

EARNINGS REPORT 2012



DRIVE THE CHANGE



EARNINGS REPORT 2012

IN BRIEF	1
KEY FIGURES	1
OVERVIEW	1
2013 OUTLOOK	1
1. SALES PERFORMANCE	3
OVERVIEW	3
1.1. AUTOMOTIVE	4
1.1.1. Group sales by Region	4
1.1.2. Group sales by brand and model	5
1.2. SALES FINANCING	7
1.2.1. Proportion of new vehicles financed	7
1.2.2. RCI Banque new financing contracts and average loans outstanding	7
1.2.3. International development and new activities	7
1.3. SALES AND PRODUCTION STATISTICS	8
2. FINANCIAL RESULTS	14
OVERVIEW	14
2.1. COMMENTS ON THE FINANCIAL RESULTS	14
2.1.1. Consolidated income statement	14
2.1.2. Free cash flow and Automotive debt	16
2.1.3. Cash at December 31, 2012	18
2.2. CONSOLIDATED FINANCIAL STATEMENTS	19
2.2.1. Consolidated income statement	19
2.2.2. Consolidated comprehensive income	20
2.2.3. Consolidated financial position	21
2.2.4. Changes in shareholders' equity	22
2.2.5. Consolidated cash flows	23
2.2.6. Segment reporting	24
3. FINANCIAL INFORMATION ON THE ALLIANCE	31

KEY FIGURES

		2012	2011	Change
Worldwide Group sales	million vehicles	2.55	2.72	-6.3%
Group revenues	€ million	41,270	42,628	-3.2%
Group operating margin	€ million	729	1,091	-362
	% revenues	+1.8%	+2.6%	-0.8 pt
Contribution from associated companies	€ million	1,504	1,524	-20
o/w Nissan		1,234	1,332	-98
o/w AB Volvo		80	136	-56
o/w AVTOVAZ		186	49	+137
Net income	€ million	1,735	2,139	-404
Net income, Group share	€ million	1,772	2,092	-320
Earnings per share	€	6.51	7.68	-1.17
Operational free cash flow ⁽¹⁾	€ million	597	1,084	-487
Automotive net financial debt	€ million	-1,492	299	-1,791
Sales Financing, average loans outstanding	€ billion	24.2	22.8	+6.2%

(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.

OVERVIEW

In 2012, Group totaled 2,550,286 vehicles sold, down 6.3%. The Group set an international⁽²⁾ sales record, close to 1.3 million vehicles outside Europe (50.2%), but failed to offset the 18.0% drop in sales in Europe.

Group revenues came to €41,270 million, down 3.2%. With the strong increase in sales outside Europe failing to offset the decrease in sales in Europe, the **Automotive** division contributed €39,156 to revenues, down 3.7% on 2011.

Group operating margin fell €362 million in 2012 to €729 million (1.8% of revenues) compared with €1,091 million in 2011 (2.6% of revenues).

The **Automotive** division posted a slightly negative operating margin (- €25 million or -0.1% of its revenues) compared with a positive €330 million in 2011 (0.8% of its revenues). The positive impact from cost reductions for €528 million and the good control of G&A expenses did not offset the sharply negative volume impact (- €501 million) or the increased competition in Europe (mix/price/enrichment effect of - €242 million).

The contribution of **Sales Financing** to Group operating margin came to €754 million, compared with €761 million in 2011. The cost of risk totaled 0.38% of the outstandings (up 0.15 points), after reaching a low point last year. However, it remains below its historic average, reflecting the continued good quality of the portfolio, despite the worsening economic environment in Europe.

Operating income was €122 million, after recognizing other negative operating income and expense items, which totaled €607 million, mainly due to impairment charges of several vehicles lines, the devaluation of the Iranian currency, and restructuring costs.

The contribution of **associated companies** came to €1,504 million in 2012⁽³⁾ (of which €1,234 million for Nissan), down from €1,524 million in 2011.

(2) Regions outside Europe : Americas, Asia-Pacific, Euromed-Africa and Eurasia.

(3) After taking into account AB Volvo's contribution for three quarters.

IN BRIEF

Net income came to €1,735 million, compared with €2,139 million in 2011. The total includes a capital gain of €924 million from the disposal of A shares in AB Volvo in December. Net income, group share, was €1,772 million (€6.51 per share).

For the fourth consecutive year, Automotive **operational free cash flow** was positive. Despite the negative impact from sales and operating income, full-year free cash flow came to €597 million, mainly resulting from the rigorous management of the working capital requirement. The Group was able to increase its annual investments reaching 8.1% of revenues.

This performance, along with the disposal of AB Volvo A shares in December 2012 for €1,476 million, enabled the Group to eliminate its net debt. For the first time since the beginning of the Alliance with Nissan in 1999, Renault is reporting a positive Automotive **net cash position** of €1,492 million at December 31, 2012, compared with net debt of €299 million at end-December 2011. At the same time, the Automotive division reported a strong **liquidity position** of €13.6 billion, compared to €11.4 billion at end-2011.

In line with the dividends policy announced in the “Renault 2016 - Drive the Change” plan, a **dividend** of €1.72 per share, strictly representing the dividends received by the Group in 2012 for its shares in listed companies, will be submitted for approval at the next Shareholders’ General Meeting.

2013 OUTLOOK

In 2013, the European market remains uncertain and is expected to contract by at least 3% with a French market down 3 to 5%. The global automotive market (PC+LCV) is expected to grow 3% year on year. This growth will be fueled by positive momentum expected in China, North America, India (+11%) Russia (+5%), and Brazil (+1.5%).

In this context, Renault will pursue its strategy of international development. In Europe, the Group is targeting market share growth with new product launches (Captur, ZOE, Clio Estate, New Logan) and the full impact of the products launched at the end of 2012 (Clio IV and New Sandero) with a sustainable pricing policy.

Renault Group is targeting for 2013 (provided European and French markets are not significantly worse than expected):

- units sales growth;
- positive Automotive operating margin;
- positive Automotive operational free cash flow.

OVERVIEW

- In 2012, the Group sold **2.5 million vehicles** (-6.3%), for global PC/LCV market share of 3.2% (vs 3.6% in 2011). Market performance was uneven, with the global market growing overall and the European market falling.
- In 2012, **growth in international sales gathered pace**. The Group sold nearly 1.3 million vehicles outside Europe (+9.1% on 2011). For the first time, the Group sold as many vehicles on international markets as it did in Europe (50.2% compared with 43.1% in 2011).
- Growth was particularly strong in **Brazil** and **Russia**, which now rank as the Group's second and third biggest markets respectively.
- The **Renault brand** accounted for 83% of Group sales with 2,124,773 vehicles. Despite growing by a strong 13.9% outside Europe, Renault brand sales fell by 6.0% on 2011. Renault remains No.1 on the European LCV market (since 1998) with market share of 15.5%.
- The **Dacia brand** saw sales rise 4.8% to 359,822 units, buoyed by the expansion of the range in 2012 with the arrival of Lodgy, Dokker, and the renewal of Sandero.
- The **Renault Samsung Motors brand** saw sales fall 44.4% to 65,691 units. The brand is currently restructuring its sales network and product offering.
- New financing (excluding the card business and personal loans) by **RCI Banque** reached €10.8 billion in 2012, vs €11.1 billion in 2011, down 2.6%. Average loans outstanding at RCI Banque rose to €24.2 billion (+6.2% on 2011).

