Consolidated financial statements 2013

4.2 Consolidated financial statements

4.2.1 Consolidated income statement

(€ million)	**2013**	**2012**
Revenues (note 4)	**40,932**	**41,270**
Cost of goods and services sold	(33,611)	(34,092)
Research and development expenses (note 11-A)	(1,812)	(1,915)
Selling, general and administrative expenses	(4,267)	(4,534)
Operating margin (note 5)	**1,242**	**729**
Other operating income and expenses (note 6)	(1,276)	(607)
Other operating income	*222*	*224*
Other operating expenses	*(1,498)*	*(831)*
Operating income (loss)	**(34)**	**122**
Net interest income (expenses)	(267)	(267)
Interest income	*183*	*184*
Interest expenses	*(450)*	*(451)*
Other financial income and expenses	(15)	1
Financial income (expenses) (note 7)	**(282)**	**(266)**
Gain on sale of AB Volvo shares (note 14)	**-**	**924**
Share in net income (loss) of associates and joint ventures	**1,444**	**1,504**
Nissan (note 13)	*1,498*	*1,234*
Other associates and joint ventures (note 14)	*(54)*	*270*
Pre-tax income	***1,128***	**2,284**
Current and deferred taxes (note 8)	**(433)**	(549)
Net income	***695***	**1,735**
Net income – non-controlling interests' share	*109*	(37)
Net income – parent-company shareholders' share	*586*	1,772
Basic earnings per share [1] in € (note 9)	2.15	6.51
Diluted earnings per share [1] in € (note 9)	2.14	6.50
Number of shares outstanding (in thousands) (note 9)		
For basic earnings per share	*272,290*	*272,256*
For diluted earnings per share	*274,096*	*272,393*

(1) Net income – parent-company shareholders' share divided by number of shares stated.

4.2.2 Consolidated comprehensive income

Other components of comprehensive income are reported net of tax effects, which are presented in note 10.

(€ million)	**2013**	**2012**
NET INCOME	**695**	**1,735**
Items that will not be reclassified subsequently to profit or loss	***68***	***(268)***
Actuarial gains and losses on defined-benefit pension plans	68	(268)
Items that have been or will be reclassified subsequently to profit or loss	***215***	***48***
Translation adjustments on foreign activities (1)	(383)	(99)
Partial hedge of the investment in Nissan (2)	209	35
Fair value adjustments on cash flow hedging instruments (3)	34	(20)
Fair value adjustments on available-for-sale financial assets (2)	355	132
Total other components of comprehensive income excluding associates and joint ventures (A)	**283**	**(220)**
Items that will not be reclassified subsequently to profit or loss	***42***	***10***
Actuarial gains and losses on defined-benefit pension plans	42	10
Items that have been or will be reclassified subsequently to profit or loss (4)	***(1,965)***	***(1,111)***
Translation adjustments on foreign activities	(2,112)	(1,164)
Fair value adjustments on cash flow hedging instruments	5	(19)
Fair value adjustments on available-for-sale financial assets	142	72
Share of associates and joint ventures in other components of comprehensive income (B)	**(1,923)**	**(1,101)**
Other components of comprehensive income (A) + (B)	**(1,640)**	**(1,321)**
COMPREHENSIVE INCOME	**(945)**	**414**
Parent-company shareholders' share	(1,055)	450
Non-controlling interests' share	110	(36)

(1) Including €9 million reclassified to profit or loss in 2013 (nil in 2012)
(2) There were no reclassifications to profit or loss for this item in 2013 or 2012
(3) Including €25 million reclassified to profit or loss in 2013 (€31 million in 2012)
(4) Including €(19) million reclassified to profit or loss in 2013 (€(39) million in 2012)

4.2.3 Consolidated financial position

ASSETS *(€ million)*	**December 31, 2013**	**December 31, 2012**
NON-CURRENT ASSETS		
Intangible assets (note 11-A)	3,282	3,482
Property, plant and equipment (note 11-B)	10,973	11,534
Investments in associates and joint ventures	14,874	15,562
Nissan (note 13)	14,068	*14,788*
Other associates and joint ventures (note 14)	806	*774*
Non-current financial assets (note 22)	1,530	1,032
Deferred tax assets (note 8)	396	416
Other non-current assets (note 18)	1,076	821
Total non-current assets	**32,131**	**32,847**
CURRENT ASSETS		
Inventories (note 15)	3,162	3,864
Sales financing receivables (note 16)	23,650	23,230
Automotive receivables (note 17)	970	1,144
Current financial assets (note 22)	1,098	989
Current tax assets	64	39
Other current assets (note 18)	2,256	2,121
Cash and cash equivalents (note 22)	11,661	11,180
Total current assets	**42,861**	**42,567**
TOTAL ASSETS	**74,992**	**75,414**

SHAREHOLDERS' EQUITY AND LIABILITIES *(€ million)*	**December 31, 2013**	**December 31, 2012**
SHAREHOLDERS' EQUITY		
Share capital	1,127	1,127
Share premium	3,785	3,785
Treasury shares	(187)	(201)
Revaluation of financial instruments	571	36
Translation adjustment	(3,674)	(1,386)
Reserves	20,629	19,159
Net income – parent-company shareholders' share	586	1,772
Shareholders' equity – parent-company shareholders' share	**22,837**	**24,292**
Shareholders' equity – non-controlling interests' share	377	255
Total shareholders' equity (note 19)	**23,214**	**24,547**
NON-CURRENT LIABILITIES		
Deferred tax liabilities (note 8)	121	123
Provisions – long-term (note 20)	2,544	2,496
Non-current financial liabilities (note 23)	7,100	6,622
Other non-current liabilities (note 21)	1,119	844
Total non-current liabilities	**10,884**	**10,085**
CURRENT LIABILITIES		
Provisions – short-term (note 20)	1,095	889
Current financial liabilities (note 23)	2,921	3,094
Sales financing debts (note 23)	23,757	23,305
Trade payables	6,171	6,558
Current tax liabilities	126	131
Other current liabilities (note 21)	6,824	6,805
Total current liabilities	**40,894**	**40,782**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**74,992**	**75,414**

4.2.4 Changes in shareholders' equity

(€ million)	**Number of shares *(thousand)***	**Share capital**	**Share premium**	**Treasury shares**	**Revaluation of financial instruments**	**Translation adjustment**	**Reserves**	**Net income (parent-company shareholders' share)**	**Shareholders' equity (parent-company shareholders' share)**	**Shareholders' equity (non-controlling entities' share)**	**Total shareholders' equity**
Balance at December 31, 2011	**295,722**	**1,127**	**3,785**	**(201)**	**(129)**	**(155)**	**17,567**	**2,092**	**24,086**	**481**	**24,567**
2012 net income								1,772	1,772	(37)	**1,735**
Other components of comprehensive income (1)					165	(1,231)	(256)		(1,322)	1	**(1,321)**
2012 comprehensive income					***165***	***(1,231)***	***(256)***	***1,772***	***450***	***(36)***	***414***
Allocation of 2011 net income							2,092	(2,092)			
Dividends							(316)		**(316)**	(68)	**(384)**
(Acquisitions) / disposals of treasury shares and impact of capital increases											
Impact of changes in the scope of consolidation with no loss of control (2)							57		**57**	(122)	**(65)**
Cost of stock option plans							15		**15**		**15**
Balance at December 31, 2012 as published	**295,722**	**1,127**	**3,785**	**(201)**	**36**	**(1,386)**	**19,159**	**1,772**	**24,292**	**255**	**24,547**
Restatements for application of IFRS 11 and IAS 19 (revised) (3)						(2)	42	(23)	17		17
Restated balance at December 31, 2012	**295,722**	**1,127**	**3,785**	**(201)**	**36**	**(1,388)**	**19,201**	**1,749**	**24,309**	**255**	**24,564**
2013 net income								586	586	109	**695**
Other components of comprehensive income (1)					535	(2,286)	110		(1,641)	1	**(1,640)**
2013 comprehensive income					***535***	***(2,286)***	***110***	***586***	***(1,055)***	***110***	***(945)***
Allocation of 2012 net income							1,749	(1,749)			
Dividends							(469)		(469)	(56)	**(525)**
(Acquisitions) / disposals of treasury shares and impact of capital increases				14					14		**14**
Impact of changes in the scope of consolidation with or without loss of control (2)							19		19	68	**87**
Cost of stock option plans							19		19		**19**
Balance at December 31, 2013	**295,722**	**1,127**	**3,785**	**(187)**	**571**	**(3,674)**	**20,629**	**586**	**22,837**	**377**	**23,214**

(1) Changes in reserves correspond to actuarial gains and losses on defined-benefit pension funds during the period (€(258) million in 2012 and €110 million in 2013).

(2) Impacts of changes in the scope of consolidation comprise the treatment applied to acquisitions of non-controlling interests and put options for buyouts of non-controlling interests (note 2-C). In 2013, they also included the effects of Renault Pars deconsolidation (note 6-E) and transfer of control over Renault South Africa to the partner (note 6-B). In 2012, the main changes in the scope of consolidation concern Renault's acquisitions of non-controlling interests in Avtoframos and Remosprom in Russia and Nissan's acquisition of non-controlling interests in Aichi Kikai in Japan (note 13).

(3) The restatements resulting from retrospective application of IFRS 11 "Joint Arrangements" and IAS 19 (revised) "Employee benefits" are presented in note 2-A2.

Details of changes in consolidated shareholders' equity in 2013 are given in note 19.

4.2.5 Consolidated cash flows

(€ million)	2013	2012
NET INCOME	**695**	**1,735**
Cancellation of dividends received from unconsolidated listed investments [(1)]	(27)	(34)
Cancellation of income and expenses with no impact on cash		
- Depreciation, amortization and impairment	3,169	3,307
- Share in net (income) loss of associates and joint ventures	(1,444)	(1,504)
- Other income and expenses with no impact on cash (note 26-A)	815	(788)
Dividends received from unlisted associates and joint ventures	6	3
Cash flow [(2)]	**3,214**	**2,719**
Dividends received from listed companies [(3)]	**433**	**507**
Net change in financing for final customers	(534)	(568)
Net change in renewable dealer financing	(781)	(896)
Decrease (increase) in sales financing receivables	**(1,315)**	**(1,464)**
Bond issuance by the Sales Financing segment (note 23-A)	2,958	3,509
Bond redemption by the Sales Financing segment (note 23-A)	(2,465)	(2,765)
Net change in other sales financing debts	917	652
Net change in other securities and loans of the Sales Financing segment	(365)	(69)
Net change in financial assets and debts of the Sales Financing segment	**1,045**	**1,327**
Change in capitalized leased assets	**(333)**	**(210)**
Decrease (increase) in working capital (note 26-B)	**528**	**997**
CASH FLOWS FROM OPERATING ACTIVITIES	**3,572**	**3,876**
Capital expenditure (note 26-C)	(2,749)	(2,847)
Disposals of property, plant and equipment and intangibles	198	162
Acquisitions of investments involving gain of control, net of cash acquired	(5)	(5)
Acquisitions of other investments, net of cash acquired	(273)	(112)
Disposals of investments involving loss of control, net of cash transferred	26	-
Disposals of other investments, net of cash transferred and other [(4)]	91	1,473
Net decrease (increase) in other securities and loans of the Automotive segment	(12)	(240)
CASH FLOWS FROM INVESTING ACTIVITIES	**(2,724)**	**(1,569)**
Transactions with non-controlling interests [(5)]	(2)	(91)
Dividends paid to parent-company shareholders (note 19-D)	(502)	(338)
Dividends paid to non-controlling interests	(48)	(73)
(Acquisitions) sales of treasury shares	-	-
Cash flows with shareholders	**(552)**	**(502)**
Bond issuance by the Automotive segment (note 23-A)	1,716	1,952
Bond redemption by the Automotive segment (note 23-A)	(1,152)	(1,073)
Net increase (decrease) in other financial liabilities of the Automotive segment	(24)	132
Net change in financial liabilities of the Automotive segment	**540**	**1,011**
CASH FLOWS FROM FINANCING ACTIVITIES	**(12)**	**509**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**836**	**2,816**

(1) Dividends received from Daimler
(2) Cash flow does not include dividends received from listed companies.
(3) Dividends from Daimler (€27million) and Nissan (€406 million) in 2013.
Dividends from Daimler (€34 million), AB Volvo (€47 million) and Nissan (€426 million) in 2012.
(4) AB Volvo shares were sold for €1,476 million in 2012.
(5) Acquisitions of additional investments in controlled companies (note 2-J).

(€ million)	**2013**	**2012**
Cash and cash equivalents: opening balance	**11,180**	**8,672**
Increase (decrease) in cash and cash equivalents	836	2,816
Effect of changes in exchange rate and other changes	(355)	(308)
Cash and cash equivalents: closing balance	**11,661**	**11,180**

Details of interest received and paid by the Automotive segment are given in note 26-D.

Current taxes paid by the Group are reported in note 8-A.

4.2.6 Segment reporting

A – Information by operating segment

A1 – CONSOLIDATED INCOME STATEMENT BY OPERATING SEGMENT

(€ million)	**Automotive**	**Sales Financing**	**Intersegment transactions**	**Consolidated total**
2013				
Sales of goods	36,964	33		36,997
Sales of services	1,811	2,124		3,935
External revenues	**38,775**	**2,157**		**40,932**
Intersegment sales	(361)	400	(39)	-
Sales by segment	**38,414**	**2,557**	**(39)**	**40,932**
Operating margin (1)	**521**	**747**	**(26)**	**1,242**
Operating income (loss)	**(744)**	**736**	**(26)**	**(34)**
Financial income (expenses) (2)	**(107)**	-	**(175)**	**(282)**
Share in net income (loss) of associates and joint ventures	**1,430**	**14**	-	**1,444**
Pre-tax income	**579**	**750**	**(201)**	**1,128**
Current and deferred taxes	(203)	(238)	8	(433)
Net income	**376**	**512**	**(193)**	**695**
2012				
Sales of goods	37,227	-	-	37,227
Sales of services	1,929	2,114	-	4,043
External revenues	**39,156**	**2,114**	**-**	**41,270**
Intersegment sales	(297)	452	(155)	**-**
Sales by segment	**38,859**	**2,566**	**(155)**	**41,270**
Operating margin (1)	**(15)**	**754**	**(10)**	**729**
Operating income (loss)	**(615)**	**749**	**(12)**	**122**
Financial income (expenses) (2)	**85**	**-**	**(351)**	**(266)**
Gain on sale of AB Volvo shares	**924**	**-**	**-**	**924**
Share in net income (loss) of associates and joint ventures	**1,495**	**9**	**-**	**1,504**
Pre-tax income	**1,889**	**758**	**(363)**	**2,284**
Current and deferred taxes	(313)	(239)	3	(549)
Net income	**1,576**	**519**	**(360)**	**1,735**

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

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

A2 – CONSOLIDATED FINANCIAL POSITION BY OPERATING SEGMENT

Consolidated financial position by operating segment – December 31, 2013

ASSETS *(€ million)*	**Automotive**	**Sales Financing**	**Intersegment transactions**	**Consolidated total**
NON-CURRENT ASSETS				
Property, plant and equipment and intangible assets	14,146	119	(10)	14,255
Investments in associates and joint ventures	14,859	15		14,874
Non-current financial assets – investments in non-controlled entities	4,036	55	(2,895)	1,196
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segment	368		(34)	334
Deferred tax assets and other non-current assets	1,301	206	(35)	1,472
Total non-current assets	**34,710**	**395**	**(2,974)**	**32,131**
CURRENT ASSETS				
Inventories	3,121	48	(7)	3,162
Customer receivables	1,031	23,997	(408)	24,620
Current financial assets	975	925	(802)	1,098
Current tax assets and other current assets	1,604	2,900	(2,184)	2,320
Cash and cash equivalents	10,704	1,201	(244)	11,661
Total current assets	**17,435**	**29,071**	**(3,645)**	**42,861**
TOTAL ASSETS	**52,145**	**29,466**	**(6,619)**	**74,992**
SHAREHOLDERS' EQUITY AND LIABILITIES *(€ million)*				
SHAREHOLDERS' EQUITY	**23,127**	**2,899**	**(2,812)**	**23,214**
NON-CURRENT LIABILITIES				
Long-term provisions	2,277	267		2,544
Non-current financial liabilities	6,837	263		7,100
Deferred tax liabilities and other non-current liabilities	691	549		1,240
Total non-current liabilities	**9,805**	**1,079**		**10,884**
CURRENT LIABILITIES				
Short-term provisions	1,067	28		1,095
Current financial liabilities	3,449		(528)	2,921
Trade payables and sales financing debts	6,349	24,657	(1,078)	29,928
Current tax liabilities and other current liabilities	8,348	803	(2,201)	6,950
Total current liabilities	**19,213**	**25,488**	**(3,807)**	**40,894**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**52,145**	**29,466**	**(6,619)**	**74,992**

Consolidated financial position by operating segment – December 31, 2012

ASSETS *(€ million)*	**Automotive**	**Sales Financing**	**Intersegment transactions**	**Consolidated total**
NON-CURRENT ASSETS				
Property, plant and equipment and intangible assets	14,910	116	(10)	15,016
Investments in associates and joint ventures	15,514	48	-	15,562
Non-current financial assets – investments in non-controlled entities	3,433	-	(2,645)	788
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segment	348	-	(104)	244
Deferred tax assets and other non-current assets	1,047	238	(48)	1,237
Total non-current assets	**35,252**	**402**	**(2,807)**	**32,847**
CURRENT ASSETS				
Inventories	3,825	42	(3)	3,864
Customer receivables	1,195	23,649	(470)	24,374
Current financial assets	1,150	514	(675)	989
Current tax assets and other current assets	1,583	2,774	(2,197)	2,160
Cash and cash equivalents	10,072	1,338	(230)	11,180
Total current assets	**17,825**	**28,317**	**(3,575)**	**42,567**
TOTAL ASSETS	**53,077**	**28,719**	**(6,382)**	**75,414**

SHAREHOLDERS' EQUITY AND LIABILITIES *(€ million)*	**Automotive**	**Sales Financing**	**Intersegment transactions**	**Consolidated total**
SHAREHOLDERS' EQUITY	**24,437**	**2,650**	**(2,540)**	**24,547**
NON-CURRENT LIABILITIES				
Long-term provisions	2,262	234	-	2,496
Non-current financial liabilities	6,362	260	-	6,622
Deferred tax liabilities and other non-current liabilities	424	543	-	967
Total non-current liabilities	**9,048**	**1,037**	**-**	**10,085**
CURRENT LIABILITIES				
Short-term provisions	857	32	-	889
Current financial liabilities	3,716	-	(622)	3,094
Trade payables and sales financing debts	6,663	24,199	(999)	29,863
Current tax liabilities and other current liabilities	8,356	801	(2,221)	6,936
Total current liabilities	**19,592**	**25,032**	**(3,842)**	**40,782**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**53,077**	**28,719**	**(6,382)**	**75,414**

A3 – CONSOLIDATED CASH FLOWS BY OPERATING SEGMENT

(€ million)	**Automotive**	**Sales Financing**	**Intersegment transactions**	**Consolidated total**
2013				
Net income	**376**	**512**	**(193)**	**695**
Cancellation of dividends received from unconsolidated listed investments [1]	(27)	-	-	(27)
Cancellation of income and expenses with no impact on cash				
Depreciation, amortization and impairment	3,164	5	-	3,169
Share in net (income) loss of associates and joint ventures	(1,430)	(14)	-	(1,444)
Other income and expenses with no impact on cash	825	(2)	(8)	815
Dividends received from unlisted associates and joint ventures	6	-	-	6
Cash flow [2]	**2,914**	**501**	**(201)**	**3,214**
Dividends received from listed companies [3]	**433**	**-**	**-**	**433**
Decrease (increase) in sales financing receivables	-	(1,240)	(75)	(1,315)
Net change in financial assets and sales financing debts	-	1,063	(18)	1,045
Change in capitalized leased assets	(334)	1	-	(333)
Decrease (increase) in working capital	790	(198)	(64)	528
CASH FLOWS FROM OPERATING ACTIVITIES	**3,803**	**127**	**(358)**	**3,572**
Purchases of intangible assets	(827)	(4)	-	(831)
Purchases of property, plant and equipment	(1,914)	(4)	-	(1,918)
Disposals of property, plant and equipment and intangibles	198	-	-	198
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired/transferred	24	(3)	-	21
Acquisitions and disposals of other investments and other assets	(183)	1	-	(182)
Net decrease (increase) in other securities and loans of the Automotive segment	(20)	-	8	(12)
CASH FLOWS FROM INVESTING ACTIVITIES	**(2,722)**	**(10)**	**8**	**(2,724)**
Cash flows with shareholders	(539)	(188)	175	(552)
Net change in financial liabilities of the Automotive segment	461	-	79	540
CASH FLOWS FROM FINANCING ACTIVITIES	**(78)**	**(188)**	**254**	**(12)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS [4]	**1,003**	**(71)**	**(96)**	**836**

(1) Dividends received from Daimler.
(2) Cash flow does not include dividends received from listed companies.
(3) Dividends received from Daimler (€27 million) and Nissan (€406 million).
(4) Excluding the impact on cash of changes in exchange rate and other changes.

(€ million)	**Automotive**	**Sales Financing**	**Intersegment transactions**	**Consolidated total**
2013				
Cash and cash equivalents: opening balance	**10,072**	**1,338**	**(230)**	**11,180**
Increase (decrease) in cash and cash equivalents	1,003	(71)	(96)	836
Effect of changes in exchange rate and other changes	(371)	(66)	82	(355)
Cash and cash equivalents: closing balance	**10,704**	**1,201**	**(244)**	**11,661**

(€ million)	Automotive	Sales Financing	Intersegment transactions	Consolidated total
2012				
Net income	**1,576**	**519**	**(360)**	**1,735**
Cancellation of dividends received from unconsolidated listed investments (1)	(34)	-	-	(34)
Cancellation of income and expenses with no impact on cash				
Depreciation, amortization and impairment	3,299	8	-	3,307
Share in net (income) loss of associates and joint ventures	(1,495)	(9)	-	(1,504)
Other income and expenses with no impact on cash	(772)	(15)	(1)	(788)
Dividends received from unlisted associates and joint ventures	3	-	-	3
Cash flow (2)	**2,577**	**503**	**(361)**	**2,719**
Dividends received from listed companies (3)	**507**	**-**	**-**	**507**
Decrease (increase) in sales financing receivables	-	(1,562)	98	(1,464)
Net change in financial assets and sales financing debts	-	1,483	(156)	1,327
Change in capitalized leased assets	(228)	18	-	(210)
Decrease (increase) in working capital	922	95	(20)	997
CASH FLOWS FROM OPERATING ACTIVITIES	**3,778**	**537**	**(439)**	**3,876**
Purchases of intangible assets	(900)	(2)	-	(902)
Purchases of property, plant and equipment	(1,936)	(9)	-	(1,945)
Disposals of property, plant and equipment and intangibles	162	-	-	162
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired/transferred	(5)	-	-	(5)
Acquisitions and disposals of other investments and other assets (4)	1,363	(2)	-	1,361
Net decrease (increase) in other securities and loans of the Automotive segment	(252)	-	12	(240)
CASH FLOWS FROM INVESTING ACTIVITIES	**(1,568)**	**(13)**	**12**	**(1,569)**
Cash flows with shareholders	(493)	(360)	351	(502)
Net change in financial liabilities of the Automotive segment	1,071	-	(60)	1,011
CASH FLOWS FROM FINANCING ACTIVITIES	**578**	**(360)**	**291**	**509**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (5)	**2,788**	**164**	**(136)**	**2,816**

(1) Dividends received from Daimler.
(2) Cash flow does not include dividends received from listed companies.
(3) Dividends from Daimler (€34 million), AB Volvo (€47 million) and Nissan (€426 million).
(4) AB Volvo shares were sold for €1,476 million in 2012.
(5) Excluding the effects on cash of changes in exchange rate and other changes.

(€ million)	Automotive	Sales Financing	Intersegment transactions	Consolidated total
2012				
Cash and cash equivalents: opening balance	**7,618**	**1,171**	**(117)**	**8,672**
Increase (decrease) in cash and cash equivalents	2,787	165	(136)	2,816
Effect of changes in exchange rate and other changes	(333)	2	23	(308)
Cash and cash equivalents: closing balance	**10,072**	**1,338**	**(230)**	**11,180**

B – Information by Region

The Regions presented correspond to the geographic divisions used for Group management.

Consolidated revenues are presented by location of customers.

Property, plant and equipment and intangibles are presented by location of subsidiaries and joint operations.

(€ million)	**Europe** [1]	**Americas**	**Asia-Pacific**	**Euromed-Africa**	**Eurasia**	**Consolidated total**
2013						
Revenues	23,803	5,933	3,753	4,446	2,997	**40,932**
Property, plant and equipment and intangibles	10,285	639	475	2,214	642	**14,255**
2012						
Revenues	24,661	6,141	4,010	3,992	2,466	**41,270**
Property, plant and equipment and intangibles	10,777	686	616	2,321	616	**15,016**

(1) Including the following for France:

(€ million)	***2013***	***2012***
Revenues	*10,004*	*10,894*
Property, plant and equipment and intangibles	*8,613*	*9,180*

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4.2.7 Notes to the consolidated financial statements

4.2.7 Notes to the consolidated financial statements

4.2.7.1 Accounting policies and scope of consolidation

NOTE 1 – APPROVAL OF THE FINANCIAL STATEMENTS

The Renault group's consolidated financial statements for 2013 were finalized at the Board of Directors' meeting of February 12, 2014 and will be submitted for approval by the shareholders at the General Shareholders' Meeting.

