SECURITIES REPORT

1. This document is a printed copy, with table of contents and page numbers inserted, of the data of the Securities Report under Article 24, Paragraph 1 of the Financial Instruments and Exchange Law filed on June 16, 2008 through Electronic Disclosure for Investors' Network (EDINET) provided for in Article 27-30-2 of such Law.

2. The documents attached to the Securities Report filed as stated above are not included herein. However, a copy of the audit report is attached at the end hereof.

RENAULT
(E050907)

(TRANSLATION)

Cover Page

Document Name:	Securities Report
Based on:	Article 24, Paragraph 1 of the Financial Instruments and Exchange Law
Filed with:	The Director General of Kanto Local Finance Bureau
Filing Date:	June 16, 2008
Fiscal Year:	From January 1, 2007 to December 31, 2007
Corporate Name:	Renault
Name and Title of Representative:	Carlos Ghosn President and Chief Executive Officer
Location of Head Office:	13-15, Quai Le Gallo, 92100 Boulogne-Billancourt France
Name of Attorney-in-fact:	Tsutomu Hashimoto, Attorney-at-law
Address of Attorney-in-fact:	Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo
Telephone Number:	03-3288-7000
Name of Person to Contact:	Tsutomu Hashimoto, Attorney-at-law
Place to Contact:	Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo
Telephone Number:	03-3288-7000
Place(s) of Public Inspection:	Not applicable

TABLE OF CONTENTS

Note (1) Unless otherwise specified herein, the "Company", "Renault" or "Renault S.A." refers to Renault, and the "Group", the "Renault Group" refers to Renault and all of its consolidated subsidiaries.

Note (2) Unless otherwise specified herein, the reference to "Euro", "€" and "EUR" are to the lawful currency of European Union and French Republic. The telegraphic transfer for selling Euro against yen quoted by The Bank of Tokyo-Mitsubishi UFJ, Ltd. as of May 9, 2008 was EUR 1 = JPY 161.36. Any conversions made herein from the Euro amounts into Japanese yen was made at this exchange rate for conversion convenience purposes only and should not be deemed a representation of future exchange rates.

Note (3) Where figures in tables in this document have been rounded, the totals may not necessarily be the aggregate of the sum of the relevant figures.

PART I CORPORATE INFORMATION

I. SUMMARY OF LAWS AND REGULATIONS IN THE COUNTRY TO WHICH THE COMPANY BELONGS

1. SUMMARY OF CORPORATE SYSTEM, ETC.

(1) CORPORATE SYSTEM IN THE COUNTRY OR STATE TO WHICH RENAULT BELONGS:

One of the more often used forms of limited liability companies are *Société Anonyme* form for larger scale companies and *Société à Responsabilité Limitée* form for smaller scale companies. The legal framework applicable to such companies is the French Commercial Code.

The following is a summary of the major provisions applicable to *Sociétés Anonymes* (hereinafter referred to as an "SA") under the French Commercial Code modified pursuant to a law dated May 15, 2001 titled N.R.E ("*Nouvelles Régulations Economiques*"), and law dated August 1st, 2003 titled "Loi de Sécurité Financière", an ordinance dated June 24, 2004, and a law dated July 26, 2005, titled "*Loi pour la confiance et la modernisation de l'économie*" such as Renault.

Upon the incorporation of an SA, the Articles of Incorporation shall be prepared by the promoter(s) and signed by the initial shareholders. Such Articles of Incorporation shall be filed with the Secretary of the Commercial Court, at which the SA is registered. The status of a legal entity can be obtained only when a registration certificate is issued by the Secretary of the Commercial Court.

The Articles of Incorporation is a document which provides for the basic rules governing the SA.

Shareholders

A *société anonyme* is a corporation composed of at least seven shareholders created for a commercial purpose. The shareholders of an SA are subject to liability for the debts of the corporation only to the extent of their capital contributions thereto.

The shareholders are vested the ultimate power over the SA. It is the shareholders who appoint the directors and the Independent Auditor (*commissaire aux comptes*) of the corporation, who declare dividends, who approve the financial statements, who may decide to dissolve the corporation and who authorize any modification of the registered capital, as well as any other amendments of the Articles of Associations.

Capital Stock

Subject to certain exceptions, the registered capital of the SA may not be less than EUR 37,000 for SA not making public offerings of securities and EUR 225,000 for SA making such offerings.

Under the French Law, the capital stock of the S.A. is divided into shares and may comprise, preferred dividend shares, investment certificates (*certificats d'investissement*; hereinafter referred to as the "CI".) and voting rights certificates (certificats de droit de vote; hereinafter referred to as the "Voting Right Certificate") as well as classes of shares. The ordinance of June 24, 2004 has created the "preferred shares" by comparison to the ordinary shares and since has forbidden the issuance of new investments certificates and voting rights certificates that will consequently more and more disappear.

There are no legal restrictions on the par value of a share. Since July 1998, the par value of a share is not required to be provided in the Articles of Incorporation. Shares may be issued by the SA either in nominative or in bearer form, including, since the ordinance of June 24, 2004, for the SA not listed on a stock exchange. Since October 1, 1982, however, only corporations listed on a stock exchange may issue or have outstanding shares in bearer form. Whether the shares are in nominative form or bearer form, the ownership of such shares is represented by an entry in the account opened with the company (in case of a nominative share) or with a financial institution (in case of a bearer share), instead of a share certificate.

CI are transferable securities deriving from the fractioning of shares, and representing the economic interests granted to the shares (i.e. right to dividend, surplus and residual property after liquidation) and granting a right to the CI holder to request for the same information held by a shareholder. The voting right of CI is represented by the Voting Right Certificate. Therefore, in case CI are issued, the same number of the Voting Right Certificates will also be issued. The issued CI cannot exceed 25% of the issued capital. In the event the CI and the Voting Right Certificate is transferred to the same person, such CI and Voting Right Certificate will be consolidated into one share. The Voting Right Certificate (if there is issued CI) may only be in nominative form. No CI are issued by the Company.

In order to transfer the shares, the shareholders are required to give directions on the transfer to the company or, as the case may be, to the financial institution. Thus, no signature is required on a transfer certificate. The shares may be freely transferred to a third party if no provision requiring approval (generally, approval of the Board of Directors) is provided in the Articles of Incorporation. Such restricting provisions are not allowed in the Articles of Incorporation of listed companies.

Form of Capital Investment

The shares are issued upon payment in cash or contribution in kind. The amount paid must be deposited with the bank, notary public or government authorities (*Caisse de Dépôts et Consignations*).

In case the shares are issued in consideration of contribution in cash, at least 25% of the nominal amount of the shares must be paid at the point of issuance. In case the shares are issued with a premium, such premium must be paid in whole at the point of issuance.

When shares are issued in consideration of contribution in cash, the existing shareholders have a preferential right to subscribe for the shares to be issued. The shareholders can waive such preferential right during a shareholders meeting or individually.

In case the shares are issued in consideration of contribution in kind (tangible or intangible assets), a report on the amount of such contribution by an independent appraiser (*commissaire aux apports*) appointed by the Commercial Court will be required. Such report shall be filed with the Secretary of the Commercial Court.

Increase or Decrease of Capital

The capital of an SA may be increased either by an issuance of new shares or an increase in par value of outstanding shares. The authorization to increase the capital is within the sole competence of the shareholders assembled at an Extraordinary General Meeting that can delegate this power or its competence to the Board of Director since the Ordinance of June 24, 2004. Issuance of Shares can be made in consideration of (a) contributions made in cash, (b) contributions made in kind or (c) by capitalization of reserves.

An SA may reduce its capital by the reduction of the par value of its shares or by the reduction in number of its outstanding shares upon approval of the shareholders assembled at an Extraordinary General Meeting. Strict equality among the rights of the shareholders must be respected. Similarly, the corporation may not, by reducing its capital, place its creditors in a less advantageous situation.

Increase or decrease in capital requires filing of notification with the Secretary of the Commercial Court.

Issuance of Bonds or Hybrid Securities

The Board of Directors may decide to issue, by its own, ordinary Bonds, except if this right is reserved to General Meeting of the Shareholders in the Articles of Association or if the General Meeting has specifically used this right.

The Board of Directors, upon delegation of the shareholders at the Extraordinary General Meeting of the shareholders, may issue securities that grant, within a certain period or on a particular date, the holder of such securities the right to subscribe to shares representing a portion of the share capital of the company by way of conversion, exchange, redemption, presentation of warrants or any other method.

<u>Management</u>

The management of an SA is entrusted (a) either to a Board of Directors and its Chairman and Chief Executive Officer or (b) to a Management Board (*directoire*) acting under the supervision of a Supervisory Board (*conseil de surveillance*).

The management of Renault is entrusted to a Board of Directors – see Section I-1- (2) "Management" below.

At an Extraordinary Shareholders Meeting, the shareholders may decide, upon proposal of the management to change the form of management.

(a) Board of Directors and the Chairman and Chief Executive Officer

In accordance with the law dated May 15, 2001 titled N.R.E., the form of management is entrusted (i) either to its Chairman and Chief Executive Officer or (ii) to its Chief Executive Officer. The law makes a distinction between the function of Chairman and Chief Executive Officer, even though both functions can be vested in a single person:

(i) either a management entrusted to its Chairman and Chief Executive Officer (CEO).

The management is vested in a single person who act both as Chairman and Chief Executive Officer. Subject to the powers expressly assigned by law to Shareholders' Meetings and subject to the powers specially assigned by law to the Board of Directors, the Chairman and Chief Executive Officer (président-directeur-général) has the broadest powers to act for the company in all circumstances. He provides the general management of the company, which he represents in its dealings with third parties.

(ii) or a management entrusted to its Chief Executive Officer (CEO).

Subject to the powers expressly assigned by law to Shareholders' Meetings and subject to the powers specially assigned by law to the Board of Directors, he has the broadest powers to act for the company in all circumstances. He provides the general management of the company, which he represents in its dealings with third parties. The Board of Directors may elect or resign such CEO without prior Chairman's motion.

In such case, the Chairman directs the work of the Board of Directors and executes its decisions whereas the CEO represents the company.

In both cases, on the CEO's motion, the Board of Directors may elect or resign one or more general managers (directeurs généraux délégués) limited to 5. The general manager(s) shall have the same powers as the CEO in its dealing with third parties.

The Board of Directors (*conseil d'administration*) consists of 3 or more and 18 or less Directors. In the event of a merger or consolidation of companies, the number of Directors may be increased up to 24 for 3 years. A Director may be a French national or a foreigner, or a corporate body, in which case it must designate an individual as its permanent representative. The number of Boards of Directors that an individual can be a member of is limited to five. The number of members of the Board of Directors exceeding the age of 70 cannot exceed one-third of the Board.

A Director is required to be a shareholder and is appointed at the General Meeting of the shareholders with a maximum term of office of 6 years. A Director may be dismissed from its office by the shareholders without prior notice, reason or compensation.

Powers of the Board of Directors have been restricted by the law dated May 15, 2001. Such law makes a clear distinction between the management power of the company conferred upon either the Chairman and CEO or CEO and the power of control of the company which is conferred upon the Board of Directors.

Powers are only restricted by the purposes of the company and powers granted to the General Meeting of the shareholders under law. Resolutions at the Board of Directors are made by a majority vote of the Directors in attendance or represented by proxy. In the event of a tie vote, unless otherwise provided in the Articles of Incorporation, the Chairman and Chief Executive Officer has the deciding vote. The quorum is half of the total number of Directors.

The Executive Directors may be appointed among the members of the Board of Directors. They must all be individuals.

(b) Management Board and Supervisory Board

Under the French Commercial Code, a SA may be managed by a Management Board (*directoire*) which is under the supervision of the Supervisory Board (*conseil de surveillance*).

The Supervisory Board consists of 3 or more and 18 or less Supervisors (in the case of merger or consolidation of a company, 24 or less for 3 years). A Supervisor may be a French national, a foreigner or corporate body and is appointed by the shareholders for a term of office of 6 years. A Supervisor may be dismissed from its office without being notified of the reason therefor at the Ordinary General Meeting of the shareholders. If a corporate body is a member of the Supervisory Board, such corporate body must designate an individual as its permanent representative. The number of Supervisory Boards that an individual can be a member of is limited to five. The number of members of the Supervisory Board exceeding the age of 70 cannot exceed one-third of the Board. Each member of the Supervisory Board is required to be a shareholder. Most of the provisions relating to the Supervisory Board are the same as those applicable to the Board of Directors; however, the Board of Directors has a management function whereas the Supervisory Board supervises the Management Board.

The Management Board consists of 1 or more and 5 or less members (in the case of a listed company, 7 or less). Its members are required to be individuals and are appointed by the Supervisory Board. The Executive Officer does not need to be a shareholder. An SA of a share capital of less than EUR 150,000 is only required to have one Executive Officer. The Executive Officer in such case is called the Sole Executive Officer. The term of office of the member of the Management Board is 4 years if there are no relevant provisions in the Articles of Incorporation and 2 years or more and 6 years or less if there is such provision. The

Management Board has extensive powers which are restricted by the purposes of the company and the powers granted to the Supervisory Board and to the General Meeting of Shareholders. Restrictions imposed on the powers of the Management Board are binding internally within the company, but cannot be asserted against third parties. Rules regarding management decisions to be made by the Management Board are set forth in the Articles of Incorporation. The Management Board is a managing body adopting a council system. Any action made individually is considered made collegially by the Management Board. The members of the Management Board can, with the approval of the Supervisory Board, distribute among themselves the tasks to be undertaken. Generally, one member of the Management Board is appointed as the representative of the company by the Supervisory Board. The person thus appointed shall be given the title of Chief Executive Officer. The Chief Executive Officer can be assisted by one or two Executive Officers.

The Management Board submits a quarterly report to the Supervisory Board. Within three months after the end of the financial year, the Management Board must approve the annual corporate accounts and consolidated accounts, if any, and submit them to the control of the Supervisory Board, together with its management report, which will be presented at the annual shareholders meeting approving the accounts. The member of the Executive Body cannot at the same time be a member of the Supervisory Board of the same corporation. In order to dismiss a member of the Management Board, it must be approved by the Ordinary General Meeting of the shareholders upon proposal by the Supervisory Board. If a member of the Management Board is dismissed for no reason, it may claim compensation for damages.

Shareholders' Rights

(a) General Meetings of Shareholders

A General Meeting of the Shareholders (*assemblée générale des actionnaires*) must be held at least once a year in order, *inter alia*, to elect the Directors or members of the Supervisory Board, to ratify agreements entered into between the corporation and the management thereof, to receive the written report of the board of directors (or Management Board) and the Statutory Auditor on the operations of the corporation for the past fiscal year and to approve the financial statements therefore. Other meetings of the shareholders may be convened from time to time: a meeting of the shareholders is called an Extraordinary General Meeting of the Shareholders (*assemblée générale extraordinaire des actionnaires*) when, due to certain fundamental changes in the structure of the SA, amendment(s) of the Articles must be approved by the shareholders or modifications of the authorized capital must be authorized. Any other meeting is called an Ordinary General Meeting of the Shareholders (*assemblée générale ordinaire des actionnaires*).

Decisions at Ordinary General Meetings of the Shareholders are adopted by a simple majority of the voting shares present, or represented thereat; at Extraordinary General Meetings of the Shareholders, decisions are adopted by a two-thirds majority of the voting shares present, or represented thereat.

In the event the Articles of Incorporation provide for various classes of shares, the rights granted to the various classes of shares cannot be changed without approval of the Extraordinary General Meeting of the shareholders duly notified to all shareholders. Such resolution must be approved by a special meeting of shareholders of the relevant class of shares.

(b) Voting Right

As a general rule, each share is entitled to one vote. Certain shares do not have the right to vote, while others may be granted double voting rights. Shareholder's agreements, voting trusts, voting pools, irrevocable proxies or any other mechanism tending to restrict a shareholder's ability to freely vote his shares are prohibited. Nonetheless, shareholders may grant a proxy, valid for only one shareholders' meeting, empowering either another shareholder or his spouse to vote his shares. Shareholders may hold more than one proxy. Finally, where a shareholder grants a proxy without specifying who is to vote his shares and how they are to be voted, the chairman of the meeting of the shareholders is entitled to vote such shares on behalf of the shareholders provided that he votes same in favor of the resolutions proposed or supported by the Board of Directors or the Management Board and against all other resolutions.

It should be noted that under certain conditions, shareholders may vote their shares by mail with respect to all shareholders' meetings.

If the shares owned by a shareholder or jointly by shareholders become over or under the criteria of 5%, 10%, 15%, 20%, 25%,1/3, 50%,2/3, 90% or 95% of the share capital or number of voting rights (in the event there is a difference between the number of shares and the number of voting rights), such shareholders must give a notice thereof to the company and the *Autorité des Marchés Financiers* (previously *Commission des Opérations de Bourse)*.

(c) Dividends

Dividends must be approved by the shareholders. Dividends may only be declared out of distributable profits of the parent company (*bénéfice distribuable*) which are equal to the net after tax profit *minus* any loss carry-forwards (*reports à nouveau déficitaires*) or allocations to reserves (including as the case may be statutory reserves under French law) *plus* any profit carry-forwards (*reports à nouveau bénéficiaires*) and special reserves created by the Articles of Incorporation or shareholder resolutions from which dividends may be declared.

Dividends may be declared only after the shareholders have approved the financial statements of the corporation for the past fiscal year and have determined the amount of distributable profits. The only exception to this mandatory chronological sequence of events is the declaration by the corporation of interim dividends (*acomptes sur dividendes*) which may be declared from time to time under certain circumstances during the fiscal year by the Board of Directors or Management Board. All persons who are shareholders as of the date of the declaration of the dividend normally have the right to receive same.

(d) Liquidation

An SA may be dissolved for any of a number of reasons, including the will of the shareholders, the end of its stated period of duration, the accomplishment of its corporate purpose, the satisfaction of a condition precedent contained in the Articles of Incorporation requiring dissolution, dissolution in conjunction with bankruptcy proceedings or dissolution due to the court-ordered cancellation of the corporate charter.

As soon as the decision to dissolve the SA has been taken, the corporation is in liquidation.

The liquidation is carried out by one or more liquidators appointed either by shareholders representing a majority of the capital of the corporation, or, in the event that the dissolution of the SA is ordered by the Commercial Court, appointed by such court. The liquidator must carry out the formalities of publication, marshal the assets of the corporation and pay all of its outstanding debts.

Once all corporate debts and all shareholders benefiting from social distribution rights have been paid, the liquidator has the authority to distribute corporate assets to the shareholders.

Upon the termination of the liquidation, the liquidator must call a meeting of the shareholders to approve the liquidation and to declare the corporation definitively liquidated. After such meeting, the corporation ceases to exist as a legal entity.

(2) CORPORATE SYSTEM AND ORGANIZATION PROVIDED FOR IN ARTICLES OF INCORPORATION, ETC. OF RENAULT:

General Matters

Organized as a société anonyme (public limited company) under French law, Renault is governed by the provisions of Book II of the Commercial Code, on commercial undertakings, and the provisions of the Employee Profit Sharing Act No. 94-640 of July 25, 1994. Renault was formed on January 16, 1945 and will cease to exist on December 31, 2088 except in the case of early termination or renewal. The head office is located at 13-15, Quai Le Gallo, Boulogne-Billancourt 92100 -France. Renault is registered with the Registrar of Companies in Nanterre under the number 441 639 465 (APE code 2910 Z; Siret code:441.639.465.00018). Legal documents such as the Articles of Incorporation, minutes of Annual General Meetings, auditors' reports and all other documents made available to shareholders in accordance with law may be consulted at the company's head office. Renault's corporate purpose is the design, manufacture, trade, repair, maintenance and leasing of motor vehicles (commercial, light commercial and passenger vehicles, tractors, farm machinery and construction equipment) as well as the design and manufacture of spare parts and accessories used in connection with the manufacture and operation of vehicles. It also encompasses all types of services relative to such operations and, more generally, all industrial, commercial, financial, investment and real estate transactions relating directly or indirectly, in whole or in part to any of the above purposes (see Article 3 of the articles of incorporation). Renault's financial year runs for 12 months from January 1 to December 31.

Shareholders' Rights

(a) Rights and Obligations related to Shares

The shareholders whose shares are fully paid up, have, in proportion to their shares, a preferential right to subscribe new shares created for a capital increase. Such preferential right shall be exercised in accordance with the terms, conditions and lead time prescribed by applicable law.

The shareholders may individually waive their preferential right.

A shareholders' meeting deciding a share capital increase may abrogate the preferential right. Subject to nullity of the decision, the meeting decides on the basis of a report by the Board of Directors and a report by the auditors made in accordance with legal and regulatory provisions.

Besides the right to vote, each share entitles to a part, equal to the portion of the share capital that it represents, of the ownership of the social assets and the liquidation surplus.

Each time a minimum of shares is required to exercise a right, the shares which are below the amount required shall not grant their owners any right against the company, and the shareholders shall be in charge, in such case, of gathering the necessary amount of shares.

Ownership of a share automatically entails acceptance of the Articles of Association of Renault and the Shareholders Meeting's resolutions.

The shares are non dividable vis-à-vis the company.

The joint owners of one or several shares shall be represented at the Shareholders' Meetings by one of them or by a single proxy of their choice.

In case of division of ownership of a registered share the entry in the company's book shall mention the name of the usufructuary (*usufruitier*) and of the bare owner(s) (*nu-propriétaire*). The voting right attached to a share shall belong to the usufructuary at all Shareholders' Meetings.

Every shareholder may vote by mail as provided by law.

At every Shareholders' Meeting each shareholder in attendance has many votes as he holds or represents shares, subject to no limitation other than any resulting from legal provisions and subject to the provisions under the by-laws.

(b) Right to Appoint Directors

Fourteen are chosen by the Annual General Meeting of Shareholders (i) and one represents employee shareholders (ii).

(i) the shareholders have the right to appoint at least 3 and at the most 14 Directors.

(ii) the shareholders have the right to appoint one director representing employee shareholders who shall be appointed by the Ordinary Shareholders' Meeting, after a majority vote by the shareholders present or represented by proxy.

The other three directors are elected by the employees of the Company and of its direct or indirect subsidiaries, having registered office of French territory.

(c) Right to Claim Dividends

Net income is appropriated in compliance with existing legislation.

Distributable income consists of the current year's income, less previous losses and amounts transferred to the legal reserves, plus retained earnings brought forward from previous years. Upon recommendation by the Board of Directors, the General Meeting may then determine portions of this income to be allocated to optional ordinary and special reserves or to be carried over. The balance, if any, is divided among the shares in proportion to their paid-up and unamortized value.

In accordance with legal provisions, the Annual General Meeting has the authority to offer shareholders the option of receiving all or part of the dividend payout in cash or in shares. Requests for the payment of scrip dividends must be submitted within the time period established by the Annual General Meeting without exceeding three months from the date of the Meeting. The Board of Directors may choose to suspend this period for up to three months if the share capital is increased.

Dividends are paid at the places and times set by the Shareholders' Meeting, or failing which, by the Board of Directors.

Dividends not claimed within five years of the date of payability escheat in the conditions prescribed by law.

<u>Holding of Stock and Transfer Thereof</u>

Shares are freely transferable in accordance with legislative and regulatory provisions. Such transfers are made in book entry form.

Statutory thresholds

Shares are registered in an account according to the provisions and terms established by law. Fully paid-up shares are in either registered or bearer form, at the discretion of their owner, subject to legislation in force and the articles of incorporation. However, shares that are not fully paid-up must be in registered form. Renault is authorized to make use of the appropriate legal provisions for identifying shareholders having immediate or future voting rights in its own shareholders' meetings. In addition to the statutory requirement to inform the company of shareholdings exceeding a certain fraction of the share capital, any shareholder or management company for an undertaking for collective investment in transferable securities in a fund management organization holding a number of shares or voting rights equal to or greater than 2% of the share capital or a multiple of this percentage which is less than or equal to 5% of the share capital or the voting rights, is obliged to disclose to the company the total number of shares he possesses, by registered letter with acknowledgement of receipt, within a period as fixed by Decree adopted by the French Conseil d'Etat as of the registration on account of those shares which caused him to attain or exceed said threshold. Beyond 5%, the foregoing mandatory disclosure shall apply to any 1% fraction of the share capital or voting rights. For the purposes of determining the thresholds described above, indirectly held shares or shares assimilated to equity held as defined by the provisions of Article L 233-7 of the French Commercial Code will also be taken into account. The declarer must certify that the said declaration includes all shares held or owned within the meaning of the preceding paragraph, and must indicate the acquisition date(s). The declaration requirement applies in the same manner if the holding falls below any of the aforementioned thresholds, 1% or 2 % as applicable.

If the conditions described above are not respected, any shares exceeding the fraction that should have been declared are stripped of voting rights for all shareholders' meetings for a period of two years after the required declarations are made, insofar as this is requested at the meeting by one or more shareholders who together hold at least 1% of share capital.

<u>Management</u>

As a preliminary it is specified that since shareholders meeting dated April 26, 2002, Renault has implemented the provision of the law dated May 15, 2001 titled N.R.E. as referred and further detailed in the above sub-section (1) "Corporate System in the Country or State to which Renault Belongs".

According to the current By-laws, Renault is administered by a Board of Directors comprising:

A/Directors appointed by the Shareholders' General Meeting

These shall number at least 3 and at most 14 Directors may be either natural or legal persons. Upon appointment, the latter shall designate a permanent representative which shall be subject to the same obligations and liabilities as if he were a director in its own name, without prejudice to the joint liability of the legal person he represents.

Subject to the requirements to be fulfilled on renewal of directors, the term of office of directors shall be four (4) years, since Shareholders' General Meeting dated April 26, 2002. This new length of term shall only apply to the terms of office of directors appointed as of 2002. The terms of office of directors appointed prior to 2002 shall end on completion of the period of six years for which they were appointed. However, where a director is appointed in the place of another director during his term of office, he shall exercise his functions only during the remainder of the term of office of his predecessor. The directors chosen by the Shareholders' Meeting may be re-eligible subject to statutory provisions more particularly concerning age limits.

Any director's function shall cease at the end of the Ordinary General Meeting called to approve the accounts of the previous fiscal year, and held during the year during which the said director's term of office expires.

In the event of one or several vacancies in the Board of Directors, due to death or resignation, and notwithstanding that the number of directors remains at least equal to the minimum required by the by-laws, the Board of Directors may, during the period elapsed between two General Meetings, provisionally appoint one or more new directors to replace those who have died or resigned.

B/Directors elected by the employees

There are three such directors, one of whom shall represent the engineers, executives and similar.

They shall be elected by the employees of Renault and of its direct or indirect subsidiaries, having registered office on French territory.

Since the Shareholders general meeting of April 29, 2008, their term of office shall be four years (6 years previously). However this shall cease ipso jure where these representatives no longer fulfil the eligibility requirements provided for in article L 225-28 of the French Commercial Code, or again in the event of breach of their work contract in accordance with article L 225-32 of the French Commercial Code.

The status and the methods of election of these directors are laid down by the provisions of articles L 225-27 to L 225-34 of the French Commercial Code on commercial companies and by the present by-laws.

The three directors representing employees shall be elected by separate electorates :

- Engineers, executives and similar (one seat) comprising electors usually voting in the third electorate (for companies having 3 electorates) for the election to the Works Council (*Comité d'entreprise*). In companies or establishments not having three electorates or not having a Works Council, the classification of « Executive », as defined by the Collective Agreements applicable to the companies and establishments under consideration, shall be used.

  This seat shall be filled by a two-round majority vote. Each candidacy shall comprise the name of the candidate plus that of his possible replacement.

- Other employees, comprising all the other employees (two seats). Seats shall be filled by a ballot for lists by proportional representation, the list with the greatest number of votes winning, but with no possibility of including a name on one list in another. Each list shall contain twice as many candidates as the number of seats to be filled.

  In the event of a tie, those candidates who have worked in Renault longest shall be elected.

Candidates or lists of candidates may be presented either by one or several representatives organisations, in the meaning of article L 423.2 of the labor code, or by 100 electors.

To be eligible, candidates must be party to a working contract with Renault or one of its direct or indirect subsidiaries, with registered offices on French territory, this for a minimum of two years prior to the date of effect of the term of office for which they have been elected, and corresponding to an effective work.

The number, place and composition of polling stations shall be fixed by Renault's establishments and subsidiaries concerned thereby, in conformity with accepted usage in force for the elections of employee representatives.

Voting arrangements which are not specified by French Commercial Code or by the present by-laws, and the conditions governing the term of office for directors elected by the employees, shall be laid down by senior management after consultation of the unions which are representative at Renault's level.

C/One director representing the employee shareholders :

Appointment procedure for the director representing employee shareholders are laid down by decree n° 95-237 of March 2, 1995, pursuant to the French Commercial Code and by the present by-laws.

His term of office shall be 4 years (6 years previously).

However, his term of office shall cease ipso jure and the director representing employee shareholders shall automatically be deemed to have resigned:

- in the event of loss of his employment with Renault or with of one of its direct or indirect subsidiaries,
- in the event of loss of his quality as shareholder of Renault, save if he rectifies this within three months,
- or in the event that the subsidiary of which he is an employee were no longer controlled by Renault.

In the event of death or resignation, the seat vacated by the director representing the employee shareholders shall be filled with all dispatch, in the same conditions as those governing the appointment of the director vacating the seat. The term of office of the director thus appointed to replace another shall end at the date the term of office of the replaced director would have ended.

Designation of candidates

The calendar for the designation of candidates shall be fixed by the Chairman of the Board of directors. It shall be posted in the companies concerned at least one month prior to the General Meeting called to appoint the director representing the employee shareholders.

The Chairman of the Board of directors shall consult the employee shareholders holding securities with a view to designating their candidates before holding the General Meeting called to appoint the director representing the employee shareholders. Minutes shall be drawn up indicating the number of voting rights polled by each candidate.

The two candidates having polled the greatest number of votes among those with a number of votes at least equal to 5% of the employee shareholders, shall be candidates for election by the Ordinary General Meeting.

In the event that no candidate attains the threshold of 5%, the two candidates with the largest number of votes shall be presented for election by the Ordinary General Meeting of Renault shareholders.

Each candidate shall present himself with a substitute who will take the place of the principal candidate in the event that he definitively leaves office as director during the term of office to which he is elected. In that case, the substitute shall replace the principal for the remaining duration of the latter's term of office.

In addition to the voting conditions described above, regulations drawn up on the designation of the director representing the employee shareholders shall describe the practical terms for this vote.

Appointment procedures :

The director representing employee shareholders shall be appointed by the Ordinary Shareholders' Meeting, after a majority vote by the shareholders present or represented by proxy.

Each director, whatever the procedure used for his designation, shall hold at least one registered share. In the event that, on the day of his appointment, a director does not hold the required number of shares, or in the event that, during his term of office, he ceases to own them, he shall be bound to rectify this situation within three months, failing which he shall automatically be deemed to have resigned.

The Board of Directors shall designate a Chairman among its members, who shall be a natural person. The Chairman is re-eligible.

The term of office of the Chairman shall not exceed the term of his office as a director. In any event, the Chairman's function shall cease ipso jure at the end of the Ordinary General Meeting called to approve the accounts of the fiscal year during which he has reached the age of seventy.

Board meetings are chaired by the Chairman. In his absence or in case of impediment, the Board meeting shall be chaired by a director designated by the Chairman for this purpose, or, failing such designation, the Board shall designate a meeting chairman.

The Board appoints a Secretary and may appoint an assistant Secretary, neither of whom need be a director.

On the Chairman's motion, the Board of Directors may decide the setting up of committees which are assigned specific tasks.

The Board of Directors shall meet as often as Renault's interest so requires. It meets on call by its Chairman, or of one third of the directors if a Board meeting has not been held in over two months, either at the registered office, or at any other place specified in the notice of meeting.

Notices of meeting may be made by all means, even verbally. The Board of Directors may validly take resolutions, even without notice of meeting, if all members are present or represented.

Resolutions are adopted under quorum and voting rules provided by law; in the event of a tie, the chairman of the meeting has a casting vote, unless the vote is on the appointment or revocation or the Chairman of the Board of Directors.

Any director may, for any meeting, give his proxy in any way to another director to vote in his stead; no director may represent more than one other director. In the event of one or several vacancies for any reason whatsoever in the seats of directors elected by the employees, whom could not be replaced as laid down by the provisions of article L 225-34 of the French Commercial Code, the Board of Directors shall be deemed validly composed with the remaining directors and may validly meet and take resolutions before the election of the new directors representing employees.

Persons invited by the Chairman to attend Board of Directors' meetings shall be bound by the same duty of confidentiality as the directors.

The internal regulations appended to these Articles of Association shall, pursuant to laws and regulations, determine the conditions for the organisation of meetings of the Board of Directors which may take place through videoconferencing.

Board resolutions are evidenced by minutes signed by the chairman of the meeting and at least one director. If the chairman of the meeting cannot sign, the minutes are signed by at least two directors who took part in the resolution. The minutes are entered on loose-leaf sheets numbered and initialled continuously and bound in a special book, all in accordance with legal and regulatory provisions.

Copies or excerpts from the minutes are validly certified by the Chairman of the Board of Directors, a general manager, the acting chairman or the Secretary of the Board of Directors expressly authorised to do so.

The number of incumbent directors and their presence at a Board meeting, in person or by proxy are sufficiently evidenced by a copy of or an excerpt from the minutes.

Functions of Chairman

The functions of Chairman shall be exercised according to legal and regulatory provisions.

On April 26, 2002, the board of directors of Renault has decided the management will be vested in a single person who will act both as chairman and chief executive officer. Further details are provided in Part I-1-(1) under the heading « management ».

Since the decision of the Board of Directors dated April 29, 2005, the functions of Chairman and CEO are splitted.

The Chairman organises and directs the work of the Board of Directors, accounts for the same to the Shareholders' Meetings and executes its decisions. He ensures the proper working of the corporate decision-making bodies and ensures that the directors are able to fulfil their tasks.

The Chairman of the Board of Directors may delegate to anyone such temporary or standing authority as he sees fit, with or without power of re-delegation in whole or in part. He fills the management positions.

In case the Chairman cannot exercise his functions for any reason whatsoever, the Board may assign them in all or in part to a director, provided such assignment which may be renewed, is made for a limited time.

The Shareholders' Meeting may grant to the directors, as attendance fees, a remuneration which amount, fixed by the Shareholders' Meeting shall be maintained until a new decision.

The Board of Directors allocates such amount among the directors in a manner that it deems fit and in compliance with the law.

Directors may, upon presentation of relevant documents, obtain the reimbursement by Renault of expenses incurred in the exercise of their functions.

Directors shall be liable, individually or jointly as the case may be, vis-à-vis Renault or third parties, for any infringement of the statutory provisions applicable to limited liability companies, and for any infringement of the by-laws.

General Meeting of Shareholders

The General Meeting is comprised of all shareholders whose shares were registered in the name, at the latest three clear days before the date of the meeting under the following conditions.

Proof of entitlement to attend General Meetings shall take the form of an accounting record of the shares in the shareholder's name or in the name of the intermediary registered on the shareholder's behalf in accordance with Article L 228-1 of the Commercial Code, on the third business day preceding the General Meeting at midnight, Paris time, either in the registered share acounts kept by the Company or in the bearer share accounts held by the authorised intermediary.

For bearer shares, the registration or the accounting records of shares held in accounts kept by the authorised intermediary shall be recorded in a shareholding certificate issued by said intermediary.

Any shareholder may give his proxy to his spouse or another shareholder to represent him at Shareholders' Meeting. Shareholders who are legal persons attend the Shareholders' Meeting through their legal representatives or any person designated for that purpose by the latter.

Shareholders' Meetings are convened and vote in accordance with the legal and regulatory provisions.

The agenda of every Shareholders' Meeting is set by the author of the notice.

However, one or more shareholders may, in the conditions prescribed by law, request the entry of proposed resolutions in the agenda.

Shareholders' meeting may not vote on a matter which is not entered on the agenda except for the resignation and the replacement of the directors designated by shareholders as provided by the law.

Every Shareholders' Meetings is held at Renault's registered office or any other place specified in the notice.

Resolutions are adopted by Shareholders' Meetings under the legal quorum and voting rules.

The calculation of the quorum and voting majority shall include those shareholders who attend the Meetings through videoconferencing or via means of telecommunications allowing them to be identified, the nature and conditions of which shall be fixed by a Decree enacted in the *Conseil d'État* (supreme body responsible for administrative law).

Every Shareholders' Meeting is chaired by the Chairman of the Board or, in his absence or in case of unavailability, by the Director delegated by the Board of Directors for this purpose.

The shareholders of the Shareholders' Meeting having the largest number of votes and willing to do so serve(s) as teller(s) *(scrutateur)*.

Said officers appoint the Secretary of the meeting, who do not need to be a shareholder.

An attendance list is kept at every Shareholders' Meeting in accordance with the law.

The officers of the Shareholders' Meeting attach to the attendance list the proxies of the shareholders present by proxy and the ballot received by mail.

The attendance list, duly initiated by the shareholders and proxy agents, is certified by the officers of the meeting.

Every shareholder may vote by mail as provided by law.

At every Shareholders' Meeting each shareholder in attendance has many votes as he holds or represents shares, subject to no limitation other than any resulting from legal provisions and subject to the provisions under the by-laws.

Shareholders' decisions are evidenced by minutes entered on loose-leaf sheets numbered and initialled continuously and bound in a special book, all in accordance with legal and regulatory provisions.

Copies or excerpts from the minutes are validly certified by the Chairman of the Board, a General Manager, or the Secretary of the Shareholders' Meeting.

An Ordinary Shareholders' Meeting is the one called to make all decisions which are not to be taken by the Extraordinary Shareholders' Meeting.

The Board's report on the company's affairs at the Ordinary Shareholders' Meeting. The auditors' report is also reported to the Ordinary Shareholders' Meeting.

The Ordinary Shareholders' Meeting approves or disapproves the balance sheets and accounts or requires correction thereof.

The Ordinary Shareholders' Meeting allocates the profits and declare dividends in accordance with article 34 of the by-laws.

The Ordinary Shareholders' Meeting appoints the auditors.

The Ordinary Shareholders' Meeting fixes the attendance fees granted to the Board of Directors.

The Ordinary Shareholders' Meeting decides on the special auditor's report on conventions authorized by the Board of Directors in accordance with the law.

The Ordinary Shareholders' Meeting may authorize all issues of bonds or other similar securities.

The Extraordinary Shareholders' Meeting may amend the by-laws in all respect authorized by law.

Independent Auditors (Commissaires aux Comptes)

The Independent Auditors appointed by the ordinary session of the joint general meeting of June 7, 1996, reappointed by the general meeting of April 26, 2002, and reappointed by the general meeting of April 29, 2008, for a six year term. The term of the Independent Auditors shall end after the shareholders' meeting called to approve the financial statements for 2013.

The Shareholders' Meeting shall elect at least two Independent Auditors having the audit duties prescribed by law.

Said Independent Auditors must have the qualifications prescribed by law. They are elected for six fiscal years and are re-eligible.

One or more alternate Independent Auditors are elected to replace the regular auditors in the event of death, disability, refusal to act or resignation.

Accounting

The fiscal year is the calendar year. It starts on January 1 and ends on December 31 of each calendar year.

2. FOREIGN EXCHANGE CONTROL SYSTEM: FOREIGN INVESTMENTS IN FRANCE

According to French law (Monetary and Financial Code (the "CMF") (*decret* of 30 December 2005 and *arrêté* of 7 March 2003 (the "***Arrêté***")) foreign investments in France may be subject to administrative declaration (A), statistical declaration (B), and prior authorization (C).

Definitions

Residents: individuals having their main interest in France as well as French or foreign entities domiciled in France.

Non-residents: individuals having their main interest abroad as well as French or foreign entities for their settling abroad.

A-Administrative declaration

1) Content of the administrative declaration

The administrative declaration shall be made at the earlier of the entry into the agreement and, the publication of the offer or the acquisition of an asset constituting a direct investment in France, in the form of a letter containing (i) the name and address of the investor(s) and (ii) the corporate name, K.Bis, business description, turnover and results for the last fiscal year for the target French company.

Following Article 4 of the *Arrêté*, the administrative declaration must contain: information on the individuals or the public entity that, at the end of the process, control the foreign investor (if it is an entity). If the investor is a public listed company, the administrative declaration must indicate the identity of the main shareholders holding a stake higher than 5% together with a list of the board members and their places of residence. If the transaction is made by an investment fund, disclosure of the identity of its managers is mandatory. The administrative declaration must also indicate if the transaction is being made by way of a transfer of funds from a foreign country to France or by another way.

