REGISTRATION DOCUMENT
2011
INCLUDING THE ANNUAL FINANCIAL REPORT

DRIVE THE CHANGE

RENAULT

SUMMARY

The elements of the annual financial report are identified by the AFR sign.

REGISTRATION DOCUMENT 2011

INCLUDING THE MANAGEMENT REPORT
APPROVED BY THE BOARD OF DIRECTORS ON FEBRUARY 15, 2012

TWIZY	ZOE	FLUENCE Z.E.	KANGOO Z.E.

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 13, 2012.

The elements of the annual financial report are identified by the AFR sign and a cross reference table is in chapter 7.4.2.

✦ Global Reporting Initiative (GRI) Directives

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THE RENAULT GROUP

The elements of the annual financial report are identified by the AFR sign in the table of contents.

Kangoo Z.E.

✦ Global Reporting Initiative (GRI) Directives

1.1 OVERVIEW OF RENAULT AND THE GROUP

1.1.1 KEY FIGURES ✦

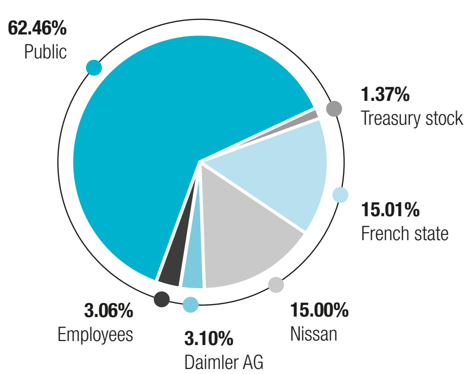
THREE-YEAR CONSOLIDATED FIGURES – PUBLISHED DATA (1)

(€ million)	2011	2010	2009
Revenues	42,628	38,971	33,712
Operating margin	1,091	1,099	(396)
Share in Nissan Motor net income	1,332	1,084	(902)
Renault net income	2,092	3,420	(3,125)
Earnings per share *(euros)*	7.68	12.70	(12.13)
Capital	1,127	1,127	1,086
Shareholders' equity	24,567	22,757	16,472
Total assets	72,934	70,107	63,978
Dividends *(euros)*	1.16 (2)	0.3	0
Automotive cash flow (3)	2,910	3,074	1,386
Automotive net financial debt	299	1,435	5,921
Total staff at December 31	128,322	122,615	121,422

(1) This information is for reference only and is not always directly comparable year-on-year, since it may include changes in scope and/or accounting practices. See chapter 4, note 3.
(2) Dividend to be proposed at the Combined General Meeting of April 27, 2012.
(3) Excludes dividends received from associated companies.

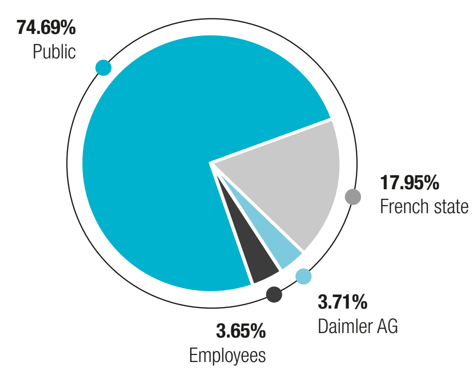
RENAULT SHAREHOLDERS AT DECEMBER 31, 2011

BREAKDOWN OF CAPITAL AS % OF SHARES



See chapter 5.2.6

% 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 refocusing 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 automotive and commercial vehicle businesses *via* cross-shareholdings. This arrangement was unwound after plans to merge the two groups were shelved in late 1993.

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

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

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

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

2010

Vehicle sales (PC+LCV) attained a record level of more than 2,625,000 units, benefiting the Group's three brands and all the Regions, particularly outside Europe.

New models were presented at the motor shows, including the Mégane CC and Wind convertibles at Geneva, the Latitude sedan at Moscow, the Kangoo Express Z.E. and Maxi, Trafic and Master at Hanover, the complete range of electric vehicles (Fluence Z.E., Twizy, Zoé Preview and Kangoo Z.E.), upper range models (Latitude, Laguna and Espace) and the DeZir concept car at Paris, giving practical form to the Group's new strategy in design, based on the life cycle.

In April the Alliance and Daimler signed a long-term strategic cooperation agreement on the future generations of Smart fortwo and Twingo, the pooling of powertrains and collaborative work on light commercial and electric vehicles. The agreement was strengthened by cross shareholdings, with Daimler taking a 3.1% share in Renault and Nissan capital and Renault and Nissan each taking a 1.55% share in Daimler.

Renault paid back ahead of time one billion euros of the loan granted by the French government and sold its B shares in AB Volvo, generating a capital gain of two billion euros.

In Russia, the second phase of the Avtoframos plant was launched and the restructuring and recapitalization agreement was signed with AVTOVAZ. Sandero was launched on the Russian market.

Carlos Ghosn was re-elected as Chairman and Chief Executive Officer of Renault for a four-year period.

2011

The Company faced three major crises in 2011: the earthquake and tsunami in Japan in early March and its strong impact on supplies, the sovereign debt crisis in the euro zone and a case of attempted fraud.

In February, the Group launched its new strategic plan, Renault 2016 – Drive the Change.

Group PC+LCV sales, driven by international markets, totaled a record high of 2.72 million units. The Company met its commitment of €500 million in operational free cash flow, and net debt fell to the same level as in 1998. Renault made early repayment (in two installments of €1 billion) of the loan granted by the French government in April 2009.

At the Frankfurt Motor Show, Renault presented New Twingo and the new range of Energy engines. The first electric vehicles – Kangoo Z.E. and Fluence Z.E. – arrived on the market at the end of the year.

Following the attempted fraud case at the start of the year, Renault reviewed its system of corporate governance. It appointed a new Chief Operating Officer as well as an ethics manager. The Office of the CEO, the Audit, Risk Management and Organization department, and Group Human Resources now report directly to the Chairman and CEO.

1.1.3 STRATEGIC OBJECTIVES

The Renault 2016 plan – Drive the Change, unveiled on February 10, 2011, is built on Renault's ambition of making mobility accessible to all. This ambition is embodied in the brand signature, Drive the Change.

The Renault group's strategic plan covers a six-year period, with a midpoint review at the end of 2013. This provides the Group with a strategic outlook, thus ensuring business continuity, while defining specific, quantified priorities for the next three years.

Renault 2016 – Drive the Change is designed to meet two objectives:

- deliver the Group's growth;
- generate sustainable free cash flow.

Highlights for the period 2011-2013 include the following:

- more than three million vehicle sales in 2013;
- a minimum of €2 billion in cumulative operational free cash flow.

To achieve these objectives, the Renault group will make use of seven key drivers:

- a continuing policy of innovation;
- a robust product plan;
- a strengthened Renault brand;
- the excellence of our network in managing customer relations;
- optimized R&D and investment expenditure;
- reduced costs;
- steady positions in Europe and international expansion.

1.1.4 MAIN GROUP ACTIVITIES ✦

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

- Automotive;
- Sales Financing.

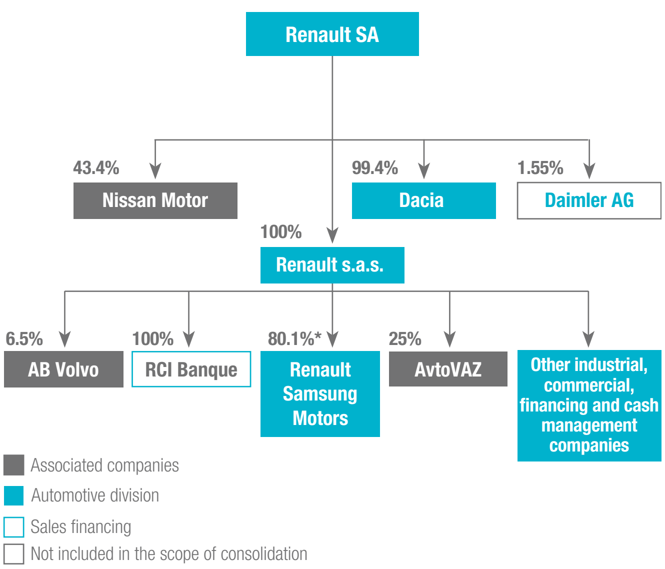
In addition to these two activities, Renault has equity investments in the following three companies:

- AB Volvo;
- Nissan;
- AVTOVAZ.

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

STRUCTURE OF THE RENAULT GROUP

SIMPLIFIED ORGANIZATION CHART AT DECEMBER 31, 2011
(AS % OF SHARES ISSUED)



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

1.1.4.1 AUTOMOTIVE

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

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

RENAULT GROUP RANGES

Renault brand

For more than 110 years, Renault has been one of the manufacturers writing the history of the car. Although the Company and its workforce are driven by a passion for mechanics, design and technological progress, Renault's vision is expressed first and foremost through its emphasis on people. Renault believes that cars should adapt to people and not the other way around.

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

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

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

Passenger cars (PCs)

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

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

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

Affordable, roomy and robust, Renault **Logan** continued to enjoy huge success in 2011 in South America (accounting for almost 20% of the Group's volumes in the Region) and Russia (almost 54% of the Group's regional volumes). Delivering unbeatable value for money, it is particularly attractive to buyers of family vehicles.

Designed in South America, where it still accounts for more than 40% of Group sales, **Sandero** has extended its international presence. It made successful market debuts in South Africa in 2009 and in Russia in 2010 (30% of 2011 volumes), building on its strong points: a modern design, space, reliability and value for money.

In the A segment of city cars, **Twingo** continues to grow sales, despite the end of scrappage premiums. It has consolidated its leading position in France, where it has a segment share of 33.5% – *i.e.* more than the combined total of its three closest contenders, C1, 500 and 107 – and its number three position in Europe, with a segment share of 11%, up 0.5 points on 2010. This growing success can be attributed to Twingo's undisputed quality and modular design, along with engines that are on the cutting edge for low CO_2 emissions (104g for gasoline and 90g for the Euro 5 diesel), and ongoing promotions in the form of limited series. The recent Twingo Miss Sixty and Twingo Gordini RS, each in their own registers, broaden Twingo's territory to reach a trendier customer base.

The recent launch of **New Twingo** was a key event. The first Renault vehicle to incorporate the new design identity, **New Twingo** is built on stronger fundamentals at the same time as being more attractive (with new metallic paints and a brand new personalization program).

The first Renault vehicle manufactured on the Nissan platform, **Pulse** delivers everything Renault needs to establish itself in the Indian market. Ideally suited to conditions in the country – thanks in particular to its diesel engine – this small vehicle is positioned in a premium segment aimed at young, urban and upwardly mobile customers.

In the B segment, since its launch in 1990, **Clio** has set the standard for quality, driving pleasure and comfort, with in excess of 11 million vehicles sold in more than 100 countries. Restyled in April 2009, Clio is the first vehicle in its segment to feature factory-fitted navigation as standard. The range ships with a full line-up of low-carbon emission powerplants (LPG, ethanol, diesel emitting 89g (since November 1, 2011) and gasoline below 120g) and is continuously adjusted to meet the needs of all customers. In 2011, Clio succeeded in increasing its market share in the highly competitive I2 European hatchback segment for the second year running.

Clio Symbol continued to enjoy unflagging market success in 2011: leader in the Turkish and Algerian markets, this sedan is truly economical in use. Its new generation engines are efficient, economical and environmentally friendly. Clio Symbol boasts the lowest consumption levels in its category: just 4.3 l/100km (116g/km of CO_2) with the 85hp 1.5 dCi engine, and 5.9 l/100 (140g/km of CO_2) with the 75hp 1.2 16v gasoline engine.

In a market environment characterized by a sustained high level of competition, **Modus** satisfies users with its comfort, road manners, quality and reliability.

New Kangoo, launched in 2008, remains number one in the leisure activity vehicle segment in France. Kangoo "Generation 2011" made its debut in early 2011. The upgraded and simplified range, which gains new colors and upholstery, will build the market appeal of this vehicle still further. New Kangoo car is built at Maubeuge (France).

The previous version of Kangoo is still on the market and continues to be produced in Cordoba (Argentina) and at the Somaca plant (Morocco).

In the lower mid-range C segment, the biggest segment in the European automotive market by volume, Renault completely renewed its range in 2010 with the launch of **Mégane Coupé Cabriolet.**

There were numerous product events in 2011, boosting the Mégane and Scénic ranges in a segment that has seen increased competition.

For example, having helped write history at some of the greatest Grands Prix in Monaco – a motorsport Mecca – Renault launched its Monaco GP limited series aimed at aesthetically-aware and sophisticated sports enthusiasts. Customers who buy Mégane Coupé Monaco GP and Mégane RS Monaco GP appreciate their classic forms, pure proportions and overall harmony, which highlight the range's sporting pedigree.

Renault has also launched a version of Mégane Renault Sport with a stronger personality: Mégane RS Trophy. With a 265hp engine delivering 360Nm of torque, Mégane RS Trophy offers unrivaled sporting efficiency in its category.

Also in the *executive C segment*, Renault launched the Mégane Coupé-Cabriolet Floride limited series at the Geneva Motor Show. In a nod to the appeal of the 1960s, Mégane Coupé-Cabriolet Floride shows off a style that is both lively and refined. With its sophisticated and exuberant colors – ivory on the outside and red on the inside – it comes with a raft of comfort-enhancing features. On the strength of its success in 2011, Renault is set to launch a new edition Mégane Coupé Cabriolet Floride in 2012.

In engines, Renault successfully launched a new **Energy dCi 130** diesel engine in its Scénic and Grand Scénic ranges. Drawing on Renault's extensive expertise in F1, the Energy dCi 130 engine incorporates technology that is unrivaled in this level of vehicle, as demonstrated by more than 30 patents. It combines driving pleasure with energy efficiency: it is the best performing engine in its category, yet at the same time achieves record fuel consumption and CO_2 emissions. The Energy dCi 130 engine is made at the Cléon site (France), which specializes in manufacturing the Group's high-tech diesel engines. These engines, which deliver 4.4 l/100km and generate 114g of CO_2/km, make Scénic and Grand Scénic the most energy-efficient vehicles in the van market.

This new engine is the first in the Energy range, which marks a new stage in the development of Renault's gasoline and diesel engines. It already powers more than 25% of all Scénic vehicles sold in Europe. In 2012, two new Energy engines will be introduced to the Mégane and Scénic ranges, positioning Renault as one of the market leaders in terms of CO_2 emissions.

Mégane's performance in 2011 was impacted by supply constraints affecting K9K diesel engines and Bose and GT/GT-line versions in the aftermath of the tsunami.

The Mégane range (Hatch, Coupé and Estate) saw increased orders from September onwards, when these constraints were lifted.

It should be noted that Mégane Estate is experiencing stable sales volumes, consistent with the quality of its design, which is very popular throughout Europe. In spite of new competitor models, Mégane has confirmed its number two position in Europe, and continues to be one of the most popular designs in its category.

In spite of being in another segment that has seen many new models (Ford C Max, Peugeot 5008, Touran, etc.), **Scénic** remains the undisputed leader in the van category, with a 19% market share of the M1 van segment in Europe at end-October 2011, rising to almost 22% in the last four months of the year.

The Bose limited series, unveiled at the 2010 Paris Motor Show, has been a sales hit throughout Europe (accounting for 15% of sales, rising to as much as 30% in some demanding markets like Germany and Switzerland). This limited series has boosted both Renault's brand image and the model's profitability.

On the back of this success, Bose and Renault are continuing to partner together in 2012 across the entire Renault range, with "Bose" becoming an equipment level in its own right.

Like 2011, 2012 will see a number of key product events involving Mégane and Scénic.

The lower mid-range C segment also saw strong international growth in 2011 thanks to **Fluence**, which spearheaded both volume growth and the development of our brand image.

Following major success in Turkey (where it achieved a 22% share of the C sedan segment in 2011), Fluence is now manufactured in Russia, Mercosur and India. Fluence is actively contributing to Renault's success in these three markets. In Argentina, where it was launched in the presence of the President, Christina Kirchner, more than 9,000 Fluence had already been sold at year-end 2011. Fluence is driving growth in Renault's market share in Brazil and Russia. International business represented 29% of this segment in 2011, up from 23% in 2010, with more than 130,000 vehicles sold.

Koleos, Renault's first crossover vehicle, came back with a vengeance in 2011, entering a new phase and confirming its key role in the brand's international expansion.

Koleos Phase 2 underlines the model's dynamic style with an expressive and stylish new front end, while meticulous finishing touches emphasize its sophisticated interior. The vehicle is fitted with the 2.5 (TR 25) gasoline engine and the 2.0 dCi (M9R) diesel engine, available in two power ratings: 150hp and 175hp. CO_2 emissions have been reduced significantly to 148g of CO_2/km for the dCi 150 4x2. Available in both 4x2 and 4x4 versions, Koleos is an extremely versatile vehicle. Comfortable and easily maneuverable in urban settings, its all-wheel drive also offers genuine off-roading capability and encourages drivers to go off the beaten track.

Koleos is the fruit of the Renault-Nissan Alliance: designed by Renault, it uses Nissan's recognized 4x4 technology. It has successfully established itself as Renault's flagship executive product in many countries, and is now marketed in around 40 countries across all five continents.

In a constantly growing segment and in the face of relentless competition, Koleos has succeeded in carving out a niche. Registrations increased by almost 36% between 2010 and 2011. The vehicle has racked up 150,000 sales (PC+LCV) since its launch in 2008.

In Europe, Koleos has successfully maintained its position and shown off its qualities. European sales grew strongly in 2011, up 23% relative to 2010.

At an international level, Koleos drives sales growth for the Renault brand and strengthens the Group's brand image. This is particularly true in China, the vehicle's number one market, with 23,000 units sold in 2011, and Latin America, where annual sales totaled almost 7,500 vehicles (PC+LCV). Koleos represents more than 90% of the brand's executive sales in China and 84% in Latin America. Since the end of 2011, Koleos has also spearheaded a revival by Renault in India. In total, almost 68% of Koleos sales in 2011 were outside Europe.

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

From the first quarter of 2012, Renault Duster will be built and marketed in Russia, at the Avtoframos plant (Moscow), and in Colombia, at the Sofasa plant (Envigado). Renault Duster will also be distributed in Mexico and Chile in 2012.

Renault Duster is also sold in the Gulf states, from the Pitesti plant.

Latitude is a large saloon that is both sophisticated and prestigious, as demonstrated by its use as an official car at the 2011 Cannes Film Festival. Aimed at customers who are attentive to quality and comfort in all its forms, it places the emphasis squarely on passenger well-being. In particular, it features an original air purification system with an ionizer for a purifying, relaxing effect, as well as a new massaging driver's seat. With its generous dimensions and comprehensive equipment, Latitude is an invitation to take to the road and enjoy worry-free long distance driving.

Renault Latitude is a pure product of the Alliance, combining technical components from both Renault and Nissan to offer optimum driveability and subtle feedback. It was developed in France and Korea, where it is built alongside Koleos at the Busan plant.

Latitude was launched in more than 50 countries between September 2010 and May 2011, and now rounds off Renault's offering from Europe to Mexico, not forgetting Australia, Russia, China and Turkey. It reflects the brand's desire to move upmarket internationally and enhance its image by targeting new customer groups.

In 2011, Latitude won more than 17,300 customers around the world.

In the D segment, **Laguna III**, launched in the fall of 2007, is spearheading Renault's drive to meet stringent new quality criteria. Since 2010, Laguna III has been among the top three vehicles in its segment for product and service quality. It ships with a three-year/150,000km manufacturer's warranty. Laguna III has sold almost 280,000 units since launch.

In 2011, the vehicle's 2010 ambitions became a reality with the launch of Phase 2. A more expressive design strengthened the vehicle's modern and dynamic positioning. In spite of renewed aggressive competition from the likes of the new C5, Passat and 508, sales performance has been solid.

Particular effort has been focused on improving engine efficiency. Environmental friendliness is now a reality, with the dCi 110 ESM (Energy Smart Management) considerably reducing CO_2 emissions, from 120 to 109g of CO_2/km. The introduction of Stop&Start technology with the dCi130 has helped reduce emissions from 126 to 118g of CO_2/km.

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

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

Finally, **Laguna Coupé**, launched at the 2008 Paris Motor Show, features clean, elegant and flowing lines, similar to the concept car presented at Frankfurt. This vehicle's design is eminently appealing, while its road manners clearly position it as a thoroughbred sporting coupé. Equipped with the four-wheel steering 4Control chassis system, it deals impeccably with all situations.

In 2011, Laguna Coupé revisited the positioning of its SL Monaco GP, a label that is both alluring and sporty, extending its appeal to a broader range of customers.

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

For 27 years, Espace has set the standard in the executive minivan segment, with more than 1.2 million vehicles sold. It combines exceptional comfort at both front and rear with a modular layout creating bright, spacious conditions for comfortable and safe travel.

In 2011, Espace continued to stand out from the crowd in Europe, with a 8.8% share of a stable segment at end-2011. This performance, along with its continued leading position in the French market, can be attributed in particular to the special attention paid to interior comfort and quality: the new Initiale, with its overstitched dashboard and new Riviera black or beige leather, was launched in March, and the Alcantara® limited series, which comes with Alcantara® leather seats as standard, was launched in October.

Espace offers a full range of gasoline and diesel engines that comply with the Euro 5 standard and associated strict environmental criteria. CO_2 emissions have thus been reduced by 20g for the 130hp and 150hp 2.0 dCi diesel engines, and the 170hp 2.0 turbo engine has been optimized to limit emissions.

Espace IV is produced at Sandouville (France). As such, it reaps the full benefits of the progress made in terms of quality. On January 1, 2008, Espace gained the same manufacturer's warranty (three years or 150,000km) as New Laguna.

Espace IV also stands out for its service: the Customer Satisfaction Plan launched in 2011 saw a doubling in the overall level of customer satisfaction with after-sales service.

Light commercial vehicles (LCVs)

Renault has consolidated its position as Europe's leading LCV brand – a position it has held since 1998 – with a European market share of 15.6% (Europe of 27 excluding Romania and Bulgaria). Outside Europe, Renault LCV sales largely outpaced the market in the Euromed region and in the Americas region, with volumes up 36% and 31% respectively in markets that grew by 9% and 11%.

Renault has one of the most extensive ranges of light commercial vehicles in Europe. The line-up was expanded with the arrival of New Master and Kangoo Express Maxi in 2010 and Kangoo Z.E. in 2011. Vehicle sizes range from 1.6 to 6.5 metric tons, and from 2 to 22 m^3, thus matching the needs of a broad customer base.

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

Already available in three sizes (compact, Express and Maxi), three new all-electric versions were brought out at the end of 2010 (Kangoo Z.E., Kangoo Maxi Z.E. 2 seats and Kangoo Maxi Z.E. 5 seats). Voted International Van of the Year 2012, Kangoo Z.E., an all-electric vehicle fully assembled at the Maubeuge plant (France), was launched in France in October 2011 before being introduced in Spain, Holland, the UK and Germany. With this vehicle, Renault provides fleet and business customers with an innovative mobility solution with zero CO_2 emissions in use excluding wear parts, exceptional driveability, and limited running costs.

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

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

Since its launch at the end of 2001, Trafic has become the benchmark in the compact van segment (between 2.0 and 2.9 metric tons). Developed in partnership with General Motors, Trafic is produced at the GM plant in Luton (UK) and the Nissan plant in Barcelona (Spain). Renault is aiming to develop vans that are both more environmentally friendly and more economical. Trafic Phase 3 gains a particle filter on its new 90 and 115hp 2.0 dCi engines, and boasts improved CO_2 emissions of below 180g/100km.

In 2011, Renault Trafic achieved a 15,3% share of the small van and passenger-carrying van segment in Europe (at end-December). This performance is a new all-time record for Trafic.

In the large van segment, Renault continues to develop its New Master range, launched in 2010. Available in front- and rear-wheel drive versions in four lengths and three heights, New Master has a maximum authorized weight of 4.5 metric tons. The range comprises 350 versions. It gains a new design and a new more comfortable cabin. The new M9T 2.3 dCi (100-150hp) engine reduces fuel consumption by 1 l/100km compared with its predecessor and increases the servicing interval to 40,000km/two years. Master is manufactured at the Batilly plant (France).

New Master is sold in 30 countries. Sales grew strongly in Europe, where market share reached a record high of 12.4% (at end-December) of the large light commercial segment (including Renault Trucks sales). New Master is also a success in the Euromed region, with more than 10,900 units sold in 2011, including 7,600 in Turkey.

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

Overall, 95,094 Master 2 and New Master vehicles were registered in 2011.

Electric vehicles

In 2011, Renault moved from theory to reality, launching Fluence Z.E. and Kangoo Z.E., two of the four vehicles in the electric range unveiled in the form of concept cars at the 2009 Frankfurt Motor Show before their final design was presented at the 2010 Paris Motor Show.

This four vehicle range accomplishes the following:

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

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

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

Detailed prices announced immediately after the 2011 Frankfurt Motor Show positioned Renault's offering as a credible economic alternative – or even an equivalent in countries where government incentives are available – to combustion-powered vehicles. They mark a distinct break with the offering of comparable electric vehicles currently on the market.

Finally, Renault is more closely involved than ever in developing charging infrastructure alongside manufacturers as well as energy operators and national and local authorities. Public charging points are gradually being installed in every country in Europe as part of public and private initiatives. Projections suggest that Europe will have 16,700 charging points by end-2011 and 50,000 by end-2012.

Finally, it should be noted that publicly available charging points are currently being installed throughout the Renault network. This already represents more than a thousand charging points in Europe, including the 400 dealerships in the French primary network, all of which have now been fitted with charging equipment.

Dacia brand

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

Available in 36 countries from Europe to North Africa and Turkey, the Dacia brand accounted for 343,200 PC+LCV registrations in 2011. In spite of sales being adversely affected by supply constraints in the middle four months of the year, performance was close to 2010 levels, with 116,800 vehicles registered in the final four months of the year.

Dacia is Romania's leading brand, with a 29.1% share of the PC+LCV market; it increased its share of the Moroccan market by 2.5 percentage points to 19.9%.

The brand's Italian market share grew by 0.3 percentage points to 1.4% of the PC+LCV market. Market share grew by 0.5 points to 2.2% in Belgium and by 0.5 points to 2.1% in Poland.

In France, Dacia secured the number five spot for sales to private individuals, with a market share of 5.8%; also, with LPG incentives on Sandero coming to an end, Duster now accounts for almost half of all sales.

Dacia is attracting a new and very diverse customer base, with a large proportion of customers coming from the used vehicle market (all segments and brands).

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

Since its launch in April 2010, Dacia Duster has enjoyed real success in every country in which it is sold. Duster has already generated a total of 230,000 registrations.

The LPG range has been extended this year by offering an LPG-compatible version of the 105hp 1.6 gasoline engine.

In diesel-powered vehicles, Dacia Duster reduced the consumption of its 4x4 version at the end of 2011 by introducing the dCi 110 diesel engine with a particle filter emitting 137g of CO_2/km. Dacia Duster 4x4 dCi 90 FAP (particle filter) carries the Dacia eco² signature. With Duster, Dacia has shown that it is possible to market an all-terrain vehicle that is functional and affordable as well as being more environmentally friendly than other 4x4 vehicles on the market.

The "go-anywhere" version, **Sandero Stepway**, which demonstrates the continual improvement of the design and perceived quality of models in the Dacia range, represents a very substantial proportion of total orders of the compact saloon.

Dacia offers unrivaled space for its price point, and customers appreciate the range's simplicity. The brand's reliability is recognized both by our customers and by numerous European surveys.

An example of the innovative new solutions offered by Dacia is the first online sales site for Dacia vehicles in Italy: http://www.dacia.it/dacia-store/.

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

Presented alongside the Lodgy "ice" version, which recently won the 23rd Andros Trophy, the future Dacia Lodgy van will be made at the new Tangiers plant (Morocco), rounding off the range of vehicles available in 2012. Space and versatility are the watchwords of this van, which is available in both five- and seven-seater versions.

Renault Samsung brand

Renault Samsung Motors (RSM) sells four passenger vehicles (SM3, SM5, SM7 and QM5) in South Korea, covering the Korean M1, M2, S and SUV segments. In 2011, these four segments accounted for 70.8% of passenger car sales in South Korea.

SM3, launched in September 2002, was restyled in July 2009. The new SM3 has enjoyed huge success since launch, with a market share of 13.3% in the M1 segment and 34,581 sales in 2011 in South Korea.

SM5, an executive sedan, has enjoyed continuous success since its launch in 2001. The third generation SM5, launched in January 2010, was an immediate success. It sold 50,000 units in 2011 in South Korea, taking a significant 20% share of the M2 segment.

SM7, launched in November 2004, is a roomy sedan, with a luxurious, comfortable cabin. This executive vehicle, which ships with a V6 engine, incorporates the latest technology from the Renault-Nissan Alliance. The second generation All-New SM7, launched in August 2011, was very warmly received by the market. It has sold 8,628 units since launch. The two generations of SM7 together account for 17,022 sales in South Korea, representing an 8.1% share of the S segment at end-2011.

QM5, launched in December 2007, is the first real crossover vehicle on the Korean market. Phase 2 was successfully brought to market in July 2011. It sold 7,618 units in 2011, taking a 3.5% share of its segment.

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

Renault Koleos is the first vehicle in the Renault range to be produced at this plant. It is exported to 40 countries worldwide (52,693 units in 2011). The new SM3 and SM5 are also exported under the Renault name (Fluence and Latitude). In 2011, RSM exported 37,467 SM3 and SM5 vehicles under the Renault brand name and 9,182 vehicles under the RSM brand name. Under its Alliance agreements, RSM continues to export SM3 under the Nissan brand name (38,396 units in 2011).

In 2011, RSM sold 246,959 vehicles, including 109,221 in its domestic market.

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

THE POWERTRAIN RANGE

Innovation in powertrain performance was showcased in 2011. In line with our strategy of being market leader for CO_2 emissions, 2011 saw the rollout of our new range of Energy engines.

Following the launch of the Energy dCi 130 and 2.0 Energy 150 engines, the Energy family welcomed two new combustion engines: the Energy TCe 115 gasoline engine and a completely overhauled 1.5 dCi engine christened Energy dCi 110.

What all these Energy engines have in common is that they drastically reduce consumption, CO_2 emissions and running costs while offering driving pleasure and all-round high quality. The new generation engines have been downsized – with the addition of the Stop&Start system and energy recovery on braking – and incorporate an unrivaled level of technology for engines of this size.

Renault Laguna emits 118g with the 2.0 Energy dCi 130 and 150 engines

- Performance: 118g of CO_2 and 4.4 l/100km (130 and 150hp), a saving of 18g (12%).
- Among the best in the D segment.
- Unchanged spirit: power and torque total 96-110 kW (130-150hp) and 320-340Nm respectively. Detailed development work has led to improved response times, further highlighting the vehicle's brisk driving performance.
- New technology: Stop&Start with energy recovery on decelerating/braking, variable displacement oil pump, thermal management system and cooled EGR.
- Reduced friction.
- Improved acoustics: even quieter than the old engines they replace.

The new Energy TCe 115 gasoline engine

The new Energy TCe 115 engine was unveiled at the Frankfurt Motor Show. With a capacity of 1.2 l, it delivers 115hp, equating to around 100hp/liter. This is an unrivaled level of power for a 1.2 l gasoline engine (the capacity-to-power ratio is equivalent to that of Clio RS).

It generates maximum torque of 190Nm (a 40Nm increase), available from 2,000 to 4,000rpm and 90% available from 1,500rpm. It also comes with a latest generation turbo, direct injection with variable distribution and double camshaft angle variator.

Its all-aluminum engine block is 10 kg lighter than its predecessor. It also includes a string of technologies such as Stop&Start, energy recovery on braking and reduced friction (variable displacement oil pump and thermal management system).

It also comes with a lifetime warranty on its timing chain, leading to reduced running costs. It will gradually replace the 1.6 l 110hp 16v engine (Mégane range) from early 2012 onwards.

The new generation "Energy" dCi 110

This "overhauled" new version will gradually be introduced into the Group's models, starting with the Mégane family before subsequently being rolled out more widely. The Energy dCi 110 incorporates technology found in its big brother, the Energy dCi 130 (low pressure EGR, variable displacement oil pump, thermal management system and Stop&Start system with energy recovery on braking).

It also has a reverse rotation turbo to boost torque at low engine speeds. The route followed by incoming air has been simplified, improving the output of the turbo and thus boosting performance without increasing fuel consumption. It also incorporates injection nozzles with individualized spray cone angle: this more accurate method of injecting fuel significantly improves combustion (leading to 15% less unburned fuel), directly benefiting both consumption and CO_2 emissions. Individualized spray cone angle technology offsets the natural nozzle decentering found in eight-valve engines (arising from a dissymmetry between intake and exhaust valves). Fuel is injected by seven-hole piezo-electric injectors.

Renault Sport 2.0 turbo engine: delivering even better performance

The Renault Sport 2.0 engine (F4Rt RS type) found in the Mégane RS now offers even greater driveability and flexibility. The air intake has been redesigned to cater for high pressures and temperatures. The supercharging pressure has been increased by 0.2 bars to 2.5 bars, while power has been boosted to 265 horsepower (an increase of 15hp), available across a very wide range of engine speeds (3,000-5,000rpm).

It offers a power-to-weight ratio of 5.09 kg/hp, and a specific power output of 132.5hp/l.

This new, four-cylinder turbocharged Renault Sport 2.0 turbo engine, with its 1,998 cm^3 capacity, set a new record of 8 minutes 8 seconds at the Nurburgring (Germany).

This year, Renault is tightening the eligibility criteria for cars carrying its eco^2 label: from now on, vehicles will only be labeled Renault eco^2 if they emit less than 120g of CO_2 per kilometer and the amount of recycled plastic they contain exceeds 7% of their total plastic by weight.

Electric vehicles: a reality

Fluence Z.E. and Kangoo Z.E. were both launched in 2011. With power ratings of 70 kW (equivalent to 95hp) and 44 kW (60hp) respectively, their synchronous wound rotor electric motors immediately deliver maximum torque of 226Nm. The immediate availability of this maximum torque guarantees increased safety and pleasure every time you accelerate.

Both acceleration and response are sharp, even at low engine speeds… and with no exhaust gas.

The gearbox is replaced by a speed reduction unit that makes for a smooth, jolt-free ride.

MAIN MANUFACTURING SITES

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

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

Based on a standard figure of 3,760 hours*, production capacity utilization rates in 2011 were 87% globally and 64% in Europe.

In 2011, the bulk of production for the three brands making up the Renault group, for both PCs+LCVs and powertrain sub-systems, was mainly delivered by the following plants.

* *Harbour standard: one year's production based on two eight-hour shifts a day, five days a week, for 47 weeks a year.*

MAIN MANUFACTURING SITES BY BRAND – 2011 PRODUCTION (UNITS) ✦

2011	SITES	PRODUCTION *(IN UNITS)*	VEHICLES OR COMPONENTS
RENAULT BRAND			
Renault sites			
France	Flins	147,969	Clio III Phase 2
	Douai	177,030	Mégane III (coupé-cabriolet), Scénic III (5- and 7-seater)
	Sandouville	64,916	Laguna III (hatch, Estate, coupé), Espace IV
	Maubeuge	146,922	Kangoo Z.E., Kangoo III (1)
	Batilly	106,509	Master Z.E., Master III (2)
	Dieppe	2,876	Clio III Renault Sport
	Cléon	1,295,361	Engines, transmissions
	Le Mans/Villeurbanne	2,334,848	Front/rear axles
	Choisy-le-Roi	115,710	Renovation of engines, transmissions, injection pumps and sub-assemblies; end cashing machining.
	Grand-Couronne	N/A	Shipment of CKD kits
Spain	Palencia	239,759	Mégane III, Mégane Renault Sport
	Valladolid	97,794	Twizy, Clio III, Modus
		1,158,155	Engines
	Seville	1,020,081	Transmissions
Portugal	Cacia	506,558	Transmissions, mechanical components
Slovenia	Novo Mesto	174,118	Clio II Phase 4, Twingo II, Wind
Russia	Avtoframos	140,992	Duster, Mégane, Fluence, Logan (Renault)
Turkey	Bursa	313,299	Fluence, Mégane, Clio III, Clio III sedan
		553,627	Engines, transmissions
Morocco	Casablanca	56,872	Logan, Kangoo
Argentina	Cordoba	110,041	Thalia, Clio II, Clio II sedan, Kangoo, Kangoo Express, Fluence
Brazil	Curitiba	210,529	Duster, Mégane II (hatch/sedan), Logan (Renault)
		335,813	Engines
Colombia	Envigado	50,156	Duster, Twingo, Clio II (hatch/sedan), Logan (Renault) (3)
Chile	Los Andes	345,047	Transmissions, mechanical components
Iran	Teheran	93,856	Mégane II, Logan (Renault) (4)
		161,718	Front/rear axles
India	Chennai	2,252	Fluence, Koleos
Nissan sites			
Spain	Barcelona	70,043	Trafic II (5)
South Africa	Pretoria	21,348	Sandero
Site General Motors Europe			
UK	Luton	68,431	Trafic II
DACIA BRAND			
Romania	Pitesti	327,730	Duster, Logan, Logan van, Logan station wagon, Sandero
		1,721,918	Engines, gearboxes, transmissions
RENAULT SAMSUNG BRAND			
South Korea	Busan	244,151	SM3 (Fluence), SM5 (Latitude), SM7, QM5 (Koleos)
		172,636	Engines

(1) The Maubeuge site also builds Kangoo vehicles for Nissan, which are sold under the name Kubistar, a Nissan brand.
(2) Batilly also manufactures Master for General Motors Europe and Nissan. These vehicles are sold under the name Movano for the Opel and Vauxhall brands, and Interstar for the Nissan brand.
(3) Dacia-badged Logan.
(4) In partnership with Iranian companies Pars Khodro and Iran Khodro.
(5) Nissan's Barcelona plant also manufactures compact vans marketed under the names Primastar and Vivaro by Nissan and Opel respectively.

✦ Global Reporting Initiative (GRI) Directives

RENAULT'S EUROPEAN DISTRIBUTION NETWORK

Organization of the Renault network

The Renault group distributes vehicles under its brands through both primary and secondary distribution networks.

The primary network is contractually tied to Renault and comprises:

- dealers who can sell and service Renault vehicles;
- branches belonging to the Renault group's distribution business, "Renault Retail Group".

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

	2010		2011	
NUMBER OF SITES	WORLD	O/W EUROPE	WORLD	O/W EUROPE
Primary network	4,805	2,822	5,202	3,060
O/w RRG dealers	*224*	*188*	*221*	*186*
Secondary network	7,553	7,308	8,132	7,820
TOTAL RENAULT SITES	**12,358**	**10,130**	**13,334**	**10,880**

The main changes in the Renault group's dealer network are as follows:

- the development of strong capillary networks in growth markets, mainly outside Europe;
- adjustments to cater for the sale of new vehicles, including in particular the electric vehicle range;
- the strengthening of the various brand identities, including in particular increased differentiation between the Dacia and Renault brands.

Renault Retail Group (RRG)

This wholly-owned subsidiary of Renault s.a.s. is the Group's biggest subsidiary by revenues (nearly €8 billion in 2011) and workforce (with 11,808 employees at December 31, 2011).

RENAULT RETAIL GROUP FIGURES TO END-DECEMBER 2011	TOTAL FOR 12 EUROPEAN COUNTRIES	O/W FRANCE
New vehicles *(units)*	302,876	185,689
Used vehicles *(units)*	159,563	111,736
New and used vehicles *(units)*	462,439	297,425
Revenues* *(€ million)*	7,946	4,999

* *From RRG management statements.*

RRG has more than 210 sales and services outlets in 12 European countries: Austria, Belgium, Czech Republic, France, Germany, Italy, Luxembourg, Poland, Portugal, Spain, Switzerland and the UK.

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

In 2011, RRG sold more than 35% of the new vehicles marketed by Renault in France, and accounted for more than 17.5% of new vehicles in the other 11 European countries in which RRG operates.

At the same time, RRG manages its commercial presence, primarily in major cities (strategic urban areas). It always seeks to deliver the highest standards in service quality and to build its image. The business has mapped out a strategy to achieve these aims. This strategy is based around three themes, broken down into concrete actions on the ground aimed at achieving volume and profitability targets in line with Renault 2016 – *Drive The Change.*

In 2011, RRG continued to concentrate on deploying the Renault group's trade names, including in particular Renault Pro+ centers, Renault Sport corners and dedicated Dacia showrooms. With its city center locations, RRG is ideally placed to launch the Z.E. range. All RRG dealerships are Z.E.-compatible, and more than 80% have Z.E. experts (sales, maintenance and repairs).

The Dacia network

	2010		2011	
NUMBER OF DACIA SITES	WORLD	O/W EUROPE	WORLD	O/W EUROPE
Primary network	1,858	1,540	1,877	1,523

Dacia-badged vehicles have been marketed since 2005 through distribution networks that are organized around existing Renault networks while keeping the two brands separate. The network continues to develop, with a stronger identity for Dacia and an expanded Dacia-specific sales force.

Development of Renault Pro+ brands

A business customer's car is a professional tool. That being the case, the network that services and repairs it has to deliver a very high standard of service.

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

In a business-oriented environment, Renault Pro+ provides a tailor-made service with five key components:

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

In 2009, 66 Renault Pro+ sites were set up in 14 countries, and 2010 saw international development accelerate across Europe, Euromed and the Americas, with 212 sites operating in 18 countries.

In 2011, almost 120 new sites were opened, bringing the total to 330 sites in 23 countries. The aim is to achieve a network of 400 Renault Pro+ sites for Renault's business customers by 2012.

CASH MANAGEMENT IN AUTOMOTIVE

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

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

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

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

For the eurozone, cash is centralized through a Renault SA IT platform that manages all subsidiaries' euro-denominated transactions and interfaces with the automotive sector's banks. Renault Finance is also involved in cash management arrangements covering foreign currency payments made by French and European subsidiaries.

Outside the eurozone, the cash flows of certain subsidiaries are accounted for centrally in Renault Finance's accounts.

Renault Finance

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

Aside from financial market transactions, Renault Finance has been offering a number of services since 2008, including commercial and financial foreign currency payments for Renault and Nissan and a foreign currency cash pooling service for a number of Renault entities (Czech Republic, Denmark, Hungary, Sweden, Switzerland and the UK). Other foreign currency cash pooling services are currently being developed.

At end-December 2011, parent company net income was €44.6 million (compared with €44.3 million at end-December 2010), and total parent company assets amounted to €7,709 million (compared with €9,312 million at end-December 2010).

1.1.4.2 SALES FINANCING

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

The RCI Banque group operates in 38 countries:

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

At December 31, 2011, the RCI Banque group had total assets of €27,105 million.

The Group employed an average of 2,671 people in the year, with 45% of these in France.

In the western European countries in which the RCI Banque group operates, sales financing accounted for 33.6% of new vehicle sales under the Renault and Nissan brands in 2011. In its capacity as a brand financing entity, the Group is tasked with offering a complete range of credit and service solutions:

- customer activity (consumers and professionals):
  - credit for new and used vehicles,
  - leasing with purchase option,
  - hire purchase,
  - long-term rental,
  - associated services, such as maintenance and warranty extension, insurance and assistance, fleet management and credit cards;
- network activities:
  - financing inventories of new and used vehicles and spare parts, and funding dealers' long-term financing operations,
  - managing and controlling risk,
  - securing the network's future by standardizing and regularly monitoring financial procedures,
  - acting as the network's financial partner

1.1.4.3 ASSOCIATED COMPANIES, PARTNERS AND COLLABORATIVE PROJECTS ✦

Renault has three major shareholdings in associated companies.

NISSAN

Renault's shareholding in Nissan is described in detail in chapter 1.2 on the Renault-Nissan Alliance.

Nissan's market capitalization at December 31, 2011 was ¥3,128 billion, based on a closing price of ¥692 per share.

Renault holds 43.4% of Nissan's share capital. At December 31, 2011 the market value of the shares held by Renault totaled €13,550 million.

Renault accounts for its shareholding in Nissan using the equity method, as described in chapter 4, note 14 of the notes to the consolidated financial statements.

AB VOLVO

After selling its nearly 303 million "B" shares in Volvo in October 2010 and retaining its 138,604,945 "A" shares representing 6.5% of share capital and 17.1% of voting rights (6.8% of interest and 17.7% of voting rights after taking into account Volvo's treasury shares), Renault remains the main shareholder of Europe's premier and one of the world's largest manufacturers of heavy-duty trucks. Renault continues to be represented by a director on Volvo's Board.

In the commercial vehicles sector, the Volvo Group owns the Volvo, Renault Trucks, Mack and UD brands, and two joint ventures in India and China (with Eicher and Dongfeng respectively). The Group is also active in the construction equipment, coach and bus, engines and drive systems for boats, aerospace and financial services sectors. The Volvo Group manufactures its products in 20 countries and sells them on 190 markets. The Group's headcount totals around 100,000 people.

Its range of commercial models stretches from light-duty to heavy-duty trucks, sold through a broad network covering more than 130 countries throughout the world.

2011 was a record year for the Volvo Group in terms of sales, operating income and operating margin. Worldwide deliveries of trucks (238,391 units, compared with 179,989 in 2010) increased significantly in three regions: +45% on 2010 in Europe (with a 26% market share), +75% in North America (nearly 20% market share in the US) and +36% in South America (17.1% market share in Brazil).

The Board of Directors will submit the payment of a 2011 dividend of SEK 3.00 per share for approval by shareholders at the next Annual General Meeting, due to be held on April 4, 2012.

In 2011, Volvo contributed €136 million to Renault's results, compared with €214 million in 2010, the year during which Renault sold its "B" shares (see chapter 4, note 15-A of the notes to the consolidated financial statements).

Based on the share price of SEK 75.95 per "A" share at December 31, 2011, Renault's holding in Volvo AB is valued at €1,181 million. Volvo's market capitalization at the same date was €18,058 million.

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

AB VOLVO	2011		2010 PUBLISHED	
(millions)	SEK	EUR	SEK	EUR
Net revenues	310,367	34,380*	264,749	27,730
Operating profit	26,899	2,979*	18,000	1,884
Net profit	18,115	2,006*	11,212	1,174
Dividend per share in SEK	2.50	In respect of 2010	0	In respect of 2009
Closing price of Volvo "A" shares on December 31, 2011	75.95	8.52**	115	12.82

* *EUR 1 = SEK 9.03 (average 2011 rate).*
** *EUR 1 = SEK 8.91 (at December 31, 2011).*

AVTOVAZ

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

Pursuant to the restructuring and recapitalization agreement entered into by AVTOVAZ's shareholders in July 2010, Renault injected an additional €109 million of equity into AVTOVAZ in 2011, with no impact on its percentage shareholding. Renault's entire contribution was allocated to funding technical assistance provided by Renault and property, plant and equipment acquired in connection with the B0 platform (Logan). This platform will be shared between AVTOVAZ, Renault and Nissan and has formed part of a huge transformation project at the Togliatti plant, including the installation of a new production line with a capacity of 350,000 vehicles a year. Production is slated to start in the first half of 2012.

This transformation work will continue in 2012 with Renault and AVTOVAZ's commitment to renew the range through ambitious product plans, including the creation of new ranges of vehicles tailored to the needs of the Russian market.

The AVTOVAZ product offensive kicked off at the end of 2011 with the launch of Lada Granta, which aims to replace Lada Classic in the low cost vehicle segment. This launch will be followed in the first half of 2012 by that of Lada Largus, based on Logan MCV, on the new production line that will use the B0 platform.

At the end of October 2011, AVTOVAZ announced that it had acquired 100% of the share capital of OAG, which bought the assets of Russian vehicle manufacturer IzhAvto in the second half of the year. This new plant, whose production capacity will be boosted to 350,000 vehicles a year, will provide AVTOVAZ with additional production capacity catering both for Lada vehicles (initially Lada Granta) and for Renault and Nissan vehicles.

Renault will also help AVTOVAZ to create new capacity to produce engines and transmissions for the Renault-Nissan Alliance, initially consisting of engine production capacity of 450,000 units a year at the Togliatti plant from 2014 onwards.

The partnerships between Renault, AVTOVAZ and Nissan are intended to cover the main segments in the Russian automotive market, with a target of achieving a market share of 40% by 2016.

Renault accounts for its shareholding in AVTOVAZ using the equity method, as described in chapter 4, note 15-B of the notes to the consolidated financial statements.

PARTNERSHIPS AND COLLABORATIVE PROJECTS

Strategic cooperation between the Renault-Nissan Alliance and Daimler AG

On April 7, 2010 the Renault-Nissan Alliance and Daimler announced a strategic cooperation agreement focusing primarily on:

- future generations of Smart fortwo and Renault Twingo, including electric versions, as well as extensions to the Smart and Twingo product families;
- the pooling of powertrains;
- joint development of future projects in the field of passenger cars and LCVs;
- cooperation in the field of electric vehicles.

This strategic cooperation has been strengthened by cross-shareholdings, with Daimler taking a 3.1% share in Renault and Nissan capital and Renault and Nissan each taking a 1.55% share in Daimler.

Cooperation is a means to share project outlay, to access best technologies, to ensure better use of assets (*eg* by building Smart or Mercedes-Benz vehicles in Renault plants) and to generate economies of scale through volume.

The agreement is supervised by a Cooperation Committee representing the parties. Co-chaired by Carlos Ghosn and Dieter Zetsche, the committee is made up of senior executives from the Alliance, Renault, Nissan and Daimler. It met 17 times between April 2010 and December 2011.

The development of Smart and Twingo vehicles is now in the active phase, underpinned by a specific development agreement. The replacement for the existing Smart fortwo, the new 4-seater Smart model and the future Renault Twingo will have strongly differentiated design features reflecting the character of each brand. One of the main characteristics of the new joint architecture is the drive concept based on existing Smart vehicles. The roll-out of these jointly developed models is scheduled to start in 2014. The Smart plant in Hambach (France) will build the two-seater version, while the Renault site in Novo Mesto (Slovenia) will build the four-seater version. Electric versions of these vehicles will also be available from market launch.

At the same time, the adaptation of three-cylinder petrol and four-cylinder diesel engines, along with the associated gearboxes, developed by the Renault-Nissan Alliance for the needs of Daimler, is currently under way. The first market roll-outs are scheduled for end-2012.

Through specific agreements, Renault and Daimler have also confirmed their cooperation in the field of light commercial vehicles. From 2012, Mercedes-Benz Vans will expand its range of light commercial vehicles with the launch of a new entry-level model based on the existing Kangoo. The technology for this LCV will be provided by Renault. The vehicle will be built in the Renault Maubeuge plant (France).

New areas of cooperation should pave the way for further projects.

At the same time, the Renault-Nissan Alliance and Daimler will continue to study opportunities in areas such as joint purchasing, exchanging benchmarks and best practices.

For more details, see the paragraph on 'Strategic cooperation with Daimler' in chapter 1.2.2.2.

Supplier relations and support

To maintain and enhance its competitive edge, Renault continues to pursue its optimized purchasing policy. It has also worked closely with suppliers to step up efforts in terms of profitability and quality.

Renault has formalized its supplier relations in a joint Charter with Nissan, the Renault-Nissan Purchasing Way. The Charter is based on two key principles:

- achieving a high level of performance in quality, costs and delivery times, following clear processes that are deployed globally;
- sharing the Alliance's values of trust, respect and transparency.

Renault takes a long-term view of supplier relations and pursues a worldwide policy of active support in the following areas:

- product development: Renault works in close cooperation with its suppliers at the very start of projects, with the aim of meeting price and quality targets and cutting development times;
- quality: In its work with suppliers, Renault calls upon almost a hundred quality experts, more than half of whom are outside France. These experts aim to boost quality by implementing strict tools and processes from the very start of each project, during service life, and for after-sales parts;
- competitiveness: Renault assigns experts to supplier development, to boost the competitiveness of both suppliers and their own supply chains;
- logistics: Renault is rolling out Evalog – a tool designed to improve logistics performance – to suppliers;
- innovation: Renault is sharing its strategic priorities and putting in place joint innovation agreements with its most innovative suppliers. These agreements clearly set out desired targets, cost breakdowns, ownership rights, exclusivity periods, etc. The very highest levels of company management are directly involved in these initiatives;
- corporate social responsibility (CSR): Renault and Nissan have formally set out their recommendations in a joint Charter for all Alliance suppliers. Renault is calling on dozens of quality experts to assess its suppliers' social and environmental practices and engage suppliers in an improvement process. With this in mind, supplier CSR ratings have been incorporated into the sourcing process used by Renault-Nissan Purchasing Organization (RNPO) (see chapter 1.5.2.1 on CSR risk).

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

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

Finally, as part of efforts to strengthen supplier relations, in 2011 Renault and Nissan initiated a joint process for selecting preferred partners, known as Alliance Growth Partners (AGP). These partners have demonstrated their competitiveness and their ability to support innovations and developments introduced by the two partners in the Alliance.

Light commercial vehicles

In light commercial vehicles, Renault and General Motors signed a framework agreement in 1996 that included a commitment to work together. The aim was for the two manufacturers to increase their market presence in Europe and share development.

In compact vans, Renault Trafic and Opel/Vauxhall (GM) Vivaro have been produced at the GM Europe plant in Luton (UK) since 2001 and the Nissan plant in Barcelona (Spain) since 2002. Phase 3 models were launched in 2010. In March 2011, Renault and Opel/Vauxhall announced the locations of production sites for the next generation of Vivaro and Trafic. Opel/Vauxhall confirmed that the next generation Vivaro will be built in Luton. Renault will build the next generation Trafic as well as the upcoming high roof (H2) version of the Opel Vivaro at its Sandouville site. Production is expected to begin at the end of 2013.

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

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

Trafic and new Master are also distributed by the Renault Trucks network under the terms of sales agreements entered into in 2009. These agreements are the continuation of agreements covering the distribution by Renault Trucks (AB Volvo Group) of Mascott and the previous generation of Master.

Picking up the pace of international expansion

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

In Russia, alongside the partnership with AVTOVAZ, Renault has continued its partnership with Moscow City Hall. After doubling production capacity at the Moscow plant to more than 160,000 vehicles a year in 2010, Renault switched to a working pattern of three shifts a day, enabling it to hold onto its position as one of the top three foreign brands. It owes its record 5.8% penetration to the success of Logan and Sandero and the increasing popularity of Fluence and Mégane.

In India:

- in Chennai, the Alliance built its first joint production site as part of a joint venture (JV RNAIPL). Production of Nissan Micra started in 2010 and Renault started production of Fluence and Koleos in 2011; three more vehicles aimed at the Indian market will be launched in 2012;
- in the same region, RNTBCI, a joint venture between Renault and Nissan, has been providing engineering services for Information Systems and Accounting departments since 2008;
- Renault changed the structure of its industrial and commercial partnership with Mahindra & Mahindra in August 2010 by selling its share in the MRPL joint venture to its partner. Renault also granted a license to Mahindra & Mahindra to produce and sell Logan in India under its own brand. The vehicle was restyled in 2011 and is now sold under the “Verito” name.

In Iran, the framework agreement on the Logan project, entered into in October 2003 between Renault and IDRO (Industrial Development and Renovation Organization – a holding company controlled by the Iranian Ministry for Industry and Mining), prepares the way for the Renault brand to be reintroduced in Iran, based initially on the 90 family and the 90 platform (Logan). The plan is for each of the two main Iranian manufacturers (Iran Khodro and SAIPA/Pars Khodro) to assemble and distribute L90s. Installed capacity is 240,000 vehicles a year, split equally between the two manufacturers. The Renault Pars joint venture established in May 2004, which is owned 51% by Renault and 49% by AIDCo (SAIPA 74% and Iran Khodro 26%), is managing the entire industrial project. The specific roles assigned to Renault Pars mainly cover purchasing, engineering, processes, quality procedures and sales coordination. The partners covered the investments and expenses incurred prior to the launch of the first vehicle through a new equity offering. More than 230,000 Tondar (the local name for Logan) vehicles have been built since production began in March 2007, with 83,000 of these built in 2011. At the same time, with the ramp-up in production since 2008, more than 22,000 Mégane vehicles have been assembled in partnership with Pars Khodro, with more than 10,000 of these built in 2011.

In South Africa, following a cooperation agreement entered into in May 2007, the Alliance invested ZAR 1 billion (€88 million) in the local assembly of vehicles from the Logan range (Pick-up and Sandero) at the Nissan plant in Rosslyn, starting in 2009. The pick-up is assembled by Nissan and sold under its own brand name. Sandero, which is also assembled by Nissan, is marketed by the Renault South Africa subsidiary, which has sold almost 24,000 units since production of this vehicle started.

In Morocco, 2011 saw the final phase in the construction and development of the Renault-Nissan Allliance plant in Tangiers. In the first instance, the plant will assemble 200,000 vehicles/year. The facilities have now been assembled and adjusted and the first waves of prototypes produced in line with the initial schedule.

On February 9 2012, King Mohammed VI opened the plant in the presence of Carlos Ghosn, Chairman and CEO of Renault and Nissan. The plant will start by producing two new entry-level models: the Lodgy family car and a small LCV, also available in a passenger car version. This site will make it possible to increase volumes and to expand the M0 range offering, alongside the models built in the Pitesti (Romania) and Somaca (Casablanca, Morocco) plants.

This new Renault-Nissan plant in Tangiers will represent an investment of €1 billion in the long term.

In the first half of 2011, work began on the second tranche, which will have the same capacity as the first.

The environment

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

Renault Environnement set up a joint venture with SITA Recyclage, a subsidiary of Suez Environnement, which aims to develop the recycling of ELVs (end of life vehicles) and the marketing of re-used materials and parts.

Through its subsidiary GAIA and its equity investment in BCM, Renault Environnement recovers automotive parts (production scrap and end-of-line parts) and metallic waste from Group sites.

Renault Environnement is a shareholder in Key Driving Competences, which aims to develop eco-driving activities across Europe in order to improve driving behaviors (reduced consumption and increased range for electric vehicles).

1.1.5 MANAGEMENT BODIES AT MARCH 1, 2012 ✦

STRENGTHENING OPERATIONAL MANAGEMENT

At the proposal of the Appointments and Governance Committee, Carlos Ghosn, Renault's Chairman and Chief Executive Officer, appointed Carlos Tavares as Renault's Chief Operating Officer on May 30, 2011. Mr Tavares took up his responsibilities in full on July 1, 2011.

Carlos Tavares will continue to develop the Group in line with the Renault 2016 – Drive the Change plan, with the emphasis on permanently improving competitiveness and developing the Group's French sites.

Carlos Ghosn has direct responsibility for strategic decisions, together with oversight of financial and legal matters, public affairs, human resources, audit, risk and organizational issues.

Renault's senior management bodies consist of two committees:

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

1.1.5.1 GROUP EXECUTIVE COMMITTEE

The Group Executive Committee has ten members:

- the Chairman and CEO;
- the Chief Operating Officer;
- the Executive Vice-President, Office of the CEO;
- the Executive Vice-President, Engineering and Quality;
- the Executive Vice-President, Human Resources;
- the Executive Vice-President, Sales and Marketing, and light commercial vehicles;
- the Executive Vice-President, Plan, Product Planning and Programs;
- the Executive Vice-President, Manufacturing and Supply Chain;
- the Executive Vice-President, Chief Financial Officer;
- the Executive Vice-President, Chairman of the Asia-Africa Region.

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

1.1.5.2 RENAULT MANAGEMENT COMMITTEE

The Renault Management Committee comprises 24 members and includes the members of the Group Executive Committee.

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

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

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

1.1.5.3 ORGANIZATION CHART AT MARCH 1, 2012

- ■ **Carlos Ghosn:** Chairman and CEO
  - ■ **Marie-Françoise Damesin:** EVP, Human Resources
  - **Christian Mardrus:** SVP, Alliance CEO Office
  - ■ **Mouna Sepehri:** EVP, CEO Office
  - ■ **Carlos Tavares:** Chief Operating Officer
    - **Bruno Ancellin:** SVP, Managing Director Renault Russia; ♦ Chairman of Eurasia Region
    - **Denis Barbier:** SVP, ♦ Chairman of Americas Region
    - ■ **Odile Desforges[(1)]:** EVP, Engineering and Quality
      - **Christian Deleplace:** Expert Fellow
      - **Nadine Leclair:** SVP, Vehicle Engineering
      - **Jacques Prost:** SVP, Powertrain Engineering
      - **J. Pierre Vallaude:** SVP, Quality
    - ■ **Philippe Klein:** EVP, Corporate Planning, Product Planning and Programs
    - **J. Christophe Kugler:** SVP, ♦ Chairman of Euromed Region
      - **Michel Faivre-Duboz:** General Manager of Renault in Morocco
    - ■ **Gérard Leclercq:** EVP, Manufacturing and Supply Chain
    - ■ **Katsumi Nakamura[(2)]:** EVP, ♦ Chairman of Asia-Africa Region
    - **Stephen Norman:** SVP, Global Marketing and Communications
    - ■ **Jérôme Stoll:** EVP, Sales, Marketing and LCV, ♦ Chairman of Europe Region
      - **Bernard Cambier:** SVP, Market Area France
      - **Jacques Daniel:** SVP, Parts and Accessories
    - **Laurens Van Den Acker:** SVP, Corporate Design
    - **Christian Vandenhende:** SVP, Purchasing Renault, Alliance Global Purchasing, and CEO RNPO
  - ■ **Dominique Thormann:** EVP, Chief Financial Officer; CEO RCI Banque

■ Member of the Group Executive Committee (CEG)

♦ Chairman of Region

(1) As of July 1, 2012, Odile Desforges will be replaced by Jean-Michel Billig, who will be member of the Group Executive Committee.

(2) As of April 1, 2012, Gilles Normand will replace Katsumi Nakamura and will be member of the Renault Management Commitee. Katsumi Nakamura is appointed EVP, Head of China Business Operations and member of the Renault Management Committee. As of the same date, Africa will be part of Euromed Region.

1.1.6 MAIN SUBSIDIARIES AND ORGANIZATION CHART

1.1.6.1 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).

2010 revenues: 33,494 million (local data to Group standards, external format).

Workforce at December 31, 2011: 36,795.

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.

2011 revenues: €5,052 million (local data to Group standards, external format).

Workforce at December 31, 2011: 8,711.

RENAULT DEUTSCHLAND

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

60% owned by Renault s.a.s.

Business: Renault and Nissan joint commercial organization in Germany.

2011 revenues: €2,444 million (local data to Group standards, external format).

Workforce at December 31, 2011: 475.

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.

2011 revenues: TRL 7,201 million (local data to Group standards, external format).

Workforce at December 31, 2011: 6,116.

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.

2011 revenues: ROL 13,075 million (local data to Group standards, external format).

Workforce at December 31, 2011: 13,684.

RENAULT ITALIA

Via Tiburtina 1159
Rome (Italy)

Wholly owned by Renault s.a.s.

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

2011 revenues: €1,646 million (local data to Group standards, external format).

Workforce at December 31, 2011: 301.

REVOZ

Belokranska Cesta 4
8000 Novo Mesto (Slovenia)

Wholly owned by Renault s.a.s.

Business: manufacture of vehicles.

Plant in Novo Mesto.

2011 revenues: €1,128 million (local data to Group standards, external format).

Workforce at December 31, 2011: 2,349.

RENAULT FINANCE

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

Wholly 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 (consolidated) at December 31, 2011: €7,709 million.

Workforce at December 31, 2011: 21.

RCI BANQUE

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

Wholly 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 2011: €10.1 billion.

Total assets (consolidated) at December 31, 2011: €27,105 million.

Workforce at December 31, 2011: 2,858.

RENAULT SAMSUNG MOTORS

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

80.10% owned by Renault Group b.v.

Business: manufacture and marketing of motor vehicles.

Plant in Busan.

2011 revenues: KRW 4,950 billion (local data to Group standards, external format).

Workforce at December 31, 2011: 5,677.

RENAULT UK

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

Wholly owned by Renault group.

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

2011 revenues: GBP 977 million (local data to Group standards, external format).

Workforce at December 31, 2011: 235.

RENAULT RETAIL GROUP (FRANCE)

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

Wholly owned by Renault s.a.s.

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

65 branches in France.

2011 revenues: €3,487 million (local data to Group standards, external format).

Workforce at December 31, 2011: 7,608.

AVTOFRAMOS

35, avenue Vorontsovskaia
109 147 Moscow (Russia)

94.10% owned by Renault group.

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

2011 revenues: RUB 61,641 million (local data to Group standards, external format).

Workforce at December 31, 2011: 4,887.

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

2011 revenues: BRL 7,431 million (local data to Group standards, external format).

Workforce at December 31, 2011: 5,943.

RENAULT ARGENTINA

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

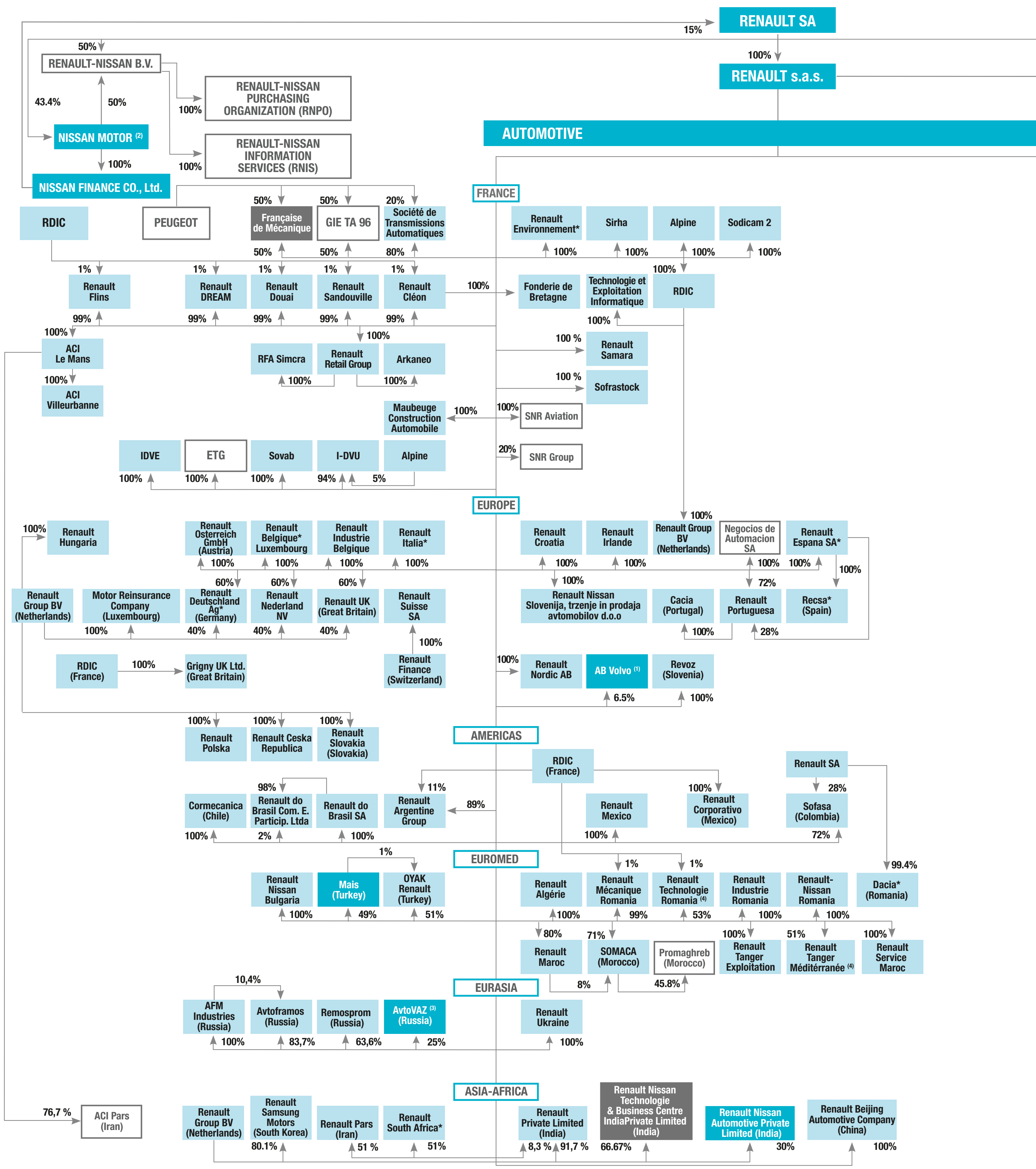
Wholly owned by Renault group.

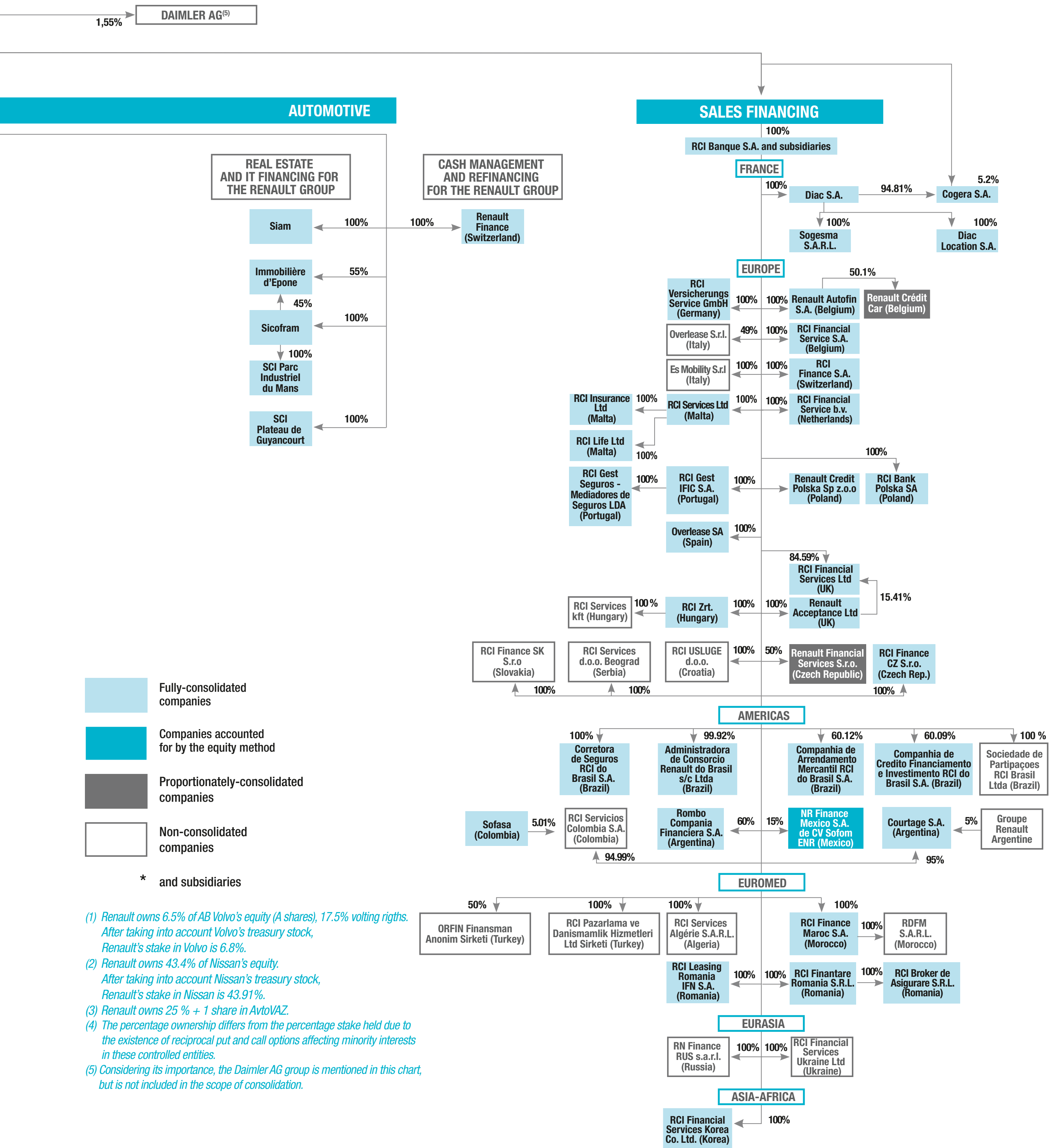
Business: manufacture and marketing of Renault vehicles.

2011 revenues: ARS 9,208 million (local data to Group standards, external format).

Workforce at December 31, 2011: 2,920.

1.1.6.2 DETAILED ORGANIZATION CHART OF THE GROUP





Fully-consolidated companies

Companies accounted for by the equity method

Proportionately-consolidated companies

Non-consolidated companies

* and subsidiaries

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

(2) Renault owns 43.4% of Nissan's equity. After taking into account Nissan's treasury stock, Renault's stake in Nissan is 43.91%.

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

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

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

1.2 THE RENAULT-NISSAN ALLIANCE

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

The main stages in the construction of the Alliance are described in chapter 1.2.2.1.

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

1.2.1 ALLIANCE OBJECTIVES

1.2.1.1 VISION – DESTINATION OF THE RENAULT-NISSAN ALLIANCE

TWELVE YEARS OF COOPERATION AND SYNERGY

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

In 2011, the Alliance sold a record 8.03 million units worldwide, up 10.3% from the previous year. The total figure includes sales from the Alliance's five major brands - Renault, Dacia, Renault Samsung, Nissan and Infiniti – as well as Russia's AVTOVAZ Lada.

ALLIANCE PRINCIPLES

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

OBJECTIVES

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

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

STRATEGIC MANAGEMENT

Renault and Nissan, headquartered in Boulogne-Billancourt, France and Yokohama, Japan, respectively, have separate management structures. The responsibility for managing their activities lies with their respective Executive Committees, which are answerable to 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 Renault and Nissan. The aim was to establish a common strategy and manage all synergies. Renault-Nissan b.v. (RNBV) hosts the Alliance Board, chaired by Carlos Ghosn, its Chairman and CEO.

1.2.1.2 RENAULT'S MAJOR BENEFITS FROM THE ALLIANCE

RESEARCH AND ADVANCED ENGINEERING

Thanks to the Alliance, Renault is able to share development costs for new technologies, including zero-emission vehicles, with partner Nissan. Today, the Alliance is the global automotive leader in sustainable mobility, having committed €4 billion in related projects, the only manufacturer to have invested as massively in this field. Without the Alliance, neither partner would have been able to develop and bring electric vehicles (EVs) to market as quickly as they have.

Pure electric vehicles

- The Alliance is the only manufacturer to have announced a full range of 100% electric vehicles. Eight different models will be produced in plants located in France, Japan, USA, UK, Spain and Turkey within the next few years for the global mass market.
- The Alliance's aim is to sell a cumulative 1.5 million EVs by 2016.

- The Alliance's first EV – Nissan LEAF – went on sale in late 2010. Nissan LEAF has won numerous international accolades, including "World and European Car of the Year 2011", as well as "Japan Car of the Year 2011-2012". The family hatchback sold more than 22,000 units in 2011, making it the world's best-selling EV ever.
- In October 2011, Renault EV launched the Kangoo Z.E., the first electric light commercial vehicle from the Alliance. Awarded "International Van of the Year 2012", Kangoo Z.E. won a bid for 15,000 units from a group of 19 French companies, including the French postal service. Renault Fluence Z.E., a luxury family sedan, went on sale in December.
- The Alliance is the only automaker offering three charging options: standard, quick and battery swap (on Renault Fluence Z.E. only).
- The Alliance's EVs are powered by industry-leading, compact lithium-ion batteries manufactured by AESC, Nissan's joint venture with NEC in Japan.

Fuel cell electric vehicles

The Alliance also focuses on fuel-cell research, which will power the second-generation of mass-market zero-emission vehicles.

- Nissan's pioneering X-Trail fuel cell vehicle has been undergoing 'real-world' testing for more than five years, with examples leased to government authorities in Japan;
- In June 2008, Renault unveiled the prototype Scénic ZEV H2, which is based on a Renault Grand Scénic and powered by a Nissan fuel cell stack.

Both vehicles have been used at environmental road shows and in real-world testing conditions with fleet and private users.

In October 2011, Nissan revealed its next-generation fuel cell stack which offers 2.5 times greater power density than its 2005 model. Its power density of 2.5 kW per liter makes it the "world's best" among automakers.

Under the new Nissan mid-term plan Nissan Green Program 2016 unveiled the same month, Nissan announced it would lead the development of an all-new FCEV with strategic partner Daimler, on behalf of the Alliance.

Since 2010 Renault has been studying an alternative electric vehicle concept with a hydrogen fuel cell-range extender in which the main power is provided by the Li-ion battery while a small fuel cell slowly recharges the battery while driving. The range extension depends on the quantity of stored hydrogen. Two prototypes of Kangoo Z.E. equipped with 5 to 10 kW fuel cells and 1 to 2kg of stored H2 are currently tested. The range extender is expected to double the range of the Kangoo Z.E. from 80-150 km to 150-300 km.

POWERTRAINS

The Renault-Nissan Alliance strives to maximize the number of platforms shared across multiple models whenever it makes sense from a cost and, significantly, from a branding perspective. In fact, 2011-2012 marked the Alliance's biggest passenger-car platform-sharing project yet with the launch of the Nissan Micra and Renault Pulse in India. The Alliance Powertrain Planning Office has been leading the effort to increase efficiency at the powertrain level since 2009.

This diversity needs to be met at the same time as having a consistent approach to powertrain development across both companies. The challenge is to make sure common needs are identified as early as possible and brought together to optimize powertrain R&D budget while still meeting the different needs of the individual brands and markets.

Three new powertrains labeled "Energy" financed by the Alliance and developed in 2011 will be fitted on both Renault and Nissan models to respond to tougher environmental regulations.

Energy dCi 130 (Diesel)

Launched in June 2010, this new 1.6l engine is based on a new engine family, R9. Besides being the most powerful 1.6l diesel with 130hp, it also reduces CO_2 emissions by 30 g/km, or -20%, compared to the previous 1.9l engine. This engine is featured on Renault Mégane, Scénic and Nissan Qashqai. The engine features unprecedented technologies at this range level, boasting a carefully-developed Stop&Start system combined with deceleration/regenerative braking, cold-loop, low-pressure exhaust gas recirculation (The Alliance is the first manufacturer to introduce this EGR technology in Europe) as well as a multi-injection system designed to optimize particle filter regeneration.

Energy dCi 110 (Diesel)

This engine is the new generation of the Alliance 1.5l dCi core-range offer, which will power Renault Mégane, Scénic and Nissan Qashqai. Compared to the previous generation, maximum torque has been increased to 260 Nm and is available from 1750 rpm. CO_2 emissions have been reduced to 90g/km, equivalent to a fuel consumption of just 3.5 l/100 km.

Energy TCe 115 (Gasoline)

This new four-cylinder 1.2l engine is based on the HR Alliance engine family and has outstanding performance and high fuel efficiency. It will be the core gasoline engine of Mégane and will also be introduced on Scénic and on future Nissan vehicles in Europe. This 115 hp engine will gradually replace the current 1.6 16v, 110hp (K4M). Compared to K4M, this new unit will deliver better performance despite a 25% reduction in engine displacement. The turbocharged direct injection unit delivers a peak torque of 190 Nm (40Nm above K4M) at 2000rpm, with 90% available from 1500rpm. With this new engine, Mégane will enjoy an improvement in fuel economy of 25%, or about 1.5 l/100km, compared to K4M. The new downsized turbo engine together with the Stop&Start system will reduce Mégane's CO_2 emissions by 40 g/km to just 119 g/km, i.e 5.3 l/100km.

Alliance manufacturing facilities support Renault and Nissan expansion worldwide

The Alliance continues to seek opportunities to utilize its global manufacturing facilities for the benefit of both partners. Today Renault and Nissan produce vehicles together in 6 countries around the world: India, Brazil, South Africa, South Korea, France and Spain.

The Chennai plant in India, inaugurated in 2010, is the first dedicated Alliance plant in the world and produces the new Nissan Micra, a sub-compact model, for global export as well as the Renault Koleos premium SUV, Renault Fluence luxury family sedan and the new compact Renault Pulse, all for the Indian market. In 2012, Renault plans to produce two more models at the plant – the Duster SUV and another sedan.

In February 2012, the Alliance announced the inauguration of a second Alliance plant in Tangier, Morocco. The plant will have an annual production capacity of 400,000 units. Production at the plant will begin with two new Entry models: the family car, Dacia Lodgy and a small van which will also be available in passenger car form. As the plant is an Alliance facility, it will also be available to Nissan projects in the future.

Renault's Curitiba plant in Brazil was the first plant to produce for both Renault and Nissan in 2001 (inauguration date of Ayrton Senna Complex). Today one of the three Curitiba plants produces Renault LCVs and the following Nissan models: Livina, Grand Livina, Livina X-Gear and Frontier.

In South Africa, the Alliance partners share Nissan's manufacturing plant in Rosslyn, Pretoria. In 2009, the plant began production of the Sandero, the first Renault product to be built in the country.

In South Korea, the Renault Samsung plant in Busan produces Nissan vehicles – such as SM3 - for export to Russia and other countries.

In Western Europe, Renault produces the Nissan's Prima Star light-commercial vehicle at its Batilly plant in France, while the Renault Trafic is produced at Nissan's Barcelona plant in Spain.

In Russia, Renault, Nissan and their Russian partner AVTOVAZ are planning a renewed range for expanding market coverage in Eurasia in 2012. Capacity investments have been made in their three plants in Russia: Moscow, Saint-Petersburg and Togliatti.

In 2009, the RNBV Alliance Industrial Sourcing operation was created to specifically identify the best Alliance plants for producing its vehicles in order to share existing plants and platforms to minimize costs and reduce the Total delivery Cost (TdC). The group also identifies business opportunities for one partner through cross-manufacturing by the other partner in a new market.

The cross-manufacturing of powertrains also keeps growing with the new 1.6-liter "Energy" diesel engine produced by the Alliance at Renault's Cléon plant in France in 2011.

Thanks to manufacturing of 1.5l diesel engine in the Alliance plant in Chennai, India, Nissan is able to offer a class-leading diesel model on Micra.

The 1.0l FlexFuel gasoline engine (D4D) manufactured in Brazil and used by Renault will also be used by Nissan Micra in Brazil.

Renault Samsung benefits from 1.6l and 2.0l gasoline engines and associated automatic transmissions manufactured in the Alliance facilities in Japan and Korea.

SALES & MARKETING

Joint media buying in Europe

Since 2009, Renault and Nissan have been using the same media purchasing agency in Europe – Omnicom-OMD. Omnicom-OMD handles media purchasing for Renault in 28 countries in greater Europe and in 24 countries for Nissan. The combined budget was approximately €640 million in 2011.

DIVERSITY

The Alliance partnered with the Women's Forum in France in 2011 for the fourth consecutive year (during the previous two years Renault supported the event on its own). The annual gathering of international leaders aims to level the playing field for women in industry, academia, politics and society.

Carlos Ghosn, Alliance Chairman and CEO, attended the event as he does every year and took part in debates, meetings and interviews covering a wide range of diversity related issues.

At the 2011 event, the Alliance announced that the Renault-Nissan Alliance's commitment to gender parity and multiculturalism is setting new standards for the global automotive industry.

Among the findings that Renault and Nissan released during the Women's Forum:

- Women comprise 17% of Renault's workforce, up from 10% in 1999 when the Renault-Nissan Alliance began;
- Three out Renault's 10-member executive committee are women - the highest percentage of women at the senior executive management level in the global automotive industry;
- Women hold 17% of Renault's managerial posts;
- At Nissan, women account for 11% of the total workforce;
- Globally, women comprise 10% of Nissan manager-level positions and higher, up from 7% in 2008;
- In Japan, women account for 6% of Nissan manager-level positions and higher, compared to an average of 3% for Japan's manufacturing sector at large, according to the Japan Ministry of Health, Labor and Welfare;
- Nissan aims to have women comprise 14% of management globally by 2017.

The Alliance also said that Yokohama, Japan-based Nissan already, has one of the most diverse teams at the corporate officer level in Japan and among global automakers. For example, the top 97 positions in Nissan include executives from 13 countries, and nearly half are foreign nationals. These 13 countries are Japan, France, Australia, Brazil, Canada, China, India, Italy, Netherlands, Spain, South Africa, United Kingdom and United States.

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 in 2008 along with the rest of the worldwide automotive sector.

At March 29, 2011, Renault's share price has risen 9.7% compared to March 29, 1999 (vs a negative 4% for the CAC 40 over the same period) and Nissan's share price has risen 50% (Nikkei a negative 41%).

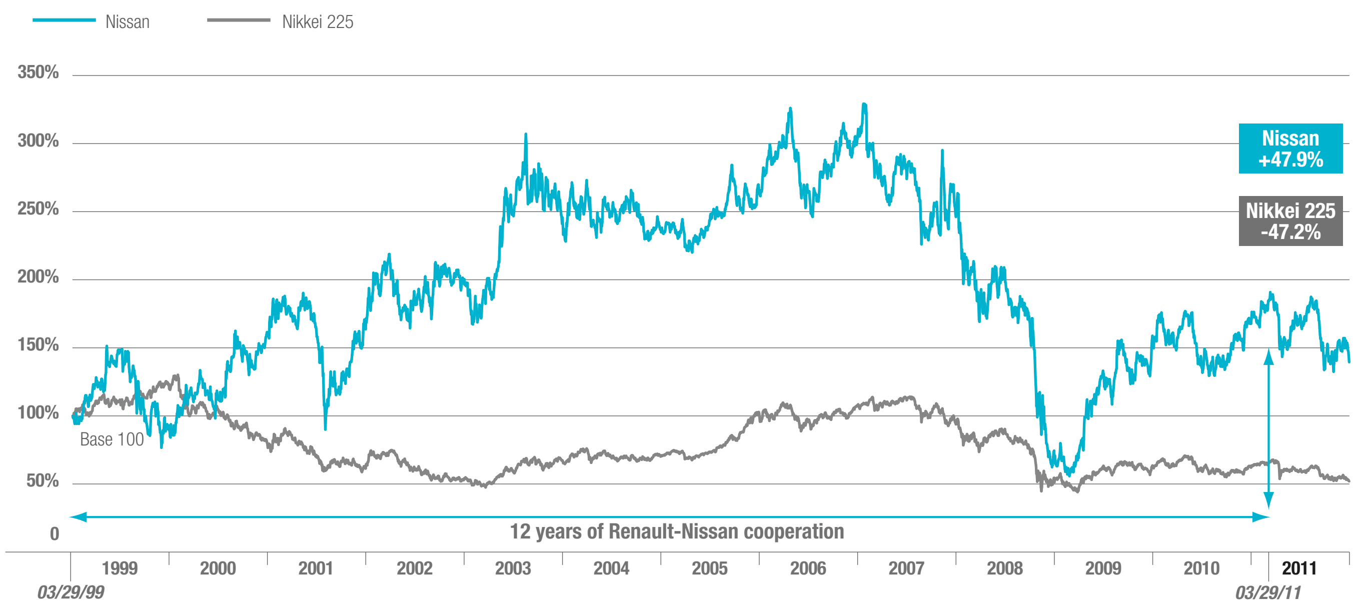
At December 30, 2011, Renault's share price has fallen 23% compared to March 29, 1999 (a negative 24% for the CAC 40 over the same period) and Nissan's share price has risen 48% (Nikkei a negative 47%). The resulting market capitalization for Renault was €7,925 million and for Nissan €31,321 million (€ = ¥99.57, closing Dec. 31, 2011).

In 2011 Renault and Nissan saw share prices fluctuate, as did all vehicle manufacturers, with a series of crises occurring during the year. The automotive sector and Japanese vehicle manufacturers in particular suffered the impact of the tsunami that hit the north-eastern coast of Japan in March. After the summer, Renault and the other European manufacturers suffered the effects of the financial crisis linked to sovereign debt and the fears of an economic downturn in Europe.

RENAULT SHARE PRICE FROM MARCH 29, 1999 TO END DECEMBER 2011

Source : Reuters.

NISSAN SHARE PRICE FROM MARCH 29, 1999 TO END DECEMBER 2011



Source : Reuters.

AUTOMAKERS MARKET CAPITALIZATION – MARCH 1999 VS DECEMBER 2011

(€ M)	MAR 29, 1999	RANKING		DEC 30, 2011
Toyota	96,736	1	Toyota	88,548
Daimler	81,541	2	VW	50,163
Ford	59,848	3	Honda	42,584
GM	52,518	4	Daimler	36,170
Honda	39,961	5	Hyundai	34,128
VW	22,159	6	BMW	33,102
BMW	16,277	7	Ford	31,498
Fiat	13,522	**8**	**Nissan**	**31,321**
Volvo (A+B)	10,439	9	GM	24,430
Nissan	**9,049**	**10**	Volvo (A+B)	18,058
Renault	**8,393**	**11**	**Renault**	**7,925**
Peugeot	6,615	12	Fiat	3,879
Hyundai	678	13	PSA	2,834

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 Renault-Nissan Alliance entered its second phase in 2002 aimed at strengthening the community of interests between Renault and Nissan. Renault increased its equity stake in Nissan on March 1, 2002, from 36.8% to 44.3% by exercising the warrants it had held since 1999. At the same time, Nissan took a stake in Renault through its wholly-owned subsidiary, Nissan Finance Co, Ltd., which acquired 15% of Renault through two reserved capital increases, on March 29 and May 28, 2002. By acquiring a stake in Renault, Nissan gained a direct interest in its partner's results, as was already the case for Renault with regards to Nissan. Nissan also obtained a second seat on Renault's Board of Directors.

During this phase, the two companies also established Renault-Nissan b.v. and the Alliance Board which was tasked with defining the Alliance's strategy and developing a joint long-term vision.

Since the signing of the Strategic Cooperation with Daimler in April 2010, Renault's stake in Nissan is now 43.4% while Nissan's stake in Renault remains unchanged at 15%.

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., and responsible for the strategic management of the Alliance.

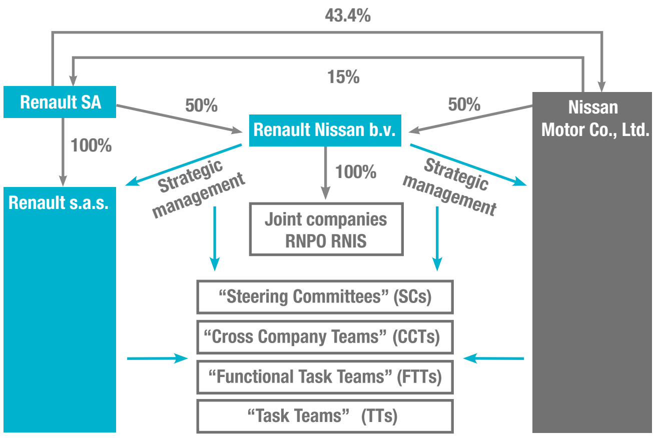
RNBV decides on medium- and long-term strategy, as described below under "Powers of Renault-Nissan b.v." It bolsters the management of the Renault-Nissan Alliance and coordinates joint activities at a global level, allowing for decisions to be made while respecting the autonomy of each partner and guaranteeing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

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

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

Examples include Renault-Nissan Purchasing Organization (RNPO), created in April 2001, and Renault-Nissan Information Services (RNIS), a common information systems company created in July 2002. RNPO was originally equally owned by Renault and Nissan until its shares were transferred to RNBV in June 2003.

ALLIANCE STRUCTURE



POWERS OF RENAULT-NISSAN B.V.

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

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

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

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 & SUSTAINABILITY: ZERO-EMISSION LEADERSHIP

See chapter 1.2.1.2 paragraph.

STRATEGIC COOPERATION WITH DAIMLER

The Alliance prioritizes economies of scale to help offset the costs of rapid expansion in high-growth markets, research and development costs associated with next-generation powertrains, and the imperative of reducing carbon emissions for global fleets. The most efficient way to increase sustainable profits and reduce exposure to individual risks is to provide customers worldwide with a full range of products from ultra-low-cost cars to sedans, commercial vehicles, sports cars, as well as luxury cars.

With that in mind, the Alliance announced a strategic co-operation with Daimler in April 2010 to develop a stable, long-term relationship enabling each party to generate economies of scale, to share new investments and existing production capacities, and to share development costs on new products and new technologies. It is managed by RNBV for the Alliance and through a new Cooperation Committee giving representation to all parties. The two groups exchanged equity in a deal that remains in place today, giving the Renault-Nissan Alliance a 3.1% stake in Daimler and Daimler a 3.1% in Renault and in Nissan.

The Cooperation Committee comprises Senior Executives from the Alliance, Renault, Nissan and Daimler and meets nearly every month. It ensures the implementation of the agreed projects and makes proposals for new ones.

The strategic cooperation originally began with three foundational pillars, which are all proceeding according to the following schedule:

- Joint smart/Twingo architecture: The project is on track for launch in the first quarter of 2014. Two-seater smart vehicles will be produced at Daimler's plant in Hambach, France, and four-seater smart and Renault production are slated for Renault's plant in Novo Mesto, Slovenia;
- All-new entry-level city van project for Mercedes-Benz: The project is on schedule with expected launch in late 2012. Manufacturing will be at Renault's plant in Maubeuge, France;
- Powertrain cross-supply: The Alliance is supplying Daimler with compact three-cylinder gasoline engines to be used in smart and Twingo vehicles and four-cylinder diesel engines to be used in the jointly developed light commercial vehicle and in Mercedes-Benz's next generation of premium compact cars. Daimler will supply Nissan and Infiniti with 4- and 6-cylinder gasoline and diesel engines from the current and future engine portfolio as well as with automatic transmissions.

Since the partnership was founded, the collaboration has been gradually expanded to three areas:

- Platform sharing: Infiniti plans to base a premium compact vehicle on the Mercedes compact-car architecture, starting in 2014;
- Zero-emission vehicles: Daimler will provide batteries from its production facility in Kamenz, Germany, and Renault-Nissan will provide electric motors for the use in electric vehicles (smart and Twingo Z.E.). First releases will occur in 2014;
- North American engine production: Nissan and Daimler will produce Mercedes-Benz 4-cylinder gasoline engines together at Nissan's powertrain assembly plant in Decherd, Tennessee, USA. Production will begin in 2014, with installed capacity of 250,000 units per year once full ramp–up is achieved. The Decherd facility will produce engines for Mercedes-Benz and Infiniti models.

THE ALLIANCE BOARD

Role of the Alliance Board

The Alliance Board (AB) held its first meeting on May 29, 2002. AB is the decision-making body for all issues affecting the Alliance's future, and met nine times in 2011.

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

Alliance Board members

As of November 2011, the Board is chaired by Carlos Ghosn, President and CEO of Renault and President and CEO of Nissan. The Alliance Board, who steers medium and long-term strategy, also includes three members from Renault (Odile Desforges, Carlos Tavares and Jérôme Stoll) and three from Nissan (Toshiyuki Shiga, Mitsuhiko Yamashita and Hidetoshi Imazu).

