

Renault SA
2006 Parent company financial statements

| INCOME STATEMENT | | |
|---|--------------|--------------|
| (€ million) | 2006 | 2005 |
| Operating income | 1 | 1 |
| Operating expenses | (28) | (25) |
| NET OPERATING EXPENSE | (27) | (24) |
| Investment income (Note 2) | 1 661 | 580 |
| Increases to provisions | (1) | (1) |
| INVESTMENT INCOME AND EXPENSES | 1 660 | 579 |
| Foreign exchange gains | 417 | 34 |
| Reversals of provision for exchange risks | 7 | (6) |
| Foreign exchange losses | (14) | (5) |
| FOREIGN EXCHANGE GAINS AND LOSSES (Note 3) | 410 | 23 |
| Interest and equivalent income | 3 | 3 |
| Interest and equivalent expense | (206) | (203) |
| Reversals of provisions and transfers of charges | 6 | 8 |
| Net gains on sales of marketable securities | 18 | 1 |
| OTHER FINANCIAL INCOME AND EXPENSES (Note 4) | (179) | (191) |
| NET FINANCIAL INCOME | 1 891 | 411 |
| PRE-TAX INCOME BEFORE EXCEPTIONAL ITEMS | 1 864 | 387 |
| EXCEPTIONAL INCOME | | 160 |
| EXCEPTIONAL EXPENSES | (1) | (57) |
| NET EXCEPTIONAL ITEMS (Note 5) | (1) | 103 |
| INCOME TAX (Note 6) | 78 | 91 |
| NET INCOME | 1 941 | 581 |

| BALANCE SHEET | | | | |
|--|---------------|--|---------------|---------------|
| | 2006 | | | 2005 |
| ASSETS (€ million) | Gross | Depreciation, amortisation & provisions | Net | Net |
| Investments stated at equity (Note 7) | 7 448 | | 7 448 | 7 586 |
| Investment in NISSAN MOTOR (Note 7) | 6 413 | | 6 413 | 6 413 |
| Other investments (Note 7) | 13 | 13 | 0 | 0 |
| Advances to subsidiaries and affiliates (Note 8) | 9 518 | 5 | 9 513 | 8 516 |
| Loans | 9 | 2 | 7 | 5 |
| FINANCIAL ASSETS | 23 401 | 20 | 23 381 | 22 520 |
| TOTAL FIXED ASSETS | 23 401 | 20 | 23 381 | 22 520 |
| RECEIVABLES | 3 | | 3 | 60 |
| MARKETABLE SECURITIES (Note 9) | 1 203 | | 1 203 | 2 058 |
| CASH AND CASH EQUIVALENTS | 30 | | 30 | 12 |
| OTHER ASSETS (Note 10) | 40 | | 40 | 46 |
| TOTAL ASSETS | 24 677 | 20 | 24 657 | 24 696 |

| | | |
|---|---------------|---------------|
| BALANCE SHEET | | |
| | | |
| SHAREHOLDERS' EQUITY AND LIABILITIES (€ million) | 2006 | 2005 |
| | | |
| Share capital | 1 086 | 1 086 |
| Share premium | 4 423 | 4 423 |
| Revaluation surplus | 9 | 9 |
| Equity valuation difference | 3 787 | 3 925 |
| Legal and tax basis reserves | 108 | 108 |
| Retained earnings | 6 041 | 6 124 |
| Net income | 1 941 | 581 |
| | | |
| SHAREHOLDERS' EQUITY (Note 11) | 17 395 | 16 256 |
| | | |
| REDEEMABLE SHARES (Note 12) | 130 | 129 |
| | | |
| PROVISIONS FOR RISKS AND LIABILITIES (Note 13) | 89 | 73 |
| | | |
| Bonds | 3 914 | 4 280 |
| Borrowings from credit institutions | 484 | 515 |
| Other loans and financial debts | 2 235 | 3 063 |
| FINANCIAL LOANS AND BORROWINGS (Note 14) | 6 633 | 7 858 |
| | | |
| OTHER LIABILITIES (Note 15) | 18 | 80 |
| | | |
| DEFERRED INCOME (Note 16) | 392 | 300 |
| | | |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | 24 657 | 24 696 |
| | | |

| STATEMENT OF CHANGES IN CASH | | |
|--|----------------|--------------|
| | | |
| | | |
| (€ million) | 2006 | 2005 |
| Cash flow (Note 20) | 1 933 | 337 |
| Change in working capital requirements | 24 | (3) |
| Cash flow from operating activities | 1 957 | 334 |
| Gains on disposal of investments | | 160 |
| Net decrease (increase) in other financial assets | | (16) |
| Net decrease (increase) in loans | (999) | 1 026 |
| Net decrease (increase) in marketable securities | 855 | (1 545) |
| Cash flow from investing activities | (144) | (375) |
| Bond issues | 856 | 245 |
| Bond redemptions | (1 143) | (389) |
| Net increase (decrease) in other interest-bearing borrowings | (843) | 696 |
| Dividends paid to shareholders | (663) | (494) |
| Cash flow from financing activities | (1 793) | 58 |
| Cash and cash equivalents: opening balance | 10 | (7) |
| Increase (decrease) in cash and cash equivalents | 20 | 17 |
| Cash and cash equivalents: closing balance | 30 | 10 |

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Renault SA draws up its accounts in accordance with French law and accounting regulations. The annual financial statements are presented using French chart of accounts 99-03 of April 29, 1999, amended by CRC (*Comité de la Règlementation Comptable*) regulations.