NOTE 2 – ACCOUNTING POLICIES

In application of regulation 1606/2002 passed on July 19, 2002 by the European Parliament and the Council of Europe, Renault's consolidated financial statements for 2013 are prepared under IFRS (International Financial Reporting Standards) as issued by the IASB (International Accounting Standards Board) at December 31, 2013 and adopted by the European Union at the year-end.

A - Changes in accounting policies

A1. Changes in 2013

At December 31, 2013 the Group applies the new standards and amendments shown below, which were published in the Official Journal of the European Union and mandatory at the closing date.

Standard		**Effective date**
IFRS 13	Fair Value Measurement	January 1, 2013
IAS 19 (revised)	Employee Benefits	January 1, 2013
Improvements to several standards	Annual improvements - 2009-2011 cycle	January 1, 2013
Amendment to IFRS 7	Financial instruments: Disclosure - Offsetting financial assets and financial liabilities	January 1, 2013
Amendment to IAS 1	Presentation of financial statements – Presentation of other components of comprehensive income	January 1, 2013
Amendment to IAS 12	Income Taxes - Deferred Tax: Recovery of Underlying Assets	January 1, 2013

The amendment to IAS 1 requires other components of comprehensive income to be presented in two separate categories: items that will be reclassified to profit and loss in the future, and other items.

IAS 19 (revised) "Employee benefits" is applied retrospectively. The impact of its first application is not significant at Group level, as shown in the tables of restatements of 2012 figures presented in note 2-A2.

IFRS 13 "Fair Value Measurement" is applied prospectively. Its application has no significant impact on book values.

The Group also opted for early application of the following standards and amendments, which were published in the Official Journal of the European Union but were not mandatory at the closing date.

Standard		**Effective date**
IFRS 10	Consolidated financial statements	January 1, 2014
IFRS 11	Joint arrangements	January 1, 2014
IFRS 12	Disclosure of interests in other entities	January 1, 2014
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance	January 1, 2014
Amendment to IAS 28	Investments in Associates and Joint Ventures	January 1, 2014

IFRS 11 “Joint Arrangements”, which is applied retrospectively, has an impact on the Group’s consolidated financial statements, but this impact is non-significant, as shown in the tables of restatements of 2012 figures presented in note 2-A2. IFRS 12 has an impact on the disclosures provided in the notes to the financial statements.

The Group has not undertaken early application of the following amendments, which have been published in the Official Journal of the European Union but are not mandatory at January 1, 2013.

Standard		**Effective date**
Amendment to IAS 32	Financial instruments: Presentation - Offsetting of financial assets and financial liabilities	January 1, 2014
Amendment to IFRS 10, IFRS 12 and IAS 27	Investment entities	January 1, 2014
Amendment to IAS 36	Recoverable amount disclosures for non-financial assets	January 1, 2014
Amendment to IAS 39	Novation of derivatives and continuation of hedge accounting	January 1, 2014

The Group does not currently expect adoption of these amendments to have any significant impact on the consolidated accounts.

A2. First application of IFRS 11 and IAS 19 (revised)

Application of IFRS 11 “Joint arrangements”

IFRS 11 replaces IAS 31 “Interests in joint ventures” and interpretation SIC 13 “Jointly-controlled entities – Non-monetary contributions by venturers”.

IFRS 11 no longer allows the proportionate consolidation method for jointly-controlled entities. The equity method must now be applied to joint arrangements classified as joint ventures, and joint arrangements classified as joint operations must be consolidated on the basis of the percentage share specific to each balance sheet and income statement item.

The following Renault group companies have been classified as joint ventures: Française de Mécanique, Indra Investissements, RCI Financial Services s.r.o. and Renault Credit Car. These companies were proportionately consolidated until December 31, 2012 and are accounted for under the equity method from January 1, 2013. Française de Mécanique was deconsolidated at December 31, 2013 after Renault’s investment was sold. RCI Financial Services s.r.o. has been fully consolidated since October 2013 after the Group acquired control.

RNTBCI has been classified as a joint operation, and is therefore consolidated on the basis of the percentage share specific to each balance sheet and income statement item in 2013.

The Group’s investments in joint ventures are presented on a specific line in the consolidated statement of financial position, “Investments in associates and joint ventures”. The share in the net income of these entities is reported in the consolidated income statement as “Share in net income (loss) of associates and joint ventures”.

Application of IAS 19 (revised) “Employee benefits”

The main changes introduced by revision of IAS 19 were as follows:

- all actuarial gains and losses must be immediately recognized in other components of comprehensive income; since the Group opted for this accounting method in 2007, this change has no impact on the consolidated financial statements at December 31, 2013;
- the past service cost resulting from an amendment or curtailment of a plan must be recognized immediately in full in the income statement; before revision of the standard, the past service cost was recorded in the income statement on a straight-line basis over the average vesting period for benefit entitlements;
- the expected return on plan assets must now be valued using the same rate as the discount rate applied to the obligations.

The Group also modified the income statement presentation of the financial component of employee benefits in 2013. The net interest on the net liability (or asset) corresponds to the cost of unwinding the present value of the obligation, and the expected return on plan assets. It is now included in financial income, whereas it was previously included in the operating margin.

Restatement of the 2012 consolidated financial statements following application of IFRS 11 and IAS 19 (revised)

IFRS 11 and IAS 19 (revised) must be applied retrospectively. The impacts of the restatements resulting from application of these standards on the key items published in the consolidated financial statements for 2012 are as follows:

Restatements of the consolidated income statement for 2012

(€ million)	**Year 2012 as published**	**IFRS 11 restatement**	**IAS 19 R restatement**	**Year 2012 restated**
Revenues	**41,270**	***(550)***		**40,720**
Automotive	*39,156*	*(544)*		*38,612*
Sales Financing	*2,114*	*(6)*		*2,108*
Operating margin	**729**	**(1)**	**54**	**782**
Automotive	*(25)*	*5*	*54*	*34*
Sales Financing	*754*	*(6)*		*748*
Other operating income and expenses	(607)	*8*		(599)
Operating income (loss)	**122**	**7**	**54**	**183**
Financial income (expenses)	**(266)**	**1**	**(56)**	**(321)**
Gain on sale of AB Volvo shares	**924**			**924**
Share in net income (loss) of associates and joint ventures	**1,504**	**(8)**	**(21)**	**1,475**
Nissan	*1,234*		*(21)*	*1,213*
Other associates and joint ventures	*270*	*(8)*		*262*
Pre-tax income	**2,284**		**(23)**	**2,261**
Net income	**1,735**		**(23)**	**1,712**
Net income - parent-company shareholders' share	1,772		(23)	1,749
Basic earnings per share in €	6.51		(0.08)	6.43

Restatements of the consolidated statement of financial position at December 31, 2012

(€ million)	**December 31, 2012 as published**	**IFRS 11 restatement**	**IAS 19 R restatement**	**December 31, 2012 restated**
Non-current assets				
Investments in associates and joint ventures	15,562	*36*	*15*	15,613
Nissan	*14,788*		*15*	*14,803*
Other associates and joint ventures	*774*	*36*		*810*
Other non-current assets	17,285	*(85)*		17,200
Total non-current assets	**32,847**	***(49)***	***15***	**32,813**
Current assets				
Sales financing receivables	23,230	*(291)*		22,939
Other current assets	19,337	*(77)*		19,260
Total current assets	**42,567**	***(368)***		**42,199**
Total assets	**75,414**	***(417)***	***15***	**75,012**

(€ million)	**December 31, 2012 as published**	**IFRS 11 restatement**	**IAS 19 R restatement**	**December 31, 2012 restated**
Total shareholders' equity	**24,547**		***17***	**24,564**
Non-current liabilities	**10,085**	***(21)***		**10,064**
Current liabilities				
Sales financing debts	23,305	*(254)*		23,051
Other current liabilities	17,477	*(142)*	*(2)*	17,333
Current liabilities	**40,782**	***(396)***	***(2)***	**40,384**
Total shareholders' equity and liabilities	**75,414**	***(417)***	***15***	**75,012**

B – Estimates and judgments

In preparing its financial statements, Renault has to make estimates and assumptions that affect the book value of certain assets and liabilities, income and expense items, and the information disclosed in certain notes. Renault regularly revises its estimates and assessments to take account of past experience and other factors deemed relevant in view of the economic circumstances. If changes in these assumptions or circumstances are not as anticipated, the figures reported in Renault's future financial statements could differ from the estimates established at the time the financial statements were finalized.

The main items in the financial statements that are sensitive to estimates and judgments at December 31, 2013 are the following:

- Fixed assets (note 2-L and 12);
- Property, plant and equipment (leased vehicles) and inventories related to used vehicles (notes 2-G, 11-B and 15);
- Investments in associates, notably Nissan and AVTOVAZ (notes 2-L, 13 and 14);
- Sales financing receivables (notes 2-G and 16);
- Deferred taxes (notes 2-I and 8);
- Provisions, particularly vehicle and battery warranty provisions (note 2-G), provisions for pensions and other long-term employee benefit obligations (note 20-C) and provisions for workforce adjustment measures (note 6-A);
- The value of assets in Iran, mainly comprising shares, a shareholder loan and commercial receivables (note 6-E).

C – Consolidation principles

The consolidated financial statements include the financial statements of all companies controlled exclusively by the Group either directly or indirectly (subsidiaries). Jointly controlled companies are accounted for under the equity method when they are classified as joint ventures and consolidated on the basis of the percentage share specific to each balance sheet and income statement item when they are classified as joint operations.

Companies in which the Group exercises significant influence (associates) are included in the financial statements on an equity basis.

Significant intercompany transactions and unrealized internal profits are eliminated.

Non-consolidated companies are recorded as other non-current assets even when they fulfil the above criteria.

None of these companies' individual contributions to consolidated figures exceeds the following:

- revenues €20 million
- inventories €20 million

Their consolidation would have a negligible impact on the consolidated financial statements, since they are Group-financed entities whose losses, if any, are recognized via impairment losses, and which:

- acquire almost all their purchases from Group companies, most of these companies being dealership-type establishments; or
- carry out almost all their sales transactions with Group companies.

Put options on non-controlling interests are carried at fair value and classified in liabilities in the consolidated financial position, with a corresponding adjustment to equity.

D – Presentation of the financial statements

Operating income and operating margin

Operating income includes all revenues and costs directly related to the Group's activities, whether recurrent or resulting from non-recurring decisions or operations, such as restructuring costs.

The operating margin corresponds to the operating income before other operating income and expenses, which cover:

- restructuring costs and costs relating to workforce adjustment;
- gains or losses on partial or total disposal of businesses or operating entities, other gains and losses relating to changes in the scope of consolidation, and direct acquisition costs;
- gains or losses on disposal of property, plant and equipment or intangible assets (except vehicle sales);
- unusual items, i.e. income and charges that are unusual in their frequency, nature or amount, particularly impairment of fixed assets.

Reporting by operating segment

The operating segments used by Renault are:

- the Automotive segment, comprising the production, sales, and distribution subsidiaries for passenger and light commercial vehicles, automobile service subsidiaries, and the subsidiaries in charge of the Automotive segment's cash management for the Group;

- the Sales Financing segment, which the Group considers as an operating activity, carried out by RCI Banque and its subsidiaries for the distribution network and final customers.

The information by operating segment is based on internal reporting to the Group Executive Committee, identified as the "Chief Operating Decision-Maker". This information is prepared under the IFRSs applicable to the consolidated financial statements. All Group financial data are assigned to the operating segments. The "Intersegment transactions" column is reserved for transactions between the two segments, which are carried out on near-market terms. Dividends paid by the Sales Financing segment to the Automotive segment are included in the Automotive division's financial income.
The indicator used to evaluate segment performance is the operating margin.

Apart from taxes and the associates' share in net income, income and expenses relating to sales financing are recorded as operating items. The tax effect inherent to the French consolidated taxation system is included in the tax expense of the Automotive segment.

Assets and liabilities are specific to each segment. Receivables assigned by the Automotive segment to the sales financing companies are treated as operating assets by the assignee when the risks and benefits are substantially transferred. These receivables are mostly receivables on the dealership network.

Vehicles and batteries for which the Automotive segment has a repurchase commitment are included in the segment's assets. When these assets are financed by the Sales Financing segment, the Sales Financing segment recognises a receivable on the Automotive segment.

Current and non-current assets and liabilities

Sales financing receivables, other securities, derivatives, loans and financial liabilities of the Sales Financing segment (other than redeemable shares and subordinated loans) are considered as current assets and liabilities, because they are used in this operating segment's normal business cycle.

For the Automotive segment, in addition to items directly related to the business cycle, all assets and liabilities maturing within one year are classified as current.

E– Translation of the financial statements of foreign companies

The Group's presentation currency is the Euro.

For foreign companies, the functional currency is generally the local currency. In cases where most transactions are carried out in a different currency, that is adopted as the functional currency.

To determine whether a country is in hyperinflation, the Group refers to the list published by the AICPA (American Institute of Certified Public Accountants) Task Force. In 2013, this list included none of the countries where Renault has significant business activity.

Foreign companies' accounts are established in their functional currency, and subsequently translated into the Group's presentation currency as follows:

- financial position items other than components of shareholders' equity, which are stated at historical value, are translated at the closing rate of exchange;
- income statement items are translated at the average exchange rate for the period;
- the translation adjustment is one of the other components of comprehensive income, and therefore has no impact on net income.

Goodwill and valuation adjustments generated by a business combination with a foreign company are treated as an asset or liability of the entity acquired, as appropriate. They are therefore expressed in the relevant entity's functional currency, and translated into Euros at the closing rate.

When a foreign company is sold, the accumulated translation adjustments on its assets and liabilities are transferred to net income.

F – Translation of foreign currency transactions

Transactions undertaken in a currency other than the functional currency of the entity concerned are initially translated to and recorded in the functional currency, using the rate applicable at the transaction date.

For financial reporting purposes, monetary items in currencies other than the functional currency are translated at the closing rate. All resulting foreign exchange differences are recognized in the income statement, except for foreign exchange gains and losses on financial instruments designated as hedges of a net investment in a foreign entity (note 2-V).

The following impacts are therefore recorded in net income:

- translation adjustments related to financial operations by the Automotive segment are included in the net financial income;
- other translation adjustments are included in the operating margin.

Derivatives are measured and recorded as described in note 2-V.

G – Revenues and margin

Revenues comprise all proceeds from sales of the Group's automotive goods, services related to these sales, and the various sales financing products marketed by the Group's companies to their customers.

Sales of goods and services and margin recognition

- Sales and margin recognition

Sales of automotive goods are recognized when the goods are made available to the distribution network in the case of non-Group dealers, or upon delivery to the end-user in the case of direct sales. The margin on sales is recognized immediately for normal sales by the Automotive segment, including sales with associated financing contracts that can be considered as finance leases (long-term or with a purchase option). However, no sale is recognized when an automotive item (vehicle or electric car battery) is covered by an operating lease from a Group finance company or the Group has made a buy-back commitment with a high probability of application, if the term of the contract covers an insufficient portion of the item's useful life.

In such cases, the transactions are recorded as operating leases and included in sales of services. The difference between the price paid by the customer and the buy-back price is treated as rental income, and spread over the period the automotive item is at the customer's disposal. The production cost for the new automotive item concerned is recorded in inventories for contracts of less than one year, or included in property, plant and equipment under fixed assets leased to customers when the contracts exceed one year. The sale of the automotive item as second-hand at the end of the lease gives rise to recognition of sales revenue and the related margin. The forecast resale value takes account of recent known developments on the second-hand automotive market but also future anticipated developments over the period in which the automotive goods will be sold, which may be influenced by factors both external (economic situation, taxation) and internal (changes in the range or the manufacturer's pricing strategy). As soon as a loss is expected on the resale, a provision (if the automotive item is in inventories) or additional depreciation (if the automotive item is included in property, plant and equipment) is recognized to cover the loss. When the overall position of the lease contract (rental income and income on resale) shows a loss, an additional provision is also recorded immediately to cover the future loss.

- Sales incentive programmes

When based on the volume or price of the products sold, the cost of these programmes is deducted from revenues when the corresponding sales are recorded. Otherwise, the cost is included in selling, general and administrative expenses. If programmes are approved after the sales, a provision is established when the decision is made.

The Group sometimes organizes promotional campaigns offering reduced-interest loans to end-users. The cost of these operations is recognized immediately when the rates offered cannot cover refinancing and administration costs, and charged to sales financing revenues over the duration of the loan otherwise.

- Warranty

The estimated or incurred costs relating to manufacturer's product or part warranties not covered by insurance are charged to expenses when the sales are recorded. Provisions for costs to be borne by Renault are valued on the basis of observed data by model and engine, i.e. the level of costs, and their distribution over the periods covered by the manufacturer's warranty. In the event of product recalls following incidents that come to light after the vehicle has been put on the market, provisions are established to cover the costs involved as soon as the decision to undertake the recall campaign has been made. Amounts claimed from suppliers are deducted from the warranty expense when it is considered practically certain they will be recovered.

- Services related to sales of automotive products

Renault offers its customers extended warranty and maintenance contracts, the income and margin on which are recognized over the period covered by the contract.

Sales financing revenues and margin recognition

- Sales financing revenues

Sales financing revenues are generated by financing operations for sales of vehicles to dealers and end-users. These financing operations take the form of loans from the Sales Financing segment companies, and are carried in the balance sheet at amortized cost under the effective interest rate method, less any impairment. Income on these contracts is calculated so as to give a constant interest rate over the period, and is included in sales revenues.

- Sales financing costs

The costs of sales financing are considered as operating expenses and included in the operating margin. They mainly comprise interest incurred by sales financing companies to refinance their customer transactions, other costs and revenues directly related to administration of this type of refinancing (temporary investments, hedging and management of exchange and interest rate risks), and the cost of risks other than those relating to refinancing of receivables.

- Commissions payable to business intermediaries

Commissions are treated as external distribution costs, and therefore deferred as contract acquisition costs, so as to give a constant interest rate over the term of the financing contracts.

- Impaired receivables

Impairment for credit risk is recognized to cover the risk of non-recovery of receivables. When there is objective evidence of a loss of value (payments overdue, deterioration in the financial position, litigation procedures, etc) for an individual receivable, impairment is determined on an individual basis (using a statistical or case-by-case approach as appropriate). Otherwise, a collectively based provision may be recorded (for example in the event of unfavourable developments in a macro-economic and/or segment indicator associated with otherwise sound receivables).

Impairment for country risk is determined based on assessment of the systemic credit risk to which debtors are exposed in the event of long-term continuous decline in the economic and general environment of the countries included in the base.

H – Financial income (expenses)

Except for derivatives, interest income and expenses are recognized under the effective interest rate method, whereby interest and transaction costs are spread on an actuarial basis over the duration of the loan or borrowing.

Other interest income and expenses include accrued interest on interest rate derivatives used in fair value and cash flow hedging (when this income or expense is transferred from shareholders' equity). Changes in the fair value of interest rate derivatives, excluding accrued interest, are included in other financial income and expenses.

Other financial income and expenses also include changes in the fair value of Renault SA redeemable shares, the net interest expense on provisions for pensions, and dividends from companies that are neither controlled nor under significant influence, which are recognized in the year they are distributed.

I – Income tax

The Group recognizes deferred taxes for all temporary differences between the tax and book values of assets and liabilities in the consolidated statement of financial postion. Deferred taxes are calculated at the latest tax rate enacted at the closing date applicable to the period when temporary differences are reversed. Each individual fiscal entity (legal entity, establishment or group of entities that pays tax to the tax administration) that is authorized to offset its current tax assets and liabilities reports deferred tax assets and liabilities net. Recognition of deferred tax assets depends on the probability of future recovery.

For fully consolidated companies, a deferred tax liability is recorded in respect of dividend distributions likely to be made by the Group.

For joint ventures and associates, a deferred tax liability on dividend distributions is booked for all differences between the book value and tax value of shares held.

Tax credits that can only be used against a taxable profit are recorded as a deduction from the income tax payable. Tax credits that are recoverable regardless of whether the company makes a taxable profit are set against the relevant nature of expense.

J – Intangible assets

Goodwill

Non-controlling interests (formerly called “minority interests”) are carried at fair value (the full goodwill method) or at their share in the fair value of assets acquired and liabilities transferred (the partial goodwill method). To date Renault has only recognized goodwill valued under the partial goodwill method. The choice of which method to use is made for each individual case.

Goodwill is not amortized, but impairment tests are carried out at least annually or whenever there is evidence of loss of value. After initial recognition, goodwill is stated at cost less any accumulated impairment.

Goodwill relating to associates is included in the “investments in associates” asset in the statement of financial position. In the event of impairment, an impairment loss is booked and included in the consolidated income statement via the share in net income (loss) of associates.

Acquisitions of additional investments concerning non-controlling interests in companies controlled by the Group are treated as equity transactions. The positive or negative difference between the cost of acquiring shares and the book value of the non-controlling interests acquired is recorded in shareholders’ equity.

Research and development expenses

Development expenses incurred between the decision to begin development and implement production facilities for a new vehicle or part (e.g. engine or gearbox) and the subsequent approval of the design for mass production are capitalized as intangible assets. They are amortized on a straight-line basis from the date of approval for production, over the expected market life of the vehicle or part, which is initially no longer than seven years. Market lives are regularly reviewed and subsequently adjusted if there is a significant difference from the initial estimate. Capitalized development expenses mainly comprise the cost of prototypes, the cost of studies invoiced by external firms, the cost of personnel assigned to the project and a share of overheads dedicated exclusively to development activities.

Borrowing costs directly attributable to the development of a project requiring at least 12 months of preparation before commissioning are included in the gross value of the asset, which is a “qualifying asset”. The capitalization rate for borrowing costs is limited such that capitalized borrowing costs do not exceed the total borrowing costs borne during the year. When a project is financed through a specific borrowing, the capitalization rate is equal to the interest rate on the borrowing.

Expenses incurred before the decision to begin product development are recorded as costs in the period they are incurred, in the same way as research expenses. Expenses incurred after the start of mass production are treated as production costs.

K – Property, plant and equipment

The gross value of property, plant and equipment corresponds to historical acquisition or production cost.

Design and preparation expenses are included in the asset’s production cost.

The production cost for property, plant and equipment also includes financing costs borne during the construction phase, under the same method as for intangible assets. When a project is financed through a specific borrowing, the capitalization rate is equal to the interest rate on the borrowing.

Investment subsidies received are deducted from the gross value of the assets concerned.

Subsequent expenses for property, plant and equipment, except those incurred to increase productivity or prolong the life of an asset, are charged to expenses as incurred.

Assets used by the Group under finance leases are treated as assets financed by credit.

Fixed assets leased to customers are vehicles and batteries under a lease of more than one year from a Group finance company, for which the Group has a repurchase commitment, or vehicles sold under an agreement including a buy-back clause (note 2-G).

Depreciation

Depreciation is calculated on a straight-line basis over the following estimated useful lives:

Buildings[(1)]	15 to 30 years
Specific tools	2 to 7 years
Machinery and other tools (other than press lines)	5 to 15 years
Press lines	20 to 30 years
Other tangible assets[(2)]	4 to 6 years

(1) Buildings in use before 1987 are depreciated over a period of up to 40 years.

(2) Except for leased batteries, which are depreciated over periods of 8 to 10 years depending on the models.

Useful lives are regularly reviewed, and accelerated depreciation is recorded when an asset's useful life becomes shorter than the initially expected period of use, particularly when it is decided to withdraw a vehicle or part from the market.

L – Impairment

Impairment of fixed assets (other than leased assets)

Fixed assets are subjected to impairment tests as soon as there is any indication of a loss of value, such as significant adverse changes in the market in which the company operates, or changes affecting the circumstances and manner of use of the assets.

For the **Automotive segment**, impairment tests are carried out at two levels:

- At the level of vehicle-specific and component-specific assets

  Vehicle-specific and component-specific assets are capitalized development expenses and tools. Impairment tests are carried out by comparing the net book value of the assets with the recoverable value, calculated based on discounted future cash flows related to the vehicle or component.

- At the level of other cash-generating units

  A cash-generating unit is defined as a coherent subset that generates largely independent cash flows. Other cash-generating units may represent an economic entity (plant or subsidiary) or the whole Automotive segment. Fixed assets related to cash-generating units comprise goodwill, specific assets and capacity assets.

For each of the two levels, impairment tests are carried out by comparing the net book value with the recoverable value. Recoverable value is defined as the higher of value in use or fair value less selling costs.

Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset. Future cash flows derive from the business plan drawn up and validated by the Management, plus a terminal value based on discounted normative cash flows after application of a growth rate to infinity. They also include the dividends paid by the Sales Financing segment to the Automotive segment; these dividends represent, in cash form, the Sales Financing segment's contribution as taken into consideration in internal assessments of project profitability. The assumptions underlying the business plan include estimates of market developments in countries in which the Group operates and its share of those markets, changes in the sale price of products and the prices of purchased components and commodities. The pre-tax discount rate used is the weighted average cost of capital as determined by the company.

When the recoverable value is lower than the net book value, impairment equivalent to the difference is recorded against the assets concerned.

For the Sales Financing segment, an impairment test is carried out at least once a year or whenever there is an indication of loss of value, by comparing the book value and recoverable value of assets. Recoverable value is defined as the higher of fair value (less selling costs) and value in use. Value in use is the present value of future cash flows as determined in the most recent 5-year forecasts for each cash-generating unit group, consisting of legal entities or groups of legal entities in a given country. The same discount rate is used for all cash-generating units tested: a risk-free 10-year rate increased by the average risk premium for the sector in which the cash-generating units operate.

Impairment of investments in associates

Impairment tests of the value of investments in associates are carried out as soon as there is any indication of a loss of value, essentially significant adverse changes in the markets in which the company operates, or a major or long-term decline in stock market value.

Impairment tests are carried out in compliance with IAS 28 and IAS 36, by comparing the book value of the investment in the associate with the share of the present value of future estimated cash flows expected from the associate.

When the recoverable value is lower than the book value, impairment equivalent to the difference is recorded against the relevant investment in an associate.

M – Non-current assets or groups of assets held for sale

Assets held for sale are non-current assets or groups of assets that are available for immediate sale and have a high probability of being sold.

Non-current assets or groups of assets considered to be held for sale are measured and recorded at the lower of net book value or fair value less selling costs. No further impairment or amortization is recorded once an asset is classified as held for sale (or included in a group of assets held for sale). These assets are reported on a specific line of the consolidated financial position.

N – Inventories

Inventories are stated at the lower of cost or net realisable value. Cost corresponds to acquisition cost or production cost, which includes direct and indirect production expenses, and a share of manufacturing overheads based on a normal level of activity. The normal level of activity is assessed site by site, in order to determine the share of fixed costs to be excluded in the event of below-normal activity.

Inventories are valued under the FIFO (First In First Out) method.

When the net realisable value is lower than the financial position value, impairment equal to the difference is recorded.

O – Assignment of receivables

Receivables assigned to third parties (through securitization or discounting) are removed from Group assets when the associated risks and benefits are also substantially transferred to the third parties in question.

The same treatment applies to assignments between the Automotive and Sales Financing segments.

P – Treasury shares

Treasury shares are shares held for the purposes of stock-option plans and free share plans awarded to Group managers and Executives. They are recorded at acquisition cost and deducted from Group shareholders’ equity until the date of sale.

When these shares are sold, the sale price is directly included in consolidated shareholders’ equity. Consequently, no gain or loss on treasury shares is included in the net income for the period.

Q – Stock option plans / Free share attribution plans

The Group awards stock option plans (purchase and subscription options) and share attribution plans, all for Renault shares. The grant date is the date at which beneficiaries are informed of the decision to grant these options or shares, and the terms of the relevant plans. For plans subject to performance conditions, an estimate of achievement of those conditions is taken into account in determining the number of options or free shares attributed. This estimate is reviewed annually based on changes in the probability of performance condition achievement. The final fair value of services rendered in return for attribution of options or free shares is measured by reference to the fair value of those options or shares at their grant date, using a binomial mathematical model. Entitlements to attribution of free shares are valued based on the share value at grant date less dividends expected during the vesting period. Where relevant, a discount is applied to reflect the fact that the shares must be held for a certain period.

The fair value is spread on a straight-line basis over the vesting period for the relevant plan. The cost is included in personnel expenses, with a corresponding adjustment to consolidated reserves. When the option is exercised, the cash amount received by the Group in settlement of the exercise price is booked in cash and cash equivalents, with a corresponding adjustment to consolidated reserves.

R – Provisions

Pensions and other long-term employee benefit obligations

The Group’s payments for defined-contribution benefit plans are recorded as expenses for the relevant period.

For defined-benefit plans concerning post-employment benefits, the Group uses the Projected Unit Credit Method to determine the present value of its obligations. Under this method, benefits are attributed to periods of service according to the plan's benefit formula, principally on a straight-line basis over the years of service.

The future payments for employee benefits are measured on the basis of future salary increases, retirement age, mortality and length of employment with the company, and are discounted at a rate determined by reference to yields on long-term high quality corporate bonds of a duration corresponding to the estimated average duration of the benefit plan concerned.

The actuarial gains and losses resulting from revisions of the underlying assumptions and experience-based adjustments are included in other components of comprehensive income.

The net expense for the year, corresponding to the current period service cost plus the past service cost where relevant, is charged to the operating margin. The interest expense on the net defined-benefit liability (asset) is recorded in the net financial income and expenses.

Restructuring measures / Termination benefits

The estimated cost of restructuring measures that are considered as an employee benefit is covered by a provision over the estimated residual employment period of the employees concerned.

The estimated cost of termination indemnities is recognized as soon as a detailed plan has either been announced or is in progress.

S – Financial assets

The Group recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

Financial assets comprise investments in non-controlled companies in which Renault does not exercise significant influence, marketable securities, negotiable debt instruments, loans, and derivative assets related to financial transactions (note 2-V).

These instruments are presented as non-current assets, apart from those maturing within 12 months of the closing date, which are classified as current assets.

Investments in non-controlled companies in which Renault does not have significant influence

Investments in non-controlled companies in which Renault does not have significant influence are classified as "available-for-sale" assets. The fair values of such financial assets are determined in priority by reference to the market price. If this is not possible, the Group uses a valuation method that is not based on market data.

Changes in the fair value of "available-for-sale" assets are included in other components of comprehensive income. If there is a significant or prolonged decrease in the fair value such that it falls below the acquisition price, impairment is recorded in the income statement. A decrease is considered significant if it exceeds 40% of the amount and prolonged if it is observed in more than four successive published financial reports.

Marketable securities and negotiable debt instruments

Short-term investments in the form of marketable securities and negotiable debt instruments are undertaken for the management of cash surpluses, but do not meet the requirements to qualify as cash equivalents.

These instruments are classified as "available-for-sale" assets and carried at fair value.

Loans

Loans essentially include interbank loans for investment of cash surpluses and loans to associates.

They are initially recognized at fair value, plus directly attributable transaction costs.

Loans are valued at amortized cost. Impairment is recognized in the income statement when there is objective evidence of depreciation in value caused by an event arising after the initial recognition of the asset.

T – Cash and cash equivalents

Cash includes cash on hand, current accounts and other demand deposits, with the exception of bank overdrafts, which are included in financial liabilities. These instruments are stated at amortized cost.

Cash equivalents are investments held for the purpose of meeting short-term cash commitments. For an investment to qualify as a cash equivalent, it must be readily convertible for a known amount of cash and be subject to an insignificant risk of change in value. Fixed or variable-income instruments that are not listed on an active market are stated at amortized cost. Other instruments are carried at fair value.

U – Financial liabilities of the Automotive segment and sales financing debts

The Group recognizes a financial liability (for the Automotive segment) or a sales financing debt when it becomes a party to the contractual provisions of the instrument.

Financial liabilities and sales financing debts comprise redeemable shares, bonds, other debts represented by a certificate, borrowings from credit institutions, other interest-bearing borrowings and derivative liabilities related to financial transactions (note 2-V).

Redeemable shares

In accordance with IAS 39, the Group considers that the variable interest on redeemable shares is an embedded derivative which cannot be valued separately. Consequently, the Group states all its redeemable shares at fair value, which is equal to market value.

Changes in the fair value of Automotive segment redeemable shares are recorded in financial income and expenses, while changes in the fair value of Sales Financing segment redeemable shares are recorded in the operating margin.

Bonds, other debts represented by a certificate, borrowings from credit institutions and other interest-bearing borrowings

Bonds, other debts represented by a certificate, borrowings from credit institutions and other interest-bearing borrowings are initially stated at fair value, less any directly attributable transaction costs.

At each reporting date, apart from specific hedge accounting methods (note 2-V), these financial liabilities are generally restated at amortized cost using the effective interest rate method. The financial expense calculated in this way includes issuance expenses and issuance or redemption premiums, together with the impact of debt renegotiations when the old and new terms are not substantially different.

Renegotiations of the terms of borrowings and similar operations are recorded as an extinction of the former liability with recognition of a new liability only if there are substantial differences between the old and new terms. When this is the case, the costs borne for renegotiation are included in the financial expenses for the period during which the negotiation takes place.

V – Derivatives and hedge accounting

Measurement and presentation

Derivatives are initially stated at fair value. This fair value is subsequently reviewed at each closing date.

- The fair value of forward exchange contracts is based on market conditions. The fair value of currency swaps is determined by discounting future cash flows, using closing-date market rates (exchange and interest rates).
- The fair value of interest rate derivatives is the amount the Group would receive (or pay) to settle outstanding contracts at the closing date, taking into account any unrealized gains or losses based on interest rates and the quality of the counterparty to each contract at the closing date. This fair value includes accrued interest.
- The fair value of commodity derivatives is based on market conditions.

The Automotive segment's derivatives are reported in the financial position as current if they mature within 12 months and non-current otherwise. All Sales Financing segment derivatives are reported in the financial position as current.

Hedge accounting

The treatment of derivatives designated as hedging instruments depends on the type of hedging relationship:

- fair value hedge;
- cash flow hedge;
- hedge of a net investment in a foreign operation.

The Group identifies the hedging instrument and the hedged item as soon as the hedge is set up, and documents the hedging relationship, stating the hedging strategy, the risk hedged and the method used to assess the hedge's effectiveness. This documentation is subsequently updated, such that the effectiveness of the designated hedge can be demonstrated.

Hedge accounting uses specific measurement and recognition methods for each category of hedge.

- Fair value hedges: the hedged item is adjusted to fair value in view of the risk hedged and the hedging instrument is recorded at fair value. As changes in these items are recorded in the income statement simultaneously, only the ineffective portion of the hedge has an impact on net income. It is recorded in the same income statement item as changes in the fair value of the hedged item and the hedging instrument.
- Cash flow hedges: no adjustment is made to the value of the hedged item; only the hedging instrument is adjusted to fair value. Following this adjustment, the effective portion of the change in fair value attributable to the hedged risk is recorded, net of taxes, in other components of comprehensive income, while the ineffective portion is included in net income. The cumulative amount included in shareholders' equity is transferred to the income statement when the hedged item has an impact on net income.
- Hedge of a net investment in a foreign operation: the hedging instrument is adjusted to fair value. Following this adjustment, the effective portion of the change in fair value attributable to the hedged exchange risk is recorded, net of taxes, in other components of comprehensive income, while the ineffective portion is included in net income. The cumulative amount included in shareholders' equity is transferred to net income at the date of liquidation or sale of the investment. The interest rate component of financial instruments used to hedge the investment in Nissan (forward sales and fixed/fixed cross-currency swaps) is treated as an ineffective portion and consequently recorded directly in financial income and expenses.

Derivatives not designated as hedges

Changes in the fair value of derivatives not designated as hedges are recognized directly in financial income, except in the case of derivatives entered into exclusively for reasons closely related to business operations. In this case, changes in the fair value of derivatives are included in the operating margin.

NOTE 3 – CHANGES IN THE SCOPE OF CONSOLIDATION

	Automotive	Sales Financing	Total
Number of companies consolidated at December 31, 2012	**127**	**37**	**164**
Newly consolidated companies (acquisitions, formations, etc)	2	3	5
Deconsolidated companies (disposals, mergers, liquidations, etc)	(6)	(4)	(10)
Number of companies consolidated at December 31, 2013	**123**	**36**	**159**

The main changes in the scope of consolidation were as follows:

- **2013**

The following sales financing companies founded by the Group were first included in the scope of consolidation in 2013:

- The Moroccan insurance brokerage subsidiary RDFM and the Russian business agent subsidiary OOO RN FINANCE RUS are fully consolidated.
- The Turkish customer credit associate company Orfin Finansman Anonim Sirketi is accounted for under the equity method.

Renault's investments in the associates Française de Mécanique (a manufacturer of automotive parts) and Nissan Renault Finance Mexico (a sales financing company) were sold in 2013.

Société des Automobiles Alpine Caterham, which makes vehicles in France, is consolidated based on the percentage in each balance sheet and income statement item following the sale of a 50% stake to a new partner in June 2013. It was fully consolidated in the first half-year of 2013.

Renault South Africa, an automobile importer in South Africa, was fully consolidated until November 30, 2013, at which date the Group transferred control to its partner. Renault South Africa has been accounted for under the equity method since December 2013.

- **2012**

ES Mobillity srl, a company formed in 2011 to lease batteries for electric vehicles in Italy, has been fully consolidated since January 1, 2012.

In December 2012 Renault sold all the shares it held in the AB Volvo group, which was consequently deconsolidated from October 1, 2012 onwards.

4.2.7.2 Income statement and comprehensive income

NOTE 4 – REVENUES

A – 2012 revenues applying 2013 Group structure and methods

The consolidated revenues for 2013 and 2012 are calculated under identical Group structure and methods.

(€ million)	**Automotive**	**Sales Financing**	**Total**
2012 revenues as published	**39,156**	**2,114**	**41,270**
Restatement for application of IFRS 11 *(1)*	(544)	(6)	(550)
2012 revenues, restated	**38,612**	**2,108**	**40,720**
Changes in scope of consolidation	(172)	(5)	(177)
2012 revenues applying 2013 Group structure and methods	**38,440**	**2,103**	**40,543**
2013 REVENUES	**38,775**	**2,157**	**40,932**

(1) As a result of the IFRS 11 restatement, joint arrangements that qualify as joint ventures are accounted for under the equity method (previously, joint ventures were proportionately consolidated) (note 2-A2).

B – Breakdown of revenues

(€ million)	**2013**	**2012**
Sales of goods - Automotive segment	**36,964**	**37,227**
Rental income on leased assets **(1)**	372	429
Interest income on sales financing receivables	-	-
Sales of other services	1,439	1,500
Sales of services - Automotive segment	**1,811**	**1,929**
Sales of goods - Sales Financing segment	**33**	**-**
Rental income on leased assets **(1)**	20	17
Interest income on sales financing receivables	1,496	1,519
Sales of other services (2)	608	578
Sales of services - Sales Financing segment	**2,124**	**2,114**
TOTAL REVENUES	**40,932**	**41,270**

(1) Rental income recorded by the Group on vehicle sales with a buy-back commitment or fixed asset rentals.
(2) Mainly income on services comprising insurance, maintenance, and replacement vehicles under a financing contract or otherwise.

NOTE 5 – OPERATING MARGIN: DETAILS OF INCOME AND EXPENSES BY NATURE

A – Cost of goods and services sold

The Group's information systems are designed to present income statements by function, and cannot therefore supply the value of purchases consumed.

B – Personnel expenses

	2013	2012
Personnel expenses *(€ million)*	5,494	5,801
Workforce at December 31	121,807	127,086

Details of pensions and other long-term employee benefit expenses are presented in note 20-C.

The income recorded in 2013 in respect of the French "CICE" Tax Credit for Competitivity and Employment amounted to €36 million.

C – Share-based payments

Share-based payments concern stock options and free shares granted to personnel, and amounted to a personnel expense of €33 million for 2013 (€14 million in 2012).

The plan valuation method is presented in note 19-H.

D – Rental expenses

Rents amounted to €234 million in 2013 (€291 million in 2012).

E – Foreign exchange gains/losses

In 2013, the operating margin includes a net foreign exchange loss of €120 million, partly related to movements in the Argentinian peso and the Russian rouble against the Euro (compared to a net foreign exchange loss of €63 million in 2012, notably related to movements in the Iranian rial).

NOTE 6 – OTHER OPERATING INCOME AND EXPENSES

(€ million)	2013	2012
Restructuring and workforce adjustment costs	(423)	(110)
Gains and losses on total or partial disposal of businesses or operating entities, and other gains and losses related to changes in the scope of consolidation	13	-
Gains and losses on disposal of property, plant and equipment and intangible assets (except leased asset sales)	140	18
Impairment of fixed assets	(488)	(279)
Provisions related to operations in Iran	(514)	(304)
Other unusual items	(4)	68
Total	**(1,276)**	**(607)**

A – Restructuring and workforce adjustment costs

Restructuring costs and workforce adjustment measures mainly relate to Europe in 2013 and in 2012, and Korea in 2012.

The costs for 2013 particularly include €327 million for the "Contract for Renault's new growth and labour development in France" agreement signed in March 2013. This agreement is designed to roll out a set of balanced measures which generates competitivity gains. One of the measures adopted broadens the career-end work exemption arrangements. Under IAS 19 (revised), this is considered as an employee benefit and the cost must be covered by a provision established over the residual forecast working life of the employees concerned. The expense recorded for 2013 therefore covers the total cost for employees who have already stopped working at December 31, 2013 and a share of the discounted cost for the population likely to sign up to this arrangement between January 1, 2014 and January 1, 2017.

B – Gains and losses on total or partial disposal of businesses or operating entities, and other gains and losses related to changes in the scope of consolidation

In 2013, this item corresponds to the profits generated by the sale of shares in Société des Automobiles Alpine Caterham and Renault South Africa which the Group no longer controls.

C – Gains and losses on disposal of property, plant and equipment and intangible assets (except leased asset sales)

Most of the gain on disposal of property, plant and equipment and intangible assets (except leased asset sales) results from sales of land and buildings located in Europe in 2013 and 2012 and Korea in 2012.

D – Impairment of fixed assets

Impairment was booked on intangible assets (€153 million) and tangible assets (€197 million) in 2013 (note 11), mainly following impairment tests on electric and internal-combustion engine vehicles. A provision of €119 million was also recorded in respect of the electric vehicle range, corresponding to the estimated amount of indemnities payable for failure to meet expected minimum purchase volumes.

In 2012, impairment of €243 million was booked in respect of intangible assets and €36 million on tangible assets relating to the electric and internal-combustion vehicle range.

E – Provisions related to operations in Iran

In Iran, Renault works with two local industrial partners, Iran Khodro and Pars Khodro, which make the Logan and the Mégane using certain parts supplied by Group entities. Parts for the Logan mainly transit through Renault Pars, a fully-consolidated subsidiary owned 51% by Renault.

Due to the economic sanctions imposed on Iran, settlements of commercial and financial debts in foreign currencies remained at a very low level in 2013. The sanctions were extended in June 2013 and now specifically cover the automobile sector. The gradual lifting of some of these sanctions under the agreement reached in Geneva in November 2013 will not begin until 2014.

This situation is reflected as follows in the Group's consolidated financial statements for 2013:

- The subsidiary Renault Pars is now non-significant and is deconsolidated as of June 30, 2013.
- The Group did not recognize any operating margin, financial income or free cash flow on operations in Iran for the first half of 2013. In the second half of 2013, the Group limited recognition of operating margin and free cash flow to operations completed and settled during the half-year.
- The Group's exposure to risks on business in Iran is materialized by all the assets held (securities, shareholder loan and trade receivables). The overall gross exposure at December 31, 2013 was €833 million (including €729 million of receivables).
- Given the tightening of economic sanctions, this exposure is fully covered by provisions, leading to recognition of additional provision of €514 million in 2013, recorded in other operating income and expenses.

In 2012, a foreign exchange loss of €304 million was recorded in other income and expenses to reflect the effect of the rial's devaluation on the Group's Iranian entities' debts denominated in Euros to Renault s.a.s. and its subsidiaries.

F – Other unusual revenues and expenses

In 2012, other unusual items of operating income and expenses include an operating tax credit amounting to €94 million, which resulted from signature in March 2012 of an agreement with a Brazilian local authority for a change in the tax option regarding prior years' import taxes.

NOTE 7 – FINANCIAL INCOME

The net interest expense for 2013 amounts to €267 million (€267 million in 2012).

Other financial income and expenses comprise:

(€ million)	**2013**	**2012 restated**	**2012**
Change in fair value of redeemable shares (note 23-A)	(65)	(18)	(18)
Foreign exchange gains and losses on financial operations	30	29	29
Net interest expense on the net defined-benefit liability (asset) corresponding to pension and other long-term employee benefit obligations	(42)	(56)	-
Other	62	(10)	(10)
Total	**(15)**	**(55)**	**1**

From 2013, other financial income and expenses include the net interest expense on the net defined-benefit liability (asset) corresponding to pension and other long-term employee benefit obligations (note 20-C3), which was previously recorded in the operating margin. This net expense amounted to €42 million for 2013 (€56 million in 2012). This change of presentation is described in note 2-A2.

Other items of financial income and expenses include dividends received from Daimler at their gross value of €37 million in 2013 (€36 million in 2012). They also include an impairment expense of €11 million (€46 million in 2012) on the shares in the Modernization Fund for Automotive Equipment Manufacturers (*Fonds de Modernisation des Equipementiers Automobiles* - FMEA) (note 22-A1).

NOTE 8 – CURRENT AND DEFERRED TAXES

As Renault SA elected to determine French income taxes under the domestic tax consolidation regime when it was formed, this is the regime applicable to the Group in which Renault SA is taxed in France.

The Renault group also applies other optional tax consolidation systems in Germany, Italy, Spain, and the UK.

A – Current and deferred tax expense

Breakdown of the tax charge

(€ million)	**2013**	**2012**
Current income taxes	(443)	(493)
Deferred taxes income (expenses)	10	(56)
Current and deferred taxes	**(433)**	**(549)**

In 2013, €365 million of current income taxes were generated by foreign entities (€413 million in 2012).

Current income taxes paid by the Group during 2013 totalled €356 million (€345 million in 2012).

B – Breakdown of the tax charge

(€ million)	**2013**	**2012**
Income before taxes and share in net income of associates and joint ventures	**(316)**	**780**
Statutory income tax rate in France, including the additional contribution	38.0%	36.1%
Theoretical tax income (charge)	**120**	**(282)**
Effect of differences between local rates and the French rate (1)	222	93
Tax credits	53	39
Distribution taxes	(209)	(60)
Change in unrecognized deferred tax assets	(486)	(679)
Other impacts (2)	(133)	340
Current and deferred tax income (charge)	**(433)**	**(549)**

(1) In France, the Group is liable for an exceptional 10% contribution in 2013 (5% in 2012) applicable until the end of the 2014 financial year. The theoretical tax rate including this exceptional contribution stands at 38.0% in 2013 compared to 36.1% in 2012.

(2) The main countries contributing to the tax rate differential in 2013 are Romania, Russia, Switzerland, and Turkey.

(3) Other impacts are primarily permanent differences, income subject to reduced tax rates, the cost of tax reassessments, and prior year adjustments. They also include the effect of the differential between the income tax rate including the exceptional contribution applicable in France (38.0%) used for the tax breakdown between theoretical and actual taxes, and the 34.43% tax rate used to calculate deferred taxes for the French tax consolidation group (unfavourable effect of €76 million for 2013 and €28 million for 2012). In 2012, other impacts included the effect of partial tax-exemption of the gain on sale of shares in Volvo that took place in December 2012 (favourable effect of €290 million).

As there was no prospect of reporting taxable income in the foreseeable future, the Group has not recognized the net deferred tax assets of the French tax consolidation group at December 31, 2013 or December 31, 2012. In the second half of 2012, the Group stopped recognizing net deferred tax assets of the French tax group that were previously recognized at December 31, 2011, amounting to €215 million; this resulted in a negative impact of €138 million on net income and €77 million on shareholders' equity.

The effective tax rate across all foreign entities was 24% at December 31, 2013 (29% at December 31, 2012). The decrease compared to 2012 principally results from the favourable impact of differences between local rates and the rates in force in France, and changes in recognition of deferred taxes due to the improved results of the year and prospects for profits in South Korea.

C – Breakdown of net deferred taxes

C1 – Change in deferred tax assets and liabilities

(€ million)	**2013**	**2012**
Deferred tax assets	416	566
Deferred tax liabilities	(123)	(135)
Net deferred tax assets (liabilities) at January 1	**293**	**431**
Deferred tax income (expense) for the period	10	(56)
Deferred tax income (expense) included in shareholders' equity	(10)	-
Translation adjustments	(25)	(81)
Change in scope of consolidation and other	7	(1)
Net deferred tax assets (liabilities) at December 31	**275**	**293**
- *deferred tax assets*	*396*	*416*
- *deferred tax liabilities*	*(121)*	*(123)*

C2 - Breakdown of net deferred tax assets by nature

(€ million)	**December 31, 2013**	**December 31, 2012**
Deferred taxes on:		
Investments in associates and joint ventures (1)	(136)	(141)
Fixed assets	(1,577)	(1,732)
Provisions and other expenses or valuation allowances deductible upon utilization	847	1,047
Loss carryforwards (2)	4,190	4,060
Other	387	349
Net deferred tax assets (liabilities)	**3,711**	**3,583**
Unrecognized deferred tax assets (note 8-C3)	(3,436)	(3,290)
Net deferred tax assets (liabilities) reported	**275**	**293**

(1) Including tax on future dividend distributions
(2) Including €3,656 million for the French tax consolidation entities and €534 million for other entities at December 31, 2013 (respectively €3,451 million and €609 million December 31, 2012).