Other members of Renault's and Nissan's Executive Committees attend the Alliance Board. Decisions are officially approved by the Alliance Board at the end of the meetings.

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

2011 Activity report

In 2011, with the support of the Alliance dedicated teams, the Alliance Board formulated strategic recommendations focusing on several key directions:

- **Acceleration and increase of synergies:** RNBV has a key role in optimizing the utilization of Renault and Nissan's manufacturing operations, especially in emerging markets. RNBV is consistently seeking logistic cost reduction opportunities across the Alliance;
- **Common Alliance projects and organizations:** Supporting the Alliance's international growth, RNBV drives the creation of common entities. In 2010, Alliance Customs and Trade Organisation, Alliance Logistics Russia and Alliance Tooling Organization were created following a proposal from the Alliance Board. RNBV also drives key projects aiming at enhancing the performance of both Renault and Nissan;
- **Common development organization for A-segment vehicles:** A common development organization for A-segment vehicles under RNBV was approved for 2012 headed by a dedicated Alliance Managing Director;
- **OEM partnerships:** RNBV is a driving force for forging new partnership between the Alliance and other OEMs. This was the case with AVTOVAZ and the strategic cooperation with Daimler;
- **Communications:** RNBV supports the Alliance activities and businesses through targeted initiatives on high-profile events such as the Women's Forum and the World Economic Forum. The Alliance also supports high-visibility environmental conferences and was a key participant at COP17 (the United Nations Framework Convention on Climate Change) in Durban, South Africa, where hundreds of policymakers and environmental regulators could test-drive zero-emission vehicles from the Renault-Nissan Alliance.

A FOUNDATION TO MAINTAIN THE STABILITY OF THE ALLIANCE

A foundation linked to RNBV 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 RNBV 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 RNBV 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	5.	America
2.	Product Development and Manufacturing	6.	Europe
3.	Sales and Marketing	7.	Russia
4.	Africa, Middle East, India	8.	Asia

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 13 teams working in the following areas:

1.	Product Planning	8.	Parts and Accessories
2.	Light Commercial Vehicle	9.	EV
3.	Research & Advanced Engineering	10.	Korea
4.	Vehicle Engineering	11.	South Africa
5.	Powertrain	12	India
6.	Process Engineering	13	Raw materials
7.	Manufacturing		

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

The 13 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 11 FTTs that cover the following key areas:

1. Corporate Planning
2. Product Engineering Performance
3. Quality
4. Industrial Strategy
5. Cost Management & Control
6. Marketing
7. Service Engineering
8. Sales and Service
9. Legal & Intellectual Property
10. Global Tax
11. Human Resources

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 three TTs working on the following topics:

1. Small Markets
2. Mexico
3. Mercosur

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.

The Alliance has set an objective to maintain €1 billion in new synergies every year. The Alliance overachieved on this objective in 2010 with €1.6 billion in new synergies generated. The Alliance is on track to overachieve on the objective in 2011 as well, with at least €1.5 billion in additional synergies. As in 2010, the major contributors to synergies are expected to be in the areas of vehicle engineering, powertrains, purchasing and logistics.

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.

V platform

The all-new Nissan Micra released in 2010 was the first model to be built on the new V-Platform, a genuine breakthrough project made possible because of the Alliance.

About one million cars per year can be built on this platform which is versatile enough to accommodate customer requirements of all global markets whether right-hand driver, left-hand drive, diesel, gasoline, Euro 3 to 6, as well as all worldwide crash test requirements. The platform can also support both B and A segment cars.

The V-Platform is not just a new platform, it's a whole new way of building cars, moving away from the Alliance's traditional, mature market manufacturing sites to new emerging market sites where demand for small yet sophisticated cars is growing. Today the V-Platform is being used to produce the new Micra in the Alliance factory in Chennai, India, as well as Nissan's plants in Thailand and China. The platform is also being used to produce the Nissan Sunny in China. Renault will also use the platform to build Pulse, its premium subcompact car which will launch in India in early 2012, at the Alliance plant in Chennai.

B and C platforms

The B platform, one of the earliest common platforms, has been used by Nissan since 2002 starting with the March (Micra in Europe) and Cube. Modus, unveiled in 2004, was the first Renault model to be built on the platform. Today this versatile platform also builds the Renault Clio as well as the Nissan Sylphy and Tiida.

The main models built on the C platform are Renault Megane, Scenic and Fluence, as well as the Nissan Qashqai and Rogue.

Common parts and common module family ✦

After seven years of common platform activities, the Alliance entered a new phase in 2009 for the implementation of common parts and synergy creation. An in-depth analysis of the Nissan and Renault engineering standards, parts specification and requirements was started under the leadership of the Alliance.

Extensive studies were conducted in order to make common Alliance standards for future vehicles engineering and development. Since 2009 common technical parts files, that simplify requests to suppliers and reduce development costs, have been issued.

This common parts strategy is supported by an organization set up in 2008 that includes engineering and purchasing. Single Technical Leaders (STL) from Nissan or Renault are in charge of proposing global strategies for both companies, including technology breakthrough and sourcing schemes. Those strategies are approved by the executive management of Nissan and Renault in regular Alliance Commodity Meetings (ACM). This organization helps to realize strategy and associated savings.

Common module family is the new Alliance approach for communalization, or shared ownership of parts, which will lead to significant cost savings.

A module consists of a set of parts with a number of derivatives that can be applied to different models and powertrains. With a limited number of variations, the module can cover a large part of Renault and Nissan range. This requires common mechanical and electronic architecture.

Powertrains (engines and gearboxes) ✦

See powertrain section in chapter 1.2.1.2.

RESEARCH AND ADVANCED ENGINEERING

Optimizing the allocation of resources

Renault and Nissan cooperate in strategic fields of research and advanced engineering in which they have common interests in order to optimize the allocation of their resources. By doing so, they are able to cover a broader range of potential technical solutions and accelerate work in order to achieve technology breakthroughs and bring new products to market.

Renault and Nissan have a technology plan [T] which is composed of four common pillars: Safety, the 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 companies 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 nor Nissan would have been able to move as rapidly and deeply into the battery and electric vehicle businesses. To date, the Alliance has committed at least €4 billion into engineering and manufacturing batteries and electric vehicles.

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;
- AVES Standard (Alliance Vehicle Evaluation Standard) has been established as the only common and unique method for both Renault and Nissan to evaluate the quality of their final products, as well as those of their competitors, from the customer's preliminary point of view.

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 Nissan Quality 3-3-3 plan since 2003.

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;
- cooperation in the deployment and the use of customer surveys around the world.

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), established in April 2001, was the first Alliance joint-venture company. RNPO initially managed about 30% of Nissan's and Renault's global annual purchasing turnover. Since April 2009, RNPO has accounted for 100% of all purchasing across the Alliance. The geographical scope of RNPO has been extended to all regions

✦ Global Reporting Initiative (GRI) Directives

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.

MANUFACTURING

Renault and Nissan have actively exchanged know-how in the area of production performance management since 1999. Both companies's manufacturing systems - Renault Production System (SPR) and Nissan Production Way (NPW) - are now fully consistent. This consistency allows shop managers to benchmark directly against each other in all areas, including machining, engine assembly, stamping, welding, painting, trim and chassis in order to identify and deploy best practices in all Alliance plants. New challenges in plants related to environmental targets (eg. EV battery recycling and energy reduction) represent a new field for the exchange of best practices.

LOGISTICS

Major savings have been achieved over the past decade through logistics synergies. Until 2008, logistics synergies amounted to about €25 million a year. By 2009 those savings had doubled to more than €56 million and in 2010 reached €181 million.

These savings have been made possible by the creation of Alliance Global Logistics within RNBV and the decision in 2009 to accelerate the convergence of Renault and Nissan's logistics platforms, including information systems and processes. Alliance Logistics Europe (ALE), created in November 2009 and merging the Renault and Nissan logistics teams under a single director in Europe, is a good example of this acceleration.

Combining logistics operations under the Alliance umbrella has enabled each company to benefit from each other's best practices, delivering huge economies of scale and addressing new projects with common logistics solutions (e.g. a logistics solution for batteries from zero-emission vehicles). In addition, the reliability and quality of logistics have improved in recent years. This includes leadtime reliability, as well as the quality of parts and vehicle deliveries.

Below are some of the numerous common logistics activities:

- Tangiers: For Renault and Nissan exports from Tangiers, the ALE has created an integrated shipping schedule, implemented common ports of entry and assigned the same suppliers to distribute the cars in the markets they are destined for;
- Global tender: Renault/Nissan organized a global tender driven by RNPO for maritime flows. The main actions undertaken by the Alliance included alignment of specifications, route optimization and bundling between Renault and Nissan. This led to a €12 million cost reduction for the Alliance in 2010.
- Common standard packaging: 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 synergies through the consolidation of purchased volumes of future common packaging;
- Common logistics solutions in the Alliance's key emerging markets such as Russia, Brazil and India.

1.2.3.2 REGIONAL COOPERATION ✦

2011 saw continued regional cooperation between Renault and Nissan, particularly in the emerging markets of India, Russia and Brazil.

INDIA

India is a key pillar of the Alliance's strategic focus on new growth markets. In March 2010, the Alliance inaugurated the Chennai plant, the first dedicated Alliance plant in the world with capacity of 200,000 units. From 2012, the plant will have the capacity to produce 400,000 units a year.

The new Nissan Micra, a sub-compact model, was the first vehicle to be produced at the plant and also the first vehicle derived from the Alliance V-platform. The model is sold in India and also exported to more than 100 countries in Europe, the Middle East and Africa.

In 2011, the plant started production of Renault Koleos premium SUV, Renault Fluence luxury family sedan and the new compact Renault Pulse, all destined for the Indian market only. In 2012, Renault plans to launch two more models – the Duster SUV and another sedan. The launch of these five vehicles in a period of just 15 months will constitute not just a first for Renault, but also for the Indian market.

The Chennai plant also produces powertrains for the Alliance's vehicles produced in India. Since 2011, the factory has been producing two gasoline engines and one diesel engine. By 2013, the Alliance aims to produce an additional diesel engine and two gear boxes at the plant.

The Alliance aims to make the Chennai workforce best-in-class compared to other Indian manufacturers within three years. To reach this target, Chennai management has adopted the Alliance Integrated Manufacturing System (AIMS) and the Alliance Production Way which combines Renault-Nissan best practices and benchmarking while also helping to keep costs to a minimum.

Chennai is also home to the Alliance's first jointly-owned technical center - Renault Nissan Technology and Business Centre India Private Ltd. (RNTBCI). The center has fully integrated Renault and Nissan's operations, including engineering, purchasing, cost analysis, human resources, finance, information systems and administration. The center supports all developments for Indian activities, such as product and process engineering, manufacturing, as well as styling and support to special projects for Renault's Mumbai-based design studio.

The Alliance also operates a logistics platform in Pune, which turns out components for Alliance plants worldwide.

RUSSIA

Russia is set to become one of the new growth pillars for the Alliance in terms of unit sales and profitability, with the Alliance aiming for a market share of 40% with partner AVTOVAZ in 2016, up from 33% in 2011.

The Alliance has four manufacturing bases in Russia located in Togliatti, Moscow, St. Petersburg and Izhavto. Together with the Izhavto plant, which was acquired by AVTOVAZ, in October, Renault and Nissan will have a combined production capacity of 1.6 million units in Russia by 2016, up from 1.1 million units in 2011.

The Alliance's top models in Russia include Renault's Logan, Sandero, Fluence and Mégane and Nissan's Qashqai, Juke and X-Trail.

The Alliance is in negotiations with AVTOVAZ to raise its stake in the company.

BRAZIL

In October 2011, the Renault-Nissan Alliance announced a US$1.8 billion investment in Brazil. Renault announced plans to invest 500 million reals (US$285 million) to expand its plant in Curitiba while Nissan said it would invest 2.6 billion reals (US$1.5 billion) to build a new plant in Resende and develop new products for Brazil. Together, the two companies will have an annual capacity of 580,000 vehicles and launch 23 new models in Brazil in the next five years.

Having two scalable manufacturing facilities in Brazil will provide flexibility and contingency options for both Renault and Nissan. The site selection was designed to keep Renault and Nissan engineers and designers in close proximity to supplier hubs in Rio de Janeiro, Sao Paulo, Minas Gerais and Parana.

Purchasing for Renault and Nissan in Brazil will operate through the common Renault-Nissan Purchasing Organization, which will work closely with suppliers throughout Brazil to ensure that all parties maximize economies of scale. In addition to purchasing, the companies will also work closely on supply chain management and manufacturing issues.

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 start of the Alliance in 1999, Renault and Nissan have exchanged personnel in order to enhance the Alliance's performance. To date, hundreds of people at both companies have given the opportunity to work outside of their home market 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.

The principle of cross-cultural people exchanges is a key competitive strength of the Alliance. More transfers are expected in the future in Southeast Asia and South America 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:

- Alliance Leadership Development Program: Created in 2010, this program aims to to strengthen relationships among top managers at Renault and Nissan. These future leaders of the Alliance are exposed to current and future economic, business and human challenges to develop a common Alliance mindset;
- Alliance Engineer Exchange Program (AEEP): Launched in 2005, this program gathers about 40 young engineers from Renault and Nissan every year for the opportunity to jointly manage Alliance technical projects;
- "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 course aims to give participants a better understanding of cultural heritage and working styles by focusing on three key topics: communications, project management and problem solving while retaining a positive partnership. To date, more than 1,300 people have taken this course.

✦ Global Reporting Initiative (GRI) Directives

1.2.4 NISSAN'S STRATEGY AND RESULTS IN 2011

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 4, note 14 to the consolidated financial statements.

Nissan has production facilities in over 20 countries and regions. In fiscal year 2010, Nissan sold 4,080,588 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 2011 AFTER NINE MONTHS

On February 8, 2012, Nissan announced financial results for the third quarter of fiscal year 2011, ending March 31, 2012, as well as for the first nine months. In the third quarter, the consolidated net income after taxes totalled ¥82.7 billion (US $1.07 billion, €790 million). The financial performance reflects increased sales volumes and the company's ongoing activities to improve its operating efficiency.

Net revenues increased by 10.9% to ¥2,331 billion (US $30.12 billion, €22.35 billion). Operating profit was ¥118.1 billion (US $1.53 billion, €1.13 billion) and operating profit margin came to 5.1%. Ordinary profit was ¥121.5 billion (US $1.57 billion, €1.16 billion).

Nissan sold 1.205 million vehicles worldwide in the October-to-December 2011 period, a 19.5% increase.

In the April-to-December 2011 period, net income after tax totalled ¥266.1 billion (US $3.37 billion, €2.41 billion). Net revenues were ¥6,698.4 billion (US $84.79 billion, €60.56 billion), up 4.3% compared to a year ago. Operating profit totalled ¥427.8 billion (US $5.42 billion, €3.87 billion) and operating profit margin came to 6.4%. Ordinary profit was ¥416.8 billion (US $5.28 billion, €3.77 billion).

Globally, Nissan sold 3.429 million vehicles in the first nine months of the fiscal year, up 13.6%.

Nissan's forecast for the full fiscal year ending March 31, 2012, is unchanged:

- consolidated net revenues of ¥9,450 billion (US $118.27 billion, €84.45 billion);
- operating profit of ¥510 billion (US $6.38 billion, €4.56 billion);
- net income of ¥290 billion (US $3.63 billion, €2.59 billion);
- capital expenditures of ¥410 billion (US $5.13 billion, €3.66 billion); and
- R&D expenses of ¥440 billion (US $5.51 billion, €3.93 billion).

(Note: Amounts in dollars and euros are translated for the convenience of the reader at the foreign-exchange rates of 79.0 yen/dollar and 110.6 yen/euro, the average rates for the first nine months of the fiscal year ending March 31, 2012. For the third-quarter results, amounts are based on 77.4 yen/dollar and 104.3 yen/euro, the average rates for the three months from October to December 2011). The financial forecasts for fiscal year 2011 (April 1, 2011 through March 31, 2012) were revised on November 2, 2011. The forecasts are translated for the convenience of the reader at the foreign exchange rates of 79.9 yen/dollar and 111.9 yen/euro, the revised average rates for fiscal year 2011.

1.2.4.2 NISSAN'S 2011 CONTRIBUTION TO RENAULT'S RESULTS

CONTRIBUTION TO RENAULT' CONSOLIDATED NET INCOME

Nissan's contribution to Renault's earnings was €1,332 million in 2011 compared with €1,084 million, in 2010, recorded in the financial statements as a share in net income of companies accounted for by the equity method.

(See chapter 4 note 14 to the consolidated financial statements.)

DIVIDEND PAYOUT

In June 2011, Renault received a final dividend of €84.3 million for fiscal year 2010 ((¥5 per share).

In November 2011 Renault received a first dividend payment of €190.5 million (¥10 per share) for fiscal year 2011.

1.2.5 ALLIANCE COMBINED SALES PERFORMANCE AND FINANCIAL INDICATORS ✦

1.2.5.1 ALLIANCE COMBINED SALES FOR 2011

The Renault-Nissan Alliance sold a record 8,029,222 units in 2011, a 10.3% increase from 2010, fuelled by robust sales in emerging markets and the United States.

Sales rose for the third consecutive year. Renault sold 2,722,062 units worldwide, up 3.6% from 2010. Nissan sold 4,669,981 units, up 14.4%. AVTOVAZ Lada accounted for 637,179 units, a 11.8 % increase compared to the previous year.

As a result, the Renault-Nissan Alliance captured 10.7%* of the global market in 2011, up from 10.3% the previous year.

"The Alliance capitalized on the resurgence of the US economy and gained significant market share in the regions that will drive growth in the 21st century," said Renault-Nissan Alliance CEO Carlos Ghosn. "Double-digit sales growth is solid progress – particularly during a year in which we faced Japan's earthquake and tsunami, the abnormal strength of the yen, and financial turmoil in Europe."

RENAULT GROUP HIGHLIGHTS

In 2011, Renault posted record global sales of 2.7 million units, up 3.6% compared with a year ago, with 43% of those sales generated outside Europe. Sales outside Europe totaled a record 1,172,686 units, up 19.2%, driven by fast-expanding markets such as Russia (+40%), Turkey (+13%) and Latin America (+10%).

In terms of sales by brand, Renault led with 2,260,694 units sold, up 6.8% compared with a year ago, and accounting for 83% of the Group's sales. Sales of Dacia fell 1.8% due to supply constraints caused by the tsunami in Japan. Renault Samsung Motors fell 27%.

In 2011, six out of the Group's top ten markets were located outside Europe with Brazil replacing Germany as Renault's second-biggest market after France. Renault's sales in Brazil, where it plans to expand capacity in 2013, grew 21% to a record 194,300 units in a market that expanded 3%. Its market share stood at 5.7%, up 0.9 percentage points from 2010 led by demand for models such as the Sandero hatchback, as well as the Logan and Clio small cars.

In Russia, Renault posted both record sales and market share. Sales jumped 60% to 154,734 units, making it Renault's fastest-growing market. Market share rose to 5.8%, up 0.7 percentage points from the previous year. Sales were led by the Logan, the Sandero and the Fluence luxury sedan.

Despite economic uncertainty and waning consumer confidence in Europe, Renault remained the No. 2 brand, taking an 8.6% share of the passenger car and light commercial vehicle (LCV) market. Its top-selling passenger cars in Europe were the medium-sized Megane, the Clio and the Twingo mini vehicle. Renault was also Europe's light commercial vehicle leader for the fourteenth consecutive year with a 15.6% market share.

NISSAN HIGHLIGHTS

Nissan posted record global sales of 4.67 million units in 2011, up 14.4% compared to 2010.

In China, Nissan's largest market, the company posted record sales of 1,247,738 units, a 21.9% increase over 2010, led by strong sales of the Sunny and Teana sedans.

In the Americas, Nissan reported record sales of 1,561,230 units for Nissan and Infiniti brand vehicles throughout the region encompassing North, Central and South America, up 17.2% compared with the previous year. The Nissan brand alone gained a market share of 7.5%, up 0.6 percentage points, becoming the No. 2 Asian automotive brand in the region.

The U.S., Mexico and Brazil posted the largest single-country gains. Sales in the US totaled a record 1,042,534 units, up 14.7% compared with 2010 led by the Versa compact car and the Rogue crossover. The Nissan Altima sedan also had a robust sales year and continues to rank among the best-selling vehicles in the country. Market share in the US grew to 8.2%.

In Mexico, where Nissan will open a third plant in 2013 to support its rapid growth across the Americas, sales grew 18.6% while its market share grew to a record 24.8%.

In Brazil, where Nissan plans to build its first plant in Resende in 2014, Nissan's sales nearly doubled to 67,097 units. Nissan was Brazil's fastest-growing automotive brand in 2011.

In Japan, Nissan reported sales of 591,312 units, down 8.4% year-on-year in a market that shrank 15%. Nissan's market share climbed one percentage point to 14%. Nissan Serena was the best-selling minivan in country with 84,359 units sold.

In Europe, Nissan posted record sales of 695,703 units, up 25.4% year-on-year thanks to booming demand for its Qashqai and Juke crossovers. Its market share rose to a record 3.7%, up from 3.1% in 2010. In Russia, its top market in Europe, sales jumped by 73.1%, or nearly 60,000 units.

* *Total passenger car and light commercial vehicle sales based on Renault's estimate of 74,793,900 units in 2011.*

✦ Global Reporting Initiative (GRI) Directives

AVTOVAZ LADA HIGHLIGHTS

Russia's number one automaker AvtoVAZ sold 637,179 units in 2011, up 10.9% compared with the previous year.

Sales in Russia amounted to 578,387 units, up 10.6% compared with 2010. Its global market share stood at 0.9%, and its share in Russia amounted to 21.6%.

ZERO-EMISSION HIGHLIGHTS

In October, Renault began sales of the Kangoo Z.E. small van, named International Van of the Year 2012. Corporate clients have so far ordered more than 15,000 Kangoo Z.E. for fleet use. In December, Renault began sale of the Fluence Z.E., an all-electric luxury car based on the conventional Fluence sedan.

Renault will launch the Twizy zero-emission urban commuter vehicle in spring of 2012 and the Zoé zero-emission subcompact in the second half of the year.

Nissan sold more than 22,000 Nissan LEAF family hatchbacks in 2011, making it the best-selling electric vehicle ever. Nissan began selling the car in December 2010. In 2011, the Nissan LEAF won the World Car of the Year, Japan Car of the Year and European Car of the Year awards.

More than 80 percent of Nissan LEAF owners in the United States had never previously owned a Nissan. Nissan is expanding LEAF availability to all 50 American states and more European countries in 2012.

The Alliance is the only automaker with a full family of zero-emission cars that can be charged with purely renewable energy. The Alliance plans to sell a cumulative 1.5 million zero-emission cars by 2016 across all brands.

Top 10 Alliance Markets

	TOTAL SALES	MARKET SHARE (%)
China	1,272,013	7.4%
US	1,042,534	8.2%
Russia*	878,990	32.9%
France	767,263	29.2%
Japan	594,368	14.1%
Brazil	261,568	7.7%
Germany	254,425	7.5%
Mexico	247,872	27.4%
UK	196,003	8.9%
Italy	193,375	10.1.%

* *Including Lada*

Top 10 Renault Markets

	TOTAL SALES	MARKET SHARE (%)
Russia*	733,121	27.4%
France	689,022	26.1%
Brazil	194,300	5.7%
Germany	181,176	5.3%
Turkey	140,827	16.3%
Italy	122,920	6.4%
South Korea**	109,221	7.0%
Argentina	106,040	13.0%
Spain	99,092	10.9%
Iran	93,578	5.9%

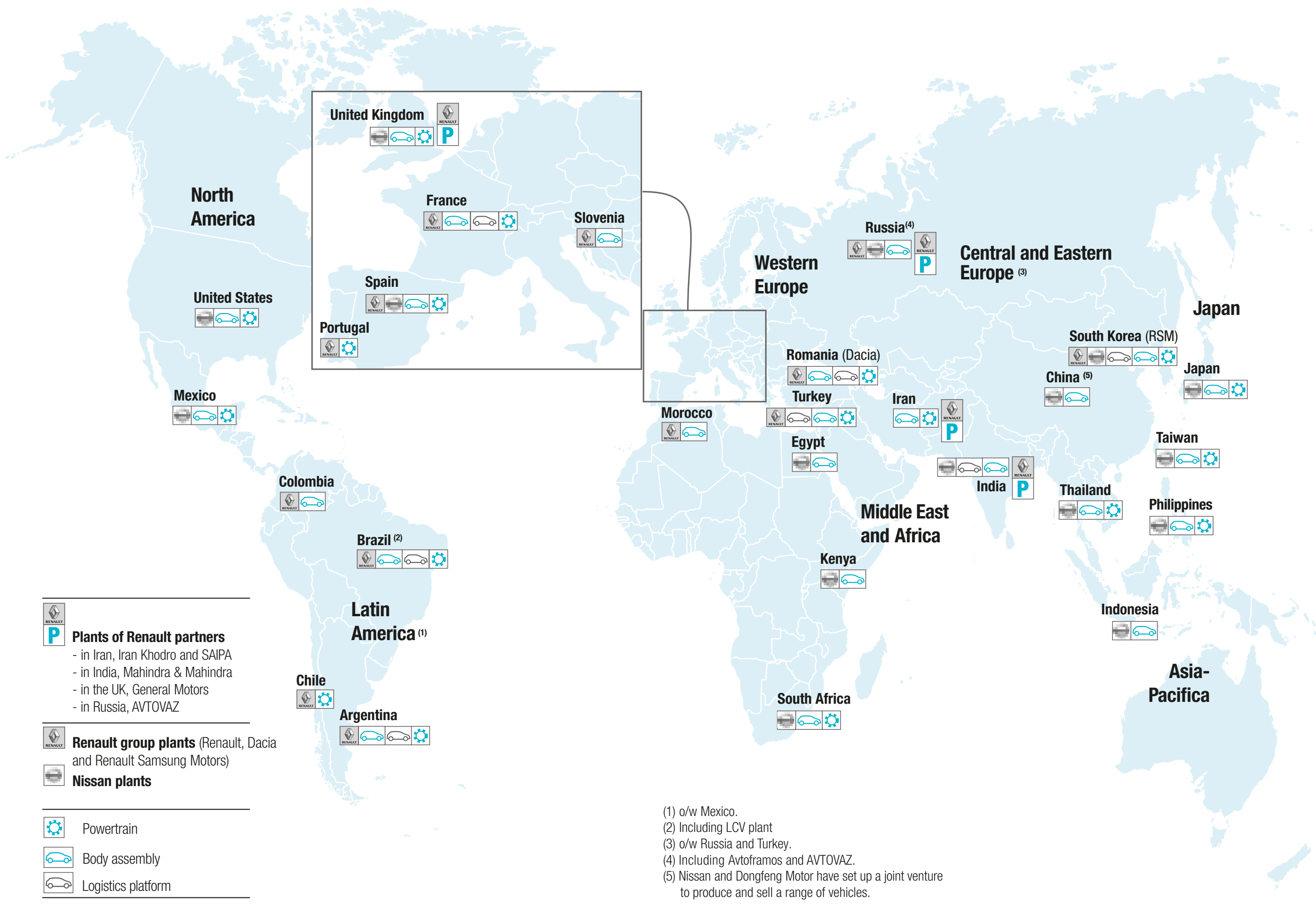
* *Renault: 154,734 units; Lada: 578,387 units.*

** *Renault Samsung Motors.*

Top 10 Nissan Markets

	TOTAL SALES	MARKET SHARE (%)
China	1,247,738	7.3%
US	1,042,534	8.2%
Japan	591,312	14.0%
Mexico	224,740	24.8%
Russia	145,869	5.5%
UK	107,463	4.9%
Canada	84,665	5.3%
France	78,241	3.1%
Germany	73,249	2.2%
Italy	70,455	3.7%

PRODUCTION SITES



(1) o/w Mexico.
(2) Including 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 2011 are estimated at €2.1 billion and €1.8 billion respectively, as mentioned in chapter 4, at the end of note 14-K to the consolidated financial statements.

1.2.5.3 FINANCIAL INFORMATION ON THE ALLIANCE

See chapter 1.3.2.3.

1.3 EARNINGS REPORT - 2011

IN BRIEF

KEY FIGURES

		2011	2010	CHANGE
Worldwide Group sales	*million units*	2.72	2.63	+3.6%
Group revenues	*€ million*	42,628	38,971	+9.4%
Group operating margin	*€ million*	1,091	1,099	-8
	% of revenues	+2.6%	+2.8%	-0.2 pt
Contribution from associated companies	*€ million*	1,524	1,289	+235
o/w Nissan		*1,332*	*1,084*	*+248*
o/w AB Volvo		*136*	*214*	*-78*
o/w AvtoVAZ		*49*	*-21*	*+70*
Net income	*€ million*	2,139	3,490	-1,351
Net income, Group share	*€ million*	2,092	3,420	-1,328
Earnings per share	*€*	7.68	12.7	-5.02
Operational free cash flow [(1)]	*€ million*	1,084	1,670	-586
Automotive net financial debt	*€ million*	299	1,435	-1,136
Debt-to-equity ratio	*%*	1.2%	6.3%	-5.1 pts
Sales Financing average loans outstanding	*€ billion*	22.8	21.0	+8.8%

(1) Operational free cash flow: cash flow (excluding dividends received from listed companies) minus tangible and intangible investments net of disposals +/- change in working capital requirement.

OVERVIEW

In 2011 the Renault group sold a record 2.7 million vehicles (+3.6%) and took 3.6% of the global passenger car and light commercial vehicle (PC + LCV) market. The Renault brand drove the growth with a 6.8% increase in worldwide sales.

The pace of international sales growth picked up further in 2011. At 1.2 million units, the Group's international sales accounted for 43% of the mix, compared with 37% in 2010.

Growth was especially pronounced in two key Regions for Renault's future expansion: Eurasia (+60.1%) and the Americas (+25.2%).

The Group reported **revenues** of €42,628 million, up 9.4% on 2010.

The Group's **operating margin** came to €1,091 million in 2011, or 2.6% of revenues, compared with €1,099 million and 2.8% of revenues in 2010.

Automotive operating margin amounted to €330 million (0.8% of revenues), compared with €396 million (1.1% of revenues) in 2010. A positive €455 million impact from volumes and €500 million in cost structure improvements under the monozukuri plan were unable to completely offset negative factors, mainly external, such as the exchange rate effect (€199 million), the mix/price impact (€245 million) and higher raw material costs (€509 million).

Supply issues resulting from the tsunami in Japan had an estimated negative impact of €200 million on Automotive's operating margin in 2011. The problems primarily affected production, marketing offers and logistics.

Sales Financing contributed a record €761 million to the Group's operating margin. The €58 million rise was achieved through increased loans outstanding and the historically low cost of risk.

After recognizing €153 million in other operating income and expenses, the Group reported **operating profit** of €1,244 million, compared with €635 million in 2010.

Renault's share in **associated companies**, mainly Nissan, AB Volvo and AvtoVAZ, generated income of €1,524 million in 2011.

Net income amounted to €2,139 million, and net income, Group share, was €2,092 million.

Automotive generated **operational free cash flow** of €1,084 million, beating the target set in 2011. This was achieved by maintaining operating earnings despite a series of crises (supply constraints, sovereign debt) and by actively managing the working capital requirement and investments in an uncertain economic environment.

These performances helped reduce Automotive's **net financial debt** for the third year running. Net debt was cut by €1,136 million to the record low of €299 million at December 31, 2011. In 2011 the Group pursued a policy of reducing Automotive's gross debt through early repayment of the €2 billion remaining on the loan from the French government. At the same time the Group maintained Automotive's substantial **liquidity reserve** at €11.4 billion, compared with €12.8 billion in 2010. The debt-to-equity ratio stood at 1.2% at end-2011, compared with 6.3% at end-2010.

2012 OUTLOOK

The global automotive market (PC+LCV) is expected to grow 4% year on year in 2012. Trends will remain contrasted, with markets outside Europe continuing to grow, especially Brazil (5%) and Russia (8%). With the economic environment remaining highly uncertain, the European market is expected to contract by 3% to 4%, including a decrease of 7% to 8% in France. Backed by the momentum of international growth, major launches (including Lodgy, Clio IV and Zoé), a new range of Energy engines and the introduction of the new design identity, Renault will continue to grow sales, in line with the objectives in the Renault 2016 - Drive the Change plan.

The Group targets positive Automotive operational free cash flow in 2012, with a ratio of capital expenditures and R&D below 9% of Group revenues.

1.3.1 SALES PERFORMANCE

OVERVIEW

AUTOMOTIVE

- The Renault group set a new sales record in 2011 with 2.7 million vehicles (+3.6%) for global PC+LCV market share of 3.6%.
- International sales gathered pace over the year, accounting for 43.1% of the mix, or 1.2 million vehicles, compared with 37.0% in 2010. The increase was particularly strong in two Regions that are key to Renault's future development: Eurasia (+60.1%) and the Americas (+25.2%).
- The Renault brand is the driving force behind this growth, with a 6.8% increase in sales worldwide. Outside Europe, the Renault brand increases by 32.1%. In Europe, it remains the No. 2 PC+LCV brand, with 8.6% of the market. The Renault brand remains No. 1 in the European LCV market, a position it has held since 1998, with market share of 15.6%.
- Dacia sales dipped by 1.8% in 2011. The success of Duster partly offset lower sales of Sandero and Logan in Europe, where the brand maintains market share of 1.6%.
- In South Korea, in fiercely competitive market conditions, the sales of the Renault Samsung Motors brand fell by 27.0%.
- Renault has set its sights on the future with the launch at end-2011 of two Zero Emission vehicles: Fluence Z.E. and Kangoo Z.E. This electric van was recently named "International Van of the Year 2012", and has been chosen by 19 leading French firms (15,600 vehicles).

The Renault Group's top 15 markets

SALES EXCL. LADA		SALES VOLUMES 2011* (UNITS)	PC+LCV MARKET SHARE 2011 (%)	CHANGE IN MARKET SHARE ON 2010 (POINTS)
1	France	689,022	26.1	-1.7
2	Brazil	194,300	5.7	0.9
3	Germany	181,176	5.3	-0.2
4	Russia	154,734	5.8	0.7
5	Turkey	140,827	16.3	1.3
6	Italy	122,920	6.4	-0.2
7	South Korea	109,221	7.0	-3.1
8	Argentina	106,040	13.0	-0.0
9	Spain	99,092	10.8	-0.5
10	Iran	93,578	5.9	2.8
11	Belgium+Luxembourg	92,438	13.4	-0.5
12	United Kingdom	88,540	4.0	-1.0
13	Algeria	75,042	25.3	-2.8
14	Netherlands	56,525	9.2	0.7
15	Colombia	46,820	15.7	-0.2

* *Preliminary figures.*

Europe

In Europe, where the PC+LCV market contracted by 0.5%, Group sales fell by 5.7%. Renault maintained its position as Europe's second-ranked brand.

In ***France***, the Group sold 689,022 vehicles, down 7.5% on 2010. After difficulties in the first half of the year, linked to supply issues, notably after the tsunami, deliveries increased from the end of the third-quarter on the back of a strong order book, enabling the Group to post excellent results for the last part of the year and to stabilize its market share for 2011 as a whole to 26.1% (-1.8 points).

In ***Germany***, Group sales rose by 5.7% to 181,176 units, in a market that expanded by 9.4%.

In strongly falling markets, such as ***Spain*** (-16.9%) and ***Italy*** (-10.4%), the Group focused on retail sales channels. It saw market share fall in both countries, with sales down by 20.6% and 13.5% respectively.

In the ***UK***, where the market contracted by 2.4%, Group sales were hit, mainly by the depreciation of the pound, falling by 21.9%.

Outside Europe

Outside Europe, the Group demonstrated its growth potential and reported a faster pace of global expansion with 1.2 million vehicles sold, a rise of 19.2% on 2010. The share of Renault group vehicles sold outside Europe increased by 6 points to 43% of sales, compared with 37% in 2010.

Of the Group's five largest markets, three were outside Europe (Brazil, Russia, Turkey) in 2011. The Group reported record sales in the Regions outside Europe.

- Americas: ***Brazil*** is now the Group's second biggest market, rising one place on 2010. The Group increased its sales by 21.2% in a market that grew by 2.9%, reflecting the success enjoyed by Renault products in this Region (Sandero phase 2, launched in spring 2011, was developed exclusively for these markets). The Group had market share of 5.7%, a rise of 0.9 points. Duster received a warm welcome on its launch in October 2011.
- Eurasia: ***Russia*** became the Group's fourth largest market, rising 5 places on 2010, with sales surging by 60.4% in a market that was still supported by scrappage bonuses over part of the year, and which expanded by 40.0%. The Group had market share of 5.8% (up 0.7 points) thanks to the success of Sandero and Logan.
- Euromed: In ***Turkey***, the Group's fifth-largest market, sales volumes rose by 23.4% in a market that grew by 13.4%. This result is linked to the success of Fluence (+21.9%) and Symbol (marketed in the Euromed Region under the name of Thalia), which is market No. 1, all categories.
- In ***Algeria*** and ***Morocco***, the Group continued to expand, posting growth of 18.4% and 18.8% respectively, in markets that were up 31.7% and 8.4%.
- Asia-Africa: In ***Iran***, sales volumes doubled to 93,578 units on 2010, partly offsetting the 29.9% fall in Group sales in ***South Korea***, on a fiercely competitive market. In ***India***, 2011 saw the launch of Fluence and Koleos. In 2012, the range will gain three more vehicles, including Pulse and Duster. These launches illustrate the brand's ambitions to become a leading player on this market, which is the third cornerstone of its international strategy, alongside Russia and Brazil.

SALES FINANCING

- RCI Banque originated a record €11.1 billion in new financing in 2011, excluding card business and personal loans (up 11.0%).
- RCI Banque's average loans outstanding totaled €22.8 billion, up 8.8% on 2010.

1.3.1.1 AUTOMOTIVE

GROUP SALES WORLDWIDE (UNITS)

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES	2011*	2010	CHANGE *(%)*
GROUP	**2,722,062**	**2,627,365**	**3.6**
BY BRAND			
Renault	2,260,694	2,115,880	6.8
Dacia	343,233	349,568	-1.8
Renault Samsung Motors	118,135	161,917	-27.0
BY VEHICLE TYPE			
Passenger cars	2,359,314	2,294,805	2.8
Light commercial vehicles	362,748	332,560	9.1
BY REGION			
Europe	**1,549,376**	**1,643,683**	**-5.7**
o/w France	*689,022*	*744,735*	*-7.5*
Americas	396,933	317,028	25.2
Asia-Africa	296,314	287,202	3.2
Euromed	308,631	272,758	13.2
Eurasia	170,808	106,694	60.1
Total outside Europe	**1,172,686**	**983,682**	**19.2**

* *Preliminary figures.*

RENAULT BRAND

Passenger cars

The Renault brand is the driving force behind Group growth. Sales rose by 6.1% in 2011, with 1,918,212 vehicles sold.

- *On the A segment,* **Twingo**, a model that is more or less exclusively European, held onto its position as one of the top-three sellers in its category, with 134,200 registrations. Twingo remains the leader in France, with 33.5% of its segment. It also put in a strong showing in Germany, where it held onto second place.
- *On the B segment,* sales of **Sandero** and **Logan**, marketed under the Renault brand name outside Europe, totalled 196,428 units (+35.2%) and 253,698 units (+33.6%) respectively. These two M0 platform vehicles fit well with demand in growing markets such as Russia and Brazil. In Brazil, Sandero phase 2, a vehicle developed solely for this Region, is enjoying huge success.

  Pending its renewal in 2012, **Clio** (Clio II+Clio III) saw sales fall to 375,714 units in 2011.
- *On the C segment,* the **Mégane** family consolidated its No. 2 position on the European market, with 401,305 registrations, despite supply issues in the first half of the year. Mégane is No. 1 on its segment in France, Belgium and Portugal. Mégane Coupé (31,073 registrations) and **Scenic** (156,562 registrations) are the biggest-selling vehicles in their category in Europe.

  Fluence continues to gain ground on markets around the world, with 102,154 vehicles sold (+69.9%). It ranks second in its segment in Turkey.

  Duster was launched in Brazil and Argentina in late 2011 with sales of 9,391 and 4,898 units respectively.
- *On the D and E segments,* **Laguna** sales dipped slightly to 50,498 units, but it held onto the No. 3 position in its segment in France. Sales of **Koleos** rose significantly to 49,220 units, and Renault **Espace** remains No. 1 on the MPV market in France, 15,418 units and with a segment share of 31.4%. Rounding out the Renault offering in these segments, **Latitude** sold 14,925 vehicles in 2011.

Light commercial vehicles

With the pick-up in the LCV market in Europe (+7.3%) and worldwide (+6.5%), Renault reported a 11.1% increase in worldwide sales, driven in particular by the recent renewal of the range and its international growth. Turkey became Renault's No. 2 LCV market with a rise of 31.5% of its sales voumes.

Sales of **Kangoo** rose by 9.1% to 125,048 units, Renault **Trafic** gained 18.3% to sell 63,446 vehicles, and Renault **Master** sold 84,835 sales units (+22.7%).

DACIA BRAND

The Dacia brand reported contrasting results for sales of its various models in Europe. On the B segment, sales of **Sandero** fell by 48.9% to 68,979 units. The fall was particularly sharp in France (-59.8%) with the end of the scrappage bonuses and LPG incentives.

Conversely, on the C segment, **Duster** reported excellent results for its first full year on the market, increasing sales by +129.9%, with 132,287 vehicles sold. It remains No. 2 for sales of crossovers in Europe, with a 12.4% share of this segment.

Overall, the Dacia brand saw sales dip by 1.8% in 2011. The success of Duster partly offsets falling sales of Sandero and Logan in Europe, where the brand maintains market share of 1.6%.

RENAULT SAMSUNG MOTORS BRAND

South Korea fell seventh in the Group markets, whose local brand, Renault Samsung Motors, holds 8.3% of the market. In 2011 Renault Samsung Motors PC sales in South Korea fell by 29.9% to 109,221 units, as a result of fierce competition.

GROUP SALES BY BRAND (UNITS)

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES	2011*	2010	CHANGE (%)
EUROPE REGION			
Renault	1,308,906	1,395,298	-6.2
Dacia	240,470	248,385	-3.2
Group	**1,549,376**	**1,643,683**	**-5.7**
o/w France			
Renault	*594,655*	*634,660*	*-6.3*
Dacia	*94,367*	*110,075*	*-14.3*
Group	*689,022*	*744,735*	*-7.5*
AMERICAS REGION			
Renault	388,019	310,808	24.8
Renault Samsung Motors	8,914	6,220	43.3
Group	**396,933**	**317,028**	**25.2**
ASIA-AFRICA REGION			
Renault	181,640	125,468	44.8
Dacia	5,453	6,037	-9.7
Renault Samsung Motors	109,221	155,697	-29.9
Group	**296,314**	**287,202**	**-3.2**
EUROMED REGION			
Renault	211,321	177,613	19.0
Dacia	97,310	95,145	2.3
Group	**308,631**	**272,758**	**13.2**
EURASIA REGION			
Renault	170,808	106,693	60.1
Dacia	-	1	
Group	**170,808**	**106,693**	**60.1**

* *Preliminary figures*

1.3.1.2 SALES FINANCING

PROPORTION OF NEW VEHICLES FINANCED

Continuing the growth plan initiated in 2010, the RCI Banque generated strong sales momentum throughout 2011. The proportion of new vehicles financed was up at virtually all subsidiaries.

The increase in the proportion of new vehicles financed was particularly marked for the Nissan and Dacia brands, rising by 3 and 3.9 points respectively to 28.7% and 29.5%.

The proportion of new vehicle registrations financed by RCI Banque in the **Europe Region** rose to 33.0% (compared with 31.3% in 2010). The proportion was 35.4% for Renault vehicles (compared with 34.0% in 2010) and 26.6% for Nissan (compared with 23.9% in 2010). This improvement can be explained by the continuation of RCI's competitive commercial policy, particularly the package deals combining financing and services, and by the efforts made through the brands to use financing operations as a way to build customer loyalty.

The proportion of new vehicles financed by RCI Banque in the **Americas Region** rose to 33.4%, up from 31.0% in 2010.

In South Korea, RCI Banque's proportion of new vehicles financed surged to 56.6%, up from 46.1% in 2010. It is now the only country in the **Asia-Africa Region** where RCI operates.

In the **Euromed Region** (including Romania and Morocco), the proportion of new vehicles financed by RCI Banque jumped to 19.0% in 2011 from 13.8% in 2010.

RCI BANQUE'S NEW FINANCING CONTRACTS AND AVERAGE LOANS OUTSTANDING

RCI Banque originated €11.1 billion in new financing in 2011, excluding card business and personal loans, up from €10 billion in 2010, an increase of 11.0%. The number of new vehicle financing contracts totaled 1,024,771 in 2011, compared with 953,110 vehicle contracts in 2010, a 7.5% increase.

RCI Banque's average loans outstanding totaled €22.8 billion, up 8.8% on 2010.

INTERNATIONAL DEVELOPMENT AND NEW ACTIVITIES

While supporting the Renault and Nissan brands in their international development, RCI Banque is pursuing its own geographical expansion, responding to brand market requirements.

In September 2011, RCI Banque set up an activity in Ireland through a fully owned subsidiary. The subsidiary provides financing for consumers as well as for the local Renault network.

Moreover, marking the launch of Renault electric vehicles in fourth-quarter 2011, RCI Banque has developed a special marketing model based on the rental of batteries for Renault electric vehicles (Fluence Z.E. and Kangoo Z.E.). These financing products are available in all the European countries where Renault electric vehicles are sold (France, Germany, Italy, Spain, UK, Switzerland, Austria, the Netherlands, Belgium, Portugal) and will be developed throughout 2012.

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1.3.1.3 SALES AND PRODUCTION STATISTICS ✦

TOTAL INDUSTRY VOLUME – REGISTRATIONS (UNITS) MAIN RENAULT GROUP MARKETS

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES	2011*	2010	CHANGE (%)
EUROPE REGION	**15,265,641**	**15,343,968**	**-0.5**
o/w:			
France	2,633,483	2,669,282	-1.3
Germany	3,413,013	3,118,705	+9.4
Italy	1,916,614	2,139,303	-10.4
United Kingdom	2,208,172	2,262,385	-2.4
Spain + Canary Islands	913,102	1,098,785	-16.9
Belgium + Luxembourg	690,692	656,363	+5.2
Poland	344,750	376,342	-8.4
AMERICAS REGION **	**6,503,169**	**5,935,189**	**+9.6**
o/w:			
Mexico	904,586	818,778	+10.5
Colombia	298,743	238,877	+25.1
Brazil	3,425,652	3,329,471	+2.9
Argentina	818,305	634,268	+29.0
ASIA-AFRICA REGION	**34,137,697**	**33,087,010**	**+3.2**
o/w:			
South Africa	469,117	406,406	+15.4
South Korea	1,556,703	1,541,433	+1.0
China	17,348,514	16,385,832	+5.9
Iran	1,590,000	1,493,000	+6.5
EUROMED REGION	**1,449,954**	**1,288,881**	**+12.5**
o/w:			
Romania	106,187	116,737	-9.0
Turkey	862,943	760,913	+13.4
Algeria	296,950	225,431	+31.7
Morocco	112,103	103,436	+8.4
EURASIA REGION	**3,071,902**	**2,222,744**	**+38.2**
o/w:			
Russia	2,680,000	1,914,323	+40.0
Ukraine	240,349	175,417	+37.0
WORLD (INCL. NORTH AMERICA)	**74,793,857**	**71,025,253**	**+ 5.3**

* *Preliminary figures*
** *excl. North America*

✦ Global Reporting Initiative (GRI) Directives

RENAULT GROUP - REGISTRATIONS (REGISTR.) AND MARKET SHARE (MKT SH.)

	2011*		2010	
PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES	REG'S (*UNITS*)	MKT S*H.* (*%*)	REG'S (*UNITS*)	MKT S*H.* (*%*)
EUROPE REGION	**1,546,942**	**10.1**	**1,642,344**	**10.7**
o/w:				
France	687,343	26.1	743,486	27.9
Germany	181,176	5.3	171,368	5.5
Italy	122,920	6.4	142,174	6.6
United Kingdom	88,540	4.0	113,393	5.0
Spain+Canary, Islands	99,092	10.9	124,828	11.4
Belgium+Luxembourg	92,319	13.4	84,730	12.9
Poland	30,747	8.9	29,900	7.9
AMERICAS REGION**	**396,933**	**6.1**	**317,028**	**5.3**
o/w:				
Mexico	23,132	2.6	18,046	2.2
Colombia	46,820	15.7	38,009	15.9
Brazil	194,300	5.7	160,297	4.8
Argentina	106,040	13.0	82,385	13.0
ASIA-AFRICA REGION	**296,314**	**0.9**	**287,202**	**0.9**
o/w:				
South Africa	10,492	2.2	18,046	2.2
South Korea	109,221	7.0	155,697	10.1
EUROMED REGION	**308,631**	**21.3**	**272,758**	**21.2**
o/w:				
Romania	39,592	37.3	45,821	39.3
Turkey	140,827	16.3	114,111	15.0
Algeria	75,042	25.3	63,368	28.1
Morocco	41,501	37.0	34,944	33.8
EURASIA REGION	**170,808**	**5.6**	**106,694**	**4.8**
o/w:				
Russia	154,734	5.8	96,466	5.0
Ukraine	13,895	5.8	9,252	5.3
WORLD, INCL. NORTH AMERICA	**2,719,628**	**3.6**	**2,626,026**	**3.7**

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

RENAULT GROUP - PERFORMANCE OF MODELS BY SEGMENT IN THE EUROPE REGION*

PASSENGER CARS	SEGMENT CHANGE 2011* / 2010 (%)	GROUP SHARE OF SEGMENT 2011* (%)	2010 (%)	CHANGE 2011* / 2010 (POINTS)	RANK 2011
A Segment	**-14.9**				
Twingo / Twingo II		11.0	10.5	+0.5	3
Wind		0.6	0.3	+0.3	18
B Segment	**-4.9**				
Clio / Clio III		7.1	7.7	-0.7	5
Thalia / Thalia II		0.1	0.1	+0.0	46
Modus		1.2	1.1	+0.0	23
Logan		0.6	0.9	-0.3	32
Sandero		1.7	3.1	-1.4	19
Kangoo		0.0	0.0	-0.0	77
C Segment	**+2.0**				
Kangoo II		0.7	0.8	-0.1	35
Mégane / Mégane II / Mégane III		8.0	9.1	-1.1	2
Fluence		0.3	0.3	-0.0	55
Duster		2.6	1.2	+1.5	10
D Segment	**+4.5**				
Laguna / Laguna III		2.4	2.5	-0.1	15
Latitude		0.3	0.0	+0.3	44
Koleos		0.8	0.7	+0.1	27
Trafic / Trafic II		0.6	0.6	+0.1	33
E Segment	**+8.6**				
Espace / Espace IV		1.6	1.8	-0.2	20
Master / Master II / Master III		0.1	0.2	-0.1	66

* *Preliminary figures.*

RENAULT GROUP - PERFORMANCE OF MODELS BY SEGMENT IN THE EUROPE REGION*

LIGHT COMMERCIAL VEHICLES	SEGMENT CHANGE 2011*/2010 (%)	GROUP SHARE OF SEGMENT 2011* (%)	2010 (%)	CHANGE 2011*/2010 (POINTS)	RANK 2011
Fleet vehicles	**-0.4**				
Twingo/Twingo II		2.8	2.2	+0.6	11
Clio/Clio III		18.5	19.0	-0.5	1
Modus		0.1	0.1	-0.0	50
Mégane/Mégane II/Mégane III		5.4	9.0	-3.6	7
Laguna/Laguna III		0.1	0.7	-0.6	43
Espace/Espace IV		0.1	0.5	-0.4	58
Sandero		0.5	0.1	+0.4	20
Logan		0.1	0.1	-0.0	51
Small vans	**+1.9**				
Kangoo/Kangoo II		16.9	17.1	-0.2	1
Logan		1.3	1.6	-0.4	12
Vans	**+11.8**				
Trafic / Trafic II		6.9	6.7	+0.2	5
Master/Master II/Master III		6.9	6.7	+0.2	6
Mascott**/Maxity**/Master III**		1.7	1.1	+0.6	17
Pick up	**+21.3**				
Logan		3.3	6.8	-3.5	7

** Preliminary figures.*

*** Renault Trucks.*

NB: Change in segmentation: Renault now uses the international vehicle classification system of A, B, C, D and E. Hence vehicles in the Entry range are now classified in their respective segments and car-derived vans are included in the five main segments.

RENAULT GROUP - WORLDWIDE PRODUCTION BY MODEL[1] (UNITS)

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES	2011*	2010	CHANGE 2011*/2010 (%)
Twingo	147,814	163,405	-10
Wind	5,612	6,556	-14
Clio	408,068	444,603	-8
Thalia	97,560	93,247	5
Modus	48,590	47,685	2
Logan+Sandero	557,551	551,748	1
Kangoo	188,380	187,882	0
Mégane	468,324	490,005	-4
Fluence	142,194	127,791	11
Duster	190,770	86,268	121
SM3	52,175	65,620	-20
Laguna	50,241	54,137	-7
SM5+Latitude	64,298	88,704	-28
Koleos	61,534	49,424	25
Espace	14,675	17,261	-15
Master	119,347	99,897	19
SM7	19,090	13,747	39
Other	388	10,617	-96
GROUP WORLDWIDE PRODUCTION	**2,636,611**	**2,598,597**	**1**
o/w produced for partners:			
Master for GM	14,646	9,952	47
SM3 for Nissan	38,247	45,859	-17
Vehicles for Nissan in Mercosur	32,759	18,156	80
PRODUCED BY PARTNERS FOR RENAULT			
Produced by GM for Renault (Trafic)	15,074	33,540	-55
Produced by Nissan for Renault (Trafic)	62,975	35,149	79
Other (Iran + India)	105,452	63,239	67

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

GEOGRAPHICAL ORGANIZATION OF THE RENAULT GROUP BY REGION – COUNTRIES IN EACH REGION

At December 31, 2011.

Europe

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

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

Americas

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

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, Guadeloupe, French Guiana, Martinique.

Middle East & French-Speaking Africa: Saudi Arabia, Egypt, Jordan, Lebanon, Libya, Pakistan, Gulf States, French-speaking African countries.

Other Africa & Indian Ocean: South Africa + sub-Saharan African countries, Indian Ocean Islands.

South Korea.

Iran.

India.

China, Hong Kong.

Israel.

Euromed

Eastern Europe: Bulgaria, Moldova, Romania.

Turkey: Turkey, Turkish Cyprus.

North Africa: Algeria, Morocco, Tunisia.

Eurasia

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

1.3.2 FINANCIAL RESULTS ✦

OVERVIEW

- Driven by growth on international markets, Group consolidated revenues came to €42,628 million in 2011, up 9.4% on 2010.
- Group operating margin was €1,091 million, or 2.6% of revenues, compared with €1,099 million and 2.8% of revenues in 2010.
- Other operating income and expenses showed net income of €153 million, compared with a net charge of €464 million in 2010.
- The financial result showed a net charge of €121 million compared with €376 million in 2010.
- Nissan's contribution to Renault's earnings amounted to €1,332 million, compared with €1,084 million in 2010. AB Volvo contributed €136 million, compared with €214 million in 2010. AvtoVAZ contributed €49 million compared with negative €21 million in 2010.
- Net income was €2,139 million, compared with €3,490 million in 2010, which included capital gains of €2 billion on the sale of B shares in AB Volvo. Net income, Group share, was €2,092 million, compared with €3,420 million in 2010.
- Automotive's operational free cash flow was €1,084 million, of which €627 million was attributable to the improvement in the working capital requirement.
- Automotive's net financial debt fell by €1,136 million compared with December 31, 2010 to €299 million.
- Shareholders' equity stood at €24,567 million at December 31, 2011. The debt-to-equity ratio improved by five points, from 6.3% at December 31, 2010 to 1.2% at the end of 2011.

1.3.2.1 COMMENTS ON THE FINANCIAL RESULTS

CONSOLIDATED INCOME STATEMENT ✦

Group **revenues** totaled €42,628 million, up 9.4% [1] on 2010. Excluding the exchange rate effect, revenues rose 10.4%.

(1) Up 9.4% on 2010 revenues of €38,961 million on a consistent basis.

OPERATING SEGMENT CONTRIBUTION TO GROUP REVENUES

					2011					2010
(€ million)	Q1	Q2	Q3	Q4	YEAR	Q1	Q2	Q3	Q4	YEAR
Automotive	9,965	10,178	9,259	11,277	40,679	8,642	10,136	8,268	10,126	37,172
Sales Financing	466	492	486	505	1,949	430	460	443	466	1,799
TOTAL	**10,431**	**10,670**	**9,745**	**11,782**	**42,628**	**9,072**	**10,596**	**8,711**	**10,592**	**38,971**

					CHANGE 2011/2010
	Q1	Q2	Q3	Q4	YEAR
Automotive	15.3%	0.4%	12.0%	11.4%	9.4%
Sales Financing	8.4%	7.0%	9.7%	8.4%	8.3%
TOTAL	**15.0%**	**0.7%**	**11.9%**	**11.2%**	**9.4%**

Automotive's revenue contribution in 2011 was €40,679 million, up 9.4% on 2010. This increase was mainly attributable to:

- a positive volume effect (5.2 points) linked to international sales growth;
- the product line-up, particularly Duster, and the end of the scrappage bonus scheme, which generated a positive mix effect of 3.0 points;
- other Group businesses (sales of components and vehicles to partners), which had a positive impact of 2.9 points:
- a slightly favorable price effect (0.4 of a point); pressure on prices in Europe was offset by raising international prices to mitigate the negative exchange rate effect (1.1 points).

By Region (excluding other businesses):

- international [(1)] operations were up sharply and contributed 6.7 points to growth owing to a strong volume effect, despite Renault Samsung Motors difficulties in South Korea;
- Europe was up slightly and had a 0.7 point impact on revenue growth, as the improved mix offset the decline in volumes.

Group **operating margin** came to €1,091 million in 2011, or 2.6% of revenues, compared with €1,099 million and 2.8% of revenues in 2010.

OPERATING SEGMENT CONTRIBUTION TO GROUP OPERATING MARGIN

(€ million)	2011	2010	CHANGE
Automotive	330	396	-66
% of segment revenues	*0.8%*	*1.1%*	*-0.3 pt*
Sales Financing	761	703	58
TOTAL	**1,091**	**1,099**	**-8**
% of Group revenues	*2.6%*	*2.8%*	*-0.2 pt*

Automotive's operating margin fell by €66 million, to €330 million (0.8% of revenues). This is due to:

- €500 million in cost structure reductions under the monozukuri plan;
- €455 million from volume growth, related directly to commercial performances and changes in the geographical mix.

which did not entirely offset the impact of negative factors, mainly externalities such as:

- the €509 million increase in raw materials costs;
- a negative €199 million exchange rate effect linked to a basket of currencies that was mainly affected by movements against euro in the Argentine peso and the Iranian rial;
- a negative mix/price impact of €245 million, as the effects of product enhancements and mix distortions linked to supply problems outweighed the positive revenue impact;
- other elements for €68 million of which €19 million due to the G&A increase.

Overall, supply issues resulting from the tsunami in Japan had an estimated negative impact of €200 million on Automotive's operating margin in 2011. The problems primarily affected production, marketing offers and logistics.

Sales Financing made a €761 million contribution to the Group's operating margin, an 8.2% increase on 2010. With an 8.8% increase in average loans outstanding relative to 2010, this financial performance confirms the sales growth strategy. The cost of risk reached a record 0.23% of average loans outstanding, well below RCI group's historical trend of around 0.60%. This was achieved through an improved risk situation in Spain and Romania and reversals of network-related provisions as dealerships returned to better financial health, especially in Europe.

(1) Regions outside Europe: Euromed, Eurasia, Asia-Africa, Americas.

RENAULT GROUP – R&D EXPENSES *

(€ million)	2011	2010	CHANGE
R&D expenses	2,064	1,728	336
Capitalized development expenses	-808	-666	-142
% of R&D expenses	*39.1%*	*38.5%*	*0.6%*
Amortization	771	772	-1
GROSS R&D EXPENSES RECORDED IN THE INCOME STATEMENT	**2,027**	**1,834**	**193**

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

After reaching a very low level in 2010 in connection with the product cycle, **Research and Development expenses** rose €193 million compared with 2010 to €2,027 million in 2011, in line with what was announced in the Renault 2016 – Drive the Change Plan.

Capitalized development expenses came to 39.1% of the total spend in 2011, after 38.5% in 2010.

Other operating income and expenses showed net income of €153 million, compared with a net charge of €464 million in 2010. This item was mainly made up of:

- €133 million in capital gains on property disposals;
- €71 million from the reversal of restructuring provisions;
- €61 million charge from recognition of depreciation for three vehicles in the range and recoveries on previously impaired assets (to reflect improved cash flow prospects for vehicles in the range).

After recognizing other operating income and expenses, the Group reported **operating profit** of €1,244 million, compared with €635 million in 2010.

The **financial result** showed a net charge of €121 million, compared with €376 million in 2010, reflecting the reduction in debt and early repayment of €2 billion to settle the loan granted by the French government in 2009.

Renault's **share in associated companies** generated a net gain of €1,524 million in 2011 (compared with €1,289 million in 2010), of which:

- €1,332 million from Nissan (compared with €1,084 million in 2010);
- €136 million from AB Volvo (compared with €214 million in 2010, but with an ownership stake of 21.8% until October 2010, compared with 6.8% in 2011);
- €49 million from AVTOVAZ (compared with a loss of €21 million in 2010).

Current and deferred taxes represented a charge of €508 million (compared with €58 million in 2010), i.e. €408 million in current tax (compared with €340 million in 2010) and €100 million for impairment of net deferred tax assets calculated on French tax Group tax losses carried forward (compared with €238 million of deferred tax assets recognized in 2010). This is due to the combined effects of amendments to the Budget Act in France and updated assumptions for recognition of these tax losses.

Net income amounted to €2,139 million, compared with €3,490 million in 2010 (including €2,000 million in capital gains from the disposal in October 2010 of B shares in AB Volvo).

The Group's share of net income totaled €2,092 million (€3,420 million in 2010).

NET CAPEX AND R&D EXPENSES

Automotive's tangible and intangible investments net of disposals (excluding capitalized leased vehicles) came to €2,212 million in 2011 (including €808 million in R&D expenses) compared with €1,644 million in 2010 (including €666 million in R&D expenses).

TANGIBLE AND INTANGIBLE INVESTMENTS NET OF DISPOSALS, BY OPERATING SEGMENT

(€ million)	2011	2010
Tangible investments (excluding capitalized leased vehicles)	1,564	1,130
Intangible investments	887	733
o/w capitalized R&D expenses	*808*	*666*
Total acquisitions	2,451	1,863
Disposal gains	-239	-219
TOTAL AUTOMOTIVE	**2,212**	**1,644**
TOTAL SALES FINANCING	**4**	**4**
TOTAL GROUP	**2,216**	**1,648**

Investment increased in 2011 compared with 2010, which was a low-spend year owing to the product cycle. The increase was consistent with the target of keeping the ratio of capex and R&D expenses below or equal to 9% of Group revenues.

Europe received 49% of total gross investment, while 51% went to the rest of the world:

- in Europe: range-related investment accounted for 60% of the outlay, with a particular focus on electric vehicles (Zoé, Twizy and Kangoo), gasoline and diesel engines, and New Clio;
- outside Europe: spending was allocated primarily to Morocco (new Tangiers industrial facility), Romania, South America, Russia, Turkey and South Korea.

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

NET CAPEX AND R&D EXPENSES

(€ million)	2011	2010
Tangible and intangible investments net of disposals (excluding capitalized leased vehicles)	2,216	1,648
Capitalized R&D expenses	-808	-666
Other	-20	-17
Net industrial and commercial investments (1)	**1,388**	**965**
% of Group revenues	*3.3%*	*2.5%*
R&D expenses	**2,064**	**1,728**
R&D expenses billed to third parties	-273	-161
Net R&D expenses (2)	**1,791**	**1,567**
% of Group revenues	*4.2%*	*4.0%*
Net capex and R&D expenses (1) +(2)	**3,179**	**2,532**
% of Group revenues	*7.5%*	*6.5%*

AUTOMOTIVE DEBT

In line with the target set in the Renault 2016 - Drive the Change Plan, Automotive generated operational **free cash flow** of €1,084 million in 2011, comprising:

- cash flow of €2,910 million;
- a €627 million change in the working capital requirement through active management of receivables and inventory;
- tangible and intangible investments net of disposals in the amount of €2,212 million, up €568 million (€1,644 million in 2010), but still in line with the Plan's target of keeping the ratio to below 9% of revenues;
- a negative €241 million change in capitalized leased vehicles.

These performances helped reduce **Automotive's net financial debt** for the third year running. Net debt was cut by €1,136 million to the record low of €299 million at December 31, 2011.

In accordance with the policy announced in the mid-term plan, Renault 2016 - Drive the Change, a dividend of €1.16 per share, representing the dividends received by the Group for its interest in listed companies in 2011, will be proposed for approval of shareholders at the upcoming annual general meeting.

AUTOMOTIVE NET FINANCIAL DEBT

(€ million)	DEC. 31, 2011	DEC. 31, 2010
Non current financial liabilities	6,066	6,835
Current financial liabilities	3,789	5,124
Non-current financial assets - other securities, loans and derivatives on financial operations	-497	-800
Current financial assets	-1,441	-910
Cash and cash equivalents	-7,618	-8,814
AUTOMOTIVE NET FINANCIAL DEBT	**299**	**1,435**

LIQUIDITY AT DECEMBER 31, 2011

In 2011, the Group pursued a policy aimed at reducing **Automotive's** gross debt through early repayment of the €2 billion still owing on the loan from the French government, while maintaining Automotive's cash high levels. On December 31, 2011, **Automotive's liquidity reserve** amounted to €11.4 billion, comprising:

- €7.6 billion in cash and cash equivalents;
- €3.8 billion in undrawn confirmed credit lines.

On December 31, 2011, RCI Banque had:

- a liquidity reserve of €3.4 billion, representing available liquidity surplus to the certificates of deposit and commercial paper outstanding;
- available liquidity of €6.3 billion, covering more than two times all outstanding commercial paper and certificates of deposit, including €4.5 billion in undrawn confirmed credit lines, €1.7 billion in Central Bank eligible collateral, and €0.1 billion in cash.

1.3.2.2 CONSOLIDATED FINANCIAL STATEMENTS

Refer to Chapter 4.2

1.3.2.3 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 2011.

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, 2011, 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 1st to December 31st, 2011 whereas Nissan's financial year-end is March 31st.

KEY PERFORMANCE INDICATORS

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

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

Revenues at December 31, 2011

€ million	RENAULT	NISSAN (1)	INTERCOMPANY ELIMINATIONS	ALLIANCE
Sales of goods and services	41,192	76,415	(3,509)	114,098
Sales financing revenues	1,436	4,309	(122)	5,623
REVENUES	**42,628**	**80,724**	**(3,631)**	**119,721**

(1) Converted at the average exchange rate: €1 = ¥111.0.

The Alliance's intercompany business mainly consists of commercial transactions between Renault and Nissan. Those items have been eliminated to produce the revenue indicator. Their value is estimated on the basis of Renault's 2011 results.

The **operating margin,** the **operating income** and the **net income** of the Alliance in 2011 are as follows:

€ million	OPERATING MARGIN	OPERATING INCOME	NET INCOME (2)
Renault	1,091	1,244	807
Nissan (1)	4,477	3,942	3,288
ALLIANCE	**5,568**	**5,186**	**4,095**

(1) Converted at the average exchange rate for 2011: €1 = ¥111.0.
(2) Renault's net income is adjusted to exclude Nissan's contribution and Nissan's net income is similarly adjusted to exclude Renault's contribution.

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

For the Alliance, the operating margin is equivalent to 4.7% of revenues.

In Nissan retreated financial indicators shown above, combined costs effects of tsunami disaster in Japan and floods in Thailand corresponds to approximatively €500 million, which constitute almost the variance between operating margin and operating income.

In 2011, the Alliance's **research and development expenses**, after capitalization and amortization, are as follows:

€ million	
Renault	2,027
Nissan (1)	3,300
ALLIANCE	**5,327**

(1) Converted at the average exchange rate for 2011: €1 = ¥111.0.

BALANCE SHEET INDICATORS

Condensed Renault and Nissan balance sheets

RENAULT AT DECEMBER 31, 2011

ASSETS *(€ million)*	
Intangible assets	3,718
Property, plant and equipment	11,357
Investments in associates (excluding Alliance)	1,060
Deferred tax assets	566
Inventories	4,429
Sales financing receivables	21,900
Automotive receivables	1,275
Other assets	5,026
Cash and cash equivalents	8,672
TOTAL ASSETS EXCLUDING INVESTMENT IN NISSAN	**58,003**
Investment in Nissan	14,931
TOTAL ASSETS	**72,934**

SHAREHOLDERS' EQUITY AND LIABILITIES *(€ million)*	
Shareholders' equity	24,567
Deferred tax liabilities	135
Provisions for pension and other long-term employee benefit obligations	1,350
Financial liabilities of the Automotive division	9,296
Financial liabilities of the Sales Financing division and sales financing debts	22,257
Other liabilities	15,329
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**72,934**

NISSAN AT DECEMBER 31, 2011 (1)

ASSETS *(€ million)*	
Intangible assets	6,776
Property, plant and equipment	38,055
Investments in associates (excluding Alliance)	253
Deferred tax assets	1,507
Inventories	11,545
Sales financing receivables	30,086
Automotive receivables	6,408
Other assets	8,073
Cash and cash equivalents	7,637
TOTAL ASSETS EXCLUDING INVESTMENT IN RENAULT	**110,340**
Investment in Renault	2,010
TOTAL ASSETS	**112,350**

SHAREHOLDERS' EQUITY AND LIABILITIES *(€ million)*	
Shareholders' equity	36,930
Deferred tax liabilities	4,946
Provisions for pension and other long-term employee benefit obligations	3,170
Financial liabilities of the Automotive division	3,597
Financial liabilities of the Sales Financing division and sales financing debts	36,364
Other liabilities	27,343
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**112,350**

(1) Converted at the closing rate at December 31, 2011: €1 = ¥100.2.

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

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

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

Purchases of property, plant and equipment by both Alliance groups for 2011, excluding leased vehicles, amount to:

€ million	
Renault	1,898
Nissan (1)	3,083
ALLIANCE	**4,981**

(1) Converted at the average exchange rate for 2011: €1 = ¥111.0.

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

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

1.4 RESEARCH AND DEVELOPMENT

For Renault, R&D is a source of innovation that sharpens the company's competitive edge. With R&D expenses of more than €2 billion in 2011, Renault is showing its determination to meet the challenges facing the automotive industry and to converge with major technological and societal trends.

RESEARCH AND DEVELOPMENT EXPENDITURE*

	2011	2010	2009	2008	2007
Net R&D expenses *(€ million)***	1,791	1,567	1,531	2,085	2,335
Group revenues *(€ million)* as published	42,628	38,971	33,712	37,791	40,682
R&D spend ratio	4.2%	4.0%	4.5%	5.5%	5.7%
R&D headcount, Renault group	17,278	17,854	17,881	17,775	16,219
Renault group patents	499	304	362	793	998

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

1.4.1 R&D HIGHLIGHTS IN 2011 ✦

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

VEHICLES	POWERTRAIN SUB-SYSTEMS
Kangoo Z.E. Fluence Z.E. Koleos phase 2 Scénic phase 2 SM7	Reveal Energy TCe 115 Reveal Energy dCi 110

1.4.2 INNOVATION: ON THE MOVE

Initiated in 2009, Renault's active innovation policy gathered momentum in 2010 and reached cruising speed in 2011. Built on four key levers (pick up emerging trends faster, boost creativity, bring innovations into the production range more quickly, develop strategic partnerships and synergies within the Alliance), the innovation policy provides quantitative and qualitative support for the company's competitiveness objectives and brand identity: an innovative company, close to its customers, making sustainable mobility available to everybody.

1.4.2.1 INNOVATION: NEW IMPETUS

The main initiatives rolled out in 2011 to support momentum in innovation were as follows:

- pick up emerging trends faster:
  - in June 2011 the Renault-Nissan Alliance opened a research office in Silicon Valley, California. The aim is to take advantage of this region's globally renowned high-tech expertise and to remain one step ahead of the major trends shaping interaction between users and cars. The office's activities are focused primarily on onboard IT systems, advanced engineering and technology recruitment,

- further to the work done by the think tanks, the innovation community is now preparing to launch projects that will provide us with a vision of the mobility of the future;

- boost creativity:
  - the Cooperative Laboratory for Innovation (LCI) brings together, on the same premises, members of the design, product, research and advanced engineering departments, who cooperate on cross-functional or thematic projects that will bring new concepts or components into future ranges. LCI will soon be opening an office in India,
  - the Innovation Room hosts two or three "non-automotive" exhibitions a year, along with conferences and creativity group meetings. The most recent events concerned connected living and biomimetics,
  - Renault has introduced a collaborative tool dedicated to creativity called "Renault Creative People". With this tool, all members of staff can put forward their own innovative ideas or pick up those submitted by others. The aim is to extend the circle of employees contributing to innovation and to promote cross-cutting exchanges and reciprocal learning. Six "calls for ideas" were sent out in 2011, on CO_2 emissions, connected living, services for light commercial vehicles, social business, biomimetics and smart cabin design. Incubators enable employees to explore good ideas further, using both virtual and real resources;
- bring innovations from the technological plan into the range more quickly: a system of monitoring is in place to ensure that innovations and new services are effectively passed on to customers;
- increase innovative capacity through strategic partnerships and synergies within the Alliance: see below.

IN THE LONG TERM

Alongside these actions, Renault is reinforcing its Research plan (plan [R]). The main aims of the plan are to define concepts (target values) delivering breakthrough change, to plot the major phases (road maps) involved in achieving them by identifying the requirements in terms of scientific and technical information and, last, to acquire in advance the key knowledge necessary to make these breakthroughs.

1.4.2.2 CHANGE UP

Change Up is a project put in place by Renault over two years ago to transform its engineering. Major changes have already been made, and others are under way. The plan has picked up momentum and the transformations currently under way will contribute to the Renault 2016-Drive the Change plan.

DURABILITY

Renault improved its results by 6.8% in the Sofres 2011 "Customer Satisfaction" survey. However, our competitors are also making progress. To gain a lead on other full-line car manufacturers who are also making headway, Renault has decided to implement a proactive strategy that involves artificially speeding up the ageing process of some of its models in order to identify any faults that could appear and to assess the aspect of materials after ageing. This strategy is based on the so called EDAU tests, from the French acronym for Aspect and Wear Durability Test. Conducted alongside mileage tests, these tests are also carried out on vehicles made by other brands, enabling Renault to compare its models to those of the competition. The objective of this approach is first and foremost to use these tests in order to make the corrections that will enable Renault to reduce the number of defects on future models.

STANDARDIZATION

The standardization policy kept its promises in 2011, meeting the objective of 30% savings on each module. Although Renault still has some way to go, it is firmly on track to meet its target of 90 modules by end-2013, on a par with its best competitors.

A pilot wave of eight modules has made it possible to define a robust process and to build on initial – largely positive – feedback:

- a significant reduction in initial outlay (between -27% and -64% depending on the modules);
- standardized parts are ordered in large quantities, creating significant room for negotiation on all projects and considerably reducing the unit price;
- part diversity has been significantly reduced.

Four other waves are scheduled between now and 2013 and the modular design process is gradually becoming part of the Renault Design System.

V3P (VALUE-UP PRODUCT PROCESS PROGRAM)

The new development approach implemented as part of the V3P program is currently being rolled out in engineering and beyond. The aim is to cut the design costs of future vehicles, to shorten development times and to optimize the cost/value ratio. Training has been put in place for staff at central engineering offices, engineering centers outside France, and in the departments and sectors impacted by the program.

Although Renault is now starting to apply the new V3P rules in projects, the roll-out is gradual, starting with the downstream (industrial production) aspect of phase 2 projects such as Twingo and Mégane, then expanding the approach with the future replacements of Clio, Logan and Trafic. The approach will be applied in full on projects to renew vehicles at the higher end of the market.

DYNAMIC SKILLS MANAGEMENT

In 2011, as part of the "dynamic skills management" program in Change Up, Renault began an extensive study on the skills of the future and the expertise needed to lead the projects submitted to engineering teams. Looking beyond the tools implemented to help employees build career plans and identify the paths that will help them make progress, a network of employment offices was opened during the year. The offices are staffed by human resources advisors who can help employees build a career plan. This initiative marks a new stage in Renault's efforts to anticipate and optimize resources more effectively by advising and supporting employees and guiding them towards the areas of expertise that need to be reinforced.

INNOVATION AND PARTNERSHIPS

The innovation action plan continued in 2011, with a consolidated process to monitor innovation projects based on clearly identified milestones. The emphasis is still on real customer requirements and the appeal of the offering: the innovation plan is prepared with product and marketing specialists who approve the relevance of new projects.

To address the medium and long term, Renault has organized several calls for ideas among employees. These campaigns highlight new directions to be explored in order to renew the innovation portfolio.

At the same time, specific efforts are made to optimize exchanges with Nissan's innovation teams in order to make the best possible use of the research potential of both partners.

The Change Up Innovation action plan has been made possible by significantly increasing the resources assigned to research and advanced engineering. Initiated in 2011, the plan will be continued over the coming years.

SIMPLIFICATION AND DELEGATION

The simplification and delegation program was set up as part of global studies into the cross-cutting processes and decision-making channels implemented in vehicle projects. These tend to be of complex design and subject to major constraints in terms of performance.

The program reached a turning point in 2011 with the emergence of a dynamic based on the close involvement of a large number of engineering employees and the deployment of collaborative tools. This approach has made it possible to motivate employees at all levels of the hierarchy, encouraging them to contribute and enrich the various areas of progress identified with their own ideas.

In 2011 the program focused on making employees' daily lives easier. This topic, which paved the way for a range of initiatives, will be followed by a different topic each year.

COLLABORATIVE TOOLS

In 2011 Web 2.0 tools were clearly seen to be essential in collaborative working. Around 90% of engineering teams regularly use tools such as Chat, office–sharing, audio conferences and video conferences.

The use of video conferences was extended to all employees in 2011, at the workstation or in dedicated rooms. Around fifty meeting rooms fitted out for collaborative engineering were set up in 2011, of which two-thirds outside France.

Many house communities (the internal equivalent of applications such as Facebook and other social networks) have been set up. Some communities are public and aimed at all engineering employees. This is the case, for example, with the calls for ideas. Other communities are more restricted. Reserved for special skills areas, they meet specific needs, such as the sharing of know-how and best practices. Today around fifty communities make day-to-day cooperation easier for engineering staff.

1.4.3 TECHNOLOGY PLAN

Renault's technology plan organizes the company's advanced research and development actions into quantified, planned and prioritized projects. Projects are grouped into six priority subject areas: innovative architectures, electric vehicles and ecosystem, internal combustion/eco² vehicles, onboard comfort and reassurance, new services, and affordable costs. These subjects are illustrated by a few examples below.

1.4.3.1 INNOVATIVE ARCHITECTURES

Renault's innovative architectures have made a lasting mark on the history of the automobile. Several examples (R16, Espace, Scénic, Twizy) highlight this expertise. Continuing this historic route, projects that may not necessarily have the same high profile are nevertheless important.

For example: **the Alma project** (Architecture for Low Mass reduction and Aero drag).

The objective of this state-subsidized project is to enable Renault to remain at the forefront by reducing the CO_2 emissions of a Mégane-type vehicle to 80g/km by 2020. To obtain this reduction, Renault is focusing on three areas: weight, aerodynamics and friction. In the first instance, efforts will focus on reducing weight with a target of 800 kg.

Studies focus on the body, exterior and interior equipment, and the chassis systems.

Alma aims to be pragmatic and realistic. Vehicle weight will be reduced in three ways:

- applying local optimization technologies (subframe, very high-yield steel for non-body uses, etc.);
- implementing breakthrough solutions and new materials (thermoplastics, composite materials, SMC, etc.);
- using the induced virtuous effects of the first two points by resizing the parts that are not concerned.

This is because weight reductions of this type can create a sort of virtuous circle that will deliver more substantial breakthroughs on the CO_2 emission reduction curve. For example, if weight falls below a certain threshold, the vehicle can be equipped with a smaller power plant for even greater savings.

1.4.3.2 ELECTRIC VEHICLES AND ECOSYSTEM

With its mass-produced electric vehicles, Renault has opted to develop a mobility solution that represents a real breakthrough in terms of CO_2 emissions. Today, the first four vehicles in the new Z.E. range are arriving on the market, and R&D is already engaged in projects for their successors.

For example: **the Velroue project.**

The Velroue project is a research demonstrator designed to demonstrate the feasibility of a bi-modal LCV equipped with in-wheel electric motors on the rear axle, bringing customers a car that combines the characteristics of an electric vehicle in urban use with the full potential of a combustion engine for unlimited range on the open road.

The vehicle can function in either all-electric or hybrid mode as the customer requires:

- electric mode relies on the two in-wheel electric motors (Michelin technology) installed on the rear axle and supplied by a battery pack; here the emphasis is on urban use;
- combustion mode relies on an engine optimized for fuel efficiency, the emphasis is on extra-urban use with a range equal to that of a conventional vehicle.

The two modes can function simultaneously in certain highly specific conditions of use.

The Velroue project, which brings together Michelin, Renault and the IFP (French institute of petroleum technology), has been supported by the ADEME (French agency for the environment and energy management).

Battery swap station

For the launch of the electric vehicle range, Renault engineers developed an exclusive automated battery swap process. The system automatically replaces the battery in just three minutes on some models. These Quickdrop stations work on the principle of automatic vehicle recognition: a robot extracts the flat battery quickly and safely and replaces it by a fully charged battery. On completing the process, the robot takes the flat battery to the fast charging area where it can be recharged and reused on another electric vehicle.

Currently dedicated to the Fluence Z.E. model, the first stations are in operation at the Renault Aubevoye and Technocentre sites (France). Other stations are being set up in partnership with Better Place, in Israel and Denmark.

1.4.3.3 INTERNAL COMBUSTION VEHICLES

More than ever, Renault is reasserting its ambition to be the most carbon-efficient carmaker in Europe. With an average 135g/km of CO_2 emissions for the range sold in Europe, Renault ranks among Europe's leading vehicle manufacturers (ACEA average: 140g of CO_2/km). We expect to achieve an average of 120g in 2013 and less than 100g in 2016, in line with the CO_2 target of 95g/km set for vehicle manufacturers for 2020 by the European Commission. Internal combustion vehicles will continue to make up the bulk of cars on the market for many years to come. Hence the need to reduce the fuel consumption of these engines.

The key objective with the new range of Energy engines is to implement technological innovations that take us several stages forward, enabling us to pursue continuous improvements, building on localized optimization.

For example: **reducing friction and optimizing fuel combustion.**

Reducing friction limits the energy losses caused by engine operation. The engine thus consumes less fuel to deliver the quantity of energy required. To this end, Renault is combining a range of technical solutions, which it is continuing to explore:

- drawing on lessons, or even technologies, from Formula 1;
- using high-performance materials for specific purposes, for example: a DLC (diamond light carbon) coating on the camshaft tappets: the mechanical properties of this surface treatment, used in F1, significantly reduce friction;
- heat management to accelerate the ramp-up in engine temperature and thus reduce energy losses.

F1 and volume production: improving overall powertrain efficiency

Gateways have been built between F1 and volume production, with the exchange of resources and employee transfers from Renault Sport F1 to Renault powertrain engineering. The engineers who designed the Energy engines also worked on the F1 engines.

This sharing of expertise is based on skills in engine architecture, engine heat management and cooling, and friction reduction, which is vital in F1 for efficient performance.

Renault is drawing on the expertise of Renault Sport F1 in this area to reduce the fuel consumption and CO_2 emissions of its production vehicles.

As a result, Renault Sport F1 and powertrain engineering share 90% of their software calculation and measurement tools. Renault Sport F1, with its short development schedules, can quickly explore the limits and advantages of a given software package. This is an advantage in the design of all types of engine, even the less athletic versions.

1.4.3.4 ONBOARD COMFORT AND REASSURANCE

In the 20th century, it was people who adapted to cars in many respects. In the 21st century, cars must adapt to people. Underlying societal trends appear to show that cars will increasingly be part of a more global mobility system with intermodality as a key factor for all users. These trends also indicate that future users will want to maintain the same ties with their environment and the same quality of life as they would at home or in the workplace.

Renault's brand identity is also an invitation to R&D to stimulate innovation in every area that helps to make driving a pleasant and relaxing experience.

Renault projects focus on breakthroughs:

- in technology and cost in vehicle architecture, making new functions in comfort and well-being available to everybody;
- in use, by preparing for the introduction of simpler and more intuitive forms of interaction between the occupants and the vehicle;
- in business models, combining widely available wireless connectivity with new mobility services.

These breakthroughs must be simple, intuitive, affordable and customizable, in line with the brand image.

A few examples:

The **User Vision project:** the objective is to develop innovative user interfaces combining simplicity, emotion and intuitive use to deliver a new onboard experience that is both fun and reassuring. Applied across the range, the project aims to use the interior cabin volume to manage information and controls in new ways, with or without contact. Services are aimed both at the driver and the occupants, with the development of dedicated vehicle applications (games for passengers, silence for the driver!) using the vehicle as a medium (e.g. the side windows). The idea is to create more interaction between passengers and with other vehicles (visual communication) and to make travelling a more relaxing experience for everybody. This involves:

- developing self-adapting polymorphous controls designed for smooth interaction and based on a smaller cognitive load;
- developing augmented reality and data projections on the windscreen to provide real-time information on the environment, warning and reassuring the driver as necessary (the right information at the right time and in the right place).

Intelligent & Adaptive Speed Management (IASM): the aim of this project is to identify the services and associated technologies that will help drivers adopt the appropriate speed in all circumstances.

The IASM project groups several pre-existing or new 'technological bricks':

- Driver Monitoring (to detect drowsiness);
- Safe Intersection (low-beam lights activate on approaching a junction);
- Adas Efficient Cost Solutions (a unit processing information from several sensors of optimized cost).

1.4.3.5 NEW SERVICES

An upstream service-related activity has emerged in response to a two-pronged movement towards the future concerning:

- societal changes that will encourage or develop new life styles and social relations, driven by the new opportunities spawned by technology: increased collaboration and interaction, networks and communities, the need to stay connected, etc.;
- technological developments, in electronics in particular, and all its fields of application: the world is becoming digital, connected and interconnectable; cars must be part of this movement.

Services are appearing as gateways between both areas, so it was almost natural to start up research in this area.

Examples include: exploring applications based on the most recent advances in electronics and how they could be developed for the disabled.

1.4.3.6 AFFORDABLE COSTS

Making "mobility accessible to all" involves taking systems that were traditionally reserved for vehicles at the top end of the market and deploying them across the range. The pursuit of this process is one of Renault's distinguishing features. Efforts are based on simplification, standardization, using sensors in some cases for several functions, and a scale effect.

For example: **the tire pressure monitoring system**

The objective is to cut the cost of the equipment necessary to monitor tire pressure, against a backdrop of increasingly severe regulatory constraints (tire pressure monitoring becomes obligatory in 2013). This project is expected to bring savings of €30 per vehicle, compared with a current cost of between €80 and €100.

One of the options studied by the project is to do away with the four specific sensors and to use one of the many other sensors already fitted in the vehicle to process "tire pressure" information alongside its initial function.

1.4.3.7 LONG-TERM TARGETS

The research plan is based on long-term concepts representing breakthroughs in terms of both technology and use for each of the six strands making up the company's technological vision. Reaching these targets will demand advanced research and studies to acquire and develop the knowledge and technologies that are not yet available or accessible at a competitive cost.

A few examples of possible targets:

- a car with a minimum carbon footprint, or 100% recyclable and 100% recycled;
- a car built at half the cost with no trade-off in performance;
- providing older people with services corresponding to their physical potential, without creating the image of a car for the aged. The aim is to develop highly intuitive driving aids and third-generation user interfaces that reduce the mental workload and increase the physical and visual capacities of drivers;
- an electric vehicle with a broad scope of action.

1.4.4 SKILLS, EXPERTISE AND PARTNERSHIPS

1.4.4.1 INTERNATIONAL

Today, Renault engineering has several decentralized entities located close to its target markets. Their role is to adapt brand products locally to the needs and expectations of new customers and to local regulatory and economic constraints, working within the set strategic framework and applying Group quality standards. The network comprises entities in South Korea, Romania, Brazil, India, Spain and, as of 2011, Russia, all of which receive support from corporate teams in their growth and skills-building.

1.4.4.2 NEW TEST RESOURCES

The technical centers and test resources are the main components of the worldwide engineering organization and are key to the performance, quality, and competitiveness of R&D. The main highlights in 2011 were as follows:

REINFORCED ELECTRICAL ENGINEERING INSTALLATIONS AT LARDY AND GUYANCOURT

To support the development of Renault's four electric vehicles, the Lardy test center in France has doubled the size of its electric powertrain and battery testing facilities. The engineering team now has a total 41 benches for lithium-ion batteries, eight benches for electric motors, six benches for power electronics and 58 other benches dedicated to improving the performance of 12V start-up batteries and looking at how to give lithium-ion batteries a second life. This equipment covers an area of 3,300 m².

The Guyancourt Technocentre (France) also has new facilities dedicated to the development of electric vehicles. A new power electronics laboratory opened its doors in mid-2011 tasked with identifying and developing the components required by the sub-assemblies of electric powertrains (charger, inverter, converter, ECU, etc.).

Overall, Renault invested more than €33 million between 2009 and 2011 in testing and development installations for electric powertrains, of which €15 million in 2011.

Moreover, the magazine *Automotive Testing Technology International* presented Renault with two awards:

- test facility of the year;
- company of the year.

These awards reflect the continuous and significant investments made by Renault at the Lardy site to develop its test facilities, for both conventional engines and gearboxes – with the new powertrain innovation centre opened in 2010 for an investment of €60 million– and for electric motors and batteries with the expansion of the electric test centre in 2011.

A JOINT RENAULT/AVTOVAZ POWERTRAIN ENGINEERING PLATFORM IN TOGLIATTI (RUSSIA)

A joint engineering platform has been set up on the premises of AVTOVAZ in Togliatti. It already brings together 30 Renault and AVTOVAZ engineers in an area of 250 m². This year, their activity focused on the production of Renault-designed engines and gearboxes at Togliatti, and the search for Russian suppliers with a view to developing output to meet the needs of AVTOVAZ, Renault and Nissan on the Russian market.

TITU TEST CENTER (ROMANIA)

The Titu technical center is now fully operational. The main achievement this year was the delivery of the last test tracks, finalized in October 2011. The center now has a full set of vehicle and powertrain test benches, and a network comprising 32 km of tracks.

Work on confidentiality and environmental protection will be continued in 2012. In November 2011 the site started planting more than 80,000 trees around the tracks. The site is expected to request ISO 14001 certification in 2012.

1.4.4.3 AN ORGANIZATION DEDICATED TO EXPERTISE

In a highly competitive environment, leading the way in fields of strategic expertise is a significant competitive advantage. More generally, a dynamic skills management policy is essential to meeting the Group's ambitions in terms of innovation, performance and competitive edge. Anticipating needs, developing and strengthening skills to boost the performance of business functions, remaining at the cutting-edge of know-how in strategic fields: these were the reasons for setting up an organization dedicated to expertise.

Four levels of expertise:

- the expert fellow is recognized both inside and outside the company. He advises management on decisions that demand high levels of technical expertise. He is appointed by the President and sits on Renault's Management Committee. He also supports and advises the leader experts;
- leader experts are chosen on the strength of their standing and are assigned to a field of strategic expertise. They are tasked with developing a medium- and long-term vision of the technical developments in their field, with anticipating needs for technical skills specific to their field and with providing the resources required to consolidate these skills. They also contribute to the company's results by becoming involved in setting guidelines and taking technical decisions at key milestones.
  The leader expert network is made up of experts and consultants;
- experts possess the highest level of skills and knowledge in a given discipline of a field of expertise;
- consultants possess in-depth knowledge in a given speciality.

Of the 53 areas of strategic expertise identified, more than 60% are now overseen by a leader expert, since 34 have been appointed to date by the NAC (Nomination Advisory Council). Two thirds of these areas concern product/process engineering, but other key functions such as production and sales are also represented, as are support functions, customer and market knowledge and the economic performance of projects and of the company. This deployment of expertise is not limited solely to the appointment of leader experts, but also involves the appointment of experts and consultants, coordinated from a functional standpoint by the leader experts. Ninety experts and more than 280 consultants have been appointed to date, giving the expertise network a strong base. Coordination is organized through monthly seminars bringing together all the leader experts, who discuss what each one is doing with the network in his field of strategic expertise and the collaborative tools put in place.

The organization of these strategic fields of expertise reflects the set-up already in place at Nissan, since around 80% of these fields are shared. Only 10% are specific to Renault and 10% specific to Nissan. A pilot program is under way to identify possible synergies with a view to improving cooperation between Renault and Nissan expert networks.

The key role of expertise is to create, build on and pass on the knowledge and know-how that Renault needs to ensure its competitiveness in the future. First and foremost, this demands input from the company's internal expertise network. Kick-off meetings and seminars were organized for each field of strategic expertise, primarily to identify strengths and weaknesses in each area. One important aim was to identify the future critical skills to be put in place by the company or to have at our disposal through our external partners, in order to build expertise in future technologies. Following a study that looked into working methods and the sharing of responsibilities between the expertise organization and the organizations of function management and project supervision, an executive summary was produced, covering the fields of engineering and quality.

The external network of each field was described, with the pertinent contacts from other vehicle manufacturers, parts suppliers, R&D firms, higher education bodies, learned societies, the authorities and any other entities that could be of interest to Renault's current and future activities. In preparing this inventory, Renault was careful to take a global view of the subject. The contact with the persons identified served, in particular, through benchmarking based on the content of the field of strategic expertise or on expert network coordination practices, to identify good practices.

The second role of expertise is to place knowledge and know-how at the service of company operations, with a view to satisfying customers and boosting the profitability of Renault in all the countries where it is present. This role concerns first and foremost complex subjects, for which function rules alone are insufficient for finding a solution, as well as innovative, breakthrough subjects relating to products or processes. This role runs from the start of the company operating cycle through to the end, and thus before and after all activities.

