

ANNUAL FINANCIAL REPORT 2011



DRIVE THE CHANGE



ANNUAL FINANCIAL REPORT - 2011

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KEY FIGURES

		2011	2010	Change
Worldwide Group sales	million units	2.72	2.63	+3.6%
Group revenues	€ million	42,628	38,971	+9.4%
Group operating margin	€ million	1,091	1,099	-8
	% of revenues	+2.6%	+2.8%	-0.2 pt
Contribution from associated companies	€ million	1,524	1,289	+235
<i>o/w Nissan</i>		1,332	1,084	+248
<i>o/w AB Volvo</i>		136	214	-78
<i>o/w AvtoVAZ</i>		49	-21	+70
Net income	€ million	2,139	3,490	-1,351
Net income, Group share	€ million	2,092	3,420	-1,328
Earnings per share	€	7.68	12.7	-5.02
Operational free cash flow ⁽¹⁾	€ million	1,084	1,670	-586
Automotive net financial debt	€ million	299	1,435	-1,136
Debt-to-equity ratio	%	1.2%	6.3%	-5.1 pts
Sales Financing average loans outstanding	€ billion	22.8	21.0	+8.8%

OVERVIEW

In 2011 the Renault group sold a record 2.7 million vehicles (+3.6%) and took 3.6% of the global passenger car and light commercial vehicle (PC + LCV) market. The Renault brand drove the growth with a 6.8% increase in worldwide sales.

The pace of international sales growth picked up further in 2011. At 1.2 million units, the Group's international sales accounted for 43% of the mix, compared with 37% in 2010.

Growth was especially pronounced in two key Regions for Renault's future expansion: Eurasia (+60.1%) and the Americas (+25.2%).

The Group reported **revenues** of €42,628 million, up 9.4% on 2010.

The Group's **operating margin** came to €1,091 million in 2011, or 2.6% of revenues, compared with €1,099 million and 2.8% of revenues in 2010.

Automotive operating margin amounted to €330 million (0.8% of revenues), compared with €396 million (1.1% of revenues) in 2010. A positive €455 million impact from volumes and €500 million in cost structure improvements under the *monozukuri* plan were unable to completely offset negative factors, mainly external, such as the exchange rate effect (€199 million), the mix/price impact (€245 million) and higher raw materials costs (€509 million).

Supply issues resulting from the tsunami in Japan had an estimated negative impact of €200 million on Automotive's operating margin in 2011. The problems primarily affected production, marketing offers and logistics.

Sales Financing contributed a record €761 million to the Group's operating margin. The €58 million rise was achieved through increased loans outstanding and the historically low cost of risk.

After recognizing an income of €153 million in other operating income and expenses, the Group reported **operating profit** of €1,244 million, compared with €635 million in 2010.

(1) Operational free cash flow: cash flow (excluding dividends received from listed companies) minus tangible and intangible investments net of disposals +/- change in working capital requirement.

IN BRIEF

Renault's share in **associated companies**, mainly Nissan, AB Volvo and AvtoVAZ, generated income of €1,524 million in 2011.

Net income amounted to €2,139 million, and net income, Group share, was €2,092 million.

Automotive generated **operational free cash flow** of €1,084 million, beating the target set in 2011. This was achieved by maintaining operating earnings despite a series of crises (supply constraints, sovereign debt) and by actively managing the working capital requirement and investments in an uncertain economic environment.

These performances helped reduce Automotive's **net financial debt** for the third year running. Net debt was cut by €1,136 million to the record low of €299 million at December 31, 2011. In 2011 the Group pursued a policy of reducing Automotive's gross debt through early repayment of the €2 billion remaining on the loan from the French government. At the same time the Group maintained Automotive's substantial **liquidity reserve** at €11.4 billion, compared with €12.8 billion in 2010. The debt-to-equity ratio stood at 1.2% at end-2011, compared with 6.3% at end-2010.

2012 OUTLOOK

The global automotive market (PC + LCV) is expected to grow 4% year on year in 2012. Trends will remain contrasted, with markets outside Europe continuing to grow, especially Brazil (5%) and Russia (8%). With the economic environment remaining highly uncertain, the European market is expected to contract by 3% to 4%, including a decrease of 7% to 8% in France. Backed by the momentum of international growth, major launches (including Lodgy, Clio IV and Zoé), a new range of Energy engines and the introduction of the new design identity, Renault will continue to grow sales, in line with the objectives in the Renault 2016 – Drive the Change plan.

The Group targets positive Automotive operational free cash flow in 2012, with a ratio of capital expenditures and R&D below 9% of Group revenues.

OVERVIEW

AUTOMOTIVE

- The Renault group set a new sales record in 2011 with 2.7 million vehicles (+3.6%) for global PC+LCV market share of 3.6%.
- International sales gathered pace over the year, accounting for 43.1% of the mix, or 1.2 million vehicles, compared with 37.0% in 2010. The increase was particularly strong in two Regions that are key to Renault's future development: Eurasia (+60.1%) and the Americas (+25.2%).
- The Renault brand is the driving force behind this growth, with a 6.8% increase in sales worldwide. Outside Europe, the Renault brand increases by 32.1%. In Europe, it remains the No. 2 PC+LCV brand, with 8.6% of the market. The Renault brand remains No. 1 in the European LCV market, a position it has held since 1998, with market share of 15.6%.
- Dacia sales dipped by 1.8% in 2011. The success of Duster partly offset lower sales of Sandero and Logan in Europe, where the brand maintains market share of 1.6%.
- In South Korea, in fiercely competitive market conditions, the sales of the Renault Samsung Motors brand fell by 27.0%.
- Renault has set its sights on the future with the launch at end-2011 of two Zero Emission vehicles: Fluence Z.E. and Kangoo Z.E. This electric van was recently named "International Van of the Year 2012", and has been chosen by 19 leading French firms (15,600 vehicles).

THE RENAULT GROUP'S TOP 15 MARKETS

SALES EXCL. LADA	Sales volumes 2011* (units)	PC+LCV market share 2011 (%)	Change in market share on 2010 (points)
1 France	689,022	26.1	-1.7
2 Brazil	194,300	5.7	0.9
3 Germany	181,176	5.3	-0.2
4 Russia	154,734	5.8	0.7
5 Turkey	140,827	16.3	1.3
6 Italy	122,920	6.4	-0.2
7 South Korea	109,221	7.0	-3.1
8 Argentina	106,040	13.0	-0.0
9 Spain	99,092	10.8	-0.5
10 Iran	93,578	5.9	2.8
11 Belgium+Luxembourg	92,438	13.4	-0.5
12 United Kingdom	88,540	4.0	-1.0
13 Algeria	75,042	25.3	-2.8
14 Netherlands	56,525	9.2	0.7
15 Colombia	46,820	15.7	-0.2

* Preliminary figures.

SALES PERFORMANCE

OVERVIEW

EUROPE

In Europe, where the PC+LCV market contracted by 0.5%, Group sales fell by 5.7%. Renault maintained its position as Europe's second-ranked brand.

- In **France**, the Group sold 689,022 vehicles, down 7.5% on 2010. After difficulties in the first half of the year, linked to supply issues, notably after the tsunami, deliveries increased from the end of the third-quarter on the back of a strong order book, enabling the Group to post excellent results for the last part of the year and to stabilize its market share for 2011 as a whole to 26.1% (-1.8 points).
- In **Germany**, Group sales rose by 5.7% to 181,176 units, in a market that expanded by 9.4%.
- In strongly falling markets, such as **Spain** (-16.9%) and **Italy** (-10.4%), the Group focused on retail sales channels. It saw market share fall in both countries, with sales down by 20.6% and 13.5% respectively.
- In the **UK**, where the market contracted by 2.4%, Group sales were hit, mainly by the depreciation of the pound, falling by 21.9%.