The residual unrecognized net deferred tax assets of entities included in the French tax consolidation group amounted to €2,839 million at December 31, 2013 (€2,600 million at December 31, 2012). €589 million of these unrecognized assets arose on items booked through shareholders' equity (chiefly the effects of the partial hedge of the investment in Nissan, revaluation of financial instruments, and actuarial gains and losses), and €2,250 million arose on items affecting the income statement (respectively €783 million and €1,817 million at December 31, 2012).

Excluding the French tax consolidation group, unrecognized deferred tax assets totalled €597 million (€690 million in 2012), and essentially related to tax loss carryforwards generated by the Group in Brazil, and to a lesser extent in South Korea.

C3 - Breakdown of unrecognized net deferred tax assets, by expiry date

(€ million)	**December 31, 2013**	**December 31, 2012**
Net deferred tax assets that can be carried forward indefinitely (1)	3,286	3,159
Other net deferred tax assets expiring in more than 5 years	85	119
Other net deferred tax assets expiring between 1 and 5 years	43	10
Other net deferred tax assets expiring within 1 year	22	2
Total unrecognized net deferred tax assets	**3,436**	**3,290**

(1) Including €2,839 million at December 31, 2013 (€2,600 million at December 31, 2012) corresponding to unrecognized net deferred tax assets of entities included in the French tax consolidation group (note 8-C2), mainly corresponding to tax loss carryforwards.

NOTE 9 – BASIC AND DILUTED EARNINGS PER SHARE

(In thousands of shares)	**2013**	**2012**
Shares in circulation	295,722	295,722
Treasury shares	(4,048)	(4,059)
Shares held by Nissan x Renault's share in Nissan	(19,384)	(19,407)
Number of shares used to calculate basic earnings per share	**272,290**	**272,256**

The number of shares used to calculate the basic earnings per share is the weighted average number of ordinary shares in circulation during the period, i.e. after neutralization of average number of treasury shares and Renault shares held by Nissan.

(In thousands of shares)	**2013**	**2012**
Number of shares used to calculate basic earnings per share	272,290	272,256
Dilutive effect of stock options and free share attribution rights	1,806	137
Number of shares used to calculate diluted earnings per share	**274,096**	**272,393**

The number of shares used to calculate the diluted earnings per share is the weighted average number of ordinary shares potentially in circulation during the period, i.e. the number of shares used to calculate the basic earnings per share plus the number of stock options and rights to free share attribution that have a dilutive effect and fulfil the performance conditions at the year-end when issuance is conditional.

NOTE 10 – OTHER COMPONENTS OF COMPREHENSIVE INCOME

Tax effects of other components of comprehensive income

(€ million)	**Other components of comprehensive income**					
	2013			**2012**		
	Before tax	**Tax**	**After tax**	**Before tax**	**Tax (1)**	**After tax**
Items that will not be reclassified subsequently to profit or loss, excluding the share of associates and joint ventures	***73***	***(5)***	***68***	***(271)***	***3***	***(268)***
Actuarial gains and losses on defined-benefit pension plans	73	(5)	68	(271)	3	(268)
Items that have been or will be reclassified subsequently to profit or loss, excluding the share of associates and joint ventures	***220***	***(5)***	***215***	***128***	***(80)***	***48***
Translation adjustments on foreign activities	(383)	-	(383)	(99)	-	(99)
Partial hedge of the investment in Nissan	209	-	209	110	(75)	35
Cash flow hedges	39	(5)	34	(18)	(2)	(20)
Available-for-sale financial assets	355	-	355	135	(3)	132
Total other components of comprehensive income excluding associates and joint ventures (A)	**293**	**(10)**	**283**	**(143)**	**(77)**	**(220)**
Share of associates and joint ventures in other components of comprehensive income (B)	**(1,923)**	**-**	**(1,923)**	**(1,107)**	**6**	**(1,101)**
Other components of comprehensive income (A)+(B)	**(1,630)**	**(10)**	**(1,640)**	**(1,250)**	**(71)**	**(1,321)**

(1) Including an expense of €77 million in 2012 related to the non-recognition of the French tax group's net deferred tax assets (note 8-B).

4.2.7.3 Operating assets and liabilities, shareholders' equity

NOTE 11 – INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

A - Intangible assets

A1 - Intangible assets at December 31

(€ million)	December 31, 2013	December 31, 2012
Capitalized development expenses	8,657	8,362
Goodwill	222	243
Other intangible assets	596	557
Intangible assets, gross	**9,475**	**9,162**
Capitalized development expenses	(5,781)	(5,329)
Other intangible assets	(412)	(351)
Amortization and impairment	**(6,193)**	**(5,680)**
Intangible assets, net	**3,282**	**3,482**

Most goodwill is in Europe.

A2 - Changes during the year

(€ million)	Gross value	Amortization and impairment	Net value
Value at December 31, 2011	**8,483**	**(4,765)**	**3,718**
Acquisitions (note 26-C)/(amortization)	897	(1,118)	(221)
(Disposals)/reversals	(216)	203	(13)
Translation adjustment	(2)	-	(2)
Change in scope of consolidation and other	-	-	-
Value at December 31, 2012	**9,162**	**(5,680)**	**3 ,482**
Acquisitions (note 26-C)/(amortization)	833	(1 005)	(172)
(Disposals)/reversals	(467)	466	(1)
Translation adjustment	(25)	11	(14)
Change in scope of consolidation and other	(28)	15	(13)
Value at December 31, 2013	**9,475**	**(6,193)**	**3,282**

Acquisitions of intangible assets in 2013 comprise €745 million of self-produced assets and €88 million of purchased assets (respectively €764 million and €133 million in 2012).

Amortization and impairment in 2013 include €153 million of impairment of capitalized development expenses relating to electric and internal-combustion vehicles (note 6-D), compared to €243 million of impairment in 2012.

A3 - Research and development expenses included in income

(€ million)	**2013**	**2012**
Research and development expenses	(1,793)	(1,889)
Capitalized development expenses	732	764
Amortization of capitalized development expenses	(751)	(790)
TOTAL REPORTED IN INCOME STATEMENT	**(1,812)**	**(1,915)**

B – Property, plant and equipment

B1 - Property, plant and equipment at December 31

(€ million)	**December 31, 2013**	**December 31, 2012**
Land	565	593
Buildings	6,053	6,113
Specific tools	13,479	13,359
Machinery and other tools	10,046	10,007
Fixed assets leased to customers	2,090	2,040
Other tangibles	772	852
Construction in progress	1,625	1,653
Property, plant and equipment, gross	**34,630**	**34,617**
Land and buildings	(3,320)	(3,272)
Specific tools	(11,433)	(10,956)
Machinery and other tools	(7,492)	(7,421)
Fixed assets leased to customers	(718)	(690)
Other tangibles	(694)	(744)
Depreciation and impairment	**(23,657)**	**(23,083)**
Property, plant and equipment, net	**10,973**	**11,534**

Depreciation and impairment in 2013 include impairment of €197 million on electric and internal-combustion vehicles (note 6-D), compared to €36 million of impairment in 2012.

B2 - Changes during the year

Changes during 2013 in property, plant and equipment were as follows:

(€ million)	**December 31, 2012**	**Acquisitions / (depreciation and impairment)**	**(Disposals)/ reversals**	**Translation adjustments**	**Change in scope of consolidation and other (1)**	**December 31, 2013**
Land	593	9	(25)	(7)	(5)	565
Buildings	6,113	263	(113)	(101)	(109)	6,053
Specific tools	13,359	663	(273)	(175)	(95)	13,479
Machinery and other tools	10,007	620	(288)	(170)	(123)	10,046
Fixed assets leased to customers	2,040	622	(572)	(1)	1	2,090
Other tangibles	852	39	(67)	(17)	(35)	772
Construction in progress (2)	1,653	85	(34)	(26)	(53)	1,625
Gross values	**34 617**	**2,301**	**(1,372)**	**(497)**	**(419)**	**34,630**
Land	-	-	-	-	-	-
Buildings	(3,272)	(234)	86	35	65	(3,320)
Specific tools	(10,956)	(1,009)	287	128	117	(11,433)
Machinery and other tools	(7,421)	(570)	279	106	114	(7,492)
Fixed assets leased to customers (3)	(690)	(307)	281	1	(3)	(718)
Other tangibles	(744)	(52)	61	12	29	(694)
Construction in progress	-	-	-	-	-	-
Depreciation and impairment	**(23,083)**	**(2,172)**	**994**	**282**	**322**	**(23,657)**
Land	593	9	(25)	(7)	(5)	565
Buildings	2,841	29	(27)	(66)	(44)	2,733
Specific tools	2,403	(346)	14	(47)	22	2,046
Machinery and other tools	2,586	50	(9)	(64)	(9)	2,554
Fixed assets leased to customers	1,350	315	(291)	-	(2)	1,372
Other tangibles	108	(13)	(6)	(5)	(6)	78
Construction in progress (2)	1,653	85	(34)	(26)	(53)	1,625
Net values	**11,534**	**129**	**(378)**	**(215)**	**(97)**	**10,973**

(1) Including a €90 million decrease in net value resulting from retrospective application of IFRS 11 "Joint Arrangements" (see note 2-A2).
(2) Items classified as "construction in progress" are transferred to completed asset categories via the "acquisitions / (depreciation and impairment)" column.
(3) Depreciation of assets leased to customers amounts to €227 million at December 31, 2013 (€248 million at December 31, 2012).

Changes during 2012 in property, plant and equipment were as follows:

(€ million)	**Gross value**	**Depreciation and impairment**	**Net value**
Value at December 31, 2011	**33,306**	**(21,949)**	**11,357**
Acquisitions/(depreciation and impairment)	2,935	(2,189)	746
(Disposals)/reversals	(1,490)	941	(549)
Translation adjustments	(153)	114	(39)
Change in scope of consolidation and other	19	-	19
Value at December 31, 2012	**34,617**	**(23,083)**	**11,534**

NOTE 12 – IMPAIRMENT TESTS ON FIXED ASSETS (OTHER THAN LEASED ASSETS)

The Group carried out impairment tests on its fixed assets under the approach described in the section on accounting policies (note 2-L).

A – Impairment tests on vehicle-specific and component-specific assets

Following impairment tests of assets dedicated to specific vehicles or components, impairment of €350 million was booked during 2013 (€279 million at December 31, 2012). This impairment concerns electric and internal-combustion engine vehicles and was primarily recorded against capitalized development expenses. A provision of €119 million was also recorded in respect of electric vehicles, corresponding to the estimated amount of indemnities payable for failure to meet expected minimum purchase volumes.

Apart from vehicles for which impairment has been recorded, other vehicles tested in previous half-years no longer display any evidence of impairment.

B – Impairment tests on other cash-generating units of the Automotive segment

In 2013, only the Korea cash-generating unit was subjected to an impairment test, as there were no indications of impairment in the Group's other geographically-based cash-generating units.

The recoverable value used for the purposes of the impairment tests for Korea is the value in use, determined under the discounted future cash flow method on the basis of the following assumptions*:*

Korea	**2013**	**2012**
Business plan duration	6 years	6 years
Growth rate to infinity	1.75%	1.75%
After-tax discount rate	8.8%	8.8%

In 2013 as in 2012, no impairment was recognized on assets included in this cash-generating unit as a result of the impairment tests.

An impairment test was also carried out on the Automotive segment as a cash-generating unit, following the same procedure as for tests of geographically-based cash-generating units.

The assumptions used for the Automotive segment are as follows:

	2013	**2012**
Business plan duration	6 years	6 years
Forecast sales volumes over the projected horizon (units)	3,344,000	3,432,000
Growth rate to infinity	1.8%	1.8%
After-tax discount rate	8.8%	8.8%

In 2013 as in 2012, no impairment was recognized on assets included in the Automotive segment as a result of the impairment tests.

Changes in the assumptions underlying the calculations show that to cover the assets, for each factor considered individually:

- The volume reduction over the projected horizon must not exceed 275,000 units (300,000 units in 2012);
- The after-tax discount rate must not exceed 14% (13% in 2012).

With a growth rate to infinity close to zero, the conclusions of the test are unaffected.

NOTE 13 – INVESTMENT IN NISSAN

A – Nissan consolidation method

Renault and the Japanese automaker Nissan have chosen to develop a unique type of alliance between two distinct companies with common interests, uniting forces to achieve optimum performance. The Alliance is organized so as to preserve individual brand identities and respect each company's corporate culture.

Consequently:

- Renault is not assured of holding the majority of voting rights in Nissan's Shareholders' Meeting;
- The terms of the Renault-Nissan agreements do not entitle Renault to appoint the majority of Nissan directors, nor to hold the majority of voting rights at meetings of Nissan's Board of Directors; Renault cannot unilaterally appoint the President of Nissan; at December 31, 2013, Renault occupies one of the nine seats on Nissan's Board of Directors (compared to three at December 31, 2012);
- Renault-Nissan b.v., owned 50% by Renault and 50% by Nissan, is the Alliance's joint decision-making body for strategic issues concerning either group individually. Its decisions are applicable to both Renault and Nissan. This decision-making power was conferred on Renault-Nissan b.v. to generate synergies and bring both automakers worldwide economies of scale. This entity does not enable Renault to direct Nissan's financial and operating strategies, which are governed by Nissan's Board of Directors and cannot therefore be considered to represent contractual control by Renault over Nissan. The matters examined by Renault-Nissan b.v. since it was formed have remained strictly within this contractual framework, and are not an indication that Renault exercises control over Nissan;
- Renault can neither use nor influence the use of Nissan's assets in the same way as its own assets;
- Renault provides no guarantees in respect of Nissan's debt.

In view of this situation, Renault is considered to exercise significant influence over Nissan, and therefore uses the equity method to include its investment in Nissan in the consolidation. The Group's early application of the new standard IFRS 10, "Consolidated financial statements", as of January 1, 2013, has not affected the conclusion that Renault has significant influence over Nissan.

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

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

Nissan publishes consolidated financial statements quarterly, and annually at March 31. For the purposes of the Renault consolidation, Nissan results are included in line with the Renault calendar (the results for the period January to December are consolidated in Renault's annual financial statements).

Nissan held 0.68% of treasury shares at December 31, 2013 (0.68% at December 31, 2012). Consequently, Renault's percentage interest in Nissan was 43.7% at December 31, 2013 (43.7% at December 31, 2012). Renault held 43.4% of voting rights in Nissan at December 31, 2013 (43.4% at December 31, 2012).

C – Changes in the investment in Nissan as shown in Renault's statement of financial position

(€ million)	**Share in net assets**			**Net goodwill**	**Total**
	Before neutralization	**Neutralization proportional to Nissan's investment in Renault (1)**	**Net**		
At December 31, 2012	**14,948**	**(975)**	**13,973**	**815**	**14,788**
2013 net income	1,498		1,498		1,498
Dividend distributed	(405)		(405)		(405)
Translation adjustment	(1,885)		(1,885)	(175)	(2,060)
Other changes (2)	247		247		247
At December 31, 2013	**14,403**	**(975)**	**13,428**	**640**	**14,068**

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

(2) Other changes include the effect of Renault dividends received by Nissan, the change in actuarial gains and losses on pension obligations, the change in the financial instruments revaluation reserve, the change in Nissan treasury shares and a €15 million increase resulting from retrospective application of IAS 19 (revised) "Employee benefits" (see note 2-A2). Application of IFRS 11 "Joint arrangements" has no impact on Nissan net assets or net income restated for the purposes of the Renault consolidation.

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

	December 31, 2012	2013 net income	Dividends	Translation adjustment	Other changes (1)	December 31, 2013
(in billions of yen)						
Shareholders' equity – Nissan share under Japanese GAAP	**3,368**	**384**	**(115)**	**529**	**55**	**4,221**
Restatements for compliance with IFRS:						
- Provision for pension and other long-term employee benefit obligations (2)	(137)	24		(11)	28	(96)
- Capitalization of development expenses	522	31		1		554
- Deferred taxes and other restatements	(105)	(23)		26	(12)	(114)
Net assets restated for compliance with IFRS	**3,648**	**416**	**(115)**	**545**	**71**	**4,565**
Restatements for Renault group requirements (3)	238	26	(8)	(54)	3	205
Net assets restated for Renault group requirements	**3,886**	**442**	**(123)**	**491**	**74**	**4,770**
(€ million)						
Net assets restated for Renault group requirements	**34,206**	**3,428**	**(927)**	**(4,311)**	**564**	**32,960**
Renault's share	43.7%					43.7%
(before neutralization effect described below)	14,948	1,498	(405)	(1,885)	247	14,403
Neutralization of Nissan's investment in Renault (4)	(975)					(975)
Renault's share in the net assets of Nissan	**13,973**	**1,498**	**(405)**	**(1,885)**	**247**	**13,428**

(1) Other changes include the effect of Renault dividends received by Nissan, the change in the actuarial gains and losses on pension obligations, the change in the financial instruments revaluation reserve, the change in Nissan treasury shares and the effect of retrospective application of IAS 19 (revised) "Employee benefits"(see note 2-A2). Application of IFRS 11 "Joint arrangements" has no impact on Nissan net assets or net income restated for the purposes of the Renault consolidation.

(2) Including actuarial gains and losses recognized in equity.

(3) Restatements for Renault group requirements essentially correspond to revaluation of fixed assets by Renault for the acquisitions undertaken between 1999 and 2002, and elimination of Nissan's investment in Renault accounted for by the equity method.

(4) Nissan has held 15% of Renault since the acquisition in 2002, excluding the subsequent impacts of Renault's treasury share repurchases.

E – Nissan net income under Japanese GAAP

Since Nissan's financial year ends at March 31, the Nissan net income included in the 2013 Renault consolidation is the sum of Nissan's net income for the final quarter of its 2012 financial year and the first three quarters of its 2013 financial year.

	January to March 2013		April to June 2013		July to September 2013		October to December 2013		January to December 2013	
	Fourth quarter of Nissan's 2012 financial year		First quarter of Nissan's 2013 financial year		Second quarter of Nissan's 2013 financial year		Third quarter of Nissan's 2013 financial year		Reference period for Renault's 2013 consolidated financial statements	
	(in billions of yen)	*(€ million)* (1)	*(in billions of yen)*	*(€ million)* (1)	*(in billions of yen)*	*(€ million)* (1)	*(in billions of yen)*	*(€ million)* (1)	*(in billions of yen)*	*(€ million)* (1)
Net income – parent-company shareholders' share	110	903	82	636	108	823	84	617	384	2,979

(1) Converted at the average exchange rate for each quarter of 2013.

F – Nissan financial information under IFRS

The table below presents Nissan financial information, restated for the purposes of the Renault consolidation, for the period January 1 – December 31 of 2013 and 2012. The restatements do not include the fair value adjustments of assets and liabilities applied by Renault at the time of the acquisitions in 1999 and 2002, or the elimination of Nissan's investment in Renault accounted for by the equity method.

	2013		2012 (2)	
	(in billions of yen)	*(€ million)* (1)	*(in billions of yen)*	*(€ million)* (3)
Revenues	9,841	75,899	8,469	82,527
Net income				
Parent company shareholders' share	416	3,209	297	2,894
Non-controlling interests' share	29	223	34	331
Other components of comprehensive income				
Parent company shareholders' share	538	4,149	227	2,212
Non-controlling interests' share	18	139	10	98
Comprehensive income				
Parent company shareholders' share	954	7,358	524	5,106
Non-controlling interests' share	47	362	44	429
Dividends received from Nissan	54	406	44	426
	December 31, 2013		**December 31, 2012**	
	(in billions of yen)	*(€ million)* (1)	*(in billions of yen)*	*(€ million)* (2)
Non-current assets	6,684	46,186	5,590	49,203
Current assets	8,284	57,241	6,631	58,367
TOTAL ASSETS	**14,968**	**103,427**	**12,221**	**107,570**
Shareholders' equity				
Parent company shareholders' share	4,565	31,544	3,648	32,110
Non-controlling interests' share	318	2,197	288	2,535
Non-current liabilities	5,123	35,399	3,870	34,064
Current liabilities	4,962	34,287	4,415	38,861
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**14,968**	**103,427**	**12,221**	**107,570**

(1) Converted at the average exchange rate for 2013 i.e. 129.7 JPY = 1 EUR for income statement items, and at the December 31, 2013 rate i.e. 144.7 JPY = 1 EUR for financial position items.
(2) Financial information for 2012 and December 31, 2012 is restated following application of IFRS11 "Joint arrangements".
(3) Converted at the average exchange rate for 2012, i.e. 102.6 JPY = 1 EUR for income statement items, and at the December 31, 2012 rate i.e. 113.6 JPY = 1 EUR for financial position items.

G – Hedging of the investment in Nissan

The Group has partially hedged the Yen/Euro exchange risk on its investment in Nissan since 1999.

At December 31, 2013, the corresponding hedging operations totalled 112 billion yen (€773 million), comprising 27 billion yen (€187 million) of private placements on the EMTN market and 85 billion yen (€586 million) in bonds issued directly in yen on the Japanese Samurai bond market.

During 2013, these operations generated favourable net-of-tax foreign exchange differences of €209 million (favourable net-of-tax difference of €35 million in 2012), which were included in the Group's translation adjustment reserves (note 19-E).

H – Valuation of Renault's investment in Nissan at stock market prices

Based on the quoted price at December 31, 2013 of JPY 884 per share, Renault's investment in Nissan is valued at €11,985 million (€14,006 million at December 31, 2012 based on the price of JPY 811 per share).

I – Impairment test of the investment in Nissan

At December 31, 2013, the stock market value of the investment was 14.8% lower than its book value in the assets of Renault's statement of financial position. In view of this, an impairment test was carried out in application of the approach presented in the note on accounting policies (note 2-L).

As this investment is strategic, in compliance with IAS 36 the recoverable value was determined based on the higher of stock market value, representing "fair value", and value in use, estimated on the basis of discounted cash flows defined in the business plan drawn up by Nissan management. An after-tax discount rate of 7.9% and a growth rate to infinity of 3.1% were used to calculate value in use. The terminal value was calculated under profitability assumptions consistent with Nissan's past data and balanced medium-term prospects.

The test results did not lead to recognition of any impairment on the investment in Nissan in 2013.

A 200 base point increase in the discount rate associated with a 40 base point decrease in the growth rate to infinity or a 100 base point decrease in the operating margin would have no impact on the book value of the investment in Nissan.

J – Operations between the Renault group and the Nissan group

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

The cooperation between the two groups in 2013 principally takes the following forms:

Joint investments

Renault and Nissan share development costs and investments for gearbox and engine production.

The two Groups have made joint investments since 2007 for production of Logan vehicles. This type of cooperation now exists in South Africa, where the Nissan group has manufactured the Sandero since 2009.

Since 2011, the Alliance's Chennai plant in India has produced the first cross-badged Renault Pulse, an adaptation of the Nissan Micra using a 1.5 dCi diesel engine made at the Cleon plant in France.

Vehicle manufacturing

In Brazil, Renault supplies Nissan with assembly services for its Frontier pick-up and Livina models at the Curitiba plant. 27,200 vehicles were assembled during 2013.

Renault Samsung Motors produced 1,770 Nissan-badged SM3 vehicles in 2013, purchased by Nissan for sale through its own network (mainly in Russia and the Middle East).

The Chennai plant has provided assembly services for the Fluence, Koleos, Duster, Pulse and Scala vehicles sold on the Indian market by Renault dealers. In 2013, the volume of assembled vehicles totalled 88,580 units.

Concerning light commercial vehicles, Nissan produced 67,970 Trafic vans over the year at its Barcelona plant in Spain in 2013. 8.2% of these are sold through the Nissan network. Renault, meanwhile, produced 3,610 Interstars (Nissan-badged Masters), which are purchased by Nissan for sale through its own network.

Part sales

In Europe, the Renault group produces engines common to the Alliance at its Cléon plant in France, for use by Nissan's Japanese and UK plants in the Nissan Qashqai and X-Trail vehicles.

Renault also supplies gearboxes and engines manufactured at the plants in Cacia in Portugal, Valladolid and Seville in Spain, Cléon in France and Pitesti in Romania to Nissan's plants in Sunderland in the UK, Barcelona in Spain, Saint Petersburg in Russia and Chennai in India.

In South America, Renault supplies gearboxes made by Cormecanica to Nissan plants located mostly in Mexico and Brazil.

In total Renault supplied 717,450 gearboxes and 305,130 engines during 2013.

In South Korea, Nissan supplies Renault Samsung Motors with parts used in production of the SM3 (Fluence), the SM5 (Latitude), the SM7 and the Koleos.

Renault also uses Nissan's pinions for the Megane range, and automatic gearboxes, with continuous variable transmissions for the Megane and the Espace. Renault also uses a 2.0 litre engine developed jointly with Nissan for the Laguna. Nissan supplies rear axles for the Dacia Duster.

Sales

In Europe, Renault markets Nissan vehicles in Bulgaria, Croatia, Romania, Serbia and Slovenia.

Conversely, Nissan markets Renault vehicles in Japan and Australia.