Failure to make to such administrative declaration may involve criminal penalties up to Euro 750.

2) Transactions subject to administrative declaration:

Pursuant to article R.152-1 of the CMF and Article 7 of the *Arrêté*, the following investments are submitted to an administrative declaration (to be made to the *Direction* of the *Trésor Public*).

a) Direct foreign investments (Articles R.151-1, R.152-1 of the CMF)

- The creation of a new company by a foreign company or by individuals residing outside France;

- The acquisition of all or part of a line of business of a French company by a foreign company or by individuals residing outside France;

- All transactions made in the capital of a French company by a foreign company or by individuals residing outside France provided that, after such transaction, the aggregate amount of share capital or voting rights hold by a foreign company or by individuals residing outside France exceed 33.33% of the share capital or the voting rights of such French company;

- All transactions made by a French company in which a foreign company or individuals residing outside France hold more than 33.33% of the share capital or the voting rights of such French company.

b) Foreign investments

- Transactions such as the granting of loans, significant guarantees, purchase of patent licenses, business contracts or know how that result in a *de facto* control of a French company by a foreign company or by individuals residing outside France.

c) Indirect foreign investments

- Transactions consummated abroad entailing the modification of control of a non-resident company which is itself the holder of a stake or voting rights in a French company in which a foreign company or individuals residing outside France hold more than 33.33% of the share capital or the voting rights of such French company.

3) Exemptions for specific transactions (Article R.152-5 al.2 of the CMF)

Certain direct investments in France are by virtue of the nature of the investment exempt from the administrative declaration requirements, regardless of the investor's place of residence. The exempted investments consist of the following:

- The creation or expansion of activities of an existing French company held directly or indirectly by a foreign company or by individuals residing outside France;

- Increases in the stake of a non-resident (e.g. by share purchase) in a French company held directly or indirectly by a foreign law company or by individuals residing outside France by a foreign investor who already hold more than 50% of the share capital or the voting rights of such company;

- Subscriptions to increase the capital of French companies already held directly or indirectly by a foreign company or by individuals residing outside France, provided the foreign investor does not actually increase its participation at this time;

- Direct investment transactions made between companies belonging to the same group, which means that they are directly or indirectly held, by more than 50%, by the same shareholders;

- Loans, advances, guarantees, consolidation or cancellation of debts, subsidies or allowances/grants to the subsidiaries made available to a French company already held directly or indirectly by a foreign law company or by individuals residing outside France;

- Direct investment transactions in real estate companies, other than those engaged in the construction of buildings for sale or lease;

- Direct investment transactions in French companies relating to handicrafts, retail, hotels, restaurants, or service industries relating to or having the exclusive objective of exploitation of stone quarries and gravel pits, provided the investment does not exceed Euro 1,500,000; and

- The purchase of agricultural land.

B-Transactions subject to a statistical declaration

1) Declaration to the *Banque de France*

The credit institutions, investments companies and other finance related companies have to make monthly statistic declarations related to settlements between residents and non-residents which are made in France and which exceed Euro 12,500 base on elements disclosed to them by such residents.

Companies or groups of companies for which the amount of transactions with foreign countries, exceed, for some services Euro 30,000,000 in a fiscal year have to declare on a monthly basis all transactions made with foreign countries or in France with non-residents.

Residents directly making transactions abroad, from, *inter alia*, accounts opened abroad, or by way of debt set off/compensation, have to declare on a monthly basis to the *Banque de France* if such transactions exceed Euro 1,000,000.

Certain other transactions have to be declared to the *Banque de France* if their amount exceeds Euro 15,000,000 within 20 days following their completion (Article R.152-3 of the CMF):

- Direct foreign investments in France or French investments abroad involving transactions by which non-residents or residents purchase at least 10% of the share capital or the voting rights, or cross the 10% threshold, of respectively a resident or a non-resident company. Transactions between related companies are also involved here (i.e. loans, deposits...) as well as real estate investments;

- Acquisition or sale of non-resident companies by residents;

- Acquisition or sale of real estate abroad by residents, and in France by non-residents.

2) Declaration to the *Direction du Trésor*

For statistical reasons, the following transactions have to be declared to the *Direction du Trésor*[1] (Article R.152-4 of the CMF):

- The creation of a company and real estate acquisitions which exceeds Euro 1,500,000 made by foreign investors in France and liquidation of direct foreign investments in France;

- The creation or expansion of activities of an existing French company held directly or indirectly by a Foreign company or by individuals residing outside France when the amount of those transactions exceed Euro 1,500,000;

- The purchase of agricultural lands for wine making purposes;

- The liquidation of foreign directs investments in France;

- Transactions that have been subject to an authorization from the Minister of Economy (taking into account that the French administration must be informed if an authorized direct investment transaction has not been made or has not been entirely made).

The *Direction du Trésor* must also be informed by French companies (or their liquidator) held directly or indirectly by foreigners for:

- Decrease of the foreign stake in their capital, even if it does not constitute a desinvestment (i.e. by way of a capital increase subscribed by French residents);

- All significant amendments related to their existence or business: closure of business, change of corporate name or address, liquidation;

[1] Such declaration should be made following to the information required for the administrative declaration, provided that the names of the main shareholders do not have to be disclosed.

- All transitions carried out abroad and modifying indirectly the holding of the share capital of a French company (the identity and the control of the new shareholder have to be disclosed).

  For those statistical declaration purposes, a direct foreign investment in France or French abroad involve transactions by which non-residents or residents purchase at least 10% of the share capital or the voting rights, or cross the 10% threshold, of respectively a resident or a non resident company. Transactions between related companies are also involved here (i.e. loans, deposit) as well as real estate investments.

  Failure to make such statistical declarations may involve criminal penalties.

C-Investments submitted to prior authorization

Notwithstanding the foregoing, some specific foreign investments are subject to the prior authorization of the Ministry of Economy (article R.153-2 of the CMF):

Definition of 'foreign investment' submitted to prior authorization depends on whether the investor is a non-EU or a EU investor. With regard to both non-EU and EU investors, the CMF defines a 'foreign investment' as:

(1) the acquisition of control, within the meaning of Article L. 233-3 of the Commercial Code, of a business having its registered office in France;

(2) the direct or indirect acquisition of all or part of a branch activity of business having its registered office in France;
However, if the investor is a non-EU investor, the CMF also defines 'foreign investment' as:

(3) the crossing of 33.33% of direct or indirect holding of the share capital or voting rights in a business having its registered office in France.

If the foreign investment falls within one of the three categories above, it will be subject to prior approval by the Minister of Economy if it is also made in one of the strategic business sectors listed below:

- Foreign investments related to public order or public safety (made by a person likely to commit or to facilitate crimes such as drug dealing, money laundering, bribery and terrorism) as well as those related to gambling (casinos, game circles...) or to regulated private security activities;

- Foreign investments related to national defense, weapons and explosives;

- Foreign investments related to cryptology, interception of communication and information system security;

- Foreign investments related to production of antidotes, dual-purpose goods and technologies;

- Foreign investments which may entail significant risks to public health.

Nevertheless, the issuance or the sale of securities (listed or unlisted) in France by OECD non member state companies are no longer submitted to prior authorization.

The Ministry of Economy, when considering requests for authorization from foreign investors, is required to make a decision within two months of the date the application is deemed to have been filed. If no response in received from the Ministry within this period, the direct investment is deemed to be authorized. The Ministry of Economy can also make a favorable decision subject to conditions related to national interest and within the respect of principle of proportionality.

Failure to request such authorization gives rise to an injunction from the Ministry and, in the event of inefficiency of such injunction, penalties amounting to a maximum of twice the amount of the unlawful investment may be declared.

The European Commission has issued a motivated advice to France relating the French regulations of foreign investments subject to prior authorization of the Minister of Economy. According to the European Commission, these regulations do not comply with the European Union rules relating to the free circulation of capital and free establishment.

In any cases, if a foreign investor wishes to practice in France within an economically regulated sector, he is also subject to the particular regulations required by a practice in such regulated sector.

3. TAXATION:

(1) TAXATION IN FRANCE

The following is a general summary of the material French tax consequences of acquiring, owning and disposing of Bonds for a person (i) who is a resident of Japan for the purposes of Japanese tax and the "Convention Between France and Japan for the Avoidance of Double Taxation with Respect to Taxes on Income" dated March 3, 1995 (the "Treaty") and the rider dated January 11, 2007, (ii) who is entitled to the benefits of the Treaty.

This discussion is intended only as a descriptive summary. It does not address all aspects of French tax laws and of the Treaty which may be relevant to a Bondholder of Bonds with respect to his particular situation.

1) Taxation on Interest on the Bonds

No French tax whether withholding tax or any other tax (i.e."*Prélèvement forfaitaire obligatoire*") shall be due on interest paid on the Bonds as issued by a company established in France in favor of individuals or legal entity residing or established outside of France (e.g. in Japan). To benefit from such exemptions, the Bondholders must establish that he is a resident of Japan.

If the Bonds are issued through an international bank syndicate ("*syndicat international de banques*") the above mentioned exemptions shall also apply, provided that certain additional conditions are met:

1. the Bond issue must not be submitted to the French Securities and Exchange Commission ("*Autorité des Marchés Financiers*");

2. the Bond issue must not be published in a French legal bulletin of announcements ("*Bulletin des Annonces Légales Obligatoires*");

3. The Bond issue agreement and the memorandum of information must set forth the issuer's and the bank syndicate's commitment not to offer the Bonds to the French public (except for qualified investors defined by French regulations).

A "Déclaration unique annuelle des paiements de revenus mobiliers et opérations sur valeurs mobilières" (Tax Return Form for Payments and Revenue on Security Income) must be filed with the French tax authorities prior to February 16th of the year following each payment of interest.

2) Taxation of capital gains

Pursuant to the Treaty, a Bondholder will not be subject to French tax on any gain from the sale or disposal of his Bonds.

3) French Estate and Gift Taxes

Since France and Japan have not entered into an estate and gift tax treaty, the transfer of Bonds by gift or by reason of death of the Bondholder will, under French domestic law, be subject to French gift or inheritance taxes. Bondholders should consult their own tax advisor concerning the application of estate and gift tax to their holding of the Bond.

4) Stamp Duty on Transfer of Bonds

The transfer of Bonds issued by a company established in France shall be subject to a fixed tax of EUR 125 but only if such transfer is concluded in an agreement filed voluntarily with the French registry office.

(2) TAXATION IN JAPAN

Any interest on the Bonds and any amount which a Bondholder may receive upon redemption of his Bond in excess of the issue price of such Bond (such amount being hereinafter referred to as "Issue Differential") received by residents of Japan and Japanese corporations will be generally subject to Japanese taxation in accordance with existing Japanese tax laws and regulations. Gains derived from the sale of the Bonds will be added to taxable income if the seller is a corporation, but such gains will not be subject to Japanese taxation if the seller is an individual.

Interest on the Bonds and Issue Differentials received by non-residents of Japan or non-Japanese corporations will, in general, not be subject to Japanese taxation. Gains derived by non-residents of Japan or non-Japanese corporations from the sale of the Bonds within Japan will, in general, not be subject to Japanese taxation unless the seller is a non-Japanese corporation having a permanent establishment within Japan. Applicable tax treaty provisions may further restrict or eliminate this tax liability for such non-Japanese corporations.

4. LEGAL OPINIONS

A legal opinion has been provided by Christian Husson, General Counsel of Renault, to the effect that:

(i) Renault has been duly incorporated and is validly existing as a corporation in good standing under the laws of the Republic of France;
(ii) the statements with respect to the matters concerning the laws of the Republic of France in this Securities Report are accurate in all material respects.

II. OUTLINE OF THE COMPANY

1. DEVELOPMENT OF MAJOR MANAGERIAL INDEX, ETC.:

Please read following charts together with the information provided in VI. Financial Condition of this PART I.

1.1 Consolidated Figures

The figures for the years 2004, 2005, 2006 and 2007 are presented under IFRS. The figures for the years 2003 and 2004 have not been restated to these standards. In 2007, Renault has reviewed the accounting treatment of certain components of revenue (mainly, operations related to contracts with subcontractors and sales of parts under warranty to customers) and has opted to recognize actuarial gains and losses in equity. Restated comparative information for the year ended December 31, 2006, and December 31, 2005 is included in the table below, as published in the 2007 Registration Document.

(Years ended December 31)
(Unit: EUR million, except otherwise indicated)

	Under previous accounting principles		Under IFRS			
(Consolidated figures[1])	2003	2004	2004 Not restated	2005	2006	2007
Revenues	37,525	40,715	40,292	40,246	40,332	40,682
Operating margin[2]	1,402	2,418	2,115	1,323	1,063	1,354
Operating income	1,234	2,148	1,872	1,514	877	1,238
Group pre-tax income[5]	3,023	4,252	3,464	3,793	3,215	2,989
Group net income	2,513	3,618	2,903	3,462	2,960	2,734
Renault net income (f)	2,480	3,551	2,836	3,376	2,886	2,669
Average number of shares outstanding [3] (in thousand) (b)	265,960	265,960	254,168	255,177	256,994	258,621
Number of shares at December 31 (g)	284,937,118	284,937,118	284,937,118	284,937,118	284,937,118	284,937,118
Share capital	1,086	1,086	1,086	1,086	1,086	1,086
Shareholders' equity [6] (a)	13,591	16,060	15,864	19,492	21,071	22,069
Total assets (e)	58,291	60,942	61,775	68,372	68,851	68,198
Capital adequacy ratio (%) (a)/(e)	23.32	26.35	25.68	28.51	30.60	32.36
Shareholders' equity per share [6] (EUR) (a)/(g)	47.70	56.36	55.68	68.41	73.95	77.45
Net dividend per share (EUR)(c)	1.40	1.80	1.80	2.40	3.10	3.80[4]
Earnings per share (EUR) (d)=(f)/(b)	9.32	13.35	11.16	13.23	11.23	10.32
Cash flows from operating activities	3,543	4,957	5,275	5,085	2,586	4,746
Cash flows from investing activities	(2,709)	(3,107)	(3,005)	(3,053)	(3,044)	(2,947)
Cash flows from financing activities	115	(861)	(1,281)	(1,510)	260	(2,941)
Dividend payout ratio (%) (c)/(d)	15.02	13.48	16.13	18.14	27.60	36.82

Number of employees at December 31(persons) (*Excluding employees under the early retirement scheme.)	125,128*	124,277*	124,277*	126,584*	128,893*	130,179

(1) This information is for reference only and is not always directly comparable year-on-year, since it may include changes in scope and/or accounting standards or methods.
(2) Corresponds to operating income before "other operating income and expenses"
(3) Weighted average number of ordinary shares in circulation during the period, i.e. after neutralization of treasury shares and Renault shares held by Nissan.
(4) The dividend was agreed by the Annual General Meeting of April 29, 2008 and the dividends were paid on May 15, 2008.
(5) Group pre-tax income includes share in net income (loss) of companies accounted for by the equity method.
(6) Shareholders' equity under the previous accounting principles does not include minority interest. Under IFRS, minority interest is included in shareholder's equity.

1.2 Non-consolidated Figures
Non consolidated figures have been prepared in accordance with accounting principles generally accepted in France ("French GAAP").

Moves to strengthen the Alliance between Renault and Nissan Motor Co., Ltd. and delegate strategic management to Renault-Nissan b.v. made it necessary to reorganize Renault. This resulted in the formation of a simplified joint-stock company, Renault s.a.s., wholly owned by Renault S.A.

Renault S.A. transferred its operating assets to Renault s.a.s., in accordance with the contribution agreement of February 22, 2002. This transfer was approved by Renault shareholders at the Extraordinary General Meeting of Renault Shareholders of March 28, 2002 and by Renault s.a.s.'s sole shareholder. It took effect on April 1, 2002, with a retroactive effect as at January 1 2002 for accounting and tax purposes.

After the transfer, in addition to Renault s.a.s. and its subsidiaries, Renault S.A.'s assets primarily consist of the equity interest in Nissan, while its liabilities mainly comprise redeemable shares, financial liabilities and bank borrowings.

Since April 29, 2005, Renault s.a.s. is managed by the President and CEO of Renault S.A and by a Board of Directors composed of the same members as Renault S.A.'s Board of Directors. This reorganization has no effect on Renault's staff or shareholders, or consolidated financial statements.

(Years ended December 31)
(Unit: EUR million, except otherwise indicated)

Non-consolidated	2003	2004	2005	2006	2007
Revenues	0	0	0	0	0
Operating income/(expense)	(26)	(25)	(24)	(27)	(20)
Income before tax and exceptional items	438	595	387	1,864	978
Pre-tax income	771	254	490	1,863	977
Net income (f)	771	252	581	1,941	1,096
Number of shares at December 31(g)	284,937,118	284,937,118	284,937,118	284,937,118	284,937,118
Share capital	1,086	1,086	1,086	1,086	1,086
Shareholders' equity (a)	12,621	14,193	16,256	17,395	18,671
Total assets (e)	20,133	22,217	24,696	24,657	25,425

Capital adequacy ratio (%) (a)/(e)	62.69	63.88	65.82	70.55	73.44
Shareholders' equity per share(EUR) (a)/(g)	44.29	49.81	57.05	61.05	65.53
Net dividend per share (EUR)(c)	1.40	1.80	2.40	3.10	3.80 (4)
Number of employees (persons)	0	0	0	0	0

2. HISTORY:

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

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

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

In 1972, the Renault 5 arrived on the market. It remains one of the Group's best-selling models ever.

Through to the mid-1980s, Renault followed a strategy of diversification in the industrial, financial and service sectors, while at the same time growing its industrial and commercial activities internationally. But in 1984, the company ran into financial difficulties. As a result, it concentrated on restructuring and refocusing on core activities, and returned to profit in 1987.

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

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

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

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

In 2000, Renault raised its stake in Dacia to 80.1% and acquired a new brand – Samsung Motors in South Korea.

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

In 2002, Renault and Nissan implemented the second stage of their Alliance, aimed at strengthening their equity ties and creating a joint strategic structure. Renault raised its stake in Nissan from 36.8% to 44.4%. At the same time Nissan took a 15% ownership interest in Renault. The French government's ownership interest was reduced to 25.9% and then to 15.7% in 2003 by selling shares both to company employees and on the market.

2003 was the year of Mégane II. With five body styles (Scénic II, Grand Scénic, Mégane coupé-cabriolet, Mégane 4-door sedan and Mégane Station wagon) completing the two models launched in 2002, a total of seven models were launched in 17 months. Mégane II became Europe's best-selling model.

2004 was marked by two major product launches: Modus and Logan. Modus is Renault's entry-level

MPV. It was the first Renault-badged vehicle built on the B platform shared with Nissan, and the first vehicle in its class to score five stars in Euro NCAP crash tests. Logan, developed by Renault and manufactured and marketed by Dacia, offers excellent value for money. It has enjoyed great success since its launch, both on its domestic market of Romania, and on export markets. The car will spearhead Renault's international expansion in the years ahead.

In 2005, at the Annual General Meeting on April 29, Carlos Ghosn was named Chief Executive Officer of Renault. Louis Schweitzer retained his position as Chairman of the Board of Directors. The Group pursued its international expansion with the development of industrial facilities for Logan in Russia, Colombia and Morocco. Renault signed an agreement with Mahindra & Mahindra to manufacture and market Logan in India from 2007. It launched two landmark products: Clio III, the eighth Renault vehicle to obtain five stars in Euro NCAP crash tests and “Car of the Year 2006”; and the 2.0 dCi engine, the first diesel powerplant developed by the Renault-Nissan Alliance. Also this year, the Renault F1 Team scored a double win, taking the World Constructors' and Drivers' Championship titles.

In 2006, Carlos Ghosn announced Renault Commitment 2009, a plan based on three key commitments: quality, profitability and growth, on February 9. The aim is to position Renault as Europe's most profitable volume auto maker. For the second year running, the Renault F1 Team scored a double win with the new R26, taking the World Constructors’ and Drivers' Championship titles. At the Paris Motor Show, Renault unveiled the Twingo Concept show-car, and Koleos Concept, the first future cross-over vehicle in the range.

In 2007, the product offensive began with the launch of New Twingo (produced in Slovenia) in May and New Laguna (produced in France) in October. Both vehicles aim to achieve the highest standards of quality and reliability. In Korea, Renault Samsung Motors began production of QM5, a Koleos-based crossover vehicle, designed by Renault and developed by Nissan. Half of the total output is scheduled for export. Expanding its international presence, Renault founded new subsidiaries in Ireland and Scandinavia, increased its production capacity in Russia, and signed memorandum of understanding for a future industrial complex in Morocco. In May, Renault launched the eco^2 label for its most ecological and economical vehicles. Eco^2 vehicles are produced in certified plants and emit less than 140g of CO_2 per km or run on biofuel. They also include at least 5% recycled plastics, and are 95% recyclable.

3. CONTENTS OF BUSINESS:

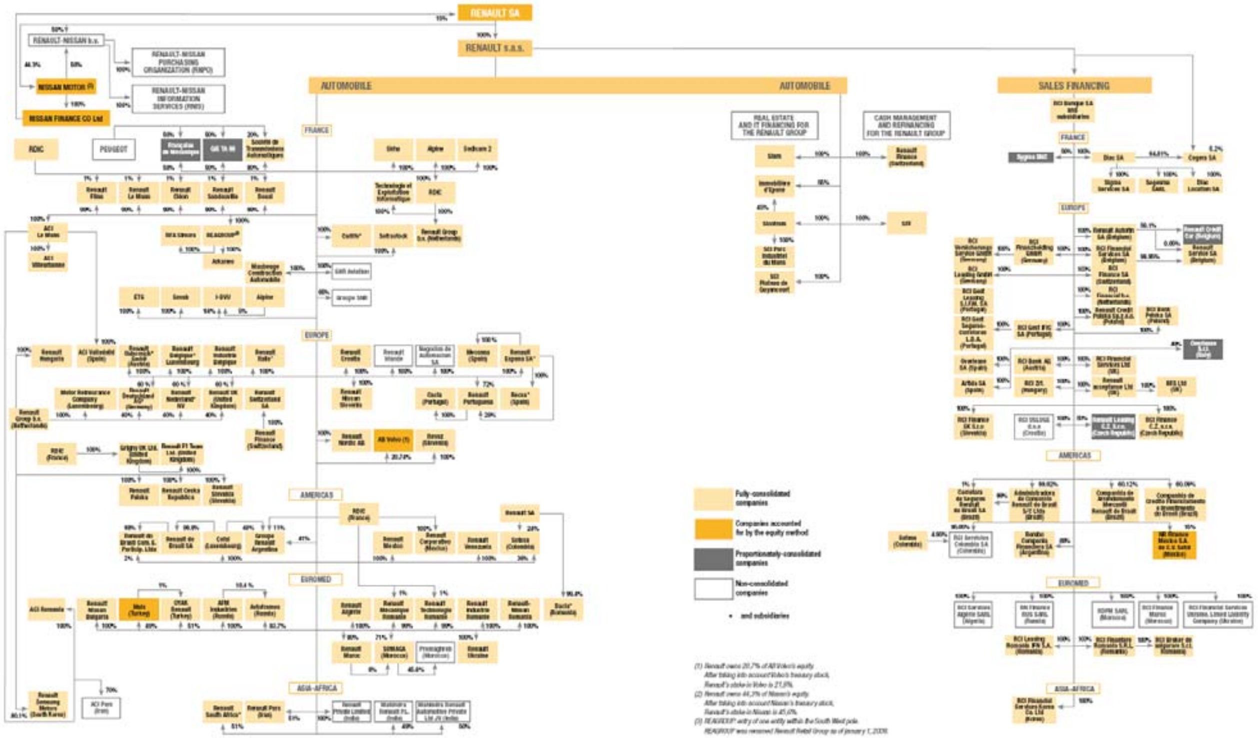
Since the final agreement, signed with Volvo on January 2, 2001, the Group's activities have been divided into two main activities:

- Automobile;

- Sales Financing.

The information contained below regarding the "Renault Group main consolidated companies at December 31, 2007" strictly contains information presented in the Renault Reference Document for the period ending December 31, 2007. For further information on the progression of the organization of the Renault group please refer to "4. Statement of Related Companies."

Renault Group Main Consolidated Companies at December 31, 2007



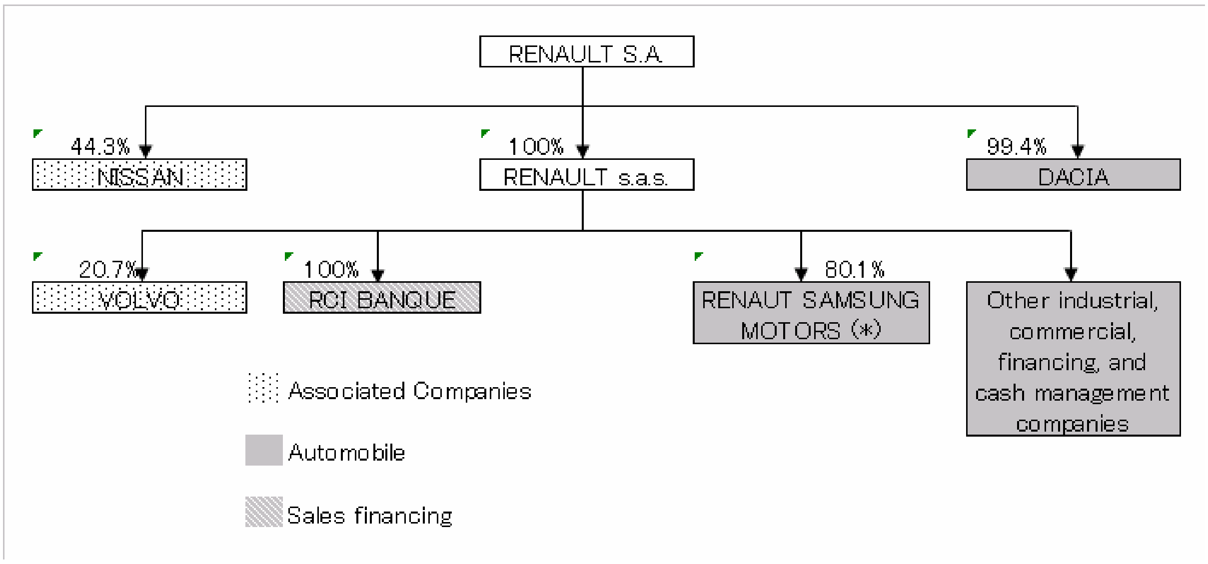
In addition to these two activities, Renault has two strategic shareholdings:

- in AB Volvo;
- in Nissan.

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

Structure of the Renault group

(As of December 31, 2007)



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

(1) ACTIVITIES

A. AUTOMOBILE

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

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

RENAULT GROUP RANGES

Renault Brand

Renault is a full-range automaker present on most market segments. It has a broad passenger and light commercial vehicle offering. Most models are available in multiple versions that vary by body style, engine, equipment levels and interior trim. This differentiation is achieved by means of a platform system. Eight platforms are used as the basis for passenger and light commercial vehicle production. Renault vehicles are equipped with seven families of gasoline and diesel engines.

Passenger cars

In the **small-car segment** (A and B segments, and passenger-carrying vans), Renault markets six complementary models: Logan, Twingo, Clio II and III, Modus and Kangoo.

Logan is the main driving force behind Renault's international development. It is sold under the Renault brand name in Russia, Colombia, Venezuela, Ecuador, Brazil, Argentina, Iran (under the name Tondar) and India (in partnership with Mahindra). With this broad industrial deployment, Renault is able to produce Logan close to its main markets in Russia, India, Iran, Brazil and Colombia. An affordable, spacious and robust vehicle, offering unbeatable value for money, Logan is a real success.

In the A segment of city cars, New Twingo is following in the tire tracks of its predecessor. It was launched in June 2007 in France, Italy, Belgium and Slovenia, and in most other European countries (Germany, UK, Ireland, Netherlands, Spain, Portugal, Austria, Switzerland, etc.) between September 2007 and January 2008. Produced in more than 2.4 million units, the first-generation Twingo enjoyed an exceptional career lasting more than 14 years. Currently marketed in around fifteen countries, Twingo II received a warm welcome from both customers and the network. It has market share of 7.4% in its segment in France and Europe. Twingo II has also successfully expanded its customer base, attracting former Twingo I owners as well as younger buyers and a higher percentage of men (GT version).

Twingo I is still produced and sold in Colombia, while New Twingo is produced at the Novo Mesto site (Slovenia) for all other countries where this model is available.

On the B segment, Clio III consolidated its success in 2007 - its third year on the market - despite a widely renewed offering from the competition. It has market share of 8.7% in France + Europe. Voted Car of the Year 2006, Clio III is considered as the benchmark in its segment in terms of quality and performance. In 2007 Clio III gained the new TCE100 gasoline engine, combining the performance of a 1.6l engine with the consumption of a 1.2l engine. Renault also launched a number of limited series models (RipCurl, Exception, Clio RS R26) with great success. At the start of 2008, the Clio range gained a station wagon version (the "Estate" or "GrandTour"). This attractive new version meets the requirements of customers looking for a car that combines dynamic design with generous load space. Most models in the Clio range carry the eco² label, and both the hatchback and estate versions boast CO_2 emissions of less than 120g/km for two of the three diesel engines.

Clio III is manufactured at Flins (France), while the Renault Sport model is produced in Dieppe (France). In 2006, Clio III also went into production at the Bursa site (Turkey) for the hatch and estate versions, and at Valladolid (Spain).

For a wider offering, Renault elected to continue manufacturing Clio II, renamed Clio Campus, with a focus on entry-level versions. Clio II is manufactured at the Novo Mesto site (Slovenia), as well as outside Europe, at the Bursa plant (Turkey) for the Thalia sedan, and in Mercosur countries - Cordoba (Argentina), Envigado (Colombia), and Nissan's Aguascalientes plant (Mexico) - for the hatch and sedan versions.

In September 2004, Renault expanded its **B-segment** range with Modus, a subcompact minivan combining exceptional interior space with a remarkably compact size. Modus is the first vehicle in its class to score five stars in Euro NCAP crash tests. The Modus range was renewed in early 2008 with the launch of New Modus, a vehicle featuring new design, and, more particularly, Grand Modus. This is a highly versatile MPV with a generous boot, sliding, modular rear bench, generous stowage and wide range of practical features such as flipdown trays. Grand Modus boasts real on road performance and has all the qualities necessary to become the main family car. Modus and Grand Modus are produced at the Valladolid site (Spain).

Launched in late 1997, Kangoo car is a practical, economical, nonconformist vehicle that expands Renault's offering in the **passenger-carrying vans segment**. Kangoo car scored four stars in Euro NCAP crash tests, setting the standard for safety on this segment. It is the first model after Mégane to integrate life-cycle environmental management. For its last full year on the market in 2007, Kangoo car was available in a simplified range for easier distribution. With market share of 10.9% in France and Europe, Kangoo car is second in this segment.

Kangoo car is produced in Maubeuge (France) and Cordoba (Argentina), as well as in Somaca plant (Morocco) and Kuala Lumpur (Malaysia). It is sold in more countries worldwide than any other Renault vehicle.

On the **lower mid-range C segment**, the biggest in the European automotive market by volume, Renault launched the Mégane II program of five-door and three-door hatches in October 2002, kicking off the complete renewal of its range on this segment. This is the first program to be produced on the Alliance's new joint C platform. It comprises eight models[2] with highly individual personalities, launched over a period of less than 18 months, between fall 2002 and spring 2004. European Car of the Year in 2003, Mégane II was awarded the maximum five-star rating by Euro NCAP, with the additional privilege of being named as the safest car in its class.

January 2006 saw the launch of phase 2 (New Mégane) equipped with the new Alliance diesel engine, the 150hp 2.0 dCi. Three other Mégane II models (a coupé cabriolet, a station wagon (Estate) and a four-door sedan) have been successively launched in Europe. Mégane II was Europe's third best-selling vehicle in 2007, all categories combined, with 3% of the market.

In June 2003 Scénic was replaced by Scénic II, renewing Renault's offering in the compact minivan segment. Scénic II scored five stars in Euro NCAP crash tests, becoming the safest compact minivan on the market. September 2006 saw the arrival of Scénic phase 2, with the ninth version in the program 1, the five-seater Grand Scénic. Scénic remains the leader on the compact minivan segment.

In 2007, more than 650,000 Mégane I and II vehicles were sold worldwide.

Mégane II is produced in France at Douai (sedan, coupé-cabriolet, Scénic II and Grand Scénic) and Dieppe (Renault Sport hatch and coupé), in Spain at the Palencia plant (five-door hatch, coupé and station wagon), in Turkey at the Bursa plant (four-door sedan) and in Brazil at the Curitiba plant (four-door sedan). Mégane I (Classic and sedan) continues to be manufactured in Argentina (Classic and sedan) and in Colombia (Classic), while Scénic I is produced at the Curitiba plant (Brazil).

In 2008, Renault will continue to build on its complete, reliable, high-performance range in order to remain at the forefront of this keenly competitive segment.

Koleos, Renault's first crossover, will be launched during the year. This model combines the genes of Renault's MPVs with Nissan 4x4 technology. Also in 2008, renewal of the Mégane family is scheduled to begin in a number of European countries.

On the upper mid-range D segment, New Laguna made its debut in 2007. It replaced Laguna II, which was produced in more than 1,106,000 units during its six-year career and sold in more than 50 countries.

Launched in fall 2007, Laguna III is spearheading Renault's drive to meet stringent new quality criteria. The vehicle was designed to rank among the top three in its segment for product and service quality. It ships with a three-year/150,000 km manufacturer's warranty. At end-2007, after just a few months on the market, 22,595 Laguna III vehicles had been sold in 25 countries.

Available in two versions from launch, hatch and sport tourer, Laguna III delivers an enjoyable and relaxing drive, combining top-level safety (five stars in Euro NCAP), unbeatable comfort (driving comfort, excellent acoustics, air conditioning, etc.) and easy use (ergonomics, navigation system,

2 Five-door hatchback, three-door hatchback, Scénic (five-seater) and Grand Scénic (seven-seater), coupé-cabriolet, station wagon, four-door sedan, Renault Sport.

automatic parking brake, easy break function). It is an eminently drivable vehicle, with its high-quality engines (including a 1.5 dCi with very low CO2 emissions and a 2.0 dCi recognized by the trade press as one of the best in its category in terms of driving pleasure and performance) coupled with 6-speed manual or automatic transmission, and with a precise, responsive chassis.

Laguna GT, scheduled for launch in first-half 2008, takes drivability one step further and sets new standards in active safety. It is equipped with the *active drive* four-wheel steering system. This allows the rear wheels to move both in parallel and in opposition to the direction of the front wheels, depending on vehicle speed and the angle of the steering wheel. At low speeds, Laguna GT is exceptionally nimble and easy to handle. At higher speeds, the active drive chassis keeps the car on course when sudden changes in direction are made, as in swerving maneuvers. Laguna GT ships with two engines specific to this model: a 2.0l turbocharged gasoline engine developing 205hp and 300 Nm. and a 2.0l dCI engine developing 180hp and 400 Nm.

The Laguna range will be completed by Laguna Coupé, scheduled for launch at the end of 2008. The Coupé features clean, elegant flowing lines, similar to the concept-car presented at Frankfurt. Its active drive chassis and V6 gasoline and diesel engines will make it the Marque’s flagship vehicle.

On the luxury E segment, Renault launched Vel Satis in Europe in 2002. Vel Satis was awarded the maximum five-star rating by Euro NCAP, ranking best in class. Renault launched New Vel Satis in April 2005. In 2006, alongside the V6 diesel 3.0 dCi 180 combined with the 6-speed proactive gearbox. Vel Satis gained two new diesel engines developed through the Alliance: the 2.0 dCi equipped with a particulate filter and available in 150hp and 175hp versions.

Vel Satis is produced at Sandouville (France), like New Laguna. It therefore reaps the full benefits of the progress made in terms of quality. On January 1, 2008, Vel Satis gained the same manufacturer’s warranty (three years or 150,000 km) as New Laguna.

At end-2002 Renault launched Espace IV, the fourth generation of a vehicle launched in 1984 in partnership with Matra Automobile. Espace was Europe’s first minivan. More than 1.1 million vehicles have been manufactured, across several generations. Espace IV phase 2 was launched in March 2006. It features the new 2.0 dCi diesel engine developed by the Alliance, available in 150hp and 175hp versions, with a particulate filter. A version combined with an automatic transmission was also introduced in 2007. Squaring up to increased competition, with the Ford S-Max’s first full year on the market, Espace nevertheless stabilized sales volumes with respect to 2006. Espace ranks second in Europe’s large MPV segment with market share of 14.7% in a stable segment. This result was achieved by simplifying the range, introducing the entry-level Emotion version and bringing out limited series.

In 2008, Espace is out to remain the benchmark in its segment. To this end, a particularly attractive limited series called Argos, aimed particularly at business customers, was launched in January 2008 in nine European countries. It includes a 7" 16/9 color Navigation screen, a 4x20 mono CD radio with an MP3 player, Bluetooth, two-tone dark carbon/ash upholstery, fog lamps, a pearlescent black cowl vent grille, and wing trim and exterior rearview mirror housings in the same shade.

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

Light commercial vehicles

Renault has one of the newest and most extensive ranges of light commercial vehicles in Europe. Vehicle sizes range from 1.6 to 6.5 tons, thus matching the needs of a broad customer base. Renault set a new record in 2007, with sales up 1.3% and more than 324,000 vehicles sold. It thus remains the market leader in France + Europe with market share of 14.2 %.

On the small van segment (under 2 tons), Renault is present with Kangoo Express. Now manufactured on four continents (Europe, Asia, South America and Africa), Kangoo remained the leader in 2007. In its tenth year on the market, Kangoo Express maintained segment share of 18.3%, prior to the arrival of the new-generation Kangoo, which made its debut in France and Western Europe in January 2008.

On the fleet vehicle segment, Clio Van (Clio II and Clio III) remains in the lead with segment share of 14.8%. The launch of New Twingo Van, which received a particularly warm welcome from potential customers at its presentation, began at end-December 2007. The range (Twingo, Clio II and III) thus delivers a range of complementary services to meet all needs.

On the van segment (between 2 and 7 tons), Renault renewed its range in 2006 with New Trafic and New Master. Available with the 2.0 dCi (90hp and 115hp) and 2.5 dCi (100hp and 120hp) engines, these two vehicles are now B30 compatible. They run on 30% biodiesel, thus paving the way for a 20% reduction in "well to wheel" emissions of CO2. This offering, the first of its type, reflects the aims of Renault Commitment 2009, which states that all diesel engines sold in 2009 must satisfy these running conditions. In 2007, Renault ranked third in this segment, with market share of 12.4%. In consequence, the plants making Trafic and Master reported record-breaking production figures.

Dacia Brand

At end-2007, the Dacia brand was available in 44 countries (Europe, Maghreb, Turkey, Africa). Its remit is to develop sturdy, modern and roomy vehicles at affordable prices for new automotive markets as well as for Western Europe.

In September 2004, Dacia launched Logan, developed on the Renault-Nissan Alliance's B platform, used for Nissan Micra and Renault Modus. The Dacia range was expanded with the launch of Dacia Logan MCV end-2006 and Dacia Logan Van (commercial vehicle) in 2007. Two new models are set to arrive on the market in 2008: Sandero and Logan Pick-up. Dacia vehicles ship with a wide range of Renault powertrains, both gasoline and diesel.

Dacia is seeing steady sales growth. In 2007, the brand sold more than 230,000 vehicles, a 17.2 % increase on 2006. In France + Europe, Dacia grew sales by 67.9% in 2007, on the back of the success of the Dacia Logan MCV.

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

Renault Samsung Brand

Renault Samsung Motors sells four passenger cars in South Korea, including a new cross-over model launched in 2007, the QM5 :

- launched in December 2007, the QM5 is Korea's first real cross-over. It gives Renault Samsung Motors a foothold in the SUV segment, which accounted for 21.3% of sales in Korea in 2007;

- SM5, an executive sedan derived from a Nissan sedan, which has enjoyed growing success since 2001. A new version of SM5 was launched in January 2005 and restyled in June 2007. Sold in more than 73,000 units (73,016 in Korea and 274 in export markets), this model enabled Renault Samsung to consolidate its No. 2 position in the mid segment;

- a second Nissan model, SM3, launched in September 2002 to expand the Renault Samsung Motors range, was restyled in August 2005. It was sold in 29,709 units in 2007 (27,461 in Korea and 2,248 in export markets);

- SM7, a roomy sedan with a comfortable and luxurious interior and high-end safety features, launched in November 2004. This executive vehicle, fitted with 3.5 V6 and 2.3 Neo VQ engines, incorporates the latest technology from the Renault-Nissan Alliance. With 14,238 vehicles sold in 2007, SM7 claimed market share of 7.9 % in the "Large and Luxury" segment.

