REGISTRATION DOCUMENT 2012

INCLUDING THE ANNUAL FINANCIAL REPORT

Arman - *Composition* - 1974 – Oil on canvas (detail) – Renault Collection

DRIVE THE CHANGE

RENAULT

New Clio, revealed at the Paris Motor Show in September 2012 and Arman Composition, Renault Art Collection.

SUMMARY

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

✦ Global Reporting Initiative (GRI) directives

LABEL TRANSPARENCE
labeltransparence.com

This label recognizes the most transparent Registration Documents according to the criteria of the Annual Transparency Ranking.

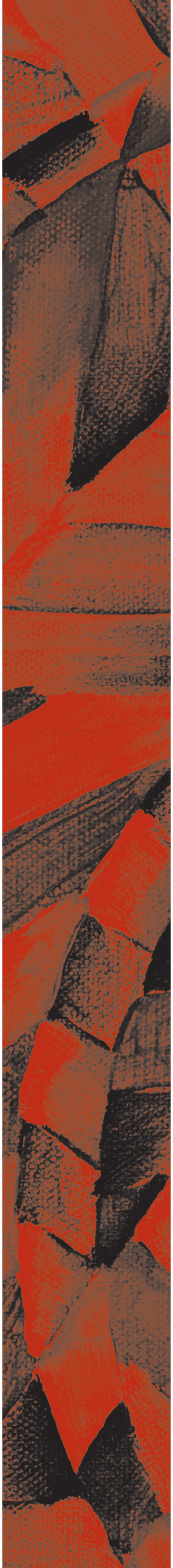
INTERACTIF PDF
SEARCH LINKS

To get fast and easy access to information, use the interactive links below:

contents	Back to the table of contents
←	Previous page
→	Next page
↻	Last page viewed
	Double click to download the table (Microsoft Excel)
1	Search by chapter
www	Internet Link
http://www	Hyperlinks

REGISTRATION DOCUMENT 2012

INCLUDING THE MANAGEMENT REPORT
APPROVED BY THE BOARD OF DIRECTORS ON FEBRUARY 13, 2013



This Registration Document is on line on the website
www.renault.com (French and English versions).

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The French version has been filed with the AMF (French Financial Markets Authority) on March 13, 2013

ZOÉ

1 THE RENAULT GROUP

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

✦ Global Reporting Initiative (GRI) Directives

1.1 OVERVIEW OF RENAULT AND THE GROUP

1.1.1 KEY FIGURES ✦

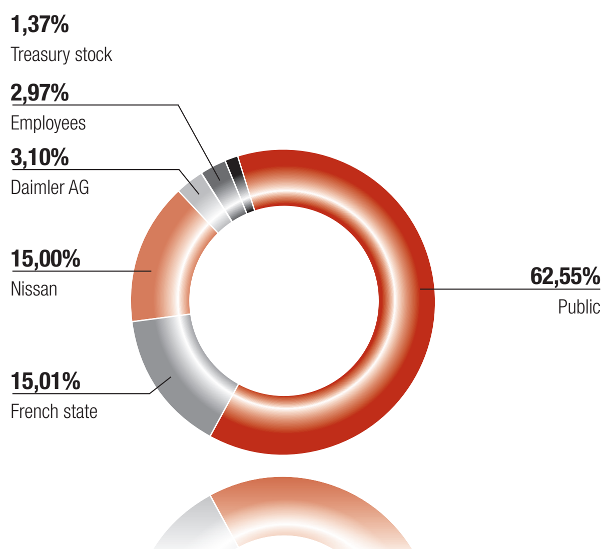
THREE-YEAR CONSOLIDATED FIGURES – PUBLISHED DATA [(1)]

(€ million)	2012	2011	2010
Revenues	41,270	42,628	38,971
Operating margin	729	1,091	1,099
Share in Nissan Motor net income	1,234	1,332	1,084
Renault net income	1,772	2,092	3,420
Earnings per share (euros)	6.51	7.68	12.7
Capital	1,127	1,127	1,127
Shareholders' equity	24,547	24,567	22,757
Total assets	75,414	72,934	70,107
Dividends (euros)	1.72 [(2)]	1.16	0.3
Automotive cash flow [(3)]	2,577	2,910	3,074
Automotive net financial debt	(1,492)	299	1,435
Total staff at December 31	127,086	128,322	122,615

(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 in the notes to the consolidated financial statements.*
(2) *Proposal to be submitted to the AGM in April 30, 2013.*
(3) *Excludes dividends received from associated companies.*

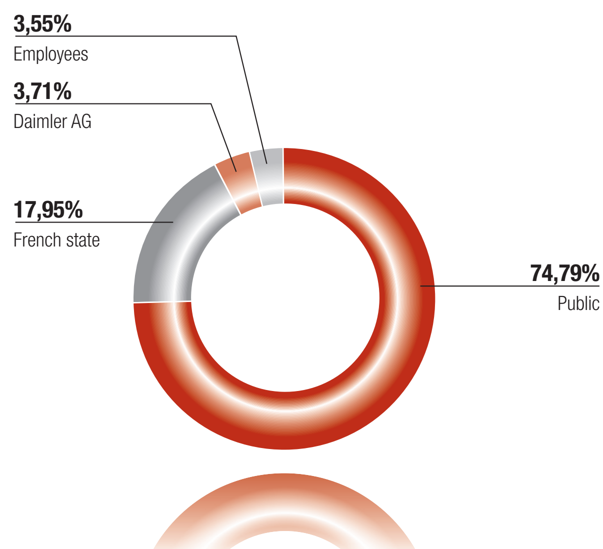
RENAULT SHAREHOLDERS AT DECEMBER 31, 2012

BREAKDOWN OF CAPITAL AS A % OF SHARES



See chapter 5.2.6.

BREAKDOWN OF CAPITAL AS A % OF VOTING RIGHTS



See chapters 5.2.1 to 5.2.5.

1.1.2 BACKGROUND AND HIGHLIGHTS

1898

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

1922

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

1945

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

1972

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

THE 1980s

Through to the mid-1980s, Renault followed a strategy of diversification in the industrial, financial and service sectors, while at the same time growing its industrial and commercial activities internationally. But in 1984, the Company ran into financial difficulties. As a result, it concentrated on restructuring and 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, ZOE 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, ZOE 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.

2012

The Renault group faced contrasting market conditions in 2012. The global automotive market continued to grow, setting a new record, with almost 80 million vehicles sold, while the European market fell by a significant 8.6%. Against this backdrop, the Group sold 2.5°million vehicles, down 6.3% on 2011. The faster pace of international expansion did not offset weak sales in Europe.

For the first time in its history, the Group sold as many vehicles outside Europe as within Europe. Brazil and Russia are now the Group's second and third biggest markets. In 2012, Renault returned to India, selling a range of vehicles including Duster, which is a real success. The year also saw the production start-up of new vehicles (Lodgy and Dokker) at the Tangiers plant (Morocco), which opened at the start of the year.

In Europe, 2012 marked the start of a process to renew the range, with the launch of Clio IV, spearheading the new brand identity, and New Sandero.

In F1 racing, Renault illustrated its excellence in powertrain engineering with an eleventh Constructors World Champion title. This expertise is subsequently passed on to the rest of the range.

Also in 2012, Renault strengthened its partnerships, launching a compact LCV – Citan – with Daimler and signing an agreement to take control of AVTOVAZ in Russia. At the same time, the Group completed the debt reduction process, in particular with the sale of its remaining shares in AB Volvo.

1.1.3 STRATEGIC OBJECTIVES ✦

The Renault 2016 – Drive the Change plan, unveiled on February 10, 2011, is built on Renault's ambition of making sustainable 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, for business continuity, while enabling it to set specific, quantified priorities for the first three years.

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

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

With, for the period 2011-2013:

- 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.

✦ Global Reporting Initiative (GRI) Directives

1.1.4 MAIN GROUP ACTIVITIES ✦

The Group's activities have been organized into two main business sectors, in more than 120 countries:

- Automotive;
- Sales Financing.

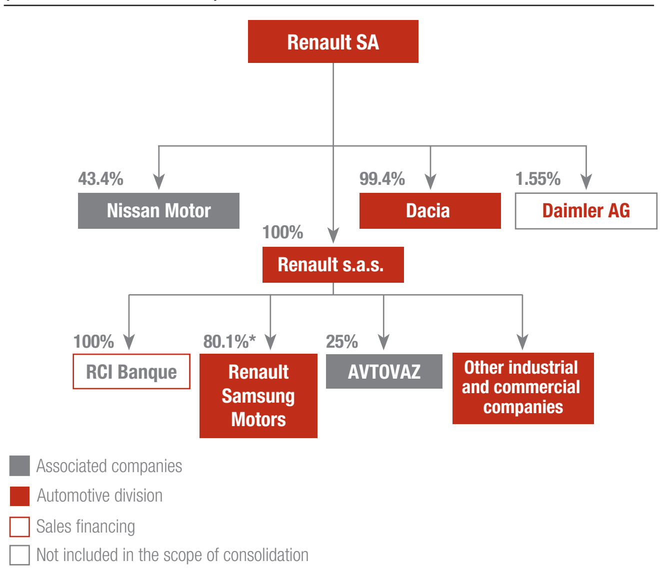
In addition to these two activities, Renault has equity investments in the following three companies:

- Nissan;
- AVTOVAZ;
- AB Volvo. This equity investment was sold on December 12, 2012 (see paragraph 1.1.4.3).

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, 2012 (AS A % 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 115 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 – for cars to contribute to human advancement once more 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 demanding customers leave 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, this design was embodied in 2012 by new Twingo II, and subsequently by 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 emission levels.

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, Wind, Symbol, Pulse, Scala** 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 2012 in South America (accounting for almost 13% of sales in this Region) and Russia (almost 33% of sales for this country). 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 32% of Group sales, **Sandero** has extended its international presence. It made successful market debuts in South Africa in 2009 and in Russia in 2010 (20% of sales in 2012), building on its strong points: a modern design, space, reliability and value for money.

In the A segment of city cars, **New Twingo** remains the benchmark on its segment. Launched in January 2012, it was the first vehicle in the range to feature the new brand design identity. Twingo is celebrating its 20th anniversary in 2013 but it still looks as fresh and bold as it did on launch:

cheery colours, an original customization program and unrivalled modular design/functionality. A vehicle of exceptional reliability and flawless quality, with continuously upgraded engines that are on the cutting edge for low CO_2 emissions (85g for the Euro 5 diesel in January 2013), it remains No. 1 in its segment in France, with a segment share of 25.8%, and fourth in Europe (7.7%) against a backdrop of fierce competition.

In the B segment, **Clio** has sold more than 11 million vehicles worldwide since its launch in 1990.

New Clio, launched at the Paris Motor Show in October 2012, starts a new page in the Clio saga. Building on the fundamentals inherited of previous generations, New Clio makes a fresh start with its sensual design and wide range of customized features, a multimedia tactile screen interface with a built-in navigation system, a rich array of equipment, and new engines combining dynamic performance with record-breaking fuel efficiency. The new Energy TCe 90 gasoline engine consumes just 4.3l/100km and emits no more than 99g of CO_2/km, while the latest optimized version of the highly appreciated Energy dCi 90 attains an unequalled 3.2l/100km.

From March, an RS version with a turbocharged gasoline engine mated to an automatic transmission with the EDC dual-clutch system, will bring a more versatile style to the sports car segment. The Estate variant, with its highly original shooting brake looks, will be launched at the same time.

At the same time, the older generations of Clio live on, since Clio III Collection and Clio II are still present as Clio entry-level models in Europe and North Africa respectively, while Clio II, restyled to reflect Renault's new design identity, was recently launched in Brazil and Argentina.

Following the renewal of Clio, Renault is continuing its design offensive with the launch of **Captur**, the first urban cross-over in the range, unveiled in early January, and set to go on show to the general public at the 2013 Geneva Motor Show prior to its launch in April. A distinctive vehicle, Captur offers the best of three vehicle styles: the expressive styling and driving position of an SUV, the interior space and modular design of a minivan, and the handling and drivability of a compact hatchback.

The first Renault vehicle manufactured on a Nissan platform, **Pulse** delivers everything Renault needs to establish itself in the Indian market. A small hatchback ideally suited to conditions in this country – thanks in particular to its diesel engine – it is positioned in a premium segment aimed at young, urban and upwardly mobile customers. The three-box variant, Renault **Scala**, based on the same platform, sets high standards in comfort with its features and size. It was launched in September 2012.

Modus, the compact minivan with two bodystyle variants, reached the end of its market career in 2012. It will be replaced at the Valladolid plant by the first compact cross-over in the Renault range, which will be presented to the general public at the 2013 Geneva Motor Show.

New Kangoo, launched in 2008, remains the leader on the leisure activity vehicle segment in France and is reporting strong growth elsewhere in Europe. The upgraded and simplified range, which gains new colors and upholstery, will further increase the market appeal of this vehicle. 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).

Scénic and **Grand Scénic** both had an eventful year, with the launch of the 2012 Collection. Alongside their restyling, Scénic and Grand Scénic both gained new technologies (Visio System®, hill-start assist) and, more particularly, two new Energy engines: the Energy dCi 110 diesel and the Energy TCe 115 gasoline, along with the Energy dCi 130 diesel launched in 2011. Drawing on Renault's extensive expertise in F1, these engines combine drivability with fuel efficiency. The Energy dCi 110 sets new records for both fuel consumption and CO_2 emissions in its category (105g of CO_2/km and 4.1l/100km). Also in 2012, Renault stepped up its partnership with Bose®, launching a new finish bearing the name of this renowned manufacturer of high-quality sound systems. The idea was a success everywhere in Europe, with 20% of sales concerning this finish. Scénic thus held on to the No. 1 position in the European compact minivan market (down by just 2%) with market share of 16.4%.

Scénic and Grand Scénic are also set for a busy year in 2013. The first event will be the launch of a new derived vehicle in March. Scénic Xmod combines the sharp design of a cross-over with all the expertise of Scénic, the benchmark compact minivan. Scénic Xmod features strong exterior styling with a special, highly expressive, grille reflecting Renault's new brand identity, skid plates at front and rear, all-round body protection and roof bars as standard. Inside the car, the driver gains a 'cockpit' style central console with a flat-bottomed steering wheel, and an aluminium gear lever knob and pedal assembly. Incorporating the DNA of Scénic, Scénic Xmod is modular, spacious and welcoming for all the passengers.

However, Scénic and Grand Scénic will not be forgotten. Both are set to gain a new grille in April, expressing Renault's new brand identity. New Scénic and Grand Scénic also expand their engine range, with the new Energy TCe 130 gasoline engine. Compared with its predecessor, the Tce 130, the new engine cuts fuel consumption by 15% while delivering 15 Nm more torque. Like Scénic Xmod, they will be fitted with R-Link, the connected multimedia tablet with a 7" touch screen.

Fluence is a sedan positioned between the compact family vehicle segment and upper-mid range segment. It is an appealing vehicle, with elegant, sporty and robust looks. With boot capacity of 530 litres and a wide wheelbase, it is practical, comfortable and built for all uses. Built in five countries (Korea, Turkey, Russia, Argentina, India) and sold in more than 80 countries, Fluence is a car with the potential to conquer global markets. In 2012, for example, sales of Fluence rose by 48% in Brazil and by 38% in Russia, compared with 2011.

Revealed at the 2012 Istanbul Motor Show, **New Fluence** features Renault's new design identity, with LED daytime-running lights for a dynamic, modern look.

New Fluence ships with a range of powertrains tailored to the needs of customers in the countries where it is sold, with two new engines combining fuel efficiency with drivability. The new 1.6 16v 115 CVT X-Tronic increases the horsepower of its predecessor (1.6 16v 110hp) by 5hp and delivers a stronger performance (156Nm of torque at 4,000rpm vs 151Nm at 4,250rpm). New Fluence shaves two seconds off 0-100 kph acceleration (11"9 vs 13"7) for all-round stronger pick-up and acceleration. The lower, more stable idle makes for more comfortable urban driving while consuming less fuel. The other main new feature concerns the availability of the 1.6 dCi 130 diesel engine on New Fluence. Designed first and foremost for driving pleasure, the 1.6 dCi 130 is the most powerful diesel engine in its category. It delivers 130hp for cubic capacity of 1,598cc. By combining a low cubic capacity with a range of high-tech innovations, it cuts fuel consumption to just 4.6l/100km over a combined cycle with emissions of just 119g of CO_2/km. It therefore carries the Renault eco² signature.

Fluence is also contributing to the Group's efforts in environmental protection, since it is available as an electric vehicle, **Renault Fluence Z.E.**, launched in Europe in fall 2011.

It was an eventful year for **Mégane** in 2012 with the launch of the 2012 Collection. Mégane gained new technologies (Visio System®, hill-start assist) and, more particularly, three new Energy engines: the Energy dCi 110 diesel, the Energy dCi 130 diesel and the Energy TCe 115 gasoline. With these new Energy engines, Mégane is eligible for the carbon bonus in all the European countries implementing programs of this type. Thanks to the Energy dCi 110 engine, for example, Mégane was the best-selling model in the Netherlands in 2012. The stronger partnership with Bose® also contributed to the success of Mégane, with this finish accounting for 20% of sales.

In 2013, Mégane is expanding its range of engines with the new Energy TCe 130 gasoline engine. Compared with its predecessor, the Tce 130, the new engine cuts fuel consumption by 15% while delivering 15 N.m more torque. Mégane will also be available with R-Link, the connected multimedia tablet with a 7" touch screen.

On November 5, 2012, Renault and the Caterham group announced a partnership to design and build sports vehicles. Sharing a similar passion and expertise in the field of sports production and racing vehicles, the two companies decided to join forces on a project to design, develop and build sports vehicles. These vehicles will have specific and distinctive characteristics, expressing the DNA of **Alpine** and Caterham Cars, the Automotive division of the Caterham group, respectively. They will be built at the Alpine plant in Dieppe, Normandy.

Carlos Ghosn said: "This partnership with the Caterham group marks the start of a new phase, the design of a vehicle that will embody the very essence of Alpine, a vehicle that will rekindle sporting passion once more. The spirit of the Alpine brand is very important for us. For this reason, we have set up a Consultative Committee made up of various personalities, who will provide their experience and vision to ensure that we remain faithful to the history of this brand." This vehicle will be launched within three or four years.

In 2012, with the success of phase 2, **Koleos** confirmed its role as the premium-vehicle spearhead of the Renault brand on international markets.

With its more dynamic front end, spacious interior with attention to detail, and well sized engines (the 150 and 175hp 2.0l dCi and 170hp 2.5l), and proven 4x4 technologies borrowed from Nissan, Koleos phase 2 delivers a consistently comfortable ride. Designed to cope with the constraints of urban driving, it also has excellent off-road capabilities with its all-wheel drive.

Sold in more than 200,000 examples since its launch in 2008, Koleos is sold in around forty countries. In 2012, on this particularly competitive SUV segment, Koleos notched up 52,000 sales, of which 73% outside Europe. On some markets, it is Renault's main model in the higher market segments, accounting for 74% of volumes in Eurasia, 90% in the Americas and 93% in China. In France, where market conditions were particularly difficult in 2012, sales of Koleos rose 17%, exceeding targets by more than 10%.

Attentive to quality and comfort in all its forms, **Latitude** is a large prestige saloon that places the emphasis squarely on passenger well-being, with its generous dimensions, comprehensive equipment, massaging driver's seat, and an original air treatment system using an ionizer for a purifying, relaxing effect. Latitude is a pure product of the Alliance, combining technical components from both Renault and Nissan to offer optimum drivability and a subtle road feel. It was developed in France and Korea, where it is built alongside Koleos at the Busan plant. Marketed around the world, Latitude reflects Renault's efforts to move upmarket internationally and enhance its image by targeting new customer groups.

Laguna III has sold in more than 300,000 examples since its launch in 2007. In 2012, Renault sought to bring customers a homogenous vehicle, a reliable purchase in an unreliable economic environment. To this end, Laguna gained the latest automotive technologies developed for comfort and driving pleasure: the 4Control chassis with four-wheel steering, the Carminat TomTom® Live navigation system, and the Bose® Sound System. It also ships with efficient engines: on the hatchback, for example, 109g of CO_2/km for the 1.5 dCi 110 engine and 118g of CO_2/km for the 2.0 Energy dCi 130 and 150 engines. Renault's commitment to quality is also visible in the warranty: three years/150,000km.

In 2012, Laguna coupé enhanced its clean, flowing lines with a new front-end LED light signature. Sporty, elegant and efficient, with its 4Control chassis, Laguna coupé is also the most fuel-efficient coupé in its category, with the lowest CO_2 emissions (1.5 dCi 110 with 109g of CO_2/km). As a result of these efforts, Renault remains a key player in this body style segment, particularly in France, where Laguna coupé has been No. 1 for four consecutive years. Over the year, this model notched up almost 30,000 sales in Europe.

In the executive E segment, **Espace** continues to set the standard in the executive minivan segment as it has done for the past 28 years, 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.

A pioneering minivan, **Espace** revolutionized the way we see the automotive industry. Today, it is continuing to pursue new improvements in order to continue creating an incomparable onboard experience for customers.

Revealed in mid-2012, **Espace IV** phase 4 embodies contemporary design and luxury "the French way", with dynamic design lines that showcase the new brand styling identity. The attractive, high-quality interior features Teflon® seat upholstery to protect every fibre without detracting from appearance, as well as liberating technologies fitted as standard on all versions (hands-free card, automatic parking brake, TomTom® Live connected navigation system, Bluetooth radio with audio streaming), a new built-in high-definition reversing camera and the biggest panoramic sunroof on the market.

Loyal to its environmental convictions, Renault is engaged in far-reaching studies to cut consumption and CO_2 emissions, in order to limit emissions from the 2.0 dCi (manual transmission) to 150g/km, an improvement of 20g. Espace thus has the best power/CO_2 ratio in its segment: 175hp for 150g of CO_2/km.

Like Laguna, Espace IV is built in France at Sandouville, the first Renault plant to obtain ISO 14001 certification (in 1998). Reaping the full benefits of the progress made by Renault in quality, the two models gained a manufacturer's warranty of three years/150,000km in 2008.

Building on these strong points, Espace, No.1 in France, maintained a strong market position in 2012 with market share above 9% in 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 America (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 Curitiba plant (Brazil). In 2012, Duster already accounted for more than 19% of sales volumes in Brazil and more than 16% in Argentina.

In first-quarter 2012, Renault Duster went on sale in Russia. It is built at the Avtoframos plant (Moscow), where it accounts for almost one-quarter of volumes sold for this country. Since early 2012, Renault Duster has also been available in Mexico and Chile, through output from the Colombia plant (Sofasa site).

Renault Duster is now also available as a right-hand drive vehicle: in India from July 2012 (sourced from Chennai) and in the UK and Ireland from January 2013, from the same source.

Light commercial vehicles (LCV)

Renault has consolidated its position as Europe's leading LCV brand – a position it has held since 1998 – with a European market share of 15.52%. Outside Europe, Renault increased LCV sales by 1% in Euromed-Africa in a market that contracted by 3.4%, and by 33.9% surge in the Americas, in a market that grew by 2.5%.

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, to meet the needs of a broad customer base.

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

Kangoo LCV remains No. 1 in Europe. Available in three sizes (compact, Express, Maxi), it gained further appeal in 2012 with the arrival of the 75 et 90hp Energy engines, undisputed leaders in their category for low carbon emissions and fuel consumption. Kangoo is also available as an electric vehicle (Kangoo Z.E., Kangoo Maxi Z.E. two-seater, and Kangoo Maxi Z.E. five-seater). Voted International Van of the Year 2012, the all-electric Kangoo Z.E. is fully assembled at the Maubeuge plant in France.

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 cuts CO_2 emissions to 180g/100km.

In 2012 Renault Trafic took a 14.5% share of the small van and passenger-carrying van segment in Europe (at end-December).

In the large van segment, Renault continues to develop its **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 has gained a new design and a new more comfortable cabin. The new M9T 2.3 dCi (100-150hp) engine reduces fuel consumption by 1l/100km compared with its predecessor and increases the servicing interval to 40,000km/two years. Master is manufactured at the Batilly plant (France).

Master is sold in 30 countries. Sales are growing strongly in Europe, where market share reached a record high of 13.4% (at end-December) of the large van segment (including Renault Trucks sales). Master is also making a real breakthrough in the Euromed-Africa region, with more than 17,122 units sold in 2012, up 34.1% on 2011. Master is consolidating its No. 1 position in the large van segment in Algeria, with segment share of 53.8%, while in Morocco, sales surged by 124% (at end-December) on 2011.

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, 95,605 Master 2 and New Master vehicles were registered in 2012.

Electric vehicles

In 2012 Renault continued to promote vehicles emitting zero emission in use.

The launch of **Twizy** in spring 2012, following the arrival of **Fluence Z.E.** and **Kangoo Z.E.** at end-2011, and the opening of orders for **ZOE** at the 2012 Paris Motor Show complete the deployment of the four-vehicle electric range unveiled at the 2009 Frankfurt Motor Show in concept-car form and displayed in their virtually definitive form at the 2010 Paris Motor Show.

This four vehicle range accomplishes the following:

- it caters for complementary needs:
  - use as a light commercial vehicle with Kangoo Z.E., which is aimed mainly at large fleets, the public sector, the self-employed, and retailers,
  - mixed fleet and private use with Fluence Z.E., the first all-electric prestige sedan,
  - innovative new urban mobility solutions with Twizy, and finally, versatile urban and suburban use with ZOE, 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. To this end, 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 and ESB.;
- a range of specific services tailored to electric vehicles.

The prices announced for the four vehicles position 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.

With almost 17,000 Z.E. vehicles delivered in 2012 (including Twizy), Renault is consolidating its leadership in Europe on the zero-emission market, even before the imminent arrival of ZOE. Virtually one Z.E. vehicle in every two (47%) registered in Europe is a Renault.

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 stations are gradually being rolled out across all European countries as part of public and private initiatives.

At end-2012, more than 20,000 charging stations had been installed across Europe. Development has extended beyond the trial stage but remains uneven and concentrated in a number of countries and regions.

In France, the 4,500 Autolib’ stations in the Paris region (all accessible to private users) accounted for 90% of the charging stations open to the public across the country.

Further, charging stations have been fitted across the Renault network and are accessible to the public. This already represents more than 1,000 charging points in Europe, including the 400 dealerships in the French primary network.

Dacia brand

Dacia is the Renault group’s regional brand, present in Europe and the Mediterranean basin. In just eight years, it has established itself as a key player on the automotive market.

Present in 36 countries, from Europe to North Africa and Turkey, Dacia has experienced stronger growth than any other brand since its launch, multiplying sales by 7 between 2005 and 2012.

For a brand with a strong base, success is not a question of years. In mid-2012 Dacia topped the two million mark for the number of vehicles sold since 2004, of which half in Europe.

In 2012 Dacia reported 360,000 PC+LCV registrations, an increase of 4.8% on 2011.

Dacia has market share of almost 2.3%, up 0.3 points on 2011.

In Europe, Dacia increased market share by 0.1 points to 1.6%. Although the brand grew market share in all the major countries, the rise was particularly noteworthy in Spain, where the brand had market share of 2.3%, up 0.6% on 2011.

In the Euromed-Africa region, Dacia expanded its market share by 0.9 points to 5.2%. The increase was particularly significant in Turkey and Algeria, where the brand had market share of 3.7% (up 1.3 points on 2011) and 9.6% (up 3.1 points) respectively.

Dacia is the leading brand in Romania, with a 26.6% share of the PC+LCV market, and in Morocco, with 20.8%.

The success of the Dacia brand is based, among other factors, on unbeatable value for money, on an exact par with the requirements of our customers, and a level of vehicle quality/reliability that has been part of the brand’s DNA right from the first models.

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).

Dacia Duster is a real success with its attractive design, space, reliability and off-road capabilities, all at an affordable price. In 2012 this model won the hearts of more than 131,000 customers. In less than three years on the market, it has sold in more than 360,000 units.

In early 2012, Dacia expanded its range with **Dacia Lodgy**, a vehicle with the interior space of a large C-segment minivan sold for the price of a B-segment minivan. This vehicle is a response to the needs of families who traditionally buy used vehicles. It was warmly welcomed by the network, customers and the press against a backdrop of difficult market conditions for minivan consumer sales in Europe.

At the end of the year, Dacia gained the new TCe 115 engine, symbolizing the excellence of the Renault group in powertrain technology. This 1,198cc engine combines drivability with limited fuel consumption (6l/100km) and CO_2 emissions (135g/km).

In mid-2012, Dacia also launched Dokker and Dokker Van, an inexpensive compact LCV and a crew van, expanding the LCV offering of the Renault group.

Dokker is a practical, versatile five-seater crew van. With its generous boot volume and simple modular design, it is particularly suitable for customers looking for a vehicle to load bulky objects or to carry the whole family in comfort.

Dokker Van, a compact LCV, meets all the needs of business customers. Reliable and robust, it features loading capacities on a par with class-best, innovative modular design and limited fuel consumption.

In the last quarter of 2012, Dacia renewed three emblematic models for the first time, with the new Dacia Logan, Sandero and Sandero Stepway. This was a major challenge since the new models aim to combine “more” (equipment, features) and “better” (stronger and more attractive exterior design) qualities for the same price, while respecting the Dacia spirit: essential vehicles, on an exact par with the requirements of our customers.

Dacia models are manufactured at the Pitesti plant in Romania, which has undergone radical modernization and restructuring since 1999, as well as by the Somaca plant in Casablanca (Morocco), and by the new plant in Tangiers (Morocco) for Lodgy and Dokker.

Renault Samsung Motors 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 2012 these four segments accounted for 66.5% of passenger car sales in South Korea.

SM3, launched in September 2002, was restyled in July 2009. A new phase 2 was launched in September 2012. New SM3 has enjoyed great success since its launch with market share of 7.9% on the M1 segment and 17,331 sales in 2012.

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. A new phase 2 called SM5 Platinum was launched in November 2012. SM5 sold 32,621 units in 2012, for a market share of 13.7% on the M2 segment and 18% in the last two months of the year, following the launch of SM5 Platinum.

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 was launched in August 2011. It sold 5,038 units in South Korea in 2012, for a 3.1% share of the S segment at end-2012.

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 4,936 units en 2012, for a 2% 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. A total 49,517 examples of Renault Koleos were exported in 2012. The new SM3, SM5 and SM7 are also exported under the Renault name (Fluence, Latitude and Talisman). In 2012 RSM exported 20,085 SM3, SM5 and SM7 vehicles under the Renault brand name and 9,915 vehicles under the RSM brand name. As part of its Alliance agreements, RSM continues to export SM3 under the Nissan brand name (14,866 units in 2012).

In 2012 RSM sold 69,841 vehicles, of which 59,926 on its domestic market.

RSM has been the leader in sales satisfaction for eleven years running. This was confirmed in a survey by Marketing Insight, which is considered to set the standard in the Korean market.

THE RENAULT POWERTRAIN RANGE

The powertrain activity is one of the main sectors implementing industrial synergies in R&D with Renault's partners (with Nissan as part of the Alliance or outside the Alliance). A dedicated department oversees this BtoB activity, both for the sale of powertrain sub-systems to partners, and for purchases relating to Renault's own needs. The aim of these synergies is to pool development costs,to absorb fixed production costs, to generate economies of scale in the industrial activities of Renault and its suppliers, and ultimately, to improve free cash flow at Renault.

The Business to Business powertrain activity

Looking beyond the Alliance with Nissan, underpinning the sharing of a range, industrial system and supplier fabric, the Business to Business activity seeks to: promote and market Renault Powertrain sub-systems through automotive cooperation projects (for example, with Daimler and AVTOVAZ). They enable our partners to take advantage of Renault technology while giving Renault access, where pertinent, to its partners' developments and industrial capacities. This activity also serves as a basis on which to identify and set up one-off cooperation projects.

The advantages of Renault Powertrain

A modern powertrain range with low carbon emissions: Through its powertrain range, Renault is stating its ambitions to lead the way in reducing the eco-footprint of cars. The qualities of the Energy range have convinced our partners of the advantages of using our engines for their vehicles. Partnerships have been developed for both diesel and gasoline engines as well as for transmissions (more than 30% of Renault's output is delivered to partners).

Renault's image as a strong performer has been further reinforced by its 11th World Championship title in Formula1. The Constructors title secured in the 2012 season confirms Renault's continued domination in Formula 1. The F1 engines are designed by engineering teams who share their expertise with the engineers developing the Energy range, thus ensuring the direct transfer of the best technologies to production vehicles.

The Business to Business organization

Operating as part of Renault powertrain engineering, this skilled department identifies opportunities, prepares product offerings, negotiates contracts and supports business activities during the development and industrial phases. Dedicated to customers, it liaises with all Renault engineering departments to ensure a fast response.

In this respect, further progress was made in 2012, with the opening of a dedicated website (www.powertrain.renault.com), associated with the "Renault Powertrain" signature.

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 (one year's production based on two eight-hour shifts a day, five days a week, for 47 weeks a year), production capacity utilization rates in 2012 were 83% globally and 62% in Europe.

In 2012 the bulk of production by the three brands making up the Renault group, for both PCs+LCVs and powertrain sub-systems, came primarily from the following plants.

MAIN MANUFACTURING SITES BY BRAND – 2012 PRODUCTION (UNITS) ✦

2012	SITES	PRODUCTION *(units)*	VEHICLES OR COMPONENTS
RENAULT BRAND			
RENAULT SITES			
Europe			
France	Batilly	101,822	Master III [(1)]
	Choisy-le-Roi	280,209	Reconditioning of engines, transmissions, injection pumps and sub-assemblies; short-run machining
	Cléon	1,190,397	Engines, transmissions. Aluminium foundry: 10,652 metric tons
	Fonderie de Bretagne	25,046	Aluminium foundry (metric tons)
	Dieppe	1,970	Clio III Renault Sport
	Douai	138,613	Mégane III (Coupé-Cabriolet), Scénic III (5- and 7-seater)
	Douvrin (FM – Renault unit)	296,704	Engines
	Flins	115,831	Clio III phase 2, ZOE, Clio IV
	Le Mans/Villeurbanne	5,010,529	Front/rear suspensions, subframes, lower arms
	Maubeuge	133,611	Kangoo Z.E., Kangoo III [(2)]
	Ruitz	97,138	Automatic transmissions
	Sandouville	40,632	Laguna III (Hatchback, Estate, Coupé), Espace IV
Spain	Palencia	202,399	Mégane III
	Valladolid	83,744	Twizy, Clio III, Modus, X87
		1,092,082	Engines
	Seville	1,011,308	Transmissions
Portugal	Cacia	532,289	Transmissions
Slovenia	Novo Mesto	130,949	Clio II phase 4, Twingo II, Wind
Euromed-Africa			
Morocco	Casablanca	58,393	Logan, Kangoo, Kangoo Express, Sandero
	Tangiers	50,335	Lodgy, Dokker, Dokker Van
Turkey	Bursa	288,604	Symbol, Fluence incl. Z.E., Mégane, Clio III incl. sedan, Clio IV
		1,465,656	Engines, transmissions, front/rear suspensions, subframes
Americas			
Argentina	Cordoba	109,667	Symbol, Clio II, Kangoo, Kangoo Express, Fluence
Brazil	Curitiba	254,237	Mégane II, Duster, Sandero, Logan (Renault), Master II
		357,260	Engines
Colombia	Envigado	70,686	Duster, Sandero, Twingo, Clio II, Logan
Chile	Los Andes	332,446	Transmissions
Asia-Pacific			
Iran	Teheran	98,110	Mégane II, Logan (Renault) [(3)]
		167,680	Front/rear suspensions
India	Chennai	37,158	Fluence, Koleos, Duster, Pulse, Scala
Eurasia			
Russia	Avtoframos	165,370	Duster, Mégane, Fluence, Logan (Renault), Sandero (Renault)
NISSAN SITES			
Spain	Barcelona	51,805	Trafic II [(4)]
South Africa	Pretoria	3,437	Sandero
GENERAL MOTORS EUROPE SITE			
UK	Luton	15,644	Trafic II
DACIA BRAND			
Romania	Pitesti	307,832	Duster, Logan (I and II, MCV, Van, Pick-up) Sandero (I et II)
		2,502,913	Engines, transmissions, front/rear suspensions, axles
RENAULT SAMSUNG BRAND			
South Korea	Busan	155,872	SM3, Fluence, Latitude, New SM7, Koleos
		86,259	Engines

(1) 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.
(2) The Maubeuge site also builds Kangoo vehicles for Nissan, sold under the name Kubistar (a Nissan brand) and for Daimler, sold under the names Citan and Citan Express (Daimler brand).
(3) In partnership with the Iranian companies Pars Khodro and Iran Khodro.
(4) Nissan's Barcelona plant also manufactures compact vans marketed under the names Primastar and Vivaro by Nissan and Opel respectively.

THE RENAULT DISTRIBUTION NETWORK

Organization of the distribution networks

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;
- branches belonging to Renault through its subsidiary Renault Retail Group (RRG).

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

The main changes to the Renault group distribution network are as follows:

- developing and raising professional standards in networks on growth markets, primarily outside Europe;
- strengthening of the various brand identities, including in particular increased differentiation between the Dacia and Renault brands;
- adjustments to cater for the sale of new vehicles, including in particular the electric vehicle range.

	2011		2012	
NUMBER OF RENAULT SITES	**WORLD**	**O/W EUROPE**	**WORLD**	**O/W EUROPE**
Primary network	5,202	3,060	5,157	2,826
o/w RRG dealers and branches	*221*	*186*	*211*	*181*
o/w Pro+ dealerships	*325*	*272*	*416*	*318*
Secondary network	8,132	7,820	7,754	7,427
TOTAL RENAULT SITES	**13,334**	**10,880**	**12,911**	**10,253**

	2011		2012	
NUMBER OF DACIA SITES	**WORLD**	**O/W EUROPE**	**WORLD**	**O/W EUROPE**
Primary network	1,877	1,523	1,900	1,570

Renault Retail Group (RRG)

This wholly-owned subsidiary of Renault s.a.s. is the Group's biggest subsidiary by revenues (nearly €7 billion in 2012) and workforce (11,224 employees at December 31, 2012).

Renault Retail Group has more than 220 sales and services outlets in 13 European countries: Austria, Belgium, Czech Republic, France, Germany, Ireland, 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.

En 2012, RRG sold more than 33% of the new vehicles marketed by Renault in France, and more than 23.5% for the other 11 European countries in which RRG operates (excluding RRG Ireland and France).

RRG manages the commercial presence of the Renault group in major cities and has put in place a strategy to meet the volume and profitability targets set out in Renault 2016 – Drive the Change. In 2012, RRG concentrated on deploying Renault Pro+ dealerships, Renault Sport corners and "Dacia Box" dealerships. With its city centre locations, RRG is also ideally placed to market the Z.E. range of electric vehicles.

RENAULT RETAIL GROUP FIGURES TO END-DECEMBER 2012	**TOTAL FOR 12 EUROPEAN COUNTRIES***	**O/W FRANCE**
New vehicles *(units)*	244,775	144,663
Used vehicles *(units)*	161,175	112,234
Total, new and used vehicles *(units)*	405,950	256,897
Revenues** *(€ million)*	6,947	4,334

* *Excluding Ireland.*
** *From RRG management statements.*

Renault PRO+ dealerships

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

In a one-stop business-focused environment, Renault Pro+ provides a tailor-made service based on four key components:

- professional expertise, with specialized sales and after-sales staff;
- prominent display of business products in the Renault range, including converted vehicles;
- a proactive, simple approach based on one-stop grouping of all business-related services – sales, financing, servicing contracts, rental, sales and fitting of accessories, etc.;
- a local base thanks to the extensive coverage of the PRO+ network.

In 2012 91 PRO+ sites were opened, bringing the total to 416 sites in 33 countries, including Brazil, which set up its first 25 PRO+ dealerships in the second half of the year. The objective for 2013 is to complete PRO+ coverage in each country, expanding the network where necessary, and to step up the pace significantly in international markets (more than 25 new sites outside Europe).

CASH MANAGEMENT IN THE AUTOMOTIVE ACTIVITY

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 euro zone, 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 euro zone, 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 2012, parent company net income was €49.8 million (compared with €44.6 million at end-December 2011), and total parent company assets amounted to €8,800 million (compared with €7,709 million at end-December 2011).

1.1.4.2 SALES FINANCING

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

The RCI Banque group operates in 36 countries:

- in Europe: France, Austria, Belgium, Croatia, Czech Republic, Denmark, Estonia, Germany, Hungary, Ireland, 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, Morocco, Romania and Turkey;
- in the Eurasia Region: Russia and Ukraine;
- in Asia: South Korea.

At December 31, 2012, the RCI Banque group had total assets of €28,767 million.

The Group employed an average of 2,681 people over the year, of whom 46% in France.

In the countries in which the RCI Banque group operates, Sales Financing accounts for 35% of new vehicle sales under the Renault and Nissan brands.

In its capacity as a brand financing entity, the Group is tasked with providing a complete range of financing and service solutions:

- customer activity (consumers and professionals):
  - credit for new and used vehicles,
  - leasing with purchase option,
  - hire purchase,
  - contract hire,
  - 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;
- in order to diversify its sources of financing, the RCI Banque group set up a savings plan in February 2012 aimed at the general public in France. The amounts collected totalled €893 million at December 31, thus limiting the use of market financing.

1.1.4.3 ASSOCIATED COMPANIES, PARTNERS AND COLLABORATIVE PROJECTS ✦

Until December 12, 2012, Renault had 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, 2012 was ¥3,666 billion, (€32,271 million) based on a closing price of ¥811 per share.

Renault holds 43.4% of Nissan's share capital. At December 31, 2012 the market value of the shares held by Renault totaled €14,006 million, based on a conversion rate of ¥113.6 for €1.

Renault accounts for its shareholding in Nissan using the equity method, as described in chapter 4, note 13 of the notes to the consolidated financial statements.

AB VOLVO

Renault acquired a shareholding in Volvo in 2001, and began its withdrawal on October 6, 2010 when it sold its "B" shares, retaining only 138,604,945 "A" shares representing 6.5% of share capital and 17.2% of voting rights at AB Volvo.

This remaining shareholding was sold in full on December 12, 2012, *via* a private placement with institutional investors in Sweden and elsewhere in the world, at a price of SEK 92.25 per share, or around €1,476 million.

Renault accounted for its shareholding in AB Volvo using the equity method, until closure of the Volvo accounts on September 30, 2012.

In 2012, Volvo contributed €80 million to Renault's results for the first three quarters of the year, compared with €136 million in 2011. See chapter 4, note 14-A of the notes to the consolidated financial statements.

AVTOVAZ

The partnership with AVTOVAZ, Russia's leading vehicle manufacturer and owner of the LADA brand, moved on to another level on December 12, 2012, with the announcement of an agreement on the founding of a joint venture, Alliance Rostec Auto B.V., by the Renault-Nissan Alliance and the state corporation Russian Technologies.

The joint venture will control AVTOVAZ. By grouping the shareholdings of each partner in AVTOVAZ, it will act as a majority shareholder promoting long-term stability. This organization will make it easier for the three partners to take strategic decisions. It will also contribute to the process initiated by Renault, Nissan and LADA to build synergies and develop new products on the fast-growing Russian market.

Under the terms of the deal, Renault-Nissan will invest RUB23 billion (US$ 742 million). The investment will give Renault-Nissan a 67.13% share of the joint venture by mid-2014. The joint venture will then hold 74.5% of AVTOVAZ.

Renault, which purchased 25% of AVTOVAZ in 2008, will invest RUB11.3 billion (US$ 366 million) in the joint venture and plans to own 50.1% in the joint venture by June 2014. Nissan which did not previously own a stake in AVTOVAZ, will invest RUB11.7 billion (US$ 376 million) and plans to own 17% in the joint venture by the same date. Also on this date, Russian Technologies will hold 32.87% of the joint venture, following the acquisition by Alliance Rostec Auto. B.V. of all the AVTOVAZ shares held by Troika Dialog Investment Ltd.

As part of the deal, Russian Technologies is restructuring its outstanding loans with AVTOVAZ with an interest-free extension through to 2032 (see chapter 4, note 14-B to the consolidated financial statements).

The partnership between Renault, Nissan and AVTOVAZ is a first between three groups. It is unique in its ambitions, spanning production, integration and local content in a market set to become Europe's biggest. It will also bring the Renault-Nissan Alliance greater production capacity for the Renault and Nissan brands, which continued their development in 2012. The deal comes eight months after the opening of a new assembly line in Togliatti, with an annual capacity of 350,000 vehicles. In 2013 five models will be built on this line, badged by the LADA, Renault and Nissan brands. The production capacities of AVTOVAZ and its subsidiary OAG will gradually be modernized with the support of the Renault-Nissan Alliance in order to raise production capacity in Russia to at least 1.7°million vehicles per year from 2016.

The transformation of AVTOVAZ is set to continue in 2013 with Renault and AVTOVAZ engaged in a process of range renewal with an ambitious product plan including the creation of new vehicle ranges tailored to the needs of the Russian automotive market. To meet market needs, the AVTOVAZ range has been rebuilt on the basis of an economic vehicle offering. In the long term, it will concern the B and C segments, for both sedans and SUVs. The new models will be based on platforms developed by AVTOVAZ or the Renault-Nissan Alliance.

AVTOVAZ began a product offensive at end-2011 with the launch of Lada Granta, which replaced Lada Classic in the low-cost vehicle segment. This was followed by the launch in mid-2012 of Lada Largus, based on Logan MCV. Renault will also help AVTOVAZ to put in place the capacities to produce the engines and transmissions developed through the Renault Nissan Alliance. In the first instance, this will involve giving the Togliatti plant the capacity to produce 450,000 engines/year from 2014.

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

✦ Global Reporting Initiative (GRI) Directives

PARTNERSHIPS AND COLLABORATIVE PROJECTS

Strategic cooperation between the Renault-Nissan Alliance and Daimler AG

Refer to the paragraph "Strategic cooperation with Daimler" in chapter 1.2.2.2.

Supplier relations and support ✦

In view of the current economic conditions, it is essential for manufacturers and suppliers to forge close ties. Renault's objective is to build performance as part of an equitable partnership with suppliers. This is particularly important when we consider that the life cycle of a car – development, service life and after-sales – spans around twenty years. It is therefore in the interest of both manufacturers and suppliers to forge a learning relationship, setting high standards over the long term, in order to create value together.

To this end, Renault has put in place a policy to support suppliers worldwide, by:

- involving suppliers from the outset of projects, with the aim of meeting price and quality targets and cutting development times;
- sharing best industrial practices (cooperation in the field, regular meetings, delegated experts);
- studying processes in order to help suppliers improve part quality and cut costs without reducing their margins. Identifying and eliminating sources of waste accounts for 50% of performance;
- supporting suppliers in improving quality. Since 2001 Renault has sought to build relations with suppliers by assessing their quality management systems. More than 300 quality experts around the world, of whom 70 in France, are involved in quality assessments based on a single questionnaire, shared with Nissan. If the supplier's score is deemed inadequate, a quality expert from Renault (or Nissan, depending on location) will help the supplier to reach the required standard and thus become stronger. At end-2012, more than 5,000 assessments had been carried out, of which 70% were repeat evaluations, following the implementation of a progress plan by the supplier. In 2012 the emphasis was on action plans to avoid recurring defects (PPM rate);
- enabling suppliers to track the development of Renault. Renault's industrial facilities in other countries (Morocco, Brazil, India, etc.) and the partnerships with AVTOVAZ (Russia) create opportunities for suppliers in high-growth markets. Similarly, the partnership with Daimler gives them access to increased volumes;
- optimizing innovations. Renault shares its strategic objectives with its most innovative suppliers, and implements co-innovation contracts clearly setting out the objectives pursued, the sharing of costs, ownership rights, exclusivity periods, etc. The most senior level of company management is directly involved in tracking these subjects (cf. chapter 2.5.2.1 Suppliers);
- supporting supplier development in CSR (cf chapter 1.5.2.1), and the application by Renault of Charters governing good practices in customer-supplier relations (cf. chapter 2.5.2.1).

To showcase its suppliers, Renault set up its own Quality Awards in 2007 to reward the performance of exceptional suppliers. In 2012 Renault broadened the scope of the Awards to include innovation and CSR, reflecting the importance of these subjects in purchasing and Group strategy.

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 are partners who have demonstrated their competitiveness and their ability to support innovations and developments introduced by the two partners in the Alliance.

Light commercial vehicles

In the field of light commercial vehicles, Renault has several agreements with General Motors Europe, Nissan and Daimler.

Renault and General Motors Europe 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 costs.

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. 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 in the first half of 2014.

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 signed at the end of 2007.

New Master is 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.

Still as part of the Renault-Nissan Alliance, an agreement was signed to develop a van based on the new Renault Master called NV400. This vehicle has been sold by Nissan since end-2011. This project reflected the continuation of agreements implemented by the two companies in 2003 for the distribution by Nissan of Interstar (based on the previous generation of Master and replaced by NV400) and Primastar (a compact van based on Trafic).

As part of the strategic cooperation between the Renault-Nissan Alliance and Daimler announced on April 7, 2010, Renault and Daimler studied the development of a light commercial vehicle to expand the Mercedes range. Citan, the new urban LCV by Mercedes Benz, was developed by Renault on the basis of the Kangoo platform and is built exclusively alongside Kangoo and Kangoo Z.E. at the Renault plant in Maubeuge (France). Citan nevertheless maintains the visible features expressing the identity of the Mercedes brand, in both interior and exterior design. Unveiled to the general public at the Hanover Motor Show in September 2012, Citan has been sold by Mercedes since fall 2012.

Picking up the pace of international expansion ✦

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

In China

In the People's Republic of China, building on a strong sales recovery from 2009 (24,275 units in 2011 compared with 5,321 in 2009), the Renault group is engaged in discussions with a potential local partner, Dongfeng Motor Group (DFG), already partnering Nissan in China, as part of a project for local production.

The project took a further step forward in 2012. Based on the restructuring of a joint venture (1), the aim is to develop, build and distribute Renault brand vehicles, taking full advantage of synergies with the natural Alliance partner (Nissan) and the local partner Dongfeng.

The Company will seek to bring Chinese customers competitive vehicles, tailored to their tastes and requirements. These vehicles would respect the positioning of the brand in China and consolidate the ambitions of the brand and the Group on a market that became the world's biggest in 2009. As part of the project, two plants are expected to open in the near future (one to build and assemble vehicles, the other to build and assemble engines), along with a Research and Development centre.

The two partners are in the assessment stage of their project. They plan to submit their project to the local Chinese authorities in the near future, in order to be able to start their activities within the shortest time frame possible.

In Russia

Alongside the partnership with AVTOVAZ (cf. above), the partnership with Moscow City Hall took a different form with the acquisition of the shareholdings held by City Hall in the companies Avtoframos and Remosprom (Moscow plant).

Thanks to the success of Duster and the breakthrough of Renault in the C segment, Renault was No. 3 on the Russian market in 2012, with market share of 6.5%. In order to satisfy demand, the Moscow plant has made investments to increase capacity from 30 to 33 vehicles/hour and has modified its organization (two shifts x six working days per week) to take full advantage of production capacity, which has been increased to 185,000 vehicles/year. A further step forward should be taken in 2013 with the arrival of a Renault vehicle on the AVTOVAZ production lines.

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. In 2011 Renault started production of Fluence and Koleos, and in 2012 Pulse, Scala and Duster, which is currently enjoying great commercial success on the Indian market.
- In the same region, RNTBCI, a joint venture between Renault and Nissan, has been providing services in engineering, purchasing and accounting since 2008.
- In August 2010 Renault changed the structure of its industrial and commercial partnership with Mahindra & Mahindra, 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

Renault is maintaining its presence, while enforcing the legal constraints linked to the international sanctions applicable to this country.

Renault is working primarily with the X90 platform and the vehicle L90 (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 300,000 Tondar (the local name for Logan) vehicles have been built since production began in March 2007, of which more than 80,000 in 2012.

Mégane is also assembled in Iran by the manufacturer Pars Khodro. More than 36,000 Mégane vehicles have been assembled since the start of cooperation in 2008, of which around 14,000 in 2012.

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 22,000 units since production of this vehicle started.

In Morocco

The Tangiers plant began operation in 2012, building 55,700 entry-level vehicles over the year (44,500 Lodgy, 11,200 Dokker and Dokker van). In 2013 a total €240 million will be invested in the plant in order to complete the second production line, which will have a capacity of 30 vehicles/hour. The site will then have a total production capacity of 107,000 vehicles. Also in 2012, the Somaca plant in Casablanca made preparations to start building the vehicles replacing Logan I and Sandero I (production start-up of Logan II and Sandero II in 2013).

In Algeria

In May 2012, Renault signed an MOU with the Algerian authorities to build an assembly plant in the region of Oran, with a long-term capacity of 75,000 vehicles/year. This plant could start production en 2014. It would rely on CKDs from Romania in the first instance, with a view to gradually increasing local content.

(1) A joint venture under Chinese law called SRAC: Sanjiang Renault Automotive company, founded in 1994.

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 has a joint venture with SITA Recyclage, a subsidiary of Suez Environnement, 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.

In order to develop training services in eco-driving across Europe, Renault Environnement acquired a shareholding in Key Driving Competences (KDC) in 2009. However, following a decision by KDC in 2012 to withdraw from the training market in order to focus on other activities, Renault withdrew from the capital of KDC. At end-2012, it was no longer a shareholder in this company.

For more information, cf chapter 2.3.

1.1.5 MANAGEMENT BODIES AT MARCH 1, 2013 ✦

STRENGTHENING OPERATIONAL MANAGEMENT

At the proposal of the Appointments and Governance Committee, Carlos Ghosn, Renault's Chairman and Chief ExecutiveOfficer, 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 Operations Committee;
- the Renault Management Committee.

1.1.5.1 GROUP EXECUTIVE COMMITTEE

The Executive Committee is made up of eleven 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 France Operations;
- Executive Vice-President, Chairman of Europe Region.

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

1.1.5.2 OPERATIONS COMMITTEE

The Operations Committee has 16 members:

- the 10 members of the Group Executive Committee, excluding th Chairman and CEO;
- the Chairmen of the Regions Eurasia, Americas, Euromed-Africa and Asia-Pacific;
- the SVP, Global Marketing and Communication;
- the SVP, Alliance Global Purchasing.

The Operations Committee meets once a month (for a whole day) chaired by the Chief Operating Officer.

1.1.5.3 RENAULT MANAGEMENT COMMITTEE

The Management Committee has 28 members, including Executive Committee and Operations Committee members.

The Chief Operating Officer, the Executive Vice-President, Office of the CEO, the Executive Vice-President, Finance, the Executive Vice-President, Human Resources, and the Senior Vice-President, managing Global Logistics for the Alliance 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, 2013

- ■ **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 Ancelin:** SVP, Managing Director Renault in Russia; ♦ Chairman of Eurasia Region
    - **Denis Barbier:** SVP, ♦ Chairman of Americas Region
    - ■ **J. Michel Billig:** EVP, Engineering and Quality
      - **Christian Deleplace:** SVP, Expert Fellow
      - **Nadine Leclair**: SVP, Vehicle Engineering
      - **J.Pierre Vallaude:** SVP, Quality
    - ■ **Thierry Bolloré:** EVP, Manufacturing and Supply Chaine
      - **Jose Vicente de Los Mozos Obispo:** SVP, Body Assembly Manufacturing
    - ■ **Philippe Klein:** EVP, Corporate Planning, Product Planning and Programs
      - **Thomas Lane**: SVP, Product Planning
    - **J.Christophe Kugler:** ♦ Chairman of Euromed Africa Region
      - **Jacques Prost**: General Manager of Renault in Morocco
    - ■ **Gérard Leclercq:** EVP, Head of operations, France
    - ■ **Stefan Mueller:** EVP, ♦ Chairman of Europe Region
      - **Jose Vicente de Los Mozos Obispo:** SVP, Managing Director Renault Group in Spain; Chairman and CEO, Renault Espana
    - **Katsumi Nakamura:** SVP, Head of Chinese business operations
    - **Stephen Norman:** SVP, Global Marketing and Communication
    - **Gilles Normand:** ♦ Chairman of Asia-Pacific Region
    - ■ **Jérôme Stoll:** EVP, Sales, Marketing and LCV
      - **Bernard Cambier:** SVP, Market Area France
      - **Jacques Daniel:** SVP, After sales
    - **Laurens Van Den Acker:** SVP, Corporate Design
    - **Christian Vandenhende:** SVP, Purchasing Renault; Alliance Global Purchasing; Chairman and Managing Director, RNPO
  - ■ **Dominique Thormann:** EVP, Chief Financial Officer; CEO RCI Banque

■ **Member of the Group Executive Committee (CEG).**

♦ **Chairman of Region.**

1.1.6 MAIN SUBSIDIARIES AND DETAILED 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).

2012 revenues: €31,459 million (local data to Group standards, external format).

Workforce at December 31, 2012: 35,619.

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.

2012 revenues: €4,609 million (local data to Group standards, external format).

Workforce at December 31, 2012: 7,823.

RENAULT DEUTSCHLAND

Renault-Nissan strasse 6-10

50321 Bruhl (Germany)

60% owned by Renault s.a.s. and 40% by Renault Groupe B.V

Business: Renault and Nissan joint commercial organization in Germany.

2012 revenues: €2,264 million (local data to Group standards, external format).

Workforce at December 31, 2012: 449.

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.

2012 revenues: TRL 7,124 million (local data to Group standards, external format).

Workforce at December 31, 2012: 6,199.

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.

2012 revenues: ROL 12,631 million (local data to Group standards, external format).

Workforce at December 31, 2012: 13,757.

RENAULT ITALIA

Via Tiburtina 1159

Rome (Italy)

Wholly owned by Renault s.a.s.

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

2012 revenues: €1,344 million (local data to Group standards, external format).

Workforce at December 31, 2012: 275.

REVOZ

Belokranska Cesta 4

8000 Novo Mesto (Slovenia)

Wholly owned by Renault s.a.s.

Business: manufacture of vehicles.

Plant in Novo Mesto.

2012 revenues: €911 million (local data to Group standards, external format).

Workforce at December 31, 2012: 2,076.

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, 2012: €8,800 million.

Workforce at December 31, 2012: 33.

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 2012: €10.9 billion.

Total assets (consolidated) at December 31, 2012: €28,767 million.

Workforce at December 31, 2012: 2,854.

RENAULT SAMSUNG MOTORS

17th FL, HSBC Building

25, Bongrae-Dong 1-Ga, Jung-Gu

Seoul, Korea 100-161 (South Korea)

79.8% owned by Renault Group b.v.

Business: manufacture and marketing of motor vehicles.

Plant in Busan.

2012 revenues: KRW 3,634 billion (local data to Group standards, external format).

Workforce at December 31, 2012: 4,579.

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.

2012 revenues: GBP 703 million (local data to Group standards, external format).

Workforce at December 31, 2012: 175.

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.

2012 revenues: €3,925 million (local data to Group standards, external format).

Workforce at December 31, 2012: 7,236.

AVTOFRAMOS

35, avenue Vorontsovskaia

109 147 Moscow (Russia)

94.10% owned by Renault group.

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

2012 revenues: RUB 85,134 million (local data to Group standards, external format).

Workforce at December 31, 2012: 5,235.

RENAULT DO BRASIL

1300 av. Renault, Borda do Campo

State of Parana Sao Jose dos pinhais (Brazil)

99.85% owned by Renault group.

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

2012 revenues: BRL 9,375 million (local data to Group standards, external format).

Workforce at December 31, 2012: 6,234.

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.

2012 revenues: ARS 9,887 million (local data to Group standards, external format).

Workforce at December 31, 2012: 2,871.

RENAULT BELGIUM LUXEMBOURG

21, boulevard de la Plaine

1050 - Brussels (Belgium)

Wholly owned by Renault s.a.s.

Business: importing vehicles and replacement parts for the Renault and Dacia brands to Belgium and the Grand Duchy of Luxembourg.

2012 revenues: €1,127 million (local data to Group standards, external format).

Workforce at December 31, 2012: 220.

RENAULT ALGÉRIE SPA

13, route Dar-El-Beida

Zone industrielle Oued Smar

16000 - Algiers (Algeria)

Wholly owned by Renault s.a.s.

Business: marketing Renault and Dacia brand passenger cars and LCVs

2012 revenues: DZD 118,315 million (local data to Group standards, external format)

Workforce at December 31, 2012: 382.

RENAULT MOROCCO (RENAULT MAROC COMMERCIAL)

44, boulevard Khalid Ibnou Loualid

Ain Sebaa

20250 - Casablanca (Morocco)

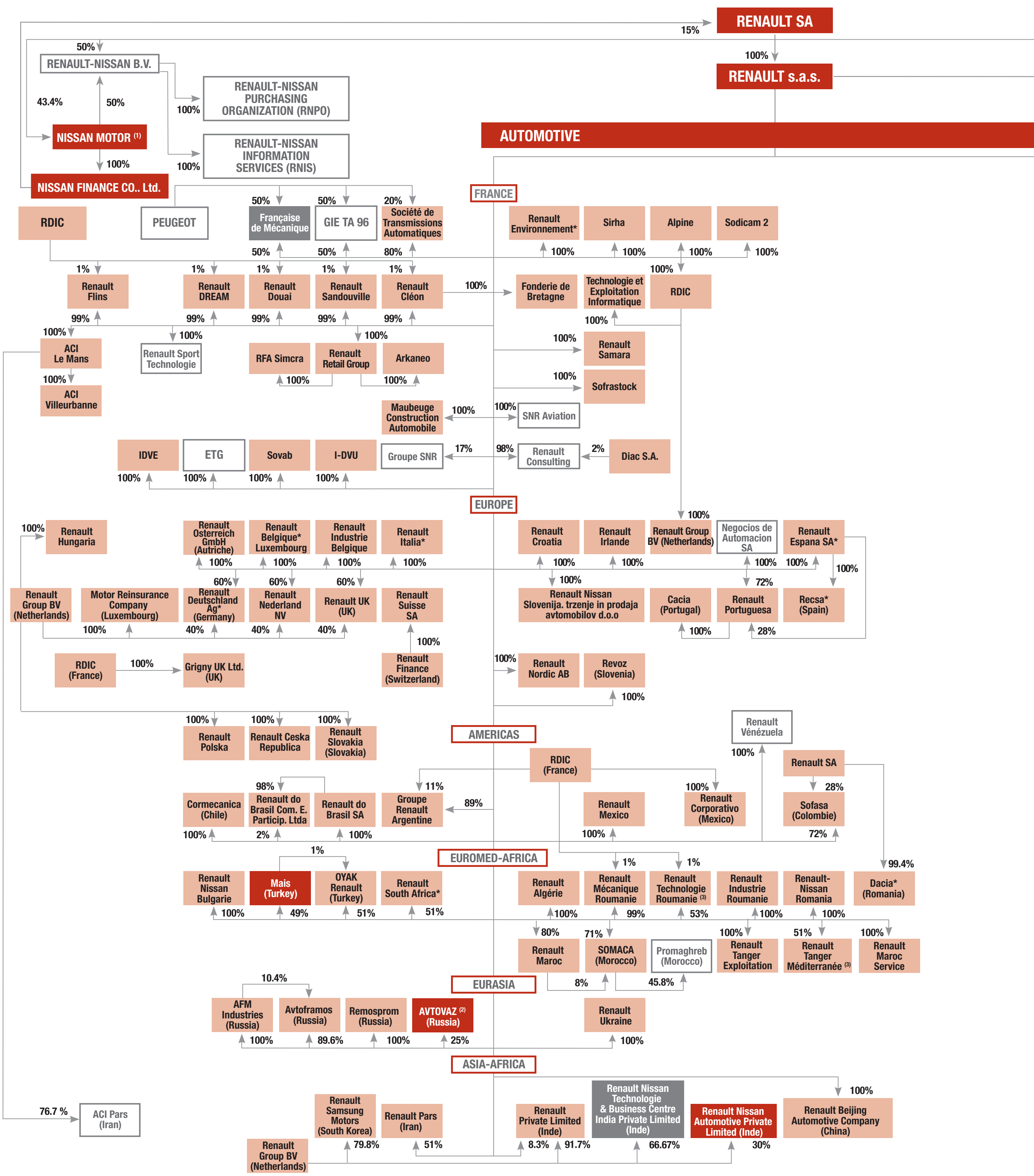
80% owned by Renault s.a.s.

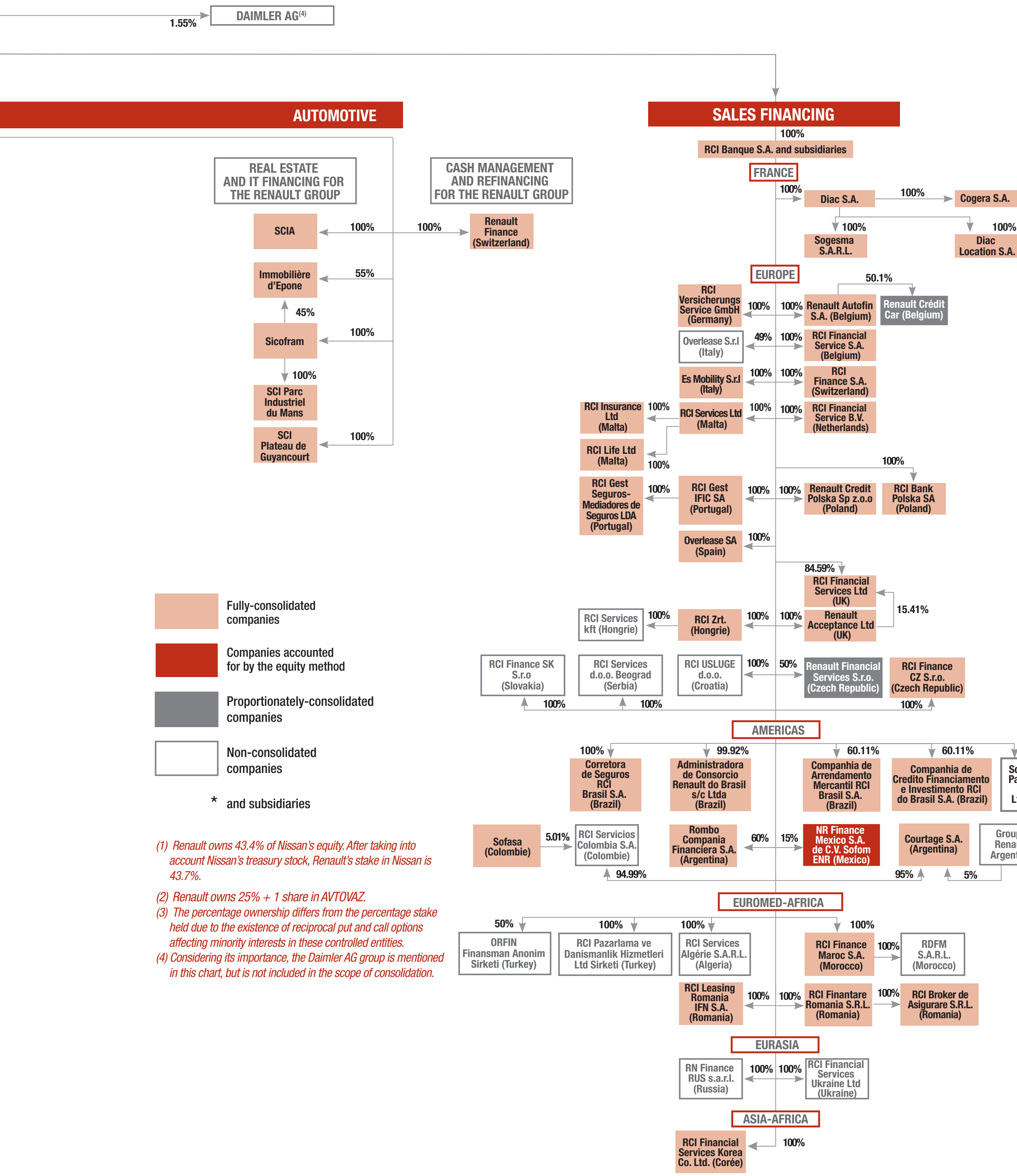
Business: importing and marketing Renault and Dacia brand vehicles

2012 revenues: MAD 5,827 million (local data to Group standards, external format)

Workforce at December 31, 2012: 148.

1.1.6.2 DETAILED GROUP ORGANIZATION CHART AT DECEMBER 31, 2012 ✦





Fully-consolidated companies

Companies accounted for by the equity method

Proportionately-consolidated companies

Non-consolidated companies

* and subsidiaries

(1) Renault owns 43.4% of Nissan's equity. After taking into account Nissan's treasury stock, Renault's stake in Nissan is 43.7%.

(2) Renault owns 25% + 1 share in AVTOVAZ.

(3) 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.

(4) 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.

1.2.1 ALLIANCE OBJECTIVES ✦

1.2.1.1 VISION – DESTINATION OF THE RENAULT-NISSAN ALLIANCE

THIRTEEN YEARS OF COOPERATION AND SYNERGY

The Renault-Nissan Alliance is the auto industry's most productive and stable cross-cultural strategic collaboration. This unique partnership is a pragmatic, flexible business tool that can expand to accommodate new projects and partners worldwide. In particular, the Alliance has emerged in the past half-decade as an important buffer to protect partners during regional downturns, and it has accelerated Renault and Nissan's momentum in some of the world's fastest growing economies.

In 2012, the Alliance sold a record 8.10 million units worldwide, up about 1% from the previous year. 2012 was the fourth straight year of sales growth for the Renault-Nissan Alliance. 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. The Alliance captured about 10% of the global market in 2012, ranking it fourth in volume behind Toyota, General Motors and Volkswagen.

ALLIANCE PRINCIPLES

The Alliance is based on trust, respect and transparency among all partners. It strives for "win-win" solutions that benefit partners and consumers. It seeks to maximize economies of scale while preserving the distinct identities of brands and corporate cultures.

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 their individual Boards 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 with Nissan. Together, Renault and Nissan have a total research and development budget of about €5 billion.

Today, the Alliance is the global automotive leader in sustainable mobility, having committed €4 billion in related projects since 1992. The Alliance helped accelerate both companies' development of zero-emission vehicles. Now Renault and Nissan are the auto industry leaders in sustainable transportation.

Pure electric vehicles

- The Alliance is the only manufacturer with a wide range of 100% electric vehicles (EVs) on the road. Since sales began in late 2010 to the end of 2012, the Alliance sold about 68,000 zero-emission vehicles globally, including Twizy, Renault's electric two-seater tandem. This is more than all of the other major global automakers combined.

- The Alliance's first EV – Nissan LEAF – went on sale in December 2010. Nissan LEAF is the world's best selling EV and has won numerous international accolades, including "World and European Car of the Year 2011", as well as "Japan Car of the Year 2011-2012".
- 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 family sedan, went on sale in December 2011. Twizy was launched in March 2012. Orders for the compact ZOE began in late 2012. ZOE has a range of more than 200km (NEDC).

Fuel-cell electric vehicles

The Alliance partners are also working on other technologies aimed at reducing CO_2 emissions, including hybrids, biofuel and hydrogen powered cars.

In January 2013, the Renault-Nissan Alliance, Daimler AG and Ford Motor Company announced a unique three-way agreement to accelerate the commercialization of fuel-cell electric vehicle technology. Together they will develop a common fuel cell stack and fuel cell system that can be used by each company in the launch of highly differentiated, separately branded FCEVs, which produce no CO_2 emissions while driving.

POWERTRAINS

The Renault-Nissan Alliance strives to maximize the number of platforms shared across multiple models whenever it makes sense from a cost and 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. This was followed by the Nissan Sunny/ Renault Scala project in 2012 also in India. The Powertrain Cross-Company Team (CCT), supported by the Alliance Powertrain Planning Office, has been leading the effort to increase efficiency at the powertrain level since 2009.

Throughout the Alliance, engineers are focused on reducing powertrain diversity. In 2011, co-owned and cross-exhanged engines and transmissions represented respectively 58% of total engines and 74% of total transmissions across the Alliance. In 2012, almost 80% of all powertrains were shared. This represented synergies of €670 million, or 41% of total synergies. Powertrain sharing also represented €1.8 billion in cross sales.

Increasing efficiency and meeting tough new emissions standards is also an important principle within the Alliance. Four new powertrains, two of which are labeled "Energy", are financed by the Alliance and developed in 2011 are being fitted on both Renault and Nissan models to respond to tougher environmental regulations.

Renault Energy TCe 90

Renault's first three-cylinder, turbo engine made its debut on New Clio launched this year. This 898-cc turbo unit completes the overhaul of the Group's range of petrol engines by offering the best balance between driving enjoyment and impeccable fuel consumption.

Key features:

- performance equivalent to that of a normally-aspirated 1.4 litre four cylinder;
- aluminium block (15kg saving compared with equivalent cast iron block);
- power: 90hp at 5,250rpm;
- 135Nm of max torque available across a wide rev range and from low engine speeds (90% of peak torque available from 1,650rpm) to ensure good pick-up, acceleration, responsiveness and driving enjoyment;
- new Renault Clio Energy TCe 90 features consumption and CO_2 emissions down 20% to 4.4l/100km and 99g/km (eco version).

Renault Energy dCi 90

With this new diesel engine, the new Clio achieves a record NEDC combined-cycle fuel consumption of 3.2 l/100km [(1)]. Thanks to its expertise as an engine manufacturer, Renault demonstrates that an internal combustion engine can achieve the same fuel consumption and CO_2 emissions as certain hybrid models thanks to new technologies which uncompromisingly target maximum efficiency.

Peak torque of 220Nm is available from 1,750rpm, which ensures genuine driving enjoyment coupled with strong pick-up from low revs. The entry level model is a dCi 75 model without Stop&Start, developing 75hp and 180Nm.

New Renault TCe 120 EDC

The TCe 120 is the first turbo GDI engine designed by the Alliance for this displacement and is one of the most powerful and most efficient petrol engines in its class. Coupled with a Renault EDC dual clutch gearbox (available from spring 2013), it combines driving enjoyment in all situations and quick, seamless gear changes with no interruption of torque delivery.

Coupled to the EDC dual clutch transmission, the Renault TCe 120 enables New Clio to achieve fuel consumption [(1)] that marks a one-third improvement over the previous 1.6-litre automatic.

Cutting edge technologies:

- aluminium engine block;
- an extremely versatile four-cylinder, 120hp, 1.2 litre turbo petrol engine with direct injection which develops 190Nm of torque at low revs, from 2,000rpm equivalent to the performance of a 1.6 litre.

(1) Fuel consumption and emissions homologated in compliance with applicable legislation.

New 1.6T R.S. 200 EDC

Featured on New Clio R.S. 200 EDC, this new 16-valve, four-cylinder turbocharged engine coupled with EDC dual clutch transmission develops 200hp at 6,000rpm. Its high torque of 240Nm (up 25Nm compared with Clio III R.S.) is developed from just 1,750rpm for instantaneous driving enjoyment. This maximum torque is then consistently available at higher revs – up to 5,600rpm – thanks to the turbocharger.

This sporty Alliance engine includes cutting edge technologies, demonstrated by the DLC (Diamond Like Carbon) cam followers developed from Formula One and Variable Valve Timing (VVT). As always with Renault Sport, the exhaust note has been the object of particular attention.

Alliance manufacturing facilities support Renault and Nissan expansion worldwide

Thanks to the Alliance, Renault and Nissan achieve economies of scale by producing vehicles together in seven countries around the world: Brazil, India, France, Russia, Spain, South Africa and South Korea. The RNBV Alliance Industrial Sourcing operation, created in 2009, identifies the best Alliance plants for producing 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.

India

India is a key pillar of the Alliance's strategic focus on new growth markets. The Chennai plant, inaugurated in 2010, is the first dedicated Alliance plant in the world and is home to the largest platform-sharing project in the Alliance. The plant produces the sub-compact Nissan Micra and Sunny sedan for global export, as well as the Evalia multi-purpose van. It also produces the Renault Koleos premium SUV, Renault Fluence family sedan, the new compact Renault Pulse, the Duster SUV and the Scala sedan, all 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. 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 manufactures components for Alliance plants worldwide.

Russia

Russia is one of the growth pillars for the Alliance in the next half-decade. In December 2012, the Alliance and Russian Technologies created a joint venture to control AVTOVAZ, Russia's leading automaker. According to the terms of the deal, Renault-Nissan will invest RUB23 billion (US$ 742 million). The investment will give Renault-Nissan 67.13% of the joint venture by mid-2014. The joint venture will then hold 74.5% of AVTOVAZ.

The Alliance has four manufacturing bases in Russia: Togliatti, Moscow, St. Petersburg and Izhavto. By 2016, the Alliance expects to have total production capacity of 1.6 million units in Russia, up from 1.1 million units in 2011.

Production at the new production line at the Togliatti plant, the largest assembly plant in the world, began in April with the Lada Largus multi-purpose van. Five separate models from the three companies will be produced on the line, reducing costs while preserving the unique characteristics of each brand.

South Korea

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

In July 2012, the Renault-Nissan Alliance announced it would invest US$160 million in Korea to meet anticipated demand for the next-generation Nissan Rogue and accelerate growth of Renault Samsung Motors. Production of Nissan Rogue crossover in Busan, Korea, will begin in 2014, with an annual capacity of about 80,000 units.

Next-generation Rogue production in Busan gives more momentum to Renault Samsung Motors, which earlier that year launched the "RSM 2012 Revival Plan." The plan aims to achieve efficiency and cost competitiveness in Busan, while expanding RSM's vehicle lineup, which today consists of four models.

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 2012.

Joint fleet contract

Thanks to the Alliance's wide product lineup and global sales footprint, Renault and Nissan were able to sign an exclusive fleet contract with the Paris-based nutritional food company Danone. Under this first-of-its-kind deal for the Alliance, the two companies will together provide 15,000 vehicles to Danone in 25 countries for at least five years.

Danone fleet managers can select vehicles from four brands under the Renault-Nissan Alliance: Renault, Dacia, Nissan and Infiniti. The product range stretches from passenger cars in the A to the E segments and commercial vehicles, including electric models. The highest volumes will be in Russia, Mexico and France.

DIVERSITY

Refer to chapter 2 of this Registration document, paragraph 2.4.1.2.

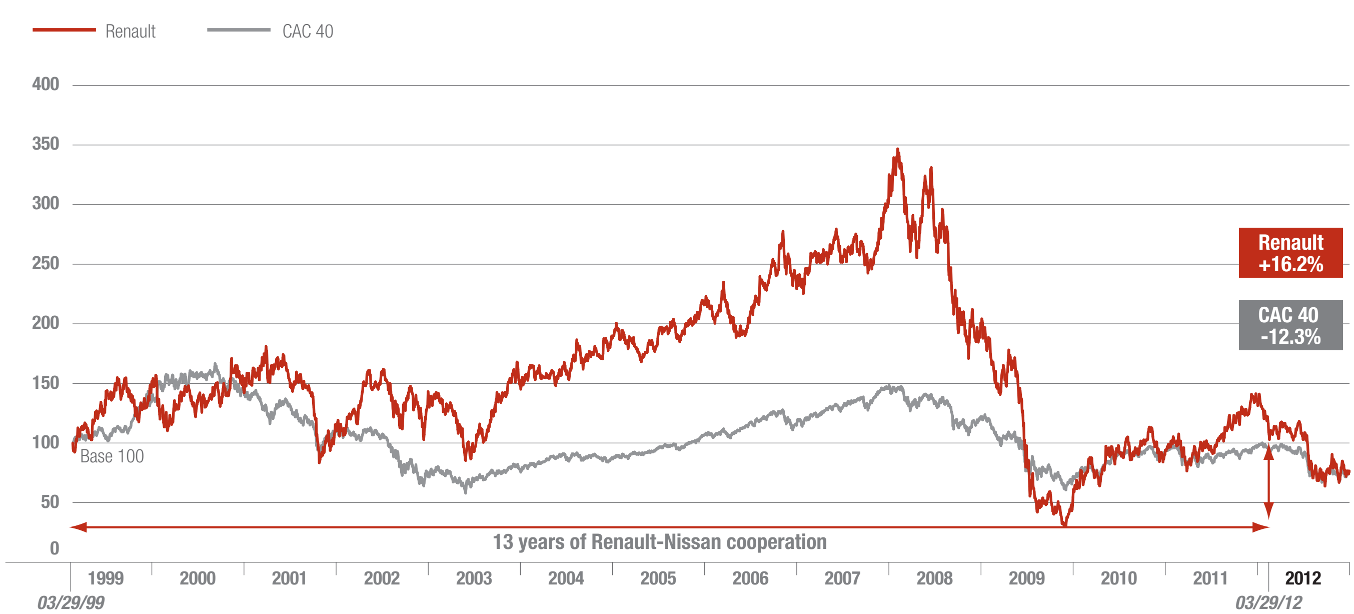
1.2.1.3 THE ECONOMIC AND FINANCIAL CRISIS IMPLICATIONS

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 been less stable.

Renault's stock held up well in 2012, outperforming the other auto makers over the year. That performance was driven in particular by the Group's results, which showed it was able to resist harsh economic conditions in Europe. Combined with the Group's international growth strategy and free cash flow target, that performance altered the market's perception of Renault. At the same time, Nissan's stock continued to recover from the impact of the 2011 tsunami in Japan. However, it was affected at year's end by trade frictions between Japan and China.

RENAULT SHARE PRICE FROM MARCH 29, 1999 TO END-DECEMBER 2012



Source: Reuters.

NISSAN SHARE PRICE FROM MARCH 29, 1999 TO END-DECEMBER 2012

Source: Reuters.

AUTOMAKERS MARKET CAPITALIZATION – MARCH 1999 VS DECEMBER 2012

(€ million)	MARCH 29, 1999	RANKING		DECEMBER 31, 2012
Toyota	96,736	1	Toyota	121,134
Daimler	81,541	2	VW	77,391
Ford	59,848	3	Honda	49,974
GM	52,518	4	BMW	46,515
Honda	39,961	5	Daimler	44,097
VW	22,159	6	Hyundai	37,346
BMW	16,277	7	Ford	36,753
Fiat	13,522	8	GM	34,244
Volvo (A+B)	10,439	9	Nissan	32,161
Nissan	9,049	10	Volvo (A+B)	22,074
Renault	8,393	11	Renault	12,031
Peugeot	6,615	12	Fiat	4,739
Hyundai	678	13	PSA	1,941

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.

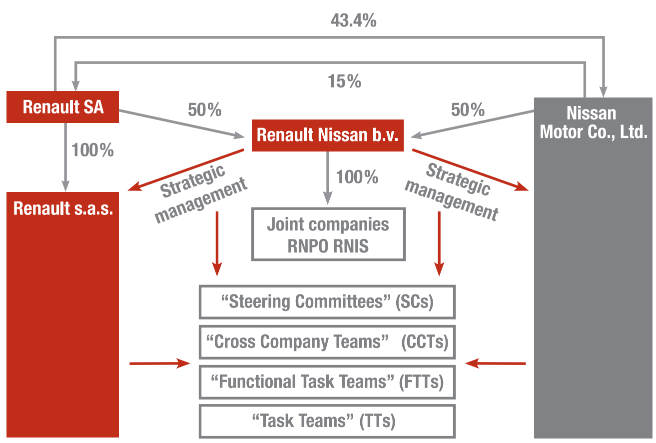
RNBV decides on medium- and long-term strategy, as described below under "Powers of Renault-Nissan b.v." It bolsters the management of the Renault-Nissan Alliance and coordinates joint activities at a global level, allowing for decisions to be made while respecting the autonomy of each partner and guaranteeing 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; 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;
- any other subject or project assigned to RNBV on a joint basis by Nissan Motor Co., Ltd., and Renault s.a.s.

✦ Global Reporting Initiative (GRI) Directives

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 basis by 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 who helps 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. In 2012, the Alliance also sharpened its focus on development of "sub-entry" vehicles for consumers primarily in emerging markets – so-called A-segment vehicles.

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.

ALLIANCE & SUSTAINABILITY: ZERO-EMISSION LEADERSHIP

See chapter 1.2.1.2 paragraph Research and advanced engineering.

STRATEGIC COOPERATION WITH DAIMLER

The Alliance seeks out strategic alliances with other partners in order to increase economies of scale to help accelerate growth in new regions, to fund research and development of next-generation powertrains, and build vehicles that meet or exceed tougher environmental requirements for a sustainable future.

With that in mind, the Alliance announced a strategic co-operation with Daimler AG in April 2010. This stable, long-term relationship enables 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.

This strategic cooperation is strengthened by cross-shareholdings, with Daimler holding a 3.1% share in Renault and Nissan capital and Renault and Nissan holding a 1.55% share in Daimler.

It is managed by a Cooperation Committee which is co-chaired by Carlos Ghosn and Dieter Zetsche and made up of senior executives from the Alliance, Renault, Nissan and Daimler. The governance Board, which meets nearly every month, ensures the implementation of the agreed projects and makes proposals for new ones. The cooperation is managed for the Alliance by RNBV.

2012 was an important milestone for the cooperation with the first tangible results of the collaboration visible on the road:

- the jointly developed Renault-Daimler 4- cylinder 1.5 liter direct injection turbo diesel engine had its market introduction in the new Mercedes-Benz A-Class;
- Mercedes-Benz Vans expanded its range of light commercial vehicles with the launch of a new entry-level model "Citan" based on the existing Kangoo, which also features the above jointly developed 1.5 liter engine. The vehicle is built in the Renault Maubeuge plant in France.

Among the new projects added to the portfolio:

- Nissan and Daimler announced they would 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;
- Renault and Daimler will jointly develop a 4-cylinder, 1.3 liter gasoline engine family. The direct-injection turbocharged engines will feature state-of-the-art technology in a compact package. The engines target a significant improvement in fuel economy as well as low emissions and will debut in Mercedes-Benz, Renault and Nissan vehicles in 2016;
- Daimler and Nissan have entered into a manufacturing and development licence agreement for a new automatic transmission currently being developed by Daimler. Jatco will manufacture the automatic transmission in Mexico for Nissan and Infiniti vehicles starting in 2016;
- the Renault-Nissan Alliance and Daimler announced an agreement in January 2013 with Ford to accelerate the commercialization of fuel-cell electric vehicle technology. See fuel-cell electric vehicles paragraph in 1.2.1.2 above.

In addition, the following "pillar projects" originally launched in April 2010 remained on track:

- the smart/Twingo project has an expected launch date of 2014. Two-seater smart production will be in Hambach, France, and four-seater smart and Renault production will be at Renault in Novo Mesto, Slovenia;
- the cross-supply and joint development of powertrains continues. Renault is supplying Daimler with compact three-cylinder gasoline engines and four-cylinder diesel engines to be used in the small-car segment (smart, Twingo). In addition to the jointly developed engine for the Mercedes-Benz Citan van, Renault is also supplying components for the next generation of Mercedes-Benz's premium compact cars. Daimler will supply Nissan and Infiniti with four- and six-cylinder gasoline and diesel engines from the current and future engine portfolio.

In addition to these original "pillar projects" that have been accomplished or are on track, Renault and Daimler are collaborating on new projects, including the development of fuel-efficient powertrains and additional sharing of existing platforms or production plants.

All partners are keeping an open mind, looking with fresh eyes at all potential new areas of collaboration. 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.

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 2012. The Alliance Board has also convened regular meetings for all top executives at both companies. The most recent meeting was in September 2012, when 350 senior executives met in Paris for a two-day "Alliance Convention" in advance of the Paris Motor Show.

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 four members from Renault (Mouna Sepehri, Jean-Michel Billig, Carlos Tavares and Jérôme Stoll) and four from Nissan (Toshiyuki Shiga, Mitsuhiko Yamashita, Hidetoshi Imazu and Greg Kelly).

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.

2012 activities

With the support of the dedicated Alliance teams, the Alliance Board has 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 established in 2012 headed by a dedicated Alliance Managing Director based in India;
- 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 provided the United Nation's with a fleet of zero-emission vehicles at its Rio+20 Conference on Sustainable Development in Rio de Janeiro, the world's largest environmental summit ever. The Alliance communication team is also accelerating internal communications on the Alliance at both companies.

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

1. Planning
2. Product Development and Manufacturing
3. Sales and Services
4. Marketing and Communications
5 Africa
6 Middle East and India
7. America
8. Europe
9. Russia
10. China
11 Asia and Pacific (excl. China)

✦ Global Reporting Initiative (GRI) Directives

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 16 teams working in the following areas:

1. Product Planning
2. Light commercial vehicle
3. Research & Advanced Engineering
4. Vehicle Engineering
5. Powertrain
6. Process Engineering
7. Manufacturing
8. Parts and Accessories
9. EV
10. Korea
11. South Africa
12 India
13 Raw materials
14 Corporate Sales
15 Joint Marketing
16 PR/Press/Coms

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

The 16 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 14 FTTs that cover the following key areas:

1. Corporate Planning
2. Product Engineering Performance
3. Quality
4. Industrial Strategy
5. Cost Management & Control
6. Joint Media Buying
7. Service Engineering
8. Sales and Network
9. Legal & Intellectual Property
10. Global Tax
11. Human Resources
12. Joint Event & Motor SHow
13 Joint Agencies
14 Marketing Organization

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.

In 2010, the Alliance 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 and in 2011 with €1.7 billion. The Alliance is expected to overachieve on its €1.9 billion objective for 2012 as well, with new synergies expected to total more than €2.6 billion. As in the past two years, the major contributors to synergies are expected to be in the areas of vehicle engineering, powertrains, purchasing and logistics, as well as customs and trade following the recent establishment of an Alliance department to oversee this area.

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.

Platform sharing as usual

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 Nissan Sylphy and Tiida, as well as the new Renault Clio IV launched in 2012.

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

The current Nissan Micra released in 2010 was the first model to be built on the V-Platform, a genuine breakthrough made possible because of the Alliance. This platform 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. Today the V-Platform, which can build about 1 million cars a year, is also used to build the new Nissan Sunny and Renault Pulse and Scala in the Alliance factory in Chennai, India. It is also being used to produce Nissan Sunny in Thailand and China.

A new approach: the Common Module Family

Today the Renault-Nissan Alliance is going beyond platform-sharing with the adoption of a new approach called Common Module Family (CMF). CMF aims to double common parts and components in future Renault and Nissan ranges. By sharing the technical architecture among a wide variety of models, the Alliance is maximizing scale and reducing the development cost of new vehicles.

The new CMF approach is based on the "4+1 Big Modules" concept. The four modules – engine compartment, cockpit, front underbody and rear underbody – as well as the architecture for electrical and electronic components are designed to be combined in a variety of vehicles – compacts, sedans or SUVs – of the Renault and Nissan ranges. Between 2014 and 2016, 80% of the Alliance's model launches will be based on a platform shared with a partner and will use standardization of parts through modules.

