

EARNINGS REPORT 2008 FIRST HALF



EARNINGS REPORT - First half 2008

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KEY FIGURES

		H1 2008	H1 2007	% change
Group worldwide sales	thousand vehicles	1,326	1,270	+4.3%
Group revenues	€ million	20,942	20,465 ⁽¹⁾	+2.3%
Operating margin	€ million	865	722	+19.8%
	% of revenues	4.1	3.5	
Contribution from associated companies	€ million	729	837	-12.9%
<i>o/w Nissan</i>		509	615	-
<i>o/w AB Volvo</i>		218	181	-
Net income	€ million	1,581	1,317	+20.0%
Net income, Group share	€ million	1,551	1,281	+21.1%
Earnings per share	€	6.05	4.96	+22.0%
Automobile, net financial debt	€ million	3,472	2,088 at 31/12/07	+66.3%
Debt-to-equity ratio	%	16.0	9.5 at 31/12/07	+6.5 pts
Sales Financing, average loans outstanding	€ billion	23.1	22.6	+2.2%

(1) restated on a consistent basis.

OVERVIEW

In the first half of 2008 **worldwide sales** for the Renault group rose 4.3% to 55,000 units. This result reflects contrasting performances:

- Sales in the France and Europe Regions* dipped 0.5%. Strong performances in France (+5.7%) and Germany (+14.8%) were not enough to offset the very negative effects of the decline in the Spanish and Italian markets, and to a lesser extent, in the U.K.
- Outside Europe, in the Euromed, Americas and Asia-Africa Regions, sales rose 14.9%. The Renault and Dacia brands grew sales by 23.0% and 2.8% respectively, while sales of Renault Samsung contracted 7.2%. Overseas (outside Europe) sales now account for 34.7% of the Group's total sales, up from 31.6% in the first half of 2007.

Group **revenues** totaled €20,942 million, a 2.3% increase on the first half of 2007, on a consistent basis.

Operating margin was €865 million, or 4.1% of revenues, in the first half of 2008, compared with €722 million and 3.5% in the first half of 2007.

* In this earnings report, the term "Region" refers to the geographical areas in Renault's new organization. A list of the countries in each Region can be found on page 21 of this report.

Automobile contributed €598 million to operating margin, or 3.0% of revenues, compared with 2.3% in the first half of 2007. That improvement results from a combination of factors:

- highly negative external effects (exchange rates, commodity prices), amounting to €191 million, highlighting the pressure from the economic environment;
- a negative combined volume/mix/price/enhancement/incentives impact of €97 million (compared with a negative €192 million in the first half of 2007); the Group is not yet feeling the full positive effect expected from the renewal of the range, because of conditions in some automobile markets, especially Europe, and the phase-out of Mégane was accompanied by an increase in incentives in Europe;
- the cost-cutting policy, which was a key factor in financial performance with a 469 million euros saving : especially on purchasing (down €335 million excluding commodity price effects), G&A (down €10 million), and warranty expenses (down €124 million).

Sales Financing (RCI Banque) contributed €267 million to operating margin, or 25.3% of revenues (26.8% in the first half of 2007).

Renault booked a profit of €729 million from its share in the net income of associated companies – mainly Nissan and AB Volvo – and reported net income of €1,581 million.

The **net financial debt of Automobile** increased €1,384 million to €3,472 million at June 30, 2008, compared with €2,088 million at December 31, 2007. The ratio of net financial debt to Group shareholders' equity stood at 16.0% at end-June 2008, up from 9.5% at end-December 2007.

OUTLOOK

- The product offensive will continue in Europe in the second half of 2008 with the launch of Laguna Coupé and the beginning of the renewal of the Mégane line. Outside of Europe, sales will continue to advance at a strong pace, driven by all of the Group's brands. Overall, the conditions have been set for growth to continue at a rate of over 5% for the full year, barring any additional downturn in European markets.
- Given the results of first half 2008, Renault remains on track to achieve an operating margin of 4.5% for full-year 2008. However, worsening economic conditions would make this milestone more difficult to attain.
- In 2009, the growth forecast for the three brands, Renault, Dacia and Renault Samsung, should enable the Group to sell more than 3 million vehicles. Including Lada, our sales objective would be over 3.8 million units.
- The Group is continuing to aim for a 6% operating margin in 2009.

REGULATORY REQUIREMENTS

No risks or uncertainties are expected other than those described in Chapter 2.3 of the Registration Document filed on March 13, 2008, for the remaining six months of the year.

There are no related-party transactions other than those described in Chapter 4.1.3 of the Registration Document.

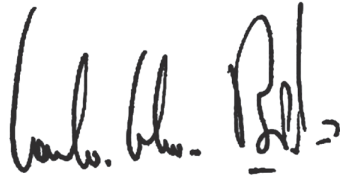
PERSON RESPONSIBLE FOR THE DOCUMENT

Mr. Carlos Ghosn, President and Chief Executive Officer, accepts full responsibility for this Earnings Report.

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

Paris, August 5, 2008

President and Chief Executive Officer

A handwritten signature in black ink, appearing to read 'Carlos Ghosn', with a horizontal line underneath the name.

Carlos Ghosn

OVERVIEW

AUTOMOBILE

- The Renault Group sold 1,325,500 vehicles worldwide in the first half of 2008, a 4.3% increase on the first half of 2007. The half-year saw the launches of Clio Estate, Grand Modus, New Kangoo Car and Van, and Logan Pick-Up.
- In the France Region, Group sales surged 5.7% in a market that grew 4.6%. Sales in the Region were lifted by the range renewal, part of the product offensive, as well as new tax breaks for engines with a maximum CO₂ emission level of 130 g/km. The Renault brand confirmed its market leadership with 337,300 vehicle registrations, a 6.4% rise. Dacia continued to grow, totaling 21,400 units sold, up 43.3%.
- In the Europe Region (excluding France), Group sales dipped 4.6% in markets that contracted 3.2%. The Group posted strong growth in Germany (+14.8%), the Netherlands (+18.0%), Belgium (+11.6%), Switzerland (+20.3%), Austria (+14.8%) and Poland (+18.8%), but a decline in Spain (-22.0%) and Italy (-12.0%) in shrinking markets and in UK (-12.9%), due to unfavorable GBP/EUR exchange rate.
- In the France + Europe Regions, the Renault brand came in third position in the market for passenger cars and light commercial vehicles (cars + LCVs), with a share of 8.56% (up 0.07 points) and 806,000 registrations. The Renault brand continued to lead the field in the LCV market, with a 14.12% share. The Dacia brand grew 34.2% to 51,500 units sold on the success of Logan. In these Regions, seven new products were launched in the first six months of the year: Laguna Estate, Clio Estate, Grand Modus, New Kangoo Car and Van, Koleos and Sandero.
- Outside Europe⁽¹⁾, sales grew 14.9% to 460,200 units, accounting for 34.72% of the Group's total sales. Sales of the Renault and Dacia brands rose 23.0% and 2.8% respectively, whereas Renault Samsung brand sales fell 7.2%.
 - The Euromed Region posted record sales of 214,000 units in the first half of 2008, a 8.7% increase, mainly on the success of Logan in Russia and strong performances in North Africa.
 - In the Americas Region, in buoyant markets (+12.4%), the Group, mainly represented by the Renault brand, posted sustained 17.5% growth, driven by excellent results in Brazil and Argentina.
 - In the Asia-Africa Region, Group sales advanced by a strong 25.5%, far outpacing the market, which expanded 3.9%. Renault brand sales surged 90.4% to more than 55,500 units, whereas in South Korea, Renault Samsung Motors (RSM) sales totaled 52,500 units, a 7.5% decline attributable to lower-than-expected sales of SM5 and QM5.

SALES FINANCING

- RCI Banque's average loans outstanding rose 2.2% in the first half of 2008 to €23.1 billion.

(1) France Region + Europe Region.

Chapter 1

Sales performance

1.1. AUTOMOBILE

1.1.1. Renault group worldwide sales - Cars + LCVs

	H1 2008*	H1 2007*	% change
GROUP	1,325,529	1,270,319	+4.3
By REGION			
France	366,516	346,749	+5.7
Europe	498,790	523,009	-4.6
France + Europe	865,306	869,758	-0.5
Euromed	213,932	196,848	+8.7
Americas	136,513	116,230	+17.5
Asia-Africa	109,778	87,483	+25.5
Euromed + Americas + Asia-Africa	460,223	400,561	+14.9
By BRAND			
Renault	1,144,196	1,100,083	+4.0
Dacia	127,602	112,365	+13.6
Renault Samsung	53,731	57,871	-7.2
By VEHICLE TYPE			
Passenger cars	1,122,313	1,066,891	+5.2
Light commercial vehicles	203,216	203,428	-0.1

* Preliminary figures

In the first half of 2008, in a global economic slowdown that strongly impacted some automobile markets, the Renault group continued on the growth track that began in late 2007. Group sales worldwide totaled 1,325,500 vehicles, an upturn of 4.3%. That overall trend is the result of contrasting regional performances: Group sales fell 4.6% in Europe, with

24,000 fewer units, but rose 5.7% in France and 14.9% in the rest of the world, with an additional 60,000 units.

Renault brand sales increased by 4.0%, with an additional 44,000 units. Dacia brand sales surged 13.6% to 127,600 units. Renault Samsung brand sales contracted 7.2%, with 4,100 units fewer units sold.

1.1.2. France & Europe Regions

GROUP SALES BY BRAND CARS + LCVs

	H1 2008*	H1 2007*	% change
FRANCE			
Renault	345,074	331,820	+4.0
Dacia	21,442	14,929	+43.6
Group	366,516	346,749	+5.7
EUROPE			
Renault	468,742	499,584	-6.2
Dacia	30,048	23,425	+28.3
Group	498,790	523,009	-4.6
FRANCE + EUROPE			
Renault	813,816	831,404	-2.1
Dacia	51,490	38,354	+34.2
Group	865,306	869,758	-0.5

* Preliminary figures

In a mature and fiercely competitive passenger car and light commercial vehicle market that contracted by 2.1% or 202,000 vehicles on the first half of 2007, Renault group sales rose 0.3% to around 2,700 units. The Group nevertheless increased its market share by 0.22 points to 9.10%.

National market trends varied. In France, Group sales rose 8.1% in a market that expanded 4.6%. In buoyant markets, the Group posted significant sales growth in Germany (up 14.8%), the Netherlands (up 18.0%), Belgium (up 11.6%), Switzerland (up 20.3%), Austria (up 14.8%) and Poland (up 18.8%). In the deeply depressed Spanish market (down 19.0%), where Renault is maintaining a selective commercial policy in an intense, costly competitive environment, sales contracted 22.0%. In Italy, sales declined by 12%. In the U.K., due to the unfavorable GBP/EUR exchange rate, Renault registrations dropped 12.9% in a market that contracted 1.4%.

→ Renault brand

With more than 806,000 vehicles registered (down 1.3%) in the first half of 2008, the Renault brand ranked third in the passenger car and light commercial vehicle market, with an 8.6% market share, up 0.07 points on the first half of 2007. Renault was the No. 4 brand in the passenger car market and No. 1 in the LCV market.

By country

Within the France + Europe Regions, the situation varied between countries. In **France**, Renault brand registrations increased 6.4%. Renault increased its share of the car + LCV market by 0.42 points to 24.44%, consolidating its market lead. Twingo (Twingo I + New Twingo sold since mid-June 2007) was again the leader of the segment with 35,600 units sold, up 37.60%. A total of 68,000 New Twingos have already been sold in France. Clio (including Clio Campus, Clio III and Clio Estate, which was launched at the beginning of the year) ranked second in its segment with robust sales of Clio Estate (12,000 units since it was launched in January 2008). Modus and Grand Modus (launched in January 2008 in France), as well as Kangoo Car (20,000 units), also contributed to sales growth. Laguna (Laguna II + New Laguna) sold more than 22,000 units and led its segment in France with a 20% share.

In the Europe Region, Renault was the No. 1 brand in **Portugal** (12.8% market share) and **Slovenia** (16.3%) and No. 2 in **Croatia** (9.7%).

In **Germany**, where the market expanded by 3.9%, the Renault brand outperformed the market with growth of 13.2%.

Renault also recorded positive results in the **Netherlands** (up 11.2%), **Belgium** and **Luxembourg** (up 9.2%), **Switzerland** (up 17.3%), **Austria** (up 14.8%) and **Poland** (up 21.0%).

By model - passenger cars

The passenger car market in the France and Europe Regions totaled 8,273,000 vehicles, down 2% on the first half of 2007. The Renault brand took 7.80% of the market.

Performances by model:

- In the *city car segment (A segment)*, **New Twingo**, is the first restyled vehicle under Renault Commitment 2009. New Twingo is manufactured in Novo Mesto, Renault's Slovenian plant. New Twingo targets a younger, more international customer base than the earlier model. New Twingo has been a hit and is now the standard-setter in the city car segment, with more than 128,600 new registrations since it was launched. Combined with Twingo I, New Twingo leads its segment in France, with a 30.80% share of the market (up 0.3 points). A total of 72,600 Twingos (Twingo/New Twingo) were registered in the first half of 2008. From October onwards, new customized options and limited editions will be offered.

- With its twin product offering - **Modus** and **Clio/Thalia** - Renault had a 10.7% share of the *small car segment (B segment)*, a 0.30 point improvement on the first half of 2007.

