

EARNINGS REPORT FIRST HALF 2011



DRIVE THE CHANGE





EARNINGS REPORT - First-half 2011

In Brief	3
Key figures	3
Overview	3
2011 Outlook	4
Risk management and related third parties	4
Person responsible for the document	5
Chapter 1 - Sales performance	6
Overview	6
1.1. AUTOMOTIVE	8
1.1.1. Group sales worldwide (units).....	8
1.1.2. Renault Brand.....	8
1.1.3. Dacia Brand.....	9
1.1.4. Renault Samsung Motors Brand.....	9
1.1.5. Group sales by brand (units).....	9
1.2. SALES FINANCING	10
1.2.1 Proportion of new vehicles financed	10
1.2.2. RCI Banque's new financing contracts and average loans outstanding.....	10
1.3. SALES AND PRODUCTION STATISTICS	11
Chapter 2 - Financial results	17
Overview	17
2.1. COMMENTS ON THE FINANCIAL RESULTS	17
2.1.1. Consolidated income statement	17
2.1.2. Net capex and R&D expenses.....	19
2.1.3. Automotive debt.....	20
2.1.4. Cash at June 30, 2011.....	20
2.2. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	21
2.2.1. Consolidated income statement	21
2.2.2. Consolidated comprehensive income	22
2.2.3. Consolidated financial position	23
2.2.4. Changes in shareholders' equity	24
2.2.5. Consolidated cash flows	26
2.2.6. Information by operating segment	27
2.2.7. Notes to the condensed consolidated half-year financial statements	33
Chapter 3 - Financial Information on the Alliance	49



KEY FIGURES

		H1 2011	H1 2010	Change
Worldwide Group sales	'000 vehicles	1,374	1,349	+1.9%
Group revenues	€ million	21,101	19,668	+7.3%
Operating margin	€ million	630	780	-150
	% of revenues	+3.0%	+4.0%	-1.0 pt
Contribution from associated companies	€ million	557	531	+26
<i>o/w Nissan</i>		441	460	-19
<i>o/w AB Volvo</i>		70	121	-51
<i>o/w AvtoVAZ</i>		37	-56	+93
Net income	€ million	1,253	823	+430
Net income, Group share	€ million	1,220	780	+440
Earnings per share	€	4.48	2.95	+1.53
Operational free cash flow ¹	€ million	121	1,420	-1,299
Automotive net financial debt	€ million	1,221	1,435	-214
			on Dec 31/10	
Debt-to-equity ratio	%	5.3%	6.3%	+1 pt
			on Dec 31/10	
Sales Financing, average loans outstanding	€ billion	22.3	20.7	+7.5%

OVERVIEW

The Renault group reported historical record sales of 1,374,368 vehicles in the first half of 2011.

In a global market that expanded by 5.9%, Renault group PC+LCV sales grew by 1.9% relative to first-half 2010, giving the Group a 3.7% share of the global market.

In the first half of 2011, the Group reported its strongest growth in two key Regions for its development: Eurasia (up 73.3%) and the Americas (up 34.9%). The share of Renault group vehicles sold outside Europe increased by 6.1 points. These vehicles now account for 39.5% of sales, compared with 33.4% in 2010.

Renault brand sales increased by 5.8%, which drove growth.

The Group reported **revenues** of €21,101 million, up 7.3% on the same period in 2010.

In the first half of 2011, the Group's **operating margin** totaled €630 million, or 3.0% of revenues, compared with €780 million (4.0% of revenues) in first-half 2010. Automotive's contribution to the Group operating margin declined by €189 million to €221 million (1.1% of Automotive revenues) due to a combination of factors:

- a €313 million increase in raw materials costs, offset by €279 million in reductions resulting from the Monozukuri cost-cutting plan,
- a negative €102 million exchange rate effect,
- a €59 million increase attributable to volume growth,
- a negative mix/price impact of €91 million in a competitive European market that was disrupted by supply problems.

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

Overall, supply issues resulting from the tsunami in Japan had an estimated negative impact of €150 million on Automotive's operating margin in the first half. The problems primarily affected production, marketing offers and logistics.

Sales Financing contributed €409 million to the Group's operating margin. The €39 million rise was achieved through increased loans outstanding and low cost of risk (well below the historical structural level).

After recognizing €142 million in other operating income and expenses, the Group reported **operating profit** of €772 million, compared with €718 million in first-half 2010.

Renault's share in **associated companies**, mainly Nissan, AB Volvo and AvtoVAZ, generated income of €557 million in first-half 2011.

Net income amounted to €1,253 million, and net income, Group share, was €1,220 million.

Automotive generated operational **free cash flow** of €121 million, despite a negative €437 million change in the working capital requirement relative to December 31, 2010 (linked in part to unseasonal inventory changes in connection with supply problems).

Automotive's **net financial debt** totaled €1,221 million on June 30, 2011, down €214 million on December 31, 2010. The debt-to-equity ratio came to 5.3% at June 30, 2011, compared with 6.3% at end-December 2010.

2011 OUTLOOK

The global automotive market (PC + LCV) is expected to continue to grow, ending the year up 3% to 4% versus 2010. Emerging markets will remain the main growth drivers, while Europe should remain stable or even contract slightly (-2%) for the year as a whole, with a 4% to 6% decrease in the French market. In this context, Renault expects to post higher sales volumes and revenues than in 2010.

Supply constraints are expected to subside gradually in the second half, enabling a strong recovery in production from September. The impact of the Japanese tsunami on operating margin in the second half is estimated to be an additional €50 million.

In this context, the Group confirms its objective of an Automotive operational free cash flow above €500 million for 2011, with a ratio of capital expenditures and R&D below 9% of revenues.

RISK MANAGEMENT AND RELATED THIRD PARTIES

No risks or uncertainties are anticipated other than those described in Chapter 1.6 of the 2010 Registration Document, filed on March 29, 2011, for the remaining six months of the year.

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

PERSON RESPONSIBLE FOR THE DOCUMENT

Mr. Carlos Ghosn, Chairman and Chief Executive Officer, accepts full responsibility for this Earning Report.

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

Paris, July 28, 2011

Chairman and Chief Executive Officer

Carlos Ghosn

Chapter 1

Sales performance

OVERVIEW

AUTOMOTIVE

- The Renault group reported historical record sales of 1,374,368 vehicles in the first half of 2011.
- In a global market that expanded by 5.9%, Renault group PC+LCV sales grew by 1.9% relative to first-half 2010, giving the Group a 3.7% share of the global market.
- In the first half of 2011, the Group reported its strongest growth in two key Regions for its development: Eurasia (up 73.3%) and the Americas (up 34.9%). The share of Renault group vehicles sold outside Europe increased by 6.1 points. These vehicles now account for 39.5% of sales, compared with 33.4% in 2010.
- Renault brand sales increased by 5.8% (39.7% on international markets), which drove growth. The Renault brand maintained its position as the second-ranked PC+LCV brand in Europe, with an 8.5% market share.
- Dacia sales volumes declined by 2.9%, partly reflecting the end of the scrappage bonus scheme in France.
- Renault Samsung Motors sales fell by 35.6% in a fiercely competitive environment on the South Korean market.
- The Renault brand consolidated the leadership position it has held since 1998 on the European LCV market, commanding a 15.2% share. New Master, which was launched in 2010, built on its success, with a 24.7% increase in registrations in Europe.

THE RENAULT GROUP'S TOP 15 MARKETS

SALES EXCL. LADA	Sales volumes H1 2011*	PC+LCV market share H1 2011 (as a %)	Change in market share on H1 2010
1 France	366,728	25.2	-3.3
2 Germany	90,890	5.2	-0.1
3 Brazil	80,472	4.9	0.6
4 Russia	74,337	6.0	0.7
5 Italy	69,000	6.2	-0.7
6 Turkey	68,831	16.4	1.7
7 Belgium + Luxembourg	54,061	13.7	0.9
8 South Korea	52,602	6.7	-4.7
9 Argentina	50,499	11.9	0.3
10 Spain	49,868	10.0	-0.9
11 United Kingdom	46,779	4.0	-0.9
12 Algeria	42,036	27.3	-3.2
13 Iran	35,132	4.7	1.9
14 Netherlands	33,680	9.3	0.7
15 Colombia	24,768	16.7	1.0

* Figures at end-June 2011.

EUROPE

In Europe, where the market contracted by 0.8%, Group PC+LCV sales fell by 7.4% to 831,672 units. The Group's market share declined by 0.7 of a point to 10.1%. The Renault brand maintained its position as Europe's second-ranked brand.

- In **France**, the market was up 1.7% on first-half 2010, still buoyed by first-half deliveries of the last orders placed under the scrappage scheme. The Renault group recorded a 9.9% fall in sales, attributable in part to supply issues and to a firmer-than-expected market. As a result, market share fell by 3.3 points to 25.2%. However, these results do not reflect the Group's positive marketplace momentum: the order book is up 18.5% relative to end-June 2010 and represents two months of sales.
- In **Germany**, in a market that rose by 11.0%, Group sales increased by 8.1%.
- In **Italy**, where the market fell by 12.5%, the Group sold 69,000 vehicles (down 21.3%), as fleet and rental markets gained ground at the expense of the retail market.
- In **the United Kingdom**, in a market that contracted by 4.4%, the Group sold 46,779 vehicles (down 21.3%), owing to the sales policy, which was adjusted to reflect exchange rate fluctuations.
- In **Spain**, where the market fell a sharp 25.5%, the Group, which is concentrating on retail and corporate sales channels, sold 49,868 vehicles (down 31.6%).

OUTSIDE EUROPE

Outside Europe, the Group demonstrated its growth potential and expanding global reach, selling 542,696 vehicles, for a 20.5% increase compared with the first half of 2010. The share of Renault group vehicles sold outside Europe increased by 6.1 points to 39.5% of sales compared with 33.4% in 2010. Although volumes declined in the Asia-Africa Region, the Americas, Euromed and Eurasia Regions all reported record sales:

- **Americas:** In **Brazil**, now the Group's third-largest market (up three places compared with 2010), which grew by 9.4%, sales continued to rise strongly, climbing 24.6% to 80,472 units. The Group's market share thus increased by 0.6 of a point to 4.9%, lifted by good performances by Sandero, Logan and Clio.
- **Euromed:** In **Turkey**, the Group increased sales volumes by 68.9%, outperforming the market, which grew 51.3%, thanks in particular to the success of Symbol (an all-category best-seller, marketed as Thalia in the Euromed Region), Fluence and Mégane.
- In **Algeria** and **Morocco**, the Group continued to expand, posting growth of 12.7% and 12.6% respectively, in markets that were up 25.7% and 5.6%.
Symbol leads its segment in the Euromed Region.
- **Eurasia:** In **Russia**, in a market still supported by scrappage bonuses (up 55.4%), the Renault group sold 74,337 vehicles (a 76.0% increase) and posted 6.0% market share, helped by Sandero's success and a strong showing by Logan. As a result, Renault has moved up one place compared with 2010 to become the market's number-three brand.
- **Asia-Africa:** In **South Korea**, in a market that expanded by 4.8%, volumes declined by 38.2%, amid stiff competition and supply issues following the tsunami in Japan.

SALES FINANCING

- Building on its performances in the second half of 2010, the RCI Banque group generated strong sales momentum in first-half 2011. The proportion of new vehicles financed was up at virtually all subsidiaries.

Chapter 1

Sales performance

1.1. Automotive

1.1.1. Group sales worldwide (units)

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES	H1 2011*	H1 2010	Change (%)
GROUP	1,374,368	1,348,731	1.9
BY BRAND			
Renault	1,141,009	1,078,890	5.8
Dacia	176,852	182,153	-2.9
Renault Samsung	56,507	87,688	-35.6
BY VEHICLE TYPE			
Passenger cars	1,192,634	1,187,651	0.4
Light commercial vehicles	181,734	161,080	12.8
BY REGION			
Europe	831,672	898,323	-7.4
o/w France	366,728	406,984	-9.9
Americas	178,639	132,458	34.9
Asia-Africa	129,480	143,050	-9.5
Euromed	154,358	128,603	20.0
Eurasia	80,219	46,297	73.3
Total outside Europe	542,696	450,408	20.5

* Preliminary figures.