THE RENAULT GROUP'S TOP FIFTEEN MARKETS

SALES EXCL. LADA	Sales volumes 2012* (in units)	PC/LCV market share 2012 (%)	Change in market share on 2011 (points)
1 France	551,314	24.2	-1.9
2 Brazil	241,594	6.6	1.0
3 Russia	189,852	6.5	0.6
4 Germany	170,303	5.1	-0.2
5 Argentina	118,727	14.8	1.8
6 Turkey	118,169	15.2	-1.1
7 Algeria	113,664	26.0	0.8
8 Iran	100,783	9.8	3.9
9 Italy	96,144	6.3	-0.1
10 Spain + Canary Islands	83,366	10.7	-0.1
11 Belgium + Luxembourg	74,896	12.5	-0.9
12 South Korea	59,926	4.0	-3.0
13 United Kingdom	56,169	2.5	-1.6
14 Netherlands	53,745	9.5	0.3
15 Morocco	47,709	36.6	-0.4

* Figures at end-December 2012.

SALES PERFORMANCE

1.1. AUTOMOTIVE

1.1. AUTOMOTIVE

1.1.1. GROUP SALES BY REGION

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	2012*	2011	Change (%)
EUROPE REGION	1,270,688	1,550,202	-18.0
Renault	1,040,289	1,309,478	-20.6
Dacia	230,399	240,724	-4.3
AMERICAS REGION	450,916	396,927	13.6
Renault	445,151	388,013	14.7
Renault Samsung Motors	5,765	8,914	-35.3
ASIA-PACIFIC REGION	260,013	259,058	0.4
Renault	198,312	147,939	34.0
Dacia	1,775	1,898	-6.5
Renault Samsung Motors	59,926	109,221	-45.1
EUROMED-AFRICA REGION	360,918	345,865	4.4
Renault	233,270	245,010	-4.8
Dacia	127,648	100,855	26.6
EURASIA REGION	207,751	170,831	21.6
Renault	207,751	170,831	21.6

* Preliminary figures.

→ Europe

In Europe, in a PC+LCV market that contracted by 8.6%, Group sales fell 17.9%. The Renault brand ranks No. 3 in the PC+LCV market. Dacia sales fell 4.3% to 230,399 units. Overall, the Group is suffering the impact of:

- a distorted geographical mix, with the sharp downturn of markets in France and Southern Europe, where the Group has traditionally had high market share;
- the ageing of the range prior to its renewal;
- a price defense policy that places the emphasis on virtuous sales by channel.

In **France**, the Renault brand remains No. 1 for PC sales, and continues to place Twingo, Clio and Mégane in the top spots in their respective segments, despite a 24.8% fall in sales.

In the **UK**, where the brand continued to restructure its sales presence as in 2011, Renault had market share of 2.5%, down 1.6 points.

In other countries, the Group reported stable market share. On strongly falling markets like **Spain** (-14.9%) and **Italy** (-20.9%), the Group reported a fall in volumes with sales down by 15.9% and 21.9% respectively. In **Germany**, the Group saw sales fall 6.0% to 170,303 units, in a market that contracted by 3.1%.

→ Outside Europe

With nearly 1.3 million vehicles sold, +9.1% on 2011, the Group set a new sales record and made progress on all Regions. In this way, the Group is confirming its international expansion and potential for growth. The percentage of Renault group vehicles sold outside Europe rose 7.1 points to 50.2% of sales, compared with 43.1% in 2011.

Of the Group's five main markets, three were located outside Europe (Brazil, Russia, Argentina) in 2012.

• Americas:

Brazil is now the Renault group's second biggest market. Sales rose 24.3% in a market that grew by 6.1%. Growing four times faster than the market, the Group set a new record for both sales and market share. The Group is pursuing its development in both passenger cars and LCVs, with the expansion of the dedicated Renault Pro+ network.

Argentina becomes the Group's fifth biggest market, rising three places. In a market that contracted by 1.9%, Group sales rose 12.0%.

The brand's success was driven by Sandero phase 2, and Duster.

SALES PERFORMANCE

1.1. AUTOMOTIVE

• Eurasia:

Russia becomes the Group's third biggest market, rising one place. In 2012, the Group posted a 22.7% rise in sales, a new record, for market share of 6.5% (+0.6 points) in a market that expanded by 11.3%. The Renault brand ranks No. 3 on the market, following its breakthrough in the C segment (44% rise in sales of Mégane and Fluence) and the success of Duster. Launched in March, this model is already the country's best-selling SUV. The brand is continuing to deploy its sales network with 20 new dealerships, taking the total to 160 at end-2012.

• Euromed-Africa:

In **Turkey**, the Group's sixth biggest market, sales dropped 16.1% in a market that contracted by 10.0%, owing primarily to the withdrawal of the Symbol diesel and pending the arrival of Clio IV.

In **Algeria**, the Group posted record sales of 113,664 units, a rise of 51.5%, topping the 100,000 mark for the first time. In a strongly growing market, the Group had market share

of 26.0%. The Renault brand held on to the No. 1 position, thanks to the success of Clio and Master. Dacia now ranks third, primarily with Logan and Duster.

In **Morocco**, the Group reached a record level with a 15.0% rise in sales. The Group had market share of 36.5% with the Renault and Dacia brands once more claiming the top two places.

• Asia-Pacific:

In **South Korea**, sales fell 45.1%. Renault Samsung Motors is going through a transition period, with the restructuring of its sales network and product offering but is aiming for a recovery in 2013.

In **India**, the Group sold 35,157 units, increasing its market share by 1.1 points. In 2012, the Group implemented a policy of conquest, expanding the range to include five products: Fluence, Koleos, Pulse, Duster and Scala. These launches illustrate the Group's determination to be a key player in this market, which is the third plank in its international strategy, alongside Russia and Brazil.

1.1.2. GROUP SALES BY BRAND AND MODEL

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	2012*	2011	Change (%)
GROUP	2,550,286	2,722,883	-6.3
BY BRAND			
Renault	2,124,773	2,261,271	-6.0
Dacia	359,822	343,477	4.8
Renault Samsung Motors	65,691	118,135	-44.4
BY VEHICLE TYPE			
Passenger cars	2,213,668	2,360,142	-6.2
Light commercial vehicles	336,618	362,741	-7.2

* Preliminary figures.

1.1.2.1 RENAULT BRAND

→ Passenger cars

Renault reported a 6.0% drop in sales overall on 2011, despite strong growth of 13.5% outside Europe. With 1,803,065 units sold, the brand accounts for 81% of Group PC sales.

- In the *A segment*, with 92,644 registrations vs 134,200 in 2011, **Twingo** slips to the No. 4 position (-1 place) in its class in Europe. It remains No. 1 in France, with market share of 25.8% on this segment.
- In the *B segment*, a few weeks after its renewal, Clio IV had already taken more than 100,000 orders. Over the year, worldwide sales of **Clio** (Clio II + Clio III + Clio IV) dipped by 10.1% to 337,924 registrations. **Sandero**, sold

under the Renault brand name, continued its breakthrough in emerging countries with 205,668 units sold in 2012. Sandero sales in Russia and Brazil rose by 6.4% and 20.4% respectively, to 48,632 and 98,458 units respectively. One year ahead of its renewal, sales of **Logan** fell 13.3% to 220,056 units.

- In the *C segment*, with 395,969 units sold worldwide, the **Mégane** family is suffering from an unfavourable geographic mix. It remains No. 2 on the European market with a 6.8% share of its segment. It remains No. 1 in France, Belgium, Holland, Spain and Portugal. **Scénic** (132,146 registrations) remains best-seller in its category in Europe.

SALES PERFORMANCE

1.1. AUTOMOTIVE

The Renault brand sold 158,055 **Duster** vehicles worldwide. Following its launch at end-2011 in Brazil (46,904 vehicles sold in 2012), Duster pursued its international deployment with launches in Russia (47,344 vehicles sold) and India (23,731 vehicles sold).