OUTSIDE EUROPE

Outside Europe, the Group demonstrated its growth potential and reported a faster pace of global expansion with 1.2 million vehicles sold, a rise of 19.2% on 2010. The share of Renault group vehicles sold outside Europe increased by 6 points to 43% of sales, compared with 37% in 2010.

Of the Group's five largest markets, three were outside Europe (Brazil, Russia, Turkey) in 2011. The Group reported record sales in the Regions outside Europe.

- Americas: **Brazil** is now the Group's second biggest market, rising one place on 2010. The Group increased its sales by 21.2%, in a market that grew by 2.9%, reflecting the success enjoyed by Renault products in this Region (Sandero phase 2, launched in spring 2011, was developed exclusively for these markets). The Group had market share of 5.7%, a rise of 0.9 points. Duster received a warm welcome on its launch in October 2011.
- Eurasia: **Russia** became the Group's fourth largest market, rising 5 places on 2010, with sales surging by 60.4% in a market that was still supported by scrappage bonuses over part of the year, and which expanded by 40.0%. The Group had market share of 5.8% (up 0.7 points) thanks to the success of Sandero and Logan.
- Euromed: In **Turkey**, the Group's fifth-largest market, sales volumes rose by 23.4% in a market that grew by 13.4%. This result is linked to the success of Fluence (+21.9%) and Symbol (marketed in the Euromed Region under the name of Thalia), which is market No. 1, all categories.
- In **Algeria** and **Morocco**, the Group continued to expand, posting growth of 18.4% and 18.8% respectively, in markets that were up 31.7% and 8.4%.
- Asia-Africa: In **Iran**, sales volumes doubled to 93,578 units on 2010, partly offsetting the 29.9% fall in Group sales in **South Korea**, on a fiercely competitive market. In **India**, 2011 saw the launch of Fluence and Koleos. In 2012, the range will gain three more vehicles, including Pulse and Duster. These launches illustrate the brand's ambitions to become a leading player on this market, which is the third cornerstone of its international strategy, alongside Russia and Brazil.

SALES FINANCING

- RCI Banque originated a record €11.1 billion in new financing in 2011, excluding card business and personal loans (up 11.0%).
- RCI Banque's average loans outstanding totaled €22.8 billion, up 8.8% on 2010.

SALES PERFORMANCE

1.1. AUTOMOTIVE

1.1. AUTOMOTIVE

1.1.1. GROUP SALES WORLDWIDE (UNITS)

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES	2011*	2010	Change (%)
GROUP	2,722,062	2,627,365	3.6
BY BRAND			
Renault	2,260,694	2,115,880	6.8
Dacia	343,233	349,568	-1.8
Renault Samsung Motors	118,135	161,917	-27.0
BY VEHICLE TYPE			
Passenger cars	2,359,314	2,294,805	2.8
Light commercial vehicles	362,748	332,560	9.1
BY REGION			
Europe	1,549,376	1,643,683	-5.7
<i>o/w France</i>	<i>689,022</i>	<i>744,735</i>	<i>-7.5</i>
Americas	396,933	317,028	25.2
Asia-Africa	296,314	287,202	3.2
Euromed	308,631	272,758	13.2
Eurasia	170,808	106,694	60.1
Total outside Europe	1,172,686	983,682	19.2

* Preliminary figures.

1.1.2. RENAULT BRAND

→ Passenger cars

The Renault brand is the driving force behind Group growth. Sales rose by 6.1% in 2011, with 1,918,212 vehicles sold.

- On the *A segment*, **Twingo**, a model that is more or less exclusively European, held onto its position as one of the top-three sellers in its category, with 134,200 registrations. Twingo remains the leader in France, with 33.5% of its segment. It also put in a strong showing in Germany, where it held onto second place.
- On the *B segment*, sales of **Sandero** and **Logan**, marketed under the Renault brand name outside Europe, totalled 196,428 units (+35.2%) and 253,698 units (+33.6%) respectively. These two M0 platform vehicles fit well with demand in growing markets such as Russia and Brazil. In Brazil, Sandero phase 2, a vehicle developed solely for this Region, is enjoying huge success.

Pending its renewal in 2012, **Clio** (Clio II+Clio III) saw sales fall to 375,714 units in 2011.

- On the *C segment*, the **Mégane** family consolidated its No. 2 position on the European market, with 401,305 registrations, despite supply issues in the first half of the year. Mégane is No. 1 on its segment in France, Belgium and Portugal. Mégane Coupé (31,073 registrations) and **Scénic** (156,562 registrations) are the biggest-selling vehicles in their category in Europe.

Fluence continues to gain ground on markets around the world, with 102,154 vehicles sold (+69.9%). It ranks second in its segment in Turkey.

Duster was launched in Brazil and Argentina in late 2011 with sales of 9,391 and 4,898 units respectively.

- On the *D and E segments*, **Laguna** sales dipped slightly to 50,498 units, but it held onto the No. 3 position in its segment in France. Sales of **Koleos** rose significantly to 49,220 units, and Renault **Espace** remains No. 1 on the MPV market in France, 15,418 units and with a segment share of 31.4%. Rounding out the Renault offering in these segments, **Latitude** sold 14,925 vehicles in 2011.

→ Light commercial vehicles

With the pick-up in the LCV market in Europe (+7.3%) and worldwide (+6.5%), Renault reported a 11.1% increase in worldwide sales, driven in particular by the recent renewal of the range and its international growth.

Turkey became Renault's No.2 LCV market with a rise of 31.5% of its sales volumes.

Sales of **Kangoo** rose by 9.1% to 125,048 units, Renault **Trafic** gained 18.3% to sell 63,446 vehicles, and Renault **Master** sold 84,835 sales units (+22.7%).

SALES PERFORMANCE

1.1. AUTOMOTIVE

1.1.3. DACIA BRAND

The Dacia brand reported contrasting results for sales of its various models in Europe. On the *B segment*, sales of **Sandero** fell by 48.9% to 68,979 units. The fall was particularly sharp in France (-59.8%) with the end of the scrappage bonuses and LPG incentives.

Conversely, on the *C segment*, **Duster** reported excellent results for its first full year on the market, increasing sales by +129.9%, with 132,287 vehicles sold. It remains No.2 for sales of crossovers in Europe, with a 12.4% share of this segment.

Overall, the Dacia brand saw sales dip by 1.8% in 2011. The success of Duster partly offsets falling sales of Sandero and Logan in Europe, where the brand maintains market share of 1.6%.

1.1.4. RENAULT SAMSUNG MOTORS BRAND

South Korea fell seventh in the Group markets, whose local brand, Renault Samsung Motors, holds 8.3% of the market. In 2011 Renault Samsung Motors PC sales in South Korea fell by 29.9% to 109,221 units, as a result of fierce competition.

1.1.5. GROUP SALES BY BRAND (UNITS)

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES	2011*	2010	Change (%)
EUROPE REGION			
Renault	1,308,906	1,395,298	-6.2
Dacia	240,470	248,385	-3.2
GROUP	1,549,376	1,643,683	-5.7
<i>o/w France</i>			
Renault	594,655	634,660	-6.3
Dacia	94,367	110,075	-14.3
GROUP	689,022	744,735	-7.5
AMERICAS REGION			
Renault	388,019	310,808	24.8
Renault Samsung Motors	8,914	6,220	43.3
GROUP	396,933	317,028	25.2
ASIA-AFRICA REGION			
Renault	181,640	125,468	44.8
Dacia	5,453	6,037	-9.7
Renault Samsung Motors	109,221	155,697	-29.9
GROUP	296,314	287,202	-3.2
EUROMED REGION			
Renault	211,321	177,613	19.0
Dacia	97,310	95,145	2.3
GROUP	308,631	272,758	13.2
EURASIA REGION			
Renault	170,808	106,693	60.1
GROUP	170,808	106,693	60.1

* Preliminary figures.

