

EARNINGS REPORT 2010 FIRST HALF





EARNINGS REPORT - First-half 2010

In Brief	3
Key figures	3
Overview	3
Outlook	4
Risk management and related third parties	4
Person responsible for the document	5
Chapter 1 - Sales performance	6
Overview	6
1.1. AUTOMOBILE	7
1.1.1. Performance in Europe	7
1.1.2. Performance outside Europe	7
1.1.3. Renault Brand	8
1.1.4. Dacia Brand	8
1.1.5. Renault Samsung Motors Brand	8
1.1.6. Group sales by brand	9
1.2. SALES FINANCING	10
1.2.1. Proportion of new vehicles financed	10
1.2.2. RCI Banque's new financing contracts and average loans outstanding	10
1.2.3. International development	10
1.3. SALES AND PRODUCTION STATISTICS	11
Chapter 2 - Financial results	16
Overview	16
2.1. COMMENTS ON THE FINANCIAL RESULTS	16
2.1.1. Consolidated income statement	16
2.1.2. Investments and future-related costs	18
2.1.3. Automobile debt	19
2.1.4. Cash at June 30, 2010	20
2.1.5. Off-balance sheet commitments and contingencies	20
2.2. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	21
2.2.1. Statement of comprehensive income	21
2.2.2. Consolidated statements of financial position	22
2.2.3. Statement of changes in shareholders' equity	23
2.2.4. Consolidated statements of cash flows	24
2.2.5. Segment information	25
2.2.6. Information by operating segment	26
2.2.7. Notes to the condensed consolidated financial statements	32
Chapter 3 - Financial Information on the Alliance	49

KEY FIGURES

		H1 2010	H1 2009	Change
Worldwide Group sales	'000 vehicles	1,348	1,108	+21.7%
Group revenues ⁽¹⁾	€ million	19,668	15,977	+23.1%
Operating margin	€ million	780	-620	+1,400
	% of revenues	+4.0%	-3.9%	+7.9 pts
Contribution from associated companies	€ million	531	-1,584	+2,115
<i>o/w Nissan</i>		460	-1,211	+1,671
<i>o/w AB Volvo</i>		121	-196	+317
<i>o/w AvtoVAZ</i>		-56	-182	+126
Net income	€ million	823	-2,712	+3,535
Net income, Group share	€ million	780	-2,732	+3,512
Earnings per share	€	2.95	-10.65	+13.6
Automobile net financial debt	€ million	4,663	5,921 on 31/12/09	-1,258
Debt-to-equity ratio	%	23.2%	35.9% on 31/12/09	-12.7 pts
Sales Financing, average loans outstanding	€ million	20.7	20.1	+3.0%

(1) 2009 restated on a 2010 consistent basis.

OVERVIEW

In the first half of 2010, in a global passenger car and light commercial vehicle (PC+LCV) market that expanded by 16.9%, the Renault group grew sales by 21.7% with a strong marketplace performance that lifted market share by 0.15 points to 3.8%. All Regions and brands contributed to the growth:

- Renault brand sales increased by 19.9%, Dacia brand sales by 18.5% and Renault Samsung Motors brand sales by 61.0%;
- in Europe, in a PC+LCV market that rose by 1.7%, the Group increased its market share by 1.8 points to 10.8%. Outside Europe, PC+LCV sales increased by 21.9%, expanding faster than the market.

The Group reported **revenues** of €19,668 million, up 23.1% on the same period in 2009 on a consistent basis.

In the first half of 2010, the Group's **operating margin** totaled €780 million, or 4.0% of revenues, compared with a negative €620 million (negative 3.9% of revenues) in first-half 2009.

Automobile's operating margin increased by €1,279 million to €410 million (2.2% of Automobile revenues) due to a combination of factors:

- a strong marketplace performance that yielded a €774 million increase in sales volumes;
- a positive €169 million exchange rate effect, mainly due to the euro's slide against the ruble, zloty, Colombian peso and sterling;

- a slightly negative combined mix/price/enhancement/incentives impact of €11 million;
- a €442 million decrease in purchasing (including raw materials);
- the company-wide cost-cutting policy.

Sales Financing contributed €370 million to the Group's operating margin, achieved through higher margins and control of cost of risk.

Renault's **share in associated companies** mainly Nissan, AB Volvo and AvtoVAZ generated income of €531 million in first-half 2010.

Net income amounted to €823 million, and net income, Group share was €780 million.

Automobile generated positive **free cash flow**⁽¹⁾ of €1,420 million, ahead of the 2010 action plan.

As a result, Automobile's **net financial debt totaled** €4,663 million on June 30, 2010, down €1,258 million on December 31, 2009. The debt-to-equity ratio came to 23.2% at end-June 2010, compared with 35.9% at end-December 2009.

OUTLOOK

The Group expects the global automotive market to grow by approximately 8% in 2010 compared to 2009, despite an estimated 7% to 9% decline in the European market.

The Group's first-half performance and results are ahead of plan. In an unusually uncertain environment in the second half, the Group will continue to focus on its action plans, while closely monitoring changes in the overall economic environment. The third quarter will be important in determining visibility for the full year and the start of 2011 in the automotive market.

Renault's objective for 2010 remains to generate positive free cash flow and increase market share in the Group's main markets.

RISK MANAGEMENT AND RELATED THIRD PARTIES

No risks or uncertainties are anticipated other than those described in Chapter 2.3 of the Registration Document, filed on March 25, 2010, for the remaining six months of the year.

There are no related-party transactions other than those described in note 28 of the notes to the consolidated financial statements of this Registration Document and in note 19 of the notes to the condensed consolidated financial statements of this first half earnings report.

(1) Free cash flow: cash flow less investments in property, plant, equipment and intangibles net of disposals +/- change in the working capital requirement.

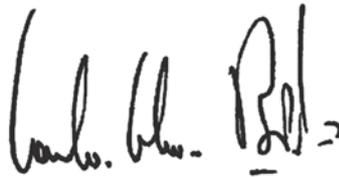
PERSON RESPONSIBLE FOR THE DOCUMENT

Mr. Carlos Ghosn, Chairman and Chief Executive Officer,
accepts full responsibility for this first half earnings report

I hereby declare that, to the best of my knowledge, the condensed consolidated financial statements for the first half-year have been prepared under generally accepted accounting principles and give a true and fair view of assets and liabilities, financial situation and results of the company and all the companies within the consolidated Renault group. I further declare that the Earnings Report gives a faithful picture of the information herein, e.g. material events occurring during the first six months of the financial year and their impact on the half-yearly accounts, a description of the main risks and contingencies for the remaining six months and the principal related party transactions.

Paris, July 30, 2010

Chairman and Chief Executive Officer



Carlos Ghosn

Chapter 1

Sales performance

OVERVIEW

- In first-half 2010, in a global passenger car and light commercial vehicle (PC+LCV) market that grew by 16.9%, the Renault group reported sales growth of 21.7%, with 1,348,345 units sold. The Group increased its market share by 0.2 points to 3.8% compared with first-half 2009. All the Regions and all the brands contributed to growth: Renault sales rose 19.9%, Dacia sales 18.5% and Renault Samsung Motors sales 61.0%.
- First-half 2010 saw the launch of new products for all the Group brands: the passenger cars New Mégane Coupé-Cabriolet and Fluence and the light commercial vehicle New Master at Renault, Duster at Dacia and New SM5 at Renault Samsung Motors.
- The Group's top 15 markets accounted for roughly 84% of Group sales. The Group increased its market share in 12 of its 15 key markets.

THE RENAULT GROUP'S TOP 15 MARKETS:

		Sales Volumes H1 2010*	PC+LCV Market Share H1 2010 (as a %)	Change in Market Share on H1 2009
1	France	407,097	28.5	+3.3
2	Italy	86,969	6.9	+2.3
3	South Korea	85,142	11.4	+3.0
4	Germany	84,083	5.4	-0.4
5	Spain+Canary Islands	72,920	10.9	+0.4
6	Brazil	64,599	4.3	+0.7
7	United Kingdom	59,403	4.9	+2.1
8	Belgium+Luxembourg	49,275	12.8	+1.7
9	Russia	42,227	5.3	+0.6
10	Turkey	40,762	14.7	+0.4
11	Argentina	37,620	11.6	-0.6
12	Algeria	37,306	29.3	+6.5
13	Netherlands	25,861	8.7	+2.1
14	Romania	23,971	41.9	+4.8
15	Iran	20,626	2.8	-0.2

* Preliminary figures.

1.1. AUTOMOBILE

1.1.1. Performance in Europe

- In **Europe**, in a PC+LCV market that rose 1.7%, the Group made a significant market share gain of 1.8 points, taking its share to 10.8%, with 898,068 units (+21.7%).
- In **France**, in a market that grew 6.2%, Group increased its sales by 20.0%, gaining a full 3.3 points of market share, the biggest increase since 2004.
- In **Germany**, however, in a PC+LCV market that slumped by 27.1%, heavily impacted by the withdrawal of the scrappage incentives, Renault group sales declined by 31.6%. Although Dacia lost 1.2 points of PC market share as a result of the termination of the bonus scheme, the Renault brand increased its market share by 0.8 points to 4.1%.
- In the **United Kingdom**, the Group deliberately limited its sales volume in 2009, chiefly because of the highly unfavorable euro/sterling exchange rate. Since conditions have changed, the sales policy on this market has reverted to normal and sales more than doubled.
- In **Spain**, in a PC market that expanded +39.5%, boosted by scrappage incentives and the anticipation of VAT increase from July 1, 2010, Renault group sales grew 44.4% and the Group increased its market share by 0.4 points.
- In the LCV market, the Renault brand, still the number one, increased its sales by 18.7%.

- Dacia-brand sales surged by 29.6% in Europe, and Dacia is now the number-six brand in France.

1.1.2. Performance outside Europe

The Group increased PC+LCV sales and market shares in all the Regions where it operates. See table page 12. Particularly:

- In **South Korea**, Renault Samsung Motors increased its market share by a substantial 3.6 points, on the back of a 58.8% increase in sales, confirming South Korea as one of the Group's top three markets.
- In **Russia**, in a market that grew a slight 3.0%, the Group increased sales by 15.3% and gained 0.6 points of market share.
- In **Romania**, in a market that slumped 26.4%, the Group strengthened its market leadership by raising its share by 4.8 points to 41.9%.
- In **North Africa**, in a market that contracted by 8.8%, the Group increased its sales by 14.2% and its market share by 6.1 points.
- In **Brazil**, Group sales rose 26.6% to 64,599 units, in a market that grew by 7.5%. The Renault group boosted its share of the Brazilian market by 0.7 points to 4.3%.

GROUP SALES WORLDWIDE (UNITS)

PASSENGER CAR AND LIGHT COMMERCIAL VEHICLE SALES	H1 2010*	H1 2009	Change (%)
GROUP	1,348,345	1,107,506	21.7
By BRAND			
Renault	1,078,284	899,164	19.9
Dacia	182,371	153,874	18.5
Renault Samsung	87,690	54,468	61.0
By VEHICLE TYPE			
Passenger cars	1,187,795	970,631	22.4
Light commercial vehicles	160,550	136,875	17.3
By REGION			
Europe	898,068	737,981	21.7
<i>o/w France</i>	<i>407,097</i>	<i>339,132</i>	<i>20.0</i>
Euromed	128,478	123,913	3.7
Eurasia	46,178	40,481	14.1
Americas	132,526	106,832	24.1
Asia-Africa	143,095	98,299	45.6
Total outside Europe	450,277	369,525	21.9

* Preliminary figures.

Chapter 1

Sales performance

1.1.3. Renault brand

→ Passenger cars

- With 8.5% of the PC market, Renault is the No. 2 brand in Europe, mainly thanks to the success of the **Mégane** family and **Clio**.
- In the *A segment*, **Twingo** was one of the three top-selling vehicles in its class in Europe and is No. 1 in France. Twingo sales rose by 4.3% in Europe and Twingo increased its share of the segment by 4 points in France, 2.1 points in the UK, 1.6 points in Germany, and 1.5 points in Italy.
- In the *B segment*, worldwide sales of **Clio** grew by a robust 25.2%. Clio was one of the three top-selling cars in its segment in Europe with a share of 8.3%, an increase of 2 points on first-half 2009. Worldwide sales of **Thalia** were stable, rising 0.5%. Meanwhile, sales of **Modus** declined by 23.8%.
- In the *C segment*, the **Mégane** family was number-two in Europe and posted an excellent performance, boosted by the complete renewal of the family, with new vehicle registrations up 40.9% to 248,550. Registrations rose 10.4% in France, 18.4% in Spain+Canary Islands, 33.5% in Germany, and 50.3% in Belgium-Luxembourg. The launch of **Fluence** (23,821 units sold worldwide) also lifted the Group's performance in the C segment.
- In the *D segment*, European sales of **Laguna** rose 1.7%. In France, Laguna sales were stable, at 12,774 units, and Laguna was again No. 2 in its class.
- With 5.8% sales growth in Europe, **Espace** maintained its position, and even increased sales by 9.7% in France, where its share of the segment rose 1.5 points to 12.1%.
- The Renault branded **Entry range** reported sales of 143,502 units, accounting for 44.1% of the Group's Entry sales. In Russia, where the market grew 3%, **Logan** sales increased 15.8%. The Russian launch of **Sandero**, with 6,084 units sold, also boosted sales performance in the Eurasia Region, where Renault branded Entry vehicle volumes rose 51.0%. Renault Entry level sales also grew by 51.5% in the Americas Region.
- Sales of **Kangoo PC** dipped 5.0% to 33,710 units.
- Sales of **Trafic PC** expanded 21.1% to 6,363 units.