In the upstream phases, expertise plays a role in innovation project milestones, in preparing TIMMs (Top Innovation Management Meetings) with our main suppliers, and in overseeing new projects (actions carried out for example on the Edison project with Daimler or on the small gasoline engine). It also contributes to the coordination of expertise programs (user interface, life cycle analysis) where it acts as a sort of task force in structuring areas of progress.

At the development stage, the expertise process oversees approval of onboard innovations for projects, where features that are particularly new justify specific monitoring. A Design Review process, based on the set-up at Nissan, has been put in place for powertrain engineering. At each milestone in the process, expertise decides whether the technical definition should be approved or modified, whether the approval plan should be modified or even if an alternative solution should be implemented. All the major engine and transmission projects at powertrain engineering are now covered by this process, which is being deployed across vehicle engineering.

During service life, the leader experts are responsible for addressing so called K1 defects. Cooperation has been put in place with the Quality department to ensure that expertise is brought in at as early a stage as possible when help is required, in order to find a fast solution to customer problems. For example, following the tsunami in Japan in March 2011, company expertise on electronic components was particularly useful in finding replacement solutions and thus minimizing production losses.

Looking beyond product and process engineering, discussed above, high-level presentations were organized concerning studies on cross-cutting subjects (energy resources, strategic commodities, rare earths, CO_2 roadmap, production processes, etc.), providing the basis for Renault strategy in these areas.

The next stage in our work on the expertise organization will be to continue setting up the internal network, to activate the external network to identify the breakthroughs and best practices to be put in place at Renault, to promote innovations more effectively while making their development more secure, to work with the Regions, to contribute to dynamic skills management and to establish the best way to coordinate expertise on a stable basis after a ramp-up phase.

1.4.4.4 SCIENTIFIC AND TECHNICAL PARTNERSHIPS

R&D collaboration contracts are an essential component of research activities. They contribute to skills development and cost-sharing while acting as a lever to speed up the pace of innovation. This can be seen in the figures for 2011:

- cooperative contracts: 104;
- European contracts: 29;
- French contracts: 75;
- CIFRE agreements: 97.

Here are a few examples from the portfolio of projects:

- Elibama (European Li-ion Battery Advanced Manufacturing for electric vehicles) – led by Renault;
- Powerful (Powertrain of Future Light-duty vehicles) – led by Renault;
- Atmo (development of deNox system modeling tools to design Euro 6 and Euro 6+ exhaust lines) – led by Renault;
- Asap (ultrasound welding control) – led by Renault;
- Partage (shared control of a safe trajectory between the driver and driving assistance), in which Renault is a partner.

COMPETITIVE CLUSTERS

Renault belongs to a number of competitive clusters covering scientific fields and conventional automotive techniques, as well as the fields that are set to become increasingly important in the future.

For Renault, these clusters create opportunities for cooperation and enable it to expand its skills and knowledge. They are also a means to amplify our R&D studies and to take advantage of synergies with the scientific and economic fabric.

The main competitive clusters in which Renault is strongly involved are: Mov'eo and System@atic in and around Paris, and ID4Car in western France.

Many projects in which Renault is a leader or simply a partner, have been launched through these clusters. They include:

- Alma (Architecture for Low Mass & Aerodynamic drag) to make cars lighter – led by Renault;
- LaBS (Lattice Boltzmann Solver numerical tool) – led by Renault;
- Cineli (interoperable electric inductive load) – led by Renault;
- Simcal (modelling of calendar ageing of electric energy storage systems on board road vehicles) – in which Renault is a partner;
- Bicnanocat (ionic bombardment processes for nano-catalyst design) – in which Renault is a partner;
- Osccar No'x (tools for simulating and understanding NOx reduction catalysis) – led by Renault – winner of a Carrefour Predit award in 2011 in the category "Technologies for energy and the environment".

STRATEGIC AGREEMENTS

CEA: an R&D agreement

In 2010 Renault and the CEA (French Alternative Energies and Atomic Energy Commission) entered a research and development agreement to work together in the field of clean vehicles and sustainable mobility for all. The agreement covers electric vehicles, new energies and the cleaner combustion engines of the future.

Joint project teams are in place and are working, in particular, on second- and third-generation batteries for electric vehicles, with the creation of a joint laboratory in Grenoble equipped with a pilot production line.

Daimler: co-research and co-development

Renault and Daimler are working together on a project to develop a small car. The two companies are also partners in the advanced research and study strands of European projects:

- Elibama (European Li-ion battery Advanced Manufacturing for electric vehicles) on the mass production manufacturing processes for Li-ion batteries and electric components;
- Wic2it (Wireless inductive charging to interpolation testing) on contactless charging.

PSA-Renault Research and Study economic interest grouping

The PSA-Renault Research and Study economic interest grouping (a sort of cooperative venture) houses the cooperation projects between the two manufacturers in shared fields of interest. Historically, the two main areas of study were linked to the LAB and the GSM.

The **LAB** (accident research and biomechanics laboratory), founded in 1969, brings together representatives of both manufacturers on the same site. It is active in the following areas:

- accidentology (field investigations and studies);
- biomechanics (laboratory experiments);
- human behavior.

The **GSM** (scientific group for engine study) was set up in 1980. The three members – PSA, Renault and the public organization IFPEN – work together in the following areas:

- biofuels;
- gasoline combustion in a diluted mix;
- modeling and reducing diesel pollutants for Euro 7;
- optimizing engines/motors for hybrid vehicles;
- low-power combustion engines.

In 2011 the PSA-Renault economic interest grouping extended its scope of cooperation to include electro-technical aspects and efforts to make vehicles lighter.

These electro-technical studies will enable the manufacturers to foresee standardization issues and prepare joint positions on:

- electric machines;

- power electronics;
- vehicle – infrastructure systems;
- storage.

Key suppliers will be brought in to studies on making vehicles lighter, with a view to studying all possible solutions to reducing weight and thus contributing to the emergence of a network in France.

Investing in the future

"Investissements d'Avenir", a €35 billion research fund put in place by the French state, ranked among the main economic programs in 2010. The first practical initiatives were seen in 2011, with the publication of the first calls for projects.

The main challenges to be met by France include:

- the knowledge economy (specific university resources);
- business competitiveness;
- innovative industrial facilities reflecting the need for an industrial policy.

The main priorities of the "Investissements d'Avenir" program are as follows:

- higher education and training (€11 bn);
- research (€8 bn);
- industry (€4 bn), particularly for competitive clusters and a number of large companies;
- innovative small and medium-sized companies (€2.5 bn);
- sustainable development (€5 bn);
- the digital economy (€4.5 bn);

In 2011 Renault made a significant effort to respond to calls for projects in the following areas:

- technological research institutes;
- centers of excellence in low-carbon technologies;
- vehicles of the future: mobility systems, charging infrastructure, combustion drivetrain, electric drivetrain, reduced weight, aerodynamics and structure;
- circular economy: recycling;
- digital economy: software engineering.

BRGM: a competitive edge in procurement

Renault and the BRGM (office of geological and mining research) entered a strategic partnership agreement in 2010. Since the agreement was signed:

- regular, multiple, structured exchanges have been put in place, making it possible to react proactively to the fast pace of events on the commodities market: the rare earths crisis (the BRGM supplied us with regular information on mining projects under development, and enabled us to consolidate contacts with Rhodia on the recycling of rare earths), analysis of the impact of commodity-backed financial products on price volatility, etc.;
- joint R&D projects have been launched: the ANR ESPEER Project on the analysis of commodities flows in the French economy, a response to the call for expressions of interest in recycling (November 2011) with plans to set up a technology platform on the recycling of strategic metals, and the presence of BRGM (via the UN natural resources panel) on the Yale consortium on criticality;
- the partnership is also involved in high-level working groups: meeting on the request of the European Commissioner for Trade (Karel de Gucht) in January 2011 on the position to be adopted in response to the rare earths crisis (Renault and the BRGM were among 20 invited participants), appointment by the French Ministry of industry (COMES) of Renault (as chair) and BGRM (as vice-chair) of a working group asked to submit a report and recommendations on identifying the needs of French industry in terms of strategic commodities, participation as contributors to the Franco-German forum on commodities (October 2011).

Research studies recognized at the highest level

Leila Sabri, a young employee in Renault's powertrain engineering department, has received two awards for her thesis on "the development and implementation of a multi-scale method of analysis for the running-in process in volume production": she won both the 2011 Bézier prize and the Hirn Prize for France's best thesis on tribology*.

These research studies were carried out at Centre Arts et Métiers ParisTech at Châlons-en-Champagne (powertrain and production processes laboratory).

Another reward for another thesis as part of the 8th "Thesis Awards" at ParisTech. More than 630 theses were in competition, with nine finalists and three prizewinners, including Larbi Touahir for his work on "new architectures using amorphous silicon-based biochips". This engineer is a battery specialist from Renault's electric powertrain department. He conducted his studies in the condensed materials physics laboratory of Ecole Polytechnique.

* *Tribology: the science of friction, wear and lubrication of two interacting surfaces in relative motion.*

1.5 RISK FACTORS ✦

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

Risk management, which is essential for any global industry corporation, needs to be reinforced and made proactive. It is therefore an integral part of the Group's operational management procedures.

The organization is three-pronged:

- at Group level, the Risk Management department (DMR) provides methods and an overall vision to identify and handle major risks. It does this, in particular, by monitoring them with risk-mapping techniques and implementing preventive measures in high-risk areas;
- at a cross-cutting level, the Group's Prevention and Protection Department is responsible for identifying and processing risks linked to the protection of assets, sensitive Group information and corporate personnel based outside France. It is also responsible for implementing crisis management procedures, in liaison with Corporate Communication. The Quality Department and Internal Control Department provide advice, methods and coordinating expertise for the management and processing of risks with other Group departments;
- in all entities involved in business-critical processes, experts are appointed to identify and prioritize risk control solutions and to oversee their implementation.

1.5.1 FINANCIAL RISK

1.5.1.1 GENERAL FRAMEWORK FOR CONTROLLING FINANCIAL RISK

For the Automotive sector, the management of market risk focuses mainly on the Central Cash Management and Financing department of Renault and Renault Finance, whose main activities are described at the end of chapter 1.1.4.1 of this document.

Sales Financing (RCI Banque – see chapter 1.1.4.2) manages the market risk on its activities independently of Automotive. Securities trades executed by companies in the RCI Banque group are intended solely to hedge the risks related to the financing of sales and the inventories of the distribution networks. Most of these trades are made by the trading room of RCI Banque, which plays a pivotal role in refinancing the RCI Banque group, as part of the overall Group-wide governance policy.

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

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

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

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

1.5.1.2 LIQUIDITY RISK

AUTOMOTIVE

Risk factors

Automotive must have sufficient financial resources to finance the day-to-day running of the business and the investments needed for future expansion. The net financial debt of Automotive continued to drop in 2011, falling to €299 million at December 31, 2011, compared with €1,435 million at December 31, 2010. Automotive needs to borrow regularly from banks and on capital markets to refinance its debt and ensure liquidity. This creates a liquidity risk if markets are frozen or credit is hard to access, which could also affect the final customers.

Management procedures and principles

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

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

As part of this program, Renault issued €500 million bonds in May 2011 for a five year period.

Renault also has an issue program under the Shelf Registration scheme on the Japanese market. In December 2011 Renault SA issued a two-year ¥15.4 billion bond.

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

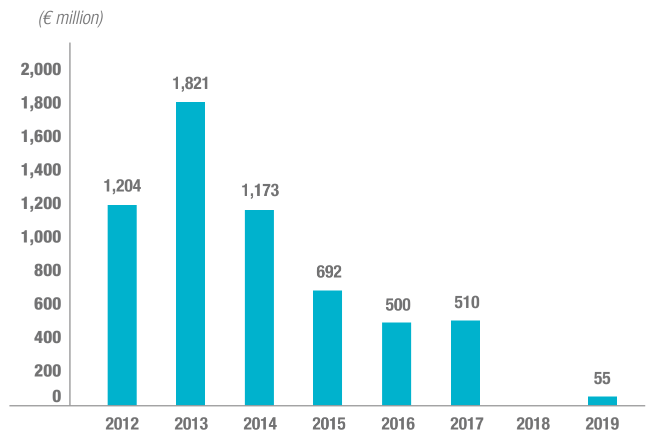
In 2009 Renault benefited from a €3 billion loan from the French government with a five-year maturity. Renault SA had an early repayment option starting in 2011. Further to negotiations with the French government, Renault repaid this loan in three installments of €1 billion: in September 2010, February 2011 and April 2011.

Moreover, Renault has a commercial paper program for a maximum €2.5 billion. The total outstanding at December 31, 2011 was €200 million.

The graph below shows the maturity schedule for Renault SA bonds and equivalent debt, which account for most of Automotive's long-term financial liabilities. A maturity schedule of Automotive's financial liabilities is included in note 24-C to the consolidated financial statements.

With a constant balance sheet structure, the medium-term refinancing requirements in 2012 will be €1,204 million for maturities of bond issues and equivalent debt, and €200 million for maturing commercial paper.

MATURITY SCHEDULE FOR RENAULT SA BONDS AND EQUIVALENT DEBT AT DECEMBER 31, 2011 (1)

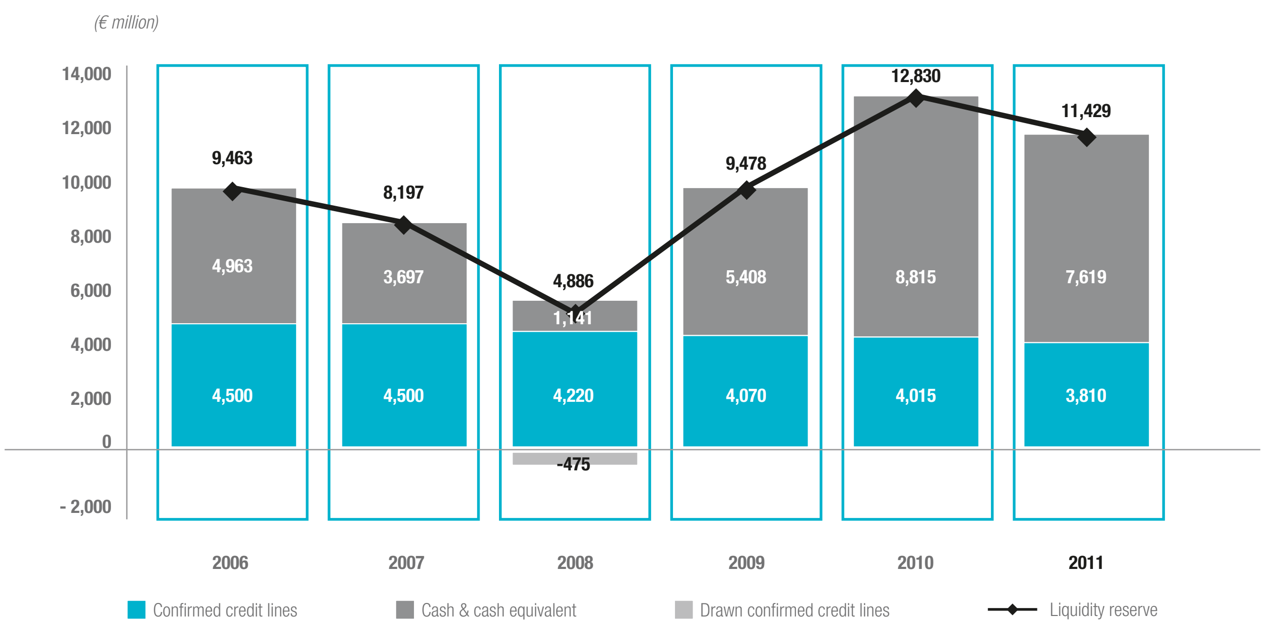


(1) Nominal amounts valued at December 31, 2011.

Furthermore, Renault benefits from confirmed renewable credit lines with banking institutions for a total amount of €3,810 million with maturities out to 2016. In 2011 no credit lines had been activated. These confirmed credits provide a liquidity reserve for Automotive and are also partly intended as back-up lines for the issuance of short-term commercial paper.

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

AUTOMOTIVE – LIQUIDITY RESERVE



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

(1) Nominal amounts valued at December 31, 2011.

SALES FINANCING

Risk factors

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

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

Management procedures and principles

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

In this tough environment, RCI Banque, which saw strong growth in its business activity, carried out the biggest financing plan of its history. The group borrowed over €7 billion resources with a maturity of one year or more, of which €3.35 billion on the bond markets in euros and €1.8 billion in securitizations. RCI Banque continued and accelerated the process of diversifying its investor base initiated in 2010 and issued for the first time in 2011 a private placement in US dollars for an amount equivalent to €0.9 billion, a second bond in Swiss francs, a bond dedicated to the Belgian retail market and a public issue of Letras Financeiras (financial bill) in Brazil, following the recent creation of this new financial instrument by the Brazilian Monetary Council (CMN). The group was also active on the market for private placements in euros and on the Korean and Argentine bond markets.

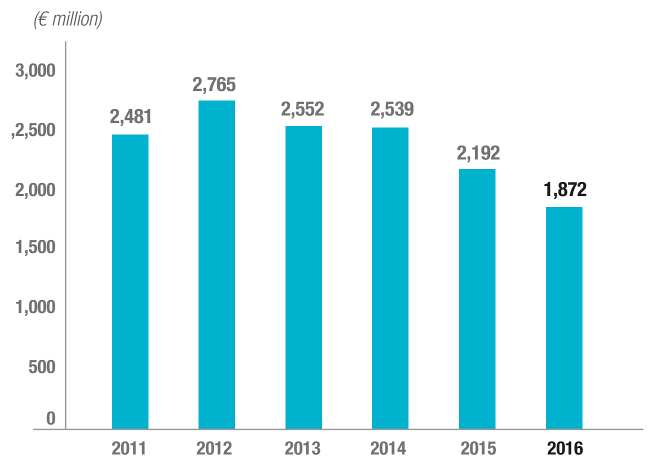
The amounts borrowed and the many different sources of access to liquidity demonstrate that RCI Banque has a stable and diversified funding base.

These long-term resources, to which should be added €4,523 million of undrawn committed credit lines and €1,665 million of collateral eligible to the European Central Bank's (ECB) open market operations, secure the continuity of RCI Banque's commercial business activity for more than eight months under a stress scenario characterized by a total lack of new funding sources.

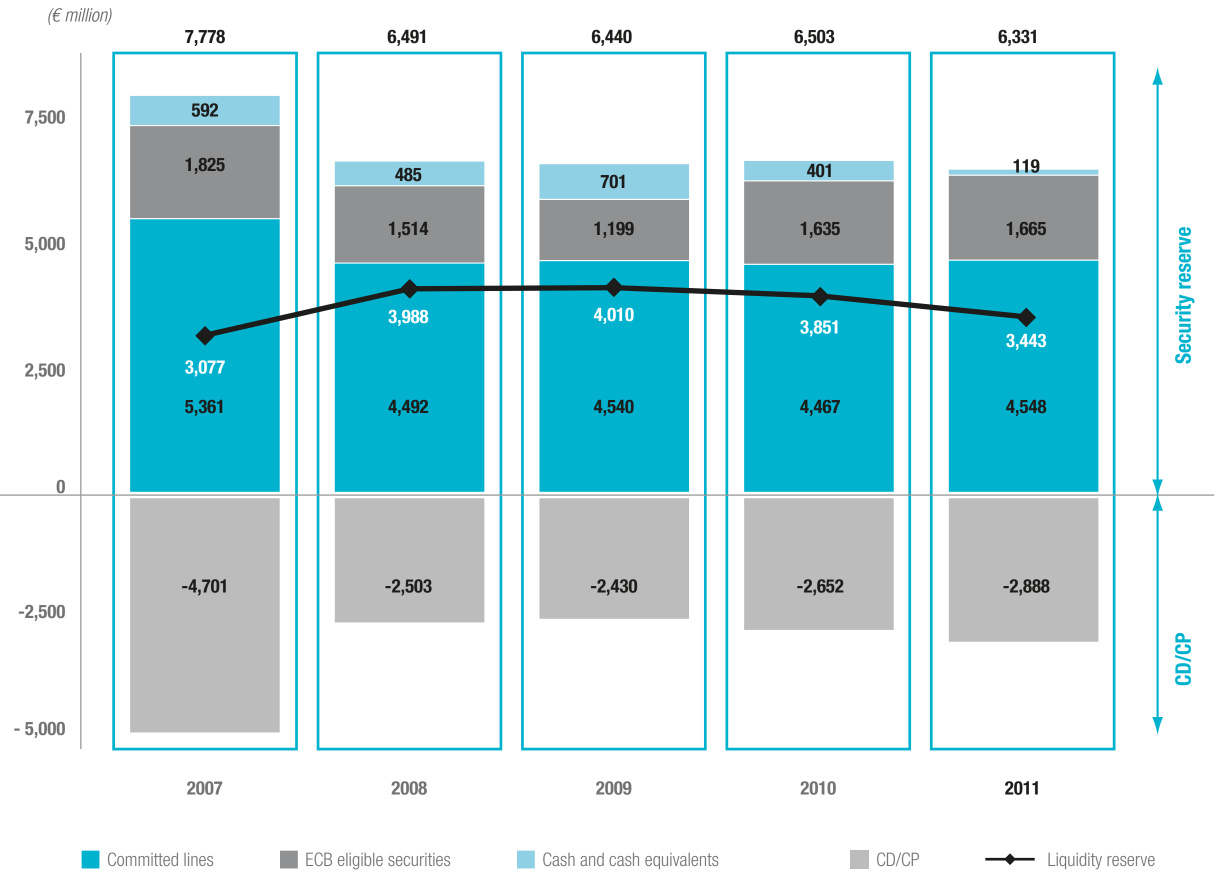
In a complex and volatile environment, the conservative financial policy implemented by the group in recent years proved especially justified. This policy protects the commercial margin of each entity while securing the refinancing for its business activities. It is defined and implemented at a consolidated level by RCI Banque and applies to all sales financing entities within the group.

- Available liquidity amounted to €6,331 million (undrawn committed credit lines €4,548 million, available receivables assignable at the central bank: €1,665 million, cash and cash equivalents: €119 million), more than twice the combined total of commercial papers and certificates of deposit outstanding.
- The liquidity reserve amounted to €3,443 million. This represents available liquidity surplus to the certificates of deposit and commercial papers outstanding. The group has to maintain sources of alternative liquidity above the level of its short-term negotiable debt securities.

MATURITY SCHEDULE FOR RCI BANQUE BONDS AT DECEMBER 31, 2011

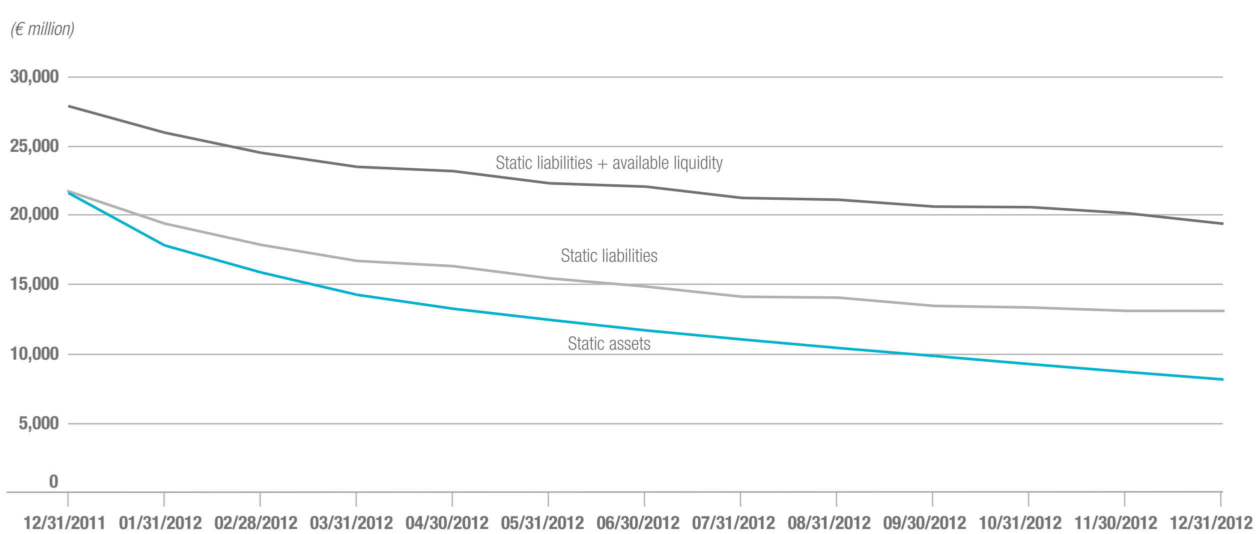


RCI BANQUE GROUP – LIQUIDITY RESERVES AT DECEMBER 31, 2011*



Centralized refinancing scope: Western Europe, Czech Republic, Hungary, Poland, Slovakia, South Korea.

RCI BANQUE GROUP – LIQUIDITY SITUATION AT DECEMBER 31, 2011



The RCI Banque group carried out a number of securitization transactions (France, Italy and Germany) securitizing amounts receivable from the distribution network and final customer credits, by means of special purpose vehicles.

These securitization transactions were not intended to result in derecognition of the receivables transferred, as the whole of the risk is kept by the group. At December 31, 2011, the amount of the sales financing receivables thus maintained on the balance sheet was €8,739 million (€7,247 million at December 31, 2010). Liabilities of €3,704 million have been booked under 'Other debt evidenced by certificates', corresponding to the securities issued during these securitization transactions. The difference between the amount of receivables purchased and the amount of the afore mentioned liabilities corresponds to the credit enhancement needed for these transactions and to the share of securities kept by RCI Banque, serving as a liquidity reserve.

In accordance with the rules of consolidation, any residual units and short-term units held by RCI Banque have been eliminated from the consolidated financial statements.

In addition, and as part of its efforts to diversify its refinancing, certain transactions are secured in 2011 by conduit:

- €630 million of dealer receivables in Germany;
- €680 million of customer leasing contracts in Germany;
- £799.5 million of customer receivables in the United Kingdom.

As these issues were private, their terms and conditions are not disclosed in the above table.

All securitized receivables, including accrued interest not yet due, remain on the asset side of the balance sheet.

SECURITIZATIONS – PUBLIC ISSUES

€ million					**SECURITIZATION - PUBLIC ISSUES**
COUNTRY		**FRANCE**	**ITALY**		**GERMANY**
Ceding entity	Diac SA	Cogera SA	RCI Banque Succursale Italiana		RCI Bank Niederlassung
Start date	October 2006	April 2010	July 2007	July 2010	December 2011
Maximum term of fund	October 2020	October 2015	October 2023	April 2023	April 2023
Asset SPV	Cars Alliance Auto Loans France FCC	FCT Cars Alliance DFP France	Alliance Auto Loans Italy SPV Loi 130		Cars Alliance Auto Loans Germany FCT
Initial purchase of receivables	2,323	1,235	1,402		1,793
Kind of purchased receivables	Auto loans to customers	Receivables independent dealers	Auto loans to customers		Auto loans to customers
Receivables purchased as of 12/31/2011	1,830	1,545	1,239		1,925
Credit enhancement as at 12/31/2011	Cash reserve for 0.10% Over-collateralization of receivables 16.4%	Cash reserve for 1% Over-collateralization of receivables 13.6%	Over-collateralization of receivables 4.61%	Cash reserve for 1% Over-collateralization of receivables 15.8%	Cash reserve for 1% Over-collateralization of receivables 12.7%
Issuing SPV	Cars Alliance Auto Loans France FCC	FCT Cars Alliance DFP France	Cars Alliance Funding PLC Irlande		Cars Alliance Auto Loans Germany FCT
Public issues Medium-term Notes in issue as at 12/31/2011 (including any units held by the RCI Banque group)	Class A Rating AAA 337.6	Séries 2010-1 Class A Rating AAA 750.0	Séries 2007-1 Class A Rating AAA 288.7	Class A Rating AAA 679.0	Class A Rating AAA 800.0
	Class B Rating A 94.3	Séries 2005-1 Class B No Rated 36.5	Séries 2007-1 Class B Rating A 35.5	Class B Rating A 28.0	Class B Rating A 25.7
Period	Depreciation	Revolving	Depreciation	Depreciation	Revolving
Listed private placement	Class R	Séries 2005-2 Class A			Class R
Short term	Rating AAA	Rating AAA			Rating AAA
Notes in issue as at 12/31/2011	1,136.5	250.0			176.8

GROUP ISSUANCE PROGRAM AT DECEMBER 31, 2011

ISSUER	PROGRAM	MARKET	CAP (MILLION)
Renault SA	Euro CP	France	2,500 M€
Renault SA	Euro EMTN	Euro	7,000 M€
Renault SA	Shelf documentation	Samouraï	150,000 MJPY
RCI Banque	Euro CP	Euro	2,000 M€
RCI Banque	Euro MTN	Euro	12,000 M€
RCI Banque	CD	France	4,500 M€
RCI Banque	BMTN	France	2,000 M€
Diac	CD	France	1,000 M€
Diac	BMTN	France	1,500 M€
Rombo Compania Financiera S.A.	Bonds	Argentina	700 MARS

* *Local ratings.*

The RCI Banque group's programs concern three issuers (RCI Banque, Diac and Rombo Compania Financiera SA) for a combined total of more than €24 billion.

RATING

	AGENCY	RATING	OUTLOOK	REVISION	PREVIOUS RATING
Renault	Moody's	Ba1/NP	Stable	12/13/2011	Baa1/P2 outlook positive
	S&P	BB+/B	Stable	11/03/2010	BB/B stable
	Fitch	BB+/NR	Stable	10/07/2010	BB/NR stable
	R&I	BBB+/-	Stable	03/31/2009	A/NR négative
	JCR	A-	Stable	11/26/2010	BBB+/-
RCI banque	Moody's	Baa2/P2	Stable	12/15/2011	A3/P2 positive
	S&P	BBB/A2	Stable	11/03/2010	BBB-/A3 stable
	R&I	BBB+/a-2	Stable	03/31/2009	A/a1 négative

The ratings of Renault and RCI Banque remained stable in 2011. In contrast to the action taken in February, following the publication of the annual results, Moody's reviewed the ratings outlook for Renault and RCI Banque from "positive" to "stable" in December, owing to lower forecasts for the European market in 2012.

Note that the rating of RCI Banque with S&P and Moody's is two notches higher than Renault's.

Any downgrading of ratings could limit and/or increase the cost of access to capital markets.

1.5.1.3 CURRENCY RISK

AUTOMOTIVE

Risk factors

Automotive is naturally exposed to currency risk through its industrial and commercial activities. Currency risk on these activities is monitored through Renault's Central Cash Management and Financing department.

Management procedures and principles

Almost all foreign currency 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. In 2011 the Group's main transactions were a currency hedge to partly cover 2012 revenue in sterling, and a partial hedge for purchases in Turkish lira.

Based on the structure of its results and operating cash flows in 2011, the Group estimates that a 1% appreciation of the euro against all other currencies has a negative impact of €41 million on annual operating margin.

However, this limited sensitivity in 2011 is the result of long and short exposures in currency against euro that cancel each other out: incomings in Russian rubble, sterling, Argentina peso and Turkish lira, and outgoings in Korean won, Japanese yen and Romanian leu. Sensitivity in 2011 was focused on Russian rubble, amounting to around -€9 million if the euro rises by 1% against this currency.

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

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

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

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

Impact on share in the net income of associated companies: on the basis of their contributions to 2011 net income, a 1% rise in the euro against the Japanese yen, the Swedish krona, or the Russian rubble would have decreased Nissan's contribution by €13.3 million, Volvo's by €1.4 million and AVTOVAZ's by €0.5 million.

Impact on shareholders' equity: equity investments in currencies other than the euro are not usually hedged. This may lead to translation adjustments, which the Group recognizes in shareholders' equity. However, the size of the Nissan investment was such that Renault's share of Nissan's net worth has been partially covered by a specific foreign exchange hedge, in an amount of ¥95.4 billion at December 31, 2011 with maturities out to 2014. The nature and amount of each transaction are indicated in note 14-H to the consolidated financial statements. These transactions are made up of private placements worth ¥20 billion and ¥75.4 billion of bonds issued in yen on the Japanese market.

Impact on net financial debt: as mentioned above, a portion of Renault financial debt is denominated in yen so as to cover part of the investment in Nissan. A 1% increase in the euro against the yen would reduce Automotive's net debt by €9 million.

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

SALES FINANCING

Risk factors

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

Management procedures and principles

No foreign exchange positions are permitted in connection with the 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.

At December 31, 2011, exposure to exchange rate risk was €8.4 million.

1.5.1.4 INTEREST RATE RISK

AUTOMOTIVE

Risk factors

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

Management procedures and principles

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

Automotive's financial liabilities totalled €9,296 million at December 31, 2011. A maturity schedule of Automotive's financial liabilities is included in note 24-C to the consolidated financial statements. After stripping out derivatives, €952 million of that debit is yen-based (¥95.4 billion).

Automotive held €7,619 million in cash and cash equivalents at December 31, 2011. As far as possible, Renault SA centralizes Automotive's available cash. This is then invested in short-term bank deposits through Renault Finance.

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

SALES FINANCING

Risk factors

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

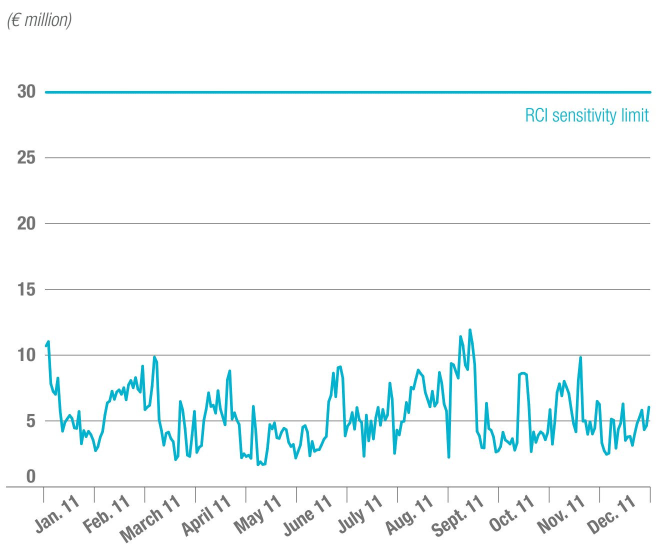
Management procedures and principles

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

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

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

RCI BANQUE GROUP: DAILY SENSITIVITY TO INTEREST RATE MOVEMENTS (2011)



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

In 2011 the interest rate sensitivity of RCI Banque remained under the €30 million limit stated by the group.

At end-December, an interest rate rise of 1% would have had the following impact on the main currencies used by RCI Banque:

- a negative impact of €4.5 million in EUR;
- a positive impact of €0.5 million in CHF;
- a negative impact of €0.1 million in GBP;
- a negative impact of €0.2 million in USD.

In absolute value, the total sensitivity of all the currencies dealt with by the group amounts to €6 million.

1.5.1.5 COUNTERPARTY RISK

RISK FACTORS

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

MANAGEMENT PROCEDURES AND PRINCIPLES

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

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

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

In 2011 the Group suffered no financial impact arising from the failure of a banking counterparty.

The Group does not trade in the credit derivatives market.

Payment flows with Group's partners were analysed. In Iran, subject to international sanctions, the resulting restrictions can make operation with our partners in the country difficult.

1.5.1.6 COMMODITY RISK

RISK FACTORS

The commodity risk exposure is first of all a price risk:

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

Supply risk for commodities, particularly some metals and rare earths, is a strategic issue for the Alliance.

MANAGEMENT PROCEDURES AND PRINCIPLES

The guidelines that buyers apply to price increases and decreases are set by an ad hoc committee, the Raw Material and Currencies Committee (RMCC).

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

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

Renault's Purchasing department can use derivatives to hedge risk on indexed commodities. Hedging is limited to purchases by the Purchasing department of Renault and the Renault Nissan Purchasing Organization for Renault projects in Europe. These hedges are linked to the physical purchasing operations carried out to meet plant needs.

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

These transactions are authorized by senior management, with limits in terms of volume, maturity and price thresholds. They are covered in monthly reports that detail hedge performance and the performance of hedged items. The Chief Financial Officer and the Senior Vice President of Purchasing agree on the proposed commodity hedges. These proposals are then submitted to the President and CEO, who is the only person with decision-making powers in this area.

Non-indexed commodities (for example, steel, rubber plastic) account for around 80% of the materials used in vehicle manufacture, compared to just 20% for indexed commodities.

In 2011 Renault Finance hedged purchases of aluminum, lead, copper, palladium and platinum on behalf of RNPO. These transactions covered a maximum 80% of monthly quantities and were put in place from June onwards whenever financial market prices fell below the budgeted figures.

The RMCC also implements the methodology developed by Renault in 2010 to objectively establish the criticality of mineral commodities based on:

- supply risks and cost variations;
- the importance and impact for Renault (depending on the volumes consumed and purchasing price).

This criticality matrix helped identify the metals to which the Alliance is most exposed and to develop strategies for reducing their use, for recycling and/or for replacement. Renault is also jointly tracking a list of ten critical metals with Nissan.

Morevoer, the criticality analysis method developed by Renault is becoming a benchmark. In September 2011, France's Interministerial Committee for Strategic Metals (COMES) asked Renault to oversee an interprofessional working group to identify and assess the needs of French industries in strategic commodities.

1.5.2 OPERATIONAL RISK

1.5.2.1 SUPPLIER RISK

RISK FACTORS

Suppliers account for 70% of the total vehicle cost price. For this reason, any failure on the part of suppliers, whether it concerns the quality of parts delivered, a logistics problem, deteriorating financial health or a loss of reputation, has a considerable impact on both the production of Renault plants and on the smooth running of projects.

MANAGEMENT PROCEDURES AND PRINCIPLES

Contractual risks

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

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

Strategic and financial risk

Supplier strategic and financial risk is managed in two ways:

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

This method is used to assess suppliers before including them in the base, and also in making appointments through the sourcing process.

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

The Committee is a multi-skilled body chaired by the Purchasing department, and bringing together all the functions impacted: finance, legal, management control, logistics, communication, public affairs and HR.

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

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

Renault is also a member of the FMEA (fund for the modernization of automotive suppliers), which is contributing to the consolidation of the French automotive sector.

CSR risk

Alongside requirements on quality, cost and lead times, Renault expects its suppliers to respect the principles laid down in the Declaration of Fundamental Employee Rights (DDSF), based on those of the International Labour Organization. In particular, these principles ban child labour and forced labour, and encourage companies to commit to policies in the fields of hygiene, safety and the environment, and to promote good working conditions.

To remove CSR risk, filters must be included in the purchasing process.

New suppliers joining the base must:

- accept the general terms and conditions of purchasing, which include a chapter on CSR;
- sign the DDSF.

Suppliers already on the base and who wish to be considered in the sourcing process must:

- sign the DDSF or indicate compliance with the Renault-Nissan CSR Guidelines for Suppliers* published in 2010, and enforce the clauses set out in the general terms and conditions of purchasing (particularly with respect to substance conformity). These requirements are set out in requests for quotes (RFQ);
- obtain a sufficient score in CSR assessments or implement an approved action plan to address any major or critical non-conformities. A scoring scale with an acceptance threshold has been put in place for each type of assessment.

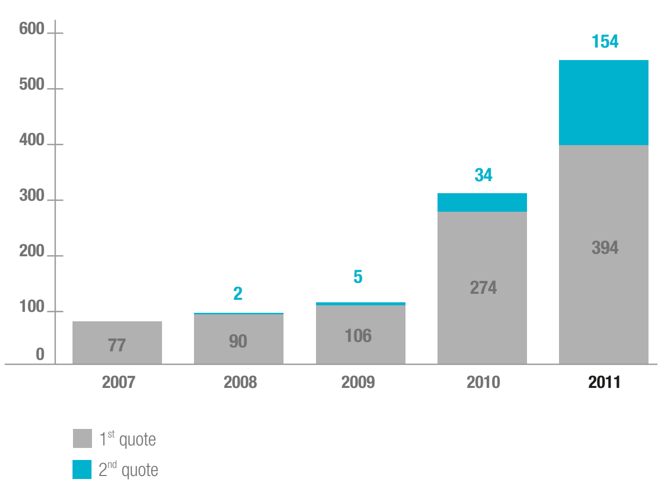
If suppliers refuse to implement an action plan, penalties may include putting them on business hold.

The score to be obtained by suppliers wishing to join the base or be selected in the sourcing process is based on assessments and audits.

Two types of assessment exist:

- the first is based on field observation of the sites making our parts. It is carried out in-house by Renault experts (1,136 carried out in 2011). All the sites in countries deemed to be high risk will be assessed before end 2012 (86% coverage at end-2011);
- the second is based on CSR management of supplier groups by a third party. Ninety-eight groups, selected on the basis of purchasing volumes or the risk arising from their production activity, have already been assessed.

SUPPLIERS' ASSESSMENT PER YEAR



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

An action plan is requested systematically in the event of a score that does not comply with Renault requirements. In the event of a critical non-conformity, suspected or verified during an internal assessment, an external audit may be requested, along with the action plan to address non-conformities.

The purchasing sustainable development department monitors the effective roll-out of the action plan and requests practical proof of implementation. When the action plan is complete, the site or group is reassessed.

Sixty five suppliers made progress following the implementation of action plans in 2010 and 2011.

Other risks

Other types of risk (logistics, technology, industrial, etc.) are handled by the operational purchasing departments. In the event of failure, these departments implement replacement solutions, sometimes in very short timeframes, using the supplier base to ensure continuity of supply.

The following points are regularly examined via operating performance reviews: engineering excellence, ability to respond to demand in terms of volume, quality, costs and lead times, and suitability of logistics.

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

Development of the capacity benchmarking process is the standard process for managing the capacity of the Renault group over the next two years.

The capacities to be installed are calculated for part numbers, and the weekly output to be satisfied by the industrial system (suppliers and plants).

The scope and frequency of the capacity survey and frequency may vary, in line with the capacity risks and opportunities identified by the Renault group.

The replies obtained from suppliers and plants as part of the capacity survey will provide the basis, following the decision o the Renault group, for approval of the capacity benchmarking process.

The capacity survey is carried out through a global information system (DCP@Renault).

Every year, almost 10,000 parts are examined.

1.5.2.2 GEOGRAPHICAL RISK

RISK FACTORS

The Group has industrial and/or commercial operations in countries outside the Europe region [(1)], notably Romania, Russia, Turkey, Morocco, South Africa, Brazil, Argentina, Colombia, Chile, Iran, China, South Korea and India. Group sales outside Europe account for 43% of volumes in 2011.

The Group's activities in these countries carry various risks, most commonly GDP volatility, economic and political instability, labour unrest, new regulations, payment collection problems, sharp fluctuations in interest and exchange rates, lack of foreign currency liquidity, and foreign exchange controls, for example in Iran where Renault faces repatriation difficulties.

(1) The non European Regions are Euromed, Eurasia, Asia-Africa and Americas (see the country list end of chapter 1.3.1).

MANAGEMENT PROCEDURES AND PRINCIPLES

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

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

The geographical distribution of Renault's industrial and commercial investments contributes to risk diversification, since patterns of GDP growth and solvency vary from one region of activity to another.

In principle, the country risk is not hedged for commercial industrial investments. The exception is Iran, where Renault's investments are partially guaranteed by a credit insurer.

In terms of commercial flows, the Group hedges most of its financial payments from emerging countries. This excludes some sales to Renault subsidiaries, and countries that have no hedging system. The two main hedging instruments used are bank guarantees (letters of credit and stand-by letters of credit from leading banks) and guarantees from credit-insurers.

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

1.5.2.3 RCI BANQUE CUSTOMER AND NETWORK RISK

RISK FACTORS

These factors depend on the quality of customer credit.

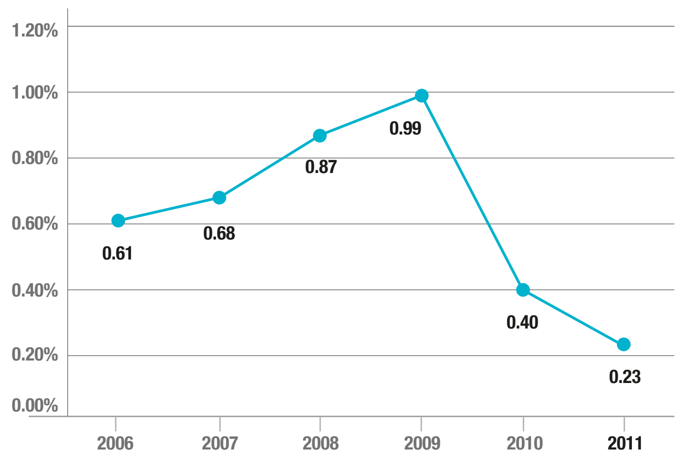
MANAGEMENT PROCEDURES AND PRINCIPLES

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

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

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

RCI BANQUE: TOTAL LOSSES ON CUSTOMER FINANCINGS (% OF TOTAL AVERAGE LOANS OUTSTANDING) INCLUDING COUNTRY RISK



Source : Synthèse Performance Groupe

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

The cost of risk is equal to 0.23% of average loans outstanding, compared with 0.40% in 2010. This figure is significantly lower than the structural historic level of RCI Banque, which is around 0.60%. This figure is linked in particular to the improvement in the risk situation in Spain and Romania, and to the reversal of provisions for Network risk, following an upturn in the financial situation of dealers, particularly in Europe.

1.5.2.4 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;
- the main risk with importers is their financial health;
- through its own network of distribution subsidiaries, grouped in Europe under the umbrella of Renault Retail Group, Renault's risks are primarily related to decentralization and the diversity of these entities;
- the financial situation of dealership networks is also a source of risk.

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

MANAGEMENT PROCEDURES AND PRINCIPLES

Import subsidiaries

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

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

Moreover an annual self-assessment on internal control was set up with a tool designed jointly with the Internal Control department.

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

Importers

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

This hedging may be:

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

The hedging instruments are deployed before starting commercial exchanges.

European distribution subsidiaries (Renault Retail Group)

Internal control at the Group's distribution subsidiaries (Renault Retail Group) is based on a set of standards and procedures. Annual self-assessments are carried out using the Internal Control Quality tools developed by the Internal Control of RRG in collaboration with the Internal Audit department. This department carries out regular audits to ensure the effectiveness of the system.

Dealership network

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

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

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

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

1.5.2.5 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 1.1.4.1) and its plants are interdependent. An active formal prevention policy is applied at all production plants, covering personal safety and the security of property and operations.

MANAGEMENT PROCEDURES AND PRINCIPLES

For many years, the Group has endeavored to reduce the risks of fire, explosion and machine breakdown, giving priority in this effort to powertrain and body assembly plants and R&D centers. Most of the existing plants have obtained a high level of active and passive prevention and protection, illustrated by the Highly Protected Risk rating, an international standard awarded by insurance companies that verify the application of prevention and protection rules every year. Almost 80% of the insured capital has received the Highly Protected Risk rating, in recognition of the efforts made.

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.

1.5.2.6 ENVIRONMENTAL RISK

RISK FACTORS

Alongside the systems and policies (described in chapter 2.3 Environmental Performance) implemented to reduce the environmental impact of vehicles in the design, manufacture, operation and recycling phases, environmental risk at Renault also covers environmental impacts caused by malfunctioning facilities, 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 risk. This system is ISO 14001 certified and since 2005 has been integrated into the Renault Production Way through the management of chemical products and waste at workstations.

A central team of experts coordinates the tasks performed under the system. They 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 on all the Group's 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, and a scorecard of impact data that is checked by the statutory auditors.

1.5.2.7 IT RISK

RISK FACTORS

The Renault group's business depends in part on the smooth running of Group IT systems. These are under the responsibility of the Information Systems department (DSIR), which has put in place a security policy, technical frameworks and processes to combat the 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, representatives of other corporate departments and the information control program;
- Security Committees at DSIR level, that carry out checks at operational level to verify the effective application of IT security procedures, in line with international best practices;
- 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 and Prevention department (D2P);
- system conformity checks made jointly by the DSIR and D2P.

The main IT security projects in 2011 sought to:

- strengthen safety measures that reflect the new issues raised by the Group's international expansion and partnerships (security training, access management and confidentiality, protection of the Alliance intranet, etc.);
- supplement the emergency resources and procedures in place at the Group's main IT centres;
- step up the deployment of the IS security policy across user business lines; appoint IS security business line managers who are actively involved in the main actions approved by the IT risk Committee: management of access rights to business line applications, continuity of service on strategic applications, confidentiality of IS.

1.5.2.8 HEDGING OF OPERATIONAL RISK BY INSURANCE PROGRAMS

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

- high-impact low-probability risks are transferred to the insurance and reinsurance markets;
- common risks that are statistically known and 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. In 2011 two programs were renegotiated and placed jointly with Nissan, thereby becoming Alliance programs, "Property damage and business interruption" and "Transportation and storage". The Insurance department 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:

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

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

MRC usually takes action as follows:

- "Property damage and business interruption": €18 million per incident with an annual block limit;
- "Civil liability": 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 €25 million. The Group decided to cover some depots exposed to natural incidents, such as storms or hail, in particular in Slovenia, Brazil, Spain and Algeria.

Some risks, such as the 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, and a desire to make each risk-bearing sector more accountable. No significant changes to the risk transfer policy are planned for 2012.

1.5.3 OTHER RISKS

1.5.3.1 LEGAL AND CONTRACTUAL RISK

RISK FACTORS

Legal procedures and arbitration

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

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

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

The procedures currently underway against Renault as part of the dismissals following the case of attempted fraud, namely:

- dismissal disputes filed with the “Conseil des Prud’hommes” employment tribunal;
- the summons from the “Tribunal de Police” police court for non-public defamation;
- the threat of a complaint for false accusation against persons unknown targeting the writer of the anonymous letter;

do not seem likely to call into question Renault’s statement above.

Joint company risk

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

Changes to regulations

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

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

Granting of licenses for industrial property rights

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

Each year, Renault s.a.s. files several hundred patents (see chapter 1.4), some of which are included in the fee-paying licenses granted to third parties.

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

MANAGEMENT PROCEDURES AND PRINCIPLES

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

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

- responsive reporting, which relies on the networking and meshing of the legal function within the Renault group via a dual system of line and staff reporting;
- the precautionary principle stems from two factors:
  - each member of the legal function has a highly developed sense of responsibility and is used to working on a collaborative, cross-functional and ethical basis at all times,
  - legal teams are brought in at a very early stage for of major cases and play a proactive role in solving subsequent disputes.

1.5.3.2 RISK LINKED TO PENSION COMMITMENTS

Renault operates in countries where, in general, pension systems are publicly run. Renault’s commitments in this respect consist primarily of retirement compensation, as specified in Note 21 to the consolidated financial statements.

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

SUSTAINABLE MOBILITY

2

The elements of the annual financial report are identified by the AFR sign in the table of contents.

Twizy

✦ Global Reporting Initiative (GRI) Directives

RENAULT, A RESPONSIBLE COMPANY COMMITTED TO SUSTAINABLE DEVELOPMENT

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 (see chapter 2.3).

That awareness encouraged Renault to become involved in developing a full range of electric vehicles generating zero carbon emissions in use, excluding wear parts, and to launch a comprehensive discussion on the future of transportation. Beyond vehicles, it is the whole concept of mobility that is at stake. “Sustainable mobility”, which respects users and the environment and is economically responsible, remains to be invented. Renault has made this its ambition: user behavior is changing, new infrastructure will be required and companies will need innovative business models.

The main challenge today lies in Renault’s ability to give as many people as possible access to technology that can reduce the car’s eco-footprint.

This is the idea behind Renault’s eco^2 label launched four years ago. Alongside the concepts of economy and ecology, Renault believes that environmental protection comes from giving everyone the opportunity to be eco-responsible.

This is why we have chosen to base our strategy on sustainable mobility for everybody:

- sustainable mobility because we cannot remain passive in the face of the challenges ahead: climate change, pollution, energy dependence, as well as safety, recyclability and diversity;
- mobility for all, because innovation only delivers progress if it is accessible to as many people as possible and because Renault has always sought to develop product ranges that are accessible to all.

Renault is therefore seeking to optimize the technologies of the future and to make them available to the greatest number.

This choice of sustainable mobility for all can only be realized through the commitment and skills of the men and women of Renault, who are the Company’s biggest asset. A development-centered Human Resources policy plays a decisive role in the long-term performance of the Group.

2.1 COMMITMENT TO CORPORATE RESPONSIBILITY ✦

INTRODUCTION

The Company has defined the priorities of its CSR policy to facilitate access to sustainable mobility for all, in a protected environment, and to promote equal opportunities through educational actions and initiatives to promote diversity.

The Corporate Social Responsibility department (DRSE) structures the Group’s CSR policy in cooperation with other functions and departments of the Company.

The DRSE is also tasked with launching and testing innovative actions in the field of corporate citizenship and maintaining a dialog with stakeholders. It acts as the spokesperson on CSR.

VISION, MISSION AND STRATEGY

To provide a cross-functional structure for the CSR policy and the actions that put Renault's commitment to responsible mobility into practice, in 2009 the Renault group created a Corporate Social Responsibility department (DRSE) and the CSR architecture shown hereafter:

The DRSE's scope of action is guided by three strategic principles:

- equality of opportunity and access to sustainable mobility for all;
- solidarity and responsible involvement by employees;
- long-term support for responsible development in the regions where the Group is present.

A MANAGEMENT SYSTEM TO BOOST RENAULT'S CSR PERFORMANCE

DECISION-MAKING PROCESS AND GOVERNANCE

The Group's Executive Committee has tasked the DRSE with defining and implementing the Group's CSR strategy. CSR strategic guidelines are determined at this level.

Decisions on major CSR actions are taken during regular meetings with the Group Management Committee, which is made up of representatives of the Group's departments and Regions.

As part of the Office of the CEO, the DRSE reports once a year on its activities to the Group Executive Committee, the Board of Directors, and the Annual General Meeting.

CROSS-FUNCTIONAL MANAGEMENT IN THE COMPANY

The DRSE has developed a social responsibility management system that is now applied in all countries, subsidiaries, establishments and departments of the Company through a network of CSR officers. Working hand in hand with members of other expert networks (environment, health and safety, working conditions, purchasing, etc.), the CSR network representatives make sure that social, societal and environmental concerns are taken into consideration in the processes in their entity.

They also initiate actions beneficial to society that are coherent with the Group's priorities and tailored to the specific characteristics of the local geographical zone.

CSR performance relies on:

- a central department;
- a network of about 50 local correspondents from the human resources, public affairs, communications, and CSR departments;
- shared processes in order to work more efficiently, keep track of activities and measure their impact;
- performance indicators.

Since all stakeholders need to be aware, informed and mobilized if the CSR culture is to be permanently established in the Group, specific means of communication are used:

- raising awareness: e-learning on diversity and CSR;
- information: four CSR Newsletters per year distributed internally and externally to stakeholders, articles in corporate and local communication media, a dedicated intranet site, and internal forums;
- mobilization: involvement of employees in the special days organized worldwide by the UN (environment, the disabled, women).

CODE OF GOOD CONDUCT ✦

CODE OF GOOD CONDUCT AND RULES OF COMPLIANCE

Renault has applied a Code of good conduct since 1998. This code provides a framework for relationships with all stakeholders, both inside and outside the Group, and is distributed to all employees and suppliers. It is being revised at the present time.

The Group's Ethics Officer ensures that the Code of good conduct is properly applied. He reports to the Chief Executive Officer and chairs the Ethics and Compliance Committee, which replaced the Compliance Committee in 2011. This committee is an integral part of the Renault group's internal control procedures. The Corporate Social Responsibility Officer is a member of the Ethics and 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 and discrimination. This procedure is governed by the requirements set by 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 in keeping with the Group's sustainable development policy and its international undertakings.

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 French government.

REGULATORY INSTRUMENTS

For the sake of transparency and progress, Renault adheres to international norms and standards established to regulate companies' social relations, employee relations and environmental practices.

Generally speaking, Renault aligns its CSR policy with the guidelines for the core subjects of ISO 26000, the international social responsibility standard adopted in November 2010. These subjects are: organizational governance, human rights, labor practices, the environment, consumer issues, fair operating practices, and community involvement and development.

Renault joined the United Nations Global Compact in 2001 and subscribes to the Principles of good corporate governance of the Organisation for Co-operation and Development (OECD), revised in 2011, and to the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO). Renault also follows the guidelines of the Global Reporting Initiative G3 in its non-financial reporting.

Renault is a founding member of the "Greater Paris Club for Sustainable Development", which brings together major corporations, 35 small and medium-sized companies and four interprofessional federations. The goal is to encourage as many companies as possible to sign up to the Global Compact (1). The association partners with the Greater Paris regional office of the French Environment and Energy Management Agency (ADEME).

(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.

2.1.1 DIVERSITY

2.1.1.1 PROMOTING DIVERSITY AND EQUAL OPPORTUNITY

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. In a locally focused and socially responsible company, diversity is a key driver of employee performance, motivation and commitment.

Diversity is a decisive competitive advantage: the diverse educational backgrounds, talents and career paths of the personnel are sources of innovation. In a globalized world, the Company will understand and best meet its customers' expectations by reflecting the many aspects of the 118 countries where it sells vehicles.

> "Our commitment to diversity is a competitive advantage that helps us to better meet the expectations of our customers around the world, in particular during a period where the so-called emerging markets have become the drivers of the economy."
> Carlos Ghosn, Chairman and CEO, Renault-Nissan Alliance

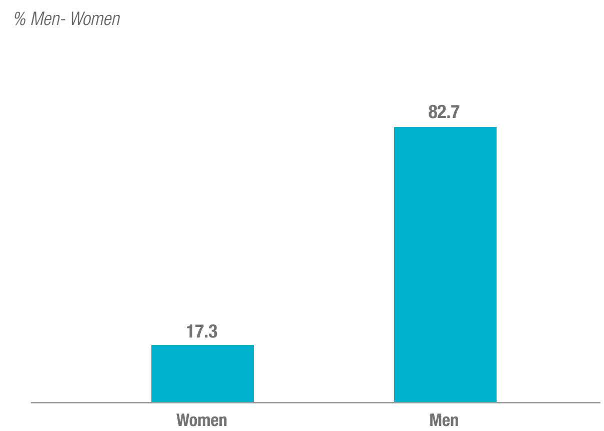
In 2010, Renault conducted a diversity diagnosis with the help of an independent organization. This diagnosis looked mainly at gender, health, disability, origin and age. It was done at 17 sites worldwide accounting for almost 60% of the total workforce. The diagnosis precisely identified strong points and also points to be improved.

On the basis of this analysis, Renault identified four priority areas for action:

- disability and health: integrate individuals with reduced mobility through a dedicated organization working at the ground level to promote the employment and professional development of disabled persons (see chapter 2.2.3.5, the section on disability);
- gender diversity: promote gender diversity and opportunity for women up to the highest levels of management to energize the Company's business activities;
- origin: promote cultural and social diversity in the teams to better reflect the national characters of the 118 countries where the Group is present;
- age: protect employees throughout their working lives, profit from the experience and valuable know-how of older employees, and give priority to the training and workforce integration of young people.

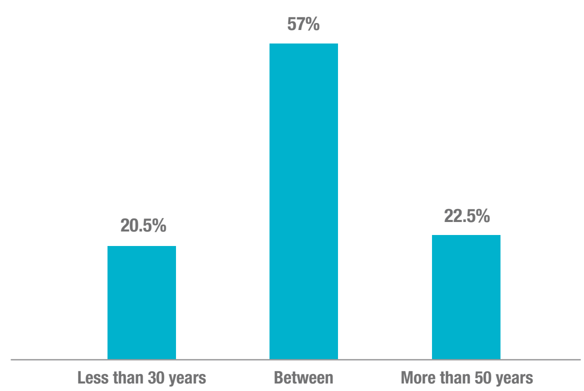
Breakthrough initiatives have been undertaken in countries around the world through social networks and partnerships with stakeholders. These have been backed up by HR efforts (hiring and career management).

MEN/WOMEN RATIO (RENAULT GROUP EMPLOYEES – EXCLUDING CASA EARLY RETIREMENT PROGRAM)



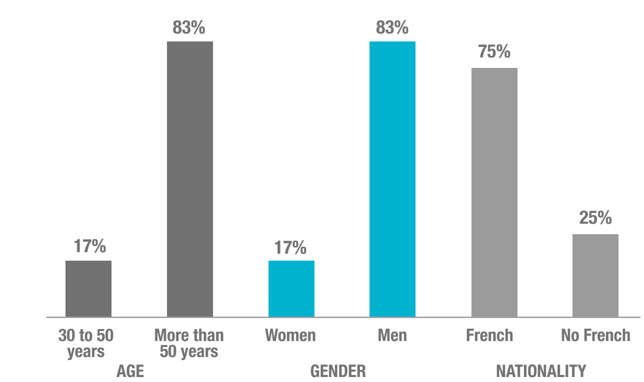
Scope: 90% of Renault group employees (excluding Indra, FM, RNTBCI, RCI Slovenia, RCI Ireland and RRG)

AGE PYRAMID (RENAULT GROUP)



Scope: 97.5% of Renault group employees (excluding Indra, FM, RNTBCI, RCI Slovenia and RCI Ireland)

RENAULT MANAGEMENT COMMITTEE (RENAULT GROUP)



Group Executive Committee: 30% of women.

2.1.1.2 RENAULT'S COMMITMENT TO GENDER DIVERSITY ✦

As part of its diversity policy, Renault has launched a plan specifically focused on the place of women in the Company: Women@Renault.

WOMEN@RENAULT: A PRACTICAL PLAN FOR WOMEN IN THE COMPANY

Since 2009, the Women@Renault plan has sought to achieve better representation for women at every level of the Company and in particular in its highest executive bodies.

This plan is an important means of increasing diversity in the workforce and improving the Company's overall performance. The plan's first target is to bring about changes in the HR processes, i.e., hiring and career management. Renault has thus set hiring goals of 30% women for technical positions and 50% for sales positions.

Equal pay is a key indicator of progress and of the concrete impact of the Women@Renault plan. In France, there have been several advances:

- inclusion for the first time of a gender breakdown in the transparency letters sent to managers and the supervisory and technical staff (ETAM) (these letters indicate measures taken in the pay increase and promotion planning so that each person can see where he or she stands);
- the setting up in France of a specific budget, managed at the corporate level, to ensure that the Company agreement on pay for women on maternity leave is applied.

Statistical analyses of the length of time spent in a position and the coefficients for men and women show that they have received equal treatment for several years.

The Company continues to keep a close eye on compensation, and it intends to make an even bigger effort in career management for women.

The Women@Renault plan has led to the creation and development of a women's network in the Company that offers an important means to professional development via a Web 2.0 platform. The number of Women@Renault network members has increased significantly: at end-2011, after 18 months in existence, it had 3,000 members, making it the largest social network in the Group. Members are now setting up local networks, thus achieving the network's aim of becoming international.

The Women@Renault network:
9 countries, 3,000 members.

- In France (Sales and Marketing department France – 100 members), signature of the gender diversity charter by the Sales and Marketing department France; in 2011, 450 dealerships joined the plan.

2010

- In Romania (113 members), the members organized training and conferences on the theme of women and leadership. They also took initiatives to help disadvantaged families in the region of Mioveni.
- In Brazil (250 members), the number of women increased by 16.7% in less than a year.

2011

- In South Korea (250 members), women represent only 4.5% of the total workforce of Renault Samsung Motors; seminars were held to bring together the male managers and the women on their teams.
- In Spain (200 members), there are pilots at each site; meetings were held with women from other companies to share experiences.
- In Turkey (173 members), activities included the sharing of expertise among women, training, conferences, and social responsibility actions (donations of books and toys to schools, student tutoring).
- In Morocco (50 members), the network is a first, and it has been created at a time when women are occupying an expanding role in Moroccan society, just as they are at Renault.
- The network was launched in Argentina and Colombia in October 2011.

Motivated by the belief that diversity in the broadest sense has a significant impact on the Company's strategy and performance, Women@Renault is carrying out vigorous actions on the ground and in the virtual world. This initiative has three key objectives:

- to contribute to women's professional and personal development: career, leadership, professional development, the balance between professional and personal lives;
- to contribute to the achievement of Renault's strategic objectives: a network ready to share ideas for innovations, recommendations, and experiences with management;
- to contribute to changing men's and women's ideas about the place of women in the Company and in business.

This presence has resulted in a larger proportion of women being hired in recent years and an increasing number of women in positions of responsibility. Thus, 16.9% of the women at Renault work in management positions, and three out of ten members of the Executive Committee of the Renault group are women, the highest proportion at an automaker anywhere in the world.

Marie-Françoise Damesin is Executive Vice-President, Human Resources, Odile Desforges is Executive Vice-President, Engineering and Quality, and Mouna Sepheri is Executive Vice-President, Office of the CEO of Renault.

2011 Aïcha des Gazelles Rally

The Aïcha des Gazelles Rally, an all-women's event promoting values such as solidarity and the striving to achieve new personal goals, welcomed 220 competitors from all over the world last year between March 19 and April 2. They included eight members of the women's community network Women@Renault, who participated with several Dacia Dusters, one of which took the prize for the lowest fuel consumption.

RENAULT RETAIL GROUP ADDS WOMEN TO ITS SALES FORCE

The Gender Diversity Office in the Sales and Marketing department France (DCF) works to increase the proportion of women on the staff and to promote gender equality. To better reflect the diversity of its customers, the DCF signed the DCF gender diversity Charter in September 2010. At the beginning of 2011, the commercial network joined in this initiative, with 450 dealerships signing the Charter. The number of women sales managers has significantly increased. One specific aspect of the DCF and network's gender diversity strategy is to take account of the customer dimension. Behavioral training emphasizing that our customers include women is provided to the network. At end-December 2011, 2,810 salespeople and 1,500 service advisors had received this training. Gender equality efforts have also gotten a direct boost from the hiring done as a result of Dacia's growth. Thus, at end-December 2011, 43% of the salespeople were women. Altogether, women represent more than 14% of the workforce of the Renault group's dealerships, a gain of 5.6 points in three years.

STRUCTURE/PROGRAMS	COUNTRY	PURPOSE	PARTNERS	BENEFICIARIES	MEASURE OF SOCIETAL IMPACTS
GENDER DIVERSITY					
Elles de l'Auto Charter www.el**les-auto.com**	France	1) Increase the proportion of women on the teams by setting quantified targets. 2) Encourage management to work toward these targets. 3) Track the gain in gender diversity.	Elles de l'Auto	Women in the auto industry	Proportion of women in auto industry companies
Elles bougent **www.ellesbougent.com**	France	Inform female high school and university students about jobs in the auto industry to encourage them to go into careers in engineering	Elles bougent	Female students doing studies in science and technology	25 women sponsors from Renault; regular meetings with young people; 100 young women in 2011
Working parents Charter	France	1) Take practical actions benefiting working parents. 2) Increase the representation of working parents in the Company. 3) Create a favorable environment for working parents. 4) Abide by the principle of non-discrimination in the professional advancement of employees with children.	Parenthood Observatory	Company employees	Adaptation of working hours. Development of teleworking. Two day-care centers at the Technocentre (France).
Euromed Management	France	Set up contacts and discussions between students and the sales network to increase the proportion of women on the sales teams	Euromed Management (business school in Marseille)	Students and the Renault sales network	Proportion of women in sales networks in the automotive sector
Aïcha des Gazelles Rally	World	1) Involvement of women in responsible development. 2) Building self-confidence.	Mai	Members of the Women@ Renault network	Proportion of women and development of women at Renault
HANDICAP					
ARPEJEH **www.arpejeh.com**	France	1) Promotes training, qualification and employment of the disabled; 2) Supports disabled teenagers in training and in building a career plan	ARPEJEH	Young disabled students	2011: xxx disabled interns worked in the Company

2.1.2 EDUCATION ✦

2.1.2.1 SUPPORT AND PARTNERSHIP IN EDUCATION AND EQUAL OPPORTUNITY ✦

Educational actions taken by the Renault group are based on two closely related priorities:

- social policy and Renault as an employer (attract, train, build awareness): cooperation and actions with the French education authorities to build the professional skills of young people:
  - implementation of a policy that seeks to match training programs with the skills needed by the Group and to develop the professional expertise of young people,
  - signature of the Charter committing companies to promoting equal opportunity,
  - active cooperation with educational bodies to introduce special training courses for staff in the national education system, including state school inspectors, directors of educational establishments, guidance counselors, psychologists, head teachers and technology instructors at high schools and universities,

✦ Global Reporting Initiative (GRI) Directives

- close ties with a large number of engineering and management schools and universities on a wide range of partnership activities: end-of-study internships, apprenticeship contracts for students with five years of higher education, sponsoring course options, and sitting on selection panels, participation in administrative and/or educational boards, research projects, involvement in academic chairs and foundations, and in-house training,

PURPOSE (FRANCE)	BENEFICIARIES	AMOUNT ALLOCATED *(K€)*
Policy for young people	Family and rural homes (5), Schools, technical universities, universities (12), Second-chance schools (2)	250
Relations with top engineering and business schools and universities	Top engineering and business schools, technical universities, universities (60)	450
Chairs/Research	Top engineering and business schools, technical universities, universities (20)	300

- Renault also paid €9.1 million in apprenticeship tax in 2011 to about 450 schools and certified institutions in France;

- social actions of public interest in France and other countries, carried out in line with Renault's CSR policy.

STRUCTURE/PROGRAMS	COUNTRY	PURPOSE	PARTNERS	BENEFICIARIES	MEASURE OF SOCIETAL IMPACT
La Voix de l'Enfant *Valued Citizens Initiative* "Values in Schools" and "Inspire" programs In 2010, the Valued Citizens Initiative NGO, of which Renault has been a founding partner since 2001, joined the *La Voix de l'Enfant* NGO www.valuedcitizens.co.za www.lavoixdelenfant.org	South Africa	Promote responsible citizenship in state schools in South Africa	Public educational authorities in the target provinces. Other partners of *Valued Citizens*, including the GDF-SUEZ Foundation for Inspire.	Gauteng, Free State, Kwazulu, Natal and Limpopo provinces	*Values in School*: since 2001, 1,800 schools and high schools in four provinces, 5,135 teachers and 448,000 pupils. *Inspire*: since 2009, 30 schools, 52 qualified educators, 255 directly qualified young beneficiaries and more than 22,696 pupils benefiting
The Course en Cours high school prize. An educational association set up in 2007 by Renault and Dassault Systèmes. An educational program launched in 2006 and approved by France's education authorities in 2009 www.course-en-cours.com	France	Raise awareness of engineering subjects in a spirit of equal opportunity and competition. 3D design, validation, construction and promotion of an electric mini (1/14) F1 car	Ministry of Education, Dassault Systèmes, Versailles-St Quentin University, *Sciences et Vie Junior* magazine	High schools, technical colleges and universities, resource centers and tutors in high schools belonging to each educational authority	Program cited in the framework of the *Plan Sciences MEN* 400 establishments, 1,500 teams, 7,500 pupils, 55 academic resource centers, 600 student tutors
Partnership with the foundation *Un avenir ensemble*: support from employees of major corporations for deserving students from disadvantaged backgrounds during their studies www.fondationunavenirensemble.org	France	Sponsorship of high school and university students from disadvantaged backgrounds	French educational system	Young people and their family	15 young people/year
Financing for the creation of an automotive technology laboratory in the Automotive Technical High School	Turkey	To educate young people for technical jobs in the automotive industry	Exporters Association of Uludag	Bursa, region of the Renault plant	720 high school students
Fonds Renault Retail Group *, the fund of Renault's commercial subsidiary, financed under a 2003 agreement between RRG and the labor unions with funds from the profit-sharing plan and supplementary funds	France and countries where RRG is present	Support for projects of public interest in the fields of education and citizenship involvement sponsored by RRG employees	Planète Urgence Aide and Action Croix Rouge NGOs	Associations and their beneficiaries RRG employees in precarious situations	2011: 17 projects carried out, including volunteer work with Planète Urgence by RRG employees during their vacations
Support by the *Fonds responsable Renault* for the association Apfee, which promotes equal opportunity in education through the program Coup de pouce clé www.coupdepoucecle.fr www.apfee.asso.fr	France	Personal tutoring and help in learning to read and write in primary schools in Priority Education Zones (ZEP)	Ministry of Education Targeted communities Targeted public schools in ZEPs	Communities and ZEP schools in Douai, Auby, Les Mureaux, Mantes-la-Jolie Children and their families	*30 Coup de pouce clé* clubs (150 children) in the communities around Douai and Flins (action ended in June 2011)
Partnership with *Une Grande École, pourquoi pas moi*, a program run by ESSEC	France, After-Sales department (DAV) sites	To give young people from disadvantaged backgrounds the means to succeed, in particular through the opportunity to attend excellent institutions of higher learning that will provide a good introduction to the professional world	ESSEC	Val d'Oise, Paris region, France	In 2011, 2 visits in DLPA site (Cergy-France) shadowing and internships with targeted students in high schools

* *In 2011, the Fund had an endowment of €150,000. It contributed to Aide et Action by sponsoring educational projects and to Planet Urgence through employee volunteer work during vacations. It also gave support to the Red Cross and other NGOs.*

2.1.2.2 THE RENAULT CORPORATE FOUNDATION

Established in 2001, the Renault Corporate Foundation is the expression of Renault's concrete involvement in higher education.

The Renault Corporate Foundation was renewed for five years in 2009, with a multi-year program of actions and a total of budget of €14,560,000 (or an average annual budget of €3 million). The mission of the Renault Corporate Foundation is to create lasting bonds between the Company and academic institutions in France and abroad. It supports six training programs developed with its partner universities.

The Renault Corporate Foundation organizes and finances a complete year of study in France for its scholarship students: a monthly grant, enrolment in schools and universities in France, social security coverage, the return trip between the country of origin and France, trips of economic and cultural discovery.

PROGRAMS	COUNTRY	FIELD	PARTNERS	BENEFICIARIES
Dauphine Sorbonne Renault Foundation MBA	Courses in France for students from universities in Brazil, South Korea, India, Japan, Lebanon, Morocco, Romania, Russia and Turkey.	International management	Université de Paris-Dauphine and the Sorbonne Business Administration Institute	Between 15 and 20 students/ program from foreign university partners
ParisTech Renault Foundation Master's in transport and sustainable development (TRADD)		Transport and sustainable development	ParisTech, École des Ponts, École des Mines École Polytechnique	
ParisTech Master's Renault Mobility and Electric Vehicles Foundation (MVE)		Mobility and vehicles	ParisTech, ENSAM, ENSTA, École des Ponts, École des Mines	
Renault Polytechnique HEC Chair	France, India, Japan, South Korea	Multicultural management and Company performance	École Polytechnique, HEC, École des Ponts, École des Mines Paris	15 students from HEC Paris, École Polytechnique, Indian Institute of Management Ahmedabad, and the University of Keio
Zero Carbon Leader Program (ZCLP)	France, Japan	Carbon footprint	Supélec, University of Waseda, Nissan Foundation, Nissan and Renault	2 to 6 doctoral students and post-doctoral researchers

SCHOLARSHIP STUDENTS GRADUATING IN 2011

On September 29, 2011, the Renault Polytechnique HEC Chair Award in multicultural management and Company performance was given to two groups of three students outstanding achievement. Each group of one HEC student, one Polytechnique student and one student from the partner institutions in Japan and India demonstrated the high level of performance achievable by multicultural teams. The projects receiving awards were: in India, "Convergence of technical policies in the Alliance and the impact of a joint research and development center"; and in South Korea, "Customer relations platform in France and South Korea – Focus on classification and information paths to decision-makers."

On October 25, 2011, 20 students from seven countries were awarded Dauphine Sorbonne Renault Foundation MBA degrees in International Management. On December 8, 2011, the 20 scholarship students in the seventh graduating class of the ParisTech Renault Foundation master's program in "Transport and Sustainable Development" and 14 students in the first graduating class of the ParisTech Renault Foundation "Mobility and Electric Vehicles" program received their diplomas.

NEW TRAINING PROGRAMS IN 2011

The Zero Carbon Leader Program (ZCLP)

The ZCLP is the first program created jointly by the Renault Foundation and the Nissan Foundation. It is intended for young researchers from the University of Waseda in Japan and the electrical engineering school Supélec in France who are working in the field of zero carbon technology and on subjects such as combustion processes for new types of engines, batteries, electric vehicles and power systems, hydrogen production, and fuel cells.

Up to six students (three from each university) will be accepted each year in the ZCLP.

The initial length of the program is five years.

Program description

- For doctoral students:
  - the first year of the doctoral program is spent at the student's own university (Waseda for the Japanese students, Supélec for the French);
  - the second year is divided into three parts: three months at Nissan in Japan, four months at Waseda for the French students and at Supélec for the Japanese, then five months at Renault in France;
  - the third and final year of the doctoral program is done at the home university (Waseda for the Japanese, Supélec for the French).
- For post-doctoral researchers: The program lasts one year, with three months at Nissan and four months at the University of Waseda for the French and at Supélec for the Japanese researchers, then five months at Renault in France (that is, the equivalent of the second-year doctoral program).

Professional degree in Energy Engineering for Electromobility (LIPRO 12EM)

This professional degree is offered by the Renault Foundation in cooperation with the Institut universitaire technologique de Mantes-la-Ville. The degree program covers three areas – electronics, information technologies and sustainable development – and prepares students for multiple professions in sectors that will grow with the demand for new technologies in the emerging field of electric mobility.

Preparation for the 12EM professional degree, which is awarded by the Université de Versailles Saint-Quentin-en-Yvelines, includes apprenticeship training.

About twenty students with grants from the Renault Foundation will be enrolled in this degree program when it starts in the autumn of 2012. Its purpose is to train mid-level managers to work in the field of on-board electrical systems and more specifically in the design, manufacture and servicing of electric and hybrid vehicles and the recharging infrastructures for them.

A multidisciplinary approach will be used to provide skills in all the technologies applied in on-board systems (electronics/IT) as well as those specific to electric vehicles (powertrain, battery, energy distribution, waste management).

This degree prepares students to work in the following areas:

- engineering offices (design and development of on-board electronic, electrotechnical and It systems);
- integration/validation (management of electrotechnical testing, design and development of numerical simulations)
- maintenance (inspections, electric vehicle servicing, recharging installations, batteries);
- production management (process management, design/maintenance of production facilities for electric vehicles).

The Renault Foundation celebrated its tenth anniversary on December 8 and 9, 2011. More than 500 academics, students, tutors, foundation and association executives, and individuals involved in CSR from around the world took part in the event. Forty of the Foundation's international partner universities and as many professors from ten countries were also present. At the official ceremony presided over by Carlos Ghosn and attended by prominent figures in the world of research and education, tribute was paid to current and former students, the Renault Foundation's activities were reviewed and new projects presented, and the Foundation's actions were placed in the context of Renault's overall CSR policy.

2.1.3 SUSTAINABLE MOBILITY: AN IMPERATIVE FOR THE PLANET ✦

To address the issue of sustainable mobility, Renault relies on a sustainable mobility, road safety and health section in the Corporate Social Responsibility department.

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 GLOBAL APPROACH

It was from this comprehensive perspective that Renault, the Renault Foundation and ParisTech decided to team up in research and teaching in the field of future passenger transportation by founding a Sustainable Mobility Institute in September 2009. The partnership agreement between Renault and ParisTech was signed at the end of August 2009. Most of the contracts with the research laboratories began in early 2010. Other French and international companies and university institutes that wish to take part in the research may also partner with the Sustainable Mobility Institute.

The concrete aim of the cooperation between Renault engineers, teacher/researchers and students from ParisTech is to:

- promote research in the design of innovative systems, essentially for electric vehicles;
- train sufficient managers and researchers to meet the demands of the transportation industry and the scientific and technological challenges raised by the long-term development of sustainable transportation systems;
- contribute to communication on these activities, in particular through a website dedicated to sustainable mobility: www.mobilite-durable.org. This site, which exists in French and English versions, was set up by Renault in September 2009 and had received over 100,000 visits by mid-2011. The IMD is tasked with increasing the contributions of ParisTech researchers and students to the site's content.

The Sustainable Mobility Institute research program has four parts:

THEME	PARTNER	OBJECTIVE
The systemic aspects of electric mobility	École Nationale des Ponts et Chaussées	To understand the interactions between the mass circulation of electric vehicles and the regions as well as the infrastructure requirements
The business models for electric vehicles	École des Mines de Paris École Polytechnique	To work out the business models that will guarantee the large-scale and sustainable development of the electric vehicle industry
A global vision of the future markets for electric vehicles	École des Mines de Paris Société de Mathématiques Appliquées et de Sciences Humaines (SMASH) Observatory of Emerging Economies Consulting	To study on an international scale the conditions for moving from the current system of automotive transport to electric vehicles
Technology	École Polytechnique École Nationale de Chimie de Paris	To contribute to further progress in rapidly improving battery technologies

Each research area is managed as a project. The Institute organizes seminars twice a year for everyone involved at ParisTech and Renault to allow discussion of research findings and to encourage the exchange of ideas and cross-fertilization. Since the Institute's launch, four days of seminars have been held, in March and October of 2010 and 2011, with more than fifty people from Renault and ParisTech participating.

The IMD's work during its first two years allowed an assessment of the contributions it can make to sustainable mobility. These include:

- a capacity to explore subjects of special importance through exchanges with Renault's top management;
- anticipation of the evolution of mobility practices while providing new ideas on ways to work with stakeholders (government, local communities, electricity suppliers, etc.);
- expertise complementary to the Company's competencies on technically complex subjects.

2.1.4 ROAD SAFETY

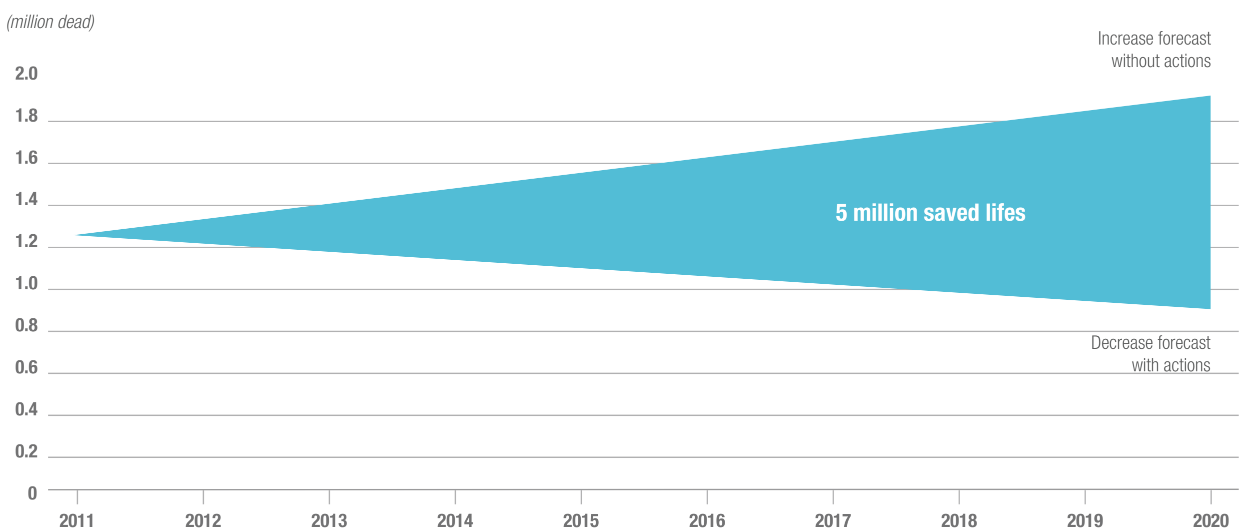
Road safety is a global public health issue that concerns every continent. According to the World Health Organization (WHO), some 1.3 million people are killed and between 20 and 50 million injured on the world's roads each year. If concerted and effective action is not taken, the WHO predicts that the number of annual road fatalities will reach 1.9 million in 2020.

By implementing a policy of responsible mobility, Renault sees itself as a partner of governments throughout the world, and its aims is 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, however, much more progress is needed, and Renault is working to help achieve it.

In March 2010, the United Nations General Assembly adopted resolution A/RES/64/2551, proclaiming the period 2011–2020 the Decade of Action for Road Safety, with the goal of stabilizing and then reducing the projected level of road traffic fatalities around the world by increasing road safety activities at the national, regional and global levels. The program was officially launched on May 11, 2011.

On May 19, 2011, Renault officially declared its support for the Decade of Action for Road Safety, becoming the first automobile manufacturer to stand alongside governments and NGOs to achieve the United Nations' ambitious objectives.

THE DECADE OF ACTION FOR ROAD SAFETY



Source: World health organisation.

2.1.4.1 RENAULT'S ROAD SAFETY POLICY ✦

Renault's approach to road safety combines vehicle technologies and social initiatives. It is a people-centric approach designed to address the real challenges identified from objective data. When these data do not exist, Renault works with local stakeholders to develop the information system that can generate them.

Thanks to the Renault–PSA Peugeot Citroën Laboratory for Accidentology, Biomechanics and the Study of Human Behavior (LAB) and contributions from numerous international working groups, Renault has an accident database that provides extensive knowledge in accident mechanisms and the capacity to evaluate the effectiveness of each safety system in terms of lives saved and injuries prevented. It also helps identify the systems that need to be installed on vehicles to maximize their safety. This accidentology-based approach is supplemented and enriched by biomechanical research to gain a better understanding of the lesional mechanisms that cause injuries and to continually improve safety systems. With more than 60 years of research and development in this field, Renault is a recognized leader in automotive safety today.

Similar to these research programs to develop accident-prevention and user-protection systems are Renault's efforts to identify and develop the skills of those responsible for road safety and of road users. In this work, international best practices are combined with knowledge specific to targeted regions or populations to ensure that the right message is being communicated in the right way.

Today, Renault is extending the data collection and analysis that takes place in Europe to its regional engineering centers and sales subsidiaries, in cooperation with the local and global stakeholders in road safety. The aim is to adapt its vehicles and sustainable mobility actions to its new markets.

Renault participates in numerous actions to encourage sensible and restrained driving and campaigns for the standardization of speed limits in Europe along with better driver education in general. Renault is an active participant in safety study groups, where it contributes its expertise and analyses. It is also currently involved in an ambitious international educational program.

In France, Renault is a member of the Board of the Road Safety Foundation, whose mission is to identify, promote, and fund research projects that will contribute effectively to road safety. This joint initiative between the private and public sectors is a forum where the members of the working group can share their knowledge and findings.

2.1.4.2 RENAULT'S FIVE PRIORITY ACTIONS TO PROMOTE ROAD SAFETY

PREVENT

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 offers a course in responsible driving in partnership with the French driving school ECF.

PREVENT

CORRECT

Road holding and braking are the basic dynamic factors for a vehicle and the primary contributors to accident avoidance. Even so, there are situations where technology has to intervene to compensate for driver error. This is the purpose of driving aids, which go into action in difficult or emergency situations without completely taking over from the driver.

CORRECT

PROTECT

A top priority of Renault's safety strategy is to protect all the car's occupants according to the severity of the impact, regardless of their age, size or location in the vehicle, in small and large cars alike. Renault exceeds Euro NCAP standards by equipping 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.

PROTECT

RAISE AWARENESS

Changing the behavior of all stakeholders (public authorities, parents, drivers, children) over the long term and educating people from the earliest age to the dangers on the road are key weapons in the battle to improve road safety

RAISE AWARENESS

AID

Since early 2010, Renault has been working more closely with rescue services in France and abroad to improve the assistance provided to persons injured in road accidents. These services receive guides explaining how to perform rescue operations on Renault vehicles. They are also given late-model vehicles on which they can practice victim extraction methods.

AID

EXAMPLES OF ACTIONS

THEMES/PROGRAMS	COUNTRY	BENEFICIARIES	PURPOSE	MEANS
Commitment by the Company to raise awareness of road safety on the entire workforce	Worldwide	Group employees	Managing risks in work-related driving	Actions to raise the awareness of employees who drive cars and two-wheel vehicles of risks on the road
Training in responsible driving (CAR+safety)	France	Customer fleets	Reteaching responsible driving techniques to our customers	One day of training for our customers available anywhere in France through the French driving school ECF
Driving school and training in preventive driving	Worldwide	Over 8,000 customers and employees	Learning to manage emergency situations	A half-day course in preventive driving on a track
"10 de conduite jeunes": Informing middle-school students about safe and responsible driving. A partnership with the Gendarmerie nationale, Groupama and Total.	France	Middle-school students	Theoretical and practical workshops (driving a Clio with dual-controls to learn good driving habits)	A nationwide operation in France. Gendarmes go to middle schools with a Clio teaching car. This year, the children of CTA employees benefited from this training
Setting up a Road Safety Management Chair and Master's program	Lebanon	Middle East and Gulf States	Teaching students about road safety. Developing and strengthening skills to deal with known and increasing road hazards	Initial and follow-up training. Involvement of public- and private-sector stakeholders and civil society.

EMERGENCY SERVICES TRAINING

The efforts to help protect customers who are involved in an accident include improving the training in emergency services. The three main ways this is done are the following:

- donations of recent-model, ICE vehicles to firefighters to improve their training in the extraction of accident victims. In 2011, 45 vehicles were given to local fire and rescue services (SDIS) and to the Paris fire brigade (BSPP);
- training in accidents involving electric vehicles (EV) made by Renault and Nissan. Documents containing all the information needed to carry out emergency operations on this type of vehicle have been prepared. Specialist in many departments of the Company (electrical architects, battery experts, passive safety engineers, etc.) contributed, and 10 EV were given to firefighters so they could carry out the various operations and verify that the documents correctly described the procedures. These tests on prototypes were conducted jointly by firefighters and Renault engineers and architects to take the fullest possible account of the constraints faced during these operations. The finalized documents (Emergency Response Guides and Extraction from Vehicle Procedures) have been put online and are accessible free of charge in the languages of the countries where our vehicles are sold (http://www.infotech.renault.com/fo/accueil.action). In 2011, before EVs went on the market, firefighters in the cities, regions and countries where demonstration EVs were driven received training from a Renault expert, himself a volunteer firefighter. In a joint Renault-Nissan initiative in England, 150 firefighters were trained in emergency procedures for the two brands' EVs. Renault also had a booth at the International Congress of French Firefighters to present the EVs and the instruction documents for them;
- training in passive safety. To improve their knowledge of our passive safety systems (air bags, pyrotechnical systems, reinforced steel), training was provided to emergency responders from some partner SDISs and the BSPP. The training documents were given to the participants so they could pass them on to their colleagues. At the end of the training, they attended a crash test to get a better understanding of all the impact mechanisms that must be dealt with.

A Duster outfitted with emergency equipment was given to firefighters in Macedonia to help them battle forest fires as part of the support Renault provides to Working Together, a French association of French firefighters.

A PROGRAM FOR OLDER CUSTOMERS

Renault has created a sustainable mobility assistance program for the seniors among its customers to ensure that these older drivers enjoy mobility and autonomy in complete safety.

This program, which has been set up in partnership with the French driving school ECF, consists of a one-day session in which older drivers are informed about changes in the driving code and road infrastructures, new equipment on modern vehicles, and how to deal with these changes as they get older. There are theoretical and practical workshops (vision tests, neck mobility, reaction time, and driving a Clio to learn new strategies). The objective is to make older drivers aware of how their physical condition can change with age. A pilot group of about thirty drivers over the age of 70 took part in this session.

Road safety – an area of strategic expertise for Renault

To bolster its competitiveness, the Renault group must be sure to develop and strengthen its expertise in certain areas considered strategic. In 2011, a new area of strategic expertise was created: road safety. A expert leader for this area was chosen for his expertise and experience in the safety field, which comprises the management of safety policies in each country, the effects of impacts on the human body, and accident analysis.

2.1.4.3 ACTIONS FOR CHILDREN AND YOUNG PEOPLE: THE INTERNATIONAL "SAFETY FOR ALL" PROGRAM

Because it is important to learn the right habits from an early age, Renault continued its "Safety for All" international road safety program during the 2010-2011 school year, relying on its expertise in this field.

This educational program is intended mainly for children and teenagers. Launched in 2000, it has already reached about 13 million young people, with 630,000 teaching kits distributed. Currently running in some 15 countries, it is the biggest road safety awareness campaign ever organized by a carmaker. By way of example, the "Kids on the Road" program intended for primary school children has been deployed in countries other than France, including Morocco, Bulgaria, Poland, South Korea, Portugal, Turkey, and Switzerland. The winning poster in the international "Express Yourself!" competition for middle school students appears each year in the media.

At the start of the 2011 school year, "Safety for All" became "Safety and Mobility for All", meaning that the themes of environmental protection and eco-mobility are now included as well. Primary school children are still one of its targets, and entirely new educational materials have been prepared for secondary school students. The program's international scope has grown with new participants like Brazil, Lebanon, Slovenia and Colombia.

2.1.4.4 RENAULT – AN INTERNATIONAL PROMOTER OF ROAD SAFETY

Renault's broad international expansion naturally involves designing and marketing vehicles that meet the safety requirements and expectations of new markets. Because the causes of accidents and injuries in these new regions differ from the European market, Renault is expanding its accident research beyond Europe to its decentralized engineering departments and international sales network, transferring its own know-how and gaining local expertise from local laboratories and universities.

The study of accident data in host countries was formerly used only for vehicle safety specifications. 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 ✦

To deal with the increased road safety challenges that inevitably go hand in hand with access to mobility and motorized transport, Renault has been engaged in two major programs since 2005: the Global Road Safety Partnership (GRSP) and the Global Road Safety Initiative (GRSI).

In the GRSP, government agencies, private-sector entities and civil society work to help emerging countries to develop their own road safety capabilities, to deploy best practices, and to set up the multi-sector partnerships that are needed to effectively promote road safety.

Launched in 2005, the GRSI is an international road safety program that receives US$10 million in funding from seven of the world's largest automotive and oil companies (Renault, Ford, GM, Honda, Toyota, Michelin and Shell).

Since 2005, the GRSI, working with public authorities in emerging countries, has carried out the following initiatives:

- publication and distribution of best practice guides (with the WHO, the World Bank and the FIA Foundation);
- projects to demonstrate effective countermeasures;
- road safety projects in cities with between 100,000 and 600,000 inhabitants.

In 2009, Renault confirmed its commitment to the program's second phase (2010-2014), in which work is continuing in Brazil, China and the ASEAN countries and the GRSI and its members' projects are being introduced in Africa and India.

Renault continues to support and finance the actions of the GRSP and the GRSI at the corporate level, but also in the target countries through its decentralized engineering departments and sales subsidiaries. One example is the Road Safety Week organized by Renault do Brasil at Curitiba and Niterói in September 2011, during which more than 30,000 motorists and the 6,300 employees of the Renault plant at Curitiba were made more aware of road hazards.

In 2010 (the most recent available figures), the GRSP had 16 international partnerships and activities in 35 countries across the world. It estimates that these activities reach 38 million people.