1.2. SALES FINANCING

1.2.1. PROPORTION OF NEW VEHICLES FINANCED

Continuing the growth plan initiated in 2010, the RCI Banque group generated strong sales momentum throughout 2011. The proportion of new vehicles financed was up at virtually all subsidiaries.

The increase in the proportion of new vehicles financed was particularly marked for the Nissan and Dacia brands, rising by 3 and 3.9 points respectively to 28.7% and 29.5%.

The proportion of new vehicle registrations financed by RCI Banque in the **Europe Region** rose to 33.0% (compared with 31.3% in 2010). The proportion was 35.4% for Renault vehicles (compared with 34.0% in 2010) and 26.6% for Nissan (compared with 23.9% in 2010). This improvement can be explained by the continuation of RCI's competitive commercial policy, particularly the package deals combining financing and services, and by the efforts made through the brands to use financing operations as a way to build customer loyalty.

The proportion of new vehicles financed by RCI Banque in the **Americas Region** rose to 33.4%, up from 31.0% in 2010.

In South Korea, RCI Banque's proportion of new vehicles financed surged to 56.6%, up from 46.1% in 2010. It is now the only country in the **Asia-Africa Region** where RCI operates.

In the **Euromed Region** (including Romania and Morocco), the proportion of new vehicles financed by RCI Banque jumped to 19.0% in 2011 from 13.8% in 2010.

1.2.2. RCI BANQUE'S NEW FINANCING CONTRACTS AND AVERAGE LOANS OUTSTANDING

RCI Banque originated €11.1 billion in new financing in 2011, excluding card business and personal loans, up from €10 billion in 2010, an increase of 11.0%. The number of new vehicle financing contracts totaled 1,024,771 in 2011, compared with 953,110 vehicle contracts in 2010, a 7.5% increase.

RCI Banque's average loans outstanding totaled €22.8 billion, up 8.8% on 2010.

1.2.3. INTERNATIONAL DEVELOPMENT AND NEW ACTIVITIES

While supporting the Renault and Nissan brands in their international development, RCI Banque is pursuing its own geographical expansion, responding to brand market requirements.

In September 2011, RCI Banque set up an activity in Ireland through a fully owned subsidiary. The subsidiary provides financing for consumers as well as for the local Renault network.

Moreover, marking the launch of Renault electric vehicles in fourth-quarter 2011, RCI Banque has developed a special marketing model based on the rental of batteries for Renault electric vehicles (Fluence Z.E. and Kangoo Z.E.). These financing products are available in all the European countries where Renault electric vehicles are sold (France, Germany, Italy, Spain, UK, Switzerland, Austria, the Netherlands, Belgium, Portugal) and will be developed throughout 2012.

SALES PERFORMANCE

1.3. SALES AND PRODUCTION STATISTICS

1.3. SALES AND PRODUCTION STATISTICS

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

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES	2011*	2010	Change (%)
EUROPE REGION	15,265,641	15,343,968	-0.5
<i>o/w:</i>			
France	2,633,483	2,669,282	-1.3
Germany	3,413,013	3,118,705	+9.4
Italy	1,916,614	2,139,303	-10.4
United Kingdom	2,208,172	2,262,385	-2.4
Spain+Canary Islands	913,102	1,098,785	-16.9
Belgium+Luxembourg	690,692	656,363	+5.2
Poland	344,750	376,342	-8.4
AMERICAS REGION **	6,503,169	5,935,189	+9.6
<i>o/w:</i>			
Mexico	904,586	818,778	+10.5
Colombia	298,743	238,877	+25.1
Brazil	3,425,652	3,329,471	+2.9
Argentina	818,305	634,268	+29.0
ASIA-AFRICA REGION	34,137,697	33,087,010	+3.2
<i>o/w:</i>			
South Africa	469,117	406,406	+15.4
South Korea	1,556,703	1,541,433	+1.0
China	17,348,514	16,385,832	+5.9
Iran	1,590,000	1,493,000	+6.5
EUROMED REGION	1,449,954	1,288,881	+12.5
<i>o/w:</i>			
Romania	106,187	116,737	-9.0
Turkey	862,943	760,913	+13.4
Algeria	296,950	225,431	+31.7
Morocco	112,103	103,436	+8.4
EURASIA REGION	3,071,902	2,222,744	+38.2
<i>o/w:</i>			
Russia	2,680,000	1,914,323	+40.0
Ukraine	240,349	175,417	+37.0
WORLD INCL. NORTH AMERICA	74,793,857	71,025,253	+5.3

* Preliminary figures.

** Excl. North America.

SALES PERFORMANCE

1.3. SALES AND PRODUCTION STATISTICS

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

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES	2011*		2010	
	Reg's (in units)	Mkt Sh. (%)	Reg's (in units)	Mkt Sh (%)
EUROPE REGION	1,546,942	10.1	1,642,344	10.7
<i>o/w:</i>				
France	687,343	26.1	743,486	27.9
Germany	181,176	5.3	171,368	5.5
Italy	122,920	6.4	142,174	6.6
United Kingdom	88,540	4.0	113,393	5.0
Spain+Canary Islands	99,092	10.9	124,828	11.4
Belgium+Luxembourg	92,319	13.4	84,730	12.9
Poland	30,747	8.9	29,900	7.9
AMERICAS REGION**	396,933	6.1	317,028	5.3
<i>o/w:</i>				
Mexico	23,132	2.6	18,046	2.2
Colombia	46,820	15.7	38,009	15.9
Brazil	194,300	5.7	160,297	4.8
Argentina	106,040	13.0	82,385	13.0
ASIA-AFRICA REGION	296,314	0.9	287,202	0.9
<i>o/w:</i>				
South Africa	10,492	2.2	10,000	2.5
South Korea	109,221	7.0	155,697	10.1
EUROMED REGION	308,631	21.3	272,758	21.2
<i>o/w:</i>				
Romania	39,592	37.3	45,821	39.3
Turkey	140,827	16.3	114,111	15.0
Algeria	75,042	25.3	63,368	28.1
Morocco	41,501	37.0	34,944	33.8
EURASIA REGION	170,808	5.6	106,694	4.8
<i>o/w:</i>				
Russia	154,734	5.8	96,466	5.0
Ukraine	13,895	5.8	9,252	5.3
WORLD INCL. NORTH AMERICA	2,719,628	3.6	2,626,026	3.7

* Preliminary figures.

** Excl. North America.

SALES PERFORMANCE

1.3. SALES AND PRODUCTION STATISTICS

RENAULT GROUP

PERFORMANCE OF MODELS BY SEGMENT IN THE EUROPE REGION*

PASSENGER CARS	Segment change 2011* / 2010 (%)	Group share of segment		Change 2011* / 2010 (points)	Rank 2011
		2011* (%)	2010 (%)		
A Segment	-14.9				
Twingo / Twingo II		11.0	10.5	+0.5	3
Wind		0.6	0.3	+0.3	18
B Segment	-4.9				
Clio / Clio III		7.1	7.7	-0.7	5
Thalia / Thalia II		0.1	0.1	+0.0	46
Modus		1.2	1.1	+0.0	23
Logan		0.6	0.9	-0.3	32
Sandero		1.7	3.1	-1.4	19
Kangoo		0.0	0.0	-0.0	77
C Segment	+2.0				
Kangoo II		0.7	0.8	-0.1	35
Mégane / Mégane II / Mégane III		8.0	9.1	-1.1	2
Fluence		0.3	0.3	-0.0	55
Duster		2.6	1.2	+1.5	10
D Segment	+4.5				
Laguna / Laguna III		2.4	2.5	-0.1	15
Latitude		0.3	0.0	+0.3	44
Koleos		0.8	0.7	+0.1	27
Trafic / Trafic II		0.6	0.6	+0.1	33
E Segment	+8.6				
Espace / Espace IV		1.6	1.8	-0.2	20
Master / Master II / Master III		0.1	0.2	-0.1	66

* Preliminary figures.

