



Renault group – 2009 Consolidated statements

Renault

Year ended December 31, 2009

Statutory auditors' report on the consolidated financial statements

This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements issued in the French language and is provided solely for the convenience of English speaking users. The Statutory Auditors' report on the consolidated financial statements includes information specifically required by French law in all audit reports, whether modified or not. This information presents below the opinion on the consolidated financial statements and includes explanatory paragraphs discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report on the consolidated financial statements should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

DELOITTE & ASSOCIES

185, avenue Charles de Gaulle
92524 Neuilly-sur-Seine

S.A. au capital de 1 723 040

Commissaire aux comptes
Membre de la Compagnie
régionale de Versailles

ERNST & YOUNG Audit

Faubourg de l'Arche
11, allée de l'Arche
92037 Paris-La Défense Cedex

S.A.S. à capital variable

Commissaire aux comptes
Membre de la Compagnie
régionale de Versailles

Renault

Year ended December 31, 2009

Statutory auditor's report on the consolidated financial statements

To the Shareholders,

In accordance with our appointment as statutory auditors at your Annual General Meeting, we hereby report to you for the year ended December 31, 2009 on:

- the audit of the accompanying consolidated financial statements of Renault,
- the justification of our assessments;
- the specific verification required by law.

The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements, based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2009 and of the results of its operations for the year then ended in accordance with the IFRSs as adopted by the European Union.

Without qualifying the opinion expressed above, we draw your attention to the matters set out in note 2-A to the consolidated financial statements concerning the changes in accounting policies.

II. Justification of assessments

In accordance with the requirements of article L.823-9 of French Company Law (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- For the purpose of preparing the consolidated financial statements, Renault management makes certain estimates and assumptions concerning, in particular, the value of certain asset, liability, income and expense accounts, the main items of which are summarized in note 2-B to the consolidated financial statements. For all these items, we assessed the appropriateness of the accounting rules and methods applied and disclosures provided in the notes to the financial statements. We also reviewed the consistency of the underlying assumptions, the quantified impact thereof and the available documentation and assessed on this basis the reasonableness of estimates made.
- As disclosed in note 14-A to the consolidated financial statements, the Group accounts for its investment in Nissan by the equity method; our audit of the scope of consolidation included a review of the factual and legal aspects of the Alliance which serve as the underlying basis for this accounting policy.
- Based on procedures performed and information communicated, we believe that note 26-B1 provides appropriate disclosures on the Group's liquidity.
- As part of our assessment of the accounting policies applied by the Group, we have reviewed the methodology adopted for the capitalization of development costs as intangible assets, their amortization and the verification of their recoverable amount and we satisfied ourselves that these methods were properly disclosed in notes 2-J and 12-A3.

Such assessments were performed as part of our audit approach for the consolidated financial statements taken as a whole and contributed to the expression of our unqualified opinion in the first part of this report.

III. Specific verification

In accordance with professional standards applicable in France, we also verified the information presented in the Group management report.

We have no matters to report regarding its fair presentation and consistency with the consolidated financial statements.

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Neuilly-sur-Seine and Paris-La Défense, February 11, 2010

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIES

ERNST & YOUNG Audit

T. Benoit

P. Chastaing-Doblin

JF. Bélorgey

A. de la Morandière

7.2 Consolidated financial statements

7.2.1 Consolidated income statement

(€ million)	2009	2008	2007
Sales of goods and services	32,415	36,241	39,190
Sales financing revenues	1,297	1,550	1,492
Revenues (note 4)	33,712	37,791	40,682
Cost of goods and services sold	(26,978)	(29,659)	(31,408)
Cost of sales financing (note 5)	(953)	(1,292)	(1,121)
Research and development expenses (note 12-A) ⁽¹⁾	(1,795)	(1,744)	(1,850)
Selling, general and administrative expenses	(4,382)	(4,770)	(4,949)
Operating margin (note 6)	(396)	326	1,354
Other operating income and expenses (note 7) ⁽¹⁾	(559)	(443)	(116)
<i>Other operating income</i>	137	206	124
<i>Other operating expenses</i>	(696)	(649)	(240)
Operating income	(955)	(117)	1,238
Net interest income (expenses)	(353)	(216)	(101)
<i>Interest income</i>	118	157	274
<i>Interest expenses</i>	(471)	(373)	(375)
Other financial income and expenses	(51)	657	177
Financial income (note 8)	(404)	441	76
Share in net income (loss) of associates	(1,561)	437	1,675
<i>Nissan (note 14)</i>	(902)	345	1,288
<i>Other associates (note 15)</i>	(659)	92	387
Pre-tax income	(2,920)	761	2,989
Current and deferred taxes (note 9)	(148)	(162)	(255)
Net income	(3,068)	599	2,734
Net income - minority interests' share	57	28	65
Net income - Renault share	(3,125)	571	2,669
Earnings per share ⁽²⁾ in € (note 10)	(12.13)	2.23	10.32
Diluted earnings per share ⁽²⁾ in € (note 10)	(12.13)	2.22	10.17
Number of shares outstanding (in thousands) (note 10)			
<i>for earnings per share</i>	257,514	256,552	258,621
<i>for diluted earnings per share</i>	257,514	256,813	262,362

(1) In 2009, impairment of fixed assets is classified under "Other operating income and expenses". The corresponding comparative information for 2008 and 2007 has been restated (note 2-A).

(2) Net income – Renault share divided by number of shares stated.

7.2.2 Comprehensive income

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

(€ million)	2009	2008	2007
NET INCOME	(3,068)	599	2,734
Actuarial gains and losses on defined-benefit pension plans	(45)	(3)	(48)
Translation adjustments on foreign activities	112	(637)	(229)
Partial hedge of the investment in Nissan	(43)	(1,613)	153
Fair value adjustments on cash flow hedging instruments	32	(199)	(20)
Fair value adjustments on available-for-sale financial assets	6	14	1
Total other components of comprehensive income excluding associates (A)	62	(2,438)	(143)
Actuarial gains and losses on defined-benefit pension plans	83	(513)	(12)
Translation adjustments on foreign activities	(387)	931	(662)
Fair value adjustments on cash flow hedging instruments	59	(77)	(18)
Fair value adjustments on available-for-sale financial assets	17	(29)	-
Associates' share of other components of comprehensive income (B)	(228)	312	(692)
Other components of comprehensive income (A) + (B)	(166)	(2,126)	(835)
COMPREHENSIVE INCOME	(3,234)	(1,527)	1,899
Renault share	(3,300)	(1,495)	1,862
Minority interests' share	66	(32)	37

7.2.3 Consolidated financial position

(€ million)	December 31, 2009	December 31, 2008	December 31, 2007
ASSETS			
Non-current assets			
Intangible assets (note 12-A)	3,893	4,313	4,056
Property, plant and equipment (note 12-B)	12,294	12,818	13,055
Investments in associates	12,084	13,768	12,977
<i>Nissan (note 14)</i>	10,583	11,553	10,966
<i>Other associates (note 15)</i>	1,501	2,215	2,011
Non-current financial assets (note 23)	1,026	982	606
Deferred tax assets (note 9)	279	252	220
Other non-current assets (note 19)	424	420	504
Total non-current assets	30,000	32,553	31,418
Current assets			
Inventories (note 16)	3,932	5,266	5,932
Sales financing receivables (note 17)	18,243	18,318	20,430
Automobile receivables (note 18)	1,097	1,752	2,083
Current financial assets (note 23)	787	1,036	1,239
Current tax assets	195	197	55
Other current assets (note 19)	1,636	2,651	2,320
Cash and cash equivalents (note 23)	8,023	2,058	4,721
Total current assets	33,913	31,278	36,780
Assets held for sale (note 7-B)	65	-	-
TOTAL ASSETS	63,978	63,831	68,198

(€ million)	December 31, 2009	December 31, 2008	December 31, 2007
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	1,086	1,086	1,086
Share premium	3,453	3,453	3,453
Treasury shares	(229)	(612)	(499)
Revaluation of financial instruments	(109)	(223)	68
Translation adjustment	(2,568)	(2,241)	(982)
Reserves	17,474	16,925	15,782
Net income – Renault share	(3,125)	571	2,669
Shareholders' equity – Renault share	15,982	18,959	21,577
Shareholders' equity – minority interests' share	490	457	492
Total shareholders' equity (note 20)	16,472	19,416	22,069
Non-current liabilities			
Deferred tax liabilities (note 9)	114	132	118
Provisions – long-term (note 21)	1,829	1,543	1,765
Non-current financial liabilities (note 24)	9,048	5,773	5,413
Other non-current liabilities (note 22)	660	548	523
Total non-current liabilities	11,651	7,996	7,819
Current liabilities			
Provisions – short-term (note 21)	914	1,264	954
Current financial liabilities (note 24)	3,825	5,219	1,517
Sales financing debts (note 24)	19,912	18,950	21,196
Trade payables	5,911	5,420	8,224
Current tax liabilities	54	55	166
Other current liabilities (note 22)	5,179	5,511	6,253
Total current liabilities	35,795	36,419	38,310
Liabilities associated to assets held for sale (note 7-B)	60		
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	63,978	63,831	68,198

7.2.4 Changes in shareholders' equity

(€ million)	Number of shares (thousand)	Share capital	Share premium	Treasury shares	Revaluation of financial instruments	Translation adjustment	Reserves	Net income - Renault share	Shareholders' equity (Renault share)	Shareholders' equity (minority interests)	Total shareholders' equity
Balance at December 31, 2007	284,937	1,086	3,453	(499)	68	(982)	15,782	2,669	21,577	492	22,069
Comprehensive income year 2008					(291)	(1,259)	(516)	571	(1,495)	(32)	(1,527)
Allocation of 2007 net income							2,669	(2,669)	-	-	-
Dividends							(975)		(975)	(48)	(1,023)
Cost of stock option plans							(16)		(16)	-	(16)
(Acquisitions) / disposals of treasury shares				(113)					(113)	-	(113)
Impact of capital increase										134	134
Impact of changes in the scope of consolidation ⁽¹⁾							(19)		(19)	(89)	(108)
Balance at December 31, 2008	284,937	1,086	3,453	(612)	(223)	(2,241)	16,925	571	18,959	457	19,416
Comprehensive income year 2009					114	(327)	38	(3,125)	(3,300)	66	(3,234)
Allocation of 2008 net income							571	(571)	-	-	-
Dividends										(34)	(34)
Cost of stock option plans							16		16		16
(Acquisitions) / disposals of treasury shares				383			(256)		127		127
Impact of capital increase										15	15
Impact of changes in the scope of consolidation ⁽¹⁾										(14)	(14)
Other changes							180		180		180
Balance at December 31, 2009	284,937	1,086	3,453	(229)	(109)	(2,568)	17,474	(3,125)	15,982	490	16,472

(1) The impact of changes in the scope of consolidation results from the treatment applied to acquisitions of minority interests and put options for buyouts of minority shareholdings in controlled companies (note 2-J).

Details of changes in consolidated shareholders' equity in 2009 are given in note 20.

7.2.5 Consolidated cash flows

(€ million)	2009	2008	2007
Net income	(3,068)	599	2,734
Cancellation of unrealised income and expenses			
- Amortisation and impairment	3,146	2,943	2,865
- Share in net (income) loss of associates	1,561	(437)	(1,675)
- Dividends received from associates	81	688	936
- Other unrealised income and expenses (note 27-A)	(5)	(496)	(114)
Cash flow	1,715	3,297	4,746
Net change in financing for final customers	377	872	594
Net change in renewable dealer financing	(126)	427	(37)
Decrease (increase) in sales financing receivables	251	1,299	557
Bond issuance by the Sales financing segment (note 24-A)	3,149	1,299	2,022
Bond redemption by the Sales financing segment (note 24-A)	(2,795)	(3,455)	(3,139)
Net change in other Sales financing debts	871	48	1,265
Net change in other securities and loans of the Sales financing segment	152	102	(359)
Net change in Sales financing financial assets and debts	1,377	(2,006)	(211)
Change in capitalised leased vehicles ⁽¹⁾	(256)	(203)	(95)
Decrease (increase) in working capital (note 27-B)	2,953	(2,833)	(347)
CASH FLOWS FROM OPERATING ACTIVITIES	6,040	(446)	4,650
Capital expenditure (note 27-C) ⁽¹⁾	(2,309)	(3,493)	(3,638)
Acquisitions of investments, net of cash acquired ⁽²⁾	(86)	(662)	(67)
Disposals of property, plant and equipment and intangibles ⁽¹⁾	236	254	175
Disposals of investments, net of cash transferred, and other	-	74	63
Net decrease (increase) in other securities and loans of the Automobile segment	65	192	615
CASH FLOWS FROM INVESTING ACTIVITIES	(2,094)	(3,635)	(2,852)
Transactions with minority shareholders ⁽³⁾	-	88	26
Dividends paid to parent company shareholders (note 20-D)	-	(1,049)	(863)
Dividends paid to minority shareholders	(22)	(28)	(50)
(Purchases) sales of treasury shares	127	(113)	(126)
Cash flows with shareholders	105	(1,102)	(1,013)
Bond issuance by the Automobile segment (note 24-A)	750	682	588
Bond redemption by the Automobile segment (note 24-A)	(1,271)	(426)	(451)
Net increase (decrease) in other financial liabilities of the Automobile segment	2,378	2,340	(2,065)
Net change in financial liabilities of the Automobile segment	1,857	2,596	(1,928)
CASH FLOWS FROM FINANCING ACTIVITIES	1,962	1,494	(2,941)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,908	(2,587)	(1,143)

(1) The change in capitalised leased vehicles has been reclassified from cash flows from investing activities to cash flows from operating activities in application of changes introduced in the annual improvements to IFRS (note 2-A).

(2) Corresponding to payment for the shares in AvtoVAZ for year 2008.

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

<i>(€ million)</i>	2009	2008	2007
Cash and cash equivalents: opening balance	2,058	4,721	6,010
Increase (decrease)	5,908	(2,587)	(1,143)
Effect of changes in exchange rate and other changes	57	(76)	(146)
Cash and cash equivalents: closing balance	8,023	2,058	4,721

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

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

7.2.6 Segment reporting

A – Information by operating segment

A1 – CONSOLIDATED INCOME STATEMENT BY OPERATING SEGMENT

(€ million)	Automobile	Sales financing	Intersegment transactions	Consolidated total
2009				
Sales of goods and services	31,951	464	-	32,415
Sales financing revenues	-	1,297	-	1,297
External sales (note 4)	31,951	1,761	-	33,712
Intersegment sales	(317)	342	(25)	-
Sales by segment	31,634	2,103	(25)	33,712
Operating margin ⁽¹⁾	(915)	506	13	(396)
Operating income	(1,457)	489	13	(955)
Financial income ⁽²⁾	(102)	-	(302)	(404)
Share in net income (loss) of associates	(1,566)	5	-	(1,561)
Pre-tax income	(3,125)	494	(289)	(2,920)
Current and deferred taxes	14	(157)	(5)	(148)
Net income	(3,111)	337	(294)	(3,068)
2008				
Sales of goods and services	35,757	484	-	36,241
Sales financing revenues	-	1,550	-	1,550
External sales (note 4)	35,757	2,034	-	37,791
Intersegment sales	(230)	372	(142)	-
Sales by segment	35,527	2,406	(142)	37,791
Operating margin ⁽¹⁾	(174)	487	13	326
Operating income	(608)	478	13	(117)
Financial income ⁽²⁾	742	-	(301)	441
Share in net income (loss) of associates	431	6	-	437
Pre-tax income	565	484	(288)	761
Current and deferred taxes	(6)	(157)	1	(162)
Net income	559	327	(287)	599
2007				
Sales of goods and services	38,679	511	-	39,190
Sales financing revenues	-	1,492	-	1,492
External sales (note 4)	38,679	2,003	-	40,682
Intersegment sales	(276)	327	(51)	-
Sales by segment	38,403	2,330	(51)	40,682
Operating margin ⁽¹⁾	858	472	24	1,354
Operating income	767	457	14	1,238
Financial income ⁽²⁾	328	-	(252)	76
Share in net income (loss) of associates	1,668	7	-	1,675
Pre-tax income	2,763	464	(238)	2,989
Current and deferred taxes	(109)	(141)	(5)	(255)
Net income	2,654	323	(243)	2,734

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

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

A2 – CONSOLIDATED FINANCIAL POSITION BY OPERATING SEGMENT

December 31, 2009 (€ million)	Automobile	Sales financing	Intersegment transactions	Consolidated total
Non-current assets				
Property, plant and equipment and intangible assets	15,953	245	(11)	16,187
Investments in associates	12,058	26	-	12,084
Non-current financial assets – investments in non-controlled entities	2,392	-	(2,254)	138
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automobile segment	888	-	-	888
Deferred tax assets and other non-current assets	553	145	5	703
Total non-current assets	31,844	416	(2,260)	30,000
Current assets				
Inventories	3,927	5	-	3,932
Customer receivables	1,179	18,660	(499)	19,340
Current financial assets	1,025	380	(618)	787
Other current assets and current tax assets	1,532	2,041	(1,742)	1,831
Cash and cash equivalents	5,408	2,738	(123)	8,023
Total current assets	13,071	23,824	(2,982)	33,913
Assets held for sale	65	-	-	65
TOTAL ASSETS	44,980	24,240	(5,242)	63,978
Shareholders' equity	16,363	2,259	(2,150)	16,472
Non-current liabilities				
Deferred tax liabilities and long-term provisions	1,585	309	49	1,943
Non-current financial liabilities	8,787	261	-	9,048
Other non-current liabilities	509	151	-	660
Total non-current liabilities	10,881	721	49	11,651
Current liabilities				
Short-term provisions	865	49	-	914
Current financial liabilities	4,455	4	(634)	3,825
Trade payables and sales financing debts	5,938	20,593	(708)	25,823
Other current liabilities and current tax liabilities	6,418	614	(1,799)	5,233
Total current liabilities	17,676	21,260	(3,141)	35,795
Liabilities associated to assets held for sale	60	-	-	60
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	44,980	24,240	(5,242)	63,978

December 31, 2008 (€ million)	Automobile	Sales financing	Intersegment transactions	Consolidated total
Non-current assets				
Property, plant and equipment and intangible assets	16,862	288	(19)	17,131
Investments in associates	13,745	23	-	13,768
Non-current financial assets – investments in non-controlled entities	2,186	1	(2,153)	34
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automobile segment	964	-	(16)	948
Deferred tax assets and other non-current assets	523	140	9	672
Total non-current assets	34,280	452	(2,179)	32,553
Current assets				
Inventories	5,261	5	-	5,266
Customer receivables	1,846	18,563	(339)	20,070
Current financial assets	1,167	515	(646)	1,036
Other current assets and current tax assets	2,106	2,473	(1,731)	2,848
Cash and cash equivalents	1,141	1,045	(128)	2,058
Total current assets	11,521	22,601	(2,844)	31,278
Assets held for sale	-	-	-	-
TOTAL ASSETS	45,801	23,053	(5,023)	63,831
Shareholders' equity	19,316	2,158	(2,058)	19,416
Non-current liabilities				
Deferred tax liabilities and long-term provisions	1,390	238	47	1,675
Non-current financial liabilities	5,511	262	-	5,773
Other non-current liabilities	437	111	-	548
Total non-current liabilities	7,338	611	47	7,996
Current liabilities				
Short-term provisions	1,221	43	-	1,264
Current financial liabilities	5,705	-	(486)	5,219
Trade payables and sales financing debts	5,468	19,654	(752)	24,370
Other current liabilities and current tax liabilities	6,753	587	(1,774)	5,566
Total current liabilities	19,147	20,284	(3,012)	36,419
Liabilities associated to assets held for sale	-	-	-	-
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	45,801	23,053	(5,023)	63,831

