

OFFERING CIRCULAR



RENAULT

Renault S.A.
Euro 5,000,000,000
Euro Medium Term Note Programme
Due from one month from the date of original issue

Under the Euro Medium Term Note Programme described in this Offering Circular (the “**Programme**”), Renault S.A. (the “**Issuer**” or “**Renault**” or “**Renault S.A.**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the “**Notes**”). The aggregate nominal amount of Notes outstanding will not at any time exceed Euro 5,000,000,000 (or the equivalent in other currencies).

This Offering Circular supersedes and replaces the Offering Circular dated 12 May 2003.

This Offering Circular shall, for the purposes of Notes listed on the Luxembourg Stock Exchange, be in force for a period of one year as of the date set out hereunder.

Application will be made in certain circumstances to list Notes on Euronext Paris S.A. (“**Euronext Paris**”) and/or on the Luxembourg Stock Exchange. However, unlisted Notes may be issued pursuant to the Programme. The relevant Pricing Supplement (a form of which is contained herein) in respect of the issue of any Notes will specify whether or not such Notes will be listed and, if so, the relevant stock exchange.

Notes may be issued either in dematerialised form (“**Dematerialised Notes**”) or in materialised form (“**Materialised Notes**”) as more fully described herein.

Dematerialised Notes will at all times be in book entry form in compliance with Article L.211-4 of the French *Code monétaire et financier*. No physical documents of title will be issued in respect of the Dematerialised Notes.

Dematerialised Notes which are dealt in on a regulated market may, at the option of the Issuer, be in bearer dematerialised form (*au porteur*) inscribed as from the issue date in the books of Euroclear France (“**Euroclear France**”) which shall credit the accounts of Account Holders (as defined in “Terms and Conditions of the Notes – Form, Denomination, Title and Redenomination”) including Euroclear Bank S.A./N.V., as operator of the Euroclear System (“**Euroclear**”) and the depositary bank for Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder (as defined in Condition 1(c)(iv)), in either fully registered form (*au nominatif pur*), in which case they will be inscribed either with the Issuer or with the registration agent (designated in the relevant Pricing Supplement) for the Issuer, or in administered registered form (*au nominatif administré*) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant Noteholders. Dematerialised Notes which are not dealt in on a regulated market will be in registered dematerialised form (*au nominatif*) only and, at the option of the relevant Noteholder, in either fully registered form or administered registered form inscribed as aforesaid.

Materialised Notes will be in bearer materialised form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a “**Temporary Global Certificate**”) will initially be issued in connection with Materialised Notes. Such Temporary Global Certificate will be exchanged for Definitive Materialised Notes in bearer form with, where applicable, coupons for interest attached, on or after a date expected to be on or about the 40th day after the issue date of the Notes (subject to postponement as described in “Temporary Global Certificates issued in respect of Materialised Bearer Notes”) upon certification as to non U.S. beneficial ownership as more fully described herein.

Temporary Global Certificates will (a) in the case of a Tranche (as defined in “Summary of the Programme”) intended to be cleared through Euroclear and/or Clearstream, Luxembourg, be deposited on the issue date with a common depositary on behalf of Euroclear and/or Clearstream, Luxembourg and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream, Luxembourg or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer (as defined below).

Notes issued under the Programme may be rated or unrated. Notes, whether Unsubordinated or Subordinated, will have such rating, if any, as is assigned to them by the relevant rating organisation as specified in the relevant Pricing Supplement. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating assigned under the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Arranger

Deutsche Bank

Dealers

Barclays Capital
Citigroup
HSBC

BNP PARIBAS
Deutsche Bank
Tokyo-Mitsubishi International plc

The date of this Offering Circular is 9 June 2004

The Issuer, having made all reasonable enquiries, confirms that this Offering Circular contains all information with respect to the Issuer, the Issuer and its subsidiaries consolidated on a full integration basis (*filiales consolidées par intégration globale*) taken as a whole (the “Group” or the “Renault Group”) and the Notes that is material in the context of the issue and offering of the Notes.

The statements contained in it relating to the Issuer, the Group and its affiliates consolidated on an equity or a proportional basis (*filiales et participations consolidées par intégration proportionnelle ou par mise en équivalence*) and the Notes are to the Issuer’s knowledge and only to the extent of the information set out in this Offering Circular, in every material respect true and accurate and not misleading.

The opinions and intentions expressed in this Offering Circular with regard to the Issuer and the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions. There are no other facts, to the Issuer’s knowledge, in relation to the Issuer, the Group or the Notes the omission of which, would, in the context of the issue and offering of the Notes, make any statement in this Offering Circular misleading in any material respect and all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements. The Issuer accepts responsibility accordingly.

No person has been authorised to give any information or to make any representation other than those contained in this Offering Circular in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (each as defined in “Summary of the Programme”). Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Group since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Group since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Offering Circular and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) or with any securities regulatory authority of any state or other jurisdiction of the United States and may include Materialised Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or, in the case of Materialised Notes in bearer form, delivered within the United States or to or for the account or benefit of U.S. persons (as defined in Regulation S under the Securities Act or, in the case of Materialised Notes in bearer form, the U.S. Internal Revenue Code and regulations thereunder). For a description of certain restrictions on offers and sales of Notes and on distribution of this Offering Circular, see “Subscription and Sale”.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers or the Arranger to subscribe for, or purchase, any Notes.

The Arranger and the Dealers have not separately verified the information contained in this Offering Circular. None of the Dealers or the Arranger (except Deutsche Bank AG Paris Branch in its capacity as Paris Listing Agent, and then only to the extent set out under “Paris Listing Information”) makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Circular. Neither this Offering Circular nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Offering Circular or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

In connection with any Tranche (as defined in “Summary of the Programme”), one of the Dealers may act as a stabilising agent (the “Stabilising Agent”). The identity of the Stabilising Agent will be disclosed in the relevant Pricing Supplement. References in the next paragraph to “this issue” are to each Tranche in relation to which a Stabilisation Agent is appointed.

In connection with this issue, the Stabilising Agent or any person acting for him may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Agent or any agent of his to do this. Such stabilising, if commenced, may be discontinued at any time, and must be brought to an end after a limited period.

In this Offering Circular, unless otherwise specified or the context otherwise requires, references to “€”, “Euro”, “EUR” or “euro” are to the single currency of the participating member states of the European Economic and Monetary Union which was introduced on 1 January 1999, references to “FRF” or “FF” are to French francs which were the national non decimal sub unit of the euro in the Republic of France until and including 31 December 2001, references to “£”, “pounds sterling”, “GBP” and “Sterling” are to the lawful currency of the United Kingdom, references to “\$”, “USD” and “U.S. Dollars” are to the lawful currency of the United States of America, references to “¥”, “JPY”, “Japanese yen” and “Yen” are to the lawful currency of Japan and references to “Swiss francs” or “CHF” are to the lawful currency of the Helvetic Confederation.

In this Offering Circular, any discrepancies in any table between totals and the sums of the amounts listed in such table are due to rounding.

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with any amendments or supplements to this Offering Circular, each relevant Pricing Supplement, the most recently published audited annual accounts, and any interim accounts (whether audited or unaudited) published subsequently to such annual accounts of the Issuer from time to time, each of which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents. All documents incorporated by reference in this Offering Circular may be obtained, free of charge, at the offices of each Paying Agent set out at the end of this Offering Circular during normal business hours so long as any of the Notes are outstanding.

For Euronext Paris listing purposes, the most recently published audited annual accounts of the Issuer and its interim accounts (whether audited or unaudited) as soon as they have been published as well as any amendments or supplements to this Offering Circular must be contained in a document submitted to the clearance procedures of the *Autorité des marchés financiers* (“AMF”) or, if not contained in such document at the date contemplated for the relevant Euronext Paris listing, shall be inserted in the relevant Pricing Supplement as soon as they have been published.

The *Document de Référence* in the French language relating to the Issuer, incorporating the audited consolidated and non-consolidated annual accounts of the Issuer for each of the periods ended 31 December 2002 and 2003, and filed with the AMF on 11 March 2004 under No. D. 04-0243, is incorporated herein by reference. Copies of the *Document de Référence* are available without charge on request at the registered office of the Issuer.

SUPPLEMENTAL OFFERING CIRCULAR

The Issuer has given an undertaking to the Dealers and to the Luxembourg Stock Exchange that if at any time during the duration of the Programme there is a material change affecting any matter contained in this Offering Circular (including the “Terms and Conditions of the Notes”) whose inclusion is required by applicable laws and regulations to be found in any amendment, supplement or replacement of this Offering Circular in connection with a new offering of Notes in order to allow investors and their personal advisors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, the Group and the rights attaching to the Notes, the Issuer shall, but only in connection with such offering of Notes to be listed on the Luxembourg Stock Exchange, prepare and publish an amendment or supplement to this Offering Circular or a replacement Offering Circular for use in connection with such offering of Notes, submit such amendment or supplement to the Luxembourg Stock Exchange for approval and supply each Dealer and the Luxembourg Stock Exchange with such number of copies of such amendment or supplement as may reasonably be requested. All documents prepared in connection with the listing of the Programme will be available at the specified office of the Paying Agent in Luxembourg.

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SUMMARY OF THE PROGRAMME

The following summary is qualified in its entirety by the remainder of this Offering Circular. The Notes will be issued on such terms as shall be agreed between the Issuer and the relevant Dealer(s) and, unless specified to the contrary in the relevant Pricing Supplement, will be subject to the Terms and Conditions set out on pages 13 to 37.

Issuer	Renault
Description	Euro Medium Term Note Programme for the continuous offer of Notes (the “ Programme ”)
Arranger	Deutsche Bank AG, Paris Branch
Dealers	Barclays Bank PLC BNP Paribas Citigroup Global Markets Limited Deutsche Bank AG London HSBC Bank Plc Tokyo-Mitsubishi International plc
	<p>The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Offering Circular to “Permanent Dealers” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to “Dealers” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.</p> <p>At the date of this Offering Circular, only credit institutions and investment firms incorporated in a member state of the European Union (“EU”) and which are authorised by the relevant authority of such home member state to lead-manage bond issues in such member state may, in the case of Notes to be listed on Euronext Paris, act (a) as Dealers with respect to non-syndicated issues of Notes denominated in euro and (b) as lead manager of issues of Notes denominated in euro issued on a syndicated basis.</p>
Programme Limit	Up to Euro 5,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Fiscal Agent and Principal Paying Agent	BNP Paribas Securities Services, Luxembourg Branch
Paying Agents	BNP Paribas Securities Services (as Paris Paying Agent) and BNP Paribas Securities Services, Luxembourg Branch (as Luxembourg Paying Agent)
Method of Issue	<p>The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “Series”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “Tranche”) on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in a pricing supplement to this Offering Circular (a “Pricing Supplement”).</p>

Maturities	Subject to compliance with all applicable relevant laws, regulations and directives, any maturity from one month from the date of original issue.
Currencies	<p>Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Euro, U.S. Dollars, Japanese yen, Swiss francs, Sterling and in any other currency agreed between the Issuer and the relevant Dealers.</p> <p>The Arranger, each Dealer and the Issuer will, in relation to issues of Notes denominated in Euro and to be listed on Euronext Paris, comply with the Guidelines provided by the letter dated 1 October 1998 from the French Minister of the Economy, Finance and Industry to the <i>Président of the Association française des établissements de crédit et des entreprises d'investissement</i> (the “Euro Guidelines”).</p>
Denomination(s)	<p>Notes will be in such denomination(s) as may be specified in the relevant Pricing Supplement save that, unless otherwise permitted by then current applicable laws and regulations, Notes (including Notes denominated in Sterling) having a maturity of less than one year from the date of issue and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 (the “FSMA”) will have a minimum denomination of £100,000 (or its equivalent in other currencies).</p> <p>Dematerialised Notes will be issued in one denomination only.</p>
Status of the Unsubordinated Notes	Unsubordinated Notes (“ Unsubordinated Notes ”) will constitute direct, general, unconditional, unsecured and (subject to the provisions of Condition 4) unsubordinated obligations of the Issuer and will rank <i>pari passu</i> and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.
Status of the Subordinated Notes	<p>Subordinated Notes (“Subordinated Notes”) will be unsecured subordinated obligations of the Issuer and will rank <i>pari passu</i> and without any preference among themselves and <i>pari passu</i> with any other unsecured subordinated obligations of the Issuer with the exception of any <i>prêts participatifs</i> granted to the Issuer as set out in Condition 3(b) – see “Terms and Conditions of the Notes – Status”.</p> <p>If so specified in the relevant Pricing Supplement, the payment of interest in respect of Subordinated Notes without a specified maturity date (“Undated Subordinated Notes”) may be deferred in accordance with the provisions of Condition 5(h) – see “Terms and Conditions of Notes – Interest and Other Calculations”.</p>
Negative Pledge	There will be a negative pledge in respect of Unsubordinated Notes as set out in Condition 4 – see “Terms and Conditions of the Notes – Negative Pledge”.
Events of Default (including cross default)	There will be events of default and a cross-default in respect of Unsubordinated Notes as set out in Condition 9(a) and limited events of default only in respect of Subordinated Notes as set out in Condition 9(b) – see “Terms and Conditions of the Notes – Events of Default”.
Redemption Amount	The relevant Pricing Supplement will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) having a maturity of less than one year

from the date of issue and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

Optional Redemption

The Pricing Supplement issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders and if so the terms applicable to such redemption.

Redemption by Instalments

The Pricing Supplement issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.

Early Redemption

Except as provided in “Optional Redemption” above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See Condition 6 “Terms and Conditions of the Notes – Redemption, Purchase and Options”.

Taxation

Payments in respect of the Notes will be made without withholding or deduction for, or on account of, taxes imposed by or on behalf of the Republic of France as provided by Article 131 *quater* of the French General Tax Code, to the extent that the Notes are issued (or deemed to be issued) outside France.

Notes constituting *obligations* under French law will be issued (or deemed to be issued) outside France (i) in the case of syndicated or non-syndicated issues of Notes, if such Notes are denominated in euro, (ii) in the case of syndicated issues of Notes denominated in currencies other than euro, if, *inter alia*, the Issuer and the relevant Dealers agree not to offer the Notes to the public in the Republic of France and such Notes are offered in the Republic of France only through an international syndicate to qualified investors (*investisseurs qualifiés*) as described in Article L.411-2 of the French *Code monétaire et financier* or (iii) in the case of non-syndicated issues of Notes denominated in currencies other than euro, if each of the subscribers of the Notes is domiciled or resident for tax purposes outside the Republic of France, in each case as more fully set out in the Circular of the *Direction Générale des Impôts* dated 30 September 1998. However, if so provided in the relevant Pricing Supplement, Notes constituting *obligations* denominated in currencies other than euro may be issued on a non-syndicated basis and placed with subscribers not all of whom are resident outside the Republic of France. In such cases, the Notes will not benefit from the exemption from deduction at source provided by Article 131 *quater* of the French General Tax Code and payments under such Notes made to a non-French resident will be exempt from withholding or deduction at source only if the beneficiary of the payment provides certification that he is not resident in the Republic of France, all in accordance with the provisions of Article 125 A III of the French General Tax Code, as more fully described in “Terms and Conditions of the Notes – Taxation”.

The tax regime applicable to Notes which do not constitute *obligations* will be set out in the relevant Pricing Supplement.

Interest Periods and Interest Rates

The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest

accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement.

Fixed Rate Notes

Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Pricing Supplement.

Floating Rate Notes

Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency pursuant to the 2001 *Fédération Bancaire Française* (“**FBF**”) Master Agreement relating to transactions on forward financial instruments (formerly 1994 AFB Master Agreement for Foreign Exchange and Derivatives Transactions as supplemented by the Technical Schedules published by the FBF), unless otherwise specified in the Pricing Supplement, or
- (ii) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the Pricing Supplement; or
- (iii) by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the relevant Pricing Supplement), in each case as adjusted for any applicable margin.

Interest periods will be specified in the relevant Pricing Supplement.

Zero Coupon Notes

Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.

Dual Currency Notes

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as may be specified in the relevant Pricing Supplement.

Index Linked Notes

Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula as may be specified in the relevant Pricing Supplement. Each issue of Index Linked Notes to be listed on Euronext Paris must be made in compliance with the *Principes Généraux* published from time to time by the *Commission des opérations de bourse* (“**COB**”), the *Conseil des marchés financiers* (“**CMF**”) and/or the *Autorité des marchés financiers* (“**AMF**”).

Structured Note Risks

The following paragraph does not describe all the risks of an investment in the Notes. Prospective investors should consult their own financial and legal advisers about risks associated with investment in a particular series of Notes and the suitability of investing in the Notes in light of their particular circumstances.

An investment in Notes the premium and/or the interest on or principal of which is determined by reference to one or more values of currencies, commodities, interest rates or other indices or formulae, either directly or inversely, may entail significant risks not associated with similar investments in a conventional debt security, including the risks that the resulting interest rate will be less than that payable on a conventional debt security at the same time and/or that an investor could lose all or a substantial portion of the principal of its Note.

Neither the current nor the historical value of the relevant currencies, commodities, interest rates or other indices or formulae should be taken as an indication of future performance of such currencies, commodities, interest rates or other indices or formulae during the term of any Note.

Other Notes	Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, Partly Paid Notes and any other type of Notes that the Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Pricing Supplement.
Redenomination	Notes issued in the currency of any Member State of the EU which will participate in the single currency of the European Economic and Monetary Union may be redenominated into Euro, all as more fully provided in “Terms and Conditions of the Notes – Form, Denomination, Title and Redenomination” below.
Consolidation	Notes of one Series may be consolidated with Notes of another Series as more fully provided in “Terms and Conditions of the Notes – Further Issues and Consolidation”.
Form of Notes	<p>Notes may be issued in either dematerialised form (“Dematerialised Notes”) or in materialised form (“Materialised Notes”).</p> <p>Dematerialised Notes which are dealt in on a regulated market may, at the option of the Issuer, be issued in bearer dematerialised form (<i>au porteur</i>) or in registered dematerialised form (<i>au nominatif</i>) and, in such latter case, at the option of the relevant Noteholder, in either <i>au nominatif pur</i> or <i>au nominatif administré</i> form. No physical documents of title will be issued in respect of Dematerialised Notes. Dematerialised Notes which are not dealt in on a regulated market will be issued in registered dematerialised form only and, at the option of the relevant Noteholder, in either <i>au nominatif pur</i> or <i>au nominatif administré</i> form. See Condition 1 “Terms and Conditions of the Notes – Form, Denomination, Title and Redenomination”.</p> <p>Materialised Notes will be in bearer materialised form (“Materialised Bearer Notes”) only. A Temporary Global Certificate will be issued initially in respect of each Tranche of Materialised Bearer Notes. Materialised Notes may only be issued outside France.</p>
Governing Law	French.
Clearing Systems	<p>Euroclear France as central depository in relation to Dematerialised Notes and, in relation to Materialised Notes, Clearstream, Luxembourg and Euroclear or any other clearing system that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.</p> <p>Notes which are listed on Euronext Paris will be cleared through Euroclear France.</p>
Initial Delivery of Dematerialised Notes	One Paris business day before the issue date of each Tranche of Dematerialised Notes, the <i>lettre comptable</i> relating to such Tranche shall be deposited with Euroclear France as central depository.
Initial Delivery of Materialised Notes	On or before the issue date for each Tranche of Materialised Bearer Notes, the Temporary Global Certificate issued in respect of such Tranche shall be deposited with a common depository for Euroclear and Clearstream, Luxembourg or with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer.

Issue Price	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.
Listing	<p>Euronext Paris and/or the Luxembourg Stock Exchange or as otherwise specified in the relevant Pricing Supplement. As specified in the relevant Pricing Supplement, a Series of Notes may be unlisted.</p> <p>However, the Euro Guidelines strongly recommend the listing of publicly offered notes and bonds (<i>obligations</i>) denominated in euro on Euronext Paris. Each Series of Notes listed on Euronext Paris must be issued in compliance with the <i>Principes Généraux</i> published from time to time by the COB, the CMF and/or the AMF..</p>
Selling Restrictions	<p>There are restrictions on the sale of Notes and the distribution of offering material in various jurisdictions. See “Subscription and Sale”. In connection with the offering and sale of a particular Tranche, additional selling restrictions may be imposed which will be set out in the relevant Pricing Supplement.</p> <p>The Notes constitute Category 2 securities for the purposes of Regulation S under the United States Securities Act of 1933, as amended.</p> <p>Materialised Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the “D Rules”) unless (i) the relevant Pricing Supplement states that such Materialised Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the “C Rules”) or (ii) such Materialised Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”), which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which TEFRA is not applicable.</p> <p>The TEFRA rules do not apply to any Dematerialised Notes.</p>
Rating	The Programme has been rated BBB by Standard & Poor’s Rating Services and Fitch Ratings and Baa2 by Moody’s Investors Services, Inc. Notes issued under the Programme may be rated or unrated. Notes, whether Unsubordinated or Subordinated, will have such rating, if any, as is assigned to them by the relevant rating organisation as specified in the relevant Pricing Supplement. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating assigned under the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Notes. In the case of Dematerialised Notes, the text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed, amended or varied by the relevant Pricing Supplement. In the case of Materialised Notes, either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed or attached on Definitive Materialised Bearer Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are issued by Renault S.A. (the “**Issuer**” or “**Renault**”) with the benefit of an agency agreement dated 20 June 2002 between the Issuer, BNP Paribas Securities Services, Luxembourg Branch as fiscal agent and the other agents named in it, as amended by a first supplemental agency agreement dated 12 May 2003 and a second supplemental agency agreement dated 9 June 2004 (the “**Agency Agreement**”). The fiscal agent, the paying agents, the redenomination agent, the consolidation agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Fiscal Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent), the “**Redenomination Agent**”, the “**Consolidation Agent**” and the “**Calculation Agent(s)**”. References below to “**Conditions**” are, unless the context requires otherwise, to the numbered paragraphs below.

Certain defined terms contained in the 2001 FBF Master Agreement relating to transactions on forward financial instruments (formerly the 1994 AFB Master Agreement for Foreign Exchange and Derivatives Transactions) as supplemented by the Technical Schedules published by the AFB or the FBF (together the “**FBF Master Agreement**”) have either been used or reproduced in Condition 5 below.

Copies of the Agency Agreement and of the FBF Master Agreement are available for inspection during normal business hours at the specified offices of each of the Paying Agents.

1 Form, Denomination(s), Title and Redenomination

- (a) **Form:** Notes may be issued either in dematerialised form (“**Dematerialised Notes**”) or in materialised form (“**Materialised Notes**”).
 - (i) Title to Dematerialised Notes will be evidenced in accordance with Article L.211-4 of the French *Code monétaire et financier* by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article 7 of Decree no. 83-359 of 2 May 1983) will be issued in respect of the Dematerialised Notes.

Dematerialised Notes which are dealt in on a regulated market (*admisses aux négociations sur un marché réglementé*) are issued, at the option of the Issuer, in either bearer dematerialised form (*au porteur*), which will be inscribed in the books of Euroclear France (“**Euroclear France**”) which shall credit the accounts of Account Holders, or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder in either administered registered form (*au nominatif administré*) inscribed in the books of an Account Holder or in fully registered form (*au nominatif pur*) inscribed in an account in the books of Euroclear France maintained by the Issuer or the registration agent (designated in the relevant Pricing Supplement) acting on behalf of the Issuer (the “**Registration Agent**”).

Dematerialised Notes which are not dealt in on a regulated market (*non admises aux négociations sur un marché réglementé*) are issued in registered dematerialised form (*au nominatif*) only and, at the option of the relevant Noteholder, in either administered registered form (*au nominatif administré*) or in fully registered form (*au nominatif pur*) inscribed as aforesaid.

For the purpose of these Conditions, “**Account Holder**” means any authorised financial intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V., as operator of the Euroclear System (“**Euroclear**”) and the depository bank for Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”).