The following methods were applied in valuing balance sheet and income statement items:

A - NET FINANCIAL INCOME

The net financial income comprises interest income and expenses related to Renault SA's indebtedness and short-term investment activities. Financial expenses correspond to charges payable on borrowing sources, which depend on the level of indebtedness and interest rates. Financial income includes gains on short-term investments (marketable securities, loans) and dividends received. The net financial income includes realised foreign exchange gains and losses.

B - NET EXCEPTIONAL ITEMS

Exceptional items are revenues and expenses resulting from events or transactions that are clearly distinct from the company's normal business operations, and are not expected to recur on a frequent or regular basis.

C - INVESTMENTS

As allowed by CNC (*Conseil National de la Comptabilité*) avis n°34 (July 1988), as an alternative to the standard valuation method for investments carried in the balance sheet, Renault SA has opted to state investments in wholly controlled companies at equity:

- this method is applied to all fully consolidated companies,
- the shareholders' equity of these companies is determined under the accounting policies applied in the consolidated financial statements; as this is a valuation method, intercompany eliminations are not taken into account,
- in valuing a subsidiary, its holdings in companies wholly controlled by the Group are valued in the same way,
- the change during the year in the overall percentage of shareholders' equity corresponding to these interests is not an income or loss item; it is entered under shareholders' equity as "equity valuation surplus". This amount cannot be distributed or used to offset losses. When it is negative, a provision for general depreciation is established as a charge against income.

Investments in companies not wholly controlled by Renault SA are valued at acquisition cost, less related expenses, or at their book value if this is lower. Provisions are established when the book value of the investments is lower than the gross value. The book value takes account of profitability and commercial prospects, and the share of net assets.

D - ADVANCES TO SUBSIDIARIES AND AFFILIATES

Loans to companies in which Renault SA holds an investment are recorded at historical cost. Impairment is recognised when there is a probability these loans will not be recovered.

E – MARKETABLE SECURITIES

Marketable securities are valued at acquisition cost, excluding related expenses and accrued interest for bonds, or at market value if this is lower.

Treasury shares held for the purposes of stock option plans awarded to Group managers and executives are recorded under marketable securities at the lower of purchase price and stock market price, in which case a provision corresponding to the difference is recognised. An additional provision for risks and liabilities is established when the option exercise price falls below the net book value.

F - LOAN COSTS AND ISSUANCE EXPENSES

Loan costs, including issuance expenses, and bond redemption premiums are amortised over the corresponding duration.

G - TRANSLATION OF FOREIGN CURRENCY RECEIVABLES AND LIABILITIES

Receivables and liabilities denominated in foreign currencies are translated as follows:

- all receivables and liabilities in foreign currencies are converted at the year-end exchange rate,
- exchange differences arising between the date of transactions and December 31 are recorded in Other assets and Deferred income (translation adjustment)
- a provision for risk equal to the unrealised exchange losses is established as follows:
 - a foreign exchange position is determined for each currency and term, based on balance sheet items stated in foreign currencies and foreign exchange risk hedges recorded off balance sheet;
 - unrealised foreign exchange gains are netted against unrealised foreign exchange losses with a similar term in the same currency;
 - any residual unrealised foreign exchange losses by currency and term are recognised.

H - PROVISIONS FOR RISKS AND LIABILITIES

Provisions for risks and liabilities are established for obligations that are probable or definite at year-end. A contingent liability is an obligation that is neither probable nor definite at the date the financial statements are established, or a probable obligation for which expenditure of resources is not probable. Provisions are not established for contingent liabilities, but an off-balance sheet commitment is reported where relevant.

I - DERIVATIVES

Gains and losses on derivatives designated as hedges are recorded in the income statement in the same way as the revenues and expenses relating to the hedged item.

Derivatives not designated as hedges are adjusted to fair value at each closing date. Any resulting unrealised loss is recognised in the income statement, while in application of the conservatism principle, unrealised gains are not taken to income. 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 year-end market conditions into consideration.

2. INVESTMENT INCOME

Details are as follows:

| (€ million) | 2006 | 2005 |
|---|--------------|------------|
| Dividends received from Renault sas | 973 | |
| Dividends received from Nissan Motor Co Ltd | 431 | 383 |
| Interest on loans and advances to subsidiaries and affiliates | 257 | 197 |
| TOTAL | 1 661 | 580 |

3 - FOREIGN EXCHANGE GAINS AND LOSSES

In 2006, redemption of six bonds for a total of 136 billion yen (€1,143 million) generated a total foreign exchange gain of €215 million.