The first models built using this new approach include the new Renault Clio IV launched in 2012, as well as Dacia Lodgy, Logan, and Sandero. All C and D segment vehicles currently being developed are based on this approach. The Alliance is currently studying extending CMF to other vehicle segments.

Powertrains (engines and gearboxes)

See powertrain section in chapter 1.2.1.2.

RESEARCH AND ADVANCED ENGINEERING

Strengthening innovation

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.

In 2011, the Renault-Nissan Alliance opened a research office in the heart of Silicon Valley to capitalize on the region's world-class engineering talent and to stay ahead of trends. Renault uses the Silicon Valley office for research and advanced engineering, in particular electric vehicles and their supplier and infrastructure ecosystem, onboard services and business development. Nissan uses it for vehicle IT research, including graphical user-interface displays, in-car Internet connectivity and smart-grid research.

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;
- ASES (Alliance Supplier Evaluation Standard) to evaluate the level of the quality management system of the supplier in terms of results and process.

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 and the Nissan quality mid-term plans.

Renault and Nissan are improving together by developing common quality synergies and exchanges of best practices:

- 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;
- comparison of processes and exchange of best practices in the following fields: perceived quality, field quality, electrical vehicles, etc.

PURCHASING

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

✦ Global Reporting Initiative (GRI) Directives

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 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. Each year, all Alliance plants are ranked according to QCTP (quality, cost, time and productivity) to evaluate their performance against each other. New challenges in plants related to environmental targets (*e.g.* 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 2011 reached €221 million (98% due to cost reductions).

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 in all logistics areas. 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). Cost reduction and synergies have been achieved while maintaining a good level of service to Renault and Nissan regions in close relationship with Renault and Nissan operations. This includes leadtime reliability, as well as the quality of parts and vehicle deliveries.

Below are some of the numerous common logistics activities:

- Central & Eastern Europe tender: by combining Renault & Nissan cars flows in Central & Eastern Europe, logistics and purchasing teams could generate synergies through bundling effect and backflow optimisation. This led to more than €16 million in savings over three years, as well as a significant impact on free cash flow due to leadtime reduction;
- 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 HUMAN RESOURCES IN THE ALLIANCE ✦

Refer to chapter 2.2.1.2

1.2.4 NISSAN'S STRATEGY AND RESULTS IN 2012

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 13 to the consolidated financial statements.

Nissan has production facilities in over 20 countries and regions. In fiscal year 2011, Nissan sold 4,844,931 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 2012 AFTER NINE MONTHS

On February 8, 2013, Nissan announced financial results for the third quarter of fiscal year 2012, ending March 31, 2013, as well as for the first nine months.

In the third quarter (October-December 2012), the consolidated net income after taxes totalled ¥54.1 billion (US$670 million, €510 million), a year-on-year decline of 34.6%. Third quarter net revenue was ¥2.2084 trillion (US$27.23 billion, €21.01 billion), down 5.3% year-on-year. Nissan reported an operating profit of ¥62.1 billion (US$770 million, €590 million), down 47.4% compared to the same period in FY2011, and an operating profit margin of 2.8%. Ordinary profit was ¥89.0 billion (US$1.10 billion, €850 million).

Nissan sold 1.159 million vehicles worldwide in the October-December quarter, a 3.8% decrease compared to the prior year.

For the nine months ending December 31, 2012, Nissan reported consolidated net revenues of 6.7552 trillion yen (US$84.44 billion, €66.23 billion) and an operating profit of ¥349.2 billion (US$4.37 billion, €3.42 billion), which equates to an operating margin of 5.2%. Ordinary profit totalled ¥364.6 billion (US$4.56 billion, €3.57 billion) while net income came to ¥232.4 billion (US$2.91 billion, €2.28 billion).

For the April-December 2012 period, Nissan sales increased 6.0% year-on-year to reach 3.635 million units.

Nissan's forecast for the full fiscal year ending March 31, 2013, is unchanged. On November 6, 2012, Nissan had filed the following forecasts with the Tokyo Stock Exchange for the fiscal year ending March 31, 2013:

- consolidated net revenues of ¥9,815 billion ($123.15 billion, €96.41 billion);
- operating profit of ¥575 billion ($7.21 billion, €5.65 billion);
- net income of ¥320 billion ($4.02 billion, €3.14 billion);
- capital expenditures of ¥520 billion ($6.52 billion, €5.11 billion); and
- R&D expenses of ¥467 billion ($5.86 billion, €4.59 billion).

(Note: Amounts in dollars and euros are translated for the convenience of the reader at the foreign-exchange rates of 80.0 yen/dollar and 102.0 yen/euro, the average rates for the first nine months of the fiscal year ending March 31, 2013. For the third-quarter results, amounts are based on 81.1 yen/dollar and 105.1 yen/euro, the average rates for the three months from October to December 2012). The financial forecasts for fiscal year 2012 (April 1, 2012 through March 31, 2013) were revised on November 6, 2012. The forecasts are translated for the convenience of the reader at the foreign exchange rates of 79.7 yen/dollar and 101.8 yen/euro, the revised average rates for fiscal year 2012.

1.2.4.2 NISSAN'S 2012 CONTRIBUTION TO RENAULT'S RESULTS

CONTRIBUTION TO RENAULT' CONSOLIDATED NET INCOME

Nissan's contribution to Renault's earnings was €1,234 million in 2012 compared with €1,332 million, in 2011, recorded in the financial statements as a share in net income of companies accounted for by the equity method.

(See chapter 4 note 13 to the consolidated financial statements.)

DIVIDEND PAYOUT

In June 2012, Renault received a final dividend of €196 million for fiscal year 2011 (¥10 per share).

In November 2012 Renault received a first dividend payment of €231 million (¥12.5 per share) for fiscal year 2012.

1.2.5 ALLIANCE COMBINED SALES PERFORMANCE AND FINANCIAL INDICATORS

1.2.5.1 ALLIANCE COMBINED SALES FOR 2012

The Renault-Nissan Alliance sold a record 8,097,197 vehicles in 2012, representing one in 10 new cars sold worldwide.

Calendar-year sales increased about 1% from 2011, with strong growth in emerging markets and the US, compensating for the protracted European slowdown. 2012 was the fourth straight year of sales growth for the Renault-Nissan Alliance.

Renault group sold 2,550,286 units worldwide in 2012, down 6.3% from 2011. Renault group sales increased 9.1% outside Europe, thanks in part to strong growth in Brazil, Russia, and Algeria. Sales declined 18% in Europe as car sales throughout the continent dropped 8.6%.

Nissan sold 4,940,133 units, up 5.8%, setting a new calendar year record. Nissan has two markets each exceeding 1 million units: China and the United States.

AVTOVAZ sold 606,778 vehicles, down 5.7% from 2011 as a major Russian incentive program came to an end. In December, the Renault-Nissan Alliance created a joint venture to accelerate its market offensive in Russia where the Alliance sells about one in three cars nationwide.

"2012 was a challenging year due to the continued decline in Renault's historic core market of Western Europe and due to political tension in China, Nissan's top market worldwide," said Renault-Nissan Chairman and CEO Carlos Ghosn. "Thanks to the American rebound and strong demand in emerging markets, we maintained our market share and are very well positioned in global growth markets."

RENAULT GROUP HIGHLIGHTS

Refer to the Renault 2012 earnings report, chapter 1.3.

NISSAN HIGHLIGHTS

Nissan posted record global sales of 4.94 million units in 2012, up 5.8% from 2011.

In Japan, Nissan's sales rose 11.6% to 659,756 units. The new Note hatchback, NV350 Caravan and Serena minivan contributed to the sales increase. Mini-vehicles grew 5.4% to 153,335 units, a record for a calendar year.

Overseas sales rose 4.9% to a record 4,280,377 units despite a drop in sales in China, Nissan's largest market. During calendar year 2012, Nissan's sales in China totaled 1.18 million units, in line with the revised sales forecast issued in November. While Nissan and all Japanese automakers felt the sales impact of a territorial dispute, Nissan's showroom traffic in China has normalized and is exceeding last year's level.

In the US, Nissan reported record sales of 1,141,656 units for Nissan and Infiniti brand vehicles, up 9.5% compared with 2011. Nissan brand sales increased 8.2% year-on-year to a record 1,021,779 units thanks to strong demand for the new Altima sedan, Rogue crossover and Versa compact car. Nissan's total market share in the US was 7.9%.

In 2012, five out of the top ten vehicles sold in Mexico were Nissan, as the company posted both record sales and market share. Sales climbed 9.3% to 245,634 units while market share reached 24.9%.

In Brazil, where Nissan plans to build its first plant in Resende in 2014, Nissan sold a record 104,711 units, up 56% compared with the previous year. Nissan was Brazil's fastest-growing brand for the third straight year. The company's market share reached 2.9%, up 0.9 percentage points.

In Europe, Nissan posted a record market share thanks to strong sales of the Qashqai and Juke crossovers. Although sales fell 2.4% to 678,697 units amid the overall downturn in the market, Nissan's market share edged up 0.1 percentage point to a record 3.9%.

Sales in the UK rose 10% to a record 118,211 units while market share rose 0.3 percentage points to 5.2%, also a record. In Russia, Nissan's top market in Europe, sales rose 11.7% to 162,956 units. Market share stood at 5.6%.

AVTOVAZ LADA HIGHLIGHTS

The Alliance's partner in Russia, AVTOVAZ, sold 606,778 units globally, down 5.7% from 2011. In Russia alone, AVTOVAZ, owner of the iconic brand Lada, sold 537,625 units, down 7.0% year-on-year following the end of a special national incentive program. With AVTOVAZ, Renault-Nissan already sells about one in three cars in Russia and aims to have a market share of at least 40%.

In December, the Renault-Nissan Alliance created a joint venture and became a controlling shareholder for AVTOVAZ, Russia's largest car company. With ongoing investments in technology and manufacturing complexes throughout Russia, Renault-Nissan and AVTOVAZ will have a Russian capacity of at least 1.7 million cars per year starting in 2016.

The manufacturing complex in Togliatti is now home to one of the largest platform-sharing programs in the Renault-Nissan Alliance. The site – one of the world's largest car plants – already produces the LADA Largus. Production of the new Nissan Almera began last year and will be fully ramped up in 2013. Production will soon span five models across three brands – LADA, Renault and Nissan. Investments in this project will total about €400 million.

ZERO-EMISSION HIGHLIGHTS

The Renault-Nissan Alliance is the only automaker with a wide range of 100% electric vehicles (EVs) which can be charged with purely renewable energy.

In 2012, global sales of all zero-emission vehicles across the Alliance were 43,829 units, up 83.8% from 2011 as Nissan LEAF sales increased worldwide and Renault launched two more EVs. The Alliance's worldwide zero-emission market share stood at 64%, excluding Twizy, Renault's two-seater urban commuter.

Since sales began in December 2010 to the end of 2012, the Alliance sold 67,723 zero-emission vehicles globally.

The Nissan LEAF hatchback is by far the world's best-selling zero-emission car. In 2012, Nissan sold 26,976 units globally, an increase of 22% from 2011. Cumulative sales of Nissan LEAF reached 49,117 units since its launch in December 2010.

In 2012, Renault sold 16,853 zero-emission vehicles. Since the debut of the Kangoo Z.E. small van in October 2011, Renault has sold 18,606 zero-emission vehicles cumulatively.

In addition to the Kangoo Z.E., named International Van of the Year 2012, and Twizy, Renault also sells the Fluence Z.E., an all-electric sedan, based on the conventional Fluence sedan, and the subcompact zero emission ZOE.

TOP 10 ALLIANCE MARKETS

	TOTAL SALES	MARKET SHARE *(%)*
China	1,211,254	6.6%
US	1,141,656	7.9%
Russia*	890,433	30.3%
Japan	663,228	12.4%
France	626,297	27.6%
Brazil	346,305	9.5%
Mexico	270,664	27.4%
Germany	235,423	7.2%
UK	174,380	8.9%
Italy	150,395	9.9%

* *Including AVTOVAZ.*

TOP 10 RENAULT MARKETS

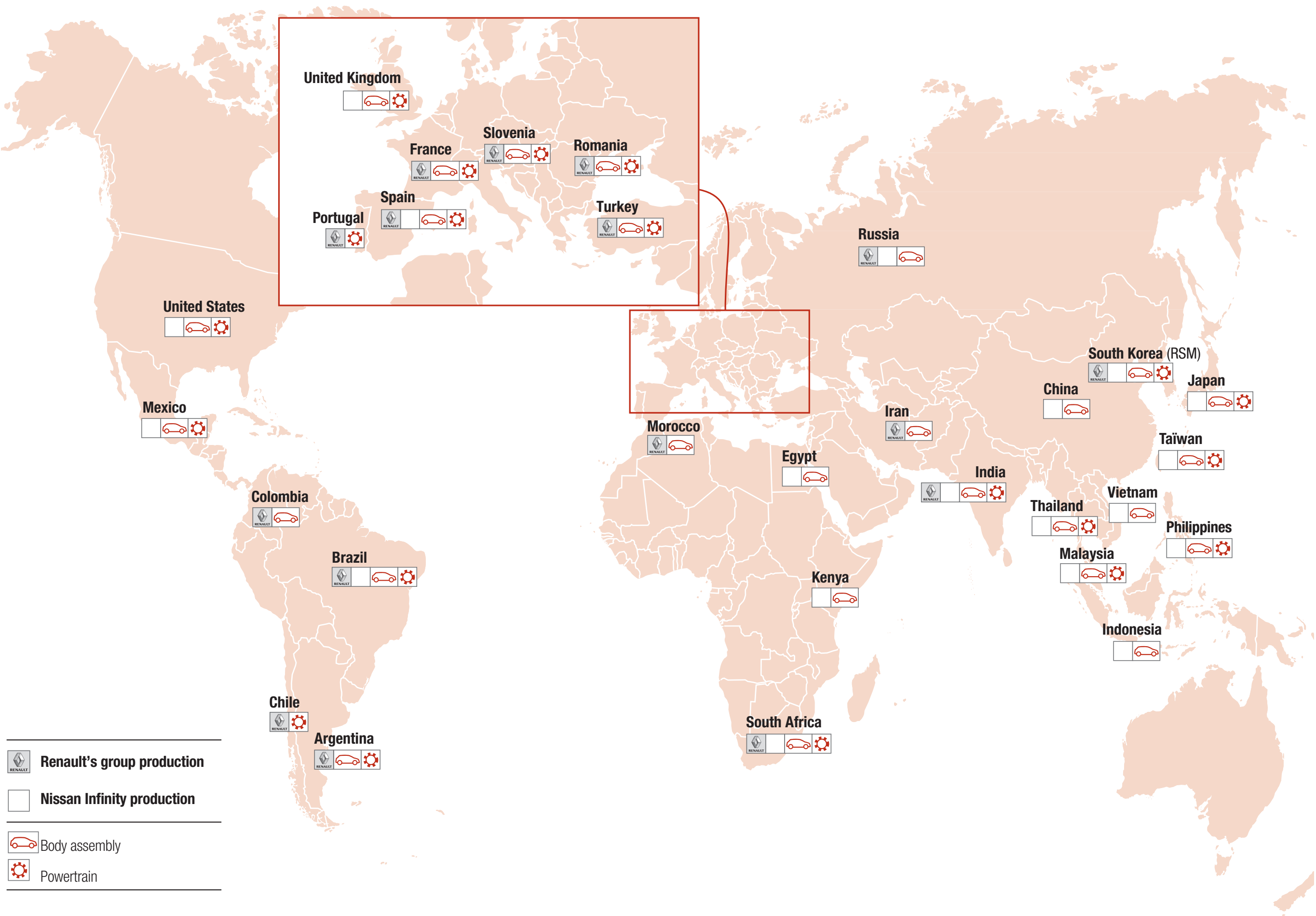
	TOTAL SALES	MARKET SHARE *(%)*
France	551,314	24.2%
Brazil	241,594	6.6%
Russia	189,852	6.5%
Germany	170,303	5.1%
Argentina	118,727	14.8%
Turkey	118,169	15.2%
Algeria	113,664	26.0%
Iran	100,783	9.8%
Italy	96,144	6.3%
Spain	83,366	10.7%

TOP 10 NISSAN MARKETS

	TOTAL SALES	MARKET SHARE (%)
China*	1,181,530	6.5%
U.S.	1,141,656	7.9%
Japan	659,756	12.3%
Mexico	245,634	24.9%
Russia	162,956	5.6%
Thailand	123,850	8.6%
UK	118,211	5.2%
Brazil	104,711	2.9%
Canada	82,194	4.9%
Australia	79,872	7.2%

* *Including Venucia brand.*

PRODUCTION SITES



1.2.5.2 VALUE OF JOINT OPERATIONS

Renault sales to Nissan and Renault purchases from Nissan in 2012 are estimated at €2.1 billion and €1.9 billion respectively, as mentioned in chapter 4, at the end of note 13-J to the consolidated financial statements.

1.2.5.3 FINANCIAL INFORMATION ON THE ALLIANCE

See chapter 1.3.2.3.

1.3 EARNINGS REPORT - 2012

IN BRIEF

KEY FIGURES

		2012	2011	CHANGE
Worldwide Group sales	*million vehicles*	2.55	2.72	-6.3%
Group revenues	*€ million*	41,270	42,628	-3.2%
Group operating margin	*€ million*	729	1,091	-362
	% revenues	+1.8%	+2.6%	-0.8 pt
Contribution from associated companies	*€ million*	1,504	1,524	-20
o/w Nissan		*1,234*	*1,332*	*-98*
o/w AB Volvo		*80*	*136*	*-56*
o/w AVTOVAZ		*186*	*49*	*+137*
Net income	*€ million*	1,735	2,139	-404
Net income, Group share	*€ million*	1,772	2,092	-320
Earnings per share	*€*	6.51	7.68	-1.17
Operational free cash flow (1)	*€ million*	597	1,084	-487
Automotive net financial debt	*€ million*	-1,492	299	-1,791
Sales Financing, average loans outstanding	*€ billion*	24.2	22.8	+6.2%

(1) Operational free cash flow: cash flow (excluding dividends received from listed companies) less investments in property, plant, equipment and intangibles net of disposals +/- change in working capital requirement.

OVERVIEW

In 2012, Group totaled 2,550,286 vehicles sold, down 6.3%. The Group set an international [1] sales record, close to 1.3 million vehicles outside Europe (50.2%), but failed to offset the 18.0% drop in sales in Europe.

Group revenues came to €41,270 million, down 3.2%. With the strong increase in sales outside Europe failing to offset the decrease in sales in Europe, the **Automotive** division contributed €39,156 million to revenues, down 3.7% on 2011.

Group operating margin fell €362 million in 2012 to €729 million (1.8% of revenues) compared with €1,091 million in 2011 (2.6% of revenues).

The **Automotive** division posted a slightly negative operating margin (- €25 million or -0.1% of its revenues) compared with a positive €330 million in 2011 (0.8% of its revenues). The positive impact from cost reductions for €528 million and the good control of G&A expenses did not offset the sharply negative volume impact (- €501 million) or the increased competition in Europe (mix/price/enrichment effect of - €242 million).

The contribution of **Sales Financing** to Group operating margin came to €754 million, compared with €761 million in 2011. The cost of risk totaled 0.38% of the outstandings (up 0.15 points), after reaching a low point last year. However, it remains below its historic average, reflecting the continued good quality of the portfolio, despite the worsening economic environment in Europe.

Operating income was €122 million, after recognizing other negative operating income and expense items, which totaled €607 million, mainly due to impairment charges of several vehicles lines, the devaluation of the Iranian currency, and restructuring costs.

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

The contribution of **associated companies** came to €1,504 million in 2012 [1] (of which €1,234 million for Nissan), down from €1,524 million in 2011.

Net income came to €1,735 million, compared with €2,139 million in 2011. The total includes a capital gain of €924 million from the disposal of A shares in AB Volvo in December. Net income, group share, was €1,772 million (€6.51 per share).

For the fourth consecutive year, Automotive **operational free cash flow** was positive. Despite the negative impact from sales and operating income, full-year free cash flow came to €597 million, mainly resulting from the rigorous management of the working capital requirement. The Group was able to increase its annual investments reaching 8.1% of revenues.

This performance, along with the disposal of AB Volvo A shares in December 2012 for €1,476 million, enabled the Group to eliminate its net debt. For the first time since the beginning of the Alliance with Nissan in 1999, Renault is reporting a positive Automotive **net cash position** of €1,492 million at December 31, 2012, compared with net debt of €299 million at end-December 2011. At the same time, the Automotive division reported a strong **liquidity position** of €13.6 billion, compared to €11.4 billion at end-2011.

In line with the dividends policy announced in the "Renault 2016 - Drive the Change" plan, a **dividend** of €1.72 per share, strictly representing the dividends received by the Group in 2012 for its shares in listed companies, will be submitted for approval at the next Shareholders' General Meeting.

OUTLOOK 2013

In 2013, the European market remains uncertain and is expected to contract by at least 3% with a French market down 3 to 5%. The global automotive market (PC+LCV) is expected to grow 3% year on year. This growth will be fueled by positive momentum expected in China, North America, India (+11%) Russia (+5%), and Brazil (+1.5%).

In this context, Renault will pursue its strategy of international development. In Europe, the Group is targeting market share growth with new product launches (Captur, ZOE, Clio Estate, New Logan) and the full impact of the products launched at the end of 2012 (Clio IV and New Sandero) with a sustainable pricing policy.

Renault group is targeting for 2013 (provided European and French markets are not significantly worse than expected):

- units sales growth;
- positive Automotive operating margin;
- positive Automotive operational free cash flow.

1.3.1 SALES PERFORMANCE ✦

OVERVIEW

- In 2012, the Group sold **2.5 million vehicles** (-6.3%), for global PC/LCV market share of 3.2% (vs 3.6% in 2011). Market performance was uneven, with the global market growing overall and the European market falling.
- In 2012, **growth in international sales gathered pace.** The Group sold nearly 1.3 million vehicles outside Europe (+9.1% on 2011). For the first time, the Group sold as many vehicles on international markets as it did in Europe (50.2% compared with 43.1% in 2011).
- Growth was particularly strong in **Brazil** and **Russia**, which now rank as the Group's second and third biggest markets respectively.
- The **Renault brand** accounted for 83% of Group sales with 2,124,773 vehicles. Despite growing by a strong 13.9% outside Europe, Renault brand sales fell by 6.0% on 2011. Renault remains No. 1 on the European LCV market (since 1998) with market share of 15.5%.
- The **Dacia brand** saw sales rise 4.8% to 359,822 units, buoyed by the expansion of the range in 2012 with the arrival of Lodgy, Dokker, and the renewal of Sandero.
- The **Renault Samsung Motors brand** saw sales fall 44.4% to 65,691 units. The brand is currently restructuring its sales network and product offering.
- New financing (excluding the card business and personal loans) by **RCI Banque** reached €10.8 billion in 2012, vs €11.1 billion in 2011, down 2.6%. Average loans outstanding at RCI Banque rose to €24.2 billion (+6.2% on 2011).

(1) After taking into account AB Volvo's contribution for three quarters.

THE RENAULT GROUP'S TOP FIFTEEN MARKETS

SALES EXCL. LADA		SALES VOLUMES 2012* (in units)	PC/LCV MARKET SHARE 2012 (%)	CHANGE IN MARKET SHARE ON 2011 (point)
1	France	551,314	24.2	-1.9
2	Brazil	241,594	6.6	1.0
3	Russia	189,852	6.5	0.6
4	Germany	170,303	5.1	-0.2
5	Argentina	118,727	14.8	1.8
6	Turkey	118,169	15.2	-1.1
7	Algeria	113,664	26.0	0.8
8	Iran	100,783	9.8	3.9
9	Italy	96,144	6.3	-0.1
10	Spain + Canary Islands	83,366	10.7	-0.1
11	Belgium + Luxembourg	74,896	12.5	-0.9
12	South Korea	59,926	4.0	-3.0
13	United Kingdom	56,169	2.5	-1.6
14	Netherlands	53,745	9.5	0.3
15	Morocco	47,709	36.6	-0.4

* *Figures at end-December 2012.*

1.3.1.1 AUTOMOTIVE

GROUP SALES BY REGION

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES *(units)*	2012*	2011	CHANGE *(%)*
EUROPE REGION	**1,270,688**	**1,550,202**	**-18.0**
Renault	1,040,289	1,309,478	-20.6
Dacia	230,399	240,724	-4.3
AMERICAS REGION	**450,916**	**396,927**	**13.6**
Renault	445,151	388,013	14.7
Renault Samsung Motors	5,765	8,914	-35.3
ASIA-PACIFIC REGION	**260,013**	**259,058**	**0.4**
Renault	198,312	147,939	34.0
Dacia	1,775	1,898	-6.5
Renault Samsung Motors	59,926	109,221	-45.1
EUROMED-AFRICA REGION	**360,918**	**345,865**	**4.4**
Renault	233,270	245,010	-4.8
Dacia	127,648	100,855	26.6
EURASIA REGION	**207,751**	**170,831**	**21.6**
Renault	207,751	170,831	21.6

* *Preliminary figures.*

Europe

In Europe, in a PC+LCV market that contracted by 8.6%, Group sales fell 17.9%. The Renault brand ranks No. 3 in the PC+LCV market. Dacia sales fell 4.3% to 230,399 units. Overall, the Group is suffering the impact of:

- a distorted geographical mix, with the sharp downturn of markets in France and Southern Europe, where the Group has traditionally had high market share;
- the ageing of the range prior to its renewal;
- a price defense policy that places the emphasis on virtuous sales by channel.

In ***France***, the Renault brand remains No. 1 for PC sales, and continues to place Twingo, Clio and Mégane in the top spots in their respective segments, despite a 24.8% fall in sales.

In the ***UK***, where the brand continued to restructure its sales presence as in 2011, Renault had market share of 2.5%, down 1.6 points.

In other countries, the Group reported stable market share. On strongly falling markets like **Spain** "(-14.9%) and **Italy** (-20.9%), the Group reported a fall in volumes with sales down by 15.9% and 21.9% respectively. In **Germany**, the Group saw sales fall 6% to 170,303 units, in a market that contracted by 3.1%.

Outside Europe

With nearly 1.3 million vehicles sold, +9.1% on 2011, the Group set a new sales record and made progress on all Regions. In this way, the Group is confirming its international expansion and potential for growth. The percentage of Renault group vehicles sold outside Europe rose 7.1 points to 50.2% of sales, compared with 43.1% in 2011.

Of the Group's five main markets, three were located outside Europe (Brazil, Russia, Argentina) in 2012.

Americas

Brazil is now the Renault group's second biggest market. Sales rose 24.3% in a market that grew by 6.1%. Growing four times faster than the market, the Group set a new record for both sales and market share. The Group is pursuing its development in both passenger cars and LCVs, with the expansion of the dedicated Renault Pro+ network.

Argentina becomes the Group's fifth biggest market, rising three places. In a market that contracted by 1.9%, Group sales rose 12.0%. The brand's success was driven by Sandero phase 2, and Duster.

Eurasia

Russia becomes the Group's third biggest market, rising one place. In 2012, the Group posted a 22.7% rise in sales, a new record, for market share of 6.5% (+0.6 points) in a market that expanded by 11.3%. The Renault brand ranks No. 3 on the market, following its breakthrough in the C segment (44% rise in sales of Mégane and Fluence) and the success of Duster. Launched in March, this model is already the country's best-selling SUV. The brand is continuing to deploy its sales network with 20 new dealerships, taking the total to 160 at end-2012.

Euromed-Africa

In ***Turkey***, the Group's sixth biggest market, sales dropped 16.1% in a market that contracted by 10.0%, owing primarily to the withdrawal of the Symbol diesel and pending the arrival of Clio IV.

In ***Algeria***, the Group posted record sales of 113,664 units, a rise of 51.5%, topping the 100,000 mark for the first time. In a strongly growing market, the Group had market share of 26%. The Renault brand held on to the No. 1 position, thanks to the success of Clio and Master. Dacia now ranks third, primarily with Logan and Duster.

In ***Morocco***, the Group reached a record level with a 15% rise in sales. The Group had market share of 36.5% with the Renault and Dacia brands once more claiming the top two places.

Asia-Pacific

In ***South Korea***, sales fell 45.1%. Renault Samsung Motors is going through a transition period, with the restructuring of its sales network and product offering but is aiming for a recovery in 2013.

In ***India***, the Group sold 35,157 units, increasing its market share by 1.1 points. In 2012, the Group implemented a policy of conquest, expanding the range to include five products: Fluence, Koleos, Pulse, Duster and Scala. These launches illustrate the Group's determination to be a key player in this market, which is the third plank in its international strategy, alongside Russia and Brazil.

GROUP SALES BY BRAND AND MODEL

PASSENGER CARS AND LIGHT COMMERCIAL *vehicles (units)*	2012*	2011	VAR. *(%)*
Group	2,550,286	2,722,883	-6.3
BY BRAND			
Renault	2,124,773	2,261,271	-6.0
Dacia	359,822	343,477	4.8
Renault Samsung Motors	65,691	118,135	-44.4
BY VEHICLE TYPE			
Passenger cars	2,213,668	2,360,142	-6.2
Light commercial vehicles	336,618	362,741	-7.2

* *Preliminary figures.*

RENAULT BRAND

Passenger cars

Renault reported a 6% drop in sales overall on 2011, despite strong growth of 13.5% outside Europe. With 1,803,065 units sold, the brand accounts for 81% of Group PC sales.

- In the *A segment*, with 92,644 registrations vs 134,200 in 2011, **Twingo** slips to the No. 4 position (-1 place) in its class in Europe. It remains No. 1 in France, with market share of 25.8% on this segment.
- In the *B segment*, a few weeks after its renewal, Clio IV had already taken more than 100,000 orders. Over the year, worldwide sales of **Clio** (Clio II + Clio III + Clio IV) dipped by 10.1% to 337,924 registrations. **Sandero**, sold under the Renault brand name, continued its breakthrough in emerging countries with 205,668 units sold in 2012. Sandero sales in Russia and Brazil rose by 6.4% and 20.4% respectively, to 48,632 and 98,458 units respectively. One year ahead of its renewal, sales of **Logan** fell 13.3% to 220,056 units.

- In the *C segment,* with 395,969 units sold worldwide, the **Mégane** family is suffering from an unfavourable geographic mix. It remains No. 2 on the European market with a 6.8% share of its segment. It remains No. 1 in France, Belgium, Holland, Spain and Portugal. **Scénic** (132,146 registrations) remains best-seller in its category in Europe.

  The Renault brand sold 158,055 **Duster** vehicles worldwide. Following its launch at end-2011 in Brazil (46,904 vehicles sold in 2012), Duster pursued its international deployment with launches in Russia (47,344 vehicles sold) and India (23,731 vehicles sold).

  Fluence saw sales rise on its various markets worldwide to 106,529 vehicles (+4.2%). Fluence ranks No. 3 on its segment in Turkey.

- In the *D* and *E segments*, **Laguna** sales fell significantly to 29,827 units, compared with 50,575 in 2011.

  Reflecting its appeal in China, **Koleos** reported 49,316 registrations, compared with 49,272 in 2011. Renault **Espace** (12,536 vehicles sold in 2012) remains No. 1 in France, increasing its market share to 33.1% of its segment with 6,081 vehicles sold. **Latitude** totalled 9,219 sales, compared with 14,152 in 2011.

Light commercial vehicles

The downtrend in the LCV market in Europe (-12.8%) had a strong impact on Renault sales, which fell 13.5%. The brand nevertheless remained No. 1 for the fifteenth consecutive year, with market share of 15.5%. With 94,279 units sold outside Europe (+18.6%), in a market that expanded by 5.2%, international sales now account for 29.3% of the brand total. This performance is linked to a rise in sales across all Regions outside Europe. For example, Argentina is now the Group's second biggest LCV market, and Algeria the fifth biggest.

Sales of **Kangoo** (excluding Kangoo Z.E.) and Renault **Trafic** dropped 12.8% and 14.6% to 108,167 units and 54,223 units respectively. Sales of Renault **Master** rose 0.6% to 95,605 units.

Electric vehicles

Renault markets a range of three electric vehicles. **Twizy**, the compact urban quadricycle launched in early 2012 has notched up 9,020 sales. This vehicle alone symbolizes the innovative nature of this technology developed by Renault. **Kangoo Z.E.,** an electric LCV, totalled 5,688 sales in 2012. **Fluence Z.E.,** an electric vehicle developed for a number of specific markets reported 2,086 sales over the year. With Fluence Z.E. and Kangoo Z.E., Renault is No. 1 on the all electric vehicle market in Europe with market share of 28%.

DACIA BRAND

Sales of the Dacia brand rose 4.8% to 359,822 units, buoyed by the expansion of the range in 2012 and the arrival of **Lodgy** (an MPV) and **Dokker** (an LCV). Market share in Europe remained stable despite an unfavourable geographic mix caused by the downturn in the French market. The Dacia brand has a strong growth in Euromed-Africa.

- In the *B segment,* sales of **Sandero** under the Dacia brand name increased worldwide to 94,180 units (+9.8%). In Europe, on its segment, Sandero continues to win market share despite difficult conditions.
- In the *C segment,* **Duster** was penalized by an unfavourable sales mix by distribution channel. Sales volumes fell 18.5% to 131,205 units, compared with 161,053 in 2011. It nevertheless continues to rank third in sales of cross-over passenger vehicles in Europe, with market share of 8.1% in this category.

RENAULT SAMSUNG MOTORS BRAND

South Korea dropped to twelfth place in the Renault group market rankings. The local brand, Renault Samsung Motors, posted market share of 4.0% (8.3% in 2011). Renault Samsung Motors saw sales drop 45.1% to 59,926 units. The brand is restructuring its sales network and product offering with a view to staging a recovery from end-2013. SM5 phase 2, the first vehicle launched since the roll-out of the revival plan, has made a good start.

1.3.1.2 SALES FINANCING

PROPORTION OF NEW VEHICLES FINANCED

Continuing the growth plan initiated in 2010-2011, the RCI Banque group turned in a strong sales performance throughout 2012, increasing the overall proportion of new vehicles financed on all markets.

The rise in the proportion of new vehicles financed was particularly strong for the Renault and Dacia brands, with figures rising by 2.2 and 3.5 points to 36.6% and 33.0% respectively.

In the **Europe Region**, the proportion of new vehicles financed by RCI Banque rose slightly to 33.9% (vs 33.0% in 2011). The figure for the Renault brand was 36.9% (vs 35.4% in 2011) and 26.7% for Nissan (vs 26.6% in 2011). This trend can be explained by the competitive sales policy pursued by RCI Banque, with investments and services packages, and also by the efforts made by both brands to use financing operations to build customer loyalty.

In the **Americas Region**, the proportion of new vehicles financed by RCI Banque rose to 37.1% (vs 33.4% in 2011).

In South Korea (the only country in the **Asia-Pacific Region** where RCI is present today), the proportion of new vehicles financed remained stable at 57.3% (vs 56.6% in 2011).

In the **Euromed-Africa Region** (with Romania and Morocco), the proportion of new vehicles financed by RCI Banque rose to 26.3% in 2012 (vs 19.0% in 2011).

RCI BANQUE NEW FINANCING CONTRACTS AND AVERAGE LOANS OUTSTANDING

In connection with the business activity of the vehicle manufacturers, particularly Renault, RCI Banque signed 976,449 new vehicle contracts in 2012, a drop of 4.7%.

New financing contracts fell 2.6% to €10.8 billion, excluding the card business and personal loans (€11.1 billion in 2011). Nevertheless, average loans outstanding rose 6.2% on 2011 to €24.2 billion.

INTERNATIONAL DEVELOPMENT AND NEW ACTIVITIES

As part efforts to support Renault and Nissan in their international development, RCI Banque is pursuing its geographical expansion, in response to the brands' market objectives. The subsidiary set up in Ireland at end-2011 is developing its activity in line with the ambitions set out. The proportion of new vehicles financed was 42.4% at end-December 2012.

In October 2012, RCI also established itself in Turkey, with the launch of a joint-venture banking subsidiary with Oyak. This subsidiary will provide sales financing services for Renault in Turkey. The first results are encouraging, with a 23.4% financing rate for new vehicles at end-December 2012.

At the same time, continuing its strategy to diversify financing sources, RCI Banque launched "Zesto", a consumer savings account, in France on February 16, 2012. Deposits totalled €893 million at end-December 2012.

For the launch of Renault's electric vehicles (Fluence Z.E., Kangoo Z.E., ZOE and Twizy), RCI Banque has developed a special marketing model based on the rental of batteries. These financing products are available in all the European countries where these electric vehicles are sold. More than 15,000 rental contracts had been signed at end-December 2012.

1.3.1.3 SALES AND PRODUCTION STATISTICS ✦

RENAULT GROUP - WORLDWIDE SALES

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES *(units)*	2012*	2011	CHANGE *(%)*
Twingo	103,468	147,093	-29.7
Wind	1,663	6,872	-75.8
Clio	366,186	409,775	-10.6
Thalia	61,747	97,798	-36.9
Modus	30,391	48,441	-37.3
Pulse	6,217	-	-
Logan	323,945	351,830	-7.9
Sandero	299,848	282,209	6.3
Lodgy	29,129	-	-
Mégane/Scénic	404,178	472,283	-14.4
Fluence (incl. Z.E.) / SM3 / Scala	137,425	152,241	-9.7
Duster	297,724	179,998	65.4
Laguna	29,938	50,819	-41.1
Latitude / SM5 / Safrane	42,751	66,444	-35.7
Koleos / QM5	56,847	59,462	-4.4
Espace	12,627	15,462	-18.3
SM7 / Talisman	5,546	17,199	-67.8
Kangoo / Kangoo II (incl. Z.E.)	168,666	186,909	-9.8
Dokker	2,924		
Trafic	67,105	77,197	-13.1
Master	89,723	86,208	4.1
Others	12,238	14,643	-16,4
TOTAL WORLDWIDE GROUP SALES PC + LCV	**2,550,286**	**2,722,883**	**-6,3**

* *Preliminary figures.*

*Twizy***	*9,020*	-	-

** *As a quadricycle, Twizy is not included into automotive Group sales.*

RENAULT GROUP - SALES IN THE EUROPE REGION

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES *(units)*	2012*	2011	CHANGE *(%)*
Twingo	97,228	139,200	-30.2
Wind	1,558	6,786	-77.0
Clio	271,059	329,446	-17.7
Thalia	4,568	5,496	-16.9
Modus	30,387	48,431	-37.3
Pulse	-	-	-
Logan	28,965	37,273	-22.3
Sandero	72,450	69,137	4.8
Lodgy	27,383	-	-
Mégane/Scénic	337,917	413,278	-18.2
Fluence (incl. Z.E.) / SM3 / Scala	10,475	13,969	-25.0
Duster	100,363	134,241	-25.2
Laguna	29,485	50,121	-41.2
Latitude / SM5 / Safrane	2,078	7,110	-70.8
Koleos / QM5	15,356	16,817	-8.7
Espace	12,618	15,454	-18.4
SM7	-	-	-
Kangoo / Kangoo II (incl. Z.E.)	98,635	117,510	-16.1
Dokker	1,138		
Trafic	61,024	71,767	-15.0
Master	56,285	60,001	-6.2
Others	11,716	14,165	-17.3
TOTAL EUROPE GROUP SALES PC + LCV	**1,270,688**	**1,550,202**	**-18.0**

* *Preliminary figures.*

*Twizy***	*9,015*	-	-

** *As a quadricycle, Twizy is not included into automotive Group sales.*

RENAULT GROUP - INTERNATIONAL SALES

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES *(units)*	2012*	2011	CHANGE (%)
Twingo	6,240	7,893	-20.9
Wind	105	86	22.1
Clio	95,127	80,329	18.4
Thalia	57,179	92,302	-38.1
Modus	4	10	-60.0
Pulse	6,217	-	-
Logan	294,980	314,557	-6.2
Sandero	227,398	213,072	6.7
Lodgy	1,746	-	-
Mégane/Scénic	66,261	59,005	12.3
Fluence (incl. Z.E.) / SM3 / Scala	126,950	138,272	-8.2
Duster	197,361	45,757	331.3
Laguna	453	698	-35.1
Latitude / SM5 / Safrane	40,673	59,334	-31.5
Koleos / QM5	41,491	42,645	-2.7
Espace	9	8	12.5
SM7 / Talisman	5,546	17,199	-67.8
Kangoo II (incl. Z.E.)	70,031	69,399	0.9
Dokker	1,786	-	-
Trafic	6,081	5,430	12.0
Master	33,438	26,207	27.6
Others	522	478	9.2
TOTAL INTERNATIONAL GROUP SALES PC + LCV	**1,279,598**	**1,172,681**	**9.1**

* *Preliminary figures.*

*Twizy***	*5*	-	-

** *As a quadricycle, Twizy is not included into automotive Group sales.*

RENAULT GROUP - MODEL PERFORMANCE BY SEGMENT IN THE EUROPE REGION*

PASSENGER CARS	SEGMENT CHANGE (%)	GROUP SHARE OF SEGMENT 2012* (%)	2011 (%)	CHANGE (points)	RANK 2012
A SEGMENT	**-0.7**				
Twingo / Twingo II		7.7	11.0	-3.4	4
Wind		0.1	0.6	-0.4	24
B SEGMENT	**-14.4**				
Clio / Clio III / Clio IV		6.8	7.1	-0.3	5
Thalia / Thalia II		0.1	0.1	0.0	42
Modus		0.8	1.2	-0.3	28
Logan		0.6	0.6	0.0	32
Sandero / Sandero II		2.0	1.6	0.4	16
Kangoo		0.0	0.0	0.0	71
ZOE		-	0.0	0.0	64
C SEGMENT	**-3.8**				
Kangoo/ Kangoo II		0.6	0.7	-0.2	44
Mégane / Mégane II / Mégane III		6.8	8.0	-1.2	2
Fluence / Fluence Z.E.		0.2	0.3	-0.1	61
Duster		2.0	2.6	-0.6	16
Lodgy		0.6	0.0	0.6	43
Dokker		0.0	0.0	0.0	88
D SEGMENT	**-9.7**				
Laguna / Laguna III		1.5	2.4	-0.8	21
Latitude		0.1	0.3	-0.2	50
Koleos		0.8	0.8	0.0	29
Trafic / Trafic II		0.6	0.6	0.0	34
E SEGMENT	**-8.4**				
Espace / Espace IV		1.4	1.6	-0.2	20
Master / Master II / Master III		0.2	0.1	0.1	58

* *Preliminary figures.*

RENAULT GROUP - WORLDWIDE PRODUCTION BY MODEL [1]

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES *(units)*	2012*	2011	CHANGE *(%)*
Twizy	11,325	-	N/A
Twingo / Wind	101,508	153,426	-33.8
Clio	393,228	408,068	-3.6
Modus	31,193	48,590	-35.8
Thalia	51,779	97,560	-46.9
Sandero	294,339	285,061	3.3
Logan	183,216	215,884	-15.1
Other Logan	46,168	56,606	-18.4
Lodgy	41,455	-	N/A
Mégane / Scénic	377,685	468,324	-19.4
Fluence (incl. Z.E.) / SM3	150,084	194,369	-22.8
Duster	287,953	190,770	50.9
Laguna	27,703	50,241	-44.9
Latitude/SM5	40,162	64,298	-37.5
Koleos	54,957	61,534	-10.7
Espace	12,931	14,675	-11.9
SM7	3,768	19,090	-80.3
Kangoo (incl. Z.E.)	195,072	188,380	3.6
Dokker	8,901	-	N/A
Master	117,190	119,347	-1.8
Other	14,040	388	N/A
GROUP WORLDWIDE PRODUCTION	**2,444,657**	**2,636,611**	**-7.3**
o/w produced for partners:	*42,833*	*85,652*	*-50.0*
Citan for Daimler	14,099	-	N/A
Vehicles for Nissan in Mercosur	28,734	32,759	-12.3
SM3 for Nissan	-	38,247	N/A
Master for GM		16,646	N/A
PRODUCED BY PARTNERS FOR RENAULT	**247,900**	**183,501**	**35.1**
Produced by GM for Renault (Trafic)	16,534	15,074	9.7
Produced by Nissan for Renault (Trafic & Logan)	78,517	62,975	24.7
Other (Iran + India)	152,849	105,452	44.9

* *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, 2012.

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 Rep., Serbia, Slovakia, Slovenia.

Americas

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

Southern Latin America: Argentina, Brazil, Bolivia, Chili, Paraguay, Peru, Uruguay.

Asia-Pacific

Japan, Hong Kong, South Korea, India, Iran, Saudi Arabia, Gulf States, Iraq, Israel, Jordan, Lebanon, Pakistan.

Asean: Brunei, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, Viet Nam.

Australia, New Caledonia, New Zealand, Tahiti.

China

Euromed-Africa

Eastern Europe: Bulgaria, Moldova, Romania.

Turkey.

Africa: Algeria, Morocco, Tunisia, Egypt, Sub Saharian African countries, South Africa, Madagascar, Libya.

French overseas departments West Indies and Indian Ocean: Guadeloupe, French Guiana, Martinique, Saint Martin, St Pierre and Miquelon, Réunion, Comoro Islands, Seychelles, Mauritius.

Eurasia

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

1.3.2 FINANCIAL RESULTS ✦

OVERVIEW

(€ million)	2012	2011	CHANGE
Group revenues	**41,270**	**42,628**	**-3.2%**
Operating margin	**729**	**1,091**	**-362**
Operating profit	122	1,244	-1,122
Financial result	-266	-121	-145
Contribution from associated companies	**1,504**	**1,524**	**-20**
o/w Nissan	*1,234*	*1,332*	*-98*
Capital gain on disposal of Class A shares in AB Volvo	924	-	924
Net income	**1,735**	**2,139**	**-404**
Automotive operational free cash flow	**597**	**1,084**	**-487**
Automotive net financial debt	**-1,492**	**299**	**-1,791**
Shareholders' equity	24,547	24,567	-20

✦ Global Reporting Initiative (GRI) Directives

1.3.2.1 COMMENTS ON THE FINANCIAL RESULTS

CONSOLIDATED INCOME STATEMENT ✦

OPERATING SEGMENT CONTRIBUTION TO GROUP REVENUES

	2012					2011				
(€ million)	Q1	Q2	Q3	Q4	YEAR	Q1	Q2	Q3	Q4	YEAR
Automotive	9,013	10,850	7,928	11,365	39,156	9,965	10,178	9,259	11,277	40,679
Sales Financing	522	550	519	523	2,114	466	492	486	505	1,949
TOTAL	**9,535**	**11,400**	**8,447**	**11,888**	**41,270**	**10,431**	**10,670**	**9,745**	**11,782**	**42,628**

	CHANGE 2011/2010				
	Q1	Q2	Q3	Q4	YEAR
Automotive	-9.6	6.6	-14.4	0.8	-3.7
Sales Financing	12.0	11.8	6.8	3.6	8.5
TOTAL	-8.6	6.8	-13.3	0.9	-3.2

Group revenues came to €41,270 million, down 3.2% [(1)] on 2011 (also -2.8% excluding the exchange rate effect).

Automotive's revenue contribution in 2012 was €39,156 million, down 3.7% on 2011. This trend was mainly attributable to:

- a fall in sales in Europe (-18.0%), partly offset by growth in international [(2)] sales (+9.1%), reflected by a negative volume effect (-5.0 points) and geographic mix (-0.8 points);
- an improvement in the product mix which had a positive effect (+1.9 points). This improvement was notably a result of the launch of Duster in South America, Russia and India;
- a sales policy aimed at showcasing products, including in the highly competitive European market, which had a positive impact of 0.8 points;
- other Group activities (including the sale of powertrain components and vehicles to partners) which had a negative impact of 0.2 points;
- the negative exchange rate effect for 0.4 points.

Excluding other businesses and by Region:

- international operations were up sharply and contributed 3.9 points to growth through a volume and mix effect, especially in South America and Eurasia;
- Europe accounted for 7.6 points of the fall in revenues.

OPERATING SEGMENT CONTRIBUTION TO GROUP OPERATING MARGIN

(€ million)	2012	2011	CHANGE
Automotive	-25	330	-355
% of division revenues	*-0.1%*	*0.8%*	*-0.9 pt*
Sales Financing	754	761	-7
TOTAL	**729**	**1,091**	**-362**
% of Group revenues	*1.8%*	*2.6%*	*-0.8 pt*

Automotive's operating margin, which fell by €355 million to a negative €25 million, was still at breakeven in 2012, despite tough sales conditions in Europe, reflected in:

- a strongly negative volume effect of €501 million;
- a negative product mix/price/enhancement effect of €242 million. Despite higher prices, mainly outside Europe, this decrease reflects problems in passing the overall increase in product value through to retail prices in Europe. This trend was strongly mitigated by the sales policy aimed at enhancing the Renault brand's relative price positioning.

The Group partly managed to offset some of the impact of the fiercely competitive environment through €600 million in cost reductions, breaking down as:

- a €528 million reduction in costs through the *Monozukuri* plan (including the €55 million increase in raw materials);
- a €72 million reduction in overheads.

The exchange rate had a negative impact of €184 million.

(1) On a consistent basis, 2011 revenues unchanged at €42,628 million.

(2) Regions outside Europe: Americas, Asia-Pacific, Euromed-Africa and Eurasia.

RENAULT GROUP – R&D EXPENSES*

(€ million)	2012	2011	CHANGE
R&D expenses	1,889	2,064	-175
Capitalized development expenses	-764	-808	44
% of R&D expenses	*-40.4%*	*-39.1%*	*-1.3%*
Amortization	790	771	19
GROSS R&D EXPENSES RECORDED IN THE INCOME STATEMENT	**1,915**	**2,027**	**-112**

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

As part of a managed investment policy, **Research and Development expenses** decreased by €175 million on 2011 to €1,889 million in 2012. Capitalization development expenses rate rose 40.4% in 2012 compared with 39.1% in 2011, linked to changes in the product cycle.

Despite the decline in the European car market, **Sales Financing** made a stable contribution of €754 million to Group operating margin, compared with €761 million in 2011. Average loans outstanding grew by 6.2% to €24.2 billion, despite a 2.6% decrease in new financing, on the strength of previous years' growth. The cost of risk rose by 0.15 points to 0.38%, after hitting a low last year. This is still below its average historical level, reflecting the continued high quality of the portfolio despite the economic downturn in Europe.

Other operating income and expenses showed net expense of €607 million, compared with net income of €153 million in 2011. This item was mainly made up of:

- €279 million in asset write-downs relative to several vehicles and powertrain components;
- an expense of €304 million related to the devaluation of the Iranian Rial;
- restructuring provisions amounting to €110 million, notably in South Korea and Spain;
- income of €94 million from the retroactive change in import taxes in Brazil.

After recognizing other operating income and expenses, the Group reported **operating profit** of €122 million, compared with €1,244 million in 2011.

The **net financial result** showed a net charge of €266 million, compared with €121 million in 2011. It reflects a negative impact related to the change in the fair value of the redeemable shares and to the depreciation of our stake in a dedicated fund aiming at helping distressed suppliers (FMEA).

Renault's **share in associated companies** generated a net gain of €1,504 million in 2012 (compared with €1,524 million in 2011), of which notably:

- €1,234 million from Nissan (€1,332 million in 2011);
- €80 million from AB Volvo for the first three quarters (€136 million in FY 2011);
- €186 million from AVTOVAZ (€49 million in 2011). Note that the contribution of AVTOVAZ is mostly impacted by the restatement of loans with subsidized interest rates.

Current and deferred taxes showed a charge of €549 million (compared with a charge of €508 million in 2011), of which a €493 million charge for current taxes.

Net income, which includes a capital gain of €924 million on the disposal of the A shares in AB Volvo in December 2012, came to €1,735 million in 2012, compared with €2,139 million in 2011. Net income, Group share amounted to €1,772 million (€2,092 million in 2011).

FREE CASH FLOW AND AUTOMOTIVE DEBT

AUTOMOTIVE FREE CASH FLOW

(€ million)	2012	2011	CHANGE
Cash flow	2,577	2,910	-333
Change in the working capital requirement	922	627	+295
Tangible and intangible investments net of disposals	-2,674	-2,212	-462
Leased vehicles and batteries	-228	-241	+13
OPERATIONAL FREE CASH FLOW	**597**	**1,084**	**-487**

For the fourth year in a row, Automotive reported positive operational free cash flow of €597 million in 2012, resulting from:

- a €333 million fall, to €2,577 million in cash flow due to the decline in operating profit;
- a positive €922 million change in the working capital requirement, achieved through efficient WCR management, despite an increase in inventory;
- tangible and intangible investments net of disposals in the amount of -€2,674 million, a €462 million increase, but in line with the Plan's objective of under 9% of revenues.

NET INVESTMENTS & R&D EXPENSES

TANGIBLE AND INTANGIBLE INVESTMENTS NET OF DISPOSALS, BY OPERATING SEGMENT

(€ million)	2012	2011*
Tangible investments (excluding capitalized leased vehicles)	1,936	1,564
Intangible investments	900	887
o/w capitalized development R&D expenses	*764*	*808*
Total acquisitions	2,836	2,451
Disposal gains	-162	-239
TOTAL AUTOMOTIVE	**2,674**	**2,212**
TOTAL SALES FINANCING	**11**	**4**
TOTAL GROUP	**2,685**	**2,216**

* *The 2011 figures are restated to take into account expenses billed to third parties and amortized R&D.*

Investment in 2012 was higher than in 2011, together with product cycle. The increase was consistent with the target of keeping the ratio of capex and R&D expenses to 9% or below of Group revenues.

Total gross investment was split 56% Europe and 44% international:

- in Europe: investment was focused 61% on the range, particularly the renewal of the B-segment (Clio IV, Captur), the renewal of light commercial vehicles (new Trafic), electric vehicles (ZOE) and the new fuel and diesel engine range;
- outside Europe: investments mainly concerned Morocco (Tangiers), Romania (renewal of the Logan range), South America (production capacity investment in Brazil) and Turkey.

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)	2012	2011*
Tangible and intangible investments net of disposals (excluding capitalized leased vehicles)	2,685	2,216
Capitalized development expenses	-764	-808
Other	-145	-80
NET INDUSTRIAL AND COMMERCIAL INVESTMENTS (1)	**1,776**	**1,328**
% of Group revenues	*4,3%*	*3.1%*
R&D EXPENSES	**1,889**	**2,064**
o/w billed to third parties	-319	-427
NET R&D EXPENSES (2)	**1,570**	**1,637**
% of Group revenues	*3,8%*	*3.8%*
NET CAPEX AND R&D EXPENSES (1) + (2)	**3,346**	**2,965**
% of Group revenues	*8,1%*	*7.0%*

* *The 2011 figures are restated to take into account expenses billed to third parties and amortized R&D.*

AUTOMOTIVE NET FINANCIAL DEBT

	DEC. 30, 12	DEC. 31, 11
Non-current financial liabilities	6,276	6,066
Current financial liabilities	3,802	3,789
Non-current financial assets - other securities, loans and derivatives on financial operations	-348	-497
Current financial assets	-1,150	-1,441
Cash and cash equivalents	-10,072	-7,618
AUTOMOTIVE NET FINANCIAL DEBT	**-1,492**	**299**

Automotive's positive operational free cash flow, combined with the disposal of the A shares in AB Volvo for €1,476 million in December 2012 has enabled the Group to be completely debt free. For the first time since the beginning of the Alliance with Nissan in 1999, Automotive had a positive net cash position on December 31, 2012, in the amount of €1,492 million (compared with €299 million in net financial debt at end-December 2011).

CASH AT DECEMBER 31, 2012

In 2012, confirming its access to European and Japanese markets, **Renault** contracted more than €2 billion in medium-term loans, refinancing all of its 2012 bond repayments and pre-financing some of its bonds maturing in 2013. This financing activity, combined with the disposal of the A shares in AB Volvo at the end of the year, took Automotive's cash reserves to a historically high €13.6 billion at end-December 2012, breaking down as:

- €10.1 billion in cash and cash equivalents;
- €3.5 billion in undrawn confirmed credit lines.

On December 31, 2012, **RCI Banque** had:

- a liquidity reserve of €4.4 billion, representing available liquidity surplus to the certificates of deposit and commercial paper outstandings;
- available liquidity of €6.9 billion, covering more than two times all outstanding commercial paper and certificates of deposit, including €4.4 billion in undrawn confirmed credit lines, €1.9 billion in central-bank eligible collateral, and €0.6 billion in cash.

1.3.2.2 CONSOLIDATED FINANCIAL STATEMENTS

Refer to chapter 4.2 of this Registration document.

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 2012.

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, 2012, while the information concerning Nissan is based on the restated consolidated figures prepared for the purposes of the Renault consolidation, covering the period from January 1 to December 31, 2012 whereas Nissan's financial year-end is March 31.

KEY PERFORMANCE INDICATORS

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

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

REVENUES 2012

(€ million)	RENAULT	NISSAN [1]	INTERCOMPANY ELIMINATIONS	ALLIANCE
Sales of goods and services	39,156	86,499	(3,229)	122,426
Sales financing revenues	2,114	4,949	(143)	6,920
REVENUES	**41,270**	**91,448**	**(3,372)**	**129,346**

(1) Converted at the average exchange rate: EUR 1 = JPY 102.6.

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 2012 results.

The **operating margin, the operating income and the net income** of the Alliance in 2012 are as follows:

(€ million)	OPERATING MARGIN	OPERATING INCOME	NET INCOME [2]
Renault	729	122	501
Nissan [1]	4,608	4,553	3,179
ALLIANCE	**5,337**	**4,675**	**3,680**

(1) Converted at the average exchange rate for 2012: EUR 1 = JPY 102.6.
(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 4.1% of revenues.

In 2012, the Alliance's **research and development expenses**, after capitalization and amortization, are as follows:

(€ million)	
Renault	1,915
Nissan [1]	3,957
ALLIANCE	**5,872**

(1) Converted at the average exchange rate for 2012: EUR 1 = JPY 102.6.

BALANCE SHEET INDICATORS

Condensed Renault and Nissan balance sheets

RENAULT AT DECEMBER 31, 2012

ASSETS *(€ million)*	
Intangible assets	3,482
Property, plant and equipment	11,534
Investments in associates (excluding Alliance)	774
Deferred tax assets	416
Inventories	3,864
Sales financing receivables	23,230
Automotive receivables	1,144
Other assets	5,002
Cash and cash equivalents	11,180
TOTAL ASSETS EXCLUDING INVESTMENT IN NISSAN	**60,626**
Investment in Nissan	14,788
TOTAL ASSETS	**75,414**

SHAREHOLDERS' EQUITY AND LIABILITIES *(€ million)*	
Shareholders' equity	24,547
Deferred tax liabilities	123
Provisions for pension and other long-term employee benefit obligations	1,649
Financial liabilities of the Automotive division	9,456
Financial liabilities of the Sales Financing division and sales financing debts	23,565
Other liabilities	16,074
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**75,414**

NISSAN AT DECEMBER 31, 2012 (1)

ASSETS *(€ million)*	
Intangible assets	5,936
Property, plant and equipment	38,354
Investments in associates (excluding Alliance)	509
Deferred tax assets	1,392
Inventories	12,236
Sales financing receivables	33,693
Automotive receivables	5,613
Other assets	8,240
Cash and cash equivalents	6,987
TOTAL ASSETS EXCLUDING INVESTMENT IN RENAULT	**112,960**
Investment in Renault	1,751
TOTAL ASSETS	**114,711**

SHAREHOLDERS' EQUITY AND LIABILITIES *(€ million)*	
Shareholders' equity	36,783
Deferred tax liabilities	4,941
Provisions for pension and other long-term employee benefit obligations	2,711
Financial liabilities of the Automotive division	3,650
Financial liabilities of the Sales Financing division and sales financing debts	40,615
Other liabilities	26,011
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**114,711**

(1) Converted at the closing rate at December 31, 2012: EUR 1 = JPY 113.6.

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 2012, excluding leased vehicles and batteries, amount to:

(€ million)	
Renault	1,945
Nissan (1)	4,833
ALLIANCE	**6,778**

(1) Converted at the average exchange rate for 2012: EUR 1 = JPY 102.6.

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 €1.9 billion invested in R&D, 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 *

	2012	2011	2010	2009	2008
Net R&D expenses (*€ million*)**	1,570	1,637	1,567	1,531	2,085
Group revenues (*€ million*) as published	41,270	42,628	38,971	33,712	37,791
R&D spend ratio	3.8%	3.8%	4.0%	4.5%	5.5%
R&D headcount, Renault group	17,037	17,278	17,854	17,881	17,775
Renault group patents	607	499	304	362	793

* *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 2012

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

VEHICLES	POWERTRAIN SUB-SYSTEMS
Twizy	Reveal 5A electric motor, Gen2
ZOE	Reveal Energy dCi 90
New Clio	Reveal Energy TCe 90
Lodgy	Range roll-out of Energy TCe 115
Dokker	
Pulse	
Scala	

INNOVATIONS IN 2012: A PRODUCTIVE YEAR

Renault has made innovation the key plank of the Renault 2016 - Drive the Change plan. Innovation sharpens competitive edge and builds appeal. Just as design exercises a visual attraction, new technologies must attract customers by being innovative and affordable.

The latest vehicles feature new techniques, focused on customer needs and expectations. All these innovations contribute to the sustainable mobility for everybody that Renault is aiming to build and bring within the reach of all its customers.

ELECTRIC VEHICLES

Renault is the only vehicle manufacturer to market a full range of affordable all-electric vehicles: Kangoo Z.E., Fluence Z.E., Twizy and ZOE.

ZOE is a highly innovative vehicle, with more than sixty patents filed for its design. It features innovations in range, interactivity and comfort.

New-generation regenerative braking optimizes energy recovery and thus increases range. How? The system captures almost all the energy released during braking with no impact on handling: no jolts or pronounced engine braking. Operation is transparent for both the driver and passengers.

The second-generation electric motor is the first to include a built-in fast charger (the Caméléon® charger). It develops 65kW for torque of 220Nm, delivering strong acceleration and pick-up from the lowest engine speeds.

The Caméléon® charger revolutionizes the charging of electric vehicles. ZOE will be the first car to be fitted with this system. This charger, patented by Renault, is compatible with all power levels of up to 43kW, for charging point times of between 30 minutes and nine hours – for example, in one hour at 22kW.

The Caméléon® charger is also designed for fast charging on stations that will cost just a quarter of the current price. This is because existing charging stations are fitted with a powerful charger. But if the vehicle has its own integrated charger, it is no longer necessary to fit one on the charging station. Thus paving the way for the development of new fast-charging stations that are simpler and more economical.

A heat pump maintains a comfortable temperature in the cabin with no detrimental impact on battery range. The system, which works in the same way as reverse-cycle air-conditioning, consumes little electricity, and delivers savings of up to 25% in range, compared with a conventional heating system.

ONBOARD COMFORT

All innovations in onboard comfort aim to make travelling an easier and more enjoyable experience.

Renault R-Link is an integrated connected touch tablet, creating a link between the automotive world and online worlds.

Renault R-Link provides easy, ergonomic access to a range of functions with a multimodal command system: voice recognition, steering-wheel controls and touch control. Featuring a large 7" (18cm) screen built into the central console, Renault R-Link groups a full range of functions (navigation, radio, telephone, Bluetooth® audiostreaming, music, mobile device connections, online services, eco-driving, etc.) in a single place, for a more comfortable, user-friendly experience.

Renault R-Link is connected to the car, *i.e.* to the onboard electronic control units. As a result, it offers a number of new functions, such as Driving eco², which analyses the driver's style after a journey and provides tips for optimizing fuel consumption and range.

Renault R-Link is also connected to the outside world through a built-in Edge 2.75G connection. This provides access to TomTom® HD traffic information and Coyote Series alerts, a community-based service that warns drivers of traffic difficulties and hazards in real-time and suggests the best route. It also gives access to Renault R-Link Store, which brings drivers a range of automotive apps without the functional or ergonomic limits of smartphone use. R-Link Store is the first automotive application store. With some twenty services available in 2012, R-Link Store is set to develop quickly, with the deployment in vehicles in the range.

Renault R-Sound Effect offers customized sound by immersing the cabin in a specific sound environment. Renault R-Sound Effect can simulate six engine sound profiles, each with its own specific, attractive signature, synchronized with driving parameters (speed, acceleration). A synthetic sound base is available *via* the R-Link Store.

Renault Bass Reflex is a system of acoustic vents, an example of aerospace technology applied to cars to deliver high-definition sound in the cabin. The system recreates the volume and sound comfort of 30-litre home speakers. The quality of bass reproduction has been improved, while the saturation and distortion threshold has been pushed back. The air flow exiting *via* the acoustic vents is uninterrupted, from start to finish. The quality of sound reproduction is therefore excellent, even at high volume levels.

Visio System: improving day-to-day safety, making driving easier, and optimizing onboard comfort remain key priorities for Renault. The Visio System helps to keep drivers alert and to improve visibility at night through two functions. First, a lane departure warning function: a camera detects traffic lane markings and sounds an alarm if the driver accidentally strays over the lines. Second, an automatic headlight function, in which the same camera detects the lights from nearby vehicles and/or the presence of street lighting and automatically adapts vehicle lighting in consequence (high beam / dipped beam).

Driving eco² promotes a relaxed driving style for lower fuel consumption. The digital-to-analog converter collects and processes driving-related data (acceleration, braking, compliance with Gear Shift Indicator suggestions, etc.). These data are then used to provide drivers with real-time eco-driving tips, as well as eco-scoring and eco-coaching information at the end of the journey, *via* the dashboard display and Renault R-Link interface. This helps drivers adjust their driving style to consume less fuel (gasoline or diesel for an ICE vehicle) or electricity, in the case of an electric vehicle.

When drivers activate eco mode (available on New Clio and ZOE) in the car, specific mapping is applied to the engine and climate control to reduce fuel consumption automatically.

POWERTRAIN SUB-SYSTEMS

The new family of Energy engines illustrates Renault's active efforts to make innovation available to the greatest number.

The Renault Energy engine range is based on:

- a level of performance that draws upon Renault's technological excellence in F1. With 35 years of experience and eleven Constructors titles, Renault brings its customers the high-tech expertise acquired in motor sports;
- technologies: based on new-generation downsizing, engines in the Energy range deliver high-tech features never before seen in engines of this size. They all ship with Stop&Start technology, with energy recovery on braking/deceleration;
- a specific approach: to slash fuel consumption, CO_2 emissions and running costs, while delivering driving pleasure and enforcing the highest quality standards across the board;
- careful acoustic tuning: the sound made by the Energy engines is discreet and restrained.

In 2012 the Energy range gained two new engines:

- **the Energy TCe 115 gasoline engine**, one of the most powerful on the market: a 4-cylinder, 16-valve turbocharged direct-injection 1.2l gasoline engine developing 130hp/205Nm, or the equivalent of a 1.8l naturally aspirated engine.

  This new engine features all the innovations of the Energy range, efficient technologies to cut CO_2 emissions and, *via* input from F1, significantly lower fuel consumption combined with excellent drivability: dual continuously variable valve timing, Stop&Start, reduced friction, etc.

  Efforts have also been made to limit running costs for customers, with respect to the oil change intervals and timing chain;
- **the Energy TCe 90 engine**, a champion of fuel economy from the same family as the Energy TCe 130, this 3-cylinder turbocharged gasoline engine has been downsized to 0.9l. It develops 90hp and 135Nm.

  This engine delivers the best trade-off between drivability and fuel economy on the market. Fuel consumption has been slashed to just 4.3 liters/100km for emissions of 99g of CO_2/km [(1)] on New Clio. This is 21% lower than the engine it replaces, the TCe 100.

  Efforts have also been made to limit running costs for customers, with respect to the oil change intervals and timing chain.

(1) Homologated fuel consumption and emission figures.

1.4.2 INNOVATION: RAMPING UP

Renault's innovation policy is built on four key levers: to pick up emerging trends faster, boost creativity, bring innovations into the production range more quickly, and develop strategic partnerships and synergies within the Alliance. By acting on each of these levers, Renault adds new momentum to innovation, supporting competitiveness objectives and brand identity from both a quantitative and qualitative standpoint: an innovative company, close to its customers, making sustainable mobility available to everybody.

1.4.2.1 INNOVATION: NEW IMPETUS

The main initiatives developed in 2012 to support momentum in innovation were as follows:

- pick up emerging trends faster:

  2012 marked the first full year in operation of the research office opened in 2011 in Silicon Valley, California. The office was set up to take advantage of the expertise and opportunities existing in Silicon Valley, primarily in three areas: electric cars and their ecosystem, onboard comfort, and new services. In 2012, a network of contacts was put in place to regularly inform business functions at Renault on new activities and trends in innovation, particularly emerging technologies. For example, relations have been developed with the main local centers of excellence – the universities of Stanford and Berkeley, UC Davis, research centers such as SRI International, companies such as Google and Intel, start-ups, etc. – and the first cooperation projects are under way.

  Further to the work of the think tanks, the innovation community implemented a number of initiatives intended to bring together all the players involved in the mobility of the future (SNCF (national rail), RATP (Paris transport authority) and EDF in particular) and involve them in Renault's strategic objectives, such as electric cars, multi-modality and mobility (urban mobility, mobility aids for low-income groups, etc.);
- 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. In 2012, LCI opened an office in India to focus more specifically on innovative vehicle concepts tailored to the Indian and Asian markets,
  - the Innovation Room hosts two or three "non-automotive" exhibitions a year, along with conferences and creativity group meetings. The most recent events concerned frugal innovation and home-cabin convergence,
  - in 2012, two calls for ideas were sent out using a collaborative tool dedicated to creativity: Renault Creative People. With this tool, members of staff can put forward their own innovative ideas or pick up those submitted by others. Incubators enable employees to continue working on good ideas – in virtual or in real conditions;
- 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. This approach is backed up by a quality insurance process;
- increase innovative capacity through strategic partnerships and synergies within the Alliance: see below.

A NEW INNOVATION PROCESS FOR MORE COMPETITIVE ENGINEERING

In 2012, Renault structured and set out an innovative action plan designed to make breakthrough progress in achieving the ambitious targets set for improving the performance of engineering over a timeframe of between four and ten years. The plan comprises six priorities:

- shorten development times to bring new products to market more quickly;
- cut the initial outlay (internal and external) by optimizing engineering costs;
- aim for excellence in systems engineering and optimization techniques;
- increase the durability of our models;
- ensure the robust introduction of innovation;
- develop a "module" engineering process, coherent with systems engineering.

EMS 2012: manage the complexity and costs linked to onboard engine control electronics.

To manage the complexity and cost of developing engine control software, the Renault EMS 2010 project managed by powertrain engineering set out rules, with tools and processes covering 90% of the algorithms associated with vehicle and engine functions. This functional modular approach provided the basis for developing approved codes that could be used from one project to the next. This process involved a performance breakthrough in engine development.

Since EMS 2010, two innovation projects called Pilot (from the French acronym for transmission software integration platform) and Silver (Simulation in the loop for validation & evaluation of requirements), have paved the way for deployment of model-based software design techniques. The aim of the Renault EMS 2012 project is to enable the development of autocodable models based on the V3P approach (development times cut by 20%) while optimizing engineering outlay (productivity increased by 5%). By developing the necessary simulation environments, functional performance can be approved before sending developments to the supplier for integration.

Over 2011-2012, almost €2 million were invested in the Renault EMS 2012 project.

1.4.2.2 CHANGE UP!

Launched in 2009, the programs put in place as part of Change Up!, a project to transform engineering at Renault, are continuing to modify the contours of the engineering activity, targeting improved performance in particular.

STANDARDIZATION

In 2012, the standardization policy brought its first practical results.

The company has made significant progress with its policy of modular design. It has initiated 94 modules organized in five waves.

A total of 37 module contracts had been announced at end-December, 25 of which were signed in 2012, along with 43 pre-contracts, 20 of which signed in 2012.

Significant savings have been made for all contractual modules:

- an average reduction of 36% for investments, and 40% for the initial outlay;
- significantly reduced unit prices since standardized parts are ordered in larger quantities: savings of 25% on average;
- part diversity reduced by more than 40% on average and up to 80% on some models.

A last wave is scheduled for early 2013 to meet the new target of 110 modules. This will enable Renault to cover two-thirds of vehicle value with its modules and thus to catch up with our best competitors.

Integration of the modular design process is continuing in the Company, the Renault design way and V3P.

With the COCA (Carry Over Carry Across rate per project), the level of standardization for new projects is now managed at all levels of decision-making.

V3P (VALUE-UP PRODUCT PROCESS PROGRAM)

The deployment of V3P continued in 2012. With a few exceptions (electric vehicles, partnership-based projects), all Renault projects now implement the V3P development approach. A feedback procedure has been put in place to monitor the first applications. The aim is to adjust a number of processes or their conditions of implementation.

As a result of the progress plans put in place by all functions, the target (a 30% cut in initial outlay) is now in sight for projects with production agreements from 2016.

INNOVATION AND PARTNERSHIPS

In 2012 the innovation action plan focused primarily on the efficient downline transfer of high-tech projects conducted by the Company, and their integration in its vehicles. The aim is for all innovations currently at the development stage to be made available to customers in the longer term. A performance group has been put in place to identify the levers for improving this transfer.

The emphasis is still on real customer requirements and the appeal of the offering. The innovation plan, based on Renault's brand identity, is built on input from product and marketing specialists who approve the relevance of new projects.

At the same time, specific efforts have been made to increase co-innovation with suppliers, and to optimize exchanges with Nissan's innovation teams in order to make the best possible use of the research potential of both partners.

DURABILITY

Renault has made quality a key plank of the Renault - Drive the Change plan, and progress in durability is a major objective. The EDAU tests, from the French acronym for Aspect and Wear Durability Test, deployed in 2011 are now applied to all projects. They make it possible to identify any defects that could appear prematurely, and to compare Company models with those of the competition. One of the first results of this approach is a 58% reduction in defects on Clio IV compared with the previous-generation vehicle. As well as serving as a barometer of quality, these tests enable engineering functions to make continuous progress. The underlying approach, which is to continuously re-evaluate the requirements set out in specifications, provides a basis on which to reinforce standards and to produce parts and components of improved quality over time.

DYNAMIC SKILLS MANAGEMENT

As part of Change Up!, the dynamic skills management program initiated an extensive study into the engineering activities of the future and the necessary upgrading in skills. This forward-looking approach is now firmly entrenched. Tools placed at the disposal of employees, and a network of employment offices are helping employees to build a career plan by guiding them towards the areas of expertise that need to be reinforced.

In 2012 the Company set up a virtual forum dedicated to engineering functions and expertise. Over three days, the forum totalled more than 10,000 visits and almost 500 chat sessions. This experience, viewed as extremely positive, has three major advantages: accessibility to employees anywhere without travel, an organizational cost that is half that of a conventional forum and the appeal of a modern tool. An event implemented with the support of the Change Up! collaborative engineering program.

COLLABORATIVE ENGINEERING

The use of collaborative tools (such as chat rooms, virtual conferences, audio and video conferences, etc.) continued to increase at Renault, with more than five million virtual discussion sessions per month. The engineering function makes extensive use of these tools and is by far the biggest user. In 2012, through training and tutoring sessions, the emphasis was placed on the correct use of LiveMeeting to organize virtual meetings at the workstation or in dedicated rooms.

The virtual communities deployed within the engineering function now cover all the needs expressed: sharing within a function, coordination of a department or site, calls for ideas, and building on good practices. They receive more than 20,000 visits every month. The engineering function also took part in the launch of the new search engine (Search by Google) and Renault's corporate social network (MyDeclic), making it possible to create communities on the fly and to complete personal profiles (MySite) to supply tooling for Qui Fait Quoi (Who does What) within global engineering.

Given that collaborative tools have now achieved a sufficient level of maturity and deployment within the engineering function, the DIQG plenary committee of October 31, 2012 officially stated that the collaborative engineering program had satisfied its main objectives, and decided to make the transition to service life mode.

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 complex and subject to continuous and major constraints in terms of performance. The objective is to increase the pace of project development and to improve performance.

In 2012 the program pursued and stepped up the process initiated in 2011 with two key objectives: making it easier to share information and to obtain contributions to the program from as many people as possible by means of collaborative tools, and simplifying employees' everyday lives. In particular, the program focused on processes relating to business functions. The first results in terms of progress can now be seen in the simplification of processes and the shorter time frames for taking action. The simplification and delegation program is continuing, building on the new ideas and areas for progress submitted by employees. It is providing the basis for many in-house developments.

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 their 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 are projects that may not necessarily have the same high profile but that are nevertheless important.

Example: the Velroue project (dual-mode vehicle with in-wheel motor). The vehicle can be driven in electric mode (two motors close to the rear wheels) or as a 4x4 hybrid (combustion engine on the front wheels, electric motors at the rear), as the customer wishes. This cooperative project, developed with Michelin and the IFP (French institute of petroleum technology) is based on the concept of a dual-mode LCV, driven by an ICE and electric power. Combustion mode relies on an engine optimized for fuel efficiency in extra-urban use, while electric mode, which relies on two in-wheel electric motors on the rear axle, is more specifically dedicated to urban use. This layout maintains interior space and loading volume. Independent torque control on each rear wheel improves vehicle dynamics. A demonstration vehicle has been presented to the ADEME (French agency for the environment and energy management).

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. Efforts today are focused not on electric powertrains, since Renault now has a full range, but on increasing battery range and controlling costs.

The ecosystem of the electric vehicle is at the construction stage. Although cable charging is the most frequently used solution at present, Renault is working on other innovative solutions for charging future electric vehicles. Induction charging is a wireless solution for charging electric vehicles. And the vehicle does not have to be in a precise position for charging.

Examples: the electric induction charging project Cineli (*charge inductive pour véhicule électrique interoperable* or inductive charging for interoperable electric vehicles) or WIC2IT (wireless inductive charging to inter-operation testing). The objective of these projects is to promote the development of contactless charging while ensuring compatibility between the various manufacturers. These projects, coordinated by Renault, are developed with French and European partners, ensuring the interoperability of the solution adopted.

Partners and financial support for the Cineli project: Schneider Electric, Newtech Concept, LGEP, Renault, Oséo, Paris region and Paris region regional council.

1.4.3.3 INTERNAL COMBUSTION VEHICLES

The future of cars needs to be viewed in the light of concerns on sustainable mobility: the availability of fossil fuels, global warming and local pollution. Most governments have introduced regulations to cut CO_2 and pollutant emissions.

Renault's approach to cutting fuel consumption factors in these regulations while also seeking to improve real consumption in use. To this end, Renault's strategy is to develop an affordable zero-emission vehicle offering and, at the same time, to develop a new generation of internal combustion engines and efficient transmissions.

Concerning efforts to control pollutants, the key issue is to implement the most efficient technologies at a cost that brings them within everybody's reach.

Given that the Group's expansion depends on its ability to win market share on international markets, another key issue is to adapt powertrains to the constraints of fuel composition, climate and road conditions in these markets.

contents 1 2 3 4 5 6 7

Technological developments are therefore focused on:

- optimizing supercharging and the recirculation of exhaust gases;
- improving combustion: increasing diesel injector pressure and spray patterns; ignition, injection systems, advanced timing systems for gasoline engines;
- reducing the weight and friction of engines and transmissions, thermal management;
- conducting after-treatment of exhaust gases. A key issue here is to limit costs, so studies are under way on a range of technologies: NO_x traps and SCR for diesel, 4-way catalytic converters for gasoline;
- extended stop & start functions, management of vehicle electrics;
- more generally, adapting engines and transmissions to electric use;
- last, upgrading software-controlled powertrain functions to a modular software architecture and a model-based physical approach. This makes it possible to manage the systems and their many components and to maximize their performance without increasing development times.

As well as working in the strictly defined field of internal combustion engines, we are also working on an affordable mild hybrid with a low-voltage electric system of the alternator-starter type.

1.4.3.4 ONBOARD COMFORT AND REASSURANCE

Renault's brand identity is an invitation to R&D to stimulate innovation in every area that helps to make driving a pleasant and relaxing experience. This is also a prospective field of study for the 21st century: the idea of the car as part of a more global mobility system with intermodality as a key factor for all users. Consumers will wish 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 projects in this field focus on several types of breakthrough: in technologies, in use, or in business models. The aim is to make new functions in comfort and well-being available to everybody. These breakthroughs must be simple, intuitive, affordable and customizable, in line with the brand image.

Man-machine interaction (MMI) is an example illustrated by these three areas. The aim is to substantially reduce the cognitive load created by the many sources of onboard information (live services, ADAS, communication, infotainment, etc) by paving the way for simpler, more intuitive forms of man-machine interaction. These would combine wireless connectivity, now available to all, with new mobility services in which the car would be considered as part of a multi-connected mobility system (car-to-car, car-to-grid, car-to-cloud, etc.), enabling digital continuity while opening the field to the partial use of advanced driving techniques.

Example: the User Vision project aims to develop innovative user interfaces combining simplicity, emotion and intuitive use, in order to deliver a new onboard experience that is both fun and reassuring. 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). The lighting peripheral display, a technically simple and inexpensive system, has been developed to this end. It displays simple alerts on the windscreen, creating new uses in driving situations.

An approach based on the grouping of technology bricks

The aim of the IASM (Intelligent & Adaptive Speed Management) 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 technology bricks:

- driver Monitoring (to detect drowsiness);
- safe Intersection (low-beam lights activate on approaching a junction);
- ADAS Efficient Cost Solutions (a unit that processes information from several sensors of optimized cost).

These components create a complete system with a coherent service that contributes to both safety and the quality of onboard comfort.

1.4.3.5 NEW SERVICES

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

- 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 the two areas and are developing around two key objectives: providing drivers and passengers with real-time information and ensuring continuity in use between their different worlds.

This can only be achieved by showing full respect for safety conditions in driving situations. Connected and multi-media systems must be specially adapted to the car. It will therefore be necessary to develop new controls and specific ergonomic features in order to ensure safety.

If these conditions are respected, then the future is an open book. Looking beyond one-off projects, we could imagine, a few years hence, developing a car that is totally connected (car-to-car, car-to-grid, car-to-cloud), even autonomous, as well as totally safe.

It was therefore almost natural to start up research in this area.

Example: the SAMI project (from the French acronym for "system for the development of mobility and intermodality") is based on three themes:

- modelling mobility in and around the city;
- simulating the introduction of new mobility objects and their impact;
- integrating EV charging areas and vehicle stations in the right places (and also simulating utilization rates based on time slots).

By integrating and processing data from a wide variety of sources (urban statistics, positions of mobile phones, locations and timetables of railway stations, buses, etc.), we aim to develop optimized multimodal routes for users.

1.4.3.6 AFFORDABLE COSTS

Making mobility accessible to all means deploying a range of modules, components or systems with the emphasis on simplification and standardization.

Example: the project for individualized seats at an affordable cost involves using an innovative technology to manufacture seat covers (foam fabric). This makes it possible to modify the shape of the seat using the cover alone, without changing the structure or the main type of foam, which is thus generic. Far cheaper than existing production technologies, this technology paves the way for greater diversity in interior design at an affordable cost, and even for seating customized to the buyer's requirements. This innovation is currently being developed for the Brazilian market, which is particularly eager for low-cost diversity.

1.4.4 RESEARCH AND LONG-TERM TARGETS

The Research plan ([R] plan) aims primarily to define breakthrough concepts (target values) and to set out the best way to reach them (road maps), identifying the scientific and technical expertise required and acquiring, at the outset, the key skills necessary to make these breakthroughs. Six targets were approved in 2012. For each one, a pilot was appointed with the main role of drawing up the corresponding road maps and the resources allocated to the development of research subjects.

These concepts or long-term targets pave the way for breakthroughs in technology and use for each of the six objectives set out in our technological vision (see above).

A few examples of possible targets:

- a family-type electric vehicle with a broad range of action, able to run for several hours on the motorway by combining innovations in onboard technology (high energy-density batteries, optimized energy engines, etc.) and in infrastructure (dynamic inductive load, etc.);
- an intuitive vehicle with third-generation man-machine interfaces, taking account of both the vehicle environment and driver characteristics (augmented reality, semi-automatic driving aids, multi-sensorial systems, etc.);
- a car with a zero eco-footprint across its entire life cycle (developing employment in "green electricity" for cars).

1.4.5 SKILLS, EXPERTISE AND PARTNERSHIPS

1.4.5.1 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. They work within the framework of Group policies and processes: R&AE, standardization (platforms, modules, components), the Renault design way, quality standards, etc. The most advanced entities may develop, by delegation, components, sub-assemblies or versions of some models.

Similarly, some of these decentralized entities may host the international offices of the Materials Engineering department. Collaborative tools – from office automation tools to new PDM – enable entities to network, regardless of distance and with no need to travel. South Korea, Romania, Brazil, India, Spain and Russia thus form a global network supported by corporate teams in their growth and skills-building.

1.4.5.2 INVESTMENTS IN TEST AND PRODUCTION INFRASTRUCTURE

The technical centers and test facilities 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 2012 were as follows:

REINFORCED ELECTRICAL ENGINEERING INSTALLATIONS AT GUYANCOURT

The Guyancourt Technocentre (France) has new facilities dedicated to the development of electric vehicles. The power electronics laboratory was expanded in 2012. Its role is to identify and develop the components required by the sub-assemblies of electric powertrains (charger, inverter, converter, ECU, etc.). A bench designed to simulate and test the charging networks and infrastructure has been set up in the laboratory. A new EMC (electromagnetic compatibility) chamber has also been built. Renault now has three chambers in France (two at the Technocentre and one at Aubevoye) enabling the development and approval not only of the complete vehicle but also of vehicle sub-systems.

Overall, Renault invested more than €2 million in 2012 for these engineering development and test facilities dedicated to electric powertrains.

INSTALLATION OF A WORKSHOP ASSEMBLING BATTERIES FOR ZOE AT THE RENAULT PLANT IN FLINS, OUTSIDE PARIS

The product/process engineering and production teams worked jointly on the design and installation of a battery pack assembly line for the electric vehicle ZOE at the Flins plant. Right from the first sketches of the battery, the project took account of constraints linked to operator safety.

The 4,000m^2 building standing next to the ZOE assembly line to optimize the overall flow, was upgraded to respect safety standards.

Several innovations were introduced on the battery pack assembly line as part of an industrial process extending from module assembly to sealing tests and charging of the assembled batteries. The number of operators in the 400 volt assembly area was cut from six to two, with operations at the other four workstations being transferred to the 60 volt area, where there is no electrical risk. All personnel working in the workshop have received extensive training to ensure the safety of operations and staff.

Setting up this workshop involved an investment of less than €10 million (70% linked to production/handling resources and 30% to the building) in 2011 and 2012.

1.4.5.3 CONTRIBUTIONS FROM THE EXPERTISE NETWORK

The expertise network was set up in January 2010. Fifty areas of strategic expertise have now been identified, linked to Renault's priorities and coherent with areas of expertise at Nissan. A total 70% of these areas are now overseen by a leader expert. Each area also has an internal network: the number of experts appointed rose from 90 to 125 between end-2011 and end-2012, while the number of consultants increased from 280 to 351.

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 network of an leader expert 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 (sub-area of expertise);
- consultants possess in-depth knowledge in a given speciality.

Alongside the internal network, efforts have continued to build an external network identifying the best external expertise on a top-three basis in each partnership category: vehicle manufacturers, suppliers (parts suppliers or non-automotive systems), associations of vehicle manufacturers/standardization organizations, consortiums, public organizations, scientific entities such as the CNRS (scientific research), CEA (atomic and alternative energies) or Inria (research into digital science and technology), or non-automotive manufacturers. These efforts were conducted on a global scale, taking account of the international deployment strategy while placing particular emphasis on France as part of efforts to build up the national automotive industry. This target network is made up partly of existing partnerships, but also includes 25% of relations or partnerships to be created.

Contacts with the exterior are an opportunity for the expertise network to reinforce major scenarios/hypotheses for defining corporate strategy and putting it into practice. They are also a lever, and sometimes a necessary step, in promoting outside the Company the innovations developed by Renault as part of its strategy. They also enable Renault to make its voice heard at national level (authorities, PFA (industry support body), CCFA (committee of French manufacturers) and international level (ACEA (European Automobile Manufacturers), IEA, UN).

Ahead of new projects, the expertise network played a greater role in establishing strategic guidelines in 2012. A number of scenarios were put forward on strategic resources (recycling of strategic materials, availability of rare earths, trends in energy resources), including an estimate of the associated savings. Another example concerning the materials used to produce cars: the expertise network analyzed possible ways to improve the use of existing materials, introducing new materials, standardization, sourcing or recycling. Naturally, all these areas of study are shared with Nissan, in this case, as part of the Raw Materials Cross Company Team. Figures on any savings always factor in synergies between Renault and Nissan.

The priorities addressed by the expertise network naturally include major technological breakthroughs. The aim is for the Company and the Alliance to plan ahead and take up a position on these subjects. Taking the example of connected vehicles, leader experts took over the management of working groups, in relation with staff at Nissan: tracking of trends outside the Company, road maps to be set out, consequences for the development process, and internal or external expertise to be brought in.

Providing technical/economic road maps for the Company as a whole is one of the fundamental deliverables of the expertise network. The aim is to build function road maps that will pave the way for technology road maps. These maps will then provide the basis for proposals and guidelines put forward by the expertise network for establishing research and innovation plans.

Eight expertise programs addressing subjects of cross-cutting interest for the Company are currently under way, including six new programs launched in 2012.

The expertise network is also closely involved in the earliest phases of the project, in preparing and organizing "Top Innovation Management Meetings" with major Renault suppliers. In 2012, this concerned Autoliv, Valeo, Samsung Electronics, Bosch, Continental, LGE, Michelin, Saint-Gobain, Faurecia and Visteon.

In order to enable the implementation and approval of innovative systems in the pre-project phase, the Design Review, which mirrors a process in place at Nissan, is now applied in full for combustion engines with deployment underway for the vehicle as a whole.

Last, during service life, all significant sticking points, *i.e.* around 90 in 2012, are now addressed by leader experts.

Alongside the work conducted with corporate teams, the expertise network also steps in to provide support for the Regions when necessary. In Brazil, for example, the network was involved in plans to do way with the anti-roll bar in a vehicle project. In Brazil and India, it took part in establishing specifications for anti-corrosion treatments suited to local conditions but developed to minimum requirements in order to optimize cost performance. In Morocco, fuel experts contributed to negotiations with the Moroccan authorities.

Two-and-a-half years after the roll-out of the expertise network began, a survey was conducted involving 1,000 people from the projects, management and expertise networks in the areas of engineering and quality. First and foremost, the results show a high level of similarity in assessments by people belonging to the expertise network and those outside the expertise network.