ACCIDENTOLOGY

A LAB study done in 2009 on the effectiveness of systems to prevent bodily-injury accidents and to protect the car's occupants showed that people in the front seat of private vehicles with a five-star Euro NCAP rating and equipped with an emergency braking assistance system (EBS) and trajectory control (ESP) have a 60%-lower risk of sustaining serious or fatal injuries, compared with the occupants of cars with only a 4-star rating and without EBS and ESP. With five stars alone, or with EBS, and with EBS or ESP alone without five stars, the risk of injury also decreases, but to a lesser extent.

Another Renault study done in 2011 showed that in France these systems had saved or diminished the seriousness of injuries of 27,400 car occupants and 820 pedestrians in 10 years (2000-2010). If the reference value for a human life (€1.255 million for a deceased person and €135,000 for a hospitalized person) is assigned to these lives saved or serious injuries prevented, then automotive technology has reduced the cost of road accidents by €8 billion in 10 years.

Considering that barely 16% of the private cars on French roads in 2010 were equipped with such systems and that 35% now have a 5-star rating, automotive technology is going to produce more enormous gains in road safety in the years ahead simply because more and more cars will be equipped with these systems.

E-MOBILITY, A EUROPEAN GOAL

To reduce road fatalities, the European Commission has launched the e-Safety forum for public and private partners and representatives of the European Commission. The aim is to accelerate the development, deployment and use of new information and communications technologies to improve road safety in Europe. In 2011, the forum's name was changed to i-mobility to better reflect all aspects of sustainable mobility: safety, emissions, and efficiency.

The i-mobility forum consists of 10 working groups chaired by industry representatives and a steering group of which Renault is a member. Renault experts participate in the following working groups:

- "Emergency Call" (definition of an integrated strategy for a pan-European emergency call service);
- "Man-machine Interaction";
- "Real-time Information" and "Smart Vehicles" (using electronics to make vehicles safer, smarter and cleaner-running);
- Definition of a smart transport system action plan (the importance to navigation of information on traffic conditions for all vehicle ranges). In the area of emergency calling, Renault was able to make a specific contribution to the European Commission's cost/benefit analysis by using its costing expertise and accident data from the LAB.

Two new working groups were set up in 2011, one focused on assisted and automated driving and the other on responsibility issues, at Renault's request.

2

2.1.5 SOCIETAL COMMITMENT

2.1.5.1 SPONSORSHIP POLICY

Renault is regularly approached by NGOs, associations and volunteer organizations seeking financial support – or donations in kind – for projects of general interest, solidarity or good citizenship.

In order to respond to these demands, the Company drew up a standard procedure in 2010 that can now be used to collect and analyze these applications through a single gateway accessible on www.renault.com.

This "front-office" for submitting applications is open to external organizations and Renault employees who belong to such organizations. Candidates are asked to provide information about their organization, describe its goals quantitative indicators, demonstrate that their actions are consistent with Renault's CSR policy, and give a breakdown of their budget.

Since this front office was put in place, Renault has received and processed more than 150 requests for support for projects in France and abroad. Funding decisions are now made collegially by representatives of the departments and regions and by a representative of the personnel from the committee of the Renault group. In 2011, Renault supported the following projects.

PARTNER	AMOUNT OF SUPPORT *(K€)*	SCOPE	AREA	ACTION
Écomobilité 57	30	France, regional	Sustainable mobility	Long-term loan of four Twingos to provide mobility to 700 beneficiaries as follows: - persons re-entering the workforce or starting training; - persons going to job interviews.
Plan International	50	India, regional	Education	Development of partnerships with potential employers in the public and private sectors to: - set up guidance services and post-training follow-up to help young people with their job search and the start of their working life; - offer training in five New Delhi neighborhoods; - inform employers, family communities and partner NGOs in the PLAN about the importance of economic independence, especially for girls.
Thomas Veillon	10	N/A	Diversity	Participation in a Web design contest in France and South Korea; purchase of the necessary equipment
Emmaus Défi	47	France, regional	Sustainable mobility	The beneficiaries will be people entering the workforce. The funds allowed the association to buy a truck for using in training for a B-Level driver's license.
Adapt Cambrai	25	France, regional	Diversity and Sustainable mobility	Donation of a car to be used in its activities and ensure the continuation of sports activities for the following beneficiaries: - youths suffering from morbid obesity who practice a sport; - disabled youths, either able to walk or in a wheel chair, who practice sports (football, swimming, table tennis, field sports, etc.).
Transboulot	21	France, local	Sustainable mobility	Donation of a minibus for the transport on request of people in social and workforce integration activities: young people on local assignments, RSA beneficiaries, job seekers, disabled workers (about 150 people over a year). This action enabled people with no means of transport to get to their job or training.
USMontesson	5	France, regional	Diversity & Sport	Aid from Renault enabled the association to buy equipment (jerseys, balls, etc.) and make trips to take part in football activities for the disabled.
Appel du Geste actuel	5	France, regional	Diversity & Sustainable mobility	Donation of a vehicle adapted for the disabled for use in cultural events organized by the association for its beneficiaries.
Voix de l'enfant	30	International	Education	The Fraternity Cup 2011 brought together 112 children and 32 educators from 12 countries. During this event, the children participated in sports tournaments (football), an initiation to rugby and golf, and numerous artistic workshops (photography, plastic arts, theater) and cultural visits.
MetisGwa	10.5	France-Guadeloupe regional	Education	Funding to rent a vehicle for a European training program at Gosier (Guadeloupe) – "An intercultural meeting to promote dialogue between Europe, France, and the overseas dependencies," with the participation of about 20 young people from seven countries in Europe and Bagneux, France, and six from Guadeloupe.
HandiPeintres	10	France, regional	Diversity	Funding for the association, which produces robots for the disabled. These robots are used in painting workshops in museums and exhibitions.
Cinéma Numérique Ambulant	50	Africa, national	Sustainable mobility and cinema	Funding to enable populations in isolated areas of Africa to have regular access to information, education through images, and entertainment by increasing the technical capacities of the mobile projection units of the CAN and its partners with the renovation of its vehicle fleet.

2.1.5.2 INTERNATIONAL DEPLOYMENT OF THE CSR POLICY

The CSR policy is deployed internationally through actions adapted to the local context and in line with the Group's CSR priorities. These actions are carried out for the benefit of local communities and more generally for all stakeholders.

The Renault group spends €18.7 million on societal actions. This figure comes from the annual reporting by Renault subsidiaries worldwide and Renault establishments in France, which is supposed to take into account the majority of such actions carried out by the Group.

France is the Company's main country in terms of CSR expenditures, accounting for €12.7 million, or 68%, of the total. The Americas Region comes second (13%), where the Renault Argentina Foundation and Instituto do Brasil are heavily involved in societal actions. The Asia-Africa and Europe Regions represent 5.5% (€1 million) and 9% (€1.7 million), respectively. The Euromed and Eurasia Regions account for 4% of global sponsorship and the CSR budget. The leading countries in 2011 were Turkey and Romania in the Euromed Region and Russia in Eurasia.

Ninety percent of sponsorship and CSR expenditures were made in the Group's four priority areas (education, diversity, road safety and sustainable mobility), with the remainder going to cultural, humanitarian, sports and other initiatives.

AMERICAS REGION

Brazil

Set up in late 2010, Instituto Renault do Brasil coordinates all of Renault's societal and environmental actions in Brazil. Its objective is to make the Renault group's CSR strategy more effective locally by adapting it to the needs of the local population. Aligning its activities with the Group's CSR priorities, the Instituto has chosen to focus on four themes: education, community development, road safety awareness, and environmental protection. These actions are mainly targeted to the localities where Renault has facilities and in particular the cities of Sao José dos Pinhais, Sao Paulo and Jundiaí. Renault do Brasil carries out its projects in four ways: through education, protection, transformation and preservation. In 2011, Instituto Renault do Brasil had a budget of about R$2.8 million (about €1.15 million) to carry out societal actions in priority areas (www.renault.com.br/institutorenault).

Investments in the local community

The increase in production capacity at the Cordoba plant generated 1,000 new jobs, prompting Renault to meet with the local organizations that it supports: the foundation Gol de Letra, the association Bordo do Campo (actions to promote the education of young children), and the association Borda Viva (more than 80,000 beneficiaries in the poor community of Sao Jose dos Pinhais).

For the road safety week, Renault do Brasil partnered a public awareness - raising programme. A public-private partnership with two objectives : work to decrease road fatalities and to mach the objectives of the Decade of Action for Road Safety. The general public, employees and motorists participated. Two Masters were also donated to the International Red Cross of Rio de Janeiro to improve coverage for road accident victims.

Argentina

The Renault Argentina Foundation has supported programs in humanitarian aid, education, health, road safety and the environment for 50 years. It is a separate legal entity 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. The budget of the Renault Argentina Foundation in 2011 was about €350,000.

Environmental Education for All

One of the main initiatives of the Renault Argentina Foundation, this program was set up to train and raise children's awareness of the basic principles of respect for the environment and citizenship values. In the contest held in 2011 by the Franco-Argentine Chamber of Commerce and Industry, the Renault Argentina Foundation received first prize for its Environmental Education for All program. The aim of this contest was to recognize companies that make an investment in human capital, the environment and civil society beyond what is legally required of them.

Eco-driving

The aim of the 2001 Eco Solidarity Tour is to encourage people to drive in ways more respectful of the environment in order to reduce fuel consumption and carbon dioxide emissions. Over 300 people received eco-driving tips from Renault Argentina employees. Then they all teamed up with the dealership network and the Renault Foundation to help collect basic necessities for the inhabitants of Villa La Angostura, victims of ashfalls following the eruption of the Puyehue volcano.

Battling malnutrition

Over the past six years, the Conin Foundation has joined in the fight against infant malnutrition and contributed to the construction of prevention centers in several Argentine provinces with support from Renault. Pediatricians, nutritionists and social workers give out advice at the Conin Foundation on breast-feeding and balanced diets. Funding from the Renault Argentina Foundation was crucial to the creation of a new center in the town of Corrientes, located in an especially disadvantaged area where 150 families live in conditions of extreme poverty. In cases of advanced malnutrition, the center pays the cost of hospitalization at a nearby facility.

ASIA-PACIFIC REGION

South Korea

Safe Road, Safe Kids

Thanks to its useful and well-designed educational content for teachers, children and parents, the www.saferoad-safekids.com website has become over the years the most popular site dealing with road safety for children in South Korea, with more than one million visitors a day. Launched jointly by Renault Samsung Motors and Safe Kids Korea in 2004, this site is an integral part of the road safety education and awareness program of Korean authorities to reduce the number of traffic accidents involving elementary school children.

Eco-action campaign

As part of its efforts to shrink its carbon footprint, Renault Samsung Motors rolled out its eco-action campaign again in 2011. From April to December, RSM took up quarters in three service stations in Seoul to encourage motorists to regularly check their tire pressure and to make them aware of the benefits of doing so: fuel savings, reduced carbon dioxide emissions, and increased safety for the vehicle's occupants.

EUROMED REGION

Morocco

Integrated development plan

In setting up industrial operations at Tangier, Renault intended to do everything possible to ensure a responsible approach was taken to environmental and societal aspects of the project for the benefit of its partners and all stakeholders:

- involvement in road safety policies throughout all of Morocco (the Global Road Safety Partnership sponsored by the PNUD and the International Red Cross); contribution to the training of road safety experts and awareness programs for young people and in the schools;
- in partnership with the NGO Planet Finance, a study of development needs around the Tangier plant, with support for actions in two priority areas: the creation of very small enterprises and of revenue-generating activities for the local populations through the development of mobility-related businesses or activities in which mobility is a factor of growth, and basic education programs to fight illiteracy among young people and women.

This integrated and targeted development plan supported by the Renault group is in line with the objectives of the Emergence plan (economic development) and the National Human Development Initiative (INDH) undertaken by the Kingdom of Morocco since 2005.

Romania

Preventive driving

In 2011, the Renault Technology Romania (RTR) engineering center came up with a new way of raising employees' awareness of risks on the road. In-house development of this training program involved contributions from a dozen people, some of them from the Accidentology department, to design the theoretical and practical materials. Emergency braking, obstacle avoidance, driving on highways and secondary roads – all possibilities are reconstructed so that participants can test their own limits and those of the car. There is little doubt that this initiative encourages more civil behavior on the roads. Its aim is to remind the 3,000 employees at the site of the preventive driving rules that will soon be applicable to all 16,000-plus Renault group employees in Romania.

EUROPE REGION

Poland

Renault driving school

This is the first Renault driving school offering advanced driver training. There are programs for individual customers, fleets and delivery vehicle drivers. The school has a 50,000 m^2 training area. It is a member of the Partnership for Road Safety and the Polish Automobile Association. The school's activities fall in the framework of the European Safe Driving Standards project, which is co-funded by the European Union. More than 1,200 people take the course each year.

Environmental commitment

In the partnership between Renault Poland and the Nasza Ziemia (Our Earth) Foundation, one of the best-known environmental foundations in Poland, the Group has committed to sharing its eco-driving expertise. Fuel consumption can indeed be reduced by up to 20% by following a few simple pieces of advice: change gears at the right time, opt for flexible driving, and control accelerations and speeds.

EURASIA REGION

Russia

Road safety

With almost 30,000 traffic deaths per year, Russia remains one of the countries with the highest road fatality rate, notably due to alcoholism and the failure to respect traffic regulations. Renault is therefore making a serious effort to help prevent accidents there. For the second year in a row, it has supported a contest to make children ages 10 to 12 more aware of risks on the road. In the partnership between the gendarmerie (GIBDD) and the Moscow Education department, Renault has provided educational kits to municipal agencies. This year, ten teams made up of two girls and two boys were selected as finalists in this program after scoring highest on tests on the driving code, first aid, and their ability to ride a bicycle.

Environmental commitment from employees

In 2011, Renault Russia was an official partner of International Earth Day, an event established by UNESCO on April 22, 1970. Renault Russia employees planted trees and bushes and installed or redecorated recreational areas to provide their neighborhood with better facilities and make it more attractive. This action was particularly symbolic for Renault, whose policy is to reduce its environmental impact.

2.1.5.3 HUMANITARIAN AID FROM RENAULT

In 2011, the Renault group made a strong commitment to provide assistance to people suffering from natural disasters in the places where the Company has operations.

SUPPORT FOR THE RED CROSS TO AID VICTIMS OF THE TSUNAMI IN JAPAN

In response to the call for humanitarian assistance for the victims of the earthquake in Japan on March 11, 2011, Renault set up an exceptional fund-raising operation. A total of €931,916 was given to the Japanese Red Cross by the Group and its employees, with the amount donated by employees matched by the Company. This outpouring of generosity made Renault the largest corporate donor to the "Solidarité Japon" campaign.

RENAULT COLOMBIA

Following torrential rains – the heaviest in the country's history – in late 2010, Renault-Sofasa and its employees set up a program to raise funds for the victims. The subsidiary contributed the equivalent of €80 for each vehicle sold between December 17, 2010 and January 31, 2011, and collected donations from employees. Almost €435,000 was raised in this way. A check was given to the NGO Colombia Humanitaria to provide aid to the thousands of people who had been left homeless.

RENAULT BRAZIL

When the mountainous region of Rio de Janeiro was pelted by torrential rains in early 2011, the personnel of the Ayrton Senna/Renault do Brasil complex decided to help the victims by organizing a big campaign to collect basic necessities. Tons of clothing, food, water and hygiene products were collected, and three Masters were donated to the firefighters of Rio de Janeiro and São Paulo to help cope with a situation where emergency transport was crucial to aiding some of the victims.

2.1.6 RENAULT AND ITS STAKEHOLDERS: A CONTINUOUS AND CONSTRUCTIVE DIALOGUE ✦

Concerned about the impact of its activities on people and the environment, Renault is pursuing a more comprehensive and formal policy of corporate social responsibility to take into account the growing expectations of the Company's stakeholders and ensure that its approach is credible and sustainable. These stakeholders include customers, suppliers, dealerships, scientific experts, local and surrounding communities, employees, shareholders, NGOs, international organizations, public authorities, and non-financial rating agencies (see chapter 2.4).

2.1.6.1 CUSTOMERS ✦

Renault has chosen to keep people at the center of its concerns. Because people bring change, Renault 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: "Renault is an innovative manufacturer that is close to its customers and makes sustainable mobility available to everyone."

Renault wants to remain an innovative company, but it does not want to be one that focuses on technology for technology's sake. Renault wants to be a people-oriented company that brings the benefits of technology to as many people as possible.

The Renault group is the only carmaker with a business model that aims to make electric vehicles competitive with internal combustion vehicles, not only in mature markets, but also in developing countries, where cars are a means to freedom and an undeniable symbol of progress.

This approach 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 114-year history, its heritage, its genetic makeup, of what we are: an innovative company that is socially active, broadly popular and 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 improve customer satisfaction, Renault has deployed the Renault Excellence Plan to guide all the processes aimed at providing customers more satisfaction at all times. This plan consists of 20 key points that determine the customer experience during the sales and after-sales service processes. At end-2011, Renault will begin deploying its "customer promise" program – a commitment to provide flawless service and yet another step in its customer satisfaction efforts.

Regular surveys conducted in all countries to evaluate the customer experience also enable Renault to react rapidly to market trends and customer expectations.

Renault also monitors incidents during the warranty period. All the indicators show progress on quality and reliability.

The Customer Relations department, with a staff of 200, is the permanent interface with customers. It 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.

ISO 9001 certification of the Sales and Marketing department France (DCF) and the distribution network in France is tangible proof that the customer satisfaction management system is effective.

To meet the ISO 9001 standard, the Sales and Marketing department'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.

An action plan for the sales force in the Renault France network is now being deployed to improve the customer experience through the standardization of sales processes, a voluntary training program, dynamic presentation of the network's results, and increased use of digital applications.

To take all these aspects of customer demand into account and further improve our performance, a policy to increase the percentage of women has been introduced, with a target of women making up 50% of new hires for the sales force in Renault's network by 2012 (see chapter 2.1.1.2).

COMMITMENT TO RESPONSIBLE ADVERTISING ✦

Renault submits most of its advertising projects to France's regulatory authority for advertising (ARPP).

In 2008, Renault signed the responsible advertising Charter drafted by the national association of advertisers (Union des Annonceurs).

In keeping with this Charter, a program is under way to make communications to the network paperless using Web-based communication. To economize further on advertising materials, reusable POS materials have been developed to limit the number of disposable items, which waste large quantities of paper.

✦ Global Reporting Initiative (GRI) Directives

The objectives and achievements in this program for printed media and point-of-sale materials are:

- a reduction in paper consumption:
  - reducing and pooling printed materials,
  - partial dematerialization of the communication,
  - greater use of 3D photos for sales brochures instead of studio shoots;
- optimizing POS advertising deliveries to the network; creating reusable generic banners.

In the area of consumer protection, Renault customer data bases are managed with strict compliance with the rules laid done by the French data protection agency (CNIL).

2.1.6.2 SUPPLIERS ✦

Suppliers make an essential contribution to Renault's CSR action plan (see chapter 1.6.2.1 "Risks").

Renault's aim in relation to its suppliers is to continually seek better performance and innovations that will enable it to carry out its Mobility for All project.

Accordingly, CSR performance in purchasing is based on the following:

- a CSR purchasing strategy in line with the strategy of the CSR department;
- a network of some 100 local correspondents who are quality experts in purchasing, trained in CSR and who use the same assessment methodology;
- a second network of some 20 correspondents in the operational purchasing departments who coordinate the various departments;
- processes shared by all buyers, everywhere in the world, that allow the improvements made by suppliers to be tracked in a similar, coordinated and efficient way;
- performance indicators.

Since everyone's efforts are critical to firmly integrating CSR in daily purchasing activities, dedicated communications tools are being used:

- awareness: e-learning, presentation of purchasing operations in 2010, training sessions in CSR purchasing;
- information: articles in internal communications media, publication of CSR and purchasing case studies at Renault (*Les Échos* series http://www.eurostaf.fr:80/fr/catalogue/etudes/sectorielles/management/achat-responsable.html), articles in trade journals, a dedicated page on the Corporate CSR intranet, supplier training, supplier briefings.

ETHICS

Renault's growth depends on the confidence it inspires in its customers, shareholders and, more generally, all its partners, with suppliers at the top of the list.

Obtaining this confidence calls for adherence by everyone to the Code of good conduct, the laws and regulations in each country where the Group operates, and intangible moral principles. To ensure the application and respect of these principles, a compliance process consisting of operating rules and procedures is implemented.

To give more precise formulation to these commitments, the Renault and Nissan purchasing teams got together in 2006 and prepared a booklet titled *Renault-Nissan Purchasing Way*. Distributed to all suppliers worldwide, it presents a vision, values and similar purchasing procedures. This guide describes the missions and specifies the tools and processes for supplier selection, the technical support provided to suppliers, and partnership arrangements. It emphasizes in particular the importance of respecting the key values of the Renault-Nissan Alliance: mutual respect, transparency and confidence.

Because of the economic and financial crisis, which had a serious impact on suppliers, a Performance and Best Practices Code for customer-supplier relations in the French automotive industry was signed in 2009 by the stakeholders. Buyers were given a detailed explanation of this code. It sets forth the mutual commitments of manufacturers and suppliers concerning business relations, the sharing of intellectual property rights, the use of contract data, the financing of research and development, and the application of payment time limits consistent with the Economic Modernization Law.

In 2010, Renault and Nissan produced another document, *Renault-Nissan Purchasing CSR Guidelines for Suppliers,* that summarizes in five points what the two companies expect from their suppliers with regard to safety and quality, human and labor rights, the environment, compliance, and non-disclosure of information.

Renault believes, however, that these matters, and in particular the ethics of commercial relations, will be more readily taken into consideration if automotive manufacturers have the same expectations. That is the reason Renault created an international CSR group in the European Automobile Manufacturers Association (ACEA). It provides an additional opportunity to improve relations between purchasers and suppliers.

SUPPORT

Renault supports its suppliers with a view to establishing long-term relations in a climate of mutual respect, total transparency, trust, and ongoing dialog.

This support is based on the Renault Code of good conduct and the Renault-Nissan Purchasing Way. It comes in the form of:

- a global network of CSR correspondents, managed at the corporate level;
- CSR training for suppliers: in Turkey in 2010 (36 tier-one suppliers trained 240 of their employees and 476 tier-two suppliers). Training is planned in Russia in 2012;
- preparation of booklets explaining substance-regulation issues;
- continual support during the implementation of action plans following CSR assessments.

PARTNERSHIPS

Renault strengthens its supplier relationships through a partnership approach that encourages them to innovate.

- Since 2010, technology days have been organized by the operational departments and the Purchasing department where suppliers are provided an opportunity to present their innovations to Renault experts.

RESPONSIBLE PURCHASING

Renault seeks to purchase responsible and ecological products – original and replacement parts, recycled paper for photocopiers, energy-saving printers and so on. Purchases of recycled plastics have gone up to meet the rapidly growing needs related to eco-design.

In 2011, the Strategy department also joined the association Pas à Pas, which puts companies and organizations that provide jobs to disabled workers in contact with each other. The objective is to encourage buyers to use these organizations, notably in the areas of document dematerialization and new wiring systems.

LOCAL SOURCING

Each time Renault sets up new operations somewhere, it contributes to the economic development of the country by creating jobs and encouraging suppliers in the vicinity of its sites to produce parts for it.

This is the case for the Tangier plant, where future employees from the local area are being trained at the Institute for Automotive Training (IFMIA). This plant also received the Production Award for its environmental commitment in the fifth Sustainable Energy Europe Awards sponsored by the European Union.

Renault now has a version of the collaborative platform for assessing the environmental and social performance of suppliers that is adapted to its needs. In use since 2011, it strengthens the Group's CSR policy and enables its buyers to analyze specific factors in over 100 purchasing categories. It will also give each supplier access to the report prepared on it, thus allow it to see the assessment of its sustainable development practices and performance. This platform is to be totally integrated with the Group's purchasing processes.

2.1.6.3 EMPLOYEES

See chapter 2.2.3.3.

2.1.6.4 SHAREHOLDERS

Renault is committed to establishing relationships of trust with its shareholders by maintaining a dialog with:

- institutional investors and asset managers;
- individual shareholders; and
- socially responsible investors.

See chapter 5.4.

2.1.6.5 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 department ensures that institutions and projects supported from 2010 onwards meet certain criteria:

- institutions must have proven legitimacy and credibility (competence, know-how, etc.), comply with codes of conduct (including financial transparency and good governance), and report and optimize their cost/impact ratio;
- projects must fit into the four key areas of the Company's CSR policy.

Renault is a member of the following organizations:

- *World Economic Forum (WEF):* an independent international organization founded in 1971 and based in Geneva. Its purpose is to improve worldwide economic and social conditions. Its members, drawn from all business sectors, work with universities, governments, religious organizations, NGOs, and artists.
- *Women's Forum:* this annual forum brings together leaders from around the world to promote equality for women in the industrial, academic, political and social spheres. A leader on the issue of diversity, the Renault-Nissan Alliance is strongly committed to gender diversity in the workplace. Accordingly, Renault, in the framework of the Alliance, has supported the Women's Forum and the values it promotes since 2006.
- *Global Road Safety Partnership (GRSP):* see chapter 2.1.4.4.
- *European Automobile Manufacturers Association (ACEA):* This organization represents the interests of automobile manufacturers at the European Union level. A CSR working group was set up in 2011. Its objectives are to monitor new CSR-related legislation and its impact on the automobile industry, to coordinate the positions of manufacturers on CSR issues, and to exchange information and CSR best practices.
- *Committee of French Automobile Manufacturers (CCFA):* Renault is also represented by the CCFA to the Airparif (a para-statal association charged with monitoring air quality in Paris and measuring emissions) and Bruitparif (a noise monitoring organization for the Paris region).
- *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 dialog between industry and governments at both national and European levels. Renault is involved in most of the ERT's working groups.

✦ Global Reporting Initiative (GRI) Directives

- *Entreprises pour l'environnement (EPE):* founded in 1992, EPE is a French association made up of about 50 large companies operating in diverse industrial sectors – steel, food, aluminum, automotive, chemicals, cement, energy, industrial gas, healthcare, public works and glass – as well as in service sectors such as insurance, banking, transportation, water and waste 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 former ORSE purchasing group set up to share good social and environmental practices in the purchasing function, which has now become a fully fledged association: ObsAR *(Observatoire des achats responsables).* It also provides indicators to measure and track changes in practices and runs stakeholder forums.
- *Institut de mécénat de solidarité (IMS) – Entreprendre pour la cité:* 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.
- *International Relations and Sustainable Development Institute (IDDRI):* This foundation investigates sustainable development issues to promote informed decisions, to identify future issues, and to create a forum for dialogue open to a wide and diverse range of actors, including research organizations, private and public economic agencies, trade unions, and NGOs. Renault participates in particular in the Club Ville, Territoires et Changement climatique (ViTeCC) to contribute to thinking on urban mobility.
- *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.
- *CSR Europe:* Renault joined this important European network devoted to corporate social responsibility in 2011. Seventy companies from different sectors are members of CSR Europe.

2.2 SOCIAL DIMENSION

The success of Renault 2016 – Drive the Change is founded on the involvement, motivation and skills of the men and women who make up the Group.

As part of this aim, Human Resources (HR) deployed the human aspect of this strategy in 2011 with the plan Together Drive the Change. The aim is twofold: to support employee motivation and optimize corporate performance worldwide. Five main priorities have been identified, based on the results of the most recent survey conducted with Group employees:

- **simplify the Company** – clarify the organization and areas of responsibility, streamline processes and provide easier access to information: these are the main actions implemented to simplify the activities of employees from day to day and enable them to focus on their core skills;
- **make the Renault Management Way part of day-to-day practices** – the aim is for employees to continue taking this standard on board and to apply the rules across the Company;
- **improve the working environment** – the objective is to create a pleasant and motivating working environment for all Group employees, and to promote innovative ways of working, such as homeworking and the use of collaborative tools;
- **develop dynamic skills management and strengthen employability** – in a fast-changing industry, it is crucial to upgrade employee skills and to anticipate those that will be necessary to design, build and sell the vehicles of the future. Dynamic skills management also gives each employee the resources necessary to progress in his or her activity and career;
- **promote diversity and develop talent** – the diversity of our talents must reflect that of our markets and our customers. This is essential to the performance of a global, multi-cultural Group. To this end, Renault is seeking to increase the recruitment, development and support of talented local people, wherever the Company is present, and to pursue the actions already under way to promote gender equality.

The programs initiated in 2011, discussed in this chapter, are organized around the three key missions of the HR function:

- develop employee motivation;
- contribute to Group performance;
- promote a social strategy that contributes to cohesion and solidarity.

2.2.1 DEVELOP EMPLOYEE MOTIVATION

Motivated employees are the main source of wealth for any business. Renault aims to support and develop the motivation of all Group employees in different ways:

- local support by the HR function;
- management quality;
- a system of performance recognition;
- bonuses related to Group performance.

2.2.1.1 ENSURING LOCAL SUPPORT BY HR ENTITIES

Since 2007 Group HR, assisted by the local HR officers in each site or subsidiary, has stepped up its efforts 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 his or her career. Another aim is to help managers with the administration of their teams, firstly by informing them about the Group's HR rules, tools and methods (for example the annual performance and development review, or the promotion plans) and secondly by ensuring that employees are treated fairly and in accordance with prevailing rules and legislation. The local HR officers report to the HR director of the site or subsidiary, and act as grassroots counselors for all HR-related issues, including career management, mobility, training, and working conditions.

A survey of all Group employees was conducted in September 2010. The results, published in early 2011, show employee engagement to be 4% above the Hay global standard. In an assessment by employees of the conditions for success, Renault is in line with the standard. The survey also provided initial feedback on implementation of the Renault Management Way. Here again, Renault is in line with the global standard. Employees said in particular that their immediate superior was accessible and ready to help them from day to day. In the light of these results, action plans were implemented at local level to support strong points and correct weak points.

2.2.1.2 DEVELOPING MANAGEMENT QUALITY ✦

MANAGEMENT AND INTEGRATION TRAINING

In 2011 the Group continued to organize 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 specific 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.

Renault deploys several types of training system across the Group:

Induction training: 1stSteps@RenaultGroup

The purpose of this program, known as 1stSteps@RenaultGroup, is to promote the integration of new employees into the Group, and to build a common corporate culture and genuine feeling of belonging to the Renault group. In 2011 new recruits experienced a new version of the Welcome Day. The objective is to identify the main components of the Company, gain a clearer picture of the automotive market, grasp the issues for the future and also to meet other new recruits and start networking. The day ends with a speech by a senior executive from the Group.

Management training

The objective of the Renault Management Way, a management standard developed by the Executive Committee in 2009, is to develop management standards and employee engagement with a view to enhancing performance. It is based on shared values and good managerial practices to be applied by all managers day to day across the Renault group.

The guidelines of management training programs are underpinned by a set of core skills, with the addition of country- or function-specific skills:

- support for line and staff managers, depending on their level of operational responsibility;
- teaching based on interactivity, example-setting, and the sharing of best practices;
- cross-functional approaches and increased networking;
- interactive teaching that makes greater use of e-tools.

The Renault Management Workshop Program

Between 2009 and 2010, the Renault Management Workshop Program was rolled out for all GEC to GEC-3 level managers across the Renault group, with 2,500 managers trained.

In 2011, the Renault Management Workshop Program was expanded to include all local managers and managers of managers (a total of 9,000 people) through a one-day seminar that offered an opportunity to learn more about the Renault Management Way and to take it on board. The objective is to give all line and staff managers the resources to perform their duties as:

- leaders, for the deployment of Company strategy;
- coaches, for assisting and supporting co-workers;
- pathfinders, guiding co-workers towards the future and progress.

Having completed the training of the 12,500 Renault managers, the Renault Management Workshop Program is now entering its next operational phase and addressing all new managers.

Keys for new managers

This training course aims to instill the Renault Management Way in all employees promoted to managerial rank. It comprises one day of classroom training and five e-learning modules. Its aim is to assist managers in carrying out their new duties. It is managed internally by a head of department, an HR manager and a management controller. The course identifies what is expected from managers in their role as team leaders and people managers.

Management Visa 1 training

This program, which complements the course above, is aimed at local managers who have been in their jobs for more than six months. Its aim is to develop management fundamentals. The program comprises five days' classroom training with e-learning modules and work between sessions over a period of four months. It focuses on developing managers' adaptability and capacity to mobilize, and their ability to stand back from the action to be taken at group or individual level. It is based primarily on assessment tools, exercises and study in small groups, and discussions with managers. It enables all trainees to build their own managerial development plan.

A new training course: practice regular and objective feedback

As part of the action plans put in place following the employee survey of 2010, and in order to strengthen day-to-day expertise and practice of the Renault Management Way, a new training program on feedback has been made available to Group managers, based on simulations, role play and team work. The objective is to help managers control their performance more effectively and help their staff make progress, while also encouraging the development of a feedback culture shared by managers, HR and employees.

Alongside these courses aimed at managers, initiatives aimed at the development and training of executive teams focused on the following priorities:

- introduction of training programs for the future leaders of the Alliance together with Nissan (see Alliance with Nissan in chapter 2.2.2.5);
- support for new executives in their new jobs: development of an individual work plan with an external coach based on an in-house diagnosis;

- a special program to develop female leadership is available to women newly promoted to managerial functions;
- Managing diverse teams for performance: following the launch of this program in 2010, a second class of 19 potential high flyers was formed in 2011. This program, which takes place over a six-month period, included training sessions followed by individual action plans and benchmarks against other companies and organizations that are particularly committed to developing diversity;
- value management: using revised basic tools designed to track and measure economic performance, the aim is to give participants a systemic vision of value creation. Participants receive individual coaching from 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.

2.2.1.3 IMPLEMENTING 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 and dialog 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 he or she contributes 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 measureable 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.

Moreover, the performance assessment and the remuneration plan (revision of fixed remuneration, bonuses where applicable) must be coherent. The collegial decisions that prepare the remuneration plan must look not only at whether objectives were achieved but also how.

Every year, Human Resources organizes a series of individual assessments for managers. A guide explaining all the categories is available to all. Hands-on training in the conduct of the annual performance and development review is also made available.

REMUNERATION

Pay settlements

In 2011, in a mixed economic and financial climate, Renault decided to implement a policy to recognize the commitment of its employees. Budgets were higher than in 2010, and management was given the wherewithal to reward performance.

For managers, Renault continued its policy of differentiation based on three strands:

- recognize increased responsibility;
- showcase critical skills and talents;
- reward outstanding individual contributions.

Renault s.a.s. awarded a general pay rise to non-managerial staff and production employees, plus a budget for individual increases. In all, 92% of production employees and 65% of non-managerial staff benefited from individual pay awards and seniority-related rises.

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 3.3.

Variable portion of remuneration

A variable portion of remuneration is part of the Renault group's remuneration policy.

It is founded on the following principles:

- the higher the level of responsibility, the higher the proportion of variable remuneration;
- payment of variable compensation is determined by the achievement of shared targets at Group level: as in 2010, the target in 2011 was positive free cash flow;
- for 2011, variable compensation was based on collective company-wide targets as well as the assessment of individual performance.

Two systems are applied:

- a Group system for executives in positions with the highest level of responsibility;
- a system defined at country level, intended for other managers or executives. For Renault s.a.s., this system is based on the assessment of individual performance by the management chain. It is based on a budget defined at the same time as the promotion plan.

2.2.1.4 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 6, 2010. Most of the Group's French facilities have signed up to the three-year agreement, which includes:

- maintaining local incentive schemes, based on site performance;
- basing a portion of the bonus on the Group's financial results.

This agreement, which came into effect on January 1, 2011, is primarily based on two indicators: Group free cash flow and operating margin.

An advance was paid out on November 16, 2011 on the financial results of 2011, based on a uniform amount of €50 plus €15 per €100 of gross monthly salary.

Over the past three years, incentive and performance-related bonuses at Renault s.a.s. have totaled the following amounts:

YEAR	AGGREGATE AMOUNT *(€ million)*
2009	56.10
2010	78.53
2011	129.01

EMPLOYEE STOCK OWNERSHIP AND SAVINGS

In France Renault operates a voluntary company savings plan open to all subsidiaries that are more than 50% owned (ten member subsidiaries). The plan now 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 three profit-sharing funds invested in Company stock (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 these five savings funds and the Renault share throughout the year.

In 2011 total payments into Renault's savings scheme rose 121% on 2010 to €19 million, of which 97.4% in the form of bonus transfers. The total value of the Company savings plan at December 31, 2011 was €409 million.

On November 8, 2011 Renault put in place a group retirement scheme (PERCO), enabling employees to build up savings that will be available in the form of annuities or a lump sum when they retire.

With this system, employees can pay their bonuses or part of their individual time savings leave (up to ten days per year) into the plan, or make voluntary payments. At the same time, Renault will contribute the equivalent of 25% of the flexdays paid into the plan, up to a maximum of ten days per year.

Employees can choose between ordinary management of their savings, through the funds made available as part of the Group savings plan (with the exception of the stock ownership funds), or life-cycle management through the generational funds in the Natixis Horizon Retraite range.

In 2011 total payments into Renault's collective retirement plan amounted to €6.4 million, of which 4% came from the transfer of bonuses and 96% from cash-out of paid leave. The total value of Renault's collective retirement plan at December 31, 2011 was €6.4 million.

The following data relate to the Group:

GROUP SAVINGS PLAN AND COLLECTIVE RETIREMENT PLAN

	COMPOSITION	NUMBER OF SUBSCRIBERS AT DECEMBER 31, 2011	ASSETS *(€ million)*	2011 PERFORMANCE *(%)*
Actions Renault Fund				
Renault Shares Fund (1) (4)	Almost 100% Renault shares	42,514	175	-34.53%
Renault Shares Fund (2)	Almost 100% Renault shares	12,099	39.8	-38.70%
Renault Italia Fund (3)	Almost 100% Renault shares	144	0.5	-39.21%
Diversified funds (Group savings plan and collective retirement savings plan)				
Impact ISR Performance (4)	100% European shares	6,089	27.1	-11.4%
	50% diversified shares	12,285	115,3	-5.46%
Impact ISR Équilibre (4)	50% bonds			
	30% diversified shares	1,305	2	-2.38%
	30% bonds			
	30% cash			
Impact ISR Rendement Solidaire (4)	10% shared return			
Expansor Taux (ex compart. 3) (4)	95% diversified bonds	10,454	76.5	0.29%
Impact ISR Monétaire (4)	100% cash	5,944	22.5	0.84%
Natixis Horizon Retraite (collective retirement savings plan) (4) (5)				
2015	Diversified	240	0.5	-3.72%
2020	Diversified	199	0.4	-8.52%
2025	Diversified	88	0.1	-12.35%
2030	International shares	83	0.1	-12.18%
2035	International shares	82	0.1	-12.10%
2040	International shares	59	NS	-12.12%
2045	International shares	13	NS	-12.04%
2050	International shares	8	NS	-13.73%

(1) Actions Renault fund for French tax residents.
(2) Renault Shares fund for tax residents outside France and Italy.
(3) Renault Italia fund for Italian tax residents.
(4) Fund open for payments throughout the year.
(5) Fund whose maturity date corresponds to the planned date of the employee's departure.

COLLABORATIVE INNOVATION

Involving all personnel in a process of collaborative innovation has been part of the 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 showcasing and recognition.

The approach is based on Group-wide fundamentals, thus ensuring overall cohesion while leaving sufficient leeway to take account of 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 2011 with the consolidation of its deployment in Iran.

Based on a total of 97,514 people in 2011 (compared with 94,593 in 2010), Renault:

- achieved a participation rate of 56% (57% in 2010);
- made savings of €139.4 million, an average of €1,430 per person (€140 million, or €1,476 on average per person in 2010);
- reported four PSIs per person in 2011 (4.04 in 2010).

In 2012 Renault will continue to harmonize its collaborative innovation plan in every region of the world where it is present.

2.2.2 CONTRIBUTE TO GROUP PERFORMANCE ✦

Contributing to Group performance involves discovering and developing the talents that are essential to Renault's competitive edge. It also involves improving individual performance through increased standardization and benchmarking with the best.

2.2.2.1 DYNAMIC SKILLS MANAGEMENT

Skills management is an integrated approach, directly linked to Company strategy.

To anticipate the accelerated development of technological innovations and to remain on the cutting edge of its activity, Renault strengthened its skills management in late 2010 by introducing a dynamic skills management policy. This approach aims to anticipate needs in resources, workforce and skills, in line with Group strategy. Collectively, the objective is to better anticipate and support changes in functions, skills and jobs over the medium and long terms. Individually, the aim is to enable each employee to enhance their skills throughout their career and to develop their employability. This Group policy will take practical shape through local agreements.

This is the case in France, for the example, with the signing of a skills planning agreement signed by four trade unions (CFDT, CFTC, CFE-CGC, FO) on February 4, 2011. As part of this agreement, 22 skills and employment centers were opened on April 1, to help employees develop their career projects. Also, a jobs and skills observation event was held on September 26, providing the first opportunity to share forecasts on skills and jobs planning for 2012 and 2013, along with their associated action plans, with the trade unions that signed the agreement.

INTERNATIONAL EXPANSION AND ANTICIPATION

The automotive industry operates against a backdrop of global competition and requires a range of specific skills and expertise.

Business-lines and competencies evolve because of factors such as technological change, innovation, the social and economic environment, regulations, and markets.

The Renault group has identified skills and strategic expertise management as being key to its international growth and a factor that sets it apart from the competition.

The Renault skills and strategic expertise program (CES) has generated sustainable momentum to anticipate changes in business-lines and their impact on skills. The program fosters a close alliance between the Human Resources function and line managers, which work together to tailor skills to the implementation of the Company's strategic plan.

SKILLS REQUIREMENTS AND ASSOCIATED ACTION PLANS

The gradual roll-out of a process to model dynamic skills management Group-wide model provides a basis on which to the develop the associated action plans (HR and functions) that will create the conditions necessary for the success of the Group's strategic plan.

This modeling process depends on the quality of three types of data: functional skills standards, a snapshot of the workforce with a three-year forecast, and indicators on business trends.

Specifically, a total of 48 business department skills leaders coordinate their skill sets on a cross-functional basis at global level. They are assisted by a business-line advisor and a careers and skills development advisor (HR global manager).

Together, they identify the strategic and business-critical skills to be managed or acquired in order to support the Company's international growth.

These quantitative and qualitative analyses, viewed alongside the real situations and priorities of Renault entities worldwide, provide a basis on which to establish a mid-term view, revised annually, of the optimum allocation of resources and the actions plans to be deployed country by country such as:

- training: internal skills building on the workstation;
- career paths: dynamic internal skills building through experience;
- recruitment: skills building using external sources, particularly partnerships with schools;
- business-line levers: skills building through benchmarking, standardization, and process deployment.

STRATEGIC EXPERTISE AND ASSOCIATED ACTION PLANS

The program to organize expertise, set up at the beginning of 2010, was largely inspired by the work done by Renault's strategic partner, Nissan.

The goal is to turn Renault's expertise into a long-term competitive advantage for the Company, by focusing the Company's knowledge and know-how on customer satisfaction, Company performance and the achievement of its targets.

The fields of expertise that are of strategic importance to Renault have been identified. These are fields are not limited to technical expertise and automotive engineering disciplines, such as electronic system controls or CO_2 performance, but also cover areas such as logistics, macro economics, labor legislation, and so on.

The CES program is responsible for this organization of expertise. It put the organization in place, monitors it, defines the HR management processes and ensures their proper application. These processes cover appointments, career management and training.

The expertise program has four levels of expertise: expert fellow, expert leader, expert and consultant.

The following have been appointed to date:

- an expert fellow, appointed by the Chairman of Renault and who sits on Renault's Management Committee. He is tasked with preparing input for the decisions to be taken by senior management that require a high level of technical expertise, and also oversees the list of fields of strategic expertise;
- 28 expert leaders, each of whom reports to a Vice-President, managed at Company level (appointed by the General Careers Committee). Leader experts have responsibility for a field of strategic expertise. They are tasked with:

- creating and building on expertise by coordinating the internal network of experts and consultants and building an external network (other manufacturers, parts suppliers, other industries, research and development companies, universities and leading business/engineering schools, public entities),
- placing this knowledge and know-how at the disposal of operational personnel in the Company. By way of example, if an innovation is used in a development project, depending on the degree of innovation, the expert leader will decide when the milestones have been reached;

- experts and consultants are managed by the business departments (98 experts and 299 consultants). Experts report to heads of department and own a sub-field of expertise. Consultants report to basic work unit managers and own a business specialty.

The expert fellow coordinates the community of expert leaders with a view to sharing best practices across the various areas of strategic expertise.

2.2.2.2 CONDUCTING AN EMPLOYMENT POLICY ✦

RENAULT GROUP WORKFORCE

At December 31, 2011 the breakdown of Renault's workforce was as follows (excluding employees concerned by the CASA early retirement program):

GROUP WORKFORCE PER DIVISION AT DECEMBER 31, 2011

	2011	2010	2009	% CHANGE 2011/2010
Automotive	125,464	119,816	118,477	+4.7
Sales financing	2,858	2,799	2,945	+2.1
TOTAL	**128,322**	**122,615**	**121,422**	**+4.7**

Changes in the scope of consolidation had an overall impact of +556 employees. They concern newly consolidated companies.

On a like-for-like basis compared with 2010, the workforce at December 31, 2011 totaled 127,766 people.

GROUP WORKFORCE BY GEOGRAPHICAL REGION AND PROFILE AT DECEMBER 31, 2011

	HEADCOUNT	% IN THE GROUP	% OF BLUE COLLAR WORKERS	% OF WOMEN
France	54,823	42.7	39.5	16.5
Europe (excl. France)	19,946	15.5	53.4	19.2
Euromed	28,458	22.2	63.6	22.8
Eurasia	4,974	3.9	69.3	21.1
Americas	12,142	9.5	60.7	8.9
Asia-Africa	7,979	6.2	40.1	9.6
TOTAL	**128,322**	**100**	**50,2**	**17,3**

Group turnover in 2011 totaled 6.9%.

This figure is calculated as follows (based on the workforce under permanent contract): (total incoming staff in 2011 + total outgoing staff in 2011)/(2 × average workforce).

Group headcount increased by more than 5,700 people overall in 2011.

With 2.7 million vehicles sold in 2011, the Renault group increased sales by 3.6% on 2010, based on strong growth outside Europe (19.2%). Manufacturing output increased at the same time.

In the Americas, strong market demand across all the countries in the region led to a rise in the workforce, which increased by almost 1,200 in 2011.

At the same time, the increase in the sales and output of the Avtoframos plant in Russia went hand-in-hand with a rise of more than 1,200 in the headcount for the Eurasia region.

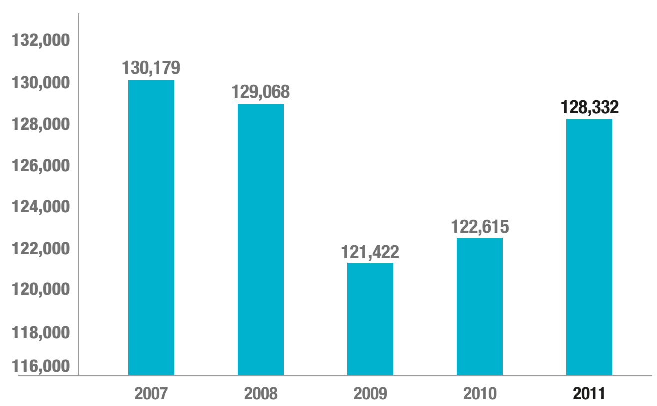
In Morocco, at the Tangiers site, the Renault group continued preparing and training site personnel. As a result, 1,900 people were added to the headcount in 2011. At the same time, owing to increased activity at the Bursa (Oyak-Renault in Turkey), and Pitesti (Dacia in Romania) sites, more than 2,270 people were added to the headcount in the Euromed region over the year.

In Asia-Africa, 2011 saw the start-up of production at the Chennai site in India, through the Alliance, and growing sales in India, China, Iran and South Africa.

The percentage of women in the workforce remained stable in 2011. The Eurasia region reported an increase of 3.7%, owing primarily to an increase in the proportion of blue collar workers in the region.

The proportion of blue collar workers across the Group remained stable overall (+0.7 points) in 2011.

RENAULT GROUP WORKFORCE



2

SHARPENING COMPETITIVE EDGE

First-half 2011 saw a sharp downturn in business activity owing to capacity constraints for engines and the disruptions caused by the tsunami in Japan. Sales picked up in the second half, but the end of the year saw tense market conditions and falling orders in Europe. Against this backdrop, Renault continued to adapt employment policy to its production activities in order to stay competitive and maintain its capacity for long-term development.

The employment strand of the action plan introduced by Renault in Europe in 2010 continued in 2011. It is based on the following key points:

- hiring (more than 9,200 people excluding work/study programs) reflects needs in technical and managerial skills, particularly for electric vehicles and production support;
- young people taken on as part of work/study programs;
- balancing of resources among production sites in France by coordinating the secondment of staff from the least active plants to those with strong levels of activity (more than 1,200 people seconded every month on average);
- continuation of the employment pact at Renault España, which protects manufacturing jobs for four years (2010-2013), as part of industrial manufacturing programs, in return for moderated remuneration and increased flexibility in working hours.

Support for short-time working in France

The Renault group in France has put in place a number of measures, set out below, to limit the impact and extent of the application of short-time working. However, the need to implement short-time working cannot be definitively ruled out. Renault therefore had to put in place long-term measures on remuneration for short-time working, reflecting business conditions.

A new agreement on the remuneration of short-time working was signed with the representative trade unions (CFDT, CFE-CGE, CGT and FO) on June 30, 2011. This agreement maintains the objective, set out by the management and trade unions of 2008, of providing remuneration for employees impacted by short-time working, at a level reflecting economic conditions and, more generally, the situation of the Company. A complementary remuneration measure makes it possible to partly offset lost remuneration and to guarantee a level of remuneration in periods of under-activity that is higher than the level provided for by law or by labor agreements.

SUPPORTING INTERNATIONAL GROWTH

The increase in sales and the development of new industrial sites have led to an increase in the workforce in regions outside Europe.

The Americas and Eurasia in particular have recruited extensively, increasing their resources to keep pace with fast-growing sales demand (more than 1,500 recruitments in the Americas and more than 2,500 in Eurasia). At the same time, the number of departures in Russia is high (more than 1,300 per year).

In the Euromed region, recruitments primarily concerned Morocco and the Tangiers plant.

To support recruitment, Renault is working 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. It also operates International Corporate Volunteer schemes (46 in 14 countries in 2011).

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 1,200 internship offers were published in France in 2011, receiving nearly 9,000 applications. In addition a single platform set up in mid-2008 to collate and process applications using a computer application continues to enhance the performance of recruiters in terms of cost, quality and leadtimes, while improving the service provided to internal clients, such as managers and Human Resources, and also to job applicants and external recruitment partners.

Web users can also consult the local job offers published on the HR sites of each country.

2.2.2.3 PROVIDING 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 and developing their employability. Renault therefore places strong emphasis on internal mobility, which takes priority over external recruitment, as part of a process overseen by management and the HR function.

In 2011 HR management deployed its "career path" tools internationally. These tools describe the type of career possible in each main business line family (engineering, purchasing, production, sales, support). For each of these main families, job mapping data are provided together with the associated paths in each of three main activities: management, projects and expertise. This information is provided to all employees as part of the general framework that Renault wishes to use in order to enable every employee to build a successful career path with the help of HR management.

The internal mobility policy aims to balance Company needs with employee aspirations. HR provides support that is proactive while ensuring equity. This is one of the key aspects of implementation of this policy, which is based on the annual performance and development review. If an internal move is scheduled, the review is supplemented by a professional and mobility guidance interview between the employee and local HR. The Careers Committee than starts the mobility process, which is controlled by HR, until the employee has his or her 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 and workshop supervisors, 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 dating back to 1990 and revised in 2000, 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. Nevertheless, although promotions to managerial status are still highly active, the process needs to be simplified and adjusted to modern conditions while maintaining the spirit of this positive, motivating approach which favors diversity and plays the role of a social ladder. In consequence, in October 2011, the management of Renault s.a.s opened negotiations with labor representatives to simplify the process of managerial promotion.

2.2.2.4 PROVIDING SUPPORT THROUGH TRAINING

Vocational training is key to dynamic skills management. For the Company, it underpins change and the implementation of corporate strategy. For employees, training is a way to maintain the highest level of professional expertise and to acquire new skills that will enhance their employability.

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.

E-learning is now widely used: more than 96,245 hours of courses were followed in 2011. 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 enhanced skills 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.

EFFICIENT TRAINING

The 2011 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 the skills development leaders. training courses are developed only if they are ordered by the business units;
- 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 seeking to reduce 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 in-house facilitators,
  - cutting the operating costs of training: accommodation, classroom rental, organization,
  - 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 deployment of the training policy in all countries and to measure:

- access to training: across the Group as a whole, more than out of every five employees on average attend one training course each year, representing a training access rate of 81%;
- total training expenditure as a percentage of payroll: at Group level, the investment was €151 million, or 4% of the payroll;
- an average 31 hours of training were delivered per employee, or 4 million hours across the Group;
- 61% of training hours are given by in-house facilitators, mainly on business-line training.

The hours of training delivered by the Group can be broken down as follows:

	2011	SHARE
Business lines	2,938,451	73%
Personal development	782,799	20%
Management	288,710	7%

2.2.2.5 STANDARDIZING TOOLS AND CAPITALIZING ON BEST PRACTICES

INFORMATION SYSTEM

In terms of performance, the Human Resources function depends on the efficiency of its information system.

The heart of the system is still the Group-wide personnel database called BPU (short for *Base de personnel unique*), set up to manage Human Resources 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 regulations.

The HR Master Data project completed and validated this Group standard. The deployment of this standard across all Group companies started in 2011 and will be completed in 2012.

The BPU also covers HR management functionalities such as administration, worktime, pay, and the promotion plan, which are deployed only in certain countries according to local needs. BPU is designed for human resources 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, etc.

The BPU is now in use in 122 Group companies 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 totals several thousand users and more than 105,000 employees managed.

In Morocco, a decision has been made on the HRIS best suited to local constraints and that will boost the efficiency of business line processes (HRAccess solution) This HRIS, which in the long term will manage all Group companies in Morocco, was successfully implemented for Renault Tanger Exploitation (RTE) in July 2011, taking the HR Master Data standard as its basis. The other Moroccan companies will be incorporated in early 2012.

A decision has been made to use the software program SuccessFactor for Talent Management functions. A contract has been signed following a call for tender. Implementation will be effective in 2012, based on the HR Master Data standard.

THE ALLIANCE WITH NISSAN

The Human Resources 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 companies and to build synergies.

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 high flyers or experts with a view to promoting the objectives below:

- 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 performance of the Alliance by improving collective and individual skills.

- the Alliance Leadership Development Program: this training program aims to give executives from both companies an in-depth understanding of the challenges and targets facing the Alliance, through seminars, meetings with senior executives and a contribution to studies on a strategic project;
- the Alliance Engineering Exchange Program: for the seventh year running, this Alliance program is bringing young engineers and managers an opportunity to contribute to one of the Alliance's operational projects, concerning synergies between Renault and Nissan. In 2011, 22 people from Renault and 22 from Nissan took part in this program;
- Working with French partners/Working with Japanese partners: this training course is designed for key employees at both Renault and Nissan. The aim is to help trainees understand differences arising from culture, communications and project management practices.

2.2.3 PROMOTE 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, labor-management dialogue at all levels of the Company, and a continuous focus on conditions in the workplace.

Building on this conviction, Renault also set up a Corporate Social Responsibility department in 2009 to promote all the initiatives taken in this field (see chapter 2.1). In 2011 application of the "Declaration of Employees" Fundamental Rights was reviewed in the presence of signatories. This review was an opportunity to examine the policies implemented, particularly in terms of equal opportunities, promoting diversity, training, health, safety and working conditions, management-labor relations and supplier relations, as well as the scores obtained from social rating agencies.

2.2.3.1 SUPPORTING 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.

Through this declaration, Renault makes a commitment to "respecting employees worldwide and helping them to progress, fostering a spirit of freedom, ensuring the full transparency of information, applying the principle of fairness and complying with the rules set out in the Renault Code of good conduct" (currently being revised).

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 criterion of selection. The Declaration also restates the Group's commitment to equal opportunities at work, the right to training for employees, and fair remuneration.

2.2.3.2 FOSTERING DIVERSITY AND ENSURING EQUAL OPPORTUNITIES

For all matters relating to diversity, refer to chapter 2.1.1 on CSR.

2.2.3.3 MANAGEMENT-LABOR DIALOG

It is Renault's ambition to create the conditions for a clear and sincere dialogue with employees and their representatives. 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 ensure that this social responsibility is respected in every country where Renault does business. This policy, which was revised in April 2010, reflects the Declaration of Employees' Fundamental Rights signed on October 12, 2004 and confirms the Group's strong 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 May 27, 2011, Romania gained increased representation. At the same time, a new full member (the Czech Republic) joined the council, along with a Moroccan observer. The council now comprises 40 representatives from 20 countries: 34 representatives from Renault's majority-owned subsidiaries

✦ Global Reporting Initiative (GRI) Directives

in the European Union, and six observers from the rest of the world (Brazil, Argentina, Korea, Turkey, Russia, Morocco). A first assistant secretary belonging to the same trade union as the council secretary has joined the Select Committee. Respecting the spirit of the 2009 European directive, the right to information has been increased in order to ensure "usefulness" and to promote a dialog and exchange of viewpoints.

In 2011 the Works Council met once in plenary session. The Select Committee, now made up of eleven members (including six European assistant secretaries excluding France) met six 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 partnerships, the formation of subsidiaries outside France, organizational changes, HR policy and agreements, etc. The Works Council met 15 times in 2011, its bureau three times. The economic commission met 13 times and the central training commission three times.

Two joint meetings were held between the Select Committee and Works Council bureau to discuss the Group's annual and quarterly results.

Meetings in 2010 and 2011 also saw real efforts to increase the quality of the labor-management dialog, as illustrated by the signing and implementation of a memorandum of understanding on "a new dialog between management and labor". The purpose of this agreement on methods, signed by senior management and four trade unions, was to organize and schedule labor-management dialog at Renault s.a.s. in 2010 and 2011. The agreement sets out the topics to be addressed, according to a clear and precise agenda. It organizes discussions in stages (information meetings, labor-management think-tank, negotiations) and provides for additional resources to be made available to the trade unions (time, material resources).

In 2010 and in 2011 this agreement paved the way for the organization of discussions between management and trade unions on four subjects:

- quality of life in the workplace: stress/psycho-social risks, working conditions, homeworking, practical suggestions for improvement (PSI), welfare/pension/supplementary health insurance, bonuses and profit-sharing;
- equal opportunities and diversity; work/home life balance, insertion and job retention for the disabled, management of senior employees, diversity;
- employability: skills and employment planning, training, expertise, pay structure of non-managerial staff;
- adapting the organization to the environment: conditions of competitiveness (capacity of the manufacturing system to stay abreast of the competition), flexibility agreements, crisis-period labor deal.

As part of this renewed labor-management dialog, nine collective agreements were signed at Renault s.a.s. in 2011.

These agreements mainly concerned:

- procedures for the remuneration of short-time working (agreements of January 11, 2011 and June 30, 2011);
- skills and employment planning (agreement of February 4, 2011) for Renault s.a.s. and its French industrial subsidiaries, to support the launch of the corporate strategic plan;
- make-up of the Works Council (agreement of May 23, 2011);
- the Renault group Works Council (rider of May 27, 2011 to the Group agreement of October 27, 2000);
- procedures for implementing the profit-sharing agreement for 2011 (rider to the agreement of December 6, 2010 on June 24, 2010);
- introduction of a collective retirement savings plan (agreement of October 20, 2011);
- procedures for the labor-management dialog (agreement of November 30, 2011);
- promotion to managerial status (agreement of December 6, 2011);

Negotiations on gender equality in the workplace and on heavy work, and discussions on heavy work began at end-2011 and were continued in early 2012.

Alongside negotiations, information and discussions were organized with the trade unions on other topical issues, in particular: the Group's industrial strategy, the employee survey, working conditions and organization, the economic situation.

Given the success of this approach, the trade unions expressed a wish to continue this new form of labor-management dialog and signed an agreement to this end on November 30, 2011 for the years 2012 and 2013. This new agreement makes a number of improvements to the organization of joint studies (bilateral and integrated follow-up commissions), and sets out new subjects (promotions to managerial status, career paths, profit-sharing bonuses, etc.). It also provides additional resources for the trade unions (travel, tools for instant dialogue and discussion). It makes provision for extending this approach to Renault s.a.s. sites.

2.2.3.4 PROVIDING INTERNAL INFORMATION

Renault communicates with its employees on a continuous basis, on the Company's situation, business lines and strategy. Subjects include the Renault-Nissan Alliance, electric vehicles, products, industrial and commercial activity, motor sports, financial results and HR policy, all of which are covered by internal communication. To this end, the Group relies on a network of communicators working in the business lines and on sites. This network passes on internal Group information and adds content specific to the business lines, country or site through dedicated media.

The Group has a single magazine intended for all its employees worldwide. More than 100,000 copies of Global magazine are printed in French and English, in six local versions: France, South Korea, Spain, Romania, Russia and Turkey. The objective is to make sure that every employee is informed of the latest Group news.

The second cornerstone of Group internal communications is the intranet portal in French and English. Some 80,000 employees worldwide are connected to this portal. The information on the home page is updated on a daily basis: news releases on major strategic decisions, theme or event-based blogs, a forum with expert input on electric vehicles, etc. Since 2009 employees have been able to make comments on current affairs, share their perceptions and ask questions. Employees can also watch video streaming broadcasts of all strategic events (financial results, announcement of partnerships, etc.). Open forums with senior executives are organized on a regular basis.

Every two months, Carlos Ghosn and the Management Committee hold e-conferences to provide managers with advance information on the Group's strategic projects. Educational materials are also regularly sent out to all managers, who can inform their teams of the month's news and upcoming events.

2.2.3.5 PROTECTING HEALTH AND SAFETY ✦

The policy to protect health and safety is based on the Renault group's Declaration of Employees' Fundamental Rights and the Renault-Nissan alliance charter. The policy applies to the employees of the three brands in the Renault group – Renault, Dacia and Renault Samsung Motors – around the world. The implementation of this policy contributes to the Company's global and long-term performance.

Based on risk prevention, the policy aims to protect employees' health and to provide motivating employment conditions. The actions and decisions of every company employee must take account of the policy at all times.

The deployment of Renault policy on health, safety, working conditions and the working environment is based on:

- a management system deployed across all countries, sites and functions;
- an international network of specialists in healthcare, safety and working conditions (engineers, technicians, ergonomics consultants, doctors, nurses, social workers, heads of taskforces for the disabled);
- the assessment (see "single document") and prevention of risks (see the "Nine general principles of prevention");
- the commitment of management and personnel in this area,
- the involvement of staff representatives;
- 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 health, safety and working conditions policy, assessments based on a management standard are carried out in the various Group entities, both by internal experts and an outside body. This standard is produced by Renault and approved by Socotec (an international organization with expertise in health and safety). If conditions are met, the "Renault Management System for Safety and Working Conditions" accreditation is awarded for a renewable three-year period. It can be withdrawn in the event of a serious anomaly.

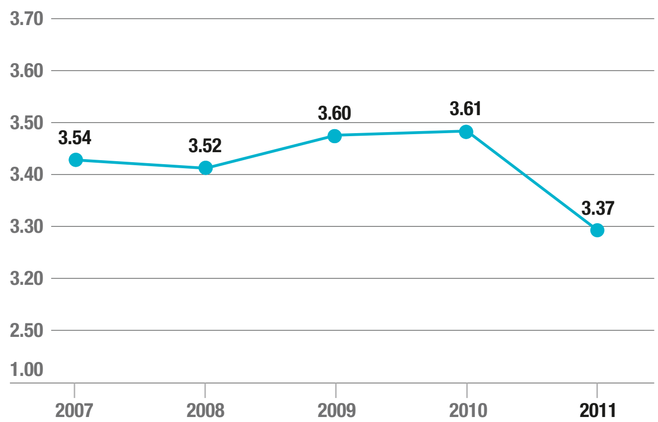
Since the initiative was launched in 2000, Renault has organized audits at its industrial, office, engineering and commercial sites.

- 95% of industrial, engineering and office sites are now certified. Two new sites, Titu (Romania) and Tangiers (Morocco) will be audited in first- or second-quarter 2012 to join the list of certified sites;
- 91% of sales sites in France have been certified since the initiative was launched in 2005.

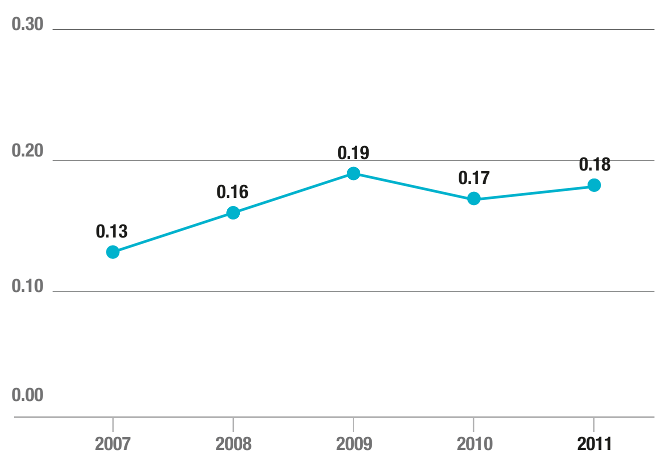
In 2011, Renault:

- strengthened the working environment and occupational welfare strands of its international working conditions policy;
- continued its campaign to renew certifications and support new sites in the accreditation process;
- deployed and trained experts in occupational health, safety and working conditions, and supported the deployment of its health and safety policy by managers at new sites;
- continued to reduce accident and occupational illness rates, particularly by bringing sites that recently joined the Group up to the same level as the others;
- improved living conditions in the workplace;
- continued encouraging managers to be proactive on occupational welfare issues;
- ensured systematic participation by prevention, health-safety and working environment departments in new projects (electric vehicles, Tangiers plant, etc.);
- continued building synergies on the topic of working conditions within the Alliance.

NUMBER OF LOST-TIME OCCUPATIONAL ACCIDENTS: F2 FREQUENCY–RENAULT GROUP
(per million hours worked)



NUMBER OF DAYS LOST OWING TO OCCUPATIONAL ACCIDENTS: SEVERITY
(per thousand hours worked)



Figures on occupational accidents concern 98.97% of the total Group workforce.

Renault has deployed a new international indicator for occupational accidents: F1. This refers to the number of accidents requiring care outside the Company.

For 2011 the F1 frequency of occupational accidents was 6.44 accidents for one million hours worked (F1 = 7.23 in 2010).

In 2011 the number of occupational accidents fell sharply. Accident severity has remained stable over the past three years.

✦ Global Reporting Initiative (GRI) Directives

THE WORKING ENVIRONMENT

The working environment is one of the HR strands underpinning Renault's strategic plan. It contributes to making Renault a place where the quality of life in the workplace is recognized by employees and contributes to the global long-term performance of the Company.

Four key objectives underpin the action plans rolled out in the countries where Renault is present:

- "My day-to-day" life at work: access to premises, travel, collaborative tools, location;
- "Work/home life balance": homeworking, meetings, employee services;
- "Management": participative management, recognition, team spirit;
- "Social links and atmosphere": intercultural exchanges, belonging to the Group, ambience.

In 2012, the world over and in line with the requirements expressed by employees, specific responses will be provided concerning "the working environment".

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 musculo-skeletal complaints, and thus to improve performance. Used in all Renault production plants worldwide, the method has also been extended to other companies. Renault has also developed a simplified safety and ergonomics data sheet to help supervisors better 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 people (paying special attention to the age of employees). This means conducting an ergonomic analysis of workstations, emphasizing ergonomics in projects (see below), and doing away with jobs classed as "red" (jobs with ergonomic constraints) in the simplified safety and ergonomics data sheets.

A system of monthly reports makes it possible to track changes in workstation geography in all industrial plants.

New tools introduced in 2009 have optimized the processes used to match workstations to employees, particularly for staff of restricted capacity. A standardized employability initiative and regulated individual files are used by managers and medical staff to transfer persons suffering from restrictions to more suitable jobs.

In order to limit and prevent occupational illnesses, an approach has been put in place whereby a workstation analysis is carried out whenever an employee complains of pain during his or her work. This makes it possible to make any necessary adjustments to the workstation and prevent the appearance of illness.

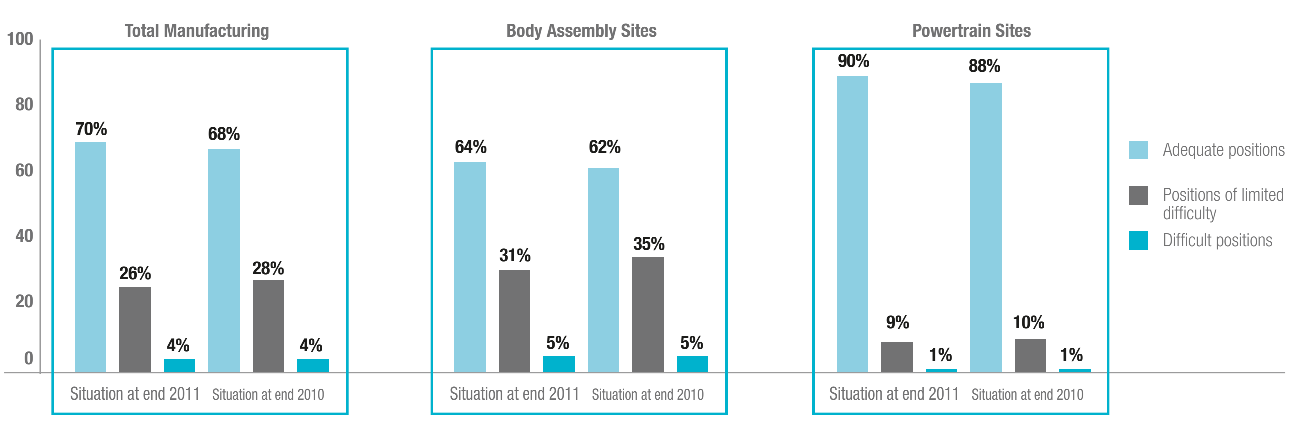
To extend the approach for the improvement of working conditions and ergonomics to other Group activities, an ergonomic recommendations guide has been drafted for the sales network.

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 place greater emphasis on ergonomics;
- handle questions relating to occupational health and safety as well as 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.

SCORING OF MANUFACTURING WORKSTATIONS



Renault plans to extend these initiatives in 2012 to:

- personnel employability;
- preventing occupational illnesses and particularly musculoskeletal complaints, by renewing the ergonomic analysis tools in order to better identify the workstations that require monitoring.

HEALTH

The Group's health, safety and working conditions policy aims to protect employees' physical and mental health throughout their professional lives.

Regular medical check-ups allow for preventive action, early screening of diseases and continuous medical follow-up of employees. Renault also organizes information and training campaigns on topics including stress and psycho-social risks, ergonomics, smoking, alcohol, drugs, healthy eating, obesity and the dangers of sunburn.

The health departments and occupational welfare departments work hand in hand to ensure that each employee has the aptitudes required for his or her job, using techniques such as risk evaluation, workstation scoring and environmental sampling.

In 2011, Renault:

- continued its actions to combat psycho-social risks (training to identify people in difficulty, psychologies on hand at all types in occupational welfare departments, etc.). All Renault s.a.s. sites and industrial sites have integrated this risk in their single document and adapted the annual prevention program;
- trained doctor and nurses to identify the early stages of alcohol abuse and to take action;
- set up help-lines for occupational doctors (in France) dealing with mental health in the workplace;
- renewed its prevention campaigns in areas such as sleep, alertness and addiction (tobacco, alcohol, etc.);
- paid closer attention to aspects of health and employability in the management system's audit of health, safety and working conditions;
- optimized the traceability of occupational exposure.

All these actions and measures will be continued in 2012 and the approach will be extended to other countries.

PSYCHO-SOCIAL 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". A stress data sheet has been deployed in every site in France. A prevention plan has been drafted by Renault sites.

On an individual level, through the stress, anxiety and depression observation unit (OMSAD) set up in 1998, the occupational health services ask employees to take a voluntary, individual pre-diagnostic test. At end-2011, OMSAD had carried out more than 90,000 tests in connection with medical check-ups.

At a collective level, prevention specialists implement processes to identify hyperstress, along with prevention plans (corporate and site).

An expert survey was conducted by the Guyancourt Health, Safety and Working Conditions Committee and the consultancy Technologia in 2007. This assessment of stress factors resulted in an action plan in each department present on site. In June 2009 a second survey was conducted at engineering division sites in order to measure the progress and efficiency of action plans.

Also in June 2009, the Renault group and the consultancy Stimulus launched a survey to measure stress factors and their impact on the populations. In the first instance, this survey concerned four facilities that are representative of Renault's main business lines. The findings of this dual measurement of stress factors are now taught and put to use in countries that have reached an advanced level in stress prevention, such as Canada. In 2010 the Stimulus survey was extended to all sites in France employing more than 500 people.

The findings were used to engage corporate, site and business-line action plans in 2010.

Moreover, a number of collective indicators, including the Group-wide survey of management quality and the engagement of Renault group personnel, absenteeism and accident rates, are also used.

Preventive action at both individual and collective levels has already been taken:

- stress management training for managers and non-managerial staff;
- stress awareness actions;
- training all members of staff involved in risk prevention to assess psycho-social risks;
- training to develop the ability of Human Resources personnel to identify persons in difficulty;
- training health workers in preventing post-traumatic stress;
- relaxation training for employees;
- posting of information on the "medical intranet";
- actions to continuously improve health, safety, ergonomics, and working conditions across all Group entities;
- action plans to prevent specific risks and improve working conditions plans at Group entities.

Naturally, the Human Resources function in general and local HR heads in particular support the actions taken by the management of each entity.

On March 12, 2010, Renault signed an agreement on method for the prevention of occupational stress with the trade unions. This agreement extends the assessment of stress and the factors of stress to all Renault's industrial sites in France.

This assessment campaign, completed in early 2011, provided the basis for a preventive action plan targeting the various sites that took part in the survey. A second assessment campaign is planned for end-2012 to verify the pertinence of these action plans and measure progress in this area.

✦ Global Reporting Initiative (GRI) Directives

Over this same period, Renault launched discussions on a preventive approach for Group facilities elsewhere in the world. This approach has to respect the Group's global policy on labor and working conditions, while taking account of the specific culture and regulations of each country.

DISABILITY

With the Group's Declaration of Employees' Fundamental Rights signed in 2004, Renault restated its commitment to equal opportunities in the workplace. This policy of equal opportunity helps to facilitate the integration of the disabled into the Company.

In 2011 Renault pursued its actions in favor of the disabled:

- follow-up and application of the Renault s.a.s. and Renault Retail Group disability agreements signed in April and May 2010 to assist the disabled.

  These agreements reflect the active efforts of Renault s.a.s. to pursue a policy introduced 16 years ago to integrate disabled people, promote job retention and provide support.

  At end-2011, Renault s.a.s. had 2,825 disabled employees, an overall employment rate of 8%;
- integration of the disabled: Renault s.a.s. has committed to carrying out specific actions to employ disabled young people on work/study contracts with the Company. In this way, the Company makes a contribution to solving the problems experienced in France by disabled people looking for employment and who lack training or qualifications reflecting their disability. To pursue these actions, Renault is extending its presence at employment forums and signing partnerships with sourcing associations promoting workplace integration;
- support for job retention by redesigning work stations. Alongside production aids such as manipulating devices and sit-stand workstations, Renault s.a.s. put in place a tool at its Paris region sites in May 2011 enabling around a dozen employees with hearing difficulties to make and receive telephone calls;
- improvement of working conditions for disabled employees (organization of support units, general practice of meetings with handicapped employees to share and discuss the difficulties experienced, corrective actions, training, etc.);
- deployment of communication and awareness actions on disability for Group personnel: videos showing interviews with disabled employees and their managers, at office and industrial sites in France and Brazil, that aim to change employee perceptions; creation of an educational module that will be sent out to all departments with at least one disabled employee, publication of messages on the intranet, etc.;
- testing and coordination of a social network, handi@renault, designed to create a network of persons with disabilities or anybody wishing to contribute to improving representations of the disabled (sharing experiences, building on best practices, rules applying to life and work, etc.).

WORKING FROM HOME

On January 22, 2007, Renault entered an agreement on homeworking, authorizing employees to work from home between two and four days a week, if their activity so permits.

This arrangement can contribute to the home/work life balance, as well as cutting travelling time and limiting exposure to the associated risks.

Homeworkers receive:

- a broadband line paid by the Company and a fixed bonus when they join the scheme;
- specific computer equipment and furniture;
- a security diagnosis of their workplace at home.

At end-2011, this approach involved 920 people:

- 52% men/48% women;
- 46% managers/54% non-managerial staff;
- 83%: one or two days of homeworking/17%: three or four days of homeworking.

Homeworkers have expressed their unanimous satisfaction with the working conditions of this approach, which contributes to motivation, performance and efficiency.

On the strength of this first experience, an amendment to the 2007 agreement has been negotiated, allowing for one day of homeworking per week.

ROAD RISK PREVENTION

Further to the commitments made to the French authorities and the publication of the Renault Driver's Charter, the Group continued to deploy in 2011:

- practical training for employees in the prevention of road risk;
- educational forums via its sites and subsidiaries (roll simulator, personal vehicle safety checks, testing of reflexes, etc.);
- employee training via the driving simulator.

At the same time, operations to raise awareness on the prevention of road risks are organized by sites every year.

(For more details, see chapter 2.1.4. on CSR).

For 2011 the Renault group reported 2.69 lost-time accidents on the home/work commute for 1,000 employees. These accidents can be broken down as follows:

2011	CARS	TWO-WHEELERS	PEDESTRIANS	OTHERS
Breakdown of lost-time commuting accidents	31%	33%	30%	6%
Breakdown of lost-time days	33%	29%	36%	2%

The number of lost-time accidents occurring during work-related journeys was particularly low, as it is every year.

Renault has also opened a car-sharing website accessible to all employees of French sites. At end-December, almost 3,720 journeys had been logged. Plans have been made to deploy the site internationally.

2.3 ENVIRONMENTAL PERFORMANCE

2.3.1 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 with a focus on the vehicle life cycle: A few examples:

- the manufacture and use of vehicles consume natural resources and produce waste;
- carbon dioxide, a greenhouse gas, is given off when the vehicle burns fuel or in the generation of electricity in some countries;
- sulfur dioxide and nitrogen oxides given off at different stages in the vehicle life cycle contribute to acid rain and acid soil.

Renault has defined five priorities for the actions and organization of 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.

For a number of 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 avoided. This approach measures all the impacts generated by a vehicle, from design to decommissioning, taking into account the economic situations in the various markets.

2011: Renault launches the world's biggest solar roof project in the automotive industry

Solar panels will cover the roofs of the delivery and shipping centers at the Douai, Maubeuge, Flins, Batilly and Sandouville sites, as well as the staff parking lots at Maubeuge and Cléon.

Work is scheduled for completion in February 2012. When the 450,000 m^2 of solar panels are operational, they will cover an area equivalent to more than 60 football fields. The installed power capacity of 60 MW is the equivalent annual electricity consumption of a town with a population of 15,000.

✦ Global Reporting Initiative (GRI) Directives

2.3.2 ENVIRONMENTAL INDICATORS ✦

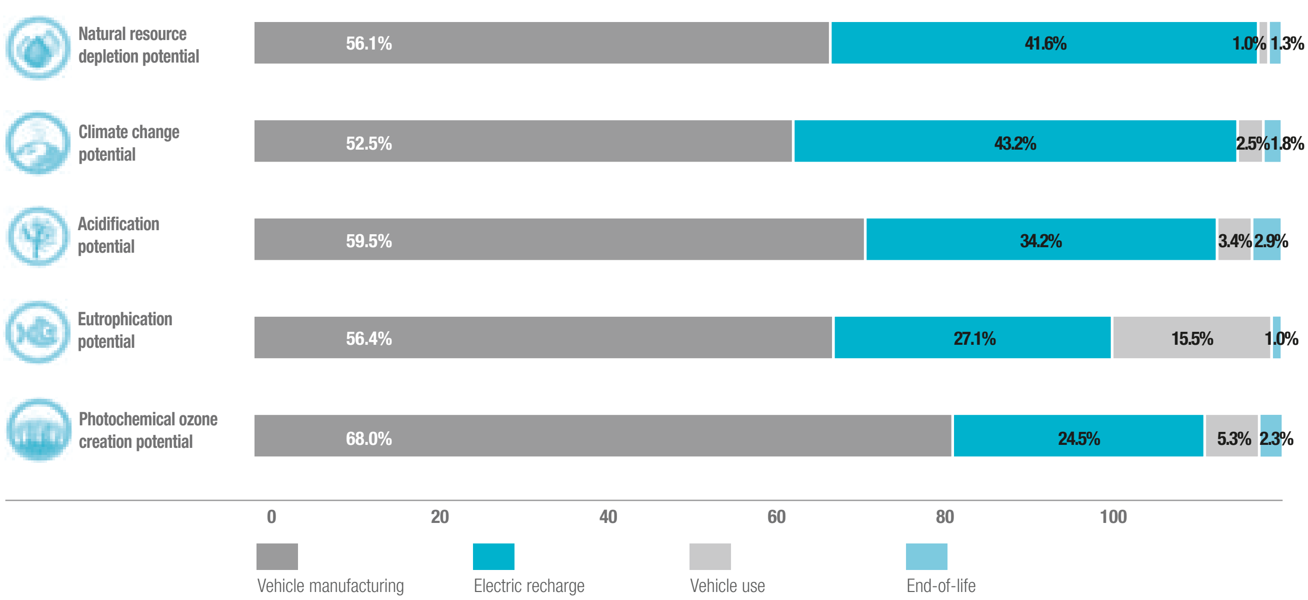
For several years Renault has been developing environmental indicators based on quantifiable and reliable data for products and operations at its sites. Relying primarily on external databases, Renault aims to analyze impacts on the supplier chain, on the production of fuel and electricity in each country, and on end-of-life vehicle recycling. Where necessary, more precise data reporting is organized for new processes and product innovations such as battery recycling.

After Scénic II, finalized in 2004, Renault conducted life cycle inventories on most of the vehicles in the Renault and Dacia ICE ranges.

Comparisons are made systematically between ICE vehicles of different generations in the same segment in order to confirm the progress made from one vehicle to the next.

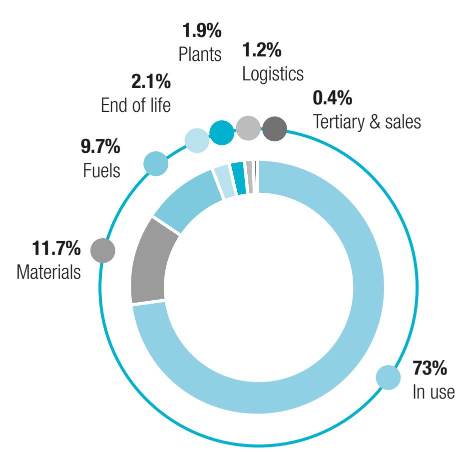
In 2011, Renault conducted a life cycle analysis on the electric versions of Kangoo and Fluence. The method adopted and the results announced were subjected to a critical review. The importance and credibility of the panel is reflected in its five-member line-up, three international experts and two NGOs.

FLUENCE Z.E. LIFE CYCLE ANALYSIS



The carbon footprint of a product corresponds to the potential impact on global warming of the life cycle analysis. In 2011 Renault made a commitment to reduce the average carbon footprint of its vehicles sold worldwide by 10% between 2010 and 2012, and by another 10% between 2013 and 2016, with 2010 as the base. This is the very first indicator of its kind in the automotive industry, since it involves all sectors of the Company and also has a mobilizing, rallying effect on staff. The graph below shows the breakdown (as a %) of the average carbon footprint in 2010 per vehicle, sector by sector, used in KPI calculation.

CARBON FOOTPRINT



2.3.2.1 ENERGY RESOURCES AND CO_2 EMISSIONS ✦

MANUFACTURING

Logistics activities

Environmental indicators are being progressively implemented in supply and distribution logistics. 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, training in eco-driving, and so on.

Since 2011, by using information systems and by tracking logistics flows, Renault has been able to automatically measure the CO_2 emissions of its supply chain, for both inbound transport (part supplies for plants) and outbound transport (vehicle distribution). This has made it possible to put in place and monitor monthly CO_2 emission indicators.

In 2011 a decision was made to build a new rail link between the Batilly plant in eastern France, the Flins plant outside Paris, and subsequently southern France, in order to distribute New Master models. This solution avoids the use of 2,520 trucks and saves 1,155 tons of CO_2, equivalent to the amount that could be absorbed by 115,000 trees. This is a particularly advantageous solution for these vans, since a train can ship up to 105 Master vehicles, compared with an average of just 2.6 for a truck.

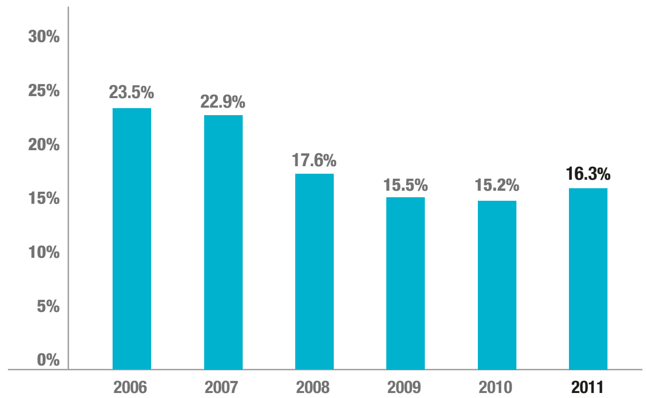
Energy consumption ✦

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.

This strategy, stepped up from late 2009, enabled the Group to limit the impact of the production downturn caused by the economic crisis in 2009 and to continue reducing energy consumption per vehicle produced in 2010 and 2011. For example, the graph below shows, as of 2006, a strong fall in minimum on-site electricity consumption outside production periods, the indicator chosen by Renault in 2005 to monitor efforts to cut non-production related consumption.

REDUCTIONS IN MINIMAL ELECTRICITY CONSUMPTION AT MANUFACTURING SITES

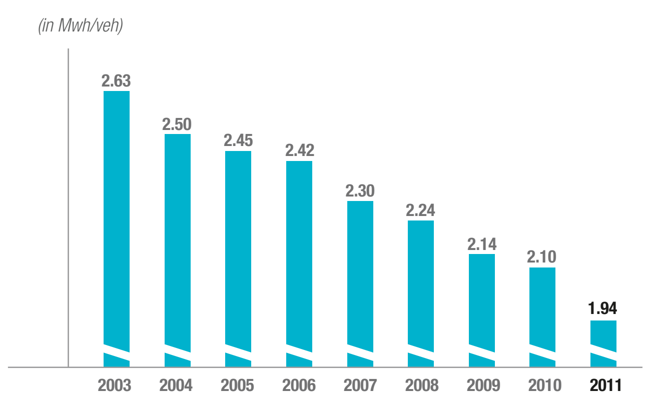


Renault's manufacturing sites are making technological breakthroughs, along similar lines to the Group's strategic offensive in the field of electric vehicles, which consume less energy and reduce greenhouse gas emissions during their life cycle:

- increased 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) in 2012;
- the use of innovative technical processes and renewable energies, which will make the future Tangiers plant a zero-carbon site, a world first for the automotive industry.

The results of these efforts can be seen in the 26% drop in energy consumption per vehicle between 2002 and 2010. Renault is on track to meet its target of 20% of renewable energies (direct and indirect) at its industrial sites by 2020.

ENERGY CONSUMPTION BETWEEN 2002 AND 2011 – INDUSTRIAL SITES



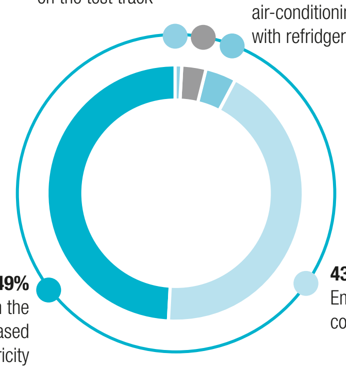
✦ Global Reporting Initiative (GRI) Directives

Greenhouse gases ✦

In 2003, recognizing the impact of its activities on anthropogenic greenhouse gas emissions, Renault made an inventory of greenhouse gas sources at all production, logistics and office sites, with the assistance of an independent organization. Renault's reporting system is compliant with the French EPE *(Entreprises pour l'environnement)* protocol for the quantification and reporting of greenhouse gas emissions, and also with the Greenhouse Gas Protocol, thus guaranteeing the accuracy and reliability of the results.

Renault has been measuring its direct emissions of greenhouse gases since 2003 and the indirect emissions associated with the electricity it buys since 2009. Direct emissions are produced by the on-site combustion of fossil fuels and losses of refrigerant fluids (scope 1).

BREAKDOWN OF GREENHOUSE GAS EMISSIONS IN 2010 BY SOURCE TYPE *



* *The reporting scope of greenhouse gases in 2011 (scope 1 and scope 2), includes production, logistics and engineering plants (see chapter 2.6.2). Company vehicles, including service vehicles, shuttles, handling systems and forklifts 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.

In 2011 direct and indirect Group emissions of GHGs totaled 1,191 ktCO_2e (kilotons CO_2 equivalent), a fall of 8% per vehicle compared with 2010.

Total direct GHG emissions continue to fall, from 755ktCO_2e in 2003 to 607ktCO_2e in 2011 (-19.6%), despite a larger number of sites and including Company vehicles since 2010. Based on the 2003 scope, emissions in 2011 would have been 567ktCO_2e, down 25%. The CO_2 emissions from fixed combustion installations fell by 11.6% on 2010 and 12.1% on 2007, more than the 10% reduction in emissions initially set up as an objective for the period 2007-2012.

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 twelve Group sites in Europe (six in France, four in Spain, one in Slovenia and one in Romania) are now part of the scheme.

For the second phase (2008/2012) Renault has an annual allowance of 447 kilotons of CO_2 for all the sites involved in the EU ETS. Viewed against the European market total of 2,080,930 kilotons, this figure shows that the Group accounts for a share of barely 0.02% on the trading market. However, Renault is fully aware of the climate- and energy-related challenges that lie ahead and believes that they are an opportunity to imagine and implement radically different actions.

For its future plant in Tangiers, Renault is developing technologies to reduce energy requirements and technologies to produce thermal energy with no carbon emissions. As a result of the partnership between the Kingdom of Morocco, Renault and Veolia Environnement, the Renault plant in Tangiers will be exemplary in terms of environmental performance. Environmental impacts will be cut to levels never before attained by a body assembly plant: CO_2 emissions will be cut by 98% [1], avoiding around 135,000 tons of CO_2 per year The few remaining tons will be offset by buying carbon credits or by producing renewable energy on-site.

These innovative initiatives are in perfect keeping with the Kyoto Protocol and are covered by a specific development mechanism project that is in the process of being validated.

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

One of Renault's targets – to develop ecological and economical solutions that can be widely implemented for an immediate and significant impact on the environment – was achieved in 2011, with a shift in sales towards low-carbon vehicles and a broader range of vehicles running on alternative energies. New Twingo and Clio are flagship models with homologated CO_2 emissions of 87 and 89g/km in 2011. And that's without mentioning the electric versions of Fluence and Kangoo, which have zero CO_2 emissions during use.

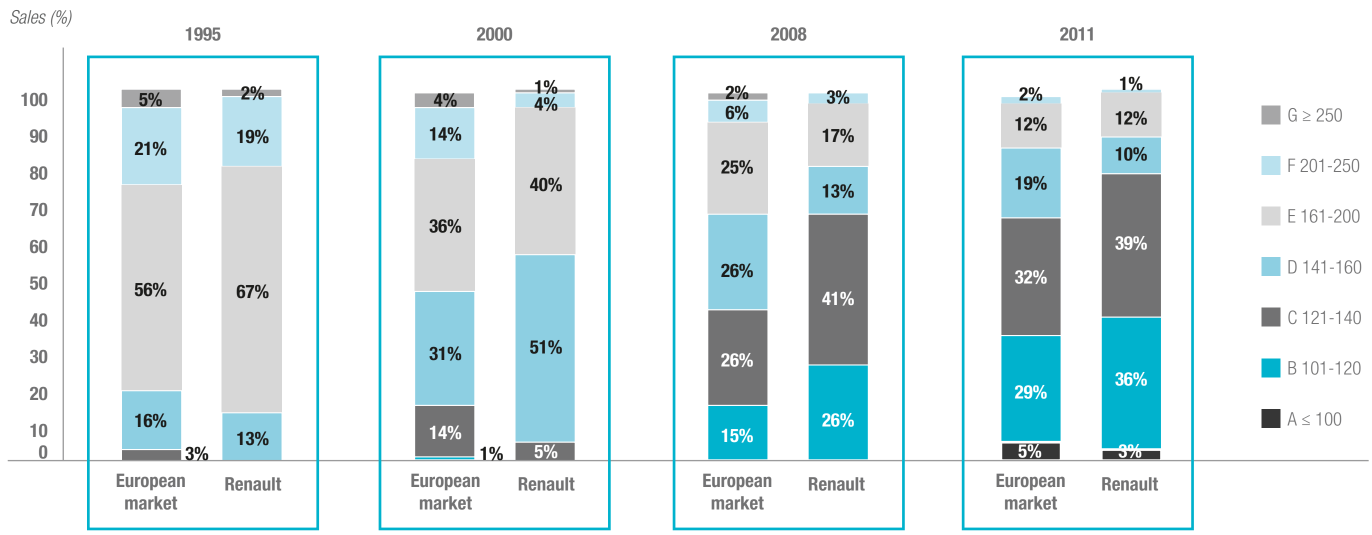
Renault is a leading player in this area, with an environmental policy aimed at consuming fewer natural resources and cutting carbon emissions, and the only vehicle manufacturer to be pursuing a truly ambitious target. When it unveiled its new plan in February 2011, Renault 2016 – Drive the Change, it announced that it was aiming to cut the average CO_2 emissions of new passenger cars sold in Europe to less than 120g/km in 2013 and less than 100g/km in 2016 (including electric vehicles).

In 2010 Renault launched Driving eco², designed to offer training and individual coaching for drivers to help them cut their fuel consumption by an average 10% when driving.

Gasoline and diesel

In 15-member EU, according to a monitoring study by the *Association auxiliaire automobile* (AAA), 448,777 cars sold by Renault in 2011 emitted less than 120 grams of CO_2 per km, which means that 50% of vehicles sold by Renault emit 140 grams or less of CO_2 per km. The graph below shows the progress made by Renault in this segment compared with the overall European market.