- (ii) Materialised Notes are issued in bearer form (“**Materialised Bearer Notes**”). Materialised Bearer Notes are serially numbered and are issued with coupons (each, a “**Coupon**”) and, where appropriate, a talon (a “**Talon**”) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

In accordance with Article L.211-4 of the French Code monétaire et financier, securities (such as Notes) which are governed by French law and are in materialised form must be issued outside the French territory.

- (b) **Denomination(s):** Notes shall be issued in the specified denomination(s) as set out in the relevant Pricing Supplement (the “**Specified Denomination(s)**”). Dematerialised Notes shall be issued in one Specified Denomination only.

(c) **Title:**

- (i) Title to Dematerialised Notes in bearer dematerialised form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of Account Holders. Title to Dematerialised Notes in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Issuer or the Registration Agent.
- (ii) Title to Materialised Bearer Notes in definitive form having, where appropriate, Coupons, Receipt(s) and/or a Talon attached thereto on issue (“**Definitive Materialised Bearer Notes**”), shall pass by delivery.
- (iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note (as defined below), Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.
- (iv) In these Conditions, “**holder of Notes**” or “**holder of any Note**”, or “**Noteholder**” means (i) in the case of Dematerialised Notes, the person whose name appears in the account of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) as being entitled to such Notes and (ii) in the case of Materialised Notes, the bearer of any Definitive Materialised Bearer Note and the Receipts, Coupons (“**Receiptholder**” and “**Couponholder**” being construed accordingly), or Talon relating to it, and capitalised terms have the meanings given to them in the relevant Pricing Supplement, the absence of any such meaning indicating that such term is not applicable to the Notes.

(d) **Redenomination:**

- (i) The Issuer may (if so specified in the relevant Pricing Supplement), on any Interest Payment Date, without the consent of the holder of any Note, Receipt, Coupon or Talon, by giving at least 30 days’ notice in accordance with Condition 15 and on or after the date on which the European Member State in whose national currency the Notes are denominated has become a participating Member State in the single currency of the European Economic and Monetary Union (as provided in the Treaty establishing the European Community (the “**EC**”), as amended from time to time (the “**Treaty**”)), or events have occurred which have substantially the same effects (in either case, “**EMU**”), redenominate all, but not some only, of the Notes of any Series into Euro and adjust the aggregate principal amount and the Specified Denomination(s) set out in the relevant Pricing Supplement accordingly, as described below. The date on which such redenomination becomes effective shall be referred to in these Conditions as the “**Redenomination Date**”.

- (ii) Unless otherwise specified in the relevant Pricing Supplement, the redenomination of the Notes pursuant to Condition 1(d)(i) shall be made by converting the principal amount of each Note from the relevant national currency into Euro using the fixed relevant national currency Euro conversion rate established by the Council of the European Union pursuant to Article 123 (4) of the Treaty and rounding the resultant figure to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). If the Issuer so elects, the figure resulting from conversion of the principal amount of each Note using the fixed relevant national currency Euro conversion rate shall be rounded down to the nearest Euro. The Euro denominations of the Notes so determined shall be notified to Noteholders in accordance with Condition 15. Any balance remaining from the redenomination with a denomination higher than Euro 0.01 shall be paid by way of cash adjustment rounded to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). Such cash adjustment will be payable in Euro on the Redenomination Date in the manner notified to Noteholders by the Issuer.
- (iii) In the case of Dematerialised Notes only, the Issuer may also redenominate all, but not some only, of the Notes of any Series into euro in accordance with Article L.113-4 of the French *Code monétaire et financier* provided that references to the Franc or the ECU contained in such Article L.113-4 shall be deemed to be a reference to the currency of any Member State participating in the single currency of the European Economic and Monetary Union.
- (iv) Upon redenomination of the Notes, any reference in the relevant Pricing Supplement to the relevant national currency shall be construed as a reference to Euro.
- (v) Unless otherwise specified in the relevant Pricing Supplement, the Issuer may, with the prior approval of the Redenomination Agent and the Consolidation Agent, in connection with any redenomination pursuant to this Condition or any consolidation pursuant to Condition 14, without the consent of the holder of any Note, Receipt, Coupon or Talon, make any changes or additions to these Conditions or Condition 14 (including, without limitation, any change to any applicable business day definition, business day convention, principal financial centre of the country of the Specified Currency, interest accrual basis or benchmark), taking into account market practice in respect of redenominated euromarket debt obligations and which it believes are not prejudicial to the interests of such holders. Any such changes or additions shall, in the absence of manifest error, be binding on the holders of Notes, Receipts, Coupons and Talons and shall be notified to Noteholders in accordance with Condition 15 as soon as practicable thereafter.
- (vi) Neither the Issuer nor any Paying Agent shall be liable to the holder of any Note, Receipt, Coupon or Talon or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euro or any currency conversion or rounding effected in connection therewith.

2 Conversion and Exchanges of Notes

(a) Dematerialised Notes

- (i) Dematerialised Notes issued in bearer dematerialised form (*au porteur*) may not be converted into Dematerialised Notes in registered dematerialised form, whether in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).
- (ii) Dematerialised Notes issued in registered dematerialised form (*au nominatif*) may not be converted into Dematerialised Notes in bearer dematerialised form (*au porteur*).
- (iii) Dematerialised Notes issued in fully registered form (*au nominatif pur*) may, at the option of the Noteholder, be converted into Notes in administered registered form (*au nominatif administré*), and vice versa. The exercise of any such option by such Noteholder shall be made in accordance with Article 4 of Decree no. 83-359 of 2 May 1983. Any such conversion shall be effected at the cost of such Noteholder.

(b) Materialised Notes

Materialised Bearer Notes of one Specified Denomination may not be exchanged for Materialised Bearer Notes of another Specified Denomination.

3 Status

The obligations of the Issuer under the Notes may be either unsubordinated (“**Unsubordinated Notes**”) or subordinated (“**Subordinated Notes**”).

(a) Status of Unsubordinated Notes

The Unsubordinated Notes and, where applicable, any relative Receipts and Coupons are direct, general, unconditional, unsecured (subject to the provisions of Condition 4) and unsubordinated obligations of the Issuer and rank and will rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.

(b) Status of Subordinated Notes

(i) Subordination

Subordinated Notes (which term shall include both Subordinated Notes with a specified maturity date (“**Dated Subordinated Notes**”) and Subordinated Notes without a specified maturity date (“**Undated Subordinated Notes**”)) are unsecured subordinated obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves and *pari passu* with any other unsecured subordinated obligations of the Issuer with the exception of any *prêts participatifs* granted to the Issuer. If any judgement is rendered by any competent court declaring the transfer of the whole of its business (*cession totale de l'entreprise*) or the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason, the rights of payment of the holders of Subordinated Notes shall be subordinated to the payment in full of unsubordinated creditors and, subject to such payment in full, the holders of Subordinated Notes shall be paid in priority to any *prêts participatifs* granted to the Issuer. In the event of incomplete payment of unsubordinated creditors, the obligations of the Issuer in connection with the Subordinated Notes will be terminated. The holders of Subordinated Notes shall take all steps necessary for the orderly accomplishment of any collective proceedings or voluntary liquidation.

(ii) Dated Subordinated Notes

Unless otherwise specified in the relevant Pricing Supplement, payments of interest relating to Dated Subordinated Notes constitute obligations which rank equally with the obligations of the Issuer in respect of Unsubordinated Notes issued by the Issuer in accordance with Condition 3(a).

(iii) Undated Subordinated Notes

Unless otherwise specified in the relevant Pricing Supplement, payments of interest relating to Undated Subordinated Notes constitute obligations which rank equally with the obligations of the Issuer in respect of Unsubordinated Notes issued by the Issuer in accordance with Condition 3(a) and may be deferred in accordance with the provisions of Condition 5(h).

The use of the proceeds of issues of Undated Subordinated Notes will be set out in the applicable Pricing Supplement.

4 Negative Pledge

So long as any of the Unsubordinated Notes or, if applicable, any Receipts or Coupons relating to them, remains outstanding, the Issuer will not create or permit to subsist any mortgage, charge, pledge, lien or other security interest upon the whole or any part of its assets, present or future, to secure any present or future Indebtedness (as defined below) incurred or guaranteed by it (whether before or after the issue of the Unsubordinated Notes) unless the Issuer's obligations under the Unsubordinated Notes, Receipts and Coupons are equally and rateably secured therewith.

For the purposes of this Condition “**Indebtedness**” means any indebtedness for borrowed money, represented by bonds, notes, debentures or other assimilated debt securities which are for the time being, or are capable of being, quoted, listed or ordinarily traded in on any stock exchange, over-the-counter-market or other securities market.

This Condition 4 shall not apply to Subordinated Notes.

5 Interest and other Calculations

(a) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Business Day**” means:

- (i) in the case of Euro, a day on which the Trans European Automated Real Time Gross Settlement Express Transfer or any successor thereto (the “**TARGET System**”) is operating (a “**TARGET Business Day**”) and/or
- (ii) in the case of a specified currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency and/or
- (iii) in the case of a specified currency and/or one or more business centre(s) specified in the relevant Pricing Supplement (the “**Business Centre(s)**”), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres so specified

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the “**Calculation Period**”):

- (i) if “**Actual/365 – FBF**” is specified in the relevant Pricing Supplement, the fraction whose numerator is the actual number of days elapsed during the Calculation Period and whose denominator is 365. If part of that Calculation Period falls in a leap year, Actual /365 – FBF shall mean the sum of (i) the fraction whose numerator is the actual number of days elapsed during the non-leap year and whose denominator is 365 and (ii) the fraction whose numerator is the number of actual days elapsed during the leap year and whose denominator is 366
- (ii) if “**Actual/365**” or “**Actual/Actual – ISDA**” is specified in the relevant Pricing Supplement, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)
- (iii) if “**Actual/Actual-ISMA**” is specified in the relevant Pricing Supplement:
 - (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
 - (B) if the Calculation Period is longer than one Determination Period, the sum of:
 - the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

in each case where

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“**Determination Date**” means the date specified hereon or, if none is so specified, the Interest Payment Date

- (iv) if “**Actual/365 (Fixed)**” is specified in the relevant Pricing Supplement, the actual number of days in the Calculation Period divided by 365
- (v) if “**Actual/360**” is specified in the relevant Pricing Supplement, the actual number of days in the Calculation Period divided by 360
- (vi) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the relevant Pricing Supplement, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)) and
- (vii) if “**30E/360**” or “**Eurobond Basis**” is specified in the relevant Pricing Supplement, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)

“**Effective Date**” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the relevant Pricing Supplement or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates

“**Euro-zone**” means the region comprised of member states of the European Union that have adopted or adopt the single currency in accordance with the Treaty establishing the European Community, as amended

“**FBF Definitions**” means the definitions set out in the FBF Master Agreement, unless otherwise specified in the relevant Pricing Supplement

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date

“**Interest Amount**” means the amount of interest payable, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as the case may be

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified in the relevant Pricing Supplement

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Pricing Supplement or, if none is so specified, (i) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro or (ii) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (iii) the day falling two Business Days in the city specified in the Pricing Supplement for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro

“**Interest Payment Date**” means the date(s) specified in the relevant Pricing Supplement

“**Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date

“**Interest Period Date**” means each Interest Payment Date unless otherwise specified in the relevant Pricing Supplement

“**ISDA Definitions**” means the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the relevant Pricing Supplement

“**Page**” means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters Markets 3000 (“**Reuters**”) and Moneyline Telerate (“**Telerate**”)) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate, subject to amendment in respect of Notes listed on Euronext Paris, as disclosed in the Pricing Supplement

“**Rate of Interest**” means the rate of interest payable from time to time in respect of the Notes and that is either specified or calculated in accordance with the provisions in the relevant Pricing Supplement

“**Reference Banks**” means the institutions specified as such in the relevant Pricing Supplement or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the Euro-zone)

“**Relevant Financial Centre**” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such in the relevant Pricing Supplement or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be the Euro-zone) or, if none is so connected, Paris

“**Relevant Rate**” means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date

“**Relevant Time**” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Pricing Supplement or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre and for this purpose “**local time**” means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, 11.00 a.m., Brussels time

“**Representative Amount**” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such in the relevant Pricing Supplement or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time

“**Specified Currency**” means the currency specified as such in the relevant Pricing Supplement or, if none is specified, the currency in which the Notes are denominated and

“**Specified Duration**” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified in the relevant Pricing Supplement or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(c)(ii)

- (b) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date except as otherwise provided in the relevant Pricing Supplement.

If a Fixed Coupon Amount or a Broken Amount is specified in the relevant Pricing Supplement, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Pricing Supplement.

- (c) **Interest on Floating Rate Notes and Index Linked Interest Notes:**

(i) *Interest Payment Dates:* Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear (except as otherwise provided in the relevant Pricing Supplement) on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the relevant Pricing Supplement as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Pricing Supplement, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Pricing Supplement as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Pricing Supplement and, unless otherwise specified in the relevant Pricing Supplement, the provisions below relating to either FBF Determination or ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Pricing Supplement.

- (A) **FBF Determination for Floating Rate Notes**

Where FBF Determination is specified in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant FBF Rate. For the purposes of this sub-paragraph (A), “**FBF Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Transaction under the terms of an agreement incorporating the FBF Definitions and under which:

- (a) the Floating Rate is as specified in the relevant Pricing Supplement and
- (b) the relevant Floating Rate Determination Date (*Date de Détermination du Taux Variable*) is the first day of that Interest Accrual Period unless otherwise specified in the relevant Pricing Supplement

For the purposes of this sub-paragraph (A), “Floating Rate” (*Taux Variable*), “Calculation Agent” (*Agent*), “Floating Rate Determination Date” (*Date de Détermination du Taux Variable*) and “Transaction” (*Transaction*) have the meanings given to those terms in the FBF Definitions, provided that “Euribor” means the rate calculated for deposits in euro which appears on Telerate Page 248, as more fully described in the relevant Pricing Supplement.

(B) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph (B), “ISDA Rate” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (a) the Floating Rate Option is as specified in the relevant Pricing Supplement
- (b) the Designated Maturity is a period specified in the relevant Pricing Supplement and
- (c) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Pricing Supplement.

For the purposes of this sub-paragraph (B), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(C) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

- (a) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:
 - (i) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity) or
 - (ii) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page,

in each case appearing on such Page at the Relevant Time on the Interest Determination Date, subject to amendment in respect of Notes listed on Euronext Paris, as disclosed in the Pricing Supplement

- (b) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (a)(i) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (a)(ii) applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent and

- (c) if paragraph (b) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is Euro, in the Euro-zone as selected by the Calculation Agent (the “**Principal Financial Centre**”) are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).
- (iv) *Rate of Interest for Index Linked Interest Notes:* The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Pricing Supplement and interest will accrue by reference to an Index or Formula as specified in the relevant Pricing Supplement.
- (d) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon and is repayable prior to the Maturity Date is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(e)(i)).
- (e) **Dual Currency Notes:** In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating a Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the relevant Pricing Supplement.
- (f) **Partly Paid Notes:** In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the relevant Pricing Supplement.
- (g) **Accrual of interest:** Interest shall cease to accrue on each Note on the due date for redemption unless (i) in the case of Dematerialised Notes, on such due date or (ii) in the case of Materialised Notes, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).
- (h) **Deferral of interest:** In the case of Undated Subordinated Notes, interest shall be payable on each Compulsory Interest Payment Date (as defined below) in respect of the interest accrued in the Interest Period ending on the day immediately preceding such date. On any Optional Interest Payment Date (as defined below) there may be paid (if the Issuer so elects) the interest accrued in the Interest Period ending on the day immediately preceding such date but the Issuer shall not have any obligation to make such payment. Notice of any Optional Interest Payment Date shall (for so long as the rules of, or applicable to, any Stock Exchange so require) be given to the Noteholders in accordance with Condition 15 and to the relevant Stock Exchange. Such notice shall be given at least seven days prior to the relevant Optional Interest Payment Date(s). Any interest not paid on an Optional Interest Payment Date shall, so long as the same remains unpaid, constitute “**Arrears of Interest**” which term shall include interest on such unpaid interest as referred to below.

Arrears of Interest may, at the option of the Issuer, be paid in whole or in part at any time upon the expiration of not less than seven days' notice to such effect given to the Noteholders in accordance with Condition 15 but all Arrears of Interest on all Undated Subordinated Notes outstanding shall become due in full on whichever is the earliest of:

- (i) the Interest Payment Date immediately following the date upon which the General Meeting passed a resolution to pay a dividend on the ordinary share capital of the Issuer and
- (ii) (a) a judgement rendered by any competent court declaring the transfer of the whole of the business (*cession totale de l'entreprise*) or the judicial liquidation (*liquidation judiciaire*) of the Issuer or (b) the liquidation of the Issuer for any other reason.

If notice is given by the Issuer of its intention to pay the whole or part of Arrears of Interest, the Issuer shall be obliged to do so upon the expiration of such notice. When Arrears of Interest are paid in part, each such payment shall be applied in or towards satisfaction of the full amount of the Arrears of Interest accrued in respect of the earliest Interest Period in respect of which Arrears of Interest have accrued and have not been paid in full. Arrears of Interest shall (to the extent permitted by law) bear interest accruing (but only, in accordance with Article 1154 of the Civil Code, after such interest has accrued for a period of one year) and compounding on the basis of the exact number of days which have elapsed at the prevailing rate of interest on the Undated Subordinated Notes in respect of each relevant Interest Period. For these purposes the following expressions have the following meanings:

“**Compulsory Interest Payment Date**” means any Interest Payment Date unless at the General Meeting of the shareholders of the Issuer immediately preceding such date which was required to approve the annual accounts of the Issuer for the fiscal year ended prior to such General Meeting, no resolution was passed to pay a dividend on the ordinary share capital of the Issuer in respect of such previous fiscal year.

“**Optional Interest Payment Date**” means any Interest Payment Date, as the case may be, other than a Compulsory Interest Payment Date.

- (i) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding**
 - (i) If any Margin or Rate Multiplier is specified in the relevant Pricing Supplement (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (c) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph
 - (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the relevant Pricing Supplement, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be
 - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.
- (j) **Calculations:** The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises

two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

- (k) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Optional Redemption Amounts, Early Redemption Amounts and Instalment Amounts:** As soon as practicable after the relevant time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of, or applicable to, such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.
- (l) **Calculation Agent and Reference Banks:** The Issuer shall use its best efforts to procure that there shall at all times be four Reference Banks (or such other number as may be required by the Conditions) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the relevant Pricing Supplement and for so long as any Note is outstanding (as defined in the Agency Agreement). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Paris or Luxembourg, as appropriate office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid. So long as the Notes are listed on any stock exchange and the rules of, or applicable to, that stock exchange so require, notice of any change of Calculation Agent shall be given in accordance with Condition 15.

6 Redemption, Purchase and Options

- (a) **Final Redemption:** Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any option provided by the relevant Pricing Supplement including any Issuer's option in accordance with Condition 6(c) or any Noteholders' option in accordance with Condition 6(d), each Note shall be finally redeemed

on the Maturity Date specified in the relevant Pricing Supplement at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within Condition 6(b) below, its final Instalment Amount.

- (b) **Redemption by Instalments and Final Redemption:** Unless previously redeemed, purchased and cancelled as provided in this Condition 6 or the relevant Instalment Date (being one of the dates so specified in the relevant Pricing Supplement) is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 6(c) or (6)(d), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the relevant Pricing Supplement. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused (i) in the case of Dematerialised Notes, on the due date for such payment or (ii) in the case of Materialised Notes, on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (c) **Redemption at the Option of the Issuer, Exercise of Issuer's Options and Partial Redemption:** If a Call Option is specified in the relevant Pricing Supplement, the Issuer may, subject to compliance by the Issuer with all relevant laws, regulations and directives and on giving not less than 15 nor more than 30 days' irrevocable notice in accordance with Condition 15 to the Noteholders (or such other notice period as may be specified in the relevant Pricing Supplement), redeem or exercise any Issuer's option (as may be described) in relation to all, or, if so provided, some, of the Notes on any Optional Redemption Date or Option Exercise Date, as the case may be. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption (including, where applicable, any Arrears of Interest), if any. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed specified in the relevant Pricing Supplement and no greater than the maximum nominal amount to be redeemed specified in the relevant Pricing Supplement.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's option in respect of Materialised Notes, the notice to holders of such Materialised Notes shall also contain the number of the Definitive Materialised Bearer Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange requirements.

In the case of a partial redemption of or a partial exercise of an Issuer's option in respect of Dematerialised Notes, the redemption may be effected, at the option of the Issuer, either (i) by reducing the nominal amount of all such Dematerialised Notes in a Series in proportion to the aggregate nominal amount redeemed or (ii) by redeeming in full some only of such Dematerialised Notes and, in such latter case, the choice between those Dematerialised Notes that will be fully redeemed and those Dematerialised Notes of any Series that will not be redeemed shall be made in accordance with Article 9 of Decree no. 83-359 of 2 May 1983 and the provisions of the relevant Pricing Supplement, subject to compliance with any other applicable laws and stock exchange requirements.

So long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that Stock Exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in a leading newspaper of general circulation in Luxembourg a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes a list of any Definitive Materialised Bearer Notes drawn at random for redemption but not surrendered.

- (d) **Redemption at the Option of Noteholders and Exercise of Noteholders' Options:** If a Put Option is specified in the relevant Pricing Supplement the Issuer shall, at the option of the Noteholder, upon the Noteholder giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the relevant Pricing Supplement) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption including, where applicable, any Arrears of Interest.

To exercise such option or any other Noteholders' option that may be set out in the relevant Pricing Supplement (which must be exercised on an Option Exercise Date) the Noteholder must deposit with any Paying Agent at its specified office during usual business hours a duly completed option exercise notice (the "**Exercise Notice**") in the form obtained during usual business hours from any Paying Agent or the Registration Agent, as the case may be, within the notice period. Such notice shall, in the case of Materialised Bearer Notes, have attached to it such Note (together with all unmatured Receipts and Coupons and unexchanged Talons). In the case of Dematerialised Notes, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Paris Paying Agent specified in the Exercise Notice. No option so exercised and, where applicable, no Note so deposited or transferred may be withdrawn without the prior consent of the Issuer.

(e) **Early Redemption:**

(i) Zero Coupon Notes:

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Nominal Amount (calculated as provided below) of such Note unless otherwise specified in the relevant Pricing Supplement.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Nominal Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Pricing Supplement, shall be such rate as would produce an Amortised Nominal Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Nominal Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Amortised Nominal Amount becomes due and payable were the Relevant Date. The calculation of the Amortised Nominal Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(d).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the relevant Pricing Supplement.

(ii) Other Notes:

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(f), or upon it becoming due and payable as provided in Condition 9 shall be the Final

Redemption Amount together with interest accrued to the date fixed for redemption (including, where applicable, any Arrears of Interest) unless otherwise specified in the relevant Pricing Supplement.

(f) **Redemption for Taxation Reasons:**

- (i) If, by reason of any change in French law, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Conditions 8(a) and 8(b) below, the Issuer may, at its option, on any Interest Payment Date or, if so specified in the relevant Pricing Supplement, at any time, subject to having given not more than 60 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15, redeem all, but not some only, of the Notes at their Early Redemption Amount together with, unless otherwise specified in the relevant Pricing Supplement, any interest accrued to the date set for redemption (including, where applicable, any Arrears of Interest) provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.
 - (ii) If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders or, if applicable, Couponholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Conditions 8(a) and 8(b) below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven days' prior notice to the Noteholders in accordance with Condition 15, redeem all, but not some only, of the Notes then outstanding at their Redemption Amount together with, unless otherwise specified in the relevant Pricing Supplement, any interest accrued to the date set for redemption (including, where applicable, any Arrears of Interest) on (A) the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Noteholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) 14 days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified in the relevant Pricing Supplement, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Notes, or, if applicable, Receipts or Coupons or, if that date is passed, as soon as practicable thereafter.
- (g) **Partly Paid Notes:** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified in the relevant Pricing Supplement.
- (h) **Purchases:** The Issuer shall have the right at all times to purchase Notes (provided that, in the case of Materialised Notes, all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price, subject to the applicable laws and/or regulations.
- (i) **Cancellation:** All Notes purchased by or on behalf of the Issuer must be cancelled, in the case of Dematerialised Notes, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Bearer Notes, by surrendering to the Fiscal Agent the Temporary Global Certificate and the Definitive Materialised Bearer Notes in question together with all unmatured Receipts and Coupons and all unexchanged Talons and, in each case, if so transferred or surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised Notes, all rights relating to payment of interest and other amounts relating to such Dematerialised Notes and, in the case of Materialised Notes, all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith).