Finance

From trading rooms in Lausanne and Singapore, Renault Finance acts as the Nissan group's counterparty in financial instruments trading to hedge foreign exchange, interest rate and commodity risks, in addition to its business for Renault. On the foreign exchange markets during 2013, Renault Finance undertook foreign exchange transactions totalling approximately €20.3 billion on behalf of Nissan. Foreign exchange, interest rate and commodity derivative transactions, undertaken for Nissan, are recorded at market price and included in the positions managed by Renault Finance.

Relations with the Sales Financing segment

The Sales Financing segment helps to attract customers and build loyalty to the Nissan brands through a range of financing products and services incorporated into its sales policy, principally in Europe. In 2013, the consolidated RCI Banque subgroup recorded €149 million of income in the form of commission and interest received from Nissan.

Total figures for 2013

Total sales by Renault to Nissan and purchases by Renault from Nissan amounted to an estimated €2,100 million and €2,200 million respectively.

The joint policies for purchasing and other administrative functions such as information systems departments are reflected directly in the Renault and Nissan financial statements, and therefore generate no financial exchanges between the two Groups. The same applies to sales of powertrain parts by the Alliance to partners such as Daimler and AVTOVAZ.

NOTE 14 – INVESTMENTS IN OTHER ASSOCIATES AND JOINT VENTURES

Details of investments in other associates and joint ventures are as follows:

- Value in the Group's statement of consolidated financial position was €806 million at December 31, 2013 (€774 million at December 31, 2012),
- Renault's share in the net income of other associates and joint ventures was a loss of €54 million for 2013, including a negative €34 million for AVTOVAZ's contribution in 2013 (€270 million for 2012, including €186 million from AVTOVAZ and €80 million from AB Volvo).

The investment in AB Volvo was sold in December 2012. This sale generated a profit of €924 million, which is reported on a specific line of the Group's consolidated income statement due to its significant, non-recurrent nature.

AVTOVAZ is now the most significant investment in other associates and joint ventures.

A – AVTOVAZ

The Russian automaker AVTOVAZ's financial year-end is December 31. For the purposes of the Renault consolidation, given the existing time constraints for production of financial information, the accounts of AVTOVAZ are consolidated with a 3-month time-lag. Consequently, the AVTOVAZ net income included in Renault's 2013 consolidated financial statements is the sum of AVTOVAZ's net income for the final quarter of its 2012 financial year and the first three quarters of its 2013 financial year.

A1 – Changes in the value of Renault's investment in AVTOVAZ as shown in Renault's statement of financial position

Renault's percentage interest in AVTOVAZ, through the entity Alliance Rostec Auto B.V., is 35.91% at December 31, 2013 compared to 25% at December 31, 2012. The increase results from application of the partnership agreement signed in December 2012.

This agreement created a joint venture named Alliance Rostec Auto B.V. between Renault, Nissan and the public Russian holding company Russian Technologies. This joint venture was formed to hold all the interests in AVTOVAZ owned by Renault, Nissan and Russian Technologies. Following the equity operations undertaken during the first half of 2013, Alliance Rostec Auto B.V. now holds 74.51% of the capital and the voting rights in the Shareholders' Meeting of AVTOVAZ.

In the first half of 2013, the Group undertook the following operations in connection with this venture:

- contribution of its 25% stake in AVTOVAZ to Alliance Rostec Auto B.V.,
- subscription to a capital increase by Alliance Rostec Auto B.V. for €113 million,
- acquisition of shares in Alliance Rostec Auto B.V. from Russian Technologies for €77 million.

Since the end of the first half-year of 2013, Renault has held 48.2% of the capital and the voting rights at the Shareholders' Meeting and on the Board of Directors of Alliance Rostec Auto B.V..

AVTOVAZ's Board of Directors consists of 8 members nominated by Renault and Nissan and 7 members nominated by Russian Technologies. On June 27, 2013, the Chairman and CEO of Renault and President of Nissan was elected Chairman of the Board of AVTOVAZ. As of December 31, 2013, Renault occupies 3 seats.

The Renault group does not control Alliance Rostec Auto B.V. or AVTOVAZ, because it does not hold the majority of voting rights in the governing bodies of Alliance Rostec Auto B.V. or the Board of Directors of AVTOVAZ. All major strategic and operating decisions must be approved by a majority shareholder vote.

Alliance Rostec Auto B.V. and AVTOVAZ are accounted for by the equity method in the Group financial statements. The table below reports consolidated figures for Alliance Rostec Auto B.V. and the AVTOVAZ group.

(€ million)	Share in net assets			Net goodwill	Total
	Before neutralization	Neutralization of Renault's share in the debt of Alliance Rostec Auto B.V. (1)	Net		
At September 30, 2012	**429**	**-**	**429**	**-**	**429**
Net income for the period October 1, 2012 to September 30, 2013 (2)	(34)	-	(34)	-	(34)
Effects of the investment in Alliance Rostec Auto B.V. (3)	185	(58)	127	63	190
Translation adjustment, actuarial gains and losses and revaluation of financial instruments	(49)	13	(36)	-	(36)
At September 30, 2013	**531**	**(45)**	**486**	**63**	**549**

(1) During the first half of 2013, Alliance Rostec Auto B.V. acquired the shares in AVTOVAZ held by Troika Dialog, which agreed to defer payment by the joint venture to June 2014.

(2) The share in net income of AVTOVAZ has been calculated by applying a 25% interest to the net income for the first two quarters of the period, and the rates of 32.98% and 35.91% for the final two quarters of the period.

(3) Renault invested €190 million during the first half of 2013 in equity securities of Alliance Rostec Auto B.V., raising its percentage interest in AVTOVAZ. This operation generated goodwill of 2,772 million roubles (€63 million at September 30, 2013). Renault's contribution to Alliance Rostec Auto B.V. of its 25% stake in AVTOVAZ is considered as an ownership restructuring, with no impact on the value of the investment.

A2 – Changes in AVTOVAZ and Alliance Rostec Auto B.V. shareholders' equity restated for the purposes of the Renault consolidation

(€ million)	**October 1, 2012**	**Net income for the period October 1, 2012 – September 30, 2013**	**Contribution of Avtovaz shares to Alliance Rostec Auto B.V.**	**Effects of the investment in Alliance Rostec Auto B.V. (1)**	**Translation adjustment and other changes**	**September 30, 2013**
Shareholders' equity – parent company shareholders' share	1,671	(113)	-	-	(125)	1,433
Restatements for Renault group requirements (2)	43	2	-	-	1	46
Net assets restated for Renault group requirements	**1,714**	**(111)**	**-**	**-**	**(124)**	**1,479**
Contribution of Avtovaz shares to Alliance Rostec Auto B.V. (A)	**429**	**-**	**(429)**	**-**	**-**	**-**
Share in Avtovaz held by Alliance Auto Rostec B.V. (74.51%)	-	(70)	977	289	(94)	1,102
Net debt of Alliance Rostec Auto B.V. (3)	-	-	(88)	(26)	20	(94)
Restated net assets of Alliance Rostec Auto B.V.	-	(70)	889	263	(74)	1,008
Share in Alliance Rostec Auto B.V. held by Renault (48.2%) (B)	**-**	**(34)**	**429**	**127**	**(36)**	**486**
Goodwill on acquisitions of shares in Avtovaz and Alliance Rostec Auto B.V. (C)	**-**	**-**	**-**	**63**	**-**	**63**
Renault's share in the net assets of AVTOVAZ (A) + (B) + (C)	**429**	**(34)**	**-**	**190**	**(36)**	**549**

(1) Renault invested €190 million during the first half of 2013 in equity securities of Alliance Rostec Auto B.V., raising its percentage interest in AVTOVAZ. Renault's contribution to Alliance Rostec Auto B.V. of its 25% stake in AVTOVAZ is considered as an ownership restructuring, with no impact on the value of the investment.

(2) Restatements for Renault group requirements essentially correspond to valuation of intangible assets (the Lada brand) and fair value measurement of financial assets.

(3) During the first half of 2013, Alliance Rostec Auto B.V. acquired the shares in AVTOVAZ held by Troika Dialog, which agreed to defer payment by the joint venture to June 2014.

A3 – AVTOVAZ financial information under IFRS

AVTOVAZ's published financial information under IFRS for 2012 (year ended December 31) and the first three quarters of the year 2013, is summarized below:

	From January to September 2013		**2012**	
	(in millions of roubles)	*(€ million)* (1)	*(in millions of roubles)*	*(€ million)* (2)
Revenues	132,047	3,170	190,061	4,761
Net income (3)				
Parent company shareholders' share	(4,272)	(103)	29,110	729
Non-controlling interests' share	(34)	(1)	70	2
Other components of comprehensive income				
Parent company shareholders' share	87	2	(169)	(4)
Non-controlling interests' share	-	-	-	-
Comprehensive income				
Parent company shareholders' share	(4,185)	(101)	28,941	725
Non-controlling interests' share	(34)	(1)	70	2
Dividends received from AVTOVAZ	-	-	-	-
	September 30, 2013		**December 31, 2012**	
	(in millions of roubles)	*(€ million)* (1)	*(in millions of roubles)*	*(€ million)* (2)
Non-current assets	92,543	2,112	90,193	2,236
Current assets (including assets held for sale)	50,932	1,162	51,585	1,279
TOTAL ASSETS	**143,475**	**3,274**	**141,778**	**3,515**
Shareholders' equity				
Parent company shareholders' share	62,806	1,433	66,991	1,661
Non-controlling interests' share	481	11	515	13
Non-current liabilities	32,398	739	33,881	840
Current liabilities (including liabilities related to assets held for sale)	47,790	1,091	40,391	1,001
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**143,475**	**3,274**	**141,778**	**3,515**

(1) Converted at the average exchange rate for January to September 2013, i.e. 41.66 RUB = 1 EUR for income statement items and the exchange rate at September 30, 2013, i.e. 43,82 RUB = 1 EUR for balance sheet items.

(2) Converted at the average exchange rate for 2012 i.e. 39.92 RUB = 1 EUR for income statement items and the exchange rate at December 31, 2012 i.e. 40.33 RUB = 1 EUR for balance sheet items.

(3) Rescheduling of loans from Russian Technologies generated a gain of 28.6 billion roubles (€718 million) for 2012.

A4 – Valuation of Renault's investment in AVTOVAZ at stock market prices

Based on AVTOVAZ's stock market share price, Renault's 35.91% investment in AVTOVAZ is valued at €179 million at December 31, 2013, (€198 million for 25% of the capital at December 31, 2012).

A5 – Impairment test of the investment in AVTOVAZ

At December 31, 2013, the stock market value of the investment was 67% lower than the value of AVTOVAZ in Renault's statement of financial position (54% lower at December 31, 2012).

The price paid for transactions during 2013 between the various parties in the partnership agreement, who are all independent, is approximately 40 roubles per share. This is higher than the average value of the shares in the portfolio which are valued at 32 roubles per share at December 31, 2013. The price calculation was based on prospects for change in production volumes and profitability that are coherent with the most recent updates to the company's business plan.

In application of the approach presented in the note on accounting policies (note 2-L), an impairment test was carried out. An after-tax discount rate of 14.5% and a growth rate to infinity of 3.4% were used to calculate value in use. The terminal value was calculated under reasonable profitability and medium-term prospects assumptions. If one of these assumptions is varied while the other remains stable, with a growth rate to infinity of 2% or an after-tax rate discount rate of 15.3%, the recoverable value will still be higher than the book value. The test results at December 31, 2013 did not indicate any loss of value in the investment in AVTOVAZ, and no impairment was recognized.

A6 - Operations between the Renault group and the AVTOVAZ group

The Renault group continued to provide technical assistance to AVTOVAZ for vehicle, engine and gearbox projects implemented by the Renault-Nissan Alliance and AVTOVAZ, and for assembly of the B0 platform shared by AVTOVAZ and the Alliance. Consulting services are also provided by Renault in areas such as purchases, quality and IT. During 2013, Renault invoiced €54 million to AVTOVAZ for this technical assistance.

Following the start of production on the Lada "Largus" minivan using the B0 platform in 2012, in 2013 Renault supplied AVTOVAZ with parts required for assembly for a total amount of €356 million.

Renault's share in the B0 platform investment is recorded in tangible assets at the amount of €174 million at December 31, 2013.

In 2013, Renault paid AVTOVAZ €52 million in the form of 10-year loans. The total amount of loans by the Group to AVTOVAZ at December 31, 2013 is €123 million.

B – Associates and joint ventures accounted for under the equity method, other than Nissan et AVTOVAZ

B1 – Information on other associates and joint ventures accounted for under the equity method

Name	Country of location	Main activity	Percentage ownership and voting rights held the group	
			December 31, 2013	December 31, 2012
Entities under significant influence				
Automotive				
Boone Comenor	France	Metal trading	33	33
Maïs	Turkey	Automotive sales	49	49
Renault Nissan Automotive India Private Limited (RNAIPL)	India	Automaker	30	30
Renault South Africa	South Africa	Automotive import	40 (1)	51(1)
Sales Financing				
Nissan Renault Finance Mexico	Mexico	Automotive sales financing	- (2)	15
Joint ventures (3)				
Automotive				
Francaise de Mécanique	France	Production of automotive parts	- (2)	50
Indra Investissements	France	Dismantling of end-of-life vehicles	50	50
Sales Financing				
Renault Credit Car	Belgium	Automotive sales financing	50	50
RCI Financial Services s.r.o.	Czech Republic	Automotive sales financing	50 (4)	50
Orfin Finansman Anonim Sirketi	Turkey	Automotive sales financing	50 (5)	-

(1) Renault South Africa was fully consolidated until November 30, 2013, at which date the Group transferred control to its partner.
(2) Investments sold in the final quarter of 2013
(3) Partnerships classified as joint ventures were proportionately consolidated in 2012 prior to application of IFRS 11, "Joint arrangements" (see note 2-A2).
(4) The Group took control of RCI Financial Services s.r.o. on October 1, 2013 following signature of a new partnership agreement, and it is fully consolidated as of that date.
(5) First consolidated in 2013.

B2 – Cumulative financial information on associates accounted for under the equity method

(€ million)	**December 31, 2013**	**December 31, 2012**
Investments in associates	243	346
Share in income (loss) of associates	(21)	3
Share of associates in other components of comprehensive income	(11)	(13)
Share of associates in comprehensive income	(31)	(10)

B3 – Cumulative financial information on joint ventures accounted for under the equity method

(€ million)	**December 31, 2013**
Investments in joint ventures	15
Share in income (loss) of joint ventures	1
Share of joint ventures in other components of comprehensive income	(6)
Share of joint ventures in comprehensive income	(5)

In application of IFRS 11, “Joint arrangements”, joint ventures previously proportionately consolidated are accounted for under the equity method in 2013 (note 2-A2).

NOTE 15 – INVENTORIES

(€ million)	December 31, 2013			December 31, 2012		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Raw materials and supplies	989	(214)	775	1,161	(208)	953
Work in progress	146	(1)	145	232	-	232
Used vehicles	926	(95)	831	1,079	(130)	949
Finished products and spare parts	1,540	(129)	1,411	1,860	(130)	1,730
TOTAL	**3,601**	**(439)**	**3,162**	**4,332**	**(468)**	**3,864**

NOTE 16 – SALES FINANCING RECEIVABLES

A – Sales financing receivables by nature

(€ million)	December 31, 2013	December 31, 2012
Dealership receivables	7,277	6,736
Financing for end-customers	12,536	12,516
Leasing and similar operations	4,569	4,776
Gross value	**24,382**	**24,028**
Impairment	(732)	(798)
Net value	**23,650**	**23,230**
Fair Value	**23,745**	**23,412**

The fair value is estimated by discounting future cash flows at rates that would be applicable to similar loans (conditions, maturity and debtor quality) at the year-end. Receivables with a term of less than one year are not discounted, as their fair value does not differ significantly from their net book value. This is a level 3 fair value, as it uses recognized models for which certain significant data, such as the credit risk associated with the portfolio of receivables, are not based on observable market data.

B – Assignments and assets pledged as guarantees for management of the liquidity reserve

B1 –Assignments of sales financing assets

(€ million)	December 31, 2013		December 31, 2012	
	Balance sheet value	Fair value	Balance sheet value	Fair value
Assigned receivables carried in the balance sheet	7,680	7,792	8,814	8,842
Associated liabilities	3,602	3,643	3,902	3,949

The Sales Financing segment has undertaken several securitization operations through special purpose vehicles and conduit financing operations (in Germany, France, Italy and the United Kingdom) involving loans to final customers and receivables on the dealership network. This does not lead to derecognition of the receivables assigned, as all risks are retained by the Group. The associated liabilities correspond to securities resulting from the securitization operations, recognized in other debts represented by a certificate.

The difference between the receivables assigned and the amount of the associated liabilities corresponds to the higher credit necessary for these operations, and the share of securities retained by RCI Banque to form a liquidity reserve.

Securitized assets can no longer be assigned or pledged. Subscribers to debt securities only have claims on the assets assigned.

B2 –Assets pledged as guarantees for management of the liquidity reserve

For management of its liquidity reserve, RCI Banque provided guarantees of €3,394 million in 2013 (€2,933 million in 2012) to the Banque de France: €2,479 million in the form of shares in securitization vehicles, and €565 million in sales financing receivables (€2,773 million and €160 million at December 31, 2012) and €350 million in short-term loans from the Banque de France. This liquidity reserve was unused at December 31, 2013 (it was used to the extent of €400 million at December 31, 2012, classified as borrowings from credit institutions in sales financing debts).

At December 31, 2013, RCI Banque had also provided guarantees to the Société de Financement de l'Economie Française (SFEF) in the form of receivables with book value of €380 million (€341 million at December 31, 2012), in return for financing of €210 million (€210 million at December 31, 2012) recorded in borrowings from credit institutions in debts of the Sales Financing segment (note 23).

C – Sales financing receivables by maturity

(€ million)	**December 31, 2013**	**December 31, 2012**
- 1 year	13,884	13,964
1 to 5 years	9,665	9,162
+ 5 years	101	104
Total sales financing receivables, net	**23,650**	**23,230**

D – Breakdown of overdue sales financing receivables (gross values)

(€ million)	**December 31, 2013**	**December 31, 2012**
Receivables for which impairment has been recognized (1): overdue by	**503**	**577**
- 0 to 30 days	*14*	*14*
- 30 to 90 days	*53*	*53*
- 90 to 180 days	*61*	*57*
- More than 180 days	*375*	*453*
Receivables for which no impairment has been recognized: overdue by	**14**	**16**
- 0 to 30 days	*14*	*16*
- More than 30 days	-	-

(1) This only includes sales financing receivables partly or totally written off through impairment on an individual basis.

The maximum exposure to credit risk for the sales financing activity is represented by the net book value of sales financing receivables plus the amount of financing commitments for customers reported under off-balance sheet commitments given (note 28-A).

This risk is reduced by guarantees provided by customers, as reported in off-balance sheet commitments received (note 28-B). In particular, guarantees held in connection with overdue or impaired sales financing receivables amounted to €655 million at December 31, 2013 (€538 million at December 31, 2012).

There is no indication at the year-end that the quality of sales financing receivables not yet due or unimpaired has been adversely affected, nor is there any significant concentration of risks within the sales financing customer base.

E – Changes in impairment of sales financing receivables

(€ million)	
Impairment at December 31, 2012	**(798)**
Impairment recorded during the year	(326)
Reversals for use of impairment	209
Reversals of unused residual amounts	174
Translation adjustment and other (1)	9
Impairment at December 31, 2013	**(732)**

Net credit losses amounted to €65 million in 2013 (€61 million in 2012).

NOTE 17 – AUTOMOTIVE RECEIVABLES

(€ million)	December 31, 2013	December 31, 2012
Gross value	1,736	1,226
Impairment	(766) (1)	(82)
Automotive receivables, net	**970**	**1,144**

(1) Of which €729 million related to Iran at December 31, 2013 as disclosed in note 6-E.

These receivables do not include accounts receivable assigned to the Group's sales financing companies or other non-Group entities when substantially all the risks and benefits associated with ownership of the receivables are transferred. The risk of dilution (essentially the risks of non-settlement after a commercial dispute) is retained by the Group, but is considered negligible. Receivables assigned in this way to Group sales financing companies are included in sales financing receivables, principally dealership receivables.

When substantially all the risks and benefits are not transferred, although from a legal standpoint receivables have been assigned to Group sales financing companies or other non-Group entities, they remain in Automotive receivables and a corresponding financial liability is recorded (in other interest-bearing borrowings). The amount of assigned Automotive receivables that remain in the balance sheet because the Group retains the credit risk or risk of late settlement is not significant at December 31, 2013.

There is no significant concentration of risks within the Automotive customer base, and no single non-Group customer accounts for more than 10% of the Group’s total sales revenues.

The fair value of Automotive receivables is equal to their net book value due to their short-term maturities. This is a level 3 fair value, as it involves assessment of the credit risk associated with the portfolio of receivables that is not based on observable market data.

NOTE 18 – OTHER CURRENT AND NON-CURRENT ASSETS

(€ million)	December 31, 2013			December 31, 2012		
	Non-current	Current	Total	Non-current	Current	Total
Prepaid expenses	120	224	344	90	194	284
Tax receivables (excluding current taxes)	412	906	1,318	274	996	1,270
Other receivables	473	925	1,398	338	599	932
Investments in controlled unconsolidated entities	71	-	71	119	-	119
Derivatives on operating transactions of the Automotive segment	-	-	-	-	-	-
Derivatives on financing transactions of the Sales Financing segment	-	201	201	-	332	332
TOTAL	**1,076**	**2,256**	**3,332**	**821**	**2,121**	**2,942**
Gross value	*1,183*	*2,309*	*3,492*	*959*	*2,193*	*3,152*
Impairment	*(107)*	*(53)*	*(160)*	*(138)*	*(72)*	*(210)*

NOTE 19 – SHAREHOLDERS' EQUITY

A – Share capital

The total number of ordinary shares issued and fully paid-up at December 31, 2013 was 295,722 thousand, with par value of €3.81 per share (unchanged from December 31, 2012).

Treasury shares do not bear dividends. They accounted for 1.28% of Renault's share capital at December 31, 2013 (1.37% at December 31, 2012).

The Nissan group holds 15% of Renault through its wholly-owned subsidiary Nissan Finance Co. Ltd (the voting rights attached to these shares cannot be exercised).

B – Capital management

In managing its capital, the Group's objective is to guarantee continuity of business in order to provide returns for shareholders and benefits for other stakeholders, and to maintain optimum capital structure in order to optimize its cost.

The Group actively manages its capital structure, making adjustments in view of developments in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payments to shareholders, redeem some of the capital or issue new shares.

The Group's objectives are monitored in different ways in the different operating segments.

The Group manages the Automotive segment's capital by reference to a ratio equal to the segment's net indebtedness divided by the sum of shareholders' equity (net indebtedness includes all non-operating interest-bearing financial liabilities and commitments less cash and cash equivalents and other non-operating financial assets such as marketable securities or the segment's loans). Shareholders' equity is as reported in the Group's financial position. The Group had a net liquidity position at December 31, 2013 (net liquidity position at December 31, 2012).

The Sales Financing segment must comply with regulatory ratios specific to banking operations. The minimum solvency ratio (shareholders' equity including subordinated loans to total weighted risks) is 8%. RCI Banque's Core Tier 1 solvency ratio (excluding the Basel I floor effect) was 14.2% at December 31, 2013 (13.7% at December 31, 2012).

The Group also partially hedges its investment in Nissan (note 13-G).

C – Renault treasury shares

In accordance with decisions approved at General Shareholders' Meetings, the Board of Directors decided to allocate all Renault treasury shares to current stock option plans awarded to Group managers and executives.

	December 31, 2013	December 31, 2012
Total value of treasury shares *(€ million)*	187	201
Total number of treasury shares	3,784,305	4,059,255

D – Distributions

At the General and Extraordinary Shareholders' Meeting of April 30, 2013, it was decided to distribute a dividend of €1.72 per share representing a total amount of €502 million (€1.16 per share or a total of €338 million in 2012). This dividend was paid during May.

E – Translation adjustment

The change in translation adjustment over the year is analysed as follows:

(€ million)	**2013**	**2012**
Change in translation adjustment on the value of the investment in Nissan	(2,060)	(1,120)
Impact, net of tax, of partial hedging of the investment in Nissan (note 13-H)	209	35
Total change in translation adjustment related to Nissan	**(1,851)**	**(1,085)**
Other changes in translation adjustment	(435)	(143)
Total change in translation adjustment	**(2,286)**	**(1,228)**

In 2013, other changes in the translation adjustment mostly resulted from movements in the Argentinian peso, the Brazilian real, the Russian rouble and the Korean won against the Euro. In 2012, they mostly resulted from movements in the Brazilian real, the Argentinian peso, the Iranian rial and the Korean won against the Euro.

F – Financial instrument revaluation reserve

F1 – Change in the financial instrument revaluation reserve

The figures below are reported net of tax effects.