EUROPEAN SALES BETWEEN 1995 AND 2011 BASED ON EUROPE'S CO_2 LABELLING STANDARD



To obtain these results, Renault continued optimizing all the vehicle parameters that have an effect on fuel consumption and CO_2 emissions (see chapter 2.3.3.2 on eco-design).

Alternative energies

Biofuels

Since 2009 Renault has been developing a range of alternative vehicles capable of achieving the European objective of incorporating 10% of renewable fuels in transport systems by 2020. These vehicles form a close fit with those already available in Brazil, the vehicles compatible with biodiesel in Europe (B7 and B30), and the flexfuel vehicles available in Europe (eight models in the Renault and Dacia ranges). These vehicles pave the way for the emergence of these 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 aims: 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 2011 the Renault group sold more than 30,000 dual-fuel (gas and gasoline) vehicles in Europe, mainly as a result of the success of the Dacia LPG range (Sandero Logan and, more recently, Duster).

LPG and CNG versions of several other vehicles are also marketed worldwide, to meet the requirements of local markets seeking to take full advantage of their resources.

100% electric vehicle

Renault has adopted an original policy in this field, with plans to mass-market this type of car. Electric vehicles combine zero CO_2 emissions, during use and excluding wear parts, with zero pollutant emissions and zero engine noise.

In second-half 2011 Renault launched Renault Fluence Z.E. and Renault Kangoo Express Z.E., both based on ICE vehicles. In 2012 the offering will be extended to include two new models of innovative design and all-electric architecture: Renault Twizy and Renault Zoé. Renault is the only vehicle manufacturer to offer a full range of affordable electric vehicles. Renault wants to create a mass market for electric vehicles. With the Renault Z.E. range and that of Nissan, the Alliance should have 1.5 million electric vehicles on the road by 2016.

In the short and medium term, the electric vehicle is the only breakthrough solution in the sector of car transport that could significantly reduce CO_2 emissions in use.

In 2012 Renault will be the only vehicle manufacturer with a range of four electric vehicles – both passenger cars and LCVs – selling at the same price as their ICE equivalents, and with comparable running costs for customers using their car every day.

Renault is aiming for 10% of the total global electric market by 2020 and to have set aside the resources necessary to achieve its ambitions (2,000 people, €4 billion via the Alliance Renault-Nissan).

With its partners, Renault is developing an ecosystem for electric vehicles (infrastructure, services).

The Renault-Nissan Alliance is forming innovative partnerships with governments, municipalities, energy providers, etc. to promote the mass deployment of electric vehicles worldwide. More than 100 agreements have been signed to date, making Renault the leader in this area.

Today, the Alliance is investing heavily in the electric vehicle environment, more than any other automotive group.

Renault is working with specialist organizations to specify and finalize the eco-footprint of electric vehicles.

The concept car, Dezir, powered by an electric motor and unveiled at the 2010 Paris Motor Show, proves that respect for the environment can be combined with elegant automotive design.

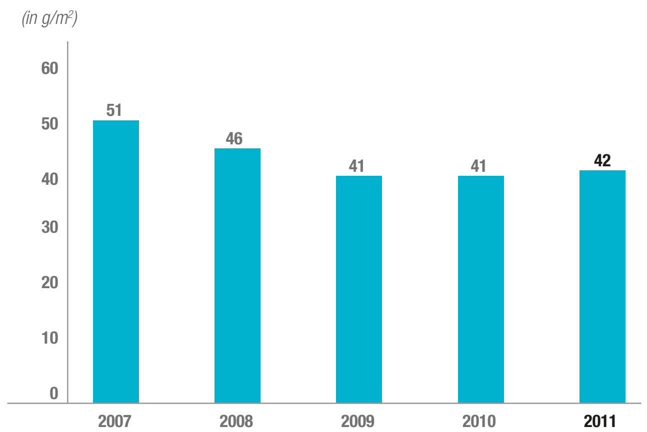
2.3.2.2 AIR QUALITY

MANUFACTURING SITES

Volatile organic compounds (VOC)

In 2011 VOC emissions generated by the solvents used in paint shops remained stable at 42g/m² consistent with the 40g/m² target set for 2012. This durable performance was achieved through investments in the latest clean technologies combined with continuous improvement initiatives.

VOC EMISSIONS



Industrial reporting scope 2011 including manufacturing plants (body assembly) cf chapter 2.6.2.

Concentrating on cutting emissions at source, 73% of Renault's production facilities are now equipped with booths using water-based paint, while LCV-production 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. For example, VOC-free rinsing solvents were brought into use at Sandouville in 2010 and are now being extended to other sites in water-based products.

Combustion emissions of SO_2 and NOx ✦

Over the past few years, Renault has been conducting a large-scale programme to replace fuel-oil by natural gas at its production plants. The aim is to cut emissions of sulfur dioxide (SO_2), nitrogen oxide (NOx) and carbon dioxide (CO_2). The proportion of fuel-oil in the thermal energy consumed by Renault dropped from 14% in 1999 to less than 0.3% in 2011. This plan is being taken further with the installation of boilers fitted with low-NOx burners.

Since 2003 SO_2 and NOx emissions have been evaluated by taking into account all types of combustion installation. Between 2003 and 2011, SO_2 emissions fell by 98% and NOx emissions by 20% on a like-for-like basis.

VEHICLES IN USE

As of January 1, 2011, all passenger cars and LCVs sold in Europe must respect the Euro 5 standard. This means that all diesel engines must be equipped with a particulate filter. 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 into the Renault's range of vehicles equipped with new technologies: the new Energy engines delivering a 20% increase in energy efficiency, technologies inspired by Formula 1, the new-generation common rail injection systems and NOx traps. Renault's NOx trap is part of the brand's efforts to cut pollutant emissions. This chemical system traps nitrogen oxides, which are a health hazard, and turns them into 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 engine. In addition to processing NOx, this catalytic converter helps oxidize the hydrocarbons and carbon monoxide produced by partial combustion.

2.3.2.3 SUBSTANCE MANAGEMENT

Europe has decided to optimize the traceability of chemicals used by 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:

- updating and sharing of information on the impact of chemical substances on health and the environment by the companies responsible for marketing them (manufacturers/importers), by registering them 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 related to 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 Group level.

The project team works with a network of around fifty correspondents across Europe and also maintains a dialog 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.

In addition to REACH, the so-called "CLP" regulation 1272/2008/EC, which came into force on January 20, 2009, defines the new rules for the classification, labelling and packaging of substances and mixes. The current system and the new system will co-exist for a transitory period until 2015. Renault has already launched a training program in the new labelling for chemicals.

Furthermore, Renault strives to keep track of the substances representing the highest risks to health or the environment and implements substitution campaigns whenever technically possible.

2.3.2.4 NOISE

For several years, 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.). 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.

2.3.2.5 WASTE ✦

MANUFACTURING

Renault aims to reduce the quantities of waste produced and to process its waste to the highest ecological standards. For 2015, Renault is aiming to place the emphasis on waste recovery and thus to cut the quantities of waste sent to landfill.

The waste management process is broken down into five ranked stages:

- **prevent**, means limiting waste production at source. For example, installing systems to filter paint sludge to cut the quantities of waste discharged;
- **prepare for re-use**, means re-using or recovering materials and putting them to similar use. For example the Novo Mesto plant in Slovenia recovers 100% of its waste wax and re-uses it in the industrial process, thus generating environmental gains and cost savings;
- **recycle**, means recovering materials from a component or consumable and using them as an alternative raw material for a different purpose. This form of waste treatment can be applied to most recoverable materials (cardboard, plastic, metal, etc.);
- **recover energy**, means using waste as an alternative fuel (in cement plants, for example) or recovering the energy produced by incineration (in waste incineration centres) to produce, electricity, steam, etc.
- **disposal**, means transferring waste to storage installations. Renault places the emphasis on the recovery processes described above, and seeks to minimize its use of this form of treatment. In this way, Renault has cut the quantities of waste sent to landfill by 20% since 2006.

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 & 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 (French 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 ✦

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, Indra.

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. Indra and its network also worked on 350,000 out-of-use vehicles in 2011.

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.).

✦ Global Reporting Initiative (GRI) Directives

At the same time, Renault's engineering centres are developing in-house eco-design processes. Renault aims to include 20% of recycled plastic in all new vehicles by 2015. Results will improve from generation to the next, and sources of recycled plastic will increase with the emergence of new plastics processing solutions. The following figures are true for all Renault vehicles: 95% recoverable by weight, with vehicles in the Renault eco^2 range using more than 7% of recycled plastics.

For example, Renault's "Icarre 95" programme was selected by the European Commission's 2010 Life+ Committee, which receives €5 million in subsidies, with small and medium-sized companies as stakeholders. The Icarre 95 life project aims to show how to recover 95% of end-of-life vehicles by weight, on a cost basis that is profitable for all players, by creating short loops for the re-use of parts and materials in the automotive sector. The model created as part of this project aims to be applicable and transferable to other parts of France and other regions of Europe.

To meet these objectives, the project aims to extend the second life of automotive components and/or materials by focusing efforts on the recovery of plastics, non-ferrous metals, textiles or catalytic converters. This will involve dismantling the different parts of recovered vehicles more efficiently and thus providing input for the various "short loop" processes as part of an approach based on a circular economy concept. These processes must be economically viable in their own industrial phase and guarantee, as part of a continuous cycle the level of technical quality required to feed the supplier chain.

Renault's aim is to achieve a proportion of 33% of recycled materials for vehicle production over the next three to five years.

The project involves building an industrial platform grouping a number of economic short-loop recycling activities. This platform will provide an opportunity to study how to improve logistics plans in order to reduce the eco-footprint of end-of-life waste even further.

These efforts to group innovative activities will require the development of new skills. Cooperation with many engineering schools and regional universities will make it possible to develop new technological solutions. A scientific committee will be tasked with examining new opportunities to develop expertise and know-how in recycling.

2.3.2.6 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 polluted sites 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. Renault's know-how in the field is recognized nationally: Jean-Philippe Hermine, Environment director, is a member of the group of French experts on site and soil pollution appointed by the French Ministry for Ecology, Energy, Sustainable Development and Town and Country Planning.

Renault's prevention strategy is based on a detailed assessment of potentially hazardous facilities and sites in order to identify and schedule upgrades by order of priority.

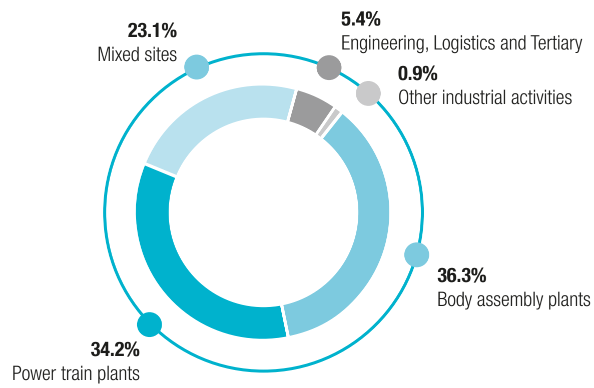
2.3.2.7 WATER RESOURCES ✦

MANUFACTURING

Water: a resource necessary to produce vehicles but that must be protected

In 2011 the Renault group consumed 11.97 million cubic meters of water, an average 4.51 cubic meters per vehicle produced.

BREAKDOWN OF WATER CONSUMPTION BY ACTIVITY IN 2011



Industrial reporting Scope. Cf chap. 2.6.2

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.

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 the pursuit of five objectives:

- objective 1: cut water consumption and wastewater at source through appropriate processes and management. In the surface treatment of vehicle bodies, for example, adjusting rinse water throughput to the presence of a vehicle body, or installing rinse manifolds between stages, to cut water requirements and the corresponding discharges;
- objective 2: reuse water as much as possible for the same process: closed loops, longer bath life, etc.;
- objective 3: 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 fewer discharges;
- objective 4: minimize the impact of residual waste on the environment through efficient and strictly controlled treatment processes;
- objective 5: control the risk of any accidental pollution of water resources by installing resources to confine accidental spillage and fire extinction water.

ZERO INDUSTRIAL EFFLUENT DISCHARGE ✦

Water recycling and optimum management of liquid discharges are two significant and closely linked levers for considerably reducing water withdrawals and pollutant discharges to the natural environment.

For optimal control of wastewater discharges, effluents need to be treated sufficiently so as to be reused in the manufacturing process.

To achieve zero industrial effluent discharges at powertrain plants, residual effluents from machining and washing processes are treated by evaporation in order to recycle the distillate (purified water) in processes. The concentrate (semi-solid matter from evaporation residue) is then recovered to produce energy. In 2011 seven Renault powertrain plants out of 13 achieved the "zero industrial discharge" target and two partially reached the target. For example, the Group introduced a new evaporation facility at the Cléon site in France in 2009, which led in 2010 to a tenfold increase in the volume of recycled water.

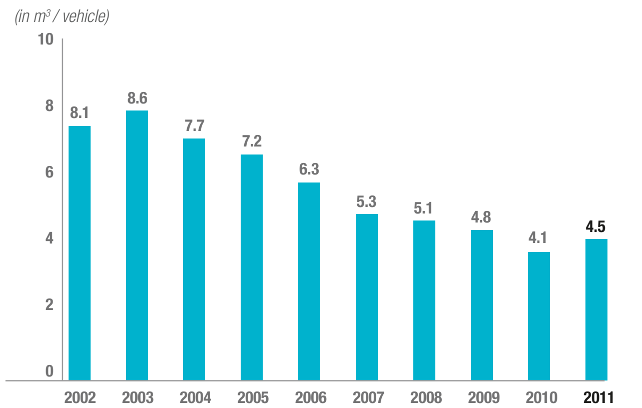
At body assembly plants, recycling technology is more complex to implement because of the high quality of water required for manufacturing processes (surface treatment and e-coating). In a zero-discharge plant, the purified effluent undergoes treatment by reverse osmosis and evapo-concentration so that it can be reused in the industrial process. This process also minimizes the waste produced.

The Tangiers body assembly plant, opened in early 2012, will be exemplary in this respect, since it groups all the advanced technologies necessary to recycle the wastewater from the manufacturing process in order to obtain zero effluent discharge. The site will reduce water withdrawals by 70% and produce no wastewater of industrial origin. The quantity of water withdrawals from the natural environment avoided every year is equivalent to 175 Olympic swimming pools (175 x 2,500 m^3).

RESULTS AND PROSPECTS

The Group has cut its water consumption by around 43% since 2002, nearly halving the amount used per vehicle produced.

WATER CONSUMPTION PER VEHICULE PRODUCED (GROUP)



Industrial reporting scope including manufacturing, logistics and engineering sites. Cf chap 2.6.2.

Metals in residual waste linked to industrial activity were reduced by 45% per vehicle produced between 2002 and 2011. By gradually deploying best practices, and by minimizing the impact of residual discharges, the Group will be able to reduce water withdrawals from natural resources by a further 15% by 2012 compared with 2007 (base year).

2.3.2.8 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 label. In March 2010 Renault also introduced an ecol-label for light commercial vehicles, based on the same criteria for production and recycling, but with a threshold of 195g CO_2/km for use. These criteria are quantifiable and auditable. In 2011 Renault tightened up criteria for the Renault eco² and Dacia eco² labels for passenger cars, cutting the CO_2 threshold to 120g/km and increasing the proportion of recycled plastic to 7%.

This approach reflects the Renault group's approach to environmental management, harnessing the efforts of all the men and women in the workforce in pursuit of a single objective: marketing a more ecological range and making it available to the largest possible number worldwide.

2

✦ Global Reporting Initiative (GRI) Directives

2.3.3 CROSS-COMPANY MANAGEMENT OF ENVIRONMENTAL ISSUES ✦

The following key events illustrate how these issues were managed in 2011 across the vehicle life-cycle:

Supplier chain	- Life-cycle analysis method applied to biomaterials - Life-cycle analysis of traction batteries for electric vehicles.
Manufacturing	Merger in 2010 of the Hygiene, Environment and Risk Prevention department with the Energy and Fluids department to form a single entity: Energy and Hygiene, Safety Environment (E&HSE). This merger made it possible to increase synergies between environmental and energy activities, both of which aim to reduce the Company's contribution to the greenhouse effect and to limit the depletion of natural resources.
Transport	- Development and implementation of an eco² logistics audit procedure for carriers, in cooperation with the Renault Environnement subsidiary and Key Driving Competences - Inclusion of an environmental clause in the transport purchasing specifications (CO_2 reporting and fuel/CO_2 management).
Use	- Appointments of a vehicle CO_2 expert leader and expert leader in energy, the environment and the commodities strategy - Training by Key Driving Competences of 750 Renault employees in Driving eco² eco-driving on ICE vehicles - Organization of the first Driving eco² Z.E. training programs (on electric vehicles) as part of the SAVE trial in the Paris region - Delivery of a Z.E. eco-driving simulator for a permanent exhibition on cars at the Cité des Sciences science museum in Paris.
End-of-life	Proportion of recycled plastics used by all Renault and Dacia eco² vehicles increased from 5 to 7% - First results of the survey on closed-loop recycling of Polyamide as part of the Paréo collaborative project.

2.3.3.1 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 Strategic Environmental Planning department reports to the Group Corporate Strategy and Planning department. The director of Strategic Environmental Planning presents the Company's strategy and action plan to the Group Executive Committee so that decisions can be taken at the highest level.

The Strategic Environmental Planning department has nine members responsible for setting strategic targets, implementing environmental policy in different plant sections, consolidating management and controlling communication. It is supported by a network organization spanning all Company functions. Since 2007 more than 420 "network heads" and around 2,000 managers have coordinated their knowledge of environmental issues. Expertise in several environment-related areas (energy, water, fuel, recycling, air quality) has been identified and developed with the aim of supporting the environment network in the deployment of its initiatives.

In 2011 Renault created the function of expert in commodities, energy and the environment. This expert is responsible for coordinating internal and external expertise on the main strategic issues requiring a high level of technical expertise. The expert also reports to the Group Corporate Strategy and Planning department and plays a direct role in drafting the Renault group's annual environmental strategy plan.

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. Since 2009 this subsidiary has covered the activities of ELV recycling (through its joint-venture with SITA), and waste from industrial plants and the sales network (through its subsidiary Gaia). As of 2010 Renault Environnement is testing the process for the marketing of refurbished parts and starting up, the eco-driving training market and mobility services.

2.3.3.2 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 value for money.

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: guidelines, 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 industrial processes

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.

Scénic and Grand Scénic Collection 2012 will have best-in-class diesel engines combining driveability with the lowest levels of fuel consumption on the market:

- the Energy dCi 110 engine, released in January 2012, combines the lowest carbon emissions on the market (105g CO_2/km) with a 15% cut in fuel consumption to achieve 4.0 l/100km. Compared with the current 1.5 dCi 110 unit, torque has been increased to 260Nm, delivering an additional 20Nm available from 1,750rpm;
- the Energy dCi 130 engine is still available. This engine combines emissions of 114g CO_2/km with fuel consumption of 4.4 l/100km, 20% lower than its predecessor, the 1.9 dCi 130.

From spring 2012, Scénic and Grand Scénic will also be available with the new Energy TCe 115 gasoline engine, with emissions from 135g CO_2/km and fuel consumption that is 25% lower than on the 110hp 1.6 16v unit, a drop of 1.6 l/100km.

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.

Eco-design also involves incorporating recycled plastics in the genes of our vehicles. 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 35.5 kg, compared with 16 kg for the previous generation, making up more than 14% of the total quantity of plastic used for the car. As illustrated by New Mégane in 2008, which anticipated the introduction of regulations applying to recycling homologation, Renault completed the homologation of its entire range in 2010. All Renault and Dacia vehicles are at least 85% recyclable and at least 95% reusable.

Eco-design also covers the services provided to the driver to make travelling an easier and more enjoyable experience. Unveiled in December 2011 at the LeWeb'11 show in Paris, R-Link gives the driver access to all the multimedia features of the car through an interface designed for easy use. It comprises an 18-cm touch screen, steering wheel controls and a voice recognition system.

Users can customize their home pages and their favorites: an onboard computer with eco-driving assistance, multimedia functions and a GPS TomTomLive system enabling them to choose the most fuel-efficient route, telephone functions, etc.

New Twingo, for example, is available with a radio that can even be used as a docking station for the new-generation iPhone and iPod Touch. This radio enables GPS navigation through an application developed by Renault. Communicating with the car via Bluetooth®, the radio analyzes the driver's eco-driving technique in real-time. By providing tips on fuel consumption, it contributes in a functional and fun way to cutting fuel consumption by up to 10%. Connected to the car via the Smartphone it recovers and communicates engine information in real time:

- it indicates the right time to shift gears;
- it warns against over-use of the accelerator pedal;
- it provides information on the savings delivered by the driver's technique;
- it specifies instant fuel consumption compared with average fuel consumption.

Eco-design also demands the close involvement of Purchasing in the process. With 80% of a vehicle made up of purchased parts, it is crucial for our suppliers to be engaged in this environmental approach. Suppliers are explicitly required to respect Renault's substances standard and to keep records of the substances used in their parts. Their declaration is checked and monitored throughout the design and contractualization process by various means:

- all suppliers receive the "Renault–Nissan Corporate Social Responsibility Guidelines for Suppliers", setting out societal and environmental expectations. The "Green Purchasing guideline" dedicated specifically to environmental expectations is currently being drafted for publication in first-quarter 2012;
- the Quality Assurance process implemented by Renault and Nissan;
- indicators on the quantitative monitoring of responses using a computer program that locates supplier declarations in the parts documentation system;
- two checks of a more qualitative nature when designers receive the completed declarations from suppliers and when the parts 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 a networked organization. The industrial environment network covers all Renault's industrial sites and the manufacturing functions. It comprises around 300 people in 13 countries and 46 sites and subsidiaries.

This management approach is original in that 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-cutting tools

The environmental progress and risk prevention approach is supported by cross-cutting tools:

- a process to watch and monitor compliance with French and international environmental regulations, including in the sales network;
- Écorisques – 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;

- a corporate database called CHEMIS (for CHEMical Information System), available across the Renault group in several languages, designed to control hazardous substances and prevent chemical risk. CHEMIS is a key tool in the Renault group's chemical risk management process, which aims, from an environmental and health standpoint, to introduce chemicals safely, to prevent the risks associated with their use and to anticipate technological and regulatory changes.

To date, CHEMIS has gathered scientific and regulatory information on more than 7,000 products and keeps a permanent watch over more than 6,000 substances:

- an organization and internal network compliant with the REACH regulation, and active mobilization of suppliers to ensure continuous supply;
- a documentary base of HSE standards and best practices, accessible from any Group site.

Environmental management in 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, i.e. 37 industrial or design sites or subsidiaries. Sites currently at the start-up stage will be certified in 2012.

The Renault eco^2 and Dacia eco^2 labels, which span the entire vehicle life-cycle, are largely based on the ISO 14001 certification of the vehicle production plant.

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 the management of chemicals and waste;
- 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 energy, hygiene, safety and environmental management plan

The E&HSE (Energy, Hygiene, Safety and Environment) management plans launched in 2002 describes the situation of each site and how it is likely to evolve over the next ten years, in line with external constraints such as the ecological sensitivity of the environment and future regulatory requirements. The E&HSE management plan of each site includes continuous progress initiatives, the start-up of new vehicle or sub-system projects, as well as major changes to facilities. The plan contributes to the dialogue between industrial strategy, engineers, building planners and plants, by defining targets for reducing environmental impact at the earliest stage of project development.

Inspection procedures

Renault has developed its own standard for internal environmental audits. This standard incorporates not only the requirements of the ISO 14001 standard but also the Group' own main internal standards on the protection of the environment, people and installations. 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 management on site performance, the status of their program and its implementation. It also guides the execution of progress initiatives. In 2008 Renault deployed 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 exchanges of best practices between site managers and to encourage consultation between different functions in order to identify solutions and improve performance. Today, the network has 70 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.

Helping drivers to change their attitude: Driving eco^2

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. Since 2009 three new Renault vehicle profiles have been entered in 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. It is quite true that fuel consumption figures are measured in standard cycles and the best possible driving conditions. The actual consumption observed by a typical driver may be above 20% according to driving type. 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 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.

In 2011 KDC provided more than 5,000 hours of training, bringing about a real change in attitude in the daily driving practices of 3,750 drivers, both business users and consumers, at the wheel of both ICE and electric vehicles.

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.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 as of 2008;
- rolling out a range of environmental management tools to deploy and build on best environmental practices, across 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 an 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 ELVs 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 reconditioned parts, and the use of recycled materials. Renault Environnement, founded in 2008, is the key entity in this area (see chapter 2.3.2.5).

2.3.3.3 ENVIRONMENTAL COMMUNICATION ✦

In the space of a few years, environmental 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 types of audience. Extra-financial and sustainability data have been included in Renault's Registration document since FY 2002.

Since 1999 environmental data from Automotive's industrial, design and logistics sites, collated in chapter 2.6.2, have been verified by the Renault group's statutory auditors. For 2011 the statutory auditors Ernst & Young and Deloitte issued a statement of "reasonable assurance" concerning data for Group sites, the highest level of assurance that they can give. In 2011 a critical review was put in place with international experts to assess the method adopted by Renault to measure the co-footprint of the electric version of Fluence Z. E.

Environmental information relating to automotive 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, acoustics, safety requirements, and – from 2008 – vehicle recyclability by weight. This information is set out in chapter 2.6.3.

✦ Global Reporting Initiative (GRI) Directives

In 2007 the environment became a strategic priority in marketing and communication in response to a threefold aim: to improve the environmental image of Renault with the general public, to support vehicle sales and to pave the way for the launch of electric vehicles.

Since 2010 Renault has sponsored the www.eco-mobility.tv web TV channel, a spin-off from the Alternative Channel. The purpose is to provide a forum to share knowledge and establish a dialogue between the various stakeholders on major mobility issues (life cycle, electric mobility, eco-behavior, recycling, means of travel, etc.).

COMMUNICATING WITH EMPLOYEES AND THEIR REPRESENTATIVES

A range of environment-related product events, exhibitions, conferences and vehicle test drives provide the basis for a direct dialogue between personnel and the departments in charge of environmental issues, particularly, in 2011, events relating to the Z.E. range and the Energy engine range.

An in-house blog set up in early 2008 gives the environment network a more interactive basis and promotes sharing of environmental best practices. Regular publications in the Group's house communication media highlight the active commitment of the workforce promoting 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 for the fourth year running. Open days, press conferences and other events were organized both inside and outside the Company. In 2011 the spotlight was turned on Renault workforce members involved in environmental protection.

COMMUNICATING WITH KEY ACCOUNT 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 drafting a new sales brochure in 2011, and organizing test drives for electric vehicles and the Energy range. 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 AND DEVELOPING RENAULT'S KNOW-HOW WITH INNOVATIVE PARTNERS

Renault is closely involved in the Prorecyclage association with dozens of other manufacturers. The objective of Prorecyclage is to forge links between companies in order to find new processes and solutions and thus to increase the recycling rate. Prorecyclage is also a way to manage these projects and to make developments available to all its members.

Renault has also teamed up with other partners (INSA, RECORD, Rhodia, Saint Gobain, etc.) to launch research projects into recycling solutions for the materials contained in vehicles (glass, polyamide, etc.). Renault has also initiated an ambitious joint project that consists in introducing tracers into plastics to make it easier to sort and process them at end of life.

Renault is also the founder of the CREER association, which brings together seven companies to conduct research into eco-design.

Renault demonstrated its commitment to developing innovative partnerships by founding the subsidiary Renault Environnement (see chapter 2.3.3.1). To date, two Renault Environnement companies have entered partnerships with Suez Environnement: Indra, for the processing of ELVs, and Boone Comenor Métalimpex, for the reuse of sheet metal cut-offs from the production plants. Renault Environnement is also developing Driving eco^2 with Key Driving Competence (see. chapter 2.3.3.2).

To share best practices on implementing sustainable development between small and medium-sized companies in the Paris region and large companies, Renault continues to play an active role in coordinating the Club Ile de France pour le Développement Durable, of which it is a founding member with Veolia Environnement and LVMH. Launched in June 2005 on the initiative of the Paris region DRIRE (regional directorate for industry, research and energy), the Club became a not-for-profit association in 2008. It disseminates the principles of the UN Global Compact concerning the environment, human rights, labor standards and the fight against corruption. It favors "cross-fertilization" between members, identifying the best practices in a given sector of activity and examining how they can be applied to another sector.

2.4 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 [1].

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.

2.4.1 RENAULT'S RATINGS IN 2011

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.

Results in 2011: Renault was not included in the Dow Jones Sustainability World Index (DJSI World), despite the Group's outstanding performance, particularly in the environmental field (98/100). Its global rating remains well above the average in the automotive sector.

	RENAULT'S SCORE	LOWEST SCORE DJSI WORLD	INDUSTRY AVERAGE (2)
TOTAL SCORE (1)	**87**	**93**	**72**
Economic dimension	84	90	73
Environmental dimension	98	98	75
Social dimension	79	91	68

(1) Score out of 100.
(2) Automotive industry.

OEKOM

Oekom, one of Germany's leading rating agencies, analyses 750 large and midsized companies and more than 100 small enterprises within a geographical universe that spans the OECD, new EU member states, Russia and leading Asian markets. The agency thus covers 80% of MSCI World index, which measures stock market performance in developed countries.

Results in 2009: Renault scored a B rating overall and the Group was again ranked first out of the 15 leading global automakers analyzed.

RATING SCALE A+ TO D-	OEKOM RATING	RANKING AMONGST CARMAKERS
Social and cultural	B+	1
Environment	B-	1
TOTAL SCORE	**B**	**1**

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.

(1) Socially responsible investment refers to all investments that are made not only according to the financial performance of the securities, but also to criteria such as the company's attitude towards its economic, environmental and social environment.

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 in January 2011: Renault is still rated by Vigeo. For more details, please contact Vigeo

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 sent a regular information request to companies in a standard format, asking them about their greenhouse gas emissions and policy on climate change. Since CDP6, the CDP has included the FT Global 500 – the largest companies in the world by market capitalization.

After the 2007 report, as for the previous two versions, the CDP compiled the Climate Leadership index, composed of the 50 companies in the FT500 assessed as having the best practices in terms of information on climate change.

Results in 2011: on the basis of its response to the CDP questionnaire, available on the website www.cdproject.net, Renault achieved a score of 86/100. These results were impacted by a change in the point scoring method in the past year. This partly explains major variations in the points awarded for 2011.

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 (*eg* in manufacturing cement, cracking in petrochemical processing, aluminum smelting, etc.); More specifically at Renault, it concerns heating, refrigerants in air conditioning systems (line vehicles, plants), company cars (taxi pools), and vehicle trials on test tracks and benches;
- 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. It includes emissions relating to electricity for homeworking and IT;
- scope 3 covers all other indirect emissions that occur from GHG sources that are not owned or controlled by the Company.

2.4.2 INCLUSION IN SOCIALLY RESPONSIBLE INDEXES ✦

Renault is included in the following socially responsible investment indexes:

- Eurozone Aspi (Advanced Sustainable Performance Indices) based on Vigeo ratings: this index includes a selection of 120 European companies;
- ESI Excellence Europe, set up by the Ethibel agency, 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 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;
- STOXX® Global ESG Leaders Indices, based on ESG indicators supplied by Sustainalitics, and bringing together the global companies leading the way in environmental, social and governance issues.

Note: because of Renault's implicit involvement in military activities through its 6.5% interest in AB Volvo since the sale of its b shares in october 2010, the Group is not included in the FTSE 4 Good index, developed by the Eiris rating agency in partnership with FTSE.

2.5 SOCIETAL, SOCIAL AND ENVIRONMENTAL OBJECTIVES ✦

The Renault group's new strategic plan is an important step in the integration of CSR in the Company's key processes and a statement of its firm desire to make concrete progress, notably with the introduction of a Group Key Performance Indicator (KPI) with three components:

- reduction of the carbon footprint;
- promotion of diversity (more women and more foreign nationals in the Group's workforce and management);
- innovative societal projects offering mobility solutions to lift people out of poverty.

This KPI is being added to the governance and management system implemented since 2009 to see that social, societal and environmental issues are better addressed across all activities and in all countries. These indicators take into account all actions carried out previously in this area.

2.5.1 SOCIETAL OBJECTIVES

MAIN SOCIETAL OBJECTIVES	OBJECTIVE SET IN	MEASURED	STATUS AT END-2011
Purchasing policy			
Introduce and update the Group's social and environmental standards in the purchasing processes.	2005	Annually	Continuous process
Prepare external CSR controls at supplier sites.	2006	Annually	Continuous process
Deploy Renault-Nissan CSR Purchasing Guidelines at 7,500 suppliers and audit them	2010	Annually	Continuous process
Mobility			
Develop and promote mobility offers for disadvantaged populations in France (social business)	2011	2013	In progress
Diversity			
Increase by 15% the proportion of women and foreign nationals in management positions (corporate and department heads)	2011	2013	In progress

✦ Global Reporting Initiative (GRI) Directives

2.5.2 SOCIAL OBJECTIVES

KEY HR OBJECTIVES	DATE TARGET WAS SET	DATE FOR ACHIEVEMENT	SITUATION AT END-2011
Developing employee engagement			
Deploy corporate managerial training.	–	Continuous	Deployment of 1stSteps, Keys for new managers and Visa Management 1 with regular, objective feedback.
Improve the quality of management and employee engagement	–	Continuous	Employee engagement rate: 4% above Hay global standard.
Apply an incentive, shareholding and employee savings scheme.	2007	Continuous	€128.38 million paid in incentives and bonuses. €19 million paid into the Group savings plan.
Encourage ongoing progress through collaborative innovation initiatives.	1990	Continuous	Staff participation rate: 56%. Savings made: €139.4 million.
Contributing to Group performance			
Make the necessary skills available to the Company to achieve its strategic ambitions.	2002	Continuous	48 skills leaders. Implementation of jobs and skills spaces (22 in 2011)
Support career paths and development.	2006	Continuous	JobInfo (the job opportunities marketplace) deployed in five languages. careers@Renault includes more than 1,000 benchmark positions.
Improve the quality of HR services while cutting operating overheads.	2006	Continuous	For 2011: Headcount: 128,322. Training expenses: €151 million. Average number of training hours per employee: 31 hours. Number of e-learning hours: 96,245. Rate of access to training: 81%.
Increase the coverage of the BPU HR database, which will eventually cover all employees.	1998	Continuous	Long-term management of all Group employees.
Strengthen the Alliance with Nissan.	1999	Continuous	Staff exchanges. More than 100 employees concerned.
Promoting a social strategy			
Continue international labor-management dialog.	–	Continuous	One plenary meeting of the Group Committee. Six meetings of the Select Committee.
Broadly distribute internal information.	–	Continuous	More than 100,000 copies of Global, the in-house magazine, distributed in French and English, plus six local editions. Intranet sites: around 80,000 connected workstations.
Deploy the health and working conditions policy.	– 2007	Continuous Continuous	More than 90,000 tests conducted by the OMSAD, a unit set up to deal with stress, anxiety and depression, leading to specific actions. Reduction in the number of occupational accidents: Group F2 rate: 3.37; Group F1 rate: 6.44; Group G1 rate: 0.18. 95% of manufacturing, office and engineering sites are certified. 91% of sales sites are certified
Deploy operations to raise awareness of road risks.	–	Continuous	Continuous deployment of practical training in managing road risk.

2.5.3 ENVIRONMENTAL OBJECTIVES

KEY ENVIRONMENTAL OBJECTIVES		DATE TARGET WAS SET	DATE FOR ACHIEVEMENT	SITUATION AT END-2010 *(same scope as date objective set)*
Climate change & alternative energies				
All sectors	Reduce the average carbon footprint of the Renault group vehicles sold worldwide by 10% between 2010 and 2012, and by another 10% between 2013 and 2016.	2010	2016	Ongoing
Manufacturing	Cut CO_2 emissions from fixed sources burning fossil fuels by 10% annually.	2007	2012	-12.1% vs 2007
Manufacturing	Reach a percentage of 20% in the use of renewable energies (direct and indirect) by sites in the industrial base	2008	2020	11%
Manufacturing	Develop a zero-carbon vehicle assembly plant	2009	2012	Tangiers plant opened mid-February 2012
Product	Develop a range of vehicles producing zero emissions in operation (four vehicles)	2009	2012	Ongoing
Product	Reduce CO_2 emissions from internal combustion vehicles to an average of 130g CO_2/km	2009	2012	131.3 g CO_2/km
Product	Expand the CNG and LPG vehicle range.	2005	Continuous	27,538 LPG vehicles and 2,497 CNG vehicles sold in 2011 (world)
Product	Develop a range of alternative vehicles to meet the 10% target for the use of renewable fuels in transport set by the European Union	2009	2020	Ongoing
Product & Services	Market product and service offerings to cut the carbon footprint of customers' business fleets by 10%	2009	2012	Launch of Key Driving Competences
Environment & health				
Manufacturing	Cut VOC emissions by 10% through continuous progress following the breakthrough of "water-based paints"	2007	2012	-17% versus 2007
Manufacturing & product	Replace potentially toxic chemical substances	2009	2012	Ongoing
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	Cancelled(1)
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	-11% versus 2007
Manufacturing	New plant: zero industrial effluent discharges and a 70% cut in biological discharges	2009	2012	Tangiers plant opened mid-February
Reduce and recycle waste				
Manufacturing	Waste: six production sites will have no landfill waste from 2015.	2007	2015	Four plants
Product	All new vehicles to include 20% of recycled plastics.	2004	2015	Ongoing
End-of-life	Achieve an effective recovery rate of 95% for materials from the vehicle recycling industry.	Depends on country	2015	Follow-up available by country
Develop continuous environmental management				
Audit all manufacturing and logistics sites every year on the environment and risk prevention.		2003	Continuous	100%
Achieve a 100% rate in supplier self-assessment on sustainable development		2009	2015	Ongoing
Conduct a sustainable development audit on 100% of suppliers		2009	Continuous	Average coverage in 2011: 88% in high-risk countries
Following environmental training between 2000 and 2008, pursue training in sustainable development		2009	2012	Ongoing
Publish life-cycle analyses for the electric vehicle range with critical reviews from external experts		2009	2012	Ongoing
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 New SM5/SM5

(1) Owing to a compromise in the reduction of polluting emissions and CO_2 and to a very ambitious acoustic regulation currently deployed, the -3dB (A) objective which offered the best level acoustics to the customer, could not be reached in 2011.

2.6 APPENDICES TO THE ENVIRONMENT

2.6.1 METHOD USED FOR THE SITE ENVIRONMENTAL INDICATORS IN 2011 TABLE ✦

Reporting for the environmental indicators was conducted in accordance with the stipulations of the 2011 Environmental Protocol 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.

2.6.1.1 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, 32% of impacts were attributed to Renault in 2011 (compared with 28% in 2010), 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 2011" 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 Fonderie de Normandie (FDN) has been included in the Cléon scope.
- Data from GAIA is taken into account only at sites where GAIA operates, i.e. the site of Choisy le Roy (France), where the waste from Gaia is recorded separately.
- The Fonderie de Bretagne and Titu (Renault Technologie Roumania) sites were included in the 2011 reporting scope for probationary purposes in accordance with the protocol rule. The data has been excluded from the scope of the assurance report but is nonetheless mentioned for information only.
- The drinking water production and Davidesti waste storage activity at the Pitesti site (DACIA) was removed from the 2011 reporting scope. The data is shown for information purposes.

2.6.1.2 PROCEDURES FOR CONTROLLING AND CONSOLIDATING DATA

Experts from the Performance Technical Support department (Energy and Health, Security and Environment 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 presented in the Registration document is also subject to an external verification by the Group's statutory auditors. Their conclusions are set out at the end of the document.

2.6.1.3 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). The collected rainwater (Aubevoye, Giheung, Guyancourt, Maubeuge, Flins) is also included.

At Busan, the Delivery Dispatch Center and employee housing have been excluded from energy and water indicators.

2.6.1.4 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 flow of suspended solids discharged, expressed in ton per year.

The quantity of OM represents the flow of oxidizable matter discharged. This quantity, expressed in ton per year, is calculated as follows:

$OM = (COD+2BOD_5)/3$.

La quantité Métox représente la somme des flux de métaux toxiques rejetés, pondérés par un coefficient de toxicité. Cette quantité, exprimée en tonnes par an, est calculée ainsi :

The quantity of toxic metals is the total flow of toxic metals discharged, weighted by a coefficient of toxicity. This quantity, expressed in ton per year, 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 BOD5 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: these sites are not subject to regulatory requirements for flow calculations. But in view of the significant contribution of these plants' emissions to the group's impacts, the corresponding flows have nevertheless been measured and included in the environmental indicators reporting scope.

Black water discharges, for which there is no regulatory measurement and/or reporting obligation, are not included in the scope. This exclusion concerns around 48% 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.

The significant annual variations of these flows observed at certain manufacturing sites (Curibita, Moscow, Novo Mesto, Sofasa, Factoria Santa Isabel, Choisy-le-Roi, Lardy and Ruitz) are due to a limited regulatory measurement frequency inducing uncertainty in the viability of consolidated data, in particular Suspended Solids and Oxidizable Matter.

2.6.1.5 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 non-significant while the data for NOX can hardly be estimated (unreliable calculation method).

Greenhouse gas (GHG) discharges include the direct and indirect GHG emissions and are expressed in metric tons of carbon dioxide equivalent.

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's 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's company vehicles);
- fugitive emissions occurring when tanks of coolant (for vehicle air conditioning systems) are filled and emptied.

Greenhouse Gas (GHG) discharges associated with indirect emissions are related to electricity purchases. The emission factors used were obtained using the energy mix of each country and the emission factors related to each type of energy for the relevant country. In order to improve the coherency of the different factors between sites, the data used for the 2011 reporting was from the IEA (International Energy Agency), whose last update took place in 2008.

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, NOx 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 2011. Only sites using a fuel whose characteristics are completely unrelated to standard factors have used data validated by their energy supplier (Pitesti plant, Dacia).

The emission factors from fixed combustion installations of low NOx Natural Gas results from a calculation carried out in 2011, based on an internal study of 88% of sites in the scope having low NOx burners. The factor thus obtained (0.0266 kg/MWh NCV) is the average of the factors obtained at each site weighted by the power of the installations.

✦ Global Reporting Initiative (GRI) Directives

2.6.1.6 WASTE

The waste reported includes the waste that leaves the site's geographical scope and the quantities are expressed in tons.

The waste reported includes hazardous waste and non-hazardous waste.

For better clarity, non-hazardous waste is presented in 2 sub-categories:

- metallic waste;
- non-metallic and non-inert waste (ordinary waste, for example).

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.

2.6.1.7 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.

2.6.2 SITE ENVIRONMENTAL INDICATORS IN 2011 TABLE ✦

				LIQUID DISCHARGES			AIR EMISSIONS						WASTE	ENERGY CONSUMPTION
2011 ENVIRONMENTAL INDICATORS[1]	**WATER CONSUMPTION** *(in thousands of m^3)*	**PLANT**	**SS** *(in ton/ year)*	**OM** *(in ton/ year)*	**METOX** *(in ton/ year)*	**GHG** *(in tCO2eq)*	**VOC** *(in g/m^2)*	**SO_2** *(in tons)*	**NOX** *(in tons)*	**OIW** *(in tons)*	**OIW (excluding inert and metalic waste)** *(in tons)*	**OIW (metalic)** *(in tons)*	**HW** *(in tons)*	**ENERGY CONSUMPTION** *(in MWh NCV)*
MANUFACTURING SITES														
Bodywork-assembly plants														
Batilly (SOVAB) [2]	285.9	PB	1.4	5.1	0.5	44,971.9	45.7	0.3	37.65	4583.2	2111.1	2472.1	1980.2	258,507.7
Casablanca (Somaca)	185.0	-	54.7	59.3	3.4	29,384.4	100.7	0.3	4.94	23697.7	10334.8	12.9	832.1	61,270.8
Cordoba Santa Isabel[14]	301.1	PU	3.3	9.7	0.1	37,863.2	81.0	0.1	16.44	24017.0	12662.0	11305.0	1140.0	119,852.8
Dieppe	6.8	U	nc	nc	nc	4,217.5	62.2	0.0	2.51	290.0	290.0	0.0	152.0	22,414.2
Douai[8]	438.3	PB	7.3	14.1	0.5	52,206.2	25.2	0.3	39.82	79419.0	4469.0	74950.0	1900.0	268,592.2
Flins[10]	984.1	PB	9.2	10.7	0.8	27,869.8	28.7	0.2	16.01	67334.4	2731.4	64603.0	1367.0	314,588.4
Maubeuge	291.9	PB	1.2	2.8	0.2	31,292.9	36.1	0.2	25.81	36004.9	2405.9	33275.3	1951.7	185,315.9
Envigado (Sofasa)	155.3	PU	6.5	38.0	0.2	6,182.9	85.3	0.0	3.39	6596.0	6189.0	351.0	303.0	28,835.5
Moscou (Avtoframos)	471.9	PU	40.0	87.0	0.2	52,793.5	85.2	0.2	29.62	17473.0	16835.0	638.0	2035.0	262,350.4
Novo Mesto	195.1	PU	9.0	26.6	0.1	40,891.1	39.8	0.2	18.94	38101.9	1996.5	36105.4	818.2	139,786.9
Palencia[11]	430.4	PB	3.2	9.6	0.2	52,758.0	27.7	0.3	32.90	40464.4	2954.8	36834.7	1669.1	205,009.9
Sandouville[13]	219.7	PB	1.3	3.9	0.2	26,506.3	32.3	0.2	19.34	14735.8	3878.9	10335.0	1471.8	165,392.4
Valladolid Carrosserie	132.9	PU	1.7	4.7	0.2	20,954.3	nc	0.1	10.17	55563.3	731.7	54399.7	948.4	78,648.2
Valladolid Montage	252.6	PU	8.3	17.7	0.7	29,951.4	34.0	0.1	19.47	2454.9	1284.5	836.1	2026.1	119,377.2
Powertain plants														
ACI Villeurbanne	11.2	U	nc	nc	nc	3,105.8	nc	0.0	2.25	2633.2	153.7	1879.5	142.0	22,934.7
Cacia[5]	86.0	PB	4.9	7.2	0.0	18,762.6	nc	0.0	0.50	5451.0	976.0	4475.0	1355.0	49,392.7
Choisy-le-Roi[6]	32.8	PU	2.2	9.3	0.0	1,896.7	nc	0.0	1.73	2007.3	762.2	1181.0	191.8	10,810.0
Cléon[7]	1147.2	PU	8.9	154.3	0.1	43,879.5	nc	0.2	20.40	32013.0	4391.0	23635.0	6562.0	349,842.6
Douvrin (FM)[9]	218.9	PU	4.1	56.9	0.0	8,848.8	nc	0.0	3.13	8817.9	1634.2	7183.7	1611.1	80,893.9
Le Mans	2275.4	P	27.4	28.9	0.3	29,604.5	nc	2.6	11.47	36454.0	18251.0	18147.0	1458.0	216,628.9
Los Andes	26.5	U	nc	nc	nc	7,132.0	nc	0.1	1.40	3611.3	1762.4	1848.9	1556.9	20,966.4
Ruitz (STA)	25.0	U	1.0	2.0	0.1	6,202.8	nc	0.0	3.46	4037.0	653.0	3384.0	836.6	50,097.7
Seville	110.0	PU	2.2	30.9	0.0	29,423.1	nc	0.0	5.63	8872.7	820.8	8051.9	3923.3	98,464.4
Valladolid Motores[15]	163.0	PU	nc	nc	nc	51,530.6	nc	0.0	6.75	25307.0	1844.0	23331.0	3587.0	165,424.4
Mixed plants														
Bursa[3]	486.0	PBU	35.8	18.1	2.8	101,720.0	39.6	0.3	33.09	83934.0	11398.0	57707.0	1910.0	289,105.8
Busan (RSM)[4]	585.7	PBU	1.1	4.3	0.2	95,346.9	32.3	0.2	27.64	38343.1	6452.8	30896.1	2640.2	287,252.9
Curitiba Complexe Ayrton Senna	471.2	PU	21.7	246.2	0.8	45,092.0	41.7	0.2	27.40	57338.3	18088.9	39197.6	4370.9	233,141.4
Dacia Automobile[12]	1221.4	PU	143.9	423.8	0.3	178,563.3	40.7	0.6	54.68	194427.0	15481.0	147849.0	6775.0	555,904.3
Fonderies														
Cordoba Fonderie Aluminium	17.0	U	nc	nc	nc	5,289.3	nc	0.0	3.32	396.0	278.5	59.0	6983.0	20,181.6
Tandil	91.8	U	nc	nc	nc	13,821.6	nc	0.0	3.10	8179.1	7929.1	250.0	30.8	43,271.2
TOTAL	**11,319.9**		**400.3**	**1,271.4**	**11.7**	**1,098,063.1**	**42.1**	**7.0**	**483.0**	**922,557.4**	**159,751.2**	**695,193.8**	**62,528.1**	**4,724,255.3**

✦ Global Reporting Initiative (GRI) Directives

2011 ENVIRONMENTAL INDICATORS[1]	WATER CONSUMPTION *(in thousands of m³)*	PLANT	LIQUID DISCHARGES: SS *(in ton/ year)*	OM *(in ton/ year)*	METOX *(in ton/ year)*	AIR EMISSIONS: GHG *(in tCO2eq)*	VOC *(in g/m²)*	SO_2 *(in tons)*	NOX *(in tons)*	WASTE: OIW *(in tons)*	OIW (excluding inert and metalic waste) *(in tons)*	OIW (metalic) *(in tons)*	HW *(in tons)*	ENERGY CONSUMPTION: ENERGY CONSUMPTION *(in MWh NCV)*
ENGINEERING, LOGISTICS AND SUPPORT SITE														
Aubevoye	37.5	U	nc	nc	nc	5,409.9	nc	0.0	1.09	1305.5	1286.6	18.9	69.4	24,020.3
Boulogne (Siège et autres entités)	59.1	U	nc	nc	nc	6,366.9	nc	0.0	1.89	517.7	500.4	17.3	23.6	33,975.6
Cergy-Pontoise	11.2	U	nc	nc	nc	1,436.6	nc	0.0	0.76	2426.5	2426.5	0.0	77.2	20,483.5
DACIA centre logistique CKD	13.3	U	nc	nc	nc	3,261.4	nc	0.0	0.49	1661.0	1589.0	72.0	0.0	8,497.0
Giheung (RSM)	88.8	B	nc	nc	nc	16,371.5	nc	0.0	1.33	854.4	450.1	214.3	609.3	37,776.0
Grand-Couronne	5.3	U	nc	nc	nc	2,346.5	nc	4.7	3.23	7792.6	1716.0	5093.6	871.0	4,164.4
Guyancourt	185.0	U	nc	nc	nc	24,565.4	nc	0.1	5.16	2843.0	2431.0	406.0	221.0	130,759.1
Heudebouville (Renault Tech)	1.1	U	nc	nc	nc	300.0	nc	0.0	0.19	378.3	311.9	66.4	46.5	1,443.5
Lardy	155.4	U	5.1	5.4	0.0	17,847.0	nc	0.1	3.60	818.0	738.2	0.0	458.2	101,304.5
Rueil-Malmaison	22.3	U	nc	nc	nc	2,661.8	nc	0.0	0.56	457.0	415.0	42.0	46.0	14,523.0
Saint-André-de-l'Eure	5.6	U	1.8	1.1	0.0	1,103.2	nc	0.0	0.37	1290.8	1290.8	0.0	17.1	6,111.1
Valladolid Services Centraux	51.5	U	0.8	1.6	0.0	6,465.5	nc	0.0	2.34	2093.0	559.0	86.0	65.0	19,345.8
Villeroy (DLPA)	4.6	U	nc	nc	nc	1,747.0	nc	0.0	0.45	2281.4	2281.4	0.0	50.7	13,120.0
Villiers-Saint-Frédéric	11.7	U	nc	nc	nc	3,063.5	nc	0.0	1.35	262.1	221.5	40.6	9.8	16,148.8
TOTAL	**652.33**		**7.68**	**8.11**	**0.03**	**92,946.10**	**NC**	**5.00**	**22.80**	**24,981.17**	**16,217.25**	**6,057.08**	**2,564.58**	**431,672.57**
GROUP TOTAL	**11,972.3**		**408.0**	**1,279.5**	**11.7**	**1,191,009.2**	**42.1**	**12.0**	**505.8**	**947,538.6**	**175,968.4**	**701,250.9**	**65,092.7**	**5,155,927.9**
THE SITES NOT INCLUDED IN THE REPORTING SCOPE, *for information purposes:*														
DACIA Drinking water production site	300.6	U	9.6	0.3	0.0	726.0	nc	0.0	0.0	nc	nc	nc	nc	1,964.6
DACIA Davidesti waste storage facility	0.3	PB	0.1	0.2	0.0	21.3	nc	nc	nc	nc	nc	nc	nc	51.0
Fonderie de Bretagne	94.9	PU	0.2	0.2	nc	10,594.1	nc	0.0	3.5	20,661.0	19,233.0	1,428.0	980.0	102,432.7
Titu (RTR)	36.2	U	nc	nc	nc	7,926.1	nc	0.0	0.8	233.4	233.2	0.1	3.0	22,722.9

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;
BOD5: 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 (direct and indirect);
VOC: volatile organic compounds;
OIW: ordinary industrial waste;
HW: hazardous waste.

(1) *All the impacts arising from employee catering facilities are included in the data for the Renault sites.*
(2) *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.*
(3) *Water consumption at the Bursa site includes that of the Industrial Supplier Park.*
(4) *The Welfare Center of the Busan site is excluded from the impacts.*
(5) *All the impacts of the Industrial Supplier Park are included in CACIA plant data.*
(6) *For Choisy-le-Roi, the waste from GAIA is excluded.*
(7) *Water consumption at the Cléon site includes that of the Fonderie de Normandie (FDN)*
(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 32% in 2011.*
(10) *Water consumption at the Flins site includes that of the Spare Parts Distribution Center as well as the environmental impacts of GAIA.*
(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.*
(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 and the ILN (Logistics center).*
(15) *Liquid discharges from the Valladolid engine plant are aggregated with those from the Valladolid Montage.*

2.6.3 ENVIRONMENTAL INDICATORS FOR PRODUCTS ✦

TECHNICAL AND ENVIRONMENTAL CARACTERISTICS FOR THE BEST-SELLING VEHICLES IN EUROPE (27 COUNTRIES) IN 2011

BRAND	MODEL	G: GASOLINE D : DIESEL E85: ETHANOL EL: ELECTRIC	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	55	M 5	Euro 5	3.4	90	72.1	Renault eco²
Renault	Twingo II	G	1.2 16v	1,149	55	M 5	Euro 5	4.7	109	71.4	Renault eco²
Renault	Clio III	E85	1.2 16v	1,149	55	M 5	Euro 5	8.3	133	73.2	Renault eco²
Renault	Clio III	D	1.5 dCi	1,461	55	M 5	Euro 5	4	105	71.4	Renault eco²
Renault	Clio III	G	1.2 16v	1,149	55	M 5	Euro 5	5.8	135	73.2	-
Renault	Modus	D	1.5 dCi	1,461	65	M 5	Euro 5	4.1	107	70.2	Renault eco²
Renault	Modus	G	1.2 16v	1,149	55	M 5	Euro 5	5.9	138	71.9	-
Renault	Kangoo	D	1.5 dCi	1,461	66	M 5	Euro 5	5.2	137	73.2	-
Renault	Kangoo	G	1.6 16v	1,598	78	M 5	Euro 5	7.7	180	73.3	-
Renault	Kangoo Z.E.	EL	-	-	-	-	-	-	0	69	Renault eco²
Renault	Mégane III	E85	1.6 16v	1,598	81	M 6	Euro 5	9.7	154	73.6	Renault eco²
Renault	Mégane III	D	1.5 dCi	1,461	66	M 5	Euro 5	4	104	73	Renault eco²
Renault	Mégane III	G	1.6 16v	1,598	81	M 6	Euro 5	6.9	159	73.6	-
Renault	Fluence Z.E.	EL	-	-	-	-	-	-	0	68.3	Renault eco²
Renault	Scénic III	E85	1.6 16v	1,598	81	M 6	Euro 5	10.3	164	73.5	Renault eco²
Renault	Scénic III	D	1.5 dCi	1,461	81	M 6	Euro 5	4.9	128	71.6	-
Renault	Scénic III	G	1.6 16v	1,598	81	M 6	Euro 5	7.4	174	73.5	-
Renault	Koleos	D	2.0 dCi	1,995	110	M 6	Euro 5	6.6	174	73	-
Renault	Koleos	G	2.5 16V	2,488	126	M 6	Euro 5	9.5	220	74	-
Renault	Laguna III	E85	2.0 16v	1,997	103	M 6	Euro 5	10.7	171	71	Renault eco²
Renault	Laguna III	D	1.5 dCi	1,461	81	M 6	Euro 5	4.6	118	72.3	Renault eco²
Renault	Laguna III	G	2.0 16v	1,998	125	A 6	Euro 5	8.7	201	69.1	-
Renault	Espace IV	D	2.0 dCi	1,995	110	M 6	Euro 5	6.5	170	71.7	-
Dacia	Logan	E85	1.6 16v	1,598	77	M 5	Euro 5	9.3	153	72.3	Dacia eco²
Dacia	Logan	D	1.5 dCi	1,461	55	M 5	Euro 5	4	104	69.8	Dacia eco²
Dacia	Logan	G	1.2 16v	1,149	55	M 5	Euro 5	5.9	135	72.3	-
Dacia	Sandero	E85	1.6 16v	1,598	77	M 5	Euro 5	9.3	153	72.3	Dacia eco²
Dacia	Sandero	D	1.5 dCi	1,461	65	M 5	Euro 5	5	130	70.6	-
Dacia	Sandero	E/GPL	1.2 16v	1,149	55	M 5	Euro 5	5.9	135	72.3	-
Dacia	MCV	E85	1.6 16v	1,598	77	M 5	Euro 5	9.7	159	72.4	Dacia eco²
Dacia	MCV	D	1.5 dCi	1,461	65	M 5	Euro 5	4.6	119	70.6	Dacia eco²
Dacia	MCV	G	1.6	1,598	62	M 5	Euro 5	7.3	169	72.3	-

✦ Global Reporting Initiative (GRI) Directives

2.6.4 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 standards applicable in France.

DELOITTE & ASSOCIÉS

ERNST & YOUNG Audit

Year ended December 31, 2011

Statutory auditors' reasonable assurance report on the environmental data

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 2011, as set out under the "Group Total" line in the "Site environmental indicators in 2011" table in chapter 2.6.2. of the Registration document (the "Data" [(1)]), has been prepared, in all material respects, in accordance with the 2011 Environmental Protocol for Renault sites (the "Guidelines"), summarized under "Method used for the Site environmental indicators in 2011" table in chapter 2.6.1.

The responsibility of Renault's management is to prepare the data and draw up the Guidelines. The Guidelines are available for consultation at the "Energy, Health & Safety, and Environment" department.

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 Engagements). 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 sixteen sites [(2)] that are representative of the activities and the 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 61.6% of the total value of environmental data published by Renault. The percentages for 2011 break down as follows:

Water consumption	69%
Water discharge: SS	74%
Water discharge: OM	66%
Water discharge: METOX	56%
Non-hazardous industrial waste	68%
Non-hazardous industrial waste (excluding inert waste and scrap metal)	51%
Non-hazardous industrial waste (scrap metal)	72%
Hazardous waste	60%
Energy consumption	60%
Atm. emissions: GHG	58%
Atm. emissions: SO_2	44%
Atm. emissions: NO_x	61%
Atm. emissions: VOC	55%

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 formulae, as provided in the Guidelines, and reconciling the data with the supporting evidence.

We reviewed the presentation of the "Data" in the 2011 Registration document in chapter 2.6.2.

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 twelve years and the improvements made by Renault to enhance the sites' understanding of and application of the Guidelines, we consider that our verification work provides a reasonable basis for our opinion.

(1) See Appendix 1.

(2) On-site work: Novo Mesto, Valladolid-Montage, Valladolid-Carrosserie, Valladolid-Moteur, Valladolid-Direction centrale, ACI Le Mans, Moscou (Avtoframos), Cléon (Fonderie de Normandie), Choisy-le-Roi, Flins, Bursa. Remote work: Sofasa, Douai, Batilly, DACIA Producteur d'Automobiles, Cordoba Fonderie Aluminium.

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).

Conclusion

In our opinion, the Data, as set out under the “Total” line in the “Site environmental indicators in 2011” table, has been prepared, in all material respects, in compliance with the Guidelines prepared by Renault.

Neuilly-sur-Seine and Paris-La Défense, February 17, 2012

The statutory auditors

DELOITTE & ASSOCIÉS

ERNST & YOUNG Audit

CORPORATE GOVERNANCE

3

The elements of the annual financial report are identified by the AFR sign in the table of contents.

Fluence Z.E.

✦ Global Reporting Initiative (GRI) Directives

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 department, the Audit, Risk Management and Organization department, and the Legal department.

The report was ratified by the Board of Directors at its meeting on February 15, 2012.

Renault also carefully and continually analyzes the best practices set out in the Afep/Medef report on the corporate governance of listed corporations, which consolidates the Viénot and Bouton reports and the Afep/Medef's own recommendations (issued in January 2007, October 2008 and April 2010). The Company makes every effort to incorporate the code's 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.

3.1 REPORT OF THE CHAIRMAN OF THE BOARD

3.1.1 CONTENT, 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 s.a.s., without prejudice to the powers of the Board of Directors and the shareholders. This Alliance-specific management method is described in chapter 1.2.2.2.

3.1.1.1 MANAGEMENT METHODS

FUNCTIONS OF CHAIRMAN OF THE BOARD COMBINED WITH THOSE OF CHIEF EXECUTIVE OFFICER

Renault has opted for a governance system combining the functions of Chairman of the Board and Chief Executive Officer. On the recommendation of the Appointments and Governance Committee, it reappointed Mr Ghosn as Chairman and CEO in 2010.

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

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

The system whereby operational decisions are made under the authority of a Chief Operating Officer was kept in place. Carlos Tavares was appointed on the recommendation of the Appointments and Governance Committee by Carlos Ghosn on May 30, 2011, to head up a refocused Corporate Operations department. Mr Tavares took up his full duties on July 1, 2011.

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

In that capacity, the Board of Directors approved on February 9, 2011 the three-year plan (2011, 2012, 2013) for the Renault 2016–Drive the Change Plan.

Since 2010 the Board has supervised all decisions on strategic transactions and investments by requiring prior authorization from the Board to the Chairman.

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

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

APPOINTMENT OF A SENIOR INDEPENDENT DIRECTOR

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

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

The Senior Independent Director's tasks include:

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

Mr Lagayette is Chairman of the new Audit, Risk and Ethics Committee (CARE), which replaces the former Accounts and Audit Committee. He is also a member of the Appointments and Governance Committee.

In light of the attempted intelligence fraud perpetrated at Renault in early 2011, Mr Lagayette has devoted much of his efforts to the Audit, Risk and Ethics Committee, with a view to recommending ways of addressing the deficiencies brought to light by that incident. The new organizational structure put in place following the discovery of the attempted fraud is presented in chapter 3.1.3.2.

The internal regulations of the Board of Directors, which are given in chapter 3.4, reflect the governance arrangements referred to in chapter 3.1.1.1.

3.1.1.2 COMPOSITION OF THE BOARD OF DIRECTORS ✦

At February 15, 2012 the Company was administered by a Board of Directors with 19 members, including two women:

- 13 directors appointed by the Annual General Meeting of Shareholders (AGM);
- two directors appointed by administrative order, representing the French State;
- three directors elected by employees;
- one director elected by the AGM on the recommendation of employee shareholders.

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

Further to the recommendations of the Afep-Medef Code, directorships are renewable on a rotating basis to avoid replacing the entire Board.

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

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

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

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

The minutes of the Board meetings are made available to directors within a reasonable period of time before being approved at the next following meeting of the Board.

✦ Global Reporting Initiative (GRI) Directives

BOARD OF DIRECTORS

DIRECTORS	OFFICES/FUNCTIONS
Carlos Ghosn Nationality: French Member of the Appointments and Governance Committee Number of shares: 205,200 Born on March 9, 1954 Date of first term: April 2002 Current term expires (AGM): 2014	**Chairman and CEO** Current offices and functions in other companies: *France:* n.a. *Abroad:* Director: AVTOVAZ President and CEO: Nissan Motor Co., Ltd. Chairman of the Board: Renault-Nissan b.v. Offices or functions in the past five years no longer held: Director: Sony, IBM, Alcoa
Yves Audvard Nationality: French Director elected by employees Member of the International Strategy Committee Member of the Industrial 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**
Alain J.P. Belda* Nationality: American Chairman of the Remuneration Committee Member of the International Strategy Committee Number of shares: 1,000 Born on June 23, 1943 Date of first term: May 2009 Current term expires (AGM): 2013	**CEO, Warburg Pincus** Current offices and functions in other companies: *France:* n.a. *Abroad:* Director: IBM, Citigroup, Omega, Banco Indusval, Offices or functions in the past five years no longer held: Non-executive Chairman of Alcoa Chairman and director of Alcoa Chairman and CEO of Alcoa Director of Brown University Member of the Board of Trustees of the Conference Board Member of the Business Council
Patrick Biau Nationality: French 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 Nationality: French Director elected by employees Member of the Audit, Risk and Ethics Committee Number of shares: 1,154 ESOP units Born on January 1, 1954 Date of first term: November 2002 Current term expires: November 2012	**Renault Document manager**
Charles de Croisset* Nationality: French Member of the Audit, Risk and Ethics Committee Member of the Industrial Strategy 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: LVMH Member of the Supervisory Board: Euler & Hermès Non-voting director: Galeries Lafayette *Abroad:* International Advisor, Goldman Sachs International Offices or functions in the past five years no longer held: Director: Bouygues, Thales UK, Thales
Bernard Delpit* Nationality: French Member of the International Strategy Committee Number of shares: 1,000 Born on October 26, 1964 Date of first term: April 2010 Current term expires (AGM): 2014	**Chief Financial Officer, Crédit Agricole SA** Current offices and functions in other companies: *France:* Member of Executive Committee: Crédit Agricole SA Director: Crédit Agricole Assurances *Abroad:* Director: Emporiki Offices or functions in the past five years no longer held: Member of Executive Committee: La Poste Member of Audit Committee: Banque Postale, GeoPost and Poste Immo Director: Sofiposte, Geoposte, Banque Postale Prévoyance, Poste Immo Member of the Supervisory Board: Banque Postale, Banque Postale Asset Management

DIRECTORS	OFFICES/FUNCTIONS
Thierry Desmarest* Nationality: French Chairman of the International Strategy Committee Member of the Industrial Strategy Committee 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	**Honorary Chairman of Total** Current offices and functions in other companies: *France:* Chairman: Fondation Total and Fondation de l'École Polytechnique Director: Total SA, Air Liquide, Sanofi-Aventis, Musée du Louvre Member of the Board: École Polytechnique *Abroad:* Member of the Board of Bombardier (Canada) Offices or functions in the past five years no longer held: Chairman and CEO of Elf Aquitaine Chairman of the Board of Total Chairman and Chief Executive, Total SA Member of the Supervisory Board, Areva
Jean-Pierre Garnier* Nationality: French Chairman of the Industrial Strategy Committee Member of the International Strategy Committee 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	Current offices and functions in other companies: *France:* Director: Cerenis (biotech company) *Abroad:* Chairman of the Board of Directors, Actelion Director: United Technology Corp, Paul Newman Foundation 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
Takeshi Isayama Nationality: Japanese Number of shares: 1,000 Born on March 8, 1943 Date of first term: May 2009 Current term expires (AGM): 2013	**Senior Advisor Carlyle Japan L.L.C.** Current offices and functions in other companies: Director: Dainippon Screen Mfg Co., Ltd., Terumo Corp, Fidelity International Limited Advisor: BitAuto Offices or functions in the past five years no longer held: Advisor: National Institute of Advanced Industrial Science and Technology Director: Seiyu GK (Wal-Mart subsidiary), the Japan Fund Vice-Chairman: Nissan Motor Co., Ltd.
Alexis Kohler Nationality: French Member of the Audit, Risk and Ethics Committee Member of the Industrial Strategy Committee Number of shares: (a) Born on November 16, 1972 Date of first term: February 2010 Current term expires (AGM): 2015	**Division director, Transports and Media, French Government Shareholding Agency, at the Ministry for the Economy, Finance and Industry** Current offices and functions in other companies: Director (government representative): Aéroports de Paris, RATP, Grand Port Maritime du Havre, France Télévisions, Société Audiovisuel Extérieur de la France, STX France. Offices or functions in the past five years no longer held: TSA, GIAT Industries, La Monnaie de Paris, Société de valorisation foncière et immobilière (SOFAVIM)
Marc Ladreit de Lacharrière* Nationality: French Chairman of the Appointments and Governance Committee Member of the Remuneration Committee Number of shares: 1,020 Born on November 6, 1940 Date of first term: October 2002 Current term expires (AGM): 2014	**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), Groupe Lucien Barrière (SAS) Chairman of the Management Board: Groupe Marc de Lacharrière Honorary Chairman: Comité National des Conseillers du Commerce Extérieur de la France (National Committee of Foreign Trade Advisors) Main offices held with public-interest institutions or associations: Fondation Culture et Diversité, Fondation d'entreprise L'Oréal, Conseil Artistique des Musées Nationaux, Fondation des Sciences Politiques, Musée des Arts Décoratifs, Abbaye de Lubilhac endowment fund. *Abroad:* Chairman of the Board: Fitch Group, Fitch Ratings Statutory manager, Fimalac Participations Sarl (Luxembourg) Offices or functions in the past five years no longer held: Chairman: Fitch Group Holdings Director: Algorithmics Statutory manager, Fimalac Participations Public interest association: Fondation Bettencourt Schueller Member: Conseil Stratégique pour l'Attractivité de la France
Dominique de La Garanderie* Nationality: French Member of the Audit, Risk and Ethics 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.

DIRECTORS	OFFICES/FUNCTIONS
Philippe Lagayette* Nationality: French Senior Independent Director Chairman of the Audit, Risk and Ethics 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): 2015	**Chairman of the Fondation de France** Current offices and functions in other companies: *France:* President, Philippe Lagayette Conseils Vice Chairman and Senior Advisor, Barclays Capital France Member of the Board: PPR, Fimalac Chairman of Fondation de France Chairman of the Board of Institut des Hautes Études Scientifiques, and Foundation of Scientific Co-operation for Research on Alzheimer's Disease *Abroad:* n.a. Offices or functions in the past five years no longer held: Vice-Chairman of JP Morgan in EMEA. Chairman of the Supervisory Board, French American Foundation.
Benoit Ostertag Nationality: French Director elected by employee shareholders Member of the International Strategy Committee Member of the Industrial Strategy Committee Number of shares: 1,489 ESOP units Born on August 2, 1965 Date of first term: May 2011 Current term expires (AGM): 2013	**Skills Leader for the Quality System, Powertrain engineering and technologies, Renault**
Franck Riboud* Nationality: French Number of shares: 331 Born on November 7, 1955 Date of first term: December 2000 Current term expires (AGM): 2014	**Chairman and Chief Executive Officer of Danone** Current offices and functions in other companies: *France:* Chairman of the Board: Danone.communities (SICAV) Director: Accor SA, Lacoste France SA *Abroad:* Director: Bagley Latinoamerica SA, Rolex SA, Rolex Holding SA Main offices held with associations/foundations: Chairman of the Guidance Committee: Fonds Danone pour l'Ecosystème Director: Association Nationale des Industries Agroalimentaires Director: International Advisory Board HEC Member of the Supervisory Board: Fondation ELA Member of the Board: Foundation EPFL PLUS Member of Guidance Board: Livehoods Fund (SICAV) Luxembourg Offices or functions in the past five years no longer held: Director: L'Oréal SA, Ominium Nord Africain (ONA), Wadia BSN India Limited, Fondation Gain Chairman of the Remuneration Committee of Renault SA Durable (Association)
Luc Rousseau Nationality: French Member of the International Strategy Committee Member of the Industrial 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 at the Ministry for the Economy, Finance and Industry** Current offices and functions in other companies: Member of the Supervisory Board of Areva Member of the Board of Directors: Fonds Stratégique d'Investissement, Agence Nationale de la Recherche, Government commissioner for the Board of Directors of La Poste, FT1CI Government representative: Board of Directors of the AFII (Invest in France Agency), 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: All (agency for industrial innovation), Oseo Innovation Member of the Board of Directors, Oseo
Hiroto Saïkawa Nationality: Japanese Member of the International Strategy Committee Number of shares: 100 Born on November 14, 1953 Date of first term: May 2006 Current term expires (AGM): 2014	**Executive Vice-President for Asia-Pacific Region, Affiliated companies, and Purchasing, Nissan Motor Co. Ltd.**
Pascale Sourisse* Nationality: French Member of the Audit, Risk and Ethics Committee Number of shares: 1,000 Born on March 7, 1962 Date of first term: April 2010 Current term expires (AGM): 2014	**Director general of the Division des Systems C4I de Défense et Sécurité** Member of the Executive Committee: Thales Current offices and functions in other companies: *France:* Chairman and CEO, Thales Communications & Security Chairman, Thales Services President of the Board: Telecom Paris Tech (École Nationale Supérieure des Télécommunications) Member of the Board: Vinci, Agence Nationale des Fréquences, DCNS, Institut Télécom Member of the Supervisory Board of Thales Alenia Space Member of the Board, Groupe des Industries Françaises Aéronautiques Spatiales (GIFAS) *Abroad:* n.a. Offices or functions in the past five years no longer held Chairman and CEO, Thales Alenia Space (TAS) Chairman and CEO, Alcatel Alenia Space Chairman, Eurospace, European Space Industry Association Member of the Board: Association européenne des industries aéronautiques spatiales et de défense (ASD)

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

The average age of incumbent directors is 60. Each director must own at least one registered share [1]. However, administrative regulations forbid the directors appointed by the French State from owning shares in their capacity as government representatives, ("a"above).

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 punished by a statutory or regulatory authority. None of the directors has been barred by a court from serving as a member of the Board of Directors, Management Board or Supervisory Board of a securities issuer or from serving as a manager or officer of an issuer in the past five years.

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

The directors are not related by family ties.

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

EXPIRATION OF TERMS OF OFFICE

CURRENT TERM EXPIRES	DIRECTOR
	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 Ostertag
	Mr Ghosn
	Mr Ladreit de Lacharrière
	Mr Delpit
	Mr Riboud
	Mr Saïkawa
2014	Mrs Sourisse
	Mr Kohler
2015	Mr Lagayette

3.1.1.3 THE BOARD OF DIRECTORS IN 2011

The Board of Directors met 11 times in 2011. Four exceptional meetings in the early part of the year were devoted to the handling of the attempted intelligence fraud.

Meetings lasted an average of two hours, except for the meeting devoted to strategy, which took a whole day. The attendance rate was 94%. (more details by director in chapter 3.3.4.2).

The Board gave its opinion on all business placed on its agenda pursuant to the legal and regulatory requirements in force in France.

The workload of the directors and the efforts required of them in early 2011, a period that was both delicate and decisive for Renault, reflect the commitment of all 19 of them to serving the Company.

On the main matters, the Board took the action described below:

ACCOUNTS AND BUDGET

The Board:

- approved the Group's consolidated financial statements and the individual financial statements of Renault and Renault s.a.s. for 2010 and approved the consolidated financial statements for first-half 2011; it set the appropriation of 2010 income to be proposed to the AGM, which included a dividend payout;
- adopted the 2012 budget;
- voted additional performance-related bonuses in respect of FY 2010;
- approved a conditional plan to grant stock-options and bonus shares in respect of 2011 and 2012 and also for 2013 under the Renault 2016–Drive the Change Plan.

(1) Share of Renault's capital held by directors: 0.07%.

CORPORATE GOVERNANCE ✦

After the events that occurred at the beginning of the year, the Board approved, on the recommendation of the Accounts and Audit Committee, the reform of the ethics and risk management system presented by the Chairman and CEO (see chapter 3.1.3.2).

In addition, the Board:

- conducted a simplified self-assessment of its operating methods and decided on the definition of independent director;
- took official note of the appointment of a new Chief Operating Officer, Carlos Tavares;
- adopted new arrangements for distributing directors' fees, on the recommendation of the Appointments and Governance Committee and having regard to the allocation voted by the AGM on April 29, 2011;
- adopted the Chairman's report pursuant to Article L. 225-37 of the Commercial Code;
- analyzed and approved answers to shareholders' questions ahead of the AGM.

GROUP STRATEGY

The Board:

- approved the Renault 2016–Drive the Change Plan presented by senior management;
- was informed of the strategy adopted to cope with the problems cause by the tsunami;
- heard the conclusions of the Chairman of the International Strategy Committee concerning Renault's strategy in Russia and South Korea, and discussed strategic guidelines for products ranges and brands at the full-day strategy meeting;
- was informed of Renault's strategy in the Asia-Africa Region;
- was informed of plans for the expansion of Renault's manufacturing capacity and for Nissan to set up operations in Brazil.

The Board also took decisions on issues that are strategic for Renault and will be presented in greater detail during 2012.

REGULATED AGREEMENTS

No regulated agreements were submitted to the Board for authorization in 2011.

3.1.1.4 AUDIT OF THE BOARD OF DIRECTORS ✦

In accordance with common practices and the recommendations of the Afep/Medef report, the Board carried out a self-assessment concerning its composition, its organization and its working, based on a questionnaire. The assessment was carried out by the Appointments and Governance Committee, chaired by Mr Ladreit de Lacharrière. It was based on individual interviews carried out by Mr Ghosn, Mr Lagayette and Mr Ladreit de Lacharrière himself.

Broadly speaking, the members of the Board expressed satisfaction with the organization, working and composition of the Board and Committees.

The members of the Board highlighted the relations of trust that exist between the Board and senior executives.

The day dedicated to Renault's strategy and long-term development was greatly appreciated, as was the visit to Design and the electric vehicle tests in September 2011. This initiative placed the directors at the heart of corporate strategy.

The addition of a strategic question by members of the Board to the agenda of each Board meeting in 2012, paves the way for real dialogue as well as aligning the Board's schedule with corporate strategy more effectively.

Specifically regarding the increase in the number of women on the Board of Directors, the directors are keen for Renault to be exemplary in applying the law in this area. In particular, they would like to see a woman in each category of directorship.

For better governance, some directors would like subjects that are of direct concern for the Chairman and CEO to be discussed out of his presence (e.g.: remuneration). In addition, Board members do not believe that all the members of the Executive Committee should be present at each Board meeting.

Proposals were also made for merging the International Strategy and Industrial Strategy Committees.

Concerning the case of attempted fraud, the work carried out by the Board and by the company was deemed to be satisfactory. It provided the basis, through work carried out jointly with the Accounts and Audit Committee to implement organizational reforms.

The points on which the Board expressed open positions or requested improvements are as follows:

- provide documents intended for Board members;
- provide the Board with more information on the risks facing Renault, e.g. once a year;
- ensure better representation of the company's Design and Marketing functions.

The practice of informal lunches after Board meetings, during which directors can talk to members of the Management Committee, will be continued.

3.1.1.5 ASSESSMENT OF DIRECTOR INDEPENDENCE ✦

AFEP/MEDEF RECOMMENDATIONS:

At its meeting of February 15, 2012, the Board of Directors restated its attachment to the most thorough definition of corporate governance available in France, namely the Afep/Medef report. According to the report, an independent director is one who, notably, "has no relations of any kind with the company, the Group or its managers likely to compromise his independence of judgment".

In the light of the independence criteria set out by the Afep/Medef Code, the Board of Directors drafted the following list of independent directors: Mmes de La Garanderie and Sourisse, Messrs de Croisset, Belda, Delpit, Desmarest, Garnier, Ladreit de Lacharrière, Lagayette and Riboud (see table on the composition of the Board in chapter 3.1.1.2 above).

The following are considered as non-independent, in line with the definition above: representatives of the state, directors elected by employees, the director elected by employee shareholders, the Chairman and Chief Executive Officer, and the two directors appointed by Nissan, a company linked to Renault.

The Board stressed, however, that the directors elected by the employees and 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.

3.1.1.6 SPECIALIZED COMMITTEES OF THE BOARD OF DIRECTORS ✦

Five specialized committees have been set up to permit in-depth examination of specific topics relating to the Board of Directors' role. The chairs of each committee bring the committee's opinions to the attention of the Board.

The roles of these committees are described in the internal regulations in chapter 3.4.

AUDIT, RISK AND ETHICS COMMITTEE

Based on the findings of reports by the Accounts and Audit Committee and the consultancy BearingPoint, in relation to the attempted intelligence fraud, the Board of Directors approved in April 2011 a proposal to change the Accounts and Audit Committee into the Audit, Risk and Ethics Committee (CARE). The new committee's remit was extended to include enforcement of ethics-related rules.

CARE has six members: Mr Lagayette in the chair, Mr Champigneux, Mr Charles de Croisset, Mrs de La Garanderie, Mr Kohler and Mrs Sourisse. Four of the six are independent directors.

The committee held eight meetings in 2011, five of them to identify the shortcomings in governance and organization connected with the attempted intelligence fraud, and to propose corrective action. The attendance rate was 100% (details in chapter 3.3.4.2).

In compliance with French legal and regulatory requirements, CARE dealt with the following matters in particular:

- the pre-announcement of the 2010 financial results;
- the Group's consolidated financial statements and Renault's individual financial statements for 2010 and first-half 2011, as well as the related financial news releases;
- a review of the results of the 2011 Audit Plan and the analysis of the 2012 Plan;
- the accounting procedures used for the marketing and sale of the electric vehicle;
- financial risks.

CARE's responsibilities concern paragraph 3.1.3. On this point, the committee's examination of the financial statements, in the presence of the Chief Financial Officer, was accompanied by a presentation from the auditors describing the 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 CFO submitted a memo describing the Company's risk exposures and off-balance sheet commitments.

Action and recommendations of the Accounts and Audit Committee relating to the handling of the attempted intelligence fraud

The Accounts and Audit Committee meet five times between March 14 and April 8, 2011.

It dealt solely with matters relating to the functioning of the Company; it did not address any issues relating to the legal inquiry.

First, along with the Chairman of the Board of Directors, it tasked the Senior Vice-President, Internal Audit to draw up a report on the series of events relating to the case and occurring between August 17, 2010 and March 14, 2011.

On that basis, the committee commissioned BearingPoint, a consultancy, to prepare a report on the main deficiencies affecting the Company and to submit recommendations for remedying them.

On April 5 and 8 the committee discussed BearingPoint's report and presented its findings to the Board of Directors, referring to the main deficiencies and shortcomings, especially in connection with the supervision and monitoring of the Group's Security department.

The Board of Directors took the committee's recommendations into account. The implementation of those recommendations is discussed in chapter 3.1.3.2.

REMUNERATION COMMITTEE

The committee has four members, all of whom are independent directors: Mr Belda in the chair, Mssrs Desmarest, Garnier and Ladreit de Lacharrière. The committee met four times in 2011, with an attendance rate of 100% (details in chapter 3.3.4.2). The main items on its agenda were:

- the remuneration of the Chairman and CEO and members of the Executive Committee;
- the performance requirements for awarding the Chairman and CEO variable remuneration in connection with the Plan;
- the structure and grant rules for the annual (2011, 2012, 2013) and three-year stock-option and bonus share plan;
- the waiver by the Chairman and CEO of his variable remuneration for 2010 and his stock-options for 2011.

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✦ Global Reporting Initiative (GRI) Directives

APPOINTMENTS AND GOVERNANCE COMMITTEE

This committee has five members: Mr Ladreit de Lacharrière in the chair, Mrs de La Garanderie, Mssrs. Ghosn, Lagayette, and Belda. Four of the five members are independent directors.

The committee met four times in 2011, with an attendance rate of 100% (details in chapter 3.3.4.2). The main items on its agenda were:

- reappointment of Mr Lagayette and Mr Kholer as directors;
- new rules on the proportion of female directors, in light of forthcoming reappointments to the Board;
- selection and appointment of the Chief Operating Officer;
- the composition of the Board of Directors and its committees and the simplified assessment of its operation;
- a review of the list of independent directors pursuant to the criteria set out in the Afep/Medef report;
- the amount and allotment procedures for directors' fees further to the allocation voted by the AGM;
- changing the Accounts and Audit Committee to the Audit, Risk and Ethics Committee.

INTERNATIONAL STRATEGY COMMITTEE

This committee has nine members: Mr Desmarest in the chair, Mssrs Audvard, Biau, Belda, Delpit, Garnier, Rousseau, Saikawa, and Ostertag.

Four of the nine committee members are independent.

The committee met twice in 2011, with a 100% attendance rate (details in chapter 3.3.4.2).

As part of a presentation on Group strategy, the committee examined:

- Renault's activities and development in the Asia-Africa Region;
- the situation in Russia and South Korea.

INDUSTRIAL STRATEGY COMMITTEE

This committee has seven members: Mr Garnier in the chair, Mssrs Audvard, de Croisset, Desmarest, Kohler, Rousseau, and Ostertag.

Three of the seven committee members are independent.

The committee met twice in 2011, with a 100% attendance rate (details in chapter 3.3.4.2). It reviewed industrial strategy, with a particular focus on:

- issues relating to the competitiveness of European sites and the adjustment of their production capacity;
- planned production at the Group's various sites.

3.1.1.7 ACTIVITIES OF THE COMPLIANCE COMMITTEE AND FORMATION OF AN ETHICS AND COMPLIANCE COMMITTEE

The Compliance Committee met on January 6, 2011 to decide whether to start legal proceedings against person or persons unknown for industrial espionage, corruption, theft, receiving stolen goods, and conspiracy.

However, the report from the BearingPoint consultancy revealed that the rules and role of the Compliance Committee had been ignored until after the three accused employees had been suspended.

Consequently, in accordance with the conclusions of the Audit, Risk and Ethics Committee, it was decided that the Compliance Committee should be replaced by an Ethics and Compliance Committee, which was up and running at the end of 2011.

The committee is chaired by an Ethics manager, whose appointment is approved by the Board of Directors, reporting directly to the Chairman and CEO. His brief includes presenting a report on ethics and compliance to the CARE Committee, which may also interview him.

The committee has extensive powers over all areas of regulation applicable to the Company. It is composed of the main senior executives, including the compliance manager, who play a decision-making role in matters of ethics and compliance, with a remit to enforce the policies, procedures and standards that ensure conformity with the Group's values and the regulations to which it is subject. One of the committee's first duties will be to review the Code of good conduct and the whistleblowing procedure.

3.1.1.8 PROCEDURES FOR SHAREHOLDERS TO TAKE PART IN GENERAL MEETINGS

In accordance with Article 21 of the Company's articles, General Meetings are open to all shareholders who have registered their shares under their own name at least three clear days before the meeting, under the conditions stipulated below.

Pursuant to Article L. 228-1 of the Commercial Code, General Meetings are open to all shareholders who have registered their shares under their own name or that of a registered intermediary acting on his or her behalf. The entry must be made by midnight (zero hours) CET on the third business day before the meeting, either in the registered share account kept by the Company or in the bearer share account held by an authorized intermediary.

The registration or book entry of bearer shares in the accounts held by the authorized intermediary is evidenced by an attendance certificate issued by said intermediary.

All shareholders are entitled to be represented at a General Meeting by proxy, given to the meeting Chairman, their spouse or civil union partner, another shareholder or any other natural or legal person of their choosing, as set forth in Article L. 225-106 of the Commercial Code. Legal entities holding shares may be represented at the General Meetings by their legal representatives or any person designated by them.

Factors that may be material in the event of a public offering, as stipulated in Article L. 225-100-3, are described in chapter 1.2.2.2 (foundation) and chapter 5.2.6.2.

3.1.2 PRINCIPLES AND RULES ADOPTED BY THE BOARD OF DIRECTORS FOR THE REMUNERATION OF SENIOR EXECUTIVES AND CORPORATE OFFICERS

The Board of Directors decided that Renault would adopt the Afep-Medef Code and refer to it when drawing up the report required by Article L. 225-37 of the French Commercial Code.

Copies of the Afep-Medef Code are available at head office.

At its meeting on May 6, 2009 the Board of Directors opted to combine the functions of Chairman of the Board of Directors and CEO.

The remuneration and benefits received by the Chairman and CEO are decided by the Board of Directors acting on the recommendation of the Remuneration Committee.

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

It was stipulated that, from this date, the Chairman and CEO would receive no remuneration in his capacity as Chairman of the Board of Directors.

In early 2011 the Board of Directors established the fixed portion to be received by the Chairman for 2011 at €1,230,000. It also set out the procedure for establishing the variable portion for 2011 to be paid in 2012. It was decided that this portion would be equal to between 0% and 150% of the fixed portion and that it would be based on the following criteria:

- return on equity, which accounts for 15% at most of the variable portion;
- operating margin (25% at most of the variable portion);
- the free cash flow threshold set by the Board of Directors (50% at most of the variable portion);
- a qualitative factor linked to strategy and management and based on the following criteria: the quality of the Plan, Alliance synergies, Daimler, the industrial plan, the electric vehicle and the R&D strategy (60% at most of the variable portion).

At its meeting on February 15, 2012, acting on the recommendation of the Remuneration Committee, the Board of Directors set the variable portion for 2011 at 130% of the fixed portion for 2011.

Furthermore, at its April 29, 2011 meeting the Board set out the performance criteria for the exercise of stock-options by the Chairman and CEO under the 2011 annual plan and the Renault 2016-Drive the Change Plan.

Thus for the period 2011-2013 of the Renault 2016-Drive the Change Plan, the conditions are as follows:

- no options may be exercised if aggregate operating free cash flow between 2011 and 2013 is below €2 billion;
- 50% of the options may be exercised if aggregate operating free cash flow between 2011 and 2013 reaches or exceeds €2 billion;
- 100% of the options may be exercised if aggregate operating free cash flow between 2011 and 2013 reaches €3 billion, with grants being made on a straight-line basis between €2 billion and €3 billion.

It should be noted that the Chairman and CEO waived his stock-option entitlements for 2011, both the 2011 annual plan and the part of the stock-option linked to the Renault 2016-Drive the Change Plan corresponding to FY 2011.

The Chairman and CEO does not receive bonus shares.

A summary table of remunerations and benefits, including options plans for the executive director, is included in chapter 3.3.2.2.

The Chairman and CEO also benefits from the complementary pension scheme set up for members of the Group Executive Committee (see chapter 3.3.1). It is the policy of the Board of Directors to consider appointed corporate officers as executives, for all aspects relating to remuneration, particularly pensions.

3.1.3 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

This report covers all fully consolidated Group companies.

3.1.3.1 GROUP OBJECTIVES AND STANDARDS FOR INTERNAL CONTROL AND RISK MANAGEMENT ✦

INTERNAL CONTROL AND RISK MANAGEMENT OBJECTIVES

The Renault group has adopted structures and procedures to contain the risks inherent in its activities and to limit their negative impact. This internal control system is implemented in all the Company's businesses and activities. Its primary objectives are to:

- identify and manage risks to which the Company is exposed;
- ensure compliance with laws, regulations and the Company's by-laws;
- control quality, cost and delivery times in its activities;
- ensure that financial, accounting and management disclosures are reliable, relevant and of a high standard.

These structures and procedures cannot, however, offer an absolute guarantee that internal control objectives will be achieved.

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✦ Global Reporting Initiative (GRI) Directives

REGULATORY FRAMEWORK FOR INTERNAL CONTROL

Since 2007 the Renault group has applied the reference framework and implementation guidelines of the French securities regulator, AMF, which were updated in July 2010, and the recommendations of the Audit Committee working group published in July 2010.

Since Sales Financing is subject to banking and financial regulations, the internal control framework specified by Regulation 97–02 of the Committee on Banking and Financial Regulation is systematically applied by the Board of Directors, executives and personnel of RCI Banque (see 3.1.3.4. Sales Financing: RCI Banque).

3.1.3.2 MANAGEMENT OF OPERATIONS AND INTERNAL CONTROL ✦

ROLE OF THE EXECUTIVE BODIES

Management Committees operating at two levels oversee the Group's operations:

- level 1 committees, whose scope is the entire Group, include:
  - the Group Executive Committee (GEC), which is in charge of strategic orientations and decisions. Headed by the Chairman and Chief Executive Officer, its members are: the Chief Operating Officer; the Executive Vice-President, Group Human Resources; the Executive Vice-President, Engineering and Quality; the Executive Vice-President, Corporate Planning, Product Planning and Programmes; the Executive Vice-President, Manufacturing and Supply Chain; Chairman of Asia-Africa Region; the Executive Vice-President, Sales and Marketing and LCV and Chairman of Europe Region; the Group Chief Financial Officer and Chairman and CEO of RCI Banque; and the Executive Vice-President, CEO Office. Its decisions are submitted to the Board of Directors for approval when they fall under the Board's authority, following the recommendation, if need be, of the International Strategy Committee and Industrial Strategy Committee. The Chairman and CEO reports to the Board of Directors on their implementation. The Group Executive Committee oversees operations and controls the execution of directives by monitoring budget commitments as well as policies and operations in the Regions, programmes and corporate functions,
  - the Operations Committee, headed by the Chief Operating Officer, which is responsible for operational decisions. Its members are the same as the Group Executive Committee's except for the Chairman and CEO,
  - the Renault Management Committee (RMC), which is made up of the GEC members plus the heads of the main departments at Renault,
  - specialized committees (eg Project Product Committees) headed by either the Chairman and CEO or the Chief Operating Officer. They make decisions at the Group level as well as in the Group's cooperative undertakings in the Renault-Nissan Alliance (including with AVTOVAZ and Daimler);
- level 2 committees, which are specialized by general management area or by function (for example, engineering and quality; plan, product planning and programmes; manufacturing and logistics; sales and marketing; purchasing, design, legal, CEO Office, etc.) or by Region.

The operating rules and characteristics of these committees – Chairman and membership, frequency, length and agenda of meetings, reporting methods, communication of decisions, and the archiving of minutes – are formally recorded in a standardized catalogue.

There is a Regional Management Committee (RMC) for each Region (Europe, Americas, Asia-Africa, Euromed and Eurasia). Each RMC is made up of representatives of the corporate functions and vehicle programmes as well as managers from the main countries in each Region.

There are Programme departments for the automotive segments as well as for the electric vehicle programmes, the new mobility offer, and the cross-division projects. The Programme departments are assigned long-term profitability objectives for the life cycles of the products they develop, manufacture and market. They receive support from the Regions and corporate functions.

In addition to operational reporting structures, the Group has set up a staff reporting system so that support function managers can provide leadership for their function throughout the Group.