Any Notes so cancelled or, where applicable, transferred or surrendered for cancellation may not be re-issued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

- (j) **Illegality:** If, by reason of any change in French law, or any change in the official application of such law, becoming effective after the Issue Date, it will become unlawful for the Issuer to perform or comply with one or more of its obligations under the Notes, the Issuer will, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15, redeem all, but not some only, of the Notes at their Early Redemption Amount together with any interest accrued to the date set for redemption (including, where applicable, any Arrears of Interest).

7 Payments and Talons

- (a) **Dematerialised Notes:** Payments of principal and interest (including, for the avoidance of doubt, any Arrears of Interest, where applicable) in respect of Dematerialised Notes shall (in the case of Dematerialised Notes in bearer dematerialised form or administered registered form) be made by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the Noteholders and, (in the case of Dematerialised Notes in fully registered form), to an account denominated in the relevant currency with a Bank (as defined below) designated by the Noteholders. All payments validly made to such Account Holders will be an effective discharge of the Issuer in respect of such payments.
- (b) **Materialised Bearer Notes:** Payments of principal and interest (including, for the avoidance of doubt, any Arrears of Interest, where applicable) in respect of Materialised Bearer Notes shall, subject as mentioned below, be made against presentation and surrender during usual business hours of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Materialised Bearer Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the Noteholder, by transfer to an account denominated in such currency with, a Bank.

“Bank” means a bank in the principal financial centre for such currency or, in the case of Euro, in a city in which banks have access to the TARGET System.
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Materialised Bearer Notes are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (d) **Payments Subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Appointment of Agents:** The Fiscal Agent, the Paying Agents, the Calculation Agent, the Redenomination Agent and the Consolidation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Redenomination Agent, the Consolidation Agent and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each case such, do not assume any obligation or relationship of agency for any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Redenomination Agent, the

Consolidation Agent and the Registration Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) a Redenomination Agent and a Consolidation Agent where the Conditions so require, (iv) Paying Agents having specified offices in at least two major European cities (including Paris so long as the Notes are listed on Euronext Paris and/or Luxembourg so long as the Notes are listed on the Luxembourg Stock Exchange and, in either case, so long as the rules of , or applicable to, the relevant Stock Exchange so require) (v) in the case of Materialised Notes, a Paying Agent with a specified office in a European Union Member State (which may be any of the Paying Agents referred to in (iv) above) that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments, or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such Directive, (vi) in the case of Dematerialised Notes, in fully registered form, a Registration Agent and (vii) such other agents as may be required by any other stock exchange on which the Notes may be listed.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Materialised Bearer Notes denominated in U.S. Dollars in the circumstances described in paragraph (c) above.

On a redenomination of the Notes of any Series pursuant to Condition 1(d) with a view to consolidating such Notes with one or more other Series of Notes, in accordance with Condition 14, the Issuer shall ensure that the same entity shall be appointed as both Redenomination Agent and Consolidation Agent in respect of both such Notes and such other Series of Notes to be so consolidated with such Notes.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 15.

(f) Unmatured Coupons and Receipts and unexchanged Talons:

- (i) Unless Materialised Bearer Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Materialised Bearer Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (together, where applicable, with the amount of any Arrears of Interest corresponding to such Coupon) (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon (together, where applicable, with the amount of any Arrears of Interest corresponding to such Coupon) that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Amortised Nominal Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 10).
- (ii) If Materialised Bearer Notes so provide, upon the due date for redemption of any such Materialised Bearer Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Materialised Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Materialised Bearer Note that is redeemable in instalments, all Receipts relating to such Materialised Bearer Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

- (v) Where any Materialised Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Materialised Bearer Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, (including, for the avoidance of doubt, any Arrears of Interest if applicable) shall only be payable against presentation (and surrender if appropriate) of the relevant Definitive Materialised Bearer Note. Interest accrued on a Materialised Bearer Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Materialised Bearer Notes.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 10).
- (h) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the Noteholder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised Notes, on which Euroclear France is open for business or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “**Financial Centres**” in the relevant Pricing Supplement and (B) (i) (in the case of a payment in a currency other than Euro), where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii) (in the case of a payment in Euro), which is a TARGET Business Day.

8 Taxation

- (a) **Tax exemption for Notes issued or deemed to be issued outside France:** Interest and other revenues with respect to Notes which constitute *obligations* and which, as may be specified in the relevant Pricing Supplement, are being issued or deemed to be issued outside the Republic of France benefit from the exemption provided for in Article 131 *quater* of the French General Tax Code from deduction of tax at source. Accordingly such payments do not give the right to any tax credit from any French source. The tax regime applicable to Notes which do not constitute *obligations* will be set out in the relevant Pricing Supplement.

As to the meaning of the expression “issued or deemed to be issued outside the Republic of France” see “Summary of the Programme – Taxation” above.

- (b) **Additional Amounts:** If French law should require that payments of principal or interest in respect of any Note, Receipt or Coupon be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if applicable, the Receiptholders and the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon, as the case may be:
 - (i) **Other connection:** to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the Republic of France other than the mere holding of the Note, Receipt or Coupon; or

- (ii) **Presentation more than 30 days after the Relevant Date in the case of Materialised Notes:** more than 30 days after the Relevant Date except to the extent that the Noteholder would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day.
- (iii) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments, or any other EU Directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iv) **Payment by another paying agent in the case of Materialised Notes:** presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another paying agent in a Member State of the EU.

As used in these Conditions, “**Relevant Date**” in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due (and, for the avoidance of doubt, in the case of Arrears of Interest, references to “becomes due” shall be interpreted in accordance with the provisions of Condition 5(h)) or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or, in the case of Materialised Notes (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note, Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Nominal Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts (including, for the avoidance of doubt, all Arrears of Interest) payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition.

- (c) **Tax exemption for Notes not issued or deemed to be issued outside France:** Interest and other revenues with respect to Notes which, if so specified in the relevant Pricing Supplement, are not being issued or deemed to be issued outside the Republic of France only benefit from the exemption from deduction of tax at source provided by, and subject to the provisions of, Article 125 A III of the French General Tax Code, which requires *inter alia*, certification of non-French residency.
- (d) **Certification of Non-Residency in France:** Each Noteholder shall be responsible for supplying certification of non-residency (a form of which shall be available at the specified offices of any of the Paying Agents or in such other form as may be required by the French tax authorities from time to time) in accordance with the provisions of Article 125 A III of the French General Tax Code and the Issuer shall not be responsible for any deduction or withholding in respect of any payment made under any Note, Receipt or Coupon resulting from the failure of such Noteholder to submit such certification.

9 Events of Default

The Representative (as defined in Condition 11), upon request of any Noteholder, may, upon written notice to the Fiscal Agent given before all defaults shall have been cured, cause all the Notes (but not some only) held by such Noteholder to become immediately due and payable at their principal amount, together with any accrued interest thereon, as of the date on which such notice for payment is received by the Fiscal Agent without further formality, if any of the following events (each an “**Event of Default**”) shall occur:

- (a) **Unsubordinated Notes:** In the case of Unsubordinated Notes:
- (i) the Issuer defaults in making the payment of any principal or interest (including the payment of any additional amounts in accordance with Condition 8) due in respect of the Notes or any of them and such default continues for a period of seven (7) days in the case of principal and fourteen (14) days in the case of interest; or
 - (ii) the Issuer fails to perform or observe any of its other obligations under these Terms and Conditions and (except where such failure is incapable of remedy when no such notice or continuation as is hereinafter mentioned will be required) such failure continues for the period of 30 days next following the service by the Representative on the Issuer of notice requiring the same to be remedied at the request of any Noteholder; or
 - (iii) any Relevant Indebtedness (as defined below) of the Issuer becomes due and repayable prematurely by reason of an event of default (however described) or the Issuer fails to make any payment in respect thereof on the due date for such payment as extended by any applicable grace period as originally provided or the security for any such Relevant Indebtedness becomes enforceable unless, in each case, the Issuer is contesting in good faith in a court of competent jurisdiction that such Relevant Indebtedness is due or that such security is enforceable.
- “**Relevant Indebtedness**” means Indebtedness (as defined in Condition 4) which (either alone or when aggregated with the principal amounts of any other such Indebtedness in respect of which any of the events described above have occurred) amounts to €50,000,000 in aggregate principal amount; or
- (iv) the Issuer shall cease or threaten to cease to carry on the whole or the major part of its business either through the Issuer or any of its consolidated subsidiaries, or the Issuer shall cease generally to pay, or shall be unable to, or shall admit inability to, service its debt as it falls due, or shall be adjudicated or found bankrupt or insolvent; or
 - (v) if the Issuer applies for the appointment of a conciliator (*conciliateur*), or ceases to pay its debts generally as and when they fall due or enter into an amiable settlement (*accord amiable*) with its creditors or a judgment is issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or for a transfer of the whole of its business (*cession totale de l'entreprise*), or in the absence of legal proceedings, if the Issuer makes a conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors, or a resolution is passed for its winding-up or dissolution except in connection with a merger or other reorganisation, consolidation or amalgamation pursuant to which the surviving entity assumes all of the obligations of the Issuer with respect to the Notes.
- (b) **Subordinated Notes:** In the case of Subordinated Notes and in accordance with Condition 3(b), if any judgment shall be issued for the transfer of the whole of its business (*cession totale de l'entreprise*) or the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason then the Subordinated Notes shall become immediately due and payable, in accordance with Condition 3(b), at their principal amount together with any accrued interest to the date of payment and where applicable, any Arrears of Interest, without further formality.

10 Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

11 Representation of Noteholders

Except as otherwise provided by the relevant Pricing Supplement, Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a masse (in each case, the “Masse”).

The Masse will be governed by the provisions of the French Code of Commerce with the exception of Articles L.228-48 and L.228-59 and by the decree no. 67-236 of 23 March 1967, with the exception of Articles 218, 222 and 224 of such decree subject to the following provisions:

(a) **Legal Personality**

The Masse will be a separate legal entity and will act in part through a representative (the “**Representative**”) and in part through a general meeting of the Noteholders (the “**General Meeting**”).

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

(b) **Representative**

The office of Representative may be conferred on a person of any nationality who agrees to perform such function. However, the following persons may not be chosen as Representatives:

- (i) the Issuer, the members of its Board of Directors (*Conseil d'administration*), its Supervisory Board (*Conseil de surveillance*), its general managers (*directeurs généraux*), its statutory auditors, or its employees as well as their ascendants, descendants and spouse; or
- (ii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors, Executive Board (*Directoire*), or Supervisory Board (*Conseil de surveillance*), their statutory auditors, or employees as well as their ascendants, descendants and spouse; or
- (iii) companies holding 10 per cent. or more of the share capital of the Issuer or companies having 10 per cent. or more of their share capital held by the Issuer; or
- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The names and addresses of the initial Representative of the Masse and its alternate will be set out in the relevant Pricing Supplement. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Pricing Supplement.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the General Meeting.

All interested parties will at all times have the right to obtain the names and addresses of the initial Representative and the alternate Representative at the head office of the Issuer and the specified offices of any of the Paying Agents.

(c) **Powers of Representative**

The Representative shall (in the absence of any decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

The Representative may not be involved in the management of the affairs of the Issuer.

(d) **General Meeting**

A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer and the

Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, time, place and agenda of any General Meeting will be published as provided under Condition 15.

Each Noteholder has the right to participate in a General Meeting in person or by proxy. Each Note carries the right to one vote or, in the case of Notes issued with more than one Specified Denomination, one vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

(e) Powers of the General Meetings

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase amounts payable by Noteholders, nor establish any unequal treatment between the Noteholders, nor decide to convert Notes into shares.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least a quarter of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by Noteholders attending such General Meetings or represented thereat.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 15.

(f) Information to Noteholders

Each noteholder or Representative thereof will have the right, during the 15-day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer, at the specified offices of any of the Paying Agents during usual business hours and at any other place specified in the notice of the General Meeting.

(g) Expenses

The Issuer will pay all expenses relating to the operation of the Masse, including expenses relating to the calling and holding of General Meetings and, more generally, all administrative expenses resolved upon by the General Meeting, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

(h) Single Masse

The holders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of such first mentioned Series in accordance with Condition 14, shall, for the defence of their respective common interests, be grouped in a single Masse. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all such Series.

12 Modifications

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

13 Replacement of definitive Notes, Receipts, Coupons and Talons

If, in the case of any Materialised Bearer Notes, a Definitive Materialised Bearer Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Definitive Materialised Bearer Note, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Definitive Materialised Bearer Notes, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Materialised Bearer Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

14 Further Issues and Consolidation

- (a) **Further Issues:** Unless otherwise specified in the relevant Pricing Supplement, the Issuer may from time to time without the consent of the Noteholders, Receiptholders or Couponholders create and issue further notes to be assimilated (*assimilées*) and form a single series with the Notes provided such Notes and the further notes carry rights identical in all respects (or in all respects save for the principal amount thereof and the first payment of interest in the relevant Pricing Supplement) and that the terms of such further notes provide for such assimilation and references in these Conditions to “Notes” shall be construed accordingly.
- (b) **Consolidation:** The Issuer may, with the prior approval (which shall not be unreasonably withheld) of the Redenomination and Consolidation Agent, from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than 30 days’ prior notice to the Noteholders in accordance with Condition 15, without the consent of the Noteholders, Receiptholders or Couponholders, consolidate the Notes of one Series with the Notes of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in Euro, provided such other Notes have been redenominated in Euro (if not originally denominated in Euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

15 Notices

- (a) Notices to the holders of Dematerialised Notes in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing, or, (ii) at the option of the Issuer, they are published in a leading daily newspaper of general circulation in Europe. Provided that, so long as such Notes are listed on any stock exchange(s), notices shall be valid if published in a daily newspaper with general circulation in the city/ies where the stock exchange(s) on which such Notes is/are listed which (x) in the case of Euronext Paris, is expected to be *La Tribune* or *Les Echos* and (y) in the case of the Luxembourg Stock Exchange, is expected to be the *Luxemburger Wort*.
- (b) Notices to the holders of Materialised Bearer Notes and Dematerialised Notes in bearer form shall be valid if published in a daily leading newspaper of general circulation in Europe and so long as such Notes are listed on any stock exchange, in a leading daily newspaper with general circulation in the city/ies where the stock exchange(s) on which such Notes is/are listed which (i) in the case of Euronext Paris, is expected to be *La Tribune* or *Les Echos*, and (ii) in the case of the Luxembourg Stock Exchange, is expected to be the *Luxemburger Wort*.
- (c) If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as

provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Bearer Notes in accordance with this Condition.

- (d) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication as required by Conditions 15 (a), (b) and (c) above; except that (i) so long as such Notes are listed on any stock exchange(s) and the rules of, or applicable to, that stock exchange so require, notices shall also be published in a daily newspaper with general circulation in the city/ies where the stock exchange(s) on which such Notes is/are listed and (ii) notices relating to the convocation and decision(s) of the General Meetings pursuant to Condition 11 shall also be published in a leading newspaper of general circulation in Europe.

16 Governing Law and Jurisdiction

- (a) **Governing Law:** The Notes (and, where applicable, the Receipts, the Coupons and the Talons) are governed by, and shall be construed in accordance with, French law.
- (b) **Jurisdiction:** Any claim against the Issuer in connection with any Notes, Receipts, Coupons or Talons may be brought before any competent court of the jurisdiction of the Versailles Court of Appeal.

TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF MATERIALIZED BEARER NOTES

Temporary Global Certificates

A Temporary Global Certificate, without interest Coupons, will initially be issued in connection with Materialised Bearer Notes. Upon the initial deposit of such Temporary Global Certificate with a common depository for Euroclear and Clearstream, Luxembourg (the “**Common Depository**”), Euroclear or Clearstream, Luxembourg will credit the accounts of each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

The Common Depository may also credit with a nominal amount of Notes the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, a nominal amount of Notes that is initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

Exchange

Each Temporary Global Certificate issued in respect of Notes will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

- (i) if the relevant Pricing Supplement indicates that such Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “Summary of the Programme – Selling Restrictions”), in whole, but not in part, for the Definitive Materialised Bearer Notes and
- (ii) otherwise, in whole but not in part upon certification as to non-U.S. beneficial ownership (a form of which shall be available at the specified offices of any of the Paying Agents) for Definitive Materialised Bearer Notes.

Delivery of Definitive Materialised Bearer Notes

On or after its Exchange Date, the holder of a Temporary Global Certificate may surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. In exchange for any Temporary Global Certificate, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Bearer Notes. In this Offering Circular, Definitive Materialised Bearer Notes means, in relation to any Temporary Global Certificate, the Definitive Materialised Bearer Notes for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Temporary Global Certificate and a Talon). Definitive Materialised Bearer Notes will be security printed in accordance with any applicable legal and stock exchange requirements. Forms of such Definitive Bearer Materialised Notes shall be available at the specified offices of any of the Paying Agent(s).

Exchange Date

“**Exchange Date**” means, in relation to a Temporary Global Certificate, the day falling after the expiry of 40 days after its issue date, provided that, in the event any further Materialised Notes are issued prior to such day pursuant to Condition 14(a), the Exchange Date for such Temporary Global Certificate shall be postponed to the day falling after the expiry of 40 days after the issue of such further Materialised Notes.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used for the Issuer's general corporate purposes unless otherwise specified in the relevant Pricing Supplement.

DESCRIPTION OF RENAULT

For a full description of the Issuer, please refer to the Document de Référence filed with the AMF on 11 March 2004 under No. D. 04-0243.

Introduction

Renault is a société anonyme established under French law, governed by the French Commercial Code. Renault was formed on 16 January 1945 and will cease to exist on 31 December 2088 except in the case of early termination or renewal. It is registered with the Registry of Commerce of Nanterre under number 441.639.465 and its registered office is at 13-15 Quai Alphonse Le Gallo 92100 Boulogne-Billancourt, France.

Share Capital

Listing:	Renault's shares are listed on the Euronext Paris S.A. <i>Premier Marché</i> and are eligible for the <i>Service de Règlement différé</i> .
Type:	shares of a single class.
Number:	284,937,118 shares, corresponding to all the shares constituting the share capital of Renault.
Par value:	3.81 euros.

Background

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

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

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

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. The Renault 5, which remains one of the Group's best-selling models ever, was launched in 1972. But in 1984, the company ran into financial difficulties. As a result, it concentrated on restructuring and refocusing on core activities, and returned to profit in 1987.

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

One year later, the French government opened Renault to outside capital, a first step towards privatization, which took place in July 1996.

From the Type A Voiturette, created by Louis Renault in 1898, to the latest arrival, Mégane II, Renault has been the source of many ground-breaking concepts in automotive history: the 4 CV in 1946; the Renault 4 in 1961; the Renault 16, with its rear hatch and modular interior, in 1965; the Renault 5 with its polyester bumpers in 1972; turbo-powered vehicles starting in 1980; Espace in 1984; Twingo in 1993; and Mégane Scenic in 1996 are just some of the models that have contributed to the company's tradition of innovation.

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

In 2000, this expansion continued, with Renault raising its stake in Dacia to 80.1% (increased to 92.7% in 2001 and to 99.13% in 2003) and acquiring a new brand – Samsung Motors in South Korea.

In 2001, Renault and Volvo joined forces to form the world's second-biggest truck manufacturer; Renault became the main shareholder in the Volvo group, with a 20% stake.

In 2002, Renault and Nissan implemented the second stage of their Alliance, aimed at strengthening their equity ties and creating a joint strategic command structure. The plan was endorsed by an Extraordinary General Meeting of Renault Shareholders on 28 March 2002. Renault raised its stake in Nissan from 36.8% to 44.4%. Furtherly Nissan took a 15% ownership interest in Renault through Nissan Finance Co., Ltd. To underpin the move to strengthen the Alliance, the French government reduced its holding in Renault to 25.9%. The government's ownership interest was then further reduced to 15.65% in 2003 by selling shares both to Renault's employees and on the market.

Renault also sold its holding in Irisbus to Iveco. Irisbus will keep the right to use the Renault brand name for its vehicles until June 2005. In terms of new products, 2002 saw the launch of Mégane II (Hatch and Sport Hatch versions), Vel Satis and Espace IV.

2003 was the year of Mégane II, with five new body styles following on from the two vehicles launched in 2002. With Scénic II, Grand Scénic (unveiled in 2003 and launched early in 2004) , Mégane coupé-cabriolet, Mégane 4-door sedan and Mégane station wagon, a total of 7 models have been launched in 17 months. Mégane II was the best-selling model in Europe in 2003. In Formula 1, Renault finished 4th in the constructors' championship.

The Group signed three major international agreements to build and market X90 (a family vehicle with a €5,000 price tag) in Russia, Iran and Morocco.

Structure of the Renault Group with its Strategic Shareholdings

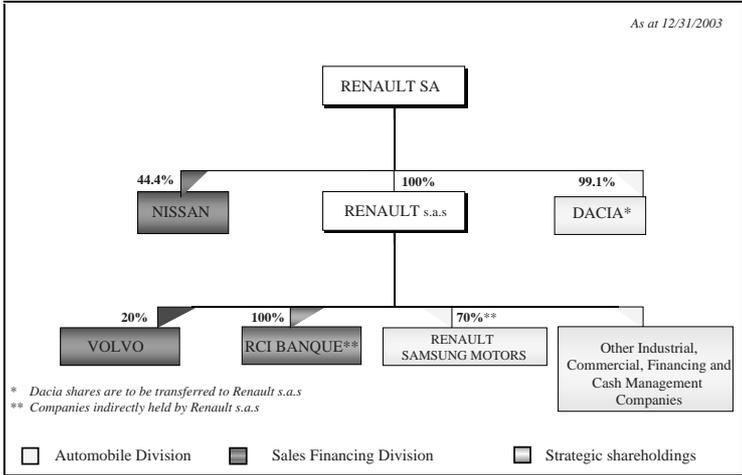
The strengthening of the Alliance between Renault and Nissan in 2002 made it necessary to reorganize Renault and create a société par actions simplifiée (simplified joint-stock company – s.a.s.). The new entity, Renault s.a.s., is wholly owned by Renault and encompasses its principal operating assets. Since the final agreement, signed with Volvo on 2 January 2001, the Group's activities have been divided into two main divisions:

1. Automobile Division
2. Sales Financing Division

In addition to these two divisions, Renault has two strategic shareholdings:

- in AB Volvo
- in Nissan

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



The Renault-Nissan Alliance

On 27 March 1999 Renault and Nissan signed a partnership agreement forming a bi-national automobile group of global scale. The Renault-Nissan Alliance has annual output of close to 5 million units and offers a full range of vehicles marketed under five brands: Nissan and Infiniti under the Nissan badge and Renault, Dacia and Samsung within the Renault Group. The Alliance's commercial and industrial presence extends to most of the world's markets, with strong positions in Japan, Western Europe and the US.

The aim of the Alliance is to boost the performance of Renault and Nissan, based on clear principles and a unique approach. The Alliance is founded on two key principles and a specific approach.

Two founding principles

- Share resources to develop synergies and realize economies of scale by leveraging the complementary strengths of both companies;
- Preserve the separate brand identities to maintain strong brand image and appeal to the broadest customer base.

The second phase started in 2002, ahead of schedule

In accordance with the principles set out in the initial agreements, the second stage of the Renault-Nissan Alliance was engaged in 2002. This phase aimed to create a community of interests between Renault and Nissan, underpinned by stronger equity ties. It involved establishing an Alliance Board tasked with defining Alliance strategy, taking or proposing a number of major decisions and supervising the implementation of collaborative projects.