→ Light Commercial Vehicles

- In a European LCV market that grew 7.8%, the Renault group enjoyed sales growth of 21.0% and raised its market share by 1.8 points to 16.5%.
- With 31,798 units, **Master**, the new version of which was launched recently, maintained strong sales volumes.
- Sales of **Kangoo** also expanded strongly, with 40,741 units sold (in Europe), compared with 33,451 in first-half 2009.
- The Renault brand has led the Western European LCV market since 1998.

1.1.4. Dacia brand

In first-half 2010, Dacia sales totaled 182,371 units, up 18.5% on first-half 2009. The brand continued to grow strongly in Europe, where sales rose 29.6%, and particularly in France, where the sales volume reached 64,288 units, up from 25,964 units in first-half 2009. Dacia is now No. 6 in France. In the Euromed Region, despite a 16.7% decline in Romania, sales remained stable overall at 47,605 units.

Sandero consolidated its success, with a 40.4% increase in sales, generating 52.7% of Dacia sales.

After just a few weeks on the market, **Duster** already accounted for 9.0% of Dacia sales in Europe.

The Dacia brand sells an LCV range that complements Renault's LCV range. Dacia's LCV sales expanded by 72.1% in Europe, and Dacia boosted its share of the LCV market by 0.4 points to 1.0%.

1.1.5. Renault Samsung Motors brand

In the Korean market, which grew 16.1%, Renault Samsung Motors sales advanced 58.8%, taking the brand's share of the PC market to 13.5%, from 9.9% in first-half 2009.

That strong performance was driven by excellent sales of **SM3** (36,819 units compared with 10,984 in first-half 2009) and **SM5**, with 41,500 units, an increase of 38.7%. SM3 and SM5 are No. 2 in their respective segments.

Sales of **SM7**, which is being phased out, fell 14.1% to 7,242 units.

South Korea was one of the Group's top three markets in first-half 2010.

Chapter 1

Sales performance

1.1.6. Group sales by brand

PASSENGER CAR AND LIGHT COMMERCIAL VEHICLE	H1 2010*	H1 2009	Change (%)
EUROPE REGION			
Renault	766,075	636,149	20.4
Dacia	131,993	101,832	29.6
Group	898 068	737,981	21.7
<i>dont France :</i>			
Renault	342,809	313,119	9.5
Dacia	64 288	26,013	++
Group	407,097	339,132	20,0
EUROMED REGION			
Renault	80,873	76,364	5.9
Dacia	47,605	47,549	0.1
Group	128,478	123,913	3.7
EURASIA REGION			
Renault	46,178	38,248	20.7
Dacia	-	2,233	-
Group	46,178	40,481	14.1
AMERICAS REGION			
Renault	129,978	105,977	22.6
Dacia	-	-	-
Renault Samsung	2,548	855	++
Group	132,526	106,832	24.1
ASIA-AFRICA REGION			
Renault	55,180	42,426	30.1
Dacia	2,773	2,260	22.7
Renault Samsung	85,142	53,613	58.8
Group	143,095	98,299	45.6

* Preliminary figures.

Chapter 1

Sales performance

1.2. SALES FINANCING

1.2.1. Proportion of new vehicles financed

In first-half 2010, RCI Banque financed 30.4% of new vehicle registrations for Renault, Nissan and Dacia in the **Europe Region**, up from 28.2% in first-half 2009. The proportion was 33.6% for Renault vehicles (compared with 31.4% in first-half 2009) and 21.7% for Nissan vehicles (compared with 18.0% in first-half 2009). The improvement is attributed to RCI Banque's competitive new sales policy, particularly package deals.

The proportion of new vehicles financed by RCI Banque in the **Americas Region** slipped to 29.1% in first-half 2010, from 29.7% in first-half 2009.

RCI Banque financed 41.0% of new vehicle registrations in South Korea (now the only country in the **Asia-Africa Region** where RCI operates) in first-half 2010, down from 47.4% in first-half 2009.

RCI Banque's proportion of new vehicles financed in the **Euromed Region** (including Romania and Morocco) fell sharply to 13.0% in first-half 2010 (from 20.3% in first-half 2009), mainly due to more stringent loan approval conditions as a result of the economic crisis in Romania.

1.2.2. RCI Banque's new financing contracts and average loans outstanding

RCI Banque generated €4.9 billion in new financing, excluding card business and personal loans, in first-half 2010, up from €3.8 billion in first-half 2009, for a 31.3% increase. The number of new vehicle financing contracts totaled €479,552 in first-half 2010, compared with 383,291 contracts in first-half 2009, a 25.1% increase.

RCI Banque's average loans outstanding totaled €20.7 billion, up 3% on first-half 2009.

1.2.3. International expansion

Russia and Turkey are key growth markets for RCI Banque.

In Turkey, the start of business with customers is scheduled for early 2011.

The size of the Russian market (a total industry volume of 790,517 units at end-June 2010) is a potential source of high growth in loans for the Group.

1.3. SALES AND PRODUCTION STATISTICS

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

PASSENGER CAR AND LIGHT COMMERCIAL VEHICLE	H1 2010*	H1 2009	Change (%)
EUROPE REGION	8,311,421	8,174,988	1.7
<i>o/w:</i>			
France	1,425,696	1,342,340	+6.2
Germany	1,563,540	2,143,784	-27.1
Italy	1,258,488	1,220,273	+3.1
UK	1,220,432	1,021,936	+19.4
Spain+Canary Islands	669,818	486,260	+37.7
Belgium+Luxembourg	384,219	333,239	+15.3
Poland	177,431	191,455	-7.3
EUROMED REGION	545,527	586,539	-7.0
<i>o/w:</i>			
Romania	57,185	77,749	-26.4
Turkey	278,255	273,357	+1.8
Algeria	127,362	138,715	-8.2
Morocco	54,340	58,030	-6.4
EURASIA REGION	926,802	934,101	-0.8
<i>o/w:</i>			
Russia	790,517	767,391	+3.0
Ukraine	72,137	89,379	-19.3
AMERICAS REGION	2,699,920	2,441,462	+10.6
<i>o/w:</i>			
Mexico	370,089	355,051	+4.2
Colombia	100,190	79,873	+25.4
Brazil	1,496,020	1,391,789	+7.5
Argentina	323,426	267,206	+21.0
ASIA-AFRICA REGION	16,277,357	12,399,460	+31.3
<i>o/w:</i>			
South Africa+Namibia	194,719	165,088	+17.9
South Korea	746,153	640,230	+16.5
WORLD (INCL. NORTH AMERICA)	35,157,830	30,074,493	+16.9

* Preliminary figures.

Chapter 1

Sales performance

RENAULT GROUP REGISTRATIONS (REG'S) AND MARKET SHARE (MKT SH.)

PASSENGER CAR AND LIGHT COMMERCIAL VEHICLE	H1 2010*		H1 2009	
	Reg's (units)	Mkt Sh. (%)	Reg's (units)	Mkt Sh. (%)
EUROPE REGION	897,361	10.8	736,770	9.0
<i>o/w:</i>				
France	406,438	28.5	337,968	25.2
Germany	84,083	5.4	123,000	5.7
Italy	86,969	6.9	56,675	4.6
UK	59,403	4.9	28,692	2.8
Spain+Canary Islands	72,920	10.9	51,124	10.5
Belgium+Luxembourg	49,227	12.8	36,948	11.1
Poland	14,136	8.0	12,328	6.4
EUROMED REGION	128,478	23.6	123,913	21.1
<i>o/w:</i>				
Romania	23,971	41.9	28,828	37.1
Turkey	40,762	14.6	39,023	14.3
Algeria	37,306	29.3	31,642	22.8
Morocco	18,635	34.3	19,671	33.9
EURASIA REGION	46,178	5.0	40,481	4.3
<i>o/w:</i>				
Russia	42,227	5.3	36,610	4.8
Ukraine	3,493	4.8	3,411	3.8
AMERICAS REGION	132,526	4.9	106,832	4.4
<i>o/w:</i>				
Mexico	7,363	2.0	5,643	1.6
Colombia	15,673	15.6	12,811	16.0
Brazil	64,599	4.3	51,036	3.7
Argentina	37,620	11.6	32,654	12.2
ASIA-AFRICA REGION	143,095	0.9	98,299	0.8
<i>o/w:</i>				
South Africa+Namibia	4,065	2.1	2,192	1.3
South Korea	85,142	11.4	53,612	8.4
WORLD (INCL. NORTH AMERICA)	1,347,638	3.8	1,106,295	3.7

* Preliminary figures.

Chapter 1

Sales performance

RENAULT GROUP

MODELS PERFORMANCE BY SEGMENT IN THE EUROPE REGION

	Segment change H1 2010 / H1 2009 (%)	Renault's share		
		H1 2010 (%)	H1 2009 (%)	Change H1 2010* / H1 2009 (en points)
PASSENGER CARS				
A segment	-9.1			
Twingo / Twingo II		10.5	9.1	+1.3
Wind		0.0	-	-
B/Entry segment	+0.5			
Clio / Clio III		8.3	6.3	+2.0
Thalia / Thalia II		0.1	0.2	-0.1
Modus		1.2	1.6	-0.4
Logan		1.1	1.6	-0.5
Sandero		3.7	2.5	+1.1
C segment	+8.8			
Duster		0.5	-	-
Fluence		0.3	-	-
Mégane / Mégane II / Mégane III		10.4	8.0	+2.4
D segment	-5.7			
Laguna / Laguna III		2.4	2.3	+0.1
Koléos		0.5	1.2	-0.6
E/MPV segment	+6.9			
Vel Satis		0.0	0.2	-0.1
Espace / Espace IV		2.0	2.0	-0.0
Car-derived vans segment	-0.5			
Kangoo / Kangoo II		9.6	9.5	+0.1
Trafic / Trafic II		2.7	2.2	+0.5
Master / Master II		0.4	0.5	-0.2
LIGHT COMMERCIAL VEHICLES				
Fleet vehicles	+4.8			
Twingo / Twingo II		2.3	2.4	-0.1
Clio / Clio III		18.7	17.9	+0.8
Modus		0.2	0.2	-0.1
Mégane / Mégane II / Mégane III		8.3	4.9	+3.4
Logan		0.0	0.2	-0.1
Small vans	+15.1			
Kangoo / Kangoo II		16.6	15.7	+0.9
Logan		0.4	0.2	+0.2
Vans	+5.2			
Trafic / Trafic II		7.1	6.0	+1.0
Master / Master II		5.3	6.4	-1.1
Mascott ** / Maxity **		0.8	0.9	-0.2

* Preliminary figures.

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

Chapter 1

Sales performance

RENAULT GROUP WORLDWIDE PRODUCTION BY MODEL⁽¹⁾ (UNITS)

PASSENGER CARS + LIGHT COMMERCIAL VEHICLES	H1 2010*	H1 2009	Change H1 2010 / H1 2009 (%)
Logan+Sandero	293,536	278,482	5.4
Duster	26,827	10	++
Twingo / Twingo II	95,520	103,142	-7.4
Wind	1,450	-	++
Clio II	50,157	34,794	44.2
Clio III	199,090	190,030	4.8
Thalia / Symbol	48,334	50,020	-3.4
Modus	30,455	43,535	-30.0
Mégane / Mégane II	8,550	74,056	-88.5
Mégane III	268,824	180,040	49.3
SM3 / Fluence	95,618	32,901	190.6
Koléos / QM5	24,089	15,620	54.2
Laguna III	30,926	28,314	9.2
SM5	44,432	35,670	24.6
SM7	7,778	9,820	-20.8
Espace IV	9,881	9,544	3.5
Vel Satis	-	801	-
Kangoo / Nouveau Kangoo	94,601	86,241	9.7
Master II	30,696	34,297	-10.5
New Master	16,623	125	++
Mascott	-	3,876	-
Others	6,637	8,237	-19.4
GROUP WORLDWIDE PRODUCTION	1,384,024	1,219,555	13.5
<i>o/w:</i>			
Master II, then New Master for GM	5,165	3,423	50.9
SM3 for Nissan	21,017	10,618	97.9
Vehicles for Nissan in Mercosur	6,637	8,237	-19.4
Non-Group plants, excl. Trafic	37,909	28,957	30.9
Vehicles produced by GM for Renault (Trafic)	21,125	14,778	42.9
Vehicles produced by Nissan for Renault (Trafic)	17,048	14,913	14.3

* Preliminary figures.