SALES PERFORMANCE

1.3. SALES AND PRODUCTION STATISTICS

RENAULT GROUP

PERFORMANCE OF MODELS BY SEGMENT IN THE EUROPE REGION*

	Segment change 2011* / 2010 (%)	Group share of segment		Change 2011* / 2010 (points)	Rank 2011
		2011* (%)	2010 (%)		
LIGHT COMMERCIAL VEHICLES					
Fleet vehicles	-0.4				
Twingo / Twingo II		2.8	2.2	+0.6	11
Clio / Clio III		18.5	19.0	-0.5	1
Modus		0.1	0.1	-0.0	50
Mégane / Mégane II / Mégane III		5.4	9.0	-3.6	7
Laguna / Laguna III		0.1	0.7	-0.6	43
Espace / Espace IV		0.1	0.5	-0.4	58
Sandero		0.5	0.1	+0.4	20
Logan		0.1	0.1	-0.0	51
Small vans	+1.9				
Kangoo / Kangoo II		16.9	17.1	-0.2	1
Logan		1.3	1.6	-0.4	12
Vans	+11.8				
Trafic / Trafic II		6.9	6.7	+0.2	5
Master / Master II / Master III		6.9	6.7	+0.2	6
Mascott ** / Maxity ** / Master III **		1.7	1.1	+0.6	17
Pick-up	+21.3				
Logan		3.3	6.8	-3.5	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.

SALES PERFORMANCE

1.3. SALES AND PRODUCTION STATISTICS

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

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES	2011*	2010	Change 2011* / 2010 (%)
Twingo	147,814	163,405	-10
Wind	5,612	6,556	-14
Clio	408,068	444,603	-8
Thalia	97,560	93,247	5
Modus	48,590	47,685	2
Logan+Sandero	557,551	551,748	1
Kangoo	188,380	187,882	0
Mégane	468,324	490,005	-4
Fluence	142,194	127,791	11
Duster	190,770	86,268	121
SM3	52,175	65,620	-20
Laguna	50,241	54,137	-7
SM5+Latitude	64,298	88,704	-28
Koleos	61,534	49,424	25
Espace	14,675	17,261	-15
Master	119,347	99,897	19
SM7	19,090	13,747	39
Other	388	10,617	-96
GROUP WORLDWIDE PRODUCTION	2,636,611	2,598,597	1
<i>o/w produced for partners</i>			
Master for GM	14,646	9,952	47
SM3 for Nissan	38,247	45,859	-17
Vehicles for Nissan in Mercosur	32,759	18,156	80
PRODUCED BY PARTNERS FOR RENAULT			
Produced by GM for Renault (Trafic)	15,074	33,540	-55
Produced by Nissan for Renault (Trafic)	62,975	35,149	79
Other (Iran + India)	105,452	63,239	67

* Preliminary figures.

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

SALES PERFORMANCE

1.3. SALES AND PRODUCTION STATISTICS

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

At December 31, 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		Georgia
Denmark	Honduras	Malaysia	TURKEY	Kazakhstan
Spain	Mexico	New Caledonia		Kyrgyzstan
Finland	Nicaragua	New Zealand	Turkey	Uzbekistan
Greece	Panama	Singapore	Turkish Cyprus	Tajikistan
Ireland	El Salvador	Tahiti		Turkmenistan
Iceland	Venezuela	Thailand	NORTH AFRICA	Ukraine
Italy	Dominican Rep.	Guadeloupe		
Norway		French Guiana		
Netherlands	SOUTHERN LATIN AMERICA	Martinique		
Portugal		MIDDLE EAST & FRENCH-SPEAKING AFRICA		
United Kingdom	Argentina			
Sweden	Brazil	Saudi Arabia		
Switzerland	Bolivia	Egypt		
	Chile	Jordan		
Albania	Paraguay	Lebanon		
Bosnia	Peru	Libya		
Cyprus	Uruguay	Pakistan		
Croatia		Gulf States		
Hungary		+ French-speaking		
Macedonia		African countries		
Malta		OTHER AFRICA & INDIAN OCEAN		
Montenegro				
Baltic States		South Africa +		
Poland		sub-Saharan African		
Czech Rep.		countries		
Serbia		Indian Ocean Islands		
Slovakia		SOUTH KOREA		
Slovenia				
		IRAN		
		INDIA		
		CHINA		
		Hong Kong		
		ISRAËL		

OVERVIEW

- Driven by growth on international markets, Group consolidated revenues came to €42,628 million in 2011, up 9.4% on 2010.
- Group operating margin was €1,091 million, or 2.6% of revenues, compared with €1,099 million and 2.8% of revenues in 2010.
- Other operating income and expenses showed net income of €153 million, compared with a net charge of €464 million in 2010.
- The financial result showed a net charge of €121 million compared with €376 million in 2010.
- Nissan's contribution to Renault's earnings amounted to €1,332 million, compared with €1,084 million in 2010. AB Volvo contributed €136 million, compared with €214 million in 2010. AvtoVAZ contributed €49 million compared with negative €21 million in 2010.
- Net income was €2,139 million, compared with €3,490 million in 2010, which included capital gains of €2 billion on the sale of B shares in AB Volvo. Net income, Group share, was €2,092 million, compared with €3,420 million in 2010.
- Automotive's operational free cash flow was €1,084 million, of which €627 million was attributable to the improvement in the working capital requirement.
- Automotive's net financial debt fell by €1,136 million compared with December 31, 2010 to €299 million.
- Shareholders' equity stood at €24,567 million at December 31, 2011. The debt-to-equity ratio improved by five points, from 6.3% at December 31, 2010 to 1.2% at the end of 2011.

2.1. COMMENTS ON THE FINANCIAL RESULTS

2.1.1. CONSOLIDATED INCOME STATEMENT

Group **revenues** totaled €42,628 million, up 9.4%⁽¹⁾ on 2010. Excluding the exchange rate effect, revenues rose 10.4%.

OPERATING SEGMENT CONTRIBUTION TO GROUP REVENUES

(€ million)	2011					2010				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Automotive	9,965	10,178	9,259	11,277	40,679	8,642	10,136	8,268	10,126	37,172
Sales Financing	466	492	486	505	1,949	430	460	443	466	1,799
Total	10,431	10,670	9,745	11,782	42,628	9,072	10,596	8,711	10,592	38,971

	Change 2011/2010				
	Q1	Q2	Q3	Q4	Year
Automotive	15.3%	0.4%	12.0%	11.4%	9.4%
Sales Financing	8.4%	7.0%	9.7%	8.4%	8.3%
Total	15.0%	0.7%	11.9%	11.2%	9.4%

(1) Up 9.4% on 2010 revenues of €38,961 million on a consistent basis.

FINANCIAL RESULTS

2.1. COMMENTS ON THE FINANCIAL RESULTS

Automotive's revenue contribution in 2011 was €40,679 million, up 9.4% on 2010. This increase was mainly attributable to:

- a positive volume effect (5.2 points) linked to international sales growth;
- the product line-up, particularly Duster, and the end of the scrappage bonus scheme, which generated a positive mix effect of 3.0 points;
- other Group businesses (sales of components and vehicles to partners), which had a positive impact of 2.9 points;
- a slightly favorable price effect (0.4 of a point); pressure on prices in Europe was offset by raising international prices to mitigate the negative exchange rate effect (1.1 points).