In January 2008, Renault enhanced its offering in the B segment by launching **New Modus** and **Grand Modus** (16 cm longer than Modus). The launch of Grand Modus is designed to meet customer demand for a roomier trunk and is giving Modus sales a significant boost. Modus (Grand Modus and Modus) registrations surged 32.6% on the first half of 2007, with 43,500 units, and took 12.6% of the mini-MPV segment.

Clio Estate premiered at the Frankfurt Motor Show in 2007 prior to its market launch in January 2008. A conquest vehicle under Renault Commitment 2009, this station wagon, manufactured in the Oyak Renault plant in Turkey, gives Renault an opportunity to broaden its customer base in the B segment. A total of 26,400 **Clio Estates** have been sold since the model was launched. **Clio** (Clio/Clio III) is third in the B segment with a 6.5% share. Clio Estate rounds out the Clio range, which consists of Clio III Hatch Sedan, manufactured in Flins (France), in Bursa (Turkey) since January 2006 and in Valladolid (Spain) since October 2006, and Clio II, renamed Clio Campus. Kept as the entry-level vehicle in the Renault offering, Clio Campus still generates 16.31% of Clio sales.

With Twingo II, Clio Estate, Modus and Grand Modus, Renault has beefed up its range in the A and B segments. Registrations in the segment totaled 325,971 units, a 10.85% improvement on the first half of 2007.

Thalia, the sedan version of Clio, contributed to Renault's sales performance in Europe in the B segment with almost 3,400 units sold.

- After 10 years on the market, the spacious, multi-purpose **Kangoo** has been a real success, selling more than 2,200,000 units. **New Kangoo Car**, released in January 2008, was an instant success. With a 14.40% share (versus 11.20% in the first half of 2007), **Kangoo Car (Kangoo/ Kangoo II)** is No. 1 in the *passenger-carrying van segment*.
- In the run-up to its renewal in the last quarter, **Mégane II**'s sales declined by 25.5% in the first half of 2008. Mégane (Mégane/Mégane II) held 7.80% of the *C segment* (10.30% in the first half of 2007). Mégane leads its segment in Slovenia (14.70%) and Portugal (14.10%).

In the first half of 2008, in a segment that fell by 2.4%, around 200,000 Mégane (I and II) were sold in the France + Europe Regions. Renault is using the Mégane range to debut its first E85 bioethanol engine in Europe. This new engine has been offered in France on Mégane Hatch Sedan and Mégane Estate since late June 2007. Also in this segment, sales of Scénic II were down 27.9% to 106,300 units, but Scénic is still the MPV leader. The model that will replace Mégane will be unveiled at the Paris Motor Show in October and released on the market in November.

Chapter 1

Sales performance

- In the *upper midrange D segment* which contracted 2.3%, 60,400 **Lagunas** (Laguna II/New Laguna) were registered in the first half of 2008. In France, Laguna has been way out in front of the D segment since its release, taking a 20% share. The model also made an impressive debut in Germany: registrations in the first half of 2008 amounted 69.5% of the volumes of Laguna (I+II) in 2007. Laguna Estate, released in January, was voted Most Beautiful Car of the Year and generated more than one third of sales in the Laguna family. Renault launched Laguna GT in April in France and in May and June in the rest of Europe. Fitted with the new Active Drive four-wheel drive chassis system, Laguna GT has received a warm welcome from customers and the sales network. Laguna Coupé, revealed at the Monaco Grand Prix, will go on sale in the final quarter of 2008.
- In the *MPV S segment (or Large MPV segment)*, which shrank by a steep 24.1%, **Espace IV**'s share of the segment dropped 0.9 points to 12.90%, putting it in third place. Espace led the segment in France (34.5% share), and was No. 2 in the Netherlands (20.2%), Slovenia (11.7%), and the Czech Republic (17.3%).
- **Koleos**, the first 4x4 cross-over in Renault's range, was launched on June 12 in France, taking Renault into this segment.

By model - light commercial vehicles

The light commercial vehicle market in the France and Europe Regions totaled 1,145,000 vehicles, down 2.5% on the first half of 2007. Despite a 2.9% dip in LCV registrations in the first half of 2008, the Renault brand took 14.12% of the market (down 0.1 points) and retained its leadership for the eleventh year running. This performance is especially important because the LCV range is one of the most profitable components of Renault's offering.

Renault sales were up substantially in the Netherlands (up 27.9%), Germany (up 11.0%), France (up 7.4%), Poland (up 6.7%), and in Central Europe (Czech Republic (up 26.3%), Hungary (up 17.5%), Slovakia (up 42.4%) and Slovenia (up 10.9%).

- In the *small van segment*, **New Kangoo** and **Kangoo Express** sold a combined total of 48,500 units sold, putting Kangoo in first place in the France and Europe Regions, with a 17.1% share of the segment, down 1 point on the first half of 2007.
- In the *van segment*, Renault had a market share of 12.7%, down 0.6 points. In this segment, which contracted by 0.3%, registrations of **Trafic** fell 0.6% whereas **Master** remained stable at 37,500 units.

→ Dacia brand

Dacia continued to grow, with 51,500 vehicles registered, a 34.1% increase on the first half of 2007. With 210,000 Logans sold since its European launch in 2004,

Dacia has established itself successfully in the France and Europe Regions. In the first half of 2008, Logan sales rose by 31.9% on the first half of 2007 to more than 12,200 units, of which more than 6,400 in France. In 2007, the Logan range was enhanced with a stationwagon version - Logan MCV - which already accounted for 80.5% of the Logan family sales mix at end-June 2008.

The latest model in the **Entry range, Sandero**, released in South America at the beginning of 2008, started selling in Romania, Germany and Austria on June 20, and in France, Italy, the Netherlands, Bulgaria, Turkey and Belgium on June 27. The fifth body to be developed on the B0 platform, Sandero opens up the compact hatchback segment for Dacia.

1.1.3. Euromed Region

GROUP SALES BY BRAND CARS + LCVs

	H1 2008*	H1 2007*	% change
Renault	139,939	124,641	+12.3
Dacia	73,993	72,207	+2.5
Renault Samsung	-	-	-
Group	213,932	196,848	+8.7

* Preliminary figures

The automobile market in the Euromed Region grew by 28.4% in the first half of 2008, compared with the first half of 2007. Group sales grew by 8.7% to a record 214,000 units, representing 8.18% of the market and 16.1% of the Renault group's worldwide sales.

→ Renault brand

The Renault brand grew by a further 12.3%, with almost 140,000 units sold, or 65.4% of the Group's sales in the Region.

In **Russia**, where the fast-growing market expanded by 32.3%, the brand's sales surged by 25.3% in the first half of 2008, on the continuing success of the Logan, which is sold under the Renault brand. Logan sold 41,100 units in Russia, accounting for 73% of the Group's sales in that country, which makes Russia the biggest market for the model after Romania. Logan has been assembled in the Avtoframos plant in Moscow since April 2005 and marketed locally since September of the same year. The brand's success is also driven by sales of Mégane, up 21.7% on the first half of 2007.

On February 29, Renault showed its determination to go even further on the Russian market by signing several strategic agreements with AvtoVAZ, Russia's No. 1 car manufacturer and owner of the Lada brand. The agreements relate to boosting AvtoVAZ's growth, renewing and extending the range of vehicles, developing the Lada brand and transfers of technology. The Renault group began consolidating Lada sales on March 1, 2008. Between March and June 2008, the Lada brand sold 229,800 units in Russia and 39,900 units in Ukraine.

In **Turkey**, where the car market grew 18.2% compared with the first half of 2007, sales rose 14.0% and Renault remained No. 1 in the car market, with a 16.19% share, down 0.6 points on the first half of 2007.

In **Romania**, where the market is becoming increasingly competitive, Renault sales fell 16.6% to 12,600 units. The Renault brand took 7.59% of the national market. The scrap-car bonus (REMAT) started with a two-month delay compared with 2007 and the macroeconomic environment (high inflation and a much less favorable EUR/RON exchange rate) penalized the lower-end segments. Sales of Clio slumped by 72.5%. Sales of Mégane prior to the release of its replacement vehicle contracted by 25.5% to 1,300 units.

In **Morocco**, Renault confirmed its leadership, with a 16.03% share of a market that expanded by 30.6%. In the first half of 2008, sales of the Renault brand rose 15.72%, boosted by the performance of Kangoo (up 30.0%) and Clio (Clio/Clio III), whose sales rose 5.1%.

With 6,400 units sold in the first half of 2008, Kangoo is now the second-biggest selling model in Morocco after Logan. The Group's business is set to expand with the agreement between the Alliance and the Kingdom of Morocco to set up an industrial complex in the Tangiers region. The plant will have an installed capacity of 400,000 units annually, with initial operational capacity of 200,000 units p.a. from 2010.

In **Algeria**, in a buoyant market that grew by 37.8%, Renault sold a record number of vehicles, almost 5,000 units, a rise of 39.4%.

→ Dacia brand

Dacia's sales in the Euromed Region increased 2.5% on the first half of 2007. With 74,000 registrations, Dacia holds 2.84% of the market in the Region.

In **Romania**, Dacia sales dropped 10.7% to 46,000 units. Dacia continued to lead the field, with a 27.7% share of the market, 20 points ahead of its nearest rival, and almost 45,000 Logans sold, down 12.5% on the first half of 2007. Logan accounted for 76.83% of the Group's registrations (cars + LCVs) in Romania. The Logan range was extended and the Pitesti plant now manufactures five models (Logan, Logan MCV, Logan Van, Logan Pick-Up and the brand-new Sandero). The sales mix breaks down as 67.5% Logan, 20.6% Logan MCV, 7.1% Logan Van, and 4.8% Logan Pick-Up.

In **Morocco**, Logan has been assembled at the Somaca plant in Casablanca since July 2005 using CKD parts shipped mainly from Romania. With this local facility and almost 8,000 Logans sold in the first half of 2008 (up 26.8% on the first half of 2007), Dacia took 12.6% of the market and ranked second, just behind the Renault brand. Logan is still the top-selling vehicle across all categories in the Moroccan market. In 2009, the Somaca plant will start producing Sandero under the Dacia badge.

In North Africa as a whole, Renault and Dacia sold 31,818 and 14,815 units respectively, a combined increase of 21.10 % on the first half of 2007.

1.1.4. Americas Region

GROUP SALES BY BRAND CARS + LCVs

	H1 2008*	H1 2007*	% change
Renault	134,981	114,908	+17.5
Dacia	360	275	+30.9
Renault Samsung	1,172	1,047	+11.9
Group	136,513	116,230	+17.5

* Preliminary figures

The automobile market in the Americas Region expanded 12.4% on the first half of 2007. The Group's sales in the Region, powered mainly by Brazil and Argentina, posted a strong 17.5% increase to 137,000 units. Group sales in the Region accounted for 10.3% of Renault's worldwide sales.

A full 98.9% of the Group's sales in the Americas Region came from the Renault brand, which posted a 17.5% rise, taking market share to 4.89% in the first half of 2008, up 0.21% on the first half of 2007.

In **Brazil**, where the market grew 29.8%, Renault group sales jumped 91.8% on the first half of 2007 to reach a record 58,600 units. The Group improved its market share by 1.42 points to 4.39%. Logan made its successful debut on the Brazilian market with bioethanol engines. A total of 19,351 Logans were sold in the first half of 2008. At the beginning of 2008, the Curitiba site also started manufacturing Sandero (under the Renault brand). A total 18,500 units have been sold since February 2008. Logan and Sandero together generated 64.5% of Renault do Brasil's sales. The LCV offering, consisting of Kangoo and Master, also contributed to Renault's impressive performance, with sales up by 124.8% and 20.8% respectively in the first half of 2008.

In **Argentina**, the automobile market continued to grow, expanding by 12.7% in the first half of 2008. Group sales rose by 7.7%. With 40,000 units sold, Renault took 12.52% of the market, down 0.57 points. The release of Logan in June 2007 (under the Renault brand) and Sandero in January 2008, consolidated the brand's presence in the Argentina market, with 3,200 and 2,700 units sold respectively. LCVs also turned in strong sales performances: Kangoo sales up 11.5% and Master sales up 66.8% on the first half of 2007.

In **Colombia**, Renault sales dropped by 24.5% in a market that contracted by 5.8%. With 14,400 vehicles sold, Renault lost 3.58 points of market share on first half 2007 (14.5% of market share), but consolidated its position as No. 2 brand. Logan dipped 5.6%, but the range will be enhanced in late 2008 with Sandero, manufactured at the Sofasa plant in Medellin, under the Renault badge.

In **Mexico**, where the market has contracted by 1.9% since opening up to imports of used vehicles that compete fiercely with vehicles priced under \$15,000, Renault sales fell by 8.5% to 8,000 units.

In **Venezuela**, Group sales declined 40.0% to 4,400 units due to the introduction of import quotas. Sales of Logan, down 53.4% to 2,600 units, accounted for 39.4% of Renault's sales.

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1.1.5. Asia-Africa Region

GROUP SALES BY BRAND CARS + LCVs

	H1 2008*	H1 2007*	% change
Renault	55,460	29,130	+90.4
Dacia	1,759	1,529	+15.0
Renault Samsung	52,559	56,824	-7.5
Group	109,778	87,483	+25.5

* Preliminary figures

In the Asia-Africa Region, Group sales expanded by a strong 25.5% in a market that grew 3.9% on the first half of 2007. With almost 110,000 units sold, the Group took 0.93% of the market, up 0.16 points. Sales in the Asia-Africa Region accounted for 8.3% of Renault's worldwide sales.