From February 2006, as part of an agreement with the Alliance, RSM began exporting SM3 to other countries, particularly Russia, under the Nissan brand name. More than 52,000 vehicles were exported in 2007. The four models in the range, along with Renault Koleos, are manufactured at the Busan plant in South Korea. Renault Koleos is the first vehicle in the Renault range to be produced in this plant. Designed by Renault and developed by Nissan, Renault Koleos will be exported to more than 40 countries worldwide by 2009.

With 119,748 vehicles sold in 2007, of which more than 117,125 in South Korea, RSM is fourth on its domestic market.

POWERTRAIN RANGE

The powertrain range is moving upmarket

Efforts are focused on the deployment of a range of engines delivering enhanced driving pleasure.

At the Frankfurt Motor Show, Renault presented the V6 dCi Concept. This engine heralds the new generation of V6 3.0 dCi diesel engines, which will be fitted on Renault's executive vehicles. It develops 195 kW over an operating range extended to 5,200 rpm. Featuring maximum torque of 550 Nm from 1,750 rpm, this engine offers unbeatable drivability. With its particulate filter and NOx trap, it combines performance with respect for the environment. It already satisfies Euro 6 emission standards.

2007: environmental issues take center stage

With its range of high-performance powertrains, Renault already ranks among the leaders for efficient fuel consumption and CO_2 emissions.

The TCE 100 engine launched in May 2007 on Clio, Twingo and Modus, is a perfect illustration of Renault's expertise. Developed using downsizing technology, this gasoline powerplant combines the power of a 1.4l engine with the torque of a 1.6l engine, alongside the fuel consumption characteristics of a 1.2l engine. Emitting 140g/km of CO_2, and consuming 5.9l/100 km on a combined cycle, this engine is one of the most efficient on the market.

This expertise also applies to diesel powertrains. With the 105hp 1.5 dCi engine and particulate filter, Mégane emits just 120g/km of CO_2. This same engine (with horsepower increased to 110hp) makes New Laguna the market leader in terms of environmental performance. With emissions at a record low of 136g/km of CO_2 on a combined cycle, New Laguna 110hp carries the Renault eco² label. The press has acclaimed its performance.

In Europe, Renault was one of the few vehicle manufacturers in 2007 to bring out a double biofuel offering of vehicles compatible with bioethanol and biodiesel.

In June 2007, the 105hp Mégane 1.6 16v. compatible with E85 bioethanol, arrived on the market. This was Renault's first venture into bioethanol in Europe, whereas in Brazil it has been marketing

Clio and Mégane models that burn E100 since 2004. At end-2006, Renault launched 90hp and 115hp versions of Trafic 2.0 dCi and 100hp and 120hp versions of Master 2.5 dCi, both compatible with B30 biodiesel, for companies with their own vehicle fleets. The first passenger cars running on biodiesel will arrive on the market in 2008. New Twingo, for example, will be available with the 65hp 1.5 dCi engine, compatible with B30 biodiesel.

In terms of emission control, the 2.0 dCi engine also available on New Laguna already satisfies the Euro 5 emission standard, which comes into force in 2009.

MAIN MANUFACTURING SITES

Renault has more than 30 manufacturing sites for its automobile business. Under cooperative cost-sharing agreements, the Group also uses facilities operated by other manufacturers, notably General Motors Europe's site in the U.K.

Also, thanks to the 1999 Alliance with Nissan, Renault can take advantage of its partner's industrial facilities in areas where Nissan already has operations, such as Mexico. In Spain, Renault uses Nissan's Barcelona plant to manufacture Trafic.

In 2007 the bulk of production by the three brands making up the Renault group was managed primarily by the following plants:

Production of the main industrial manufacturing sites by brand

RENAULT BRAND	
Renault sites	
Flins (France)	Clio III
Douai (France)	Mégane II (hatch, coupé-cabriolet), Scénic II (five- and seven-seater)
Sandouville (France)	Laguna III (hatch, Estate, Coupé), Vel Satis, Espace IV
Maubeuge (France)	Kangoo Express (1), Kangoo Generation 2006, Kangoo II
Batilly (France)	Master II (2), Mascott II (3)
Dieppe (France)	ClioIII Renault Sport, Mégane II Renault Sport (hatch, coupé)
Palencia (Spain)	Mégane II
Valladolid (Spain)	Clio III, Modus, engines
Novo Mesto (Slovenia)	Clio II, Twingo II
Bursa (Turkey)	Mégane II (four-door sedan), Clio II sedan, Clio III, engines, transmissions
Cordoba (Argentina)	Clio II, Clio II sedan, Mégane I (hatch, sedan), Kangoo, Kangoo Express
Curitiba (Brazil)	Scénic I, Clio II, Clio II sedan, Mégane II (hatch), Master II (4), Logan (Renault), engines
Casablanca (Morocco)	Logan(5), Kangoo Generation 2006
Avtoframos (Russia)	Logan (Renault)
Envigado (Colombia)	Twingo, Clio II (hatch and sedan), Mégane I sedan, Logan (Renault)
Cléon (France)	Engines, transmissions
Le Mans (France)	Front and rear axles, subframes, bottom arms, pedal assemlies
Choisy-le-Roi (France)	European center for reconditioned powertrain components (engines, transmissions, injection pumps, nozzle holders, sub-assemblies), new engines and powertrain components, Twingo, rear axles
Grand-Couronne (France)	Shipment of CKD kits
Seville (Spain)	Transmissions
Cacia (Portugal)	Transmissions, powertrain components
Los Andes (Chile)	Transmissions, powertrain components
Teheran (Iran)	Logan (Renault) (6)
India	Logan (Renault)
Nissan sites	
Barcelona (Spain)	Trafic II (7)
Aguascalientes (Mexico)	Clio II (8)

General Motors Europe sites	
Luton (U.K.)	Trafic II
DACIA BRAND	
Pitesti (Romania)	Logan, Logan van, Logan station wagon, engines and transmissions
RENAULT SAMSUNG BRAND	
Busan (South Korea)	Engines, SM7, SM5, SM3, QM5 (Koleos)

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

THE RENAULT DISTRIBUTION NETWORK IN EUROPE

Organization of the Renault network in Europe

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

The primary network is contractually linked to Renault and comprises:

- dealers who can sell and service Renault vehicles;
- branches belonging to the Renault group's business distribution unit. REAGROUP, which changed its name on January 1, 2008, to become Renault Retail Group;
- partners from the primary network specialized solely in after-sales (approved repairers).

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

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

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

The Renault distribution network in Europe [1]

	2007		2006	
Number of Renault contracts	**Europe[1]**	**o/w France**	**Europe**	**o/w France**
Branches and subsidiaries	36	1[3]	48	10[2]
Dealerships	1,371[4]	311	1,220	309
Subdealerships	8,411	4,698	8,496	4,720
Total	**9,818**	**5,010**	**9,764**	**5,039**

(1) Europe: includes the ten Western European subsidiaries plus Poland, Hungary, Croatia, the Czech Republic, Slovenia and Slovakia.
(2) REAGROUP, wholly owned by Renault SA, had 65 outlets organized into 1 subsidiary.
(3) A single Renault Retail Group contract covers 62 outlets.
(4) Including 124 contracts for the NORDIC subsidiary.

Renault Retail Group

This fully owned Renault commercial subsidiary is the Group's biggest in terms of revenues (€8.2 billion in 2007) and workforce (14,800 employees). It distributes products and services for the Renault, Nissan and Dacia brands on around 300 sites in 14 European countries.

The product range covers new vehicles, used vehicles and spare parts. It also includes services: servicing, powertrains, bodywork, express repairs (Renault Minute and Renault Minute bodyshops), short-term rental (Renault Rent), financing and brokerage.

The Renault Retail Group Vision 2009 plan is part of Renault Commitment 2009. It is based on three commitments:

- quality: be consistently better than private dealerships;
- profitability: achieve operating margin of 6% on the additional revenues created for Renault;
- volumes: sell 300,000 new vehicles by the end of the plan.

The action taken in 2007 achieved the following results:

- in terms of quality, significant progress was made in six countries (France, Spain, Hungary, Portugal, UK and Switzerland), where the subsidiary scored higher than the dealers. Austria and Poland are close behind;
- profitability increased strongly, following the improvement in the operating margin, which was positive at €8.2 billion in 2007;
- volumes were down in France (158,209 new vehicles) despite an increased share in Renault sales (from 34.6% to 35.20%). Figures were nevertheless on target in Europe, with sales of 124,923 new vehicles.

Figures at end-2007	**Renault Retail Group France + Europe**	Renault Retail Group France	Renault Retail Group Europe
New vehicles (units)	283,132	158,209	124,923
Used vehicles (units)	194,200	125,385	68,815
New and used vehicles (units)	477,332	283,594	193,738
Consolidated revenues (⁄thousands)	8,262,377	4,900,754	3,361,623

Highlights in Group network strategy in 2007

Changes to Dacia network strategy

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

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

The roll-out of the Dacia brand in Western Europe has proved to be a huge success. In France, Dacia ranked fourteenth brand on the market in 2007 with 32,637 car/LCV registrations.

Additional NV display areas are required to underpin the drive to double Dacia's European sales volumes between 2007 and 2009, and support the launch of two new models, alongside the accelerated development of the Renault range. A pragmatic approach has been adopted, through which separate Dacia showrooms will gradually be put in place, according to the potential of local markets.

CASH MANAGEMENT IN THE AUTOMOBILE DIVISION

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

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

Within this framework, Renault's Corporate Treasury Department, in charge of cash management and financing for the Group' industrial and commercial activities in France and Europe, has two entities specialized in:

- the centralization of Group cash flows (Société Financière et Foncière);
- capital market trading, after intra-Group netting: forex, fixed-income securities, short-term investments (Renault Finance).

In 2007 Renault's Corporate Treasury Department reviewed its arrangements for centralizing Group cash flows. This will involve closing Société Financière et Foncière in 2009, and increasing the involvement of Renault Finance in cash flow management.

Renault Finance

Renault Finance, a Swiss corporation based in Lausanne, is an active player on the forex and fixed-income markets and in the market for hedging industrial metals transactions. It respects strict rules on risk management in all its trades. Through its arbitraging business, it can obtain competitive quotes for all financial products. The company is therefore Renault's natural counterparty for most of Automobile's capital market transactions. By extending that service to the Nissan group, Renault Finance has become the Alliance's trading floor.

As part of the reorganization of cash flow management procedures for Automobile, Renault Finance will manage foreign-exchange payments for French and European subsidiaries. It could thus contribute to managing the cash balances of some subsidiaries.

At end-December 2007, parent-company net income was €40.3 million (against €41.8 million at end-December 2006) and total parent company assets amounted to €4,218 million (versus €5,287 million at end-December 2006).

Société Financière et Foncière

Société Financière et Foncière (SFF) is a fully-fledged bank within the Renault group.

SFF is in charge of virtually all cash flows of Renault as well as the first-tier and second-tier subsidiaries of Automobile in France and Europe. It also processes commercial cash flows for Nissan France and equalization payments for Nissan in Europe.

The current system, through which SFF centralizes cash flows for Renault and its subsidiaries, will gradually be replaced by a cashflow platform involving almost 200 Group entities and managed by Renault SA.

The decentralization of cash flows processed by SFF, including commercial cash flows for Nissan France, started in 2007 and will be completed at end-2008.

In 2007 SFF reported parent-company net income of €6.15 million, compared with €4.33 million in 2006. Total parent-company assets at December 31, 2007 amounted to €340 million (€314 million at December 31, 2006).

B. SALES FINANCING

Sales Financing's activities are handled by RCI Banque[3] and its subsidiaries. RCI Banque is the entity that finances sales and services for the Renault group brands (Renault, Dacia, Samsung) worldwide and for the Nissan brand, mainly in Europe.

The role of the RCI Banque group is to provide a full range of financing solutions and services for its three main customer constituencies:

- consumers and corporate clients, for which RCI Banque provides credit solutions for the acquisition of new and used vehicles, rental with purchase option, leasing and contract hire, as well as the associated services, namely contracts for maintenance, extended warranty, insurance, assistance and fleet management;

- the networks that distribute Renault, Nissan and Dacia brands, for which RCI Banque finances inventories of new and used vehicles and spare parts, as well as their short-term cash flow needs.

RCI Banque is thus a key partner in Renault Commitment 2009.

[3] For more information about RCI Banque and its business, visit www.rcibanque.com

At December 31, 2007 the RCI Banque group had total assets of €25.7 billion, and a workforce of 3,116, 44.1% of which was based in France.

The RCI Banque group operates:

- in France;
- in nineteen European countries: Austria, Belgium/Luxembourg, Croatia, Czech Republic, Denmark, Finland, Germany, Hungary, Italy, the Netherlands, Norway, Poland, Portugal, Slovenia, Slovakia, Spain, Sweden, Switzerland, and the UK;
- in the Euromed region: in Romania, Morocco, Algeria, Russia and Ukraine;
- in the Americas region: in Argentina, Brazil, Colombia and Mexico;
- in the Africa-Asia region: in South Korea.

In 2007 RCI Banque financed 33% of new vehicles sold by the Renault group and Nissan brands in the Western European countries in which it operates.

By setting up business locations in new countries, the RCI Banque group helps to boost the sales of both manufacturers. In 2007 RCI Banque began customer financing activities in Scandinavian countries, with a branch in Sweden, and also in Ukraine, as part of trade agreements with local partners.

CONSUMER MARKET

Consumer-related business accounts for 54% of RCI Banque's average loans outstanding, or €12.3 billion. In this field, RCI Banque plays a three-fold role:

- offer and develop financing solutions to facilitate and accelerate sales of Renault and Nissan vehicles;
- integrate financing solutions and services to encourage car use and build loyalty to Group brands;
- help automakers organize sales promotions.

CORPORATE CLIENTS

Consumer-related business accounted for 22% of RCI Banque's average loans outstanding, or €5.1 billion at end-2007. In this field, RCI Banque has five aims:

- establish RCI Banque's financial and business-services strategy and implement it in the subsidiaries;
- plan the marketing strategy and brand policy for the corporate market;
- implement best practices for business-oriented products and services wherever RCI is present;
- help Renault and Nissan establish international protocols;
- monitor and guide economic performance by ensuring that profitability is in line with Group targets.

NETWORKS

At end-2007 network financing accounted for 24% of average loans outstanding, or €5.5 billion, RCI Banque has a four-fold remit in this field:

- finance inventories of new and used vehicles and spare parts, and fund dealers. long-term financing operations;
- manage and control risks;
- secure the network's future by standardizing financial procedures and monitoring them on a regular basis;
- act as financial partner to the network.

C. ASSOCIATED COMPANIES, PARTNERS AND COLLABORATIVE PROJECTS

RENAULT'S HOLDING IN AB VOLVO

With a 21.8% stake in Volvo and 21.3% of voting rights on outstanding shares, Renault is the principal shareholder in Volvo, the leading truck manufacturer in Europe and number two worldwide. Volvo celebrated its eightieth anniversary in April 2007.

Renault is represented on Volvo's Board by Louis Schweitzer, Chairman of Renault's Board of Directors, and by Philippe Klein, Senior Vice President, CEO/COO Office and Corporate Administration, Nissan.

The strategic acquisition of Japanese manufacturer Nissan Diesel in 2007 added a fourth brand to the three currently in the group (Volvo, Renault Trucks and Mack). The vehicle offering ranges from light commercial vehicles to heavy trucks, sold through a vast network covering more than 130 countries in Europe, Russia, and North and South America, as well as in Asia, where the Group is increasing its presence.

Worldwide deliveries in 2007 totaled more than 236,000 vehicles (219,931 in 2006), with Nissan Diesel included from April 2007. Demand was strong on the main global markets (particularly in Europe where deliveries rose by 12%, in South America (+31%) and Asia (+211%)), with the exception of North America (-53%) and Japan.

International expansion continued. In April 2007, Volvo decided to invest in a new truck assembly unit in Russia to satisfy demand on the fast-growing Russian and CCEE markets. In July the Renault Trucks subsidiary signed a cooperation agreement with Turkish manufacturer Karsan to produce trucks for the local market and bordering countries. A major product offensive has been scheduled with the production start-up of the Volvo FH12 and FH16 from Fall 2008, a major range renewal at Mack and a new generation of Renault Magnum.

In April 2007, in addition to an ordinary dividend of SEK 25 per share, a super-dividend was paid out. Volvo made a six-for-one stock split with one share being automatically redeemed at SEK 25. Renault thus received €477 million in dividends in 2007.

A dividend of SEK 5.5 per share for 2007 will be submitted for the approval of the next General Meeting.

In 2007 Volvo's contribution to Renault's net income was €352 million, compared with €384 million in 2006 (see note 14 in the notes to the Consolidated Financial Statements in VI. Financial Condition,

1. Financial Statement).

	2007			2006	
in millions	SEK	EUR *	change	SEK	EUR **
Net revenues	285,405	30,848	10.00%	258,835(1)	26,832
Operating income	22,231	2,403	9%	20,399	2,205
Net income	15,029	1,624	-8%	16,318	1,765
Dividend per share in SEK	25		198.50%	16,75	
Super dividend in SEK	25				
Closing at Dec. 31 in SEK					
Volvo A share	108		15.50%	93.52	
Volvo B share	108.5		19.70%	90.67	

*EUR 1 = SEK 9.25 (1) restated **EUR 1 = SEK 9.25

At December 31, 2007, based on a share price of SEK 108 for Volvo A shares and SEK 108.50 for Volvo B shares, Renault's holding in AB Volvo was valued at €5,067 million (€4,650 million at December 31, 2006). The market capitalization of Volvo at this date was €24,452 million.

RENAULT'S HOLDING IN NISSAN

Renault's shareholding in Nissan is described in detail in (2) below.

The market capitalization of Nissan at December 31, 2007 was €34.2 billion, based on a closing price of ¥1,230 per share.

Renault holds 44.3% of the capital of Nissan. At December 31, 2007 the market value of the shares held by Renault totaled €14.9 billion.

Renault accounts for its shareholding in Nissan by the equity method, as described in note 13 of the notes to the consolidated financial statements in VI. Financial Condition, 1. Financial Statement.

PARTNERSHIPS AND COLLABORATIVE PROJECTS

To maintain and enhance its competitive edge in the automotive industry, Renault is continuing its policy aimed at optimizing purchases. As part of Renault Commitment 2009, it has stepped up efforts in terms of profitability and quality, in close relation with suppliers.

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

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

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

- product development: Renault works in close cooperation with its suppliers at the very start of projects, with a view to meeting price and quality targets and cutting development times;
- quality: Renault has seconded 120 quality experts, of whom half are outside France, to work with its suppliers. These experts aim to boost quality by implementing strict tools and processes from

the very start of the project, during service life, and for after-sales parts;

- competitiveness: Renault has seconded 40 experts to supplier development, to improve their competitiveness and that of their own supply chain;

- logistics: Renault is implementing EVALOG - a tool designed to improve logistics performance - with suppliers;

- innovation: Renault is implementing co-innovation contracts with its most innovative suppliers. These contracts clearly set out the objectives pursued, the breakdown of costs, ownership rights, exclusivity periods, etc.

In return for the resources supplied by Renault and the prospects of increased volumes linked to a broader range, suppliers agree to improve their performance and contribute to Renault's international development.

In co-design and manufacturing, the main partnerships are as follows:

- Renault has entered into a number of cooperation agreements with PSA Peugeot Citroën. The two groups have worked together since 1966 on developing powertrain components: notably engines at their jointly-owned affiliate, Française de Mécanique in Douvrin (France), and automatic transmissions at Société de Transmissions Automatiques in Ruitz (France);

- Renault has also signed a number of commercial agreements for the sale of subsystems, notably transmissions and engines for Volvo and MMC and, since January 2004, a diesel engine for Suzuki Jimny;

- for light commercial vehicles, Renault and General Motors signed a framework agreement in 1996 and confirmed it with a cooperative undertaking in 1999. In 2006, the two manufacturers renewed their agreement on co-development and production, thus increasing their market presence in Europe. Phase 2 of compact vans: Renault Trafic and Opel/Vauxhall (GM) Vivaro have been produced at the GM Europe plant in Luton (UK) since 2001, and at the Nissan plant in Barcelona (Spain) since 2002, thusgrouping the three manufacturers. Phase 3 of large vans: Renault Master and Opel/Vauxhall (GM) Movano have been produced by Renault at its Batilly plant (France) since 2000. These two phases reached the market in September 2006.

To accelerate the pace of international expansion

Renault is regaining control of its network:

- in Ireland at end-October 2007, Renault acquired Glencullen Distributors Ltd, its vehicle and spare parts importer for 21 years. On November 1, 2007, it set up a Renault Ireland subsidiary. The aim is to implement Renault Commitment 2009 on this promising market, which totaled 230,000 units in 2007, and to significantly increase Renault's car/LCV market share (3.7% in 2007). Renault has been present in Ireland since 1956, when the first 4CV was imported. Renault's full range of right-hand drive vehicles (car/LCV) is currently on sale here;

- in the Nordic countries (Sweden, Norway, Finland and Denmark), Renault is making investments and gearing up for an sales drive of unprecedented magnitude, in terms of both products and service quality. Renault is aiming to sell 45,000 vehicles (cars/LCVs) in 2009, compared with around 35,000 in 2006. On January 1, 2008, Renault started distributing its vehicles through its Renault Nordic subsidiary in which it will invest €24 million. Since 1982 Volvo Car had been in charge of marketing Renault vehicles on these markets. The agreement expired on December 31, 2007 and was not renewed;

- in Greece, Renault signed an agreement with the PGA Motors group to take over distribution of new models in this country from February 2008 (New Twingo, New Laguna, New Kangoo, New Clio Grand Tour and Koleos).

Renault signed a series of agreements with local partners in 2007, including manufacturing companies, private investors and local authorities:

(a) in India:

- Renault made its debut on the Indian market with the launch of Logan, in partnership with Mahindra & Mahindra. After six months on the market, it already ranks among the top three in its segment with market share of 15%. At the same time, it is leading the field for initial quality (JD Power);

- to extend its development on this strategic market, Renault is pursuing plans to set up a second industrial site in India, as part of a project that now includes its partner Nissan. An MOU was signed in February 2007 with the Government of Tamil Nadu to build India's biggest automotive industrial plant in the region of Chennai. This will also be the first site designed jointly by the Alliance;

- Renault and Nissan also began discussions with a new partner, Bajaj. India's second biggest motorbike producer and leader in the 3-wheeled vehicle segment . concerning the launch of an ultra-low cost vehicle;

- beyond these commercial and industrial activities, Renault and Nissan set up a joint venture RNTBCI, also based in the Chennai region in Mahindra World City, to bring together engineering activities and information systems from 2008;

(b) in Iran, the framework agreement for the Logan project, signed in October 2003 by Renault and IDRO (Industrial Development and Renovation Organization . a holding company depending on the Iranian ministry of industry and mines) . makes provision for the redeployment of the Renault brand in Iran, based on the 90 family and the 90 platform (Logan) in the first instance. The plan is to assemble and distribute L90s to each of the two main Iranian manufacturers (Iran Khodro and SAIPA / Pars Khodro). The installed capacity will be 300,000 vehicles/year split equally between the two manufacturers. The joint venture Renault Pars founded in May 2004, 51% owned by Renault and 49% by AIDCo (Iran Khodro 26%, SAIPA 26%, IDRO 48%), is managing the industrial project. The specific roles assigned to Renault Pars mainly concern purchasing, engineering, processes, quality procedures and sales coordination. The partners have agreed to cover the investments and expenses incurred before launching the first vehicle through a capital increase. Pars Khodro started operations in March 2007 and Iran Khodro in May. More than 15,000 Tondars (Iranian name for the L90) were produced. At the same time, Renault is pursuing a project to assemble Mégane in partnership with Pars Khodro;

(c) in Russia, Renault initiated two major projects in 2007 in order to take advantage of the fast-growing Russian automotive market:

- Renault reinforced its partnership with Moscow City Hall in May through an agreement to increase the production capacity of the Moscow plant to more than 160,000 vehicles/year from mid-2009. Renault plans to invest US$ 150 million in new installations. Moscow City Hall will provide the land and buildings. This increased capacity will support the success of Logan on the Russian market and make it possible to introduce new economic models based on the Logan platform;

- In December, Renault signed a memorandum of understanding through which Russian Technologies and Renault will become equal shareholders of AvtoVAZ as part of a long-term partnership that will seek to accelerate the transformation of AvtoVAZ into a global automotive player, with a production capacity of more than one million vehicles/year. On February 29, 2008 several agreements were signed. Renault invested one billion US$ (659.38 million euros) for 25% plus one share of AvtoVAZ capital. The partnership includes plans to accelerate the development of AvtoVAZ, to renew and expand the vehicle range, to develop the Lada brand - while respecting its identity - enabling it to maintain its leading position on the Russian market and also to exchange technological expertise and to share know-how;

(d) in Morocco, Renault signed a memorandum of understanding with the Kingdom of Morocco to build an industrial complex in the region of Tangiers, using the TangerMed port platform. This industrial complex will use the advanced logistics infrastructure developed by the Kingdom of Morocco in the northern part of the country. It will have an industrial capacity of 400,000 vehicles/ year, making it one of the biggest automotive production centers in the Mediterranean basin. It will have an operational capacity of 200,000 vehicles in the first instance, from 2010. Total investments in capacity for this project are estimated at €600 million, including €350 million for the first phase. A further investment of between €200 million and €400 million will be made, depending on the variety of vehicles produced;

(e) in South Africa, a cooperation agreement was signed with Nissan in May for the local assembly of vehicles from the Logan range (Pick-up and Sandero) from end-2008. The pick-up will be assembled by Nissan, which will sell it under its own brand name. Sandero, which will also be assembled by Nissan, will be sold by the subsidiary Renault South Africa. Nissan will purchase CKD parts from Renault and will cover all specific investments;

(f) in Malaysia, the company TC Euro Cars Sdn.Bhd (TCEC), based in Kuala Lumpur, has worked in partnership with Renault since June 2003. It distributes Renault vehicles and manages the brand's after-sales activities in this country. At end-2004, Renault began producing Kangoo in the TCEC Plant. The aim is to reach annual output of 4,000 units by 2008;

(g) in Singapore, a sales subsidiary was set up in June. Its role is to import Renault vehicles/spare parts and sell them to the local distributor Wearnes.

In distribution

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

(2) THE RENAULT-NISSAN ALLIANCE

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

Renault now holds 44.3% of Nissan and Nissan owns 15% of Renault. Each company has a direct interest in the results of its partner.

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

Renault and Nissan sold a total of 6,160,046 vehicles in 2007, up 4.2%, giving global market share of 9.1% and a new annual sales record for the Alliance.

OBJECTIVES OF THE ALLIANCE

VISION – DESTINATION OF THE RENAULT-NISSAN ALLIANCE

March 27, 2004 marked the fifth anniversary of the agreement heralding the creation of the Renault-Nissan Alliance. Both Renault and Nissan took this opportunity to restate the values and principles underpinning the Alliance and to announce new ambitions for the future in the shape of a common "Alliance Vision – Destination" document.

"Alliance Vision – Destination" was approved by the Alliance Board and has been distributed to all employees in both groups.

The Fourth Alliance Convention was held in Paris in September 2006. The event was attended by top management and key Alliance players, with representatives from all sectors of Renault and Nissan.

The Convention provided an opportunity to reaffirm the Alliance's founding principles and its three objectives.

Vision - Destination of the Renault-Nissan Alliance

The Renault-Nissan Alliance is a unique group of two global companies linked by cross-shareholdings.

- they are united for performance through a coherent strategy, common goals and principles, results-driven synergies, shared best practices.
- They respect and reinforce their respective identities and brands.

The principles of the Alliance

The Alliance is based on trust and mutual respect. Its organization is transparent. It ensures:

- clear decision-making for speed, accountability and a high level of performance;
- maximum efficiency by combining the strengths of both companies and developing synergies through common organizations, cross-company teams, shared platforms and components.

The Alliance attracts and retains the best talents, provides good working conditions and challenging opportunities: it grows people to have a global and entrepreneurial mindset.

The Alliance generates attractive returns for the shareholders of each company and implements the best established standards of corporate governance.

The Alliance contributes to global sustainable development.

Three objectives for the future

The Alliance develops and implements a strategy of profitable growth and sets itself the following objectives:

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

The objectives of "Vision - Destination of the Renault-Nissan Alliance" were confirmed at the Third Alliance Convention in Tokyo on October 18, 2005, which was attended by some 300 senior executives from Renault and Nissan and other key players in the Alliance. In his opening speech, Carlos Ghosn, President and CEO of Renault and Nissan, repeated that the groups were united in their quest for performance, while each company retained its own identity. Mr. Ghosn also unveiled the Alliance's new organization (see "Operational structure of the Alliance" below.).

OPERATIONAL STRUCTURE OF THE ALLIANCE

MAIN STAGES IN THE CONSTRUCTION OF THE ALLIANCE

In accordance with the principles set out in the initial agreement signed in March 1999, the second stage of the Renault-Nissan Alliance was engaged in 2002. This phase strengthened the community of interests between Renault and Nissan, underpinned by stronger equity ties. It involved establishing an

Alliance Board tasked with defining Alliance strategy and developing a joint long-term vision.

On March 1, 2002, Renault increased its equity stake in Nissan from 36.8% to 44.3% by exercising the warrants it had held since 1999.

At the same time, Nissan took a stake in Renault‘s capital through its wholly-owned subsidiary. Nissan Finance Co, Ltd, which acquired 15% of Renault‘s capital through two reserved capital increases, on March 29 and May 28, 2002.

By acquiring a stake in Renault, Nissan gained a direct interest in its partner‘s results, as was already the case for Renault in Nissan. Nissan also obtained a second seat on Renault‘s Board of Directors.

The purpose of the second phase of the Alliance in 2002 was to provide the Alliance with a common strategic vision, which resulted in the creation of Renault-Nissan b.v. and a specific corporate governance policy.

GOVERNANCE AND OPERATIONAL STRUCTURE

Creation of Renault-Nissan b.v.

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

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

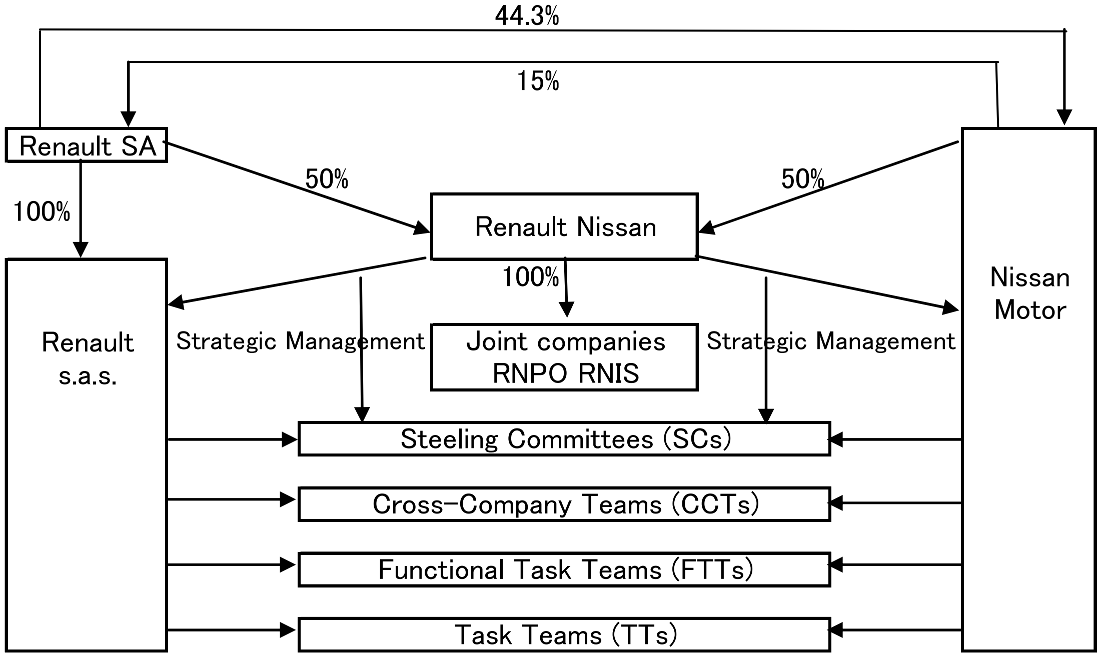
Renault-Nissan b.v. possesses clearly defined assets and powers over both Renault and Nissan Motor Co., Ltd.

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

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

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

Financial structure of alliance



Powers of Renault-Nissan b.v.

Renault-Nissan b.v.'s decision-making powers with respect to Nissan Motor Co., Ltd. and Renault s.a.s. are limited to the following areas:

- adoption of three-, five- and 10-year plans (strategic company projects, with quantified data);
- approval of product plans (parts of strategic projects corresponding to the design, development, manufacture and sale of current or future products, vehicles and components);
- decisions concerning the commonization of products and powertrains (such as platforms, vehicles, gearboxes, engines and other components);
- financial policy, including:
    - rates of discount used for ROIC studies and hurdle rates, applicable to future models and investments,
    - risk-management rules and the policy governing them,
    - rules on financing and cash management,
    - debt leverage;
- management of common subsidiaries, and steering of Cross-Company Teams (CCT) and Functional Task Teams (FTT) including CCT/FTT/TT (Task Teams) creation, modification or disbandment;
- any other subject or project assigned to Renault-Nissan b.v. on a joint basis by Nissan Motor Co., Ltd., and Renault s.a.s.

Renault-Nissan b.v. also has the exclusive power to make a range of proposals to the two operating companies, Nissan Motor Co., Ltd. and Renault s.a.s.

These two entities are free to accept or reject these proposals. Renault-Nissan b.v.'s power of initiative ensures that the two partners harmonize their policies.

This includes:

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

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

The Alliance Board

The role of the Alliance Board

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

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

Alliance Board members

As of April 29, 2005, the Board is presided by Carlos Ghosn, CEO of Renault and President and CEO of Nissan. The Alliance Board also includes three other members from Renault (Patrick Pélata, Patrick Blain and Jean-Louis Ricaud) and three from Nissan (Toshiyuki Shiga, Mitsuhiko Yamashita and Hidetoshi Imazu).

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

To ensure that both parties share the fruits of the Alliance's performance, the Renault-Nissan agreement provides for reciprocal grants of stock options (or warrants, then Share Appreciation Rights, SAR, in the case of Nissan) to members of the Alliance Board.

4. STATEMENT OF RELATED COMPANIES (on December 31, 2007):

(1) PARENT COMPANY

Not applicable.

(2) MAIN SUBSIDIARIES

Renault s.a.s.

13-15 Quai Le Gallo, 92512 Boulogne-Billancourt Cedex, France

- The share capital of Renault s.a.s. is EUR 533,941,113 divided into 35,012,532 voting shares of each EUR 15.240.
- Renault S.A. holds directly 100% of the capital of Renault s.a.s. and 100% of its voting rights.
- Business: design, manufacture, sale, repair, maintenance and leasing of motor vehicles (commercial, light commercial and passenger vehicles, tractors, farm machinery and construction equipment) as well as the design and production of spare parts and accessories used in connection with the manufacture and operation of vehicles. Also, all types of services relative to such activities and, more generally, all industrial, commercial, financial, investment and real-estate transactions relating directly or indirectly, in whole or in part, to any of the above purposes.
- 2007 revenues: EUR 31,734 million.
- Workforce at December 31, 2007: 44,793.

Renault España

Carretera de Madrid, km 185, 47001 Valladolid, Spain

- The authorised share capital of Renault España is EUR 126,501,414 divided into 21,083,569 voting shares of each EUR 6.
- Renault s.a.s. holds directly 99.73% of the authorised capital of Renault España and 99.73% of its voting rights.
- Business: manufacture and marketing, via its sales subsidiary Recsa, of Renault passenger cars and light commercial vehicles in Spain.
- Plants in Valladolid, Palencia and Seville.
- 2007 revenues: EUR 4,611 million.
- Workforce at December 31, 2007: 9,385.

Renault Deutschland A.G.

Renault-Nissan strasse 6-10, 50321 Bruhl, Germany

- The authorised share capital of Renault Nissan Deutschland is EUR 10,649,240 divided into 20,840 voting shares of each EUR 511.

- Renault s.a.s. holds directly 60% of the authorised capital of Renault Nissan Deutschland and 60% of its voting rights.
- Business: Renault Nissan commercial organization in Germany.
- 2007 revenues: EUR 2,401 million.
- Workforce at December 31, 2007: 556.

OYAK-Renault Otomobil Fabrikalari

Barbaros Plaza C blok No145 K/6, 80700, Dikilitas Besiktas, Istanbul, Turkey

- The authorised share capital of OYAK Renault Otomobil Fabrikalari is YTL 323,300,000divided into 32,330,000,000 voting shares of each YTL 0,010.
- Renault s.a.s. holds directly 51% of the authorised capital of OYAK Renault Otomobil Fabrikalari and 51% of its voting rights.
- Business: Assembly and manufacture of Renault vehicles.
- Plant in Bursa.
- 2007 revenues: TRL 4,324 million.
- Workforce at December 31, 2007: 6,209.

Dacia

Calea Floreasca Nr. 133-137, Sector 1, Bucharest, Romania

- The authorised share capital of Dacia is LEI 2,541,719,938.70 divided into 25,417,199,387 voting shares of each LEI 0.100.
- Renault S.A. holds directly 99.43% of the authorised capital of Dacia and directly 99.43% of its voting rights.
- Business: Manufacture and marketing of motor vehicles.
- Plant in Pitesti.
- 2007 revenues: ROL 6,682 million.
- Workforce at December 31, 2007: 12,909.

Renault Italia

Via Tiburtina 1159, Rome, Italy

- The authorised share capital of Renault Italia is EUR 2,582,500 divided into 250,000 voting shares of each EUR 10.33.

- Renault s.a.s. holds directly 100% of the capital of Renault Italia and 100% of its voting rights.
- Business: Marketing of Renault passenger cars and light commercial vehicles.
- 2007 revenues: EUR 1,882 million.
- Workforce at December 31, 2007: 375.

Revoz

Belokranska Cesta 4, 8000 Novo Mesto, Slovenia

- The authorised share capital of Revoz is SIT 13,199,632,000 divided into 6,599,816 voting shares of each SIT 2,000.
- Renault s.a.s holds directly 100% of Revoz share capital and 100% of its voting rights.
- Business: Manufacture of vehicles.
- Plant in Novo Mesto.
- 2007 revenues: EUR 1,248 million.
- Workforce at December 31, 2007: 2,771.

Renault Finance

48, Avenue de Rhodanie, Case Postale 1002 Lausanne, Switzerland

- The authorised share capital of Renault Finance is CHF 230,600,000 divided into 461,200 voting shares of each CHF 500.
- Renault s.a.s. holds 100% of Renault Finance shares and 100% of its voting rights.
- Business: Capital market transactions (foreign exchange, interest rates, hedging of industrial metals transactions) for Renault and Nissan; interbank dealing for own account.
- Total assets (parent company) at December 31, 2007*:* EUR 3,858 million.
- Workforce at December 31, 2007: 31.

RCI Banque

14, Avenue du Pavé Neuf, 93168 Noisy-le-Grand Cedex, France

- The authorised share capital of RCI Banque is EUR 100,000,000 divided into 1,000,000 voting shares of each EUR 100.
- Renault s.a.s. holds directly 100% shares of RCI Banque and 100% of its voting rights.
- Business: Holding company for the sales financing and customer services entities of Renault and

Nissan. Inventory financing (vehicles and spare parts) for Renault and Nissan Europe.

- Net financings in 2007: EUR 9.6 billion.
- Total assets (RCI group) at December 31, 2007: EUR 25,738 million.
- Workforce at December 31, 2007: 3,116.

Renault Samsung Motors

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

- The authorised share capital of Renault Samsung Motors is WON 440,000,000,000 divided into 88,000,000 voting shares of each WON 5,000.
- Renault s.a.s. holds indirectly 80.10% of Renault Samsung Motors share capital and, 80.10% of its voting rights.
- Business: Manufacture and marketing of motor vehicles.
- Plant in Busan.
- 2007 revenues: KRW 2,763 billion.
- Workforce at December 31, 2007: 5,226.