The Chief Operating Officer is directly responsible for operational decisions, except in the areas of strategic decision-making, supervision of financial and legal matters, human resources, audit, risk management, internal control, and organization, which are under the direct managerial authority of the Chairman and CEO.

The decision-making process is based on a system of internal delegation that determines in which areas and at which levels operational managers may make decisions. All the rules for delegating decision-making authority are communicated to the personnel over the intranet. When a strategic or financial decision is called for, a workflow chart specifies the persons involved, in accordance with internal control procedures.

Decisions concerning certain transactions, and notably those related to the capital of the subsidiaries, disposals/acquisitions, partnerships, cooperation, and the hedging of raw materials risk or currency risk, along with general policies, are made following a special review by a committee of experts, which gives an opinion. The final decision is then made by the Chairman and Chief Executive Officer.

CHANGES TO THE RISK MANAGEMENT, INTERNAL CONTROL AND ETHICS SYSTEM

Following the serious deficiencies that became manifest at the beginning of the year and the recommendations submitted by the Accounts and Audit Committee to the Board of Directors on April 11, 2011, the Company adopted a new organizational structure with a view to:

- restoring the credibility of the business ethics system;
- repairing the corporate image of the Company and thereby re-motivating the workforce;
- ensuring a better balance of powers and more effective controls;
- taking advantage of the new organizational structure to provide operational staff with tools, processes and services to help them manage their activities more efficiently and reach their performance targets.

The following initiatives have been taken in the areas governance, ethics, internal control and risk management:

- changing the Accounts and Audit Committee to the Audit, Risk and Ethics Committee (CARE) to strengthen the role and supervisory responsibilities of the Board of Directors in terms of ethics, risks, compliance and internal control;

- designating a prominent personality from outside the Group as an independent Ethics manager. The appointed was approved by the meeting of the Board of Directors of December 8, 2011. The Ethics manager reports directly to the Chairman and CEO. His brief includes presenting a report on ethics and compliance to the CARE Committee, which may also interview him on this subject;
- setting up a managerial-level committee, the Ethics and Compliance Committee, chaired by the Ethics manager, to replace the former Compliance Committee. The new committee has extensive powers over all areas of regulation applicable to the Company. It is composed of the main senior executives, including the compliance manager, who play a decision-making role in matters of ethics and compliance, with a remit to enforce the policies, procedures and standards that ensure conformity with the Group's values and the regulations to which it is subject. One of the committee's first duties will be to review the Code of good conduct and the whistleblowing procedure, under the supervision of the compliance manager;
- setting up another managerial-level committee, the Risk and Internal Control Committee (formerly Group Risk Committee), tasked with ensuring that risk management and internal control procedures are implemented across all the Group's business activities and entities. Chaired by Chief Operating Officer, the new committee comprises representatives of the Group's main operating and support functions. Regional and Programme divisions report periodically to the Risk and Internal Control Committee on implementation of risk management and internal control procedures within their scope of responsibility;
- changing the Group's Security department to the Group Security and Prevention department (D2P), which now reports directly to the Executive Vice-President, CEO Office;
- bringing the following units together in the Audit, Risk Management and Organization department (DAMRO), which reports directly to the Chairman and CEO:
  - the internal Control department and Risk Management department, previously under the authority of the Management Control department,
  - the Organization department, previously under the authority of the Executive Vice-President, CEO Office.

DAMRO is responsible for analyzing, defining and implementing Renault group's internal control and risk management system.

The following measures have been taken to ensure that the Group Audit department has the independence needed to carry out its duties:

- the Senior Vice-President, DAMRO has the right to appeal to the CARE Chairman;
- likewise, the Senior Vice-President, Audit has direct access to the CARE Chairman and to the Chairman and CEO.

In addition, a specialized department will be set up at Internal Control department to prevent, detect and remedy deficiencies in terms of ethics, compliance, fraud and corruption. It will have the following priorities:

- diagnose the Group's vulnerabilities;
- propose a permanent system of supervision;
- establish compliance monitoring programmes and methods;
- determine and suggest the organizational arrangements and resources needed to carry out the programme.

The Senior Vice-President, DAMRO will submit an interim report on the programme in Spring 2012.

MANAGEMENT OF INTERNAL CONTROL ✦

The Internal Control, Audit and Risk Management Charter complies with the international standards published by Institut français de l'audit et du contrôle internes (IFACI), which is affiliated with the Institute of Internal Auditors. The Charter sets forth the roles and responsibilities of the internal control staff.

The internal control system conforms to the AMF's general rules for internal control and strictly adheres to the principle of the separation of tasks, and is based on:

- senior management, which determines the Group's objectives, in agreement with the Board of Directors. It decides on the operating rules and procedures as well as the quantified performance objectives;
- at DAMRO, the Internal Control department, which defines and sets internal control principles, rules and techniques pertaining to operational processes as well as accounting and management processes.

Some of the risks identified by the Risk Management department may be dealt with by applying rules and procedures. The routine risks relating to operating activities are among the risks to be managed by the internal control system. The linkage of internal control and risk management has been facilitated by maintaining both departments within the same structure, i.e. DAMRO, and by setting up the Risk and Internal Control Committee.

Implementation and first-level control of the internal control system are performed by:

- management, which adapts and applies within its scope of responsibility the internal control rules and methods defined at Group level;
- employees, who are expected to comply with the internal control system established for their work areas and with the Group code of ethics;
- management control, which ensures that all personnel comply with management rules.

Permanent oversight to verify that the system is properly and effectively applied is provided by:

- the Audit, Risk and Ethics Committee (CARE);
- the Internal Audit department at DAMRO makes independent and objective assessments of the degree of control over operational performance, gives advice and recommends improvements to the control system, gives senior management reasonable assurance of the degree of control over operations via a summary report presented to CARE and the GEC. In 2011, as in previous years, the Internal Audit department verified the effectiveness of some of the Company's processes, and the quality of the internal control arrangements for preventing problems and correcting their impact;
- the statutory auditors, who assess the internal control of the preparation and treatment of accounting and financial data as part of their engagement and who issue recommendations.

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✦ Global Reporting Initiative (GRI) Directives

3.1.3.3 INTERNAL CONTROL OBJECTIVES

IDENTIFYING AND MANAGING RISKS

With the Internal Control, Audit and Risk Management Charter, the Risk Management department has formalized the global risk management system in a document that informs everyone of the organization and methods used by the Company.

The Group applies a risk management method based partly on identifying a wide range of risks, which are then mapped, and partly on carrying out action plans to deal with risks by eliminating, preventing, guarding against or transferring them. Risk Committees are being set up in the operational entities to approve entities' maps and action plans.

To carry out its duties, the Risk Management department relies on two networks:

- one network is made up of experts who manage a specific area of risk. These may be risks common to any company or, in the following cases, specific to a business sector:
  - risks related to international expansion, operational security and product quality, suppliers, manufacturing and environmental impact, and information systems,
  - financial and legal risks;
- the second network is made up of correspondents, chiefly from the management control function, who work in all the Group's entities and liaise with the Risk Management department.

To draw up the audit plan for the Company's major risks, which is approved by senior management, the Internal Audit department uses risk maps to identify critical audit themes and assess risk coverage. The audit results are then used to update the maps.

In 2011 the Risk Management department focused on:

- preparing a comprehensive procedure for identifying, assessing and dealing with major risks relating to vehicle projects, in association with Quality department and the Performance and Engineering Methods department;
- continuing to map risks in industrial and commercial entities;
- training the network of correspondents to conduct risk mapping.

A description of the risk factors to which the Group is exposed is given in a separate chapter of the 2011 Registration document (see chapter 1.5).

COMPLIANCE WITH LAWS, REGULATIONS AND COMPANY RULES

Chaired by the Ethics manager, the Ethics and Compliance Committee has extensive powers over all areas of regulation applicable to the Company. It is composed of the main senior executives who play a decision-making role in matters of ethics and compliance: audit, risk management and organization; internal control; quality; legal affairs; human resources; environment; corporate social responsibility; protection of the Company's assets.

The executives' contributions and commitment to performing their duties are assessed each year by the Ethics manager.

The remit of the Ethics and Compliance Committee is to enforce the policies, procedures and standards that ensure conformity with the Group's values and the regulations to which it is subject. The committee relies on the Compliance department, part of the Internal Control department, which is responsible for coordinating the abovementioned decision-making departments as well as its own network of compliance correspondents.

CONTROL OF OPERATIONS

Senior management updates and communicates Renault's overall objectives, in line with the multi-year plan and annual budgets, as well as the allocation of resources to the Regions, businesses and programmes. Group Management Control draws up an instruction memorandum for each of the operational sectors, Regions, businesses and programmes. These memorandums include macroeconomic assumptions to be taken into account (exchange rates, interest rates, inflation rates, raw materials prices, etc.), financial and non-financial indicators that will be measured over the course of the following financial year, the calendar, and the segmentation of the activity scope. Each Region sends these instructions to the subsidiaries within its scope of responsibility after adding elements specific to the businesses.

The Management Control function stimulates and measures economic performance at the various levels of the organization (Group, operational sectors, Regions, businesses, programmes).

Management control is decentralized so as to take account of the specifics of each business. Its remit is laid out in instructions prepared periodically by the Management Control department.

In the Group's management model, its role consists in:

- adjusting the Company's economic objectives and budget;
- measuring the performance of the Group's entities, Regions, businesses and vehicle programmes and, in particular, monitoring free cash flow indicators;
- making an economic analysis of proposed management decisions at every level, checking compliance with standards, plans and budgets, assessing economic relevance, and formulating an opinion and recommendation in each case.

Operating procedures and methods

Development of standard management procedures continued in 2011 with major updates, based in part on a review of the internal control system. The aim is to provide line managers with a standard set of procedures.

All the documentation is available to staff in all the Group's entities through the Management Control intranet portal. This documentation includes:

- all standards, rules and instructions, whether they pertain to a specific business or apply Company-wide;

- an economics dictionary to help employees better understand the main concepts and aggregates used to guide the Group's business performance;
- the internal control system, as the review of operating systems progresses.

First level controls

First-level control of the roll-out of the internal control system established by the Internal Control department is performed during the self-assessments carried out by the entities under their own supervision, using specific questionnaires for each type of activity. Once the self-assessments are complete, strong points and areas where the entities need to implement action plans are identified. Drawing systematically on the results of these assessments makes it possible to identify the structural areas of the overall internal control system that are most in need of improvement.

Information systems

The risk management and internal control systems of the Renault Information Systems department (RISD) are managed as follows:

- general risks related to financial processes (investments, purchases, profitability measurement, etc.) are monitored by the RISD's Economic Performance department;
- specific risks related to operational IT processes (declining quality or productivity in development activities, operations, support, skills, etc.) are monitored by the IT Planning and Architecture department. This department is responsible for defining and monitoring these processes (project management, operational quality, support, etc.) at Group level. It uses the RISD performance indicators (incidents, results, etc.) and a self-assessment questionnaire concerning RISD procedures that is completed by the sites, subsidiaries and corporate departments;
- risks related to information systems security (interruptions of IT operations, theft of confidential data or destruction of electronic data) are also monitored by the IT Planning and Architecture department through:
  - a Group-level IT Risks Committee set up by the RISD in collaboration with the Risk Management department, and representatives from Company departments and the Information Management Programme,
  - Security Monitoring Committees, which verify the application of IT security procedures at operational level in accordance with best international practice (ISO 27001 policy and approach),
  - an organizational structure for approving the architecture and security levels in projects,
  - risk reviews carried out by the RISD, in addition to the controls performed by DAMRO or the Group Prevention and Security department.

A training system to adapt skills

The main corporate business lines and functions have developed online schools to raise the professional standards of their staff. These schools express a strong attachment to the employee training plan of their employees as a way to enhance performance. It seeks to meet better the management expectations.

Concerning the management-finance function, the training plan must also be part of the multi-year plan to transform this function.

The Management and Finance Academy provides training (both e-learning and classroom courses), educational materials, an economics dictionary for management control and finance staff and employees in general. It continued to broaden and develop these materials in 2011.

Individual and collective skills assessments was carried out in the management function in Spring 2011 to work out individual improvement plans and measure team performance.

An improvement plan for the internal control system

Key developments in 2011 included:

- the reorganization and strengthening of the Internal Control department, in line with the Group's governance structure (see above). The department's organization is based on developing:
  - a global set of internal control standards for the Group,
  - regular monitoring of the proper enforcement of Group rules,
  - suitable assessment systems,
  - making sure the Group's rules are consistent with its obligations,
  - appropriate communication and training;
- developing approaches and methods for assessing internal control of operational processes by drawing up new questionnaires, distributing them and conducting new assessment campaigns.

  A self-assessment campaign covering commercial subsidiaries' internal control arrangements was carried out at worldwide level for the first time. The campaign showed that, by and large, operations were under control. But some activities (purchasing, management control, legal, tax, fleet sales) are subject to an ongoing progress plan, which is monitored by regional management controllers and supervised by the Internal Control department. New questionnaires are being developed for regional industrial activities and engineering centers.

  Lastly, self-assessment campaigns for the distribution activities of Renault Retail Group, as well as purchasing and IT activities, were carried out, as is the case every year.

The review of internal control system continued in 2011 from two angles:

- Automobile's internal control standards were updated to satisfy AMF recommendations. Approved by the statutory auditors, these standards cover nearly 80% of the recommendations. To improve the situation, a variety of improvement initiatives were set in motion; they are monitored in collaboration with the persons in charge of the processes concerned and their management controllers;
- in-depth analysis of operational processes continued in 2011, with a focus on:
  - managing entry tickets (i.e. initial outlays) for engineering,
  - managing inventories of aftermarket spare part and accessories.

These initiatives improved the internal control arrangements for the processes under review while delivering an appropriate response to all the objectives set out in the AMF reference framework, with a view to making the processes more efficient.

In 2012 the same initiatives will be carried out, in particular for the following operational processes:

- purchasing of aftermarket parts and accessories;
- purchasing of services;
- sales of aftermarket parts and accessories by subsidiaries to dealers.

QUALITY, RELIABILITY AND RELEVANCE OF ACCOUNTING, FINANCIAL AND MANAGEMENT INFORMATION

The internal control system for accounting and financial data is based on the AMF reference framework. It covers not only the processes for preparing financial data for the accounts, forecasting and financial reporting, but also the operational processes upstream that go into the production of this information.

The Group's information systems enable it to simultaneously produce accounts according to local accounting rules and those of the Group. This mechanism ensure that data remain consistent even though they are centralized and consolidated in short timeframes. The management controllers and the administrative and financial directors of the subsidiaries, under the hierarchical supervision of the subsidiaries' Chairmen and CEO's and under the functional authority of the Group Accounting department, are responsible for preparing the financial statements.

A manual setting out the Group's presentation and evaluation standards (currently being revised) is provided to all entities so that financial information is reported in a uniform manner.

Principles used in the preparation of financial statements

Renault group's consolidated financial statements are prepared under International Financial Reporting Standards (IFRS), published by the International Accounting Standards Board (IASB) and endorsed for application by a regulation published in the Official Journal of the European Union at year-end close.

The Group Accounting department, which previously reported to Management Control and is now under the direct authority of the Group's Chief Financial Officer, has an "Accounting Standards and Rules" unit. The department has the authority to enforce prevailing accounting rules. Company employees are regularly informed about changes and updates to IFRS.

The Renault group, whose activities are divided into two separate operational sectors – Automotive and Sales Financing (RCI Banque) – prepares its consolidated financial statements using a single consolidation system based on an accounting Charter common to all consolidated entities.

The Group publishes half-yearly and annual statements. Preparations for these statements are made by organizing two anticipated close dates on May 31 for end-June and October 31 for end-December. Summary meetings are organized with the statutory auditors and attended by senior management. The Audit, Risk and Ethics Committee is involved at every key stage of the approval process for financial and accounting disclosures.

Key components of the process for controlling financial and accounting disclosures

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

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

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

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

The accounting teams have worked with IT staff to develop a security process to protect the ERP in the event of a major malfunction. A business continuity plan has been introduced at central level as well as at the subsidiaries that use ERP. At the functional level, the plan was successfully tested during the last four months of 2011 and a progress plan was drawn up for the testing procedure. At the technical level, an exercise was conducted to test the recovery of ERP data following a serious hardware malfunction.

Financial communication and investor relations

Given the growing importance of financial communication, its multiple forms, and the vital need to provide a high standard of financial disclosure, the Renault group has turned over all its financial communication to the Financial Relations department at the Financial department and given it the resources to supply the reliable, high-quality information required.

The Financial Relations department is in charge of:

- preparation of the Registration document filed with the AMF, as well as the half-yearly and annual financial reports, and quarterly data;
- communication with financial markets;
- relations with analysts and investors specialized in socially responsible investments;
- relations with investors and individual shareholders;
- relations with the regulatory authority (AMF).

Statutory Auditors Charter

In 2004, Renault, together with the statutory auditors and under the authority of the Chairman and Chief Executive Officer, took the initiative of drafting a Charter concerning the engagements and independence of the statutory auditors and signing it with them. The Charter defines the scope of application, addresses the separation of tasks by specifying those inherent in the statutory auditors' function, which are thus authorized automatically, and those incompatible with their terms of reference. It also specifies the additional or complementary engagements that may be performed by the statutory auditors and their networks and how those engagements are to be authorized and supervised. Further, in accordance with law, the Charter also includes a commitment to the independence of signatory partners.

This Statutory Auditors Charter governs the relationship between the Renault group (the parent company and the fully consolidated French and foreign subsidiaries) and its statutory auditors. The auditors are responsible for seeing that the Charter is applied by members of their network acting as external auditors for fully consolidated subsidiaries and for ensuring compliance with the regulations in force in countries where Group companies are located.

3.1.3.4 SALES FINANCING: RCI BANQUE

In compliance with Regulation 97-02 on internal control at credit institutions, RCI Banque has set up an internal control system that also seeks to identity and analyze the main risks that may compromise the Company's objectives, to ensure that procedures are in place for managing those risks, and to monitor the corrective and preventive measures aimed at mitigating the likelihood of occurrence.

This special framework for credit institutions is described in RCI Banque's Internal Control Charter, which defines the target framework for the entire RCI Banque group. It describes in particular:

- the general arrangements for managing internal control;
- the local arrangements for credit subsidiaries, branches and joint ventures;
- the special arrangements for various functional areas.

The RCI Banque group internal control system has three levels of audit:

- **level 1** consists of self-inspection mechanisms for each department and geographical location. These entities are responsible among other things for applying existing procedures and performing all the related controls in their own area of operations. Being primarily operational, first-level control is carried out by process owners in each subsidiary, who have been specially trained for this purpose, and covers all main risks;
- **level 2** is directed by the Permanent Control department and led by local internal controllers, who are independent of operating units and ensure that operations are lawful and compliant;
- **level 3** is conducted by independent oversight bodies (supervisory authorities, specially commissioned independent firms, etc.) and by the periodic controls department. In this respect, Renault's Internal Audit department supplies RCI Banque with additional resources, under an external service provider agreement, to carry out its Level 3 audits either as part of an annual audit plan approved by the Audit and Accounts Committee, or at the request of the Chairman and CEO of RCI Banque.

These arrangements are directed by:

- **the RCI Banque Board of Directors**, whose role is to implement internal control. The Board devotes at least one meeting a year to a full review of the internal control system in order to sign off on the annual report on internal control, which is based on the work of the Audit and Accounts Committee and submitted to the French Banking Authorities (Banque de France);
- **RCI Banque Audit and Accounts Committee**, which operates under the authority of the Board of Directors and is responsible for assessing the standard of internal control, especially the systems used to measure, supervise and manage risks. The committee meets twice a year and its members are appointed by the Board of Directors from among its members;
- **RCI Banque Internal Control Committee**, which comprises all the members of the Executive Committee and meets four times a year to assess the quality of the internal control system and the related systems, keep abreast of trends in operational risks, and monitor the compliance mechanism. It provides the Audit and Accounts Committee and the Board of Directors with the information they need to carry out their tasks;
- **special purpose committees**, composed of members of the Executive Committee, regularly monitor the risk areas covered by Regulation 97-02, i.e. monitoring the Group's exposure to credit risk, analyzing the overall profitability of Group companies as well as the profitability of each type of product, controlling the Group's exposure to financial risks (interest rates, liquidity, currencies, counterparties) and ensuring that operations are compliant in light of the list of authorized products.

A summary of these arrangements is presented to Renault's Audit, Risk and Ethics Committee (CARE), as is the case for the system used at Automotive.

3.2 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 ✦

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 the relevant professional standards applicable in France.

Year ended December 31, 2011

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, 2011.

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 and risk management 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 and risk management 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 the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and 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 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, February 17, 2012

The statutory auditors,

DELOITTE & ASSOCIÉS — ERNST & YOUNG Audit

3.3 REMUNERATION OF SENIOR EXECUTIVES AND CORPORATE OFFICERS

3.3.1 REMUNERATION OF SENIOR EXECUTIVES AND CORPORATE OFFICERS ✦

3.3.1.1 PROCEDURE FOR DETERMINING REMUNERATION

FIXED AND VARIABLE REMUNERATION

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

For 2011, the variable portion was based on achieving the joint criterion of positive free cash flow, and other individual criteria linked to the performance of the sector of responsibility. At its meeting on February 15, 2012, the Board of Directors noted that the main objective concerning free cash flow had been reached. It was therefore decided that the members of the Renault Management Committee were eligible for variable remuneration based on that criterion. Concerning the Chairman and CEO, the procedure for determining the variable proportion of remuneration in 2011 includes other criteria detailed in paragraphe 3.3.2.1.

SUPPLEMENTARY PENSION SCHEME

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

- a defined contribution scheme equivalent to 8% (5% paid by the Company and 3% by the beneficiary) of annual remuneration, between eight and sixteen times the upper earnings limit for social security contributions;
- a defined benefit scheme capped at 30% of remuneration, subject to length of service and on condition that the beneficiary serves out the rest of his or her career with the Group.

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

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

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

3.3.1.2 REMUNERATION OF RENAULT MANAGEMENT COMMITTEE MEMBERS IN 2011*

In 2011, the total remuneration paid to the 23 members of the Renault Management Committee in office at December 31, 2011, amounted to €12,202,263, including a fixed portion of €8,089,011 (of which €6,568,284 for the ten members of the Group Executive Committee including a fixed portion of €4,678,103), compared with total remuneration of €10,618,213 paid to the Renault Management Committee, of which €4,899,747 for the members of the Group Executive Committee in 2010.

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

3.3.2 REMUNERATION OF THE EXECUTIVE DIRECTOR

In accordance with the December 2008 version of the Afep/Medef recommendations and with the position of the French securities regulator, Autorité des marchés financiers, the executive director does not also hold an employment contract with Renault.

3.3.2.1 PROCEDURE FOR DETERMINING REMUNERATION

FIXED AND VARIABLE REMUNERATION

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

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

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

- ROE – Return On Equity;
- the difference between the actual operating margin and the budget provision;
- the free cash flow threshold set by the Board of Directors.

* *The fixed portion concerns 2011. The variable portion concerns 2010 and was paid in 2011.*

✦ Global Reporting Initiative (GRI) Directives

3

A further criterion linked to strategy and management was added. It is based in the following criteria: Plan quality, Alliance synergies, Daimler, the industrial Plan, electric vehicles and R&D strategy (to a maximum 60% of the variable portion).

At its meeting on February 15, 2012, acting on the recommendation of the Remuneration Committee, the Board of Directors set this portion at 130% of the fixed portion out of 150% for 2011.

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 3.3.1.1). The policy of the Board of Directors is to treat the senior executive director, whom it appoints, as a corporate officer for the purposes of ancillary remuneration, particularly retirement benefits.

3.3.2.2 REMUNERATION OF THE SENIOR EXECUTIVE DIRECTOR

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

TABLE 1

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

	2010	2011
CARLOS GHOSN – Chairman and CEO		
Remuneration owing in respect of the year *(details in table 2)*	1,242,655*	2,890,104
Value of options granted during the year *(details in table 4)*	0	1,489,000**
Value of performance shares granted during the year *(details in table 6)*	0	0
TOTAL	**1,242,655**	**4,379,104**

* *At the meeting of the Board of Directors on March 14, 2011, Mr Ghosn waived his variable remuneration for 2010, i.e. €1,658,880.*

** *The valuation method adopted in the consolidated accounts follows a suitable binomial mathematical model, with exercise of the options anticipated and spread over the exercise period on a straight-line basis. The value of the options in this column corresponds to the total expenses that will be accounted for over the four-year period of exercise. See chap 4.2.7.3, note 20-G.*

TABLE 2

Summary table of the remunerations received by each executive director

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

	AMOUNTS 2010		AMOUNTS 2011	
CARLOS GHOSN	OWING FOR THE YEAR	PAID DURING THE YEAR	OWING FOR THE YEAR	PAID DURING THE YEAR
Fixed remuneration	1,200,000	1,200,000	1,230,000	1,230,000
Variable remuneration (1)	0*	0	1,599,000	0*
Exceptional remuneration	0	0	0	0
Directors' fees	28,000	28,000	48,000	28,000
In-kind benefits	14,655	14,655	13,104	13,104
TOTAL	**1,242,655**	**1,242,655**	**2,890,104**	**1,271,104**

(1) Paid the following year.

* *At the meeting of the Board of Directors on March 14, 2011, Mr Ghosn waived his variable remuneration for 2010, i.e. €1,658,880.*

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

In compliance with the information published by Nissan on June 30, 2010 and June 30, 2011 in its annual financial report, *Yukashoken-Houkokusho*, for the 2009 financial year (from April 1, 2009 to March 31, 2010) and the 2010 financial year (from April 1, 2010 to March 31, 2011), the total remuneration received by Mr Ghosn in his capacity as President and CEO of Nissan Motors Co., Ltd. was ¥891 million for 2009, and for 2010 (in ¥ millions):

FINANCIAL YEAR (FROM APRIL 1, 2010 TO MARCH 31, 2011)	REMUNERATION	STOCK-OPTIONS	TOTAL
2010	982*	0	982*

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

For information, the exchange rate at June 30, 2011 was ¥116.4 for €1.

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

TABLE 3

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

For the total directors' fees allocated for 2011, see the table in chapter 3.3.4.2.

TABLE 4

Options granted during the year to the senior executive director

	PLAN NO. AND DATE	TYPE OF OPTIONS	VALUE OF OPTIONS BASED ON THE METHODS ADOPTED FOR THE CONSOLIDATED ACCOUNTS(*)	NBR OF OPTIONS GRANTED DURING THE YEAR	STRIKE PRICE	GRANT PERIOD
CARLOS GHOSN	No. 18 04/29/2011	PURCHASE	931,000	100,000	€38.80	From 04/30/2015 to 04/28/2019
CARLOS GHOSN	No. 19 12/08/2011	PURCHASE	558,000	100,000	€26,87	From 12/09/2015 to 12/07/2019

(*) The valuation method adopted in the consolidated accounts follows a suitable binomial mathematical model, with exercise of the options anticipated and spread over the exercise period on a straight-line basis. The value of the options in this column corresponds to the total expenses that will be accounted for over the four-year period of exercise. See chap 4.2.7.3, note 20-G.

TABLE 5

Options exercised by each executive director during the year

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

TABLE 6

Performance shares allocated during the year to each executive director

	PLAN NO. AND DATE	NUMBER OF SHARES	VALUE OF SHARES (BASED ON THE METHOD ADOPTED FOR THE CONSOLIDATED ACCOUNTS)	DATE OF ACQUISITION	DATE OF AVAILABILITY	TERMS OF PERFORMANCE
CARLOS GHOSN	-	None	-	-	-	-

TABLE 7

Performance shares available to each executive director during the year

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

TABLE 8

Stock-option and performance share allocations

Plans 10, 11, 12 and 14 give the right to subscribe for new issues, while Plans 17, 18 and 19 give the right to buy existing shares. Plans 17 b, 18 b and 19 b cover allocations of free shares to which corporate officers are not entitled.

The total volume of plans underway at December 31, 2011 is equivalent to 3.78% of the number of shares making up the share capital.

STOCK-OPTION PLANS

DATE OF GRANT/BOARD MEETING		TOTAL NBR OF SHARES THAT MAY BE GRANTED OR ACQUIRED	O/W FOR EXEC. DIRECTOR CARLOS GHOSN	OPTION START DATE	EXPIRY DATE	SUBSCRIPTION/ PURCHASE PRICE (1)	NBR OF SHARES SUBSCRIBED AT 12/31/2011	NBR OF CANCELLED OR LAPSED OPTIONS AT 12/31/2011	OPTIONS OUTSTANDING AT
AGM authorization granted on June 11, 1998									
Plan 7	12/18/2001	1,861,600		12/19/2006	12/17/2011	48.97	868,404	993,196	0
Plan 8	09/05/2002	2,009,000	25,000	09/06/2007	09/04/2012	49.21	443,987	80,346	1,484,667
AGM authorization granted on April 29, 2003									
Plan 9	09/08/2003	1,922,000	25,000	09/09/2007	09/07/2011	53.36	285,453	1,636,547	0
Plan 10	09/14/2004	2,145,650	200,000	09/15/2008	09/13/2012	66.03	16,000	116,800	2,012,850
Plan 11	09/13/2005	1,631,093	200,000	09/14/2009	09/12/2013	72.98	3,000	150,193	1,477,900
AGM authorization granted on May 4, 2006									
Plan 12	05/04/2006	1,674,700	100,000	05/05/2010	05/03/2014	87.98	3,000	354,866	1,316,834
Plan 14	12/05/2006	1,843,300	200,000	12/06/2010	12/04/2014	93.86	0	286,394	1,556,906
AGM authorization granted on April 29, 2011									
Plan 17(*)	04/29/2011	176,000	0	04/30/2015	04/28/2019	38.80	0	0	176,000
Plan 18	04/29/2011	490,000	100,000	04/30/2015	04/28/2019	38.80	0	0	490,000
Plan 19(**)	12/08/2011	300,000	100,000	12/09/2015	12/07/2019	26.87	0	0	300,000

(1) The subscription/purchase price is equal to the average share price quoted during the twenty trading days prior to the Board of Directors meeting.
(*) The Board of Directors meeting of February 15, 2012 noted that the 2011 target for operating margin was not reached. As a result, all the stock options corresponding to Plan 17 have been cancelled.
(**) For this 2011 plan, the grantees were informed in early 2012, except the Chairman and CEO who was granted 100,000 purchase options on December 8, 2011.

PERFORMANCE SHARE PLANS

DATE OF GRANT/BOARD MEETING		TOTAL NBR OF SHARES GRANTED	O/W FOR EXEC. DIRECTOR CARLOS GHOSN	FINAL ACQUISITION DATE	HOLDING PERIOD ENDS	SHARES CANCELLED AT 12/31/2011	SHARES OUTSTANDING AT 12/31/2011
Plan 17 b Shares(*) (**)	04/29/2011	544,300	0	04/30/2013	04/30/2015	800	543,500
Plan 18 b Shares(*)	04/29/2011	1,233,400	0	04/30/2014	04/30/2016	2,800	1,230,600
Plan 19 b Shares(*) (***)	12/08/2011	609,900	0	12/09/2013	12/09/2015	0	609,900

(*) Acquisition and holding periods are different for grantees from subsidiaries outside France, in order to take account of local fiscal constraints.
(**) The Board of Directors meeting of February 15, 2012 noted that the 2011 target for operating margin was not reached. As a result, all the shares corresponding to Plan 17b have been cancelled.
(***)For this 2011 plan, the grantees were informed in early 2012.

TABLE 9

Information on the ten employees other than corporate officers

STOCK-OPTIONS GRANTED TO AND EXERCISED BY THE TEN EMPLOYEES, OTHER THAN CORPORATE OFFICERS, RECEIVING THE HIGHEST NUMBER OF OPTIONS	TOTAL OPTIONS GRANTED / SHARES ACQUIRED	EXERCICE PRICE	PLAN 17(*)	PLAN 18	PLAN 19
Options granted during the year by the issuer, or any option-granting company to the ten employees of this issuer or any company within this scope, receiving the highest number of options (aggregate information)	474,000	Plan 17 & 18 = €38.80 Plan 19 = €26.87	110,000	240,000	124,000
Options on the shares of the issuer or the aforementioned companies exercised during the year by the ten persons of the issuer and these companies, acquiring or subscribing the largest number of options (aggregate information)	none				

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

PERFORMANCE SHARES GRANTED TO THE TEN EMPLOYEES OTHER THAN CORPORATE OFFICERS AND SHARES DEFINITIVELY ACQUIRED BY THESE EMPLOYEES	TOTAL SHARES GRANTED	PLAN 17b(*)	PLAN 18b	PLAN 19b
Shares granted during the year by the issuer, or any option-granting company to the ten employees of this issuer or any company within this scope, receiving the highest number of shares (aggregate information)	228,000	50,000	110,000	68,000
Shares held on the issuer or the aforementioned companies, and acquired during the year, by the ten persons of the issuer and these companies, acquiring the largest number of shares (aggregate information)	None			

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

TABLE 10

Benefits to executive director

EXECUTIVE CORPORATE OFFICERS	EMPLOYMENT CONTRACT	SUPPLEMENTARY PENSION SCHEME*	COMPENSATION OR BENEFITS OWED OR LIKELY TO BE OWED ON TERMINATION OR CHANGE OF FUNCTIONS	BENEFITS RELATING TO NON-COMPETITION CLAUSE
CARLOS GHOSN Chairman and CEO	No	Yes	No	No

* *See chapter 3.3.1.1.*

3

3.3.3 STOCK-OPTIONS AND PERFORMANCE SHARES

3.3.3.1 LEGAL FRAMEWORK

In its eleventh and twelfth resolutions, the Mixed General Meeting of April 29, 2011 authorized the Board of Directors to make one or more grants of stock-options to employees of the Company and its related companies, in conformity with Articles L. 225-177 and L. 225-197-1 of the Commercial Code. These options give holders the right to subscribe for new shares of the Company, issued in connection with a capital increase, or to buy shares of the Company lawfully repurchased by it. The meeting also authorized the Board to make free grants of "performance shares" (existing shares or shares to be issued in the future).

If these options are exercised, the number of shares thus purchased or subscribed shall not exceed 0.48% of the share capital at the date of the meeting.

The total number of performance shares granted shall not exceed 1.04% of the share capital at the date of the meeting.

The meeting made the allocation and/or exercise of stock-options and the allocation of performance shares conditional upon attaining performance levels determined during the budgeting process as regards the annual plans and in the context of the "Renault 2016 – Drive the change" Plan as regards the 2011-2013 period.

The meeting also specified that:

- the executive director would not receive any performance shares;
- salaried senior executives would receive a combination of stock-options and performance shares;
- employees who made a particular contribution to attaining the targets would receive only performance shares.

3.3.3.2 GENERAL POLICY ON OPTION / SHARE GRANTS UNDER PLANS

REMUNERATION COMMITTEE

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

AIMS OF THE STOCK-OPTION / PERFORMANCE SHARE PLAN

The main aim of the plan is to involve Renault executives worldwide, particularly the members of management bodies, in building the value of the Group – and hence Renault's share price – by allowing them to have an ownership interest in the Company.

The plan also makes it possible to single out those executives who, by their actions, make an especially positive contribution to the Group's results.

In addition, the plan helps to secure the loyalty of those executives for whom the Group has long-term ambitions, in particular "high-flyers", i.e. young executives with strong potential. Granting stock-options and performance shares helps to increase the commitment of these staff members and motivate them to work for the Company's advancement and growth.

The plan reinforces the role of the Group's responsibility centers in Europe and the rest of the world. In Automotive, it applies in particular to sales subsidiaries, vehicle and powertrain engineering teams, managers of body assembly and powertrain plants, industrial subsidiaries and all the heads of vehicle and sub-system programmes and projects. The plan also applies to Sales Financing, and to the heads of the Group's major support functions.

GRANT POLICY

Grants of options and shares vary according to the grantee's level of responsibility and contribution to the Company, an appraisal of their performance and results, and, for younger staff members, an assessment of their development potential.

Performance criteria for all members of staff were introduced in 2006.

Whatever the circumstances, if the targets are not achieved, none of the allotted options or shares can be exercised/acquired at the end of the qualified holding or vesting period.

Senior executives and managing executives

The senior executives are the Chairman and CEO and the 23 members of the Renault Management Committee, including the 10 members of the Group Executive Committee at December 31, 2011.

In 2011, members of the Renault Management Committee received a combination of options and performance shares. The Chairman and CEO received options only.

In principle, the other managing executives, who received only shares in 2011, are granted a variable number of options each year, based on the same criteria as those applicable to senior executives, namely levels of responsibility, performance and results. The quantity of shares granted can vary, depending on individual appraisals. Some managing executives may receive none.

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. 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 variable remuneration). Taken together, these systems form a comprehensive observation platform used to single out the most deserving executives.

Annual performance and development reviews

Annual performance and development reviews are used to make a precise, written review of past performance and to define written goals for the coming year. All managerial staff without exception (i.e. including senior executives and managing executives) 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 directors to submit the names of possible option grantees to the Chairman with full knowledge of the facts. A General Careers Committee, chaired by the Chairman and composed of the members of the Group Executive Committee and operational directors, examines nominations for 200 key positions and is responsible for manpower planning for these jobs.

High-flyers

Particular attention is paid to the action and development of young high-flyers. 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.

Group Human Resources Department

The Group Executive Vice-President, Human Resources oversees the smooth running of the annual performance and development reviews. He or she supervises and makes use of the reviews, prepares and coordinates the meetings of the General Careers Committee, and proposes and keeps the high-flyer lists. He or she also prepares, standardizes and submits requests regarding options and share plans, so that the Chairman can make proposals to the Board's Remuneration Committee. He or she is assisted by the head of executive development and by regional and functional human resources directors whose role, within each Group department, is to oversee the process set up to identify, develop and continuously monitor all the high-flyers/talented employees within their scope of activity. These human resources directors are coordinated centrally on a regular basis. Managers can thus ensure that the Human Resources policy is properly implemented, that the above-mentioned processes are followed and that individual careers are optimally managed, particularly in terms of mobility and training. The head of executive development and regional and functional human resources directors play an important role in summing up the assessments and judgments made by managers. As a result, they are better placed to provide informed advice and to light up the field for senior management when selecting plans' grantees.

3.3.3.3 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.

3.3.4 DIRECTORS' FEES

The Annual General Meeting may allocate directors' fees, the amount of which remains fixed until otherwise decided.

3.3.4.1 AMOUNT

The Mixed General Meeting on April 29, 2011 voted an annual amount of €1,200,000 [(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.

3.3.4.2 METHOD OF ALLOTMENT

The Board of Directors meeting of April 29, 2011, apportioned the directors' fees for FY 2011 according to the following criteria:

- a fixed portion, linked to the responsibilities arising from Board membership, of up to €24,000 (the sum is calculated on a time-apportioned basis);
- a variable portion, linked to directors' actual attendance, of up to €24,000 (the sum is calculated on a time-apportioned basis).

Two additional payments may also be made:

- one payment, of up to €7,500 per committee, for sitting on one of the Board's committees (calculated on a time-apportioned basis);
- one payment, of up to €7,500, for chairing a committee (calculated on a time-apportioned basis).

Total fees allocated to directors in 2011 amounted to €1,173,136 (€599,311 in 2010).

This allocation fell outside the limits of the average intermediate level of €47,000 per director approved by the directors for FY 2011. As a result, reimbursements will be made in 2012.

However, the above allocation will become applicable once more, as initially agreed, from 2012.

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

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

	ATTENDANCE RATE, BOARD AND COMMITTEE MEETINGS IN 2011						TOTAL FEES RECEIVED *(in €)* (1)	
DIRECTORS	BOARD	RISK AND ETHICS AUDIT COMMITTEE	REMUNERATION COMMITTEE	APPOINTMENTS AND GOVERNANCE COMMITTEE	INTERNATIONAL STRATEGY COMMITTEE	INDUSTRIAL STRATEGY COMMITTEE	2011	2010
Mr Ghosn	100%			100%			48,000	28,000
Mr Audvard	100%				100%	100%	65,700	32,821
Mr Belda	81.8%		25% (5)	100%	100%		68,746	28,521
Mr Biau	100%				100%		58,200	29,800
Mr Champigneux	100%	100%					58,200	29,800
Mr de Croisset	81.8%	100%				100%	58,636	34,454
Mr Delpit	81.8%				100%		51,136	18,251
Mr Desmarest	100%		100%		100%	100%	78,000	39,228
Mr Garnier	100%		100%		100%	100%	80,700	34,195
Mr Isayama (6)	90.9%						45,818	26,833
Mr Kohler (3)	100%	100%				100%	65,700	29,677
Mr Ladreit de Lacharrière	90.9%		100%	100%			71,018	37,633
Mrs de La Garanderie	100%	100%		100%			65,700	34,300
Mr Lagayette	100%	100%		100%			70,500	41,500
Mr Ostertag (4)	27.2%				50% (5)	50% (5)	32,082	---
Mr Riboud	72.7%		75% (5)				46,345	25,333
Mr Rousseau (3)	90.9%				100%	100%	63,518	25,366
Mr Saikawa	90.9%				100%		53,318	31,021
Mr Sailly (4)	72.7%				50%(5)	50%(5)	33,618	32,821
Mrs Sourisse	100%	100%					58,200	15,551

(1) Fees allocated on the basis of Board membership, attendance of Board meetings, membership and/or chairmanship of one of the Board's committees.These figures do not take into account of the reimbursement mentioned in chapter 3.3.4.2. above.
(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 to the Board began or ended during the year.
(5) Director whose appointment to a committee began or ended during the year.
(6) Director who does not sit on any committee.

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

3.4 ADDITIONAL INFORMATION

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, July 29, 2009, April 30, 2010 and February 15, 2012.

The purpose of these regulations is to define the rules, terms and methods of working of the Board of Directors and its committees.

3.4.1 INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS

3.4.1.1 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 also takes into account any other stakeholders' expectations. For its day-to-day working, Renault's Board of Directors follows the corporate governance principles as presented in the Afep-Medef Code.

The Board of Directors elects the Chairman of the Board of Directors and the Chief Executive Officer. 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 Chief Executive Officer. Thus, by way of simplification, these regulations shall refer exclusively to the title of Chairman and Chief Executive Officer, it being specified that he shall act as the case may be under his responsibilities as Chairman of the Board of Directors or as Chief Executive Officer.

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 respect for the collegial decision-making process and the expression of any standpoints.

The Board determines Renault's strategy, on the proposal of the Chairman and Chief Executive Officer acting under his responsibilities as Chief Executive Officer; 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 the 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 Company, including with respect to the Alliance, as proposed by the Chairman and Chief Executive Officer; 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 Chairman and Chief Executive Officer shall obtain the authorization of the Board of Directors to make external or internal growth operations, acquisition or disposal of any holdings in any existing Company or Company to be created for any amount exceeding €250 million.

The Chairman and Chief Executive Officer informs the Board of Directors for any acquisitions or disposals if the amount is comprised between €60 and €250 million.

The Chairman and Chief Executive Officer shall each year provide to the Audit, Risks and Ethics Committee a list of operations, if any, for the acquisition or disposal of holdings of an amount comprised between 30 and €60 million. The members of the Board of Directors may consult this list on request made to the Audit, Risks and Ethics Committee.

The Board of Directors, on a yearly basis, examines the strategic plan of the Group.

The Board of Directors discusses and determines, on the report of the Chairman and Chief Executive Officer, 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.

It examines Renault's medium term plan, operating budget and investment budget once per year.

At each of its meetings, it shall be informed of developments in the results of the Company 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 Chief Executive Officer, 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 Chief Executive Officer, promptly, as to any external event or internal development which has a major impact on the prospects of the Company 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 composition, and of 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 Chief Executive Officer, 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 and the Board's committees 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 Chief Executive Officer or the deputy chief executives, for which the physical presence of the directors is required.

Documents dealing with questions for which a decision of the Board of Directors is to be made, shall be sent to each director at least five days in advance of the Board meeting. However, in the event that such documents are submitted first to a committee of the Board of Directors with less advance notice, they shall be communicated to the directors at the end of that committee meeting. In the event of urgency or impossibility, the agenda and documents concerning questions for which a decisions is to be made by the Board of Directors shall be transmitted at least 24 hours before the Board meeting.

If the confidentiality of the subjects does not allow them to be sent in writing prior to Board meetings, the directors shall be informed of this and may, if they so desire, be received by Renault's central management for an oral presentation of the points which will be submitted for a decision at the Board meeting.

3.4.1.2 THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman and Chief Executive Officer 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 fulfill 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 Chief Executive Officer 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 Company, including those pertaining to the Alliance and the decisions that the single 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.

3.4.1.3 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 Chief Executive Officer, 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 Chief Executive Officer, acting under his responsibilities as Chairman of the Board of Directors, and the independent directors.

The Senior Independent Director, upon the proposal of the Appointments 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.

He is a member of the Audit, Risk and Ethics Committee and a member of the Appointments and Governance Committee of the Company.

The tasks of the Senior Independent Director include, in particular:

- advising the Chairman of the Board of Directors and the Chairmen of each of the specialized committees;
- chairing meetings of the Board of Directors in the absence of the Chairman and Chief Executive Officer. In particular, he shall chair proceedings concerning the assessment of performance with a view to fixing the remuneration of the Chairman and Chief Executive Officer after receiving the opinion of the Remunerations Committee;
- ensuring that the directors are able to carry out their tasks under the best possible conditions, and in particular that they receive a high level of information in advance of Board meetings.

3.4.1.4 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 five study committees:

- an Audit, Risk and Ethics Committee (AREC);
- a Remunerations Committee;
- an Appointments and Governance Committee;
- an International Strategy Committee;
- an Industrial 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.

Except in the event of urgency or impossibility, the Board's committees shall meet at least two days before the Board meetings which are called upon to decide on points examined in committee. In the event of urgency or impossibility, the Board's committees shall meet at least 24 hours before the meeting of the Board of Directors.

Documents that the Board's committees are expected to examine shall be sent to each committee member at least two days in advance of the committee meeting. However, in the event of urgency or impossibility, the agenda and documents the Board's committees are expected to examine shall be transmitted at least 24 hours before the Board meeting.

The Board's committees shall issue their opinions, proposals and recommendations in reports presented to the Board of Directors by the Chairman of the committee in question, or by another member of the committee as designated by the latter in the event of impossibility for the Chairman.

Meetings of each of the Board's committees shall be the subject of written minutes, approved at the next meeting of that committee and provided to the other directors.

A. COMPOSITION, TASKS AND METHOD OF WORKING OF THE AUDIT, RISK AND ETHICS COMMITTEE (AREC)

1. Composition

The Audit, Risk and Ethics Committee is made up of directors chosen by the Board of Directors. It shall contain a majority of independent directors, who in particular have some competency in matters of corporate governance, financial matters, risk management and internal control. The Chairman and Chief Executive Officer 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, Risk and Ethics Committee.

The Chairman of the committee is chosen by the Board of Directors.

2. Tasks and powers

The tasks of the Audit, Risk and Ethics Committee (AREC), in accordance with the "*Ordonnance*" of December 8, 2008 and the recommendation issued by the AMF on July 22, 2010, consist in:

- ensuring the follow-up of process for the compiling of financial information and the methods adopted for the drafting of the financial statements in compliance with standards in force and IFRS;
- examining and analyzing the financial statements as prepared by the Company's departments, and reporting on the results of this examination to members of the Company's Board of Directors;
- ensuring a follow-up on the effectiveness of systems for Risk Control, Internal Control, regulatory and operational compliance and compliance with rules concerning professional ethics and good practices;

In this respect, the Audit, Risk and Ethics Committee:

- examines, in the framework of the analysis of the financial statements, the note by the statutory auditors highlighting the essential points in the results, the chosen accounting options, and a note from the Chief Financial Officer describing exposure to risk, and the Company's off-balance sheet commitments;
- is informed that there is a system intended to identify and assess the Group's risks and monitor its effectiveness;
- ensures that there is an Internal Control system in place and that its effectiveness is monitored;
- supervises the audit plan, monitors the execution by it and verifies the application of the recommendations;
- monitors the system provided in matters of ethics, the good application of the Group's Good Practice Code and the good deployment of the procedural rules pertaining thereto, and examines the reports by the Ethics Officer;
- receives, from the Ethics Officer, a presentation on the Company's annual report on activity in matters of ethics and compliance, and on action that has been carried out; it examines and gives its opinion on the action program for the following year and monitors its development;
- hears the Ethics Officer, the Chairmen of the Ethics and Compliance Committee and the Risk and Internal Control Committee;
- examines relations with stakeholders concerning any question pertaining to ethics;
- participates in the procedure for the selection of the statutory auditors, gives an opinion on their appointment or renewal and on the quality of their work, and ensures compliance with rules guaranteeing their independence. In this context, it shall issue a recommendation on the statutory auditors proposed for appointment by the General Meeting;
- examines the report by the Chairman of the Board of Directors on the composition, the preparation and organization of the work of the Board of Directors, and on systems for Internal Control and risk control and the ethics rules which have been put in place;
- makes any recommendations to the Board of Directors or to the Company's management bodies in the fields described above.

3. Method of working

The Audit, Risk and Ethics Committee meets each time it considers it necessary and in any event prior to meetings of the Board, where the Board's agenda includes a subject entering within its tasks and powers.

In order to carry out its tasks, the Audit, Risk and Ethics Committee shall be able to:

- call upon the Audit, Risk Control and Organization department, the Group Prevention and Protection department, the Ethics Officer, and/or independent experts if it deems necessary;
- proceed with hearings of managers in charge of the various functions of the Company and managers of operating entities;
- proceed with hearings of the statutory auditors and representatives of the Audit, Risk Control and Organization department.

Finally, the Audit, Risk and Ethics Committee may request that the Company's representatives provide any document or information that it deems necessary for it to carry out its tasks.

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 and Chief Executive Officer 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 and Chief Executive Officer (with respect to his tasks as Chairman of the Board of Directors and as Chief Executive Officer) 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 Chief Executive Officer 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 meetings of the Board of Directors 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 member 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 and Governance 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 Chief Executive Officer (whether this position is combined with that of Chairman or not) 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 meetings of the Board 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 Chief Executive Officer 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 Chief Executive Officer 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 meetings of the Board where the Board's agenda includes the examination of international projects.

For the fulfillment 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 fulfillment of their tasks.

Its secretariat is provided by the secretariat of the Board of Directors.

E. COMPOSITION, TASKS AND METHOD OF WORKING OF THE INDUSTRIAL STRATEGY COMMITTEE

1. Composition

The Industrial 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

The tasks are to review the:

- major orientations concerning the industrial strategy of the Group;
- major capacities projects;
- main plants and different projects of growth and/or reduction of the Group;
- competitiveness of the existing manufacturing plants and their suppliers' base;
- projects of strategic agreements and partnerships; external growth operations or disposals having a significant impact on the industrial strategy of the Group;
- major industrial strategic orientations to prepare decisions to be taken during the year;
- once a year as soon as they are engaged, major projects regarding vehicles and engines.

It may be consulted by the Chairman and Chief Executive Officer for any question entering within its tasks.

3. Method of working

This committee meets at least twice each year, the Executive Vice-President, Manufacturing and Logistics being present, and each time it considers it necessary, and prior to meetings of the Board where the Board's agenda includes the examination of industrial strategy.

For the fulfillment 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 fulfillment of their tasks.

Its secretariat is provided by the secretariat of the Board of Directors.

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3.4.2 THE DIRECTOR'S CHARTER

The Board has laid down the terms of a Director's Charter which specifies a director's rights and duties.

3.4.2.1 KNOWLEDGE OF THE LEGAL FRAMEWORK GOVERNING 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 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.

3.4.2.2 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 Ethics Officer within twenty-four hours of undertaking such a transaction.

3.4.2.3 REPRESENTING THE SHAREHOLDERS

Each director must act in all circumstances in Renault's company interest, and represents all of the shareholders.

3.4.2.4 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).

3.4.2.5 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.

3.4.2.6 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 fulfill 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.

3.4.2.7 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.

3.4.2.8 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.

3.4.2.9 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.

3.4.3 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 law, administrative law 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.

3.4.3.1 NATURE OF THE INSIDER INFORMATION

Insider information shall mean any information concerning Renault and/or Nissan, whether favourable or unfavourable, 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 communiqué, 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.

3.4.3.2 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" in-house investment fund]) during the following periods:

- from 1 January to the announcement of Renault's annual results and Nissan's quarterly results (i.e. approximately the beginning of February);
- from 1 April to the announcement of Nissan's annual results (i.e. approximately mid May);
- from 1 July until the announcement of Renault's half-yearly results and Nissan's quarterly results (i.e. approximately the end of July);
- from 1 October 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.

3.4.3.3 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.

In order to ensure the proper understanding of and compliance with this procedure, the importance of which for the Companies does not need to be emphasized, on 26 July 2001 the Board appointed a professional ethics advisor who was replaced by an Ethics Officer at the meeting of December 8 2011. The Ethics Officer must be consulted on any questions relating to the interpretation and application of the said procedure

FINANCIAL STATEMENTS

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The elements of the annual financial report are identified by the AFR sign in the table of contents.

Lodgy

✦ Global Reporting Initiative (GRI) Directives

4.1 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS ✦

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the Group's management report.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Renault

Year ended December 31, 2011

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2011, on:

- the audit of the accompanying consolidated financial statements of Renault;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2011 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- for the purpose of preparing the consolidated financial statements, Renault group makes certain estimates and assumptions concerning, in particular, the value of certain asset, liability, income and expense accounts, the main items of which are summarized in note 2-B to the consolidated financial statements. For all these items, we assessed the appropriateness of the accounting rules and methods applied and disclosures provided in the notes to the financial statements. We also reviewed the consistency of the underlying assumptions, the quantified impact thereof and the available documentation and assessed on this basis the reasonableness of estimates made;
- as disclosed in note 14-A to the consolidated financial statements, the Group accounts for its investment in Nissan by the equity method; our audit of the scope of consolidation included a review of the factual and legal aspects of the Alliance which serve as the underlying basis for this accounting policy;
- as part of our assessment of the accounting policies applied by the Group, we have reviewed the methodology adopted for the capitalization of development costs as intangible assets, their amortization and the verification of their recoverable amount and we verified that these methods were properly disclosed in notes 2-J and 12-A3;
- as disclosed in notes 9-B and 11-B to the consolidated financial statements, the Group has recognized part of the net deferred tax assets of French tax Group; we have reviewed the consistency of the underlying assumptions for the forecasted taxable incomes and associated consumptions of losses carried forward, the quantified impact thereof and the available documentation and assessed on this basis the reasonableness of estimates made.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATION

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine et Paris-La Défense, February 17, 2012

The statutory auditors

French original signed by

DELOITTE & ASSOCIÉS

ERNST & YOUNG Audit

4.2 CONSOLIDATED FINANCIAL STATEMENTS

4.2.1 CONSOLIDATED INCOME STATEMENT ✦

(€ million)	**2011**	**2010**
Sales of goods and services	41,192	37,654
Sales financing revenues	1,436	1,317
Revenues (note 4)	**42,628**	**38,971**
Cost of goods and services sold	(33,848)	(30,620)
Cost of sales financing (note 5)	(911)	(813)
Research and development expenses (note 12-A)	(2,027)	(1,834)
Selling, general and administrative expenses	(4,751)	(4,605)
Operating margin (note 6)	**1,091**	**1,099**
Other operating income and expenses (note 7)	153	(464)
Other operating income	*384*	*197*
Other operating expenses	*(231)*	*(661)*
Operating income	**1,244**	**635**
Net interest income (expenses)	(219)	(354)
Interest income	*193*	*146*
Interest expenses	*(412)*	*(500)*
Other financial income and expenses	98	(22)
Financial income (note 8)	**(121)**	**(376)**
Gain on sale of AB Volvo Series B shares	**-**	**2,000**
Share in net income (loss) of associates	**1,524**	**1,289**
Nissan (note 14)	*1,332*	*1,084*
Other associates (note 15)	*192*	*205*
Pre-tax income	**2,647**	**3,548**
Current and deferred taxes (note 9)	(508)	(58)
NET INCOME	**2,139**	**3,490**
Net income – non-controlling interests' share	47	70
Net income – parent company shareholders' share	2,092	3,420
Earnings per share [(1)] *in €* (note 10)	7.68	12.70
Diluted earnings per share [(1)] *in €* (note 10)	7.68	12.70
Number of shares outstanding *(in thousands)* (note 10)		
For earnings per share	*272,381*	*269,292*
For diluted earnings per share	*272,381*	*269,292*

(1) Net income – parent company shareholders' share divided by number of shares stated.

4.2.2 CONSOLIDATED COMPREHENSIVE INCOME

Other components of comprehensive income are reported net of tax effects, which are presented in note 11-B.

(€ million)	**2011**	**2010**
NET INCOME	**2,139**	**3,490**
Actuarial gains and losses on defined-benefit pension plans	(23)	(14)
Translation adjustments on foreign activities	(107)	258
Partial hedge of the investment in Nissan	(142)	(242)
Fair value adjustments on cash flow hedging instruments	(13)	80
Fair value adjustments on available-for-sale financial assets	(257)	232
Total other components of comprehensive income excluding associates (A)	**(542)**	**314**
Actuarial gains and losses on defined-benefit pension plans	(107)	59
Translation adjustments on foreign activities	645	2,019
Fair value adjustments on cash flow hedging instruments	(14)	8
Fair value adjustments on available-for-sale financial assets	(80)	24
Associates' share of other components of comprehensive income (B)	**444**	**2,110**
OTHER COMPONENTS OF COMPREHENSIVE INCOME (A) + (B)	**(98)**	**2,424**
COMPREHENSIVE INCOME	**2,041**	**5,914**
Parent company shareholders' share	1,996	5,826
Non-controlling interests' share	45	88

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4.2.3 CONSOLIDATED FINANCIAL POSITION

(€ million)	DECEMBER 31, 2011	DECEMBER 31, 2010
ASSETS		
Non-current assets		
Intangible assets (note 12-A)	3,718	3,677
Property, plant and equipment (note 12-B)	11,357	11,504
Investments in associates	15,991	14,199
Nissan (note 14)	*14,931*	*13,345*
Other associates (note 15)	*1,060*	*854*
Non-current financial assets (note 23)	1,068	1,728
Deferred tax assets (note 9)	566	705
Other non-current assets (note 19)	580	435
TOTAL NON-CURRENT ASSETS	**33,280**	**32,248**
Current assets		
Inventories (note 16)	4,429	4,567
Sales financing receivables (note 17)	21,900	19,276
Automotive receivables (note 18)	1,275	1,329
Current financial assets (note 23)	1,244	799
Current tax assets	66	178
Other current assets (note 19)	2,068	1,685
Cash and cash equivalents (note 23)	8,672	10,025
TOTAL CURRENT ASSETS	**39,654**	**37,859**
TOTAL ASSETS	**72,934**	**70,107**

(€ million)	DECEMBER 31, 2011	DECEMBER 31, 2010
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	1,127	1,127
Share premium	3,785	3,785
Treasury shares	(201)	(145)
Revaluation of financial instruments	(129)	235
Translation adjustment	(155)	(554)
Reserves	17,567	14,367
Net income – parent company shareholders' share	2,092	3,420
Shareholders' equity – parent company shareholders' share	**24,086**	**22,235**
Shareholders' equity – non-controlling interests' share	481	522
TOTAL SHAREHOLDERS' EQUITY (NOTE 20)	**24,567**	**22,757**
Non-current liabilities		
Deferred tax liabilities (note 9)	135	125
Provisions – long-term (note 21)	2,227	2,243
Non-current financial liabilities (note 24)	6,327	7,096
Other non-current liabilities (note 22)	724	734
TOTAL NON-CURRENT LIABILITIES	**9,413**	**10,198**
Current liabilities		
Provisions – short-term (note 21)	866	965
Current financial liabilities (note 24)	3,230	4,546
Sales financing debts (note 24)	21,996	19,366
Trade payables	6,202	6,348
Current tax liabilities	126	106
Other current liabilities (note 22)	6,534	5,821
TOTAL CURRENT LIABILITIES	**38,954**	**37,152**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**72,934**	**70,107**

4.2.4 CHANGES IN SHAREHOLDERS' EQUITY

(€ million)	NUMBER OF SHARES *(thousand)*	SHARE CAPITAL	SHARE PREMIUM	TREASURY SHARES	REVALUATION OF FINANCIAL INSTRUMENTS	TRANSLATION ADJUSTMENT	RESERVES	NET INCOME (PARENT COMPANY SHARE-HOLDERS' SHARE)	SHARE-HOLDERS' EQUITY (PARENT COMPANY SHARE-HOLDERS' SHARE)	SHARE-HOLDERS' EQUITY (NON-CONTROLLING ENTITIES' SHARE)	TOTAL SHARE-HOLDERS' EQUITY
BALANCE AT DECEMBER 31, 2009	**284,937**	**1,086**	**3,453**	**(229)**	**(109)**	**(2,568)**	**17,474**	**(3,125)**	**15,982**	**490**	**16,472**
2010 net income								3,420	3,420	70	3,490
Other components of comprehensive income [(1)]					344	2,014	48		2,406	18	2,424
2010 comprehensive income					***344***	***2,014***	***48***	***3,420***	***5,826***	***88***	***5,914***
Allocation of 2009 net income							(3,125)	3,125			
Dividends										(40)	(40)
Cost of stock-option plans							7		7		7
(Acquisitions) / disposals of treasury shares and impact of capital increases	10,785	41	332	84			(24)		433		433
Impact of changes in the scope of consolidation with no loss of control [(2)]							(3)		(3)	(16)	(19)
Other changes							(10)		(10)		(10)
BALANCE AT DECEMBER 31, 2010	**295,722**	**1,127**	**3,785**	**(145)**	**235**	**(554)**	**14,367**	**3,420**	**22,235**	**522**	**22,757**
2011 net income								2,092	2,092	47	2,139
Other components of comprehensive income [(1)]					(364)	399	(131)		(96)	(2)	(98)
2011 comprehensive income					***(364)***	***399***	***(131)***	***2,092***	***1,996***	***45***	***2,041***
Allocation of 2010 net income							3,420	(3,420)			
Dividends							(82)		(82)	(74)	(156)
Cost of stock-option plans							6		6		6
(Acquisitions) / disposals of treasury shares and impact of capital increases				(56)					(56)	3	(53)
Impact of changes in the scope of consolidation with no loss of control [(2)]							(13)		(13)	(15)	(28)
Other changes											
BALANCE AT DECEMBER 31, 2011	**295,722**	**1,127**	**3,785**	**(201)**	**(129)**	**(155)**	**17,567**	**2,092**	**24,086**	**481**	**24,567**

(1) The change in reserves reflects actuarial gains and losses on defined-benefit pension plans recorded during the period (€48 million in 2010 and €(131) million in 2011).

(2) The impact of changes in the scope of consolidation results from the treatment applied to acquisitions of non-controlling interests and put options for buyouts of non-controlling entities (note 2-J).

Details of changes in consolidated shareholders' equity in 2011 are given in note 20.

4.2.5 CONSOLIDATED CASH FLOWS

(€ million)	2011	2010
Net income	**2,139**	**3,490**
Cancellation of dividends received from unconsolidated listed investments [(1)]	(22)	-
Cancellation of income and expenses with no impact on cash		
Depreciation, amortization and impairment	2,831	3,069
Share in net (income) loss of associates	(1,524)	(1,289)
Other income and expenses with no impact on cash (note 27-A)	(360)	(2,087)
Dividends received from unlisted associates	5	-
Cash flow [(2)]	**3,069**	**3,183**
Dividends received from listed companies [(3)]	**335**	**88**
Net change in financing for final customers	(1,206)	(448)
Net change in renewable dealer financing	(1,449)	(146)
Decrease (increase) in sales financing receivables	**(2,655)**	**(594)**
Bond issuance by the Sales Financing segment (note 24-A)	5,160	3,929
Bond redemption by the Sales Financing segment (note 24-A)	(2,528)	(2,308)
Net change in other sales financing debts	(149)	(2,354)
Net change in other securities and loans of the sales financing segment	107	(129)
Net change in sales financing financial assets and debts	**2,590**	**(862)**
Change in capitalized leased vehicles	**(192)**	**(109)**
Decrease (increase) in working capital (note 27-B)	**206**	**264**
CASH FLOWS FROM OPERATING ACTIVITIES	**3,353**	**1,970**
Capital expenditure (note 27-C)	(2,455)	(1,867)
Disposals of property, plant and equipment and intangibles	239	219
Acquisitions of investments with gain of control, net of cash acquired	-	-
Acquisitions of other investments, net of cash acquired	(156)	(39)
Disposals of investments with loss of control, net of cash transferred	-	7
Disposals of other investments, net of cash transferred and other [(4)]	-	3,114
Net decrease (increase) in other securities and loans of the Automotive segment	38	(30)
CASH FLOWS FROM INVESTING ACTIVITIES	**(2,334)**	**1,404**
Transactions with non-controlling interests [(5)]	-	-
Dividends paid to parent company shareholders (note 20-D)	(88)	-
Dividends paid to non-controlling interests	(66)	(77)
(Purchases) sales of treasury shares	(56)	60
Cash flows with shareholders	**(210)**	**(17)**
Bond issuance by the Automotive segment (note 24-A)	712	1,696
Bond redemption by the Automotive segment (note 24-A)	(941)	(1,164)
Net increase (decrease) in other financial liabilities of the Automotive segment	(1,911)	(1,982)
Net change in financial liabilities of the Automotive segment	**(2,140)**	**(1,450)**
CASH FLOWS FROM FINANCING ACTIVITIES	**(2,350)**	**(1,467)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(1,331)**	**1,907**

(1) Dividends received from Daimler in 2011 (none were received in 2010).
(2) Cash flow does not include dividends received from listed companies.
(3) Dividends from Daimler (€22 million), AB Volvo (€38 million) and Nissan (€275 million) in 2011.
(4) Including the sales of AB Volvo Series B shares for €3,006 million in 2010.
(5) Via capital increases or capital reductions and acquisitions of additional investments in controlled companies (note 2-J).

(€ million)	2011	2010
Cash and cash equivalents: opening balance	**10,025**	**8,023**
Increase (decrease) in cash and cash equivalents	(1,331)	1,907
Effect of changes in exchange rate and other changes	(22)	95
Cash and cash equivalents: closing balance	**8,672**	**10,025**

Details of interest received and paid by the Automotive segment are given in note 27-D.
Current taxes paid by the Group are reported in note 9-A.

4.2.6 SEGMENT REPORTING

A – INFORMATION BY OPERATING SEGMENT

A1 – CONSOLIDATED INCOME STATEMENT BY OPERATING SEGMENT

(€ million)	AUTOMOTIVE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
2011				
Sales of goods and services	40,679	513	-	41,192
Sales financing revenues	-	1,436	-	1,436
External sales (note 4)	**40,679**	**1,949**	**-**	**42,628**
Intersegment sales	(290)	409	(119)	-
Sales by segment	**40,389**	**2,358**	**(119)**	**42,628**
Operating margin (1)	**328**	**761**	**2**	**1,091**
Operating income	**478**	**764**	**2**	**1,244**
Financial income (2)	**230**	**-**	**(351)**	**(121)**
Share in net income (loss) of associates	**1,519**	**5**	**-**	**1,524**
Pre-tax income	**2,227**	**769**	**(349)**	**2,647**
Current and deferred taxes	(252)	(254)	(2)	(508)
Net income	**1,975**	**515**	**(351)**	**2,139**
2010				
Sales of goods and services	37,172	482	-	37,654
Sales financing revenues	-	1,317	-	1,317
External sales (note 4)	**37,172**	**1,799**	**-**	**38,971**
Intersegment sales	(283)	376	(93)	-
Sales by segment	**36,889**	**2,175**	**(93)**	**38,971**
Operating margin (1)	**381**	**703**	**15**	**1,099**
Operating income	**(78)**	**698**	**15**	**635**
Financial income (2)	**26**	**-**	**(402)**	**(376)**
Gain on sale of AB Volvo Series B shares	**2,000**	**-**	**-**	**2,000**
Share in net income (loss) of associates	**1,287**	**2**	**-**	**1,289**
Pre-tax income	**3,235**	**700**	**(387)**	**3,548**
Current and deferred taxes	157	(211)	(4)	(58)
Net income	**3,392**	**489**	**(391)**	**3,490**

(1) Details of amortization and depreciation are provided in the consolidated cash flow statements by operating segment.
(2) Sales financing dividends are included in the Automotive segment's financial income and eliminated as an intersegment transaction.

A2 – CONSOLIDATED FINANCIAL POSITION BY OPERATING SEGMENT

DECEMBER 31, 2011 *(€ million)*	AUTOMOTIVE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
Non-current assets				
Property, plant and equipment and intangible assets	14,956	129	(10)	15,075
Investments in associates	15,955	36	-	15,991
Non-current financial assets – investments in non-controlled entities	3,237	-	(2,538)	699
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segment	497	-	(128)	369
Deferred tax assets and other non-current assets	1,007	189	(50)	1,146
TOTAL NON-CURRENT ASSETS	**35,652**	**354**	**(2,726)**	**33,280**
Current assets				
Inventories	4,409	25	(5)	4,429
Customer receivables	1,354	22,220	(399)	23,175
Current financial assets	1,441	451	(648)	1,244
Other current assets and current tax assets	1,605	2,849	(2,320)	2,134
Cash and cash equivalents	7,618	1,171	(117)	8,672
TOTAL CURRENT ASSETS	**16,427**	**26,716**	**(3,489)**	**39,654**
TOTAL ASSETS	**52,079**	**27,070**	**(6,215)**	**72,934**
Shareholders' equity	**24,450**	**2,540**	**(2,423)**	**24,567**
Non-current liabilities				
Deferred tax liabilities and long-term provisions	2,058	169	-	2,227
Non-current financial liabilities	6,066	261	-	6,327
Other non-current liabilities	340	519	-	859
TOTAL NON-CURRENT LIABILITIES	**8,464**	**949**	-	**9,413**
Current liabilities				
Short-term provisions	833	33	-	866
Current financial liabilities	3,789	-	(559)	3,230
Trade payables and sales financing debts	6,402	22,774	(978)	28,198
Other current liabilities and current tax liabilities	8,141	774	(2,255)	6,660
TOTAL CURRENT LIABILITIES	**19,165**	**23,581**	**(3,792)**	**38,954**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**52,079**	**27,070**	**(6,215)**	**72,934**

DECEMBER 31, 2010 *(€ million)*	AUTOMOTIVE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
Non-current assets				
Property, plant and equipment and intangible assets	15,003	188	(10)	15,181
Investments in associates	14,165	34	-	14,199
Non-current financial assets – investments in non-controlled entities	3,359	-	(2,431)	928
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segment	800	-	-	800
Deferred tax assets and other non-current assets	1,044	145	(49)	1,140
TOTAL NON-CURRENT ASSETS	**34,371**	**367**	**(2,490)**	**32,248**
Current assets				
Inventories	4,563	4	-	4,567
Customer receivables	1,414	19,642	(451)	20,605
Current financial assets	910	520	(631)	799
Other current assets and current tax assets	1,587	2,222	(1,946)	1,863
Cash and cash equivalents	8,814	1,342	(131)	10,025
Total current assets	**17,288**	**23,730**	**(3,159)**	**37,859**
TOTAL ASSETS	**51,659**	**24,097**	**(5,649)**	**70,107**
Shareholders' equity	**22,638**	**2,435**	**(2,316)**	**22,757**
Non-current liabilities				
Long-term provisions	2,127	116	-	2,243
Non-current financial liabilities	6,835	261	-	7,096
Other non-current liabilities and deferred tax liabilities	394	465	-	859
TOTAL NON-CURRENT LIABILITIES	**9,356**	**842**	**-**	**10,198**
Current liabilities				
Short-term provisions	921	44	-	965
Current financial liabilities	5,124	-	(578)	4,546
Trade payables and sales financing debts	6,407	20,058	(751)	25,714
Other current liabilities and current tax liabilities	7,213	718	(2,004)	5,927
TOTAL CURRENT LIABILITIES	**19,665**	**20,820**	**(3,333)**	**37,152**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**51,659**	**24,097**	**(5,649)**	**70,107**

A3 – CONSOLIDATED CASH FLOWS BY OPERATING SEGMENT

(€ million)	AUTOMOTIVE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
2011				
Net income	**1,975**	**515**	**(351)**	**2,139**
Cancellation of dividends received from unconsolidated listed investments [1]	(22)	-	-	(22)
Cancellation of income and expenses with no impact on cash				
Depreciation, amortization and impairment	2,820	11	-	2,831
Share in net (income) loss of associates	(1,518)	(6)	-	(1,524)
Other income and expenses with no impact on cash	(350)	(10)	-	(360)
Dividends received from unlisted associates	5	-	-	5
Cash flow [2]	**2,910**	**510**	**(351)**	**3,069**
Dividends received from listed companies [3]	**335**	**-**	**-**	**335**
Decrease (increase) in sales financing receivables	-	(2,610)	(45)	(2,655)
Net change in financial assets and sales financing debts	-	2,681	(91)	2,590
Change in capitalized leased vehicles	(241)	49	-	(192)
Decrease (increase) in working capital	627	(413)	(8)	206
CASH FLOWS FROM OPERATING ACTIVITIES	**3,631**	**217**	**(495)**	**3,353**
Purchases of intangible assets	(887)	(1)	-	(888)
Purchases of property, plant and equipment	(1,564)	(3)	-	(1,567)
Disposals of property, plant and equipment and intangibles	239	-	-	239
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired/transferred	-	-	-	-
Acquisitions and disposals of other investments and other assets	(156)	-	-	(156)
Net decrease (increase) in other securities and loans of the Automotive segment	(88)	-	126	38
CASH FLOWS FROM INVESTING ACTIVITIES	**(2,456)**	**(4)**	**126**	**(2,334)**
Cash flows with shareholders	(201)	(360)	351	(210)
Net change in financial liabilities of the Automotive segment	(2,164)	-	24	(2,140)
CASH FLOWS FROM FINANCING ACTIVITIES	**(2,365)**	**(360)**	**375**	**(2,350)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(1,190)**	**(147)**	**6**	**(1,331)**

(1) Dividends received from Daimler.
(2) Cash flow does not include dividends received from listed companies.
(3) Dividends from Daimler (€22 million), AB Volvo (€38 million) and Nissan (€275 million).

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(€ million)	AUTOMOTIVE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
2010				
Net income	**3,392**	**489**	**(391)**	**3,490**
Cancellation of dividends received from unconsolidated listed investments	-	-	-	-
Cancellation of income and expenses with no impact on cash				
- Depreciation, amortization and impairment	3,045	24	-	3,069
- Share in net (income) loss of associates	(1,287)	(2)	-	(1,289)
- Other income and expenses with no impact on cash	(2,076)	(14)	3	(2,087)
Cash flow (1)	**3,074**	**497**	**(388)**	**3,183**
Dividends received from listed companies	**88**	**-**	**-**	**88**
Decrease (increase) in sales financing receivables	-	(563)	(31)	(594)
Net change in financial assets and sales financing debts	-	(867)	5	(862)
Change in capitalized leased vehicles	(155)	48	(2)	(109)
Decrease (increase) in working capital	395	(105)	(26)	264
CASH FLOWS FROM OPERATING ACTIVITIES	**3,402**	**(990)**	**(442)**	**1,970**
Purchases of intangible assets	(733)	(1)	-	(734)
Purchases of property, plant and equipment	(1,130)	(3)	-	(1,133)
Disposals of property, plant and equipment and intangibles	219	-	-	219
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired/transferred	7	-	-	7
Acquisitions and disposals of other investments and other assets (2)	3,075	-	-	3,075
Net decrease (increase) in other securities and loans of the Automotive segment	(30)	-	-	(30)
CASH FLOWS FROM INVESTING ACTIVITIES	**1,408**	**(4)**	**-**	**1,404**
Cash flows with shareholders	(12)	(407)	402	(17)
Net change in financial liabilities of the Automotive segment	(1,493)	-	43	(1,450)
CASH FLOWS FROM FINANCING ACTIVITIES	**(1,505)**	**(407)**	**445**	**(1,467)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**3,305**	**(1,401)**	**3**	**1,907**

(1) Cash flow does not include dividends received from listed companies.
(2) Including the sales of AB Volvo Series B shares for €3,006 million in the second half of 2010.

B – INFORMATION BY REGION

(€ million)	EUROPE [1]	EUROMED	EURASIA	ASIA-AFRICA	AMERICAS	CONSOLIDATED TOTAL
2011						
Revenues	27,408	3,270	1,680	5,060	5,210	42,628
Property, plant and equipment and intangibles	11,192	2,073	469	712	629	15,075
2010						
Revenues	27,171	2,996	1,044	3,869	3,891	38,971
Property, plant and equipment and intangibles	11,612	1,644	431	810	684	15,181

(1) Including France:

(€ million)	2011	2010
Revenues	*12,119*	*12,697*
Property, plant and equipment and intangibles	*9,643*	*9,918*

The Regions presented correspond to the geographic sectors of the Group's structure.

Consolidated revenues are presented by location of customers.

Property, plant and equipment and intangibles are presented by location of subsidiaries and joint ventures.

4.2.7 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

RSpace

4.2.7.1 ACCOUNTING POLICIES AND SCOPE OF CONSOLIDATION

NOTE 1 – APPROVAL OF THE FINANCIAL STATEMENTS

The Renault group's consolidated financial statements for 2011 were finalised at the Board of Directors' meeting of February 15, 2012 and will be submitted for approval of the shareholders at the General Shareholders' Meeting.

NOTE 2 – ACCOUNTING POLICIES

In application of regulation 1606/2002 passed on July 19, 2002 by the European Parliament and the Council of Europe, Renault's consolidated financial statements for 2011 are prepared under IFRS (International Financial Reporting Standards) as issued by the IASB (International Accounting Standards Board) at December 31, 2011 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, 2011 and were applied for the first time in 2011:

STANDARD / INTERPRETATION	
IAS 24 (revised)	Related party disclosures
Various improvements	2010 annual improvements to IFRSs
Amendment to IAS 32	Financial instruments: presentation - Classification of rights issues
IFRIC 19	Extinguishing financial liabilities with equity instruments
Amendment to IFRIC 14	IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction - Prepayments of a minimum funding requirement

The first application of these standards, interpretations and amendments has no significant impact on the financial statements at December 31, 2011.

The Group has not undertaken early application of the amendment to IFRS 7, "Financial instruments: disclosures – transfers of financial assets" which was published in the Official Journal of the European Union at December 31, 2011 but will not be mandatory until January 1, 2013. The Group does not currently expect adoption of this amendment to have a significant impact on the consolidated financial statements.

IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint Arrangements" were released by the IASB in 2011. Since they had not been adopted by the European Union at December 31, 2011, early application of these standards was not possible at that date. The Group does not currently expect their application to have a significant impact.

B – Estimates and judgments

In preparing its financial statements, Renault has to make estimates and assumptions that affect the book value of certain assets and liabilities, income and expense items, and the information disclosed in certain notes. Renault regularly revises its estimates and assessments to take account of past experience and other factors deemed relevant in view of the economic circumstances. If changes in these assumptions or circumstances are not as anticipated, the figures reported in Renault's future financial statements could differ from the estimates established at the time the financial statements were finalised.

The main items in the financial statements that are sensitive to estimates and judgments at December 31, 2011 are the following:

- fixed assets (note 2-L and 13);
- property, plant and equipment related to leased vehicles or inventories related to used vehicles (notes 2-G, 12-B and 16);
- investments in associates (notes 2-L, 14 and 15);
- sales financing receivables (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.

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Their consolidation would have a negligible impact on the consolidated financial statements, since they are Group-financed entities whose losses, if any, are recognized via impairment losses, and which:

- acquire almost all their purchases from Group companies, most of these companies being dealership-type establishments; or
- carry out almost all their sales transactions with Group companies.

D – Presentation of the financial statements

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 partial or total disposal of businesses or operating entities, and other gains and losses relating to changes in the scope of consolidation and direct acquisition costs;
- gains or losses on disposal of property, plant and equipment or intangible assets (except vehicle sales);
- unusual items, i.e. income and charges that are unusual in their frequency, nature or amount, particularly impairment of fixed assets.

Reporting by operating segment

The operating segments used by Renault are:

- the Automotive segment, comprising the production, sales, and distribution subsidiaries for passenger and light commercial vehicles, automobile service subsidiaries, and the subsidiaries in charge of cash management for 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". This information is prepared under the IFRSs applicable to the consolidated financial statements. All Group financial data are assigned to the operating segments. The "Intersegment transactions" column is reserved for transactions between the two segments, which are carried out on near-market conditions. Dividends paid by the Sales Financing segment to the Automotive segment are included in the Automotive division's financial income.

The indicator used to evaluate segment performance is the operating margin.

Apart from taxes and the associates' share in net income, income and expenses relating to sales financing are recorded as operating items. The tax effect inherent to the French consolidated taxation system is included in the tax expense of the Automotive segment.

Assets and liabilities are specific to each segment. Receivables assigned by the Automotive segment to the sales financing companies are treated as operating assets by the assignee when the risks and benefits are substantially transferred.

Vehicles for which the Automotive 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 recognises a receivable on the Automotive segment.

Current and non-current assets and liabilities

Sales financing receivables, other securities, derivatives, loans and financial liabilities of the Sales Financing segment (other than redeemable shares and subordinated loans) are considered as current assets and liabilities, as they are used in normal business cycle of this operating segment.

For the Automotive segment, in addition to items directly related to the business cycle, all assets and liabilities maturing within one year are classified as current.

E – Translation of the financial statements of foreign companies

The Group's presentation currency is the Euro.

For foreign companies, the functional currency is generally the local currency. In cases where most transactions are carried out in a different currency, that is adopted as the functional currency.

To determine whether a country is in hyperinflation, the Group refers to the list published by the AICPA (American Institute of Certified Public Accountants) Task Force. In 2011, 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 one of the other components of comprehensive income, and therefore has no impact on net income.

Goodwill and valuation adjustments generated by a business combination with a foreign company are treated as an asset or liability of the entity acquired, as appropriate. They are therefore expressed in the relevant entity's functional currency, and translated into Euro at the closing rate.

When a foreign company is sold, the accumulated translation adjustments on its assets and liabilities are transferred to net income.

F – Translation of foreign currency transactions

Transactions undertaken in a currency other than the functional currency of the entity concerned are initially translated to and recorded in the functional currency, using the rate applicable at the transaction date.

For financial reporting purposes, monetary items in currencies other than the functional currency are translated at the closing rate. All resulting foreign exchange differences are recognized in the income statement, except for foreign exchange gains and losses on debts, receivables, and financial instruments designated as hedges of the net investment in a foreign entity (note 2-V).

The following impacts are therefore recorded in net income:

- translation adjustments related to financial operations by the Automotive segment are included in the net financial income;
- other translation adjustments are included in the operating margin.

Derivatives are measured and recorded as described in note 2-V.

G – Revenues and margin

Revenues comprise all proceeds from sales of the Group's automobile products, services related to these sales, sales of automobile technologies, marketing rights and the various sales financing products marketed by the Group's companies to their customers.

Sales of goods and services and margin recognition

SALES AND MARGIN RECOGNITION

Sales of 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 Automotive segment, including sales with associated financing contracts that can be considered as finance leases (long-term or with a purchase option). However, no sale is recognized when 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 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 Automotive 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 therefore deferred as contract acquisition costs, so as to give a constant interest rate over the term of the financing contracts.

IMPAIRED RECEIVABLES

Impairment for credit risk is recognized to cover the risk of non-recovery of receivables. When there is objective evidence of a loss of value (payments overdue, deterioration in the financial position, litigation procedures, etc) for an individual receivable, impairment is determined on an individual basis (using a statistical or case-by-case approach). Otherwise, a collectively based provision may be recorded (for example in the event of unfavorable developments in a macro-economic and/or segment indicator associated with otherwise sound receivables).

Impairment for country risk is determined based on assessment of the systemic credit risk to which debtors are exposed in the event of long-term continuous deterioration in the economic and general environment of the countries included in the base.

H – Financial income (expense)

Except for derivatives, interest income and expenses are recognized under the effective interest rate method, whereby interest and transaction costs are spread on an actuarial basis over the duration of the loan or borrowing.

Interest income and expenses include accrued interest on interest rate derivatives used in fair value and cash flow hedging (when this income or expense is transferred from equity). Changes in the fair value of interest rate derivatives, excluding accrued interest, are included in other financial income and expenses.

Other financial income and expenses also include changes in the fair value of Renault SA redeemable shares and dividends from companies that are neither controlled nor under significant influence, which are recognized in the year they are distributed.

I – Income tax

The Group recognizes deferred taxes for all temporary differences between the tax and book values of assets and liabilities in the consolidated balance sheet. Deferred taxes are calculated at the latest tax rate enacted at the closing date applicable to the period when temporary differences are reversed. Each individual fiscal entity (legal entity, establishment or group of entities that pays tax to the tax administration) that is authorized to offset its current tax assets and liabilities reports deferred tax assets and liabilities net. Net deferred tax assets are recognized according to the probability of future recovery.

For fully consolidated companies, a deferred tax liability is recorded in respect of dividend distributions likely to be made by the Group.

For joint ventures and associates, a deferred tax liability on dividend distributions is booked for all differences between the book value and fiscal value of shares held.

Tax credits that can only be used against a taxable profit are recorded as a deduction from the income tax payable. Tax credits that are recoverable regardless of whether the Company makes a taxable profit are set against the relevant nature of expense.

J – Intangible assets

Goodwill

Non-controlling interests (formerly called “minority interests”) are carried at fair value (the full goodwill method) or at their share in the fair value of assets acquired and liabilities transferred (the partial goodwill method). To date Renault has only recognized goodwill valued under the partial goodwill. The choice of which method to use will be made for each individual case.

Goodwill is not amortized, but impairment tests are carried out at least annually or whenever there is evidence of loss of value. After initial recognition, goodwill is stated at cost less accumulated impairment.

Goodwill relating to associates is included in the 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 and put options on non-controlling interests in companies controlled by the Group are treated as equity transactions. The positive or negative difference between the cost of acquiring shares and the book value of the non-controlling interests acquired is recorded in shareholders’ equity. The non-controlling interests concerned by put options are stated at fair value and reclassified as liabilities in the 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 (eg 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).

Depreciation

Depreciation is calculated on a straight-line basis over the following estimated useful lives:

Buildings (1)	15 to 30 years
Specific tools	2 to 7 years
Machinery and other tools (other than press lines)	5 to 15 years
Press lines	20 to 30 years
Other tangible assets	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 depreciation is recorded when an asset's useful life becomes shorter than the initially expected period of use, particularly when it is decided to withdraw a vehicle or part from the market.

L – Impairment of assets

Impairment of fixed assets (other than leased 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 **Automotive segment**, impairment tests are carried out at two levels:

- At the level of vehicle-specific and component-specific assets

Vehicle-specific and component-specific assets are capitalized development expenses, specific tools and supplier tools. Impairment tests are carried out by comparing the net book value of the assets with the recoverable value, calculated based on discounted future cash flows related to the vehicle or component.

- At the level of cash-generating units

A cash-generating unit is defined as the smallest identifiable group of assets that generates largely independent cash flows. Fixed assets related to cash-generating units include goodwill, specific assets and capacity assets.

Impairment tests are carried out on cash-generating units by comparing the net book value with the recoverable value. Recoverable value is defined as the higher of value in use or fair value less selling costs.

Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset. Future cash flows derive from the business plan drawn up and validated by the Management, plus a terminal value based on discounted normative cash flows after application of a growth rate to infinity. They also include the dividends paid by the Sales Financing segment to the Automotive segment; these dividends represent, in cash form, the Sales Financing segment's contribution as taken into consideration in internal assessments of project profitability. The assumptions underlying the business plan include estimates of market developments in countries in which the Group operates and its share of those markets, changes in the sale price of products and the prices of purchased components and commodities. The pre-tax discount rate used is the weighted average cost of capital as determined by the Company.

When the recoverable value is lower than the net book value, impairment equivalent to the difference is recorded against the assets concerned.

For the Sales Financing segment, an impairment test is carried out at least once a year or whenever as there is an indication of loss of value, by comparing the book value and recoverable value of assets. Recoverable value is defined as the higher of fair value (less selling costs) and value in use. Value in use is the present value of future cash flows as determined in the most recent 5-year forecasts for each cash-generating unit, consisting of legal entities or groups of legal entities in a given country. The same discount rate is used for all cash-generating units tested: a risk-free 10-year rate increased by the average risk premium for the sector in which the cash-generating units operate.

Impairment of investments in associates

Impairment tests of the value of investments in associates are carried out as soon as there is any indication of a loss of value, essentially significant adverse changes in the markets in which the Company operates, or a major or long-term decline in stock market value.

Impairment tests are carried out in compliance with IAS 28 and IAS 36, by comparing the book value of the investment in the associate with the share of the present value of future estimated cash flows expected from the associate.

When the recoverable value is lower than the book value, impairment equivalent to the difference is recorded against the relevant investment in an associate.

M – Non-current assets or groups of assets held for sale

Assets held for sale are non-current assets or groups of assets that are available for sale (and do not require significant work to prepare them for sale) and very likely to be sold.

Non-current assets or groups of assets considered to be held for sale are measured and recorded at the lower of net book value or fair value less selling costs. No further impairment or amortization is recorded once an asset is classified as held for sale (or included in a group of assets held for sale). These assets are reported on a specific line of the balance sheet.

N – Inventories

Inventories are stated at the lower of cost or net realisable value. Cost corresponds to acquisition cost or production cost, which includes direct and indirect production expenses, and a share of manufacturing overheads based on a normal level of activity. The normal level of activity is assessed site by site, in order to determine the share of fixed costs to be excluded in the event of below-normal activity.

Inventories are valued under the FIFO (First In First Out) method.

When the net realisable value is lower than the balance sheet value, impairment equal to the difference is recorded.

O – Assignment of receivables

Receivables assigned to third parties (through securitization or discounting) are removed from Group assets when the associated risks and benefits are also substantially transferred to the third parties in question.

The same treatment applies to assignments between the Automotive and Sales Financing segments. 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 and free share plans awarded to Group managers and Executives. They are recorded at acquisition cost and deducted from Group shareholders' equity until the date of sale.

When these shares are sold, the sale price is directly included in consolidated shareholders' equity. Consequently, no gain or loss on treasury shares is included in the net income for the period.

Q – Stock-option plans / Free share attribution plans

The Group awards stock-option plans (purchase and subscription options) and share attribution plans, all for Renault shares. The grant date is the date at which beneficiaries are informed of the decision to grant these options or shares, and the terms of the relevant plans. For plans subject to performance conditions, an estimate of achievement of those conditions is taken into account in determining the number of options or free shares attributed. This estimate is reviewed annually based on changes in the probability of performance condition achievement. The final fair value of services rendered in return for attribution of options or free shares is measured by reference to the fair value of those options or shares at their grant date, using a binomial mathematical model. Entitlements to attribution of free shares are valued based on the share value at grant date less dividends expected during the vesting period. Where relevant, a discount is applied to reflect the fact that the shares must be held for a certain period.

The fair value is spread on a straight-line basis over the vesting period for the relevant plan. The cost is included in personnel expenses, with a corresponding adjustment to consolidated reserves. When the option is exercised, the cash amount received by the Group in settlement of the exercise price is booked in cash and cash equivalents, with a corresponding adjustment to consolidated reserves.

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 other components of comprehensive income, as allowed under IAS 19.

The net expense for the year, corresponding to the sum of the current period service costs, the discount cost less the expected return on fund assets and a portion of deferred past service costs, is charged in full to the operating margin.

Restructuring measures / Termination benefits

The estimated cost of restructuring and the cost of workforce adjustment measures 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, other securities i.e. short-term investments undertaken for management of cash surpluses, loans, and derivative assets related to financial transactions (note 2-V).

These instruments are presented as non-current assets, apart from those maturing within 12 months of the closing date, which are classified as current assets.

Investments in non-controlled companies in which Renault does not have significant influence, and other securities

Investments in non-controlled companies in which Renault does not have significant influence are considered as "available-for-sale" assets. Other securities are analysed on a case-by-case basis: they are classified as "assets stated at fair value through profit and loss" if the Group intends to sell them in the short term, and as "available-for-sale assets" otherwise.

The fair values of financial assets are determined in priority by reference to the market price. If this is not possible, the Group uses a valuation method that is not based on market data.

Changes in the fair value of "available-for-sale" assets are included in other components of comprehensive income. If there is a significant or prolonged decrease in the fair value such that it falls below the acquisition price, impairment is recorded in the income statement.

Loans

Loans essentially include interbank loans for investment of cash surpluses.

They are initially recognized at fair value, plus directly attributable transaction costs.

Loans are valued at amortized cost. Impairment is recognized in the income statement when there is objective evidence of depreciation in value caused by an event that occurred after the initial recognition of the asset.

T – Cash and cash equivalents

Cash includes cash on hand 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 Automotive segment) or a sales financing debt when it becomes a party to the contractual provisions of the instrument.

Financial liabilities and sales financing debts comprise redeemable shares, bonds, other debts represented by a certificate, borrowings from credit institutions, other interest-bearing borrowings and derivative liabilities related to financial transactions (note 2-V).

Redeemable shares

In accordance with IAS 39, the Group considers that the variable interest on redeemable shares is an embedded derivative which cannot be valued separately. Consequently, the Group has stated all its redeemable shares at fair value. For these shares, fair value is equal to market value.

Changes in the fair value of Automotive segment redeemable shares are recorded in financial income and expenses, while changes in the fair value of Sales Financing segment redeemable shares are recorded in the operating margin.

Bonds, other debts represented by a certificate, borrowings from credit institutions and other interest-bearing borrowings

Bonds, other debts represented by a certificate, borrowings from credit institutions and other interest-bearing borrowings are initially 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 Automotive 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 other components of comprehensive income, while the ineffective portion is included in net income. The cumulative amount included in equity is transferred to the income statement when the hedged item has an impact on net income.
- Hedge of a net investment in a foreign operation: the hedging instrument is adjusted to fair value. Following this adjustment, the effective portion of the change in fair value attributable to the hedged exchange risk is recorded, net of taxes, in other components of comprehensive income, while the ineffective portion is included in net income. The cumulative amount included in equity is transferred to net income at the date of liquidation or sale of the investment. The interest rate component of financial instruments used to hedge the investment in Nissan (forward sales and fixed/fixed cross-currency swaps) is treated as an ineffective portion and consequently recorded directly in financial income and expenses.

Derivatives not designated as hedges

Changes in the fair value of derivatives not designated as hedges are recognized directly in financial income, except in the case of derivatives entered into exclusively for reasons closely related to business operations. In this case, changes in the fair value of derivatives are included in the operating margin.