(€ million)	**Cash flow hedges**	**Available-for-sale financial assets**	**Total**
At December 31, 2012 (1)	**(117)**	**153 (3)**	**36**
Changes in fair value recorded in shareholders' equity	10	524	534
Transfer from shareholders' equity to the income statement (2)	28	(27)	1
At December 31, 2013 (1)	**(79)**	**650 (3)**	**571**

(1) For the schedule of amounts related to cash flow hedges transferred to shareholders' equity, see note F-3 below.
(2) For a breakdown of the amounts related to cash flow hedges transferred to shareholders' equity, see note F-2 below.
(3) The revaluation reserve partly relates to Daimler shares (note 22-A).

F2 – Breakdown of the amounts related to cash flow hedges transferred from the financial instrument revaluation reserve to the income statement

(€ million)	**2013**	**2012**
Operating margin	24	31
Other operating income and expenses	3	-
Net financial income (expense)	1	-
Share in net income of associates and joint ventures	-	10
Current and deferred taxes	-	-
Total transferred to the income statement for cash flow hedges	**28**	**41**

F3 – Schedule of amounts related to cash flow hedges transferred from the financial instruments revaluation reserve to the income statement

(€ million)	**December 31, 2013**	**December 31, 2012**
Within one year	3	(12)
After one year	(34)	(57)
Revaluation reserve for cash flow hedges excluding associates and joint ventures	***(31)***	***(69)***
Revaluation reserve for cash flow hedges – associates and joint ventures	(48)	(48)
Total revaluation reserve for cash flow hedges	**(79)**	**(117)**

This schedule is based on the contractual maturities of hedged cash flows.

G – Stock option and free share attribution plans

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

No new stock-option or free share plans were introduced in 2013. All plans introduced since 2006 include performance conditions which determine the number of options or shares granted to beneficiaries.

G1 – Changes in the number of stock options held by personnel

	2013			**2012**		
	Quantity	**Weighted average exercise price *(€)***	**Weighted average share price at grant and exercise dates *(€)***	**Quantity**	**Weighted average exercise price *(€)***	**Weighted average share price at grant and exercise dates *(€)***
Outstanding at January 1	**5,156,196**	**76**	**-**	**8,595,407**	**70**	**-**
Granted (1)	297,800	37	40	350,000 (1)	31	33
Exercised	-	-	-	-	-	-
Expired	(1,610,225)	69	N/A	(3,789,211)	59	N/A
Outstanding at December 31	**3 843 771**	**76**	**-**	**5,156,196**	**76**	**-**

(1) These stock option allocations correspond to plan 20 dating from December 13, 2012, which was announced to the beneficiaries in 2013.

G2 – Options and free share attribution rights outstanding at December 31, 2013

Plan	Type of plan	Grant date	Exercise price (€)	Outstanding	Exercise period
Plan 12	Stock subscription options	May 4, 2006	87.98	1,280,553	May 5, 2010 – May 5, 2014
Plan 14	Stock subscription options	December 5, 2006	93.86	1,486,806	December 6, 2010 – December 4, 2014
Plan 18	Stock purchase options	April 29, 2011	38.80	478,612	April 30, 2015 – April 28, 2019
Plan 18 bis	Attribution of free shares	April 29, 2011	-	1,092,545 94,800	April 30, 2014 – April 30, 2016 April 30, 2015
Plan 19	Stock purchase options	December 8, 2011	26.87	150,000	December 9, 2015 – December 7, 2019
Plan 19 bis	Attribution of free shares	December 8, 2011	-	27,000	December 8, 2013 – December 8, 2015 December 8, 2015
Plan 20	Stock purchase options	December 13, 2012	37.43	447,800	December 13, 2016 – December 12, 2020
Plan 20 bis	Attribution of free shares	December 13, 2012	-	584,400 86,800	December 13, 2014 – December 12, 2016 December 13, 2016

H – Share-based payments

Share-based payments exclusively concern stock options and free shares awarded to personnel.

Plan values

The options awarded under these plans only become vested after a period of four years for plans 12 to 20. For stock option plans, the exercise period then covers four years for plans 12 to 20. Loss of the benefit of these options follows the applicable regulations: all options are forfeited in the event of resignation, and a decision is made for each individual case when an employee leaves at the company's instigation.

The plans have been valued as follows:

Plan	Initial value *(thousands of €)*	Unit fair value	Expense for 2013 *(€ million)*	Expense for 2012 *(€ million)*	Share price at grant date *(€)*	Volatility	Interest rate	Exercise price *(€)*	Duration of option	Dividend per share *(€)*
Plan 12 (1)	17,324	16.20	-	-	87.05	28.1%	3.90%	87.98	4-8 years	2.40 – 4.50
Plan 14 (1)	26,066	15.00	-	-	92.65	26.7%	3.88%	93.86	4-8 years	2.40 – 4.50
Plan 18	3,422	9.31	(2)	(1)	36.70	37.28%	2.28%	38.80	4-8 years	0.30 – 1.16
Plan 18 bis	28,711	31.04	(17)	(9)	36.70	N/A	2.28%	N/A	3-5 years	0.30 – 1.16
Plan 19	1,608	5.36	-	-	27.50	42.24%	1.99%	26.87	4-8 years	1.19 – 1.72
Plan 19 bis	15,966	26.18	(4)	(4)	34.18	N/A	1.68%	N/A	2-4 years	1.17 – 1.73
Plan 20	2,708	6.87	(1)	-	40.39	35%	0.71%	37.43	4-8 years	1.57- 2.19
Plan 20 bis	21,767	36.38	(9)	-	43.15	N/A	0.87%	N/A	2-4 years	1.57 -1.97
TOTAL	**117,572**		**(33)**	**(14)**						

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

I – Share of non-controlling interests

Entity	Country of location	Percentage of ownership and voting rights held by non-controlling interests		Net income – non-controlling interests' share *(€ million)*		Shareholders' equity – non-controlling interests' share *(€ million)*		Dividends paid to non-controlling interests (minority shareholders) *(€ million)*	
		December 31, 2013	December 31, 2012	2013	2012	December 31, 2013	December 31, 2012	2013	2012
Automotive									
Renault Samsung Motors	Korea	20%	20%	4	(31)	102	102	-	-
Renault Pars (1)	Iran	N/A (1)	49%	1	(102)	N/A	(91)	-	-
Oyak Renault Otomobil Fabrikalari	Turkey	49%	49%	54	47	230	216	(39)	(51)
Other	N/A	N/A	N/A	13	15	29	28	(5)	(7)
Total - Automotive				**72**	**(71)**	**361**	**255**	**(44)**	**(58)**
Sales Financing									
Companhia de Arrendamento Mercantil RCI do Brasil (2)	Brazil	40%	40%	11	12	-	-	-	(7)
Companhia de Credito, Financiamento e Investimento RCI do Brasil (2)	Brazil	40%	40%	17	15	-	-	(12)	(3)
Rombo Compania Financiera (2)	Argentina	40%	40%	8	7	-	-	-	-
Other	N/A	N/A	N/A	1	-	16	-	-	-
Total - Sales Financing				**37**	**34**	**16**	**-**	**(12)**	**(10)**
TOTAL				**109**	**(37)**	**377**	**255**	**(56)**	**(68)**

(1) Renault Pars is deconsolidated as of June 30, 2013 (note 6-E).

(2) The Group has granted minority shareholders in these companies put options to sell their investments. A liability corresponding to these put options is included in other liabilities, amounting to €182 million for the two Brazilian subsidiaries and €22 million for the Argentinean subsidiary at December 31, 2013 (€181 million and €23 million respectively at December 31, 2012). A corresponding charge is made to shareholders' equity, allocated in priority to the non-controlling interests' share with any residual amount allocated to the parent-company shareholders' share. The liability is stated at fair value. Fair value is determined by estimating the potential purchase price, taking into account future results of the financing portfolio as it exists at the closing date and the provisions of the partnership contracts. This is a level 3 fair value, as it uses recognized models but their significant data are not based on observable market data.

There are no significant restrictions on the Group's capacity to access or use its assets and settle its liabilities, other than restrictions that result from the regulatory framework in which the subsidiaries operate. The local supervisory authorities may require banking subsidiaries to keep a certain level of capital and liquidities, limit their exposure to other group parties, and comply with other ratios.

J – Joint operations

Entity	Country of location	Main activity	Percentage of ownership held by the Group	
			December 31, 2013	December 31, 2012
Automotive				
Société des Automobiles Alpine Caterham [(1)]	France	Automaker	50	100
Renault Nissan Technology and Business Centre India Private Limited (RNTBCI) [(2)]	India	Shared service centre	67	67

(1) Société des Automobiles Alpine Caterham was previously controlled and fully consolidated until June 30, 2013.The percentage of voting rights is identical to the percentage of ownership.

(2) The Group holds 50% of voting rights in Renault Nissan Technology and Business Center India Private Limited.

NOTE 20 – PROVISIONS

A – Provisions at December 31

(€ million)	**December 31, 2013**	**December 31, 2012**
Provisions for pension and other long-term employee benefit obligations [(1)]	**1,558**	**1,649**
Provisions (other than provisions for pension and other long-term employee obligations)		
Provisions for restructuring and workforce adjustment costs	443	258
Provisions for warranty costs	702	688
Provisions for tax risks and litigation	366	336
Provisions related to insurance activities	191	161
Other provisions	379	293
Total provisions (other than provisions for pension and other long-term employee obligations)	**2,081**	**1,736**
Total provisions	**3,639**	**3,385**
Provisions – long-term	*2,544*	*2,496*
Provision – short-term	*1,095*	*889*

(1) The impacts of application of IAS 19 (revised) “Employee benefits” are presented in note 2-A2.

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

B – Changes in provisions (other than provisions for pension and other long-term employee obligations)

(€ million)	Restructuring provisions	Warranty provisions	Tax risks and litigation provisions	Insurance activities[(1)]	Other provisions	Total
At December 31, 2012	**258**	**688**	**336**	**161**	**293**	**1,736**
Increases	331	435	119	44	178	1,107
Reversals of provisions for application	(121)	(380)	(34)	(14)	(37)	(586)
Reversals of unused balance of provisions	(21)	(17)	(28)	-	(47)	(113)
Changes in scope of consolidation	(3)	(3)	(1)	-	(1)	(8)
Translation adjustments and other changes	(1)	(21)	(26)	-	(7)	(55)
At December 31, 2013	**443**	**702**	**366**	**191**	**379**	**2,081**

(1) Mainly technical reserves established by the sales financing activity's insurance companies

Increases to restructuring provisions essentially comprise the effect of workforce adjustment measures in Europe (note 6-A). Increases to other provisions include the cost corresponding to the estimated amount of indemnities payable for failure to meet expected minimum purchase volumes for certain electric vehicles (note 6-D).

At December 31, 2013, the "other provisions" item included €30 million of provisions established in application of environmental regulations (€28 million at December 31, 2012). They include provisions to cover recycling obligations for end-of-life vehicles and used batteries (note 28-A2), and environmental compliance costs for industrial land that the Group intends to sell (particularly on the Boulogne-Billancourt site). They also include €4 million for depollution of commercial land belonging to Renault Retail Group (RRG) (€4 million at December 31, 2012).

As greenhouse gas emissions were lower than the Group's allocated quotas, no associated provisions were booked at December 31, 2013.

C – Provisions for pensions and other long-term employee benefit obligations

C1 – Pension and benefit plans

Pensions and other long-term employee benefit obligations essentially concern active employees. These benefits are covered either by defined-contribution plans or defined-benefit plans.

- Defined-contribution plans

The Group makes earnings-related payments, in accordance with local custom, to the national organizations responsible for paying pensions and similar financial benefits. There is no actuarial liability concerning these pension arrangements.

The total expense for defined-contribution plans was €579 million in 2013 (€578 million in 2012).

- Defined-benefit plans

The accounting treatment of defined-benefit plans is described in note 2-R, and involves establishment of provisions. These plans concern:

- indemnities payable upon retirement or departure, in application of legislation or agreements in certain countries such as France, Korea and Turkey.
- supplementary pensions providing employees with contractual income; the countries applying this type of plan are in Europe (e.g. United Kingdom, Germany, France, Netherlands, Switzerland).
- other long-term benefits, chiefly long-service awards, flexible holiday entitlements, and additional career-end leave in France.

Defined-benefit supplementary pension plans are generally covered by contracts with pension funds or insurance companies. In such cases, the obligations and assets are valued separately. The difference between the obligation and the fair value of the assets held to fund may indicate underfunding or overfunding. In the event of underfunding, a provision is booked. In the event of overfunding, an asset is recognized subject to certain conditions.

- Principal defined-benefit plans of the Group

In France, the Group's retirement indemnities result from agreements negotiated with each French entity and employee representatives. They are based on employees' salaries and length of service; payment is conditional on being in the company's employment at the time of retirement. Retirement benefit obligations are entirely covered by provisions, and account for most of the Group's liabilities for retirement and termination indemnities.

The Group's most significant supplementary pension plan is in the United Kingdom, where two defined-benefit pension plans are managed as part of a dedicated pension fund comprising two compartments: one concerns Automotive subsidiaries, the other RCI Financial Services Ltd. This plan has been closed to new beneficiaries since 2004, and concerns approximately 1,900 people.

This pension fund (a trust) is a legal entity in its own right. It is administered by a board of Trustees with equal representation for the participating companies and their current and former employees. The fund is governed by local regulations, which set the minimum funding requirements that can lead to additional contributions being made by the Group. The asset investment policy is defined for each section of the fund by a supervisory body which examines the performance of investments quarterly. The risks associated with these plans are the usual risks (lower future returns on fund assets, a decline in the equities markets, longer life expectancy for beneficiaries, etc).

The fund compartment dedicated to the Automotive segment is underfunded and the Group has made a commitment to cover the shortfall by 2022 through payments amounting to £3 million maximum per year. The deficit is valued at £15 million at September 30, 2013.

C2 – Main actuarial assumptions used to calculate provisions and other data for the most significant plans

Main actuarial assumptions and actual data for the Group's retirement indemnities in France	**December 31,2013**	**December 31,2012**
Retirement age	60 to 65	60 to 65
Discount rate [1]	2.8% - 3.2%	2.6% - 3.3%
Salary increase rate	2.2% - 3%	2.7% - 3%
Duration of plan	12 to 20 years	12 to 20 years
Gross obligation	€1,137 million	€1,225 million

(1) The rate most frequently used to value the Group's obligations in France is 2.9% in 2013 (2.6% in 2012) However, the rate varies between companies depending on the maturities of obligations. The benchmark for the discount rate is the zero-coupon rate plus the average spread curve for issuers rated AA as published by Reuters at December 31, 2013 and 2012.

Main actuarial assumptions and actual data for the Group's supplementary pensions in the UK	**December 31,2013**	**December 31,2012**
Financial discount rate	4.7%- 4.8%	4.5%- 4.7%
Salary increase rate	2% - 3.3%	2% - 3%
Duration of plan	20 - 27 years	20 - 27 years
Actual return on fund assets	6.8% - 7.6%	11.2% - 14.3%
Gross obligation	€258 million	€248 million
Fair value of assets invested via pension funds	€238 million	€229 million

C3 – Net expense for the year

(€ million)	**2013**	**2012**
Current service cost	109	93
Past service cost and gain/loss on settlement	-	(7)
Net interest on the net liability (asset)	42	57
Effects of workforce adjustment measures	(1)	-
Amortization of past service cost	-	(3)
Net expense (income) for the year recorded in the income statement	**150**	**140**

C4 – Breakdown of the balance sheet provision

(€ million)	**December 31, 2013**		
	Present value of the obligation	**Fair value of fund assets**	**Net defined-benefit liability (asset)**
Retirement and termination indemnities			
France	1,137	-	1,137
Europe (excluding France and the UK)	18	(1)	17
Americas	2	-	2
Asia-Pacific [(1)]	77	(16)	61
Euromed-Africa [(2)]	47	-	47
Total retirement and termination indemnities	**1,281**	**(17)**	**1,264**
Supplementary pensions			
France	77	(44)	33
United Kingdom	258	(238)	20
Europe (excluding France and the UK) [(3)]	216	(154)	62
Americas	6	-	6
Total supplementary pensions	**557**	**(436)**	**121**
Other long-term benefits			
France [(4)]	171	-	171
Europe (excluding France and the UK)	2	-	2
Total other long-term benefits	**173**	**-**	**173**
TOTAL	**2,011**	**(453)**	**1,558**

(1) Korea.
(2) Essentially Romania and Turkey.
(3) Essentially Germany, the Netherlands and Switzerland.
(4) Flexible holiday entitlements, additional career-end leave and long-service awards.

C5 – Changes in obligations, fund assets and the provision

(€ million)	**Present value of the obligation (A)**	**Fair value of plan assets (B)**	**Asset ceiling and other (C)**	**Net defined-benefit liability (asset) (A)+(B)+(C)**
Balanced at December 31, 2012 (1)	**2,084**	**(437)**	**2**	**1,649 (1)**
Current service cost	109	-	-	109
Past service cost and gain/loss on settlement	-	-	-	-
Net interest on the net liability (asset)	58	(16)	-	42
Effects of workforce adjustment measures	(1)	-	-	(1)
Net expense (income) for 2013 recorded in the income statement (note 20-C3)	**166**	**(16)**	**-**	**150**
Actuarial gains and losses on the obligation resulting from changes in demographic assumptions	(3)	-	-	(3)
Actuarial gains and losses on the obligation resulting from changes in financial assumptions	(43)	-	-	(43)
Actuarial gains and losses on the obligation resulting from experience effects	(10)	-	-	(10)
Net return on fund assets (not included in net interest above)	-	(12)	-	(12)
Change in asset ceiling (not included in net interest above)	-	-	-	-
Net expense (income) for 2013 recorded in other components of comprehensive income	**(56)**	**(12)**	**-**	**(68)**
Employer's contributions to funds	-	(9)	-	(9)
Employees' contributions to funds	-	(2)	-	(2)
Benefits paid under the plan	(130)	17	-	(113)
Effect of changes in exchange rates	(18)	6	-	(12)
Effect of changes in scope of consolidation	(35)	-	(2)	(37)
Balance at December 31, 2013	**2,011**	**(453)**	**-**	**1,558**

(1) After restatement for retrospective application of IAS 19 (revised), the balance of the provision at December 31, 2012 amounts to €1,647 million (compared to €1,649 million before application of the revised standard). The restatement consists of immediate recognition of past service costs that were previously spread over the vesting period for benefit entitlements (note 2-A2).

Accumulated actuarial gains and losses, net of tax (excluding the associates' share) recorded in other components of comprehensive income amounted to an expense of €481 million at December 31, 2013 (€(546) million at December 31, 2012).

A 50 base point decrease in discount rates used for each plan would result in a €115 million increase in the amount of obligations at December 31, 2013.

The weighted average duration of plans is 14 years at December 31, 2013.

C6 – Fair value of plan assets

Details of the assets invested via pension funds and insurance companies are as follows:

(€ million)	December 31, 2013		
	Listed on active markets	**Unlisted**	**Total**
Pension funds			
Cash and cash equivalents	-	-	-
Shares	72	-	72
Bonds	149	-	149
Real estate property	-	-	-
Shares in mutual funds and other	19	3	22
Total - Pension funds	**240**	**3**	**243**
Insurance companies			
Cash and cash equivalents	19	-	19
Shares	9	-	9
Bonds	134	19	153
Real estate property	18	2	20
Shares in mutual funds and other	9	-	9
Total – Insurance companies	**189**	**21**	**210**
TOTAL	**429**	**24**	**453**

Pension fund plan assets mainly relate to plans located in the United Kingdom (52.8%). Insurance contracts principally concern Germany (5.5%), Korea (3.5%), France (9.8%), the Netherlands (18%) and Switzerland (9.4%). The actual returns on plan assets in the United Kingdom are shown in note 20-C2.

The weighted average actual rate of return on the Group's main funds is 6.4% in 2013 (8.1% in 2012).

At the date of this report, the best estimate of contributions that will be payable to the funds in 2014 is approximately €11 million.

The Group's pension funds plan assets do not include Renault group financial instruments. Real estate investments do not include real estate properties occupied by the Group.

NOTE 21 – OTHER CURRENT AND NON-CURRENT LIABILITIES

(€ million)	December 31, 2013			December 31, 2012		
	Non-current	Current	Total	Non-current	Current	Total
Tax liabilities (excluding current taxes)	140	923	1,063	170	855	1,025
Social liabilities	19	1,470	1,489	17	1,555	1,572
Other liabilities	268	3,837	4,105	262	3,846	4,108
Deferred income	692	594	1,286	395	545	940
Derivatives on operating transactions of the Automotive segment	-	-	-	-	4	4
Total	**1,119**	**6,824**	**7,943**	**844**	**6,805**	**7,649**

Other liabilities mainly correspond to deferred income recorded in connection with sales contracts including a buy-back commitment (€531 million at December 31, 2013 and €535 million at December 31, 2012).

4.2.7.4 Financial assets and liabilities, fair value and management of financial risks

NOTE 22 – FINANCIAL ASSETS – CASH AND CASH EQUIVALENTS

A – Current/non-current breakdown

(€ million)	December 31, 2013			December 31, 2012		
	Non-current	Current	Total	Non-current	Current	Total
Investments in non-controlled entities	1,196	-	1,196	788	-	788
Marketable securities and negotiable debt instruments	-	135	135	-	171	171
Loans	190	707	897	68	622	690
Derivatives on financing operations by the Automotive segment	144	256	400	176	196	372
Total financial assets	**1,530**	**1,098**	**2,628**	**1,032**	**989**	**2,021**
Gross value	*1,531*	*1,102*	*2,633*	*1,033*	*1,002*	*2,035*
Impairment	*(1)*	*(4)*	*(5)*	*(1)*	*(13)*	*(14)*
Cash equivalents	-	3,732	3,732	-	3,647	3,647
Cash on hand and bank deposits	-	7,929	7,929	-	7,533	7,533
Total cash and cash equivalents	**-**	**11,661**	**11,661**	**-**	**11,180**	**11,180**

Information on the counterparty risks associated with financial assets and cash and cash equivalents is provided in note 25-B6.

A1 – Investments in non-controlled entities

Investments in non-controlled entities include €1,035 million (€680 million at December 31, 2012) for the Daimler shares purchased under the strategic partnership agreement.

These shares are classified as available-for-sale financial assets and their fair value is determined by reference to the market price. At December 31, 2013, the stock market price (€62.90 per share) was higher than the acquisition price (€35.52 per share). The corresponding increase in value, amounting to €355 million, is recorded in other components of comprehensive income for 2013.

Investments in non-controlled entities also include €59 million at December 31,2013 (€69 million at December 31, 2012) paid to the Modernization Fund for Automotive Equipment Manufacturers (*Fonds de Modernisation des Equipementiers Automobiles* - FMEA), as part of the support plan for these suppliers introduced by the French authorities and automakers. Renault has undertaken a commitment to pay a total of €200 million as funds are called.

The fair value of these securities is determined by reference to the most recent net asset value reported by the FMEA's management company, after adjustment for any relevant information that becomes known afterwards. In 2013, the decline in their fair value was considered durable, and was recognized in other financial expenses in the amount of €11 million at December 31, 2013.

A2 – Non-available cash

The Group has liquidities in countries where repatriation of funds can be complex for regulatory or political reasons. In most of these countries, such funds are used locally for industrial or sales financing purposes, and so this cash is available to the Group.

B – Breakdown by category of financial instruments and fair value

(€ million)	**Instruments held for trading [(1)]**	**Hedging derivatives**	**Available-for-sale instruments**	**Total instruments carried at fair value**	**Loans and receivables**	**Total**
Investments in non-controlled entities	-	-	1,196	**1,196**	-	**1,196**
Marketable securities and negotiable debt instruments	-	-	135	**135**	-	**135**
Loans	-	-	-	**-**	897	**897**
Derivatives on financing operations by the Automotive segment	305	95	-	**400**	-	**400**
Total financial assets at December 31, 2013	**305**	**95**	**1,331**	**1,731**	**897**	**2,628**
Cash equivalents	-	-	84	**84**	3,648	**3,732**
Cash	-	-	-	**-**	7,929	**7,929**
Total cash and cash equivalents at December 31, 2013	**-**	**-**	**84**	**84**	**11,577**	**11,661**
Investments in non-controlled entities	-	-	788	**788**	-	**788**
Marketable securities and negotiable debt instruments	-	-	171	**171**	-	**171**
Loans	-	-	-	**-**	690	**690**
Derivatives on financing operations by the Automotive segment	233	139	-	**372**	-	**372**
Total financial assets at December 31, 2012	**233**	**139**	**959**	**1,331**	**690**	**2,021**
Cash equivalents	-	-	132	**132**	3,515	**3,647**
Cash	-	-	-	**-**	7,533	**7,533**
Total cash and cash equivalents at December 31, 2012	**-**	**-**	**132**	**132**	**11,048**	**11,180**

(1) Including derivatives not designated as hedges for accounting purposes.

No financial assets were reclassified between categories in 2013 (or 2012).