The contributions deemed to be most positive in the implementation of the expertise network are its decompartmentalized, cross-cutting approach, efforts to spread and build on know-how, and robust standards. The deliverables with the highest levels of recognition have been highlighted for the different levels of the expertise network. The efficiency of the Design Review roll-out was recognized by the vast majority of those taking part in the survey (75%). At the same time, a progress plan was developed to address the most frequently quoted difficulties.

The expertise network has thereby become operational across most areas of strategic expertise. It now makes regular contributions at all stages, from pre-project through to development and service life, thus contributing to Company profitability and customer satisfaction.

Deployment will be continued in 2013 with a view to consolidating the improvements made since 2010. The process will draw upon the internal diagnoses conducted in 2012 (review with the departments concerned, e-survey, etc.) and the results of benchmarking carried out with parts suppliers, vehicle manufacturers and non-automotive manufacturers such as Safran, Thales, Air Liquide and Eurocopter. It will also include information from corporate programs such as Talent@Renault. The deployment process will naturally be reinforced to take account of the Group's strategic objectives, such as international expansion and deployment across the Regions.

1.4.5.4 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 2012:

- cooperative contracts: 109 of which:
  - European contracts: 38,
  - French contracts: 71;
- CIFRE agreements: 103.

Here are a few examples from the portfolio of projects:

- Elibama (European Li-Ion battery 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);
- Voiesur (Vehicle Occupant Infrastructure, studies into safety of road users – LAB (EIG with PSA) – led by Renault);
- Udrive (European naturalistic Driving and Riding for Infrastructure & Vehicle safety and Environment – LAB (EIG with PSA)-partnered by Renault), etc.

This list does not take account of the dozen or so projects submitted as part of investments for the future and currently under negotiation. If the outcome of negotiations is positive, these projects will be considered as committed from their date of submission (2011 or 2012 depending on the case).

COMPETITIVENESS CLUSTERS

Renault belongs to a number of competitive clusters covering not only conventional scientific and technical fields relating to the automotive industry, but also the fields that are set to become increasingly important in the future.

For Renault, these clusters create opportunities for cooperation that enable it to expand its skills and knowledge. They are also a means to amplify 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 No_x reduction catalysis) – led by Renault.

STRATEGIC AGREEMENTS

CEA: several agreements in the field of R&D

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. Since then, Renault and CEA have worked on a number of joint research projects in a number of fields including: new energies for transport, the electrical and electronic architecture of the future, smart charging and discharging networks.

Also in 2010, a second agreement was signed on new generations of batteries for electric vehicles. In 2011, joint project teams were set up with, in particular, the creation of a joint laboratory at the CEA in Grenoble, with a permanent team of Renault researchers. The activities of this joint laboratory cover all areas relating to Li-Ion batteries, from the development and benchmarking of active materials to breakthrough scenarios. In July 2012, the initial agreement between Renault and CEA was partially extended to LG Chem, world leader in Li-Ion batteries and supplier for ZOE and Twizy. The aim is to go further in developing the next generation of batteries, with a view to industrial production in early 2017.

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.

The Renault-Nissan Alliance and Daimler are also continuing advanced research into fuel-cell powertrains. For the Alliance, the centre of gravity of these research studies is Nissan.

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 areas of accidentology (field investigations and studies), biomechanics (laboratory experiments), and human behaviour.

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 2012 the PSA-Renault economic interest grouping extended its scope of cooperation to include electro-technical aspects (now covered by joint agreement in the VeDeCom (zero-carbon communicating vehicle and its mobility) IEED (institute of excellence in carbon-free energies)) and efforts to make vehicles lighter. In association with key suppliers, efforts to make vehicles lighter will provide a basis on which to study all possible options and promote the emergency of a French industry in this area.

INVESTING IN THE FUTURE

The main economic programs launched in 2010 included a €35 billion program on investments for the future. Since then, Renault has submitted several key high-tech projects on the following subjects:

- vehicles of the future: mobility systems, charging infrastructure, combustion drivetrain, electric drivetrain, lighter vehicles, aerodynamics and structure;
- the circular economy: recycling;
- the digital economy: software engineering.

Alongside these major high-tech projects, Renault is also contributing actively to initiatives to set up research structures able to address major national issues. In particular, efforts to set up partnership-based research structures such as the IRT (technology research institutes) and IEED (institutes of excellence in carbon-free energies).

Among the initiatives of the IRTs, Renault is placing particular emphasis on two structures studying the materials of the future (the Jules Verne and M2P IRTs), and the SystemX IRT on systems engineering.

With respect to the IEED, Renault is a playing an active role in the project VeDeCom (zero-carbon communicating vehicle and its mobility), selected in 2012 by France's *Commissariat général aux investissements d'avenir* (General commission for investments in the future). This project aims to bring about the sustainable breakthroughs necessary to increase the energy efficiency of individual transport. Through this project, the aim is to significantly cut energy consumption while doing away with pollutant emissions, primarily in and around cities.

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 strategic metals market: crisis in the supply and pricing of rare earths since summer 2010, analysis of the impact of new commodity-backed financial products and index funds (ETP, ETF) on price volatility;

- 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 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: Renault membership of the scientific committee for the European project Eurare (rare earths), contribution to the European network Era-Min and to the themed events on natural resources organized by the *École des Mines* engineering school in Paris in March 2012, 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, with the organization of a conference on strategic metals in October 2012.

SAFETY RESEARCH STUDIES RECOGNIZED AT THE HIGHEST LEVEL ✦

Stéphanie Lefèvre, a CIFRE doctoral student with the Vehicle Engineering department, in cooperation with Christian Laugier from the Rhône-Alps Inria, won the first prize for doctoral students at the Intelligent Vehicles Symposium in 2012, for her work and research into road safety on the theme: Risk Assessment at Road Intersections: Comparing Intention and Expectation.

The Intelligent Vehicles Symposium (IV'12) is a major annual conference sponsored by the ITSS, Intelligent Transportation Systems Society, bringing together researchers, engineers and students from universities, industries and governmental organizations from around the world. Its objective: to be a high-level scientific think tank for research into driving aids, safety applications and self-driving vehicles.

1.5 RISK FACTORS ✦

The Renault group makes every effort to control the risks inherent in its various 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 into 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 manufacturing Company, needs to be reinforced and made proactive. It is therefore an integral part of the Group's operational management procedures.

The Group adopts a three-pronged approach to risk management:

- at Group level, the Risk Management department (DMR) provides methods and an overall view of major risks and how they should be prevented and handled. It does this, in particular, by monitoring them using risk-mapping techniques and implementing preventive measures in high-risk areas;
- at a cross-functional level, the Group's Prevention and Protection department is responsible for identifying and handling 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, Internal Control and Risk Management departments provide advice, methods and coordinating expertise for the management of operational processes and risks with other Group departments;
- in all entities involved in business-critical processes, experts are appointed to identify and prioritize risk control solutions and oversee their implementation.

1.5.1 FINANCIAL RISK

1.5.1.1 OVERALL 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 Registration document.

Securities trades executed by companies in the RCI Banque group are intended solely to hedge risks related to sales financing and inventories held by the Company's distribution networks. Most of these trades are made by the RCI Banque trading room, which plays a pivotal role in refinancing the RCI Banque group under the overall Group-wide governance policy.

✦ Global Reporting Initiative (GRI) Directives

Monitoring and control tools exist both for each individual entity and at 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 entity's Chief Executive;
- third-level control: carried out by control bodies (Renault Internal Audit or external firms commissioned by it). These third-level control organizations carry out a critical, independent analysis of the quality of the control system. The statutory auditors also contribute to this 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 25-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 investment needed for its expansion. The Group continued to pay down its debt in 2012. It went from net borrowings of €299 million at December 31, 2011 to a net lending position of €1,492 million at December 31, 2012. Automotive needs to borrow regularly from banks and on capital markets to refinance its gross debt and ensure liquidity. This creates a liquidity risk if markets are frozen during a long period or credit is hard to access.

Management procedures and principles

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

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

Under this program, Renault has issued three euro bonds totaling €1,100 million. Renault also completed a two-year offshore yuan issue in two instalments in October and November 2012 totaling 1,250 million yuans, opening up a new market for the refinancing of Renault SA.

Renault also has an issue program under the Shelf Registration scheme on the Japanese market. Renault SA issued two bonds for a total amount of ¥62.4 billion.

Renault received €180 million in additional funding from the EIB.

The contractual documentation covering these financing arrangements contains no clauses that could affect the continued supply of credit as a result of changes in either Renault's credit rating or its financial ratios.

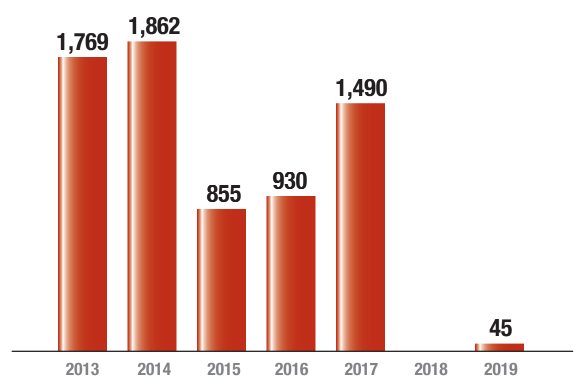
Renault also has a commercial paper program for a maximum €2.5 billion. The total outstanding at December 31, 2012 was €158 million.

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 23-C to the consolidated financial statements.

Assuming a constant balance sheet structure, medium-term refinancing requirements in 2013 will consist of €1,769 million for maturing bond issues and equivalent debt and €158 million for maturing commercial paper.

RENAULT SA – MATURITY SCHEDULE FOR BONDS AND EQUIVALENT DEBT AT DECEMBER 31, 2012 (1)

(€ million)

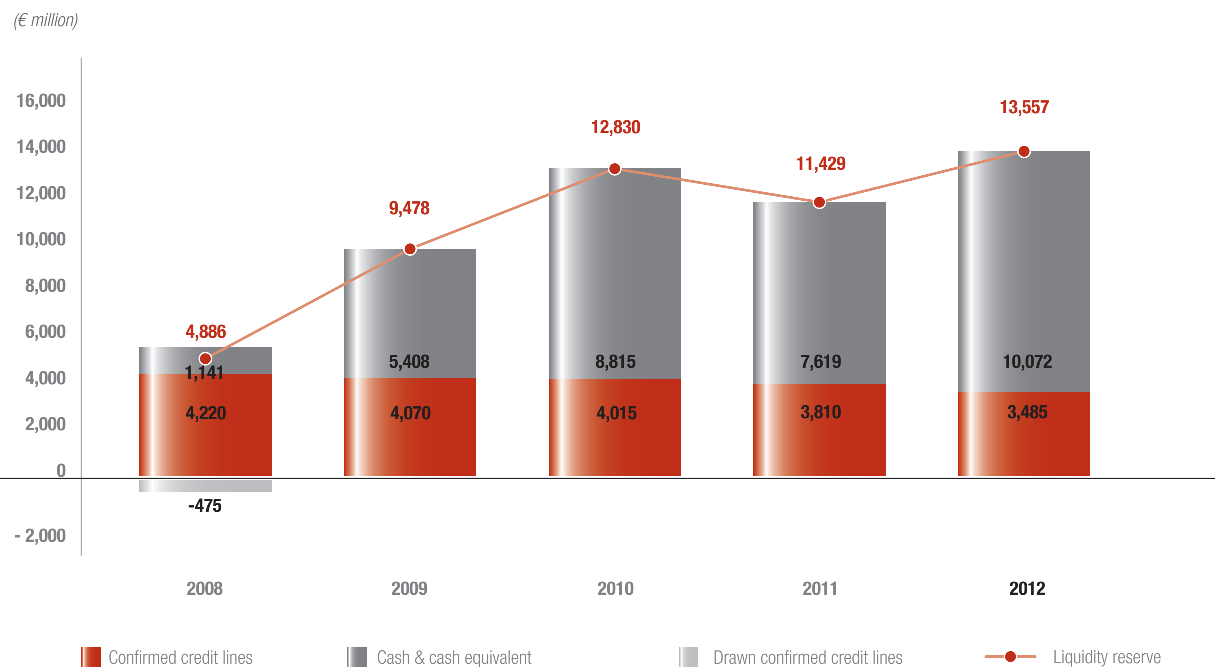


(1) Nominal amounts valued at December 31, 2012.

Furthermore, Renault has access to a total of €3,485 million in committed renewable bank credit lines, with maturities out to 2017. No credit lines were used in 2012. These committed credit lines provide Automotive with a liquidity reserve.

The contractual documentation covering these committed credit lines contains no clauses that could affect the raising or continued supply of credit as a result of changes in either Renault's credit rating or its financial ratios.

RENAULT SA – LIQUIDITY RESERVE AT DECEMBER 31, 2012



In view of its available cash and committed credit lines not drawn at the reporting date, Automotive has sufficient financial resources to honor its commitments for the next 12 months.

SALES FINANCING

Risk factors

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

At all times, and especially during challenging periods, RCI Banque must have sufficient financial resources at its disposal 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. Accordingly, RCI Banque grants loans using funds raised several months previously, thus maintaining a stable financial margin.

One of the defining events of 2012 was the eurozone sovereign debt crisis. However, risk aversion eased in the second half of the year in response to intervention by European bodies, resulting in a narrowing in credit spreads.

RCI Banque took advantage of favorable debt market conditions to pursue its strategy of diversifying its sources of funding.

On the bond market, the RCI group raised the equivalent of €3.2 billion by issuing debt in both traditional markets (completing four debt issues in euros and one in Swiss francs) and new currencies (completing public issues in Norwegian krone, Swedish krona and Australian dollars and a private placement in Czech koruna). The group has also been a regular issuer on the bond markets in Argentina, Brazil, and particularly South Korea: after completing an initial issue in 2010, the group has bolstered its access to local liquidity and developed its investor base. In 2012, it completed five bond issues in Korean won with a total equivalent value of €306 million, up 63% relative to 2011.

In the structured finance segment, in response to investors' desire for a more simplified approach, the French securitization program, initiated in 2002 in the form of a single master trust, has been restructured. It is now based around three separate securitization vehicles dedicated to securitization issues self-underwritten by RCI Banque and eligible for the European Central Bank's (ECB) open market operations, as well as public placements of fixed and floating rate securities totaling €700 million and €750 million respectively.

In Italy, following a €619 million self-underwritten securitization issue in the first half of the year, additional funding of €300 million was raised through conduit financing. In the United Kingdom, growth in the portfolio made it possible to increase funding *via* bank conduits by £90 million.

These long-term funds, together with €4.4 billion in undrawn committed bank credit lines and €1.9 billion in collateral eligible for the ECB's open market operations, secure the continuity of RCI Banque's commercial activity for almost 12 months without new funding sources.

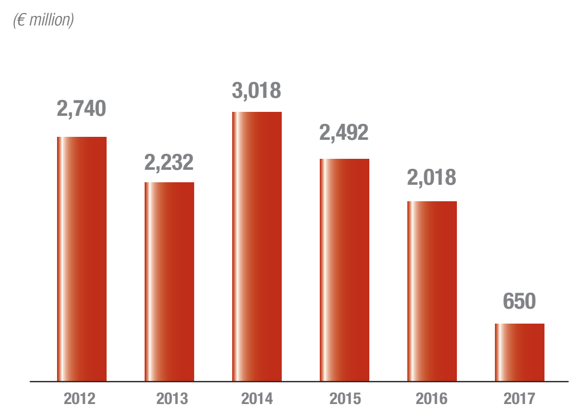
To diversify its sources of funding, in February the group launched a passbook savings account aimed at personal savers in France. Total deposits of €893 million had been collected by the year-end, reducing the Group's reliance on market funding. A similar savings account should be launched in Germany during the first half of 2013.

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

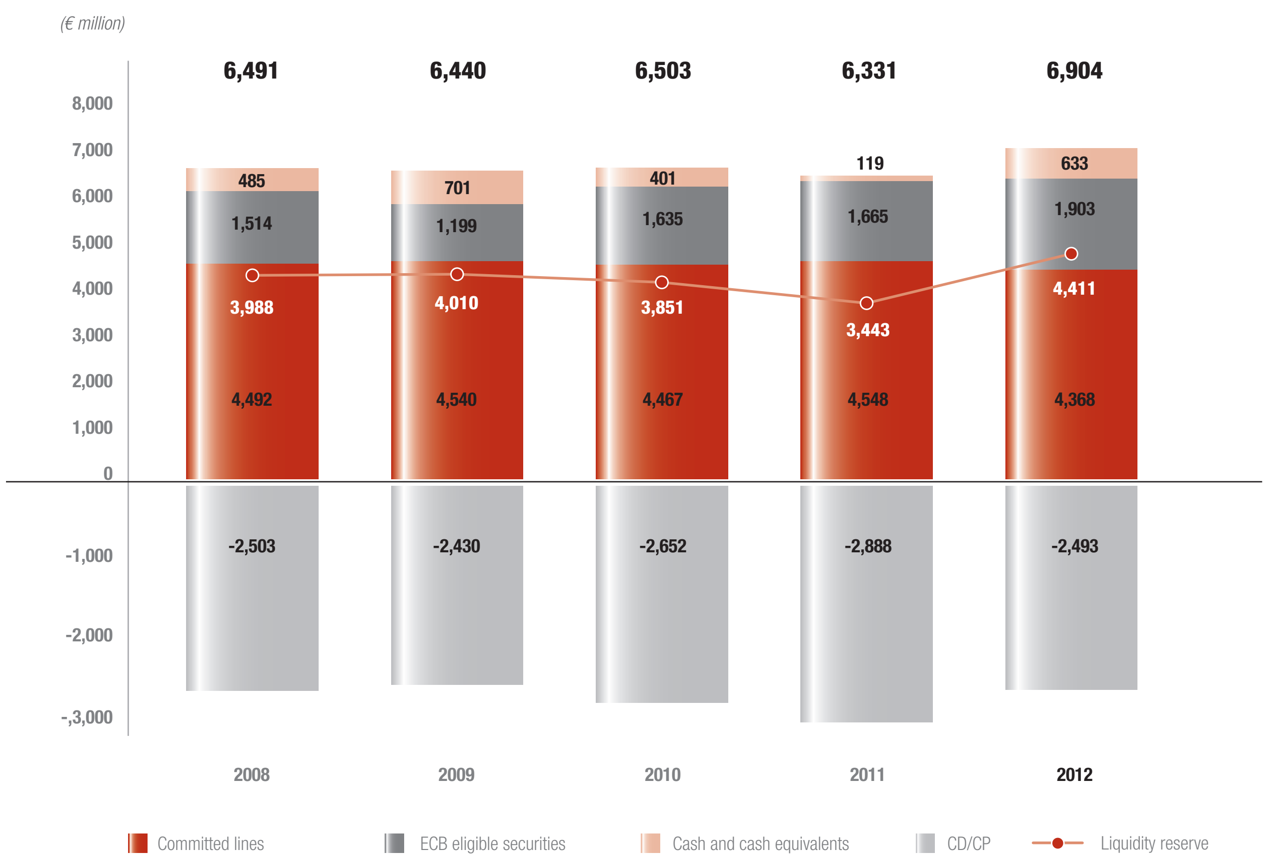
Available liquidity amounts to €6.9 billion (undrawn committed credit lines with a residual maturity of more than three months: €4.4 billion; claims available for use as collateral with central bank: €1.9 billion; cash and cash equivalents: €633 million), more than twice the combined total of commercial paper and certificates of deposit outstanding.

The liquidity reserve stands at €4.4 billion. This represents available liquidity over and above the amount of certificates of deposit and commercial paper outstanding. The group has a duty to maintain alternative sources of liquidity in excess of the amount of its short-term negotiable debt securities.

RCI BANQUE – MATURITY SCHEDULE OF BOND ISSUES AT DECEMBER 31, 2012

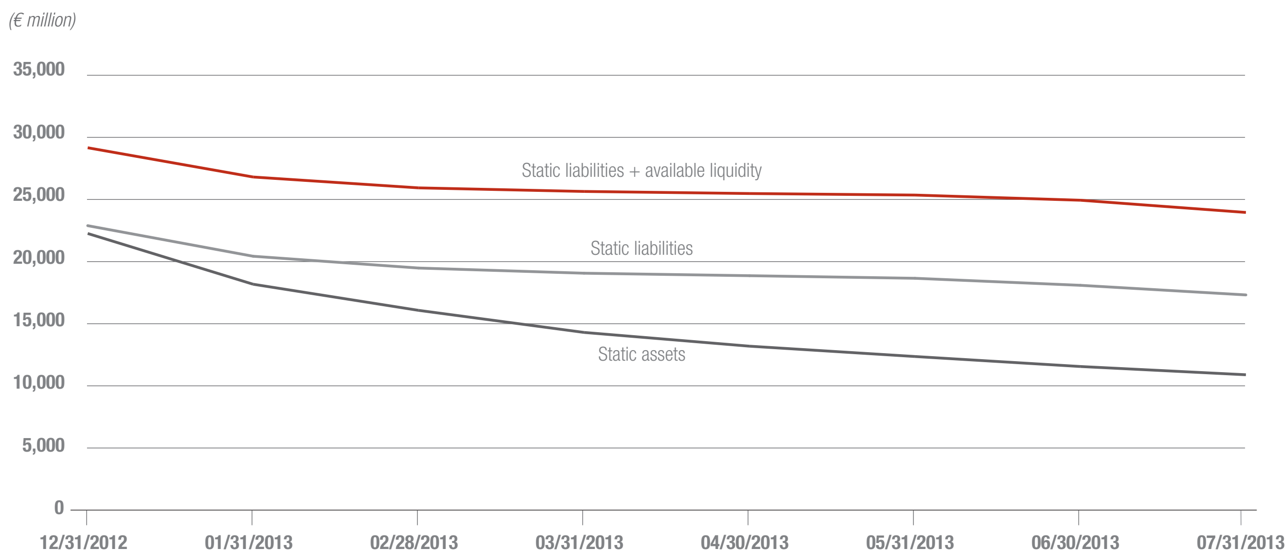


RCI BANQUE GROUP – LIQUIDITY RESERVE AT DECEMBER 31, 2012



Scope of centralized refinancing: Western Europe, Poland, Czech Republic, Romania, Slovenia, Nordic countries, South Korea.

RCI BANQUE GROUP – LIQUIDITY POSITION AT DECEMBER 31, 2012



RENAULT GROUP ISSUANCE PROGRAM AT DECEMBER 31, 2012

ISSUER	PROGRAM	MARKET	AMOUNT
Renault SA	Euro CP	France	€2,500m
Renault SA	Euro EMTN	Euro	€7,000m
Renault SA	Shelf documentation	Japan (Samouraï)	¥150,000m
RCI Banque	Euro CP	Euro	€2,000m
RCI Banque	Euro MTN	Euro	€12,000m
RCI Banque	CD	France	€4,500m
RCI Banque	BMTN	France	€2,000m
Diac	CD	France	€1,000m
Diac	BMTN	France	€1,500m
Rombo Compania Financiera SA	Bonds*	Argentina	ARS 700m

* *Locally rated.*

The RCI Banque group’s programs are focused on three issuers (RCI Banque, Diac and Rombo Compania Financiera SA) for a combined total of more than €23 billion.

SECURITIZATION - PUBLIC ISSUES

COUNTRY				FRANCE	ITALY	GERMANY
CEDING ENTITY	**DIAC SA**	**DIAC SA**	**DIAC SA**	**COGERA SA**	**RCI BANQUE SUCCURSALE ITALIANA**	**RCI BANK NIEDERLASSUNG**
Concerned collateral	Auto loans to customers	Auto loans to customers	Auto loans to customers	Receivables independent dealers	Auto loans to customers	Auto loans to customers
Asset SPV	CARS Alliance Auto Loans France FCT Master	CARS Alliance Auto Loans France F 2012-1	CARS Alliance Auto Loans France V 2012-1	FCT Cars Alliance DFP France	Cars Alliance Warehouse Italy SRL	CARS Alliance Auto Loans Germany FCT
Star date	May-2012	June-2012	November-2012	April-2010	June-2012	December-2011
Maximum term of fund	August-2030	September-2021	February-2024	October-2015	December-2029	May-2024
Initial puschase of receivables	€715m	€867m	€826m	€1,235m	€777m	€1,793m
Credit enhancement as at the initial date	Cash reserve for 1% Over-collateralization of receivables 15.0%	Cash reserve for 1% Over-collateralization of receivables 13%	Cash reserve for 1% Over-collateralization of receivables 13.5%	Cash reserve for 1% Over-collateralization of receivables 13.6%	Cash reserve for 2% Over-collateralization of receivables 14.5%	Cash reserve for 1.00% Over-collateralization of receivables 12.7%
Receivables purchased as of 31/12/2012	**€250m**	**€610m**	**€793m**	**€1,972m**	**€714m**	**€1,721m**
	Class A rating: AAA €224m	**Class A** rating: AAA €527m	**Class A** rating: AAA €700m	**Séries 2010-1 Class A** rating: AAA €750m	**Class A** rating: AAA €619m	**Class A** rating: AAA €739m
				Series 2005-2 Class A rating: AAA €250m		**Class R** rating: AAA €810m
Notes in issue as at 31/12/2012 (including any units held by the RCI Banque group)	**Class B** Non noté €39m	**Class B** Non noté €102m	**Class B** Non noté €109m	**Séries 2005-1 Class B** Non noté €37m	**Class B** Non noté €137m	**Class B** rating: A €26m
Period	Revolving	Fixed term	Revolving	Revolving	Revolving	Revolving
Transaction's nature	retained	market	market	retained	retained	Class A: market Class R: retained

In 2012, the RCI Banque group carried out a number of securitization transactions (in France and Italy) relating to loans to end customers, using special purpose vehicles. Some of these transactions were underwritten by RCI Banque SA, making the resulting securities eligible as collateral with the ECB.

All the Group's securitization transactions meet the 5% economic capital requirement referred to in Article 122a of European Directive 2006/48/EC.

In addition, and as part of the Group's efforts to diversify its refinancing, some transactions were completed by conduit. Since these issues were private, their terms and conditions are not disclosed in the above table.

Securitization transactions were completed in relation to customer loans in the United Kingdom and Italy as well as leasing receivables and dealer receivables in Germany.

At end-December 2012, the total amount of financing secured through securitization by conduit was €2,048 million.

Receivables assigned under these transactions were not moved off the balance sheet. Accordingly, the amount of sales financing receivables maintained on the balance sheet was €8,814 million at December 31, 2012 (compared with €8,739 million at end-December 2011), i.e.:

- retained securitization transactions: €2,936 million;
- securitization transactions placed on the market: €3,124 million;
- private securitization transactions: €2,754 million.

The fair value of these receivables at December 31, 2012 was €8,842 million.

A liability of €3,902 million has been recognized under "Other debt evidenced by certificates", corresponding to securities issued as part of these securitization transactions. The fair value of this liability at December 31, 2012 was €3,949 million.

The difference between the amount of receivables assigned and the amount of the aforementioned liability corresponds to the required credit enhancement in respect of these transactions and the share of securities retained by RCI Banque group, which constitute a liquidity reserve.

RATING

	AGENCY	RATING	OUTLOOK	REVISION	PREVIOUS RATING
	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
Renault	JCR	A-	Stable	12/09/2011	BBB+/-
	Moody's	Baa3/P3	Stable	01/18/2013	Baa2/P2 stable
	S&P	BBB/A2	Negative	10/25/2012	BBB/A2 stable
RCI Banque	R&I	BBB+/a-2	Stable	12/09/2011	A/a1 négative

Renault's credit rating was unchanged in 2012.

Following the economic downturn in Europe, particularly in France, S&P placed the credit ratings of French banks under review on October 25, 2012. RCI Banque's ratings were confirmed at BBB/A2, and the outlook was lowered from stable to negative.

On January 18, 2013 Moody's a completed a review of auto captive banks it started in October 2012 as part of a broader review of the entire sector, which resulted in an average downgrade of the banking system in 2012. RCI Banque's intrinsic rating was lowered from "C-/baa2" to "D+/baa3", and the long-term and short-term ratings were cut from "Baa2 / P2" to "Baa3 / P3". All the outlooks were stable.

For the first time Moody's raised the possibility of systemic support from the French state should the need arise. The agency's statement offered assurance that RCI Banque's long-term rating would remain at Investment Grade well into the future.

Any downgrade in these ratings could limit and 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 arising on these activities is monitored through Renault's Central Cash Management and Financing department.

Management procedures and principles

Foreign currency transactions are carried out by Renault Finance on currencies tradable on global markets. Exchange rate fluctuations may have an impact in six areas:

- operating margin;
- working capital requirement (WCR);
- net financial income;
- share in the net income of associated companies;
- shareholders' equity;
- net financial debt.

Impact on operating margin: exchange rate fluctuations change in operating flows may result in changes in the operating margin. Currency hedges must be formally authorized by the Finance department or senior management. Once such hedges have been put in place, their results must be reported to senior management. In 2012, the main hedges put in place by the Group were a currency hedge to partly cover 2012 revenue in sterling, a currency hedge to partly protect against the risk of changes in the value of the Argentinean peso against the US dollar.

Based on the structure of its results and operating cash flows in 2012, the Group estimates that a 1% appreciation in the euro against all other currencies would have a negative impact of €41 million on its annual operating margin, excluding WCR items.

However, the sensitivity of operating flows in 2012 is the result of long and short currency exposures against euro, mainly consisting of incomings in Russian ruble, Argentinean peso, Chinese yuan, sterling and Turkish lira, and outgoings in Korean won, Japanese yen and Romanian leu. Sensitivity in 2012 was focused on the Russian ruble, amounting to a negative impact of around €14 million for every 1% rise in the euro against that currency. But the main impact on the 2012 operating margin came from the Iranian rial, which was devalued by an annual average 36%. This was partially offset by increasing prices in Iran.

Impact on the working capital requirement: like the operating margin, the WCR is sensitive to exchange rate fluctuations. Currency hedges must be formally authorized by the Finance department or senior management. Once hedges have been put in place, reports must be submitted to senior management on the results. In 2012 the Group partially hedged currency risk on the Turkish lira payables of Oyak Renault, whose proprietary currency is the euro.

Currency risk on WCR items had a major impact on the Group's consolidated financial statements as a result of the euro-denominated commercial debt owed by Renault Pars (Iran) to Renault s.a.s. The exceptional devaluation of the rial in 2012 resulted in a €304 million loss, recorded under Other operating income and expenses.

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

Investments by Automotive subsidiaries are partly financed through equity injections. Other financing requirements are usually met by Renault SA in local currency. Foreign currency funding provided by Renault is hedged in the relevant currencies, thereby ensuring that exchange rate fluctuations do not distort net financial income.

When local circumstances prevent Renault from refinancing a subsidiary under reasonable conditions, that subsidiary may call on external sources of funding. Where external financing in non-local currencies is necessary, it is closely monitored by the parent company.

Cash surpluses recognized in countries not pooled at parent company level are usually invested in local currency under the supervision of Group Finance.

Renault Finance may also engage in foreign exchange transactions for its own account within strictly defined risk limits. Its 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 not exceeding a few tens of millions of euros, and are managed in such a way 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 2012 net income, a 1% rise in the euro against the Japanese yen or the Russian ruble would have decreased Nissan's contribution by €12.3 million and AVTOVAZ's by €1.9 million.

For AVTOVAZ, if the impact of exceptional income, which relates to the subsidy for extending the interest-free loans of Russian Technologies out to 2032, had been restated, then the effect would have been negligible. Moreover, it corresponds only to the impact of euro fluctuation on the contribution these entities make to Renault relative to their operating currency; it excludes the inherent impact of euro fluctuations on the entities' own financial statements, given that AVTOVAZ and Russian Technologies both do a more or less significant level of eurozone business that Renault has no control over.

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 investment in Nissan is such that Renault's share of Nissan's net worth has been partially covered by a specific foreign exchange hedge for an amount of ¥109.8 billion at December 31, 2012 with maturities out to 2015. The nature and amount of each transaction are indicated in note 13-G to the consolidated financial statements. These transactions consist of ¥27 billion in private placements and ¥82.8 billion in yen-denominated bonds issued on the Japanese market.

Impact on net financial debt: as stated above, a portion of Renault's financial debt is denominated in yen in order to cover part of the Company's investment in Nissan. A 1% increase in the value of the euro against the yen would reduce Automotive's net debt by €10 million. Moreover, Automotive net financial debt may be affected by currency fluctuations on subsidiaries' financial assets and liabilities denominated in their home currency.

An analysis carried out to measure the sensitivity of financial instruments to currency risk can be found in note 25-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 refinancing activity: RCI Banque's trading room systematically hedges all relevant cash flows.

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 flows of funds; such positions are inevitable when managing cash in multiple currencies. Any such positions are monitored daily and systematically hedged.

At December 31, 2012, exposure to currency risk totaled €3.1 million.

1.5.1.4 INTEREST RATE RISK

AUTOMOTIVE

Risk factors

Interest rate risk can be assessed in respect of debt and financial investments and the payment terms set out in the relevant indenture (*i.e.* fixed or variable rate). Detailed information on these debts is set out in note 23 to the consolidated financial statements.

Management procedures and principles

For Automotive, the interest rate risk management policy is underpinned by 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.

Automotive's financial liabilities totaled €9,456 million at December 31, 2012. A maturity schedule of Automotive's financial liabilities can be found in note 23-C to the consolidated financial statements. Of these liabilities, €966 million is denominated in yen (¥109.8 billion).

Automotive held €10,072 million in cash and cash equivalents at December 31, 2012. As far as possible, Automotive's available cash is pooled centrally by Renault SA. It is then invested in short-term bank deposits through Renault Finance.

Finally, Renault Finance also trades for its own account in interest rate instruments within strictly defined risk limits. The resulting 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 mainly arises on sales financing activities carried out by RCI Banque and its subsidiaries. In this context, the aggregate interest rate risk represents the impact of a change in interest rates on the future gross financial margin.

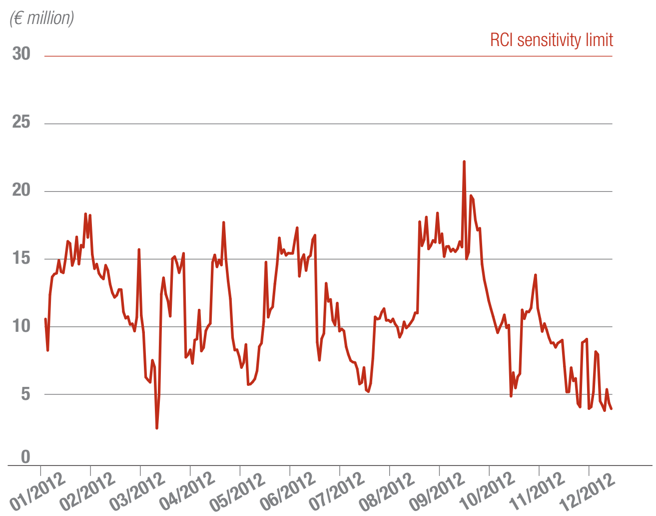
Management procedures and principles

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 consistent manner across the entire scope of consolidation.

The sensitivity of the commercial asset portfolio is monitored daily and systematically hedged. 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 financing to customers.

Movements in RCI Banque's consolidated exposure to interest rate risk over 2012 show that sensitivity to interest rate risk, measured by the impact of a 100-basis point rise or fall in interest rates on the Group's results, was limited.

RCI BANQUE GROUP – DAILY SENSITIVITY TO INTEREST RATE MOVEMENTS (2012)



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

In 2012, RCI Banque's sensitivity to interest rate risk remained below the €30 million limit set by the group.

At end-December, an interest rate rise of 100 basis points would have had the following impact:

- -€0.15 million in euros;
- +€2.1 million in Swiss francs;
- -€0.03 million in sterling;
- -€0.7 million in BRL;
- +€0.25 million in MAD.

In absolute terms, the total sensitivity of all the currencies used by the group amounts to €3.9 million.

1.5.1.5 COUNTERPARTY RISK

RISK FACTORS

In managing currency risk, interest rate risk and payment flows, the Group enters into transactions on the financial and banking markets which may give rise to counterparty risk.

MANAGEMENT PROCEDURES AND PRINCIPLES

Management of counterparty risk incurred by Group entities is fully coordinated and uses a rating system based mainly on counterparties' long-term credit ratings and equity. This system is used by all Renault group companies exposed to counterparty risk.

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

The Group produces a consolidated monthly report that encompasses all its bank counterparties, organized by credit rating. This report provides a detailed analysis of compliance with limits in terms of amount, term and type, as well as a list of the main exposures.

Special attention is paid to deposit counterparties, unless this is impossible. Deposits are made with major network banks in order to spread risks and mitigate systemic risk. Furthermore, the deposits are made almost entirely on an overnight basis so that funds can be reallocated swiftly if a counterparty comes under stress. The main exception is Iran.

In 2012, the Group suffered no financial loss as a result of the failure of a banking counterparty.

The Group does not trade in the credit derivatives market.

1.5.1.6 COMMODITY RISK

RISK FACTORS

Commodity risk is first and foremost a form of price risk. The Group's aim in managing this risk is to:

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

Supply risk in respect of commodities, and in particular certain metals and rare earths, platinum group metals, etc., 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). Furthermore, an Operational Material Committee was formed by the Senior Vice-President, Purchasing of the Renault-Nissan Purchasing Organization (RNPO) at the end of 2010. The committee meets twice a month to review all opportunities to reduce the impact of commodities on Renault's earnings. The committee also ensured that the significant fall in market commodity prices in 2012 was reflected in falls in the purchase price of commodities.

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

Under certain conditions, price indexing agreements 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 RNPO for Renault projects throughout the world. Hedges are linked to physical purchases to meet the needs of the relevant production sites.

The Group relies on Renault Finance to execute these hedging transactions in the markets. Renault Finance tracks the metals markets and 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, subject to limits in terms of volume, maturity and price thresholds. They are covered by monthly reports detailing the performance of hedges and hedged items. Proposals to hedge commodities are discussed by the Chief Financial Officer and the Senior Vice-President of Purchasing before being submitted to the Chairman and CEO, who is the only person with decision-making powers in this area.

Non-indexed commodities (for example steel, rubber and plastic) account for around 80% of the materials used in vehicle manufacture, compared to just 20% for indexed commodities.

In 2012, Renault Finance hedged purchases of aluminum, lead, copper, palladium and platinum on behalf of RNPO. These hedges covered a maximum of 70% of monthly volumes and were put in place from January onwards whenever financial market prices fell below thresholds approved by the Chairman and CEO.

The RMCC also implements a methodology developed by Renault since 2010 to objectively establish the criticality of mineral commodities based on the following:

- supply risks and cost variations;
- importance and impact for Renault (depending on the volumes consumed and purchasing prices).

This criticality matrix has helped identify those metals to which the Alliance is most exposed and to develop strategies to reduce their use and recycle and/or replace them. Renault is also jointly tracking a list of ten critical metals with Nissan under the aegis of the Raw Material Cross Company Team.

Moreover, 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 industry-wide working group to identify and assess the needs of French industries for strategic commodities. All industry sectors now have access to a tool for self-diagnosing exposure to commodities risk. This tool can form the basis of an overall approach to risk management, with public authorities providing support in respect of any priority areas for action that might be identified.

1.5.2 OPERATIONAL RISK

1.5.2.1 SUPPLIER RISK ✦

RISK FACTORS

Suppliers' parts account for 57% of the total vehicle cost price. For this reason, any failure on the part of suppliers, whether in relation to the quality of parts delivered, logistical problems, deteriorating financial health or reputational loss, has a considerable impact on both production at Renault plants and the smooth running of projects.

MANAGEMENT PROCEDURES AND PRINCIPLES

Contractual risk

The risk of suppliers failing to honor their contractual undertakings is mainly managed in three ways:

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

Strategic and financial risk

The management of supplier strategic and financial risk is based around two main assessment tools:

- a rating system based on an analysis of suppliers' financial statements;
- a rating of industrial and strategic risk, including a detailed analysis of a number of criteria: management, industrial and supply risk, and 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 they are added to the base, as well as to appoint suppliers through the sourcing process.

If a supplier in 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 adopted to ensure long-term security of supply.

The committee, which has a wide-ranging remit, is chaired by the Purchasing department and brings together all affected functions: finance, legal, financial control, logistics, communication, public affairs and HR.

Efforts to prevent and address risk have been stepped up significantly since the 2009 crisis. In this regard, 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 helps drive consolidation in France's automotive sector.

CSR risk ✦

Alongside requirements in relation to quality, cost and lead times, Renault expects its suppliers to comply with the principles laid down in the Declaration of Fundamental Employee Rights (DDSF), based on those of the International Labor Organization. In particular, these principles include the elimination of child labor and forced labor and a commitment to health, safety, the environment and favorable working conditions. Similarly, Renault requires its suppliers to comply with the above principles, also detailed in the Renault-Nissan CSR Guidelines for Suppliers published in 2010, together with rules on anti-competitive practices, corruption, the protection of confidential information and intellectual property and the non-disclosure of information. The CSR Guidelines also include a section on the environment, focusing on reducing greenhouse gas emissions, preventing pollution of all types, saving resources and reducing waste, and managing chemicals.

Filters are incorporated throughout the purchasing process to ensure compliance with these CSR principles.

Before they can be added to the base, new suppliers must:

- accept the general terms and conditions of purchasing, which include a section on CSR;
- sign the DDSF;
- undergo a CSR assessment of the production facility in question, carried out by Renault's purchasing quality experts.

Moreover, suppliers already in the base who wish to be considered for a new project must:

- sign the DDSF and confirm compliance with the Renault-Nissan CSR Guidelines for Suppliers, as well as complying with clauses set out in the general terms and conditions of purchase (particularly with respect to substance conformity). These requirements are set out in requests for quotes (RFQs);
- obtain a sufficient score in CSR assessments or implement an approved action plan to address any major or critical non-conformities. A rating scale with an acceptance threshold has been put in place for each type of assessment.

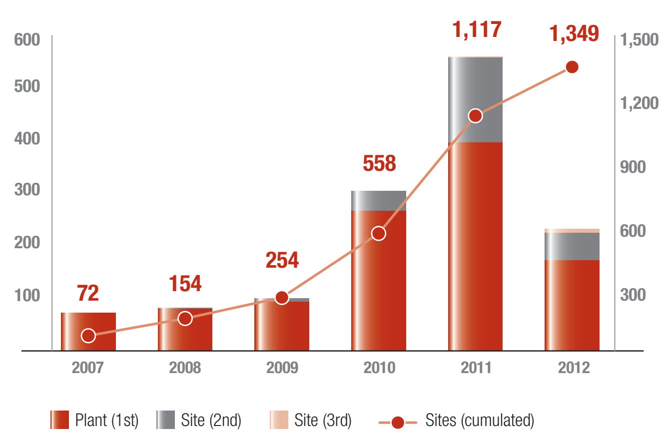
If a supplier refuses to implement an action plan, penalties may include a freeze on any further orders and a review by the Risk Committee, which may decide to reject that supplier.

The process for scoring suppliers wishing to be added to the base or be selected for new projects is based on assessments and audits.

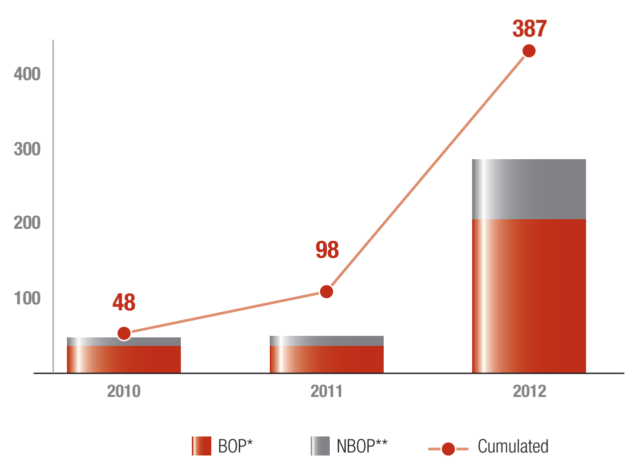
There are two types of assessment:

- the first is based on field observation at the relevant production sites. Such assessments are carried out in-house by Renault experts (1,349 had been completed by end-December 2012), and include questions on working conditions and the environment. All sites in countries deemed to be high risk will be assessed before the end of 2013 (94% of such sites had been assessed by September 2012). Similarly, all new supplier sites are systematically assessed;
- the second is based on CSR management of supplier groups by a third party. Groups are selected on the basis of purchasing volumes or the risk arising from their production activities; 387 groups, representing 68% of Renault's 2011 revenue, have already been assessed. The assessment questionnaire includes questions on environmental management, working conditions and human rights, ethics and supply chain management.

ANNUAL SUPPLIER ASSESSMENTS (NUMBER)



ANNUAL GROUP ASSESSMENTS (NUMBER)



** Bought out parts.*
*** Non bought out parts.*

✦ Global Reporting Initiative (GRI) Directives

contents 1 2 3 4 5 6 7

Renault's objective is to help its suppliers make progress in order to ensure that they comply with its CSR strategy.

For this reason, an action plan is requested whenever a supplier's score does not meet Renault's requirements, irrespective of the reason. Where a critical non-conformity is suspected or confirmed during an internal assessment, an external audit may be required, along with an action plan to address the non-conformity. There has been one such case in India; the associated action plan will be fully implemented by the end of 2013.

The Purchasing Sustainable Development department carries out monitoring to ensure that action plans are properly rolled out and requests practical proof of implementation. Once an action plan has been completed, the relevant site or group is reassessed. Where a supplier refuses to implement an action plan, that supplier is blacklisted and will no longer be selected as part of the sourcing process.

Since 2010 108 sites in the 132-strong supplier base (82%) that exhibited non-conformities during on-site visits have made progress after adopting practical action plans to make improvements in areas such as safety, fire prevention, and chemical storage. Regarding group assessments, action to introduce action plans was launched in late 2011. To make progress, major changes need to be made in areas such drafting policies, selecting indicators and preparing for certification, and this may take several years. In view of the time lag and the extent of the work to be carried out in order to reach compliance, the groups' results at end-2012 were fairly modest: only six of the 103 groups falling short of requirements had made progress, i.e. 6%.

Furthermore, 12 sites and one group are no longer part of the supplier base. And 57 prospected sites do not have the necessary potential to be used as suppliers.

In all, 91% of the listed sites shown to be non-compliant during an on-site visit were dealt with either through a progress plan (108) or by being removed from the base (12). Likewise, 7% of the groups that proved non-compliant when assessed were dealt with in the same way, with six progress plans and one removal.

Other risks

Other types of risk (logistical, technological, industrial, etc.) are handled by operational Purchasing departments. In the event of failures, these departments implement replacement solutions, sometimes within very short timescales, 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 appropriate logistical capability.

Suppliers' ability to deliver projected volumes of parts to Group production sites is continually audited using the "capacity benchmarking" process.

The capacity benchmarking process is the Renault group's standard process for managing its capacity over a two-year time horizon.

Capacity requirements are calculated down to individual component level on the basis of weekly volumes to be met by the industrial system (encompassing both suppliers and production sites).

The scope and frequency of capacity surveys may vary in line with capacity risks and opportunities identified by the Renault group.

After being assessed by the Renault group, replies to the capacity survey from suppliers and production sites are used to validate the capacity benchmarking process.

The capacity survey is carried out *via* a global information system (DCP@ Renault).

Every year, almost 10,000 parts are examined in this way.

1.5.2.2 GEOGRAPHICAL RISK

RISK FACTORS

The Group has an industrial and/or commercial presence in many countries, some of which carry various risks: highly volatile GDP, economic and political instability, potential social unrest, regulatory changes, payment collection problems, significant fluctuations in interest and exchange rates, lack of foreign currency liquidity, and foreign exchange controls. For example, Renault faces difficulties in repatriating funds from Iran, and has noted a hardening of regulations in Argentina resulting in delays in some intra-Group transfers.

MANAGEMENT PROCEDURES AND PRINCIPLES

All decisions to set up manufacturing operations form part of an overall Group growth strategy that factors the risk of instability into an overall industrial approach.

The Group also seeks to continually increase local integration at its production facilities so as to make them more competitive in the local market. This approach also enables the Group to use its production capacity more efficiently by exporting to other areas when domestic markets contract and exchange rate changes improve the price competitiveness of products outside the country. The geographical distribution of Renault's industrial and commercial investments outside Europe helps diversify the Group's risk, since GDP and solvency trends vary from region to region.

With regard to industrial investment, to which the Group does not hedge its exposure as a rule, the associated risk is taken into account when calculating the expected return on investment. An exception is Iran, where Renault's investments are partially guaranteed by a credit insurer.

With regard to trading flows, the Group hedges most payments originating from high-risk countries. Exceptions include sales to Renault subsidiaries and countries where hedging is not available. Among the latter group, the main risk in 2012 was concentrated in Iran. The two main hedging instruments used are bank guarantees (documentary credits and standby letters of credit issued by top-tier banks) and guarantees from credit insurers. Residual country risk is regularly monitored.

In order 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 a "hub and spoke" invoicing system. Manufacturing subsidiaries sell their export production to Renault s.a.s., which sells it on to trading subsidiaries and independent importers, granting them supplier credit. The associated risk is managed by the parent company.

contents 1 2 3 4 5 6 7

1.5.2.3 RCI BANQUE CUSTOMER AND NETWORK RISK

RISK FACTORS

Risk factors depend on the quality of customer credit.

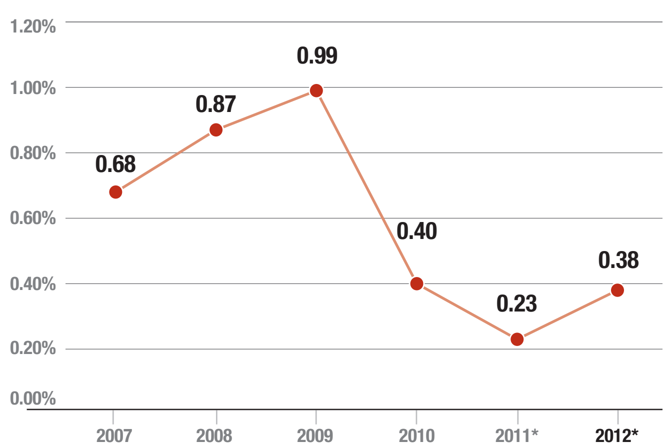
MANAGEMENT PROCEDURES AND PRINCIPLES

Credit is scored and monitored by customer type (Customers and Network).

Procedures for granting loans to retail and corporate customers are based on credit scoring systems and external database searches. Disputes are managed on a case-by-case basis, in accordance with strict procedures that comply with regulatory requirements laid down by credit institutions' supervisory authorities. The aim of these procedures is to quickly recover outstanding amounts or vehicles, either amicably or through the courts.

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

RCI BANQUE: TOTAL COST OF RISK (% OF TOTAL AVERAGE LOANS OUTSTANDING) INCLUDING COUNTRY RISK



** Average loans outstanding excl. operating lease contracts.*

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.* a month or a year).

Overdue delinquent loans outstanding and doubtful loans outstanding are excluded from the metric, since it covers only loans on which interest is currently being charged. Delinquent outstandings that are not yet due and non-delinquent outstandings are included.

Having reached its lowest level (0.23%) in 2011, the cost of risk remains under control at 0.38%, below the historical structural level for the Group.

1.5.2.4 DISTRIBUTION RISK

RISK FACTORS

The types of risk to which Renault is exposed depends on the type of distribution channel involved:

- at commercial import subsidiaries, the main risks relate to the use of sales and marketing resources;
- at importers, the main risk relates to their financial health;
- within the network of proprietary distribution subsidiaries, which in Europe are grouped together under the umbrella of Renault Retail Group, Renault's risks primarily relate to decentralization and the diversity of these entities;
- the financial health of dealer networks is also a source of risk.

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

MANAGEMENT PROCEDURES AND PRINCIPLES

Import subsidiaries

Central and local systems and procedures have been put in place to enable the Group's import subsidiaries to control financial assistance paid to the network and monitor its cost.

In some countries, independent auditors carry out inspections to ensure that subsidiaries can substantiate the assistance they receive.

Furthermore, an annual internal control self-assessment has been put in place using a tool designed in conjunction with the Internal Control department.

In 2007, the Sales and Marketing department began rolling out a tool for the payment and monitoring of financial assistance provided to the network (Planet).

Importers

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

Such hedging may be:

- undertaken by the importer by issuing banking instruments (documentary credits, first demand guarantees and standby letters of credit);
- taken out by Renault in the form of export credit insurance policies.

Hedging instruments must be put in place before trading activity with importers begins.

✦ Global Reporting Initiative (GRI) Directives

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 internal control quality tools developed by RRG Internal Control in conjunction with the Internal Audit department, which carries out regular audits to verify that the system is operating effectively.

Dealer network

Renault and RCI Banque jointly monitor the financial position of dealerships in countries in which RCI Banque operates. A dealer rating system is used to prevent and limit the risk of default. In other countries, Renault puts in place a credit monitoring system.

Risk Committee Meetings are held monthly in countries in which RCI Banque operates. For Central Europe, a Risk Supervision Committee meets at head office every four months to review monthly operating reports on the network's financial position and the status of receivables.

Default risk is transferred to RCI Banque in those geographical regions in which RCI has special purpose vehicles to carry risk arising on the network and personal customers. If RCI Banque cannot handle this risk, Renault either carries it directly or transfers all or part of the risk to local banks.

In 2007, a reporting system was introduced as part of the credit management system, including indicators for monitoring Automotive's trade receivables. These tools improve the monitoring and management of payment terms and help 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 as a result of the production of certain models being concentrated at one or two sites (see the table of manufacturing sites in chapter 1.1.4.1) and the interdependence of its production facilities. For the past 20 years, in consultation with its insurers, the Company has therefore adopted an ambitious and rigorous prevention policy which is now applied at all production sites. This policy covers personal safety as well as property security and business continuity.

MANAGEMENT PROCEDURES AND PRINCIPLES

For many years, the Group has endeavored to reduce the risk of fire, explosion and machine breakdown, giving priority in this effort to production sites, as well as engineering and testing centers and the most strategically important logistics platforms. Most existing plants have achieved a high level of prevention and protection, recognized *via* the "Highly Protected Risk" (HPR) rating, an international standard awarded by insurance companies that verify the application of prevention and protection rules every year (and systematically for all new projects) across more than 50 sites. Almost 90% of the insured capital within the industrial, engineering and logistical scope covered by the Renault group's general insurance program has received the HPR rating from the Group's insurers, in recognition of efforts made and in line with the HPR program rollout plan.

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

The prevention policy is supported, in particular, by a specialized central team that works with the Group's insurers to define and update standards for worldwide application, as well as taking part in all projects to modernize or extend existing plants or open new ones. This France-based central team is supported by regional hubs in Spain, Romania and South America, as well as a network of field teams at each production site.

1.5.2.6 ENVIRONMENTAL RISK

RISK FACTORS

Alongside the systems and policies (described in chapter 2.3, "Environmental Performance") put in place to reduce the environmental impact of vehicles in the design, manufacture, operation and recycling phases, environmental risk at Renault also covers environmental impacts arising from malfunctioning facilities, harm to individuals, and pollution caused by past activities.

MANAGEMENT PROCEDURES AND PRINCIPLES

Although Renault has no high environmental risk facilities, it has put in place a management system to guard against environmental risk. This system is ISO 14001 certified and has, since 2005, been integrated into the Renault Production Way in the form of instructions on the management of chemical products and waste at workstations.

A team of business specialists coordinates the tasks performed by the system. These specialists are supported at each production site by a network of local teams. Techniques and structures for identifying risks, quantifying their impact, organizing prevention and protection, and defining controls are implemented at all the Group's manufacturing sites.

Methods and tools have been defined for every stage of the environmental risk management process: 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 the Group's IT systems. These are under the responsibility of the Information Systems department (DSIR), which has put in place a security policy, technical architecture and processes to combat risks associated with the following:

- partial destruction of the Group's data center, which hosts around 3,000 IT applications. Redundancy is built into the 11 applications that support strategic business processes so that they can restart in less than a week in the event of an incident. It would take several months to restart all the Group's IT applications;
- cyber crime: computerized attacks on Renault, for example in response to events widely reported in the media such as site closures, or simply with the aim of deriving benefit (through the resale of information, blackmail, etc.). Such attacks aim to steal or corrupt sensitive data (*i.e.* confidential or personal information), crash applications or the Group's entire intranet network, and deface web sites. All companies, including those in the manufacturing sector, are targeted by such attacks. Furthermore, Renault's exposure to this risk is set to increase with the development of connected vehicles, with attacks targeting in-vehicle systems (both Renault and partner applications);
- industrial espionage targeting sensitive data;
- non-compliance with legislation governing IT-related activities: protection of personal data, professional secrecy, the Act on confidence in the digital economy, etc. (see chapter 1.5.3.1).

The occurrence of these types of risks can adversely affect the brand image as well as the Group's financial position and/or competitive advantage.

MANAGEMENT PROCEDURES AND PRINCIPLES

Risks are controlled, in particular, through the following:

- the IT Risk Committee, which is chaired by a member of the Renault Management Committee and coordinated by Group IT Security, under Renault's Information Systems department (DSIR), in conjunction with the Information Management Program department. This committee consists of representatives from the business lines (business information systems security managers – RMSSIs) and Risk Management department;
- management of data security within each business by the designated RMSSI;
- committees coordinated by Renault group IT Security, which carry out checks at operational level to verify the effective application of IT security procedures, in line with the information systems security policy and best practice;
- a process for defining security requirements, which must be able to adapt as technologies evolve (an example being the development of cloud-based offerings). This process is used within IT projects, depending on the criticality of the applications and data used;
- a high level of protection for the Group's IT network, such that resources can safely be used not only by suppliers and partners but also by entities based in high-risk countries;
- awareness-raising activities;
- compliance checks carried out jointly by Renault's Information Systems department and Prevention and Protection department (D2P).

Key IT security projects carried out in 2012 covered the following areas:

- updating the inventory of applications supporting strategic Group processes, to ensure that those applications can be restarted as a priority in the event of an incident;
- identifying IT systems hosting confidential data (A-B types) and personal information;
- implementation of a process to ensure a high level of security for cloud computing contracts;
- tightening security at the C3 technical center;
- actions to improve intranet and smartphone security;
- vulnerability testing on around 750 machines supporting Renault applications accessible *via* the Internet;
- extension of the network of RMSSIs to cover all business lines, including in particular the digital factory within the Marketing department;
- creation of the Group's first formal IT security master plan.

1.5.2.8 INSURING AGAINST OPERATIONAL RISK

Within the Renault group, protection against 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 whose financial impact can be predicted 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 conducts negotiations 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 is directly involved in defining the Group's prevention and protection policy. As such, the nature and scope of cover is determined *via* a preliminary risk analysis of operating entities. This approach is used for the following types of risk:

- "Property damage and business interruption": the Alliance buys a capacity of €1.5 billion per claim in three lines from around ten insurers. Consequential operating losses are assessed at Group-wide level. 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 covering general civil liability and civil liability related to products, the environment and repairs made by Renault Retail Group's sales subsidiaries;

- "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's insurers partially reinsure these worldwide programs with MRC (Motor Reinsurance Company), a wholly-owned subsidiary of the Group.

MRC mainly operates as follows:

- "Property damage and business interruption": €18 million per incident, subject to a maximum total annual commitment;
- "Civil liability": up to a maximum total annual commitment of €2.3 million;
- "Transportation and storage of vehicles in depots": MRC covers up to €10 million per incident, with a maximum total annual commitment of €25 million. The Group has decided to cover certain depots exposed to natural incidents, such as storms or hail, in particular in Slovenia, Brazil, Spain and Algeria.

Finally, some risks, such as defects covered by manufacturer's warranties and vehicle recall campaigns, are not insured.

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 2013.

1.5.3 OTHER RISKS

1.5.3.1 LEGAL RISK

RISK FACTORS

Legal and arbitration proceedings

In the normal course of its business, the Group is involved in various legal proceedings. Generally speaking, all known legal disputes in which Renault or Group companies are involved are reviewed at the year-end. After seeking the opinion of the appropriate advisers, the Group sets aside any provisions deemed necessary to cover the estimated risk.

In the last twelve months, there have been no government, court or arbitration proceedings (including any pending or potential proceedings of which the issuer is aware) that could have or have recently had a material impact on the financial position, the activities or the results of the Group.

Joint venture risk

The Group has entered into joint venture agreements 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.

Regulatory changes

Renault must abide by all laws applicable to companies, and seeks to adopt a faultless attitude. Renault requires its subsidiaries to comply with local regulations in countries in which the Company operates. In order to safeguard against risks arising from regulatory changes, Renault is engaged in ongoing dialog with national and regional authorities responsible for specific regulations applicable to products in the automotive industry.

On September 14, 2004, the European Commission issued a proposed directive amending Directive 98/71 on the protection of designs and models. The proposal calls for the abrogation of protection of spare parts under design law. This proposal was approved 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 period has not yet begun 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 Group earnings, given that around 1.5% of Renault's revenue arises 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 those parties.

Every year, Renault s.a.s. files several hundred patents (see chapter 1.4), some of which are covered by fee-paying licenses granted to third parties.

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

MANAGEMENT PROCEDURES AND PRINCIPLES

The risks identified above are controlled by implementing prevention policies in the realms of health and safety at work, the industrial environment, intellectual and industrial property rights in relation to vehicle safety, the quality of the Group's products and services, and legal protection for the Group's operations.

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

- reporting, which relies on the networking of the legal function within the Renault group *via* a dual system of both hierarchical and functional reporting;
- the precautionary principle, which stems from two factors:
  - each member of the legal function has a highly developed sense of responsibility and is used to working on a cross-functional and ethical basis at all times,
  - legal teams are brought in at a very early stage for major cases and play a proactive role in solving subsequent disputes.

1.5.3.2 RISK ARISING FROM PENSION LIABILITIES

Renault operates in countries in which, as a rule, pension systems are publicly run. Renault's liabilities in this respect consist primarily of retirement compensation, as specifie in note 20 to the consolidated financial statements.

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

1.6 POST BALANCE SHEET EVENT

Renault is shortly due to sign a Competitiveness Agreement with three trade unions representing 64.42% of the staff following the recent announcement that it had been accepted by all three. The aim of the agreement is to build a solid, enduring base for Renault in France.

Renault's commitments out until 2016 are as follows:

- No French plants will be shut down.
- No redundancy plans or voluntary departure plans plan will be put in place. Workforce adjustments amounting to 7,500 posts will be achieved by not replacing jobs shed through natural attrition and as part of the skills and employment planning agreement.
- French plants will be assigned an overall total of at least 710,000 vehicles between now and 2016, further to both the renewal of the product plan (covering an estimated 100,000 vehicles) and, given the agreement's positive effects, an increase in the number of vehicles – an estimated 80,000 units – sourced from partners.

  This production volume commitment will raise the overall capacity utilization rate at French plants to more than 85% by 2016 and provide a clearer view of business at all sites beyond 2020.

  This level of activity will also benefit all of Renault's powertrain plants, which produce suspension systems, engines and gearboxes, as well as logistics units.
- Corporate and core business activities, i.e. engineering and office operations in France.

2 CSR: SUSTAINABLE MOBILITY

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

✦ Global Reporting Initiative (GRI) Directives

2.1 RENAULT, A RESPONSIBLE COMPANY COMMITTED TO SUSTAINABLE DEVELOPMENT✦

2.1.1 THE RENAULT GROUP VISION

"No large company can focus solely on economic performance without paying attention to what is going on around it. Our responsibility – and our interest – is to get involved in environmental issues, as well as in the corporate and social life of the countries where we operate."

Carlos Ghosn, Renault Chairman and CEO

www

We want to ensure that sustainable mobility is a driver of worldwide development and progress for everyone.

The cornerstones of Renault's approach to corporate, social and environmental responsibility consist in lessening our environmental footprint throughout the "lifecycle", making sensible use of natural resources, protecting the health of road-users, local communities and employees, developing skills, and applying the principle of equal opportunities based on merit. These cornerstones reflect the Group's capacity for openness to the world and its determination to respond to society's expectations.

Mobility is vital to economic development and social cohesion. In addition to being a source of freedom and pleasure, it serves a practical purpose and promotes social inclusion. But it can also lead to accidents and have impacts on health and the environment, presenting major challenges on a global scale. Our industry accepts its share of responsibility in improving everyone's quality of life.

The challenge facing Renault – a responsible carmaker and pioneer of responsible mobility for all – involves developing mobility solutions accessible to the greatest number, designing innovative technologies such as electric vehicles with zero emission during use, and consuming energy and raw materials frugally. We also have to support changes in behavior and practices, and invent suitable economic models that not only contribute to the Company's long-term future but that generate value-added for stakeholders.

A company is above all a group of women and men whose motivation and skills are essential sources of competitiveness. That is why Renault pays close attention to developing its human capital. Throughout the world, we make it a priority to provide a motivating workplace, training courses that are in line with the Company's needs as well as employees'aspirations, and fair rules of recognition designed to boost individual and collective performance. Wherever we operate, we support initiatives to promote education and diversity, both in higher education and among younger people, particularly through our Foundations.

In line with our priorities and values, we have set seven goals corresponding to the most demanding international standards of corporate social responsibility (CSR):

- apply ethical rules strictly at all levels and pursue fair business practices; and guarantee our suppliers'commitment to CSR;
- create motivating employment conditions, in compliance with fundamental rights, that attract and promote employees in all countries; and encourage diversity and equal opportunity;
- ensure employability by developing future skills;
- reduce our environmental footprint throughout the vehicle's lifecycle, and from one generation to the next, by incorporating the principles of the circular economy into our processes, products and services;
- contribute to public health objectives: to reduce road deaths, particularly in developing countries, and do our utmost to protect the health of employees, users and local communities;
- offer innovative mobility solutions accessible to the greatest number;
- support responsible economic and social development in the countries where we operate by pursuing initiatives in the fields of education and access to mobility that are aimed at local communities.

CSR IS A DEEP-ROOTED TRADITION

Renault did not wait until the 1990s and the emergence of the concept of sustainable development to act responsibly towards the societies and ecosystems in which it operates. Initiatives concerning employee welfare, society and the environment have long been engrained in the Company.

LABOR RELATIONS

This responsibility is focused first and foremost on employees. A long-standing priority of the Group's human resources policy has been to protect employees'health and well-being, develop their skills, and respect the principle of fairness.

That philosophy is reflected in a few key dates:

1955 – Labor Deal: payment for public holidays, third week of paid vacation and introduction of a supplementary pension plan.

1962 – Employee health protection: creation of the Renault industrial hygiene laboratory to closely monitor the chemicals used in Renault plants around the world. This experience, stretching back more than 50 years and drawing on a database of more than 3,000 compounds, enables to company to monitor chemical use throughout a vehicle's lifecycle.

1962 – Fourth week of paid vacation, retirement at 61 for women and 63 for men.

1989 – Signature with labor representatives of a "Living Agreement" setting rules for employee collaboration and involvement in light of ongoing changes. The last chapter of this agreement was entitled "Achieving your potential in an effective environment". This was a real innovation in terms of labor relations at the time.

2004/2005 – Signing of the Declaration of Employees'Fundamental Rights, the Diversity Charter and an agreement with the public authorities regarding workforce integration of young people without qualifications or experience.

2009 – The "Crisis-Period Labor Deal" established a welfare system within the Company to maintain the jobs and pay of employees placed on short-time working because of the financial crisis.

2011 – Skills and Employment Planning Agreement, designed to adapt the Company's skills to its strategy requirements and develop employability.

See chapter 2.2.

ENVIRONMENT

Renault's responsibility also extends to the surrounding ecosystems and the communities that rely on them. Since the middle of the last century, engineers have strived to reduce polluting emissions and fuel consumption. Renault is now offering a disruptive innovation: the electric vehicle. At the same time, expertise in the treatment of industrial effluent, waste management and material recycling is being developed and honed so that vehicles'environmental performances improve continually throughout their lifecycle.

These initiatives are reflected in a few key dates:

1949 – Launch of the standard replacement activity at the Choisy-le-Roi plant.

1970s – Creation of the first purification plants on production sites.

1998 – Certification of environmental data by the statutory auditors.

1999 – First ISO 14001-certified plants.

2004 – First Life Cycle Assessment (LCA) of the Scénic II.

2007 – Signing of eco², based on three environmental criteria (manufacturing, emissions and recycling).

2008 – Creation of Renault Environnement to undertake end-of-life vehicle recycling (*via* the subsidiary Indra).

2011 – First sales of Renault electric vehicles.

2012 – Tangiers plant, designed on the basis of carbon-neutral technologies with zero industrial effluent discharges.

– Clio IV fitted with an Energy dCi 90 engine: certified emissions of 83g CO_2/km.

See chapter 2.3.

SOCIETY

Renault is also concerned by the impacts of its activity on society.

When cars became a popular mass product, Renault got to grips with the issue of road safety. The Group has been innovating for 50 years in the fields of secondary (or passive) safety, primary (or active) safety and tertiary safety. In parallel, the Group implements community road safety programs, either alone or in partnership with NGOs, authorities or educational institutions. (See Road Safety 2.4.1.1).

1964 – Creation of the Laboratory of Accidentology, Biomechanics and Human Behavior (LAB).

In **2012** Clio IV earns a five-star rating in the Euro NCAP system and is designated "best in class".

Since the 1960s Renault has carried out regular social initiatives with a strong culture of tutoring and partnerships with the educational world. The Group has regularly set up institutes and foundations in the countries where it operates to offer long-term support in education, diversity, mobility and road safety:

1960 – Renault Argentina Foundation, providing innovative environmental and mobility initiatives.

1963 – A foundation in Spain to fund scholarships for employees'children.

2001 – Renault Corporate Foundation for higher education (see Education 2.4.1.2).

2009 – Sustainable Mobility Institute, Renault-ParisTech.

2010 – Instituto Renault do Brasil to implement CSR initiatives in Brazil.

2012 – Creation of Mobiliz Invest (a social enterprise investment fund) (see Sustainable Mobility 2.4.1.1).

2012 – Renault Spain Foundation for sustainable mobility.

See chapter 2.4.

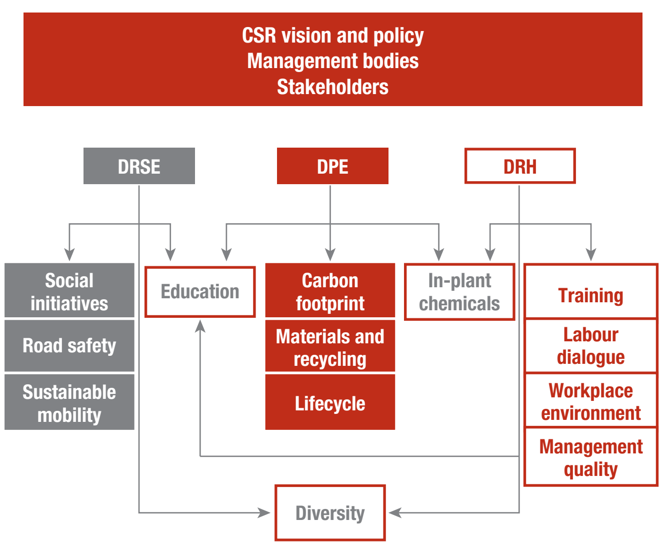
2.1.2 A MANAGEMENT SYSTEM TO BOOST RENAULT'S PERFORMANCE

GLOBAL STRATEGY, CROSS-FUNCTIONAL STRUCTURE

A process management department with a foundational, unifying objective has been set up for each of the three fields of CSR:

- in the field of labor relations, under the responsibility of the Human Resources department (DRH): implement the six components of the *Together Drive the Change* plan, i.e. simplification of the Company, management quality, working environment, skills development, talent diversification, and the performance recognition system;
- the environment, under the responsibility of the Strategic Environmental Planning department (DPE): reduce the carbon footprint;
- society, under the responsibility of the Corporate Social Responsibility department (DRSE): contribute to the United Nations' 2011-2020 Decade of Action for Road Safety.

All the key performance indicators associated with these objectives are set out in the labor-relations, environmental and social objectives tables in chapter 2.7.



Each of the three departments is responsible for coordinating its own strategy, and reports to the Group Executive Committee, the Operations Committee, the Management Committee, the Board of Directors, the Annual General Meeting and the Works Council. They are supported by cross-functional networks of representatives in the Company's major business lines and functions (engineering, manufacturing and logistics, purchasing, sales and marketing, etc.) and by special entities set up to develop external partnerships and innovative economic models (Renault Corporate Foundation, Renault Environnement, etc.). These three functions, which are competent and independent in terms of their core business, work together on common themes (education and training, diversity, industrial hygiene, etc.).

Since 2001 these three CSR fields have been coordinated by a cross-functional committee of representatives of the main departments and geographical Regions. The committee is responsible for setting the Group's CSR vision and rolling it out to all functions.

2.1.3 S.R.I. OBJECTIVES AND SCOPE

Starting in the 1990s an increasing number of stakeholders began to ask for socially responsible investment (SRI) information about companies'activities. Renault, with its long tradition of responsibility, responded with confidence.

2.1.3.1 GUIDELINES AND STANDARDS: REGULATORY INSTRUMENTS ✦

Renault complies with international standards designed to regulate companies'labor relations and environmental and social responsibility. The Group also implements its own standards.

Main references:

- Declaration of Employees'Fundamental Rights, signed on October 12, 2004 and based in particular on International Labor Organization (ILO) standards;
- the 10 principles of the Global Compact, adopted at the initiative of the United Nations and which Renault signed up to on July 26, 2001. The Global Compact refers to the Universal Declaration of Human Rights, the ILO Convention, the Rio Declaration at the first Earth Summit and the UN Convention Against Corruption;
- the OECD Guidelines for Multinational Enterprises dated May 25, 2011;
- the Group's Ethical Charter, approved by the Renault Board of Directors on October 3, 2012 (replacing the Code of good conduct);
- the Alliance Health and Safety Charter, setting out nine general principles for health and safety;
- the agreement of October 27, 2000 concerning the Renault Group Works Council (plus the amendment of May 27, 2011), designed to improve the quality of transnational labor dialogue;
- Renault-Nissan CSR Purchasing Charter of May 2010, setting out Renault-Nissan's purchasing expectations with regard to suppliers and their supply chain, in relation to employees'fundamental rights, environment respect and ethical behavior.

In 2012 Renault's Real-Estate and Corporate Service department became the first Group department to commit to the ISO 26000 standard. It organized its internal restructuring based on the standard, an initiative recognized *via* an AFAQ 26000 "confirmed" certification from Afnor.

2.1.3.2 S.R.I. REPORTING

The SRI reporting included in this Registration document has been prepared in accordance with the New Environmental Regulations Act (2001) and Article L. 225-102-1 of the Grenelle 2 Act of April 24, 2012 on corporate transparency in labor, environmental and social responsibility.

Ahead of the decree on third-party verification of SRI data, the information presented in this document has been checked by the statutory auditors for accuracy and completeness (with a moderate level of assurance).

This voluntary initiative is in addition to the approach followed by the Group since 1999 of having the statutory auditors certify the environmental impacts of its industrial sites (emissions to water and air, effluent production). This verification is done with the same reasonable level of assurance as for financial data.

As in previous years, Renault has drawn up its SRI indicators in compliance with the Global Reporting Initiative's G3.1 guidelines.

2.1.3.3 SCOPE

The target scope of this reporting initiative is identical to that of the Renault group's consolidated financial reporting (see chapter 4.2 note 31 to the consolidated financial statements). Since this target can be achieved only gradually, the departments in charge of SRI reporting for labor relations and environmental and social responsibility are responsible for indicating the scope of each of the selected indicators.

✦ Global Reporting Initiative (GRI) Directives

2.2 LABOR RELATIONS

Renault has always put people at the heart of its business, and believes deeply that the women and men who make up the Group are its greatest asset. 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). With this declaration, the Renault group undertakes to comply with the principles set forth in the 1998 Declaration on Fundamental Principles and Rights at Work prepared by the International Labor Organization (effective abolition of child labor, elimination of all forms of forced or compulsory labor, elimination of discrimination in respect of employment and occupation, freedom of association and effective recognition of the right to collective bargaining). It also refers to universal principles. 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 and also covers its suppliers.

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." It also reaffirms Renault's commitments on health and safety and working conditions and its adherence to the principle of equal opportunities in the workplace.

Over the years Renault has made progress in implementing these principles, which guarantee its long-term success. In 2012 the Group remained focused on the success of the Renault 2016 – Drive the Change plan, founded on the involvement, motivation and skills of the men and women who make up the Company. Human Resources deployed the human aspect of this Group strategy in 2011 with Together Drive the Change. The aim of this plan is twofold: to support employee motivation and optimize corporate performance worldwide. Six main priorities, based on the findings of the latest survey of Group employees, have been identified:

- **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, multicultural 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;
- **make the performance recognition and remuneration system more dynamic** – based on simple, clear and fair rules, understood by everybody, this priority aims to improve the way in which individual and collective performance is rewarded, recognized and encouraged.

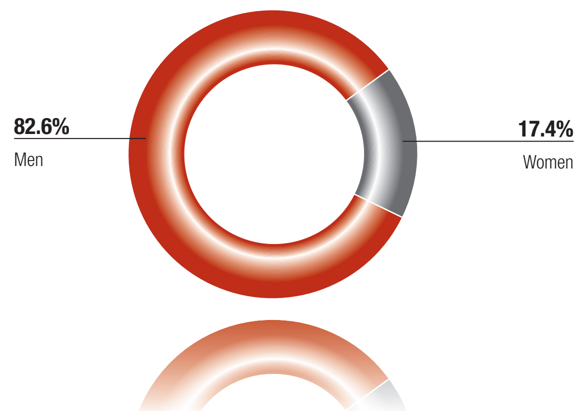
This chapter offers an overview of Renault's human capital, before providing an update on the progress of the six Together Drive the Change priorities.

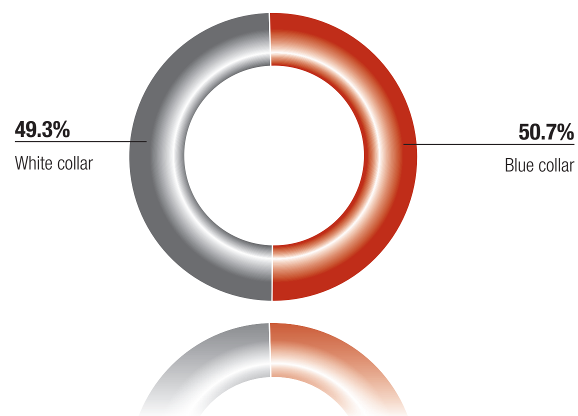
2.2.1 OVERVIEW OF RENAULT'S HUMAN CAPITAL

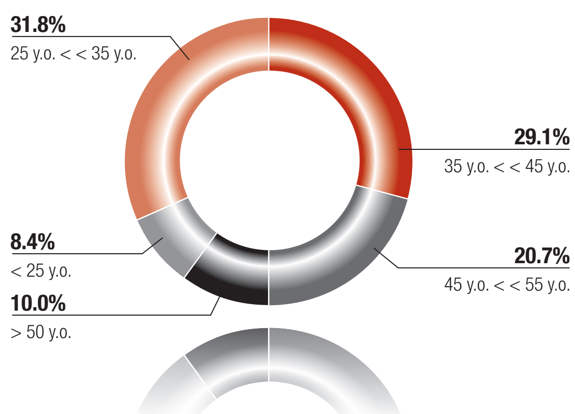
2.2.1.1 KEY FIGURES

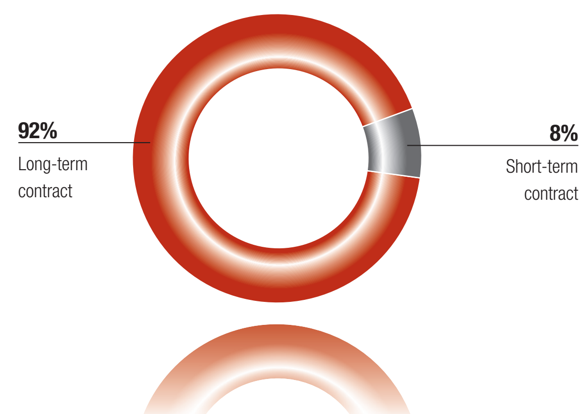
As at December 31, 2012 the Group's workforce (short- and long-term contracts) stood at 127,086 people, broken down as follows:

The breakdown between white-collar and blue-collar workers based on type of employment contract (open-ended/fixed term) is computed across the entire scope of consolidation. By contrast, the male/female breakdown and age pyramid are computed across fully consolidated subsidiaries (97% of total staff). The excluded entities are those controlled by the Group but consolidated proportionally.









Group employees work in 38 countries, organized into five Regions. The "10 major countries" (Argentina, Brazil, France, India, Morocco, Romania, Russia, South Korea, Spain and Turkey) account for 90% of the total workforce.

WORKFORCE BY REGION	2012	%
GROUP	127,086	100.0%
Europe	71,444	56.2%
o/w France	*53,203*	*41.9%*
Euromed – Africa	30,758	24.2%
Americas	12,252	9.6%
Asia – Pacific	7,307	5.8%
Eurasia	5,325	4.2%

These figures aside, the Renault community is characterized by its openness to multicultural partnerships, commitment and ongoing labor dialogue.

2.2.1.2 A COMMUNITY OPEN TO MULTICULTURAL PARTNERSHIPS

Renault's human capital is also characterized by its openness to multicultural partnerships, starting with the Alliance with Nissan.

Since 1999 dialog between employees has been one of the mainstays of the Renault-Nissan Alliance. That dialog has improved collaboration between the two companies and fostered synergies and best practices within the Alliance. During 2012, for example, 115 employees from both companies worked at the partner company's premises. These exchanges mainly concern high-potential employees, in which case the aim is to enhance the international experience of future global leaders, and experts, in order to share and develop critical skills within the Alliance.

To strengthen this pillar of the Alliance, a new mutual exchange program for senior managers was launched in May 2012. Its aim is to offer members of Renault's and Nissan's management teams key operational posts in each other's company. Ten Renault and Nissan managers benefited from this program in 2012. Each year, managers from the two companies will be selected to take part in these mutual exchanges.

In addition to these exchanges, the Alliance Business Way Program organizes joint training, designed to develop knowledge of the partner company and promote cooperation.

Further links are also being developed with Renault's other two partners – AVTOVAZ and Daimler – through exchanges, cooperation, joint projects and training. During 2012, 150 Renault employees worked in Togliatti (Russia) for AVTOVAZ or for Alliance projects. Concerning Renault's strategic cooperation with Daimler, 150 people from the two companies have already taken part in workshops on joint projects. According to an internal survey conducted in September 2012, 83% of respondents at Renault, Nissan and Daimler consider that this cooperation has made their work more interesting.

2.2.1.3 A RESPONSIBLE COMMUNITY

In November 2011 Renault invited a representative sample of 21,600 employees to provide feedback on their motivation and on management quality. As in 2010, the 2011 poll was commissioned from an independent firm [1]. This allows key indicators to be tracked and Renault's results to be compared against the average for other panel companies ("global standard") as well as against high-performance companies ("HP standard"). The employee response rate to the poll was 73%, well above the global standard.

The survey was based on two main indicators: commitment and enablement.

The level of commitment reflects the Group's ability to encourage employees to give their best. This accounted for 76% of positive responses, a 4-point increase compared with the 2010 survey, 10 points above the global standard and 1 point above the HP standard. Among the commitment factors, brand confidence was stronger, and pride in belonging remained one of Renault's strengths. Furthermore, 83% of employees say they do more than strictly required in order to contribute to the Company's success. (This is 5 points more than in 2010 and 10 points above the HP standard).

The second indicator, enablement, refers to Renault's ability to create the optimum working conditions for employees. The average level increased 4 points compared with 2010 to reach 70%, 6 points above the global standard and 1 point higher than the HP standard. A full 69% of employees saw no major obstacle within their team that would prevent them working effectively – a 4-point increase and 7 points above the HP standard. Regarding the possibility of doing interesting and motivating work in their jobs, the level was up to 71%, but 1 point below the global standard.

A geographical analysis of these results reveals variations between regions: in Korea and France, where the environment has become increasingly competitive, results are below the Group average, while the Euromed and Americas Regions offer more positive responses on every issue.

Although results are up overall, the survey revealed two main areas for improvement and focuses for future efforts. First, employees feel the Company is still too complex and that decision-making processes are overly cumbersome. Second, they want better recognition of individual performance.

2.2.1.4 A COMMUNITY DRIVEN BY ONGOING LABOR DIALOGUE

It is Renault's ambition to create the conditions for in-depth and transparent dialogue at all levels with employees and their representatives. The Company encourages negotiation to promote decision-making at grassroots level, and to optimize preparation and management of change by seeking the best possible balance and convergence of interests between the Company and its employees.

TRANSNATIONAL DIALOGUE WITHIN THE GROUP

Since 1993 the Renault group Works Council has been 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. The Works Council now comprises 40 representatives from 20 countries: 34 representatives from Renault's majority-owned subsidiaries in the European Union, and six observers from the rest of the world (Brazil, Argentina, Korea, Turkey, Russia and Morocco). Its select committee has 11 members: five French, two Spanish, one Romanian, one Austrian, one Italian and one Slovenian.

In 2012, as every year, the Works Council held a plenary session. Members of senior management, including the Chairman, attended to discuss the Group's strategy. The select committee meanwhile met 10 times, with discussions focusing on market trends in Europe, international development, stronger strategic cooperation and enforcement of fundamental labor rights. It was regularly informed about major developments in the Group, notably the product plan, mechanical components, strategic cooperation with Daimler, the Alpine/Caterham partnership, as well as developments in India, South Korea, China, and Algeria). Furthermore, in view of happenings in the Renault group during the year, there was no need for the Renault group's European works council to meet.

In terms of international labor dialogue, September 2012 saw the opening of negotiations between the Renault group and members of the Works Council select committee and representatives of the IndustriALL Global Union, with a view to modernizing and enhancing the Declaration of Employees'Fundamental Rights signed in 2004. The goal is to develop this declaration into an international framework agreement. The negotiations should be completed by spring 2013.

WIDE-RANGING LOCAL LABOR DIALOGUE

A total of 21 agreements were signed with local labor representatives in 10 countries where Renault operates in 2012. A few particularly interesting examples are worth mentioning.

In Brazil, Renault was the first company to sign a long-term agreement in 2011 on pay and qualifications, covering the period 2011-2013.

In Spain, on November 13, 2012, Renault Spain's senior management signed a third three-year agreement (*Convenio*) with the three main unions (UGT, CCOO and CCP) with a view to improving the competitiveness of Spanish plants. The agreement includes measures concerning workforce flexibility, a gradual increase in annual working time, and wage restraint. In return, Renault Spain's senior management committed to increase activity in body assembly and powertrain plants and to create new jobs.

(1) Hay group is an independent firm which conducts the same survey for many large international companies.

In France seven collective agreements were signed by Renault s.a.s. in 2012, compared with 17 in 2010 and 2011. The main concerns were:

- gender equality and diversity in the workplace (agreement dated May 16, 2012). This agreement marks new progress in Renault's long-standing commitment to reduce gender inequality in automotive trades and to provide more career opportunities for young women. By taking into account new family situations, Renault also aims to improve the work-life balance and help transform stereotypes of success;
- procedures for implementing the profit-sharing agreement for 2012;
- procedures regarding unavailability of assets in the Group savings plan;
- improvement in working conditions and prevention of stress (agreement dated November 5, 2012). An innovative system for monitoring the agreement was put in place, allowing labor representatives to submit recommendations to plants for inclusion in their workplace risk prevention programs.

Negotiations on establishing the conditions and resources needed to build Renault a solid, long-term base in France were also initiated at the end of 2012, and continued through into 2013.

VIBRANT AND ENHANCED INTERNAL COMMUNICATIONS

Dialogue within the Group is also nurtured by extensive and varied internal communications. Renault ensures that employees are constantly kept up-to-date with the Company's news through a network of communications teams working in the various business lines and countries.

The Group has a single magazine, *Global*, intended for all its employees worldwide. More than 100,000 copies of *Global* are printed in French and English and adapted locally for Spain, Romania and Russia.

The second cornerstone of Group internal communications is the Declic intranet portal, in French and English. Some 80,000 employees worldwide are connected to Declic. The information on the home page is updated daily to ensure rapid mass dissemination of Group news. Since 2009, employees have been able to comment directly on all news releases, articles and reports, allowing them to share their views and ask questions. Employees can also watch video streaming broadcasts of 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.

2.2.2 HR'S CONTRIBUTION TO THE STRATEGIC PLAN – TOGETHER DRIVE THE CHANGE ✦

In 2012 the Group Human Resources department continued to work on the six priorities of *Together Drive the Change*, the human aspect of the strategic plan, launched in 2011.

2.2.2.1 SIMPLIFYING THE COMPANY

MAKING EMPLOYEES'DAILY LIVES EASIER

This project was initiated at end-2011 in response to expectations expressed by employees through several internal surveys. It was implemented in 2012 through a series of practical measures designed to:

- streamline processes by taking decisions at grassroots level, delegating responsibility to managers and employees and favoring after-the-fact checks: raising commitment limits on current expenditure, simplifying processing of expense claims, travel expenses, etc.;
- simplify access to information by introducing a new intranet search engine and harmonizing working conditions at sites in the Paris region;
- clarify organizational structures and accountabilities by opening an educational site, accessible *via* the intranet portal, so that everyone can pinpoint his or her job within the Company environment and understand interactions between the principal players;
- promote innovative working methods, with the creation of a corporate social network and an increase in the number of collaborative tools also accessible to key partners.

An initial assessment was carried out six months after this batch of practical measures was implemented. According to the satisfaction survey, 80% of users consider the measures made their daily lives easier.

IMPROVING SERVICE QUALITY AT THE HUMAN RESOURCES FUNCTION

The HR function was also restructured in 2012 to simplify it and improve the quality of service provided to employees.

Key measures included simplifying processes shared on a global level and increasing delegation to Regions and countries in order to encourage management at local level. A clearer organizational structure was also established, with all managers and all employees being given their own individual HR contact.

✦ Global Reporting Initiative (GRI) Directives

HR information services have been strengthened, particularly with the opening of eight HR agencies at sites in the Paris region. These agencies have been designed to be freely accessible and offer local support. Advisors and experts are on hand to answer employees' specific questions directly and individually. Their role is to:

- answer routine individual questions (vacations, working time, etc.) and queries about the Company's HR processes (internships, homeworking, etc.);
- offer information and assistance regarding use of HR tools;
- offer targeted assistance: organization of expert hotlines according to requirements and the HR calendar;
- provide employees with information and assistance with HR and skill planning.

By the end of 2012 the agencies had received more than 12,361 questions, 83% of which were dealt with within 24 hours. An employee survey conducted in October 2012 showed that 73% of respondents were satisfied or very satisfied with this new HR service.