NOTE 3 – CHANGES IN THE SCOPE OF CONSOLIDATION

	AUTOMOTIVE	SALES FINANCING	TOTAL
Number of companies consolidated at December 31, 2010	**129**	**38**	**167**
Newly consolidated companies (acquisitions, formations, etc)	4	-	4
Deconsolidated companies (disposals, mergers, liquidations, etc)	(4)	(2)	(6)
Number of companies consolidated at December 31, 2011	**129**	**36**	**165**

The main changes in the scope of consolidation were as follows:

- 2011

The subsidiary Renault Beijing Automotive Company, which sells imported vehicles on Chinese territory, has been fully consolidated since January 1, 2011.

Fonderie de Bretagne has also been fully consolidated since January 1, 2011. This entity results from Renault's takeover of SBFM under a receivership procedure.

- 2010

Renault F1 team was deconsolidated as of January 1, 2010. This deconsolidation had no impact on the 2010 financial statements since all the sale transactions were recorded by the end of 2009.

Since 2008, through formation of the holding company Renault Environnement, the Group has worked with the SITA / Suez Environnement group to modernise end-of-life vehicle recycling operations in France. Renault Environnement and its subsidiaries Indra Investissements and Boone Comenor, both jointly-owned with SITA, are all included in the Group's scope of consolidation, since January 1, 2010.

The Group made some changes during 2010 to the partnership initiated in 2005 with the Indian group Mahindra & Mahindra, which bought out Renault's shares in the joint venture Mahindra Renault Ltd. The Group is continuing to do business in India through sale of a Logan licence and as the supplier of several components, and the Renault-Nissan Alliance also inaugurated the Chennai plant in March 2010. The joint venture Renault Nissan Automotive India Private Limited has been accounted for by the equity method since January 1, 2010.

The Group deconsolidated Renault Venezuela from July 1, 2010 as this subsidiary was not material.

4.2.7.2 INCOME STATEMENT AND COMPREHENSIVE INCOME

NOTE 4 – REVENUES

A – 2010 revenues applying 2011 Group structure and methods

(€ million)	AUTOMOTIVE	SALES FINANCING	TOTAL
2010 revenues	**37,172**	**1,799**	**38,971**
Changes in the scope of consolidation and other	(10)	-	(10)
2010 revenues applying 2011 Group structure and methods	**37,162**	**1,799**	**38,961**
2011 REVENUES	**40,679**	**1,949**	**42,628**

B – Breakdown of revenues

(€ million)	2011	2010
Sales of goods	38,697	35,528
Sales of services [1]	2,495	2,126
Sales of goods and services	**41,192**	**37,654**
Income on customer financing	981	895
Income on leasing and similar operations	455	422
Sales financing revenues	**1,436**	**1,317**
REVENUES	**42,628**	**38,971**

(1) Including €513 million for sales financing in 2011 (€482 million in 2010).

Rental income recorded by the Group in connection with vehicle sales with a repurchase commitment or vehicle rentals totalled €548 million in 2011 (€538 million in 2010). This income is included in sales of services.

NOTE 5 – COST OF SALES FINANCING

(€ million)	2011	2010
Income on cash investments	196	180
Refinancing expenses	(1,082)	(944)
Net financing costs	**(886)**	**(764)**
Net credit losses	**(25)**	**(49)**
COST OF SALES FINANCING	**(911)**	**(813)**

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

	2011	2010
Personnel expenses *(€ million)*	5,857	5,603
Workforce at December 31	128,322	122,615

Details of pensions and other long-term benefit expenses are presented in note 21-C.

The profit-sharing bonus introduced in 2011 generated an expense of €6 million in 2011, i.e. a unit allocation of €150 per employee.

C – Share-based payments

Share-based payments concern stock-options and free shares granted to personnel, and amounted to a personnel expense of €6 million for 2011 (€8 million in 2010).

The plan valuation method is presented in note 20-H.

D – Rental expenses

Rents amounted to approximately €238 million in 2011 (€242 million in 2010).

E – Foreign exchange gains/losses

In 2011, the operating margin included a net foreign exchange loss of €12 million (compared to a net foreign exchange gain of €15 million in 2010).

NOTE 7 – OTHER OPERATING INCOME AND EXPENSES

(€ million)	2011	2010
Restructuring and workforce adjustment costs	71	(449)
Gains and losses on total or partial disposal of businesses or operating entities, and other gains and losses related to changes in the scope of consolidation	-	39
Gains and losses on disposal of property, plant and equipment and intangible assets (except vehicle sales)	133	112
Impairment of fixed assets	(61)	(159)
Other unusual items	10	(7)
TOTAL	**153**	**(464)**

A – Restructuring and workforce adjustment costs

In 2011, the effects of restructuring include a net amount of €98 million reversed from provisions. This comprises €51 million resulting from the Group's decision in 2011 to discontinue the plan to reorganize its establishments in the Paris area, and €47 million resulting from updating the provision for workforce adjustment measures in France following the options chosen in 2011 by employees eligible for these measures (note 21-B).

The other effects essentially correspond to workforce adjustment measures in other European countries.

Restructuring costs recorded in 2010 were mainly incurred for the introduction of workforce adjustment measures in France, Spain and Turkey. In France, these costs include the effect of measures proposed to respond to the hardship of work for older employees.

B – Gains and losses on total or partial disposal of businesses or operating entities, and other gains and losses related to changes in the scope of consolidation

The Group did not record any disposals of businesses or operating entities in 2011.

The net gain recorded in 2010 essentially reflected the profit on sale of Nissan shares as part of the cooperation agreement with the Daimler group.

C – Gains and losses on disposal of property, plant and equipment and intangible assets (except vehicle sales)

Most of the gain on disposal of property, plant and equipment and intangible assets (except vehicle sales) results from sales of land and buildings located in Europe in 2011 and 2010, and in Korea in 2010.

D – Impairment of fixed assets

In 2011, an amount of €88 million was reversed from impairment previously booked on intangible assets, to reflect the improved cash flow prospects for three vehicles in the range, and impairment of €149 million was recorded in respect of intangible and tangible assets associated with three other vehicles in the range (note 13-A).

In 2010, impairment of assets amounted to €159 million, essentially concerning capitalized development expenses for two vehicles and one powertrain component in the range.

NOTE 8 – FINANCIAL INCOME

The net interest expense for 2011 amounting to €219 million (€354 million in 2010) includes interest on the loans received from the French government and the European Investment Bank during the first half of 2009.

Other financial income and expenses comprise:

(€ million)	2011	2010
Change in fair value of redeemable shares (note 24-A)	31	(31)
Other	67	9
TOTAL	**98**	**(22)**

Other financial income includes dividends received from Daimler in 2011, at their gross value of €30 million.

Foreign exchange gains and losses included under "Other" represent a gain of €27 million in 2011 (compared to a gain of €5 million in 2010).

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)	2011	2010
Current income taxes	(408)	(340)
Deferred taxes revenue (expenses)	(100)	282
CURRENT AND DEFERRED TAXES	**(508)**	**(58)**

In 2011, €350 million of current income taxes were generated by foreign entities (€274 million in 2010).

Current taxes paid by the Group during 2011 totalled €273 million (€186 million in 2010).

B – Breakdown of the tax charge

(€ million)	2011	2010
Income before taxes and share in net income of associates	**1,123**	**2,259**
Statutory income tax rate applicable in France	36.1%	34.43%
Theoretical tax income (charge)	**(405)**	**(778)**
Effect of differences between local rate and the French rate	114	102
Tax credits	31	33
Distribution taxes	(61)	(68)
Change in unrecognized deferred tax assets	(215)	(136)
Other impacts (1)	28	789
Current and deferred tax income (charge)	**(508)**	**(58)**

(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 2010 this amount includes the favorable €650 million effect of reduced-rate taxation of the gain on sale of AB Volvo Series B shares.

Until December 31, 2009, as there was no prospect of reporting taxable income, the Group did not recognize the net deferred tax assets of the French tax consolidation group.

Since 2010, the forecast results coming from the 2011/2016 Plan have led the Group to recognize partially the French tax group's net deferred tax assets. Due to the combined effects of the new 2011 French Finance Law limiting yearly utilization of tax loss carryforwards, and the updated business plan, the amount of tax assets recognized has been reduced by €140 million, with an impact of €100 million in income and €40 million in shareholders' equity. As a result, net recognized deferred tax assets amount to €215 million.

Restated of the partial recognition of French tax group deferred taxes, the Renault group's effective tax rate (before the share in net income of associates) was 30% at December 31, 2011, largely thanks to favourable differences between local rates and the rates applicable in France.

C – Breakdown of net deferred taxes

C1 – Change in deferred tax assets and liabilities

(€ million)	2011	2010
Deferred tax assets	705	279
Deferred tax liabilities	(125)	(114)
Net deferred tax assets (liabilities) at January 1	**580**	**165**
Deferred tax income (expense) for the period	(100)	282
Deferred tax income (expense) included in equity	(42)	122
Translation adjustments	(10)	11
Change in scope of consolidation and other	3	-
Net deferred tax assets (liabilities) at December 31	**431**	**580**
- deferred tax assets	*566*	*705*
- deferred tax liabilities	*(135)*	*(125)*

C2 – Breakdown of net deferred tax assets by nature

(€ million)	DECEMBER 31, 2011	DECEMBER 31, 2010
Deferred taxes on:		
Investments in associates [1]	(147)	(116)
Fixed assets	(1,844)	(1,759)
Provisions and other expenses or valuation allowances deductible upon utilization	1,014	864
Loss carryforwards	3,744	3,590
Other	250	249
Net deferred tax assets (liabilities)	**3,017**	**2,828**
Unrecognized deferred tax assets (note 9-C3)	(2,586)	(2,248)
NET DEFERRED TAX ASSETS (LIABILITIES) REPORTED	**431**	**580**

(1) Includng tax on future dividend distributions.

The residual unrecognized net deferred tax assets of entities included in the French tax consolidation amounted to €1,888 million at December 31, 2011. €680 million of these unrecognized assets arose on items booked through equity (chiefly the effects of the partial hedge of the investment in Nissan, revaluation of financial instruments, and actuarial gains and losses), and €1,208 million on items affecting the income statement.

Outside France, unrecognized deferred tax assets totalled €698 million, essentially relating to tax loss carryforwards generated by the Group in South America.

C3 – Breakdown of unrecognized net deferred tax assets, by expiry

(€ million)	2011	2010
Net deferred tax assets that can be carried forward indefinitely [1]	2,504	2,159
Other net deferred tax assets expiring in more than 5 years	71	23
Other net deferred tax assets expiring between 1 and 5 years	9	50
Other net deferred tax assets expiring within 1 year	2	16
TOTAL UNRECOGNIZED NET DEFERRED TAX ASSETS	**2,586**	**2,248**

(1) Including €1,888 million at December 31, 2011 (€1,549 million at December 31, 2010) corresponding to unrecognized net deferred tax assets of entities included in the French tax consolidation (note 9-C2), mainly corresponding to tax loss carryforwards.

NOTE 10 – BASIC AND DILUTED EARNINGS PER SHARE

(In thousands of shares)	2011	2010
Shares in circulation	295,722	292,127
Treasury shares	(3,914)	(3,438)
Shares held by Nissan x Renault's share in Nissan	(19,427)	(19,397)
Number of shares used to calculate basic earnings per share	**272,381**	**269,292**

The number of shares used to calculate the basic earnings per share is the weighted average number of ordinary shares in circulation during the period, i.e. after neutralization of treasury shares and Renault shares held by Nissan.

(In thousands of shares)	2011	2010
Number of shares used to calculate basic earnings per share	272,381	269,292
Dilutive effect of stock-options and free share attribution rights	-	-
Number of shares used to calculate diluted earnings per share	**272,381**	**269,292**

The number of shares used to calculate the diluted earnings per share is the weighted average number of ordinary shares potentially in circulation during the period, i.e. the number of shares used to calculate the basic earnings per share plus the number of stock-options and rights to free share attribution, that have a dilutive effect and fulfil the performance conditions at the year-end when issuance is conditional.

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NOTE 11 – OTHER COMPONENTS OF COMPREHENSIVE INCOME

A – Breakdown of other components of comprehensive income

(€ million)	2011	2010
Actuarial gains and losses on defined benefit pension plans	**(23)**	**(14)**
Translation adjustments on foreign activities		
Gains / (losses) for the period	(107)	234
Reclassification under net income	-	24
TOTAL TRANSLATION ADJUSTMENTS ON FOREIGN ACTIVITIES	**(107)**	**258**
Partial hedge of the investment in Nissan		
Gains / (losses) for the period	(142)	(280)
Reclassification under net income	-	38
TOTAL PARTIAL HEDGE OF THE INVESTMENT IN NISSAN	**(142)**	**(242)**
Cash flow hedges		
Gains / (losses) for the period	(24)	(28)
Reclassification under net income	11	108
TOTAL CASH FLOW HEDGES	**(13)**	**80**
Available-for-sale financial assets		
Gains / (losses) for the period	(257)	232
Reclassification under net income	-	-
TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS	**(257)**	**232**
Associates' share of other components of comprehensive income	**444**	**2,110**
OTHER COMPONENTS OF COMPREHENSIVE INCOME	**(98)**	**2,424**

B – Tax effects of other components of comprehensive income

	OTHER COMPONENTS OF COMPREHENSIVE INCOME					
	2011			2010		
(€ million)	BEFORE TAX	TAX	AFTER TAX	BEFORE TAX	TAX	AFTER TAX
Actuarial gains and losses on defined benefit pension plans	(24)	1	(23)	(19)	5	(14)
Translation adjustments on foreign activities	(107)	-	(107)	258	-	258
Partial hedge of the investment in Nissan	(84)	(58)	(142)	(375)	133	(242)
Cash flow hedges	(8)	(5)	(13)	73	7	80
Available-for-sale financial assets	(274)	17	(257)	249	(17)	232
Associates' share of other components of comprehensive income	441	3	444	2,116	(6)	2,110
TOTAL	**(56)**	**(42)** (1)	**(98)**	**2,302**	**122** (1)	**2,424**

(1) Including an expense of €40 million in 2011 (income of €112 million in 2010) related to partial recognition of the French tax group's net deferred tax assets (note 9-B).

4.2.7.3 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, 2011	DECEMBER 31, 2010
Capitalized development expenses	7,800	7,099
Goodwill	246	250
Other intangible assets	437	443
Intangible assets, gross	**8,483**	**7,792**
Capitalized development expenses	(4,466)	(3,821)
Other intangible assets	(299)	(294)
Amortization and impairment	**(4,765)**	**(4,115)**
INTANGIBLE ASSETS, NET	**3,718**	**3,677**

Most goodwill are in Europe.

A2 – Changes during the year

(€ million)	GROSS VALUE	AMORTIZATION AND IMPAIRMENT	NET VALUE
Value at December 31, 2009	**7,648**	**(3,755)**	**3,893**
Acquisitions (note 27-C)/(amortization)	751	(987)	(236)
(Disposals)/reversals	(640)	639	(1)
Translation adjustment	30	(20)	10
Change in scope of consolidation and other	3	8	11
Value at December 31, 2010	**7,792**	**(4,115)**	**3,677**
Acquisitions (note 27-C)/(amortization)	874	(829)	45
(Disposals)/reversals	(174)	174	-
Translation adjustment	(8)	4	(4)
Change in scope of consolidation and other	(1)	1	-
Value at December 31, 2011	**8,483**	**(4,765)**	**3,718**

Acquisitions of intangible assets in 2011 comprise €825 million of self-produced assets and €49 million of purchased assets (respectively €676 million and €75 million in 2010). They also include €16 million of capitalized borrowing costs. The capitalization rate for borrowing costs in 2011 is 2.47%.

Amortization and impairment in 2011 include cancellation of €88 million of impairment previously recorded on capitalized development expenses for three vehicles in the range, and €84 million of impairment recorded on one other vehicle (note 7-D).

In 2010, impairment on assets amounted to €144 million and essentially concerned capitalized development expenses for two vehicles and one component in the range.

A3 – Research and development expenses included in income

(€ million)	2011	2010
Research and development expenses	(2,064)	(1,728)
Capitalized development expenses	808	666
Amortization of capitalized development expenses	(771)	(772)
TOTAL REPORTED IN INCOME STATEMENT	**(2,027)**	**(1,834)**

B – Property, plant and equipment

B1 – Property, plant and equipment at December 31

(€ million)	DECEMBER 31, 2011	DECEMBER 31, 2010
Land	598	594
Buildings	5,942	5,877
Specific tools	12,569	12,109
Machinery and other tools	9,656	9,879
Vehicles leased to customers	2,139	2,123
Other tangibles	857	871
Construction in progress	1,545	793
Property, plant and equipment, gross	**33,306**	**32,246**
Land and buildings	(3,090)	(2,923)
Specific tools	(10,319)	(9,407)
Machinery and other tools	(7,154)	(7,055)
Vehicles leased to customers	(608)	(581)
Other tangibles	(778)	(776)
Depreciation and impairment	**(21,949)**	**(20,742)**
PROPERTY, PLANT AND EQUIPMENT, NET	**11,357**	**11,504**

Depreciation and impairment in 2011 include impairment of €65 million on three vehicles in the range (note 7-D), compared to €13 million of impairment in 2010.

B2 – Changes during the year

Changes during 2011 in property, plant and equipment were as follows:

(€ million)	DECEMBER 31, 2010	ACQUISITIONS / (DEPRECIATION AND IMPAIRMENT)	(DISPOSALS)/ REVERSALS	TRANSLATION ADJUSTMENTS	CHANGE IN SCOPE OF CONSOLIDATION AND OTHER	DECEMBER 31, 2011
Land	594	20	(34)	-	18	598
Buildings	5,877	231	(103)	(32)	(31)	5,942
Specific tools	12,109	399	(169)	(60)	290	12,569
Machinery and other tools	9,879	335	(301)	(63)	(194)	9,656
Vehicles leased to customers	2,123	723	(716)	2	7	2,139
Other tangibles	871	57	(38)	(6)	(27)	857
Construction in progress (1)	793	845	-	(7)	(86)	1,545
Property, plant and equipment, gross (2)	**32,246**	**2,610**	**(1,361)**	**(166)**	**(23)**	**33,306**
Land	-	-	-	-	-	-
Buildings	(2,923)	(228)	51	12	(2)	(3,090)
Specific tools	(9,407)	(962)	165	40	(155)	(10,319)
Machinery and other tools	(7,055)	(575)	284	43	149	(7,154)
Vehicles leased to customers (3)	(581)	(196)	182	(1)	(12)	(608)
Other tangibles	(776)	(41)	34	4	1	(778)
Construction in progress	-	-	-	-	-	-
Depreciation and impairment	**(20,742)**	**(2,002)**	**716**	**98**	**(19)**	**(21,949)**
Land	594	20	(34)	-	18	598
Buildings	2,954	3	(52)	(20)	(33)	2,852
Specific tools	2,702	(563)	(4)	(20)	135	2,250
Machinery and other tools	2,824	(240)	(17)	(20)	(45)	2,502
Vehicles leased to customers	1,542	527	(534)	1	(5)	1,531
Other tangibles	95	16	(4)	(2)	(26)	79
Construction in progress (1)	793	845	-	(7)	(86)	1,545
Property, plant and equipment, net	**11,504**	**608**	**(645)**	**(68)**	**(42)**	**11,357**

(1) Items classified as "construction in progress" are transferred to completed asset categories via the "acquisitions / (depreciation and impairment)" column.
(2) Acquisitions during 2011 include €26 million of borrowing costs capitalized over the year. The capitalization rate for borrowing costs in 2011 is 2.47%.
(3) Impairment of vehicles leased to customers amounts to €163 million at December 31, 2011 (€154 million at December 31, 2010).

Changes during 2010 in property, plant and equipment were as follows:

(€ million)	GROSS VALUE	DEPRECIATION AND IMPAIRMENT	NET VALUE
Value at December 31, 2009	**31,463**	**(19,169)**	**12,294**
Acquisitions/(depreciation and impairment)	1,825	(2,084)	(259)
(Disposals)/reversals	(1,418)	689	(729)
Translation adjustment	368	(183)	185
Change in scope of consolidation and other	8	5	13
Value at December 31, 2010	**32,246**	**(20,742)**	**11,504**

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 and component-specific assets

Following impairment tests of assets dedicated to specific vehicles or components, impairment of €149 million was booked during 2011 (€159 million at December 31, 2010), in respect of three models in the range. This impairment is allocated in priority to capitalized development expenses. €88 million of impairment previously recognized on intangible assets was also cancelled, reflecting the improvement in cash flow prospects associated with three vehicles in the range.

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, a further 20-35% decrease in any of the assumptions used would bring the value in use to the same level as the book value.

B – Impairment tests on cash-generating units – Automotive segment

In 2011, only the Korea cash-generating unit was subjected to an impairment test, as there were no indications of impairment in the Group's other geographically determined cash-generating units.

The recoverable value used for the purposes of the impairment tests for Korea is the value in use, determined under the discounted future cash flow method on the basis of the following assumptions:

KOREA	2011	2010
Business plan duration	6 years	N / A
Growth rate to infinity	2.7%	N / A
After-tax discount rate	8.5%	N / A

In 2011 as in 2010, no impairment was recognized on assets included in the cash-generating units subjected to impairment tests.

An impairment test was also carried out on the Automotive segment as a cash-generating unit, following the same procedure as for tests of other cash-generating units.

The assumptions used for the Automotive segment are as follows:

	2011	2010
Business plan duration	6 years	6 years
Forecast sales volumes over the projected horizon *(units)*	3,350,000	3,052,000
Growth rate to infinity	1.8%	1.5%
After-tax discount rate	8.5%	8.2%

In 2011 as in 2010, no impairment was recognized on assets included in the Automotive segment as a result of the impairment tests.

Changes in the assumptions underlying the calculations show that to cover the assets, for each factor considered individually:

- the projected volume reduction must not exceed 300,000 units;
- the after-tax discount rate must not exceed 11.8%.

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 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, 2011 as in 2010, Renault supplied four of the total nine members of Nissan's Board of Directors;
- Renault Nissan b.v., owned 50% by Renault and 50% by Nissan, is the Alliance's joint decision-making body for strategic issues concerning either group individually. Its decisions are applicable to both Renault and Nissan. This entity does not enable Renault to direct Nissan's financial and operating strategies, and cannot therefore be considered to represent contractual control by Renault over Nissan. The matters examined by Renault Nissan b.v. since it was formed have remained strictly within this contractual framework, and are not an indication that Renault exercises control over Nissan;
- Renault can neither use nor influence the use of Nissan's assets in the same way as its own assets;
- Renault provides no guarantees in respect of Nissan's debt.

In view of this situation, Renault is considered to exercise significant influence in Nissan, and therefore uses the equity method to include its investment in Nissan in the consolidation.

B – Nissan consolidated financial statements included under the equity method in the Renault consolidation

The Nissan accounts included under the equity method in Renault's financial statements are Nissan's consolidated accounts published in compliance with Japanese accounting standards (as Nissan is listed on the Tokyo stock exchange), after adjustments for the requirements of the Renault consolidation.

Nissan publishes consolidated financial statements quarterly, and annually at March 31. For the purposes of the Renault consolidation, Nissan results are included in line with the Renault calendar (the results for the period January to December are consolidated in Renault's annual financial statements).

Nissan held 1.15% of treasury shares at December 31, 2011 (0.9% at December 31, 2010). Consequently, Renault's percentage interest in Nissan was 43.9% at December 31, 2011 (43.8% at December 31, 2010).

C – Changes in the investment in Nissan as shown in Renault's balance sheet

	SHARE IN NET ASSETS			NET GOODWILL	TOTAL
(€ million)	BEFORE NEUTRALIZATION	NEUTRALIZATION PROPORTIONAL TO NISSAN'S INVESTMENT IN RENAULT (1)	NET		
At December 31, 2010	**13,442**	**(975)**	**12,467**	**878**	**13,345**
2011 net income	1,332		1,332		1,332
Dividend distributed	(275)		(275)		(275)
Translation adjustment	617		617	75	692
Other changes (2)	(163)		(163)		(163)
At December 31, 2011	**14,953**	**(975)**	**13,978**	**953**	**14,931**

(1) Nissan has held 15% of Renault since the acquisition in 2002, excluding the subsequent impacts of Renault's purchases of its treasury shares.

(2) Other changes include Renault dividends received by Nissan, the change in actuarial gains and losses on pension obligations, the change in the financial instrument revaluation reserve 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, 2010	2011 NET INCOME	DIVIDENDS	TRANSLATION ADJUSTMENT	OTHER CHANGES (1)	DECEMBER 31, 2011
Shareholders' equity – Nissan share under Japanese GAAP	**2,858**	**297**	**(63)**	**(153)**	**(30)**	**2,909**
Restatements for Renault group requirements :						
• Restatement of fixed assets	352	(4)				348
• Provision for pension and other long term employee benefit obligations (2)	(174)	37		3	(31)	(165)
• Capitalization of development expenses	540	(14)				526
• Deferred taxes and other restatements (3)	(239)	18	(4)	10	9	(206)
Net assets restated for Renault group requirements	**3,337**	**334**	**(67)**	**(140)**	**(52)**	**3,412**
(€ million)						
Net assets restated for Renault group requirements	**30,704**	**3,042**	**(628)**	**1,410**	**(474)**	**34,054**
Renault's percentage	43.8%					43,9%
Renault's share (before neutralization described below)	13,442	1,332	(275)	617	(163)	14,953
Neutralization proportional to Nissan's investment in Renault (4)	(975)					(975)
Renault's share in the net assets of Nissan	**12,467**	**1,332**	**(275)**	**617**	**(163)**	**13,978**

(1) Other changes mainly include the change in actuarial gains and losses on pension obligations, the change in the financial instrument revaluation 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 by the equity method.

(4) Nissan has held 15% of Renault since the acquisition in 2002, excluding the subsequent impacts of Renault's purchases of 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 2011 Renault consolidation is the sum of Nissan's net income for the final quarter of its 2010 financial year and the first three quarters of its 2011 financial year.

	JANUARY TO MARCH 2011		APRIL TO JUNE 2011		JULY TO SEPTEMBER 2011		OCTOBER TO DECEMBER 2011		JANUARY TO DECEMBER 2011	
	FOURTH QUARTER OF NISSAN'S 2010 FINANCIAL YEAR		FIRST QUARTER OF NISSAN'S 2011 FINANCIAL YEAR		SECOND QUARTER OF NISSAN'S 2011 FINANCIAL YEAR		THIRD QUARTER OF NISSAN'S 2011 FINANCIAL YEAR		REFERENCE PERIOD FOR RENAULT'S 2011 CONSOLIDATED FINANCIAL STATEMENTS	
	(in billions of yen)	*(€ million)* (1)	*(in billions of yen)*	*(€ million)* (1)	*(in billions of yen)*	*(€ million)* (1)	*(in billions of yen)*	*(€ million)* (1)	*(in billions of yen)*	*(€ million)* (1)
Net income – parent company shareholders' share	31	274	85	723	98	896	83	793	297	2,686

(1) Converted at the average 2011 exchange rate for each quarter.

F – Impacts of the Japanese earthquake and tsunami disaster on Nissan's 2011 contribution

Nissan describes the impacts of the earthquake and tsunami in Japan in its official publications for the financial year ended March 31, 2011 and the first three quarters of its 2011/2012 financial year.

G – Nissan financial information under IFRS

The table below presents Nissan financial information, restated for the purposes of the Renault consolidation, for the period January 1 – December 31, 2011. 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)
2011 revenues	8,962	80,724
2011 net income (2)	365	3,288
Shareholders' equity at December 31, 2011	3,700	36,930
BALANCE SHEET TOTAL AT DECEMBER 31, 2011	**11,257**	**112,350**

(1) Converted at the average exchange rate for 2011 i.e.111.0 JPY = 1 EUR for income statement items, and at the December 31, 2011 rate i.e. 100.2 JPY = 1 EUR for balance sheet items.

(2) The net income reported does not include Renault's contribution to Nissan net income. It includes a favourable impact of ¥39 billion (€376 million) resulting from restatements for the purposes of the Renault consolidation during the final quarter of 2011, relating to pension plans and the reduction in the Japanese income tax rate.

H – 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, 2011, the corresponding hedging operations totalled ¥95 billion (€952 million), comprising ¥20 billion (€200 million) of private placements on the EMTN market and ¥75 billion (€752 million) in bonds issued directly in yen on the Japanese Samurai bond market.

During 2011, these operations generated unfavourable foreign exchange differences of €84 million (€413 million in 2010). After deduction of deferred taxes, the net unfavourable effect of €(142) million was included in the Group's consolidated reserves (note 20-E).

I – Valuation of Renault's investment in Nissan at stock market prices

Based on the quoted price at December 31, 2011 of JPY 692 per share, Renault's investment in Nissan is valued at €13,550 million (€13,959 million at December 31, 2010 based on the price of JPY 773 per share).

J – Impairment test of the investment in Nissan

At December 31, 2011, the stock market value of the investment was 9% lower than its book value in Renault's balance sheet. In view of this, an impairment test was carried out in application of the approach presented in the note on accounting policies (2-L).

As this investment is strategic, in compliance with IAS 36 the recoverable value was determined based on the higher of stock market value, representing "fair value", and value in use, estimated on the basis of discounted cash flows defined in the business plan drawn up by Nissan management. An after-tax discount rate of 7% and a growth rate to infinity of 3% were used to calculate value in use. The terminal value was calculated under profitability assumptions consistent with Nissan's past data and balanced medium-term prospects.

The test results did not lead to recognition of any impairment on the investment in Nissan in 2011.

A 1% increase in the discount rate associated with a 1% decrease in the growth rate to infinity or a 2% decrease in the operating margin would have no impact on the book value of the investment in Nissan.

K – Operations between the Renault group and the Nissan group

Renault and Nissan follow joint strategies for vehicle and part development, purchasing, and production and distribution resources.

The cooperation between the two groups in 2011 principally takes the following forms:

Joint investments

Renault and Nissan share development costs and investments for gearbox and engine production.

The two Groups have made joint investments since 2007 for production of Logan vehicles. This type of cooperation now also exists in South Africa, where the Nissan group has manufactured the Sandero since 2009.

4

In 2011, the Alliance's Chennai plant in India began production of the "cross-badged" Renault Pulse, an adaptation of the Nissan Micra.

Vehicle manufacturing

In Brazil, Renault supplies Nissan with assembly services for its Frontier pick-up and Livina models at the Curitiba plant. 32,600 vehicles were assembled during the year.

Renault Samsung Motors produced 43,800 Nissan-badged SM3 vehicles in 2011, purchased by Nissan for sale through its own network (mainly in Russia and the Middle East).

Since 2011, the Chennai plant has provided assembly services for the Fluence and Koleos vehicles sold on the Indian market by Renault dealers.

Concerning light commercial vehicles, Nissan produced 70,000 Trafic vans over the year at its Barcelona plant in Spain. 7.6% of these are sold through the Nissan network. Renault, meanwhile, produced 2,800 Interstars (Nissan-badged Masters), which are purchased by Nissan for sale through its own network. The increase in sales of this model to Nissan is explained by the launch in September 2011 of the new Master, which is manufactured at Batilly in France.

Part sales

In Europe, the Renault group produces engines common to the Alliance at its Cléon plant in France, for use by Nissan's Japanese and UK plants in the Nissan Qashqai and X-Trail vehicles. In 2011 Nissan began assembly of the Alliance's third engine (a 1.6 dCi diesel engine) for the Qashqai at its Sunderland plant in the UK.

Renault also supplies gearboxes and engines manufactured at the plants in Cacia in Portugal, Valladolid and Seville in Spain, Cléon in France and Pitesti in Romania to Nissan's plants in Sunderland in the UK, Barcelona in Spain, and Saint Petersburg in Russia. The Cléon plant also produces and supplies V6 3-litre diesel engines for Infiniti vehicles assembled by Nissan at its Tochigi plant in Japan.

In South America, Renault supplies gearboxes made by Cormecanica to Nissan plants located mostly in Mexico, South Africa and Brazil. These parts are used in Nissan's Micra, Note and Qashqai. Starting in 2011, Nissan's Aguascalientes plant in Mexico is supplied with gearboxes produced by Cormecanica in Chile and engines produced by Renault do Brasil for assembly of the Nissan Micra.

In total Renault supplied 1,025,000 gearboxes and 348,000 engines during 2011.

In South Korea, Nissan supplies Renault Samsung Motors with parts used in production of the SM3 (Fluence), the SM5 (Latitude), the new SM7 and the Koleos.

Renault also uses Nissan's V6 3.5 litre petrol engine for the Laguna III, Nissan pinions for the Mégane range, and automatic gearboxes, with continuous variable transmissions for the Mégane and the Espace. Renault also uses a 2.0 litre engine developed jointly with Nissan for the Laguna and Clio.

In 2011, Nissan began to supply rear axles for the Dacia Duster. Starting in 2011, batteries and battery components produced by the Nissan/NEC joint venture AESC in Japan are used to produce the zero-emission Fluence and Kangoo electric cars at Bursa in Turkey and Maubeuge in France.

Sales

In Europe, Renault also markets Nissan vehicles in Bulgaria, Croatia, Romania, Serbia and Slovenia. In South America, Renault markets Nissan vehicles in 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 2011, Renault Finance undertook foreign exchange transactions totalling approximately €22.3 billion on behalf of Nissan. Foreign exchange, interest rate and commodity derivative transactions, undertaken for Nissan, are recorded at market price and included in the positions managed by Renault Finance.

Relations with the Sales Financing segment

The Sales Financing segment helps to attract customers and build loyalty to the Nissan brands through a range of financing products and services incorporated into its sales policy, principally in Europe. In 2011, the consolidated RCI subgroup recorded €122 million of income in the form of commission and interest received from Nissan.

Total figures for 2011

Total sales by Renault to Nissan and purchases by Renault from Nissan during 2011 amounted to an estimated €2,100 million and €1,800 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 investments in other associates are as follows:

- balance sheet value: €1,060 million at December 31, 2011 (€854 million at December 31, 2010);
- Renault's share in the net income of other associates: €192 million for 2011 (€205 million for 2010).

Most of these amounts relate to the investments in AB Volvo and in AVTOVAZ, accounted 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 as shown in Renault's balance sheet

(€ million)	SHARE IN NET ASSETS	NET GOODWILL	TOTAL
At December 31, 2010	**505**	**13**	**518**
2011 net income	136	-	136
Dividend distributed	(38)	-	(38)
Purchase of AB Volvo treasury shares	-	-	-
Translation adjustment, actuarial gains and losses and revaluation of financial instruments	(33)	0	(33)
At December 31, 2011	**570**	**13**	**583**

AB Volvo's share capital comprises two types of shares, Series A and Series B shares. Series B shares carry only one tenth of the voting rights. After the disposal of shares in October 2010, the Renault group now holds only Series A shares. At the request of certain shareholders, in 2011 AB Volvo converted 14,107,000 Series A shares into Series B shares. This had no material impact on the Group's level of control in AB Volvo, which stands at 17.7% at December 31, 2011 compared to 17.5% at December 31, 2010.

The Renault group is represented on AB Volvo's Board of Directors by one person appointed for the purpose.

Renault's percentage interest in AB Volvo is 6.8%, unchanged from December 31, 2010.

Based on AB Volvo's stock market share price of SEK 76 per A share at December 31, 2011, Renault's investment in AB Volvo is valued at €1,181 million.

A2 – Changes in AB Volvo equity restated for the purposes of the Renault consolidation

(€ million)	DECEMBER 31, 2010	NET INCOME 2011	DIVIDENDS	OTHER CHANGES	DECEMBER 31, 2011
Shareholders' equity – AB Volvo share	8,155	1,966	(558)	(72)	9,491
Restatements for Renault group requirements	(770)	30	-	(412)	(1,152)
Net assets restated for Renault group requirements	7,385	1,996	(558)	(484)	8,339
Renault's share in the net assets of AB Volvo	505	136	(38)	(33)	570

The restatements applied for Renault group requirements mainly concern cancellation of goodwill booked in AB Volvo's accounts when AB Volvo was acquired by Renault and recognition of actuarial gains and losses in equity.

A3 – AB Volvo financial information under IFRS

AB Volvo financial information for 2011 established under IFRS, as published by AB Volvo, is summarized as follows:

	(in millions of SEK)	*(€ million)* (1)
2011 revenues	310,367	34,380
2011 net income	18,115	2,007
Shareholders' equity at December 31, 2011	85,681	9,614
BALANCE SHEET TOTAL AT DECEMBER 31, 2011	**353,244**	**39,646**

(1) Converted at the average exchange rate for 2011 i.e. SEK 9.03 = €1 for income statement items, and at the December 31, 2011 rate i.e. SEK 8.91 = €1 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 2011.

B – AVTOVAZ

AVTOVAZ's financial year-end is December 31. For the purposes of the Renault consolidation, given the existing time constraints for production of financial information, the accounts of AVTOVAZ are consolidated with a 3-months time-lag. Consequently, the AVTOVAZ net income included in Renault's 2011 consolidated financial statements is the sum of AVTOVAZ's net income for the final quarter of its 2010 financial year and the first three quarters of its 2011 financial year.

B1 – Changes in the value of Renault's investment in AVTOVAZ as shown in Renault's balance sheet

(€ million)	SHARE IN NET ASSETS
At September 30, 2010	**91**
Net income for the period October 1, 2010 to September 30, 2011	49
Capital increases	109
Repurchase of AvtoVAZ treasury shares	-
Translation adjustment, actuarial gains and losses and revaluation of financial instruments	(19)
At September 30, 2011	**230**

In application of the restructuring and recapitalization agreement signed in July 2010 by the shareholders of AVTOVAZ (Renault, Russian Technologies and Troïka Dialog), Renault subscribed to a capital increase for the amount of €109 million. The capital increase was paid quarterly and is recorded in AVTOVAZ's financial statements at December 31, 2011. After this operation, Renault retains its 25% investment plus one share in AVTOVAZ.

Although the accounts of AVTOVAZ are consolidated with a 3-months time-lag, to avoid any mismatch between the Renault group's investments and the value of the AVTOVAZ group as reported in its accounts, the total value of this capital increase has been included in the Renault consolidation, including the last payment that took place during the final quarter of 2011 (€14 million). Renault's contribution to the capital increase was fully allocated to financing the technical assistance supplied by Renault, and tangible assets of the B0 platform (for the Logan). This platform will be shared by AVTOVAZ and the Alliance, and is due to start operations in the first half of 2012.

In late October 2011 AVTOVAZ announced that it was to purchase 100% of the capital of OAG, which during the second half of 2011 purchased the assets of the Russian automaker IzhAvto. Details of this acquisition are still under finalization, and the Renault group does not expect it to have any material impact on AVTOVAZ's future contributions.

Based on the stock market price of the AVTOVAZ share at December 31, 2011, Renault's investment in AVTOVAZ is valued at €237 million, which is higher than the value of AVTOVAZ in Renault's financial statements (€230 million).

B2 – Changes in AVTOVAZ equity restated for the purposes of the Renault consolidation

(€ million)	OCTOBER 1, 2010	NET INCOME FOR THE PERIOD OCTOBER 1, 2010 – SEPTEMBER 30, 2011	CAPITAL INCREASE	OTHER CHANGES	SEPTEMBER 30, 2011
Shareholders' equity – AVTOVAZ share	334	186	437	(73)	884
Restatements for Renault group requirements	30	9	-	(2)	37
Net assets restated for Renault group requirements	364	195	437	(75)	921
Renault's share in the net assets of AVTOVAZ	**91**	**49**	**109**	**(19)**	**230**

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 2010 (year ended December 31) and the first three quarters of the year 2011 are summarised below:

2010	*(millions of roubles)*	*(€ million)* (1)
2010 revenues	137,630	3,372
2010 net income	3,567	87
Shareholders' equity at December 31, 2010	15,244	378
BALANCE SHEET TOTAL AT DECEMBER 31, 2010	**120,046**	**2,980**

(1) Converted at the average exchange rate for 2010 i.e. 40.82 RUB = 1 EUR for income statement items and the exchange rate at December 31, 2010 i.e 40.28 RUB = 1 EUR for balance sheet items.

JANUARY TO SEPTEMBER 2011	*(millions of roubles)*	*(€ million)* (1)
Revenues, January – September 2011	128,174	3,166
Net income, January – September 2011	6,848	169
Shareholders' equity at September 30, 2011	36,393	840
BALANCE SHEET TOTAL AT SEPTEMBER 30, 2011	**128,975**	**2,975**

(1) Converted at the average exchange rate for January to September 2011, i.e. 40.48 RUB = 1 EUR for income statement items and the exchange rate at September 30, 2011, i.e 43.35 RUB = 1 EUR for balance sheet items

B4 – Operations between the Renault group and the AvtoVAZ group

In application of the agreement of July 2010, the Renault group began to provide technical assistance for assembly of the B0 platform shared by the Alliance and AvtoVAZ, and consulting services in areas such as purchases, quality and IT. During 2011 the Renault group invoiced €55 million to AvtoVAZ for these services.

NOTE 16 – INVENTORIES

(€ million)	DECEMBER 31, 2011	DECEMBER 31, 2010
Raw materials and supplies	1,132	1,058
Work-in-progress	261	263
Finished products	3,036	3,246
INVENTORIES, NET	**4,429**	**4,567**
Inventories, gross (1)	*4,878*	*5,049*
Impairment (2)	*(449)*	*(482)*

(1) Including gross value of used vehicles: €1,087 million at December 31, 2011 (€1,005 million at December 31, 2010).

(2) Including impairment of used vehicles: €122 million at December 31, 2011 (€143 million at December 31, 2010).

NOTE 17 – SALES FINANCING RECEIVABLES

A – Sales financing receivables by nature

(€ million)	DECEMBER 31, 2011	DECEMBER 31, 2010
Dealership receivables	5,934	4,535
Financing for end-customers	12,407	11,665
Leasing and similar operations	4,420	4,017
Gross value	**22,761**	**20,217**
Impairment	(861)	(941)
NET VALUE	**21,900**	**19,276**

The Sales Financing segment undertook several securitization operations through special purpose vehicles (in France, Italy, Germany and the United Kingdom) 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 in the balance sheet thus amounted to €8,739 million at December 31, 2011 (€7,247 million at December 31, 2010). A liability of €3,704 million was recognized at December 31, 2011 (€3,775 million at December 31, 2010) 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 optimise 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, 2011, RCI Banque had provided guarantees of €2,601 million (€2,832 million in 2010) to the European Central Bank: €2,429 million in the form of shares in securitization vehicles and €172 million in sales financing receivables (€2,749 million and €83 million at December 31, 2010). RCI Banque had used €350 million of this liquidity reserve at December 31, 2011 (€450 million at December 31, 2010), classified as borrowings from credit institutions in sales financing debts (note 24).

At December 31, 2011, RCI Banque also provided guarantees to the Société de Financement de l'Economie Française (SFEF) in the form of receivables with book value of €1,225 million (€1,658 million at December 31, 2010), in return for financing of €785 million (€824 million at December 31, 2010) recorded in borrowings from credit institutions in debts of the Sales Financing segment (note 24).

The fair value of sales financing receivables is €21,979 million at December 31, 2011 (€19,448 million at December 31, 2010). This value is estimated by discounting future cash flows at rates that would be applicable to similar loans (conditions, maturity and debtor quality) at the year-end.

B – Sales financing receivables by maturity

(€ million)	DECEMBER 31, 2011	DECEMBER 31, 2010
-1 year	12,851	11,052
1 to 5 years	8,987	8,190
+5 years	62	34
TOTAL SALES FINANCING RECEIVABLES, NET	**21,900**	**19,276**

C – Breakdown of overdue sales financing receivables (gross values)

(€ million)	DECEMBER 31, 2011	DECEMBER 31, 2010
Receivables for which impairment has been recognized [1]: overdue by	**643**	**702**
0 to 30 days	12	21
30 to 90 days	53	52
90 to 180 days	54	56
More than 180 days	524	573
Receivables for which no impairment has been recognized: overdue by	**17**	**16**
0 to 30 days	17	16
30 to 90 days	-	-
90 to 180 days	-	-
More than 180 days	-	-

(1) This only includes sales financing receivables partly or totally written off through impairment on an individual basis.

The maximum exposure to credit risk for the sales financing activity is represented by the net book value of sales financing receivables plus the amount of financing commitments for customers reported under off-balance sheet commitments given (note 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 €537 million at December 31, 2011 (€462 million at December 31, 2010).

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, 2010	**(941)**
Impairment recorded during the year	(302)
Reversals for application	241
Reversals of unused residual amounts	147
Translation adjustment and other	(6)
Impairment at December 31, 2011	**(861)**

NOTE 18 – AUTOMOTIVE RECEIVABLES

(€ million)	DECEMBER 31, 2011	DECEMBER 31, 2010
Gross value	1,354	1,432
Impairment	(79)	(103)
AUTOMOTIVE RECEIVABLES, NET	**1,275**	**1,329**

These receivables do not include accounts receivable assigned to the Group's sales financing companies in France and certain other European countries when substantially all the risks and benefits associated with ownership of the receivables are transferred: such receivables are included in sales financing receivables. When substantially all the risks and benefits are not transferred, although receivables have been assigned from a legal point of view, they remain in Automotive 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 Automotive receivables reported in the balance sheet is not significant for the periods presented.

There is no significant concentration of risks within the Automotive customer base, and no single non-Group customer accounts for more than 10% of the Group's total sales revenues.

The fair value of Automotive receivables is equal to their net book value due to their short-term maturities.

NOTE 19 – OTHER CURRENT AND NON CURRENT ASSETS

	DECEMBER 31, 2011			DECEMBER 31, 2010		
(€ million)	NON-CURRENT	CURRENT	TOTAL	NON-CURRENT	CURRENT	TOTAL
Prepaid expenses	56	182	238	59	183	242
Tax receivables (excluding current taxes)	15	867	882	8	852	860
Other receivables	396	709	1,105	262	561	823
Investments in controlled unconsolidated entities	113	-	113	106	-	106
Derivatives on operating transactions of the Automotive segment	-	-	-	-	8	8
Derivatives assets on financing transactions of the Sales Financing segment	-	310	310	-	81	81
TOTAL	**580**	**2,068**	**2,648**	**435**	**1,685**	**2,120**
Gross value	*735*	*2,098*	*2,833*	*584*	*1,725*	*2,309*
Impairment	*(155)*	*(30)*	*(185)*	*(149)*	*(40)*	*(189)*

NOTE 20 – SHAREHOLDERS' EQUITY

A – Share capital

The total number of ordinary shares issued and fully paid-up at December 31, 2011 was 295,722 thousand, with par value of €3.81 per share (unchanged from December 31, 2010).

Treasury shares do not bear dividends. They accounted for 1.37% of Renault's share capital at December 31, 2011 (0.98% at December 31, 2010).

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 optimise 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 2010.

The Group's objectives are monitored in different ways in the different operating segments.

The Group manages the Automotive segment's capital with reference to a ratio equal to the segment's net indebtedness divided by the sum of shareholders' equity (net indebtedness includes all non-operating interest-bearing financial liabilities and commitments less cash and cash equivalents and other non-operating financial assets such as marketable securities or the segment's loans, shareholders' equity is as reported in the Group's balance sheet). This ratio stood at 1.2% at December 31, 2011 (6.3% at December 31, 2010).

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%. RCI Banque's overall solvency ratio was 11.23% at December 31, 2011 (11.86% at December 31, 2010).

The Group also partially hedges its investment in Nissan (note 14-H).

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, 2011	DECEMBER 31, 2010
Total value of treasury shares (€ *million)*	200	145
Total number of treasury shares	4,059,255	2,895,381

D – Distributions

At the General and Extraordinary Shareholders' Meeting of April 29, 2011, it was decided to distribute a dividend of €0.30 per share or a total of €88 million (no dividends were distributed in 2010). This dividend was paid during May.

E – Translation adjustment

The change in translation adjustment over the year is as follows:

(€ million)	2011	2010
Change in translation adjustment on the value of the investment in Nissan	694	1,923
Impact, net of tax, of partial hedging of the investment in Nissan (note 14-H)	(142)	(242)
Total change in translation adjustment related to Nissan	**552**	**1,681**
Other changes in translation adjustment	(156)	354
TOTAL CHANGE IN TRANSLATION ADJUSTMENT	**396**	**2,035**

In 2011, other changes in the translation adjustment mostly resulted from movements in the Brazilian real, the Russian rouble and the Turkish lira against the Euro. In 2010, the main currencies concerned were the Swedish krona and the Korean won.

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, 2010 (1)	**(51)**	**286**	**235**
Changes in fair value recorded in shareholders' equity	(38)	(335)	(373)
Transfer from shareholders' equity to the income statement (2)	11	(2)	9
At December 31, 2011 (1)	**(78)**	**(51) (3)**	**(129)**

(1) For the schedule of transfers of amounts related to cash flow hedges transferred to shareholders' equity, see note F-3 below.
(2) For a breakdown of the amounts related to cash flow hedges transferred to shareholders' equity, see note F-2 below.
(3) The revaluation reserve partly relates to Daimler shares (note 23-A).

F2 – Breakdown of the amounts related to cash flow hedges transferred from the financial instrument revaluation reserve to the income statement

(€ million)	2011	2010
Operating margin	12	108
Other operating income and expenses	-	-
Net financial income (expense)	(1)	-
Share in net income of associates	-	25
Current and deferred taxes	-	-
TOTAL TRANSFERRED TO THE INCOME STATEMENT FOR CASH FLOW HEDGES	**11**	**133**

F3 – Schedule of amounts related to cash flow hedges transferred from the financial instruments revaluation reserve to the income statement

(€ million)	DECEMBER 31, 2011	DECEMBER 31, 2010
Within one year	2	2
After one year	(47)	(36)
Revaluation reserve for cash flow hedges excluding associates	***(45)***	***(34)***
Revaluation reserve for cash flow hedges - associates	(33)	(17)
TOTAL REVALUATION RESERVE FOR CASH FLOW HEDGES	**(78)**	**(51)**

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.

Six new stock-option or free share plans were introduced in 2011. All plans introduced since 2006 include performance conditions which determine the number of options or shares granted to beneficiaries.

G1 – Changes in the number of stock-options held by personnel

	2011			2010		
	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	**10,387,702**	**68**		**10,977,350**	**67**	
Granted	766,000	37	-	-		-
Exercised	-		-	-		-
Expired	(2,558,295)	52	N/A	(589,648)	54	N/A
Outstanding at December 31	**8,595,407**	**70**		**10,387,702**	**68**	

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G2 – Options and free share attribution rights yet to be exercised at December 31, 2011

PLAN	TYPE OF PLAN	GRANT DATE	EXERCISE PRICE *(€)*	OUTSTANDING	EXERCISE PERIOD
Plan 8	Stock purchase options	September 5, 2002	49.21	1,484,667	September 6, 2007 - September 4, 2012
Plan 10	Stock subscription options	September 14, 2004	66.03	2,012,850	September 15, 2008 - September 13, 2012
Plan 11	Stock subscription options	September 13, 2005	72.98	1,477,900	September 14, 2009 - September 12, 2013
Plan 12	Stock subscription options	May 4, 2006	87.98	1,316,834	May 5, 2010 – May 5, 2014
Plan 14	Stock subscription options	December 5, 2006	93.86	1,537,156	December 6, 2010 – December 4, 2014
Plan 17	Stock purchase options	April 29, 2011	38.80	176,000	April 30, 2015 – April 28, 2019
Plan 17 *bis*	Attribution of free shares	April 29, 2011		502,500 41,800	April 30, 2013 – April 30, 2015 April 30, 2015
Plan 18	Stock purchase options	April 29, 2011	38.80	490,000	April 30, 2015 – April 28, 2019
Plan 18 *bis*	Attribution of free shares	April 29, 2011		1,138,600 94,800	April 30, 2014 – April 30, 2016 April 30, 2015
Plan 19	Stock purchase options [(1)]	December 8, 2011	26.87	300,000	December 9, 2015– December 7, 2019
Plan 19 *bis*	Attribution of free shares [(1)]	December 8, 2011		556,700 53,200	December 8, 2013 – December 8, 2015 December 8, 2015

(1) Beneficiaries of these plans decided in 2011 were informed of the allocation in early 2012, except for the Chairman and CEO who was allocated 100,000 stock-options on December 8, 2011.

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 plan 8, and four years for plans 10 to 18. For stock-option plans, the exercise period then covers five years for plan 8 and four years for plans 10 to 18. 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)*	UNIT FAIR VALUE	EXPENSE FOR 2011 *(€ million)*	EXPENSE FOR 2010 *(€ million)*	SHARE PRICE AT GRANT DATE *(€)*	VOLATILITY	INTEREST RATE	EXERCISE PRICE *(€)*	DURATION OF OPTION	DIVIDEND PER SHARE *(€)*
Plan 10	39,870	19.75	-	-	69.05	27.0%	3.71%	66.03	4-8 years	1.40
Plan 11	22,480	14.65	-	-	72.45	23.5%	2.68%	72.98	4-8 years	1.80
Plan 12 [(1)]	17,324	16.20	-	(2)	87.05	28.1%	3.90%	87.98	4-8 years	2.40 – 4.50
Plan 14 [(1)]	26,066	15.00	-	(6)	92.65	26.7%	3.88%	93.86	4-8 years	2.40 – 4.50
Plan 17	1,229	9.31	-	-	36.70	37.28%	2.28%	38.80	4-8 years	0.30 – 1.16
Plan 17 *bis*	13,267	32.50	-	-	36.70	N/A	2.28%	N/A	2-4 years	0.30 – 1.16
Plan 18	3,422	9.31	(1)	-	36.70	37.28%	2.28%	38.80	4-8 years	0.30 – 1.16
Plan 18 *bis*	28,711	31.04	(5)	-	36.70	N/A	2.28%	N/A	3-5 years	0.30 – 1.16
Total	152,369		(6)	(8)						

(1) For these plans, options or free share attribution rights have been awarded at different dates within the stated period. The information reported may correspond to weighted averages based on quantities awarded per grant date.

NOTE 21 – PROVISIONS

A – Provisions at December 31

(€ million)	DECEMBER 31, 2011	DECEMBER 31, 2010
Provisions (other than provisions for pension and other long-term employee obligations)	**1,743**	**1,962**
Provisions for restructuring and workforce adjustment costs	368	544
Provisions for warranty costs	675	728
Provisions for tax risks and litigation	284	311
Other provisions	416	379
Provisions for pension and other long-term employee benefit obligations	**1,350**	**1,246**
TOTAL PROVISIONS	**3,093**	**3,208**
Provisions – long-term	*2,227*	*2,243*
Provision – short-term	*866*	*965*

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, 2010	**544**	**728**	**311**	**379**	**1,962**
Increases	26	410	64	126	626
Reversals of provisions for application	(85)	(363)	(60)	(37)	(545)
Reversals of unused balance of provisions	(117)	(94)	(22)	(54)	(287)
Changes in scope of consolidation	-	-	-	2	2
Translation adjustments and other changes	-	(6)	(9)	-	(15)
At December 31, 2011	**368**	**675**	**284**	**416**	**1,743**

In 2011, increases to restructuring provisions essentially comprise the effect of workforce adjustment measures in Europe (note 7-A).

Most of the reversals of unused provisions for restructuring reflect the discontinuation in 2011 of the Group's plan to reorganize its establishments in the Paris area, and the updating of the provision for workforce adjustment measures in France, reflecting the options chosen in 2011 by employees eligible for these measures (note 7-A).

At December 31, 2011, other provisions included €35 million of provisions established in application of environmental regulations (€40 million at December 31, 2010). These provisions include environmental compliance costs for industrial land that the Group intends to sell (particularly on the Boulogne-Billancourt site) and expenses related to the EU directive on end-of-life vehicles (note 29-A2). They also include technical provisions established by the Sales Financing segment's insurance companies, amounting to €105 million (€52 million at December 31, 2010).

As greenhouse gas emissions were lower than the Group's allocated quotas, no associated provisions were booked at December 31, 2011.

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 €576 million in 2011.

DEFINED-BENEFIT PLANS

Provisions are established for this type of plan, mainly concerning indemnities payable upon retirement, but also covering:

- other payments upon retirement and supplementary pensions;
- other long-term benefits, chiefly long-service awards and flexible holiday entitlements;
- healthcare expense coverage.

Defined-benefit plans are sometimes covered by funds which are valued annually based on market value. The value of fund assets, if any, is deducted from the corresponding liability. In view of the amounts involved, the Group's exposure to risk resulting from changes in these fund asset values is low (see note 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)]	4.3%

(1) The rate most frequently used to value the Group's obligations in France is 4.3% (4.5% in 2010) However, the rate varies between companies depending on the maturities of obligations.

The weighted average rate of return expected for the Group's principal funds is 4.9% in 2011. In the UK, where a significant portion of the Group's pension funds are invested, the expected rate of return is 5.9%.

This return is determined based on past returns for each category of assets included in the portfolios.

C3 – Net expense for the year

(€ million)	2011	2010
Current service cost	95	83
Amortization of past service cost	(2)	(2)
Interest cost	65	65
Expected return on fund assets	(18)	(18)
Effects of workforce adjustment measures	-	(1)
Net expense (income) for the year	**140**	**127**

C4 – Provisions at December 31

(€ million)	DECEMBER 31, 2011	DECEMBER 31, 2010
French companies	1,131	1,039
Foreign companies	219	207
TOTAL	**1,350**	**1,246**

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, 2010	**1,632**	**(392)**	**1,240**	**6**	**1,246**
Net expense for the year 2011 (note 21-C3)	160	(18)	142	(2)	140
Benefits paid out	(71)	18	(53)	-	(53)
Contributions to funds	-	(10)	(10)	-	(10)
Actuarial gains (losses)	22	1	23	-	23
Translation adjustments	8	(7)	1	-	1
Change in scope of consolidation and other	1	2	3	-	3
Balance at December 31, 2011	**1,752**	**(406)**	**1,346**	**4**	**1,350**

C6 – Breakdown of fund assets

(€ million)	DECEMBER 31, 2011	DECEMBER 31, 2010
Equities	90	92
Bonds	271	254
Other	45	46
TOTAL FUND ASSETS	**406**	**392**

The weighted average real rate of return expected for the Group's principal funds is 3.7% in 2011. In the UK, where a significant portion of the Group's pension funds are invested, the expected real rate of return for 2011 is 5.7%.

The current best estimate for contributions payable in 2012 is close to €10 million.

C7 – Historical data

(€ million)	DECEMBER 31, 2011	DECEMBER 31, 2010	DECEMBER 31, 2009	DECEMBER 31, 2008	DECEMBER 31, 2007
Obligations not covered by funds	1,206	1,119	1,045	977	1,130
Obligations covered by funds	546	513	447	376	450
Total obligations (A)	1,752	1,632	1,492	1,353	1,580
Value of fund assets (B)	406	392	347	307	388
Funding status (B) – (A)	**(1,346)**	**(1,240)**	**(1,145)**	**(1,046)**	**(1,192)**
Actuarial gains and losses on obligations recorded in equity during the year (before tax)	**(23)**	**(38)**	**(66)**	**44**	**(93)**
Actuarial gains and losses on fund assets recorded in equity during the year (before tax)	**(1)**	**19**	**12**	**(47)**	**10**

The cumulative actuarial net-of-tax gains and losses (excluding the associates' share) included in Other components of comprehensive income is €(278) million at December 31, 2011 (€(255) million at December 31, 2010).

NOTE 22 – OTHER CURRENT AND NON-CURRENT LIABILITIES

	DECEMBER 31, 2011			DECEMBER 31, 2010		
(€ million)	NON-CURRENT	CURRENT	TOTAL	NON-CURRENT	CURRENT	TOTAL
Tax liabilities (excluding current taxes)	308	819	1,127	350	670	1,020
Social liabilities	15	1,599	1,614	13	1,543	1,556
Other liabilities	255	3,555	3,810	244	3,171	3,415
Deferred income	146	559	705	127	436	563
Derivatives on operating transactions of the Automotive segment	-	2	2	-	1	1
TOTAL	**724**	**6,534**	**7,258**	**734**	**5,821**	**6,555**

Other liabilities mainly correspond to deferred income recorded in connection with sales contracts including a buy-back commitment.

4.2.7.4 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, 2011			DECEMBER 31, 2010		
(€ million)	NON-CURRENT	CURRENT	TOTAL	NON-CURRENT	CURRENT	TOTAL
Investments in non-controlled entities	699	-	699	928	-	928
Other securities	-	88	88	-	56	56
Loans	89	329	418	89	485	574
Derivative assets on financing operations by the Automotive segment	280	827	1,107	711	258	969
Total financial assets	**1,068**	**1,244**	**2,312**	**1,728**	**799**	**2,527**
Gross value	*1,069*	*1,257*	*2,326*	*1,729*	*811*	*2,540*
Impairment	*(1)*	*(13)*	*(14)*	*(1)*	*(12)*	*(13)*
Cash equivalents	-	118	118	-	96	96
Cash on hand and bank deposits	-	8,554	8,554	-	9,929	9,929
TOTAL CASH AND CASH EQUIVALENTS	**-**	**8,672**	**8,672**	**-**	**10,025**	**10,025**

Investments in non-controlled entities include €558 million (€834 million at December 31, 2010) for the Daimler shares purchased under the strategic partnership agreement. These shares are classified as available-for-sale financial assets and their fair value is determined by reference to the market price at December 31, 2011. The corresponding decline in value, amounting to €276 million for 2011, is recorded in other components of comprehensive income. Since the stock market price was close to the acquisition price at December 31, 2011, no loss has been recognized in the income statement.

Investments in non-controlled entities also include €103 million (€58 million at December 31, 2010) paid to the Modernization Fund for Automotive Equipment Manufacturers (Fonds de Modernisation des Equipementiers Automobiles - FMEA), as part of the support plan for these suppliers introduced by the French authorities and automakers. Renault has undertaken a commitment to pay a total of €200 million as funds are called.

The current portion of other securities corresponds to securities that cannot be classified as cash equivalents.

The Group has liquidities in countries where repatriation of funds can be complex for regulatory or political reasons. In most of these countries, such funds are used locally for industrial purposes. At December 31, 2011, repatriation difficulties linked to foreign exchange controls in Iran concern funds amounting to €196 million.

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	-	-	699	699	-	699
Other securities	-	-	88	88	-	88
Loans	-	-	-	-	418	418
Derivative assets on financing operations by the Automotive segment	991	116	-	1,107	-	1,107
Total financial assets at December 31, 2011	**991**	**116**	**787**	**1,894**	**418**	**2,312**
Cash equivalents	82	-	36	118	-	118
Cash on hand and bank deposits	-	-	-	-	8,554	8,554
TOTAL CASH AND CASH EQUIVALENTS AT DECEMBER 31, 2011	**82**	**-**	**36**	**118**	**8,554**	**8,672**
Investments in non-controlled entities	-	-	928	928	-	928
Other securities	1	-	55	56	-	56
Loans	-	-	-	-	574	574
Derivative assets on financing operations by the Automotive segment	882	87	-	969	-	969
Total financial assets at December 31, 2010	**883**	**87**	**983**	**1,953**	**574**	**2,527**
Cash equivalents	67	-	29	96	-	96
Cash on hand and bank deposits	-	-	-	-	9,929	9,929
TOTAL CASH AND CASH EQUIVALENTS AT DECEMBER 31, 2010	**67**	**-**	**29**	**96**	**9,929**	**10,025**

(1) Including derivatives not designated as hedges for accounting purposes.

No financial assets were reclassified in 2011 (nor 2010).

The fair value of loans is €431 million at December 31, 2011 (€595 million at December 31, 2010). 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, 2011 and December 31, 2010 for loans with similar conditions and maturities.

The fair value of cash on hand and bank deposits is equal to their net book value, due to their short-term maturity.

NOTE 24 – FINANCIAL LIABILITIES AND SALES FINANCING DEBTS

A – Current/non-current breakdown

	DECEMBER 31, 2011			DECEMBER 31, 2010		
(€ million)	NON-CURRENT	CURRENT	TOTAL	NON-CURRENT	CURRENT	TOTAL
Renault SA redeemable shares	231	-	231	262	-	262
Bonds	3,895	1,131	5,026	4,180	968	5,148
Other debts represented by a certificate	-	200	200	-	416	416
Borrowings from credit institutions (at amortized cost)	1,049	1,029	2,078	1,142	749	1,891
Borrowings from credit institutions (at fair value)	222	-	222	223	-	223
Other interest-bearing borrowings	512	72	584	425	2,165	2,590
Financial liabilities of the Automotive segment (excluding derivatives)	**5,909**	**2,432**	**8,341**	**6,232**	**4,298**	**10,530**
Derivative liabilities on financing operations of the Automotive segment	157	798	955	602	248	850
Total financial liabilities of the Automotive segment	**6,066**	**3,230**	**9,296**	**6,834**	**4,546**	**11,380**
DIAC redeemable shares	10	-	10	11	-	11
Bonds	-	10,767	10,767	-	7,808	7,808
Other debts represented by a certificate	251	6,918	7,169	251	7,315	7,566
Borrowings from credit institutions	-	4,133	4,133	-	4,007	4,007
Other interest-bearing borrowings	-	87	87	-	99	99
Total financial liabilities and debts of the Sales Financing segment (excluding derivatives)	**261**	**21,905**	**22,166**	**262**	**19,229**	**19,491**
Derivative liabilities on financing operations of the Sales Financing segment	-	91	91	-	137	137
Financial liabilities and debts of the Sales Financing segment	**261**	**21,996**	**22,257**	**262**	**19,366**	**19,628**
TOTAL FINANCIAL LIABILITIES AND SALES FINANCING DEBTS	**6,327**	**25,226**	**31,553**	**7,096**	**23,912**	**31,008**

Redeemable shares

The redeemable shares issued in October 1983 and April 1984 by Renault SA are subordinated perpetual shares. They earn a minimum annual return of 9% comprising a fixed portion (6.75%) and a variable portion that depends on consolidated revenues and is calculated based on identical Group structure and methods. The return on redeemable shares, amounting to €17 million for 2011 (€14 million for 2010), is included in interest expenses. These shares are listed on the Paris Stock Exchange, and traded for €328 at December 31, 2010 and €290 at December 31, 2011 for par value of €153, leading to a corresponding €31 million adjustment to the fair value of redeemable shares recorded in other financial income (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 2011, Renault SA redeemed bonds issued between 2004 and 2008 for a total of €941 million, and undertook new bond issues totalling €712 million with maturities between 2013 and 2016.

RCI Banque also redeemed bonds for a total of €2,528 million in 2011, and issued new bonds totalling €5,160 million and maturing between 2012 and 2016.

€3 billion loan from the French government in 2009

In 2011 the Group undertook early repayment of €2 billion, thus completing repayment of the €3 billion loan received from the French government in April 2009.

€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 favourable 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 research and development expenses financed by the loan.

Credit lines

At December 31, 2011, Renault SA had confirmed credit lines opened with banks worth €3,810 million (€4,015 million at December 31, 2010). The short-term portion amounted to €880 million at December 31, 2011 (€755 million at December 31, 2010). These credit lines had not been used at December 31, 2011 (or in 2010).

Sales financing's confirmed credit lines opened in several currencies with banks amounted to €4,589 million (€4,570 million at December 31, 2010). The short-term portion amounted to €507 million at December 31, 2011 (€1,377 million at December 31, 2010). These credit lines were unused at December 31, 2011 (they were used to the extent of €3 million at December 31, 2010).

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)		
(€ million) **DECEMBER 31, 2011**	INSTRUMENTS HELD FOR TRADING (1)	HEDGING DERIVATIVES	INSTRUMENTS DESIGNATED FROM INITIAL RECOGNITION AS AT FAIR VALUE	TOTAL INSTRUMENTS STATED AT FAIR VALUE	BALANCE SHEET VALUE	FAIR VALUE	BALANCE SHEET VALUE
Renault SA redeemable shares	-	-	231	231	-	-	231
Bonds	-	-	-	-	5,026	5,057	5,026
Other debts represented by a certificate	-	-	-	-	200	200	200
Borrowings from credit institutions	-	-	222	222	2,078	2,082	2,300
Other interest-bearing borrowings	-	-	-	-	584	584	584
Derivative liabilities on financing operations of the Automotive segment	950	5	-	955	-	-	955
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENT	**950**	**5**	**453**	**1,408**	**7,888**	**7,923**	**9,296**
Diac redeemable shares	-	-	10	10	-	-	10
Bonds	-	-	-	-	10,767	10,600	10,767
Other debts represented by a certificate	-	-	-	-	7,169	7,197	7,169
Borrowings from credit institutions	-	-	-	-	4,133	4,112	4,133
Other interest-bearing borrowings	-	-	-	-	87	87	87
Derivative liabilities on financing operations of the Sales Financing segment	42	49	-	91	-	-	91
FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT	**42**	**49**	**10**	**101**	**22,156**	**21,996**	**22,257**

(1) Including derivatives not classified as hedges for accounting purposes.
(2) Including financial liabilities subject to fair value hedges.

(€ million) DECEMBER 31, 2010	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	-	-	262	262	-	-	262
Bonds	-	-	-	-	5,148	5,318	5,148
Other debts represented by a certificate	-	-	-	-	416	416	416
Borrowings from credit institutions	-	-	223	223	1,891	1,877	2,114
Other interest-bearing borrowings	-	-	-		2,590	2,645	2,590
Derivative liabilities on financing operations of the Automotive segment	847	3	-	850	-	-	850
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENT	**847**	**3**	**485**	**1,335**	**10,045**	**10,256**	**11,380**
DIAC redeemable shares	-	-	11	11	-	-	11
Bonds	-	-	-	-	7,808	8,178	7,808
Other debts represented by a certificate	-	-	-	-	7,566	7,553	7,566
Borrowings from credit institutions	-	-	-	-	4,007	3,966	4,007
Other interest-bearing borrowings	-	-	-	-	99	99	99
Derivative liabilities on financing operations of the Sales Financing segment	83	54	-	137	-	-	137
FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT	**83**	**54**	**11**	**148**	**19,480**	**19,796**	**19,628**

(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, 2011 and 2010 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 Automotive segment

	DECEMBER 31, 2011							
(€ million)	BALANCE SHEET VALUE	TOTAL CONTRACTUAL FLOWS	-1 YEAR	1 - 2 YEARS	2 - 3 YEARS	3 - 4 YEARS	4 - 5 YEARS	+5 YEARS
Bonds issued by Renault SA (by issue date)								
2003	41	41	-	-	41	-	-	-
2005	100	100	100	-	-	-	-	-
2006	555	555	-	527	28	-	-	-
2007	610	610	541	-	59	-	-	10
2008	420	420	-	420	-	-	-	-
2009	750	750	-	-	750	-	-	-
2010	1,764	1,764	449	170	-	645	-	500
2011	758	758	-	154	70	-	534	-
Accrued interest, expenses and premiums	28	50	50	-	-	-	-	-
Total bonds	**5,026**	**5,048**	**1,140**	**1,271**	**948**	**645**	**534**	**510**
Other debts represented by a certificate	200	200	200	-	-	-	-	-
Borrowings from credit institutions	2,300	2,313	1,029	854	262	92	19	57
Other interest-bearing borrowings	584	771	66	27	30	18	10	620
Total other financial liabilities	**3,084**	**3,284**	**1,295**	**881**	**292**	**110**	**29**	**677**
Future interest on bonds and other financial liabilities	**-**	**813**	**146**	**177**	**136**	**80**	**41**	**233**
Redeemable shares	**231**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Derivative liabilities on financing operations	**955**	**955**	**798**	**104**	**13**	**10**	**30**	**-**
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENT	**9,296**	**10,100**	**3,379**	**2,433**	**1,389**	**845**	**634**	**1,420**

The portion of financial liabilities of the Automotive segment maturing within one year breaks down as follows:

	DECEMBER 31, 2011			
(€ million)	CONTRACTUAL FLOWS MATURING WITHIN 1 YEAR	-1 MONTH	1-3 MONTHS	3 MONTHS - 1 YEAR
Bonds	1,140	3	35	1,102
Other financial liabilities	1,295	441	239	615
Future interest on bonds and other financial liabilities	146	-	19	127
Redeemable shares	-	-	-	-
Derivative liabilities on financing operations	798	203	355	240
TOTAL FINANCIAL LIABILITIES MATURING WITHIN 1 YEAR	**3,379**	**647**	**648**	**2,084**

C2 – Financial liabilities and debts of the Sales Financing segment

(€ million)	DECEMBER 31, 2011 BALANCE SHEET VALUE	TOTAL CONTRACTUAL FLOWS	-1 YEAR	1 - 2 YEARS	2 - 3 YEARS	3 - 4 YEARS	4 - 5 YEARS	+5 YEARS
Bonds issued by RCI Banque (year of issue)								
2005	33	33	23	-	-	10	-	-
2006	14	14	-	-	-	14	-	-
2007	500	500	500	-	-	-	-	-
2009	756	756	756	-	-	-	-	-
2010	3,888	3,859	1,084	1,446	-	618	711	-
2011	5,385	5,261	269	628	2,515	603	1,246	-
Accrued interest, expenses and premiums	191	228	228	-	-	-	-	-
Total bonds	**10,767**	**10,651**	**2,860**	**2,074**	**2,515**	**1,245**	**1,957**	**-**
Other debts represented by a certificate	7,169	7,169	5,012	1,052	639	466	-	-
Borrowings from credit institutions	4,133	4,126	2,899	343	610	204	60	10
Other interest-bearing borrowings	87	87	87	-	-	-	-	-
Total other financial liabilities	**11,389**	**11,382**	**7,998**	**1,395**	**1,249**	**670**	**60**	**10**
Future interest on bonds and other financial liabilities	**-**	**1,365**	**403**	**395**	**298**	**191**	**69**	**9**
Redeemable shares	**10**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Derivative liabilities on financing operations	**91**	**394**	**169**	**124**	**53**	**37**	**11**	**-**
TOTAL FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT	**22,257**	**23,792**	**11,430**	**3,988**	**4,115**	**2,143**	**2,097**	**19**

The portion of financial liabilities and debts of the Sales Financing segment maturing within one year breaks down as follows:

(€ million)	DECEMBER 31, 2011 CONTRACTUAL FLOWS MATURING WITHIN 1 YEAR	-1 MONTH	1-3 MONTHS	3 MONTHS – 1 YEAR
Bonds	2,860	604	33	2,223
Other financial liabilities	7,998	2,592	3,313	2,093
Future interest on bonds and other financial liabilities	403	11	29	363
Redeemable shares	-	-	-	-
Derivative liabilities on financing operations	169	23	32	114
TOTAL FINANCIAL LIABILITIES MATURING WITHIN 1 YEAR	**11,430**	**3,230**	**3,407**	**4,793**

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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, 2011
(€ million)	FAIR VALUE IN BALANCE SHEET	LEVEL 1	LEVEL 2	LEVEL 3
Investments in non-controlled entities	699	558	-	141
Other securities	88	34	54	-
Derivative assets on financing operations by the Automotive segment	1,107	-	1,107	-
Derivative assets on transactions undertaken for operating purposes by the Automotive segment	-	-	-	-
Derivative assets on financing operations by the Sales Financing segment	310	-	310	-
Cash equivalents	118	115	3	-
Financial instruments stated at fair value in the balance sheet assets	**2,322**	**707**	**1,474**	**141**
Renault SA redeemable shares	231	231	-	-
Borrowings from credit institutions by the Automotive segment	222	-	222	-
Derivative liabilities on transactions undertaken for financing purposes by the Automotive segment	955	-	955	-
Derivative liabilities on transactions undertaken for operating purposes by the Automotive segment	2	-	2	-
DIAC redeemable shares	10	10	-	-
Derivative liabilities on financing operations of the Sales Financing segment	91	-	91	-
Financial instruments stated at fair value in the balance sheet liabilities	**1,511**	**241**	**1,270**	**-**

Estimated fair values are based on information available on the markets and arrived at using valuation methods appropriate to the types of instrument in question. However, the methods and assumptions used are by nature theoretical, and judgment plays a major role in interpreting market data.

Fair values have been determined on the basis of information available at the end of the year and do not therefore take account of subsequent movements.

In general, the valuation methods for each level are as follows:

- level 1: fair value is identical to the most recent listed price;
- level 2: fair value is generally determined by recognized valuation models that use observable market data;
- level 3: the fair value of investments in non-controlled companies is based on the share of net assets.

In 2011 no financial instruments were transferred between level 1 and level 2, or into or out of level 3.

B – Changes in level 3 financial instruments

Level 3 financial instruments amounted to €141 million at December 31, 2011. They increased by €47 million over the year, essentially due to payments made in 2011 to the Modernization Fund for Automotive Equipment Manufacturers (Fonds de Modernisation des Équipementiers Automobiles - FMEA), as part of the support plan for these suppliers introduced by the French authorities and automakers.

C – Impact of financial instrument on net income

(€ million) 2011	FINANCIAL ASSETS OTHER THAN DERIVATIVES: INSTRUMENTS HELD FOR TRADING	FINANCIAL ASSETS OTHER THAN DERIVATIVES: AVAILABLE-FOR-SALE INSTRUMENTS	FINANCIAL ASSETS OTHER THAN DERIVATIVES: LOANS AND RECEIVABLES	FINANCIAL LIABILITIES OTHER THAN DERIVATIVES: INSTRUMENTS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT AND LOSS	FINANCIAL LIABILITIES OTHER THAN DERIVATIVES: INSTRUMENTS STATED AT AMORTIZED COST [(1)]	DERIVATIVES	TOTAL IMPACT ON NET INCOME
Interest income	2	-	204	-	-	29	235
Interest expenses	-	-	-	(16)	(427)	(11)	(454)
Change in fair value	-	1	(2)	32	1	26	58
Impairment	-	-	23	-	-	-	23
Dividends	-	33	-	-	-	-	33
Gains (losses) on sale	-	-	-	-	-	-	-
Net foreign exchange gains and losses	18	-	97	-	(100)	-	15
TOTAL IMPACT ON NET INCOME - AUTOMOTIVE SEGMENT	**20**	**34**	**322**	**16**	**(526)**	**44**	**(90)**
Including:							
- operating margin	-	-	*80*	-	*(85)*	*13*	*8*
- other operating income and expenses	-	-	-	-	-	-	-
- net financial income (expense)	*20*	*34*	*242*	*16*	*(441)*	*31*	*(98)*
Interest income	-	3	1,511	-	-	118	1,632
Interest expenses	-	-	-	-	(984)	(104)	(1,088)
Change in fair value	-	-	-	3	(182)	247	68
Impairment	-	-	(25)	-	-	-	(25)
Dividends	-	4	-	-	-	-	4
Gains (losses) on sale	-	-	-	-	-	-	-
Net foreign exchange gains and losses	-	-	-	-	(66)	-	(66)
TOTAL IMPACT ON NET INCOME - SALES FINANCING SEGMENT	**-**	**7**	**1,486**	**3**	**(1,232)**	**261**	**525**
Including:							
- operating margin	-	*7*	*1,486*	*3*	*(1,232)*	*261*	*525*
- other operating income and expenses	-	-	-	-	-	-	-
- net financial income (expense)	-	-	-	-	-	-	-
TOTAL GAINS AND LOSSES WITH IMPACT ON NET INCOME	**20**	**41**	**1,808**	**19**	**(1,758)**	**305**	**435**

(1) Including financial liabilities subject to fair value hedges.

For the Automotive segment, the impact of financial instruments on net income mainly corresponds to foreign exchange gains and losses on operating transactions, and impairment of operating receivables.

D – Fair value hedges

(€ million)	2011	2010
Change in fair value of the hedging instrument	212	(23)
Change in fair value of the hedged item	(211)	29
Net impact on net income of fair value hedges	**1**	**6**

This net impact of fair value hedges on net income corresponds to the ineffective portion of hedges. Hedge accounting methods are described in note 2-V.

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NOTE 26 – DERIVATIVES AND MANAGEMENT OF FINANCIAL RISKS

A – Fair value of derivatives

The fair value of derivatives corresponds to their balance sheet value.

(€ million) DECEMBER 31, 2011	FINANCIAL ASSETS NON-CURRENT	FINANCIAL ASSETS CURRENT	OTHER ASSETS CURRENT	FINANCIAL LIABILITIES AND SALES FINANCING DEBTS NON-CURRENT	FINANCIAL LIABILITIES AND SALES FINANCING DEBTS CURRENT	OTHER LIABILITIES CURRENT
Cash flow hedges	-	-	-	-	1	2
Fair value hedges	-	5	124	-	(4)	-
Hedge of the net investment in Nissan	-	-	-	-	-	-
Derivatives not classified as hedges and derivatives held for trading	-	426	26	-	489	-
TOTAL FOREIGN EXCHANGE RISK	**-**	**431**	**150**	**-**	**486**	**2**
Cash flow hedges	6	-	64	3	52	-
Fair value hedges	87	18	96	-	1	-
Derivatives not classified as hedges and derivatives held for trading	187	378	-	154	350	-
TOTAL INTEREST RATE RISK	**280**	**396**	**160**	**157**	**403**	**-**
Cash flow hedges	-	-	-	-	-	-
Fair value hedges	-	-	-	-	-	-
Derivatives not classified as hedges and derivatives held for trading	-	-	-	-	-	-
TOTAL COMMODITY RISK	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**280**	**827**	**310**	**157**	**889**	**2**

(€ million) DECEMBER 31, 2010	FINANCIAL ASSETS NON-CURRENT	FINANCIAL ASSETS CURRENT	OTHER ASSETS CURRENT	FINANCIAL LIABILITIES AND SALES FINANCING DEBTS NON-CURRENT	FINANCIAL LIABILITIES AND SALES FINANCING DEBTS CURRENT	OTHER LIABILITIES CURRENT
Cash flow hedges	-	-	7	-	-	-
Fair value hedges	-	-	39	-	-	-
Hedge of the net investment in Nissan	-	-	-	-	-	-
Derivatives not classified as hedges and derivatives held for trading	-	115	2	-	195	1
TOTAL FOREIGN EXCHANGE RISK	**-**	**115**	**48**	**-**	**195**	**1**
Cash flow hedges	9	-	22	3	38	-
Fair value hedges	78	-	19	-	15	-
Derivatives not classified as hedges and derivatives held for trading	624	143	-	599	137	-
TOTAL INTEREST RATE RISK	**711**	**143**	**41**	**602**	**190**	**-**
Cash flow hedges	-	-	-	-	-	-
Fair value hedges	-	-	-	-	-	-
Derivatives not classified as hedges and derivatives held for trading	-	-	-	-	-	-
TOTAL COMMODITY RISK	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**711**	**258**	**89**	**602**	**385**	**1**

The Renault group's specialist subsidiary Renault Finance handles the Automotive segment's short-term interbank investments. It is also Nissan's counterparty in derivatives trading to hedge exchange, interest rate and commodity risks.

The fair values of derivatives reported in the Group's consolidated 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 Automotive segment needs sufficient financial resources to finance its day-to-day business and the investments necessary for future growth. It therefore regularly borrows on the banking and capital markets to refinance its debt and guarantee liquidity for the Automotive segment, and this exposes it to liquidity risk in the event of market closures or tensions over credit availability. As part of its centralised cash management policy, Renault SA handles most refinancing for the Automotive segment through long-term resources via the capital markets (bond issues and private placements), short-term financing such as treasury notes, or project financing via the banking sector or semi-public bodies.

Medium-term refinancing for the Automotive segment in 2011 was mostly provided by a 5-year bond totalling €500 million issued 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.

In 2009 Renault received a 5-year €3 billion loan from the French government. After renegotiation with the government, Renault undertook early repayment of this loan in three instalments of €1 billion each, paid in September 2010, February 2011 and April 2011.

Renault also has confirmed credit lines opened with banks worth €3,810 million, maturing at various times up to 2016. None of these credit lines was used in 2011. These confirmed credit lines form a liquidity reserve for the Automotive segment, and act partly as backup lines of credit for short-term commercial paper issues.

The contractual documentation for these confirmed bank credit facilities contains no clause that might adversely affect credit availability or continuation as a result of a change in Renault's credit rating or financial ratio compliance.

Given its available cash reserves (€7.6 billion) and confirmed credit lines unused at year-end (€3.8 billion), the Automotive segment has sufficient financial resources to cover its commitments over a 12-month horizon.

Confirmed credit lines open but unused are described in note 24-A.

The Sales Financing segment's business depends on reliable access to financial resources: any restriction on access to banking and financial markets would lead to downscaling of its financing activity and/or raise the cost of the financing negotiated. The liquidity risk is closely monitored on a regular basis. The static liquidity position, which has been constantly positive over the last few years, reflecting surplus long-term resources compared to applications, remains positive. RCI Banque therefore distributes loans from resources raised several months previously, enabling the segment to maintain a stable financial margin.

The markets saw greatly contrasting developments in 2011. In the first half-year, the significant involvement of bond investors led to a steady tightening in credit spreads. Anxieties over the national debt of southern European countries reappeared towards the end of the half-year, resulting in a high level of risk aversion during the summer that was visible in all asset classes. In contrast to the situation in 2008, the bond market nonetheless remained open to corporate debt.

In this difficult environment RCI Banque registered strong growth in its commercial business and issued its highest ever volume of financing. The group borrowed more than €7 billion repayable in more than one year, including €3.35 billion on the euro bond market and €1.8 billion in securitizations. RCI Banque stepped up its ongoing diversification strategy begun in 2010, issuing its first private placement in US dollars for an amount equivalent to €0.9 billion. RCI Banque also issued bonds on international markets (Argentina, Belgium, Brazil and Korea).

The amounts borrowed and the variety of sources of access to liquidity demonstrate that RCI Banque has stable, diversified access to financing.

These long-term resources, plus the €6.3 billion of available guarantees (consisting mainly of undrawn confirmed credit lines of €4.5 billion and €1.7 billion of available liquid receivables that can be redeemed at Central Banks), are sufficient to fund ongoing commercial business for eight months in a "stress scenario" assuming a total lack of new resources.

B2 – Foreign exchange risks

MANAGEMENT OF FOREIGN EXCHANGE RISKS

The Automotive segment is exposed to foreign exchange risks in the course of its industrial and commercial business. These risks are monitored and centralised by Renault's Cash and Financing department.

It is Renault's general policy not to hedge operating future cash flows in foreign currencies. As a result, the Group's operating margin is exposed to foreign exchange risks. The principal exception authorized by the General Management in 2011 concerned a foreign exchange hedge that partly hedges sales revenues in pounds sterling.

Subsidiaries' financing and investing cash flows in foreign currencies are usually hedged in the same currencies.

Most financial liabilities and debts of Sales Financing are in euros.

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Equity investments are not hedged, apart from the investment in Nissan, totalling ¥95 billion at December 31, 2011 (note 14-H).

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. In exceptional cases, limits are assigned to certain countries (particularly Russia: €8 million and Romania: €2.5 million).

The Group made no major changes to its foreign exchange risk management policy in 2011.

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-H).

Impacts are estimated solely on the basis of instant conversion of the financial assets and liabilities concerned at year-end after application of the 1% variation in the Euro exchange rate.

The impact on equity concerns the 1% variation in the Euro against other currencies applied to available-for-sale financial assets, cash flow hedges and the partial hedge of the investment in Nissan. All other impacts affect net income.

For the Automotive segment, the impact on shareholders' equity (before taxes) of a 1% rise in the Euro against the principal currencies, applied to financial instruments exposed to foreign exchange risks, would have an unfavourable effect of €9 million at December 31, 2011, 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, 2011 is not significant.

CURRENCY DERIVATIVES

	DECEMBER 31, 2011				DECEMBER 31, 2010			
(€ million)	NOMINAL	-1 YEAR	1 – 5 YEARS	+5 YEARS	NOMINAL	-1 YEAR	1 - 5 YEARS	+5 YEARS
Currency swaps – purchases	2,887	1,687	1,200	-	2,662	848	1,814	-
Currency swaps - sales	2,669	1,601	1,068	-	2,929	1,077	1,852	-
Forward purchases	20,771	20,771	-	-	12,004	11,887	117	-
Forward sales	20,794	20,794	-	-	12,026	11,909	117	-
Forward purchases – Future cash flows	100	100	-	-	275	275	-	-
Forward sales – Future cash flows	202	202	-	-	268	268	-	-

B3 – Interest rate risk

INTEREST RATE RISK MANAGEMENT

The Renault group's exposure to interest rate risk mainly concerns the sales financing business of RCI Banque and its subsidiaries. Customer loans are generally issued at fixed interest rates, for durations of between 12 and 72 months. Dealer credit is issued at floating rates for durations of less than 12 months.

Interest rate risk is monitored using a methodology common to the entire RCI group, to allow overall management of interest rate risks at consolidated group level. Exposure is assessed daily and hedging is systematic, using swaps to convert floating-rate liabilities to fixed-rate liabilities (cash flow hedges). The objective for each subsidiary is to hedge all risks in order to protect the sales margin.

The Automotive segment's interest rate risk management policy applies two 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 2011.

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 Automotive segment, the impact on net income and shareholders' equity (before taxes) of a 100 base point rise in interest rates applied to financial instruments exposed to interest rate risks would be €6 million and €3 million respectively at December 31, 2011.

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 €(53) million and €39 million respectively at December 31, 2011. 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 2010.

FIXED RATE/FLOATING RATE BREAKDOWN OF FINANCIAL LIABILITIES AND SALES FINANCING DEBTS, AFTER THE EFFECT OF DERIVATIVES (EXCLUDING DERIVATIVES)

(€ million)	DECEMBER 31, 2011	DECEMBER 31, 2010
Fixed rate	17,615	24,279
Floating rate	12,892	5,743
TOTAL FINANCIAL LIABILITIES, SALES FINANCING DEBTS (EXCLUDING DERIVATIVES)	**30,507**	**30,022**

INTEREST RATE DERIVATIVES

	DECEMBER 31, 2011				DECEMBER 31, 2010			
(€ million)	NOMINAL	-1 YEAR	1-5 YEARS	+5 YEARS	NOMINAL	-1 YEAR	1-5 YEARS	+5 YEARS
Interest rate swaps	32,994	16,150	16,816	28	35,603	13,797	21,165	641
FRAs	1	1	-	-	1,100	1,100		
Other interest rate hedging instruments	10	-	10	-	-	-	-	-

B4 – Equity risks

MANAGEMENT OF EQUITY RISKS

The Group's exposure to equity risks essentially concerns the Daimler shares acquired in connection with the cooperation agreements, and marketable securities indexed to share prices. The Group does not use equity derivatives to hedge this risk.

The Group made no major changes to its equity risk management policy in 2011.

ANALYSIS OF SENSITIVITY OF FINANCIAL INSTRUMENTS TO EQUITY RISKS

The sensitivity to equity risks resulting from application of a 10% decrease in share prices to the financial assets concerned at year-end would have an unfavourable impact of €57 million on shareholders' equity. The impact on net income is not significant at December 31, 2011.

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, 2011 for the Automotive segment business.

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.

Heightened vigilance over counterparty risk continued in 2011. No losses were recorded in 2011 due to default by a banking counterparty.

The Group has done business for several years with two partners in Iran, which is subject to international sanctions. Although the restrictions in force do not directly concern the automotive industry, the resulting international tensions can make operations in the country difficult. After analysis of payment flows with the Group's partners, no impairment has been recognized in respect of receivables.

4.2.7.5 CASH FLOWS AND OTHER INFORMATION

NOTE 27 – CASH FLOWS

A – Other income and expenses with no impact on cash

(€ million)	2011	2010
Net allocation to provisions	(193)	420
Net effects of sales financing credit losses	(86)	(88)
Net (gain) loss on asset disposals (1)	(136)	(2,146)
Change in fair value of redeemable shares	(32)	31
Change in fair value of other financial instruments	(10)	(29)
Deferred taxes	100	(282)
Other	(3)	7
OTHER INCOME AND EXPENSES WITH NO IMPACT ON CASH	**(360)**	**(2,087)**

(1) Including the €2,000 million gain on sale of the AB Volvo shares in 2010.

B – Change in working capital

(€ million)	2011	2010
Decrease (increase) in net inventories	152	(587)
Decrease (increase) in Automotive net receivables	22	(200)
Decrease (increase) in other assets	(258)	(21)
Increase (decrease) in trade payables	(181)	344
Increase (decrease) in other liabilities	471	728
INCREASE (DECREASE) IN WORKING CAPITAL	**206**	**264**

C – Capital expenditure

(€ million)	2011	2010
Purchases of intangible assets	(888)	(734)
Purchases of property, plant and equipment (other than leased vehicles)	(1,898)	(1,134)
Total purchases for the period	(2,786)	(1,868)
Deferred payments	331	1
TOTAL CAPITAL EXPENDITURE	**(2,455)**	**(1,867)**

D – Interest received and paid by the Automotive segment

(€ million)	2011	2010
Interest received	193	125
Interest paid	(501)	(507)
INTEREST RECEIVED AND PAID	**(308)**	**(382)**

NOTE 28 – RELATED PARTIES

A – Remuneration of directors and Executives and Executive Committee members

A1 – Remuneration of directors and Executives

The Board of Directors has combined the functions of Chairman of the Board of Directors and Chief Executive Officer. The Chairman and CEO receives no remuneration for his duties as Chairman of the Board.

The table below reports the remuneration paid, pro rata to the periods in which the functions were occupied:

(€ million)	2011	2010
Basic salary	1.2	1.2
Performance-related remuneration	1.6	-
Employer's social security charges	1.0	0.4
Complementary pension	0.5	0.7
Total remuneration excluding stock-options	4.3	2.3
Stock-option plans	0.1	0.7
Stock-option plans – effect of cancellations	-	-
Total remuneration under stock-option plans	0.1	0.7
Other components of remuneration	0.1	-
Chairman and Chief Executive Officer	**4.5**	**3.0**

Directors' fees amounted to €1,173,136 in 2011 (€599,311 in 2010), of which €48,000 were paid for the Chairman's functions (€28,000 in 2010).

A2 – Remuneration of Executive Committee members (other than the Chairman and Chief Executive Officer)

The consideration and related benefits of members of the Executive Committee (other than the Chairman and Chief Executive Officer), were recognized in expenses as follows:

(€ million)	2011	2010
Basic salary	3.8	3.2
Performance-related salary	1.2	1.0
Employer's social security charges	2.4	1.8
Complementary pension	0.7	1.4
Other	0.2	0.7
Total remuneration excluding stock-options	8.3	8.1
Stock-option plans	0.8	0.5
Stock-option plans – effect of cancellations	-	-
Total remuneration under stock-option plans	0.8	0.5
Executive Committee members (other than the Chairman and CEO)	**9.1**	**8.6**

B – Renault's investments in associates

Details of Renault's investments in Nissan, AB Volvo and AvtoVaz are provided respectively in notes 14, 15-A and 15-B.