- redemption of the 5-year bond issued on the Japanese domestic market (nominal value 50 billion yen) generated a foreign exchange gain of €125.8 million,
- settlement of the cross-currency swap undertaken to hedge the bond issued on July 21, 1999 (nominal value €500 million) generated a foreign exchange gain of €76.7 million.

Settlements of short-term forward sales forming part of the hedge of Nissan's net assets generated a €201 million foreign exchange gain in 2006.

In 2005, following redemption of the bond issued on December 20, 1996 (€305 million), settlement of the cross-currency swap undertaken to hedge this bond generated a foreign exchange gain of €22 million.

4. OTHER FINANCIAL INCOME AND EXPENSES

Other financial income and expenses, totalling €179 million at December 31, 2006 (€191 million in 2005), mainly comprise net interest payments on Renault bonds after swaps. The net interest on bonds comprises accrued and paid interest of €281 million, and accrued and received interest on swaps of €168 million.

5. NET EXCEPTIONAL ITEMS

Most of the net exceptional expense of €1 million relates to the loss on sales of shares to employees in application of stock option plans.

The net exceptional income for 2005 included the €106 million profit on the sale of Renault SA's investment in Nissan Diesel Motors Co. Ltd.

6. INCOME TAX

As Renault SA elected to determine French income taxes under the domestic tax consolidation regime when it was formed, this regime has continued to apply to the Group in which Renault SA is taxed in France since January 1, 2004. French subsidiaries that are more than 95% owned by Renault SA pay their income taxes directly to Renault SA under this regime. Each entity included in the domestic tax consolidation records its theoretical taxes as if it was taxed separately. The tax saving generated by this system is treated as income for the company heading the group of entities concerned. When subsidiaries return to profit, the parent company records an additional tax expense due to the fact that the subsidiaries' past tax losses were previously deducted. At December 31, 2006, a total of €3,482 million of tax losses from subsidiaries had been utilised by Renault SA.

The income generated by income taxes for 2006 was €78 million (€108 million income from the domestic tax consolidation, a €26 million allocation to the provision for tax risks and €4 million of additional reassessments notified in connection with the worldwide tax consolidation regime which was adopted by Renault SA until January 1, 2004).

Details of the tax charge for the year are as follows:

| (€million) | Income before tax | Taxes | | | Net tax due | Net income | |
|--|-------------------------|-------------|----------|---------------|----------------|--------------|--------------|
| | | Theoretical | Netting | Tax credit | | Theoretical | As booked |
| Current income subject to normal rate | 1864 | 185 | | | 185 | 1679 | 1679 |
| Current income subject to reduced rate | | | | | | | |
| Exceptional income subject to normal rate | (1) | (1) | | | (1) | | |
| Tax consolidation | | | | | (292) | | 292 |
| Increase/reversal of provision for tax risks | | | | | 26 | | (26) |
| Tax reassessments | | | | | 4 | | (4) |
| TOTAL | 1 863 | 184 | 0 | 0 | (78) | 1 679 | 1 941 |

Details of Renault SA's future tax position are as follows:

| (€million) | 2006 | | 2005 | | Change | |
|---|------------|-----------------|------------|-----------------|------------|-----------------|
| | Assets (1) | Liabilities (2) | Assets (1) | Liabilities (2) | Assets (1) | Liabilities (2) |
| Temporarily non-deductible expenses | | | | | | |
| Provisions for risks and liabilities | 20 | | 23 | | (3) | |
| Other | | | | | | |
| Operations taxed at reduced rate | | | 2 | | (2) | |
| Temporarily non-taxable income | | | | | | |
| Expenses deducted (or taxable income) not yet recognized for accounting purposes | 166 | 3 | 105 | 15 | 61 | (12) |
| TOTAL | 186 | 3 | 130 | 15 | 56 | (12) |

- (1) i.e. future tax credit
(2) i.e. future tax charge

7. INVESTMENTS

Changes in investments in 2006 were as follows:

| (€million) | At start of year | Change over the year | At year-end |
|-------------------------------------|------------------|----------------------|---------------|
| Investments stated at equity | 7 586 | (138) | 7 448 |
| Investment in Nissan Motor Co. Ltd. | 6 413 | | 6 413 |
| Other investments | 13 | | 13 |
| Provisions on other investments | (13) | | (13) |
| Total | 13 999 | (138) | 13 861 |

The €138 million change during the year in investments stated at equity is taken to shareholders' equity (see note 11). No new investments or disposals took place in 2006.