1.1.2. Renault Brand

→ Passenger cars

The Renault brand continued to grow passenger car sales in the first half of 2011, reporting an increase of 4.3% worldwide to 970,150 vehicles.

- On the *A segment*, **Twingo** held onto its position as one of Europe's top-three sellers in its category, with 69,958 registrations. Twingo remains the leader in France, taking 29.7% of the segment. Twingo also put in a strong showing in Germany, gaining one place to rank second in its segment.
- On the *B segment*, sales of **Logan** and **Sandero** marketed under the Renault brand continued to make inroads in emerging countries, particularly in Russia. Logan sales rose 38.2% to 116,495 units, while sales of Sandero were up 44.9% to 85,581 units. **Clio** (Clio II + Clio III) saw sales decline, with 205,718 registrations worldwide in the first half of 2011, compared with 228,298 in 2010 (a fall of 9.9%).
- On the *C segment*, two years on from its launch, the **Mégane** family continues to exert appeal, but was hurt by supply issues, with 241,093 units sold worldwide, compared with 273,376 in the first half of 2010. The

Mégane family maintains its second place on the European market, with 7.9% of its segment. It is the leader in France, Belgium and Portugal. **Mégane Coupé** (17,065 units registered) and **Scénic** (82,318 units registered) are the biggest-selling vehicles in their category in Europe.

Fluence continues to gain ground on markets around the world, with 47,243 vehicles sold (up 98.2%). Fluence is third in its segment in Turkey.

- On the *D and E segments*, **Laguna** sales edged down 1.4%, with 29,557 vehicles sold. Sales of **Koléos** rose to 23,348 registrations from 15,292 in 2010. Renault **Espace** is the undisputed leader in France, commanding a 34.4% share of its segment.

→ Light commercial vehicles

As the LCV market picked up in Europe (8.3%) and worldwide (6.5%), Renault recorded a 14.8% increase in worldwide sales, driven in particular by the recent renewal of the range.

Sales of **Kangoo** rose by 12.7%, to 62,458 units, Renault **Trafic** gained 20.2% to sell 32,269 vehicles, and Renault **Master** recorded 43,157 sales (a rise of 37.2%).

Chapter 1

Sales performance

1.1.3. Dacia brand

In the PC+LCV market, the **Dacia** brand also had to deal with supply problems affecting diesel engines, and sales declined a slight 2.9% to 176,852 units. Even so, Dacia maintained 1.5% market share in Europe.

On the *B segment*, sales of **Sandero** fell by 52.0% to 46,075 units. The decline was especially pronounced in France (66.0% for PC+LCV) owing to the end of the scrappage bonus scheme and LPG incentives.

Conversely, on the Europe *C segment for passenger cars*, **Duster** performed very strongly, with 70,788 vehicles sold. This raised it to second place for sales of crossovers in Europe, with 12.6% market share in this category just one year after its launch.

1.1.4. Renault Samsung Motors brand

South Korea is the eighth-largest market for the Renault group, whose Renault Samsung Motors brand holds 6.7% of the market. In the first half, Renault Samsung Motors' PC sales in South Korea fell by 38.2% to 52,602 units as a result of fierce competition and supply problems linked to the tsunami in Japan.

1.1.5. Group Sales by brand (units)

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES	H1 2011*	H1 2010	Change (%)
EUROPE REGION			
Renault	704,754	766,514	-8.1
Dacia	126,918	131,809	-3.7
GROUP	831,672	898,323	-7.4
<i>o/w France</i>			
Renault	316,315	342,696	-7.7
Dacia	50,413	64,288	-21.6
GROUP	366,728	406,984	-9.9
AMERICAS REGION			
Renault	174,734	129,912	34.5
Dacia	-	-	0.0
Renault Samsung	3,905	2,546	53.4
GROUP	178,639	132,458	34.9
ASIA-AFRICA REGION			
Renault	74,282	55,170	34.6
Dacia	2,596	2,738	-5.2
Renault Samsung	52,602	85,142	-38.2
GROUP	129,480	143,050	-9.5
EUROMED REGION			
Renault	107,020	80,998	32.1
Dacia	47,338	47,605	-0.6
GROUP	154,358	128,603	20.0
EURASIA REGION			
Renault	80,219	46,296	73.3
Dacia	-	1	-
GROUP	80,219	46,297	73.3

* Preliminary figures.

Chapter 1

Sales performance

1.2. SALES FINANCING

1.2.1. Proportion of new vehicles financed

Building on its performances in the second half of 2010, the RCI Banque group generated strong sales momentum in first-half 2011. The proportion of new vehicles financed was up at virtually all subsidiaries.

RCI Banque financed 33.6% of new vehicle registrations for Renault, Nissan and Dacia in the **Europe Region**, up from 30.4% in first-half 2010. The proportion was 34.9% for Renault vehicles (compared with 32.5% in first-half 2010) and 28.0% for Nissan vehicles (compared with 23.0% in first-half 2010). The improvement can be attributed to the continuation of RCI's competitive commercial policy, particularly package deals, and its ability to design solutions that fit with carmakers' offers.

The proportion of new vehicles financed by RCI Banque in the **Americas Region** rose to 33.7% in first-half 2011, from 29.1% in first-half 2010.

RCI Banque financed 55.1% of new vehicle registrations in **South Korea** (now the only country in the Asia-Africa Region where RCI operates) in first-half 2011, substantially up from 41.0% in first-half 2010.

RCI Banque's proportion of new vehicles financed in the **Euromed Region** (including Romania and Morocco) jumped to 18.3% in first-half 2011 from 13.0% in first-half 2010.

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

RCI Banque originated €5.6 billion in new financing, excluding card business and personal loans, in first-half 2011, up from €4.9 billion in first-half 2010, for a 13.0% increase. The number of new vehicle financing contracts totaled 520,359 in first-half 2011, compared with 479,552 in first-half 2010, an 8.5% increase.

RCI Banque's average loans outstanding totaled €22.3 billion, up 7.5% on first-half 2010.

1.3. SALES AND PRODUCTION STATISTICS

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

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES	H1 2011*	H1 2010	Change (%)
EUROPE REGION	8,246,494	8,316,541	-0.8
<i>o/w:</i>			
France	1,449,413	1,425,692	+1.7
Germany	1,735,698	1,563,551	+11.0
Italy	1,111,292	1,269,853	-12.5
United Kingdom	1,166,243	1,220,433	-4.4
Spain + Canary Islands	499,361	670,020	-25.5
Belgium + Luxembourg	394,753	384,390	+2.7
Poland	173,065	177,859	-2.7
AMERICAS REGION **	3,127,528	2,704,391	+15.6
<i>o/w:</i>			
Mexico	412,549	370,025	+11.5
Colombia	148,643	100,223	+48.3
Brazil	1,637,275	1,496,020	+9.4
Argentina	422,975	323,426	+30.8
ASIA-AFRICA REGION	16,805,735	16,460,538	+2.1
<i>o/w:</i>			
South Africa	227,857	194,941	+16.9
South Korea	781,617	745,438	+4.9
EUROMED REGION	711,832	554,094	28.5
<i>o/w:</i>			
Romania	48,355	57,809	-16.4
Turkey	421,036	278,255	+51.3
Algeria	153,805	122,352	+25.7
Morocco	57,362	54,340	+5.6
EURASIA REGION	1,413,268	932,493	+51.6
<i>o/w:</i>			
Russia	1,235,439	794,825	+55.4
Ukraine	103,414	73,081	+41.5
WORLD (INCL. NORTH AMERICA)	37,440,683	35,369,458	+5.9

* Preliminary figures.

** Excl. North America.

Chapter 1

Sales performance

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

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES	H1 2011*		H1 2010	
	Reg's (units)	Mkt Sh. (%)	Reg's (units)	Mkt Sh. (%)
EUROPE REGION	830,498	10.1	897,729	10.8
<i>o/w:</i>				
France	365,612	25.2	406,438	28.5
Germany	90,890	5.2	84,048	5.4
Italy	69,000	6.2	87,715	6.9
United Kingdom	46,779	4.0	59,403	4.9
Spain + Canary Islands	49,868	10.0	72,943	10.9
Belgium + Luxembourg	54,003	13.7	49,187	12.8
Poland	15,986	9.2	14,121	7.9
AMERICAS REGION**	178,639	5.7	132,458	4.9
<i>o/w:</i>				
Mexico	10,494	2.5	7,363	2.0
Colombia	24,768	16.7	15,673	15.6
Brazil	80,472	4.9	64,599	4.3
Argentina	50,499	11.9	37,620	11.6
ASIA-AFRICA REGION	129,480	0.8	143,050	0.9
<i>o/w:</i>				
South Africa	5,075	2.2	4,064	2.1
South Korea	52,602	6.7	85,142	11.4
EUROMED REGION	154,358	21.7	128,603	23.2
<i>o/w:</i>				
Romania	17,844	36.9	23,982	41.5
Turkey	68,831	16.3	40,762	14.6
Algeria	42,036	27.3	37,306	30.5
Morocco	20,974	36.6	18,635	34.3
EURASIA REGION	80,219	5.7	46,297	5.0
<i>o/w:</i>				
Russia	74,337	6.0	42,227	5.3
Ukraine	5,170	5.0	3,612	4.9
WORLD INCL. NORTH AMERICA	1,373,194	3.7	1,348,137	3.8

* Preliminary figures.

** Excl. North America.

Chapter 1

Sales performance

RENAULT GROUP

MODELS PERFORMANCE BY SEGMENT IN THE EUROPE REGION*

PASSENGER CARS	Segment change H1 2011* / H1 2010 (%)	Group share of segment			Rank H1 2011
		H1 2011* (%)	H1 2010 (%)	Change H1 2011* / H1 2010 (points)	
Segment A	-17.1				
Twingo / Twingo II		10.4	10.7	-0.3	3
Wind		0.7	0.0	0.6	18
Segment B	-6.8				
Clio / Clio III		7.2	8.0	-0.8	5
Thalia / Thalia II		0.1	0.1	0	46
Modus		1.2	1.2	0	23
Logan		0.6	1.0	-0.4	32
Sandero		1.6	3.5	-1.9	17
Kangoo		0.0	0.0	0	72
Segment C	+2.6				
Kangoo II		0.7	0.8	-0.1	35
Mégane / Mégane II / Mégane III		7.9	9.3	-1.4	2
Fluence		0.3	0.3	0	49
Duster		2.6	0.5	2.1	12
Segment D	+4.6				
Laguna / Laguna III		2.6	2.7	-0.1	12
Latitude		0.4	0.0	0.4	40
Koléos		0.8	0.6	0.2	28
Trafic / Trafic II		0.6	0.6	0	35
Segment E	+15.3				
Espace / Espace IV		1.8	2.1	-0.3	14
Master / Master II / Master III		0.1	0.2	-0.1	71

* Preliminary figures.

Chapter 1

Sales performance

RENAULT GROUP

PERFORMANCE OF MODELS BY SEGMENT IN THE EUROPE REGION*

LIGHT COMMERCIAL VEHICLES	Segment change H1 2011* / H1 2010 (%)	Group share of segment			Rank H1 2011
		H1 2011* (%)	H1 2010 (%)	Change H1 2011* / H1 2010 (points)	
Fleet vehicles	+1.8				
Twingo / Twingo II		2.4	2.4	+0.0	12
Clio / Clio III		16.8	19.3	-2.5	1
Modus		0.1	0.2	-0.1	52
Mégane / Mégane II / Mégane III		4.9	8.3	-3.4	7
Laguna / Laguna III		0.2	0.8	-0.7	33
Espace / Espace IV		0.1	0.4	-0.3	45
Sandero		0.1	0.0	+0.0	59
Logan		0.1	0.1	-0.0	41
Small vans	-0.9				
Kangoo / Kangoo II		16.3	16.0	+0.3	1
Logan		1.3	1.7	-0.4	12
Vans	+14.3				
Trafic / Trafic II		6.9	6.7	+0.2	6
Master / Master II / Master III		6.9	6.4	+0.6	5
Mascott ** / Maxity ** / Master III **		1.6	0.9	+0.6	17
Pick-up	+26.7				
Logan		3.5	7.7	-4.2	7

* Preliminary figures.