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

Chapter 1

Sales performance

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

From July 30, 2010

AMERICAS	ASIA & AFRICA	EUROMED	EUROPE	EURASIA
NORTHERN LATIN AMERICA	ASIA-PACIFIC	EASTERN EUROPE	WESTERN EUROPE	Russia Armenia Azerbaijan Belarus Georgia Kazakhstan Kyrgyzstan Tajikistan Turkmenistan Ukraine Uzbekistan
Colombia Costa Rica Cuba Ecuador Honduras Mexico Nicaragua Panama El Salvador Venezuela Dominican Rep.	Australia Brunei Indonesia Japan Malaysia New-Caledonia New-Zealand Singapore Tahiti Thailand Guadeloupe French Guiana Martinique	Bulgaria Moldova Romania	Metropolitan France Austria Belgium-Lux. Denmark Finland Germany Greece Iceland Ireland Italy Netherlands Norway Portugal Spain Sweden Switzerland United Kingdom	
SOUTHERN LATIN AMERICA	INDIA	TURKEY		
Argentina Brazil Bolivia Chile Paraguay Peru Uruguay		Turkey Turkish Cyprus		
	MIDDLE EAST & FRENCH-SPEAKING AFRICA	NORTH AFRICA		
	Saudi Arabia Egypt Gulf States Jordan Lebanon Libya Pakistan Syria + French-speaking African countries	Algeria Morocco Tunisia		
	OTHER AFRICA & INDIAN OCEAN			
	South Africa + sub-Saharan African countries Indian Ocean Islands			
	KOREA			
	IRAN			
	CHINA			
	Hong Kong			
	TAÏWAN			
	ISRAËL			
			Albania Baltic States Bosnia Croatia Cyprus Czech Rep. Hungary Kosovo Macedonia Malta Montenegro Poland Serbia Slovakia Slovenia	

Chapter 1

Sales performance

OVERVIEW

- The Group's consolidated revenues for the first half of 2010 came to €19,668 million, up 23.1% on first half 2009 on a consistent basis.
- Operating margin was €780 million, 4% of revenues, compared with a negative €620 million and -3.9% of revenues in first-half 2009.
- Other operating income and expenses showed a net charge of €62 million, down from a net charge of €326 million in first-half 2009.
- The financial result showed a net charge of €246 million, compared with a net charge of €181 million in first-half 2009.
- Nissan's contribution to Renault's earnings was €460 million, compared with a loss of €1,211 million in first-half 2009. AB Volvo contributed €121 million (compared with a negative €196 million in first-half 2009). AvtoVAZ had a €56 million negative impact on Renault's earnings, compared with a negative €182 million in first-half 2009.
- Net income was €823 million, compared with a net loss of €2,712 million in first-half 2009. Net income Group share was €780 million, up from a negative €2,732 million in first-half 2009.
- Automobile generated positive free cash flow⁽¹⁾ of €1,420 million.
- Automobile's net financial debt fell €1,258 million compared with December 31, 2009 to €4,663 million.
- Group shareholders' equity stood at €20,122 million on June 30, 2010. The net debt-to-equity ratio improved to 23.2% from 35.9% on December 31, 2009.

2.1. COMMENTS ON THE FINANCIAL RESULTS

2.1.1. Consolidated income statement

Group **revenues** totaled €19,668 million, up 23.1% on the same period in 2009 on a consistent basis. Excluding the exchange rate effect, revenues rose 20.1%.

OPERATING SEGMENT CONTRIBUTION TO GROUP REVENUES

(€ million)	2010			2009 restated on a consistent basis with 2010			Change 2010/2009			2009 published H1
	Q1	Q2	H1	Q1	Q2	H1	Q1	Q2	H1	
Automobile	8,642	10,136	18,778	6,632	8,465	15,097	30.3%	19.7%	24.4%	15,101
Sales Financing	430	460	890	436	444	880	-1.4%	3.6%	1.1%	890
Total	9,072	10,596	19,668	7,068	8,909	15,977	28.4%	18.9%	23.1%	15,991

Automobile's revenue contribution was €18,778 million in first-half 2010, up 24.4% on first half 2009.

This growth can be attributed to the Group's strong sales momentum, reflected in market share gains and a positive volume effect. Sales volumes accounted for 16.8 points of the increase in revenues, the price mix for 1.5 points, currencies for 3.2 points and other Group businesses for 2.9 points.

By Region:

- Europe accounted for 9.8 points of the increase in revenues. Despite a gradual dismantling of the scrappage incentives introduced in some countries in 2009, the market slowed less sharply than expected in the first half. The product mix, which had been negatively impacted by scrappage incentives in 2009, improved and was boosted by the renewal of the Mégane range;

(1) Free cash flow: cash flow less investments in property, plant, equipment and intangibles net of disposals +/- change in the working capital requirement.

- International operations accounted for 11.6 points of revenue growth with a positive volume effect in all Regions, accentuated by positive currency effects, especially on the South Korean won and the Brazilian real.

Group **operating margin** in first-half 2010 was €780 million, or 4.0% of revenues, compared with a negative €620 million, or -3.9% of revenues, in first-half 2009.

OPERATING SEGMENT CONTRIBUTIONS TO GROUP OPERATING MARGIN

(€ million)	H1 2010	H1 2009	Change
Automobile	410	(869)	1,279
<i>% of division revenues</i>	<i>2.2%</i>	<i>-5.8%</i>	
Sales Financing	370	249	121
<i>% of division revenues</i>	<i>41.6%</i>	<i>28.0%</i>	
Total	780	(620)	1,400
<i>% of Group revenues</i>	<i>4.0%</i>	<i>-3.9%</i>	

Automobile's operating margin rose €1,279 million to €410 million (2.2% of the division's revenues) in first-half 2010 in a still-complex economic environment. This was mainly attributable to:

- a €774 million increase in volumes, due directly to a strong marketplace performance at all three Renault group brands;
- a positive €169 million exchange rate effect, mainly due to the euro's slide against the ruble, zloty, Colombian peso and sterling;
- a slightly negative mix/price/enhancement/incentives impact of €11 million;
- a €112 million decrease in the cost of raw materials, due in particular to the steel price negotiated in mid-2009 for one year;

- the cost-cutting policy was on-target for the first half of 2010:
 - purchasing costs fell €330 million excluding raw materials,
 - manufacturing and logistics costs increased by €81 million,
 - warranty-related costs, G&A, R&D and other expenses were practically stable.

Sales Financing made a €370 million contribution to the Group's operating margin, demonstrating both the robustness of the business model and the Renault group's ability to create value by offering a full range of products and services. Average loans outstanding rose 3% compared with first half 2009. Profitability was lifted by the continuing increase in the margin on loans and services and the decline in cost of risk.

RENAULT GROUP – R&D EXPENSES*

(€ million)	H1 2010	H1 2009	Change
R&D expenses	862	921	(59)
Capitalized development expenses	(316)	(415)	99
<i>% of R&D expenses</i>	<i>36.7%</i>	<i>45.1%</i>	<i>-8.4%</i>
Amortization	427	429	(2)
Gross R&D expenses recorded in the income statement	973	935	38

* R&D expenses are fully incurred by Automobile.

Chapter 2

Financial results

Research and Development expenses amounted to €862 million in first-half 2010, down 6.4% on the first half of 2009. Measures taken by the Group under the 2009 action plans to adjust and reduce expenditure continued to pay off.

R&D expenses on the income statement totaled €973 million in first-half 2010, compared with €935 million in first-half 2009, up 4.1%, chiefly because:

- capitalized development expenses fell to €316 million, or 36.7% of the total, down 8.4 points on first half 2009 (45.1%);
- amortization remained stable at €427 million, compared with €429 million in first-half 2009.

Other operating income and expenses showed a net charge of €62 million, down from a net charge of €326 million in first-half 2009.

This item was mainly made up of:

- a €50 million impairment charge, compared with a charge of €297 million in first-half 2009;
- €39 million in costs for restructuring and workforce adjustment, compared with €60 million in first-half 2009;
- a €30 million net capital gain on the disposal of Nissan shares under the strategic cooperation agreement with Daimler.

After recognizing this item, the Group reported **operating profit** of €718 million, compared with a loss of €946 million in first-half 2009.

The **net financial result** showed a net charge of €246 million, compared with a net charge of €181 million in first-half 2009. This can be attributed to:

- an increase in interest expense paid by the Group, due to an increase of the average cost of borrowing;

- a €2 million loss linked to the negative impact of the fair value change in Renault SA's redeemable shares, compared with a loss of €22 million in first-half 2009;
- an increase in interest income due to an increase in Automobile's cash position.

Renault's **share in associated companies** generated a net gain of €531 million in first-half 2010 (compared with a loss of €1,584 million in first-half 2009), of which:

- €460 million from Nissan (compared with a loss of €1,211 million in first-half 2009);
- €121 million from AB Volvo (compared with a loss of €196 million in first-half 2009);
- a loss of €56 million from AvtoVAZ (compared with a loss of €182 million in first-half 2009);

Current and deferred taxes represented a net charge of €180 million (€1 million in first-half 2009) owing to better results at some of the subsidiaries.

Net income amounted to €823 million. This compares with a negative €2,712 million in first-half 2009. The Group's share of net income came to €780 million, compared with a negative €2,732 million in first-half 2009.

2.1.2. Net capex and R&D expenses

Automobile's tangible and intangible investments net of disposals (excluding capitalized leased vehicles) came to €746 million in first-half 2010 (including €324 million in capitalized R&D expenses) compared with €1,248 million (including €377 million in capitalized R&D expenses) in first-half 2009.

TANGIBLE AND INTANGIBLE INVESTMENTS NET OF DISPOSALS, BY OPERATING SEGMENT

(€ million)	H1 2010	H1 2009	2009
Tangible investments (excluding capitalized leased vehicles)	468	948	1,620
Intangible investments	346	392	670
<i>o/w capitalized R&D expenses⁽¹⁾</i>	324	377	589
<i>o/w other intangible investments</i>	22	15	81
Total acquisitions	814	1,340	2,290
Disposal gains	(68)	(92)	(236)
Total Automobile	746	1,248	2,054
Total Sales Financing	2	15	19
TOTAL GROUP	748	1,263	2,073

(1) Including:

- in first-half 2010: €2.7 million in capitalized borrowing costs (IAS 23) and €5 million in other restatements.
- 2009: €2 million in capitalized borrowing costs.

The plan introduced in 2009 to reduce fixed costs achieved a significant cut in tangible and intangible investments excluding R&D between first-half 2009 and first-half 2010.

Automobile's tangible investments were directed primarily at renewing products and components, upgrading facilities and starting up new sites.

- In Europe (65% of gross investments), range-related investments accounted for more than 80% of total outlays. Funds were allocated chiefly to the new Mégane coupé-cabriolet, the Wind roadster and the Master range;

- Investments outside Europe accounted for 35% of the total spend and were primarily allocated to Mercosur, Romania, South Korea and Russia.

The tangible investments made to develop electric vehicles continued this year, with funds committed both to vehicles and to engines. Consistent with previous years, the non range-related investment policy was focused mainly on quality, working conditions and the environment.

NET CAPEX AND R&D EXPENSES

(€ million)	H1 2010	H1 2009	2009
Tangible and intangible investments net of disposals (excluding capitalized leased vehicles)	748	1,263	2073
Capitalized development expenses	(324)	(377)	(589)
Net industrial and commercial investments (1)	424	886	1,484
<i>% of revenues</i>	<i>2.2%</i>	<i>5.5%</i>	<i>4.4%</i>
R&D expenses (2)	862	921	1,643
<i>o/w billed to third parties (3)</i>	<i>84</i>	<i>61</i>	<i>114</i>
<i>R&D expenses for the Group (2) – (3) % of revenues</i>	<i>4.0%</i>	<i>5.4%</i>	<i>4.5%</i>
Net capex and R&D expenses (1) + (2) – (3)	1,202	1,746	3,013
<i>% of revenues</i>	<i>6.1%</i>	<i>10.9%</i>	<i>8.9%</i>

2.1.3. Automobile debt

Automobile generated positive **free cash flow** of €1,420 million in first-half 2010. That strong performance can be attributed to the sharp improvement in operating income and the reduction in expenses. The free cash flow generated in the first half comprises:

- cash flow of €1,964 million, up €1,407 million on the first half of 2009. This does not include dividends from associated companies (compared with €81 million in first-half 2009);
- tangible and intangible investments net of disposals in the amount of €746 million, down €502 million (€1,248 million in first-half 2009);
- a €105 million change in capitalized leased vehicles;
- a positive contribution from the working capital requirement, which improved by €307 million on June 30, 2010 mainly as a result of seasonal factors and the improvement in business volumes.

The following should also be noted:

- income of €90 million from an exchange of shares with Daimler under the strategic cooperation agreement announced in March and €60 million on the disposal of treasury stock,
- sundry other items in the negative amount of €312 millions, of which €412 million in negative foreign exchange differences on yen-denominated debt.

These factors caused **Automobile's net financial debt** to decrease to €4,663 million on June 30, 2010, or 23.2% of debt-to-equity ratio (compared with 35.9% of shareholders' equity on December 31, 2009).

Chapter 2

Financial results

AUTOMOBILE – NET FINANCIAL DEBT

(€ million)	Jun-30-2010	Dec-31-2009
Non current financial liabilities	9,719	8,787
Current financial liabilities	3,157	4,455
Non-current financial assets - other securities, loans and derivatives on financial operations	(909)	(888)
Current financial assets	(1,019)	(1,025)
Cash and cash equivalents	(6,285)	(5,408)
Net financial debt	4,663	5,921

2.1.4. Cash at June 30, 2010

On June 30, 2010, Automobile had improved its cash position relative to December 31, 2009 and had:

- €6.3 billion in cash and cash equivalents;
- €4.1 billion in undrawn confirmed credit lines.

On June 30, 2010, RCI Banque had:

- a liquidity reserve of €4.0 billion, representing available liquidity surplus to the certificates of deposit and commercial paper outstandings;
- available liquidity of €6.3 billion, covering more than 1.5 times all outstanding commercial paper and certificates of deposit. They include €4.6 billion in undrawn confirmed credit lines, €1.5 billion in central-bank eligible collateral, and €0.2 billion in cash.

