These credit lines had not been used at December 31, 2009 (they were used to the extent of €753 million at December 31, 2008 and none was in use at December 31, 2007).

The contractual documentation for financial liabilities and confirmed credit lines contains no clause that could affect the continued supply of credit in the event of any change in Renault's credit rating or financial ratio compliance.

B – Breakdown by category of financial instrument and fair value

	INSTRUMENTS STATED AT FAIR VALUE				INSTRUMENTS STATED AT AMORTIZED COST[(2)]		
DECEMBER 31, 2009 *(€ million)*	**INSTRUMENTS HELD FOR TRADING[(1)]**	**HEDGING DERIVATIVES**	**INSTRUMENTS DESIGNATED FROM INITIAL RECOGNITION AS AT FAIR VALUE**	**TOTAL INSTRUMENTS STATED AT FAIR VALUE**	**BALANCE SHEET VALUE**	***FAIR VALUE***	**BALANCE SHEET VALUE**
Renault SA redeemable shares			231	231			**231**
Bonds					4,201	*4,259*	**4,201**
Other debts represented by a certificate					617	*617*	**617**
Borrowings from credit institutions			230	230	1,769	*1,784*	**1,999**
Other interest-bearing borrowings					4,506	*4,768*	**4,506**
Derivative liabilities on financing operations of the Automobile segment	1,053	5		1,058			**1,058**
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOBILE SEGMENT	**1,053**	**5**	**461**	**1,519**	**11,093**	***11,428***	**12,612**
Diac redeemable shares			10	10			**10**
Bonds					6,113	*6,249*	**6,113**
Other debts represented by a certificate					7,102	*7,008*	**7,102**
Borrowings from credit institutions					6,651	*6,632*	**6,651**
Other interest-bearing borrowings					115	*115*	**115**
Derivative liabilities on financing operations of the Sales financing segment	8	174		182			**182**
FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT	**8**	**174**	**10**	**192**	**19,981**	***20,004***	**20,173**

(1) Including derivatives not classified as hedges for accounting purposes.
(2) Including financial liabilities subject to fair value hedges.

DECEMBER 31, 2008 (€ million)	INSTRUMENTS STATED AT FAIR VALUE				INSTRUMENTS STATED AT AMORTIZED COST(2)		
	INSTRUMENTS HELD FOR TRADING(1)	HEDGING DERIVATIVES	INSTRUMENTS DESIGNATED FROM INITIAL RECOGNITION AS AT FAIR VALUE	TOTAL INSTRUMENTS STATED AT FAIR VALUE	BALANCE SHEET VALUE	*FAIR VALUE*	BALANCE SHEET VALUE
Renault SA redeemable shares			188	188			**188**
Bonds					4,807	*4,584*	**4,807**
Other debts represented by a certificate					1,018	*1,018*	**1,018**
Borrowings from credit institutions			233	233	1,157	*1,090*	**1,390**
Other interest-bearing borrowings					1,381	*1,381*	**1,381**
Derivative liabilities on financing operations of the Automobile segment	1,563	383		1,946			**1,946**
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOBILE SEGMENT	**1,563**	**383**	**421**	**2,367**	**8,363**	***8,073***	**10,730**
Diac redeemable shares			9	9			**9**
Bonds					5,758	*5,723*	**5,758**
Other debts represented by a certificate					7,375	*7,217*	**7,375**
Borrowings from credit institutions					5,658	*5,616*	**5,658**
Other interest-bearing borrowings					134	*134*	**134**
Derivative liabilities on financing operations of the Sales financing segment	35	243		278			**278**
FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT	**35**	**243**	**9**	**287**	**18,925**	***18,690***	**19,212**

(1) Including derivatives not classified as hedges for accounting purposes.
(2) Including financial liabilities subject to fair value hedges.

DECEMBER 31, 2007 (€ million)	INSTRUMENTS STATED AT FAIR VALUE				INSTRUMENTS STATED AT AMORTIZED COST(2)		
	INSTRUMENTS HELD FOR TRADING(1)	HEDGING DERIVATIVES	INSTRUMENTS DESIGNATED FROM INITIAL RECOGNITION AS AT FAIR VALUE	TOTAL INSTRUMENTS STATED AT FAIR VALUE	BALANCE SHEET VALUE	*FAIR VALUE*	BALANCE SHEET VALUE
Renault SA redeemable shares			697	697			**697**
Bonds					4,144	*4,162*	**4,144**
Other debts represented by a certificate							
Borrowings from credit institutions					454	*454*	**454**
Other interest-bearing borrowings					842	*842*	**842**
Derivative liabilities on financing operations of the Automobile segment	503	18		521			**521**
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOBILE SEGMENT	**503**	**18**	**697**	**1,218**	**5,440**	***5,458***	**6,658**
Diac redeemable shares			19	19			**19**
Bonds					7,847	*7,871*	**7,847**
Other debts represented by a certificate					9,395	*9,339*	**9,395**
Borrowings from credit institutions					3,989	*3,982*	**3,989**
Other interest-bearing borrowings					62	*62*	**62**
Derivative liabilities on financing operations of the Automobile	58	98		156			**156**
FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT	**58**	**98**	**19**	**175**	**21,293**	***21,254***	**21,468**

(1) Including derivatives not classified as hedges for accounting purposes.
(2) Including financial liabilities subject to fair value hedges.

The fair value of financial liabilities and debts of the Sales financing segment stated at amortized cost is essentially determined by discounting future cash flows at rates offered to Renault at December 31, 2009, 2008 and 2007 for loans with similar conditions and maturities.

C – Breakdown by maturity

For financial liabilities including derivatives, contractual flows are similar to the expected flows and correspond to the amounts to be paid.

For floating-rate financial instruments, interest is calculated using interest rates as at December 31.

No contractual flows are reported for Renault and Diac redeemable shares as they have no fixed redemption date.

C1 – Financial liabilities of the Automobile segment

	DECEMBER 31, 2009							
(€ million)	BALANCE SHEET VALUE	TOTAL CONTRACTUAL FLOWS	-1 YR	1-2 YRS	2-3 YRS	3-4 YRS	4-5 YRS	+5 YRS
Bonds issued by Renault SA (by issue date)								
2003	811	811	770				41	
2004	50	50		50				
2005	263	263	188		75			
2006	943	943		375		540	28	
2007	636	636	15		560		51	10
2008	728	728		338		390		
2009	750	750					750	
Accrued interest, expenses and premiums	20	42	42					
Total bonds	**4,201**	**4,223**	**1,015**	**763**	**635**	**930**	**870**	**10**
Other debts represented by a certificate	617	617	617					
Borrowings from credit institutions	1,999	1,999	595	170	127	701	267	139
Other interest-bearing borrowings	4,506	4,506	1,254	19	12	12	3,011	198
Total other financial liabilities	**7,122**	**7,122**	**2,466**	**189**	**139**	**713**	**3,278**	**337**
Future interest on bonds and other financial liabilities		**1,364**	**129**	**314**	**300**	**298**	**300**	**23**
Redeemable shares	**231**							
Derivative liabilities on financing operations	**1,058**	**1,058**	**344**	**183**	**377**	**147**	**7**	
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOBILE SEGMENT	**12,612**	**13,767**	**3,954**	**1,449**	**1,451**	**2,088**	**4,455**	**370**

The portion of financial liabilities of the Automobile segment maturing within one year breaks down as follows:

	DECEMBER 31, 2009			
(€ million)	CONTRACTUAL FLOWS MATURING WITHIN 1 YEAR	-1 MONTH	1-3 MONTHS	3 MONTHS–1 YEAR
Bonds	1,015	5	19	991
Other financial liabilities	2,466	1,630	252	584
Future interest on bonds and other financial liabilities	129	-	-	129
Redeemable shares	-	-	-	-
Derivative liabilities on financing operations	344	71	170	103
TOTAL FINANCIAL LIABILITIES MATURING WITHIN 1 YEAR	**3,954**	**1,706**	**441**	**1,807**

C2 – Financial liabilities and debts of the Sales financing segment

	DECEMBER 31, 2009							
(€ million)	BALANCE SHEET VALUE	TOTAL CONTRACTUAL FLOWS	-1 YR	1-2 YRS	2-3 YRS	3-4 YRS	4-5 YRS	+5 YRS
Bonds issued by RCI Banque (year of issue)								
2003	25	25	25					
2004								
2005	869	869	835	1	23			10
2006	509	509	425	71	1			12
2007	650	650	150		500			
2008	841	841	16	825				
2009	3,148	3,148	846	1,527	775			
Accrued interest, expenses and premiums	71	80	80					
Total bonds	**6,113**	**6,122**	**2,377**	**2,424**	**1,299**			**22**
Other debts represented by a certificate	7,102	7,095	4,320	1,883	557	85		250
Borrowings from credit institutions	6,651	6,648	4,410	1,207	631	64	326	10
Other interest-bearing borrowings	115	115	115					
Total other financial liabilities	**13,868**	**13,858**	**8,845**	**3,090**	**1,188**	**149**	**326**	**260**
Future interest on bonds and other financial liabilities		**463**	**120**	**198**	**96**	**17**	**17**	**15**
Redeemable shares	**10**							
Derivative liabilities on financing operations	**182**	**255**	**190**	**46**	**9**	**5**	**4**	**1**
TOTAL FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT	**20,173**	**20,698**	**11,532**	**5,758**	**2,592**	**171**	**347**	**298**

The portion of Financial liabilities and debts of the Sales financing segment maturing within one year breaks down as follows:

	DECEMBER 31, 2009			
(€ million)	CONTRACTUAL FLOWS MATURING WITHIN 1 YEAR	-1 MONTH	1-3 MONTHS	3 MONTHS–1 YEAR
Bonds	2,377	50	169	2,158
Other financial liabilities	8,845	4,035	2,128	2,682
Future interest on bonds and other financial liabilities	120	3	2	115
Redeemable shares	-	-	-	-
Derivative liabilities on financing operations	190	26	34	130
TOTAL FINANCIAL LIABILITIES MATURING WITHIN 1 YEAR	**11,532**	**4,114**	**2,333**	**5,085**

NOTE 25 – FAIR VALUE OF FINANCIAL INSTRUMENTS AND IMPACT ON NET INCOME

A – Fair value of financial instruments by level

The following breakdown by level is presented for financial instruments carried in the balance sheet at fair value:

- level 1: instruments whose fair values are derived from a listed price in an active market;
- level 2: instruments whose fair values are derived from observable market prices and are not included in Level 1;
- level 3: instruments whose fair values are derived from data not observable on the market.

	DECEMBER 31, 2009			
(€ million)	**FAIR VALUE IN BALANCE SHEET**	**LEVEL 1**	**LEVEL 2**	**LEVEL 3**
Investments in non-controlled entities	138			138
Other securities	68		68	
Derivative assets on financing operations by the Automobile segment	1,212		1,212	
Derivative assets on transactions undertaken for operating purposes by the Automobile segment	-			
Derivative assets on financing operations by the Sales financing segment	95		95	
Cash equivalents	47	21	26	
Financial instruments stated at fair value in the balance sheet assets	**1,560**	**21**	**1,401**	**138**
Renault SA redeemable shares	231	231		
Borrowings from credit institutions by the Automobile segment	230		230	
Derivative liabilities on transactions undertaken for financing purposes by the Automobile segment	1,058		1,058	
Derivative liabilities on transactions undertaken for operating purposes by the Automobile segment	-			
Diac redeemable shares	10	10		
Derivative liabilities on financing operations by the Sales financing segment	182		182	
Financial instruments stated at fair value in the balance sheet liabilities	**1,711**	**241**	**1,470**	

Estimated fair values are based on information available on the markets and arrived at using valuation methods appropriate to the types of instrument in question. However, the methods and assumptions used are by nature theoretical and judgement plays a major role in interpreting market data.

Fair values have been determined on the basis of information available at the end of the year and do not therefore take account of subsequent movements.

In general, the valuation methods for each level are as follows:

- level 1: fair value is identical to the most recent listed price;
- level 2: fair value is generally determined by recognized valuation models that use observable market data;
- level 3: the fair value of investments in non-controlled companies is based on the share of net assets.

No financial instruments were transferred between Level 1 and Level 2 in 2009 or into or out of Level 3.

B – Changes in Level 3 financial instruments

The €104 million change in the value of investments in non-controlled companies mainly results from capital contributions during 2009 (note 23-A).

C – Impact of financial instrument on net income

2009 (€ million)	FINANCIAL ASSETS OTHER THAN DERIVATIVES			FINANCIAL LIABILITIES OTHER THAN DERIVATIVES		DERIVATIVES	TOTAL IMPACT ON NET INCOME
	INSTRUMENTS HELD FOR TRADING	AVAILABLE-FOR-SALE INSTRUMENTS	LOANS AND RECEIVABLES	INSTRUMENTS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT AND LOSS	INSTRUMENTS STATED AT AMORTIZED COST[1]		
Interest income	3		106			9	118
Interest expenses				(16)	(455)		(471)
Change in fair value	5		-	(42)	(378)	385	(30)
Impairment		(5)	(23)				(28)
Dividends							
Gains (losses) on sale							
Net foreign exchange gains and losses	19		35		(59)		(5)
TOTAL IMPACT ON NET INCOME - AUTOMOBILE SEGMENT	**27**	**(5)**	**118**	**(58)**	**(892)**	**394**	**(416)**
Including:							
operating margin	*19*		*12*		*(58)*		*(27)*
other operating income and expenses							
net financial income (expense)	*8*	*(5)*	*106*	*(58)*	*(834)*	*394*	*(389)*
Interest income		2	1,354			115	1,471
Interest expenses					(704)	(255)	(959)
Change in fair value				(1)	227	(225)	1
Impairment			(173)				(173)
Dividends							
Gains (losses) on sale							
Net foreign exchange gains and losses					128	(128)	-
TOTAL IMPACT ON NET INCOME - SALES FINANCING SEGMENT		**2**	**1,181**	**(1)**	**(349)**	**(493)**	**340**
Including:							
operating margin		*2*	*1,181*	*(1)*	*(349)*	*(493)*	*340*
other operating income and expenses							
net financial income (expense)							
TOTAL GAINS AND LOSSES WITH IMPACT ON NET INCOME	**27**	**(3)**	**1,299**	**(59)**	**(1,241)**	**(99)**	**(76)**

(1) Including financial liabilities subject to fair value hedges.

For the Automobile segment, the impact of financial instruments on net income mainly corresponds to foreign exchange gains and losses on operating transactions, and impairment of operating receivables.

D – Fair value hedges

(€ million)	**2009**	**2008**	**2007**
Change in fair value of the hedging instrument	(214)	277	(29)
Change in fair value of the hedged item	220	(277)	30
Net impact on net income of fair value hedges	**6**	**-**	**1**

This net impact of fair value hedges on the net income corresponds to the ineffective portion of hedges. Hedge accounting methods are described in note 2-V.

NOTE 26 – DERIVATIVES AND MANAGEMENT OF FINANCIAL RISKS

A – Fair value of derivatives

The fair value of derivatives corresponds to their balance sheet value.

DECEMBER 31, 2009	FINANCIAL ASSETS		OTHER ASSETS	FINANCIAL LIABILITIES AND SALES FINANCING DEBTS		OTHER LIABILITIES
(€ million)	NON-CURRENT	CURRENT	CURRENT	NON-CURRENT	CURRENT	CURRENT
Cash flow hedges						
Fair value hedges			38			
Hedge of the net investment in Nissan					2	
Derivatives not classified as hedges and derivatives held for trading		161	37		143	
TOTAL FOREIGN EXCHANGE RISK		**161**	**75**		**145**	
Cash flow hedges	13		7	3	174	
Fair value hedges	82		12			
Derivatives not classified as hedges and derivatives held for trading	725	231	1	710	208	
TOTAL INTEREST RATE RISK	**820**	**231**	**20**	**713**	**382**	
Cash flow hedges						
Fair value hedges						
Derivatives not classified as hedges and derivatives held for trading						
TOTAL COMMODITY RISK						
TOTAL	**820**	**392**	**95**	**713**	**527**	

DECEMBER 31, 2008	FINANCIAL ASSETS		OTHER ASSETS	FINANCIAL LIABILITIES AND SALES FINANCING DEBTS		OTHER LIABILITIES
(€ million)	NON-CURRENT	CURRENT	CURRENT	NON-CURRENT	CURRENT	CURRENT
Cash flow hedges	-	-	-	-	-	-
Fair value hedges	-	-	270	-	1	-
Hedge of the net investment in Nissan	-	3	-	44	334	-
Derivatives not classified as hedges and derivatives held for trading	-	242	189	-	638	-
TOTAL FOREIGN EXCHANGE RISKS	**-**	**245**	**459**	**44**	**973**	**-**
Cash flow hedges	16	-	31	3	244	-
Fair value hedges	57	36	7	-	-	-
Derivatives not classified as hedges and derivatives held for trading	807	196	1	755	205	-
TOTAL INTEREST RATE RISKS	**880**	**232**	**39**	**758**	**449**	**-**
Cash flow hedges	-	-	-	-	-	-
Fair value hedges	-	-	-	-	-	-
Derivatives not classified as hedges and derivatives held for trading	-	-	71	-	-	71
TOTAL COMMODITY RISKS	**-**	**-**	**71**	**-**	**-**	**71**
TOTAL	**880**	**477**	**569**	**802**	**1,422**	**71**

DECEMBER 31, 2007	FINANCIAL ASSETS		OTHER ASSETS	FINANCIAL LIABILITIES AND SALES FINANCING DEBTS		OTHER LIABILITIES
(€ million)	NON-CURRENT	CURRENT	CURRENT	NON-CURRENT	CURRENT	CURRENT
Cash flow hedges	-	-	-	-	-	-
Fair value hedges	-	-	-	-	1	-
Hedge of the net investment in Nissan	143	115	-	-	10	-
Derivatives not classified as hedges and derivatives held for trading	-	129	12	-	115	-
TOTAL FOREIGN EXCHANGE RISKS	**143**	**244**	**12**		**126**	
Cash flow hedges	23	-	116	2	90	-
Fair value hedges	22	-	2	5	8	-
Derivatives not classified as hedges and derivatives held for trading	308	122	45	286	160	-
TOTAL INTEREST RATE RISKS	**353**	**122**	**163**	**293**	**258**	
Cash flow hedges	-	-	-	-	-	-
Fair value hedges	-	-	-	-	-	-
Derivatives not classified as hedges and derivatives held for trading	-	-	149	-	-	165
TOTAL COMMODITY RISKS	**-**	**-**	**149**	**-**	**-**	**165**
TOTAL	**496**	**366**	**324**	**293**	**384**	**165**

The specialist subsidiary Renault Finance handles the Automobile segment's short-term interbank investments. It is also Nissan's counterparty in derivatives trading to hedge exchange, interest rate and commodity risks.