In addition to providing employees with information, the agencies are also helping the HR function make progress in two ways. First, a regular analysis of the questions they receive enables them to identify issues of concern to employees and points requiring clarification. Second, since they no longer have to deal with these common questions, HR teams are now able to refocus on providing individual support to employees and managers to help them develop their career or prepare for their next steps.

2.2.2.2 MAKING THE RENAULT MANAGEMENT WAY SECOND NATURE

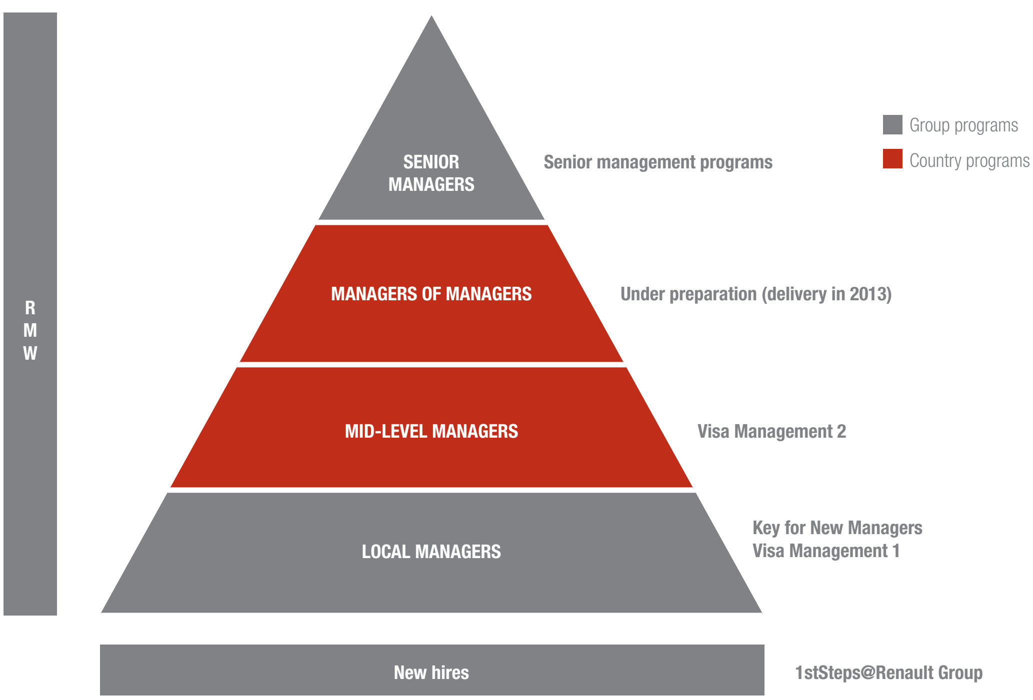
A GROUP-WIDE MANAGEMENT STANDARD

The objective of this second Together Drive the Change priority is to improve management quality and employee commitment through sharing, ownership and implementation of a group-wide set of management standards – the Renault Management Way (RMW) – drawn up by the Group Executive Committee in 2009. This standard sets out the roles, rules of conduct and attitude expected of Group managers.

The RMW was launched in the form of workshops attended by 12,500 managers in 26 countries, with a satisfaction rate of more than 90%. The results of the latest employee survey, conducted in November 2011, emphasize the progress made in terms of management quality within the Group. A positive response was received from 71% of employees to questions regarding managerial practices, a 5-point increase compared with 2010. They highlight day-to-day management quality, seen as a positive factor in performing their tasks.

TARGETED TRAINING FOR ALL LEVELS OF MANAGEMENT

Training courses are designed to assist managers at all levels are also used to embed RMW and improve management quality.



In 2012 this training structure based on management level, already in place in France, was rolled out to other countries in the form of guidelines to be adapted locally.

Induction course: 1stSteps@RenaultGroup

This system for inducting new employees by developing a common culture received three new modules in 2012 – a presentation of the Group's strategy, an introduction to its brands and products, and a presentation of the Company's business lines – to offer general, in-depth insight into the Company. The Group now has a totally new induction program, in line with both the Group strategy and RMW.

"Key for new managers" course

This course is designed to support employees promoted to management level, giving them an in-depth understanding of RMW. Organized by a head of department, an HR manager and a management controller, the course aims to identify what is expected of a manager who is in charge of a team and a budget and is responsible for managing his or her human resources.

Management Visa 1 course

This program, aimed at local managers who have been in their jobs for more than six months, aims to develop management fundamentals. Punctuated by exercises to be completed over several months, the program encourages managers to sit back and think. It gets them to swap methods and practices in order to construct their own managerial development plan.

Management Visa 2 course

Designed for managers in their jobs for more than a year, this program gives a better understanding of the link between leadership, change management and the Company's overall performance. It also explores various aspects of RMW.

Programs for senior management

In 2012 senior management programs were expanded to include international training courses provided by local business schools such as Sao Paulo, Shanghai, Cranfield, and Barcelona. These courses are an opportunity to reinforce specific managerial skills, such as leadership, in a multicultural environment.

2.2.2.3 IMPROVING THE WORKING ENVIRONMENT

The health, safety and workplace environment policy 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. Based on risk prevention, the policy is designed to ensure employee safety, promote physical and mental health, and offer an attractive and motivating working environment.

PROCESSES DEEPLY ROOTED IN THE COMPANY

To implement its health, safety and workplace environment policy, Renault draws on deeply rooted policies.

A **management system** is applied to all countries, sites and functions. Other factors include the commitment of management, awareness-raising, and continuous training of managers in risk prevention and the commitment of employees and management. Thanks to these efforts, the health, safety and workplace environment departments are systematically involved in all new projects, ensuring that the human factor is taken into account whenever a project is being prepared.

Renault has an **international network of specialists** in health, safety and working conditions. The members of these networks – engineers, technicians, ergonomics consultants, doctors, nurses, social workers, and heads of the disabled taskforce – receive regular training to expand their fields of expertise and cover the Company's new challenges. Regular medical check-ups allow for preventive action, early screening of disorders, and continuous medical follow-up of employees. Renault also organizes information and training campaigns on topics such as stress, ergonomics and healthy eating.

Regarding **the prevention of psycho-social risks and work-related stress**, a new training course to identify people in difficulty was introduced in 2012. This complements the system already in place, consisting of:

- help-lines for occupational physicians dealing with mental health in the workplace;
- the possibility for employees of taking a voluntary, individual pre-diagnostic test, as part of the stress, anxiety and depression observation unit (OMSAD) set up in 1998. At the end of 2012 more than 90,000 tests had been carried out as part of medical check-ups;
- at a collective level, processes to identify extreme stress have been put in place, along with prevention plans;
- surveys designed to measure stress factors and their impact on employees have been conducted at all French sites employing more than 500 people. The findings were used to develop site and business-line action plans.

Renault has developed an **ergonomic analysis method** to assess its workstations. Used in all Renault production plants worldwide, the method has now also been extended to other companies. It has been rolled out to supervisors to help them better analyze risks and improve working conditions on an ongoing basis. A monthly reporting system tracks changes in workstation geography, classified according to ergonomic constraints, across all the Group's industrial plants. Furthermore, 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.

To measure implementation of the occupational health, safety and working environment policy, assessments based on a 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 specialized in health and safety. If conditions are met, then **"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. A full 98% of industrial, engineering and office sites are now certified. Two new sites, Titu (Romania) and Tangiers (Morocco), were audited in 2012 to join the list of certified sites. Since the initiative was launched in 2005, 76% of sales sites in France have been certified.

2

A NEW GLOB AL FRAMEWORK TO ENSURE LONG-TERM CONVERGENCE BETWEEN GROUP PERFORMANCE AND EMPLOYEE DEVELOPMENT

A new global framework for the workplace environment was established in 2012. It aims to make Renault a place where quality of life in the workplace is recognized by employees around the world and contributes to the Company's global long-term performance.

This general framework is based around four key focus areas:

- workplace environment and workspaces: access to premises, travel, collaborative tools, location;
- work/life balance: homeworking, meetings, employee services;
- management and commitment: participative management, acknowledgment, team spirit;
- health and well-being: intercultural exchanges, belonging to the Group, atmosphere.

This framework has been set up in all countries where Renault operates. On this basis, each facility and country must make a self-appraisal of all the items listed, and then select priorities suited to its local needs. This worldwide system will provide a Group-wide map of workplace environments and identify weaknesses to be remedied as well as best practices to disseminate, with a view to achieving general and continuous progress.

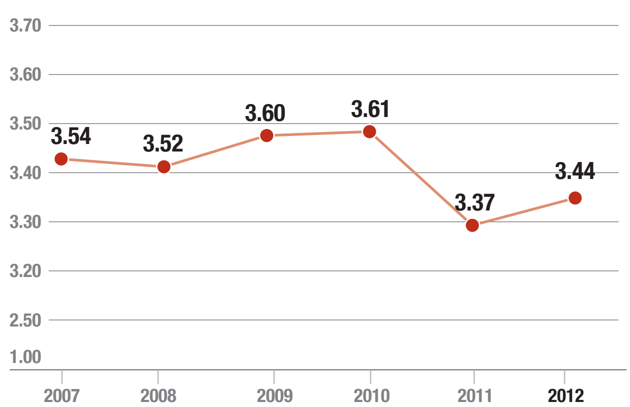
Key areas of progress in 2012

Evolution of the number of occupational accidents:

- the F2 rate (number of lost-time occupational accidents per million hours worked) was 3.44 in 2012, compared with 3.37 in 2011;
- the F1 rate (number of occupational accidents requiring treatment off-site per million hours worked) was 6.12 in 2012, compared with 6.44 in 2011;
- the severity rate of occupational accidents has remained stable over the past three years.

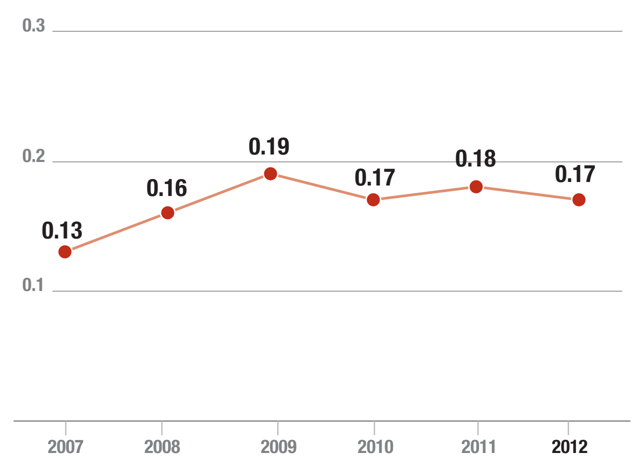
CHANGE IN THE F2 FREQUENCY – RENAULT GROUP

(per million hours worked)



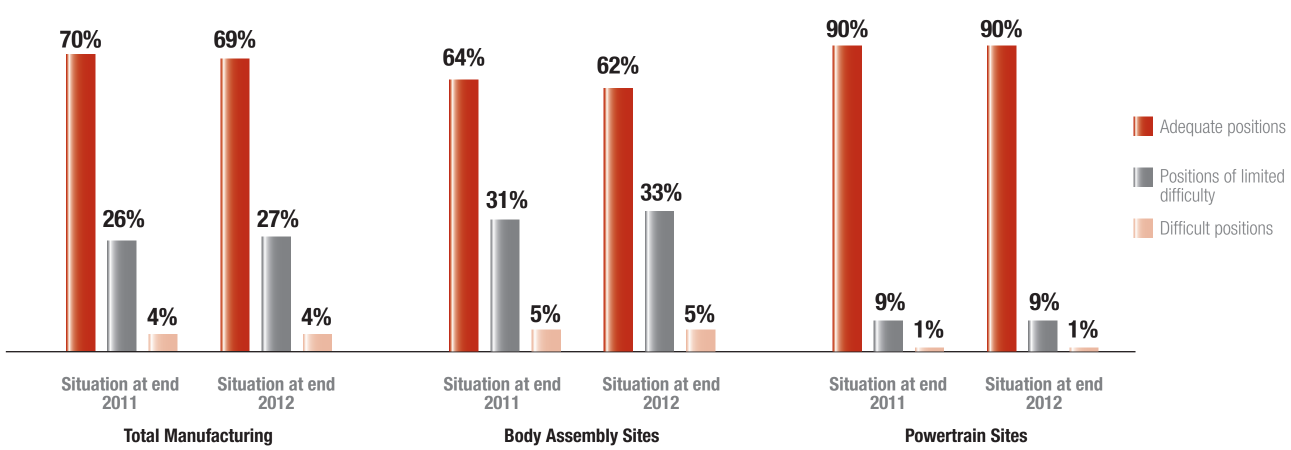
CHANGE IN SEVERITY

(per thousand hours worked)



NB: Figures on occupational accidents concern 90% of the total Group workforce.

EVOLUTION OF WORKSTATION ERGONOMICS: SCORING OF MANUFACTURING WORKSTATIONS



Road risk prevention

2012 *(%)*	CARS	TWO-WHEELERS	PEDESTRIANS	OTHER
Breakdown of lost-time commuting accidents	35	35	24	6
Breakdown of lost-time days	32	35	29	5

Absenteeism and occupational illnesses

The Renault group is equipped to exhaustively monitor the causes of occupational absences and to prepare prevention plans in order to protect employee health as broadly and efficiently as possible. However there are major differences between laws and regulations in the countries where Renault operates. Those differences make the average results for the Group entirely irrelevant. To shed objective light on this issue, we have chosen to indicate the results obtained by Renault s.a.s., especially since this scope is representative of all Renault's main professions and has been closely and accurately monitored in accordance with French regulations.

Absenteeism is monitored on the basis of two categories:

- "accidents" occurring at work or when commuting;
- "illness", which includes all reasons for absence covered by a doctor's certificate (illnesses such as 'flu, domestic accidents, occupational illnesses *, etc.).

NUMBER OF DAYS LOST BECAUSE OF SICKNESS OR ACCIDENTS AT RENAULT (SCOPE: FRANCE)

	2010	2011	2012
Number of days lost because of sickness or accidents	**282,757**	**270,096**	**267,640**
o/w number of days lost because of occupational accidents	*17,506*	*19,737*	*18,839*
o/w number of days lost because of commuting accidents	*3,306*	*2,937*	*5,465*

OCCUPATIONAL ILLNESSES AT RENAULT (SCOPE: FRANCE)

	2010	2011	2012
Number of reported occupational illnesses	**346**	**353**	**327**
o/w articular or peri-articular disorders	*287*	*293*	*256*

The number of occupational accidents reported at Renault has declined over the past three years, particularly due to a reduction in articular or peri-articular disorders.

Promotion of innovative ways of working

Renault signed an initial agreement on homeworking in France on January 22, 2007, and expanded it on June 22, 2010. As a result, employees can now work from home between one and four days a week if they wish and if their activity so permits. Homeworkers benefit from a broadband connection paid for by the Company, a fixed bonus when they join the scheme, special computer equipment and furniture, and a security diagnosis of their home workplace.

At the end of 2012, 1,496 people had joined the scheme:

- 53% men/47% women;
- 48% managers/52% non-managerial staff;
- 86%: one or two days of homeworking/14%: three or four days of homeworking.

Homeworkers all say that the scheme improves their work-life balance and makes them more efficient, particularly because it cuts their commute.

Work time organization

To cope with fluctuating demand on automotive markets, Renault has introduced a series of work time organization measures, in compliance with national legislation and local labor rules.

The measures focus in particular on reorganizing work time to meet heavy demand – for example, introducing mandatory additional shifts – and shortening it when demand falls, notably by using individual or collective rest days.

At sites in France, for example, the work time period runs from 6:30 am to 9 pm for workers doing a "normal" 35h average work week during a one-year period. In factories, the principle is two alternating eight-hour shifts and, in the event of spiking demand, a fixed night shift. The teams work on average three/eight-hour shifts per worked week.

** The term "occupational illnesses" covers conditions that are attributable to work; such conditions do not always give rise to sick leave.*

2.2.2.4 DEVELOPING DYNAMIC SKILLS MANAGEMENT AND IMPROVING EMPLOYABILITY ✦

To anticipate the faster pace of technological innovation and remain on the cutting edge of its business, Renault strengthened its skills management system several years ago by introducing a dynamic skills management policy covering all the Group's business lines. The objective is to ensure that the Company has the skills required to fulfill its strategy, while giving employees an opportunity to improve their employability.

In practice, this means that each business line receives support from HR to draw up a worldwide assessment of its skills and to identify:

- "critical" skills, which the Company will need in future and in which employee interest and training need to be developed;
- "sensitive" skills, for which the Company's need is declining and for which plans need to be prepared to manage collective and individual retraining and reallocation of resources;
- skills "to develop", i.e. area in which the Company wants to increase collective performance by increasing the level of expertise of certain functions;
- "stable" skills, which need to be maintained and consolidated.

These quantitative and qualitative analyses, viewed alongside the real situations and priorities of Renault entities worldwide, provide a basis for establishing a mid-term view, revised annually, of the optimum allocation of resources and the actions plans to be deployed country by country, including:

- recruitment, assisted by partnerships with schools and colleges;
- training, guidelines for which are provided by the skills schools;
- career paths, which contribute to developing skills *via* a wider range of experience;
- the expertise network, which optimizes development and dissemination of knowledge throughout the Company.

RECRUITMENT TARGETED ON CRITICAL SKILLS AND SUPPORT FOR INTERNATIONAL GROWTH

During 2012 Renault recruited 8,396 new employees on open-ended contracts, representing 6.7% of the total workforce.

- Europe: 1,007 recruitments;
- Euromed – Africa: 2,488 recruitments (1,581 in Morocco, 442 in Turkey, 349 in Romania);
- Americas: 1,456 recruitments (1,253 in Brazil and 191 in Argentina);
- Eurasia: 2,586 recruitments (2,584 in Russia);
- Asia – Pacific: 859 recruitments (840 in India).

The attrition rate (total departures in 2012, including retirement, of workers on permanent contracts as a percentage of total permanent staff at end-2011) varies significantly between countries and even within a single Region. In 2012 the rate in the following countries was:

(%)

Russia	South Korea	Spain	Brazil
35.2	20.5	10.7	10.3
Morocco	**Turkey**	**France**	**Romania**
10.1	5.9	4.4	2.8

For France, the rate reflects the dismissal of 341 people (0.7% of the country's workforce).

COORDINATED TRAINING ACCESSIBLE TO ALL

Renault is committed to training all its employees, regardless of age, status or position in the Group.

The Group's training courses therefore cover all areas of professional training: from courses dedicated to each of the Company's business lines to individualized courses aimed at staff development or the acquisition of foreign languages or cross-functional skills.

The introduction of dynamic skills management has led to moves to construct comprehensive training courses, addressing the need to retrain employees or raise their professional standards. In some countries, these courses lead to professional qualifications. The 2012 training plan therefore focused on:

- providing a range of training courses based around the Group's skills requirements: courses are now stem directly from critical skills analyses in each business line;
- prioritizing transferrable training and courses that develop trainees' internal or external employability;
- offering all employees the tools and information necessary to construct their individual development plan: communication on key skills and associated training courses;
- systematically measuring the quality of the training courses provided.

Roll-out of training courses to all countries is combined with the introduction of shared management indicators. This monitoring system measures, for each country, the total number of training hours taught, the average number of hours per employee, and the training spend as a percentage of the total payroll.

The results for our ten major countries are shown below:

	Argentina	Brazil	South Korea	Spain	France	India	Morocco	Romania	Russia	Turkey
Total hours	81,374	84,067	32,782	435,709	1,090,967	91,325	458,711	519,797	173,254	350,747
Average hours per employee	23	21	27	54	30	33	68	33	36	57
Training spend as % of payroll	0.36	0.50	2.01	4.86	5.0	1.8	3.4	0.27	1.00	1.03

DEVELOPMENT OF AN EXPERTISE NETWORK

The expertise network was established at the start of 2010 based on best practice developed by 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 its performance and on customer satisfaction.

Fifty areas of strategic expertise had been identified at the end of 2012 in all Renault's main business lines: product design and development, manufacturing, sales, knowledge of customers and markets, economic performance, and support functions.

The expertise program has four levels:

- one 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. The expert fellow also oversees the list of fields of strategic expertise and coordinates the community of leader experts with a view to sharing best practices across the various areas of strategic expertise;
- 35 leader experts, each reporting to a Vice-President. Leader experts have responsibility for a field of strategic expertise. They are tasked with developing and building on expertise by coordinating the internal network of experts and building an external network in order to make this knowledge and know-how available to the Company's operational personnel;
- 125 experts, responsible for secondary fields of expertise. They are responsible for promoting standards, submitting patent applications, carrying out benchmarking and identifying relevant partners;
- 353 consultants, responsible for a specialist business line. They promote progress in the state of the art by developing standards and passing on their expertise to business lines.

An internal survey conducted in 2012 among 900 experts, managers and project leaders revealed that the development of the expertise network over the last three years had succeeded in breaking down barriers between specialist knowledge areas, expanding their development, and disseminating and communicating them to the Group. In 2013 work will focus on the expertise network's involvement in skills management.

EXAMPLE OF GPEC IN FRANCE

In France, Renault signed a skills and employment planning agreement, GPEC, on February 4, 2011. This is a structural framework designed chiefly to anticipate the Company's skilling requirements. The Group's strategic challenges and the resulting changes in skills in each business line have been discussed with unions, particularly as part of employment and skills observatories. This information has also been passed on to all employees of Renault s.a.s.

Drawing on a comprehensive range of tools, GPEC also aims to supply the "critical" skills required and manage retraining of "sensitive" skills. Since the launch in 2011 nearly 1,500 employees have signed up to various GPEC measures: support with company start-ups/takeovers, period of external transfer, or work time arrangement for people in careers deemed to be stressful. The training/retraining programs have been developed to allow employees to change business line by developing skills that are both more strategic for the Company and more effective in terms of employability. Furthermore, GPEC allows employees to be transferred temporarily to another production site in order to cope with changing patterns of activity. In 2012 up to 1,200 people a day worked at a site other than their own. And in 2011 and 2012, 980 external people were recruited as a result of GPEC.

Employment and skills areas were opened at each site to offer support and advice to employees interested in the program. A dedicated intranet site also offers information about GPEC measures, training courses and feedback from employees regarding their careers.

2.2.2.5 PROMOTING DIVERSITY AND DEVELOPING TALENT ✦

GUARANTEEING EQUAL OPPORTUNITIES FOR ALL AND IMPROVING THE COMPANY'S PERFORMANCE THROUGH DIVERSITY OF TALENT

Renault wants to benefit from the cultural diversity and wealth of experience of all its component parts. 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. The Company will understand and best meet its customers'expectations by reflecting the many aspects of the 118 countries in which 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

Following a diversity appraisal conducted at the Group in 2010 by an independent organization, four priority areas for action were identified:

- gender diversity: promote diversity in business lines up to the very highest levels of management;
- origin: promote cultural and social diversity in the teams to better reflect the national characteristics of the 118 countries in which the Group operates;
- disability: integrate individuals with reduced mobility through a dedicated organization working at the ground level to promote the employment and professional development of disabled persons;
- age: protect employees throughout their working lives, profit from the experience and valuable know-how of older employees, and promote training and workforce integration of young people.

Breakthrough initiatives have been undertaken in countries around the world through social networks, partnerships with various stakeholders and the support of the HR function.

Also in 2012 Renault launched discussion on the theme of LGBT staff (lesbian, gay, bisexual, transgender), led by a group of volunteers and supported by the Diversity unit of the Corporate Social Responsibility team.

Women@Renault: a comprehensive plan for women in the Company

In early 2010 Renault launched Women@Renault, a comprehensive plan for improving the representation of women at all levels in the Company. At the end of 2012 women accounted for 17.3% of Group employees, compared with 10% in 2000. The first aspect of this plan involves revising HR processes (recruitment, training and career management). Renault has set specific targets for the plan:

- recruit women for 30% of technical positions and 50% of sales positions. In Turkey, 34% of new recruits in technical fields are women;
- increase the proportion of women in the 150 top positions within the Group. At year end, this proportion reached 14,4%;
- put forward at least one women for every three applicants in the context of succession plans for key posts within the Group.

It should also be noted that two of the 11 members of the Group Executive Committee are women (Marie-Françoise Damesin, Executive Vice-President, Human Resources, and Mouna Sepehri, Executive Vice-President, Office of the CEO of Renault) – a particularly high level of female representation for the automotive industry.

Gender equality is a key indicator in the Women@Renault plan. In France, there have been several advances:

- inclusion of a gender breakdown in the transparency letters sent to managers and the supervisory and technical staff (these letters indicate measures taken as part of pay-increase and promotion plans so that each person can see where he or she stands); in this respect, annual statistical analyses highlight average gender equality assuming equal levels of seniority;
- the setting up of a specific budget to ensure that the Company agreement on pay for women on maternity leave is applied;
- the signing in May 2012 of a new agreement to promote professional equality and diversity.

The Women@Renault plan has led to the creation and development of a social network within the Company. This diverse network, open to all employees, is now the largest social network within the Group, with 3,200 members and local networks in 11 countries (Algeria, Argentina, Brazil, Colombia, France, India, Korea, Morocco, Romania, Spain and Turkey). It provides employees with a direct link to initiatives and information focused on three key areas:

- developing women's professional and personal potential. For instance, a pilot mentoring initiative has been launched with 50 mentors allocated in five different countries. The principle of the scheme is that an experienced manager assists a young woman for 18 months to offer her professional development and career guidance advice;
- changing ideas about the place of women in the Company. Lunches, round table discussions and debates are organized internally to address these themes. In 2012 four Women@Renault conferences also featured well-known external speakers;

- contributing to the achievement of Renault's strategic objectives: departments can call on the network to contribute new ideas, feedback or simply a different approach to business. In Brazil, for example, operational tests were carried out to gather specific feedback from women. In Spain, the Women@Renault network organized a Twizy demonstration in four cities.

Greater consideration of market diversity in Renault teams

The diversity of in-house talent should reflect the diversity of the markets in which Renault operates. This is essential to the performance of a global group. It is impossible to respond to the wide range of needs expressed by customers across 118 different countries without incorporating this diversity into the Company. Furthermore, the 13 years'experience built up by the Renault-Nissan Alliance proves that a multicultural environment is a permanent source of innovation and performance for the Company and personal fulfillment for its employees. The promotion of cultural diversity is therefore a key driving force behind the Group's whole HR policy. For this diversity to be effective at the highest level of the Company, an objective was set to increase the percentage of employees with non French nationality in the 150 top positions at the Group. The percentage at end 2012 was 26.5%.

Facilitating the professional integration of people with disabilities

In 2012 Renault continued its initiatives at local level to promote the integration, job retention and support for people with disabilities. In France, these actions are formalized in agreements concerning disabled employees signed by Renault s.a.s. (fifth agreement in April 2010), Renault Retail Group (May 2010) and Sodicam (November 2011). There are four aspects to the implementation of this policy:

- integration: at the end of 2012, the level of employment of disabled people by Renault in France (Renault s.a.s. plus French subsidiaries) was 7.4%. Renault s.a.s. is particularly committed to supporting the integration of young people with disabilities through work/study contracts or internships with the Company and through partnerships with non-profit organizations promoting workplace integration;
- workstation adjustments (*e.g.* installation of lifting tables and pallet turning devices) and organization of support units and meetings with handicapped employees to share and corrective actions;
- access to workstations and Company facilities (parking spaces, access ramps, etc.);
- prevention, awareness-raising and training: various initiatives are organized internally, particularly to develop managers'and employees'understanding of the issues.

Other initiatives are taken locally. Renault Do Brasil and Renault Spain, for example, have agreed partnerships with specialist structures and welcome disabled people into their teams. Use of the protected sector has also increased. In 2012 Renault France, RECSA Spain and Renault Romania outsourced services to this sector.

On July 5, 2012 Renault launched Handi@Renault, an internal social network on the theme of disabilities. The network, which already has more than 600 members, both disabled and non-disabled, aims to be a cross-functional discussion forum. Among other things, it allows innovative ideas to emerge for addressing the Company's strategic challenges, while facilitating the lives of disabled people. The Handi@Renault plan, which is coordinated by a steering committee [(1)], has led to the development of several partnerships, particularly with the French Federation of Disabled Sports, and JACCEDE, a non-profit that promotes accessibility.

Promoting talent at all ages

Renault is committed to developing talents at all ages, particularly by supporting young people's integration into the workplace and promoting the experience of seniors.

In France, Renault s.a.s. signed an agreement on December 9, 2009, concerning continuing career development, which is subject to annual monitoring by a committee. This is based on the principles of non-discrimination and recognition of experience. In particular it guarantees:

- a percentage of over-55s in the total workforce – the figure stood at 22.5% in 2012, compared with a target of 14%;
- preferential access to training;
- a mentoring scheme to develop the transfer of know-how and skills within the Company.

In relation to young people, Renault pursues an active policy to forge links between the worlds of education and employment, professionalize and develop their employability, and promote equal opportunities. Key achievements in this area include:

- more than 3,400 young people (interns, apprentices, etc.) were trained in Renault s.a.s. in 2012;
- in 2012 Renault s.a.s. hosted 1,731 work-study placements (apprentices, professionals, labor-market entries, international corporate volunteers and doctoral students on fixed-term contracts), representing 4.82% of the workforce – well on track to achieving its target of 5% in 2013;
- as part of its commitment regarding integration of young people in difficulty, Renault has welcomed 3,700 youngsters on professional training contracts in France since 1992;
- attendance at employment fairs (17 in France in 2012), grants to schools (131 schools in France) and donation of equipment to schools. In France the apprenticeship tax paid by Renault benefited nearly 300 schools and certified institutions.

(1) Composition of the steering committee: the Executive Vice-President France, member of the Group Executive Committee, the Executive Vice-President, Human Resources, member of the Group Executive Committee, the Senior Vice-President Global Marketing & Communications, the Senior Vice-President Purchasing, the Senior Vice-President Corporate Social Responsibility and the Renault Foundation, and the CEO of Renault Tech.

TALENT MANAGEMENT: GUARANTEEING EQUAL OPPORTUNITIES FOR ALL

Renault revised its talent management strategy in 2012 to better guarantee equal opportunities for everyone in a Group that is now international. Major changes worth highlighting include:

- establishment of specific and globally applicable rules. Selection criteria have been revised in this respect. For example, the requirement for fluency in French has been abandoned when selecting employees with potential. This is in order to give all Renault managers around the world the possibility of developing themselves and taking on responsibilities not only in their country or Region, but at Group level;
- processes for identifying talents and making appointments have been delegated. Countries and Regions are now responsible for identifying employees with potential and applicants for key posts;
- Renault adopted a new tool in 2012: the Renault Leadership Assessment (RLA). This involves a personal development tool using data from an individual appraisal and the preparation of a personal development plan covering training, career review, and coaching. Carried out with the help of a firm of specialist consultants who provide experience and an external perspective, the RLA reinforces objectivity and fairness when assessing employees with potential, based on Group-wide criteria reflecting the Renault Management Way. In this way, RLA is a decision-making tool for the careers committees responsible for identifying Renault talents.

2.2.2.6 VITALIZING THE PERFORMANCE RECOGNITION AND REMUNERATION SYSTEM ✦

ASSESSMENT THROUGH 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 opportunity to review the past year, to set objectives for the year ahead and explain their contribution to the Company's performance. This meeting is also when employees formalize their training requests and discuss their career outlook with their manager.

The assessment of each employee's performance is based on a factual review. It looks at whether employees have 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 and 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.

COMPLETION RATE FOR PERFORMANCE AND DEVELOPMENT REVIEWS IN 2012, IN THE 10 MAJOR COUNTRIES:

(%)

<table>
<tr><th></th><th>Russia</th><th>Brazil</th><th>India</th><th>Spain</th><th>Turkey</th><th>Morocco</th><th>Argentina</th><th>Romania</th><th>France</th><th>South Korea</th></tr>
<tr><td>Blue collars</td><td rowspan="2">100</td><td rowspan="2">100</td><td rowspan="2">100</td><td rowspan="2">100</td><td>99.7</td><td>–</td><td rowspan="2">33.8</td><td>98.0</td><td rowspan="2">100</td><td rowspan="2">100</td></tr>
<tr><td>White collars</td><td>99.0</td><td>30.0</td><td>95.0</td></tr>
</table>

RÉMUNÉRATION

In 2012 the Group's total payroll costs amounted to €5,761 million, contributed by the 10 major countries according to the following breakdown:

(€ million)

France	Spain	Brazil	Romania	South Korea	Turkey	Russia	Argentina	Morocco	India
3,409	397	271	266	248	153	133	130	78	40

Given the uncertain economic and financial climate in 2012, Renault decided to implement a policy of recognizing its employees'commitment in order to achieve Group targets and allow management to reward performance.

The variable share of remuneration, intended for managers and executives, was calculated based on the following principles:

- the higher the level of responsibility, the higher the share of variable remuneration;
- payment of variable compensation is determined by achievement of shared targets at Group level. In 2012, as in 2011, the aim was to achieve a positive free cash flow;
- variable compensation was based on collective targets as well as the assessment of individual performance.

Two systems were applied:

- a Group system for executives in positions with the highest level of responsibility;
- a system defined at country level, intended for other managers and executives.

The issue of senior executives'pay is addressed in chapter 3.3.

CHANGES TO THE PERFORMANCE RECOGNITION SYSTEM: TO BE FAIRER AND MORE COMPETITIVE

The performance recognition and remuneration system was revised in 2012 to make it fairer and more competitive. This change also responds to a demand expressed in employee surveys for a stronger link between performance and recognition. To reward and support performance, remuneration will now be determined based on three criteria:

- the level of responsibility. Positions have been assessed to define their level of responsibility according to the Hay Group international standard. This assessment makes it possible to draw up a complete internal map of positions across the various business lines and Regions, thereby guaranteeing greater transparency and global equality for career paths. Another advantage is that Renault can compare its pay scales with market practice. The fixed and variable remuneration system is now determined on the basis of this job classification;
- work performance or the capacity to hold the position, defined on precise and shared criteria in order to make their assessment more objective and standardize it within the Group;
- the results achieved during the year or extent to which targets are achieved.

Analysis of these three components ensures that remuneration is based on individual contribution to the Company, independent of any other factor. These rules were rolled out on a global level in 2012 and will be effective from 2013.

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 and 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. Over the past three years, incentive and performance-related bonuses at Renault s.a.s. have totaled the following amounts:

YEAR	AGGREGATE AMOUNT: INCENTIVE AND PERFORMANCE-RELATED BONUSES *(€ million)*
2010	78.53
2011	129.01
2012	66.32

Given the uncertainty in the second half of 2012, it was decided not to pay an advance on the 2012 financial results. This explains the decrease in the amount received by employees so far. The final figure will be calculated once the Group's financial results are announced and will be paid in 2013 for the 2012 financial year.

Employee stock ownership and savings

In France Renault operates a voluntary company savings plan open to all subsidiaries that are more than 50% owned (10 member subsidiaries). The plan consists of five employee savings funds invested in accordance with Socially Responsible Investment (SRI) standards and endorsed by the trade union assessment body Comité Intersyndical de l'Épargne Salariale, and 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 2012 total payments into Renault's savings scheme amounted €9.258 million (down 50% vs 2011), of which 80% in the form of bonus transfers. The total value of the Company savings plan at December 31, 2012, was €505 million.

In 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, voluntary payments or part of their individual time savings leave (up to 10 days per year) into the plan. In addition, Renault will contribute the equivalent of 25% of the flexdays paid into the plan.

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 2012 total payments into Renault's collective retirement plan amounted to €7.226 million, of which 70% came from the cash-out of paid leave. The total value of Renault's PERCO at December 31, 2012, was €14 million.

The following data relate to the Group:

GROUP SAVINGS PLAN AND COLLECTIVE RETIREMENT PLAN

COMPOSITION		NUMBER OF SUBSCRIBERS AT DECEMBER 31, 2012	ASSETS *(€ million)*	2012 PERFORMANCE *(%)*
Actions Renault funds (Group savings plan)				
Actions Renault Fund [1] [4]	Almost 100% Renault shares	40,507	255.3	47.42
Renault Shares Fund [2]	Almost 100% Renault shares	11,409	59.7	51.81
Renault Italia Fund [3]	Almost 100% Renault shares	139	0.7	51.78
Diversified funds (Group savings plan and collective retirement savings plan)				
Impact ISR Performance [4]	100% European shares	5,895	29.9	15.49
Impact ISR Équilibre [4]	50% diversified shares 50% bonds	11,859	122.3	13.71
Impact ISR Rendement Solidaire [4]	30% diversified shares 30% bonds 30% cash 10% shared return	1,682	3.7	8.01
Expansor Taux (ex compart. 3) [4]	95% diversified bonds	10,505	79.8	5.25
Impact ISR Monétaire [4]	100% cash	6,121	23.5	0.39
Natixis Horizon Retraite (collective retirement savings plan) [4] [5]				
2015	Diversified	389	1.4	9.58
2020	Diversified	291	1	11.27
2025	Diversified	145	0.4	13.07
2030	International shares	122	0.3	14.13
2035	International shares	111	0.2	13.96
2040	International shares	96	0.1	13.91
2045	International shares	22	NS	13.82
2050	International shares	12	NS	13.82

(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 Renault's corporate culture for more than 20 years, through the organization and promotion of "practical suggestions for improvement" (PSI). The approach is based on Group-wide fundamentals and involves encouraging all employees to formalize their innovative ideas and reward the best contributions to the Company's long-term performance.

In 2012 Renault continued to harmonize the collaborative innovation approach across every global region where it is applied. Based on a total of 94,379 people in 2012 (compared with 97,514 in 2011), Renault:

- achieved a participation rate of 54% (56% in 2011);
- made savings of €129,7 million, an average of €1,374 per person (€139.4 million, or €1,430 on average per person in 2011);
- reported 3.06 PSIs per person in 2012 (four in 2011).

2.3 ENVIRONMENTAL DIMENSION

2.3.1 ENVIRONMENTAL CHALLENGES ✦

The survival of the natural environment depends on maintaining the fragile balance between fauna, flora and humans. 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. Chemicals 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.

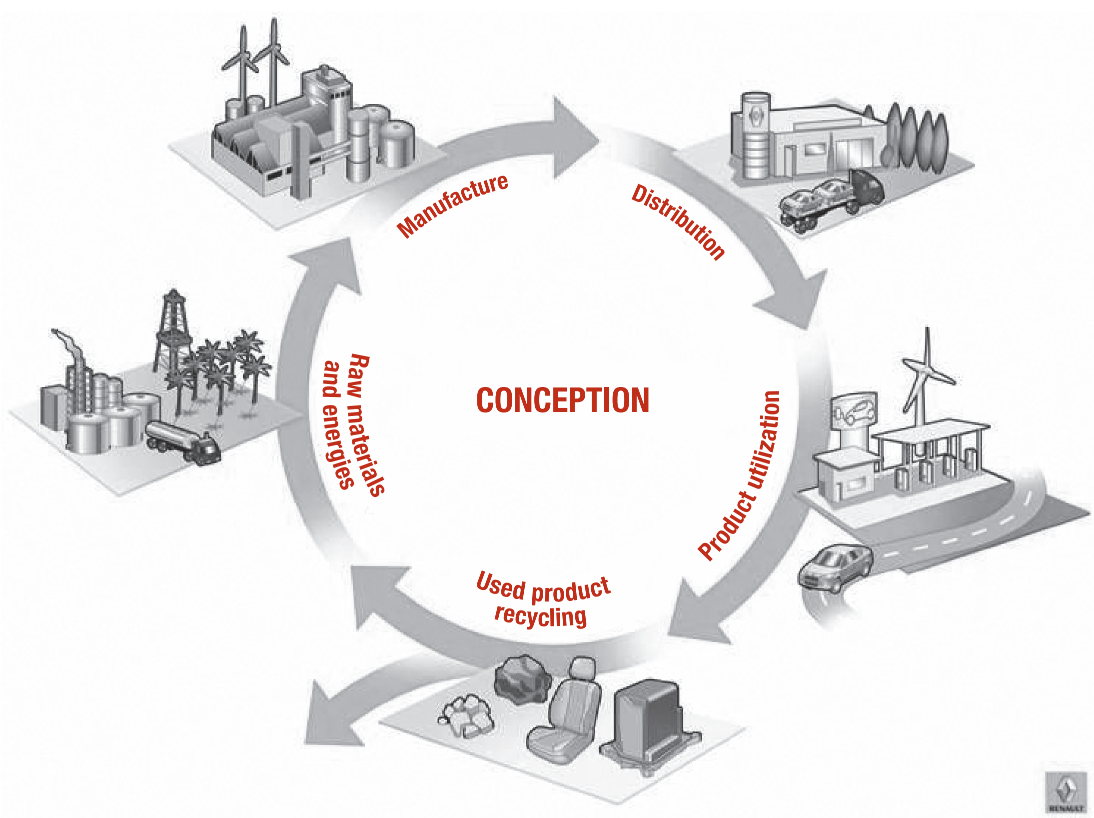
Renault's environmental policy addresses the major environmental challenges with a focus on the vehicle life cycle: A few examples:

- reducing consumption of natural resources and waste generated by manufacturing vehicles;
- reducing emissions of carbon dioxide, a GHG given off when vehicles burn fuel or in the generation of electricity in some countries;
- reducing emissions of sulfur dioxide and nitrogen oxides at different stages in the vehicle life cycle since they contribute to acid rain and acid soil.

Renault has defined five priorities for the actions and organization of its environmental policy:

- preserving natural resources;
- eliminating or reducing environmental impacts, particularly by reducing the environmental footprint of vehicles from one generation to the next;
- developing products and services that are compatible with environmental protection;
- implementing environmental management across the Company and throughout the product life-cycle;
- organizing communication on environmental issues.

For a number of years Renault has relied on the Life Cycle Assessment (LCA) approach when making trade-offs between different environmental impacts, without forgetting other vital factors such as selling prices, safety and comfort. This approach measures all the impacts generated by a vehicle, from design to decommissioning, taking into account the economic situations in the various markets.



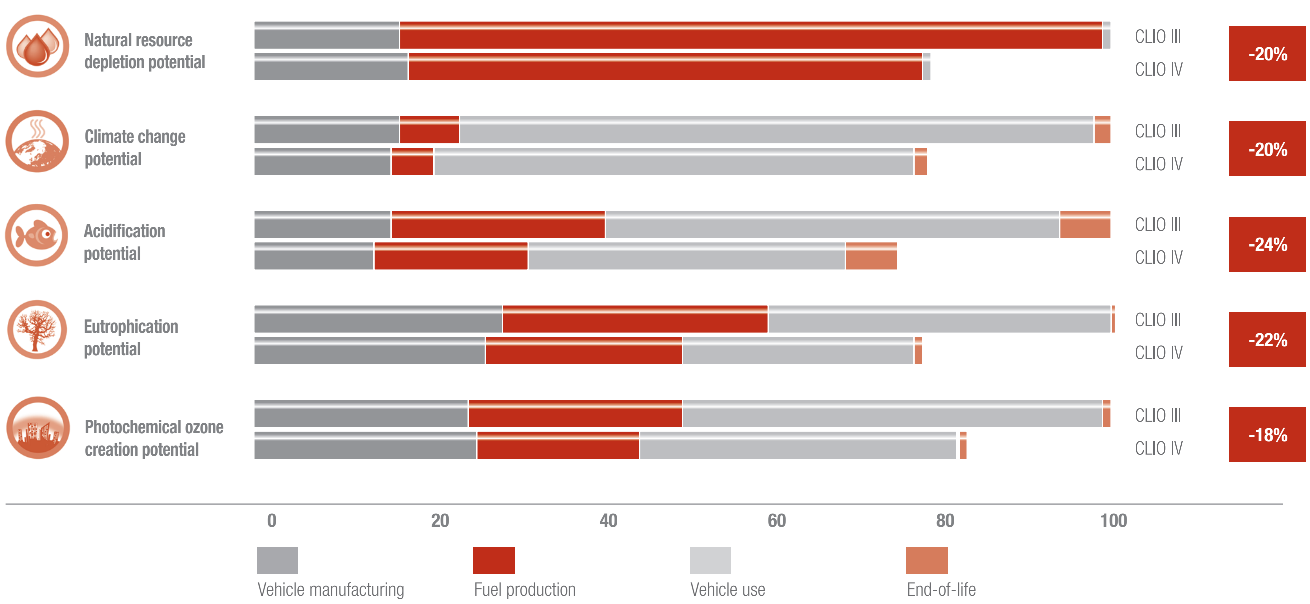
2.3.2 ENVIRONMENTAL INDICATORS ✦

Since 2004 and the first study carried out on the Scénic II, Renault has conducted life cycle analyses (LCAs) on most of the vehicles in the Renault and Dacia ranges. Comparisons between internal combustion engine vehicles in the same segment but from a different generation, for example between the Clio III and Clio IV, are carried out systematically to confirm progress from one car to the next.

Life cycle assessments are based on two types of data. For several years Renault has been developing quantified and reliable environmental indicators for operations at its main industrial, tertiary and logistics sites, as well as for the vehicles produced. In relation to the supplier chain, the production of fuel and electricity, and end-of-life vehicle recycling, impacts are generally quantified using information from external databases. Where necessary, more precise data reporting is organized, for example for new processes and product innovations such as battery recycling.

In 2011 and 2012 Renault went a step further by subjecting the Fluence Z.E. and ZOE LCAs to a critical review of their methodology and results. For Fluence Z.E., the credibility of the review panel was reflected in its five-member line-up, three international experts and two NGOs. This panel concluded that the methodology used by Renault for Fluence Z.E. represents the state of the art in LCA in the automotive industry.

COMPARATIVE LIFE CYCLE ANALYSIS OF THE CLIO III AND CLIO IV DIESEL

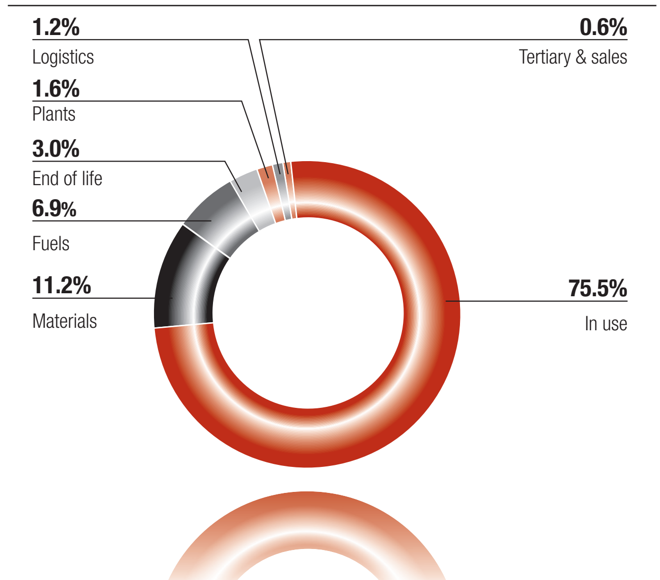


2.3.2.1 ENERGY RESOURCES AND CO_2 EMISSIONS ✦

The carbon footprint of a product corresponds to the greenhouse gas emissions generated over the entire life cycle, from extraction of raw materials to manufacture and recycling.

In 2011 Renault made a commitment to reduce the average carbon footprint of its vehicles sold worldwide by 10% between 2010 and 2013. 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 and rallying effect on staff. The graph below shows the percentage breakdown of the average carbon footprint in 2011 per vehicle, sector by sector, used to calculate the indicator.

BREAKDOWN OF CARBON FOOTPRINT — 2011



LOGISTICS

Environmental indicators are being implemented for Renault's supply and distribution logistics. Measures to reduce GHG emissions generated by logistics activities are organized according to three priority focuses:

- cutting travel distances (suppliers located in the country of manufacture, optimization of journeys and full-load transport for trucks and containers);
- using transport methods other than road that consume less energy (maritime, river and rail);
- reducing fuel consumption per kilometer travelled, in partnership with road hauliers (training in eco-driving, speed limiters and fleet renewal).

Since 2011 Renault has measured emissions from inbound transport (parts supplies for plants) and outbound transport (vehicle distribution), both in Europe and for almost all international flows. Emissions are monitored using a monthly indicator.

MANUFACTURING

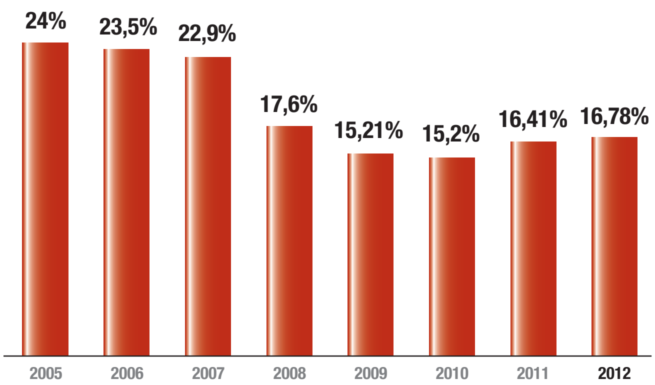
Energy consumption ✦

To safeguard natural resources and limit global warming, a strategy of saving energy and using renewable energies has been rolled out to all sites around the world. This strategy, implemented through continuous progress and breakaway action when modernizing boilers or setting up new plants, has four strands:

- manage energy consumption outside production periods (minimal consumption). A specific system is in place to completely shut down machines and general facilities whenever possible outside production periods;
- manage convergence towards the best practices identified in techniques and organization. Ventilation and operating conditions (temperature and humidity) have been optimized in paint shops, which consume the most energy in body assembly plants. Equipment downtime and re-start has also been optimized to cut consumption to the minimum. Specific measures have also been put in place for other production processes, including management of compressed air consumption for stamping, optimized cooling of welding guns used in sheet metal work, and optimization of cooling for machined parts;
- increase the energy efficiency of resources, particularly by experimenting with energy recovery solutions such installing heat exchangers at exit doors of paint drying ovens and decentralizing energy consumption to limit heat losses on the network;
- develop renewable energies and replace fossil fuels. The Tangiers plant, opened in 2012, was equipped with a biomass boiler. Likewise, the Sandouville factory is now supplied with steam produced by Sedibex from industrial waste, a solution that cuts natural gas consumption.

For example, the graph below shows the sharp fall in minimum on-site electricity consumption outside production periods since 2006.

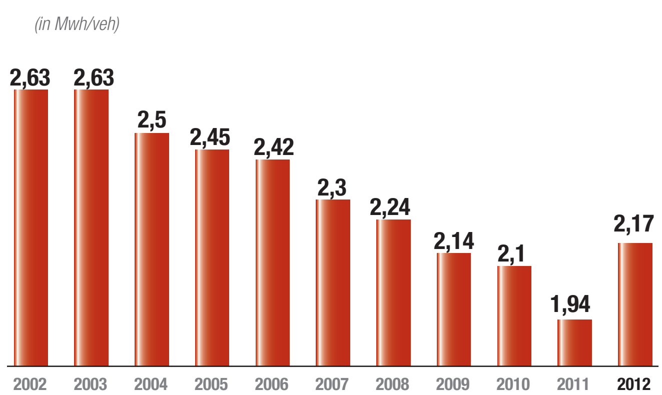
REDUCTIONS IN MINIMAL ELECTRICITY CONSUMPTION AT MANUFACTURING SITES*



* *Scope: All body assembly, powertrain and mixed plants (apart from tertiary, engineering, logistics and the RRG commercial network sites). The Tangiers, Los Andes, Tandil and FM Douvrin sites, as well as Cordoba foundry, are not included due to a lack of data.*

These efforts resulted in a 17% reduction in energy consumption per vehicle between 2002 and 2012 and a 13.8% share of renewable energies in industrial sites' energy consumption in 2012. The percentage of renewable energies includes those produced and consumed directly on-site (i.e. photovoltaic and biomass energy) as well as the portion of electricity and thermal energy consumed by the site and produced from renewable sources..

ENERGY CONSUMPTION EVOLUTION*



* *Scope: All production plants and main tertiary, engineering, logistics sites excluding the RRG commercial network sites) (reporting scope in appendix 2.8.11.)*

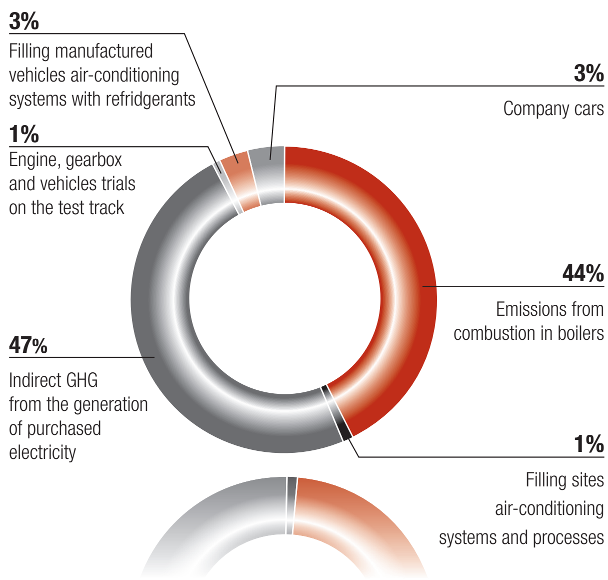
✦ Global Reporting Initiative (GRI) Directives

Greenhouse gases ✦

In 2003, recognizing the impact of its activities on anthropogenic GHG emissions, Renault made an inventory of GHG sources at all its production plants and its main logistics and office sites, with the assistance of an independent organization. Renault's reporting system is compliant with the Entreprises pour l'Environnement (EPE) protocol for quantifying and reporting GHG 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 GHGs 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, losses of refrigerant fluids and Company cars (Scope 1)

BREAKDOWN OF GREENHOUSE GAS EMISSIONS IN 2012 BY SOURCE TYPE*



* *Scope : the reporting scope of GHGs in 2012 (scope 1 and scope 2 for electric consumption), includes all production plants and the main logistics, tertiary and engineering plants, excluding the RRG commercial network (reporting scope described in appendix 2.8.1.1). Company vehicles, including pool vehicles available to employees, shuttles, handling systems and forklifts.*

Renault is implementing a three-pronged strategy for cutting GHG from its industrial activities:

- increased energy efficiency;
- reduced energy consumption;
- development of renewable energies.

In recent years, the replacement of heavy fuel oil with natural gas, a less polluting fuel, has contributed greatly to the reduction in GHG emissions. Since oil now accounts for just 0,2% of Renault's energy consumption, changing fuels no longer offers a significant source of potential emissions reductions.

In 2012 total direct and indirect GHG emissions[(1)] from Renault group's production and main logistics, tertiary and engineering sites totaled 1,193ktCO_2 (kilotons CO_2 equivalent)[(2)]. Direct GHG emissions totaled 634ktekCO_2 , down 16% on 2003 (755 ktCO_2) despite a larger number of sites and a greater spectrum of emissions (company vehicles since 2010, fixed cooling systems since 2012). Based on the 2003 scope, emissions in 2012 would have decreasedby 31%. The small emissions rise on 2011 (+4.5%) is due to the inclusion of coolants and the increase of energy consumption.

Renault is also involved in the European CO_2 Emissions Trading Scheme (ETS). In 2012, 11 Group sites in Europe (five in France, four in Spain, one in Slovenia and one in Romania) took part in the scheme. In 2013 two additional sites in France will join the scheme.

For the second phase (2008/2012) Renault had an annual allowance of 439 kilotons of CO_2 for all the sites involved in the EU ETS, representing barely 0.02% of the quotas distributed in Europe. Annual allocations will be far higher from 2013 and decline gradually each year. European legislators'objective is to phase out allocation of free quotas by 2027.

Renault is fully aware of the climate- and energy-related challenges that lie ahead. It sees them as 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 is exemplary in terms of environmental performance. The plant has been designed and all investments completed to ensure that at maximum capacity of three 8-hr shifts, CO_2 emissions are 98% lower [(3)], avoiding approximately 135,000 tons of CO_2 each year. Remaining emissions can be offset by purchasing carbon credits, producing renewable energy on-site, reforestation, etc. This performance was not fully achieved in 2012, since the Tangiers plant was at the startup and break-in phase.

These innovative initiatives are fully consistent with the Kyoto Protocol and are covered by a specific development mechanism that is under approval.

(1) The indirect emissions counted in this indicator are related to the generation of electricity consumed at Renault sites. Indirect emissions from the production of steam or hot water purchased from third parties and consumed on-site are not counted.

(2) The geographic scope of this measure is larger than the green house gas emissions evaluation prescribed in article 75 of Grenelle 2. This regulation is available on Renault website www.renault.com.

(3) Compared with an equivalent production site of 400,000 vehicles.

Renault inaugurates 60MW of photovoltaic panels in France

Solar panels 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.

These facilities, which were opened in fall 2012, represent nearly 247 acres of solar panels, the equivalent of more than 60 football fields. The installed power capacity is 60MW. These facilities cut CO_2 emissions from electrical power generation by 2,200 tons/year. Responsibility for operating them will be outsourced to partners Gestamp Solar and Coruscant.

Adjusting to the consequences of climate change

An increase in the number of extreme weather events could disrupt or even, in the most severe cases, reduce Renault production capacities and logistics activities. The main natural risks likely to impact Renault's sites are flooding (French plants of Choisy-le-Roi and Flins, located close to the Seine River), hurricanes (Busan plant in South Korea) and hail storms (the plants in Santa Isabel in Cordoba in Argentina, Valladolid in Spain, Flins in France, Revoz in Slovenia, and Dacia in Romania).

Hail has by far the highest recurring financial impact since a large number of vehicles are stored in uncovered areas. To reduce the risk of hail damage, Renault has launched an ambitious investment plan aiming to cover vehicle storage areas. Financed partly by Renault and partly by investors, the plan is part of a drive to install photovoltaic panel arrays (see above box).

No other risks linked to climate change have so far led to any notable disruptions or material damage to sites or products. Sites subject to risks of flooding and hurricanes are suitably protected, and emergency plans are in place to protect people and property and prevent or limit production shutdowns.

SALES AND AFTER-SALES

Energy consumption in the sales network is due to the heating and lighting of showrooms, and to use of equipment in repair workshops. In 2011 the energy consumption of Renault Retail Group sites in France was estimated at 128,316 MWh PCI, made up of 50,169 MWh of electricity, 77,617 MWh PCI of natural gas and 530 MWh PCI of oil. An initiative to identify energy savings opportunities was launched in 2012, particularly to reduce minimal electricity consumption when sites are closed at night and at weekends.

Direct GHG emissions from the sales network result from use of fossil fuels (natural gas and oil) and losses of refrigerant fluids when filling vehicles'air-conditioning systems. In 2011, GHG emissions from Renault Retail Group sites in France were estimated at 19,412 tCO_2e, of which 90% in direct emissions and 10% in indirect emissions (i.e. electricity consumption).

VEHICLE USAGE

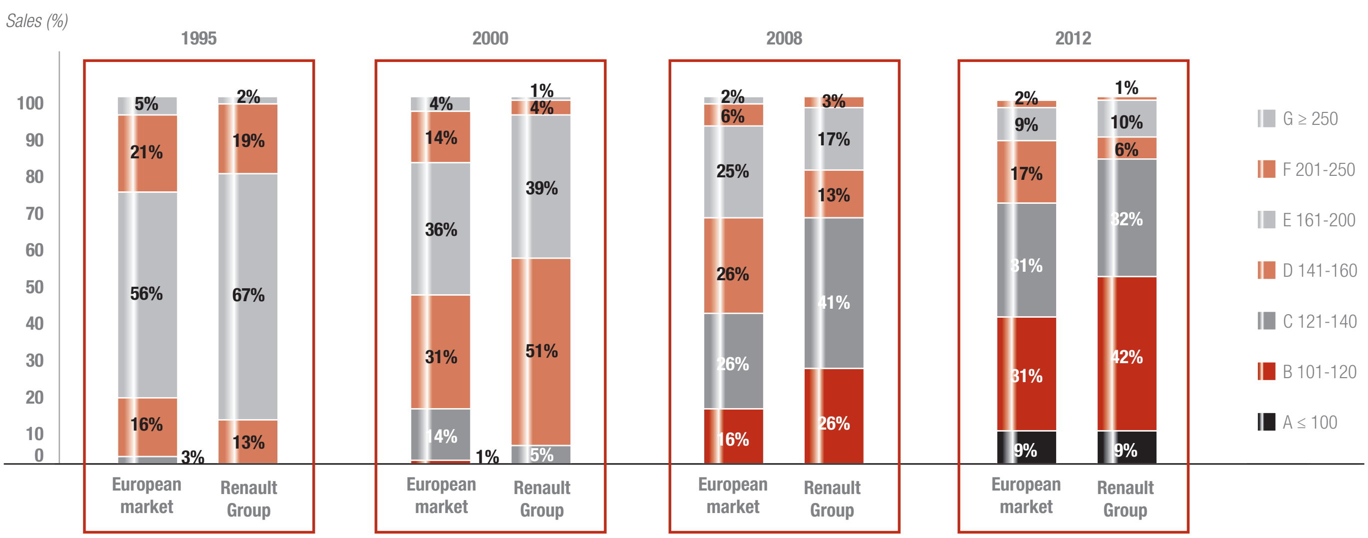
To achieve a significant impact in terms of the environment and global warming, one of Renault's objectives is to provide mobility solutions that are more ecological, economical, and accessible to the greatest number. More specifically, when unveiling its new plan in February 2011, Renault 2016 – Drive 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 by 2016 (including electric vehicles).

According to data published by the European Commission, emissions from passenger vehicles sold under the Renault and Dacia brands in the 27 European countries totaled 131.65 g CO_2/km on average. In 2012, according to the data available when this report [1] went to press, average emissions amounted to 125.5g CO_2/km.

According to the Association Auxiliaire Automobile (AAA), in the 15 countries of Europe, 479,258 cars sold by the Renault group emitted 120 grams or less of CO_2/km in 2012, or 51% of vehicles sold by the Group. Overall, vehicles emitting 140 grams or less of CO_2/km represented 83% of Renault vehicles sold. The graph below shows the progress of the Renault group in these segments compared with the European market.

(1 The available data cover sales within 15 countries in the European Union: France, Germany, Italy, Netherlands, Belgium, Luxembourg, Ireland, United Kingdom, Denmark, Greece, Spain, Portugal, Finland, Sweden and Austria. In 2011, on the same scope EU15, the vehicles sold by the Renault group emitted 133.1g CO_2/km in average, close to the one of the present scope of the European Union (27 countries).

GROWTH IN EUROPEAN (EU 15) SALES FROM 1995 TO 2012 BY LEVEL OF EMISSIONS – PASSENGER CARS



Diesel and gasoline IC vehicles

To obtain these results, Renault continued reducing fuel consumption and CO_2 emissions of its gasoline IC vehicles.

In 2012 Renault renewed several best-selling models in the M1 range, introducing new and more efficient Energy engines, as well as Stop & Start technology. With the new Energy dCi 110 diesel powerplant, emissions from the Mégane III Phase 2 saloon, marketed as Mégane Collection 2012, are 90g CO_2/km, a full 14g lower than for the Phase 1 vehicle. Fitted with the same engine, emissions from the top-selling version of Scénic III Phase 2 (Scénic Collection 2012) have dropped to 105g CO2/km, 8g less than Phase 1. On the gasoline version, the Energy TCe 115 engine has cut Mégane Collection 2012's emissions from 145g to 119g CO_2 /km and those of Scénic Collection 2012 from 164g CO2/km to 135g CO_2 /km.

Other models have been extensively optimized (aerodynamics, engine tuning, etc.) without being fitted with a new powerplant, and performance has also been enhanced. The most fuel-efficient version of Twingo II Phase 2 emits 102g CO_2/km in the gasoline version, 7g less than Phase 1. Emissions from the diesel version are still 90g CO_2/km. Emissions from Clio III fitted with the dCi 90 diesel powerplant have dropped below 90g CO_2/km on the most fuel-efficient version.

Clio IV has upheld Renault's ambition for low-emission internal combustion vehicles: the most efficient version of the car has homologated CO_2 emissions of 83 g/km.

Alternative energies: liquefied petroleum gas (LPG), compressed natural gas for vehicles (CNG) and biofuels

Two gas fuels are currently available on the market: LPG and CNG. Although their emissions (CO_2 and pollutant exhaust gases) are lower than those of conventional fuels, their market share remains modest and dependent on government subsidies. Furthermore, these fuels'success largely depends on the existence and extent of dedicated distribution networks. Renault offers LPG and CNG versions of its vehicles on markets where there is a desire to optimize resources. In 2012, 14 models in the Renault and Dacia ranges were available with LPG engines.

First-generation biofuels were mainly produced from food crops and sparked intense public debate about their environmental footprint and their impact on food security. The European Union has the target of increasing the share of renewable energies used in the transport sector to 10% by 2020. This target has led to the introduction in Europe of diesel and gasoline containing, respectively, up to 7% biodiesel ("B7") and up to 10% ethanol ("E10 at the pump"). In response to the debate about first-generation biofuels, the European Commission proposed at end-2012 to cut the proportion of biofuels from food crops to 5%, while maintaining its overall renewable energy target of 10% and promoting second- and third-generation biofuels obtained from renewable, non-food sources such as cooking oil, animal fats, lignocellulosic materials, algae and straw.

In 2012 the Renault and Dacia ranges included 21 gasoline-ethanol flexfuel models. Mainly sold in Brazil and Europe, flexfuel vehicles can run on fuel containing up to 85% ethanol in Europe (E85) and up to 100% in Brazil (E100). All diesel models are capable of running on B7 biodiesel or, in the case of fleets operated by company expressing a demand, B30 biodiesel. The future expansion of the range depends on developing biofuels from non-food crops and on support from public authorities, such as subsidies for purchasing low-carbon vehicles and access to restricted traffic areas.

Electric vehicles

Renault has made electric vehicles a lynchpin of its strategy and plans to mass-market vehicles combining zero CO_2 emissions, during use and excluding wear parts, with zero pollutant emissions and zero engine noise. Renault has designed a range of four electric vehicles – both passenger cars and LCVs.

In 2011 Renault launched Fluence Z.E. and Kangoo Express Z.E., both based on ICE vehicles. Twizy, an innovatively designed quadricycle, and ZOE, the all-electric supermini produced in Flins, were both brought to market in 2012.

Renault is aware that the appeal of electric vehicles depends on the availability of charging points and is working to develop charging infrastructure and 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.

In 2012 Renault and ErDF formed Groupement pour l'Itinérance des Recharges Electriques de Véhicule (Gireve), which also includes Caisse des Dépôts et Consignations (CDC) and the PSA Peugeot-Citroën group. In October 2012 three ministries, Industrial Recovery, Ecology, and Transport, signed a memorandum of understanding to create a service for the location and use of all current charging points in France. All terminals, irrespective of who owns them (local authority, parking lot operator or transport operator), will be locatable using GPS or smartphone applications,

In addition Renault is experimenting with new forms of mobility services that promote access to electric vehicles and increase their impact in urban areas. In partnership with the city authorities of Saint-Quentin-en-Yvelines (France), in 2012 Renault launched a car-sharing service called Twizy Way. This simple, practical service allows the customer to access 50 Twizys across the city, with or without a reservation, that he or she has located using the Twizy Way smartphone app. A flexible service that complements public transportation, Twizy Way is an eco-friendly alternative to passenger vehicles for short journeys.

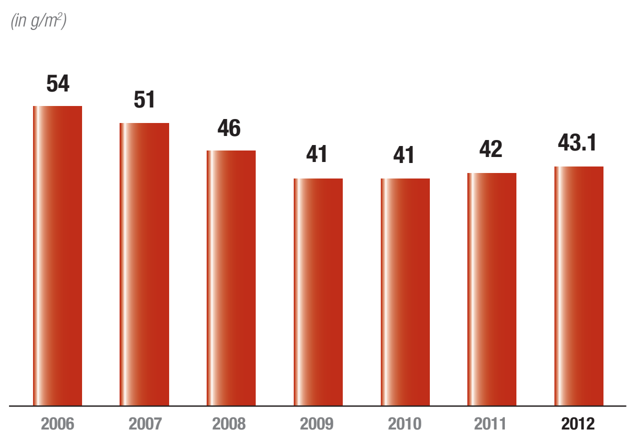
2.3.2.2 AIR QUALITY ✦

MANUFACTURING

Volatile organic compounds (VOC)

In 2012 VOC emissions generated by the solvents used in paint shops amounted to 43.1g/m² excluding emissions from the painting of parts, such as plastic bumpers, and accessories. The increase in average emissions across the Group is due to the fact that a larger portion of vehicles are produced in non-EU plants, where emissions are generally higher. VOC emissions from 13 of the Group's 17 body assembly and mixed plants either fell or remained stable between 2010 and 2012.

VOC EMISSIONS



Scope: All manufacturing, body assembly and mixed plants (reporting scope described in appendix 2.8.1.2).

Concentrating on cutting emissions at source, 71% of Renault's production facilities are now equipped with booths using water-based paint and 73% with incinerators designed to cut VOC emissions from paint-drying operations.

In 2012 Renault introduced two new processes for reducing VOC emissions generated by the use of solvent-based primers. The new plant in Tangiers is equipped with a water-based primers line. At Valladolid, the layer of solvent-based primer has been replaced by an extra water-based layer.

The Paint Engineering department and the Energy and Environmental Health and Safety department are piloting the initiative to roll out best practices, dialogue and knowledge-sharing between plants.

Combustion emissions of SO_2 and NO_x ✦

Over the past few years Renault has been conducting a large-scale program to replace fuel-oil by natural gas at its production plants. The aim is to cut emissions of sulfur dioxide (SO_2), nitrogen oxide (NO_x) 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 0.2% in 2012. This plan is being taken further with the installation of boilers fitted with low-NO_x burners.

Since 2003 SO_2 and NO_x emissions have been evaluated by taking into account all types of combustion installation. Between 2003 and 2012 SO_2 emissions fell by 98% and NO_x emissions by 43% on a like-for-like basis.

VEHICLES IN USE

ICE vehicles

All passenger cars and LCVs sold in Europe since January 1, 2011 and January 1, 2012, respectively, have to comply with 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.) and applicable regulations.

✦ Global Reporting Initiative (GRI) Directives

EMISSION REDUCTION IN LINE WITH PASSENGER VEHICLE EMISSIONS STANDARDS (EUROPEAN UNION)

	EURO 1	EURO 2	EURO 3	EURO 4	EURO 5	EURO 6	% REDUCTION ACHIEVED BY EURO 6 COMPARED WITH THE FIRST LIMIT VALUE
START DATE (ALL TYPES)	1993	1997	2001	2006	2011	2015	
Diesel							
Nitrogen oxides (NO_x)	-	-	500	250	180	80	-84%
Carbon monoxide (CO)	2,720	1,000	640	500	500	500	-82%
Hydrocarbons and nitrogen oxides (HC + NO_x)	970	900	560	300	230	170	-82%
Particle — by mass (PM)	140	100	50	25	5	4.5	-97%
Particles — by number (PN)	-	-	-	c	6×10^{11}	6×10^{11}	-
Gasoline							
Nitrogen oxides (NO_x)	-	-	150	80	60	60	-60%
Carbon monoxide (CO)	2,720	2,200	2,200	1,000	1,000	1,000	-63%
Hydrocarbons (HC)	-	-	200	100	100	100	-50%
Non-methane hydrocarbons. (HCNM)	-	-	-	-	68	68	-
Particle — by mass (PM)	-	-	-	-	5	4.5	-
Particles — by number (PN)	-	-	-	-	-	6×10^{11}	-

All values are expressed in mg/km except PN which is expressed in number of particles per km.

Efforts are continuing, particularly with the gradual introduction into the Renault's range of vehicles equipped with new technologies: introduction of new Energy engines which are 7% to 25% more energy efficient, depending on versions, due to the adoption of Stop & Start and Formula 1 technologies. Renault's NO_x trap is part of the brand's efforts to cut pollutant emissions. This chemical system traps nitrogen oxides and turns them into neutral gases. This after-treatment system became available to consumers in 2009 on some Renault Espace vehicles equipped with the 2.0 dCi engine, and in 2012 on Mégane Energy dCi 130 Euro 6 in some European markets. In addition to processing NO_x, this catalytic converter helps oxidize the hydrocarbons and carbon monoxide produced by partial combustion.

Electric vehicles

Once they reach a significant proportion of all vehicles on the road, electric vehicles will contribute to improving air quality in urban areas because they do not generate emissions during use. In 2012 Renault teamed up with the city authorities in Rome and with Aria Technologies and Arianet, two companies specialized in modeling atmospheric pollution, to quantify the health benefits of electric vehicles in urban areas.

The study, which assesses both the reduction in emissions as a result of electric vehicles and the increase in emissions due to the increase in electricity generation, models the impact by 2020 of a proactive policy to promote clean vehicles. In the scenario tested, electric vehicles make up 25% of all vehicles in city center zones subject to existing traffic restrictions, and clean vehicles are given preferential access by replacing the public fleet with electric vehicles and promoting small electric LCVs for goods delivery to end customers. The study's findings show a clear health benefit from the proactive scenario compared with the base scenario. Concentrations of nitrogen dioxide (NO2) would be reduced by 9% to 25% depending on the seasons and up to 45% on major arterial roads, and particle concentrations (PM10) by up to 30%. Nearly 50% of the population of the historic city center would be protected from exposure to benzene levels of more than 2µg/m3, the level recommended by France's High Council for Public Health.

2.3.2.3 CHEMICALS

To safeguard the health of workers and consumers, and to protect ecosystems, national and European legislators have imposed restrictions on the use of hazardous substances in the workplace and in products. In the European Union, the introduction of the Registration, Evaluation, Authorization and restriction of CHemicals (REACH) regulation in 2007 heightened awareness of chemical risks and prompted an increased in the number of restrictions and usage precautions.

Renault has a structure dedicated to managing hazardous substances, with three divisions:

- in collaboration with the departments responsible for occupational health and working conditions, the Industrial Hygiene division manages workers' exposure to chemical risks at all Renault's production sites around the world. It monitors the composition and labeling of chemicals used on-site and coordinates research into technical solutions to eliminate priority hazardous substances. This expert division was created in the 1960s;
- the Materials Engineering division monitors substances contained in vehicles, based on information declared by suppliers using the IMDS system, shared with 35 international automotive manufacturers. The division coordinates research into technical solutions to eliminate priority hazardous substances;
- the After-sales Regulatory Compliance division checks with suppliers that parts, accessories and other products sold by after-sales teams comply with applicable regulations and make any substitutions, if required.

A REACH – Substance Management project team is also responsible for establishing processes and information systems enabling the Company to fulfill its information and transparency obligations under REACH. The team works with a network of around 50 correspondents across Europe, and maintains a dialog with counterparts inside and outside the Alliance. Its brief is to identify and supervise the work necessary to achieve compliance by the 98 Renault legal entities 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.

Renault has carried out campaigns to replace toxic substances found in the chemicals used in its plants since the 1960s and in materials since the early 2000s. Since the number of chemicals considered toxic to varying degrees increases regularly due to improvements in scientific knowledge, Renault has drawn up a list of priority substances. The priorities for substitution are carcinogenic, mutagenic and reprotoxic (CMR) substances, substances of very high concern subject to prior authorization (annex XIV of REACH), and substances that are not currently restricted but for which Renault aims to anticipate a potential ban.

During calls for tenders, Renault explicitly asks suppliers to comply with its substances standard. This prohibits the use of hazardous substances and substances of concern, lists priority substances for substitution, and requires suppliers to declare the substances used to create their parts and preparations. The standard is enforced by each of the competent divisions.

In line with regulations, Renault adheres to a policy of transparency towards its professional and private customers.

As well as standard substances and those with identified risks, Renault is aware of the potential health impact of technological innovations. Following the emergence of industrial applications featuring manufactured nanomaterials, Renault set up a multidisciplinary monitoring group responsible for assessing the associated health risks. The inventory of nanomaterial applications and analysis of employees'and customers'levels of exposure to these nanomaterials revealed no examples of potentially harmful exposure in normal use conditions. Renault's R & D objectives do not include expanding the use of nanotechnologies, limited to the standard uses proposed by automotive industry suppliers.

2.3.2.4 NOISE

MANUFACTURING

Noise is a complex subject, which involves a wide range of factors such as weather, topography, type and power of noise sources by octave band, directivity, attenuation, and the impact of buildings. 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. Sound-proofing measures are focused on stamping presses and extraction chimneys.

VEHICLE USAGE

In accordance with applicable European regulations, ICE vehicles produced by Renault generate maximum external noise of 74 dBA when driven.

With sound levels significantly below regulatory requirements, at between 68 dBA and 70.5 dBA, the vehicles in Renault's electric range contribute to reducing ambient noise and improving quality of life in urban areas. They also provide a significant improvement in users' acoustic comfort, since an electric vehicle's interior noise is around 10 dBA lower than that of an ICE vehicle.

2.3.2.5 WASTE ✦

MANUFACTURING

In 2012 Renault sites generated 915,313 tons of waste from its production plants and the main engineering and office sites, excluding the Renault Retail Group sales network (see scope described in chapter 2.8.1.1).

Production plants produced the majority of waste: 896,243 tons or 98% of waste produced by the Group. Waste from production plants comprises inert waste (18,193 tons or 2%), metal waste (607,235 tons or 68%), non-hazardous industrial waste excluding inert and metal waste (214,806 tons or 24%) and hazardous industrial waste (56,008 tons or 6%).

Renault aims to reduce the quantities of waste produced and to process its waste to the highest ecological standards. Which is why it places the emphasis on waste recovery and hence a reduction in 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, the systems to filter paint sludge cut the quantities of waste discharged;
- **prepare for re-use**, means re-using or recovering materials and putting them to similar use. In Renault plants, this activity is conducted mainly by Gaia, a subsidiary that recovers unused end-of-life parts, then sorts and sells them;
- **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.). For example, the Novo Mesto plant in Slovenia recovers 100% of used wax and feeds it back into the process, generating substantial economic and environmental gains;
- **recover energy**, means using waste as an alternative fuel (in cement plants, for example) or recovering the energy produced by incineration (in waste incineration centers) 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, on the same scope, Renault has cut the quantities of production waste sent to landfill (except demolition waste and rubble) by 32% since 2008. At the end of 2012, 3 production sites no longer send any waste to landfill (except demolition waste and rubble).

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.

✦ Global Reporting Initiative (GRI) Directives

SALES, AFTER-SALES AND VEHICLE USE ✦

Usage-phase waste is generated by the commercial activities of vehicle maintenance and repair.

In the French sales network of the subsidiary Renault Retail Group (RRG), every site has a waste management contract with an accredited supplier. In particular, this service provider is responsible for ensuring the traceability of the waste produced and the treatment systems, as well as training RRG employees in waste sorting. In 2011, RRG sites in France generated 9,919 tons of waste, of which 66.5% was non-hazardous waste (card, glass, plastic parts, etc.) and 33.5% was hazardous waste (vehicle batteries, paint residues, mechanical fluids, etc.).

Renault also provides assistance to its network of private dealerships. In France the Sales & Marketing department assists the network by providing a panel of national service providers for waste collection and treatment. Renault also finances its sales network's access to Autoeco. com, allowing sites to track the amount of waste they produce. Renault is also a partner of the CNPA (National Council of Motor Industry Professionals) which, as part of the "Environment Challenge", provides the sales network with technical support with the implementation of environmental protection measures and the search for financial assistance.

END-OF-LIFE

European Union regulations state that in 2015 all end-of-life vehicles must be collected and 95% of their mass recycled and re-used. Automotive manufacturers will be responsible for helping to organize and finance this process.

In France, the subsidiary Renault Environnement joined forces in 2008 with the group Sita/Suez Environnement to develop end-of-life vehicle recycling, by taking a majority stake in Indra, a company with more than 20 years' experience in vehicle dismantling. Indra has a network of 350 approved vehicle dismantlers around France and works with them to meet regulatory and environmental requirements as part of a progress-oriented approach. In 2012 85,996 end-of-life vehicles were handled by Indra or its network.

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 its dismantling sites and at its development center in Romorantin. The combined efforts of Renault Environnement, SITA, Indra and its network of dismantlers contribute to the effort needed to reach the collective target of vehicle recycling and recovery target of 95% in 2015.

In other European Union countries, Renault is contributing to collective approaches by automotive manufacturers, dismantlers, and public authorities to organize recycling systems for end-of-life vehicles and build on its French experience in this field. Renault is a particularly active player since it accounts for a high percentage of vehicles in use and the Group is therefore concentrating particularly on Spain, Portugal, Romania and Italy.

Outside Europe, other countries have also implemented or are preparing to implement similar regulations, including South Korea, Turkey and Russia. Renault plays a proactive part in organizing recycling systems.

2.3.2.6 USE OF RAW MATERIALS

Renault uses circular economy principles to reduce the use of raw materials in three ways:

- designing vehicles that are more economical in materials, 95% of which (by weight) can be recycled and reused. This is a prerequisite for the re-use of raw materials contained in vehicles. The 95% rate, which is mandatory in the European Union, is applied to all Renault sold worldwide;
- developing technical solutions and industrial recycling systems, in collaboration with academic and industrial partners, to ensure the availability, profitability and quality of recycled materials;
- incorporating recycled materials in new vehicles. Renault has set the voluntary target of including 20% recycled plastics in its new vehicles from 2015 in Europe.

DESIGNING RECYCLABLE AND MATERIAL-THRIFTY VEHICLES

The design phase of Renault vehicles has included recycling requirements since the early 2000s. For example, dismantling has been made easier by reducing the number of fixing points. Similarly, preference is given to recyclable materials for which recycling systems exist; whenever possible a single part will not contain materials that cannot be recycled together; and tanks are shaped to allow all fuel and oil to be removed. During the design phase, every vehicle project is monitored by a recycling specialist.

Renault also works on reducing the amount of materials used when designing vehicles and production procedures. Concerning the steel used in vehicle bodies, Renault has introduced two technological advances to reduce consumption of sheet metal:

- the use of sheet metal with high elastic limits (including hot-pressed steel) reduces the thickness and therefore the mass of parts;
- deep-drawing processes have been optimized to improve material consumption, i.e. the ratio between the mass of the part and the initial mass of the metal blank. These processes allow the use of smaller blanks to make the same part and generate less metal waste.

Without these two technologies, Clio IV would need an additional 15kg of sheet metal. Since several hundred thousand units of this Renault flagship model are due to be produced annually, several thousand tons of steel will be saved each year. On ZOE, the saving is 50kg. Taking all materials together, Clio IV weighs some 100kg less than Clio III Phase 1 when it came to market in 2007.

Renault also aims to reduce its exposure to critical materials, which present risks of unavailability or supply shortages. A joint analysis was carried out with Nissan to assess the level of risk associated with different metals used in vehicles. Criteria taken into account included factors linked to the production of metals, the concentration of production and the stability of producer countries, as well as factors linked to their use by Renault, such as quantities purchased and the ability to replace or recycle the materials. Initial work to reduce the use of critical materials focused on rare earth elements.

DEVELOPING RECYCLING SYSTEMS FOR MATERIALS AND PARTS

In accordance with the principles of the circular economy, Renault's objective is to ensure not only that waste from the automotive industry is recycled but, whenever possible, that it is recycled within the automotive industry itself. The challenge is to maintain the technical qualities and economic value of materials after recycling.

Choisy-le-Roi and standard exchange

Standard exchange involves offering owners of Renault vehicles renovated spare parts at a lower cost than new parts, while satisfying the same quality requirements. Used parts are collected by our distribution network, sorted and refurbished to as-new condition. Renovation of engines and manual gearboxes has been carried out at the Choisy-le-Roi (France) since 1949. This activity adheres to a strict industrial process involving complete dismantling, sorting, refurbishment and replacement of faulty and worn parts, cleaning, re-assembly and inspection.

In 2012 a further step was taken with the creation of a recycling process for metal parts from engines and gearboxes dismantled for refurbishment but not used in refurbished assemblies (1.5 engines are dismantled for one refurbished). Following treatment, they are now recycled in Renault foundries, so fewer new materials are required.

In addition to the standard exchange activity, since 2004 Choisy-le-Roi has housed a workshop for Gaïa, a subsidiary of Renault Environnement specialized in sorting of end-of-life parts and reselling parts and materials.

For several years Renault has carried out research projects in partnership with Ademe, local authorities and manufacturers to set up systems to recover waste and parts from end-of-life vehicles. Projects focus particularly on the recovery of glass (Valver project), polyamide (Pareo project), textiles (Valtex project) as well as noryl, steel, copper and aluminum. Renault is also taking part in Triptic, a project directed by INSA that aims to introduce tracers into plastics to make it easier to sort and process them at end of life.

Meanwhile, Renault is also developing the re-use of automotive parts through its standard exchange activity (see box) and the work of its subsidiary Gaïa. Unused parts collected from plants, suppliers or the RRG network are sorted and, depending on their condition, resold or sent to the most appropriate recycling system.

In 2010 Renault gave a further boost to its development of recycling systems by presenting the Innovative Car Recycling 95% project (Icarre95) to the European Commission. In the context of the Life + program, Icarre95 benefits from a subsidy of several million euros available to all partners. It aims to show how to recover 95% of end-of-life vehicles by weight, on a cost basis 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 more efficient dismantling of the different parts of recovered vehicles, thereby providing input for the various "short loop" processes as part of a circular economy approach. 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.

These innovative activities require the development of new skills, which is why Institut Supérieur de Plasturgie d'Alençon (ISPA), Institut Textile et Chimique (ITECH) and Ecole Centrale de Paris are partnering the Icarre95 project to develop new technological solutions. A scientific committee is tasked with examining new opportunities to develop expertise and know-how in recycling.

In 2012 work was carried out to precisely identify the potential for progress in dismantling end-of-life vehicles, test industrial uses of noryl (a high performance plastic) containing 6% recycled material, test the recycling of iron from powertrains, and analyze how to create a permanent system for recycling platinum group metals found in catalytic converters and particulate filters.

INCORPORATING RECYCLED MATERIALS AND PARTS IN VEHICLES

In accordance with the target that Renault has set itself, use of recycled plastics is increasing from generation to generation, particularly due to their wider availability. Vehicles in the Renault and Dacia eco² range now include more than 7% recycled plastics. This proportion increases to 15% for the top-selling version of Clio IV.

To extend this approach to other materials, in 2012 Renault started collaborating with other automotive manufacturers to establish a shared, standardized methodology for calculating the proportion of recycled materials used on vehicles.

In 2012, in addition to its traditional standard exchange activity, Renault launched a new after-sales range of refurbished parts. In May 2012 the Renault sales network in France began offering second-hand exterior parts (hoods, fenders, headlamp units, etc.) collected from the network of dismantlers and selected by Gaïa. This service is available to customers whose vehicles are not economically repairable using new parts. In principle, some 5,000 vehicles will avoid scrappage between now and 2015 thanks to the use of refurbished parts.

2.3.2.7 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 implements specific management strategies when there is suspicion of past pollution. This policy applies to operational production plants, former production plants converted to other uses and the RRG distribution network. Renault aims to maintain in-house skills in prevention of soil pollution and remediation.

In 2012 Renault's production plants, engineering and logistics sites, and head office represented a total area of 28,069 acres, 50% of which are impervious surfaces such as buildings, parking lots, roads, and paths. The proportion of impervious surfaces did not change significantly from the previous year.

PREVENTION

The prevention policy at industrial sites is based on three key tools. A risk rating grid is used to assess the risk of pollution associated with existing facilities and reinforce the level of protection by prioritizing rehabilitation work required. In the case of new production facilities, the soil pollution prevention guide sets out protection measures to apply to each type of facility. These two tools are used at all Renault's industrial sites worldwide. The prevention policy ultimately relies on monitoring of the composition of groundwater. This monitoring, which is mandatory for all industrial sites in France, is also carried out voluntarily by Renault when potential sources of pollution have been identified, to ensure that pollutants are not moved to sensitive areas.

In 2010 and 2011 all French sites in the RRG distribution network were equipped with long-term prevention tools, and oil and fuel are now stored aboveground or in double-wall tanks fitted with alarms and safety trays. Priority prevention methods, such removing simple underground tanks and replacing them with aboveground or double-wall storage tanks, are currently being extended to the European RRG network.

REMEDIATION

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. There are three aspects to the pollution management policy:

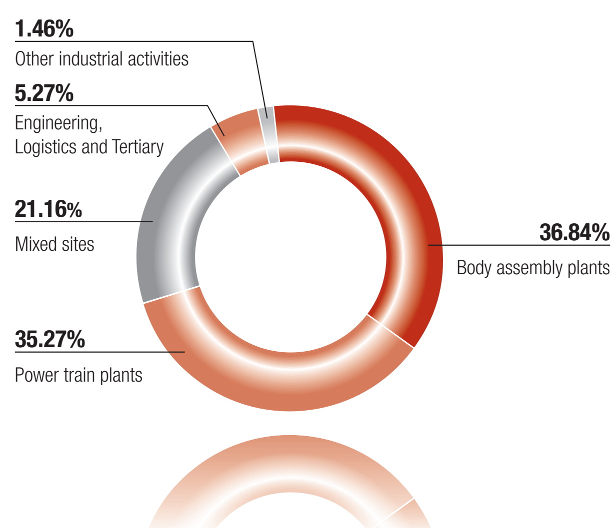
- historic and documentary research, including an analysis of the site's vulnerability, has been carried out for operational production plants, former production plants converted to other uses and the RRG distribution network. Updated as required, this research identifies potential sources of pollution and assesses the associated health and environmental risks;
- a physical diagnostic of soils is carried out on-site depending on the results of historic and documentary research;
- remediation work is undertaken if the pollution sources and risks are confirmed by the diagnostic. These operations are carried out by specialist service providers with recognized expertise, under the supervision of the Renault soil specialist.

RRG uses the same assessment method to clean contaminated soils on former oil and fuel storage sites, even when this contamination is due to the former owner. Between 2008 and the end of 2012, 20 sites were the subject of completed or ongoing remediation work.

2.3.2.8 WATER RESOURCES ✦

In 2012 Renault consumed 11,54 million m³ of water at its production plants and the main engineering and office sites, excluding the Renault Retail Group sales network (see appendix in appendix 2.8.1.1).

BREAKDOWN OF WATER CONSUMPTION BY ACTIVITY IN 2012



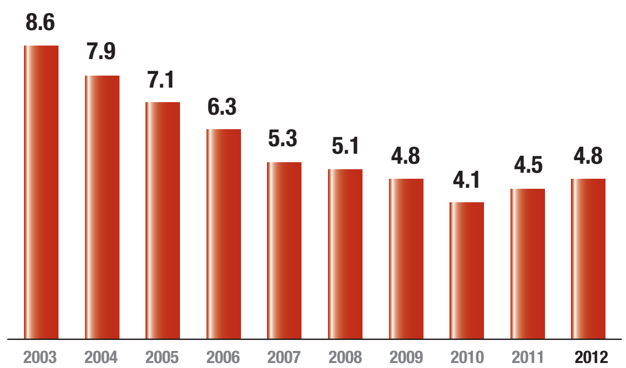
Scope: all production plants and the main logistics, tertiary and engineering sites, excluding the RRG commercial network (reporting scope described in appendix 2.8.1.1).