December 31, 2007 (€ million)	Automobile	Sales financing	Intersegment transactions	Consolidated total
Non-current assets				
Property, plant and equipment and intangible assets	16,788	343	(20)	17,111
Investments in associates	12,956	21	-	12,977
Non-current financial assets – investments in non-controlled entities	2,423	10	(2,395)	38
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automobile segment	585	-	(17)	568
Deferred tax assets and other non-current assets	603	111	10	724
Total non-current assets	33,355	485	(2,422)	31,418
Current assets				
Inventories	5,927	5	-	5,932
Customer receivables	2,177	21,104	(768)	22,513
Current financial assets	1,184	608	(553)	1,239
Other current assets and current tax assets	1,839	2,124	(1,588)	2,375
Cash and cash equivalents	3,697	1,319	(295)	4,721
Total current assets	14,824	25,160	(3,204)	36,780
Assets held for sale	-	-	-	-
TOTAL ASSETS	48,179	25,645	(5,626)	68,198
Shareholders' equity	21,987	2,385	(2,303)	22,069
Non-current liabilities				
Deferred tax liabilities and long-term provisions	1,582	248	53	1,883
Non-current financial liabilities	5,141	272	-	5,413
Other non-current liabilities	459	64	-	523
Total non-current liabilities	7,182	584	53	7,819
Current liabilities				
Short-term provisions	902	52	-	954
Current financial liabilities	2,413	-	(896)	1,517
Trade payables and sales financing debts	8,347	21,964	(891)	29,420
Other current liabilities and current tax liabilities	7,348	660	(1,589)	6,419
Total current liabilities	19,010	22,676	(3,376)	38,310
Liabilities associated to assets held for sale	-	-	-	-
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	48,179	25,645	(5,626)	68,198

A3 – CONSOLIDATED CASH FLOWS BY OPERATING SEGMENT

(€ million)	Automobile	Sales financing	Intersegment transactions	Consolidated total
2009				
Net income	(3,111)	337	(294)	(3,068)
Cancellation of unrealised income and expenses				
- Amortisation and impairment	3,124	30	(8)	3,146
- Share in net (income) loss of associates	1,566	(5)	-	1,561
- Dividends received from associates	81	-	-	81
- Other unrealised income and expenses	(193)	183	5	(5)
Cash flow	1,467	545	(297)	1,715
Decrease (increase) in sales financing receivables	-	76	175	251
Net change in financial assets and Sales Financing debts	-	1,366	11	1,377
Change in capitalised leased vehicles ⁽¹⁾	(248)	(9)	1	(256)
Decrease (increase) in working capital	2,923	33	(3)	2,953
CASH FLOWS FROM OPERATING ACTIVITIES	4,142	2,011	(113)	6,040
Purchases of intangible assets	(670)	(16)	-	(686)
Purchases of property, plant and equipment ⁽¹⁾	(1,620)	(3)	-	(1,623)
Disposals of property, plant and equipment and intangibles ⁽¹⁾	236	-	-	236
Acquisition of investments, net of disposals and other	(86)	-	-	(86)
Net decrease (increase) in other securities and loans of the Automobile segment	81	-	(16)	65
CASH FLOWS FROM INVESTING ACTIVITIES	(2,059)	(19)	(16)	(2,094)
Cash flows with shareholders	105	(302)	302	105
Net change in financial liabilities of the Automobile segment	2,017	-	(160)	1,857
CASH FLOWS FROM FINANCING ACTIVITIES	2,122	(302)	142	1,962
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,205	1,690	13	5,908

(1) The change in capitalised leased vehicles has been reclassified from cash flows from investing activities to cash flows from operating activities in application of changes introduced in the annual improvements to IFRS (note 2-A).

(€ million)	Automobile	Sales financing	Intersegment transactions	Consolidated total
2008				
Net income	556	325	(282)	599
Cancellation of unrealised income and expenses				
- Amortisation and impairment	2,892	67	(16)	2,943
- Share in net (income) loss of associates	(431)	(6)	-	(437)
- Dividends received from associates	688	-	-	688
- Other unrealised income and expenses	(644)	154	(6)	(496)
Cash flow	3,061	540	(304)	3,297
Decrease (increase) in sales financing receivables	-	1,740	(441)	1,299
Net change in financial assets and Sales Financing debts	-	(2,092)	86	(2,006)
Change in capitalised leased vehicles ⁽¹⁾	(153)	(54)	4	(203)
Decrease (increase) in working capital	(2,704)	(147)	18	(2,833)
CASH FLOWS FROM OPERATING ACTIVITIES	204	(13)	(637)	(446)
Purchases of intangible assets	(1,177)	(1)	-	(1,178)
Purchases of property, plant and equipment ⁽¹⁾	(2,309)	(6)	-	(2,315)
Disposals of property, plant and equipment and intangibles ⁽¹⁾	254	-	-	254
Acquisition of investments, net of disposals and other	(587)	(1)	-	(588)
Net decrease (increase) in other securities and loans of the Automobile segment	97	-	95	192
CASH FLOWS FROM INVESTING ACTIVITIES	(3,722)	(8)	95	(3,635)
Cash flows with shareholders	(1,167)	(236)	301	(1,102)
Net change in financial liabilities of the Automobile segment	2,172	-	424	2,596
CASH FLOWS FROM FINANCING ACTIVITIES	1,005	(236)	725	1,494
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,513)	(257)	183	(2,587)

(1) The change in capitalised leased vehicles has been reclassified from cash flows from investing activities to cash flows from operating activities in application of changes introduced in the annual improvements to IFRS (note 2-A)

(€ million)	Automobile	Sales financing	Intersegment transactions	Consolidated total
2007				
Net income	2,654	323	(243)	2,734
Cancellation of unrealised income and expenses				
- Amortisation and impairment	2,815	87	(37)	2,865
- Share in net (income) loss of associates	(1,668)	(7)	-	(1,675)
- Dividends received from associates	936	-	-	936
- Other unrealised income and expenses	(185)	55	16	(114)
Cash flow	4,552	458	(264)	4,746
Decrease (increase) in sales financing receivables	-	413	144	557
Net change in financial assets and Sales Financing debts	-	13	(224)	(211)
Change in capitalised leased vehicles ⁽¹⁾	(109)	2	12	(95)
Decrease (increase) in working capital	(26)	(336)	15	(347)
CASH FLOWS FROM OPERATING ACTIVITIES	4,417	550	(317)	4,650
Purchases of intangible assets	(1,347)	(1)	-	(1,348)
Purchases of property, plant and equipment ⁽¹⁾	(2,284)	(6)	-	(2,290)
Disposals of property, plant and equipment and intangibles ⁽¹⁾	175	-	-	175
Acquisition of investments, net of disposals and other	41	(45)	-	(4)
Net decrease (increase) in other securities and loans of the Automobile segment	652	-	(37)	615
CASH FLOWS FROM INVESTING ACTIVITIES	(2,763)	(52)	(37)	(2,852)
Cash flows with shareholders	(1,017)	(248)	252	(1,013)
Net change in financial liabilities of the Automobile segment	(1,765)	-	(163)	(1,928)
CASH FLOWS FROM FINANCING ACTIVITIES	(2,782)	(248)	89	(2,941)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,128)	250	(265)	(1,143)

(1) The change in capitalised leased vehicles has been reclassified from cash flows from investing activities to cash flows from operating activities in application of changes introduced in the annual improvements to IFRS (note 2-A).

B – Information by Region

(€ million)	Europe ⁽¹⁾	Euromed	Eurasia	Asia-Africa	Americas	Consolidated total
2009						
Revenues	25,714	2,428	598	2,393	2,579	33,712
Property, plant and equipment and intangibles	12,784	1,583	376	809	635	16,187
2008						
Revenues	27,653	3,062	1,360	2,628	3,088	37,791
Property, plant and equipment and intangibles	13,997	1,555	283	726	570	17,131
2007						
Revenues	30,447	3,102	1,208	2,757	3,168	40,682
Property, plant and equipment and intangibles	13,922	1,521	230	756	682	17,111

(1) Including France:

(€ million)	2009	2008	2007
Revenues	12,517	13,001	13,105
Property, plant and equipment and intangibles	10,840	11,664	11,363

The Regions presented correspond to the geographic sectors of the Group's structure. In 2009, the Euromed Region was split into two Regions, Euromed and Eurasia, which principally covers Russia and the Ukraine.

Consolidated revenues are presented by location of customers.

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

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7.2.7 Notes to the consolidated financial statements

7.2.7.1 Accounting policies and scope of consolidation

1 – APPROVAL OF THE FINANCIAL STATEMENTS

The Renault group's consolidated financial statements for 2009 were finalised at the Board of Directors' meeting of February 10, 2010 and will be submitted for approval by the shareholders at the General Shareholders' Meeting to be held on April 30, 2010.

2 – ACCOUNTING POLICIES

In application of regulation 1606/2002 passed on July 19, 2002 by the European Parliament and the Council of Europe, Renault's consolidated financial statements for 2009 are prepared under IFRS (International Financial Reporting Standards) as issued by the IASB (International Accounting Standards Board) at December 31, 2009 and adopted by the European Union at the year-end.

A - Changes in accounting policies

The following standards, interpretations and amendments were published in the Official Journal of the European Union at December 31, 2009 and were applied for the first time in 2009 :

- IFRS 8, "Operating segments" which replaces IAS 14, "Segment reporting";
- IAS 1, "Presentation of financial statements" (revised 2007);
- IAS 23, "Borrowing Costs" (revised 2007);
- 2008 annual improvements to IFRSs, with the exception of the amendment to IFRS 5, "Non-current assets held for sale and discontinued activities", which is applicable to financial years beginning on or after January 1, 2010;
- The amendment to IFRS 2, "Share-based payments" on vesting conditions and cancellations;
- Amendments to IFRS 7, "Financial instruments: disclosures" and IFRS 4, "Insurance contracts" on enhancing disclosures about fair value and liquidity risks associated with financial instruments;
- The amendment to IAS 32, "Financial instruments: presentation" and IAS 1, "Presentation of the financial statements" on Puttable financial instruments and obligations arising on liquidation
- Amendments to IAS 39, "Financial instruments: recognition and measurement" and IFRS 7, "Financial instruments: disclosures" on reclassification of financial assets (application date and transition),
- IFRIC 13, "Customer Loyalty Programmes";
- IFRIC 14, "IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction";
- Amendments to IFRIC 9, "Reassessment of embedded derivatives" and IAS 39, "Financial instruments: recognition and measurement" on recognition of embedded derivatives contained in contracts when a hybrid financial asset is reclassified out of the category of instruments carried at fair value through profit and loss.

Neither the first application of these standards and interpretations nor the subsequent amendments had any significant impact on the financial statements at December 31, 2009.

The Group has undertaken no early application of any standard, interpretation or amendment, particularly the following standards, interpretations and amendments published in the Official Journal of the European Union at December 31, 2009:

- IFRS 3, "Business combinations" (revised 2008), mandatory for financial years beginning on or after January 1, 2010;
- IAS 27, "Consolidated and separate financial statements" (revised 2008), mandatory for financial years beginning on or after January 1, 2010;
- The amendment to IAS 32, "Financial instruments : presentation" , on classification of rights issues, mandatory for financial years beginning on or after January 1, 2011;
- The amendment to IAS 39, "Financial instruments: recognition and measurement" for eligible hedged items, mandatory for financial years beginning on or after January 1, 2010;
- IFRIC 15, "Agreements for the construction of real estate", mandatory for financial years beginning on or after January 1, 2010;
- IFRIC 16, "Hedges of a net investment in a foreign operation", mandatory for financial years beginning on or after January 1, 2010;
- IFRIC 17, "Distributions of Non-cash Assets to Owners", mandatory for financial years beginning on or after January 1, 2010;
- IFRIC 18, "Transfers of Assets from Customers", mandatory for financial years beginning on or after January 1, 2010.

The Group does not currently expect adoption of these new standards, interpretations and amendments to have a significant impact on the consolidated financial statements.

The Group has also introduced the following change of accounting presentation: since impairment of fixed assets is an expense that is unusual in frequency and nature, the Renault group has decided to classify it under "Other operating income and expenses", in line with the practices of other members of the automobile sector in Europe. The presentation of the 2008 financial statements has been modified accordingly, leading to a €114 million improvement in the operating margin. This change of policy has no impact on 2007 as no impairment was recorded that year.

B – Estimates and judgments

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

The main items in the financial statements that are sensitive to estimates and judgments at December 31, 2009 are the following:

- Fixed assets – estimation of recoverable value (note 2-L and 13);
- Property, plant and equipment related to leased vehicles or inventories related to used vehicles - estimation of recoverable value (notes 2-G, 12-B and 16);
- Investments in associates - estimation of recoverable value (notes 2-L, 14 and 15);
- Sales financing receivables - estimation of recoverable value (notes 2-G and 17);
- Deferred taxes (notes 2-I and 9);
- Provisions, particularly vehicle warranty provisions (note 2-G), provisions for pensions and other long-term employee benefit obligations (note 21-C) and provisions for workforce adjustment measures (note 7-A).

C – Consolidation principles

The consolidated financial statements include the financial statements of all companies controlled exclusively, directly or indirectly, by the Group ("subsidiaries"). Jointly controlled companies ("joint ventures") are proportionately consolidated. Companies in which the Group exercises significant influence ("associates") are included in the financial statements on an equity basis.

Significant intercompany transactions and unrealised internal profits are eliminated.

Non-consolidated companies, which fulfil these criteria, are recorded as other non-current assets.

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

- revenues €20 million
- inventories €20 million

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

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

D – Presentation of the financial statements

Operating income and operating margin

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

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

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

Reporting by operating segment

Segment information is presented for the first time in accordance with IFRS 8, "Operating segments", which replaced IAS 14, "Segment reporting" as of January 1, 2009.

The operating segments under IFRS 8 criteria are identical to those used previously for reporting under IAS 14:

- the Automobile segment, comprising the production, sales, and distribution subsidiaries for passenger and light commercial vehicles, automobile service subsidiaries, and the subsidiaries in charge of cash management for these companies;
- the Sales financing segment, which the Group considers as an operating activity, carried out by RCI Banque and its subsidiaries for the distribution network and final customers.

The information by operating segment is based on internal reporting to the Group Executive Committee, identified as the "Chief Operating Decision-Maker" as defined by IFRS 8. This information is prepared under the IFRSs applicable to the consolidated financial statements. All Group financial data are assigned to the operating segments. The "Intersegment transactions" column is reserved for transactions between the two segments, which are carried out on near-market conditions. Dividends paid by the Sales financing segment to the Automobile segment are included in the Automobile division's financial income.

The indicator used to evaluate segment performance is the operating margin.

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

Assets and liabilities are specific to each segment. Receivables assigned by the Automobile segment to the sales financing companies are treated as operating assets by the assignee when the risks and benefits are substantially transferred.

Vehicles for which the Automobile segment has a repurchase commitment are included in the segment's assets. When these vehicles are financed by the Sales financing segment, the Sales financing segment recognises a receivable on the Automobile segment.

Current and non-current assets and liabilities

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

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

E – Translation of the financial statements of foreign companies

The Group's presentation currency is the Euro.

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

To determine whether a country is in hyperinflation, the Group refers to the list published by the AICPA (American Institute of Certified Public Accountants) Task Force. In 2009, this list included none of the countries where Renault has significant business activity.

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

- balance sheet items other than components of shareholders' equity, which are stated at historical value, are translated at the closing rate of exchange;
- income statement items are translated at the average exchange rate for the period;
- the translation adjustment is included in consolidated shareholders' equity and has no impact on net income.

Goodwill and valuation adjustments generated by a business combination with a foreign company are treated as an asset or liability of the entity acquired, as appropriate.

When a foreign company is sold, the translation adjustments recorded in shareholder's equity in respect of its assets and liabilities are taken to income.

F – Translation of foreign currency transactions

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

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

The following impacts are therefore recorded in net income:

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

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

G – Revenues and margin

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

Sales of goods and services and margin recognition

- Sales and margin recognition

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

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

Sales of automobile technologies and marketing rights are recognised when the associated risks and benefits are actually transferred. The timing of this transfer depends on the terms of the sale contracts, taking into consideration factors such as the period covered and the volumes concerned, and the recoverability or otherwise for the purchaser of the amounts paid.

- Sales incentive programmes

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

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

- Warranty

The estimated or incurred costs relating to product or part warranties not covered by insurance are charged to expenses when the sales are recorded. In the event of product recalls relating to incidents that come to light after the vehicle has been put on the market, provisions are established to cover the costs involved as soon as the decision to undertake the recall campaign has been made. Amounts claimed from suppliers are deducted from the warranty expense when it is considered practically certain they will be recovered, and included in Automobile segment customer receivables in the consolidated balance sheet.

- Services related to sales of automobile products

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

Sales financing revenues and margin recognition

- Sales financing revenues

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

- Sales financing costs

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

- Commissions payable to business intermediaries

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

- Impaired receivables

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

Impairment for country risk is determined based on assessment of:

- the transfer risk related to the future solvency of each country in the base affected by the impairment;
- the systemic credit risk to which debtors are exposed in the event of long-term continuous deterioration in the economic and general environment of the countries included in the base.

H – Financial income (expense)

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

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

Other financial income and expenses also include changes in the fair value of Renault SA redeemable shares.

I – Income tax

The Group recognises deferred taxes for all temporary differences between the tax and book values of assets and liabilities in the consolidated balance sheet. Using the liability method, deferred taxes are calculated at the latest tax rate enacted at the closing date applicable to the period when temporary differences are reversed. Each individual fiscal entity (legal entity, establishment or group of entities that pays tax to the tax administration) that is authorised to offset its current tax assets and liabilities reports deferred tax assets and liabilities net. Net deferred tax assets are recognised according to the probability of future recovery.

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

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

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

J – Intangible assets

Goodwill

Goodwill recorded on business combinations corresponds to the difference at acquisition date between the purchase price of the shares (including acquisition expenses) and the share in the fair value of assets and liabilities acquired.

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

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

Acquisitions of additional investments in controlled companies and put options to buy out minority interests are treated as equity transactions. The positive or negative difference between the cost of acquiring shares (including acquisition expenses) and the book value of the minority interests acquired is recorded in shareholders' equity. The minority interests concerned by the put options are stated at fair value and reclassified as liabilities in the balance sheet.

Research and development expenses

Development expenses incurred between the approval of the decision to begin development and implement production facilities for a new vehicle or part (e.g. engine or gearbox) and the subsequent approval of the design for mass production are capitalised as intangible assets. They are amortised on a straight-line basis from the date of approval for production, over the expected market life of the vehicle or part, up to a maximum period of seven years. Capitalised development expenses mainly comprise the cost of prototypes, the cost of studies invoiced by external firms, the cost of personnel assigned to the project and a share of overheads dedicated exclusively to development activities.

They also include financing costs for projects that began on or since January 1, 2009. The capitalisation rate for borrowing costs is equal to the weighted average interest rate on non-dedicated borrowings of the year, with a limit such that capitalised borrowing costs do not exceed the total borrowing costs borne during the year. When a project is financed through a specific borrowing, the capitalisation rate is equal to the interest rate on the borrowing.

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

K – Property, plant and equipment

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

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

Production cost also includes financing costs borne during the construction phase of property, plant and equipment when construction began on or after January 1, 2009. The capitalisation rate applied is the same as the rate used for intangible assets.

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

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

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

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

Amortisation

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

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

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

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

L – Impairment of assets

Impairment of fixed assets (other than leased vehicles)

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

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

- At the level of vehicle-specific assets

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

- At the level of cash-generating units

A cash-generating unit is defined as the smallest identifiable group of assets that generates largely independent cash flows. Fixed assets related to cash-generating units include goodwill, specific assets and capacity assets.

Impairment tests are carried out on cash-generating units by comparing the net book value with the recoverable value. Recoverable value is defined as the higher of value in use or fair value less selling costs.

Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset. Future cash flows derive from a 5-year business plan drawn up and validated by the Management, plus a terminal value based on discounted normative cash flows after application of a growth rate to infinity. They also include the dividends paid by the Sales financing segment to the Automobile segment; these dividends represent, in cash form, the Sales financing segment's contribution as taken into consideration in internal assessments of project profitability. The assumptions underlying the business plan include estimates of market developments in countries in which the Group operates and its share of those markets, changes in the sale price of products and the prices of purchased components and commodities. The pre-tax discount rate used is the weighted average cost of capital as determined by the company.

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

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

Impairment of investments in associates

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

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

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

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

Assets held for sale are non-current assets or groups of assets that are available for sale (and do not require significant work to prepare them for sale) and very likely to be sold.

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

N – Inventories

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

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

When the net realisable value is lower than the value under the FIFO method, impairment equal to the difference is recorded.

O – Assignment of receivables

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

The same treatment applies to assignments between the Automobile and Sales financing segments. The resulting receivables and liabilities are recorded as operating items.

P – Treasury shares

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

When these shares are sold, the sale price is directly included in consolidated shareholders' equity, and transferred to cash and cash equivalents once payment has been received. Consequently, no gain or loss on treasury shares is included in the net income for the period.

Q – Stock option plans / Free share attribution plans

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

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

In compliance with IFRS 2's transitional measures, only plans beginning after November 7, 2002 concerning options unvested at January 1, 2005 have been valued and recorded as described above.

R – Provisions

Pensions and other long-term employee benefit obligations

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

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

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

The actuarial gains and losses resulting from revisions of the underlying assumptions and experience-based adjustments are included in equity, as allowed under IAS 19.

The net expense for the year, corresponding to the sum of the current period service costs, the discount cost less the expected return on fund assets and a portion of deferred past service costs, is charged in full to the operating margin.

Restructuring measures / Termination benefits

The estimated cost of restructuring and the cost of workforce adjustment measures is recognised as soon as a detailed plan has been defined and is either announced or in progress.

S – Financial assets

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

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

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

Securities: investments in non-controlled companies in which Renault does not have significant influence

Dividends from such companies are recorded in the year of distribution.

These investments are considered to be “available for sale”, and are accordingly stated at their fair value at the financial reporting date, with any changes in fair value included directly in consolidated reserves. The amounts recorded in consolidated reserves are transferred to the income statement upon disposal when the investment is sold or written off.

Impairment is recognised in the income statement when there is objective evidence that these investments are impaired. One indicator providing objective evidence of impairment is a significant or prolonged fall in the fair value of investments below their acquisition cost.

The fair values of such investments are mainly determined by reference to the market price. If this is not possible, valuation methods non based on market data are used.

Securities that do not represent a share in another entity's capital

These securities are short-term investments undertaken as part of the Group's cash surplus management policy, and are initially stated at fair value.

The valuation methods and subsequent accounting treatment vary according to whether such securities are considered “available for sale” or designated from the outset as “assets stated at fair value through profit or loss”. The relevant category is determined on a case-by-case basis and depends on the underlying management strategy. Securities intended for sale in the short term are classified as “assets stated at fair value through profit or loss”; all other securities are classified as “available for sale”.

Securities intended for sale in the short term are stated at fair value at the reporting date, with changes in fair value taken to income.

Available-for-sale securities are stated at fair value at the reporting date, and changes in this fair value are recorded directly in equity. The amounts included in equity are taken to income upon derecognition of the asset. Impairment losses are recorded in the income statement when there is objective evidence of depreciation in value.

Fair values of securities are mainly determined by reference to the market price.

Loans

Loans essentially include interbank loans for investment of cash surpluses.

Loans are initially recognised at fair value, plus directly attributable transaction costs.

At each closing date, loans are valued at amortised cost. Impairment is recognised in the income statement when there is objective evidence of depreciation in value caused by an event that occurred after the initial recognition of the asset.

T – Cash and cash equivalents

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

Cash equivalents are investments held for the purpose of meeting short-term cash commitments. For an investment to qualify as a cash equivalent, it must be readily convertible for a known amount of cash and be subject to an insignificant risk of change in value. These instruments are stated at fair value.

U – Financial liabilities and sales financing debts

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

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

Redeemable shares

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

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

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

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

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

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

V – Derivatives and hedge accounting***Measurement and presentation***

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

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

The Automobile segment's derivatives are reported in the balance sheet as current if they mature within 12 months and non-current otherwise. All Sales financing segment derivatives are reported in the balance sheet as current.

Hedge accounting

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

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

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

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

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

Derivatives not designated as hedges

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

3 – CHANGES IN THE SCOPE OF CONSOLIDATION

	Automobile	Sales Financing	Total
Number of companies consolidated at December 31, 2007	149	42	191
Newly consolidated companies (acquisitions, formations, etc)	8	2	10
Deconsolidated companies (disposals, mergers, liquidations, etc)	(17)	(4)	(21)
Number of companies consolidated at December 31, 2008	140	40	180
Newly consolidated companies (acquisitions, formations, etc)	4	3	7
Deconsolidated companies (disposals, mergers, liquidations, etc)	(8)	(5)	(13)
Number of companies consolidated at December 31, 2009	136	38	174

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

- 2009

Renault set up a new entity named Renault Tanger Méditerranée in Morocco. The company is fully consolidated over the second half of 2009. Renault Tanger Méditerranée carries out industrial investments for the production site in the Tanger Méditerranée Special Development Zone.

- 2008

Renault and AvtoVAZ confirmed their strategic partnership with the signature of agreements on February 29, 2008. Renault invested USD 1 billion to acquire 25% plus 1 share in AvtoVAZ. Renault's investment in the AvtoVAZ group is accounted for by the equity method in the Group's consolidated financial statements from March 1, 2008. Details are given in note 15-B.

The minority interests in the Colombian company SOFASA were acquired at the end of 2008, raising Renault's percentage ownership of SOFASA from 60% to 100%.

7.2.7.2 Income statement and comprehensive income

4 – REVENUES

A – 2008 revenues applying 2009 Group structure and methods

(€ million)	Automobile	Sales Financing	Total
2008 revenues	35,757	2,034	37,791
Changes in the scope of consolidation	34	(33)	1
2008 revenues applying 2009 Group structure and methods	35,791	2,001	37,792
2009 revenues	31,951	1,761	33,712

B – Breakdown of revenues

(€ million)	2009	2008	2007
Sales of goods	30,499	33,949	37,104
Sales of services ^{(1) (2)}	1,916	2,292	2,086
Sales of goods and services	32,415	36,241	39,190
Income on customer financing	865	1,087	1,053
Income on leasing and similar operations	432	463	439
Sales financing revenues	1,297	1,550	1,492
REVENUES	33,712	37,791	40,682

(1) Including €464 million generated by the Sales Financing segment in 2009 (€485 million in 2008 and €511 million in 2007).

(2) Including €165 million of sales of automobile technologies and marketing rights to AvtoVAZ in 2008.

Rental income recorded by the Group in connection with vehicle sales with a repurchase commitment or vehicle rentals totalled €517 million in 2009 (€609 million in 2008 and €638 million in 2007). This income is included in sales of services.

5 – COST OF SALES FINANCING

(€ million)	2009	2008	2007
Income on cash investments	174	261	294
Refinancing expenses	(954)	(1,357)	(1,261)
Net financing costs	(780)	(1,096)	(967)
Net credit losses	(173)	(196)	(154)
COST OF SALES FINANCING	(953)	(1,292)	(1,121)

6 – OPERATING MARGIN: DETAILS OF INCOME AND EXPENSES BY NATURE

A – Cost of goods and services sold

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

B – Personnel expenses

	2009	2008	2007
Personnel expenses (€ million)	5,140	5,417	5,962
Workforce at December 31	124,307	130,985	133,854

Personnel expenses include €108 million for pensions and other long-term benefits paid out to employees in 2009 (€120 million in 2008 and €113 million in 2007).

C – Share-based payments

Share-based payments concern stock options and free shares granted to personnel, and amounted to a personnel expense of €14 million for 2009.

In 2008, income of €19 million was recorded as a reduction in personnel expenses, due to revision of the number of options and free shares attributed under plans containing performance conditions. In 2007, a personnel expense of €62 million was recognised.

The plans valuation method is presented in note 20-H.

D – Rental expenses

Rents amounted to approximately €255 million in 2009 (stable compared to 2008 and 2007).

E – Other expenses

Other expenses in France include business tax (*Taxe professionnelle*). This tax is due to be replaced in 2010 by the *Contribution économique territoriale* (CET). Both components of this local contribution, corporate real property tax (CFE) and a contribution based on value added (CVAE), are classified in the same category of expenses.

F – Foreign exchange gains/losses

In 2009, the operating margin included a net foreign exchange loss of €4 million (compared to a net foreign exchange loss of €68 million in 2008 and €56 million in 2007).

7 – OTHER OPERATING INCOME AND EXPENSES

(€ million)	2009	2008	2007
Restructuring and workforce adjustment costs and provisions	(218)	(489)	(143)
Gains and losses on disposal of businesses or operating entities	(118)	8	(63)
Gains and losses on disposal of property, plant and equipment and intangible assets (except vehicle sales)	102	150	86
Impairment of fixed assets	(297)	(114)	-
Other unusual items	(28)	2	4
Total	(559)	(443)	(116)

A – Restructuring and workforce adjustment costs and provisions

2009 restructuring costs include a €22 million reversal from provisions following final computation of the costs of the "Projet Renault Volontariat" voluntary termination plan introduced in October 2008 for Renault s.a.s. employees. More than 4,500 employees signed up to the plan, which closed in April 2009. After these departures the Group decided to progressively reorganise its establishments in the Paris area between 2009 and 2012. The restructuring costs thus include a €66 million expense for rental commitments on temporarily vacant premises.

Other restructuring costs mainly relate to restructuring action for certain businesses and workforce adjustment measures, particularly in Spain.

In 2008, restructuring costs included a €200 million expense corresponding to the estimated costs of the "Projet Renault Volontariat" plan, and a €150 million expense associated with discontinuation of a project as part of a range reorganisation (mainly concerning impairment of intangible assets).

B – Gains and losses on disposal of businesses or operating entities

After signing a letter of intent in December 2009, on February 5th, 2010, Renault signed a strategic partnership agreement for its future involvement in Formula 1 racing. Renault transferred 75% of its shares in the subsidiary Renault F1 Team Ltd. A provision of €118 million was booked to cover the effect of this disposal (mainly goodwill).

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

Most of the gain on disposal of property, plant and equipment and intangible assets results from sales of land (in France, Spain, and Korea) in 2009, 2008 and 2007.

D – Impairment of fixed assets

As a result of impairment tests on fixed assets, a €297 million expense was recognised in 2009, essentially corresponding to capitalised development expenses for two vehicles in the range (notes 12-A and 12-B).

In 2008, impairment amounting to a €114 million expense also corresponded to write-downs of development expenses associated with two vehicles in the range (note 12-A).

8 – FINANCIAL INCOME

Other financial income and expenses comprise:

(€ million)	2009	2008	2007
Change in fair value of redeemable shares (note 24-A)	(43)	509	53
Other	(8)	148	124
Total	(51)	657	177

Foreign exchange gains and losses included under "Other" represented a loss of €1 million in 2009 (compared to a gain of €14 million in 2008 and a loss of €4 million in 2007).

9 – CURRENT AND DEFERRED TAXES

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

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

A – Current and deferred tax expense

Breakdown of the tax charge

(€ million)	2009	2008	2007
Current income taxes	(172)	(188)	(313)
Deferred tax credits (charges)	24	26	58
Current and deferred taxes	(148)	(162)	(255)

In 2009, €156 million of current income taxes were generated by foreign entities (€176 million in 2008 and €323 million in 2007).

The amount of deferred taxes reported in the income statement includes income of €1 million resulting from tax rate changes during 2009 (tax rate changes generated income of €2 million in 2008 and an expense of €12 million in 2007).

Current taxes paid by the Group during 2009 totalled €192 million (€350 million in 2008 and €243 million in 2007).

B – Breakdown of the tax charge

(€ million)	2009	2008	2007
Income before taxes and share in net income of associates	(1,359)	324	1,314
Income tax rate applicable in France	34.43%	34.43%	34.43%
Theoretical tax income (charge)	468	(112)	(453)
Effect of differences between local rate and the French rate	62	61	76
Tax credits	55	49	87
Distribution taxes	63	(30)	(25)
Change in unrecognised deferred tax assets	(865)	(93)	(17)
Other impacts ⁽¹⁾	69	(37)	77
Current and deferred tax income (charge)	(148)	(162)	(255)

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

In 2009 as in 2008, due to a lack of visibility over short-term and medium-term taxable income, independently of the indefinite validity for utilization of tax losses carried forward, deferred tax assets on the tax loss carryforwards of the French tax group were recognised to the extent of the net balance of deferred tax assets and liabilities on temporary differences (note 9-C2). This has a negative effect of €771 million on the Group's tax proof, reported as "Change in unrecognised deferred tax assets".

C – Breakdown of net deferred taxes

C1 – Change in deferred tax assets and liabilities

(€ million)	2009	2008	2007
Deferred tax assets	252	220	313
Deferred tax liabilities	(132)	(118)	(251)
Net deferred tax assets (liabilities) at January 1	120	102	62
Deferred tax income (expense) for the period	24	26	58
Change in deferred taxes included in equity ⁽¹⁾	3	(10)	(30)
Translation adjustments	10	(23)	(5)
Change in scope of consolidation and other	8	25	17
Net deferred tax assets (liabilities) at December 31	165	120	102
<i>Including deferred tax assets</i>	<i>279</i>	<i>252</i>	<i>220</i>
<i>Including deferred tax liabilities</i>	<i>(114)</i>	<i>(132)</i>	<i>(118)</i>

(1) Mainly related to changes in the financial instruments revaluation reserve, actuarial gains and losses, and the effect of the partial hedge of the investment in Nissan.

C2 - Breakdown of net deferred tax assets by nature

(€ million)	December 31, 2009	December 31, 2008	December 31, 2007
Deferred taxes on:			
Investments in associates	(39)	(107)	(84)
Fixed assets	(1,741)	(1,825)	(1,577)
Provisions and other expenses or valuation allowances deductible upon utilization	778	848	762
Loss carryforwards	3,152	2,382	1,195
Other	205	40	457
Net deferred tax assets (liabilities)	2,355	1,338	753
Unrecognised deferred tax assets (note 9-C3)	(2,190)	(1,218)	(651)
Net deferred tax assets (liabilities) reported	165	120	102

Deferred tax assets amounting to €791 million reported by entities included in the French tax consolidation were not recognised in 2009 due to a lack of visibility over short-term and medium-term taxable income. €20 million of these unrecognised assets arose during the year on items included in equity (chiefly the effects of the partial hedge of the investment in Nissan, and actuarial gains and losses), and €771 million on items affecting the income statement.

C3 - Breakdown of unrecognised net deferred tax assets, by expiry

(€ million)	December 31, 2009	December 31, 2008	December 31, 2007
Net deferred tax assets that can be carried forward indefinitely	2,129	1,151	509
Other net deferred tax assets expiring in more than 5 years	14	7	12
Other net deferred tax assets expiring between 1 and 5 years	17	12	54
Other net deferred tax assets expiring within 1 year	30	48	76
Total unrecognised net deferred tax assets ⁽¹⁾	2,190	1,218	651
<i>Including deferred taxes on tax loss carryforwards</i>	<i>2,119</i>	<i>1,133</i>	<i>547</i>
<i>Including other deferred taxes</i>	<i>71</i>	<i>85</i>	<i>104</i>

(1) Including €1,505 million at December 31, 2009 (€714 million at December 31, 2008) following non-recognition of deferred tax assets of entities included in the French tax consolidation (note 9-C2)

10 – BASIC AND DILUTED EARNINGS PER SHARE

(In thousands of shares)	2009	2008	2007
Shares in circulation	284,937	284,937	284,937
Treasury shares	(7,882)	(8,852)	(6,897)
Shares held by Nissan x Renault's share in Nissan	(19,541)	(19,533)	(19,419)
Number of shares used to calculate basic earnings per share	257,514	256,552	258,621

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

(In thousands of shares)	2009	2008	2007
Number of shares used to calculate basic earnings per share	257,514	256,552	258,621
Dilutive effect of stock options and free share attribution rights	-	261	3,741
Number of shares used to calculate diluted earnings per share	257,514	256,813	262,362

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

In 2009, as a net loss was recorded for the year, all stock options and free share attribution rights were excluded in calculating the diluted earnings per share.

In 2008, 11,443,000 stock options and free share attribution rights (13,917,000 in 2007) were excluded in calculating the diluted earnings per share due to their anti-dilutive effect.

11 – OTHER COMPONENTS OF COMPREHENSIVE INCOME

A – Breakdown of other components of comprehensive income

(€ million)	2009	2008	2007
Actuarial gains and losses on defined benefit pension plans	(45)	(3)	(48)
Translation adjustments on foreign activities			
Gains / (losses) for the period	112	(637)	(229)
Reclassification under net income	-	-	-
Total translation adjustments on foreign activities	112	(637)	(229)
Partial hedge of the investment in Nissan			
Gains / (losses) for the period	(43)	(1,613)	153
Reclassification under net income	-	-	-
Total Partial hedge of the investment in Nissan	(43)	(1,613)	153
Cash flow hedges			
Gains / (losses) for the period	(91)	(78)	42
Reclassification under net income	123	(121)	(62)
Total cash flow hedges	32	(199)	(20)
Available-for-sale financial assets			
Gains / (losses) for the period	6	5	2
Reclassification under net income	-	9	(1)
Total available-for-sale financial assets	6	14	1
Associates' share of other components of comprehensive income	(228)	312	(692)
Other components of comprehensive income	(166)	(2,126)	(835)

B – Tax effects of other components of comprehensive income

(€ million)	Other components of comprehensive income								
	2009			2008			2007		
	Before tax	Tax	After tax	Before tax	Tax	After tax	Before tax	Tax	After tax
Actuarial gains and losses on defined benefit pension plans	(54)	9	(45)	(3)	-	(3)	(83)	35	(48)
Translation adjustments on foreign activities	112	-	112	(637)	-	(637)	(229)	-	(229)
Partial hedge of the investment in Nissan	(43)	-	(43)	(1,613)	-	(1,613)	233	(80)	153
Cash flow hedges	32	-	32	(199)	-	(199)	(29)	9	(20)
Available-for-sale financial assets	9	(3)	6	11	3	14	-	1	1
Associates' share of other components of comprehensive income	(228)	-	(228)	312	-	312	(692)	-	(692)
Total	(172)	6	(166)	(2,129)	3	(2,126)	(800)	(35)	(835)

7.2.7.3 Operating assets and liabilities, shareholders' equity

12 – INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

A - Intangible assets

A1 - Intangible assets at December 31

(€ million)	December 31, 2009	December 31, 2008	December 31, 2007
Capitalised development expenses	7,021	6,723	6,301
Goodwill	232	274	300
Other intangible assets	395	318	300
Intangible assets, gross	7,648	7,315	6,901
Capitalised development expenses	(3,516)	(2,781)	(2,641)
Other intangible assets	(239)	(221)	(204)
Amortisation and impairment	(3,755)	(3,002)	(2,845)
Intangible assets, net	3,893	4,313	4,056

Most goodwill is in Europe.

A2 - Changes during the year

(€ million)	Gross value	Amortisation and impairment	Net value
Value at December 31, 2007	6,901	(2,845)	4,056
Acquisitions (note 27-C)/(amortisation)	1,178	(887)	291
(Disposals)/reversals	(693)	689	(4)
Translation adjustment	(91)	36	(55)
Change in scope of consolidation and other	20	5	25
Value at December 31, 2008	7,315	(3,002)	4,313
Acquisitions (note 27-C)/(amortisation)	720	(1,080)	(360)
(Disposals)/reversals	(342)	342	-
Translation adjustment	23	(15)	8
Change in scope of consolidation and other	(68)	-	(68)
Value at December 31, 2009	7,648	(3,755)	3,893

Acquisitions of intangible assets in 2009 comprise €585 million of self-produced assets and €133 million of purchased assets (respectively €1,056 million and €122 million in 2008 and €1,237 million and €111 million in 2007). They also include €2 million of capitalised borrowing costs. The capitalisation rate for borrowing costs in 2009 is 3.5%.