Fluence saw sales rise on its various markets worldwide to 106,529 vehicles (+4.2%). All models combined, Fluence ranks No. 3 on its segment in Turkey.

- In the *D* and *E* segments, **Laguna** sales fell significantly to 29,827 units, compared with 50,575 in 2011.

Reflecting its appeal in China, **Koleos** reported 49,316 registrations, compared with 49,272 in 2011. Renault **Space** (12,536 vehicles sold in 2012) remains No. 1 in France, increasing its market share to 33.1% of its segment with 6,081 vehicles sold. **Latitude** totalled 9,219 sales, compared with 14,152 in 2011.

→ Light commercial vehicles

The downtrend in the LCV market in Europe (-12.8%) had a strong impact on Renault sales, which fell 13.5%. The brand nevertheless remained No. 1 for the fifteenth consecutive year, with market share of 15.5%. With 94,279 units sold outside Europe (+18.6%), in a market that expanded by 5.2%, international sales now account for 29.3% of the brand total. This performance is linked to a rise in sales across all Regions outside Europe. For example, Argentina is now the Group's second biggest LCV market, and Algeria the fifth biggest.

Sales of **Kangoo** (excluding Kangoo Z.E.) and Renault **Trafic** dropped 12.8% and 14.6% to 108,167 units and 54,223 units respectively. Sales of Renault **Master** rose 0.6% to 95,605 units.

→ Electric vehicles

Renault markets a range of three electric vehicles. **Twizy**, the compact urban quadricycle launched in early 2012 has notched up 9,020 sales. This vehicle alone symbolizes the innovative nature of this technology developed by Renault. **Kangoo Z.E.**, an electric LCV, totalled 5,688 sales in 2012. **Fluence Z.E.**, an electric vehicle developed for a number of specific markets, reported 2,086 sales over the year. With Fluence Z.E. and Kangoo Z.E., Renault is No. 1 on the all electric vehicle market in Europe with market share of 28%.

1.1.2.2. DACIA BRAND

Sales of the Dacia brand rose 4.8% to 359,822 units, buoyed by the expansion of the range in 2012 and the arrival of **Lodgy** (an MPV) and **Dokker** (an LCV). Market share in Europe remained stable despite an unfavourable geographic mix caused by the downturn in the French market. The Dacia brand has a strong growth in Euromed-Africa.

- In the *B* segment, sales of **Sandero** under the Dacia brand name increased worldwide to 94,180 units (+9.8%). In Europe, on its segment, Sandero continues to win market share despite difficult conditions.
- In the *C* segment, **Duster** was penalized by an unfavourable sales mix by distribution channel. Sales volumes fell 18.5% to 131,205 units, compared with 161,053 in 2011. It nevertheless continues to rank third in sales of cross-over passenger vehicles in Europe, with market share of 8.1% in this category.

1.1.2.3. RENAULT SAMSUNG MOTORS BRAND

South Korea dropped to twelfth place in the Renault group market rankings. The local brand, Renault Samsung Motors, posted market share of 4.0% (8.3% in 2011). Renault Samsung Motors saw sales drop 45.1% to 59,926 units. The brand is restructuring its sales network and product offering with a view to staging a recovery from end-2013. SM5 phase 2, the first vehicle launched since the roll-out of the revival plan, has made a good start.

1.2. SALES FINANCING

1.2.1. PROPORTION OF NEW VEHICLES FINANCED

Continuing the growth plan initiated in 2010-2011, the RCI Banque group turned in a strong sales performance throughout 2012, increasing the overall proportion of new vehicles financed on all markets.

The rise in the proportion of new vehicles financed was particularly strong for the Renault and Dacia brands, with figures rising by 2.2 and 3.5 points to 36.6% and 33.0% respectively.

In the **Europe Region**, the proportion of new vehicles financed by RCI Banque rose slightly to 33.9% (vs 33.0% in 2011). The figure for the Renault brand was 36.9% (vs 35.4% in 2011) and 26.7% for Nissan (vs 26.6% in 2011). This trend

can be explained by the competitive sales policy pursued by RCI Banque, with investments and services packages, and also by the efforts made by both brands to use financing operations to build customer loyalty.

In the **Americas Region**, the proportion of new vehicles financed by RCI Banque rose to 37.1% (vs 33.4% in 2011).

In South Korea, (the only country in the **Asia-Pacific Region** where RCI is present today), the proportion of new vehicles financed remained stable at 57.3% (vs 56.6% in 2011).

In the **Euromed-Africa Region** (with Romania and Morocco), the proportion of new vehicles financed by RCI Banque rose to 26.3% in 2012 (vs 19.0% in 2011).

1.2.2. RCI BANQUE NEW FINANCING CONTRACTS AND AVERAGE LOANS OUTSTANDING

In connection with the business activity of the vehicle manufacturers, particularly Renault, RCI Banque signed 976,449 new vehicle contracts in 2012, a drop of 4.7%.

New financing contracts fell 2.6% to €10.8 billion, excluding the card business and personal loans (€11.1 billion in 2011). Nevertheless, average loans outstanding rose 6.2% on 2011 to €24.2 billion.

1.2.3. INTERNATIONAL DEVELOPMENT AND NEW ACTIVITIES

As part efforts to support Renault and Nissan in their international development, RCI Banque is pursuing its geographical expansion, in response to the brands' market objectives. The subsidiary set up in Ireland at end-2011 is developing its activity in line with the ambitions set out. The proportion of new vehicles financed was 42.4% at end-December 2012.

In October 2012, RCI also established itself in Turkey, with the launch of a joint-venture banking subsidiary with Oyak. This subsidiary will provide sales financing services for Renault in Turkey. The first results are encouraging, with a 23.4% financing rate for new vehicles at end-December 2012.

At the same time, continuing its strategy to diversify financing sources, RCI Banque launched "Zesto", a consumer savings account, in France on February 16, 2012. Deposits totalled €893 million at end-December 2012.

For the launch of Renault's electric vehicles (Fluence Z.E., Kangoo Z.E., ZOE and Twizy), RCI Banque has developed a special marketing model based on the rental of batteries. These financing products are available in all the European countries where these electric vehicles are sold. More than 15,000 rental contracts had been signed at end-December 2012.

SALES PERFORMANCE

1.3. SALES AND PRODUCTION STATISTICS

1.3. SALES AND PRODUCTION STATISTICS

RENAULT GROUP
WORLDWIDE SALES

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	2012*	2011	Change (%)
Twingo	103,468	147,093	-29.7
Wind	1,663	6,872	-75.8
Clio	366,186	409,775	-10.6
Thalia	61,747	97,798	-36.9
Modus	30,391	48,441	-37.3
Pulse	6,217	-	-
Logan	323,945	351,830	-7.9
Sandero	299,848	282,209	6.3
Lodgy	29,129	-	-
Mégane / Scénic	404,178	472,283	-14.4
Fluence (incl. Z.E.) / SM3 / Scala	137,425	152,241	-9.7
Duster	297,724	179,998	65.4
Laguna	29,938	50,819	-41.1
Latitude / SM5 / Safrane	42,751	66,444	-35.7
Koleos / QM5	56,847	59,462	-4.4
Espace	12,627	15,462	-18.3
SM7 / Talisman	5,546	17,199	-67.8
Kangoo / Kangoo II (incl. Z.E.)	168,666	186,909	-9.8
Dokker	2,924	-	-
Trafic	67,105	77,197	-13.1
Master	89,723	86,208	4.1
Others	12,238	14,643	-16.4
TOTAL WORLDWIDE GROUP SALES PC + LCV	2,550,286	2,722,883	-6.3
<i>* Preliminary figures.</i>			
Twizy**	9,020	-	-