By Region (excluding other businesses):

- international⁽¹⁾ operations were up sharply and contributed 6.7 points to growth owing to a strong volume effect, despite Renault Samsung Motors difficulties in South Korea;
- Europe was up slightly and had a 0.7 points impact on revenue growth, as the improved mix offset the decline in volumes.

Group **operating margin** came to €1,091 million in 2011, or 2.6% of revenues, compared with €1,099 million and 2.8% of revenues in 2010.

OPERATING SEGMENT CONTRIBUTION TO GROUP OPERATING MARGIN

(€ million)	2011	2010	Change
Automotive	330	396	-66
% of segment revenues	0.8%	1.1%	-0.3 pt
Sales Financing	761	703	58
Total	1,091	1,099	-8
% of Group revenues	2.6%	2.8%	-0.2 pt

Automotive's operating margin fell by €66 million, to €330 million (0.8% of revenues). This is due to:

- €500 million in cost structure reductions under the *monozukuri* plan;
- €455 million from volume growth, related directly to commercial performances and changes in the geographical mix

which did not entirely offset the impact of negative factors, mainly externalities such as:

- the €509 million increase in raw materials costs;
- a negative €199 million exchange rate effect linked to a basket of currencies that was mainly affected by movements against euro in the Argentine peso and the Iranian rial;
- a negative mix/price impact of €245 million, as the effects of product enhancements and mix distortions linked to supply problems outweighed the positive revenue impact;

- other elements for €68 million of which €19 million due to the G&A increase.

Overall, supply issues resulting from the tsunami in Japan had an estimated negative impact of €200 million on Automotive's operating margin in 2011. The problems primarily affected production, marketing offers and logistics.

Sales Financing made a €761 million contribution to the Group's operating margin, an 8.2% increase on 2010. With an 8.8% increase in average loans outstanding relative to 2010, this financial performance confirms the sales growth strategy. The cost of risk reached a record 0.23% of average loans outstanding, well below RCI group's historical 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)	2011	2010	Change
R&D expenses	2,064	1,728	336
Capitalized development expenses	-808	-666	-142
% of R&D expenses	39.1%	38.5%	0.6%
Amortization	771	772	-1
Gross R&D expenses recorded in the income statement	2,027	1,834	193

* R&D expenses are fully incurred by Automotive.

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

FINANCIAL RESULTS

2.1. COMMENTS ON THE FINANCIAL RESULTS

After reaching a very low level in 2010 in connection with the product cycle, **Research and Development expenses** rose €193 million compared with 2010 to €2,027 million in 2011, in line with what was announced in the Renault 2016 – Drive the Change Plan.

Capitalized development expenses came to 39.1% of the total spend in 2011, after 38.5% in 2010.

Other operating income and expenses showed net income of €153 million, compared with a net charge of €464 million in 2010. This item was mainly made up of:

- €133 million in capital gains on property disposals;
- €71 million from the reversal of restructuring provisions;
- €61 million charge from recognition of depreciation for three vehicles in the range and recoveries on previously impaired assets (to reflect improved cash flow prospects for vehicles in the range).

After recognizing other operating income and expenses, the Group reported **operating profit** of €1,244 million, compared with €635 million in 2010.

The **financial result** showed a net charge of €121 million, compared with €376 million in 2010, reflecting the reduction in debt and early repayment of €2 billion to settle the loan granted by the French government in 2009.

Renault's **share in associated companies** generated a net gain of €1,524 million in 2011 (compared with €1,289 million in 2010), of which:

- €1,332 million from Nissan (compared with €1,084 million in 2010);

- €136 million from AB Volvo (compared with €214 million in 2010, but with an ownership stake of 21.8% until October 2010, compared with 6.8% in 2011);
- €49 million from AvtoVAZ (compared with a loss of €21 million in 2010).

Current and deferred taxes represented a charge of €508 million (compared with €58 million in 2010), i.e. €408 million in current tax (compared with €340 million in 2010) and €108 million for impairment of net deferred tax assets calculated on French tax Group tax losses carried forward (compared with €238 million of deferred tax assets recognized in 2010). This is due to the combined effects of amendments to the Budget Act in France and updated assumptions for recognition of these tax losses.

Net income amounted to €2,139 million, compared with €3,490 million in 2010 (including €2,000 million in capital gains from the disposal in October 2010 of B shares in AB Volvo).

The Group's share of net income totaled €2,092 million (€3,420 million in 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 €2,212 million in 2011 (including €808 million in R&D expenses) compared with €1,644 million in 2010 (including €666 million in R&D expenses).

TANGIBLE AND INTANGIBLE INVESTMENTS NET OF DISPOSALS, BY OPERATING SEGMENT

(€ million)	2011	2010
Tangible investments (excluding capitalized leased vehicles)	1,564	1,130
Intangible investments	887	733
<i>o/w capitalized R&D expenses</i>	<i>808</i>	<i>666</i>
Total acquisitions	2,451	1,863
Disposal gains	-239	-219
Total Automotive	2,212	1,644
Total Sales Financing	4	4
TOTAL GROUP	2,216	1,648

Investment increased in 2011 compared with 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 below or equal to 9% of Group revenues.

Europe received 49% of total gross investment, while 51% went to the rest of the world.

- in Europe: range-related investment accounted for 60% of the outlay, with a particular focus on electric vehicles

(Zoé, Twizy and Kangoo), gasoline and diesel engines, and New Clio;

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

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

FINANCIAL RESULTS

2.1. COMMENTS ON THE FINANCIAL RESULTS

NET CAPEX AND R&D EXPENSES

(€ million)	2011	2010
Tangible and intangible investments net of disposals (excluding capitalized leased vehicles)	2,216	1,648
Capitalized R&D expenses	-808	-666
Other	-20	-17
Net industrial and commercial investments (1)	1,388	965
% of Group revenues	3.3%	2.5%
R&D expenses	2,064	1,728
R&D expenses billed to third parties	-273	-161
Net R&D expenses (2)	1,791	1,567
% of Group revenues	4.2%	4.0%
Net capex and R&D expenses (1) + (2)	3,179	2,532
% of Group revenues	7.5%	6.5%

2.1.3. AUTOMOTIVE DEBT

In line with the target set in the Renault 2016 - Drive the Change Plan, Automotive generated operational **free cash flow** of €1,084 million in 2011, comprising:

- cash flow of €2,910 million;
- a €627 million change in the working capital requirement through active management of receivables and inventory;
- tangible and intangible investments net of disposals in the amount of €2,212 million, up €568 million (€1,644 million in 2010), but still in line with the Plan's target of keeping the ratio to below 9% of revenues;

- a negative €241 million change in capitalized leased vehicles.

These performances helped reduce **Automotive's net financial debt** for the third year running. Net debt was cut by €1,136 million to the record low of €299 million at December 31, 2011.

In accordance with the policy announced in the mid-term plan, Renault 2016 - Drive the Change, a dividend of €1.16 per share, representing the dividends received by the Group for its interests in listed companies in 2011, will be proposed for approval of shareholders at the upcoming annual general meeting.