** Renault Trucks.

NB: Change in segmentation:

Renault now uses the international vehicle classification system of A, B, C, D and E. Hence vehicles in the Entry range are now classified in their respective segments and car-derived vans are included in the five main segments.

Chapter 1

Sales performance

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

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES	H1 2011*	H1 2010	Change H1 2011* / H1 2010 (%)
Twingo	78,154	95,520	-18.2
Wind	4,759	1,450	228.2
Clio	225,235	249,247	-9.6
Thalia	52,126	48,334	7.8
Modus	29,403	30,455	-3.5
Logan+Sandero	330,087	293,536	12.5
Kangoo	100,260	94,601	6.0
Mégane	253,425	277,374	-8.6
Fluence	76,772	65,421	17.4
Duster	89,307	26,827	232.9
SM3	28,291	30,088	-6.0
Laguna	33,993	30,926	9.9
SM5+Latitude	39,838	44,432	-10.3
Koléos	31,433	24,089	30.5
Espace	10,117	9,881	2.4
Master	60,961	47,319	28.8
SM7	6,468	7,778	-16.8
Other	8,641	6,637	30.2
GROUP WORLDWIDE PRODUCTION	1,459,270	1,383,915	5.4
<i>o/w produced for partners</i>			
Master for GM	7,661	5,165	48.3
SM3 for Nissan	17,545	21,017	-16.5
Vehicles for Nissan in Mercosur	16,572	6,637	149.7
PRODUCED BY PARTNERS FOR RENAULT:			
Produced by GM for Renault (Trafic)	9,366	21,125	-55.7
Produced by Nissan for Renault (Trafic)	34,003	17,048	99.5
Other (Iran + India)	42,382	29,638	43.0

* Preliminary figures.

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

Chapter 1

Sales performance

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

From July 30, 2011

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

OVERVIEW

- Driven by growth on international markets and despite slack conditions in Europe, Group consolidated revenues came to €21,101 million in the first half of 2011, up 7.3% on first-half 2010.
- Group operating margin was €630 million, 3.0% of revenues, compared with €780 million and 4.0% of revenues in the first half of 2010.
- Other operating income and expenses showed net income of €142 million, after a net charge of €62 million in the first half of 2010.
- The financial result showed a net charge of €81 million, compared with €246 million in first-half 2010.
- Nissan's contribution to Renault's earnings was €441 million, compared with €460 million in first-half 2010. AB Volvo contributed €70 million (compared with €121 million in the first half of 2010). AvtoVAZ contributed €37 million, compared with a negative €56 million in the first half of 2010.
- Net income was €1,253 million, compared with €823 million in the first half of 2010. Net income, Group share, stood at €1,220 million, compared with €780 million in the first half of 2010.
- Automotive's operational free cash flow came to €121 million.
- Automotive's net financial debt fell €214 million compared with December 31, 2010 to €1,221 million.
- Shareholders' equity stood at €23,080 million on June 30, 2011. The debt-to-equity ratio improved by one point from 6.3% at December 31, 2010 to 5.3% in the first half of 2011.

2.1. COMMENTS ON THE FINANCIAL RESULTS

17

2.1.1. Consolidated income statement

Group **revenues** totaled €21,101 million, up 7.3%⁽¹⁾ on first-half 2010. Excluding the exchange rate effect, revenues rose 6.9%.

OPERATING SEGMENT CONTRIBUTION TO GROUP REVENUES

(€ million)	2011			2010 published			Change 2011/2010		
	Q1	Q2	H1	Q1	Q2	H1	Q1	Q2	H1
Automotive	9,965	10,178	20,143	8,642	10,136	18,778	15.3%	0.4%	7.3%
Sales Financing	466	492	958	430	460	890	8.4%	7.0%	7.6%
Total	10,431	10,670	21,101	9,072	10,596	19,668	15.0%	0.7%	7.3%

Automotive's revenue contribution in the first half of 2011 was €20,143 million, up 7.3% on the first half of 2010. This increase was mainly attributable to:

- a positive volume effect (1.5 points) linked to international sales growth;
- a positive mix effect (4.3 points) linked to the product line-up and the end of the scrappage bonus scheme.

Other contributing factors included:

- a negative price effect (0.9 of a point);
- a slightly negative exchange rate effect (0.4 of a point);
- a positive impact (1.6 points) from other Group businesses (sales of components and vehicles to partners).

(1) Up 7.2% on 2010 revenues of €19,683 million on a consistent basis.

Chapter 2

Financial results

By Region (excluding other businesses):

- international operations ⁽¹⁾ were up sharply and contributed 4.8 points to growth thanks to a strong volume effect;
- Europe was down slightly and had a negative 0.3 point impact on revenue growth, as the improved mix failed

to entirely offset the decline in volumes owing to supply problems.

Group **operating margin** came to €630 million in the first half of 2011, or 3.0% of revenues, compared with €780 million and 4.0% of revenues in the first half of 2010.

OPERATING SEGMENT CONTRIBUTION TO GROUP OPERATING MARGIN

(€ million)	H1 2011	H1 2010	Change
Automotive	221	410	-189
% of division revenues	1.1%	2.2%	
Sales Financing	409	370	39
% of division revenues	42.7%	41.6%	
Total	630	780	-150
% of Group revenues	3.0%	4.0%	

Automotive's operating margin fell by €189 million to €221 million (1.1% of revenues) owing to:

- a €313 million increase in raw materials costs, offset by €279 million in reductions resulting from the Monozukuri cost-cutting plan;
- a negative €102 million exchange rate effect linked to a basket of currencies that was mainly affected by movements in the Argentine peso and the Iranian rial;
- a €59 million increase attributable to volume growth, directly related to sales performance and changes in the geographical mix;
- a negative mix/price impact of €91 million. Despite a strong mix effect in sales, thanks in particular to Duster's success and the end of the scrappage bonus scheme, supply problems, some of which were linked to the tsunami in Japan, adversely impacted production, and hence marketing offers, particularly for diesel engines.

Overall, supply issues resulting from the tsunami in Japan had an estimated negative impact of €150 million on Automotive's operating margin in the first half.

Sales Financing made a €409 million contribution to the Group's operating margin, an 11% increase on June 2010. With a 7.5% increase in average loans outstanding relative to first-half 2010, this financial performance validates the sales growth strategy. The cost of risk also improved relative to the first half of 2010, reaching 0.14% of average loans outstanding, well below RCI group's historical structural trend of around 0.60%. This was achieved through an improved risk situation in Spain and Romania and reversals of network-related provisions as dealerships returned to better financial health, especially in Europe.

RENAULT GROUP – R&D EXPENSES*

(€ million)	H1 2011	H1 2010	Change
R&D expenses	1,026	862	164
Capitalized development expenses	-420	-316	-104
% of R&D expenses	40.9%	36.7%	4.2%
Amortization	415	427	-12
Gross R&D expenses recorded in the income statement	1,021	973	48

* R&D expenses are fully incurred by Automotive.

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

After reaching a very low level in 2010 in connection with the product cycle, **Research and Development expenses** rose €164 million compared with the first half of 2010 to €1,026 million in the first half of 2011, in line with what was announced in the Renault 2016 – Drive the Change Plan.

Capitalized development expenses came to 40.9% of the total spend in the first half of 2011, after 36.7% in the first half of 2010.

Other operating income and expenses showed net income of €142 million, as compared with a net charge of €62 million in the first half of 2010. This item was mainly made up of:

- €73 million in capital gains on property disposals;
- €37 million from the reversal of net restructuring provisions;
- €32 million reversal of previously impaired assets (to reflect improved cash flow prospects for three vehicles in the range) and recognition of depreciation for a vehicle in the range.

After recognizing other operating income and expenses, the Group reported **operating profit** of €772 million, compared with €718 million in first-half 2010.

The **financial result** showed a net charge of €81 million, compared with a net charge of €246 million in the first half of 2010, reflecting the reduction in debt and early repayment of the €3 billion loan from the French government in 2009.

Renault's **share in associated companies** generated a gain of €557 million in the first half of 2011 (compared with €531 million in first-half 2010), of which:

- €441 million from Nissan (compared with €460 million in first-half 2010);
- €70 million from AB Volvo (after €121 million in first-half 2010, but with an ownership stake of 21.8%, compared with 6.8% in the first half of 2011);
- €37 million from AvtoVAZ (compared with a loss of €56 million in first-half 2010).

Current and deferred taxes represented net income of €5 million (compared with a net charge of €180 million in first-half 2010), mainly reflecting recognition of deferred tax assets calculated on French tax Group tax losses carried forward.

Net income amounted to €1,253 million, compared with €823 million in the first half of 2010.

The Group's share of net income amounted to €1,220 million (€780 million in the first half of 2010).

2.1. 2. Net capex and R&D expenses

Automotive's tangible and intangible investments net of disposals (excluding capitalized leased vehicles) came to €1,020 million in the first half of 2011 (including €435 million in R&D expenses) compared with €746 million in first-half 2010 (including €324 million in R&D expenses).

TANGIBLE AND INTANGIBLE INVESTMENTS NET OF DISPOSALS, BY OPERATING SEGMENT

(€ million)	H1 2011	H1 2010
Tangible investments (excluding capitalized leased vehicles)	689	468
Intangible investments	458	346
<i>o/w capitalized R&D expenses</i>	420	316
Total acquisitions	1,147	814
Disposal gains	-127	-68
Total Automotive	1,020	746
Total sales financing	2	2
TOTAL GROUP	1,022	748

Investment increased in the first half of 2011 compared with the same period in 2010, which was a low-spend year owing to the product cycle. The increase was consistent with the target of keeping the ratio of capex and R&D expenses to 9% of Group revenues.

Total gross investment was equally divided between Europe and the rest of the world:

- in Europe: range-related investment accounted for 61% of the outlay, with a particular focus on the new 1.6l Energy dCi 130 engine and the Master range;

- outside Europe: spending was allocated primarily to Morocco (new Tangiers facility), Romania, Russia, South America, Turkey and South Korea.

Consistent with previous years, the non range-related investment policy was focused mainly on quality, working conditions and the environment.

Chapter 2

Financial results

NET CAPEX AND R&D EXPENSES

(€ million)	H1 2011	H1 2010
Tangible and intangible investments net of disposals (excluding capitalized leased vehicles)	1,022	748
Capitalized R&D expenses	-420	-316
Other	-15	-8
Net industrial and commercial investments (1)	587	424
<i>% of Group revenues</i>	<i>2.8%</i>	<i>2.2%</i>
R&D expenses	1,026	862
o/w billed to third parties	92	76
Net R&D expenses (2)	934	786
<i>% of Group revenues</i>	<i>4.4%</i>	<i>4.0%</i>
Net capex and R&D expenses (1) + (2)	1,521	1,210
<i>% of Group revenues</i>	<i>7.2%</i>	<i>6.2%</i>

2.1.3. Automotive debt

Automotive generated an operational **free cash flow** of €121 million in the first half of 2011, comprising:

- cash flow of €1,668 million;
- a negative €437 million change in the working capital requirement;

- tangible and intangible investments net of disposals in the amount of €1,020 million, up €274 million from €746 million in the first half of 2010;
- a negative €90 million change in capitalized leased vehicles.

Automotive's **net financial debt** totaled €1,221 million on June 30, 2011, or 5.3% of shareholders' equity, compared with €1,435 million on December 31, 2010 (6.3% of shareholders' equity).