** As a quadricycle, Twizy is not included into automotive Group sales.

SALES PERFORMANCE

1.3. SALES AND PRODUCTION STATISTICS

RENAULT GROUP SALES IN THE EUROPE REGION

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	2012*	2011	Change (%)
Twingo	97,228	139,200	-30.2
Wind	1,558	6,786	-77.0
Clio	271,059	329,446	-17.7
Thalia	4,568	5,496	-16.9
Modus	30,387	48,431	-37.3
Pulse			
Logan	28,965	37,273	-22.3
Sandero	72,450	69,137	4.8
Lodgy	27,383	-	-
Mégane / Scénic	337,917	413,278	-18.2
Fluence (incl. Z.E.) / SM3 / Scala	10,475	13,969	-25.0
Duster	100,363	134,241	-25.2
Laguna	29,485	50,121	-41.2
Latitude / SM5 / Safrane	2,078	7,110	-70.8
Koleos / QM5	15,356	16,817	-8.7
Espace	12,618	15,454	-18.4
SM7	-	-	-
Kangoo / Kangoo II (incl. Z.E.)	98,635	117,510	-16.1
Dokker	1,138	-	-
Trafic	61,024	71,767	-15.0
Master	56,285	60,001	-6.2
Others	11,716	14,165	-17.3
TOTAL EUROPE GROUP SALES PC + LCV	1,270,688	1,550,202	-18.0
<i>* Preliminary figures.</i>			
Twizy**	9,015	-	-

** As a quadricycle, Twizy is not included into automotive Group sales.

SALES PERFORMANCE

1.3. SALES AND PRODUCTION STATISTICS

RENAULT GROUP INTERNATIONAL SALES

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	2012*	2011	Change (%)
Twingo	6,240	7,893	-20.9
Wind	105	86	22.1
Clio	95,127	80,329	18.4
Thalia	57,179	92,302	-38.1
Modus	4	10	-60.0
Pulse	6,217	-	-
Logan	294,980	314,557	-6.2
Sandero	227,398	213,072	6.7
Lodgy	1,746	-	-
Mégane / Scénic	66,261	59,005	12.3
Fluence (incl. Z.E.) / SM3 / Scala	126,950	138,272	-8.2
Duster	197,361	45,757	331.3
Laguna	453	698	-35.1
Latitude / SM5 / Safrane	40,673	59,334	-31.5
Koleos / QM5	41,491	42,645	-2.7
Espace	9	8	12.5
SM7 / Talisman	5,546	17,199	-67.8
Kangoo II (incl. Z.E.)	70,031	69,399	0.9
Dokker	1,786	-	-
Trafic	6,081	5,430	12.0
Master	33,438	26,207	27.6
Others	522	478	9.2
TOTAL INTERNATIONAL GROUP SALES PC + LCV	1,279,598	1,172,681	9.1
<i>* Preliminary figures.</i>			
Twizy**	5	-	-

** As a quadricycle, Twizy is not included into automotive Group sales.

SALES PERFORMANCE

1.3. SALES AND PRODUCTION STATISTICS

RENAULT GROUP MODEL PERFORMANCE BY SEGMENT IN THE EUROPE REGION*

PASSENGER CARS	Segment change (%)	Group share of segment			Rank 2012
		2012* (%)	2011 (%)	Change (points)	
A segment	-0.7				
Twingo / Twingo II		7.7	11.0	-3.4	4
Wind		0.1	0.6	-0.4	24
B segment	-14.4				
Clio / Clio III / Clio IV		6.8	7.1	-0.3	5
Thalia / Thalia II		0.1	0.1	0.0	42
Modus		0.8	1.2	-0.3	28
Logan		0.6	0.6	0.0	32
Sandero / Sandero II		2.0	1.6	0.4	16
Kangoo		0.0	0.0	0.0	71
ZOE		-	0.0	0.0	64
C segment	-3.8				
Kangoo / Kangoo II		0.6	0.7	-0.2	44
Mégane / Mégane II / Mégane III		6.8	8.0	-1.2	2
Fluence / Fluence Z.E.		0.2	0.3	-0.1	61
Duster		2.0	2.6	-0.6	16
Lodgy		0.6	0.0	0.6	43
Dokker		0.0	0.0	0.0	88
D segment	-9.7				
Laguna / Laguna III		1.5	2.4	-0.8	21
Latitude		0.1	0.3	-0.2	50
Koleos		0.8	0.8	0.0	29
Trafic / Trafic II		0.6	0.6	0.0	34
E segment	-8.4				
Espace / Espace IV		1.4	1.6	-0.2	20
Master / Master II / Master III		0.2	0.1	0.1	58

* Preliminary figures.

SALES PERFORMANCE

1.3. SALES AND PRODUCTION STATISTICS

RENAULT GROUP WORLDWIDE PRODUCTION BY MODEL⁽¹⁾

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	2012*	2011	Change (%)
<i>Twizy</i>	11,325	-	N/A
Twingo / Wind	101,508	153,426	-33.8
Clio	393,228	408,068	-3.6
Modus	31,193	48,590	-35.8
Thalia	51,779	97,560	-46.9
Sandero	294,339	285,061	3.3
Logan	183,216	215,884	-15.1
Other Logan	46,168	56,606	-18.4
Lodgy	41,455	-	N/A
Mégane / Scénic	377,685	468,324	-19.4
Fluence (incl. Z.E.) / SM3	150,084	194,369	-22.8
Duster	287,953	190,770	50.9
Laguna	27,703	50,241	-44.9
Latitude / SM5	40,162	64,298	-37.5
Koleos	54,957	61,534	-10.7
Espace	12,931	14,675	-11.9
SM7	3,768	19,090	-80.3
Kangoo (incl. Z.E.)	195,072	188,380	3.6
Dokker	8,901	-	N/A
Master	117,190	119,347	-1.8
Other	14,040	388	N/A
GROUP WORLDWIDE PRODUCTION	2,444,657	2,636,611	-7.3
o/w produced for partners:	42,833	85,652	-50.0
Citan for Daimler	14,099	-	N/A
Vehicles for Nissan in Mercosur	28,734	32,759	-12.3
SM3 for Nissan	-	38,247	N/A
Master for GM	-	14,646	N/A

* Preliminary figures.

	2012*	2011	Change (%)
PRODUCED BY PARTNERS FOR RENAULT	247,900	183,501	35.1
Produced by GM for Renault (Trafic)	16,534	15,074	9.7
Produced by Nissan for Renault (Trafic & Logan)	78,517	62,975	24.7
Other (Iran + India)	152,849	105,452	44.9

* 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 31st 2012

EUROPE	AMERICAS	ASIA-PACIFIC	EUROMED-AFRICA	EURASIA
Western Europe	Northern Latin America	Japan	Eastern Europe	Russia
Metropolitan France	Colombia	Hong Kong	Bulgaria	Armenia
Austria	Costa Rica	South Korea	Moldova	Azerbaijan
Germany	Cuba	India	Romania	Belarus
Belgium-Lux.	Ecuador	Iran	Turkey	Georgia
Denmark	Honduras	Saudi Arabia	Africa	Kazakhstan
Spain	Mexico	Gulf States	Algeria	Kyrgyzstan
Finland	Nicaragua	Irak	Morocco	Uzbekistan
Greece	Panama	Israel	Tunisia	Tajikistan
Ireland	El Salvador	Jordan	Egypt	Turkmenistan
Iceland	Venezuela	Lebanon	Sub Saharian African countries	Ukraine
Italy	Dominican Rep.	Pakistan	South Africa	
Norway	Southern Latin America	Asean	Madagascar	
Netherlands	Argentina	Brunei	Libya	
Portugal	Brazil	Cambodia	French overseas departements West Indies and Indian Ocean	
United Kingdom	Bolivia	Indonesia	Guadeloupe	
Sweden	Chili	Laos	French Guiana	
Switzerland	Paraguay	Malaysia	Martinique	
Albania	Peru	Philippines	Saint Martin	
Bosnia	Uruguay	Singapore	St Pierre and Miquelon	
Cyprus		Thailand	Réunion	
Croatia		Viet Nam	Comoro Islands	
Hungary		Australia	Seychelles	
Macedonia		New Caledonia	Mauritius	
Malta		New Zealand		
Montenegro		Tahiti		
Baltic States		CHINA		
Poland				
Czech Rep.				
Serbia				
Slovakia				
Slovenia				