NOTE 23 – FINANCIAL LIABILITIES AND SALES FINANCING DEBTS

A – Current/non-current breakdown

	December 31, 2013			December 31, 2012		
(€ million)	**Non-current**	**Current**	**Total**	**Non-current**	**Current**	**Total**
Renault SA redeemable shares	313	-	313	249	-	249
Bonds	4,506	1,538	6,044	4,525	1,249	5,774
Other debts represented by a certificate		63	63	-	158	158
Borrowings from credit institutions (at amortized cost)	1,524	670	2,194	787	1,455	2,242
Borrowings from credit institutions (at fair value)	-	218	218	220	-	220
Other interest-bearing borrowings	458	174	632	521	53	574
Financial liabilities of the Automotive segment (excluding derivatives)	***6,801***	***2,663***	***9,464***	***6,302***	***2,915***	***9,217***
Derivatives on financing operations of the Automotive segment	39	258	297	60	179	239
Total financial liabilities of the Automotive segment	**6,840**	**2,921**	**9,761**	**6,362**	**3,094**	**9,456**
DIAC redeemable shares	10	-	10	9	-	9
Bonds	-	11,643	11,643	-	11,513	11,513
Other debts represented by a certificate	250	4,315	4,565	251	6,785	7,036
Borrowings from credit institutions	-	3,227	3,227	-	3,930	3,930
Other interest-bearing borrowings	-	4,442	4,442	-	973	973
Total financial liabilities and debts of the Sales Financing segment (excluding derivatives)	***260***	***23,627***	***23,887***	***260***	***23,201***	***23,461***
Derivatives on financing operations of the Sales Financing segment	-	130	130	-	104	104
Financial liabilities and debts of the Sales Financing segment	**260**	**23,757**	**24,017**	**260**	**23,305**	**23,565**
TOTAL FINANCIAL LIABILITIES AND SALES FINANCING DEBTS	**7,100**	**26,678**	**33,778**	**6,622**	**26,399**	**33,021**

Redeemable shares

The redeemable shares issued in October 1983 and April 1984 by Renault SA are subordinated perpetual shares. They earn a minimum annual return of 9% comprising a 6.75% fixed portion and a variable portion that depends on consolidated revenues and is calculated based on identical Group structure and methods. The return on redeemable shares, amounting to €17 million for 2013 (€17 million for 2012), is included in interest expenses. These shares are listed on the Paris Stock Exchange, and traded for €312 at December 31, 2012 and €392 at December 31, 2013 for par value of €153, leading to a corresponding €65 million adjustment to the fair value of redeemable shares recorded in other financial expenses (note 7).

The return on Diac redeemable shares issued in 1985 comprises a fixed portion equal to the Annual Monetary Rate, and a variable portion calculated by multiplying an amount equal to 40% of the Annual Monetary Rate by the rate of increase in net consolidated profit of the Diac sub-group compared to the prior year.

Changes in bonds

In 2013, Renault SA redeemed bonds issued between 2006 and 2011 for a total of €1,152 million, and undertook new bond totalling €1,716 million and maturing between 2015 and 2018, including €695 million on the Chinese and Japanese markets.

RCI Banque also redeemed bonds for a total of €2,465 million in 2013 and issued new bonds totalling €2,958 million and maturing between 2014 and 2018.

Loans from the European Investment Bank

During the first half of 2013, Renault SA redeemed the €400 million loan issued by the European Investment Bank (EIB) in 2009 and issued two new EIB loans with terms of 6 years and 3.5 years respectively, for a combined total of €400 million.

Credit lines

At December 31, 2013, Renault SA had confirmed credit lines opened with banks worth €3,435 million (€3,485 million at December 31, 2012). The short-term portion amounted to €555 million at December 31, 2013 (€355 million at December 31, 2012). These credit lines were unused at December 31, 2013 (and December 31, 2012).

Sales Financing's confirmed credit lines opened in several currencies with banks amounted to €4,661 million at December 31, 2013 (€4,696 million at December 31, 2012). The short-term portion amounted to €874 million at December 31, 2013 (€657 million at December 31, 2012). These credit lines were unused at December 31, 2013 (and December 31, 2012).

The contractual documentation for financial liabilities and confirmed credit lines contains no clause that could affect the continued supply of credit in the event of any change in Renault's credit rating or financial ratio compliance.

B – Breakdown by category of financial instrument and fair value

	Instruments measured at fair value				**Instruments measured at amortized cost (2)**		**Balance sheet value**
(€ million) **December 31,2013**	**Instruments held for trading (1)**	**Hedging derivatives**	**Instruments designated as measured at fair value from initial recognition**	**Total instruments measured at fair value**	**Balance sheet value**	**Fair value**	
Renault SA redeemable shares	-	-	313	313	-	-	**313**
Bonds	-	-	-	-	6,044	6,406	**6,044**
Other debts represented by a certificate	-	-	-	-	63	63	**63**
Borrowings from credit institutions	-	-	218	218	2,194	2,147	**2,412**
Other interest-bearing borrowings	-	-	-	-	632	646	**632**
Derivatives on financing operations of the Automotive segment	293	4	-	297	-	-	**297**
Total financial liabilities of the Automotive segment	**293**	**4**	**531**	**828**	**8,933**	**9,262**	**9,761**
Diac redeemable shares	-	-	10	10	-	-	**10**
Bonds	-	-	-	-	11,643	11,924	**11,643**
Other debts represented by a certificate	-	-	-	-	4,565	4,607	**4,565**
Borrowings from credit institutions	-	-	-	-	3,227	3,268	**3,227**
Other interest-bearing borrowings	-	-	-	-	4,442	4,442	**4,442**
Derivatives on financing operations of the Sales Financing segment	37	93	-	130	-	-	**130**
Financial liabilities and debts of the Sales Financing segment	**37**	**93**	**10**	**140**	**23,877**	**24,241**	**24,017**

(1) Including derivatives not classified as hedges for accounting purposes.

(2) Including financial liabilities subject to fair value hedges.

(€ million) December 31, 2012	Instruments measured at fair value				Instruments measured at amortized cost (2)		Balance sheet value
	Instruments held for trading (1)	Hedging derivatives	Instruments designated as measured at fair value from initial recognition	Total instruments measured at fair value	Balance sheet value	Fair value	
Renault SA redeemable shares	-	-	249	249	-	-	**249**
Bonds	-	-	-	-	5,774	6,015	**5,774**
Other debts represented by a certificate	-	-	-	-	158	158	**158**
Borrowings from credit institutions	-	-	220	220	2,242	2,194	**2,462**
Other interest-bearing borrowings	-	-	-	-	574	605	**574**
Derivatives on financing operations of the Automotive segment	236	3	-	239	-	-	**239**
Total financial liabilities of the Automotive segment	**236**	**3**	**469**	**708**	**8,748**	**8,972**	**9,456**
DIAC redeemable shares	-	-	9	9	-	-	**9**
Bonds	-	-	-	-	11,513	11,682	**11,513**
Other debts represented by a certificate	-	-	-	-	7,036	7,074	**7,036**
Borrowings from credit institutions	-	-	-	-	3,930	3,984	**3,930**
Other interest-bearing borrowings	-	-	-	-	973	973	**973**
Derivatives on financing operations of the Sales Financing segment	50	54	-	104	-	-	**104**
Financial liabilities and debts of the Sales Financing segment	**50**	**54**	**9**	**113**	**23,452**	**23,713**	**23,565**

(1) Including derivatives not classified as hedges for accounting purposes.

(2) Including financial liabilities subject to fair value hedges

The fair value of financial liabilities and debts of the Sales Financing segment measured at amortized cost is essentially determined by discounting future cash flows at rates offered to Renault at December 31, 2013 and 2012 for loans with similar conditions and maturities. The rates proposed to Renault result from observable market data such as zero-coupon interest rate curves and secondary market prices for bonds issued by the Group, and consequently this is a level 2 fair value.

C – Breakdown by maturity

For financial liabilities including derivatives, contractual flows are similar to the expected flows and correspond to the amounts to be paid.

For floating-rate financial instruments, interest is calculated using interest rates as at December 31, 2013.

No contractual flows are reported for Renault and Diac redeemable shares as they have no fixed redemption date.

C1 – Financial liabilities of the Automotive segment

(€ million)	December 31, 2013							
	Balance sheet value	**Total contractual flows**	- 1 yr	1 - 2 yrs	2 - 3 yrs	3 - 4 yrs	4 - 5 yrs	+ 5 yrs
Bonds issued by Renault SA (by issue date)								
2003	41	41	41	-	-	-	-	-
2006	28	28	28	-	-	-	-	-
2007	60	60	50	-	-	10	-	-
2009	749	750	750	-	-	-	-	-
2010	1,119	1,150	-	650	-	500	-	-
2011	569	548	48	-	500	-	-	-
2012	1,577	1,600	431	69	250	850	-	-
2013	1,855	1,848	246	605	97	-	900	-
Accrued interest, expenses and premiums	46	57	57	-	-	-	-	-
Total bonds	***6,044***	***6,082***	***1,651***	***1,324***	***847***	***1,360***	***900***	***-***
Other debts represented by a certificate	63	63	63	-	-	-	-	-
Borrowings from credit institutions	2,412	2,413	889	345	438	219	160	362
Other interest-bearing borrowings	632	784	92	34	15	16	16	611
Total other financial liabilities	***3,107***	***3,260***	***1,044***	***379***	***453***	***235***	***176***	***973***
Future interest on bonds and other financial liabilities	***-***	***902***	***229***	***209***	***152***	***115***	***51***	***146***
Redeemable shares	***313***	***-***	***-***	***-***	***-***	***-***	***-***	***-***
Derivatives on financing operations	***297***	***297***	***258***	***6***	***27***	***2***	***2***	***2***
Total financial liabilities of the Automotive segment	**9,761**	**10,541**	**3,182**	**1,918**	**1,479**	**1,712**	**1,129**	**1,121**

The portion of financial liabilities of the Automotive segment maturing within one year breaks down as follows:

(€ million)	December 31, 2013			
	Contractual flows maturing within 1 year	- 1 month	1-3 months	3 months – 1 year
Bonds	1,651	-	-	1,651
Other financial liabilities	1,044	168	453	423
Future interest on bonds and other financial liabilities	229	7	28	194
Derivatives on financing operations	258	43	17	198
Total financial liabilities maturing within 1 year	**3,182**	**218**	**498**	**2,466**

C2 – Financial liabilities and debts of the Sales Financing segment

(€ million)	December 31, 2013							
	Balance sheet value	**Total contractual flows**	- 1 yr	1 - 2 yrs	2 - 3 yrs	3 - 4 yrs	4 - 5 yrs	+ 5 yrs
Bonds issued by RCI Banque (year of issue)								
2005	10	10	-	10	-	-	-	-
2006	12	12	-	12	-	-	-	-
2010	1,327	1,300	-	600	700	-	-	-
2011	4,220	4,136	2,349	610	1,177	-	-	-
2012	3,019	3,039	947	1,176	195	721	-	-
2013	2,833	2,883	68	163	1,133	113	1,406	-
Accrued interest, expenses and premiums	222	246	246	-	-	-	-	-
Total bonds	***11,643***	***11,626***	***3,610***	***2,571***	***3,205***	***834***	***1,406***	***-***
Other debts represented by a certificate	4,565	4,568	1,370	1,713	686	-	799	-
Borrowings from credit institutions	3,227	3,225	2,260	601	343	15	6	-
Other interest-bearing borrowings	4,442	4,441	3,798	223	186	143	91	-
Total other financial liabilities	***12,234***	***12,234***	***7,428***	***2,537***	***1,215***	***158***	***896***	***-***
Future interest on bonds and other financial liabilities	***-***	***1,286***	***300***	***526***	***328***	***87***	***39***	***6***
Redeemable shares	***10***	***-***	***-***	***-***	***-***	***-***	***-***	***-***
Derivative liabilities on financing operations	***130***	***95***	***16***	***12***	***4***	***20***	***6***	***37***
Total Financial liabilities and debts of the Sales Financing segment	**24,017**	**25,241**	**11,354**	**5,646**	**4,752**	**1,099**	**2,347**	**43**

The portion of financial liabilities and debts of the Sales Financing segment maturing within one year breaks down as follows:

(€ million)	December 31, 2013			
	Contractual flows maturing within 1 year	-1 month	1-3 months	3 months – 1 year
Bonds	3,610	920	114	2,576
Other financial liabilities	7,428	4,256	1,024	2,148
Future interest on bonds and other financial liabilities	300	13	29	258
Derivative liabilities on financing operations	16	9	2	5
Total financial liabilities maturing within 1 year	**11,354**	**5,198**	**1,169**	**4,987**

NOTE 24 – FAIR VALUE OF FINANCIAL INSTRUMENTS AND IMPACT ON NET INCOME

A – Fair value of financial instruments by level

The following breakdown by level is presented for financial instruments carried in the balance sheet at fair value;

- Level 1: instruments whose fair values are derived from quoted prices in an active market;
- Level 2: instruments whose fair values are derived from observable market prices and are not included in level 1;
- Level 3: instruments whose fair values are derived from unobservable inputs on the market.

(€ million)	December 31, 2013			
	Fair value in balance sheet	**Level 1**	**Level 2**	**Level 3**
Investments in non-controlled entities	1,196	1,035	-	161
Marketable securities and negotiable debt instruments	135	77	58	-
Derivative assets on financing operations by the Automotive segment	400	-	400	-
Derivative assets on transactions undertaken for operating purposes by the Automotive segment	-	-	-	-
Derivative assets on financing operations by the Sales Financing segment	201	-	201	-
Cash equivalents	84	84	-	-
Financial instruments stated at fair value in the balance sheet assets	**2,016**	**1,196**	**659**	**161**
Renault SA redeemable shares	**313**	**313**	**-**	**-**
Borrowings from credit institutions by the Automotive segment	218	-	218	-
Derivative liabilities on transactions undertaken for financing purposes by the Automotive segment	297	-	297	-
Derivative liabilities on transactions undertaken for operating purposes by the Automotive segment	-	-	-	-
DIAC redeemable shares	10	10	-	-
Derivative liabilities on financing operations of the Sales Financing segment	130	-	130	-
Financial instruments stated at fair value in the balance sheet liabilities	**968**	**323**	**645**	**-**

Estimated fair values are based on information available on the markets and determined at using valuation methods appropriate to the types of instrument in question. However, the methods and assumptions used are by nature theoretical, and judgment plays a major role in interpreting market data.

Fair values have been determined on the basis of information available at the end of the year and do not therefore take account of subsequent movements.

In general, the valuation methods for each level are as follows:

- Level 1: fair value is identical to the most recent quoted price,
- Level 2: fair value is generally determined by recognized valuation models that use observable market data, such as zero-coupon interest rate curves and secondary market listed prices for securities issued by the Group,
- Level 3: the fair value of investments in non-controlled companies is based on the share of net assets.

In 2013 no financial instruments were transferred between Level 1 and Level 2, or into or out of Level 3.

The Group's financial statements carry no assets or liabilities measured at fair value on a non-recurring basis in the balance sheet.

B – Changes in Level 3 financial instruments

Level 3 financial instruments amounted to €161 million at December 31, 2013 (€108 million at December 31, 2012). They increased by €53 million over the year, essentially due to subscription of €51 million of shares for the capital increase by the unconsolidated company RN SF BV, the holding company for the future bank that will handle sales financing for the Alliance in Russia. These companies will be consolidated in 2014.

C – Impact of financial instruments on net income

(€ million) 2013	Financial assets other than derivatives			Financial liabilities other than derivatives		Derivatives	Total impact on net income
	Instruments held for trading	Available-for-sale instruments	Loans and receivables	Instruments designated as measured at fair value through profit and loss	Instruments measured at amortized cost (1)		
Interest income	1	-	142	-	-	40	183
Interest expenses	-	-	-	(17)	(414)	(19)	(450)
Change in fair value	-	(2)	24	(62)	81	(55)	(14)
Impairment	-	(11)	(540)	-	-	-	(551)
Dividends	-	38	-	-	-	-	38
Gains (losses) on sale	-	-	2	-	-	-	2
Net foreign exchange gains and losses	29	-	3	-	(124)	-	(92)
Total impact on net income - Automotive segment	**30**	**25**	**(369)**	**(79)**	**(457)**	**(34)**	**(884)**
Including:							
- operating margin	*1*	-	*(26)*	-	*(118)*	-	*(143)*
- other operating income and expenses	-	-	*(514)*	-	-	-	*(514)*
- net financial income (expenses)	*29*	*25*	*171*	*(79)*	*(339)*	*(34)*	*(227)*
Interest income	-	-	1,567	-	-	107	1,674
Interest expenses	-	-	-	-	(1,124)	(38)	(1,162)
Change in fair value	-	-	-	-	182	(184)	(2)
Impairment	-	-	(65)	-	-	-	(65)
Dividends	-	-	-	-	-	-	-
Gains (losses) on sale	-	-	-	-	-	-	-
Net foreign exchange gains and losses	-	-	-	-	-	-	-
Total impact on net income - Sales Financing segment *in operating margin*	**-**	**-**	**1,502**	**-**	**(942)**	**(115)**	**445**
TOTAL GAINS AND LOSSES WITH IMPACT ON NET INCOME	**30**	**25**	**1,133**	**(79)**	**(1,399)**	**(149)**	**(439)**

(1) Including financial liabilities subject to fair value hedges.

For the Automotive segment, the impact of financial instruments on net income mainly corresponds to foreign exchange gains and losses on operating transactions, and impairment of operating receivables.

D – Fair value hedges

(€ million)	2013	2012
Change in fair value of the hedging instrument	307	51
Change in fair value of the hedged item	(236)	(22)
Net impact on net income of fair value hedges	**71**	**29**

This net impact of fair value hedges on net income corresponds to the ineffective portion of hedges. Hedge accounting methods are described in note 2-V.

NOTE 25 – DERIVATIVES AND MANAGEMENT OF FINANCIAL RISKS

A – Derivatives

A1 – Fair value of derivatives

The fair value of derivatives corresponds to their balance sheet value.

(€ million)	Financial assets		Other assets	Financial liabilities and sales financing debts		Other liabilities
December 31, 2013	Non-current	Current	Current	Non-current	Current	Current
Cash flow hedges	-	-	-	-	-	-
Fair value hedges	-	-	24	-	74	-
Hedge of the net investment in Nissan	-	-	-	-	-	-
Derivatives not classified as hedges and derivatives held for trading	6	252	3	-	263	-
Total foreign exchange risk	***6***	***252***	***27***	***-***	***337***	***-***
Cash flow hedges	2	-	77	-	13	-
Fair value hedges	92	-	94	2	8	-
Derivatives not classified as hedges and derivatives held for trading	44	4	-	37	30	-
Total interest rate risk	***138***	***4***	***171***	***39***	***51***	***-***
Cash flow hedges	-	-	3	-	-	-
Fair value hedges	-	-	-	-	-	-
Derivatives not classified as hedges and derivatives held for trading	-	-	-	-	-	-
Total commodity risk	***-***	***-***	***3***	***-***	***-***	***-***
Total	**144**	**256**	**201**	**39**	**388**	**-**

(€ million)	Financial assets		Other assets	Financial liabilities and sales financing debts		Other liabilities
December 31, 2012	Non-current	Current	Current	Non-current	Current	Current
Cash flow hedges	-	-	-	-	-	4
Fair value hedges	-		70	-	(1)	-
Hedge of the net investment in Nissan	-	-	-	-	-	-
Derivatives not classified as hedges and derivatives held for trading	-	109	15	-	175	-
Total foreign exchange risk	***-***	***109***	***85***	***-***	***174***	***4***
Cash flow hedges	3	-	70	3	55	-
Fair value hedges	116	20	177	-	-	-
Derivatives not classified as hedges and derivatives held for trading	57	67	-	57	54	-
Total interest rate risk	***176***	***87***	***247***	***60***	***109***	***-***
Cash flow hedges	-	-	-	-	-	-
Fair value hedges	-	-	-	-	-	-
Derivatives not classified as hedges and derivatives held for trading	-	-	-	-	-	-
Total commodity risk	***-***	-	***-***	***-***	***-***	***-***
Total	**176**	**196**	**332**	**60**	**283**	**4**

The Renault Group's specialist subsidiary Renault Finance handles the Automotive segment's short-term interbank investments. It is also Nissan's counterparty in derivatives trading to hedge exchange, interest rate and commodity risks.

The fair values of derivatives reported as financial assets and liabilities in the Group's consolidated financial position mainly relate to Renault Finance's business conducted on its own behalf and its transactions with Renault and Nissan subsidiaries.

A2 – Framework agreements for derivatives and similar agreements

The Group negotiates its derivatives contracts in accordance with the framework agreements issued by the International Swaps and Derivatives Association (ISDA) and the FBF (Fédération Bancaire Française).

In the event of default, the non-defaulting party has the right to suspend execution of its payment obligations and to demand payment or transfer of a termination balance for all terminated transactions.

The ISDA and FBF framework agreements do not meet the requirements for netting in the financial statements. The Group currently has no legally enforceable right to net the reported amounts, except in the case of default or a credit event.

(€ million) **December 31, 2013**	**Amounts in the statement of financial position**	**Amounts not netted in the statement of financial position** *Financial instruments Assets/liabilities*	**Net amounts**
ASSETS			
Derivatives on financing operations of the Automotive segment	275	(147)	128
Derivatives on financing operations of the Sales Financing segment	203	(81)	122
TOTAL ASSETS	**478**	**(228)**	**250**
LIABILITIES			
Derivatives on financing operations of the Automotive segment	281	(147)	134
Derivatives on financing operations of the Sales Financing segment	130	(81)	49
TOTAL LIABILITIES	**411**	**(228)**	**183**

B – Management of financial risks

The Group is exposed to the following financial risks:

- Liquidity risks
- Market risks (foreign exchange, interest rate, equity and commodity risks)
- Counterparty risks
- Credit risks

B1 – Liquidity risk

The Group is financed via the capital markets, through:

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

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

Medium-term refinancing for the Automotive segment in 2013 was mostly provided by a 5-year bond totalling €1,105 million as part of Renault SA's EMTN programme (including €900 million of issues in euros) and 2-year "Shelf documentation" issues on the Japanese market for an amount of 87.6 billion yen.

In 2013 Renault issued a new loan of €400 million from the EIB, and redeemed the matured loan of €400 million issued in 2009.

The contractual documentation for this financing contains no clause that could affect the continued supply of credit in the event of any change in Renault's credit rating or financial ratio compliance. However, certain types of financing, particularly market financing, contain standard clauses (pari passu, negative pledge and cross-default clauses).

The Automotive segment also has confirmed credit lines opened with banks worth €3,435 million, maturing at various times up to 2018. None of these credit lines was used in 2013. These confirmed credit facilities form a liquidity reserve for the Automotive segment, and act partly as backup lines of credit for short-term commercial paper issues.

The contractual documentation for these confirmed bank credit facilities contains no clause that might adversely affect credit availability or continuation as a result of a change in Renault's credit rating or financial ratio compliance.

Given its available cash reserves (€10.7 billion) and confirmed credit lines unused at year-end (€3.4 billion), the Automotive segment has sufficient financial resources to cover its commitments over a 12-month horizon.

Confirmed credit lines open but unused are described in note 23-A

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

In 2013, the Sales Financing segment made new issues equivalent to €2.8 billion on the bond market. RCI Banque raised the equivalent of €2.1 billion through its traditional markets (four new bonds and additional issues in euros, and one issue in Swiss francs), undertook borrowings in pounds sterling (£300 million) and issues in US dollars ($600 million). The group's subsidiaries also undertook issues on their home markets in Argentina, Korea and particularly Brazil (1.4 billion Brazilian reals).

A new French securitization fund placed €800 million of debt securities with investors. RCI continues to issue self-subscribed securities which are eligible as collateral for European Central Bank monetary policy operations.

After the launch in 2012 of a savings account intended for the general public in France, the group pursued this strategy in Germany. Savings collected thus increased by €3.4 billion (€0.8 billion of which are term deposits).

In addition to these resources, the Sales Financing segment has €4.7 billion in undrawn confirmed credit lines (€4.1 billion for RCI Banque) and €2.5 billion of available liquid receivables that can be redeemed at the Banque de France (this amount is after application of discounts and excludes receivables already redeemed at the year-end). RCI Banque is thus able to fund ongoing commercial business for nearly 12 months assuming a total lack of external resources.

B2 – Foreign exchange risks

- Management of foreign exchange risks

The Automotive segment is exposed to foreign exchange risks in the course of its industrial and commercial business. These risks are monitored and centralized by Renault's Cash and Financing department.

It is Renault's general policy not to hedge operating future cash flows in foreign currencies. As a result, the Group's operating margin is exposed to foreign exchange risks. The main exceptions authorized by the General Management in 2013 concerned a foreign exchange hedge that partly hedges the risk of the Argentinian peso against the US dollar, a partial hedge of purchases in Turkish lira, and a partial hedge of purchases in yen against the won.

Subsidiaries' financing and investing cash flows in foreign currencies are usually hedged in the same currencies.

Most financial liabilities and debts of Sales Financing, after hedges, are in Euros.

Equity investments are not hedged, apart from the investment in Nissan, totalling 112 billion yen at December 31, 2013 (note 13-G).

Renault Finance undertakes operations unrelated to operating cash flows on its own behalf. These operations are controlled daily and strict risk limits apply. They have no significant impact on Renault's consolidated results.