AUTOMOTIVE NET FINANCIAL DEBT

(€ million)	Dec. 31, 2011	Dec. 31, 2010
Non current financial liabilities	6,066	6,835
Current financial liabilities	3,789	5,124
Non-current financial assets - other securities, loans and derivatives on financial operations	-497	-800
Current financial assets	-1,441	-910
Cash and cash equivalents	-7,618	-8,814
Automotive net financial debt	299	1,435

2.1.4. LIQUIDITY AT DECEMBER 31, 2011

In 2011, the Group pursued a policy aimed at reducing **Automotive's** gross debt through early repayment of the €2 billion still owing on the loan from the French government, while maintaining Automotive's cash high levels. On December 31, 2011, **Automotive's liquidity reserve** amounted to €11.4 billion, comprising:

- €7.6 billion in cash and cash equivalents;
- €3.8 billion in undrawn confirmed credit lines.

On December 31, 2011, RCI Banque had:

- a liquidity reserve of €3.4 billion, representing available liquidity surplus to the certificates of deposit and commercial paper outstanding;
- available liquidity of €6.3 billion, covering more than two times all outstanding commercial paper and certificates of deposit, including €4.5 billion in undrawn confirmed credit lines, €1.7 billion in Central Bank eligible collateral, and €0.1 billion in cash.

2.2. CONSOLIDATED FINANCIAL STATEMENTS

2.2.1. CONSOLIDATED INCOME STATEMENT

(€ million)	2011	2010
Sales of goods and services	41,192	37,654
Sales financing revenues	1,436	1,317
Revenues (note 4)	42,628	38,971
Cost of goods and services sold	(33,848)	(30,620)
Cost of sales financing (note 5)	(911)	(813)
Research and development expenses (note 12-A)	(2,027)	(1,834)
Selling, general and administrative expenses	(4,751)	(4,605)
Operating margin (note 6)	1,091	1,099
Other operating income and expenses (note 7)	153	(464)
<i>Other operating income</i>	384	197
<i>Other operating expenses</i>	(231)	(661)
Operating income	1,244	635
Net interest income (expenses)	(219)	(354)
<i>Interest income</i>	193	146
<i>Interest expenses</i>	(412)	(500)
Other financial income and expenses	98	(22)
Financial income (note 8)	(121)	(376)
Gain on sale of AB Volvo Series B shares	-	2,000
Share in net income (loss) of associates	1,524	1,289
<i>Nissan (note 14)</i>	1,332	1,084
<i>Other associates (note 15)</i>	192	205
Pre-tax income	2,647	3,548
Current and deferred taxes (note 9)	(508)	(58)
Net income	2,139	3,490
Net income – non-controlling interests' share	47	70
Net income – parent-company shareholders' share	2,092	3,420
Earnings per share ⁽¹⁾ in € (note 10)	7.68	12.70
Diluted earnings per share ⁽¹⁾ in € (note 10)	7.68	12.70
Number of shares outstanding (in thousands) (note 10)		
<i>for earnings per share</i>	272,381	269,292
<i>for diluted earnings per share</i>	272,381	269,292

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

NB: the notes mentioned in this section refer to the Notes to the consolidated financial statement 2011 presented in chapter 4 of the 2011 Registration document.

2.2.2. CONSOLIDATED COMPREHENSIVE INCOME

Other components of comprehensive income are reported net of tax effects, which are presented in note 11-B.

(€ million)	2011	2010
NET INCOME	2,139	3,490
Actuarial gains and losses on defined-benefit pension plans	(23)	(14)
Translation adjustments on foreign activities	(107)	258
Partial hedge of the investment in Nissan	(142)	(242)
Fair value adjustments on cash flow hedging instruments	(13)	80
Fair value adjustments on available-for-sale financial assets	(257)	232
Total other components of comprehensive income excluding associates (A)	(542)	314
Actuarial gains and losses on defined-benefit pension plans	(107)	59
Translation adjustments on foreign activities	645	2,019
Fair value adjustments on cash flow hedging instruments	(14)	8
Fair value adjustments on available-for-sale financial assets	(80)	24
Associates' share of other components of comprehensive income (B)	444	2,110
Other components of comprehensive income (A) + (B)	(98)	2,424
COMPREHENSIVE INCOME	2,041	5,914
<i>Parent-company shareholders' share</i>	<i>1,996</i>	<i>5,826</i>
<i>Non-controlling interests' share</i>	<i>45</i>	<i>88</i>

FINANCIAL RESULTS

2.2. CONSOLIDATED FINANCIAL STATEMENTS

2.2.3. CONSOLIDATED FINANCIAL POSITION

ASSETS (€ million)	Dec. 31, 2011	Dec. 31, 2010
NON-CURRENT ASSETS		
Intangible assets (note 12-A)	3,718	3,677
Property, plant and equipment (note 12-B)	11,357	11,504
Investments in associates	15,991	14,199
Nissan (note 14)	14,931	13,345
Other associates (note 15)	1,060	854
Non-current financial assets (note 23)	1,068	1,728
Deferred tax assets (note 9)	566	705
Other non-current assets (note 19)	580	435
Total non-current assets	33,280	32,248
CURRENT ASSETS		
Inventories (note 16)	4,429	4,567
Sales financing receivables (note 17)	21,900	19,276
Automotive receivables (note 18)	1,275	1,329
Current financial assets (note 23)	1,244	799
Current tax assets	66	178
Other current assets (note 19)	2,068	1,685
Cash and cash equivalents (note 23)	8,672	10,025
Total current assets	39,654	37,859
TOTAL ASSETS	72,934	70,107
SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)	Dec. 31, 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	(129)	235
Translation adjustment	(155)	(554)
Reserves	17,567	14,367
Net income – parent-company shareholders' share	2,092	3,420
Shareholders' equity – parent-company shareholders' share	24,086	22,235
Shareholders' equity – non-controlling interests' share	481	522
Total shareholders' equity (note 20)	24,567	22,757
NON-CURRENT LIABILITIES		
Deferred tax liabilities (note 9)	135	125
Provisions – long-term (note 21)	2,227	2,243
Non-current financial liabilities (note 24)	6,327	7,096
Other non-current liabilities (note 22)	724	734
Total non-current liabilities	9,413	10,198
CURRENT LIABILITIES		
Provisions – short-term (note 21)	866	965
Current financial liabilities (note 24)	3,230	4,546
Sales financing debts (note 24)	21,996	19,366
Trade payables	6,202	6,348
Current tax liabilities	126	106
Other current liabilities (note 22)	6,534	5,821
Total current liabilities	38,954	37,152
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	72,934	70,107

2.2.4. CHANGES IN SHAREHOLDERS' EQUITY

	Number of shares (thousand)	Share capital	Share premium	Treasury shares	Revaluation of financial instruments	Translation adjustment	Reserves	Net income (parent- company shareholders' share)	Shareholders' equity (parent- company shareholders' share)	Shareholders' equity (non- controlled entities' share)	Total share- holders' equity
<i>(€ million)</i>											
Balance at Dec. 31, 2009	284,937	1,086	3,453	(229)	(109)	(2,568)	17,474	(3,125)	15,982	490	16,472
2010 net income	-	-	-	-	-	-	-	3,420	3,420	70	3,490
Other components of comprehensive income ⁽¹⁾	-	-	-	-	344	2,014	48	-	2,406	18	2,424
2010 comprehensive income	-	-	-	-	344	2,014	48	3,420	5,826	88	5,914
Allocation of 2009 net income	-	-	-	-	-	-	(3,125)	3,125	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	(40)	(40)
Cost of stock option plans	-	-	-	-	-	-	7	-	7	-	7
(Acquisitions) / disposals of treasury shares and impact of capital increases	10,785	41	332	84	-	-	(24)	-	433	-	433
Impact of changes in the scope of consolidation with no loss of control ⁽²⁾	-	-	-	-	-	-	(3)	-	(3)	(16)	(19)
Other changes	-	-	-	-	-	-	(10)	-	(10)	-	(10)
Balance at Dec. 31, 2010	295,722	1,127	3,785	(145)	235	(554)	14,367	3,420	22,235	522	22,757
2011 net income	-	-	-	-	-	-	-	2,092	2,092	47	2,139
Other components of comprehensive income ⁽¹⁾	-	-	-	-	(364)	399	(131)	-	(96)	(2)	(98)
2011 comprehensive income	-	-	-	-	(364)	399	(131)	2,092	1,996	45	2,041
Allocation of 2010 net income	-	-	-	-	-	-	3,420	(3,420)	-	-	-
Dividends	-	-	-	-	-	-	(82)	-	(82)	(74)	(156)
Cost of stock option plans	-	-	-	-	-	-	6	-	6	-	6
(Acquisitions) / disposals of treasury shares and impact of capital increases	-	-	-	(56)	-	-	-	-	(56)	3	(53)
Impact of changes in the scope of consolidation with no loss of control ⁽²⁾	-	-	-	-	-	-	(13)	-	(13)	(15)	(28)
Other changes	-	-	-	-	-	-	-	-	-	-	-
Balance at Dec. 31, 2011	295,722	1,127	3,785	(201)	(129)	(155)	17,567	2,092	24,086	481	24,567