AUTOMOTIVE NET FINANCIAL DEBT

(€ million)	June 30, 2011	Dec. 31, 2010
Non current financial liabilities	6,522	6,835
Current financial liabilities	3,287	5,124
Non-current financial assets - other securities, loans and derivatives on financial operations	-370	-800
Current financial assets	-1,099	-910
Cash and cash equivalents	-7,119	-8,814
Automotive net financial debt	1,221	1,435

2.1.4. Cash at June 30, 2011

In the first half of 2011, the Group pursued a policy aimed at reducing **Automotive's** gross debt by making early repayment of the €2 billion still owing on the loan from the French government, while maintaining Automotive's cash levels. On June 30, 2011, Automotive's liquidity reserve amounted to €11.1 billion, comprising:

- €7.1 billion in cash and cash equivalents;
- €4.0 billion in undrawn confirmed credit lines.

On June 30, 2011, **RCI Banque** had:

- a liquidity reserve of €4.1 billion, representing available liquidity surplus to the certificates of deposit and commercial paper outstandings;
- available liquidity of €6.8 billion, covering more than two times all outstanding commercial paper and certificates of deposit; it includes €4.4 billion in undrawn confirmed credit lines, €1.8 billion in Central Bank eligible collateral, and €0.6 billion in cash.

2.2. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.2.1. Consolidated income statement

(€ million)	H1 2011	H1 2010	Year 2010
Sales of goods and services	20,411	19,017	37,654
Sales financing revenues	690	651	1,317
Revenues (note 4)	21,101	19,668	38,971
Cost of goods and services sold	(16,653)	(15,239)	(30,620)
Cost of sales financing	(397)	(390)	(813)
Research and development expenses (note 5)	(1,021)	(973)	(1,834)
Selling, general and administrative expenses	(2,400)	(2,286)	(4,605)
Operating margin	630	780	1,099
Other operating income and expenses (note 6)	142	(62)	(464)
<i>Other operating income</i>	223	61	197
<i>Other operating expenses</i>	(81)	(123)	(661)
Operating income	772	718	635
Net interest income (expense)	(107)	(237)	(354)
<i>Interest income</i>	96	70	146
<i>Interest expenses</i>	(203)	(307)	(500)
Other financial income and expenses, net	26	(9)	(22)
Financial income (note 7)	(81)	(246)	(376)
Gain on sale of AB Volvo Series B shares	-	-	2,000
Share in net income of associates	557	531	1,289
<i>Nissan (note 11)</i>	441	460	1,084
<i>Other associates (note 12)</i>	116	71	205
Pre-tax income	1,248	1,003	3,548
Current and deferred taxes (note 8)	5	(180)	(58)
Net income	1,253	823	3,490
Net income - non-controlling interests' share	33	43	70
Net income - parent company shareholders' share	1,220	780	3,420
Earnings per share ⁽¹⁾ in € (note 9)	4.48	2.95	12.70
Diluted earnings per share ⁽¹⁾ in € (note 9)	4.46	2.95	12.70
Number of shares outstanding (in thousands) (note 9)			
<i>for earnings per share</i>	272,534	264,701	269,292
<i>for diluted earnings per share</i>	273,318	264,701	269,292

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

Chapter 2

Financial results

2.2.2. Consolidated comprehensive income

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

(€ million)	H1 2011	H1 2010	2010
NET INCOME	1,253	823	3,490
Actuarial gains and losses on defined-benefit pension plans	22	(42)	(14)
Translation adjustments on foreign operations	(85)	306	258
Partial hedge of the investment in Nissan	175	(374)	(242)
Fair value adjustments on cash flow hedging instruments	20	38	80
Fair value adjustments on available-for-sale financial assets	5	102	232
Total other components of comprehensive income excluding associates (A)	137	30	314
Actuarial gains and losses on defined-benefit pension plans	(4)	14	59
Translation adjustments on foreign operations	(883)	2,398	2,019
Fair value adjustments on cash flow hedging instruments	1	(2)	8
Fair value adjustments on available-for-sale financial assets	27	4	24
Associates' share of other components of comprehensive income (B)	(859)	2,414	2,110
Other components of comprehensive income (A) + (B)	(722)	2,444	2,424
COMPREHENSIVE INCOME	531	3,267	5,914
<i>Parent company shareholders' share</i>	<i>505</i>	<i>3,194</i>	<i>5,826</i>
<i>Non-controlling interests' share</i>	<i>26</i>	<i>73</i>	<i>88</i>

2.2.3. Consolidated financial position

ASSETS (€ million)	June 30, 2011	Dec. 31, 2010
NON-CURRENT ASSETS		
Intangible assets (note 10-A)	3,759	3,677
Property, plant and equipment (note 10-B)	10,940	11,504
Investments in associates	13,859	14,199
<i>Nissan (note 11)</i>	12,890	13,345
<i>Other associates (note 12)</i>	969	854
Non-current financial assets (note 14)	1 344	1,728
Deferred tax assets	1 013	705
Other non-current assets	569	435
Total non-current assets	31,484	32,248
CURRENT ASSETS		
Inventories (note 13)	5,741	4,567
Sales financing receivables	20,339	19,276
Automotive receivables	1,645	1,329
Current financial assets (note 14)	1,030	799
Current tax assets	67	178
Other current assets	1,972	1,685
Cash and cash equivalents	8,489	10,025
Total current assets	39,283	37,859
TOTAL ASSETS	70,767	70,107
SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)		
	June 30, 2011	Dec. 31, 2010
SHAREHOLDERS' EQUITY		
Share capital	1,127	1,127
Share premium	3,785	3,785
Treasury shares	(201)	(145)
Revaluation of financial instruments	288	235
Translation adjustment	(1,340)	(554)
Reserves	17,724	14,367
Net income – parent company shareholders' share	1,220	3,420
Shareholders' equity – parent company shareholders' share	22,603	22,235
Shareholders' equity – non-controlling interests' share	477	522
Total shareholders' equity (note 15)	23,080	22,757
NON-CURRENT LIABILITIES		
Deferred tax liabilities	145	125
Provisions – long-term (note 16)	2,227	2,243
Non-current financial liabilities (note 17)	6,784	7,096
Other non-current liabilities	723	734
Total non-current liabilities	9,879	10,198
CURRENT LIABILITIES		
Provisions – short-term (note 16)	875	965
Current financial liabilities (note 17)	2,643	4,546
Sales financing debts (note 17)	20,961	19,366
Trade payables	7,176	6,348
Current tax liabilities	101	106
Other current liabilities	6,052	5,821
Total current liabilities	37,808	37,152
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	70,767	70,107

Chapter 2

2.2.4. Changes in shareholders' equity

	Number of shares (thousands)	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 interests' share)	Total shareholders' equity
(€ million)											
Balance at December 31, 2009	284,937	1,086	3,453	(229)	(109)	(2,568)	17,474	(3,125)	15,982	490	16,472
1st half-year 2010 net income	-	-	-	-	-	-	-	780	780	43	823
Other components of comprehensive income ⁽¹⁾	-	-	-	-	142	2,300	(28)	-	2,414	30	2,444
Comprehensive income – 1st half-year 2010	-	-	-	-	142	2,300	(28)	780	3,194	73	3,267
Allocation of 2009 net income	-	-	-	-	-	-	(3,125)	3,125	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	(39)	(39)
Cost of stock option plans	-	-	-	-	-	-	5	-	5	-	5
(Acquisitions) Disposals of treasury shares	-	-	-	84	-	-	(24)	-	60	-	60
Impact of capital increases	10,785	41	332	-	-	-	-	-	373	-	373
Impact of changes in the scope of consolidation with no loss of control ⁽²⁾	-	-	-	-	-	-	-	-	-	(6)	(6)
Other changes	-	-	-	-	-	-	(10)	-	(10)	-	(10)
Balance at June 30, 2010	295,722	1,127	3,785	(145)	33	(268)	14,292	780	19,604	518	20,122
2nd half-year 2010 net income	-	-	-	-	-	-	-	2,640	2,640	27	2,667
Other components of comprehensive income ⁽¹⁾	-	-	-	-	202	(286)	76	-	(8)	(12)	(20)
Comprehensive income – 2nd half-year 2010	-	-	-	-	202	(286)	76	2,640	2,632	15	2,647
Dividends	-	-	-	-	-	-	-	-	-	(1)	(1)
Cost of stock option plans	-	-	-	-	-	-	2	-	2	-	2
(Acquisitions) Disposals of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Impact of capital increases	-	-	-	-	-	-	-	-	-	-	-
Impact of changes in the scope of consolidation with no loss of control ⁽²⁾	-	-	-	-	-	-	(3)	-	(3)	(10)	(13)
Other changes	-	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2010	295,722	1,127	3,785	(145)	235	(554)	14,367	3,420	22,235	522	22,757

(1) Changes in reserves correspond to actuarial gains and losses on defined-benefit pension funds during the period (€(28) million in first-half 2010 and €76 million in second-half 2010).

(2) Impacts of changes in the scope of consolidation result from the treatment applied to acquisitions of non-controlling interests and put options for buyouts of non-controlling interests.

Chapter 2

Financial results

	Number of shares (thousands)	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 interests' share)	Total shareholders' equity
(€ million)											
Balance at December 31, 2010	295,722	1,127	3,785	(145)	235	(554)	14,367	3,420	22,235	522	22,757
1st half-year 2011 net income	-	-	-	-	-	-	-	1,220	1,220	33	1,253
Other components of comprehensive income ⁽¹⁾	-	-	-	-	53	(786)	18	-	(715)	(7)	(722)
Comprehensive income – 1st half-year 2011	-	-	-	-	53	(786)	18	1,220	505	26	531
Allocation of 2010 net income	-	-	-	-	-	-	3,420	(3,420)	-	-	-
Dividends	-	-	-	-	-	-	(82)	-	(82)	(73)	(155)
Cost of stock option plans	-	-	-	-	-	-	1	-	1	-	1
(Acquisitions) Disposals of treasury shares	-	-	-	(56)	-	-	-	-	(56)	-	(56)
Impact of capital increases	-	-	-	-	-	-	-	-	-	3	3
Impact of changes in the scope of consolidation with no loss of control ⁽²⁾	-	-	-	-	-	-	-	-	-	(1)	(1)
Other changes	-	-	-	-	-	-	-	-	-	-	-
Balance at June 30, 2011	295,722	1,127	3,785	(201)	288	(1,340)	17,724	1,220	22,603	477	23,080

(1) Changes in reserves correspond to actuarial gains and losses on defined-benefit pension funds during the period (€18 million in the first half of 2011).

(2) Impacts of changes in the scope of consolidation relate to put options for buyouts of non-controlling interests.