Renault UK Ltd

The Rivers Office Park, Denham Way Maple Cross, WD3 9YS Rickmansworth, Hertfordshire, United Kingdom

- The authorised share capital of Renault UK Ltd is GBP 2,750,000 divided into 2,750,000 voting shares of each GBP 1.
- Renault s.a.s. holds directly 100% of the capital of Renault UK Ltd and 100% of its voting rights.
- Business: Marketing of Renault passenger cars and light commercial vehicles.
- 2007 revenues: GBP 1,574 million.
- Workforce at December 31, 2007: 359.

Renault Retail Group S.A.

117-199 Avenue Victor Hugo, 92100 Boulogne-Billancourt, France

- The share capital of REAGROUP is EUR 47,789,973 divided into 3,135,825 voting shares of each EUR 15.24.
- Renault s.a.s. holds indirectly 100 % of the authorised capital of Renault Retail Group S.A. and 100 % of its voting rights.

- Business: Trade, repair, maintenance and leasing of passenger cars and light commercial vehicles.
- 65 branches in France.
- 2007 revenues: EUR 3,911 million.
- Workforce at December 31, 2007: 9,034

Avtoframos

35, Vorontsovskaia, 109147 Moscow, Russia

- The share capital of Avtoframos is RUB 6,841,426,980 divided into 3,513,000 voting shares..
- Renault group holds directly 94.10 % of the authorised capital of Avtoframos and 94.10 % of its voting rights.
- Business: Assembly, import marketing and sale of Renault Vehicles.
- 2007 revenues: RUB 31,278 million.
- Workforce at December 31, 2007: 2,383

Renault do Brasil

1300 Avenida Renault, Borda do Campo Sao Jose dos Pinhais, Estado do Parana, Brazil

- The authorised share capital of Renault do Brasil is BRL 4,500,000,000 divided into 339,968,009,499 voting shares.
- Renault group holds indirectly 99.81% of the authorised capital of Renault do Brasil and 99.81% of its voting rights.
- Business: Vehicle production and assembly, production of equipment, parts and accessories for vehicles.
- 2007 revenues: BRL 3,674 million.
- Workforce at December 31, 2007: 4,454

Renault Argentina

Fray Justo Santa Maria de Oro 1744, 1414 Buenos Aires, Argentina

- The authorised share capital of Renault Argentina is ARS 61,310,912.42 divided into 6,131,091,242 voting shares of each ARS 0.010.
- Renault group holds indirectly 100% of the authorised capital of Renault Argentina and 100% of its voting rights.
- Business: Manufacture and marketing of Renault vehicles.

- 2007 revenues: ARS 3,959 million.

- Workforce at December 31, 2007: 2,835

(3) MAIN AFFILIATED COMPANIES [4]

Automobile Division

AB Volvo[5]

Volvo Bergergards Vog. S-405 08 GOTEGORG. Sweden

- The authorised share capital of AB Volvo is SEK 2,128,420,220 divided into 2,128,420,220 voting shares of each SEK 1.

- Renault s.a.s holds directly 20.74% of the shares capital of AB Volvo and 21.3% of its voting rights, after taking into account the treasury stocks owned by AB Volvo.

- Business: Volvo is a Swedish automobile manufacturer. As regards the relationship with Renault, please refer to 3.-(1)-C.-"Renault's holding in AB Volvo" of this Section.

NISSAN Motor Co., Ltd.

2, Takara-Cho, Kanagawa-ku, Yokohama-Shi, Kanagawa-ken (Japan).

- The authorised share capital of Nissan Motor Co., Ltd is JPY 300,000,000,000. The subscribed capital is JPY 225,852,187,550 divided into 4,517,043,751 voting shares of each JPY 50.

- Renault S.A. holds directly 44.4% shares and 44.4 % of the voting rights.

- Business: The group NISSAN Motor is a world-wide car manufacturer involved in the design, manufacturing and distribution of car vehicles. As regards the relationship with Renault, please refer to 3.-(2)-"Renault-Nissan Alliance" of this Section.

Financial Companies (Affiliates)

Sygma Finance

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

- The authorised share capital of Sygma Finance is EUR 28,965,313.28 divided into 1,900,000 shares of each EUR 15.24.

- Renault S.A. holds indirectly 50% of the shares of Sygma Finance and 50% of its voting rights.

- Business: This French company is dedicated to development of multi-make financing. In 2000,

[4] Affiliated companies are i) companies in which the Group exercises material influence and which are included in the financial statements on an equity basis and, ii) joint ventures consolidated on a proportionate basis.
[5] Since the authorization of the Annual General Meeting dated April 4, 2007, each Volvo share has been split into 6 shares, including one redemption with which have been redeemed at a redemption price in cash of SEK 25 on May 28, 2007.

RCI Banque and Cofinoga, its partner in this joint venture, decided to discontinue the operations of Sygma Finance.

RFS Ltd

Chater Place, Vine Street, Uxbridge UB81EY, United Kingdom

- The authorised share capital of RFS Ltd is GBP 6,000,006 divided into 6,000,006 shares of each GBP 1.00.
- Renault S.A. holds indirectly 50% of the shares of RFS Ltd and 50% of its voting rights.
- Business: RFS Ltd is a joint venture between RCI Banque and a British bank (Halifax-Bank of Scotland). Its activity consists in the financing of Renault sales to individuals and dealers.

5. STATEMENT OF EMPLOYEES:

WORKFORCE

Renault group workforce

At December 31, 2007, the breakdown of Renault's workforce was as follows (excluding employees concerned by the CASA early retirement program).

Group workforce by activity at December 31

	2007(1)	2006	2005	% change 2007/2006
Automobile	127,069	125,827	123,527	1.0%
Sales Financing	3,110	3,066	3,057	1.4%
Total	130,179	128,893	126,584	1.0%

(1) Changes in scope of consolidation had an impact of -1,392 employees in 2007. They concerned:
- companies consolidated in 2007: +2,425 people;
- removal of the SNR group from the scope of consolidation: -3,817 people.
- on a like-for-like basis on 2006, Renault's workforce totaled 131,571 at December 31, 2007, up 2,678 people.

Group workforce by geographical region

	Workforce	% of Group total	% blue collar	% women
France	63,087	48.5%	38.3	15.4
Europe (excluding France)	23,993	18.5%	50.3	17.0
Euromed	27,127	20.8%	69.5	22.9
Asia-Africa	6,299	4.8%	49.0	10.3
Americas	9,673	7.4%	58.7	9.5
TOTAL	**130,179**	**100%**	**49.0**	**16.6**

For 2007, Group turnover totaled 7%.

This figure is calculated as follows (based on the workforce under permanent contract): (total incoming staff in 2007 + total outgoing staff in 2007) / (2 x average workforce).

The overall workforce is increasing as a result of Renault's expansion outside Europe. In Europe and France, after a number of years of intense recruitment (31,000 people recruited since 2004), the workforce decreased (fall of 3.5 %, excluding the impact of changes in the scope of consolidation such as the removal of the SNR group). Workforce numbers in France make up about half of the Group‘s total workforce.

III. STATEMENTS OF BUSINESS

1. OUTLINE OF RESULTS OF OPERATION, ETC.:

ECONOMIC PERFORMANCE

(1) SALES PERFORMANCE IN 2007

The presentation of the Renault group's sales results reflects the geographical organization based on five Regions - France, Europe (excl. France), Euromed, Americas, and Asia-Africa - that was introduced on January 1, 2006.

In 2007, worldwide sales for the Renault group rose 2.1% to 2,484,000 units. This result reflects contrasting performances:

- In the France and Europe Regions, which make up a highly competitive market, Group sales declined by 4.1% from 2006. The situation turned around in the second half, however, with a lift from the New Twingo and New Laguna launches, and sales rose 4.6% in the last quarter. The Renault brand has a combined market share of 8.4% for passenger cars and light commercial vehicles (cars + LCVs) and retains its leadership in the LCV market, with a 14.2% market share. The Dacia brand is expanding its customer base and continuing to grow with Logan and Logan MCV, both of which are innovative concepts in Europe. Dacia brand sales rose by almost 68%.

- Outside Europe, sales growth quickened. In the Euromed, Americas and Asia-Africa Regions, sales rose 16.3% and now account for 35% of the Group's total sales, versus 30% in 2006. Dacia sales rose 1.0%, while the Renault brand's sales jumped 25.7%. Renault Samsung Motors sales slipped 1.5%.

Automobile

RENAULT GROUP WORLD WIDE SALES - ***Cars and LCVs***

	2007*	2006*	% change
GROUP	**2,484,472**	**2,433,610**	**+2.1**
By Region			
France	656,523	668,679	-1.8
Europe	966,619	1,024,224	-5.6
France + Europe	**1,623,142**	**1,692,903**	**-4.1**
Euromed	424,431	380,657	+11.5
Americas	245,197	185,438	+32.2
Asia-Africa	191,702	174,612	+9.8
Euromed + Americas + Asia-Africa	**861,330**	**740,707**	**+16.3**
By brand			
Renault	2,134,484	2,115,572	+0.9
Dacia	230,164	196,378	+17.2
Renault Samsung	119,824	121,660	-1.5
By vehicle type			
Passenger cars	2,080,110	2,042,796	+1.8
Light commercial vehicles	404,362	390,814	+3.5

** Preliminary figures.*

In 2007 the Renault group grew worldwide sales by 2.1% to 2,484,000 vehicles. Sales in the France and Europe Regions declined 4.1% to 1,623,000 units, but there was an upturn of 1.8% in the second half owing to new product launches. Sales in the rest of the world increased by 120,600 units, a gain of 16.3%.

Dacia brand sales increased by 17.2%, with an additional 33,800 units sold. Renault brand sales were up by 18,900 units, or 0.9%. Renault Samsung Motors brand sales were virtually stable at 119,800 units.

FRANCE & EUROPE REGIONS

GROUP SALES BY BRAND - ***Cars and LCVs***

	2007*	2006*	% change
France			
Renault	623,839	649,888	-4.0
Dacia	32,684	18,791	+73.9
GROUP	**656,523**	**668,679**	**-1.8**
Europe			
Renault	919,563	995,518	-7.6
Dacia	47,056	28,706	+63.9
GROUP	**966,619**	**1,024,224**	**-5.6**
France + Europe			
Renault	1,543,402	1,645,406	-6.2
Dacia	79,740	47,497	+67.9
GROUP	**1,623,142**	**1,692,903**	**-4.1**

** Preliminary figures.*

Sales in the passenger car and light commercial vehicle market increased 1.5% to 18 million vehicles in 2007. In this fiercely competitive market, Renault group sales decreased by 4.1% to 1,623,000 units, representing a market share of 8.8%, versus 9.4% in 2006. However, the product offensive reversed this trend and enabled a return to growth in the second half, with a 4.6% increase in fourth-quarter sales.

National market trends varied. The French market ended the year 3.5% higher. The trade-in bonus in Italy fueled 6.8% growth, while sales edged up by 2.7% in the U.K. and by a substantial 24.1% in Poland.

Conversely, sales slipped 1.0% in Spain and fell 8.0% in Germany as a result of a 3-points VAT hike on January 1, 2007.

Renault Brand

With 1,543,000 vehicles sold in 2007, a 6.2% decrease, the Renault brand ranked third in the passenger car and light commercial vehicle market, with an 8.4% market share, down 0.7 point on 2006.

After a first-half decline of 10.2%, the launch of New Twingo in June and New Laguna in October marked the start of the product offensive to regain market share for the Renault brand in Europe.

By country

In France, Renault brand sales were down 4.0% and its market share shrank by 2.0 points to 23.5%. Twingo (Twingo I plus New Twingo, which was launched mid-June) is already the leader in its segment, with sales of 52,900 units, up 35.6% on 2006. Mégane II, which got a boost from the phase-two version released in March 2006, and Clio (including Clio Campus and Clio III) were respectively the second- and third-best-selling models in France, with 7.5% and 7.0% of the passenger car market. Laguna (Laguna II plus New Laguna) was in second place in its segment in France, with a 13.9% market share, up 0.8%.

In the Europe Region, Renault was the No. 1 brand in Portugal (13.1%) and Slovenia (19.4%), and No. 2 in Spain (10.1%) and Croatia (10.8%).

In Spain, where Renault pursued its selective commercial policy amid a fierce competition in the market place, sales contracted 4.3%. Twingo entered this market in January 2008 only.

In Germany, where the market declined throughout the year, the Renault brand posted a 15.8% decrease and a 4.2% market share.

In the U.K., Renault registrations were down 7.1% in a market that started growing again (up 2.7%). In this country, where fleet sales represent 60% of the market, Renault is counting on New Laguna to take back market share.

In Poland, Renault sales grew by 12.4% to 23,700 units. Renault benefited from a strong recovery in the market, which was up 24.1% after a period of several years when imports of used cars from Western Europe largely replaced sales of new vehicles.

By model - Passenger cars

The passenger car market in the France and Europe Regions totaled 15.8 million vehicles, up 0.8% on 2006. The Renault brand's market share was 7.5%, with sales falling by 8.3%.

By model, Renault's performances were varied:

- In the city car segment (A segment), New Twingo is the first restyled vehicle under Renault Commitment 2009. New Twingo is manufactured in Novo Mesto, Renault's Slovenian plant, which already makes Clio II. New Twingo targets a broader, more international customer base than the earlier model. It has been on sale in France since mid-June and in eight other European countries since September. Sales of New Twingo totaled 56,300 units. The product mix is at the top end, with Dynamique, GT and Initiale versions accounting for more than half of sales. New Twingo, combined with Twingo I, is its segment leader in France, with a 32.2% market share (up 8.6 percentage points). Twingo registrations in the France and Europe Regions totaled 88,100 in 2007, an increase of 60.3%.

- With its twin product offering - Modus and Clio/Thalia - Renault had a 10.8% share of the small car segment (B segment), down 1.5 points on 2006.

Modus registrations dropped by 23.4% on 2006 and accounted for 9.7% of the mini-MPV segment. Renault's B segment offering has been bolstered from the start of 2008 with Grand Modus and the phase 2 Modus. A full 93 mm longer than Modus, with one of the roomiest trunks in its category, Grand Modus has everything it takes to be the main car for the household. The phase 2 Modus (New Modus) has been redesigned with elegant lines. Grand Modus and New Modus are manufactured in the Renault plant at Valladolid, Spain.

With registrations down 11.3%, Clio is No. 3 in the B segment, with an 8.7% market share. Clio III, which has been manufactured at Flins (France) and Bursa (Turkey) since January 2006 and at Valladolid (Spain) since October 2006, entered its third year on the market in September 2007. It is the best-selling hatch sedan in France. Clio II, renamed Clio Campus, is now marketed as the entry-level vehicle in the Renault offer. It accounts for 24.9% of Clio sales.

In 2007, sales of Thalia, the sedan version of Clio, totaled 6,600 units.

The combined A and B small-car segments grew 1.0%, generating 36.0% of sales in the France and Europe Regions.

- With a 10.8% market share, down from 13.5% in 2006, Kangoo Car ranks third in the passenger-carrying van segment. After ten years on the market, Kangoo was still holding its own before its renewal at the beginning of 2008.

-Mégane II, which has been on the market for five years, got a boost from the launch of a phase-two model in 2006, although sales fell by 10.7% in 2007. Mégane II is third in the C segment, with a 9.6% market share, down from 10.8% in 2006. Mégane is the leader in this segment in France, with a 22.6% market share, as well as in Slovenia (18.8%) and Portugal (17.1%).

-In a C segment that shrank three-tenths of a point, Mégane (I and II) sold 472,600 units in the France and Europe Regions in 2007. Renault is using the Mégane range to debut its first E85 bioethanol engine offer in Europe. This new engine has been offered in France on Mégane Hatch Sedan and Mégane Estate since late June 2007. Also in this segment, sales of Scénic II were down 3.6%, at 253,000 units, but Scénic is still the MPV leader.

- In the upper midrange D segment, 71,000 Lagunas (Laguna II / New Laguna) were registered, a decline of 7.5% in a segment that contracted 5.4%. New Laguna, a vehicle that embodies the quality commitment of Renault Commitment 2009 - that is, to be in the top three in the D segment in terms of product and service quality as of the vehicle's launch - was rolled out a few days apart in 15 European countries starting in October. Manufactured at the Sandouville plant (France), New Laguna replaced Laguna II, which was discontinued in June 2007. New Laguna is highly appreciated by the sales network. In two and a half months, 22,600 units of the new model have been sold. With the dCi 110 hp engine, New Laguna has a C02 emission level of 130 g/km. This is at the top level of its segment and an illustration of Renault's eco2 environmental initiative. New Laguna Estate arrived in showrooms in the final days of 2007. This new model responds to demand in European countries such as Italy and Germany where station wagons are particularly popular. The commercial launch of the Laguna Coupe, a model very similar to the showcar presented in Frankfurt, is slated for the last quarter of 2008.

- With 3,000 Vel Satis registrations in 2007, Renault's share of the upper E1 segment slipped two-tenths of a point to 0.5%.

- In the MPV S segment (or Large MPV segment), Espace IV, boosted by the launch of a phase 2 model in March 2006, had a market share of 14.7%, down two-tenths of a point from 2006 and ranking it number two. Espace is the segment leader in France, with a 34.6% market share, and in Switzerland, with 24,0 %, and No. 2 in Benelux, Poland, Slovenia, the Czech Republic and Croatia. Espace IV sales volumes and market share are now holding steady in a generally stable segment owing to an innovative commercial policy that has included a simplification of the offering and the successful launch of several limited series, including Tech Run and Argos.

By model - light commercial vehicles

The light commercial vehicle market in the France and Europe Regions totaled 2.27 million vehicles, up 6.7% on 2006. With LCV registrations up 1.0% on 2006, the Renault brand had a 14.2% market share and retained its leadership for the tenth year running owing to the combined success of Kangoo Express, Trafic and Master. This performance is especially important because the LCV range is the most profitable component of Renault's offering.

Renault sales were up substantially in most European countries: Portugal (up 20.9%), Switzerland (up 7.1%), Belgium-Luxembourg (up 8.3%), Poland (up 32.8%), Central Europe (up 22.1%), and Italy (up 2.1%).

In the small van segment, Kangoo Express is No. 2, with an 18.3% market share.

In the car-derived van segment, Clio Van remained in the lead, with a market share of 14.8%, up half a point on 2006.

In the van segment, Renault had a market share of 12.4%, down 1.3 points. Registrations of Trafic were up 14.6%. The launch of a phase-two Trafic and a phase-three Master in October 2006 added to the range's appeal and gave a fresh boost to sales. To comply with Euro 4 standards, the diesel engine range was completely renewed with the introduction of the 2.0 dCi, developed through the Alliance.

Dacia brand

With 159,300 Logans sold since its European launch in 2004, Dacia has established itself successfully in the France and Europe Regions. In 2007, Logan sales were lifted by the introduction of the station wagon version, the Logan MCV, which accounted for 33.1% of the Logan sales mix at the end of 2007. With this dual offering, Logan sales increased by 67.8% on 2006, totaling 79,500 units, including 32,700 in France. The Logan range in France and Europe was enhanced in March 2006 with a 1.5 dCi diesel engine, already available on Clio, Modus and Kangoo. In many countries, this engine is the cheapest diesel on the market. It accounts for 44.5% of the registration mix in the France and Europe Regions.

EUROMED REGION

GROUP SALES BY BRAND ***Cars and LCVs***

	2007*	2006*	% change
Renault	277,638	235,093	+18.1
Dacia	146,793	145,481	+0.9
Renault Samsung	-	83	-
GROUP	**424,431**	**380,657**	**+11.5**

**Preliminary figures.*

The automobile market in the Euromed Region expanded by 26.0% in 2007 compared with 2006. Group sales increased by 11.5% to 424,400 units, representing 9.2% of the market and 17.1% of the Group's worldwide sales.

Renault Brand

The Renault brand grew by a further 18.1%, with 277,600 units sold, or 65.4% of the Group's sales in the Region. The Renault brand's market share in the Euromed Region came to 6.0%, down 0.3 of a point on 2006.

In Russia, where the fast-growing market expanded by 36.2%, the brand's sales surged by 39.6% in 2007 on the continuing success of the Logan, which is sold under the Renault brand. Logan has sold 67,800 units in Russia, accounting for 67.1% of the Group's sales in that country, which makes Russia the biggest market for the model after Romania. These strong results enabled Renault to capture 4.0% of the market, one-tenth of a point higher than in 2006. Logan has been assembled in the Avtoframos plant in Moscow since April 2005 and marketed locally since September of the same year. To keep pace with demand, output at the Moscow plant was raised in June 2007 and will be increased further in mid-2009. The success of the brand can also be attributed to sales of Mégane and Clio Symbol, which grew 36.8% and 63.3% respectively on 2006. Renault showed its determination to go even further on the Russian market by signing a Memorandum of Understanding with AvtoVaz in December 2007. This investment will help to significantly strengthen the competitive positions of

Renault and the Renault-Nissan Alliance on the Russian market.

In Romania, where the market is becoming increasingly competitive, the Renault brand made substantial progress alongside Dacia, with sales up 36.6% to 32,400 units and a market share of 9.2%, after 8.2% in 2006. Sales of Clio, which accounted for half the brand's sales mix, rose 22.2% on the Clio III launch and strong results from Thalia (up 17.7%). Mégane II also put in a solid performance, with sales growth of 72.4%.

In Turkey, the market contracted by a further 2.7% after the devaluation of the Turkish lira in May 2006. In this setting, the brand recorded a market share of 13.9%, up one-tenth of a point. Renault remained number-one on the car market for the 11th year running. Clio sales rose by 9.3% to 9,400 units following the successful launch of Clio III.

In Morocco, Renault achieved market share of 17.1% (up 0.5 of a point) in a market that expanded by 21.3%. Sales of the brand climbed 25.0% to 17,500 units, boosted by the performance of Mégane (up 15.3%), by Clio, whose sales jumped with the launch of Clio III (up 68.2 %), by the ongoing popularity of Thalia (up 49.1%) and by the remarkable results posted by the LCV lineup, which recorded a 93.9% increase. Sales of Kangoo Car, which generated 32.2% of the brand's sales in Morocco, rose still further, (up 16.8%). In September 2007, the Alliance signed an agreement with the Kingdom of Morocco to set up an industrial complex in the Tangiers region. The plant will have an installed capacity of 400,000 units annually, with initial operational capacity of 200,000 units p.a. from 2010.

In Algeria, where the market grew by 37.7%, Renault sold 23,600 units, a rise of 38.9%, which placed it third on the cars and LCV market.

Dacia Brand

Dacia's sales in the Euromed Region increased 0.9% on 2006. With 146,800 registrations, Dacia holds 3.2% of the market in the Region.

In Romania, Dacia sales dropped 5.5% to 101,800 units in a market that grew 21.6%. The decline can be attributed partly to an influx of imported brands, as well as to the discontinuation of the pickup in 2006 so that all the installed capacity for that model could be switched to the Logan program. However, Dacia remains the market leader with a share of 29.0%.

The Logan range was extended with the launch of Logan MCV at end-2006 and the LCV version derived from the Logan MCV in February 2007. The new models generated 17.8% and 6.7% respectively of the Logan sales mix in Romania. With sales up 6.0% to 101,800 units, Logan accounted for 28.9% of the Romanian car and LCV market.

Dacia continued to grow in Ukraine, selling 9,400 units in 2007, a rise of 57.8% on 2006, and earning a 1.7% share of this fast-expanding market. After receiving a warm welcome at the Kiev Car Show in May, Logan MCV performed strongly following the launch in July. Thanks to the success of Logan, the Dacia brand is establishing itself on a long-term basis in the Ukrainian automobile market.

In Morocco, Logan, which is assembled at the Somaca plant in Casablanca, sold 12,600 units in 2007, down 0.7% on 2006. Dacia maintained a significant 12.4% of the market in 2007 versus 15.1% in 2006. Dacia is now the number-two brand in the Moroccan market, just behind Renault, and Logan is the top-selling vehicle across all categories.

AMERICAS REGION

GROUP SALES BY BRAND - *Cars and LCVs*

	2007*	2006*	% change
Renault	242,072	182,551	+32.5
Dacia	504	448	+12.5
Renault Samsung	2,621	2,439	+7.5
GROUP	**245,197**	**185,438**	**+32.2**

**Preliminary figures.*

The automobile market in the Americas Region expanded 17.9% on 2006. With 245,000 vehicles sold, a 32.2% rise, the Group took 4.6% of the market, up half a point. Group sales in the region accounted for 9.9% of Renault's worldwide sales.

A full 98.7% of the Group's sales in the Americas Region came from the Renault brand, which posted a 32.6% rise, taking market share to 4.5% (up half a point on 2006).

In Brazil, where the market grew 27.5 %, Renault sales rose 42.4% on 2006 to reach a record 73,600 units. Four new models went into production at the Curitiba plant over an 18-month period:

- Mégane II, released in March 2006, and Mégane Grand Tour (the station wagon version of Mégane II), launched in November 2006, lifted overall Mégane sales, which amounted to 21,500 units (up 83.2%) in 2007;

- Logan, which is locally manufactured, made a successful debut on the market in July 2007 and posted sales of 14,600 units. Logan is offered with bioethanol engines, which are a must on the Brazilian market;

- Sandero, a five-door hatchback developed on the Logan platform, which made a promising debut at end-2007.

In Argentina, Group sales rose by 39.0% to 67,000 units, outpacing the market's growth of 27.1%. Renault's share of the market increased by 1.1 points, bolstered by efforts to rejuvenate the range with the release of Logan and four additions to the Mégane family. Since the start of 2008, Argentina's performance has also benefited from the launch of Sandero.

In Colombia, where Logan has been marketed since 2005, Renault sales rose 17.6% to 39,000 units, strengthening Renault's number-two position on the market. All the models in the range, and especially Logan (up 30.9%), contributed to the record performance in 2007.

In Mexico, the market shrank by 3.4% as it opened up to imports of used vehicles that compete fiercely with vehicles costing less than USD 15,000. Renault sales fell by 8.2% to 18,600 units. Kangoo Car and Clio III were launched in July 2007 and sold 4,400 and 900 units respectively. The LCV lineup was successfully expanded with the release of the Trafic van and minibus alongside Kangoo Express.

In Venezuela, Group sales more than doubled in 2007, soaring by 126.8% in a market that expanded 42.0%. Logan sales (up 153.4%) accounted for 44.9% of Renault sales and made a strong contribution to that growth. Renault gained 2.3 points of market share to become the number-five brand.

ASIA-AFRICA REGION

GROUP SALES BY BRAND - *Cars and LCVs*

	2007*	2006*	% change
Renault	71,372	52,522	+35.9
Dacia	3,127	2,952	+5.9
Renault Samsung	117,203	119,138	-1.6
GROUP	**191,702**	**174,612**	**+9.8**

**Preliminary figures.*

In the Asia-Africa Region, the market grew 3.5% on 2006, and Group sales rose 9.8% to 191,700 vehicles. Sales in the Asia-Africa Region accounted for 7.7% of the Group's worldwide sales.

Renault Samsung Brand

In South Korea, where the brand generates 97.8% of its sales, Renault Samsung Motors managed to maintain the record volumes of 2006, selling 117,200 units pending new product launches. QM5, the Group's first cross-over vehicle, which was designed by Renault, developed by Nissan and manufactured by RSM, was not launched until December. It will therefore play a full part in the brand's results from 2008 onwards. QM5 will also be marketed outside South Korea as Koléos beginning in Spring 2008. Ultimately, around 50% of production will be exported.

Renault Samsung's share of the South Korean passenger car market came to 11.3%:

- SM7 sales fell 18.6% to 14,200 units in 2007;
- SM5 sales came to 73,000 units, a 1.6% rise on 2006. The model benefited from the successful launch of the restyled version in early July. Renault Samsung has a 7.0% share of the mid-segment;
- SM3 sales were down 7.7% to 27,500 units in 2007. The SM3 occupies 13.1% of the sub-mid segment, giving Renault Samsung a third-place ranking in the segment.

At end-December, Renault Samsung Motors had exported 52,400 vehicles, mostly for sale by Nissan under its own brand as part of the Alliance agreement.

Renault Brand

Sales of the Renault brand grew 35.9% to 71,400 units in the Asia-Africa Region.

In India, where the market grew 13.5% in 2007, the first Logan manufactured at the Nashik plant came off the production line in early April. By the end of 2007, 17,700 Logans had been registered in India. Logan earned two major accolades in its first year on the market. The JD Power IQS India 2007 study ranked Logan number-one on the Entry Segment, and the TNS TCS India 2007 study ranked the Logan diesel highest in the Diesel Mid-size segment. Under the agreement signed in March 2005, the Mahindra-Renault joint venture has a production capacity of 50,000 cars in two shifts.

And Renault is already stepping up its development in India with plans for a Renault powertrain plant and a new industrial facility shared by Renault and Nissan at Oragadam near Chennai with a long-term production capacity of 400,000 units. India is thus becoming one of the hubs for Renault's expansion in emerging markets.

In South Africa (including Namibia), sales dropped 46.0% on 2006. This can chiefly be attributed to the depreciation of the rand against the euro, which prompted the Group to tighten commercial policy in order to maintain profitability, since the Group does not have a local manufacturing facility.

In Iran, Renault's leading market in the Region, Tondar (the local name for Logan) proved a huge success, with 85,000 firm orders recorded in the first week of the vehicle's market launch in March 2007. Difficult economic and financial conditions meant that it took longer than expected to ramp up plant production. By the end of 2007, 10,700 Tondars had been delivered. Corrective measures have been taken and commercial targets for the coming years remain the same.

INTERNATIONAL ROLL OUT OF THE LOGAN PROGRAM

Logan unit sales

	2007*	2006*	2005	2004	Total since Sept. 2004
Dacia brand					
France	32,684	18,791	9,798	0	**61,273**
Europe	46,850	28,605	20,511	2,080	**98,046**
Euromed	146,793	133,707	103,301	20,751	**404,552**
- o/w Romania	101,799	96,037	88,275	20,274	**306,385**
- o/w Morocco	12,638	12,723	2,499	0	**27,860**
- o/w Algeria	9,090	8,560	2,819	0	**20,469**
Americas	504	417	162	0	**1,083**
Asia-Africa	3,127	2,952	1,412	2	**7,493**
Total Logan under the Dacia brand	**229,958**	**184,472**	**135,184**	**22,833**	**572,447**
Renault brand					
Euromed	67,844	49,323	7,057	0	**124,224**
- o/w Russia	67,844	49,323	7,057	0	**124,224**
Americas	40,609	13,811	2,858	0	**57,278**
- o/w Venezuela	12,762	5,037	689	0	**18,488**
- o/w Colombia	9,450	7,219	1,894	0	**18,563**
Asia-Africa	28,368	0	0	0	**28,368**
- o/w India	17,706	0	0	0	**17,706**
- o/w Iran	10,657	0	0	0	**10,657**
Total Logan under the Renault brand	**136,821**	**63,134**	**9,915**	**0**	**209,870**
TOTAL LOGAN	**366,779**	**247,606**	**145,099**	22,833	**782,317**

** Preliminary figures.*

Production

The plant in Romania is the main Logan production site, supplying all countries in the France and Europe Regions, as well as Turkey, Algeria, Ukraine, the Middle East and Central Africa. The site has been manufacturing Logan Sedan since June 2004, Logan MCV since September 2006, and the Logan LCV version since December 2006.

In 2005 three other sites started manufacturing Logan Sedan: Moscow in Russia (April 2005), Casablanca in Morocco (June 2005) and Envigado in Colombia (July 2005).

To support Logan's sales growth, the Group is boosting production capacity. Capacity at the Envigado site in Colombia was raised from an annual 45,000 to 70,000 units in August 2006. In Russia, the Group increased output from 60,000 to 80,000 units a year in June 2007. In the light of domestic demand and the potential of the Russian market, in February 2007 the Group decided to further extend the capacity of the Avtoframos plant to 160,000 units by mid-2009 in order to manufacture new models of the Logan range. In Romania, approximately €100 million is being invested to increase the production capacity of the Pitesti plant from 235,000 units in 2006 to 350,000 by February 2008.

The year 2007 marked a new stage with the startup of production in Brazil, India and Iran, taking the number of Logan manufacturing sites to seven.

In February 2007 production started up in Brazil for the domestic and Argentine markets. Cars manufactured at the Curitiba plant will also be sold in Mexico, where Nissan sells a Logan derivative under its own brand. To boost production, Renault started a second shift at the car assembly plant in early April 2007 and hired 600 workers.

In India, the agreement signed in March 2005 with Renault's Indian partner Mahindra includes production of a right-hand-drive Logan. The first Logan came off the production line at Nashik on April 4, 2007.

In Iran, installed production capacity will be 300,000 units a year by 2009, divided between the facilities of Renault's two local partners, Iran Khodro and Saipa.

In November 2007 Renault announced that it was commencing production of Sandero (the fifth vehicle designed on the B0 platform) at the Curitiba plant in Brazil. Nissan's Rosslyn plant in South Africa will begin manufacturing Sandero in 2009. The Pitesti plant will also start manufacturing Sandero in 2008.

Sales and marketing

In 2007 a total of 366,800 Logans were sold worldwide under the Renault and Dacia brands, 48.1% more than in 2006. Logan is a key factor in the Group's international expansion, with more than 78% of sales volumes generated outside Europe. Since the model was first released in Romania in September 2004, 782,300 units have been sold. The success of the MCV version has helped to sustain this growth, which was further bolstered by the launch of the 85 hp diesel version in the middle of the year. Logan is now sold on 57 markets: 46 under the Dacia brand and 11 under the Renault brand.

In 2007 sales growth was especially strong in the Americas Region, where 41,100 Logans were sold, a 189.0% increase compared with 2006. This was attributable to the popularity of the model in Colombia (up 30.9%) and in Venezuela (up 153.4%) and to Logan's June launch in Argentina (1,800 units). With Logan arriving in July and the brand-new Sandero in December, Brazil sold 14,900 units under this program. Sales also increased in the France and Europe Regions, by 67.8%, to 79,500 units.

In Asia-Africa, Logan sales totaled 31,500 units after the model's launch in India and Iran.

The top-ten countries for Logan sales are Romania, Russia, France, India, Germany, Brazil, Venezuela, Morocco, Iran and Colombia.

Expanding the range

The Logan range was extended with the release of Logan MCV (Multi Convivial Vehicle) in October 2006 in Romania and Bulgaria. Logan MCV is a station wagon that seats up to seven adults. This model is now available in 33 different countries and 81,200 units have been sold. Logan MCV accounted for 22.2% of Logan sales. The model has been such a success that some countries are reporting delivery times of over one year. The situation is returning to normal, however, thanks to the increase in production capacity. Logan Van, an LCV version derived from Logan MCV, was launched on the Romanian and Bulgarian markets in February 2007. A total 7,300 units of this model - 2.0% of the Logan family sales mix - were sold in 2007.

Sandero, which was launched in December 2007 in Brazil and in January 2008 in Argentina, represents the latest stage in the Group's international expansion. In 2008, a Dacia version will be produced in Pitesti (Romania) for European and North African markets. In 2009, Renault Sandero will be built and sold in South Africa, and other markets are currently being considered.

In all, the Logan program will offer six vehicles under the Renault Commitment 2009 plan.

<u>**Sales Financing**</u>

PROPORTION OF NEW VEHICLE REGISTRATIONS FINANCED

In 2007 RCI Banque financed 33.1% of new Renault, Nissan and Dacia registrations in the France and Europe Regions (down from 33.9% in 2006). RCI Banque financed a stable proportion of Renault registrations (35.4% versus 35.3% in 2006) but a smaller proportion of Nissan registrations (24.1%, down from 28.9% in 2006).

RCI Banque’s share of registrations decreased in the Americas Region (26.2% versus 30.4% in 2006). Good results in Argentina were not enough to offset a downturn in Brazil.

RCI Banque’s share rose sharply to 26.6% in South Korea, RCI‘s only outlet in the Asia-Africa Region, after 12.7% in 2006.

RCI Banque’s performance in the Euromed Region (where Romania is the only consolidated country) improved to 31.4% (versus 30.7% in 2006).

NEW FINANCING CONTRACTS AND AVERAGE LOANS OUTSTANDING

RCI Banque generated €9.4 billion in new financing contracts excluding “card” business and personal loans in 2007 (versus €9.7 billion in 2006, a decline of 3.1%), with 898,334 new contracts in 2007 (compared with 946,036 in 2006, a decline of 5.0%).

In 2007 RCI Banque’s average loans outstanding dipped 1.2% to⁄22.9 billion (on a consistent basis).

INTERNATIONAL GROWTH

RCI Banque changed its structure in the U.K. by setting up RCI Financial Services, a wholly-owned subsidiary of RCI in the U.K., which now manages Renault and Nissan business (until June 30, 2007 the Renault financing business was managed jointly with HBOS).

RCI established a presence in the Nordic countries, where a branch opened for business on January 1, 2008; in Morocco, where a finance company was set up after receiving approval from the Moroccan central bank, with consumer financing starting up in November and network financing in December, both of which are fully financed by RCI Maroc; and in Ukraine, where a commercial company was set up and is scheduled to open for business in first-quarter 2008.

RCI also stepped up its presence in Poland, by starting up the network financing and Nissan customer business on January 1, 2007.

In 2007, RCI Banque also launched finance businesses in:

- Slovenia: operational startup of the branch and the network financing business; transfer of Renault's customer sales agreements on January 1, 2007,
- the Baltic States: operational startup of the sales agreement with Hansa Leasing,
- Slovakia: startup of the network financing business on May 1, 2007.