Amortisation and impairment in 2009 include €281 million of impairment of capitalised development expenses relating mainly to two vehicles in the range (note 7-D).

Amortisation and impairment in 2008 include impairment totalling €197 million, comprising €83 million for development expenses written off when a project was discontinued as part of a range restructuring (note 7-A), and €114 million in respect of two models in the range following the results of impairment tests (note 7-D).

A3 - Research and development expenses included in income

(€ million)	2009	2008	2007
Research and development expenses	(1,643)	(2,235)	(2,462)
Capitalised development expenses	587	1,125	1,287
Amortisation of capitalised development expenses	(739)	(634)	(675)
TOTAL REPORTED IN INCOME STATEMENT ⁽¹⁾	(1,795)	(1,744)	(1,850)

(1) Impairment of fixed assets totalling €(114) million in 2008 has been reclassified under "other operating income and expenses" (notes 2-A and 7-D).

B – Property, plant and equipment

B1 - Property, plant and equipment at December 31

(€ million)	December 31,2009	December 31,2008	December 31,2007
Land	596	611	613
Buildings	5,706	5,562	5,571
Specific tools	8,949	8,363	8,143
Machinery and other tools	12,495	12,169	11,938
Vehicles leased to customers	2,113	2,099	2,246
Other tangibles	613	646	718
Construction in progress	991	1,141	1,232
Property, plant and equipment, gross	31,463	30,591	30,461
Land and buildings	(2,749)	(2,582)	(2,430)
Specific tools	(6,517)	(5,765)	(5,947)
Machinery and other tools	(8,753)	(8,278)	(7,867)
Vehicles leased to customers	(540)	(555)	(578)
Other tangibles	(610)	(593)	(584)
Depreciation and impairment	(19,169)	(17,773)	(17,406)
Property, plant and equipment, net	12,294	12,818	13,055

Depreciation and impairment in 2009 include impairment of €16 million (see note 7-D).

B2 - Changes during the year

Changes during 2009 in property, plant and equipment were as follows:

(€ million)	December 31, 2008	Acquisitions / (depreciation and impairment)	(Disposals)/ reversals	Translation adjustments	Change in scope of consolidation and other	December 31, 2009
Land	611	32	(13)	3	(37)	596
Buildings	5,562	168	(98)	43	31	5,706
Specific tools	8,363	846	(130)	89	(219)	8,949
Machinery and other tools	12,169	434	(333)	129	96	12,495
Vehicles leased to customers	2,099	795	(707)	14	(88)	2,113
Other tangibles	646	32	(53)	10	(22)	613
Construction in progress ⁽¹⁾	1,141	(194)	(24)	(2)	70	991
Property, plant and equipment, gross ⁽²⁾	30,591	2,113	(1,358)	286	(169)	31,463
Land	-	-	-	-	-	-
Buildings	(2,582)	(234)	80	(16)	3	(2,749)
Specific tools	(5,765)	(772)	129	(51)	(58)	(6,517)
Machinery and other tools	(8,278)	(838)	317	(83)	129	(8,753)
Vehicles leased to customers ⁽³⁾	(555)	(182)	168	(4)	33	(540)
Other tangibles	(593)	(39)	45	(6)	(17)	(610)
Construction in progress	-	-	-	-	-	-
Depreciation and impairment	(17,773)	(2,065)	739	(160)	90	(19,169)
Land	611	32	(13)	3	(37)	596
Buildings	2,980	(66)	(18)	27	34	2,957
Specific tools	2,598	74	(1)	38	(277)	2,432
Machinery and other tools	3,891	(404)	(16)	46	225	3,742
Vehicles leased to customers	1,544	613	(539)	10	(55)	1,573
Other tangibles	53	(7)	(8)	4	(39)	3
Construction in progress ⁽¹⁾	1,141	(194)	(24)	(2)	70	991
Property, plant and equipment net	12,818	48	(619)	126	(79)	12,294

(1) Construction in progress is reported in the "acquisitions / (depreciation and impairment)" column

(2) Acquisitions during 2009 include €8 million of borrowing costs capitalised over the year. The capitalisation rate for borrowing costs in 2009 is 3.5%.

(3) Impairment of leased vehicles amounts to €155 million at December 31, 2009 (€154 million at December 31, 2008 and €89 million at December 31, 2007).

Changes during 2008 in property, plant and equipment were as follows:

(€ million)	Gross value	Depreciation and impairment	Net value
Value at December 31, 2007	30,461	(17,406)	13,055
Acquisitions/(depreciation and impairment)	3,150	(2,069)	1,081
(Disposals)/reversals	(2,164)	1,357	(807)
Translation adjustment	(759)	309	(450)
Change in scope of consolidation and other	(97)	36	(61)
Value at December 31, 2008	30,591	(17,773)	12,818

13 – IMPAIRMENT TESTS ON FIXED ASSETS (OTHER THAN LEASED VEHICLES)

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

A – Impairment tests on vehicle-specific assets

Following impairment tests of assets dedicated to specific vehicles, impairment of €297 million in 2009 (€114 million at December 31 2008, 0 at December 31, 2007) was booked during the first half-year, mainly in respect of two models in the range, allocated in priority to capitalised development expenses.

Valuation of specific assets during impairment tests is sensitive to the assumptions applied concerning changes in volumes and margin levels. For vehicles presenting the greatest risk, in the event of a further 10% decrease in the assumptions used, the value in use would be equivalent to the specific assets.

B – Impairment tests on cash-generating units – Automobile segment

In 2009, only the Europe cash-generating unit was subjected to an impairment test, as there were no indications of impairment in Brazil and Korea (impairment tests were applied to these -generating units in 2008 but no impairment was booked). Europe is considered as a single cash-generating unit since its industrial plant and product range form one coherent unit. This coherence results from the Group's management of its business within this geographical area: high interpenetration in industrial exchanges, optimisation of production capacity use, centralised research and development activities, and a large number of sales outlets across several countries for spare parts and vehicles.

The recoverable value used for the purposes of the impairment tests for each cash-generating unit was the value in use, determined under the discounted future cash flow method on the basis of the following assumptions:

	2009			2008		
	Europe	Brazil	Korea	Europe	Brazil	Korea
Business plan duration	5 years	N/A	N/A	5 years	5 years	5 years
Growth rate to infinity	1.5%	N/A	N/A	1.5%	2.8%	2.0%
After-tax discount rate	8.2%	N/A	N/A	8.2%	9.3%	12.3%

In 2009 as in 2008, no impairment was recognised on assets included in the cash-generating units subjected to impairment tests.

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

The assumptions used for the Automobile segment are as follows:

	2009	2008
5-year forecast sales volumes (units)	2,868,000	2,700,000
Growth rate to infinity	1.5%	1.5%
After-tax discount rate	8.2%	8.2%

In 2009 as in 2008, no impairment was recognised on assets included in the Automobile segment as a result of the impairment tests.

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

- The volume reduction by 2014 must not exceed 300,000 units;
- The after-tax discount rate must not exceed 11.2%.

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

14 – INVESTMENT IN NISSAN

A – Nissan consolidation method

Renault holds 44.3% ownership in Nissan. Renault and Nissan have chosen to develop a unique type of alliance between two distinct companies with common interests, uniting forces to achieve optimum performance. The Alliance is organised so as to preserve individual brand identities and respect each company's corporate culture.

Consequently:

- Renault does not hold the majority of Nissan voting rights.
- The terms of the Renault-Nissan agreements do not entitle Renault to appoint the majority of Nissan directors, nor to hold the majority of voting rights at meetings of Nissan's Board of Directors; at December 31, 2009 as in 2008 and 2007, Renault supplied 4 of the total 9 members of Nissan's Board of Directors
- Renault Nissan BV, owned 50% by Renault and 50% by Nissan, is the Alliance's joint decision-making body for strategic issues concerning either group individually. Its decisions are applicable to both Renault and Nissan. This entity does not enable Renault to direct Nissan's financial and operating strategies, and cannot therefore be considered to represent contractual control by Renault over Nissan. The matters examined by Renault Nissan BV since it was formed have remained strictly within this contractual framework, and are not an indication that Renault exercises control over Nissan.
- Renault can neither use nor influence the use of Nissan's assets in the same way as its own assets.
- Renault provides no guarantees in respect of Nissan's debt.

In view of this situation, Renault is considered to exercise significant influence in Nissan, and therefore uses the equity method to include its investment in Nissan in the consolidation.

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

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

Nissan publishes consolidated financial statements quarterly, and annually at March 31. For the purposes of the Renault consolidation, Nissan results are included in line with the Renault calendar (the results for the period January to December are consolidated in Renault's annual financial statements). The 3-month difference in Nissan's consolidation of certain entities in its group (mainly in Europe and Mexico) has been absorbed over 2007.

Following Nissan's equity transactions, Nissan held 3.0% of its own shares at December 31, 2009, compared to 3.0% at December 31, 2008 and 2.7% at December 31, 2007. Consequently, Renault's percentage interest in Nissan was 45.7% at December 31, 2009, compared to 45.7% at December 31, 2008 and 45.6% at December 31, 2007.

C – Changes in the investment in Nissan

	Share in net assets			Net goodwill	Total
(€ million)	Before neutralisation	Neutralisation of 44.3% of Nissan's investment in Renault ⁽¹⁾	Net		
At December 31, 2007	11,337	(962)	10,375	591	10,966
2008 net income	345	-	345	-	345
Dividend distributed	(418)	-	(418)	-	(418)
Translation adjustment	876	-	876	181	1,057
Other changes ⁽²⁾	(394)	-	(394)	(3)	(397)
At December 31, 2008	11,746	(962)	10,784	769	11,553
2009 net income	(902)	-	(902)	-	(902)
Dividend distributed	-	-	-	-	-
Translation adjustment	(322)	-	(322)	(41)	(363)
Other changes ⁽²⁾	295	-	295	-	295
At December 31, 2009	10,817	(962)	9,855	728	10,583

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

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

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

<i>(in billions of yen)</i>	December 31, 2008	2009 net income	Dividends	Translation adjustment	Other changes ⁽¹⁾	December 31, 2009
Shareholders' equity – Nissan share under Japanese GAAP	2,911	(223)	-	(1)	3	2,690
Restatements for Renault group requirements :						
• Restatement of fixed assets	364	(10)				354
• Provision for pension and other long term employee benefit obligations ⁽²⁾	(306)	23		1	48	(234)
• Capitalisation of development expenses	585	(19)		(1)		565
• Deferred taxes and other restatements ⁽³⁾	(313)	(56)		29	115	(225)
Net assets restated for Renault group requirements	3,241	(285)	-	28	166	3,150
<i>(€ million)</i>						
Net assets restated for Renault group requirements	25,691	(1,974)	-	(703)	646	23,660
Renault's share	45.7%					45.7%
(before neutralisation described below)	11,746	(902)	-	(322)	295	10,817
Neutralisation of 44.3% of Nissan's investment in Renault ⁽⁴⁾	(962)	-	-	-	-	(962)
Renault's share in the net assets of Nissan	10,784	(902)	-	(322)	295	9,855

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

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

(3) Including elimination of Nissan's investment in Renault, accounted for by the equity method.

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

E – Nissan net income under Japanese GAAP

Since Nissan's financial year ends at March 31, the Nissan net income included in the 2009 Renault consolidation is the sum of Nissan's net income for the final quarter of its 2008 financial year and the first three quarters of its 2009 financial year.

	January to March 2009		April to June 2009		July to September 2009		October to December 2009		January to December 2009	
	Fourth quarter of Nissan's 2008 financial year		First quarter of Nissan's 2009 financial year		Second quarter of Nissan's 2009 financial year		Third quarter of Nissan's 2009 financial year		Reference period for Renault's 2009 consolidated financial statements	
	<i>(in billions of yen)</i>	<i>(€ million) ⁽¹⁾</i>	<i>(in billions of yen)</i>	<i>(€ million) ⁽¹⁾</i>	<i>(in billions of yen)</i>	<i>(€ million) ⁽¹⁾</i>	<i>(in billions of yen)</i>	<i>(€ million) ⁽¹⁾</i>	<i>(in billions of yen)</i>	<i>(€ million) ⁽¹⁾</i>
Net income – Nissan share	(277)	(2,272)	(16)	(125)	25	191	45	345	(223)	(1 861)

(1) Converted at the average 2009 exchange rate for each quarter.

F – Nissan financial information under IFRS

The table below presents Nissan financial information, restated for the purposes of the Renault consolidation, for the period January 1 – December 31, 2009. The restatements include adjustments for harmonisation of accounting standards and the adjustments to fair value of assets and liabilities applied by Renault at the time of acquisitions in 1999 and 2002.

	<i>(in billions of yen)</i>	<i>(€ million) ⁽¹⁾</i>
2009 revenues	7,047	54,443
2009 net income ⁽²⁾	(247)	(1,906)
Shareholders' equity at December 31, 2009	3,389	25,453
Balance sheet total at December 31, 2009	10,820	81,255

(1) Converted at the average exchange rate for 2009 i.e. 129 JPY = 1 EUR for income statement items, and at the December 31, 2009 rate i.e. 133 JPY = 1 EUR for balance sheet items.

(2) The net income reported does not include Renault's contribution to Nissan net income.

G – Hedging of the investment in Nissan

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

At December 31, 2009, the corresponding hedging operations totalled 256 billion yen (€1,925 million), comprising 156 billion yen (€1,173 million) of private placements on the EMTN market, bonds issued directly in yen and a loan in euro for 100 billion yen (€752 million) swap in yen currency).

During 2009, these operations generated a net of tax unfavourable foreign exchange differences of €43 million (€1,613 million in 2008 and a positive difference of €153 million in 2007), which were included in the Group's consolidated reserves (note 20-E).

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

Based on the quoted price at December 31, 2009 of 810 yen per share, Renault's investment in Nissan is valued at €12,190 million (€5,084 million at December 31, 2008 based on the price of 320 yen per share, €14,945 million at December 31, 2007 based on the price of 1 230 yen per share).

I – Impairment test of the investment in Nissan

At December 31, 2009, the stock market value of the investment in Nissan was 15% higher than its value in the Renault financial statements (at December 31, 2008 it was 56% lower, but following the impairment test Renault did not record any impairment on this investment).

No impairment test was necessary in 2009 as there was no indication of impairment.

J – Renault - Nissan cooperation

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

The cooperation between the two groups in 2009 principally takes the following forms:

Joint investments

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

In March 2007, the common V6 diesel engine was put into production at the Cléon plant.

In 2008 production began in Korea for the first SUV-type vehicle based on a Nissan vehicle.

Since 2007, the two Groups have invested jointly in manufacturing the Logan in Brazil. This type of cooperation has been extended to South Africa, where the Nissan group began manufacturing the Sandero (from the Logan range) in January 2009.

Vehicle manufacturing

In Mexico, Nissan supplies Renault with assembly services for the Clio, and also assembles the Platina model (Nissan-badged Clio sedans). Production totalled 6,000 units in 2009.

In Brazil, Renault launched production of the Aprio (Nissan-badged Logan) at the Curitiba plant in 2007, for sale on the Mexican market. The total output for the year was 6,000 units. Renault also supplies Nissan with assembly services for its Frontier pickup models, and starting this year, the Livina (19,000 units in 2009).

Renault Samsung Motors produced 31,000 Nissan-badged SM3 vehicles in 2009, purchased by Nissan for sale through its own network (mainly in Russia and the Middle East).

Concerning light commercial vehicles, Nissan produced 24,000 Trafic vans at its Barcelona plant over the year. 14% of these are sold through the Nissan network. Renault, meanwhile, produced 2,000 Interstar (Nissan-badged Masters) purchased by

Nissan for sale through its own network. The highly significant falloff in volumes compared to 2008 is explained by the particularly difficult economic environment for light commercial vehicles in 2009.

Part sales

In Europe, 2007 saw the Renault Group begin production of engines common to the Alliance at its Cléon plant, for use by Nissan's Japanese and UK plants in the Nissan Qashqai and XTrail vehicles. Renault also supplies gearboxes and engines produced at the plants in Cacia in Portugal, Valladolid in Spain, Cléon in France and Pitesti in Romania to Nissan's Sunderland plant in the UK and Barcelona plant in Spain, and since 2009, the Saint Petersburg plant in Russia.

In South America, Renault supplies gearboxes made by its subsidiary Cormecanica to Nissan plants located mostly in Mexico, but also in China. These parts are used in Nissan's Micra, Note and Qashai. Renault also supplies gearboxes to Nissan for use in production at its plants in Japan, China, South Africa, Indonesia, Vietnam and Thailand. In Mexico, Renault supplies engines and gearboxes to Nissan for the Clio, Platina, Tilda and Versa.

In total Renault supplied 546,000 gearboxes and 152,000 engines during 2009.

In South Korea, Nissan supplies Renault Samsung Motors with parts and engines used in the SM3, SM5, SM7 and the Koleos.

Renault also uses Nissan's V6 3.5 litre petrol engine for the Vel Satis and the Espace, Nissan pinions for the Megane range, and automatic gearboxes, continuous variable transmissions for the Mégane, Espace and Vel Satis. Renault also uses a 2.0 litre engine developed jointly with Nissan for the Laguna and Clio.

Sales

Group Offices, run by Renault, have been set up at European level to facilitate exchanges of best practices for after-sales documentation and marketing studies.

At local level, local joint Group Offices, run by Renault, have been set up in four European countries: France, the UK, Spain and Italy. Front office operations remain separate for the two groups.

Renault also markets Nissan vehicles in some countries in Europe (essentially in the former Yugoslavia), and in South America (Argentina).

Conversely, Nissan markets Renault vehicles in Japan, Australia and the Gulf countries.

Finance

From trading rooms in Lausanne and Singapore, Renault Finance acts as the Nissan group's counterparty in financial instruments trading to hedge foreign exchange, interest rate and commodity risks, in addition to its business for Renault. On the foreign exchange markets during 2009, Renault Finance undertook foreign exchange transactions totalling approximately €12 billion on behalf of Nissan. Foreign exchange, interest rate and commodity derivative transactions undertaken for Nissan are recorded at market price and included in the positions managed by Renault Finance.

Relations with the Sales Financing division

The Sales financing division helps to attract customers and build loyalty to the Nissan brands through a range of financing products and services incorporated into its sales policy, principally in Europe. In 2009, the consolidated RCI subgroup recorded €55 million of income in the form of commission and interest received from Nissan.

Total figures for 2009

Total sales by Renault to Nissan and purchases by Renault from Nissan during 2009 amounted to an estimated €1,100 million and €800 million respectively.

The joint policies for purchasing and other administrative functions such as information systems departments are reflected directly in the Renault and Nissan financial statements, and therefore generate no financial exchanges between the two Groups.

15 – INVESTMENTS IN OTHER ASSOCIATES

Details of other investments in other associates are as follows:

- balance sheet value: €1,501million at December 31, 2009 (€2,215 million at December 31, 2008 and €2,011 million at December 31, 2007),
- Renault's share in the net income of other associates: €(659) million for 2009 (€92 million for 2008 and €387 million for 2007).

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

A – AB Volvo

AB Volvo's financial year-end is December 31.