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

Chapter 2

Financial results

2.2.5. Consolidated cash flows

(€ million)	H1 2011	H1 2010	Year 2010
Net income	1,253	823	3,490
Cancellation of dividends received from unconsolidated listed companies ⁽¹⁾	(22)	-	-
Cancellation of income and expenses with no impact on cash			
- Depreciation, amortization and impairment	1,430	1,596	3,069
- Share in net income (loss) of associates	(557)	(531)	(1,289)
- Other income and expenses with no impact on cash (note 18)	(515)	(52)	(2,087)
Cash flow ⁽²⁾	1,589	1,836	3,183
Dividends received from listed companies ⁽³⁾	144	-	88
Net change in financing for final customers	(685)	(132)	(448)
Net change in renewable dealer financing	(468)	(196)	(146)
Decrease (increase) in sales financing receivables	(1,153)	(328)	(594)
Bond issuance by the Sales Financing segment	3,315	2,275	3,929
Bond redemption by the Sales Financing segment	(996)	(749)	(2,308)
Net change in other Sales Financing debts	(629)	(2,279)	(2,354)
Net change in other securities and loans of the Sales Financing segment	(41)	(78)	(129)
Net change in Sales financing financial assets and debts	1,649	(831)	(862)
Change in capitalized leased vehicles	(60)	(84)	(109)
Decrease (increase) in working capital (note 18)	(635)	164	264
CASH FLOWS FROM OPERATING ACTIVITIES	1,534	757	1,970
Capital expenditure (note 18)	(1,149)	(816)	(1,867)
Disposals of property, plant and equipment and intangibles	127	68	219
Acquisitions of investments with gain of control, net of cash acquired	-	-	-
Acquisitions of other investments, net of cash acquired	(108)	(9)	(39)
Disposals of property, plant and equipment and intangibles	-	7	7
Disposals of investments, net of cash transferred, and other ⁽⁴⁾	-	137	3,114
Net decrease (increase) in other securities and loans of the Automotive segment	19	(20)	(30)
CASH FLOWS FROM INVESTING ACTIVITIES	(1,111)	(633)	1,404
Transactions with minority shareholders ⁽⁵⁾	-	-	-
Dividends paid to parent company shareholders (note 15)	(88)	-	-
Dividends paid to non-controlling interests	(11)	(39)	(77)
(Purchases) sales of treasury shares	(56)	60	60
Cash flows with shareholders	(155)	21	(17)
Bond issuance by the Automotive segment	560	1,042	1,696
Bond redemption by the Automotive segment	(461)	(920)	(1,164)
Net increase (decrease) in other financial liabilities of the Automotive segment	(1,907)	(985)	(1,982)
Net change in financial liabilities of the Automotive segment	(1,808)	(863)	(1,450)
CASH FLOWS FROM FINANCING ACTIVITIES	(1,963)	(842)	(1,467)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,540)	(718)	1,907
Cash and cash equivalents: opening balance	10,025	8,023	8,023
Increase (decrease)	(1,540)	(718)	1,907
Effect of changes in exchange rate and other changes	4	112	95
Cash and cash equivalents: closing balance	8,489	7,417	10,025

(1) Dividends received from Daimler during the first half of 2011 (none were received in 2010).

(2) Cash flow does not include dividends received from listed companies.

(3) Dividends received from Daimler (€22 million), AB Volvo (€38 million) and Nissan (€84 million) paid during the first half of 2011 and dividends received from Nissan paid during the second half of 2010.

(4) Including the sales of AB Volvo Series B shares for €3,006 million in 2010.

(5) Through capital increases or capital reductions and acquisitions of additional investments in controlled companies.

2.2.6. Information by operating segment

A. Consolidated income statement by operating segment

(€ million)	Automotive	Sales financing	Intersegment transactions	Consolidated total
H1 2011				
External sales (note 4)	20,143	958	-	21,101
Intersegment sales	(137)	197	(60)	-
Sales by segment	20,006	1,155	(60)	21,101
Operating margin ⁽¹⁾	221	409	-	630
Operating income	363	409	-	772
Financial income ⁽²⁾	271	-	(352)	(81)
Share in net income (loss) of associates	555	2	-	557
Pre-tax income	1,189	411	(352)	1,248
Current and deferred taxes	145	(140)	-	5
Net income	1,334	271	(352)	1,253
H1 2010				
External sales	18,778	890	-	19,668
Intersegment sales	(144)	181	(37)	-
Sales by segment	18,634	1,071	(37)	19,668
Operating margin ⁽¹⁾	400	370	10	780
Operating income	339	370	9	718
Financial income ⁽²⁾	155	-	(401)	(246)
Share in net income (loss) of associates	532	(1)	-	531
Pre-tax income	1,026	369	(392)	1,003
Current and deferred taxes	(55)	(121)	(4)	(180)
Net income	971	248	(396)	823
YEAR 2010				
External sales	37,172	1,799	-	38,971
Intersegment sales	(283)	376	(93)	-
Sales by segment	36,889	2,175	(93)	38,971
Operating margin ⁽¹⁾	381	703	15	1,099
Operating income	(78)	698	15	635
Financial income ⁽²⁾	26	-	(402)	(376)
Gain on sale of AB Volvo Series B shares ⁽³⁾	2,000	-	-	2,000
Share in net income (loss) of associates	1,287	2	-	1,289
Pre-tax income	3,235	700	(387)	3,548
Current and deferred taxes	157	(211)	(4)	(58)
Net income	3,392	489	(391)	3,490

(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.

(3) The gain on the sale of AB Volvo Series B shares relates to an operation that took place in the second half-year of 2010.

Chapter 2

Financial results

B. Consolidated financial position by operating segment

Consolidated financial position by operating segment– June 30, 2011

ASSETS (€ million)	Automotive	Sales financing	Intersegment transactions	Consolidated total
NON-CURRENT ASSETS				
Property, plant and equipment and intangible assets	14,562	147	(10)	14,699
Investments in associates	13,824	35	-	13,859
Non-current financial assets – investments in non-controlled entities	3,308	-	(2,334)	974
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segment	370	-	-	370
Other non-current assets and deferred tax assets	1,479	152	(49)	1,582
Total non-current assets	33,543	334	(2,393)	31,484
CURRENT ASSETS				
Inventories	5,730	13	(2)	5,741
Customer receivables	1,782	20,746	(544)	21,984
Current financial assets	1,099	535	(604)	1,030
Other current assets and current tax assets	1,700	2,512	(2,173)	2,039
Cash and cash equivalents	7,119	1,558	(188)	8,489
Total current assets	17,430	25,364	(3,511)	39,283
TOTAL ASSETS	50,973	25,698	(5,904)	70,767
SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)				
	Automotive	Sales financing	Intersegment transactions	Consolidated total
SHAREHOLDERS' EQUITY	22,964	2,336	(2,220)	23,080
NON-CURRENT LIABILITIES				
Long-term provisions	2,082	145	-	2,227
Non-current financial liabilities	6,522	262	-	6,784
Other non-current liabilities and deferred tax liabilities	385	483	-	868
Total non-current liabilities	8,989	890	-	9,879
CURRENT LIABILITIES				
Short-term provisions	838	37	-	875
Current financial liabilities	3,287	-	(644)	2,643
Trade payables and Sales financing debts	7,215	21,685	(763)	28,137
Other current liabilities and current tax liabilities	7,680	750	(2,277)	6,153
Total current liabilities	19,020	22,472	(3,684)	37,808
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	50,973	25,698	(5,904)	70,767

Consolidated financial position by operating segment – December 31, 2010

ASSETS (€ million)	Automotive	Sales financing	Intersegment transactions	Consolidated total
NON-CURRENT ASSETS				
Property, plant and equipment and intangible assets	15,003	188	(10)	15,181
Investments in associates	14,165	34	-	14,199
Non-current financial assets – investments in non-controlled entities	3,359	-	(2,431)	928
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segment	800	-	-	800
Other non-current assets and deferred tax assets	1,044	145	(49)	1,140
Total non-current assets	34,371	367	(2,490)	32,248
CURRENT ASSETS				
Inventories	4,563	4	-	4,567
Customer receivables	1,414	19,642	(451)	20,605
Current financial assets	910	520	(631)	799
Other current assets and current tax assets	1,587	2,222	(1,946)	1,863
Cash and cash equivalents	8,814	1,342	(131)	10,025
Total current assets	17,288	23,730	(3,159)	37,859
TOTAL ASSETS	51,659	24,097	(5,649)	70,107
SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)				
SHAREHOLDERS' EQUITY	22,638	2,435	(2,316)	22,757
NON-CURRENT LIABILITIES				
Long-term provisions	2,127	116	-	2,243
Non-current financial liabilities	6,835	261	-	7,096
Other non-current liabilities and deferred tax liabilities	394	465	-	859
Total non-current liabilities	9,356	842	-	10,198
CURRENT LIABILITIES				
Short-term provisions	921	44	-	965
Current financial liabilities	5,124	-	(578)	4,546
Trade payables and Sales financing debts	6,407	20,058	(751)	25,714
Other current liabilities and current tax liabilities	7,213	718	(2,004)	5,927
Total current liabilities	19,665	20,820	(3,333)	37,152
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	51,659	24,097	(5,649)	70,107

Chapter 2

Financial results

C. Consolidated cash flows by operating segment

(€ million)	Automotive	Sales financing	Intersegment transactions	Consolidated total
H1 2011				
Net income	1,334	271	(352)	1,253
Cancellation of dividends received from unconsolidated listed investments ⁽¹⁾	(22)	-	-	(22)
Cancellation of income and expenses with no impact on cash				
- Depreciation, amortization and impairment	1,422	8	-	1,430
- Share in net income (loss) of associates	(555)	(2)	-	(557)
- Other income and expenses with no impact on cash	(511)	(4)	-	(515)
Cash flow ⁽²⁾	1,668	273	(352)	1,589
Dividends received from listed companies	144	-	-	144
Decrease (increase) in Sales financing receivables	-	(1,194)	41	(1,153)
Net change in Sales financing financial assets and debts	-	1,713	(64)	1,649
Change in capitalized leased vehicles	(90)	30	-	(60)
Decrease (increase) in working capital	(437)	(232)	34	(635)
CASH FLOWS FROM OPERATING ACTIVITIES	1,285	590	(341)	1,534
Purchases of intangible assets	(458)	-	-	(458)
Purchases of property, plant and equipment	(689)	(2)	-	(691)
Disposals of property, plant and equipment and intangible assets	127	-	-	127
Acquisitions and disposals of investment involving gain or loss of control, net of cash acquired/transferred	-	-	-	-
Acquisition of investments, net of disposals and other	(107)	(1)	-	(108)
Net decrease (increase) in other securities and loans of the Automotive segment	26	-	(7)	19
CASH FLOWS FROM INVESTING ACTIVITIES	(1,101)	(3)	(7)	(1,111)
Cash flows with shareholders	(145)	(361)	351	(155)
Net change in financial liabilities of the Automotive segment	(1,745)	-	(63)	(1,808)
CASH FLOWS FROM FINANCING ACTIVITIES	(1,890)	(361)	288	(1,963)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,706)	226	(60)	(1,540)

(1) Dividends received from Daimler.

(2) Cash flow does not include dividends received from listed companies.

Chapter 2

Financial results

(€ million)	Automotive	Sales financing	Intersegment transactions	Consolidated total
H1 2010				
Net income	971	248	(396)	823
Cancellation of dividends received from unconsolidated listed investments	-	-	-	-
Cancellation of income and expenses with no impact on cash				
- Depreciation, amortization and impairment	1,581	15	-	1,596
- Share in net income (loss) of associates	(532)	1	-	(531)
- Other income and expenses with no impact on cash	(56)	1	3	(52)
Cash flow ⁽¹⁾	1,964	265	(393)	1,836
Dividends received from listed companies	-	-	-	-
Decrease (increase) in Sales financing receivables	-	(381)	53	(328)
Net change in Sales financing financial assets and debts	-	(820)	(11)	(831)
Change in capitalized leased vehicles	(105)	21	-	(84)
Decrease (increase) in working capital	307	(150)	7	164
CASH FLOWS FROM OPERATING ACTIVITIES	2,166	(1,065)	(344)	757
Purchases of intangible assets	(346)	-	-	(346)
Purchases of property, plant and equipment	(468)	(2)	-	(470)
Disposals of property, plant and equipment and intangible assets	68	-	-	68
Acquisitions and disposals of investment involving gain or loss of control, net of cash acquired/transferred	7	-	-	7
Acquisition of investments, net of disposals and other	128	-	-	128
Net decrease (increase) in other securities and loans of the Automotive segment	(18)	-	(2)	(20)
CASH FLOWS FROM INVESTING ACTIVITIES	(629)	(2)	(2)	(633)
Cash flows with shareholders	24	(404)	401	21
Net change in financial liabilities of the Automotive segment	(797)	-	(66)	(863)
CASH FLOWS FROM FINANCING ACTIVITIES	(773)	(404)	335	(842)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	764	(1,471)	(11)	(718)

(1) Cash flow does not include dividends received from listed companies.