Nissan's direct interest in Renault's results forms a genuine community of interests

On 1 March 2002 Renault increased its equity stake in Nissan from 36.8% to 44.4% by exercising the warrants it had held since 1999.

At the same time, Nissan took a stake in Renault's capital, giving it a direct interest in its partner's results, as was already the case for Renault in Nissan. Nissan Finance Co., Ltd., a wholly-owned Nissan subsidiary, acquired 15% of Renault's capital through two reserved capital increases, on 29 March and 28 May 2002. However, under the French stock market regulations, Nissan Finance Co., Ltd. cannot exercise the voting rights attached to these shares. To lend weight to the Alliance, the French government reduced its stake in Renault to 25.9%. In December 2003, the French government reduced its stake in Renault to 15.65%.

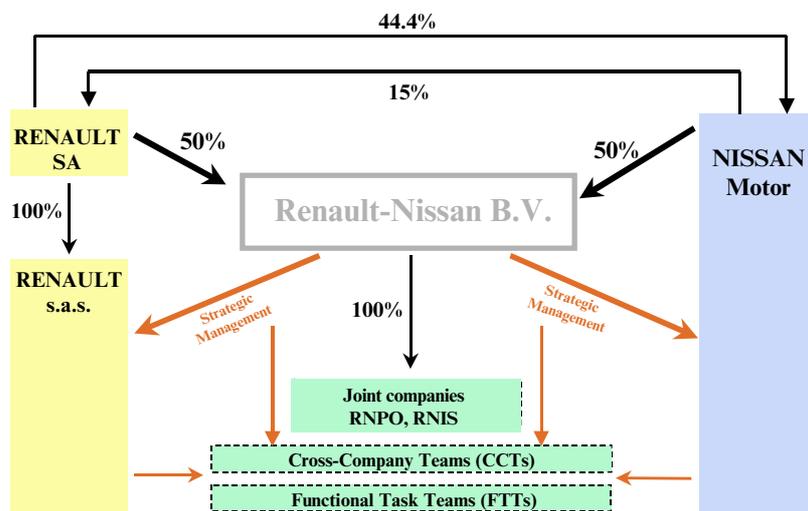
In addition, each company reinforced its presence on the other's Board of Directors. Following the increases in equity stakes in 2002, an additional Nissan director was appointed to Renault's Board, giving Nissan two out of a total of 16 seats. Renault holds three out of seven seats on Nissan's Board.

The Alliance Structure

The second facet of the new agreement called for a strategic management company. Renault-Nissan b.v. was therefore set up, incorporated under Dutch law and equally owned by Renault and Nissan Motor Co., Ltd.

The Alliance Board of Renault-Nissan b.v. (the "**Alliance Board**") replaces the Global Alliance Committee (GAC), the decision-making body set up in 1999, but it has a broader role and enhanced powers. The first meeting of the Alliance Board was held on 29 May 2002.

Both Renault and Nissan continue to manage their business and to 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.



The Alliance Board

The Alliance Board is composed of eight members: Renault's Chairman and CEO, who presides, the President and CEO of Nissan Motor Co., Ltd., who acts as Vice President, three members appointed by Renault's Board of Directors, acting on a recommendation from its Chairman and CEO, and three members designated by the Board of Directors of Nissan Motor Co., Ltd. In the event of a tied vote, the President has the casting vote.

Outlook

Renault expects the automobile market in 2004 to edge upwards in Europe and increase slightly in the main countries in which the group operates outside Europe. Amid sluggish markets, Renault will benefit from a Mégane family at full strength as well as from heightened competitiveness, primarily as a result of cooperative ventures within the Alliance. In addition, Renault will pursue its international development and will be looking to grow volumes outside Western Europe. Overall, assuming no significant changes in major exchange rates compared to the current situation, the group has set itself the objective of achieving operating margin of around 4.5% of revenues in 2004. Renault also anticipates a further increase in net earnings.

Share price

Renault is listed on the *Premier Marché* of Euronext Paris. The shares qualified for the *Service de Règlement Différé* (SRD) on 17 November 1994 when the company was partially privatized. The share price for the privatization issue was FRF165 (€25.15). The Euroclear clearing code of the shares is 13 190.

Renault was added to the CAC 40 index on 9 February 1995.

The share is also a component of the SBF 120 and SBF 250 indexes as well as the Euronext 100 and Euronext 150 indexes.

In addition to Renault, the parent company, one subsidiary is also publicly traded:

- *Renault Argentina is listed on the Buenos Aires stock exchange. Cofal holds 61.1% of the share capital, Renault Holding 19.1% and Renault 0.2%.*

In May 2003 a mandatory buyout offer was made for Dacia, of which Renault owns 99%. As a result, the company is no longer listed on the Bucharest stock exchange.

Ownership structure

Ownership of shares and voting rights, 2001-2003

	12/31/2003			12/31/2002			12/31/2001		
	No. of shares	Holding (%)	Voting rights (%)	No. of shares	Holding (%)	Voting rights (%)	No. of shares	Holding (%)	Voting rights (%)
French State	44,588,484	15.65	19.33	73,829,004	25.91	31.83	106,037,141	43.78	45.39
Nissan Finance Co, Ltd	42,740,568	15.00	-	42,740,568	15.00	-	-	-	-
Associated Shareholders' Group.....	-	-	-	-	-	-	7,758,367	3.21	3.32
Lagardère Groupe	-	-	-	-	-	-	3,588,849	1.48	1.54
Caisse des Dépôts et Consignations	-	-	-	-	-	-	2,489,518	1.03	1.07
Banque Cantonale Vaudoise.....	-	-	-	-	-	-	1,200,000	0.50	0.51
Natexis Banques Populaires.....	-	-	-	-	-	-	480,000	0.20	0.20
Employees.....	11,616,248	4.08	5.04	9,424,946	3.31	4.06	7,562,492	3.12	3.24
Treasury stock.....	11,522,046	4.04	-	10,278,482	3.61	-	8,578,387	3.54	-
Public.....	174,469,772	61.23	75.63	148,664,118	52.17	64.11	112,260,163	46.35	48.05
	284,937,118	100.00	100.00	284,937,118	100.00	100.00	242,196,550	100.00	100.00

Senior management and corporate governance

Board of Directors at 30 April 2004

Director	Number of shares	Age	Date of first term	Current term expires (AGM)
Chairman and C.E.O.				
Louis Schweitzer⁽¹⁾	39,545 and 7,693 ESOP* units	61 years	May 1992	2005
<i>Director:</i>				
- BNP Paribas				
- Electricité de France				
- AB Volvo				
- RCI Banque				
- Veolia Environnement				
<i>President of the Management Board:</i>				
- Renault-Nissan B.V.				
<i>Member of the Supervisory Board:</i>				
- Philips				
<i>Member of the Consultative Committee:</i>				
- Banque de France				
- Allianz				
Yves Audvard⁽³⁾	6	50 years	November 2002	2008
Advanced engineering process engineer				
- Renault				
<i>Director elected by employees</i>				
> Member of the International Strategy Committee				
Michel Barbier⁽³⁾	141	48 years	November 2002	2008
Working conditions technician - Renault				
<i>Director elected by employees</i>				
> Member of the International Strategy Committee				
Alain Champigneux⁽³⁾	488 ESOP units	50 years	November 2002	2008
Engineering project manager - Renault				
<i>Director elected by employees</i>				
> Member of Accounts and Audit Committee				
François de Combret⁽⁷⁾	1,000	62 years	July 1996	2008
Associate Director				
- Lazard Frères				

* ESOP: Employee Share Ownership Plan

□ Denotes independent directors

Director	Number of shares	Age	Date of first term	Current term expires (AGM)
<i>Director:</i> – Bouygues Telecom – Institut Pasteur – Sagem – Musée Rodin > Member of Appointments and Remuneration Committee				
<input type="checkbox"/> Charles de Croisset ⁽¹⁶⁾ <i>Former Chairman and CEO:</i> – CFF <i>International Consultant of GOLDMAN SACHS</i> <i>Director:</i> – Bouygues <i>Member of the Supervisory Board:</i> – Euler – Hermès – SA des Galeries Lafayette	0 ⁽¹⁷⁾	60 Years	April 2004	2008
Carlos Ghosn ⁽¹³⁾ President and Chief Executive Officer, Nissan Motor Co., Ltd. <i>Director:</i> – Alcoa – Sony <i>Vice President of the Board:</i> – Renault-Nissan B.V.				
Jean-Louis Girodolle ⁽⁹⁾⁽¹⁴⁾ Inspector of Finance, Deputy Director Treasury Dept., Ministry of the Economy, Finance and Industry <i>Director:</i> – Aéroport de Paris – Autoroutes du Sud de la France – RATP > Member of Accounts and Audit Committee	(12)	35 years	Oct 2003	2007
Itaru Koeda ⁽⁸⁾ Co-Chairman of the Board of Directors and Executive Vice President of Nissan Motor Co. Ltd.				
<input type="checkbox"/> Marc Ladreit de Lacharrière ⁽²⁾ <i>Honorary President:</i> – Comité National des Conseillers du Commerce Extérieur de la France – <i>Chairman and C.E.O.:</i> Fimalac <i>Chairman:</i> – Fitch Ratings – Fimalac Inc <i>Director:</i> – Casino – Cassina – L'Oréal <i>General partner</i> – Groupe Marc de Lacharrière <i>Director:</i> – Fimalac Participations	510	63 years	October 2002	2006

* ESOP: Employee Share Ownership Plan
 Denotes independent directors

Director	Number of shares	Age	Date of first term	Current term expires (AGM)
<i>Member of the Consultative Committee:</i>				
– Banque de France				
<i>Member of the Board of public-interest institutions and associations:</i>				
– Conseil Artistique des Musées Nationaux				
– Fondation Bettencourt Schueller				
– Fondation Nationale des Sciences Politiques				
– Musée du Louvre				
– Société des Amis du Musée du quai Branly				
> Member of Appointments and Remuneration Committee				
<input type="checkbox"/> Dominique de la Garanderie ⁽⁴⁾	150	60 years	February 2003	2005
Attorney, partner of Cabinet Veil Jourde la Garanderie				
– Former chair of the Paris Bar				
– Chair, Association Française des Femmes Juristes (AFFJ)				
– Chair, Commission Internationale du CNB				
– Member of the International Federation of Human Rights (with responsibility for missions in Tunisia, Turkey, Burkina Faso)				
– Member, Avocats Sans Frontières				
– Member, Human Rights Institute (International Bar Association)				
– Chair, Institut Français d'Experts Juridiques Internationaux (IFEJI)				
– Member of the Ethics committee, MEDEF				
– Member of the Ethics committee of the Centre Français du Commerce Extérieur (CFCE)				
– French correspondent for the International Legal Resource Center				
> Member of Accounts and Audit Committee				
Bernard Larroutrou ⁽¹⁰⁾	1 ⁽¹²⁾	45 years	February 2000	2008
Managing Director, CNRS				
<i>Director:</i>				
– INRIA Transfert				
– CNRS Editions				
– FIST				
– INIST – Diffusion				
> Member of the International Strategy Committee				
<input type="checkbox"/> Henri Martre ⁽⁶⁾	328	76 years	July 1996	2007
Honorary Chairman, Aérospatiale				
<i>Chairman of the Supervisory Board:</i>				
– ESL Holding				
<i>Chairman:</i>				
– Japan Committee of MEDEF International				
– Société Franco-Japonaise des Techniques Industrielles				
<i>Vice Chairman:</i>				
Fondation de Recherche Stratégique				
<i>Director:</i>				
– On – X				
– Sogepa				
– France Telecom				
– SOFRADIR				
<i>Member of the Consultative Committee:</i>				
– Banque de France				

* ESOP: Employee Share Ownership Plan

Denotes independent directors

Director	Number of shares	Age	Date of first term	Current term expires (AGM)
<i>Member:</i>				
– Conseil Supérieur de l'Aviation Marchande				
– CEPII Council				
– AFII Council				
<i>Member and Honorary President:</i>				
– Groupement des Industries Aéronautiques et Spatiales Françaises				
– AX				
> Chairman of the International Strategy Committee				
<hr/>				
<input type="checkbox"/> Jean-Claude Paye ⁽¹³⁾	20	69 years	July 1996	2006
Attorney				
> Member of Accounts and Audit Committee				
> Member of the International Strategy Committee				
<hr/>				
<input type="checkbox"/> Francois Pinault ⁽¹⁵⁾	0 ⁽¹⁷⁾	67 Years	February 2004	2007
<i>Manager :</i>				
– Financière Pinault				
<i>Honorary Chairman:</i>				
– Artemis				
<i>President of the Board :</i>				
– Artemis				
<i>Chairman and CEO :</i>				
– GARUDA				
<i>Vice-President of the Supervisory Board:</i>				
– Pinault-Printemps Redoute				
<i>Member of the "Management Counsel" :</i>				
– Château Latour				
<hr/>				
<input type="checkbox"/> Franck Riboud ⁽¹¹⁾	231	48 years	December 2000	2006
Chairman and C.E.O., Groupe Danone				
<i>Chairman of the Board:</i>				
– Compagnie Gervais Danone				
– Générale Biscuit				
<i>Chairman and Director:</i>				
– Danone Asia Pte Ltd				
<i>Director:</i>				
– Danone Finance				
– Association Nationale des Industries Agroalimentaires				
– ANSA				
– Abi Holdings Limited (ABIH)				
– Associated Biscuits International Ltd (ABIL)				
– Danone SA				
– Wadia BSN India Limited				
– Ona				
– L'Oréal S.A				
– Sofina				
– Quiksilver				
<i>Member of the Supervisory Board:</i>				
– Accor				
– Eurazeo				
<i>Permanent representative, Groupe Danone:</i>				
– LU France				
– P.T. TIRTA INVESTAMA				
<i>Member of the Consultative Committee</i>				
– Banque de France				

* ESOP: Employee Share Ownership Plan

Denotes independent directors

Director	Number of shares	Age	Date of first term	Current term expires (AGM)
<i>Representative, Groupe Danone</i>				
– Conseil National du Développement Durable > Chairman of Appointments and Remuneration Committee				
Georges Stcherbatcheff⁽⁶⁾	40 shares and 1926 ESOP* units	57 years	April 2004	2009
<i>Director elected by employee shareholders</i> > Member of the International Strategy Committee				
<input type="checkbox"/> Robert Studer⁽⁵⁾	3,000	65 years	July 1996	2007
Former Chairman of Union de Banques Suisses				
<i>Director:</i>				
– European Advisory Committee to the New York Stock Exchange, New York				
– Espirito Santo Financial Group SA, Luxembourg				
– Schindler Holding A.G.				
– BASF > Chairman of Accounts and Audit Committee				

- (1) Appointment renewed by the AGM on 10 June 1999, appointment renewed as Chairman and C.E.O. by the Board of Directors on 10 June 1999. Confirmed by Board on 26 April 2002, which opted for concentration of powers.
- (2) Co-opted by the Board of Directors on 22 October 2002, ratified by the Joint General Meeting of 29 April 2003.
- (3) Elected by employees on 8 October 2002.
- (4) Co-opted by the Board of Directors on 25 February 2003, in place of Mr. Jean-Luc Lagardère. Ratified by the Joint General Meeting of 29 April 2003.
- (5) Renewed by the Joint General Meeting of 10 May 2001.
- (6) Elected by the General Meeting of 30 April 2004 to replace Mr. Alanche, who has resigned
- (7) reappointed by the General Meeting of 30 April 2004.
- (8) Co-opted by the Board of Directors on 24 July 2003 following the resignation of Mr. Hanawa; ratified by the General Meeting of 30 April 2004
- (9) Named by the French State prior to appointment by the Annual General Meeting
- (10) Reappointed by the General Meeting of 30 April 2004
- (11) Co-opted by the Board of Directors on 19 December 2000 after the resignation of Mr. Antoine Riboud; ratified by the Joint General Meeting of 10 May 2001.
- (12) The administrative regulation does not require these directors to own shares as representatives of the French State.
- (13) Reappointed by the Joint General Meeting of 26 April 2002
- (14) Mr. Jean-Louis Girodolle, appointed by ministerial order on 16 September 2003, was co-opted by the Board of Directors on 21 October 2003 and ratified by the General Meeting of 30 April 2004 to replace Mr. Bruno Bézard, who has resigned.
- (15) Co-opted by the Board of Directors of 24 February 2004 to replace Ms Seyvet who has resigned; ratified by the General Meeting of 30 April 2004
- (16) Appointed by the General Meeting of 30 April 2004
- (17) The time of the administrative regulation to own at least one share is 3 months from the appointment

The mean age of incumbent directors is 57

Expiry of terms of office for each Board member

Expiration year	Term of office expires
2005	Mr. Koeda Mrs de La Garanderie Mr. Schweitzer
2006	Mr. Ladreit de Lacharriere Mr. Ghosn Mr. Paye Mr. Riboud
2007	Mr. Pinault Mr. Girodolle Mr. Martre Mr. Studer
2008	Mr. De Combret Mr. Larrouturou Mr. De Croisset Mr. Audvard ⁽¹⁾ Mr. Barbier ⁽¹⁾ Mr. Champigneux ⁽¹⁾
2009	Mr. Stcherbatcheff ⁽²⁾

(1) Directors elected by employees and the director elected by employee shareholders are appointed following election by the relevant college.

(2) Following the resignation of Mr. Alanche after the 2004 Annual General Meeting, he has been replaced by Mr. Georges Stcherbatcheff

The Board of Directors appoints one of its members as Chairman, who must be a natural person. Following the Annual General Meeting of 26 April 2002, when Mr. Schweitzer was re-elected for a further term of office, the Board of Directors opted to combine the functions of Chairman of the Board of Directors and Chief Executive Officer (C.E.O.). Indeed, based on a proposal from the Appointments and Remuneration Committee, the Board considered that “with regard to proper disclosure for shareholders, it was advisable to maintain the status quo to allow the Chairman to continue to perform his duties”. However, the Board intends to separate these two functions by 2005, when a motion will be made to appoint Carlos Ghosn as C.E.O.. On the recommendation of the Appointments and Remuneration Committee, the Board decided that the separation of powers would be advantageous in that, with Mr. Schweitzer remaining as Chairman, continuity would be assured.

Every director must hold at least one registered share.

In 2003, the Board of Directors met eight times.

Composition and Operating Procedures of Management Bodies

Two Committees form Renault’s main management bodies:

- 1 The Group Executive Committee;
- 2 The Renault Management Committee.

Group Executive Committee

The Group Executive Committee comprises six members plus the Chairman:

- 1 Executive Vice President, Industry and Technology;
- 2 Executive Vice President, Product & Strategic Planning and International Operations;
- 3 Executive Vice President, Corporate Communications, Chairman and CEO of Renault F1 Team;
- 4 Executive Vice President, Sales and Marketing;
- 5 Executive Vice President, Chief Financial Officer.
- 6 Corporate Secretary General, Executive Vice President, Group Human Resources.

The Group Executive Committee meets once a week and at monthly seminars.

Renault Management Committee

The Renault Management Committee comprises 29 members, and includes the members of the Group Executive Committee. Those members of the Renault Management Committee who do not sit on the Group Executive Committee have a superior who is on the Group Executive Committee. The Senior Vice President, Quality and the Senior Vice President, Corporate Design report directly to the Chairman.

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

Group Executive Committee and Management Committee at 1 January 2004

* Louis Schweitzer	Chairman and Chief Executive Officer
Patrick Bessy	Senior Vice President, Corporate Communications
Patrick Blain.....	Senior Vice President, Market Area Europe
Marie-Christine Caubet.....	Senior Vice President, Market Area France
Jacques Chauvet.....	Senior Vice President, Parts and Accessories
Jean-Pierre Corniou	Senior Vice President, Chief Information Officer
Alain Dassas.....	Senior Vice President, Finance
* Pierre-Alain De Smedt.....	Executive Vice President, Industry and Technology
Rémi Deconinck.....	Senior Vice President, Product Planning
Odile Desforges.	Senior Vice President, Supplier Relations – Chairman and Managing Director, Renault Nissan Purchasing Organization (RNPO)
* Georges Douin.....	Executive Vice President, Product & Strategic Planning and International Operations
Jean-Baptiste Duzan.....	Senior Vice President, Corporate Controller
Michel Faivre Duboz	Senior Vice President, Vehicle Engineering Development
* Patrick Faure	Executive Vice President, Corporate Communications Chairman and CEO, Renault F1 Team
Philippe Gamba.....	Chairman and CEO, RCI Banque
Manuel Gomez.....	Senior Vice President, Northern Latin America
Michel Gornet	Senior Vice President, Manufacturing
Kazumasa Katoh	Senior Vice President, Powertrain Engineering
* François Hinfray.....	Executive Vice President, Sales and Marketing
Jacques Lacambre	Senior Vice President, Advanced Vehicle Engineering and Research
Patrick Le Quément	Senior Vice President, Corporate Design
Benoît Marzloff.....	Senior Vice President, Strategy and Marketing
Luc-Alexandre Ménard	Senior Vice President, International Operations
Bruno Morange.....	Senior Vice President, Light Commercial Vehicles
* Thierry Moulonguet.....	Executive Vice President, Chief Financial Officer
Pierre Poupel.....	Senior Vice President, Mercosur
Jean-Louis Ricaud.....	Senior Vice President, Quality
Tsutomu Sawada.....	Senior Vice President, Adviser to the Chairman
* Michel de Virville.....	Corporate Secretary General, Executive Vice President, Group Human Resources

* Members of the Group Executive Committee.

Shémaya Lévy, Executive Vice President – Chief Financial Officer was a member of the Group Executive Committee until 31 December 2003.

Remuneration of senior executives

Procedure for determining remuneration

Members of the Renault Management Committee receive a consideration comprising a fixed and a variable portion. The variable portion is based on the company's economic performance in the previous year. Economic performance is assessed by three criteria: the difference between budgeted and actual operating margin; return on equity; and progress made towards reducing warranty costs.

Remuneration in 2003

In 2003, the total consideration paid to Renault Management Committee members amounted to €13,938,707, of which €9,544,235 for the fixed portion (compared with €10,458,352 and €8,187,438 respectively in 2002). Note that the number of committee members went from 26 in 2002 to 29 in

2003. Renault Management Committee members do not receive directors' fees from group companies in which they hold senior office.

Remuneration of corporate officers

In 2003, the Chairman and CEO received total consideration of €1,970,312 of which €900,000 for the fixed portion (compared with €1,647,915 and €747,000 respectively in 2002).

Auditors

Statutory auditors

Deloitte Touche Tohmatsu, represented by Olivier Azières and Amadou Raimi
185 Avenue Charles de Gaulle
92200 Neuilly sur Seine

Ernst & Young Audit, represented by Jean-François Bélorgey and Daniel Mary-Dauphin
4 Rue Auber
75009 Paris

Deloitte Touche Tohmatsu was appointed by the Joint General Meeting of 7 June 1996 for a six-year term. It was reappointed by the Joint General Meeting of 26 April 2002 for another six-year term. This term will expire at the close of the Annual General Meeting convened to approve the accounts for 2007.

Ernst & Young Audit was appointed by the French Finance Ministry on 27 March 1979. It was reappointed by the Joint General Meeting of 7 June 1996, and then by the Joint General Meeting of 26 April 2002 for a six-year term. This term will expire at the close of the Annual General Meeting convened to approve the accounts for 2007.

Alternate auditors

BEAS

alternate for Deloitte Touche Tohmatsu
7-9 Villa Houssay
92200 Neuilly sur Seine

Gabriel Galet

alternate for Ernst & Young Audit
Tour Ernst & Young
Faubourg de l'Arche
92037 Paris La Défense Cedex

The alternate auditors were appointed by the Joint General Meeting of 7 June 1996 for a six-year term. They were reappointed by the Joint General Meeting of 26 April 2002 for another six-year term. Their terms of office will expire at the close of the Annual General Meeting convened to approve the accounts for 2007.