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.

The Group has cut their water consumption by around 45% since 2002, nearly halfing the amount used per vehicle produced.

WATER CONSUMPTION PER VEHICULE PRODUCED (GROUP)

(in m³ / vehicle)



Scope: all production plants and the main logistics, tertiary and engineering plants, excluding the RRG commercial network (reporting scope described in appendix 2.8.1.1).

MANUFACTURING

Metals from industrial activity found in residual waste flows are down 51% in relation to vehicle production between 2002 and 2012. In 2012 manufacturing one vehicle generated average waste of 3.71g of metal.

Strategy and outlook

Despite the progress and efforts made over the past 10 years, the quantity of water consumed per vehicle remains significant. Protecting water resources is therefore an ongoing concern for Renault, which aims to reduce the impact of its activities by pursuing the following 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 (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. In 2012, for example, a new biological treatment plant was set up at the Le Mans plant (France) to improve the quality of effluents discharged into the River Sarthe;
- objective 5: control the risk of any accidental pollution of water resources by installing resources to confine accidental spillage and fire extinction water.

The Renault group has set the target of reducing water withdrawals from natural resources by 45% by 2016 compared with 2005, and reducing its metal waste by 60% compared with 2005.

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.

The target of zero industrial effluent discharges at powertrain plants involves treating aqueous liquids from machining and washing processes either as waste treated in the appropriate sector if volumes are low, or by evaporation in order to recycle the distillate, purified water, in processes. The concentrate, semi-solid matter from evaporation residue, is then transferred to an appropriate waste treatment system. In 2012, out of the 13 Renault powertrain plants, six achieved zero industrial effluent discharges, two partially achieved zero discharges *via* partial treatment by evaporation, and the Le Mans plant (France) achieved zero discharges within the limits of its machining and washing processes.

At body assembly plants, recycling technology is more complex to implement because of the large quality of water required for the manufacturing processes: surface treatment and e-coating. In a zero-discharge plant, the purified effluent is treated by reverse osmosis and evapo-concentration so that it can be reused in the industrial process. This procedure also minimizes waste production.

The Tangiers body assembly plant (Morocco), which opened in February 2012 in a zone subject to hydric stress, is equipped with all the advanced technologies necessary to recycle wastewater from the manufacturing process in order to obtain zero effluent discharges. The site has been designed to reduce water withdrawals by 70% when operating at maximum capacity and to 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 2,500m³). This performance was not fully achieved in 2012, since the Tangiers plant was at the startup and break-in phase.

Renault's expertise has been put to good use in the context of the Alliance with Nissan. The joint Renault-Nissan Alliance plant in Chennai (India), located in a region subject to hydric stress, has a rainwater recovery and recycling system and produces no wastewater of industrial or sanitary origin. Designed by Renault engineering, this water management system reduces water withdrawals from the ground by 60% compared with a standard plant.

SALES AND AFTER-SALES

In the sales network, most water consumption is for sanitary uses and, for those sites which have one, vehicle washing systems. In 2011 consumption by RRG France sites was estimated to be 209,240m³.

Sites in the sales network are connected to the public water mains. Most RRG sites are equipped with hydrocarbon separators to reduce discharges into public sewers.

✦ Global Reporting Initiative (GRI) Directives

2.3.2.9 BIODIVERSITY

Protecting the biodiversity of species and ecosystems requires specific measures such as protecting habitats and combatting the overexploitation of species, as well as reducing polluting emissions into the water, air and soil making up the ecosystem. Renault's continuous efforts to mitigate the environmental impact of its activities and products (see previous chapters) therefore help combat ecosystem depletion.

Renault also takes special measures to protect biodiversity. Industrial projects involving the construction or extension of plants are assessed to measure their impact on surrounding ecosystems. This assessment was carried out for the Tangiers plant inaugurated in 2012. In Brazil, Renault went even further in 2008 when, with the agreement of the local authorities, it established a plan to protect and manage biodiversity on part of the land acquired for its industrial site in Curitiba. Out of a total area of 2.5 million m², 60% is devoted to the conservation of an area of virgin forest. This virgin forest, made up mainly of araucarias, a species of pine threatened with extinction and protected under Brazilian law, houses more than 170 animal species.

2.3.2.10 ECO² BRANDS – AN ENVIRONMENTAL LABEL FOR THE GENERAL PUBLIC

The Renault eco² label was launched in 2007 to highlight the most ecological and economic cars in the range. This initiative is part of the ambition to initiate a dialogue with customers regarding progress achieved by Renault at every stage in a vehicles life. Renault eco² vehicles meet three environmental criteria in terms of manufacturing, use – in terms of CO_2 emissions – and recycling.

In October 2008 the Dacia brand launched its own label, Dacia eco², based on the same scoring criteria as the Renault label. In March 2010 Renault also introduced an eco-label for light commercial vehicles, based on the same criteria for production and recycling, but with an adapted emissions threshold (195g CO_2/km).

In 2011 Renault tightened the eligibility criteria for the eco² label for passenger cars and LCVs. At the end of 2012 72% of passenger cars in the Renault and Dacia ranges sold in Europe are available in a version carrying the eco² label.

CHANGE IN RENAULT ECO² AND DACIA ECO² CRITERIA – PASSENGER CARS AND LCVS

	2007-2011	SINCE 2011
Manufacturing	ISO 14001-certified plant	ISO 14001-certified plant
Use	140g CO_2/km	120g CO_2/km
Recycling	95% recyclable 5% recycled plastics	95% recyclable 7% recycled plastics

2.3.3 CROSS-COMPANY MANAGEMENT OF ENVIRONMENTAL ISSUES ✦

The following key events illustrate how these issues were managed in 2012 across the vehicle life-cycle:

Supplier chain	- Publication of the Renault Green Purchasing guideline setting out expectations in terms of environmental management, substances and recycling policy in relation to delivered parts and materials and management of chemical preparations used in industrial processes by Renault's suppliers.
Manufacturing	- Inauguration of the Tangiers plant (Morocco) designed to reduce its environmental impacts as much as possible - Establishment of a supply of steam to the Sandouville plant (France) from the combustion of waste - Appointment of an expert and energy and environment consultants for the manufacturing scope - ISO 14001 certification of the Tangiers plant and the Titu technical center (Romania)
Transport	- Ranking of logistics service providers by environmental performance and establishment of a progress plan with pilot providers - Appointment of an energy and environment expert for the global logistics scope
Use	- Clio IV equipped with a diesel dCi 90 Stop & Start engine certified at 83g CO_2/km - Sale of first vehicles fitted with the eco-mode and in-car eco-driving assistance tools - Continuation of training of Renault employees and customer companies in Driving eco² - Twizy Way, a car-sharing service in Saint-Quentin-en-Yvelines (France)
End-of-life	- Test of industrial uses of noryl (a very high performance plastic) containing 6% recycled material - Agreement between automobile manufacturers and tire manufacturers regarding organization of the system for collecting and recycling end-of-life tires - Launch of marketing of refurbished parts for economically unrepairable vehicles

2.3.3.1 ENVIRONMENTAL ORGANIZATION

The focuses of Renault's environmental policy are debated and decided by the Group's Operational Committee and Executive Committee at the proposal of the Environment Director. The Strategic Environmental Planning department (DPE) has 14 members responsible for the preparation, deployment and monitoring of implementation of the environmental policy in the various sectors of the Company. The Strategic Environmental Planning department is attached to the Group Corporate Strategy and Planning department (DSPG) and draws on a wide network covering all the Company's functions.

The DPE relies on a network that spans all the company's functions. For instance, the industrial environmental network is composed of a specialized department at the Manufacturing and Supply Chain division and correspondents in each plant. Likewise, the recycling network brings together teams, supervised by a Group coordinator, that are active at the design, manufacturing and after-sales phases. Since these are highly technical issues, the members of the environmental network are often part of the expertise areas set up by Renault since 2010. The DPE works closely with the Group's expert leaders, particularly in two fields: "energy, environment and raw materials" and "vehicle CO_2" (see 2.2.2.4 for more information).

The Vice-President, Strategic Environmental Planning, is also President of the subsidiary Renault Environnement, a fully owned subsidiary of Renault s.a.s., set up in 2008 to develop partnerships and stakeholdings in the area of the environment and sustainable development. Renault Environnement also operates in the following fields:

- recycling of end-of-life vehicles (*via* Indra, a joint venture with Sita);
- management of industrial waste from plants (Boone Comenor Metalimpex);
- re-use of parts and materials *via* recycling systems or *via* the sale of refurbished parts (the subsidiary Gaïa);
- training in eco-driving (in partnership with Key Driving Competences between 2009 and 2012 and with ECF).

2.3.3.2 ENVIRONMENTAL MANAGEMENT DURING THE LIFE-CYCLE

DESIGN

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 products

Eco-design means designing a vehicle so as to reduce its environmental impacts throughout its life-cycle (manufacturing, use and end-of-life). Renault's policy is to incorporate the environment into the usual development processes which structure designers' work, as well as the work of components and materials suppliers.

Eco-design of Renault and Dacia vehicles particularly involves:

- cutting fuel consumption and emissions, which reduces environmental impacts during use;
- recycling 85% of end-of-life vehicles by weight and reusing 95% of the recycled material;
- using recycled materials;
- removing potentially toxic substances when a technical alternative is available;
- including eco-driving assistance tools in the vehicle.

The vehicles launched in 2012, particularly Clio IV and ZOE, the flagships of Renault's environmental ambitions, fit in perfectly with this eco-design approach.

Clio IV and ZOE thereby contribute to achieving Renault's average emissions reduction targets (see chapter 2.8.1.3). Like the rest of the electric range, ZOE has zero emission during use. Meanwhile the performance of the diesel version of Clio IV, fitted with the Energy dCi 90 engine and Stop & Start, has been certified as market-leading, with consumption of 3.2l/100km and emissions of 83g CO_2/km. The petrol version of Clio IV, with the new Energy TCe 90 and Stop & Start, comes in under the 100g CO_2/km mark, with emissions of 99g CO_2/km for consumption of 4.3l/100km.

Similarly, Clio IV features increased use of recycled plastics, resulting in less use of raw materials. Manufactured in Flins (France), Clio IV contains 27kg of recycled plastics, compared with 19kg on Clio III. That represents more than 15% of the vehicle's total plastic by weight. ZOE, meanwhile, includes 10% (17kg) recycled plastics. As with all Renault and Dacia vehicles, Clio IV and ZOE are at least 85% recyclable and 95% reusable.

Finally, both Clio IV and ZOE feature an increased number of eco-driving assistance tools. Both have driving style indicators on the dashboard. The R-link in-car tablet's Driving eco² function supplies all the information necessary to reduce fuel consumption. Finally, Clio IV and ZOE drivers can activate eco mode at the press of a button. By adjusting the vehicle's performance, eco mode can reduce consumption by up to 10%.

Considering that 57% of a vehicle is made from purchased parts, eco-design relies largely on our suppliers' involvement and cooperation, managed by the Purchasing department and the Renault-Nissan Purchasing Organization (see chapter 2.5.2).

LOGISTICS

In 2010 the Renault logistics function set up an organization to improve environmental performance. This organization, headed by the logistics environment manager, draws on a network of correspondents, made up of one correspondent per country in which Renault operates and one for each of the departments directly involved in reducing logistics emissions, namely upstream logistics, downstream logistics and purchasing.

Management of the logistics environment is based on:

- measuring and monitoring greenhouse gas emissions;
- calculating financial impacts in relation to environmental performance (eco-taxes on heavy duty trucks and fuel costs);

- assessing the environmental performance of logistics service providers and ranking them;
- establishment of emission reduction measures, in partnership with service providers and all businesses concerned;
- regulatory and technology watch, to ensure the continuous progress and relevance of the solutions studied.

In 2012 the eco^2 Logistics tool for assessing environmental performance was sent to all logistics suppliers in Europe. Around 40% of upstream logistics suppliers and 22% of downstream logistics suppliers responded and submitted their results. Based on these responses, suppliers were ranked and priority progress areas were identified. A progress plan was established with several pilot service providers.

MANUFACTURING

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 more than 200 people in 13 countries and 47 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 of 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 Renault Retail Group 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;
- a documentary base of E & HSE (Energy and health, safety and the environment) 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. 32 manufacturing sites, and 11 tertiary, logistics and engineering. In 2012, the Tangiers plant (Morocco) and the Titu technical center (Romania) received ISO 14001 certification.

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 describe 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 plans contribute to the dialogue between industrial strategy, engineers, building planners and plants, by defining targets and levers 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 the requirements of the ISO 14001 standard as well as the Group'own main internal standards on the protection of the environment, people and installations. Internal audits have two objectives. Firstly, to ensure that the ISO 14001 standard is being applied, and secondly to pursue the progress made at sites over the long term and to organize environmental management. An internal audit serves to inform plant management on site performance, the status of their program and its implementation. It also guides progress initiatives. Internal audits are therefore conducted by members of the industrial environment network (plan environment managers and business specialists), which allows joint audits between plants, encourages exchanges of best practice between plants and accelerates consultation between different functions in order to identify solutions and improve performance. Today, the network has approximately 80 internal auditors trained by Renault.

VEHICLE USAGE

Life-cycle assessment studies show that more than 70% 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

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 standardized certification cycles, which are not representative of all possible driving conditions (no heating or air-conditioning, no traffic congestion in urban and suburban cycles). The actual consumption observed by a typical driver may be above 20% according to driving type. Drivers'change in behavior through eco-driving enhances the progress made through the introduction of technologies.

To encourage the adoption of new ways of driving, Renault has created an ambitious program called Driving eco^2. This program explores two complementary progress areas: the range of in-car tools and the range of services.

In-car eco-driving assistance tools take the form of information provided on the dashboard and/or the multimedia system (R-link, Medianav or smartphone). As well as the gear-change indicator (GSI) introduced on Laguna III in 2007 and mandatory on new models since 2012, the most recent Renault models offer an innovative range of new features:

- the driving style indicator, which tells drivers in real time whether they are practicing eco-driving;
- the journey report, which provides an eco-score based on 100 points, as well as three specific assessments based on eco-driving criteria (acceleration, speed and anticipation) to improve the focus of eco-driving behavior;
- eco-coaching, which provides the driver with personalized advice on the basis of the scores obtained;
- eco-route, which calculates the most fuel-efficient route for any given journey.

In 2012 these eco-driving assistance tools were offered for the first time on Clio IV and ZOE. Renault also introduced a new tool, eco-mode, on these two vehicles. Activated with the press of a button, eco-mode changes the vehicle's performance and regulates thermal comfort to cut fuel consumption by up to 10%. The tool is also available on the Dacia range, New Sandero and New Logan. All of these features will be available on every new ICE and electric vehicle in the Renault and Dacia ranges.

In terms of training, in 2009 Renault took the initiative of developing an eco-driving simulator to train the general public. The eco-driving simulator aims to teach a new style of driving. It shows drivers the scope for improving their skills at the wheel and provides key advice. In 2012, Renault launched the same principle of eco-driving simulators on electric vehicles, available as an option on the four electric vehicles in the Renault range. These simulators and the advice offered are adapted to the specific nature of electric technology and are designed to maximize battery power.

Training of Renault employees, which began in 2009, continued in 2012. Nearly 900 employees have followed the course since its launch. However the Belgian company Key Driving Competences (KDC), Renault's partner for the eco-driving training since 2009, decided in 2012 to withdraw from the training market in order to focus on other activities. Renault is working on restructuring the training course with École de Conduite Française, a nationwide driving school that is already one of Renault's safety partner. The Driving eco^2 ICE and electric training courses were launched with this new partner at the end of 2012. Training is available in France, Spain, Morocco, and Poland.

As a result of in-car tools and the application of eco-driving advice, consumption of gasoline, diesel or electricity can be cut by up to 25%, depending on driving style. For an electric vehicle, this means around 30km of extra battery life.

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. The sales network also provides the first contact with customers in terms of products, values and brand identity. That is why the primary sales network, comprising the sites of the Renault Retail Group subsidiary and private dealerships, is undertaking environmental management in order to preserve the value of its assets as well as Renault's brand image.

RRG, the distributor of Renault, Dacia and Nissan brands in 13 European countries, established an environmental management policy in 2007. An RRG environment coordinator is responsible for training and coordinating a network of environment correspondents in France and Europe. Since 2011, RRG in France has carried out reporting on the environmental impacts of its sites (consumption of water and energy and production of waste).

Renault also supports its network of dealerships and agents. In France, the Sales & Marketing department (DCF) provides information and coordinates exchange of best practice through annual Environment Club meetings in each regional center. RRG environment coordinators participate and contribute to these clubs.

Since the business is small, the sales network has not applied for ISO 14001 certification. However, the Renault Sales & Marketing department in France conducts environmental audits based on a reference system drawn up with the RRG environment coordinator and the Renault group's environment specialists. In 2012 these audits covered 100% of the primary sales network, including RRG and private dealerships.

VEHICLES IN 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.

✦ Global Reporting Initiative (GRI) Directives

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 TRAINING

Renault offers its employees environmental training and information adapted to their role and their needs.

Plant employees receive workstation training, including environmental aspects, particularly chemical risks arising from handling, storage and spills. Awareness-raising initiatives in the form of poster campaigns and practical workshops are organized regularly. Most plants for example, use waste-sorting Dojos, workshops providing an opportunity to practice sorting rules with waste from day-to-day activities.

In the engineering functions, employees have access to training linked to their business, provided in the form of standard modules (*e.g.* training for ISO 14001 auditors or design of recycling systems) or training provided by a specialized external organization if a specific skill is required.

In France, Renault employees also have access to eco-driving training for ICE vehicles and, since 2012, for electric vehicles. Approximately 900 employees received training between 2009 and 2012.

2.3.3.4 ENVIRONMENTAL COMMUNICATION ✦

In a media environment dominated by debate over the actual benefits of particular technical solutions, on the one hand, and recurring accusations of greenwashing on the other, communications about the environmental quality of companies'products and progress is a genuine corporate and social challenge.

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. Renault has included sustainability data, including environmental information, in its Registration documents since FY 2002.

COMMUNICATING ON ENVIRONMENTAL IMPACTS

Since 1999 environmental data from Automotive's industrial, engineering and logistics sites, collated in chapter 2.8.1.2, have been verified by the Renault group's statutory auditors. For 2012 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.

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 2.8.1.3. Furthermore, in 2011 and 2012, a committee of five international experts carried out a critical review of the methodology adopted by Renault to measure the environmental footprint of electric vehicles.

In 2007 the environment became a strategic priority in marketing and communications, 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. Renault carries out strict monitoring of the veracity of information used for advertising and marketing purposes.

Finally, to promote discussions around the main themes of mobility (life-cycle, electric mobility, eco-behavior, recycling, means of transport, etc.), since 2010 Renault has sponsored www.eco-mobility.tv, a web TV station produced by Alternative Channel. This represents a platform for sharing knowledge and dialog between various stakeholders, including environmental NGOs, bloggers, mobility companies and manufacturers.

COMMUNICATING WITH EMPLOYEES AND THEIR REPRESENTATIVES

Renault communicates with employees on environmental themes at events to launch new products and services (presentations, exhibitions and vehicles tests), technological innovations (Innov'days) and special events such as Environment Day, Challenge Bibendum, and Rio + 20 Summit. Regular publications in Group in-house communication media promote Renault employees'commitments and progress made in the environmental field.

In 2012 the main focus of internal environmental communications was the Z.E. range, the performances of Clio IV and the range of Energy engines.

A virtual community called Environment Web 2.0 was also set up in 2012 to allow interactive communication with all employees, whether members of the environment network or not. This community replaces and expands the scope of the internal blog dedicated to the manufacturing environment created in 2008.

COMMUNICATING ON LOCAL AND REGIONAL ACTIONS AT THE PLANTS

Communications about Renault group initiatives also include environmental information sheets specific to each site. Published on the Internet, these sheets are designed to encourage discussions between local players. In 2013 they will be converted to a briefer format, also available on the Internet.

COMMUNICATING WITH CORPORATE CUSTOMERS

The Corporate Sales Division offers a specific range of products and services to respond to professional customers'needs in terms of sustainable mobility and reducing their environmental footprint.

For corporate customers, Renault favors vehicles with attractive specifications and optimal running costs, notably in terms of fuel consumption and CO_2 emissions. Some countries use a seal of approval, e.g. Business eco² range in France, Ecobusiness in Italy, so that the most efficient vehicles can be rapidly identified. To make the best use of its vehicles'emissions reduction potential, Renault offers professional customers training in eco-driving as well as a suite of onboard telematics, Fleet Asset Management (FAM). Launched in France in 2012 FAM provides managers of company fleets with remote access to data regarding vehicle use, allowing them to monitor employees'eco-driving behavior and emissions from with their journeys. It is offered in addition to the Driving eco² training. In 2012 nearly 1,000 employees from five of Renault's corporate customers in Europe took the Driving eco² training.

The Corporate Sales Division also sends specifically targeted communications to companies concerning the environmental performance of Renault vehicles. In 2012 a Quality Safety Environment sales brochure was developed and made available to professionals, who were also able to test electric vehicles and Energy engines at the Business Days organized in July 2012 (around 300 customer test drives) and throughout the year at the Z.E. Center in Boulogne-Billancourt (France). In addition, 35 of Renault's corporate customers in Europe were invited to visit ZOE assembly lines in Flins (France).

Kangoo Z.E. appeals to companies

At the end of 2011, following a long 18-month selection process, Renault won the call for tenders launched by a French consortium of 19 companies and local authorities interested in low-carbon mobility. In all, 15,637 Kangoo Z.E. will be delivered over four years, including 10,000 to La Poste, 1,500 to ERDF, and 500 to UGAP (France's central public procurement office).

2.3.3.5 SHARING AND DEVELOPING KNOW-HOW THROUGH INNOVATIVE PARTNERSHIPS

Along with dozens of other manufacturers, Renault is a committed member of Prorecyclage, a not-for-profit organization. Prorecyclage's objective is to forge links between companies in order to find new processes and solutions and thus to increase the recycling rate. Renault is also a member of several corporate associations enabling the development and funding of research topics of joint interest: CREER for eco-design, RECORD for recycling and SCORE-LCA for life-cycle assessment.

Renault works with academic and industrial partners to conduct specific research projects into the recycling of materials used to manufacture vehicles (glass, polyamide, etc.). In France, some of these projects are incorporated into national research programs coordinated by the Ademe (French Environment and Energy Management Agency) and the ANR (French national research agency).

Renault is a founding partner of the Ellen MacArthur Foundation, which aims to construct a positive future by accelerating the transition to a circular economy. Renault therefore works alongside the foundation to raise young people's and employees'awareness, share its experience with companies, develop scientific knowledge about the circular economy, etc. In 2012 Renault contributed to the report by McKinsey and the Ellen MacArthur Foundation on the economic opportunities offered by the circular economy. The Ellen MacArthur Foundation is particularly interested in *Économie Circulaire Compétitive*, a project led by Renault, and helps disseminate the principles of the circular economy to Renault employees.

At a local level, Renault is a member of the "Greater Paris Club for Sustainable Development", a forum for sharing best practices between small and medium-sized companies in the Paris region and large companies. Set up in 2005 by the Paris region regional directorate for industry, research and energy (Drire), the club disseminates the principles of the UN Global Compact concerning the environment, human rights, labor standards and the fight against corruption.

Finally, Renault demonstrated its commitment to developing innovative economic partnerships by founding the subsidiary Renault Environnement (see chapter 2.3.3.1).

2.4 SOCIAL COMMITMENT ✦

In line with its vision, values and core business, Renault carries out social initiatives under the central management of its Corporate Social Responsibility department (DRSE), reflecting the responsibility of an automobile manufacturer linked to its activity, and its vision of sustainable development:

- sustainable mobility;
- road safety;
- education;
- diversity.

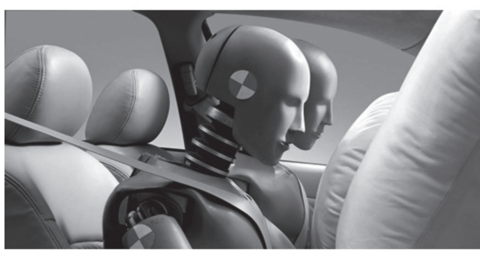
To ensure its initiatives are coherent and in line with these themes, DRSE also relies on a cross-functional committee of representatives of the main departments and geographical Regions, as well as a cross-functional network of CSR correspondents in all countries in which Renault operates.

AUTO-RELATED SOCIAL CHALLENGES

HUMAN CHALLENGES IN A GLOBAL COMPANY

SUSTAINABLE MOBILITY FOR EVERYONE

DIVERSITY



ROAD SAFETY

EDUCATION

CHANGEONS DE VIE
CHANGEONS L'AUTOMOBILE

These social initiatives, benefitting stakeholders outside the Company, are balanced by initiatives aimed at employees and suppliers with a view protecting them or encouraging individual and collective development, as well improving Group performance. The latter initiatives complement the commitments made by the Group in relation to sustainable mobility for all, through its processes, products and services.

Social initiatives are carried out with local partners, working as closely as possible to communities, helping the Group's entities to develop local roots and promoting the socially and economically responsible development of its operating regions.

The social aspect of the Renault group's CSR policy includes programs and projects implemented on two levels:

- globally, with coordinated management and implementation tailored to the environment by local representatives in subsidiaries;
- locally, *via* subsidiaries and sites, in order to respond to specific local challenges and expectations in consultation with central teams.

All information about these initiatives is fed back to DRSE for centralized reporting.

CENTRALIZED REPORTING OF SOCIAL INITIATIVES

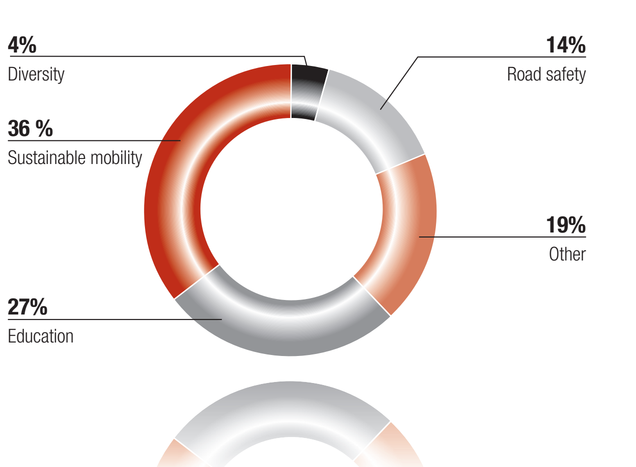
The Renault group gave €21.6 million to support social initiatives in 2012. This amount is based on annual reporting by Renault subsidiaries worldwide as well as all sites in France. A detailed breakdown is attached as appendix 2.8.2.

The initiatives identified:

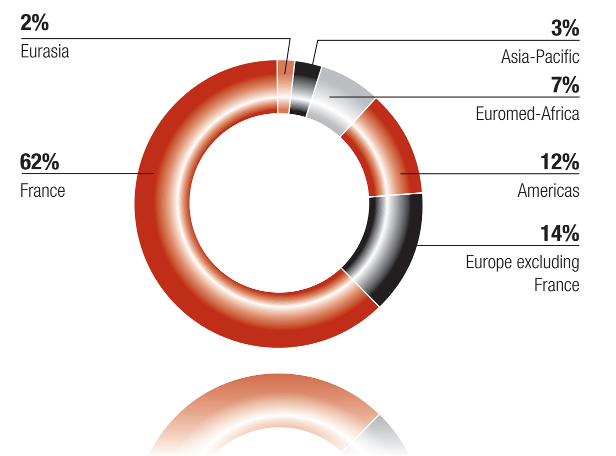
- cover all four themes of the CSR policy: education, diversity, sustainable mobility and road safety;
- are segmented into three categories corresponding to the LBG (London Benchmarking Group) model: patronage, community investment and CSR sponsoring;
- include those resulting from the website which centralizes support requests submitted by charities;
- include financing allocated to the Group's corporate foundations and to central social programs.

SOCIAL INVESTMENTS BREAKDOWN

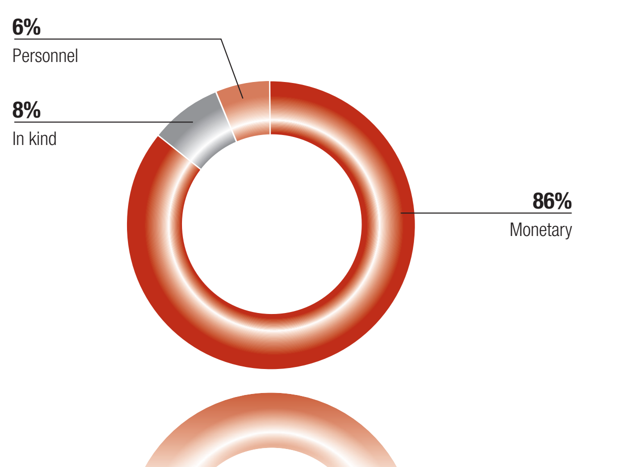
BY PRIORITY THEME



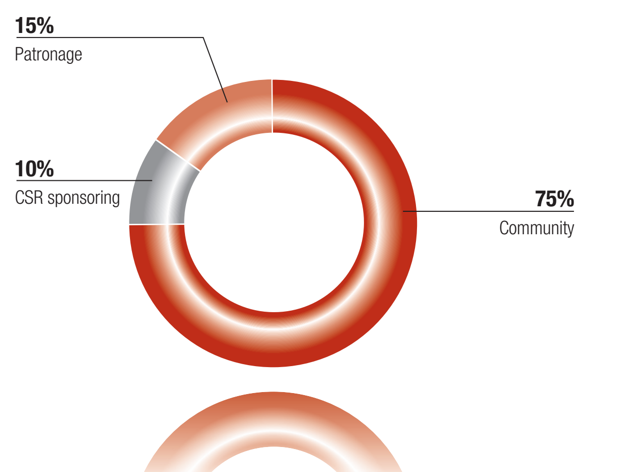
BY REGION



BY TYPE OF DONATION



BY TYPE



A total of 360 social initiatives were identified in 32 countries.

- 81% of these initiatives address one of the Group's four main social responsibility themes;
- 75% of the initiatives supported relate to "community investment";
- Europe (27 countries) accounts for 76% of social investment;
- France represents 62% of the total amount.

2.4.1 GLOBAL PROGRAMS AND INITIATIVES IMPLEMENTED FOR EACH OF THE FOUR THEMES ✦

2.4.1.1 SUSTAINABLE MOBILITY AND ROAD SAFETY FOR ALL

"The challenge facing Renault, a responsible carmaker and a pioneer of responsible mobility for all, is to develop mobility solutions accessible to the greatest number, to design innovative technologies such as electric vehicles with zero emission during use, and to ensure minimal consumption of energy and raw materials. It also involves supporting changes in behavior and practices. Finally, it involves inventing tailored economic models which contribute both to the long-term future of the Company and also the creation of value-added for the relevant stakeholders."

RENAULT MOBILIZ PROGRAM

www

The Renault Mobiliz program aims to promote mobility as a way of entering and returning to the employment market. It was initiated in 2010 and launched in France in July 2012.

Renault Mobiliz is a social business-inspired program designed to facilitate access to mobility for vulnerable groups in society. It involves offering them services such as vehicle hire and maintenance at preferential rates. The program was drawn up in collaboration with partners from the non-profit sector, the academic world and public agencies.

✦ Global Reporting Initiative (GRI) Directives

contents 1 2 3 4 5 6 7

Renault demonstrated its commitment by setting up an investment company, Mobiliz Invest s.a.s., to finance innovative structures developing mobility solutions for people in difficulty. Renault invested €5 million in the company's capital.

The corporate governance structure of Mobiliz Invest s.a.s. is made up of a Supervisory and Guidance Committee, chaired by Carlos Ghosn, and a Management and Investment Committee, chaired by the Executive Vice-President France.

These two governance bodies engage in a permanent process of stakeholder dialog (see chapter 2.5) and provide in-depth, long-term supervision and dissemination of the program's initiatives within Renault.

From its first year, Renault Mobiliz carried out work in the following areas:

- funding a two-fold increase in the number of mobility hubs managed by the non-profit organization Voiture & Co. (SOS Group). These hubs assist approximately 1,000 people looking for or returning to work each year, offering them mobility solutions according to their specific needs. These solutions range from individual support to low-cost hire of various means of transport;
- services offered by Renault Solidaires Garages: 10 garages (dealerships or agents) in the Renault network have volunteered to help give people on low incomes affordable access to the Renault network's quality after-sales services. This project is currently at the pilot phase;
- support for the "Enterprise & Poverty" Chair at HEC Paris, a business school, to share knowledge about social business, discuss best practices with others committed to this approach, and enhance development expertise in this field.

Mobiliz (www.renault-mobiliz.com) aims to be widely implemented across the Company. It is a strong source of motivation among employees, many of whom are proud of Renault's support for the least well-off.

THE SUSTAINABLE MOBILITY INSTITUTE: A COMPREHENSIVE APPROACH

It was from this perspective that Renault, the Renault Foundation (see chapter 2.4.1.2) and ParisTech decided in 2009 to team up to carry out research and teaching in relation to the massive transformations in passenger transportation by founding the Sustainable Mobility Institute.

Other French and international companies and university institutes that wish to take part in the research may also partner with the Sustainable Mobility Institute. Exchanges take place regularly with the VeDeCom Institute of Excellence, which has a large number of industrial, academic and local authority partners. The Sustainable Mobility Institute has also initiated targeted partnerships with industrial companies (Grupo Antolin and Umicore), the *Observatoire du Véhicule d'Entreprise* (a non-profit organization supported by BNP-Paribas and Arval), non-ParisTech research teams (*Institut des Matériaux* in Nantes, Observatoire des Emergents, University of California at Berkeley, and Supelec) as well as chairs at ParisTech and its schools, including the Chairs in sustainable development modeling and social business.

In 2012 research subjects were launched about India and the United States, where the Sustainable Mobility Institute did not previously collaborate with Renault teams, while the institute's work about China was reinforced.

The 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 and new concepts and business models targeting sustainable mobility. From its creation in 2012, the Sustainable Mobility Institute worked with Renault Mobiliz to incorporate the "Social innovation and sustainable mobility" theme into its teaching and research program;
- 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;
- the Sustainable Mobility Institute also offers ParisTech researchers and students a special communication forum – www.mobilite-durable.org. This website, launched by Renault in French and English in September 2009, is visited by more than 56,000 people a year. It is dedicated to action and innovation combining means of transport, accessibility and sustainability around the world. ParisTech researchers and students contribute to developing the site's contents by publishing the results of their discussions in the form of blogs and articles, as well as by offering documentary resources.

The Sustainable Mobility Institute research program has four parts:

THEME	ACADEMIC PARTNER	OBJECTIVE
System-based approach to electric mobility	Ponts ParisTech Mines ParisTech Polytechnique Paristech	To understand interactions between the mass circulation of electric vehicles and the regions where it occurs, as well as the infrastructure requirements
Business models for electric vehicles	Mines ParisTech Polytechnique Paristech Telecom ParisTech	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	Mines ParisTech Ponts ParisTech	To study, on an international scale, the conditions for moving from the current system of automotive transport to electric vehicles
Technology	Polytechnique ParisTech Chimie ParisTech Mines ParisTech Ensta ParisTech	To contribute to further progress in rapidly improving battery technologies, as well as some streamlining or architectural optimization technologies

Each research area is managed as a project. The Institute organizes twice-yearly seminars aimed at allowing everyone involved at ParisTech and Renault to discuss research findings and at encouraging cross-fertilization and exchanges of ideas. In addition to these activities, a founders' committee meets annually to assess work carried out and approve the program for the coming years (the last meeting was held in October 2012). Since the Institute's launch, six days of seminars have been held, each with more than 50 participants from Renault and ParisTech.

The Institute's work during its first years make it possible to assess 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 changes in mobility practices while providing new ideas on ways to work with stakeholders such as governments, local communities and electricity suppliers;
- expertise that complements the Company's competencies on technically complex subjects.

Meeting in September 2012 the founders' committee concluded that this partnership between Renault and ParisTech was meeting the partners' expectations. In relation to research work, the Sustainable Mobility Institute allows ParisTech research teams to construct ambitious and highly visible research programs. The Sustainable Mobility Institute offers Renault teams the benefit of responsive collaborative projects, examining precise needs identified by the Company. The teaching aspect allows the schools to adapt their training to the new needs identified in the field of sustainable mobility, ensuring significant student involvement in projects carried out by ParisTech laboratories and companies in the sector.

ROAD SAFETY CHALLENGE ✦

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. Unless concerted and effective action is taken, the WHO predicts that the number of annual road fatalities will reach 1.9 million in 2020.

DECADE OF ACTION FOR ROAD SAFETY 2011-2020 SUPPORTED BY RENAULT

Addressing challenges internationally

The Renault group's international expansion is accompanied by the design of vehicles meeting regulations and security requirements in these 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, transferring its own know-how and gaining local expertise from local laboratories and universities, and other key players in road safety.

The study of accidents and risk factors in host countries was formerly used only for vehicle safety specifications. Now it will enable Renault to respond to these risks through targeted social programs. Most of these programs are run in partnership with governments, private-sector partners and civil society.

A twofold response

To fully assume its responsibilities, Renault has made a twofold commitment:

- through its products: based on an analysis of observed risks, it incorporates solutions and innovations into all its design, manufacturing and marketing processes in order to protect vehicle occupants and others exposed to road risks (pedestrians, cyclists, etc.);
- in society: the Company participates actively with governments and civil society throughout the world to help improve road safety. Both alone or in collaboration with other organizations, Renault works to raise awareness of road safety and facilitate transfer of competencies among road users and stakeholders.

✦ Global Reporting Initiative (GRI) Directives

RENAULT'S ROAD SAFETY POLICY ✦

Renault's road safety policy and actions combine vehicle technologies and social initiatives that are based on a five-pronged approach:

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

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.

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 are activated 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 nature and 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

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

Raise awareness

SAFETY AND MOBILITY FOR ALL
RENAULT

RAISE AWARENESS

Because it is important to learn the right habits from an early age, Renault continued its "Safety and Mobility for All" international road safety program during the 2011-2012 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 more than 14 million young people, and some 700,000 teaching kits have been 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, Brazil and Switzerland. A new arrival, Lebanon, joined in fall 2012.

Since the start of the 2011 school year, "Safety and Mobility for All" covers the themes of environmental protection and eco-mobility. It continues to be designed for elementary and middle-school children. The "Your Ideas Your Initiatives" competition invites children of all ages and nationalities to take responsibility for their safety and mobility and the international meeting in June 2012 saw the best projects rewarded.

GRSP – GRSI ✦

GLOBAL ROAD SAFETY PARTNERSHIP

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).

http://www.grsproadsafety.org

The GRSP is an NGO supported by the International Federation of Red Cross and Red Crescent Societies, combining government agencies, private-sector entities and civil society that work together to help emerging countries develop their own road safety capabilities, deploy best practices, and set up the multi-sector partnerships needed to effectively promote road safety.

In 2012 the GRSP worked in 35 countries around the world, directly reaching around 38 million people.

The GRSI is an international road safety program supported by five of the largest automobile and petroleum companies in the world: Renault, Toyota, Michelin, Total, and Shell. It was set up by the GRSP to respond to challenges identified in the “World report on road traffic injury prevention”.

In 2009 Renault confirmed its commitment to the second phase (2010-2014), which builds on the work done in Brazil, China and the ASEAN countries, and introduces projects from the GRSI and its members into Africa and India.

Renault continues to support 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. In 2012 Renault worked with the GRSP in Poland, Hungary, Romania, Brazil, Ghana and Morocco, including two wide-ranging campaigns during the World Series by Renault championships.

OTHER EXAMPLES OF RENAULT INITIATIVES

THEMES/PROGRAMS	COUNTRY	BENEFICIARIES	PURPOSE	MEANS
Training in responsible driving (CAR + safety)	France	Customer fleets	Re-teaching responsible driving techniques to our customers	One-day training course for our customers available anywhere in France through the French driving school ECF
Driving school and training in preventive driving	Worldwide	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. In 2012 children of employees at the Aubevoye Technical Center received this training
Service offering training for elderly drivers	France	Elderly drivers	Safely extending drivers’ independence	One day of specific theoretical and practical training to demonstrate changes in traffic conditions, road laws and vehicle equipment.

Prevention, correction, protection


PREVENT


CORRECT


PROTECT

Renault has long played an active part in road safety, long before it became the familiar media topic we know today. Its history in this field, from concept cars such as BRV and Epure, which were revolutionary in their day, to its numerous publications at renowned conferences, have resulted in an integrated approach to vehicle safety. Based on passive safety features that exceed well-publicized demands, such as all-round protection, and anti-submarining measures, the approach also includes assistance in normal driving conditions (Renault was among the first to pioneer speed limiters in Europe) so that drivers adopt appropriate on-the-road behavior.

These passive safety efforts will continue, particularly by stricter accident testing around the world. In addition, the future of driver safety now involves Advanced Driver Assistance Systems (ADAS), which Renault is encouraging high-end manufacturers to make widely available.

Thanks in particular to the Renault-PSA Peugeot Citroën Laboratory for Accidentology, Biomechanics and the Study of Human Behavior (LAB), as well as contributions from numerous international working groups, Renault has built up an accident database that provides extensive knowledge of what causes accidents and the ability to measure the effectiveness of safety systems 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 accident research-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 on Group vehicles.

In terms of general product safety, Renault has defined a general policy to be followed, based on:

- creation of a reference system of customer events considered by Renault to be potentially safety-related. This system is updated regularly;
- establishment of a structure with general product safety representatives in each of the large entities involved in product safety;
- creation of safety documentation for each project (“demonstration of safety risk control” documentation), covering engineering, manufacture, sales and after-sales. This documentation is created and validated according to specific rules and processes and signed by the Chief Technical Engineer of the relevant project and by the Renault leader expert in product operational safety and general safety;
- establishment and introduction of training/awareness-raising sessions for relevant Renault employees.

Aid


AID

In June 2012 Renault and the Fédération Nationale des Sapeurs Pompiers de France, the national firefighters’ federation, signed a partnership agreement. This sets out Renault’s voluntary undertaking to work with the emergency services to maximize their efficiency and safety whenever they are called to an accident involving a Renault vehicle.

Several measures have been implemented under this agreement:

- donation of 95 ICE and electric vehicles to firefighters to improve their training in the extraction of accident victims;
- training in accidents involving electric vehicles made by Renault and Nissan;
- production of specific Extraction from Vehicle Procedures for electric vehicles and written for the emergency services. These sheets have been made available on the Internet free of charge in the 11 languages and 27 countries in which electric vehicles are sold: http://www.infotech.renault.com/fo/accueil.action. An application for smartphones and tablets is also undergoing beta testing;
- fire and extinction tests have been carried out. The architecture of all electric vehicles currently being developed takes into account firefighters' specific needs. The knowledge acquired through this testing has been shared with Nissan and Daimler.

OTHER EXAMPLES OF RENAULT INITIATIVES

THEMES/PROGRAMS	COUNTRY	BENEFICIARIES	PURPOSE	MEANS
Twizy prototype for firefighters	France	Emergency services	Emergency services vehicle based on the Renault Twizy	Design of a Twizy emergency services prototype vehicle carried out by Renault Tech based on specifications supplied by the Paris fire department
Vehicle for training in accident victim extraction	France	Emergency services	Enabling repeated training in accessing victims	Production of a knock-down vehicle donated to firefighters in Yvelines (France) to train them in accessing victims without having to cut through the vehicle

In 2012 all these initiatives were recognized when Renault was presented with the Marcel Arnaud award for actions involving the emergency services over three years, at the "*Route et Médecine*" conference, organized by Automobile-Club Médical de France.

2.4.1.2 EDUCATION AND DIVERSITY

THE RENAULT CORPORATE FOUNDATION

The Renault Foundation, founded in 2001, is an exemplary initiative designed to create a permanent link between academic institutions (in France and the rest of the world) and the Company. It demonstrates Renault's strong commitment as a patron of higher education.

It carries out three activities:

- financing and joint creation of academic programs in partnership with prestigious universities in France and worldwide (*e.g.* Japan and Lebanon);
- the allocation of "foundation scholarships" (study and accommodation costs) to French and foreign students selected in partnership with partner universities located in around a dozen countries worldwide;
- financial support to other foundations dedicated to research and higher education (ParisTech Foundation) or to supporting deserving young French students from underprivileged backgrounds (Georges Besse Foundations, *Un Avenir Ensemble* Foundation).

The Foundation was renewed for five years in 2009, with a multi-year action program and a total of budget of €14,560,000 (or an average annual budget of €3 million).

On the academic side, the Foundation supported and financed seven training courses in 2012. These programs, developed jointly with its academic partners, are particularly focused on three research themes: multicultural management, sustainable mobility, and road safety.

The Foundation's role, in collaboration with its academic partners, is to anticipate new skills required.

It identifies young talents, then offers them training and support. For example, it 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 cover, the return trip between the country of origin and France, trips of economic and cultural discovery. Each year more than 70 scholarship students from 10 or more countries obtain qualifications through these innovative programs linked to the promotion of sustainable mobility, multicultural management and road safety.

The following seven programs were supported by the Foundation in 2012:

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	Paris-Dauphine University 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 electric 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
Road Safety Management Chair and Master's program (MANSER)	Lebanon, Morocco, Algeria, Egypt, Palestine	Management of road safety	Saint Joseph University (Beirut, Lebanon), Fédération Internationale de l'Automobile (FIA)	Research chair and 12 grants awarded to Master's students from universities in their home countries
Professional degree in Electric Vehicles and Electromobility (LPVEE)	France	Electric vehicle technology and recharging infrastructure	UIT Mantes in Yvelines (UVSQ)	Up to 20 apprentices from underprivileged backgrounds selected according to diversity criteria

SCHOLARSHIP STUDENTS GRADUATING IN 2012

Renault Polytechnique HEC Chair

The Renault Polytechnique HEC Chair in Multicultural Management and Company Performance was created in June 2007 as part of a partnership between *École Polytechnique*, *École des Hautes Études Commerciales* (HEC) and the Renault Foundation.

Open to students from these two leading academic institutions, its objective is to develop their capacity for understanding and implementing ways of acting and thinking adapted to multiple and wide-ranging economic and managerial realities. It contributes to the policy of promoting dialog between cultures and economic performance.

On October 10, 2012 the Renault Polytechnique HEC Chair Award in Multicultural Management and Company Performance was presented to two groups of three students for their outstanding achievement. Each group included one student from HEC, one from Polytechnique and one from the Renault Foundation's partner institutions in South Korea and India. This award demonstrates the high level of performance achievable by multicultural teams. In 2012 the winning projects related to "Indian consumer perception of second-hand vehicles".

This award marks the end of the Renault Polytechnique HEC Chair after five years, following a decision by the Foundation's Board of Trustees in June 2012.

Dauphine Sorbonne Renault Foundation MBA

This MBA was created in 2002 jointly with two illustrious academic partners: Paris-Dauphine University and the Sorbonne Business Administration Institute.

Its objective is to train future manager or leaders of cross-functional and international projects, in a spirit of excellence and multicultural respect, based on three original key elements:

- a baseline curriculum taught by our two academic partners in Paris, in French;
- an strong ethical intercultural focus providing an individual and collective understanding of management themes in a real multicultural context;
- a six-month placement in a company, mostly in the Renault group, working on projects with a major international element.

On October 24, 2012, for the tenth year, 18 students from seven countries were awarded Dauphine Sorbonne Renault Foundation MBA degrees in International Management.

In June 2012 the Foundation's Board of Trustees decided to develop and expand the qualification into a "full MBA" from the start of the new academic year in 2013, in partnership with Paris-Dauphine University.

MVE and TRADD Master's

The MVE Master's degree provides students with the scientific knowledge required for the emergence of new forms of mobility and their ecosystem. The degree has been jointly developed with *École des Arts et Métiers ParisTech*. It also includes other academic partners: *École des Ponts ParisTech*, *École des Mines ParisTech* and *ENSTA ParisTech*.

The TRADD Master's trains engineering managers in rationalizing the debate about transport by approaching it from a sustainability perspective. This Master's is offered jointly with *École des Ponts ParisTech*, in collaboration with *École Polytechnique* and *École des Mines ParisTech*.

On December 7, 2012 the 22 scholarship students in the eighth graduating class of the ParisTech Renault Foundation Master's program in "Transport and sustainable development" and 12 students in the second graduating class of the ParisTech Renault Foundation "Mobility and Electric Vehicles" program also received their diplomas.

NEW PROGRAMMES AND PARTNERSHIPS AGREED IN 2012

Road Safety Management Chair and Master's (MANSER) program

The objective of the Master's in Road Safety Management is to produce national and regional expert managers capable of creating and coordinating road safety policies in the Middle East and North Africa, where road risk is acute.

The educational content of the Master's is at the intersection of a range of issues – social (transport and mobility), political (regional development), economic (choice of infrastructures), public health (human and social costs), technical (vehicle development) and psychosocial (education and culture). All these issues need to be understood in detail in order to become an expert in this field.

On March 16, 2012 the Master's and the Chair in Road Safety Management were launched at Beirut's Saint Joseph University (Lebanon) in the presence of a number of leading figures, including Carlos Ghosn, Chairman of the Renault Foundation, Father René Chamussy, Rector of Saint Joseph University, and Lebanese Prime Minister Najib Mikati. It benefits from a research center and a trilingual, multidisciplinary Master's. In five years, 100 to 150 people will be trained to be road safety experts in countries in the southern Mediterranean basin.

Professional degree in Electric Vehicles and Electromobility (LPVEE)

In September 2012 twelve students joined the first year of the professional degree in "Electric vehicles and Electromobility" (LPVEE).

This degree is offered by the Renault Foundation in cooperation with Institut Universitaire Technologique de Mantes-la-Ville, at the University of Saint-Quentin-en-Yvelines. 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 electromobility.

Its purpose is to train technicians and 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 infrastructures for recharging them.

Zero Carbon Leader Program

The program is dedicated to French and Japanese doctoral students and post-doctoral researchers working in the field of zero-carbon mobility. It is jointly designed and funded not only by the Renault Foundation, but also the Nissan Foundation, with the support of their respective academic partners, Supélec and the University of Waseda.

Under the program, grants are provided by the Renault Foundation and the Nissan Foundation to young researchers from the University of Waseda in Japan and 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, fuel cells and construction of lighter vehicles.

The program is taught in English.

The Zero Carbon Leader Program allows young researchers working on issues relating to zero-emissions mobility to carry out their thesis or post-doctoral year in a multicultural environment, divided between France and Japan, working at Renault and Nissan and Supélec and the University of Waseda.

In 2012 two researchers joined this new program to begin the first year of their doctorate.

SUPPORT FOR THE "*UN AVENIR ENSEMBLE*" AND GEORGE BESSE FOUNDATIONS

"*Un Avenir Ensemble*" Foundation

The "*Un Avenir Ensemble*" Foundation was created by the *Grande Chancellerie de la Légion d'Honneur* in 2006 with the objective of providing study grants to deserving young people from underprivileged backgrounds to support them financially until they enter employment, along with mentoring from Legion of Honor holders or senior managers in partner companies. The Foundation is currently supervising 445 mentoring programs with the support of 7,000 donors, including 60 companies.

The Renault Foundation has signed up to this partnership for six years ending in 2016, with 24 young people due to be mentored by managers at the Company's main industrial sites in France.

Georges Besse Foundation

The Georges Besse Foundation was created in 1987 by the Fondation de France to help vulnerable students training to be engineers. Each year around 20 new recipients are selected and the Foundation pays out 75 grants a year.

Renault, along with other large companies which Georges Besse worked for, was among the founders and in 2012 the Renault Foundation renewed its support for the work of the George Besse Foundation.

SUPPORT FOR THE PARISTECH FOUNDATION

This support takes the form of collaboration between Renault, the Renault Foundation and ParisTech to carry out research and teaching work at the Sustainable Mobility Institute (see Chapter 2.4.1.1)

SUPPORT AND PARTNERSHIP IN EDUCATION AND EQUAL OPPORTUNITY ✦

All Renault's training activities and efforts to promote diversity among Group employees are set out in the Social Commitments sector of this chapter (see chapter 2.2).

Renault has drawn on this strong experience in mentoring and knowledge transfer to launch numerous initiatives in France and the rest of the world to promote education and diversity in the communities in which the Group operates:

Examples in France:

- signing 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;
- 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;
- upskilling young people through the workforce integration program as part of Renault's agreement with the national employment and vocational training delegation (DGEFP);
- assertive policy on work/study schemes so that students on these schemes account for 5% of the workforce in France by 2013 (4.82% at end 2012);

PURPOSE (FRANCE)	BENEFICIARIES	AMOUNT ALLOCATED (THOUSAND €)
Higher education sponsorship: Professional degree in Electric Vehicles and Electromobility *(starting Sept 2012)*	IUT Mantes en Yvelines	26
Renault Polytechnique HEC Chair	HEC & Polytechnique	165
Higher education sponsorship: financial donation	ParisTech foundation	200
Higher education sponsorship: financial donation	*Un Avenir Ensemble* foundation	11
Higher education sponsorship: financial donation	Georges Besse foundation	30

- In 2012 Renault paid €5.7 million (including €5.4 million in apprenticeship tax) to more than 300 authorized schools and organizations in France:
  - €4.3 million to apprentice training centers and schools, to support the apprenticeship policy;
  - €1.15 million in connection with relations with 131 partner or neighborhood schools (including 41 high-level colleges);
  - €0.25 million to support institutions or non-profits involved in educational and equal opportunity programs (Course En Cours, disability promotion, etc.).

The result of a unique educational program launched in 2006, the Course en Cours high-school prize (www.course-en-cours.com) is an educational project set up in 2007 by Renault and Dassault Systèmes. The program, which was approved by France's education authorities (Degesco) in 2009 and promoted as part of the education ministry's Sciences Plan, aims to raise awareness of engineering in a spirit of equal opportunity and competition: 3D design, validation, construction, promotion and racing of an electric mini (1/14) F1 car. It covers all education authorities in France, offering coaching to high schools provided by technical colleges or universities in their area, as well as by volunteers from the two sponsor companies. Ahead of the 2012 final held at *École Polytechnique*, the competition involved 350 schools, 2,000 teams, 10,500 students and 25 academic resource centers.

International examples

Renault supports projects carried out by the Plan International Foundation as part of its "Because I'm a Girl" program to combat gender inequality, promote girls' rights and raise millions of them out of poverty.

Having supported the "Saksham" project in India in 2011, which involved training girls from New Delhi slums to engage in income-generating activities, in 2012 Renault supported a project in Colombia with the same goals, benefiting more than 500 girls between 10 and 21 in the Cartagena region.

EXAMPLES OF SOCIAL INITIATIVES AROUND THE WORLD

In addition to the social initiatives carried out directly by the CSR department and outlined in the previous sub-chapters, the majority of initiatives are local and run by sites and subsidiaries in France and abroad. A few examples are provided below. The number of initiatives by region and budgets are set out in appendix 2.8.2.

Americas Region

Argentina

The Renault Argentina Foundation has supported programs in humanitarian aid, education, health, road safety and the environment for 50 years. The Foundation's budget in 2012 was €300,000.

The Renault Foundation Argentina, which celebrated 10 years of collaboration with CONIN (*Coopérative pour la Nutrition Infantile*) in 2012, inaugurated its most recent center in the Derqui district of the city of Pilar. It is already working on plans for the 10th center, to be delivered to CONIN in 2013.

The Renault Foundation also won two prestigious awards for its road safety work in 2012: *Luttons pour la Vie* and *Entrepreneur Solidaire*.

Environmental Education for All: one of the main initiatives of the Renault Argentina Foundation, this program was set up in 2008 to train children and raise awareness of the basic principles of respect for the environment and citizenship values.

Brazil

Set up in late 2010, *Instituto Renault do Brasil* coordinates all of Renault's social and environmental actions in Brazil. The institute is active in the areas where Renault operates and focuses its efforts on four themes tailored to local needs: education, community development, road safety awareness, and environmental protection. The budget of the *Instituto Renault do Brasil* was €1.3 million in 2012.

Borda Viva: the *Instituto Renault do Brasil* supports the local community of Borda Viva, neighboring the Curitiba plant. For instance, in 2003 it created a nursery, offering childcare to children of Renault employees as well as underprivileged families from the Sao José dos Pinhais community. Designed to house 210 children from zero to six years old, the nursery also provides good conditions to allow the children to learn to read. A second nursery opened at the end of 2012. To enable them to study under the best possible conditions, 200 free meals are served to the children each day. Cooking, sewing and educational lessons are provided to help women's social reintegration.

Renault Experience: this program offers university students the chance to find out all about how a vehicle is developed and the type of research this requires. The program was first launched in 2009 and has now been followed by 14,000 young people. It has also been taken up by Renault Colombia and Renault Spain in collaboration with their academic partners.

The *Défi Renault Expérience* is an additional project to promote technical and scientific cooperation carried out with universities undertaking R&D projects in the automotive sector, with prizes for the best end-of-course project.

Venezuela

Training center in vehicle mechatronic technologies: in November 2012, the first Training Center for Automotive Mechatronics (the systematic combination of mechanics, electronics and real time information technology) was inaugurated at the Dr. Federico Rivero Palacio University Technology Institute of the University of Caracas. This center is the result of a joint project between the Venezuelan Ministry of the People's Power for University Education, the French Ministry of National Education and Renault Venezuela. This new offering will enable 60 students each year to obtain an automotive technician diploma.

OTHER EXAMPLES OF RENAULT INITIATIVES

STRUCTURE/PROGRAMS	COUNTRY	PURPOSE	PARTNERS	BENEFICIARIES	MEASURE OF SOCIAL IMPACTS
Free University for Human Efficiency (UNILEHU)	Brazil	Training school for people with disabilities	Program of diversity inclusion and sponsorship of a Paralympic volleyball team	Disabled people	2,900 beneficiaries
Education for children and young people on the streets	Mexico	Working for the right to education	The NGO EDNICA	Vulnerable child workers	520 children and 60 parent beneficiaries

Asia-Pacific Region

South Korea

Safe Road, Safe Kids: 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. Awareness-raising initiatives were carried out in and around schools in 2012, along with a road-safety poster campaign and a competition for innovative initiatives in this field.

Eco-action campaign: as part of efforts to reduce its carbon footprint, Renault Samsung Motors relaunched its eco-action campaign in 2012. From April to December, RSM set up shop in three service stations in Seoul. The aim is to encourage drivers to check their tire pressure regularly and make them aware of the ensuing benefits in terms of fuel economy, lower carbon dioxide emissions, and increased safety for vehicle occupants.

India

Cine Art Road Safety: in partnership with Cine Art, PVR Nest and the French Embassy in India, Renault India supported a road-safety awareness and education program. This led to the publication of a road safety book with contributions from 100,000 students and a series of 10 movies filmed by the children.

STRUCTURE/PROGRAMS	COUNTRY	PURPOSE	PARTNERS	BENEFICIARIES	MEASURE OF SOCIAL IMPACTS
Ciné Caravane	Lebanon	Cultural caravan touring underprivileged areas of Lebanon to screen movies	French cultural center	Inhabitants of outcast villages	In 2012 Ciné Caravane covered 6,000kms, visiting 24 towns and cities and organizing 34 screenings

Euromed-Africa Region

Morocco

In September 2012 Renault Morocco signed a partnership agreement with the Ministry of Infrastructure and Transport and the National Committee for the Prevention of Road-Traffic Accidents to reinforce cooperation in the promotion of road safety. The aim of the agreement is to:

- organize training, awareness-raising and communication, particularly in schools;
- develop synergies with transport professionals for issues relating to road safety;
- strengthen cooperation in terms of expertise, technology watch and exchanges of information in relation to road safety.

Renault Morocco also launched a road safety campaign, “Tkayes”, with internal initiatives for employees and external initiatives particularly targeting young people. In the 2012-2013 academic year the project will reach more than 20,000 children in 13 cities in the country.

Turkey

In 2012 Renault provided financial support to fit out five workshops in the country's first automotive college. This initiative, which will benefit more than 600 students by 2014, supplements Renault's long-standing activity of donating vehicle parts, powertrains and complete vehicles to colleges and universities in Turkey.

OTHER EXAMPLES OF RENAULT INITIATIVES

STRUCTURE/PROGRAMS	COUNTRY	PURPOSE	PARTNERS	BENEFICIARIES	MEASURE OF SOCIAL IMPACTS
Measure of social impact 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	Public educational authorities in the target provinces.	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 Schools:* 126 new schools in 2012 with 430 teachers trained. Inspire: in 2012, 950 direct beneficiaries and some 20,000 pupils through outreach

Europe Region

Belgium

Renault Driving Academy/Promove: Renault Belgium is partnering an advanced driver training school. The school has two permanent sites, as well as a mobile structure. Since 2012 training has included an eco-driving component.

Poland

Driving school: this was the first Renault driving school in the world to offer advanced driver training. With a 50,000 m^2 training area, it organizes programs for individual customers, fleets and delivery vehicle drivers. It is a member of the Partnership for Road Safety and the Polish Automobile Association. The school's activities are part of the European Safe Driving Standards project, co-funded by the European Union. More than 1,200 people take the course each year.

OTHER EXAMPLES OF RENAULT INITIATIVES

STRUCTURE/PROGRAMS	COUNTRY	PURPOSE	PARTNERS	BENEFICIARIES	MEASURE OF SOCIAL IMPACTS
Renault Foundation for sustainable mobility	Spain	Raises awareness and educates the public in sustainable mobility and encourage research in this area.	None	General public/Web-users	Inaugurated in May 2012, the site has 390 unique visitors on average per month
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 association	Young disabled students	6 disabled trainees taken on at the company. Renault employees took part in 5 forums in 2012

Eurasia Region

Russia

Let's Do It – 2012: Renault Russia is a partner of this environmental project involving teams of volunteers cleaning up unauthorized dumps throughout the country, from Kaliningrad to Vladivostok, for one day on September 15. Renault Russia supported the work carried out in Moscow and its surrounding area.

Renault Russia provided the organizers with vehicles to identify difficult-to-access sites, along with the necessary equipment, and organized transportation of the waste collected to treatment sites.

REQUESTS FROM CHARITIES AND NGOS

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.

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 them. Applicants are asked to provide information about their organization, describe its goals and quantitative indicators, demonstrate that their actions are consistent with Renault's CSR policy, and give a breakdown of their budget. In 2012 Renault received and processed more than 150 requests for support for projects in France and the rest of the world. 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 2012 this patronage program provided 24 charities with total funding of €338,800. A detailed breakdown is attached as appendix 2.8.2.

SOCIAL FOCUS	NO. OF PROJECTS SUPPORTED	AMOUNT OF FUNDING *(€ thousands)*
Diversity	9	140.8
Education	4	60.3
Mobility	9	117.7
Road safety	2	20.0

HUMANITARIAN AID FROM RENAULT

In 2012 the emergency humanitarian fund was not implemented as it was in 2010 (Haiti) and 2011 (Japan). But support was provided at local level in response to specific emergencies.

2.5 RENAULT AND ITS STAKEHOLDERS ✦

2.5.1 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."

This vision of *Drive the Change* is reflected in processes emphasizing the relationship and dialog with customers and their representatives, as well as consumer organizations and the numerous non-profit organizations linked to the brand which are created around the world.

CUSTOMER CSR POLICY AND STANDARDS

CUSTOMER SATISFACTION

All processes designed to improve customer satisfaction are based firstly on standards regarding listening and dialog with customers from the downstream stages (research into expectations and needs by the Customer Knowledge department and Product department) to the upstream stages (*e.g.* complaint handling and management of recall campaigns).

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. In 2011, Renault launched 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 make it possible 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.

For example, 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.

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 underway 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.

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.

2.5.2 SUPPLIERS ✦

Given that they account for 57% of a vehicle's cost price, suppliers are essential in ensuring compliance with Renault's CSR policy. That is why implementation of this supplier CSR policy and standards includes processes and bodies to manage dialog.

2.5.2.1. SUPPLIER CSR POLICY AND STANDARDS

(See chapter 1.5.2.1 on CSR risk)

In 2010 Renault and Nissan produced the Renault-Nissan Purchasing CSR guidelines for Suppliers, summarizing 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.

CSR performance in purchasing is therefore based on these Renault-Nissan CSR guidelines for Suppliers, with:

A CSR PURCHASING STRATEGY

- A network of some 100 local correspondents who are quality experts in purchasing, trained in CSR and who all use the same assessment methodology;
- processes shared by all buyers, everywhere in the world, that allow the improvements made by suppliers to be coordinated in a similar, coordinated and efficient way;
- performance indicators (see table of social indicators).

Everyone's efforts are critical to firmly integrating CSR in daily purchasing activities:

- 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.

RESPONSIBLE PURCHASING

- Purchasing of responsible and environmentally sound products, whether original or replacement parts: recycled paper for photocopiers, energy-saving printers and so on. Purchases of recycled plastics have risen to meet the rapidly growing needs related to eco-design;
- membership in 2011 in the *Pas à Pas* association, which acts as a go-between between companies and organizations that provide jobs to disabled workers. The objective is to encourage buyers to use these organizations, notably in the areas of paperless documents and new wiring systems;
- introduction in 1949 of the use of refurbished parts (injectors and compressors) by the after-sales department, reducing assembly costs, improving availability for mass produced vehicles and reducing CO_2 emissions by forgoing extraction of raw materials, eliminating process stages, etc.. Savings in terms of materials are estimated at 650 tons in 2012.
- The Renault Purchasing department has already been involved for several years in purchasing from the protected sector. That is why we support the AMIPI-SLAMI Foundation, which helps cognitively impaired people develop through learning in order to encourage labor market entry. The foundation carries out tier-one industrial activities at seven French production sites that produce wiring harnesses for the automotive industry. They are all certified in quality management to ISO 9001 standard.

  In 2012, with the support of Engineering, the Purchasing department asked its project teams not to renew their standard sourcing contracts but to choose SLAMI as its supplier in the following areas:

  - cabling for mass-produced doors on small cars and specific cables for after-sales and Renault subcontractors,
  - cabling for doors and tow bars for large-scale future projects.

This decision was made in compliance with quality, cost and lead-time targets, but the strict economic criteria usually applied were relaxed so as to encourage employment of people with disabilities.

ETHICAL STANDARDS

- Renault-Nissan Purchasing Way (2006). Distributed in 2010 to all tier-1 suppliers worldwide, this booklet 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. ; it will be repeated in February 2013 with the 2013 quality objectives for all suppliers delivering parts to Renault factories;
- A Performance and Best Practices Code for customer-supplier relations in the French automotive industry was signed by stakeholders in 2009 i.e. *Comité des Constructeurs Français d'Automobiles, Comité de Liaison des Industries Fournisseurs de l'Automobile*, the finance, industry and employment minister (Christine Lagarde) and the junior minister for industry and consumption (Luc Châtel). It sets out the mutual commitments of manufacturers and suppliers concerning business relations, sharing of intellectual property rights, use of contract data and cost defrayal;
- Renault Green Purchasing guideline (2012), setting out expectations in terms of environmental management, substances and recycling policy in relation to delivered parts and materials and management of chemical preparations used in industrial processes by Renault's suppliers. The document was distributed in March 2012 to 3,384 tier-1 suppliers. It will be sent out again in February 2013 with the 2013 quality objectives for all suppliers delivering parts to Renault factories.

✦ Global Reporting Initiative (GRI) Directives

2.5.2.2. SUPPORT, PARTNERSHIPS AND DIALOG

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 central team providing ongoing support to supplier action plans, assisted by local purchasing teams: 93 supplier sites and seven groups were able to make progress once actions had been established in the fields of safety, working conditions, human rights, the environment and management of their own supply chain;
- CSR training for suppliers: in Turkey in 2010 (36 tier-one suppliers trained 240 of their employees and 476 tier-two suppliers);
- preparation of booklets explaining substance-regulation issues.

PARTNERSHIPS

Renault strengthens its supplier relationships through a partnership approach that encourages them to innovate:

- since 2010: technology days organized by the Operational departments and the Purchasing department, where suppliers are provided an opportunity to present their innovations to Renault experts;
- since 2008: policy of establishing co-innovation contracts with suppliers;
- since 2011:
  - collaboration with transport providers to develop action plans for cutting fuel consumption and CO_2 emissions (eco-driving, fuel-efficient fleet, multimodal transport, etc.),
  - best practices identified with raw materials suppliers to reduce CO_2 emissions;
- June 2012 = Sustainability Awards:
  - two suppliers recognized for environmental performance,
  - one supplier recognized for developing the skills of people with disabilities.

A working group on CSR in the French automotive industry was set up in mid-2012. The remit of the group, composed of two major French carmakers and tier-1 equipment suppliers, is to review each company's CSR practices and harmonize them so they can be applied more easily throughout the sector. One significant aspect of this initiative concerns the participants' responsible procurement policies (approaches and methods for checking and supporting the supply chain); the aim being to align participants' practices and ultimately produce a common set of industry standards.

DIALOG

Supplier dialog is incorporated into operating processes and also relies on a number of dedicated bodies:

	BILATERAL DIALOG	MULTILATERAL DIALOGUE
Temporary dialog	Informal dialog (exchanges of positions and views, strategies for influencing various players, etc.)	Local coordination commissions Organization of consultations on an indicative basis
Permanent dialog	Institutional support (for a stakeholder by the company, or vice versa) Direct information process (by disseminating information or holding regular meetings) Partnership (consultation or participation in some strategic decision-making processes, organisation of cross-company events, etc.) Co-construction of products and offerings (co-innovation approach)	Organization of multi-stakeholder panels (at group /global level or locally) Structure input and activity within a sector (sectoral lobbying)
Temporary dialog	**Institutional meetings (TMM, TIMM, T3M) TOP30-TOP10-TOP12** *who:* with top management of major suppliers *why:* to review business, share information about innovations, review cost optimization *how:* annual meeting *reporting:* minutes + decision follow-up at purchasing manager level Progress meetings following ASES or sustainable development audits *who:* with the representative of the audited site *why:* to draw up an action plan to rectify the weanessess detected during the audit *how:* emails, meetings + on-site visits *reporting:* monitoring table + meetings	Disseminate official documents: CSR guidelines, green purchasing guidelines, REACH guide, Renault-Nissan Purchasing Way *who:* everyone *why:* give our documents official status *how:* via emailed SAM *reporting:* none for the time being **CCFA - FIEV working group on CSR** *who:* representatives from PSA, Renault, CCFA and equiment makers belonging to the FIEV *why:* to prepare common questionnaires and tools *how:* monthly meetings *reporting:* none for the time being
Permanent dialog	**Annual performance appraisals:** *who:* main suppliers (by sales) in each scope *why:* review the year's difficulties *how:* standard agenda prepared jointly, with back-&-forth system once per year *reporting:* minutes + action plan for both parties	**Annual suppliers council** *who:* representatives of some of the 12 largest suppliers in terms of revenues and the most representative in terms of business *why:* get feedback on Renault/supplier relations and compare the findings with the competition *how:* 1 annual meeting with COO and top management from Purchasing, discussion on collectively chosen topics (innovation benchmarking, etc.) *reporting:* minutes + monitoring of action plans by Senior Vice President, Purchasing

	BILATERAL DIALOG	MULTILATERAL DIALOGUE
Permanent dialog	**QLTMM meeting:** *who:* suppliers presenting quality or logistics problems *why:* to prepare corrective action plans *how:* performance review for the quality and logistics portion once or twice annually *reporting:* minutes + monitoring by purchasing quality team	**«Alliance Growth Partners meetings** *who:* AGP representatives *why:* present a vision of Renault Nissan strategy *how:* 1 per year, chaired by Renault CEO *reporting:* minutes + monitoring by CVDH
		Supplier convention *who:* Renault Top 200 *why:* provide visibility on Renault-Nissan's situation, share common goals *how:* once per year, in principle *reporting:* N/A
		IFR lectures *who:* top 200 parts producers *why:* to share volume forecasts *how:* face-to-face lectures several times a year *reporting:* N/A
		Trophy awards (quality, innovation, CSR) *who:* trophy winners *why:* to showcase selected suppliers *how:* annual official meeting *reporting:* N/A
		Renault takes part in the French automotive industry platform, formed in 2009 as a permanent forum for cooperation and dialogue among all stakeholders to help the industry and its professions prepare for and successfully implement change The platfom comprises key industry players, the Committee of French Automobile Manufacturers (CCFA) and major federations of equipment makers (FIEV) and subcontactors, who together form the Liaison Committee for Automotive Industry Suppliers (CLIFA). The platform intends to enhance its governance and step up its role of cross-industry coordination to pursue initiatives in the following areas: • research, innovation and the associated standardisation techniques • professions, skills and training • industrial excellence • strategies and change
		Renault subscribes to the Modernization Fund for Automobile Equipment Suppliers (FMEA), which provides equity or quasi-equity for automotive equipment makers. The purpose of the fund is to develop and consolidate large firms that are profitable, strategic, competitive and able to provide automakers with R&D capability and a stonger international base. The FMEA operates on a medium- to long-term basis, usually for 7 or 8 years. It invests in the following firms: • equipment makers needing to increase their equity to fund business growth and R&D programs • companies capable of forming and consolidating more efficient entities operating in different areas of auto equipment sectors (plastics, stamping and metalwork, foundry, rubber, etc.) • highly innovative fast-growing companies in need of equity.

The 2008 financial crisis, like the major consequences of the tsunami in Japan in 2011, showed the importance of the Company's responsiveness in order to secure the long-term future of activities, and therefore jobs, as well as the regional impacts on threatened suppliers.

✦ Global Reporting Initiative (GRI) Directives

2.5.3 EMPLOYEES

See chapter 2.2 Labor Relations.

2.5.4 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.

2.5.5 INSTITUTIONS AND ASSOCIATIONS

In a business environment that is increasingly competitive and highly regulated by national, European and international laws, Renault's Public Affairs department (and its international network of local representatives) maintains relations with the public authorities in each of the Regions where the Group operates and promotes Renault's strategic objectives and interests.

Thanks to comprehensive reporting carried out within the Group, the Public Affairs department is able to communicate all the external factors affecting its activities and development.

To do this, Renault's Public Affairs department has forged close links with institutions that are very diverse in terms of size, status and purpose, given that a quality relationship can only develop between Renault and an institution when both parties retain their own identity, values and independence and commit to a long-term relationship.

Renault is therefore in contact with numerous institutions that have demonstrated their legitimacy and credibility through their competence and know-how, and that comply with codes of conduct, and, each in their own way, work to create a sustainable and cohesive society.

They are all at the center of society and actively contribute to its construction.

These are firstly **organizations whose business is of fundamental importance to automotive manufacturing**:

The Committee of French Automobile Manufacturers (CCFA), the European Automobile Manufacturers Association (Acea) and the Society of Automotive Engineers (SIA). More recently, Renault decided to join Acem (the European Motorcycle Manufacturers Association).

These organizations focus on issues directly related to the automobile sector and support Renault in its knowledge of current affairs.

Renault is also a member of **trade representation bodies**, notably the French Business Confederation (MEDEF) through the CCFA, Medef International, the Union of Metalworking Industries and Professions (UIMM), as well as French Association of Private Companies (AFEP).

These institutions regularly organize working groups, which Renault joins according to its priority concerns.

Renault is also dedicated to future mobility and has therefore formed bonds with **organizations at the center of sustainable mobility issues**, bonds which are of crucial importance since they facilitate the development and achievement of disruptive technological, environmental, and behavioral shifts. Renault has always been a pioneer, from minivans, to ultra-efficient engines offering ever greater energy savings, to the eco^2 label and now electric vehicles.

Renault maintains a dialog regarding questions of "sustainable mobility for all" with entities such as the Association for the Development of Electric Mobility (Avere), Companies for the Environment (EPE), the Mov'eo competitiveness cluster, and ATEC-ITS, a non-profit concentrating on the development of transport, the environment and traffic technologies.

Other institutions, like the European T&E think tank, Be Citizen and Greenpeace help provide us with a better understanding of civil society's expectations and expand our outlook on major environmental and human challenges.

Finally, as a result of regular meetings and/or close monitoring of their work, Renault cultivates links with **bodies responsible for observing and analyzing political and economic life**, such as the French Institute for International Relations (Ifri), the World Economic Forum (WEF), the Fabrique de l'Industrie, the Robert Schuman Foundation, Terra Nova, Europa Nova and Orse, a corporate social responsibility observatory.

2.5.6 CSR COMMUNICATIONS

Since the principle of stakeholder dialog is fundamental to corporate social responsibility, Renault's CSR communications include reports on its work with stakeholders.

In addition to specific bodies dedicated to dialog, Renault regularly informs current and retired employees, academic and non-profit partners, shareholders, visitors to the website, suppliers, etc. about its CSR news through communications and initiatives especially designed for this purpose.

The challenge is to respond to their transparency expectations in the most informative way possible, demonstrating the progress and impact of actions implemented and promoting Renault's commitment to CSR, without indulging in so-called green-washing or social washing.

Renault is aware that there is a misappreciation, or even suspicion, of its CSR work, so it aims at least to ensure that the issue is accepted and understood, and to promote its corporate image whenever possible, by allocating a reasonable budget.

In practice, this means Renault has to:

- explain the purpose of the approach and how it corresponds to the Group's strategy;
- address all activities carried out in accordance with ISO 26000;
- include employees in the organization of activities, getting them to learn more about the topic and take it on board;
- measure progress and impacts, particularly the number of beneficiaries.

contents 1 2 3 4 5 6 7

2.6 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.

2.6.1 RENAULT'S RATINGS IN 2012

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 2012: Renault was not included in the Dow Jones Sustainability World index (DJSI World), despite the Group's outstanding performance, particularly in the environmental field (92/100). 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)	**81**	**89**	**74**
Economic dimension	75	83	72
Environmental dimension	92	92	79
LABOR RELATIONS	74	89	71

(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 2012: Renault scored a B rating overall and the Group was again ranked first out of the 16 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 2012: 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 2012: Renault's responses to the CDP questionnaire are available at www.cdproject.net, where its rating will also be updated.

Note:

- scope 1 concerns direct greenhouse gas emissions from sources owned or controlled by the Company (boilers, furnaces, turbines, incinerators, engines, etc.), fuel combustion as part of transportation operations by or for the Company (cars, commercial vehicles, aircraft, boats, trains, etc.) and physical or chemical processes (*e.g.* in manufacturing cement, cracking in petrochemical processing, aluminum smelting, etc.). 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.

2.6.2 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;

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.

✦ Global Reporting Initiative (GRI) Directives

2.7 EMPLOYMENT-RELATED, ENVIRONMENTAL AND SOCIAL OBJECTIVES ✦

2.7.1 EMPLOYMENT-RELATED OBJECTIVES

HR OBJECTIVES	INDICATORS	SCOPE	GRI 3.1	PARAGRAPH
	Total workforce	Group	LA1	2.2.1
	Breakdown by gender	Group	LA1	2.2.1
	Breakdown by age	Group	LA1	2.2.1
	Breakdown by geographical region	Group	LA1	2.2.1
	Breakdown by blue collar/white collar workers	Group	LA1	2.2.1
Managing the workforce	Breakdown by short-term/long-term contracts	Group	LA1	2.2.1
Supporting employee engagement	Results of employee surveys and associated action plans	Group		2.2.2.1
	Negotiation of international framework agreement	Group	LA4	2.2.1
Employee dialog at Group level	Number and type of collective agreements during the year	Group	LA5	2.2.1
Simplifying the Company	Employee satisfaction rate with measures taken	Group		2.2.2.1
Making the RMW second nature	*Renault Management Way index*	Group		2.2.2.2
	Combating psycho-social risks and work-related stress	Group	LA6 & LA8	2.2.2.3
	Scoring of manufacturing workstations	Group	LA6 & LA8	2.2.2.3
	Change in the number of occupational accidents: % F2/absenteeism	Group	LA7	2.2.2.3
	Change in the number of occupational accidents: % F1	Group	LA8	2.2.2.3
	Change in the severity rate: % G1	Group	LA8	2.2.2.3
	Change in occupational illnesses	Group		2.2.2.3
	Number of commuting accidents per 1000 employees	Group	LA10	2.2.2.3
Improving the working environment	Monitoring of "Workplace environment" policy	Group	LA8	2.2.2.3
	Recruitment of staff on long-term contracts	Group	LA2	2.2.2.4
	Attrition	10 major countries	LA2	2.2.2.4
	Dismissals	France	LA2	2.2.2.4
	Total number of training hours	10 major countries	LA10	2.2.2.4
	Training policies in place	Country	LA11	2.2.2.4
	Development of the expertise network	Group	LA11	2.2.2.4
Developing dynamic skills management and improving employability	Management of skills and employment planning	France	LA11	2.2.2.4
	Initiatives to promote the employment and integration of people with a disability	Group	LA13	2.2.2.5
	Level of employment of people with a disability	Country	LA13	2.2.2.5
	Initiatives to promote gender equality	Group	LA13	2.2.2.5
	Comparison of salaries according to gender	France	LA14	2.2.2.5
Promoting diversity and developing talent	Diversity objectives among Group "key" positions	Group	LA13	2.2.2.5
	Remuneration: total personnel costs	Group	LA3	2.2.2.6
	Remuneration: share of major countries	10 major countries	LA3	2.2.2.6
	Remuneration: change in employee profit-sharing, shareholding and savings schemes	Group	LA3	2.2.2.6
Making the performance recognition and remuneration system more dynamic	Completion rate of annual performance reviews	10 major countries	LA12	2.2.2.6

2.7.2 ENVIRONMENTAL OBJECTIVES

KEY ENVIRONMENTAL OBJECTIVES		DATE OBJECTIVE SET	DEADLINE	SITUATION AT END-2012 *(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 2013	2010	2013	In progress
Manufacturing	Reach a percentage of 20% in the use of renewable energies (direct and indirect) by sites in the industrial base	2008	2020	13.8% in 2012
Product	Market a range of vehicles with zero emissions during use on markets where there is demand	2012	2016	In progress
Product	Reduce the average level of CO_2 emissions for the European range (passenger cars, all brands) to 120g CO_2/km in 2013 and 100g CO_2/km in 2016	2011	2016	131.65g CO_2/km in 2011
Product	Offer a range of alternative engines (biofuels and LPG) on markets where there is demand	2012	2020	14 models LPG 21 models Flexfuel
Product & Services	Market combined product and service offerings to customers' business fleets allowing monitoring and reduction of their environmental footprint	2009	2016	Business eco² range Driving eco² training Fleet Asset Management
ENVIRONMENT & HEALTH				
Manufacturing	Reduce VOC emissions through continuous progress and replacement of facilities as they become obsolete	2012	2016	Stable or decreasing emissions in 13 plants out of 17 in 2012
Manufacturing & product	Replace potentially toxic chemical substances	2009	Continuous	
ENVIRONMENTAL REMEDIATION				
	Manage remediation studies when risks have been identified	2001	Continuous	
PROTECT WATER RESOURCES				
Manufacturing	Reduce water withdrawals by 45% per vehicle (including all sources) compared with 2005	2012	2016	-32% in 2012 compared with 2005
Manufacturing	Reduce heavy metal waste from vehicles (METOX) in liquid effluents by 60% compared with 2005	2012	2016	-45% in 2012 compared with 2005
REDUCE AND RECYCLE WASTE				
Manufacturing	Waste: six production sites will have no landfill waste from 2016.	2007	2016	3 plants
Product	New vehicles to include 20% of recycled plastics	2004	2015	In progress 15% on Clio IV
End-of-life	Actively contribute to the performance of end-of-life vehicle systems and the achievement of an effective 95% rate of recovery of materials from end-of-life vehicles, particularly through acquiring stakes in companies	2012	Continuous	Follow up by competent national authorities
DEVELOP CONTINUOUS ENVIRONMENTAL MANAGEMENT				
Reduce impacts based on a life-cycle analysis from generation to generation		2005	Continuous	Impacts reduced between 18% and 24% Clio III/Clio IV diesel
Audit all manufacturing and the main office and logistics sites every year on the environment and risk prevention.		2003	Continuous	100%
ISO 14001 certification of all Renault production sites		2012	Continuous	100%
Publish life-cycle assessments for the electric vehicle range with critical reviews from external experts		2009	2013	In progress

The information published in this Registration document in response to Article 225-102 of the French Commercial Code amended by the Grenelle 2 Act is listed in appendix 2.8.1.4.

2.7.3 SOCIAL OBJECTIVES

INFORMATION RELATING TO SOCIAL COMMITMENTS TO SUSTAINABLE DEVELOPMENT (ART 225 DECREE DATED APRIL 2012)	OBJECTIVE	INDICATOR	DATE OBJECTIVE SET	DEADLINE	SITUATION AT THE END-2012	EXISTING SCOPE	GRI 3.1	ISO 26000
Regional, economic and social impact of the activity	Contribute to the UN Decade of Action for Road Safety 2011-2020 with the aim of stabilizing and then reducing the number of deaths from road traffic accidents around the world	Number of countries/ RMCs covered by Renault programs and road safety actions	2012	2020	launch	Renault s.a.s. Group		6.8
	1) Mobility:	€5 million:						
	Investments by Mobiliz	France and 1 BOP project per RMC	2012	2019	launch	Renault s.a.s France		
	Work of Renault Solidaires network of garages	Number of garages in France	2012	2015	launch	Renault s.a.s. France		
	2) Road Safety:							
For neighboring and local communities	Social programs (*e.g.* Safety for All, GRSP-GRSI)	Number of countries/RMCs covered	2012	annual	continuous	Renault s.a.s. Group	EC 1 & EC6	6.8
Relations with people and organizations with an interest in the business (stakeholders)								5
Methods for dialog with these people or organizations	Establish and coordinate methods						4.14 to 4.17	5.3.3
Partnership or patronage actions	CSR reporting objective						EC 1 & 4.11 to 4.13	6.8.9
Subcontracting and suppliers								
Taking into account of social and environmental issues in the purchasing policy	1 - Introduce and update the Group's social and environmental standards (CSR Renault-Nissan Purchasing guidelines) in the purchasing processes	Coverage rate	2005	annual	continuous		EC 6 & HR 2 & HR5 to 7	6.6.6
	2 - Verify supplier compliance with these standards *via* audits:							
	- of plants in at-risk countries by purchasing quality experts;	Coverage rate = 100%	2011	2013	94%			
	- of the management system of supplier groups by a third party	Coverage rate/revenue	2011	annual	68% (revenue)			
	3 - Establish action plans for suppliers on the panel with compliance issues							
	- for audited plants	% of no. audited	2010	annual	82%			
Importance of subcontracting and taking into account of CSR in relations with suppliers and subcontractors	- for audited groups	% of no. audited	2011	annual	6%		3.6 & 4.14	6.6.6
Fair operating practices	Implementation of the Renault group's new ethical Charter	Rate of distribution to the various Group entities	2012	annual	Launch			6.6
	Establish processes to tackle and monitor cases of corruption, in accordance with the Group's new code of ethics (CEC)	Number of incidents of whistleblowing, declared fraud or irregularities recorded by the CEC	2012	Annually	Launch	Renault s.a.s. Group		
Action to combat corruption	Draw up and implement a dedicated ethics code for the Purchasing department	Rate of implementation among Purchasing teams	2012	Annually	Launch	Purchasing department	SO 2 to 4 SO 7 & SO 8	6.6.3
Measures undertaken in relation to consumer health and safety	Health: REACH policy Road safety: Product range in line with top global standards		2012	annual			PR 1 & PR2	6.7.4
Other action taken to promote Human Rights	Inform Group employees about ethical themes and situations in relation to Human Rights (nondiscrimination, working conditions, protection of privacy, etc.)	Number of visits to the "Ethics Site" on the intranet	2012	Annually	Launch	Renault s.a.s. Group	HR	6.3

2.8 APPENDICES

2.8.1 APPENDICES TO THE ENVIRONMENT

2.8.1.1 METHOD USED FOR THE SITE ENVIRONMENTAL INDICATORS IN 2011 TABLE ✦

Reporting for the environmental indicators was conducted in accordance with the stipulations of the 2012 Environmental Protocol for Renault Sites. The following is an explanation of the Protocol main methodological choices. This Protocol is available on request from the Health, Environment and Industrial Risk Prevention office of Renault.

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, 16.4% of impacts were attributed to Renault in 2012 (compared with 32% in 2011), corresponding to the breakdown of industrial activity at the site[1]. 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 2012" table.

The data for sites included in the scope of reporting in year Y are presented for information and are consolidated with those of other sites only from year Y+1.

- The Fonderie de Bretagne and Titu (Renault Technologie Roumania) sites are consolidated for the first time in 2012.
- The Tangiers site is included in the 2012 reporting scope for probationary purposes for its first operating year. The data is presented for information only.
- Data from Gaïa is taken into account at sites where Gaïa operates, except the site of Choisy le Roy (France), where the waste from Gaïa is recorded separately.
- The drinking water production and Davidesti waste storage activity at the Pitesti site (Dacia) was removed from the reporting scope. The data is shown for information purposes.

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 as presented in the Registration document is also subject to an external verification by the statutory auditors Ernst & Young Audit and Deloitte & Associés. Their conclusions are set out in the report at the end of the document.

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 (RTR Titu, Giheung, Guyancourt, Maubeuge, Flins) is also included.

At Busan, the Delivery Dispatch Center and employee housing have been excluded from energy and water indicators.

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 reporting Protocol, the frequency of discharge analysis must be observed according to the regulations for the Renault sites.

The quantity of COD represents the flow of suspended solids discharged, expressed in ton per year.

The quantity of OM represents the flow of oxidizable matter discharged, expressed in ton per year.

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 and OM 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.

(1) The breakdown of the industrial activity between Renault and PSA changed in 2012.

✦ Global Reporting Initiative (GRI) Directives

Black water discharges, for which there is no regulatory measurement and/or reporting obligation, are not included in the scope of water discharges. This exclusion concerns around 36% of employees mainly from the engineering, logistics and support sites.

The flow calculation methods are not applied to the Douvrin (FM), Moscow (Avtoframos) and Factoria Santa Isabel sites since they have special characteristics.

The significant annual variations of these flows observed at certain manufacturing sites (Curibita, Sofasa, Somaca, 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 (SS) and Oxidizable Matter (OM).

ATMOSPHERIC EMISSIONS ✦

The atmospheric emissions of volatile organic compounds (VOC) 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; to date 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 NO_x 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) direct emissions are extracted from an inventory of GHG sources conducted in 2004 and updated in 2011. 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.);
- coolant leaks from site premises fixed air conditioning systems and processes (in 2012, sites in European Union only).