8. ADVANCES TO SUBSIDIARIES AND AFFILIATES

Changes during the year were as follows:

| (€million) | At start of year | Increased | Decreases | At year-end |
|---|------------------|--------------|--------------|--------------|
| Capitalisable advances | 5 | | | 5 |
| Advances to subsidiaries and affiliates | 8 516 | 1701 | (704) | 9 513 |
| Total gross value (1) | 8 521 | 1 701 | (704) | 9 518 |
| Provisions | (5) | | | (5) |
| NET TOTAL | 8 516 | 1 701 | (704) | 9 513 |
| <i>(1) Due within one year</i> | <i>8 400</i> | <i>1701</i> | <i>(688)</i> | <i>9 413</i> |
| <i>Due after one year</i> | <i>121</i> | | <i>(16)</i> | <i>105</i> |

Advances to subsidiaries and affiliates include:

- €3,257 million in short-term investments with Group finance companies as part of the Group's cash management programme (€3,452 million in 2005);
- €25 million in long-term loans to Renault s.a.s. (identical to 2005);
- €6,231 million in loans to finance the partnerships that own some of the Group's industrial assets in France, and other Group subsidiaries (€5,039 million in 2005).

9. MARKETABLE SECURITIES

Marketable securities include €832 million of short-term investment funds (€1,601 million in 2005) and €371 million for Renault SA's treasury shares (€457 million in 2005).

Renault SA invests its cash surpluses in response to the Group's aim to develop a more active cash investment policy. These short-term investment securities meet strict risk control requirements such as capital guarantees, and must present no foreign exchange or liquidity risks.

The €85 million decrease in treasury shares results from options exercised to purchase 1,857,884 shares under the Group's stock purchase option plans.

At December 31, 2006, Renault SA held 7,680,491 of its own shares (with stock market value of €699 million) compared to 9,539,964 in 2005 (with stock market value of €657 million).

As of 2004, stock options awarded are share subscription options rather than share purchase options.

10. OTHER ASSETS

The major item included in Other assets is the €28 million payment made in connection with the Calyon loan (€30 million at December 31, 2005). For the purposes of the 1%-rate housing loan financing operation introduced in 2004, Renault contracted a loan from Calyon with nominal value of €112.4 million, bearing interest at the floating rate of 6-month Euribor + 0.67%, terminating on December 31, 2019. An interest rate swap was undertaken to convert this to a fixed rate of approximately 0.13%, and Renault SA also paid a sum of €33 million corresponding to the discounted interest differential recorded over the duration of the operation. This payment is amortised over the duration of the loan (15 years) at the same rate as the interest paid on the debt.

11. SHAREHOLDERS' EQUITY

Changes in shareholders' equity were as follows:

| (€million) | Balance at start of year | Allocation of 2005 net income | Distribution | 2006 net income | Other | Balance at year-end |
|------------------------------|--------------------------|-------------------------------|--------------|-----------------|--------------|---------------------|
| Share capital | 1086 | | | | | 1086 |
| Share premium | 4 423 | | | | | 4 423 |
| Revaluation surplus | 9 | | | | | 9 |
| Equity valuation surplus | 3 925 | | | | (138) | 3 787 |
| Legal and tax basis reserves | 108 | | | | | 108 |
| Retained earnings | 6 123 | 581 | (663) | | | 6 041 |
| Net income | 581 | (581) | | 1941 | | 1941 |
| TOTAL | 16 255 | 0 | (663) | 1 941 | (138) | 17 395 |

At the General Shareholders' Meeting of May 4, 2006, it was decided to allocate the net income for 2005 as follows: €663 million (€2.40 per share) to distribution of dividends, including €82 million from retained earnings.

Non-distributable reserves amounted to €3,904 million at December 31, 2006.

A total of €371 million of reserves corresponds to the treasury share accounts.

Renault SA's shareholding structure was as follows at December 31, 2006:

| | Ownership structure | | Voting rights | |
|------------------------|-----------------------|--------------|--------------------|-------------|
| | Number of shares held | % of capital | Number | % |
| French State | 42 759 571 | 15,01% | 42 759 571 | 18,23% |
| Employees | 9 970 259 | 3,50% | 9 970 259 | 4,25% |
| Treasury shares | 7 681 580 | 2,70% | | |
| Nissan | 42 740 568 | 15,00% | | |
| Other | 181 785 140 | 63,79% | 181 785 140 | 77,52% |
| TOTAL | 284 937 118 | 100% | 234 514 970 | 100% |

The par value of a Renault SA share is €3.81.

12. REDEEMABLE SHARES

These shares, issued in October 1983 and April 1984 by Renault SA, can be redeemed with a premium on the sole initiative of Renault SA. 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 structure and methods.

In March and April 2004, Renault made a cash tender offer to buy back its redeemable shares at 450 euros per share, representing a 21% premium over market price. This operation generated a loss of €343 million.

797,659 redeemable shares remained on the market at December 31, 2006, with an average weighted cost of €158.93 each or a total of €130 million including accrued interest. These shares are listed on the Paris Bourse, and over the period December 31, 2005 to December 31, 2006 traded at between €900.50 and €940 for par value of €153.