NOTE 29 – OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

Renault enters into a certain number of commitments in the course of its business. When these commitments qualify as liabilities, they are covered by provisions (eg 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 and contingent liabilities

A1 – Ordinary operations

The Group is committed for the following amounts:

(€ million)	DECEMBER 31, 2011	DECEMBER 31, 2010
Other guarantees given [1]	220	317
Financing commitments in favor of customers [2]	1,627	2,004
Firm investment orders	784	610
Lease commitments	229	219
Assets pledged, provided as guarantees or mortgaged and other commitments [3]	126	136

(1) Including €40 million of financial guarantees at December 31, 2011 which could be called in immediately after the year-end.
(2) Confirmed credit lines opened for customers by the Sales Financing segment lead to a maximum payment of this amount within 12 months after the year-end.
(3) Assets pledged, provided as guarantees or mortgaged mainly concern guarantees of financial liabilities, provided by Renault Samsung Motors when it was acquired by Renault in 2000.

Lease commitments include rent from non-cancellable leases. The breakdown is as follows:

(€ million)	DECEMBER 31, 2011	DECEMBER 31, 2010
Less than 1 year	42	46
Between 1 and 5 years	142	123
More than 5 years	45	50
LEASE COMMITMENTS	**229**	**219**

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, 2011, Renault had not identified any significant risks in connection with these operations.

For five years from 2012, Renault has a unilateral option to sell its 18% investment in SNR (Société Nouvelle de Roulements). 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 and contingent assets

(€ million)	DECEMBER 31, 2011	DECEMBER 31, 2010
Other guarantees received [1]	3,016	2,782
Assets pledged or mortgaged [2]	2,127	1,361
Other commitments	57	136

(1) Including €1,656 million in 2011 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 €2,078 million at December 31, 2011.

Off balance sheet commitments received concerning confirmed opened credit lines are presented in note 24-A.

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NOTE 30 – FEES PAID TO STATUTORY AUDITORS AND THEIR NETWORK

The audit fees for Group's statutory auditors and their networks were as follows:

Ernst & Young network

	2011		2010		2011/2010	
(€ thousands)	AMOUNT EXCLUDING VAT	%	AMOUNT EXCLUDING VAT	%	AMOUNT	CHANGE
Audit						
Statutory audit, certification, review of individual and consolidated accounts						
- Issuer [(1)]	2,288	44.1%	2,288	46.6%	0	0%
- Fully consolidated subsidiaries	2,451	47.2%	2,376	48.4%	75	3.2%
Other inspections and services directly linked to the statutory auditor's mission						
- Issuer [(1)]	293	5.6%	63	1.3%	230	365.1%
- Fully consolidated subsidiaries	88	1.7%	102	2.1%	(14)	-13.7%
SUBTOTAL: AUDIT	**5,120**	**98.6%**	**4,829**	**98.4%**	**291**	**6.0%**
Other network services for the fully consolidated subsidiaries						
- Legal, tax, labour-related	70	1.4%	80	1.6%	(10)	-12.5%
- Other	-	-	-	-	-	-
SUBTOTAL: OTHER SERVICES	**70**	**1.4%**	**80**	**1.6%**	**(10)**	**-12.5%**
TOTAL FEES	**5,190**	**100%**	**4,909**	**100%**	**281**	**5.7%**

(1) Renault SA and Renault s.a.s.

Deloitte network

	2011		2010		2011/2010	
(€ thousands)	AMOUNT EXCLUDING VAT	%	AMOUNT EXCLUDING VAT	%	AMOUNT	CHANGE
Audit						
Statutory audit, certification, review of individual and consolidated accounts						
- Issuer [(1)]	2,610	35.5%	2,634	36.8%	(24)	-0.9%
- Fully consolidated subsidiaries	4,405	59.9%	4,291	59.9%	114	2.7%
Other inspections and services directly linked to the statutory auditor's mission						
- Issuer [(1)]	-	-	12	0.2%	(12)	-100%
- Fully consolidated subsidiaries	181	2.5%	32	0.4%	149	465.6%
SUBTOTAL: AUDIT	**7,196**	**97.9%**	**6,969**	**97.3%**	**227**	**3.3%**
Other network services for the fully consolidated subsidiaries						
- Legal, tax, labour-related	157	2.1%	193	2.7%	(36)	-18.7%
- Other	-	-	-	-	-	-
SUBTOTAL: OTHER SERVICES	**157**	**2.1%**	**193**	**2.7%**	**(36)**	**-18.7%**
TOTAL FEES	**7,353**	**100%**	**7,162**	**100%**	**191**	**2.7%**

(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, 2011	DECEMBER 31, 2010
Renault SA	France	Consolidating company	Consolidating company
AUTOMOTIVE			
FRANCE			
Renault s.a.s.	France	100	100
Arkanéo	France	100	100
Auto Châssis International (ACI) Le Mans	France	100	100
Auto Châssis International (ACI) Villeurbanne	France	100	100
Fonderie de Normandie	France	-	100
Fonderie de Bretagne	France	100	-
IDVU	France	100	100
IDVE	France	100	100
Maubeuge Construction Automobile (MCA)	France	100	100
Renault Environnement	France	100	100
Renault Développement Industriel et Commercial (RDIC)	France	100	100
Renault Retail Group SA and subsidiaries	France	100	100
Renault Samara	France	100	-
RDREAM	France	100	100
SCI parc industriel du Mans	France	100	100
SCI Plateau de Guyancourt	France	100	100
SNC Renault Cléon	France	100	100
SNC Renault Douai	France	100	100
SNC Renault Flins	France	100	100
SNC Renault Sandouville	France	100	100
Société des automobiles Alpine Renault	France	100	100
Sofrastock International	France	100	100
Société de transmissions automatiques	France	80	80
Société de véhicules automobiles de Batilly (SOVAB)	France	100	100
Société Immobilière de Construction Française pour l'Automobile et la Mécanique (SICOFRAM) and subsidiaries	France	100	100
Société Immobilière Renault Habitation (SIRHA)	France	100	100
Société Immobilière d'Epone	France	100	100
Société Immobilière pour l'Automobile et la Mécanique (SIAM)	France	100	100
SODICAM 2	France	100	100
Technologie et Exploitation Informatique (TEI)	France	100	100
EUROPE			
Renault Österreich and subsidiaries	Austria	100	100
Renault Belgique Luxembourg and subsidiaries	Belgium	100	100
Renault Industrie Belgique (RIB)	Belgium	100	100
Renault Croatia	Croatia	100	100
Renault Ceska Republica and subsidiaries	Czech Republic	100	100
Renault Deutsche AG and subsidiaries	Germany	100	100
Renault Hungaria and subsidiaries	Hungary	100	100
Renault Irlande	Ireland	100	100
Renault Italia and subsidiaries	Italy	100	100
Motor Reinsurance Company	Luxembourg	100	100
Renault Group b.v.	Nederland	100	100
Renault Nederland	Nederland	100	100
Renault Polska	Poland	100	100
Cacia	Portugal	100	100

RENAULT GROUP'S INTEREST (%)	COUNTRY	DECEMBER 31, 2011	DECEMBER 31, 2010
Renault Portuguesa and subsidiaries	Portugal	100	100
Renault Slovakia	Slovakia	100	100
Renault Nissan Slovenia d.o.o.	Slovenia	100	100
Revoz	Slovenia	100	100
Renault Espana Comercial SA (RECSA) and subsidiaries	Spain	100	100
Renault Espana SA and subsidiaries	Spain	100	100
Renault Nordic	Sweden	100	100
Renault Finance	Switzerland	100	100
Renault Suisse SA and subsidiaries	Switzerland	100	100
Grigny Ltd.	United Kingdom	100	100
Renault Retail Group U.K. Ltd.	United Kingdom	100	100
Renault U.K.	United Kingdom	100	100
EUROMED			
Renault Algérie	Algeria	100	100
Renault Nissan Bulgarie	Bulgaria	100	100
Renault Maroc	Morocco	80	80
Renault Maroc Service	Morocco	100	100
Renault Tanger Exploitation	Morocco	100	100
Renault Tanger Méditerranée	Morocco	100	100
Société marocaine de construction automobile (Somaca)	Morocco	77	77
Dacia and subsidiaries	Romania	99	99
Renault Industrie Roumanie	Romania	100	100
Renault Mécanique Roumanie	Romania	100	100
Renault Nissan Roumanie	Romania	100	100
Renault Technologie Roumanie	Romania	100	100
Oyak-Renault Otomobil Fabrikalari	Turkey	52	52
EURASIA			
AFM Industrie	Russia	100	100
Avtoframos	Russia	94	94
Remosprom	Russia	64	64
Renault Ukraine	Ukraine	100	100
AMERICA			
Groupe Renault Argentina	Argentina	100	100
Renault do Brasil LTDA	Brazil	100	100
Renault do Brasil SA	Brazil	100	100
Sociedad de Fabricacion de Automotores (Sofasa) and subsidiaries	Colombia	100	100
Renault Corporativo SA de C.V.	Mexico	100	100
Renault Mexico	Mexico	100	100
ASIA - AFRICA			
Renault Beijing Automotive Company	China	100	-
Renault Private Ltd.	India	100	100
Renault Pars	Iran	51	51
Renault South Africa and subsidiaries	South Africa	51	51
Renault Samsung Motors	South Korea	80	80
SALES FINANCING			
FRANCE			
Compagnie de Gestion Rationnelle (COGERA)	France	100	100
Diac	France	100	100
Diac Location	France	100	100
RCI Banque and branches	France	100	100
Société de Gestion, d'Exploitation de Services en Moyens Administratifs (SOGESMA)	France	100	100

RENAULT GROUP'S INTEREST (%)	COUNTRY	DECEMBER 31, 2011	DECEMBER 31, 2010
Société Internationale de Gestion et de Maintenance Automobile (SIGMA)	France	-	100
EUROPE			
RCI Bank AG	Austria	-	100
RCI Financial Services Belgique	Belgium	100	100
Renault Autofin SA Belgique	Belgium	100	100
RCI Finance CZ sro	Czech Republic	100	100
RCI Versicherungs Service GmbH	Germany	100	100
RCI Zrt Hongrie	Hungary	100	100
RCI Insurance Services Ltd.	Malta	100	100
RCI Life Ltd.	Malta	100	100
RCI Services Ltd.	Malta	100	100
RCI Financial Services b.v.	Nederland	100	100
RCI Bank Polska	Poland	100	100
Renault Credit Polska	Poland	100	100
RCI Gest IFIC and subsidiary	Portugal	100	100
RCI Gest Seguros	Portugal	100	100
Overlease Espagne	Spain	100	100
RCI Finance SA	Switzerland	100	100
RCI Financial Services Ltd.	United Kingdom	100	100
Renault Acceptance Ltd.	United Kingdom	100	100
EUROMED			
RCI Finance Maroc	Morocco	100	100
RCI Broker de Assigurare	Romania	100	100
RCI Finantare Romania	Romania	100	100
RCI Leasing Romania	Romania	100	100
AMERICA			
Courtage SA	Argentina	100	100
ROMBO Compania Financiera	Argentina	60	60
CAM RCI Brasil	Brazil	60	60
CFI Renault do Brasil	Brazil	60	60
Consorcio Renault do Brasil	Brazil	100	100
Renault do Brasil S/A Corr. de Seguros	Brazil	100	100
ASIA - AFRICA			
RCI Korea	South Korea	100	100

B – Proportionately consolidated companies (joint ventures)

RENAULT GROUP'S INTEREST (%)	COUNTRY	DECEMBER 31, 2011	DECEMBER 31, 2010
AUTOMOTIVE			
Française de Mécanique	France	50	50
Indra Investissements	France	50	50
Renault Nissan Technology and Business Centre India Private Limited (RNTBCI)	India	67	67
SALES FINANCING			
Renault Credit Car	Belgium	50	50
Renault Leasing CZ sro	Czech Republic	50	50

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C – Companies accounted for by the equity method (associates)

RENAULT GROUP'S INTEREST (%)	COUNTRY	DECEMBER 31, 2011	DECEMBER 31, 2010
AUTOMOTIVE			
Boone Comenor	France	24	12
Renault Nissan Automotive India Private Limited	India	30	30
Groupe Nissan	Japan	43,9	43,8
Groupe AvtoVAZ	Russia	25	25
Groupe AB Volvo	Sweden	6,8	6,8
MAIS	Turkey	49	49
SALES FINANCING			
Nissan Renault Finance Mexico	Mexico	15	15

4.3 STATUTORY AUDITORS' REPORTS

4.3.1 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Renault

Year ended December 31, 2011

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2011, on:

- the audit of the accompanying financial statements of Renault;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2011 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

- as disclosed in note 1.A to the financial statements, and in accordance with the Conseil national de la comptabilité (French National Accounting Body) Recommendation no. 34, your company has elected to use the equity method to value its investments in subsidiaries over which it exercises exclusive control. The equity value of these investments is determined in accordance with the accounting rules and methods used to draw up the consolidated financial statements of the Group. Our assessment of this equity value is based on the result of the procedures performed to audit the financial statements of the Group for the 2011 fiscal year.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code *(Code de commerce)* relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine et Paris-La Défense, February 17, 2012

The statutory auditors

French original signed by

DELOITTE & ASSOCIÉS

ERNST & YOUNG Audit

4.3.2 ON RELATED PARTY AGREEMENTS AND COMMITMENTS

Renault

General meeting of Shareholders to approve the financial statements for the year ended December 31, 2011

Statutory auditors' report on related party agreements and commitments

To the Shareholders,

In our capacity as statutory auditors of your company, we hereby report on certain related party agreements and commitments.

We are required 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, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*) concerning the implementation, during the year, of the agreements and commitments already approved by the General meeting of Shareholders.

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.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL BY THE GENERAL MEETING OF SHAREHOLDERS

AGREEMENTS AND COMMITMENTS AUTHORIZED DURING THE YEAR

We were not informed of any agreement or commitment authorised during the year ended 31 December 2011 and that is subject to approval by the Shareholders pursuant to Article L 225-38 of the French Commercial Code (*Code de commerce*).

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING OF SHAREHOLDERS

AGREEMENTS AND COMMITMENT APPROVED IN PRIOR YEARS WITH CONTINUING EFFECTS DURING THE YEAR

In accordance with Article R. 225-30 of the French Commercial Code (*Code de commerce*), we have been advised that the implementation of the following agreements and commitments which were approved by the General meeting of Shareholders in prior years continued during the year.

1. With RCI Banque

Credit facility agreement.

During its meeting of September 28, 2010, your Board of Directors has authorized the signature of a credit facility agreement, in the framework of the regulation relating to the control of the "Large risks" ratio as defined in Article 1.1 of French Banking and Financial Regulation committee (C*omité de la réglementation bancaire et financière*) regulation n°. 93-05, with which RCI Banque activity must comply as a credit institution, with RCI Banque for an amount of €550,000,000, with a view to allowing to reduce its credit exposure on Renault Retail Group, the Group's business distribution network.

This new agreement replaces the credit facility agreement with Cogera. In the 2011 fiscal year, the amount of interest income relating to this credit facility agreement reached €9,077,781.

2. With the French State

Loan agreement of three billion with French State signed on April 2009

During its meeting of July 29, 2010, your Board of Directors has authorized the signature of an amendment to the loan agreement with the French State which is compliant with decrees n°2009-348 of March 30, 2009 and n°2009-445 of April 20, 2009 in order to modify the early repayment conditions and especially to proceed, no later than September 2010, to the early repayment of one billion euros out of the three billion granted by the French State in April 2009. Your company has proceeded to a fully early repayment of the loan in April 26, 2011. In the 2011 fiscal year, the amount of interest expenses relating to this loan agreement reached €140,332,877.

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3. 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. In the 2011 fiscal year, the amount of finance interest income concerning this agreement totaled €545,776.

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 2011 fiscal year, the amount, free of taxes, invoiced by Renault s.a.s. concerning these services totaled €3,268,000.

Neuilly-sur-Seine et Paris-La Défense, February 17, 2012

French original signed by the statutory auditors

DELOITTE & ASSOCIÉS

ERNST & YOUNG Audit

4.4 RENAULT SA PARENT-COMPANY FINANCIAL STATEMENT

4.4.1 FINANCIAL STATEMENTS

INCOME STATEMENT

(€ million)	2011	2010
Operating expenses	(24)	(32)
Increases to operating provisions	(5)	(5)
NET OPERATING EXPENSE	**(29)**	**(37)**
Investment income	580	363
Increases to provisions related to investments	(4)	(5)
INVESTMENT INCOME AND EXPENSES (NOTE 2)	**576**	**358**
Foreign exchange losses	(268)	(212)
Increases to and reversals from provisions for exchange risks	181	(192)
FOREIGN EXCHANGE GAINS AND LOSSES (NOTE 3)	**(87)**	**(404)**
Interest and equivalent income	4	2
Interest and equivalent expenses	(343)	(438)
Reversals of provisions and transfers of charges	6	69
Net gains on sales of marketable securities	-	(24)
Depreciation and provisions	(14)	(5)
OTHER FINANCIAL INCOME AND EXPENSES (NOTE 4)	**(347)**	**(396)**
NET FINANCIAL INCOME	**142**	**(442)**
PRE-TAX INCOME BEFORE EXCEPTIONAL ITEMS	**113**	**(479)**
Exceptional income on capital transactions	-	1,504
Exceptional expenses on capital transactions	-	(1,020)
NET EXCEPTIONAL ITEMS	**-**	**484**
INCOME TAX (NOTE 5)	**164**	**163**
NET INCOME	**277**	**168**

BALANCE SHEET

ASSETS *(€ million)*	2011 GROSS	2011 DEPRECIATION, AMORTISATION & PROVISIONS	2011 NET	2010 NET
Investments stated at equity	10,576		10,576	11,025
Other investments (note 6)	7,228	14	7,214	7,214
Advances to subsidiaries and affiliates (note 7)	9,340	15	9,325	11,813
FINANCIAL ASSETS	**27,144**	**29**	**27,115**	**30,052**
TOTAL FIXED ASSETS	**27,144**	**29**	**27,115**	**30,052**
RECEIVABLES	**205**	**13**	**192**	**189**
MARKETABLE SECURITIES (NOTE 8)	**202**	**104**	**98**	**51**
CASH AND CASH EQUIVALENTS	**25**		**25**	**13**
OTHER ASSETS (NOTE 9)	**212**		**212**	**390**
TOTAL ASSETS	**27,788**	**146**	**27,642**	**30,695**

SHAREHOLDERS' EQUITY AND LIABILITIES *(€ million)*	2011	2010
Share capital	1,127	1,127
Share premium	4,783	4,783
Revaluation surplus	9	9
Equity valuation difference	4,760	5,209
Legal and tax basis reserves	112	108
Retained earnings	6,428	6,351
Net income	277	168
SHAREHOLDERS' EQUITY (NOTE 10)	**17,496**	**17,755**
REDEEMABLE SHARES (NOTE 11)	**129**	**129**
PROVISIONS FOR RISKS AND LIABILITIES (NOTE 12)	**183**	**362**
Bonds	4,957	5,101
Borrowings from credit institutions	1,245	1,248
Other loans and financial debts	3,348	5,893
FINANCIAL LOANS AND BORROWINGS (NOTE 13)	**9,550**	**12,242**
OTHER LIABILITIES (NOTE 14)	**245**	**174**
DEFERRED INCOME (NOTE 15)	**39**	**33**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**27,642**	**30,695**

STATEMENT OF CHANGES IN CASH

(€ million)	2011	2010
Cash flow (note 19)	131	(141)
Change in working capital requirements	55	(68)
CASH FLOW FROM OPERATING ACTIVITIES	**186**	**(209)**
Net decrease (increase) in other investments	-	(317)
Net decrease (increase) in loans	2,487	81
Net decrease (increase) in marketable securities	(56)	60
Net decrease (increase) in other financial assets	-	5
CASH FLOW FROM INVESTING ACTIVITIES	**2,431**	**(171)**
Bond issues	712	1,696
Bond redemptions	(671)	(958)
Net increase (decrease) in other interest-bearing borrowings	(2,559)	(742)
Capital increase	-	399
Dividends paid to shareholders	(87)	
Bond issuance expenses and redemption premiums	(5)	(12)
CASH FLOW FROM FINANCING ACTIVITIES	**(2,610)**	**383**
CASH AND CASH EQUIVALENTS: OPENING BALANCE	**2**	**(1)**
Increase (decrease) in cash and cash equivalents	7	3
CASH AND CASH EQUIVALENTS: CLOSING BALANCE	**9**	**2**

4.4.2 NOTES TO THE FINANCIAL STATEMENTS

4.4.2.1 ACCOUNTING POLICIES

Renault SA draws up its annual financial statements in accordance with French law and accounting regulations as defined by the French chart of accounts 99-03 of April 29, 1999, amended by CRC *(Comité de la Règlementation Comptable)* and ANC *(Autorité des Normes Comptables)* regulations.

The following methods were applied in valuing balance sheet and income statement items:

A - Investments

As allowed by CNC *(Conseil National de la Comptabilité)* avis N°34 (July 1988), as an alternative to the standard valuation method for investments carried in the balance sheet, Renault SA has opted to state investments in wholly-controlled companies at equity:

- this method is applied to all companies that are fully consolidated in the Group's financial statements;
- the shareholders' equity of these companies is determined under the accounting policies applied in the consolidated financial statements; as this is a valuation method, intercompany eliminations are not taken into account;
- in valuing a subsidiary, its holdings in companies wholly controlled by the Group are valued in the same way;
- the change during the year in the overall percentage of shareholders' equity corresponding to these interests is not an income or loss item; it is included in shareholders' equity under "Equity valuation difference". This amount cannot be distributed or used to offset losses. When it is negative, a provision for general depreciation is established as a charge against income.

Investments in companies not wholly controlled by Renault SA are valued at acquisition cost, less related expenses, or at their book value if this is lower. The book value takes account of the share of net assets, profitability prospects and commercial outlets. Provisions are established when the book value of the investments is lower than the gross value.

B - Advances to subsidiaries and affiliates

Loans to related companies and advances to subsidiaries and affiliates are recorded at historical cost. Impairment is recognised when there is a risk that these loans will not be recovered.

C – Marketable securities

Marketable securities are valued at acquisition cost, excluding related expenses and accrued interest for bonds, or at market value if this is lower.

Treasury shares held for the purposes of free share plans and stock option plans are included in marketable securities. A provision is recorded when the exercice price of the option is lower than the acquisition cost.

D – Loan costs and issuance expenses

Loan costs, including issuance expenses, and bond redemption premiums, which are recorded in Other Assets, are amortised on a straight-line basis over the corresponding duration.

E - Translation of foreign currency receivables and liabilities

Receivables and liabilities denominated in foreign currencies are translated as follows:

- all receivables and liabilities in foreign currencies are converted at the year-end exchange rate;
- exchange differences arising between the date of transactions and December 31 are recorded in Other assets and Deferred income (translation adjustment);
- a provision for risk equal to the unrealised exchange losses is established after determining an overall foreign exchange position for each currency (including derivatives) and each term.

F - Provisions for risks and liabilities

Provisions for risks and liabilities are defined in accordance with CRC regulation 2000-06. They are established for probable payment obligations existing at the year-end. On the contrary, a contingent liability is an obligation that is neither probable nor definite at the date the financial statements are established, or a probable obligation that cannot be reliably estimated. Provisions are not established for contingent liabilities, but an off-balance sheet commitment is reported where relevant.

G - Derivatives

Gains and losses on derivatives designated as hedges are recorded in the income statement in the same way as the revenues and expenses relating to the hedged item.

Derivatives not designated as hedges are adjusted to fair value at each closing date. Any resulting unrealised loss is recognised in the income statement, while unrealised gains are not recognised in income.

The fair value of forward exchange contracts is based on market conditions. The fair value of currency swaps is determined by discounting future cash flows, using closing-date market rates (exchange and interest rates). The fair value of interest rate derivatives is the amount the Group would receive (or pay) to settle outstanding contracts at the closing date, taking year-end market conditions into consideration. The market value of derivatives is not recognised in the balance sheet in the individual financial statements.

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.

4.4.2.2 INVESTMENT INCOME AND EXPENSES

Details are as follows:

(€ million)	2011	2010
Dividends received from Nissan Motor Co Ltd	275	88
Other dividends received	93	37
Interest on loans	212	238
Increases to provisions related to subsidiaries and affiliates	(4)	(5)
TOTAL	**576**	**358**

All interest on loans concerns Group subsidiaries.

4.4.2.3 FOREIGN EXCHANGE GAINS AND LOSSES

The net foreign exchange loss is chiefly attributable to operations in yen undertaken by Renault SA. Since these operations are not classified as part of the hedge of the net assets of Nissan in Renault SA's individual financial statements, they are included in financial income and expenses in the income statement.

Foreign exchange gains and losses in 2011 mainly comprise the following:

- a foreign exchange loss of €32 million on redemption of the bond issued on January 23, 2008 (nominal value 12.5 billion yen);
- a foreign exchange loss of €82 million on redemption of the bond issued on January 23, 2008 (nominal value 32.5 billion yen);
- a foreign exchange loss of €150 million on redemption of the bond issued on December 14, 2006 (nominal value 50 billion yen);
- a foreign exchange loss of €3 million on termination of the swap issued on December 13, 2011 (nominal value 15.4 billion yen);
- a provision of €140 million for unrealised foreign exchange losses and an amount of €321 million reversed from provisions booked in 2010.

Foreign exchange gains and losses in 2010 included a net loss of €212 million.

4.4.2.4 OTHER FINANCIAL INCOME AND EXPENSES

Other financial income and expenses generated a net loss of €347 million in 2011 (compared to a loss of €396 million in 2010) and mainly comprise net interest payments of €343 million on Renault borrowings after swaps and €9 million of impairment recorded in respect of treasury shares.

Details of interest paid and other similar expenses are as follows:

(€ million)	2011	2010
Net accrued interest after *swaps* on bonds*	(182)	(143)
Net accrued interest after *swaps* on borrowings from credit institutions	(38)	(35)
Accrued interest on termination of borrowings from subsidiaries	(31)	(20)
Accrued interest on redeemable shares	(17)	(14)
Accrued interest on the loan from the French government	(34)	(192)
Other financial expenses	(9)	(1)
Other (treasury notes and commitment commissions)	(32)	(33)
TOTAL	**(343)**	**(438)**

* *The net interest on bonds comprises accrued and paid interest amounting to €270 million (€219 million in 2010), and accrued and received interest on swaps amounting to €88 million (€76 million in 2010).*

In 2011, the €182 million of interest received and paid mainly comprise:

- €45 million on the bond issued on October 13, 2009;
- €28 million on the bond issued on March 22, 2010;
- €21 million on the bond issued on June 30, 2010;
- €14 million on the bond issued on September 20, 2010;
- €13 million on the bond issued on April 16, 2008;
- €11 million on the bond issued on May 25, 2011;
- €9 million on the bond issued on May 24, 2006.

The net interest receivable on the swapped portion of bonds and borrowings from credit institutions amounted to €30 million: €98 million on the paying leg and €68 million on the receiving leg.

4.4.2.5 INCOME TAX

As Renault SA elected to determine French income taxes under the domestic tax consolidation regime when it was formed, this regime has applied to the group in which Renault SA is taxed in France since January 1, 2004. French subsidiaries that are more than 95% owned by Renault SA pay their income taxes directly to the company under this regime. Each entity included in the domestic tax consolidation records its theoretical taxes as if it was taxed separately. The tax saving generated by this system is treated as income for, Renault SA, company heading the group of entities concerned. The parent company is not obliged to reimburse the subsidiaries for the tax savings resulting from utilisation of their tax losses when the subsidiaries return to profit or leave the tax consolidated group.

The French rules for carrying forward tax losses were changed by the 2nd amended Finance Law for 2011. Tax losses can now only be carried forward against taxable income up to the amount of €1 million plus 60% of the taxable income above that amount.

This rule is applicable:

- for determining the income/loss of the tax consolidation group;
- by convention, for determining the income/loss of each company included in the tax consolidation.

The new rules on tax loss carryforwards apply not only to the loss for the year ended December 31, 2011 but also to losses carried forward from previous years.

In practice, although the new rules will have an impact on determination of certain subsidiaries' taxable income, they will have no immediate impact on the taxable income of the group as a whole, which continues to report a tax loss, amounting to €588 million (€179 million less than in 2010).

The 4th amended Finance Law for 2011 also introduced an exceptional contribution of 5% of the amount of income tax due for 2011 and 2012 by entities with sales revenues of over €250 million. This contribution is due:

- on income tax at the normal rate or reduced rate payable by the tax consolidation group;
- by convention, on income tax at the normal rate or reduced rate payable by the companies included in the tax consolidation group to Renault SA.

The income generated by income taxes for 2011 was €164 million, mainly comprising €177 million resulting from the domestic tax consolidation.

Details of the tax income for the year are as follows:

		TAXES					NET INCOME	
(€ million)	PRE-TAX INCOME	THEORETICAL	NETTING	CREDIT GENERATED	TAX CREDIT	NET TAX DUE	THEORETICAL	AS BOOKED
Current income subject to normal rate	113	(71)		71		0	184	113
Tax consolidation						(177)		177
Other						13		(13)
TOTAL	**113**	**(71)**		**71**		**(164)**	**184**	**277**

Details of Renault SA's future tax position are as follows:

	2011		2010		VARIATIONS	
(€ million)	ASSETS (1)	LIABILITIES (2)	ASSETS (1)	LIABILITIES (2)	ASSETS	LIABILITIES
Temporarily non-deductible expenses						
Provisions for risks and liabilities	65		127		(62)	
Expenses deducted (or taxed income)not yet recognized for accounting purposes	48	61	35	113	13	(52)
TOTAL	**113**	**61**	**162**	**113**	**(49)**	**(52)**

(1) i.e. future tax credit.
(2) i.e. future tax charge.

4.4.2.6 INVESTMENTS

Changes during the year were as follows:

(€ million)	AT START OF YEAR	CHANGE OVER THE YEAR	AT YEAR-END
Investment in Nissan Motor Co. Ltd.	6,622		6,622
Investment in RNBV	8		8
Investment in Daimler	584		584
Other investments	13		13
Impairment	(13)		(13)
TOTAL	**7,214**	**0**	**7,214**

In April 2010 the Renault-Nissan Alliance and Daimler AG signed a strategic cooperation agreement designed to bring rapid benefits for all three groups from a certain number of defined projects and the sharing of best practices.

The agreement principally concerned a new common architecture for small vehicles, widespread powertrain sharing and joint development for light commercial vehicles.

4.4.2.7 ADVANCES TO SUBSIDIARIES AND AFFILIATES

Changes during the year were as follows:

(€ million)	AT START OF YEAR	INCREASES	DECREASES	AT YEAR-END
Capitalisable advances	5			5
Loans	11,823	325	(2,813)	9,335
TOTAL BEFORE PROVISIONS (1)	**11,828**	**325**	**(2,813)**	**9,340**
Provisions	(15)			(15)
TOTAL, NET	**11,813**	**325**	**(2,813)**	**9,325**
(1) Current portion (less than one year)	11,741	325	(2,803)	9,263
Long-term portion (over 1 year)	87		(10)	77

Loans include:

- €4,409 million in short-term investments with Renault Finance (€6,301 million in 2010);
- €25 million in long-term loans to Renault s.a.s (identical to 2010);
- €4,901 million in current accounts resulting from centralised cash management agreements with Group subsidiaries (€5,497 million in 2010).

All loans relate to Group subsidiaries.

4.4.2.8 MARKETABLE SECURITIES

Marketable securities include €202 million for Renault SA's treasury shares, against which impairment of €104 million has been booked.

Changes in treasury shares were as follows:

	AT START OF YEAR	OPTIONS EXERCISED	SHARES PURCHASED	AT YEAR-END
Number of shares	2,895,381	-	1,163,874	4,059,255
Value (€ million)	146	-	56	202
Impairment	(95)	-	(9)	(104)
TOTAL	**51**	**-**	**47**	**98**

4.4.2.9 OTHER ASSETS

The major components of Other Assets are:

- a €17 million payment (€19 million at December 31, 2010) for the purposes of the 1%-rate housing loan financing operation introduced in 2004, when Renault contracted a loan with nominal value of €112 million, bearing interest at the floating rate of 6-month Euribor + 0.67%, terminating on December 31, 2019. An interest rate swap was undertaken to convert this to a fixed rate of approximately 0.13%, and Renault SA also paid a sum of €33 million corresponding to the discounted interest differential recorded over the duration of the operation. This payment is spread over the duration of the loan (15 years) following the same pattern as the interest paid on the debt;
- issuance expenses of €8 million concerning several long-term bond (5 to 7 years);
- redemption premiums amounting to €13 million, mainly comprising €5 million for the 5-year bond issued on April 16, 2008 with nominal value of €300 million;
- €174 million of translation adjustments essentially resulting from unrealised foreign exchange losses, covered by provision, on bonds issued in or swapped to yen.

4.4.2.10 SHAREHOLDERS' EQUITY

Changes in shareholders' equity were as follows:

(€ million)	BALANCE AT START OF YEAR	ALLOCATION OF 2010 NET INCOME	DIVIDENDS	2011 NET INCOME	OTHER	BALANCE AT YEAR-END
Share capital	1,127					1,127
Share premium	4,783					4,783
Revaluation surplus	9					9
Equity valuation difference	5,209				(449)	4,760
Legal and tax basis reserves	108	4				112
Retained earnings	6,351	164	(87)			6,428
Net income	168	(168)		277		277
TOTAL	**17,755**	**0**	**(87)**	**277**	**(449)**	**17,496**

Non-distributable reserves amounted to €4,881 million at December 31, 2011.

Renault SA's shareholding structure was as follows at December 31, 2011:

	OWNERSHIP STRUCTURE		VOTING RIGHTS	
	NUMBER OF SHARES HELD	% OF CAPITAL	NUMBER	%
French state	44,387,915	15,01%	44,387,915	17,95%
Employees	9,038,110	3,06%	9,038,110	3,65%
Treasury shares	4,059,255	1,37%		
Nissan	44,358,343	15,00%		
Daimler	9,167,391	3,10%	9,167,391	3,71%
Other	184,711,270	62,46%	184,711,270	74,69%
TOTAL	**295,722,284**	**100%**	**247,304,686**	**100%**

The par value of a Renault SA share is €3.81.

4

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.

Six new stock option or free share plans were introduced in 2011. All plans introduced since 2006 include performance conditions which determine the number of options or shares granted to beneficiaries.

A – Changes in the number of stock options held by personnel

	2011			2010		
	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 1ST	**10,387,702**	**68**		**10,977,350**	**67**	
Granted	766,000	37		-	-	-
Exercised	-	-	-	-	-	-
Expired	(2,558,295)	52	N/A	(589,648)	54	N/A
OUTSTANDING AT DECEMBER 31	**8,595,407**	**70**		**10,387,702**	**68**	

B – Options and free share attribution rights yet to be exercised at December 31, 2011

Plan	TYPE OF PLAN	GRANT DATE	EXERCISE PRICE *(€)*	OUTSTANDING	EXERCISE PERIOD
Plan 8	Stock purchase options	September 5, 2002	49.21	1,484,667	September 6, 2007 - September 4, 2012
Plan 10	Stock subscription options	September 14, 2004	66.03	2,012,850	September 15, 2008 - September 13, 2012
Plan 11	Stock subscription options	September 13, 2005	72.98	1,477,900	September 14, 2009 - September 12, 2013
Plan 12	Stock subscription options	May 4, 2006	87.98	1,316,834	May 5, 2010 – May 5, 2014
Plan 14	Stock subscription options	December 5, 2006	93.86	1,537,156	December 6, 2010 – December 4, 2014
Plan 17	Stock purchase options	April 29, 2011	38.80	176,000	April 30, 2015 – April 28, 2019
Plan 17 bis	Attribution of free shares	April 29, 2011		502,500 41,800	April 30, 2013 – April 30, 2015 April 30, 2015
Plan 18	Stock purchase options	April 29, 2011	38.80	490,000	April 30, 2015 – April 28, 2019
Plan 18 bis	Attribution of free shares	April 29, 2011		1,138,600 94,800	April 30, 2014 – April 30, 2016 April 30, 2015
Plan 19	Stock purchase options (1)	December 8, 2011	26.87	300,000	December 9, 2015– December 7, 2019
Plan 19 bis	Attribution of free shares (1)	December 8, 2011		556,700 53,200	December 8, 2013 – December 8, 2015 December 8, 2015

(1) For these plans introduced in 2011, beneficiaries were informed about the attribution at the beginning of the year 2012, except for the Chairman and CEO who was allocated100 000 stock-options on Décember 8, 2011.

4.4.2.11 REDEEMABLE SHARES

These shares, issued in October 1983 and April 1984 by Renault SA, can be redeemed with a premium on the sole initiative of Renault SA. They earn a minimum annual return of 9% comprising a fixed portion (6.75%) and a variable portion, equal at least 2.25%, that depends on consolidated revenues and is calculated based on identical structure and methods.

797,659 redeemable shares remained on the market at December 31, 2011, for a total of €129 million including accrued interest. These shares are listed on the Paris Bourse. The market price for redeemable shares with par value of €153 was €290.05 at December 31, 2011 (€328 at December 31, 2010).

The 2011 return on redeemable shares, amounting to €17 million (€14 million in 2010) is included in interest and equivalent expenses.

4.4.2.12 PROVISIONS FOR RISKS AND LIABILITIES

Provisions for risks and liabilities break down as follows:

(€ million)	2010	INCREASES	REVERSALS	2011
Foreign exchange losses	321		(181)	140
Other provisions for risks	41	3	(1)	43
TOTAL	**362**	**3**	**(182)**	**183**
Current (less than 1 year)	*26*	*3*		*29*
Long-term (over 1 year)	*336*		*(182)*	*154*

(1) Other provisions are mainly constituted by provisions for risks related to investments.

Each 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.

4.4.2.13 FINANCIAL LOANS AND BORROWINGS

A – BONDS

Bonds stood at €4,957 million at December 31, 2011 (€5,101 million at December 31, 2010).

The principal changes in bonds over 2011 were as follows:

- issuance on May 25, 2011 of a 5-year bond with total nominal value of €500 million, at the fixed rate of 4.625% (swapped to a floating rate of 3-month Euribor +1.999%);
- issuance on June 3, 2011 of a 3-year bond with total nominal value of 7 billion yen, at the fixed rate of 1.90%;
- issuance on December 20, 2011 of a 2-year bond with total nominal value of 15.4 billion yen, at the fixed rate of 3.43%;
- redemption of the January 23, 2008 3-year bond totalling 12.5 billion yen at the floating rate of 6-month Libor + 80bp;
- redemption of the January 23, 2008 3-year bond totalling 32.5 billion yen at the fixed rate of 1.70%;
- redemption of the June 17, 2004 7-year bond totalling €50 million at the floating rate of 3-month Euribor + 52 bp;
- redemption of the December 14, 2006 5-year bond totalling 50 billion yen at the fixed rate of 1.77%.

Breakdown by maturity

	DECEMBER 31, 2011						
(€ million)	TOTAL	-1 YR	1 TO 2 YRS	2 TO 3 YRS	3 TO 4 YRS	4 TO 5 YRS	+ 5 YRS
Nominal value	4,901	1,078	1,215	948	650	500	510
Accrued interest	56	56					
TOTAL	**4,957**	**1,134**	**1,215**	**948**	**650**	**500**	**510**

	DECEMBER 31, 2010						
(€ million)	TOTAL	-1 YR	1 TO 2 YRS	2 TO 3 YRS	3 TO 4 YRS	4 TO 5 YRS	+ 5 YRS
Nominal value	5,045	924	1,034	1,052	875	650	510
Accrued interest	56	56					
TOTAL	**5,101**	**980**	**1,034**	**1,052**	**875**	**650**	**510**

Breakdown by currency

	DECEMBER 31, 2011		DECEMBER 31, 2010	
(€ million)	BEFORE DERIVATIVES	AFTER DERIVATIVES	BEFORE DERIVATIVES	AFTER DERIVATIVES
Euro	3,860	4,003	3,408	3,551
Yen	1,097	954	1,693	1,550
TOTAL	**4,957**	**4,957**	**5,101**	**5,101**

Breakdown by interest rate type

(€ million)	DECEMBER 31, 2011 AFTER DERIVATIVES	DECEMBER 31, 2010 AFTER DERIVATIVES
Fixed rate	2,856	3,340
Floating rate	2,101	1,761
TOTAL	**4,957**	**5,101**

B – Borrowings from credit institutions

Borrowings from credit institutions stood at €1,245 million at December 31, 2011 (€1,248 million at December 31, 2010) and are mainly contracted on the market.

The principal changes in bonds over 2011 were as follows:

- issuance on June 29, 2011 of a 1-year bond with total nominal value of €75 million at the floating rate of 3-month Euribor +70 bp;
- redemption on September 19, 2011 of the 3-year bond totalling €75 million, at the floating rate of 3-month Euribor +100 bp.

Breakdown by maturity

	DECEMBER 31, 2011						
(€ million)	TOTAL	-1 YR	1 TO 2 YRS	2 TO 3 YRS	3 TO 4 YRS	4 TO 5 YRS	+ 5 YRS
Nominal value	1,236	296	632	230	47	13	18
Accrued interest	9	9					
TOTAL	**1,245**	**305**	**632**	**230**	**47**	**13**	**18**

	DECEMBER 31, 2010						
(€ million)	TOTAL	-1 YR	1 TO 2 YRS	2 TO 3 YRS	3 TO 4 YRS	4 TO 5 YRS	+ 5 YRS
Nominal value	1,240	95	205	632	230	47	31
Accrued interest	8	8					
TOTAL	**1,248**	**103**	**205**	**632**	**230**	**47**	**31**

Breakdown by currency

	DECEMBER 31, 2011		DECEMBER 31, 2010	
(€ million)	BEFORE DERIVATIVES	AFTER DERIVATIVES	BEFORE DERIVATIVES	AFTER DERIVATIVES
Euro	1,126	1,245	1,130	1,248
Other currencies	119		118	
TOTAL	**1,245**	**1,245**	**1,248**	**1,248**

Breakdown by interest rate type

(€ million)	DECEMBER 31, 2011 AFTER DERIVATIVES	DECEMBER 31, 2010 AFTER DERIVATIVES
Fixed rate	510	518
Floating rate	735	730
TOTAL	**1,245**	**1,248**

Borrowings from credit institutions maturing within one year include €16 million in bank credit balances.

C – Other loans and financial debts

Other loans and financial debts amounted to €3,348 million at December 31, 2011 (€5,893 million in 2010), and principally comprise:

- borrowings from Group subsidiaries with surplus cash;
- treasury notes amounting to €297 million.

In 2009 Renault received a loan of €3 billion from the French government, initially for a 5-year term but repayable in part or in full from April 2011. An amendment was signed to allow early repayment of €1 billion in September 2010. The balance of this loan was fully repaid during 2011, through two payments of €1 billion in February and April 2011.

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.

These credit lines contain no clause that might adversely affect credit availability as a result of a change in Renault's credit rating or financial ratio compliance.

Short-term financing is also secured by confirmed credit agreements (see Note 18).

Given the available cash reserves, confirmed credit lines unused at the year-end, and the prospects for renewal of short-term financing, Renault SA has sufficient financial resources to cover its commitments over a 12-month horizon.

4.4.2.14 OTHER LIABILITIES

Changes in other liabilities were as follows:

(€ million)	2011	2010	VARIATION 2011 / 2010
Tax liabilities	239	168	71
Liabilities related to other assets	5	5	0
Other liabilities	1	1	0
TOTAL	**245**	**174**	**71**

The €71 million change in tax liabilities results from a €3 million decrease in tax liabilities and a €68 million increase in the liability for taxes payable to subsidiaries under the French domestic tax consolidation system.

4.4.2.15 DEFERRED INCOME

Deferred income mainly comprises unrealised foreign exchange gains on borrowings issued in yen or swapped to yen, totalling €29 million.

4.4.2.16 INFORMATION CONCERNING RELATED COMPANIES

"Related companies" are all entities consolidated in the Group's financial statements.

INCOME STATEMENT

	2011		2010	
(€ million)	TOTAL	RELATED COMPANIES	TOTAL	RELATED COMPANIES
Interest on loans	212	211	238	237
Interest and equivalent expenses	(343)	(8)	(438)	(16)
Reversals of provisions and transfers of charges	335		205	

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BALANCE SHEET

	2011		2010	
(€ million)	TOTAL	RELATED COMPANIES	TOTAL	RELATED COMPANIES
Loans	9,335	9,282	11,823	11,788
Receivables	205		189	
Cash and cash equivalents	25		13	
Borrowings from credit institutions	1,245	195	1,248	195
Loans and financial debts	3,348	3,026	5,893	3,187
Other liabilities	245	229	174	141

4.4.2.17 FINANCIAL INSTRUMENTS

A - Management of exchange and interest rate risk

The corresponding commitments, expressed in terms of notional amount where appropriate, are shown below:

AT DECEMBER 31 *(€ million)*	2011	2010
FOREIGN EXCHANGE RISKS		
Currency swaps		
Purchases	142	142
with Renault Finance	*142*	*142*
Sales	170	156
with Renault Finance	*170*	*156*
Other forward exchange contracts and options		
Purchases	277	432
with Renault Finance	*277*	*432*
Sales	273	431
with Renault Finance	*273*	*431*
INTEREST RATE RISKS		
Interest rate swaps	**2,288**	**1,796**
with Renault Finance	*2,192*	*1,692*

Transactions undertaken to manage exchange rate exposure principally comprise currency swaps and forward currency operations to hedge financing contracted in foreign currencies, apart from financing in yen.

Renault SA also carries out forward currency sales to hedge loans to subsidiaries denominated in foreign currencies.

Renault SA carries most of the Group's indebtedness. Its interest rate risk management policy applies two basic principles: long-term investments use fixed-rate financing, and investments for liquidity reserves use floating-rate financing. The financing in yen undertaken as part of the hedge of Nissan equity is fixed-rate.

Renault SA uses derivatives to implement the above interest rate and exchange risk management policies. Most of its operations on the financial instrument markets are with Renault Finance, a wholly-owned Group subsidiary.

B - Fair value of financial instruments

The carrying amounts in the balance sheet and the estimated fair values of Renault SA's financial instruments are as follows:

AT DECEMBER 31 (€ million)	2011		2010	
	BALANCE SHEET VALUE	FAIR VALUE	BALANCE SHEET VALUE	FAIR VALUE
ASSETS				
Marketable securities, gross (1)	202	109	146	126
Loans	9,335	9,348	11,823	11,972
Cash and cash equivalents	25	25	13	13
LIABILITIES				
Redeemable shares	129	231	129	262
Bonds	4,957	5,056	5,101	3,956
Other interest-bearing borrowings (2)	4,593	4,568	7,141	7,169

(1) Including treasury shares.
(2) Excluding redeemable shares.

C - Estimated fair value of off-balance sheet financial instruments

AT DECEMBER 31 (€ million)	2011		2010	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Forward exchange contracts	28	(24)	735	(726)
with Renault Finance	*28*	*(24)*	*735*	*(726)*
Currency swaps	310	(269)	294	(275)
with Renault Finance	*310*	*(269)*	*294*	*(275)*
Interest rate swaps	111	(4)	89	(3)
with Renault Finance	105		79	

Assumptions and methods adopted

Estimated fair values are based on information available on the markets and arrived at using valuation methods appropriate to the types of instrument in question.

When the financial instrument is listed on an active and liquid market, the last listed price is used to calculate the market value. For unlisted instruments, market value is determined based on recognised valuation models that refer to observable market parameters. If Renault SA has no valuation tools, particularly for complex products, valuation is carried out by quality financial institutions.

The main assumptions and valuation methods are as follows:

- **financial assets:**
  - **marketable securities:** the fair value of securities is determined mainly by reference to market prices,
  - **loans and advances to subsidiaries and affiliates:** for loans with original maturity of less than three months, floating-rate loans and advances to subsidiaries and affiliates, the value recorded In the balance sheet is considered to be the fair value. Other fixed-rate loans have been measured by discounting future cash flows using the risk-free rates offered to Renault SA at December 31, 2011 and December 31, 2010 for loans with similar conditions and maturities;
- **liabilities:** the fair value of financial liabilities is determined by discounting future cash flows at risk-free rates at December 31, 2011 and December 31, 2010 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, 2011 and December 31, 2010 for the contracts' residual terms;
- **off-balance sheet interest rate instruments:** the fair value of interest rate swaps represents the amount Renault SA would receive (or pay) if it settled outstanding contracts at the end of the year. Unrealised capital gains or losses, determined on the basis of prevailing interest rates and the quality of the counterparty to each contract, are taken into account at December 31, 2011 and December 31, 2010.

4.4.2.18 OTHER COMMITMENTS AND CONTINGENCIES

Off-balance-sheet commitments are as follows:

	2011		2010	
(€ million)	TOTAL	CONCERNING RELATED COMPANIES	TOTAL	CONCERNING RELATED COMPANIES
Commitments received				
Unused credit lines	3,810		4,215	200
TOTAL	**3,810**	**0**	**4,215**	**200**
Commitments given				
Guarantees and deposits	778	712	613	550
TOTAL	**778**	**712**	**613**	**550**

As part of the management of RCI Banque's major risk ratio, Renault SA entered into a pledging agreement in 2010 for a deposit of €550 million by Renault SA with RCI Banque.

In 2011, Renault SA acted as guarantor, with joint and several liability, against default by Renault Tanger Exploitation (the debtor) and undertook a commitment to pay Renault Tanger Méditerranée (the beneficiary) all the amounts due under the sublease, i.e. rents and charges for one year (€81 million) and any penalties due for late delivery of the production unit (€81 million).

When the European Bank for Reconstruction and Development (EBRD) subscribed to the capital increase at Renault Technologie Romania SRL, Renault s.a.s., Renault SA and the EBRD signed a put and call option on the shares as relevant. In the event Renault s.a.s defaults on payment or fails to comply with obligations, Renault SA would be obliged to repurchase the shares in Renault Technologie Romania held by the EBRD (€51 million at December 31, 2011).

There are no restrictive clauses on credit lines opened but unused.

The forward sales and swaps undertaken by Renault SA are described above (note 17.A - Management of exchange and interest rate risk).

4.4.2.19 CASH FLOW

Cash flow is determined as follows:

(€ million)	2011	2010
Net income	277	168
Increases to provisions and deferred charges	11	10
Net increase to provisions for risks and liabilities	(179)	196
Net increases to impairment	22	(55)
Loss on sale of treasury shares	-	24
Gain on disposals of investments	-	(484)
TOTAL	**131**	**(141)**

4.4.2.20 WORKFORCE

Renault SA has no employees.

4.4.2.21 DIRECTORS' FEES

Directors' fees amounted to €1,173,136 in 2011 (€599,311 in 2010), of which €48,000 were for the function of Chairman (€28,000 in 2010).

4.4.2.22 SUBSEQUENT EVENTS

No significant events have occurred since the year-end.

OTHER INFORMATION – INVESTMENTS STATED AT EQUITY *(€ million)*

COMPANIES	SHARE CAPITAL	RESERVES AND RETAINED EARNINGS	% OF CAPITAL HELD	BOOK VALUE OF SHARES OWNED
INVESTMENTS				
Renault s.a.s.	534	3,741	100,00	9,780
Dacia [1]	588	166	99,43	791
Sofasa [2]	1	117	23,71	5
TOTAL INVESTMENTS				**10,576**

(1) The exchange rate used for Dacia is 4.3233 Romanian lei = 1 euro.
(2) The exchange rate used for Sofasa is 2,504 Colombian peso = 1 euro.

OTHER INFORMATION – INVESTMENTS STATED AT EQUITY *(€ million)*

COMPANIES	OUTSTANDING LOANS AND ADVANCES FROM RENAULT SA	SALES REVENUES EXCLUDING TAXES 2011	NET INCOME (LOSS), PRIOR YEAR	DIVIDENDS RECEIVED BY RENAULT SA IN 2011
INVESTMENTS				
Renault s.a.s.	2,088	34,507	643	
Dacia [3]		3,109	64	63
Sofasa [4]		546	(17)	

(3) The exchange rate used for Dacia is 4.238 Romanian lei = 1 euro.
(4) The exchange rate used for Sofasa is 2,592.92 Colombian peso = 1 euro.

ACQUISITION OF INVESTMENTS

See Note 6.

FIVE-YEAR FINANCIAL HIGHLIGHTS

(€ million)	2007	2008	2009	2010	2011
Year-end financial position					
Share capital	1,086	1,086	1,086	1,127	1,127
Number of shares and investment certificates outstanding	284,937,118	284,937,118	284,937,118	295,722,284	295,722,284
Overall income from operations					
Revenues net of taxes					
Income before tax, amortisation, depreciation and provisions [1]	975	377	(1,179)	143	(51)
Income tax	119	177	92	163	164
Income after tax, amortisation, depreciation and provisions	1,096	(863)	49	168	277
Dividends paid	1,049			87	
Earnings per share in Euros					
Earnings before tax, amortisation, depreciation and provisions [1]	3,42	1,32	(4,14)	0,48	(0,17)
Earnings after tax, amortisation, depreciation and provisions	3,85	(3,03)	0,17	0,57	0,94
Net dividend per share	3,80			0,30	
Personnel					
Number of employees [2]					
Payroll					
Benefit contributions (social security, benefit plans, etc)					

(1) Provisions are those recorded during the year, less reversals and applications.
(2) At December 31.

RENAULT AND ITS SHAREHOLDERS

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The elements of the annual financial report are identified by the AFR sign in the table of contents.

Twingo

✦ Global Reporting Initiative (GRI) Directives

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'S 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. 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, 2011, the share capital amounted to €1,126,701,902.04 (one billion one hundred and twenty six million seven hundred and one thousand nine hundred and two euro and four cents) consisting of 295,722,284 shares with a par value of €3.81. The shares are fully subscribed and paid in.

In view of the 4,059,255 shares of treasury stock and the 44,358,343 shares held by Nissan Finance Co., Ltd., the total number of voting rights at that date was 247,304,686.

5.2.2 CHANGE IN THE 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 law.

The most recent changes in the share capital occurred in April 2010 in the context of the strategic cooperation agreement with Daimler AG.

Board of Directors' meeting approved two reserved share issues on April 28, 2010:

- a share issue reserved for Daimler AG that gave it 3.1% of new shares in exchange for 1.55% of Daimler AG's treasury stock;
- a second share issue reserved for Nissan Finance Co., Ltd. that gave it 0.7% of the new shares in exchange for Nissan Co. Ltd. shares, in order to maintain Nissan Finance Co., Ltd.'s share in the capital.

5.2.3 CHANGES IN CAPITAL OWNERSHIP

		RESULTING CAPITAL	
DATE	TRANSACTION	*in €*	*no. of shares**
01/2001	Conversion of share capital to euro	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
04/28/2010	Capital increase reserved for Nissan Finance Co., Ltd.: 1,617,775 shares issued at €37 (par: €3.81)	1,091,774,142.33	286,554,893
04/28/2010	Capital increase reserved for Daimler AG: 9,167,391 shares issued at €37 (par: €3.81)	1,126,701,902.04	295,722,284

N.-B.: No changes in the share capital in FY 2000, 2003, 2004, 2005, 2006, 2007, 2008, 2009 and 2011.
* *Shares at €3.81.*

5.2.4 UNISSUED AUTHORIZED CAPITAL

5.2.4.1 OVERALL AUTHORIZATIONS

The General Meeting of Shareholders of April 29, 2011, gave the Board of Directors an authorization for a maximum period of 26 months to issue shares for the employees up to a maximum of 1% of the Company's share capital.

To date, this authorization has not been used.

New authorizations will be put to the General Meeting on April 27, 2012, to enable the Board of Directors to proceed at its own discretion with miscellaneous financial transactions to increase the Company's share capital, with or without preferential subscription rights.

These authorizations are detailed hereafter.

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 2011	Capital increase through issuance of shares reserved for employees. Valid 26 months until the GM called to approve the 2012 financial statements. Capped at 1% of the share capital.	N/A

5.2.5 POTENTIAL CAPITAL

5.2.5.1 OPTIONS

Pursuant to Article L. 225-180 of the Commercial Code, the Combined General Meeting of April 29, 2011, authorized the Board of Directors in its eleventh resolution to grant at one or more times to certain employees of the Company and of companies and groupings related to it stock options entitling them to be granted new shares in the Company issued in a capital increase or to purchase shares in the Company bought back by it in accordance with laws and regulations.

The total number of options thus granted may not give the right to buy or subscribe a number of shares greater than 0.48% of the amount of shares making up the share capital of the Company at this date.

For details of grants and options, see table 8 in chapter 3.3.2.2. of this Registration document.

5.2.5.2 BONUS SHARES

Pursuant to Article L. 225-197-1 of the Commercial Code, the Combined General Meeting of April 29, 2011, authorized the Board of Directors to grant bonus shares, either existing or to be issued, to salaried employees of the Company or to certain categories of them and to salaried employees of companies and groupings related to it, as provided for by Article L. 225-197-2 of the Commercial Code. For details of grants under the authorization given by the Combined General Meeting of May 4, 2006, which expired in 2009, and under the authorization mentioned above, see chapter 3.3.2.2. of this Registration document.

5.2.5.3 SHARE BUYBACKS (1)

1) TRADING BY RENAULT IN ITS OWN SHARES IN 2011 AND ALLOCATION OF TREASURY STOCK

At December 31, 2011 Renault SA held 4,059,255 shares of €3.81 par value and a book value of €200,464,164.01.

Pursuant to Article L. 225-209 of the Commercial Code, the ninth resolution of the Combined General Meeting of April 29, 2011, authorized the Company to deal in its own stock in order to make use of the possibilities allowed by law for trading in own shares. The authorization is valid until October 29, 2012, unless the General Meeting of April 27, 2012, authorizes a new programme, as described in paragraph 2) below.

(1) This paragraph contains information that will appear in the programme description, pursuant with Article 241-2 of the AMF general regulations, and the information required pursuant to the measures stipulated in Article L. 225-211 of the Commercial Code.

Renault SA acquired 1,163,874 of its own shares in February 2011 to cover its stock option plans.

However, Renault has acquired no shares in the share buyback programme approved by the Combined General Meeting of April 29, 2011. The 4,059,255 shares held directly or indirectly by Renault SA at December 31, 2011, are allocated as follows:

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

Percentage of treasury stock held directly or indirectly at December 31, 2011: 1.37%.

Number of shares cancelled over the 24 months preceding December 31, 2011: zero shares.

Number of shares held in the portfolio at December 31, 2011: 4,059,255 shares.

Book value of the portfolio at December 31, 2011: €200,464,164.01

Portfolio value at December 31, 2011*: €108,788,034

* *Based on a share price of €26.80 at December 31, 2011.*

TRADING BY RENAULT IN ITS OWN SHARES DURING 2011 IN CONNECTION WITH PROGRAMMES AUTHORIZED BY THE COMBINED GENERAL MEETINGS ON APRIL 30, 2010, AND APRIL 29, 2011:

	TOTAL GROSS FLOWS AT DECEMBER 31, 2011		OPEN INTEREST AT DECEMBER 31, 2011	
	PURCHASES	SALES	LONG POSITIONS*	SHORT POSITIONS
Number of shares	1,163,874 shares	none	none	none
Average sell, buy or strike price	€46.488/share	none	none	none
Total	€54,105,846	none	none	none

* *On June 1, 2011, Renault acquired 2,355,433 call options on Renault shares, of which 1,558,826 options expired on September 7, 2011, and 796,607 options expired on December 16, 2011.*

2) DESCRIPTION OF THE BUYBACK PROGRAMME SUBMITTED FOR APPROVAL TO THE AGM ON APRIL 27, 2012

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 and arrangements for the new treasury stock buyback programme organized by Renault SA ("the Company"), which will be submitted for approval to the Combined General Meeting of Shareholders on April 27, 2012.

The aims of the programme 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 eleventh 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;
- more generally, to carry out any other transaction that is admissible or that would subsequently be authorized under regulations in force.

These shares may be acquired, sold, transferred or exchanged by any means permitted by regulations, including over the counter and by blocks of shares, by the use of financial derivatives and options strategies (the purchase and sale of call and put options or any combination of these, in accordance with regulations), and, if need be, through a third party authorized by the Company to perform such transactions, at a time chosen by the Board of Directors.

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 10% of the share capital, i.e. theoretically 29,572,295 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; 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 10% 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 €2,217.9 million.

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.

If the share capital is increased by capitalization of reserves, the granting of bonus shares, an increase of the par value of the share; or if shares are split or merged or if any other transaction affecting the share capital is carried out, the prices indicated above shall be adjusted using a multiplier coefficient equal to the ratio between the number of shares making up the share capital before the operation and the number after the operation.

Once approved by the General Meeting of April 27, 2012, this programme shall be valid for a period that expires at the next Annual General Meeting called to approve the 2012 financial statements and shall be no longer than 18 months, i.e. until October 27, 2013.

5.2.6 RENAULT SHARE OWNERSHIP ✦

5.2.6.1 RENAULT SHAREHOLDERS AT DECEMBER 31, 2011

OWNERSHIP OF SHARES AND VOTING RIGHTS FOR THE LAST THREE FISCAL YEARS

	12/31/2011			12/31/2010			12/31/2009		
	NUMBER OF SHARES	% OF CAPITAL	% OF VOTING RIGHTS	NUMBER OF SHARES	% OF CAPITAL	% OF VOTING RIGHTS	NUMBER OF SHARES	% OF CAPITAL	% OF VOTING RIGHTS
French State	44,387,915	15.01	17.95	44,387,915	15.01	17.86	42,759,571	15.01	17.99
Nissan Finance. Co, Ltd.	44,358,343	15.00	-	44,358,343	15.00	-	42,740,568	15.00	-
Daimler AG	9,167,391	3.10	3.71	9,167,391	3.10	3.69	-	-	-
Employees (1)	9,038,110	3.06	3.65	9,145,220	3.09	3.68	9,529,250	3.34	4.01
Treasury stock	4,059,255	1.37	-	2,895,381	0.98	-	4,523,725	1.59	-
Public	184,711,270	62.46	74.69	185,768,034	62.82	74.77	185,384,004	65.06	78.00
TOTAL	**295,722,284**	**100.00**	**100.00**	**295,722,284**	**100.00**	**100.00**	**284,937,118**	**100.00**	**100.00**

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

Renault carried out a capital increase in April 2010, following the strategic cooperation agreement with Daimler. The share capital is now €1,126,701,902.04 broken down into 295,722,284 shares and divided as follows:

- 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, 2010. Nissan Finance Co., Ltd. is not entitled to exercise the voting rights attached to these shares, owing to Renault's ownership interest in Nissan;
- the Daimler group holds 3.10% (9,167,391 shares);
- current and former Renault employees hold 3.06% of the capital in the form of shares managed through collective investment schemes;
- the percentage of treasury stock is 1.37%. These shares do not carry voting rights;
- in view of these changes, the free float is now 62.46% of the capital (compared with 62.82% at December 31, 2010).

A survey of the holders of Renault shares was carried out on December 31, 2011 to obtain an estimated breakdown of the public's ownership interest by category of major shareholder. At that date, institutional shareholders owned approximately 53.40% of the capital, with French institutions holding 8.47% and foreign institutions 44.93%. The 10 largest French and foreign institutional investors held approximately 19.7% of the capital. Individual shareholders were estimated to own around 9.06% of the capital.

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5.2.6.2 SHAREHOLDER AGREEMENTS ON SHARES MAKING UP THE AUTHORISED CAPITAL

RESTRICTIONS ON THE TRANSFER OF SHARES AND THE EXERCISE OF VOTING RIGHTS

As part of the Master Cooperation Agreement on long-term strategic cooperation signed on April 7, 2010 by Renault SA, Nissan Motor Co., Ltd., Renault-Nissan b.v., and Daimler AG, the Parties made the following commitments in accordance with Article L. 225-100-3 of France's Commercial Code:

- lock-up commitment: for a five-year period beginning on the date of the Master Cooperation Agreement signature, Daimler commits to not transfer its holding in Renault without the prior agreement of the other parties. However, providing the transfer concerns all Renault shares and that the beneficiary is not a competitor of Renault, the lock-up commitment does not apply to the following cases: (i) transfer to a subsidiary, (ii) a public offer for Renault shares recommended by Renault's Board of Directors, (iii) a change in control of Renault. The commitment will end prematurely if the Master Cooperation Agreement is terminated before the end of the five-year period;
- right of first offer: if Daimler wants to transfer its Renault shares (either at the end of the lock-up commitment or during that period providing it has transfer authorization), Renault benefits from the right of first offer, allowing it to acquire those shares. If Renault chooses not to exercise its right, Daimler may sell its shares to third parties that are not competitors of Renault or use them to invest in the market;
- commitment in the event of a hostile takeover bid: after the end of the lock-up commitment, Daimler agrees to not tender its shares to a takeover bid for Renault that has not received approval from Renault's Board of Directors. This commitment will end on termination of the Master Cooperation Agreement.

ACTION IN CONCERT BETWEEN THE PARTIES

Renault and Daimler have represented and warranted that they are not acting in concert, directly or indirectly, as defined in Article L. 233-10 of the Commercial Code.

5.3 MARKET FOR RENAULT SHARES ✦

5.3.1 RENAULT SHARES

5.3.1.1 LISTING EXCHANGE AND STOCK INDEXES

Renault has been 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.

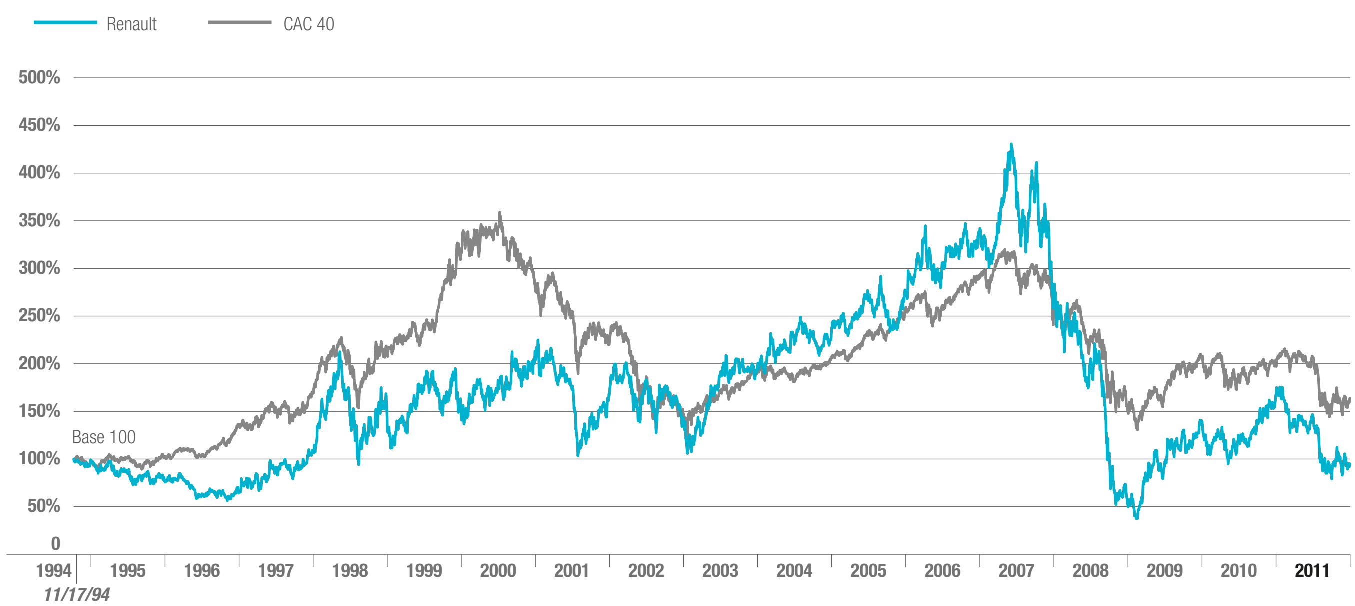
Renault shares (ISIN code FR0000131906, Symbol: RNO) are listed on Euronext – compartment A and qualify for the deferred-settlement account system (SRD) and for inclusion in French equity savings plans.

The share is also a component of the SBF, Euronext 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, and it is included in diverse indexes (cf. chap. 2.4).

5.3.1.2 SHARE PRICE PERFORMANCE ✦

SINCE NOVEMBER 17, 1994 (FIRST STOCK MARKET QUOTATION)



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SHARE PRICE AND TRADING VOLUMES OVER THE PAST 18 MONTHS

		CLOSING PRICE *(€)*		
	NO. OF SHARES TRADED	LAST	LOW	HIGH
Sept. 10	41,819,292	37.745	31.735	38.345
Oct. 10	50,110,038	39.925	35.320	43.805
Nov. 10	35,560,008	40.380	38.630	44.895
Dec. 10	25,113,193	43.500	40.240	45.970
Jan. 11	42,668,380	47.785	43.830	50.530
Feb. 11	47,999,131	44.415	41.620	49.995
March 11	65,268,991	39.010	35.705	45.300
Apr. 11	39,616,794	41.140	36.005	41.360
May 11	35,974,222	39.420	37.925	41.790
June 11	40,444,039	40.885	35.370	41.095
July 11	40,479,353	37.265	35.400	41.585
Aug. 11	61,899,170	28.340	24.340	38.225
Sept. 11	43,841,834	25.070	23.040	28.505
Oct. 11	49,137,983	30.445	22.070	32.375
Nov. 11	46,760,746	27.750	23.340	30.500
Dec. 11	30,796,845	26.800	25.010	30.235
Jan. 12	32,309,786	32.565	26.760	34.480
Feb. 12	44,702,138	39.740	32.410	42.045

Source: Reuters

SHARE PERFORMANCE IN 2011

RENAULT					INDEXES	
					CHANGE SINCE 12/31/2010	
CLOSING PRICE AT 12/30/2011	MARKET CAPITALIZATION AT 12/30/2011 *(in € million)*	2011 HIGH (01/26/11)	2011 LOW (10/04/11)	CHANGE SINCE 12/31/2010	CAC 40	DJES AUTO
€26.80	7,925	€49.445	€22.34	- 38.39%	- 17.00%	- 24.20%

Source: Reuters.

The average share price in the last 30 trading days of 2011 was €26.558 (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 shares 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, unchanged at December 31, 2011.

PAYOUT IN

The gross interest on redeemable shares paid on October 24, 2011 in respect of 2010 was €20.53, (€10.29 for the fixed portion and €10.24 for the variable portion).

The interest on redeemable shares for FY 2011, payable on October 24, 2012, will be €21.50, comprising €10.29 for the fixed portion and €11,21 for the variable portion based on consolidated revenue of €42,628 million for 2011 and €38,971 million for 2010, on a comparable basis.

TRADING VOLUMES AND PRICES OF RENAULT REDEEMABLE SHARES OVER THE PAST 18 MONTHS

		CLOSING PRICE *(€)*		
	NO. SHARES TRADED	LAST	LOW	HIGH
Sept. 10	22,769	349.00	318.20	353.05
Oct. 10	14,230	342.80	337.00	363.75
Nov. 10	8,741	344.40	337.05	351.90
Dec. 10	10,254	328.00	325.25	348.55
Jan. 11	8,937	347.00	325.25	367.30
Feb. 11	4,903	347.00	343.25	353.95
March 11	4,810	343.15	335.05	349.00
Apr. 11	6,331	346.40	337.65	346.40
May 11	6,892	356.00	340.15	374.95
June 11	5,395	359.00	346.55	359,00
July 11	7,985	344.55	310.30	359.00
Aug. 11	7,883	334.00	303.55	347.25
Sept. 11	11,937	314.65	279.05	334.00
Oct. 11	7,344	298.10	294.45	320.00
Nov. 11	4,621	290.40	285.00	305.00
Dec. 11	6,186	290.50	285.20	304.45
Jan. 12	3,768	300.00	291.05	305.00
Feb. 12	17,842	331.20	298.55	337.00

Source: Reuters.

✦ Global Reporting Initiative (GRI) Directives

5.3.2.2 DIAC REDEEMABLE SHARE

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, 2011 the number of redeemable shares issued by Diac in 1985 and still outstanding was 69,269. At the closing price of €142.00, they were worth a total of €9,836,198.00 (€10,560,059.05 at the par value of €152.45).

In the course of 2011 the share price fluctuated between €142.00 (year-end) and €165.50 (beginning of the year).

5.3.3 DIVIDENDS ✦

Meeting on February 15, 2012, the Board of Directors proposed to pay a dividend of €1.16 per share for the FY 2011. This will be put to vote at the Annual General Meeting on April 27, 2012.

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 AT DECEMBER 31	DIVIDENDS PER SHARE *(€)*	PAYABLE DATE
2007	284,937,118	3.8	May 15, 2008
2008	284,937,118	0	-
2009	284,937,118	0	-
2010	295,722,284	0.30	May 16, 2011
2011 (1)	295,722,284	1.16	May 15, 2012

(1) In accordance with the proposal of the Board of Directors and subject to the decision of the Combined General Meeting of April 27, 2012.

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 was listed in November 1994, Renault has endeavored to provide its shareholders and investors with clear and transparent information on a regular basis.

5.4.1 INDIVIDUAL SHAREHOLDERS

To meet shareholder requirements, the Group continued to introduce innovative services. Numerous means of communication have accordingly been created: a Shareholders' Club, a Group news brochure, a dedicated Web page, an online web function to manage Renault registered shares, a toll-free voicemail number, an e-mail address for shareholder questions (communication.actionnaires@renault.com), in particular ahead of the Annual General Meeting, and a Shareholders Consultative Committee, whose role is to see that the information provided to shareholders is transparent and of high quality.

In 1995, Renault set up a **Shareholders' Club** to enable investors to become better acquainted with the Company, its issues and products as well as with the world of automobiles in general. Open to anyone holding at least one share, the Club currently has 8,000 members who are invited to visit Renault plants and research centers, to attend breakfasts and conferences on a range of subjects and, since 2010, to observe electric car tests. More than 300 shareholders per year benefit from this wide-ranging programme.

To inform shareholders about the Group's activities on a regular basis, Renault has made tools **available 24/7**. In addition to its « Magazine Renault Actu » (new name of the Shareholders' Letter), a Group news brochure sent to Club members three times a year, shareholders also have access to a toll-free voicemail number, a dedicated e-mail address and a shareholders' section on the Finance page of the Group's website at www.renault.com.

To further enrich this array of electronic media, a shareholders' guide was put on line in 2008, which provides present and future shareholders with all the useful information they need about the various types of Renault shares. In 2009, Renault added a Shareholders' Space to the Finance section at www.renault.com, to enable all Club members to sign up for events on line and/or to manage their accounts.

Live video broadcasts of results meetings (annual and half-yearly) and of the Annual General Meeting are transmitted on the www.renault.com website, so that shareholders can follow the highlights of the Group's financial events in real time or after the event.

To ensure that information provided to shareholders is clear, a **Shareholder Consultative Committee** was formed in 1996. Composed of nine Renault shareholders (including two active or retired employees), it meets at Company headquarters several times a year and at the time of the General Meeting to work on improving Renault's communications with shareholders in all media (see the Magazine Renault Actu in the Finance section of the website).

To stay in touch with its shareholders, Renault organizes discussions at **regional meetings**. The Investor Relations team visits various French cities over the year to take part in meetings with more than 250 shareholders. These meetings are organized either by Renault branches or together with the French Federation of Investment Clubs. Since 2006, Renault has attended more than 20 regional shareholder meetings. For example, in 2011 the Investor Relations department met shareholders in Nancy, Lyon and Nantes.

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 the attention of SRI analysts and investors.

5.4.3 2012 FINANCIAL CALENDAR

February 16 (before opening)	2011 annual results
April 25 (after close)	Q1 2012 revenues
April 27 (afternoon)	Annual General Meeting
July 27 (before opening)	2012 half-year results
October 25 (after close)	2012 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

T: +33 (0)1 76 84 53 09 – F: +33 (0)1 76 89 13 30

Renault shares can be registered with:
BNP Paribas Securities Service – Shareholder Relations
9 rue du Débarcadère
93761 Pantin Cedex – France
T: 892 23 00 00 in France
+33 (0)1 40 14 11 16 from abroad
F: +33 (0)1 55 77 34 17

5.4.5 PUBLIC DOCUMENTS

The following documents are available in the Finance section of the website www.renault.com:

- the articles of incorporation of the Company;
- financial press releases;
- the regulatory information that is published in full 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 2010, 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 222-7 of the AMF General Regulation.

MARCH 1, 2011 TO FEBRUARY 29, 2012

DATE	DOCUMENTS
	PERIODIC AND OCCASIONAL INFORMATION AVAILABLE ON WWW.AMF-FRANCE.ORG
	REGISTRATION DOCUMENT 2010
March 30, 2011	Filing date: March 29, 2011
	The 2010 Registration documents includes the buyback programme, the annual information document and the auditor's fees.
June 30, 2011	Amendment D11-0190-R01 to 2010 Registration document
	PRESS RELEASES
March 7, 2011	Renault proposes a dividend of €0.30 per share for 2010
March 30, 2011	Renault announces the filing of its Registration document with the AMF
April 1, 2011	Availability of a Supplemental to the EMTN programme Base Prospectus
April 11, 2011	Renault annonces major changes
April 26, 2011	Quarterly information, March 31, 2011
May 2, 2011	Availability of the Share buy-back programme
May 12, 2011	Nissan contributes €93 million for the first quarter 2011 to Renault's earnings
May 16, 2011	Availability of a supplemental to the EMTN programme Base Prospectus
May 27, 2011	Final terms of a syndicated issue of €500 million du on May 2016
May 30, 2011	C.Tavares appointed Chief Operating Officer at Renault
July 28, 2011	PR first-half 2011 financial results
July 28, 2011	Availability fo the half-year 2011 earnings report
July 29, 2011	Availability of a supplemental to the EMTN programme Base Prospectus
Oct. 5, 2011	Renault to increase its production capacity in Brazil in 2013
Oct. 27, 2011	Quarterly information, Sept. 30, 2011
Nov. 2, 2011	Nissan's contribution to Renault's Q3 2011 results
Nov. 7, 2011	Availability of a supplemental to the EMTN programme Base Prospectus
Feb. 16, 2012	Financial results 2011
Feb. 16, 2012	2011 annual financial report available
Feb. 20, 2012	Amendment to the release of 2011 annual financial report availability on Feb. 16, 2012
Feb. 22, 2012	Availability of a supplemental to the EMTN programme Base Prospectus
	MONTHLY STATEMENT ON THE VOTING RIGHTS AND NUMBER OF SHARES MAKING UP THE CAPITAL
	Posted: March 8, 2011 April 7; May 5; June 15; July 18; Sept. 16 (2); Oct. 26;
	Nov. 29; Dec. 1, 2011; Jan. 19, 2012;
	CORPORATE SHARE OPERATIONS
June 7, 2011	Trading in own shares from 06/01 to 06/07/2011
	CORPORATE ACTION REPORT
	None
	INFORMATION PUBLISHED IN THE LEGAL GAZETTE (BALO) AND AN OFFICIAL JOURNAL
March 7, 2011	Shareholder's General Meeting Notice, April 29, 2011
March 14, 2011	Amendment to Shareholder's General Meeting Notice published on March 7
March 25, 2011	First call for a meeting of holders of redeemable shares (April 14, 2011) in the BALO and the *Journal spécial des sociétés*
April 8, 2011	First call, Shareholders' General Meeting, April 29, 2011
April 15, 2011	Second call for a meeting of holders of redeemable shares (April 26, 2011) in the BALO and the *Journal spécial des sociétés*
May 11, 2011	Annual financial statements for 2010

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DATE	DOCUMENTS
	INFORMATION PUBLISHED IN KANTO LOCAL FINANCE (JAPAN) AND ON EDINET
June 4, 2011	Annual securities report at 12/31/2010
June 30, 2011	Amendment to the Shelf Registration Statement
Sept. 30, 201	Amendment to the Shelf Registration Statement
Nov. 30, 2011	Amendment to the Shelf Registration Statement
Dec. 3, 2011	Supplement to the Shelf Registration Statement
Dec. 12, 2011	Amendment to the Shelf Registration Statement
Dec. 13, 2011	Supplement to the Shelf Registration Statement

GENERAL MEETING APRIL 27, 2012

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The elements of the annual financial report are identified by the AFR sign in the table of contents.

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PRESENTATION OF THE RESOLUTIONS

NINETEEN RESOLUTIONS ARE BEING SUBMITTED TO THE MIXED GENERAL MEETING WHICH WILL BE CONVENED ON APRIL 27, 2012

The Board first of all proposes the adoption of ten 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 2011 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 2011 financial year and the payment of dividends.

In accordance with the dividend policy presented in "Renault 2016 – Drive the change", Plan, Renault will pay in 2012 shareholders dividends which were received in 2011 from its stakes in listed companies (Nissan, Daimler, Volvo).

As a reminder, the dividend payment policy is organized around two wings:

- on one hand, dividends from its stakes in listed companies (Nissan, Volvo, Daimler, Avtovaz) which will be systematically paid over to Renault shareholders the following year;
- on the other hand, a potential additional dividend based on the operational free cash-flow generated in the automobile activity. This amount may be added to the first amount according to the economic environment and Renault's financial situation.

The dividend proposed for the 2011 financial year arises exclusively from the first wing of the new dividend policy. Indeed, in the 2011 calendar year, Renault received about 343 million euros in dividends from listed companies, giving 1.16 euro per share for Renault shareholders.

This dividend will be paid as of May 15, 2012.

It is recalled that for the last year, Renault has paid a dividend of 0.30 euro per share to its shareholders.

REGULATED AGREEMENTS

In the **fourth resolution**, it is asked to the General Meeting to approve the Company's regulated 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.

In accordance with statutory provisions, this report must be approved each year, even if there were no regulated agreements over the ended financial year.

It should be noted that only those agreements which were approved for the 2011 financial year are to be the subject of your vote and that prior agreements which have continued to be performed are stated only for your information.

That having been recalled, you are informed that no regulated agreements were concluded over the 2011 financial year.

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 in 2011 as determined by constant methods with reference to a constant structure.

The coupon which will be paid to bearers of Renault equity loans on October 26, 2012 will amount to 21.50 euros, comprising a fixed part of 10.29 euros and a variable part of 11.21 euros.

It may be recalled that Renault has issued a total of 2,000,000 redeemable shares with a par value FRF 1,000 (i.e. €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 Relation department (toll-free number +33 (0)800 650 650).

RENEWAL OF THE TERM OF OFFICE OF A DIRECTOR

The sixth resolution asks you to approve the renewal of the term of office of **Mr Charles de CROISSET** 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, 2015.

Mr Charles de CROISSET, 68 years old, is International Advisor, Goldman Sachs International and director of Renault as from April 2004. Mr Charles de CROISSET is the Member of the Audit, Risk and Ethics Committee and member of the Industrial Strategy Committee.

At the end of the General Meeting, the Board of Directors will be asked to renew Mr Charles de Croisset's appointment to these positions.

Mr Charles de CROISSET meets the criteria for independence within the meaning of the AFEP/MEDEF report since he does not maintain any ties of any nature whatsoever with Renault.

The seventh resolution asks you to approve the renewal of the term of office of **Mr Thierry DESMAREST** 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, 2015.

Mr Thierry DESMAREST, 66 years old, is Honorary Chairman of Total and director of Renault as from April 2008.

Mr Thierry DESMAREST is Chairman of the International Strategy Committee, member of the Industrial Strategy Committee and member of the Remuneration Committee.

At the end of the General Meeting, the Board of Directors will be asked to renew Mr Thierry Desmarest's appointment to these positions.

Mr Thierry DESMAREST, meets the criteria for independence within the meaning of the AFEP/MEDEF report since he does not maintain any ties of any nature whatsoever with Renault.

The eighth resolution asks you to approve the renewal of the term of office of **Mr Jean-Pierre GARNIER** 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, 2015.

Mr Jean-Pierre GARNIER, 64 years old, is Chairman of the Board of Directors of Actelion and director of Renault as from April 2008.

Mr Jean-Pierre GARNIER is Chairman of the Industrial Strategy Committee, member of the International Strategy Committee and member of the Remuneration Committee.

At the end of the General Meeting, the Board of Directors will be asked to renew Mr Jean-Pierre Garnier's appointment to these positions.

Mr Jean-Pierre GARNIER meets the criteria for independence within the meaning of the AFEP/MEDEF report since he does not maintain any ties of any nature whatsoever with Renault.

The ninth resolution asks you to take note of the renewal of the appointment of **Mr Luc ROUSSEAU**, appointed by Administrative Order of 24th February 2012, as representative of the French State, for a new duration 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, 2015.

Mr Luc ROUSSEAU, 54 years old, is Director General of Competitiveness, Industry and Services at the Ministry for the Economy Finance and Industry.

Mr Luc ROUSSEAU is member of the International Strategy Committee and Member of the Industrial Strategy Committee.

At the end of the General Meeting, the Board of Directors will be asked to renew Mr Luc Rousseau's appointment to these positions.

Concerning the make-up of the Board of Directors, the presence of a majority of independent directors, and the presence of a senior independent director in the person of Mr Philippe LAGAYETTE, is a guarantee as to the balance of powers. The role attributed to the Senior Independent Director is described in the Internal Regulations of the Board of Directors (Registration document 2011, chapter 3 and website).

Additional information about the positions held by the Directors is presented on page 28 of this meeting notice and is taken up in chapter 3.1.2 of the 2011 Registration Document. Moreover, the website www.renault.com/finance section allows you to find all of the information concerning the General Meeting.

AUTHORISATION FOR THE BOARD TO PURCHASE THE COMPANY'S OWN SHARES

Over 2011, the Company acquired 1,163,874 shares pursuant to the authorization granted by the General Meeting of April 30, 2010. However no share was bought until today, within the authorisation granted by the General Meeting of April 29th, 2011. As at December 31, 2011, the portfolio contained 4,059,255 shares; this holding of treasury stock was equivalent to 1.37% of the company's share capital. Shares held as treasury stocks are not entitled to dividends or voting rights.

In the **tenth resolution**, it is asked to authorize 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 eighteen months as of next General Meeting, and will substitute itself for the authorization given at the last General Meeting.

The presented resolution provides for a maximum purchase price of 75 euros per share, plus acquisition costs. While this is a customary resolution, the maximum number of shares that may be acquired is limited, having regard to the current economic context, to 10% (compared to 5% in 2011) of the share capital and the maximum amount of funds that may be invested in the purchase of treasury stock is 2 217.9 million euros.

The operations of purchase or sale can be made at any time, except in period of tender offer introduced on the Company.

An overview of these operations will be presented to the General Meeting called to decide on the accounts for the 2012 financial year.

Next, eight resolutions are within the powers of the Extraordinary General Meeting.

AUTHORISATION GIVEN TO THE BOARD TO REDUCE THE SHARE CAPITAL BY CANCELLING SHARES

In the **eleventh resolution**, it is proposed that the General Meeting authorizes the Board, for a period of 18 months, to reduce the registered capital by cancelling shares acquired in its share buy-back Programme. The terms for these acquisitions are those defined in the tenth resolution.

Cancelling 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 there under.

AUTHORISATION GIVEN TO THE BOARD TO PROCEED TO THE ISSUING OF ORDINARY SHARES OR SECURITIES GIVING ACCESS TO THE COMPANY'S SHARE CAPITAL WITH OR WITHOUT PREFERENTIAL SUBSCRIPTION RIGHT

The **twelfth, thirteenth, fourteenth, fifteenth and sixteenth** resolutions are intended to provide the Board of the Company with a bundle of authorizations allowing it, by its own decision where necessary, to proceed with various financial operations, for a period of 26 months, by issuing of ordinary shares or securities giving access to the Company's share capital, with or without pre-emptive subscription right, causing at the end a capital increase for the Company with a potential dilution. These authorizations have an **overall** cap of **350 million euros** for capital increases, and **one billion euros** for all issues of securities giving access to the capital (convertible or exchangeable bonds for example) permitted **in the twelfth to the fifteenth resolution.**

In addition to this overall cap, there are individual caps which are in line with best market practices and which apply depending on the type of transaction planned:

- **in the twelfth resolution,** the maximum par value for issues of ordinary shares that may be decided upon by the Board of Directors (while maintaining the preferential subscription right) amounts to **350 million euros;** this amount would lead to the creation of new shares equal to approximatively 30% of the existing share capital at the present date;
- **in the thirteenth resolution,** the maximum par value for issues of ordinary shares by public offer that may be decided upon by the Board of Directors (while excluding the preferential subscription right) amounts to **120 million euros;** this amount would lead to the creation of new shares equal to approximatively 10% of the existing share capital at the present date. This amount shall be comprised in the overall cap of **350 million euros,** with a potential priority period covering the entire amount of the issue made by public offering in favor of the shareholders, in the legal conditions, and subject to the discretion of the Board of Directors;
- **in the fourteenth resolution,** the maximum par value for issues of ordinary shares by private placement that may be decided upon by your Board of Directors (while excluding the preferential subscription right)**,** under private placement addressed to qualified investors or to a restricted circle of investors, amounts to **60 million euros,** i.e up to a limit of approximatively 5% of the share capital, under the conditions of article L. 411-2 II of the French Financial and Monetary Code. This amount shall be comprised in the overall cap of **350 million euros** fixed in the twelfth resolution, and the specific overall cap of **120 million euros** described in the thirteenth resolution.

  The aim is to facilitate the use of this form of financing for companies, which is faster and simpler than a capital increase under public offer;
- **in the fifteenth resolution,** the par value for issues of ordinary shares can be made in case of public exchange offer made by the Company are limited to **120 million euros,** this amount shall be comprised in the cap of **120 million euros** fixed in the thirteenth resolution and in the overall cap of **350 million euros** described in the twelfth resolution;
- **in the sixteenth resolution,** the par value for issues of ordinary shares made against a contribution in kind represented by ordinary shares or securities giving access to the capital are legally limited to 10% of the share capital existing at the present date, and specifically to **120 million euros**. This amount shall be comprised in the cap of **120 million euros** described in the thirteenth resolution and in the overall cap of **350 million euros** described in the twelfth resolution.

  These resolutions, which constitute usual authorizations in accordance with market practices, have been specifically adjusted in order to give the Board the greatest latitude to act to the best of the Company's interests and respond to the requirements of the market, while taking the expectations and concerns of the shareholders into account.

  As every year, the shareholders shall be informed of any use made of these authorizations in the summary table of authorizations and powers which appears in chapter 5.2.4 of the 2011 Registration Document.
- in the **seventeenth resolution**, capital increases arising from the incorporation into the capital of reserves, profits, premiums or any other element which could be incorporated into the capital shall be capped at **one billion euros** (this amount being strictly identical to previous authorizations). The existence of a distinct and autonomous cap is justified by the quite different nature of incorporating reserves and other items into the capital because this arises either by the award of bonus shares to shareholders, or by the increase in the par value of existing shares, meaning that it is without dilution for the shareholders and without any effect on the volume of the Company's equity capital.

AUTHORISATION GRANTED TO THE BOARD OF DIRECTORS TO CARRY-OUT A CAPITAL INCREASE RESERVED TO THE EMPLOYEES

In the **eighteenth resolution**, it is asked to the General Meeting, in accordance with the provisions of the articles L. 225-129-2, L. 225-129-6, L. 225-138-1 of the French Commercial Code, and L. 3332-18 *seq* of the French Labor Code, to adopt a resolution concerning a capital increase reserved to employees.

This resolution grants the Board powers to proceed, on one or more occasions, with a capital increase reserved to employees who are members (i) of a company savings plan, (ii) of a group-level company savings plan, who are employees or corporate officers of the Company or a French or foreign company of the group affiliated to the group within the meaning of Article L. 225-180 of the French Commercial Code and L. 3344-1 of the French Labor Code, by issuing new shares and, where applicable, the award of bonus shares, within a limit of 1 % of the amount of shares making up the registered capital.

This limit is on-line with the practices of the market which adjust the ceiling according to the level of participation of the employees in the share capital.

This present delegation cancels and replaces the previous delegation authorized by the General Meeting of April 29th, 2011.

POWERS FOR FORMALITIES

The **nineteenth resolution** is a usual resolution which concerns the delivery of the powers necessary for the fulfillment of advertisements and legal formalities.

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ADDITIONAL INFORMATION

The elements of the annual financial report are identified by the AFR sign in the table of contents.

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7.1 PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Person who accepts full responsability for the Registration document and the related supplemental information:

Mr. Carlos Ghosn, Chairman and Chief Executive Officer.

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 the Registration document 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 7.2) for the financial year closing on December 31, 2009. This report 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 13, 2012

Chairman and Chief Executive Officer

Carlos Ghosn

7.2 INFORMATION CONCERNING FY 2009 AND 2010

Pursuant to Article 28 of Commission regulation (EC) 809/2004, the following historical data is incorporated by reference in the 2010 Registration document:

7.2.1 FY 2009

The 2009 Registration document was filed with the Autorité des marchés financiers on March 25, 2010 under No. D10-0168 (French version).

The consolidated financial statements are outlined on pages 208 to 272 of chapter 7 and the corresponding audit report is on page 206 of chapter 7.

Financial information is on pages 57 to 61 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.

7.2.2 FY 2010

The 2010 Registration document was filed with the Autorité des marchés financiers on March 29, 2011 under No. D.11-0190 (French version).

The consolidated financial statements are outlined on pages 198 to 259 of chapter 4 and the corresponding audit report is on page 196 of chapter 4.

Financial information is on pages 56 to 59 of chapter 1.4.2.

Data not incorporated in this document is either not appropriate for investors or covered in another chapter of the Registration document.

7.3 STATUTORY AUDITORS

7.3.1 STATUTORY AUDITORS

Deloitte & Associés

Represented by Thierry Benoit and Antoine de Riedmatten

185, avenue Charles-de-Gaulle

92200 Neuilly-sur-Seine

Deloitte & Associés was appointed by the French Finance Ministry on April 25, 1990. It was reappointed by the Joint General Meeting of June 7, 1996, April 26, 2002 and April 29, 2008 for a period of six years. This term will expire at the close of the Annual General Meeting convened to approve the accounts for 2013.

Ernst & Young Audit

Represented by MM. Jean-François Bélorgey and Aymeric de La Morandière

11, allée de l'Arche

92400 Courbevoie

Ernst & Young was appointed by the French Finance Ministry on March 27, 1979. It was reappointed by the Joint General Meeting of June 7, 1996, April 26, 2002 and April 29, 2008 for a period of six years. This term will expire at the close of the Annual General Meeting convened to approve the accounts for 2013.

7.3.2 ALTERNATE AUDITORS

BEAS

Alternate for Deloitte & Associés

7-9, Villa Houssay

92200 Neuilly-sur-Seine

Gabriel Galet

Alternate for Ernst & Young Audit

11, allée de l'Arche

92400 Courbevoie

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

7.3.3 FEES PAID TO STATUTORY AUDITORS

The fees paid to statutory auditors and their networks are presented in note 30 of the appendix to the consolidated financial statement.

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(1) The ✦ symbol indicates information relating to the Global Reporting Initiative (GRI) Directives.

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