2.1.5. Off-balance sheet commitments and contingencies

The Group made no significant new commitments in the first half. The main off-balance sheet commitments are described in note 20 of the notes to the consolidated financial statements for first-half 2010, which, to the knowledge of senior management, contain no significant omissions.

2.2. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.2.1. Consolidated income statement

(€ million)	H1 2010	H1 2009	Year 2009
Sales of goods and services	19,017	15,335	32,415
Sales financing revenues	651	656	1,297
Revenues (note 4)	19,668	15,991	33,712
Cost of goods and services sold	(15,239)	(12,946)	(26,978)
Cost of sales financing	(390)	(515)	(953)
Research and development expenses (note 5)	(973)	(935)	(1,795)
Selling, general and administrative expenses	(2,286)	(2,215)	(4,382)
Operating margin	780	(620)	(396)
Other operating income and expenses (note 6)	(62)	(326)	(559)
<i>Other operating income</i>	61	71	137
<i>Other operating expenses</i>	(123)	(397)	(696)
Operating income	718	(946)	(955)
Net interest income (expense)	(237)	(182)	(353)
<i>Interest income</i>	70	53	118
<i>Interest expenses</i>	(307)	(235)	(471)
Other financial income and expenses, net	(9)	1	(51)
Financial income (note 7)	(246)	(181)	(404)
Share in net income (loss) of associates	531	(1,584)	(1,561)
<i>Nissan (note 11)</i>	460	(1,211)	(902)
<i>Other associates (note 12)</i>	71	(373)	(659)
Pre-tax income	1,003	(2,711)	(2,920)
Current and deferred taxes (note 8)	(180)	(1)	(148)
Net income	823	(2,712)	(3,068)
Net income - minority interests' share	43	20	57
Net income - Renault share	780	(2,732)	(3,125)
Earnings per share ⁽¹⁾ in € (note 9)	2.95	(10.65)	(12.13)
Diluted earnings per share ⁽¹⁾ in € (note 9)	2.95	(10.65)	(12.13)
Number of shares outstanding (in thousands) (note 9)			
<i>for earnings per share</i>	264,701	256,628	257,514
<i>for diluted earnings per share</i>	264,701	256,628	257,514

(1) Net income – Renault share divided by number of shares stated.

Chapter 2

Financial results

2.2.2. Consolidated comprehensive income

Other components of comprehensive income are reported net of tax effects.

(€ million)	H1 2010	H1 2009	2009
NET INCOME	823	(2,712)	(3,068)
Actuarial gains and losses on defined benefit pension plans	(42)	(11)	(45)
Translation adjustments on foreign operations	306	31	112
Partial hedge of the investment in Nissan	(374)	(1)	(43)
Fair value adjustments on cash flow hedging instruments	38	(32)	32
Fair value adjustments on available-for-sale financial assets	102	2	6
Total other components of comprehensive income excluding associates (A)	30	(11)	62
Actuarial gains and losses on defined benefit pension plans	14	53	83
Translation adjustments on foreign operations	2,398	(394)	(387)
Fair value adjustments on cash flow hedging instruments	(2)	27	59
Fair value adjustments on available-for-sale financial assets	4	7	17
Associates' share of other components of comprehensive income (B)	2,414	(307)	(228)
Other components of comprehensive income (A) + (B)	2,444	(318)	(166)
COMPREHENSIVE INCOME	3,267	(3,030)	(3,234)
<i>Renault share</i>	<i>3,194</i>	<i>(3,046)</i>	<i>(3,300)</i>
<i>Minority interests' share</i>	<i>73</i>	<i>16</i>	<i>66</i>

2.2.3. Consolidated financial position

ASSETS (€ million)	June 30, 2010	Dec 31, 2009
NON-CURRENT ASSETS		
Intangible assets (note 10-A)	3,753	3,893
Property, plant and equipment (note 10-B)	11,762	12,294
Investments in associates	14,815	12,084
<i>Nissan (note 11)</i>	<i>13,116</i>	<i>10,583</i>
<i>Other associates (note 12)</i>	<i>1,699</i>	<i>1,501</i>
Non-current financial assets (note 14)	1,741	1,026
Deferred tax assets	328	279
Other non-current assets	411	424
TOTAL NON-CURRENT ASSETS	32,810	30,000
CURRENT ASSETS		
Inventories (note 13)	4,761	3,932
Sales financing receivables	18,983	18,243
Automobile receivables	1,606	1,097
Current financial assets (note 14)	857	787
Current tax assets	94	195
Other current assets	1,832	1,636
Cash and cash equivalents	7,417	8,023
TOTAL CURRENT ASSETS	35,550	33,913
Assets held for sale	-	65
TOTAL ASSETS	68,360	63,978
SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)	June 30, 2010	Dec 31, 2009
SHAREHOLDERS' EQUITY		
Share capital	1,127	1,086
Share premium	3,785	3,453
Treasury shares	(145)	(229)
Revaluation of financial instruments	33	(109)
Translation adjustment	(268)	(2,568)
Reserves	14,292	17,474
Net income – Renault share	780	(3,125)
Shareholders' equity – Renault share	19,604	15,982
Shareholders' equity – minority interests' share	518	490
Total shareholders' equity (note 15)	20,122	16,472
NON-CURRENT LIABILITIES		
Deferred tax liabilities	164	114
Provisions – long-term (note 16)	1,954	1,829
Non-current financial liabilities (note 17)	9,981	9,048
Other non-current liabilities	749	660
Total non-current liabilities	12,848	11,651
CURRENT LIABILITIES		
Provisions – short-term (note 16)	837	914
Current financial liabilities (note 17)	2,455	3,825
Sales financing debts (note 17)	19,410	19,912
Trade payables	6,730	5,911
Current tax liabilities	95	54
Other current liabilities	5,863	5,179
Total current liabilities	35,390	35,795
Liabilities associated with assets held for sale	-	60
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	68,360	63,978

Chapter 2

Financial results

2.2.4. Changes in shareholders' equity

(€ million)	Number of shares (thousand)	Share capital	Share premium	Treasury shares	Revaluation of financial instruments	Translation adjustment	Reserves	Net income - Renault share	Shareholders' equity (Renault share)	Shareholders' equity (minority interests)	Total shareholders' equity
Balance at December 31, 2008	284,937	1,086	3,453	(612)	(223)	(2,241)	16,925	571	18,959	457	19,416
Comprehensive income – 1st half-year 2009⁽¹⁾					4	(360)	42	(2,732)	(3,046)	16	(3,030)
Allocation of 2008 net income							571	(571)			
Dividends										(28)	(28)
Cost of stock option plans (Acquisitions)							9		9		9
Disposals of treasury shares				1					1		1
Impact of capital increases											
Impact of changes in the scope of consolidation ⁽²⁾										(4)	(4)
Other changes							184		184		184
Balance at June 30, 2009	284,937	1,086	3,453	(611)	(219)	(2,601)	17,731	(2,732)	16,107	441	16,548
Comprehensive income – 2nd half-year 2009⁽³⁾					110	33	(4)	(393)	(254)	50	(204)
Dividends										(6)	(6)
Cost of stock option plans (Acquisitions)							7		7		7
Disposals of treasury shares				382			(256)		126		126
Impact of capital increases										15	15
Impact of changes in the scope of consolidation ⁽²⁾										(10)	(10)
Other changes							(4)		(4)		(4)
Balance at December 31, 2009	284,937	1,086	3,453	(229)	(109)	(2,568)	17,474	(3,125)	15,982	490	16,472
Comprehensive income – 1st half-year 2010⁽⁴⁾					142	2,300	(28)	780	3,194	73	3,267
Allocation of 2009 net income							(3,125)	3,125	-		
Dividends										(39)	(39)
Cost of stock option plans (Acquisitions)							5		5		5
Disposals of treasury shares				84			(24)		60		60
Impact of capital increases	10,785	41	332						373		373
Impact of changes in the scope of consolidation ⁽²⁾										(6)	(6)
Other changes							(10)		(10)		(10)
Balance at June 30, 2010	295,722	1,127	3,785	(145)	33	(268)	14,292	780	19,604	518	20,122

(1) The minority interests' share of comprehensive income for first-half 2009 includes €(4) million of other components of comprehensive income.

(2) The impact of changes in the scope of consolidation results from the treatment applied to acquisitions of minority interests and put options for buyouts of minority shareholdings in controlled companies.

(3) The minority interests' share of comprehensive income for second-half 2009 includes €13 million of other components of comprehensive income.

(4) The minority interests' share of comprehensive income for first-half 2010 includes €30 million of other components of comprehensive income.

Details of changes in consolidated shareholders' equity are given in note 15.

2.2.5. Consolidated cash flows

(€ million)	H1 2010	H1 2009	Year 2009
Net income	823	(2,712)	(3,068)
Cancellation of income and expenses with no impact on cash			
- Depreciation, amortisation and impairment	1,596	1,814	3,146
- Share in net income (loss) of associates	(531)	1,584	1,561
- Dividends received from associates	-	81	81
- Other income and expenses with no impact on cash (note 18)	(52)	(260)	(5)
Cash flow	1,836	507	1,715
Net change in financing for final customers	(132)	449	377
Net change in renewable dealer financing	(196)	(44)	(126)
Decrease (increase) in sales financing receivables	(328)	405	251
Bond issuance by the Sales financing segment	2,275	1,496	3,149
Bond redemption by the Sales financing segment	(749)	(2,262)	(2,795)
Net change in other Sales financing debts	(2,279)	384	871
Net change in other securities and loans of the Sales financing segment	(78)	105	152
Net change in Sales financing financial assets and debts	(831)	(277)	1,377
Change in capitalised leased vehicles ⁽¹⁾	(84)	(134)	(256)
Decrease (increase) in working capital (note 18)	164	1,772	2,953
CASH FLOWS FROM OPERATING ACTIVITIES	757	2,273	6,040
Capital expenditure (note 18)	(816)	(1,355)	(2,309)
Acquisitions of investments, net of cash acquired ⁽²⁾	(9)	(26)	(86)
Disposals of property, plant and equipment and intangibles	68	92	236
Disposals of investments, net of cash transferred, and other ⁽²⁾	144	-	-
Net decrease (increase) in other securities and loans of the Automobile segment	(20)	13	65
CASH FLOWS FROM INVESTING ACTIVITIES	(633)	(1,276)	(2,094)
Transactions with minority shareholders ⁽³⁾	-	(15)	-
Dividends paid to parent company shareholders (note 15)	-	-	-
Dividends paid to minority shareholders	(39)	(22)	(22)
(Purchases) sales of treasury shares	60	1	127
Cash flows with shareholders	21	(36)	105
Bond issuance by the Automobile segment	1,042	-	750
Bond redemption by the Automobile segment	(920)	(1,078)	(1,271)
Net increase (decrease) in other financial liabilities of the Automobile segment	(985)	2,065	2,378
Net change in financial liabilities of the Automobile segment	(863)	987	1,857
CASH FLOWS FROM FINANCING ACTIVITIES	(842)	951	1,962
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(718)	1,948	5,908
Cash and cash equivalents: opening balance	8,023	2,058	2,058
Increase (decrease)	(718)	1,948	5,908
Effect of changes in exchange rate and other changes	112	24	57
Cash and cash equivalents: closing balance	7,417	4,030	8,023

(1) The change in capitalised leased vehicles has been reclassified from cash flows from investing activities to cash flows from operating activities in application of changes introduced in the annual improvements to IFRS in 2009.

(2) In first-half 2010 and 2009, these amounts essentially concern acquisitions involving no gain of control and disposals involving no loss of control.

(3) Via capital increases or capital reductions and acquisitions of additional investments in controlled companies.

Chapter 2

Financial results

2.2.6. Information by operating segment

A. Consolidated income statement by operating segment

(€ million)	Automobile	Sales financing	Intersegment transactions	Consolidated total
H1 2010				
External sales (note 4)	18,778	890	-	19,668
Intersegment sales	(144)	181	(37)	-
Sales by segment	18,634	1,071	(37)	19,668
Operating margin ⁽¹⁾	400	370	10	780
Operating income	339	370	9	718
Financial income ⁽²⁾	155	-	(401)	(246)
Share in net income (loss) of associates	532	(1)	-	531
Pre-tax income	1,026	369	(392)	1,003
Current and deferred taxes	(55)	(121)	(4)	(180)
Net income	971	248	(396)	823
H1 2009				
External sales	15,101	890	-	15,991
Intersegment sales	(139)	164	(25)	-
Sales by segment	14,962	1,054	(25)	15,991
Operating margin ⁽¹⁾	(868)	249	(1)	(620)
Operating income	(1,192)	246	-	(946)
Financial income ⁽²⁾	121	-	(302)	(181)
Share in net income (loss) of associates	(1,587)	3	-	(1,584)
Pre-tax income	(2,658)	249	(302)	(2,711)
Current and deferred taxes	82	(82)	(1)	(1)
Net income	(2,576)	167	(303)	(2,712)
YEAR 2009				
External sales	31,951	1,761	-	33,712
Intersegment sales	(317)	342	(25)	-
Sales by segment	31,634	2,103	(25)	33,712
Operating margin ⁽¹⁾	(915)	506	13	(396)
Operating income	(1,457)	489	13	(955)
Financial income ⁽²⁾	(102)	-	(302)	(404)
Share in net income (loss) of associates	(1,566)	5	-	(1,561)
Pre-tax income	(3,125)	494	(289)	(2,920)
Current and deferred taxes	14	(157)	(5)	(148)
Net income	(3,111)	337	(294)	(3,068)

(1) Details of amortisation, depreciation and impairment are provided in the consolidated cash flow statements by operating segment.