Sales and production statistics

TOTAL INDUSTRY VOLUME - REGISTRATIONS (IN UNITS)

Main Renault group's markets

	2007*	2006*	% change
France Region	**2,526,005**	**2,440,580**	**+3.5**
Europe Region	**15,513,732**	**15,333,358**	**+1.2**
o/w: Germany	3,376,044	3,670,406	**-8.0**
Italy	2,725,861	2,553,329	**+6.8**
UK	2,752,175	2,678,943	**+2.7**
Spain+Canary Islands	1,890,694	1,909,241	**-1.0**
Belgium+Luxembourg	648,104	641,083	**+ 1.1**
Poland	347,378	280,020	**+ 24.1**
FRANCE + EUROPE REGIONS	**18,039,737**	**17,773,938**	**+ 1.5**
Euromed Region	**4,610,779**	**3,658,517**	**+ 26.0**
o/w: Romania	351,445	289,066	**+21.6**
Russia	2,569,522	1,886,824	**+ 36.2**
Turkey	594,762	617,838	**-3.7**
Algeria	196,853	142,955	**+ 37.7**
Morocco	102,202	84,277	**+ 21.3**
Americas Region	**5,373,872**	**4,558,090**	**+17.9**
o/w: Mexico	1,093,988	1,132,417	**-3.4**
Colombia	225,504	176,273	**+27.9**
Brazil	2,339,920	1,834,581	**+27.5**
Argentina	534,199	420,304	**+27.1**
Asia-Africa Region	**21,889,036**	**21,139,614**	**+3.5**
o/w: South Africa	587,131	619,968	**-5.3**
South Korea	1,256,598	1,182,680	**+6.3**
EUROMED+AMERICAS+ASIA-AFRICA REGIONS**	**31,873,687**	**29,356,221**	**+8.6**

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

RENAULT GROUP – REGISTRATIONS (UNITS) AND MARKET SHARE (%)

Sales performance in main markets

CARS + LCVS	2007*		2006*	
	in units	as a %	in units	as a %
France Region	**626,705**	**24.8**	**641,905**	**26.3**
Europe Region	**966,538**	**6.2**	**1,024,127**	**6.7**
o/w: Germany	157,968	4.7	173,276	4.7

Italy	143,800	5.3	142,349	5.6
UK	148,970	5.4	160,286	6.0
Spain+Canary Islands	198,948	10.5	206,326	10.8
Belgium+Luxembourg	63,792	9.8	66,986	10.4
Poland	25,763	7.4	22,475	8.0
FRANCE + EUROPE REGIONS	**1,593,243**	**8.8**	**1,666,032**	**9.4**
Euromed Region	**424,431**	**9.1**	**380,657**	**10.2**
o/w: Romania	134,176	38.2	131,474	45.5
Russia	101,166	3.9	72,484	3.8
Turkey	91,645	15.4	92,366	14.9
Algeria	32,667	16.6	25,629	17.9
Morocco	30,151	29.5	26,750	31.7
Americas Region	**245,197**	**4.6**	**185,438**	**4.1**
o/w: Mexico	18,615	1.7	20,274	1.8
Colombia	39,053	17.3	33,196	18.8
Brazil	73,614	3.1	51,682	2.8
Argentina	66,969	12.5	48,196	11.5
Asia-Africa Region	**191,702**	**0.9**	**174,612**	**0.8**
o/w: South Africa	8,407	1.4	15,580	2.5
South Korea	117,203	9.3	119,088	10.1
EUROMED+AMERICAS+ASIA-AFRICA REGIONS**	**861,330**	**2.7**	**740,707**	**2.5**
** Preliminary figures ** excl. North America*				

RENAULT GROUP - REGISTRATIONS IN FRANCE AND EUROPE REGIONS BY MODEL (IN UNITS)

CARS + LCVS	2007*	2006*	% change
Twingo / Twingo II	88,714	55,668	+59.4
Clio II / Clio III	434,561	482,307	-9.9
Thalia	6,581	8,267	-20.4
Modus	62,825	82,208	-23.6
Logan / Logan MCV	79,487	47,347	+67.9
Mégane / Mégane II	488,653	546,134	-10.5
Laguna II / Laguna III	71,397	77,249	-7.6
Vel Satis	3,043	4,877	-37.6
Espace / Espace IV	40,624	41,366	-1.8
Kangoo	142,061	159,815	-11.1
Trafic / Trafic II	88,950	76,424	+16.4
Master / Master II	75,963	73,886	+2.8
Mascott** / Master Propulsion	6,897	9,851	-30.0
Maxity	2,804	-	-
Other	683	633	+7.9
Registrations in France + Europe	**1,593,243**	**1,666,032**	**-4.4**

** Preliminary figures*

*** Mascott is distributed by Renault Trucks, a subsidiary of AB Volvo*

RENAULT GROUP - REGISTRATIONS IN EUROMED, AMERICAS AND ASIA-AFRICA BY MODEL (IN UNITS)

CARS + LCVS	2007*	2006*	% change
Twingo / Twingo II	14,176	13,264	+6.9
Clio II/ Clio III	97,734	92,179	+6.0
Thalia / Symbol	94,393	85,340	+10.6
Modus	1,435	4,157	-65.5
Sandero	279	-	-
Logan / Logan MCV	287,245	200,210	+43.5
Mégane / Mégane II	149,750	125,495	+19.3
Laguna / Laguna III	4,152	4,199	-1.1
Vel Satis	66	82	-19.5
Espace / Espace IV	139	289	-51.9
SM3	29,726	31,853	-6.7
SM5	73,330	72,270	+1.5
SM7	14,238	17,537	-18.8
QM5	2,518	-	-
Kangoo	72,271	64,556	+12.0
Trafic / Trafic II	4,064	3,933	+3.3
Master / Master II	15,412	13,027	+18.3
Mascott** / Master Propulsion	280	452	-38.1
Maxity	52	-	-
Other	70	11,864	-99.4
Registrations in Euromed + Americas + Asia-Africa	**861,330**	**740,707**	+16.3

** Preliminary figures*

*** Mascott is distributed by Renault Trucks, a subsidiary of AB Volvo*

RENAULT GROUP – SALES PERFORMANCE OF MODELS BY SEGMENT IN FRANCE + EUROPE REGIONS*

			Renault's share			Rank
	Segment	% change Segment 2007/2006	2007	2006	Change (pt) 2007/2006	2007
Passenger cars						
Twingo / Twingo II	A	+5.3	7.4	4.9	+2.5	6
Clio / Clio III	B	-0.1	8.7	9.7	-1.1	3
Thalia	B	-0.1	0.1	0.2	0.0	33
Modus	B	-0.1	1.3	1.7	-0.4	22
Logan	B	-0.1	1.8	1.1	+0.7	16
Mégane / Mégane II	C	-0.2	9.6	10.8	-1.1	3
Laguna	D	-5.4	3.1	3.1	-0.1	11
Vel Satis	E1	-5.6	0.5	0.8	-0.3	21
Espace / Espace IV	MPV	-0.5	14.7	14.9	-0.2	2
Kangoo	Passenger-carrying vans	-1.1	10.9	13.5	-2.6	3
Trafic / Trafic II	Passenger-carrying vans	-1.1	4.2	3.3	+0.9	9

Master / Master II	Passenger-carrying vans	-1.1	1.2	1.1	+ 0.1	16
<u>**Light commercial vehicles**</u>						
Car-derived vans:						
Twingo		-0.8	0.2	0.2	0.0	45
Clio		-0.8	14.8	14.3	+0.5	1
Modus		-0.8	0.9	1.3	-0.3	22
Mégane / Mégane II		-0.8	5.1	5.4	-0.3	5
Small vans:						
Kangoo		-0.2	18.3	19.7	-1.4	2
Vans:						
Trafic / Trafic II		-11.0	6.4	6.2	+0.1	6
Master / Master II		-11.0	5.9	6.5	-0.6	7
Mascott / Master Propulsion		-11.0	0.6	1.0	-0.4	23

** Preliminary figures.*

RENAULT GROUP – WORLDWIDE PRODUCTION BY MODEL AND BY SEGMENT[(1)] – CARS + LCVS (IN UNITS)

	2007*	2006*	% change
Logan	**420,255**	**256,351**	**+63.9**
Entry segment	**420,255**	**256,351**	+63.9
Twingo / Twingo II	118,082	64,101	+45.7
Clio** / Clio III / Thalia	631,567	720,194	-12.3
Modus	67,514	70,979	-4.9
A and B segments	**817,163**	**855,274**	-4.4
Megane / Mégane II	629,612	662,281	-4.9
SM3	82,650	71,817	+15.1
QM5 / Koleos	5,241	-	-
C segment	**717,503**	**734,098**	-2.3
Laguna / Laguna II	99,512	73,065	+36.2
SM5	76,363	71,675	+6.5
SM7	15,081	17,807	-15.3
Espace IV	40,674	41,432	-1.8
VelSatis	2,812	4,683	-39.9
D, E and MPV segments	**234,442**	**208,662**	+12.3
Kangoo	220,038	232,647	-5.4
New Kangoo	7,226	-	-
Trafic II [(2)]	115,904	107,279	+ 8.0
Master II	119,120	105,789	+12.6
Mascott	7,585	17,413	-56.4
Pickup 1310	-	11,208	-
Small vans, vans and picups	**469,873**	**474,336**	-0.9
Group Worldwide production	**2,659,236**	**2,528,721**	+5.2

** Preliminary figures.*

*** Including 8,946 Renault-branded Clio manufactured at the Nissan plant in Aguascalientes (Mexico) in FY 2007.*

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

(2)Excluding GM production in Luton but including GM production in Barcelona.

RENAULT GROUP'S NEW GEOGRAPHICAL ORGANIZATION –COUNTRIES IN EACH REGION

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

(2) COMBINED ALLIANCE SALES PERFORMANCE AND FINANCIAL INDICATORS

Renault and Nissan sold a total of 6,160,046 vehicles in 2007 (+4.2%) giving a global market share of 9.1%[6] and a new annual sales record for the Alliance.

Renault and Nissan sold respectively 2,484,472 and 3,675,574 units, Renault's worldwide sales increased by 2.1%, while Nissan's rose by 5.7%.

The main growth zones for the Alliance were Russia (+49.9%), Latin and South America (+12.2%), China (+25.6%) and the Middle East and Africa (+16.2%).

[6] Total PC+LCV market sales based on Renault estimates: 67,738,307.

Renault returns to growth

Renault sold 2,134,484 vehicles under the Renault brand (+0.9%), 119,824 under Renault Samsung Motors brand (-1.5%), and 230,164 Dacia-branded vehicles (+17.2%). The success of Logan, sold under the Renault and Dacia brands, was confirmed with sales rising more than 48% to 366,779 units. The Logan family grew in 2007 with the arrival of Logan MCV and Logan Van. The latest Logan-platform model, Sandero, was launched in Mercosur at the end of 2007.

Renault continued to grow internationally, increasing its non-Europe sales by 16.3% to 861,330, for nearly 35% of total sales.

Renault started its product offensive in 2007, launching Logan Van, New Twingo, New Laguna sedan and station wagon, QM5 and Sandero. Four new models will be launched in the first two months of 2008: the passenger car and LCV versions of New Kangoo, Clio Estate and Grand Modus. Phase 2 of the Modus will be released as well, together with five other models in 2008. The three brands (Renault, Dacia, RSM) will all contribute to the growth of the Renault group. Sales are forecast to rise over 10% in 2008, driven by increases in all regions.

New models drive Nissan's global growth

Nissan sold a record 3,675,574 vehicles under the Nissan and Infiniti brands, up 5.7% over the prior year. Significant new models introduced in 2007 included the Altima coupe, Livina series and the Rogue crossover. Global sales of Infiniti vehicles increased at 151,683 units, boosted by the G35 sedan and the launch of the G37 coupe.

Nissan recorded sales of over one million units for the third consecutive year with a 4.8% increase in its largest market, the United States. Sales in 2007 were led by the Nissan Versa subcompact, Altima mid-size passenger cars and Infiniti G35 luxury sedan.

In Japan, Nissan's overall sales fell 6% to 720,973. Despite the decline in the registered vehicle segment, Nissan saw improved volume and market share in the minicar segment bolstered by new products like Pino.

In Europe, annual sales increased slightly. Strong demand in Russia - 59.6% increase vs. 2006 - and the continued success of Qashqai offset challenging conditions in the mature markets.

In other global markets, Nissan sales increased by 8% to 1,024,683 units. In China, sales in calendar year 2007 increased 25% supported by the continued popularity of the Tiida model and new models such as the Livina. In addition, Infiniti and LCV business units continue to grow in markets such as Korea, GCC and China.

Delivering value for both partners

The Renault-Nissan Alliance has advanced on all fronts during 2007, creating new opportunities for future growth. In product development and engineering, Nissan was able to enrich its line-up thanks to Renault's Logan platform. Renault is capitalizing on Nissan's acknowledged expertise in 4x4 vehicles. Nissan actively participated in the development of an all-new crossover vehicle for the Renault and Renault Samsung brands. Styled and defined by Renault, the new vehicle is built by Renault Samsung Motors in Korea.

In a significant move towards reducing CO2 car emissions as well as particulate pollution, the Alliance and Project Better Place engaged in a breakthrough to offer electric vehicles to Israeli customers in 2011.

The Alliance is enabling both partners to grow in emerging markets. The Alliance already has significant investments in China through Nissan and Dongfeng, in India with Renault and Mahindra & Mahindra and in Russia with Renault and Avtoframos. On 8 December 2007, Renault signed a Memorundum Of Understanding with AvtoVAZ whose manufacturing capacities will allow for production of over 750,000 cars annually. Nissan is building a plant in St Petersburg to start operation in 2009.

In Tangier, Morocco, the Alliance and the Kingdom of Morocco will develop one of the largest vehicle manufacturing facilities in the Mediterranean with an eventual capacity of 400,000 vehicles a year.

In Chennai, India, Renault and Nissan announced plans to build in the state of Tamil Nadu, one of the largest automotive production sites in India with an eventual capacity of 400,000 units per year.

Both companies in the Alliance will continue to grow through innovative collaboration, leveraging the expertise of this uniquely successful partnership for mutual value creation.

GLOBAL SALES AND PRODUCTION SITES

Worldwide sales	**2007**	**2006**	**Change 2007/2006**
Renault group	**2,484,472**	**2,433,610**	**+2.1%**
Renault	2,134,484	2,115,572	+0.9%
Samsung	119,824	121,660	-1.5%
Dacia	230,164	196,378	+17.2%
Nissan group	**3,675,574**	3,477,837	**+5.7%**
Nissan	3,523,891	3,341,571	+5.5%
Infiniti	151,683	136,266	+11.3%
Renault-Nissan Alliance	**6,160,046**	**5,911,447**	**+4.2%**

Western Europe	**2007**	**2006**	**Change 2007/2006**
Renault group	**1,528,973**	**1,597,478**	**-4.3%**
France	656,523	668,679	-1.8%
Germany	157,968	173,276	-8.8%
Italy	143,800	142,349	+1.0%
Spain	198,948	206,326	-3.6%
U.K.	148,970	160,286	-7.1%
Nissan	**391,159**	**417,412**	**-6.3%**
France	43,712	44,809	-2.4%
Germany	44,672	59,335	-24.7%
Italy	51,374	50,015	+27%
Spain	58,500	62,741	-6.8%
U.K.	82,497	87,013	-5.2%
Renault-Nissan Alliance	**1,920,132**	**2,014,890**	**-4.9%**
France	700,235	713,488	-1.9%
Germany	202,640	232,611	-12.9%
Italy	195,174	192,364	+1.5%

Spain	257,448	269,067	-4.3%
U.K.	231,467	247,299	-6.4%

Central and Eastern Europe	**2007**	**2006**	**Change 2007/2006**
Renault group	**444,341**	**408,540**	**+8.8%**
Russia	101,166	72,484	+39.6%
Romania	134,176	131,474	+2.1%
Turkey	91,645	92,366	-0.8%
Nissan	**172,086**	**118,284**	**+45.5%**
Russia	122,038	76,452	+59.6%
Romania	3,166	3,109	+1.8%
Turkey	7,438	9,140	-18.6%
Renault-Nissan Alliance	**616,427**	**526,824**	**+17.0%**
Russia	223,204	148,936	+49.9%
Romania	137,342	134,583	+2.1%
Turkey	99,083	101,506	-2.4%

North America	**2007**	**2006**	**Change 2007/2006**
Nissan	**1,145,021**	**1,086,004**	**+5.4%**
USA	1,068,238	1,019,249	+4.8%
Canada	76,783	66,755	+15.0%

Japan	**2007**	**2006**	**Change 2007/2006**
Renault group	**2,470**	**3,042**	**-18.8%**
Nissan	**720,973**	**766,702**	**-6.0%**
Renault-Nissan Alliance	**723,443**	**769,744**	**-6.0%**

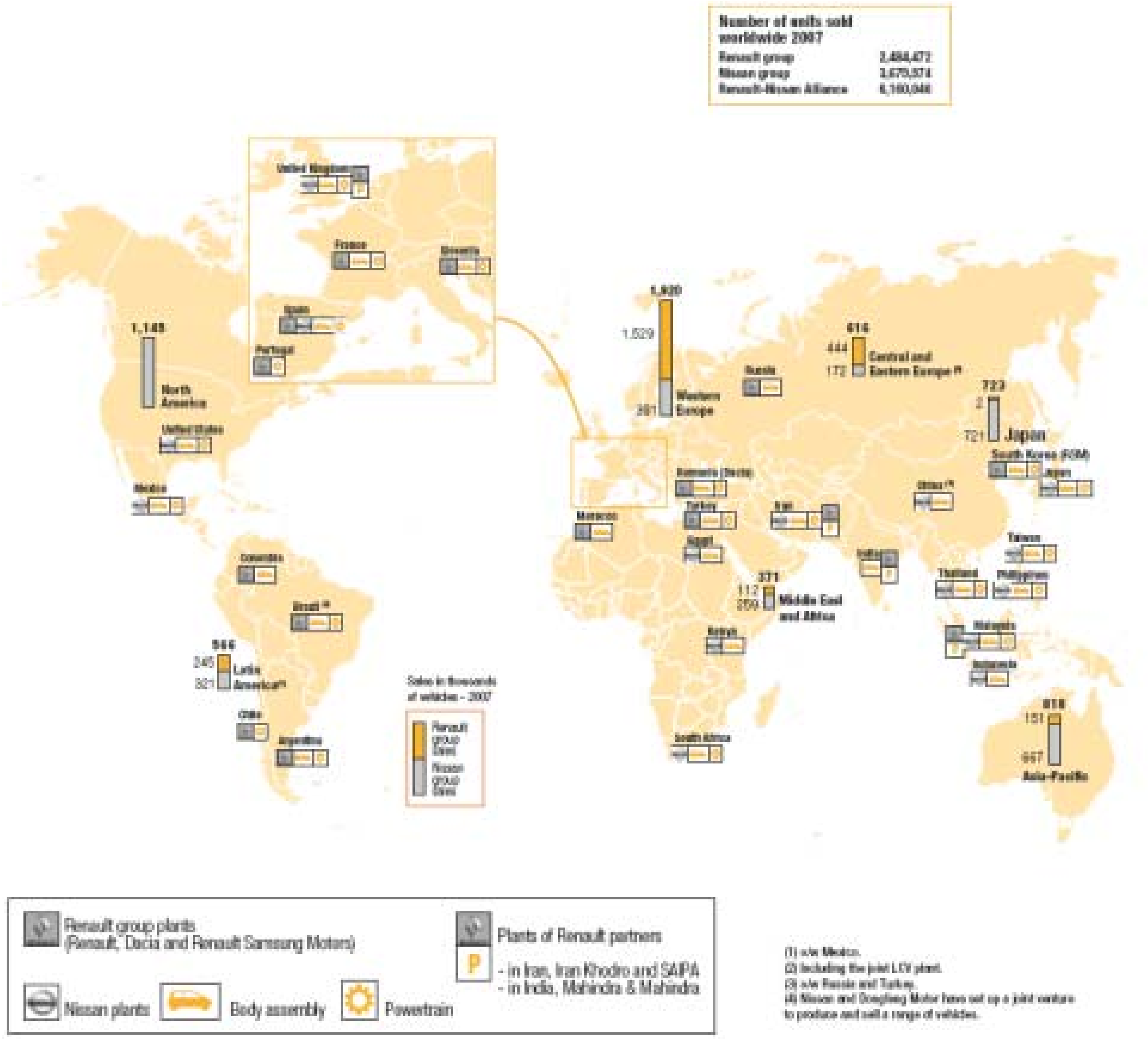
Latin and South America	**2007**	**2006**	**Change 2007/2006**
Renault group	**245,197**	**185,438**	**+32.2%**
Brazil	73,614	51,682	+42.4%
Argentina	66,969	48,196	+39.0%
Mexico	18,615	20,274	-8.2%
Nissan	**320,665**	**318,848**	**+0.6%**
Brazil	11,883	5,719	+107.8%
Argentina	3,681	3,328	+10.6%
Mexico	214,121	228,315	-6.2%
Renault-Nissan Alliance	**565,862**	**504,286**	**+12.2%**

Brazil	85,497	57,401	+48.9%
Argentina	70,650	51,524	+37.1%
Mexico	232,736	248,589	-6.4%

Middle East and Africa	**2007**	**2006**	**Change 2007/2006**
Renault Group	**112,370**	**102,736**	**+9.4%**
Nissan	**258,935**	**216,695**	**+19.5%**
Renault-Nissan Alliance	**371,305**	**319,431**	**+16.2%**

Asia and Pacific	**2007**	**2006**	**Change 2007/2006**
Renault Group	**151,121**	**136,376**	**+10.8%**
China	2,337	2,950	-20.8%
Korea	117,203	119,088	-1.6%
Nissan	**666,735**	553,892	**+20.4%**
China	457,630	363,252	+26.0%
Korea	3,006	1,714	+75.4%
Renault-Nissan Alliance	**817,856**	**690,268**	**+18.5%**
China	459,967	366,202	+25.6%
Korea	120,209	120,802	-0.5%

Global sales and production sites



VALUE OF JOINT OPERATIONS

Renault sales to Nissan and Renault purchases from Nissan in 2007 are estimated at EUR 1.5 billion and EUR 1.4 billion, respectively, as mentioned in note 13 - I of the notes to the Consolidated Financial Statements in Section VI-1-(1).

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 2007.

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.

The information concerning Renault is based on the consolidated figures released at December 31, 2007, while the information concerning Nissan is based on the restated consolidated figures prepared for the purposes of the Renault consolidation, covering the period from January 1 to December 31, 2007 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 the following differences from the figures published by Nissan under Japanese accounting standards:

- revenues are presented net of discounts and rebates;
- sales with buy-back commitments have been restated as leases;
- 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 2007 at Dec 31, 2007

EUR million	Renault	Nissan (1)	Intercompany eliminations	Alliance
Sales of goods and services	39,190	63,591	(2,953)	99,828
Sales financing revenues	1,492	4,816	-	6,308
Revenues	**40,682**	**68,407**	**(2,953)**	**106,136**

(1) converted at the average exchange rate for 2007: EUR 1 = JPY 161.2.

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 2007 results.

The operating margin, the operating income and the net income of the Alliance in 2007 are as follows:

EUR million	Operating margin	Operating income	Net income (2)
Renault	1,354	1,238	1,446
Nissan (1)	4,680	4,380	2,948
Alliance	**6,034**	**5,618**	**4,394**

(1) converted at the average exchange rate for 2007: EUR 1 = JPY 161.2.
(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 not therefore been eliminated.

For the Alliance, the operating margin is equivalent to 5.7% of revenues.

In 2007, the Alliance's **research and development expenses**, after capitalization and amortization, are as follows:

EUR million	
Renault	1,850
Nissan	2,251
Alliance	**4,101**

Balance sheet indicators

Condensed Renault and Nissan balance sheets

Renault at December 31, 2007

EUR million

ASSETS		SHAREHOLDERS' EQUITY AND LIABILITIES	
Intangible assets	4,056	Shareholders' equity	22,069
Property, plant and equipment	13,055	Deferred tax liabilities	118
Investments in associates (excluding Alliance)	2,011	Provisions for pension and other long-term employee benefit obligations	1,203
Deferred tax assets	220	Financial liabilities of the Automobile	6,658
Inventories	5,932	Financial liabilities of the Sales financing division and sales financing debts	21,468
Sales financing receivables	20,430	Other liabilities	16,682
Automobile receivables	2,083		
Other assets	4,724		
Cash and cash equivalents	4,721		
Total assets excluding investment in Nissan	**57,232**		
Investment in Nissan	10,966		
Total assets	**68,198**	**Total shareholders' equity and liabilities**	**68,198**

Nissan at December 31, 2007

EUR million(1)

ASSETS		SHAREHOLDERS' EQUITY AND LIABILITIES	
Intangible assets	4,546	Shareholders' equity	27,583
Property, plant and equipment	31,580	Deferred tax liabilities	2,079
Investments in associates (excluding Alliance)	133	Provisions for pension and other long-term employee benefit obligations	1,744
Deferred tax assets	-	Financial liabilities of the Automobile	4,574
Inventories	7,922	Financial liabilities of the Sales financing division and sales financing debts	29,049
Sales financing receivables	21,897	Other liabilities	15,773
Automobile receivables	4,380		
Other assets	5,561		
Cash and cash equivalents	2,733		
Total assets excluding investment in	**78,752**		
Investment in Renault	2,050		
Total assets	**80,802**	**Total shareholders' equity and liabilities**	**80,802**

(1) converted at the closing rate for 2007: EUR 1 = JPY 164.9.

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.

Purchases of property, plant and equipment by both Alliance groups for 2007, excluding leased vehicles, amount to:

EUR million	
Renault	2,290
Nissan	3,129
Alliance	**5,419**

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 EUR 16 billion increase in shareholders’ equity – minority interests’ share.

2. STATEMENT OF PRODUCTION, ORDERS ACCEPTED AND SALES:

See 1. above.

3. PROBLEM(S) TO BE COPED WITH:

STRUCTURAL ELEMENTS OF THE CONTROL PROCESS

The Renault group’s two divisions have to manage not just the decentralization of business activities into subsidiaries in France and abroad, but also major international expansion into countries like Romania, Russia, South Korea and India. As a result, Renault is continuing to bolster the internal control process across the board, in long-standing members of the Group and recently acquired entities, as well as in companies that are still being set up. For this, the Group relies on the core strategies already being used to obtain high-quality financial and accounting disclosures and reduce lead times for the preparation of financial statements:

- operational systems upstream of accounting are systematically standardized;
- introduction of ERP financial and accounting modules into industrial and/or commercial entities worldwide was pursued; this involved 13 subsidiaries in 2007, taking the number of legal entities concerned to 57 in 28 countries; in 2008, the roll-out of ERP at the South Korean subsidiary is planned;
- the project structure designed for international deployment of the business provides a target architecture combining operational and accounting information systems; the aim is to achieve a high degree of standardization and implement procedures that have already proved themselves in the rest of the Group;
- the consolidation tool’s data recovery capability and parameterization have been audited; user training programs have been organized and a permanent surveillance system is now in service at

technical and functional levels.

4. RISKS IN BUSINESS, ETC.

In the course of its business, the Renault group is exposed to a number of risks that can affect its assets, liabilities and financial performance. These risks are outlined below. Details on how they are managed can be found in "Types of risk" below.

1. The Group has commercial and/or industrial operations in countries outside Europe, notably South Korea, Romania, Brazil, Argentina, Turkey, Colombia, Chile, Russia, Morocco, India and Iran. These operations account for 25% of revenues. The main risks are GDP fluctuations, economic and political instability, regulatory changes, payment-collection difficulties, labor unrest, major swings in interest rates and exchange rates, and currency controls.

2. Risks affecting the quality of its products, which involve a wide variety of complex technologies, mean that quality is a top priority and that special attention is paid to the reliability of mechanisms and equipment providing active and passive safety.

3. Purchases account for a substantial portion of vehicle production costs, so it is vital for Renault to choose suppliers of the highest caliber, i.e. companies that are financially fit, comply with rules and regulations on sustainable development, deliver high-quality products, and so on.

4. The Group's exposure to industrial risk is potentially significant because its industrial operations are highly concentrated and its plants are interdependent. It is also dependent on its main suppliers.

5. There are three main aspects of environmental risk for Renault:

- environmental impact of malfunctions in its plants;

- harm to individuals (personnel and people living near the plants);

- past pollution of subsoil and groundwater.

6. Renault depends on the orderly operation of its IT systems. Most of the Group's functions and processes rely on the software tools and technical infrastructure connecting its sites. The main risks pertain to the disruption of IT services, and the confidentiality and integrity of data.

7. In terms of product distribution, the type of risks to which Renault is exposed depends on the distribution channel involved:

- at commercial import subsidiaries, the main risks are related to the commercial resources allocated to these firms;

- at its own distribution subsidiaries, organized under the umbrella of Renault Retail Group in Europe, the risks are primarily related to the diversity of these decentralized entities;

- for dealerships, the risks arise from the financial health of these networks.

   Further, in connection with its commercial activities, the Group may have to cope with customer payment defaults.

8. Automobile operations are naturally exposed to foreign exchange risk through their industrial and commercial activities. Exchange rate fluctuations can have an impact at five levels: operating

margin, financial income, income of associated companies, shareholders' equity, and net financial debt.

9. The Group is exposed to counterparty risk in its financial-market and banking transactions, in its management of foreign exchange and interest rate risk, and in the management of payment flows.

10. Because raw materials account for a substantial proportion of vehicle production costs, the Group is exposed to commodity price risk.

11. Through the sales financing business of RCI Banque, the Group is exposed to risks arising from the creditworthiness of its customers (individuals, corporates and dealers).

12. The Group's 44.3% holding in Nissan Motor Co. Ltd. ("Nissan Motor"), accounted for by the equity method in its consolidated financial statements, has a major impact on its financial results.

13. Since the Group generates 51.9% of its sales in the compact and midsize vehicle segments, its financial results depend on the success of these two product lines.

14. The European Commission has issued recommendations for amending Directive 98/71 on the legal protection of designs and models. These recommendations call for the abolition of protection of spare parts under design and model law. If the amended version of the Directive is adopted, it could have a negative impact on the earnings of the Group.

15. Renault is exposed to a material change in the regulations applicable to automobiles.

RISK MANAGEMENT

The Renault group makes every effort to control the risks relating to its activities, namely operational risk, financial risk and legal risk. These have been described in III-4. This section details the main risks and the company's strategies to reduce their likelihood and severity. However, as the Group expands internationally, enters new partnerships, and becomes more IT-dependent – and as new malicious behaviors emerge – existing risks are aggravated and new ones created. These factors can increase the severity of potential crises and the damage they may cause.

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

The organization is two-pronged:

- at corporate level: the Risk Management Department provides methods and an overall vision to identify and prevent major risks, in particular by monitoring them with risk-mapping techniques and implementing preventive measures in high-risk areas:

- in all entities involved in business-critical processes, the competencies and experts capable of identifying, prioritizing and supplying risk mitigation solutions are identified.

OPERATIONAL RISK

GEOGRAPHICAL RISK

Risk factors

The Group has industrial and/or commercial operations in countries outside Europe[7], notably South

[7] "Outside Europe" means in the three Regions Euromed, Asia-Africa and the Americas, defined by Renault on

Korea, Romania, Brazil, Argentina, Turkey, Colombia, Chile, Russia, Morocco, Iran and India. Group sales outside Europe account for 35% of global sales. One of the three targets of Renault Commitment 2009 is to increase group sales by 800,000 units between 2005 and 2009, with 550,000 units being sold outside Europe. The share of sales generated outside Europe is therefore expected to rise to nearly 40% by 2009. The risk monitoring system has been reconfigured to support this sharp increase in vehicle sales.

The Group's activities in these countries carry various risks, most commonly GDP volatility, economic and political instability, new regulations, payment collection problems, labor unrest, sharp fluctuations in interest and exchange rates, and foreign exchange controls.

Management procedures

Renault's industrial and commercial investments outside Europe are geographically diversified, making it possible to pool the portfolio of risks at company level, particularly through a worldwide short-term policy with Coface, the French export credit insurance agency. Patterns of GDP growth and solvency vary from one region of activity to another and are often counter-cyclical.

Industrial risk

The decision to set up industrial bases in countries outside Europe was taken as part of a growth strategy that factors the risks of instability into an overall industrial approach.

The Group also seeks to continually increase local content in its emerging-country production units. The aim is to make these units more competitive in their local markets and to use their capacity more efficiently, exporting to other areas when domestic markets falter and where exchange-rate changes improve the price competitiveness of products outside the country.

In Iran, Renault's investments are guaranteed by a credit insurer.

Commercial risk

The Group hedges all financial flows arising from commercial activities in emerging countries. The two main hedging instruments used are bank guarantees (Standby Letters of Credit from leading banks) and short-term export credit guarantees (global/commercial/political cover from Coface).

Actions and improvements

Country risk premium

Geographical risks are taken into account by demanding a higher rate of return from any new investment project in an emerging country. The risk premium added to the standard rate of return is determined from financial market and macroeconomic indicators.

Short-term liquidity risk

A trend indicator is used to monitor risk, including liquidity risk, in the countries where the Group operates. By tracking this indicator, the Group can adjust the financing policy applied to its subsidiaries in the light of changes to the situation in each country and available macroeconomic data.

Intra-group financial flows

To support its global growth, the Group has designed a radial financial scheme and "hub and spoke"

January 1, 2006 as part of its new geographical organization steered by the Regional Management Committees.

invoicing system. It thus centralizes its financial-risk management activities and can use a single hedging procedure on competitive terms. The industrial subsidiaries sell their export production to Renault s.a.s., which on-sells it to the importing subsidiaries and independent importers by granting them supplier credit. The parent company manages the risk associated with this credit.

Risk management and the regional management committees

Overall country risk is monitored by each Regional Management Committee. The Committees may ask for the general rule to be waived, in which case approval will be required from the Group Executive Committee.

PRODUCT QUALITY RISK

Risk factors

Developments in the automotive industry are characterized by the emergence of systems with increasingly sophisticated technologies. This applies not just to active safety (power steering and braking, etc.) and passive safety (restraint systems, etc.) but to most of the systems used in modern automobiles.

This trend is reflected in the rapid increase in automated systems commanded by onboard electronics. Significantly, drivers now have less and less direct responsibility for operating these systems.

Management procedures

When a new vehicle is designed, Renault sets up a system to identify, assess and control risks created by the equipment it installs:

- this system includes a specific organization for controlling risks, defining and ensuring compliance with standards, and methods and tools for operational safety;

- it extends to the phases of manufacturing, vehicle delivery, maintenance–repair and end-of-life.

The incident handling system has also been improved through:

- faster detection of incidents so that they can be brought to the attention of the appropriate functional experts as quickly as possible;

- closer proximity between the incident-detection and impact-analysis functions, thereby improving conditions for making assessments and taking corrective measures;

- formal rules for dealing with incidents and recall campaigns.

The Vigilance Committee, chaired by the Quality Department, sees that measures for detecting, preventing and handling incidents are properly carried out.

Renault has set up an organization to limit the number of incident-exposed vehicles. The severity and safety impact of any incidents are assessed and the risk is dealt with as quickly as possible, notably in the event of a recall campaign.

The organization with regard to regulations has also been improved in order to be more efficient in:

- identifying new regulations that must be taken into account right from the design phase;

- ensuring that products comply with regulations.

Actions and improvements

Renault has developed new quality and operational safety initiatives for its products.

It has joined with other carmakers, government authorities and standardization organizations in an effort to find common standards for defining and assessing risks.

In addition to existing measures, Renault has taken the following actions to reduce users' exposure to product risk:

- updating undesirable customer incidents likely to endanger user safety and identifying reasonably foreseeable use that could expose users to danger;

- ensuring that engineering departments apply this list of undesirable customer incidents to the physical objects and logical systems that could cause such danger-exposure incidents;

- defining a set of best practices (shared with the PSA Group) to be used in all areas of the company, starting with engineering departments;

- continuing to deploy awareness-raising and training programs in general product safety and operational safety throughout the company;

- improving risk control practices and standards on a continuous basis throughout the product life cycle.

Renault has set up a system for responding to customer incidents:

- Renault uses various indicators, including a media watch, customer platform and customer satisfaction surveys, to detect the first customer incidents rapidly;

- after documentation, a technical analysis of incidents is performed to decide on a preventive or a corrective response;

- customer satisfaction is also taken into account in the continuous process of product improvement.

SUPPLIER RISK

Risk factors

The main risk factors are related to the quality and long-term dependability of deliveries, the suppliers' financial situation and their compliance with regulations and sustainable development obligations.

Management procedures

A - Suppliers' financial soundness is reviewed on the basis of two key criteria:

- a rating system based on an analysis of the suppliers' annual report;

- dependence on Renault.

If a supplier is rated negatively on any financial criteria, this supplier is monitored at monthly meetings by the Supplier Risks Committee, which is made up of members of the Purchasing Department Management Committee, alongside the Finance, Legal, Human Resources, Logistics and Public Affairs Departments.

The following points are regularly examined via operating performance reviews: engineering excellence, ability to respond to demand in terms of volume, quality, costs and delivery times, and suitability of logistics.

Suppliers’ capacity to deliver the projected volumes of parts to plants is continually audited using the Group’s “capacity benchmarking” process.

B - The risk relating to supplier failure to respect sustainable development principles is controlled mainly by:

- including a "filter" in the supplier selection and sourcing processes;
- identifying deviations from standards (self-assessments and assessments conducted by the Quality Department of the Purchasing Department);
- setting up corrective action if a supplier falls below an acceptable level (performance reviews).

Actions and improvements

In compliance with Renault Commitment 2009, actions relating to supplier sustainable development risk focused on the following:

- in the area of labor relations, a formal commitment by suppliers to the principles of the Renault Declaration of Employees’ Fundamental Rights (including elimination of child labor, elimination of forced labor, and compliance with the work, health and safety conditions described in the Group Working Conditions Policy);
- in the area of the environment, actions mainly concerned application of the European directive banning heavy metals (Chrome 6 and lead contained in aluminum alloys, rings and bearings). At the same time, the European REACH legislation sets highly ambitious targets on dangerous substances. The Purchasing Department, which is an active member of the REACH Steering Committee, has put in place a structure to manage the actions of buyers and suppliers (information on legal requirements and key deadlines);
- in the area of risk detection (social and environmental):
    - 70 assessments carried out by the Purchasing Quality Department in 2007;
    - IT systems developed for the bulk processing of self-assessment data through the supplier portal, from 2008.

An external audit control grid has been drawn up and approvals issued for auditing firms.

PRODUCTION RISK

Risk factors

The Group’s exposure to industrial risk is potentially significant because its industrial operations are highly concentrated and its plants are interdependent. An active formal prevention policy is applied at all production plants, covering personal safety and the security of property.

Management procedures

Between 1990 and 2000 the Group endeavored to reduce the risks of fire, explosion and machine breakdown. Priority in this effort was given to powertrain and body assembly plants. By 2000 most of the existing plants had obtained the Highly Protected Risk rating, an international standard for risk prevention.

Since 2000, risks related to natural disasters such as storms, flooding, typhoons and earthquakes have been incorporated into the prevention policy.

The prevention policy is supported by a small team of experts at headquarters who set the standards for worldwide application and take part in all projects to modernize or extend existing plants or to open new ones. The experts at headquarters are supported at each plant by local teams organized in a network. Every year, four insurance companies chosen for their expertise in specific areas verify the application of prevention and protection rules at each site.

Actions and improvements

At end-2005, the Manufacturing Committee was tasked with examining specific risks of all kinds twice a year.

The Group has a high level of industrial risk prevention, and is pursuing continuous improvement in a number of ways. These include upgrading the risk prevention management system and holding network meetings on the subject of prevention.

ENVIRONMENTAL RISK

Risk factors

Alongside the systems and policies to reduce the environmental impact of Renault vehicles in the design, manufacture, operation and recycling phases, environmental risk at Renault comprises three aspects:

- impacts on the external environment owing to malfunctions in its plants;
- harm to individuals (personnel and people living near the plants);
- pollution of soil and groundwater caused by past activities.

Management procedures

Environmental risks

Renault has no high-risk facilities. Nevertheless, it has put in place a dedicated management system for preventing environmental risks

A central team of experts coordinates the tasks performed under the system. Techniques and structures for identifying risks, quantifying their impact, organizing prevention and protection and defining control and management methods are implemented at all sites.

Methods and tools have been defined for every stage of environmental risk management: risk identification, choice of prevention and/or protection solutions, management and training procedures, and control and verification audit grid.

Remediation of soil pollution due to past activity

Since France adopted a nation-wide policy on industrial soil and site pollution in 1994, Renault has participated actively in efforts coordinated by the Ministry of the Environment. The methodology applied in France, which was reviewed in 2007, uses a case-by-case approach to decide whether to remediate the risk areas concerned or to place them under surveillance. This method has been applied to all Renault's industrial sites worldwide.

Through this proactive approach, Renault is aware of the exposure of all its sites, has identified pollution sources by type of pollutant and by type of activity, and has the associated risks under control. Based on this in-depth analysis, appropriate clean-up techniques and technical solutions are optimized, depending on the type of impacts to be controlled or the uses envisaged for the sites concerned. The knowledge acquired during this analysis phase has enabled Renault to identify the facilities exposed to risk and to draw up a specific risk prevention plan.

Environmental audits for purchase and sales agreements

An environmental assessment is carried out before industrial and commercial businesses or property are acquired or sold. These audits are performed in accordance with an international procedure comprising:

- a pre-audit;
- a phase 1 audit on the legal conformity of present and former activities given the hydro-geological conditions and the potential environmental impact of those activities;
- a phase 2 audit involving analysis of soils and groundwater.

Actions and improvements

Renault is stepping up measures to prevent environmental risk. At the start of 2005 the issue of environmental risk was integrated in the Renault Production Way through the management of chemical products and wastes at workstations and more generally in each site's environment and risk management plan.

To meet performance and regulatory-compliance objectives, a self-assessment tool has been developed and introduced at all powertrain and body assembly plants since 2005.

At December 31, 2007 the Group had €50 million in provisions for the enforcement of environmental regulations. The main aim of these provisions is to pay for the rehabilitation of land at Boulogne and to meet the cost of processing end-of-life vehicles.

INSURING OPERATIONAL RISK

At the Renault group, insurance for operational risks has three facets:

- high-impact low-probability risks are transferred to the insurance and reinsurance markets;
- common risks that are statistically known and financially coverable are provisioned by the Group, unless there is a legal requirement to insure them;
- the Group negotiates global insurance policies that provide Group-wide cover.

The majority of the Group's entities are covered by these global insurance policies. Their ceilings are high – up to €1.5 billion. Deductibles – which must be paid by the Group before the insurance companies pay for any loss – are also high. The highest deductible amount is €24 million per claim. Some risks, such as defects covered by the manufacturer’s warranty and recall campaigns, are not covered by insurance.

The reason for keeping deductibles high include the Group’s consistent policy of prevention, the fact that there have been no major claims in recent years, and a desire to make each risk-bearing sector more accountable. No major change to Renault’s insurance strategy is planned for 2008.

IT RISK

Risk factors

Renault depends on the orderly operation of its IT systems. Most of the Group’s functions and processes rely on the software tools and technical infrastructure connecting its sites.

The main risks dealt with by the Group are:

- interruption of IT services, regardless of the cause;
- confidentiality and integrity of data.

Within Renault's Information Systems Department (DSIR), the Networks and Telecoms Security Department is leading the program to reduce IT risks and implement the IT security policy.