The 2006 return on redeemable shares, amounting to €17 million (€17 million in 2005), is included in interest expenses.

13. PROVISIONS FOR RISKS AND LIABILITIES

Provisions for risks and liabilities break down as follows:

| (€million) | 2005 | Allocations | Reversals for application | Reversals without application | 2006 |
|---|-----------|-------------|---------------------------|-------------------------------|-----------|
| Provisions for tax risks and litigations | 8 | 25 | | | 33 |
| - Current (less than 1 year) | 8 | 25 | | | 33 |
| - Long-term (over 1 year) | | | | | |
| Other provisions for risks and liabilities | 65 | | (9) | | 56 |
| - Current (less than 1 year) | 33 | | | | 33 |
| - Long-term (over 1 year) | 32 | | (9) | | 23 |
| TOTAL | 73 | 25 | (9) | | 89 |

All known litigation in which Renault SA is involved is examined at year-end. After seeking the opinion of legal and tax advisors, the provisions deemed necessary are, where appropriate, established to cover the estimated risk.

14. FINANCIAL LOANS AND BORROWINGS

A. BONDS

The principal changes in bonds over 2006 were as follows:

- redemption of the July 21, 1999 7-year bond issue totalling €500 million at the fixed rate of 5.125% (a currency swap was undertaken to convert this issue into 62.2 billion yen with a rate of 1.795%),
- redemption of the September 27, 2001 5-year bond issue totalling 50 billion yen at the fixed rate of 1.29%
- issuance on May 24, 2006 of a 7-year bond with total nominal value of €500 million, at the fixed rate of 4.375% swapped to a floating rate of 3-month Euribor +0.4744%,
- issuance on December 14, 2006 on the Japanese domestic market of a 5-year bond with total nominal value of 50 billion yen, at the fixed rate of 1.77%,
- issuance on December 15, 2006 of a 7-year, 8-month bond with total nominal value of €27.8 million, at the floating rate of 10-year CMS, swapped to the floating rate of 3-month Euribor +0.62%.

Bonds mature as follows:

| (€million) | December 31, 2006 | | | | | | |
|------------------|-------------------|------------|------------|--------------|------------|------------|------------|
| | Total | - 1 yr | 1 - 2 yrs | 2 - 3 yrs | 3 - 4 yrs | 4 - 5 yrs | + 5 yrs |
| 2000 | 394 | 394 | | | | | |
| 2001 | | | | | | | |
| 2002 | 1000 | | | 1000 | | | |
| 2003 | 1075 | | 376 | | 658 | | 41 |
| 2004 | 365 | 80 | | 235 | | 50 | |
| 2005 | 224 | | | | 160 | | 64 |
| 2006 | 847 | | | | | 319 | 528 |
| Accrued interest | 9 | 9 | | | | | |
| TOTAL | 3 914 | 483 | 376 | 1 235 | 818 | 369 | 633 |

| (€million) | December 31, 2005 | | | | | | |
|------------------|-------------------|------------|------------|------------|--------------|------------|------------|
| | Total | - 1 yr | 1 - 2 yrs | 2 - 3 yrs | 3 - 4 yrs | 4 - 5 yrs | + 5 yrs |
| 1999 | 448 | 448 | | | | | |
| 2000 | 446 | | 446 | | | | |
| 2001 | 360 | 360 | | | | | |
| 2002 | 1000 | | | | 1000 | | |
| 2003 | 1365 | 172 | | 411 | | 741 | 41 |
| 2004 | 397 | | 90 | | 257 | | 50 |
| 2005 | 252 | | | | | 180 | 72 |
| Accrued interest | 12 | 12 | | | | | |
| TOTAL | 4 280 | 992 | 536 | 411 | 1 257 | 921 | 163 |

Breakdown by currency

| (€million) | December 31, 2006 | | December 31, 2005 | |
|------------------|--------------------|-------------------|--------------------|-------------------|
| | before derivatives | after derivatives | before derivatives | after derivatives |
| Euro | 2 928 | 1824 | 2 993 | 1294 |
| Yen | 986 | 2 090 | 1287 | 2 986 |
| Other currencies | | | | |
| TOTAL | 3 914 | 3 914 | 4 280 | 4 280 |

Breakdown by interest rate

| (€million) | December 31, 2006 | December 31, 2005 |
|---------------|-------------------|-------------------|
| | after derivatives | after derivatives |
| Fixed rate | 2 263 | 3 159 |
| Floating rate | 1651 | 1 121 |
| TOTAL | 3 914 | 4 280 |

B. BORROWINGS FROM CREDIT INSTITUTIONS

Borrowings from credit institutions stand at €484 million at December 31, 2006 (€515 million in 2005), and are mainly contracted on the market.

Borrowings from credit institutions due after one year include short-term drawings on long-term credit lines (due after one year). They bear interest at market rates.