These emissions make up more than 95% of the GHG direct emissions produced by the Renault group.

The following emission sources have been excluded from the reporting scope, as the corresponding emissions are not significant (less than 1% of the total GHG direct emissions°:

- air conditioning of site premises (in 2012, sites excluding European Union);
- air conditioning of processes ; (in 2012, sites excluding European Union);
- 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 (particularly deliveries from road hauliers external to the Renault group);
- fugitive emissions occurring when tanks of coolant (for vehicle air conditioning systems) are filled and emptied.

Greenhouse gas (GHG) indirect discharges 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 2012 reporting was from the IEA (International Energy Agency), whose last update took place in 2011.

Emissions linked to the foundry activity are not reported. Emissions linked to fossil fuel combustion in the foundries are taken into account.

The emission factors used to calculate SO_2, NO_x and GHG emissions comply with the French order of March 31, 2008 relating to the inspection and measurement of emissions reported through greenhouse gas emission allowance trading schemes, as well as with the CITEPA network's OMINEA national inventory report, updated in February 2012.

The emission factor from fixed combustion installations of low NO_x Natural Gas results from a calculation carried out in 2011, based on an internal study of 88% of sites in the scope having low NO_x 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.

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 (HW) and non-hazardous waste (OIW).

For better clarity, non-hazardous waste is presented in 2 sub-categories:

- metallic waste from production process (scrap metals, machining chips, etc.);
- non-metallic and non-inert waste (melted 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.

Inert (non dangerous) waste definition has been modified in 2012 to better comply with the European regulations.

ENERGY CONSUMPTION ✦

This metric represents the quantity of gas, heating oil, steam, hot water, and electricity consumed within Renault sites, expressed in MWh LHV. 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.

Lower heating value (LHV) factors comply with the French government order issued on March 31, 2008 excluding the LHV of natural gas in Spanish plants (national Spanish inventory of GHG emissions 1990-2009) The LHV are in line with the emissions reported in the European GHG emission allowance trading schemes.

✦ Global Reporting Initiative (GRI) Directives

2.8.1.2 SITE ENVIRONMENTAL INDICATORS IN 2012 TABLE ✦

			LIQUID DISCHARGES			AIR EMISSIONS						WASTE		ENERGY
2012 ENVIRONMENTAL INDICATORS(1)	**WATER CONSUMPTION** *(in thousands of m^3)*	**PLANT**	*SS (in ton/year)*	*COD (in ton/year)*	*METOX (in ton/year)*	*GHG (in tCO2eq)*	*VOC (in g/m^2)*	*SO_2 (in tons)*	*NO_x (in tons)*	*TOTAL OIW (in tons)*	**O/W NON INERT AND NON METALIC** *(in tons)*	**O/W METALIC** *(in tons)*	*HW (in tons)*	**ENERGY CONSUMPTION** *(in MWh NCV)*
MANUFACTURING SITES														
Bodywork-assembly plants														
Batilly (SOVAB) [2]	247.4	PB	1.5	10.4	0.2	43,256.1	47.9	0.3	35.49	2,945.3	2,061.7	834.2	1,734.1	245,708.6
Casablanca (Somaca) [17]	174.9	-	43.9	79.1	2.1	27,517.9	94.5	0.3	5.38	20,853.5	20,788.4	40.1	820.3	63,559.5
Cordoba Santa Isabel[14]	258.5	PU	2.6	19.2	0.2	36,102.4	82.0	0.1	15.27	21,196.1	11,210.2	9,985.9	921.2	114,131.5
Dieppe	6.9	U	n/a	n/a	n/a	4,878.0	83.3	0.0	3.02	275.5	275.5	0.0	147.7	25,986.2
Douai[8]	378.2	PB	3.6	20.3	0.5	45,704.7	25.3	0.3	37.21	61,189.6	4,626.5	56,253.8	1,483.2	243,039.6
Flins(10)	1,022.1	PB	9.7	17.9	0.3	45,435.1	33.0	0.3	23.97	60,107.6	3,002.0	57,105.5	1,360.3	341,075.2
Maubeuge	269.6	PB	1.2	4.5	0.2	35,574.8	38.4	0.2	29.99	34,080.6	2,849.7	30,923.4	1,487.0	201,348.2
Envigado (Sofasa)	186.9	PU	5.3	59.4	0.4	9,481.8	71.7	0.0	4.34	11,344.3	10,779.9	479.3	340.4	37,538.1
Moscou (Avtoframos)	547.6	PU	39.7	130.4	0.3	56,942.0	77.9	0.3	32.29	23,255.8	22,399.1	856.8	2,206.5	296,508.3
Novo Mesto	173.3	PU	1.1	32.6	0.0	34,477.3	39.7	0.4	16.61	27,210.6	1,651.7	25,549.6	1,418.8	119,036.5
Palencia[11]	363.2	PB	1.5	11.1	0.2	46,446.5	25.8	0.2	30.36	34,577.0	3,184.0	31,370.0	2,363.0	185,698.7
Sandouville[13]	206.9	PB	1.3	9.0	0.1	22,047.7	33.7	0.1	16.84	15,720.0	9,357.0	6,363.0	1,185.1	159,275.9
Valladolid Carrosserie	127.3	PU	0.7	5.8	0.2	19,838.2	n/a	0.1	10.90	45,038.0	981.5	44,056.5	602.5	78,654.0
Valladolid Montage	288.5	PU	4.5	22.9	0.3	29,644.9	30.6	0.2	20.60	3,454.2	2,195.2	1,259.0	1,058.5	121,596.4
Powertain plants														
ACI Villeurbanne	10.2	U	n/a	n/a	n/a	3,208.5	n/a	0.0	2.31	1,943.1	174.1	1,768.9	113.7	22,783.5
Cacia[5]	82.4	PB	5.2	17.3	0.0	18,404.7	n/a	0.0	0.59	5,388.6	618.9	4,769.6	1,118.2	50,857.5
Choisy-le-Roi[6]	20.4	PU	0.8	4.9	0.0	1,875.1	n/a	0.0	1.70	3,085.8	1,053.1	2,028.2	122.2	10,596.8
Cléon[7]	1,026.6	PU	7.1	231.4	0.2	50,233.7	n/a	0.2	26.08	25,928.3	4,403.2	20,912.5	6,777.2	363,449.3
Douvrin (FM)[9]	107.1	PU	1.6	35.8	0.0	5,461.3	n/a	0.0	2.27	3,582.4	482.8	3,097.8	633.9	43,359.8
Le Mans	2,485.3	P	37.6	58.7	0.3	32,277.4	n/a	0.2	12.57	32,985.7	6,420.5	14,429.8	1,040.1	224,348.0
Los Andes	21.4	U	n/a	n/a	n/a	6,245.1	n/a	0.1	1.10	10,181.7	8,356.2	1,825.6	1,377.6	19,152.8
Ruitz (STA)	21.1	U	0.8	2.9	0.0	6,655.2	n/a	0.0	4.03	3,225.4	304.2	2,921.2	607.2	49,943.5
Seville	122.8	PU	2.6	56.7	0.0	32,318.5	n/a	0.0	5.58	8,813.7	986.3	7,827.3	3,058.1	99,102.9
Valladolid Motores[15]	172.5	PU	n/a	n/a	n/a	49,859.5	n/a	0.1	9.38	25,541.4	2,004.0	21,654.0	3,497.7	169,197.8
Mixed plants														
Bursa[3]	457.4	PBU	34.2	32.7	1.1	94,897.7	39.4	0.3	29.45	64,961.9	14,841.5	50,120.4	2,071.4	269,880.9
Busan (RSM)[4]	464.7	PBU	0.8	5.5	0.6	78,401.3	31.1	0.2	22.19	24,443.3	4,074.3	20,065.3	1,813.5	221,220.4
Curitiba Complexe Ayrton Senna	487.0	PU	32.3	393.4	1.4	44,467.6	38.8	0.2	27.98	63,592.9	22,544.4	40,983.6	3,850.4	241,311.4
Dacia Automobile[12]	1,032.2	PU	125.3	588.5	0.3	172,613.9	39.7	0.6	50.27	182,148.4	33,852.7	148,278.9	6,569.9	527,084.0
Foundries														
Cordoba Fonderie Aluminium	14.9	U	n/a	n/a	n/a	4,453.3	n/a	0.0	2.87	292.0	254.7	37.3	5,362.9	17,286.2
Fonderie de Bretagne	102.4	PU	0.3	1.0	0.0	11,365.8	n/a	0.0	4.08	16,918.1	13,795.2	1,226.5	828.2	98,979.8
Tandil	51.3	U	n/a	n/a	n/a	11,004.2	n/a	0.0	2.01	5,953.9	5,277.9	211.0	37.6	34,041.0
TOTAL	**10,930.9**		**365.3**	**1,851.2**	**8.8**	**1,081,090.3**	**43.1**	**4.9**	**486.8**	**840,234.5**	**214,806.4**	**607,234.9**	**56,008.0**	**4,695,752.0**

2012 ENVIRONMENTAL INDICATORS(1)	WATER CONSUMPTION *(in thousands of m³)*	PLANT	LIQUID DISCHARGES *SS (in ton/year)*	*COD (in ton/year)*	*METOX (in ton/year)*	AIR EMISSIONS *GHG (in tCO2eq)*	*VOC (in g/m²)*	*SO_2 (in tons)*	*NO_x (in tons)*	WASTE *TOTAL OIW (in tons)*	O/W NON INERT AND NON METALIC *(in tons)*	O/W METALIC *(in tons)*	*HW (in tons)*	ENERGY CONSUMPTION *(in MWh NCV)*
ENGINEERING, LOGISTICS AND SUPPORT SITES														
Aubevoye	33.9	U	n/a	n/a	n/a	6,506.8	n/a	0.0	1.24	1,707.1	1,684.2	22.9	97.5	26,194.1
Boulogne (head office and other entities)	45.3	U	n/a	n/a	n/a	6,608.7	n/a	0.0	1.72	539.2	523.5	15.7	75.8	33,888.5
Cergy-Pontoise	12.9	U	n/a	n/a	n/a	1,410.8	n/a	0.0	0.80	2,212.7	2,136.2	0.0	60.0	21,832.3
DACIA logistics centre CKD	11.9	U	n/a	n/a	n/a	3,638.3	n/a	0.0	0.49	2,113.8	1,994.2	119.6	0.0	8,707.3
Giheung (RSM)	57.3	B	n/a	n/a	n/a	14,481.8	n/a	0.0	0.82	513.8	478.3	35.6	661.6	31,540.9
Grand-Couronne	5.9	U	n/a	n/a	n/a	2,832.2	n/a	6.3	4.35	1,602.3	1,598.1	0.0	26.9	10,324.6
Guyancourt	170.3	U	n/a	n/a	n/a	27,536.0	n/a	0.1	6.46	2,285.9	1,959.7	314.9	265.4	139,827.3
Heudebouville (Renault Tech)	0.5	U	n/a	n/a	n/a	330.4	n/a	0.0	0.21	103.1	73.2	29.3	19.2	1,563.7
Lardy	147.3	U	20.3	43.3	0.0	23,010.2	n/a	0.1	4.50	1,071.8	1,062.8	0.0	406.1	111,034.7
Rueil-Malmaison	17.8	U	n/a	n/a	n/a	2,977.7	n/a	0.0	0.64	439.5	404.2	35.3	23.3	15,703.1
Saint-André-de-l'Eure	6.0	U	0.7	1.6	0.0	1,290.8	n/a	0.0	0.49	1,246.6	1,216.6	30.0	15.5	6,826.9
Titu	36.9	U	n/a	n/a	n/a	9,194.5	n/a	0.0	0.78	198.8	198.6	0.3	26.1	22,576.2
Valladolid Services Centraux	44.9	U	0.3	1.5	0.0	7,137.2	n/a	0.1	2.85	846.5	559.1	154.7	114.1	21,213.9
Villeroy (DLPA)	6.2	U	n/a	n/a	n/a	1,947.0	n/a	0.0	0.51	2,113.4	2,113.4	0.0	21.0	13,682.2
Villiers-Saint-Frédéric	10.5	U	n/a	n/a	n/a	3,251.0	n/a	0.0	0.57	243.1	186.8	56.3	20.2	17,022.3
TOTAL	**607.70**		**21.32**	**46.40**	**0.04**	**112,153.38**	**N/A**	**6.75**	**26.41**	**17,237.72**	**16,188.63**	**814.50**	**1,832.74**	**481,938.04**
GROUP TOTAL 2012	**11,538.6**		**386.6**	**1,897.6**	**8.9**	**1,193,243.6**	**43.1**	**11.6**	**513.2**	**857,472.2**	**230,995.0**	**608,049.4**	**57,840.8**	**5 177,690.0**
GROUP TOTAL 2011 (16)	**11,972.3**		**408.0**	**-**	**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:*														
Tangiers	420.6	PU	n/a	n/a	n/a	6,600.15	41.81	0.21	4.05	19,560.74	4,560.68	14,985.16	1,291.48	147,757.80
Dacia Drinking water production site	236.8	U	5.10	0.01	0.56	649.11	n/a	0.00	0.03	n/a	n/a	n/a	n/a	n/a
Dacia Davidesti waste storage facility	0.2	PB	0.10	0.00	0.30	17.80	n/a	0.00	0.00	n/a	n/a	n/a	n/a	n/a

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;
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 Gaïa is excluded
(7) 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 16.4% in 2012.
(10) Water consumption at the Flins site includes that of the Spare Parts Distribution Center as well as the environmental impacts of Gaïa.
(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 and liquid discharges at the Sandouville site includes those 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.
(16) The total impacts for the previous year are mentioned for information on the certified scope of the year. The 2011 Group indicators do not take into account the Fonderie de Bretagne and Titu (RTR) reported in 2011 for probationary purposes.
(17) Liquid discharges from the Casablanca (Somaca) plant include those of an industrial complex, not operated by Renault, close to the site.

contents 1 2 3 4 5 6 7

2.8.1.3 ENVIRONMENTAL INDICATORS FOR PRODUCTS ✦

ENVIRONMENTAL CARACTERISTICS FOR THE BEST-SELLING VEHICLES IN EUROPE (27 COUNTRIES) IN 2012

		BEST SELLING VERSION						LOWEST CO_2 EMITTING VERSION				
MODEL	G: GASOLINE D : DIESEL E85: ETHANOL E: ELECTRIC	EMISSION STANDARDS	EXTERNAL NOISE DB (A)	ENGINE	FUEL COMSUMPTION NEDC, L/100 KM	EMISSIONS	SIGNATURE	EMISSION STANDARDS	ENGINE	FUEL COMSUMPTION NEDC, L/100 KM	EMISSIONS	SIGNATURE
RENAULT BRAND												
Twingo 2	G	Euro 5	71.4	1.2 16v	4.50	105.0	Eco^2	Euro 5	1.2 16v	4.50	102.0	Eco^2
	D	Euro 5	72.1	dCl 85	3.40	90.0	Eco^2	Euro 5	dCl 85	3.40	90.0	Eco^2
ZOÉ	E	Euro 5	70.2	5AM	0.0	0.0	-	Euro 5	5AM	0.0	0.0	-
Wind	G	Euro 5	72.1	1.2 16v	6.30	145.0	-	Euro 5	1.2 16v	6.00	139.0	-
Clio Campus	G	Euro 5	70.0	1.2 16v	5.7	133.0	-	Euro 5	1.2 16v	5.7	133.0	-
Clio 3	G	Euro 5	73.2	1.2 16v	5.80	135.0	-	Euro 5	1.2 16v	5.1	119.0	Eco^2
	D	Euro 5	71.4	dCl 75	4.00	105.0	Eco^2	Euro 5	dCl 90	3.40	89.0	Eco^2
	E85	Euro 5	73.2	1.2 16v	8.30	133.0	-	Euro 5	1.2 16v	8.30	133.0	-
	GPL	Euro 5	73.2	1.2 16v	7.60	121.0	-	Euro 5	1.2 16v	7.60	121.0	-
Modus	G	Euro 5	71.9	1.2 16v	5.90	138.0	-	Euro 5	1.2 16v	5.40	125	-
	D	Euro 5	70.2	dCl 75	3.90	104.0	Eco^2	Euro 5	dCl 75	3.90	104.0	Eco^2
Clio 4	G	Euro 5	72.3	1.2 16v	5.50	127.0	-	Euro 5	Energy Tce 90	4.50	104.0	Eco^2
	D	Euro 5	73.5	Energy dCl 90	3.40	90.0	Eco^2	Euro 5	Energy dCl 90	3.20	83.0	Eco^2
Megane 3	G	Euro 5	70.8	1.2 Energy TCE	5.30	119.0	Eco^2	Euro 5	1.2 Energy TCE	5.30	119.0	Eco^2
	D	Euro 5	72.8	Energy dCl 110	3.50	90.0	Eco^2	Euro 5	Energy dCl 110	3.50	90.0	Eco^2
	E85	Euro 5	73.6	1.6 16v	9.70	154.0	-	Euro 5	1.6 16v	9.70	154.0	-
Fluence	G	Euro 5	74.0	1.6 16v	6.80	155.0	-	Euro 5	1.6 16v	6.80	155.0	-
	D	Euro 5	69.5	dCl 110	4.40	114.0	Eco^2	Euro 5	dCl 110	4.40	114.0	Eco^2
	E	Euro 5	69.0	5AM	0.0	0.0	-	Euro 5	5AM	0.0	0.0	-
Scénic	G	Euro 5	73.5	1.6 16v	7.40	174.0	-	Euro 5	1.2 Energy TCE	5.90	135	-
	D	Euro 5	71.0	Energy dCl 110	4.10	105.0	Eco^2	Euro 5	Energy dCl 110	4.10	105.0	Eco^2
	E85	Euro 5	73.5	1.6 16v	10.3	164.0	-	Euro 5	1.6 16v	10.3	164.0	-
	GPL	Euro 5	73.5	1.6 16v	10.1	162.0	-	Euro 5	1.6 16v	10.1	162.0	-
Laguna 3	G	Euro 5	71.0	2.0 16v	7.50	173.0	-	Euro 5	2.0 16v	7.50	173.0	-
	D	Euro 5	72.3	dCl 110	4.20	109.0	Eco^2	Euro 5	dCl 110	4.20	109.0	Eco^2
	E85	Euro 5	71.0	2.0 16v	10.7	171.0	-	Euro 5	2.0 16v	10.7	171.0	-
Koleos	G	Euro 5	74.0	2.5 16v	9.50	220.0	-	Euro 5	2.5 16v	9.50	220.0	-
	D	Euro 5	73.0	2.0 dCl 150	6.40	166.0	-	Euro 5	2.0 dCl 150	5.70	147.0	-
Espace 4	G	Euro 5	70.7	2.0 16v Turbo	8.80	204.0	-	Euro 5	2.0 16v Turbo	8.50	198.0	-
	D	Euro 5	71.7	2.0 dCl 150	6.50	170.0	-	Euro 5	2.0 dCl 150	5.70	150.0	-
Kangoo 2	G	Euro 5	73.3	1.6 16v	7.70	180.0	-	Euro 5	1.6 16v	7.70	180.0	-
	E85	Euro 5	73.3	1.6 16v	10.6	170.0	-	Euro 5	1.6 16v	10.6	170.0	-
	D	Euro 5	73.2	dCl 75	4.90	129.0	-	Euro 5	dCl 90	4.30	112.0	Eco^2
	E	Euro 5	68.3	5AM	0.0	0.0	-	Euro 5	5AM	0.0	0.0	-
Trafic	D	Euro 5	72.8	2.0 Dci	6.90	180.0	-	Euro 5	2.0 Dci	6.70	175.0	-
Master	D	Euro 5	72.9	2.3 Dci	7.70	209.0	-	Euro 5	2.3 Dci	7.20	190.0	-

MODEL	G: GASOLINE D : DIESEL E85: ETHANOL E: ELECTRIC	BEST SELLING VERSION						LOWEST CO_2 EMITTING VERSION				
		EMISSION STANDARDS	EXTERNAL NOISE DB (A)	ENGINE	FUEL COMSUMPTION NEDC, L/100 KM	EMISSIONS	SIGNATURE	EMISSION STANDARDS	ENGINE	FUEL COMSUMPTION NEDC, L/100 KM	EMISSIONS	SIGNATURE
DACIA BRAND												
Sandero	G	Euro 5	72.3	1.2 16v	5.90	135.0	-	Euro 5	1.2 16v	5.90	135.0	-
	E85	Euro 5	72.4	1.6 16v	9.50	154.0	-	Euro 5	1.6 16v	9.5	154.0	-
	GPL	Euro 5	72.3	1.6 MPI 90	9.60	154.0	-	Euro 5	1.2 16v	7.6	122.0	-
	D	Euro 5	70.6	dCI 90	4.60	121.0	-	Euro 5	dCI 75	4.0	104.0	Eco²
Logan	G	Euro 5	72.3	1.2 16v	5.90	135.0	-	Euro 5	1.2 16v	5.90	135.0	-
	GPL	Euro 5	72.3	1.2 16v	7.60	122.0	-	Euro 5	1.2 16v	7.60	122.0	-
	D	Euro 5	69.8	dCI 75	4.00	104.0	Eco²	Euro 5	dCI 75	4.00	104.0	Eco²
Logan MPV	G	Euro 5	72.3	1.6 MPI 90	7.30	169.0	-	Euro 5	1.6 MPI 90	7.30	169.0	-
	GPL	Euro 5	72.3	1.6 MPI 90	9.30	149.0	-	Euro 5	1.6 MPI 90	9.30	149.0	-
	D	Euro 5	70.8	dCI 90	4.60	119.0	Eco²	Euro 5	dCI 90	4.60	119.0	Eco²
Duster	G	Euro 5	73.2	1.6 16v	7.10	165.0	-	Euro 5	1.6 16v	7.10	165.0	-
	E85	Euro 5	73.2	1.6 16v	10.0	160.0	-	Euro 5	1.6 16v	10.0	160.0	-
	GPL	Euro 5	73.2	1.6 16v	9.10	146.0	-	Euro 5	1.6 16v	9.10	146.0	-
	D	Euro 5	74.0	dCI 110	5.30	137.0	-	Euro 5	dCI 90	4.80	126.0	-
Lodgy	G	Euro 5	73.5	1.6 MPI 90	7.10	165.0	-	Euro 5	1.2 Energy Tce	6.00	135.0	-
	D	Euro 5	74.6	dCI 110	4.40	116.0	Eco²	Euro 5	dCI 90	4.20	109.0	Eco²
Dokker	D	Euro 5	72.9	dCI 75	4.90	127	-	Euro 5	dCI 90	4.50	118.0	Eco²

2.8.1.4 ENVIRONMENTAL INFORMATION SUPPLIED PURSUANT TO THE GRENELLE 2 LAW (ARTICLE 225-102 OF THE FRENCH COMMERCIAL CODE)

In accordance with article 225-102 of the French Commercial Code amended by the Grenelle 2 law, the Group is obliged, in relation to its consolidated scope, to publish the environmental information listed in decree 2012-557. The information supplied in response to this obligation is listed in the tables below.

A document stipulating the definition, scope, calculation method for the indicators listed below is available on request from the Renault group Strategic Environmental Planning department.

	INDICATORS	SCOPE	RESULTS AND QUALITATIVE INFORMATION CHAPTER
GENERAL POLICY			
Company organization to take into account environmental questions	Clio III/Clio IV comparative LCA	Group	2.3.3.1 and 2.3.3.2
Environmental assessment and certification procedures	**Manufacturing** ISO 14001 certification (number and % of industrial sites)	Group	Manufacturing 2.3.3.2
	Annual rate of coverage of industrial sites by environmental and prevention audits	Group	
	Vehicles % of Eco²-labelled models in the European range	Group	**Vehicles** 2.3.2.10
Employee environmental protection training and information initiatives	Number of employees who received ecodriving training	France	2.3.3
Resources devoted to the prevention of environmental risks and pollution	Human resources (number of employees) The organization of management systems does not allow isolation of financial resources dedicated to environmental protection.	Group	2.3.3.1 and 2.3.3.2
Amount of provisions and guarantees for environmental risks	Amount of provisions	Group	Note 20 on provisions - 4.2.7.3

	INDICATORS	SCOPE	RESULTS AND QUALITATIVE INFORMATION CHAPTER
POLLUTION AND WASTE MANAGEMENT			
Measures to prevent, reduce or remediate discharges into the air, water and soil seriously affecting the environment	**Manufacturing** COV, NO_x, SO_2 emissions	Group	**Manufacturing** 2.3.2.2 (air), 2.3.2.7 (soil), 2.3.2.8 (water), 2.8.1.2 (appendix)
	% of production capacity using water-based paint facilities	Group	
	% of production capacity using VOC incinerators	Group	
	METOX, DCO, MES discharges	Group	**Vehicles** 2.3.2.2
	Number of powertrain plants with zero liquid industrial emissions	Group	
Measures to prevent, recycle or eliminate waste	**Manufacturing** Quantities of waste generated by plants (OIW, non-metallic and inert OIW, metallic OIW, HW)	Group	**Manufacturing** 2.3.2.5, 2.8.1.2 (appendix)
	Quantity of landfilled waste	Group	
	Number of sites without landfilled waste	Group	
	Vehicles Number of end-of-life vehicles dismantled by the subsidiary INDRA	France	**Vehicles** **2**.3.2.5
Tackling sound pollution and other forms of pollution specific to an activity	**Vehicles** Certified noise emissions of the most-sold versions of each vehicle in the European range	Europe	2.3.2.4 and 2.8.1.3 (appendix)
SUSTAINABLE USE OF RESOURCES			
Water consumption	Water consumption (total m^3 and m^3/vehicle)	Group	2.3.2.8, 2.8.1.2 (appendix)
Water procurement according to local constraints			2.3.2.8
Consumption of raw materials	Reduction in steel consumption between Clio III and Clio IV % of recycled plastics used for Clio IV	Group	
Measures taken to improve efficiency of use	So as not to weaken its negotiating position with suppliers, Renault no longer wishes to publish the total quantities of metals required for its activities.	Group	2.3.2.6
Energy consumption	**Manufacturing** Energy consumption (total and per site)	Group	**Manufacturing** 2.8.1.2 (appendix)
	Vehicles Consumption of the (1) most-sold and (2) most efficient versions of each vehicle in the range in Europe	Europe	**Vehicles** 2.3.2.1 and 2.8.1.3 (appendix)
Measures taken to improve energy efficiency	**Manufacturing** Energy consumption per vehicle	Group	**Manufacturing and vehicles** 2.3.2.1
	Minimum on-site electricity consumption	Group	
Use of renewable energies	**Manufacturing** Share of renewable energy (direct and indirect) in industrial sites' consumption	Group	**Manufacturing and vehicles** 2.3.2.1
	Vehicles Number of models available with flexfuel and LPG engines	Group	
Soil use	% of impermeable surface areas	Group	
CLIMATE CHANGE			
Greenhouse gas emissions	**Manufacturing** Total greenhouse gas emissions per site	Group	**Manufacturing** 2.3.2.1 and 2.8.1.2 (appendix)
	Direct and indirect GHG emissions (plants and other sites)	Group	
	Breakdown of GHG emissions per type of source (plants and other sites)	Group	
	Emissions linked to logistics activities	Group	
	Vehicles **Breakdown of European sales by level of emissions**	Europe	**Vehicles** 2.3.2.1 and 2.8.1.3 (appendix)
	Certified emissions of the (1) most-sold and (2) most efficient versions of each vehicle in the range in Europe	Europe	
Adapting to the consequences of climate change			2.3.2.1
PROTECTION OF BIODIVERSITY			
Measures taken to develop biodiversity			2.3.2.9

2.8.1.5 INDEPENDENT VERIFIER'S ATTESTATION AND ASSURANCE REPORT ON A SELECTION OF SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Renault

Year ended December 31st 2012

Independent verifier's attestation and assurance report on a selection of social, environmental and societal information

To the Executive Committee,

Pursuant to your request and in our capacity as independent verifier of Renault, we hereby report to you on a selection of social, environmental and societal consolidated information presented in the management report issued for the year ended December 31st 2012 in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code (Code de commerce).

Company's Responsibility

The Board of Directors is responsible for the preparation of the management report including the consolidated social, environmental and societal information (the «Information») in accordance with the requirements of Article R. 225-105-1 of the French Commercial Code (Code de commerce), presented as required by the entity's internal reporting standards (the «Guidelines») and available at the Environmental Plan, Human Resources and Corporate Social Responsibility Departments and a summary of which is provided in the management report.

Our Independence and Quality Control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession (Code de déontologie) and Article L. 822-11 of the French Commercial Code (Code de commerce). In addition, we maintain a comprehensive system of quality control including documented policies and procedures to ensure compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent verifier's responsibility

It is our role, on the basis of our work:

- To attest whether the required Information is presented in the management report or, if not presented, whether an appropriate explanation is given in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code (Code de commerce) and Decree no. 2012-557 dated 24 April 2012 (Attestation of presentation);
- To provide reasonable assurance on whether the Information selected by the Group and identified in the "Environmental indicators by site 2012" table, on the « Total Group 2012 » line, in chapter 2.8.1.2. of the management report, is fairly presented, in all material respects, in accordance with the Guidelines (reasonable assurance);
- To provide limited assurance on whether the quantitative social Information selected by the Group with respect to headcounts and their distribution, attrition rate and work accidents, and the qualitative Information given in Chapter 2 are fairly presented, in all material respects, in accordance with the Guidelines (limited assurance).

We called upon our Corporate Social Responsibility experts to assist us in the performance of our work.

1. ATTESTATION OF PRESENTATION

Our engagement was performed in accordance with professional standards applicable in France:

- We compared the Information presented in the management report with the list as provided for in Article R. 225-105-1 of the French Commercial Code (Code de commerce).
- We verified that the Information covers the consolidated perimeter, namely the entity and its subsidiaries within the meaning of Article L. 233-1 and the controlled entities within the meaning of Article L. 233-3 of the French Commercial Code (Code de commerce) within the limits specified in the methodological note presented with the Information.
- In the event of the omission of certain consolidated Information, we verified that an appropriate explanation was given in accordance with Decree no. 2012-557 dated 24 April 2012.

On the basis of our work, we attest that the required Information is presented in the management report.

2. ASSURANCE REPORT

Nature and scope of the work

- We conducted our engagement in accordance with ISAE 3000 (International Standard on Assurance Engagements) and French professional guidance.

We performed the following procedures to obtain:

- Reasonable assurance that the Environmental quantitative Information selected by the Group and identified in the “Environmental indicators by site 2012” table, on the « Total Group 2012 » line, in chapter 2.8.1.2. of the management report is fairly presented, in all material respects, in accordance with the Guidelines;
- Limited assurance that nothing has come to our attention that causes us to believe that the quantitative social Information selected by the Group with respect to headcounts and their distribution, attrition rate and work accidents, and the qualitative Information given in Chapter 2 of the management report is not fairly presented, in all material respects, in accordance with the Guidelines.

Our work consisted in the following:

- We assessed the appropriateness of the Guidelines as regards their relevance, completeness, neutrality, clarity and reliability, taking into consideration, where applicable, the good practices in the sector.
- We verified that the Group had set up a process for the collection, compilation, processing and control of the Information to ensure its completeness and consistency. We examined the internal control and risk management procedures relating to the preparation of the Information. We conducted interviews with those responsible for social and environmental reporting.
- Concerning the quantitative consolidated environmental and social information selected by the Group , our work consisted in the following :
  - at the level of the consolidating entity and the controlled entities, we implemented analytical procedures and, based on sampling, verified the calculations and the consolidation of this information;
  - at the level of the sites that we selected based on their business, their contribution to the consolidated indicators, their location and a risk analysis:
  - we conducted interviews to verify that the procedures were correctly applied and to identify any omissions;
  - we performed tests of detail based on sampling, consisting in verifying the calculations made and reconciling the data with the supporting documents.

The sample thus selected represents between 47% and 78% of the quantitative environmental information tested and 63% of the workforce for the quantitative social information tested.

- Concerning the qualitative consolidated information published :
  - We selected the consolidated Information to be tested and determined the nature and scope of the tests, taking into consideration their importance with respect to the social and environmental consequences related to the Group’s business and characteristics, as well as its societal commitments.
  - We assessed its fairness and consistency in relation to our knowledge of the company and, where applicable, through interviews or the consultation of documentary sources.
- Finally, we assessed the relevance of the explanations given in the event of the absence of certain information.

As regards the Information identified in the “Environmental indicators by site 2012” table, on the « Total Group 2012 » line, in chapter 2.8.1.2. of the management report, the degree of accuracy of measurement and the performance of work of the same nature as - but more detailed than - that performed on the other Information, in particular as concerns the number of tests, enable us to express reasonable assurance.

Conclusion

Reasonable assurance

In our opinion, the Information selected by the Group and identified in the “Environmental indicators by site 2012” table, on the « Total Group 2012 » line, in chapter 2.8.1.2. of the management report is fairly presented, in all material respects, in accordance with the Guidelines.

Limited assurance

Based on our work described in this report, nothing has come to our attention that causes us to believe that the quantitative social Information selected by the Group and the qualitative Information given in Chapter 2 are not fairly presented, in all material respects, in accordance with the Guidelines.

Comments:

Without calling into question our conclusions expressed above, we would like to draw your attention to the fact that the Information with respect to the attrition rate and dismissals cover only a partial perimeter, limited to eight of the principal countries of operation of the Group and to France respectively, as specified in the methodological note presented with the Information.

Neuilly-sur-Seine et Paris-La Défense, 1st March 2013

The Statutory Auditors

DELOITTE & ASSOCIÉS

ERNST & YOUNG Audit

*(1) **Information verified with reasonable assurance** (the contribution of the selected entities to the Group’s Information is presented into brackets): Water consumption (47%), liquid discharges of SS (67%), METOX (48%) and COD (65%), energy consumption (51%), GHG emissions (48%), VOC emissions, SO2 emissions (78%), NOx emissions (53%), Ordinary Industrial Waste (55%), Ordinary Industrial Waste excluding inert and metallic waste (48%), ordinary metallic industrial waste (60%), hazardous waste (49%), presented Chapter 2.8.1.2. of the management report. **Informations verified with limited assurance**: headcounts and their distribution, attrition rate and work accidents presented Chapter 2.2. of the management report.*

(2) For our work on environmental Information, we selected the following sites: Casablanca, Cléon, Dacia Producteur d’Automobiles, Douai, Douvrin, Flins, Grand-Couronne, Lardy, Maubeuge, Moscou, Palencia, Sandouville, Séville. For our work on social Information, we selected: Spain, France and Roumania.

2.8.2 SOCIAL APPENDICES

2.8.2.1 NUMBER OF COUNTRIES CONCERNED BY PRIORITY THEME - RENAULT GROUP 2012

		REGIONS				
THEME	NO. OF ACTIONS	EUROPE	AMERICAS	ASIA – PACIFIC	EURASIA	EUROMED – AFRICA
TOTAL	360	16	5	4	2	5
Diversity	36	3	4	2	1	1
Education	96	5	4	2	0	5
Safety	52	12	3	2	1	4
Sustainable mobility	39	10	3	1	1	1
Other	137	13	4	3	2	5

The "Other" theme covers social investments in the following fields: humanitarian aid, culture, health, sport and miscellaneous.

2.8.2.2 BREAKDOWN OF SOCIAL INVESTMENTS BY REGION AND BY PRIORITY THEME (IN EUROS) - RENAULT GROUP 2012

	REGION						
THEME	EUROPE	*O/W FRANCE*	AMERICAS	ASIA – PACIFIC	EURASIA	EUROMED - AFRICA	TOTAL
TOTAL *(in €)*	16,495,220	*13,447,953*	2,540,488	660,596	394,106	1,564,979	21,655,389
Diversity	595,470	*545,870*	306,156	25,565	9,000	20,000	956,191
Education	4,295,922	*4,064,064*	863,979	39,566	0	528,931	5,728,398
Safety	2,237,542	*1,344,686*	266,995	289,514	5,000	295,754	3,094,805
Sustainable mobility	7,305,143	*6,990,600*	119,028	190,024	13,000	31,043	7,658,238
Other	2,061,143	*502,733*	984,330	115,928	367,106	689,251	4,217,758

2.8.2.3 BREAKDOWN OF SOCIAL INVESTMENTS BY TYPE AND BY PRIORITY THEME (IN EUROS) - RENAULT GROUP 2012

THEME	PATRONAGE	COMMUNITY	CSR SPONSORING	TOTAL
TOTAL *(in €)*	3,326,728	16,134,775	2,193,887	21,655,389
Diversity	113,565	657,626	185,000	956,191
Education	61,964	5,666,434	0	5,728,398
Safety	50,000	3,029,805	15,000	3,094,805
Sustainable mobility	905,915	6,717,443	34,880	7,658,238
Other	2,195,284	63,467	1,959,007	4,217,758

2.8.2.4 BREAKDOWN OF SOCIAL INVESTMENTS BY TYPE OF DONATION AND BY PRIORITY THEME (IN EUROS) - RENAULT GROUP 2012

THEME	MONETARY	IN KIND	PERSONNEL	TOTAL
TOTAL *(in €)*	18,487,560	1,771,225	1,398,093	21,655,389
Diversity	903,789	23,500	28,902	956,191
Education	4,755,733	346,168	626,496	5,728,398
Safety	2,403,226	339,981	351,598	3,094,805
Sustainable mobility	7,200,630	95,485	362,123	7,658,238
Other	3,224,182	966,090	28,974	4,217,758

2.8.2.5 DETAIL OF THE 24 PROGRAMS BENEFITING FROM PATRONAGE IN 2012 THROUGH THE RENAULT.COM WEBSITE

THEME	PROJECT	OBJECTIVE	SUPPORT GIVEN
	Premiers de Cordée association	Premiers de Cordée promotes sport in hospitals, and adaptive sports in schools. The aim of the "Sport & Prevention Day" is to promote public health and prevention themes – road safety, disability and first aid – to schools through sport and top-level athletes.	15,000
	Elan Retrouvé	Social and professional adjustment/rehabilitation of invalids and the mentally disabled by encouraging the development of social links and resocialization.	12,000
	Ni Putes ni Soumises	Combatting verbal, physical and sexual violence against women. Help them re-enter the labor market support from psychologists and welfare workers.	22,700
	Stade Parisien des Sourds	Encouraging able-bodied people and those with a physical, visual sight or hearing impairment to play volleyball	3500
	ESPOIR rehabilitation center	Creation of an adaptive driving school within a functional rehabilitation center. The driving school will allow disabled adults with a driving license to return to driving before being examined by a medical committee to re-approve their license.	12,000
	Course du Cœur	Rehabilitation of transplant and dialysis patients through participation in physical activity and sports	5000
	Ensemble vers Londres 2012	Supporting mentally impaired sportspeople attempting to represent France and the adaptive sports world, by providing them with support to enter London Paralympic Games.	10,000
	Girls who innovate. Colombia PLAN	Helping Colombian women to break down barriers and gain access to information. The project involves enabling them to take control of their lives through a process of education, networking and best practice. They are helped to manage their emotions, prevent risk and violence and encouraged to take initiatives.	50,620
Diversity	Paris Londres 2012 Roller	Promoting "Living together" between disabled and abled-bodied people during the Paralympic Games in London. "Mobility in Cities" with a sporting and human goal – to travel from Paris to London in five days on rollerblades and manual wheelchairs.	10,000
	Parcours de Migrants	Parcours de Migrants is a mobile educational project, aimed at schools, town halls and community centers. The aim is to raise general awareness of the need for migration, mobility, social success, and the numerous procedures for integration into host societies, local authorities and companies.	10,000
	Ednica	To promote the right to education for children and young people working and/or living on the street, who often do not have access to education, by undertaking activities to strengthen intellectual abilities and reduce the risk of marginalization	20,000
	MecaElec Concept	Educational project enabling MécaElec Concept students to design a reliable and efficient prototype solar vehicle to be used as an educational tool, whose performance will be tested in competitions organized around Europe. Helps young people to enter the employment market.	10,286
Education	Muséum d'Histoire Naturelle	The "muséomobile", a mobile unit set up by the natural history museum in Paris, promotes equal opportunities and access to education and culture for all. It gives rural populations access to culture.	20,000
	ANDES	ANDES (the national association for the development of community-run grocery stores) is one of the leading food-aid networks in France. It combats exclusion without favoring handouts, to promote respect for individual freedom and long-term employment.	16,000
	AC le Feu	A collective that combats exclusion and discrimination in isolated suburbs without public transport. Contributes to local development and community support. Improves neighborhood life and encourages young people to get involved in community initiatives.	10,000
	Aloes Quoi de Neuf	Employment and social integration in very rural areas of the Lozère region (France). Mobility initiatives in the region based on access to employment and training.	15,000
	Auto Mobilité Garage Social	Enabling the most vulnerable people in a region lacking public transport to affordably acquire, maintain and repair a vehicle.	16,400
	Mission Locale du Saumurois: Conduite Accompagnée	Helping young people with difficulties finding employment to reach the level required to become independent drivers and citizens, able to apply for and pass driving tests as part of an assisted driving scheme tailored to their needs.	10,300
	Tremplin Insertion Chantiers	Driving school to boost employment in rural areas, with the aim of providing driving lessons to socially excluded people, enabling them to obtain a driving license	10,000
	Les Autos du Cœur	Welfare project in the automotive field making mobility accessible to vulnerable people. The organization takes donated vehicles that are repaired in independent garages and then given to the most underprivileged.	20,000
	Prévention Martinique	The objectives of the "MOBIL'EMPLOI SERVICES" project are to provide driving lessons to young people with a professional plan, to contribute to young people's access to employment by encouraging independence and to create a maintenance and repair business for mopeds in Martinique.	10,000
Mobility	Escapades	Developing and promoting disabled and elderly people's access to non-adapted natural sites, culture, education, work and leisure activities. The project aims to increase their social inclusion and recognition of their equal rights in society.	10,000
	SDIS Loire Atlantique	Contributing to the training of the emergency services and improving their response to road accidents, by enabling them to immediately identify the vehicles involved and access all data supplied by manufacturers which could help them provide assistance to victims.	10,000
Safety	CE KI SAM	Encouraging, supporting and promoting young people's involvement, in relation to their peers, in prevention of road-related risks and dangers linked to the consumption of psychoactive drugs.	10,000

3 CORPORATE GOVERNANCE

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

✦ Global Reporting Initiative (GRI) Directives

contents 1 2 3 4 5 6 7

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 13, 2013.

Renault also carefully and continually analyzes the best practices set out in the Afep/Medef Code on the corporate governance of listed corporations. The Company makes every effort to comply with the code's recommendations.

Accordingly, the Board decided that the Company would refer to the Afep-Medef Code when preparing the report. This code is available for consultation at Renault head office.

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

On May 6, 2009, following a proposal by the Appointments and Governance Committee, the Board of Directors of Renault decided to combine the functions of Chairman of the Board and Chief Executive Officer. Mr Ghosn was appointed as Chairman and CEO and reappointed in 2010.

The reason for combining 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 both Renault and Nissan.

The system whereby operational decisions are made under the authority of a Chief Operating Officer was maintained in 2011. On May 30, 2011, on the recommendation of the Appointments and Governance Committee, Carlos Ghosn appointed Carlos Tavares as Chief Operating Officer of Renault. Mr Tavares took up his duties on July 1, 2011.

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 curbs placed by the Board of Directors on the powers of the CEO are described in the Board's internal regulations. These provide that the Board of Directors will examine the Group's strategic plan on an annual basis and discuss the Company's strategic policies, including those connected with the Alliance, put forward by the Chairman and CEO. The Board examines any changes to those policies once yearly. Further, it also gives its opinion before any major decision inconsistent with the Company's strategy can be made.

The Chairman and CEO must seek permission from the Board of Directors for strategic operations and investments.

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 of 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. The Chairman and CEO does not take part in the discussions.

Mr Lagayette is Chairman of the Audit, Risk and Ethics Committee (CARE), and a member of the Appointments and Governance Committee.

3.1.1.2 COMPOSITION OF THE BOARD OF DIRECTORS ✦

At February 13, 2013 the Company was administered by a Board of Directors with 19 members, including three 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 shareholder employees.

On September 26, 2012, David Azéma, commissioner for state holdings, was appointed as director of Renault, on the order of the French Minister of the Economy and the Minister of Industry, replacing Alexis Kohler.

On November 8, 2012, following internal company elections, Mrs Mariette Rih, and Mssrs Richard Gentil and Eric Personne were named directors by employees, replacing Mssrs Yves Audvard, Patrick Biau and Alain Champigneux.

On February 12, 2013, Pascal Faure, Director General of Competitiveness, Industry and Services at the Ministry of Industrial Recovery, was appointed as a Renault director on the order of the Ministry of the Economy and Finance and the Ministry of Industrial Recovery, to replace Luc Rousseau.

Directors have a term of office of 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 since 2003.

When directorships come up for renewal, 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, directors elected by employees 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 Director meets as often as the interests of the Company require. Meetings are convened at least five days in advance by the Chairman. Deliberations are based on papers sent out with the notification to attend. Exceptionally, documents may be sent out at a later date, if urgent or impossible to do otherwise, or if the documents are to be examined by a committee meeting after the notification was sent out.

The minutes of the Board meetings are made available to directors within a reasonable period of time before being approved at the next meeting of the Board.

The internal regulations of the Board of Directors, set out in annex 3.4 reflects the organization described in chapter 3.1.1.2.

✦ 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 of Renault SA** Current offices and functions in other companies: *France:* Chairman: Mobiliz, Renault s.a.s. *Other countries:* President and CEO: Nissan Motor Co., Ltd. Chairman of the Board: Renault-Nissan b.v. Chairman of the Board of Directors: Alliance Rostec Auto BV, Renault do Brasil SA Director: AVTOVAZ Offices or functions in the past five years no longer held: Director: Alcoa
David Azéma Nationality: French Member of the Audit, Risks and Ethics Committee Member of the Industrial Strategy Committee Number of shares: (2) Born on November 22, 1960 Date of first term: October 2012 Current term expires (AGM): 2015	**Commissioner for state holdings – French Government Shareholding Agency, at the Ministry for the Economy** Current offices and functions in other companies: Director: Strategic investment fund (FSI), EDF, Air-France KLM Member of the Supervisory Board: Areva Offices or functions in the past five years no longer held: Chairman of the Board: Keolis Group Chief Operating Officer: SNCF Member of the Executive Committee: Vinci SA Chief Executive Officer: Vinci Concessions
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	**Managing Director, Warburg Pincus** Current offices and functions in other companies: *France:* n.a. *Other countries:* Director: IBM, Omega, Banco Indusval Member of the Business Council Offices or functions in the past five years no longer held: Non-executive Chairman of Alcoa Chairman of the Board and director of Alcoa Chairman and CEO of Alcoa Director of Brown University, Citibank Member of the Board of Trustees of the Conference Board
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): 2016	**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 *Other countries:* n.a. Offices or functions in the past five years no longer held: Director: Bouygues, Thales UK, Thales Non-voting director: Galeries Lafayette
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, LCL *Other countries:* n.a. 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, Emporiki Member of the Supervisory Board: Banque Postale, Banque Postale Asset Management
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): 2016	**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 Musée du Louvre École Polytechnique *Other countries:* Member of the Board of Bombardier (Canada) Offices or functions in the past five years no longer held: Chairman of the Board, Total Member of the Supervisory Board, Areva

DIRECTORS	OFFICES/FUNCTIONS
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): 2016	Current offices and functions in other companies: *France:* Chairman: Cerenis (biotechnology company) *Other countries:* Chairman: Actelion Chairman of the Board of Directors: Actelion Director: United Technology Corp, Paul Newman Foundation Offices or functions in the past five years no longer held: Chairman and CEO: GlaxoSmithKline Beecham p.l.c. Chairman: GlaxoSmithKline p.l.c Director: GlaxoSmithkline Beechman p.l.c., Biotechnology Industry Organization, Eisenhower Exchange Fellowship Chairman: NormOxys Corp
Pascal Faure Nationality: French Member of the International Strategy Committee Member of the Industrial Strategy Committee Number of shares: (1) Born on February 1, 1963 Date of first term: February 2013 Current term expires (AGM): 2016	**Director General of Competitiveness, Industry and Services at the Ministry of Industrial Recovery** Offices or functions in other companies: Government Commissioner: Post Office, National Business Development Commission Member of the Atomic Energy Commission Director and government representative: Fonds Stratégique d'Investissement, Ecole Normale Supérieure, Institut Mines-Télécom, Mines Paris Tech, Ecole Polytechnique, La Francaise des Jeux, France Telecom, Member of the Supervisory Board and government representative: Areva SA Attendance at AGM : PMU Membership of the Executive Committee: Fondation Telecom Offices or functions in the past five years no longer held: Chairman, Institut Telecom
Richard Gentil Nationality: French Employee-elected director Member of the Industrial Strategy Committee Member of the International Strategy Committee Number of shares: 1 Born April 29,1968 Date of first term: November 2012 Current term expires: November 2016	**Technician, hydraulic mechanical maintenance methods, head of foundry gas - Renault** Current offices and functions in other companies: *France:* n.a. *Other countries:* n.a
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.** (2) Current offices and functions in other companies: Director: Dainippon Screen Mfg Co., Ltd., Fidelity International Limited Advisor: BitAuto, Intertrust, CSEM 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, Terumo Corp Vice-Chairman: Nissan Motor Co., Ltd.
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), Société Fermière du Casino Municipal de Cannes (SFCMC) 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 not-for-profit institutions or associations: Fondation Culture et Diversité, Conseil artistique des musées nationaux, Fondation des sciences politiques, Musée des arts décoratifs, Abbaye de Lubilhac endowment fund *Other countries:* Chairman of the Board: Fitch Group (USA) Statutory manager: Fimalac Participations Sarl (Luxembourg) Offices or functions in the past five years no longer held: Chairman: Fitch Ratings (USA) Director: Algorithmics (Canada) Statutory manager: Fimalac Participations Member of the not-for-profit association: Fondation Bettencourt Schueller L'Oréal corporate foundation
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) *Other countries:* n.a. Offices or functions in the past five years no longer held: Member of the Supervisory Board and Audit Committee of Holcim France Benelux

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:* PL Conseils Vice-Chairman and Senior Advisor: Barclays Capital France Member of the Board: PPR, Fimalac Chairman: Fondation de France Chairman of the Board of Institut des Hautes Études Scientifiques Chairman of the Foundation of Scientific Co-operation for Research on Alzheimer's Disease *Other countries:* n.a. Offices or functions in the past five years no longer held: Vice-Chairman: JP Morgan in EMEA Chairman of the Supervisory Board, French American Foundation
Benoît Ostertag Nationality: French Director employee shareholders representative Member of the Audit, Risk and Ethics Committee Member of the Industrial Strategy Committee Number of shares: 1,626 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** Current offices and functions in other companies: *France:* n.a. *Other countries:* n.a
Éric Personne Nationality: French Employee-elected director Member of the International Strategy Committee Number of shares: 20 Born October 14,1962 Date of first term: November 2012 Current term expires: November 2016	**Head of sales and quality reporting, Renault Retail Group (RRG)** Current offices and functions in other companies: *France:* n.a. *Other countries:* n.a
Mariette Rih Nationality: French Employee-elected director Member of the International Strategy Committee Number of shares: 8 Born March 26,1967 Date of first term: November 2012 Current term expires: November 2016	**Project leader, demonstration vehicle, Renault** Current offices and functions in other companies: *France:* n.a. *Other countries:* n.a
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) *Other countries:* Director: Bagley Latinoamerica SA, Danone SA, Rolex SA, Rolex Holding SA Main offices held with associations/foundations: Chairman of the Guidance Committee: Danone pour l'Ecosystème Fund 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 the Guidance Board: Livehoods Fund (SICAV) Luxembourg Offices or functions in the past five years no longer held: Director: Accor SA, Lacoste France SA, Ominium Nord Africain (ONA), Wadia BSN India Limited, Fondation Gain
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.** Current offices and functions in other companies: *France:* n.a. *Other countries:* n.a

DIRECTORS	OFFICES/FUNCTIONS
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	**Senior Executive Vice-President, International Development, Thalès** Member of the Executive Committee: Thales Current offices and functions in other companies: *France:* President of the Board: Telecom Paris Tech (École Nationale Supérieure des Télécommunications) Member of the Board: Vinci, Agence Nationale des Fréquences *Other countries:* n.a. Chairman of Thales Canada, Inc. Member of the Board of: Thales UK Ltd, Thales Electronics plc, Thales Nederland BV, Thales Australia Holdings pty Ltd, Thales USA Inc. Offices or functions in the past five years no longer held: Chairman and CEO Thales Communications & Security Chairman: Thales Services SAS Member of the Supervisory Board: Thales Alenia Space Member of the Board: Groupe des Industries Françaises Aéronautiques Spatiales (GIFAS) Member of the Board: DCNS, Institut Télécom Chairman, Eurospace, European Space Industry Association Member of the Board: Association of European Aerospace and Defense Industries (ASD)

* *Independent director.*
(1) *See paragraph below.*
(2) *At December 31, 2012.*

The average age of incumbent directors is 58 and a half. 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, ([2] 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.

EXPIRATION OF TERMS OF OFFICE

CURRENT TERM EXPIRES	DIRECTOR
2013	Mrs de La Garanderie Mr Belda Mr Isayama Mr Ostertag
2014	Mrs Sourisse Mr Delpit Mr Ghosn Mr Ladreit de Lacharrière Mr Riboud Mr Saïkawa
2015	Mr Azéma Mr Lagayette
2016	Mrs Rih Mr de Croisset Mr Desmarest Mr Faure Mr Garnier Mr Gentil Mr Personne

(1) Share of Renault's capital held by directors: 0.07%.

✦ Global Reporting Initiative (GRI) Directives

3.1.1.3 THE BOARD OF DIRECTORS IN 2012

The Board of Directors met eight times in 2012. One of the meetings was devoted to the strategic shareholding in AVTOVAZ; another to Renault's remaining shareholding in Volvo. Meetings lasted an average of three hours, except for the meeting devoted to strategy. This meeting, held on the premises of RNBV in Amsterdam to discuss about the Alliance, took a whole day. The attendance rate was 90.2% (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 attendance rate of the directors reflects the commitment of the 19 members of the Board to serving Renault.

On the main matters, in 2012 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 2011 and examined the consolidated financial statements for first-half 2012; it set the appropriation of 2011 income to be proposed to the AGM, which included a dividend payout;
- adopted the 2013 budget;
- assessed the extent to which performance criteria had been reached in the plan to grant stock-options and bonus shares for 2011;
- approved the plans to grant stock options and bonus shares for 2013.

CORPORATE GOVERNANCE

The Board:

- conducted a assessment of its operating methods and listed the independent directors;
- took official note of the appointment of a new director representing the state, Mr David Azéma, replacing Mr Alexis Kohler; (the Board was also informed at its first meeting of 2013 that Pascal Faure had been appointed to replace Luc Rousseau);
- took official note of the election of three new employee-elected directors, Mrs Mariette Rih, and Mssrs Richard Gentil and Eric Personne, replacing respectively Mssrs Patrick Biau, Yves Audvard and Alain Champigneux;
- revised the composition of its specialized committees, following the appointment of new directors;
- approved the change to the composition of the Supervisory Board of Renault-Nissan b.v., which gains two additional members, representing Renault and Nissan respectively;
- 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:

- reviewed progress of the Renault 2016 – Drive the Change plan, presented by senior management and approved in 2011 by the Board of Directors;
- authorized Renault to raise its holding in AVTOVAZ;
- authorized the sale of A shares in AB Volvo;
- examined in detail four strategic subjects selected by the directors in 2011: industrial strategy in France, partnerships with Daimler and AVTOVAZ, the Renault-Nissan Alliance and human capital.

The Board also took decisions on new issues that are strategic for Renault and will be discussed in Board meetings in 2013.

REGULATED AGREEMENTS

The Board of Directors authorized the signature of an amendment to the Restated Alliance Master Agreement aimed at modifying the membership of the Alliance Board, as described in chapter 1.2.2.2.

3.1.1.4 AUDIT OF THE BOARD OF DIRECTORS ✦

In accordance with common practices and the recommendations of the Afep/Medef Code, the Board carried out a self-assessment concerning its composition, its organization and its working. The assessment was carried out by the Appointments and Governance Committee, chaired by Mr Ladreit de Lacharrière. It was based on a questionnaire and 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. They noted a genuine improvement in this area.

The members of the Board highlighted the relations of trust that exist between the Board and senior executives.

Attendance by Executive Committee members at Board meetings is considered a best practice that fosters dialogue and effective information. However, the directors requested that the arrangement not be systematic, so that some issues could be discussed in a select group confined to Board members, the Chairman and the Secretary of the Board.

The members of the Board especially appreciated the full day devoted to Renault's strategy and long-term growth. They also said they wanted to resume factory visits, which give them a better understanding of the Group's products.

Board members also expressed their appreciation of the lunches organized after some of the meetings, which provide an opportunity for informal discussions with members of the Executive Committee and some members of the Management Committee.

Another much-appreciated initiative is the presentation at each meeting of a strategic issue selected beforehand by the Board. This initiative, introduced in 2012, will be continued because it allows for in-depth discussion and ensures that the Board's agenda is aligned more closely with the company's development.

The Board members were also pleased that comments made at the 2011 assessment had been taken into account. On this issue, they noted that documents were being made available more quickly ahead of Board meetings. They also noted that the Chairman did not take part in discussions aimed at analyzing his performance or setting his remuneration. Furthermore, they expressed satisfaction at the information supplied between meetings and asked that the practice be stepped up, particularly with regard to company news.

In 2013 the Chairman of the Appointments and Governance Committee will make a wide-ranging assessment of the way that Board committees are organized, notably the number of committees and their purpose, as well as the role played by the Senior Independent Director.

The directors expressed an open opinion or requested improvements on two issues:

- Membership of the Board should better reflect the international dimension of the Alliance. Accordingly, directors asked that when the next seats come up for renewal, candidates be chosen on the basis of where the Group operates internationally and/or its partnerships;
- The Board wants to receive information, such as sector or financial analysis, from third parties.

3.1.1.5 ASSESSMENT OF DIRECTOR INDEPENDENCE ✦

At its meeting on February 13, 2013, the Board of Directors restated its attachment to the most thorough definition of corporate governance available in France, namely the Afep/Medef Code. 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 representing the 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 the representative of 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 (CARE)

CARE has six members: Mr Lagayette in the chair, Mrs de la Garanderie, Mrs Sourisse, Mssrs Azéma (replacing Mr Kohler), de Croisset and Ostertag. Four of the six are independent directors.

The Board of Directors approved the appointment of Mr Ostertag to the CARE, replacing Mr Champigneux, whose term of office as a director expired in November 2012.

The committee met four times in 2012, with an attendance rate of 91.6% (for details, see chapter 3.3.4.2).

In compliance with French legal and regulatory requirements, and the Afep/Medef Code, the Audit, Risk and Ethics Committee dealt with the following matters in particular:

- the Group's consolidated financial statements and Renault's individual financial statements for 2011 and first-half 2012, as well as the related financial news releases;
- a review of the 2012 internal audit plan and presentation of the plan for 2013;
- the external audit plan conducted by the auditors as part of their legal auditing task;
- the impact of the European financial crisis on company results;
- tracking financial risks.

Moreover, in line with the reviewed responsibilities of CARE, following the decision of the Board of Directors in April 2011, the Committee exercised new ethics-related tasks in 2012. For example, it twice interviewed the Ethics manager on the activities of his Committee, as described in chapter 3.1.1.7.

One of the responsibilities of CARE is to review the efficiency of internal control and risk management systems, as set out in chapter 3.1.3 below. 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 key points of their work 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.

REMUNERATION COMMITTEE

This 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 2012, with an attendance rate of 93.75% (details in chapter 3.3.4.2).

The main items on its agenda were:

- the remuneration of the Chairman and CEO;
- the performance requirements for the variable remuneration of the Chairman and CEO in connection with the Renault 2016 – Drive the Change plan;
- the meeting of performance requirements linked to stock-option and bonus share plans for 2011;
- the structure and grant rules for the stock-option and bonus share plan for 2013.

✦ 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 twice in 2012, with an attendance rate of 100% (details in chapter 3.3.4.2).

The main items on its agenda were:

- the reappointment of Mssrs Croisset, Desmarest, Garnier and Rousseau as directors;
- implementation of the rules on the proportion of female directors, in the light of forthcoming reappointments to the Board;
- the composition of the Board's specialized committees, following the appointment of new employee-related directors, and specific requests from some directors;
- the annual review of the Board of Directors;
- a review of the list of independent directors pursuant to the criteria set out in the Afep/Medef report;
- changing the Board's internal regulations to enable the Accounts and Audit Committee to become the Audit, Risk and Ethics Committee;
- changing the Board's internal regulations to set precise time frames for sending out documents prior to meetings of the Board and the Committees.

INTERNATIONAL STRATEGY COMMITTEE

This committee has nine members: Mr Desmarest in the chair, Mrs Rih, Mssrs Belda, Delpit, Garnier, Gentil, Personne, Rousseau and Saïkawa (effective from his appointment in early 2013, Mr. Faure replaces Mr. Rousseau on this Committee).

Four of the nine committee members are independent.

The committee met twice in 2012, with an attendance rate of 83.3% (details in chapter 3.3.4.2).

The main items on its agenda were:

- the development of Renault's activity in Russia as part of the partnership with AVTOVAZ;
- the development of Renault in the Regions of Asia and Euromed-Africa.

INDUSTRIAL STRATEGY COMMITTEE

This committee has seven members: Mr Garnier in the chair, Mssrs Azéma, de Croisset, Desmarest, Gentil, Rousseau and Ostertag (effective from his appointment in early 2013, Mr. Faure replaces Mr. Rousseau on this Committee).

Three of the seven committee members are independent.

The committee met twice in 2012, with an attendance rate of 83.3% (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;
- more specifically, competitiveness issues in France.

3.1.1.7 ACTIVITIES OF THE ETHICS DEPARTMENT AND THE ETHICS AND COMPLIANCE COMMITTEE

On December 8, 2011 the Board of Directors of Renault approved the appointment of Mr Jean-Marc Berlioz, a senior civil servant from France's Ministry of the Interior, as Group Ethics manager. He reports directly to the Chairman and CEO who has given him a road map comprising three main objectives:

- reinforce the Group's body of ethical doctrine, in order to contribute to the application of all legal requirements, regulations, standards and obligations and, in consequence, play an active role in enhancing Group image;
- put in place regulatory and organizational procedures:
  - give new impetus to the whistleblowing procedure, in full compliance with the law, and particularly the requirements of the CNIL (French data protection authority),
  - set up and coordinate the Ethics and Compliance Committee (CEC), enabling it to play a full role in supervision and control;
- represent the Group with official entities, and in meetings, and seminars relating to ethical issues, in order to affirm the Group's presence in this field, both inside and outside the company.

FIRST OBJECTIVE: THE BODY OF DOCTRINE

The Charter of Ethics

The Charter of Ethics sets out the Group's key principles and its fundamental values. Applicable worldwide, it replaces the former Code of good conduct.

This is a global document, aimed at 128,000 employees in 118 countries. The content is deliberately general and concise. It has been translated into 13 languages. Distribution is currently underway, with each employee receiving a paper copy from his or her management. The Charter of Ethics is also available from the company's intranet site.

An information kit has been designed to help managers answer any questions raised when employees receive the document. The objective is to complete distribution before the annual appraisals.

Distribution is one of the indicators that could be tracked to assess the action of this new department.

The "Ethics in Practice" guide

This guide is a practical interpretation of the Charter. It aims to demystify ethical issues, notably by showing that the simple fact of asking questions is already part of an ethical approach. It also aims to help answer any questions that may be raised, in as simple a form as possible. This document is also available on the company's intranet site.

The codes of good conduct

Concerning the codes of good conduct dedicated to business functions with major ethical requirements, priority has been given to five codes: safety, information technology, purchasing, sales and governance.

These codes are of a technical nature. Their aim is to explicitly set out what employees must do and – more particularly – what they must not do. They trace a line that must not be crossed. The Code of good conduct for safety was drafted with the active participation of the Prevention and Protection department (DSP) and its director, and is available on the D2P intranet.

The Code of good conduct for information technology was approved in mid-February 2013. A stock market Code of good conduct complementing the list of insiders has been drafted. Also note that two countries have already been working on other versions of the Charter in the form of "national" codes of good conduct: Romania and Morocco.

The body of doctrine of the Renault group constitutes a coherent whole, which will gain new dedicated codes of good conduct in 2013.

All these documents are and will be designed collectively, to ensure that they are accepted by all members of the company.

SECOND OBJECTIVE: REGULATORY PROCEDURES

The whistleblowing procedure

The whistleblowing procedure is also applicable worldwide. It has been revised to ensure strict compliance with the most recent regulatory requirements. This written procedure, which involves compulsory completion of a number of documents, in order to avoid any mistakes, oversights or shortcomings, was designed with Renault departments and the data protection correspondent, answering to the Ethics department. These documents have been approved by the CNIL.

This new procedure became applicable in July 2012.

The Ethics and Compliance Committee (CEC)

The Ethics and Compliance Committee is made up of representatives from the following functions and departments: auditing, risk management and organization, legal, human resources, corporate social responsibility, environment, Group prevention and protection, finance, technical regulations and homologation.

The Committee met five times in 2012, four normal meetings and one exceptional. This Committee approves the general guidelines on ethics, and also contributes to creating internal jurisprudence for the processing of ethics-related cases and problems (processing of anonymous letters, submission or referral *via* the whistleblowing system, requests for assistance and advice within this field of expertise). To avoid overly frequent meetings by this relatively heavy structure, an anti-fraud and corruption Committee made up of a restricted number of members of the CEC (legal, HR, safety and internal control), has been set up to help the Ethics manager analyze alerts and cases to be processed on a day-to-day basis. The Ethics manager has presented his programme, with a progress review of his work, on several occasions: three times in front of the Group Executive Committee, twice in front of the Audit, Risks and Ethics Committee (CARE) and once in front of the Board of Directors.

The compliance-building plan

Furthermore, at the last CEC Meeting, the Compliance manager presented a global plan to strengthen compliance across the company. The objective in the first instance is to review current levels of compliance using an assessment grid currently being tested by two departments: D2P and IT.

THIRD OBJECTIVE: ENHANCE GROUP IMAGE

Concerning efforts to enhance Group image externally, looking beyond the many bilateral contacts with correspondents from the private and public sectors, the Ethics manager has joined the new Club of ethics and compliance specialists, set up by France's CEA (ethical business circle).

At the same time, in order to publicize the fairly recent concept of a global approach to corporate safety, in close cooperation with the Ethics department, the Ethics manager, frequently takes part in studies, conferences, juries and debates with the Prevention and Protection manager. The aim is to promote an ethical approach to corporate safety to specialists, as a company adopting a new approach to these subjects.

OUTLOOK FOR THE FUTURE

The coming months will be dedicated primarily to deploying the Charter, making it part of day-to-day practices, drafting the other dedicated codes of good conduct, and launching the compliance-building plan.

The following actions will also be put in place: developing media for training in ethical practices, a staff awareness campaign supporting the deployment of the Charter of Ethics, and the drafting of fundamental rules for the correct implementation of ethics-related activities in the various countries ("local" CECs, national codes of good conduct, etc.).

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 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.

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 the Chairman and CEO would receive no remuneration in his capacity as Chairman of the Board of Directors.

On December 8, 2011, the Board of Directors established the fixed portion to be received by the Chairman and CEO for 2012, and also set the procedure for establishing the variable portion for 2012.

The fixed portion for 2012 is the same as in 2011: €1,230, 000.

The variable portion for 2012 to be paid in 2013 totals between 0 and 150% of the fixed portion, 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: implementation of the industrial strategy, progress in the EV sector, development of a multi-year R&D strategy, CSR, Daimler, and Alliance synergies. These aspects account for 60% at most of the variable portion.

At its meeting on February 13, 2013, acting on the recommendation of the Remuneration Committee, the Board of Directors valued the variable portion for 2012 at 117% of the fixed portion for 2012.

At the proposal of the Chairman and CEO, and subject to the signature of the Competitiveness Agreement now under negotiation, the Board of Directors agreed to postpone payment of 30% of the variable portion and make it conditional on Renault's respect for the open-ended commitments made under this Agreement.

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 Renault 2016-Drive the Change Plan.

Further to the authorization given by the Extraordinary General Meeting on April 29, 2011 the Board of Directors met on December 13, 2012 and, acting on the recommendation of the Remuneration Committee, awarded 150,000 stock options to the Chairman and CEO of Renault for 2013, with a strike price of €37.43 and no discount.

Exercise of 40% of the options granted will depend on the level of operating margin in 2013, and the remaining 60% on the level of operating free cash flow.

Until he leaves office, the Chairman and CEO will be required to hold a portfolio of registered shares corresponding to 50% of the capital gain (net of tax and mandatory contributions) on the exercise of options granted for 2013.

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 organizational 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.

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 chapter 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 covers 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 (EVP), Group Human Resources; the EVP, Group Engineering and Quality; the EVP, Group Corporate Planning, Product Planning and Programmes; the EVP, Group Manufacturing and Supply Chain; the EVP, Group Sales and Marketing and LCV; the EVP, Chairman of Europe Region operations; the EVP, Chairman of France operations; the Group Chief Financial Officer and Chairman and CEO of RCI Banque; and the EVP, 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 and strategic objectives, 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. It comprises the same members 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 (*e.g.* Project Product Committees) headed by either the Chairman and CEO or the Chief Operating Officer. They make decisions at Group level as well as in the Group's cooperative undertakings within 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, Euromed-Africa, Americas, Asia-Pacific 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 and the development of new mobility offerings. 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 command-line structures, the Group has set up a staff reporting system so that support function managers can provide leadership for their function correspondents throughout the Group.

Strategic decision-making, supervision of financial and legal matters, human resources, and the Audit, Risk Management and Organization department (DAMRO) are under the direct managerial authority of the Chairman and CEO. The Chief Operating Officer is directly responsible for operational decisions.

✦ Global Reporting Initiative (GRI) Directives

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 decision is required, 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.

RISK MANAGEMENT, INTERNAL CONTROL AND ETHICS SYSTEM

In 2011 the Group adopted a new organization in governance, ethics, internal control and risk management. This new system:

- expands the role of the Accounts and Audit Committee to include ethical supervision, overseen by the Board of Directors; the committee is now known as the Audit, Risk and Ethics Committee (CARE);
- appoints an independent Ethics manager reporting directly to the Chairman and CEO;
- changes the Compliance Committee into the Ethics and Compliance Committee, whose powers encompass all the regulatory fields applicable to the company;
- changes the Group Risk Committee into the Risk and Internal Control Committee, whose role is to deploy the risk and internal control system across all the Group's operational activities and entities;
- changes the Group Security department into the Group Protection and Prevention department (D2P), reporting directly to the Executive Vice-President, CEO Office;
- bringing together the Organization department, Risk Management department, Internal Control department and Internal Audit department to form the Audit, Risk Management and Organization department (DAMRO), which reports directly to the Chairman and CEO.

The deployment of this system began in 2012, as part of an ambitious multi-year action plan. In addition to the information set out in paragraph 3.1.1.7. above, we should also mention the points below:

- the Ethics and Compliance Committee focused on the following areas in particular:
  - standardizing the organization of corporate governance and the roles of the governance committees responsible for ethics, risk management, internal control and compliance,
  - updating of the system for preventing insider dealing,
  - publication of the rules for using the corporate social network;
- The Risks and Internal Control Committee addressed the following subjects:
  - diagnosis of the Risk Management function, specifying operating procedures and giving the function greater prominence with operating staff,
  - updating the Group risk map drawn up in 2010,
  - launching a project to secure the main company processes (operational security, regulatory compliance).

Further, a formal description was drafted of the activities, rules and operating principles of the Anti-Fraud and Corruption Committee, described in paragraph 3.1.1.7. above, together with the professional and ethical rules for conducting efforts to identify or investigate fraud.

MANAGEMENT OF INTERNAL CONTROL

In compliance with the AMF's general rules for internal control, and respecting the principle of the separation of tasks, Renault's internal control system is based on:

- senior management, which determines the Group's objectives, in agreement with the Board of Directors and its specialized committees. It decides on the operating rules and procedures as well as the quantified performance objectives;
- within 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, 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, which 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 2012, 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 assess the internal control of the preparation and treatment of accounting and financial data as part of their engagement and issue recommendations.

3.1.3.3 INTERNAL CONTROL OBJECTIVES

IDENTIFYING AND MANAGING RISKS

The global risk management system has been formally set out by the Risk Management department (DMR) 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. This method applies to the Group, entities and projects.

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 risks. These may be risks common to any company or specific to Renault's sector of activity. These experts are the consultants for the standardized risk management plans in their area of expertise;
- the other type of correspondents are chiefly from the management control function, in the case of the entities, and from the quality function for projects. They liaise with the DMR in the operational implementation of risk management approaches in entities and projects.

To draw up the audit plan for the Company's major risks, approved by senior management, the Internal Audit department uses risk maps to identify the most pertinent audit themes and assess risk coverage. Through its auditing task, the Internal Audit department provides the DMR with insight on the effective level of management of major risks.

In 2012 the Risk Management department focused on:

- deploying risk maps for the main vehicle development projects, with the Quality department and Engineering Performance and Methods department;
- continuing risk mapping in commercial entities (Renault Ceska Republika, Renault Hungaria, Renault Nordic, Renault Slovensko);
- continuing to train its network of correspondents in the operational process of conducting risk mapping;
- updating the map of major Group risks.

The risk factors to which the Group is exposed are described in chapter 1.5 of the 2012 Registration document.

COMPLIANCE WITH LAWS, REGULATIONS AND COMPANY RULES

This control is provided by the Ethics and Compliance Committee. It relies on a Regulatory Compliance department, within the Internal Control department, which is responsible for coordinating the decision-making departments (legal, environmental planning, technical regulations and homologation, corporate social responsibility, human resources, etc.) as well as a network of compliance correspondents. In 2012 the Regulatory Compliance department developed a method to assess existing procedures, approved by the Ethics and Compliance Committee on September 12, 2012. This method will be gradually deployed from end-2012 and in 2013.

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 business functions.

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 Corporate Control and Reporting department.

In the Group's management model, its role consists in:

- adjusting the Company's economic objectives and budget;
- coordinating the Group by measuring the performance of its 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

The development of standard management procedures continued in 2012 with an update of the internal control system. The aim is to provide operational staff 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. 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- and second-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. These self-assessments provide a basis on which to identify strong points and areas where the entities need to implement action plans as a priority.

Drawing systematically on the results of these assessments makes it possible to identify the areas of the overall internal control system that are most in need of improvement. For the second-level control, the quality of the documentation used by the entities in self-assessments is reviewed by the Internal Control department as part of test campaigns.

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 Protection department (D2P).

A training system to adapt skills

The main corporate business lines and functions have set up 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 and to better satisfy management expectations.

Concerning the management function, in 2012 the Finance Academy deployed training in the new management information systems across the Group. It also developed an attractive website to encourage employees working in management functions to develop their skills and to provide employees from other functions with information on this area of activity.

In 2012 the Finance Academy organized a training offering on three levels (basic, skilled and expert). Alongside, classroom and e-learning formats, it now offers virtual classes relying on new technologies. It has also set up a risk-management course. The offering will be further expanded in 2013 with training in internal control.

An improvement plan for the internal control system

Key developments in 2012 included:

- the deployment of the new organization of the Internal Control department, in compliance with the Group governance structure defined in 2011. The structure is organized around the development of:
  - a global internal control standard for the Group,
  - appropriate systems of assessment,
  - efforts to ensure that the Group's rules are consistent with its obligations;
- pursuit of the process to assess the internal control of operational processes by developing and deploying new questionnaires in the lead-up to new campaigns. For the first time, specific self-assessment campaigns were organized for the "Receivables Management" and "Vehicle Homologation" processes. In order to standardize initiatives to assess the internal control of processes, the Internal Control department supervised the self-assessment campaign of the Procurement process using the method it had developed. These self-assessments show satisfactory management of operations overall. Nevertheless, progress plans are under way for a number of activities, monitored by the process managers concerned and supervised by the Internal Control department. Self-assessment campaigns for the distribution activities of Renault Retail Group and IT activities were carried out, as is the case every year.

The review of the internal control system continued in 2012 from two angles:

- Automobile's internal control standards were updated to satisfy AMF recommendations. Approved by the statutory auditors, these standards meet recommendations. Corrective actions were put in place, with the process managers concerned and their management controllers, to address any weaknesses identified on the processes concerned by this update;
- in-depth analysis of operational processes continued, with a focus on:
  - managing stocks of aftermarket parts and accessories,
  - cashflow management,
  - purchasing of bought-out parts,
  - supervision of after-sales commercial resources,
  - sales of aftermarket parts and accessories from subsidiaries to the networks.

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 2013 the same initiatives will be carried out, in particular for the following operational processes:

- purchases other than bought-out parts (services, capital goods, etc.);
- production;
- engineering (supervision of research and development activities).

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 updated in 2010. 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 ensured that data remain consistent even though they are centralized and consolidated in short timeframes. The administrative and financial directors of the subsidiaries, under the hierarchical authority of the subsidiaries' Chairmen and CEO's and under the functional authority of the Group Accounting department, are responsible for preparing the financial statements.

The Group has a manual setting out presentation and evaluation standards. This manual, added to on an annual basis, is provided to all entities so that financial information is reported in a uniform manner.

Principles applied 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 is 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, as part of ongoing process of dialogue with the latter. 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 package 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.

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:

- preparing the Registration document filed with the AMF, as well as the half-yearly and annual financial reports, and quarterly data;
- communicating 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 connection with legal audit, Renault took in 2004 the initiative of drafting a Charter concerning the engagements and independence of the statutory auditors and signing it with them. This Charter governs the relationship between the Renault group (the parent company and the fully consolidated French and foreign subsidiaries) and its statutory auditors. An update is scheduled for 2013.

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 identify 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 control 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

For the Year ended December 31, 2012

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.

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, 2012.

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 material 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 no matters 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 et Paris-La Défense, February 15, 2013

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 2012 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 13, 2013; 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 2012 includes other criteria detailed in chapter 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 2012

In 2012, the total remuneration paid to the 27 members of the Renault Management Committee in office at December 31, 2012, amounted to €15,667,420, including a fixed portion of €9,360,825 compared with total remuneration of €12,202,263 paid to the Renault Management Committee, in 2011.

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 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 late 2011, the Board of Directors established the fixed portion of the Chairman and CEO for 2012 at €1,230,000. It also set out the procedures for determining the variable portion for 2012 to be paid in 2013. 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, which counts for up to 15% of the variable portion;
- actual operating margin (up to 25% of the variable portion);
- the free cash flow threshold set by the Board of Directors (up to 50% of the variable portion).

- a qualitative element linked to strategy and management, based on the following criteria: implementation of industrial strategy, particularly in France; progress on electric vehicles, R&D strategy multi-year development, CSR, Daimler, Alliance synergies (to a maximum 60% of the variable portion).

At its meeting on February 13, 2013, acting on the recommendation of the Remuneration Committee, the Board of Directors set this portion at 117% of the fixed portion out of 150% for 2012.

At the proposal of the Chairman and CEO, and subject to the signature of the Competitiveness Agreement now under negotiation, the Board of Directors agreed to postpone payment of 30% of the variable portion and make it conditional on Renault's respect for the open-ended commitments made under this Agreement.

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

	2011	2012
Carlos Ghosn – Chairman and CEO		
Remuneration owing in respect of the year (details in table 2)	2,890,104	2,728,356*
Value of options granted during the year (details in table 4)	1,489,000**	750,258**
Value of performance shares granted during the year (details in table 6)	0	0
TOTAL	**4,379,104**	**3,478,614**

* *Subject to the signature of the Competiveness Agreement under negotiation on February 13, 2013, payment of 30% of the variable portion included in this amount will be postponed and made conditional on Renault's respect for the open-ended commitments made under this Agreement.*

** *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 Chapter 4 note 19-H of the notes to the consolidated financial statements).*

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 2011		AMOUNTS 2012	
CARLOS GHOSN	**OWING FOR THE YEAR**	**PAID DURING THE YEAR**	**OWING FOR THE YEAR**	**PAID DURING THE YEAR**
Fixed remuneration	1,230,000	1,230,000	1,230,000	1,230,000
Variable remuneration (1)	1,599,000	0 (2)	1,439,100 (3)	1,599,000
Exceptional remuneration	0	0	0	0
Directors' fees	48,000	28,000	48,000	48,000
In-kind benefits	13,104	13,104	11,256	11,256
TOTAL	**2,890,104**	**1,271,104**	**2,728,356**	**2,888,256**

(1) Paid the following year.
(2) 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.
(3) Subject to the signature of the Competiveness Agreement under negotiation on February 13, 2013, payment of 30% of this amount will be postponed and made conditional on Renault's respect for the open-ended commitments made under this Agreement.

b) Remuneration of the President and CEO of Nissan Motors Co., Ltd.

In compliance with the information published by Nissan on June 30, 2011 and June 30, 2012 in its annual financial report, Yukashoken-Houkokusho for the financial years 2010 (April 1, 2010 to March 31, 2011) and 2011 (April 1, 2011 to March 31, 2012), the total remuneration received by Mr Ghosn in his capacity as President and CEO of Nissan Motors Co., Ltd. was ¥982 million for FY 2010 and for FY 2011 as follows in millions of yen:

FINANCIAL YEAR (FROM APRIL 1, 2011 TO MARCH 31, 2012)	REMUNERATION	STOCK-OPTIONS	TOTAL
2011	987*	0	987*

* *Figures published by Nissan in compliance with JGAAP accounting standards.*

For information, the exchange rate at March 31, 2012 was ¥110.5 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 2012, 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
	No 19 12/08/2011	Purchase	558,000	100,000	€26.87	From 12/09/2015 to 12/07/2019
	No 20 12/13/2012	Purchase	750,258	150 000	€37.43	From 12/13/2016 to 12/12/2020

(*) *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 chapter 4, note 19-H to the consolidated financial statements.*

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 11, 12 and 14 give the right to subscribe for new issues, while Plans 17, 18, 19 and 20 give the right to buy existing shares.

Plans 17 b, 18 b, 19 b and 20 b cover allocations of free shares to which corporate officers are not entitled.

The total volume of plans underway at December 31, 2012 is equivalent to 2.69% 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 12/31/2012	NBR OF CANCELLED OR LAPSED OPTIONS AT 12/31/2012	OPTIONS OUTSTANDING AT 12/31/2012
AGM authorization granted on April 29, 2003									
Plan 11	09/13/2005	1,631,093	200,000	09/14/2009	09/12/2013	72.98	3,000	181,193	1,446,900
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	385,866	1,285,834
Plan 14	12/05/2006	1,843,300	200,000	12/06/2010	12/04/2014	93.86	0	350,394	1,492,906
AGM authorization granted on April 29, 2011									
Plan 17*	04/29/2011	176,000	0	04/30/2015	04/28/2019	38.80	0	176,000	0
Plan 18	04/29/2011	490,000	100,000	04/30/2015	04/28/2019	38.80	0	9,444	480,556
Plan 19**	12/08/2011	300,000	100,000	12/09/2015	12/07/2019	26.87	0	0	300,000
Plan 20***	13/12/2012	447,800	150,000	12/13/2016	12/12/2020	37.43	0	0	447 800

(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. The Board of Directors meeting of February 13, 2013 noted that the 2012 target for operational margin was not reached. As a result, 50% of the stock options corresponding to Plan n°19 have been cancelled.*
*** *For this 2012 plan, the grantees were informed in early 2013.*

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 12/31/2012	SHARES OUTSTANDING AT 12/31/2012
Plan 17 b Shares (*)(**)	04/29/2011	544,300	0	04/30/2013*****	04/30/2015	543,500	0
Plan 18 b Shares (*)	04/29/2011	1,233,400	0	04/30/2014*****	04/30/2016	28,255	1,205,145
Plan 19 b Shares (*)(***)	12/08/2011	609,900	0	12/09/2013*****	12/09/2015	6,000	603,900
Plan 20 b Shares (*)(****)	12/13/2012	679,900	0	12/13/2014*****	12/09/2016	0	679,900

* *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. The Board of Directors meeting of February 13, 2013 noted that the 2012 target for operational margin was not reached. As a result, 50% of the shares corresponding to Plan n°19b have been cancelled.*
**** *For this 2012 plan, the grantees were informed in early 2013.*
***** *French tax residents.*

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 **	PLAN 20
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)	650,800	Plan 17 & 18 = €38.80 Plan 19 = €26.87 Plan 20 = €37.43	110,000	240,000	124,000	176,800
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.*

** *The Board of Directors meeting of February 13, 2013 noted that the 2012 target for operating margin was not reached. As a result, 50% of the stock options corresponding to Plan 19 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 **	PLAN 20B
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)	306,000	50,000	110,000	68,000	78,000
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.*

** *The Board of Directors meeting of February 13, 2013 noted that the 2012 target for operating margin was not reached. As a result, 50% of the actions corresponding to Plan 19b 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 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

At December 31, 2012 the senior executives are the 27 members of the Renault Management Committee, including the 11 members of the Group Executive Committee.

In 2012, members of the Renault Management Committee were awarded a combination of options and performance shares. The Chairman and CEO was not awarded any performance shares.

In principle, the other managing executives, who were awarded only shares in 2012, 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 not be eligible for an award.

Other executives benefiting from the plan

The plan's other beneficiaries are generally senior managers and high-flyers with strong professional or managerial potential. An array of complementary systems is used to assess and select grantees (annual performance and development review, Careers Committees, personal monitoring for high-flyers, job-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 to set objectives for the following year. 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 ensure greater fairness and a more robust management decision-making process. 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 particularly 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 identification and, above all, the development of high-flyers in order to broaden the diversity of talent.

Three levels of potential make it possible to prepare top-performing employees for the Group's three levels of key posts by means of personalized development plans.

The tasks of identifying potential and appointing people to key posts has been delegated both to the countries and to the Regions for each level of key posts / special potential.

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 2012, and reiterated the breakdown on February 15, 2012, according to the following criteria:

- a fixed portion, linked to the responsibilities arising from Board membership, of up to €24,000;
- a variable portion, linked to directors' actual attendance at the Board meetings, of up to €24,000.

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;
- one payment, of up to €7,500, for chairing a committee.

The above amounts are calculated on a time-apportioned basis depending on the length of the director's term of office, over a 365-day basis.

Total fees allocated to directors in 2012 amounted to €1,131,000 (compared with €870,627 in 2011).

(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 2012							TOTAL FEES RECEIVED *(in €)* (2)	
DIRECTORS	BOARD	AUDIT, RISK AND ETHICS COMMITTEE	REMUNERATION COMMITTEE	APPOINTMENTS AND GOVERNANCE COMMITTEE	INTERNATIONAL STRATEGY COMMITTEE	INDUSTRIAL STRATEGY COMMITTEE	2011 (3)	2012
Mr Ghosn	100%	-	-	100%	-	-	36,000	48,000
Mr Audvard (4)	100%	-	-	-	100%	100%	46,050	48,230
Mr Azéma (4)(5)	100%	100%	-	-	-	0%	-	22,364
Mr Belda	87,5%	-	100%	100%	50%	-	49,551	75,000
Mr Biau (4)	100%	-	-	-	100%	-	41,025	41,840
Mr Champigneux (4)	100%	100%	-	-	-	-	41,025	41,840
Mr de Croisset	87,5%	100%	-	-	-	100%	42,777	60,000
Mr Delpit	87,5%	-	-	-	100%	-	37,752	52,500
Mr Desmarest	87,5%	-	100%	-	100%	50%	56,100	75,000
Mr Garnier	87,5%	-	75%	-	0%	100%	56,100	75,000
Mr Gentil (4)	100%	-	-	-	-	100%	-	14,770
Mr Isayama (6)	75%	-	-	-	-	-	34,364	42,000
Mr Kohler (4)(5)	75%	33,3%	-	-	-	100%	46,050	37,636
Mr Ladreit de Lacharrière	100%	-	100%	100%	-	-	49,439	70,500
Mrs de La Garanderie	100%	100%	-	100%	-	-	46,050	63,000
Mr Lagayette	87,5%	100% (7)	-	100%	-	-	61,125	75,000
Mr Ostertag	100%	100% (4)	-	-	100%	100%	23,276	63,000
Mr Personne (4)	100%	-	-	-	-	-	-	13,660
Mr Riboud (6)	50%	-	-	-	-	-	34,367	36,000
Mrs Rih (4)	100%	-	-	-	-	-	-	13,660
M. Rousseau (5)	75%	-	-	-	100%	100%	44,414	57,000
M. Saïkawa	75%	-	-	-	100%	-	39,389	49,500
Mme Sourisse	100%	100%	-	-	-	-	41,025	55,500

(1) For directors whose appointment to the Board or one of the Committees began or ended during 2012, the attendance rate is calculated on the duration of their term of office, not the calendar year.
(2) Fees allocated for Board membership, attendance at Board meetings, membership and/or chairmanship of one of the Board Committees.
(3) The amounts shown for 2011 are those allotted to directors, minus the refunds they have made, as per chapter 3.3.4.2 of the 2011 Registration Document.
(4) Directors whose appointment to the Board or one of the Committees began or ended during 2012.
(5) Directors representing the French State.
(6) Director not belonging to any Committee.
(7) For 2011, then 2012, the Renault Board awarded double fees to Mr. Lagayette for his work as Chairman of the Audit, Risks and Ethics 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.

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 July 26, 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.

4 FINANCIAL STATEMENTS

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

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, 2012

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, 2012, 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, 2012 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 13-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 your company, 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 the notes 2-J and 11-A3;
- as disclosed in the notes 8-B and 10-B to the consolidated financial statements, the Group decided not to maintain 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 15, 2013

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIÉS

ERNST & YOUNG Audit

4.2 CONSOLIDATED FINANCIAL STATEMENTS

4.2.1 CONSOLIDATED INCOME STATEMENT

(€ million)	2012	2011
Revenues (note 4)	**41,270**	**42,628**
Cost of goods and services sold	(34,092)	(34,759)
Research and Development expenses (note 11-A)	(1,915)	(2,027)
Selling, general and administrative expenses	(4,534)	(4,751)
Operating margin (note 5)	**729**	**1,091**
Other operating income and expenses (note 6)	(607)	153
Other operating income	*224*	*384*
Other operating expenses	*(831)*	*(231)*
Operating income	122	1,244
Net interest income (expenses)	(267)	(219)
Interest income	*184*	*193*
Interest expenses	*(451)*	*(412)*
Other financial income and expenses	1	98
Financial income (note 7)	**(266)**	**(121)**
Gain on sale of AB Volvo shares (note 14)	**924**	**-**
Share in net income (loss) of associates	**1,504**	**1,524**
Nissan (note 13)	*1,234*	*1,332*
Other associates (note 14)	*270*	*192*
Pre-tax income	**2,284**	**2,647**
Current and deferred taxes (note 8)	(549)	(508)
NET INCOME	**1,735**	**2,139**
Net income – non-controlling interests' share	(37)	47
Net income – parent-company shareholders' share	1,772	2,092
Earnings per share [(1)] *in €* (note 9)	6.51	7.68
Diluted earnings per share [(1)] *in €* (note 9)	6.50	7.68
Number of shares outstanding *(in thousands)* (note 9)		
For earnings per share	*272,256*	*272,381*
For diluted earnings per share	*272,393*	*272,381*

(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 10-B.