(1) The change in reserves reflects actuarial gains and losses on defined-benefit pension plans recorded during the period (€48 million in 2010 and €(131) million in 2011).

(2) The impact of changes in the scope of consolidation results from the treatment applied to acquisitions of non-controlling interests and put options for buyouts of non-controlling entities (note 2-J).

Details of changes in consolidated shareholders' equity in 2011 are given in note 20.

FINANCIAL RESULTS

2.2. CONSOLIDATED FINANCIAL STATEMENTS

2.2.5. CONSOLIDATED CASH FLOWS

(€ million)	2011	2010
Net income	2,139	3,490
Cancellation of dividends received from unconsolidated listed investments ⁽¹⁾	(22)	-
Cancellation of income and expenses with no impact on cash		
- Depreciation, amortization and impairment	2,831	3,069
- Share in net (income) loss of associates	(1,524)	(1,289)
- Other income and expenses with no impact on cash (note 27-A)	(360)	(2,087)
Dividends received from unlisted associates	5	-
Cash flow ⁽²⁾	3,069	3,183
Dividends received from listed companies ⁽³⁾	335	88
Net change in financing for final customers	(1,206)	(448)
Net change in renewable dealer financing	(1,449)	(146)
Decrease (increase) in sales financing receivables	(2,655)	(594)
Bond issuance by the Sales financing segment (note 24-A)	5,160	3,929
Bond redemption by the Sales financing segment (note 24-A)	(2,528)	(2,308)
Net change in other Sales financing debts	(149)	(2,354)
Net change in other securities and loans of the Sales financing segment	107	(129)
Net change in Sales financing financial assets and debts	2,590	(862)
Change in capitalized leased vehicles	(192)	(109)
Decrease (increase) in working capital (note 27-B)	206	264
CASH FLOWS FROM OPERATING ACTIVITIES	3,353	1,970
Capital expenditure (note 27-C)	(2,455)	(1,867)
Disposals of property, plant and equipment and intangibles	239	219
Acquisitions of investments with gain of control, net of cash acquired	-	-
Acquisitions of other investments, net of cash acquired	(156)	(39)
Disposals of investments with loss of control, net of cash transferred	-	7
Disposals of other investments, net of cash transferred and other ⁽⁴⁾	-	3,114
Net decrease (increase) in other securities and loans of the Automotive segment	38	(30)
CASH FLOWS FROM INVESTING ACTIVITIES	(2,334)	1,404
Transactions with non-controlling interests ⁽⁵⁾	-	-
Dividends paid to parent-company shareholders (note 20-D)	(88)	-
Dividends paid to non-controlling interests	(66)	(77)
(Purchases) sales of treasury shares	(56)	60
Cash flows with shareholders	(210)	(17)
Bond issuance by the Automotive segment (note 24-A)	712	1,696
Bond redemption by the Automotive segment (note 24-A)	(941)	(1,164)
Net increase (decrease) in other financial liabilities of the Automotive segment	(1,911)	(1,982)
Net change in financial liabilities of the Automotive segment	(2,140)	(1,450)
CASH FLOWS FROM FINANCING ACTIVITIES	(2,350)	(1,467)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,331)	1,907
(€ million)	2011	2010
Cash and cash equivalents: opening balance	10,025	8,023
Increase (decrease) in cash and cash equivalents	(1,331)	1,907
Effect of changes in exchange rate and other changes	(22)	95
Cash and cash equivalents: closing balance	8,672	10,025

(1) Dividends received from Daimler in 2011 (none were received in 2010).

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

(3) Dividends from Daimler (€22 million), AB Volvo (€38 million) and Nissan (€275 million) in 2011.

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

(5) Via capital increases or capital reductions and acquisitions of additional investments in controlled companies (note 2-J).

Details of interest received and paid by the Automotive segment are given in note 27-D.

Current taxes paid by the Group are reported in note 9-A.

2.2.6. SEGMENT REPORTING

A. INFORMATION BY OPERATING SEGMENT

A1. Consolidated income statement by operating segment

(€ million)	Automotive	Sales financing	Intersegment transactions	Consolidated total
2011				
Sales of goods and services	40,679	513	-	41,192
Sales financing revenues	-	1,436	-	1,436
External sales (note 4)	40,679	1,949	-	42,628
Intersegment sales	(290)	409	(119)	-
Sales by segment	40,389	2,358	(119)	42,628
Operating margin ⁽¹⁾	328	761	2	1,091
Operating income	478	764	2	1,244
Financial income ⁽²⁾	230	-	(351)	(121)
Share in net income (loss) of associates	1,519	5	-	1,524
Pre-tax income	2,227	769	(349)	2,647
Current and deferred taxes	(252)	(254)	(2)	(508)
Net income	1,975	515	(351)	2,139
2010				
Sales of goods and services	37,172	482	-	37,654
Sales financing revenues	-	1,317	-	1,317
External sales (note 4)	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	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 and depreciation 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.

FINANCIAL RESULTS

2.2. CONSOLIDATED FINANCIAL STATEMENTS

A2. Consolidated financial position by operating segment

Consolidated financial position by operating segment - December 31, 2011

ASSETS (€ million)	Automotive	Sales financing	Intersegment transactions	Consolidated total
NON-CURRENT ASSETS				
Property, plant and equipment and intangible assets	14,956	129	(10)	15,075
Investments in associates	15,955	36	-	15,991
Non-current financial assets – investments in non-controlled entities	3,237	-	(2,538)	699
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segment	497	-	(128)	369
Deferred tax assets and other non-current assets	1,007	189	(50)	1,146
Total non-current assets	35,652	354	(2,726)	33,280
CURRENT ASSETS				
Inventories	4,409	25	(5)	4,429
Customer receivables	1,354	22,220	(399)	23,175
Current financial assets	1,441	451	(648)	1,244
Other current assets and current tax assets	1,605	2,849	(2,320)	2,134
Cash and cash equivalents	7,618	1,171	(117)	8,672
Total current assets	16,427	26,716	(3,489)	39,654
TOTAL ASSETS	52,079	27,070	(6,215)	72,934
SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)	Automotive	Sales financing	Intersegment transactions	Consolidated total
SHAREHOLDERS' EQUITY	24,450	2,540	(2,423)	24,567
NON-CURRENT LIABILITIES				
Deferred tax liabilities and long-term provisions	2,058	169	-	2,227
Non-current financial liabilities	6,066	261	-	6,327
Other non-current liabilities	340	519	-	859
Total non-current liabilities	8,464	949		9,413
CURRENT LIABILITIES				
Short-term provisions	833	33	-	866
Current financial liabilities	3,789	-	(559)	3,230
Trade payables and sales financing debts	6,402	22,774	(978)	28,198
Other current liabilities and current tax liabilities	8,141	774	(2,255)	6,660
Total current liabilities	19,165	23,581	(3,792)	38,954
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	52,079	27,070	(6,215)	72,934