Management procedures

Risks are controlled through:

- committees and management charts that serve to check application of IT security procedures in line with international best practices (policies and standards such as ISO 27001);
- security approval for the Group’s main projects, interconnections and technical upgrades to ensure that appropriate security mechanisms are adopted (classification of security needs, standardization of solutions);
- a monitoring plan whose results are presented and submitted for approval to representatives of senior management, the departments using IT, the Audit Department and the Group Risk Management Department. Depending on the subject, audit assignments and IT surveys are conducted in-house by the IT Department with the Group Protection and Safety Department, or independently by the Audit and Risk Management Department;
- an IT Risk Committee, organized by the IT Department under the management of the Audit Department and the Risk Management Department and with representatives of other corporate departments.

Actions and improvements

The main security programs implemented in 2007 sought to:

- extend deployment of the security policy defined in association with Nissan;
- deploy security measures that reflect the new issues raised by the Group's international expansion and partnerships (access management and confidentiality);
- increase user awareness of security issues at international level;

- reinforce the security and emergency resources and procedures in place at the Group's main IT centers.

Projects planned for 2008 will continue these efforts and further develop the existing coordination and protection systems, in line with the aims of Renault Commitment 2009.

DISTRIBUTION RISK

Risk factors

The type of risks to which Renault is exposed depends on the type of product distribution channel involved:

- at commercial import subsidiaries, the main risks are related to the use of sales and marketing resources;

- at its own distribution subsidiaries, grouped under the umbrella of Renault Retail Group (formerly REAGROUP), Renault's risks are primarily related to decentralization and the diversity of these entities;

- the financial situation of dealership networks is also a source of risk.

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

Management procedures

Import subsidiaries

Central and local systems and procedures have been set up to enable the Group's import subsidiaries to control costs and the financial assistance paid to the network.

Independent auditors perform inspections in some countries to ensure that dealerships can substantiate the assistance they receive.

In 2006 an annual self-assessment on internal control was set up with a standard format designed jointly with the Group Audit Department.

In 2007, the Sales and Marketing Department decided to put in place a tool for the payment and subsequent control of the commercial support provided to the network. This tool will be gradually rolled out across all sales subsidiaries.

European distribution subsidiaries (Renault Retail Group)

Internal control at the Group's distribution subsidiaries (Renault Retail Group) is based on a set of standards and procedures. Annual self-assessments carried out using the Internal Control Quality tools have been extended to all countries since end-2006.

These tools were developed in collaboration with the Audit and Risk Management Department. Use of the self-assessments is checked regularly by auditors from the Audit Department or by specialized audit firms from outside the Group.

Dealership network

Renault and RCI Banque (RCI) jointly monitor the financial situation of dealerships in countries where RCI is present. A rating system is used to prevent and limit the risk of default or outstanding accounts. In other countries, Renault sets up a credit monitoring system.

Risk committees meet each month in countries where RCI Banque operates. In other countries, particularly in Central Europe, a Risk Supervision committee meets at head office every four months to examine monthly operating reports on the network's financial situation and on payment receivables.

Default risk is transferred to RCI Banque in geographical regions where it relies on ad hoc bodies to bear risk from the network and individual customers. If RCI cannot cover this risk, Renault bears it directly.

In 2007 the Credit Management structure put in place a reporting system with indicators to monitor the debt of Automobile's customers. These tools improve the monitoring and management of payment periods and help to manage customer risk more effectively.

Parts and accessories Department

The Group Parts and Accessories Department, which is responsible for the commercial management of the distribution of spare parts and accessories to all Renault entities, set up an action program based on the risk maps drawn up in 2004 and updated in 2007. The action plans are focused on the risk of a disruption in supply caused by supplier, logistics or IT failure. A special risk committee monitors these actions regularly.

FINANCIAL RISK

GENERAL FRAMEWORK FOR CONTROLLING FINANCIAL RISK

Market risk management at Automobile mainly concerns the Central Cash Management Department of Renault SA, Renault Finance, and Société Financière et Foncière (SFF), the main activities of which are described in II-3. "Contents of Business."

Sales Financing (RCI Banque) manages the market risk on its activities. Securities trades executed by companies in the RCI Banque group are intended solely to hedge away the risks related to the financing of the sales and inventories of the distribution networks for Renault group brands. Most of these transactions are made by the trading room of RCI Banque, which plays a pivotal role in refinancing the RCI Banque group.

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

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

- first-level control: self-monitoring by line personnel and formalized monitoring by each business line manager;

- second-level control: carried out by internal auditors under the authority of the chief executive of the entity;

- third-level control: carried out by the control bodies (Renault Internal Audit or external firms commissioned by it). The third-level control organizations make a critical, independent analysis of the quality of the control system. The Statutory Auditors also contribute an analysis under the terms of their assignment.

Furthermore, because SFF and RCI Banque are chartered as credit institutions, they are required to implement special internal control systems that meet the requirements of the French banking regulator.

Foreign exchange risk

Automobile

Automobile is naturally exposed to foreign exchange risk in the course of its industrial and commercial activities. Foreign exchange risk on these activities is monitored through Renault's Central Cash Management and Financing Department. Almost all foreign-exchange transactions are executed by Renault Finance. Exchange rate fluctuations may have an impact in five areas:

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

Impact on operating margin: Operating margin is subject to changes caused by exchange rate fluctuations. Currency hedges must be formally authorized by the Finance Department or senior management. Once the hedges have been put in place, reports must be submitted to senior management on the results. No significant hedges were put in place in 2007.

Based on the structure of its results and operating cash flows in 2007, the Group estimates that a 1% appreciation of the euro against all other currencies would have had a negative impact of €46 million (excluding hedges, if any). In 2007 the Group's main exposures were to the pound sterling and the Korean won. Under the same assumptions, a 1% rise in the euro against sterling would have a negative impact of €16 million on operating margin.

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

If local circumstances preclude refinancing by Renault SA, the subsidiary may tap external funding sources. If external financing in non-local currencies is necessary, the parent company exercises strict supervision over the transactions. Where cash surpluses are reported in weak-currency countries, and not centralized at the parent company, deposits are usually made in the local currency under the strict control of the Group's Finance Department.

Renault Finance may engage in foreign-exchange transactions for its own account within strictly defined risk limits. Foreign-exchange positions are monitored and marked to market in real time. Such proprietary transactions are intended chiefly to maintain the Group's expertise on the financial markets and are managed so as to avoid material impacts on Renault's consolidated financial statements.

All of the Group's foreign-exchange risk exposures are aggregated and are included in a monthly report.

Impact on share in the net income of associated companies: On the basis of their contribution to 2007 results, a 1% rise in the euro against the Japanese yen or the Swedish krona would have lessened

Nissan's contribution to Renault's income by €13 million and Volvo's contribution to Renault's income by €4 million, all other things being equal.

Impact on shareholders' equity: Equity investments in currencies other than the euro are not usually hedged. This may lead to translation adjustments, which are accounted for by the Group as shareholders' equity. However, the size of the Nissan investment was such that Renault's share in yen of Nissan's net worth has been covered by a specific foreign exchange hedge, in an amount of ¥ 824 billion at December 31, 2007 with maturities out to 2014. The nature and amount of each transaction are given in note 13-G of the notes to the consolidated financial statements, Section VI-1-(1).

Impact on net financial debt: As mentioned above, a portion of Renault financial debt is denominated in yen so as to cover part of the investment in Nissan. A 1% increase in the euro against the yen would reduce Automobile's net debt by €49 million.

Sales Financing

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

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

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

The foreign exchange position on December 31, 2007, was €2.3 million.

Interest-rate risk

Automobile

Interest rate risk can be assessed on the basis of debt and financial investments and the payment terms set out in the indenture (fixed or variable rate). Detailed information on these debts is given in note 24 of the notes to the Consolidated Financial Statements, Section VI-1-(1).

For Automobile, the interest rate risk management policy is based on two principles: long-term investments are financed at fixed interest rates while liquidity reserves are built up at floating rates. Further, yen-denominated financing to hedge Nissan's shareholders' equity is taken out at fixed rates for periods ranging from 1 month to 7 years.

Automobile's financial liabilities totaled €7,554 million on December 31, 2007. After stripping out derivatives, €4,996 million of that debt is yen-based (¥824billion), consisting either of yen-denominated paper (samurai bonds, EMTNs) or synthetic debt (euro loans swapped for yen).

As far as possible, Renault SA centralizes the free cash flow of Automobile, investing it exclusively in euro. Under its cash investment policy, Automobile held €3,697 million in cash and cash equivalents (mutual funds and other securities) at December 31, 2007. These assets meet strict investment safety standards (no equity risk during the investment period, zero foreign exchange risk and liquidity risk).

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

Sales Financing

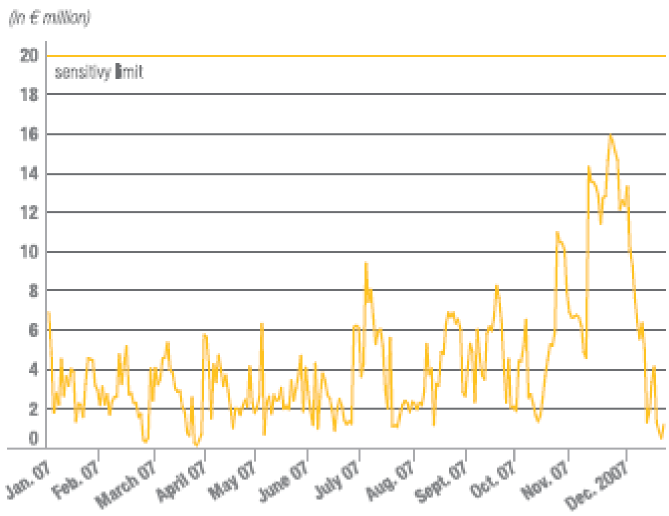
The Renault group's exposure to interest rate risk is concentrated mainly in the Sales Financing business of RCI Banque and its subsidiaries.

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

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

RCI Banque's consolidated exposure to interest rate risk over 2007 shows that sensitivity, i.e., the risk of a rise or fall in the Group's results caused by a 100-basis point rise or fall in interest rates, was limited.

RCI Banque: Daily sensitivity to interest rate movements (2007)



See note 25 of the notes to the consolidated financial statements for details of consolidated off-balance-sheet commitments in financial instruments and by type of activity.

Counterparty risk

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

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

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

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

Liquidity risk

The Group must always have sufficient financial resources not just to finance the day-to-day running of the business and the investments needed for future expansion but also to cope with any extraordinary events that may arise.

Group issuance programs and rating at December 31, 2007

Issuer	Program[1]	Market	Ceiling (million)	S & P	Moody's	Fitch	R & I	JCR
Renault SA	CP	Euro	EUR 1 500	A2	P2			
Renault SA	EMTN	Euro	EUR 7 000	BBB+	Baa1	BBB+		
Renault SA	Shelf documentation	Yen	JPY 150 000				A	A
RCI Banque	Euro CP	Euro	EUR 2,000	A2	P2	F2	a1	
RCI Banque	EMTN	Euro	EUR 12,000	A-	A3	A-	A	
RCI Banque	CD	French	EUR 4,000	A2	P2	F2		
RCI Banque	BMTN	French	EUR 2,000	A-	A3	A-		
Diac	CD	French	EUR 1,500	A2	P2	F2		
Diac	BMTN	French	EUR 1,500	A-	A3	A-		
RCI Banque + Overlease + Renault AutoFin (guarantee RCI)	CP	Belgian	EUR 500	A2	P2	F2		

(1) EMTN: Euro Medium Term Note – CP: Commercial Paper – CD: Certificate of Deposit – BMTN: Negotiable Medium Term Note.

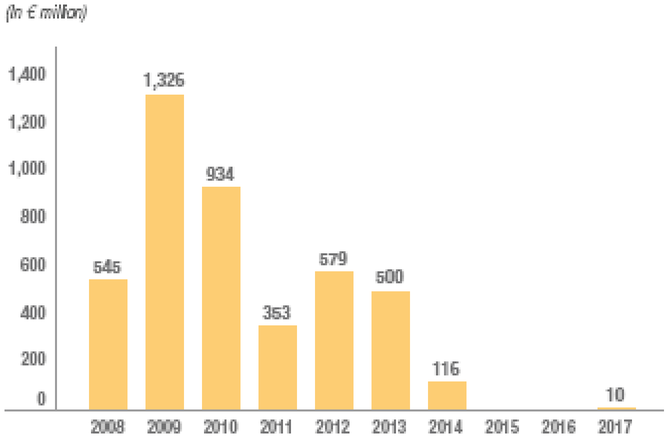
The RCI Banque group's programs concern two issuers (RCI Banque and Diac) for a combined total of more than €23.5 billion.

Automobile

Renault SA raises most of the refinancing for Automobile in the capital markets mainly through long-term financial instruments (bond issuance, private placement), thereby providing Automobile with a minimum level of cash reserves at all times.

To diversify its sources of long-term financing, Renault SA increased its presence in the domestic Japanese bond market by issuing six Samurai bonds since 2001 until December 31, 2007. On such date, the maturity schedule of these issues ranged from one to five years. Renault SA has specific simplified documentation for domestic Japanese issues (Shelf Registration Statement) with a maximum amount available of ¥150 billion until September 2009. Renault SA's EMTN program was updated in June 2007, retaining a maximum amount available of €7 billion.

Maturity schedule for Renault S.A. bonds and equivalent debt at December 31, 2007*(1)*



(1) Nominal amounts marked to market at December 31, 2007.

Furthermore, Renault SA benefits from confirmed renewable credit lines with banking institutions for a total amount of €4.5 billion with maturities extending to 2012. These credits are not intended to be a permanent and significant source of cash. They provide a liquidity reserve for Automobile and are also partly intended as back-up lines for the issuance of short-term commercial paper.

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

Sales Financing

RCI Banque maintains secure sources of funding at all times in order to maintain its business. To that end, the company has adopted stringent internal guidelines.

Available sureties of €7,778 million (€5,361 million of confirmed credit lines, stable compared to December 31, 2006; €2,417 million of cash and receivables encashable at the Central Bank) cover 1.7 times the total outstanding in commercial paper and certificates of deposit. The RCI Banque group thus has liquidity reserves of €3,077 million.

RCI Banque has also operated a securitization program since 2002 that enables the entire RCI Banque group to diversify its financial resources and broaden its investor base. In this program, the assets of French or foreign subsidiaries are transferred to local special-purpose vehicles (SPV) operating as Master Trusts. The entire pool of loans in a business segment meeting eligibility criteria is transferred on a continuous basis to the SPV. The portfolio is then partly financed by medium-term securities subscribed by investors in the European market. The difference between the transferred portfolio and the amount of the medium-term debt securities is financed by short-term private placement. In view of the characteristics of these transactions, and in accordance with the Group’s accounting rules, these securitized receivables are still recorded as assets in the consolidated balance sheet.

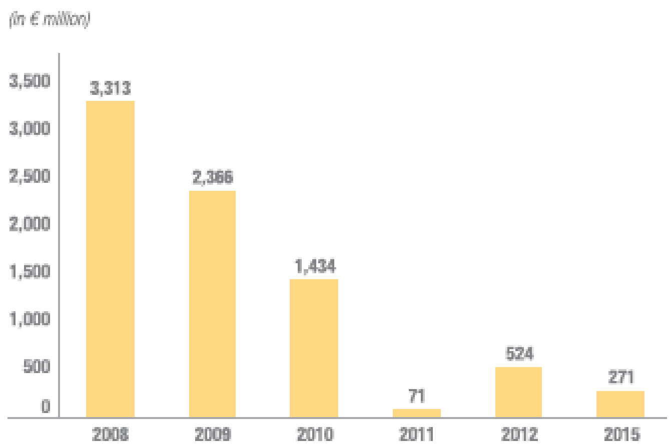
In early 2005 RCI Banque also securitized the dealership loans on the balance sheet of Cogera, the French subsidiary that handles financing for the Renault and Nissan dealership network. Although such transactions are used in the U.S. market, this one, worth €850 million, was a first in Europe, where no dealership loans had ever before been securitized with public issues of securities.

The first securitization program, carried out in 2002, involved €1.6 billion of consumer loans made by Diac, a French subsidiary of the RCI Banque group. That transaction was redeemed in 2006 and followed up with a re-issue in October in a portfolio of €2.4 billion that also included balloon contracts.

The customer-loan securitization program launched in Italy in 2003 has been fully redeemed, and the issue was re-opened in July 2007 for €850 million.

An issue planned in October 2007 by the German branch for outstanding customer loans has been restructured owing to deteriorating conditions on the credit market. A portfolio of €1.6 billion has been transferred and financed through a private placement.

Maturity schedule for RCI Banque bonds at December 31, 2007



Rating

Renault SA's ratings were confirmed in 2007 (Moody's Baa1, S&P Fitch BBB+ outlook stable).

RCI Banque SA, the Renault group's financial arm, is rated one notch above Renault SA by the three ratings agencies. This rating was maintained in 2007: S&P (A2; A- since 2005), Moody's (P2; A3 since 2004) and Fitch (F2; A- since 2006).

Commodity risk

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

In 2007 the neutralized commodity hedging positions for certain purchases of copper and aluminum were maintained through to expiry. In December a hedge was put in place as part of the 2008 budget for projected consumption of aluminum in 2008.

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

These transactions are authorized by senior management, with limits in terms of volume, maturity, and price thresholds. They are covered in monthly reports that detail hedge performance and the performance of hedged items. Commodity hedge decisions are made by an ad hoc steering committee, co-chaired by the Chief Financial Officer and the Executive Vice President, Purchasing, which meets quarterly.

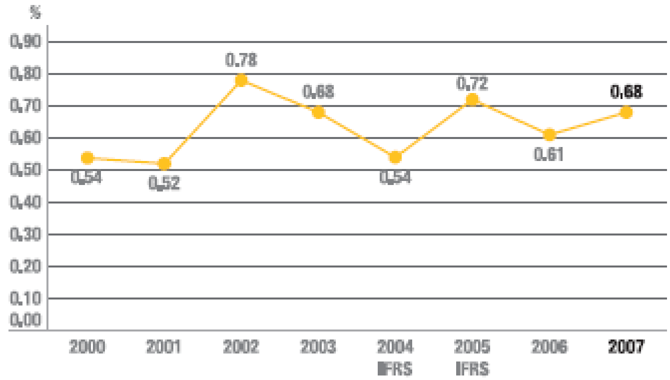
RCI BANQUE CUSTOMER AND NETWORK RISK

Risks linked to customer loan quality are assessed using a scoring system and monitored according to customer segment, i.e. consumer, enterprise or dealer.

The procedures for granting loans to individual and corporate customers are based on credit-scoring systems and searches of external databases. Disputes are managed on a case-by-case basis, in accordance with a strict set of procedures that comply with the regulatory requirements set down by banking supervisors. The aim of these procedures is to recover quickly the outstanding sums or the vehicles, either amicably or through the courts. The cost of retail risk in 2007 is 0.01 point below target (0.69%). The Group's target for the cost of retail risk in 2008 is 0.61% of outstandings.

Financing is granted to the network on the basis of an internal rating system that takes into account the financial position of dealers. A policy of standardizing the rules for network risk (notably as regards provisioning) has been in place for several years. This has made it possible to strengthen the monitoring and provisioning of risk. The cost of retail risk has taken account since 2002 of the new European regulation on car distribution as well as the downturn in the economic situation.

RCI Banque: total losses on customer financings (% of total average loans outstanding)



LEGAL RISK

DESCRIPTION OF THE INTERNAL CONTROL PROCESS

From the legal standpoint, internal control is based on two main guidelines:

- responsive reporting, which relies on the networking and meshing of the legal function within the Renault group via a dual system of line and staff reporting. Attorneys are selected on the basis of qualitative criteria and cost/delivery ratios. The enforcement of these selection criteria is reviewed annually;

- the precautionary principle, which stems from two factors:

  - each member of the legal function has a highly developed sense of responsibility and is used to working on a collaborative, cross-functional and ethical basis at all times,

  - legal teams are brought in at a very early stage for major cases and play a proactive role in solving subsequent disputes.

GRANTING OF LICENSES IN RESPECT OF INDUSTRIAL PROPERTY RIGHTS

The Group may use patents held by third parties under licensing agreements negotiated with such parties.

Each year, Renault s.a.s. files several hundred patents (see III-6. “Research and Development Activities”), some of which are included in fee-paying licenses granted to third parties.

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

Furthermore, under an agreement signed on August 5, 2000 Samsung granted Renault Samsung Motors a worldwide non-exclusive license to use the Samsung brand name on the vehicles that it assembles and manufactures in South Korea. This license initially runs until 2010, but may be renewed by an amendment.

On September 14, 2004 the European Commission issued recommendations for amending Directive 98/71 concerning the protection of designs and models. These recommendations call for the abrogation of protection of spare parts under design law. This proposal has been approved by the European Parliament with an amendment providing for a five-year transition period, and it must now be discussed by the European Council of Ministers. The sale of copies of spare parts after this date could have a negative impact on the earnings of the Group, which currently generates around 1.5% of its revenues from the sale of so-called captive parts, which are protected under design law.

OTHER RISKS

OFF-BALANCE-SHEET COMMITMENTS

The main commitments concern guarantees and endorsements granted by the Group in the normal course of business, as well as savings plans in Argentina. Off-balance-sheet commitments are discussed in note 29 of the notes to the Consolidated Financial Statement, VI-1-(1). To the knowledge of senior management, no material off-balance-sheet commitments have been omitted.

RISKS LINKED TO PENSION COMMITMENTS

Renault operates in countries where, in general, pension systems are publicly run.

Renault’s commitments in this respect consist primarily of retirement compensation, as specified in note 20 of the notes to the Consolidated Financial Statements, VI-1-(1). These commitments may be sensitive to changes in the parameters used to calculate them (funding, labor factors, interest rates).

TAX AND CUSTOMS RISKS

The Group is regularly subject to tax inspections in France and in the countries in which it carries on its business. Valid demands for tax arrears are booked via provisions. Disputed demands are taken into account on a case-by-case basis according to estimates that build in the risk that the disputed demands may not be overturned even though the Group’s actions and appeals are well-founded.

DISPUTES

In general, all known legal disputes in which Renault or Group companies are involved are examined at year-end. After seeking the opinion of the appropriate advisors, the Group sets up the provisions deemed necessary to cover the estimated risk.

In the normal course of its business, the Group is involved in various legal proceedings connected with the use of its products. At present, Renault estimates that none of these actions is likely to materially affect its assets, financial position, activities or earnings.

5. IMPORTANT CONTRACTS RELATING TO MANAGEMENT, ETC.:

Not applicable

6. RESEARCH AND DEVELOPMENT ACTIVITIES

The Automobile activity invests heavily in research and development to renew and broaden the range and provide the high standards of service expected by customers.

R&D spending also addresses the challenges facing the automotive industry, notably with regard to the road safety and environmental issues to which Renault is deeply committed.

Research and development expenditure*

Under IFRS	**2007**	**2006****	**2005**	**2004**
R&D expenses (EUR million)	2,462	2,400	2,264	1,961
Group revenues (EUR million)	40,682	39,969	41,338	40,292
R&D spend ratio	6.1%	6.0%	5.50%	4.90%
R&D headcount, Renault group	16,219	15,658	12,939	12,352
Renault group patents	998	933	895	765

** All R&D expenditure is incurred by the Automobile.*
*** 2007 scope*

Renault's R&D projects culminate in the launch of new products, ranging from complete vehicles to powertrain subsystems.

The year 2007 marked a key stage in the product offensive of Renault Commitment 2009, with a number of revelations: Logan MCV, Logan Van, New Twingo, New Laguna and Laguna Estate, New Kangoo, Sandero, Logan Pick-up, Clio Estate and Grand Modus.

New Laguna applies the results of R&D studies in a number of areas, including weight control, since it is the first vehicle to be lighter than its predecessor (by 15 kg), while bringing users a wider range of features. The excellent acoustics are another noteworthy point, since New Laguna has been homologated at 71 db. The sound interfaces of Laguna were also designed to combine safety and onboard comfort.

The new 4WD Active Drive system was first unveiled on Laguna Coupé Concept. This technology, developed jointly by Renault and Renault Sport Technologies, makes for easier handling while improving performance and steering.

The V9X concept engine, presented at the Frankfurt Motor Show, is a new V6 diesel developed as part of the Renault-Nissan Alliance. Among other aims, it is designed to become the new benchmark in acoustic performance.

At the Michelin Challenge Bibendum, Renault presented Logan "Renault eco^2" Concept, which shows that it is possible to combine ecology and economy while maintaining performance and function.

At the conferences organized by the Automotive Circle International in Germany, Laguna took second prize in Eurocarbody 2007 for painted body quality, behind the Fiat 500 and ahead of the Mercedes C-Class. After a first place for Modus and a third place for Scénic II, this is the third time that Renault has won a Eurocarbody award.

7. ANALYSIS OF FINANCIAL CONDITION AND OPERATING RESULTS

Group revenues totaled € 40,682 million at 1.8% increase in 2006, on a consistent basis[8].

Operating margin was €1,354 million, or 3.3% of revenues, in 2007 compared with €1,063 million and 2.6% in 2006.

Automobile contributed €882 million in 2007, or 2.3% of revenues, compared with 1.5% in 2006. That improvement, in the face of increasingly unfavorable exchange rates, can be attributed chiefly to growth outside Europe and cost-cutting efforts, mainly in purchasing (despite the increase in raw materials prices), but also on manufacturing costs and administrative expenses.

Sales Financing (RCI Banque) contributed €472 million to operating margin, or 23.6% of revenues (€492 million, or 25.6% in 2006).

Renault earned €1,675 million from its share in associated companies - chiefly Nissan and AB Volvo - taking net income to €2,734 million.

The net financial debt of Automobile decreased €326 million to €2,088 million at December 31, 2007, compared with €2,414 million at December 31, 2006. The ratio of net financial debt to Group shareholders' equity stood at 9.5% at end-December 2007, down from 11.5% at end-December 2006.

Automobile generated €961 million of free cash flow[9] in 2007.

CONSOLIDATED INCOME STATEMENTS

Group revenues came to €40,682 million, up 1.8% on 2006, on a consistent basis.

Contributions to Group revenues

EUR million	2007 reported			2006 restated for 2007 scope and methods (1)			Change 2007 / 2006			2006 reported
	H1	H2	Year	H1	H2	Year	H1	H2	Year	Year
Automobile	19,567	19,112	38,679	19,871	18,187	38,058	-1.5%	+5.1%	+1.6%	39,605
Sales Financing	995	1,008	2,003	985	926	1,911	+1.0%	+8.9%	+4.8%	1,923
Total	20,562	20,120	40,682	20,856	19,113	39,969	-1.4%	+5.3%	+1.8%	41,528

(1) The changes in accounting methods chiefly concern operations related to contracts with subcontractors and sales of parts under warranty to customers, previously recorded as revenue.

The contribution from **Sales Financing** (RCI Banque) to revenues was €2,003 million, up 4.8% on 2006, on the higher average interest rate on the customer loan portfolio.

The contribution from **Automobile** was €38,679 million, up 1.6% on a consistent basis.

Several trends were at work:

- The revenue contribution from the France and Europe Regions fell 2.6% in a fiercely competitive market. Sales growth was positive in the second half, quickening in the final quarter with the

8 The changes in accounting methods chiefly concern operations related to contracts with subcontractors and sales of parts under warranty to customers, previously recorded as revenue.

9 Free cash flow: self-financing capacity less property, plant, equipment and intangibles net of sales, including the variation in working capital requirements.

launch of new products.

- All the other Regions made a positive contribution to revenues in 2007 on strong sales growth, especially in the Americas and Euromed Regions, where the product mix improved. The total contribution of Euromed, Americas and Asia-Africa improved 3.1% on 2006.

The increase in revenues can also be attributed to higher sales of powertrains and vehicles to partners, which made a positive contribution of 1.2 point.

Divisional contribution to Group operating margin

EUR million	H1 2007	H2 2007	Year 2007	Year 2006	Change
Automobile	455	427	882	571	+311
% of revenues	*2.3%*	*2.2%*	*2.3%*	*1.5%*	
Sales Financing	267	205	472	492	-20
% of revenues	*26.8%*	*20.3%*	*23.6%*	*25.7%*	
Total	**722**	**632**	**1,354**	**1,063**	**+291**
% of revenues	*3.5%*	*3.1%*	*3.3%*	*2.6%*	

Group operating margin in 2007 totaled €1,354 million in 2007, or 3.3% of revenues, compared with €1,063 million and 2.6% in 2006.

Sales Financing contributed €472 million to Group operating margin, or 23.6% of its revenues, versus €492 million and 25.7% in 2006. That slight contraction can be explained by a decline in sales financing business, due to the decrease in commercial activity in Automobile in 2006 and first-half 2007.

Amid adverse economic conditions in 2007, with a negative currency impact of €154 million and raw materials costs up by €270 million, Automobile's contribution to operating margin increased 54.5% to €882 million, or 2.3% of revenues, owing chiefly to:

- growth in international sales, with the three non-European regions generating positive operating margin;

- the steady performance of the commercial vehicle line-up in Europe;

- continued cost-cutting efforts:

  - purchasing costs fell by €660 million, excluding the impact of raw materials;

  - manufacturing and logistics costs improved by €137 million;

  - G&A declined 2%, by €44 million;

  - special product-recall and warranty extension operations were carried out with a view to preserving the Group's brand image; these resulted in a €152 million increase in warranty-related costs.

The product development cycle was the reason for a €196 million increase in capitalized R&D expenses in 2007.

Renault group – R&D expenses*

EUR million	H1 2007	H2 2007	Year 2007	Year 2006
R&D expenses	1,222	1,240	2,462	2,400
% of revenues	*5.9%*	*6.2%*	*6.1%*	*6.0%*
Capitalized development expenses	(666)	(621)	(1,287)	(1,091)
% of R&D expenses	*54.5%*	*50.1%*	*52.3%*	*45.5%*
Amortization	351	324	675	654
R&D expenses recorded in the income statement	**907**	**943**	**1,850**	**1,963**

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

Research and Development expenses amounted to €2,462 million in 2007, of which €1,287 million, or 52.3% of the total, were capitalized, compared with 45.5% in 2006. This amount reflects the ongoing development and renewal of the vehicle and powertrain range under Renault Commitment 2009.

Overall, R&D expenses recorded in the income statement amounted to €1,850 million, or 4.5% of Renault Group revenues, compared with €1,963 million in 2006, or 4.9% restated.

Other operating income and expenses showed a net charge of €116 million in 2007, compared with a net charge of €186 million in 2006.

In 2007 this item essentially comprised:

- €143 million in restructuring and workforce adjustment costs and provisions, compared with €241 million in 2006;

- capital gains amounting to €86 million, compared with €109 million in 2006, on the sale of land, mainly in France and Spain.

After recognizing this item, Group operating income came out at €1,238 million, versus €877 million in 2006.

Net financial income/expense showed income of €76 million in 2007, €15 million higher than in 2006. Excluding the exceptional €135 million profit on the sale of Scania securities in 2006, financial income improved by €150 million. That increase can be attributed chiefly to:

- The lower cost of borrowing in Automobile. Through sound management of its financial assets and liabilities, Automobile continues to optimize the cost of its debt, despite a slight increase in average borrowings over the period.

- Income of €53 million related to the positive impact of the fair value change in Renault SA redeemable shares at closing market price compared with a charge of €31 million in 2006.

In 2007 Renault booked a profit of €1,675 million from its share in the net income of associated companies:

- €1,288 million from Nissan,

- €352 million from AB Volvo.

Current and deferred taxes amounted to a net charge of €255 million (equivalent to 2006). The effective tax rate (before the impact of income from associated companies) was 19% in 2007, compared with 27% in 2006. The lower rate was due to the refund of a tax credit in Italy and the continued improvement in the profit outlook for Renault do Brasil and Renault Argentina, which made it possible to recognize some of the deferred tax assets arising on loss carryforwards in those countries.

Net income was €2,734 million, compared with €2,960 million in 2006. After neutralizing Renault shares held by Nissan and treasury stock, earnings per share came to €10.32, compared with €11.23 in 2006.

INVESTMENTS AND FUTURE-RELATED COSTS

Net capital expenditure by Automobile came to €3,565 million in 2007 (including €1,287 million in capitalized R&D expenses) compared with €3,585 million in 2006 (including €1,091 million in capitalized R&D expenses).

Tangible and intangible investments net of disposals, by division

EUR million	**2007**	**2006**
Tangible investments	3,160	3,340
Intangible investments	1,347	1,129
- o/w capitalized R&D	*1,287*	*1,091*
- o/w other intangible investments	*60*	*38*
Total acquisitions	4,507	4,469
Disposal gains	(942)	(884)
Total Automobile	**3,565**	**3,585**
Total Sales Financing	**(7)**	**(93)**
Total Group	3,558	3,492

In 2007 capital expenditure of Automobile was directed primarily at renewing products and components and upgrading facilities:

- In Europe, range-related investments accounted for 69% of total gross outlays. Funds were allocated chiefly to the New Laguna, New Kangoo and the next Mégane.

- Outside Europe, investments accounted for 33% of total gross spend, and were allocated primarily to Romania, Korea, Turkey and Mercosur to extend the range and increase production capacity.

The main non product-related investments were in quality, working conditions and the environment, as in 2006.

Renault group – Future-related costs

EUR million	2007	2006*
Capital expenditure, net of disposals	3,558	3,492
Capitalized development expenses	(1,287)	(1,091)
Leased vehicles (net of disposals)	(95)	(181)
Net industrial and commercial investments (1)	2,176	2,220
% of revenues	*5.3%*	*5.5%*
R&D expenses (2)	2,462	2,400
% of revenues	*6.1%*	*6.0%*
Future-related costs (1)+(2)	4,638	4,620
% of revenues	*11.4%*	*11.5%*

** restated revenues taken into account.*

AUTOMOBILE DEBT

Net financial debt of Automobile was €2,088 million at December 31, 2007, or 9.5% of shareholders' equity (compared with 11.5% of shareholders' equity at December 31, 2006).

The €326 million reduction in net debt was due to the following factors:

- cash flow of €4,552 million, an increase of €1,289 million on a consistent basis compared with 2006. That improvement was attributable to an increase in operating margin and dividends from associated companies, of which:

  - €456 million from Nissan,
  - €477 million from AB Volvo;

- sound management of net capital expenditure, which remained stable in 2007, at €3,565 million (after €3,585 million in 2006);

- virtual stability of the working capital requirement at end-December 2007.

Automobile generated €961 million in free cash flow. The dividend payout was €913 million, compared with €681 million in 2006, including €863 million paid by Renault SA.

Automobile's net financial debt also improved as a result of translation gains, including €233 million in connection with yen-denominated debt.

Automobile – Net financial debt

EUR million	**December 31, 2007**	**December 31, 2006**
Non-current financial liabilities	5,141	5,159
Current financial liabilities	2,413	4,423
Non-current financial assets – other securities, loans and derivatives on financing operations	(585)	(527)
Current financial assets	(1,184)	(1,678)
Cash and cash equivalents	(3,697)	(4,963)
Net financial debt	**2,088**	**2,414**

SHAREHOLDERS' EQUITY

At December 31, 2007, **shareholders' equity** had increased by €998 million to €22,069 million, compared with a restated amount of €21,071 million at December 31, 2006.

The main reasons for the increase are recognition of €2,734 million in net income for 2007, minus:

- an €803 million dividend payout by Renault, or €3.10 per share for 2006, adjusted for Renault's equity interest in Nissan and treasury stock;

- a €738 million decline in translation adjustments, mainly including the indirect impact of the change in Nissan shareholders' equity, net of yen hedging;

- a €126 million increase in treasury stock compared with December 31, 2006 as a result of share buybacks in second-half 2007 to cover dilution related to the exercise of options granted to employees;

- a €37 million decrease in the financial instrument revaluation reserve (cash flow hedges and available-for-sale financial instruments).

IV. STATEMENTS OF FACILITIES

1. OUTLINE OF CAPITAL INVESTMENT, ETC.

Please see Section III-7. ANALYSIS OF FINANCIAL CONDITION AND OPERATING RESULTS, “Future-related costs”.

2. STATEMENT OF PRINCIPAL FACILITIES

As of December 31, 2007, Renault Group has over 30 manufacturing sites worldwide of which 15 are in France. The remaining facilities are located principally in Argentina, Chile, Korea, Brazil, Turkey, Morocco, Slovenia, Spain, Portugal and Romania.

The following table sets forth information as of December 31, 2007 with respect to Renault’s principal facilities (facilities which have a production capacity of more 100,000 vehicles per year) and other facilities, all of which belong to the Automobile Division (manufacturing passenger cars and light commercial vehicles) and owned by Renault or its subsidiaries.

Facilities or Subsidiaries Names	Locations	Principal Products
SNC DOUAI	France, Douai	Mégane II (hatch, coupe-cabriolet), Scénic II (five-and seven-seater)
SNC FLINS	France, Flins	Clio III, Twingo
SNC Sandouville	France, Sandouville	Laguna II (hatchback, station wagon), Vel Satis, Espace IV
Maubeuge Construction Automobile	France, Maubeuge	Kangoo, Kangoo Express(1), Kangoo Generation 2006
SOVAB	France, Batilly	Master II(2), Mascott II(3)
Dieppe	France, Dieppe	Clio III Renault Sport, Mégane II Renault Sport (hatch, coupe)
SNC CLEON Mécanical components	France, Cléon	Engines, transmissions
ACI	France, Le Mans	Front and rear axles, subframes, bottom arms, pedal assemblies
Choisy-le-Roy	France, Choisy-le-Roy	European center for reconditioned powertrain components (engine, transmissions, injection pumps, nozzle holders, sub-assemblies), new engines and powertrain components, Twingo rear axles
Grand-Courrone	France, Grand-Couronne	Shipment of CKD kits
RESA	Spain, Valladolid	Clio III, Modus, engines

Facilities or Subsidiaries Names	Locations	Principal Products
RESA	Spain, Palencia	Mégane II
RESA	Spain, Seville	Transmissions
Renault Portuguesa	Portugal, Cacia	Transmissions, powertrain components
REVOZ	Slovenia, Novo Mesto	Clio II
SOMACA	Morocco, Casablanca	Logan (Dacia), Kangoo, Kangoo Generation 2006
Dacia	Romania, Pitesti	1300 range, Logan, Logan Van, Logan station wagon, engines and transmissions
Avtoframos	Russia, Moscow	Logan (Renault)
OYAK Renault	Turkey, Bursa	Mégane II (four-door sedan), Clio II sedan, Clio III, engines, transmissions
Renault Samsung Motors	Korea, Busan	Engines, SM7, SM5, SM3
RASA	Argentina, Cordoba	Clio II, Clio II sedan, Mégane I (hatch, sedan), Kangoo, Kangoo Express
Renault Do Brasil	Brazil, Curitiba	Scénic I, Clio II, Clio II sedan, Mégane II (hatch), Master II(4), Logan (Renault), engines
Cormecanica	Chile, Los Andes	Transmissions, powertrain components
SOFASA	Colombia, Envigado	Clio II, Logan (Renault), Mégane I, Twingo
Teheran	Iran, Teheran	Logan (Renault) (5),

(1) Maubeuge also produces Kangoo vehicles for Nissan, sold under the Kubistar name (Nissan brand).
(2) Batilly also manufactures Master vehicles for General Motors Europe and Nissan. They are sold under the Movano name for the Opel and Vauxhall brands, and Interstar for the Nissan brand.
(3) Mascott has been distributed by Renault Trucks (formerly Renault V.I.) since 1999, and by Renault since January 1, 2003 under the name Master RWD.
(4) The LCV plant in Curitiba also manufactures Nissan's Xterra and Frontier pickup.
(5) In partnership with the Iranian companies Pars Khodro and Iran Khodro.

Our various production plants, both in France and abroad, receive ISO 14001 certification. Renault in association with the World Bank, has undertaken research projects in transport organisation and energy utilisation in developing nations.

3. PLAN FOR CONSTRUCTION, REMOVAL, ETC. OF FACILITIES

Please refer to paragraph (a), (c), (d) of II.-3.-(1)-C. “To accelerate the pace of international expansion.”

V. STATEMENTS OF THE COMPANY

1. STATEMENTS OF SHARES, ETC.

(1) AGGREGATE NUMBER OF SHARES, ETC.

(i) Aggregate Number of Shares

As of December 31, 2007

Number of Shares Authorized to be Issued	Aggregate Number of Issued Shares	Number of Unissued Shares
Not applicable	284,937,118 shares	Not applicable

(Note) In France, there is no concept of authorized shares having the same meaning as used in Japan. However, the general meeting of shareholders may authorize the Board of Directors to decide the issue amount and the period with respect to the issuance of shares or equity securities within a limited scope.