A1 – Changes in the value of Renault's investment in AB Volvo

(€ million)	Share in net assets	Net goodwill	Total
At December 31, 2007	1,794	41	1,835
2008 net income	226	-	226
Dividend distributed	(259)	-	(259)
Repurchase of AB Volvo treasury shares	-	-	-
Translation adjustment, actuarial gains and losses and revaluation of financial instruments	(245)	(6)	(251)
At December 31, 2008	1,516	35	1,551
2009 net income	(300)	(1)	(301)
Dividend distributed	(81)	-	(81)
Repurchase of AB Volvo treasury shares	-	-	-
Translation adjustment, actuarial gains and losses and revaluation of financial instruments	90	1	91
At December 31, 2009	1,225	35	1,260

AB Volvo owned 4.8% of its own shares at December 31, 2009 (unchanged from 2008 and 2007). Renault's percentage interest in AB Volvo thus stood at 21.8% at December 31, 2009, unchanged from December 31, 2008 and December 31, 2007.

Based on AB Volvo's stock market share price of SEK 61 per A share and SEK 61.45 per B share at December 31, 2009, Renault's investment in AB Volvo is valued at €2,640 million (€1,753 millions at December 31, 2008 based on a price of SEK 43.7 per A share and SEK 42.9 per B share).

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

(€ million)	December 31, 2008	Net income 2009	Dividends	Other changes	December 31, 2009
Shareholders' equity – AB Volvo share	7,728	(1,381)	(371)	501	6,477
Restatements for Renault group requirements	(772)	5	-	(89)	(856)
Net assets restated for Renault group requirements	6,956	(1,376)	(371)	412	5,621
Renault's share in the net assets of AB Volvo	1,516	(300)	(81)	90	1,225

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

A3 – AB Volvo financial information under IFRS

AB Volvo financial information for 2009 established under IFRS, as published by AB Volvo, is summarised as follows:

	(in millions of SEK)	(€ million) ⁽¹⁾
2009 revenues	218,361	20,561
2009 net income	(14,685)	(1,383)
Shareholders' equity at December 31, 2009	67,034	6,539
Balance sheet total at December 31, 2009	332,102	32,394

(1) Converted at the average exchange rate for 2009 i.e. 10.62 SEK = 1 EUR for income statement items, and at the December 31, 2009 rate i.e. SEK 10.25 = 1 EUR for balance sheet items.

A4 – Operations between the Renault group and the AB Volvo group

There were no significant joint operations by the Renault group and the AB Volvo group in 2009.

B – AVTOVAZ

AvtoVAZ's financial year-end is December 31. For the purposes of the Renault consolidation, given the existing time constraints for production of financial information, the accounts of AvtoVAZ are consolidated with a 3-month time-lag. Consequently, the AvtoVAZ net income included in Renault's 2009 consolidated financial statements is the sum of AvtoVAZ's net income for the final quarter of its 2008 financial year and the first three quarters of its 2009 financial year.

B1 – Changes in the value of Renault's investment in AvtoVAZ

(€ million)	Share in net assets
At September 30, 2008	550
Net income for the period October 1 2008 to September 30 2009	(370)
Dividend distributed	-
Repurchase of AvtoVAZ treasury shares	-
Translation adjustment, actuarial gains and losses and revaluation of financial instruments	(61)
At September 30, 2009	119

Renault's percentage interest in AvtoVAZ was 25.0% at December 31, 2009, unchanged from December 31, 2008.

The operating loss reported by the AvtoVaz group results from a significant decline in volumes and the economic situation in the Russian market. The net income for the period includes €120 million of impairment in respect of property, plant and equipment.

On November 27, 2009, Renault signed an agreement with the principal shareholders to ensure the sustainability of AvtoVAZ. The agreement has the support of the Russian government, which will provide funding (in the form of a loan) to reimburse bank debt and cover the company's short-term cash needs. The Renault group will contribute to the industrial restructuring through transfers of technologies, equipment and knowhow. The final agreements should be signed before June 30, 2010.

Based on AvtoVAZ stock market share price of RUB 14.7 per ordinary share and RUB 3 per preferred share at September 30, 2009, Renault's investment in AvtoVAZ is valued at €124 million (€129 million at September 30, 2008 based on the price of RUB 11.7 per ordinary share and RUB 5.4 per preferred share).

At December 31, 2009, the stock market valuation (125 millions d'euros) is 5% higher than the value of AvtoVAZ in Renault's financial statements. The Group has not recorded any impairment.

B2 – Changes in AvtoVAZ equity restated for the purposes of the Renault consolidation

(€ million)	October 1, 2008	Net income for the period October 1, 2008 – September 30, 2009	Dividends	Other changes	September 30, 2009
Shareholders' equity – AvtoVAZ share	2,182	(1,492)	-	(246)	444
Restatements for Renault group requirements	18	12	-	-	30
Net assets restated for Renault group requirements	2,200	(1,480)	-	(246)	474
Renault's share in the net assets of AvtoVAZ	550	(370)	-	(61)	119

Restatements for Renault group requirements mainly concern valuation of intangibles (the Lada brand) and fair value measurement of financial liabilities.

B3 – AvtoVAZ financial information under IFRS

AvtoVAZ's published financial information under IFRS for 2008 (year ended December 31) and the first three quarters of the year 2009 is summarised below:

2008	(millions of roubles)	(€ million) ⁽¹⁾
2008 revenues	192,068	5,273
2008 net income	(24,662)	(677)
Shareholders' equity at December 31, 2008	62,157	1,506
Balance sheet total at December 31, 2008	182,954	4,432

(1) Converted at the average exchange rate for 2008 i.e. 36.42 RUB = 1 EUR for income statement items and the exchange rate at December 31, 2008 i.e. 41.28 RUB = 1 EUR for balance sheet items.

January to September 2009	(millions of roubles)	(€ million) ⁽¹⁾
Sales, January – September 2009	78,167	1,764
Net income, January – September 2009	(42,188)	(952)
Shareholders' equity at September 30, 2009	20,228	460
Balance sheet total at September 30, 2009	128,629	2,925

(1) Converted at the average exchange rate for January to September 2009, i.e. 44.3 RUB = 1 EUR for income statement items and the exchange rate at September 30, 2009, i.e. 43.98 RUB = 1 EUR for balance sheet items

B4 – Operations between the Renault group and the AvtoVAZ group

There were no significant joint operations by the Renault group and AvtoVAZ in 2009.

16 – INVENTORIES

(€ million)	December 31, 2009	December 31, 2008	December 31, 2007
Raw materials and supplies	916	1,091	1,185
Work-in-progress	237	301	340
Finished products	2,779	3,874	4,407
Inventories, net	3,932	5,266	5,932
<i>Inventories, gross</i> ⁽¹⁾	4,450	5,945	6,428
<i>Impairment</i> ⁽²⁾	(518)	(679)	(496)

(1) Including gross value of used vehicles: €929 million at December 31, 2009 (€1,549 million at December 31, 2008 and € 1,239 million at December 31, 2007).

(2) Including impairment of used vehicles: €129 million at December 31, 2009 (€281 million at December 31, 2008 and €77 million at December 31, 2007)

17 – SALES FINANCING RECEIVABLES

A – Sales financing receivables by nature

(€ million)	December 31, 2009	December 31, 2008	December 31, 2007
Dealership receivables	4,326	4,133	4,678
Financing for end-users	11,118	10,909	12,184
Leasing and similar operations	3,811	4,166	4,315
Gross value	19,255	19,208	21,177
Impairment	(1,012)	(890)	(747)
Net value	18,243	18,318	20,430

The Sales financing segment undertook several securitisation operations through special purpose vehicles (in France, Italy and Germany) involving receivables on the dealership network and loans to final customers. This did not lead to derecognition of the receivables assigned, as all risks were retained by the Group. Sales financing receivables in the balance sheet thus amounted to €7,441 million at December 31, 2009 (€7,026 million at December 31, 2008 and €6,776 million at December 31, 2007). A liability of €3,812 million was recognised at December 31, 2009 (€3,493 million at December 31, 2008 and €3,533 million at December 31, 2007) in other debts represented by a certificate, corresponding to issues resulting from the securitisation operations. The difference between the receivables assigned and the amount of the liability corresponds to the higher credit necessary for these operations, and the share of securities retained by RCI Banque to form a liquidity reserve. The increase in credit concerns securities subscribed by subsidiaries which assign receivables in order to optimise the credit rating of the securities issued. Some securities subscribed by RCI Banque can be redeemed at the European Central Bank and therefore form a liquidity reserve. At December 31, 2009, RCI Banque had provided guarantees of €3,892 million (€2,662 million in 2008) to the European Central Bank: €3,611 million in the form of shares in securitisation vehicles and €281 million in Sales financing receivables (€2,418 million and €244 million at December 31, 2008). RCI Banque has used €2,000 million of this liquidity reserve at December 31, 2009 (€1,150 million at December 31, 2008) classified as borrowings from credit institutions in Sales financing receivables (note 24).

At December 31, 2009, the Sales financing segment also assigned €287 million of trade receivables in Italy, in return for financing of €230 million included in borrowings from credit institutions (note 24). As the risk was not transferred, these receivables remain in the balance sheet.

At December 31 2009, RCI Banque also provided guarantees to the Société de Financement de l'Economie Française (SFEF) in the form of receivables with book value of €1,978 million (€492 million at December 31, 2008), in return for financing of €1,084 million (€282 million at December 31, 2008, recorded in borrowings from credit institutions in debts of the Sales financing segment (note 24).

The fair value of sales financing receivables is €18,333 million at December 31, 2009 (€18,143 million at December 31, 2008 and €20,317 million at December 31, 2007). This value is estimated by discounting future cash flows at rates that would be applicable to similar loans (conditions, maturity and debtor quality) at December 31, 2009, 2008 and 2007.

B – Sales financing receivables by maturity

(€ million)	December 31, 2009	December 31, 2008	December 31, 2007
- 1 year	10,507	10,030	11,064
1 to 5 years	7,692	8,192	9,272
+ 5 years	44	96	94
Total sales financing receivables, net	18,243	18,318	20,430

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

(€ million)	December 31, 2009	December 31, 2008	December 31, 2007
Receivables for which impairment has been recognised ⁽¹⁾: overdue by	800	679	526
- 0 to 30 days	31	49	24
- 30 to 90 days	59	57	56
- 90 to 180 days	80	97	110
- More than 180 days	630	476	336
Receivables for which no impairment has been recognised: overdue by	14	85	117
- 0 to 30 days	2	3	28
- 30 to 90 days	10	63	40
- 90 to 180 days	1	15	49
- More than 180 days	1	4	-

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

The maximum exposure to credit risk for the sales financing activity is represented by the net book value of sales financing receivables plus the amount of financing commitments for customers reported under off-balance sheet commitments given (note 29-A).

This risk is reduced by guarantees provided by customers, as reported in off-balance sheet commitments received (note 29-B). In particular, guarantees held in connection with overdue or impaired sales financing receivables amounted to €607 million at December 31, 2009 (€715 million at December 31, 2008 and €409 million at December 31, 2007).

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

D – Changes in impairment of sales financing receivables

<i>(€ million)</i>	
Impairment at December 31, 2007	(747)
Impairment recorded during the year	(516)
Reversals for application	220
Reversals of unused residual amounts	141
Translation adjustment and other	12
Impairment at December 31, 2008	(890)
Impairment recorded during the year	(549)
Reversals for application	252
Reversals of unused residual amounts	187
Translation adjustment and other	(12)
Impairment at December 31, 2009	(1,012)

18 – AUTOMOBILE RECEIVABLES

<i>(€ million)</i>	December 31, 2009	December 31, 2008	December 31, 2007
Gross value	1,234	1,867	2,180
Impairment	(137)	(115)	(97)
Automobile receivables, net	1,097	1,752	2,083

These receivables do not include accounts receivable from dealers in France and certain other European countries, when they are assigned to the Group's sales financing companies together with the risk of non-recovery. Receivables transferred in this way are included in sales financing receivables. If the risk is not transferred, although the receivables have been assigned from a legal point of view, these items remain in Automobile receivables and a corresponding financial liability is recorded (in other interest-bearing borrowings). This rule also applies to receivables assigned outside the Group, for example through discounting or factoring. The amount of assigned Automobile receivables reported in the balance sheet is not significant for the periods presented.

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

The fair value of Automobile receivables is equal to their net book value due to their short-term maturities.

19 – OTHER CURRENT AND NON CURRENT ASSETS

<i>(€ million)</i>	December 31, 2009			December 31, 2008			December 31, 2007		
	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total
Prepaid expenses	68	218	286	45	184	229	38	259	297
Tax receivables (excluding current taxes)	14	846	860	29	893	922	83	845	928
Other receivables	206	477	683	153	1,005	1,158	156	892	1,048
Investments in controlled unconsolidated entities	136	-	136	193	-	193	227	-	227
Derivatives on operating transactions of the Automobile segment	-	-	-	-	71	71	-	148	148
Derivatives assets on financing transactions of the Sales financing segment	-	95	95	-	498	498	-	176	176
TOTAL	424	1,636	2,060	420	2,651	3,071	504	2,320	2,824
<i>Gross value</i>	573	1,672	2,245	539	2,682	3,221	605	2,354	2,959
<i>Impairment</i>	(149)	(36)	(185)	(119)	(31)	(150)	(101)	(34)	(135)

20 – SHAREHOLDERS' EQUITY

A – Share capital

The total number of ordinary shares issued and fully paid-up at December 31, 2009 was 284,937 thousand, with par value of €3.81 per share (the total number and par value are unchanged from December 31, 2008 and from December 31, 2007).

Treasury shares do not bear dividends. They accounted for 1.59% of Renault's share capital at December 31, 2009 (3.08% at December 31, 2008 and 2.65 % at December 31, 2007).

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

B – Capital management

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

The Group actively manages its capital structure, making adjustments in view of developments in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payments to shareholders, redeem some of the capital or issue new shares. The management objectives, policies and procedures are unchanged from 2008.

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

The Group manages the Automobile segment's capital with reference to a ratio equal to the segment's net indebtedness divided by the sum of shareholders' equity (net indebtedness includes all non-operating interest-bearing financial liabilities and commitments less cash and cash equivalents and other non-operating financial assets such as marketable securities or the segment's loans, shareholders' equity is as reported in the Group's balance sheet). This ratio stood at 35.9% at December 31, 2009 (40.9% at December 31, 2008 and 9.5% at December 31, 2007).

The Sales financing segment must comply with regulatory ratios specific to banking operations. The minimum solvency ratio (shareholders' equity including subordinated loans to total risk-weighted assets) is 8%.

The Group also partially hedges its investment in Nissan (note 14-G).

C – Renault treasury shares

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

	December 31, 2009	December 31, 2008	December 31, 2007
Total value of treasury shares (€ million)	229	612	499
Total number of treasury shares	4,523,725	8,773,698	7,555,139

Over 2009 Renault sold more than 4 million treasury shares, generating a loss of €(256) million. The sale price of €127 million is recorded in shareholders' equity.

D – Distributions

At the General and Extraordinary Shareholders' Meeting of May 6, 2009, it was decided that no dividend would be distributed (compared to a distribution of €3.80 per share or a total of €1,049 million in 2008).

In 2008, after elimination of dividends received by Nissan in proportion to Renault's interest in Nissan, the dividend distribution recorded in shareholders' equity amounted to €975 million (€803 million in 2007).

The proposal will be put to the General and Extraordinary Shareholders' Meeting of April 30, 2010 that no dividends should be paid.

E – Translation adjustment

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

(€ million)	2009	2008	2007
Change in translation adjustment on the value of the investment in Nissan (note 14-C)	(365)	1,057	(618)
Impact, net of tax, of partial hedging of the investment in Nissan (note 14-G)	(43)	(1,613)	153
Total change in translation adjustment related to Nissan	(408)	(556)	(465)
Other changes in translation adjustment	81	(703)	(248)
Total change in translation adjustment	(327)	(1,259)	(713)

Other changes in the translation adjustment mostly resulted from movements in the Swedish krona and the Korean won against the Euro.

F – Financial instrument revaluation reserve

F1 – Change in the financial instrument revaluation reserve

The figures below are reported net of tax effects.

(€ million)	Cash flow hedges	Available-for-sale financial assets	Total
At December 31, 2007 ⁽¹⁾	46	22	68
Changes in fair value recorded in shareholders' equity	(155)	(24)	(179)
Transfer from shareholders' equity to the income statement ⁽²⁾	(121)	9	(112)
At December 31, 2008 ⁽¹⁾	(230)	7	(223)
Changes in fair value recorded in shareholders' equity	(92)	26	(66)
Transfer from shareholders' equity to the income statement ⁽²⁾	183	(3)	180
At December 31, 2009 ⁽¹⁾	(139)	30	(109)

(1) For the schedule of transfers of amounts related to cash flow hedges transferred to shareholders' equity, see note F-3 below.

(2) For a breakdown of the amounts related to cash flow hedges transferred to shareholders' equity, see note F-2 below.

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

(€ million)	2009	2008	2007
Operating margin	189	(76)	(81)
Other operating income and expenses	-	-	-
Net financial income (expense)	(1)	(2)	(7)
Share in net income of associates	60	(43)	(4)
Current and deferred taxes	(65)	-	30
Total transferred to the income statement for cash flow hedges	183	(121)	(62)

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

(€ million)	December 31, 2009	December 31, 2008	December 31, 2007
Within one year	(44)	(82)	44
After one year	(70)	(65)	9
Revaluation reserve for cash flow hedges excluding associates	(114)	(147)	53
Revaluation reserve for cash flow hedges - associates	(25)	(83)	(7)
Total revaluation reserve for cash flow hedges	(139)	(230)	46

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

G – Stock option and free share attribution plans

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

No new stock option or free share plans were introduced in 2009 or 2008. All plans introduced since 2006 include performance conditions which determine the number of options or shares awarded to beneficiaries.

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

	2009			2008		
	Quantity	Weighted average exercise price (€)	Weighted average share price at grant and exercise dates (€)	Quantity	Weighted average exercise price (€)	Weighted average share price at grant and exercise dates (€)
Outstanding at January 1	11,703,615	67		16,222,932	72	
Granted	-	-	-	2,022,787	97	77
Exercised	-	-	-	(395,441)	43	63
Expired	(726,265)	63	N/A	(6,146,663)	91	N/A
Outstanding at December 31	10,977,350	67		11,703,615	67	

Based on the estimated achievement of performance conditions in 2008, it was considered that a large number of free shares have been forfeited over the year (particularly under plans related to the Renault Commitment 2009 plan and the year 2008).

G2 – Options and free share attribution rights yet to be exercised at December 31, 2009

N° plan	Type of plan	Grant date	Exercise price (€)	Outstanding	Exercise period
Plan 6	Stock purchase options	September 7, 2000 and October 24, 2000	49.27 49.57	464,472	September 6, 2005 – September 6, 2010 October 25, 2005 - October 23, 2010
Plan 7	Stock purchase options	December 18, 2001	48.97	920,730	December 19, 2006 - December 17, 2011
Plan 8	Stock purchase options	September 5, 2002	49.21	1,515,095	September 6, 2007 - September 4, 2012
Plan 9	Stock purchase options	September 8, 2003	53.36	1,586,167	September 9, 2007 - September 7, 2011
Plan 10	Stock subscription options	September 14, 2004	66.03	2,053,350	September 15, 2008 - September 13, 2012
Plan 11	Stock subscription options	September 13, 2005	72.98	1,505,300	September 14, 2009 - September 12, 2013
Plan 12	Stock subscription options	May 4, 2006 and May 12, 2006 and June 30, 2006	87.98	1,356,372	May 5, 2010 – May 5, 2014
Plan 13	Stock subscription options	May 4, 2006 and May 12, 2006 and July 17, 2006	87.98	-	May 5, 2010 – May 5, 2014
Plan 13 bis	Attribution of free shares	May 12, 2006 and July 17, 2006	-	-	May 5, 2012 ⁽¹⁾
Plan 14	Stock subscription options	December 5, 2006 and February 19, 2007	93.86	1,575,864	December 6, 2010 – December 4, 2014
Plan 15	Stock subscription options	December 5, 2007 and January 25, 2008	96.54	-	December 6, 2011 – December 5, 2015
Plan 16	Stock subscription options	December 5, 2007 and January 25, 2008	96.54	-	December 6, 2011 – December 5, 2015
Plan 16 bis	Attribution of free shares	December 5, 2007 and January 25, 2008	-	-	December 6, 2013 ⁽¹⁾

(1) To benefit from free share plans, the employee must be in the company at this date.