→ Renault brand

The Renault brand grew sales by a hefty 90.4% to 55,500 units.

In **India**, where the market grew 12.4% in the first half, the Renault brand reported a 146.1% rise in Logan sales to 12,700 units. Manufactured in the Nashik plant and on the market for over a year, Logan is ranked among the Top 3 in its segment. Renault is pursuing its development in India by building, through the Alliance, a new plant in Chennai, which is scheduled to come on line in 2010. The site will have a capacity of 400,000 vehicles annually, manufactured for both Renault and Nissan and intended for both the local market and export markets. Renault plans to produce several models on the B0 platform, and on other platforms. Renault announced that the car code-named ULC, with an entry-level price of \$2,500, will be manufactured at a purpose-built plant in Chakan (Maharashtra State), owned 50% by Bajaj Auto, 25% by Renault and 25% by Nissan.

In **South Africa** (including Namibia), sales dropped 56.4% on the first half of 2007. This can be chiefly attributed to the depreciation of the rand against the euro, which prompted the Group to tighten commercial policy in order to maintain profitability, since it does not have a local manufacturing facility. Starting in 2009, Renault will use Nissan's plant in Rosslyn to manufacture Sandero under the Renault badge.

In **Iran**, despite start-up delays owing to disrupted supplies, Tondar 90 (the local name for Logan) sold 23,700 units. Iran is the leading market for the Renault brand in the Region.

→ Renault Samsung brand

Sales of Renault Samsung Motors in **South Korea**, where the brand generated 4.1% of worldwide Group sales, fell 7.5% to 53,700 units in the first half of 2008.

Renault Samsung's share of the South Korean passenger car market was 9.56%, down 1.53 points:

- Designed by Renault, developed by Nissan and manufactured by RSM at its Busan plant, the Group's first cross-over vehicle, **QM5** was launched right at the end of 2007. Despite a high rate of customer satisfaction (QM5 scored highest in the Quality Excellence Index survey conducted by the Korean Standards Association), sales of QM5 were disappointing (6,100 units sold, representing a 0.9% share), due to a price positioning considered high in Korea in the extremely competitive SUV segment. In the second half, the launch of the petrol version ("QM5 City") and the manual transmission ("QM5 Sporty") will give RSM an opportunity to make the QM5 offering more competitive, which should boost the model's share of the segment.

Since March, more than half of production has been exported to Europe, where the model has been sold as Koleos since June.

- **SM7** sales expanded 18.5% to 8,800 units in the first half of 2008. The Phase 2 vehicle - SM7 "New Art", launched in January - was very well received and enabled SM7 to fend off the fierce competition in this segment, where two new models were released (Hyundai Genesis and the new Ssangyong Chairman) and that is targeted by imported brands that are gaining market share.
- **SM5** sold 27,600 units, a 19.7% decrease on the first half of 2007. Renault Samsung had a 21.1% share of the mid-segment, which enabled it to consolidate its position as the main rival to Hyundai, the national brand, in this segment.
- **SM3** sales in the first half of 2008 fell 33.3% to 10,100 units of this model, which has been on the market for six years.

At end-June 2008, almost 42,900 vehicles were exported by Renault Samsung Motors, mainly to be sold by Nissan and Renault under their brands within the framework of Alliance agreements.

INTERNATIONAL ROLLOUT OF THE ENTRY RANGE

LOGAN SALES (UNITS)	H1 2008*	H1 2007*	Since Sept. 2004
DACIA BRAND			
France	21,319	14,929	82,592
Europe	29,192	23,365	127,201
Euromed	72,952	72,207	477,333
- o/w Romania	44,876	51,312	351,261
- o/w Morocco	7,941	6,265	35,801
- o/w Algeria	6,875	5,563	27,344
Americas	369	272	1,452
Asia-Africa	1,754	1,529	9,246
Total Logan under the Dacia brand	125,586	112,302	697,824
RENAULT BRAND			
Euromed	41,074	31,031	165,298
- o/w Russia	41,074	31,031	165,298
Americas	30,624	10,900	87,759
- o/w Venezuela	2,526	5,421	20,871
- o/w Colombia	3,985	4,221	22,548
Asia-Africa	36,754	5,302	65,186
- o/w India	12,715	-	30,485
- o/w Iran	23,728	-	34,385
Total Logan under the Renault brand	108,452	47,233	318,243
TOTAL LOGAN	234,038	159,535	1,016,067

* Preliminary figures

Production

The site in Pitesti, Romania, which comprises a vehicle production facility, a powertrain production facility and the International Logistic Network (ILN) platform, is the pilot site for Logan. The plant manufactures the five models in the Entry range (Logan, Logan MCV, Logan Van, Logan Pick-Up and Sandero). Since Dacia Logan was launched in 2004, the Pitesti plant has doubled its capacity. In 2009, maximum output will be 400,000 vehicles annually. The Pitesti plant supplies all the countries in the France and Europe Regions, as well as Turkey, Algeria, Ukraine, the Middle East and central Africa.

In 2005, three other sites started manufacturing Logan Sedan: Moscow in Russia (April 2005), Casablanca in Morocco (June 2005) and Envigado in Colombia (July 2005).

To support Logan's sales growth, the Group is boosting production capacity gradually. Capacity at the Envigado site in Colombia was raised from an annual 45,000 to 70,000 units in August 2006. In Russia, the Group increased capacity from

60,000 to 80,000 units a year in June 2007. In the light of domestic demand and the potential of the Russian market, in February 2007 the Group decided to further extend the capacity of the Avtoframos plant to 160,000 units by mid-2009 in order to manufacture new models of the Logan range.

2007 signalled a new stage with the start-up of Logan production in Brazil, with capacity of 110,000 units (the pilot plant for Sandero), in India (50,000 units), where Renault is manufacturing a right-hand-drive version, and in Iran (300,000 units). Logan is now manufactured at seven sites.

To fulfil Renault Commitment 2009, Renault also plans to utilize production capacity at plants owned by Nissan, its Alliance partner, in South Africa and Indonesia, to manufacture Logan. In India, the Chennai plant, which is scheduled to start production in 2010 will manufacture several models on the Logan platform. In Morocco, the industrial complex currently being built in Tangiers will also make vehicles based on the Logan platform (capacity of 200,000 units p.a. by end-2010, and ultimately 400,000 units p.a.).

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Sales and marketing

In the first half of 2008 a total of 257,000 Entry range (Logan + Sandero) units were sold, which is a 60.9% increase on the first half of 2007.

Logan is now sold in 64 markets, under the Dacia brand in 49 and under the Renault brand in 15.

Logan has been a hit in all the countries where it has been released, including in the France and Europe Regions. Logan is a way for the Group to conquer new markets in the Euromed, Americas and Asia-Africa Regions, and build strong positions, especially in the countries where Logan is manufactured.

In the Euromed Region, 114,000 Logan units (up 10.4% on the first half of 2007) and more than 1,000 Sanderos were sold in the first half.

The Americas Region accounted for 20.3% of Entry range sales, an increase of 367% on the first half of 2007, attributable to the strong performance of Logan (31,000 units) since it was launched in Brazil and Argentina, and to the success of Sandero (21,200 units) since it was released in South America at the beginning of 2008.

Logan sales in the France and Europe Regions rose 31.9% to 50,500 units. In France, on the strength of Logan, the Dacia brand was ranked among the Top 10 brands in 2008.

In Asia-Africa, Logan sold 38,500 units, after Logan was released in India and Iran.

The top-ten countries for Logan sales are Romania, Russia, France, India, Germany, Brazil, Morocco, Iran, Ukraine and Algeria.

Expanding the range

A new stage in the Entry program, Sandero has the same ambition: to win new customers all over the world, in high-growth markets in priority, but also in mature markets. Launched at the beginning of 2008 in South America and mid-2008 in Europe, Sandero will continue to be rolled out: production in late 2008 under the Renault brand in Colombia (Sofasa plant in Medellin), then in 2009 under the Dacia brand in Morocco (Somaca plant in Casablanca) and under the Renault brand in South Africa (Nissan plant in Rosslyn) and Russia (Avtoframos plant in Moscow).

The rollout of the range will continue with the launch of a cross-over vehicle. The Entry program will comprise six vehicles by the end of Renault Commitment 2009.

1.2. SALES FINANCING

1.2.1. Proportion of new vehicle registrations financed

In the first half of 2008, RCI Banque financed 31.6% of new Renault, Nissan and Dacia registrations in the **France** and **Europe Regions** (down from 33.0% in the first half of 2007). RCI Banque financed a smaller proportion of Renault registrations (34.0%, down from 35.3% in the first half of 2007) but a stable proportion of Nissan registrations (23.1% versus 23.2% in the first half of 2007).

RCI Banque's share of registrations decreased in the **Americas Region** (15.7% versus 27.1% in the first half of 2007).

RCI Banque's share rose to 32.7% in South Korea, RCI's only outlet in the **Asia-Africa Region**, from 28.1% in the first half of 2007.

RCI Banque's performance in the **Euromed Region** (Romania and now Morocco - the local subsidiary has been consolidated since April 2008) slipped to 30.3% (from 32.2% in the first half of 2007).

1.2.2. New financing contracts and average loans outstanding

RCI Banque generated €4.8 billion in new financing contracts excluding "card" business and personal loans in the first half of 2008 (stable on the first half of 2007), with 464,585 new contracts (compared with 472,541 in the first half of 2007, a slight drop of 1.7%).

In the first half of 2008, RCI Banque's average loans outstanding increased 2.2% to €23.1 billion (on a consistent basis).

1.2.3. International growth

In the first half of 2008, RCI Banque's financing business went into operation in the Nordic countries. It started business on January 1, 2008 in Denmark, Sweden, Finland and Norway, with 100% network financing and commercial agreements for customer business.

At the end of January 2008, RCI Banque opened a financing business in Ukraine through a commercial agreement with a local bank, Index Bank, which is a subsidiary of Crédit Agricole group.

RCI Banque also strengthened its presence in the Baltic States, by starting up a network financing business in April 2008.

RCI Banque established a presence in Serbia-Bosnia by signing a commercial agreement with Unicredit and setting up a legal entity in Bosnia.

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1.3. SALES AND PRODUCTION STATISTICS

TOTAL INDUSTRY VOLUME - REGISTRATIONS - CARS + LCVs (IN UNITS)

MAIN RENAULT GROUP MARKETS	H1 2008*	H1 2007*	% change
France Region	1,380,421	1,319,357	+4.6
Europe Region	8,037,838	8,300,890	-3.2
<i>o/w:</i>			
Germany	1,750,088	1,684,596	+3.9
Italy	1,386,362	1,542,257	-10.1
UK	1,422,251	1,442,490	-1.4
Spain + Canarias	807,855	997,922	-19.0
Belgium + Luxembourg	402,495	379,450	+6.1
Poland	198,587	174,305	+13.9
FRANCE + EUROPE REGIONS	9,418,259	9,620,247	-2.1
Euromed Region	2,607,200	2,030,565	+28.4
<i>o/w:</i>			
Romania	165,671	163,539	+1.3
Russia	1,499,820	1,133,545	+32.3
Turkey	263,050	233,169	+12.8
Algeria	137,281	99,633	+37.8
Morocco	62,892	48,163	+30.6
Americas Region	2,793,431	2,485,280	+12.4
<i>o/w:</i>			
Mexico	507,532	517,607	-1.9
Colombia	99,538	105,647	-5.8
Brazil	1,333,886	1,027,736	+29.8
Argentina	318,427	282,622	+12.7
Asia-Africa Region	11,755,177	11,315,351	+3.9
<i>o/w:</i>			
South Africa and Namibia	262,567	293,546	-10.6
South Korea	644,285	617,347	+4.4
EUROMED + AMERICAS** + ASIA-AFRICA REGIONS	17,155,808	15,831,196	+8.4

* Preliminary figures

** Excl. North America

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REGISTRATIONS (REG'S) AND MARKET SHARE (MKT SH.) - CARS + LCVs

SALES PERFORMANCE IN MAIN MARKETS	H1 2008*		H1 2007*	
	Reg's (in units)	Mkt Sh. (%)	Reg's (in units)	Mkt Sh. (%)
France Region	358,723	25.99	331,842	25.15
Europe Region	498,744	6.20	522,964	6.30
<i>o/w:</i>				
Germany	88,142	5.04	76,751	4.56
Italy	71,576	5.16	81,382	5.28
UK	70,782	4.98	81,308	5.64
Spain + Canaries	82,461	10.21	105,762	10.60
Belgium + Luxembourg	41,265	10.25	36,976	9.74
Poland	15,129	7.62	12,731	7.30
FRANCE + EUROPE REGIONS	857,467	9.10	854,806	8.89
Euromed Region	213,932	8.18	196,848	9.62
<i>o/w:</i>				
Romania	58,404	35.25	66,389	40.60
Russia	56,590	3.77	45,169	3.98
Turkey	39,344	14.96	36,115	15.49
Algeria	24,315	17.71	18,077	18.14
Morocco	18,023	28.66	14,979	31.10
Americas Region	136,513	4.89	116,230	4.68
<i>o/w:</i>				
Mexico	8,002	1.58	8,745	1.69
Colombia	14,425	14.49	19,096	18.08
Brazil	58,616	4.39	30,558	2.97
Argentina	39,871	12.52	37,012	13.10
Asia-Africa Region	109,778	0.93	87,483	0.77
<i>o/w:</i>				
South Africa and Namibia	2,192	0.83	5,025	1.71
South Korea	52,559	8.16	56,824	9.20
EUROMED + AMERICAS** + ASIA-AFRICA REGIONS	460,223	14.00	400,561	15.07