CAPITALISATION OF RENAULT

	As at 31 December 2003(a) ¹	As at 31 December 2003(b)	As at 31 December 2002(a)	As at 31 December 2002(b)	As at 31 December 2001	As at 31 December 2000
	<i>(In millions of euros)</i>					
Originally short -term financial debt	8,972	8,972	10,623	10,623	12,632	13,627
Long-term financial debt and redeemable shares (<i>Titres Participatifs</i>)	18,210	18,210	13,862	13,862	10,859	9,670
Short term portion of long-term financial debt	3,052	3,052	2,305	2,305	2,238	1,015
Long-term financial debt, due after one year and redeemable shares:.....	15,158	15,158	11,557	11,557	8,621	8,655
<i>Redeemable shares</i>	339	339	339	339	341	336
<i>Bonds</i>	7,666	7,666	6,363	6,363	5,502	5,441
<i>Other debts represented by a certificate</i>	4,892	4,892	2,331	2,331	723	1,028
<i>Borrowings from credit institutions</i>	1,741	1,741	1,964	1,964	1,832	1,661
<i>Other financial debt</i>	520	520	560	560	223	189
Total bond debt and other borrowings	27,182	27,182	24,485	24,485	23,491	23,297
<i>Net financial indebtedness – industrial and commercial activities</i>	1,748	1,713	2,495	2,495	3,927	4,793
Share capital	1,086	1,086	1,086	1,086	923	914
Share premium	3,453	3,453	3,453	3,453	2,420	2,367
Retained earnings	7,638	7,041	6,026	6,026	5,607	4,740
Translation adjustments	(1,066)	(1,059)	(693)	(693)	50	551
Net income	2,480	1,982	1,956	1,359	1,051	1,080
Shareholders' equity	13,591	12,503	11,828	11,231	10,051	9,652
Minority interests	395	395	377	377	385	639
Other liabilities	17,123	16,721	16,538	16,295	16,202	18,387
Total	58,291	56,801	53,228	52,388	50,129	51,975

(a) As of 1 January 2002, Renault capitalizes development expenses, with no retroactive effect to 2001.

(b) Without capitalization of development expenses, for comparison purposes.

¹ There has been no significant net change in the capitalisation since 31 December 2003.

**EXTRACTS OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2003**

CONSOLIDATED INCOME STATEMENTS

	<u>2003⁽¹⁾</u>	<u>2002⁽¹⁾</u>	<u>2001⁽¹⁾</u>
		<i>(€ million)</i>	
Sales of goods and services.....	35,658	34,586	34,617
Sales financing revenues	1,867	1,750	1,734
Revenues (note 3)	37,525	36,336	36,351
Cost of goods and services sold	(29,273)	(28,178)	(28,240)
Cost of sales financing.....	(1,155)	(1,169)	(1,165)
Research and development expenses	(1,243)	(1,143)	(1,935)
Selling, general and administrative expenses	(4,452)	(4,363)	(4,538)
Operating margin	1,402	1,483	473
Other operating income and expenses (note 4)	(168)	(266)	231
Operating income	1,234	1,217	704
Net interest income (expense).....	(129)	(179)	(109)
Other financial income and expenses, net	58	88	45
Financial expense	(71)	(91)	(64)
Share in net income of Nissan Motor (note 7)	1,705	1,335	497
Share in net income (loss) of AB Volvo (note 8).....	175	71	(26)
Share in net income (loss) of other companies accounted for by the equity method	(20)	(75)	(91)
Group pre-tax income.....	3,023	2,457	1,020
Current and deferred taxes (note 5)	(510)	(447)	(67)
Group net income	2,513	2,010	953
Minority interests	(33)	(54)	98
Renault net income	2,480	1,956	1,051
Earnings per share in Euros ⁽²⁾	9,32	7.53	4.38
Number of shares outstanding (in thousands)	265,960	259,560	239,998

(1) Renault has capitalized development expenses since 1 January 2002, (notes 1-B and 6), with no retroactive effect to 2001. For 2003, this change of policy generates a favourable impact of €465 million on the operating margin (€587 million in 2002) and €498 million on Renault's net income (€597 million in 2002).

(2) In accordance with French accounting regulations, treasury shares held for the purposes of stock option plans awarded to Group managers and executives are considered to be in circulation. The diluted earnings per share is therefore identical to the non-diluted earnings per share.

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2003

	2003 ⁽¹⁾	2002 ⁽¹⁾	2001 ⁽¹⁾
	(€ million)		
ASSETS			
Intangible assets.....	1,394	905	303
Property, plant and equipment.....	10,392	10,262	10,222
Investments in companies accounted for by the equity method ..	8,933	7,966	6,985
<i>Nissan Motor (note 7)</i>	7,219	6,348	5,287
<i>AB Volvo (note 8)</i>	1,554	1,442	1,469
<i>Other companies</i>	160	176	229
Other investments and financial assets	396	418	607
Deferred tax assets (note 5).....	1,328	1,378	1,668
Inventories	4,872	4,780	4,832
Sales financing receivables	19,614	17,872	16,845
Automobile receivables.....	2,096	2,067	2,465
Other receivables and prepaid expenses	2,136	2,043	1,985
Loans and marketable securities	2,854	2,183	2,082
Cash and cash equivalents.....	4,276	3,354	2,135
Total assets	58,291	53,228	50,129
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	1,086	1,086	923
Share premium.....	3,453	3,453	2,420
Retained earnings	7,638	6,026	5,607
Translation adjustments	(1,066)	(693)	50
Net income	2,480	1,956	1,051
Shareholders' equity (note 9)	13,591	11,828	10,051
Minority interests	395	377	385
Deferred tax liabilities (note 5).....	885	730	695
Pensions and other post-retirement benefit obligations	861	772	731
Other provisions for risks and liabilities	2,255	2,317	2,024
Interest-bearing borrowings (note 10)	27,182	24,485	23,491
<i>Automobile division</i>	7,069	6,749	7,451
<i>Sales financing division</i>	20,113	17,736	16,040
Trade and other payables.....	7,197	6,933	7,246
Other liabilities and deferred income	5,925	5,786	5,506
Total shareholders' equity and liabilities	58,291	53,228	50,129

(1) Renault has capitalized development expenses since 1 January 2002, (notes 1-B and 6), with no retroactive effect to 2001. For 2003, this change of policy generates an increase of €1,114 million in intangible assets (€622 million in 2002) and €1,088 million in shareholders' equity (€597 million in 2002).

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

<i>(€ million)</i>	Number of shares <i>(in thousands)</i>	Share capital	Share premium	Translation adjustment	Retained earnings	Total
Balance at 31 December						
2000 before allocation ...	239,798	914	2,367	551	5,820	9,652
Capital increase.....	2,398	9	53	—	—	62
Dividends	—	—	—	—	(213)	(213)
Change in translation adjustment	—	—	—	(501)	—	(501)
2001 net income	—	—	—	—	1,051	1,051
Balance at 31 December						
2001 before allocation ...	242,196	923	2,420	50	6,658	10,051
Capital increase ⁽¹⁾	42,741	163	1,033	—	—	1,196
Dividends	—	—	—	—	(234)	(234)
Change in translation adjustment	—	—	—	(693)	—	(693)
2002 net income ⁽²⁾	—	—	—	—	1,956	1,956
Other changes ⁽³⁾	—	—	—	—	(448)	(448)
Balance at 31 December						
2002 before allocation ...	284,937	1,086	3,453	(643)	7,932	11,828
Dividends	—	—	—	—	(294)	(294)
Change in translation adjustment	—	—	—	(423)	—	(423)
2003 net income	—	—	—	—	2,480	2,480
Balance at 31 December						
2003 before allocation ...	284,937	1,086	3,453	(1,066)	10,118	13,591

(1) After neutralization related to Renault's 44.4% investment in Nissan (note 7).

(2) Including the impact, net of taxes, of the capitalization of development expenses incurred from 1 January 2002 (€597 million) (notes 1-B and 6).

(3) Impact related to Renault's increased investment in Nissan following the Nissan capital increase reserved for Renault.

STATEMENTS OF CASH FLOWS

OPERATING ACTIVITIES

	2003 ⁽¹⁾	2002 ⁽¹⁾	2001 ⁽¹⁾
	<i>(€ million)</i>		
Renault net income.....	2,480	1,956	1,051
Depreciation and amortization ⁽²⁾	2,223	2,066	1,786
Net effects of sales financing credit losses.....	182	213	158
(Gains)/losses on asset disposals ⁽²⁾	(216)	(207)	(786)
Net allocations to long-term valuation provisions.....	321	409	138
Share in net income of companies accounted for by the equity method (net of dividends received) ⁽³⁾	(1,516)	(1,072)	(275)
Deferred taxes.....	53	159	(286)
Minority interests	33	54	(98)
Cash flow	3,560	3,578	1,688
Financing for final customers.....	(11,921)	(11,208)	(10,175)
Customer repayments	10,257	10,114	8,744
Net change in renewable dealer financing.....	(339)	(282)	(796)
Increase in sales financing receivables	(2,003)	(1,376)	(2,227)
Bond issuance (note 10).....	1,550	1,266	1,266
Bond redemption	(1,123)	(1,095)	—
Net change in other interest-bearing borrowings.....	1,516	1,592	434
Net (increase) decrease in loans and marketable securities.....	(33)	(61)	(15)
Net change in interest-bearing borrowings for the sales financing division	1,910	1,702	1,685
Decrease (increase) in inventories.....	(189)	(300)	25
Decrease (increase) in trade receivables for the automobile division	(114)	263	328
Decrease (increase) in other receivables and prepaid expenses	(157)	(290)	440
Increase (decrease) in trade and other payables.....	366	(71)	379
Increase in other liabilities and deferred income.....	170	565	779
Decrease (increase) in working capital	76	167	1,951
CASH FLOWS FROM OPERATING ACTIVITIES	3,543	4,071	3,097

(1) Renault has capitalized development expenses since 1 January 2002, (notes 1-B and 6), with no retroactive effect to 2001. As a result of this change of policy, these expenses are now included in investing activities, and this has a favourable impact of €539 million on cash flow and €533 million on cash flows from operating activities in 2003 (respectively €602 million and €637 million in 2002).

(2) The presentation of figures for 2002 and 2001 has been altered to include the effect of goodwill amortization on depreciation and amortization (€17 million in 2002 and €9 million in 2001).

(3) Dividends received from companies accounted for by the equity method totalled €344 million in 2003 (€260 million in 2002 and €105 million in 2001)

INVESTING ACTIVITIES

	<u>2003⁽¹⁾</u>	<u>2002⁽¹⁾</u>	<u>2001⁽¹⁾</u>
		<i>(€ million)</i>	
Nissan capital increase reserved for Renault.....	—	(1,875)	—
Other acquisitions, net of cash acquired	(73)	(98)	(109)
Purchase of property, plant and equipment and intangibles ⁽²⁾	(3,234)	(3,390)	(3,065)
Disposal of investments, net of cash transferred.....	93	209	711
Proceeds from disposal of property, plant and equipment and intangibles ⁽²⁾	534	276	424
Net (increase) decrease in other financial assets.....	(29)	154	(51)
CASH FLOWS FROM INVESTING ACTIVITIES	<u>(2,709)</u>	<u>(4,724)</u>	<u>(2,090)</u>

FINANCING ACTIVITIES

	<u>2003⁽¹⁾</u>	<u>2002⁽¹⁾</u>	<u>2001⁽¹⁾</u>
		<i>(€ million)</i>	
Bond issuance (automobile division) (note 10 B).....	1,427	1,008	462
Bond redemption (automobile division).....	(229)	(228)	(316)
Net increase (decrease) in interest-bearing borrowings for the automobile division	9	(764)	(900)
Net (increase) decrease in loans and marketable securities.....	(756)	41	599
Renault capital increase reserved for Nissan.....	2,158	—	—
Other proceeds from shareholders.....	1	61	—
Dividends paid to parent company shareholders.....	(316)	(250)	(213)
Dividends paid to minority interests	(21)	(35)	(47)
CASH FLOWS FROM FINANCING ACTIVITIES.....	<u>115</u>	<u>1,991</u>	<u>(415)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>949</u>	<u>1,338</u>	<u>592</u>
Opening balance	<u>3,354</u>	<u>2,135</u>	<u>1,812</u>
Increase.....	949	1,338	592
Effect of exchange rate changes	(27)	(119)	(270)
Closing balance	<u>4,276</u>	<u>3,354</u>	<u>2,135</u>

(1) Renault has capitalized development expenses since 1 January 2002, (notes 1-B and 6), with no retroactive effect to 2001. As a result of this change of policy, these expenses are now included in investing activities rather than operating activities, and this generates an increase of €568 million in purchases of intangible assets for 2003 (€637 million in 2002).

(2) Purchases of property, plant and equipment and intangibles are presented net of sales of company vehicles, which totalled €228 million in 2003 (€243 million in 2002 and €140 million in 2001), for investments of €174 million in 2003 (€209 million in 2002 and €179 million in 2001).

INFORMATION BY DIVISION

2003	Automobile	Sales Financing	Interdivision transactions ⁽¹⁾	Consolidated total
	(€ million)			
Income statement items by division				
External sales	35,535	1,990	—	37,525
Interdivision sales ⁽¹⁾	420	177	(597)	—
Revenues	35,955	2,167	(597)	37,525
Operating margin	1,035	367	—	1,402
Operating income	858	376	—	1,234
Financial income (expense)	42	3	(116)	(71)
Share in net income of companies accounted for by the equity method	1,860	—	—	1,860
Current and deferred taxes	(392)	(118)	—	(510)
Group net income	2,368	261	(116)	2,513
Balance sheet items by division				
Property, plant and equipment and intangibles	11,339	625	(178)	11,786
Investments accounted for by the equity method	8,933	—	—	8,933
Other investments and financial assets	1,957	11	(1,572)	396
Deferred tax assets	1,044	226	58	1,328
Inventories	4,867	5	—	4,872
Customer receivables	2,222	20,006	(518)	21,710
Other receivables and prepaid expenses	1,529	683	(76)	2,136
Loans and marketable securities	2,670	771	(587)	2,854
Cash and cash equivalents	3,215	1,065	(4)	4,276
Total assets	37,776	23,392	(2,877)	58,291
Shareholders' equity	13,643	1,555	(1,607)	13,591
Minority interests	391	4	—	395
Provisions for risks and liabilities and deferred tax liabilities	3,615	352	34	4,001
Interest-bearing borrowings	7,634	20,548	(1,000)	27,182
Trade and other payables	7,253	—	(56)	7,197
Other liabilities and deferred income	5,240	933	(248)	5,925
Total shareholders' equity and liabilities	37,776	23,392	(2,877)	58,291
Cash flow statement items by division				
Cash flow	3,150	579	(169)	3,560
Increase in sales financing receivables	—	(2,043)	40	(2,003)
Net change in interest-bearing borrowings for the sales financing division	—	1,935	(25)	1,910
Change in working capital	239	(128)	(35)	76
Cash flows from operating activities	3,389	343	(189)	3,543
Purchase of property, plant and equipment, net of disposals	(1,927)	(253)	88	(2,092)
Purchase of intangibles, net of disposals	(606)	(2)	—	(608)
Equity investments, net of disposals	25	(5)	—	20
Net change in other financial assets	(29)	—	—	(29)
Cash flows from investing activities	(2,537)	(260)	88	(2,709)
Shareholder financing	(337)	(101)	101	(337)
Other financing	278	—	174	452
Cash flows from financing activities	(59)	(101)	275	115
Increase (decrease) in cash and cash equivalents	793	(18)	174	949
Impact of changes in translation adjustment and scope of consolidation on cash and cash equivalents	(41)	11	3	(27)
Other	(5)			
Change in net financial indebtedness⁽³⁾	747			
Other information by division				
Capital expenditure ⁽²⁾	2,788	666	(220)	3,234
Depreciation and amortization	2,117	158	(52)	2,223
Non cash expenses other than depreciation	306	197	—	503
Research and development expenses	1,243	—	—	1,243
Personnel expenses	4,907	208	—	5,115
Workforce at 31 December	127,531	3,209	—	130,740

(1) Interdivision transactions are carried out under near-market conditions.

(2) Purchases of property, plant and equipment and intangibles are presented net of sales of company vehicles, which totalled €228 million for investments of €174 million.

(3) The Group considers its sales financing business as an operating activity. Net financial indebtedness figures thus relate exclusively to the Automobile division (note 1-A).

2002	Automobile	Sales Financing	Interdivision transactions and other ^(a)	Consolidated total
	(€ million)			
Income statement items by division				
External sales	34,456	1,880	0	36,336
Interdivision sales ^(a)	344	200	(544)	0
Revenues	34,800	2,080	(544)	36,336
Operating margin	1,187	293	3	1,483
Operating income	928	286	3	1,217
Financial income (expenses).....	26	4	(121)	(91)
Share in net income of companies accounted for by the equity method	1,331	0	0	1,331
Current and deferred taxes	(343)	(104)		(447)
Group net income	1,942	186	(118)	2,010
Balance sheet items by division				
Property, plant and equipment and intangibles.....	10,795	372	0	11,167
Investments accounted for by the equity method.....	7,966	0		7,966
Other investments and financial assets.....	1,819	9	(1,410)	418
Deferred tax assets	1,179	199		1,378
Inventories.....	4,777	3		4,780
Customer receivables.....	2,214	18,270	(545)	19,939
Other receivables and prepaid expenses.....	1,457	554	32	2,043
Loans and marketable securities.....	2,291	815	(923)	2,183
Cash and cash equivalents	2,463	1,072	(181)	3,354
Total assets	34,961	21,294	(3,027)	53,228
Shareholders' equity.....	11,828	1,410	(1,410)	11,828
Minority interests	374	3		377
Provisions for risks and liabilities and deferred liabilities ..	3,473	346		3,819
Interest-bearing borrowings	7,248	18,776	(1,539)	24,485
Trade and other payables	6,933			6,933
Other liabilities and deferred income	5,105	759	(78)	5,786
Total shareholders' equity and liabilities	34,961	21,294	(3,027)	53,228
Cash flow statement items by division				
Cash flow.....	3,179	520	(121)	3,578
Increase in sales financing receivables.....	0	(1,404)	28	(1,376)
Net change in interest-bearing borrowings for sales financing	0	1,702		1,702
Change in working capital	322	(155)		167
Cash flows from operating activities	3,501	663	(93)	4,071
Purchase of property, plant and equipment, net of disposals	(2,284)	(147)		(2,431)
Purchase of intangibles, net of disposals	(684)			(684)
Equity investments, net of disposals	(1,763)	0		(1,763)
Net change in other financial assets.....	144	135	(125)	154
Cash flows from investing activities	(4,587)	(12)	(125)	(4,724)
Shareholder financing.....	1,932	179	(46)	2,065
Other financing.....		(74)		(74)
Cash flows from financing activities	1,932	105	(46)	1,991
Increase (decrease) in cash and cash equivalents	846	756	(264)	1,338
Impact of changes in translation adjustment and scope of consolidation	586	—	—	—
Change in net financial indebtedness	1,432	—	—	—
Other information by division				
Capital expenditure	3,027	363		3,390
Depreciation and amortization	1,952	114		2,066
Non cash expenses other than depreciation.....	399	216		615
Research and development expenses.....	1,143			1,143
Personnel expenses	4,761	204		4,965
Workforce at 31 December	128,934	3,417		132,351

(a) Interdivision transactions are carried out under near-market conditions.

2001	Automobile and Commercial Vehicles	Sales Financing	Interdivision transactions and other^(a)	Consolidated total
	(€ million)			
<i>Income statement items by division</i>				
External sales	34,525	1,826		36,351
Interdivision transactions ^(a)	355	193	(548)	0
Revenues	34,880	2,019	(548)	36,351
Operating margin	199	273	1	473
Operating income	458	245	1	704
Financial income (expenses)	47	6	(117)	(64)
Share in net income of companies accounted for by the equity method	380			380
Current and deferred taxes	35	(102)		(67)
Group net income	920	149	(116)	953
<i>Balance sheet items by division</i>				
Property, plant and equipment and intangibles	10,225	300		10,525
Investments accounted for by the equity method	6,985			6,985
Other investments and financial assets	1,938	24	(1,355)	607
Deferred tax assets	1,488	180		1,668
Inventories	4,832			4,832
Customer receivables	2,551	17,258	(499)	19,310
Other receivables and prepaid expenses	1,485	493	7	1,985
Loans and marketable securities	2,421	707	(1,046)	2,082
Cash and cash equivalents	1,575	597	(37)	2,135
Total assets	33,500	19,559	(2,930)	50,129
Shareholders' equity	10,051	1,355	(1,355)	10,051
Minority interests	385			385
Provisions for risks and liabilities and deferred tax liabilities	3,099	351		3,450
Interest-bearing borrowings	7,925	17,063	(1,497)	23,491
Trade and other payables	7,283		(37)	7,246
Other liabilities and deferred income	4,757	790	(41)	5,506
Total shareholders' equity and liabilities	33,500	19,559	(2,930)	50,129
<i>Cash flow statement items by division</i>				
Cash flow	1,395	410	(117)	1,688
Increase in sales financing receivables		(2,225)	(2)	(2,227)
Net change in interest-bearing borrowings for sales financing		1,685		1,685
Change in working capital	1,751	200		1,951
Cash flows from operating activities	3,146	70	(119)	3,097
Purchase of property, plant and equipment, net of disposals	(2,497)	(68)		(2,565)
Purchase of intangibles, net of disposals	(49)	(26)		(75)
Equity investments, net of disposals	604	(3)		601
Net change in other financial assets	(44)	(221)	214	(51)
Cash flows from investing activities	(1,986)	(318)	214	(2,090)
Shareholder financing	(254)	33	(39)	(260)
Other financing		(156)		(156)
Cash flows from financing activities	(254)	(123)	(39)	(415)
Increase (decrease) in cash and cash equivalents	906	(371)	56	592
Impact of changes in translation adjustment and scope of consolidation	(40)	—	—	—
Change in net financial indebtedness	866	—	—	—
<i>Other information by division</i>				
Capital expenditure	2,779	286		3,065
Depreciation and amortization	1,695	91		1,786
Non cash expenses other than depreciation	135	158	3	296
Research and development expenses	1,935			1,935
Personnel expenses	4,807	206		5,013
Workforce at 31 December	136,996	3,421		140,417

(a) Interdivision transactions are carried out under near-market conditions.

INFORMATION BY GEOGRAPHIC AREA

	France	Other European countries	Other countries	Consolidated total
	<i>(€ million)</i>			
2003⁽¹⁾				
Consolidated revenues.....	13,311	19,627	4,587	37,525
Capital expenditure ⁽²⁾	2,263	740	231	3,234
Property, plant and equipment and intangibles.....	8,092	2,643	1,051	11,786
Other operating assets ⁽³⁾	5,716	2,567	821	9,104
2002⁽¹⁾				
Consolidated revenues.....	13,917	18,266	4,153	36,336
Capital expenditure ⁽²⁾	2,531	608	251	3,390
Property, plant and equipment and intangibles.....	7,834	2,323	1,010	11,167
Other operating assets ⁽³⁾	5,954	2,391	545	8,890
2001⁽¹⁾				
Consolidated revenues.....	14,237	18,148	3,966	36,351
Capital expenditure ⁽²⁾	2,075	544	446	3,065
Property, plant and equipment and intangibles.....	6,906	2,176	1,443	10,525
Other operating assets ⁽³⁾	6,115	2,296	871	9,282

(1) Renault has capitalized development expenses since 1 January 2002, (notes 1-B and 6), with no retroactive effect to 2001. As a result of this change of policy, these expenses are now included in investing activities rather than operating activities, and this generates an increase of €568 million in purchases of intangible assets for 2003 (€637 million in 2002).

(2) Purchases of property, plant and equipment and intangibles are presented net of sales of company vehicles, which totalled €228 million in 2003 (€243 million in 2002 and €140 million in 2001), for investments of €174 million in 2003 (€209 million in 2002 and €179 million in 2001).