H – Share-based payments

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

Plan values

The options awarded under these plans only become vested after a period of five years for plans 6 to 8, and four years for plans 9 to 16. For stock option plans, the exercise period then covers five years for plans 6 to 8 and four years for plans 9 to 16. Loss of the benefit of these options follows the applicable regulations: all options are forfeited in the event of resignation, and a decision is made for each individual case when an employee leaves at the company's instigation.

The valuation method follows a suitable binomial mathematical model, with exercise of the options anticipated and spread over the exercise period on a straight-line basis. The volatility factor applied is implicit volatility at the grant date. The dividend used is determined by reference to the dividend payout schedule at the time each plan is valued.

The plans have been valued as follows:

N° plan	Initial value (thousand of €)	Unit fair value	Expense for 2009 (€ million)	Expense for 2008 ⁽¹⁾ (€ million)	Expense for 2007 (€ million)	Share price at grant date (€)	Volatility	Interest rate	Exercise price (€)	Duration of option	Dividend per share (€)
Plan 9	32,820	18.15	-	-	(6)	55.40	33.0 %	3.79 %	53.36	4-8 years	1.15
Plan 10	39,870	19.75	-	(7)	(9)	69.05	27.0 %	3.71 %	66.03	4-8 years	1.40
Plan 11	22,480	14.65	(4)	(6)	(6)	72.45	23.5 %	2.68 %	72.98	4-8 years	1.80
Plan 12 ⁽²⁾	17,324	16.20	(4)	(5)	(5)	87.05	28.1 %	3.90 %	87.98	4-8 years	2.40 – 4.50
Plan 13 ⁽²⁾	36,634	15.86	-	14	(9)	87.82	27.2 %	3.85 %	87.98	4-8 years	2.40 – 4.50
Plan 13 bis ⁽²⁾	74,666	72.60	-	28	(20)	83.71	N/A	3.83 %	N/A	N/A	2.40 – 4.50
Plan 14 ⁽²⁾	26,066	15.00	(6)	(6)	(6)	92.65	26.7 %	3.88 %	93.86	4-8 years	2.40 – 4.50
Plan 15 ⁽²⁾	29,747	15.19	-	1	(1)	84.68	36.0 %	3.79 %	96.54	4-8 years	2.40 – 4.50
Plan 16 ⁽²⁾	10,279	13.68	-	-	-	81.79	36.4 %	3.77 %	96.54	4-8 years	2.40 – 4.50
Plan 16 bis ⁽²⁾	9,040	71.15	-	-	-	87.28	N/A	3.81 %	N/A	N/A	2.40 – 4.50
TOTAL	298,926		(14)	19	(62)						

(1) The expense for 2008 includes income of €83 million resulting from revision of the number of options and free shares attributed under plans containing performance conditions.

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

21 – PROVISIONS

A – Provisions at December 31

(€ million)	December 31, 2009	December 31, 2008	December 31, 2007
Provisions (other than provisions for pension and other long-term employee obligations)	1,590	1,751	1,516
- Provisions for restructuring and workforce adjustment costs	296	513	253
- Provisions for warranty costs	753	807	819
- Provisions for tax risks and litigation	266	198	173
- Other provisions	275	233	271
Provisions for pension and other long-term employee benefit obligations	1,153	1,056	1,203
Total provisions	2,743	2,807	2,719
Provisions – long-term	1,829	1,543	1,765
Provision – short-term	914	1,264	954

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

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

(€ million)	Restructuring provisions	Warranty provisions	Tax risks and litigation provisions	Other provisions	Total
At December 31, 2007	253	819	173	271	1,516
Increases	408	427	80	104	1,019
Reversals of provisions for application	(165)	(395)	(21)	(79)	(660)
Reversals of unused balance of provisions	(18)	(15)	(38)	(37)	(108)
Changes in scope of consolidation	1	1	1	-	3
Translation adjustments and other changes	34	(30)	3	(26)	(19)
At December 31, 2008	513	807	198	233	1,751
Increases	196	355	110	154	815
Reversals of provisions for application	(389)	(378)	(26)	(97)	(890)
Reversals of unused balance of provisions	(32)	(31)	(27)	(16)	(106)
Changes in scope of consolidation	1	-	-	-	1
Translation adjustments and other changes	7	-	11	1	19
At December 31, 2009	296	753	266	275	1,590

Reversal of unused balances of provisions mainly result from changes in the assumptions used to estimate the original provision.

At December 31, 2009, other provisions included €43 million of provisions established in application of environmental regulations (€42 million at December 31, 2008, €50 million at December 31, 2007). These provisions principally concern environmental compliance costs for industrial land that the Group intends to sell (particularly on the Boulogne-Billancourt site) and expenses related to the EU directive on end-of-life vehicles (note 29-A2).

As greenhouse gas emissions were lower than the Group's allocated quotas, no associated provisions were booked at December 31, 2009.

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

C1 – Pension and benefit plans

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

- Defined-contribution plans

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

The total expense for defined-contribution plans is approximately €410million in 2009 (€450 million in 2008 and 2007).

- Defined-benefit plans

Provisions are established for this type of plan, mainly concerning indemnities payable upon retirement, but also covering:

- other payments upon retirement and supplementary pensions;
- other long-term benefits, chiefly long-service awards and flexible holiday entitlements;
- Healthcare expense coverage.

Defined-benefit plans are sometimes covered by funds which are valued annually based on market value. The value of fund assets, if any, is deducted from the corresponding liability. In view of the amounts involved, the Group's exposure to risk resulting from changes in these fund asset values is low (see note 21-C6).

C2 – Actuarial assumptions

The main actuarial assumptions used for the companies in France, the country accounting for most of the Group's obligations, are the following:

Retirement age	60 to 65
Salary increase	3%
Discount rate ⁽¹⁾	4.6%

(1) The rate most frequently used to value the Group's obligations in France is 4.6% (5.3% in 2008 and in 2007). However, the rate varies between companies depending on the maturities of obligations.

The weighted average rate of return expected for the Group's principal funds is 3.93% in 2009. In the UK, where a significant portion of the group's pension funds are invested, the expected rate of return is 6.1%.

This return is determined based on past returns for each category of assets included in the portfolios.

C3 – Net expense for the year

(€ million)	2009	2008	2007
Current service cost	77	86	90
Amortisation of past service cost	(2)	(2)	(2)
Cost of unwinding the discount	49	51	46
Expected return on fund assets	(16)	(15)	(21)
Effects of workforce adjustment measures	(1)	(161)	-
Net expense (income) for the year	107	(41)	113

The effects of workforce adjustment measures in 2008 relate to Renault s.a.s.' voluntary termination plan "Projet Renault Volontariat", and are directly deducted from the expense included in other operating income and expenses (note 7-A).

C4 – Provisions at December 31

(€ million)	December 31, 2009	December 31, 2008	December 31, 2007
French companies	976	917	1,064
Foreign companies	177	139	139
TOTAL	1,153	1,056	1,203

C5 – Changes in obligations, fund assets and provision

(€ million)	Obligations	Fund assets	Obligations net of fund assets	Unrecorded Past service costs	Balance sheet provision
Balance at December 31, 2007	1,580	(388)	1,192	11	1,203
Net expense for the year 2008 (note 21-C3)	(24)	(15)	(39)	(2)	(41)
Benefits paid out	(99)	9	(90)	-	(90)
Contributions to funds	-	(8)	(8)	-	(8)
Actuarial gains (losses)	(44)	47	3	-	3
Translation adjustments	(57)	49	(8)	-	(8)
Change in scope of consolidation and other	(3)	(1)	(4)	1	(3)
Balance at December 31, 2008	1,353	(307)	1,046	10	1,056
Net expense for the year 2009 (note 21-C3)	125	(16)	109	(2)	107
Benefits paid out	(63)	10	(53)	-	(53)
Contributions to funds	-	(8)	(8)	-	(8)
Actuarial gains (losses)	66	(12)	54	-	54
Translation adjustments	15	(13)	2	-	2
Change in scope of consolidation and other	(4)	(1)	(5)	-	(5)
Balance at December 31, 2009	1,492	(347)	1,145	8	1,153

C6 – Breakdown of fund assets

(€ million)	December 31, 2009	December 31, 2008	December 31, 2007
Equities	95	80	143
Bonds	209	192	212
Other	43	35	33
Total fund assets	347	307	388

The weighted average real rate of return expected for the Group's principal funds is 6.75% in 2009. In the UK, where a significant portion of the group's pension funds are invested, the expected real rate of return for 2009 is 13%.

The current best estimate for contributions payable in 2010 is €8 million.

C7 – Historical data

(€ million)	December 31, 2009	December 31, 2008	December 31, 2007	December 31, 2006	December 31, 2005
Obligations not covered by funds	1,054	977	1,130	1,021	944
Obligations covered by funds	438	376	450	486	343
Total obligations (A)	1,492	1,353	1,580	1,507	1,287
Value of fund assets (B)	347	307	388	363	247
Funding status (B) – (A)	(1,145)	(1,046)	(1,192)	(1,144)	(1,040)
Actuarial gains and losses on obligations recorded in equity during the year (before tax)	(66)	44	(93)	(104)	(108)
Actuarial gains and losses on fund assets recorded in equity during the year (before tax)	12	(47)	10	19	8

The cumulative actuarial net-of-tax gains and losses (excluding the associates' share) included in Other components of comprehensive income is €(241) million in 2009 (€(196) million at December 31, 2008 and €(193) million at December 31, 2007).

22 – OTHER CURRENT AND NON CURRENT LIABILITIES

(€ million)	December 31, 2009			December 31, 2008			December 31, 2007		
	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total
Tax liabilities (excluding current taxes)	323	574	897	250	340	590	309	455	764
Social liabilities	11	1,279	1,290	8	1,202	1,210	8	1,616	1,624
Other liabilities	206	2,915	3,121	166	3,465	3,631	46	3,571	3,617
Deferred income	120	411	531	124	433	557	160	446	606
Derivatives on operating transactions of the Automobile segment	-	-	-	-	71	71	-	165	165
Total	660	5,179	5,839	548	5,511	6,059	523	6,253	6,776

Other liabilities mainly correspond to deferred income recorded in connection with sales contracts including a buy-back commitment.

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

23 – FINANCIAL ASSETS – CASH AND CASH EQUIVALENTS

A – Current/non-current breakdown

(€ million)	December 31, 2009			December 31, 2008			December 31, 2007		
	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total
Investments in non-controlled entities	138	-	138	34	-	34	38	-	38
Other securities	-	68	68	-	122	122	-	204	204
Loans	68	327	395	68	437	505	72	669	741
Derivative assets on financing operations by the Automobile segment	820	392	1,212	880	477	1,357	496	366	862
Total financial assets	1,026	787	1,813	982	1,036	2,018	606	1,239	1,845
Gross value	1,027	795	1,822	983	1,044	2,027	607	1,240	1,847
Impairment	(1)	(8)	(9)	(1)	(8)	(9)	(1)	(1)	(2)
Cash equivalents	-	47	47	-	8	8	-	1,058	1,058
Cash on hand and bank deposits	-	7,976	7,976	-	2,050	2,050	-	3,663	3,663
Total cash and cash equivalents	-	8,023	8,023	-	2,058	2,058	-	4,721	4,721

Investments in non-controlled entities include €57 million paid to the Modernization Fund for Automobile Equipment Suppliers (*Fonds de Modernisation des Equipementiers Automobile - FMEA*), as part of the support plan for these suppliers introduced by the French authorities and automakers. Renault has undertaken a commitment to pay a total of €200 million as funds are called.

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

B – Breakdown by category of financial instruments and fair value

(€ million)	Instruments Held for trading ⁽¹⁾	Hedging derivatives	Available-for-sale instruments	Total instruments carried at fair value	Loans and receivables	Total
Investments in non-controlled entities	10	94	138	138	395	138
Other securities			58	68		68
Loans						395
Derivative assets on financing operations by the Automobile segment	1,118	94		1,212		1,212
Total financial assets at December 31, 2009	1,128	94	196	1,418	395	1,813
Cash equivalents	15		32	47		47
Cash on hand and bank deposits					7,976	7,976
Total cash and cash equivalents at December 31, 2009	15		32	47	7,976	8,023

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

(€ million)	Instruments Held for trading ⁽¹⁾	Hedging derivatives	Available- for-sale instruments	Total instruments carried at fair value	Loans and receivables	Total
Investments in non-controlled entities	69		34	34	505	34
Other securities			53	122		122
Loans						505
Derivative assets on financing operations by the Automobile segment	1,245	112		1,357		1,357
Total financial assets at December 31, 2008	1,314	112	87	1,513	505	2,018
Cash equivalents	5		3	8	2,050	8
Cash on hand and bank deposits						2,050
Total cash and cash equivalents at December 31, 2008	5		3	8	2,050	2,058
Investments in non-controlled entities	102		38	38	741	38
Other securities			102	204		204
Loans						741
Derivative assets on financing operations by the Automobile segment	558	304		862		862
Total financial assets at December 31, 2007	660	304	140	1,104	741	1,845
Cash equivalents	1,041		17	1,058	3,663	1,058
Cash on hand and bank deposits						3,663
Total cash and cash equivalents at December 31, 2007	1,041		17	1,058	3,663	4,721

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

No financial assets were reclassified in 2009 (or 2008 or 2007).

The fair value of loans is €409 million at December 31, 2009 (€507 million at December 31, 2008 and €748 million at December 31, 2007). For loans with original maturity of less than three months and floating-rate loans, the value recorded in the balance sheet is considered to be the fair value. Other fixed-rate loans have been measured by discounting future cash flows using the rates offered to Renault at December 31, 2009, December 31, 2008, and December 31, 2007 for loans with similar conditions and maturities.

The fair value of cash on hand and bank deposits is equal to their net book value, due their short-term maturity.

24 – FINANCIAL LIABILITIES AND SALES FINANCING DEBTS

A – Current/non-current breakdown

	December 31, 2009			December 31, 2008			December 31, 2007		
(€ million)	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total
Renault SA redeemable shares	231	-	231	188	-	188	697	-	697
Bonds	3,192	1,009	4,201	3,465	1,342	4,807	3,728	416	4,144
Other debts represented by a certificate	-	617	617	-	1,018	1,018	-	-	-
Borrowings from credit institutions (at amortised cost)	1,174	595	1,769	637	520	1,157	179	275	454
Borrowings from credit institutions (at fair value)	230	-	230	233	-	233	-	-	-
Other interest-bearing borrowings	3,247	1,259	4,506	186	1,195	1,381	244	598	842
Financial liabilities of the Automobile segment (excluding derivatives)	8,074	3,480	11,554	4,709	4,075	8,784	4,848	1,289	6,137
Derivative liabilities on financing operations of the Automobile segment	713	345	1,058	802	1,144	1,946	293	228	521
Total financial liabilities of the Automobile segment	8,787	3,825	12,612	5,511	5,219	10,730	5,141	1,517	6,658
DIAC redeemable shares	10	-	10	9	-	9	19	-	19
Bonds	-	6,113	6,113	-	5,758	5,758	-	7,847	7,847
Other debts represented by a certificate	251	6,851	7,102	253	7,122	7,375	253	9,142	9,395
Borrowings from credit institutions	-	6,651	6,651	-	5,658	5,658	-	3,989	3,989
Other interest-bearing borrowings	-	115	115	-	134	134	-	62	62
Total financial liabilities and debts of the Sales financing segment (excluding derivatives)	261	19,730	19,991	262	18,672	18,934	272	21,040	21,312
Derivative liabilities on financing operations of the Sales financing segment	-	182	182	-	278	278	-	156	156
Financial liabilities and debts of the Sales financing segment	261	19,912	20,173	262	18,950	19,212	272	21,196	21,468
TOTAL FINANCIAL LIABILITIES AND SALES FINANCING DEBTS	9,048	23,737	32,785	5,773	24,169	29,942	5,413	22,713	28,126

Redeemable shares

The redeemable shares issued in October 1983 and April 1984 by Renault SA are subordinated perpetual shares. They earn a minimum annual return of 9% comprising a fixed portion (6.75%) and a variable portion that depends on consolidated revenues and is calculated based on identical Group structure and methods. The return on redeemable shares, amounting to €16 million for 2009 (€17 million for 2008 and 2007), is included in interest expenses. These shares are listed on the Paris Stock Exchange, and traded for €290 at December 31, 2009 and €236 at December 31, 2008 for par value of €153, leading to a corresponding €43 million adjustment to the fair value of redeemable shares recorded in other financial expenses (note 8).

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

Changes in bonds

In 2009, Renault SA redeemed bonds issued between 2002 and 2004 for a total of 1,271 million, and undertook new bond issue totalling €750 million and maturing in 2014.

RCI Bank also redeemed bonds for a total of €2,795 million in 2009, and issued new bonds totalling €3,149 million and maturing between 2010 and 2012.

€3 billion loan from the French government

During 2009 the Group received a loan of €3 billion from the French government. This loan is repayable at term in 2014, although early repayment in part or in full is authorised from 2011.

The interest rate applicable comprises a fixed portion of 6% and a variable portion indexed on the Group's operating margin rate, between a lower and upper limit set respectively at 6% and 9%.

The loan agreement stipulates that the interest rate will be raised if Renault fails to honour its commitments regarding development of clean vehicle systems and technologies in France, introduction of partnership arrangements with suppliers and

using profits to reinforce shareholders' equity and make investments. The agreement includes standard accelerated payment clauses (in the event of default on repayments, inaccurate declarations, failure to comply with contractual obligations, insolvency proceedings, etc) and entitles the French State to demand full repayment within 3 months if direct or indirect control over more than 50% of the capital or voting rights is transferred without prior approval.

This loan is recorded at amortised cost.

€400 million loan from the European Investment Bank

In 2009 the European Investment Bank approved a 4-year loan of €400 million to help the Group in the transition to cleaner technologies with lower fuel consumption. The applicable interest rate of 4.4% is lower than the rate the Group could have negotiated on the market, and the favourable differential is treated as a subsidy calculated at €35 million. In accordance with Renault group accounting policies, this subsidy is charged to intangible assets or deducted from the research and development expenses financed by the loan.

Credit lines

At December 31, 2009, Renault SA confirmed credit lines opened with banks worth €4,070 million (€4,220 million at December 31, 2008 and €4,480 million at December 31, 2007). The short-term portion amounted to €860 million at December 31, 2009 (€910 million at December 31, 2008 and €1,260 million at December 31, 2007). These credit lines had not been used at December 31, 2009 (they were used to the extent of €518 million at December 31, 2008 and €8 million at December 31, 2007).

Sales financing's confirmed credit lines opened with banks amounted to €4,725 million (€5,245 million at December 31, 2008 and €5,361 million at December 31, 2007). The short-term portion amounted to €1,526 million at December 31, 2009 (€650 million at December 31, 2008 and €481 million at December 31, 2007). These credit lines had not been used at December 31, 2009 (they were used to the extent of €753 million at December 31, 2008 and none were in use at December 31, 2007).