* Preliminary figures

** Excl. North America

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REGISTRATIONS IN FRANCE + EUROPE REGIONS BY MODEL - CARS + LCVs (IN UNITS)

	H1 2008*	H1 2007*	% change
Twingo / Twingo II	74,416	36,514	+103.8
Clio / Clio III	226,628	240,354	-5.7
Thalia	3,392	3,691	-8.1
Sandero	542	-	-
Modus	43,768	34,309	+27.5
Logan	50,680	38,280	+32.4
Mégane / Mégane II	207,444	276,367	-24.9
Koléos	3,617	-	-
Laguna	60,663	35,914	+68.9
Vel Satis	1,112	1,839	-39.5
Espace / Espace IV	15,188	21,413	-29.1
Kangoo / Kangoo II	79,740	73,605	+8.3
Trafic / Trafic II	43,165	47,556	-9.2
Master / Master II	39,565	40,387	-2.0
Mascott** / RWD Master	4,279	3,745	+14.3
Maxity**	2,697	546	+394.0
Other	571	285	+100
REGISTRATIONS IN FRANCE + EUROPE	857,467	854,805	+0.3

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REGISTRATIONS IN EUROMED, AMERICAS AND ASIA-AFRICA REGIONS BY MODEL - CARS + LCVs (IN UNITS)

	H1 2008*	H1 2007*	% change
Twingo / Twingo II	5,184	6,800	-23.8
Clio / Clio III	41,423	49,737	-16.7
Thalia / Symbol	39,230	46,373	-15.4
Sandero	22,251	-	-
Modus	117	959	-87.8
Logan	183,707	121,241	+51.5
Mégane / Mégane II	62,841	71,453	-12.0
Laguna / Laguna III	3,297	2,125	+55.2
Vel Satis	14	31	-54.8
Espace / Espace IV	40	84	-52.3
SM3	11,174	16,011	-30.2
SM5	27,656	34,430	-19.7
SM7	8,806	7,430	+18.5
QM5	6,095	-	-
Pick-up 1300	-	-	-
Kangoo / Kangoo II	36,698	35,157	+4.4
Trafic / Trafic II	2,321	1,793	+29.5
Master / Master II	9,024	6,749	+33.7
Mascott** / RWD Master	232	143	+62.2
Maxity**	90	13	+592.3
Other	23	32	-28.1
REGISTRATIONS IN EUROMED + AMERICAS + ASIA-AFRICA	460,223	400,561	+14.9

* Preliminary figures

** Mascott and Maxity are distributed by Renault Trucks, a subsidiary of AB Volvo.

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SALES PERFORMANCE OF MODELS BY SEGMENT IN FRANCE + EUROPE REGIONS*

	% change segment 2008 / 2007	Renault's share			Rank 2008
		(%) 2008	(%) 2007	Change (pt) 2008 / 2007	
PASSENGER CARS					
A Segment	+17.3				
Twingo / Twingo II		10.0	5.9	+4.2	3
B Segment	-4.4				
Clio / Clio III		8.6	8.8	-0.1	3
Thalia		0.1	0.1	-	34
Modus		1.8	1.3	+0.5	16
Logan		2.1	1.5	+0.6	14
Sandero		0.0	0.0	-	39
C Segment	-2.4				
Mégane / Mégane II		7.8	10.3	-2.4	5
D Segment	-2.3				
Laguna		5.0	2.9	+2.1	7
D OR Segment ⁽¹⁾	-				
Koléos		1.2	0.0	-	18
E1 Segment	-15.6				
Vel Satis		0.4	0.6	-0.2	21
MPV Segment	-24.1				
Espace / Espace IV		12.9	13.8	-0.9	3
Passenger-carrying van	+7.3				
Kangoo / Kangoo II		14.4	11.1	+3.2	1
Trafic / Trafic II		3.6	4.4	-0.7	10
Master / Master II		0.9	1.3	-0.4	18
LIGHT COMMERCIAL VEHICLES					
Car-derived vans	-6.7				
Twingo		1.2	0.2	+1.0	19
Clio		14.8	14.5	+0.3	1
Modus		0.2	0.9	-0.7	47
Mégane / Mégane II		5.0	5.0	-	7
Small vans	+0.4				
Kangoo / Kangoo II		17.1	18.1	-1.0	1
Vans	-0.3				
Trafic / Trafic II		6.0	6.5	-0.6	7
Master / Master II		6.0	6.1	-0.1	6
Mascott / RWD Master		0.7	0.6	+0.1	22

(1) OR: Off-road vehicles.

* Preliminary figures

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WORLDWIDE PRODUCTION BY MODEL AND BY SEGMENT⁽¹⁾ - CARS + LCVs (IN UNITS)

	H1 2008*	H1 2007	% change
Logan	276,639	184,510	+50
Twingo / Twingo II	77,876	56,142	+39
Clio	62,778	100,972	-38
Clio III	204,082	193,816	+5
Thalia	56,238	62,201	-10
Modus	40,500	33,404	+21
Mégane / Mégane II	251,467	346,470	-27
SM3	35,228	42,048	-16
Laguna II	-	46,860	-
Laguna III	57,394	509	-
SM5	26,864	37,710	-29
SM7	8,379	7,909	+6
Espace IV	13,980	22,260	-37
Vel Satis	1,167	1,739	-33
Kangoo	136,837	117,835	+16
Trafic II ⁽²⁾	-	-	-
Master II	62,728	61,792	+2
Master III	55,676	-	-
Mascott	5,781	997	-
Pick-up 1300	-	-	-
Koléos	30,155	-	-
GROUP WORLDWIDE PRODUCTION	1,403,769	1,317,174	-

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

(2) New Trafic production at the General Motors Europe in Luton (UK) and the Nissan plant in Barcelona (Spain) was not recorded as Renault production.

* Preliminary figures

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RENAULT GROUP'S NEW GEOGRAPHICAL ORGANIZATION - COUNTRIES IN EACH REGION

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

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OVERVIEW

- The Group's consolidated revenues totaled €20,942 million, up 2.3% on the first half of 2007 on a consistent basis.
- Operating margin was €865 million, or 4.1% of revenues, compared with €722 million, or 3.5%, in the first half of 2007.
- Other operating income and expenses showed a net charge of €20 million, compared with a net charge of €33 million in the first half of 2007.
- The financing account showed a positive net balance of €315 million, compared with a net charge of €112 million in the first half of 2007.
- Nissan's contribution to Renault's earnings was €509 million (€615 million in first half 2007). AB Volvo's contribution was €218 million (€181 million in first half of 2007).
- Net income totaled €1,581 million compared with €1,317 million in first half 2007.
- Earnings per share came to 6.05 euros (€4.96 in first half 2007).
- Automobile net financial debt increased by €1,384 million relative to December 31, 2007 and amounted to €3,472 million. Group shareholders' equity stood at €21,706 million at June 30, 2008.

2.1. COMMENTS ON THE FINANCIAL RESULTS

2.1.1. Consolidated income statement

Group **revenues** came to €20,942 million, up 2.3% on the same period in 2007 on a consistent basis. Excluding currency effects, revenues rose by 4.9%.

DIVISIONAL CONTRIBUTION TO GROUP REVENUES

€ million	2008 reported			2007 restated for 2008 scope and methods			Change 2008 / 2007			2007 reported	
	Q1	Q2	H1	Q1	Q2	H1	Q1	Q2	H1	H1	
Automobile	9,697	10,190	19,887	9,306	10,145	19,451	+4.2%	+0.4%	+2.2%	19,567	
Sales Financing	506	549	1,055	487	527	1,014	+3.9%	+4.2%	+4.0%	995	
Total	10,203	10,739	20,942	9,793	10,672	20,465	+4.2%	+0.6%	+2.3%	20,562	

The revenue contribution from **Sales Financing** (RCI Banque) was €1,055 million, up 4.0% on the first half of 2007. **Automobile** contribution came to €19,887 million, up 2.2% on the first half of 2007 on a consistent basis.

Several trends were at work:

- the revenue contribution from the France Region increased by 2.8% on the sales success of new Group models, particularly in the B segment, which were lifted by the new bonus/penalty scheme linked to CO₂ emissions;
- the contribution from the Europe Region fell as volumes contracted on the depressed Spanish and Italian markets

and in the U.K., where Group sales were adversely affected by an unfavorable exchange rate;

- the overall contribution from the other Regions rose on strong growth in Group volumes on international markets and a high price mix in the Euromed and Americas Regions. Volumes increased sharply in the Asia-Africa Region, but the Region was also impacted by negative currency effects mainly relating to the Korean won.

Sales of powertrains and vehicles to partners made a positive contribution of 0.3 points.

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The Group's **operating margin** increased by 19.8% in the first half of 2008 to stand at €865 million, or 4.1% of

revenues, compared with €722 million, or 3.5% of revenues, in the first half of 2007.

DIVISIONAL CONTRIBUTION TO GROUP OPERATING MARGIN

€ million	H1 2008	H1 2007	Change	2007 reported
Automobile	598	455	+31.4%	882
<i>% of revenues</i>	3.0%	2.3%		2.3%
Sales Financing	267	267	-	472
<i>% of revenues</i>	25.3%	26.8%		23.6%
Total	865	722	+ 19.8%	1,354
<i>% of revenues</i>	4.1%	3.5%		3.3%

Our captive finance company demonstrated its ability to withstand tough conditions: **Sales Financing** maintained its contribution to Group operating margin at €267 million, or 25.3% of revenues, i.e. slightly lower than in the first half of 2007. Profitability in the first six months was affected as worsening conditions adversely impacted risk-related costs.

Amid extremely unfavorable economic conditions, **Automobile** operating margin increased by 31% to €598 million, or 3% of revenues, in the first half of 2008. The increase can be attributed to a combination of:

- highly negative external effects (exchange rates, commodity prices), amounting to €191 million, highlighting the pressure from the economic environment;
- a negative combined volume/mix/price/enhancement/incentives impact of €97 million (compared with a negative

€192 million in the first half of 2007); the Group is not yet feeling the full positive effect expected from the renewal of the range, because of conditions in some automobile markets, especially Europe, and the phase-out of Mégane was accompanied by an increase in incentives in Europe;

- the cost-cutting policy, which was a key factor in financial performance:
 - purchasing was down €335 million excluding raw materials, in line with what was announced when Renault Commitment 2009 was launched,
 - G&A declined by €10 million, amounting to 4.4% of revenues,
 - warranty-related costs fell by €124 million against a backdrop of warranty extensions for new models.

RENAULT GROUP – R&D EXPENSES*

€ million	H1 2008	H1 2007	Year 2007
R&D expenses	1,218	1,222	2,462
Capitalized development expenses	(619)	(666)	(1,287)
<i>% of R&D expenses</i>	50.8 %	54.5 %	52.3 %
Amortization	321	351	675
Gross R&D expenses recorded in the income statement	920	907	1,850

* R&D expenses are fully incurred by Automobile.

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Research and Development expenses amounted to €1,218 million in the first half of 2008, remaining stable compared with the first half of 2007. Capitalized development expenses came to €619 million, or 50.8% of the total, down 3.7 points compared with the first-half 2007 figure of 54.5%. Amortization totaled €321 million.

Overall, R&D expenses recorded in the income statement amounted to €920 million in the first half of 2008, after €907 million in the first half of 2007.

The decline in the proportion of capitalized development expenses, from 54.5% in the first half of 2007 to 50.8% in the first half of 2008, led to a slight increase in net R&D expenses booked in the first half.

Other operating income and expenses showed a net charge of €20 million, compared with a charge of €33 million in the first half of 2007.

In the first half of 2008, this item essentially comprised:

- €101 million in costs linked to stopping the J96 program (Espace replacement model). The Espace program will continue based on developing the current vehicle alongside a new concept tailored not only to Europe but also to international markets;
- €33 million in restructuring and workforce adjustment costs and provisions;
- net capital gains of €106 million on the sale of land in France (Boulogne-Billancourt) compared with €48 million in the first half of 2007.

After recognizing this item, Group **operating income** came out at €845 million, compared with €689 million in the first half of 2007.

Net financial income/expense showed income of €315 million, compared with a net charge of €112 million in the first half of 2007. The change was attributable to

- a €350 million positive impact for Renault resulting from the fair value change in the company's redeemable shares;
- a slight increase of €17 million in the cost of borrowing for Automobile, chiefly due to the rise in average indebtedness, and to tighter financing terms, which were partly offset by the Group's yen exposure.

In first half 2008, Renault booked a profit of €729 million from its share in the net income of associated companies of which:

- €509 million from Nissan,
- €218 million from AB Volvo group.

Current and deferred taxes amounted to a net charge of €308 million, compared with €97 million in the first half of 2007. The effective tax rate (before the impact of income from associated companies) was 27% in the first half of 2008, in line with the target announced when Renault Commitment 2009 was launched.

Net income totaled €1,581 million (€1,317 million in first half 2007). After neutralizing treasury stocks and Renault shares held by Nissan, earnings per share came to €6.05, compared with €4.96 in first half 2007.

2.1.2. Investments and future-related costs

Net capital expenditure by Automobile came to €1,730 million in the first half of 2008 (including €619 million in capitalized R&D expenses) compared with €1,766 million in the first half of 2007 (including €666 million in capitalized R&D expenses).