(2) Sales financing dividends are included in the Automobile segment's financial income and eliminated as an intersegment transaction.

Chapter 2

Financial results

B. Consolidated financial position by operating segment

Consolidated financial position by operating segment - June 30, 2010

ASSETS (€ million)	Automobile	Sales financing	Intersegment transactions	Consolidated total
Non-current assets				
Property, plant and equipment and intangible assets	15,300	226	(11)	15,515
Investments in associates	14,783	32	-	14,815
Non-current financial assets – investments in non-controlled entities	3,027	-	(2,195)	832
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automobile segment	909	-	-	909
Other non-current assets and deferred tax assets	602	133	4	739
Total non-current assets	34,621	391	(2,202)	32,810
Current assets				
Inventories	4,756	5	-	4,761
Customer receivables	1,821	19,448	(680)	20,589
Current financial assets	1,019	458	(620)	857
Other current assets and current tax assets	1,588	2,452	(2,114)	1,926
Cash and cash equivalents	6,285	1,277	(145)	7,417
Total current assets	15,469	23,640	(3,559)	35,550
Assets held for sale	-	-	-	-
TOTAL ASSETS	50,090	24,031	(5,761)	68,360

SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)	Automobile	Sales financing	Intersegment transactions	Consolidated total
SHAREHOLDERS' EQUITY	20,006	2,198	(2,082)	20,122
Non-current liabilities				
Deferred tax liabilities and long-term provisions	1,729	336	53	2,118
Non-current financial liabilities	9,719	262	-	9,981
Other non-current liabilities	572	177	-	749
Total non-current liabilities	12,020	775	53	12,848
Current liabilities				
Short-term provisions	792	45	-	837
Current financial liabilities	3,157	-	(702)	2,455
Trade payables and Sales financing debts	6,746	20,111	(717)	26,140
Other current liabilities and current tax liability	7,369	902	(2,313)	5,958
Total current liabilities	18,064	21,058	(3,732)	35,390
Liabilities associated with assets held for sale	-	-	-	-
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	50,090	24,031	(5,761)	68,360

Chapter 2

Financial results

Consolidated financial position by operating segment - December 31, 2009

(€ million)	Automobile	Sales financing	Intersegment transactions	Consolidated total
Non-current assets				
Property, plant and equipment and intangible assets	15,953	245	(11)	16,187
Investments in associates	12,058	26	-	12,084
Non-current financial assets – investments in non-controlled entities	2,392	-	(2,254)	138
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automobile segment	888	-	-	888
Other non-current assets and deferred tax assets	553	145	5	703
Total non-current assets	31,844	416	(2,260)	30,000
Current assets				
Inventories	3,927	5	-	3,932
Customer receivables	1,179	18,660	(499)	19,340
Current financial assets	1,025	380	(618)	787
Other current assets and current tax assets	1,532	2,041	(1,742)	1,831
Cash and cash equivalents	5,408	2,738	(123)	8,023
Total current assets	13,071	23,824	(2,982)	33,913
Assets held for sale	65	-	-	65
TOTAL ASSETS	44,980	24,240	(5,242)	63,978

SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)	Automobile	Sales financing	Intersegment transactions	Consolidated total
SHAREHOLDERS' EQUITY				
Non-current liabilities				
Deferred tax liabilities and long-term provisions	1,585	309	49	1,943
Non-current financial liabilities	8,787	261	-	9,048
Other non-current liabilities	509	151	-	660
Total non-current liabilities	10,881	721	49	11,651
Current liabilities				
Short-term provisions	865	49	-	914
Current financial liabilities	4,455	4	(634)	3,825
Trade payables and Sales financing debts	5,938	20,593	(708)	25,823
Other current liabilities and current tax liability	6,418	614	(1,799)	5,233
Total current liabilities	17,676	21,260	(3,141)	35,795
Liabilities associated with assets held for sale	60	-	-	60
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	44,980	24,240	(5,242)	63,978

C. Consolidated cash flows by operating segment

(€ million)	Automobile	Sales financing	Intersegment transactions	Consolidated total
H1 2010				
Net income	971	248	(396)	823
Cancellation of income and expenses with no impact on cash				
- Depreciation, amortisation and impairment	1,581	15	-	1,596
- Share in net income (loss) of associates	(532)	1	-	(531)
- Dividends received from associates	-	-	-	-
- Other income and expenses with no impact on cash	(56)	1	3	(52)
Cash flow	1,964	265	(393)	1,836
Decrease (increase) in Sales financing receivables	-	(381)	53	(328)
Net change in Sales financing financial assets and debts	-	(820)	(11)	(831)
Change in capitalised leased vehicles ⁽¹⁾	(105)	21	-	(84)
Decrease (increase) in working capital	307	(150)	7	164
CASH FLOWS FROM OPERATING ACTIVITIES	2,166	(1,065)	(344)	757
Purchases of intangible assets	(346)	-	-	(346)
Purchases of property, plant and equipment ⁽¹⁾	(468)	(2)	-	(470)
Disposals of property, plant and equipment and intangibles ⁽¹⁾	68	-	-	68
Acquisition of investments, net of disposals and other	135	-	-	135
Net decrease (increase) in other securities and loans of the Automobile segment	(18)	-	(2)	(20)
CASH FLOWS FROM INVESTING ACTIVITIES	(629)	(2)	(2)	(633)
Cash flows with shareholders	24	(404)	401	21
Net change in financial assets and liabilities of the Automobile segment	(797)	-	(66)	(863)
CASH FLOWS FROM FINANCING ACTIVITIES	(773)	(404)	335	(842)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	764	(1,471)	(11)	(718)

⁽¹⁾ The change in capitalised leased vehicles has been reclassified from cash flows from investing activities to cash flows from operating activities in application of changes introduced in the annual improvements to IFRS in 2009.

Chapter 2

Financial results

(€ million)	Automobile	Sales financing	Intersegment transactions	Consolidated total
H1 2009				
Net income	(2,576)	167	(303)	(2,712)
Cancellation of income and expenses with no impact on cash				
- Depreciation, amortisation and impairment	1,805	16	(7)	1,814
- Share in net income (loss) of associates	1,587	(3)	-	1,584
- Dividends received from associates	81	-	-	81
- Other income and expenses with no impact on cash	(340)	79	1	(260)
Cash flow	557	259	(309)	507
Decrease (increase) in Sales financing receivables	-	(58)	463	405
Net change in Sales financing financial assets and debts	-	(247)	(30)	(277)
Change in capitalised leased vehicles ⁽¹⁾	(122)	(12)	-	(134)
Decrease (increase) in working capital	1,661	105	6	1,772
CASH FLOWS FROM OPERATING ACTIVITIES	2,096	47	130	2,273
Purchases of intangible assets	(392)	(15)	-	(407)
Purchases of property, plant and equipment ⁽¹⁾	(948)	-	-	(948)
Disposals of property, plant and equipment and intangibles ⁽¹⁾	92	-	-	92
Acquisition of investments, net of disposals and other	(26)	-	-	(26)
Net decrease (increase) in other securities and loans of the Automobile segment	18	-	(5)	13
CASH FLOWS FROM INVESTING ACTIVITIES	(1,256)	(15)	(5)	(1,276)
Cash flows with shareholders	(36)	(301)	301	(36)
Net change in financial assets and liabilities of the Automobile segment	1,410	-	(423)	987
CASH FLOWS FROM FINANCING ACTIVITIES	1,374	(301)	(122)	951
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,214	(269)	3	1,948

(1) The change in capitalised leased vehicles has been reclassified from cash flows from investing activities to cash flows from operating activities in application of changes introduced in the annual improvements to IFRS in 2009.

Chapter 2

Financial results

(€ million)	Automobile	Sales financing	Intersegment transactions	Consolidated total
YEAR 2009				
Net income	(3,111)	337	(294)	(3,068)
Cancellation of income and expenses with no impact on cash				
- Depreciation, amortisation and impairment	3,124	30	(8)	3,146
- Share in net income (loss) of associates	1,566	(5)	-	1,561
- Dividends received from associates	81	-	-	81
- Other income and expenses with no impact on cash	(193)	183	5	(5)
Cash flow	1,467	545	(297)	1,715
Decrease (increase) in Sales financing receivables	-	76	175	251
Net change in Sales financing financial assets and debts	-	1,366	11	1,377
Change in capitalised leased vehicles ⁽¹⁾	(248)	(9)	1	(256)
Decrease (increase) in working capital	2,923	33	(3)	2,953
CASH FLOWS FROM OPERATING ACTIVITIES	4,142	2,011	(113)	6,040
Purchases of intangible assets	(670)	(16)	-	(686)
Purchases of property, plant and equipment ⁽¹⁾	(1,620)	(3)	-	(1,623)
Disposals of property, plant and equipment and intangibles ⁽¹⁾	236	-	-	236
Acquisition of investments, net of disposals and other	(86)	-	-	(86)
Net decrease (increase) in other securities and loans of the Automobile segment	81	-	(16)	65
CASH FLOWS FROM INVESTING ACTIVITIES	(2,059)	(19)	(16)	(2,094)
Cash flows with shareholders	105	(302)	302	105
Net change in financial assets and liabilities of the Automobile segment	2,017	-	(160)	1,857
CASH FLOWS FROM FINANCING ACTIVITIES	2,122	(302)	142	1,962
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,205	1,690	13	5,908

⁽¹⁾ The change in capitalised leased vehicles has been reclassified from cash flows from investing activities to cash flows from operating activities in application of changes introduced in the annual improvements to IFRS in 2009.

Chapter 2

Financial results

2.2.7. Notes to the condensed consolidated half-year financial statements

I - Accounting policies and scope of consolidation	32
1. Approval of the financial statements	32
2. Accounting policies	32
3. Changes in the scope of consolidation	33
II - Significant events	33
III - Income statement and comprehensive income	34
4. Revenues	34
5. Research and development expenses	34
6. Other operating income and expenses	35
7. Financial income	35
8. Current and deferred taxes	35
9. Basic and diluted earnings per share	35
IV - Consolidated financial position	36
10. Intangible assets and property, plant and equipment	36
11. Investment in Nissan	36
12. Investments in other associates	38
13. Inventories	40
14. Financial assets	40
15. Shareholders' equity	40
16. Provisions	42
17. Financial liabilities, sales financing debts and liquidity risk	43
V - Cash flows and other information	45
18. Cash flows	45
19. Related parties	45
20. Off-balance sheet commitments and contingent liabilities	46
21. Subsequent events	46

I - ACCOUNTING POLICIES AND SCOPE OF CONSOLIDATION

1. Approval of the financial statements

The Renault group's condensed consolidated financial statements at June 30, 2010 were authorized for issue at the Board of Directors' meeting of July 29, 2010.

2. Accounting policies

The consolidated financial statements at December 31, 2009 were prepared under the IFRS (International Financial Reporting Standards) issued by the IASB (International Accounting Standards Board) at December 31, 2009 and adopted by the European Union at the closing date.

The accounting policies used in preparing the consolidated half-year financial statements at June 30, 2010 are compliant with IAS 34 "Interim financial reporting". They do not contain all the information required for annual consolidated financial statements and should be read in conjunction with the financial statements at December 31, 2009. With the exception of the changes stated below, the accounting policies are identical to those applied in the consolidated financial statements at December 31, 2009.

The following standards, interpretations and amendments were already published in the Official Journal of the European Union at June 30, 2010 and are applied for the first time in these half-year financial statements:

- IFRS 3, "Business combinations" (revised 2008);
- IAS 27, "Consolidated and separate financial statements" (revised 2008);
- 2009 improvements to international financial reporting standards;
- the 2008 improvement to IFRS 5, "Non-current assets held for sale and discontinued operations";
- the amendment to IFRS 2, "Share-based payment" on group cash-settled share-based payment transactions;
- the amendment to IAS 39, "Financial instruments: recognition and measurement" for eligible hedged items;
- IFRIC 15, "Agreements for the construction of real estate";
- IFRIC 16, "Hedges of a net investment in a foreign operation";
- IFRIC 17, "Distributions of Non-cash Assets to Owners";
- IFRIC 18, "Transfers of Assets from Customers".

The first application of these standards, interpretations and amendments has no significant impact on the financial statements at June 30, 2010.

The Group undertakes no early application of any standard, interpretation or amendment.

The main areas of the consolidated half-year financial statements involving estimates and judgements are the same as those described in note 2-B to the consolidated financial statements at December 31, 2009.

3. Changes in the scope of consolidation

A. Changes in the first half of 2010

Following signature of the letter of intent in December 2009, the consequences of which were reflected in the 2009 annual financial statements, Renault signed a strategic partnership agreement for its involvement in Formula 1 racing on February 5, 2010, transferring 75% of the capital of Renault F1 Team Ltd. The 25% investment retained in this entity is now accounted for by the equity method.

B. Changes in the year 2009

Renault set up a new entity named Renault Tanger Méditerranée in Morocco, fully consolidated over the second half of 2009. Renault Tanger Méditerranée carries out industrial investments for the production site in the Tanger Méditerranée Special Development Zone.