(3) Other operating assets include inventories, trade receivables for the automobile division and other receivables and prepaid expenses.

Consolidated revenues are presented by location of customers.

Property, plant and equipment and intangibles and capital expenditure are presented by location of subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

These notes are only a selected extract of the notes to the audited consolidated financial statements which appear in the latest annual report relating to the Issuer.

1 ACCOUNTING POLICIES

The **Renault** Group financial statements are prepared in accordance with French accounting regulations applicable at 31 December 2003. Renault is also making preparations for the compulsory application of IASB international standards by listed European companies from 2005.

The principal differences between Renault accounting policies and existing international standards for 2003 currently concern:

- standard IAS 39 concerning financial instruments, as this standard is incompatible with French regulations,
- the treatment of treasury shares held for the purposes of stock option plans awarded to Group managers and executives. In compliance with French accounting rules, these shares are included in Marketable Securities. Under IASB standards, they would be recorded as a charge against shareholders' equity and deducted from the average number of shares used for the determination of earnings per share

New standards will come into force from 2005 (IFRS 1 on first time adoption, the IAS standards revised under the "improvement" project, and other projects currently being finalised by the IASB and the EU Accounting Regulatory Committee, principally concerning financial instruments and share-based payment).

A. Information by division and geographic area and definition of net financial indebtedness

Starting in 2002, information is disclosed for the following divisions:

- The Automobile Division, comprising the production, sales, distribution and automobile service subsidiaries for passenger and light commercial vehicles and the subsidiaries in charge of cash management for these companies.
- The Sales Financing Division, which the Group considers as an activity with independent operations, comprising Renault Crédit International Banque and its subsidiaries.

Each of these two divisions forms a coherent unit exposed to its own specific risks.

Apart from dividend income and taxes, income and expenses relating to sales financing are recorded as operating items. The tax effect inherent to the French consolidated taxation system and the worldwide consolidated tax reporting system is included in the taxes due by the Automobile Division.

Assets, minority interests and liabilities are specific to each division. Receivables permanently assigned by the Automobile Division to the sales financing companies are treated as operating assets by the assignee.

In coherence with this presentation by Division, interest-bearing borrowings are split into two captions in the balance sheet:

- Interest-bearing borrowings for the Automobile Division,
- Interest-bearing borrowings for the Sales Financing Division, considered by the Group as an operating item.

Consequently, the Group's net financial indebtedness includes the following items for the Automobile Division:

- Interest-bearing borrowings
- Investment loans
- Marketable securities
- Cash and cash equivalents

B. Research and development expenses

As of 1 January 2002, 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 (previously they were recorded as costs in the year incurred). They are amortized from the date of

approval for mass production, over the expected market life of the vehicle or part, up to a maximum period of five years.

Expenses incurred before the formal approval of product development and research expenses are recorded as costs in the year they are incurred. Expenses incurred after the start of mass production are treated as production costs.

2 CHANGES IN THE SCOPE OF CONSOLIDATION IN 2003

A. SOFASA (Colombia)

On 7 December 2002, Renault, Toyota and Mitsui signed a letter of intention with Valores Bavaria concerning acquisition of the Colombian group's 51.3% holding in Sofasa SA. Following finalization of the transaction on 28 March 2003, Renault increased its investment from 23.7% to 60%, thus reinforcing its position in the Andean Pact countries.

Sofasa, previously accounted for by the equity method, is fully consolidated as of the date of the final agreement. The Group recorded goodwill of €10 million, to be amortized on a straight-line basis over 5 years.

B. Renault Agriculture

Under the terms of an agreement signed on 30 April 2003, Renault sold a 51% stake in Renault Agriculture to the German company Claas for €69.6 million, retaining the other 49%. Renault and Claas have options respectively to sell and purchase an additional 29% of the capital of Renault Agriculture, to be exercised within a one-year period beginning 30 April 2005, and further options respectively to sell and purchase the remaining 20%, which can be exercised from 1 January 2010.

This transaction led to the following operations:

- recognition of a €10 million gain on the sale corresponding to the 51% stake transferred. This amount was included in "Other operating income and expenses" (note 4),
- deconsolidation of Renault Agriculture as of the date of the agreement since Renault no longer exercises a significant influence in the company.

C. Avtoframos (Russia)

The 50%-owned Avtoframos has been fully consolidated since 1 January 2003.

This first inclusion of the Russian subsidiary in the scope of consolidation had no significant impact on the Group's financial statements.

3 2002 REVENUES APPLYING 2003 GROUP STRUCTURE AND METHODS

	<u>Automobile</u>	<u>Sales financing</u>	<u>Total</u>
		(€ million)	
2002 published revenues	34,456	1,880	36,336
Acquisition of SOFASA (Colombia) (note 2-A).....	199	—	199
Deconsolidation of Renault Agriculture, following the partial sale (note 2-B)	(412)	—	(412)
Full consolidation of Avtoframos (Russia) (note 2-C)	32	—	32
Other changes in scope of consolidation.....	(1)	13	12
2002 revenues applying 2003 Group structure and methods	34,274	1,893	36,167
2003 revenues	35,535	1,990	37,525

4 OTHER OPERATING INCOME AND EXPENSES

	2003	2002	2001
		(€ million)	
Gains and losses on sales of operating subsidiaries	18	114	632
Restructuring and workforce adjustment costs and provisions ...	(160)	(156)	(204)
Gains and losses on sale of property, plant and equipment and intangible assets (except vehicle sales)	112	(48)	(24)
Amortization of goodwill on acquisition of consolidated companies.....	(22)	(17)	(9)
Material non-recurring items.....	(116)	(159)	(164)
Total.....	(168)	(266)	231

Gains and losses on sales of operating subsidiaries

In 2003, this item mainly included the €10 million gain on the partial sale of Renault Agriculture (note 2-B).

Restructuring and workforce adjustment costs and provisions

These costs and provisions arise principally from the implementation of restructuring measures in certain businesses, and adjustment of workforce levels.

For 2003, this item mainly includes:

- €20 million of depreciation on property, plant and equipment in connection with the restructuring of the foundry business of Société Française de Mécanique,
- a €65 million allocation, mainly for adjustment to present value, for provisions established in 1999 and 2000 for the “CASA” early retirement system,
- €75 million of other restructuring and workforce adjustment costs and provisions.

Material non-recurring items

In 2003, the main such items are:

- a €62 million adjustment to provisions for additional employee holiday entitlements earned in previous years and to be taken upon retirement,
- costs and provisions resulting from discontinuation of production of the Avantime (€50 million), mainly recorded against the advance made by Renault to Matra Automobile to finance investments specific to the vehicle.

5 CURRENT AND DEFERRED TAXES

In application of the French worldwide tax consolidation regime allowing taxable income to be reported on a consolidated basis, Renault determines its taxable income on a basis that includes the fiscal earnings of most of its French and foreign subsidiaries and affiliates, including Nissan and its main subsidiaries, calculated by French tax rules. Under certain conditions, the tax paid by these companies can be deducted from the resulting tax liability. The companies covered by this system include a subgroup of French subsidiaries owned more than 95%, which with Renault have also elected to determine their French income taxes under the domestic tax consolidation regime.

The taxable income, calculated under French rules, of Nissan group companies included in the worldwide tax consolidation regime relates to varying fiscal years which differ from the accounting periods used for the inclusion of Nissan in the Renault consolidated financial statements. Nissan losses included in the Renault Group 2000 consolidated taxable income generated a current tax saving, totally neutralized by recognition of a deferred tax liability (this tax saving is also reflected in application of the equity method to the investment in Nissan). This deferred tax liability, which was to be recovered as Nissan became profitable in subsequent years, was fully reversed at 31 December 2003.

Renault received governmental authorization to apply the worldwide tax consolidation regime for three years ending on 31 December 2003. Renault has decided not to renew its option for this regime as of 1 January 2004.

The estimated impact of this non-renewal on current and deferred taxes has been taken into account in the 2003 closing entries. Deferred taxes are recognized as appropriate to the individual tax position of each fiscal subgroup.

Valuation allowances on net deferred tax asset positions are determined on a basis that takes into account past earnings trends for each fiscal subgroup, and the probability of recovery of the net tax assets over time.

As Renault elected to determine French income taxes under the domestic tax consolidation regime when it was formed, this regime will continue to apply to the Group in France as of 1 January 2004.

The Renault Group also applies other optional tax consolidation systems in Germany, Spain, the UK, the Netherlands and Portugal.

Reconciliation between the French corporate income tax rate and the Group's effective tax rate

	2003	2002	2001
Tax rate under worldwide tax consolidation regime.....	33.3%	33.3%	33.3%
Net effect of temporary rate increase in France	2.1%	2.1%	3.1%
Impact of operations subject to reduced rate.....	(3.8%)	(1.3%)	(37.5%)
Geographical effect.....	(0.9%)	(1.9%)	0.7%
Revaluation of deferred taxes.....	(0.3%)	0.3%	0.4%
Other impacts	13.4%	7.2%	10.4%
Tax rate before share in net income of companies accounted for by the equity method.....	43.8%	39.7%	10.4%
Impact of companies accounted for by the equity method.....	(26.9%)	(21.5%)	(3.8%)
Overall effective tax rate.....	16.9%	18.2%	6.6%

The increase in the tax rate (before share in net income of companies accounted for by the equity method) in 2003 is related to Renault's discontinuation of the worldwide tax consolidation regime as of 1 January 2004. This decision led to adjustments in 2003 to the valuation allowances on deferred tax assets recorded by certain foreign subsidiaries. In application of accounting regulations, Renault will only be able to recognise these deferred tax assets progressively, depending on the changes in these subsidiaries' net income. These adjustments increased the Group effective tax rate by 6.8% in 2003.

6 RESEARCH AND DEVELOPMENT EXPENSES

Development expenses incurred since 1 January 2002 which fulfil the conditions presented in note 1-B are capitalized as intangible assets, and amortized over a maximum of five years from the date of approval for production. The impact of this treatment (IAS 38), which concerns the Automobile Division only, is as follows (in € million):

On the consolidated income statement

	<u>2003</u>	<u>2002</u>
	<i>(€ million)</i>	
COST OF GOODS AND SERVICES SOLD⁽¹⁾	(29)	(35)
RESEARCH AND DEVELOPMENT EXPENSES, INCLUDING	494	622
– <i>CAPITALIZED EXPENSES</i>	568	637
– <i>AMORTIZATION OF CAPITALIZED EXPENSES</i>	(74)	(15)
OPERATING MARGIN AND OPERATING INCOME	465	587
SHARE IN NET INCOME OF NISSAN	184	190
SHARE IN NET INCOME OF AB VOLVO	14	28
PRE-TAX INCOME	663	805
DEFERRED TAXES	(165)	(208)
RENAULT NET INCOME	498	597
NET EARNINGS PER SHARE (IN €)	1.87	2.29

(1) Impact on employee profit share, disbursed in 2003

On the consolidated balance sheets

	<u>2003</u>	<u>2002</u>
	<i>(€ million)</i>	
ASSETS		
INTANGIBLE ASSETS	1,114	622
– <i>GROSS VALUE</i>	1,210	637
– <i>AMORTIZATION</i>	(96)	(15)
INVESTMENT IN NISSAN ACCOUNTED FOR BY THE EQUITY METHOD	369	190
INVESTMENT IN AB VOLVO ACCOUNTED FOR BY THE EQUITY METHOD	42	28
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY	1,088	597
DEFERRED TAX LIABILITIES	373	208
OTHER LIABILITIES AND DEFERRED INCOME	29	35

On the consolidated statements of cash flows

	<u>2003</u>	<u>2002</u>
	<i>(€ million)</i>	
CASH FLOW	539	602
CHANGE IN WORKING CAPITAL	(6)	35
CASH FLOWS FROM OPERATING ACTIVITIES	533	637
CASH FLOWS FROM INVESTING ACTIVITIES	(568)	(637)

7 INVESTMENT IN NISSAN MOTOR ACCOUNTED FOR BY THE EQUITY METHOD

A. Renault's investment in Nissan

On 27 March 1999, Renault and Nissan signed a global partnership agreement. As a result of this agreement, on 28 May 1999 Renault acquired a 36.8% stake in the capital of Nissan Motor, by subscribing to an increase in its registered capital (reserved for Renault) for a total investment of €4,610 million. Nissan Motor has been accounted for by the equity method in the Group financial statements since 30 June 1999.

During first half-year 2002, in accordance with the terms of the 1999 agreement between Renault and Nissan, Renault raised its investment in Nissan Motor from 36.8% to 44.4% by exercising its stock purchase warrants, and Nissan acquired 15% of the capital of Renault through a capital increase reserved for Nissan. Renault continued to account for its investment in Nissan by the equity method in its consolidated financial statements, applying the new rate of 44.4% as of 1 March 2002.

Nissan's identifiable assets and liabilities were restated to fair value at the date of the second operation, in accordance with the principles applied at the time of the initial acquisition. The restated values reflected the decline since 1999 in the Japanese property market (based on the Rosenka index, Japan's key land price index published by the government, used when Renault made its first investment in Nissan) and in the value of funds invested to cover pension commitments for the Japanese companies.

A 36.8% stake of this fall in fair value, corresponding to Renault's initial holding, was included in Renault's shareholders' equity in 2002 (€(417) million).

The remaining share, corresponding to the additional investment, generated provisional goodwill of €89 million in 2002.

In 2003, Nissan Motor recorded a tax credit originating in transactions prior to Renault acquiring an interest in the capital of Nissan. Consequently:

- the provisional goodwill recognized in 2002 was revised by €(25) million, reducing it to €64 million,
- exceptional amortization of €(97) million was recorded against the goodwill.

B. Goodwill on acquisition

Goodwill on the acquisition of the investment in Nissan Motor is amortized on a straight-line basis over 20 years from 30 June 1999. The additional goodwill resulting from the subsequent transactions of 2002 is amortized over the residual amortization period of the initial goodwill, i.e. 17 and a half years.

C. Nissan Motor consolidated financial statements included under the equity method in the Renault consolidation

Nissan Motor, which is listed on the Tokyo stock exchange, publishes its consolidated financial statements in accordance with Japanese accounting standards annually at 31 March and half-yearly at 30 September. Consequently, the Renault Group consolidated financial statements at 31 December 2003 use the equity method to include the consolidated financial statements of Nissan Motor for the period 1 October 2002 – 30 September 2003, after adjustments for the requirements of the Renault consolidation.

D. Changes in the investment in Nissan Motor accounted for by the equity method

	Goodwill on acquisition			Share of net assets			Total
	Gross	Amortization	Net	Before neutralization of 44.4% of Renault's 2002 capital increase reserved for Nissan	Neutralization of 44.4% of Renault's 2002 capital increase reserved for Nissan	Net	
	(€ million)						
At 31 December 2001	837	(105)	732	4,555	—	4,555	5,287
2002 net income	—	(44)	(44)	1,379	—	1,379	1,335
Acquisition of 7.6% of Nissan Motor	89	—	89	1,369	(962) ⁽¹⁾	407	496
Dividend paid.....	—	—	—	(183)	—	(183)	(183)
Translation adjustment and other.....	—	—	—	(587)	—	(587)	(587)
At 31 December 2002	926	(149)	777	6,533	(962)	5,571	6,348
2003 net income	—	(43)	(43)	1,748	—	1,748	1,705
Dividend paid.....	—	—	—	(267)	—	(267)	(267)
Translation adjustment and other.....	—	—	—	(567)	—	(567)	(567)
Goodwill on acquisition.....	(25)	(97)	(122)	122	—	122	—
At 31 December 2003	901	(289)	612	7,569	(962)	6,607	7,219

(1) A portion of the €2,166 million capital increase of 2002 reserved for Nissan, corresponding to Renault's percentage interest in Nissan, was neutralized to eliminate the effect of their cross-shareholding.

E. Nissan Motor Consolidated Financial Statements (Japanese accounting principles)

The key figures in the Nissan Motor consolidated financial statements, prepared in accordance with generally accepted Japanese accounting principles, are summarized below:

Income statements

	2nd half-year 2002 Oct 1, 2002 – Mar 31, 2003		1st half-year 2003 Apr 1, 2003 – Sept 30, 2003		2003 financial year Oct 1, 2002 – Sept 30, 2003	
	(in billions of yen)	(€ million) ⁽¹⁾	(in billions of yen)	(€ million) ⁽¹⁾	(in billions of yen)	(€ million) ⁽¹⁾
Revenues.....	3,543.1	27,509	3,556.2	27,610	7,099.3	55,119
Operating income	388.9	3,019	401.1	3,114	790.0	6,133
Ordinary income.....	386.6	3,002	390.3	3,030	776.9	6,032
Extraordinary gains & losses	(57.0)	(443)	(22.2)	(172)	(79.2)	(615)
Net income	207.4	1,610	237.7	1,846	445.1	3,456

Condensed balance sheets

	Sept 30, 2002		Sept 30, 2003	
	<i>(in billions of yen)</i>	<i>(€ million)⁽¹⁾</i>	<i>(in billions of yen)</i>	<i>(€ million)⁽¹⁾</i>
Intangible assets	36	279	65	504
Property, plant and equipment	2,839	22,042	3,154	24,487
Investment securities	289	2,244	360	2,795
Deferred tax assets	389	3,020	356	2,764
Inventories	564	4,379	572	4,441
Sales financing receivables	1,738	13,494	2,089	16,219
Notes & accounts receivable	476	3,696	512	3,977
Other assets	397	3,082	486	3,773
Cash and cash equivalents	250	1,941	159	1,234
Total Assets	6,978	54,177	7,753	60,194
Shareholders' equity	1,664	12,919	1,899	14,744
Minority interests	86	668	97	753
Deferred tax liabilities	231	1,793	262	2,034
Accrued retirement benefits	412	3,199	472	3,665
Interest-bearing borrowings				
– Automobile Division	514	3,991	435	3,377
– Sales financing Division	2,315	17,974	2,716	21,087
Notes & accounts payable	618	4,798	710	5,512
Other liabilities and accruals	1,138	8,835	1,162	9,022
Total Shareholders' Equity and Liabilities	6,978	54,177	7,753	60,194

(1) Figures in Euros are provided to facilitate understanding, converted from the figures expressed in yen (Nissan Motor's operating currency) using the exchange rate at 30 September 2003 (128.8 yen = 1 Euro).

F. Changes in restated shareholders' equity

	September 30, 2002	Net income	Dividends	Other changes	September 30, 2003
	<i>(in billions of yen)</i>				
Shareholders' equity under Japanese GAAP (in billions of yen).....	1,664	445	(58)	(152)	1,899
Restatements for Renault Group requirements (in billions of yen), including:					
– Restatement of fixed assets	599	(32)	—	—	567
– Provision for pension liabilities	(345)	60 ⁽¹⁾	—	37	(248)
– Dividends paid.....	(18)	—	(17)	—	(35)
– Capitalization of development expenses.....	95	89	—	—	184
– Other restatements.....	(206)	(54) ⁽²⁾	(5)	131 ⁽³⁾	(134)
Net assets restated for Renault Group requirements (in billions of yen).....	1,789	508	(80)	16	2,233
Renault's share of net assets (before neutralization of 44.4% of Nissan's investment in Renault)..... (€ million)	44.4% 6,533	1,748	(267)	(445)	44.4% 7,569
Neutralization of 44.4% of Renault's 2002 capital increase reserved for Nissan (€ million).....	(962)⁽⁴⁾	—	—	—	(962)
Renault's share in the net assets of Nissan (€ million)	5,571	1,748	(267)	(445)⁽⁵⁾	6,607

(1) Essentially comprising restatement of the provision recorded by Nissan in connection with the transfer of some of its pension liabilities and the relevant plan assets to the Japanese state.

(2) Principally the fiscal impact of previous restatements, and inclusion in reserves of a tax credit recognized by Nissan which originated in transactions prior to Renault acquiring an interest in the capital of Nissan. The resulting increase in Renault's share of the restated net assets of Nissan, amounting to €122 million, led to a corresponding adjustment in the goodwill on acquisition initially recognized.

(3) Comprising reclassification of treasury shares as marketable securities and the neutralization of tax credit (see (2) above).

(4) A portion of the €2,166 million capital increase of 2002 reserved for Nissan, corresponding to Renault's percentage interest in Nissan, was neutralized to eliminate the effect of their cross-shareholding.

(5) "Other changes" in Euros includes the €(556) million change in translation adjustments, essentially reflecting the fall in value of the US dollar, the Mexican peso and the yen against the Euro. Operations undertaken by Renault to hedge the portion of Nissan shareholders' equity expressed in yen are included in Renault shareholders' equity.

G. Hedging of the investment in Nissan Motor

The total value of hedging operations in process at 31 December 2003 is 558 billion yen (€4,134 million), comprising 106 billion yen (€784 million) of bonds and private placements on the EMTN market issued directly in yen and 452 billion yen (€3,350 million) of currency swaps. During 2003 these operations generated foreign exchange differences totalling €221 million net of tax, which were included in shareholders' equity.

H. Renault – Nissan Motor cooperation

Renault and Nissan follow joint strategies for vehicle and part development, purchasing, and production and distribution resources.

The main transactions between the two groups in 2003 were the following:

– *Joint investments*

Renault and Nissan finalized the development of the second common platform, the C platform (lower medium range), intended for the future Megane and Almera. Work is in process on a third common platform, the D platform (upper medium).

Renault and Nissan also share gearbox and engine development costs.

– *Vehicle manufacturing*

In Mexico, Nissan supplies Renault with assembly services for the Clio and Scenic models, and also assembles the Platina model (Nissan badged Clio sedans). Production totalled 70,000 units over the year.

In Brazil, Renault supplies Nissan with assembly services for its Frontier pickup and X-Terra models (10,300 vehicles in 2003).

In Spain, Nissan produced more than 40,000 Trafic at its Barcelona plant.

In 2003, Renault produced 8,700 Nissan badged Master and Kangoo vans, purchased by Nissan for sale through its own network.

– *Part sales*

In Europe and Mexico, Renault supplies gearboxes and engines to Nissan.

In Europe, Renault supplies Nissan's Sunderland plant in the UK with gearboxes produced by its Cacia plant in Portugal, and engines produced by the Valladolid plant in Spain. These parts are used in Nissan's Micra, Almera and Primera.

In Mexico, Renault supplies engines to Nissan's Aguascalientes plant for the Clio and Platina

In total Renault supplied some 270 000 gearboxes and 120 000 engines during 2003.

In South Korea, Nissan supplies Renault Samsung Motors with parts and engines used in the SM3 and SM5.

Renault also uses Nissan's V6 3.5 litre petrol engine for the Vel Satis and the Espace, and a Nissan 4-wheel drive unit for the Kangoo.

– *Sales*

Renault and Nissan are continuing to reorganize their Western European sales network. Renault supplies Nissan with back office services in each country. In Germany, Switzerland, the Netherlands and Austria, Renault has absorbed the local Nissan subsidiary and sells Nissan vehicles under a commission arrangement. In Romania and Argentina, Renault, having taken over Nissan's import contracts, distributes Nissan vehicles

Total sales by Renault to Nissan and purchases by Renault from Nissan during 2003 amounted to approximately €700 million and €880 million respectively.

The joint policies for purchasing and other administrative functions such as information systems departments are reflected directly in Renault and Nissan's financial statements, and therefore generate no financial exchanges between the two groups.

8 INVESTMENT IN AB VOLVO ACCOUNTED FOR BY THE EQUITY METHOD

	Net goodwill	Share in net assets	Total
		(€ million)	
At 1 January 2003.....	(194)	1,636	1,442
2003 Net income	25	150	175
Dividend paid	—	(77)	(77)
Translation adjustment and other	—	14	14
At 31 December 2003.....	(169)	1,723	1,554

Taking into account the 5% treasury stock held by AB Volvo, the level of Renault's investment in AB Volvo stood at 21.05% in 2003.