TANGIBLE AND INTANGIBLE INVESTMENTS NET OF DISPOSALS, BY DIVISION

€ million	H1 2008	H1 2007	2007
Tangible and intangible investments excluding R&D	1,586	1,549	3,220
Capitalized R&D	619	666	1,287
Total acquisitions	2,205	2,215	4,507
Disposal gains	(475)	(449)	(942)
Total Automobile	1,730	1,766	3,565
Total Sales Financing	33	20	(7)
TOTAL GROUP	1,763	1,786	3,558

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In the first half of 2008, **Automobile capital expenditure** was directed primarily at renewing products and components and upgrading facilities:

- in Europe, range-related investments accounted for 78% of total gross outlays. Funds were allocated chiefly to New Mégane;

- investments outside Europe accounted for 32% of the total gross spend and were allocated primarily to Korea, Romania and Turkey to extend the range and increase production capacity.

The main non product-related investments were in quality, working conditions and the environment, in line with the policy pursued in 2007.

RENAULT GROUP - FUTURE-RELATED COSTS

€ million	H1 2008	H1 2007	2007
Net industrial and commercial investments (1)*	961	971	2,176
% of revenues	4.6%	4.7%	5.3%
R&D expenses (2)	1,218	1,222	2,462
% of revenues	5.8%	5.9%	6.1%
Future-related costs (1) + (2)	2,179	2,193	4,638
% of revenues	10.4%	10.7%	11.4%

* Capital expenditure, net of disposals, excluding capitalized R&D and leased vehicles (€183 million in the first half of 2008 and €149 million in the first half of 2007).

2.1.3. Automobile debt

Automobile generated €16 million in **free cash-flow**⁽¹⁾ from:

- cash flow of €2,569 million, a decline of €110 million on the first half of 2007. Cash flow included €498 million in dividends from associated companies (compared with €687 million in the first half of 2007, including an exceptional €238 million dividend from Volvo), of which:
 - €239 million from Nissan,
 - €259 million from AB Volvo;
- net capital expenditure of €1,730 million, down €36 million (€1,766 million in the first half of 2007);
- a €823 million decline in the working capital surplus at June 30, 2008, owing to a decline in supplier payables connected with reduced activity in Europe and increased international business, combined with a rise in inventory levels since the start of the year.

Furthermore:

- the dividend payout of €1,075 million (compared with €911 million in 2007), including €1,049 million paid by Renault SA,
- the acquisition of 25% of the capital plus one share of AvtoVAZ, amounting €662 million,
- the positive €350 million fair value change in redeemable shares measured at the market price on June 30, 2008,
- and positive foreign exchange differences (including €43 million in connection with yen-denominated debt),

caused **Automobile net financial debt** to increase by €1,384 million to €3,472 million at June 30, 2008, or 16.0% of shareholders' equity (compared with 9.5% of shareholders' equity at December 31, 2007).

AUTOMOBILE - NET FINANCIAL DEBT

	June 30, 2008	Dec. 31, 2007
Non-current financial liabilities	4,800	5,141
Current financial liabilities	4,075	2,413
Non-current financial assets – other securities, loans and derivatives on financial operations	(706)	(585)
Current financial assets	(1,065)	(1,184)
Cash and cash equivalents	(3,632)	(3,697)
Net financial debt	3,472	2,088

(1) Free cash-flow: financing capacity less property, plant, equipment and intangibles net of sales, including the variation in working capital requirements.

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2.1.4. Shareholders' equity

At June 30, 2008 **shareholders' equity** declined by €363 million to €21,706 million, compared with €22,069 million at December 31, 2007.

The main reasons for this change are:

- recognition of €1,581 million in net income for the first half of 2008;
- a dividend payout by Renault of €975 million, or €3.80 per share, for 2007, adjusted for Renault's equity interest in Nissan and treasury stock;
- a €824 million decline in translation adjustments, including the indirect impact from Nissan, net of yen hedging;

- a €34 million increase in the financial instrument revaluation reserve (cash flow hedges and available-for-sale financial instruments);
- an increase in treasury stock (3.12% of Renault's capital at June 30, 2008, compared with 2.65% at December 31, 2007), which reduced shareholders' equity by €128 million.

2.1.5. Off-balance sheet commitments and contingencies

The Group did not make any significant new commitment in the first half. The main off-balance sheet commitments are described in note 19 of the annex to the consolidated financial statements for first-half 2008, which, to the knowledge of senior management, does not contain any significant omission.

2.2. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.2.1. Consolidated income statements

€ million	H1 2008	H1 2007	Year 2007
Sales of goods and services	20,162	19,833	39,190
Sales financing revenues	780	729	1,492
Revenues (note 4)	20,942	20,562	40,682
Cost of goods and services sold	(15,978)	(15,892)	(31,408)
Cost of sales financing	(622)	(522)	(1,121)
Research and development expenses (note 5)	(920)	(907)	(1,850)
Selling, general and administrative expenses	(2,557)	(2,519)	(4,949)
Operating margin	865	722	1,354
Other operating income and expenses (note 6)	(20)	(33)	(116)
Operating income	845	689	1,238
Net interest income (expense)	(86)	(60)	(101)
<i>Interest income</i>	92	132	274
<i>Interest expenses</i>	(178)	(192)	(375)
Other financial income and expenses, net	401	(52)	177
Financial expense (note 7)	315	(112)	76
Share in net income (loss) of associates	729	837	1,675
<i>Nissan (note 11)</i>	509	615	1,288
<i>Other associates (note 12)</i>	220	222	387
Pre-tax income	1,889	1,414	2,989
Current and deferred taxes (note 8)	(308)	(97)	(255)
NET INCOME	1,581	1,317	2,734
Net income - minority interests' share	30	36	65
Net income - Renault share	1,551	1,281	2,669
Earnings per share ⁽¹⁾ in € (note 9)	6.05	4.96	10.32
Diluted earnings per share ⁽¹⁾ in € (note 9)	6.01	4.88	10.17
Number of shares outstanding (in thousands) (note 9)			
for earnings per share	256,524	258,548	258,621
for diluted earnings per share	257,974	262,423	262,362

(1) Net income - Renault share divided by number of shares stated.

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2.2.2. Consolidated balance sheets

ASSETS - € million	June 30, 2008	Dec. 31, 2007
NON-CURRENT ASSETS		
Intangible assets	4,261	4,056
Property, plant and equipment (note 10)	12,877	13,055
Investments in associates	13,201	12,977
<i>Nissan (note 11)</i>	<i>10,618</i>	<i>10,966</i>
<i>Other associates (note 12)</i>	<i>2,583</i>	<i>2,011</i>
Non-current financial assets (note 14)	732	606
Deferred tax assets	190	220
Other non-current assets	391	504
Total non-current assets	31,652	31,418
CURRENT ASSETS		
Inventories (note 13)	6,563	5,932
Sales financing receivables	20,659	20,430
Automobile receivables	2,332	2,083
Current financial assets (note 14)	950	1,239
Other current assets	2,576	2,375
Cash and cash equivalents	4,649	4,721
Total current assets	37,729	36,780
TOTAL ASSETS	69,381	68,198

SHAREHOLDERS' EQUITY AND LIABILITIES - € million	June 30, 2008	Dec. 31, 2007
SHAREHOLDERS' EQUITY		
Share capital	1,086	1,086
Share premium	3,453	3,453
Treasury shares	(627)	(499)
Revaluation of financial instruments	102	68
Translation adjustment	(1,777)	(982)
Other reserves	17,454	15,782
Net income - Renault share	1,551	2,669
Shareholders' equity - Renault share	21,242	21,577
Shareholders' equity - minority interests' share	464	492
Total shareholders' equity (note 15)	21,706	22,069
NON-CURRENT LIABILITIES		
Deferred tax liabilities	276	118
Provisions - long-term (note 16)	1,765	1,765
Non-current financial liabilities (note 17)	5,067	5,413
Other non-current liabilities	603	523
Total non-current liabilities	7,711	7,819
CURRENT LIABILITIES		
Provisions - short-term (note 16)	865	954
Current financial liabilities (note 17)	3,110	1,517
Sales financing debts (note 17)	21,318	21,196
Trade payables	7,985	8,224
Current tax liability	99	166
Other current liabilities	6,587	6,253
Total current liabilities	39,964	38,310
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	69,381	68,198

2.2.3. Consolidated shareholders' equity

A. Statement of income and expenses for the period

All amounts are reported net of taxes.

€ million	H1 2008	H1 2007	Year 2007
NET INCOME FOR THE PERIOD	1,581	1,317	2,734
Actuarial gains and losses on defined benefit pension plans ⁽¹⁾	(60)	57	(60)
Translation adjustment on foreign activities ^{(1) (2)}	(824)	(32)	(738)
Fair value adjustments on cash flow hedging instruments ^{(1) (3)}	38	19	(38)
Fair value adjustments on available-for-sale financial assets ^{(1) (3)}	(4)	5	1
INCOME AND EXPENSES RECORDED IN SHAREHOLDERS' EQUITY	(850)	49	(835)
TOTAL INCOME AND EXPENSES FOR THE PERIOD	731	1,366	1,899
<i>Renault share</i>	<i>730</i>	<i>1,328</i>	<i>1,862</i>
<i>Minority interests' share</i>	<i>1</i>	<i>38</i>	<i>37</i>

(1) Associates' share:

€ million	H1 2008	H1 2007	Year 2007
Actuarial gains and losses	(70)	28	(12)
Translation adjustments on foreign activities	(671)	(304)	(662)
Cash flow hedges	4	(3)	(18)
Available-for-sale financial assets	(6)	4	-

(2) Including €28 million for the partial hedge of the investment in Nissan for the first half of 2008 (€188 million for H1 2007 and €153 million for the full year 2007)

(3) Details of the amount transferred to income:

€ million	H1 2008	H1 2007	Year 2007
Operating margin	(40)	25	(81)
Other operating income and expenses	-	-	-
Financial expense	3	2	(9)
Share in net income of associates	5	(5)	(4)
Current and deferred taxes	13	(9)	31
Total transferred to net income	(19)	13	(63)

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B. Statement of 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 Dec. 31, 2006	284,937	1,086	3,453	(373)	105	(269)	13,700	2,886	20,588	483	21,071
Net income - 1 st half-year 2007	-	-	-	-	-	-	-	1,281	1,281	36	1,317
Income and expenses recorded in shareholders' equity	-	-	-	-	24	(34)	57	-	47	2	49
Total income and expenses for the period	-	-	-	-	24	(34)	57	1,281	1,328	38	1,366
Allocation of 2006 net income	-	-	-	-	-	-	2,886	(2,886)	-	-	-
Dividends	-	-	-	-	-	-	(803)	-	(803)	(48)	(851)
Cost of stock option plans	-	-	-	-	-	-	35	-	35	-	35
(Acquisitions) / disposals of treasury shares	-	-	-	62	-	-	-	-	62	-	62
Impact of changes in the scope of consolidation and capital increases ⁽¹⁾	-	-	-	-	-	-	(2)	-	(2)	23	21
Balance at June 30, 2007	284,937	1,086	3,453	(311)	129	(303)	15,873	1,281	21,208	496	21,704
Net income - 2 nd half-year 2007	-	-	-	-	-	-	-	1,388	1,388	29	1,417
Income and expenses recorded in shareholders' equity	-	-	-	-	(61)	(679)	(114)	-	(854)	(30)	(884)
Total income and expenses for the period	-	-	-	-	(61)	(679)	(114)	1,388	534	(1)	533
Dividends	-	-	-	-	-	-	-	-	-	(2)	(2)
Cost of stock option plans	-	-	-	-	-	-	31	-	31	-	31
(Acquisitions) / disposals of treasury shares	-	-	-	(188)	-	-	-	-	(188)	-	(188)
Impact of changes in the scope of consolidation and capital increases ⁽¹⁾	-	-	-	-	-	-	(8)	-	(8)	(1)	(9)
Balance at Dec. 31, 2007	284,937	1,086	3,453	(499)	68	(982)	15,782	2,669	21,577	492	22,069

(1) The impact of changes in the scope of consolidation on the Renault share of shareholders' equity result from the treatment applied to acquisitions of minority interests and put options for buyouts of minority shareholdings in controlled companies.

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	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
€ million											
Balance at Dec. 31, 2007	284,937	1,086	3,453	(499)	68	(982)	15,782	2,669	21,577	492	22,069
Net income - 1 st half-year 2008	-	-	-	-	-	-	-	1,551	1,551	30	1,581
Income and expenses recorded in shareholders' equity	-	-	-	-	34	(795)	(60)	-	(821)	(29)	(850)
Total income and expenses for the period	-	-	-	-	34	(795)	(60)	1,551	730	1	731
Allocation of 2007 net income	-	-	-	-	-	-	2,669	(2,669)	-	-	-
Dividends	-	-	-	-	-	-	(975)	-	(975)	(49)	(1,024)
Cost of stock option plans	-	-	-	-	-	-	35	-	35	-	35
(Acquisitions) / disposals of treasury shares	-	-	-	(128)	-	-	-	-	(128)	-	(128)
Impact of changes in the scope of consolidation and capital increases ⁽¹⁾	-	-	-	-	-	-	3	-	3	20	23
Balance at June 30, 2008	284,937	1,086	3,453	(627)	102	(1,777)	17,454	1,551	21,242	464	21,706

(1) The impact of changes in the scope of consolidation on the Renault share of shareholders' equity result from the treatment applied to acquisitions of minority interests and put options for buyouts of minority shareholdings in controlled companies.