The fair values of derivatives reported in the Group's consolidated balance sheet assets and liabilities mainly relate to Renault Finance's business conducted on its own behalf and its transactions with Renault and Nissan subsidiaries.

B – Management of financial risks

The Group is exposed to the following financial risks:

- liquidity risks;
- market risks (foreign exchange, interest rate, equity and commodity risks);
- counterparty risks;
- credit risks (notes 17 and 18).

B1 – Liquidity risk

The Group is financed via the capital markets, through:

- long-term resources (bond issues, private placements, project financing, etc.);
- short-term bank loans or commercial paper issues;
- securitization of receivables by RCI Banque.

The Automobile segment needs sufficient financial resources to finance its day to day business and the investments necessary for future growth. It therefore regularly borrows on the banking and capital markets and this exposes it to liquidity risk in the event of market closure or tensions over credit availability. As part of its centralized cash management policy, Renault SA handles most refinancing for the Automobile segment through long-term resources via the capital markets (bond issues, private placements), short-term financing such as treasury notes or bank financing or project financing via the banking sector or semi-public bodies.

Medium-term refinancing for the Automobile segment in 2009 was mostly provided by a structured loan from the French government for €3 billion, project financing of €400 million from the European Investment Bank and a five-year €750 million bond issue as part of Renault SA's EMTN programme. The contractual documentation for this financing contains no clause that could affect the continued supply of credit in the event of any change in Renault's credit rating or financial ratio compliance.

Given the available cash reserves and confirmed credit lines unused at the year-end, the Automobile segment has sufficient financial resources to cover its commitments over a 12-month horizon.

The Sales Financing segment's business depends on reliable access to financial resources: any restriction on access to banking and financial markets would lead to the downscaling of its financing activity and/or raise the cost of the financing negotiated. The liquidity risk is closely monitored on a regular basis. The static liquidity position, which has been constantly positive over the last few years, reflecting surplus long-term resources compared to applications, remains positive. RCI Banque therefore distributes loans from resources raised several months previously, enabling the segment to maintain a stable financial margin.

Medium-term refinancing for the Sales Financing segment in 2009 was mostly provided by several bond issues totaling €3,149 million, receivable securitization in the UK for a total of €446 million and borrowings of €800 million from *Société de Financement de l'Économie Française* (SFEF). The total value of these operations exceeds the RCI Group's financing plan for 2009.

The Group's short-term financing is secured by confirmed available credit lines (€4.1 billion for Renault SA and €4.7 billion for RCI Banque at

December 31, 2009). The documentation for these credit facilities contains no clause that might adversely affect credit availability as a result of a change in Renault's credit rating or financial ratio compliance. Confirmed credit lines that are open but unused are described in note 24-A.

The structure of the Group's financing is presented in note 24-A.

B2 – Foreign exchange risks

Management of foreign exchange risks

The Automobile segment is exposed to foreign exchange risks in the course of its industrial and commercial business. These risks are monitored and centralized by Renault's Cash and Financing department.

It is Renault's general policy not to hedge operating future cash flows in foreign currencies. As a result, the Group's operating margin is exposed to foreign exchange risks.

Subsidiaries' financing and investing cash flows in foreign currencies are usually hedged in the same.

Most of the financial liabilities and sales financing debts are in Euros.

Equity investments are not hedged, apart from part of the net investment in Nissan, totaling ¥256 billion at December 31, 2009 (note 14-G).

Renault Finance undertakes operations unrelated to operating cash flows on its own behalf. These operations are controlled daily and strict risk limits apply. They have no significant impact on Renault's consolidated results.

The Sales Financing segment has low exposure to foreign exchange risks since its policy is to provide refinancing for subsidiaries in their own currencies.

The Group made no major changes to its foreign exchange risk management policy in 2009.

Analysis of the sensitivity of financial instruments to foreign exchange risks

This analysis concerns the sensitivity to foreign exchange risks of monetary assets and liabilities (including intercompany balances) and derivatives in a currency other than the currency of the entity that holds them. However, it does not take into account items covered by fair value hedges (hedged assets or liabilities and derivatives), for which changes in fair value of the hedged item and the hedging instrument almost totally offset each other in the income statement.

The Group has financial instruments denominated in Japanese yen, held for the purposes of the policy to partially hedge its investment in Nissan (note 14-G).

Impacts are estimated solely on the basis of instant conversion of the financial assets and liabilities concerned at year-end after application of the 1% variation in the Euro exchange rate.

The impact on equity concerns the 1% variation in the Euro against other currencies applied to available-for-sale financial assets and cash flow hedges and the partial hedge of the investment in Nissan. All other impacts affect net income.

For the Automobile segment, the impact on shareholders' equity (before taxes) of a 1% rise in the Euro against the principal currencies, applied to financial instruments exposed to foreign exchange risks, would have an unfavorable effect of €19 million at December 31, 2009, chiefly resulting from yen bond issues associated with the partial hedge of the investment in Nissan. This impact is offset by the opposite variation in the translation adjustment on the value of the investment in Nissan (note 20-E). The estimated impact on net income at December 31, 2009 is not significant.

Currency derivatives

	DECEMBER 31, 2009				DECEMBER 31, 2008				DECEMBER 31, 2007			
(€ million)	NOMINAL	-1 YR	1-5 YRS	+5 YRS	NOMINAL	-1 YR	1-5 YRS	+5 YRS	NOMINAL	-1 YR	1-5 YRS	+5 YRS
Currency swaps – purchases	3,281	1,400	1,873	8	2,066	649	1,410	7	2,594	1,397	1,166	31
Currency swaps - sales	3,550	1,662	1,877	11	2,422	908	1,503	11	2,719	1,431	1,267	21
Forward purchases	11,182	11,182	-	-	13,687	13,687	-	-	14,851	14,849	2	-
Forward sales	11,159	11,159	-	-	14,345	14,345	-	-	14,808	14,806	2	-

B3 – Interest rate risk

Interest rate risk management

The Renault group's exposure to interest rate risk mainly concerns the sales financing business of RCI Banque and its subsidiaries. Customer loans are generally issued at fixed interest rates, for durations of between 12 and 72 months. Dealer credit is issued at fixed rates for durations of less than 12 months.

Interest rate risk is monitored using a methodology common to the entire RCI group, to allow overall management of interest rate risks at consolidated group level. Exposure is assessed daily and hedging is systematic, using swaps to convert floating-rate liabilities to fixed-rate liabilities (cash flow hedges). The objective for each subsidiary is to hedge all risks in order to protect the sales margin.

The Automobile segment's interest rate risk management policy applies two basic principles: long-term investments use fixed-rate financing and investments for cash reserves use floating-rate financing. In addition, the financing in yen undertaken as part of the partial hedge of Nissan equity is fixed-rate.

Finally, Renault Finance carries out interest rate transactions on its own behalf, within strictly defined risk limits. This arbitrage activity has no significant impact on Renault's consolidated net income.

The Group made no major changes to its interest rate risk management policy in 2009.

Analysis of the sensitivity of financial instruments to interest rate risks

The Group is exposed to the following interest rate risks:

- variations in the interest flows on floating-rate financial instruments stated at amortized cost, and variations in the fair value of financial instruments stated at fair value (including fixed-rate instruments swapped to floating rate, and structured products);
- variations in the fair value of the fixed-rate financial instruments stated at fair value;
- variations in the fair value of derivatives (hedging derivatives and other derivatives).

Impacts are estimated by applying this 100 base point rise in interest rates over a one-year period to financial instruments reported in the closing balance sheet.

The impact on equity corresponds to the change in fair value of available-for-sale fixed-rate financial assets and cash flow hedges after a 100 base point rise in interest rates. All other impacts affect net income.

Calculation of the individual segments' sensitivity to interest rates includes intersegment loans and borrowings.

For the Automobile segment, the impact on net income and shareholders' equity (before taxes) of a 100 base point rise in interest rates applied to financial instruments exposed to interest rate risks would be -€11 million and €4 million respectively at December 31, 2009.

For the Sales financing segment, the impact on net income and equity (before taxes) of a 100 base point rise in interest rates applied to financial instruments exposed to interest rate risks would be -€3 million and €40 million respectively at December 31, 2009. The impact on equity results mainly from the change in the fair value of swaps undertaken to hedge future cash flows. The Sales financing segment's sensitivity to interest rate risks is stable in comparison to 2008.

Fixed rate/floating rate breakdown of financial liabilities and sales financing debts, after the effect of derivatives (excluding derivatives)

(€ million)	DECEMBER 31, 2009	DECEMBER 31, 2008	DECEMBER 31, 2007
Fixed rate	27,641	21,024	22,215
Floating rate	3,904	6,694	5,234
TOTAL FINANCIAL LIABILITIES, SALES FINANCING DEBTS (EXCLUDING DERIVATIVES)	**31,545**	**27,718**	**27,449**

Interest rate derivatives

	DECEMBER 31, 2009				DECEMBER 31, 2008				DECEMBER 31, 2007			
(€ million)	NOMINAL	-1 YR	1-5 YEARS	+5 YRS	NOMINAL	-1 YR	1-5 YEARS	+5 YRS	NOMINAL	-1 YR	1-5 YEARS	+5 YRS
Interest rate swaps	44,227	17,066	27,095	66	58,608	19,036	39,178	394	67,865	25,357	41,534	974
FRAs	800	800	-	-	-	-	-	-	550	550	-	-
Other interest rate hedging instruments	60	60	-	-	1,160	1,100	60	-	940	940	-	-

B4 – Equity risks

Management of equity risks

The Group's exposure to equity risks essentially concerns marketable securities indexed to share prices. The Group does not use equity derivatives to hedge this risk.

The Group made no major changes to its equity risk management policy in 2009.

Analysis of sensitivity of financial instruments to equity risks

Impacts are estimated by applying this 10% decline in share prices to the financial assets concerned at the year-end.

The financial instruments' sensitivity to equity risks is not significant at December 31, 2009.

B5 – Commodity risks

Management of commodity risks

Renault's Purchases department may hedge part of its commodity risks using financial instruments such as forward purchase contracts, purchase options and tunnel contracts. These hedges concern physical purchasing operations required by the factories and are subject to volume and time constraints.

There were no commodity hedges outstanding at December 31, 2009 for the Automobile segment business.

Commodity derivatives

	DECEMBER 31, 2009				DECEMBER 31, 2008				DECEMBER 31, 2007			
(€ million)	NOMINAL	-1 YR	1-5 YEARS	+5 YRS	NOMINAL	-1 YR	1-5 YEARS	+5 YRS	NOMINAL	-1 YR	1-5 YEARS	+5 YRS
Forward purchases	-	-	-	-	170	170	-	-	623	493	130	-
Forward sales	-	-	-	-	170	170	-	-	418	305	113	-

B6 – Counterparty risk

The Group only does business on the financial and banking markets with quality counterparties, and is not subject to any significant risk concentration.

All Group entities use a fully-coordinated counterparty risk management procedure involving a scoring system, based principally on the counterparties' long-term credit rating and equity level. For Group companies with significant exposure, compliance with authorized limits is monitored on a daily basis under strict internal control procedures.

The heightened vigilance introduced in 2008 for counterparty risk was continued in 2009: certain banking counterparties were placed under close monitoring and in some cases limits previously granted were eliminated.

No losses were recorded in 2009 due to default by a banking counterparty.

7.2.7.5 CASH FLOWS AND OTHER INFORMATION

NOTE 27 – CASH FLOWS

A – Other unrealized income and expenses

(€ million)	2009	2008	2007
Net allocation to provisions	(156)	104	(185)
Net effects of sales financing credit losses	110	155	54
Net (gain) loss on asset disposals	18	(143)	(19)
Change in fair value of redeemable shares	44	(515)	(53)
Change in fair value of other financial instruments	(8)	(53)	76
Deferred taxes	(22)	(26)	(58)
Other	9	(18)	71
OTHER UNREALIZED INCOME AND EXPENSES	**(5)**	**(496)**	**(114)**

B – Change in working capital

(€ million)	2009	2008	2007
Decrease (increase) in net inventories	1,373	584	(862)
Decrease (increase) in Automobile net receivables	630	283	(171)
Decrease (increase) in other assets	377	(195)	(419)
Increase (decrease) in trade payables	502	(2,676)	1,008
Increase (decrease) in other liabilities	71	(829)	97
INCREASE (DECREASE) IN WORKING CAPITAL	**2,953**	**(2,833)**	**(347)**

C – Capital expenditure

(€ million)	2009	2008	2007
Purchases of intangible assets	(720)	(1,178)	(1,348)
Purchases of property, plant and equipment (other than leased vehicles)	(1,332)	(2,274)	(2,272)
Total purchases for the period	**(2,052)**	**(3,452)**	**(3,620)**
Deferred payments	(257)	(41)	(18)
TOTAL CAPITAL EXPENDITURE	**(2,309)**	**(3,493)**	**(3,638)**

D – Interest received and paid by the Automobile segment

(€ million)	2009	2008	2007
Interest received	106	207	280
Interest paid	(329)	(372)	(350)
INTEREST RECEIVED AND PAID	**(223)**	**(165)**	**(70)**

NOTE 28 – RELATED PARTIES

A – Remuneration of directors and executives and Executive Committee members

A1 – Remuneration of Directors and Executives

At its meeting of May 6, 2009, the Board of Directors decided to combine the functions of Chairman of the Board of Directors and Chairman and CEO. The Chairman and CEO ceased to receive any remuneration for his duties as Chairman of the Board as of that date.

The principles for consideration and related benefits of the Chairman and CEO comply with French decrees 2009-348 of March 30, 2009 and 2009-445 of April 20, 2009 concerning "the conditions for remuneration of managers of companies receiving State aid or support due to the economic crisis and directors of public companies".

The table below reports the remuneration paid, pro rata to the periods in which the functions were occupied:

(€ million)	**2009**	**2008**
Basic salary	1.2	1.2
Performance-related remuneration	-	-
Employer's social security charges	0.4	0.5
Complementary pension	0.6	0.1
Total remuneration excluding stock-options	2.2	1.8
Stock-option plans	1.6	2.4
Stock-option plans – effect of cancelations	-	(7.6)
Total remuneration under stock-option *plans*	1.6	(5.2)
Chairman and CEO	**3.8**	**(3.4)**
Basic salary	-	-
Fixed fee payable to the Chairman of the Board	0.1	0.2
Employer's social security charges	0	0.1
Complementary pension	-	-
Total remuneration excluding *stock-options*	0.1	0.3
Stock-option plans	-	0.7
Stock-option plans – effect of cancelations	-	-
Total remuneration under stock-option *plans*	-	0.7
Chairman of the Board of Directors[1]	**0.1**	**1.0**

(1) Until May 6, 2009.

Directors' fees amounted to €571,336 in 2009 (€557,475 in 2008), of which €38,795 were paid for the Chairmen's functions (€56,000 in 2008).

A2 – Remuneration of Executive Committee members

The consideration and related benefits of members of the Executive Committee (other than the Chairman and CEO), were recognized in expenses as follows:

(€ million)	**2009**	**2008**
Basic salary	2.8	2.4
Performance-related salary	-	-
Employer's social security charges	1.0	1.1
Complementary pension	1.1	1.7
Other	-	0.1
Total remuneration excluding stock-options	4.9	5.3
Stock-option plans	1.2	1.5
Stock-option plans – effect of cancelations	-	(3.7)
Total remuneration under stock-option *plans*	1.2	(2.2)
Executive Committee members	**6.1**	**3.1**

B – Renault's investments in associates

Details of Renault's investments in Nissan, AB Volvo and AvtoVaz are provided respectively in note 14, 15-A and 15-B.

NOTE 29 – OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT LIABILITIES

Renault enters into a certain number of commitments in the course of its business. When these commitments qualify as liabilities, they are covered by provisions (e.g. retirement and other personnel benefits, litigations, etc.).