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

B – Breakdown by category of financial instrument and fair value

(€ million)	Instruments stated at fair value				Instruments stated at amortised cost ⁽²⁾		Balance sheet value
	Instruments held for trading ⁽¹⁾	Hedging derivatives	Instruments designated from initial recognition as at fair value	Total instruments stated at fair value	Balance sheet value	Fair value	
December 31, 2009							
Renault SA redeemable shares			231	231			231
Bonds					4,201	4,259	4,201
Other debts represented by a certificate					617	617	617
Borrowings from credit institutions			230	230	1,769	1,784	1,999
Other interest-bearing borrowings					4,506	4,768	4,506
Derivative liabilities on financing operations of the Automobile segment	1,053	5		1,058			1,058
Total financial liabilities of the Automobile segment	1,053	5	461	1,519	11,093	11,428	12,612
DIAC redeemable shares			10	10			10
Bonds					6,113	6,249	6,113
Other debts represented by a certificate					7,102	7,008	7,102
Borrowings from credit institutions					6,651	6,632	6,651
Other interest-bearing borrowings					115	115	115
Derivative liabilities on financing operations of the Sales financing segment	8	174		182			182
Financial liabilities and debts of the Sales financing segment	8	174	10	192	19,981	20,004	20,173

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

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

	Instruments stated at fair value				Instruments stated at amortised cost ⁽²⁾		Balance sheet value
(€ million) December 31, 2008	Instruments held for trading ⁽¹⁾	Hedging derivatives	Instruments designated from initial recognition as at fair value	Total instruments stated at fair value	Balance sheet value	Fair value	
Renault SA redeemable shares			188	188			188
Bonds					4,807	4,584	4,807
Other debts represented by a certificate					1,018	1,018	1,018
Borrowings from credit institutions			233	233	1,157	1,090	1,390
Other interest-bearing borrowings					1,381	1,381	1,381
Derivative liabilities on financing operations of the Automobile segment	1,563	383		1,946			1,946
Total financial liabilities of the Automobile segment	1,563	383	421	2,367	8,363	8,073	10,730
DIAC redeemable shares			9	9			9
Bonds					5,758	5,723	5,758
Other debts represented by a certificate					7,375	7,217	7,375
Borrowings from credit institutions					5,658	5,616	5,658
Other interest-bearing borrowings					134	134	134
Derivative liabilities on financing operations of the Sales financing segment	35	243		278			278
Financial liabilities and debts of the Sales financing segment	35	243	9	287	18,925	18,690	19,212

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

(2) Including financial liabilities subject to fair value hedges

	Instruments stated at fair value				Instruments stated at amortised cost ⁽²⁾		Balance sheet value
(€ million) December 31, 2007	Instruments held for trading ⁽¹⁾	Hedging derivatives	Instruments designated from initial recognition as at fair value	Total instruments stated at fair value	Balance sheet value	Fair value	
Renault SA redeemable shares			697	697			697
Bonds					4,144	4,162	4,144
Other debts represented by a certificate							
Borrowings from credit institutions					454	454	454
Other interest-bearing borrowings					842	842	842
Derivative liabilities on financing operations of the Automobile segment	503	18		521			521
Total financial liabilities of the Automobile segment	503	18	697	1,218	5,440	5,458	6,658
DIAC redeemable shares			19	19			19
Bonds					7,847	7,871	7,847
Other debts represented by a certificate					9,395	9,339	9,395
Borrowings from credit institutions					3,989	3,982	3,989
Other interest-bearing borrowings					62	62	62
Derivative liabilities on financing operations of the Automobile	58	98		156			156
Financial liabilities and debts of the Sales financing segment	58	98	19	175	21,293	21,254	21,468

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

(2) Including financial liabilities subject to fair value hedges

The fair value of financial liabilities and debts of the Sales financing segment stated at amortised cost is essentially determined by discounting future cash flows at rates offered to Renault at December 31, 2009, 2008 and 2007 for loans with similar conditions and maturities.

C – Breakdown by maturity

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

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

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

C1 – Financial liabilities of the Automobile segment

(€ million)	December 31, 2009							
	Balance sheet value	Total contractual flows	- 1 yr	1 - 2 yrs	2 - 3 yrs	3 - 4 yrs	4 - 5 yrs	+ 5 yrs
Bonds issued by Renault SA (by issue date)								
2003	811	811	770				41	
2004	50	50		50				
2005	263	263	188		75			
2006	943	943		375		540	28	
2007	636	636	15		560		51	10
2008	728	728		338		390		
2009	750	750					750	
Accrued interest, expenses and premiums	20	42	42					
Total bonds	4,201	4,223	1,015	763	635	930	870	10
Other debts represented by a certificate	617	617	617					
Borrowings from credit institutions	1,999	1,999	595	170	127	701	267	139
Other interest-bearing borrowings	4,506	4,506	1,254	19	12	12	3,011	198
Total other financial liabilities	7,122	7,122	2,466	189	139	713	3,278	337
Future interest on bonds and other financial liabilities		1,364	129	314	300	298	300	23
Redeemable shares	231							
Derivative liabilities on financing operations	1,058	1,058	344	183	377	147	7	
Total financial liabilities of the Automobile segment	12,612	13,767	3,954	1,449	1,451	2,088	4,455	370

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

(€ million)	December 31, 2009			
	Contractual flows maturing within 1 year	- 1 month	1-3 months	3 months – 1 year
Bonds	1,015	5	19	991
Other financial liabilities	2,466	1,630	252	584
Future interest on bonds and other financial liabilities	129	-	-	129
Redeemable shares	-	-	-	-
Derivative liabilities on financing operations	344	71	170	103
Total financial liabilities maturing within 1 year	3,954	1,706	441	1,807

C2 –Financial liabilities and debts of the Sales financing segment

(€ million)	December 31, 2009							
	Balance sheet value	Total contractual flows	- 1 yr	1 - 2 yrs	2 - 3 yrs	3 - 4 yrs	4 - 5 yrs	+ 5 yrs
Bonds issued by RCI Banque (year of issue)								
2003	25	25	25					
2004								
2005	869	869	835	1	23			10
2006	509	509	425	71	1			12
2007	650	650	150		500			
2008	841	841	16	825				
2009	3,148	3,148	846	1,527	775			
Accrued interest, expenses and premiums	71	80	80					
Total bonds	6,113	6,122	2,377	2,424	1,299			22
Other debts represented by a certificate	7,102	7,095	4,320	1,883	557	85		250
Borrowings from credit institutions	6,651	6,648	4,410	1,207	631	64	326	10
Other interest-bearing borrowings	115	115	115					
Total other financial liabilities	13,868	13,858	8,845	3,090	1,188	149	326	260
Future interest on bonds and other financial liabilities		463	120	198	96	17	17	15
Redeemable shares	10							
Derivative liabilities on financing operations	182	255	190	46	9	5	4	1
Total Financial liabilities and debts of the Sales financing segment	20,173	20,698	11,532	5,758	2,592	171	347	298

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

(€ million)	December 31, 2009			
	Contractual flows maturing within 1	-1 month	1-3 months	3 months – 1 year
Bonds	2,377	50	169	2,158
Other financial liabilities	8,845	4,035	2,128	2,682
Future interest on bonds and other financial liabilities	120	3	2	115
Redeemable shares	-	-	-	-
Derivative liabilities on financing operations	190	26	34	130
Total financial liabilities maturing within 1 year	11,532	4,114	2,333	5,085

25 – FAIR VALUE OF FINANCIAL INSTRUMENTS AND IMPACT ON NET INCOME

A – Fair value of financial instruments by level

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

- Level 1: instruments whose fair values are derived from a listed price in an active market
- Level 2: instruments whose fair values are derived from observable market prices and are not included in Level 1
- Level 3: instruments whose fair values are derived from data not observable on the market.

(€ million)	December 31, 2009			
	Fair value in balance sheet	Level 1	Level 2	Level 3
Investments in non-controlled entities	138			138
Other securities	68		68	
Derivative assets on financing operations by the Automobile	1,212		1,212	
Derivative assets on transactions undertaken for operating purposes by the Automobile segment	-			
Derivative assets on financing operations by the Sales financing segment	95		95	
Cash equivalents	47	21	26	
Financial instruments stated at fair value in the balance sheet assets	1,560	21	1,401	138
Renault SA redeemable shares	231	231		
Borrowings from credit institutions by the Automobile segment	230		230	
Derivative liabilities on transactions undertaken for financing purposes by the Automobile segment	1,058		1,058	
Derivative liabilities on transactions undertaken for operating purposes by the Automobile segment	-			
DIAC redeemable shares	10	10		
Derivative liabilities on financing operations by the Sales financing	182		182	
Financial instruments stated at fair value in the balance sheet liabilities	1,711	241	1,470	

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

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

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

- Level 1: fair value is identical to the most recent listed price;
- Level 2: fair value is generally determined by recognised valuation models that use observable market data;
- Level 3: the fair value of investments in non-controlled companies is based on the share of net assets

No financial instruments were transferred between Level 1 and Level 2 in 2009, or into or out of Level 3.

B – Changes in Level 3 financial instruments

The €104 million change in the value of investments in non-controlled companies mainly results from capital contributions during 2009 (note 23-A).

C – Impact of financial instrument on net income

(€ million)	Financial assets other than derivatives			Financial liabilities other than derivatives		Derivatives	Total impact on net income
2009	Instrum ents held for trading	Available- for-sale instruments	Loans and receivables	Instruments designated as at fair value through profit and loss	Instruments stated at amortised cost ⁽¹⁾		
Interest income	3		106			9	118
Interest expenses				(16)	(455)		(471)
Change in fair value	5		-	(42)	(378)	385	(30)
Impairment		(5)	(23)				(28)
Dividends							
Gains (losses) on sale							
Net foreign exchange gains and losses	19		35		(59)		(5)
Total impact on net income - Automobile segment	27	(5)	118	(58)	(892)	394	(416)
<i>Including:</i>							
- operating margin	19		12		(58)		(27)
- other operating income and expenses							
- net financial income (expense)	8	(5)	106	(58)	(834)	394	(389)
Interest income		2	1,354			115	1,471
Interest expenses					(704)	(255)	(959)
Change in fair value				(1)	227	(225)	1
Impairment			(173)				(173)
Dividends							
Gains (losses) on sale							
Net foreign exchange gains and losses					128	(128)	-
Total impact on net income - Sales financing segment	2	1,181	(1)	(349)	(493)	340	(76)
<i>Including :</i>							
- operating margin		2	1,181	(1)	(349)	(493)	340
- other operating income and expenses							
- net financial income (expense)							
TOTAL GAINS AND LOSSES WITH IMPACT ON NET INCOME	27	(3)	1,299	(59)	(1,241)	(99)	(76)

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

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

D – Fair value hedges

(€ million)	2009	2008	2007
Change in fair value of the hedging instrument	(214)	277	(29)
Change in fair value of the hedged item	220	(277)	30
Net impact on net income of fair value hedges	6	-	1

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

26 – DERIVATIVES AND MANAGEMENT OF FINANCIAL RISKS

A – Fair value of derivatives

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

(€ million)	Financial assets		Other assets	Financial liabilities and Sales financing debts		Other liabilities
	Non-current	Current	Current	Non-current	Current	Current
December 31, 2009						
Cash flow hedges						
Fair value hedges			38			
Hedge of the net investment in Nissan					2	
Derivatives not classified as hedges and derivatives held for trading		161	37		143	
Total foreign exchange risk		161	75		145	
Cash flow hedges	13		7	3	174	
Fair value hedges	82		12			
Derivatives not classified as hedges and derivatives held for trading	725	231	1	710	208	
Total interest rate risk	820	231	20	713	382	
Cash flow hedges						
Fair value hedges						
Derivatives not classified as hedges and derivatives held for trading						
Total commodity risk						
Total	820	392	95	713	527	

(€ million)	Financial assets		Other assets	Financial liabilities and Sales financing debts		Other liabilities
	Non-current	Current	Current	Non-current	Current	Current
December 31, 2008						
Cash flow hedges	-	-	-	-	-	-
Fair value hedges	-	-	270	-	1	-
Hedge of the net investment in Nissan	-	3	-	44	334	-
Derivatives not classified as hedges and derivatives held for trading	-	242	189	-	638	-
Total foreign exchange risks	-	245	459	44	973	
Cash flow hedges	16	-	31	3	244	-
Fair value hedges	57	36	7	-	-	-
Derivatives not classified as hedges and derivatives held for trading	807	196	1	755	205	-
Total interest rate risks	880	232	39	758	449	
Cash flow hedges	-	-	-	-	-	-
Fair value hedges	-	-	-	-	-	-
Derivatives not classified as hedges and derivatives held for trading	-	-	71	-	-	71
Total commodity risks	-	-	71	-	-	71
Total	880	477	569	802	1,422	71

(€ million)	Financial assets		Other assets	Financial liabilities and Sales financing debts		Other liabilities
	Non-current	Current	Current	Non-current	Current	Current
December 31, 2007						
Cash flow hedges	-	-	-	-	-	-
Fair value hedges	-	-	-	-	1	-
Hedge of the net investment in Nissan	143	115	-	-	10	-
Derivatives not classified as hedges and derivatives held for trading	-	129	12	-	115	-
Total foreign exchange risks	143	244	12		126	
Cash flow hedges	23	-	116	2	90	-
Fair value hedges	22	-	2	5	8	-
Derivatives not classified as hedges and derivatives held for trading	308	122	45	286	160	-
Total interest rate risks	353	122	163	293	258	
Cash flow hedges	-	-	-	-	-	-
Fair value hedges	-	-	-	-	-	-
Derivatives not classified as hedges and derivatives held for trading	-	-	149	-	-	165
Total commodity risks	-	-	149	-	-	165
Total	496	366	324	293	384	165

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

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

B – Management of financial risks

The Group is exposed to the following financial risks:

- Liquidity risks
- Market risks (foreign exchange, interest rate, equity and commodity risks)
- Counterparty risks
- Credit risks (notes 17 and 18)

B1 – Liquidity risk

The Group is financed via the capital markets, through:

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

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

Medium-term refinancing for the Automobile segment in 2009 was mostly provided by a structured loan from the French government for €3 billion, project financing of €400 million from the European Investment Bank, and a 5-year €750 million bond issue as part of Renault SA's EMTN programme. The contractual documentation for this financing contains no clause that could affect the continued supply of credit in the event of any change in Renault's credit rating or financial ratio compliance.

Given the available cash reserves and confirmed credit lines unused at the year-end, the Automobile segment has sufficient financial resources to cover its commitments over a 12-month horizon.

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

Medium-term refinancing for the Sales Financing segment in 2009 was mostly provided by several bond issues totalling €3,149 million, receivable securitisation in the UK for a total of €446 million, and borrowings of €800 million from Société de Financement de l'Economie Française (SFEF). The total value of these operations exceeds the RCI Group's financing plan for 2009.

The Group's short-term financing is secured by confirmed available credit lines (€4.1 billion for Renault SA and €4.7 billion for RCI Banque at December 31, 2009). The documentation for these credit facilities contains no clause that might adversely affect credit availability as a result of a change in Renault's credit rating or financial ratio compliance. Confirmed credit lines open but unused are described in note 24-A.

The structure of the Group's financing is presented in note 24-A.

B2 – Foreign exchange risks

- Management of foreign exchange risks

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

It is Renault's general policy not to hedge operating future cash flows in foreign currencies. As a result, the Group's operating margin is exposed to foreign exchange risks.

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

Most of financial liabilities and sales financing debts are in Euros.

Equity investments are not hedged, apart from part of the net investment in Nissan, totalling 256 billion yen at December 31, 2009 (note 14-G).

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

The Sales Financing segment has low exposure to foreign exchange risks since its policy is to provide refinancing for subsidiaries in their own currencies.

The Group made no major changes to its foreign exchange risk management policy in 2009.

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

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

The Group has financial instruments denominated in Japanese yen, held for the purposes of the policy to partially hedge its investment in Nissan (note 14-G).

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

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

For the Automobile segment, the impact on shareholders' equity (before taxes) of a 1% rise in the Euro against the principal currencies, applied to financial instruments exposed to foreign exchange risks, would have an unfavourable effect of €19 million at December 31, 2009, chiefly resulting from yen bond issues associated with the partial hedge of the investment in Nissan. This impact is offset by the opposite variation in the translation adjustment on the value of the investment in Nissan (note 20-E). The estimated impact on net income at December 31, 2009 is not significant.

- Currency derivatives

(€ million)	December 31, 2009				December 31, 2008				December 31, 2007			
	Nominal	- 1 yr	1 - 5 yrs	+ 5 yrs	Nominal	- 1 yr	1 - 5 yrs	+ 5 yrs	Nominal	- 1 yr	1 - 5 yrs	+ 5 yrs
Currency swaps – purchases	3,281	1,400	1,873	8	2,066	649	1,410	7	2,594	1,397	1,166	31
Currency swaps - sales	3,550	1,662	1,877	11	2,422	908	1,503	11	2,719	1,431	1,267	21
Forward purchases	11,182	11,182	-	-	13,687	13,687	-	-	14,851	14,849	2	-
Forward sales	11,159	11,159	-	-	14,345	14,345	-	-	14,808	14,806	2	-

B3 – Interest rate risk

- Interest rate risk management

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

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

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

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

The Group made no major changes to its interest rate risk management policy in 2009.

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

The Group is exposed to the following interest rate risks:

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

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

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

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

For the Automobile segment, the impact on net income and shareholders' equity (before taxes) of a de 100 base point rise in interest rates applied to financial instruments exposed to interest rate risks would be €(11) million and €4 million respectively at December 31, 2009.

For the Sales financing segment, the impact on net income and equity (before taxes) of a 100 base point rise in interest rates applied to financial instruments exposed to interest rate risks would be €(3) million and €40 million respectively at December 31, 2009. The impact on equity results mainly from the change in the fair value of swaps undertaken to hedge future cash flows. The Sales financing segment's sensitivity to interest rate risks is stable in comparison to 2008.

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

(€ million)	December 31, 2009	December 31, 2008	December 31, 2007
Fixed rate	27,641	21,024	22,215
Floating rate	3,904	6,694	5,234
Total financial liabilities, sales financing debts (excluding derivatives)	31,545	27,718	27,449

- Interest rate derivatives

(€ million)	December 31, 2009				December 31, 2008				December 31, 2007			
	Nominal	- 1 yr	1-5 years	+ 5 yrs	Nominal	- 1 yr	1-5 years	+ 5 yrs	Nominal	- 1 yr	1-5 years	+ 5 yrs
Interest rate swaps	44,227	17,066	27,095	66	58,608	19,036	39,178	394	67,865	25,357	41,534	974
FRAs	800	800	-	-	-	-	-	-	550	550	-	-
Other interest rate hedging instruments	60	60	-	-	1,160	1,100	60	-	940	940	-	-

B4 – Equity risks

- Management of equity risks

The Group's exposure to equity risks essentially concerns marketable securities indexed to share prices. The Group does not use equity derivatives to hedge this risk.

The Group made no major changes to its equity risk management policy in 2009.

- Analysis of sensitivity of financial instruments to equity risks

Impacts are estimated by applying this 10% decline in share prices to the financial assets concerned at year-end.

The financial instruments' sensitivity to equity risks is not significant at December 31, 2009.

B5 – Commodity risks

- Management of commodity risks

Renault's Purchases department may hedge part of its commodity risks using financial instruments such as forward purchase contracts, purchase options and tunnel contracts. These hedges concern physical purchasing operations required by the factories, and are subject to volume and time constraints.

There were no commodity hedges outstanding at December 31, 2009 for the Automobile segment business.

- Commodity derivatives

(€ million)	December 31, 2009				December 31, 2008				December 31, 2007			
	Nominal	- 1 yr	1-5 years	+ 5 yrs	Nominal	- 1 yr	1-5 years	+ 5 yrs	Nominal	- 1 yr	1-5 years	+ 5 yrs
Forward purchases	-	-	-	-	170	170	-	-	623	493	130	-
Forward sales	-	-	-	-	170	170	-	-	418	305	113	-

B6 – Counterparty risk

The Group only does business on the financial and banking markets with quality counterparties, and is not subject to any significant risk concentration.