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

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2.2.4. Consolidated statements of cash flows

€ million	H1 2008	H1 2007	Year 2007
Net income	1,581	1,317	2,734
Cancellation of unrealised income and expenses:			
- Depreciation and amortisation	1,442	1,512	2,865
- Share in net income (loss) of associates	(729)	(837)	(1,675)
- Dividends received from associates	498	687	936
- Other unrealised income and expenses (note 18)	(305)	(38)	(114)
Cash flow	2,487	2,641	4,746
Financing for final customers	(5,720)	(5,756)	(11,114)
Customer repayments	5,720	5,881	11,708
Net change in renewable dealer financing	(468)	45	(37)
Decrease (increase) in sales financing receivables	(468)	170	557
Bond issuance by the Sales financing division	1,258	500	2,022
Bond redemption by the Sales financing division	(2,216)	(5)	(3,139)
Net change in other sales financing debts	1,360	(289)	1,265
Net change in other securities and loans of the Sales financing division	98	(525)	(359)
Net change in sales financing financial assets and debts	500	(319)	(211)
Decrease (increase) in working capital (note 18)	(829)	422	(347)
CASH FLOWS FROM OPERATING ACTIVITIES	1,690	2,914	4,745
Capital expenditure (note 18)	(2,289)	(2,284)	(4,644)
Acquisitions of investments, net of cash acquired ⁽¹⁾	(662)	(3)	(67)
Disposals of property, plant and equipment and intangibles	526	498	1,086
Disposals of investments, net of cash acquired, and other	62	63	63
Net decrease (increase) in other securities and loans of the Automobile division	107	244	615
CASH FLOWS FROM INVESTING ACTIVITIES	(2,256)	(1,482)	(2,947)
Transactions with minority shareholders ⁽²⁾	88	22	26
Dividends paid to parent company shareholders (note 15)	(1,049)	(863)	(863)
Dividends paid to minority shareholders	(28)	(48)	(50)
Purchases/sales of treasury shares	(128)	62	(126)
Cash flows with shareholders	(1,117)	(827)	(1,013)
Bond issuance by the Automobile division	645	588	588
Bond redemption by the Automobile division	(91)	(78)	(451)
Net increase (decrease) in other financial liabilities of the Automobile division	1,054	(604)	(2,065)
Net change in financial assets and liabilities of the Automobile division	1,608	(94)	(1,928)
CASH FLOWS FROM FINANCING ACTIVITIES	491	(921)	(2,941)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(75)	511	(1,143)
€ million	H1 2008	H1 2007	Year 2007
Cash and cash equivalents: opening balance	4,721	6,010	6,010
Increase (decrease)	(75)	511	(1,143)
Effect of changes in exchange rate and other changes	3	(3)	(146)
Cash and cash equivalents: closing balance	4,649	6,518	4,721

(1) Corresponding to payment of the shares in AvtoVAZ for the first half-year of 2008 - see note 12.

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

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2.2.5 Segment information

A. Consolidated income statements by division

€ million	Automobile	Sales financing	Interdivision transactions ⁽¹⁾	Consolidated total
H1 2008				
External sales (note 4)	19,887	1,055	-	20,942
Interdivision sales ⁽¹⁾	(123)	179	(56)	-
Revenues	19,764	1,234	(56)	20,942
Operating margin	596	267	2	865
Operating income	578	265	2	845
H1 2007				
External sales (note 4)	19,567	995	-	20,562
Interdivision sales ⁽¹⁾	(113)	151	(38)	-
Revenues	19,454	1,146	(38)	20,562
Operating margin	441	267	14	722
Operating income	419	256	14	689
YEAR 2007				
External sales (note 4)	38,679	2,003	-	40,682
Interdivision sales ⁽¹⁾	(276)	327	(51)	-
Revenues	38,403	2,330	(51)	40,682
Operating margin	858	472	24	1,354
Operating income	767	457	14	1,238

⁽¹⁾ Interdivision transactions are carried out under near-market conditions.

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B. Consolidated balance sheets by division - June 30, 2008

ASSETS € million	Automobile	Sales financing	Interdivision transactions ⁽¹⁾	Consolidated total
NON-CURRENT ASSETS				
Property, plant and equipment and intangible assets	16,832	328	(22)	17,138
Investments in associates	13,177	24	-	13,201
Non-current financial assets – investments in non-controlled entities	2,309		(2,267)	42
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automobile division	706	-	(16)	690
Deferred tax assets and other non-current assets	475	99	7	581
Total non-current assets	33,499	451	(2,298)	31,652
CURRENT ASSETS				
Inventories	6,557	6	-	6,563
Customer receivables	2,538	21,333	(880)	22,991
Current financial assets	1,065	590	(705)	950
Other current assets	2,077	2,242	(1,743)	2,576
Cash and cash equivalents	3,632	1,056	(39)	4,649
Total current assets	15,869	25,227	(3,367)	37,729
TOTAL ASSETS	49,368	25,678	(5,665)	69,381
SHAREHOLDERS' EQUITY AND LIABILITIES € million				
SHAREHOLDERS' EQUITY	21,617	2,270	(2,181)	21,706
NON-CURRENT LIABILITIES				
Deferred tax liabilities and long-term provisions	1,733	263	45	2,041
Non-current financial liabilities	4,800	267	-	5,067
Other non-current liabilities	475	128	-	603
Total non-current liabilities	7,008	658	45	7,711
CURRENT LIABILITIES				
Short-term provisions	825	40	-	865
Current financial liabilities	4,075	-	(965)	3,110
Trade payables and Sales financing debts	8,036	21,968	(701)	29,303
Other current liabilities and current tax liability	7,807	742	(1,863)	6,686
Total current liabilities	20,743	22,750	(3,529)	39,964
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	49,368	25,678	(5,665)	69,381

(1) Interdivision transactions are carried out under near-market conditions.

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B. Consolidated balance sheets by division - December 31, 2007

ASSETS € million	Automobile	Sales financing	Interdivision transactions ⁽¹⁾	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 division	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	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
TOTAL ASSETS	48,179	25,645	(5,626)	68,198
SHAREHOLDERS' EQUITY AND LIABILITIES € million				
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 liability	7,348	660	(1,589)	6,419
Total current liabilities	19,010	22,676	(3,376)	38,310
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	48,179	25,645	(5,626)	68,198

(1) Interdivision transactions are carried out under near-market conditions.

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C. Consolidated cash flow statements by division

€ million	Automobile	Sales financing	Interdivision transactions ⁽¹⁾	Consolidated total
H1 2008				
Net income	1,695	178	(292)	1,581
Cancellation of unrealised income and expenses:				
- Depreciation and amortisation	1,423	30	(11)	1,442
- Share in net income (loss) of associates	(726)	(3)	-	(729)
- Dividends received from associates	498	-	-	498
- Other unrealised income and expenses	(321)	24	(8)	(305)
Cash flow	2,569	229	(311)	2,487
Decrease (increase) in sales financing receivables	-	(463)	(5)	(468)
Net change in sales financing financial assets and debts	-	305	195	500
Decrease (increase) in working capital	(823)	(67)	61	(829)
CASH FLOWS FROM OPERATING ACTIVITIES	1,746	4	(60)	1,690
Purchases of intangible assets	(641)	-	-	(641)
Purchases of property, plant and equipment ⁽²⁾	(1,564)	(86)	2	(1,648)
Disposals of property, plant and equipment and intangibles ⁽²⁾	475	51	-	526
Acquisition of investments, net of disposals and other	(600)	-	-	(600)
Net decrease (increase) in other securities and loans of the Automobile division	28	-	79	107
CASH FLOWS FROM INVESTING ACTIVITIES	(2,302)	(35)	81	(2,256)
Cash flows with shareholders	(1,182)	(236)	301	(1,117)
Net change in financial assets and liabilities of the Automobile division	1,674	-	(66)	1,608
CASH FLOWS FROM FINANCING ACTIVITIES	492	(236)	235	491
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(64)	(267)	256	(75)

(1) Interdivision transactions are carried out under near-market conditions.

(2) Including impact of leased vehicles

€ million	Automobile	Sales financing	Group total
Purchases of property, plant and equipment	(477)	(82)	(559)
Disposals of property, plant and equipment and intangibles	325	51	376

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€ million	Automobile	Sales financing	Interdivision transactions ⁽¹⁾	Consolidated total
H1 2007				
Net income	1,384	174	(241)	1,317
Cancellation of unrealised income and expenses:				
- Depreciation and amortisation	1,483	47	(18)	1,512
- Share in net income (loss) of associates	(834)	(3)	-	(837)
- Dividends received from associates	687	-	-	687
- Other unrealised income and expenses	(41)	(1)	4	(38)
Cash flow	2,679	217	(255)	2,641
Decrease (increase) in sales financing receivables	-	37	133	170
Net change in sales financing financial assets and debts	-	(308)	(11)	(319)
Decrease (increase) in working capital	426	(25)	21	422
CASH FLOWS FROM OPERATING ACTIVITIES	3,105	(79)	(112)	2,914
Purchases of intangible assets	(697)	(1)	-	(698)
Purchases of property, plant and equipment ⁽²⁾	(1,518)	(76)	8	(1,586)
Disposals of property, plant and equipment and intangibles ⁽²⁾	449	49	-	498
Acquisition of investments, net of disposals and other	60	-	-	60
Net decrease (increase) in other securities and loans of the Automobile division	250	-	(6)	244
CASH FLOWS FROM INVESTING ACTIVITIES	(1,456)	(28)	2	(1,482)
Cash flows with shareholders	(827)	(252)	252	(827)
Net change in financial assets and liabilities of the Automobile division	52	-	(146)	(94)
CASH FLOWS FROM FINANCING ACTIVITIES	(775)	(252)	106	(921)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	874	(359)	(4)	511

(1) Interdivision transactions are carried out under near-market conditions.

(2) Including impact of leased vehicles

€ million	Automobile	Sales financing	Group total
Purchases of property, plant and equipment	(483)	(65)	(548)
Disposals of property, plant and equipment and intangibles	351	48	399

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€ million	Automobile	Sales financing	Interdivision transactions ⁽¹⁾	Consolidated total
YEAR 2007				
Net income	2,654	323	(243)	2,734
Cancellation of unrealised income and expenses:				
- Depreciation and amortisation	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 sales financing financial assets and debts	-	13	(224)	(211)
Decrease (increase) in working capital	(26)	(336)	15	(347)
CASH FLOWS FROM OPERATING ACTIVITIES	4,526	548	(329)	4,745
Purchases of intangible assets	(1,347)	(1)	-	(1,348)
Purchases of property, plant and equipment ⁽²⁾	(3,160)	(145)	9	(3,296)
Disposals of property, plant and equipment and intangibles ⁽²⁾	942	141	3	1,086
Acquisition of investments, net of disposals and other	41	(45)	-	(4)
Net decrease (increase) in other securities and loans of the Automobile division	652	-	(37)	615
CASH FLOWS FROM INVESTING ACTIVITIES	(2,872)	(50)	(25)	(2,947)
Cash flows with shareholders	(1,017)	(248)	252	(1,013)
Net change in financial assets and liabilities of the Automobile division	(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) Interdivision transactions are carried out under near-market conditions.

(2) Including impact of leased vehicles

€ million	Automobile	Sales financing	Group total
Purchases of property, plant and equipment	(876)	(130)	(1,006)
Disposals of property, plant and equipment and intangibles	767	144	911

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2.2.6. Notes to the condensed consolidated financial statements for the first half-year of 2008

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I - ACCOUNTING POLICIES AND SCOPE OF CONSOLIDATION

1. Approval of the financial statements

The Renault group's condensed consolidated financial statements at June 30, 2008 were finalised on August 4, 2008.

2. Accounting policies

The consolidated financial statements at December 31, 2007 were prepared under the IFRS (International Financial Reporting Standards) issued by the IASB (International Accounting Standards Board) at December 31, 2007 and adopted by the European Union at the closing date.

The accounting policies used in preparing the consolidated half-year financial statements at June 30, 2008 are compliant with IAS 34 "Interim financial reporting". They do not contain all the information required for annual consolidated financial statements and should be read in conjunction with the financial statements at December 31, 2007. With the exception of the change stated below, the accounting policies are identical to those applied in the consolidated financial statements at December 31, 2007.

The Group has applied interpretation IFRIC 11, "Group and Treasury Share Transactions" for the first time at June 30, 2008. This interpretation came into force on January 1, 2008 and was adopted by regulations published in the Official Journal of the European Union at June 30, 2008. Its application has no impact on the financial statements at June 30, 2008.

3. Changes in the scope of consolidation

A. Changes in the first half of 2008

AvtoVAZ

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 12-B.

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II - INCOME STATEMENT

4. Revenues

A. 1st half 2007 revenues applying 1st half 2008 Group structure and methods

€ million	Automobile	Sales financing	Total
First-half 2007 revenues as published	19,567	995	20,562
Changes in scope of consolidation	(116)	19	(97)
First-half 2007 revenues applying first-half 2008 Group structure and methods	19,451	1,014	20,465
First-half 2008 revenues	19,887	1,055	20,942

B. Breakdown of revenues

€ million	H1 2008	H1 2007	Year 2007
Sales of goods	19,075	18,780	37,104
Sales of services	1,087	1,053	2,086
Sales of goods and services	20,162	19,833	39,190
Income on customer financing	551	510	1,053
Income on leasing and similar operations	229	219	439
Sales financing revenues	780	729	1,492
Revenues	20,942	20,562	40,682

C. Breakdown of revenues by geographic area

€ million	H1 2008	H1 2007	Year 2007
France	7,078	6,883	13,105
Europe	8,579	8,886	17,342
Euromed	2,332	2,001	4,310
Asia-Africa	1,330	1,350	2,757
America	1,623	1,442	3,168
Total revenues	20,942	20,562	40,682

In the table above, consolidated revenues are presented by location of customers.