(€ million)	2012	2011
NET INCOME	**1,735**	**2,139**
Actuarial gains and losses on defined-benefit pension plans	(268)	(23)
Translation adjustments on foreign activities	(99)	(107)
Partial hedge of the investment in Nissan	35	(142)
Fair value adjustments on cash flow hedging instruments	(20)	(13)
Fair value adjustments on available-for-sale financial assets	132	(257)
Total other components of comprehensive income excluding associates (A)	**(220)**	**(542)**
Actuarial gains and losses on defined-benefit pension plans	10	(107)
Translation adjustments on foreign activities	(1,164)	645
Fair value adjustments on cash flow hedging instruments	(19)	(14)
Fair value adjustments on available-for-sale financial assets	72	(80)
Associates' share of other components of comprehensive income (B)	(1,101)	444
OTHER COMPONENTS OF COMPREHENSIVE INCOME (A) + (B)	**(1,321)**	**(98)**
COMPREHENSIVE INCOME	**414**	**2,041**
Parent-company shareholders' share	450	1,996
Non-controlling interests' share	(36)	45

4.2.3 CONSOLIDATED FINANCIAL POSITION

(€ million)	DECEMBER 31, 2012	DECEMBER 31, 2011
ASSETS		
Non-current assets		
Intangible assets (note 11-A)	3,482	3,718
Property, plant and equipment (note 11-B)	11,534	11,357
Investments in associates	15,562	15,991
Nissan (note 13)	*14,788*	*14,931*
Other associates (note 14)	*774*	*1,060*
Non-current financial assets (note 22)	1,032	1,068
Deferred tax assets (note 8)	416	566
Other non-current assets (note 18)	821	580
TOTAL NON-CURRENT ASSETS	**32,847**	**33,280**
Current assets		
Inventories (note 15)	3,864	4,429
Sales financing receivables (note 16)	23,230	21,900
Automotive receivables (note 17)	1,144	1,275
Current financial assets (note 22)	989	1,244
Current tax assets	39	66
Other current assets (note 18)	2,121	2,068
Cash and cash equivalents (note 22)	11,180	8,672
TOTAL CURRENT ASSETS	**42,567**	**39,654**
TOTAL ASSETS	**75,414**	**72,934**

(€ million)	DECEMBER 31, 2012	DECEMBER 31, 2011
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	1,127	1,127
Share premium	3,785	3,785
Treasury shares	(201)	(201)
Revaluation of financial instruments	36	(129)
Translation adjustment	(1,386)	(155)
Reserves	19,159	17,567
Net income – parent-company shareholders' share	1,772	2,092
Shareholders' equity – parent-company shareholders' share	**24,292**	**24,086**
Shareholders' equity – non-controlling interests' share	255	481
TOTAL SHAREHOLDERS' EQUITY (NOTE 19)	**24,547**	**24,567**
Non-current liabilities		
Deferred tax liabilities (note 8)	123	135
Provisions – long-term (note 20)	2,496	2,227
Non-current financial liabilities (note 23)	6,622	6,327
Other non-current liabilities (note 21)	844	724
TOTAL NON-CURRENT LIABILITIES	**10,085**	**9,413**
Current liabilities		
Provisions – short-term (note 20)	889	866
Current financial liabilities (note 23)	3,094	3,230
Sales financing debts (note 23)	23,305	21,996
Trade payables	6,558	6,202
Current tax liabilities	131	126
Other current liabilities (note 21)	6,805	6,534
TOTAL CURRENT LIABILITIES	**40,782**	**38,954**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**75,414**	**72,934**

contents 1 2 3 4 5 6 7

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 SHAREHOLDERS' SHARE)	SHAREHOLDERS' EQUITY (PARENT-COMPANY SHAREHOLDERS' SHARE)	SHAREHOLDERS' EQUITY (NON-CONTROLLING ENTITIES' SHARE)	TOTAL SHAREHOLDERS' EQUITY
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)
(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)
Cost of stock option plans							6		6		6
BALANCE AT DECEMBER 31, 2011	**295,722**	**1,127**	**3,785**	**(201)**	**(129)**	**(155)**	**17,567**	**2,092**	**24,086**	**481**	**24,567**
2012 net income								1,772	1,772	(37)	1,735
Other components of comprehensive income [1]					165	(1,231)	(256)		(1,322)	1	(1,321)
2012 comprehensive income					***165***	***(1,231)***	***(256)***	***1,772***	***450***	***(36)***	***414***
Allocation of 2011 net income							2,092	(2,092)			
Dividends							(316)		(316)	(68)	(384)
(Acquisitions)/disposals of treasury shares and impact of capital increases											
Impact of changes in the scope of consolidation with no loss of control [2]							57		57	(122)	(65)
Cost of stock option plans							15		15		15
BALANCE AT DECEMBER 31, 2012	**295,722**	**1,127**	**3,785**	**(201)**	**36**	**(1,386)**	**19,159**	**1,772**	**24,292**	**255**	**24,547**

(1) Changes in reserves correspond to actuarial gains and losses on defined-benefit pension funds during the period (€(130) million in 2011 and €(258) million in 2012).

(2) Impacts of changes in the scope of consolidation result from the treatment applied to acquisitions of non-controlling interests and put options for buyouts of non-controlling interests (note 2-J). In 2012, the main changes in the scope of consolidation concern Renault's acquisitions of non-controlling interests in Avtoframos and Remosprom in Russia and Nissan's acquisition of non-controlling interests in Aichi Kikai in Japan (note 13).

Details of changes in consolidated shareholders' equity in 2012 are given in note 19.

4.2.5 CONSOLIDATED CASH FLOWS

(€ million)	2012	2011
Net income	**1,735**	**2,139**
Cancellation of dividends received from unconsolidated listed investments [(1)]	(34)	(22)
Cancellation of income and expenses with no impact on cash		
- Depreciation, amortization and impairment	3,307	2,831
- Share in net (income) loss of associates	(1,504)	(1,524)
- Other income and expenses with no impact on cash (note 26-A)	(788)	(360)
Dividends received from unlisted associates	3	5
Cash flow [(2)]	**2,719**	**3,069**
Dividends received from listed companies [(3)]	**507**	**335**
Net change in financing for final customers	(568)	(1,206)
Net change in renewable dealer financing	(896)	(1,449)
Decrease (increase) in sales financing receivables	**(1,464)**	**(2,655)**
Bond issuance by the Sales Financing segment (note 23-A)	3,509	5,160
Bond redemption by the Sales Financing segment (note 23-A)	(2,765)	(2,528)
Net change in other sales financing debts	652	(149)
Net change in other securities and loans of the Sales Financing segment	(69)	107
Net change in sales financing financial assets and debts	**1,327**	**2,590**
Change in capitalized leased assets	**(210)**	**(192)**
Decrease (increase) in working capital (note 26-B)	**997**	**206**
CASH FLOWS FROM OPERATING ACTIVITIES	**3,876**	**3,353**
Capital expenditure (note 26-C)	(2,847)	(2,455)
Disposals of property, plant and equipment and intangibles	162	239
Acquisitions of investments with gain of control, net of cash acquired	(5)	-
Acquisitions of other investments, net of cash acquired	(112)	(156)
Disposals of investments with loss of control, net of cash transferred	-	-
Disposals of other investments, net of cash transferred and other [(4)]	1,473	-
Net decrease (increase) in other securities and loans of the Automotive segment	(240)	38
CASH FLOWS FROM INVESTING ACTIVITIES	**(1,569)**	**(2,334)**
Transactions with non-controlling interests [(5)]	(91)	-
Dividends paid to parent-company shareholders (note 19-D)	(338)	(88)
Dividends paid to non-controlling interests	(73)	(66)
(Purchases) sales of treasury shares	-	(56)
Cash flows with shareholders	**(502)**	**(210)**
Bond issuance by the Automotive segment (note 23-A)	1,952	712
Bond redemption by the Automotive segment (note 23-A)	(1,073)	(941)
Net increase (decrease) in other financial liabilities of the Automotive segment	132	(1,911)
Net change in financial liabilities of the Automotive segment	**1,011**	**(2,140)**
CASH FLOWS FROM FINANCING ACTIVITIES	**509**	**(2,350)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**2,816**	**(1,331)**

(1) Dividends received from Daimler.
(2) Cash flow does not include dividends received from listed companies.
(3) Dividends from Daimler (€34 million), AB Volvo (€47 million) and Nissan (€426 million) in 2012.
Dividends from Daimler (€22million), AB Volvo (€38 million) and Nissan (€275 million) in 2011.
(4) AB Volvo shares were sold for €1,476 million in 2012.
(5) Via capital increases or capital reductions and acquisitions of additional investments in controlled companies (note 2-J).

(€ million)	2012	2011
Cash and cash equivalents: opening balance	**8,672**	**10,025**
Increase (decrease) in cash and cash equivalents	2,816	(1,331)
Effect of changes in exchange rate and other changes	(308)	(22)
Cash and cash equivalents: closing balance	**11,180**	**8,672**

Details of interest received and paid by the Automotive segment are given in note 26-D.
Current taxes paid by the Group are reported in note 8-A.

contents 1 2 3 4 5 6 7

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
2012				
Sales of goods	37,227	-	-	37,227
Sales of services	1,929	2,114	-	4,043
External revenues	**39,156**	**2,114**	**-**	**41,270**
Intersegment sales	(297)	452	(155)	0
Revenues by segment	**38,859**	**2,566**	**(155)**	**41,270**
Operating margin (1)	**(15)**	**754**	**(10)**	**729**
Operating income	**(615)**	**749**	**(12)**	**122**
Financial income (2)	**85**	**-**	**(351)**	**(266)**
Gain on sale of AB Volvo shares	**924**	**-**	**-**	**924**
Share in net income (loss) of associates	**1,495**	**9**	**-**	**1,504**
Pre-tax income	**1,889**	**758**	**(363)**	**2,284**
Current and deferred taxes	(313)	(239)	3	(549)
Net income	**1,576**	**519**	**(360)**	**1,735**
2011				
Sales of goods	38,697	-	-	38,697
Sales of services	1,982	1,949	-	3,931
External revenues	**40,679**	**1,949**	**-**	**42,628**
Intersegment sales	(290)	409	(119)	-
Revenues 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**

(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, 2012 *(€ million)*	AUTOMOTIVE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
Non-current assets				
Property, plant and equipment and intangible assets	14,910	116	(10)	15,016
Investments in associates	15,514	48	-	15,562
Non-current financial assets – investments in non-controlled entities	3,433	-	(2,645)	788
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segment	348	-	(104)	244
Deferred tax assets and other non-current assets	1,047	238	(48)	1,237
TOTAL NON-CURRENT ASSETS	35,252	402	(2,807)	32,847
Current assets				
Inventories	3,825	42	(3)	3,864
Customer receivables	1,195	23,649	(470)	24,374
Current financial assets	1,150	514	(675)	989
Current tax assets and other current assets	1,583	2,774	(2,197)	2,160
Cash and cash equivalents	10,072	1,338	(230)	11,180
TOTAL CURRENT ASSETS	17,825	28,317	(3,575)	42,567
TOTAL ASSETS	**53,077**	**28,719**	**(6,382)**	**75,414**
Shareholders' equity	24,437	2,650	(2,540)	24,547
Non-current liabilities				
Long-term provisions	2,262	234	-	2,496
Non-current financial liabilities	6,362	260	-	6,622
Deferred tax liabilities and other non-current liabilities	424	543	-	967
TOTAL NON-CURRENT LIABILITIES	9,048	1,037	-	10,085
Current liabilities				
Short-term provisions	857	32	-	889
Current financial liabilities	3,716	-	(622)	3,094
Trade payables and sales financing debts	6,663	24,199	(999)	29,863
Current tax liabilities and other current liabilities	8,356	801	(2,221)	6,936
TOTAL CURRENT LIABILITIES	19,592	25,032	(3,842)	40,782
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**53,077**	**28,719**	**(6,382)**	**75,414**

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
Current tax assets and other current 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				
Long-term provisions	2,058	169	-	2,227
Non-current financial liabilities	6,066	261	-	6,327
Deferred tax liabilities and 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
Current tax liabilities and other current 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**

A3 – CONSOLIDATED CASH FLOWS BY OPERATING SEGMENT

(€ million)	AUTOMOTIVE	SALES FINANCING	INTERSEGMENT TRANSACTIONS	CONSOLIDATED TOTAL
2012				
Net income	**1,576**	**519**	**(360)**	**1,735**
Cancellation of dividends received from unconsolidated listed investments [1]	(34)	-	-	(34)
Cancellation of income and expenses with no impact on cash				
Depreciation, amortization and impairment	3,299	8	-	3,307
Share in net (income) loss of associates	(1,495)	(9)	-	(1,504)
Other income and expenses with no impact on cash	(772)	(15)	(1)	(788)
Dividends received from unlisted associates	3	-	-	3
Cash flow [2]	**2,577**	**503**	**(361)**	**2,719**
Dividends received from listed companies [3]	**507**	**-**	**-**	**507**
Decrease (increase) in sales financing receivables	-	(1,562)	98	(1,464)
Net change in financial assets and sales sinancing debts	-	1,483	(156)	1,327
Change in capitalized leased assets	(228)	18	-	(210)
Decrease (increase) in working capital	922	95	(20)	997
CASH FLOWS FROM OPERATING ACTIVITIES	**3,778**	**537**	**(439)**	**3,876**
Purchases of intangible assets	(900)	(2)	-	(902)
Purchases of property, plant and equipment	(1,936)	(9)	-	(1,945)
Disposals of property, plant and equipment and intangibles	162	-	-	162
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired/transferred	(5)	-	-	(5)
Acquisitions and disposals of other investments and other assets [4]	1,363	(2)	-	1,361
Net decrease (increase) in other securities and loans of the Automotive segment	(252)	-	12	(240)
CASH FLOWS FROM INVESTING ACTIVITIES	**(1,568)**	**(13)**	**12**	**(1,569)**
Cash flows with shareholders	(493)	(360)	351	(502)
Net change in financial liabilities of the Automotive segment	1,071	-	(60)	1,011
CASH FLOWS FROM FINANCING ACTIVITIES	**578**	**(360)**	**291**	**509**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**2,788**	**164**	**(136)**	**2,816**

(1) Dividends received from Daimler.
(2) Cash flow does not include dividends received from listed companies.
(3) Dividends from Daimler (€34 million), AB Volvo (€47 million) and Nissan (€426 million).
(4) AB Volvo shares were sold for €1,476 million in 2012.

4

contents 1 2 3 4 5 6 7

(€ 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 assets	(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, AB Volvo and Nissan.

B – INFORMATION BY REGION

(€ million)	EUROPE [1]	AMERICAS	ASIA-PACIFIC	EUROMED-AFRICA	EURASIA	CONSOLIDATED TOTAL
2012						
Revenues	24,661	6,141	4,010	3,992	2,466	41,270
Property, plant and equipment and intangibles	10,777	686	616	2,321	616	15,016
2011						
Revenues	27,720	5,210	4,264	3,754	1,680	42,628
Property, plant and equipment and intangibles	11,192	629	701	2,084	469	15,075

(1) Including France:

(€ million)	2012	2011
Revenues	*10,894*	*12,431*
Property, plant and equipment and intangibles	*9,180*	*9,643*

The Regions presented correspond to the geographic sectors of the Group's structure.

Renault reorganized its Regions in 2012. Africa has now joined the Euromed Region to form a new Region, Euromed-Africa. The Asia-Africa Region is now the Asia-Pacific Region.

The figures for 2011 relate to the Regions as adopted in 2012.

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

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 2012 were finalised at the Board of Directors' meeting of February 13, 2013 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 2012 are prepared under IFRS (International Financial Reporting Standards) as issued by the IASB (International Accounting Standards Board) at December 31, 2012 and adopted by the European Union at the year-end.

A - Changes in accounting policies

The amendment to IFRS 7, "Financial instruments: disclosures – transfers of financial assets" which was published in the Official Journal of the European Union in November 2011, was applied for the first time in 2012.

The first application of this amendment has no significant impact on the financial statements at December 31, 2012.

The Group has not undertaken early application of the followings standards and amendments which were published in the Official Journal of the European Union at December 31, 2012 but were not mandatory in 2012.

STANDARD		EFFECTIVE DATE
Amendment to IFRS 7	Financial instruments: Disclosure - Offsetting financial assets and financial liabilities	January 1, 2013
IFRS 10	Consolidated financial statements	January 1, 2014
IFRS 11	Joint arrangements	January 1, 2014
IFRS 12	Disclosure of interests in other entities	January 1, 2014
IFRS 13	Fair Value Measurement	January 1, 2013
Amendment to IAS 1	Presentation of financial statement – Presentation of other components of comprehensive income	January 1, 2013
Amendment to IAS 12	Income Taxes - Deferred Tax: Recovery of Underlying Assets	January 1, 2013
IAS 19 (revised)	Employee Benefits	January 1, 2013
Amendment to IAS 28	Investments in Associates and Joint Ventures	January 1, 2014
Amendment to IAS 32	Financial instruments: Presentation - Offsetting of financial assets and financial liabilities	January 1, 2014

The impacts of application of IAS 19 (revised) on the consolidated financial statements are currently being evaluated. The Group does not currently expect its application to have any significant impact.

Similarly, the Group does not currently expect the adoption of the other standards and amendments to have any 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, 2012 are the following:

- fixed assets (note 2-L and 12);
- property, plant and equipment related to leased vehicles or inventories related to used vehicles (notes 2-G, 11-B and 15);
- investments in associates (notes 2-L, 13 and 14);
- sales financing receivables (notes 2-G and 16);
- deferred taxes (notes 2-I and 8);
- provisions, particularly vehicle warranty provisions (note 2-G), provisions for pensions and other long-term employee benefit obligations (note 20-C) and provisions for workforce adjustment measures (note 6-A);
- the value of the assets and liabilities of operations in Iran, and the exchange rates used to determine those values (note 6-D1).

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 fulfill these criteria, are recorded as other non-current assets.

None of these companies' individual contributions to consolidated figures exceeds the following:

- revenues: €20 million;
- inventories: €20 million.

Their consolidation would have a negligible impact on the consolidated financial statements, since they are Group-financed entities whose losses, if any, are recognized via impairment losses, and which:

- acquire almost all their purchases from Group companies, most of these companies being dealership-type establishments; or
- carry out almost all their sales transactions with Group companies.

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 the Group;
- 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 and batteries for which the Automotive segment has a repurchase commitment are included in the segment's assets. When these assets 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 2012, 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:

- financial position 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 automotive goods are recognized when the goods 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 an automotive item (vehicle or electric car battery) 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, if the term of the contract covers an insufficient portion of the item'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 automotive item is at the customer's disposal. The production cost for the new automotive item concerned is recorded in inventories for contracts of less than one year, or included in property, plant and equipment under fixed assets leased to customers when the contracts exceed one year. The sale of the automotive item 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 automotive market but also future anticipated developments over the period in which the automotive goods 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 automotive item is in inventories) or additional depreciation (if the automotive item 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. Provisions for costs to be borne by Renault are valued on the basis of observed data by model and engine, i.e. the level of costs, and their distribution over the periods covered by the manufacturer's warranty. 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.

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 statement of financial position, in the asset “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 consolidated financial position.

Research and development expenses

Development expenses incurred between the approval of the decision to begin development and implement production facilities for a new vehicle or part (e.g. engine or gearbox) and the subsequent approval of the design for mass production are capitalized as intangible assets. They are amortized on a straight-line basis from the date of approval for production, over the expected market life of the vehicle or part, up to a maximum period of seven years. Capitalized development expenses mainly comprise the cost of prototypes, the cost of studies invoiced by external firms, the cost of personnel assigned to the project and a share of overheads dedicated exclusively to development activities.

They also include financing costs for projects that began on or since January 1, 2009. The capitalization rate for borrowing costs is equal to the weighted average interest rate on non-dedicated borrowings of the year, with a limit such that capitalized borrowing costs do not exceed the total borrowing costs borne during the year. When a project is financed through a specific borrowing, the capitalization rate is equal to the interest rate on the borrowing.

Expenses incurred before the formal approval of product development are recorded as costs in the period they are incurred, in the same way as research expenses. Expenses incurred after the start of mass production are treated as production costs.

K – Property, plant and equipment

The gross value of property, plant and equipment corresponds to historical acquisition or production cost.

Design and preparation expenses are included in the asset’s production cost.

Production cost also includes financing costs borne during the construction phase of property, plant and equipment when construction began on or after January 1, 2009. The capitalization rate applied is the same as the rate used for intangible assets.

Investment subsidies received are deducted from the gross value of the assets concerned.

Subsequent expenses for property, plant and equipment, except those incurred to increase productivity or prolong the life of an asset, are charged to expenses as incurred.

Assets used by the Group under finance leases are treated as assets financed by credit.

Fixed assets leased to customers are vehicles and batteries 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 [2]	4 to 6 years

(1) Buildings in use before 1987 are depreciated over a period of up to 40 years.
(2) Except for leased batteries, which are depreciated over periods of 8 to 10 years depending on the models.

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 assets)

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 financial position.

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 financial position 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.

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.

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 are 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, marketable securities, negotiable debt instruments, 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

Investments in non-controlled companies in which Renault does not have significant influence are qualified as "available-for-sale" assets. 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.

Marketable securities and negotiable debt instruments

Short-term investments in the form of marketable securities and negotiable debt instruments are undertaken for the management of cash surpluses, but do not meet the requirements to qualify as cash equivalents.

These instruments are classified as "available-for-sale" assets and carried at fair value.

Loans

Loans essentially include interbank loans for investment of cash surpluses and loans to associates.

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, current accounts and other demand 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. Fixed or variable-income instruments that are not listed on an active market are stated at amortized cost. Other instruments are carried 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 stated 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 stated 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 financial position as current if they mature within 12 months and non-current otherwise. All Sales Financing segment derivatives are reported in the financial position 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, 2011	**129**	**36**	**165**
Newly consolidated companies (acquisitions, formations, etc.)	-	1	1
Deconsolidated companies (disposals, mergers, liquidations, etc.)	(4)	-	(4)
Number of companies consolidated at December 31, 2012	**125**	**37**	**162**

The main changes in the scope of consolidation were as follows:

- 2012

ES Mobillity srl is a company formed in 2011 to lease batteries for electric vehicles in Italy. It is fully consolidated since January 1, 2012.

In December 2012 Renault sold all its A shares in the AB Volvo group, which has been deconsolidated as a result from October 1,2012, (note 14-A).

- 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.

4.2.7.2 INCOME STATEMENT AND COMPREHENSIVE INCOME

NOTE 4 – REVENUES

A – 2011 revenues applying 2012 Group structure and methods

The consolidated revenues for 2012 and 2011 are calculated under identical Group structure and methods.

B – Breakdown of revenues

(€ million)	2012	2011
Sales of goods	**37,227**	**38,697**
Rental income on leased assets [(1)]	446	548
Interest income on sales financing receivables	1,519	1,436
Sales of other services	2,078	1,947
Sales of services	**4,043**	**3,931**
REVENUES	**41,270**	**42,628**

(1) Rental income recorded by the Group in connection with vehicle sales with a buy-back commitment or fixed asset rentals.

NOTE 5 – 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

	2012	2011
Personnel expenses (€ *million)*	5,801	5,857
Workforce at December 31	127,086	128,322

Details of pensions and other long-term benefit expenses are presented in note 20-C.

C – Share-based payments

Share-based payments concern stock-options and free shares granted to personnel, and amounted to a personnel expense of €14 million for 2012 (€6 million in 2011).

The plan valuation method is presented in note 19-H.

D – Rental expenses

Rents amounted to approximately €249 million in 2012 (€238 million in 2011).

E – Foreign exchange gains/losses

In 2012, the operating margin included a net foreign exchange loss of €63 million comprising €34 million on business activities in Iran for the eight months period prior to devaluation of the rial (compared to a foreign exchange loss of €12 million in 2011 which included a gain of €1 million in Iran).

NOTE 6 – OTHER OPERATING INCOME AND EXPENSES

(€ million)	2012	2011
Restructuring and workforce adjustment costs	(110)	71
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	-	-
Gains and losses on disposal of property, plant and equipment and intangible assets (except leased assets sales)	18	133
Impairment of fixed assets	(279)	(61)
Other unusual items	(236)	10
TOTAL	**(607)**	**153**

A – Restructuring and workforce adjustment costs

Restructuring costs were mainly incurred for workforce adjustment measures in Europe in 2012 and 2011, and in Korea in 2012.

In 2012, they include a net amount of €40 million reversed from provisions (€48 million in 2011) after the provision for workforce adjustment measures in France was updated to reflect the terms of departures that took place in 2012. In 2011, restructuring costs also comprised a reversal of €50 million from provisions, resulting from the Group's decision to discontinue the plan to reorganize its establishments in the Paris area.

B – Gains and losses on disposal of property, plant and equipment and intangible assets (except leased assets sales)

Most of the gain on disposal of property, plant and equipment and intangible assets (except leased assets sales) results from sales of land and buildings located in Europe in 2012 and 2011, and in Korea in 2012.

C – Impairment of fixed assets

In 2012, impairment was booked on intangible assets (€243 million) and tangible assets (€36 million) in respect of five vehicles in the range and mechanical adaptations.

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 11).

D – Other unusual items

D1 – Operations in Iran

In Iran, Renault works with two local industrial partners, Iran Khodro and Pars Khodro, which make the Logan and the Mégane using certain parts supplied by Group entities. Parts for the Logan transit through Renault Pars, a fully-consolidated subsidiary owned 51% by Renault and 49% by its partners.

Due to the economic sanctions imposed on Iran, settlements of commercial and financial debts in foreign currencies are at a very low level.

At Renault Pars, assets in rials mainly consist of receivables on partners (€138 million) and financial assets (€231 million), and Renault Pars has a commercial debt towards other Group entities denominated in euros (€569 million at December 31, 2012 and €358 million at December 31, 2011).

This situation is reflected as follows in the Group's consolidated financial statements:

- a foreign exchange loss of €304 million has been recorded in the income statement, corresponding to the effect of the rial's devaluation (from IRR 14 407 = €1 in 2011 to IRR 33 000 = €1 in 2012) on the Group's Iranian entities' debts denominated in euros to Renault sas and its subsidiaries. This loss is of an exceptional amount and nature, and is included in unusual items in other operating income and expenses;
- the balance of cash available in the subsidiary (€158 million at December 31, 2012) has been reclassified as current financial assets (note 22-A2), as the Group is currently unable to use this cash for anything other than settlement of local debts and it is impossible to predict how long this situation will last;
- the subsidiary's shareholders' equity is negative at €185 million (compared to a positive €58 million at December 31, 2011). In compliance with accounting standards, the minority interests' share is still recognised, representing a negative amount of €91 million at December 31, 2012 (positive amount of €29 million at December 31, 2011).

D2 – Other unusual revenues and expenses

In 2012, other unusual items of operating income and expenses include an operating tax credit amounting to €94 million, which resulted from signature in March 2012 of an agreement with a Brazilian local authority for a change in the tax option regarding prior years' import taxes. These unusual items also include an expense of €11 million following the decrease in Renault's percentage of interest in Nissan (note 13-C).

NOTE 7 – FINANCIAL INCOME

The net interest expense for 2012 amounts to €267 million (€219 million in 2011).

Other financial income and expenses comprise:

(€ million)	2012	2011
Change in fair value of redeemable shares (note 23-A)	(18)	31
Foreign exchange gains and losses on financial operations	29	27
Other	(10)	40
TOTAL	**1**	**98**

Other financial income includes dividends received from Daimler at their gross value of €36 million in 2012 (€30 million 2011). It also includes an impairment expense of €46 million on the shares in the Modernization Fund for Automotive Equipment Manufacturers (*Fonds de Modernisation des Équipementiers Automobiles* - FMEA) (note 22-A1).

NOTE 8 – 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)	2012	2011
Current income taxes	(493)	(408)
Deferred taxes revenue (expenses)	(56)	(100)
CURRENT AND DEFERRED TAXES	**(549)**	**(508)**

In 2012, €413 million of current income taxes were generated by foreign entities (€350 million in 2011).

Current income taxes paid by the Group during 2012 totalled €345 million (€273 million in 2011).

B – Breakdown of the tax charge

(€ million)	2012	2011
Income before taxes and share in net income of associates	**780**	**1,123**
Statutory income tax rate applicable in France	36.1%	36.1%
Theoretical tax income (charge)	**(282)**	**(405)**
Effect of differences between local rate and the French rate	93	114
Tax credits	39	31
Distribution taxes	(60)	(61)
Change in unrecognized deferred tax assets	(679)	(215)
Other impacts (1)	340	28
Current and deferred tax income (charge)	**(549)**	**(508)**

(1) Other impacts are primarily the following: permanent differences, income subject to reduced tax rates, the cost of tax reassessments, and prior year adjustments.

As there was no prospect of reporting taxable income, the Group has not recognized the net deferred tax assets of the French tax consolidation group at December 31, 2012. In the second half of 2012, the net deferred tax assets of the French tax group recognized at December 31, 2011 amounting to €215 million were written down (€138 million charged to expenses and €77 million to equity).

In 2012, other impacts on the current and deferred tax charge primarily include the effect of partial tax-exemption of the gain on sale of shares in AB Volvo (note 14).

For the foreign companies, the effective tax rate was 29% at December 31, 2012 (31% at December 31, 2011). The decrease compared to 2011 principally results from improved income levels and prospects of future profits in Argentina and Colombia, and a tax-free subsidy received in Brazil. These favourable effects are mitigated by the impact of the foreign exchange loss caused by devaluation of the Iranian rial for which no deferred tax assets were recognized.

C – Breakdown of net deferred taxes

C1 – Change in deferred tax assets and liabilities

(€ million)	2012	2011
Deferred tax assets	566	705
Deferred tax liabilities	(135)	(125)
Net deferred tax assets (liabilities) at January 1	**431**	**580**
Deferred tax income (expense) for the period	(56)	(100)
Deferred tax income (expense) included in equity	-	(42)
Translation adjustments	(81)	(10)
Change in scope of consolidation and other	(1)	3
Net deferred tax assets (liabilities) at December 31	**293**	**431**
- deferred tax assets	*416*	*566*
- deferred tax liabilities	*(123)*	*(135)*

C2 - Breakdown of net deferred tax assets by nature

(€ million)	DECEMBER 31, 2012	DECEMBER 31, 2011
Deferred taxes on:		
Investments in associates [(1)]	(141)	(147)
Fixed assets	(1,732)	(1,844)
Provisions and other expenses or valuation allowances deductible upon utilization	1,047	1,014
Loss carryforwards	4,060	3,744
Other	349	250
Net deferred tax assets (liabilities)	**3,583**	**3,017**
Unrecognized deferred tax assets (note 8-C3)	(3,290)	(2,586)
NET DEFERRED TAX ASSETS (LIABILITIES) REPORTED	**293**	**431**

(1) Including tax on future dividend distributions.

The residual unrecognized net deferred tax assets of entities included in the French tax consolidation amounted to €2,600 million at December 31, 2012.

€783 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 €1,817 million on items affecting the income statement.

Outside France, unrecognized deferred tax assets totaled €690 million, essentially relating to tax loss carryforwards generated by the Group in Brazil and South Korea.

C3 - Breakdown of unrecognized net deferred tax assets, by expiry

(€ million)	DECEMBER 31, 2012	DECEMBER 31, 2011
Net deferred tax assets that can be carried forward indefinitely [(1)]	3,159	2,504
Other net deferred tax assets expiring in more than 5 years	119	71
Other net deferred tax assets expiring between 1 and 5 years	10	9
Other net deferred tax assets expiring within 1 year	2	2
TOTAL UNRECOGNIZED NET DEFERRED TAX ASSETS	**3,290**	**2,586**

(1) Including €2,600 million at December 31, 2012 (€1,888 million at December 31, 2011) corresponding to unrecognized net deferred tax assets of entities included in the French tax consolidation (note 8-C2), mainly corresponding to tax loss carryforwards.

NOTE 9 – BASIC AND DILUTED EARNINGS PER SHARE

(In thousands of shares)	2012	2011
Shares in circulation	295,722	295,722
Treasury shares	(4,059)	(3,914)
Shares held by Nissan x Renault's share in Nissan	(19,407)	(19,427)
Number of shares used to calculate basic earnings per share	**272,256**	**272,381**

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)	2012	2011
Number of shares used to calculate basic earnings per share	272,256	272,381
Dilutive effect of stock-options and free share attribution rights	137	-
Number of shares used to calculate diluted earnings per share	**272,393**	**272,381**

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.

NOTE 10 – OTHER COMPONENTS OF COMPREHENSIVE INCOME

A – Breakdown of other components of comprehensive income

(€ million)	2012	2011
Actuarial gains and losses on defined benefit pension plans	**(268)**	**(23)**
Translation adjustments on foreign activities		
Gains/(losses) for the period	(99)	(107)
Reclassification under net income	-	-
TOTAL TRANSLATION ADJUSTMENTS ON FOREIGN ACTIVITIES	**(99)**	**(107)**
Partial hedge of the investment in Nissan		
Gains/(losses) for the period	35	(142)
Reclassification under net income	-	-
TOTAL PARTIAL HEDGE OF THE INVESTMENT IN NISSAN	**35**	**(142)**
Cash flow hedges		
Gains/(losses) for the period	(51)	(24)
Reclassification under net income	31	11
TOTAL CASH FLOW HEDGES	**(20)**	**(13)**
Available-for-sale financial assets		
Gains/(losses) for the period	132	(257)
Reclassification under net income	-	-
TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS	**132**	**(257)**
Associates' share of other components of comprehensive income	**(1,101)**	**444**
OTHER COMPONENTS OF COMPREHENSIVE INCOME	**(1,321)**	**(98)**

B – Tax effects of other components of comprehensive income

	OTHER COMPONENTS OF COMPREHENSIVE INCOME					
	2012			2011		
(€ million)	BEFORE TAX	TAX	AFTER TAX	BEFORE TAX	TAX	AFTER TAX
Actuarial gains and losses on defined benefit pension plans	(271)	3	(268)	(24)	1	(23)
Translation adjustments on foreign activities	(99)	-	(99)	(107)	-	(107)
Partial hedge of the investment in Nissan	110	(75)	35	(84)	(58)	(142)
Cash flow hedges	(18)	(2)	(20)	(8)	(5)	(13)
Available-for-sale financial assets	135	(3)	132	(274)	17	(257)
Associates' share of other components of comprehensive income	(1,107)	6	(1,101)	441	3	444
TOTAL	**(1,250)**	**(71)[1]**	**(1,321)**	**(56)**	**(42)[1]**	**(98)**

(1) Including an expense of €77 million in 2012 (expense of €40 million in 2011) related to the non-recognition of the French tax group's net deferred tax assets (note 8-B).

4.2.7.3 OPERATING ASSETS AND LIABILITIES, SHAREHOLDERS' EQUITY

NOTE 11 – INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

A - Intangible assets

A1 - Intangible assets at December 31

(€ million)	DECEMBER 31, 2012	DECEMBER 31, 2011
Capitalized development expenses	8,362	7,800
Goodwill	243	246
Other intangible assets	557	437
Intangible assets, gross	**9,162**	**8,483**
Capitalized development expenses	(5,329)	(4,466)
Other intangible assets	(351)	(299)
Amortization and impairment	**(5,680)**	**(4,765)**
INTANGIBLE ASSETS, NET	**3,482**	**3,718**

Most goodwill are in Europe.

A2 - Changes during the year

(€ million)	GROSS VALUE	AMORTIZATION AND IMPAIRMENT	NET VALUE
Value at December 31, 2010	**7,792**	**(4,115)**	**3,677**
Acquisitions (note 26-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 (note 26-C)/(amortization)	897	(1,118)	(221)
(Disposals)/reversals	(216)	203	(13)
Translation adjustment	(2)	-	(2)
Change in scope of consolidation and other	-	-	-
Value at December 31, 2012	**9,162**	**(5,680)**	**3 ,482**

Acquisitions of intangible assets in 2012 comprise €764 million of self-produced assets and €133 million of purchased assets (respectively €825 million and €49 million in 2011). They do not include capitalized borrowing costs in 2012 because of a net liquidity position (in 2011 they included €16 million of capitalized borrowing costs, corresponding to a capitalization rate of 2.47% for such costs).

Amortization and impairment in 2012 include €243 million of impairment of capitalized development expenses relating to five vehicles in the range and in mechanical adaptations (note 6-C).

Amortization and impairment in 2011 included 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 6-C).

A3 - Research and development expenses included in income

(€ million)	2012	2011
Research and development expenses	(1,889)	(2,064)
Capitalized development expenses	764	808
Amortization of capitalized development expenses	(790)	(771)
TOTAL REPORTED IN INCOME STATEMENT	**(1,915)**	**(2,027)**

B – Property, plant and equipment

B1 - Property, plant and equipment at December 31

(€ million)	DECEMBER 31, 2012	DECEMBER 31, 2011
Land	593	598
Buildings	6,113	5,942
Specific tools	13,359	12,569
Machinery and other tools	10,007	9,656
Fixed assets leased to customers	2,040	2,139
Other tangibles	852	857
Construction in progress	1,653	1,545
Property, plant and equipment, gross	**34,617**	**33,306**
Land and buildings	(3,272)	(3,090)
Specific tools	(10,956)	(10,319)
Machinery and other tools	(7,421)	(7,154)
Fixed assets leased to customers	(690)	(608)
Other tangibles	(744)	(778)
Depreciation and impairment	**(23,083)**	**(21,949)**
PROPERTY, PLANT AND EQUIPMENT, NET	**11,534**	**11,357**

Depreciation and impairment in 2012 include impairment of €36 million on two vehicles in the range (note 6-C), compared to €65million of impairment in 2011 on three vehicles in the range.

B2 - Changes during the year

Changes during 2012 in property, plant and equipment were as follows:

(€ million)	December 31, 2011	Acquisitions/ (depreciation and impairment)	(Disposals)/ reversals	Translation adjustments	Change in scope of consolidation and other	December 31, 2012
Land	598	10	(23)	7	1	593
Buildings	5,942	248	(67)	(19)	9	6,113
Specific tools	12,569	1,094	(279)	(78)	53	13,359
Machinery and other tools	9,656	643	(248)	(54)	10	10,007
Fixed assets leased to customers	2,139	661	(782)	2	20	2,040
Other tangibles	857	58	(66)	(3)	6	852
Construction in progress [1]	1,545	221	(25)	(8)	(80)	1,653
Property, plant and equipment, gross [2]	**33,306**	**2,935**	**(1,490)**	**(153)**	**19**	**34,617**
Land	-	-	-	-	-	-
Buildings	(3,090)	(239)	47	11	(1)	(3,272)
Specific tools	(10,319)	(964)	272	59	(4)	(10,956)
Machinery and other tools	(7,154)	(544)	228	42	7	(7,421)
Fixed assets leased to customers [3]	(608)	(412)	330	(1)	1	(690)
Other tangibles	(778)	(30)	64	3	(3)	(744)
Construction in progress	-	-	-	-	-	-
Depreciation and impairment	**(21,949)**	**(2,189)**	**941**	**114**	**-**	**(23,083)**
Land	598	10	(23)	7	1	593
Buildings	2,852	9	(20)	(8)	8	2,841
Specific tools	2,250	130	(7)	(19)	49	2,403
Machinery and other tools	2,502	99	(20)	(12)	17	2,586
Fixed assets leased to customers	1,531	249	(452)	1	21	1,350
Other tangibles	79	28	(2)	-	3	108
Construction in progress [1]	1,545	221	(25)	(8)	(80)	1,653
Property, plant and equipment, net	**11,357**	**746**	**(549)**	**(39)**	**19**	**11,534**

(1) Items classified as "construction in progress" are transferred to completed asset categories via the "acquisitions/(depreciation and impairment)" column.
(2) Acquisitions do not include capitalized borrowing costs in 2012 because of a net liquidity position (in 2011 they included €26 million of capitalized borrowing costs, corresponding to a capitalization rate of 2.47% for such costs).
(3) Depreciation of assets leased to customers amounts to €248 million at December 31, 2012 (€163 million at December 31, 2011).

Changes during 2011 in property, plant and equipment were as follows:

(€ million)	Gross value	Depreciation and impairment	Net value
Value at December 31, 2010	**32,246**	**(20,742)**	**11,504**
Acquisitions/(depreciation and impairment)	2,610	(2,002)	608
(Disposals)/reversals	(1,361)	716	(645)
Translation adjustments	(166)	98	(68)
Change in scope of consolidation and other	(23)	(19)	(42)
Value at December 31, 2011	**33,306**	**(21,949)**	**11,357**

NOTE 12 – IMPAIRMENT TESTS ON FIXED ASSETS (OTHER THAN LEASED ASSETS)

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 €279 million was booked during 2012 (€149 million at December 31, 2011), in respect of five models in the range and mechanical adaptations. This impairment is allocated in priority to capitalized development expenses.

Apart from vehicles for which impairment has been recorded, other vehicles tested in previous half-years no longer display any evidence of impairment.

B – Impairment tests on cash-generating units – Automotive segment

In 2012, 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	2012	2011
Business plan duration	6 years	6 years
Growth rate to infinity	1.75%	2.7%
After-tax discount rate	8.8%	8.5%

In 2012 as in 2011, 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:

	2012	2011
Business plan duration	6 years	6 years
Forecast sales volumes over the projected horizon *(units)*	3,432,000	3,350,000
Growth rate to infinity	1.8%	1.8%
After-tax discount rate	8.8%	8.5%

In 2012 as in 2011, 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 13%.

With a growth rate to infinity close to zero, the conclusions of the test are unaffected.

NOTE 13 – 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, 2012, Renault supplied three of the total nine members of Nissan's Board of Directors (four of the total nine members at December 31, 2011);
- Renault Nissan BV, 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 BV 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 0.68% of treasury shares at December 31, 2012 (1.15% at December 31, 2011). Consequently, Renault's percentage interest in Nissan was 43.7% at December 31, 2012 (43.9% at December 31, 2011).

C – Changes in the investment in Nissan as shown in Renault's statement of financial position

(€ million)	SHARE IN NET ASSETS BEFORE NEUTRALIZATION	SHARE IN NET ASSETS NEUTRALIZATION PROPORTIONAL TO NISSAN'S INVESTMENT IN RENAULT [1]	SHARE IN NET ASSETS NET	NET GOODWILL	TOTAL
At December 31, 2011	**14,953**	**(975)**	**13,978**	**953**	**14,931**
2012 net income	1,234	-	1,234	-	1,234
Dividend distributed	(427)	-	(427)	-	(427)
Translation adjustment	(993)	-	(993)	(110)	(1,103)
Acquisitions of non-controlling interests [2]	90	-	90	-	90
Treasury share transactions [3]	6	-	6	(28)	(22)
Other changes [4]	85	-	85	-	85
At December 31, 2012	**14,948**	**(975)**	**13,973**	**815**	**14,788**

(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) After adjustment of the "Restatements for Renault group requirements" and application of the equity share ratio, the negative goodwill on Nissan's acquisition of all non-controlling interests in Aichi Kikai is reflected in a €90 million movement in "Reserves". Nissan provides details of this operation in its published financial statements at March 31, 2012.

(3) Nissan acquired the non-controlling interests in Aichi Kikai from its former shareholders in exchange for Nissan treasury shares. After reversal of the related goodwill, this operation resulted in a loss of €22 million. Once the translation adjustment was transferred to the income statement, this loss led to recognition of an €11 million expense under "Other operating income and expenses" (note 6).

(4) 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.

D – Changes in Nissan equity restated for the purposes of the Renault consolidation

(in billions of yen)	DECEMBER 31, 2011	2012 NET INCOME	DIVIDENDS	TRANSLATION ADJUSTMENT	ACQUISITIONS OF NON-CONTROLLING INTERESTS	TREASURY SHARES	OTHER CHANGES [1]	DECEMBER 31, 2012
Shareholders' equity – Nissan share under Japanese GAAP	**2,909**	**308**	**(94)**	**220**	**-**	**19**	**6**	**3,368**
Restatements for Renault group requirements:								
Restatement of fixed assets	348	(1)	-	-	-	-	-	347
Provision for pension and other long-term employee benefit obligations [2]	(165)	21	-	(8)	-	-	15	(137)
Capitalization of development expenses	526	(5)	-	1	-	-	-	522
Effect of changes in the scope of consolidation with no loss of control [3]	-	(24)	-	-	24	-	-	-
Deferred taxes and other restatements [4]	(206)	(12)	(7)	14	(3)	-	-	(214)
NET ASSETS RESTATED FOR RENAULT GROUP REQUIREMENTS	**3,412**	**287**	**(101)**	**227**	**21**	**19**	**21**	**3,886**
(€ million)								
Net assets restated for Renault group requirements	**34,054**	**2,822**	**(976)**	**(2,274)**	**205**	**181**	**194**	**34,206**
Renault's share	43.9%							43.7%
(before the dilution and neutralization effect described below)	14,953	1,234	(427)	(993)	90	81	85	15,023
Dilutive effect	-	-	-	-	-	(75)	-	(75)
Neutralization of Nissan's investment in Renault [5]	(975)	-	-	-	-	-	-	(975)
Renault's share in the net assets of Nissan	**13,978**	**1,234**	**(427)**	**(993)**	**90**	**6**	**85**	**13,973**

(1) Other changes include the effect of Renault dividends received by Nissan, the change in the actuarial gains and losses on pension obligations and the change in the financial instruments revaluation reserve.

(2) Including actuarial gains and losses recognized in equity.

(3) The acquisition of non-controlling interests in Aichi Kikai is considered as an equity transaction under IFRS. Under Japanese GAAP, the corresponding gain is included in the profit and loss account.

(4) Including elimination of Nissan's investment in Renault, accounted for under the equity method.

(5) Nissan has held 15% of Renault since the acquisition in 2002, excluding the subsequent impacts of Renault's purchase of its treasury shares.

E – Nissan net income under Japanese GAAP

Since Nissan's financial year ends at March 31, the Nissan net income included in the 2012 Renault consolidation is the sum of Nissan's net income for the final quarter of its 2011 financial year and the first three quarters of its 2012 financial year.

	JANUARY TO MARCH 2012		APRIL TO JUNE 2012		JULY TO SEPTEMBER 2012		OCTOBER TO DECEMBER 2012		JANUARY TO DECEMBER 2012	
	FOURTH QUARTER OF NISSAN'S 2011 FINANCIAL YEAR		FIRST QUARTER OF NISSAN'S 2012 FINANCIAL YEAR		SECOND QUARTER OF NISSAN'S 2012 FINANCIAL YEAR		THIRD QUARTER OF NISSAN'S 2012 FINANCIAL YEAR		REFERENCE PERIOD FOR RENAULT'S 2012 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	75	724	73	704	106	1,077	54	513	308	3,018

(1) Converted at the average 2012 exchange rate for each quarter.

F – 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, 2012. 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)
2012 revenues	9,384	91,448
2012 net income (2)	326	3,181
Shareholders' equity at December 31, 2012	4,179	36,783
Financial position total at December 31, 2012	13,033	114,715

(1) Converted at the average exchange rate for 2012 i.e. 102.6 JPY = 1 EUR for income statement items, and at the December 31, 2012 rate i.e. 113.6 JPY = 1 EUR for financial position items.

(2) The net income reported does not include Renault's contribution to Nissan net income.

G – Hedging of the investment in Nissan

The Group has partially hedged the Yen/Euro exchange risk on its investment in Nissan since 1999.

At December 31, 2012, the corresponding hedging operations totalled 110 billion yen (€966 million), comprising 27 billion yen (€238 million) of private placements on the EMTN market and 83 billion yen (€728 million) in bonds issued directly in yen on the Japanese Samurai bond market.

During 2012, these operations generated favourable foreign exchange differences of €110 million (€84 million unfavourable in 2011). After depreciation of deferred taxes, the year's net favourable effect of €35 million was included in the Group's translation adjustment reserves (note 19-E).

H – Valuation of Renault's investment in Nissan at stock market prices

Based on the quoted price at December 31, 2012 of JPY 811 per share, Renault's investment in Nissan is valued at €14,006 million (€13,550 million at December 31, 2011 based on the price of JPY 692 per share).

I – Impairment test of the investment in Nissan

At December 31, 2012, the stock market value of the investment was 5.3% lower than its book value in the assets of Renault's statement of financial position. In view of this, an impairment test was carried out in application of the approach presented in the note on accounting policies (note 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 10% and a growth rate to infinity of 2.7% 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 2012.

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. Also, impairment is considered to be indicated by a stock market price of below 840 yen per share, and the Nissan share price has been above 900 yen since January 29, 2013.

J – 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 2012 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.

Since 2011, the Alliance's Chennai plant in India has produced the first cross-badged Renault Pulse, an adaptation of the Nissan Micra using a 1.5 dCi diesel engine made at the Cleon plant in France.

Vehicle manufacturing

In Brazil, Renault supplies Nissan with assembly services for its Frontier pick-up and Livina models at the Curitiba plant. 31,770 vehicles were assembled during 2012.

Renault Samsung Motors produced 15,250 Nissan-badged SM3 vehicles in 2012, 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. These services were extended in 2012 to include the Duster and Scala. Renault collected 36,000 vehicles from this plant in 2012.

Concerning light commercial vehicles, Nissan produced 56,700 Trafic vans over the year at its Barcelona plant in Spain in 2012. 8.1% of these are sold through the Nissan network. Renault, meanwhile, produced 3,600 Interstars (Nissan-badged Masters), which are purchased by Nissan for sale through its own network.

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.

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, Saint Petersburg in Russia and Chennai in India.

In South America, Renault supplies gearboxes made by Cormecanica to Nissan plants located mostly in Mexico and Brazil. These parts are used in Nissan's Micra and Tiida.

In total Renault supplied 969,500 gearboxes and 388,100 engines during 2012.

In South Korea, Nissan supplies Renault Samsung Motors with parts used in production of the SM3 (Fluence), the SM5 (Latitude), the SM7 and the Koleos.

Since 2011, batteries and battery components produced by the Nissan/NEC joint venture AESC in Japan have been used to produce the zero-emission Fluence and Kangoo electric cars at Bursa in Turkey and Maubeuge in France. 9,900 units were produced in 2012.

Renault also uses Nissan's 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. Nissan supplies rear axles for the Dacia Duster.

Sales

In Europe, Renault also markets Nissan vehicles in Bulgaria, Croatia, Romania, Serbia and Slovenia.

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 2012, Renault Finance undertook foreign exchange transactions totalling approximately €23.8 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 2012, the consolidated RCI Banque subgroup recorded €143 million of income in the form of commission and interest received from Nissan.

Total figures for 2012

Total sales by Renault to Nissan and purchases by Renault from Nissan amounted to an estimated €2,100 million and €1,900 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. The same applies to sales of powertrain parts by the Alliance to partners such as Daimler and AVTOVAZ.

NOTE 14 – INVESTMENTS IN OTHER ASSOCIATES

Details of investments in other associates are as follows:

- value in the Group's statement of financial position: €774 million at December 31, 2012 (€1,060 million at December 31, 2011);
- Renault's share in the net income of other associates: €270 million for 2012 (€192 million for 2011).

At December 31, 2011, most of these amounts related to the investments in AB Volvo and AVTOVAZ, accounted for under the equity method. The investment in AB Volvo was sold in December 2012 as described below. Renault's interest in AVTOVAZ is now its largest investment in other associates.

A – AB Volvo

AB Volvo's financial year-end is December 31.

A1 – Sale of the investment in AB Volvo

In December 2012, the Group sold all of the A shares it still held in AB Volvo (138,605 thousands shares representing 6.5% of the capital) via a placement with institutional investors for the price of SEK 92.25 per share giving a total of €1,476 million.

The sale of the AB Volvo shares generated a profit of €924 million. This income is reported on a specific line of the Group's consolidated income statement due to its significant, non-recurrent nature.

This sale completes the Group's withdrawal from the capital of AB Volvo, which began in 2010 when the Group sold all its B shares (14.2% of the share capital).

A2 – Changes in the value of Renault's investment in AB Volvo as shown in Renault's statement of financial position

(€ million)	SHARE IN NET ASSETS	NET GOODWILL	TOTAL
At December 31, 2011	**570**	**13**	**583**
Net income for the period January 1 to September 30, 2012	80	-	80
Dividend distributed	(47)	-	(47)
Translation adjustment, actuarial gains and losses and revaluation of financial instruments	-	-	-
Effect of the sale of AB VOLVO shares	(603)	(13)	(616)
At December 31, 2012	**-**	**-**	**-**

The share in the net income of AB Volvo was calculated by applying a 6.8% percentage interest to net income for the first three quarters of 2012. AB Volvo's contribution for the fourth quarter of 2012 is not included in the Renault Group's financial statements, since there was no operation with a significant impact on AB Volvo's net income between October 1, 2012 and the date at which the shares were sold in December 2012.

A3 – Changes in AB Volvo equity restated for the purposes of the Renault consolidation

(€ million)	DECEMBER 31, 2011	NET INCOME FROM JANUARY 1 UNTIL SEPTEMBER 30, 2012	DIVIDENDS	OTHER CHANGES	SEPTEMBER 30, 2012
Shareholders' equity –parent company shareholders' share	9,491	1,173	(683)	50	10,031
Restatements for Renault group requirements	(1,152)	-	-	(60)	(1,212)
Net assets restated for Renault group requirements	8,339	1,173	(683)	(10)	8,819
Renault's share in the net assets of AB Volvo	**570**	**80**	**(47)**	**-**	**603**

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.

A4 – AB Volvo financial information under IFRS

AB Volvo financial information for the period January 1 to September 30, 2012 established under IFRS, as published by AB Volvo, is summarized as follows:

	(in millions of SEK)	*(€ million)* [(1)]
Revenues for the period January 1 to September 30, 2012	231,853	26,546
Net income for the period January 1 to September 30, 2012	10,417	1,193

(1) Converted at the average exchange rate from January 1 to September 30,2012 i.e. SEK 8.73 = €1 for income statement items.

A5 – 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 2012.

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 2012 consolidated financial statements is the sum of AVTOVAZ's net income for the final quarter of its 2011 financial year and the first three quarters of its 2012 financial year.

B1 – Changes in the value of Renault's investment in AVTOVAZ as shown in Renault's statement of financial position

(€ million)	SHARE IN NET ASSETS
At September 30, 2011	**230**
Net income for the period October 1, 2011 to September 30, 2012	186
Capital increases	-
Translation adjustment, actuarial gains and losses and revaluation of financial instruments	13
At September 30, 2012	**429**

Renault's percentage interest in AVTOVAZ at December 31, 2012 is unchanged from December 31, 2011 at 25%.

In December 2012, a new partnership agreement was signed between the Renault-Nissan Alliance and the public holding company Russian Technologies to form a joint venture, Alliance Rostec Auto B.V. This joint venture will control AVTOVAZ, combining the investments in AVTOVAZ held by the Renault-Nissan Alliance and Russian Technologies to play the role of majority shareholder.

Under this agreement, the Renault-Nissan Alliance will contribute 23 billion rubles entitling it to a 67.13% share in the joint venture, which will hold 74.5% of AVTOVAZ, by mid-2014. Renault will invest 11.3 billion rubles, with the objective of holding 50.1% of the joint venture in June 2014.

In parallel to this agreement, AVTOVAZ's debt was restructured, and 52 billion rubles of loans from Russian Technologies were rescheduled until 2032 free of interest. Most of AVTOVAZ's net income for 2012 results from discounting of this interest-free debt.

B2 – Changes in AVTOVAZ equity restated for the purposes of the Renault consolidation

(€ million)	OCTOBER 1, 2011	NET INCOME FOR THE PERIOD OCTOBER 1, 2011 – SEPTEMBER 30, 2012	CAPITAL INCREASE	OTHER CHANGES	SEPTEMBER 30, 2012
Shareholders' equity – parent company shareholders' share	884	738	-	49	1,671
Restatements for Renault group requirements	37	8	-	(2)	43
Net assets restated for Renault group requirements	921	746	-	47	1,714
Renault's share in the net assets of AVTOVAZ	**230**	**186**	**-**	**13**	**429**

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 2011 (year ended December 31) and the first three quarters of the year 2012 are summarized below:

2011	*(millions of roubles)*	*(€ million)* [(1)]
2011 revenues	175,073	4,283
2011 net income	6,677	163
Shareholders' equity at December 31, 2011	38,514	922
Financial position total at December 31, 2011	128,577	3,079

(1) Converted at the average exchange rate for 2011 i.e. 40.88 RUB = 1 EUR for income statement items and the exchange rate at December 31, 2011 i.e 41.76 RUB = 1 EUR for balance sheet items.

JANUARY TO SEPTEMBER 2012	*(millions of roubles)*	*(€ million)* [(1)]
Revenues, January – September 2012	140,490	3,530
Net income, January – September 2012 [(2)]	29,557	740
Shareholders' equity at September 30, 2012	67,950	1,693
Financial position total at September 30, 2012	140,092	3,490

(1) Converted at the average exchange rate for January to September 2012, i.e. 39.80 RUB = 1 EUR for income statement items and the exchange rate at September 30, 2012, i.e 40.14 RUB = 1 EUR for balance sheet items.

(2) Rescheduling of loans from Russian Technologies had an impact of 28.6 billion rubles.

B4 – Valuation of Renault's investment in AVTOVAZ at stock market prices

Based on AVTOVAZ's stock market share price, Renault's investment in AVTOVAZ is valued at €198 million at December 31, 2012, (€237 million at December 31,2011).

B5 – Impairment test of the investment in AVTOVAZ

At December 31, 2012, the stock market value of the investment was 54% lower than the value of AVTOVAZ 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 (note 2-L to the annual financial statements). An after-tax discount rate of 14.6% and a growth rate to infinity of 2.5% were used to calculate value in use. The terminal value was calculated under balanced profitability assumptions and medium-term prospects. The test results at December 31, 2012 did not lead to recognition of any impairment on the investment in AVTOVAZ.

B6 - Operations between the Renault group and the AVTOVAZ group

The Renault group continued to provide technical assistance to AVTOVAZ for several vehicle, engine and gearbox projects implemented by the Renault-Nissan Alliance and AVTOVAZ, and for assembly of the B0 platform shared by AVTOVAZ and the Alliance. Consulting services are also provided by Renault in areas such as purchases, quality and IT. During 2012, Renault invoiced €35 million to AVTOVAZ for this technical assistance.

Following the start of production on the Lada "Largus" minivan using the B0 platform, Renault started supplying AVTOVAZ with parts required for assembly, for a total amount of €94 million in 2012.

Renault's share in the B0 platform investment is recorded in tangible assets at the amount of €112 million at December 31, 2012.

In 2012, Renault paid AVTOVAZ €74 million in the form of 10-year loans.

NOTE 15 – INVENTORIES

	DECEMBER 31, 2012			DECEMBER 31, 2011		
(€ million)	GROSS VALUE	IMPAIRMENT	NET VALUE	GROSS VALUE	IMPAIRMENT	NET VALUE
Raw materials and supplies	1,161	(208)	953	1,322	(190)	1,132
Work in progress	232	-	232	261	-	261
Used vehicles	1,079	(130)	949	1,087	(122)	965
Finished products and spare parts	1,860	(130)	1,730	2,208	(137)	2,071
TOTAL	**4,332**	**(468)**	**3,864**	**4,878**	**(449)**	**4,429**

NOTE 16 – SALES FINANCING RECEIVABLES

A – Sales financing receivables by nature

(€ million)	DECEMBER 31, 2012	DECEMBER 31, 2011
Dealership receivables	6,736	5,934
Financing for end-customers	12,516	12,407
Leasing and similar operations	4,776	4,420
Gross value	24,028	22,761
Impairment	(798)	(861)
NET VALUE	**23,230**	**21,900**
FAIR VALUE	**23,412**	**21,979**

The fair 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. Receivables with a term of less than one year are not discounted, as their fair value does not differ significantly from their net book value.

B – Assignments and assets pledged as guarantees for management of the liquidity reserve

B1 –Assignments of sales financing assets

(€ million)	DECEMBER 31, 2012	DECEMBER 31, 2011
Assigned receivables carried in the balance sheet	8,814	8,739
Associated liabilities	3,902	3,704

The Sales Financing segment undertook several securitization operations through special purpose vehicles and conduit financing operations (in France, Italy, Germany and the United Kingdom) involving loans to final customers and receivables on the dealership network. This did not lead to derecognition of the receivables assigned, as all risks were retained by the Group. The associated liabilities correspond to securities resulting from the securitization operations, recognized in other debts represented by certificate.

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.

Securitized assets can no longer be assigned or pledged. Subscribers to debt securities only have claims on the assets assigned.

At December 31, 2012, the fair value of sales financing receivables assigned still reported in the balance sheet was €8,842 million, and the associated liabilities amounted to €3,949 million.

B2 –Assets pledged as guarantees for management of the liquidity reserve

For management of the liquidity reserve, RCI Banque had provided guarantees of €2,933 million (€2,601 million in December, 2011) to the European Central Bank: €2,773 million in the form of shares in securitization vehicles and €160 million in sales financing receivables (€2,429 million and €172 million at December 31, 2011). RCI Banque had used €400 million of this liquidity reserve at December 31, 2012 (€350 million at December 31, 2011), classified as borrowings from credit institutions in sales financing debts (note 23).

At December 31, 2012, RCI Banque also provided guarantees to the *Société de Financement de l'Économie Française* (SFEF) in the form of receivables with book value of €341 million (€1,225 million at December 31, 2011), in return for financing of €210 million (€785 million at December 31, 2011) recorded in borrowings from credit institutions in debts of the Sales Financing segment (note 23).

C – Sales financing receivables by maturity

(€ million)	DECEMBER 31, 2012	DECEMBER 31, 2011
-1 year	13,964	12,851
1 to 5 years	9,162	8,987
+5 years	104	62
TOTAL SALES FINANCING RECEIVABLES, NET	**23,230**	**21,900**

D – Breakdown of overdue sales financing receivables (gross values)

(€ million)	DECEMBER 31, 2012	DECEMBER 31, 2011
Receivables for which impairment has been recognized (1): overdue by	**577**	**643**
0 to 30 days	14	12
30 to 90 days	53	53
90 to 180 days	57	54
More than 180 days	453	524
Receivables for which no impairment has been recognized: overdue by	**16**	**17**
0 to 30 days	16	17
More than 30 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 28-A).

This risk is reduced by guarantees provided by customers, as reported in off-balance sheet commitments received (note 28-B). In particular, guarantees held in connection with overdue or impaired sales financing receivables amounted to €538 million at December 31, 2012 (€537 million at December 31, 2011).

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.

E – Changes in impairment of sales financing receivables

(€ million)	
Impairment at December 31, 2011	**(861)**
Impairment recorded during the year	(385)
Reversals for application	275
Reversals of unused residual amounts	174
Translation adjustment and other	(1)
Impairment at December 31, 2012	**(798)**

Net credit losses amounted to €61 million in 2012 (€25 million in 2011).

NOTE 17 – AUTOMOTIVE RECEIVABLES

(€ million)	DECEMBER 31, 2012	DECEMBER 31, 2011
Gross value	1,226	1,354
Impairment	(82)	(79)
AUTOMOTIVE RECEIVABLES, NET	**1,144**	**1,275**

These receivables do not include accounts receivable assigned to the Group's sales financing companies or other non-Group entities when substantially all the risks and benefits associated with ownership of the receivables are transferred. The risk of dilution (essentially the risks of non-settlement after a commercial dispute) is retained by the Group, but is considered negligible. Receivables assigned in this way to Group sales financing companies are included in sales financing receivables, principally dealership receivables.

When substantially all the risks and benefits are not transferred, although from a legal standpoint receivables have been assigned to Group sales financing companies or other non-Group entities, they remain in Automotive receivables and a corresponding financial liability is recorded (in other interest-bearing borrowings). The amount of assigned Automotive receivables that remain in the balance sheet because the Group retains the credit risk or risk of late settlement is not significant at December 31, 2012.

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 18 – OTHER CURRENT AND NON CURRENT ASSETS

(€ million)	DECEMBER 31, 2012 NON-CURRENT	CURRENT	TOTAL	DECEMBER 31, 2011 NON-CURRENT	CURRENT	TOTAL
Prepaid expenses	90	194	284	56	182	238
Tax receivables (excluding current taxes)	21	996	1,017	15	867	882
Other receivables	591	599	1,190	396	709	1,105
Investments in controlled unconsolidated entities	119	-	119	113	-	113
Derivatives on operating transactions of the Automotive segment	-	-	-	-	-	-
Derivatives assets on financing transactions of the Sales Financing segment	-	332	332	-	310	310
TOTAL	**821**	**2,121**	**2,942**	**580**	**2,068**	**2,648**
Gross value	*959*	*2,193*	*3,152*	*735*	*2,098*	*2,833*
Impairment	*(138)*	*(72)*	*(210)*	*(155)*	*(30)*	*(185)*

NOTE 19 – SHAREHOLDERS' EQUITY

A – Share capital

The total number of ordinary shares issued and fully paid-up at December 31, 2012 was 295,722 thousand, with par value of €3.81 per share (unchanged from December 31, 2011).

Treasury shares do not bear dividends. They accounted for 1.37% of Renault's share capital at December 31, 2012 (unchanged from December 31, 2011).

The Nissan group holds 15% of Renault through its wholly-owned subsidiary Nissan Finance Co., Ltd. (the voting rights attached to these shares cannot be exercised).

B – Capital management

In managing its capital, the Group's objective is to guarantee continuity of business in order to provide returns for shareholders and benefits for other stakeholders, and to maintain optimum capital structure in order to optimize its cost.

The Group actively manages its capital structure, making adjustments in view of developments in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payments to shareholders, redeem some of the capital or issue new shares. The management objectives, policies and procedures are unchanged from 2011.

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 financial position). The Group had a net liquidity position at December 31, 2012 (debt ratio equal to 1.2% at December 31, 2011).

The Sales Financing segment must comply with regulatory ratios specific to banking operations. The minimum solvency ratio (shareholders' equity including subordinated loans to total weighted risks) is 8%. RCI Banque's Core Tier 1 (without floor Bâle I) solvency ratio was 13.7% at December 31, 2012 (13.6% at December 31, 2011).

The Group also partially hedges its investment in Nissan (note 13-G).

C – Renault treasury shares

In accordance with decisions approved at General Shareholders' Meetings, the Board of Directors decided to allocate all Renault treasury shares to current stock-option plans awarded to Group managers and executives.

	DECEMBER 31, 2012	DECEMBER 31, 2011
Total value of treasury shares *(€ million)*	201	201
Total number of treasury shares	4,059,255	4,059,255

D – Distributions

At the General and Extraordinary Shareholders' Meeting of April 27, 2012, it was decided to distribute a dividend of €1.16 per share or a total of €338 million (€0.30 per share in 2011). This dividend was paid during May.

E – Translation adjustment

The change in translation adjustment over the year is as follows:

(€ million)	2012	2011
Change in translation adjustment on the value of the investment in Nissan	(1,120)	694
Impact, net of tax, of partial hedging of the investment in Nissan (note 13-H)	35	(142)
Total change in translation adjustment related to Nissan	**(1,085)**	**552**
Other changes in translation adjustment	(143)	(156)
TOTAL CHANGE IN TRANSLATION ADJUSTMENT	**(1,228)**	**396**

In 2012, other changes in the translation adjustment mostly resulted from movements in the Brazilian real, the Argentinian peso, the Iranian rial and the Korean won against the Euro. In 2011, the main currencies concerned were the Brazilian real, the Russian rouble and the Turkish lira.

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, 2011 (1)	**(78)**	**(51)** (3)	**(129)**
Changes in fair value recorded in shareholders' equity	(80)	213	133
Transfer from shareholders' equity to the income statement (2)	41	(9)	32
At December 31, 2012 (1)	**(117)**	**153**(3)	**36**

(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 22-A).

F2 – Breakdown of the amounts related to cash flow hedges transferred from the financial instrument revaluation reserve to the income statement

(€ million)	2012	2011
Operating margin	31	12
Other operating income and expenses	-	-
Net financial income (expense)	-	(1)
Share in net income of associates	10	-
Current and deferred taxes	-	-
TOTAL TRANSFERRED TO THE INCOME STATEMENT FOR CASH FLOW HEDGES	**41**	**11**

F3 – Schedule of amounts related to cash flow hedges transferred from the financial instruments revaluation reserve to the income statement

(€ million)	DECEMBER 31, 2012	DECEMBER 31, 2011
Within one year	(12)	2
After one year	(57)	(47)
Revaluation reserve for cash flow hedges excluding associates	**(69)**	**(45)**
Revaluation reserve for cash flow hedges - associates	(48)	(33)
TOTAL REVALUATION RESERVE FOR CASH FLOW HEDGES	**(117)**	**(78)**

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.

2 new stock-option or free share plans were introduced in 2012. 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

	2012			2011		
	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	**8,595,407**	**70**	**-**	**10,387,702**	**68**	**-**
Granted	350,000 (1)	31	33	766,000	37	35
Exercised	-	-	-	-	-	-
Expired	(3,789,211)	59	N/A	(2,558,295)	52	N/A
Outstanding at December 31	**5,156,196**	**76**	**-**	**8,595,407**	**70**	**-**

(1) These stock option allocations correspond to the part of plan 19 dating from December 8, 2011, which was announced to the beneficiaries in 2012 and the options allocated under plan 20 to the Chairman and CEO at December 13, 2012.

G2 – Options and free share attribution rights yet to be exercised at December 31, 2012

PLAN	TYPE OF PLAN	GRANT DATE	EXERCISE PRICE *(€)*	OUTSTANDING	EXERCISE PERIOD
Plan 11	Stock subscription options	September 13, 2005	72.98	1,446,900	September 14, 2009 – September 12, 2013
Plan 12	Stock subscription options	May 4, 2006	87.98	1,285,834	May 5, 2010 – May 5, 2014
Plan 14	Stock subscription options	December 5, 2006	93.86	1,492,906	December 6, 2010 – December 4, 2014
Plan 18	Stock purchase options	April 29, 2011	38.80	480,556	April 30, 2015 – April 28, 2019
Plan 18 bis	Attribution of free shares	April 29, 2011	-	1,110,345 94,800	April 30, 2014 – April 30, 2016 April 30, 2015
Plan 19	Stock purchase options	December 8, 2011	26.87	300,000	December 9, 2015 – December 7, 2019
Plan 19 bis	Attribution of free shares	December 8, 2011	-	550,700 53,200	December 8, 2013 – December 8, 2015 December 8, 2015
Plan 20	Stock purchase options [(1)]	December 13, 2012	37.43	447,800	December 13, 2016 – December 12, 2020
Plan 20 bis	Attribution of free shares [(1)]	December 13, 2012	-	593,100 86,800	December 13, 2014 – December 12, 2016 December 13, 2016

(1) Beneficiaries of these plans decided in 2012 were informed of the allocation in early 2013, except for the Chairman and CEO who was allocated 150,000 stock purchase options on December 13, 2012.

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 four years for plans 11 to 20. For stock-option plans, the exercise period then covers four years for plans 11 to 20. Loss of the benefit of these options follows the applicable regulations: all options are forfeited in the event of resignation, and a decision is made for each individual case when an employee leaves at the company's instigation.

The valuation method follows a suitable binomial mathematical model, with exercise of the options anticipated and spread over the exercise period on a straight-line basis. The volatility factor applied is implicit volatility at the grant date. The dividend used is determined by reference to the dividend payout schedule at the time each plan is valued.

The plans have been valued as follows:

N° PLAN	INITIAL VALUE *(thousand of €)*	UNIT FAIR VALUE	EXPENSE FOR 2012 *(€ million)*	EXPENSE FOR 2011 *(€ million)*	SHARE PRICE AT GRANT DATE *(€)*	VOLATILITY	INTEREST RATE	EXERCISE PRICE *(€)*	DURATION OF OPTION	DIVIDEND PER SHARE *(€)*
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	-	-	87.05	28.1%	3.90%	87.98	4-8 years	2.40 – 4.50
Plan 14 [(1)]	26,066	15.00	-	-	92.65	26.7%	3.88%	93.86	4-8 years	2.40 – 4.50
Plan 18	3,422	9.31	(1)	(1)	36.70	37.28%	2.28%	38.80	4-8 years	0.30 – 1.16
Plan 18 bis	28,711	31.04	(9)	(5)	36.70	N/A	2.28%	N/A	3-5 years	0.30 – 1.16
Plan 19	1,608	5.36	-	-	27.50	42,24%	1.99%	26.87	4-8 years	1.19 – 1,72
Plan 19 bis	15,966	26.17	(4)	-	34.18	N/A	1.68%	N/A	2-4 years	1.17 – 1,73
Total	**115,577**		**(14)**	**(6)**						

(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 20 – PROVISIONS

A – Provisions at December 31

(€ million)	DECEMBER 31, 2012	DECEMBER 31, 2011
Provisions (other than provisions for pension and other long-term employee obligations)	**1,736**	**1,743**
Provisions for restructuring and workforce adjustment costs	258	368
Provisions for warranty costs	688	675
Provisions for tax risks and litigation	336	284
Provisions related to insurance activities	161	124
Other provisions	293	292
Provisions for pension and other long-term employee benefit obligations	**1,649**	**1,350**
TOTAL PROVISIONS	**3,385**	**3,093**
Provisions – long-term	*2,496*	*2,227*
Provision – short-term	*889*	*866*

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	INSURANCE ACTIVITIES (1)	OTHER PROVISIONS	TOTAL
At December 31, 2011	**368**	**675**	**284**	**124**	**292**	**1,743**
Increases	68	387	116	56	58	685
Reversals of provisions for application	(131)	(345)	(32)	(19)	(31)	(558)
Reversals of unused balance of provisions	(50)	(24)	(17)	-	(26)	(117)
Changes in scope of consolidation	-	-	-	-	-	-
Translation adjustments and other changes	3	(5)	(15)	-	-	(17)
At December 31, 2012	**258**	**688**	**336**	**161**	**293**	**1,736**

(1) It's mainly about technical reserves of the insurance companies of the sales financing activity.

In 2012, increases to restructuring provisions essentially comprise the effect of workforce adjustment measures in Europe (note 6-A).

Most of the reversals of unused provisions for restructuring relate to the updating of the provision for workforce adjustment measures in France to reflect the terms of departures that took place in 2012 (note 6-A).

At December 31, 2012, other provisions included €28 million of provisions established in application of environmental regulations (€35 million at December 31, 2011). These provisions include expenses related to the EU directive on end-of-life vehicles (note 28-A2) and environmental compliance costs for industrial land that the Group intends to sell (particularly on the Boulogne-Billancourt site). They also include €4 million for depollution of commercial land belonging to Renault Retail Group (RRG).

As greenhouse gas emissions were lower than the Group's allocated quotas, no associated provisions were booked at December 31, 2012.

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 €578 million in 2012 (€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 20-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 years
Salary increase	3%
Discount rate (1)	2.6%

(1) *The rate most frequently used to value the Group's obligations in France is 2.6% in 2012 (4.3% in 2011) 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 4.5% in 2012 (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% (5.9% in 2011).

This return is determined based on past returns for each category of assets included in the portfolios.

C3 – Net expense for the year

(€ million)	2012	2011
Current service cost	93	95
Amortization of past service cost	(3)	(2)
Effect of plan curtailments	(7)	-
Interest cost	75	65
Expected return on fund assets	(18)	(18)
Effects of workforce adjustment measures	-	-
Net expense (income) for the year	**140**	**140**

C4 – Provisions at December 31

(€ million)	DECEMBER 31, 2012	DECEMBER 31, 2011
French companies	1,416	1,131
Foreign companies	233	219
TOTAL	**1,649**	**1,350**

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, 2011	**1,752**	**(406)**	**1,346**	**4**	**1,350**
Net expense for the year 2012 (note 20-C3)	160	(18)	142	(2)	140
Benefits paid out	(120)	20	(100)	-	(100)
Contributions to funds	-	(8)	(8)	-	(8)
Actuarial gains (losses)	290	(19)	271	-	271
Translation adjustments	10	(6)	4	-	4
Change in scope of consolidation and other	(8)	-	(8)	-	(8)
Balance at December 31, 2012	**2,084**	**(437)**	**1,647**	**2**	**1,649**

C6 – Breakdown of fund assets

(€ million)	DECEMBER 31, 2012	DECEMBER 31, 2011
Equities	96	90
Bonds	293	271
Other	48	45
TOTAL FUND ASSETS	**437**	**406**

The weighted average real rate of return expected for the Group's principal funds is 8.1% in 2012. In the UK, where a significant portion of the Group's pension funds are invested, the expected real rate of return for 2012 is 11.5%.

The current best estimate for contributions payable in 2013 is close to €10 million.

C7 – Historical data

(€ million)	DECEMBER 31, 2012	DECEMBER 31, 2011	DECEMBER 31, 2010	DECEMBER 31, 2009	DECEMBER 31, 2008
Obligations not covered by funds	1,487	1,206	1,119	1,045	977
Obligations covered by funds	597	546	513	447	376
Total obligations (A)	2,084	1,752	1,632	1,492	1,353
Value of fund assets (B)	437	406	392	347	307
Funding status (B) – (A)	(1,647)	(1,346)	(1,240)	(1,145)	(1,046)
Actuarial gains and losses on obligations recorded in equity during the year (before tax)	(290)	(23)	(38)	(66)	44
Actuarial gains and losses on fund assets recorded in equity during the year (before tax)	19	(1)	19	12	(47)

The cumulative actuarial net-of-tax gains and losses (excluding the associates' share) included in Other components of comprehensive income is a loss of €546 million at December 31, 2012 (loss of €278 million at December 31, 2011).

NOTE 21 – OTHER CURRENT AND NON CURRENT LIABILITIES

	DECEMBER 31, 2012			DECEMBER 31, 2011		
(€ million)	NON-CURRENT	CURRENT	TOTAL	NON-CURRENT	CURRENT	TOTAL
Tax liabilities (excluding current taxes)	170	855	1,025	308	819	1,127
Social liabilities	17	1,555	1,572	15	1,599	1,614
Other liabilities	262	3,846	4,108	255	3,555	3,810
Deferred income	395	545	940	146	559	705
Derivatives on operating transactions of the Automotive segment	-	4	4	-	2	2
TOTAL	**844**	**6,805**	**7,649**	**724**	**6,534**	**7,258**

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 22 – FINANCIAL ASSETS – CASH AND CASH EQUIVALENTS

A – Current/non-current breakdown

	DECEMBER 31, 2012			DECEMBER 31, 2011		
(€ million)	NON-CURRENT	CURRENT	TOTAL	NON-CURRENT	CURRENT	TOTAL
Investments in non-controlled entities	788	-	788	699	-	699
Marketable securities and negotiable debt instruments	-	171	171	-	88	88
Loans	68	622	690	89	329	418
Derivative assets on financing operations by the Automotive segment	176	196	372	280	827	1,107
TOTAL FINANCIAL ASSETS	**1,032**	**989**	**2,021**	**1,068**	**1,244**	**2,312**
Gross value	*1,033*	*1,002*	*2,035*	*1,069*	*1,257*	*2,326*
Impairment	*(1)*	*(13)*	*(14)*	*(1)*	*(13)*	*(14)*
Cash equivalents	-	3,647	3,647	-	118	118
Cash on hand and bank deposits	-	7,533	7,533	-	8,554	8,554
TOTAL CASH AND CASH EQUIVALENTS	**-**	**11,180**	**11,180**	**-**	**8,672**	**8,672**

Information on the counterparty risks associated with financial assets and cash and cash equivalents is provided in note 25-B6.

A1 – Investments in non-controlled entities

Investments in non-controlled entities include €680 million (€558 million at December 31, 2011) 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, 2012, the stock market price (41.32 euros per share) was higher than the acquisition price (35.52 euros per share). The corresponding increase in value, amounting to €122 million, is recorded in other components of comprehensive income of 2012.

Investments in non-controlled entities also include €69 million at December 31,2012 (€103 million at December 31, 2011) paid 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. Renault has undertaken a commitment to pay a total of €200 million as funds are called.

The fair value of these securities is determined by reference to the most recent net asset value reported by the FMEA's management company, after adjustment for any relevant information that becomes known afterwards. In 2012, the decline in their fair value was considered durable, and was recognized in other financial expenses in the amount of €46 million at December 31, 2012.

A2 – Non-available cash and 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.

As a result of repatriation difficulties linked to foreign exchange controls in Iran, the cash and cash equivalents of Renault Pars were reclassified as current financial assets at December 31, 2012 (€158 million at December 31, 2012 compared to €196 million at December 31, 2011) (note 6-D1).

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	-	-	788	788	-	788
Marketable securities and negotiable debt instruments	-	-	171	171	-	171
Loans	-	-	-	-	690	690
Derivative assets on financing operations by the Automotive segment	233	139	-	372	-	372
TOTAL FINANCIAL ASSETS AT DECEMBER 31, 2012	**233**	**139**	**959**	**1,331**	**690**	**2,021**
Cash equivalents	-	-	132	132	3,515	3,647
Cash	-	-	-	-	7,533	7,533
TOTAL CASH AND CASH EQUIVALENTS AT DECEMBER 31, 2012	**-**	**-**	**132**	**132**	**11,048**	**11,180**
Investments in non-controlled entities	-	-	699	699	-	699
Marketable securities and negotiable debt instruments	-	-	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	-	-	-	-	8,554	8,554
TOTAL CASH AND CASH EQUIVALENTS AT DECEMBER 31, 2011	**82**	**-**	**36**	**118**	**8,554**	**8,672**

(1) Including derivatives not designated as hedges for accounting purposes.

No financial assets were reclassified between categories in 2012 (or 2011).

The fair value of loans is €707 million at December 31, 2012 (€431 million at December 31, 2011). For loans with original maturity of less than three months and floating-rate loans, the value recorded in the assets in the statement of financial position 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, 2012 and December 31, 2011 for loans with similar conditions and maturities.

The fair value of cash is equal to its net book value, due to its short-term maturity.

NOTE 23 – FINANCIAL LIABILITIES AND SALES FINANCING DEBTS

A – Current/non-current breakdown

	DECEMBER 31, 2012			DECEMBER 31, 2011		
(€ million)	NON-CURRENT	CURRENT	TOTAL	NON-CURRENT	CURRENT	TOTAL
Renault SA redeemable shares	249	-	249	231	-	231
Bonds	4,525	1,249	5,774	3,895	1,131	5,026
Other debts represented by a certificate	-	158	158	-	200	200
Borrowings from credit institutions (at amortized cost)	787	1,455	2,242	1,049	1,029	2,078
Borrowings from credit institutions (at fair value)	220	-	220	222	-	222
Other interest-bearing borrowings	521	53	574	512	72	584
Financial liabilities of the Automotive segment (excluding derivatives)	**6,302**	**2,915**	**9,217**	**5,909**	**2,432**	**8,341**
Derivative liabilities on financing operations of the Automotive segment	60	179	239	157	798	955
Total financial liabilities of the Automotive segment	**6,362**	**3,094**	**9,456**	**6,066**	**3,230**	**9,296**
DIAC redeemable shares	9	-	9	10	-	10
Bonds	-	11,513	11,513	-	10,767	10,767
Other debts represented by a certificate	251	6,785	7,036	251	6,918	7,169
Borrowings from credit institutions	-	3,930	3,930	-	4,133	4,133
Other interest-bearing borrowings	-	973	973	-	87	87
Total financial liabilities and debts of the Sales Financing segment (excluding derivatives)	**260**	**23,201**	**23,461**	**261**	**21,905**	**22,166**
Derivative liabilities on financing operations of the Sales Financing segment	-	104	104	-	91	91
Financial liabilities and debts of the Sales Financing segment	**260**	**23,305**	**23,565**	**261**	**21,996**	**22,257**
TOTAL FINANCIAL LIABILITIES AND SALES FINANCING DEBTS	**6,622**	**26,399**	**33,021**	**6,327**	**25,226**	**31,553**

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 2012 (€17 million for 2011), is included in interest expenses. These shares are listed on the Paris Stock Exchange, and traded for €290 at December 31, 2011 and €312 at December 31, 2012 for par value of €153, leading to a corresponding €18 million adjustment to the fair value of redeemable shares recorded in other financial expenses (note 7).

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 2012, Renault SA redeemed bonds issued between 2005 and 2010 for a total of €1,073 million, and undertook new bonds issues totalling €1,952 million with maturities between 2013 and 2017.

RCI Banque also redeemed bonds for a total of €2,765 million in 2012, and issued new bonds totalling €3,509 million and maturing between 2013 and 2017.

€180 million loan from the European Investment Bank

In 2012, the European Investment Bank granted Renault a new four-year loan of €180 million.

Credit lines

At December 31, 2012, Renault SA had confirmed credit lines opened with banks worth €3,485 million (€3,810 million at December 31, 2011). The short-term portion amounted to €355 million at December 31, 2012 (€880 million at December 31, 2011). These credit lines had not been used at December 31, 2012 (or in 2011).

Sales financing's confirmed credit lines opened in several currencies with banks amounted to €4,696 million (€4,589 million at December 31, 2011). The short-term portion amounted to €657 million at December 31, 2012 (€507 million at December 31, 2011). These credit lines were unused at December 31, 2012 (or in 2011).

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

DECEMBER 31, 2012 (€ million)	INSTRUMENTS STATED AT FAIR VALUE				INSTRUMENTS STATED AT AMORTIZED COST (2)		
	INSTRUMENTS HELD FOR TRADING (1)	HEDGING DERIVATIVES	INSTRUMENTS DESIGNATED FROM INITIAL RECOGNITION AS AT FAIR VALUE	TOTAL INSTRUMENTS STATED AT FAIR VALUE	BALANCE SHEET VALUE	FAIR VALUE	BALANCE SHEET VALUE
Renault SA redeemable shares	-	-	249	249	-	-	249
Bonds	-	-	-	-	5,774	6,015	5,774
Other debts represented by a certificate	-	-	-	-	158	158	158
Borrowings from credit institutions	-	-	220	220	2,242	2,194	2,462
Other interest-bearing borrowings	-	-	-	-	574	605	574
Derivative liabilities on financing operations of the Automotive segment	236	3	-	239	-	-	239
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENT	**236**	**3**	**469**	**708**	**8,748**	**8,972**	**9,456**
Diac redeemable shares	-	-	9	9	-	-	9
Bonds	-	-	-	-	11,513	11,682	11,513
Other debts represented by a certificate	-	-	-	-	7,036	6,828	7,036
Borrowings from credit institutions	-	-	-	-	3,930	3,984	3,930
Other interest-bearing borrowings	-	-	-	-	973	973	973
Derivative liabilities on financing operations of the Sales Financing segment	50	54	-	104	-	-	104
FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT	**50**	**54**	**9**	**113**	**23,452**	**23,467**	**23,565**

(1) Including derivatives not classified as hedges for accounting purposes.
(2) Including financial liabilities subject to fair value hedges.

DECEMBER 31, 2011 (€ million)	INSTRUMENTS STATED AT FAIR VALUE				INSTRUMENTS STATED AT AMORTIZED COST (2)		
	INSTRUMENTS HELD FOR TRADING (1)	HEDGING DERIVATIVES	INSTRUMENTS DESIGNATED FROM INITIAL RECOGNITION AS AT FAIR VALUE	TOTAL INSTRUMENTS STATED AT FAIR VALUE	BALANCE SHEET VALUE	FAIR VALUE	BALANCE SHEET VALUE
Renault SA redeemable shares	-	-	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.

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, 2012 and 2011 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, 2012.

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, 2012							
(€ million)	BALANCE SHEET VALUE	TOTAL CONTRACTUAL FLOWS	-1 YR	1 - 2 YRS	2 - 3 YRS	3 - 4 YRS	4 - 5 YRS	+5 YRS
Bonds issued by Renault SA (by issue date)								
2003	41	41	-	41	-	-	-	-
2006	539	528	500	28	-	-	-	-
2007	66	66	-	56	-	-	10	-
2008	406	406	406	-	-	-	-	-
2009	747	750	-	750	-	-	-	-
2010	1,282	1,292	142	-	650	-	500	-
2011	733	698	136	62	-	500	-	-
2012	1,908	1,892	-	704	88	250	850	-
Accrued interest, expenses and premiums	52	57	57	-	-	-	-	-
Total bonds	**5,774**	**5,730**	**1,241**	**1,641**	**738**	**750**	**1,360**	**-**
Other debts represented by a certificate	158	158	158	-	-	-	-	-
Borrowings from credit institutions	2,462	2,458	1,454	256	201	220	236	91
Other interest-bearing borrowings	574	780	84	26	16	9	309	336
Total other financial liabilities	**3,194**	**3,396**	**1,696**	**282**	**217**	**229**	**545**	**427**
Future interest on bonds and other financial liabilities	**-**	**719**	**172**	**193**	**109**	**63**	**141**	**41**
Redeemable shares	**249**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Derivative liabilities on financing operations	**239**	**235**	**178**	**6**	**11**	**37**	**3**	**-**
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENT	**9,456**	**10,080**	**3,287**	**2,122**	**1,075**	**1,079**	**2,049**	**468**

The portion of financial liabilities of the Automotive segment maturing within one year breaks down as follows:

	DECEMBER 31, 2012			
(€ million)	CONTRACTUAL FLOWS MATURING WITHIN 1 YEAR	-1 MONTH	1-3 MONTHS	3 MONTHS – 1 YEAR
Bonds	1,241	46	85	1,110
Other financial liabilities	1,696	370	586	740
Future interest on bonds and other financial liabilities	172	3	34	135
Derivative liabilities on financing operations	178	81	36	61
TOTAL FINANCIAL LIABILITIES MATURING WITHIN 1 YEAR	**3,287**	**500**	**741**	**2,046**

C2 – Financial liabilities and debts of the Sales Financing segment

(€ million)	DECEMBER 31, 2012							
	BALANCE SHEET VALUE	TOTAL CONTRACTUAL FLOWS	-1 YR	1 - 2 YRS	2 - 3 YRS	3 - 4 YRS	4 - 5 YRS	+5 YRS
Bonds issued by RCI Banque (year of issue)								
2005	10	10	-	-	10	-	-	-
2006	13	11	-	-	11	-	-	-
2010	2,803	2,751	1,406	-	618	727	-	-
2011	4,977	4,815	485	2,491	618	1,221	-	-
2012	3,505	3,481	369	934	1,221	223	734	-
Accrued interest, expenses and premiums	205	241	241	-	-	-	-	-
Total bonds	**11,513**	**11,309**	**2,501**	**3,425**	**2,478**	**2,171**	**734**	**-**
Other debts represented by a certificate	7,036	7,036	4,660	965	882	3	526	-
Borrowings from credit institutions	3,930	3,923	1,959	994	746	216	8	-
Other interest-bearing borrowings	973	973	973	-	-	-	-	-
Total other financial liabilities	**11,939**	**11,932**	**7,592**	**1,959**	**1,628**	**219**	**534**	**-**
Future interest on bonds and other financial liabilities	**-**	**1,323**	**494**	**410**	**270**	**110**	**39**	**-**
Redeemable shares	**9**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Derivative liabilities on financing operations	**104**	**96**	**69**	**20**	**6**	**1**	**-**	**-**
TOTAL FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT	**23,565**	**24,660**	**10,656**	**5,814**	**4,382**	**2,501**	**1,307**	**-**

The portion of financial liabilities and debts of the Sales Financing segment maturing within one year breaks down as follows:

	DECEMBER 31, 2012			
(€ million)	CONTRACTUAL FLOWS MATURING WITHIN 1 YEAR	-1 MONTH	1-3 MONTHS	3 MONTHS – 1 YEAR
Bonds	2,501	604	68	1,829
Other financial liabilities	7,592	4,049	1,277	2,266
Future interest on bonds and other financial liabilities	494	14	32	448
Derivative liabilities on financing operations	69	11	10	48
TOTAL FINANCIAL LIABILITIES MATURING WITHIN 1 YEAR	**10,656**	**4,678**	**1,387**	**4,591**

NOTE 24 – 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.