OVERVIEW

(€ million)	2012	2011	Change
Group revenues	41,270	42,628	-3.2%
Operating margin	729	1,091	-362
Operating profit	122	1,244	-1,122
Financial result	-266	-121	-145
Contribution from associated companies	1,504	1,524	-20
<i>o/w Nissan</i>	1,234	1,332	-98
Capital gain on disposal of Class A shares in AB Volvo	924	-	924
Net income	1,735	2,139	-404
Automotive operational free cash flow	597	1,084	-487
Automotive net financial debt	-1,492	299	-1,791
Shareholders' equity	24,547	24,567	-20

2.1. COMMENTS ON THE FINANCIAL RESULTS

2.1.1. Consolidated income statement

OPERATING SEGMENT CONTRIBUTION TO GROUP REVENUES

(€ million)	2012					2011				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Automotive	9,013	10,850	7,928	11,365	39,156	9,965	10,178	9,259	11,277	40,679
Sales Financing	522	550	519	523	2,114	466	492	486	505	1,949
Total	9,535	11,400	8,447	11,888	41,270	10,431	10,670	9,745	11,782	42,628

(€ million)	Change (%)				
	Q1	Q2	Q3	Q4	Year
Automotive	-9.6	6.6	-14.4	0.8	-3.7
Sales Financing	12.0	11.8	6.8	3.6	8.5
Total	-8.6	6.8	-13.3	0.9	-3.2

Group revenues came to €41,270 million, down 3.2%⁽¹⁾ on 2011 (also -2.8% excluding the exchange rate effect).

Automotive's revenue contribution in 2012 was €39,156 million, down 3.7% on 2011. This trend was mainly attributable to:

- a fall in sales in Europe (-18.0%), partly offset by growth in international⁽²⁾ sales (+9.1%), reflected by a negative volume effect (-5.0 points) and geographic mix (-0.8 points);
- an improvement in the product mix which had a positive effect (+1.9 points). This improvement was notably a result of the launch of Duster in South America, Russia and India;

- a sales policy aimed at showcasing products, including in the highly competitive European market, which had a positive impact of 0.8 points;
- other Group activities (including the sale of powertrain components and vehicles to partners) which had a negative impact of 0.2 points;
- the negative exchange rate effect for 0.4 points.

Excluding other businesses and by Region:

- international operations were up sharply and contributed 3.9 points to growth through a volume and mix effect, especially in South America and Eurasia;
- Europe accounted for 7.6 points of the fall in revenues.

(1) On a consistent basis, 2011 revenues unchanged at €42,628 million.

(2) Regions outside Europe: Americas, Asia-Pacific, Euromed-Africa and Eurasia.

OPERATING SEGMENT CONTRIBUTION TO GROUP OPERATING MARGIN

(€ million)	2012	2011	Change
Automotive	-25	330	-355
% of division revenues	-0.1%	0.8%	-0.9 pt
Sales Financing	754	761	-7
Total	729	1,091	-362
% of Group revenues	1.8%	2.6%	-0.8 pt

Automotive's operating margin, which fell by €355 million to a negative €25 million, was still at breakeven in 2012, despite tough sales conditions in Europe, reflected in:

- a strongly negative volume effect of €501 million;
- a negative product mix/price/enhancement effect of €242 million. Despite higher prices, mainly outside Europe, this decrease reflects problems in passing the overall increase in product value through to retail prices in Europe. This trend was strongly mitigated by the sales policy aimed at enhancing the Renault brand's relative price positioning.

The Group partly managed to offset some of the impact of the fiercely competitive environment through €600 million in cost reductions, breaking down as:

- a €528 million reduction in costs through the *Monozukuri* plan (including the €55 million increase in raw materials);
- a €72 million reduction in overheads.

The exchange rate had a negative impact of €184 million.

RENAULT GROUP – R&D EXPENSES *

(€ million)	2012	2011	Change
R&D expenses	1,889	2,064	-175
Capitalized development expenses	-764	-808	44
% of R&D expenses	-40.4%	-39.1%	-1.3%
Amortization	790	771	19
Gross R&D expenses recorded in the income statement	1,915	2,027	-112

* R&D expenses are fully incurred by Automotive.

As part of a managed investment policy, **Research and Development expenses** decreased by €175 million on 2011 to €1,889 million in 2012. Capitalization development expenses rate rose 40.4% in 2012 compared with 39.1% in 2011, linked to changes in the product cycle.

Despite the decline in the European car market, **Sales Financing** made a stable contribution of €754 million to Group operating margin, compared with €761 million in 2011. Average loans outstanding grew by 6.2% to €24.2 billion, despite a 2.6% decrease in new financing, on the strength of previous years' growth. The cost of risk rose by 0.15 points to 0.38%, after hitting a low last year. This is still below its average historical level, reflecting the continued high quality of the portfolio despite the economic downturn in Europe.

Other operating income and expenses showed net expense of €607 million, compared with net income of €153 million in 2011. This item was mainly made up of:

- €279 million in asset write-downs relative to several vehicles and powertrain components;
- an expense of €304 million related to the devaluation of the Iranian Rial;
- restructuring provisions amounting to €110 million, notably in South Korea and Spain;
- income of €94 million from the retroactive change in import taxes in Brazil.

2

FINANCIAL RESULTS

2.1. COMMENTS ON THE FINANCIAL RESULTS

After recognizing other operating income and expenses, the Group reported **operating profit** of €122 million, compared with €1,244 million in 2011.

The **net financial result** showed a net charge of €266 million, compared with €121 million in 2011. It reflects a negative impact related to the change in the fair value of the redeemable shares and to the depreciation of our stake in a dedicated fund aiming at helping distressed suppliers (FMEA).

Renault's **share in associated companies** generated a net gain of €1,504 million in 2012 (compared with €1,524 million in 2011), of which notably:

- €1,234 million from Nissan (€1,332 million in 2011);
- €80 million from AB Volvo for the first three quarters (€136 million in FY 2011);

- €186 million from AVTOVAZ (€49 million in 2011). Note that the contribution of AVTOVAZ is mostly impacted by the restatement of loans with subsidized interest rates.

Current and deferred taxes showed a charge of €549 million (compared with a charge of €508 million in 2011), of which a €493 million charge for current taxes.

Net income, which includes a capital gain of €924 million on the disposal of the A shares in AB Volvo in December 2012, came to €1,735 million in 2012, compared with €2,139 million in 2011. Net income, Group share amounted to €1,772 million (€2,092 million in 2011).