II - SIGNIFICANT EVENTS

In April 2010 the Renault-Nissan Alliance and Daimler AG signed a strategic cooperation agreement designed to make all three groups rapidly benefit from a certain number of defined projects and the sharing of best practices. The agreement principally concerns a new common architecture for small vehicles, widespread powertrain sharing and joint development for light commercial vehicles.

This strategic industrial cooperation is reinforced by new cross-shareholdings between the three groups, reflected in the following exchanges of shares:

- Daimler acquired 3.1% of new shares issued by Renault;
- Daimler acquired 3.1% of Nissan's shares from Renault;
- Renault acquired 3.1% of Daimler's shares before transferring 1.55% of its investment in Daimler to Nissan, in exchange for 2% of Nissan's shares.

For the purposes of this operation the Renault group issued 10,785 thousand shares with par value of €3.81 per share. Of these 10,785 thousand shares, 9,167 thousand were remitted as remuneration for the investment acquired in Daimler and the remaining 1,618 thousand were subscribed by the Nissan group to maintain its percentage holding in the Renault group at 15%.

The Nissan group, meanwhile, transferred some of its treasury shares in exchange for the Daimler and Renault shares received. After these operations, Nissan owned 0.9% of its own shares (compared to 3.0% at December 31, 2009).

Following these exchanges, Daimler now owns a 3.1% stake in the Renault and Nissan groups, and the Renault and Nissan groups each hold 1.55% of Daimler shares. Renault's investment in Nissan has been reduced from 44.3% to 43.4%.

The Renault group also sold 1,628 thousand treasury shares to the French State in order to maintain the State's shareholding in Renault at 15.01%.

The number of Renault shares now in circulation is 295,722 thousand (284,937 thousand at December 31, 2009). The percentages owned by the French State and Nissan are unchanged (15.01% and 15% respectively).

This agreement has the following impact on the Group's consolidated financial statements at June 30, 2010:

- The sale of Nissan's shares generated a capital gain of €30 million recorded under "Other operating income and expenses".
- The new shares issued by Renault led to a €373 million increase in consolidated shareholders' equity.
- The sale of treasury shares by Renault to the French State resulted in a €60 million increase in consolidated shareholders' equity, equivalent to the sale price.
- The neutralisation of Nissan's investment in Renault (Nissan owns 15% of Renault), amounting to €(962) million at December 31, 2009, was adjusted for the combined effect of Renault's lower percentage holding in Nissan (€13 million) and the Renault capital increase subscribed by Nissan (€(26) million). It now amounts to €(975) million.
- The Daimler shares are included in the balance sheet assets under "Financial assets" as "Investments in non-controlled entities". The change in their fair value between the acquisition date and the closing date, which amounts to €105 million, is recorded in other components of comprehensive income in the category of "Fair value adjustments on available-for-sale financial assets".

Chapter 2

Financial results

III – INCOME STATEMENT AND COMPREHENSIVE INCOME

4. Revenues

A. First half 2009 revenues applying first half 2010 Group structure and methods

(€ million)	Automobile	Sales financing	Total
First-half 2009 revenues as published	15,101	890	15,991
Changes in scope of consolidation	(4)	(10)	(14)
First-half 2009 revenues applying first-half 2010 Group structure and methods	15,097	880	15,977
First-half 2010 revenues	18,778	890	19,668

B. Breakdown of revenues

(€ million)	H1 2010	H1 2009	Year 2009
Sales of goods	17,976	14,389	30,499
Sales of services	1,041	946	1,916
Sales of goods and services	19,017	15,335	32,415
Income on customer financing	442	435	865
Income on leasing and similar operations	209	221	432
Sales financing revenues	651	656	1,297
Revenues	19,668	15,991	33,712

C. Breakdown of revenues by Region

(€ million)	H1 2010	H1 2009	Year 2009
Europe ⁽¹⁾	14,300	12,392	25,714
Euromed	1,334	1,165	2,428
Eurasia	440	291	598
Asia-Africa	1,857	950	2,393
Americas	1,737	1,193	2,579
Total revenues	19,668	15,991	33,712

(1) Including France (€ million):

H1 2010	6,744
H1 2009	6,201
Year 2009	12,517

Consolidated revenues are presented by location of customers.

5. Research and development expenses

(€ million)	H1 2010	H1 2009	Year 2009
Research and development expenses	(862)	(921)	(1,643)
Capitalised development expenses	316	415	587
Amortisation of capitalised development expenses	(427)	(429)	(739)
Total reported in income statement	(973)	(935)	(1,795)

6. Other operating income and expenses

(€ million)	H1 2010	H1 2009	Year 2009
Restructuring and workforce adjustment costs and provisions	(39)	(60)	(218)
Gains and losses on disposal of businesses and operating entities	33	-	(118)
Gains and losses on disposal of property, plant and equipment and intangible assets (except vehicle sales)	(6)	31	102
Impairment of fixed assets	(50)	(297)	(297)
Other unusual items	-	-	(28)
Total	(62)	(326)	(559)

Restructuring costs recognised in first-half 2010 mainly concern workforce adjustment measures introduced in Spain and Turkey.

In 2010, gains and losses on disposal of businesses essentially comprise the profit on sale of Nissan shares in connection with the cooperation agreement with the Daimler group (see “Significant events”). In 2009, this item concerned the disposal of 75% of the shares owned by the Group in its subsidiary Renault F1 Team Ltd.

In 2010 as in 2009, impairment of fixed assets essentially concerned development expenses for vehicles in the range (two in 2009 and another in 2010).

7. Financial income

The €237 million net interest expense for the period (€182 million in first-half 2009) now includes the full effect of interest payable on the loans from the French government and the European Investment Bank received during the first half of 2009.

Other financial income and expenses include an expense of €2 million for first-half 2010 (compared to an expense of €22 million for first-half 2009) resulting from changes in the fair value of Renault SA redeemable shares.

9. Basic and diluted earnings per share

(In thousands of shares)	H1 2010	H1 2009	Year 2009
Shares in circulation	288,532	284,937	284,937
Treasury shares	(3,981)	(8,768)	(7,882)
Shares held by Nissan x Renault's share in Nissan	(19,850)	(19,541)	(19,541)
Number of shares used to calculate basic earnings per share	264,701	256,628	257,514

The number of shares used to calculate the basic earnings per share is the weighted average number of ordinary shares

8. Current and deferred taxes

For interim accounting purposes, the tax charge or income is determined at the projected year-end effective tax rate, adjusted for non-recurring events of the half-year, which are recognised in the period in which they arise.

In first-half 2010 and over the year 2009, due to a lack of visibility over short-term and medium-term taxable income, despite the indefinite validity for utilization of tax losses carried forward, deferred tax assets on the tax loss carryforwards of the French tax group were recognized to the extent of the net balance of deferred tax assets and liabilities on temporary differences. This has a negative impact of €96 million on the Group's tax charge (compared to a negative impact of €436 million at June 30, 2009).

The Group's effective tax rate at June 30, 2010 (before the share in net income of associates) is 38%. After adjustment for the non-recognition of French tax group deferred taxes, the effective rate is 18%, mainly as a result of favourable differences between local rates and French rates, and ongoing improvement in earnings prospects for Argentina and Brazil.

in circulation during the period, i.e. after neutralisation of treasury shares and Renault shares held by Nissan.

Chapter 2

Financial results

(in thousands of shares)	H1 2010	H1 2009	Year 2009
Number of shares used to calculate basic earnings per share	264,701	256,628	257,514
Number of dilutive stock options and free share attribution rights	-	-	-
Number of shares used to calculate diluted earnings per share	264,701	256,628	257,514

The number of shares used to calculate the diluted earnings per share is the weighted average number of ordinary shares potentially in circulation during the period, i.e. the number of shares used to calculate the basic earnings per share plus the number of stock options and rights to free share attribution with a dilutive effect.

In first-half 2010, stock option and free share attribution plans have no dilutive effect.

In 2009, as a net loss was recorded for the year, all stock options and free share attribution rights were excluded in calculating the diluted earnings per share.

IV - CONSOLIDATED FINANCIAL POSITION

10. Intangible assets and property, plant and equipment

In the Automobile segment, a review of the assumptions underlying the impairment tests applied to cash-generating units (excluding vehicle-specific assets) at December 31, 2009 shows that they have not fundamentally changed. The Group has not therefore repeated the detailed tests carried out at the 2009 year-end.

Following impairment tests on vehicle-specific assets, impairment of €48 million was recognised on assets (see note 6).

A. Intangible assets

(€ million)	Gross value	Amortisation and impairment	Net value
Value at December 31, 2009	7,648	(3,755)	3,893
Acquisitions (note 18-C) / (amortisation and impairment) ⁽¹⁾	346	(497)	(151)
(Disposals) / reversals	(311)	311	-
Translation adjustment	39	(20)	19
Change in scope of consolidation and other	(8)	-	(8)
Value at June 30, 2010	7,714	(3,961)	3,753

(1) Including €35 million of impairment on capitalised development expenses – see note 6.

B. Property, plant and equipment

(€ million)	Gross value	Depreciation and impairment	Net value
Value at December 31, 2009	31,463	(19,169)	12,294
Acquisitions (depreciation and impairment) ^{(1) (2)}	693	(1,102)	(409)
(Disposals)/ reversals	(567)	238	(329)
Translation adjustment	417	(200)	217
Change in scope of consolidation and other	(8)	(3)	(11)
Value at June 30, 2010	31,998	(20,236)	11,762

(1) including €13 million of impairment on tangible assets – see note 6

(2) including €334 million of acquisitions other than purchases of leased vehicles – see note 18-C

11. Investment in Nissan

A. Nissan consolidation method

Renault is considered to exercise significant influence in Nissan, and therefore uses the equity method to include its investment in Nissan in the consolidation.

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

The Nissan accounts included under the equity method in Renault's financial statements are Nissan's consolidated accounts published in compliance with Japanese accounting standards (as Nissan is listed on the Tokyo Stock Exchange), after adjustments for the requirements of the Renault consolidation.

Chapter 2

Financial results

Following the operations described in “Significant events”, Nissan held 0.9% of its own shares at June 30, 2010, (against

3% at December 31, 2009), and Renault’s percentage interest in Nissan was 43.8% (45.7% at December 31, 2009).

C. Changes in the investment in Nissan

(€ million)	Share in net assets			Net goodwill	Total
	Before neutralisation	Neutralisation of Nissan’s investment in Renault ⁽¹⁾	Net		
At December 31, 2009	10,817	(962)	9,855	728	10,583
First-half 2010 net income	460	-	460	-	460
Dividend distributed	-	-	-	-	-
Translation adjustment	2,125	-	2,125	162	2,287
Effects of the Alliance - Daimler cooperation ⁽²⁾	(212)	(13)	(225)	(12)	(237)
Other changes ⁽³⁾	23	-	23	-	23
At June 30, 2010	13,213	(975)	12,238	878	13,116

(1) Nissan has held 15% of Renault since the acquisition in 2002, excluding the subsequent impacts of Renault’s repurchases of its treasury shares.

(2) These effects are presented in “Significant events”.

(3) Other changes include Renault dividends received by Nissan (if any), the change in actuarial gains and losses on pension obligations, and the change in the financial instruments revaluation reserve.

D. Changes in Nissan equity restated for the purposes of the Renault consolidation

(in billions of yen)	Dec. 31, 2009	Net income for first-half 2010	Dividends	Translation adjustment	Effects of the Alliance-Daimler cooperation ⁽¹⁾	Other changes ⁽²⁾	June 30, 2010
Shareholders' equity – Nissan share under Japanese GAAP	2,690	95	-	(87)	86	2	2,786
Restatements for Renault group requirements:							
- Restatement of fixed assets	354	(2)	-	-	-	-	352
- Provision for pension and other long-term employee benefit obligations ⁽³⁾	(234)	21	-	3	-	12	(198)
- Capitalisation of development expenses	565	(12)	-	-	-	-	553
- Deferred taxes and other restatements ⁽⁴⁾	(225)	22	-	5	(5)	(7)	(210)
Net assets restated for Renault group requirements	3,150	124	-	(79)	81	7	3,283

(€ million)							
Net assets restated for Renault group requirements	23,660	1,055	-	4,770	639	56	30,180
Renault’s share (before neutralisation described below)	45,7%	460	-	2,125	(212)	23	43,8%
Neutralisation of Nissan’s investment in Renault ⁽⁵⁾		(962)			(13)		(975)
Renault’s share in the net assets of Nissan	9,855	460	-	2,125	(225)	23	12,238

(1) As described in “Significant events”.

(2) Other changes include mainly the change in the actuarial gains and losses on pension obligations and the change in the financial instruments revaluation reserve.

(3) Including actuarial gains and losses recognised in equity.

(4) Including elimination of Nissan’s investment in Renault, accounted for by the equity method.

(5) Nissan has held 15% of Renault since the acquisition in 2002, excluding the subsequent impacts of Renault’s repurchases of its treasury shares.

Chapter 2

Financial results

E. Nissan net income under Japanese GAAP

Since Nissan's financial year ends at March 31, the Nissan net income included in the first-half 2010 Renault consolidation is the sum of Nissan's net income for the final quarter of its 2009 financial year and the first quarter of its 2010 financial year.