Breakdown by maturity

| (€million) | December 31, 2006 | | | | | | |
|------------------|-------------------|------------|------------|------------|-----------|-----------|-----------|
| | Total | - 1 yr | 1 - 2 yrs | 2 - 3 yrs | 3 - 4 yrs | 4 - 5 yrs | + 5 yrs |
| 2001 | 282 | 150 | 132 | | | | |
| 2002 | 4 | 4 | | | | | |
| 2003 | | | | | | | |
| 2004 | 192 | 10 | 8 | 105 | 6 | 8 | 55 |
| 2005 | | | | | | | |
| 2006 | | | | | | | |
| Accrued interest | 6 | 6 | | | | | |
| TOTAL | 484 | 170 | 140 | 105 | 6 | 8 | 55 |

| (€million) | December 31, 2005 | | | | | | |
|------------------|-------------------|-----------|------------|------------|------------|-----------|-----------|
| | Total | - 1 yr | 1 - 2 yrs | 2 - 3 yrs | 3 - 4 yrs | 4 - 5 yrs | + 5 yrs |
| 2001 | 300 | | 150 | 150 | | | |
| 2002 | 8 | 4 | 4 | | | | |
| 2003 | | | | | | | |
| 2004 | 201 | 9 | 10 | 8 | 105 | 6 | 63 |
| 2005 | 2 | 2 | | | | | |
| Accrued interest | 4 | 4 | | | | | |
| TOTAL | 515 | 19 | 164 | 158 | 105 | 6 | 63 |

Breakdown by currency

| (€million) | December 31, 2006 | | December 31, 2005 | |
|------------------|--------------------|-------------------|--------------------|-------------------|
| | before derivatives | after derivatives | before derivatives | after derivatives |
| Euro | 436 | 352 | 467 | 361 |
| Yen | | 132 | | 154 |
| Other currencies | 48 | | 48 | |
| TOTAL | 484 | 484 | 515 | 515 |

Breakdown by interest rate

| (€million) | December 31, 2006 | December 31, 2005 |
|---------------|-------------------|-------------------|
| | after derivatives | after derivatives |
| Fixed rate | 383 | 414 |
| Floating rate | 101 | 101 |
| TOTAL | 484 | 515 |

C. OTHER LOANS AND FINANCIAL DEBTS

Other loans and debts mature as follows:

| (€million) | 2006 | 2005 |
|-----------------|--------------|--------------|
| Within one year | 2 235 | 2 863 |
| After one year | | 200 |
| TOTAL | 2 235 | 3 063 |

The portion of Other loans and financial debts due within one year (€2,235 million) is principally made up of borrowings from group subsidiaries with surplus cash, as follows:

- €814 million of borrowings from Renault Espana SA
- €369 million of borrowings from SI Epone
- €106 million of borrowings from Renault Nissan Deutschland AG
- €86 million of borrowings from Dacia
- €74 million of borrowings from Renault Nederland
- €71 million of borrowings from SICOFRAM
- €49 million of borrowings from Renault Italia SPA
- €41 million of borrowings from SIRHA
- €33 million of borrowings from Renault Osterreich
- €29 million of borrowings from Renault Nissan Switzerland
- €22 million of borrowings from SIAM
- €21 million of borrowings from Renault Belgique Luxembourg

It also includes €414 million in treasury bills from various banks with maturities of under one year.

No loans or financial debts are secured.

The total includes approximately €7 million of accrued interest receivable following implementation on February 21, 2006 of the 45 billion yen cross-currency swap with no underlying.

15. OTHER LIABILITIES

Changes in other liabilities were as follows:

| (€million) | 2006 | 2005 | Variation 2006 / 2005 |
|-----------------|-----------|-----------|--------------------------|
| Tax liabilities | 18 | 76 | (58) |
| Other | | 4 | (4) |
| TOTAL | 18 | 80 | (62) |

The €62 million reduction in other liabilities results from a €82 million decrease in income tax and a €24 million liability for taxes payable to subsidiaries under the French domestic tax consolidation system.

16. DEFERRED INCOME

Deferred income mainly comprises unrealised foreign exchange gains on bond issues in yen or swapped to yen, totalling €379 million. Renault SA issues bonds in yen or swapped to yen as part of the hedge of the net assets of Nissan.

17. INFORMATION CONCERNING RELATED COMPANIES

"Related companies" are all entities fully consolidated in the Group's consolidated financial statements.