5. Research and development expenses

Research and development expenses included in income

€ million	H1 2008	H1 2007	Year 2007
Research and development expenses	(1,218)	(1,222)	(2,462)
Capitalised development expenses	619	666	1,287
Amortisation of capitalised development expenses	(321)	(351)	(675)
Total	(920)	(907)	(1,850)

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.

6. Other operating income and expenses

€ million	H1 2008	H1 2007	Year 2008
Restructuring and workforce adjustment costs and provisions	(134)	(61)	(143)
Gains and losses on disposal of businesses and operating entities	8	(18)	(63)
Gains and losses on disposal of property, plant and equipment and intangible assets (except vehicle sales)	106	48	86
Unusual items	-	(2)	4
Total	(20)	(33)	(116)

Restructuring costs and workforce adjustment costs and provisions for the first half-year of 2008 include a €101 million expense related to reorganisation of the range. They also comprise restructuring measures for certain businesses, and adjustment of workforce levels.

Most of the gain on disposal of property, plant and equipment and intangible assets in first-half 2008 and in 2007 results from sales of land in France.

7. Financial expense

Other financial income and expenses include a profit of €350 million for first-half 2008 (compared to a charge of €104 million for first-half 2007) resulting from changes in the fair value of Renault SA redeemable shares.

8. Current and deferred taxes

The effective tax rate (excluding the impact of Renault's shares in net income of associates) is 26.6% for the first half of 2008, largely due to the continued improvement in

earnings prospects in Argentina and Brazil. The effective tax rate for first-half 2007 was 16.8%, reflecting non-recurring tax income, including reimbursement of an Italian tax credit.

9. Basic and diluted earnings per share

Renault's basic earnings per share and diluted earnings per share are calculated by dividing Renault's share of net income (€1,551 million for first-half 2008 and €1,281 million for first-half 2007) by the relevant number of shares.

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	H1 2008	H1 2007	Year 2007
Shares in circulation	284,937	284,937	284,937
Treasury shares	(8,889)	(7,008)	(6,897)
Shares held by Nissan x Renault's share in Nissan	(19,524)	(19,381)	(19,419)
Number of shares used to calculate basic earnings per share	256,524	258,548	258,621

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 dilutive stock options.

in thousands of shares	H1 2008	H1 2007	Year 2007
Number of shares used to calculate basic earnings per share	256,524	258,548	258,621
Number of dilutive stock options	1,450	3,875	3,741
Number of shares used to calculate diluted earnings per share	257,974	262,423	262,362

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III - BALANCE SHEET

10. Property, plant and equipment

€ million	Gross value	Depreciation and impairment	Net value
Value at December 31, 2007	30,461	(17,406)	13,055
Acquisitions (depreciation)	1,413	(1,013)	400
(Disposals) reversals	(752)	311	(441)
Translation adjustment	(176)	60	(116)
Change in scope of consolidation and other	(124)	103	(21)
Value at June 30, 2008	30,822	(17,945)	12,877

11. Investment in Nissan

A. Nissan consolidation method

Renault is still 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.

Following Nissan's equity transactions in the first half of 2008, Nissan held 3.0% of its own shares at June 30, 2008, compared to 2.7% at December 31, 2007. Consequently, Renault's percentage interest in Nissan was 45.7% at June 30, 2008, compared to 45.6% at December 31, 2007.

C. Changes in the investment in Nissan

€ million	Share in net assets			Net goodwill	Total
	Before neutralisation (see right)	Neutralisation of 44.3% of Nissan's investment in Renault ⁽¹⁾	Net		
At December 31, 2007	11,337	(962)	10,375	591	10,966
First-half 2008 net income	509		509		509
Dividend distributed	(239)		(239)		(239)
Translation adjustment	(597)		(597)	(5)	(602)
Other changes ⁽²⁾	(13)		(13)	(3)	(16)
At June 30, 2008	10,997	(962)	10,035	583	10,618

(1) At June 30, 2008, Nissan held 15% of Renault.

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

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

in billions of yen	December 31, 2007	Net income for first-half 2008	Dividends	Translation adjustment	Other changes ⁽¹⁾	June 30, 2008
Shareholders' equity - Nissan share under Japanese GAAP	3,713	190	(82)	(185)	(53)	3,583
Restatements for Renault group requirements:						
Restatement of fixed assets	415	(35)				380
Provision for pension and other long-term employee benefit obligations	(142)	11		3	(28)	(156)
Capitalisation of development expenses	548	15		(1)		562
Deferred taxes and other restatements	(430)	(3)	(6)	12	62	(365)
Net assets restated for Renault group requirements	4,104	178	(88)	(171)	(19)	4,004
€ million						
Net assets restated for Renault group requirements	24,883	1,113	(524)	(1,303)	(114)	24,055
Renault's share	45,6 %					45,7 %
(before neutralisation described below)	11,337	509	(239)	(597)	(13)	10,997
Neutralisation of Nissan's investment in Renault ⁽²⁾	(962)					(962)
Renault's share in the net assets of Nissan	10,375	509	(239)	(597)	(13)	10,035

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

(2) At June 30, 2008, Nissan held 15% of Renault.

E. Nissan net income under Japanese GAAP

Since Nissan's financial year ends at March 31, the Nissan net income included in the first-half 2008 Renault consolidation is

the sum of Nissan's net income for the final quarter of its 2007 financial year and the first quarter of its 2008 financial year.

	January to March 2008		April to June 2008		January to June 2008	
	Final quarter of Nissan's 2007 financial year in Japan		First quarter of Nissan's 2008 financial year in Japan		Reference period for Renault's first-half 2008 consolidated financial statements	
	in billions of yen	€ million ⁽¹⁾	in billions of yen	€ million ⁽¹⁾	in billions of yen	€ million ⁽¹⁾
Net income - Nissan share	137.6	872	52.8	323	190.4	1,195

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

F. Renault - Nissan cooperation

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

The main transactions described in the 2007 annual report continued in 2008.

Total sales by Renault to Nissan and purchases by Renault from Nissan during the first half of 2008 amounted to an estimated €950 million and €840 million respectively. The progression since first-half 2007 (approximately €80 million

and €90 million respectively) is principally due to higher sales of parts and components, particularly those used in manufacturing the new Koleos 4x4.

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.

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

Based on the market price of Nissan stock at June 30, 2008 (877 yen per share), Renault's investment in Nissan is valued at €10,559 million (€14,945 million at December 31, 2007 based on the market price of 1,230 yen per share at that date).

This value is 0.6% lower than the value of Nissan as stated in Renault's financial statements, but for the purposes of the financial statements at June 30, 2008 this temporary downturn has not been considered as evidence of impairment of the Group's investment in Nissan.

12. Investments in other associates

Details of other investments in other associates are as follows:

- Balance sheet value: €2,583 million at June 30, 2008 (€2,011 million at December 31, 2007),
- Renault's share in the net income of other associates: €220 million for first-half 2008 (€222 million for first-half 2007 and €387 million for the year 2007).

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

A. 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
First-half 2008 net income	218	-	218
Dividend distributed	(259)	-	(259)
Repurchase of AB Volvo own shares	-	-	-
Translation adjustment and revaluation of financial instruments	(24)	(1)	(25)
At June 30, 2008	1,729	40	1,769

AB Volvo owned 4.7% of its own shares at June 30, 2008 (4.8% at December 31, 2007).

Renault's investment in AB Volvo stood at 21.8% at June 30, 2008, unchanged from December 31, 2007.

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

€ million	Dec. 31 2007	Net income	Dividends	Other changes	June 30, 2008
Shareholders' equity – AB Volvo share	8,706	995	(1,188)	(198)	8,315
Restatements for Renault group requirements	(475)	4	-	88	(383)
Net assets restated for Renault group requirements	8,231	999	(1,188)	(110)	7,932
Renault's share in the net assets of AB Volvo	1,794	218	(259)	(24)	1,729

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.

B. Investment in AvtoVAZ

Renault and AvtoVAZ confirmed their strategic partnership with the signature of agreements on February 29, 2008. After restructuring of the capital of AvtoVAZ, the Renault Group and Russian Technologies each own 25% + 1 share in AvtoVAZ and the rest of the company's shares are due to be listed on the Moscow stock exchange. To optimise integration and boost AvtoVAZ's transformation into a world player in the automobile industry, Renault put forward five executives as

members of the AvtoVAZ Executive Committee. Renault will also nominate 3 of the 12 members of the company's Board of Directors.

Renault therefore exercises significant influence over AvtoVAZ, and accordingly its investment is accounted for by the equity method from March 1, 2008. AvtoVAZ's financial year-end is December 31, and its financial statements comply with IFRS.

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.

At June 30, 2008, the final allocation of the acquisition

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price between the fair value of assets acquired and goodwill was not yet determined. Consequently, the investment in AvtoVAZ is included in investments in associates at cost, i.e. €662 million. Given the low materiality, no adjustment has been made for a change in the share of net assets of AvtoVAZ between March 1 and March 31, 2008. There were no events between March 1 and June 30, 2008 that significantly affected the fair value of the net assets of

AvtoVAZ as reported at March 1, 2008.

AvtoVAZ - Financial information under IFRS

For information, AvtoVAZ' published financial information under IFRS for 2007 (year ended December 31) is summarised below:

	(million of roubles)	€ million ⁽¹⁾
2007 Sales	187,545	5,355
2007 Net income	3,669	105
Shareholders' equity at December 31, 2007	86,577	2,406
Balance sheet total at December 31, 2007	182,523	5,072

(1) Converted at the average exchange rate for 2007 (35,0 roubles/1 euro) for income statement items and the exchange rate at December 31, 2007 (36,0 roubles/1 euro) for balance sheet items.

13. Inventories

€ million	June 30, 2008	December 31, 2007
Raw materials and supplies	1,445	1,185
Work-in-progress	271	340
Finished products - Automobile ⁽¹⁾	4,847	4,407
Inventories, net	6,563	5,932
<i>Inventories, gross</i>	<i>7,074</i>	<i>6,428</i>
<i>Impairment</i>	<i>(511)</i>	<i>(496)</i>

(1) Including €653 million at June 30, 2008 for rental vehicles (€513 million at June 30, 2007 and €413 million at December 31, 2007).

14. Financial assets

Breakdown of financial assets by nature

€ million	June 30, 2008		December 31, 2007	
	Non-current	Current	Non-current	Current
Investments in non-controlled entities	42	-	38	-
Other securities	-	208	-	204
Loans	76	431	72	669
Derivative assets on financing operations by the Automobile division	614	311	496	366
Total	732	950	606	1,239
<i>Gross value</i>	<i>784</i>	<i>957</i>	<i>659</i>	<i>1,240</i>
<i>Impairment</i>	<i>(52)</i>	<i>(7)</i>	<i>(53)</i>	<i>(1)</i>

The current portion of other securities corresponds to securities that cannot be classified as cash equivalents, mainly maturing more than 3 months after acquisition.

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15. Shareholders' equity

A. Share capital

The total number of ordinary shares issued and fully paid-up at June 30, 2008 was 284,937 thousand, with par value of €3.81 per share (the total number and par value are unchanged from December 31, 2007).

Treasury shares do not bear dividends. They accounted for 3.12% of Renault's share capital at June 30, 2008 (2.65% at December 31, 2007).

B. Distributions

At the General and Extraordinary Shareholders' Meeting of April 29, 2008, it was decided to distribute €3.80 per share or

€1,049 million in dividends (compared to €3.10 per share or €863 million in 2007).

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 in first-half 2008 (€803 million in 2007).

C. Stock option and 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. Plans introduced since 2006 include service and performance conditions.

CHANGES IN THE NUMBER OF STOCK OPTIONS HELD BY PERSONNEL

	Number	Weighted average exercise price (€)	Weighted average share price at grant / exercise dates (€)
Outstanding at December 31, 2007	16,222,932	72	-
Granted	2,022,787	97	77
Exercised	(282,704)	47	68
Expired	-	-	-
Outstanding at June 30, 2008	17,963,015	75	-

D. Share-based payments

Share-based payments exclusively concern stock options awarded to personnel. These generated personnel expenses of €34 million in first-half 2008 (€32 million for first-half 2007 and €62 million for year 2007).

Stock option and share attribution plan values

The valuation model used is unchanged from previous financial statements.

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In compliance with the standard's transitional measures, only plans beginning after November 7, 2002 are valued and recorded as described above.