Details of off-balance sheet commitments and contingencies are provided below (note 29-A).

Renault also receives commitments from customers (deposits, mortgages, etc.) and may benefit from credit lines with credit institutions (note 29-B).

A – Off-balance sheet commitments given

A1 – Ordinary operations

The Group is committed for the following amounts:

(€ million)	DECEMBER 31, 2009	DECEMBER 31, 2008	DECEMBER 31, 2007
Other guarantees given[1]	239	270	289
Financing commitments in favor of customers[2]	2,240	2,949	2,475
Firm investment orders	427	850	769
Lease commitments	221	314	355
Assets pledged, provided as guarantees or mortgaged and other commitments[3]	132	119	167

(1) Including €43 million of financial guarantees at December 31, 2009 which could be called in immediately after the year-end.

(2) Confirmed credit lines opened for customers by the Sales financing segment lead to a maximum payment of this amount within 12 months after the year-end.

(3) Asset pledged, provided as guarantees or mortgaged mainly concern guarantees of financial liabilities, provided by Renault Samsung Motors when it was acquired by Renault in 2000.

Lease commitments include rent from non-cancelable leases. The breakdown is as follows:

(€ million)	DECEMBER 31, 2009	DECEMBER 31, 2008	DECEMBER 31, 2007
Less than 1 year	49	57	56
Between 1 and 5 years	132	193	234
More than 5 years	40	64	65
LEASE COMMITMENTS	**221**	**314**	**355**

A2 – Special operations

End-of-life vehicles

Under EC Directive 2000/53/EC concerning end-of-life vehicles, published in September 2000, EU member states will be obliged to take measures to ensure that:

- vehicles at the end of their useful life can be transferred to an approved processing centre free of charge to the last owner;
- specific progressive targets are met concerning the re-use rate for vehicle components, with priority given to recycling, and the value of components that can be re-used.

Since January 1, 2007, this Directive has concerned all vehicles on the road.

The Group establishes provisions in relation to the corresponding cost on a country-by-country basis, as the Directive is incorporated into national laws and when the procedures for recycling operations are defined. These provisions are regularly reviewed to ensure they take account of changes in each country's situation.

For countries where the legislation is not yet complete, until the laws are in existence, it is impossible to accurately determine whether the Group will have to bear a residual cost.

Other commitments

Disposals of subsidiaries or businesses by the Group generally include representations and warranties in the buyer's favor. At December 31, 2009, Renault had not identified any significant risks in connection with these operations.

Following partial sales of subsidiaries during previous years, Renault retains options to sell all or a portion of its residual investment. Exercising these options would not have any significant impact on the consolidated Financial Statements.

The agreement signed in March 2007 by Renault and the Japanese group NTN for the sale of 35% of SNR (*Société Nouvelle de Roulements*) also contained an option for a firm future purchase by NTN of a further 16% in SNR, which was exercised on the first anniversary of the sale. In addition, Renault and NTN respectively hold a sale and purchase option concerning 29% of SNR, which can be exercised during a 60-day period starting on the 3rd and 4th anniversary dates of the original transaction. From the 5th anniversary date, Renault has a unilateral option to sell its residual 20% investment in SNR, valid for five years. If this option is not exercised by the end of the five-year period, NTN will have a purchase option on the residual investment.

Group companies are periodically subject to tax inspections in the countries in which they operate. Tax adjustments are recorded as provisions in the Financial Statements. Contested tax adjustments are recognized on a case-by-case basis, taking into account the risk that the proceedings or appeal may be unsuccessful.

B – Off-balance sheet commitments received

(€ million)	DECEMBER 31, 2009	DECEMBER 31, 2008	DECEMBER 31, 2007
Other guarantees received[1]	3,135	3,363	3,027
Assets pledged or mortgaged[2]	912	689	594
Other commitments	26	161	314

(1) Including €1,989 million for commitments received by the Sales financing segment for sale to a third party of rental vehicles at the end of the rental contract.

(2) The Sales financing segment receives guarantees from its customers in the course of sales financing for new or used vehicles. Guarantees received from customers amount to €882 million at December 31, 2009.

Off-balance sheet commitments received concerning confirmed opened credit lines are presented in note 24-A.

NOTE 30 – FEES PAID TO STATUTORY AUDITORS AND THEIR NETWORK

The audit fees recognized in 2009 by Renault SA and its fully consolidated subsidiaries for the engagements and assignments performed by the Statutory Auditors and their networks can be broken down as follows:

Ernst & Young network

	2009		2008		2009/2008	
(€ thousands)	AMOUNT EXCLUDING TAX	%	AMOUNT EXCLUDING TAX	%	AMOUNT	%
Audit						
Statutory audit, certification, review of individual and accounts						
- Issuer[1]	2,246	44.2%	2,278	44.1%	(32)	-1.4%
- Fully consolidated subsidiaries	2,699	53.2%	2,639	51.0%	60	2.3%
Other inspections and services directly linked to the statutory auditor's mission						
- Issuer[1]	37	0.7%	45	0.9%	(8)	-17.8%
- Fully consolidated subsidiaries	-	-	135	2.6%	(135)	-100%
SUBTOTAL AUDIT	**4,982**	**98.1%**	**5,097**	**98.6%**	**(115)**	**-2.3%**
Other network services for the fully consolidated subsidiaries						
Legal, tax, labor-related	94	1.9%	74	1.4%	(20)	-27.0%
Other	-		-	-	-	-
SUBTOTAL	**94**	**1.9%**	**74**	**1.4%**	**(20)**	**-27.0%**
TOTAL FEES	**5,076**	**100%**	**5,171**	**100%**	**(95)**	**-1.8%**

(1) Renault SA and Renault s.a.s.

Deloitte network

	2009		2008		2009/2008	
(€ thousands)	AMOUNT EXCLUDING TAX	%	AMOUNT EXCLUDING TAX	%	AMOUNT	%
Audit						
Statutory audit, certification, review of individual and accounts						
- Issuer[1]	2,523	35.7%	2,478	28.3%	45	1.8%
- Fully consolidated subsidiaries	4,019	56.8%	4,189	47.7%	(170)	-4%
Other inspections and services directly linked to the statutory auditor's mission						
- Issuer[1]	93	1.3%	1,214	13.8%	(1,121)	-92.3%
- Fully consolidated subsidiaries	142	2.0%	154	1.8%	(12)	-7.8%
SUBTOTAL AUDIT	**6,777**	**95.8%**	**8,035**	**91.6%**	**(1,258)**	**-15.7%**
Other network services for the fully consolidated subsidiaries						
- Legal, tax, labor-related	209	3.0%	135	1.5%	74	54.8%
- Other	87	1.2%	605	6.9%	(518)	-85.6%
SUBTOTAL	**296**	**4.2%**	**740**	**8.4%**	**(444)**	**-60%**
TOTAL FEES	**7,073**	**100%**	**8,775**	**100%**	**(1,702)**	**-19.4%**

(1) Renault SA and Renault s.a.s.

NOTE 31 – SUBSEQUENT EVENTS

No significant events have occurred since the year-end.

NOTE 32 – CONSOLIDATED COMPANIES

A – Fully consolidated companies (subsidiaries)

RENAULT GROUP'S INTEREST (%)	COUNTRY	DECEMBER 31, 2009	DECEMBER 31, 2008	DECEMBER 31, 2007
Renault SA	France	Consolidating company	Consolidating company	Consolidating company
AUTOMOBILE				
France				
Renault s.a.s	France	100	100	100
Arkanéo	France	100	100	100
Auto Châssis International (ACI) Le Mans	France	100	100	100
Auto Châssis International (ACI) Villeurbanne	France	100	100	100
Car life Siège and subsidiaries	France	-	-	100
Emboutissage Tôlerie Gennevilliers (ETG)	France	-	-	100
Fonderie de Normandie	France	100	100	-
IDVU	France	100	100	100
IDVE	France	100	-	-
RDREAM	France	100	-	-
Maubeuge construction automobile (MCA)	France	100	100	100
Renault Développement Industriel et Commercial (RDIC)	France	100	100	100
Renault Retail Group SA and subsidiaries	France	100	100	100
SCI parc industriel du Mans	France	100	100	100
SCI Plateau de Guyancourt	France	100	100	100
SNC Renault Cléon	France	100	100	100
SNC Renault Douai	France	100	100	100
SNC Renault Flins	France	100	100	100
SNC Renault Le Mans	France	-	100	100
SNC Renault Sandouville	France	100	100	100
Société des automobiles Alpine Renault	France	100	100	100
Sofrastock International	France	100	100	100
Société de transmissions automatiques	France	80	80	80
Société de véhicules automobiles de Batilly (SOVAB)	France	100	100	100
Société immobilière de construction française pour l'automobile et la mécanique (SICOFRAM) and subsidiary	France	100	100	100
Société immobilière Renault habitation (SIRHA)	France	100	100	100
Société immobilière d'Epone	France	100	100	100
Société immobilière pour l'automobile et la mécanique (SIAM)	France	100	100	100
Sodicam 2	France	100	100	100
Société financière et foncière (SFF)	France	-	100	100
Technologie et exploitation informatique (TEI)	France	100	100	100
EUROPE				
Auto Châssis International (ACI) Valladolid	Spain	-	-	100
Cacia	Portugal	100	100	100
Cofal	Luxembourg	100	100	100
Grigny Ltd.	United Kingdom	100	100	100
Mecanizacion Contable SA (Meconsa)	Spain	-	-	100
Motor Reinsurance Company	Luxembourg	100	100	100
Renault Belgique Luxembourg and subsidiaries	Belgium	100	100	100
Renault Ceska Republica and subsidiaries	Czech Republic	100	100	100
Renault Croatia	Croatia	100	100	100
Renault Espana Comercial SA (RECSA) and subsidiaries	Spain	100	100	100
Renault Espana SA and subsidiaries	Spain	100	100	100
Renault Finance	Switzerland	100	100	100
Renault F1 Team Ltd.	United Kingdom	100	100	100

RENAULT GROUP'S INTEREST (%)	COUNTRY	DECEMBER 31, 2009	DECEMBER 31, 2008	DECEMBER 31, 2007
Renault Group b.v.	Netherlands	100	100	100
Renault Hungaria and subsidiaries	Hungary	100	100	100
Renault Industrie Belgique (RIB)	Belgium	100	100	100
Renault Italia and subsidiaries	Italy	100	100	100
Renault Irlande	Ireland	100	100	-
Renault Deutsche AG and subsidiaries	Germany	100	100	100
Renault Nederland	Netherlands	100	100	100
Renault Österreich and subsidiaries	Austria	100	100	100
Renault Nordic	Sweden	100	100	100
Renault Suisse SA and subsidiaries	Switzerland	100	100	100
Renault Polska	Poland	100	100	100
Renault Portuguesa and subsidiaries	Portugal	100	100	100
Renault Retail Group UK Ltd.	United Kingdom	100	100	100
Renault Slovakia	Slovakia	100	100	100
Renault Nissan Slovenia d.o.o.	Slovenia	100	100	100
Renault UK	United Kingdom	100	100	100
Revoz	Slovenia	100	100	100
EUROMED				
Auto Châssis International (ACI) Romania	Romania	100	100	100
Dacia and subsidiaries	Romania	99	99	99
OYAK Renault Otomobil Fabrikalari	Turkey	52	52	52
Renault Algérie	Algeria	100	100	100
Renault Industrie Roumanie	Romania	100	100	100
Renault Maroc	Morroco	80	80	80
Renault Mécanique Roumanie	Romania	100	100	100
Renault Nissan Roumanie	Romania	100	100	100
Renault Technologie Roumanie	Romania	100	100	100
Renault Nissan Bulgarie	Bulgaria	100	100	100
Société marocaine de construction automobile (SOMACA)	Morroco	77	77	77
Renault Tanger Méditerranée	Morroco	100	-	-
Renault Maroc Services	Morroco	100	-	-
EURASIA				
AFM Industrie	Russia	100	100	100
Avtoframos	Russia	94	94	94
Remosprom	Russia	64	64	-
Renault Ukraine	Ukraine	100	100	100
AMERICA				
Groupe Renault Argentina	Argentina	100	100	100
Renault do Brasil LTDA	Brazil	100	100	100
Renault do Brasil SA	Brazil	100	100	100
Renault Corporativo SA de C.V.	Mexico	100	100	100
Renault Mexico	Mexico	100	100	100
Sociedad de Fabricacion de Automotores (SOFASA)	Colombia	100	100	60
Renault Venezuela	Venezuela	100	100	100
ASIA & AFRICA				
Renault Private Ltd.	India	100	100	-
Renault Pars	Iran	51	51	51
Renault Samsung Motors	South Korea	80	80	80
Renault South Africa and subsidiaries	South Africa	51	51	51

RENAULT GROUP'S INTEREST (%)	COUNTRY	DECEMBER 31, 2009	DECEMBER 31, 2008	DECEMBER 31, 2007
SALES FINANCING				
FRANCE				
Diac	France	100	100	100
Diac Location	France	100	100	100
Compagnie de gestion rationnelle (COGERA)	France	100	100	100
RCI Banque and branches	France	100	100	100
Société internationale de gestion et de maintenance automobile (SIGMA)	France	100	100	100
Société de gestion, d'exploitation de services en moyens administratifs (SOGESMA)	France	100	100	100
EUROPE				
ARTIDA	Spain	-	-	100
RCI Financial Services Ltd.	United Kingdom	100	100	100
Overlease Espagne	Spain	100	100	100
RCI Bank AG	Austria	100	100	100
RCI Bank Polska	Poland	100	100	100
RCI Finance CZ sro	Czech Republic	100	100	100
RCI Finance SK sro	Slovakia	-	100	100
RCI Financial Services Belgique	Belgium	100	100	100
RCI Financial Services BV	Netherlands	100	100	100
RCI Finanzholding GmbH	Germany	-	-	100
RCI Gest IFIC	Portugal	100	100	100
RCI Gest Seguros	Portugal	100	100	100
RCI Leasing GmbH	Germany	-	100	100
RCI Versicherungs Service GmbH	Germany	100	100	100
Renault Acceptance Ltd.	United Kingdom	100	100	100
Renault Autofin SA Belgique	Belgium	100	100	100
Renault Credit Polska	Poland	100	100	100
Renault Financial Services Ltd. (RFS)	United Kingdom	-	100	100
RCI Zrt Hongrie	Hungary	100	100	100
RCI Finance SA	Switzerland	100	100	100
Renault Services SA Belgique	Belgium	-	100	100
RCI Services Ltd.	Malta	100	-	-
RCI Life Ltd.	Malta	100	-	-
RCI Insurance Services Ltd.	Malta	100	-	-
EUROMED				
RCI Broker de Assigurare	Romania	100	100	100
RCI Leasing Romania	Romania	100	100	100
RCI Finance Maroc	Morroco	100	100	-
RCI Finantare Romania	Romania	100	100	100
AMERICA				
Consorcio Renault do Brasil	Brazil	100	100	100
Cia Arrademento Mercantil Renault do Brasil	Brazil	60	60	60
CFI Renault do Brasil	Brazil	60	60	60
Courtage SA	Argentina	100	100	-
Renault do Brasil S/A Corr. de Seguros	Brazil	100	100	100
ROMBO Compania Financiera	Argentina	60	60	60
ASIA & AFRICA				
RCI Korea	South Korea	100	100	100

B – Proportionately consolidated companies (joint ventures)

RENAULT GROUP'S INTEREST (%)	COUNTRY	DECEMBER 31, 2009	DECEMBER 31, 2008	DECEMBER 31, 2007
AUTOMOBILE				
Française de Mécanique	France	50	50	50
GIE TA 96	France	-	-	50
Mahindra Renault Ltd.	India	49	49	-
Renault Nissan Technology and Business Centre India Private Ltd. (RNTBCI)	India	67	67	-
SALES FINANCING				
Sygma Finance	France	-	-	50
Renault Leasing CZ sro	Czech Republic	50	50	50
Renault Credit Car	Belgium	50	50	50
Overlease Italia	Italy	-	49	49

C – Companies accounted for by the equity method (associates)

RENAULT GROUP'S INTEREST (%)	COUNTRY	DECEMBER 31, 2009	DECEMBER 31, 2008	DECEMBER 31, 2007
AUTOMOBILE				
AB Volvo Group	Sweden	21.8	21.8	21.8
AvtoVAZ Group	Russia	25	25	-
MAIS	Turkey	49	49	49
Nissan Group	Japan	45.7	45.7	45.6
SALES FINANCING				
Nissan Renault Finance Mexico	Mexico	15	15	15

The percentage control is different from the percentage ownership for the following entity:

RENAULT GROUP'S % CONTROL	COUNTRY	DECEMBER 31, 2009	DECEMBER 31, 2008	DECEMBER 31, 2007
AB Volvo Group	Sweden	21.3	21.3	21.3

7.3 STATUTORY AUDITORS' REPORTS ON THE PARENT COMPANY ONLY

7.3.1 ON THE ANNUAL FINANCIAL STATEMENTS

Renault

Year ended December 31, 2009

Statutory Auditors' Report on the annual financial statements

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English-speaking users. This report includes information specifically required by French law in such reports, whether modified or not. This information is presented after the opinion on the financial statements and includes (an) explanatory paragraph(s) discussing the auditors' assessment(s) of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside the financial statements.