The Sales Financing segment has low exposure to foreign exchange risks since its policy is to provide refinancing for subsidiaries in their own currencies. At 31 December 2013, RCI Banque's consolidated foreign exchange position reached 1 million.

The Group made no major changes to its foreign exchange risk management policy in 2013.

- Analysis of the sensitivity of financial instruments to foreign exchange risks

This analysis concerns the sensitivity to foreign exchange risks of monetary assets and liabilities (including intercompany balances) and derivatives in a currency other than the currency of the entity that holds them. However, it does not take into account items covered by fair value hedges (hedged assets or liabilities and derivatives), for which changes in fair value of the hedged item and the hedging instrument almost totally offset each other in the income statement.

The Group has financial instruments denominated in Japanese yen, held for the purposes of the policy to partially hedge its investment in Nissan (note 13-G).

Impacts are estimated solely on the basis of instant conversion of the financial assets and liabilities concerned at year-end after application of the 1% variation in the Euro exchange rate.

The impact on equity concerns the 1% variation in the Euro against other currencies applied to available-for-sale financial assets, cash flow hedges and the partial hedge of the investment in Nissan. All other impacts affect net income.

For the Automotive segment, the impact on shareholders' equity (before taxes) of a 1% rise in the Euro against the principal currencies, applied to financial instruments exposed to foreign exchange risks, would have an unfavourable effect of €7 million at December 31, 2013, chiefly resulting from yen bond issues associated with the partial hedge of the investment in Nissan. This impact should be offset by a symetrical, opposite variation in the translation adjustment on the value of the investment in Nissan (note 19). The estimated impact on net income at December 31, 2013 is expected be unfavourable at €58 million.

- Currency derivatives

(€ million)	**December 31, 2013**				**December 31, 2012**			
	Nominal	- 1 yr	1 - 5 yrs	+ 5 yrs	Nominal	- 1 yr	1 - 5 yrs	+ 5 yrs
Currency swaps – purchases	2,116	866	1,250	-	1,855	896	959	-
Currency swaps - sales	2,002	727	1,275	-	1,842	852	990	-
Forward purchases	17,970	17,970	-	-	15,106	15,106	-	-
Forward sales	17,979	17,979	-	-	15,103	15,103	-	-

B3 – Interest rate risk

- Interest rate risk management

The Renault group's exposure to interest rate risk mainly concerns the sales financing business of RCI Banque and its subsidiaries. Customer loans are generally issued at fixed interest rates, for durations of between 12 and 72 months. Dealer credit is issued at floating rates for durations of less than 12 months.

Interest rate risk is monitored using a methodology common to the entire RCI Banque group, to allow overall management of interest rate risks at consolidated group level. Exposure is assessed daily and hedging is systematic, using swaps to convert floating-rate liabilities to fixed-rate liabilities (cash flow hedges). The objective for each subsidiary is to hedge all risks in order to protect the sales margin.

The Automotive segment's interest rate risk management policy applies two principles: long-term investments use fixed-rate financing, and investments for cash reserves use floating-rate financing. In addition, the financing in yen undertaken as part of the partial hedge of Nissan equity is fixed-rate.

Finally, Renault Finance carries out interest rate transactions on its own behalf, within strictly defined risk limits. This arbitrage activity has no significant impact on Renault's consolidated net income.

The Group made no major changes to its interest rate risk management policy in 2013.

- Analysis of the sensitivity of financial instruments to interest rate risks

The Group is exposed to the following interest rate risks:

- variations in the interest flows on floating-rate financial instruments stated at amortized cost (including fixed-rate instruments swapped to floating rate, and structured products);
- variations in the fair value of the fixed-rate financial instruments stated at fair value;
- variations in the fair value of derivatives.

Impacts are estimated by applying a 100 base point rise in interest rates over a one-year period to financial instruments reported in the closing statement of financial position.

The impact on shareholders' equity corresponds to the change in fair value of available-for-sale fixed-rate financial assets and cash flow hedges after a 100 base point rise in interest rates. All other impacts affect net income

Calculation of the individual segments' sensitivity to interest rates includes intersegment loans and borrowings.

For the Automotive segment, the impact on net income and shareholders' equity (before taxes) of a 100 base point rise in interest rates applied to financial instruments exposed to interest rate risks would be a positive €55 million and €1 million respectively at December 31, 2013.

For the Sales Financing segment, the impact on net income and shareholders' equity (before taxes) of a 100 base point rise in interest rates applied to financial instruments exposed to interest rate risks would be a negative €51 million and a positive €33 million respectively at December 31, 2013. The impact on equity results mainly from the change in the fair value of swaps undertaken to hedge future cash flows.

- Fixed rate/floating rate breakdown of financial liabilities and sales financing debts, after the effect of derivatives (excluding derivatives)

(€ million)	**December 31, 2013**	**December 31, 2012**
Fixed rate	16,895	19,085
Floating rate	16,456	13,593
Total financial liabilities and sales financing debts (excluding derivatives)	**33,351**	**32,678**

- Interest rate derivatives

(€ million)	**December 31, 2013**				**December 31, 2012**			
	Nominal	- 1 yr	1 - 5 yrs	+ 5 yrs	Nominal	- 1 yr	1 - 5 yrs	+ 5 yrs
Interest rate swaps	15,626	3,484	11,797	345	20,260	9,515	10,745	-
Other interest rate hedging instruments	-	-	-	-	-	-	-	-

B4 – Equity risks

- Management of equity risks

The Group's exposure to equity risks essentially concerns the Daimler shares acquired in connection with the cooperation agreements, and marketable securities indexed to share prices. The Group does not use equity derivatives to hedge this risk.

The Group made no major changes to its equity risk management policy in 2013.

- Analysis of sensitivity of financial instruments to equity risks

The sensitivity to equity risks resulting from application of a 10% decrease in share prices to the financial assets concerned at the year-end would have an unfavourable impact of €104 million on shareholders' equity. The impact on net income is not significant at December 31, 2013.

B5 – Commodity risks

- Management of commodity risks

Renault's Purchases department may hedge part of its commodity risks using financial instruments such as forward purchase contracts, purchase options and tunnel contracts. These hedges are subject to volume, duration and price limits.

Commodity hedging transactions in progress at December 31, 2013 include forward purchases of aluminium, lead, copper, platinum and palladium. These transactions are classified for accounting purposes as cash flow hedges, and accordingly changes in their fair value are included in shareholders' equity. The Group had no outstanding commodity hedges at December 31, 2012.

- Analysis of financial instruments' sensitivity to commodity risks

Financial instruments' accounting sensitivity to commodity risks results from derivatives used to hedge the Group's economic exposure to that risk.

A 10% increase in commodity prices for derivatives classified as hedging derivatives would have a positive impact of €6 million on shareholders' equity at December 31, 2013.

- Commodity derivatives

(€ million)	**December 31, 2013**				**December 31, 2012**			
	Nominal	- 1 yr	1 to 5 yrs	+ 5 yrs	Nominal	- 1 yr	1 to 5 yrs	+ 5 yrs
Purchases of swaps	62	57	5	-	-	-	-	-

B6 – Counterparty risk

All Group entities use a fully-coordinated counterparty risk management procedure involving a scoring system, based principally on the counterparties' long-term credit rating and equity level. For Group companies with significant exposure, compliance with authorized limits is monitored on a daily basis under strict internal control procedures.

The counterparties for deposits are subject to special monitoring, unless this is impossible. Most deposits are with large network banks, as this allows a good spread of the risk and lowers the systemic risk. They are almost all overnight deposits, such that assets can be reallocated rapidly if there is stress on any counterparty.

The Group is not subject to any significant risk concentration for its operations on the financial and banking markets.

No losses were recorded in 2013 due to default by a banking counterparty.

4.2.7.5 Cash flows and other information

NOTE 26 – CASH FLOWS

A – Other income and expenses with no impact on cash

(€ million)	2013	2012
Net allocation to provisions	964	82
Net effects of sales financing credit losses	(57)	(63)
Net (gain) loss on asset disposals [1]	(153)	(928)
Change in fair value of redeemable shares	65	18
Change in fair value of other financial instruments	(61)	30
Deferred taxes	(10)	55
Other	67	18
Other income and expenses with no impact on cash	**815**	**(788)**

(1) Including the €924 million gain on sale of the AB Volvo shares in 2012.

B – Change in working capital

(€ million)	2013	2012
Decrease (increase) in net inventories	477	495
Decrease (increase) in Automotive net receivables	(92)	(10)
Decrease (increase) in other assets	(727)	(406)
Increase (decrease) in trade payables	18	451
Increase (decrease) in other liabilities	852	467
Increase (decrease) in working capital	**528**	**997**

C – Capital expenditure

(€ million)	2013	2012
Purchases of intangible assets	(829)	(902)
Purchases of property, plant and equipment (other than assets leased to customers)	(1,681)	(2,274)
Total purchases for the period	**(2,510)**	**(3,176)**
Deferred payments	(239)	329
Total capital expenditure	**(2,749)**	**(2,847)**

D – Interest received and paid by the Automotive segment

(€ million)	2013	2012
Interest received	193	178
Interest paid	(443)	(391)
Interest received and paid	(250)	**(213)**

NOTE 27 – RELATED PARTIES

A – Remuneration of Directors and Executives and Executive Committee members

A1 – Remuneration of Directors and Executives

The Board of Directors has combined the functions of Chairman of the Board of Directors and Chief Executive Officer. The Chairman and CEO receives no remuneration for his duties as Chairman of the Board.

The table below reports the remuneration paid, pro rata to the periods in which the functions were occupied:

(€ million)	**2013**	**2012**
Basic salary	1.2	1.2
Performance-related salary	1.4	1.0
Employer's social security charges	0.7	0.8
Complementary pension	1.0	0.5
Other components of remuneration	0.2	0.1
Total remuneration excluding stock options	**4.5**	**3.6**
Stock-option plans	0.5	0.3
Stock-option plans – effect of cancellations	-	-
Total stock option plans	**0.5**	**0.3**
Chairman and Chief Executive Officer	**5.0**	**3.9**

Directors' fees amounted to €1,099,825 in 2013 (€1,131,000 in 2012), of which €48,000 were paid for the Chairman and CEO's functions (€48,000 in 2012).

A2 – Remuneration of Executive Committee members (other than the Chairman and Chief Executive Officer)

The remuneration and related benefits of members of the Executive Committee (other than the Chairman and Chief Executive Officer), were recognized in expenses as follows:

(€ million)	**2013**	**2012**
Basic salary	4.3	4.0
Retirement indemnities	0.0	1.0
Performance-related salary	4.0	2.6
Employer's social security charges	3.6	3.1
Complementary pension	3.8	2.0
Other	1.0	0.5
Total remuneration excluding stock options	**16.7**	**13.2**
Stock option plans	2.6	1.6
Stock option plans – effect of cancellations	-	-
Total stock option plans	**2.6**	**1.6**
Executive Committee members (other than the Chairman and CEO)	**19.3**	**14.8**

B – Renault's investments in associates

Details of Renault's investments in Nissan and AVTOVAZ are provided in notes 13 and 14-A respectively.

NOTE 28 – OFF- BALANCE SHEET COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

Renault enters into a certain number of commitments in the course of its business. When these commitments qualify as liabilities, they are covered by provisions (e.g. retirement and other employee benefits, litigations, etc). Details of off-balance sheet commitments and contingent liabilities are provided below (note 28-A).

Renault also receives commitments from customers (deposits, mortgages, etc) and may benefit from credit lines with credit institutions (note 28-B).

A – Off-balance sheet commitments given and contingent liabilities

A1 – Ordinary operations

The Group is committed for the following amounts:

(€ million)	**December 31, 2013**	**December 31, 2012**
Sureties, endorsements and guarantees given	318	229
Financing commitments in favour of customers [1]	1,493	1,465
Firm investment orders	483	612
Lease commitments	369	396
Assets pledged, provided as guarantees or mortgaged, and other commitments [2]	110	124

(1) Confirmed credit lines opened for customers by the Sales Financing segment lead to a maximum payment of this amount within 12 months after the year-end.

(2) Assets pledged, provided as guarantees or mortgaged mainly concern guarantees of financial liabilities, provided by Renault Samsung Motors when it was acquired by Renault in 2000.

Lease commitments include rent from non-cancellable leases. The breakdown is as follows:

(€ million)	**December 31, 2013**	**December 31, 2012**
Less than 1 year	35	26
Between 1 and 5 years	199	212
More than 5 years	135	158
TOTAL	**369**	**396**

A2 – Specific operations

- End-of-life vehicles

The Group establishes provisions for its recycling obligations on a country-by-country basis, in accordance with regulatory requirements, as and when the procedures for recycling operations are defined. These provisions are regularly reviewed to ensure they take account of changes in each country's situation.

For countries where the legislation is not yet complete, until the laws are in existence, it is impossible to accurately determine whether the Group will have to bear a residual cost.

- Other commitments

Disposals of subsidiaries or businesses by the Group generally include representations and warranties in the buyer's favour. At December 31, 2013, Renault had not identified any significant risk in connection with these operations.

Following partial sales of subsidiaries in previous years, Renault holds put options covering some or all of the residual investment retained. The exercise of these options would not have a significant impact on the Group's financial statements.

Group companies are periodically subject to tax inspections in the countries in which they operate. Accepted tax adjustments are recorded as provisions in the financial statements. Contested tax adjustments are recognized on a case-by-case basis, taking into account the risk that the proceedings or appeals undertaken may be unsuccessful.

B – Off-balance sheet commitments received and contingent assets

(€ million)	**December 31, 2013**	**December 31, 2012**
Sureties, endorsements and guarantees received	2,088	1,872
Assets pledged or mortgaged [(1)]	2,636	2,290
Buy-back commitments [(2)]	1,759	1,791
Other commitments	16	31

(1) The Sales Financing segment receives guarantees from its customers in the course of sales financing for new or used vehicles. Guarantees received from customers amount to €2,609 million at December 31, 2013 (€2,248 million at December 31, 2012).

(2) Commitments received by the Sales Financing segment for sale to a third party of rental vehicles at the end of the rental contract.

Off-balance sheet commitments received concerning confirmed opened credit lines are presented in note 23-A.

NOTE 29 – FEES PAID TO STATUTORY AUDITORS AND THEIR NETWORK

The fees paid to the Group's Statutory Auditors and their networks were as follows:

	E&Y network				**Deloitte network**			
	Amount		**%**		**Amount**		**%**	
(€ thousands)	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Audit								
Statutory audit, certification, review of individual and consolidated accounts	**6,785**	**5,073**	**93.5 %**	**87.9%**	**6,708**	**6,841**	**91.7 %**	**91.1%**
Renault SA and Renault s.a.s.	*3,737*	*2,687*	*51.5 %*	*46.6%*	*2,551*	*2,570*	*34.9 %*	*34.2%*
Fully consolidated subsidiaries	*3,048*	*2,386*	*42.0 %*	*41.3%*	*4,157*	*4,271*	*56.8 %*	*56.9%*
Other work and services directly linked to the statutory auditor's mission	**409**	**618**	**5.6%**	**10.7%**	**376**	**544**	**5.1 %**	**7.2%**
Renault SA and Renault s.a.s.	*99*	*238*	*1.3%*	*4.1%*	*47*	*169*	*0.6 %*	*2.2%*
Fully consolidated subsidiaries	*310*	*380*	*4.3 %*	*6.6%*	*329*	*375*	*4.5 %*	*5.0%*
Subtotal	**7,193**	**5,691**	**99.1 %**	**98.6%**	**7,084**	**7,385**	**96.8 %**	**98.3%**
Other services								
Legal, tax, labour-related	63	83	0.9 %	1.4%	209	125	2.9 %	1.7%
Other	-	-	-	-	26	-	0.3 %	-
Subtotal	**63**	**83**	**0.9 %**	**1.4%**	**235**	**125**	**3.2 %**	**1.7%**
TOTAL	**7,256**	**5,774**	**100 %**	**100%**	**7,319**	**7,510**	**100 %**	**100%**

NOTE 30 – SUBSEQUENT EVENTS

No significant events have occurred since the year-end.

NOTE 31 – CONSOLIDATED COMPANIES

A – Fully consolidated companies (subsidiaries)

Renault Group's interest (%)	Country	December 31, 2013	December 31, 2012
Renault SA	France	Consolidating company	Consolidating company
AUTOMOTIVE			
FRANCE			
Renault s.a.s	France	100	100
Arkanéo	France	100	100
Auto Châssis International (ACI) Le Mans	France	100	100
Auto Châssis International (ACI) Villeurbanne	France	100	100
Fonderie de Bretagne	France	100	100
IDVU	France	100	100
IDVE	France	100	100
Maubeuge Construction Automobile (MCA)	France	100	100
Renault Environnement	France	100	100
Renault Développement Industriel et Commercial (RDIC)	France	100	100
Renault Retail Group SA and subsidiaries	France	100	100
Renault Samara	France	100	100
RDREAM	France	100	100
SCI Parc industriel du Mans	France	100	100
SCI Plateau de Guyancourt	France	100	100
SNC Renault Cléon	France	100	100
SNC Renault Douai	France	100	100
SNC Renault Flins	France	100	100
SNC Renault Sandouville	France	100	100
Société des Automobiles Alpine Caterham [1]	France	-	100
Sofrastock International	France	100	100
Société de Transmissions Automatiques	France	100	80
Société de Véhicules Automobiles de Batilly (SOVAB)	France	100	100
Société Immobilière de Construction Française pour l'Automobile et la Mécanique (SICOFRAM) and subsidiaries	France	100	100
Société Immobilière Renault Habitation (SIRHA)	France	100	100
Société Immobilière d'Epone	France	100	100
Société Immobilière pour l'Automobile (SCIA)	France	100	100
SODICAM 2	France	100	100
Technologie et Exploitation Informatique (TEI)	France	100	100
EUROPE			
Renault Deutsche AG and subsidiaries	Germany	100	100
Renault Österreich and subsidiaries	Austria	100	100
Renault Belgique Luxembourg and subsidiaries	Belgium	100	100
Renault Industrie Belgique (RIB)	Belgium	100	100
Renault Croatia	Croatia	100	100
Renault Espana Comercial SA (RECSA) and subsidiaries	Spain	100	100
Renault Espana SA and subsidiaries	Spain	100	100
Renault Hungaria and subsidiaries	Hungary	100	100
Renault Irlande	Ireland	100	100

Renault Group's interest (%)	Country	December 31, 2013	December 31, 2012
Renault Italia and subsidiaries	Italy	100	100
Motor Reinsurance Company	Luxembourg	100	100
Renault Group b.v.	Netherlands	100	100
Renault Nederland	Netherlands	100	100
Renault Polska	Poland	100	100
Cacia	Portugal	100	100
Renault Portuguesa and subsidiaries	Portugal	100	100
Renault Ceska Republica and subsidiaries	Czech Republic	100	100
Grigny Ltd.	United Kingdom	100	100
Renault Retail Group U.K. Ltd.	United Kingdom	100	100
Renault U.K.	United Kingdom	100	100
Renault Slovakia	Slovakia	100	100
Renault Nissan Slovenia d.o.o.	Slovenia	100	100
Revoz	Slovenia	100	100
Renault Nordic	Sweden	100	100
Renault Finance	Switzerland	100	100
Renault Suisse SA and subsidiaries	Switzerland	100	100
AMERICAS			
Groupe Renault Argentina	Argentina	100	100
Renault do Brasil LTDA	Brazil	100	100
Renault do Brasil SA	Brazil	100	100
Sociedad de Fabricacion de Automotores (SOFASA) and subsidiaries	Colombia	100	100
Renault Corporativo SA de C.V.	Mexico	100	100
Renault Mexico	Mexico	100	100
ASIA – PACIFIC			
Renault Beijing Automotive Company	China	100	100
Renault Samsung Motors	South Korea	80	80
Renault Private Ltd	India	100	100
Renault Pars	Iran	-	51
EUROMED - AFRICA			
Renault South Africa and subsidiaries (2)	South Africa	-	51
Renault Algérie	Algeria	100	100
Renault Nissan Bulgarie	Bulgaria	100	100
Renault Maroc	Morocco	80	80
Renault Maroc Service	Morocco	100	100
Renault Tanger Exploitation	Morocco	100	100
Renault Tanger Méditerranée	Morocco	100	100
Société marocaine de construction automobile (SOMACA)	Morocco	77	77
Dacia and subsidiaries	Romania	99	99
Renault Industrie Roumanie (3)	Romania	-	99
Renault Mécanique Roumanie	Romania	100	100
Renault Nissan Roumanie	Romania	100	100
Renault Technologie Roumanie	Romania	100	100
Oyak-Renault Otomobil Fabrikalari	Turkey	52	52
EURASIA			

Renault Group's interest (%)	Country	December 31, 2013	December 31, 2012
AFM Industrie	Russia	100	100
Avtoframos	Russia	100	100
Remosprom	Russia	100	100
Renault Ukraine	Ukraine	100	100
SALES FINANCING			
FRANCE			
Cogéra [3]	France	-	100
Diac	France	100	100
Diac Location	France	100	100
RCI Banque and branches	France	100	100
Sogesma	France	100	100
EUROPE			
RCI Versicherungs Service GmbH	Germany	100	100
RCI Financial Services S.A.	Belgium	100	100
Renault AutoFin S.A.	Belgium	100	100
Overlease	Spain	100	100
ES Mobility SRL	Italy	100	100
RCI zrt Hongrie	Hungary	100	100
RCI Insurance Ltd	Malta	100	100
RCI Life Ltd	Malta	100	100
RCI Services Ltd	Malta	100	100
RCI Financial Services B.V.	Netherlands	100	100
RCI Bank Polska	Poland	-	100
Renault Credit Polska Sp. Z.o.o.	Poland	100	100
RCI Gest Instituiçao Financiora de Credito SA.	Portugal	100	100
RCI Gest Seguros – Mediadores de Seguros	Portugal	100	100
RCI Finance CZ s.r.o.	Czech Republic	100	100
RCI Financial Services s.r.o. [4]	Czech Republic	50	-
RCI Financial Services Ltd	United Kingdom	100	100
Renault Acceptance Ltd [3]	United Kingdom	-	100
RCI Finance S.A.	Switzerland	100	100
AMERICAS			
Courtage S.A.	Argentina	100	100
Rombo Compania Financiera	Argentina	60	60
Companhia de Arrendamento Mercantil RCI do Brasil	Brazil	60	60
Companhia de Crédito, Financiamento e Investimento RCI do Brasil	Brazil	60	60

Renault Group's interest (%)	Country	December 31, 2013	December 31, 2012
Administradora de Consorcio Renault do Brasil	Brazil	100	100
Corretora de Seguros RCI do Brasil	Brazil	100	100
ASIA – PACIFIC			
RCI Financial Services Korea	South Korea	100	100
EUROMED - AFRICA			
RCI Finance Maroc	Morocco	100	100
RDFM	Morocco	100	-
RCI Broker De Asigurare	Romania	100	100
RCI Finantare Romania	Romania	100	100
RCI Leasing Romania IFN	Romania	100	100
EURASIE			
OOO RN FINANCE RUS	Russia	100	-

B – Companies consolidated based on the percentage share specific to each balance sheet and income statement item (joint operations) (5)

Renault Group's interest (%)	Country	December 31, 2013	December 31, 2012
AUTOMOTIVE			
Société des Automobiles Alpine Caterham (1)	France	50	-
Renault Nissan Technology and Business Centre India Private Limited (RNTBCI)	India	67	67

C - Companies accounted for by the equity method (associates and joint ventures) [5]

Renault Group's interest (%)	Country	December 31, 2013	December 31, 2012
AUTOMOTIVE			
Boone Comenor	France	33	33
Française de Mécanique [5] [6]	France	-	-
Indra Investissements [5]	France	50	-
Renault Nissan Automotive India Private Limited	India	30	30
Nissan Group	Japan	43,7	43,7
Alliance Rostec Auto B.V.	Russia	48,2	-
AVTOVAZ Group	Russia	35,9	25
MAIS	Turkey	49	49
Renault South Africa and subsidiaries [2]	South Africa	40	-
SALES FINANCING			
Renault Credit Car [5]	Belgium	50	-
Nissan Renault Finance Mexico. [6]	Mexico	-	15
Orfin Finansman Anonim Sirketi	Turkey	50	-

(1) Société des Automobiles Alpine Caterham: joint venture consolidated based on the percentage share specific to each balance sheet and income statement item since the sale of a 50% stake to the new partner in June 2013.

(2) Renault South Africa: associate accounted for under the equity method since transfer of control to Renault's partner in December 2013.

(3) Cogera, Renault Acceptance Ltd and Renault Industrie Roumanie: subsidiaries absorbed in 2013 by fully consolidated companies

(4) RCI Financial Services s.r.o.: fully consolidated since acquisition of control in October 2013

(5) Française de Mécanique, Indra Investissements, Renault Credit Car and RCI Financial Services s.r.o.: in application of IFRS 11 "Joint Arrangements", these joint ventures are accounted for under the equity method in 2013. They were proportionately consolidated in the 2012 financial statements (note 2-A2).

(6) Française de Mécanique and Nissan Renault Finance Mexico: these investments were sold in 2013.