Plan	Initial value (000s of €)	Unit fair value	Expense for H1 2008 (€ million)	Expense for H1 2007 (€ million)	Share price at grant date (€)	Volatility	Interest rate	Exercise price ^(e)	Duration of option ⁽¹⁾	Dividend per share ^(e)
Plan 9	32,820	18.15	-	(4)	55.40	33.0 %	3.79 %	53.36	4-8 years	1.15
Plan 10	39,870	19.75	(5)	(5)	69.05	27.0 %	3.71 %	66.03	4-8 years	1.40
Plan 11	22,480	14.65	(3)	(3)	72.45	23.5 %	2.68 %	72.98	4-8 years	1.80
Plan 12 ⁽²⁾	17,324	15.42	(3)	(2)	87.05	28.1 %	3.90 %	87.98	4-8 years	2.40-4.50
Plan 13 ⁽²⁾	36,634	15.59	(5)	(5)	87.82	27.2 %	3.85 %	87.98	4-8 years	2.40-4.50
Plan 13bis ⁽²⁾	74,666	69.86	(10)	(10)	83.71	N/A	3.83 %	N/A	N/A	2.40-4.50
Plan 14 ⁽²⁾	26,066	14.14	(3)	(3)	92.65	26.7 %	3.88 %	93.86	4-8 years	2.40-4.50
Plan 15 ⁽²⁾	29,747	15.18	(3)	-	84.68	36.0 %	3.79 %	96.54	4-8 years	2.40-4.50
Plan 16 ⁽²⁾	10,279	13.68	(1)	-	81.79	36.4 %	3.77 %	96.54	4-8 years	2.40-4.50
Plan 16 bis ⁽²⁾	9,040	71.15	(1)	-	87.28	N/A	3.81 %	N/A	N/A	2.40-4.50
Total	298,926		(34)	(32)						

(1) Period during which the option is not considered vested for tax purposes.

(2) Options have been awarded at different dates. The information reported may correspond to weighted averages based on quantities awarded per attribution date.

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16. Provisions

A. Breakdown of provisions by nature

€ million	June 30, 2008	Dec. 31, 2007
Provisions for pension and other long-term employee obligations	1,196	1,203
Other provisions (note 16-B)	1,434	1,516
Total provisions	2,630	2,719
<i>Provisions - long-term</i>	<i>1,765</i>	<i>1,765</i>
<i>Provisions - short-term</i>	<i>865</i>	<i>954</i>

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.

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B. Changes in other provisions

€ million	Restructuring provisions	Warranty provisions	Tax risks and litigation provisions	Other provisions	Total
At December 31, 2007	253	819	173	271	1,516
Increases	6	271	30	42	349
Reversals of provisions for application	(86)	(229)	(12)	(31)	(358)
Reversals of unused balance of provisions	(11)	(4)	(17)	(32)	(64)
Changes in scope of consolidation	-	1	-	(6)	(5)
Translation adjustments and other changes	16	(13)	6	(13)	(4)
At June 30, 2008	178	845	180	231	1,434

At June 30, 2008, other provisions included €50 million of provisions established in application of environmental regulations (€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.

17. Financial liabilities and sales financing debts

Breakdown by nature

€ million	June 30, 2008			December 31, 2007		
	Non-current	Current	Total	Non-current	Current	Total
Redeemable shares (Renault SA)	355	-	355	697	-	697
Bonds	3,180	1,357	4,537	3,728	416	4,144
Other debts represented by a certificate	-	-	-	-	-	-
Borrowings from credit institutions	585	387	972	179	275	454
Other interest-bearing borrowings	181	1,176	1,357	244	598	842
Derivative liabilities on financing operations	499	190	689	293	228	521
Total financial liabilities of the Automobile division	4,800	3,110	7,910	5,141	1,517	6,658
Redeemable shares (DIAC)	14	-	14	19	-	19
Bonds	-	6,817	6,817	-	7,847	7,847
Other debts represented by a certificate	253	9,075	9,328	253	9,142	9,395
Borrowings from credit institutions	-	5,271	5,271	-	3,989	3,989
Other interest-bearing borrowings	-	69	69	-	62	62
Derivative liabilities on financing operations	-	86	86	-	156	156
Total financial liabilities and sales financing debts of the Sales financing division	267	21,318	21,585	272	21,196	21,468
TOTAL FINANCIAL LIABILITIES AND SALES FINANCING DEBTS	5,067	24,428	29,495	5,413	22,713	28,126

Redeemable shares of Renault SA

These shares are listed on the Paris Stock Exchange, and traded for €874 at December 31, 2007 and €445 at June 30, 2008 for par value of €153, leading to a corresponding

€350 million adjustment to the fair value of redeemable shares recorded in other financial income and expenses (note 7).

IV - CASH FLOWS AND OTHER INFORMATION

18. Cash flows

A. Other unrealised income and expenses

€ million	H1 2008	H1 2007	Year 2007
Net allocation to provisions	(58)	(77)	(185)
Net effects of sales financing credit losses	59	11	54
Net gain (loss) on asset disposals	(109)	(28)	(19)
Change in fair value of redeemable shares (Renault SA and DIAC)	(355)	104	(53)
Change in fair value of other financial instruments	(36)	13	76
Deferred taxes	158	(93)	(58)
Other	36	32	71
Other unrealised income and expenses	(305)	(38)	(114)

B. Change in working capital

€ million	H1 2008	H1 2007	Year 2007
Decrease (increase) in net inventories	(617)	(585)	(862)
Decrease (increase) in Automobile receivables	(249)	(587)	(171)
Decrease (increase) in other assets	(269)	(256)	(419)
Increase (decrease) in trade payables	(178)	1,131	1,008
Increase (decrease) in other liabilities	484	699	97
Decrease (increase) in working capital	(829)	422	(347)

C. Capital expenditure

€ million	H1 2008	H1 2007	Year 2007
Purchases of intangible assets	(641)	(698)	(1,348)
Purchases of property, plant and equipment (note 10)	(1,413)	(1,365)	(3,278)
Total purchases for the period	(2,054)	(2,063)	(4,626)
Deferred payments	(235)	(221)	(18)
Total capital expenditure	(2,289)	(2,284)	(4,644)

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19. 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 19-A).

Renault also receives commitments from customers (deposits, mortgages, etc) and may benefit from credit lines with credit institutions (note 19-B).

A. Off-balance sheet commitments given

The Group is committed for the following amounts:

€ million	June 30, 2008	Dec 31, 2007
Other guarantees given	638	595
Opening of confirmed credit lines for customers	3,349	2,616
Firm investment orders	909	690
Lease commitments	320	355
Assets pledged or mortgaged	132	167

B. Off-balance sheet commitments received

€ million	June 30, 2008	Dec 31, 2007
Other guarantees received	994	1,154
Opening of confirmed credit lines for customers	10,256	10,759
Lease commitments	538	506
Assets pledged or mortgaged ⁽¹⁾	2,489	2,185

(1) Including €1,615 million at June 30, 2008 (€1,574 million at December 31, 2007) for commitments received by the Sales financing division for sale to a third party of rental vehicles at the end of the rental contract.

20. Related parties

A. Renault's investment in Nissan

Details of Renault's investment in Nissan are provided in note 11.

B. Renault's investment in AB Volvo

Details of Renault's investment in AB Volvo are provided in note 12-A.

C. Renault's investment in AvtoVAZ

Details of Renault's investment in AvtoVAZ are provided in note 12-B.

D. Remuneration of directors and executives

There was no significant change during the first half-year of 2008 in the principles governing the consideration and related benefits of the President and CEO and the Chairman of the Board of Directors.

21. Subsequent events

General Management's Action Plan Announcement of July 24, 2008

The deterioration in the macroeconomic environment has far exceeded the worst-case scenarios envisaged when Renault Commitment 2009 was launched two years ago. In response to the scale of the phenomenon, Renault has decided to take immediate action to maintain its competitiveness and profitability by defining a formal Action Plan.

The following possibilities are under examination:

- a 10% reduction in corporate overheads through a voluntary redundancy plan, primarily in Europe,
- reorganization of production sites, in particular by cutting back to just one shift at the Sandouville plant in view of declining demand for D-segment sedans in Europe.

Discussions between General Management and the various employee representative bodies and relevant authorities will take place in September to settle on the exact terms of the action plan.

There is no impact on the consolidated financial statements at June 30, 2008 in connection with this development.

DELOITTE & ASSOCIES

185, avenue Charles-de-Gaulle, B.P. 36
92524 Neuilly-sur-Seine Cedex
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

Period from January 1st to June 30th, 2008

Statutory auditors' review report on the first half-year financial information for 2008

This is a free translation into English of the statutory auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders

In our capacity as statutory auditors and in accordance with articles L. 232-7 of the French Company Law (Code de commerce) and L. 451-1-2 III of the French Monetary and Financial Code (Code monétaire et financier), we hereby report to you on:

- our review of the accompanying condensed half-yearly consolidated financial statements of Renault, for the period from January 1st to June 30th, 2008, and
- the verification of the information contained in the interim management report.

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

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently can only provide moderate assurance that the financial statements, taken as a whole, do not contain any material misstatements. This level of assurance is less than can be obtained from an audit.

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

2. Specific verification

We have also verified the information provided in the interim management report in respect of the half-yearly financial statements that were the object of our review.

We have nothing to report on the fairness and consistency of this information with the condensed half-yearly financial statements.

Neuilly sur Seine and Paris-La Défense, August 5, 2008,

The Statutory auditors
French original signed by

DELOITTE & ASSOCIES

ERNST & YOUNG Audit

Amadou Raimi

Pascale Chastaing-Doblin

Daniel Mary-Dauphin

Aymeric de la Morandière

Chapter 3

Financial Information on the Alliance

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Chapter 3 Financial Information on the Alliance

The purpose of the financial data in this section is twofold: to broadly quantify the economic significance of the Renault-Nissan Alliance through key performance indicators, and to make it easier to compare the assets and liabilities of the two Groups. The data of both Groups comply with the accounting standards applied by Renault in 2008.

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

The information concerning Renault is based on the consolidated figures released at June 30, 2008, while the information concerning Nissan is based on the restated consolidated figures prepared for the purposes of the Renault consolidation, covering the period from January 1 to June 30, 2008 whereas Nissan's financial year-end is March 31.

KEY PERFORMANCE INDICATORS

The preparation of the key performance indicators under Renault accounting policies takes into account the following differences from the figures published by Nissan under Japanese accounting standards:

- revenues are presented net of discounts and rebates;
- sales with buy-back commitments have been restated as leases;
- reclassifications have been made when necessary to harmonise the presentation of the main income statement items;
- restatements for harmonisation of accounting standards and adjustments to fair value applied by Renault for acquisitions of 1999 and 2002 are included.

REVENUES FIRST HALF 2008

€ million	Renault	Nissan ⁽¹⁾	Intercompany eliminations	Alliance
Sales of goods and services	20,162	30,259	(1,546)	48,875
Sales financing revenues	780	2,217		2,997
Revenues	20,942	32,476	(1,546)	51,872

(1) Converted at the average exchange rate for first half 2008 : EUR 1 = JPY 160.6.

The Alliance's intercompany business mainly consists of commercial dealings between Renault and Nissan. These items have been eliminated to produce the revenue indicator. Their value is estimated on the basis of Renault's first half 2008 results.

The **operating margin**, the **operating income** and the **net income** of the Alliance for first half 2008 are as follows:

€ million	Operating margin	Operating income	Net income ⁽²⁾
Renault	865	845	1,072
Nissan ⁽¹⁾	1,632	1,749	1,198
Alliance	2,497	2,594	2,270

(1) Converted at the average exchange rate for first half 2008 : EUR 1 = JPY 160.6.

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

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

For the Alliance, the operating margin is equivalent to 4.8% of revenues.

In first half 2008, the Alliance's **research and development expenses**, after capitalisation and amortisation, are as follows:

€ million	
Renault	920
Nissan	1,134
Alliance	2,054

Chapter 3

Financial Information on the Alliance

BALANCE SHEET INDICATORS

CONDENSED RENAULT AND NISSAN BALANCE SHEETS

RENAULT AT JUNE 30, 2008

ASSETS - € million	
Intangible assets	4,261
Property, plant and equipment	12,877
Investments in associates (excluding Alliance)	2,583
Deferred tax assets	190
Inventories	6,563
Sales financing receivables	20,659
Automobile receivables	2,332
Other assets	4,649
Cash and cash equivalents	4,649
Total assets excluding investment in Nissan	58,763
Investment in Nissan	10,618

TOTAL ASSETS **69,381**

NISSAN AT JUNE 30, 2008⁽¹⁾

ASSETS - € million	
Intangible assets	4,610
Property, plant and equipment	30,089
Investments in associates (excluding Alliance)	176
Deferred tax assets	-
Inventories	7,791
Sales financing receivables	20,681
Automobile receivables	4,530
Other assets	5,918
Cash and cash equivalents	2,761
Total assets excluding investment in Renault	76,556
Investment in Renault	1,936

TOTAL ASSETS **78,492**

(1) Converted at the closing rate for first half 2008: EUR 1 = JPY 166.4.

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

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

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

SHAREHOLDERS' EQUITY AND LIABILITIES - € million	
Shareholders' equity	21,706
Deferred tax liabilities	276
Provisions for pension and other long-term employee benefit obligations	1,196
Financial liabilities of the Automobile division	7,910
Financial liabilities of the Sales financing division and sales financing debts	21,585
Other liabilities	16,708

TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES **69,381**

SHAREHOLDERS' EQUITY AND LIABILITIES - € million	
Shareholders' equity	26,663
Deferred tax liabilities	1,825
Provisions for pension and other long-term employee benefit obligations	1,960
Financial liabilities of the Automobile division	4,377
Financial liabilities of the Sales financing division and sales financing debts	27,783
Other liabilities	15,884

TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES **78,492**

Purchases of property, plant and equipment by both Alliance groups for first half 2008, excluding leased vehicles, amount to:

€ million	
Renault	1,089
Nissan	1,323
Alliance	2,412

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

- a maximum 5-10% decrease in shareholders' equity - Group share;
- a €15 billion increase in shareholders' equity - minority interests' share.



(www.renault.com)
(email: investor.relations@renault.com)