This report should be read in conjunction with, and is construed in accordance with French law and professional auditing standards applicable in France.

To the shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2009, on:

- the audit of the accompanying annual financial statements of Renault;
- the justification of our assessments;
- the specific verifications and information required by French law.

These annual financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statement based on our audit.

I. OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial Statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2009 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. JUSTIFICATION OF ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- as disclosed in the note 1.A to the financial statements, and in accordance with the *Conseil national de la comptabilité* (French National Accounting Body) Recommendation no. 34, your company has elected to use the equity method to account for its investments in subsidiaries over which it exercises exclusive control. The equity value of these investments is determined in accordance with the accounting rules and methods used to draw up the Group's consolidated financial statements. Our assessment of this equity value is based on the result of the procedures performed to audit the Group's financial statements for the 2009 fiscal year;
- based on procedures performed and information communicated, we believe that note 14-D provides appropriate disclosure of the Company's liquidity.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these sinancial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris-La Défense, February 11, 2010

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIES

ERNST & YOUNG Audit

7.3.2 SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS WITH RELATED THIRD PARTIES

Renault

Year ended December 31, 2009

Statutory Auditors' special report on regulated agreements and commitments with related third parties

This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments with related third parties that is issued in the French language and is provided solely for the convenience of English-speaking users. This report on regulated agreements and commitments with related third parties should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Company Law and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report on the regulated agreements and commitments with related third parties.

AGREEMENTS AND COMMITMENTS AUTHORIZED DURING THE YEAR AND UP TO FEBRUARY 10, 2010

In accordance with article L. 225-40 of the French Commercial Code (*Code de Commerce*), we have been advised of certain agreements and commitments which were authorized by your Board of Directors.

We are not required to ascertain whether any other agreements and commitments exist but to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us. We are not required to comment as to whether they are beneficial or appropriate. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (*Code de Commerce*), to assess the interest involved in respect of the conclusion of these agreements and commitments prior to their approval.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

1. WITH THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

Retirement Benefits for the President and Chief Executive Officer

During its meetings of October 28, 2004 and October 31, 2006, your Board of Directors has authorized the agreement under which an additional retirement benefit scheme is granted for Senior Executives including Corporate Officers. This benefit scheme aims at maintaining the annual pensions for the Senior Executives at an estimated level of 30% to 45% of their compensation base, capped at 50% of the annual activity compensation, with a specific requirement on length of tenure. For your President and Chief Executive Officer, it comprises:

- a defined contribution scheme equivalent to 8% of the annual compensation (between eight and sixteen times the Social Security annual cap), paid for by the Company (5%) and the beneficiary (3%);
- a defined benefit scheme capped to 30% of the annual compensation (with a specific requirement on length of tenure and presence within the group until the retirement date).

The compensation base used for the computation of the pensions under the defined benefit scheme is equal to the average of the 3 highest compensations over the 10 years prior to the date of retirement. In any case, the compensation base cannot exceed 65 times the Social Security annual cap.

Through a specific decision taken in accordance with article L. 225-42-1 of the French Commercial Code (*Code de Commerce*), the Board of Directors, on February 10, 2010, has confirmed the benefit of this additional retirement benefit scheme to M. Carlos Ghosn in the same conditions as applicable to the other Senior Executives of your Company.

2. WITH THE FRENCH STATE

Loan Agreement

During its meeting of February 11, 2009, your Board of Directors has authorized a five-year loan agreement between the French State and your Company of €3 billion. The applicable interest rate comprises a fixed portion of 6% and a variable portion indexed on the Group operating margin rate, between a lower and an upper limit set respectively at 6% and 9%. The loan is to be reimbursed at maturity in 2014, with an early repayment clause applicable from the loan anniversary date in 2011. The loan agreement stipulates that the interest rate will be raised if Renault fails to honour its commitments regarding development of clean vehicle systems and technologies in France, introduction of partnership arrangements with suppliers and using profits to reinforce shareholders' equity and make investments.

During its meetings of April 10 and May 6, 2009, your Board of Directors has amended this agreement in order to comply with decrees n° 2009-348 of March 30, 2009 and n° 2009-445 of April 20, 2009 concerning "the conditions of compensation of Executives in a company helped by the State or benefiting from the support of the State because of the economic crisis and of Executives in public companies".

Loan Agreement

During its meeting of December 10, 2009, your Board of Directors has authorized to contract a ten-year loan agreement of €100 millions with a rate that would be set up between 3.75% and 5%. This loan, which was authorized by the State within the framework of a proposal called "*prêt véhicules décarbonés*", lies within the scope of the investment plan of your Company aimed at producing a range of electric vehicles.

AGREEMENTS AND COMMITMENTS AUTHORIZED DURING PREVIOUS YEARS AND HAVING CONTINUING EFFECT DURING THE YEAR

In accordance with the French Commercial Code (*Code de Commerce*), we have been advised that the following agreements and commitments, approved in prior years, remained current in the year ended December 31, 2009.

1. WITH COGERA

Credit facility agreement between your Company and Cogera

A credit facility agreement was entered into between your Company and Cogera, a subsidiary of RCI Banque (controlled by Renault), in order to grant Cogera a credit facility of €450 millions, allocated to Cogera's refinancing of its banking activities, with a view to allowing RCI Banque to reduce its "Large Risks" ratio as defined in Article 1.1 of *Comité de la réglementation bancaire et financière* (French Banking and Financial Regulation Committee) Regulation No. 93-05, calculated on a consolidated basis. In the 2009 fiscal year, the amount concerning this agreement totalled €8,525,187.

2. WITH RENAULT S.A.S.

a. Contracting-out agreements

Contracting-out agreements were entered into between your Company and Renault s.a.s. within the scope of an operation to refinance loans granted under the "1% construction" scheme (French Social Construction Tax), in particular, for the purpose of reinforcing the liquidity of these non-interest-bearing loans and to freeze the cost of refinancing at current, exceptionally low interest rates up to the maturity date in 2020.

b. Agreement for the provision of services

Your Company entered into a contract with Renault s.a.s. under which the latter is to provide a certain number of legal, accounting, tax, customs and financial services to enable your Company to meet its legal obligations in these matters. In the 2009 fiscal year, the amount invoiced by Renault s.a.s. concerning these services totalled €3,908,528.

Neuilly-sur-Seine and Paris-la Défense, March 8, 2010

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIES　　　　ERNST & YOUNG Audit

7.4 RENAULT SA PARENT COMPANY FINANCIAL STATEMENTS

7.4.1 FINANCIAL STATEMENTS

INCOME STATEMENT

(€ million)	2009	2008
Operating income		
Operating expenses	(25)	(26)
Increases to provisions	(5)	(5)
NET OPERATING EXPENSE	**(30)**	**(31)**
Investment income	334	875
Reversals from provisions		4
INVESTMENT INCOME AND EXPENSES (NOTE 2)	**334**	**879**
Foreign exchange gains		249
Foreign exchange losses	(869)	(400)
Increases to and reversals from provisions for exchange risks	827	(955)
FOREIGN EXCHANGE GAINS AND LOSSES (NOTE 3)	**(42)**	**(1,106)**
Interest and equivalent income	2	3
Interest and equivalent expenses	(365)	(341)
Reversals of provisions and transfers of charges	326	1
Net gains on sales of marketable securities	(6)	17
Depreciation and provisions	(11)	(462)
OTHER FINANCIAL INCOME AND EXPENSES (NOTE 4)	**(54)**	**(782)**
NET FINANCIAL INCOME	**238**	**(1,009)**
PRE-TAX INCOME BEFORE EXCEPTIONAL ITEMS	**208**	**(1,040)**
EXCEPTIONAL INCOME	**112**	
EXCEPTIONAL EXPENSES	**(363)**	
NET EXCEPTIONAL ITEMS (NOTE 5)	**(251)**	
INCOME TAX (NOTE 6)	**92**	**177**
NET INCOME	**49**	**(863)**

BALANCE SHEET

ASSETS *(€ million)*	2009 GROSS	2009 DEPRECIATION AMORTIZATION & PROVISIONS	2009 NET	2008 NET
Investments stated at equity (note 7)	8,373		8,373	7,459
Investment in Nissan motor (note 7)	6,427	14	6,413	6,413
Other investments (note 7)	0		0	66
Advances to subsidiaries and affiliates (note 8)	11,908	14	11,894	11,787
FINANCIAL ASSETS	**26,708**	**28**	**26,680**	**25,725**
TOTAL FIXED ASSETS	**26,708**	**28**	**26,680**	**25,725**
RECEIVABLES	**3**		**3**	**18**
MARKETABLE SECURITIES (NOTE 9)	**230**	**151**	**79**	**88**
CASH AND CASH EQUIVALENTS	**16**		**16**	**2**
OTHER ASSETS (NOTE 10)	**177**		**177**	**363**
TOTAL ASSETS	**27,134**	**179**	**26,955**	**26,196**

SHAREHOLDERS' EQUITY AND LIABILITIES *(€ million)*	2009	2008
Share capital	1,086	1,086
Share premium	4,425	4,424
Revaluation surplus	9	9
Equity valuation difference	2,557	3,798
Legal and tax basis reserves	108	108
Retained earnings	6,302	7,166
Net income	49	(863)
SHAREHOLDERS' EQUITY (NOTE 11)	**14,536**	**15,728**
REDEEMABLE SHARES (NOTE 12)	**129**	**130**
PROVISIONS FOR RISKS AND LIABILITIES (NOTE 13)	**167**	**996**
Bonds	4,131	4,761
Borrowings from credit institutions	1,258	1,463
Other loans and financial debts	6,660	3,040
FINANCIAL LOANS AND BORROWINGS (NOTE 14)	**12,049**	**9,264**
OTHER LIABILITIES (NOTE 15)	**57**	**4**
DEFERRED INCOME (NOTE 16)	**17**	**74**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**26,955**	**26,196**

STATEMENT OF CHANGES IN CASH

(€ million)	**2009**	**2008**
Cash flow (Note 20)	(823)	554
Change in working capital requirements	73	(49)
CASH FLOW FROM OPERATING ACTIVITIES	**(750)**	**505**
Increase in capital of Renault s.a.s.	(2,155)	
Net decrease (increase) in other investments		231
Net decrease (increase) in loans	(110)	(2,143)
Net decrease (increase) in marketable securities	127	(31)
CASH FLOW FROM INVESTING ACTIVITIES	**(2,138)**	**(1,943)**
Bond issues	750	682
Bond redemptions	(1,261)	(435)
Net increase (decrease) in other interest-bearing borrowings	3,444	2,222
Dividends paid to shareholders		(1,049)
Bond redemption premiums	(8)	(19)
CASH FLOW FROM FINANCING ACTIVITIES	**2,925**	**1,401**
CASH AND CASH EQUIVALENTS: OPENING BALANCE	**(38)**	**(1)**
Increase (decrease) in cash and cash equivalents	37	(37)
CASH AND CASH EQUIVALENTS: CLOSING BALANCE	**(1)**	**(38)**

7.4.2 NOTES TO THE FINANCIAL STATEMENTS

7.4.2.1 ACCOUNTING POLICIES

Renault SA draws up its accounts in accordance with French law and accounting regulations governing individual companies' annual accounts.

The following methods were applied in valuing balance sheet and income statement items:

A – Investments

As allowed by CNC (*Conseil national de la comptabilité*) *avis* no.34 (July 1988), as an alternative to the standard valuation method for investments carried in the balance sheet, Renault SA has opted to state investments in wholly-controlled companies at equity:

- this method is applied to all fully consolidated companies;
- the shareholders' equity of these companies is determined under the accounting policies applied in the consolidated Financial Statements; as this is a valuation method, intercompany eliminations are not taken into account;
- in valuing a subsidiary, its holdings in companies wholly controlled by the Group are valued in the same way;
- the change during the year in the overall percentage of shareholders' equity corresponding to these interests is not an income or loss item; it is included in shareholders' equity under "equity valuation difference". This amount cannot be distributed or used to offset losses. When it is negative, a provision for general depreciation is established as a charge against income.

Investments in companies not wholly controlled by Renault SA are valued at acquisition cost, less related expenses, or at their book value if this is lower. Provisions are established when the book value of the investments is lower than the gross value. The book value takes account of profitability and commercial prospects, and the share of net assets.

B – Advances to subsidiaries and affiliates

Loans to related companies and advances to subsidiaries and affiliates are recorded at historical cost. Impairment is recognized when there is a probability that these loans will not be recovered.

C – Marketable securities

Marketable securities are valued at acquisition cost, excluding related expenses and accrued interest for bonds, or at market value if this is lower.

Treasury shares held for the purposes of free share plans and stock-option plans are included in marketable securities. In compliance with CNC *avis* 2008-17 of November 6, 2008, they are stated at acquisition cost. No adjustment has been made to the value of shares acquired before the CNC issued this opinion.

D – Loan costs and issuance expenses

Loan costs, including issuance expenses, and bond redemption premiums are amortized over the corresponding duration on a straight-line basis.

E – Translation of foreign currency receivables and liabilities

Receivables and liabilities denominated in foreign currencies are translated as follows:

- all receivables and liabilities in foreign currencies are converted at the year-end exchange rate;
- exchange differences arising between the date of transactions and December 31 are recorded in Other assets and Deferred income (translation adjustment);
- a provision for risk equal to the unrealized exchange losses is established as follows:
  - a foreign exchange position is determined for each currency and term, based on balance sheet items stated in foreign currencies and derivatives entered into to hedge foreign exchange risks,
  - unrealized foreign exchange gains are netted against unrealized foreign exchange losses with a similar term in the same currency,
  - any residual unrealized foreign exchange losses by currency and term are recognized.

F – Provisions for risks and liabilities

Provisions for risks and liabilities are established for obligations that are probable or definite at the year-end. A contingent liability is an obligation that is neither probable nor definite at the date the Financial Statements are established, or a probable obligation which cannot be reliably estimated. Provisions are not established for contingent liabilities, but an off-balance sheet commitment is reported where relevant.

G – Derivatives

Gains and losses on derivatives designated as hedges are recorded in the income statement in the same way as the revenues and expenses relating to the hedged item.

Derivatives not designated as hedges are adjusted to fair value at each closing date. Unrealized gains are not recognized in income.

The fair value of forward exchange contracts is based on market conditions. The fair value of currency swaps is determined by discounting future cash flows, using closing-date market rates (exchange and interest rates). The fair value of interest rate derivatives is the amount the Group would receive (or pay) to settle outstanding contracts at the closing date, taking year-end market conditions into consideration. The market value of derivatives is not recognized in the balance sheet in the individual company accounts.

H – Net exceptional items

Exceptional items are revenues and expenses resulting from events or transactions that are clearly distinct from the company's normal business operations, and are not expected to recur on a frequent or regular basis.

7.4.2.2 INVESTMENT INCOME AND EXPENSES

Details are as follows:

(€ million)	2009	2008
Dividends received from Nissan Motor Co. Ltd.		418
Other dividends received		5
Interest on loans	334	452
Increases/Reversals from provisions related to subsidiaries and affiliates		4
TOTAL	**334**	**879**

Interest on loans breaks down as follows:

(€ million)	2009	2008
Interest on loans		
Renault s.a.s.	231	209
SNC Renault Douai	13	17
SNC Renault Cléon	12	23
Cogera	9	23
SNC Renault Sandouville	9	19
Maubeuge construction automobile	9	16
Pôles RRG	8	21
SNC Renault Flins	7	14
Renault Finance	6	46
Auto Châssis International	6	11
SOVAB	5	9
ACI Villeurbanne	3	5
Renault Brussel	3	4
SIMCRA	1	3
SIRHA	1	2
Société de transmissions automatiques	1	1
TEI	1	1
Renault Ireland	1	1
Fonderie de Normandie	1	1
RRG SAAR	1	
RRG Berlin	1	
Cofal		6
Emboutissage tôlerie Gennevilliers (ETG)		5
RDIC		3
SCI du Plateau de Guyancourt		2
Société nouvelle de roulements		1
Renault UK		1
Renault Wien		1
Renault Amsterdam		1
Renault Formule 1		1
Reagroup Estate Polska		1
Renault Sport		1
Société cablage de l'Oise		1
Other companies	5	4
TOTAL	**334**	**452**

7.4.2.3 FOREIGN EXCHANGE GAINS AND LOSSES

The net foreign exchange loss is chiefly attributable to operations in yen undertaken by Renault SA as part of the hedge of the net assets of Nissan. These operations are classified as hedges in the consolidated Financial Statements only. In the corporate Financial Statements, foreign exchange operations related to the Nissan hedge are recorded in the net financial income in the income statement.

Foreign exchange gains and losses in 2009 comprise the following:

- a foreign exchange loss of €10 million on redemption of the bond issued on December 15, 2004 on the Japanese domestic market (nominal value ¥25 billion);
- a net foreign exchange loss of €858 million (losses of €927 million and gains of €69 million) on settlements of forward sale contracts during the year. This foreign exchange loss was covered by a provision in 2008 (see below);
- a provision of €129 million for unrealized foreign exchange losses booked in 2009 and an amount of €955 million reversed from provisions booked in 2008, including €709 million for outstanding forward purchases and sales in yen.