Chapter 2

Financial results

(€ million)	Automotive	Sales financing	Intersegment transactions	Consolidated total
YEAR 2010				
Net income	3,392	489	(391)	3,490
Cancellation of dividends received from unconsolidated listed investments	-	-	-	-
Cancellation of income and expenses with no impact on cash				
- Depreciation, amortization and impairment	3,045	24	-	3,069
- Share in net income (loss) of associates	(1,287)	(2)	-	(1,289)
- Other income and expenses with no impact on cash	(2,076)	(14)	3	(2,087)
Cash flow ⁽¹⁾	3,074	497	(388)	3,183
Dividends received from listed companies	88	-	-	88
Decrease (increase) in Sales financing receivables	-	(563)	(31)	(594)
Net change in Sales financing financial assets and debts	-	(867)	5	(862)
Change in capitalized leased vehicles	(155)	48	(2)	(109)
Decrease (increase) in working capital	395	(105)	(26)	264
CASH FLOWS FROM OPERATING ACTIVITIES	3,402	(990)	(442)	1,970
Purchases of intangible assets	(733)	(1)	-	(734)
Purchases of property, plant and equipment	(1,130)	(3)	-	(1,133)
Disposals of property, plant and equipment and intangible assets	219	-	-	219
Acquisitions and disposals of investment involving gain or loss of control, net of cash acquired/transferred	7	-	-	7
Acquisition of investments, net of disposals and other ⁽²⁾	3,075	-	-	3,075
Net decrease (increase) in other securities and loans of the Automotive segment	(30)	-	-	(30)
CASH FLOWS FROM INVESTING ACTIVITIES	1,408	(4)	-	1,404
Cash flows with shareholders	(12)	(407)	402	(17)
Net change in financial liabilities of the Automotive segment	(1,493)	-	43	(1,450)
CASH FLOWS FROM FINANCING ACTIVITIES	(1,505)	(407)	445	(1,467)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,305	(1,401)	3	1,907

(1) Cash flow does not include dividends received from listed companies.

(2) Including sale of AB Volvo Series B shares for €3,006 million during the second half-year of 2010.

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

I. Accounting policies and scope of consolidation	34
1. Approval of the financial statements.	34
2. Accounting policies	34
3. Changes in the scope of consolidation during the first half-year of 2011	34
II. Significant events	34
III. Income statement and comprehensive income	35
4. Revenues.	35
5. Research and development expenses.	35
6. Other operating income and expenses	36
7. Financial income	36
8. Current and deferred taxes.	36
9. Basic and diluted earnings per share	37
IV. Consolidated financial position	37
10. Intangible assets and property, plant and equipment	37
11. Investment in Nissan	38
12. Investments in other associates	40
13. Inventories.	41
14. Financial assets	41
15. Shareholders' equity	42
16. Provisions	42
17. Financial liabilities and sales financing debts	43
V. Cash flows and other information	45
18. Cash flows.	45
19. Related parties.	45
20. Off-balance sheet commitments and contingent assets and liabilities.	46
21. Subsequent events.	46

Chapter 2

Financial results

I. ACCOUNTING POLICIES AND SCOPE OF CONSOLIDATION

1. Approval of the financial statements

The Renault group's condensed consolidated financial statements at June 30, 2011 were authorized for issue at the Board of Directors' meeting of July 27, 2011.

2. Accounting policies

The consolidated financial statements at December 31, 2010 were prepared under the IFRS (International Financial Reporting Standards) issued by the IASB (International Accounting Standards Board) at December 31, 2010 and adopted by the European Union at the closing date.

The accounting policies used in preparing the consolidated half-year financial statements at June 30, 2011 are compliant with IAS 34 "Interim financial reporting". They do not contain all the information required for annual consolidated financial statements and should be read in conjunction with the financial statements at December 31, 2010. With the exception of the changes stated below, the accounting policies are identical to those applied in the consolidated financial statements at December 31, 2010.

The following standards, interpretations and amendments were already published in the Official Journal of the European Union at June 30, 2011 and are applied for the first time in these half-year financial statements:

STANDARD / INTERPRETATION

IAS 24 (revised)	Related party disclosures
Improvements to standards	Improvements to IFRSs 2010
Amendment to IAS 32	Financial instruments: presentation - Classification of rights issues
IFRIC 19	Extinguishing financial liabilities with equity instruments
Amendment to IFRIC 14	IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction - Prepayments of a minimum funding requirement

The first application of these standards, interpretations and amendments has no significant impact on the financial statements at June 30, 2011.

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

The main areas of the consolidated half-year financial statements involving estimates and judgements are the same as those described in note 2-B to the consolidated financial statements at December 31, 2010.

3. Changes in the scope of consolidation during the first half-year of 2011

The subsidiary Renault Beijing Automotive Company, which sells imported vehicles on Chinese territory, has been fully consolidated since January 1, 2011.

Fonderie de Bretagne has also been fully consolidated since January 1, 2011. This entity results from Renault's takeover of SBFM under a receivership procedure.

II. SIGNIFICANT EVENTS

Repayment of the loan from the French government

During the first half-year of 2011 the Group undertook early repayment of the outstanding balance of the loan received from French government in April 2009. An initial repayment of €1 billion took place in late February 2011, as reported in "Events since closing" in the Group's 2010 Registration Document. The final €1 billion instalment was repaid in late April 2011.

III. INCOME STATEMENT AND COMPREHENSIVE INCOME

4. Revenues

A. First-half 2010 revenues applying first-half 2011 Group structure and methods

(€ million)	Automotive	Sales financing	Total
First-half 2010 revenues as published	18,778	890	19,668
Changes in scope of consolidation and other	15	-	15
First-half 2010 revenues applying first-half 2011 Group structure and methods	18,793	890	19,683
First-half 2011 revenues	20,143	958	21,101

B. Breakdown of revenues

(€ million)	H1 2011	H1 2010	Year 2010
Sales of goods	19,270	17,976	35,528
Sales of services	1,141	1,041	2,126
Sales of goods and services	20,411	19,017	37,654
Income on customer financing	470	442	895
Income on leasing and similar operations	220	209	422
Sales financing revenues	690	651	1,317
Revenues	21,101	19,668	38,971

C. Breakdown of revenues by Region

(€ million)	H1 2011	H1 2010	Year 2010
Europe ⁽¹⁾	14,283	14,300	27,171
Euromed	1,676	1,334	2,996
Eurasia	780	440	1,044
Asia-Africa	2,070	1,857	3,869
Americas	2,292	1,737	3,891
Total revenues	21,101	19,668	38,971

(1) including France (€ million):

H1 2011	6,406
H1 2010	6,744
Year 2010	12,697

Consolidated revenues are presented by location of customers.

5. Research and development expenses

(€ million)	H1 2011	H1 2010	Year 2010
Research and development expenses	(1,026)	(862)	(1,728)
Capitalized development expenses	420	316	666
Amortization of capitalized development expenses	(415)	(427)	(772)
Total reported in income statement	(1,021)	(973)	(1,834)

Chapter 2

Financial results

6. Other operating income and expenses

(€ million)	H1 2011	H1 2010	Year 2010
Restructuring and workforce adjustment costs	37	(39)	(449)
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	-	33	39
Gains and losses on disposal of property, plant and equipment and intangible assets (except vehicle sales)	73	(6)	112
(Impairment) / Reversals of impairment on fixed assets	32	(50)	(159)
Other unusual items	-	-	(7)
Total	142	(62)	(464)

Restructuring costs include €51 million recovered from a provision for rental commitments on vacant premises, as detailed in note 16. Most other restructuring effects relate to workforce adjustment in Spain and Renault's participation in restructuring measures taken at certain distressed suppliers.

There were no disposals of businesses or operating entities during the first half of 2011. The gain on such disposals in 2010 mostly comprised the profit on sale of Nissan shares undertaken as part of the cooperation agreement with the Daimler group.

Most of the gain on disposal of property, plant and equipment and intangible assets (except vehicle sales) in both 2011 and 2010 results from sales of land and buildings in Europe and Korea.

During the first half of 2011, impairment previously recorded on intangible assets was reversed to reflect the improved prospects of cash flows associated with three vehicles in the range. Meanwhile, impairment was booked in respect of tangible assets relating to one vehicle in the range.

In 2010, impairment of fixed assets essentially concerned capitalized development expenses for two vehicles and one component in the range.

7. Financial income

The net interest expense for first-half 2011 amounting to €107 million (€237 million in first-half 2010) includes interest on the loans received from French government and the European Investment Bank during 2009 first half.

Other financial income includes dividends paid by Daimler in 2011, at their gross value of €30 million.

8. Current and deferred taxes

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

Breakdown of the tax charge

(€ million)	H1 2011	H1 2010
Income before taxes and share in net income of associates	691	472
Income tax rate applicable in France	34.43%	34.43%
Theoretical tax income (charge)	(238)	(163)
Effect of differences between statutory tax rates and French one	58	54
Tax credits	12	14
Distribution taxes	(32)	(54)
Change in unrecognized deferred tax assets	172	(76)
Other impacts ⁽¹⁾	33	45
Current and deferred tax income (charge)	5	(180)

(1) Other impacts are primarily the following: permanent differences, income subject to reduced tax rates, the cost of tax reassessments, and prior year adjustments.

During the first half-year of 2011, as in the second half-year of 2010, 2011/2016 plan forecast results led the Group to recognize some of the net deferred tax assets of the French tax group. The amount involved was partly transferred to income and partly to consolidated reserves, depending on

the origins of the taxes concerned. Amount transferred to income accounts for most of the income reported under "Change in unrecognized deferred tax assets" for the first half-year of 2011.

After adjustment for the partial recognition of French tax group deferred taxes, the Renault group's effective tax rate (before the share in net income of associates) is 22% at

June 30, 2011, mainly as a result of favourable differences between local rates and French rates, and ongoing improvement in earnings prospects for Argentina and Brazil.

9. Basic and diluted earnings per share

(In thousands of shares)	H1 2011	H1 2010	Year 2010
Shares in circulation	295,722	288,532	292,127
Treasury shares	(3,768)	(3,981)	(3,438)
Shares held by Nissan x Renault's share in Nissan	(19,420)	(19,850)	(19,397)
Number of shares used to calculate basic earnings per share	272,534	264,701	269,292

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

(In thousands of shares)	H1 2011	H1 2010	Year 2010
Number of shares used to calculate basic earnings per share	272,534	264,701	269,292
Number of dilutive <i>stock</i> options and free share attribution rights	784	-	-
Number of shares used to calculate diluted earnings per share	273,318	264,701	269,292

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

The free share attribution plans introduced in the first half of 2011 have a dilutive effect, since their exercise price is lower than the average Renault share price calculated over the reference period.

In 2010, the stock options and free share attribution rights had no dilutive effect in view of the average Renault share price over the period.

IV. CONSOLIDATED FINANCIAL POSITION

10. Intangible assets and property, plant and equipment

In the Automotive segment, a review of the essential assumptions underlying the impairment tests applied to cash-generating units (excluding vehicle-specific assets) at December 31, 2010 shows that they have not fundamentally changed. The Group has not therefore repeated the detailed tests carried out at 2010 year-end.

37

A. Intangible assets

(€ million)	Gross value	Amortization and impairment	Net value
Value at December 31, 2010	7,792	(4,115)	3,677
Acquisitions / (amortization and impairment) ⁽¹⁾	447	(359)	88
(Disposals) / reversals	(84)	84	-
Translation adjustment	(12)	6	(6)
Change in scope of consolidation and other	-	-	-
Value at June 30, 2011	8,143	(4,384)	3,759

(1) Including €88 million of reversal of impairment loss on capitalized development expenses – see note 6.

Chapter 2

Financial results

B. Property, plant and equipment

(€ million)	Gross value	Depreciation and impairment	Net value
Value at December 31, 2010	32,246	(20,742)	11,504
Acquisitions / (depreciation and impairment) ^{(1) (2)}	940	(1,071)	(131)
(Disposals)/ reversals	(711)	340	(371)
Translation adjustment	(103)	59	(44)
Change in scope of consolidation and other	(7)	(11)	(18)
Value at June 30, 2011	32,365	(21,425)	10,940

(1) including €(56) million of impairment loss on tangible assets – see note 6.