Income statement

| (€million) | 2006 | | 2005 | |
|--|-------|-------------------|-------|-------------------|
| | Total | Related companies | Total | Related companies |
| Interest on loans and advances to subsidiaries and affiliates | 257 | 254 | 197 | 196 |
| Increases to provisions related to subsidiaries and affiliates | | | (1) | |
| Interest and equivalent expenses | (206) | (4) | (203) | |
| Reversals of provisions and transfers of charges | 6 | | 8 | |

Balance sheet

| (€million) | 2006 | | 2005 | |
|---|-------|-------------------|-------|-------------------|
| | Total | Related companies | Total | Related companies |
| Advances to subsidiaries and affiliates | 9 513 | 9 434 | 8 516 | 8 275 |
| Loans | 7 | | 5 | 1 |
| Receivables | 3 | | 60 | 21 |
| Cash and cash equivalents | 30 | 13 | 12 | 10 |
| Loans and financial debts | 2 235 | 1 784 | 3 063 | 2 902 |
| Other liabilities | 18 | | 80 | |

18. FINANCIAL INSTRUMENTS

A - MANAGEMENT OF EXCHANGE AND INTEREST RATE RISK

The corresponding commitments, expressed in terms of notional amount where appropriate, are shown below:

| At December 31 (€million) | 2006 | 2005 |
|---|-------|-------|
| <u>Foreign exchange risks</u> | | |
| Currency swaps | | |
| Purchases | 1569 | 1890 |
| with Renault Finance | 931 | 719 |
| Sales | 1868 | 2 047 |
| with Renault Finance | 1 118 | 797 |
| Other forward exchange contracts and options | | |
| Purchases | 2 626 | 352 |
| with Renault Finance | 2 626 | 352 |
| Sales | 2 587 | 352 |
| with Renault Finance | 2 587 | 352 |
| <u>Interest rate risks</u> | | |
| Interest rate swaps | 2 132 | 1644 |
| with Renault Finance | 1836 | 1337 |

Transactions undertaken to manage exchange rate exposure principally comprise currency swaps and forward sales of yen, with total nominal value of €4,970 million (780 billion yen) at December 31, 2006. These operations form a partial hedge of Renault's investment in Nissan's net assets in yen. Renault SA also carries out forward sales to hedge loans to subsidiaries denominated in foreign currencies.

Renault SA carries most of the Group's indebtedness. Its interest rate risk management policy applies two basic principles: long-term investments use fixed-rate financing, and investments for cash reserves use variable-rate financing. The financing in yen undertaken as part of the hedge of Nissan equity is fixed-rate, over terms varying from 1 month to 7 years.

Renault SA uses derivatives to implement the above interest rate and exchange risk management policies. Most of its operations on the forward markets are with Renault Finance, a wholly-owned Group subsidiary.

B - FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts on the balance sheet and the estimated fair values of Renault SA's financial instruments are as follows:

| At December 31 (€million) | 2006 | | 2005 | |
|--|------------------------|---------------|------------------------|---------------|
| | Balance sheet value | Fair value | Balance sheet value | Fair value |
| ASSETS | | | | |
| Marketable securities (1) | 1203 | 1559 | 2 058 | 2 270 |
| Loans and advances to subsidiaries and affiliates | 9 515 | 9 522 | 8 516 | 8 516 |
| Cash and cash equivalents | 30 | 30 | 12 | 12 |
| LIABILITIES | | | | |
| Redeemable shares | 130 | 750 | 129 | 718 |
| Bonds | 3 914 | 4 252 | 4 280 | 4 647 |
| Other interest-bearing borrowings (2) | 2 719 | 2 757 | 3 578 | 3 600 |
| <i>(1) including treasury shares</i> | | | | |
| <i>(2) excluding redeemable shares</i> | | | | |

C - ESTIMATED FAIR VALUE OF OFF-BALANCE SHEET FINANCIAL INSTRUMENTS

| At December 31 (€million) | 2006 | | 2005 | |
|---|----------------|----------------|--------------|-------------|
| | Assets | Liabilities | Assets | Liabilities |
| Forward exchange contracts <i>with Renault Finance</i> | 2 625 2 625 | 2 589 2 589 | 333 333 | 333 333 |
| Currency swaps <i>with Renault Finance</i> | 1925 1094 | 1590 896 | 2 178 846 | 1947 753 |
| Interest rate swaps <i>with Renault Finance</i> | 27 27 | 8 1 | 78 53 | 15 3 |

Assumptions and methods adopted:

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. Adopting different assumptions and/or pricing methods could therefore have a significant impact on the values estimated.

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, when the financial instrument is listed on an active and liquid market, the last listed price is used to calculate the market value. For unlisted instruments, market value is determined based on recognised valuation models that refer to observable market parameters. If Renault has no valuation tools, particularly for complex products, valuation is carried out by quality financial institutions.

The main assumptions and valuation methods are as follows:

- **Financial assets:**

Marketable securities: the fair value of securities is determined mainly by reference to market prices.

Loans and advances to subsidiaries and affiliates: for loans with an original maturity of less than three months, floating-rate loans and advances to subsidiaries and affiliates, the value recorded on 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, 2006, and December 31, 2005 for loans with similar conditions and maturities.

- **Liabilities:** the fair value of financial liabilities is determined by discounting future cash flows at the rates offered to Renault at December 31, 2006 and December 31, 2005 for borrowings with similar conditions and maturities. The fair value of redeemable shares is based on their year-end stock market value.