Foreign exchange gains and losses in 2008 included a net foreign exchange loss of €150 million, comprising:

- an exchange gain of €77 million following redemption of bonds for a total of €487 million;
- a net exchange loss of €227 million on settlement of forward sales (losses of €385 million and gains of €158 million) and a €955 million provision for foreign exchange losses.

Changes in the hedge of the net assets of Nissan are shown in note 18-A.

7.4.2.4 OTHER FINANCIAL INCOME AND EXPENSES

Other financial income and expenses amounted to €54 million in 2009 (€782 million in 2008) and comprise net interest payments on Renault bonds after swaps (€365 million), and a reversal of €310 million impairment booked in respect of treasure shares that were sold during the year. Impairment of €460 million was booked for treasury shares in 2008.

Sales of marketable securities generated a loss of €6 million.

Details of interest paid and other similar expenses are as follows:

(€ million)	2009	2008
Net accrued interest after *swaps* on bonds(*)	(105)	(180)
Net accrued interest after *swaps* on borrowings from credit institutions	(57)	(26)
Accrued interest on termination of borrowings from subsidiaries	(33)	(86)
Accrued interest on redeemable shares	(16)	(17)
Accrued interest on the loan from the French government	(124)	
Other (treasury notes and commitment commissions)	(30)	(32)
TOTAL	**(365)**	**(341)**

(*) *The net interest on bonds comprises accrued and paid interest amounting to €217 million (€334 million in 2008), and accrued and received interest on swaps amounting to €112 million (€154 million in 2008).*

In 2009, the €105 million of interest payable or paid, after swaps, mainly comprises:

- €26 million on the swapped bond issued on April 16, 2008;
- €22 million on the swapped bond issued on June 26, 2002;
- €15 million on the swapped bond issued on April 16, 2007;
- €10 million on the swapped bond issued on May 28, 2003.

The net interest receivable on the swapped portion of bonds and borrowings from credit institutions amounted to €62 million: €125 million on the paying leg and €63 million on the receiving leg.

In 2008, the €180 million of interest payable or paid, after swaps, included €73 million on the swapped bond issued on June 26, 2002.

7.4.2.5 NET EXCEPTIONAL ITEMS

The net exceptional loss of €251 million comprises the loss on the sale of 3,754,650 treasury shares sold during the year. In respect of these treasury shares, a reversal of €297 million impairment out of the €310 million notified in note 4 “Other Financial Income and Expenses” have been booked.

7.4.2.6 INCOME TAX

As Renault SA elected to determine French income taxes under the domestic tax consolidation regime when it was formed, this regime has applied to the group in which Renault SA is taxed in France since January 1, 2004. French subsidiaries that are more than 95% owned by Renault SA pay their income taxes directly to Renault SA under this regime. Each entity included in the domestic tax consolidation records its theoretical taxes as if it was taxed separately. The tax saving generated by this system is treated as income for the company heading the group of entities concerned. When subsidiaries return to profit, the parent company records additional tax due to the fact that the subsidiaries’ past tax losses have already been utilized. The parent company is not obliged to reimburse the subsidiaries for the tax savings resulting from utilization of their tax losses when the subsidiaries return to profit or leave the tax consolidated group.

The income generated by income taxes for 2009 was €92 million, resulting from the domestic tax consolidation. The loss reported under the Group’s tax consolidation amounts to €7,235 million, a €1,808 million increase over the previous year.

Details of the tax income for the year are as follows:

		TAXES				NET INCOME	
(€ million)	INCOME BEFORE TAX	THEORETICAL	NETTING	TAX CREDIT	NET TAX DUE	THEORETICAL	AS BOOKED
Current income subject to normal rate	(43)	36		26	62	(105)	(105)
Tax consolidation					(154)		154
TOTAL	**(43)**	**36**	**0**	**26**	**(92)**	**(105)**	**49**

Details of Renault SA's future tax position are as follows:

	2009		2008		VARIATIONS	
(€ million)	ASSETS(1)	LIABILITIES(2)	ASSETS(1)	LIABILITIES(2)	ASSETS	LIABILITIES
Temporarily non-deductible expenses						
Provisions for risks and liabilities	57		342		(285)	
Expenses deducted (or taxable income) not yet recognized for accounting purposes	56	45	24	349	32	(304)
TOTAL	**113**	**45**	**366**	**349**	**(253)**	**(304)**

(1) I.e. future tax credit.
(2) I.e. future tax charge.

7.4.2.7 INVESTMENTS

Changes during the year were as follows:

(€ million)	AT START OF YEAR	CHANGE OVER THE YEAR	AT YEAR-END
Investments stated at equity	7,459	914	8,373
Investment in Nissan Motor Co. Ltd.	6,413		6,413
Other investments	363	(363)	
Provisions on other investments	(297)	297	
TOTAL	**13,938**	**848**	**14,786**

- The €1,241 million change during the year in investments stated at equity is taken to shareholders' equity (see note 11). No new investments or disposals took place in 2009.
- The gross value of Renault s.a.s. shares recorded by Renault SA rose by €2,155 million, leading to an increase in Renault s.a.s.' shareholders' equity.
- Renault SA sold 3,754,650 treasury shares for €363 million. An amount of €297 million was reversed from the corresponding impairment.

7.4.2.8 ADVANCES TO SUBSIDIARIES AND AFFILIATES

Changes during the year were as follows:

(€ million)	AT START OF YEAR	INCREASES	DECREASES	AT YEAR-END
Capitalizable advances	5			5
Dividends receivable	3		(3)	0
Loans	11,793	2,575	(2,465)	11,903
TOTAL BEFORE PROVISIONS(1)	**11,801**	**2,575**	**(2,468)**	**11,908**
Provisions	(14)			(14)
TOTAL NET	**11,787**	**2,575**	**(2,468)**	**11,894**
(1) Current portion (less than one year)	*11,706*	*2,575*	*(2,461)*	*11,820*
Long-term portion (over 1 year)	*95*		*(7)*	*88*

Advances to subsidiaries and affiliates include:

- €2,655 million in short-term investments with Group finance companies as part of the Group's cash management programme (€238 million in 2008);
- €25 million in long-term loans to Renault s.a.s. (identical to 2008);
- €9,223 million in current accounts resulting from centralized cash management agreements with Group subsidiaries (€11,530 million in 2008).

The cash management policy was reorganized in 2008. Renault SA is now in charge of the centralized cash management policy, using cash pooling facilities with subsidiaries that are centralized at non-Group banks.

Details of the "loans" (€11,903 million) are as follows:

(€ million)	2009	2008	VARIATION + 2009/2008	VARIATION - 2009/2008
Renault s.a.s.	6,165	7,751		(1,586)
Renault Finance	2,655	238	2,417	
Cogéra	450	450		
SNC Renault Douai	433	432	1	
SNC Renault Cléon	404	481		(77)
Maubeuge construction automobile	288	364		(76)
SNC Renault Sandouville	280	364		(84)
SNC Renault Flins	231	303		(72)
SOVAB	221	201	20	
ACI Villeurbanne	126	115	11	
RRG France et ex Filiales Commerciales Françaises	95	265		(170)
Auto Chassis International	93	204		(111)
Renault Brussels	60	65		(5)
SIMCRA	55	64		(9)
RRG Allemagne	45	2	45	(2)
SIRHA	43	50		(7)
Fonderie de Normandie	31	23	8	
Renault Italia spa	31	6	25	
Renault s.a.s.	25	25		
Renault Industrie Belgique	23	7	16	
Renault Ireland	22	19	3	
TEI	18	22		(4)
Société de transmissions automatiques	11	27		(16)
Renault Sport	11	26		(15)
Renault Alpine	11	12		(1)
Emboutissage Tôlerie Gennevilliers (ETG)	8	8		
IDVU	8	0	8	
Valin et GIE TA 96	7	8		(1)
SRAC (China) USD	7	7		
RRG Warszawa	7		7	
IDVE	7		7	
Française de Mécanique	6	6		
SAGA	6	5	1	
Reagroup Estate Deutschland	4	4		
Renault Wien	3	18		(15)
RNBV	3		3	
SCI Parc industriel Le Mans	1	3		(2)
Société câblage de l'Oise	1	1		
COFAL		131		(131)
Renault Nissan Deutsche AG		31		(31)
Renault Amsterdam		12		(12)
Immo Réa Polska		10		(10)
Renault Mexico		10		(10)
Car life		8		(8)
Renault Luxembourg		7		(7)
Somac		2		(2)
Auto Veeneman		1		(1)
Other companies	8	4	4	
TOTAL	**11,903**	**11,793**	**2,575**	**(2,465)**

7.4.2.9 MARKETABLE SECURITIES

Marketable securities include €230 million for Renault SA's treasury shares, against which impairment of €151 million has been booked.

Renault SA sold 485,323 treasury shares for €21 million. An amount of €12 million was reversed from the corresponding impairment.

In 2008, marketable securities consisted entirely of Renault SA's treasury shares for a total of €251 million, against which impairment of €163 million was booked.

Changes in treasury shares were as follows:

	AT START OF YEAR	OPTIONS EXERCISED	SHARES SOLD	AT YEAR-END
Number of shares	5,019,048	10,000	485,323	4,523,725
Value (€ million)	251		(21)	230
Impairment	(163)		12	(151)
TOTAL	**88**		**(9)**	**79**

7.4.2.10 OTHER ASSETS

The major components of Other Assets are:

- the €21 million payment (€24 million at December 31, 2008). For the purposes of the 1%-rate housing loan financing operation introduced in 2004, Renault contracted a loan with a nominal value of €112 million, bearing interest at the floating rate of six-month Euribor +0.67%, terminating on December 31, 2019. An interest rate swap was undertaken to convert this to a fixed rate of approximately 0.13%, and Renault SA also paid a sum of €33 million corresponding to the discounted interest differential recorded over the duration of the operation. This payment is amortized over the duration of the loan (15 years) at the same rate as the interest paid on the debt;
- issuance expenses of €7 million, including €4 million for the five-year bond issued on October 13, 2009 with nominal value of €750 million;
- redemption premiums amounting to €16 million, comprising €12 million for the five-year bond issued on April 16, 2008 with nominal value of €300 million and €4 million for the five-year bond issued on October 13, 2009 with nominal value of €750 million;
- €132 million of translation adjustments resulting from unrealized foreign exchange losses on bonds issued in or swapped to yen as a partial hedge of the investment in Nissan. A provision for unrealized foreign exchange losses has been booked.

7.4.2.11 SHAREHOLDERS' EQUITY

Changes in shareholders' equity were as follows:

(€ million)	BALANCE AT START OF YEAR	ALLOCATION OF 2008 NET INCOME	DIVIDENDS	2009 NET INCOME	OTHER	BALANCE AT YEAR-END
Share capital	1,086					1,086
Share premium	4,424				1	4,425
Revaluation surplus	9					9
Equity valuation difference	3,798				(1,241)	2,557
Legal and tax basis reserves	108					108
Retained earnings	7,166	(863)			(1)	6,302
Net income	(863)	863		49		49
TOTAL	**15,728**	**0**	**0**	**49**	**(1,241)**	**14,536**

Non-distributable reserves amounted to €2,675 million at December 31, 2009.

The 10,000 share subscription options exercised increased the share premium by €1 million and reduced retained earnings by €1 million.

A total of €230 million of reserves corresponds to the treasury share accounts.

7.

Renault SA's shareholding structure was as follows at December 31, 2009:

	OWNERSHIP STRUCTURE		VOTING RIGHTS	
	NUMBER OF SHARES HELD	% OF CAPITAL	NUMBER	%
French State	42,759,571	15.01%	42,759,571	17.99%
Employees	9,529,250	3.34%	9,529,250	4.01%
Treasury shares	4,523,725	1.59%		
Nissan	42,740,568	15.00%		
Other	185,384,004	65.06%	185,384,004	78.00%
TOTAL	**284,937,118**	**100%**	**237,672,825**	**100%**

The par value of a Renault SA share is €3.81.

7.4.2.12 REDEEMABLE SHARES

These shares, issued in October 1983 and April 1984 by Renault SA, can be redeemed with a premium on the sole initiative of Renault SA. They earn a minimum annual return of 9% comprising a fixed portion (6.75%) and a variable portion that depends on consolidated revenues and is calculated based on identical structure and methods.

In March and April 2004, Renault made a cash tender offer to buy back its redeemable shares at €450 per share, representing a 21% premium over market price. This operation generated a loss of €343 million.

797,659 redeemable shares remained on the market at December 31, 2009, with an average weighted cost of €158.93 each or a total of €129 million including accrued interest. The market price for redeemable shares was €290 at December 31, 2009 (par value: €153).

The 2009 return on redeemable shares, amounting to €16 million (€17 million in 2008) is included in interest expenses.

7.4.2.13. PROVISIONS FOR RISKS AND LIABILITIES

Provisions for risks and liabilities break down as follows:

(€ million)	2008	INCREASES	REVERSALS	2009
Sirha 1% housing loan	18		(2)	16
China SRAC SANJIANG	22			22
Foreign exchange losses	956	129	(956)	129
TOTAL	**996**	**129**	**(958)**	**167**
Current (less than 1 year)	*22*			*22*
Long-term (over 1 year)	*974*	*129*	*(958)*	*145*

All known litigation in which Renault SA is involved is examined at year-end. After seeking the opinion of legal and tax advisors, the provisions deemed necessary are, where appropriate, established to cover the estimated risk.

7.4.2.14 FINANCIAL LOANS AND BORROWINGS

A - Bonds

The principal changes in bonds over 2009 were as follows:

- issuance on October 13, 2009 of a five-year bond with total nominal value of €750 million, at the fixed rate of 6%;
- redemption of the February 26, 2004 five-year bond issue totaling €10 million at the floating rate of three-month Euribor +0.88% (swapped to a floating rate of six-month Euribor +0.54%);
- redemption of the April 14, 2004 five-year bond issue totaling €10 million at the floating rate of three-month Euribor +0.80% (swapped to a floating rate of three-month Euribor +0.54%);
- redemption of the April 27, 2004 five-year bond issue totaling ¥1 billion at the fixed rate of 1.11%;
- redemption of the April 27, 2004 five-year bond issue totaling €50 million at the floating rate of three-month Euribor +0.45%;
- redemption of the June 26, 2002 seven-year bond issue totaling €1 billion at the fixed rate of 6.125% (swapped to yen in two €500 million tranches on June 18, 2004 at the respective floating rates of three-month Euribor +2.186% and three-month Euribor +2.3175%;
- redemption of the December 15, 2004 five-year bond issue totaling ¥25 billion at the fixed rate of 0.98%.

Breakdown by maturity

	DECEMBER 31, 2009						
(€ million)	TOTAL	-1 YR	1 TO 2 YRS	2 TO 3 YRS	3 TO 4 YRS	4 TO 5 YRS	+5 YRS
2003	813	772				41	
2004	50		50				
2005	263	188		75			
2006	903		375		500	28	
2007	599	15		522		52	10
2008	728		338		390		
2009	750					750	
Accrued interest	25	25					
TOTAL	**4,131**	**1,000**	**763**	**597**	**890**	**871**	**10**

	DECEMBER 31, 2008						
(€ million)	TOTAL	-1 YR	1 TO 2 YRS	2 TO 3 YRS	3 TO 4 YRS	4 TO 5 YRS	+5 YRS
2002	1,000	1,000					
2003	855		814				41
2004	326	276		50			
2005	277		198		79		
2006	924			396		500	28
2007	603		16		524		63
2008	752			357		395	
Accrued interest	24	24					
TOTAL	**4,761**	**1,300**	**1,028**	**803**	**603**	**895**	**132**

Breakdown by currency

	DECEMBER 31, 2009		DECEMBER 31, 2008	
(€ million)	BEFORE DERIVATIVES	AFTER DERIVATIVES	BEFORE DERIVATIVES	AFTER DERIVATIVES
Euro	3,001	2,248	3,362	2,567
Yen	1,130	1,883	1,399	2,194
TOTAL	**4,131**	**4,131**	**4,761**	**4,761**

Breakdown by interest rate

	DECEMBER 31, 2009	DECEMBER 31, 2008
(€ million)	AFTER DERIVATIVES	AFTER DERIVATIVES
Fixed rate	2,865	2,409
Floating rate	1,266	2,352
TOTAL	**4,131**	**4,761**

B - Borrowings from credit institutions

Borrowings from credit institutions stood at €1,258 million at December 31, 2009 (€1,463 million at December 31, 2008) and are mainly contracted on the market.

The principal changes in bonds over 2009 were as follows:

- issuance on March 31, 2009 of a four-year bond through a European investment bank with total nominal value of €400 million at the fixed rate of 4.397%;
- redemption of the five-year Schuldschein bond of March 26, 2004 totaling 80 million Australian dollars, at the floating rate of six-months AUD-BBR-BBSW +0.34% (swapped to a floating rate of six-month Euribor +0.54%);
- redemption of the five and a half year Schuldschein bond of April 19, 2004 totaling €50 million at the floating rate of six-month Euribor +0.51%.

In 2009 the European Investment Bank approved a four-year loan of €400 million to help the Group in the transition to cleaner technologies with lower fuel consumption.

Short-term drawings on long-term credit lines (due after one year) were repaid in April 2009. They amounted to €475 million at December 31, 2008.