2.1.2. FREE CASH FLOW AND AUTOMOTIVE DEBT

AUTOMOTIVE FREE CASH FLOW

(€ million)	2012	2011	Change
Cash flow	2,577	2,910	-333
Change in the working capital requirement	922	627	+295
Tangible and intangible investments net of disposals	-2,674	-2,212	-462
Leased vehicles and batteries	-228	-241	+13
OPERATIONAL FREE CASH FLOW	597	1,084	-487

For the fourth year in a row, Automotive reported positive operational **free cash flow** of €597 million in 2012, resulting from:

- a €333 million fall, to €2,577 million in cash flow due to the decline in operating profit;

- a positive €922 million change in the working capital requirement, achieved through efficient WCR management, despite an increase in inventory;
- tangible and intangible investments net of disposals in the amount of -€2,674 million, a €462 million increase, but in line with the Plan's objective of under 9% of revenues.

TANGIBLE AND INTANGIBLE INVESTMENTS NET OF DISPOSALS, BY OPERATING SEGMENT

(€ million)	2012	2011*
Tangible investments (excluding capitalized leased vehicles)	1,936	1,564
Intangible investments	900	887
<i>o/w capitalized development R&D expenses</i>	764	808
Total acquisitions	2,836	2,451
Disposal gains	-162	-239
Total Automotive	2,674	2,212
Total Sales Financing	11	4
TOTAL GROUP	2,685	2,216

* The 2011 figures are restated to take into account expenses billed to third parties and amortized R&D.

Investment in 2012 was higher than in 2011, together with product cycle. The increase was consistent with the target of keeping the ratio of capex and R&D expenses to 9% or below of Group revenues.

Total gross investment was split 56% Europe and 44% international:

- in Europe: investment was focused 61% on the range, particularly the renewal of the B-segment (Clio IV, Captur), the renewal of light commercial vehicles (new Trafic), electric vehicles (ZOE) and the new fuel and diesel engine range;
- outside Europe: investments mainly concerned Morocco (Tangiers), Romania (renewal of the Logan range), South America (production capacity investment in Brazil) and Turkey.

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

NET CAPEX AND R&D EXPENSES

(€ million)	2012	2011*
Tangible and intangible investments net of disposals (excluding capitalized leased vehicles)	2,685	2,216
Capitalized development expenses	-764	-808
Other	-145	-80
Net industrial and commercial investments (1)	1,776	1,328
<i>% of Group revenues</i>	4.3%	3.1%
R&D expenses	1,889	2,064
<i>o/w billed to third parties</i>	-319	-427
Net R&D expenses (2)	1,570	1,637
<i>% of Group revenues</i>	3.8%	3.8%
Net capex and R&D expenses (1) + (2)	3,346	2,965
<i>% of Group revenues</i>	8.1%	7.0%

* The 2011 figures are restated to take into account expenses billed to third parties and amortized R&D.

2

FINANCIAL RESULTS

2.1. COMMENTS ON THE FINANCIAL RESULTS

AUTOMOTIVE NET FINANCIAL DEBT

(€ million)	Dec. 31, 2012	Dec. 31, 2011
Non-current financial liabilities	6,276	6,066
Current financial liabilities	3,802	3,789
Non-current financial assets - other securities, loans and derivatives on financial operations	-348	-497
Current financial assets	-1,150	-1,441
Cash and cash equivalents	-10,072	-7,618
Automotive net financial debt	-1,492	299

Automotive's positive operational free cash flow, combined with the disposal of the A shares in AB Volvo for €1,476 million in December 2012 has enabled the Group to be completely debt free. For the first time since the beginning of the Alliance with

Nissan in 1999, Automotive had a positive net cash position on December 31, 2012, in the amount of €1,492 million (compared with €299 million in net financial debt at end-December 2011).

2.1.3. CASH AT DECEMBER 31, 2012

In 2012, confirming its access to European and Japanese markets, **Renault** contracted more than €2 billion in medium-term loans, refinancing all of its 2012 bond repayments and pre-financing some of its bonds maturing in 2013. This financing activity, combined with the disposal of the A shares in AB Volvo at the end of the year, took Automotive's cash reserves to a historically high €13.6 billion at end-December 2012, breaking down as:

- €10.1 billion in cash and cash equivalents;
- €3.5 billion in undrawn confirmed credit lines.

On December 31, 2012, **RCI Banque** had:

- a liquidity reserve of €4.4 billion, representing available liquidity surplus to the certificates of deposit and commercial paper outstandings;
- available liquidity of €6.9 billion, covering more than two times all outstanding commercial paper and certificates of deposit, including €4.4 billion in undrawn confirmed credit lines, €1.9 billion in central-bank eligible collateral, and €0.6 billion in cash.

2.2. CONSOLIDATED FINANCIAL STATEMENTS

2.2.1. CONSOLIDATED INCOME STATEMENT

(€ million)	2012	2011
Revenues (note 4)	41,270	42,628
Cost of goods and services sold	(34,092)	(34,759)
Research and Development expenses (note 11-A)	(1,915)	(2,027)
Selling, general and administrative expenses	(4,534)	(4,751)
Operating margin (note 5)	729	1,091
Other operating income and expenses (note 6)	(607)	153
<i>Other operating income</i>	224	384
<i>Other operating expenses</i>	(831)	(231)
Operating income	122	1,244
Net interest income (expenses)	(267)	(219)
<i>Interest income</i>	184	193
<i>Interest expenses</i>	(451)	(412)
Other financial income and expenses	1	98
Financial income (note 7)	(266)	(121)
Gain on sale of AB Volvo shares (note 14)	924	-
Share in net income (loss) of associates	1,504	1,524
<i>Nissan (note 13)</i>	1,234	1,332
<i>Other associates (note 14)</i>	270	192
Pre-tax income	2,284	2,647
Current and deferred taxes (note 8)	(549)	(508)
Net income	1,735	2,139
Net income – non-controlling interests' share	(37)	47
Net income – parent-company shareholders' share	1,772	2,092
Earnings per share ⁽¹⁾ in € (note 9)	6.51	7.68
Diluted earnings per share ⁽¹⁾ in € (note 9)	6.50	7.68
Number of shares outstanding (in thousands) (note 9)	-	-
<i>For earnings per share</i>	272,256	272,381
<i>For diluted earnings per share</i>	272,393	272,381

(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 2012 presented in chapter 4 of the 2012 Registration document.

2

FINANCIAL RESULTS

2.2. CONSOLIDATED FINANCIAL STATEMENTS

2.2.2. CONSOLIDATED COMPREHENSIVE INCOME

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

<i>(€ million)</i>	2012	2011
NET INCOME	1,735	2,139
Actuarial gains and losses on defined-benefit pension plans	(268)	(23)
Translation adjustments on foreign activities	(99)	(107)
Partial hedge of the investment in Nissan	35	(142)
Fair value adjustments on cash flow hedging instruments	(20)	(13)
Fair value adjustments on available-for-sale financial assets	132	(257)
Total other components of comprehensive income excluding associates (A)	(220)	(542)
Actuarial gains and losses on defined-benefit pension plans	10	(107)
Translation adjustments on foreign activities	(1,164)	645
Fair value adjustments on cash flow hedging instruments	(19)	(14)
Fair value adjustments on available-for-sale financial assets	72	(80)
Associates' share of other components of comprehensive income (B)	(1,101)	444
Other components of comprehensive income (A) + (B)	(1,321)	(98)
COMPREHENSIVE INCOME	414	2,041
<i>Parent-company shareholders' share</i>	<i>450</i>	<i>1,996</i>
<i>Non-controlling interests' share</i>	<i>(36)</i>	<i>45</i>