(2) including €579 million of acquisitions other than purchases of leased vehicles – see note 18-C.

11. Investment in Nissan

A. 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 held 0.9% of its own shares at June 30, 2011, (unchanged from December 31, 2010), and Renault's percentage interest in Nissan was 43.8% (unchanged from December 31, 2010).

B. Changes in Renault's investment in Nissan

(€ million)	Share in net assets			Net goodwill	Total
	Before neutralization	Neutralization of Nissan's investment in Renault ⁽¹⁾	Net		
At December 31, 2010	13,442	(975)	12,467	878	13,345
First-half 2011 net income	441	-	441	-	441
Dividend distributed	(84)	-	(84)	-	(84)
Translation adjustment	(784)	-	(784)	(57)	(841)
Other changes ⁽²⁾	29	-	29	-	29
At June 30, 2011	13,044	(975)	12,069	821	12,890

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

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

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

(in billions of yen)	Dec. 31, 2010	Net income for first-half 2011	Dividends	Translation adjustment	Other changes (1)	June 30, 2011
Shareholders' equity – Nissan share under Japanese GAAP	2,858	116	(21)	37	9	2,999
Restatements for Renault group requirements:						
Restatement of fixed assets	352	(4)	-	-	-	348
Provision for pension and other long-term employee benefit obligations (2)	(174)	11	-	1	(4)	(166)
Capitalization of development expenses	540	(10)	-	1	-	531
Deferred taxes and other restatements (3)	(239)	4	(1)	(13)	1	(248)
Net assets restated for Renault group requirements	3,337	117	(22)	26	6	3,464

(€ million)						
Net assets restated for Renault group requirements	30,704	1,008	(189)	(1,788)	63	29,798
Renault's share (before neutralization described below)	43.8%					43.8%
	13,442	441	(84)	(784)	29	13,044
Neutralization of Nissan's investment in Renault (4)	(975)	-	-	-	-	(975)
Renault's share in the net assets of Nissan	12,467	441	(84)	(784)	29	12,069

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

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

(3) Including elimination of Nissan's investment in Renault, consolidated under equity method.

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

D. Nissan net income under Japanese GAAP

Since Nissan's financial year ends at March 31, the Nissan net income included in the first-half 2011 Renault consolidation is the sum of Nissan's net income for the last quarter of its 2010 financial year and the first quarter of its 2011 financial year.

	January to March 2011		April to June 2011		January to June 2011	
	Last quarter of Nissan's 2010 financial year		First quarter of Nissan's 2011 financial year		Reference period for Renault's first-half 2011 consolidated financial statements	
	in billions of yen	€ million (1)	in billions of yen	€ million (1)	in billions of yen	€ million (1)
Net income – Nissan share	31	274	85	723	116	997

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

E. Impacts of the Japanese earthquake and tsunami on Nissan's contribution for the first half-year of 2011

Nissan describes the impacts of the earthquake and tsunami in Japan in its official publications for the financial year ended March 31, 2011 and the first quarter of its 2011/2012 financial year.

F. Renault - Nissan cooperation

The main joint operations begun during first-half 2011 were as follows:

- assembly of the Fluence at the Chennai plant in India;
- sale of engines and gearboxes produced by Renault's factories in South America for assembly on the Nissan March vehicle manufactured in Mexico.

Total sales by Renault to Nissan and purchases by Renault from Nissan during the first half of 2011 amounted to an estimated €1,040 million and €960 million respectively. The increase compared to first-half 2010 (€740 million and €570 million respectively) is principally due to higher volumes.

During first-half 2011, the RCI consolidated subgroup recorded €57 million of commission and interest income received from Nissan.

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

Based on the market price of Nissan stock at June 30, 2011 (842 yen per share), Renault's investment in Nissan is valued at €14,211 million (€13,959 million at December 31, 2010 based on the market price of 773 yen per share at that date).

Chapter 2

Financial results

12. Investments in other associates

Details of other investments in other associates are as follows:

- Balance sheet value: €969 million at June 30, 2011 (€854 million at December 31, 2010),

A. AB Volvo

A1. Changes in Renault's investment in AB Volvo

(€ million)	Share in net assets	Net goodwill	Total
At December 31, 2010	505	13	518
First-half 2011 net income	70	-	70
Dividend distributed	(38)	-	(38)
Acquisition of AB Volvo treasury shares	-	-	-
Translation adjustment and revaluation of financial instruments	(21)	-	(21)
At June 30, 2011	516	13	529

AB Volvo's share capital comprises two types of shares, Series A and Series B shares. Series B shares carry only one tenth of the voting rights. After the disposal of shares in October 2010, the Renault group now holds only Series A shares. At the request of certain shareholders, in first-half 2011 AB Volvo converted 4,980,000 Series A shares into Series B shares. This had no material impact on the Group's level of control in AB Volvo, which stands at 17.6% at June 30, 2011 compared to 17.5% at December 31, 2010.

- Renault's share in the net income of other associates: €116 million for first-half 2011 (€71 million for first-half 2010 and €205 million for the year 2010).

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

Renault's percentage interest in AB Volvo is 6.8%, unchanged from December 31, 2010.

Based on AB Volvo's stock market share price of SEK 110.30 per A share at June 30, 2011, Renault's investment in AB Volvo is valued at €1,666 million (€1,778 million at December 31, 2010 based on a price of SEK 115.00 per Series A share).

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

(€ million)	Dec. 31, 2010	Net income	Dividends	Other changes	June 30, 2011
Shareholders' equity – AB Volvo parent company shareholders' share	8,155	1,029	(558)	(334)	8,292
Restatements for Renault group requirements	(770)	1	-	26	(743)
Net assets restated for Renault group requirements	7,385	1,030	(558)	(308)	7,549
Renault's share in the net assets of AB Volvo	505	70	(38)	(21)	516

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

A3. Renault - AB Volvo cooperation

There were no significant joint operations by the Renault group and the AB Volvo group during first-half 2011.

B. AvtoVAZ

AvtoVAZ's financial year-end is December 31. For the purposes of the Renault consolidation, given the existing time constraints for production of financial information, the accounts of AvtoVAZ are consolidated with a 3-month time-lag. Consequently, the AvtoVAZ net income included in Renault's half-year consolidated financial statements at June 30, 2011 is the sum of AvtoVAZ's net income for the final quarter of its 2010 financial year and the first quarter of its 2011 financial year.

B1. Changes in Renault's investment in AvtoVAZ

(€ million)	Share in net assets
At September 30, 2010	91
Net income for the period October 1, 2010 – March 31, 2011	37
Capital increase	82
Acquisitions of AvtoVAZ treasury shares	-
Translation adjustment	(1)
At March 31, 2011	209

In application of the restructuring and recapitalization agreement signed in July 2010 by the shareholders of AvtoVAZ (Renault, Russian Technologies and Troika Dialog), Renault participated in two capital increases that took place during the first half of 2011 for the amount of €82 million. Renault retains its 25% investment plus one share in AvtoVAZ after these operations.

Although the accounts of AvtoVAZ are consolidated with a 3-month time-lag, to avoid any mismatch between the Renault group's investments and the value of the AvtoVAZ group as reported in its accounts, the total value of this capital increase has been integrated for Renault consolidation

purpose, including capital increase operation that took place in June 2011 (€16 million).

At June 30, 2011, the stock market valuation (€360 million) is higher than the value of AvtoVAZ in Renault's financial statements (€209 million).

B2. Renault - AvtoVAZ cooperation

Under the restructuring agreement, the Renault group provides technical manufacturing assistance for new models on a new production line dedicated to the platform for Renault's Entry-level range.

13. Inventories

(€ million)	June 30, 2011	Dec. 31, 2010
Raw materials and supplies	1,217	1,058
Work-in-progress	325	263
Finished products	4,199	3,246
Inventories, net	5,741	4,567
<i>Inventories, gross⁽¹⁾</i>	6,232	5,049
<i>Impairment⁽²⁾</i>	(491)	(482)

(1) Including gross value of used vehicles: €1,238 million at June 30, 2011 (€1,005 million at December 31, 2010).

(2) Including impairment on used vehicles: €116 million at June 30, 2011 (€143 million at December 31, 2010).

14. Financial assets

Breakdown of financial assets by nature

(€ million)	June 30, 2011			December 31, 2010		
	Non-current	Current	Total	Non-current	Current	Total
Investments in non-controlled entities	974	-	974	928	-	928
Other securities	-	56	56	-	56	56
Loans	86	502	588	89	485	574
Derivative assets on financing operations by the Automotive segment	284	472	756	711	258	969
Total	1,344	1,030	2,374	1,728	799	2,527
<i>Gross value</i>	1,345	1,041	2,386	1,729	811	2,540
<i>Impairment</i>	(1)	(11)	(12)	(1)	(12)	(13)

Chapter 2

Financial results

Investments in non-controlled entities essentially correspond to Daimler shares acquired in 2010 in connection with the strategic partnership. These shares are classified as financial assets available for sale, and their fair value is based on market price at June 30, 2011. Corresponding changes, amounting to €19 million for the first half-year of 2011, are included in other components of comprehensive income.

Investments in non-controlled entities at June 30, 2011 also include €82 million paid to the Modernization Fund for Automotive Equipment Suppliers (*Fonds de Modernisation des Équipementiers Automobiles – FMEA*). As part of the plan introduced by the French authorities and automakers to support automotive equipment suppliers, Renault has undertaken a commitment to pay this Fund a total of €200 million as funds are called.

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

15. Shareholders' equity

A. Share capital

The total number of ordinary shares issued and fully paid-up at June 30, 2011 was 295,722 thousand, with par value of

€3.81 per share (the par value is unchanged from December 31, 2010).

Treasury shares do not bear dividends. They accounted for 1.4% of Renault's share capital at June 30, 2011 (0.98% at December 31, 2010).

B. Distributions

At the General and Extraordinary Shareholders' Meeting of April 29, 2011, it was decided to pay a dividend of €0.30 per share, i.e. €88 million (no dividends were distributed in 2010). This dividend was paid out in May.

C. Stock option and free share attribution plans

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

During first-half 2011, four new stock option/free share plans were introduced. All plans introduced since 2006 include performance conditions which determine the number of options or free shares granted to beneficiaries.

Changes in the number of stock options held by personnel

	Quantity	Weighted average exercise price (€)	Weighted average share price at grant / exercise dates (€)
Outstanding at January 1, 2011	10,387,702	68	-
Granted	666,000	39	37
Exercised	-	-	-
Expired	(81,749)	70	-
Outstanding at June 30, 2011	10,971,953	66	-

16. Provisions

A. Breakdown of provisions by nature

(€ million)	June 30, 2011	Dec. 31, 2010
Provisions for pension and other long-term employee benefit obligations	1,258	1,246
Other provisions (note 16-B)	1,844	1,962
Total provisions	3,102	3,208
<i>Provisions – long-term</i>	<i>2,227</i>	<i>2,243</i>
<i>Provisions – short-term</i>	<i>875</i>	<i>965</i>

B. Changes in other provisions

(€ million)	Restructuring provisions	Warranty provisions	Tax risks and litigation provisions	Other provisions	Total
At December 31, 2010	595	728	311	328	1,962
Increases	10	233	25	72	340
Reversals of provisions for application	(38)	(193)	(23)	(22)	(276)
Reversals of unused balance of provisions	(53)	(71)	(16)	(41)	(181)
Changes in scope of consolidation	-	-	-	6	6
Translation adjustments and other changes	1	(4)	(3)	(1)	(7)
At June 30, 2011	515	693	294	342	1,844

At June 30, 2011, reversals of unused balances of provisions for restructuring mainly result from changes in the assumptions used in 2009 when the Group initiated a plan to reorganize its establishments in the Paris area. Rental commitments for periods in which premises would have been vacant, have been reduced after the Group has decided to postpone the transfer of certain employees to the Guyancourt site.

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. The Group was not involved in any significant new litigation during the first half of 2011.