Breakdown by maturity

	DECEMBER 31, 2009						
(€ million)	TOTAL	-1 YR	1 TO 2 YRS	2 TO 3 YRS	3 TO 4 YRS	4 TO 5 YRS	+5 YRS
2004	69	5	8	10	4	5	37
2005							
2006							
2008	766	196	75	50	178	225	42
2009	400					400	
Accrued interest	23	23					
TOTAL	**1,258**	**224**	**83**	**60**	**182**	**630**	**79**

	DECEMBER 31, 2008						
(€ million)	TOTAL	-1 YR	1 TO 2 YRS	2 TO 3 YRS	3 TO 4 YRS	4 TO 5 YRS	+5 YRS
2004	173	105	5	8	10	4	41
2005							
2006							
2007							
2008	1,244	475	199	75	50	178	267
Accrued interest	46	46					
TOTAL	**1,463**	**626**	**204**	**83**	**60**	**182**	**308**

Breakdown by currency

	DECEMBER 31, 2009		DECEMBER 31, 2008	
(€ million)	BEFORE DERIVATIVES	AFTER DERIVATIVES	BEFORE DERIVATIVES	AFTER DERIVATIVES
Euro	1,212	1,212	1,365	1,413
Yen	46	46	49	49
Other currencies			49	1
TOTAL	**1,258**	**1,258**	**1,463**	**1,463**

Breakdown by interest rate

	DECEMBER 31, 2009	DECEMBER 31, 2008
(€ million)	AFTER DERIVATIVES	AFTER DERIVATIVES
Fixed rate	570	649
Floating rate	688	814
TOTAL	**1,258**	**1,463**

C - Other loans and financial debts

Other loans and financial debts amounted to €6,660 million at December 31, 2009 (€3,040 million in 2008), and principally comprise:

- borrowings from Group subsidiaries with surplus cash;
- treasury notes amounting to €697 million;
- a €3 billion loan from the French government.

During 2009 Renault received a loan of €3 billion from the French government. This loan is repayable at the end of its five-year term in 2014, although early repayment in part or in full is authorized from 2011.

The interest rate applicable comprises a fixed portion of 6% and a variable portion indexed on the Group's operating margin rate, between a lower and upper limit set respectively at 6% and 9%.

The French government loan agreement stipulates that the interest rate will be raised if Renault fails to honor its contractual commitments regarding development of clean vehicle systems and technologies in France, introduction of partnership arrangements with suppliers and using profits to reinforce shareholders' equity and make investments. The loan agreement includes standard accelerated payment clauses (in the event of default on repayments, inaccurate declarations, failure to comply with contractual obligations, insolvency proceedings, etc.) and entitles the lender to demand full repayment within three months if direct or indirect control over more than 50% of the capital or voting rights is transferred without prior approval.

(€ million)	2009	2008	VARIATION 2009/2008
Renault Espana sa	1,108	297	811
SI Epone	566	488	78
Renault Finance	285	140	145
RDIC	222	238	(16)
Renault Deutschland AG	136		136
SCIA (ex SIAM)	131	145	(14)
Renault Belgique Luxembourg	113	62	51
Renault Nederland	69	62	7
SIRHA	45	44	1
SCI Plateau de Guyancourt	15	88	(73)
SICOFRAM	13	181	(168)
FM		155	(155)
Other borrowings from subsidiaries	136	122	14
Treasury notes	697	1,018	(321)
Loan from the French government	3,124		3,124
TOTAL	**6,660**	**3,040**	**3,620**

No loans or financial debts are secured.

D - Liquidity risk

The Group's Automobile division needs sufficient financial resources to finance its day-to-day business and the investments necessary for future growth. It therefore regularly borrows on the banking and capital markets, and this exposes it to a liquidity risk in the event of market closure or tensions over credit availability. As part of its centralised cash management policy, Renault SA handles most refinancing for the Automobile division through long-term resources via the capital markets (bond issues, private placements), short-term financing such as treasury notes, or bank financing.

Short-term financing is secured by confirmed credit agreements (see note 19). The contractual documentation for these confirmed credit lines contains no clause that could affect the continued supply of credit in the event of any change in Renault's credit rating or financial ratio compliance.

Given the available cash reserves and confirmed credit lines unused at the year-end, the prospects for renewal of short-term financing, and the French government's €3 billion five-year preferential loan to the Automobile segment, Renault SA has sufficient financial resources to cover its commitments over a 12-month horizon.

7.4.2.15. OTHER LIABILITIES

Changes in other liabilities were as follows:

(€ million)	2009	2008	VARIATION 2009/2008
Tax liabilities	57	4	53
TOTAL	**57**	**4**	**53**

The €53 million increase in other liabilities results from a €11 million increase in tax liabilities and a €42 million increase in the liability for taxes payable to subsidiaries under the French domestic tax consolidation system.

7.4.2.16. DEFERRED INCOME

Deferred income mainly comprises unrealized foreign exchange gains on borrowings issued in yen or swapped to yen, totaling €12 million. These borrowings were subscribed as part of the hedge of the net assets of Nissan.

7.4.2.17. INFORMATION CONCERNING RELATED COMPANIES

"Related companies" are all entities fully consolidated in the Group's consolidated Financial Statements.

INCOME STATEMENT

	2009		2008	
(€ million)	TOTAL	RELATED COMPANIES	TOTAL	RELATED COMPANIES
Interest on loans	334	332	452	443
Interest and equivalent expenses	(365)	(39)	(341)	(100)
Reversals of provisions and transfers of charges	1,282		13	

BALANCE SHEET

	2009		2008	
(€ million)	TOTAL	RELATED COMPANIES	TOTAL	RELATED COMPANIES
Loans	11,903	11,858	11,793	11,709
Receivables	3		18	
Cash and cash equivalents	16		2	
Loans and financial debts	6,660	2,791	3,040	2,971
Other liabilities	57		4	

7.4.2.18. FINANCIAL INSTRUMENTS

A - Management of exchange and interest rate risk

The corresponding commitments, expressed in terms of a notional amount where appropriate, are shown below:

(€ million)	AT DECEMBER 31 2009	AT DECEMBER 31 2008
FOREIGN EXCHANGE RISKS:		
Currency swaps		
Purchases	752	1,159
with Renault Finance		*365*
Sales	750	1,107
with Renault Finance		*357*
Other forward exchange contracts and options		
Purchases	283	4,522
with Renault Finance	*283*	*4,522*
Sales	284	5,225
with Renault Finance	*284*	*5,225*
INTEREST RATE RISKS:		
Interest rate swaps	1,401	2,428
with Renault Finance	*1,292*	*2,312*

Transactions undertaken to manage exchange rate exposure principally comprise currency swaps and forward sales of yen, with a respective total nominal value of €1,925 million (¥256 billion) at December 31, 2009 and €3,990 million (¥503 billion) at December 31, 2008. These operations form a partial hedge of Renault's investment in Nissan's net assets in yen.

They comprise ¥156 billion (€1,173 million) of bonds issued directly in yen, and ¥100 billion (€752 million) for a bond issued in Euros and swapped to yen.

Renault SA also carries out forward sales to hedge loans to subsidiaries denominated in foreign currencies, without any significant impact on the Financial Statements.

Renault SA carries most of the Group's indebtedness. Its interest rate risk management policy applies two basic principles: long-term investments use fixed-rate financing and investments for liquidity reserves use variable-rate financing. The financing in yen undertaken as part of the hedge of Nissan equity is fixed-rate, over terms varying from one month to seven years.

Renault SA uses derivatives to implement the above interest rate and exchange risk management policies. Most of its operations on the forward markets are with Renault Finance, a wholly-owned Group subsidiary.

B - Fair value of financial instruments

The carrying amounts on the balance sheet and the estimated fair values of Renault SA's financial instruments are as follows:

	AT DECEMBER 31 2009		AT DECEMBER 31 2008	
(€ million)	BALANCE SHEET VALUE	FAIR VALUE	BALANCE SHEET VALUE	FAIR VALUE
Assets				
Other financial assets, gross(1)			363	70
Marketable securities, gross(1)	230	164	252	93
Loans	11,903	11,912	11,793	11,795
Cash and cash equivalents	16	16	2	2
Liabilities				
Redeemable shares	129	231	130	188
Bonds	4,131	4,258	4,761	4,537
Other interest-bearing borrowings(2)	7,918	8,133	4,503	4,363

(1) Including treasury shares.
(2) Excluding redeemable shares.

C - Estimated fair value of off-balance sheet financial instruments

	AT DECEMBER 31 2009		AT DECEMBER 31 2008	
(€ million)	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Forward exchange contracts	324	(326)	4,548	5,252
with Renault Finance	*324*	*(326)*	*4,548*	*5,252*
Currency swaps	783	(761)	833	850
with Renault Finance				
Interest rate swaps	103	(3)	99	9
with Renault Finance	*88*		*99*	*6*

Assumptions and methods adopted:
Estimated fair values are based on information available on the markets and arrived at using valuation methods appropriate to the types of instrument in question.

The methods and assumptions used are by nature theoretical and judgment plays a major role in interpreting market data.

Fair values have been determined on the basis of information available at the year-end and do not therefore take account of subsequent movements.

In general, when the financial instrument is listed on an active and liquid market, the last listed price is used to calculate the market value. For unlisted instruments, market value is determined based on recognized valuation models that refer to observable market parameters. If Renault SA has no valuation tools, particularly for complex products, valuation is carried out by quality financial institutions.

The main assumptions and valuation methods are as follows:

- **Financial assets:**
  - **Marketable securities:** the fair value of securities is determined mainly by reference to market prices.
  - **Loans and advances to subsidiaries and affiliates:** for loans with original maturity of less than three months, floating-rate loans and advances to subsidiaries and affiliates, the value recorded In the balance sheet is considered to be the fair value. Other fixed-rate loans have been measured by discounting future cash flows using the rates offered to Renault SA at December 31, 2009 and December 31, 2008 for loans with similar conditions and maturities.
- **Liabilities:** the fair value of financial liabilities is determined by discounting future cash flows at the rates offered to Renault SA at December 31, 2009 and December 31, 2008 for borrowings with similar conditions and maturities. The fair value of redeemable shares is based on their year-end stock market value.
- **Off-balance sheet foreign exchange instruments:** the fair value of forward contracts is estimated on the basis of prevailing market conditions. The fair value of currency swaps is determined by discounting cash flows using exchange rates and interest rates prevailing at December 31, 2009 and December 31, 2008 for the contracts' residual terms.
- **Off-balance sheet interest rate instruments:** the fair value of interest rate swaps represents the amount Renault would receive (or pay) if it settled outstanding contracts at the end of the year. Unrealized capital gains or losses, determined on the basis of prevailing interest rates and the quality of the counterparty to each contract, are taken into account at December 31, 2009 and December 31, 2008.

7.4.2.19. OTHER COMMITMENTS AND CONTINGENCIES

Off-balance-sheet commitments are as follows:

(€ million)	2009 TOTAL	2009 CONCERNING RELATED COMPANIES	2008 TOTAL	2008 CONCERNING RELATED COMPANIES
Commitments received				
Unused credit lines	4,250	180	3,904	202
TOTAL	**4,250**	**180**	**3,904**	**202**
Commitments given				
Guarantees and deposits	465	450	451	450
Unused credit lines	100	100	119	119
TOTAL	**565**	**550**	**570**	**569**
Financial commitments				
Forward currency sales	284	284	5,225	5,225
Forward currency purchases	283	283	4,522	4,522
Currency swaps: loan	750		1,107	357
Currency swaps: borrowing	752		1,159	365
Interest rate swaps	1,401	1,291	2,428	2,312

As part of the management of RCI Banque's major risk ratio, Renault SA has provided Cogera (a fully-owned RCI Banque subsidiary) with a €450 million credit line since December 2004. For purposes of compliance with French Banking Commission requirements, Renault SA will only be reimbursed by Cogera to the extent of the amounts Cogera recovers from Renault Retail Group in repayment of its financing for inventories. Furthermore, to guarantee payment by Renault Retail Group to Cogera of the receivables resulting from this financing arrangement, Renault SA's receivable related to the credit line is pledged in favor of Cogera. The value of this pledge at December 31, 2009 was €450 million.

There are no restrictive clauses on credit lines opened but unused.

The forward sales and swaps undertaken by Renault SA are described above (note 18-A - management of exchange and interest rate risk).

7.4.2.20. CASH FLOW

Cash flow is determined as follows:

(€ million)	2009	2008
Net income	49	(863)
Increases to provisions and deferred charges	9	8
Net increase to provisions for risks and liabilities	(829)	942
Net increases to impairment	(310)	467
Asset disposal loss on treasury shares	258	
TOTAL	**(823)**	**554**

7.4.2.21. WORKFORCE

Renault SA has no employees.

7.4.2.22. FEES PAID TO DIRECTORS AND EXECUTIVE MANAGERS

Directors' fees amounted to €571,336 in 2009 (€557,475 in 2008), of which €38,795 were for the Chairmen's functions (€56,000 in 2008).

7.4.2.23. SUBSEQUENT EVENTS

No significant event has occurred subsequent to the year-end.

OTHER INFORMATION – SUBSIDIARIES AND AFFILIATES *(€ MILLION)*

COMPANIES	SHARE CAPITAL	RESERVES AND RETAINED EARNINGS	% OF CAPITAL HELD	BOOK VALUE OF SHARES OWNED
Investments				
Renault s.a.s.	534	3,289	100.00	7,609
Dacia[(2)]	600	97	99.31	758
Nissan Motor Co. Ltd.[(1)]	4,550	19,713	44.33	
Sofasa[(2)]	1	92	23.71	6
TOTAL INVESTMENTS				**8,373**

(1) Converted at the rate of ¥133.16 for €1. (Consolidated equity under Japanese GAAP).
(2) The exchange rates used for Dacia and Sofia are 4.2363 Romanian lei = €1 and 2,942 Colombian peso = €1 respectively.

OTHER INFORMATION – SUBSIDIARIES AND AFFILIATES *(€ MILLION)*

COMPANIES	OUTSTANDING LOANS AND ADVANCES FROM RENAULT SA	SALES REVENUES, PRIOR YEAR	NET INCOME (LOSS), PRIOR YEAR	DIVIDENDS RECEIVED BY RENAULT SA IN 2009
Investments				
Renault s.a.s.	6,190	27,073	(1,551)	
Dacia[(3)]		2,170	54	
Nissan Motor Co. Ltd.[(4)]		55,087	(1,818)	
Sofasa[(3)]		271	(19)	

(3) The exchange rates used for Dacia and Sofia are 4.2396 Romanian lei = €1 and 2,988 Colombian peso = €1 respectively.
(4) Converted at the rate of ¥130.23 for €1.

ACQUISITION OF INVESTMENTS IN OTHER COMPANIES

No investments were acquired during 2009.

8.

ADDITIONAL INFORMATION

8.

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8.1 PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Mr. Carlos Ghosn, Chairman and Chief Executive Officer,
accepts full responsibility for the Registration Document and the related supplemental information.

I hereby declare that, to the best of my knowledge, the information in this document is correct and that all reasonable measures have been taken to that end. There are no omissions likely to alter the scope of this information.

I hereby declare that, to the best of my knowledge, the Financial Statements have been prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the company and all the undertakings included in the consolidation taken as a whole; and that the management report in chapter 2 includes a fair review of the development and performance of the business, the results and the financial position of the company and all the undertakings in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

A Statutory Auditors' report has been issued in respect of the consolidated Financial Statements included for reference purposes in this Registration Document (chapter 8.2.1) for the financial year closing on December 31, 2007. This report contains observations concerning the changes of method made during the year.

A Statutory Auditors' report has been issued in respect of the consolidated Financial Statements included in this Registration Document for the financial year closing on December 31, 2009. This report appears in Chapter 7.1 of the document and contains observations concerning changes in accounting rules and methods.

I have received a completion letter from Renault's Statutory Auditors stating that they have verified the information concerning the financial situation and the Financial Statements set forth in this Registration Document, which they have read in full.

Paris, March 25, 2010

Carlos Ghosn Bichara

Chairman and Chief Executive Officer

Carlos Ghosn

8.2 INFORMATION CONCERNING FY 2007 AND 2008

Pursuant to Article 28 of Commission regulation (EC) 809/2004, the following historical data is incorporated by reference in the 2009 Registration Document:

8.2.1 FY 2007

The 2007 Registration Document was filed with the *Autorité des marchés financiers* on March 11, 2008 under No. 08-0103 (French version).

The consolidated Financial Statements are outlined on pages 181 to 237 of chapter 7 and the corresponding audit report is on page 180 of chapter 7.

Financial information is on pages 55 to 58 of chapter 2.1.2.

Data not incorporated in this document is either not appropriate for investors or covered in another chapter of the Registration Document.

8.2.2 FY 2008

The 2008 Registration Document was filed with the *Autorité des marchés financiers* on March 11, 2009 under No. D09-0113 (French version).

The consolidated Financial Statements are outlined on pages 189 to 254 of chapter 7 and the corresponding audit report is on page 190 of chapter 7.

Financial information is on pages 56 to 60 of chapter 2.1.2.

Data not incorporated in this document is either not appropriate for investors or covered in another chapter of the Registration Document.