FINANCIAL RESULTS

2.2. CONSOLIDATED FINANCIAL STATEMENTS

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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
Deferred tax assets and other non-current 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)	Automotive	Sales financing	Intersegment transactions	Consolidated total
SHAREHOLDERS' EQUITY	22,638	2,435	(2,316)	22,757
NON-CURRENT LIABILITIES				
Long-term provisions	1,977	391	-	2,368
Non-current financial liabilities	6,835	261	-	7,096
Other non-current liabilities and deferred tax liabilities	544	190	-	734
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

FINANCIAL RESULTS

2.2. CONSOLIDATED FINANCIAL STATEMENTS

A3. Consolidated cash flows by operating segment

(€ million)	Automotive	Sales financing	Intersegment transactions	Consolidated total
2011				
Net income	1,975	515	(351)	2,139
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	2,820	11	-	2,831
- Share in net (income) loss of associates	(1,518)	(6)	-	(1,524)
- Other income and expenses with no impact on cash	(350)	(10)	-	(360)
Dividends received from unlisted associates	5	-	-	5
Cash flow ⁽²⁾	2,910	510	(351)	3,069
Dividends received from listed companies ⁽³⁾	335	-	-	335
Decrease (increase) in Sales financing receivables	-	(2,610)	(45)	(2,655)
Net change in financial assets and Sales Financing debts	-	2,681	(91)	2,590
Change in capitalized leased vehicles	(241)	49	-	(192)
Decrease (increase) in working capital	627	(413)	(8)	206
CASH FLOWS FROM OPERATING ACTIVITIES	3,631	217	(495)	3,353
Purchases of intangible assets	(887)	(1)	-	(888)
Purchases of property, plant and equipment	(1,564)	(3)	-	(1,567)
Disposals of property, plant and equipment and intangibles	239	-	-	239
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired/transferred	-	-	-	-
Acquisitions and disposals of other investments and other assets	(156)	-	-	(156)
Net decrease (increase) in other securities and loans of the Automotive segment	(88)	-	126	38
CASH FLOWS FROM INVESTING ACTIVITIES	(2,456)	(4)	126	(2,334)
Cash flows with shareholders	(201)	(360)	351	(210)
Net change in financial liabilities of the Automotive segment	(2,164)	-	24	(2,140)
CASH FLOWS FROM FINANCING ACTIVITIES	(2,365)	(360)	375	(2,350)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,190)	(147)	6	(1,331)

(1) Dividends received from Daimler.

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

(3) Dividends from Daimler (€22 million), AB Volvo (€38 million) and Nissan (€275 million) in 2011.

FINANCIAL RESULTS

2.2. CONSOLIDATED FINANCIAL STATEMENTS

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(€ million)	Automotive	Sales financing	Intersegment transactions	Consolidated total
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 financial assets and Sales Financing 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 intangibles	219	-	-	219
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired/transferred	7	-	-	7
Acquisitions and disposals of other investments and other assets ⁽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 the sales of AB Volvo Series B shares for €3,006 million in the second half of 2010.

D. INFORMATION BY REGION

(€ million)	Europe ⁽¹⁾	Euromed	Eurasia	Asia-Africa	Americas	Consolidated total
2011						
Revenues	27,408	3,270	1,680	5,060	5,210	42,628
Property, plant and equipment and intangibles	11,192	2,073	469	712	629	15,075
2010						
Revenues	27,171	2,996	1,044	3,869	3,891	38,971
Property, plant and equipment and intangibles	11,612	1,644	431	810	684	15,181

(1) Including France:

(€ million)	2011	2010
Revenues	12,119	12,697
Property, plant and equipment and intangibles	9,643	9,918

The Regions presented correspond to the geographic sectors of the Group's structure.

Consolidated revenues are presented by location of customers.

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

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 December 31, 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 December 31, 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 2011

(€ million)	Renault	Nissan ⁽¹⁾	Intercompany eliminations	Alliance
Sales of goods and services	41,192	76,415	(3,509)	114,098
Sales financing revenues	1 436	4,309	(122)	5,623
Revenues	42,628	80,724	(3,631)	119,721

(1) Converted at the average exchange rate for 2011: EUR 1 = JPY 111.0.

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 are as follows:

(€ million)	Operating margin	Operating income	Net income ⁽²⁾
Renault	1,091	1,244	807
Nissan ⁽¹⁾	4,477	3,942	3,288
Alliance	5,568	5,186	4,095

(1) Converted at the average exchange rate for 2011: EUR 1 = JPY 111.0.

(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 4.7% of revenues.

In Nissan restated financial indicators shown above, combined costs effects of tsunami disaster in Japan and floods in Thailand corresponds to approximatively €500 millions, which constitute almost the variance between operating margin and operating income.

In 2011, the Alliance's **research and development expenses**, after capitalization and amortization, are as follows:

(€ million)	
Renault	2,027
Nissan ⁽¹⁾	3,300
Alliance	5,327

(1) Converted at the average exchange rate for 2011: EUR 1 = JPY 111.0.

FINANCIAL INFORMATION ON THE ALLIANCE

BALANCE SHEET INDICATORS

CONDENSED RENAULT AND NISSAN BALANCE SHEETS (€ million)

RENAULT AT DECEMBER 31, 2011

ASSETS		SHAREHOLDERS' EQUITY AND LIABILITIES	
Intangible assets	3,718	Shareholders' equity	24,567
Property, plant and equipment	11,357	Deferred tax liabilities	135
Investments in associates (excluding Alliance)	1,060	Provisions for pension and other long-term employee benefit obligations	1,350
Deferred tax assets	566	Financial liabilities of the Automotive division	9,296
Inventories	4,429	Financial liabilities of the Sales financing division and sales financing debts	22,257
Sales financing receivables	21,900	Other liabilities	15,329
Automotive receivables	1,275		
Other assets	5,026		
Cash and cash equivalents	8,672		
Total assets excluding investment in Nissan	58,003		
Investment in Nissan	14,931		
TOTAL ASSETS	72,934	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	72,934

NISSAN AT DECEMBER 31, 2011⁽¹⁾

ASSETS		SHAREHOLDERS' EQUITY AND LIABILITIES	
Intangible assets	6,776	Shareholders' equity	36,930
Property, plant and equipment	38,055	Deferred tax liabilities	4,946
Investments in associates (excluding Alliance)	253	Provisions for pension and other long-term employee benefit obligations	3,170
Deferred tax assets	1,507	Financial liabilities of the Automotive division	3,597
Inventories	11,545	Financial liabilities of the Sales financing division and sales financing debts	36,364
Sales financing receivables	30,086	Other liabilities	27,343
Automotive receivables	6,408		
Other assets	8,073		
Cash and cash equivalents	7,637		
Total assets excluding investment in Renault	110,340		
Investment in Renault	2,010		
TOTAL ASSETS	112,350	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	112,350

(1) Converted at the closing rate at December 31, 2011: EUR 1 = JPY 100.2.

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, excluding leased vehicles, amount to:

(€ million)	
Renault	1,898
Nissan ⁽¹⁾	3,083
Alliance	4,981

(1) Converted at the average exchange rate for 2011: EUR 1 = JPY 111.0.

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 €22 billion increase in shareholders' equity - minority interests' share.



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