2.2.3. CONSOLIDATED FINANCIAL POSITION

ASSETS (€ million)	Dec. 31, 2012	Dec. 31, 2011
NON-CURRENT ASSETS		
Intangible assets (note 11-A)	3,482	3,718
Property, plant and equipment (note 11-B)	11,534	11,357
Investments in associates	15,562	15,991
<i>Nissan (note 13)</i>	14,788	14,931
<i>Other associates (note 14)</i>	774	1,060
Non-current financial assets (note 22)	1,032	1,068
Deferred tax assets (note 8)	416	566
Other non-current assets (note 18)	821	580
Total non-current assets	32,847	33,280
CURRENT ASSETS		
Inventories (note 15)	3,864	4,429
Sales financing receivables (note 16)	23,230	21,900
Automotive receivables (note 17)	1,144	1,275
Current financial assets (note 22)	989	1,244
Current tax assets	39	66
Other current assets (note 18)	2,121	2,068
Cash and cash equivalents (note 22)	11,180	8,672
Total current assets	42,567	39,654
TOTAL ASSETS	75,414	72,934
SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)	Dec. 31, 2012	Dec. 31, 2011
SHAREHOLDERS' EQUITY		
Share capital	1,127	1,127
Share premium	3,785	3,785
Treasury shares	(201)	(201)
Revaluation of financial instruments	36	(129)
Translation adjustment	(1,386)	(155)
Reserves	19,159	17,567
Net income – parent-company shareholders' share	1,772	2,092
Shareholders' equity – parent-company shareholders' share	24,292	24,086
Shareholders' equity – non-controlling interests' share	255	481
Total shareholders' equity (note 19)	24,547	24,567
NON-CURRENT LIABILITIES		
Deferred tax liabilities (note 8)	123	135
Provisions – long-term (note 20)	2,496	2,227
Non-current financial liabilities (note 23)	6,622	6,327
Other non-current liabilities (note 21)	844	724
Total non-current liabilities	10,085	9,413
CURRENT LIABILITIES		
Provisions – short-term (note 20)	889	866
Current financial liabilities (note 23)	3,094	3,230
Sales financing debts (note 23)	23,305	21,996
Trade payables	6,558	6,202
Current tax liabilities	131	126
Other current liabilities (note 21)	6,805	6,534
Total current liabilities	40,782	38,954
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	75,414	72,934

2

FINANCIAL RESULTS

2.2. CONSOLIDATED FINANCIAL STATEMENTS

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-controlling entities' share)	Total shareholders' equity
<i>(€ million)</i>											
Balance at December 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)
(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)
Cost of stock option plans	-	-	-	-	-	-	6	-	6	-	6
Balance at December 31, 2011	295,722	1,127	3,785	(201)	(129)	(155)	17,567	2,092	24,086	481	24,567
2012 net income	-	-	-	-	-	-	-	1,772	1,772	(37)	1,735
Other components of comprehensive income ⁽¹⁾	-	-	-	-	165	(1,231)	(256)	-	(1,322)	1	(1,321)
2012 comprehensive income	-	-	-	-	165	(1,231)	(256)	1,772	450	(36)	414
Allocation of 2011 net income	-	-	-	-	-	-	2,092	(2,092)	-	-	-
Dividends	-	-	-	-	-	-	(316)	-	(316)	(68)	(384)
(Acquisitions) / disposals of treasury shares and impact of capital increases	-	-	-	-	-	-	-	-	-	-	-
Impact of changes in the scope of consolidation with no loss of control ⁽²⁾	-	-	-	-	-	-	57	-	57	(122)	(65)
Cost of stock option plans	-	-	-	-	-	-	15	-	15	-	15
Balance at December 31, 2012	295,722	1,127	3,785	(201)	36	(1,386)	19,159	1,772	24,292	255	24,547

⁽¹⁾ Changes in reserves correspond to actuarial gains and losses on defined-benefit pension funds during the period (€(130) million in 2011 and €(258) million in 2012).

⁽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 (note 2-J). In 2012, the main operations concerns the acquisition of of ininterests Aichi Kikai by Nissan, the terms of this acquisition are given in note 13.

Details of changes in consolidated shareholders' equity in 2012 are given in note 19.

2.2.5. CONSOLIDATED CASH FLOWS

(€ million)	2012	2011
NET INCOME	1,735	2,139
Cancellation of dividends received from unconsolidated listed investments ⁽¹⁾	(34)	(22)
Cancellation of income and expenses with no impact on cash		
Depreciation, amortization and impairment	3,307	2,831
Share in net (income) loss of associates	(1,504)	(1,524)
Other income and expenses with no impact on cash (note 26-A)	(788)	(360)
Dividends received from unlisted associates	3	5
Cash flow ⁽²⁾	2,719	3,069
Dividends received from listed companies ⁽³⁾	507	335
Net change in financing for final customers	(568)	(1,206)
Net change in renewable dealer financing	(896)	(1,449)
Decrease (increase) in sales financing receivables	(1,464)	(2,655)
Bond issuance by the Sales Financing segment (note 23-A)	3,509	5,160
Bond redemption by the Sales Financing segment (note 23-A)	(2,765)	(2,528)
Net change in other Sales financing debts	652	(149)
Net change in other securities and loans of the Sales Financing segment	(69)	107
Net change in Sales financing financial assets and debts	1,327	2,590
Change in capitalized leased assets	(210)	(192)
Decrease (increase) in working capital (note 26-B)	997	206
CASH FLOWS FROM OPERATING ACTIVITIES	3,876	3,353
Capital expenditure (note 26-C)	(2,847)	(2,455)
Disposals of property, plant and equipment and intangibles	162	239
Acquisitions of investments with gain of control, net of cash acquired	(5)	-
Acquisitions of other investments, net of cash acquired	(112)	(156)
Disposals of investments with loss of control, net of cash transferred	-	-
Disposals of other investments, net of cash transferred and other ⁽⁴⁾	1,473	-
Net decrease (increase) in other securities and loans of the Automotive segment	(240)	38
CASH FLOWS FROM INVESTING ACTIVITIES	(1,569)	(2,334)
Transactions with non-controlling interests ⁽⁵⁾	(91)	-
Dividends paid to parent-company shareholders (note 19-D)	(338)	(88)
Dividends paid to non-controlling interests	(73)	(66)
(Purchases) sales of treasury shares	-	(56)
Cash flows with shareholders	(502)	(210)
Bond issuance by the Automotive segment (note 23-A)	1,952	712
Bond redemption by the Automotive segment (note 23-A)	(1,073)	(941)
Net increase (decrease) in other financial liabilities of the Automotive segment	132	(1,911)
Net change in financial liabilities of the Automotive segment	1,011	(2,140)
CASH FLOWS FROM FINANCING ACTIVITIES	509	(2,350)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,816	(1,331)

(1) Dividends received from Daimler.

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

(3) Dividends from Daimler (€34 million), AB Volvo (€47 million) and Nissan (€426 million) in 2012.
Dividends from Daimler (€22 million), AB Volvo (€38 million) and Nissan (€275 million) in 2011.

(4) Including the sales of AB Volvo shares were sold for €1,476 million in 2012.

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

(€ million)	2012	2011
Cash and cash equivalents: opening balance	8,672	10,025
Increase (decrease) in cash and cash equivalents	2,816	(1,331)
Effect of changes in exchange rate and other changes	(308)	(22)
Cash and cash equivalents: closing balance	11,180	8,672

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

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

2

FINANCIAL RESULTS

2.2. CONSOLIDATED FINANCIAL STATEMENTS

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
2012				
Sales of goods	37,227	-	-	37,227
Sales of services	1,929	2,114	-	4,043
External revenues	39,156	2,114	-	41,270
Intersegment sales	(297)	452	(155)	-
Revenues by segment	38,859	2,566	(155)	41,270
Operating margin ⁽¹⁾	(15)	754	(10)	729
Operating income	(615)	749	(12)	122
Financial income ⁽²⁾	85	-	(351)	(266)
Gain on sale of AB Volvo shares	924	-	-	924
Share in net income (loss) of associates	1,495	9	-	1,504
Pre-tax income	1,889	758	(363)	2,284
Current and deferred taxes	(313)	(239)	3	(549)
Net income	1,576	519	(360)	1,735
2011				
Sales of goods	38,697	-	-	38,697
Sales of services	1,982	1,949	-	3,931
External revenues	40,679	1,949	-	42,628
Intersegment sales	(290)	409	(119)	-
Revenues 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

(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.