8.3 APPENDICES RELATING TO THE ENVIRONMENT

8.3.1 METHOD USED FOR THE "SITE ENVIRONMENTAL INDICATORS IN 2009" TABLE ✦

Reporting for the environmental indicators was conducted in accordance with the stipulations of the 2009 Environmental Guide for Renault Sites (the "Guidelines"), which are available on request from the Health, Environment and Industrial Risk Prevention office of Renault. The following is an explanation of the Guidelines' main methodological choices.

8.3.1.1 SCOPE

The "scope" of the reported data encompasses the industrial subsidiaries (body assembly, final assembly, powertrain and foundry) and the support sites (product and process design, logistics) in which Renault holds a stake of at least 50%. All impacts are attributed to Renault, with the exception of La Française de Mécanique (Douvrin site), a joint Renault/PSA subsidiary, in which Renault holds a 50% stake. Here, 30% of impacts were attributed to Renault in 2009 (compared with 25% in 2008), corresponding to the breakdown of industrial activity at the site. Impacts of suppliers or third parties present on site are not included, with the exception of the sites listed under the "Site environmental indicators in 2009" table.

The data for sites covered by the scope of reporting in year Y are consolidated with those of other sites only from year Y+1.

- the Vilvoorde site (RIB) was removed from the 2009 scope due to its lack of activity;
- the drinking water production and Davidesti waste storage activity at the Pitesti site (DACIA) was removed from the 2009 reporting scope. The data is shown for information purposes;
- due to the unavailability of environmental data, the sites which have recently entered into the Group "scope" were not taken into account in fiscal 2009. This concerns the Fonderie de Normandie (FDN) and GAIA.

8.3.1.2 PROCEDURES FOR CONTROLLING AND CONSOLIDATING DATA

Experts from the Performance Technical Support department (Health, Environment and Industrial Risk Prevention and Energy and Fluids office) and the Painted Assembly Body Engineering department check the consistency of data at each site. These checks include a comparison with data from previous years and an analysis of the impact of events occurring on site during the year.

The environmental data of the Renault Group sites, as set out under the "Total" line in the "Site environmental indicators in 2009" table in chapter 8.3.2. of the Registration Document is also subject to an external verification by the Group's statutory auditors. Their conclusions are set out in the report provided in chapter 8.3.4 of the Registration Document.

8.3.1.3 WATER CONSUMPTION ✦

Water consumption is expressed in thousands of cubic meters (m^3).

Measured volumes include water obtained by pumping (underground and surface water) and/or external networks (drinking water, industrial water).

8.3.1.4 LIQUID EFFLUENTS

Data on pollutant flows are based on measurements made on effluents after they have been treated in the plants and before they are discharged to the outside. Discharges from some plants may subsequently be treated in municipal treatment plants (see plant codes).

Under the Guidelines, the frequency of discharge analysis set forth in the regulations governing Renault sites must be observed.

The quantity of SS represents the average daily flow of suspended solids discharged, expressed in kg per day.

The quantity of OM represents the average daily flow of oxidizable matter discharged. This quantity, expressed in kg per day, is calculated as follows:

$OM = (COD + 2BOD_5)/3$.

The quantity of toxic metals is the total average daily flow of toxic metals discharged, weighted by a coefficient of toxicity. This quantity, expressed in kg per day, is calculated as follows:

Toxic metals = 5 flows (Ni+Cu) + 10 flows (Pb+As) + 1 flow (Cr+Zn) + 50 flows (Hg+Cd).

The data presented in the table takes account only of those flows of metals, SS, COD and BOD_5 that have to be measured by law.

Where regulations do not require such measurements, the reported value is indicated as "not applicable". The Bursa, Casablanca (Somaca) sites, together with the Ayrton Senna complex at Curitiba, are not subject to mandatory measurement. But in view of the impact of these plants' emissions, the corresponding flows have nevertheless been measured and included in the scope.

Blackwater discharges, not related to industrial activity, and for which there is no regulatory measurement and/or reporting obligation, are not included in the scope. This concerns around 30% of employees mainly from the engineering, logistics and support sites.

The flow calculation methods are not applied to the Douvrin (FM), Moscow (Avtoframos), Novo Mesto and Factoria Santa Isabel sites since they have special characteristics.

At the Cacia, Choisy-le-Roi, Lardy, Novo Mesto and Ruitz sites, which are subject to discharge regulations, certain water discharge parameters are measured at most four times a year. The degree of uncertainty on SS and OM discharges is therefore higher. However, these sites have a relatively limited contribution to Group impacts.

However, at the Casablanca (Somaca) site, which is not subject to discharge regulations, Renault has decided to measure certain parameters that are representative of the site's activity five times a year. The degree of uncertainty on SS, OM and METOX discharges is too high to guarantee the reliability of the discharge indicators. This site, which contributes significant amounts of Group liquid effluents, discharges these effluents without pre-treatment in a municipal sewage system.

8.3.1.5 ATMOSPHERIC EMISSIONS ✦

The atmospheric emissions of volatile organic compounds (VOCs) included in the data correspond to the emissions produced when bodywork is painted (body assembly plants). The painting of accessories is not taken into consideration; the corresponding VOC emissions have not been measured.

The indicator shown corresponds to the ratio of VOC emissions per m^2 of painted vehicle. The consolidated figure for the Group is equivalent to the total VOC emissions generated by the body assembly plants divided by the total surface area painted.

The atmospheric emissions of SO_2 and NO_x included in the data correspond to emissions produced by the burning of fossil fuels in fixed combustion installations at all sites, excluding transport to the site.

Emissions generated by engine tests are not taken into account since the figure for SO_2 is insignificant while the data for NO_x cannot be easily determined (unreliable calculation method).

The Greenhouse gas (GHG) emissions included in the data were extracted from an inventory of greenhouse gas sources that Renault has maintained since 2004. Following this inventory, Renault modified its guidelines to better reflect the total emissions of the Renault group and to comply with the recommendations of the GHG Protocol and the French protocol developed by *Entreprises pour l'Environnement.*

Emissions from the following sources were included:

- combustion of fossil fuels transported to the site and those transformed by the site for third parties;
- coolant fill-up of the air conditioning systems fitted in vehicles produced by the plant;
- fuel consumption during testing of engines, gearboxes and trials on the test track and test benches of non-TCM vehicles;
- fork-lift trucks using compressed natural gas or propane;
- fuel consumption relating to Renault company vehicles (taxi pools, shuttles, service vehicles, transportation equipment, etc.).

These emissions make up more than 95% of the GHG emissions produced by the Renault group.

The following emission sources have been excluded from the reporting scope, as the corresponding emissions are considered to fall below the threshold of 10,000 tCO_2 eq/year adopted by the Renault group:

- air conditioning of site premises;
- air conditioning of processes;
- heat treatment of powertrain components;
- solvent incineration;
- tests on TCM vehicles leaving the assembly line (roller bench tests).

It is not yet possible to correctly assess certain emissions; therefore the following are not included in the reporting scope:

- emissions linked to onsite transport (excluding fork-lift trucks using compressed natural gas, propane or diesel and excluding Renault company vehicles);
- fugitive emissions occurring when tanks of coolant (for vehicle air conditioning systems) are filled and emptied.

In 2009, indirect GHG emissions relating to electricity were included. The emission factors used to calculate the indirect GHG relating to electricity purchases were obtained using the energy mix of each country and the emission factors related to each type of energy for the relevant country. The default emission factors used are the same as those used in the Renault Group Life Cycle Analysis (LCA) tool. More specific factors may be used subject to justification by the local electricity supplier.

Emissions linked to the foundry activity are not reported. Emissions linked to fossil fuel combustion in the foundries are taken into account.

The emission factors used to calculate SO_2, NO_x and GHG emissions comply with the French order of March 31, 2008 relating to the inspection and measurement of emissions reported through greenhouse gas emission allowance trading schemes, as well as with the CITEPA network's OMINEA national inventory report, updated in February 2009. Only sites using a fuel whose characteristics are completely unrelated to standard factors have used data validated by their energy supplier (Pitesti plant, Dacia). Only sites with fuels whose characteristics differ significantly from standard factors have used data approved by their energy supplier (Pitesti plant, Dacia).

✦ Global Reporting Initiative (GRI) Directives

8.3.1.6 WASTE

The waste included in data is waste that leaves the geographical confines of the site.

Non-hazardous waste includes ordinary waste and inert waste, the latter being presented separately for better clarity.

Construction waste from Renault sites is not reported (in the Inert Waste category) unless a contractual clause explicitly states that the construction company is not responsible for such waste.

8.3.1.7 ENERGY CONSUMPTION ✦

This metric represents the quantity of gas, heating oil, steam, hot water, and electricity consumed within Renault sites, expressed in MWh NCV. However, the data indicated does not include the propane used by fork-lift trucks or the fuel consumed by the site (engine and gearbox testing, company vehicles).

The primary or converted energy supplied to third parties is not included. The purpose of the energy consumption indicators is to reflect the energy performance of Renault's manufacturing processes.

Net calorific value (NCV) factors are used in accordance with the French government order issued on March 31, 2008 for the inspection and measurement of emissions reported through greenhouse gas emission allowance trading schemes.

8.3.2 SITE ENVIRONMENTAL INDICATORS IN 2009 ✦

			LIQUID DISCHARGES			AIR EMISSIONS				WASTE			
2009 ENVIRONMENTAL INDICATORS SITES[1]	WATER CONSUMPTION (in thousands of m³)	PLANT	SS (in kg/day)	OM (in kg/day)	METOX (in kg/day)	GHG (in tCO_2eq)	VOC (in g/m²)	SO_2 (in tons)	NO_x (in tons)	OIW (EXCL. INERT WASTE) (in tons)	INERT WASTE (in tons)	HW (in tons)	ENERGY CONSUMPTION (in MWh NCV)
MANUFACTURING SITES													
ACI Le Mans	1,243.6	P	70.9	66.0	0.9	37,571.6	n.a.	72.8	42.7	33,338.2	0.0	1,024.7	222,746.1
ACI Pitesti[2]	75.0	PB	n.a.	n.a.	n.a.	8,051.2	n.a.	0.0	1.3	14,109.6	0.0	496.0	34,708.6
ACI Villeurbanne	47.2	U	n.a.	n.a.	n.a.	2,826.5	n.a.	0.0	2.3	955.0	0.0	155.1	23,679.8
Batilly (SOVAB)[3]	178.7	PB	2.2	9.6	0.9	29,673.6	45.9	0.2	26.8	2,582.0	0.0	1,300.5	183,834.6
Bursa[4]	486.8	PBU	104.5	51.5	4.6	111,649.3	38.9	0.3	20.4	61,704.6	1,384.0	1,949.8	249,231.3
Busan (RSM)	645.5	PBU	4.2	12.3	0.8	81,188.2	38.8	0.2	28.0	28,930.5	727.8	1,949.1	275,116.2
Cacia[5]	72.2	PB	5.1	10.0	0.0	14,528.2	n.a.	0.0	0.6	3,703.5	0.0	953.1	40,679.5
Casablanca (SOMACA)	186.3	-	163.4	274.8	16.9	26,663.3	110.5	0.2	4.1	10,480.7	144.5	834.6	53,713.7
Choisy-le-Roi[6]	17.1	PU	14.5	42.8	0.0	1,569.4	n.a.	0.0	1.3	2,442.5	77.7	149.8	9,818.8
Cléon[7]	1,070.4	PU	28.5	301.0	0.1	27,185.4	n.a.	0.1	15.0	16,269.6	63.6	4,868.6	239,751.8
Ayrton Senna Complex	355.2	PU	149.1	537.6	2.3	34,527.6	45.7	0.1	19.0	28,162.2	562.1	2,338.7	171,586.8
Cordoba Fonderie Aluminium	15.2	U	n.a.	n.a.	n.a.	5,087.4	n.a.	0.0	3.2	273.6	19.5	6,084.4	18,954.9
DACIA Producteur d'Automobiles[12]	1,109.4	PU	494.2	1,053.4	2.8	135,351.3	45.4	6.1	52.5	128,660.1	52,462.7	5,326.2	473,289.2
Dieppe	5.2	U	n.a.	n.a.	n.a.	4,558.4	55.0	0.0	3.6	313.2	0.0	199.1	24,286.7
Douai[8]	445.0	PB	17.1	27.6	1.5	54,551.6	25.0	0.3	43.0	72,972.7	0.0	1,955.7	286,343.8
Douvrin (FM)[9]	220.3	PU	8.7	117.3	0.1	8,678.9	n.a.	0.0	4.5	7,812.2	0.0	1,081.8	89,036.7
Envigado (Sofasa)	81.3	PU	9.2	48.9	0.6	5,155.7	89.0	0.0	1.4	3,700.6	43.1	132.0	19,203.2
Flins[10]	1,251.2	PB	33.6	47.6	0.6	35,545.1	26.3	0.2	24.7	54,483.0	0.0	1,647.1	360,488.1
Los Andes	29.7	U	n.a.	n.a.	n.a.	6,151.3	n.a.	0.1	1.2	2,250.6	0.0	1,064.5	17,114.0
Maubeuge (MCA)	233.5	PB	5.0	3.3	0.9	28,573.9	26.2	0.4	25.3	28,724.7	108.6	1,764.0	175,970.8
Moscou (AVTOFRAMOS)	234.5	PU	92.9	138.6	0.5	28,445.7	75.0	0.1	8.8	5,022.0	0.0	565.4	84,273.4
Novo Mesto	236.4	PU	77.9	143.6	0.2	70,285.2	43.9	1.5	21.7	50,114.7	0.0	998.3	163,998.3
Palencia[11]	496.4	PB	10.8	32.2	1.9	80,431.2	28.8	0.3	39.4	41,774.3	0.0	2,147.6	237,886.4
Ruitz (STA)	22.8	U	2.2	8.5	0.0	5,396.8	n.a.	0.0	3.9	2,948.4	0.0	494.3	44,493.9
Sandouville[13]	298.4	PB	8.0	14.1	1.5	27,165.6	31.2	0.2	22.7	13,239.5	55.3	1,298.8	176,722.2
Santa Isabel Cordoba[14]	299.3	PB	n.a.	9.8	0.0	30,863.3	99.7	0.1	11.3	15,091.3	1,662.0	814.8	92,323.6
Séville	110.4	PU	9.8	82.9	0.1	43,430.3	n.a.	0.0	5.6	7,332.4	0.0	3,098.5	92,598.6
Tandil	40.8	U	n.a.	n.a.	n.a.	7,332.2	n.a.	0.0	1.9	4,922.1	0.0	34.4	21,957.1
Valladolid-Carrosserie	142.7	PU	5.2	27.5	1.0	34,386.9	n.a.	0.1	12.9	59,317.7	294.2	597.0	94,781.8
Valladolid-Montage	246.1	PU	11.6	51.3	0.9	43,591.8	36.0	0.2	21.8	1,808.3	227.3	922.6	133,421.4
Valladolid-Moteur[15]	130.3	PU	n.a.	n.a.	n.a.	64,862.2	n.a.	0.0	6.5	18,203.8	26.6	2,559.1	132,151.0
MANUFACTURING SITES TOTAL	**10,026.9**		**1,328.5**	**3,112.2**	**39.3**	**1,095,279.0**	**41.0**	**83.7**	**477.2**	**721,643.9**	**57,858.9**	**48,805.4**	**4,244,162.3**

n.a.: not applicable (see comments on methodology).
nm: not measured.
Plant codes (treatment methods): P: physical-chemical; B: biological; U: urban.
SS: suspended solids.
OM: oxidizable matter.
COD: chemical oxygen demand.
BOD_5: five-day biological oxygen demand.
Toxic Metals: total flow of metals to which a coefficient of toxicity is applied (arsenic 10, cadmium 50, copper 5, mercury 50, nickel 5, lead 10, zinc 1, chrome 1).
GHG: greenhouse gases.
VOC: volatile organic compounds.
OIW: ordinary industrial waste.
HIW: hazardous industrial waste.

... / ...