(2) In December 2007, the board has awarded 2,080,000 stock options to a part of the employees exercisable from December 2011 until December 2015 and representing a total number of 2,080,000 new shares if exercised. In December 2007, the board also awarded 797,787 stock options under Options Commitment 2009 to a part of the employees exercisable from December 2011 until December 2015 and representing a total number of 797,787 new shares if exercised, and awarded 132,166 stock options under Action Commitment 2009 to a part of the employees exercisable from December 2011 and representing 132,166 new shares if exercised.

(ii) Issued Shares

Bearer or Register, Par-value or Non-par-value	Type	Number of Issued Shares	Name of Listing Stock Exchange or Registered Securities Dealers' Association
Register, par-value EUR 3.81	Ordinary shares	Shares 284,937,118	Euronext Paris
Total	–	284,937,118	–

(Note) In October 1983 and October 1984, Renault has issued a total of 2 million redeemable shares, with a par value of FRF 1,000/EUR 152.45 in two offers: 1,000,000 in October 1983 and 1,000,000 in October 1984. Renault redeemable shares are listed on Euronext Paris under ISIN Code FR0000140014). Between March and April 2004 Renault made a public buyback offer for its redeemable shares at EUR 450 per share. In all, 1,202,341 shares, or 60.12% of the total, were bought back and cancelled. The number of redeemable shares outstanding after the buyback was 797,659. At December 31, 2007 a total of 797,659 redeemable shares issued by Renault were outstanding. The interest on redeemable shares, paid on October 24, 2007 in respect of 2006, was EUR 20.77 per share (EUR 10.29 for the fixed portion, EUR 10.48 for the variable portion). The interest on redeemable shares for 2007, payable on October 24, 2008, will be EUR 20.96 per share, breaking down as EUR 10.29 for the fixed portion, EUR 10.67 for the variable portion (based on consolidated revenues of EUR 40,682 million for 2007 and 39,969 million for 2006 on a consistent basis).

(2) DEVELOPMENT OF AGGREGATE NUMBER OF ISSUED SHARES AND CAPITAL

Date	Aggregate Number of Issued Shares(*)		Capital	
	Number of Increase/ Decrease	Outstanding	Amount of Increase/ Decrease	Outstanding
January 1, 2001 (1)		239,798,567		EUR 913,632,540.27 (JPY 147,423,746,698)
December 18, 2001 (2)	2,397,983	242,196,550	EUR 9,136,315.23 (JPY 1,474,235,826)	EUR 922,768,855.50 (JPY 148,897,982,523)
March 29, 2002 (3)	37,799,462	279,996,012	EUR 144,015,950.22 (JPY 23,238,413,727)	EUR 1,066,784,805.72 (JPY 172,136,396,251)
May 28, 2002 (4)	4,941,106	284,937,118	EUR 18,825,613.86 (JPY 3,037,701,052)	EUR 1,085,610,419.58 (JPY 175,174,097,303)

Note: No changes in share capital in FY 2000, 2003, 2004, 2005, 2006 and 2007.

(*) Par value: EUR 3.81
(1) Conversion of the share capital to euro.
(2) Capital increase reserved for employees: 2,397,983 shares issued at EUR 3.81 (nominal value).
(3) Capital increase reserved for Nissan Finance Co., Ltd.: 37,799,462 shares issued at EUR 50.39 (nominal value: EUR 3.81).
(4) Capital increase reserved for Nissan Finance Co., Ltd.: 4,941,106 shares issued at EUR 52.91 (nominal value: EUR 3.81).

Pursuant to Article L. 225-178 of the Commercial Code, the Board of Directors, at its meeting on February 12, 2008, noted the capital increase resulting from the creation of 11,000 new shares after the early exercise of 11,000 stock options during FY 2007. The Board of Directors then cancelled 11,000 treasury shares which were no longer allotted to a specific allocation and reduced the share capital accordingly. Following these two transactions, the share capital and the number of shares remained unchanged and the articles of incorporation were not amended.

(3) DISTRIBUTION OF SHARES BY TYPE OF SHAREHOLDERS:

French State

The French State's holding was unchanged at 15.01 %

Nissan Finance Co., Ltd.

The Nissan group, through its wholly-owned subsidiary Nissan Finance Co., Ltd, holds 15% of Renault’s capital, the same percentage as at December 31, 2006. Nissan Finance Co., Ltd. is not entitled to exercise the voting rights attached to these shares, owing to Renault’s ownership interest in Nissan.

Employees

Current and former Renault employees hold 3.11% of the capital in the form of shares managed through collective investment schemes.

Treasury stock

The percentage of treasury stock contracted by 0.05 of a percentage point to 2.65% following the exercise of options granted under the first plans between 1996 and 2003, despite the acquisition of shares to cover stock option programs. These shares do not carry voting rights.

General Public

In view of these changes, the free float is now 64.23% of the capital compared with 63.79% at December 31, 2006.

A survey of the holders of Renault bearer shares was carried out on September 30, 2007 to obtain an estimated breakdown of the public's ownership interest. At that date, French and foreign institutions held approximately 60.1% of the capital, with French institutions holding 13.9% and foreign institutions 46.2%. The 10 largest French and foreign institutional investors held approximately 29% of the capital. Individual shareholders were estimated to own around 4.5% of the capital.

Share buyback

Pursuant to Article L. 225-209 of the Commercial Code and to the description of the buyback program filed at the AMF in April 20, 2007, the tenth resolution of the Combined General Meeting of May 2, 2007 authorized the Company to deal in its own stock in order to make use of the possibilities allowed by law for trading in own shares.

The company began to implement the buyback program in September 2007 by acquiring 2,136,650 shares. It purchased a further 1,618,000 shares in January 2008.

These shares were allocated to the option plans in order to offset the dilution caused by the exercise of stock options granted to employees and managers.

As at December 31, 2007 the company held 7,555,139 in treasury.

Pursuant to Article L.225-209 of the Commercial Code, a special report informed the General Meeting of Shareholders on completion of the share purchases that it has authorized. This special report is included in the description of the new buyback program, details of which have been submitted to the General Meeting of Shareholders on April 29, 2008, in compliance with Articles 241-1 to 242-7 of the General Regulation of the Autorité des Marchés Financiers. This information is posted online at www.renault.com > Finance > Regulated Information, as well as on the AMF website: www.amf-france.org.

(4) DESCRIPTION OF PRINCIPAL SHAREHOLDERS:

Ownership of shares and voting rights

As of December 31, 2007

Name or Corporate Name	Address	Number of Shares Held	Percentage to the Aggregate Number of Issued Shares (%)	Voting Rights (%)
French State	France	42,759,571	15.01	18.22
Nissan Finance Co., Ltd.		42,740,568	15.00	-
Employees (1)		8,873,624	3.11	3.78
Treasury stock		7,555,139	2.65	-
Public		183,008,216	64.23	77.99
Total	–	284,937,118	100	100

(1) The employee-owned shares (present and former employees) counted in this category are those held in company savings schemes.

2. POLICY OF PAYMENT OF DIVIDENDS:

Appropriation of net income

Net income is appropriated in compliance with existing legislation.

Distributable income consists of the current year's income, less previous losses and amounts transferred to the legal reserves, plus retained earnings brought forward from previous years. Upon recommendation by the Board of Directors, the General Meeting may then determine portions of this income to be allocated to optional ordinary and special reserves or to be carried over. The balance, if any, is divided among the shares in proportion to their paid-up and unamortized value.

In accordance with legal provisions, the General Meeting has the authority to offer shareholders the option of receiving all or part of the dividend payout in cash or in shares. Requests for the payment of scrip dividends must be submitted within the time period established by the General Meeting, without exceeding three months from the date of the Meeting. The Board of Directors may choose to suspend this period for up to three months if the share capital is increased.

3. DEVELOPMENT OF STOCK PRICE:

The following figures are based on the stock price of Renault shares on Euronext Paris.

(1) Average Highest and Lowest Price of Shares for the Recent Five Business Years:

(Euros per share)

Calendar year	2003	2004	2005	2006	2007
Date of Settlement of Accounts	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007
Highest Price (JPY)	60.30 (9,730)	70.40 (11,360)	82.45 (13,304)	99.40 (16,039)	121.80 (19,654)
Lowest Price (JPY)	29.51 (4,762)	51.71 (8,344)	61.30 (9,891)	68.90 (11,118)	84.30 (13,603)

(2) Highest and Lowest Price of Shares for the Latest Six Months in this Business Year (at the closing):

(Euros per share)

Month	July 2007	August 2007	September 2007	October 2007	November 2007	December 2007
Highest Price (JPY)	121.38 (19,586)	105.11 (16,961)	101.77 (16,422)	115.90 (18,702)	112.47 (18,148)	103.63 (16,722)

Month	July 2007	August 2007	September 2007	October 2007	November 2007	December 2007
Lowest Price (JPY)	102.30 (16,507)	91.20 (14,716)	89.37 (14,421.)	104.15 (16,806)	90.94 (14,674)	93.79 (15,134)

4. STATEMENT OF OFFICERS:

This section describes the management and administration methods used by Renault SA, a public listed company and parent of the Renault group. The methods also apply to Renault s.a.s., the lead holding company for Renault's automotive and financial businesses. Further to the Alliance with Nissan, the senior management of Renault s.a.s. has transferred some of its powers to the Alliance Board, without prejudice to the powers of the Board of Directors and the shareholders. This Alliance-specific management method is described in II-3.

Renault has carefully and continually analyzed the best corporate governance practices described in the AFEP/MEDEF report, making every effort to incorporate the report's recommendations into its internal regulations.

The internal regulations define the role of the Board of Directors, who together represent the company's shareholders.

The internal regulations are accompanied by a charter that establishes the rights and duties of members of the Board of Directors.

(1) BOARD OF DIRECTORS

At June 16, 2008, the company was administered by a Board of Directors composed of 18 members:

- fourteen directors appointed by the Annual General Meeting of Shareholders;
- three directors elected by employees;
- one director elected by the Annual General Meeting of Shareholders on the recommendation of employee shareholders.

The term of office of directors elected by the AGM with effect from 2002 is four years. The employee-elected directors and the director appointed by the AGM on the recommendation of employee shareholders serve a six-year term.

The Board of Directors appoints one of its members as Chairman. The Chairman, who must be a natural person, can be re-elected.

(As of June 16, 2008)

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
Louis Schweitzer July 8, 1942, Age 65	Chairman of the Board	283,845 shares and 5,115 ESOP units	First appointed in May 1992 and the current term expires in 2009 Chairman of the Appointments and Governance Committee Current offices and functions in other companies:

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			France: Chairman of the Supervisory Board: Le Monde Chairman: Haute Autorité de Lutte contre les Discriminations et pour l'Egalité (HALDE) Director: BNP Paribas, Electricité de France, L'Oréal, Veolia Environnement Chairman of the Board: Festival d'Avignon, Société des Amis du Musée du Quai Branly, Cercle de l'Orchestre de Paris Member of the Board of public-interst institutions or associations: Fondation Nationale des Sciences Politiques, Institut Français des Relations Internationales, Musée du Louvre, Musée du Quai Branly *Abroad*: Chairman of the Board: AstraZeneca Director: AB Volvo Vice-Chairman of the Supervisory Board: Philips Offices or functions in the past five years no longer held: Director: Cie Financière Renault, RCI Banque, Chairman of the Supervisory Board, Renault-Nissan b.v. Chairman: MEDEF International.
Carlos Ghosn March 9, 1954, Age 54	President and CEO	205,200 shares	First appointed in April 2002 and the current term expires in 2010 Current offices and functions in other companies: *Abroad:* Director: Alcoa President and Chief Executive Officer, Nissan Motor Co., Ltd. Chairman of the Alliance Board: Renault-Nissan b.v. Offices or functions in the past five years no longer held: Chairman of Nissan, Vice-Chairman of Nissan's Board Director: Sony, IBM
Yves Audvard February 10, 1953, Age 55	Director	6 shares and 123 ESOP units	First appointed in November 2002 and the current term expires in November 2008 Member of the International Strategy Committee

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			Renault Advanced Process Design Engineer *Director elected by employees*
Michel Barbier November 24, 1955, Age 52	Director	6 shares and 249 ESOP units	First appointed in November 2002 and the current term expires in November 2008 Member of the International Strategy Committee Renault Working Conditions Technician *Director elected by employees*
Catherine Bréchignac[10] June 12, 1946 Age 62	Director	(a)	First appointed in 2006 and the current term expires in 2012 President of the CNRS (National Center for Scientific Research) Member of the International Strategy Committee <u>Current offices and functions in other companies:</u> Member of the Institut de France Chair of the Board of Directors of the Palais de la Découverte President-elect of the ICSU Member of Académie des Technologies <u>Offices or functions in the past five years no longer held:</u> President of the Institut Optique (Optical Institute) Member of the Conseil Scientifique de l'Association Franco-Israélienne pour la Recherche Scientifique et Technologie (Scientific Council of the Franco-Israeli Association for Scientific Research and Technology, AFIRST) Member of the Conseil Scientifique (Scientific Board) of the Cité des Sciences et de l'Industrie Member of the "Identification Committee" for the European Research Council Distinguished Visiting Scholar Professorship at Georgia-Tech University
Alain Champigneux January 1, 1954, Age 54	Director	694 ESOP units	First appointed in November 2002 and the current term expires in November 2008 Member of the Accounts and Audit Committee Renault Quality Document Manager

[10] Renewed by the Shareholders general meeting of April 29, 2008 for a period of 4 years

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			Director elected by employees
Jean-Pierre Garnier* October 31, 1947, Age 60	Director	0 shares [11]	First appointed in April 2008 and the current term expires in 2012 Chairman of GlaxoSmithKline p.l.c Current offices and functions in other companies: *France:* Director: Biotechnology Industry Organization, SmithKline Beecham p.l.c, Eisenhower Exchange Fellowship Offices or functions in the past five years no longer held: President and CEO of Smith Beecham p.l.c Director: Smithkline Beecham p.l.c
Charles de Croisset*[12] September 28, 1943, Age 64	Director	1,000 shares	First appointed in April 2004 and the current term expires in 2012 Member of the Accounts and Audit Committee International Advisor, Goldman Sachs International Current offices and functions in other companies: *France:* Chairman of the Fondation du Patrimoine Director: Bouygues, Thalès Member of the Supervisory Board: Euler & Hermès, Non-voting director: Galeries Lafayette Offices or functions in the past five years no longer held: Chairman and CEO, CCF, Chairman of the Supervisory Committee, Nobel, Executive Director: HSBC Holdings plc Director: HSBC Bank plc, HSBC CCF Asset Management Group Board member: HSBC Guyerzeller Bank SA, HSBC Private Holding SA (Switzerland) Permanent representative of SRRE Luxembourg (HSBC group): Somarel
Itaru Koeda August 25, 1941, Age 66	Director	500 shares	First appointed in July 2003 and the current term expires in 2009 Co-Chairman of the Board of Directors and

[11] A new Director has 1 year to acquire at least one share of the Company from the date of its appointment
[12] Renewed by the Shareholders general meeting of April 29, 2008 for a period of 4 years

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			Executive Vice President of Nissan Motor Co. Ltd.
Marc Ladreit de Lacharrière* November 6, 1940, Age 67	Director	1,020 shares	First appointed in October 2002 and the current term expires in 2010 <u>Current offices and functions in other companies:</u> *France :* Member, Institut de France Director : Casino, L'Oréal Manager: Fimalac Participations Chairman of the Super visory Board : Groupe Euris Chairman of the Board: Groupe Marc de Lacharrière Honorary Chaiman : Comité national des conseillers du commerce extérieur de la France (Naional Committee of Foreign Trade Advisors) Member of the Consultative Committee: Banque de France Member of the Board of public-interest institutions or associations : Fondation Culture et Diversité, Académie des Beaux Arts, Agence France Museums, Association des amis de l' école nationale supérieure des Beaux-Arts de Paris, Foundation d'éntreprise L'Oréal, Le Siècle, Conseil artistique des museés Nationaux, Fondation Bettencourt Schueller, Fondation Nationale des Sciences Politiques, Société des Amis du Louvre, Société des Amis du Musée du Quai Branly, Musée des Arts Décoratifs, Les Amis de Vaux le Vicomte. *Abroad:* Director: Algorithmics Member of the Board of public-interest institutions or associations: Casa de Velasquez Member of the Board: American Friends of the Louvre Chairman: Fitch Group, Fitch Group Holdings, Fitch Ratings <u>Offices or functions in the past five years no longer held:</u> Chairman : IERSE Director : Canal Plus, Fimalac

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			Investissement, Cassina, Etablissement Public du Musée du Louvre, Non-voting director : Euris Member : Conseil Stratégique pour l'Attractivité de la France Manager : SCI Onzain Ars, Sibmar, Group Marc de Lacharrière
Dominique de la Garanderie* July 11, 1943, Age 64	Director	150 shares	First appointed in February 2003 and the current term expires in 2009 Member of the Accounts and Audit Committee and the Appointments and Governance Committee Attorney (La Granderie & Associès) <u>Current offices and functions in other companies:</u> *France:* President of the Institut Français d'Experts Juridiques Internationaux (French Institute of International Legal Experts-IFEJI) Member of the Supervisory Board and Audit Committee of Nolcim Western Europe *Abroad:* Vice-Chair: OECD Business Sector Advisory Group on Corporate Governance <u>Offices or functions in the past five years no longer held:</u> Former chair: Paris Bar Association Former member: French Bar Council Former member: French Bar Association
Philippe Lagayette* July 16, 1943 Age 65	Director	1,000 shares	First appointed in May 2007 and the current term expires in 2011 Chairman of the Accounts and Audit Committee Chairman, JP Morgan France <u>Current offices and functions in other companies:</u> *France:* Board member of PPR Board member of Fimalac <u>Offices or functions in the past five years no longer held:</u> Board member of La Poste Board member of Eurotunnel Member of the Supervisory Board of Club

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			Mediterranée.
Thierry Desmaret December 10, 1945 Age 62	Director	0 shares	First appointed in April 2008 and the current term expires in 2012 Chairman of Total SA. Current offices and functions in other companies: *France :* Director: Air Liquide, Sanofi-Aventis Member of the Supervisory Board: Areva Offices or functions in the past five years no longer held: CEO of Total S.A President and CEO of Elf Aquitaine
Jean-Claude Paye* August 26, 1934, Age 73	Director	200 shares	First appointed in July 1996 and the current term expires in 2010 Member of the Accounts and Audit Committee and the International Strategy Committee Attorney (Legal Advisor, Gide Loyrette Nouel) Current offices and functions in other companies: none Offices or functions in the past five years no longer held: none
Franck Riboud* November 7, 1955, Age 52	Director	331 shares	First appointed in December 2000 and the current term expires in 2010 Chairman of the Remuneration Committee Chairman and CEO, Chairman of the Executive Committee of Danone Group Current offices and functions in other companies: *France:* Director: Association Nationale des Industries Agroalimentaires, Lacoste France SA, International Advisory Board HEC Business School Member of the Supervisory Board: Accor Member representing Danone Group : Conseil National du Développement Durable *Abroad:* Director: Bagley Latinoamerica sa, Danone SA Wadia BSN India Limited, Ona, Fondation GAIN (Global Alliance For

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
			Improved Nutrition) Offices or functions in the past five years no longer held: Chairman and Director: Danone Asia Pte Limited Chairman and CEO : Compagnie Gervais Danone, Générale Biscuit Chairman of the Board: Compagnie Gervais Danone, Générale Biscuit Vice-Chairman and Director: Danone Sabanci Gida Ve Icecek San. Ve. Tic. A.S. Director: Abi Holdings Limited, Quicksilver, Danone France, L'Oréal (sa), Sofina, Associated Biscuits International Ltd, Ansa, Scottish & Newcastle plc Member of the Consultative Committee: Banque de France Member of the Supervisory Board: Eurazeo Permanent representative of Cie Gervais Danone, Danone France Permanent representative : Generale Biscuit, LU France Commissioner: P.T. Tirta Investama.
Rémi Rioux June 26, 1969 Age 38	Director	[a]	First appointed in February 2007 and the current term expires in 2011 Reporter at the Cour des Comptes (Audit Office), Director of Shareholdings, Shareholding Agency, Ministry of the Economy, Finance and Industry Current offices and functions in other companies: *France :* Director : Aeroports de Paris, RATP, SNCF, France Télévisions, ARTE Offices or functions in the past five years no longer held: Head clerk, Directorate General of the Treasury and Economic Policy(DGTPE) Director: franc zone central banks and French Development Agency Member of the Cour des Comptes
Hiroto Saikawa November 14, 1953 Age 54	Director	100 shares	First appointed in May 2006 and the current term expires in 2010 Executive Vice-President Purchasing, Nissan Motor Co., Ltd

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Brief Professional History
Georges Stcherbatcheff October 29, 1946, Age 61	Director	40 shares and 1,894 ESOP units	First appointed in April 2004 and the current term expires in 2009 Member of the International Strategy Committee Renault Representative for Industry-Wide Standardization *Director elected by employees*

* Independent director

(a) Administrative regulations forbid the directors appointed by the French State from owning shares as government representatives.

The mean age of incumbent directors is 59.2. Each director must own at least one registered share[13]. However, administrative regulations forbid the directors appointed by the French state from owning shares as government representatives.

The directors are not related by family ties.

To Renault's knowledge, none of its directors or senior managers has been convicted of fraud in the past five years. None of the directors has been involved as an executive in bankruptcy, receivership or liquidation proceedings in the past five years, and none has been charged or sanctioned by a statutory or regulatory authority. None of the directors has been barred by a court from serving as a member of the board of directors or of the supervisory board of a securities issuer or from serving as a manager or officer of an issuer in the past five years.

To Renault's knowledge, there are no conflicts of interest between the directors' private interests and their duties towards the company.

Expiration of terms of office

Current term expires	**Officer**
2008	Mr. Audvard[(1)]
	Mr. Barbier[(1)]
	Mr. Champigneux[(1)]
2009	Mr. Koeda
	Mrs. de La Garanderie
	Mr. Schweitzer
	Mr. Stcherbatcheff[(1)]
2010	Mr. Ghosn
	Mr. Ladreit de Lacharrière

[13] *Percentage of Renault's capital held by the directors: 0.17 %.*

	Mr. Paye
	Mr. Riboud
	Mr. Saikawa
2011	Mr. Lagayette
	Mr. Rioux
2012	Mr. Garnier
	Mr. Desmaret
	Ms. Brechignac
	Mr. de Croisset

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

(2) GROUP EXECUTIVE COMMITTEE AND MANAGEMENT COMMITTEE AT FEBRUARY 1, 2008

Alphabetic list at February 1, 2008

Carlos Ghosn*	President and CEO
Michel Balthazard	Senior Vice President, Pre-Engineering, Projects and Requirements
Patrick Blain*	Executive Vice President, Sales and Marketing & LCV Division, RMC Leader, Europe
Marie-Christine Caubet	Senior Vice President, Market Area Europe
Jacques Chauvet	Senior Vice President, Market Area France
Marie-Françoise Damesin	Senior Vice President, Corporate Communications
Odile Desforges	Senior Vice President, Purchasing – Chairman and Managing Director, Renault-Nissan Purchasing Organization (RNPO)
Jean-Baptiste Duzan	Senior Vice President, Corporate Controller
Christian Estève	Chairman of the Dacia Board of Directors, RMC Leader, Euromed
Michel Faivre Duboz	Senior Vice President, Supply Chain and Logistics
Philippe Gamba	Chairman and CEO, RCI Banque
Michel Gornet*	Executive Vice President, Manufacturing and Logistics, RMC Leader, France
Gérard Leclercq	Senior Vice President, Group Human Resources
Patrick Le Quement	Senior Vice President, Corporate Design
Luc-Alexandre Ménard	Senior Vice President, Public Affairs
Bruno Morange	Senior Vice President, Light Commercial Vehicles
Thierry Moulonguet*	Executive Vice President, Chief Financial Officer, RMC Leader, Americas, Compliance Officer
Stephen Norman	Senior Vice President, Global Marketing
Patrick Pélata*	Executive Vice President, Plan, Product Planning and Programs, RMC Leader, Asia-Africa
Jacques Prost	Senior Vice President, Powertrain Engineering
Bernard Rey	Senior Vice President, CEO Office, Senior Vice President, Renault F1 Team
Jean-Louis Ricaud*	Executive Vice President, Engineering and Quality
Jérôme Stoll	Senior Vice President, Mercosur
Yann Vincent	Senior Vice President, Quality
Michel de Virville	Corporate Secretary

* Members of the Group Executive Committee

(3) REMUNERATION OF DIRECTORS AND OFFICERS AT JANUARY 1, 2008 DIRECTORS' FEES

The Annual General Meeting may allocate directors' fees, the amount of which remains fixed until otherwise decided.

Amount

The Annual General Meeting on April 29, 2003 voted an annual amount of €600,000[14] to be apportioned among the directors for the current year and subsequent years, until further notice. The Board is responsible for allotting these fees.

Method of allotment

The directors' fees for FY 2007 are apportioned according to the following criteria:

- a fixed portion, linked to the responsibilities arising from Board membership, i.e., an amount of up to €14,000 (the sum is calculated on a time-apportioned basis)

- a variable portion, linked to directors' actual attendance, i.e., an amount of up to €14,000 (the sum is calculated on a time apportioned basis)

Two additional payments may also be made:

- one for sitting on a committee, i.e., up to €4,500 (calculated on a time-apportioned basis);

- one for chairing a committee, i.e., up to €4,500 (calculated on a time-apportioned basis);

Total fees allocated to directors in 2007 amounted to €557,770 (€542,752 in 2006).

Fees allotted to directors for the year, depending on attendance at Board and Committee meetings

Directors	Attendance in 2007	Total fees received in € (1)	
		2007	2006

[14] *The amount of €600,000 is the median of directors' fees paid by other CAC 40 companies.*

Mr. Schweitzer	7/7	28,000	28,000
Mr. Ghosn	7/7	28,000	28,000
Mr. Audvard	7/7	32,500	32,500
Mr. Barbier	7/7	32,500	32,500
Ms. Bréchignac(3)	6/7	27,864	/
Mr. Champigneux	7/7	32,500	32,500
Mr. de Combret	6/7	30,500	32,500
Mr. de Croisset	7/7	32,500	29,700
Mr. Koeda	2/7	18,000(2)	18,200,(2)
Mr. Ladreit de Lacharrière	6/7	35,000	32,800
Ms. de La Garanderie	7/7	37,000	34,200
Mr. Lagayette(4)	4/7	24,867	/
Mr. Martre	7/7	37,000	37,000
Mr. Paye	7/7	37,000	37,000
Mr. Riboud	4/7	28,600	32,800
Mr. Rioux(3) (4)	6/7	27,814	/
Mr. Saikawa	4/7	22,000(2)	13,444(2)
Mr. Stcherbatcheff	7/7	32,500	32,500
Mr. Studer(4)	3/7	13,625(2)	32,800(2)

(1) Fees allocated on the basis of Board membership, attendance of Board meetings, membership and/or chairmanship of one of the Board's committees.
(2) Fees allocated to overseas directors correspond to the gross amount paid by Renault.
(3) These directors represent the state.
(4) Directors whose appointment began or ended during the year.

In view of their conditions of office, some directors, particularly those representing the French state, waive their fees and pay them over to either the tax authorities or the trade union they represent.

REMUNERATION OF SENIOR EXECUTIVES
Procedure for determining remuneration

Members of the Renault Management Committee receive a consideration comprising a fixed and a variable portion. The variable portion is based on the company's economic performance in the previous year. It comprises five factors: (i) the difference between budgeted and actual operating margin, (ii) maximizing the elements between operating margin and net income excluding equity income from Nissan and Volvo, (iii) the results achieved in terms of reducing warranty expenses, (iv) the reduction in general, commercial and administrative expenses, and (v) an individual criterion related to the performance of the sector for which the member in question is responsible.

Remuneration paid in 2007

In 2007 the total consideration paid to the 22 members of the Renault Management Committee amounted to €12,696,891 of which €8,084,853 for the fixed portion (compared with €12,984,932 and €8,830,626 respectively, in 2006). For the record, there were 26 members in 2006.

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

REMUNERATION OF CORPORATE OFFICERS

The criteria for calculating the variable remuneration of the President and CEO were set by the Board of Directors on February 12, 2008, on the recommendation of the Appointments and Remuneration Committee. They are consistent with the criteria applied to the members of the Group Executive Committee and the Renault Management Committee:

- Return on equity;

- Difference between budgeted and actual operating margin.

There is an additional, qualitative criterion linked to strategy and management.

The variable rate is between 0% and 150% of the fixed portion. For 2007 it was 116%.

The total remuneration of the President and CEO was as follows (in EUR):

Year	Fixed portion	Variable portion for the year, paid out the following year	In-kind benefits	Directors' fees for the year, paid out the following year	Total annual remuneration	Total remuneration paid during the year
2007	1,200,000	1,392,000	14,429	28,000	2,634,429	2,634 429
2006	1,200,000	1,392,000	9,663	28,000	2,629,663	2,034,163
2005	800,000 (for 8 months)	800,000	4,815	24,500	1,807,172 *	982,672 *

* Including a relocation allowance of EUR 177,857.

The Chairman of the Board of Directors of Renault does not receive any variable portion in respect of his function.

Accordingly, the total remuneration of the Chairman of the Board of Directors was (in €):

Year	Fixed portion	All-inclusive payment for duties as Chairman of the Board of Directors	Variable portion for the year, paid out the following year	In-kind benefits	Directors' fees for the year, paid out the following year	Total annual remuneration	Total remuneration paid during the year
2007		200,000	0	5,334	28,000	233,334	233,334
2006 (1)	900,000	200,000	0	5,692	28,000	1,133,692	1,567,026
2005 (May-December) (1)	600,000	133,334 (2)	0	4,926	28,000	1,366,260	2,192,926
2005 (January-April)	300,000		300,000				
2004	900,000		1,260,000	4,899	28,000	2,192,899	1,982,899

(1) The renewal of the EUR 900,000 fixed portion paid to the Chairman of the Board from May 1 is an amount close to that he would have received if he retired at that date.
(2) EUR 200,000 for a full year.

The President and CEO and the Chairman of the Board of Directors also have a supplementary pension scheme.

Further to the meeting of the Board of Directors on October 28, 2004, both the President and CEO and the Chairman are entitled to benefit from the supplementary pension scheme set up for members of the Group Executive Committee. This comprises:

- a defined contribution scheme equivalent to 8% of annual remuneration, paid for by the company and the beneficiary;
- a defined benefit scheme capped at 30% of remuneration;
- an additional defined benefit scheme capped at 15% of remuneration (with a specific requirement on length of tenure).

The combined total of these schemes – basic, supplementary and additional – is capped at 50% of remuneration.

Currently, total retirement benefits, including supplementary benefits, to which senior executives, including the President and CEO are entitled, are estimated at between 30% and 45% of their final remuneration, owing to differences in seniority at Renault and on the Group Executive Committee.

STOCK OPTIONS GRANTED TO SENIOR EXECUTIVES AND CORPORATE OFFICERS
LEGAL FRAMEWORK

In its 14th resolution, the Joint General Meeting of May 4, 2006 authorized the Board of Directors to make one or more grants of stock options to employees of the company and its related companies, in conformity with Article L. 225-180 of the Commercial Code. These options give holders the right to subscribe for new shares of the company, issued in connection with a capital increase, or to buy shares of the company lawfully repurchased by it.

If these options are exercised, the number of shares thus purchased or subscribed shall not exceed 3.2% of the share capital at the date of the Meeting.

The General Meeting rules on the allocation and/or exercise of stock options according to criteria of individual and collective performance in terms of completion of the company's medium-term plan.

In its 15th resolution, the Joint General Meeting of May 4, 2006 authorized the Board of Directors to make grants of existing shares or shares to be issued to company employees or certain categories of employees and its related companies, in conformity with Article L. 225-197-2 of the Commercial Code.

The total number of shares granted free of charge may not exceed 0.53% of the sum of shares making up the share capital at the date of the Meeting.

The General Meeting rules on the definitive allocation of existing shares or shares to be issued according to criteria of individual and collective performance in terms of completion of the company's medium-term plan.

GENERAL GRANT POLICY

Appointments and Remuneration Committee

The Board of Directors approves the stock option plan on the basis of the report of the Appointments and Remuneration Committee. The Committee examines proposals from the President and CEO, to grant options to Group employees, in compliance with the general arrangements set by the Annual General Meeting. The President and CEO does not take part in the Committee's proceedings when the matter under review concerns him personally.

Aims of the stock option plan and bonus shares plan

The main aim of the stock option plan is to involve Renault executives worldwide, particularly the members of management bodies, in building the value of the Group – and hence Renault's share price – by allowing them to have an ownership interest in the company.

The plan also makes it possible to single out those executives who, by their actions, make an especially positive contribution to the Group's results.

In addition, the plan helps to secure the loyalty of those executives for whom the Group has long-term ambitions, in particular "high-flyers", i.e. young executives with strong potential. Stock options help to increase the commitment of these staff members and motivate them to work for the company's advancement and growth.

The plan buttresses the role of the Group's responsibility centers in Europe and the rest of the world. In Automobile it applies in particular to sales subsidiaries, vehicle and powertrain engineering teams, managers of body assembly and powertrain plants, industrial subsidiaries and all the heads of vehicle and powertrain programs and projects. The plan also applies to Sales Financing, and to the heads of the Group's major support functions.

Grant policy

Option grants vary according to the grantee's level of responsibility and contribution to the company, an appraisal of their performance and results, and, for younger staff members, an assessment of their development potential.

Senior executives and managing executives

The senior executives are the President and CEO and the members of the Renault Management Committee, including the six members of the Group Executive Committee.

In principle, other managing executives are granted options each year, based on the same criteria as those applicable to other senior executives, namely levels of responsibility, performance and results. The quantity of options granted can vary significantly depending on individual appraisals. Some managing executives may receive none. The allocation factor ranges from 1 to 4, with a median of 1,000 options in 2005.

Other executives benefiting from the plan

The plan's other beneficiaries are generally senior managers and high-flyers with strong professional or managerial potential aged 45 and under. Grants are generally made every one to three years or more, but never more than two years running. An array of complementary systems is used to assess and select grantees (annual performance and development review, Careers Committees, personal monitoring for high-flyers, performance-related bonuses). Taken together, these systems form a comprehensive observation platform from which the most deserving executives can be singled out.

Annual performance and development reviews

Annual performance and development reviews are used to make a precise, written review of past performance and to define written goals for the coming year. All managerial staff without exception (i.e. including senior executives and managing executives) undertake a performance appraisal with their immediate superior, and, where appropriate, their line manager and project manager. The results of the session are reviewed and graded by the next level of management. The annual performance and development review, which is signed off and annotated by the +2-level line manager, provides the opportunity to precisely measure the interviewee's past inputs and the importance of his or her future missions. It is also used to closely analyze the managerial capacity and the progress to be made vis-à-vis benchmarks set by senior management.

Careers Committees

The purpose of Careers Committees is to review all positions of responsibility within the company and to assess the contributions of the incumbents. They also seek to forecast possible changes in the job profile of individual staff members and the persons designated to replace them, either under normal circumstances or immediately should the need arise. The Careers Committees meet monthly in all the Group's major divisions and departments throughout the world. This system makes it possible to permanently update collective assessments of individual staff members and it enables senior managers to submit the names of possible option grantees to the President and CEO with full knowledge of the facts. A General Careers Committee, chaired by the President and CEO and composed of the members of the Group Executive Committee, examines nominations for 200 key positions (known as "A Positions") and is responsible for manpower planning for these jobs. With this method, managers at different levels can focus more tightly on future senior executives or managing executives.

High flyers

Particular attention is paid to the action and development of young high-flyers, who are monitored closely. Each year, the Careers Committees meticulously update the P List, comprising young high-flyers with strong professional or managerial potential likely to become senior managers, and the P1 List, composed of executives destined to become managing executives or senior executives. Additions to the P1 List are decided by the General Careers Committee.

Since 1999, in an effort to improve transparency, high-flyers (P or P1) have been duly informed of their status by their managers during their annual performance and development review.

Careers and Skills Development Officers

All major Group divisions and departments have a Careers and Skills Development Officer (DDCC), who is responsible for assessing and permanently monitoring all the executives within his or her scope of activity. The DDCCs are coordinated centrally on a regular basis. Managers can thus ensure that the human resources policy is properly implemented, that the abovementioned processes are followed, and that individual careers are optimally managed, particularly in terms of mobility assignments and training. DDCCs are important because they marshal and summarize the assessments and judgments made by different managers and are therefore in a better position to select potential stock option grantees.

Summary of plans

The options granted under plans 1 to 9 give the right to buy existing shares. The options granted under plans numbered from 10 onwards give the right to subscribe for new issues.

	Date of grant/ Date of Board meeting	Option start date	Expiration date	No. of grantees	Total options granted	o/w Members of Renault Management Committee (1) (2) (4)	Strike price (€)	Discount	Options exercised at 31/12/2007	Options lapsed at 31/12/2007	Options outstanding at 31/12/2007 (3)
AGM authorization granted on June 7, 1996											
Plan 1	Oct. 22, 1996	Oct. 23, 1999	Oct. 21, 2006	273	446,250	128,000	17.57	5%	426,950	19,300	0
Plan 2	Oct. 28, 1997	Oct. 29, 2002	Oct. 27, 2007	310	553,750	163,000	24.89	5%	487,028	18,400	0
AGM authorization granted on June 11, 1998											
Plan 3	Oct. 27, 1998	Oct. 28, 2003	Oct. 26, 2008	410	1,912,500	670,000	32.13	None	1,390,459	76,500	243,769
Plan 4	March 16, 1999	March 17, 2004	March 15, 2009	4	300,000	280,000	40.82	None	50,000	30,000	20,000
Plan 5	Oct. 19, 1999	Oct. 20, 2004	Oct. 18, 2009	384	1,825,900	830,000	50.94	None	1,158,623	118,500	356,714
Plan 6	Sept. 7, 2000 and Oct. 24, 2000	Sept. 8, 2005 and Oct. 25, 2005	Sept. 6, 2010 and October 23, 2010	638	1,889,300	750,000	49.27 and 49.57	None	910,346	123,450	486,774
Plan 7	Dec. 18, 2001	Dec. 19, 2006	Dec. 17, 2011	858	1,861,600	505,000	48.97	None	160,364	41,500	968,741
Plan 8	Sept. 5, 2002	Sept. 6, 2007	Sept. 4, 2012	809	2,009,000	645,000	49.21	None	3,000	19,300	1,609,007
AGM authorization granted on April 29, 2003											
Plan 9	Sept. 8, 2003	Sept. 9, 2007	Sept. 7, 2011	813	1,922,000	605,000	53.36	None	207,016	14,500	1,700,484
Plan 10	Sept. 14, 2004	Sept. 15, 2008	Sept. 13, 2012	758	2,145,650	695,000	66.03	None	6,000	11,000	2,128,650
Plan 11	Sept. 13, 2005	Sept. 14, 2009	Sept. 12, 2013	639	1,631,093	650,000	72.98	None	3,000	9,500	1,618,593
AGM authorization granted on May 4, 2006											
Plan 12	May 4, 2006	May 5, 2010	May 3, 2014	693	1,674,700	556,000	87.98	None	3,000	8,500	1,663,200
Plan 13 Options Commitment 2009	May 4, 2006	May 5, 2010	May 3, 2014	650	2,741,700	1,550,000	87.98	None	2,000	11,000	2,728,700
Plan 13 bis Actions Commitment 2009	May 4, 2006	May 5, 2010	-	549	1,379,000	290,000	0	None	3,500	1,000	1,374,500
Plan 14	Dec. 5, 2006	Dec. 6, 2010	Dec. 4, 2014	710	1,843,300	680,000	93.86	None	0	0	1,843,300
Plan 15	Dec. 5, 2007	Dec. 5, 2011	Dec. 4, 2015	743	2,080,000	735,000	96.54	None	0	0	2,080,000
Plan 16 Options Commitment 2009	Dec. 5, 2007	Dec. 5, 2011	Dec. 4, 2015	199	797,787	160,000	96.54	None	0	0	797,787
Plan 16 bis Actions Commitment 2009	Dec. 5, 2007	Dec. 5, 2011	-	199	132,166	60,000	0	None	0	0	132,166

(1) The Renault Management Committee at the date on which the stock options were granted.

(2) Including grants to Mr. Schweitzer of 20,000 stock options in 1996, 30,000 in 1997, 140,000 in 1998, 200,000 in 1999, 140,000 in 2000, 100,000 in 2001, 130,000 in 2002, 100,000 in 2003 and 200,000 in 2004.

(3) Under Plans 1 to 9, a total of 5,385,489 options were unexercised at December 31, 2007.