9. SHAREHOLDERS' EQUITY

A. Share capital

– Changes in Ownership structure

On 28 July 2003, the French government sold part of its investment in Renault. In compliance with French privatization law, 10% of shares sold by the government were offered to employees and former employees of the Renault Group in December 2003. A total of 2,593 thousand shares were subscribed as a result. Following these transactions, the French government's stake in Renault stood at 15.65%.

This does not affect the number of shares in Renault's share capital.

– Situation at 31 December 2003

The total number of ordinary shares issued and fully paid-up at 31 December 2003 is 284,937 thousand (284,937 thousand in 2002 and 242,196 thousand in 2001). The value is €3.81 per share (unchanged from 2002 and 2001).

In accordance with decisions approved at the General Shareholders' Meetings of 29 April 2003, 26 April 2002, 10 May 2001, 10 June 1999 and 11 June 1998, the Board of Directors decided to allocate all Renault treasury shares to current stock option plans.

In compliance with French accounting rules, these shares are recorded under Marketable Securities. Under IASB standards, they would be recorded as a charge against shareholders' equity and deducted from the number of shares in circulation for the determination of basic earnings per share.

B. Distributions

At the General and Extraordinary Shareholders' Meeting of 29 April 2003, it was decided to distribute €316 million in dividends (€1.15 per share), compared to €257.6 million or €0.92 per share in 2002 and €219.3 million or €0.91 per share in 2001).

In view of Renault's stake in Nissan's capital and the treasury shares held, the dividend distribution recorded in shareholders' equity amounted to €294 million.

C. Translation adjustment

Translation adjustments relating to the Euro zone and included in shareholders' equity amount to €(342) million at December 31, 2003.

After adjustment for the impact of partial hedging of the investment in Nissan, the translation of Nissan's financial statements contributed as follows to the change in translation adjustment:

	<u>2003</u>	<u>2002</u>	<u>2001</u>
	<i>(€ million)</i>		
Impact of the translation of Nissan's financial statements.....	(556)	(575)	(266)
Impact, net of tax, of hedging operations.....	<u>221</u>	<u>184</u>	<u>110</u>
Total	<u><u>(335)</u></u>	<u><u>(391)</u></u>	<u><u>(156)</u></u>

The impact of the translation of Nissan's financial statements, after adjustment for the partial hedging operations concerning the portion of Nissan's shareholders' equity expressed in Yen, mainly relates to translation by Renault of Nissan's North American and Mexican subsidiaries' shareholders' equity, in view of the falling value of the US Dollar and the Mexican Peso in 2002 and 2003

10 INTEREST-BEARING BORROWINGS

The distribution of interest-bearing borrowings between the divisions is indicated in the “Information by Division”.

A. Interest-bearing borrowings are as follows:

	2003	2002	2001
		<i>(€ million)</i>	
Bonds.....	7,666	6,363	5,502
Other debts represented by a certificate.....	4,892	2,331	723
Borrowings from credit institutions	1,741	1,964	1,832
Other financial debt.....	520	560	223
Long-term financial debt, due after one year.....	14,819	11,218	8,280
Short-term portion of bonds.....	1,341	1,244	1,279
Short-term portion of other long-term financial debt.....	1,711	1,061	959
Short-term portion of long-term financial debt.....	3,052	2,305	2,238
Total long-term debt	17,871	13,523	10,518
Accrued interest on bonds	119	108	103
Originally short-term financial debt	8,853	10,515	12,529
Originally short-term financial debt	8,972	10,623	12,632
Redeemable shares	339	339	341
Total	27,182	24,485	23,491

B. Interest-bearing borrowings by division

	2003	2002	2001
		<i>(€ million)</i>	
Automobile Division			
Within one year.....	2,849	3,343	4,977
Between 1 and 2 years.....	386	333	269
Between 2 and 3 years.....	1,102	399	315
Between 3 and 4 years.....	637	924	398
Between 4 and 5 years.....	521	686	993
After 5 years.....	1,815	1,239	649
Total	7,310	6,924	7,601
Sales Financing Division			
Within one year.....	9,768	11,122	11,390
Between 1 and 2 years.....	3,370	2,446	1,989
Between 2 and 3 years.....	1,561	1,594	1,551
Between 3 and 4 years.....	590	896	965
Between 4 and 5 years.....	2,040	225	777
After 5 years.....	3,204	2,478	374
Total	20,533	18,761	17,046
Interdivision transactions			
Within one year.....	(593)	(1,297)	(1,252)
Between 1 and 2 years.....	—	—	—
Between 2 and 3 years.....	—	—	—
Between 3 and 4 years.....	—	—	—
Between 4 and 5 years.....	—	—	—
After 5 years.....	(407)	(242)	(245)
Total	(1,000)	(1,539)	(1,497)
Consolidated total			
Within one year.....	12,024	13,168	15,115
Between 1 and 2 years.....	3,756	2,779	2,258
Between 2 and 3 years.....	2,663	1,993	1,866
Between 3 and 4 years.....	1,227	1,820	1,363
Between 4 and 5 years.....	2,561	911	1,770
After 5 years.....	4,612	3,475	778
Total	26,843	24,146	23,150
Redeemable shares	339	339	341
Total	27,182	24,485	23,491

Short-term drawings on credit lines with maturities of more than one year amount to €157 million at 31 December 2003 (€43 million at 31 December 2002 and €5 million at 31 December 2001), of which €8 million concerned the Automobile Division (compared to €12 million in 2002 and €5 million in 2001).

C. Interest-bearing borrowings by currency

	2003	2002	2001
		<i>(€ million)</i>	
Euro.....	21,295	21,035	19,173
Other European Union currencies	712	558	651
Yen.....	4,143	1,880	983
Other currencies	1,032	1,012	2,684
Total	27,182	24,485	23,491

Currencies shown are after the effect of derivative financial instruments.

11. NET FINANCIAL INDEBTEDNESS

	2003	2002	2001
		<i>(€ million)</i>	
Redeemable shares	324	324	324
Bonds.....	4,257	3,294	2,646
Other interest-bearing borrowings	3,052	3,630	4,956
Interest-bearing borrowings	7,633	7,248	7,926
Investment loans.....	(1,960)	(1,805)	(2,037)
Renault treasury shares.....	(521)	(407)	(282)
Other marketable securities.....	(189)	(78)	(103)
Loans and marketable securities	(2,670)	(2,290)	(2,422)
Cash and cash equivalents	(3,215)	(2,463)	(1,577)
Net financial indebtedness	1,748	2,495	3,927

The sales financing activity is considered as an operating activity for the Group. The net financial indebtedness therefore concerns the Automobile Division only, and comprises its interest-bearing borrowings less cash and financial assets (note 1-A).

At December 31, 2003, the total trade receivables permanently assigned by the Automobile Division to non-Group banks was €225million (€250 million at December 31, 2002).

Change in net financial indebtedness

	2003	2002
		<i>(€ million)</i>
Cash flow	3,150	3,179
Decrease (increase) in working capital.....	239	322
Investment in property, plant and equipment and intangibles, net of disposals	(2,533)	(2,968)
Acquisition of Nissan shares	—	(1,875)
Disposal of other equity investments, net of acquisitions	25	112
Capital increase reserved for Nissan	—	2,166
Change in other investments	(29)	144
Other capital transactions	(337)	(234)
Translation adjustment and other	232	586
Change in net financial indebtedness	747	1,432

STATUTORY AUDITORS' REPORT

The free translation of the auditors report reproduced hereafter refers to the full set of consolidated financial statements that are included in the latest annual report of Renault, incorporated by reference and not to the financial information provided in the present offering circular.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2003

This is a free translation into English of the original statutory auditors' report on the consolidated financial statements signed and issued in the French language and is provided solely for the convenience of English speaking readers. The auditors' report includes for the information of the reader, as required under French law in any auditor's report, whether qualified or not, an explanatory paragraph separate from and presented below the audit opinion discussing the auditor's assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing the audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account caption or on information taken outside of the consolidated financial statements. Such report should be read in conjunction and construed in accordance with French law and French auditing professional standards."

In accordance with our appointment as auditors by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Renault for the year ended December 31, 2003.

The consolidated financial statements are the responsibility of the Board of Directors. Our role is to express an opinion on these consolidated financial statements, based on our audit.

OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the financial position and the assets and liabilities of the Group as at December 31, 2003 and the results of its operations for the year then ended in accordance with accounting principles generally accepted in France.

JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L.225-235 of the French Company Law (Code de Commerce) relating to the justification of our assessments, which came into effect for the first time this year, we bring to your attention the following matters:

As set forth in the notes, the Renault Group prepares its consolidated financial statements using those current IAS standards which are compatible with the options available under French generally accepted accounting principles. In this context, the Renault Group:

- recognizes pension and other post retirement benefit obligations (note 1.G.),
- defers sales deriving from contracts containing a buy-back clause (note 1.E.),
- capitalizes development costs as intangible assets, from January 1, 2003 on a prospective basis (note 1.F.).

As indicated in note 2.2.A., given the specific nature of the Renault-Nissan alliance, the fact that during fiscal year 2003, the Group exceeded the 40% voting right threshold – triggering a rebuttable presumption of control under French GAAP – has not resulted in the Group changing its accounting method used for its investment in Nissan Motor since 1999 (equity method). Our audit procedures included the analysis of all legal elements and also actual facts pattern observed within the Alliance, underlying the accounting method adopted by the Renault Group since 1999.

The Renault Group Management makes estimates and assumptions which relate primarily to the impairment of non-current assets and the recognition of deferred taxes (see notes 7 and 9 to the

consolidated financial statements). The Renault Group uses planning tools and multi-annual financial plans, the elements of which – cash flows and forecasted taxable income in particular – are used to ascertain the recoverable value of non-current and deferred tax assets. We have reviewed this documentation, whenever necessary for the application of accounting policies so as to assess the valuation adopted by the Group for the assets concerned.

The assessments on these matters were made in the context of our audit approach of the consolidated financial statements taken as a whole and therefore contribute to enable us to express an unqualified opinion in the first part of this report.

SPECIFIC PROCEDURES AND DISCLOSURES

In accordance with professional standards applicable in France, we have also verified the information given in the Group management's report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly and Courbevoie, 9 March 2004

The Statutory Auditors

DELOITTE TOUCHE TOHMATSU

ERNST & YOUNG AUDIT

O. AZIÈRES

A. RAIMI

J.F. BELORGEY

D. MARY-DAUPHIN

RECENT DEVELOPMENTS

IRAN:

On 16 March 2004, Renault, IDRO, Iran Khodro and Saipa signed the initial terms of their agreement for the creation, as of April 2004, of Renault Pars, a joint venture company, with 51% to be held by Renault and 49% by the Iranian company, AID co. Car manufacturers Iran Khodro and Saipa will produce and market the X90 vehicle in Iran as of 2006. The project will be coordinated by Renault Pars. The initial installed capacity of the two manufacturers will be 150,000 units each.

RENAULT LAUNCHED A CASH TENDER OFFER ON ITS REDEEMABLE SHARES (TITRES PARTICIPATIFS):

On 12 March Renault launched a purchase offer on its 2 million redeemable shares issued in 1983 and 1984. The purchase offer was at €450 per redeemable share including coupon (book-value for each redeemable share at the end of December 2003: €158.9). This operation has been financed by available cash position in the automobile division. The offer period extended from 16 March to 5 April 2004 (inclusive). At the end of the cash tender offer Renault had bought 1,202,341 redeemable shares, 60,12% of the total volume) for a global amount of €541.1 million.

RENAULT INCREASES ITS HOLDING IN SLOVENIAN SUBSIDIARY REVOZ TO 100%:

Renault signed an agreement on 23 December 2003 with a view to acquiring the 33.3% stake in its Slovenian production subsidiary Revoz still held by its long-time partner in Slovenia, IMV Holding, and private shareholders. The transfer of shares was carried out on 3 February 2004, giving Renault full ownership of Revoz. It is the only company manufacturing cars in this Eastern European country, which is to join the European Union in May 2004. Revoz is the biggest industrial employer with a workforce of 2,142 people (on 1 January 2003) and the leading exporter in Slovenia. By gradually raising its stake in this subsidiary ever since 1991 and now acquiring full ownership, Renault is confirming its long-term commitment to a strategy initiated in the 1970s of establishing industrial operations in Central Europe.

RENAULT'S 1ST QUARTER 2004 REVENUES:

In the first quarter of 2004, Renault's revenues totaled €9,955 million, up 11.1% on a consistent basis. The Automobile Division generated revenues of €9,460 million, an increase of 11.4% compared with the first quarter of 2003. The Automobile Division's growth in revenues was principally due to the overall rise in group sales and to the impact of a favourable price and model mix in Western Europe thanks to the success of Mégane.

The Sales Financing Division contributed €495 million to revenues, a 5.3% (1) rise over first quarter 2003.

POSITIVE IMPACT OF NISSAN'S RESULTS ON RENAULT'S 1ST HALF 2004 RESULTS:

Nissan filed its financial results for fiscal year 2003 (from 1 April 2003 to 31 March 2004) on 26 April 2004.

After restatement, the profit reported by Nissan for the second half of its fiscal year 2003 (from 1 October 2003 to 31 March 2004) will contribute a positive €939 million to Renault's net income for first half 2004, an increase of 9.3% compared with the contribution recorded for first half 2003.

DISTRIBUTION OF DIVIDENDS:

At the General and Extraordinary Shareholder's Meeting of 30 April 2004, it was decided to distribute EUR 398.9 million in dividends (EUR 1.40 per share).

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

Subject to the terms and on the conditions contained in a dealer agreement dated 20 June 2002 as amended and supplemented by a first supplemental dealer agreement dated 12 May 2003 and a second supplemental dealer agreement dated 9 June 2004 (the “**Dealer Agreement**”) between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for its expenses incurred in connection with the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Pricing Supplement.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling Restrictions

France

Each of the Dealers and the Issuer has represented, warranted and agreed that, in connection with their initial distribution, it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and that offers and sales of Notes will be made in France only to qualified investors as defined and in accordance with Articles L. 411-1 and L. 411-2 of the French (*Code monétaire et financier*) and Decree no. 98-880 dated 1 October 1998 relating to offers to qualified investors.

In addition, each of the Dealers and the Issuer has represented, warranted and agreed that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in France, the Offering Circular or any other offering material relating to any Notes issued under the Programme other than to those investors to whom offers and sales of the Notes may be made as described above.

If necessary these selling restrictions will be supplemented in the relevant Pricing Supplement.

United States

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act (“**Regulation S**”).

Materialised Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Dealer Agreement, it will not offer, sell or, in the case of Materialised Bearer Notes, deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of any identifiable Tranche as determined, and certified to the Issuer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such tranche of Notes) may violate the registration requirements of the Securities Act.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States. Distribution of this Offering Circular by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

United Kingdom

Each Dealer has represented, warranted and agreed that:

- (i) in relation to Notes which have a maturity of one year or more, it has not offered or sold and, prior to the expiry of a period of six months from the issue date of such Notes, will not offer or sell any such Notes to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 as amended from time to time;
- (ii) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the “FSMA”) by the Issuer;
- (iii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (iv) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the “**Securities and Exchange Law**”). Accordingly, each of the Dealers has represented, warranted and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and other relevant laws and regulations of Japan.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Offering Circular or any other offering material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Offering Circular, any other offering material or any Pricing Supplement and neither the Issuer nor any other Dealer shall have responsibility therefore.

Each of the Dealers and the Issuer has represented and agreed that Materialised Notes may only be issued outside France.

FORM OF PRICING SUPPLEMENT

The form of Pricing Supplement that will be issued in respect of each Tranche is set out below:

Pricing Supplement

[LOGO, if document is printed]

RENAULT

Euro 5,000,000,000
Euro Medium Term Note Programme
for the issue of Notes
Due from one month from the date of original issue

SERIES NO: [●]

TRANCHE NO: [●]

[Brief Description and Amount of Notes]

Issue Price: [●] per cent

[Name(s) of Dealer(s)]

The date of this Pricing Supplement is [●].

This Pricing Supplement, under which the Notes described herein (the “Notes”) are issued, is supplemental to, and should be read in conjunction with, the Offering Circular (the “Offering Circular”) dated 9 June 2004 issued in relation to the Euro 5,000,000,000 Euro Medium Term Note Programme of the Issuer [registered by the *Autorité des marchés financiers* under no. P.04-107 of 9 June 2004. [(in the case of issues listed on Euronext Paris S.A.)]] Terms defined in the Offering Circular have the same meaning in this Pricing Supplement. The Notes will be issued on the terms of this Pricing Supplement read together with the Offering Circular. The Issuer [and the Paris Listing Agent [(in the case of issues listed on Euronext Paris S.A.)]] accept[s] responsibility for the information contained in this Pricing Supplement which, when read together with the Offering Circular, contains all information with respect to the Issuer and the Group and the Notes that is material in the context of the issue of the Notes.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]

Terms defined in the Offering Circular dated [original date] have the same meaning in this Pricing Supplement. This Pricing Supplement contains the final terms of the Notes and should be read in conjunction with the Offering Circular dated [current date] and the supplemental Offering Circular dated [●], save in respect of the Conditions which are extracted from the Offering Circular dated [original date].

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer of, or an invitation by or on behalf of anyone to subscribe or purchase any of the Notes.

[Except as disclosed in this document, there/There] has been no material adverse change in the condition (financial or other) of the Issuer since [date of last audited accounts or interim accounts (if later)] and no material adverse change in the prospects, results of operations or general affairs of the Issuer and the Group since [date of last published annual accounts].⁽¹⁾

[This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the Euro 5,000,000,000 Euro Medium Term Note Programme of Renault and must be read in conjunction with the Offering Circular.]

The Offering Circular, together with this Pricing Supplement, contains all information relating to the assets and liabilities, financial position, profits and losses of the Issuer which is material in the context of the issue and offering of the Notes and nothing has happened, to the Issuer’s knowledge, which would require the Offering Circular to be [further] supplemented or to be updated in the context of the issue and offering of the Notes.⁽²⁾

Signed:

Authorised Officer

[In connection with this issue, [name of Stabilising Agent] (the “Stabilising Agent”) or any person acting for him may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Agent or any agent of his to do this. Such stabilising, if commenced, may be discontinued at any time, and must be brought to an end after a limited period.] Such stabilisation will be carried out in accordance with applicable laws and regulations.⁽³⁾

(1) N.B. If any such change is disclosed in the Pricing Supplement, it will require approval by the Stock Exchange. Consideration should be given as to whether or not such disclosure should be made by means of a supplemental Offering Circular rather than in a Pricing Supplement.

(2) An issue of Notes must be authorised by a resolution of the shareholders of the Issuer. The shareholders may delegate their powers to the Board of Directors of the Issuer which may in turn subdelegate its power to its President or another member of the Board of Directors.

(3) Delete if there is no Stabilising Agent.

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]

- | | | |
|-----------|--|--|
| 1 | Issuer: | Renault |
| 2 | (i) Series Number: | <input type="checkbox"/> |
| | (ii) [Tranche Number: | <input type="checkbox"/> |
| | (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)] | <input type="checkbox"/> |
| 3 | Specified Currency or Currencies: | <input type="checkbox"/> |
| 4 | Aggregate Nominal Amount: | |
| | (i) Series: | <input type="checkbox"/> |
| | (ii) Tranche: | <input type="checkbox"/> |
| 5 | [(i)] Issue Price: | <input type="checkbox"/> per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (<i>in the case of fungible issues only, if applicable</i>)] |
| | [(ii)] [Net proceeds: | <input type="checkbox"/> (<i>Required only for listed issues</i>)] |
| 6 | Specified Denomination(s): | <input type="checkbox"/> (<i>one denomination only for Dematerialised Notes</i>) |
| 7 | (i) Issue Date: | <input type="checkbox"/> |
| | (ii) Interest Commencement Date: | <input type="checkbox"/> |
| 8 | Maturity Date: | <i>[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]</i> |
| 9 | Interest Basis: | [[<input type="checkbox"/>] per cent. Fixed Rate]
[[<i>specify reference rate</i>] +/- <input type="checkbox"/>] per cent. Floating Rate]
[Zero Coupon]
[Index Linked Interest]
[Other (<i>specify</i>)]
(further particulars specified below) |
| 10 | Redemption/Payment Basis: | [Redemption at par]
[Index Linked Redemption]
[Dual Currency]
[Partly Paid]
[Instalment]
[Other (<i>specify</i>)] |
| 11 | Change of Interest or Redemption/Payment Basis: | <i>[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]</i> |
| 12 | Options: | [Issuer Call]
[(further particulars specified below)]
[Other Option <i>specify details of provisions</i>] |
| 13 | Status: | [Unsubordinated/Subordinated] Notes
<i>[Specify details of any provision for Subordinated Notes in particular whether dated or undated whether interest deferral provisions apply and whether any additional events of default should apply]</i> |
| 14 | Listing(s): | [Paris/Luxembourg Stock Exchange(s)/Other |

15 Method of distribution: (specify)/None
[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16 Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Rate [(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/ monthly] in arrear]

(ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]/not adjusted]

(iii) Fixed Coupon Amount [(s)]: [●] per [●] in nominal amount

(iv) Broken Amounts: [●] [Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount [(s)] and the Interest Payment Date(s) to which they relate]

(v) Day Count Fraction (Condition 5(a)): [●] [30/360 Actual/Actual (ISMA/ISDA) / Others] *(Day count fraction should be Actual/Actual-ISMA for all fixed rate issues other than those denominated in U.S. Dollars, unless otherwise agreed)*

(vi) Determination Date(s) (Condition 5(a)): [●] in each year [insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]¹

(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]

17 Floating Rate Note Provisions [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph).*

(i) Interest Period(s): [●]

(ii) Specified Interest Payment Dates: [●]

(iii) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]

(iv) Business Centre(s) (Condition 5(a)): [●]

(v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/FBF Determination/ ISDA Determination/other (give details)]

(vi) Interest Period Date(s): [Not Applicable/specify dates]

(vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [●]

(viii) Screen Rate Determination (Condition 5(c)(iii)(C)): [Applicable/Not Applicable]

(1) Only to be completed for an issue where Day Count Fraction is Actual/Actual – ISMA

—	Relevant Time:	[●]
—	Interest Determination Date:	[[●] <i>[TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]</i>]
—	Primary Source for Floating Rate:	[Specify relevant screen page or “Reference Banks”]
—	Reference Banks (if Primary Source is “Reference Banks”):	[Specify four]
—	Relevant Financial Centre:	[The financial centre most closely connected to the Benchmark – specify if not London]
—	Benchmark:	[LIBOR, LIBID, LIMEAN, EURIBOR or other benchmark]
—	Representative Amount:	[Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount]
—	Effective Date:	[Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]
—	Specified Duration:	[Specify period for quotation if not duration of Interest Accrual Period]
(ix)	FBF Determination (Condition 5(c)(iii)(A)):	[Applicable/Not Applicable]
—	Floating Rate:	[●]
—	Floating Rate Determination Date (<i>Date de Détermination du Taux Variable</i>):	[●]
—	FBF Definitions: (if different from those set out in the Conditions)	[●]
(x)	ISDA Determination (Condition 5(c)(iii)(B)):	[Applicable/Not Applicable]
—	Floating Rate Option:	[●]
—	Designated Maturity:	[●]
—	Reset Date:	[●]
—	ISDA Definitions: (if different from those set out in the Conditions)	[●]
(xi)	Margin(s):	[+/-] [●] per cent. per annum
(xii)	Minimum Rate of Interest:	[●] per cent. per annum
(xiii)	Maximum Rate of Interest:	[●] per cent. per annum
(xiv)	Day Count Fraction (Condition 5(a)):	[●]
(xv)	Rate Multiplier:	[●]
(xvi)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[●]