	January to March 2010		April to June 2010		January to June 2010	
	Final quarter of Nissan's 2009 financial year		First quarter of Nissan's 2010 financial year		Reference period for Renault's first-half 2010 consolidated financial statements	
	in billions of yen	€ million ⁽¹⁾	in billions of yen	€ million ⁽¹⁾	in billions of yen	€ million ⁽¹⁾
Net income – Nissan share	(12)	(92)	107	908	95	816

(1) Converted at the average exchange rate for each quarter.

F. Renault - Nissan cooperation

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

The main transactions described in the 2009 annual report continued in 2010.

Total sales by Renault to Nissan and purchases by Renault from Nissan during the first half of 2010 amounted to an estimated €740 million and €570 million respectively. The increase compared to first-half 2009 (€470 million and €320 million respectively) is principally due to higher volumes.

During first-half 2010, the RCI consolidated subgroup recorded €32 million of commission and interest income received from Nissan.

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

A. AB Volvo

A1. Changes in the value of Renault's investment in AB Volvo

(€ million)	Share in net assets	Net goodwill	Total
At December 31, 2009	1,225	35	1,260
First-half 2010 net income	121	-	121
Dividend distributed	-	-	-
Repurchase of AB Volvo own shares	-	-	-
Translation adjustment and revaluation of financial instruments	84	4	88
At June 30, 2010	1,430	39	1,469

AB Volvo owned 4.8% of its own shares at June 30, 2010, and also at December 31, 2009. Renault's investment in AB Volvo thus stood at 21.8% at June 30, 2010, unchanged from December 31, 2009.

G. Valuation of Renault's investment in Nissan based on stock market prices

Based on the market price of Nissan stock at June 30, 2010 (626 yen per share), Renault's investment in Nissan is valued at €11,290 million (€12,190 million at December 31, 2009 based on the market price of 810 yen per share at that date).

12. Investments in other associates

Details of other investments in other associates are as follows:

- Balance sheet value: €1,699 million at June 30, 2010 (€1,501 million at December 31, 2009),
- Renault's share in the net income of other associates: €71 million for first-half 2010 (€(373) million for first-half 2009 and €(659) million for the year 2009).

Most of these amounts relate to the investments in AB Volvo and AvtoVAZ, accounted for under the equity method.

A2. Changes in AB Volvo equity restated for the purposes of the Renault consolidation

(€ million)	Dec. 31, 2009	Net income	Dividends	Other changes	June 30, 2010
Shareholders' equity – AB Volvo share	6,477	493	-	477	7,447
Restatements for Renault group requirements	(856)	63	-	(88)	(881)
Net assets restated for Renault group requirements	5,621	556	-	389	6,566
Renault's share in the net assets of AB Volvo	1,225	121	-	84	1,430

The restatements applied for Renault group requirements mainly concern cancellation of goodwill booked in AB Volvo's accounts when AB Volvo was acquired by Renault, and recognition of actuarial gains and losses in equity.

A3. Operations between the Renault group and the AB Volvo group

There were no significant joint operations by the Renault group and the AB Volvo group during first-half 2010.

B. AvtoVAZ

AvtoVAZ's financial year-end is December 31. For the purposes of the Renault consolidation, given the existing time constraints for production of financial information, the accounts of AvtoVAZ are consolidated with a 3-month time-lag. Consequently, the AvtoVAZ net income included in Renault's half-year consolidated financial statements at June 30, 2010 is the sum of AvtoVAZ's net income for the final quarter of its 2009 financial year and the first quarter of its 2010 financial year.

B1. Changes in the value of Renault's investment in AvtoVAZ

(€ million)	Share in net assets
At September 30, 2009	119
Net income for the period October 1, 2009 – March 31, 2010	(56)
Dividend distributed	-
Repurchase of AvtoVAZ treasury shares	-
Translation adjustment and revaluation of financial instruments	(2)
At March 31, 2010	61

Renault's percentage interest in AvtoVAZ was 25.0% at June 30, 2010, unchanged from December 31, 2009.

Based on the AvtoVAZ stock market share price of RUB 15.4 per ordinary share and RUB 4.0 per preferred share at March 31, 2010, Renault's investment in AvtoVAZ is valued at €146 million (€124 million at September 30, 2009 based on the price of RUB 14.7 per ordinary share and RUB 3 per preferred share).

At June 30, 2010, the stock market valuation (€131 million) is higher than the value of AvtoVAZ in Renault's financial statements (€61 million).

On July 15, 2010 the shareholders of AvtoVAZ (Renault, Russian Technologies and Troika Dialog) signed the final agreement on the resources and main stages of restructuring and recapitalisation of AvtoVAZ. Renault will retain its 25% investment plus one share in AvtoVAZ. Between now and 2012, Renault will invest the equivalent of €240 million, thus contributing to production of new models, and will also assist AvtoVAZ in these developments.

B2. Changes in AvtoVAZ equity restated for the purposes of the Renault consolidation

(€ million)	Sept. 30, 2009	Net income for the period October 1, 2009 – March 31, 2010	Dividends	Other changes	March 31, 2010
Shareholders' equity – AvtoVAZ share	444	(234)	-	(10)	200
Restatements for Renault group requirements	30	9	-	4	43
Net assets restated for Renault group requirements	474	(225)	-	(6)	243
Renault's share in the net assets of AvtoVAZ	119	(56)	-	(2)	61

Chapter 2

Financial results

Restatements for Renault group requirements mainly concern valuation of intangibles (the Lada brand) and fair value measurement of financial liabilities.

B3. Operations between the Renault group and the AvtoVAZ group

There were no significant joint operations by the Renault group and AvtoVAZ during first-half 2010.

13. Inventories

(€ million)	June 30, 2010	Dec 31, 2009
Raw materials and supplies	1,012	916
Work-in-progress	289	237
Finished products	3,460	2,779
Inventories, net	4,761	3,932
<i>Inventories, gross⁽¹⁾</i>	<i>5,289</i>	<i>4,450</i>
<i>Impairment⁽²⁾</i>	<i>(528)</i>	<i>(518)</i>

(1) Including gross value of used vehicles: €1,185 million at June 30, 2010 (€929 million at December 31, 2009).

(2) Including impairment on used vehicles: €139 million at June 30, 2010 (€129 million at December 31, 2009).

14. Financial assets

Breakdown of financial assets by nature

(€ million)	June 30, 2010			December 31, 2009		
	Non-current	Current	Total	Non-current	Current	Total
Investments in non-controlled entities	832	-	832	138	-	138
Other securities	-	61	61	-	68	68
Loans	85	405	490	68	327	395
Derivative assets on financing operations by the Automobile segment	824	391	1,215	820	392	1,212
Total	1,741	857	2,598	1,026	787	1,813
<i>Gross value</i>	<i>1,742</i>	<i>869</i>	<i>2,611</i>	<i>1,027</i>	<i>795</i>	<i>1,822</i>
<i>Impairment</i>	<i>(1)</i>	<i>(12)</i>	<i>(13)</i>	<i>(1)</i>	<i>(8)</i>	<i>(9)</i>

The increase in investments in non-controlled entities essentially corresponds to Daimler shares acquired in connection with the strategic partnership as described in "Significant events".

Investments in non-controlled entities at June 30, 2010 also include €61 million paid to the Modernization Fund for Automobile Equipment Suppliers (*Fonds de Modernisation des Equipementiers Automobile - FMEA*). As part of the plan introduced by the French authorities and automakers to support automobile equipment suppliers, Renault has undertaken a commitment to pay this Fund a total of €200 million as funds are called.

The current portion of other securities corresponds to securities that cannot be classified as cash equivalents.

15. Shareholders' equity

A. Share capital

The capital increases undertaken during the period are described in "Significant events".

The total number of ordinary shares issued and fully paid-up at June 30, 2010 was 295,722 thousand, with par value of €3.81 per share (the par value is unchanged from December 31, 2009).

Treasury shares do not bear dividends. They accounted for 0.98% of Renault's share capital at June 30, 2010 (1.59% at December 31, 2009).

B. Distributions

At the General and Extraordinary Shareholders' Meeting of April 30, 2010, it was decided that no dividend would be distributed.

C. Stock option and free share attribution plans

Since October 1996, the Board of Directors has periodically granted stock options to Group executives and managers, with prices and exercise periods specific to each plan.

No new stock option or free share plans were introduced in 2009 or first-half 2010. All plans introduced since 2006 include performance conditions which determine the number of options or shares awarded to beneficiaries.

Changes in the number of stock options held by personnel

	Number	Weighted average exercise price (€)	Weighted average share price at grant / exercise dates (€)
Outstanding at January 1, 2010	10,977,350	67	-
Granted	-	-	-
Exercised	-	-	-
Expired	(80,382)	70	N/A
Outstanding at June 30, 2010	10,896,968	67	-

D. Share-based payments

Share-based payments exclusively concern stock options and free shares awarded to personnel. These generated personnel expenses of €5 million in first-half 2010 (compared to expenses of €9 million for first-half 2009 and €14 million for the year 2009).

Stock option and share attribution plan values

The valuation model used is unchanged from previous financial statements.

In compliance with the standard's transitional measures, only plans beginning after November 7, 2002 are valued and recorded.

They are valued as follows:

Plan	Initial value (000s of €)	Unit fair value	Expense for H1 2010 (€ million)	Expense for H1 2009 (€ million)	Share price at grant date (€)	Volatility	Interest rate	Exercise price (€)	Duration of option	Dividend per share (€)
Plan 9	32,820	18.15	-	-	55.40	33.0%	3.79%	53.36	4-8 years	1.15
Plan 10	39,870	19.75	-	-	69.05	27.0%	3.71%	66.03	4-8 years	1.40
Plan 11	22,480	14.65	-	(3)	72.45	23.5%	2.68%	72.98	4-8 years	1.80
Plan 12 ⁽¹⁾	17,324	16.20	(2)	(3)	87.05	28.1%	3.90%	87.98	4-8 years	2.40-4.50
Plan 13 ⁽¹⁾	36,634	15.86	-	-	87.82	27.2%	3.85%	87.98	4-8 years	2.40-4.50
Plan 13 bis ⁽¹⁾	74,666	72.60	-	-	83.71	N/A	3.83%	N/A	N/A	2.40-4.50
Plan 14 ⁽¹⁾	26,066	15.00	(3)	(3)	92.65	26.7%	3.88%	93.86	4-8 years	2.40-4.50
Plan 15 ⁽¹⁾	29,747	15.19	-	-	84.68	36.0%	3.79%	96.54	4-8 years	2.40-4.50
Plan 16 ⁽¹⁾	10,279	13.68	-	-	81.79	36.4%	3.77%	96.54	4-8 years	2.40-4.50
Plan 16 bis ⁽¹⁾	9,040	71.15	-	-	87.28	N/A	3.81%	N/A	N/A	2.40-4.50
Total	298 926		(5)	(9)						

(1) For these plans, options or free share attribution rights have been awarded at different dates within the stated period. The information reported may correspond to weighted averages based on quantities awarded per grant date.

Chapter 2

Financial results

16. Provisions

A. Breakdown of provisions by nature

(€ million)	June 30, 2010	Dec 31, 2009
Provisions for pension and other long-term employee benefit obligations	1,238	1,153
Other provisions (note 16-B)	1,553	1,590
Total provisions	2,791	2,743
<i>Provisions – long-term</i>	<i>1,954</i>	<i>1,829</i>
<i>Provisions – short-term</i>	<i>837</i>	<i>914</i>

B. Changes in other provisions

(€ million)	Restructuring provisions	Warranty provisions	Tax risks and litigation provisions	Other provisions	Total
At December 31, 2009	296	753	266	275	1,590
Increases	35	194	22	65	316
Reversals of provisions for application	(106)	(196)	(6)	(61)	(369)
Reversals of unused balance of provisions	(1)	(11)	(6)	(5)	(23)
Changes in scope of consolidation	-	-	-	-	-
Translation adjustments and other changes	5	15	15	4	39
June 30, 2010	229	755	291	278	1,553

At June 30, 2010, other provisions included €40 million of provisions recognised in application of environmental regulations (€43 million at December 31, 2009). These provisions principally concern environmental compliance costs for industrial land that the Group intends to sell (particularly on the Boulogne-Billancourt site) and expenses related to the EU directive on end-of-life vehicles.

All known litigation in which Renault or Group companies are involved is examined at each closing. After seeking the opinion of legal advisors, any provisions deemed necessary are set aside to cover the estimated risk.

17. Financial liabilities, sales financing debts and liquidity risk

A. Financial liabilities and sales financing debts

(€ million)	June 30, 2010			December 31, 2009		
	Non-current	Current	Total	Non-current	Current	Total
Renault SA redeemable shares	240	-	240	231	-	231
Bonds	3,967	753	4,720	3,192	1,009	4,201
Other debts represented by a certificate	-	506	506	-	617	617
Borrowings from credit institutions (at amortised cost)	1,200	707	1,907	1,174	595	1,769
Borrowings from credit institutions (at fair value)	229	-	229	230	-	230
Other interest-bearing borrowings	3,347	138	3,485	3,247	1,259	4,506
Derivative liabilities on financing operations of the Automobile segment	736	351	1,087	713	345	1,058
Total financial liabilities of the Automobile segment	9,719	2,455	12,174	8,787	3,825	12,612
DIAC redeemable shares	11	-	11	10	-	10
Bonds	-	7,686	7,686	-	6,113	6,113
Other debts represented by a certificate	251	6,034	6,285	251	6,851	7,102
Borrowings from credit institutions	-	5,407	5,407	-	6,651	6,651
Other interest-bearing borrowings	-	87	87	-	115	115
Derivative liabilities on financing operations of the Sales financing segment	-	196	196	-	182	182
Total financial liabilities and sales financing debts of the Sales financing segment	262	19,410	19,672	261	19,912	20,173
TOTAL FINANCIAL LIABILITIES AND SALES FINANCING DEBTS	9,981	21,865	31,846	9,048	23,737	32,785

Redeemable shares of Renault SA

These shares are listed on the Paris Stock Exchange, and traded for €290 at December 31, 2009 and €301 at June 30, 2010 for par value of €153, leading to a corresponding €2 million increase to the fair value of redeemable shares recorded in other financial expenses (note 7).