2009 ENVIRONMENTAL INDICATORS SITES[(1)]	WATER CONSUMPTION *(in thousands of m³)*	PLANT	LIQUID DISCHARGES SS *(in kg/ day)*	OM *(in kg/ day)*	METOX *(in kg/ day)*	AIR EMISSIONS GHG *(in tCO_2eq)*	VOC *(in g/m²)*	SO_2 *(in tons)*	NO_x *(in tons)*	WASTE OIW (EXCL. INERT WASTE) *(in tons)*	INERT WASTE *(in tons)*	HW *(in tons)*	ENERGY CONSUMPTION *(in MWh NCV)*
ENGINEERING, LOGISTICS AND SUPPORT SITES													
Aubevoye	39.6	U	n.a.	n.a.	n.a.	7,186.4	n.a.	0.0	2.4	2,458.9	30.7	137.3	25,293.7
Boulogne-Billancourt Siège Renault	60.2	U	n.a.	n.a.	n.a.	7,627.2	n.a.	0.0	2.4	625.3	0.0	11.8	45,589.6
Cergy-Pontoise	10.7	U	n.a.	n.a.	n.a.	1,453.0	n.a.	0.0	0.9	2,054.8	0.0	30.0	22,193.7
DACIA Centre Logistique CKD	13.3	U	n.a.	n.a.	n.a.	2,529.5	n.a.	0.0	0.9	786.5	0.0	0.0	8,602.9
Giheung[(RSM)]	61.7	B	0.1	0.4	0.0	15,705.5	n.a.	0.1	2.4	574.1	48.4	736.2	37,398.7
Grand-Couronne	3.5	U	n.a.	n.a.	n.a.	2,290.9	n.a.	9.7	3.8	1,558.5	0.0	113.0	9,578.9
Guyancourt[Technocentre)]	184.8	U	n.a.	n.a.	n.a.	23,565.5	n.a.	0.1	9.8	2,384.2	0.0	399.6	135,958.7
Heudebouville (Somac)	0.5	U	n.a.	n.a.	n.a.	225.4	n.a.	0.0	0.2	140.0	0.0	16.9	1,234.1
Lardy	180.7	U	31.0	38.4	0.1	16,622.7	n.a.	0.2	6.3	886.8	649.1	483.3	96,656.1
Rueil	21.6	U	n.a.	n.a.	n.a.	3,208.2	n.a.	0.0	1.2	665.5	1.5	20.1	18,518.6
Saint-André-de-l'Eure	4.8	U	3.4	3.3	0.0	1,276.7	n.a.	0.0	0.8	934.4	0.0	18.3	7,380.8
Valladolid Direcciones Centrales	36.9	U	n.a.	n.a.	n.a.	8,658.3	n.a.	0.0	2.3	648.9	151.6	89.1	19,212.0
Villeroy[(DLPA)]	25.4	U	n.a.	n.a.	n.a.	1,987.2	n.a.	0.0	1.0	2,859.1	0.0	53.9	17,090.1
Villiers-St-Frédéric	10.9	U	n.a.	n.a.	n.a.	3,042.4	n.a.	0.0	1.3	243.7	0.0	21.2	15,704.6
ENGINEERING, LOGISTICS AND SUPPORT SITES TOTAL	**654.7**		**34.5**	**42.1**	**0.1**	**95,379.0**	**N/A**	**10.2**	**35.7**	**16,820.8**	**881.4**	**2,130.6**	**460,412.5**
GROUP TOTAL	**10,681.6**		**1,363.0**	**3,154.3**	**39.4**	**1,190,657.9**	**41.0**	**94.0**	**512.9**	**738,464.7**	**58,740.4**	**50,936.1**	**4,704,574.8**
THE SITES NOT INCLUDED IN THE REPORTING SCOPE, FOR INFORMATION PURPOSES :													
DACIA Drinking water production site	412.1	-	48.4	1.1	0.1	530.9	n.a.	0.0	0.0	0.0	0.0	0.0	2,215.0
DACIA Davidesti waste storage facility	0.2		0.5	2.2	0.0	9.7	n.a.	0.0	0.0	0.0	0.0	0.0	30.0

(1) All the impacts arising from employee catering facilities are included in the data for the Renault sites.
(2) Liquid discharges from the ACI Pitesti plant are aggregated with those of the Pitesti plant (Dacia), as is some of the waste.
(3) Liquid discharges from the Batilly (SOVAB) plant include those of the Industrial Supplier Park and the Compagnie d'Affrètement et de Transport (CAT) as well as the waste of the Industrial Supplier Park.
(4) Water consumption at the Bursa site includes that of the Industrial Supplier Park.
(5) All the impacts of the Industrial Supplier Park are included in CACIA plant data.
(6) Liquid discharges from the Choisy-le-Roi plant include those of GAIA.
(7) Water consumption at the Cléon site includes that of the Fonderie de Normandie (FDN). A portion of the liquid discharges and energy consumption of FDN is also included.
(8) The liquid discharges from the Douai site include those of the Industrial Supplier Park and all the impacts of the Delivery Dispatch Center.
(9) The Douvrin (Française de Mécanique) site is a joint Renault/PSA subsidiary. The proportion of impacts attributed to Renault is calculated through a breakdown of the site's industrial activity between Renault and PSA. Renault' share was 30% in 2009.
(10) Water consumption at the Flins site includes that of the Spare Parts Distribution Center.
(11) Water consumption at the Palencia site includes that of the Industrial Supplier Park.
(12) Liquid discharges at the Pitesti site (Dacia) include those of the Industrial Supplier Park, of which those of ACI Pitesti and Dacia Logistics. The quantity of waste partly includes the waste (i.e. household waste) produced by the ACI Pitesti site.
(13) Water consumption at the Sandouville site includes that of the Industrial Supplier Park.
(14) Liquid discharges from the Santa Isabel Cordoba plant include those of the Compagnie d'Affrètement et de Transport (CAT), the Delivery Dispatch Center and the Parts and Accessories department.
(15) Liquid discharges from the Valladolid engine plant are aggregated with those of the Valladolid body assembly plant.

8.3.3 ENVIRONMENTAL INDICATORS FOR PRODUCTS ✦

TECHNICAL AND ENVIRONMENTAL CHARACTERISTICS FOR THE BEST-SELLING VEHICLES IN EUROPE (27 COUNTRIES) IN 2009

BRAND	MODEL	G : GASOLINE D : DIESEL	ENGINE	CAPACITY	POWER RATING (KW)	TRANSMISSION	EMISSION STANDARD	FUEL COMSUMPTION NEDC*, L/100 KM	CO_2 EMISSIONS	EXTERNAL NOISE DB (A)	SIGNATURE
Renault	Twingo II	D	1.5 dCi	1,461	47	MAN 5	Euro 4	4.3	113	71.2	Renault eco²
Renault	Twingo II	G	1.2	1,149	56	MAN 5	Euro 4	5.1	119	70.3	Renault eco²
Renault	Clio III	E85	1.2 16v	1,149	55	MAN 5	Euro 4	5.9	139	73.2	Renault eco²
Renault	Clio III	D	1.5 dCi	1,461	50	MAN 5	Euro 4	4.5	120	70.4	Renault eco²
Renault	Clio III	G	1.2 16v	1,149	55	MAN 5	Euro 4	5.9	139	73.2	Renault eco²
Renault	Modus	D	1.5 dCi	1,461	63	MAN 5	Euro 4	4.3	114	70.7	Renault eco²
Renault	Modus	G	1.2 16v	1,149	55	MAN 5	Euro 4	5.9	139	71	Renault eco²
Renault	Kangoo	D	1.5 dCi	1,461	63	MAN 5	Euro 4	5.3	140	71.9	Renault eco²
Renault	Kangoo	G	1.6 16v	1,598	78	MAN 5	Euro 4	7.9	191	73.3	-
Renault	Mégane III	E85	1.6 16v	1,598	81	MAN 5	Euro 4	6.8	160	73.6	Renault eco²
Renault	Mégane III	D	1.5 dCi	1,461	78	MAN 6	Euro 4	4.5	120	71.8	Renault eco²
Renault	Mégane III	G	1.6 16v	1,598	81	MAN 5	Euro 4	6.9	162	73.6	-
Renault	Scénic III	E85	1.6 16v	1,598	81	MAN 5	Euro 4	7.4	174	73.5	Renault eco²
Renault	Scénic III	D	1.5 dCi	1,461	78	MAN 6	Euro 4	4.9	130	72.3	Renault eco²
Renault	Scénic III	G	1.4 16v	1,397	96	MAN 6	Euro 4	7.3	168	71.9	-
Renault	Koleos	D	2.0 dCi	1,995	110	MAN 6	Euro 4	7.3	191	72	-
Renault	Koleos	G	2.5	2,488	126	MAN 6	Euro 4	9.6	227	73	-
Renault	Laguna III	D	1.5 dCi	1,461	81	MAN 6	Euro 4	4.9	130	71.6	Renault eco²
Renault	Laguna III	G	2.0 16v	1,997	103	MAN 6	Euro 4	7.9	185	71	-
Renault	Espace IV	D	2.0 dCi	1,995	96	MAN 6	Euro 4	7.2	190	72.6	-
Renault	Espace IV	G	2.0 t	1,998	125	MAN 6	Euro 4	9.5	224	70.7	-
Dacia	Logan	E85	1.6	1,598	64	MAN 5	Euro 4	7.2	170	72.9	Dacia eco²
Dacia	Logan	D	1.5 dCi	1,461	63	MAN 5	Euro 4	4.6	120	72.8	Dacia eco²
Dacia	Logan	G	1.4	1,390	55	MAN 5	Euro 4	8.3	135	72.7	-
Dacia	MCV	E85	1.6 16V	1,598	77	MAN 5	Euro 4	7.6	178	73.9	Dacia eco²
Dacia	MCV	D	1.5 dCi	1,461	63	MAN 5	Euro 4	5.2	137	72.8	Dacia eco²
Dacia	MCV	G	1.6	1,598	64	MAN 5	Euro 4	7.6	180	74	-
Dacia	Sandero	D	1.5 dCi	1,461	50	MAN 5	Euro 4	4.5	120	70.7	Dacia eco²
Dacia	Sandero	G	1.4	1,390	55	MAN 5	Euro 4	7	165	72.7	-

8.3.4 STATUTORY AUDITORS' REASONABLE ASSURANCE REPORT ON THE ENVIRONMENTAL DATA ✦

Renault

Year ended December 31, 2009.

Statutory Auditors' reasonable assurance report on the environmental data

This is a free translation into English of the original report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is construed in accordance with French law and professional auditing standards applicable in France.

To the Strategic Environmental Planning Department,

Further to your request and in our capacity as Statutory Auditors of Renault, we have performed verification work to obtain reasonable assurance that the environmental data of the Renault Group sites for fiscal year 2009, as set out under the "Total" line in the "Site environmental indicators in 2009" table in chapter 8.3.2. of the Registration Document (the "Data"), has been prepared, in all material respects, in accordance with the 2009 Environmental Guide for Renault sites (the "Guidelines"), summarized under "Method used for the Site environmental indicators in 2009 table" in chapter 8.3.1.

The responsibility of Renault's management is to prepare the data and draw up the Guidelines. The Guidelines are available for consultation at the "Health, Environment and Industrial Risk Prevention" office.

Our responsibility is to express an opinion on the Data, based on our audit. Our verification work was carried out in accordance with professional guidelines applicable in France and international standard ISAE 3000 (International Standard on Assurance Engagement). Our independence is defined by the laws, regulations and code of ethics and professional conduct governing the profession.

Nature and scope of our work

We conducted our work in accordance with professional guidelines applicable in France.

In order to express our opinion on the Data, we performed the following procedures:

- we assessed the Guidelines with respect to their precision, clarity, objectivity, completeness and relevance compared to the Group's activities and reporting practices of the automotive industry;
- at Group level, we conducted interviews with the environmental data reporting managers and:
  - analyzed anomaly risks and materiality,
  - assessed the application of the Guidelines, carried out analytical procedures and consistency checks, and verified data processing and aggregation at Group level;
- we selected a sample of fifteen sites [(1)] that are representative of the activities and geographical locations, based on their contribution to the Group's consolidated data and the results of the aforementioned anomaly risk analysis.
  - the selected sites represent on average 66.2% of the total value of environmental data published by Renault. The percentages for 2009 break down as follows:

Water consumption	56%
Water discharge: SS	82%
Water discharge: OM	79%
Water discharge: METOX	80%
Non hazardous waste (excl. inert waste)	56%
Inert waste	95%
Hazardous waste	47%
Energy consumption	57%
Atm. emissions: VOC	54%
Atm. emissions: GHG	48%
Atm. emissions: SO_2	86%
Atm. emissions: NO_x	56%

  - at the level of the selected sites and entities, we verified the understanding and application of the Guidelines, and carried out substantive tests based on sampling, which consisted in verifying the calculation formula, as provided in the Guidelines, and reconciling the data with the supporting evidence;
- we reviewed the presentation of the "Data" in the 2009 Registration Document in chapter 3.3.

To assist us in conducting our work, we referred to the environmental experts of our firms under the responsibility of Messrs. Eric Duvaud for Ernst & Young Audit and Eric Dugelay for Deloitte & Associés.

In view of the work carried out on the Group's major locations over the last eleven years and the improvements made by Renault to enhance the sites' understanding and application of the Guidelines, we consider that our verification work provides a reasonable basis for our opinion.

Information on the Guidelines

We have the following comment to make on the Guidelines:

- according to the Guidelines, the frequency of analysis of discharges depends on regulatory constraints that apply to Renault sites. For some sites, the frequency of analysis required by local regulations and implemented within the framework of the Data calculation is not sufficient to ensure an adequate reliability in respect of "Water discharge" Data (SS, OM and METOX).

(1) *On-site work: Aubevoye, Cacia, Choisy, Douai, Flins, Lardy, Ruitz; Remote work: Bursa, Busan, Complexe Ayrton Senna, Dacia, MCA; Partial remote work on selected indicators: ACI Le Mans (Energy, Air emissions, Water discharge), Cléon (Energy, Hazardous waste, Water discharge, Water consumption), Somaca (Water discharge).*

Conclusion

We wish to express a qualification on the following data:

- "Water discharge" indicators (SS, OM and METOX) are subject to a high level of uncertainty due to the significant contribution of the SOMACA site. Indeed, on this site, water discharge data, although prepared in accordance with the 2009 Environmental Guide for Renault sites, is based on a limited sample of five measurements for 2009 showing important discrepancies that call into question the reliability of SS, OM and METOX indicators.

In our opinion, subject to the above qualification, the Data, as set out under the "Total" line in the "Site environmental indicators in 2009" table, has been prepared, in all material respects, in compliance with the Guidelines prepared by Renault.

Neuilly-sur-Seine and Paris-La Défense, March 5, 2010

The Statutory Auditors

DELOITTE & ASSOCIES

ERNST & YOUNG Audit

8.4 CROSS REFERENCE TABLES

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n.a.: not applicable.

8.4.2 GLOBAL REPORTING INITIATIVE INDICATORS AND GLOBAL COMPACT PRINCIPLES 2009

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	REPORT PARAMETERS		
3,1	Reporting period for information provided		206
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4.9	Procedures developed for overseeing the organization's management of economic, environmental, and social performance and their compliance with standards		37; 98-101; 109-112; 117; 139-144; 147-151;165-169
4.10	Processes for evaluating the highest governance body's own performance particularly with respect to economic, environmental, and social performance		160-161
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	ECONOMIC PERFORMANCE INDICATORS		
EC1	Economic value generated and distributed		6; 57-58; 116; 190-192
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EC8	Development and impact of infrastructure investments and services provided primarily for public benefit		101-105; 107-108; 110-111

	GRI INDICATORS [1]	GLOBAL COMPACT PRINCIPLES *	PAGES [2]
	ENVIRONMENTAL PERFORMANCE INDICATORS		
EN2	% of materials used that are recycled input materials	8 & 9	136-137; 139-140
EN3	Direct energy consumption by primary source		131; 298-302
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EN7	Initiatives to reduce indirect consumption of energy	8 & 9	131-133
EN8	Total water withdrawal by source		137; 298-299; 301-302
EN14	Strategies for managing impacts on biodiversity	8	131
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EN20	Emissions of NOx, SO2 and other significant polluants by type and weight		135; 301-302
EN21	Total water discharge by quality and destination	8	137
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EN26	Initiatives to mitigate environmental impacts of products and services	8 & 9	13; 132; 139-140; 143
EN27	% of products sold and their packaging materials that are reclaimed by category	8 & 9	136; 142-143
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	LABOR PRACTICES AND DECENT WORK PERFORMANCE INDICATORS		
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LA2	Total number and rate of employee turnover by age group, gender, and region	6	118-121
LA4	% of employees covered by collective bargaining agreements	3	125-126
LA7	Rates of injury, occupational diseases, lost days, absenteeism and work-related fatalities		126-127
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	HUMAN RIGHTS PERFORMANCE INDICATORS		
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HR2	% of suppliers and contractors that underwent screening on human rights and actions taken	1 & 2	110-111
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HR6	Operations identified as having significant risk for incidents of child labor, and actions taken	1 & 5	110-111; 112
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and actions taken	1 & 4	110-111; 112
	SOCIETY PERFORMANCE INDICATORS		
SO1	Programs and practices that assess and manage the impacts of operations on communities		100-112
	PRODUCT AND CUSTOMER SATISFACTION PERFORMANCE INDICATORS		
PR1	Life cycle stages where health and safety impacts of products and services are assessed for improvment and % of products and services subject to such procedures		64; 69-70; 106-110
PR3	Type of product and service information required by procedures, and % of significant products and services subject to such information requirements		110; 112; 303
PR5	Practices related to customer satisfaction		109
PR6	Adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.		98; 110

(1) The GRI structure and indicators changed in 2007: these modifications are taken into account in this table.
(2) The ✦ symbol indicate information relating to the Global Reporting Initiative (GRI) Directives.

***UNITED NATIONS GLOBAL COMPACT PRINCIPLES**

HUMAN RIGHTS	
1	Businesses should support and respect the protection of internationally proclaimed human rights;
2	make sure that they are not complicit in human rights abuses.
LABOUR STANDARDS	
3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargain;
4	the elimination of all forms of forced and compulsory labour;
5	the effective abolition of child labour;
6	the elimination of discrimination in respect of employment and occupation.
ENVIRONMENT	
7	Businesses should support a precautionary approach to environmental challenges;
8	undertake initiatives to promote greater environmental responsibility;
9	encourage the development and diffusion of environmentally friendly technologies.
ANTI-CORRUPTION	
10	Businesses should work against all forms of corruption, including extorsion and bribery.

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