18	Zero Coupon Note Provisions	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
	(i) Amortisation Yield (Condition 6(e)(i)):	[●] per cent. per annum
	(ii) Day Count Fraction (Condition 5(a)):	[●]
	(iii) Any other formula/basis of determining amount payable:	[●]
19	Index Linked Interest Note Provisions	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
	(i) Index/Formula:	[Give or annex details]
	(ii) Calculation Agent responsible for calculating the interest due:	[●]
	(iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[●]
	(iv) Interest Period(s):	[●]
	(v) Specified Interest Payment Dates:	[●]
	(vi) Business Day Convention:	[Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention/other (<i>give details</i>)]
	(vii) Business Centre(s) (Condition 5(a)):	[●]
	(viii) Minimum Rate of Interest:	[Not Applicable]/[●] per cent. per annum
	(ix) Maximum Rate of Interest:	[Not Applicable]/[●] per cent. per annum
	(x) Day Count Fraction (Condition 5(a)):	[●]
20	Dual Currency Note Provisions	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
	(i) Rate of Exchange/Method of calculating Rate of Exchange:	[Give details]
	(ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due:	[●]
	(iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[●]
	(iv) Person at whose option Specified Currency(ies) is/are payable:	[●]
	(v) Day Count Fraction (Condition 5(a)):	[●]

PROVISIONS RELATING TO REDEMPTION

21	Call Option	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●] per Note of [●] Specified Denomination

- (iii) If redeemable in part: [●]
- (a) Minimum nominal amount to be redeemed: [●]
- (b) Maximum nominal amount to be redeemed: [●]
- (iv) Option Exercise Date(s): [●]
- (v) Description of any other Issuer's option: [●]
- (vi) Notice period (if other than as set out in the Conditions): [●]
- 22** Put Option [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Note of [●] Specified Denomination
- (iii) Option Exercise Date(s): [●]
- (iv) Description of any other Noteholders' option: [●]
- (v) Notice period (if other than as set out in the Conditions): [●]
- 23** Final Redemption Amount of each Note [[●] per Note of [●] Specified Denomination / Other/See Appendix]
- 24** Early Redemption Amount
- (i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons (Condition 6(f)), for illegality (Condition 6(j)) or an event of default (Condition 9) and/or the method of calculating the same (if required or if different from that set out in the Conditions) [●]
- (ii) Redemption for taxation reasons permitted on days others than Interest Payment Dates (Condition 6(f)): [Yes/No]
- (iii) Unmatured Coupons to become void upon early redemption (Materialised Bearer Notes only) (Condition 7(f)): [Yes/No/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 25** Form of Notes: [Dematerialised Notes/ Materialised Notes] (*Materialised Notes are only in bearer form*)
[Delete as appropriate]
- (i) Form of Dematerialised Notes: [Not Applicable/if Applicable specify whether] [Bearer dematerialised form (*au porteur*)/ Registered dematerialised form (*au nominatif*)]
- (ii) Registration Agent: [Not Applicable/if Applicable give name and details] (*Note that a Registration Agent must be appointed in relation to Registered Dematerialised Notes only*)

(iii)	Temporary Global Certificate:	Temporary Global Certificate exchangeable for Definitive Materialised Bearer Notes on [●] (the “Exchange Date”), being 40 days after the Issue Date subject to postponement as provided in the Temporary Global Certificate
(iv)	Applicable TEFRA exemption:	[C Rules/D Rules/Not Applicable] (<i>Only applicable to Materialised Notes</i>)
26	Financial Centre(s) (Condition 7(h)) or other special provisions relating to payment dates:	[Not Applicable/ <i>Give details</i>]. (<i>Note that this item relates to the date and place of payment, and not interest period end dates, to which items 16(ii), 17(iv) and 19(vii) relate</i>)
27	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No/Not Applicable. <i>If yes, give details</i>] (<i>Only applicable to Materialised Notes</i>)
28	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/ <i>give details</i>]
29	Details relating to Instalment Notes:	[Not Applicable/ <i>give details</i>]
(i)	Instalment Amount(s):	[●]
(ii)	Instalment Date(s):	[●]
(iii)	Minimum Instalment Amount:	[●]
(iv)	Maximum Instalment Amount:	[●]
30	Redenomination, renominatisation and reconventioning provisions:	[Not Applicable/The provisions [in Condition 1(d)] [annexed to this Pricing Supplement] apply]
31	Consolidation provisions:	[Not Applicable/The provisions [in Condition 14(b)] [annexed to this Pricing Supplement] apply]
32	<i>Masse</i> (Condition 11)	<p>[Applicable/Not Applicable/Condition 11 replaced by the full provisions of French Code of Commerce relating to the <i>Masse</i>] (<i>Note that: (i) in respect of any Tranche of Notes issued outside France, Condition 11 may be waived, amended or supplemented, and (ii) in respect of any Tranche of Notes issued inside France, Condition 11 must be waived in its entirety and replaced by the provisions of the French Code of Commerce relating to the Masse. If Condition 11 (as it may be amended or supplemented) applies or if the full provisions of the French Code of Commerce apply, insert details of Representative and alternative Representative and remuneration, if any).</i>)</p> <p>The name of the initial Representative is: [name and address]</p> <p>The alternative Representative will be: [name and address]</p> <p>The Issuer shall pay to the initial Representative an amount of Euro [●] per year, payable on [●] of each year, commencing on [●]. The alternative Representative will not be remunerated until, and if, he effectively replaces the initial Representative.</p>

33 Other terms or special conditions: [Not Applicable/give details]

DISTRIBUTION

34 (i) If syndicated, names of Managers: [Not Applicable/give names]

(ii) Stabilising Manager (if any): [Not Applicable/give name]

(iii) Dealer's Commission: [●]

35 If non-syndicated, name of Dealer: [Not Applicable/give name]

36 Additional selling restrictions: [Not Applicable/give details]

OPERATIONAL INFORMATION

37 ISIN Code: [●]

38 Common Code: [●]

39 Depositary(ies)

(i) Euroclear France to act as Central Depositary [Yes/No]

(ii) Common Depositary for Euroclear and Clearstream, Luxembourg [Yes/No]. *If yes, give name of Common Depositary.*

40 Any clearing system(s) other than Euroclear France, Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

41 Delivery: Delivery [against/free of] payment

42 The Agents appointed in respect of the Notes are: [●]

43 In the case of Notes listed on Euronext Paris S.A.:

(a) the number of Notes to be issued in each Denomination: [●] (only one denomination in case of Dematerialised Notes)

(b) Paying Agent in France

(i) address in Paris where documents to be made available for inspection may be inspected: [●]

(ii) list of such documents available for inspection: [●]

(c) specialist broker: [●]

(d) responsibility statement in French and brief summary in French of the main characteristics of any Notes which are to be listed on Euronext Paris S.A. and of the Issuer to be inserted: [(see next pages)]

GENERAL

44 The aggregate principal amount of Notes issued has been translated into Euro at the rate of [●], producing a sum of: [Not Applicable/Euro[●]] (*Only applicable for Notes not denominated in Euro*)

45 Rating [[●]] by [●] and [●] by [●]

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency

RESUME EN FRANÇAIS

Responsabilité du prospectus

[numéro et date du visa s'il y a lieu, indication d'un avertissement]

[Nom et qualité du signataire]

[Nom et qualité du signataire]

RENAULT

[Agent de cotation à Paris]

Visa n° [●]-[●] en date du [●] 2004.

Le présent prospectus accompagné du présent résumé en français¹ sera disponible aux heures habituelles d'ouverture des bureaux, un quelconque jour de la semaine (à l'exception des samedis, dimanches et jours fériés) dans les bureaux de l'agent financier [et/] de l'agent payeur à Paris [et de l'agent payeur à Luxembourg]².

A – CONTENU ET MODALITÉS DE L'OPÉRATION¹.

1. Montant de l'émission

Nombre et valeur nominale des Titres : [●]

Montant nominal de l'émission : [●]

2. Caractéristiques des Titres émis

2.1 Prix de souscription/Prix d'émission : [●]

Coupon couru (s'il y a lieu) : [●]

Modalité de paiement (paiement fractionné...) : [●]

2.2 Jouissance des titres:

Date d'entrée en jouissance des Titres : [●]

2.3 Date de règlement/Date d'assimilation : [●]

2.4 Intérêts et/ou taux nominal (facial) ou [●]

caractéristiques nominales (faciales) et le cas échéant, leurs modalités de calcul :

2.5 Amortissement : [●]

Remboursement : [●]

2.6 Durée de l'émission : [●]

2.7 Clause d'assimilation : [●]

2.8 Rang de créance : [●]

2.9 Notation : [●]

2.10 Mode de représentation des porteurs des [●]

Titres , le cas échéant :

2.11 Liste des établissements chargés du service [●]

financier en France :

2.12 Droit applicable et tribunaux compétents en [●]

cas de litige :

B – ORGANISATION ET ACTIVITE DE L'EMETTEUR

1. Renseignements de caractère général concernant l'émetteur, ses organes d'administration

1.1 Dénomination : [●]

Siège social : [●]

1.2 Forme juridique de l'émetteur et nature des organes d'administration: [●]

1.3 Nom et statut des contrôleurs légaux : [●]

1.4 Date de constitution et d'expiration de l'émetteur : [●]

1.5 Indication des lieux où peuvent être consultés [●]

les documents juridiques relatifs à l'émetteur (statuts, procès verbaux d'assemblées générales, rapports des contrôleurs légaux) :

1 – Pour l'admission des Titres sur Euronext Paris S.A. uniquement.

2 – Si les Titres font également l'objet d'une demande d'admission en bourse de Luxembourg.

- 2. Renseignements de caractère général concernant le capital**
- 2.1 Montant du capital : [●]
- 2.2 Principaux actionnaires mentionnés dans le prospectus : [●]
- 3. Renseignements concernant l'activité de l'émetteur**
- Lorsque l'émetteur est à la tête d'un groupe, les renseignements prévus dans ce paragraphe sont fournis pour le groupe.
- 3.1 Bref descriptif de l'activité de l'émetteur et de son évolution : [●]
- 3.2 Indication de tout événement exceptionnel ou d'opération prévue de toute nature ainsi que de tout litige susceptible d'avoir ou ayant eu dans un passé récent une incidence significative sur la situation financière de l'émetteur, son activité, et le cas échéant sur son groupe, et qui ont été présentés comme tels dans le prospectus : [●]

C – SITUATION FINANCIERE DE L'EMETTEUR

- 1. Chiffres-clés du bilan :** tableau synthétique de l'endettement et des fonds propres établi, le cas échéant sur une base consolidée, et disponible à la date de la situation la plus récente établie ou à défaut à la date du dernier bilan présenté.
- 2. Le cas échéant, observations, réserves ou refus de certifications des contrôleurs légaux :** si les certifications sur les derniers comptes présentés dans le prospectus ont été refusées par les contrôleurs légaux ou si elles comportent des réserves ou des observations, ce refus, ces réserves ou ces observations doivent être reproduites intégralement.

INFORMATIONS RELATIVES A L'ADMISSION A LA COTE D'EURONEXT PARIS S.A.

**Personnes qui assument la responsabilité du Prospectus
composé du Document de Base ("*Offering Circular*")
enregistré par l'Autorité des marchés financiers
sous le n°P. 04-107 en date du 9 juin 2004
et de la présente Note d'Opération ("*Pricing Supplement*")**

Au nom de l'émetteur

A la connaissance de l'émetteur, les données du présent Prospectus sont conformes à la réalité et ne comportent pas d'omission de nature à en altérer la portée.

Aucun élément nouveau [(autres que ceux mentionnés dans la présente Note d'Opération)] intervenu depuis :

- le 9 juin 2004, date du numéro d'enregistrement n°P. 04-107 apposé par l'Autorité des marchés financiers sur le Document de Base
- le [●], date du visa n° [●]-[●] apposé par l'Autorité des marchés financiers sur [le Document de Référence/la Note d'Opération] en date du [●]

n'est susceptible d'affecter de manière significative la situation financière de l'émetteur dans le contexte de la présente émission.

[nom et qualité du signataire]

RENAULT

Au nom de [la banque présentatrice / l'établissement présentateur]

A la connaissance de [la banque présentatrice / l'établissement présentateur] les données du présent Prospectus sont conformes à la réalité et ne comportent pas d'omission de nature à en altérer la portée.

[nom et qualité du signataire]

[AGENT DE COTATION A LA BOURSE DE PARIS]

Visa de l'Autorité des marchés financiers

En application des articles L.412-1 et L.621-8 du (Code monétaire et financier), l'Autorité des marchés financiers a apposé le visa n° [●]-[●] en date du [●] sur le présent document, qui constitue le prospectus prévu par les articles précités, conformément aux dispositions du règlement COB n°98-01. Ce prospectus a été établi par l'émetteur et engage la responsabilité de ses signataires. Le visa n'implique ni approbation de l'opportunité de l'opération ni authentification des éléments comptables et financiers présentés. Il a été attribué après examen de la pertinence et de la cohérence de l'information donnée dans la perspective de l'opération proposée aux investisseurs.

La notice légale sera publiée au Bulletin des Annonces légales obligatoires (BALO) du [●].

GENERAL INFORMATION

- (1) In connection with the application to list a Series of Notes on Euronext Paris S.A.:
 - (a) the AMF allocated the registration number P. 04-107 on 9 June 2004 on this Offering Circular
 - (b) a legal notice relating to the issue of such Notes will be published in the *Bulletin des Annonces légales obligatoires* prior to such listing;
 - (c) the Pricing Supplement applicable to such issue will be submitted to the approval of the AMF and the relevant approval will be evidenced by the issue of a visa by the AMF which will be disclosed in the relevant Pricing Supplement applicable to the relevant Notes and by publication in the *Bulletin Officiel d'Euronext Paris S.A.* and
 - (d) the Pricing Supplement applicable to such issue will specify the additional places in Paris at which documents required to be made available for inspection may be inspected during normal business hours.

the documents mentioned in this Offering Circular, including those mentioned in (9) below, may be inspected during usual business hours on any working day from the date hereof at the offices of Deutsche Bank AG Paris Branch, 3, avenue de Friedland, 75008 Paris. Copies of the most recent annual reports of the Issuer may be obtained without charge from Deutsche Bank AG Paris Branch at the above-mentioned address.

- (2) In connection with the application to list the Notes on the Luxembourg Stock Exchange a legal notice relating to the issue of the Notes and copies of the statuts of the Issuer will be deposited with the Commercial and Companies Registry of Luxembourg (*Registre de Commerce et des Sociétés*) where such documents may be examined and copies obtained. The Luxembourg Stock Exchange has allocated to the Programme the number 12734 for listing purposes.
- (3) The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in the Republic of France in connection with the establishment of the Programme. The update of the Programme was authorised by a decision of the *Président Directeur Général* of the Issuer dated 5 May 2004 for a maximum nominal amount up to €5,000,000,000. Any drawdown of Notes under the Programme, to the extent that such Notes constitute *obligations*, require the prior authorisation of the Ordinary General Meeting of the shareholders or of the Board of Directors acting by delegation from the Ordinary General Meeting of the shareholders. For this purpose the Board of Directors benefits from an authority granted on 30 April 2004 by the Ordinary General Meeting of the shareholders to issue Notes to a maximum aggregate amount of €4,000,000,000 which authority will, unless previously cancelled, expire on the Ordinary General Meeting of the shareholders which will approve the annual accounts of the financial year 2004. The Board of Directors has delegated on 30 April 2004 to its *Président* all powers to determine the terms and conditions of the Notes. Any drawdown of Notes, to the extent that such Notes do not constitute *obligations*, fall within the general powers of the *Président Directeur Général* (or the *Directeur Général*, as the case may be) of the Issuer or any other authorised official acting by delegation.
- (4) Except as disclosed in this Offering Circular, there has been no material adverse change in the condition (financial or other), prospects, results of operations or general affairs of the Issuer or the Group since 31 December 2003.
- (5) Except as disclosed in this Offering Circular, there are no pending actions, suits or proceedings against or affecting the Issuer or any of its subsidiaries consolidated on a full integration basis (*filiales consolidées par intégration globale*) which, if determined adversely to the Issuer or any such subsidiary, would individually or in the aggregate have a material adverse effect on the condition (financial or other), prospects, results of operations or general affairs of the Issuer or the Group and, to the best of the Issuer's knowledge, no such actions, suits or proceedings are threatened or contemplated.
- (6) Each Definitive Bearer Materialised Note, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code".

- (7) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code and the International Securities Identification Number (ISIN) or the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Pricing Supplement.
- (8) The Arrangers, the Dealers and the Issuer will, in relation to issues of Notes listed on Euronext Paris S.A. comply with the Euro Guidelines (as defined under “Summary of the Programme”). Each Series of Notes listed on Euronext Paris S.A. must be issued in compliance with the *Principes Généraux* published from time to time by the *Commission des opérations de bourse* (“COB”), the *Conseil des marchés financiers* (“CMF”) and/or the *Autorité des marchés financiers* (“AMF”).
- (9) For so long as Notes issued under the Programme are outstanding, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection and, in the case of documents listed at (iv), (v), (vi) and (viii), collection free of charge at the office of the Fiscal Agent or each of the Paying Agents:
- (i) the Agency Agreement
 - (ii) the Dealer Agreement
 - (iii) the *statuts* of the Issuer
 - (iv) the published annual report and audited non-consolidated and consolidated accounts of the Issuer for the two financial years ended 31 December 2002 and 2003
 - (v) each Pricing Supplement for Notes that are listed on Euronext Paris S.A. and/or the Luxembourg Stock Exchange or any other stock exchange
 - (vi) a copy of this Offering Circular together with any Supplement to this Offering Circular or further Offering Circular
 - (vii) a copy of the subscription agreement for Notes issued on a syndicated basis that are listed on the Luxembourg Stock Exchange or any other stock exchange and
 - (viii) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Offering Circular in respect of each issue of Notes.
- (10) Copies of the latest annual report and non-consolidated and consolidated accounts of the Issuer (including any published semi-annual interim consolidated accounts) (in English and French) (in each case as soon as they are published) may be obtained, and copies of the Agency Agreement will be available for collection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding.
- (11) On 3 June 2003, the European Council has adopted a new directive regarding the taxation of savings income received in the form of interest (the “**Directive**”). On a basis of that Directive, Article 242 ter of the French General Tax Code states that, as from 1 January 2005, paying agents are requested to provide the tax authorities of another Member State with, *inter alia*, details of payments of interest within the meaning of the Directive (interest, products, premiums or other debt income) they have made within their jurisdiction to or for the benefit of an individual resident in that other Member State (the “**Disclosure of Information Method**”).

In this way, the term “**paying agent**” is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Directive, for the immediate benefit of individuals.

However, throughout a transitional period, certain Member States (the Grand-Duchy of Luxembourg, Belgium and Austria), instead of using Disclosure of Information Method will be entitled to withhold an amount on interest payments instead of using the Disclosure of Information Method used by other Member States. The rate of such withholding tax will equal 15 per cent. as from 1 January 2005, 20 per cent. as from 1 January 2008, and 35 per cent. as from 1 January 2011.

According to the agreement reached by ECOFIN Council, such transitional period will end if and when the European Community enters into agreements on exchange of information upon request with several jurisdictions (the United-States, Switzerland, Liechtenstein, San Marino, Monaco and Andorra).

INFORMATIONS RELATIVES A L'ADMISSION A LA COTE D'EURONEXT PARIS S.A.

**Personnes qui assument la responsabilité du Document de Base en ce qui concerne les Titres
qui seront admis au Premier Marché d'Euronext Paris S.A.**

1 Au nom de l'Emetteur

A la connaissance de l'Emetteur, les données du présent Document de Base sont conformes à la réalité et ne comportent pas d'omission de nature à en altérer la portée.

*Alain DASSAS
Directeur des services financiers
RENAULT*

2 Au nom de la banque présentatrice

A la connaissance de la banque présentatrice, les données du présent Document de Base sont conformes à la réalité et ne comportent pas d'omission de nature à en altérer la portée.

*Emmanuelle BONNEAU-PETELLE
Directeur Marché de Dette*

*Grégoire KARILA
Juriste*

DEUTSCHE BANK AG, SUCCURSALE DE PARIS

Autorité des marchés financiers

En application du règlement COB n° 98-01, l'Autorité des marchés financiers a enregistré le présent Document de Base le 9 juin 2004 sous le n°P.04-107. Il ne peut être utilisé à l'appui d'une opération financière que s'il est complété par une Note d'Opération visée par l'Autorité des marchés financiers. Ce Document de Base a été établi par l'émetteur et engage la responsabilité de ses signataires. Cet enregistrement, effectué après examen de la pertinence et de la cohérence de l'information donnée sur la situation de la société, n'implique pas authentification des éléments comptables présentés.

La notice préalable à la cotation éventuelle à Paris de tous les Titres émis dans le cadre de ce programme sera publiée au Bulletin des Annonces légales obligatoires.

PARIS LISTING INFORMATION

Translation of the preceding page for information purposes only

**Individuals assuming responsibility for the Offering Circular
in connection with the Notes listed on the First Market of Euronext Paris S.A.**

1 In the name of the Issuer

To the best knowledge of the Issuer, the information contained in this Offering Circular are true and accurate and there has been no omission of material facts which would make any statements herein misleading.

*Alain DASSAS
Senior Vice President Finance*

RENAULT

2 In the name of the Listing Agent

To the best knowledge of the Listing Agent, the information contained in this Offering Circular are true and accurate and there has been no omission of material facts which would make any statements herein misleading.

*Emmanuelle BONNEAU-PETELLE
Debt Capital Markets Director*

*Grégoire KARILA
Legal Counsel
DEUTSCHE BANK AG, PARIS BRANCH*

Autorité des marchés financiers

In accordance with the COB Regulation n° 98-01, the *Autorité des marchés financiers* has registered this Offering Circular on 9 June 2004 under the number P.04-107. It can only be relied upon in relation to any financial transaction if it is accompanied by a Pricing Supplement which has been submitted to the clearing procedures of the *Autorité des marchés financiers*. This Offering Circular has been prepared by the issuer and its signatories may be hold liable for it. This registration, made after an examination of the relevance and consistency of the information relating to the situation of the company, shall not imply the authentication of the accounting information contained herein.

The legal notice that have to be published before the listing of the Notes on Euronext Paris S.A. will be published in the *Bulletin des Annonces légales obligatoires*.

Registered Office of the Issuer

Renault

13-15, quai le Gallo,
92100 Boulogne Billancourt
France

Arranger

Deutsche Bank AG, Paris Branch

3, avenue de Friedland
75008 Paris
France

Dealers

Barclays Bank PLC

5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom

BNP PARIBAS

10 Harewood Avenue
London NW1 6AA
United Kingdom

Citigroup Global Markets Limited

Citigroup Centre
33 Canada Square
London E14 5LB
United Kingdom

Deutsche Bank AG London

Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

HSBC Bank Plc

Level 3
8 Canada Square
London E14 5HQ
United Kingdom

Tokyo-Mitsubishi International plc

6 Broadgate
London EC2M 2AA
United Kingdom

**Fiscal Agent, Principal Paying Agent, Redenomination Agent,
Consolidation Agent and Calculation Agent**

BNP Paribas Securities Services, Luxembourg Branch

23, avenue de la Porte Neuve
L – 2085 Luxembourg
Grand-Duchy of Luxembourg

Paying Agents

Paris Paying Agent

BNP Paribas Securities Services
GIS Coupon Services
Les Collines de l'Arche
75450 Paris Cedex 09
France

Luxembourg Paying Agent

BNP Paribas Securities Services, Luxembourg Branch

23, avenue de la Porte Neuve
L – 2085 Luxembourg
Grand-Duchy of Luxembourg

Listing Agents

Paris Listing Agent

Deutsche Bank AG, Paris Branch

3, avenue de Friedland
75008 Paris
France

Luxembourg Listing Agent

BNP Paribas Securities Services, Luxembourg Branch

23, avenue de la Porte Neuve
L – 2085 Luxembourg
Grand-Duchy of Luxembourg

Auditors to the Issuer

Ernst & Young Audit S.A.

4, rue Auber,
75009 Paris
France

Deloitte Touche Tohmatsu S.A.

185, avenue Charles de Gaulle
92200 Neuilly-sur-Seine
France

Legal Advisers

To the Issuer

Orrick

47, rue Monceau
75008 Paris
France

To the Dealers

Linklaters

25, rue de Marignan
75008 Paris
France