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

The heightened vigilance introduced in 2008 for counterparty risk was continued in 2009: certain banking counterparties were placed under close monitoring and in some cases limits previously granted were eliminated.

No losses were recorded in 2009 due to default by a banking counterparty.

7.2.7.5 Cash flows and other information

27 – CASH FLOWS

A – Other unrealised income and expenses

(€ million)	2009	2008	2007
Net allocation to provisions	(156)	104	(185)
Net effects of sales financing credit losses	110	155	54
Net (gain) loss on asset disposals	18	(143)	(19)
Change in fair value of redeemable shares	44	(515)	(53)
Change in fair value of other financial instruments	(8)	(53)	76
Deferred taxes	(22)	(26)	(58)
Other	9	(18)	71
Other unrealised income and expenses	(5)	(496)	(114)

B – Change in working capital

(€ million)	2009	2008	2007
Decrease (increase) in net inventories	1,373	584	(862)
Decrease (increase) in Automobile net receivables	630	283	(171)
Decrease (increase) in other assets	377	(195)	(419)
Increase (decrease) in trade payables	502	(2,676)	1,008
Increase (decrease) in other liabilities	71	(829)	97
Increase (decrease) in working capital	2,953	(2,833)	(347)

C – Capital expenditure

(€ million)	2009	2008	2007
Purchases of intangible assets	(720)	(1,178)	(1,348)
Purchases of property, plant and equipment (other than leased vehicles)	(1,332)	(2,274)	(2,272)
Total purchases for the period	(2,052)	(3,452)	(3,620)
Deferred payments	(257)	(41)	(18)
Total capital expenditure	(2,309)	(3,493)	(3,638)

D – Interest received and paid by the Automobile segment

(€ million)	2009	2008	2007
Interest received	106	207	280
Interest paid	(329)	(372)	(350)
Interest received and paid	(223)	(165)	(70)

28 – RELATED PARTIES

A – Remuneration of Directors and Executives and Executive Committee members

A1 – Remuneration of Directors and Executives

At its meeting of May 6, 2009, the Board of Directors decided to combine the functions of Chairman of the Board of Directors and President and Chief Executive Officer. The President and CEO ceased to receive any remuneration for his duties as Chairman of the Board as of that date.

The principles for consideration and related benefits of the President and CEO comply with French decrees 2009-348 of March 30, 2009 and 2009-445 of April 20, 2009 concerning “the conditions for remuneration of managers of companies receiving State aid or support due to the economic crisis, and directors of public companies”.

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

(€ million)	2009	2008
Basic salary	1,2	1.2
Performance-related remuneration	-	-
Employer's social security charges	0,4	0.5
Complementary pension	0,6	0.1
Total remuneration excluding stock options	2,2	1.8
Stock option plans	1,6	2.4
Stock option plans – effect of cancellations	-	(7.6)
Total remuneration under stock option plans	1,6	(5.2)
President and Chief Executive Officer	3,8	(3.4)
Basic salary	-	-
Fixed fee payable to the Chairman of the Board	0,1	0.2
Employer's social security charges	0	0.1
Complementary pension	-	-
Total remuneration excluding stock options	0,1	0.3
Stock option plans	-	0.7
Stock option plans – effect of cancellations	-	-
Total remuneration under stock option plans	-	0.7
Chairman of the Board of Directors ⁽¹⁾	0,1	1.0

(1) Until May 6, 2009

Directors' fees amounted to €571,336 in 2009 (€557,475 in 2008), of which €38,795 were paid for the Chairmen's functions (€56,000 in 2008).

A2 – Remuneration of Executive Committee members

The consideration and related benefits of members of the Executive Committee (other than the President and Chief Executive Officer), were recognised in expenses as follows:

(€ million)	2009	2008
Basic salary	2.8	2.4
Performance-related salary	-	-
Employer's social security charges	1.0	1.1
Complementary pension	1.1	1.7
Other	-	0.1
Total remuneration excluding stock options	4.9	5.3
Stock option plans	1.2	1.5
Stock option plans – effect of cancellations	-	(3.7)
Total remuneration under stock option plans	1.2	(2.2)
Executive Committee members	6.1	3.1

B – Renault's investments in associates

Details of Renault's investments in Nissan, AB Volvo and AvtoVaz are provided respectively in note 14, 15-A and 15-B.

29 – OFF- BALANCE SHEET COMMITMENTS AND CONTINGENT LIABILITIES

Renault enters into a certain number of commitments in the course of its business. When these commitments qualify as liabilities, they are covered by provisions (e.g. retirement and other personnel benefits, litigations, etc...).

Details of off-balance sheet commitments and contingencies are provided below (note 29-A).

Renault also receives commitments from customers (deposits, mortgages, etc...) and may benefit from credit lines with credit institutions (note 29-B).

A – Off-balance sheet commitments given

A1 – Ordinary operations

The Group is committed for the following amounts:

(€ million)	December 31, 2009	December 31, 2008	December 31, 2007
Other guarantees received ⁽¹⁾	239	270	289
Financing commitments in favour of customers ⁽²⁾	2,240	2,949	2,475
Firm investment orders	427	850	769
Lease commitments	221	314	355
Assets pledged, provided as guarantees or mortgaged and other commitments ⁽³⁾	132	119	167

(1) Including €43 million of financial guarantees at December 31, 2009 which could be called in immediately after the year-end.

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

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

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

(€ million)	December 31, 2009	December 31, 2008	December 31, 2007
Less than 1 year	49	57	56
Between 1 and 5 years	132	193	234
More than 5 years	40	64	65
Lease commitments	221	314	355

A2 – Special operations

- End-of-life vehicles

Under EC Directive 2000/53/EC concerning end-of-life vehicles, published in September 2000, EU member states will be obliged to take measures to ensure that:

- vehicles at the end of their useful life can be transferred to an approved processing centre free of charge to the last owner;
- specific progressive targets are met concerning the re-use rate for vehicle components, with priority given to recycling, and the value of components that can be re-used.

Since January 1, 2007, this Directive has concerned all vehicles on the road.

The Group establishes provisions in relation to the corresponding cost on a country-by-country basis, as the Directive is incorporated into national laws and when the procedures for recycling operations are defined. These provisions are regularly reviewed to ensure they take account of changes in each country's situation.

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

- Other commitments

Disposals of subsidiaries or businesses by the Group generally include representations and warranties in the buyer's favour. At December 31, 2009, Renault had not identified any significant risks in connection with these operations.

Following partial sales of subsidiaries during previous years, Renault retains options to sell all or a portion of its residual investment. Exercising these options would not have any significant impact on the consolidated financial statements.

The agreement signed in March 2007 by Renault and the Japanese group NTN for the sale of 35% of SNR (Société Nouvelle de Roulements) also contained an option for a firm future purchase by NTN of a further 16% in SNR, which was exercised on the first anniversary of the sale. In addition, Renault and NTN respectively hold a sale and purchase option concerning 29% of SNR, which can be exercised during a 60-day period starting on the 3rd and 4th anniversary dates of the original transaction. From the 5th anniversary date, Renault has a unilateral option to sell its residual 20% investment in SNR, valid for 5 years. If this option is not exercised by the end of the five-year period, NTN will have a purchase option on the residual investment.

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

B – Off-balance sheet commitments received

(€ million)	December 31, 2009	December 31, 2008	December 31, 2007
Other guarantees received ⁽¹⁾	3,135	3,363	3,027
Assets pledged or mortgaged ⁽²⁾	912	689	594
Other commitments	26	161	314

(1) Including €1,989 million for commitments received by the Sales financing segment for sale to a third party of rental vehicles at the end of the rental contract.

(2) The Sales financing segment receives guarantees from its customers in the course of sales financing for new or used vehicles. Guarantees received from customers amount to €882 million at December 31, 2009.

Off balance sheet commitments received concerning confirmed opened credit lines are presented in note 24-A.

30 – FEES PAID TO STATUTORY AUDITORS AND THEIR NETWORK

The audit fees recognised in 2009 by Renault SA and its fully consolidated subsidiaries for the engagements and assignments performed by the Statutory Auditors and their networks can be broken down as follows:

Ernst & Young network

(€ thousands)	2009		2008		2009/2008	
	Amount excluding tax	%	Amount excluding tax	%	Amount	%
Audit						
Statutory audit, certification, review of individual and accounts						
- Issuer ⁽¹⁾	2,246	44.2%	2,278	44.1%	(32)	(1.4)%
- Fully consolidated subsidiaries	2,699	53.2%	2,639	51.0%	60	2.3%
Other inspections and services directly linked to the statutory auditor's mission						
- Issuer ⁽¹⁾	37	0.7%	45	0.9%	(8)	(17.8)%
- Fully consolidated subsidiaries	-	-	135	2.6%	(135)	(100)%
Subtotal audit	4,982	98.1%	5,097	98.6%	(115)	(2.3)%
Other network services for the fully consolidated subsidiaries						
- Legal, tax, labour-related	94	1.9%	74	1.4%	(20)	(27.0)%
- Other	-	-	-	-	-	-
Subtotal	94	1.9%	74	1.4%	(20)	(27.0)%
Total fees	5,076	100%	5,171	100%	(95)	(1.8)%

(1) Renault SA and Renault s.a.s.

Deloitte network

(€ thousands)	2009		2008		2009/2008	
	Amount excluding tax	%	Amount excluding tax	%	Amount	%
Audit						
Statutory audit, certification, review of individual and accounts						
- Issuer ⁽¹⁾	2,523	35.7%	2,478	28.3%	45	1.8%
- Fully consolidated subsidiaries	4,019	56.8%	4,189	47.7%	(170)	(4)%
Other inspections and services directly linked to the statutory auditor's mission						
- Issuer ⁽¹⁾	93	1.3%	1,214	13.8%	(1,121)	(92.3)%
- Fully consolidated subsidiaries	142	2.0%	154	1.8%	(12)	(7.8)%
Subtotal audit	6,777	95.8%	8,035	91.6%	(1,258)	(15.7)%
Other network services for the fully consolidated subsidiaries						
- Legal, tax, labour-related	209	3.0%	135	1.5%	74	54.8%
- Other	87	1.2%	605	6.9%	(518)	(85.6)%
Subtotal	296	4.2%	740	8.4%	(444)	(60)%
Total fees	7,073	100%	8,775	100%	(1,702)	(19.4)%

(1) Renault SA and Renault s.a.s.

31 – SUBSEQUENT EVENTS

No significant events have occurred since the year-end.

32 – CONSOLIDATED COMPANIES

A – Fully consolidated companies (subsidiaries)

Renault group's interest (%)	Country	December 31, 2009	December 31, 2008	December 31, 2007
Renault SA	France	Consolidating company	Consolidating company	Consolidating company
AUTOMOBILE				
FRANCE				
Renault s.a.s	France	100	100	100
Arkanéo	France	100	100	100
Auto Châssis International (ACI) Le Mans	France	100	100	100
Auto Châssis International (ACI) Villeurbanne	France	100	100	100
Car life Siège and subsidiaries	France	-	-	100
Emboutissage Tôlerie Gennevilliers (ETG)	France	-	-	100
Fonderie de Normandie	France	100	100	-
IDVU	France	100	100	100
IDVE	France	100	-	-
RDREAM	France	100	-	-
Maubeuge Construction Automobile (MCA)	France	100	100	100
Renault Développement Industriel et Commercial (RDIC)	France	100	100	100
Renault Retail Group SA and subsidiaries	France	100	100	100
SCI parc industriel du Mans	France	100	100	100
SCI Plateau de Guyancourt	France	100	100	100
SNC Renault Cléon	France	100	100	100
SNC Renault Douai	France	100	100	100
SNC Renault Flins	France	100	100	100
SNC Renault Le Mans	France	-	100	100
SNC Renault Sandouville	France	100	100	100
Société des automobiles Alpine Renault	France	100	100	100
Sofrastock International	France	100	100	100
Société de transmissions automatiques	France	80	80	80
Société de véhicules automobiles de Batilly (SOVAB)	France	100	100	100
Société Immobilière de Construction Française pour l'Automobile et la Mécanique (SICOFRAM) and subsidiary	France	100	100	100
Société Immobilière Renault Habitation (SIRHA)	France	100	100	100
Société Immobilière d'Epone	France	100	100	100
Société Immobilière pour l'Automobile et la Mécanique (SIAM)	France	100	100	100
SODICAM 2	France	100	100	100
Société Financière et Foncière (SFF)	France	-	100	100
Technologie et Exploitation Informatique (TEI)	France	100	100	100
EUROPE				
Auto Châssis International (ACI) Valladolid	Spain	-	-	100
CACIA	Portugal	100	100	100

Renault group's interest (%)	Country	December 31, 2009	December 31, 2008	December 31, 2007
Cofal	Luxembourg	100	100	100
Grigny Ltd.	United Kingdom	100	100	100
Mecanizacion Contable SA (Meconsa)	Spain	-	-	100
Motor Reinsurance Company	Luxembourg	100	100	100
Renault Belgique Luxembourg and subsidiaries	Belgium	100	100	100
Renault Ceska Republica and subsidiaries	Czech Republic	100	100	100
Renault Croatia	Croatia	100	100	100
Renault Espana Comercial SA (RECSA) and subsidiaries	Spain	100	100	100
Renault Espana SA and subsidiaries	Spain	100	100	100
Renault Finance	Switzerland	100	100	100
Renault F1 Team Ltd.	United Kingdom	100	100	100
Renault Group b.v.	Netherlands	100	100	100
Renault Hungaria and subsidiaries	Hungary	100	100	100
Renault Industrie Belgique (RIB)	Belgium	100	100	100
Renault Italia and subsidiaries	Italy	100	100	100
Renault Irlande	Ireland	100	100	-
Renault Deutsche AG and subsidiaries	Germany	100	100	100
Renault Nederland	Netherlands	100	100	100
Renault Österreich and subsidiaries	Austria	100	100	100
Renault Nordic	Sweden	100	100	100
Renault Suisse SA and subsidiaries	Switzerland	100	100	100
Renault Polska	Poland	100	100	100
Renault Portuguesa and subsidiaries	Portugal	100	100	100
Renault Retail Group U.K. Ltd.	United Kingdom	100	100	100
Renault Slovakia	Slovakia	100	100	100
Renault Nissan Slovenia d.o.o.	Slovenia	100	100	100
Renault U.K.	United Kingdom	100	100	100
Revoz	Slovenia	100	100	100
EUROMED				
Auto Châssis International (ACI) Romania	Romania	100	100	100
Dacia and subsidiaries	Romania	99	99	99
Oyak-Renault Otomobil Fabrikalari	Turkey	52	52	52
Renault Algérie	Algeria	100	100	100
Renault Industrie Roumanie	Romania	100	100	100
Renault Maroc	Morocco	80	80	80

Renault group's interest (%)	Country	December 31, 2009	December 31, 2008	December 31, 2007
Renault Mécanique Roumanie	Romania	100	100	100
Renault Nissan Roumanie	Romania	100	100	100
Renault Technologie Roumanie	Romania	100	100	100
Renault Nissan Bulgarie	Bulgaria	100	100	100
Société marocaine de construction automobile (SOMACA)	Morocco	77	77	77
Renault Tanger Méditerranée	Morocco	100	-	-
Renault Maroc Services	Morocco	100	-	-
EURASIA				
AFM Industrie	Russia	100	100	100
Avtoframos	Russia	94	94	94
Remosprom	Russia	64	64	-
Renault Ukraine	Ukraine	100	100	100
AMERICA				
Groupe Renault Argentina	Argentina	100	100	100
Renault do Brasil LTDA	Brazil	100	100	100
Renault do Brasil SA	Brazil	100	100	100
Renault Corporativo SA de C.V.	Mexico	100	100	100
Renault Mexico	Mexico	100	100	100
Sociedad de Fabricacion de Automotores (SOFASA)	Colombia	100	100	60
Renault Venezuela	Venezuela	100	100	100
ASIA & AFRICA				
Renault Private Ltd	India	100	100	-
Renault Pars	Iran	51	51	51
Renault Samsung Motors	South Korea	80	80	80
Renault South Africa and subsidiaries	South Africa	51	51	51
SALES FINANCING				
FRANCE				
Diac	France	100	100	100
Diac Location	France	100	100	100
Compagnie de Gestion Rationnelle (COGERA)	France	100	100	100
RCI Banque and branches	France	100	100	100
Société Internationale de Gestion et de Maintenance Automobile (SIGMA)	France	100	100	100
Société de Gestion, d'Exploitation de Services en Moyens Administratifs (SOGESMA)	France	100	100	100
EUROPE				
ARTIDA	Spain		-	100
RCI Financial Services Ltd	United Kingdom	100	100	100
Overlease Espagne	Spain	100	100	100
RCI Bank AG	Austria	100	100	100
RCI Bank Polska	Poland	100	100	100
RCI Finance CZ sro	Czech Republic	100	100	100
RCI Finance SK sro	Slovakia	-	100	100
RCI Financial Services Belgique	Belgium	100	100	100
RCI Financial Services BV	Netherlands	100	100	100

Renault group's interest (%)	Country	December 31, 2009	December 31, 2008	December 31, 2007
RCI Finanzholding GmbH	Germany	-	-	100
RCI Gest IFIC	Portugal	100	100	100
RCI Gest Seguros	Portugal	100	100	100
RCI Leasing GmbH	Germany	-	100	100
RCI Versicherungs Service GmbH	Germany	100	100	100
Renault Acceptance Ltd	United Kingdom	100	100	100
Renault Autofin SA Belgique	Belgium	100	100	100
Renault Credit Polska	Poland	100	100	100
Renault Financial Services Ltd. (RFS)	United Kingdom	-	100	100
RCI Zrt Hongrie	Hungary	100	100	100
RCI Finance SA	Switzerland	100	100	100
Renault Services SA Belgique	Belgium	-	100	100
RCI Services Ltd	Malta	100	-	-
RCI Life Ltd	Malta	100	-	-
RCI Insurance Services Ltd	Malta	100	-	-
EUROMED				
RCI Broker de Assigurare	Romania	100	100	100
RCI Leasing Romania	Romania	100	100	100
RCI Finance Maroc	Morocco	100	100	-
RCI Finantare Romania	Romania	100	100	100
AMERICA				
Consortio Renault do Brasil	Brazil	100	100	100
Cia Arrademento Mercantil Renault do Brasil	Brazil	60	60	60
CFI Renault do Brasil	Brazil	60	60	60
Courtage SA	Argentina	100	100	-
Renault do Brasil S/A Corr. de Seguros	Brazil	100	100	100
ROMBO Compania Financiera	Argentina	60	60	60
ASIA & AFRICA				
RCI Korea	South Korea	100	100	100

B – Proportionately consolidated companies (joint ventures)

Renault group's interest (%)	Country	December 31, 2009	December 31, 2008	December 31, 2007
AUTOMOBILE				
Française de Mécanique	France	50	50	50
GIE TA 96	France	-	-	50
Mahindra Renault Ltd	India	49	49	-
Renault Nissan Technology and Business Centre India Private Ltd (RNTBCI)	India	67	67	-
SALES FINANCING				
Sygma Finance	France	-	-	50
Renault Leasing CZ sro	Czech Republic	50	50	50
Renault Credit Car	Belgium	50	50	50
Overlease Italia	Italy	-	49	49

C – Companies accounted for by the equity method (associates)

Renault group's interest (%)	Country	December 31, 2009	December 31, 2008	December 31, 2007
AUTOMOBILE				
AB Volvo Group	Sweden	21.8	21.8	21.8
AvtoVAZ Group	Russia	25	25	-
MAIS	Turkey	49	49	49
Nissan Group	Japan	45.7	45.7	45.6
SALES FINANCING				
Nissan Renault Finance Mexico	Mexico	15	15	15

The percentage control is different from the percentage ownership for the following entity:

Renault group's % control	Country	December 31, 2009	December 31, 2008	December 31, 2007
AB Volvo Group	Sweden	21.3	21.3	21.3