Changes in bonds issued by the Automobile segment

During the first half of 2010, Renault SA redeemed bonds issued between May 2003 and April 2007 for a total value of €920 million, and issued new bonds maturing between 2013 and 2017 with a total value of €1,042 million.

Financing operations by the Sales financing segment

During the first half of 2010, RCI Banque redeemed bonds for a total value of €749 million, and issued new bonds maturing between 2012 and 2015 with a total value of €2,275 million.

At June 30, 2010, RCI Banque had provided guarantees of €3,748 million (€3,892 million at December 31, 2009) to the European Central Bank: €3,486 million in the form of shares in securitisation vehicles and €262 million in Sales

financing receivables (€3,611 million and €281 million respectively at December 31, 2009). RCI Banque has used €1,300 million of this liquidity reserve at June 30, 2010 (€2,000 million at December 31, 2009).

At June 30, 2010, RCI Banque also provided guarantees to the Société de Financement de l'Economie Française (SFEF) in the form of receivables with book value of €1,869 million (€1,978 million at December 31, 2009), in return for refinancing of €1,084 million (identical to December 31, 2009).

Credit lines

At June 30, 2010, Renault SA's confirmed credit lines opened with banks amounted to the equivalent of €4,070 million in various currencies (unchanged from December 31, 2009). The short-term portion amounted to €860 million at June 30, 2010 (unchanged from December 31, 2009). These credit lines are unused at June 30, 2010 (and at December 31, 2009).

Also at June 30, 2010, RCI Banque's confirmed credit lines opened with banks amounted to the equivalent of €4,626 million in various currencies (€4,725 million at

Chapter 2

Financial results

December 31, 2009). At June 30, 2010, the short-term portion amounted to €1,460 million (€1,526 million at December 31, 2009) and a total of €2 million of these credit lines was in use (these credit lines were unused at December 31, 2009).

B. Management of liquidity risk

The Group is financed via the banking and capital markets, through:

- long-term resources (bond issues, private placements, project financing, etc),
- short-term bank loans or commercial paper issues,
- securitisation of receivables by RCI Banque.

The Automobile segment needs sufficient financial resources to finance its day-to-day business and the investments necessary for future growth. It therefore regularly borrows on the banking and capital markets to refinance its debt, and this exposes it to liquidity risk in the event of market closure or tensions over credit availability. As part of its centralised cash management policy, Renault SA handles most refinancing for the Automobile segment either through long-term resources via the capital markets (bond issues, private placements), short-term resources such as treasury notes, or bank financing or project financing through the banking sector or semi-public organisations.

Refinancing for the Automobile segment in first-half 2010 was mostly provided by two bond issues in Euros totalling €900 million, undertaken as part of Renault SA's EMTN program.

Given the available cash reserves and confirmed credit lines unused at June 30, 2010, the Automobile segment has sufficient financial resources to cover its commitments over a 12-month horizon.

The Sales Financing segment's business depends on reliable access to financial resources: any restriction on access to banking and financial markets would lead to downscaling of its financing activity and/or raise the cost of the financing negotiated. The liquidity risk is closely monitored on a regular basis. The static liquidity position, which has been constantly positive in the last few years reflecting surplus long-term resources compared to applications, remains positive. RCI Banque therefore distributes loans from resources raised several months previously, enabling the segment to maintain a stable financial margin.

Medium-term refinancing for the Sales Financing segment in first-half 2010 was provided by four public bond issues totalling €2,200 million and a private placement of €75 million. Also, in the first two weeks of the month of July, RCI Banque issued securitisation backed by German automobile loans for a total of €873 million.

The Group's short-term financing is secured by confirmed available credit lines (€4.1 billion for Renault SA and €4.6 billion for RCI Banque at June 30, 2010). The documentation for these confirmed credit facilities contains no clause that might adversely affect credit availability as a result of a change in Renault's credit rating or financial ratio compliance. Confirmed credit lines open but unused are described above.

V - CASH FLOWS AND OTHER INFORMATION

18. Cash flows

A. Other income and expenses with no impact on cash

(€ million)	H1 2010	H1 2009	Year 2009
Net allocation to provisions	(13)	(202)	(156)
Net effects of sales financing credit losses	(24)	60	110
Net gain (loss) on asset disposals	(32)	(30)	18
Change in fair value of redeemable shares	2	22	44
Change in fair value of other financial instruments	(3)	(21)	(8)
Deferred taxes	19	(91)	(22)
Other	(1)	2	9
Other income and expenses with no impact on cash	(52)	(260)	(5)

B. Change in working capital

(€ million)	H1 2010	H1 2009	Year 2009
Decrease (increase) in net inventories	(725)	892	1,373
Decrease (increase) in Automobile net receivables	(468)	91	630
Decrease (increase) in other assets	(76)	76	377
Increase (decrease) in trade payables	727	465	502
Increase (decrease) in other liabilities	706	248	71
Increase (decrease) in working capital	164	1,772	2,953

C. Capital expenditure

(€ million)	H1 2010	H1 2009	Year 2009
Purchases of intangible assets (note 10)	(346)	(445)	(720)
Purchases of property, plant and equipment other than leased vehicles (note 10)	(334)	(677)	(1,332)
Total purchases for the period	(680)	(1,122)	(2,052)
Deferred payments	(136)	(233)	(257)
Total capital expenditure	(816)	(1,355)	(2,309)

19. Related parties

A. Remuneration of Directors and Executives and Executive Committee members

No significant change has been made during first-half 2010 to the principles governing consideration and related benefits of Directors and Executives, and members of the Executive Committee.

B. Renault's investments in associates

Details of Renault's investments in Nissan, AB Volvo and AvtoVaz are provided respectively in notes 11, 12-A and 12-B.

Chapter 2

Financial results

20. Off-balance sheet commitments and contingent liabilities

Renault enters into a certain number of commitments in the course of its business. When these commitments qualify as liabilities, they are covered by provisions (e.g. retirement and other personnel benefits, litigations, etc). Details of off-balance

sheet commitments and contingencies are provided below (note 20-A).

Renault also receives commitments from customers (deposits, mortgages, etc) and may benefit from credit lines with credit institutions (note 20-B).

A. Off-balance sheet commitments given

The Group is committed for the following amounts:

(€ million)	June 30, 2010	Dec 31, 2009
Other guarantees given	250	239
Financing commitments in favour of customers	2,038	2,240
Firm investment orders	430	427
Lease commitments	193	221
Assets pledged or mortgaged and other commitments	136	132

B. Off-balance sheet commitments received

(€ million)	June 30, 2010	Dec 31, 2009
Other guarantees received ⁽¹⁾	3,186	3,135
Assets pledged or mortgaged ⁽²⁾	1,145	912
Other commitments	39	26

(1) Including €1,829 million at June 30, 2010 (€1,989 million at December 31, 2009) for commitments received by the Sales financing segment for sale to a third party of rental vehicles at the end of the rental contract.

(2) The Sales financing segment receives guarantees from its customers in the course of sales financing for new or used vehicles. Guarantees received from customers amount to €1,111 million at June 30, 2010 (€882 million at December 31, 2009).

Off balance sheet commitments received concerning confirmed opened credit lines are presented in note 17.

21. Subsequent events

No significant events have occurred since June 30, 2010.

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Membre de la compagnie
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Renault

For the period January 1, 2010 to June 30, 2010

Statutory auditors' report on the 2010 half-year financial information

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. The Statutory Auditors' report includes information specifically required by French law in such reports, whether qualified or not. Such report should be read in conjunction with and construed in accordance with French law and French auditing professional standards.

To the Shareholders,

In accordance with our appointment as statutory auditors by your Annual General Meeting and pursuant to the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- The limited review of the accompanying condensed half-year consolidated financial statements of Renault, for the six-month period from January 1 to June 30, 2010;
- the verification of the information contained in the half-year management report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our limited review.

1. Conclusion on the financial statements

We conducted our limited review in accordance with professional standards applicable in France. A limited review of interim financial information consists of making inquiries, primarily of the executive management team responsible for financial and accounting matters, and applying analytical and other review procedures. These inquiries are substantially less in scope than an audit conducted in accordance with professional standards applicable in France. Accordingly, a limited review provides a moderate assurance that the financial statements taken as a whole are free of material misstatement to a lesser extent than would result from an audit.

Based on our limited review, nothing has come to our attention that causes us to believe that the condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - the standard of IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific procedure

We have also verified the information provided in the half-year management report in respect of the condensed consolidated half-year financial information, which were subject to our limited review.

We have no matters to report on the fairness of this information and its consistency with the condensed consolidated half-year financial statements.

Neuilly-sur-Seine and Paris-La Défense, July 30, 2010

The Statutory Auditors

DELOITTE & ASSOCIES

Pascale Chastaing-Doblin

ERNST & YOUNG Audit

Thierry Benoit

Jean-François Bélorgey

Aymeric de la Morandière

Chapter 3

Financial Information on the Alliance

49

Chapter 3 Financial Information on the Alliance

The purpose of the financial data in this section is twofold: to broadly quantify the economic significance of the Renault-Nissan Alliance through key performance indicators, and to make it easier to compare the assets and liabilities of the two Groups. The data of both Groups comply with the accounting standards applied by Renault in 2010.

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

Information concerning Renault is based on the consolidated figures released at June 30, 2010, while the information concerning Nissan is based on the restated consolidated figures prepared for the purposes of the Renault consolidation, covering the period from January 1 to June 30, 2010 whereas Nissan's financial year-end is March 31.

KEY PERFORMANCE INDICATORS

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

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

REVENUES OF 2010 FIRST HALF-YEAR

(€ million)	Renault	Nissan ⁽¹⁾	Intercompany eliminations	Alliance
Sales of goods and services	19,017	31,972	(1,211)	49,778
Sales financing revenues	651	2,117	-	2,768
Revenues	19,668	34,089	(1,211)	52,546

(1) Converted at the average exchange rate for 2010 first half-year:
EUR 1 = JPY 121,4.

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

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

(€ million)	Operating margin	Operating income	Net income ⁽²⁾
Renault	780	718	363
Nissan ⁽¹⁾	2,059	1,887	1,091
Alliance	2,839	2,605	1,454

(1) Converted at the average exchange rate for 2010 first half-year:
EUR 1 = JPY 121,4.

(2) Renault's net income is adjusted to exclude Nissan's contribution and Nissan's net income is similarly adjusted to exclude Renault's contribution.

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

For the Alliance, the operating margin is equivalent to 5.4% of revenues.

In 2010 first half-year, the Alliance's **research and development expenses**, after capitalization, amortization and impairment, are as follows:

(€ million)	
Renault	973
Nissan	1,586
Alliance	2,559

Chapter 3 Financial Information on the Alliance

BALANCE SHEET INDICATORS

CONDENSED RENAULT AND NISSAN BALANCE SHEETS

RENAULT AT JUNE 30, 2010

ASSETS (€ million)	
Intangible assets	3,753
Property, plant and equipment	11,762
Investments in associates (excluding Alliance)	1,699
Deferred tax assets	328
Inventories	4,761
Sales financing receivables	18,983
Automobile receivables	1,606
Other assets	4,935
Cash and cash equivalents	7,417
Total assets excluding investment in Nissan	55,244
Investment in Nissan	13,116

TOTAL ASSETS **63,360**

NISSAN AT JUNE 30, 2010⁽¹⁾

ASSETS (€ million)	
Intangible assets	6,538
Property, plant and equipment	37,155
Investments in associates (excluding Alliance)	187
Deferred tax assets	1,364
Inventories	8,452
Sales financing receivables	25,171
Automobile receivables	5,336
Other assets	9,247
Cash and cash equivalents	6,698
Total assets excluding investment in Renault	100,148
Investment in Renault	1,559

TOTAL ASSETS **101,707**

(1) Converted at the closing rate at June 30, 2010: EUR 1 = JPY 108.8.

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

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

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

SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)	
Shareholders' equity	20,122
Deferred tax liabilities	164
Provisions for pension and other long-term employee benefit obligations	1,238
Financial liabilities of the Automobile division	12,174
Financial liabilities of the Sales financing division and sales financing debts	19,672
Other liabilities	14,990

TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES **63,360**

SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)	
Shareholders' equity	32,446
Deferred tax liabilities	4,353
Provisions for pension and other long-term employee benefit obligations	3,363
Financial liabilities of the Automobile division	8,051
Financial liabilities of the Sales financing division and sales financing debts	30,810
Other liabilities	22,684

TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES **101,707**

Purchases of property, plant and equipment by both Alliance groups in 2010 first half-year, excluding leased vehicles, amount to:

(€ million)	
Renault	470
Nissan	1,105
Alliance	1,575

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

- a maximum 5-10% decrease in shareholders' equity – Group share;
- a €20 billion increase in shareholders' equity – minority interests' share.



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