(€ million)	DECEMBER 31, 2012 FAIR VALUE IN BALANCE SHEET	LEVEL 1	LEVEL 2	LEVEL 3
Investments in non-controlled entities	788	680	-	108
Marketable securities and negotiable debt instruments	171	60	111	-
Derivative assets on financing operations by the Automotive segment	372	-	372	-
Derivative assets on transactions undertaken for operating purposes by the Automotive segment	1	-	1	-
Derivative assets on financing operations by the Sales Financing segment	332	-	332	-
Cash equivalents	132	132	-	-
Financial instruments stated at fair value in the balance sheet assets	**1,796**	**872**	**816**	**108**
Renault SA redeemable shares	249	249	-	-
Borrowings from credit institutions by the Automotive segment	220	-	220	-
Derivative liabilities on transactions undertaken for financing purposes by the Automotive segment	239	-	239	-
Derivative liabilities on transactions undertaken for operating purposes by the Automotive segment	4	-	4	-
DIAC redeemable shares	9	9	-	-
Derivative liabilities on financing operations of the Sales Financing segment	104	-	104	-
Financial instruments stated at fair value in the balance sheet liabilities	**825**	**258**	**567**	**-**

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 2012 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 €108 million at December 31, 2012. They decreased by €33 million over the year, essentially due to impairment of €46 million on shares in the Modernization Fund for Automotive Equipment Manufacturers (*Fonds de Modernisation des Équipementiers Automobiles* - FMEA) (note 22-A1).

C – Impact of financial instrument on net income

2012 (€ million)	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	-	-	147	-	-	37	184
Interest expenses	-	-	-	(17)	(423)	(11)	(451)
Change in fair value	-	(45)	5	(18)	2	12	(44)
Impairment	-	-	1	-	-	-	1
Dividends	-	39	-	-	-	-	39
Gains (losses) on sale	-	-	2	-	-	-	2
Net foreign exchange gains and losses	25	-	(2)	-	(347)	-	(324)
TOTAL IMPACT ON NET INCOME - AUTOMOTIVE SEGMENT	**25**	**(6)**	**153**	**(35)**	**(768)**	**38**	**(593)**
Including:							
operating margin	-	-	*42*	-	*(103)*	*(3)*	*(64)*
other operating income and expenses	-	-	*(47)*	-	*(243)*	-	*(290)*
net financial income (expense)	*25*	*(6)*	*158*	*(35)*	*(422)*	*41*	*(239)*
Interest income	-	1	1,612	-	-	112	1,725
Interest expenses	-	-	-	-	(1,127)	(90)	(1,217)
Change in fair value	-	-	-	-	(66)	64	(2)
Impairment	-	(2)	(59)	-	-	-	(61)
Dividends	-	-	-	-	-	-	-
Gains (losses) on sale	-	-	-	-	-	-	-
Net foreign exchange gains and losses	-	-	-	-	-	-	-
TOTAL IMPACT ON NET INCOME - SALES FINANCING SEGMENT	**-**	**(1)**	**1,553**		**(1,193)**	**86**	**445**
Including :							
operating margin	-	*(1)*	*1,553*	-	*(1,193)*	*86*	*445*
other operating income and expenses	-	-	-	-	-	-	-
net financial income (expense)	-	-	-	-	-	-	-
TOTAL GAINS AND LOSSES WITH IMPACT ON NET INCOME	**25**	**(7)**	**1,706**	**(35)**	**(1,961)**	**124**	**(148)**

(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)	2012	2011
Change in fair value of the hedging instrument	51	212
Change in fair value of the hedged item	(22)	(211)
Net impact on net income of fair value hedges	**29**	**1**

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.

NOTE 25 – DERIVATIVES AND MANAGEMENT OF FINANCIAL RISKS

A – Fair value of derivatives

The fair value of derivatives corresponds to their balance sheet value.

DECEMBER 31, 2012 (€ million)	FINANCIAL ASSETS		OTHER ASSETS	FINANCIAL LIABILITIES AND SALES FINANCING DEBTS		OTHER LIABILITIES
	NON-CURRENT	CURRENT	CURRENT	NON-CURRENT	CURRENT	CURRENT
Cash flow hedges	-	-	-	-	-	4
Fair value hedges	-	-	70	-	(1)	-
Hedge of the net investment in Nissan	-	-	-	-	-	-
Derivatives not classified as hedges and derivatives held for trading	-	109	15	-	175	-
TOTAL FOREIGN EXCHANGE RISK	**-**	**109**	**85**	**-**	**174**	**4**
Cash flow hedges	3	-	70	3	55	-
Fair value hedges	116	20	177	-	-	-
Derivatives not classified as hedges and derivatives held for trading	57	67	-	57	54	-
TOTAL INTEREST RATE RISK	**176**	**87**	**247**	**60**	**109**	**-**
Cash flow hedges	-	-	-	-	-	-
Fair value hedges	-	-	-	-	-	-
Derivatives not classified as hedges and derivatives held for trading	-	-	-	-	-	-
TOTAL COMMODITY RISK	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**176**	**196**	**332**	**60**	**283**	**4**

DECEMBER 31, 2011 (€ million)	FINANCIAL ASSETS		OTHER ASSETS	FINANCIAL LIABILITIES AND SALES FINANCING DEBTS		OTHER LIABILITIES
	NON-CURRENT	CURRENT	CURRENT	NON-CURRENT	CURRENT	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**

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 financial position 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 16 and 17).

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 gross debt and guarantee liquidity for the Automotive segment, and this exposes it to liquidity risk in the event of extended 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 2012 was mostly provided by a 5-year bond totalling €1,355 million as part of Renault SA's EMTN programme (including €1,100 million of issues in euros) and 2-year "Shelf documentation" issues on the Japanese market for an amount of 62.4 billion yen.

The European Investment Bank approved a new loan of €180 million to Renault.

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.

Renault also has confirmed credit lines opened with banks worth €3,485 million, maturing at various times up to 2017. None of these credit lines was used in 2012. 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 (€10.1 billion) and confirmed credit lines unused at year-end (€3.5 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 23-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.

In 2012, despite the sovereign debt crisis in the Euro zone and intervention by the European authorities, risk aversion declined in the second half of the year, leading to tighter credit spreads.

RCI Banque took advantage of favourable conditions on the debt market to continue its diversification strategy for sources of financing.

On the bond market, the Group raised the equivalent of €3.2 billion through its traditional markets (four bonds issues in euros and one in Swiss francs), and also in new currencies (public issues in Norwegian kroner, Swedish kronor and Australian dollars, and a private placement in Czech crowns). The Group also made regular issues on the bond markets in Argentina, Brazil and particularly Korea, where it issued several bonds in Won in 2012 amounting to a total of €300 million.

On the structured financing segment, the French securitization programme comprises three separate securitization funds dedicated respectively to securitization issues self-subscribed by RCI Banque, which are eligible for ECB monetary policy operations, and issues of fixed-rate and floating-rate bonds in public placements, totalling €750 million and €700 million respectively.

In Italy, after a self-underwritten securitization issue of €619 million in the first half-year, a further €300 million was raised by conduit financing.

These long-term resources, plus the €4.4 billion of undrawn confirmed credit lines and €1.9 billion of available liquid receivables that can be redeemed at European Central Bank, are sufficient to fund ongoing commercial business for 12 months assuming a total lack of new exterior resources.

To diversify its sources of financing, the Group launched a savings account in February 2012 intended for the general public in France. Savings collected amounted to €893 million at December 31, 2012, thus reducing the extent of market financing.

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 or 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 main exceptions authorized by the General Management in 2012 concerned a foreign exchange hedge that partly hedges sales revenues in pounds sterling, a foreign exchange hedge that partly hedges the risk of the Argentinian peso against the US dollar, and a partial hedge of purchases in Turkish lira.

The foreign exchange risk on working capital had a significant impact on the Group's consolidated financial statements via Renault Pars (Iran)'s commercial debt in euros to Renault sas. The exceptional devaluation of the rial in 2012 resulted in a foreign exchange loss of €304 million, which was recorded in other operating income and expenses (note 6).

Subsidiaries' financing and investing cash flows in foreign currencies are usually hedged in the same currencies.

Most financial liabilities and debts of Sales Financing, after hedges, are in Euros.

Equity investments are not hedged, apart from the investment in Nissan, totalling 110 billion yen at December 31, 2012 (note 13-G).

Renault Finance undertakes operations unrelated to operating cash flows on its own behalf. These operations are controlled daily and strict risk limits apply. They have no significant impact on Renault's consolidated results.

The Sales Financing segment has low exposure to foreign exchange risks since its policy is to provide refinancing for subsidiaries in their own currencies. At 31 December 2012, RCI Banque's consolidated foreign exchange position reached 3 million.

The Group made no major changes to its foreign exchange risk management policy in 2012.

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 13-G).

Impacts are estimated solely on the basis of instant conversion of the financial assets and liabilities concerned at year-end after application of the 1% variation in the Euro exchange rate.

The impact on equity concerns the 1% variation in the Euro against other currencies applied to available-for-sale financial assets, 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 €10 million at December 31, 2012, 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 19). The estimated impact on net income at December 31, 2012 is not significant.

CURRENCY DERIVATIVES

	DECEMBER 31, 2012				DECEMBER 31, 2011			
(€ million)	NOMINAL	-1 YR	1 - 5 YRS	+5 YRS	NOMINAL	-1 YR	1 - 5 YRS	+5 YRS
Currency swaps – purchases	1,855	896	959	-	2,887	1,687	1,200	-
Currency swaps - sales	1,842	852	990	-	2,669	1,601	1,068	-
Forward purchases	15,106	15,106	-	-	20,771	20,771	-	-
Forward sales	15,103	15,103	-	-	20,794	20,794	-	-
Forward purchases – Future cash flows	-	-	-	-	100	100	-	-
Forward sales – Future cash flows	-	-	-	-	202	202	-	-

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 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 2012.

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 (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.

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 positive by €59 million and €2 million respectively at December 31, 2012.

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 a negative €39 million and a positive €31 million respectively at December 31, 2012. The impact on equity results mainly from the change in the fair value of swaps undertaken to hedge future cash flows.

FIXED RATE/FLOATING RATE BREAKDOWN OF FINANCIAL LIABILITIES AND SALES FINANCING DEBTS, AFTER THE EFFECT OF DERIVATIVES (EXCLUDING DERIVATIVES)

(€ million)	DECEMBER 31, 2012	DECEMBER 31, 2011
Fixed rate	19,085	17,615
Floating rate	13,593	12,892
TOTAL FINANCIAL LIABILITIES AND SALES FINANCING DEBTS (EXCLUDING DERIVATIVES)	**32,678**	**30,507**

INTEREST RATE DERIVATIVES

	DECEMBER 31, 2012				DECEMBER 31, 2011			
(€ million)	NOMINAL	-1 YR	1-5 YEARS	+5 YRS	NOMINAL	-1 YR	1-5 YEARS	+5 YRS
Interest rate swaps	20,260	9,515	10,745	-	32,994	16,150	16,816	28
FRAs	-	-	-	-	1	1	-	-
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 2012.

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 €70 million on shareholders' equity. The impact on net income is not significant at December 31, 2012.

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, 2012 for the Automotive segment business.

B6 – Counterparty risk

All Group entities use a fully-coordinated counterparty risk management procedure involving a scoring system, based principally on the counterparties' long-term credit rating and equity level. For Group companies with significant exposure, compliance with authorized limits is monitored on a daily basis under strict internal control procedures.

The counterparties for deposits are subject to special monitoring, unless this is impossible. Most deposits are with large network banks, as this allows a good spread of the risk and lowers the systemic risk. They are almost all overnight deposits, such that assets can be reallocated rapidly if there is stress on any counterparty. The main exception is Iran.

The Group is not subject to any significant risk concentration for its operations on the financial and banking markets.

No losses were recorded in 2012 due to default by a banking counterparty.

4.2.7.5 CASH FLOWS AND OTHER INFORMATION

NOTE 26 – CASH FLOWS

A – Other income and expenses with no impact on cash

(€ million)	2012	2011
Net allocation to provisions	82	(193)
Net effects of sales financing credit losses	(63)	(86)
Net (gain) loss on asset disposals (1)	(928)	(136)
Change in fair value of redeemable shares	18	(32)
Change in fair value of other financial instruments	30	(10)
Deferred taxes	55	100
Other	18	(3)
OTHER INCOME AND EXPENSES WITH NO IMPACT ON CASH	**(788)**	**(360)**

(1) Including the €924 million gain on sale of the AB Volvo shares in 2012.

B – Change in working capital

(€ million)	2012	2011
Decrease (increase) in net inventories	495	152
Decrease (increase) in Automotive net receivables	(10)	22
Decrease (increase) in other assets	(406)	(258)
Increase (decrease) in trade payables	451	(181)
Increase (decrease) in other liabilities	467	471
INCREASE (DECREASE) IN WORKING CAPITAL	**997**	**206**

C – Capital expenditure

(€ million)	2012	2011
Purchases of intangible assets	(902)	(888)
Purchases of property, plant and equipment (other than assets leased to customers)	(2,274)	(1,898)
Total purchases for the period	**(3,176)**	**(2,786)**
Deferred payments	329	331
TOTAL CAPITAL EXPENDITURE	**(2,847)**	**(2,455)**

D – Interest received and paid by the Automotive segment

(€ million)	2012	2011
Interest received	178	193
Interest paid	(391)	(501)
INTEREST RECEIVED AND PAID	**(213)**	**(308)**

NOTE 27 – 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)	2012	2011
Basic salary	1.2	1.2
Performance-related remuneration	1.0	1.6
Employer's social security charges	0.8	1.0
Complementary pension	0.5	0.5
Other components of remuneration	0.1	0.1
Total remuneration excluding stock-options	**3.6**	**4.4**
Stock-option plans	0.3	0.1
Stock-option plans – effect of cancellations	-	-
Total remuneration under stock-option plans	**0.3**	**0.1**
Chairman and Chief Executive Officer	**3.9**	**4.5**

Directors' fees amounted to €1,131,000 in 2012 (€870,629 in 2011), of which €48,000 were paid for the Chairman's functions (€36,000 in 2011).

A2 – Remuneration of Executive Committee members (other than the Chairman and Chief Executive Officer)

The remuneration and related benefits of members of the Executive Committee (other than the Chairman and Chief Executive Officer), were recognized in expenses as follows:

(€ million)	2012	2011
Basic salary	4.0	3.8
Retirement indemnities	1.0	-
Performance-related salary	2.6	1.2
Employer's social security charges	3.1	2.4
Complementary pension	2.0	0.7
Other	0.5	0.2
Total remuneration excluding stock-options	**13.2**	**8.3**
Stock-option plans	1.6	0.8
Stock-option plans – effect of cancellations	-	-
Total remuneration under stock-option plans	**1.6**	**0.8**
Executive Committee members (other than the Chairman and CEO)	**14.8**	**9.1**

B – Renault's investments in associates

Details of Renault's investments in Nissan, AB Volvo and AVTOVAZ are provided respectively in notes 13, 14-A and 14-B.

NOTE 28 – 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 (e.g. retirement and other personnel benefits, litigations, etc.). Details of off-balance sheet commitments and contingencies are provided below (note 28-A).

Renault also receives commitments from customers (deposits, mortgages, etc.) and may benefit from credit lines with credit institutions (note 28-B).

A – Off-balance sheet commitments given and contingent liabilities

A1 – Ordinary operations

The Group is committed for the following amounts:

(€ million)	DECEMBER 31, 2012	DECEMBER 31, 2011
Sureties, endorsements and guarantees given [1]	229	220
Financing commitments in favor of customers [2]	1,465	1,627
Firm investment orders	612	784
Lease commitments	396	229
Assets pledged, provided as guarantees or mortgaged and other commitments [3]	124	126

(1) Including €10 million of financial guarantees at December 31, 2012 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, 2012	DECEMBER 31, 2011
Less than 1 year	26	42
Between 1 and 5 years	212	142
More than 5 years	158	45
TOTAL	**396**	**229**

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.

USED BATTERIES

In all countries where electric vehicles are sold, Renault generally applies a recycling policy for Lithium-Ion traction batteries. This policy includes the obligations laid down in the Battery Directive 2006/66/EC, and Renault ensures that a network exists to collect and process electric vehicle batteries, free of charge to the last owner of the batteries.

The professionals involved in this network must provide proof that they apply best practices as regards environmental protection and health and safety for local populations.

No provision has been established for battery recycling as the Group cannot currently reliably determine whether it would have to bear any 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, 2012, Renault had not identified any significant risk in connection with these operations.

Following partial sales of subsidiaries in previous years, Renault holds put options covering some or all of the residual investment retained. Exercising these options would not have a significant impact on the Group's financial statements.

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, 2012	DECEMBER 31, 2011
Sureties, endorsements and guarantees given	1,872	1,360
Assets pledged or mortgaged [1]	2,290	2,127
Buy-back commitments [2]	1,791	1,656
Other commitments	31	57

(1) 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 €2,248 million at December 31, 2012 (€2,078 million at December 31, 2011).

(2) Commitments received by the Sales Financing segment for sale to a third party of rental vehicles at the end of the rental contract.

Off-balance sheet commitments received concerning confirmed opened credit lines are presented in note 23-A.

NOTE 29 – 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

	2012		2011		2012/2011	
(€ thousands)	AMOUNT EXCLUDING VAT	%	AMOUNT EXCLUDING VAT	%	AMOUNT	%
Audit						
Statutory audit, certification, review of individual and consolidated accounts						
- Issuer [(1)]	2,687	46.6%	2,288	44.1%	399	17.4%
- Fully consolidated subsidiaries	2,386	41.3%	2,451	47.2%	(65)	-2.7%
Other inspections and services directly linked to the statutory auditor's mission						
- Issuer [(1)]	238	4.1%	293	5.6%	(55)	-18.8%
- Fully consolidated subsidiaries	380	6.6%	88	1.7%	292	331.8%
SUBTOTAL : AUDIT	**5,691**	**98.6%**	**5,120**	**98.6%**	**571**	**11.1%**
Other network services for the fully consolidated subsidiaries						
- Legal, tax, labour-related	83	1.4%	70	1.4%	13	18.6%
- Other	-	-	-	-	-	-
SUBTOTAL : OTHER SERVICES	**83**	**1.4%**	**70**	**1.4%**	**13**	**18.6%**
TOTAL FEES	**5,774**	**100%**	**5,190**	**100%**	**584**	**11.2%**

(1) Renault SA and Renault s.a.s.

Deloitte network

	2012		2011		2012/2011	
(€ thousands)	AMOUNT EXCLUDING VAT	%	AMOUNT EXCLUDING VAT	%	AMOUNT	%
Audit						
Statutory audit, certification, review of individual and consolidated accounts						
- Issuer [(1)]	2,570	34.2%	2,610	35.5%	(40)	-1.5%
- Fully consolidated subsidiaries	4,270	56.9%	4,405	59.9%	(134)	-3.0%
Other inspections and services directly linked to the statutory auditor's mission						
- Issuer [(1)]	169	2.2%	-	-	169	-
- Fully consolidated subsidiaries	375	5.0%	181	2.5%	194	107.2%
SUBTOTAL : AUDIT	**7,385**	**98.3%**	**7,196**	**97.9%**	**189**	**2.6%**
Other network services for the fully consolidated subsidiaries						
- Legal, tax, labour-related	125	1.7%	157	2.1%	(32)	-20.4%
- Other	-	-	-	-	-	-
SUBTOTAL: OTHER SERVICES	**125**	**1.7%**	**157**	**2.1%**	**(32)**	**-20.4%**
TOTAL FEES	**7,510**	**100%**	**7,353**	**100%**	**157**	**2.1%**

(1) Renault SA and Renault s.a.s.

NOTE 30 – SUBSEQUENT EVENTS

No significant events have occurred since the year-end.

NOTE 31 – CONSOLIDATED COMPANIES

A – Fully consolidated companies (subsidiaries)

RENAULT GROUP'S INTEREST (%)	COUNTRY	DECEMBER 31, 2012	DECEMBER 31, 2011
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 Bretagne	France	100	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	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	Netherlands	100	100
Renault Nederland	Netherlands	100	100
Renault Polska	Poland	100	100
Cacia	Portugal	100	100
Renault Portuguesa and subsidiaries	Portugal	100	100
Renault Slovakia	Slovakia	100	100

RENAULT GROUP'S INTEREST (%)	COUNTRY	DECEMBER 31, 2012	DECEMBER 31, 2011
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
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-Pacific			
Renault Beijing Automotive Company	China	100	100
Renault Private Ltd.	India	100	100
Renault Pars	Iran	51	51
Renault Samsung Motors	South Korea	80	80
Euromed-Africa			
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	99	100
Renault Mécanique Roumanie	Romania	100	100
Renault Nissan Roumanie	Romania	100	100
Renault Technologie Roumanie	Romania	100	100
Renault South Africa and subsidiaries	South Africa	51	51
Oyak-Renault Otomobil Fabrikalari	Turkey	52	52
Eurasia			
AFM Industrie	Russia	100	100
Avtoframos	Russia	100	94
Remosprom	Russia	100	64
Renault Ukraine	Ukraine	100	100
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, 2012	DECEMBER 31, 2011
Europe			
RCI Financial Services Belgique	Belgium	100	100
Renault Autofin SA Belgique	Belgium	100	100
RCI Finance CZ sro	Czech Republic	100	100
ES Mobility srl	Italy	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 BV	Netherlands	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
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-Pacific			
RCI Korea	South Korea	100	100
Euromed-Africa			
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

B – Proportionately consolidated companies (joint ventures)

RENAULT GROUP'S INTEREST (%)	COUNTRY	DECEMBER 31, 2012	DECEMBER 31, 2011
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

C - Companies accounted for by the equity method (associates)

RENAULT GROUP'S INTEREST (%)	COUNTRY	DECEMBER 31, 2012	DECEMBER 31, 2011
AUTOMOTIVE			
Boone Comenor	France	33	24
Renault Nissan Automotive India Private Limited	India	30	30
Groupe Nissan	Japan	43.7	43.9
Groupe AVTOVAZ	Russia	25	25
Groupe AB Volvo	Sweden	-	6,8
MAIS	Turkey	49	49
SALES FINANCING			
Nissan Renault Finance Mexico	Mexico	15	15

4.3 STATUTORY AUDITORS' REPORT

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, 2012

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, 2012, 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, 2012 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 recommendation no. 34 of the French National Accounting Body (*Conseil national de la comptabilité*), 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 Renault group for the 2012 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 purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine et Paris-La Défense, February 15, 2013

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIÉS

ERNST & YOUNG Audit

4.3.2 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2012

This is a free translation into English of the Statutory Auditors' special report on related party agreements and commitments that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on related party agreements and commitments should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report to you on related party agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements and commitments, if any. It is your responsibility, pursuant to 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 conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

AGREEMENTS AND COMMITMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

Agreements and commitments authorized during the year

Pursuant to article R. 225-31 of the French Commercial Code, the following agreements and commitments, which were previously authorized by the Board of Directors, have been brought to our attention.

With Nissan Motor Co.,Ltd

Persons concerned: Mr. Carlos Ghosn, Chairman-CEO of Renault S.A. and of Nissan Motor Co., Ltd; Mr. Hiroto Saikawa, director of Renault S.A. and Executive Vice-President of Nissan Motor Co., Ltd; Mr. Takeshi Isayama, director of Renault S.A. and representing Nissan

Nature and purpose: Amendment to the Restated Alliance Master Agreement

Terms and conditions:

On 28 March 2002, Renault S.A. ("Renault") and Nissan Motor Co.,Ltd. ("Nissan") concluded the Restated Alliance Master Agreement, which governs the capital relationship between Renault and Nissan and the Alliance's current method of governance. The agreement specifies the operational terms and conditions of Renault-Nissan B.V. ("RNBV") as the Alliance's strategic management entity. A first amendment to the Restated Alliance Master Agreement was signed on April 29, 2005 and submitted for approval to the Shareholders' Meeting of May 4, 2006.

At its October 3, 2012 meeting, your Board of Directors authorized the signature, on November 7, 2012, of amendment no. 2 to the Restated Alliance Master Agreement, that modified the composition of the RNBV Management Board and as a result, the voting arrangements within the Management Board.

The RNBV Management Board historically comprises seven members: Mr. Carlos Ghosn, three members of the Renault Executive Committee and three members of the Nissan Executive Committee. The amendment to the Restated Alliance Master Agreement will increase the Management Board membership to nine: Mr. Carlos Ghosn, four members of the Renault Executive Committee and four members of the Nissan Executive Committee. As of the amendment's signature date, Mr. Carlos Ghosn was the Chief Executive Officer of Renault and Nissan.

4

contents 1 2 3 4 5 6 7

The remainder of the Restated Alliance Master Agreement remains unchanged, in particular with respect to the representation of each of the partners on the Board of Directors of the other partner and the terms and conditions regarding possible changes in the cross shareholding interests of the partners.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

Agreements and commitments approved in prior years which remained in force during the year

Pursuant to article R. 225-31 of the French Commercial Code, we have been informed that the following agreements and commitments, previously approved by Shareholders' Meetings of prior years, have remained in force during the year.

1. WITH RCI BANQUE (100% INDIRECTLY-HELD SUBSIDIARY)

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 (Comité 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 agreement replaces the €450,000,000 credit facility agreement with Cogera. In the 2012 fiscal year, the amount of interest income relating to this credit facility agreement reached €5,878,278.

2. WITH RENAULT S.A.S (100% DIRECTLY-HELD SUBSIDIARY)

Common directors: Mr. Carlos Ghosn, Chairman-CEO of Renault S.A. and Chairman of Renault S.A.S., as all of the members of the Board of Directors of Renault S.A. that also sit on the Board of Renault S.A.S.

a) Contracting-out agreements

Contracting-out agreements were entered into between Renault SA 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 2012 fiscal year, the amount of finance interest income concerning this agreement totaled €490,243.

b) Agreement for the provision of services

As of October 23, 2002, and with retroactive effect to April 1, 2002, 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 2012 fiscal year, the amount, excluding taxes, invoiced by Renault s.a.s. to Renault SA concerning these services totaled €3,268,000.

Neuilly-sur-Seine et Paris-La Défense, March 1, 2013

French original signed by the Statutory Auditors

DELOITTE & ASSOCIÉS | ERNST & YOUNG Audit

4.4 RENAULT SA PARENT-COMPANY FINANCIAL STATEMENTS

4.4.1 FINANCIAL STATEMENTS

INCOME STATEMENT

(€ million)	2012	2011
Operating expenses	(28)	(24)
Increases to provisions	(10)	(5)
NET OPERATING EXPENSE	**(38)**	**(29)**
Investment income	683	580
Increases to provisions related to investments	0	(4)
INVESTMENT INCOME AND EXPENSES (NOTE 2)	**683**	**576**
Foreign exchange gains	1	
Foreign exchange losses	(83)	(268)
Reversals from provisions for exchange risks	114	181
FOREIGN EXCHANGE GAINS AND LOSSES (NOTE 3)	**32**	**(87)**
Interest and equivalent income	4	4
Interest and equivalent expenses	(292)	(343)
Reversals of provisions and transfers of charges	56	6
Net gains on sales of marketable securities	0	-
Depreciation and provisions	(6)	(14)
OTHER FINANCIAL INCOME AND EXPENSES (NOTE 4)	**(238)**	**(347)**
NET FINANCIAL INCOME	**477**	**142**
PRE-TAX INCOME BEFORE EXCEPTIONAL ITEMS	**439**	**113**
Exceptional income on capital transactions		
Exceptional expenses on capital transactions		
NET EXCEPTIONAL ITEMS	**0**	**0**
INCOME TAX (NOTE 5)	**135**	**164**
NET INCOME	**574**	**277**

contents 1 2 3 4 5 6 7

BALANCE SHEET

ASSETS (*€ million*)	2012 GROSS	2012 DEPRECIATION, AMORTISATION & PROVISIONS	2012 NET	2011 NET
Investments stated at equity	9,153		9,153	10,576
Other investments (note 6)	7,231	14	7,217	7,214
Advances to subsidiaries and affiliates (note 7)	10,058	15	10,043	9,325
FINANCIAL ASSETS	**26,442**	**29**	**26,413**	**27,115**
TOTAL FIXED ASSETS	**26,442**	**29**	**26,413**	**27,115**
RECEIVABLES (NOTE 9)	**385**	**7**	**378**	**192**
MARKETABLE SECURITIES (NOTE 8)	**164**	**15**	**149**	**98**
CASH AND CASH EQUIVALENTS	**38**		**38**	**25**
OTHER ASSETS (NOTE 9)	**71**		**71**	**212**
TOTAL ASSETS	**27,100**	**51**	**27,049**	**27,642**

SHAREHOLDERS' EQUITY AND LIABILITIES (*€ million*)	2012	2011
Share capital	1,127	1,127
Share premium	4,783	4,783
Revaluation surplus	9	9
Equity valuation difference	3,337	4,760
Legal and tax basis reserves	112	112
Retained earnings	6,367	6,428
Net income	574	277
SHAREHOLDERS' EQUITY (NOTE 10)	**16,309**	**17,496**
REDEEMABLE SHARES (NOTE 11)	**129**	**129**
PROVISIONS FOR RISKS AND LIABILITIES (NOTE 12)	**122**	**183**
Bonds	5,728	4,957
Borrowings from credit institutions	1,364	1,245
Other loans and financial debts	2,875	3,348
FINANCIAL LOANS AND BORROWINGS (NOTE 13)	**9,967**	**9,550**
OTHER LIABILITIES (NOTE 14)	**428**	**245**
DEFERRED INCOME (NOTE 15)	**94**	**39**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**27,049**	**27,642**

STATEMENT OF CHANGES IN CASH

(€ million)	2012	2011
Cash flow (note 19)	468	131
Change in working capital requirements	0	55
CASH FLOW FROM OPERATING ACTIVITIES	**468**	**186**
Net decrease/(increase) in other investments	(3)	
Net decrease/(increase) in loans	(718)	2,487
Net decrease/(increase) in marketable securities	-	(56)
Net decrease/(increase) in other financial assets	-	
CASH FLOW FROM INVESTING ACTIVITIES	**(721)**	**2,431**
Bond issues	1,951	712
Bond redemptions	(993)	(671)
Net increase/(decrease) in other interest-bearing borrowings	(359)	(2,559)
Dividends paid to shareholders	(338)	(87)
Bond issuance expenses and redemption premiums	(6)	(5)
CASH FLOW FROM FINANCING ACTIVITIES	**255**	**(2,610)**
CASH AND CASH EQUIVALENTS: OPENING BALANCE	**9**	**2**
Increase/(decrease) in cash and cash equivalents	2	7
CASH AND CASH EQUIVALENTS: CLOSING BALANCE	**11**	**9**

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 exercise price of the option is lower than the acquisition cost.

Treasury shares not allocated to a specific plan are also included in marketable securities. Impairment is recorded if the stock market price falls below the book value.

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. A contingent liability, in contrast, 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.

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)	2012	2011
Dividends received from Nissan Motor Co Ltd	426	275
Other dividends received	94	93
Interest on loans	163	212
Increases to provisions related to subsidiaries and affiliates	0	(4)
TOTAL	**683**	**576**

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 2012 mainly comprise the following:

- a foreign exchange loss of €24 million on redemption of the bond issued on December 15, 2005 (nominal value 10 billion yen);
- a foreign exchange loss of €8 million on redemption of the bond issued on June 8, 2007 (nominal value 2 billion yen);
- a foreign exchange loss of €4 million on redemption of the bond issued on June 14, 2007 (nominal value 1 billion yen);
- a foreign exchange loss of €45 million on redemption of the bond issued on December 10, 2010 (nominal value 45 billion yen);
- a provision of €26 million for unrealised foreign exchange losses concerning diverse loans in yens and an amount of €140 million reversed from provisions booked in 2011.

Foreign exchange gains and losses in 2011 included a net loss of €268 million.

4.4.2.4 OTHER FINANCIAL INCOME AND EXPENSES

Other financial income and expenses generated a net loss of €238 million in 2012 (compared to a loss of €347 million in 2011) and mainly comprise net interest payments of €292 million on Renault borrowings after swaps and €51 million reversed from impairment recorded in respect of treasury shares

Details of interest paid and other similar expenses are as follows:

(€ million)	2012	2011
Net accrued interest after *swaps* on bonds *	(193)	(182)
Net accrued interest after *swaps* on borrowings from credit institutions	(40)	(38)
Accrued interest on termination of borrowings from subsidiaries	(7)	(31)
Accrued interest on redeemable shares	(17)	(17)
Accrued interest on government bonds	0	(34)
Other financial expenses	0	(9)
Other (treasury notes and brokers commissions)	(35)	(32)
TOTAL	**(292)**	**(343)**

* *The net interest on bonds comprises accrued and paid interest amounting to €292 million (€270 million in 2011), and accrued and received interest on swaps amounting to €99 million (€88 million in 2011).*

In 2012, the €193 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;
- €19 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;
- €14 million on the bond issued on May 25, 2011;
- €18 million on the bond issued on March 31, 2009.

The net interest receivable on the swapped portion of bonds and borrowings from credit institutions amounted to €36 million: €113 million on the paying leg and €77 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, the 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 rate was decreased to 50% by section 24 of the Finance Law for 2013.

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 to all losses existing, whatever their origin.

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 €969 million (€376 million less than in 2011).

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. Section 30 of the Finance Law for 2013 proposes to renew this measure for a further two years. 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 2012 was €135 million, mainly comprising €133 million resulting from the domestic tax consolidation.

Details of the tax income for the year are as follows:

(€ million)	PRE-TAX INCOME	TAXES THEORETICAL	TAXES NETTING	CREDIT GENERATED	TAX CREDIT	NET TAX DUE	NET INCOME THEORETICAL	NET INCOME AS BOOKED
Current income subject to normal rate	439	(16)		16			455	439
Tax consolidation						133		133
Other						2		2
TOTAL	**439**	**(16)**	**0**	**16**	**0**	**135**	**455**	**574**

Details of Renault SA's future tax position are as follows:

(€ million)	2012 ASSETS (1)	2012 LIABILITIES (2)	2011 ASSETS (1)	2011 LIABILITIES (2)	VARIATIONS ASSETS	VARIATIONS LIABILITIES
Temporarily non-deductible expenses						
Provisions for risks and liabilities	44		65		(21)	
Expenses deducted (or taxed income)		16				
not yet recognised for accounting purposes	30	13	48	61	(18)	(48)
TOTAL	**74**	**29**	**113**	**61**	**(39)**	**(48)**

(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	3	11
Investment in Daimler	584		584
Other investments	13		13
Impairment	(13)		(13)
TOTAL	**7,214**	**3**	**7,217**

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	9,335	1,887	(1,169)	10,053
Total before provisions (1)	**9,340**	**1,887**	**(1,169)**	**10,058**
Provisions	(15)			(15)
TOTAL, NET	**9,325**	**1,887**	**(1,169)**	**10,043**
(1) Current portion (less than one year)	9,263			9,988
Long-term portion (over 1 year)	77			70

Loans include:

- €6,106 million in short-term investments with Renault Finance (€4,409 million in 2011);
- €25 million in long-term loans to Renault s.a.s. (identical to 2011);
- €3,922 million in current accounts resulting from centralised cash management agreements with Group subsidiaries (€4,901 million in 2011).

All loans relate to Group subsidiaries.

4.4.2.8 MARKETABLE SECURITIES

Marketable securities primarily include €163 million for Renault SA's treasury shares, against which impairment of €14 million has been booked.

Changes in treasury shares were as follows:

	AT START OF YEAR	OPTIONS EXERCISED	SHARES PURCHASED	TRANSFERS TO OTHER FINANCIAL ASSETS	IMPAIRMENT (REVERSALS)	AT YEAR-END
Number of shares	4,059,255					4,059,255
Gross value (€ million)	201	0	0	-38	0	163
Impairment	(103)	0	0	38	51	(14)
TOTAL	**98**	**0**	**0**	**0**	**51**	**149**

4.4.2.9 RECEIVABLES AND OTHER ASSETS

Receivables mainly comprise:

- tax receivables amounting to €332 million (term between 1 and 4 years) against €192 million at December 31, 2011;
- an unbilled receivable of €46 million for stock options, under the reinvoicing agreement between Renault SA and Renault s.a.s. introduced in 2012.

The major components of Other Assets are:

- a €15 million payment (€17 million at December 31, 2011) 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 bonds (5 to 7 years);
- redemption premiums amounting to €9 million, mainly on several long-term bonds (5 to 7 years);
- €38 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 2011 NET INCOME	DIVIDENDS	2012 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	4,760				(1,423)	3,337
Legal and tax basis reserves	112					112
Retained earnings	6,428	277	(338)			6,367
Net income	277	(277)		574		574
TOTAL	**17,496**	**0**	**(338)**	**574**	**(1,423)**	**16,309**

Non-distributable reserves amounted to €3,458 million at December 31, 2012.

4

Renault SA's shareholding structure was as follows at December 31, 2012:

	OWNERSHIP STRUCTURE		VOTING RIGHTS	
	NUMBER OF SHARES HELD	% OF CAPITAL	NUMBER	%
French state	44,387,915	15,01%	44,387,915	17,95%
Employees	8,770,185	2,97%	8,770,185	3,55%
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	184,979,195	62,55%	184,979,195	74,80%
TOTAL	**295,722,284**	**100%**	**247,304,686**	**100%**

The par value of the Renault SA share is €3.81.

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.

Five new stock option or free share plans were introduced in 2012. 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

	2012			2011		
	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	**8,595,407**	**70**		**10,387,702**	**68**	
Granted	350,000 (1)	31	33	766,000	37	35
Exercised	-	-	-	-	-	-
Expired	(3,789,211)	59	N/A	(2,558,295)	52	N/A
Outstanding at December 31	**5,156,196**	**76**		**8,595,407**	**70**	

(1) These stock options correspond to the part of plan 19 granted on December 8, 2011 and announced to the beneficiaries in 2012 and to the options of plan 20 awarded to the Chairman and CEO on December 13,2012.

B – Options and free share attribution rights yet to be exercised at December 31, 2012

PLAN	TYPE OF PLAN	GRANT DATE	EXERCISE PRICE (€)	OUTSTANDING	EXERCISE PERIOD
Plan 11	Stock subscription options	September 13, 2005	72.98	1,446,900	September 14, 2009 - September 12, 2013
Plan 12	Stock subscription options	May 4, 2006	87.98	1,285,834	May 5, 2010 – May 5, 2014
Plan 14	Stock subscription options	December 5, 2006	93.86	1,492,906	December 6, 2010 – December 4, 2014
Plan 18	Stock purchase options	April 29, 2011	38.80	480,556	April 30, 2015 – April 28, 2019
Plan 18 bis	Attribution of free shares	April 29, 2011		1,110,345 94,800	April 30, 2014 – April 30, 2016 April 30, 2015
Plan 19	Stock purchase options	December 8, 2011	26.87	300,000	December 9, 2015 – December 7, 2019
Plan 19 bis	Attribution of free shares	December 8, 2011		550,700 53,200	December 8, 2013 – December 8, 2015 December 8, 2015
Plan 20	Stock purchase options [(1)]	December 13, 2012	37,43	447,800	December 13, 2016 – December 12, 2020
Plan 20 bis	Attribution of free shares [(1)]	December 13, 2012		593,100 86,800	December 13, 2014– December 12, 2016 December 13, 2016

(1) For these plans introduced in 2012, beneficiaries were informed of the attribution at the beginning of the year 2013, except for the Chairman and CEO who was allocated 150,000 stock options on December 13, 2012.

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 to 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, 2012, 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 €312.05 at December 31, 2012 (€290.05 at December 31, 2011).

The 2012 return on redeemable shares, amounting to €17 million (€17 million in 2011) 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)	2011	INCREASES	REVERSALS	2012
Foreign exchange losses	140	26	(140)	26
Provisions for expenses [(1)]		54		54
Other provisions for risks [(2)]	43	1	(2)	42
TOTAL	**183**	**81**	**(142)**	**122**
Current (less than 1 year)	*29*			*59*
Long-term (over 1 year)	*154*			*63*

(1) A provision of €54 million was booked in 2012 after it was decided to allocate free shares and stock options. Under a reinvoicing agreement introduced between Renault SA and Renault s.a.s., a €46 million share of this provision is considered as an unbilled receivable on the subsidiary Renault s.a.s.
(2) Other provisions mainly consist of provisions for risks related to investments.

Each known litigation in which Renault SA is involved is examined at year-end. After seeking the opinion of legal and tax advisors, the provisions deemed necessary are, where appropriate, established to cover the estimated risk.

4.4.2.13 FINANCIAL LOANS AND BORROWINGS

A - Bonds

Bonds amounted to €5,728 million at December 31, 2012 (€4,957 million at December 31, 2011).

The principal changes in bonds over 2012 were as follows:

- issuance on March 19, 2012 of a 4-year bond with total nominal value of €250 million, at the fixed rate of 4.625% (swapped to a floating rate of 3-month Euribor +3.24%);
- issuance on June 15, 2012 of a 2-year bond with total nominal value of 32.3 billion yen, at the fixed rate of 3.20%;
- issuance on June 29, 2012 of a 3-year bond with total nominal value of 10 billion yen, at the fixed rate of 3.3%;
- issuance on September 18, 2012 of a 5-year bond with total nominal value of €600 million, at the fixed rate of 4.625% (swapped to a floating rate of Eonia +4.031%);

- issuance on October 10, 2012 of a 2-year bond with total nominal value of 750 billion Yuan, at the fixed rate of 5.625% (swapped to Euros at the fixed rate of 2.375%);
- issuance on November 19, 2012 of a 2-year bond with total nominal value of 500 billion Yuan, at the fixed rate of 5.625% (swapped to Euros at the fixed rate of 1.42%);
- issuance on December 18, 2012 of a 2-year bond with total nominal value of 30.1 billion yen, at the fixed rate of 2.77%;
- issuance on December 5, 2012 of a 5-year bond with total nominal value of €250 million, at the fixed rate of 4.625%;
- redemption of the April 16, 2007 5-year bond totalling €500 million at the fixed rate of 4.50%, swapped to the floating rate of 3-month Euribor +0.3948%;
- redemption of the June 8, 2007 5-year bond totalling 2 billion yen at the fixed rate of 1.7555%;
- redemption of the June 14, 2007 5-year bond totalling 1 billion yen at the fixed rate of 1.774%;
- redemption of the December 10, 2010 2-year bond totalling 45 billion yen at the fixed rate of 1.95%;
- redemption of the December 15, 2005 7-year bond totalling 10 billion yen at the fixed rate of 1.48%.

Breakdown by maturity

	DECEMBER 31, 2012						
(€ million)	TOTAL	-1 YR	1 TO 2 YRS	2 TO 3 YRS	3 TO 4 YRS	4 TO 5 YRS	+5 YRS
Nominal value	5,671	1,183	1,640	738	750	1,360	0
Accrued interest	57	57					
TOTAL	**5,728**	**1,240**	**1,640**	**738**	**750**	**1,360**	**0**

	DECEMBER 31, 2011						
(€ million)	TOTAL	-1 YR	1 TO 2 YRS	2 TO 3 YRS	3 TO 4 YRS	4 TO 5 YRS	+5 ANS
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**

Breakdown by currency

	DECEMBER 31, 2012		DECEMBER 31, 2011	
(€ million)	BEFORE DERIVATIVES	AFTER DERIVATIVES	BEFORE DERIVATIVES	AFTER DERIVATIVES
Euro	4,461	4,760	3,860	4,003
Yen	1,111	968	1,097	954
CNY	156	0		
TOTAL	**5,728**	**5,728**	**4,957**	**4,957**

Breakdown by interest rate type

	DECEMBER 31, 2012	DECEMBER 31, 2011
(€ million)	AFTER DERIVATIVES	AFTER DERIVATIVES
Fixed rate	3,284	2,856
Floating rate	2,444	2,101
TOTAL	**5,728**	**4,957**

B - Borrowings from credit institutions

Borrowings from credit institutions stood at €1,364 million at December 31, 2012 (€1,245 million at December 31, 2011) and are mainly contracted on the market.

The principal changes in bonds over 2012 were as follows:

- subscription on January 16, 2012 of a 4-year bond with total nominal value of €180 million at the fixed rate of 3.525%, swapped to the floating rate of 6-month Euribor +2.066%;
- subscription on May 15, 2012 of a 5-year bond with total nominal value of €50 million at the floating rate of Euribor +300 bp;
- subscription on July 3, 2012 of a 5-year bond with total nominal value of €80 million at the floating rate of 3-month Euribor +275 bp;
- subscription on August 10, 2012 of a 3-year bond with total nominal value of €50 million at the floating rate of 3-month Euribor +285 bp;
- redemption on June 29, 2012 of a 1-year bond with total nominal value of €75 million at the floating rate of 3-month Euribor +70 bp;
- redemption on July 30, 2012 of a 2-year bond with total nominal value of €77 million, at the floating rate of 3-month Euribor +136.5 bp;
- redemption on November 9, 2012 of a 2-year bond with total nominal value of €68 million, at the floating rate of 3-month Euribor +192.5 bp;
- redemption on December 17, 2012 of a 4-year bond with total nominal value of €50 million, at the fixed rate of 4.62%.

Breakdown by maturity

	DECEMBER 31, 2012						
(€ million)	TOTAL	-1 YR	1 TO 2 YRS	2 TO 3 YRS	3 TO 4 YRS	4 TO 5 YRS	+5 ANS
Nominal value	1,353	659	230	122	193	137	12
Accrued interest	11	11					
TOTAL	**1,364**	**670**	**230**	**122**	**193**	**137**	**12**

	DECEMBER 31, 2012						
(€ million)	TOTAL	-1 YR	1 TO 2 YRS	2 TO 3 YRS	3 TO 4 YRS	4 TO 5 YRS	+5 ANS
Nominal value	1,236	296	632	230	47	13	18
Accrued interest	9	9					
TOTAL	**1,245**	**305**	**632**	**230**	**47**	**13**	**18**

Breakdown by currency

	DECEMBER 31, 2012		DECEMBER 31, 2011	
(€ million)	BEFORE DERIVATIVES	AFTER DERIVATIVES	BEFORE DERIVATIVES	AFTER DERIVATIVES
Euro	1314	1364	1126	1245
Other currencies	50		119	
TOTAL	**1,364**	**1,364**	**1,245**	**1,245**

Breakdown by interest rate type

	DECEMBER 31, 2012	DECEMBER 31, 2011
(€ million)	AFTER DERIVATIVES	AFTER DERIVATIVES
Fixed rate	450	510
Floating rate	914	735
TOTAL	**1,364**	**1,245**

Borrowings from credit institutions maturing within one year include €27 million in bank credit balances.

C - Other loans and financial debts

Other loans and financial debts amounted to €2,875 million at December 31, 2012 (€3,348 million in 2011), and principally comprise:

- borrowings from Group subsidiaries with surplus cash;
- treasury notes amounting to €209 million.

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 to refinance its debt, 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), bank financing, or short-term financing such as treasury notes.

Renault SA also has confirmed credit agreements with banking establishments (see note 18).

The contractual documentation for these financing arrangements and credit agreements contains no clause that might adversely affect credit availability as a result of a change in Renault's credit rating or financial ratio compliance.

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)	2012	2011	VARIATION 2012/2011
Tax liabilities	422	239	183
Liabilities related to other assets	5	5	0
Other liabilities	1	1	0
TOTAL	**428**	**245**	**183**

The €183 million change in tax liabilities results from a €10 million decrease in tax liabilities and a €193 million increase in the liability for tax liabilities 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 €87 million.

4.4.2.16 INFORMATION CONCERNING RELATED COMPANIES

"Related companies" are all entities consolidated in the Group's financial statements, whatever is the consolidation method.

INCOME STATEMENT

	2012		2011	
(€ million)	TOTAL	RELATED COMPANIES	TOTAL	RELATED COMPANIES
Interest on loans	163	162	212	211
Interest and equivalent expenses	(292)	(24)	(343)	(8)
Reversals of provisions and transfers of charges	205		335	

BALANCE SHEET

(€ million)	2012 TOTAL	2012 RELATED COMPANIES	2011 TOTAL	2011 RELATED COMPANIES
Loans	10,058	9,993	9,335	9,282
Receivables	385	46	205	
Cash and cash equivalents	38		25	
Borrowings from credit institutions	1,364		1,245	195
Loans and financial debts	2,875	2,645	3,348	3,026
Other liabilities	428	398	245	229

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)	2012	2011
FOREIGN EXCHANGE RISKS		
CURRENCY SWAPS		
Purchases	297	142
with Renault Finance	*297*	*142*
Sales	302	170
with Renault Finance	*302*	*170*
OTHER FORWARD EXCHANGE CONTRACTS AND OPTIONS		
Purchases	85	277
with Renault Finance	*85*	*277*
Sales	85	273
with Renault Finance	*85*	*273*
INTEREST RATE RISKS		
INTEREST RATE SWAPS	**2,653**	**2,288**
with Renault Finance	*2,567*	*2,192*

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 essentially 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 undertaken via Renault Finance, a wholly-owned Group subsidiary.

contents 1 2 3 4 5 6 7

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)*	2012		2011	
	BALANCE SHEET VALUE	FAIR VALUE	BALANCE SHEET VALUE	FAIR VALUE
ASSETS				
Marketable securities, gross [(1)]	164	165	202	109
Loans	10,053	10,071	9,335	9,348
Cash and cash equivalents	38	38	25	25
LIABILITIES				
Redeemable shares	129	249	129	231
Bonds	5,728	6,015	4,957	5,056
Other interest-bearing borrowings [(2)]	4,239	4,189	4,593	4,568

(1) including treasury shares.
(2) excluding redeemable shares.

C - Estimated fair value of off-balance sheet financial instruments

AT DECEMBER 31 *(€ million)*	2012		2011	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Forward exchange contracts	102	(103)	28	(24)
with Renault Finance	*102*	*(103)*	*28*	*(24)*
Currency swaps	362	(351)	310	(269)
with Renault Finance	*362*	*(351)*	*310*	*(269)*
Interest rate swaps	134	(3)	111	(4)
with Renault Finance	*131*	*0*	*105*	

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, 2012 and December 31, 2011 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, 2012 and December 31, 2011 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, 2012 and December 31, 2011 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, 2012 and December 31, 2011.

4.4.2.18 OTHER COMMITMENTS AND CONTINGENCIES

Off-balance-sheet commitments are as follows:

	2012		2011	
(€ million)	TOTAL	CONCERNING RELATED COMPANIES	TOTAL	CONCERNING RELATED COMPANIES
Commitments received				
Unused credit lines	3,485		3,810	
TOTAL	**3,485**	**0**	**3,810**	**0**
Commitments given				
Guarantees and deposits	782	712	778	712
TOTAL	**782**	**712**	**778**	**712**

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 (€55 million at December 31, 2012).

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)	2012	2011
Net income	574	277
Increases to provisions and deferred charges	11	11
Net increase to provisions for risks and liabilities	(61)	(179)
Net increases to impairment	(56)	22
Loss on sale of treasury shares		
Gain on disposals of investments		
TOTAL	**468**	**131**

4.4.2.20 WORKFORCE

Renault SA has no employees.

4.4.2.21 DIRECTORS' FEES

Directors' fees amounted to €1,131,000 in 2012 (€870,629 paid for 2011), of which €48,000 were for the function of Chairman (€36,000 in 2011).

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	4,269	100%	8,354
Dacia (1)	572	166	99.43%	774
Sofasa (2)	1	112	23.71%	25
TOTAL INVESTMENTS				**9,153**

(1) The exchange rate used for Dacia is 4.445 Romanian lei = 1 euro.
(2) The exchange rate used for Sofasa is 2,329 Colombian pesos = 1 euro.

OTHER INFORMATION – INVESTMENTS STATED AT EQUITY (€ MILLION)

COMPANIES	OUTSTANDING LOANS AND ADVANCES FROM RENAULT SA	SALES REVENUES EXCLUDING TAXES 2012	NET INCOME (LOSS), PRIOR YEAR	DIVIDENDS RECEIVED BY RENAULT SA IN 2012
INVESTMENTS				
Renault s.a.s.	1,395	33,075	1,082	
Dacia (3)		2,860	62	57
Sofasa (4)		934	47	

(3) The exchange rate used for Dacia is 4.556 Romanian lei = 1 euro.
(4) The exchange rate used for Sofasa is 2,323.5 Colombian pesos = 1 euro.

ACQUISITION OF INVESTMENTS

See note 6.

FIVE-YEAR FINANCIAL HIGHLIGHTS

(€ million)	2008	2009	2010	2011	2012
YEAR-END FINANCIAL POSITION					
Share capital	1,086	1,086	1,127	1,127	1,127
Number of shares and investment certificates outstanding	284,937,118	284,937,118	295,722,284	295,722,284	295,722,284
OVERALL INCOME FROM OPERATIONS					
Revenues net of taxes					
Income before tax, amortisation, depreciation and provisions (1)	377	(1,179)	143	(51)	288
Income tax	177	92	163	164	135
Income after tax, amortisation, depreciation and provisions	(863)	49	168	277	574
Dividends paid			87	339	
EARNINGS PER SHARE IN EUROS					
Earnings before tax, amortisation, depreciation and provisions (1)	1.32	(4.14)	0.48	(0.17)	0.97
Earnings after tax, amortisation, depreciation and provisions	(3.03)	0.17	0.57	0.94	1.94
Net dividend per share			0.30	1.16	
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 31 December.

5

RENAULT AND ITS SHAREHOLDERS

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

✦ 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 DISCLOSURES

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.

✦ Global Reporting Initiative (GRI) Directives

5.2 GENERAL INFORMATION ABOUT RENAULT'S SHARE CAPITAL

5.2.1 CAPITAL AND VOTING RIGHTS

At December 31, 2012, 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. In connection with this, 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

NB.: No changes in the share capital in FY 2000, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2011 and 2012.

* *Shares at €3.81.*

5.2.4 UNISSUED AUTHORIZED CAPITAL

5.2.4.1 OVERALL AUTHORIZATIONS

The General Meeting of Shareholders of April 27, 2012, gave the Board of Directors authorization to proceed with miscellaneous financial transactions to increase the Company's share capital, with or without preferential subscription rights.

To date, these authorizations have not been used.

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
12th resolution GM 2012	Issues of shares or financial securities giving access to capital with preferential subscription right. Valid 26 months, until the GM called to approve the 2013 financial statements. Capital increase capped at €350 million (around 30% of the share capital).	N/A
13th resolution GM 2012	Issues of shares or financial securities giving access to capital excluding the preferential subscription right. Valid 26 months, until the GM called to approve the 2013 financial statements. Capital increase capped at €120 million (around 10% of the share capital).	N/A
14th resolution GM 2012	Issues of shares or financial securities giving access to capital through private placement. Valid 26 months, until the GM called to approve the 2013 financial statements. Capital increase capped at €60 million (around 5% of the share capital).	N /A
15th resolution GM 2012	Issues of shares or financial securities giving access to capital through a public exchange offer. Valid 26 months, until the GM called to approve the 2013 financial statements. Capital increase capped at €120 million (around 10% of the share capital).	N/A
16th resolution GM 2012	Capital increase through issuance of shares by contribution in kind. Valid 26 months, until the GM called to approve the 2013 financial statements. Capital increase capped at €120 million (around 10% of the share capital).	N/A
17th resolution GM 2012	Capital increase through capitalization of reserves, bonuses, etc. Valid 26 months, until the GM called to approve the 2013 financial statements. Capital increase capped at €1 billion.	N/A
18th resolution GM 2012	Capital increase through issuance of shares reserved for employees. Valid 26 months until the GM called to approve the 2013 financial statements. Capital increase capped at 1% of the share capital.	N/A

The total nominal amount of any capital increases that may be carried out by virtue of the twelfth, thirteenth, fourteenth, fifteenth and sixteenth resolutions submitted to the General Meeting on April 27, 2012, may not exceed €350 million (three hundred and fifty million euros).

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 for a period of 38 months maximum, 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 for a period of 38 months 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 and options, refer to table 8, chapter 3.3.2.2 of this Registration document.

Shareholders will be asked to vote on a further authorization to be discussed at the next General Meeting on April 30, 2013 in order to enable the Board of Directors to make free grants of existing or new shares for a maximum amount of up to 1.5% of the share capital on the date of the Meeting.

5.2.5.3 SHARE BUYBACKS [1]

1) TRADING BY RENAULT IN ITS OWN SHARES IN 2012 AND ALLOCATION OF TREASURY STOCK

At December 31, 2012 Renault SA held 4,059,255 shares of €3.81 par value and a book value of € 148,518,648.

Pursuant to Article L. 225-209 of the Commercial Code, the tenth resolution of the Combined General Meeting of April 27, 2012, 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 27, 2013, unless the General Meeting of April 30, 2013, authorizes a new programme, as described in paragraph 2) below.

Renault acquired no shares in 2012 or as part of the share buyback programme approved by the General Meeting of April 27, 2012. The 4,059,255 shares held directly or indirectly by Renault SA at December 31, 2012, 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, 2012: 1.37%.

Number of shares cancelled over the 24 months preceding December 31, 2012: zero shares.

Number of shares held in the portfolio at December 31, 2012: 4,059,255 actions.

Book net value of the portfolio at December 31, 2012: €148,518,648.

Portfolio value at December 31,2012*: €165,150,790.

* *Based on a share price of € 40.685 at December 31, 2012.*

OPERATIONS CARRIED OUT BY RENAULT ON ITS OWN SHARES AS PART OF THE PROGRAMMES AUTHORIZED BY THE COMBINED GENERAL MEETINGS OF APRIL 29, 2011 AND APRIL 27, 2012

	TOTAL GROSS FLOWS AT DECEMBER 31, 2012		OPEN INTEREST AT DECEMBER 31, 2012	
	PURCHASES	SALES	LONG POSITIONS	SHORT POSITIONS
Number of shares	none	none	none	none
Average sell, buy or strike price	none	none	none	none
Total	none	none	none	none

2) DESCRIPTION OF THE BUYBACK PROGRAMME SUBMITTED FOR APPROVAL TO THE AGM ON APRIL 30, 2013

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 30, 2013.

The objectives 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;

(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.

- 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;
- use 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) when 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.

These operations may be carried out at any time, except during a public tender offer concerning the company, during the share buyback programme.

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 30, 2013, this programme shall be valid for a period that expires at the next Annual General Meeting called to approve the 2013 financial statements and shall be no longer than 18 months, i.e. until October 30, 2014.

5.2.6 RENAULT SHARE OWNERSHIP ✦

5.2.6.1 RENAULT SHAREHOLDERS AT DECEMBER 31, 2012

OWNERSHIP OF SHARES AND VOTING RIGHTS FOR THE LAST THREE FISCAL YEARS

	12/31/2012			12/31/2011			12/31/2010		
	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%	17.95%	44,387, 915	15.01%	17.86%
Nissan Finance. Co. Ltd	44,358,343	15.00%	-	44,358,343	15.00%	-	44,358, 343	15.00%	-
Daimler AG	9,167,391	3.10%	3.71%	9,167,391	3.10%	3.71%	9,167,391	3.10%	3.69%
Employees (1)	8,770,185	2.97%	3.55%	9,038,110	3.06%	3.65%	9,145,220	3.09%	3.68%
Treasury stock	4,059,255	1.37%	-	4,059,255	1.37%	-	2,895,381	0.98%	-
Public	184,979,195	62.55%	74.79%	184,711,270	62.46%	74.69%	185,768,034	62.82%	74.77%
TOTAL	**295,722,284**	**100.00%**	**100.00%**	**295,722,284**	**100.00%**	**100.00%**	**295,722, 284**	**100.00%**	**100.00%**

(1) The employee-owned shares (present and former employees) counted in this category are those held in company savings schemes.

✦ Global Reporting Initiative (GRI) Directives

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 is 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, 2011. 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 2.97% 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 62,55% of the capital (compared with 62.46% at December 31, 2011).

A survey of the holders of Renault shares was carried out on December 31, 2012 to obtain an estimated breakdown of the public's ownership interest by category of major shareholder. At that date, institutional shareholders owned approximately 51.9% of the capital, with French institutions holding 16.2% and and foreign institutions 35.7%. The 10 largest French and foreign institutional investors held approximately 20% of the capital. The remaining capital - 10.65% - is held primarily by individual shareholders.

5.2.6.2 SHAREHOLDER AGREEMENTS ON SHARES MAKING UP THE AUTHORIZED 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 French 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 sell them 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.

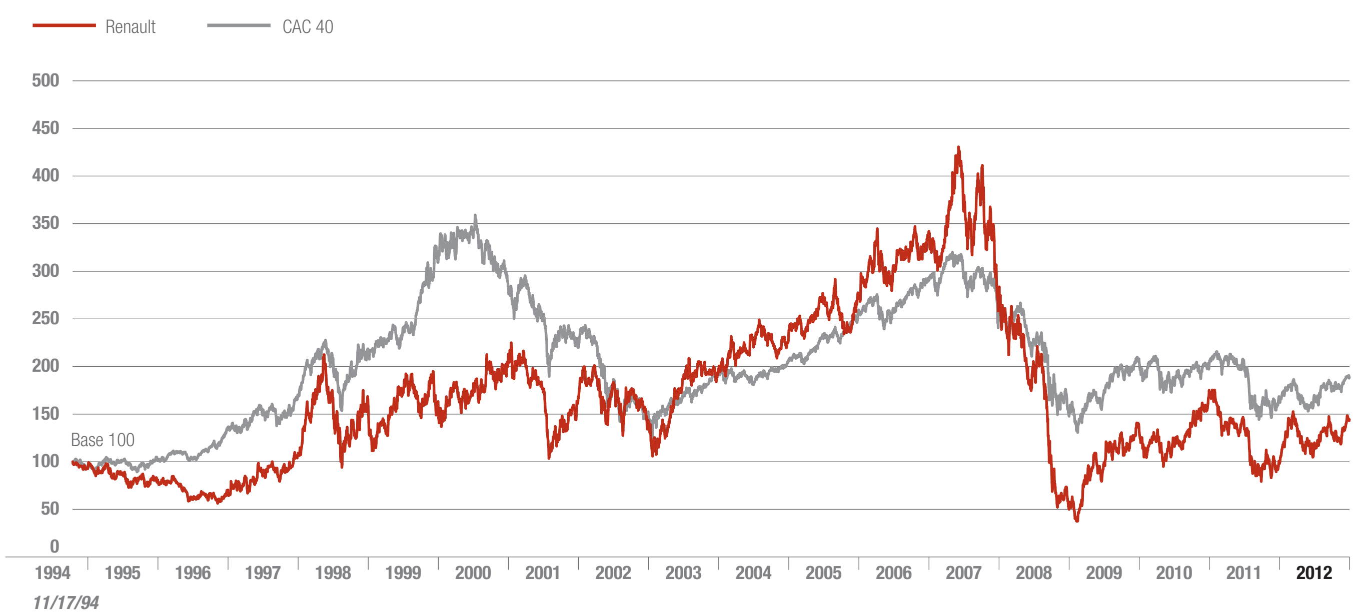
Renault shares (ISIN code FR0000131906, Symbol: RNO) are listed on Euronext – compartment A and qualify for the deferred-settlement account system (SRD) and for inclusion in French equity savings plans.

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. chapter 2.6).

5.3.1.2 SHARE PRICE PERFORMANCE ✦

SINCE NOVEMBER 17, 1994 (FIRST STOCK MARKET QUOTATION)



SHARE PRICE AND TRADING VOLUMES OVER THE PAST 18 MONTHS

		CLOSING PRICE (€)		
	NO. OF SHARES TRADED	LAST	LOW	HIGH
Sep. 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
March 12	37,243,210	39.525	37.380	43.830
April 12	41,877,246	34.325	33.610	39.745
May 12	45,145,020	33.885	30.350	35.370
June 12	47,160,244	31.440	29.010	35.265
July 12	44,081,543	35.590	31.165	36.500
Aug. 12	26,010,784	37.165	34.255	38.665
Sep. 12	31,440,664	36.520	35.140	41.585
Oct. 12	38,211,457	34.510	33.690	37.725
Nov. 12	29,167,606	38.455	33.065	38.910
Dec. 12	22,683,937	40.685	37.390	42.000
Jan. 13	26,513,608	44.055	40.020	44.910
Feb. 13	27,233,486	47.800	43.170	48.955

Source: Reuters.

SHARE PERFORMANCE IN 2012

RENAULT					INDEXES	
					CHANGE SINCE 12/31/2011	
CLOSING PRICE AT 12/31/2012	MARKET CAPITALIZATION AT 12/31/2012 *(in € million)*	2012 HIGH (MARCH 14, 2012)	2012 LOW (JAN. 02, 2012)	CHANGE SINCE 12/31/2011 *(%)*	CAC 40	DJES AUTO
€40,685	12,031	€43.83	€26.76	+51.81	+15.23%	+35.53%

Source: Reuters.

The average share price in the last 30 trading days of 2012 was €38.892 (source: Reuters).

5.3.2 RENAULT AND DIAC REDEEMABLE SHARES ✦

5.3.2.1 RENAULT REDEEMABLE SHARES

CHARACTERISTICS

Renault issued a total of 2,000,000 redeemable shares with a par value of 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, 2012.

PAYOUT

The gross interest on redeemable shares paid on October 24, 2012 in respect of 2011 was €21.50, (€10.29 for the fixed portion and €11.21 for the variable portion).

The interest on redeemable shares for FY 2012, payable on October 24, 2013, will be €21.15, comprising €10.29 for the fixed portion and €10.86 for the variable portion based on consolidated revenue of €41,270 million for 2012 and €42,628 million for 2011.

TRADING VOLUMES AND PRICES OF RENAULT REDEEMABLE SHARES OVER THE PAST 18 MONTHS

		CLOSING PRICE *(€)*		
	NO. SHARES TRADED	LAST	LOW	HIGH
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
March 12	6,237	336.15	325.00	345.95
April 12	12,729	318.00	308.00	347.95
May 12	7,424	307.90	302.05	325.00
June 12	6,339	315.00	302.05	317.50
July 12	6,162	313.25	303.40	322.00
Aug. 12	13,080	318.45	310.00	329.95
Sep. 12	18,449	335,50	319.20	337.65
Oct. 12	8,777	316.75	314.15	339.90
Nov. 12	7,292	313.95	311.00	317.00
Dec. 12	8,819	312.05	312.00	314.00
Jan. 13	14,437	311.70	313.45	317.00
Feb. 13	12,311	310.00	309.75	314.70

Source: Reuters.

✦ Global Reporting Initiative (GRI) Directives

5.3.2.2 DIAC REDEEMABLE SHARES

Diac, the French credit subsidiary of RCI Banque, issued 500,000 redeemable shares with a par value of FRF1,000/€152.45 in 1985.

Diac redeemable shares are listed on Euronext Paris under ISIN code FR0000047821.

At December 31, 2012 the number of redeemable shares issued by Diac in 1985 and still outstanding was 60,269, after the buyback of 9,000 shares in October. At the closing price of €146.20, they were worth a total of €8,811,328 (€9,188,009 at the par value of €152.45).

In the course of 2012 the share price fluctuated between €135.67 (Jan. 23) and €154.29 (May 27).

5.3.3 DIVIDENDS ✦

The dividend policy presented in Renault 2016 – Drive the Change plan stipulated that Renault will pay to its shareholders:

- on one hand, dividends from its stake in listed companies, dividends 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 by the automotive activity. This amount may be added to the first amount according to the economic environment and Renault's financial situation.

The dividend will be paid on May 15 (or the following working day).

For FY 2012, dividends paid over concern exclusively Nissan, Daimler and Volvo.

Meeting on February 13, 2013 the Board of Directors proposed to pay a dividend of €1.72 per share for FY 2012. This will be put to vote at the Annual General Meeting on April 30, 2013. The payment will be on May 15, 2013.

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.

YEAR	NO. SHARES IN AUTHORIZED CAPITAL AT DECEMBER 31	DIVIDENDS PER SHARE *(€)*	PAYABLE DATE
2008	284,937,118	0	-
2009	284,937,118	0	-
2010	295,722,284	0.30	May 16, 2011
2011	295,722,284	1.16	May 15, 2012
2012(1)	295,722,284	1.72	May 15, 2013

(1) In accordance with the proposal of the Board of Directors and subject to the decision of the Combined General Meeting of April 30, 2013.

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 is continuing 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 interactive 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 and innovating in 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 2012 the Investor Relations department met shareholders in Bordeaux and Lille.

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.

✦ Global Reporting Initiative (GRI) Directives

5.4.3 2013 FINANCIAL CALENDAR

February 14 (before opening)	2012 annual results
April 24 (after close)	2013 Q1 revenues
April 30 (afternoon)	Annual General Meeting
July 26 (before opening)	2013 half-year results
October 24 (after close)	2013 nine-month revenues

5.4.4 CONTACTS ✦

INVESTOR RELATIONS DEPARTMENT

E-mail: communication.actionnaires@renault.com

Toll-free voicemail: 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:

Thierry Huon

Renault Investor Relations Director

Telephone: +33 (0) 76 84 53 09 – Fax: +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 other countries
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 2011, 2010, 2009, 2008 and 2007, all filed with the AMF.

6

MIXED GENERAL MEETING APRIL 30, 2013

PRESENTATION OF THE RESOLUTIONS

Ladies and Gentlemen,

We have called a Mixed General Meeting in order to submit seventeen resolutions to you:

- fourteen of them are being submitted to the Ordinary General Meeting;
- three of them, whose implementation may cause a change in the amount of the Company's share capital, are being submitted to the Extraordinary General Meeting.

ORDINARY RESOLUTIONS

APPROVAL OF THE ANNUAL 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 2012 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 2012 financial year and the payment of dividends.

The dividend policy announced with "Renault 2016 – Drive the Change" is a pass through of dividends received from quoted associates (Nissan, Volvo, Daimler, Avtovaz) during year n, plus potentially a percentage of year n operational free cash flow, to be paid in year n+1.

The Board of Directors proposes the payment of a dividend of a total of €508,642,328.48 equal to €1.72 per share.

This dividend would be paid as of May 15, 2013.

Pursuant to Article 243 *bis* of the French General Tax Code, the table below details the dividend per share, income distributed eligible for the 40% tax relief, and income distributed not eligible for the 40% tax relief that were granted for the preceding three financial years.

FISCAL YEAR	DIVIDEND	AMOUNT OF INCOME DISTRIBUTED ELIGIBLE FOR THE 40% ALLOWANCE	AMOUNT OF INCOME DISTRIBUTED NOT ELIGIBLE FOR THE 40% ALLOWANCE
2009	€0	€0	None
2010	€0.30	€0.30	None
2011	€1.16	€1.16	None

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.

Only one regulated agreement was concluded over the 2012 financial year. This agreement is an addendum to the Restated Alliance Master Agreement, which governs the equity holding relationship between Renault and Nissan and establishes rules for the Alliance's current governance. The signing of this addendum, which allowed the change to the composition of the Alliance's Executive Board, was approved by the Board of Directors, at its meeting of October 3, 2012.

STATUTORY AUDITORS' REPORT ON REDEEMABLE SHARES

The **fifth resolution** proposes that the General Meeting takes 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 2012 as determined by constant methods with reference to a constant structure.

APPOINTMENTS AND RENEWALS OF DIRECTORS

The **sixth, seventh, eighth, ninth, tenth and the eleventh resolutions** deal with the Board of Directors' composition:

- the **sixth resolution** proposes to renew the term of office of **Mrs. Dominique DE LA GARANDERIE,** for a period of four years, *i.e.* until the General Meeting approving the financial statements of the financial year ending on December 31, 2016;
- the **seventh resolution** proposes to renew the term of office of **Mr Alain BELDA,** for a period of four years, *i.e.* until the General Meeting approving the financial statements of the financial year ending on December 31, 2016;
- the **eighth resolution** proposes to appoint **Mrs. Yuriko KOIKE,** as a new director representing Nissan, replacing **Mr Takeshi ISAYAMA**, for a period of four years, *i.e.* until the General Meeting approving the financial statements of the financial year ending on December 31, 2016;
- the **ninth resolution** proposes to renew, on a proposal from employee shareholders, the term of office of **Mr Benoît OSTERTAG**, as a director representing the employee shareholders, for a period of four years, *i.e.* until the General Meeting approving the financial statements of the financial year ending on December 31, 2016;
- The **tenth resolution** proposes to take note of the appointment, by Administrative Order of September 26, 2012, of **Mr David AZEMA**, as representative of the French State. Mr David Azema succeeds to Mr Alexis Kohler for the remainder of the latter's term of office, *i.e.* until the General Meeting approving the financial statements of the financial year ending on December 31, 2014;
- The **eleventh resolution** proposes to take note of the appointment, by Administrative Order of February 12, 2013, of **Mr Pascal FAURE**, as representative of the French State. Mr Pascal Faure succeeds to Mr Luc Rousseau for the remainder of the latter's term of office, *i.e.* until the General Meeting approving the financial statements of the financial year ending on December 31, 2015.

APPOINTMENT OF A NEW SUBSTITUTE STATUTORY AUDITOR

The **twelfth resolution** deals with the replacement of a substitute Statutory Auditor, Mr Gabriel GALET, appointed by the General Meeting of April 29, 2008, who is unable to continue his functions due to his retirement.

It is proposed that the General Meeting appoints the company Auditex SAS (1-2 Place des Saisons – Paris La Defense 1 – 92400 Courbevoie) as a new substitute Statutory Auditor, for the remainder of the latter's term of office, *i.e.* until the General Meeting approving the financial statements of the financial year ending on December 31, 2013.

AUTHORIZATION FOR THE BOARD OF DIRECTORS TO PURCHASE THE COMPANY'S OWN SHARES

Over 2012, the Company acquired no share pursuant to the authorization granted by the General Meeting. As at December 31, 2012, the portfolio contained 4,059,255 shares; this holding of treasury stock was equivalent 1.37% of the Company's share capital. Shares held as treasury stocks are not entitled to dividends or voting rights.

In the **thirteenth 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 the General Meeting of April 30, 2013, 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. The operations of purchase or sale can be made at any time, except in period of tender offer introduced on the Company.

The maximum number of shares that may be acquired is limited to 10% of the share capital.

An overview of these operations will be presented to the General Meeting called to decide on the accounts for the 2013 financial year.

POWERS FOR FORMALITIES

The **seventeenth resolution** is a usual resolution which concerns the delivery of the powers necessary for the fulfillment of advertisements and legal formalities.

EXTRAORDINARY RESOLUTIONS

REDUCTION OF THE SHARE CAPITAL BY CANCELLING SHARES

In the **fourteenth resolution,** it is proposed that the General Meeting authorizes the Board of Directors, for a maximum period of 18 months, to reduce the registered capital by cancelling shares acquired in the programme for purchase of the Company's own shares. The terms for these acquisitions are those defined in the thirteenth 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 of Directors.

Furthermore, you are informed that the authorization to cancel shares, as granted by the General Meeting of April 27, 2012, was not used by the Board of Directors.

ALLOCATION OF BONUS SHARES (HEREINAFTER REFERRED TO AS "*PERFORMANCE SHARES*")

The **fifteenth resolution** deals with the performance shares.

The Company has decided to stop implementing stock option plans. Therefore, it is only proposed a resolution aiming to implement one or several performance share plans.

The envelope mentioned in the fifteenth resolution is for one year and was determined from the following three components:

- conversion of the envelope previously used for stock-options;
- continuation of the envelope previously used for the performance shares;
- the consideration of the deferred variable part of the Chairman and CEO's remuneration (*Président-Directeur Général*), which will be partially paid through performance shares.

Performance share plans which will be implemented pursuant to this resolution will include some performance conditions assessed on a two-year basis, instead of on a one-year basis as before.

All the allocations, without any exception, shall be conditioned upon stringent, verifiable and quantifiable performance criteria. As a reminder, no performance shares were acquired under 2011 plans and only 50% of the performance shares were acquired under the 2012 plan.

These criteria will be defined, for each plan, by the Board of Directors, on a proposal made by the Compensation Committee, among the following criteria:

- operating margin;
- free cash flow;
- the automotive operational margin variation in percentage points compared to a panel of car manufacturers having similar geographical and sectorial drivers;
- return on equity;
- total shareholder return.

The portion of performance share plans to be allocated to the Chairman and CEO and to the members of the Group's Executive Committee will not exceed 15% and 30% respectively of the allocated performance shares.

The performance shares granted pursuant to the present resolution will not involve any dilution for the shareholders, these performance shares being treasury shares of the Company.

AUTHORIZATION GRANTED TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL BY ISSUING SHARES RESERVED TO THE EMPLOYEES

In the **sixteenth resolution**, it is asked to the General Meeting, in accordance with the provisions of the Article L. 225-129-6 of the French Commercial Code, to adopt a resolution concerning a capital increase reserved to employees in the framework of Articles L. 3332-18 of the French Labor Code on employee shareholding, and Articles L. 225-138 and L. 225-138-1 of the French Commercial Code. This resolution grants the Board of Directors powers to proceed, on one or more occasions, with a capital increase reserved to employees who are members of a company savings scheme, 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 27, 2012.

7

ADDITIONAL INFORMATION

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

✦ Global Reporting Initiative (GRI) Directives

contents 1 2 3 4 5 6 7

7.1 PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Person who accepts full responsibility 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.

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 12, 2013

Chairman and Chief Executive Officer

Carlos Ghosn

7.2 INFORMATION CONCERNING FY 2010 AND 2011 ✦

Pursuant to Article 28 of Commission regulation (EC) 809/2004, the following historical data is incorporated by reference in the 2012 Registration document:

7.2.1 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.

7.2.2 FY 2011

The 2011 Registration document was filed with the *Autorité des marchés financiers* on March 13, 2012 under No. D.12-0152 (French version).

The consolidated financial statements are outlined on pages 186 to 244 of chapter 4 and the corresponding audit report is on page 184 of chapter 4.

Financial information is on pages 54 to 57 of chapter 1.3.2.

Data not incorporated in this document is either not appropriate for investors or covered in another chapter of the Registration document.

✦ Global Reporting Initiative (GRI) Directives

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 Mrs Jean-François Bélorgey and Aymeric de La Morandière

Tour First

1-2 Place des saisons

92400 Courbevoie – Paris La Défense 1

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

Tour First

1-2 Place des saisons

92400 Courbevoie – Paris La Défense 1

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 29 of the appendix to the consolidated financial statement.

7.4 CROSS REFERENCE TABLES

7.4.1 DISCLOSURE REQUIREMENTS – ANNEX I/EC809/2004

		PAGE
1	**Persons responsible**	**294**
2	**Statutory auditors**	**250**
3	**Selected financial information**	
	3.1 Historical information	4 ; 196-206 ; 295
	3.2 Interim information	n.a.
4	**Risk factors**	**67-83 ; 244-247**
5	**Information about the issuer**	
	5.1 History and development of the issuer	4-7 ; 278
	5.2 Investments	53-54 ; 205-206 ; 209 ; 248
6	**Business overview**	
	6.1 Principal activities	8-20 ; 42-51
	6.2 Principal markets	43
	6.3 Exceptional events	n.a.
	6.4 Dependency risk	57 ; 82-83
	6.5 Basis for any statements made by the issuer regarding its competitive position	46-49
7	**Organizational structure**	
	7.1 Brief description	8 ; 21 ; 24-25
	7.2 Significant subsidiaries	22-23 ; 251-254
8	**Property, plant and equipment**	
	8.1 Existing or planned material tangible fixed assets	14 ; 19 ; 40 ; 212-213 ; 221-222
	8.2 Environmental issues that may influence the utilization of the tangible fixed assets	80
9	**Operating and financial review**	
	9.1 Financial condition	51-54 ; 198-199 ; 203-204 ; 218 ; 236-241
	9.2 Operating results	53 ; 217-218
10	**Cash and capital resources**	
	10.1 Issuer's capital resources	199-200 ; 231-233 ; 278-282
	10.2 Source and amount of cashflows	16 ; 67-73 ; 201 ; 205-206 ; 215 ; 236-241 ; 248
	10.3 Borrowing requirements and funding structure	54 ; 215 ; 236-241 ; 285-286
	10.4 Information on any restriction on the use of capital resources that have materially affected or could materially affect, directly or indirectly the issuer's operations	n.a.
	10.5 Anticipated sources of funds	
11	**Research and Development, patents and licences**	**35 ; 53-54 ; 57-67**
12	**Trend information**	**42**
13	**Profit forecasts or estimates**	**n.a.**
14	**Administrative, management and supervisory bodies, and senior management**	
	14.1 Administrative and management bodies	20-21 ; 160-170 ; 186-191
	14.2 Conflicts of interest on the administrative, management and supervisory bodies and in senior management	165 ; 191
15	**Remuneration and benefits**	
	15.1 Amount of compensation paid and benefits in-kind	102-104 ; 170 ; 178-185 ; 217 ; 248
	15.2 Total amounts set aside or accrued by the issuer to provide pension, retirement or similar benefits	209 ; 214 ; 234-235 ; 248

7.4.2 ANNUAL FINANCIAL REPORT (ART. L. 225-100 AND L. 225-100-2 OF FRENCH COMPANY LAW)

7.4.3 GLOBAL REPORTING INITIATIVE INDICATORS AND GLOBAL PACT PRINCIPLES 2012

	GRI INDICATORS [(1)]	GLOBAL COMPACT PRINCIPLES	PAGES
	STRATEGY AND ANALYSIS		**7 ; 86 ; 294**
1.2	Description of key impacts, risks, and opportunities		7 ; 26-29 ; 67-83 ; 136-143
	PROFILE		
2.1	Name of the organization		276
2.2	Primary brands, products and services		8-16 ; 22-23 ; 42-51
2.3	Operational structure of the organization		8 ; 14 ; 24-25 ; 31-34
2.4	Location of organization's headquarters		276
2.5	Number of countries where the organization operates		8 ; 14 ; 19 ; 22-25 ; 40
2.6	Nature of ownership and legal form		276
2.7	Markets served		42-51
2.8	Scale of the reporting organization (number of employees, net sales, quantity of products or services provided)		4 ; 8-16 ; 41-51
2.10	Awards received in the reporting period		67
	REPORT PARAMETERS		
3.1	Reporting period for information provided		1 ; 4 ; 155-156 ; 194-195 ; 276 ; 295
3.4	Contact point for questions regarding the report or its contents		288
3.13	Policy and current practice with regard to seeking external assurance for the report		155-156 ; 194
	GOVERNANCE AND COMMITMENTS		
4.1	Governance structure of the organization		20-21 ; 160-169
4.2	Indicate whether the Chair of Board of Directors is also an executive officer		162 ; 178
4.3	Number of independent or non-executive directors in the Board of Directors		161-165 ; 167
4.4	Mechanisms for shareholders and employees to provide recommendations to the Direction of the organization		92 ; 160-161 ; 277 ; 287
4.5	Linkage between the compensation of management bodies and executives and the organization's performances		170 ; 178-182
4.6	Processes to ensure conflicts of interest are avoid		165
4.8	Internally developed statements of missions or values, codes of conduct and principles		89 ; 137 ; 171-175
4.9	Procedures developed for overseeing the organization's management of economic, environmental, and social performance and their compliance with standards		33-34 ; 93 ; 98-99 ; 106-123 ; 136-140 ; 143 ; 144-146
4.10	Processes for evaluating the highest governance body's own performance particularly with respect to economic, environmental, and social performance		167-168
4.12	Externally developed Charters, principles or other initiatives to which the organization subscribes		35 ; 89 ; 122-123 ; 124-136
4.13	Memberships in associations		65-66 ; 130-136 ; 140
4.14	List of stakeholder groups engaged by the organization		136-140
4.15	Basis for identification and selection of stakeholders to engage		136-140
4.16	Approches to stakeholder engagement		136-140
4.17	Key topics that have been raised through stakeholder engagement		17-20 ; 67-83
	ECONOMIC PERFORMANCE INDICATORS		
EC1	Economic value generated and distributed		4 ; 51-54 ; 102-104 ; 124-125 ; 196 ; 283-286
EC6	Policy, practices and proportion of spending on locally-based suppliers		18 ; 137-139
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit		125-140

(1) *The ✦ symbol indicates information relating to the Global Reporting Initiative (GRI) Directives.*

	GRI INDICATORS (1)	GLOBAL COMPACT PRINCIPLES	PAGES
	ENVIRONMENTAL PERFORMANCE INDICATORS		
EN1	Consumption of materials by mass and volume		113-117 ; 150-151
EN2	% of materials used that are recycled input materials	8 & 9	113-117
EN3	Direct energy consumption by primary source		107 ; 149 ; 150-151
EN5	Energy saved due to conservation and efficiency improvements	8 & 9	105-111
EN8	Total water withdrawal by source		116-118 ; 147 ; 150-151
EN11	Strategies for managing impacts on biodiversity	8	106
EN16	Greenhouse gas emissions		108-111 ; 148 ; 150-151
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	8 & 9	108-111 ; 148
EN20	Emissions of NOx, SO_2 and other significant polluants by type and weight		111-112 ; 148 ; 150-151
EN21	Total water discharge by quality and destination	8	116-117 ; 147 ; 150-151 ; 155-156
EN22	Total weight of waste by type and disposal method	8	113 ; 148-149 ; 150-151
EN23	Total number and volume of significant spills		–
EN26	Initiatives to mitigate environmental impacts of products and services	8 & 9	105-123 ; 145 ; 152
EN27	% of products sold and their packaging materials that are reclaimed by category	8 & 9	113-114 ; 145 ; 147
EN29	Significant environmental impacts of transporting products, other goods and materials		105
	LABOR PRACTICES AND DECENT WORK PERFORMANCE INDICATORS		
LA1	Total workforce by employment type, employment contract, and region		91
LA2	Total number and rate of employee turnover by age group, gender, and region	6	91
LA4	% of employees covered by collective bargaining agreements	3	87 ; 89-90
LA7	Rates of injury, occupational diseases, lost days, absenteeism and work-related fatalities		96-97
LA8	Programs in place to assist workorce or community members regarding serious diseases		95-97
LA9	Health and safety topics covered in formal agreements with trade unions		92-93
LA10	Average hours of training per year per employee by employee category	6	98-99
LA11	Programs for skills management and lifelong learning		98-99
LA12	% of employees receiving regular performance and career development reviews		102-103
LA13	Composition of governance bodies and breakdown of employees per category according to indicators of diversity	6	20-21 ; 91 ; 161
	HUMAN RIGHTS PERFORMANCE INDICATORS		
HR1	% and total number of investment agreements that include human rights clauses	1 & 2	137-138
HR2	% of suppliers and contractors that underwent screening on human rights and actions taken	1 & 2	77 ; 137-138
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk and actions taken	1 & 3	87 ; 92-93
HR6	Operations identified as having significant risk for incidents of child labor, and actions taken	1 & 5	77 ; 92 ; 137-138
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and actions taken	1 & 4	77 ; 92 ; 137-138
	SOCIETY PERFORMANCE INDICATORS		
SO1	Programs and practices that assess and manage the impacts of operations on communities		157-158
	PRODUCT AND CUSTOMER SATISFACTION PERFORMANCE INDICATORS		
PR1	Life cycle stages where health and safety impacts of products and services are assessed for improvement and % of products and services subject to such procedures		118-122
PR3	Type of product and service information required by procedures, and % of significant products and services subject to such information requirements		118-119 ; 122-123
PR5	Practices related to customer satisfaction		136
PR6	Adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship		136

(1) The ✦ symbol indicates information relating to the Global Reporting Initiative (GRI) Directives.

CLIO IV

Ce document a été imprimé en France par un imprimeur certifié ISO 14001 et Imprim'Vert® garantissant la gestion des déchets dangereux dans des filières agréées, sur un papier recyclable, exempt de chlore élémentaire, certifié FSC, à base de pates provenant de forêts gérées de façon responsable sur un plan environnemental, économique et social.

Designed & published by Labrador +33 (0)1 53 06 30 80 Photos credits: Bernier Antony ; p.2 & 302: ©Renault Marketing 3D - Commerce

Designed & published by Labrador +33 (0)1 53 06 30 80 Photos credits: Bernier Antony ; p.2 & 302: ©Renault Marketing 3D - Commerce

Ce document a été imprimé en France par un imprimeur certifié ISO 14001 et Imprim'Vert® garantissant la gestion des déchets dangereux dans des filières agréées, sur un papier recyclable, exempt de chlore élémentaire, certifié FSC, à base de pates provenant de forêts gérées de façon responsable sur un plan environnemental, économique et social.

(www.renault.com)

Renault / 13-15, quai Le Gallo - 92513 Boulogne-Billancourt Cedex - France / Tél. : 33 (0)1 76 84 04 04 / Direction des Relations Financières - Direction de la Communication

(www.renault.com)

Renault / 13-15, quai Le Gallo - 92513 Boulogne-Billancourt Cedex - France / Tél. : 33 (0)1 76 84 04 04 / Direction des Relations Financières - Direction de la Communication