A2. Consolidated financial position by OPERATING SEGMENT

Consolidated financial position by operating segment – December 31, 2012

ASSETS (€ million)	Automotive	Sales financing	Intersegment transactions	Consolidated total
NON-CURRENT ASSETS				
Property, plant and equipment and intangible assets	14,910	116	(10)	15,016
Investments in associates	15,514	48	-	15,562
Non-current financial assets – investments in non-controlled entities	3,433	-	(2,645)	788
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segment	348	-	(104)	244
Deferred tax assets and other non-current assets	1,047	238	(48)	1,237
Total non-current assets	35,252	402	(2,807)	32,847
CURRENT ASSETS				
Inventories	3,825	42	(3)	3,864
Customer receivables	1,195	23,649	(470)	24,374
Current financial assets	1,150	514	(675)	989
Current tax assets and other current assets	1,583	2,774	(2,197)	2,160
Cash and cash equivalents	10,072	1,338	(230)	11,180
Total current assets	17,825	28,317	(3,575)	42,567
TOTAL ASSETS	53,077	28,719	(6,382)	75,414
SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)				
	Automotive	Sales financing	Intersegment transactions	Consolidated total
SHAREHOLDERS' EQUITY				
	24,437	2,650	(2,540)	24,547
NON-CURRENT LIABILITIES				
Long-term provisions	2,262	234	-	2,496
Non-current financial liabilities	6,362	260	-	6,622
Deferred tax liabilities and other non-current liabilities	424	543	-	967
Total non-current liabilities	9,048	1,037	-	10,085
CURRENT LIABILITIES				
Short-term provisions	857	32	-	889
Current financial liabilities	3,716	-	(622)	3,094
Trade payables and sales financing debts	6,663	24,199	(999)	29,863
Current tax liabilities and other current liabilities	8,356	801	(2,221)	6,936
Total current liabilities	19,592	25,032	(3,842)	40,782
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	53,077	28,719	(6,382)	75,414

2

FINANCIAL RESULTS

2.2. CONSOLIDATED FINANCIAL STATEMENTS

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
Current tax assets and other current 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				
Long-term provisions	2,058	169	-	2,227
Non-current financial liabilities	6,066	261	-	6,327
Deferred tax liabilities and 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
Current tax liabilities and other current 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

A3. CONSOLIDATED CASH FLOWS BY OPERATING SEGMENT

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

⁽¹⁾ Dividends received from Daimler.

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

⁽³⁾ Dividends from Daimler (€34 million), AB Volvo (€47 million) and Nissan (€426 million).

⁽⁴⁾ AB Volvo shares were sold for €1,476 million in 2012.

2

FINANCIAL RESULTS

2.2. CONSOLIDATED FINANCIAL STATEMENTS

(€ 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 assets	(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, AB Volvo and Nissan.

B. INFORMATION BY REGION

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

Renault reorganized its Regions in 2012. Africa has now joined the Euromed Region to form a new Region, Euromed-Africa. The Asia-Africa Region is now the Asia-Pacific Region.

The figures for 2011 relate to the regions as adopted in 2012.

Consolidated revenues are presented by location of customers.

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

(€ million)	Europe ⁽¹⁾	Americas	Asia-Pacific	Euromed-Africa	Eurasia	Consolidated total
2012						
Revenues	24,661	6,141	4,010	3,992	2,466	41,270
Property, plant and equipment and intangibles	10,777	686	616	2,321	616	15,016
2011						
Revenues	27,720	5,210	4,264	3,754	1,680	42,628
Property, plant and equipment and intangibles	11,192	629	701	2,084	469	15,075

(1) Including France:

(€ million)	2012	2011
Revenues	10,894	12,431
Property, plant and equipment and intangibles	9,180	9,643

Financial information on the Alliance

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 2012.

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, 2012, 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, 2012 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 2012

(€ million)	Renault	Nissan ⁽¹⁾	Intercompany eliminations	Alliance
Sales of goods and services	39,156	86,499	(3,229)	122,426
Sales financing revenues	2,114	4,949	(143)	6,920
Revenues	41,270	91,448	(3,372)	129,346

(1) Converted at the average exchange rate: EUR 1 = JPY 102.6.

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 2012 results.

The **operating margin**, the **operating income** and the **net income** of the Alliance in 2012 are as follows:

(€ million)	Operating margin	Operating income	Net income ⁽²⁾
Renault	729	122	501
Nissan ⁽¹⁾	4,608	4,553	3,179
Alliance	5,337	4,675	3,680

(1) Converted at the average exchange rate for 2012: EUR 1 = JPY 102.6.

(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 4.1% of revenues.

In 2012, the Alliance's **research and development expenses**, after capitalization and amortization, are as follows:

(€ million)	
Renault	1,915
Nissan ⁽¹⁾	3,957
Alliance	5,872

(1) Converted at the average exchange rate for 2012: EUR 1 = JPY 102.6.

BALANCE SHEET INDICATORS

CONDENSED RENAULT AND NISSAN BALANCE SHEETS (€ million)

RENAULT AT DECEMBER 31, 2012

ASSETS		SHAREHOLDERS' EQUITY AND LIABILITIES	
Intangible assets	3,482	Shareholders' equity	24,547
Property, plant and equipment	11,534	Deferred tax liabilities	123
Investments in associates (excluding Alliance)	774	Provisions for pension and other long-term employee benefit obligations	1,649
Deferred tax assets	416	Financial liabilities of the Automotive division	9,456
Inventories	3,864	Financial liabilities of the Sales financing division and sales financing debts	23,565
Sales financing receivables	23,230	Other liabilities	16,074
Automotive receivables	1,144		
Other assets	5,002		
Cash and cash equivalents	11,180		
Total assets excluding investment in Nissan	60,626		
Investment in Nissan	14,788		
		TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	75,414
TOTAL ASSETS	75,414		

NISSAN AT DECEMBER 31, 2012 ⁽¹⁾

ASSETS		SHAREHOLDERS' EQUITY AND LIABILITIES	
Intangible assets	5,936	Shareholders' equity	36,783
Property, plant and equipment	38,354	Deferred tax liabilities	4,941
Investments in associates (excluding Alliance)	509	Provisions for pension and other long-term employee benefit obligations	2,711
Deferred tax assets	1,392	Financial liabilities of the Automotive division	3,650
Inventories	12,236	Financial liabilities of the Sales financing division and sales financing debts	40,615
Sales financing receivables	33,693	Other liabilities	26,011
Automotive receivables	5,613		
Other assets	8,240		
Cash and cash equivalents	6,987		
Total assets excluding investment in Renault	112,960		
Investment in Renault	1,751		
		TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	114,711
TOTAL ASSETS	114,711		

(1) Converted at the closing rate at December 31, 2012: EUR 1 = JPY 113.6.

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 2012, excluding leased vehicles and batteries, amount to:

(€ million)	
Renault	1,945
Nissan ⁽¹⁾	4,833
Alliance	6,778

(1) Converted at the average exchange rate for 2012: EUR 1 = JPY 102.6.

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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