- **Off-balance sheet foreign exchange instruments:** the fair value of forward contracts is estimated on the basis of prevailing market conditions. The fair value of currency swaps is determined by discounting cash flows using exchange rates and interest rates prevailing at December 31, 2006 and December 31, 2005 for the contracts' residual lives.

- **Off-balance sheet interest rate instruments:** the fair value of interest rate swaps represents the amount Renault would receive (or pay) if it settled outstanding contracts at the end of the year. Unrealised capital gains or losses, determined on the basis of prevailing interest rates and the quality of the counterparty to each contract, are taken into account at December 31, 2006 and December 31, 2005.

19. OTHER COMMITMENTS AND CONTINGENCIES

Off-balance-sheet commitments are as follows:

| (€million) | 2006 | | 2005 | |
|------------------------------|--------------|------------------------------|--------------|------------------------------|
| | Total | Concerning related companies | Total | Concerning related companies |
| Commitments received | | | | |
| Guarantees and deposits | 1 | 1 | 1 | 1 |
| Unused credit lines | 4 665 | 142 | 4 625 | 112 |
| TOTAL | 4 666 | 143 | 4 626 | 113 |
| Commitments given | | | | |
| Guarantees and deposits | 453 | 450 | 453 | 450 |
| Unused credit lines | 165 | 165 | 169 | 152 |
| TOTAL | 618 | 615 | 622 | 602 |
| Financial commitments | | | | |
| Forward currency sales | 2 587 | 2 587 | 352 | 352 |
| Forward currency purchases | 2 626 | 2 626 | 352 | 352 |
| Currency swaps: loan | 1 868 | 1 118 | 2 047 | 797 |
| Currency swaps: borrowing | 1 569 | 931 | 1 890 | 719 |
| Interest rate swaps | 2 132 | 1 836 | 1 644 | 1 337 |

As part of the management of RCI Banque's large exposure limits, Renault SA has provided COGERA (a fully-owned RCI Banque subsidiary) with a €450 million credit line since December 2004. For purposes of compliance with French Banking Commission regulations, Renault SA will only be reimbursed by COGERA to the extent of the amounts COGERA recovers in repayment of its financing for REAGROUP's inventories. Furthermore, to guarantee payment by REAGROUP to COGERA of

the receivables resulting from this financing arrangement, Renault SA's receivable related to the credit line is pledged in favour of Cogera. The value of the pledge at December 31, 2006 was €450 million.

The forward sales and swaps undertaken by Renault SA are described above (note 18.A – Management of exchange and interest rate risk).

20. CASH FLOW

Cash flow is determined as follows:

| (€million) | 2006 | 2005 |
|---|-------------|------------|
| Net income | 1941 | 581 |
| Increases to provisions and deferred charges | 5 | 6 |
| Net increase to long-term provisions for risks and liabilities (> 1 year) | (9) | (144) |
| Transfer of financial charges (payment on EM TN N°21) | (4) | |
| Gain on disposal of Nissan Diesel shares | | (106) |
| TOTAL | 1933 | 337 |

21. WORKFORCE

Renault SA has no employees.

22. REMUNERATION OF DIRECTORS AND EXECUTIVE MANAGERS

Total remuneration to members of the Board of Directors was less than €1 million.

23. SUBSEQUENT EVENTS

No significant event has occurred subsequent to the year-end.

OTHER INFORMATION – SUBSIDIARIES AND AFFILIATES

(€ million)

| Companies | Share capital | Reserves and retained earnings (2) | % of capital held | Book value of shares owned |
|--------------------------|---------------|------------------------------------|-------------------|----------------------------|
| INVESTMENTS | | | | |
| Renault s.a.s. | 534 | 3 053 | 100,00 | 6 738 |
| Dacia | 947 | (395) | 99,31 | 685 |
| Nissan Motor Co Ltd (1) | 3 860 | 17 994 | 44,33 | |
| Sofasa | 1 | 81 | 23,71 | 25 |
| TOTAL INVESTMENTS | | | | 7 448 |

(1) based on the financial proforma statements published by Nissan Motor Co Ltd at decembre 31, 2006.
(exchange rate: 156.93 yen = 1 euro)

(2) before allocation of net income

OTHER INFORMATION – SUBSIDIARIES AND AFFILIATES

(€ million)

| Companies | Outstanding loans and advances from Renault SA | Sales revenues, prior year | Net income (loss), prior year | Dividends received by Renault SA in 2006 |
|---------------------|--|----------------------------|-------------------------------|--|
| INVESTMENTS | | | | |
| Renault s.a.s. | 1329 | 32 905 | (629) | 973 |
| Dacia | | 1665 | 106 | |
| Nissan Motor Co Ltd | | 65 102 | 3 634 | 431 |
| Sofasa | | 611 | 23 | |

ACQUISITION OF INVESTMENTS IN OTHER COMPANIES

No investments were acquired during 2006.