(4) Including grants to Mr. Ghosn of 20,000 stock options in 1997, 70,000 in 1998, 200,000 in 1999,

200,000 in 2005; in 2006: 100,000 for Plan 2006, 1,000,000 for Renault Commitment 2009 and 200,000 for Plan 2007 and 200,000 for Plan 2008.

In FY 2007:

• the following stock option grants were made to corporate officers:

- Mr. Ghosn: 200,000 subscriptions options at a price of €96.54, with an expiry date of December 4, 2015 for the Plan 2008;

• options exercised by corporate officers included the following:

- Mr. Ghosn: 200,000 purchase options at a price of €40.82, with an expiry date of March 15, 2009.

- Mr Schweitzer: 67,000 purchase options at a price of €49.27, with an expiry date of September 6, 2010; 70,000 purchases options at a price of €48.97, with an expiry date of December 18, 2011.

• The ten largest stock option grants made (excluding grants to corporate officers) were:

- under Plan 2008, dated December 5, 2007: 310,000 purchase or subscriptions options at a price of €96.54, with an expiry date of December 4, 2015,

- under the Plan complementing Renault Commitment 2009, dated December 5, 2007: 120,000 purchase or subscriptions options at a price of €96.54, with an expiry date of December 4, 2015 and 49,000 bonus shares,

• the ten largest lots exercised in 2007 (excluding options exercised by corporate officers) comprised 355,300 options at an average price of €47.90; i.e.

- 40,000 options exercised at €32.13 under the October 1998 plan,

- 50,000 options exercised at €50.94 under the October 1999 plan,

- 110,300 options exercised at €49.27 under the October 2000 plan,

- 85,000 options exercised at €48.97 under the December 2001 plan,

- 35,000 options exercised at €49.21 under the September 2002 plan, and

- 35,000 options exercised at €53.36 under the September 2003 plan.

Additional information

Loss of entitlement is governed by regulatory provisions, i.e. total loss in the event of resignation, and individual decision in the event of dismissal.

No Group subsidiary operates a stock option plan for its own shares.

5. STATEMENT OF CORPORATE GOVERNANCE

THE BOARD OF DIRECTORS IN 2007

The Board of Directors met seven times in 2007.

Meetings lasted an average of three hours. The attendance rate was 87%.

The Board gave its opinion on all business placed on its agenda pursuant to the legal and regulatory requirements in force in France. On the main matters, the Board took the following action:

Accounts and budget

- approved the Group's consolidated financial statements and the individual financial statements of Renault SA and Renault s.a.s. for 2006, approved the consolidated financial statements for first-half 2007, and set the dividend to be proposed to the Annual General Meeting (AGM),

- adopted the 2008 operating and investment budget;

Corporate governance

- conducted a thorough self-assessment of its operating methods and decided on the definition of independent director,

- adopted the Chairman's report on internal control procedures,

- adopted the Code of Good Conduct and the Rules of Compliance that provide for the position of Compliance Officer and endowed the company with a professional warning system,

- reviewed the sponsorship activities of Renault and its subsidiaries,

- approved the plan for grants of stock options and bonus shares for 2008 and for Renault Commitment 2009,

- analyzed and approved the answers to shareholders' questions ahead of the AGM;

Group strategy

- discussed Renault's strategic guidelines, in accordance with the internal regulations,

- approved the signing of an MOU on an industrial complex to be built near Tangier,

- approved the signing of an MOU on a partnership with AvtoVAZ, Russia's leading carmaker,

- reviewed progress on Renault's facility in India.

The Alliance

- took cognizance of the summary of the Alliance Board's decisions and proposals;

Regulated agreements

- no regulated agreements were submitted for Board approval.

The preparations for the Board meetings are described in the Chairman's report on the work of the Board, as per article L. 225-37 of the Commercial Code.

AUDIT OF THE BOARD OF DIRECTORS

In accordance with market practice and the recommendations of the AFEP/MEDEF report, the Board of Directors commissioned outside firm Spencer Stuart to conduct a thorough audit of its membership, organization and operating procedures.

The Appointments and Governance Committee examined the results of the assessment and the Committee Chairman presented them to the Board at its meeting on December 5, 2007.

The outcome of the survey was highly positive on the whole and confirms the positive results of the detailed assessment conducted in 2004.

All the Board members wholeheartedly stress the strong trust between the Board and the CEO.

The Board affirms unanimously that it is perfectly informed of the Group's financial position and operations.

The Board acknowledged the high standard of the Board's organization and operating procedures, in particular: the frequency of the meetings, the relevance of the agenda and the documents, and the quality of the deliberations.

The Board expressed its satisfaction with the provision of accurate, relevant information about Renault's main competitors, which had been requested during the simplified self-assessment in 2006.

There is a consensus to assess the new approach of the Accounts and Audit Committee, which, in addition to its essential role of approving the financial statements, is the best placed in terms of access to information on the risks incurred by the company to issue an annual opinion on risk management and prevention.

The decision to dedicate a day in September 2008 to the company's strategy after Renault Commitment 2009 was appreciated.

The Board expressed an open opinion or requested improvements on the following:

- the directors have a slightly less positive feeling about the confidentiality of the discussions relative to 2004;

- the range of competencies represented on the Board no longer seems entirely appropriate in the light of the issues facing the company in the future. The involvement of working managers with strong industrial and international experience is desired. The Appointments and Governance Committee has embarked on an open discussion of the membership and renewal of the Board;

- the directors' fees are considered on the whole lower than those of other similarly-sized CAC 40 companies.;

- although the work of the Committees is considered positive and satisfactory – and in particular the work of the Accounts and Audit Committee – the Board would like to receive a more detailed report on the work of the Appointments and Remuneration Committees and notes that the information provided by the CEO and the International Strategy Committee is redundant.

The Chairman of the Board of Directors and the Committees concerned will endeavor to give due consideration to the directors' requests on these points.

Furthermore, the informal lunch after the Board meeting, initiated in 2003, was repeated and will be pursued in the future. It gives directors an opportunity to exchange views with members of the Renault Management Committee.

ASSESSMENT OF DIRECTOR INDEPENDENCE

At its meeting on February 28, 2007 the Board of Directors restated its intention of complying with the most thorough definition of corporate governance available in France, namely the AFEP/MEDEF report. According to the report, an independent director is one who, notably, "has no relations of any kind with the company, the Group or its managers likely to compromise his independence of judgement".

The Board also repeated the qualities that it expects from a director: experience of the company and the automotive industry, a personal commitment to the work of the Board and its Committees, a sound grasp of business and finance, the courage to express minority opinions, international vision, integrity, and loyalty.

At December 31, 2007 Renault had eight independent directors on its Board: Dominique de La Garanderie, François de Combret, Charles de Croisset, Marc Ladreit de Lacharrière, Philippe Lagayette, Henri Martre, Jean-Claude Paye and Franck Riboud (see table V-4-(1) "Board of Directors" above).

The representative of the French state, the employee-elected directors, the director elected by employee shareholders, the Chairman of the Board and the President and Chief Executive Officer (as corporate officers), as well as the two directors appointed by Nissan, which is linked to Renault, are all excluded from the list in accordance with the principle of director independence stated above.

The Board stressed, however, that the directors elected by employees and employee shareholders, in particular, are not dependent on the company's senior executives as far as their presence on the Board is concerned. This is illustrated by the special contribution they make to the Board's proceedings.

COMPLIANCE

Given the Group's steady international expansion and the wide variety of risks in the countries where it is present, Renault decided to reinforce its ethical approach by adding a "Compliance" function to the existing Code of Good Conduct. The Compliance function is an integral part of the Renault group's internal control procedures and is independent of the internal audit function. Placed under the authority of Renault's CEO, the Compliance function is organized around the Global Compliance Committee, which is supported in each Region by a committee chaired by the regional leader. The Compliance function ensures that the Code is correctly applied, promotes the Group's ethics framework, advises senior management, collects and processes warnings received.

Within the scope of the compliance function, under the procedure governing the use and/or disclosure of privileged information, the Compliance Officer must be consulted by any permanent holder of privileged information in order to verify that individual transactions arising from the exercise of stock options, or any other transaction involving securities issued by a Group company, comply with the Code of Good Conduct and the rules in force.

In FY 2007, the Compliance Officer:

- ensured that the procedure for the use and/or disclosure of inside information was observed when exercising options held under the plans; no breach of the authorized procedure was found;

- updated the lists of holders of inside information, in parallel with the introduction of a new organizational structure, in order to comply with the regulations of France's securities regulator, the AMF.

SPECIALIZED COMMITTEES OF THE BOARD OF DIRECTORS

Four specialized committees have been set up to permit in-depth examination of specific topics relating to the Board of Directors' role. The Chairs of each Committee bring the Committee's opinions to the attention of the Board.

Accounts and Audit Committee

This Committee has six members : Philippe Lagayette in the chair, Alain Champigneux, Charles de Croisset, Dominique de La Garanderie, Jean-Claude Paye and Rémy Rioux. Four of the six are independent directors.

Philippe Lagayette was appointed Chair of the Accounts and Audit Committee at the Board meeting of May 2, 2007, replacing Robert Studer.

Rémy Rioux was appointed to the Accounts and Audit Committee at the Board meeting of February 28, 2007, replacing Jean-Louis Girodolle.

The Committee met four times in 2007 and the attendance rate was 100%.

In compliance with French legal and regulatory requirements, the Accounts and Audit Committee dealt with the following matters in particular:

- the Group's consolidated financial statements and Renault SA's individual financial statements for 2006 and first-half 2007;
- the dividend to be proposed for FY 2007;
- the examination of the fees paid to the Statutory Auditors and their network and their compliance with the Auditors' Charter, which governs their work;
- the 2006 balance sheet and the breakdown of the 2007 Internal Audit Plan;
- the risk analysis methods used in the Group;
- the deployment and activity of the Compliance function.

The Committee's examination of the financial statements was accompanied by a presentation from the Auditors describing the highlights of their engagement and their conclusions, as well as the accounting policies used and the main regulatory developments in this area. In addition, the Chief Financial Officer submitted a memo describing the company's risk exposures and off-balance sheet commitments.

Remuneration Committee

The Committee has three members, all of whom are independent directors: Franck Riboud in the chair, François de Combret and Marc Ladreit de Lacharrière.

The Committee met twice in 2007 and the attendance rate was 100%. The main items on its agenda were:

- the provisional plan for grants of stock options and bonus shares for 2008 and for the Renault Commitment 2009 plan;
- the remuneration of the Chairman, President and CEO, and members of the Executive Committee.

Appointments and Governance Committee

This Committee has three members: Louis Schweitzer in the chair, Marc Ladreit de Lacharrière and Dominique de La Garanderie. Two of the three members are independent directors.

The Committee met twice in 2007 and the attendance rate was 100%. The main items on its agenda were:

- the composition of the Board and an deep assessment of its functioning;
- a revision of the list of independent directors in accordance with AFEP/MEDEF criteria;
- a plan of succession for Renault's directors, in accordance with good governance practices;
- a proposal to reduce the term of office of directors elected by employees or employee shareholders from six to four years.

International Strategy Committee

This Committee has six members: Henri Martre in the chair, Yves Audvard, Michel Barbier, Jean-Claude Paye and Georges Stcherbatcheff. Catherine Bréchignac was appointed to the International Strategy Committee at the Board meeting of February 28, 2007, replacing Mr Larrouturou. Two of the six members are independent directors.

The Committee met twice in 2007 and the attendance rate was 100%. The main items on its agenda were:

- using Renault and Nissan's information systems to assist international growth;
- the Chinese automobile market.

MANAGEMENT BODIES AT JANUARY 1, 2008

Renault's senior management bodies are composed of two committees:

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

GROUP EXECUTIVE COMMITTEE

The Group Executive Committee comprises six members including the President and CEO:

- Executive Vice President, Sales and Marketing, and Light Commercial Vehicles
- Executive Vice President, Plan, Product Planning and Programs
- Executive Vice President, Manufacturing and Logistics
- Executive Vice President, Chief Financial Officer, Compliance Officer
- Executive Vice President, Engineering and Quality

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

RENAULT MANAGEMENT COMMITTEE

The Renault Management Committee comprises 25 members, and includes the members of the Group Executive Committee. Those members of the Renault Management Committee who do not sit on the Group Executive Committee have a superior who is on the Group Executive Committee. The

Senior Vice President, Purchasing, the Senior Vice President, Corporate Controller, the Senior Vice President, Corporate Communications, the Senior Vice President, CEO Office, President, Renault F1 team, the Senior Vice President, Corporate Design, and the RMC Leader, Euromed report directly to the President and CEO.

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

Organization chart at February 1, 2008

- ♦ **Carlos Ghosn :** President and CEO
  - ♦ **Patrick Blain** : Executive Vice President, Sales and Marketing & LCV Division, RMC● Leader, Europe
    - **Marie-Christine Caubet** : Senior Vice President, Market Area Europe
    - **Jacques Chauvet** : Senior Vice President, Market Area France
    - **Stephen Norman** : Senior Vice President, Global Marketing
    - **Bruno Morange** : Senior Vice President, Light Commercial Vehicles
  - ♦ **Michel Gornet** : Executive Vice President, Manufacturing and Logistics, RMC● Leader, France
    - **Gérard Leclercq** : Senior Vice President, Group Human Resources
  - ♦ **Thierry Moulonguet** : Executive Vice President, Chief Financial Officer, RMC● Leader, Americas, Compliance Officer
    - **Philippe Gamba** : Chairman and CEO, RCI Banque
    - **Jérôme Stoll** : Senior Vice President, Mercosur
  - ♦ **Patrick Pélata** : Executive Vice President, Plan, Product Planning and Programs, RMC● Leader, Asia-Africa
  - ♦ **Jean-Louis Ricaud** : Executive Vice President, Engineering and Quality
    - **Michel Balthazard** : Senior Vice President, Pre-Engineering, Projects and Requirements
    - **Michel Faivre-Duboz** : Senior Vice President, Supply Chain and Logistics
    - **Jacques Prost** : Senior Vice President, Powertrain Engineering
    - **Yann Vincent** : Senior Vice President, Quality
  - **Michel de Virville** : Corporate Secretary,
    - **Luc-Alexandre Ménard** : Senior Vice President, Public Affairs
  - **Marie-Françoise Damesin** : Senior Vice President, Corporate Communications
  - **Odile Desforges** : Senior Vice President, Purchasing – Chairman and Managing Director, Renault-Nissan Purchasing Organization (RNPO)
  - **Jean-Baptiste Duzan** : Senior Vice President, Corporate Controller
  - **Christian Esteve** : Chairman of the Dacia Board of Directors, RMC● Leader, Euromed
  - **Patrick Le Quement** : Senior Vice President, Corporate Design
  - **Bernard Rey** : Senior Vice President, CEO Office, Senior Vice President, Renault F1 Team

♦ *Members of the Group Executive Committee*
● *RMC : Region management Committee*

AUDITS
AUDITORS' CHARTER

The Financial Security Act, Title III, contains provisions on the legal auditing of accounts, particularly, Article 104, on Auditors' independence. Pursuant to those provisions, in 2004 Renault, together with the Statutory Auditors and under the Chairman's authority, took the initiative of drafting a Charter on auditor engagements and independence and cosigning it with them. In addition to defining the scope of application, the charter addresses the separation of engagements by specifying those inherent to the Statutory Auditors' function and therefore authorized automatically, and those that cannot be performed by Statutory Auditors and their network because they are incompatible with the Auditors' mandate. Further, it specifies the additional or complementary assignments that may be performed by the Statutory Auditors and their network, and how those assignments are to be authorized and supervised. The charter also includes the undertaking of independence and sets the rules for partner rotation.

The Charter governs the relationship between the Renault group (the parent company and the fully-consolidated French and international subsidiaries) and its Statutory Auditors. The Auditors are responsible for ensuring that the charter is applied by members of their network acting as external auditors for fully-consolidated subsidiaries and also for policing compliance with the regulations in force in countries where Group companies are established.

AUDITORS

Statutory auditors

Deloitte & Associés
represented by Pascale Chastaing-Doblin and Amadou Raimi
185 Avenue Charles de Gaulle
92200 Neuilly-sur-Seine, France

Ernst & Young Audit
represented by Daniel Mary-Dauphin and Aymeric de la Morandière
11 Allée de l'Arche
92400 Courbevoie, France

Deloitte & Associates was appointed by the French Finance Ministry on April 25, 1990. It was reappointed by the Joint General Meeting of June 7, 1996 for another six-year term, then by the Joint General Meeting of April 26, 2002 for a further six years and reappointed by the last Joint General Meeting of April 29, 2008 for another period of six years. This term will expire at the close of the Annual General Meeting convened to approve the accounts for 2013.

Ernst & Young Audit was appointed by the French Finance Ministry on March 27, 1979. It was reappointed by the Joint General Meeting of June 7, 1996, then the Joint General Meeting of April 26, 2002 for a six-year term, and reappointed by the last Joint General Meeting of April 29, 2008 for another period of six years. This term will expire at the close of the Annual General Meeting convened to approve the accounts for 2013.

Alternate auditors

BEAS
Alternate for Deloitte & Associés

7-9 Villa Houssay
92200 Neuilly-sur-Seine, France

Gabriel Galet
Alternate for Ernst & Young Audit
11 Allée de l'Arche
92400 Courbevoie, France

The alternate auditors were appointed by the Joint General Meeting of June 7, 1996 for a six-year term, thenby the Joint General Meeting of April 26, 2002 for another six-year term and then reappointed by the last Joint General Meeting of April 29, 2008 for another period of six years. Their terms of office will expire at the close of the Annual General Meeting convened to approve the accounts for 2013.

FEES PAID TO STATUTORY AUDITORS AND THEIR NETWORK

The audit fees recognized in 2007 by Renault SA and its fully consolidated subsidiaries for the engagements and assignments performed by the Statutory Auditors and their networks can be broken down as follows:

€ thousands	**Ernst & Young network**				**Deloitte network**			
	2007		**2006**		**2007**		**2006**	
	Amount ex. tax	**%**	**Amount ex. tax**	**%**	**Amount ex. tax**	**%**	**Amount ex. tax**	**%**
Audit								
Statutory audit, certification, review of individual and accounts								
- Issuer	2,503	39.86	2,754	42.50	2,120	34.35	2,190	32.13
- Fully consolidated subsidiaries	3,067	48.84	3,164	48.83	3,356	54.37	3,404	49.93
Other inspections and services directly linked to the statutory auditor's mission								
- Issuer	266	4.24	178	2.75	30	0.49	50	0.73
- Fully-consolidated subsidiaries	444	7.07	264	4.07	246	3.99	626	9.18
Subtotal	**6,280**	**100.00**	**6,360**	**98.15**	**5,752**	**93.20**	**6,270**	**91.98**
Other network services for the fully consolidated subsidiaries								
- Legal, tax, labor-related	-	0.00	114	1.76	124	2.01	469	6.88
- Other	-	0.00	6	0.09	296	4.80	78	1.14
Subtotal	**-**	**0.00**	**120**	**1.85**	**420**	**6.80**	**547**	**8.02**
Total fees	**6,280**	**100.00**	**6,480**	**100.00**	**6,172**	**100.00**	**6,817**	**100.00**

For both networks, tax services mainly cover the Group's foreign subsidiaries.

VI. Financial Condition:

General Explanation

a. The accompanying original consolidated financial statements of Renault SA ("Renault" or the "Company") and its consolidated subsidiaries (hereinafter Renault and its consolidated subsidiaries shall be collectively called "the Group") for 2006 and 2007 have been prepared in conformity with the International Financial Reporting Standards ("IFRS") which was adopted by the European Union. In addition, the accompanying original non-consolidated financial statements of Renault have been prepared in conformity with French accounting regulations and generally accepted accounting principles. The consolidated financial statements and non-consolidated financial statements in Japanese (hereinafter collectively called the "financial statements in Japanese") are the translations of the original consolidated financial statements and the non-consolidated financial statements (hereinafter collectively called the "original financial statements").

   The major differences in generally accepted accounting and reporting principles between IFRS and Japanese GAAP are described in "4. Differences between IFRS and Japanese GAAP."

b. The original financial statements have been audited by Deloitte & Associés and Ernst & Young Audit, the independent auditors in France.

   The financial statements of Renault and of the Group are not subject to audits by Japanese CPAs or audit corporations in conformity with the provision of Article 1-3 of the Cabinet Office Ordinance Concerning Audit Certification of Financial Statements (MOF Ordinance No.12, 1957) based on the provision of Article 35 of the Financial Instruments and Exchange Law Enforcement Order (Cabinet Order No. 321, 1965).

c. Japanese yen amounts included in the financial statements in Japanese are the translations for the major Euro amounts stated in the original financial statements. Japanese yen amounts are translated from Euro amounts at the exchange rate of EUR1 = ¥161.36. This exchange rate is the Telegraphic Transfer Spot Selling Exchange Rates vis-a-vis Customers by the Bank of Tokyo-Mitsubishi UFJ, Ltd. at May 9, 2008.

d. The Japanese yen amounts and items 3. "Other" and 4. "Differences between IFRS and Japanese GAAP" are not included in the original financial statements and, except for the references to the original financial statements, were not subject to the audit mentioned in b. above.

Auditors' Report (relating to 2007 Consolidated financial statements) *

Auditors' Report (relating to 2007 Parent Company financial statements) *

Auditors' Report (relating to 2006 Consolidated financial statements) *

Auditors' Report (relating to 2006 Parent Company financial statements) *

* Free Japanese translation and a photocopy of French original are included respectively in this section.

1. Financial Statements

(1) Comptes consolidés (Consolidated Financial Statements)

Comptes de résultats consolidés
Bilans consolidés au 31 décembre
Variation des capitaux propres consolidés
Tableaux de flux de trésorerie consolidés
Informations sectorielles
Annexe aux comptes consolidés

[Japanese translation and French original of the above are included in this section.]

(2) Comptes annuels (Parent Company Financial Statements)

Comptes de résultat simplifies de Renault S.A.
Bilan simplifié
Tableau de flux de trésorerie
Annexe aux comptes sociaux

[Japanese translation and French original of the above are included in this section.]

2. Details of Major Assets and Liabilities

See the accompanying Notes to the Accounts.

3. Other

(1) RECENT DEVELOPMENTS

IN FIRST QUARTER 2008, RENAULT REVENUES UP 4.2% TO €10,203 MILLION

On 21 April, 2008, Renault reported revenues of €10,203 million in first-quarter 2008, up from €9,793 million for first-quarter 2007 on a consistent basis. The Automobile and Sales Financing divisions made positive contributions of 4.2% and 3.9%, respectively.

Revenues by division

Automobile revenues grew 4.2% year-on-year to €9,697 million in the first quarter on a worldwide sales increase of 6.5% in the same period, dampened by an unfavorable exchange rate that cost 2.1 points.

- In Europe[15], where the market lost 2%, Renault sales held steady (-0.2%) thanks to a product offensive that included the launches of Clio Estate, Grand Modus and New Kangoo car and LCV. Renault sold 30,430 New Lagunas and 36,430 New Twingos in first-quarter 2008. Sales rose 6.3% in France, accompanied by a favorable price/mix effect. Dacia remained on excellent form with a sales leap of 71.2%.
- Outside Europe, the Group reported a sales increase in its three business regions, with volumes up 10.5% in the Americas, 20.5% in Euromed and 41.7% in Asia-Africa.
  - On the dynamic Brazilian market (+31.4%), Renault sales surged by 72.3%. In Brazil and Argentina, sales of Logan (10,123) and Sandero (6,849) were impressive.
  - Sustained growth in the Euromed region is being driven by expanding markets in Russia, Morocco, Algeria and Turkey, where Renault continues to attract new customers. Renault sales grew by 35.8% in Russia and by 53.5% in Algeria. In Romania, Group sales increased by 5.7% and the market share of Renault and Dacia combined remained high at 34.8%.
  - Renault made headway in the Asia-Africa region on sales growth in India (8,120 Logans) and Iran (14,562 Logans), despite a momentary sales decrease for RSM in South Korea.
- Sales of engines and built-up vehicles to partners – particularly light commercial vehicles – made a positive 0.6-point contribution to revenues.

[15] Europe = France region+ Europe region.

The **Sales Financing** subsidiary, RCI Banque, contributed €506 million to revenues, up 3.9% on a consistent basis. This positive trend resulted from a 2.85% increase in average loans outstanding for the RCI Banque Group in first-quarter 2008, together with an increase in average interest rates over the period. The service activity contributed to growth as well.

Major operations and events

Renault signed the agreements confirming its strategic partnership with Russian manufacturer AvtoVAZ on February 29, 2008. Under these agreements, Renault invested USD 1 billion (€659 million) to acquire 25% of the capital plus 1 share of AvtoVAZ. AvtoVAZ will be consolidated in the Renault accounts by the equity method.

Overview of financial situation and results in first-quarter 2008

- **Refinancing existing debt**

Renault SA made refinancing operations in the first quarter to the amount of €727 million, net of reimbursements.

Changes in the fair value of the Renault SA redeemable shares based on the stock market price of March 31, 2008 were reflected in the accounts by a €302-million reduction in the financial debt of Automobile.

Regarding the Sales Financing activity, RCI Banque carried out 35% of its annual medium-term refinancing program in the first quarter. The program for 2008 totals €4,750 million and takes into account the renewal of reimbursed debt together with business growth.

- **Share buyback program**

  As part of the share buyback program approved by the Joint General Meeting of May 2, 2007, Renault bought back 1,618,000 shares in January 2008 for a total amount of €130.9 million to cover the potential dilution arising from the exercise of stock option plans.

2008 outlook

Renault is pursuing its product offensive with the launches of Koleos in Europe in the second quarter and New Mégane, Laguna coupé and Kangoo Compact in the second half of the year. The Group is accelerating its growth in emerging markets. Following its launch in Brazil and Argentina in January 2008, Sandero will be released internationally from June, much like Logan. Second-half 2008 will also see the launch of the new international Clio model (replacing Symbol/Thalia) in the Euromed region and then in Europe.

At the same time, Renault will remain focused on controlling costs and meeting its profitability objectives.

Taking into account this strategy and the difficult economic and financial situation worldwide over the last nine months, Renault will continue to work towards the guidance the company announced at the beginning of the year.

Renault will publish its first-half 2008 results on July 24, 2008.

Divisional contribution to Group revenues

€ million	Q1 2007 reported	Q1 2007 restated*	Q1 2008	Change Q1 2008/ Q1 2007 restated*
Automobile	9,778	9,306	9,697	+4.2%
Sales financing	478	487	506	+3.9%
Total	10,256	9,793	10,203	+4.2%

* On a consistent basis with 2008.

Bajaj Auto and the Renault-Nissan Alliance to build the car code- named ULC with wholesale price range starting from 2500 USD

On May, 12, 2008, Mr. Rajiv Bajaj, Managing Director of Bajaj and Mr. Carlos Ghosn, President and CEO of Renault and President and CEO of Nissan, announced they will form a joint-venture company to develop, produce and market the car code-named ULC with a wholesale price range starting from 2500 USD. The new joint-venture company will be 50% owned by Bajaj Auto, 25% by Renault and 25% by Nissan.

Targeting the growing Indian new vehicle market, this ULC will be made at an all-new plant to be constructed in Chakan (Maharashtra state) in India. Initial planned capacity will be 400,000 units per year. Sales will start in early 2011 in India, as a primary market, with growth potential in other emerging markets around the world.

The feasibility has already extended into Joint Product Development and the project is on line to meet targeted performance & cost.

Nissan contributes €395 million to Renault's first quarter 2008 earnings

On 13 May, 2008, Nissan released its results for fiscal 2007/2008 (April 1, 2007 to March 31, 2008).

After restatement, the profit reported by Nissan for the fourth quarter of its fiscal year 2007/2008 (January 1 to March 31, 2008) will make a positive contribution estimated at €395 million[16] to Renault's first-half 2008 net income.

Distribution of dividends:

Following the decision of the General and Extraordinary Shareholder's Meeting of 29 April 2008, EUR 1,082,761,048.40 (3.80 euros per share) have been distributed to the Shareholders on May 15, 2008.

(2) LITIGATION CASES

Refer to "Disputes" in Part I- III – 4. "Risks in Business, etc."

4. Differences between IFRS and Japanese GAAP

The accompanying financial statements have been prepared in conformity with IFRS as adopted by the European Union. Such accounting principles differ in certain respects from those prevailing in Japan. The major differences relating to the financial statements presented in the last period are summarized below.

1) Consolidated accounts

a. Foreign accounting standards

Under IFRS, the consolidated accounts are prepared on the basis of uniform accounting policies .

Under Japanese GAAP, the consolidated accounts may aggregate foreign subsidiaries' accounts prepared in accordance with related countries' local GAAP as far as such differences do not lead to unreasonable consequences.

In May 2006 under Japanese GAAP, a new accounting rule for the practical guideline on unification of accounting policies of foreign subsidiaries for consolidated financial statements was issued. Under the practical guideline which becomes effective April 1, 2008, in preparing consolidated financial statements, accounting policies and procedures adopted by the parent company and its subsidiaries must be unified for transactions of the same nature which occur under identical circumstances. On the other hand, the practical guideline permits, as a tentative treatment, if the financial statements of overseas subsidiaries have been prepared in accordance with IFRS or U.S. GAAP, for the meantime, these financial statements may be used for consolidation purposes, except for the following items:

- Amortization of goodwill, goodwill may need to be amortized over a period of less than 20 years
- Actuarial gains and losses of defined benefit plans recognized outside profit or loss
- Capitalization of intangible assets arising from development phases
- Fair value measurement of investment properties, and revaluation model for property, plant and equipment, and intangible assets
- Retrospective application when accounting policies are changed voluntarily
- Accounting for net income attributable to a minority interest

---

[16] Based on an average exchange rate of 157.7 yen/euro for the period under review.

b. Translation of the financial statements of foreign subsidiaries

Under IFRS, each individual entity is required to determine its functional currency and to measure its operating results and financial position in that currency. This functional currency may be the local currency or a different currency in case where most transactions are carried out in a different currency for instance.

Under Japanese GAAP, the functional currency has to be the local currency.

c. Method of consolidation

The equity method is one of the two methods allowed by IFRS for companies not fully controlled (along with proportionate consolidation). Companies in which material influence is exercised are consolidated under the equity method. Companies jointly controlled are usually consolidated on a proportionate basis but may be consolidated using the equity method.

Under Japanese GAAP, joint ventures are accounted for by the equity method if it is deemed that none of investors has an effective control over the joint venture. Consolidation on a proportional basis is not permitted, subject to the effect, if any, of other treatment allowed by local GAAP accepted for Japanese GAAP consolidation purposes (see §a).

d. Accounting for Business Combination

Under IFRS, accounting for business combination allows the purchase method only.

Under Japanese GAAP, the pooling of interest method is also allowed for certain rare combinations.

2) Presentation of the balance sheet and income statements

The major differences identified relate to the following items ;

a. Current and non-current assets and liabilities

Under IAS 1.51, “an entity shall present current and non-current assets and current and non-current liabilities, as separate classifications on the face of its balance sheet except when a presentation based on liquidity provides information that is reliable and is more relevant”. Minority interest is presented as equity.

Under Japanese GAAP, a presentation based on liquidity is generally adopted. Minority interest is included in the Japanese GAAP concept of “net assets” with a new rule that became effective April 1, 2007. Under new rule:

- Assets less liabilities represent “net assets”;
- Net assets consist of shareholders’ equity (paid in capital plus retained earnings less treasury stock); valuation, translation adjustments and others; stock appreciation rights and minority interests;

b. Asset-backed securities

The recording of asset-backed securities could differ between IFRS and Japanese GAAP. Even though there is no impact on the shareholders’ equity, the balance sheet presentation can be affected, including the valuation of current / non-current assets and/or liabilities.

Under IFRS, financial assets shall be derecognized mainly based on risk-and-reward approach, and financial component approach, where legal isolation is not always required.

Under Japanese GAAP, financial assets shall be derecognized based on financial component approach, where legal isolation is always required.

c. Classification of extraordinary items

Under IFRS, the concept of extraordinary items is eliminated and the presentation of items of income and expense as extraordinary is prohibited.

Under Japanese GAAP, extraordinary items are defined as those unusual in nature and significant in amount. Those include, but are not limited to, gains or losses on disposal of property, plant and equipment and investment securities other than those classified as trading, prior year adjustments, losses from disasters and so on.

d. Classification of commercial rebates and discounts

Commercial rebates and discounts are deducted from sales under IFRS.

Under Japanese GAAP, they should not be presented as a reduction of revenues, but as expenses. They are specifically disclosed as a separate line item in the income statement when material to the financial statements.

3) Leases

Under IFRS, leases for which all risks and rewards incidental to the ownership of the assets substantially transferred to the lessee are recorded as finance leases in the consolidated financial statements of the lessee.

Under Japanese GAAP, leases that deem to transfer ownership of the leased property to the lessee are to be capitalized by the lessee, while other leases,, under the allowed alternative method, are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the notes to the lessee's financial statements.
However, effective April 1, 2008, the allowed alternative method will be eliminated and all financial leases are to be accounted for as such.

4) Impairment of Assets

Under IFRS, impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount determined such as the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use.
The value in use of an asset under IFRS amounts to the present value of the future cash flow. Under IFRS, the best evidence of an asset's fair value is i) a price in a binding sale agreement, ii) the market price, iii) the best information available to reflect the amount that an entity could obtain, at the balance sheet date, from the disposal of the asset in an arm's length transaction between knowledgeable and willing parties.

Under Japanese GAAP, an impairment loss is recognized if the carrying amount of assets exceeds the sum of the undiscounted future cash flows expected to be generated from the continued use and potential disposal of the assets. In the situation where an impairment loss is recognized, this loss will be assessed as the difference between the carrying value of the assets and the present value of the future cash flows expected to be generated from these assets.

5) Financial instrument

The analysis of the differences between Japanese GAAP and IFRS is conducted by the Committee of European Security Regulators (the "CESR"). The key differences are the following:

a. Redeemable shares

Under IFRS, and based on the current understanding of IAS 39 on that matter, the redeemable shares with embedded derivative which cannot be value separately, are recognized as a debt and accounted for at fair value.
Under IFRS, the position taken by Renault may be subject to a different interpretation from the professional or standard-setting bodies that could lead Renault to apply the amortized cost method rather than the fair value.

Under Japanese GAAP, redeemable shares are initially recorded at their issuance cost. No specific standards govern subsequent measurement.

b. Hedging

Under IFRS, hedging instruments, along with the hedged items when qualified for hedge accounting, are accounted for at fair value.

Under Japanese GAAP, all derivatives are carried at their fair value and unrealized gain and loss arising from those derivatives are charged to the income statement except when certain criteria for hedge accounting are met. In that case, those unrealized gain and loss are deferred and included in the net assets. Certain synthetic method is allowed for hedge accounting by using interest rate swap or foreign exchange forward contracts.

c. Impairment of sales finance receivables

Under IFRS, a valuation allowance on sales finance receivables should be recorded when the underlying receivables are subject to impairment. The recognition and measurement of such provision is subject to the existence of objective evidence, including documentation of a triggering event and supporting evidence of the corresponding depreciation rates and patterns by category of receivables.

Under Japanese GAAP, a valuation allowance is recorded for the whole portfolio, based on the past experience, even in the absence of a delinquency triggering event. In addition, a specific allowance is provided for doubtful receivables based on the relevant factors such as financial condition of debtors and the fair value of collateral, if any.

6) Valuation of inventories

Under IFRS, costs in inventory are assigned by using the first-in, first-out method or the weighted average cost.

Under Japanese GAAP, the last purchase cost method and last-in first-out method can also be applied. Effective April 1, 2008 only the lower of cost or market value method will be accepted.

7) Goodwill

a Translation of goodwill

Under IFRS, goodwill generated by a combination with a foreign company is recorded in the functional currency of the entity acquired and subsequently translated to the Group's presentation currency using the closing rate.

Under Japanese GAAP, goodwill is translated and carried in the currency of the acquiring entity at the rate applicable at the date of acquisition.

b Amortization of goodwill

Under IFRS, goodwill are not amortized but impaired when required.

Japanese GAAP requires amortization of goodwill on a straight-line basis over a period not exceeding 20 years.

c Negative goodwill

IFRS states that all negative goodwill need to be recognized immediately in income.

Under Japanese GAAP, negative goodwill is recognized as a liability and amortized on a straight-line basis over a period not exceeding 20 years.

8) Employee benefits

a. Pension liability

Under IFRS, the whole amount of the vested benefits is accrued in the financial statement.

Under Japanese GAAP, the accounting standard for accruing pension has been issued and became effective in 2000. As a result of the first application of this new regulation, most Japanese companies chose the option of amortizing the cost related to the service prior to the effective date over a period not exceeding 15 years.

b. Actuarial differences on pension accrual

IFRS allows entities to elect between two options for the recognition of actuarial differences:

- Recognizing them as a liability as incurred, counterpart in shareholder equity.
- Amortizing them through a "corridor approach".

Renault opted to recognize the actuarial differences in the period in which they occur and outside profit and loss.
Under Japanese GAAP, all unrecognized actuarial gains and/or losses are subject to amortization after consideration of materiality.

c. Accrual for compensated absence

Under Japanese GAAP, accrual for compensated absence is not required while such liability should be recognized under IFRS.

9) Stock option plans granted to employees

Under IFRS, the cost of stock option plans granted by the Group to the employees is measured by reference to the fair value of those options. The expense is recognized, together with the corresponding increase in equity, over the specified period of service (the vesting period).

If option is exercised, price difference with underlying new shares is charged to equity.
If the instruments are forfeited or the options are not exercised, previous expense is not reversed.

Under Japanese GAAP, Accounting Standard for Stock Option is applicable to stock options granted after enforcement of the Company Law (May 1, 2006). However, stock option category addressed is limited to equity settled share-based payment transactions and no clear guidelines is given for cash-settled share-based payment transactions. Nissan is applying IFRS rule for the recognition of stock appreciation rights.

Alike IFRS, under the Japanese GAAP rule for equity-settled plans, the cost of stock option plans granted by the Group to the employees is measured by reference to the fair value of those options. Fair-value is fixed upon stock option attribution date, and corresponding expense is recognized, together with the corresponding increase in equity, over the vesting period. When option matures, previous expense is offset through extraordinary revenue.

10) Research and development expenses

In compliance with IFRS, the development expenses incurred between the approval of the project that includes the decision to implement production facilities and the approval of the design for mass production are capitalized. They are amortized on a straight-line basis over the expected market life of the vehicle or part, up to a maximum period of 7 years.
Expenses incurred before the formal approval of the product development are recorded as costs in the period they are incurred, in the same way as research expenses.

Under Japanese GAAP, any research and development expenditure is to be recognized as an expense when incurred.

11) Impact of the first application (for the year ended on December 31, 2005) of IFRS

Further to the recurrent GAAP differences described above, the following items have generated some significant one shot differences in equity as a result of the first time adoption of IFRS. The most significant differences are in relation with:

a. Treasury shares
b. Financial instruments
c. Research and development expenses
d. Sales with buy-back commitments
e. Liabilities for pension
f. Retrospective application of IAS 38

VII. MOVEMENT OF FOREIGN EXCHANGE QUOTATION

To exchange quotation of the currencies (Euro) used in the financial documents of Renault against Japanese yen has been reported for the recent five business years and for the recent six months in not less than two daily newspapers reporting on general affairs published in Japan.

VIII. OUTLINE OF HANDLING OF SHARES, ETC. OF THE COMPANY IN JAPAN

Not applicable.

IX. REFERENCE INFORMATION RELATING TO THE COMPANY

1. Information of Parent Company, etc. of Filing Company

Not applicable

2. Other Reference Information

The following documents were filed with the Director General of the Kanto Local Finance Bureau during the period from the beginning of the relevant fiscal year to the date of filing of this report:

Name of Documents	Filing Date
(1) Securities Report and attachments thereto	June 15, 2007
(2) Amendment to Shelf Registration Statement	June 15, 2007
(3) Semi-annual Securities Report and attachments thereto	September 21, 2007
(4) Shelf Registration Statement	September 21, 2007
(5) Amendment to Securities Report (amendment report of (1) above)	January 9, 2008
(6) Amendment to Securities Report (amendment report of Securities Report for 2005 (From January 1, 2005 to December 31, 2005))	January 9, 2008
(7) Amendment to Shelf Registration Statement and attachments thereto	January 9, 2008
(8) Amendment to Shelf Registration Statement	January 9, 2008
(9) Supplemental Document to Shelf Registration Statement and attachments thereto	January 17, 2008

PART IIINFORMATION CONCERNING GUARANTOR, ETC. OF THE COMPANY

Not applicable.