17. Financial liabilities and sales financing debts

(€ million)	June 30, 2011			December 31, 2010		
	Non-current	Current	Total	Non-current	Current	Total
Renault SA redeemable shares	286	-	286	262	-	262
Bonds	4,086	997	5,083	4,180	968	5,148
Other debts represented by a certificate	-	332	332	-	416	416
Borrowings from credit institutions (at amortized cost)	1,195	834	2,029	1,142	749	1,891
Borrowings from credit institutions (at fair value)	222	-	222	223	-	223
Other interest-bearing borrowings	462	75	537	425	2,165	2,590
Derivative liabilities on financing operations of the Automotive segment	271	405	676	602	248	850
Total financial liabilities of the Automotive segment	6,522	2,643	9,165	6,834	4,546	11,380
DIAC redeemable shares	11	-	11	11	-	11
Bonds	-	10,175	10,175	-	7,808	7,808
Other debts represented by a certificate	251	7,709	7,960	251	7,315	7,566
Borrowings from credit institutions	-	2,885	2,885	-	4,007	4,007
Other interest-bearing borrowings	-	104	104	-	99	99
Derivative liabilities on financing operations of the Sales financing segment	-	88	88	-	137	137
Total financial liabilities and sales financing debts of the Sales financing segment	262	20,961	21,223	262	19,366	19,628
TOTAL FINANCIAL LIABILITIES AND SALES FINANCING DEBTS	6,784	23,604	30,388	7,096	23,912	31,008

Chapter 2

Financial results

Redeemable shares of Renault SA

These shares are listed on the Paris Stock Exchange, and traded for €328 at December 31, 2010 and €359 at June 30, 2011 for par value of €153, leading to a corresponding €17 million increase to the fair value of redeemable shares recorded in other financial expenses.

Changes in bonds issued by the Automotive segment

During the first half of 2011, Renault SA redeemed two Samurai bonds on the Japanese market and one bond that was part of an EMTN scheme, issued between June 2004 and January 2008, for a total amount of €461 million, and issued two bonds maturing between 2014 and 2016 with a total value of €560 million.

€3 billion loan from the French government in 2009

As reported in “Significant events”, the Group undertook early repayment of the €3 billion loan received from the French government in April 2009.

Financing operations by the Sales financing segment

During the first half of 2011, RCI Banque redeemed bonds for a total value of €996 million, and issued new bonds maturing between 2012 and 2016 with a total value of €3,315 million.

At June 30, 2011, RCI Banque had provided guarantees of €2,539 million (€2,832 million at December 31, 2010) to the European Central Bank: €2,431 million in the form

of shares in securitization vehicles and €108 million in Sales financing receivables (€2,749 million and €83 million respectively at December 31, 2010). This liquidity reserve is unused at June 30, 2011 (€450 million was used at December 31, 2010).

At June 30, 2011, RCI Banque also provided guarantees to the *Société de Financement de l'Économie Française* (SFEF) in the form of receivables with book value of €1,340 million (€1,658 million at December 31, 2010), as collateral for refinancing of €807 million (€824 million at December 31, 2010).

Credit lines

At June 30, 2011, Renault SA's confirmed credit lines opened with banks amounted to the equivalent of €4,015 million in various currencies (unchanged from December 31, 2010). The short-term portion amounted to €905 million at June 30, 2011 (€755 million at December 31, 2010). These credit lines are unused at June 30, 2011 (and at December 31, 2010).

Also at June 30, 2011, RCI Banque's confirmed credit lines opened with banks amounted to the equivalent of €4,612 million in various currencies (€4,570 million at December 31, 2010). At June 30, 2011, the short-term portion amounted to €1,515 million (€1,377 million at December 31, 2010). These credit lines were unused at June 30, 2011 (used to the extent of €3 million at December 31, 2010).

V. CASH FLOWS AND OTHER INFORMATION

18. Cash flows

A. Other income and expenses with no impact on cash

(€ million)	H1 2011	H1 2010	Year 2010
Net allocation to provisions	(170)	(13)	420
Net effects of sales financing credit losses	(50)	(24)	(88)
Net (gain) loss on asset disposals ⁽¹⁾	(72)	(32)	(2,146)
Change in fair value of redeemable shares	17	2	31
Change in fair value of other financial instruments	(21)	(3)	(29)
Deferred taxes	(215)	19	(282)
Other	(4)	(1)	7
Other income and expenses with no impact on cash	(515)	(52)	(2,087)

(1) Including the €2,000 million gain on sale of the AB Volvo Series B shares during the second half-year of 2010

B. Change in working capital

(€ million)	H1 2011	H1 2010	Year 2010
Decrease (increase) in net inventories	(1,176)	(725)	(587)
Decrease (increase) in Automotive net receivables	(357)	(468)	(200)
Decrease (increase) in other assets	(301)	(76)	(21)
Increase (decrease) in trade payables	797	727	344
Increase (decrease) in other liabilities	402	706	728
Increase (decrease) in working capital	(635)	164	264

C. Capital expenditure

(€ million)	H1 2011	H1 2010	Year 2010
Purchases of intangible assets (note 10)	(458)	(346)	(734)
Purchases of property, plant and equipment other than leased vehicles (note 10)	(579)	(334)	(1,134)
Total purchases for the period	(1,037)	(680)	(1,868)
Deferred payments	(112)	(136)	1
Total capital expenditure	(1,149)	(816)	(1,867)

19. Related parties

A. Remuneration of Directors and Executives and Executive Committee members

There was no significant change during the first half of 2011 in the principles for consideration and related benefits of Directors and Executives and Executive Committee members, apart from the special measures announced during the governance crisis. At its extraordinary meeting of

March 14, 2011, the Board of Directors ratified the proposal by Carlos Ghosn and some members of the Executive Committee to renounce to their performance-related remuneration earned for 2010 and all stock options for 2011.

B. Renault's investments in associates

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

Chapter 2

Financial results

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

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

A. Off-balance sheet commitments given and contingent liabilities

The Group is committed for the following amounts:

(€ million)	June 30, 2011	Dec. 31, 2010
Other guarantees given	290	317
Financing commitments in favor of customers ⁽¹⁾	1,892	2,004
Firm investment orders	1,051	610
Lease commitments	248	219
Assets pledged or mortgaged and other commitments ⁽²⁾	123	136

(1) Commitments by the Sales financing segment in favor of customers 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.

B. Off-balance sheet commitments received and contingent assets

(€ million)	June 30, 2011	Dec. 31, 2010
Other guarantees received ⁽¹⁾	3,082	2,782
Assets pledged or mortgaged ⁽²⁾	1,655	1,361
Other commitments	132	136

(1) Including €1,684 million at June 30, 2011 (€1,499 million at December 31, 2010) for commitments received by the Sales financing segment for sale to a third party of rental vehicles at the end of the rental contract.

(2) The Sales financing segment receives guarantees from its customers in the course of sales financing for new or used vehicles. Guarantees received from customers amount to €1,635 million at June 30, 2011 (€1,336 million at December 31, 2010).

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

21. Subsequent events

No significant events have occurred since June 30, 2011.

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For the period January 1, 2011 to June 30, 2011

Statutory auditors' review report on the first half 2011 financial information

This is a free translation into English of the Statutory Auditors' review report on the half-yearly consolidated financial statements issued in French and is provided solely for the convenience of English speaking readers. This report also includes information relating to the specific verification of information given in the Group's interim management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Renault, for the period from January 1, 2011 to June 30, 2011,
- the verification of the information contained in the interim management report.

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

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists in making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that the financial statements, taken as a whole, are free from material misstatements, as we would not become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

2. Specific verification

We have also verified the information provided in the interim management report in respect of the condensed half-yearly consolidated financial statements that were the object of our review. We have no matters to report on the fairness and consistency of this information with the condensed half-yearly consolidated financial statements.

Paris-La Défense and Neuilly-sur-Seine, July 28, 2011

The Statutory Auditors
French original signed by

ERNST & YOUNG Audit

Jean-François Bélorgey

Aymeric De La Morandière

DELOITTE & ASSOCIES

Thierry Benoit

Antoine De Riedmatten

Chapter 3

Financial Information on the Alliance

49

Chapter 3 Financial Information on the Alliance

The purpose of the financial data in this section is twofold: to broadly quantify the economic significance of the Renault-Nissan Alliance through key performance indicators, and to make it easier to compare the assets and liabilities of the two Groups. The data of both Groups comply with the accounting standards applied by Renault in 2011.

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

Information concerning Renault is based on the consolidated figures released at June 30, 2011, while the information concerning Nissan is based on the restated consolidated figures prepared for the purposes of the Renault consolidation, covering the period from January 1 to June 30, 2011 whereas Nissan's financial year-end is March 31.

KEY PERFORMANCE INDICATORS

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

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

REVENUES OF 2011 FIRST HALF-YEAR

(€ million)	Renault	Nissan ⁽¹⁾	Intercompany eliminations	Alliance
Sales of goods and services	20,411	36,153	(1,751)	54,813
Sales financing revenues	690	2,104	(57)	2,737
Revenues	21,101	38,257	(1,808)	57,550

(1) Converted at the average exchange rate for 2011 first half-year: EUR 1 = JPY 115.0.

The Alliance's intercompany business mainly consists of commercial transactions between Renault and Nissan. Those items have been eliminated to produce the revenue indicator. Their value is estimated on the basis of Renault's 2011 results.

The **operating margin**, the **operating income** and the **net income** of the Alliance in 2011 first half-year are as follows:

(€ million)	Operating margin	Operating income	Net income ⁽²⁾
Renault	630	772	812
Nissan ⁽¹⁾	1,938	1,423	1,120
Alliance	2,568	2,195	1,932

(1) Converted at the average exchange rate for 2011 first half-year: EUR 1 = JPY 115.0.

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

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

For the Alliance, the operating margin is equivalent to 4,5% of revenues.

In 2011 first half-year, the Alliance's research and development expenses, after capitalization and amortization, are as follows:

(€ million)	
Renault	1,021
Nissan	1,619
Alliance	2,640

Financial Information on the Alliance

Chapter 3

BALANCE SHEET INDICATORS

CONDENSED RENAULT AND NISSAN BALANCE SHEETS

RENAULT AT JUNE 30, 2011

ASSETS (€ million)	
Intangible assets	3,759
Property, plant and equipment	10,940
Investments in associates (excluding Alliance)	969
Deferred tax assets	1,013
Inventories	5,741
Sales financing receivables	20,339
Automotive receivables	1,645
Other assets	4,982
Cash and cash equivalents	8,489
Total assets excluding investment in Nissan	57,877
Investment in Nissan	12,890

TOTAL ASSETS **70,767**

SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)	
Shareholders' equity	23,080
Deferred tax liabilities	145
Provisions for pension and other long-term employee benefit obligations	1,258
Financial liabilities of the Automotive division	9,165
Financial liabilities of the Sales financing division and sales financing debts	21,223
Other liabilities	15,896

TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES **70,767**

NISSAN AT JUNE 30, 2011⁽¹⁾

ASSETS (€ million)	
Intangible assets	5,887
Property, plant and equipment	33,354
Investments in associates (excluding Alliance)	195
Deferred tax assets	1,208
Inventories	9,140
Sales financing receivables	24,397
Automotive receivables	5,927
Other assets	7,810
Cash and cash equivalents	8,200
Total assets excluding investment in Renault	96,118
Investment in Renault	1,835

TOTAL ASSETS **97,953**

SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)	
Shareholders' equity	32,438
Deferred tax liabilities	4,575
Provisions for pension and other long-term employee benefit obligations	2,958
Financial liabilities of the Automotive division	5,349
Financial liabilities of the Sales financing division and sales financing debts	29,210
Other liabilities	23,423

TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES **97,953**

(1) Converted at the closing rate at June 30, 2011: EUR 1 = JPY 116.3.

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

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

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

Purchases of property, plant and equipment by both Alliance groups for 2011 first half-year, excluding leased vehicles, amount to:

(€ million)	
Renault	691
Nissan	1,558
Alliance	2,249

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

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



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